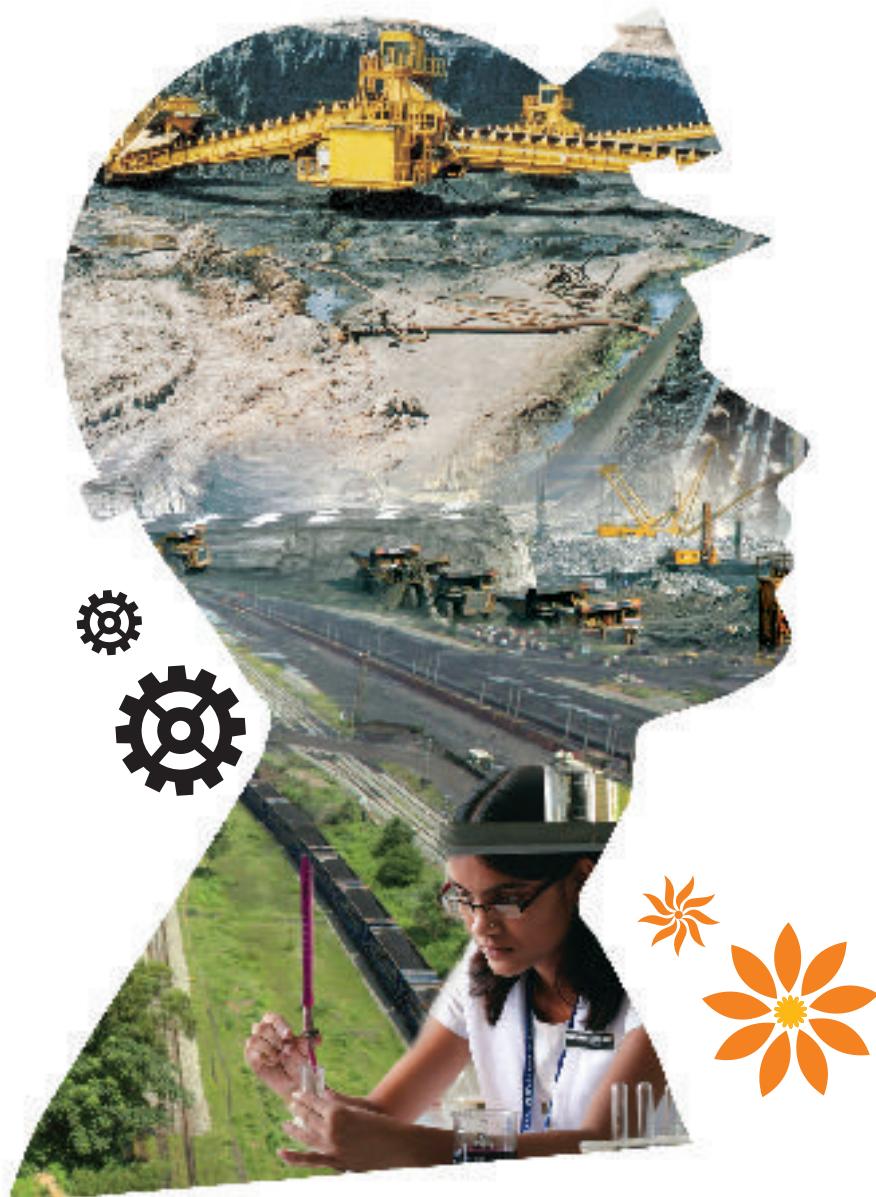


**COAL INDIA LIMITED**

A Maharatna Company



**2013-14**

Annual Report & Accounts

**Co-creating value  
for the nation**





# Contents

005	Members of the Board
006	Management During 2013–2014
007	Bankers, Auditors and Regd. Office
008	AGM Notice
023	Chairman's Statement
029	Performance of CIL at a glance (Graphical Representation)
035	Operational Statistics
048	Brief Profile of Directors
053	Director's Report
104	Comments of Comptroller & Auditor General of India
106	Auditors' Report & Management's Reply
133	Report on Corporate Governance
160	Secretarial Audit Report
163	Sustainable Development Report
164	Management Discussion and Analysis
179	Standalone Accounts of CIL
233	Consolidated Accounts of CIL & its Subsidiaries

## **GREEN INITIATIVE IN CORPORATE GOVERNANCE**

Dear Shareholder,

Pursuant to the initiative taken by the Ministry of Corporate Affairs, encouraging the companies to reduce the carbon footprint by enabling them to send the Annual report etc to the Shareholders through electronic mode, your company has already taken the following steps:-

- 1.** Emails have been sent to all those shareholders who have registered their emails ids with CDSL, NSDL or our Share Transfer Agent intimating them that all future communication including notice of Annual General Meeting and the Annual report shall only be sent to them at their registered email. They were further requested to intimate if they wish to receive these communication physically.
- 2.** Individual letters have been sent to shareholders who have not registered their emails ids and also to those shareholders from whom emails have bounced back, requesting them to register their email ids to enable the company to send future communication including Annual report etc through email.

After seeking their response, individual emails have been sent to all shareholders who have not exercised the option to receive the Annual Report 2013-14 in physical mode. They have been provided with a link (URL) to the website of COAL INDIA LIMITED for downloading the Annual Report 2013-14.

For members who have not registered their mail address, Physical copy of Annual Report 2013-14 is being send by permitted mode.

In case you have not yet registered your email id, we urge you to furnish your email id to NSDL/CDSL/M/s Karvy Computershare Pvt Ltd (R&T Agent of Coal India Ltd) at their address indicated in the report elsewhere or email at einward.ris@karvy.com. Please ensure that you have indicated your Folio No/DP & Client ID No as well as your consent to receive future communications from Coal India Ltd including Annual Report etc through email at your registered email address.

Please help us to save the environment.

  
M.Viswanathan  
Company Secretary



## **MISSION**

*To produce and market the planned quantity of coal and coal products efficiently and economically in an eco-friendly manner with due regard to safety, conservation and quality.*

## **VISION**

*To emerge as one of the global players in the primary energy sector committed to provide energy security to the country by attaining environmentally & socially sustainable growth through best practices from mine to market.*

## Board of Directors



Dr A.K.Dubey



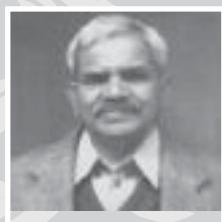
Smt. Sujata Prasad



Dr. R.N. Trivedi



Shri C. Balakrishnan



Dr.Noor Mohammad



Shri Alok Pertti



Shri Sri Prakash



Prof. Indranil Manna



Shri R Mohan Das



Shri N.Kumar



Shri B.K.Saxena



Shri A. Chatterjee

## Permanent Invitees



Shri A.N.Sahay



Shri A.K.Debnath



Shri A.K.Maitra

---

## Members of the Board

as on 9th July, 2014

### Functional Directors:

Dr A. K. Dubey	:	Chairman (Additional Charge)
Shri R. Mohan Das	:	Personnel & Industrial Relations
Shri N. Kumar	:	Technical
Shri B. K. Saxena	:	Marketing
Shri A. Chatterjee	:	Finance

### Part-Time Official Directors:

Dr A. K. Dubey	:	Additional Secretary, MoC, New Delhi.
Smt. Sujata Prasad	:	Joint Secretary & Financial Advisor, MoC, New Delhi

### Independent Directors:

1. Dr. R. N. Trivedi
2. Shri C. Balakrishnan
3. Dr Noor Mohammad
4. Shri Alok Perti
5. Shri Shri Prakash
6. Prof. Indranil Manna

### Permanent Invitees:

Shri A. N. Sahay	:	Chairman-cum-Managing Director, MCL.
Shri A. K. Debnath	:	Chairman-cum-Managing Director, CMPDIL
Shri A. K. Maitra	:	Addl. Member (Traffic Transportation), Railway Board. (from 10.06.2014)

### Company Secretary:

Shri M. Viswanathan



## Management During 2013-14

Shri S. Narsing Rao : Chairman (From 24.04.2012 till 25.06.2014)

### Functional Directors

Shri R. Mohan Das : Director (P&IR) (From 01.06.2007)  
Shri N. Kumar : Director (Technical) (From 01.02.2012)  
Shri B. K. Saxena : Director (Marketing) (From 19.06.2012)  
Shri A. Chatterjee : Director (Finance) (From 01.11.2012)

### Part Time Official Directors

Dr A. K. Dubey : Additional Secretary, Ministry of Coal (From 03.04.13)  
Smt. Sujata Prasad : Joint Secretary & Financial Advisor (From 03.05.13)  
Smt. Anjali Anand Srivastava : Joint Secretary & Financial Advisor (From 20.01.2011 to 08.04.13)

### Independent Directors

Dr. R. N. Trivedi : (From 24.08.2010 till 24.08.13 and from on 31.10.13)  
Shri Alok Perti : (From 31.10.13)  
Shri C Balakrishnan : (From 19.12.13)  
Dr Noor Mohammad : (From 19.12.13)  
Shri Sri Prakash : (From 06.02.14)  
Prof Indranil Manna : (From 06.02.14)  
Dr. A. K. Rath : (From 27.04.2010 till 26.04.13)  
Prof. S. K. Barua : (From 24.08.2007 till 04.08.13)  
Dr(Smt.)Sheela Bhide : (From 04.08.2010 till 04.08.13)  
Shri Kamal R. Gupta : (From 04.08.2010 till 04.08.13)  
Dr. Mohd. Anis Ansari : (From 24.08.2010 till 24.08.13)  
Ms. Sachi Chaudhuri : (From 24.08.2010 till 24.08.13)

### Permanent Invitees

Shri A. K. Debnath : CMD, CMPDI (From 23.04.13)  
Shri A. N. Sahay : CMD, MCL (From 23.04.13)  
Shri D. C. Garg : CMD, Western Coalfields Limited (From 21.08.2008 till 23.04.13)  
Shri D. P. Pande : Addl. Member (Traffic Transportation) Railway Board  
(From 12.07.2012 till 10.4.13)

### Company Secretary:

Shri M. Viswanathan : (From 14.12.2011)

## **Bankers, Auditors and Regd. Office**

### **Bankers**

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

<b>Statutory Auditor</b>	<b>Registered Office</b>	<b>Website</b>	<b>Registrar &amp; Share Transfer Agent</b>
De Chakraborty & Sen Chartered Accountants Bikaner buildings, 1st Floor, 8-B, Lalbazar Street Kolkata-700001 Phone: 22300171/5604 E-mail:-dechases@vsnl.net	Coal Bhawan 10 Netaji Subhas Road Kolkata 700001 Phone No- +91-33-22488099 Fax No- +91-33-22435316	<a href="http://www.coalindia.in">www.coalindia.in</a>	M/s. Karvy Computershare Pvt. Ltd. 17-24 Vithal Rao Nagar, Madhapur Hyderabad-500081 E-mail id: einward.ris@karvy.com Ph. no.: 040-44655000 Toll Free No.: 18003454001 Fax: 040 23420814



**Coal India Limited.** A Maharatna Company



## **COAL INDIA LIMITED**

**A Maharatna Company.**

**CIN: L23109WB1973GOI028844**

**Registered Office-10, N.S.ROAD, Kolkata-700001, India**

**Tel No-033-22485123, Fax No-033-22315060**

**Email-complianceofficer@coalindia.in, website: www.coalindia.in**

## **NOTICE**

**Dated 9th July' 2014**

### **Notice of fortieth Annual General Meeting of Coal India Limited**

NOTICE is hereby given to the members of Coal India Ltd as per Section 96 of Companies Act, 2013 that the fortieth Annual General Meeting of the Company will be held on **Wednesday, the 10th September 2014 at 10.30 A.M** at Science City, Main Auditorium, JBS Haldane Avenue, Kolkata -700046 to transact the following businesses.

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014, Profit and Loss Account for the financial year ended on that date, together with the Reports of the Statutory Auditor, Comptroller and Auditor General of India and Directors' Report.
2. To confirm payment of Interim dividend paid on equity shares for the Financial Year 2013-14 as dividend for the year 2013-2014.
3. To appoint a Director in place of Dr. A. K Dubey [DIN-02766755] who retires by rotation in terms of Article 33(d) of the Articles of Association of the Company and being eligible, offers himself for reappointment.

#### **SPECIAL BUSINESS:**

##### **ITEM No 4**

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

"RESOLVED THAT pursuant to provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of Listing Agreement, Dr. R. N. Trivedi [DIN-03243439] who was appointed as an additional director of the Company by the Board of Directors with effect from 31st Oct' 2013 and who holds office until the date of this AGM in terms of section 161 of Companies Act 2013, and in respect of whom the Company has received a notice in writing from a member under section 160 of Companies Act 2013 signifying his intention to propose Dr. R.N. Trivedi as a candidate for the office of a Director of the Company be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for the balance period of his appointment i.e upto 30th Oct' 2016 from the date of this General Meeting or until further orders from Govt. of India, whichever is earlier".

##### **ITEM No 5**

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

"RESOLVED THAT pursuant to provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of Listing Agreement, Shri Alok Perti [DIN-00475747] who was appointed as an additional director of the Company by the Board of Directors with effect from 31st Oct' 2013 and who holds office until the date of this AGM, in terms of section 161 of Companies Act 2013, and in respect of whom the Company has received a notice in writing from a member under section 160 of Companies Act 2013 signifying his intention to propose Shri Alok Perti as a candidate for the office of a Director of the Company be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for the balance period of his appointment i.e upto 30th Oct' 2016 from the date of this General Meeting or until further orders from Govt. of India, whichever is earlier".

#### **ITEM No 6**

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

"RESOLVED THAT pursuant to provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of Listing Agreement, Shri C. Balakrishnan,[DIN-00040416] who was appointed as an additional director of the Company by the Board of Directors with effect from 19th Dec' 2013 and who holds office until the date of this AGM, in terms of section 161 of Companies Act 2013, and in respect of whom the Company has received a notice in writing from a member under section 160 of Companies Act 2013 signifying his intention to propose Shri C. Balakrishnan as a candidate for the office of a Director of the Company be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for the balance period of his appointment i.e upto 18th December' 2016 from the date of this General Meeting or until further orders from Govt. of India, whichever is earlier".

#### **ITEM No 7**

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

"RESOLVED THAT pursuant to provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of Listing Agreement, Dr Noor Mohammad,[DIN-02703408] who was appointed as an additional director of the Company by the Board of Directors with effect from 19th Dec' 2013 and who holds office until the date of this AGM, in terms of section 161 of Companies Act 2013, and in respect of whom the Company has received a notice in writing from a member under section 160 of Companies Act 2013 signifying his intention to propose Dr Noor Mohammad as a candidate for the office of a Director of the Company be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for the balance period of his appointment i.e upto 18th December' 2016 from the date of this General Meeting or until further orders from Govt. of India, whichever is earlier".

#### **ITEM No 8**

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

"RESOLVED THAT pursuant to provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of Listing Agreement, Shri Shri Prakash,[DIN-00784911] who was appointed as an additional director of the Company by the Board of Directors with effect from 06th Feb' 2014 and who holds office until the date of this AGM, in terms of section 161 of Companies Act 2013, and in respect of whom the Company has received a notice in writing from a member under section 160 of Companies Act 2013 signifying his intention to propose Shri Shri Prakash as a candidate for the office of a Director of the Company be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for the



balance period of his appointment i.e upto 5th February'2017 from the date of this General Meeting or until further orders from Govt. of India, whichever is earlier".

#### **ITEM No 9**

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

"RESOLVED THAT pursuant to provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of Listing Agreement, Prof. Indranil Manna,[DIN-06832106] who was appointed as an additional director of the Company by the Board of Directors with effect from 06th Feb' 2014 and who holds office until the date of this AGM, in terms of section 161 of Companies Act 2013, and in respect of whom the Company has received a notice in writing from a member under section 160 of Companies Act 2013 signifying his intention to propose Prof. Indranil Manna as a candidate for the office of a Director of the Company be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for the balance period of his appointment i.e upto 5th February' 2017 from the date of this General Meeting or until further orders from Govt. of India, whichever is earlier".

#### **ITEM No 10**

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

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies( Audit and Auditors) Rules, 2014 (including any other statutory modification(s) or re-enactment thereof, for the time being in force), the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31 ,2015, be paid remuneration as set out in the Statement annexed to the notice convening this meeting;

RESOLVED FURTHER THAT Company Secretary be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution"

#### **ITEM No 11**

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

"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with the Rules framed thereunder and Schedules thereto (including any other statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of the Association submitted to this meeting, be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the Articles of Association of the Company;

RESOLVED FURTHER THAT Company Secretary be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution".

*By order of the Board of Directors  
for Coal India Limited*

(M.Viswanathan)  
Company Secretary

## NOTES:-

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. IN ORDER TO BE EFFECTIVE, THE PROXY FORM DULY COMPLETED SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY - EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE ANNUAL GENERAL MEETING. BLANK PROXY FORM IS ENCLOSED.  
A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 2nd September' 2014. to 10th September' 2014 (both days inclusive) for the purpose of Annual General Meeting.
4. Members are requested to:-
  - i) Note that copies of Annual Report will not be distributed at the Annual General Meeting.
  - ii) Bring their copies of Annual Report, Notice and Attendance Slip duly completed and signed at the meeting.
  - iii) Deliver duly completed and signed Attendance Slip at the entrance of the meeting venue as entry to the Hall will be strictly on the basis of the entry slip available at the counters at the venue to be exchanged with the attendance slip.
  - iv) Quote their Folio / Client ID and DP ID Nos. in all correspondence.
  - v) Note that due to strict security reasons, eatables and other belongings are not allowed inside the Auditorium.
  - vi) **Duplicate admission slips will not be provided at the AGM venue.**
5. Members are advised to submit their Electronic Clearing System (ECS) mandates, to enable the Company to make remittance by means of ECS. Those holding shares in physical form may obtain and send the ECS mandate form to M/s. Karvy Computershare Pvt. Ltd. Registrar and Share Transfer Agent (RTA) of the Company. Those holding shares in Electronic Form may obtain and send the ECS mandate form directly to their Depository Participant (DP). Those who have already furnished the ECS Mandate Form to the Company/ RTA /DP with complete details need not send it again.
6. Members may avail of the facility of nomination in terms of Section 72 of the Companies Act, 2013 by nominating any person to whom their shares in the Company shall vest on occurrence of events stated in Form-SH.13. Form-SH.13 is to be submitted in duplicate to M/s. Karvy Computershare Pvt. Ltd., RTA of the Company. In case of shares held in dematerialised form, the nomination has to be lodged with the respective Depository Participant.
7. Corporate Members intending to send their authorised representative(s) to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
8. Members are requested to notify immediately any change of address and Bank Account:
  - i. to their Depository Participants (DP) in respect of shares held in dematerialised form, and
  - ii. to the Company at its Registered Office or to its RTA, M/s. Karvy Computershare Pvt. Ltd. in respect of their physical shares, if any, quoting their folio number.
9. The Board of Directors of your Company in its 303rd meeting held on 14th January, 2014 had declared an interim dividend @ 290% (Rs. 29 per share) on the paid-up equity share capital of the Company which was paid on and from 25th January, 2014. Members who have not received or not encashed their dividend warrants may approach M/s. Karvy Computershare Pvt. Ltd. Registrar and Share Transfer Agent of the Company, for obtaining Demand Draft.
10. Pursuant to Section 124 of Companies Act, 2013, the dividend amount which remain unpaid / unclaimed for a period of seven years, are required to be transferred to Investors' Education and Protection Fund of the Central Government. Therefore, Members are advised to encash their Dividend warrants immediately on receipt.



- 11.** Pursuant to Section 143(5) of the Companies Act, 2013, the Auditors of a Government Company are to be appointed or re-appointed by the Comptroller and Auditor General of India (C & AG) and in terms of sub-section (1) of Section 142 of the Companies Act, 2013, their remuneration has to be fixed by the Company in the Annual General Meeting or in such manner as the Company in General Meeting may determine. The Members of your Company in its 27th Annual General Meeting held on 29th September, 2001 authorised the Board of Directors to fix the remuneration of Statutory Auditors.
- 12.** The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the Registered office.
- 13.** The Register of Contracts or Arrangements, in which Directors are interested, maintained under section 189 of Companies Act, 2013, will be available for inspection by the members at the AGM.
- 14.** All documents referred to in the accompanying notice are open for inspection at the registered office of the Company during normal business hours on working days until one day prior to the date of AGM.
- 15.** Members may also note that the notice of the 40th AGM and the Annual Report 2014 will be available on the Company's website, [www.coalindia.in](http://www.coalindia.in). The physical copies of the aforesaid documents will also be available at the Company's registered office for inspection during normal business hours on working days. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at: [complianceofficer@coalindia.in](mailto:complianceofficer@coalindia.in)
- 16.** Additional information pursuant to clause 49 of the Listing Agreement with the Stock Exchanges in respect of the Directors seeking appointment/ re-appointment at the AGM are furnished and forms a part of the notice. The Directors have furnished the requisite consents/declarations for their appointment/re-appointment.
- 17.** The Explanatory Statement pursuant to section 102(1) of the Companies Act, 2013, in respect of Special Business is enclosed.
- 18.** The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN to the Company/ M/s Karvy Computershare Private Limited.
- 19.** Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.
- 20.** Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to M/s Karvy Computershare Private Limited, for consolidation into a single folio.
- 21.** Members are requested to address all correspondences, including dividend matters to our Registrar and Share Transfer Agents on any one of the below mentioned addresses :

Registered Office	Local Address
M/s. Karvy Computershare Pvt. Ltd. 17-24 Vithal Rao Nagar Madhapur Hyderabad-500081 E-mail id: <a href="mailto:einward.ris@karvy.com">einward.ris@karvy.com</a> Ph. no.: 040-44655000 Toll Free No.: 18003454001 Fax: 040 23420814	M/s. Karvy Computershare Pvt. Ltd. 49 Jatin Das Road 1st Floor Kolkata 700 029 E-mail id: <a href="mailto:einward.ris@karvy.com">einward.ris@karvy.com</a> Ph. no.: 033 2464 7231/7232/4891 Fax: 033 2464 4866

**22. Voting through electronic means:**

Pursuant to provisions of section 108 of the Companies Act' 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and revised Clause 35B of the Listing Agreement, the Company is pleased to offer e-voting facility to the members to cast their votes electronically on all resolutions set forth in the notices convening the 40th Annual General Meeting to be held on Wednesday, the 10th September 2014 at 10.30 A.M through e-voting services provided by M/s Karvy Computershare Private Limited.

The e-voting facility is available at the links <https://evoting.karvy.com>

The electronic voting particulars are set out below:

EVEN(e-voting event number)	USER-ID	PASSWORD
-----------------------------	---------	----------

The e-voting facility will be available during the following voting period:

Commencement of e-voting	End of e-voting
September 4, 2014 at 09.30 a.m. IST	September 6, 2014 at 05.30 PM, IST

Please read the instructions given below before exercising your vote.

These details and instructions form an integral part of the Notice for the Annual General Meeting to be held on September 10, 2014.

#### **Steps for E-VOTING:**

- i) Open your web browser during the voting period and navigate to '<https://evoting.karvy.com>'
- ii) Enter the login credentials (i.e., user-id and password) mentioned in the notice. Your folio / DP Client ID will be your User-ID.

User – ID	For Members holding shares in Demat Form: a) For NSDL :- 8 Character DP ID followed by 8 Digits Client ID b) For CDSL :- 16 digits beneficiary ID For Members holding shares in Physical Form:- • Event no. followed by Folio Number registered with the Company
Password	Your Unique password is printed in the notice / via email forwarded through the electronic notice
Captcha	Enter the Verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons.

- iii) Please contact our toll free No. 1-800-34-54-001 for any further clarifications.
- iv) Members can cast their vote online from September 4, 2014, 9.30 AM onwards till September 6, 2014 5.30 PM.
- v) After entering these details appropriately, click on "LOGIN".
- vi) Members holding shares in Demat/Physical form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters long consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Kindly note that this password can be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e-voting through Karvy Computershare Private Limited e-Voting platform. System will prompt you to change your password and update any contact details like mobile no, email ID etc on first login. You may also enter the Secret Question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vii) You need to login again with the new credentials.
- viii) On successful login, system will prompt to select the 'Event' i.e., 'Company Name'.
- ix) If you are holding shares in Demat form and had logged on to "<https://evoting.karvy.com>" and casted your vote earlier for any Company, then your exiting login id and password are to be used.
- x) On the voting page, you will see Resolution Description and against the same the option 'FOR/AGAINST/ABSTAIN' for voting. Enter the number of shares (which represents number of votes) under 'FOR/AGAINST/ABSTAIN' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR/AGAINST' taken together should not exceed your total shareholding. If the shareholder does not want to cast, select 'ABSTAIN'.



- xi) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on 'CANCEL' and accordingly modify your vote.
- xii) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
- xiii) Corporate/Institutional Members (corporate /FIIs/FIIIs/Trust/Mutual Funds/Banks, etc) are required to send scan (PDF format) of the relevant Board resolution to the Scrutiniser through e-mail to [savitajyoti@yahoo.com](mailto:savitajyoti@yahoo.com) with copy to [evoting@karvy.com](mailto:evoting@karvy.com). The file scanned image of the Board Resolution should be in the naming format "Corporate Name\_ Event no.".
- xiv) In case a Member receives physical copy of the Notice of AGM [for members whose e-mail IDs are not registered with the Company/Depository Participants(s) or requesting physical copy]:
  - i.) Initial password is provided separately  
EVEN(E-Voting Event Number) USER ID, PASSWORD/PIN.
  - II.) Please follow all steps from Sl. No ( i) to Sl.No ( xii) above, to cast vote.

### **General Instructions**

- a) The e-voting period commences on September 4, 2014 (09.30 AM IST) and ends on September 6, 2014 (05.30 PM. IST). During this period, shareholders of the Company holding shares either in physical form or in dematerialised form, as on the cut-off date (record date) of 1st August' 2014, may cast their vote electronically. The e-voting module shall be disabled by M/s Karvy Computershare Private limited for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- b) Since the Company is required to provide members the facility to cast their vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date (record-date) of 1st August'2014 and not casting their vote electronically, may only cast their vote at the Annual General Meeting.
- c) Ms. Savita Jyoti, Savita Jyoti Associates, Practicing Company Secretary, Secunderabad has been appointed as the Scrutiniser to scrutinise the e-voting process in a fair and transparent manner and CA Kaushik Ghosh, partner K Ghosh & Associates, Chartered Accountants 51, Canning Street, Kolkata-700001. and Sir Alok Kumar Pal O/143-C, Mudialy Road, Gardens Reach Kolkata-700024 have been appointed as Scrutinisers to scrutinise the polling process at the AGM.
- d) The Scrutiniser shall, within a period of not exceeding three working days from the conclusion of the e-voting period, unlock the vote in the presence of at least two witnesses, not in the employment of the Company and make a Scrutiniser's Report of the votes cast in favour of or against, forthwith to the Chairman of the Company.
- e) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on 1st August' 2014. E-voting right cannot be exercised by a proxy.
- f) The results of e-voting will be declared on or after the date of the AGM i.e Wednesday, 10th September' 2014. The results declared along with the Scrutiniser's Report shall be placed on the Company's website [www.coalindia.in](http://www.coalindia.in) and on the website of M/s Karvy Computershare Private Limited within two days of the passing of the resolutions at the 40th Annual General Meeting of the Company on September 10, 2014 and communicated to BSE and NSE.

*By order of the Board of Directors  
for Coal India Limited*

(M. Viswanathan)  
Company Secretary

Date : 9th July, 2014  
Registered Office:  
10, N.S.Road,  
Kolkata – 700 001.  
India

## **STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013:**

The following Statement sets out all material facts relating to Special Business mentioned in the accompanying Notice:

### **ITEM No 4**

The Board, at its 301st meeting held on 13th Nov' 2013, had appointed Dr. R.N. Trivedi as an Additional Director of the Company with effect from 31st Oct' 2013, pursuant to Section 161 of the Companies Act, 2013. Hence, he will hold office upto the date of ensuing AGM.

The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with a deposit of Rs. 1,00,000/- proposing the candidature of Dr. R.N. Trivedi for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013

The Company has received from Dr. R.N. Trivedi (i) consent in writing to act as director in Form DIR 2 pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules 2014, (ii) intimation in Form DIR 8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub section (6) of Section 149 of the Companies Act, 2013 and Listing Agreement.

The resolution seeks the approval of members for the appointment of Dr. R.N. Trivedi as an Independent Director of the Company upto 30th Oct' 2016 from the date of this General Meeting or until further orders from Govt. of India, whichever is earlier, pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. He is not liable to retire by rotation.

Dr. R.N. Trivedi holds a bachelor's degree in technology from the Indian Institute of Technology, Kanpur and also holds a master's degree in arts (economics), a doctorate in economics and a doctorate in science (agricultural economics) from CSJM University, Kanpur. Dr. Trivedi joined the Indian Administrative Services in 1972 and in the course of his career has held various significant posts such as the Collector of Farrukhabad, Lakhimpur Kheri and Lucknow, Principal Secretary to the Government of Uttar Pradesh and Director General Training, Government of Uttar Pradesh. Dr. Trivedi was also the Managing Director of certain public sector undertakings such as Uttar Pradesh Financial Corporation, Uttar Pradesh State Industrial Development Corporation and Uttar Pradesh Co-operative Spinning Mills Federation. Dr. Trivedi is an Independent Director in M/s. Frontier Springs Ltd., Kanpur. He is the Chairman of Audit Committee of Coal India Ltd and a member of Audit Committee of Frontier Springs Ltd.

The matter regarding appointment of Dr. R.N.Trivedi as Independent Director was placed before the Nomination and Remuneration Committee, which commends his appointment as an Independent Director upto 30th Oct' 2016 or until further orders from Govt. of India, whichever is earlier.

In the opinion of the Board of Directors, Dr. R.N. Trivedi, the Independent Director proposed to be appointed, fulfils the conditions specified in the Companies Act, 2013 and the Rules made thereunder and Listing Agreement and he is independent of the Management. A copy of the draft letter for the appointment of Dr. R.N. Trivedi as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days one day prior to the date of the AGM.

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Dr. R.N. Trivedi is appointed as an Independent Director. No director, key managerial personnel or their relatives, except Dr. R.N. Trivedi, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item no. 4 for the approval of the members.

### **ITEM No 5**

The Board, at its 301st meeting held on 13th Nov' 2013, had appointed Shri Alok Perti as an Additional Director of the Company with effect from 31st Oct' 2013, pursuant to Section 161 of the Companies Act, 2013. Hence, he will hold office upto the date of the ensuing AGM.

The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with a deposit of Rs. 1,00,000/- proposing the candidature of Shri Alok Perti for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.



The Company has received from Shri Alok Perti (i) consent in writing to act as Director in Form DIR 2 pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules 2014, (ii) intimation in Form DIR 8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub section (6) of Section 149 of the Companies Act, 2013 and Listing Agreement.

The resolution seeks the approval of members for the appointment of Shri Alok Perti as an Independent Director of the Company upto 30th Oct' 2016 from the date of this General Meeting or until further orders from the Govt. of India, whichever is earlier, pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. He is not liable to retire by rotation.

Shri Alok Perti holds a bachelor's degree in science and a master's degree in physics from the University of Allahabad. Mr. Perti also holds a master's degree in social planning and policy in developing countries from London School of Economics, United Kingdom. He joined the Indian Administrative Service in 1977 and has worked in various capacities with the Central Government and the Assam Government for several years. In Ministry of Coal, he worked as Addl. Secretary, Special Secretary and Secretary. He introduced GCV based grading and pricing system in the coal industry. He also notified the rules for introducing the procedure for allotment of coal blocks through the bidding route. In Ministry of Defence, he was the Joint Secretary in the Dept. of Defence Production. He was also the member secretary to Kelkar Committee set up by the Ministry of Defence to suggest modifications in the defence procurement procedures for introducing indigenous industry into defence production. In Ministry of Health and Welfare, he worked as Under Secretary, Deputy Secretary, Director and Joint Secretary. He worked as a consultant to WHO (World Health Organisation) to prepare the project report for the second phase of the National Leprosy Elimination Programme for India. He also worked as a consultant to UNICEF in assisting the international team in authenticating the performance of the Government of Bhutan in the expanded programme of immunisation. During the period, he worked in the Ministry of Defence and Coal, he was Director on the Board of several public sector companies, which included Coal India Limited, Bharat Dynamics Ltd, Mazagon Dock Ltd, Goa Shipyards Ltd., Garden Reach and Shipbuilding Engineers Ltd, Hindustan Aeronautics Ltd, Bharat Electronics Ltd and Neyveli Lignite Corporation Ltd. On retirement, he was appointed as a part-time Chairman of the Expert Appraisal Committee of Ministry of Environment and Forest, which is for hydro-electric and river projects. He is a member of the Audit and Stakeholders' Relationship Committees of Coal India Limited.

The matter regarding appointment of Shri Alok Perti as Independent Director was placed before the Nomination and Remuneration Committee, which commends his appointment as an Independent Director upto 30th Oct' 2016 or until further orders from Govt. of India, whichever is earlier.

In the opinion of the Board of Directors, Shri Alok Perti, the Independent Director proposed to be appointed, fulfils the conditions specified in the Companies Act, 2013 and the Rules made thereunder and Listing Agreement and he is independent of the Management. A copy of the draft letter for the appointment of Shri Alok Perti as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days one day prior to the date of the AGM.

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Shri Alok Perti is appointed as an Independent Director. No Director, key managerial personnel or their relatives, except Shri Alok Perti, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item no. 5 for the approval of the members.

## **ITEM No 6**

The Board, at its meeting held on 303rd Board meeting held on 14th Jan' 2013, appointed Shri C. Balakrishnan as an Additional Director of the Company with effect from 19th Dec' 2013, pursuant to Section 161 of the Companies Act, 2013. Hence, he will hold office up to the date of the ensuing AGM.

The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with a deposit of Rs. 1,00,000/- proposing the candidature of Shri C. Balakrishnan for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Shri C. Balakrishnan (i) consent in writing to act as Director in Form DIR 2 pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules 2014, (ii) intimation in Form DIR 8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub

section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub section (6) of Section 149 of the Companies Act, 2013 and Listing Agreement.

The resolution seeks the approval of members for the appointment of Shri C. Balakrishnan as an Independent Director of the Company upto 18th December' 2016 from the date of this General Meeting or until further orders from the Govt. of India, whichever is earlier, pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. He is not liable to retire by rotation.

Shri C. Balakrishnan retired as an I.A.S. Officer of the 1974 batch of the Himachal Pradesh cadre. He holds a Masters degree in Physics from Delhi University, a Masters in Business Administration from the University of Florida, USA, a Masters in Public Administration from Harvard University, USA and M.Phil in Public Administration from Punjab University. He has had a long and eventful career which culminated in the position of Secretary, Ministry of Coal, a post that he held from 1st December'2008 to 31st August'2011. During his tenure as Secretary (Coal):

- (a) Coal India Limited was awarded the coveted 'Maharatna' status and Neyveli Lignite Corporation Limited the 'Navratna' status.
- (b) Coal India Limited had issued the largest and highly successful IPO in India and
- (c) Numerous policy initiatives were put in place to improve coal availability to meet the requirement of various sectors of the economy.

He had earlier served as Addl. Secretary and Financial Advisor in Ministry of Shipping and Road Transport & Highways, Government of India from August'2005 to November'2008, Joint Secretary (Planning and UNESCO), Ministry of HRD, Govt. of India from January 2001 to August'2005. He also served in various capacities in the Government Departments and Public Sector Undertakings in the State of Himachal Pradesh. During his tenure as Addl. Secretary and Financial Advisor in the Ministry of Shipping and Road Transport & Highways, he was on the Board of Shipping Corporation of India, Irano Hind Shipping Company, Jawaharlal Nehru Port Trust and the Inland Waterways Authority of India.

At present he is an Independent Director on the Boards at Bharat Earth Movers Limited (BEML), Neyveli Lignite Corporation Limited (NLC) and Swayambhu Natural Resources Limited (SNRL). He is the Chairman of Audit Committee of BEML. He is a member of Audit committee of both NLC and Coal India Ltd. He is also a member of the Stakeholders Relationship committee of NLC.

The matter regarding appointment of Shri C. Balakrishnan as Independent Director was placed before the Nomination and Remuneration Committee, which commends his appointment as an Independent Director upto 18th December' 2016 or until further orders from Govt. of India, whichever is earlier.

In the opinion of the Board of Directors, Shri C. Balakrishnan, the Independent Director proposed to be appointed, fulfils the conditions specified in the Companies Act, 2013 and the Rules made thereunder and Listing Agreement and he is independent of the Management. A copy of the draft letter for the appointment of Shri C. Balakrishnan as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days one day prior to the date of the AGM.

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Shri C Balakrishnan is appointed as an Independent Director. No Director, key managerial personnel or their relatives, except Shri C. Balakrishnan, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item no. 6 for the approval of the members.

## **ITEM No 7**

The Board, at its meeting held on 303rd Board meeting held on 14th Jan' 2013, appointed Dr. Noor Mohammad as an Additional Director of the Company with effect from 19th Dec' 2013, pursuant to Section 161 of the Companies Act, 2013. Hence, he will hold office up to the date of the ensuing AGM.

The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with a deposit of Rs. 1,00,000/- proposing the candidature of Dr. Noor Mohammad for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Dr. Noor Mohammad (i) consent in writing to act as director in Form DIR 2 pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules 2014, (ii) intimation in Form DIR 8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub



section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub section (6) of Section 149 of the Companies Act, 2013 and Listing Agreement.

The resolution seeks the approval of members for the appointment of Dr. Noor Mohammad as an Independent Director of the Company upto 18th December' 2016 from the date of this General Meeting or until further orders from Govt. of India, whichever is earlier, pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. He is not liable to retire by rotation.

Dr. Noor Mohammad retired from the Indian Administrative Service on 31st July'2011. He held important positions like Secretary National Disaster Management Authority (Ministry of Home Affairs, Government of India), Member Secretary NCR Planning Board (Ministry of Urban Development, GoI), Chief Electrol Advisor UNDP Kabul, International Election Commissioner Afghanistan (2005 parliament Elections), Deputy Election Commissioner. Election Commission of India and Chief Electoral Officer, Uttar Pradesh. He held several positions in UP state and Central PSUs as government nominee on the Board of Directors, MD and Chairman – the notable of them being UP State Corporations under the departments of Animal Husbandry and Fisheries and Department of Industries, Managing Director of UP Minorities Financial and Development Corporation; Managing Director and Chairman of UP Waqf Development Corporation; and Central Government nominee on the Board of Directors of Chennai Metro Rail Corporation (CMRL). At present, he is an Independent Director on the Board of Directors of the National Mineral Development Corporation (NMDC).He has a PhD degree in Economics from Lucknow University and a MA degree in Economics from Kanpur University. He is also an MSc in Physics from AMU Aligarh and MSc in Administrative Sciences and Development Problems from University of Yord, UK. At present, he is working for India International Institute for Democracy and Election Management, Election Commission of India, New Delhi as a training and capacity building expert. He has to his credit, a number of gold medals in recognition to his excellence in studies.

His work took him to Europe, USA, Mexico, Australia, Africa and a number of Asian countries. He is the chairman of Stakeholders' Relationship Committee of Coal India Ltd. He is a member of Audit committee of both NMDC and Coal India Ltd.

The matter regarding appointment of Dr. Noor Mohammad as Independent Director was placed before the Nomination and Remuneration Committee, which commends his appointment as an Independent Director up to 18th December'2016 or until further orders from Govt. of India, whichever is earlier.

In the opinion of the Board of Directors, Dr. Noor Mohammad, the Independent Director proposed to be appointed, fulfils the conditions specified in the Companies Act, 2013 and the Rules made thereunder and Listing Agreement and he is independent of the Management. A copy of the draft letter for the appointment of Dr. Noor Mohammad as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days one day prior to the date of the AGM.

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Dr. Noor Mohammad is appointed as an Independent Director. No Director, key managerial personnel or their relatives, except Dr. Noor Mohammad, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item no. 7 for the approval of the members.

## **ITEM No 8**

The Board, at its meeting held on 304th CIL Board meeting held on 12th Feb', 2014, appointed Shri Shri Prakash as an Additional Director of the Company with effect from 06th Feb' 2014, pursuant to Section 161 of the Companies Act, 2013. Hence, he will hold office up to the date of the ensuing AGM.

The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with a deposit of Rs. 1,00,000/- proposing the candidature of Shri Shri Prakash for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Shri Shri Prakash (i) consent in writing to act as Director in Form DIR 2 pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules 2014, (ii) intimation in Form DIR 8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub section (6) of Section 149 of the Companies Act, 2013 and Listing Agreement.

The resolution seeks the approval of members for the appointment of Shri Shri Prakash as an Independent Director of the Company upto 5th February' 2017 from the date of this General Meeting or until further orders from Govt. of India,

whichever is earlier, pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. He is not liable to retire by rotation.

Shri Shri Prakash joined TERI in July'2011 as Distinguished Fellow, after a long and distinguished service in Indian Railways. His association with TERI goes back to 2003-2004 as a Visiting Senior Fellow. His career with the Indian Railways spanned over 37 years where he held numerous key positions in different Zonal Railways and Railway Board. Mr. Prakash retired as Member (Traffic), Indian Railway Board and Secretary to Government of India in December'2009. Upon retirement, he was appointed as Chairman, Standing High Powered Committee on Infrastructure Planning, Business Development and Project Monitoring on Indian Railways. During his tenure, the Committee prepared a comprehensive report on future strategies for Indian Railways. He has held several senior positions in Railway Board and Northern and Eastern Railways. Prior to becoming Member of Railway Board, he was General Manager of Northern Railway, one of the most prominent Railways of India, responsible for about 25 per cent of Passenger Traffic of Indian Railways. During his time at the Railway Board, he held the posts of Executive Director Tourism Transportation (M), Executive Director (Statistics and Economics) as well as Executive Director and Team Leader of Project for development of Long Range Decision Support System. He also managed implementation of FOIS on Indian Railways – a comprehensive system to manage Freight Train Operation on Indian Railways. As Member (Traffic), Mr. Prakash was Head of Traffic Department in Ministry of Railways and responsible for Commercial, Operating and Marketing functions and management of Freight and Passenger Business on Indian Railways. In addition, he also held supplementary assignments and was Chairman of various Public Sector Undertakings such as Container Corporation of India (CONCOR), Indian Railway Catering & Tourism Corporation Limited (IRCTC) and Pipavav Railway Corporation Limited (PRCL) and was also Chairman of the Executive Committee, Centre for Railway Information Systems (CRIS). Mr. Prakash has rich experience in working across Departments and his specialisations include Operations, Planning, Information Technology and Safety besides General Management. He is a Post Graduate in Mathematics with M.B.A.

The matter regarding appointment of Shri Shri Prakash as Independent Director was placed before the Nomination and Remuneration Committee, which commends his appointment as an Independent Director upto 5th February' 2017 or until further orders from Govt. of India, whichever is earlier.

In the opinion of the Board of Directors, Shri Shri Prakash, the Independent Director proposed to be appointed, fulfils the conditions specified in the Companies Act, 2013 and the Rules made thereunder and Listing Agreement and he is independent of the Management. A copy of the draft letter for the appointment of Shri Shri Prakash as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days one day prior to the date of the AGM.

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Shri Shri Prakash is appointed as an Independent Director. No director, key managerial personnel or their relatives, except Shri Shri Prakash, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item no. 8 for the approval of the members.

#### **ITEM No 9**

The Board, at its meeting held on 304th CIL Board meeting held on 12th Feb', 2014, appointed Prof. Indranil Manna as an Additional Director of the Company with effect from 06th Feb' 2014, pursuant to Section 161 of the Companies Act, 2013. Hence he will hold office up to the date of the ensuing AGM.

The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with a deposit of Rs. 1,00,000/- proposing the candidature of Prof. Indranil Manna for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Prof. Indranil Manna (i) consent in writing to act as Director in Form DIR 2 pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules 2014, (ii) intimation in Form DIR 8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub section (6) of Section 149 of the Companies Act, 2013 and Listing Agreement.

The resolution seeks the approval of members for the appointment of Prof. Indranil Manna as an Independent Director of the Company upto 5th February'2017 from the date of this General Meeting or until further orders from Govt. of India, whichever is earlier pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. He is not liable to retire by rotation.



Professor Indranil Manna, currently the Director of IIT Kanpur, is an academist and metallurgical engineer with wide ranging research interests covering structure-property correlation and modeling in amorphous/nanometric metals and nano-composites, laser/plasma assisted surface engineered components, nano-fluid and ODS/bainitic steel. He teaches subjects related to Physical Metallurgy including phase transformation, characterisation and surface engineering. Before moving to IIT Kanpur, he headed Central Glass and Ceramic Research Institute, a CSIR laboratory in Kolkata during 2010-2012. Earlier, he served at IIT Kharagpur for 25 years (1985-2010) including one year on leave at Nanyang Technological University in Singapore. He received his bachelor's degree from B.E. College, Calcutta University (1983), master's degree from IIT Kanpur (1984) and Ph.D from IIT Kharagpur (1990). While serving at IIT Kharagpur, he worked as a guest scientist in different renowned Institutions/Universities abroad like Max Planck Institute at Stuttgart, Technical University of Clausthal, Liverpool University, and University of Ulm. Prof Manna has over 250 journal publications, supervised 16 PhD thesis, completed over Rs 16 crore worth sponsored research at IIT-Kharagpur and received several awards, including Humboldt and DAAD Fellowship, GD Birla Gold Medal of IIM, Platinum Jubilee Medal of ISCA, INSA Young Scientist Award, Young Metallurgist and Metallurgist of the Year. He was an INAE Distinguished Industry Professor (2007-09), President of the Materials Science Section of Indian Science Congress (2009-10) and INAE Visvesvarya Chair Professor (2009-11). He is a Fellow of INSA-New Delhi (FNA) INAE-New Delhi (FNAE), IAS-Bangalore (FASc), NASI-Allahabad (FNASC), and IIM, IE(I), EMSI, WAST. Currently, he is a J C Bose Fellow of DST (2012-17) and the Vice-President of the Indian Institute of Metals (2013-15). He has recently been elected an Academician (equivalent to Fellow) of the Asia Pacific Academy of Materials (APAM) in 2014 and selected to receive The World Academy of Sciences (TWAS) prize for engineering sciences in 2014.

The matter regarding appointment of Prof. Indranil Manna as Independent Director was placed before the Nomination and Remuneration Committee, which commends his appointment as an Independent Director upto 5th February' 2017 or until further orders from Govt. of India, whichever is earlier

In the opinion of the Board of Directors, Prof. Indranil Manna, the Independent Director proposed to be appointed, fulfils the conditions specified in the Companies Act, 2013 and the Rules made thereunder and Listing Agreement and he is independent of the Management. A copy of the draft letter for the appointment of Prof. Indranil Manna as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days one day prior to the date of the AGM.

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Prof Indranil Manna is appointed as an Independent Director. No Director, key managerial personnel or their relatives, except Prof. Indranil Manna, to whom the resolution relates, is interested or concerned in the resolution. The Board recommends the resolution set forth in Item no. 9 for the approval of the members.

#### **ITEM No 10**

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditor to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015 as per the following details

##### **Name of the Cost Auditor:- M/s Musib & Co.**

##### **Audit Fees:-**

- (a) Cost Audit for 2014-15: ₹ 2,01,094/-
- (b) The travelling and out of pocket expenses will be restricted to 50% of audit fees.  
subject to production of documentary evidence.
- (c) Service Tax shall be paid as extra as applicable.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to Cost Auditor has to be ratified by the Shareholders of the Company.

Accordingly, consent of the member is sought for passing an Ordinary Resolution as set out at Item No 10 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2015.

No Director, key managerial personnel or their relatives, is interested or concerned in the resolution. The Board recommends the resolution set forth in Item no. 10 for the approval of the members.

---

**ITEM No 11**

The existing AoA are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the Companies Act' 1956 and some regulations in the existing AoA are no longer in conformity with the Companies Act' 2013.

With the enactment of Companies Act, 2013 and its allied rules, the provisions of Companies Act, 1956 are getting repealed in a phased manner. The Directors of the Company believe that it is desirable that the Articles of Association of the Company be revised so that they fully reflect not only the law governing the Company and rules and regulations made thereunder, but must also be in conformity with the provisions of the Companies Act, 2013 and Rules made thereunder and must also comply with the revised Clause 49 of the SEBI Guidelines which will come into effect from October 1, 2014. Since the proposed alterations, deletions and insertions, among others, to the present Articles of Association are numerous; it is most convenient to adopt an altogether new set of Articles of Association incorporating all the proposed alterations.

The proposed new draft AoA is being uploaded in the Company's website for perusal by the Shareholders.

No Director, key managerial personnel or their relatives, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item no. 11 for the approval of the members.

*By order of the Board of Directors  
for Coal India Limited*

Date : 9th July, 2014

Registered Office :

10, N.S.Road,

Kolkata – 700 001.

India



(M.Viswanathan)  
Company Secretary



### **Brief Resume of Director seeking re-appointment at the 40th AGM**

<b>Name of Director</b>	<b>Dr A.K.Dubey</b>
Date of Birth	01/01/1959
Nationality	Indian
Date of appointment on the Board	03/04/2013
Qualification	IAS
List of Directorships held in other companies	Neyveli Lignite Corporation Limited

Profile of Dr A.K.Dubey is given under "Brief profile of Directors"

## CHAIRMAN'S STATEMENT

**Friends,**

I am delighted to welcome you to 40th Annual General Meeting of Coal India Limited (CIL). The Directors' Report and the Audited Accounts for the year ended 31st March, 2014 together with the report of the Statutory Auditors and the report and review of Comptroller & Auditor General of India are already with you.

### 1. Importance of coal

Coal provides around 30% of the global primary energy needs and generates 40% of the world's electricity. It is currently the world's second largest source of primary energy and is widely expected to replace oil as the world's largest source of primary energy within a few years. (Source: BP Statistical Review of World Energy 2011 & World Energy Resources 2013 Survey). In the Indian context, the importance of coal scales up even higher. More than 54.5% of the primary commercial energy requirements in the country are met by coal and around 72% of the entire power generated in the country is coal based. In fact, coal fired power generation in our country has been increasing progressively over the years, with a sudden upsurge happening two years ago. During 2013-14, coal based power generation increased in the country by 8.3% on a year-on-year basis.

Recently, International Energy Agency (IEA) has reported that 'coal is here to stay for a long time to come'. Coal demand will grow at an average rate of 2.3% per year through 2018, Medium Term Coal Market Report (2013) of IEA, states. Coal demand is forecast to stay buoyant over the next five years. India and countries in Southeast Asia are increasing coal consumption.

In the Indian context, coal is irreplaceable as the primary energy fuel in the foreseeable future. This is due to abundant coal reserves and its affordability. Coal India produces around 82% of the country's total coal production is at the vanguard of the important fuel industry. The crucial need is to make conditions conducive for the growth of this important sector.

India's ever-increasing demand for coal is expected to touch 980.5 MT by 2016-17. Of this, the demand from the power sector constitutes about 70%. However, indigenous coal availability is projected optimistically at 795 MT. Hence, major production constraints need to be addressed to boost production capacity. Some of the steps that needed to be undertaken included:

- Enhancing drilling for coal exploration,
- Fast-tracking land acquisition and R&R issues,
- Avoiding delays in obtaining environmental and forestry clearances,
- Timely completion of construction of infrastructural facilities for coal evacuation and
- Providing greater thrust on R&D activities in the coal sector.

Unless these issues are resolved in a manner conducive to exploration, extraction and expansion of coal reserves, there will always be a demand-supply gap for coal. To bridge this shortfall, coal needs to be imported.

### 2. Vision

Our dream and our vision is to see that at the earliest there is no shortage of coal in the country and to make the country self reliant in coal. Not an easy task I agree, but unless one dreams big, greater dreams cannot be fulfilled, and, we are laying a strong foundation for that.

We expect to live upto the social, economic, environmental and ethical responsibilities bestowed upon us by the policy makers of this nation that Coal India should support the country in its energy security. Our commitment and



vision is that the coal demand should be fully met by the indigenous coal sources and that the lead role should continue to be played by Coal India.

To turn this vision into a reality, we have adopted a workable approach. Meeting production targets and ramping up production are an imperative need through efficiency in operations. There are 148 ongoing projects during the current plan period with a production potential of about 484 Mtpa. 126 future projects with a total envisaged production capacity of about 441 Mtpa are expected to contribute 88 MTs by the terminal year 2016. Hopefully, our endeavours to ease the bottlenecks, that have impeded the growth momentum in the past, would fructify in the future years. Our new R&R policy has been made more flexible and PAP friendly, which will help us in acquiring land expeditiously. This would see more coal projects opening up and help in enhancing the production levels. Coal India is also planning to raise production in abandoned UG mines with increased mechanization. CIL's efforts in acquiring mines abroad are also another step in shoring up the country's coal needs.

The company also envisages to produce in an optimistic scenario, 615 MTs of coal by the terminal year of XII Five Year Plan (2016-17). To ease the coal supply bottlenecks, CIL is planning to initiate and develop infrastructure facilities like speeding up the process of laying railway tracks, especially in those areas where large coal reserves can be tapped. Development of sidings is another thrust area. This would help in increased coal supplies. Coal crushing capacity is also being increased.

### **3. Activities**

We produce coal through seven of our wholly-owned subsidiaries in India. Another wholly owned subsidiary, CMPDIL, carries out exploration activities for our subsidiaries. It also provides technical and consultancy services for our operations and also to third-party clients for coal exploration, mining, processing and related activities. We have also established a wholly owned subsidiary in Mozambique viz Coal India Africana Limitada (CIAL), to pursue coal mining opportunities in that country. We have our core competence across the entire coal business value chain, starting from exploration, planning and design, operations, beneficiation and marketing. Our principal product is raw coal, primarily non-coking. We are also looking for diversification opportunities in areas of coal bed methane, coal gasification, coal liquefaction and power generation.

### **4. Accomplishments 2013-14**

Coal India Limited, amidst constraints and adversities, ended the fiscal 2013-14 with an incremental production of 10.211 Million Tonnes (MTs) and an incremental coal off-take of 6.4 MTs on a year-on-year comparison. Our company also met around 86% of its supply under FSA commitments to power utilities including 99% of committed quantity to NTPC. Even at this level, most of the coal fired power utilities were stocked with adequate coal. The company concluded the fiscal with a total production and off-take of 462.42 MT and 471.58 MT respectively.

Our performance during FY 2014 was beleaguered by a string of issues, many of them extraneous in nature. Primary among them were statutory clearances that blunted our production. Coupled with that, climatic conditions in the form of heavy monsoon, post seasonal rains in October and a cyclone that battered coalfields together with the law and order problems in CCL & MCL crippled our production and transportation to a considerable extent. These issues are not being flagged off as mere excuses for trailing behind the target, but they persistently plagued us.

The dispatch to Power sector was 353.83 MT against a target of 376.18 MT i.e. a growth of 2.4% and could have been higher but for the restrictions of intake of coal by some power stations due to availability of high coal stocks at the plant end. The stock level at Power stations as on 31.3.2014 were sufficient for 14 days consumption and stood at an aggregate level of 20.29 MT of which 18.82 MT was indigenous coal.

During 2013-14, CIL and its subsidiaries achieved a Profit Before Tax (PBT) of ₹ 22879.54 crores and a Profit After Tax (PAT) of ₹ 15111.67 crores. CIL and its subsidiaries paid/adjusted ₹ 19713.52 crores towards Royalty, Cess, Sales Tax and other levies.

Recently, CIL was hailed in the media as 'the Jewel in the government's PSU Crown', a cash rich company that 'comes to government rescue' and 'Coal India's special dividend payout to boost Govt coffers'. This was stated in the context of CIL declaring the highest interim dividend for 2013-14. On 14th January'2014 CIL Board approved payment of Interim Dividend of ₹ 29/- per share of face value of ₹ 10/- each i.e. 290% for the year 2013-14. This was the highest ever Interim Dividend declared by the company. The total out-go from the company was

₹ 18,317.46 crore out of which Government of India which held 90% (at that time) of company's shares received ₹ 16,485.71 crores. In addition, Govt. of India also got dividend distribution tax of ₹ 3,113.05 crores from CIL and its subsidiaries, thus making the total outflow to the government ₹ 19,598.76 Crores. This was, probably, the highest payout by any PSU in the country.

## **5. Public-Private Partnership (PPP) in Coal Mining**

In consonance to the policy of GoI & furthering the production capabilities of CIL, it has now been decided to work some of the mines of CIL through PPP mode. The Model Contract Agreement (MCA) is in the final stage of approval by CIL Board of Directors.

Under this concept, the Mine Operator shall develop and operate the mine. The contract will be for 15 years initially and the operators shall carry out all the activities as per the approved Project Report (PR) of the block.

## **6. Accelerate the power generation from new power plants**

Considering the likely commissioning of new power plants till the end of March, 2015, the Government of India issued a fresh Presidential Directive on 17th July'2013, wherein the list of identified power projects with whom FSAs are to be signed was increased from 60,000MW to 78,555 MW capacity. While the Government has directed CIL to sign FSAs on achieving stipulated milestones by the power units, in consonance with the earlier Presidential Directive issued on 4th April, 2012, the supply of coal would be attuned to the available long-term Power Purchase Agreement (PPA) with the DISCOMs directly or with Power Trading Companies having back to back agreements with the DISCOMs. However, taking into consideration the limited availability of indigenous coal, apart from reducing the minimum supply liability of indigenous coal to levels ranging from 65% to 75% of the year wise Annual Contracted Quantity (ACQ) for the years 2013-17, the Presidential Directive also provisioned scope of review of FSA in respect of minimum level of supply of indigenous coal once the actual supply liability touched 60,000MW. Till 31st March, 2014, 160 units of 72,575MW capacity have signed FSAs. Out of these FSAs, 56937MW capacity involving a quantity of 221.64 Mty is backed by long-term PPA.

## **7. Initiative for overcoming logistic bottleneck**

Apart from mandatory offering upto 5% of the Annual Contracted Quantity of coal through Road or through Road-cum-Rail (R-C-R) mode in three coal companies, viz. CCL, SECL and MCL having specific railway connectivity constraints, coal is also offered on 'as is where is' basis to power consumers under FSA, wherein purchasers are deploying their own logistics at the stock points for lifting of coal.

## **8. Introduction of Third Party sampling and analysis system**

CIL introduced 'Third Party' sampling and analysis system in place of the existing 'Joint 'sampling and analysis' system to improve transparency in the process of coal sampling and analysis with effect from 1<sup>st</sup> October 2013.

## **9. Growth profile**

**Ongoing Projects:** As on date, CIL has 148 on-going projects costing ₹ 2 Crores and above, which are under different stages of implementation. The ultimate capacity of these projects is 484.06 Mty with a sanctioned capital outlay of ₹ 39,821.50 Crores.

During 2013-14, 74 ongoing projects have contributed 239.97 MT and the envisaged contribution from 134 ongoing projects during the terminal year of XII Plan i.e. 2016-17 is 335.93 MT.

Out of these 148 ongoing projects, 95 projects have both forestry and environmental clearances. Environmental clearances are awaited for 4 projects, forestry clearances are awaited for 27 projects and for the balance 22 projects, both, forestry and environmental clearances are awaited.

**Future Projects:** A total of 126 projects with an estimated capacity of 440.99 Mty have been identified to be taken up during XII Plan period. Out of these future projects, 60 projects are envisaged to contribute about 88 MT during the terminal year of XII Plan i.e. 2016-17. Further, out of these 126 identified projects, PRs for 92 projects



have already been formulated & submitted. So far 11 projects, having an ultimate capacity of 80.52 Mty with an investment of ₹ 11,800.83 crores have been sanctioned during the XII plan period.

## **10. Forestry and environmental clearances**

### **Forestry Clearance:**

During the XII Plan period, Stage II clearance for 11 forestry proposals involving an area of 923.73 Ha, has been approved by MoEF upto Mar-2014.

At present, 192 forestry proposals are awaiting clearances at various levels. Out of these, 131 proposals involving an area of about 16624 Ha are awaiting clearances at Stage-I level and 61 proposals, involving an area of about 15368 Ha are awaiting clearances at Stage-II level.

### **Environmental Clearance:**

48 environmental clearance proposals for a capacity of 71.54 Mty have been approved by MoEF during the XII Plan upto Mar-2014.

## **11. Other strategies**

To augment the underground production, semi-mechanised Board and pillar mining with Load Haul Dumper (LHD)/ Side Discharge Loader (SDL) loading with continuous coal evacuation system are being planned. Universal Drilling Machines (UDMs) are also being deployed to increase productivity of SDL/LHD mines. They also help to ensure safety of the workers in the mines. Mass production technology methods with Continuous Miner (CM) and Powered Support Longwall (PSLW) faces, are now being planned to be introduced in phases in some of the underground mines. Man-riding system is being installed in underground mines to fully utilise the shift hours. This is expected to increase productivity and reduce the arduous travelling time of the personnel in the underground mines.

## **12. Coal beneficiation**

At present CIL operates 17 coal washeries with a total capacity of 39.4 Mty. Out of these, 13 are coking coal washeries with a total capacity of 24.90 Mty, while 4 are non-coking coal washeries with a total capacity of 14.50 Mty.

CIL has initiated action through global tenders to establish 16 coal washeries with an aggregate capacity of 100.6 Mty, out of which 6 are coking coal washeries with a total capacity of 18.6 Mty and 10 non-coking coal washeries with a capacity of 82.0 Mty. Construction jobs of three washeries are in progress and the same for two washeries have been awarded. Jobs of other washeries are in different stages of evaluation.

## **13. Foreign venture initiatives-Activities of CIAL, Mozambique.**

Coal India Africana Limitada (CIAL), a wholly owned subsidiary of CIL in Mozambique undertook exploratory activities, which are as follows: -

- i. Around 35,000 m of drilling has been carried out in the two coal blocks during the financial year 2013-14 and the progressive drilling is about 40,000 m.
- ii. Around 15,000 m of geo-physical logging has been carried out during the year 2013-14.
- iii. Coal samples are being analyzed at CMPDIL & CSIR Labs in India.
- iv. A Geological Report is under preparation based on the outcome of the exploration programme carried out so far.

## **14. Safety – always a priority**

Safety is always our highest priority. Safety is embedded in our mission statement and is one of the most important factors in our overall business strategy. We have framed a well defined safety policy to ensure safety in all our mines and establishments. We have already established a multi-disciplinary internal safety organization in all our

subsidiaries for the implementation of our Safety Policy. All our operations, systems and processes are meticulously planned and designed with due regard to safety, conservation, sustainable development and clean environment. Our best endeavours are for inculcating "Safe Operating Procedures (SOP)" and best safety practices to eliminate all types of work place injuries and occupational hazards. We have identified work place hazards and associated risks in each mining operation and prepared a risk assessment based on safety management plan for every mine. We always encourage employees' participations at all levels so as to promote a proactive safety culture and to improve safety awareness at the grass root level.

Over the years, the safety standard of our mines have improved significantly due to genuine commitment and collective efforts of our employees, continuous and sustainable safety awareness drives, imparting the best on-the-job and skill-oriented training to our employees and using the state-of-the-art technology for improving standard of safety. As a result of these sustained endeavours, the numbers of serious injuries in the year 2013 have reduced to the lowest level since the inception of our company in 1975. However, we are not complacent and our sincere efforts are aimed at providing safety in all spheres of our activities.

#### **15. Rationalization of Manpower**

During the year, Special Female Voluntary Retirement Scheme has been introduced to optimise manpower utilization by reducing non-technical, non-executive female employees by appointment of their sons on jobs where there is a requirement, without increasing the overall manpower.

#### **16. Corporate Social Responsibility**

Corporate Social Responsibility (CSR) is a company's commitment to operate in an economically, socially and environmentally sustainable manner, while recognizing the interests of its stakeholders. Our CSR activities have made an impact on protection and improving ecology, commitment towards improving the quality of life of the local community as well as the society at large through activities like Community Development, Resettlement & Rehabilitation maintaining ecological balance etc.

During 2013-14, the CSR budget provision was ₹ 142.16 crores and expenditure was ₹ 141.70 crores for CIL, HQ. CIL and its Subsidiaries have spent ₹ 409.37 crores towards CSR activities during 2013-14. CIL has prepared a revised CSR Policy to comply with the Companies Act 2013 and the same is approved by CIL Board.

#### **17. Green initiatives**

As a responsible corporate citizen, it has always been the endeavour of CIL to conserve our ecosystem by taking appropriate measures to mitigate the impact of mining and associated activities in accordance with EIA / EMP of each project.

We appreciate the need for reclamation and restoration of the mined out land. We have created a green wealth of about 81 million plants including 13.36 lakhs saplings planted during 2013-14. Satellite surveillance has been adopted for monitoring reclamation activities of 50 major OCPs, producing 5.0MM<sup>3</sup>(Coal + OB) or more every year and other OCPs once in three years. It is evident from satellite surveillance that reclaimed land area has increased by 4.53 sq.Km during 2013 in 50 major OCPs.

Study of National Remote Sensing Centre (NRSC), ISRO, Hyderabad in 2013 reveals that the fire area in Jharia Coalfields had reduced from 8.9 sq km (as assessed in Master Plan) to 2.0 sq Km after undertaking various methods while implementing the Master Plan.

As a green initiative during 2013-14, CIL has installed two solar power generating projects of 2.0MW and 0.25 MW capacities in its two subsidiary companies.

Besides, various energy conservation methods have also been implemented in our projects. 6 rain water harvesting structures have been installed during 2013-14 to recharge the groundwater strata and conserve rain water effectively.

CIL is implementing globally recognized Integrated Management System conforming to the requirements of ISO 9001, ISO 14001 and ISO 18001 (OHSAS) Certifications.



Till 31-03-2014, two subsidiaries namely NCL & MCL are ISO 9001, ISO 14001 & ISO18001 (OHSAS) certified. Another Subsidiary, CMPDIL and other 62 units are also ISO 9001 certified. In addition accreditations were obtained by 73 units for ISO 14001 & 28 units of ISO 18001.

CIL has planned for obtaining Certificates for the balance units / projects of all subsidiaries to become an ISO 9001, ISO 14001 an OHSAS 18001 certified company, by the end of 2015-16.

#### **18. Corporate governance**

CIL complied with the conditions of Corporate Governance, as stipulated in the Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) issued by the Department of Public Enterprises, Government of India and Clause 49 of the Listing Agreement with the Stock Exchanges except for appointment of Independent Directors. As required under the said guidelines and provisions, a separate section on Corporate Governance has been added to Directors' Report and a Certificate regarding compliance of conditions of Corporate Governance has been obtained from a Practising Company Secretary.

As a proactive measure, CIL has conducted Secretarial Audit for 2013-14 by a Practising Company Secretary.

#### **19. Expectation**

In the recently signed Memorandum of Understanding (MoU) for 2014-15 with the Government of India, Coal production and Off-take targets for FY 2015, have been set at 512 MTs and 525 MTs for 'Excellent' rating. The company is gearing up to meet these challenging targets to the best our mites. With new and expansion projects expected to contribute during the year, our optimistic endeavour is to meet the targets.

Project Management & Implementation, Technology, Quality and Customer Satisfaction, Initiatives of Growth have been identified as major thrust areas under MoU. These shall remain the company's guiding factors in its quest for increased production and offtake.

#### **20. Acknowledgement**

On behalf of your Company's Board of Directors, I wish to convey my deep gratitude to you, our valued shareholders, for your continued support and trust. This motivates us to excel in all our pursuits and constantly create value for you as well as for the nation.

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

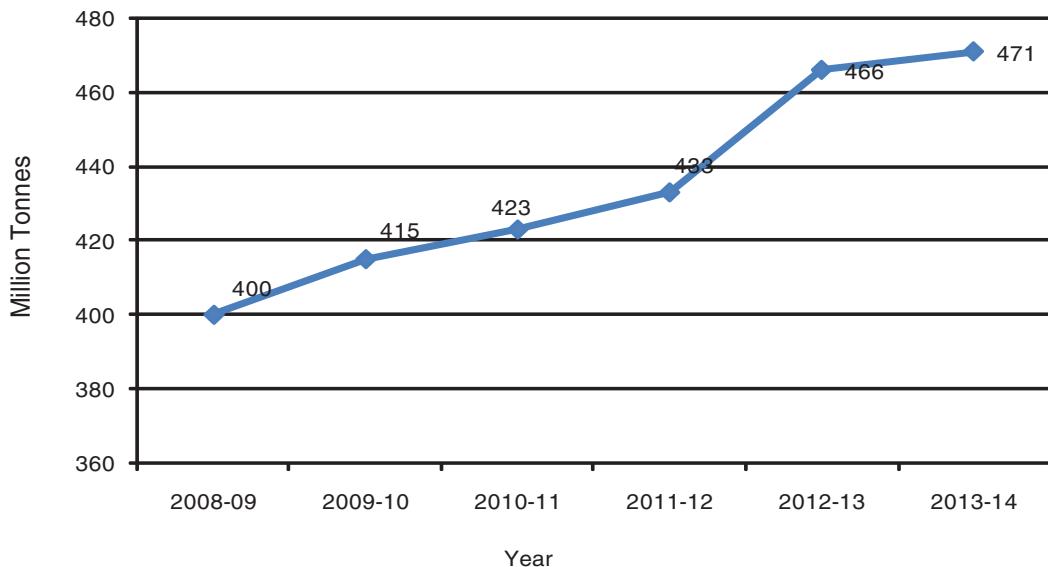
Kolkata

A.K. Dubey

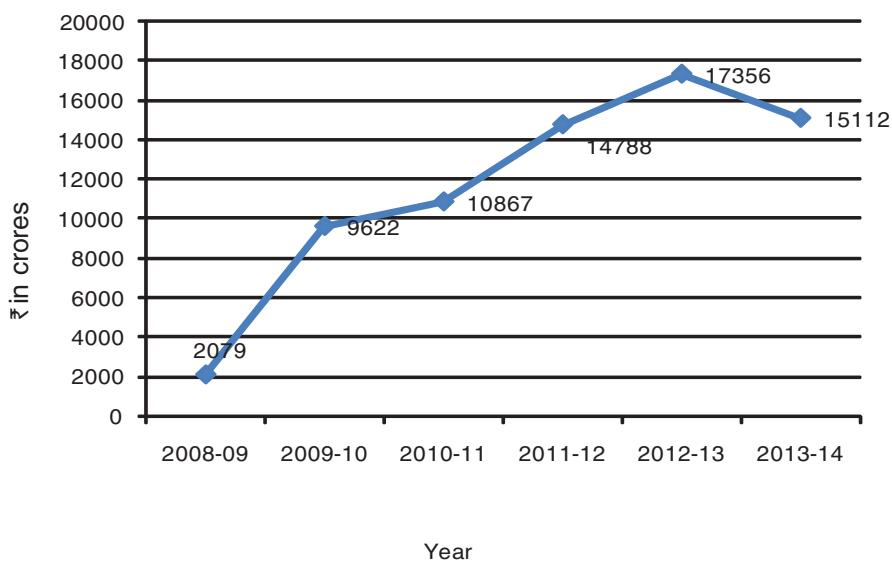
Dated: 17th July, 2014.

Chairman

## Despatches of Coal

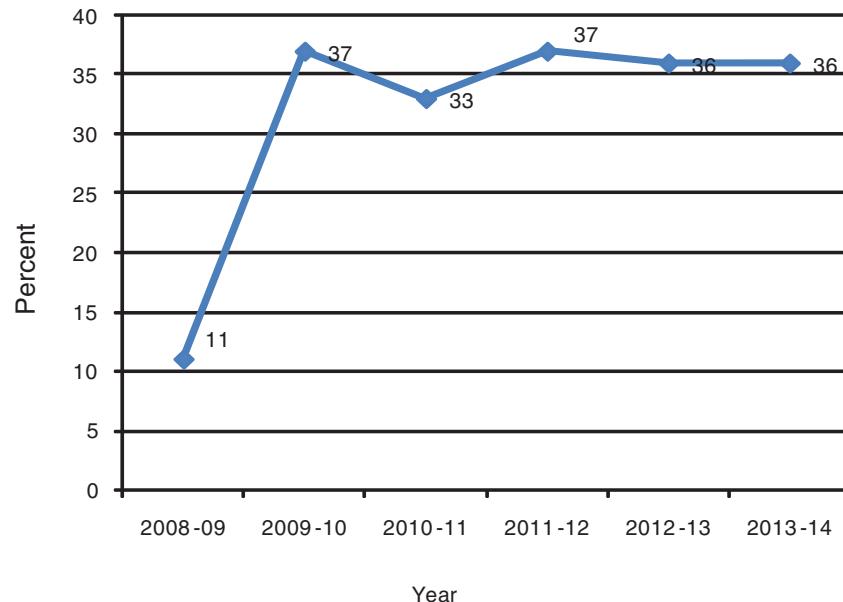


## Net Profit

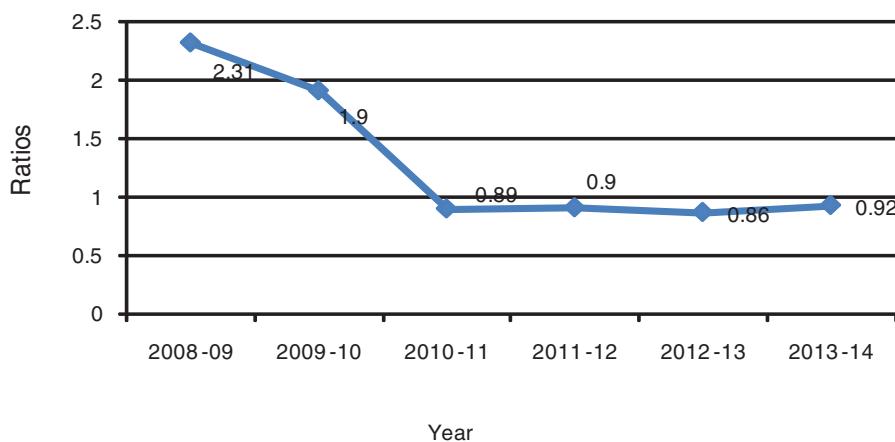




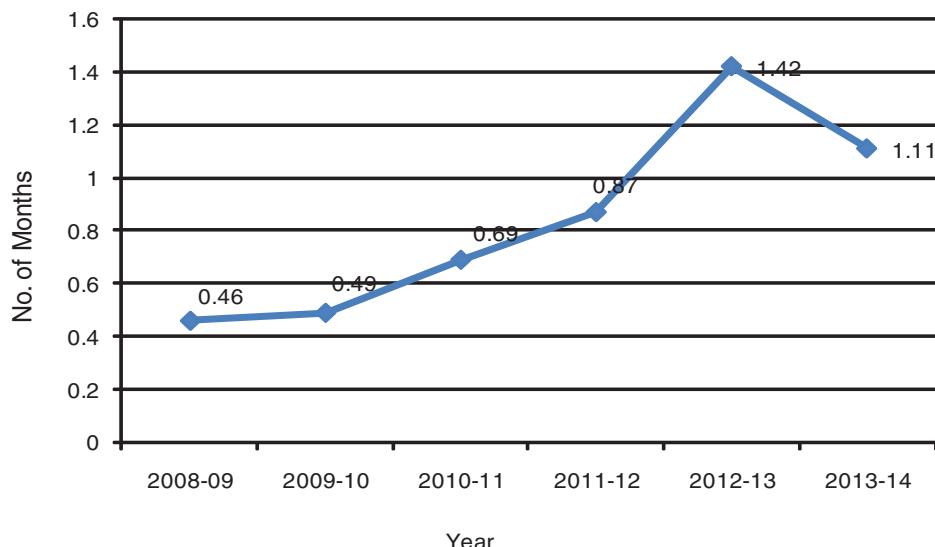
### Net Profit to Net Worth



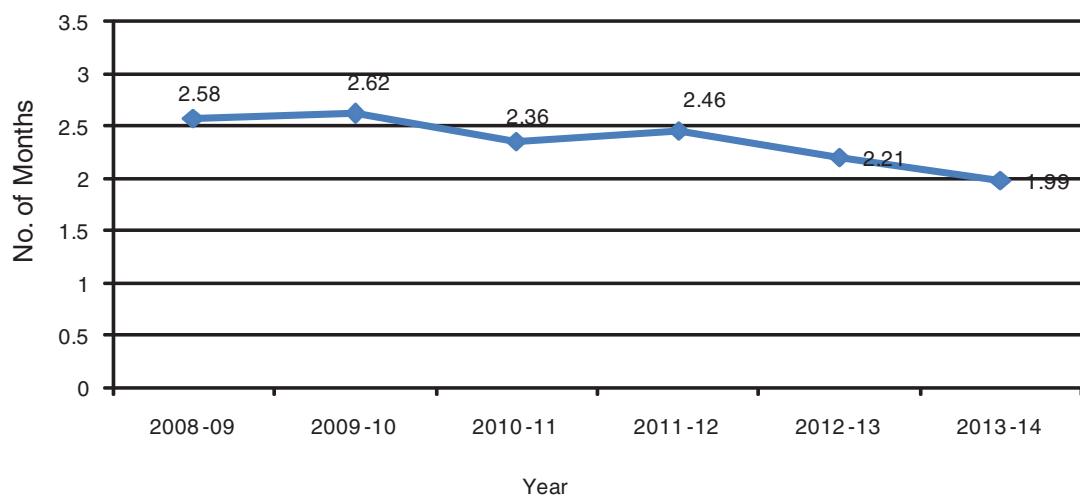
### Sales(Net) to Capital Employed



### Debtors in Month's Sales

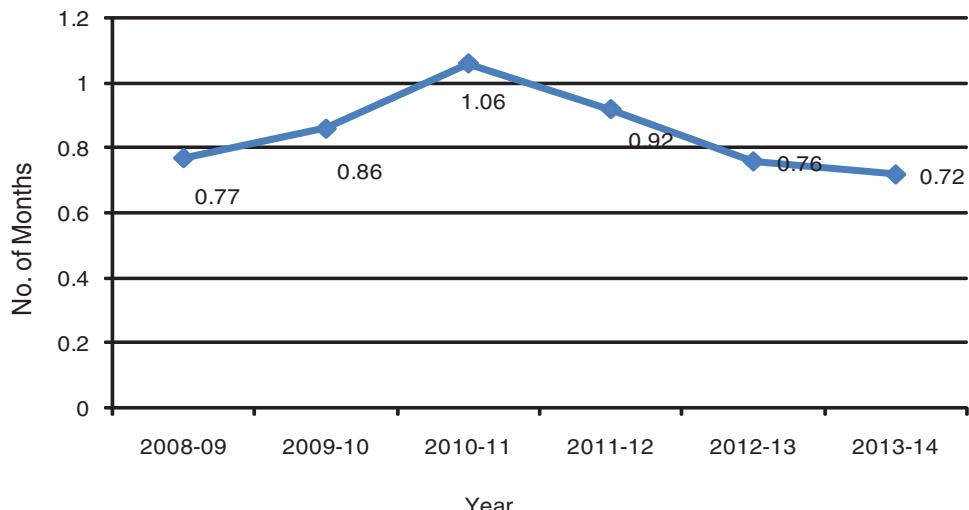


### Stock of stores in Month's Consumption

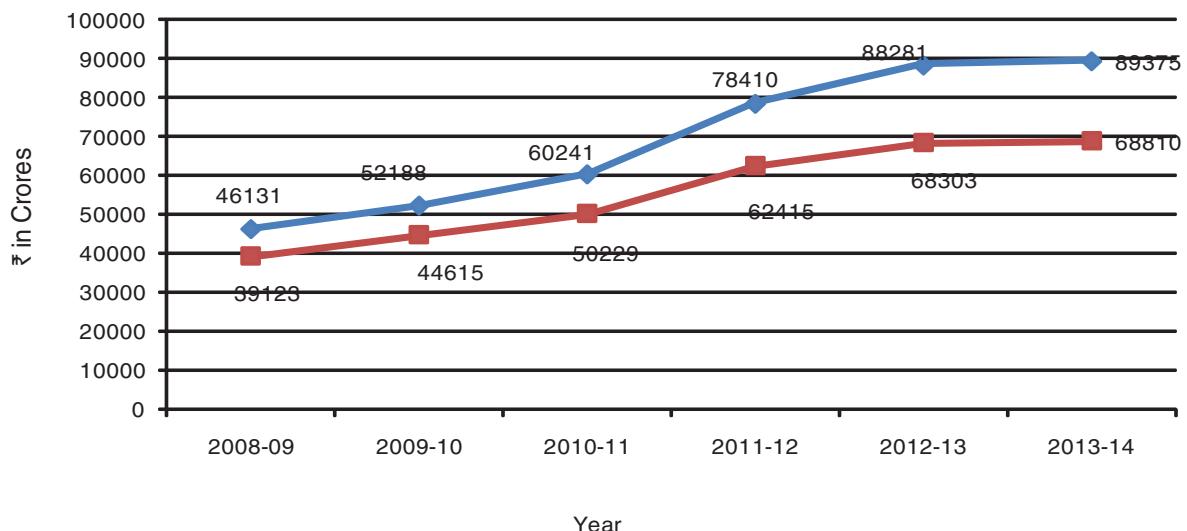




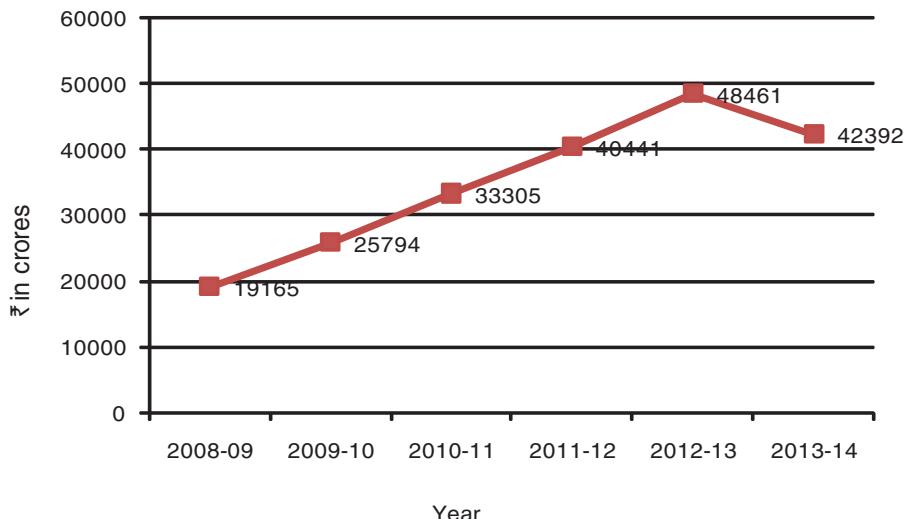
### Stock of Coal as no. of Months Net Sales



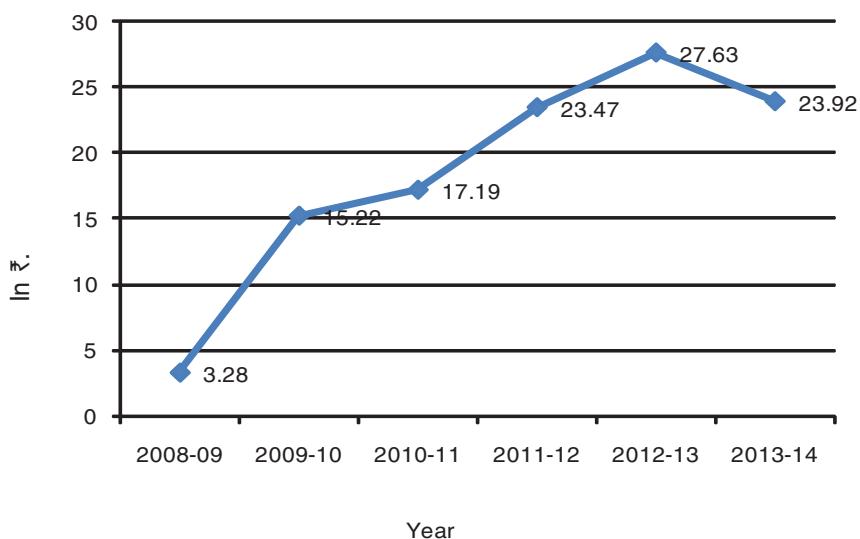
### Gross Sales and Net Sales



## Net Worth

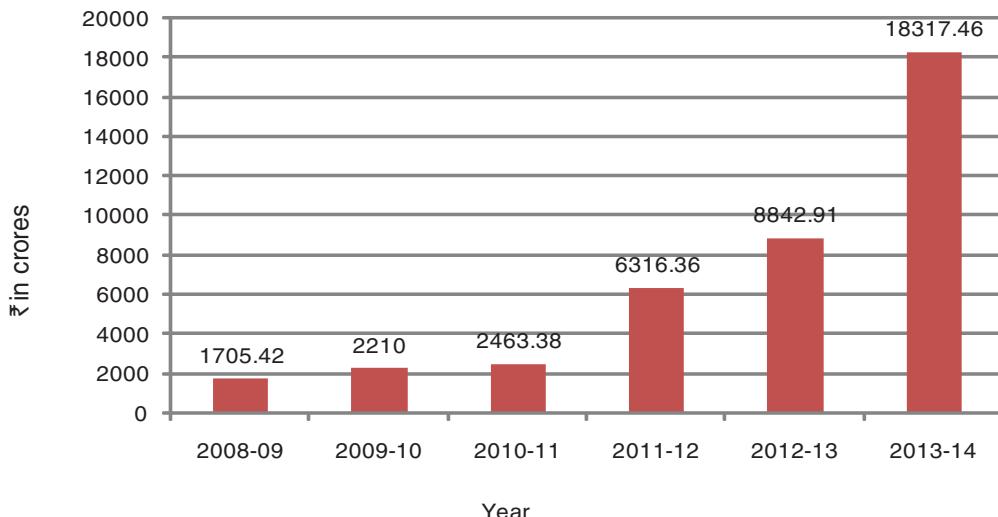


## EPS

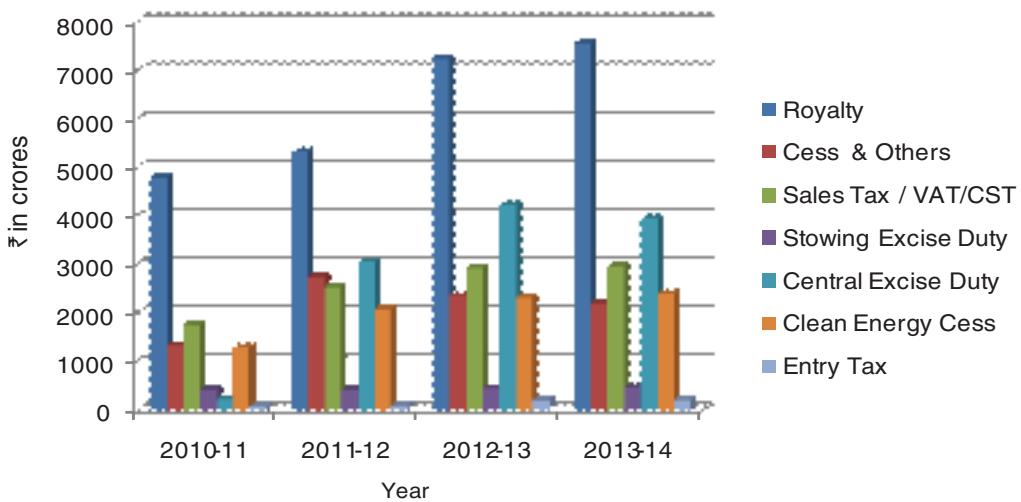




## Dividend



## Payment of Statutory Duties



## OPERATIONAL STATISTICS

COAL INDIA LTD.

**Year Ending 31st March**

1. a) Production of Raw Coal

(Million Tonnes)

Underground

Opencast

**Total**

	<b>2013-14</b>	<b>2012-13</b>	<b>2011-12</b>	<b>2010-11</b>	<b>2009-10</b>	<b>2008-09</b>	<b>2007-08</b>	<b>2006-07</b>	<b>2005-06</b>	<b>2004-05</b>
1. a) Production of Raw Coal										
(Million Tonnes)										
Underground	36.11	37.776	38.39	40.02	43.25	43.96	43.54	43.32	45.82	47.04
Opencast	426.31	414.435	397.45	391.30	388.01	359.77	335.92	317.59	297.57	276.54
<b>Total</b>	462.42	452.211	435.84	431.32	431.26	403.73	379.46	360.91	343.39	323.58
b) Overburden Removal										
(million Cum)										
2. Off take (Raw Coal)										
(Million Tonnes)										
Power	354.62	345.32	312.05	304.30	298.87	296.74	280.15	262.14	256.65	248.86
Steel/Hard Coke	6.75	8.04	7.76	9.50	8.92	9.00	10.01	9.85	10.02	11.70
Railway	0	0	0	0	0	0	0	0	0	0
Others	110.211	111.818	113.27	110.70	108.09	95.72	85.17	79.15	66.99	60.99
<b>Total</b>	471.581	465.178	433.08	424.50	415.88	401.46	375.33	351.14	333.66	321.55
3. Average Manpower										
4. Year-end Manpower										
5. Productivity										
a) Average per Man per Year (tonnes)										
b) Output per manshift (OMS)										
i) Under Ground (Tonnes)	0.76	0.77	0.75	0.77	0.78	0.76	0.73	0.71	0.71	0.69
ii) Open Cast (Tonnes)	12.18	11.48	10.40	10.06	9.51	8.95	8.60	8.00	7.51	7.18
iii) Overall (Tonnes)	5.62	5.32	4.89	4.73	4.47	4.09	3.79	3.54	3.26	3.05





## FINANCIAL POSITION

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

(₹ in crore)

### OPERATIONAL STATISTICS

As per Revised Schedule VI

For The Year Ending 31st March

#### A) What is owned

	2014	2013	2012	2011
Gross Block Fixed Assets	40897.10	39010.67	38096.41	36714.12
Less Depreciation, Impairment & Provisions	(26302.17)	(25544.91)	(24656.12)	(23870.81)
(1) Net carrying value Fixed Assets	14594.93	13465.76	13440.29	12843.31
(2) Capital WIP & Intangible Assets under Development	4505.27	3495.95	2903.38	2057.16
(3) Deferred Tax Assets (Net)	1971.74	2255.02	1194.06	873.23
(4) Misc.Expend.&other payable	—	—	—	—
(5) Non-Current Investment	1187.58	1400.30	946.99	850.96
(6) Long-Term Loans & Advances	1163.66	1181.36	1017.25	845.35
(7) Other Non-current Assets	592.62	74.17	69.29	76.33
(8) Current Assets				
i) a) Stock of Coal (Net)	4154.61	4301.16	4801.14	4439.82
b) Net Stock of Stores & Spares (at cost)	1167.16	1117.90	1126.45	1038.17
c) Other Inventories	246.30	198.77	143.69	107.62
ii) Trade Receivables	8241.03	10480.21	5662.84	3456.98
iii) Cash & Bank Balances	52389.53	62236.00	58202.78	45806.44
vi) Current Investments	2587.32	994.66	1034.41	212.73
v) Short Term Loans & Advances	6595.69	4919.81	13478.19	11180.14
vi) Other Current Assets	4844.91	4174.74	2965.50	2125.75
Total Current Assets (8)	80226.55	88423.25	87415.00	68367.65
(9) Less Current Liabilities & Provisions				
(a) Short Term Borrowing	—	—	—	32.60
(b) Trade Payables	805.08	837.17	829.02	645.45
(c) Other Current Liabilities	18077.99	16385.71	17832.16	13601.00
(d) Short Term Provisions	5551.81	9177.99	15594.80	12436.19
Net Current Assets (8-9)	55791.67	62022.38	53159.02	41652.41
<b>TOTAL (A)</b>	<b>79807.47</b>	<b>83894.94</b>	<b>72730.28</b>	<b>59198.75</b>

## FINANCIAL POSITION

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

(₹ in crore)

### OPERATIONAL STATISTICS

As per Revised Schedule VI

For The Year Ending 31st March	2014	2013	2012	2011
<b>B) What is owed</b>				
(1) Long Term Borrowing	171.46	1077.79	1305.35	1333.76
(2) Deferred Tax Liability				
(3) Other Long Term Liabilities	3528.94	3137.21	2647.03	2057.39
(4) Long Term Provisions	33639.01	31144.35	28271.28	22460.79
<b>TOTAL (B)</b>	<b>37339.41</b>	<b>35359.35</b>	<b>32223.66</b>	<b>25851.94</b>
<b>C) Minority Interest</b>	63.60	63.60	53.60	32.61
NET WORTH	42391.86	48460.81	40440.76	33305.33
Represented by:				
(1) Share Capital	6316.36	6316.36	6316.36	6316.36
(2) Pending Allotment	—	—	—	—
(3) Capital Reserve	12.60	11.18	12.26	8.87
(4) Reserves (General & Statutory)	20599.89	17515.47	14023.38	11684.79
(5) Surplus in statement of Profit & Loss	15515.36	24636.44	20105.60	15307.55
(6) Misc.Expenditure (D\Liab.)	(39.71)	(7.42)	(4.54)	(3.37)
(7) Surplus/ (Deficit) of Joint Ventures	(0.04)	(0.04)	(0.04)	—
<b>Net Worth (1 to 7 minus 3)</b>	<b>42391.86</b>	<b>48460.81</b>	<b>40440.76</b>	<b>33305.33</b>
<b>Capital Employed</b>	<b>74891.87</b>	<b>78984.09</b>	<b>69502.69</b>	<b>56552.88</b>
<b>Capital Employed (Without Capital WIP)</b>	<b>70386.60</b>	<b>75488.14</b>	<b>66599.31</b>	<b>54495.72</b>



## OPERATIONAL STATISTICS

COAL INDIA LTD.

INCOME AND EXPENDITURE STATEMENT

As per Revised Schedule VI

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

(₹ in crore)

For The Year Ending 31st March

	2014	2013	2012	2011
<b>A) Earned From :</b>				
1) Sales of Coal (Gross)	89374.51	88281.32	78410.38	60240.90
Less Levies (Excise Duty & other levies)	(20564.49)	(19978.58)	(15994.95)	(10011.62)
Net Sales	68810.02	68302.74	62415.43	50229.28
2) Other Income (a to e)	8969.38	8746.69	7536.90	4872.14
a) Interest on Deposits & Investment	5566.77	6216.71	5317.77	2964.34
b) Dividend from Mutual Fund Investment	241.63	140.49	27.97	0.33
c) Subsidy for Sand Stowing & Protective Works	99.89	79.51	67.48	76.83
d) Recovery of Transportation & Loading Cost	1697.61	1469.02	1376.04	1218.88
e) Other non-operating Income	1363.48	840.96	747.64	611.76
<b>TOTAL (A)</b>	<b>77779.40</b>	<b>77049.43</b>	<b>69952.33</b>	<b>55101.42</b>
<b>B) Paid to / Provided for</b>				
1) Employee Benefits Expenses (a to e)	27769.43	27320.78	26387.42	19851.78
a) Salary, Wages, Allowances, Bonus etc.	20615.96	18930.24	16571.73	13296.31
b) Contribution to P.F. & Other Funds	2470.01	2291.46	1778.31	1697.84
c) Gratuity	514.51	1456.83	3944.09	1482.09
d) Leave Encashment	601.34	833.21	804.67	686.11
e) Others	3567.61	3809.04	3288.62	2689.43
2) Changes in Inventories of Finished Goods / Work in Progress and Stock in Trade	92.65	493.92	(381.04)	(1214.97)
3) Welfare Expenses (including CSR Exp)	734.80	622.43	317.60	381.81
4) Cost of Material Consumed	7022.05	6062.11	5504.07	5272.82
5) Power & Fuel	2282.23	2333.48	2012.52	1749.48
6) Contractual Exps (including Repairs)	7812.71	6624.37	5546.68	5281.86
7) Finance Costs	58.00	45.17	53.98	73.70
8) Depreciation/Amortization/Impairment	1996.41	1812.97	1969.22	1765.40
9) Provisions & Write Off	1154.53	927.10	1469.84	578.84
10) Overburden Removal Adjustment	3286.56	3201.74	3693.89	2618.47
11) Other Expenses	2691.90	2633.18	2196.64	2231.59
12) Prior Period Adj/Exceptional Items/Extraordinary items	(1.41)	(6.86)	(91.15)	47.40
<b>TOTAL (B)</b>	<b>54899.86</b>	<b>52070.39</b>	<b>48679.67</b>	<b>38638.18</b>

## OPERATIONAL STATISTICS

As per Revised Schedule VI

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

(₹ in crore)

<b>For The Year Ending 31st March</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Overall Profit for the year (A-B)	22879.54	24979.04	21272.66	16463.24
Tax Expenses	7767.90	7622.67	6484.45	5595.88
Profit/loss from discontinuing operation	0.01	0.01	0.01	0.01
Profit/loss Share of Minority	(0.04)	—	—	—
Interim Dividend	18317.46	8842.91	6316.36	2463.38
Corporate Dividend Tax	2825.27	1323.23	1183.56	897.74
Trans. to General Reserve	2827.44	2508.92	2143.24	1471.94
Trans. to CSR Reserve	231.28	220.82	231.22	168.12
Trans. to Sustainability Development Reserve	25.70	22.78	—	—
Reserve for Foreign Exchange Transaction	—	(93.14)	(35.87)	7.74
Adjustments for Past Liability & Dividend of 2012-13	5.60	—	151.64	—
Cummul.profit/loss from Last year	24636.44	20105.60	15307.55	9449.12
Cummul. profit/loss to B/Sheet	15515.36	24636.44	20105.60	15307.55
Cummul.P&L (Before transfer to Reserves)	18599.78	27295.82	22444.19	16955.35



## OPERATIONAL STATISTICS

IMPORTANT FINANCIAL INFORMATION  
(As per Consolidated Audited Accounts)

(₹ in crore)  
As per Revised Schedule VI

<b>For The Year Ending 31st March</b>		<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
<b>(A) Related to Assets &amp; Liabilities</b>					
1) i) No. of Equity Shares(CIL)of Rs. 10 each		6316364400	6316364400	6316364400	6316364400
ii) Shareholder's Funds					
a) Share Capital		6316.36	6316.36	6316.36	6316.36
b) Capital Reserve		12.60	11.18	12.26	8.87
c) Reserves (General & Statutory)		20599.89	17515.47	14023.38	11684.79
d) Surplus in statement of Profit & Loss		15515.36	24636.44	20105.60	15307.55
e) Misc. Expenditure (D/Liab.)		(39.71)	(7.42)	(4.54)	(3.37)
f) Surplus/ (Deficit) of Joint Ventures		(0.04)	(0.04)	(0.04)	—
<b>Net Worth ( a to f minus b )</b>		42391.86	48460.81	40440.76	33305.33
2) a) Long Term Borrowings incl. Current Maturities		177.82	1305.30	1527.38	1520.97
b) Long Term Borrowings excl. Current Maturities		171.46	1077.79	1305.35	1333.76
3) Capital Employed		74891.87	78984.09	69502.69	56552.88
4) (i) Net Carrying value of Fixed Assets		14594.93	13465.76	13440.29	12843.31
(ii) Total Current Assets		80226.55	88423.25	87415.00	68367.65
(iii) Total Current Liabilities		24434.88	26400.87	34255.98	26715.24
5) a) Trade Receivables		8241.03	10480.21	5662.84	3456.98
b) Cash & Bank Balance		52389.53	62236.00	58202.78	45806.44
6) Closing Stock of :-					
a) Stock of Stores & Spares (Net)		1167.16	1117.90	1126.45	1038.17
b) Stock of Coal (Net)		4154.61	4301.16	4801.14	4439.82
7) Average Stock of Stores & Spares (Net)		1142.53	1122.18	1082.31	1062.86
<b>(B) Related to Profit/Loss</b>					
1. a) Gross Margin		24933.95	26837.18	23295.86	18302.34
b) Gross Profit		22937.54	25024.21	21326.64	16536.94
c) Profit Before Tax		22879.54	24979.04	21272.66	16463.24
d) Net Profit (After Tax)		15111.67	17356.36	14788.20	10867.35
e) Net Profit (After Tax & Dividend)		-3205.79	8513.45	8471.84	8403.97

## OPERATIONAL STATISTICS

IMPORTANT FINANCIAL INFORMATION

(₹ in crore)

(As per Consolidated Audited Accounts)

As per Revised Schedule VI

<b>For The Year Ending 31st March</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
2) a) Gross Sales of Coal	89374.51	88281.32	78410.38	60240.90
b) Net Sales	68810.02	68302.74	62415.43	50229.28
c) Sale value of Production	68717.37	67808.82	62796.47	51444.25
3) Cost of Goods Sold (Net Sales-PBT)	45930.48	43323.70	41142.77	33766.04
4) a) Total Expenditure	54899.86	52070.39	48679.67	38638.18
b) Employe Benefit Expenses	27769.43	27320.78	26387.42	19851.78
c) Cost of Material Consumed	7022.05	6062.11	5504.07	5272.82
d) Power & Fuel	2282.23	2333.48	2012.52	1749.48
e) Finance Cost & Depreciations	2054.41	1858.14	2023.20	1839.10
5) Average Consumption of Material per month	585.17	505.18	458.67	439.40
6) a) Average Manpower Employed during the year	352282	364736	377447	390243
b) Welfare Expenses (including CSR Exp.)	734.80	622.43	317.60	381.81
c) Welfare Expenses per employee(Rs.'000)	20.86	17.07	8.41	9.78
7) a) Value added	59413.09	59413.23	55279.88	44421.95
b) Value added per employee (Rs.'000)	1686.52	1628.94	1464.58	1138.32



## OPERATIONAL STATISTICS

### IMPORTANT FINANCIAL RELATIVE RATIOS

(As per Consolidated Audited Accounts)

As per Revised Schedule VI

For The Year Ending 31st March

	2014	2013	2012	2011
<b>(A) PROFITABILITY RATIOS</b>				
1) AS % of NET SALES				
a) Gross Margin	36.24	39.29	37.32	36.44
b) Gross Profit	33.33	36.64	34.17	32.92
c) Net Profit (PBT)	33.25	36.57	34.08	32.78
2) AS % of TOTAL EXPENDITURES				
a) Sal & Wages(Gross-Rev.)	50.58	52.47	54.21	51.38
b) Store&Spares(Gross-Rev.)	12.79	11.64	11.31	13.65
c) Power & Fuel	4.16	4.48	4.13	4.53
d) Interest & Depreciation(Gross-Rev.)	3.74	3.57	4.16	4.76
3) AS % of CAPITAL EMPLOYED	-	-	-	-
a) Gross Margin	33.29	33.98	33.52	32.36
b) Gross Profit	30.63	31.68	30.68	29.24
c) Profit before Tax	30.55	31.63	30.61	29.11
4) OPERATING RATIO (SALES-PROFIT/SALES)	0.67	0.63	0.66	0.67
<b>(B) LIQUIDITY RATIOS</b>				
1) Current Ratio (Current Asset/Current Liability)	3.28	3.35	2.55	2.56
2) Quick Ratio (Quick Asset/Current Liability)	2.48	2.75	1.86	1.84

## OPERATIONAL STATISTICS

### IMPORTANT FINANCIAL RELATIVE RATIOS

(As per Consolidated Audited Accounts)

As per Revised Schedule VI

For The Year Ending 31st March

	2014	2013	2012	2011
<b>(C) TURNOVER RATIOS</b>				
1) Capital Turnover Ratio (Net Sales/Capital Employed)	0.92	0.86	0.90	0.89
2) Sundry Debtors(net) as no of months				
a) Gross Sales	1.11	1.42	0.87	0.69
b) Net Sales	1.44	1.84	1.09	0.83
3) As Ratio of Net Sales				
a) Sundry Debtors	0.12	0.15	0.09	0.07
b) Coal Stocks	0.06	0.06	0.08	0.09
4) Stock of Stores & Spares				
a) Avg. Stock/Annual Cosumption	0.16	0.19	0.20	0.20
b) Closing Stocks in terms of no.of Month's Consumption	1.99	2.21	2.46	2.36
5) Stock of Coal, Coke, W/coal etc.				
a) As no of month's Value of production	0.73	0.76	0.92	1.04
b) As no of month's of cost of goods sold	1.09	1.19	1.40	1.58
c) As no of month's Net Sales	0.72	0.76	0.92	1.06
<b>(D) STRUCTURAL RATIOS</b>				
1) Debt : Equity Share Capital	0.03	0.17	0.21	0.21
2) Debt : Net Worth	0.00	0.02	0.03	0.04
3) Net worth : Equity	6.71	7.67	6.40	5.27
4) Net Fixed Assets : Net Worth	0.34	0.28	0.33	0.39
<b>(E) SHARE HOLDER'S INTEREST</b>				
1) Book Value of Shares (₹) (Net worth / No of Equity)	67.11	76.72	64.03	52.73
2) Dividend per Share (₹) (₹ 10 from 2009-10)	29.00	14.00	10.00	3.90



## FINANCIAL POSITION

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

#### OPERATIONAL STATISTICS

**Year Ending 31st March**

(A) What is owned

Gross Fixed Assets  
Less Depreciation & Impairment

(1) Net Fixed Assets

(2) Capital Work-in-progress

(3) Deferred Tax Asset

(4) Misc. Expend. & other payable

(5) Investment (internal)

(6) Current Assets

(i) (a) Inventory of Coal, Coke etc.  
(b) Inventory of Stores & Spares etc.  
(c) Other Inventories

(ii) Sundry Debtors (Incld. CMPDIL)

(iii) Cash & Bank Balances

(vi) Loans & Advances  
Total Current Assets (6)

(7) Less Current Liab. & Prov.

Net Current Assets (6-7)

**TOTAL (A)**

(B) What is owed

(1) 10% Redeemable Pref. Shares

(2) Govt. Loan

(3) Interest Accrued & Due

(4) Intercorporate Loan

(5) Term Loan (F. Intt. & Banks)

(6) Bonds

(7) Deferred tax liability

(8) Others (foreign loan, inclid. deferred credit)

**SUB-TOTAL (1 TO 7)**

(9) Bank Borrowings (Incld. O.D. & Oth.)

**TOTAL (B)**

(C) Minority Interest

Net Worth (A-B-C)

Represented by:

(1) Equity Capital (incld. pending allotment)

(2) Reserves

(3) Profit/Loss

(4) Misc. Expenditure (D/Lib.)

Net Worth (1 to 4)

Capital Employed

		As per earlier Schedule VI			(₹ in Crore)			
		2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05
(A) What is owned								
Gross Fixed Assets		36721.12	34945.32	33256.13	31856.91	30257.42	29223.34	28057.55
Less Depreciation & Impairment		23878.21	22909.88	22234.89	21360.32	20040.56	19080.62	17899.98
(1) Net Fixed Assets		12842.91	12035.44	11021.24	10496.59	10216.86	10142.72	10157.57
(2) Capital Work-in-progress		2218.05	2210.67	1919.49	1620.09	1335.18	1205.95	1347.45
(3) Deferred Tax Asset		873.22	960.39	926.77	977.72	690.63	650.88	590.13
(4) Misc. Expend. & other payable		0.20						
(5) Investment (internal)		1063.69	1282.14	1505.18	1717.90	2025.88	2244.52	2244.52
(6) Current Assets								
(i) (a) Inventory of Coal, Coke etc.		4439.82	3186.49	2514.98	2381.24	2137.04	1889.50	1405.72
(b) Inventory of Stores & Spares etc.		1038.97	1087.54	1055.51	909.36	900.67	921.92	915.75
(c) Other Inventories		106.85	127.74	112.39	93.36	82.76	90.40	95.71
(ii) Sundry Debtors (Incld. CMPDIL)		3025.56	2168.65	1826.14	1657.06	1586.41	1804.47	2072.14
(iii) Cash & Bank Balances		45862.28	39077.76	29695.01	20961.48	15929.27	13427.24	7986.95
(vi) Loans & Advances		9922.54	8676.20	11244.51	10304.29	8191.88	6278.10	5059.72
Total Current Assets (6)		64396.02	54324.38	46448.54	36306.79	28828.03	24411.63	17535.99
(7) Less Current Liab. & Prov.		46493.90	42909.08	40505.80	29695.18	22820.97	21741.25	18341.40
Net Current Assets (6-7)		17902.12	11415.30	5942.74	6611.61	6007.06	2670.38	(805.41)
<b>TOTAL (A)</b>		<b>34899.99</b>	<b>27904.14</b>	<b>21315.41</b>	<b>21423.91</b>	<b>20275.61</b>	<b>16914.45</b>	<b>13534.26</b>
(B) What is owed								
(1) 10% Redeemable Pref. Shares					0.18	71.62	71.62	
(2) Govt. Loan								
(3) Interest Accrued & Due								
(4) Intercorporate Loan								
(5) Term Loan (F. Intt. & Banks)								
(6) Bonds								
(7) Deferred tax liability								
(8) Others (foreign loan, inclid. deferred credit)								
<b>SUB-TOTAL (1 TO 7)</b>								
(9) Bank Borrowings (Incld. O.D. & Oth.)								
<b>TOTAL (B)</b>		<b>1553.56</b>	<b>2086.85</b>	<b>2148.47</b>	<b>2081.55</b>	<b>2386.31</b>	<b>2799.63</b>	<b>3395.92</b>
(C) Minority Interest		32.61	23.61	1.90				
Net Worth (A-B-C)		33313.82	25793.68	19165.04	19342.36	17889.30	14114.82	10138.34
Represented by:								
(1) Equity Capital (incld. pending allotment)		6316.36	6316.36	6316.36	6316.36	6316.36	6316.36	6316.36
(2) Reserves		11693.29	10044.70	8615.86	7676.20	6798.48	5893.98	5279.37
(3) Profit/Loss		15307.55	9434.15	4232.84	5349.80	4774.45	1904.48	(1457.39)
(4) Misc. Expenditure (D/Lib.)		(3.38)	(1.53)	(0.02)				
Net Worth (1 to 4)		33313.82	25793.68	19165.04	19342.36	17889.30	14114.82	10138.34
Capital Employed		30745.03	28450.74	16963.98	17108.20	16223.74	12741.48	9280.54

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

**OPERATIONAL STATISTICS**  
For The Year Ending 31 st March

	As per earlier Schedule VI						
	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	(₹ in Crore)
							<b>2004-05</b>
(A) Earned From:							
Gross Sales	60245.21	52187.79	46131.24	38865.70	35129.17	33997.19	30659.46
Less: Coal from development Mines Levies (Royalties, cesses etc.)	100111.62	7572.54	6996.21	6222.59	5525.78	5286.57	8.00
(1) Net Sales	50233.59	44615.25	39123.48	32633.86	29602.19	28701.83	25862.86
(2) Accretion / Decretion in Stocks	1253.34	667.16	133.61	244.20	247.55	483.77	230.47
(3) Boiler & Domestic Consumption	2382.57	2069.04	2021.98	1974.54	1940.47	2054.04	1819.75
(4) Other Revenue Receipts	4796.30	5240.84	4778.31	3764.10	3215.21	2769.14	1974.04
<b>TOTAL (A)</b>	<b>58665.80</b>	<b>52592.29</b>	<b>46057.38</b>	<b>38616.70</b>	<b>35005.42</b>	<b>34008.78</b>	<b>29887.12</b>
(B) Paid to/Provided for							
Employees Remu. & benefits (Gross-Rev.)	18845.45	17191.46	20219.59	12939.48	10350.39	9985.69	11263.67
Less: Trans. to other revenue heads	670.09	572.60	518.76	378.76	355.02	332.06	305.94
(1) Net S & Wages (excl. V.R.S. Payment)	18175.36	16618.86	19700.83	12660.72	9995.37	9653.63	10957.73
(2) V. R. S Payment (Net of Grant Reed.)	35.68	36.66	40.69	74.44	102.16	134.36	152.36
(3) Social Overheads (Incl. LLTC & Dom. Coal)	2316.73	2049.47	1909.63	1642.15	1491.93	1380.39	1344.94
(4) Less: Social Overhead Dep. & Intt.	46.61	31.98	22.32	19.29	13.88	12.65	12.51
Social Overheads (Excl. Depr. & Intt.)	2270.12	2017.49	1887.31	1622.86	1478.05	1367.74	1332.43
Stores & Spares (Gross-Rev.)	5278.60	4975.78	4914.03	4432.11	4182.28	3939.97	3373.26
Less: Trans. to oth. rev. heads	47.15	48.86	52.73	53.55	56.68	51.22	46.14
Stores & Spares (Net)	5231.45	4926.92	4861.30	4378.56	4125.60	3888.75	3327.12
(5) (i) Power & Fuel (excl. coal consumed)	1754.62	1739.59	1595.05	1593.70	1600.35	1551.33	1502.14
(ii) Boiler & Colliery Consumption	2341.29	1972.11	1992.15	1950.86	1848.05	2013.67	1739.23
(6) Contractors (trans & repairs)	5177.80	4579.78	4125.92	3342.95	2758.31	2624.68	2346.09
(7) Misc. Expenses	2224.88	1953.09	1942.59	1506.70	1287.16	1356.40	1108.07
(8) Provision for DI/Debts, Obsol Etc.	577.91	209.37	176.00	232.01	116.86	34.41	202.26
(9) Interest (Incl. S/I & P. P.)	61.92	136.46	156.60	149.93	84.93	90.90	190.15
(10) Depreciation ((Incl. S/I, P.P. & Impairment)	1672.89	1329.45	1690.90	1560.65	1357.81	1357.38	1355.01
(11) O.B.R. Adjustment	2618.47	3053.92	2177.19	1564.03	1686.58	1209.89	852.74
(12) P. P. Adj.	60.18	53.66	(33.15)	(659.17)	(38.28)	(62.82)	(72.26)
<b>TOTAL (B)</b>	<b>42202.57</b>	<b>38627.36</b>	<b>40313.28</b>	<b>29878.24</b>	<b>26402.95</b>	<b>25220.32</b>	<b>24993.07</b>
Profit / loss for the year (A-B)	16463.23	13964.93	5744.10	8738.46	8602.47	8788.46	4894.05
Investment Allowance Reserve	(5595.88)	(4342.48)	(3665.41)	(3495.19)	(2893.74)	(2896.94)	(2376.35)
Tax on Profit	(2463.38)	(2210.00)	(1705.42)	(1705.42)	(1500.00)	(1263.27)	(274.55)
Proposed dividend	(897.75)	(777.13)	(549.36)	(885.34)	(534.43)	(475.64)	(247.79)
Tax on Dividend	(1642.42)	(1426.31)	(933.92)	(889.74)	(904.61)	(798.68)	(557.31)
Trans. to General Reserve / CSR Reserve	(7.74)	(7.26)	(6.99)	(6.74)	(13.80)	(3.09)	87.46
Pref. Shares & Bond Redempt Fund							
Other Adj. (deferred tax, excess prov. of tax)	17.33	(0.43)	0.03	(1180.66)	114.08	11.03	69.75
Adjustment of impairment Loss	9434.16	4232.84	5349.81	4774.44	1904.48	(1457.39)	(2593.83)
Cummulative profit / loss from Last year	15307.55	9434.16	4232.84	5349.81	4774.45	1904.48	(1457.39)
Current Profit / Loss & Reserve	27000.84	19478.85	12848.70	13026.01	11572.94	7798.46	3821.98





## OPERATIONAL STATISTICS

### IMPORTANT FINANCIAL INFORMATION

(As per Consolidated Audited Accounts)  
For The Year Ending 31 st March

(A) Related to Assets & Liabilities

- (1) (i) No. of Equity Shares (CIL) of ₹ 10 each  
 (ii) No. of 10% Non. Cum Rd. Pref. Shares of ₹ 1000 each  
 (iii) Shareholder's Funds

(a) Equity

(b) Reserves

(c) Accumulated Profit/Loss

(d) Misc. Expend. (D) Liab.)

**Net Worth**

(2) Loan

(3) Capital Employed

(4) (i) Net Fixed Assets

(ii) Current Assets

(iii) Net Current Assets (W/C)

(5) Current Liabilities

(Excl. Intt. accrued & Due)

(6) (a) Sundry Debtors (Net) (Excl. CMPDIL)

(b) Cash & Bank

(7) Closing Stock of:-

(a) Stores & Spares (Net)

(b) Coal, Coke etc. (Net)

(8) Average Stock of Stores & Spares (Net)

(B) Related to Profit/Loss

(1) (a) Gross Margin (PB(DIT))

(b) Gross Profit

(c) Net Profit (before Tax & Inv't. allow etc.)

(d) Net Profit (After Tax)

(e) Net Profit (After Tax & Div. on Pref. & Equity)

(2) (a) Gross Sales

(b) Net Sales (after levies & dev. etc.)

(c) Sale value of Production

(3) Cost of Goods Sold (Sales - Profit)

(4) (a) Total expenditures (excl. recoveries)

(b) Sal & Wages (Gross-rev, only)

(c) Stores & Spares (Gross-rev, only)

(d) Power & Fuel

(e) Int. & Depreciations (Gross-rev, only)

(5) Avg. Consump. of Stores & Spares (gross) per month

(6) (a) Average Manpower Employed during the year

(b) Social Overheads (Incl'd. LTC/LTC)

(c) S/Overhead expnd. per employee (₹ 000)

(7) (a) Value added

(b) Value added per employee) ₹ 000)

As per earlier Schedule VI  
(₹ in Crore)

	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05
631636400	631636400	631636400	631636400	631636400	631636400	631636400	631636400
631636	6316.36	6316.36	6316.36	6316.36	6316.36	6316.36	6316.36
11693.29	10044.70	8615.86	7676.20	6798.49	5893.98	5279.37	(1457.39)
(a) Equity							
(b) Reserves							
(c) Accumulated Profit/Loss	15307.55	9434.15	4232.84	5349.80	4774.45	1904.48	
3.38	1.53	0.02					
33313.82	25793.68	19165.04	19342.36	17889.30	14114.82	10138.34	
1520.96	1623.68	1980.53	1675.48	1836.06	2104.03	2439.72	
30745.03	23450.74	16963.97	17108.20	16223.74	12741.48	9280.54	
12842.91	12035.44	11021.25	10496.59	10216.86	10142.72	10157.57	
64396.02	54324.38	46448.55	36306.79	28828.03	24411.63	17535.99	
17902.12	11415.30	5942.74	6611.61	6007.06	2670.38	(805.41)	
46493.90	42909.08	40505.81	29695.18	22820.97	21741.25	18341.40	
2979.83	2110.40	1780.71	1456.43	1459.29	1690.93	1954.58	
45862.28	39077.76	29695.01	20961.48	15929.27	13427.24	7988.95	
1038.97	1087.54	1055.51	909.36	900.67	921.92	915.75	
4439.82	3186.49	2514.98	2381.24	2137.04	1889.50	1405.72	
1063.26	1071.53	982.44	905.02	911.30	918.84	923.70	
18198.04	15430.84	7591.50	10449.04	10045.21	10236.74	6439.21	
16525.15	14101.39	5900.60	8888.39	8687.40	8879.36	5084.20	
16463.23	13964.93	5744.10	8738.46	8602.47	8788.46	4894.05	
10867.35	9622.45	5243.27	5243.27	5708.73	5891.52	2517.70	
8403.97	7412.45	373.27	3537.85	4208.73	4628.25	2243.15	
60245.21	52187.79	46131.24	38865.70	35129.17	33997.19	30659.46	
50233.59	44615.25	39123.48	32633.86	28602.19	28701.83	25862.86	
53869.50	47351.45	41279.07	34852.60	31790.21	31239.64	27913.08	
33770.36	30650.32	33379.38	23895.40	20999.72	19913.37	20968.81	
38566.66	35891.16	38157.69	27659.50	24214.93	22682.51	22942.85	
18845.45	17191.46	20219.59	12939.48	10350.39	9985.69	11263.67	
5278.60	4975.78	4914.03	4432.11	4182.28	3939.97	3373.26	
1754.62	1739.59	1595.05	1593.70	1600.35	1551.33	1502.14	
1734.81	1465.91	1847.40	1710.58	1442.74	1448.28	1545.16	
439.88	414.65	409.50	369.34	348.52	328.33	281.11	
390243	404744	419214	4322710	445815	460369	476577	
2316.73	2049.47	1909.63	1642.15	1491.93	1380.39	1344.94	
59.37	50.64	45.55	37.95	33.47	29.98	28.22	
44542.14	38712.83	32830.57	26929.48	24216.21	23785.89	21344.59	
1141.40	956.48	783.15	622.34	543.19	516.67	447.87	

## **OPERATIONAL STATISTICS**

## **IMPORTANT FINANCIAL INFORMATION**

(As per Consolidated Audited Accounts)  
For The Year Ending 31 st March

2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	
							AS per earlier Schedule VI
36.23	34.59	19.40	32.02	33.93	35.67	24.90	
32.90	31.61	15.08	27.24	29.35	30.94	19.66	
32.77	31.30	14.68	26.78	29.06	30.62	18.62	
48.86	47.90	52.99	46.78	42.74	44.02	49.09	
13.69	13.86	12.88	16.02	17.27	17.37	14.70	
4.55	4.85	4.18	5.76	6.61	6.84	6.55	
4.50	4.08	4.84	6.18	5.96	6.39	6.73	
59.19	65.80	44.75	61.08	61.92	80.34	69.38	
53.75	60.13	34.78	51.95	53.55	69.69	54.78	
53.55	59.55	33.86	51.08	53.02	68.98	52.73	
0.67	0.69	0.85	0.73	0.71	0.69	0.81	
1.39	1.27	1.15	1.22	1.26	1.12	0.96	
1.05	0.96	0.78	0.75	0.76	0.70	0.54	
1.63	1.90	2.31	1.91	1.82	2.25	2.79	
0.60	0.49	0.46	0.45	0.50	0.60	0.77	
0.71	0.57	0.55	0.54	0.59	0.71	0.91	
0.06	0.05	0.05	0.04	0.05	0.06	0.08	
0.09	0.07	0.06	0.07	0.07	0.07	0.05	
0.20	0.22	0.20	0.20	0.22	0.23	0.27	
2.36	2.62	2.58	2.46	2.58	2.81	3.26	
0.99	0.81	0.73	0.82	0.81	0.73	0.60	
1.58	1.25	0.90	1.20	1.22	1.14	0.80	
1.06	0.86	0.77	0.88	0.87	0.79	0.65	
0.24	0.26	0.31	0.27	0.29	0.33	0.39	
0.05	0.06	0.10	0.09	0.10	0.15	0.24	
5.27	4.08	3.03	3.06	2.83	2.23	1.61	
0.39	0.47	0.58	0.54	0.57	0.72	1.00	
52.74	40.84	3034.19	3062.26	2832.21	2234.64	1605.09	
3.90	3.50	270.00	270.00	237.50	200.00	43.00	





## BRIEF PROFILE OF DIRECTORS

**Dr A.K.Dubey (55)** Additional Secretary, MoC has assumed additional charge of Chairman-cum-Managing Director, Coal India Limited from 26th June' 2014 (FN). He is a Govermanent nominee Director with effect from 3rd April'13 in CIL Board. Dr. A. K. Dubey belongs to Kerala cadre of IAS. He has held various positions in Government of Kerala and Government of India. He had been Secretary (Taxes), Secretary (Expenditure), Principal Secretary (Finance) and Principal Secretary (Forests and Wild Life) in Government of Kerala. He has served as Joint Secretary in Cabinet Secretariat, Ministry of Panchayati Raj and Ministry of Tribal Affairs in Government of India. He had also served as Registrar, University of Delhi (a Central University). He occasionally writes on various administrative matters in professional journals. He hold directorship in Neyveli Lignite Corporation Limited

**Shri R. Mohan Das (57)** is the Director (Personnel & Industrial Relations) of our Company. He holds a post graduate degree in social work from Madurai University. Shri Das has also participated in 'Advanced Management Programme' at Queens' College, Cambridge, United Kingdom and 'Management Development programme' at Wharton School, University of Pennsylvania, United States of America. Shri Das began his professional career over three decades ago with Bharat Heavy Electricals Limited in their human resources department. In the course of his career at Bharat Heavy Electricals Limited, Shri Das is credited with various human resource initiatives such as introduction of 'Integrated Human Resource Information System' to usher in the concept of paper-less office in Nagpur unit and was involved in development and piloting 'E-Enabled Performance Management System' for officers with linkage to balance scorecard during his stint in Bhopal office. Prior to joining our Company, Mr. Das was General Manager (Personnel & Administration) of state owned Madras Fertilizers Limited, where he concluded long pending promotion policy agreement with unions. Shri Das has undergone training as a lead auditor for 'ISO Quality System' and lead assessor for 'Total Quality Management'. As Director (Personnel & Industrial Relations) of our Company, Shri Das is responsible for formulation and implementation of personnel policies of our Company. He holds Directorship at Western Coalfields Ltd and Central Coalfields Ltd.

**Shri Nagendra Kumar (55)** is the Director (Technical) of our company. Shri Kumar has graduated in Mining Engineering (B.Tech – Mining) from Indian School of Mines, Dhanbad in 1980. He joined CCL as a junior Executive Trainee in 1980. In his first 20 years in CCL, he has worked for almost 6 years as Manager and 7 years as Project Officer. He was transferred to ECL in 2001 and assumed the charge of General Manager in 2004 and Chief General Manager in 2007. Shri Kumar assumed the charge of Director (Technical), ECL on 24th July, 2009. Shri Kumar joined our company as Director (Technical) on February 01, 2012. He has spent most of his career in reviving difficult underground and opencast mines and has experience of working with all kind of mechanization in underground and opencast mining. He was actively associated with indigenization of Long Wall Equipment and has presented a number of papers on its successful implementation. His latest achievement is the successful operation of Continuous Miner in Jhanjra Area matching World Standards in production and safety. Shri Kumar is a member of MGMI, IMMA and Institution of Engineers. He has travelled foreign countries viz. South Africa, China, France, Italy and Germany. Shri Kumar is fond of cricket, books, old melody songs and Rabindra Sangeet too. He is holding additional charge of Chairman cum Managing Director of South Eastern Coalfields Ltd. He holds Directorship at Bharat coking Coal Ltd, Central Mine Planning and Design Institute Ltd and International Coal Ventures Pvt. Ltd. He is also holding chairmanship of Coal India Africana Limitada.

**Shri Bipin Kumar Saxena (58)** years is the Director (Marketing) of our company from 19th June, 2012. Prior to this, he was Director (Technical) of Western Coalfields Limited, Nagpur from 7th March, 2008. An alumni of Indian School of Mines, Dhanbad, Shri Saxena is an experienced Mining Engineer and Administrator. He has completed his B.Tech (Hons) in Mining Engineering in 1978 from Indian School of Mines and First Class Certificate of Competency under Indian Mines Act in 1981. Shri Saxena has been serving Coal Industry for more than three decades. Prior to elevation as Director (Technical) he has served in various capacities in Central Coalfields Ltd. since 1978. Thereafter he has served in large Opencast Mines of Northern Coalfields Ltd. till 1998. His contribution as successful Nodal Officer in implementation and prompt completion of Mega Project of Amb river Diversion at Umrer Area is quite commendable. He has also served in different capacities in WCL at Chandrapur, Wani, Pench, Umrer and Wani North Areas. On promotion as Chief General Manager he was posted in Mahanadi Coalfields Ltd. in Technical Coordination Department and also in IB Valley Area. Shri Saxena has wide experience in Planning, Operation and Management of both Underground and Opencast Mines. Shri Saxena has

visited United Kingdom in 1993 in connection with Environmental Engineering, Australia in 2007 with respect to appraisal of Mining in Australian Coal Industry, Minsk, Belaz (Moscow) and Russian Mine sites as a part of Working Group Training in Russian Coal Mines from 21st July to 25th July, 2008. He has also visited Manila, Philippines from 18th to 22nd May, 2009 to participate in the programme on "Measuring & Mining Corporate Performance" Shri Saxena is associated with several Professional Bodies. He holds Directorship at Northern Coalfields Ltd and Mahanadi Coalfields Ltd.

**Shri Abhijit Chatterjee (59)** is the Director (Finance), of our company from 1st November, 2012. Prior to this, he was working as Director (Finance) in Central Coalfields Limited from 8th March, 2010. Before joining in CCL, he has worked in Bharat Earth Movers Ltd (BEML) as General Manager, Chief General Manager and Executive Director (Finance) from 01.10.1997 till 05.02.2010. He has rich experience in the 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 his efforts along with 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 instalments. He has also arranged Professional Indemnity Insurance to cover any risk arising out of professional negligence and errors in 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 instalments. These insurance covers were arranged for the first time in BEML by involving quotes from 10 underwriters 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. On behalf of CCL, he has organized promotion of IPO floated by CIL. As a team leader of Coal Companies, he took up interest claim against HPGCL for delayed payment of coal dues and ensured quick, logical and favourable decision of Umpire in favour of Coal Companies. He has ensured improving realization from JSEB and TNVL. M/s. TNVL has signed FSA with CCL due to tremendous persuasion. He has attended Senior Management course at MDI, Gurgaon and also undergone training at various Management schools at Europe. Shri Chatterjee is a member of the Institute of Chartered Accountants of India. He holds Directorship at South Eastern Coalfields Ltd and Eastern Coalfields Ltd.

**Smt. Sujata Prasad (56)** Joint Secretary & Financial Advisor, MoC is a Govt. nominee Director in CIL Board with effect from 3rd May' 2013. Smt. Sujata Prasad belongs to 1983 batch of Indian Civil Accounts Service. She has held senior managerial positions in different ministries and departments of the Central Government. This includes her last stint as the head of Training/Research Institute of Ministry of Finance (Government of India). She has spent 5 years with the Government of Bihar and an equal number of years as the Senior Financial Adviser of All India Institute of Medical Sciences. Smt. Prasad has co-authored a book on Health Security, edited an International Journal on Public Policy and has published several research papers on different aspects of gender, public health, poverty and development. In addition to her current position as JS & FA, MoC, Smt. Prasad is also JS & FA of the Mines, Corporate Affairs and Youth Affairs and Sports ministries. She holds directorship in Hindusthan Zinc Limited (HZL), Bharat Aluminium Company Limited (BALCO) and Hindusthan Copper Limited.

**Dr. R.N. Trivedi (66)** is an independent Director on the Board of our Company. Dr.Trivedi holds a bachelor's degree in technology from Indian Institute of Technology, Kanpur and also holds a master's degree in arts (economics), a doctorate in economics and a doctorate in science (agricultural economics) from CSJM University, Kanpur. Dr. Trivedi joined Indian Administrative Services in 1972 and in the course of his career has held various significant posts such as Collector of Farrukhabad, Lakhimpur Kheri and Lucknow, Principal Secretary to the Government of Uttar Pradesh and Director General Training, Government of Uttar Pradesh. Dr. Trivedi was also the Managing Director of certain public sector undertakings such as, Uttar Pradesh Financial Corporation, Uttar Pradesh State Industrial Development Corporation and Uttar Pradesh Co-operative Spinning Mills Federation. Dr.Trivedi is an independent director in M/s. Frontier Springs Ltd., Kanpur.

**Shri Alok Perti (62)** holds bachelor's degree in science and a master's degree in physics from the University of Allahabad. Shri Perti also holds master's degree in social planning & policy in developing countries from London School of Economics, United Kingdom. He joined Indian Administrative Services in 1977 and has worked in various capacities with the Central Government and Assam Government for several years. In Ministry of Coal, he worked as Addl. Secretary, Special



Secretary and Secretary. He introduced GCV based grading and pricing system in the coal industry. He also notified the rules for introducing the procedure for allotment of coal blocks through the bidding route. In Ministry of Defence, he was the Joint Secretary in the Dept. of Defence Production. He was also the member secretary to Kelkar Committee set up by the Ministry of Defence to suggest modifications in the defence procurement procedures for introducing indigenous industry into defence production. In Ministry of Health and Welfare, he worked as Under Secretary, Deputy Secretary, Director and Joint Secretary. He worked as a consultant to WHO(World Health Organization) to prepare project report for the second phase of National Leprosy Elimination Programme for India. He also worked as a consultant to UNICEF in assisting the international team in authenticating the performance of Government of Bhutan in the expanded programme of Immunization. During the period he worked in the ministry of defence and coal, he was director on the Board of several Public sector Companies which included Coal India Limited, Bharat Dynamics Ltd, Mazagon Dock Ltd, Goa Shipyards Ltd., Garden Reach and Shipbuilding Engineers Ltd, Hindustan Aeronautics Ltd, Bharat Electronics Ltd and Neyveli Lignite Corporation Ltd. On retirement he was appointed as a part-time Chairman of Expert Appraisal Committee of Ministry of Environment and Forest which is for Hydro-electric and river projects

**Shri C. Balakrishnan (63)** retired as an I.A.S. Officer of 1974 batch of Himachal Pradesh cadre. He holds a Masters degree in Physics from Delhi University, a Masters in Business Administration from University of Florida, USA, a Masters in Public Administration from Harvard University, USA and M.Phil in Public Administration from Punjab University. He has had a long and eventful career which culminated in the position of Secretary, Ministry of Coal, a post that he held from 1st December'2008 to 31st August'2011. During his tenure as Secretary (Coal):

1. Coal India Limited was awarded the coveted 'Maharatna' status and Neyveli Lignite Corporation Limited the 'Navratna' status.
2. Coal India Limited had issued the largest and highly successful IPO in India and
3. Numerous policy initiatives were put in place to improve coal availability to meet the requirement of various sectors of the economy.

He had earlier served as Addl. Secretary and Financial Advisor in Ministry of Shipping and Road Transport & Highways, Government of India from August'2005 to November'2008, Joint Secretary (Planning & UNESCO), Ministry of HRD, Govt. of India from January 2001 to August'2005. He also served in various capacities in the Government Departments and Public Sector Undertakings in the State of Himachal Pradesh. During his tenure as Addl. Secretary and Financial Advisor in the Ministry of Shipping and Road Transport & Highways, he was on the Board of Shipping Corporation of India, Iran Hind Shipping Company, Jawaharlal Nehru Port Trust and the Inland Waterways Authority of India. At present he is an Independent Director on the Boards at Bharat Earth Movers Limited (BEML), Neyveli Lignite Corporation Limited (NLC) and Swayambhu Natural Resources Limited (SNRL)

**Dr. Noor Mohammad (63)** retired from the Indian Administrative Service on 31st July'2011. He held important positions like Secretary, National Disaster Management Authority (Ministry of Home Affairs, Government of India), Member Secretary NCR Planning Board (Ministry of Urban Development, GoI), Chief Electoral Advisor UNDP Kabul, International Election Commissioner, Afghanistan (2005 parliament Elections), Deputy Election Commissioner, Election Commission of India and Chief Electoral Officer, Uttar Pradesh. He held several positions in UP state and Central PSUs as government nominee on the Board of Directors, MD and Chairman – the notable among them being UP State Corporations under the departments of Animal Husbandry and Fisheries and Department of Industries, Managing Director of UP Minorities Financial and Development Corporation; Managing Director and Chairman of UP Waqf Development Corporation; and Central Government nominee on the Board of Directors of Chennai Metro Rail Corporation (CMRL). At present he is an Independent Director on the Board of the National Mineral Development Corporation (NMDC) for the last one year. He has a PhD degree in Economics from Lucknow University and an MA degree in Economics from Kanpur University. He is also an MSc in Physics from AMU, Aligarh and MSc in Administrative Sciences and Development Problems from University of York, UK. At present, he is working for India International Institute for Democracy and Election Management, Election Commission of India, New Delhi as a training and capacity building expert. He has to his credit, a number of gold medals in recognition to his excellence in studies. His work took him to Europe, USA, Mexico, Australia, Africa and a number of Asian countries.

**Shri Shri Prakash (65)** joined TERI in July'2011 as Distinguished Fellow, after a long and distinguished service in Indian Railways. His association with TERI goes back to 2003-2004 as a Visiting Senior Fellow. His career with Indian Railways spanned over 37 years where he held numerous key positions in different Zonal Railways and the Railway Board. Shri Prakash retired as Member (Traffic), Indian Railway Board and Secretary to Government of India in December'2009. Upon retirement, he was appointed as Chairman, Standing High Powered Committee on Infrastructure Planning, Business Development and Project Monitoring on Indian Railways. During his tenure, the Committee prepared a comprehensive report on future strategies for Indian Railways. He has held several senior positions in Railways Board and Northern and Eastern Railways. Prior to becoming Member of Railway Board, he was General Manager of Northern Railways, one of the most prominent Railways of India, responsible for about 25 per cent of Passenger Traffic of Indian Railways. During his time at the Railway Board, he held the posts of Executive Director Tourism Transportation (M), Executive Director (Statistics & Economics) as well as Executive Director and Team Leader of Project for development of Long Range Decision Support System. He also managed implementation of FOIS on Indian Railways – a comprehensive system to manage Freight Train Operation in Indian Railways. As Member (Traffic), Shri Prakash was Head of Traffic Department in Ministry of Railways and responsible for Commercial, Operating & Marketing functions and management of Freight and Passenger Business on Indian Railways. In addition, he also held supplementary assignments and was Chairman of various Public Sector Undertakings such as Container Corporation of India (CONCOR), Indian Railway Catering & Tourism Corporation Limited (IRCTC) and Pipavav Railway Corporation Limited (PRCL) and was also Chairman of the Executive Committee, Centre for Railway Information Systems (CRIS). Shri Prakash has rich experience in working across Departments and his specializations include Operations, Planning, Information Technology and Safety besides General Management. He is a Post Graduate in Mathematics with M.B.A.

**Professor Indranil Manna (54)**, currently the Director of IIT Kanpur, is an academist and metallurgical engineer with wide ranging research interests covering structure-property correlation and modeling in amorphous/hanometric metals and nano-composites, laser/plasma assisted surface engineered components, nano-fluid and ODS/bainitic steel. He teaches subjects related to Physical Metallurgy including phase transformation, characterization and surface engineering. Before moving to IIT Kanpur, he headed Central Glass and Ceramic Research Institute, a CSIR laboratory in Kolkata during 2010-2012. Earlier, he served at IIT Kharagpur for 25 years (1985-2010) including one year on leave at Nanyang Technological University in Singapore. He received his bachelor's degree from B.E. College, Calcutta University (1983), master's degree from IIT Kanpur (1984) and Ph.D from IIT Kharagpur (1990). While serving at IIT Kharagpur, he worked as a guest scientist in different renowned Institutions/Universities abroad like Max Planck Institute at Stuttgart, Technical University of Clausthal, Liverpool University, and University of Ulm. Prof Manna has over 250 journal publications, supervised 16 PhD thesis, completed over Rs 16 crore worth sponsored research at IIT-Kharagpur and received several awards including Humboldt and DAAD Fellowship, GD Birla Gold Medal of IIM, Platinum Jubilee Medal of ISCA, INSA Young Scientist Award, Young Metallurgist and Metallurgist of the Year. He was an INAE Distinguished Industry Professor (2007-09), President of Materials Science Section of Indian Science Congress (2009-10) and INAE Visvesvarya Chair Professor (2009-11). He is a Fellow of INSA-New Delhi (FNA) INAE-New Delhi (FNAE), IAS-Bangalore (FASc), NASI-Allahabad (FNASC), and IIM, IE(I), EMSI, WAST. Currently, he is a J C Bose Fellow of DST (2012-17) and the Vice-President of Indian Institute of Metals (2013-15). He has recently been elected an Academician (equivalent to Fellow) of Asia Pacific Academy of Materials (APAM) in 2014 and selected to receive The World Academy of Sciences (TWAS) prize for engineering sciences in 2014.

**Shri A.N.Sahay (58)** currently Chairman cum Managing Director of Mahanadi Coalfields Limited (MCL), a wholly owned subsidiary of Coal India Limited (CIL), has been appointed as a permanent invitee with effect from 23rd April 2013. After graduation in Mining Engineering from IIT, Kharagpur in 1976, Sri A.N. Sahay joined Coal India Ltd. in Aug'1976. He has over 35 years of experience in Coal Industry covering Operations, Planning and Project implementation. He has extensive exposure to handling international agreements in coal sector for project formulation and project implementation. He has successfully handled project execution in Tanzania for "Exploration of Mchuchuma coalfield and preparation of feasibility report for the mine and pit head thermal power plant". He has worked as Coal Controller with Govt. of India, which entails administration of various Statutes like Colliery Control Order 2000, Coal Mines (Conservation and Development) Act, 1974 and related rules, Coal Bearing Areas Act 1957, Collection of Statistics Act 1953 etc. In addition, he has handled challenging task of monitoring and facilitating expeditious development of captive coal blocks. He has also served as Director (Technical) in CMPDI from November 2007 to February 2011 when he was looking after R&D and S&T activities in coal sector, coal preparation as well as new technology initiatives like CBM/CMM, UCG etc. in Coal India Ltd. His initiatives in the field of S&T and R&D in coal sector has resulted in multifold increase in activities in this field



and on account of this, CMPDI has been nominated for SCOPE Meritorious Award for R&D, Technology Development and Innovation for the year 2009-10. Under his leadership, construction of washeries under BOM got real boost and expeditious steps has resulted in award for construction of one washery while seven more are likely to be awarded soon. Shri Sahay was actively associated in development of coal based non-conventional energy resource like CBM, CMM, VAM, UCG etc and with his endeavour UNDP/GEF-GOI funded CBM/CMM project at Moonidih mines of BCCL has been successfully implemented which proved efficacy of CMM development in Indian geo-mining conditions. His initiatives have paved way for commercial development of UCG and CMM within CIL command areas.

**Shri Amal Kumar Debnath (58)** currently Chairman cum Managing Director of Central Mine Planning and Design Institute (CMPDI), a wholly owned subsidiary of Coal India Limited (CIL), has been appointed as a permanent invitee with effect from 23rd April 2013. Shri Debnath graduated in Mining Engineering (in 1976) from Indian School of Mines (ISM), Dhanbad. He obtained First Class Mine Manager's Certificate of Competency (Coal) from DGMS, Dhanbad. He has working experience of over three & half decades in coal mining sector, wherein, he served in various capacities in production and planning and management in Central Coalfields Limited (CCL) and Central Mine Planning and Design Institute Ltd. (CMPDI). He also served as Regional Director of Regional Institute-V, CMPDI providing full exploration and planning support to South Eastern Coalfield Ltd. (SECL). Shri Debnath worked in the capacity of Director (Technical / P&D), CMPDI, Ranchi and looked after various activities of Environment, Underground Mine Planning & Design, Project Appraisal Division, Quality Management System and Opencast Divisions. He has been responsible for preparation of Project Reports, Environmental Impact Assessment (EIA)/Environmental Management Plan (EMP), Operational Plan and other specialised reports for mines of CIL as well as outside clients. Project Report for Kusmunda OCP for a total capacity of 50 Mty was prepared under his guidance which is the largest mine planned in India till date. He has been instrumental in selection of sites & preparation of Global Bids for application of Highwall Mining, mass production technology such as Continuous Miner, Shortwall, Low Capacity Continuous Miner, etc. He has acted as Chairman of various Tender Committees for technical and commercial evaluation as well as award of work for turn-key execution of Coal Handling Plants and other projects. Major consultancy works in metal mining sector for Manganese Ore (India) Ltd., Hindustan Copper Ltd., Huti Gold Mines Co. Ltd., etc. have also been taken up under his leadership. He is the member of Mining, Geological & Metallurgical Institute of India (MGMI). Shri A.K. Debnath has presented large number of technical papers in National and International Conferences/Symposia/Seminars. He has travelled widely to many countries like USA, UK, China, Germany, Sweden, South Africa, Australia, Poland, Turkey, etc.

**Shri Ashim Kumar Maitra (59)** was born on 30th December' 1954. Shri Maitra a post graduate in Economics joined Indian Railway Service in 1978. He worked as Joint Director (Coal), Railway Board at Kolkata. He worked as Divisional Operations Manager at Barkakana in Dhanbad Division of Eastern Railways, Area Manager, Andal and Assistant Operations Manager in Asansol Division of Eastern Railways between 1980 to 1984. From 1984 to 1990 worked in various capacities in Operations Department in Eastern Railways and worked as Senior Divisional Operations Manager (Sr.DOM) at Mughalsarai Division and later on in Dhanbad Division. He worked as Addl. Divisional Railway Manager, Sealdah Division of Eastern Railways from 1997 to 1998. During his tenure as a Chief Freight Transportation Manager from 1998 to 2003 South Eastern Railways achieved the landmark loading of 201.6 million tonnes of freight in 2002-03. He worked as Executive Director, Railway Board at Kolkata from June' 2003 to May' 2006 and Divisional Railway Manager, Howrah from May'2006 to May' 2008. He worked as Senior Deputy General Manager, Eastern Railways from May'2008 to January' 2009. During his tenure as Chief Operations Manager (COM) Eastern Railways from January' 2009 to February' 2010, he planned development of new loading points and expansion of new passenger and freight handling points. He worked as Advisor Vigilance and Chief Vigilance Officer of Ministry of Railways from March' 2010 to October' 2013 and played a crucial role in handling cases and analysis of data. Shri Maitra introduced and implemented Computerization while working in various capacities such as Director Transport Planning, CFTM, South Eastern Railways, ED/Railway Board, Kolkata and Divisional Railway Manager, Howrah. Presently he is working as Additional Member (Traffic), Ministry of Railways (Railway Board).

## DIRECTORS' REPORT

To  
The Members,  
Coal India Limited

### Ladies & Gentlemen,

On behalf of the Board of Directors, I have great pleasure in presenting to you, the 40th Annual Report of Coal India Limited (CIL) and Audited Accounts for the year ended 31st March, 2014, together with the reports of Statutory Auditors and Comptroller and Auditor General of India thereon.

Coal India Limited (CIL) is a '**Maharatna**' company under the Ministry of Coal, Government of India with headquarters at Kolkata, West Bengal. CIL is the *single* largest coal producing company in the world and one of the largest corporate employers with a manpower of 3,46,638 (as on 1st April, 2014). CIL operates through 82 mining areas spread over eight provincial states of India. Coal India Limited has 429 mines of which 237 are underground, 166 opencast and 26 mixed mines. CIL further operates 17 coal washeries, (13 coking coal and 4 non-coking coal) and also manages other establishments like workshops, hospitals, and so on. CIL has 27 training Institutes. Indian Institute of Coal Management (IICM) is an excellent training centre operates under CIL and imparts multi disciplinary management development programmes to the executives. Coal India's major consumers are Power and Steel sectors. Others include cement, fertilizer, brick kilns, and a host of other industries.

CIL has eight fully owned Indian subsidiary companies (direct):

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

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

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

MCL has three subsidiaries, namely MNL Shakti Ltd., MJSJ Coal Ltd. and Mahanadi Basin Power Ltd.

#### a. **MNH Shakti Limited**

MNH Shakti Limited has been formed with MCL having 70% stake along with Neyveli Lignite Corporation and Hindalco holding the rest. The coal production is targeted from Talabira OCP with an annual capacity of 20 MT.

#### b. **MJSJ Coal Limited**

MJSJ Coal Limited has been formed with MCL having 60% stake along with JSW Steel, Jindal Thermal Power Limited, Jindal Stainless Steel and Shyam Metallics & Energy Limited holding the rest. The coal production is targeted from Gopalprasad OCP with an annual capacity of 15 MT.

#### c. **Mahanadi Basin Power Limited**

Mahanadi Basin Power Limited has been formed on 2nd December'2011 as a SPV with 100% shares held by MCL with power generation capacity of 2X800 MW through Pit Head power plant at Basundhara Coalfields.

#### **Joint Venture with OPTCL**

MCL has also formed a joint venture Company viz., Neelanchal Power Transmission Company Pvt. Limited (NPTCPL) on 8th January, 2013 with an objective of carrying out power transmission business jointly with M/s OPTCL having an equity share holding of 50:50.

#### **Subsidiaries of SECL**

SECL has formed two subsidiary companies viz. M/s Chhattisgarh East Railway Ltd on 12th March'2013 and M/s Chhattisgarh East-West Railway Ltd on 25th March'2013 with 64% holding in each of the subsidiaries for construction of railway lines for evacuation of coal.

#### **1. NOTABLE ACHIEVEMENTS**

- For the year 2013-14, the Company has achieved a production of 462.42 MT, removed OB of 806.544 MM3 and achieved an off-take of 471.58 MT., with a growth of 2.26%, 8.01% and 1.38% respectively compared to last year.
- ECL and BCCL not only achieved their AAP targets of coal production, OB removal and off-take but also recorded a



significant growth in coal production and OB removal. SECL has also achieved the AAP target of coal production with 5.11% growth.

- OB removal during this year is noteworthy as it has registered an overall growth of 8.01% over last year. The composite excavation (Coal + OB) in CIL has registered a growth of 6.7% over last year.
- Coal supply to power utilities during the year is 353.83 MT., which is 94.1% of the target and has registered a
- growth of about 2.4% compared to last year. This dispatch achievement is 86% against the quantity committed under FSA/MoU to power utilities.
- CIL has paid an interim dividend @ of 290% i.e. ₹ 29/- per share of face value of ₹ 10/-. This is the highest ever dividend paid by the Company till date.

## 2. FINANCIAL PERFORMANCE

### 2.1 Financial Results (CIL consolidated)

CIL is one of the largest profit making and tax and dividend paying enterprises. CIL and its subsidiaries have achieved an aggregate pre-tax profit of ₹ 22,879.54 crores for the year 2013-14 against a pre-tax profit of ₹ 24,979.04 crores in the year 2012-13.

Company (CIL subsidiaries/ CIL standalone)	2013-14 Profit		2012-13 Profit	
ECL	(+)	1299.28	(+)	1897.18
BCCL	(+)	2089.01	(+)	1709.06
CCL	(+)	2525.87	(+)	2683.56
NCL	(+)	3355.71	(+)	4420.58
WCL	(+)	325.86	(+)	428.87
SECL (consolidated)	(+)	7202.40	(+)	6290.37
MCL (consolidated)	(+)	5429.08	(+)	6202.48
CMPDIL	(+)	34.60	(+)	29.77
CIL (standalone)	(+)	15420.47	(+)	10338.03
<b>Sub-Total</b>	<b>(+)</b>	<b>37682.28</b>	<b>(+)</b>	<b>33999.90</b>
<b>Less: Dividend from Subsidiaries</b>	<b>(-)</b>	<b>14406.82</b>	<b>(-)</b>	<b>9038.08</b>
<b>Total</b>	<b>(+)</b>	<b>23275.46</b>	<b>(+)</b>	<b>24961.82</b>
Adjustment for deferred revenue income	(+)	-	(+)	18.34
Adjustment for exchange rate variation on Current Account of overseas subsidiary	(+)	0.72	(+)	(1.12)
Adjustment for waiver of accrued interest of BCCL		(396.64)		
<b>Overall Profit as per Consolidated Accounts</b>	<b>(+)</b>	<b>22879.54</b>	<b>(+)</b>	<b>24979.04</b>

CIL as a group has achieved post tax profit of ₹ 15,111.67 crores in 2013-14 (excluding share of minority loss of ₹ 0.04 crore; previous year: Nil) as compared to ₹ 17,356.36 crores in 2012-13.

## Highlights of performance

The highlights of performance of Coal India Limited including its subsidiaries for the year 2013-14 compared to the previous year are shown in the table below:

	<b>2013-14</b>	<b>2012-13</b>
Production of Coal (in million tonnes)	462.42	452.21
Off-take of Coal (in million tonnes)	471.58	465.18
Sales (Gross) (₹/Crores)	89374.51	88281.32
Capital Employed (₹/Crores) Note- 1	74891.87	78984.09
Capital Employed (₹/Crores)- excluding capital work in progress and intangible assets under development.	70386.60	75488.14
Net Worth (₹/Crores) (as per Accounts)	42391.86	48460.81
Profit Before Tax (₹/Crores)	22879.54	24979.04
Profit After Tax (₹/Crores)	15111.67	17356.36
PAT / Capital Employed (in %)	20.18	21.97
Profit before Tax / Net Worth (in %)	53.97	51.54
Profit after Tax / Net Worth (in %)	35.65	35.82
Earning Per Share (₹) (Considering face value of ₹ 10 per share)	23.92	27.63
Dividend per Share (₹) (Considering face value of ₹ 10 per share)	29.00	14.00
Coal Stock (net) (in terms of no. of months net sales)	0.72	0.76
Trade Receivables (net) (in terms of no. of months gross sales)	1.11	1.42

### Note-1:

Capital employed = Gross Block of Fixed assets (including capital work in progress and intangible assets under development) less accumulated depreciation plus current assets minus current liabilities.

### Transfer to reserves

During the year 2013-14, transfer to various reserves out of CIL (standalone) profits are as under:-

Transfer to General Reserves - ₹ 1500.85 crores

Transfer to CSR Reserves - ₹ 25.34 crores

Transfer to Sustainable Development Reserves - ₹ 10.19 crores



## **2.2 Dividend Income and Pay Outs (CIL- standalone)**

While the financial statements of both CIL standalone and CIL consolidated are presented separately, it is only the CIL (standalone) which is listed and is relevant for dividend payment to its shareholders. The dividend to its shareholders are paid out of CIL's standalone income, the major part of which constitutes the dividend income received by it (CIL - standalone) from its five profit making subsidiaries i.e. CCL, NCL, WCL, SECL and MCL.

The breakup of such dividend (interim + final) received and accounted for during the year from different subsidiaries are given below:-

<b>Company (paying subsidiaries)</b>	<b>Dividend Income of CIL (standalone)</b>	
	<b>2013-14</b>	<b>2012-13</b>
CCL	1009.37	1486.74
NCL	2746.12	1662.05
WCL	194.60	184.04
SECL	3444.63	2984.73
MCL	7012.10	2720.52
<b>Total</b>	<b>14406.82</b>	<b>9038.08</b>

During the year, Coal India Limited (standalone) has paid a total dividend (by way of interim dividend) of ₹ 18317.46 crores @ ₹ 29/- per share on 6316364400 number of Equity Shares of ₹ 10/- each fully paid up. Out of the above total dividend, the share of Govt of India was ₹ 16485.71 crores and for other shareholders, ₹ 1831.75 crores. (Earlier year - Govt of India - ₹ 7958.62 crores and other shareholders – ₹ 884.29 crores)

## **2.3 Observation of the Statutory Auditors**

The Statutory Auditors have given their observations on the standalone accounts of the Company for the year ended 31st March'2014. The Auditors' observations in terms of Section 217(3) of the Companies Act'1956 and Management Explanation are enclosed as **Annexure IV**.

## **3. COAL MARKETING**

### **3.1 (a) Off-take of Raw Coal**

Off-take of raw coal continued to maintain its upward trend and reached 471.58 million tonnes for fiscal ended March 2014, surpassing previous highest figure of 465.18 million tonnes achieved during the last year, i.e., an increase of 1.4 % over the last year. The overall raw coal off-take achieved was 95.8 % of the Annual Action Plan Target.

### **Company-wise coal off-take:-**

The Company-wise target vis-à-vis actual off-take for 2013-14 and 2012-13 are shown below:

**Figs. in million tonnes**

<b>Company</b>	<b>2013-14</b>			<b>2012-13</b>	<b>Growth over last year</b>	
	<b>AAP Target</b>	<b>Achieved</b>	<b>% Achieved</b>	<b>Achieved</b>	<b>Abs.</b>	<b>%</b>
ECL	35.20	36.26	103.0	35.84	0.42	1.2
BCCL	33.20	34.20	103.0	33.04	1.16	3.5
CCL	57.20	52.12	91.1	52.89	-0.77	-1.5
NCL	73.50	72.11	98.1	67.29	4.82	7.2
WCL	44.10	39.94	90.6	41.55	-1.61	-3.9
SECL	124.50	122.03	98.0	121.99	0.04	0.03
MCL	123.30	114.34	92.7	111.96	2.38	2.1
NEC	1.00	0.58	58.0	0.62	-0.04	-6.5
<b>CIL</b>	<b>492.00</b>	<b>471.58</b>	<b>95.8</b>	<b>465.18</b>	<b>6.40</b>	<b>1.4</b>

From the above, it may be seen that ECL and BCCL had not only exceeded their targets but also achieved positive growth over last year's off-take. Barring CCL, WCL and NEC all other coal companies registered a positive growth in off-take. Off-take from CCL was affected due to i) strike by contractor's workers, dismantling of Purnadih bridge as per the order of High Court ii) stringent restrictions imposed by State Government to ensure implementation of permissible carrying capacity causing resentment among the contractors and their reluctance to execute the contract iii) Naxalite/Extremists restricted loading from Tori siding for a considerable period of time and iv) frequent Bandhs / local agitation. At WCL, unprecedented heavy rain during monsoon had a devastating effect. Damaged roads and bridges, inundation of open-cast mines, badly affected coal transportation and off-take. Less lifting by MAHAGENCO-Power stations, MPEB-Sarni, HPGCL-Panipat, GEB-Ukai etc. also led to the shortfall.

### **(b) Sectorwise dispatch of coal & coal products:-**

Sector-wise break-up of dispatch of coal and coal products during 2013-14 against target and last year's actuals are given below:-

**Figs. in million tonnes**

<b>Year</b>	<b>2013-14</b>			<b>2012-13</b>	<b>Growth over Last Year</b>	
	<b>Sector</b>	<b>AAP Target</b>	<b>Dispatch</b>	<b>% Satn.</b>	<b>Actual</b>	<b>Abs.</b>
Power (Util)	376.18	353.83	94.1	345.43	8.40	2.4
Steel *	4.72	3.66	77.5	4.74	-1.08	-22.8
Cement**	7.08	5.45	77.0	6.47	-1.02	-15.8
Fertilizer	2.84	2.29	80.6	2.50	-0.21	-8.4
Others	99.72	106.25	106.5	107.07	-0.82	-0.8
<b>Despatch</b>	<b>490.54</b>	<b>471.48</b>	<b>96.1</b>	<b>466.21</b>	<b>5.27</b>	<b>1.1</b>

\* despatch of washed coking coal and raw coking coal for direct feed, blendable coal to steel plants and to external washeries.

\*\* despatch to cement plants excluding cement cpp.



### 3.2 Dispatch of coal and coal products by various modes:-

Dispatch of coal and coal products during 2013-14 went upto 471.48 million tonnes from 466.21 million tonnes registering a growth of 1.1 %. Overall despatch by non-rail mode had been almost 104% of the target. Growth in despatches via rail mode was 3.3 % whereas overall non-rail mode it went down by 1.4 % compared to previous year. Movement by MGR was at par with last year. The performance could have been even better, but for less movement through MGR at ECL, NCL, MCL and WCL. Road dispatch of CIL was more than the target set.

Dispatch of coal and coal products by various modes for the years 2013-14 and 2012-13 are given below:

(Figs. in million tonnes)

Year	2013-14			2012-13	Growth over Last Year		
	Mode	AAP Target	Despatch	% Satn.	Actual	Abs.	%
Rail		285.76	259.41	90.8	251.11	8.30	3.3
Road		99.12	112.81	113.8	115.68	-2.87	-2.5
MGR		93.24	88.75	95.2	88.77	-0.02	0.0
Other Modes		12.42	10.51	84.6	10.65	-0.14	-1.3
<b>Overall</b>		<b>490.54</b>	<b>471.48</b>	<b>96.1</b>	<b>466.21</b>	<b>5.27</b>	<b>1.1</b>

### 3.3 Wagon Loading

Overall wagon loading materialization was 90.3 % of target. This was achieved due to sustained efforts and regular coordination with railways at different levels. The increase in loading over last year was of 6.12 rakes per day. Company wise performance showed that ECL, NCL and SECL had exceeded last year's level of loading and almost achieved their target. Also, Rake loading performance was more than last year at BCCL, WCL and MCL.

(Figs. in Rake/day)

Company	2013-14			2012-13	Growth over last year	
	AAP Target	Achieved	% Achieved		Achieved	Abs.
ECL	18.22	18.02	98.9	17.78	0.24	1.3
BCCL	24.97	22.16	88.7	20.84	1.32	6.3
CCL	34.95	25.21	72.1	27.26	-2.05	-7.5
NCL	20.98	20.88	99.5	18.67	2.21	11.8
WCL	16.99	15.70	92.4	15.16	0.54	3.6
SECL	35.02	34.25	97.8	32.90	1.35	4.1
MCL	58.69	53.51	91.2	50.83	2.68	5.3
NEC	0.87	0.43	49.4	0.60	-0.17	-28.3
<b>CIL *</b>	<b>210.69</b>	<b>190.16</b>	<b>90.3</b>	<b>184.04</b>	<b>6.12</b>	<b>3.3</b>

Note: Due to revision of wagon loading figures submitted by Railway Board, Kolkata and WCL, Nagpur for the year 2012-13 – the loading is shown as 184.04 rakes/day, instead of 186.4 rakes/day. The difference was caused due to inclusion of non-CIL loading by Railways in the loading figures of WCL which was subsequently corrected by Railways and CIL.

The loading would have been more but for the following reasons:

- Cyclone 'Phailin' followed by devastating rainfall in October' 2013.
- At ECL, regulated lifting by many power utilities like WBPDCL, NTPC, DPL and RGTP-Hissar etc either, due to high stock at TPS end or non-payment of advance coal values as per terms of FSA and frequent railway restrictions due to movement of imported rakes/up-country movement.
- At CCL, Naxalite/Extremists restricted loading from Tori siding for a considerable period of time; frequent bandhs/ local agitation and regulated lifting by HPGCL power stations.
- At NCL, regulated lifting by HPGCL, RRVUNL and Rajghat TPS and non-payment of advance coal values as per terms of FSA by the Power Stations.
- At WCL, less lifting by MAHAGENCO-Power stations, MPEB-Sarni, HPGCL-Panipat, GEB-Ukai etc.
- At SECL, regulated lifting by GEB & RRVUNL.
- At MCL, contractor's workers went on strike at S-3 and S-4 siding of Talcher field during October'13-January'14 and restriction in transportation and loading activity imposed by State Govt of Odisha from 11.00 AM to 3.30 PM during summer due to excessive heat.

### **3.4 Consumer satisfaction**

- i) In order to ensure enhanced customer satisfaction, special emphasis has been given to quality management. Steps were taken to monitor quality right at the coalface apart from bringing further improvements in crushing, handling, loading and transport system.
- ii) CIL has built coal handling plants with capacity of about 296 MT per annum so as to maximize despatches of crushed/sized coal to the consumer. In addition, washeries at BCCL, CCL, WCL and NCL have adequate crushing/sizing facilities of about 39.4 million tonnes.
- iii) Measures like picking of shale/stone, selective mining by conventional mode as well as by surface miners, adopting proper blasting procedure/technique for reducing the possibility of admixture of coal with

over-burden materials, improved fragmentation of coal etc. are being taken for improving coal quality.

- iv) Surface Miners have been deployed for selective mining at some of the mines to improve the quality of coal. Action is being taken for deployment of more surface miners in other mines where geo-mining condition permits. Already 56 Surface Miners have been deployed in opencast mines and are working satisfactorily.
- v) Joint sampling system is in vogue for major coal consuming sectors e.g. power (utilities as well as captive), steel, cement, sponge iron covering more than 95% of total production of CIL. On overall basis, large consumers having annual contracted quantity of 0.4 MT or more and having FSA have been covered under sampling.
- vi) From 1st October, 2013, an independent 3rd party sampling and analysis system was introduced for more transparency in the system and for smooth operation in all the areas of subsidiary coal companies of CIL. Subsidiaries have procured 121 Bomb-Calorimeters for more accurate and transparent results of analysis of coal samples. The sampling and analysis are being done in the presence of customers as per provision of FSA at loading end and based on the results the customers are paying the bills of coal as per analyzed grades.

The achievement of grade conformity in respect of sampling and analysis had been to the tune of 95.63% (approx.) in respect of supplies to power sector during the joint sampling period i.e. from April 2013 to September 2013 and to the tune of 92.63% (approx.) during the third party sampling period i.e. from October 2013 to March 2014.

- vii) Electronic weighbridges with the facility of electronic printout have been installed at rail loading points to ensure that coal dispatches are made only after proper weighment. For this purpose, subsidiaries have installed 169 weighbridges in the Railway Sidings and 536 weighbridges for weighment of trucks. Subsidiaries have also taken actions for installation of standby weighbridges to ensure 100% weighment.



- viii) 25 Auto Mechanical Samplers are also working in subsidiaries for sampling of coal for the bulk consumers eliminating biasness in sampling process. Procurement of further AMSSs is under process.

### **3.5 Marketing of Coal:**

#### **(A) Status of implementation of different provisions under New Coal Distribution Policy (NCDP) is as under:**

- (i) For power stations, commissioned on or before 31.03.2009, 306 million tonnes of coal had been considered to be supplied through legally enforceable Fuel Supply Agreements (FSA) with a trigger level of 90%. The total quantity covered under FSA against the allocation as on March'14 was 306 million tonnes.

Apart from the above, 179 Letter of Assurances has been issued to power plants by subsidiary companies of CIL, as per the recommendations of various SLC (LT) Meetings, about 426.7 million tonnes of coal. Further, as per Presidential Directives dated 16-4-2012, and a revised directive dated 17-7-2013, the list of Power Plants and aggregate capacity were revised. A total 172 Thermal Power Plants (TPPs) were listed with an aggregate capacity of 78555 MW. Till 31.3.2014, 160 FSAs have been signed with Power Plants for an aggregate capacity of 72575 MW. However, out of the said capacity, TPPs having capacity of 56,937 MW have furnished a long term Power Purchase Agreement (PPA) and qualify for coal supply subject to commissioning etc. After a successful meeting with NTPC in July 2013 to resolve the pending FSA issues, signing of FSA with NTPC power plants appeared in the Presidential Directives have completed for an aggregate plant capacity of 13510 MW which included both wholly owned and JV Plants of NTPC.

- (ii) In addition, 6 power plants having Pre-NCDP Long Term Linkage (commissioned and appearing in the MOC letter dated 17.02.2012 not having LOA) are drawing coal under FSA/MOU.
- (iii) Out of 1208 valid linked units other than power and steel plants with eligible FSA quantity of 76.24

million tonnes, 875 units had executed FSAs for 58.64 million tonnes. FSAs of existing consumers were signed in 2008 with tenure of 5 years; many of the FSAs had expired and are under renewal process.

- (iv) For supply of coal to SME sector, 8 million tonnes was earmarked for allocation to agencies nominated by the State Govt's/ UT's. 17 states / UT's sent their nomination of 24 state agencies for the year 2013-14 of which 19 state agencies have signed FSAs for 4.08 million tonnes and drawing coal accordingly.
- (v) After implementation of NCDP, 418 LOAs were also issued to consumers of sponge iron, CPP and cement as per the recommendations of various SLC (LT) meetings for a quantity of 65.09 million tonnes per annum. Out of these, 312 FSAs have been concluded till date for 40.81 Million tonnes per annum.
- (vi) Under Forward E-Auction scheme the quantity allocated was 4.094 million tonnes as against 4.961 million tonnes allocated during the last year. During the period under review, 58.125 million tonnes of coal was allocated under spot e- auction to the successful bidders as against 44.256 million tonnes of coal allocated during the last year. The notional gain through Spot E-auction over and above the notified price was 37.6% as against 49.9% during last year.

#### **(B) Initiative for overcoming logistic bottlenecks:**

CIL came out with a scheme for supply of coal "**As is – Where is**" basis to its power consumers under FSA, to be taken by the purchasers by arranging their own logistics from stock points. The scheme aimed at augmenting coal despatch capacity which is constrained due to various logistics issues restricting transportation to dispatch points.

Similar provision is provided in the FSA for the Seller to offer coal upto 5% of the contracted quantity by using purchaser's own transportation arrangements, either by Road or Road cum Rail (R-C-R) mode in three coal companies namely CCL, MCL and SECL where logistics inadequacy has restrained coal supply potentials of these companies.

**(C) Financial Impact of Presidential Directive dated 17th July, 2013:**

Due to implementation of Presidential Directive dated 17th July, 2013, no compensation has been paid for short supplies of coal to the new power plants under the terms of FSA during the year. Copy of Presidential Directive is enclosed as **Annexure VI.**

**3.6 Coal Beneficiation**

CIL operates 17 coal washeries with a total capacity of 39.40 Mty. Out of these, 13 are coking coal washeries with a total capacity of 24.90 Mty and 4 are non coking coal washeries with a total capacity of 14.50 Mty. CIL had initiated action through global tender to establish 16 coal washeries with a

total capacity of 100.60 Mty, out of which 6 are coking coal washeries with a total capacity of 18.60 Mty and 10 are non coking coal washeries with a total capacity of 82.00 Mty. Construction jobs at three washeries are in progress. Letter of Acceptance/Letter of Intimation of two washeries has been issued. Work in other washeries is at different stages of evaluation.

**3.7 Stock of Coal.**

The stock of coal (net of provisions) at the close of the year 2013-14 was ₹ 4154.61 crores, which was equivalent to 0.72 month value of net sales. The company-wise position of stocks held on 31.03.2014 and on 31.03.2013 is given below:-

Company	(₹ In Crores)	(₹ In Crores)	Stock in terms of no. of months Net Sales	
	Net Value of stock as on 31.03.2014	Net Value of stock as on 31.03.2013	As on 31.03.14	As on 31.03.13
ECL	298.19	307.98	0.40	0.40
BCCL	618.75	757.05	0.90	1.07
CCL	1067.28	1103.23	1.50	1.55
NCL	484.64	629.32	0.63	0.86
WCL	663.47	584.54	1.20	1.05
SECL	565.61	445.55	0.40	0.33
MCL	418.53	460.38	0.50	0.55
NEC/CIL	38.14	13.11	1.46	0.45
<b>Total</b>	<b>4154.61</b>	<b>4301.16</b>	<b>0.72</b>	<b>0.76</b>



### 3.8 Trade Receivables

Trade Receivables i.e. net coal sales dues outstanding as on 31.03.2014, after providing ₹ 2589.01 crores (previous year ₹ 1855.65 crores) for bad and doubtful debts, was ₹ 8241.03 crores (previous year ₹ 10480.21 crores) which is equivalent to 1.11 months gross sales of CIL as a whole (previous year 1.42 months). Subsidiary-wise break-up of trade receivables outstanding as on 31.03.2014 as against 31.03.2013 are shown below:-

Figures in ₹ Crores

Company	Trade Receivables As on 31.03.2014		Trade Receivables As on 31.03.2013	
	Gross	Net of provisions	Gross	Net of provisions
ECL	2143.71	1720.01	3981.52	3582.13
BCCL	2091.42	1570.15	1934.31	1372.05
CCL	2498.31	1875.72	2080.45	1533.87
NCL	1609.62	955.94	1741.28	1738.21
WCL	548.64	468.93	551.66	471.27
SECL	1579.35	1336.78	1582.46	1350.29
MCL	333.11	298.39	451.93	430.91
NEC/CIL	25.88	15.11	12.25	1.48
<b>Total</b>	<b>10830.04</b>	<b>8241.03</b>	<b>12335.86</b>	<b>10480.21</b>

### 3.9 Payment of Royalty, Cess, Sales Tax, Stowing Excise Duty, Central Excise Duty, Clean Energy Cess, Entry Tax and Others

During the year 2013-14, CIL and its Subsidiaries paid/adjusted ₹ 19713.52 crores (previous year ₹ 19731.11 crores) towards Royalty, Cess, Sales Tax and other levies as detailed below:-

Figures in ₹ Crores

	2013-14	2012-13
Royalty	7,559.11	7248.61
Cess & Others	2,202.65	2355.73
Sales Tax / VAT/CST	2,960.08	2908.49
Stowing Excise Duty	464.26	457.54
Central Excise Duty	3,920.25	4227.49
Clean Energy Cess	2,390.86	2319.35
Entry Tax	216.31	213.90
<b>Total</b>	<b>19,713.52</b>	<b>19731.11</b>

**Subsidiary wise Statutory Levies paid during the year 2013-14**

(₹ in Crores)

Company	Particulars	State Exchequer							Central Exchequer	2013-14
		MP	Chhattisgarh	WB	Jharkhand	Maharashtra	UP	Orissa		
ECL	Royalty			11.80	300.65					312.45
	Cess on coal			1,458.46						1,458.46
	State Sales Tax / VAT			232.86	5.00					237.86
	Central Sales Tax								143.75	143.75
	Stowing Excise Duty								35.78	35.78
	Central Excise Duty								547.20	547.20
	Clean Energy Cess								189.55	189.55
	Entry Tax								-	-
	Others								12.49	12.49
BCCL	<b>Total</b>			<b>1,703.12</b>	<b>305.65</b>				<b>928.77</b>	<b>2,937.54</b>
	Royalty				688.25					688.25
	Cess on coal			4.73						4.73
	State Sales Tax / VAT			9.59	118.38					127.97
	Central Sales Tax								156.63	156.63
	Stowing Excise Duty								33.17	33.17
	Central Excise Duty								516.28	516.28
	Clean Energy Cess								164.54	164.54
	Entry Tax								-	-
CCL	<b>Total</b>			<b>14.32</b>	<b>806.63</b>				<b>870.62</b>	<b>1,691.57</b>
	Royalty				945.68					945.68
	Cess on coal									-
	State Sales Tax / VAT				165.75					165.75
	Central Sales Tax								156.50	156.50
	Stowing Excise Duty								46.61	46.61
	Central Excise Duty								496.11	496.11
	Clean Energy Cess								258.82	258.82
	Entry Tax								-	-
NCL	<b>Total</b>				<b>1,111.43</b>				<b>958.04</b>	<b>2,069.47</b>
	Royalty			895.50			266.13			1,161.63
	Cess on coal						13.15			13.15
	State Sales Tax / VAT			95.12			183.05			278.17
	Central Sales Tax								98.79	98.79
	Stowing Excise Duty								72.28	72.28
	Central Excise Duty								422.57	422.57
	Clean Energy Cess								393.65	393.65
	Entry Tax			5.62			32.69			38.31
	Others			230.64			39.77			270.41
	<b>Total</b>			<b>1,226.88</b>			<b>534.79</b>		<b>987.29</b>	<b>2,748.96</b>



(₹ in Crores)

Company	Particulars	State Exchequer								Central Exchequer	2013-14
		MP	Chhattisgarh	WB	Jharkhand	Maharashtra	UP	Orissa	Assam		
WCL	Royalty	140.85				754.00					894.85
	Cess on coal										-
	State Sales Tax / VAT	50.80				239.86					290.66
	Central Sales Tax									41.85	41.85
	Stowing Excise Duty									39.43	39.43
	Central Excise Duty									346.20	346.20
	Clean Energy Cess									195.73	195.73
	Entry Tax	10.67									10.67
	Others										-
<b>Total</b>		<b>202.32</b>	-	-	-	<b>993.86</b>	-	-	-	<b>623.21</b>	<b>1,819.39</b>
SECL	Royalty	454.63	1,733.47								2,188.10
	Cess on coal	317.77	105.08								422.85
	State Sales Tax / VAT	101.58	405.42	1.70							508.70
	Central Sales Tax									244.89	244.89
	Stowing Excise Duty									121.49	121.49
	Central Excise Duty									1,036.78	1,036.78
	Clean Energy Cess									607.56	607.56
	Entry Tax	18.90	86.23								105.13
	Others	2.53	12.93	0.27							15.73
<b>Total</b>		<b>895.41</b>	<b>2,343.13</b>	<b>1.97</b>	-	-	-	-	-	<b>2,010.72</b>	<b>5,251.23</b>
MCL	Royalty					1,330.30					1,330.30
	Cess on coal										-
	State Sales Tax / VAT					380.63					380.63
	Central Sales Tax									118.59	118.59
	Stowing Excise Duty									114.98	114.98
	Central Excise Duty									545.00	545.00
	Clean Energy Cess									578.15	578.15
	Entry Tax					62.19					62.19
	Others										-
<b>Total</b>		-	-	-	-	-	-	-	-	<b>1,773.12</b>	<b>3,129.84</b>
NEC	Royalty									37.85	37.85
	Cess on coal										-
	State Sales Tax / VAT									2.87	2.87
	Central Sales Tax									6.47	6.47
	Stowing Excise Duty									0.52	0.52
	Central Excise Duty									10.11	10.11
	Clean Energy Cess									2.86	2.86
	Entry Tax									0.01	0.01
	Others									4.83	4.83
<b>Total</b>		-	-	-	-	-	-	-	-	<b>45.56</b>	<b>19.96</b>
		-	-	-	-	-	-	-	-		<b>65.52</b>

(₹ in Crores)

Company	Particulars	State Exchequer								Central Exchequer	2013-14
		MP	Chhattisgarh	WB	Jharkhand	Maharashtra	UP	Orissa	Assam		
Overall	Royalty	1,490.98	1,733.47	11.80	1,934.58	754.00	266.13	1,330.30	37.85	-	7,559.11
	Cess on coal	317.77	105.08	1,463.19	-	-	13.15	-	-	-	1,899.19
	State Sales Tax / VAT	247.50	405.42	244.15	289.13	239.86	183.05	380.63	2.87	-	1,992.61
	Central Sales Tax	-	-	-	-	-	-	-	-	967.47	967.47
	Stowing Excise Duty	-	-	-	-	-	-	-	-	464.26	464.26
	Central Excise Duty	-	-	-	-	-	-	-	-	3,920.25	3,920.25
	Clean Energy Cess	-	-	-	-	-	-	-	-	2,390.86	2,390.86
	Entry Tax	35.19	86.23	-	-	-	32.69	62.19	0.01	-	216.31
	Others	233.17	12.93	0.27	-	-	39.77	-	4.83	12.49	303.46
<b>Total</b>		<b>2,324.61</b>	<b>2,343.13</b>	<b>1,719.41</b>	<b>2,223.71</b>	<b>993.86</b>	<b>534.79</b>	<b>1,773.12</b>	<b>45.56</b>	<b>7,755.33</b>	<b>19,713.52</b>

#### 4. COAL PRODUCTION

##### 4.1 Raw coal production

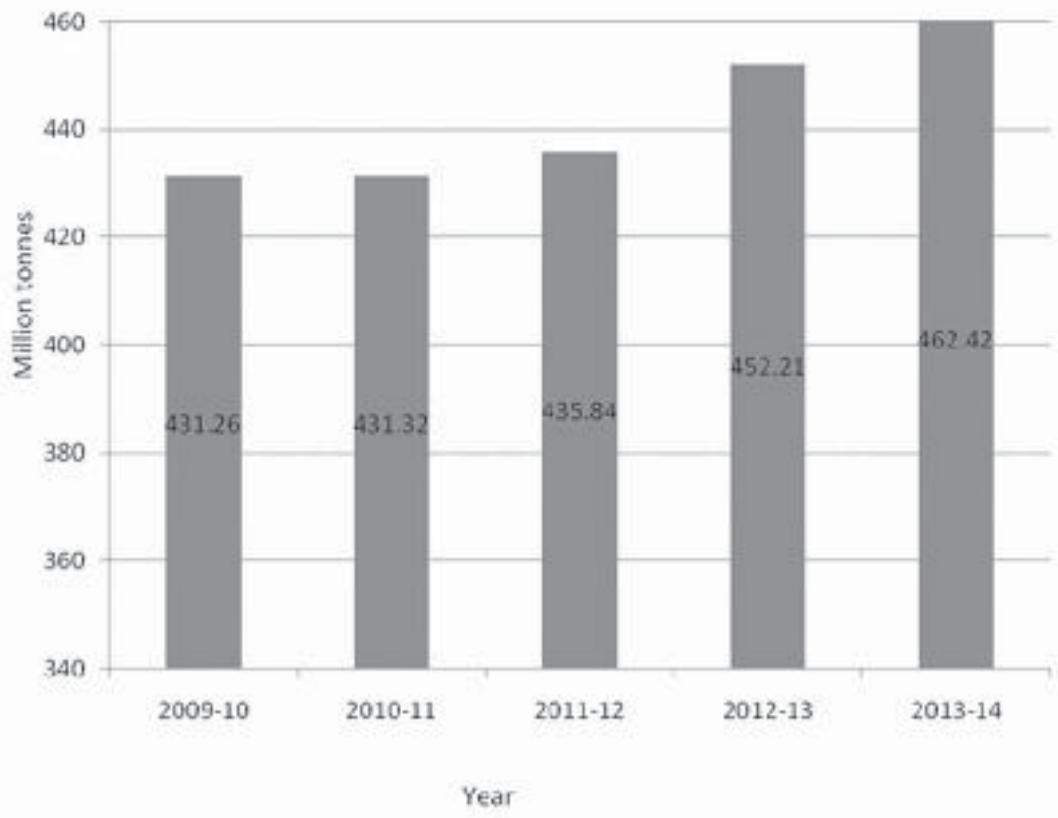
Production of raw coal during 2013-14 was 462.422 million tonnes against 452.211 million tonnes produced in 2012-13. The company-wise production is given below:

(Figure in million tonnes)

Company	Coking		Non-Coking		Total	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
ECL	0.048	0.043	36.006	33.868	36.054	33.911
BCCL	30.054	26.970	2.560	4.243	32.614	31.213
CCL	18.440	16.156	31.582	31.905	50.022	48.061
NCL	0.000	0.000	68.639	70.021	68.639	70.021
WCL	0.249	0.330	39.480	41.957	39.729	42.287
SECL	0.125	0.157	124.136	118.062	124.261	118.219
MCL	0.000	0.000	110.439	107.894	110.439	107.894
NEC	0.000	0.000	0.664	0.605	0.664	0.605
<b>CIL</b>	<b>48.916</b>	<b>43.656</b>	<b>413.506</b>	<b>408.555</b>	<b>462.422</b>	<b>452.211</b>



### Raw coal production



#### 4.2 Production from underground and opencast mines.

Coal production from underground mines in 2013-14 was 36.113 million tonnes compared to 37.776 million tonnes in 2012-13. Production from Open cast mines during 2013-14 was 92.19% of total raw coal production. The company-wise production is given as under:

(Figures in million tonnes)

Company	Underground Production		Opencast Production		Total Production	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
ECL	6.871	6.849	29.183	27.062	36.054	33.911
BCCL	2.704	3.153	29.910	28.060	32.614	31.213
CCL	0.956	1.024	49.066	47.037	50.022	48.061
NCL	0.000	0.000	68.639	70.021	68.639	70.021
WCL	7.730	8.200	31.999	34.087	39.729	42.287
SECL	16.416	16.869	107.845	101.350	124.261	118.219
MCL	1.433	1.678	109.006	106.216	110.439	107.894
NEC	0.003	0.003	0.661	0.602	0.664	0.605
<b>CIL</b>	<b>36.113</b>	37.776	<b>426.309</b>	414.435	<b>462.422</b>	452.211

#### **4.3 Hard Coke and Washed Coal (Coking) Production**

Subsidiary-wise production of Hard Coke and Washed Coal (Coking) was as under:

(Figures in Lakh Tonnes)

Company	Hard Coke		Washed Coal (Coking)	
	2013-14	2012-13	2013-14	2012-13
ECL	-	-	-	-
BCCL	0.00	0.00	9.53	13.29
CCL	-	-	13.58	12.39
NCL	-	-	-	-
WCL	-	-	1.20	1.44
SECL	-	-	-	-
MCL	-	-	-	-
NEC	-	-	-	-
<b>CIL</b>	<b>0.00</b>	<b>0.00</b>	<b>24.31</b>	<b>27.12</b>

#### **4.4 Overburden Removal**

Overburden Removal during 2013-14 was 806.544 million cubic metres against 746.702 million cubic metres achieved in 2012-13 recording a splendid growth of 8.01%. The Company-wise details of overburden removal is shown below:

(Figures in million cubic metres)

Company	2013-14	2012-13
ECL	85.756	76.448
BCCL	85.419	84.259
CCL	59.022	63.308
NCL	208.787	195.706
WCL	120.076	113.685
SECL	144.875	118.202
MCL	96.028	90.361
NEC	6.581	4.733
<b>CIL</b>	<b>806.544</b>	<b>746.702</b>

#### **4.5 Future Outlook**

In the terminal year (2016-17), as per XII Plan document, growth rate of demand for coal in India has been envisaged at 7.09% (980.50 Mt). In 2014-15, demand for coal in India has been estimated to the tune of 787.03 Mt against 769.69 Mt in 2013-14.

In the TY of XII Plan (2016-17), the envisaged indigenous coal production is 795.00 Mt. Out of this, share of CIL is 615 Mt (77 % share of total production)with an envisaged growth rate of 7.12 %. Out of this, 30.20 % is to come from existing mines, 54.2 % from projects under implementation and 15.6% from new projects to be taken up. On date, 148 projects are under various stages of implementation. Further, 126 new projects are also identified to be taken up in future. Coal production target of CIL in 2014-15 is 507 Mt with a growth of 9.61 % over last year's achievement.



CIL has proposed a capital outlay of ₹ 25,400 crores in XII Plan plus an ad-hoc provision of ₹ 35,000 crores for acquisition of assets abroad and development of the acquired coal blocks in Mozambique. The capital expenditure for the year 2014-15 has been envisaged at ₹ 5225.00 crores plus additional ad-hoc provision of ₹ 4500 crores for acquisition of coal assets abroad and development of coal blocks in Mozambique.

**Railway infrastructure Projects:** In order to achieve the planned growth in production and evacuation in future, CIL has undertaken the following major Railway Infrastructure Projects to be executed by Indian Railways Authority:

1. Tori-Shivpur-Khatotia new BG Line with a length of about 93.45 Km for North Karanpura Coalfields of Central Coalfields Limited, Ranchi, Jharkhand. The work is under execution in Tori-Shivpur Section by East Central Railway, Patna.
2. Jharsuguda –Barpalli Railway Infrastructure Project with a length of about 52.4 Km for IB Coalfields of Mahanadi Coalfields Limited, Sambalpur, Odisha. The work is under execution by South Eastern Railways, Kolkata.
3. To cater to evacuation of coal from Mand-Raigarh and Korba-Gevra Coalfields of SECL, following 2 Railway Corridors have been identified for construction:
  - (a) East Corridor (Bhupdeopur-Ghaghoda-Dharamjaiigarh upto Korba with a spur from Ghaghoda to Donga Mahua to connect mines of Gare-Pelma Block) with a length of about 180 km.
  - (b) East-West Corridor (Gevra Road via Dipka, Kathghora, Sindurgarh, Pasan) with a length of about 122 Km

An MoU has been signed among SECL, IRCON International Limited and the Government of Chhattisgarh (GoCG) for Sl.No.3 with the equity share holding of 64%, 26% and 10% respectively.

## **5. POPULATION OF EQUIPMENT**

The population of Major Opencast Equipment (Heavy Earth Moving Machinery) as on 1.4.2014 and on 1.4.2013 alongwith their performance in terms of availability and utilisation expressed as percentage of CMPDIL norm is tabulated below:

Equipment	No. of Equipment		Indicated as % of CMPDIL Norm			
	As on 1.4.2014	As on 1.4.2013	Availability		Utilisation	
			2013-14	2012-13	2013-14	2012-13
Dragline	36	39	97	90	80	77
Shovel	732	715	91	88	78	77
Dumper	2977	3109	102	101	70	70
Dozer	977	972	91	91	58	58
Drill	693	707	104	99	61	65

## 6. CAPACITY UTILISATION

### SYSTEM CAPACITY UTILIZATION

The overall system capacity utilization of CIL as a whole for the year 2013-14 has worked out to be 84.75 %. It was 82.99 % during 2012-13. The subsidiary-wise details in terms of percentage vis-a-vis the preceding year are as under:

Company	2013-14	2012-13	(Unit %)
<b>ECL</b>	130.78	118.97	
<b>BCCL</b>	93.61	79.29	
<b>CCL</b>	84.66	84.89	
<b>NCL</b>	75.54	76.69	
<b>WCL</b>	92.47	93.41	
<b>SECL</b>	88.49	80.52	
<b>MCL</b>	68.60	75.61	
<b>NEC</b>	82.38	66.34	
<b>Total CIL</b>	<b>84.75</b>	<b>82.99</b>	

## 7. PRODUCTIVITY: OUTPUT PER MANSHIFT (OMS)

Output per manshift (OMS) during 2013-14 improved to 5.62 tonnes from 5.32 tonnes per manshift of previous year. The company-wise position is given in the following table:

Company	(Figures in tonnes)					
	Underground OMS		Opencast OMS		Overall OMS	
2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	
ECL	0.48	0.46	10.96	10.17	2.13	1.94
BCCL	0.31	0.35	9.38	8.31	2.74	2.50
CCL	0.33	0.33	6.26	6.09	4.64	4.42
NCL	0.00	0.00	13.78	13.65	13.78	13.65
WCL	1.07	1.10	5.14	5.03	2.96	2.97
SECL	1.35	1.37	21.45	19.26	7.23	6.72
MCL	0.84	0.97	22.16	21.34	16.69	16.07
NEC	0.01	0.01	4.33	3.77	1.54	1.30
<b>CIL</b>	<b>0.76</b>	0.77	<b>12.18</b>	11.48	<b>5.62</b>	5.32

## 8 PROJECT FORMULATION

**8.1 Preparation of Reports:** As prioritized by subsidiary companies of Coal India Limited, preparation of Project Reports (PR) for new/expansion/re-organization mines was carried out during the year 2012-2013 for building additional coal production capacity to the tune of 75 Mty. Revision of Project Reports/Cost Estimates for projects was also taken up along with new PRs Thrust was laid on preparation of reports of identified projects of XII Plan.



**Other important jobs undertaken during the year:**

- Master plan of coalfields
- Preparation and evaluation of RFQ (Request for Qualification) and RFP (Request for Proposal) documents and customization of bid documents for coal washeries
- Operational plans for large OC mines
- Environment Management Plan (EMP)
- Mining Plans and Mine Closure Plans of OC and UG mines
- Mine capacity assessment of underground and opencast mines of CIL.
- Various technical studies relating to operation of opencast and underground mines.
- Performance analysis of HEMM operating in OC mines of CIL.
- Preparation of Standard Bid Documents for procurement of Continuous Miner in underground mines of CIL.
- Preparation of Model Bid Document and Conceptual Report for setting up of FBC based thermal power plants using washery rejects.
- Detailed design and drawings, NIT, tender scrutiny, etc.

**Expert Consultancy Services:** During the year 2013-2014, expert consultancy services were also provided to subsidiary companies of Coal India Limited in the field of Environmental Management and Monitoring, Remote Sensing, Energy Audit (Diesel and Electrical), Benchmarking of Diesel and Electrical Consumption and Fixation of Diesel and Electrical Consumption Norms of Opencast and Underground mines, Physico-mechanical tests on Rock and Coal Samples, Subsidence Studies, Strata Control, Non-Destructive Testing (NDT), Controlled Blasting and Vibration Studies and Explosive Utilization, Ventilation/Gas Survey of UG mines, Mining Electronics, Petrography and Cleat Study on coal samples, Coal Core Processing and Analysis, Washability tests, OBR Survey, Man Riding System, Soil Erosion Study, Slope Stability Study, Effluent/Sewerage Treatment Plants, Assessment of Normative Cost of sand stowing for stowing mines, etc.

## **8.2 Project Implementation**

- a) The following 4 coal projects, each costing ₹ 20 crores and above, with an ultimate capacity of 11.00 Mty and completion cost of ₹ 653.97 crores, have been completed during the year 2013-14:-

<b>SI No</b>	<b>Company</b>	<b>Name of Projects</b>	<b>Type</b>	<b>Sanctioned Capacity (Mty)</b>	<b>Completion Cost (₹ crores)</b>
1.	NCL	Bina Expn	OC	1.50(Iincr)	67.53
2.	MCL	Lajkura Expn	OC	2.50	60.77
3.	MCL	Samaleswari	OC	5.00	382.10
4.	CCL	Urimari EPR	OC	2.00	143.57
<b>TOTAL</b>				<b>11.00</b>	<b>653.97</b>

- b) 1 Coal project, costing ₹ 20 crores and above, with an ultimate capacity of 1.30 MTY and sanctioned capital of ₹ 40.16 crores have started contributing production during the year 2013-14 :-

SI No	Company	Name of Projects	Type	Sanctioned Capacity (MTy)	Sanctioned Capital (₹ Crores)
1	CCL	Kuju Schm.	OC	1.30	40.16

#### **Status of Ongoing Projects:**

Presently, there are 118 mining (excluding 13 projects of WCL approved subject to finalization of Coal Supply Agreement on cost plus basis.) and 25 non-mining projects, costing ₹ 20 crores and above, under implementation.

Out of 118 mining projects, 31 projects are running on schedule and 87 are delayed. Out of 25 non-mining projects, 21 are on schedule and 4 are delayed.

Status of ongoing projects costing ₹ 20 crores. and above:-

Projects	Total projects	Projects on schedule	Projects delayed
Mining	118	31	87
Non Mining	25	21	4
<b>Total</b>	<b>143</b>	<b>52</b>	<b>91</b>

#### **Reasons for the delay**

#### **Mining Projects:**

SL	REASONS FOR THE DELAY	NO OF PROJECTS
1	DELAY IN LAND ACQUISITION + FC + R&R	56
2	MISCELLANEOUS	31
	<b>TOTAL</b>	<b>87</b>

#### **Non – mining Projects:**

Out of 4 delayed non-mining projects, all are delayed due to land and rehabilitation problems including forest problem.

#### **8.3 Projects Sanctioned (Costing ₹ 20 crores & above) :**

- (a) No Advance Action proposal has been sanctioned during 2013-14.
- (b) CIL Board has sanctioned 3 mining projects during 2013-14.

SI No	Project	Sub	Date of Approval	Sanc. Capacity (MTY)	Sanc. Capital (₹ crores)
1.	Kusmunda Expn OCP	SECL	03.08.2013	50.00 (35 Incr)	7612.33 (Incr 6912.33)
2.	Chhal Expn OCP	SECL	16.12.2013	6.00	2127.59
3.	North Tisra South Tisra OC	BCCL	12.02.2014	6.00	555.52
<b>Total</b>				<b>62.00</b>	<b>10295.44</b>



- (c) No Non-mining project has been approved during the year 2013-14 by CIL.
- (d) The Subsidiary Company Boards have sanctioned 4 mining projects, costing ₹ 20 crores and above, for a total capacity of 6 Mty and sanctioned capital of ₹ 743.32 crores under their delegated powers during the year 2013-14:

SI No	Project	Sub	Date of Approval	Sanc Capacity (MTY)	Sanc Capital (₹ crores)
1.	Sayal 'D' OCP	CCL	10.10.2013	1.00	48.53
2.	Jeevandhara OC	CCL	19.11.2013	1.00	282.20
3.	Mugoli& Nirguda Ext OC	WCL	06.02.2014	3.00	372.52
4.	Hindustan Lalpath	WCL	06.02.2014	1.00	40.07
<b>Total</b>				<b>6.00</b>	<b>743.32</b>

- (e) The Subsidiary Boards have sanctioned following 3 Non-mining Projects, costing ₹ 20 crores and above, under their delegated powers during 2013-14:-

SI	Cos	Non-Mining Projects approved	Capital (₹ Cr)	Approval Date
1.	MCL	Lingraj Silo Loading arrangement	227.00	16.05.14
2.	MCL	Expn of BOCM (BOCM 6 & 7)	27.15	17.06.14
3.	MCL	Concrete pavement in coal transportation road of Kaniha OC	26.91	24.12.13

#### 8.4 Revised Project /Revised Cost Estimates

- (a) No RPR/RCE was sanctioned by CIL during 2013-14.
- (b) Following RPRs/RCEs sanctioned by the Subsidiary Company Boards during 2013-14.

SI	Cos	Projects approved	Capacity (Mty)	Capital (₹ Crores)
1.	MCL	Lajkura Expn RCE OC	1.50	60.77

#### 9. CONSERVATION OF ENERGY

CIL's subsidiaries have undertaken following measures, interalia to conserve energy :

- Power capacitors are added / replaced wherever necessary to improve power factor on the basis of regular monitoring and assessment.
- Energy Audit and Benchmarking are conducted for selected opencast / underground mines by CMPDIL on regular basis.
- Energy efficient lamps are widely used in places of new installations. Existing energy inefficient lamps are gradually replaced with energy efficient lamps.
- Time switches are installed at various places for automatic control of street lights.
- Power supply systems are re-organized wherever necessary for efficient use of energy.

- Re-organization of pumping including pipeline is done at places, as deemed necessary, to avoid stage pumping thereby improving efficient use of energy.
- Various energy conservation measures are taken and general awareness is propagated among all concerned for efficient use of energy.
- Demand side management is done by improving load factor and limiting maximum demand wherever practicable by staggering aidable load from peak hours to off-peak hours.
- CIL coordinates with the subsidiaries and follows up on their activities for energy conservation.
- Performances of subsidiaries on energy conservation are discussed during the co-ordination meeting.
- Project-wise specific consumption of diesel is monitored and the same is compared with benchmark.
- A CIL R&D endeavour under the project entitled 'Green House Gas recovery from coal mines and coal beds for conversion of energy (GHG2E)' was taken up and the main objective of the project study is to develop capacity building in the new area of Coal Mine Methane (CMM) drainage and CO<sub>2</sub> has been completed.
- A project entitled 'Research and Development on efficient energy management pilot study and action plan' was taken up with CIL R&D fund to identify feasible new technologies and functionalities for improvement in energy management in mines through key performance indicators and adoption of renewable energy like possibility of usage of solar photovoltaic cells for the existing and future buildings under green infrastructure concept.

## **10. CAPITAL EXPENDITURE**

Overall capital expenditure during 2013-14 was ₹ 4329.86 crores as against ₹ 2915.23 crores in previous year, the subsidiary-wise details of which are given below:-

Figures in ₹ crores

<b>Company</b>	<b>2013-14</b>		<b>2012-13</b>	
	<b>(BE)</b>	<b>Actual</b>	<b>(BE)</b>	<b>Actual</b>
ECL	525.00	408.87	450.00	202.94
BCCL	850.00	504.24	300.00	266.15
CCL	500.00	657.18	425.00	397.42
NCL	800.00	301.76	850.00	444.19
WCL	450.00	287.66	350.00	264.05
SECL	850.00	956.21	900.00	628.85
MCL	500.00	876.84	500.00	531.56
CMPDIL	30.00	20.26	30.00	6.94
NEC/CIL/Others*	495.00	316.84	470.00	173.13
<b>Total</b>	<b>5000.00</b>	<b>4329.86</b>	<b>4275.00</b>	<b>2915.23</b>

\* Include Master Action Plan.

Capital Expenditure incurred during 2013-14 is about 86.60% of BE (68.19% in 2012-13).



## 11. CAPITAL STRUCTURE

The authorized share capital of the Company as on 31.03.2014 was ₹ 8904.18 crores, distributed between Equity and Non-cumulative redeemable preference shares as under:

(i)	800,00,00,000 Equity Shares of ₹ 10/- each (Previous Year 800,00,00,000 Equity Shares of ₹ 10/- each)	₹ 8000.00 crores
(ii)	90,41,800 Non-cumulative 10% Redeemable Preference Shares of ₹ 1000/- each (Previous Year 90,41,800 Non-cumulative 10% Redeemable Preference Shares of ₹ 1000/- each)	₹ 904.18 crores
<b>Total</b>		<b>₹ 8904.18 crores</b>

### **Listing of shares of Coal India Limited in Stock Exchanges:**

Pursuant to divestment of 10% of total equity shares held by Hon'ble President of India (Govt. of India), to the public, the shares of Coal India Limited are listed in two major Stock Exchanges of India, viz. Bombay Stock Exchange and National Stock Exchange on 4th November, 2010.

### **Further divestment by Govt. of India to CPSE – ETF:**

During FY 2013-14, Govt. of India has further divested 0.35% of total equity shares equivalent to 2,20,37,834 number of equity shares by way of placement of such shares in Central Public Sector Exchange Traded Fund (CPSE-ETF) and post such divestment, the Govt. of India holds 89.65% of the total equity share capital as on 31.03.2014.

Pursuant to above the shareholding pattern in CIL stood as follows:

	<b>As on 31.03.2014</b>		<b>As on 31.03.2013</b>	
	Shareholding Pattern (%)	Share Capital (₹ crores)	Shareholding Pattern (%)	Share Capital (₹ crores)
Government of India	89.65	5662.69	90.00	5684.72
CPSE - ETF	0.35	22.03	-	-
Other Investors	10.00	631.64	10.00	631.64
<b>Total</b>	<b>100.00</b>	<b>6316.36</b>	<b>100.00</b>	<b>6316.36</b>

## 12. BORROWINGS

Aggregate borrowings of CIL have decreased to ₹ 177.82 crores in 2013-14 from ₹ 1305.30 crores in 2012-13, as detailed below.

Figures in ₹ crores

Particulars	<b>2013-14</b>	<b>2012-13</b>
Foreign Loans including deferred credits		
IBRD/JBIC*	-	1136.23
EDC Canada	168.07	160.35
Liebherr France SA., France	9.75	8.72
<b>TOTAL</b>	<b>177.82</b>	<b>1305.30</b>

\* The foreign currency loans drawn from JBIC Bank (denominated in Japanese Yen) and IBRD Bank (denominated in US Dollar) for implementation of coal sector rehabilitation project in various subsidiaries has been prepaid during the year on 05.11.2013 and 06.12.2013 respectively.

The debt servicing has been duly met in all the components of the loans / deferred credits.

### **13. INTERNATIONAL CO-OPERATION**

#### **International Co-operation.**

Coal India is envisaged for foreign collaboration with a view to:-

- Bring in proven and advanced technologies and management skills for exploiting UG and OC mines and coal preparation.
- Exploration and exploitation of Methane from Coal bed, Abandoned mine, Ventilation air, Shale gas, Coal gasification, etc.
- Locating overseas countries interested in Joint Venture in the field of coal mining with special thrust on coking coal mining.

The priority areas include acquisition of modern and high productive underground mining technology, introduction of high productive opencast mining technology, working underground in difficult geological conditions, fire control and mine safety, coal preparation, application of 3D seismic survey for exploration, extraction of Coal Bed Methane, Coal Gasification, application of Geographical Information System, Satellite Surveillance, environmental control, overseas ventures in coal mining.

CIL would endeavour to acquire suitable technology through international bidding. Bilateral cooperation may also be encouraged for locating availability of cost effective and latest technologies in the aforesaid areas, with discernibly advantages. CIL, therefore, has been following both the routes.

Following are the details of activities that took place with various countries during 2013-14.

#### **Indo-US Collaboration**

The 10th Indo-US Coal Working Group meeting was held on 10th March, 2014 in New Delhi. The status of ongoing projects under Indo-US CWG was reviewed. Presentations were made by CMPDI/CIL on new areas of collaboration.

The status of ongoing projects under Indo-US CWG is as follows:-

- a) Development of Coal Preparation Plant Simulator:

The identified US consultant M/s Sharpe International LLC, USA (SI) was awarded the work in October 2009 for development of a Coal Preparation Plant Simulator. Total work was split into 18 activities out

of which 11 activities were completed. Later, SI expressed in October 2013 their inability to complete the work. US representatives were requested to take up the matter with the M/s Sharpe for a meaningful conclusion of the project.

- b) Cost Effective Technology for Beneficiation and Recovery of Fine Coal :

US DOE had identified Virginia Tech University (VTU) for establishing an efficient technique for beneficiation and dewatering of Indian coking coal fines through a demonstration plant based on the technologies identified after pilot scale tests of Indian coking coal samples on different state-of-the-art equipment at VTU. A joint project proposal was drawn and approved by CIL R&D Board in Dec. 2010. The VTU, however, expressed its inability to sign an international agreement and as such the project could not be started. US representatives were requested to apprise different available technologies for fine coal beneficiation and recovery so that different projects can be taken up based on merit.

- c) Underground Coal Gasification (UCG):

UCG, which may offer solution to untapped isolated coal deposits lying at depths, is one of the key areas under Indo-US collaboration. In order to promote R&D efforts for potential application of technological advances and to establish these in the Indian geo-mining condition, a brief proposal for capacity building has been sent by MoC to Lead Coordinator, India-US Coal Working Group, USA. It was proposed that the proposal would be taken up by CMPDI, with the budget available under R&D fund of Coal India Limited. UC-CIEE can be the co-implementing agency from the US side.

#### **New Areas of Collaboration:**

- a) Advanced Dry Coal Cleaning technologies
- b) 3 D Seismic Surveys
- c) Planning Large Capacity Opencast Mines
- d) Mine Rehabilitation and Reclamation

#### **Indo-EU Collaboration**

The 8th meeting of Indo-EU working group on Coal and Clean Coal Technologies was held on 28-29 Nov, 2013 at Chennai. One of the



key areas for cooperation is the development and deployment of advanced coal mining. The aim of advanced coal technologies is to increase the efficiency and safety in coal production and to mitigate environmental and social impacts. Co-operation of EU was sought for various aspects related to coal mining like steeply dipping seated coal seams as under:

- Innovative mining technologies and environment friendly solutions.
- Development of technology for deep coal mines and possible solutions for Indian conditions.
- Technological improvements to manage these risks, especially on the prevention, and include rock stress monitoring system, mine atmosphere control, and methane drainage technique, personnel tracking system and staff training for emergency situations.
- The need to modernize, develop and adopt technologies for high capacity and productive underground coal mining from deep and thick coal seams.
- Underground coal mining technologies for mass production for steep and gassy coal seams.
- Results of feasibility study to design a mining methodology for NEC coalfields.

Both sides had agreed to hold the next meeting of the Coal Working Group in September/October, 2014 in one of the EU coal regions.

A proposal titled 'Introduction of a new underground mining technology at North-East Coalfields in Assam, India' was placed before the Indo-EU Working Group on clean coal technology for consideration in 2012. The feasibility study to design a suitable mining technology and operation was awarded to a Spanish Consortium led by AITEMIN. The members from the Spanish Consortium visited from 10-14 Feb, 2014 for preliminary discussions and data collection. The report is likely to be submitted by August/September, 2014.

#### **Indo-Australian Collaboration**

CMPDI and CSIRO (Commonwealth Scientific and Industrial Research Organisation), Australia entered into an MoU on 12th June, 2013 to encourage programmes of exchange and collaboration in areas of mutual interest.

In pursuant to the directive of the Ministry of Coal, CMPDI on behalf of CIL, is contemplating to take up a project on mitigation

and utilization of Ventilation Air Methane (VAM) at Moonidih, BCCL, with CSIRO, Australia under National Clean Energy Fund (NCEF) of Government of India. A project proposal for implementation of project is under preparation.

#### **Other activities through international cooperation**

##### **CMM/CBM Clearinghouse**

With an objective of supporting development of CBM/CMM resources, a Govt. level understanding was reached between the Ministry of Coal (MoC), Govt. of India and United States Environmental Protection Agency (USEPA) on establishment of CMM/CBM Clearinghouse. The clearinghouse was established at CMPDI, Ranchi in November, 2008 with an objective to promote CBM/CMM industry in India. The term of the Clearinghouse has been extended for a further period of 3 years up to November, 2015, consequent to the approval of MoC and USEPA has also given its consent for extension of terms of the Clearinghouse. An International workshop on "Development of coal based non-conventional energy resources in India" has been organized under the CMM/CBM Clearinghouse and CMPDI at Ranchi in November, 2014.

#### **14. WORLD BANK FINANCED PROJECTS FOR 2013-14**

The net utilization of loan disbursement by IBRD and JBIC was to the tune of USD 245.73 million and JPY 28440.82 million, respectively, for procurement of equipment and technical assistance under Coal Sector Rehabilitation Project (CSRP). The disbursement by IBRD and JBIC was completed in December 2003. As such there was no drawal of loan since January 2004.

During this year, with the repayment of scheduled instalment and prepayment of balance loan of USD 106.90 million to IBRD and JPY 9413.95 million to JBIC respectively, total CSRP loan was repaid.

#### **COAL VIDESH DIVISION**

##### **Initiatives undertaken for acquisition and development of coal assets abroad**

- (A) Activities of Coal India Africana Limitada (CIAL), Mozambique.

The prospecting Licenses for coal, having nos. 3450L and 3451L, covering a total area of 224 square kilometres were granted to CIAL, a wholly owned subsidiary of CIL in Mozambique in 2009.

Various activities related to exploration of the allotted coal blocks were undertaken in 2013-14 which are as follows:

- Completion of 1st Phase drilling (5157 mtrs completed by 31.3.13 and 4843 mtrs completed in FY 2013-14).
- Completion of Geological Mapping in the allotted coal blocks in May 2013.
- Awarded contract for 2nd stage drilling of 3000 mtrs in Nov 2013 and completion of 30,602 mtrs of drilling.
- Completion of survey work for delineation of whole of the concession area and survey of the drilled and planned boreholes.
- Awarding contract for geophysical logging for an estimated 15000 mts in November 2013 and completion of geophysical logging work.
- Completion of analysis of coal samples from 9 (nine) boreholes in laboratories in India and 2(two) boreholes in Mozambique.

(B) Global Expression of Interest inviting proposals related to acquisition of overseas coal assets

In accordance with the decision of Foreign Acquisition Committee, a sub-committee of the Board of CIL, Coal Videsh Division of CIL, had published a notice inviting acquisition proposal from the owners of coal assets directly or through the mandated Merchant / Investor bankers (MB/ IB) under the GOI policy on 'Acquisition of Raw material assets abroad by CPSEs'.

The status of progress for the financial year 2013-14 is as follows:

- Proposals received in response to the advertisement were short listed.
- Completed 1st level technical review in respect of shortlisted proposals and presented its finding to high level meetings.
- Review of legal and regulatory aspects of Foreign Direct Investment (FDI) in coal mining sector in Indonesia is in process.

(C) Status on setting up of Apex Planning Organisation (APO) and Apex Training Organisation (ATO) in Mozambique

The Prime Minister of India, declared USD 500 million of grant-in-aid for 21 projects for capacity building in Africa region, in India Africa Forum Summit (IAFS-1) held in New Delhi on 8-9 April 2008, which included setting up of an Apex Planning Organization (APO) and an Apex Training Organization (ATO) for coal sector in SADC region in Mozambique. Initially, entire funding for the APO and ATO was to be out of the Ministry of External Affairs (MEA) funds. Coal India Limited (CIL) was requested to execute the project utilizing the grant of MEA, GOI and to provide the balance funding for the project. The same was approved by CIL Board and the work could be taken up after signing of MOUs by the two governments. Initial cost estimates for APO and ATO were prepared in 2009 and it was decided to update the estimate.

The actions taken during the financial year 2013-14 are as follows:

- A team from CMPDI visited Mozambique and held discussions with Mozambican officials to prepare a revised realistic cost estimate for both the APO and ATO using cost indices/parameters prevalent in Mozambique. CMPDIL prepared a revised cost estimate (RCE) for setting up and running of APO and ATO.
- Preparation of MOU, to be signed by the Govt of Mozambique and CIL related to setting up of APO and ATO in Mozambique and obtaining approval from respective Govts.
- Draft MOUs were vetted by the Govt. of India and Mozambique and is being processed for further action.

**15. MASTER PLAN FOR DEALING WITH FIRE, SUBSIDENCE AND REHABILITATION**

The Master Plan for dealing with fire, subsidence and rehabilitation in the lease hold of Bharat Coking Coal Limited (BCCL) and Eastern Coalfields Limited (ECL) was approved on 12th August, 2009 by Govt. of India with an estimated investment of ₹ 7,112.11 crores for Jharia Coalfields and ₹ 2,661.73 crores for Raniganj Coalfields. Implementation period has been delineated as 10 years.

- Implementation of Master Plan is being monitored on half-yearly basis by High Powered Central Committee (HPCC) under the Chairmanship of Secretary (Coal).
- During FY 2013-14, HPCC meeting was held on 22.07.2013 and 24.01.2014 and Advisor (Projects) has conducted review meetings on 23.04.2013 & 24.10.2013 on the advice of Secretary, MoC.



### **Master Plan dealing with Fire, Subsidence and Rehabilitation in the leasehold of Eastern Coalfields Limited (ECL)**

Asansol Durgapur Development Authority (ADDA), a state Govt. organization has been identified as implementing agency for Rehabilitation of Non-ECL houses. Contingency charges @ 3% and Supervision charges @5% (total 8%) are to be paid to ADDA for implementation, which is included in the assessed capital requirements.

The salient features of the approved Master Plan are as follows:

■ No of unstable sites proposed for Rehabilitation	: - 139 + 2 (added as per DGMS) = 141.
■ No of houses/families assessed for Rehabilitation	: - 33,196.
■ Requirement of Land assessed for Rehabilitation	: - 896.29 Ha.
■ No of Locations identified for Diversion of Infrastructure	: - 7 (Railway lines, roads and IOC pipelines).
■ Capital Requirement estimated for Diversion projects	: - ₹ 11.35 crores.
■ Capital Requirement estimated for Rehabilitation	: - ₹ 2,610.10 crores.
■ Capital Requirement estimated for Fire schemes	: - ₹ 40.28 crores.
■ Total Capital Requirement assessed	: - ₹ 2,661.73 crores.

### **Master Plan dealing with Fire, Subsidence and Rehabilitation in the leasehold of Bharat Coking Coal Limited(BCCL)**

Jharia Rehabilitation & Development Authority (JRDA), a state Govt. organization, has been identified as the implementing agency for Rehabilitation of Non-BCCL houses. Contingency charges @ 3% and Supervision charges @ 5% (total 8%) are to be paid to JRDA for implementation, which is included in the assessed capital requirements.

■ No. of fire areas for which action plan has been proposed	: - 67.
■ No. of houses to be vacated	: - 98,314.
■ No. of houses proposed to be reconstructed	: - 79,159.
■ Requirement of Land assessed for Rehabilitation	: - 1,504.99 Ha.
■ Capital Requirement estimated for Rehabilitation	: - ₹ 4,780.60 crores.
■ Capital Requirement estimated for Diversion projects	: - ₹ 20 crores (Railway line, Road).
■ Capital Requirement estimated for Fire schemes	: - ₹ 2,311.50 crores.
■ Total Capital Requirement assessed	: - ₹ 7,112.11 crores.

The R&R Package for Non-ECL and Non-BCCL endangered people are:

- a) Cash compensation equivalent to assessed cost of homestead land and other super structure / infrastructure within the homestead land. In addition, a plot of 100 Sq. m. free of cost at resettlement site having all amenities and infrastructural facilities will be provided. Extra plot if required may be provided on payment upto a maximum limit of owned land at unstable site, or in lieu of constructed flat of 40 Sq. M. as super built up area having two rooms, a kitchen and a toilet in a triple storied building will be provided. In such case, no other cash compensation shall be paid.
- b) Cash compensation in lieu of free plot along with the entitled compensation is to be offered if a house owner refuses to be resettled at the proposed township.
- c) No cash compensation is to be paid to encroacher / settlers. Head of each such family will be provided a constructed flat of 38.92 Sq. M. as super built up area.
- d) Head of each family will be paid a minimum wage for 250 days per year for two years for income generation due to displacement / shifting.
- e) A shifting allowance of ₹ 10,000/- will be paid to each family to be resettled at the new township.
- f) No employment shall be offered for any rehabilitation under the Master Plan.

The major implementation activities proposed to be completed in Phase I and II are:

- I. Demographic survey of affected people, valuation of homestead land and house, including all structures / infrastructure on that land. Preparation / Distribution of photo-identity cards etc.
- II. Identification and acquisition of land for proposed townships.
- III. Tendering and awarding of work for land survey and township planning.
- IV. Survey of land.
- V. Township planning.
- VI. Tendering and Award of work for townships.
- VII. Construction of approach road, development of land and infrastructural facilities, demarcation of plots, construction of flats and providing amenities like schools, bank, post office, hospital, community centre, playground, shopping centre, etc.
- VIII. Allotment of plots / flats for resettlement.
- IX. Shifting of people from unstable sites (Rehabilitation & Resettlement).
- X. Demolition of super structure / infrastructures at unstable sites.
- XI. Fire mitigation.
- XII. Diversion of surface infrastructure like Rail, Road, IOC pipeline etc.

#### **Action taken for Implementation of Master Plan Achievement upto 31.3.2014**

##### **A. For Raniganj Coalfields:**

###### **1) Status of demographic survey**

Demographic survey work has been completed for all 126 sites. There are 10 locations having no habitation, 3 locations with only ECL population and at 2 locations survey could not be completed due to strong public resistance. The final list has already been published which contains 44598 households.

Survey for valuation of structure has been done in all 80 locations out of 126 locations as there is no legal title holder (LTH) in 46 locations. Number of LTH arrived at 5936 only which is very less. Hence submission of land documents has been extended

to 08/04/2014 by conducting mini survey in a camp.

41522 numbers of photo identity card (PIC) distributed out of 44598. Rest of PIC could not be distributed due to either photo mismatch or refusal to take the same by public. Hence corrective actions have been taken to distribute the remaining PIC's.

##### **Status of Land Acquisition**

Acquisition of land in Bonjehmari (1300 Acres) and Gourangdih (2300 Acres) is under consideration of the West Bengal Govt. LA proposal has been submitted to LA Collector, Burdwan by ADDA.

Recently Namokesia mouza (26.00 Acres) at Salanpur Block which is non-coal bearing area and Bijaynagar Mouza (26.00 Acres) at Jamuria block where coal is available at more than 600 mtr depth, have been identified and are being examined for feasibility of rehabilitation of people from unstable location.

##### **3) Diversion of Surface Infrastructure (Rail, Road and IOCL pipeline)**

###### **i) Diversion of Railway line from unstable location:**

On the basis of geotechnical survey and a stability analysis of the working below the Andal-Sainthia Railway line of Pandaveswar Area, M/s CIMFR, Dhanbad had suggested for blind backfilling method to stabilize the working for 5-6 years. But no proven agency for doing the job of blind backfilling is known to both M/s CIMFR and ECL. Hence, High Powered Central Committee suggested for regular monitoring of the track line for any symptom of subsidence and also minimizing the speed of the train at this location.

With regard to diversion of Andal-Sitarampur Railway line of Salanpur Area, the work has been awarded to M/s RITES for preparation of Feasibility Study Report (FSR) and Detailed Project Report (DPR).

###### **ii) Diversion of NH-2 and District Board (DB) Road:**

For diversion of National Highway (NH-2), NHAI, Durgapur has been requested to prepare DPR. Joint inspection by NHAI and ECL officials was conducted on 06.03.2014.

For diversion of DB road at Salanpur Area, the work for preparation of DPR including construction of culverts / bridges and drains etc. for Mohanpur road



(1.8 km approx.) and Gourangdih-Begunia Road (0.72 km approx.) has been awarded to M/s Webcon Consulting (India) Limited, Kolkata on 25.02.2014.

Regarding another diversion of DB Road at Satgram Area, notice inviting EOI has been floated for preparation of DPR which will be opened on 16.5.2014.

iii) **Diversion of IOCL pipeline:**

For diversion of Indian Oil Corporation Limited (IOCL) pipeline, National Institute of Rock Mechanics (NIRM), Bangalore has conducted survey work to assess the stability of pipeline. After receiving the NIRM survey report, ECL submitted its comments on 28.11.2013 to IOCL for further action.

**B. For Jharia Coalfields:**

a) **Demographic (socio-economic) Survey**

595 of fire affected / subsidence prone sites / areas are required to be surveyed. CIMFR, ISM and Whiz Mantra have completed demographic / socio-economic survey at **425** sites in which **54061** families have been identified.

b) **Status of land acquisition by JRDA for rehabilitation sites**

About 1105 ha. of land would be acquired for resettlement of non-BCCL families. Proposals for acquisition of 439.19 acres of Raiyati land and 133.96 acres Govt. land has been processed by JRDA. Possession of 163.86 acres Raiyati and Govt. land has been taken over by JRDA. NoC for 86.44 acres of land in Bhuli Township and 849.68 acres non-coal bearing land in and around Belgoria Township, belonging to BCCL, have been given by MoC for transferring to JRDA.

JRDA has acquired 120.8 acres of land in 2013 at Lipania mouza but physical possession of land is yet to be taken by JRDA.

c) **Diversion of Road from fire affected areas**

Road Construction Department (RCD), Govt. of Jharkhand has completed the job of repairing/ widening of Mahuda-Topchanchi road in the endangered portion of NH-32 between Godhar to Putki. BCCL has taken up the matter with NH authority to take up the matter with JRDA for handing

over the affected portion of NH-32 for extinguishing the fire.

DPR for construction of road from Joraphatak to Dhokra for connectivity of Belgoria Township was forwarded to RCD, Govt. of Jharkhand by JRDA for technical sanction. Approval from RCD is awaited.

d) **Diversion of Rail from fire affected areas**

RITES had submitted discussion plan on the above subject to JRDA. BCCL's observations had been sent to JRDA. In this regard, E.C. Railway, Hazipur and S.E. Railway, Kolkata had also forwarded brief report along with their comments to Railway Board, New Delhi.

On the otherhand, directions have been issued to RITES Ltd. by JRDA for traffic survey data collection and to initiate feasibility study regarding Diversion of Railway lines from fire affected and subsidence prone areas.

The matter was discussed in the 3rd IMC (Inter-Ministerial Committee meeting) held at Railway Board on 16.09.2013 at New Delhi. Short term and long term measures were suggested to tackle the issue. Detailed survey needs to be done to ascertain the feasibility of shifting and relocating the railway facility.

e) **Utility Services from fire affected areas**

Feasibility Report for diversion of utility services of Jharia Coalfield has been submitted by RITES Ltd. on 30.03.2013. BCCL has asked RITES on 6/2/2014 to clarify about shifting of existing utility services and clarification is awaited.

f) **Service Building and Welfare Programme**

Construction of service buildings like Market Complex, Bank, Post Office, Computer and Sewing Training Centre has been completed and construction of Masjid, Temple etc. are at different stages of completion.

g) **Status of BCCL houses under the Master Plan**

Construction of 344 houses at Bhuli, Bhimkanali, Nichitpur and Katras Coal Dump in triple storied blocks has been completed in non-coal bearing zone. 1152 triple storied quarters (96 blocks each of 12 units) are constructed at various places in non-

coal bearing zone. Shifting of BCCL employees is in progress.

Construction of 4080 triple storied quarters (340 blocks each of 12 units) is in progress at a cost of ₹ 165.56 Crores. The work is expected to be completed by 06.11.2014.

Construction of 4020 triple storied quarters (335 blocks each of 12 units) is in progress at a cost of ₹ 286.39 crores. Work has been started and is in various stages of construction. It is expected that the work shall be completed as per scheduled date i.e. 31.5.2016.

The Board of Directors of BCCL has approved construction of 2240 nos. B, C and D typed quarters for shifting of persons affected by fire and subsidence at a cost of ₹ 428.40 crores. Letter of intent will be issued shortly.

**h) Status of Non-BCCL houses (54159 nos.) under the Master Plan**

2352 houses have been constructed in Belgaria rehabilitation Township "Jharia Vihar" and 1165 families have shifted till 31.03.2014. 1162 affected families were given ₹ 10,000/- each as shifting allowance.

**i) Status of Fire Schemes**

Under Master Plan, 28 nos. of Fire schemes have been proposed in Phase-I to be formulated / prepared for dealing with 67 fires sites spread over 41 collieries. Till date, 11 fire schemes have been approved by Board and implemented, out of which 4 schemes have been completed. Further, for expediting the fire dealing process, excavation methods has been resorted to by deploying Hired HEMM at various mines of BCCL.

**j) Reduction in Fire Area**

The coal mining operations in Jharia Coalfield have been continuing for more than 100 years by the erstwhile private owners. Due to un-scientific mining methods adopted by them, large areas of coal mines were subjected to mine fires and subsidence which had resulted in serious social and environmental problems in the area. At the time of the nationalization of coal mines in 1972-73 and taking over the mines by BCCL, the situation of mine fires was grave and

fire had extended to about 9 sq.km. as assessed by a World Bank team.

At present, fire area has been reduced from 9 sq. km. to 2 sq.km. as per the satellite survey done by National Remote Sensing Centre, ISRO, Deptt. of Space, Hyderabad. This could be achieved only due to the successful 'excavation method i.e. digging out of fiery coal' adopted by BCCL. This fact has also been acknowledged by NRSC in their report. The coal mine fire survey / study was instituted by BCCL through National Remote Sensing Centre (NRSC), ISRO, Department of Space, Hyderabad in August, 2013 for delineation of surface coal fires in Jharia Coalfield. NRSC has submitted their report in March 2014, in which they have concluded that the present fire area in the coalfield is only 2 sq.km., which includes both over burden dump fire and active fire.

Further NRSC has planned another field study for ground truthing and GPR survey of subsidence/unstable areas which is the 2nd component of study.

**k) International Expression of Interest**

Regarding latest technology for dealing with fire, International EOI has been floated by BCCL. No agency/company has responded for pre-EOI submission meeting held on 14.02.2014. BCCL is in the process of contacting different international experts in dealing fires directly. The EOI however, will be received up to 28.04.2014 and shall be opened on 29.04.2014.

**Disbursement of total fund by CIL for implementation of Master Plan.**

- To BCCL till March, 2014 : ₹ 376.09 crores
- To ECL till March, 2014 : ₹ 160.79 crores

**16. ENVIRONMENTAL MANAGEMENT**

**16.1 Environmental Impact Assessment (EIA)/Environmental Management Plan (EMP)**

EIA/EMPs for all the new and expansion projects as per EIA Notification SO 1533 dated 14th September, 2006 of MoEF are prepared for peak and normative capacities and environmental clearance is obtained. EIA / EMPS for mines requiring renewal of lease and falling under violations are also prepared for environmental clearance. EIA / EMPS on cluster basis for smaller and contiguous mines of ECL



and BCCL are also being prepared for environmental clearance. During the year, CMPDI has prepared a total of 26 Form-I and formulated 14 Draft EIA/EMPs. Environmental clearances were also obtained from MoEF for 18 projects / Group of Mines of CIL during the year.

#### **16.2 Pollution Control Measures and their Efficacy**

Measures are being taken to ensure that mining and coal beneficiation operations have minimum impact on the surrounding air quality, water quality, noise level and soil quality, hydro-geology, land use pattern and socio-economic profile of nearby population. The mitigation measures include dust suppression in mines through fixed and mobile water sprinklers. Effluent treatment facilities for mine effluent, workshop effluent and CHP effluent like oil and grease traps, sedimentation ponds and facilities for storage of treated water and its reuse have been provided for in all the major projects. Domestic wastewater treatment facilities have also been provided to deal with the domestic effluent. The level of pollutants is being monitored on a routine basis to ascertain the efficacy of pollution control measures being taken in the projects. Additional remedial measures are taken, if required, to keep the pollutant level within the limits prescribed by regulatory bodies.

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

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

#### **16.3 ISO 14001 Certification**

The implementation, certification and recertification of different units of CIL under ISO 14001 (Environmental Management System) is continuing. During the year 2013-14, 14 units and MCL got newly certified while 19 units and NCL got recertified. As on 31.03.2014, 73 units and two companies (MCL and NCL) are certified under ISO 14001 standards.

#### **16.4 Monitoring of land reclamation of OC mines through remote sensing**

CMPDI, through Coal India Limited, has introduced satellite surveillance system for land reclamation/restoration monitoring of all the opencast coal mines for compliance of MoEF stipulations as well as for progressive mine closure

monitoring. Land reclamation monitoring of 50 opencast projects having more than 5 million cu.m. production capacity (Coal+OB) and 32 opencast projects having less than 5 million cu.m. production capacity (Coal + OB) based on high resolution satellite data have been completed during the year 2013-14.

Vegetation cover mapping of six coalfields viz. Jharia, Talcher, Bisrampur, Wardha Valley, Kamptee and Makum coalfields based on satellite data have been completed for assessing the regional impact of coal mining on land use / vegetation cover in the span of 3 years to take remedial measures required, if any.

#### **16.5 R&R Policy of CIL**

With a view to meet the changing aspirations of Project Affected Persons (PAPs) and to redress the unique problems of Subsidiary Companies for fast acquisition of land, Rehabilitation & Resettlement Policy of CIL was revised in 2012 making it a liberal and PAP friendly which provides multiple options to land losers and more flexibility to Board of Subsidiary Companies in redressing the R&R issues.

The existing R&R policy provides for conducting baseline socio-economic survey to identify PAPs enlisted to receive R&R benefits as well as to formulate a viable and practical Rehabilitation Action Plan (RAP) for the affected persons in line with their entitlements. The RAP is to be formulated in consultation with PAPs and State Govt. and should also address implementation, monitoring and evaluation, dispute mechanism and Environment Impact Assessment (EIA)

The R&R policy of Coal India Ltd., while emphasizing the need to cultivate and maintain a good relationship with the people affected by Coal India's projects and realizing its responsibility towards the land oustees whose livelihood is often taken away, apart from other things, provides for payment of land compensation and solatium, employment or lump sum monetary compensation and annuity, compensation for homestead, lump sum payment in lieu of alternate house-site, subsistence allowance to each affected displaced family.

#### **16.6 Mine Closure Plans**

In terms of revised guidelines issued by the Ministry of Coal (MoC) in 2013, CMPDI has prepared 257 mine closure plans (93 are new and 164 are revised based on the latest new guidelines dated 7th Jan'2013) for CIL mines during

the year. Quick comments on 42 mine closure plans for coal blocks sent by MOC were also prepared.

## **17 COAL BED METHANE (CBM) / COAL MINE METHANE (CMM)**

### **17.1 Collaborative development of CBM prospects in Jharia and Raniganj coalfields by consortium of CIL and ONGC**

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

#### **17.1.1 Jharia CBM Block**

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

CMPDI has carried out deep slimhole drilling (depth range 1000 to 1400m) wherein CBM related parametric data were generated. A report based on this drilling, other available drilling and gas related data has been prepared by CMPDI and submitted to ONGC which facilitated ONGC to drill exploratory and pilot wells.

Consequent to the completion of envisaged work in the exploratory and pilot phases, consortium of CIL and ONGC has submitted a development plan of the block having a budgetary outlay of ₹ 1137 crores for the approval of the Government. The development plan was deliberated in the Steering committee meeting and government approval has been accorded vide letter no. DGH/CBM/MoPN&G/ONGC/2013 dated 2nd July, 2013.

Further, CIL had conveyed to ONGC about its intention of increasing its Participating Interest (PI) from existing 10% to 26% from Development Phase onwards for this block in pursuance to the decision of CIL Board. The matter regarding operationalization issues and future course of action was deliberated by CIL Board wherein it was observed that there was a lack of transparency from ONGC for sharing information and the Board directed CIL to withdraw from Joint Operations.

#### **17.1.2 Raniganj CBM Block**

The Govt. of West Bengal has granted Petroleum Exploration License (PEL) for Raniganj CBM block in April 2004 after which the work as detailed in the Minimum Work Programme was taken up.

CMPDI has carried out deep slimhole drilling (depth range 800 to 1100m) wherein CBM related parametric data were generated. A report based on this drilling, other available drilling and gas related data has been prepared by CMPDI and submitted to ONGC which facilitated ONGC to drill exploratory and pilot wells.

Consequent to the completion of envisaged work in the exploratory and pilot phases, consortium of CIL and ONGC has submitted a development plan of the block having a budgetary outlay of ₹ 957 crores for the approval of Government. The development plan was deliberated in the Steering committee meeting and government approval has been accorded vide letter no. DGH/CBM/MoPN&G/ONGC/2013 dated 2nd July, 2013.

Further, CIL has conveyed to ONGC about its intention of retaining 26% Participating Interest (PI) in this block from Development phase onward in pursuance to the decision of CIL Board. The matter regarding operationalization issues and future course of action was deliberated by CIL Board wherein it was observed that there was a lack of transparency from ONGC for sharing information and the Board directed CIL to withdraw from Joint Operations.

### **17.2 CBM and Shale gas related studies under Promotional Exploration during XII Plan**

#### **17.2.1 CBM related studies:**

CMPDI is carrying out studies related to 'Assessment of Coalbed Methane Gas-in-Place Resource of Indian Coalfields/Lignite fields' through boreholes being drilled under promotional exploration (XII Plan period) under PRE(Promotional Regional Exploration) funding of Ministry of Coal. This study will enlarge the CBM resource base in the country and facilitate delineation of more blocks for CBM development. A total of 60 boreholes (40 by CMPDI and 20 by GSI) are to be taken up for studies during the XII Plan Period with a total plan expenditure of ₹ 13.46 crores.

During 2013-14, 8 boreholes located in different coal/lignite fields were taken up for studies by CMPDI.

Three reports based on CBM related studies viz. 'Assessment of CBM Gas-in-Place Resource in Saktigarh block, Pathakhera Coalfield; Nachchiyarkudi block, Mannargudi Lignitefield (TN) Banai block and Mand Raigarh Coalfield' were submitted during 2013-14. A total of fourteen reports have been submitted since April, 2007.



#### **17.2.2 Shale gas related studies**

CMPDI is carrying out studies related to 'Assessment of Shale Gas-in-Place Resource of Indian Coalfields/Lignite fields' through boreholes being drilled under promotional exploration (XII Plan period) under PRE funding of Ministry of Coal. This study will create the data for assessment of shale gas potentiality and facilitate delineation of more blocks for shale gas development. A total of 25 boreholes are to be taken up for studies during the XII Plan Period with a total plan expenditure of ₹ 7.75 crores. During 2013-14, a total of 6 boreholes were taken up for shale gas related studies.

#### **17.2.3 Activities taken up by CBM Lab**

CBM Lab established at CMPDI has enhanced its capacity and added facility of TOC equipment for shale gas potentiality assessment. The instrument "Rock Eval Analyszer" required for assessing shale gas prospectivity for which supply order has been placed and procurement of the instrument "Automatic Porosimeter cum Permeameter" is under process.

CBM Lab has carried out the field desorption studies at the borehole sites in 8 boreholes during 2013-14 and has generated total gas content and gas composition data. In addition, studies have been carried out in 6 boreholes for assessment of shale gas potentiality.

CBM lab has carried out Adsorption Isotherm (AI) test for 20 samples (17 Coal and 3 Shale) during 2013-14 through in-house facility created in CMPDI in addition to carrying out Total Organic Carbon (TOC) analysis on 110 shale samples. Analysis of 913 mine air samples received from different collieries of CCL was also carried out and the results have been submitted.

#### **17.3 Commercial development of Coal Mine Methane (CMM)**

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

Under the aforesaid background, actions for commercial development were initiated and on behalf of CIL/concerned Coal Company's consent, CMPDI had floated Global Tender for selection of suitable Developer for commercial

development of CMM in 5 identified blocks (3 in BCCL and 2 in CCL) in April 2011 which could not be proceeded further in view of certain issues regarding mechanism of operationalization raised by MoP&NG. To resolve the issues, the matter was deliberated at competent level of MoC and MoP&NG and it was resolved.

CCEA has granted its approval in December 2013 allowing CIL to explore and exploit CMM from its coal mining areas. A formal communication in this regard is awaited after which further activities will be undertaken by CMPDI/CIL for development and exploitation of CMM.

#### **17.4 CMM/CBM Clearinghouse in India**

A CMM/CBM clearinghouse was established at CMPDI, Ranchi under the aegis of Ministry of Coal and US EPA on 17th November'2008. The clearinghouse is functioning as the nodal agency for collection and sharing of information on CMM/CBM related data of the country and help in the commercial development of CMM Projects in India by public/private participation, technological collaboration and bringing financial investment opportunities.

The clearinghouse has been established with financial support from Coal India Ltd. on behalf of Ministry of Coal and US EPA. The website of India Clearinghouse, <http://www.cmmclearinghouse.cmpdi.co.in>, encompasses all the important information viz. EOI notifications, newsletters in addition to information regarding opportunities existing for development of CMM, VAM, etc. After completion of the initial 3 years term in Nov.'2011, US EPA grant has been extended for additional 3 years on approval of Ministry of Coal.

Under the aegis of India CMM/CBM Clearinghouse, an international workshop on 'Development of Coal based Non-conventional Energy Resources in India' has been organized on 12th - 13th November, 2013 at CMPDI, Ranchi. It was well attended by the international dignitaries, international experts, high level Government functionaries from Ministry of Coal, Ministry of Petroleum & Natural Gas, captains of coal industries, CBM operators, and representatives of technical and research institutions.

#### **18 COMMERCIAL DEVELOPMENT OF UNDERGROUND COAL GASIFICATION (UCG) WITHIN CIL COMMAND AREA**

CMPDI has invited on-line bids on 20th January, 2014 for e-Tendering portal <https://coalindiatenders.gov.in> for

Selection of 'Developer for Commercial Development of Underground Coal Gasification (UCG)' in Kaitha Block of Central Coalfields Limited (CCL) and Thesgora "C" Block of Western Coalfields Limited (WCL). Five firms participated in the pre-bid meeting held on 3rd February'2014. The due date for submission of offer has been extended from 10th March'2014 to 17th April, 2014.

## **19 DELINEATION AND PREPARATION OF DATA-DOSSIERS FOR DGH**

### **19.1 Preparation of Data Dossiers for CBM Round V**

DGH had awarded consultancy work of delineation and preparation of Data Dossiers on prospective CBM blocks in Cambay basin, Singrauli and Johilla Coalfields for forthcoming CBM Round to CMPDI in May 2011. Final Data Dossiers on identified 8 blocks were submitted to DGH.

### **19.2 Delineation and preparation of Data-dossiers for six prospective Shale gas blocks within Gondwana Basin**

DGH had assigned consultancy work of delineation and preparation of Data Dossiers for six prospective Shale Gas blocks within Gondwana Basin to CMPDI in May, 2011. Final Data Dossiers on Raniganj, Jharia, Bokaro, South Karanpura, North Karanpura and Sohagpur basins were submitted to DGH.

## **20 R&D AND S&T PROJECTS**

### **20.1 EU Funded Research Project**

CMPDI is one of the participating organizations along with IIT Kharagpur from India in the multi-national/multi-organization collaborative project titled 'Greenhouse Gas Recovery from Coal Mines and unmineable Coal beds and Conservation of Energy (GHG2E)' which has been approved under the partial funding scheme of European Union Research Commission. The balance fund has been provided under CIL R&D scheme. The project aims at studies and modelling of recovery of coal mine methane and its utilization as clean energy.

The work has been taken up and the assigned CMPDI work packages were submitted to Imperial College of Mining in January 2013 as per schedule. Presentation for progress review and Project workshop scheduled from 10th–14th June' 2013 at Slovenia were sent to Project Coordinator. The Project coordinator along with the team reviewed the progress at CMPDI on 13th November'2013 and visited

Moonidih mine on 14th November 2013 to finalise data acquisition sites and draw action plan to generate samples. A review meeting was held with IIT Kharagpur at CMPDI on 24th January 2014. CMPDI is pursuing its assigned tasks as a collaborative partner and efforts made by CMPDI were appreciated.

### **20.2 CIL R&D Project 'Assessment of prospect of shale gas in Gondwana basin with specific reference to CIL areas'**

Work on CIL R&D project titled 'Assessment of prospects of shale gas in Gondwana basin with special reference to CIL areas' is in progress. Areas have been demarcated for assessing the prospectivity of Shale gas within BCCL and CCL areas. Collection of shale samples for qualitative analysis has been done and generation of suite of parametric data for assessment of Shale gas potentiality in identified areas of BCCL and CCL command areas have been completed. Facility for taking up Total Organic Carbon (TOC) Analysis has been created in CMPDI lab, procurement of "Rock Eval Analyser" finalized and supply order issued to M/s Vinci Technologies of France. Sub-implementing agency ARI (USA) has submitted the report on creation of type of well and simulation for assessment of Shale gas potentiality in delineated areas. Finalization of report is in progress.

### **20.3 CIL R&D project titled 'Studies on shrinkage swelling characteristics of some Indian coals to ascertain recoverability of CBM from deep seated coal resources'.**

Work on CIL R&D project titled 'Studies on shrinkage swelling characteristics of some Indian coals to ascertain recoverability of CBM from deep seated coal resources' is in progress. Design and fabrication of the instrument is under progress at IIT Kharagpur. Design of Sample Cell and Experimental Cell completed and report submitted on 27th January, 2014 as per schedule. Procurement of High Pressure fittings and testing of instrument is under progress at IIT Kharagpur.

### **20.4 S&T Project on 'Shale gas potentiality evaluation of Damodar basin of India'**

A S&T project on 'Shale gas potentiality of Damodar basin of India' at an investment of ₹ 16.87 crores under S&T plan of Ministry of Coal (MoC) is under implementation with an objective to evaluate Damodar basin for their shale gas potentiality through integrated geophysical, geological,



geo-chemical and petro-physical investigations, as per schedule. The instrument 'Automatic Porosimeter cum Permeameter' is under procurement.

#### **20.5 S&T Project on 'CBM reserve estimation for Indian coalfields'**

A S&T project on 'CBM Reserve estimation for Indian coalfields' at a cost of ₹ 20.70 crores has been approved under EoI of Coal S&T project. The project is of 3 years duration with effect from 24th March, 2014. Action has been initiated as per the approved project proposal.

### **21 GEOLOGICAL EXPLORATION & DRILLING**

CMPDI continued to carry out coal exploration activities in 2013-14 also, mainly in CIL and Non-CIL/Captive Mining blocks. Exploration in CIL blocks was taken up to cater to the needs of project planning/production support of subsidiaries of CIL whereas exploration in Non-CIL/Captive Mining blocks was undertaken to facilitate allotment of coal blocks to prospective entrepreneurs.

CMPDI has substantially improved the capacity of drilling during XI & XII Plan periods. As against the achievement of 2.09 lakh metres in 2007-08, CMPDI has achieved 5.63 lakh metres in 2012-13 and 6.97 lakh metres in 2013-14 (24% growth) through departmental and outsourcing resources. For capacity expansion through modernization of departmental drills, 39 new Mechanical drills and 4 Hi-Tech Hydrostatic drills have been procured since 2008-09, out of which 10 have been deployed as additional drills and 33 as replacement drills. CMPDI has also replaced 38 mud pumps and 74 trucks during the last six years.

To meet the increased work load, recruitment has been taken up through campus interview/open examination. 201 Geologists, 26 Geo-Physicists and 20 Mechanical Engineers for Drilling were inducted in CMPDI since 2008-09. About 343 non-executive staffs have also been inducted for exploration work. 25 Geologists, 2 Geo-Physicists,

5 Mechanical Engineers and 11 non-executives have resigned.

Under outsourcing, the work of 40 blocks involving 14.78 lakh metre of drilling was awarded through tendering since 2008-09, out of which drilling has been concluded in 18 blocks. Due to local (law and order) problems, work could not start in 2 blocks and stopped in 6 running blocks. Due to non-availability of forest clearance, work is stopped in 7 blocks. Due to lack of forest clearance and adverse law and order, about 2.14 lakh metre of drilling could not be carried out in outsourced blocks in 2013-14. In 2013-14, a total of 3.71 lakh metre (30% growth) has been drilled through outsourcing, which consist of 1.95 lakh metre through tendering and 1.71 lakh metre through MoU with MECL.

#### **21.1 Drilling Performance in 2013-14**

CMPDI deployed its departmental resources for detailed exploration of CIL/Non-CIL blocks whereas State Govts. of MP and Odisha deployed resources in CIL blocks only. Besides, eight other contractual agencies have also deployed resources for detailed drilling/exploration in CIL/Non-CIL blocks. A total of 120 to 140 drills were deployed in 2013-14 out of which 57 were departmental drills.

Apart from it, CMPDI continued the technical supervision of Promotional Exploration work undertaken by MECL in Coal Sector (CIL and SCCL areas) in 9 blocks, GSI in 11 blocks and DGM (Nagaland) and DGM (Assam) in 1 block each for Promotional Exploration in Coal Sector on behalf of MoC. A total of 1.32 lakh metre of promotional drilling has been carried out in Coal (0.63 lakh metre) and Lignite (0.69 lakh metre).

In 2013-14, CMPDI and its contractual agencies took up exploratory drilling in 100 blocks/mines of 22 coalfields situated in 5 States. Out of 100 blocks/mines, 26 were Non-CIL/Captive blocks and 74 CIL blocks/mines. Departmental drills of CMPDI took up exploratory drilling in 53 blocks/mines whereas contractual agencies drilled in 47 blocks/mines.

The overall performance of exploratory drilling in 2013-14 is given below:

Agency	Target 2013-14 (metre)	Performance of Exploratory Drilling in 2013-14			Achieved Previous Year: 2012-13 (m)	Growth %
		Achieved (metre)	Achieved (%)	+/- (m)		
<b>A. Detailed Drilling Undertaken by CMPDI :</b>						
I. Departmental	285000	325362	114%	40362	276199	18%
II. Outsourcing						
State Govts.	9000	5943	66%	-3057	7398	-20%
MECL (MOU)	185000	171006	92%	-13994	138761	23%
Tendering (CIL blocks)	242000	156359	65%	-85641	90779	72%
Tendering (non-CIL blocks)	179000	38171	21%	-140829	49772	-23%
Total Outsourcing	615000	371479	60%	-243521	286710	30%
<b>Total A</b>	<b>900000</b>	<b>696841*</b>	<b>77%</b>	<b>-203159</b>	<b>562909</b>	<b>24%</b>
<b>B. Promotional Drilling in Coal Sector</b> by MECL, GSI, DGM (Nagaland) and DGM (Assam):						
GSI	14500	15589	108%	1089	14702	6%
MECL	69500	46753	67%	-22747	30594	53%
DGM, Nagaland	700	783	112%	83	328	139%
DGM, Assam	300	123	41%	-177	0	123%
CMPDI	4000	0	0%	-4000	0	-
<b>Total B</b>	<b>89000</b>	<b>63248</b>	<b>71%</b>	<b>-25752</b>	<b>45624</b>	<b>39%</b>

\* In 2013-14, 4.59 lakh metre has been drilled in CIL blocks and 2.38 lakh metre in Non-CIL blocks.

In 2013-14, CMPDI achieved its departmental and overall drilling targets by 114% and 77%, respectively. The performance of departmental drilling was better than previous year with 18% growth and recorded an average operational drills productivity of 487 metre/drill/month. Non-availability of permission to explore in forest areas and local problems (law and order) has affected the performance of outsourced drilling. MECL could not achieve the targets of Promotional drilling in coal sector due to forest problems and CMPDI could not undertake promotional drilling due to priority in detailed drilling.

## 21.2 Geological Reports:

In 2013-14, 15 Geological Reports were prepared on the basis of detailed exploration conducted in previous years. In addition, 8 Revised Geological Reports were also prepared. The prepared Geological

Reports have brought about 2.5 Billion Tonnes of additional coal resources under 'Proved' category.

Under Promotional Exploration Programme, GSI and MECL have submitted 4 Geological Reports on coal blocks, estimating about 1.77 Billion Tonnes of coal resources, in 'Indicated' and Inferred categories, above specified thickness.

## 22 OUTSIDE-CIL CONSULTANCY SERVICES

During the year 2013-14, 29 consultancy jobs were done for 20 organizations outside CIL. Some of the major clients/organisations for whom jobs were completed are Neyveli Lignite Corporation Limited, MOIL Limited, National Thermal Power Corporation, Steel Authority of India Limited, National Aluminium Company Limited, Jindal Steel & Power Limited, Singareni Collieries Company Limited, Damodar Valley Corporation, etc.



Presently, 28 outside-CIL consultancy jobs are in hand for 18 organizations like MOIL Limited, Odisha Industrial Infrastructure Development Corporation (IDCO), National Thermal Power Corporation, Odisha Mining Corporation Limited, Odisha Power Generation Corporation Limited, Baitarani West Coal Company Limited, Neyveli Lignite Corporation Limited, Hindustan Copper Limited, Damodar Valley Corporation, Karnataka Power Corporation Limited, etc.

During the year 2013-14, 36 outside-CIL consultancy jobs worth ₹ 23.35 crores from 20 organizations were received by CMPDI.

## **23 RESEARCH & DEVELOPMENT PROJECTS**

### **23.1 R&D Projects under S&T Grant of Ministry of Coal**

The R&D activity in Coal sector is administered through an apex body namely, Standing Scientific Research Committee (SSRC) with Secretary (Coal) as its Chairman. The other members of this apex body include Chairman CIL, CMDs of CMPDI, SCCL and NLC, Directors of concerned CSIR laboratories, representatives of Department of S&T, Planning Commission and educational institutions, among others. The main functions of SSRC are to plan, programme, budget and oversee the implementations of research projects and seek application of the findings of the R&D work done.

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

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

Total no. of S&T projects taken up (till 31.3.2014) - 380

Total no. of S&T projects completed (till 31.3.2014) - 310

### **23.2 Physical performance**

During 2013-14, a total of 5 projects have been completed by various agencies. The status of Coal S&T projects during 2013-14 is as under:

i) Projects on-going as on 1.4.2013	15
ii) Projects sanctioned during 2013-14	02

iii) Projects completed during 2013-14	05
iv) Projects on-going as on 1.4.2014	12

Following Coal S&T projects were completed during 2013-14:

1. Integrated communication system to communicate and locate trapped underground miners.
2. Design and development of coal winnowing system for dry beneficiation of coal based on CFD modelling and simulation.
3. Development of methodology for estimation of Greenhouse Gas emissions in mine fire areas and their mitigation through terrestrial sequestration.
4. Development of tribo-electrostatic separator for beneficiation of high ash Indian coking coals.
5. An approach to explore the applicability of spectrometry as a tool for assessment of coal quality.

### **23.3 Financial status**

Budget provision vis-à-vis actual fund disbursement during the period is given below:

(₹ in crores)			
2012-13		2013-14	
RE	Actual	RE	Actual
11.40	11.53	11.65	11.76

### **23.4 CIL R&D Projects**

For in-house R&D work of CIL, R&D Board headed by Chairman, CIL is also functioning. CMPDI acts as the Nodal Agency for processing the proposals for CIL approval, preparation of budget estimates, disbursement of fund, monitoring the progress of implementation of the projects, etc.

In order to enhance R&D base in command areas of CIL, CIL Board in its meeting held on 24th March 2008 had delegated substantial powers to CIL R&D Board and the Apex Committee of the R&D Board. The Apex Committee is empowered to sanction individual R&D project upto ₹ 5.0 crores value with a limit of ₹ 25.0 crores per annum considering all the projects together and CIL R&D Board is empowered to sanction individual R&D project upto ₹ 50.0 crores.

So far, 71 projects have been taken up under CIL R&D Board fund, out of which 48 projects have been completed till March, 2014.

The status of CIL R&D Board Projects during 2013-14 is as follows:

- |      |                                    |   |    |
|------|------------------------------------|---|----|
| i)   | Projects on-going as on 1.4.2013   | - | 23 |
| ii)  | Projects sanctioned during 2013-14 | - | 02 |
| iii) | Projects completed during 2013-14  | - | 07 |
| iv)  | Projects on-going as on 1.4.2014   | - | 18 |

Following R&D projects were completed during 2013-14:

1. Analysis of in-situ stress for CBM exploration in Jharia Coalfield.
2. Effective utilization of low rank and low volatile high rank Indian coking coals for Blast Furnace (BF) coke making.
3. Assessment of performance of explosives/blast results based on explosive energy utilization.
4. Investigations of Bolt Behavior in Development and Depillaring Panels under Blast Induced Dynamic Loading.
5. Feasibility study of High Angle Conveying System (HAC) in Opencast Coal Mines by Computer Modelling and Simulation.
6. Investigation on augmentation of life of dump truck tyres through improvement of tyre re-treading compound and development of an optimum road maintenance management system-Phase-II.
7. Development of a notch cutting machine to facilitate construction of stoppings in underground coal mines.

The disbursement of funds for CIL R&D Projects during the year 2013-14 was ₹10.97 crores.

#### **24. TELECOMMUNICATION SYSTEM**

In order to fulfill the vision of CIL to become a global player in the primary energy sector, the information and communication system of the organization plays a vital role to cope with the requirement keeping in view of each and every aspect of the business. CIL and its subsidiaries are concerned for putting continuous effort for up-dating the communication and IT solutions. To increase transparency, efficiency and optimal utilization of resources for

customer and investor satisfaction, the following key initiations have been taken:

1. GPS based Operator Independent Truck Dispatch System (OITDS) with high speed Data and Voice communication is implemented and in the final stage of commissioning in all eleven Opencast projects to optimize operation of HEMM to enhance the production and productivity of the mine.
2. An ambitious plan to commission GPS/GPRS based vehicle Tracking System across all major mines of Coal India has been taken up.
3. E-auction of coal, E-procurement of goods and services are operational through service provider of CIL. E-payment to employee and vendors, E-filing of grievances are in operation to embark upon the business process through IT initiatives.
4. In order to improve coal dispatch, actions are being taken to connect all weighbridges with Central Server of respective subsidiaries. Connectivity to weighbridges of BCCL, SECL mines are in place while at other subsidiaries viz. ECL, CCL, MCL, etc, is in different stage of completion.
5. Corporate mail messaging system is in place and enhancement of mail messaging system to CIL and subsidiaries for ultimate capacity of 19400 users is under process to provide corporate mail for executives of CIL and subsidiaries.
6. Network infrastructure for better communication (Surface and Underground) for faster business process is continuously progressing with quick refund of coal value for un-lifted quantities and earnest money as per directives of MoC using state - of - art convergent technology.
7. In order to meet the demanding business process, state – of - art IP base EPABX with support of convergent technology for voice and data, Radio communication System and UG communication system at different locations of Coal India and its subsidiary companies are operational.
8. The dedicated Web Portal of Coal India has been established in English and Hindi with enhanced look and feel encompassing the features like Employee Portal, Tender publication, On-line grievance management, Investor center, Customer corner, Vigilance etc. The Portal also facilitates for receiving on-line applications for recruitment of MTs, link to E-procurement and e-auction.
9. Video conferencing between CIL, Subsidiaries and MoC for enhancement of decision making process for better production and productivity is under final stage of



implementation through Multi Protocol Layered Switching (MPLS) links.

## 25. MINES SAFETY

Coal India Ltd has always given the highest priority towards "Safety". In CIL, safety is considered as a part of its core business process and is embedded in the mission statement. CIL has framed well defined Safety Policy and formed a multidisciplinary Internal Safety Organization (ISO) in every subsidiary company as well as at CIL (HQ) to monitor implementation of CIL's safety policy.

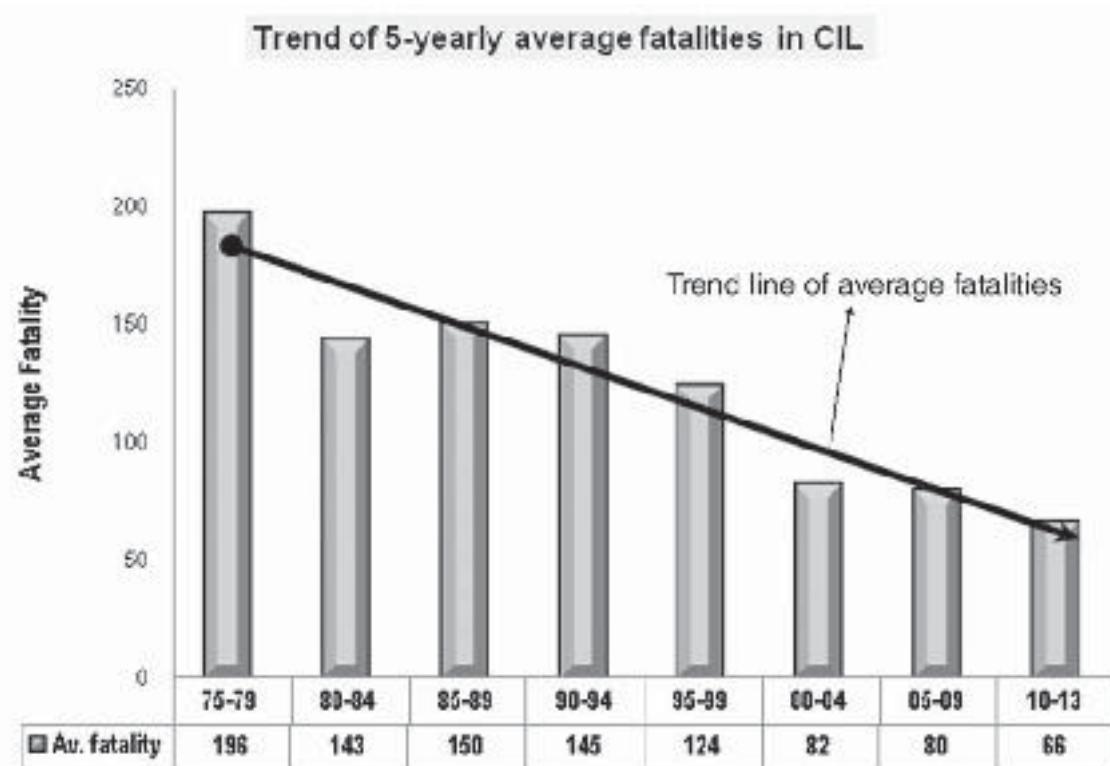
Accidents statistics is the indicator for safety status. Over the years, the safety performance in terms of accident in CIL has improved significantly.

**25.1** This improvement in safety is attributed to the following contributing factors:

- Collective commitment and synergies shown by the management and employees.
- Use of state-of-the-art technology in the field of mining methods, machineries and safety monitoring mechanism.
- Continuous improvement in knowledge and skill of our workforce through imparting quality training and relentless safety awareness drives.
- Strong oversight and assistance from various quarters.

### Salient features of continuous and sustained improvement in CIL's safety performance:

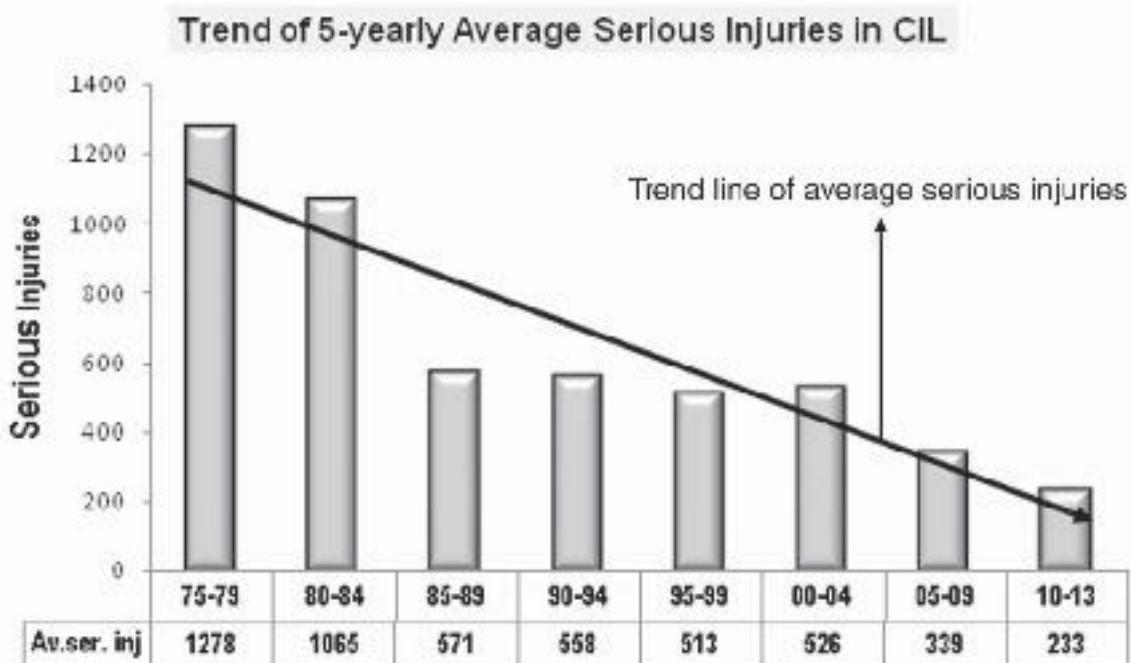
1. The 5 yearly average fatalities since the inception of CIL in the year 1975 have shown a reducing trend over a period of time as evident from the graph given below:



Note: Accident Statistics are maintained calendar year wise in conformity with DGMS and figures for the year 2013 are subject to reconciliation with DGMS

2. The 5 yearly average fatalities for the period 2010-13 have reduced by 66% compared to average fatalities during 1975-79.

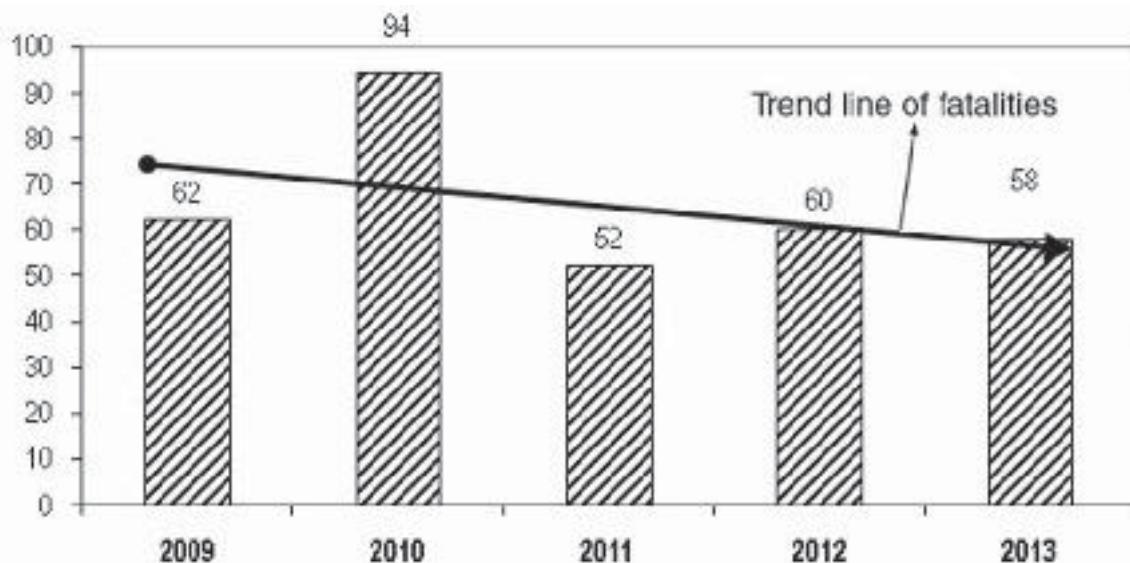
3. The 5 yearly average serious injuries in CIL since its inception in the year 1975 upto 2013 have also shown a reducing trend over a period of time as is evident from the graph below:



4. The 5 yearly average serious injuries have reduced more sharply than fatalities in the same time frame. As figures of serious injuries are the precursor of fatal accidents and mine disaster, it is the indicator of improvement in safety standards of our mines as a whole.

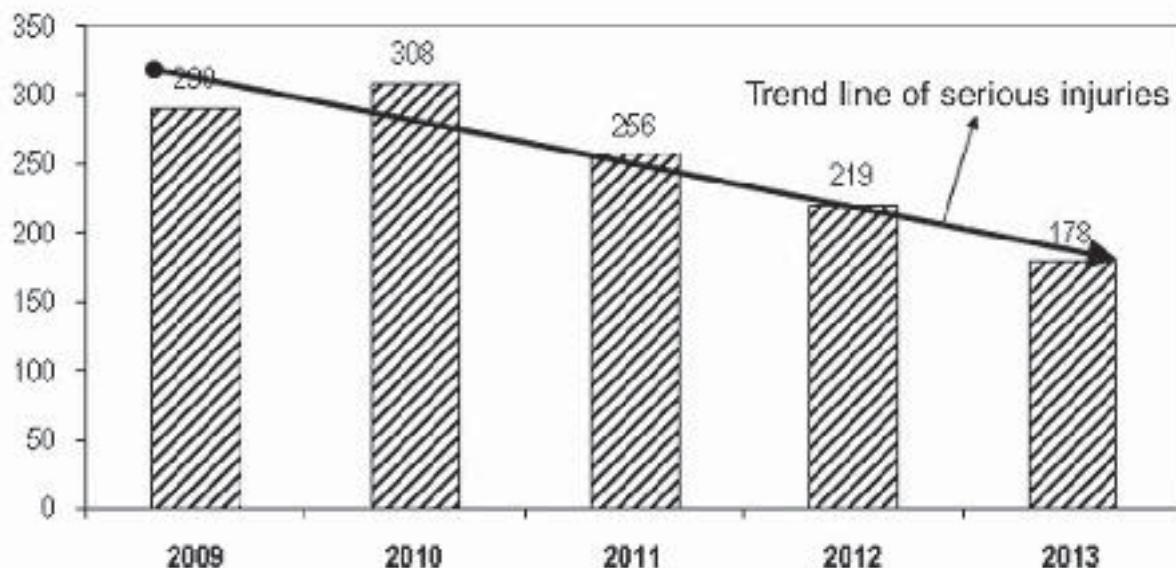
**Analysis of trend of Accident Statistics of CIL for the last 5 years is also indicating overall improvement in safety performance in CIL.**

- Reducing trend of fatalities in CIL for the last 5 years





- Reducing trend of serious injuries in CIL for the last 5 years



#### **Details of Accident Statistics in 2013 vis-à-vis 2012:**

During the year 2013, there were 54 fatal accidents and 58 fatalities in CIL mines compared to 57 and 60 respectively in 2012. Thus the numbers of fatal accidents and fatalities in 2013 compared to 2012 have reduced. The serious accidents and serious injuries for the year 2013 compared to 2012 have reduced significantly to 175 and 178 respectively from 212 and 219. These are the lowest serious accidents and serious injuries figures since the inception of CIL in 1975.

Overall: Accident Statistics for CIL in 2013 compared to 2012 are given below:

Sl. No.	Parameters	2012	2013
1	Number of fatal accidents	57	54
2	Number of fatalities	60	58
3	Number of serious accidents	212	175
4	Number of serious injuries	219	178
5	Fatality Rate per million tonne of coal production	0.13	0.12
6	Fatality Rate per 3 lakhs manshift deployed	0.22	0.21
7	Serious injury Rate per million tonne of coal production	0.48	0.38
8	Serious injury Rate per 3 lakhs man shift deployed	0.79	0.64

## **25.2 Major Activities of Safety & Rescue Division of CIL:**

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

## **25.3 Actions taken for improvement of safety in mines undertaken in 2013**

To improve safety standard, CIL has vigorously pursued several measures in the year 2013 along with on-going safety related activities / initiatives apart from compliance of statutory requirements for safety which are given below:-

- Continuous oversight of safety status of mines is being done through multi-disciplinary Internal Safety Organization (ISO).
- After analysis of fatal accidents which occurred at different point of time in 2013, several directives /

guidelines on corrective measures to be taken for prevention of recurrence of similar type of accident in future are being issued from the Safety & Rescue Division of CIL.

- Stress on preparation and implementation of Risk Assessment based on Safety Management Plan (SMP).
- A protocol for conducting safety audit by external independent agencies has been prepared to bring uniformity and efficiency in mine safety audit.

**26. Mines Rescue Services :** A well-equipped Rescue Service Organization staffed by rescue personnel trained in modern training galleries and equipped with modern rescue equipment is maintained by the subsidiary companies of CIL. At present there are 6 Rescue Stations, 15 Rescue Rooms-with-Refresher Training facilities and 18 Rescue Rooms in CIL.

**27. Safety Monitoring Agencies in CIL:** Apart from statutory monitoring by DGMS, the status of safety is being monitored at various levels by the following agencies:

Level	Monitored By
Mine level	1. Workman inspectors: as per Mines Rule-1955 2. Pit Safety Committee: constituted as per Mines Rule-1955
Area level	1. Bipartite/Tripartite Committee Meeting 2. Safety Officers' Coordination Meeting
Subsidiary HQ level	1. Bipartite/Tripartite Committee Meeting at HQ level 2. Area Safety Officers' Coordination Meeting 3. Inspections by ISO Officials
CIL HQ: Corporate Level	1. CIL Safety Board 2. CMD's meet 3. Director (Tech)'s Coordination Meeting
Ministry of Coal (MOC) / Other Ministries Level	1. Standing Committee on Safety in Coal Mines 2. National Conference on Safety in mines 3. Various Parliamentary Standing Committees



## 28. HUMAN RESOURCE DEVELOPMENT

The Company has made optimum utilization of resources and technology and also used advanced methods and technology for the enhancement of efficiency and productivity in the company. HRD has been developing new techniques and opportunities for employee's self development which in turn proved to be favorable for the company as a whole.

### 28.1 Overall Performance

In CIL and its subsidiaries, 93825 employees have been trained during 2013-14 out of which 20502 were executives and 73323 were non-executives. These training programmes included in-house training (training at subsidiary training centres and also at IICM), training in other reputed institutes outside the Company and training abroad.

### 28.2 Trainings

#### i) In-house Training

The in-house training programmes were organized at subsidiary HQs, 27 Training Centers and also 102 VT Centers across Coal India and also at IICM. HRD Division of subsidiaries organized these trainings after assessing the training need in the respective category of employees within the subsidiary. Special attention was given for improving the skill of the employees keeping in mind the needs of the Industry. Details of in-house training imparted are listed below:-

	Training	Short Training	Workshop/ Seminar	Total
<b>Executives</b>	7135	8273	1211	16619

#### ii) Training Outside Company (Within the Country)

Besides in-house training at our Training Institutes, VT centers and IICM, employees were trained within the country at reputed training institutes, in their respective field of operations and also for supplementing our in-house training efforts. Employees from eight subsidiary

companies and from CIL (HQ) have been trained in those reputed institutes. The break-up is given below:-

	Training	Short Training	Workshop/ Seminar	Total
<b>Executives</b>	1363	1428	970	3761
<b>Non-executives</b>	642	85	29	756
<b>Total</b>	2005	1513	999	4517

#### iii) Training Abroad

Coal India has deputed 122 executives to different countries from its subsidiary and HQ during the year 2013-14 for Training, Workshops / Seminars / Conferences as per the details given below:-

	Training	Workshops / Seminars / Conferences	Total
<b>Executives</b>	57	65	122

### 28.3 Initiatives

- CIL has been recruiting fresh and dynamic young talents in different disciplines for the last few years. Special attention has been given to groom these young and energetic persons in their respective fields throughout the year. In addition to the introductory concept on Coal Industry, they have been trained on basic Management Techniques (MAP) and also in their respective Technical fields (TAP) through regular courses organized by IICM with reputed faculties. Special attention has also been given in tuning them in their respective specialized working areas by on-the-job training throughout the year. Their probation is closed after appearing for the examination at the end of the year successfully.
- As MTs of Excavation and E&M disciplines are posted in different Coal Mines, to provide them proper exposure to Mining Operations as well as Mining Equipments (both surface and underground) and to make them conversant with the Mining activities, 5 weeks of intensive training in different batches for a total of 253 MTs was organized at

**Indian School of Mines, Dhanbad**, the Premier Mining Institute of our country during the year 2013-14.

- Special training modules as per the need of our industry have been designed and tie-ups were done with IIM, Lucknow and ASCI, Hyderabad to train our middle level (E4-E7) executives on Management Development Programmes at their campuses w.e.f. 1st April, 2014.
- Similarly tie-up was made with IIM, Calcutta to train about 150 General Managers (E8) of different disciplines on Advance Management including overseas learning w.e.f. 4th May, 2014.
- 5 senior executives were sent to Japan to attend a 8-day training programme on 'Coal Preparation'.
- 2 middle level executives were sent to China to attend a 20-day training programme on 'Fully Mechanized Coal Mining Technology- 2013'.
- 495 executives have been given certified training in Project Management at IICM and other renowned institutes.
- 72 executives have been given certified training in Contract Management at IICM and other reputed institutes.

During FY 2013-14, Coal India Limited had inducted fresh talent into the organization at entry level as Management Trainees. 1141 Management trainees inducted in various technical and non-technical disciplines through open advertisement recruitment and 604 selections made through campus from various institutions of repute. Out of these campus selections 455 Management Trainees would be joining the Company in July- Aug 2014 upon completion of their courses. Coal India Limited has also advertised for 339 posts of MTs in March 2014 for the newly created Community Development discipline besides Environment, Sales & Marketing, Personnel, Materials Management and Finance disciplines. This process is likely to conclude by October 2014. Additionally, the Company has recruited 125 Specialist doctors and recruitment of 192 General duty doctors is at the concluding stage. At Lateral level 05 Ex- servicemen who have undergone Business Management Courses at IIMs have been recruited through campus selection and posted at different subsidiary companies. Apart from this, the Company has also inducted 190 persons in executive cadre from its existing pool of employees of non-executive cadre through selection/ promotion.

## 29. MANPOWER

- 29.1** The total manpower of the Company including its subsidiaries as on 31.03.2014 is **3,46,638** as against **3,57,926** as on 31.03.2013. The subsidiary company-wise position of manpower is as given below:-

Company	As on	Total
ECL	<b>31.03.2014</b>	<b>71826</b>
	31.03.2013	74276
BCCL	<b>31.03.2014</b>	<b>58960</b>
	31.03.2013	61698
CCL	<b>31.03.2014</b>	<b>46686</b>
	31.03.2013	48126
WCL	<b>31.03.2014</b>	<b>52484</b>
	31.03.2013	54960
SECL	<b>31.03.2014</b>	<b>70910</b>
	31.03.2013	73718
MCL	<b>31.03.2014</b>	<b>22278</b>
	31.03.2013	22065
NCL	<b>31.03.2014</b>	<b>16741</b>
	31.03.2013	16073
NEC	<b>31.03.2014</b>	<b>2199</b>
	31.03.2013	2376
CMPDIL	<b>31.03.2014</b>	<b>3135</b>
	31.03.2013	3142
DCC	<b>31.03.2014</b>	<b>512</b>
	31.03.2013	551
CIL(HQ)	<b>31.03.2014</b>	<b>907</b>
	31.03.2013	941
Total (CIL as a whole)	<b>31.03.2014</b>	<b>346638</b>
	31.03.2013	<b>357926</b>

- 29.2** The presidential directives for Scheduled Castes/Scheduled Tribes/OBCs have been implemented in all the subsidiaries/ units of Coal India Limited.



The representation of SC/ST employees in the total manpower of CIL and its Subsidiary Companies as on 01.01.2012, 01.01.2013 and **01.01.2014** is given below:-

As on	Total Manpower	Scheduled Castes		Scheduled Tribes	
		Nos.	Percentage	Nos.	Percentage
1.1.2012	374650	77885	20.79	45424	12.12
1.1.2013	361348	74780	20.69	43342	11.99
<b>1.1.2014</b>	<b>350188</b>	<b>72957</b>	<b>20.83</b>	<b>42049</b>	<b>12.01</b>

### **30. INDUSTRIAL RELATIONS AND EMPLOYEES' PARTICIPATION IN MANAGEMENT**

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

#### **Strikes and Bandhs**

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

#### **STRIKES AND BANDHS**

Company	No. Of Strikes/Bandhs		No. Of other incidents		Mandays lost		Production Loss (per tonne)	
	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14
ECL	2+1	1+0	6	24	27427	2166	24100	35000
BCCL	2+1	1+0	7	1	7557	2057	19700	1453
CCL	2+1	1+0	61	41	4165	2236	00	00
WCL	2+1	1+0	2	0	40366	2756	201800	9700
SECL	2+1	1+0	0	0	56571	2942	239000	00
NCL	2+1	1+0	12	0	1769	271	73500	00
MCL	2+1	1+0	0	0	1617	1906	00	00
NEC	2+1	1+0	0	0	198	106	00	00
CMPDI	2+1	1+0	0	0	677	778	00	00
CIL	2+1	1+0	0	0	60	206	00	00
<b>Total</b>	<b>2+1</b>	<b>1+0</b>	<b>88</b>	<b>66</b>	<b>140407</b>	<b>15424</b>	<b>558100</b>	<b>46153</b>

**Bandh- Nil**

**Strike** – Strike call given by Coal Mines Officers Association of India (CMOAI), majority of the executives remained on strike on 13-3-2014 in CIL and Subsidiaries

### **31. EMPLOYEES' WELFARE AND SOCIAL SECURITY SCHEMES**

#### **EMPLOYEE WELFARE**

The focus of our Welfare Activities is the welfare of our employees and their families. The coal companies are paying greater attention to the welfare of their workers. Every effort is being made to improve the living conditions of the coal miners. In order to create a sense of belonging and involvement in work, top priority is given by the

management to provide housing, medical, educational facilities, sports and cultural facilities etc.

- 1) Structured Sports Policy of CIL and its subsidiaries, Memorandum of Association and Regulation and Registration under West Bengal Societies Registration Act 1961.**

Coal India Sports Promotion Association (CISPA) has been registered under West Bengal Societies Registration Act 1961.

The structured sports policy was formulated and approved by the CIL Board. The objectives of the policy are as under:-

- a) To formulate the policy for promoting excellence in sports at State, National/International level and use these efforts as a vehicle to enhance the image of such sports persons as Brand Ambassador.
- b) To promote, develop and control various Sports/ Recreational/Cultural activities and to foster spirit of sportsmanship and solidarity among the employees of Coal India and its subsidiaries.
- c) To advise and assist in the improvement and construction of sports academies / grounds / clubs / auditoriums and to allocate funds for various Sports Activities within Coal India and its subsidiaries.
- d) To conduct and support various sports meets and other sports activities within CIL and its subsidiaries as well as outside the Company, either by sponsoring such activities or by inviting outstanding sports persons to participate in Coal India Team.
- e) To affiliate itself to National Sports Federations/Associations and other appropriate institutions in sporting/recreational/ cultural activities and to act as a Central Body.
- f) To recommend recruitment of young, promising and outstanding sportspersons and with regard to promotion of existing reputed players associated with CIL and its subsidiary companies.
- g) To raise national level teams in identified games through scientific coaching, providing state-of-the-art equipment and infrastructure.
- h) To generate corporate goodwill and brand equity by sponsoring / co-sponsoring various sports/ games events at State, National and International level.
- i) To liaise with National and State Association / Bodies/ Federations promoting sports, games and cultural activities within India with a view to further sports centric objectives of the Company.

## **2) Implementation of Revised Contributory Post Retirement Medicare Scheme for Executive (CPRMSE) of CIL and its subsidiaries.**

The Board of Directors of CIL in its 289th Meeting held on 18.09.2012 had approved modifications/additions in the **Contributory Post Retirement Medicare Scheme for Executives of CIL and its Subsidiaries (CPRMSE)**. Accordingly an Office

Order has been circulated on 28.12.2012 for implementation of the Revised Scheme.

The reimbursement charges for hospitalization (indoor treatment) as per CPRMSE has been enhanced to ₹ 25 Lakhs or ₹ 12.5 Lakhs as the case may be with immediate effect. There will be no limit for specified diseases as mentioned in Clause 3.2.1 (d) of the Scheme which will not be accounted for against the amount of ₹ 25 Lakhs or ₹ 12.5 Lakhs as the case may be.

Further annual charges for domiciliary / outdoor treatment expenses have also been raised to ₹ 15,000/- payable in two installments.

## **3) HOUSING**

At the time of nationalisation, there were only 1,18,366 houses including sub-standard houses. The availability of these houses has increased to 3,99,354 (as on 31.03.2014). The percentage of housing satisfaction has now reached 100%.

## **4) WATER SUPPLY**

As against 2.27 lakhs population having access to potable water at the time of nationalisation in 1973, presently a populace of 21.17 Lakhs (as on 31.03.2014) has been covered under water supply scheme.

## **5) MEDICAL FACILITIES**

Coal India Ltd and its subsidiaries are extending medical facilities to its employees and their families through various medical establishments from dispensary level to Central and Apex Hospitals in different parts of the coalfields.

There are 79 hospitals with 5,709 beds, 418 dispensaries, 589 ambulance and 1445 doctors including specialists in CIL and its subsidiaries to provide medical services to the employees. Besides 11 Ayurvedic dispensaries are also being run in the subsidiaries of Coal India Limited to provide indigenous system of treatment to workers.

In addition, subsidiary companies have also been organizing different medical camps for the benefit of the villagers/community. Special emphasis has also been given on Occupational Health, HIV/AIDS awareness programme for the employees and their families.

Moreover, medical facilities are being provided to people residing in and around mine premises of the subsidiary companies of CIL.



## 6) EDUCATIONAL FACILITIES

The primary responsibility for providing educational facilities lies with the State Governments. However, the subsidiary companies of CIL have been providing financial assistance and infrastructure facilities to certain renowned schools like DAV Public Schools, Kendriya Vidyalaya, Delhi Public School etc to impart quality education.

### **Coal India Scholarship Scheme (Revised – 2013)**

In order to encourage the sons and daughters of employees of Coal India Limited, two types of Scholarship namely Merit and General Scholarship are being provided every year under prescribed terms and conditions.

#### **Scholarship**

The no. of students who have been getting Scholarship and no. of students of IIT, NIT and Govt. Engineering and Medical Collages whose tuition fees and hostel charges are being reimbursed are given as under:-

<b>Company</b>	<b>No. of Scholarship Awardees</b>	<b>No. of students in IITs, NITs and others</b>
ECL	924	60
BCCL	118	49
CCL	795	24
WCL	3581	113
SECL	3883	189
MCL	1436	44
NCL	881	103
CMPDIL	174	22
<b>Total</b>	<b>11,792</b>	<b>604</b>

#### **Grant sanctioned for schools, including privately managed schools:**

<b>Company</b>	<b>Amount (Figs. in Lakh Rupees)</b>
ECL	373.92
BCCL	274.00
CCL	2038.00
WCL	927.28
SECL	3587.35
MCL	242.00
NCL	2202.42
CMPDIL	1.00
<b>Total</b>	<b>9645.97</b>

## 7) Statutory Welfare Measures:

In accordance with the provision of the Mines Act 1952 and Rules and Regulations framed there-under, subsidiaries of Coal India Limited are maintaining various statutory welfare facilities for the coal miners such as Canteen, Rest Shelters and Pit Head Baths etc.

## 8) Non-statutory Welfare Measures:

### **Co-operative Stores and Credit Societies**

In order to supply essential commodities and consumer goods at a cheaper rate in the collieries, 24 Central Co-operatives and 128 Primary Co-operative Stores are functioning in the Coalfield areas of CIL. In addition, 181 Co-operative Credit Societies are also functioning in the Coal Companies.

## 9) Banking Facilities

The Management of the Coal Companies are providing infrastructure facilities to various Nationalised Banks for opening their Branches and Extension Counters in the Coalfields for the benefit of their workers. Workers are educated to draw their salaries through 485 Bank/ Extension Counters and they are also encouraged to practice thrift for the benefit of their families.

## 10) Welfare, Development and Empowerment of Women

There is a Forum for Women in Public Sector Cell at Company Headquarters, Kolkata and five subsidiary companies viz. ECL, BCCL, CCL, SECL and CMPDI. Each WIPS Cell is headed by a Coordinator who plans and executes various activities of the Forum with the help of a duly appointed Executive Committee. The Company extends active support to the various activities of WIPS comprising of welfare activities, training and development activities, seminars, cultural programmes, industrial awareness visits, health awareness programmes etc. for WIPS members, women workers, their families and the society at large.

Coal India Ltd and its subsidiary companies are extending full-fledged support and patronage to National Conference Forum of WIPS held every year in February at predetermined locations by sponsorship of the event, nomination of maximum number of delegates and also by competing for the BEST ENTERPRISE award. In recent years WIPS cell has done commendable work in reaching out to the grass-root level women employees, empowering them by suggesting gainful redeployment, training and uplifting their morale by recognizing outstanding achievement, and honouring the exceptional talent.

## **24th National Meet of WIPS**

The 24th National Meet of WIPS was held at Swabhumi, Kolkata on 11th and 12th February, 2014. Coal India supported this programme in a grand way by being the Diamond Sponsor, and deputed volunteers and anchors for the programme. The two days National Meet was attended by 700 women from different PSEs, Banks and Insurance Companies from all over the country and it was hosted by the Eastern Chapter of WIPS. Former Lok Sabha Speaker Mr Somenath Chatterjee, and D. G. SCOPE, Dr. U. D. Choubey graced the inaugural session, as distinguished Guests. Coal India won JURIES SPECIAL AWARD for Excellence in Public Sector Management under Maharashtra Category.

## **International Women's Day**

International Women's Day was celebrated on 8th March, 2014, at Coal Bhawan by organizing an in-house cultural programme to unleash the potential of women employees of CIL (Hqrs.).

## **11) Corporate Social Responsibility (CSR)**

Corporate Social Responsibility (CSR) is company's commitment to operate in an economically, socially and environmentally sustainable manner, while recognizing the interests of its stakeholders.

Coal India Limited has a well-defined CSR policy introduced w.e.f. 29.06.2010 based on the guidelines issued by the Department of Public Enterprise for Central PSUs on CSR in April 2010, which is also applicable in respect of subsidiary companies of CIL.

The poor and needy people of the society living in and around the coalfields/mining areas in different parts of India are the major areas covered under CSR activities. The CSR policy is operational within the radius of 25 KM of the project site and areas including Head Qtrs. Further CSR activities are also undertaken beyond the mining areas within the respective state with the approval as per norms. CIL being a holding company executes CSR activities on all-India basis.

The annual budget for CSR in respect of subsidiary companies is allocated based on 5% of the retained earnings of the previous year subject to a minimum of ₹ 5 per tonne of coal production of the previous year. In respect of CIL as a Holding Company, 2.5% of retained profit of last year is allocated for execution of CSR activities.

CIL believes in 'mining with a human face' through a socially sustainable inclusive development process. It pursues a structured CSR policy in and around the coal mining areas to improve quality of life with community consensus and inclusive participation.

## **12) Special Cash Award**

During 2013-14, an amount of ₹ 51,000/- has been provided as Special Cash Award to 9 meritorious children of employees of CIL(Hqrs.), Kolkata, Desk Offices of subsidiary companies and Dankuni Coal Complex @ ₹ 7,000/- for 3 students who have secured 90% or above marks in the Class-XII Board level examination and @ ₹ 5,000/- for 6 students who have secured 90% or above marks in the Class-X Board level examination.

## **13) Recreational facilities:**

Holiday Homes in the following tourist spots are available to the employees of CIL and its subsidiaries at subsidized rate.

- (a) Puri
- (b) Digha
- (c) Goa
- (d) Manali
- (e) Nainital
- (f) Katra

## **14) CIL Welfare Board Meeting.**

The 42nd meeting of the Coal India Welfare Board was held on 18th October 2013 at Jaipur with the Central Trade Union Representatives and the representatives of the Management to discuss and decide regarding welfare policies, implementation of different welfare schemes in CIL and its subsidiaries.

## **32. TREE PLANTATION / AFFORESTATION.**

Coal India Limited envisioned that tree plantation plays an important role in our economic development and environmental balance. Accordingly, every year Coal India Limited and its subsidiaries are planting tree saplings on the available land in its command areas. During 2013-14 Coal India Limited and its subsidiaries have planted 13.36 lakhs tree saplings over 526 ha under the plantation / afforestation programme.

Since inception, CIL and its subsidiaries had planted more than 81 million plant saplings over a land area of 34317 ha upto 31st March, 2014.

## **33. PROGRESSIVE USE OF HINDI.**

Coal India Limited kept its efforts continued to propagate and spread the progressive use of Official Language Hindi during the year 2013-14. By adopting the Official Language policy of the Union which is based on motivation and encouragement, Coal



India ensures the implementation of the Statutory Provisions of the Official Languages Policy of the Union. The top management gives it high priority. A brief description of the work done during the year under review towards implementation of the Official Language is appended below:-

To augment the process of implementation of the provisions of the Official Languages Act, Rules made there under and in order to increase the use of Hindi in day-to-day official work, regular meetings of the Official Language Implementation Committee are being organized. In these meetings, the members of the Hindi Advisory Committee of Ministry of Coal and the MoC Observer for Coal India were invited regularly.

The meeting of Hindi Advisory Committee of Coal Ministry was held on 3.09.2013 under the Chairmanship of Hon'ble Minister of Coal, in which Coal India Ltd actively participated. The suggestions for implementation regarding use of Hindi received from the members are being implemented.

With a view to create a conducive atmosphere for working in Hindi and accelerating the use of Hindi as Official Language in among official work, a 'Hindi Fortnight' was organized from 14.9.2013 to 28.9.2013. During Hindi Fortnight, various Hindi Competitions such as Hindi essay writing, Hindi noting and drafting, Hindi Translation, Hindi Dictation, and Hindi typing were organized among the employees of Coal India Limited. Cash Awards and Certificates were given to the winners by Chairman, Coal India Ltd. on 20-12-2013 at the event of OLIC meeting where Shri Gopal Krishna Pharlia, member of Hindi Advisory Committee of Ministry of Coal, was also present. This created a consciousness among employees to use the Official Language in official work. It is notable that Regional Sales Offices situated at different cities were granted sufficient fund as per their sizes to celebrate Hindi Diwas and Hindi Week/Fortnight as per their practice. In order to promote Hindi, a Hasya Kavi Sammelan was organized on 21.12.2013 at Rohini Housing Complex, Ultadanga, Kolkata where a large audience was present.

Another feather in the cap during the period under review was that Coal India Ltd. bagged the first prize in the Corporate Office category for the best implementation of the Official Language Policy of the Union by Town Official Language Implementation Committee (PSUs), Kolkata during its half yearly meeting cum prize distribution ceremony held on 30.08.2013 at Meghnath Saha Auditorium, Central Glass & Ceramic Research Institute, Kolkata. Coal India also received 'Karyalaya Deep Samman' from Rajbhasha Sansthan, Delhi at Jim Corbett Park, Nainital on 10.10.2013 for the best implementation of Official Language Policy of the Union. With

a view to promote Hindi knowledge of the employees, 10 sets of 9 reputed Hindi Magazines are being distributed among different departments / sections. Help literature and Hindi Dictionaries were provided to the sections & their incharge on their indent for smooth use of Rajbhasha in Official works. Unicode on computers is being activated in each and every computer.

With a view to create a working atmosphere for the use of the Official Language and to remove hesitation of officers and employees to work in Hindi Coal India organized Hindi workshop from time to time so that they may be aware of use of Hindi words, Hindi notings and drafting in their regular official works. Coal India always lays emphasis on imparting training in Hindi Language under Hindi Teaching Scheme of Govt. of India by nominating the employees in Hindi Praveen and Pragya classes. The Company has nominated 4 persons in the current session starting from January, 2014 in these classes. In addition, 4 persons were nominated for Hindi Stenography and Typing classes in the month of February, 2014.

The 3rd sub-committee of the Parliament on Official Language visited Coal India Ltd on 4.10.2013 to observe the status of use of Hindi in official work and to ensure that provisions of the Official Languages Act and Rules made there-under are properly complied with. They suggested ways and means for effective implementation of Official Languages Act in the official work and taken certain assurances from Chairman, Coal India Ltd. to fulfill it within the stipulated time. Coal India Ltd is committed to fulfill these assurances within the stipulated time.

The inspection of offices is a part of this implementation. Officials of Rajbhasha department, CIL (HQ.) reviewed the status of implementation of Official Language at some of its subordinate offices during the year under review. Suggestions have been given to correct the short-comings seen during the inspection and they were advised to achieve the target of Hindi correspondence, as stipulated in the annual programme of the Govt. Of India, Ministry of Home Affairs, Rajbhasha Vibhag.

#### **34. VIGILANCE SET UP**

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

During the year 2013-14, 44 Intensive Examination of Works/Contracts were undertaken by CIL (HQ) and its subsidiary

companies. In addition, 334 Surprise Inspections were carried out and 335 investigation cases were completed. Besides, 116 Departmental Inquiries were disposed of which resulted in punitive action against 264 officials. Such examinations/investigations have resulted in initiation of various system improvement measures.

As per the directives of Central Vigilance Commission, Vigilance Awareness Week – 2013 has been observed at CIL Hqrs., Kolkata and at subsidiaries from 28.10.2013 to 02.11.2013. emphasizing the theme of "Promoting Good Governance –Positive Contribution of Vigilance". The week was observed by organizing various activities in order to generate awareness, educate and discuss transparency among officials /stake holders as well as general public to arrest the root cause of corruption and to promote good governance. Banners were displayed at prominent places. System Improvement Suggestions were invited from all employees and the suggestions received were analysed. On 31.10.13, Group discussion on "Promoting good governance through e-governance" was organized at different departments of CIL HQ, with an aim to enhance the transparency in procurement process in organisation. In house contest/ competition were organized and entries received from employees and their family members of different departments of CIL HQ. During VAW-2013, Poster Making Competition and Essay Writing competition on anti corruption topics were organized in different categories for the wards of employees of Coal India Limited. The wards and spouses of employees of Coal India Limited were also allowed to participate in the slogan competition for Creating a Slogan and Essay writing competition. An Open Interactive Session with special emphasis on the theme "Promoting Good Governance – Positive Contribution of Vigilance", was held on 04.11.2013. The speakers discussed issues relating to transparency, good governance, Pro-active vigilance etc. In the interactive session, participants raised several issues which were discussed. Thereafter, Vigilance Corner page on CIL website was inaugurated. Apart from annual action plan, policy and circulars, it has facility for online filing of Vigilance Complaints including PIDPI complaint, online filing and viewing of Annual Property Return etc.

#### **Online Whistle Blower Vigilance Complaint System at CIL**

The Whistle Blower Vigilance Complaint (WBVIG) is a web based complaint/grievance handling system of Vigilance Division, Coal India Limited for disclosure on any allegation of corruption or misuse of office where identity of the complainant is kept secret. This is based on Gol resolution on Public Interest Disclosure and Protection of Informer (PIDPIR), popularly known as Whistle Blower

policy. With regard to Whistle Blower Vigilance Complaint, the Vigilance Division, Coal India Limited is accepting the complaints with the responsibility of keeping the identity of the complainant confidential. Whistle Blower Vigilance Complaint system has been made accessible from CIL Web Portal.

#### **Updation of CIL Purchase Manual.**

As a part of Preventive Vigilance, suggestions related to Mode of tendering, Sources for floating Limited tendering, Eligibility criteria, Trial orders, Arbitration Clause have been communicated to Purchase Division, CIL(HQ) which may be put up to the committee for deliberations and consideration.

#### **Tender for finalization of Rate Contract for supply of Explosives**

System improvement suggestions have been communicated to Purchase Division, CIL(HQ) for consideration and further needful action.

#### **35. PARTICULARS OF EMPLOYEES.**

No employee received remuneration during the year 2013-14, either equal to or in excess of the limits prescribed under Section 217(2A) of the Companies Act,1956 read with Companies (Particulars of Employees)Rules, 1975 as amended.

#### **36. BOARD OF DIRECTORS**

Shri S. Narsing Rao Chairman-cum-Managing Director of the Company, continued throughout the year. On being appointed as the Principal Secretary to the Chief Minister, Telengana, he has submitted his resignation to the Secretary, Ministry of Coal on 23rd May,2014. His resignation was accepted on 24th June,2014 by the Ministry of Coal and he relinquished his charge from 26th June,2014(FN).

Shri R.Mohan Das, Director (P&IR), Shri N.Kumar Director (Technical), Shri B.K.Saxena, Director (Marketing) and Shri A. Chatterjee, Director (Finance) were on the Board throughout the year.

Dr A.K.Dubey, Additional Secretary, MoC was nominated on the Board w.e.f 3rd April, 2013 and continued as a part-time official Director on the Board for the balance period of the financial year. Dr. A.K. Dubey, has assumed the additional charge of CMD, CIL with effect from 26th June'2014(FN). Ms Anjali Anand Srivastava, Joint Secretary & Financial Advisor, MoC, continued as a Part Time Director till 8th April, 2013. Smt Sujata Prasad, Joint Secretary & Financial Advisor, MoC, was nominated on the Board w.e.f 3rd



May' 2013 and continued as a part-time official Director on the Board for the remaining period of the financial year.

On completion of their tenure **a)** Dr A.K.Rath ceased to be an Independent Director w.e.f 26th April, 2013 **b)** Shri Kamal R Gupta, Dr (Smt) Sheela Bhide and Prof. S.K.Barua ceased to be the Independent Directors w.e.f. 3rd August, 2013 and **c)** Dr R.N.Trivedi, Ms Sachin Chaudhuri and Dr. Mohd. Anis Ansari ceased to be the Independent Directors w.e.f 23rd August, 2013.

Dr R. N.Trivedi and Shri Alok Perti were appointed as Independent Directors w.e.f 31st October 2013 and continued for the balance period of the financial year. Shri C. Balakrishnan and Dr. Noor Mohammad were appointed as Independent Directors w.e.f 19th December, 2013 and continued for the balance period of the financial year. Prof Indranil Manna and Shri Shri Prakash were appointed as Independent Directors w.e.f. 6th February, 2014 and continued for the remaining period of the financial year.

Shri A.N.Sahay, CMD, MCL and Shri A.K.Debnath, CMD, CMPDIL have been appointed as permanent invitees on the CIL Board w.e.f. 23rd April, 2013. Shri D.P.Pande has been appointed as a permanent invitee on the board w.e.f 12th July, 2012 and continued till 10th April, 2013.

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

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

The Board of Directors held 10 meetings during the year 2013-14.

### **37. DIRECTORS' RESPONSIBILITY STATEMENT**

In terms of Section 217(2AA) of Companies Act, 1956 read with Significant Accounting Policy at Note 33 and additional Notes on Accounts at Note 34 forming part of Accounts (CIL- Standalone 2013-14), it is confirmed:

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

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

### **38. ACCOUNTS OF THE SUBSIDIARIES**

In terms of the General Circular No. 2/ 2011 dated 8th February, 2011 from the Ministry of Corporate Affairs, the Annual Accounts of the subsidiary companies and the related information shall be made available to the shareholders seeking such information.

### **39. COST AUDIT**

In pursuant to the directions of the Central Govt. for conducting Cost Audit of Cost Records, the proposal for appointment of M/s Musib & Co as Cost Auditor of your Company for the year 2013-14 was approved by the Central Govt. and accordingly they have been appointed. The Cost Audit Report for the year 2012-13 was filed by your Company on 26th September'2013.

### **40. SECRETARIAL AUDIT**

The Company conducted Secretarial Audit for the year 2013-14. The report of the Secretarial Auditor is included in the Corporate Governance Report. The observation of the Secretarial Auditor and Management Explanation is enclosed as **Annexure V**.

### **41. B.I.F.R AND B.R.P.S.E STATUS**

#### **Eastern Coalfields Limited (ECL)**

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

BIFR sanctioned the Draft Rehabilitation Scheme in November, 2004 for implementation. As per the scheme, the networth of the Company was slated to become positive in 2008-09 with

concession from CIL. The Cabinet Committee on Economic Affairs has also approved the BRPSE recommended Revival Plan of ECL on 6th October, 2006. As per this Scheme, the networth of the Company was slated to become positive in 2009-10.

As directed by BIFR, in its meeting held on 02.09.2011, DMRP, September, 2011 was submitted. As per the revised DMRP of ECL- September, 2011, the networth of the Company was slated to become positive in 2015-16. Effective steps have been taken to successfully implement the revival plan and the Company is expected to report positive networth by the end of the financial year 2013-14 with concession from CIL.

In the meeting held on 19.09.2013, the BIFR Bench directed the Company to provide copy of progress report to trade unions, and to continue sending the progress report to BIFR and MA (SBI). It further directed the Company to file appropriate application for discharge, once the networth of the Company turns positive.

#### **42. ACKNOWLEDGEMENT:**

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

the Comptroller and Auditor General of India and the Registrar of Companies, West Bengal and wishes to place on record their sincere thanks to the Consumers for their continued patronage.

#### **43. ADDENDA**

The following are annexed.

- i) The comments and review of the Comptroller and Auditor General of India.
- ii) Auditors Report for the year ended 31st March,2014 and Management reply (**Annexure I**).
- iii) Statement pursuant to Sec. 212(i) (e) of the Companies Act, 1956.
- iv) Foreign Exchange Earning and Outgo (**Annexure II**).
- v) Details about research and development of the Company (**Annexure III**).
- vi) Observations of Auditor and Management Explanation under Sec 217(3) of Companies Act 1956. (**Annexure IV**).
- vii) Observation of Secretarial Auditor & Management Explanation (**Annexure V**).
- viii) Presidential Directive dated 17th July,2013 (**Annexure VI**).
- ix) Performance against MoU for the year 2013-14 (**Annexure VII**).

For and on behalf of the Board of Directors

A.K. Dubey

Chairman

Kolkata, 17th July, 2014



**Coal India Limited.** A Maharatna Company



कार्यालय प्रधन नियंत्रक वाणिज्यिक लेखापरीका तथा पदेन सदस्य लेखापरीका

बोर्ड - II कोलकाता

पुराना नियाम महल, आचार्य जगदीश चन्द्र बोस रोड,

কলকাতা - 700 020

OFFICE OF THE PRINCIPAL DIRECTOR OF  
COMMERCIAL AUDIT & EX-OFFICIO MEMBER  
AUDIT BOARD - II, KOLKATA

Old Nizam Palace, 234/4, Acharya jagadish Chandra Bose Road  
Kolkata-700 020  
NO. 87 /CA/LA-I/Accounts/CIL/2013-14

Dated : 30 JUN 2014

To

The Chairman,  
Coal india Limited,  
10, Netaji Subhas Road,  
Kolkata - 700 001.

Sub: Comments of the Comptroller & Auditor General of India under  
Section 619(4) of the Companies Act,1956 on the Accounts of  
Coal India Limited for the year ended 31 March 2014,

Sir,

I forward herewith the Comments of the Comptroller & Auditor General of India under Section 619(4) of the Companies Act, 1956 on the Accounts of Coal india Limited for the year ended 31 March 2014.

The receipt of this letter may please be acknowledged.

Yours faithfully,

Encl: As stated.

(Yashodhara Ray Chaudhuri)

Place: Kolkata.

Dated: 30.06.2014

PRINCIPAL DIRECTOR OF COMMERCIAL AUDIT  
AND EX-OFFICIO MEMBER, AUDIT BOARD -II  
KOLKATA

दृष्टि भव / Phone : 91-33-22875380/7165/2360/8838, 22810043/5654  
इमेल / E-mail : pdca2cal@cal3.vsnl.net.in

फैक्स / Fax : 91-33-2280-0062  
तार : "कोलकाता" / Telegram : "COLADIT"

---

## **COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF COAL INDIA LIMITED FOR THE YEAR ENDED 31 MARCH 2014**

The preparation of financial statements of Coal India Limited for the year ended 31 March 2014 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 standards on auditing 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 29.05.2014.

I, on behalf of the Comptroller and Auditor General of India have conducted a supplementary audit under section 619(3) (b) of the Companies Act, 1956 of the financial statements of Coal India Limited for the year ended 31 March 2014. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors report under section 619(4) of the Companies Act, 1956.

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



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

Place: Kolkata  
Dated: 30.06.2014



## **Annexure I**

### **AUDITORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2014 AND MANAGEMENT REPLY**

#### **AUDITORS' REPORT**

#### **MANAGEMENT REPLY**

**To THE MEMBERS OF COAL INDIA LIMITED**

##### **1. Report on the Financial Statements**

We have audited the accompanying financial statements of COAL INDIA LIMITED, which comprise the Balance Sheet as at 31st March, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the Year then ended, and a summary of significant accounting policies and other explanatory information. These financial statements include figures in respect of Head Quarter (HQ), Kolkata, North Eastern Coalfields (NEC) GM's Office at New Delhi and Marketing Division.

##### **2. Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

##### **3. Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected, depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements, read together with Significant Accounting Policies and Additional Notes to Accounts as referred in Note 33 and 34 respectively give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of Balance Sheet, the state of affairs of the Company as at 31st March, 2014;
- b) In the case of Statement of Profit and Loss Account, the profit/ loss for the year ended on that date; and
- c) In the case of Cash Flow Statement, the cash flows for the year ended on that date.

## Emphasis of Matter

Without qualifying our opinion, we draw your attention to:

- a) Notes No.11 (1), 12(2) and 18 dealing with investments in and loans & advances (Short term / Long term, Current Account debit balances) to sick subsidiary of the company, that is, Eastern Coalfields Limited (ECL) which is under the Board of Industrial & Financial Reconstruction (BIFR). Revival plans have been approved by BIFR and vetted by the concerned ministry. On implementation of revival schemes the subsidiary is turning around and has started earning profits. In view of the changing circumstances, the management is of the opinion that no writing down or provisioning is required.
- b) Note No. 10A(2) regarding non-provision against fixed assets in Dankuni Coal Complex leased to South Eastern Coalfields Limited (SECL) for lease rent of Re.1 per annum. In the opinion of the management the nominal income earning is a temporary policy matter and actual worth of the assets including land is much higher than the book value and as such no provision is called for.

This is a statement of fact referring to the notes on accounts only.

Eastern Coalfields Ltd is a 100% subsidiary of Coal India Limited. The revival scheme of BIFR is under implementation and ECL is earning substantial profit since 2009-10, by which its negative net worth is getting reduced. Hence, the diminution in value of investment is not considered as permanent in nature and therefore following the provisions of AS 13 ( Accounting Standard on Investments ), no writing down or provisions is required. The Loans & Advances and Current Account debit balances etc are also on the same analogy considered to be recoverable and hence no provision is required.

This is a statement of fact referring to the notes on accounts no 10A (2) only.

As mentioned by the Audit, referring to the relevant Note, the recoverable value (actual worth), of the assets of Dankuni Coal Complex (given on operating lease to SECL, a 100% subsidiary of CIL on a nominal rent) is considered much higher than its WDV. Hence no provision as per AS-28 (Accounting Standard on Impairment) or otherwise is required.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ('the Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.



2. As required by Section 227(3) of the Act, we report that:
  - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
  - e. In terms of Notification No. GSR 829(E) Dated 21st October, 2003, of the Government of India, Department of Company Affairs, Government Companies are exempted from the applicability of provisions of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
  - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956, nor had it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For De Chakraborty & Sen  
Chartered Accountants  
F.R. No. 303029E



(Srijit Chakraborty)

Place: Camp New Delhi

Date :29th May 2014

Partner

Membership No. :055317

## Annexure to the Auditors' Report

(Referred to in paragraph 1 of our report on Other Legal and Regulatory Requirements of even date to the members of Coal India Limited on the financial statements ended on 31st March, 2014)

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

i. (a) The company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets. However, certain details as regards purchase order reference; date of commissioning and locations; identification marks are absent in some cases of old items.

Few old items of fixed assets mentioned by the audit are fully depreciated

(b) The Fixed Assets located at Head Quarter, North eastern Coalfields, the production unit of the company and GM's office at New Delhi, have been physically verified by the management periodically in a phased manner. In respect of assets physically verified discrepancies noticed were not material and have been properly dealt with in the books of account.

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

(c) No substantial part of fixed assets has been disposed of during the year.

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

ii. (a) Physical verification of inventory at North Eastern Coalfields has been conducted at reasonable intervals during the year by the management. However, identification of obsolete items of stores & spares were not carried out during the year.

Efforts for identification of obsolete items of stores & spares, if any, as mentioned by the Audit will be done in 2014-15.

However, inventory at stockyards of West Bengal Regional Sales Office has not been physically verified. The inventories being very old have been provided for.

The said Stockyards of West Bengal Regional Sales Office are not operative since long. The book stock is not significant and their value has been fully provided for since long.

The inventories have been measured on the basis of volumetric system.

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

(b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

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

(c) The Company has maintained proper records of inventory. No material discrepancies were noticed on physical verification.

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



iii. (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of The Companies Act, 1956. However, interest has been waived on loans and advances to its subsidiaries Bharat Coking Coal Limited (BCCL) and Eastern Coalfields limited (ECL). In other cases clauses 4(iii)(b) to 4(iii)(d) of the Order are not applicable.

These are 100% subsidiaries of CIL. ECL is sick and referred to BIFR. Out of certain loans to ECL and BCCL, interest on such loans to ECL were waived since 2003-04.

During the year, CIL Board approved to make such loans interest free upto 31st March, 2013 i.e. the date upto which BCCL was under BIFR.

Interest has been fully charged on such loans to BCCL for the year 2013-14.

(b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 except some surplus funds of the subsidiaries parked with this holding company where reasonable interest has been paid except for a part of such fund parked by Northern Coalfields Limited and Mahanadi Coalfields Limited, where no interest has been paid as these funds were transferred to Eastern Coalfields Limited and Bharat Coking Coal Limited for specific purposes as interest free advance. In our opinion, on the basis of explanations provided to us, the terms and conditions of these advances are not prejudicial to the interest of the Company.

BCCL has returned the non-interest bearing fund by 31.12.2013, thereafter such surplus fund parked by NCL and MCL to the extent returned by BCCL were made interest bearing.

iv. There is, in general, an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit no major weakness in internal control has been noticed except the following:

(a) The control over activities within the processing of payroll and disbursement of salary and wages in some units needs to be strengthened.

Noted, action is being taken to further strengthen the same in 2014-15.

(b) The control over procurement of service related to travelling at New Delhi office needs to be strengthened.

Noted, action is being taken to further strengthen the same in 2014-15.

v. There are no contracts and arrangements as referred to in Section 301 of the Companies Act, 1956, particulars of which needs to be entered into a register maintained under section 301 of the said Act. Accordingly, clause 4 (v) (b) of the Order is not applicable.

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

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

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

vii. The Company has an Internal Audit system commensurate with the size and nature of its business, but it requires continuing improvement in respect of timeliness of reporting together with risk based analysis of the inadequacies. Further, no Information System Audit has been carried out.

viii. The maintenance of cost records has been prescribed by the Central Government under Section 209 (1) (d) of the Companies Act, 1956 vide Notification dated 3rd June, 2011 in respect of mining activities of the company. We have checked the records and are *prima facie* of the opinion that the same are properly maintained.

ix. (a) The Company is regular in depositing undisputed statutory dues including Provident Fund, Investor's Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities. There were no undisputed arrears of statutory dues outstanding as on 31.03.2014 for a period of more than six months from the date they became payable.

(b) There are no dues of Sales Tax, Income Tax, Custom Duty, Wealth Tax, Excise Duty, Cess and Other Statutory dues which have not been deposited on account of any dispute except the following:

<b>SL No</b>	<b>Name of the Statute</b>	<b>Nature of dues</b>	<b>Amount ₹</b>	<b>Period to which dispute relates</b>	<b>Forum where dispute is pending</b>
1.	Provincial Sales Tax Act	Sales Tax	3,86,243.13	F.Y. 1989-90	Assessing Officer
2	Provincial Sales Tax Act	Sales Tax	1,79,762.00	F.Y. 1990-91	Additional Commissioner (Appeals)- 3
3	Provincial Sales Tax Act	Sales Tax	48,441.00	F.Y. 1990-91	Additional Commissioner (Appeals)- 3
4	Provincial Sales Tax Act	Sales Tax	2,75,819.00	F.Y. 1991-92	Additional Commissioner (Appeals)- 3
5	Provincial Trade Tax Act.	Trade Tax	9,040.00	F.Y. 1993-94	Assessing Officer

x. The Company does not have any accumulated losses at the end of financial year and has not incurred cash losses in the current financial year and in the immediately preceding financial year.

xi. The Company has not defaulted in repayment of dues to Financial Institutions or Banks.

xii. The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.

Noted. Efforts will be taken to improve in the areas of inadequacies mentioned by the audit.

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

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

These cases are very old and pending before assessing Officer / Sales Tax Departmental Appellate Authority. Pending verdict of these appeal cases, no deposit has been made. However, these have been shown as contingent liability.

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

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

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



- xiii. The Company is not a Chit Fund or a Nidhi / Mutual Benefit Fund / Society. This being a statement of fact calls for no comments separately.
- xiv. The Company is not in the business of dealing or trading in shares. The Company has investments in shares of its wholly owned subsidiaries, SPV Joint Venture and in Mutual Funds only and has maintained proper records of transactions and contracts in respect thereof and timely entries have been made therein. The company, in its own name, has held all these shares. This being a statement of fact calls for no comments separately.
- xv. The terms and conditions on which the Company has given guarantees for loans taken by its subsidiaries from banks and financial institutions are not *prima facie* prejudicial to the interest of the Company. This being a statement of fact calls for no comments separately.
- xvi. No term loan has been availed during the year. However, the term loans availed by the Company in earlier years had been utilized for the purposes for which the said loan had been taken. This being a statement of fact calls for no comments separately.
- xvii. The funds raised on short-term basis have not been used for long-term investments. This being a statement of fact calls for no comments separately.
- xviii. During the year under audit, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act. This being a statement of fact calls for no comments separately.
- xxi. The Company has not issued any debentures during current or earlier year. This being a statement of fact calls for no comments separately.
- xx. The company, during the year, has not raised any money through Public Issue of shares. This being a statement of fact calls for no comments separately.
- xxi. No fraud, on or by the Company has been noticed by us during the year. However, according to the information and explanations given to us, a case of misappropriation of Company's funds for personal gain has come to the notice of the management which is under investigation by different agencies, the impact of such misappropriation cannot be ascertained at this stage. As stated by the Audit, the matter is under intense investigation by different agencies.

For De Chakraborty & Sen  
Chartered Accountants  
F.R. No. 303029E



(Srijit Chakraborty)

Place: Camp New Delhi

Partner

Date : 29th May, 2014

Membership No.: 055317

## Statement pursuant to Section 212(1) (e) of the Companies Act, 1956 as at 31st March, 2014.

<b>Subsidiary (Fully Owned)</b>	<b>No. of Preference Shares held by Coal India Limited</b>	<b>No. of Equity Shares held by Coal India Limited</b>	<b>No. of Equity Shares held by CIL in nominees' name</b>	<b>Total paid-up value (₹ in crore)</b>	<b>Pre-Tax Profit for the year ended 31.03.2014 (₹ in crore)</b>	<b>Profit (+) Loss (-) cumulative balance as on 31.03.2014 (after all appropriations) (₹ in crore)</b>
Eastern Coalfields Limited	-	22,184,500	3	2,218.45	1,299.28	(-) 4,637.53
Bharat Coking Coal Limited	25,390,000	21,180,000	3	4,657.00	2,089.01	(-) 2,391.68
Central Coalfields Limited	-	94,00,000	3	940.00	2,525.87	1,973.78
Western Coalfields Limited	-	29,71,000	3	297.10	325.86	2,050.57
Northern Coalfields Limited	-	17,76,728	3	177.67	3,355.71	5,865.89
South Eastern Coalfields Limited	-	35,97,000	3	359.70	7,202.40	6,442.44
Mahanadi Coalfields Limited	-	18,64,009	3	186.40	5,429.08	2,267.17
Central Mine Planning & Design Institute Limited	-	1,90,400	3	19.04	34.60	118.48
Coal India Ltd.					15,420.47	2,701.43
<b>Sub-Total</b>					<b>37,682.28</b>	<b>14,390.55</b>
Less: Income from dividend received from subsidiaries included in the profit of CIL					14,406.82	
<b>Total</b>					<b>23,275.46</b>	
Adjustment for Exchange rate variance on Current Account of overseas Subsidiary					0.72	
Adjustment for BCCL Interest waiver					396.64	
Overall profit as per Consolidation of Accounts					<b>22879.54</b>	
Profit/(Loss) from discontinuing operations					<b>(0.01)</b>	

[Further Coal India Ltd. has a 100% owned subsidiary in the Republic of Mozambique, named "Coal India Africana Limitada". The paid up capital as on 31st March, 2014 which was contributed since formation (known as "Quota Capital") was ₹ 0.01 crore (US\$ 1000)].



## Summary of Financial Information of Subsidiary Companies

Figures in Crore except entry in Sl. No 9

Sl. No.	Name of Subsidiary Company	Reporting Currency	Capital	Reserve	Total Assets	Total Liabilities	Current Investments	Non-Current Investments	Turnover	Profit Before Taxation	Provision for Taxation	Profit/(Loss) from discontinuing operations	Share of Minority	Profit After Taxation e.t.c.	Proposed Dividend
1	Eastern Coalfields Limited	INR	2218.45	(3804.82)	8646.79	8646.79	0.03	0.13	11959.75	1299.28	427.05	-	-	872.23	-
2	Bharat Coking Coal Limited	INR	4657.00	(2391.68)	7755.98	7755.98	13.86	13.85	10112.56	2089.01	374.66	-	-	1714.35	-
3	Central Coalfields Limited	INR	940.00	3562.95	10962.57	10962.57	605.10	9.43	10514.50	2525.87	854.11	-	-	1671.76	430.05
4	Northern Coalfields Limited	INR	177.67	9076.42	16932.64	16932.64	11.46	11.45	12419.62	3355.71	1,347.69	-	-	2008.02	-
5	Western Coalfields Limited	INR	297.10	3229.39	9953.79	9953.79	312.20	48.14	8578.33	325.86	102.27	(0.01)	-	223.58	134.29
6	South Eastern Coalfields Limited	INR	359.70	9688.04	22217.86	22217.86	178.21	123.16	22228.61	7202.40	2,430.38	-	(0.04)	4772.06	560.80
7	Mahanadi Coalfields Limited	INR	186.40	5375.49	19542.08	19542.08	675.71	981.39	13165.61	5429.08	1,804.78	-	-	3624.30	-
8	Central Mine Planning & Design Institute Limited	INR	19.04	136.84	830.52	830.52	-	-	727.45	34.60	15.03	-	-	19.57	-
9	Coal India Africana Limiteda (Mozambique) (MZN & INR in Lacs)	INR	0.49	(3817.91)	1147.04	1147.04	-	-	-	-	-	-	-	-	-
		MZN	0.25	(1923.55)	577.90	577.90	-	-	-	-	-	-	-	-	-

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

Sl. No.	Name of Subsidiary Company	Reporting Currency	Capital	Reserve	Total Assets	Total Liabilities	Current Investments	Non-Current Investments	Turnover	Profit Before Taxation	Provision for Taxation	Profit/(Loss) from discontinuing operations	Profit After Taxation e.t.c.	Proposed Dividend
1	MNH Shakti Limited	INR	85.10	(0.52)	89.81	89.81	-	-	-	-	-	-	-	-
2	MJSJ Limited	INR	95.10	(1.01)	98.10	98.10	-	-	-	-	-	-	-	-
3	Mahanadi Basin Power Limited	INR	0.05	-	10.92	10.92	-	-	-	-	-	-	-	-

**SECL, a subsidiary of CIL has two Subsidiaries, details of which are given below**

Sl. No.	Name of Subsidiary Company	Reporting Currency	Capital	Reserve	Total Assets	Total Liabilities	Current Investments	Non-Current Investments	Turnover	Profit Before Taxation	Provision for Taxation	Profit/(Loss) from discontinuing operations	Profit After Taxation e.t.c.	Proposed Dividend
1	M/s Chhattisgarh East-Railway Ltd	INR	0.05	(0.14)	2.05	2.05	-	-	-	(0.14)	-	-	(0.14)	-
2	M/s Chhattisgarh East-West Railway Ltd	INR	0.05	(0.14)	0.05	0.05	-	-	-	(0.14)	-	-	(0.14)	-

**Note**

MCL holds 70% stake in MNH Shakti Ltd, 60% stake in MJSJ Ltd & 100% stake in Mahanadi Basin Power Ltd. SECL holds 64% stake each in M/s Chhattisgarh East Railway Ltd and M/s Chhattisgarh East-West Railway Ltd. As on 31.03.2014: 1 MZN = Rs 1.9848

## Annexure II

### COAL INDIA LIMITED (STANDALONE)

### Expenditure / Earnings in Foreign exchange –2013-14

**Expenditure incurred in Foreign Currency on account of:**

(₹ in Crore)

		<b>Current Year</b>	<b>Previous Year</b>
(i)	Interest & commitment charges	11.84	20.24
(ii)	Commission to Foreign Agents	0.09	0.12
(iii)	Travelling / Training Expenses	0.32	0.82
(iv)	Advertisement	0.23	NIL
(v)	Consultancy/Legal	NIL	3.68
(vi)	Subscription / Membership fees	0.01	0.01
(vii)	Exchange Variation	NIL	93.16
<b>Total</b>		<b>12.49</b>	<b>118.03</b>

**Earning in Foreign Exchange on account of:**

(₹ in crore)

		<b>Current Year</b>	<b>Previous Year</b>
(i)	Export of Goods (Calculated on FOB basis)	NIL	NIL
(ii)	Exchange Variation	NIL	0.03
((iii))	Miscellaneous	NIL	NIL
<b>Total</b>		<b>NIL</b>	<b>0.03</b>



## **Annexure - III**

### **RESEARCH & DEVELOPMENT (R&D)**

#### **1. Specific areas in which R&D is being carried out**

The Government of India through its Coal Science & Technology (S&T) Plan and Coal India Limited through its R&D Board have been promoting R&D activities in Coal & Lignite Sectors for improvement in production, productivity, safety, quality, coal beneficiation and utilization, protection of environment and ecology and allied fields. Substantial funds are being earmarked annually by the Ministry of Coal and CIL R&D Board to carry out research work on the above subjects in the above fields.

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

Notable advances have been made through R&D efforts in coal exploration techniques, introduction of mining methods like "blasting gallery and cable bolting" for recovery of coal in thick seams and shortwall mining at SECL with an output of more than 1000T per day being replicated in more panels. 'Controlled blasting' has also been introduced through R&D and is being used now for removal of overburden rocks and coal in opencast mines as close as to 50m from surface structures successfully. More than 155 Mt of coal so far has been extracted in more than 134 mines by introduction of 'Controlled Blasting' which otherwise would have been remained sterilized.

A quantified assessment of roof strata called Rock Mass Rating (RMR) developed under R&D is now being used for designing support in underground mines. So far, over 859 districts in about 297 underground coal mines have been covered.

A number of research projects have yielded considerable gains in the area of land reclamation after mining and utilization of fly ash. Humic acid from lignite as a fertilizer in agriculture has shown 35% increase of yield in case of capsicum, tomato crops and also substantial increase in other crops. This product has been commercialized and is being used by the farmers in Tamil Nadu, Andhra Pradesh, Karnataka and Kerala.

A multi institutional funded (UNDP/GEF, CIL and MoC) demonstration research project on "Coal Bed Methane Recovery and Commercial Utilization" has successfully concluded at Moonidih underground project, BCCL with encouraging results. The gas recovered under this project

is almost 98% pure methane, which is being utilized to run gas based generators to supply electricity to Moonidih mine residential colony.

Significant improvement has been achieved in both 'coking and non-coking coal washing' and 'recovery of fine coals'. Encouraging results have also been obtained from research related to 'combustion techniques' for effective utilization of high-ash coals. Major R&D projects on fine coal beneficiation are under implementation through CIL R&D funding.

While some research projects have produced tangible impact on industry directly, there are others, which have strengthened mine planning, design and technical services required by both operating mines and future mining projects.

A number of research projects have been taken up in the area of environment and ecology to integrate coal mining activities with ecological conservation and hazards due to mining. The findings of these research projects have made a significant impact on the industry resulting in adoption of proper environment control. Efforts to delineate unstable working below Howrah Dhanbad Railway line (Eastern Railway Main Line), stability analysis by numerical modeling and possible remedial measures for stabilization of railway line have been made successfully with CIL R&D funds. Programmable Logic Control(PLC) based monitoring & control system has been successfully designed, developed and introduced in an underground mine of CIL duly approved by DGMS through another research project funded by CIL R&D Board.

New areas are being addressed through on-going research projects with CIL R&D fund. This includes application of robotics and latest two-way communication systems for rescuing miners trapped in underground mines, Coal Bed Methane (CBM)/Coal Mine Methane(CMM)/Abandoned Mine Methane(AMM) recovery and utilization, utilization of low rank low volatile high rank Indian coking coals, numerical models to address strata control problems for appropriate solution, safe dragline dump profiles for varying geo-mining conditions, Green House Gas(GHG) emissions in mine fire areas, treatment of acid mine water generated in Indian coal mines, roof fall prediction in underground coal mines, dry coal beneficiation, development of integrated dumper collision avoidance system for opencast mines, assessment of shale gas Gondwana basin with special reference to CIL areas.

An indigenous tool for carrying out the job of random sampling and testing of explosives and accessories for

mines of CIL has been developed by CMPDI in association with IIT, Kharagpur through CIL R&D project.

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

A research project under S&T grant of Ministry of Coal related to mine communication has been completed at one of the underground mines of CCL. This consists of Through-The-Earth (TTE) one way messaging system and two way voice communication and tracking system. The integrated system is now being used with digital wireless telephones in Bhurkunda mine of CCL. Now one can make and receive a telephone call from underground.

### **3. Future Plan of Action:**

For enhancing the quantum of research work needed to address the complexity of operations of coal industry and wider involvement of research organizations including private organizations with adequate infrastructure and expertise, CMPDI on behalf of Ministry of Coal has invited Expression of Interest (EoI) for areas related to mining methods, strata control, and mine safety, coal bed methane(CBM), etc., for funding under S&T Grant of Ministry of Coal.

Future R&D efforts will address areas like liquidation of developed pillar in underground mines, pit and dump slope stability in opencast mines, hydraulic mining, high wall mining, Early warning systems for roof prediction and dump & highwall failures, assessment of shale gas potentiality in Indian coal fields, CBM reserves estimation, CBM from fugitive emissions from opencast mines, in-situ coal gasification, coal liquefaction, and development of predictive models for air quality and pollution etc.

In another research project, self advancing goaf edge (mobile) chock type supports have been developed and are under field trial at Bastacola mine of BCCL. These self propelled mobile supports of medium duty (2 x 200 Te.) have closed and extended height range of 1.85 to 3.2 m and can offer support resistance of 71.4 T/ m<sup>2</sup>.

Another important research project, Shale gas potentiality evaluation of Damodar basin of India is under implementation with an objective to evaluate Damodar basins of India for

their shale gas potentiality through integrated geophysical, geological, geochemical and petrophysical investigations.

Another research project titled “Coal Bed Methane (CBM) reserves estimation for Indian Coalfields” has started recently with an objective to calculate CBM reserve estimate by volumetric method followed by uncertainty analysis by probabilistic method and generate an accurate geological model of a study area with associated coal Seams by 2D/3D seismic survey and acquisition of conventional surface / subsurface information and validation of the model by drilling core holes.

Emphasis has been put on “coal to oil” conversion technology. The prevailing high prices level of crude and petroleum products warrants a fresh look at coal liquefaction process. The rising costs and issues related to adequate and assured supply of oil from overseas have a significant bearing on both the national economy and energy security. One important project for development of indigenous catalyst for coal – to - liquid (CTL) is under implementation with an objective to eliminate the dependency on technology provider for supply of catalysts for future CTL plants likely to be established in India.

### **4. Expenditure on R&D:**

**Total Expenditure incurred from 2009-10 to 2013-14 for research projects is as follows:**

		(₹ in crore)
<b>Year</b>	<b>Expenditure</b>	
2009-10	37.42	
2010-11	40.08	
2011-12	26.29	
2012-13	22.72	
2013-14	22.73	
<b>Total</b>	<b>149.24</b>	

### **TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**

1. R&D in coal sector is mainly for improvement of efficiency parameters in mining operations including mine safety and related activities like coal beneficiation/utilization and also for control of the mine environment.
2. Benefits derived as a result of above efforts, such as product improvement, cost reduction, product development, import substitution, etc., is indicated in point 2 above.



## **Annexure IV**

### **Observation of Auditor and Management Explanation under Section 217(3) of Companies Act, 1956**

#### **Observation of Auditor**

1. Notes No.11 (1), 12(2) and 18 dealing with investments in and loans & advances (Short term / Long term, Current Account debit balances) to sick subsidiary of the company, that is, Eastern Coalfields Limited (ECL) which is under the Board of Industrial & Financial Reconstruction (BIFR). Revival plans have been approved by BIFR and vetted by the concerned ministry. On implementation of revival schemes the subsidiary is turning around and has started earning profits. In view of the changing circumstances, the management is of the opinion that no writing down or provisioning is required.
2. Note No. 10A(2) regarding non-provision against fixed assets in Dankuni Coal Complex leased to South Eastern Coalfields Limited (SECL) for lease rent of Re.1 per annum. In the opinion of the management the nominal income earning is a temporary policy matter and actual worth of the assets including land is much higher than the book value and as such no provision is called for.
3. The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets. However, certain details as regards purchase order reference; date of commissioning and locations, identification marks are absent there in some cases of old items.
4. Physical verification of inventory at North Eastern Coalfields has been conducted at reasonable intervals during the year by the management. However, identification of obsolete items of stores & spares were not carried out during the year.

However, inventory at stockyards of West Bengal Regional Sales Office has not been physically verified. The inventories being very old have been provided for.

The inventories have been measured on the basis of volumetric system.

#### **Management Explanation**

This is a statement of fact referring to the notes on accounts only.

Eastern Coalfields Ltd is a 100% subsidiary of Coal India Limited. The revival scheme of BIFR is under implementation and ECL is earning substantial profits since 2009-10, by which its negative net worth is getting reduced. Hence, the diminution in value of investment is not considered as permanent in nature and therefore following the provisions of AS 13 (Accounting Standard on Investments), no writing down or provisions is required. The Loans & Advances and Current Account debit balances, etc. are also on the same analogy considered to be recoverable and hence no provision is required.

This is a statement of fact referring to the notes on accounts no 10A (2) only.

As mentioned by the Audit, referring to the relevant Note, the recoverable value (actual worth), of the assets of Dankuni Coal Complex (given on operating lease to SECL, a 100% subsidiary of CIL on a nominal rent) is considered much higher than its WDV. Hence no provision as per AS-28 (Accounting Standard on Impairment) or otherwise is required.

Few old items of fixed assets as mentioned by the audit are fully depreciated.

Efforts for identification of obsolete items of stores & spares, if any, as mentioned by the Audit will be done in 2014-15.

The said Stockyards of West Bengal Regional Sales Office are not operative since long. The book stock is not significant and their value has been fully provided for since long.

- 5.** (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. However, interest has been waived on loans and advances to its subsidiaries Bharat Coking Coal Limited (BCCL) and Eastern Coalfields limited (ECL). In other cases clauses 4(iii)(b) to 4(iii)(d) of the Order are not applicable
- (b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of Companies Act, 1956 except some surplus funds of subsidiaries parked with this holding company where reasonable interest has been paid except for a part of such fund parked by Northern Coalfields Limited and Mahanadi Coalfields Limited, where no interest has been paid as these funds were transferred to Eastern Coalfields Limited and Bharat Coking Coal Limited for specific purposes as interest free advance. In our opinion, on the basis of explanations provided to us, the terms and conditions of these advances are not prejudicial to the interest of the company.
- 6.** There is, in general, an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit no major weakness in internal control has been noticed except the following:
- (a) The control over activities within the processing of payroll and disbursement of salary and wages in some units needs to be strengthened.
  - (b) The control over procurement of service related to travelling at New Delhi office needs to be strengthened.
- 7.** The Company has an Internal Audit system commensurate with the size and nature of its business, but it requires continuing improvement in respect of timeliness of reporting together with risk based analysis of the inadequacies. Further, no Information System Audit has been carried out.
- 8.** There are no dues of Sales Tax, Income Tax, Custom Duty, Wealth Tax, Excise Duty, Cess and Other Statutory dues which have not been deposited on account of any dispute except the following:
- These are 100% subsidiaries of CIL. ECL is sick and referred to BIFR. Out of certain loans to ECL and BCCL, interest on such loans to ECL were waived since 2003-04.
- During the year, CIL Board approved to make such loans interest free upto 31st March, 2013 i.e. the date upto which BCCL was under BIFR.
- Interest has been fully charged on such loans to BCCL for the year 2013-14.
- BCCL has returned the non-interest bearing fund by 31.12.2013, thereafter such surplus fund parked by NCL and MCL to the extent returned by BCCL were made interest bearing.
- Noted, action is being taken to adjust / reconcile the differences.
- Noted, action is being taken to further strengthen the same in 2014-15.
- Noted. Efforts are being taken to improve the areas of inadequacies as mentioned by the audit.
- These cases are very old and pending before Assessing Officer / sales Tax Departmental Appellate Authority. Pending verdict of these appeal cases, no deposit has been made. However, these have been shown as contingent liability.



Sl No	Name of the Statute	Nature of dues	Amount ₹	Period to which relates	Forum where dispute is pending
1.	Provincial Sales Tax Act	Sales Tax	3,86,243.13	F.Y. 1989-90	Assessing Officer
2.	Provincial Sales Tax Act	Sales Tax	1,79,762.00	F.Y. 1990-91	Additional Commissioner (Appeals)- 3
3.	Provincial Sales Tax Act	Sales Tax	48,441.00	F.Y 1990-91	Additional Commissioner (Appeals)- 3
4.	Provincial Sales Tax Act	Sales Tax	2,75,819.00	F.Y. 1991-92	Additional Commissioner (Appeals)- 3
5.	Provincial Trade Tax Act.	Trade Tax	9,040.00	F.Y. 1993-94	Assessing Officer

- 9.** No fraud, on or by the company has been noticed by us during the year. However, according to the information and explanations given to us, a case of misappropriation of Company's funds for personal gain has come to the notice of the management which is under investigation by different agencies, the impact of such misappropriation cannot be ascertained at this stage.

As stated by the Audit, the matter is under intense investigation by different agencies.

## Annexure V

### Observation of Secretarial Auditor & Management Explanation

<b>Observation</b>	<b>Management Explanation</b>
The Company has not complied with the composition of the Board of Directors and the appointment of the Independent Directors in the material subsidiary companies as per the Listing Agreement.	The Company had taken up the matter with the Ministry of Coal for appointment of Independent Directors in the holding company and also one Independent Director of the holding company in two material subsidiary companies viz. NCL & SECL.



## **Annexure VI**

### **Most Immediate**

F. No. 23011/138/2012-CPD (Vol. III)  
Government of India  
Ministry of Coal

New Delhi, Dated 17 July, 2013

To

The Chairman & Managing Director  
Coal India Limited  
Kolkata

Sub:- Signing of FSAs and supply of coal to the Thermal Power Plants (TPPs) commissioned or likely to be commissioned by 31.03.2015-reg.

Sir,

I am directed to refer to this Ministry's letter No. 23011/185/2011-CPD dated 17.02.2012 and the Presidential Directive issued vide letter of same number dated 04.04.2012 regarding signing of Fuel Supply Agreements by the subsidiary companies of Coal India Limited (CIL) with the power utilities. The Government has further considered augmenting the coal supplies to power utilities which have been or are likely to be commissioned by 31.03.2015, in order to meet the shortfall in their coal requirements.

2. While the matter was under consideration, the Ministry of Power informed, vide their letter No. FU-12/2011-IPC (Vol.II) dated 14th May, 2013 (copy enclosed), the commissioning status and PPA status of the TPPs of a total 78,000 MW capacity which were under consideration for coal supplies. It was also informed that due to the slippages in the commissioning schedule, constraints in evacuation of power, lag in contractual schedule to have actual drawal of coal and due to not having long term PPAs, the actual drawal of coal out of the above 78,000 MW capacity TPPs may not be more than 60,000 MW in 2013-14 and 2014-15. Separately, vide letter No.FU-12/2011-IPC (Vol.II) dated 27th May, 2013 (copy enclosed), the Ministry of Power forwarded a list of the said 78,000 MW capacity TPPs comprising three parts, viz (i) the revised list of TPPs with capacity of 60,000 MW (corrected to 59,113 MW) which will replace the earlier list of 60000 MW TPPs forwarded to CIL vide this Ministry's letter No. 23011/185/2011-CPD dated 17.02.2012; (ii) list of TPPs with 7,000 MW (revised to 6796 MW) capacity which have also been or are likely to be commissioned by 31.03.2015 but were earlier not included; and (iii) list of TPPs with 11,000 MW (Revised to 9840 MW) capacity which have been granted tapering linkages and are also likely to be commissioned by 31.03.2015.
3. After considering the matter, the competent authority has decided the course of action to be taken by CIL and its subsidiaries in this regard. The said decisions involve "substantial public interest" and, therefore, under the powers provided under Article 37 of the Memorandum and Article of Association of CIL, the President is pleased to issue a "Directive" to CIL to implement the decisions as enclosed.
4. You are requested to take necessary action for implementing the Directive within four weeks and send an action taken report immediately thereafter.

Yours faithfully

(S. Ashraf)

Deputy Secretary to the Government of India

Encl. As above

## Directives issued under Article 37 of the Memorandum and Articles of Association of Coal India Limited

1. Whereas the competent authority has decided the following course of action for signing of Fuel Supply Agreement(s) by the subsidiary companies of Coal India Limited with the power utilities :-
  - (i) CIL to sign FSAs for a total capacity of about 78,000 MW, including tapering linkage cases as now identified, which are likely to be commissioned by 31.3.2015. MoC to issue directions to CIL to replace the identified list of 60,000 MW power projects earlier sent vide Ministry of Coal letter No. 23011/185/2013 dated 17.2.2012 by the revised list now provided by MOP vide their letter dated 27.5.2013.
  - (ii) Taking into account the overall domestic availability and the likely actual requirements of these power plants, FSAs be signed for the domestic coal quantity of 65%, 65%, 67% and 75% of ACQ for the remaining four years of the current Plan for the power plants having normal coal linkages. Cases of tapering linkage would get coal supplies as per the tapering linkage policy. Actual coal supplies would, however, be available when the required long-term PPAs are tied up.
  - (iii) To meet its balance FSA obligations towards the above categories, CIL may import coal and supply the same to the willing power plants on cost plus basis. Power plants may also directly import coal themselves, if they so opt. MoC to issue suitable instructions as per the decisions taken by CCEA.
2. And whereas the competent authority has also directed that coal may be supplied to power plants of 4660 MW capacity and other similarly placed power plants that do not have any fuel linkage (as per the list attached with Ministry of Power's letter No. FU-12/2011-IPC Vol.II dated 14.05.2013) subject to the availability of coal and on the condition that such supplies do not adversely impact the availability of coal for the identified plants of 78000 MW capacity as per approval accorded vide Paragraph I above and other Letters of Assurance holders.
3. And whereas the Object III.A.4 of the Memorandum of Association of Coal India Limited provides as follows:-  

"CIL to act as an entrepreneur on behalf of the state in respect of the coal industry and plan and organize production of coal as also its beneficiation and the manufacture of other by-products of coal in accordance with the targets fixed in the Five Year Plan and the economic policy and objectives laid down by the Government from time to time'.
4. Whereas Article 37 of the Articles of Association of Coal India Limited *inter-alia* Provides as under:-  

"Notwithstanding anything contained in all these Articles the President may from time to time issue such directives or instructions as may be considered necessary in regard to the conduct of business and affairs of the company and in like manner may vary and annul any such directives or instruction. The Directors shall give immediate effect to the directives of instructions so issued. In particular' the President will have the Powers:-

  - (i) To give directives to the Company as to the exercise and performance of its functions in matters involving national security or substantial public interest."
5. And whereas the policy regarding power generation / capacity addition of coal based power plants has been based on coal linkage and coal availability of 100% of the normative requirement, corresponding to 85% PLF and assured supply of coal by CIL. Banks and Financial Institutions, developers and the competitive bidding regime are critically dependent on the quantity of linkage / LoA given and supplies made. Failure to supply adequate quantity will have many consequences affecting the power utilities and ultimately, the consumers of power. Any major deviation in the coal supplies will have far reaching implications on power and financial sector and ultimately on the economic growth of the country. Therefore, this is considered a matter involving substantial public interest.
6. Now, therefore, keeping in view the need for making adequate coal available to the power utilities, in exercise of the power conferred under Article 37 of the Articles of Association read with the Object contained in Article III.A.4 of Memorandum of Association of CIL, the President is pleased to issue a directive to CIL to implement the decisions mentioned above within a period of four weeks in so far as the matter of signing of FSAs with the power projects commissioned during 01.04.2009 to 31.03.2015 is concerned and as mentioned at para 1(i).



**Coal India Limited.** A Maharatna Company

---

7. In continuation of para 1(i) above, read with letter No.FU-12/2011-IPC (Vol.II) dated 14.5.2013 of the Ministry of Power, once the actual capacity of 60000 MW of power plants out of the said 78000 MW becomes eligible for drawing coal as per the FSA, the actual supply schedule may be further reviewed with the Ministry of Coal.
8. This Ministry's letter No. 23011/185/2011-CPD dated 17.02.2012 and the Presidential Directive of the same number dated 04.04.2012 would stand modified to this extent.

For and on behalf of the President of India'

(S. Ashraf)

Deputy Secretary to the Government of India

New Delhi, Dated 17 July' 2013

## ANNEXURE VII

### PERFORMANCE AGAINST MOU FOR THE YEAR 2013-14

Sl. No.	Evaluation Criteria	Unit	Weightage (%)	MoU target (V. Good)	Audited Performance (April 13 – Mar. 14)
<b>1</b>	Static / Financial Parameters				
<b>(a)</b>	<b>Financial Indicators - Profit related ratios</b>				
(i)	Gross Margin / Gross Block	%	2	0.4733	0.5572
(ii)	Net Profit / Net Worth	%	10	0.2431	0.3221
(iii)	Gross Profit / Capital Employed	%	10	0.2354	0.3047
<b>(b)</b>	<b>Financial Indicators -Size related</b>				
(i)	Gross Margin	₹ Cr.	8	22144.70	22786.87
(ii)	Net Sales	₹ Cr	4	70254.82	66664.35
<b>(c)</b>	<b>Financial Returns- Productivity related</b>				
(i)	PBDIT / Total Employment	%	7	0.0609	0.0627
(ii)	Added Value / Net Sales		9	0.1944	0.2394
	<b>Sub Total</b>		<b>50</b>		
<b>2</b>	Dynamic Parameters				
<b>(d&amp;e)</b>	<b>Quality &amp; Customer Satisfaction</b>				
	<b>Quality</b>				
	Despatch of coal to power sector by rail				
(i)	Sized Coal	%	1	98.00	98.74
(ii)	Weighed on electronic weighbridges before despatch	%	2	98.00	99.49
	<b>Customer Satisfaction</b>				
(i)	Despatch covered under agreed sampling to power sector	%	1	98.00	99.93
(ii)	Inviting views /suggestions for better customer satisfaction through stakeholder consultation	Month	0.5	15th June 13	30th May' 13
(iii)	To work out customer satisfaction performa Jointly with customers	Month	0.5	Jan 14	10 th Dec' 13
<b>(f)</b>	<b>Human Resource Management-HRM</b>				
(i)	Human Resource Management-HRM		1	As per Annexure XIV (Enclosure-01)	
(ii)	Certified training in Project Management	No	1	360	493
(iii)	Certified training in Contract Management	No	1	43	80



Sl. No.	Evaluation Criteria	Unit	Weightage (%)	MoU target (V. Good)	Audited Performance (April 13 – Mar. 14)
	(iv) Formal training in Environment, Forest Management & Land Acquisition	No	1	42	124
	(v) Formal training in Risk Management	No	1	30	133
<b>(g &amp; h)</b>	<b>R &amp; D / Adoption of Innovative Practices</b>			<b>5</b>	As per Annexure XII (Enclosure - 02)
<b>(i &amp; j)</b>	<b>Project Implementation</b>				
	(i) Approval of projects by Board	No	1	2	1
	(ii) Commissioning/completion of projects	No	1	7	11
	(iii) Acquisition of Land	Ha			
(a)	Notification under Sec.9 of CBA		1	2646.00	4050.17
(b)	Notification under Sec.11 of CBA		1	2254.00	3978.43
(c)	Possession of Land		1	980.00	2294.28
	(iv) Preparation of Master Control Network (MCN) of New Projects costing more than ₹ 100 Crs or producing more than 2Mt per annum	Month	1	Dec'13	Within Oct.' 13
	(v) Web based Project Monitoring System	Month	0.5	Jan' 14	14th Nov.' 13
	(vi) Capital Investment	₹ Cr	2	4500.00	4329.86
	(vii) Award of work for setting up washeries for CIL		0.5	4	1
<b>(j)</b>	<b>Major Project Activities / Milestones</b>				
	(i) Placement of orders of 60 % of total indent value of high capacity HEMM with MARC for indents for 2013-14 for received till March 2013	Month	1	Feb 14	Not Achieved
	(ii) Placement of orders of 60 % of total indent value of OTR tyres for indents for 2013-14 received till March 13	Month	1	Feb 14	Not Achieved
	(iii) Implementation of e-procurement of materials at CIL & Subsidiaries through CIL's own e-procurement portal by using NIC as Service Provider	Month	1	July 13	24th April '13
<b>(k)</b>	<b>Extent of Globalization</b>				
	(i) Completion of 10,000 m of drilling in prospecting license nos. 3450 L & 3451 L. of CIAL, CIL's 100 % Subsidiary registered in Mozambique	Month	1	Nov. '13	30th May '13

Sl. No.		Evaluation Criteria	Unit	Weightage (%)	MoU target (V. Good)	Audited Performance (April 13 – Mar. 14)
	(ii)	Completion of geological mapping of leasehold area falling under prospecting license nos. 3450 L & 3451 L	Month	0.5	July '13	May '13
	(iii)	Completion of topographical survey of the leasehold area falling under prospecting licence nos 3450 L & 3451 L of CIAL, Mozambique	Month	0.5	July '13	July '13
<b>(I &amp; m)</b>		<b>Corporate Social Responsibility (CSR) &amp; Sustainability</b>				
1	(i)	The degree of involvement of the employees and the top management in internalising the CSR and Sustainability agenda within the organization				
(a)		The number of seminars/workshops to be organized	No	0.4	1	3
(b)		The presence of top management /executives in such workshops/seminars ( Board Level Executives)	No	0.3	13	21
		The total number of employees covered through such initiatives (Below Board Level Executives)	No	0.3	15	44
	(ii)	Impact of such involvement on products/services/processes and reduction in carbon foot-print				
(a)		Installation of Solar Panels	No.	1	2	3
(b)		Rain water harvesting	No. of Project	1	2	6
<b>2.</b>		The efforts made and the success achieved in the engagement of key stakeholders through adoption of a good corporate communication strategy				
(a)		Formulation of a corporate communication strategy	Month	0.5	Feb.'14	Jan. '14
(b)		The number of meetings/ consultation held with key stakeholders viz. Consumers, Employees	No	0.25	3	6
(c)		Establishment of web-based feedback systems from key stakeholders regarding the performance of the company in social, economical and environmental sustainability	Yes/ No	0.25		Yes



<b>Sl. No.</b>	<b>Evaluation Criteria</b>	<b>Unit</b>	<b>Weightage (%)</b>	<b>MoU target (V. Good)</b>	<b>Audited Performance (April 13 – Mar. 14)</b>
<b>3.</b>	The adoption of sustainability reporting and disclosure procedures and practices				
(a)	Preparation of Sustainable Report/ Business Responsibility Report. For 2013	Month	0.5	15th Mar'14	Oct '13
(b)	Frequently updated display of information in this regard on the Company's website	Duration	0.5	Half yearly	Quarterly
<b>4.</b>	The degree of success in implementing the CSR & Sustainability Projects undertake during the year				
(a)	Financial Support for one Backward District for skill development and infrastructure development for the benefit of the marginalized and under-privileged section of the communities	Month	1	Dec'13	Nov'13
(b)	Conducting minimum 10 health check up and medical camps amongst the weaker and under-privileged section of the community including distribution of medicines	No	0.5	9	11
(c)	Approval to participate as one of the industrial partner in setting up a new IIIT (Indian Institute of Information Technology) on PPP Model at Kalyani (WB) (Signing of MoU with Govt of WB after receiving approval/clearance from Govt of WB)proposed by Govt of WB	Time Frame	0.5	Within 4 Months of signing MoU	Within 3 days from getting clearance from Govt. of WB
<b>5.</b>	The expenditure incurred on CSR & Sustainability activities (vis-à-vis the annual budgetary allocation)				
(a)	Total Expenditure on CSR & Sustainability (1% of PAT of 12-13 inclusive of all Subsidiaries)	% Utilization of the said PAT	0.5	>65	236.70
<b>6.</b>	The effectiveness of the two tier organizational culture in the process of planning, implementing and monitoring the CSR activities				
(a)	Existence of the two tier organization structure with mandatory membership of an Independent Director on the Board Level Committee	Yes/ No	0.2		Yes

<b>Sl. No.</b>	<b>Evaluation Criteria</b>	<b>Unit</b>	<b>Weightage (%)</b>	<b>MoU target (V. Good)</b>	<b>Audited Performance (April 13 – Mar.14)</b>
(b)	The frequency of meeting held by the				
(i)	Board Level Committee	No	0.15	3	4
(ii)	Below Board Level Committee	No	0.15	3	8
<b>(n)</b>	<b>Sector Specific Parameters</b>				
(i)	Off-Take (Subject to Availability of 212.2 Railway Rakes/day on an Annual Basis)	Mt	3	492.00	471.58
(ii)	Total Coal Production		2	482.00	462.42
(iii)	UG Production		1	38.92	36.11
<b>(o)</b>	<b>Enterprise - Specific Parameters</b>				
(i)	Afforestation - Plantation of Trees	Lakhs	0.5	7.6	11.82
(ii)	Man productivity (Output / Manshift) (commensurate to corresponding production target)	Te/ Manshift	0.5	5.51	5.62
(iii)	Overall System Capacity Utilisation (Commensurate to corresponding production target)	%	0.5	84.77	84.75
(iv)	Issue of work order for preparation of Enterprise Risk Management(ERM) Plan	Month	1	15th March'14	19th Feb '14
(v)	Change in Cost of Production in real terms. ('+' stands for increase in cost, '-' stands for decrease in cost)	%	1	2.4246	3.1140
(vi)	Introduction of GPS enabled road transportation	No of Mines	1	28	28
<b>(p)</b>	<b>Safety</b>				
(i)	Preparation of Safety Management Plan (SMP) for Mines	No	1	135	167
(ii)	Installation of Roof Drilling Machine	No	0.5	35	57
(iii)	Training of Dumper Operators through Simulators	No	0.5	226	767
(iv)	Installation of Gas Chromotograph in Mines	No	0.5	3	4



## ANNEXURE- XIV (ENCLOSURE-1)

### **HRM PERFORMANCE EVALUATION UNDER MEMORANDUM OF UNDERSTANDING**

Evaluation Criteria	Unit	Weightage (%)	MoU target (V. Good)	Audited Performance (April 13 – Mar.14)
Executives - 464/Non-Executives - 3058 (As on 1.3.12)				
<b>Dynamic Parameters</b>				
<b>Competency &amp; Leadership Development</b>				
Total no. of executives and non-executives to be trained	%	5	Ex. 18%; Non.Ex -8%	Ex. - 46.7; Non.Ex.-10.5
Leadership Development Training for middle level executives	%	5	10%	14.5
Training budget as % of employee cost	₹ Cr.	5	2.38	3.87
Skill Up gradation of Non-executives	%	5	4%	10.56
<b>Optional(one out of five)</b>				
Training on Advance Technology		5	2	3
<b>Performance Management</b>				
Linkage of Developmental Plan of Executives with Performance Management System	Yes/No	5		Yes
Implementation of PRP linked to PMS	Yes/No	5		Yes
<b>Recruitment, Retention &amp; Talent Mgmt.</b>				
Manpower Rationalization through	No	5	8	105
Voluntary retirements	No			
Redeployment	No			
Any other	No			
Attrition as % of total employees	No	5	5.5	3.15
Presence of mentorship Dev.Prog.	No	5	1	3
Advance Management Programme for Sr.Executives	No	5	1	2

Evaluation Criteria	Unit	Weightage (%)	MoU target (V. Good)	Audited Performance (April 13 – Mar.14)
<b>Enabling Creativity &amp; Innovation</b>		<b>15</b>		
Nos. of Nominations/entries submitted for National Awards ( PM Shram Awards, Vishwakarma Rashtriya Puraskar)	No	7.5	1	4
Number of suggestions generated		7.5	50	98
<b>Employee Relations &amp; Welfare</b>				
Effectiveness of Grievance Redressal system - % of grievances settled vis-à-vis received during the year	% of settlement	4	20	97
Stress Management Programme for Executives/Non-Executives	No	4	2	3
Employee satisfaction survey - External Agency will be engaged for ESI Survey	Month	4	Jan '13	26th Nov. '13
Formulation & Implementation of social security scheme	Yes/No	4		Yes
Number of structured meetings with employees' representatives	No	3	2	7
<b>HR Branding &amp; Excellence</b>				
Review/ Revisit/ Re-engineer HR Policy for meeting changing business priorities.	Month	10	Mar '13	Feb'13



## ANNEXURE XII (ENCLOSURE – 02)

### R & D/ADOPTION OF INNOVATIVE PRACTICES

Sl. No.	Evaluation Criteria	Unit	Weightage (%)	MoU target (V. Good)	Audited Performance (April 13 – Mar.14)
<b>1</b>	<b>R &amp; D Expenditure</b>				
a	Total R&D expenditure (As a % of PAT of 2012-13)	%	2.5	90	13.10
<b>2</b>	<b>R &amp; D Projects chosen by CIL</b>				
a	Investigations of Bolt Behaviour in Development and Depillaring Panels under Blast Induced Dynamic Loading.		If report preparation is completed by:		
		Month	<b>0.5</b>	31st Dec. '13	18th Nov. '13
b	Indigenous development of Integrated Dumper Collision Avoidance system for opencast mines.		If system fitment and field trial completed by		
		Month	<b>0.5</b>	15th Feb. '14	20th Nov. '13
c	Studies on shrinkage swelling characteristics of some Indian coals to ascertain recoverability of CBM from deep seated coal and shale resources		If design of sample cells and experimental set up completed by:		
		Month	<b>0.5</b>	7th Mar. '14	30th Jan. '14
d	Construction of quick setting stopping in case of fire in underground mines using expansion foam agent.		If field trials in two mines of MCL completed by		
		Month	<b>0.5</b>	15th Oct. '13	20th Sep. '13
e	Assessment of performance of explosives/ blast results based on explosive energy utilization		If estimating Seismic & fragmentation energy completed by		
		Month	<b>0.5</b>	15th July 13	29th May '13

---

# REPORT ON CORPORATE GOVERNANCE

## 1. Company Philosophy :

The concept of Corporate Governance ensures values, ethical business conduct, transparency, disclosures as per laws, rules and guidelines. CIL is committed to observe Corporate Governance practices at different levels to achieve its objectives.

## 2. Board of Directors:

### 2.1 Size of the Board

Coal India Ltd is a Government Company within the meaning of section of 617 of Companies Act, 1956. As per the Articles of Association, the power to appoint Directors vests with the President of India. The Chairman shall be appointed by the President and the terms and conditions of his appointment shall be determined by the President. However, in addition to the Chairman, the President shall also appoint Vice Chairman, Managing Director, Whole Time Functional Directors and other Directors in consultation with the Chairman who shall not be liable to retire by rotation. No consultation will be necessary in case of Directors representing the Government.

In terms of Articles of Association of the Company, the number of Directors of the Company shall not be less than three and not more than fifteen. These Directors may be either Whole Time Functional Directors or part time Directors.

### 2.2 Composition of Board

As on 31st March, 2014, the Board of Directors comprised the Chairman, Four Functional Directors and Eight Non-Executive Directors (Two Government Nominees and Six Independent Directors). In addition, there are Two Permanent Invitees in the Board.

### 2.3 Age limit and tenure of Directors

The age limit of the Chairman & Managing Director and other Whole-Time Functional Directors is 60 Years.

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

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

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

### 2.4 Board Meetings

During the year, 10 Board meetings were held on 20-05-13, 27-05-13, 26-06-13, 3-08-13, 13-11-13, 16-12-13, 14-01-14, 12-02-14, 28-02-14 and 20-03-14

The details of the number of Board Meetings attended by the Directors, their attendance at the last Annual General Meeting, and the number of other Directorship among others etc. during the year 2013-14 were as follows :-



<b>Sl.No.</b>	<b>Name of the Director.</b>	<b>Category of Directorship</b>	<b>No. of Board meetings attended during 2013-14.</b>	<b>Attended at the last AGM</b>	<b>No. of other Director-ship as on 31.3.2014.</b>
1	Shri S. Narsing Rao	Chairman	10	Yes	1
2	Dr A K Dubey	Official Part Time Director	10	Yes	1
3	Smt. Sujata Prasad	Official Part Time Director	10	No	3
4	Shri R.Mohan Das	Director(P&IR)	8	Yes	2
5	Shri N Kumar	Director(Technical)	10	Yes	5
6	Shri B.K.Saxena	Director(Marketing)	10	Yes	2
7	Shri A.Chatterjee	Director (Finance)	10	Yes	2
8	Prof. S.K. Barua	Non Official Part Time Director	4	No	—
9	Dr. R. N. Trivedi	Non Official Part Time Director	9	No	1
10	Dr. A.K. Rath	Non Official Part Time Director	0	No	—
11	Dr. Sheela Bhide	Non Official Part Time Director	4	No	—
12	Dr. Md. Anis Ansari	Non Official Part Time Director	3	No	—
13	Shri Kamal R. Gupta	Non Official Part Time Director	3	No	—
14	Ms. Sachi Chaudhuri	Non Official Part Time Director	4	No	—
15	Shri Alok Perti	Non Official Part Time Director	6	No	—
16	Shri C.Balakrishnan	Non Official Part Time Director	3	No	3
17	Dr Noor Mohammad	Non Official Part Time Director	4	No	1
18	Prof Indranil Manna	Non Official Part Time Director	1	No	-
19	Shri Sri Prakash	Non Official Part Time Director	2	No	-

Sl. No 2 was appointed on 3-04-2013; Sl. No 3 was appointed on 3-05-13. Sl. No 8 completed his tenure on 4/8/13. Sl. No 9 completed his tenure on 24/8/13 and was re-appointed on 31/10/13. Sl no 10 completed his tenure on 26/4/13, Sl. No 11, and 13 completed their tenure on 4/8/13. Sl. No 12 and 14 completed their tenure on 24/8/13. Sl. No 15 was appointed on 31/10/13. Sl. No 16 and 17 were appointed on 19/12/13. and Sl. No 18 and 19 were appointed on 06/02/2014.

## **2.5 Information placed before the Board of Directors:**

The Board has complete access to any information within the Company. The information regularly supplied to the Board, inter-alia, includes the following:

- Annual operating plans, budget and updates.
- Capital Budget and updates.
- Annual Accounts.
- Review of progress of ongoing projects, including critical issues and areas requiring management attention.
- Minutes of the meetings of the Audit Committee and other Committees of the Board.
- Quarterly financial results of the Company.
- Minutes of the Meetings of the Board of Directors of subsidiary companies together with Significant Transactions and arrangements entered into by the subsidiary companies.
- Fatal or serious accidents and dangerous occurrences, etc.
- Operational activities of the Company.
- Major investments, formation of subsidiaries and Joint Ventures, etc.
- Award of large contracts.
- Disclosure of Interest by the Directors about directorships and committee positions occupied by them in other companies.
- Any significant development in Human Resources/Industrial Relations like revision of pay/ wage agreement, etc.
- Short term investment of surplus funds.
- Highlights of important events from the last meeting to the current meeting.

## **3. Committees of the Board of Directors**

The Board had constituted the following Committees which functioned till Aug' 13:-

- i) Audit Committee.
- ii) Empowered Sub-Committee for Evaluation, Appraisal and Approval of Projects.
- iii) Remuneration Committee.
- iv) Shareholders' / Investors' Grievance Committee.
- v) Share Transfer Committee.
- vi) Foreign Acquisition Committee.
- vii) Review of Treasury Management.
- viii) Convergence to IFRS.
- ix) Human Resource Management.
- x) Corporate Governance including Risk Assessment and Minimisation Procedures Committees.
- xi) Corporate Social Responsibility and Sustainable Development Committee

However, due to retirement of all Independent Directors in Aug' 13 the following Committees were reconstituted:-

1. Audit Committee
2. Nomination & Remuneration Committee
3. Shareholders' / Investors' Grievance Committee
4. Corporate Social Responsibility and Sustainable Development Committee
5. Corporate Governance including Risk Assessment and Minimisation Procedure Committee



### **3.1 Audit Committee**

#### **(a) Composition:**

CIL in pursuance of excellence in Corporate Governance, formed an Audit Committee of its Board of Directors w.e.f. 20-07-2001. The present Audit Committee was re-constituted by the Board in its 303th Meeting held on 14.01.2014, comprises of Four Independent Directors, one Functional Director and one Government Nominee Director and one Permanent Invitee. They are:-

1.	Shri Kamal R. Gupta	Chairman (Till 04.08.13)	Independent Director
2	Dr. R. N. Trivedi	Chairman (w.e.f 13.11.13)	Independent Director
3	Smt Sujata Prasad	Member (w.e.f 03.05.13)	JS & F.A, Ministry of Coal
4	Prof. S. K. Barua	Member (till 04.08.13)	Independent Director
5	Dr. Md. Anis Ansari	Member (till 24.08.13)	Independent Director
6	Dr. A. K. Rath	Member (till 26.04.13)	Independent Director
7	Dr Sheela Bhide	Member (from 20.05.13 till 04.08.13)	Independent Director
8	Ms. Sachi Chaudhuri	Member (till 24.08.13)	Independent Director
9	Shri Alok Perti	Member (w.e.f 13.11.13)	Independent Director
10	Shri C.Balakrishnan	Member (w.e.f 14-01-14)	Independent Director
11	Dr Noor Mohammad	Member (w.e.f 14-01-14)	Independent Director
12	Shri R. Mohan Das	Member (till 13-11-13)	Director (P&IR), CIL
13	Shri N. Kumar	Member	Director (Tech), CIL
14	Shri B K Saxena	Member (from 13.11.13 till 14-01-14) and thereafter Permanent Invitee	Director (Marketing), CIL

The Director (Finance), Executive Director (Internal Audit) and Statutory Auditors are invited to the Audit Committee Meeting. The Company Secretary is the Secretary to the Committee. Senior functional executives are also invited as and when required to provide necessary clarifications to the Committee. The Internal Audit Department provides necessary support for holding and conducting the Audit Committee meeting.

#### **(b) Meetings and Attendance of Audit Committee.**

Ten meetings were held during the financial year 2013-14 on 24-04-13, 20-05-13, 27-05-13, 26-06-13, 03-08-13, 13-11-13, 16-12-13, 14-01-14, 12-02-14 and 20-03-14. The details of the meetings of the Audit Committee attended by the members are as under:-

<b>SI No</b>	<b>Name of the Director</b>	<b>Status</b>	<b>No. of meetings attended</b>
1.	Shri Kamal R. Gupta	Chairman (till 04.08.13)	4
2	Dr. R. N. Trivedi	Member (till 24.8.13) & Chairman (w.e.f 13.11.13)	10
3	Smt Sujata Prasad	Member (w.e.f 03.05.13)	5
4	Prof. S. K. Barua	Member (till 04.08.13)	4
5	Dr. Md. Anis Ansari	Member (till 24.08.13)	4
6	Dr. A. K. Rath	Member (till 26.04.13)	1
7	Dr. Sheela Bhide	Member (from 20.05.13 till 04.08.2013)	3
8	Ms. Sachi Chaudhuri	Member (till 24.08.13)	5
9	Shri Alok Perti	Member (w.e.f 13.11.13)	5
10	Shri C.Balakrishnan	Member (w.e.f 14-01-14)	2
11	Dr Noor Mohammad	Member (w.e.f 14-01-14)	3
12	Shri R. Mohan Das	Member(till 13-11-13)	4
13	Shri N. Kumar	Member	10
14	Shri B K Saxena	Member (from 13.11.13 till 14-01-14) and thereafter Permanent Invitee	2

**(c) Powers:**

The Audit Committee shall have powers commensurate with its role, including the following:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.
5. To protect whistle blowers.

**(d) Scope of the Audit Committee :**

The Scope of the Audit Committee is as follows:-

1. Overseeing Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
  2. Recommendation made to the Board about fixation of audit fees.
  3. Recommendation to Board for payment to Statutory Auditors for any other services rendered by them.
  4. Reviewing with the management, the annual financial statements before submission to the Board for its consideration, with particular reference to :
- a) Matters required to be included in the Directors Responsibility Statement in terms of Clause (2AA) of Section 217 of the Companies Act 1956;



- b) Changes, if any, in accounting policies and practices and reasons for the same;
  - c) Major accounting entries involving estimates based on exercise of judgment by management;
  - d) Significant adjustments made in the financial statements arising out of audit findings;
  - e) Compliance with legal requirements relating to financial statements;
  - f) Disclosure of any related party transactions;
  - g) Qualifications in the draft audit report.
5. Reviewing with the management, the quarterly financial statements before submission to the Board for its consideration.
  6. Reviewing with the management, performance of internal auditors and adequacy of internal control systems.
  7. Reviewing the adequacy of internal audit function, if any including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
  8. Discussion with the internal auditor and / or auditors any significant findings and follow up there on.
  9. Reviewing the findings of any internal investigations by the internal auditors / auditors / agencies into matters where there is suspected fraud or irregularity or a failure of the internal control system of a material nature and reporting the matter to the Board.
  10. Discussion with the Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
  11. Looking into the reasons for substantial defaults in payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
  12. Reviewing the functioning of the Whistle Blower Mechanism.
  13. Reviewing the follow up action on the audit observations of C & A G audit.
  14. Reviewing the follow up action taken on the recommendations of the Committee on Public Undertakings (COPU) of the Parliament.
  15. Providing an open avenue of communication between Statutory Auditor, Internal Auditor and Board of Directors.
  16. Reviewing and pre-approving all related party transactions in the company. For this purpose, the Audit Committee may designate a member who shall be responsible for pre-approving related party transactions.
  17. Reviewing with Statutory Auditor the co-ordination of audit efforts to assure completeness of coverage, reduction of redundant efforts, and the effective use of all audit resources.
  18. Considering and reviewing the following with the Statutory auditor and the management:  
The adequacy of internal controls including computerised information system controls and security, and related findings and recommendations of Statutory Auditor and Internal Auditor, together with management responses.
  19. Considering and reviewing the following with management, Internal Auditor and Statutory Auditor.  
Significant findings during the year, including the status of previous audit recommendations.  
Any difficulties encountered during the audit work including any restrictions on the scope of activities or access to required information. and
  20. Reviewing the financial statements of the subsidiary companies.

### **3.2 Empowered Sub-Committee for Evaluation Appraisal and Approval of Projects**

An Empowered Sub-Committee for Evaluation, Appraisal and Approval of Projects was re-constituted by the CIL Board in its 297th Board meeting held on 20-05-2013. During the year 2013-14, two Sub-Committee meetings were held on 20-05-13 and 02-08-13. The Committee consists of the following Directors and their attendance record is as follows:

SI No	Name of the Director	Status	No. of Meeting attended
1	Chairman, CIL.	Chairman	2
2	Director (Technical), CIL.	Member	2
3	Director (Finance), CIL	Member	2
4	Jt. Secretary & FA, MOC.	Member	1
5	Dr (Smt) Sheela Bhide.	Member	2
6	Dr Mohd. Anis Ansari.	Member	2
7	Ms. Sachi Chaudhuri.	Member	2
8	CMD, CMPDIL.	Permanent Invitee.	1

### **3.3 Remuneration Committee**

CIL being a Central Public Sector Undertaking, the appointment, tenure and remuneration of Directors are fixed by the President of India. Hence, the Board does not decide the remuneration of functional Directors.

A Remuneration Committee was constituted by CIL Board of Directors in its 249th meeting held on 10-04-2009. It was re-constituted by the Board in its 297th Board meeting held on 20-05-13. During the year 2013-14, no sub-committee meeting was held.

### **3.4 Shareholders'/Investors' Grievance Committee.**

A Shareholders' / Investors' Grievance Committee was constituted by CIL Board of Directors in pursuance of Listing Agreement in its 258th meeting held on 05-08-2010. This Committee was further re-constituted by the Board in its 303rd Board Meeting held on 14. 01.14. The Shareholders'/Investors Grievance Committee shall be responsible for:

- a) Redressal of investors' complaints;
- b) Non-receipt of declared dividends, balance sheet of the Company etc; and
- c) Carrying out any other function contained in the Listing Agreement as and when amended from time to time.

During the year 2013-14, four meetings were held on 24-04-13, 17-07-13, 11-02-14 and 19-03-14.



The Shareholders' / Investors' Grievance Committee comprises of following Directors and their attendance record is as follows:

Sl No	Name of the Director	Status		No. of Meeting attended
1	Shri A. K. Rath	Independent Director	Chairman (till 26.04.13)	1
2	Shri Kamal R Gupta	Independent Director	Chairman (from 17.07.13 till 4.08.13)	2
3	Dr Noor Mohammad	Independent Director	Chairman (w.e.f 11-2-14)	2
4	Shri Alok Perti	Independent Director	Member (w.e.f 14-01-14)	2
5	Shri R. Mohan Das	Director (P & IR)	Member	1
6	Shri A. Chatterjee	Director (Finance)	Member	4

**a) Compliance officer:**

Shri M. Viswanathan, Company Secretary is the Compliance Officer. The Company Secretary is primarily responsible to ensure compliance with applicable statutory requirements and is the interface between the management and the regulatory authorities for governance matters.

**b) Redressal of Investors' Grievance:**

The Company addresses all complaints and grievances of the investors expeditiously and usually resolves the issues within seven days except in case of dispute over facts or other legal constraints. The complaints were duly attended by the Company/ RTA.

**c) Settlement of Grievances**

Investors may register their complaints in the manner stated below:-

Sl. No	Nature of Complain	Contact Officers
1	Dividend from Financial Years 2010–11 to 2013–14 and shares held in physical mode  For Physical Shares:  Change of address, status, Bank account, mandate ECS mandate etc.	M/s. Karvy Computershare Pvt. Ltd. 17-24 Vithal Rao Nagar, Madhapur Hyderabad-500081 Ph. no.: 040-44655000 Toll Free No.: 18003454001 Fax: 040 23420814 E-mail id: einward.ris@karvy.com
2	For Dematted shares:  Change of address status, Bank Account, mandate ECS mandate etc.	Concerned Depository participant (DP) where the Shareholder is maintaining his/her account
3	All complaints except Sl. No 1 & 2	Company Secretary, Coal India Limited, Coal Bhawan, 10 Netaji Subhas Road, Kolkata-700001. Phone No-03322485123 Fax No-03322315060 Email-complianceofficer@coalindia.in

#### **d) Investor Relation Cell**

In line with global practices, the Company is committed to maintain the highest standards of Corporate Governance reinforcing its relationship between the company and its Shareholders. Information frequently required by investors and analysts are available on the Company's corporate website [www.coalindia.in](http://www.coalindia.in) under Investor Centre tab. This website provides updates on investor-related events and presentations, dividend information and shareholding pattern etc. Updates on Financial statement and Annual Report are available under 'Performances/Financial' tab. The company is committed to take such other steps as may be necessary to fulfil the expectations of the stakeholders.

#### **3.5 Share Transfer Committee.**

- a)** A Share Transfer Committee was constituted by CIL Board of Directors in its 262nd meeting held on 22-11-2010 and was re-constituted by CIL Board of Directors in its 291st meeting held on 09-11-2012. The Share Transfer Committee looks into the following:
- a) Transfer or Transmission of Shares. and
  - b) Issue Duplicate Certificates and new Certificates on split /consolidation/renewal etc.

During year 2013–14, twenty-three meetings of the committee were held on 04-04-13, 16-04-13, 24-04-13, 4-05-13, 20-05-13, 30-05-13, 11-06-13, 26-06-13, 10-07-13, 25-07-13, 2-8-13, 12-8-13, 26-8-13, 2-9-13, 24-9-13, 10-10-13, 24-10-13, 4-11-13, 13-11-13, 10-12-13, 1-1-14, 17-2-14 and 6-3-14. The Share Transfer Committee consists of following Directors and their attendance record is as follows:

SI No	Name of the Director	Status		No. of Meeting attended
1	Shri R. Mohan Das	Director (P&IR)	Chairman	20
2	Shri B.K. Saxena	Director (Marketing)	Member	21
3	Shri A. Chatterjee	Director (Finance)	Member	21

#### **b) Pending Share Transfers**

As on 31st March' 2014, no share transfer request is pending. Share Transfers have been effected during the year within the time prescribed by Stock Exchanges and a certificate to this effect duly signed by a Practising Secretary has been furnished to Stock Exchanges.

#### **3.6 Foreign Acquisition Committee.**

A Foreign Acquisition Committee was constituted by CIL Board of Directors in its 260th meeting held on 25-09-2010 and re-constituted by CIL Board in its 296th meeting held on 25-03-2013. During the year 2013–14, two Committee meetings were held on 11-06-13 and 2-08-13. The Committee was constituted to:

- a) Review proposals put up by the management including interalia risk return profile related to acquisition of coal projects/getting coal from abroad ,suggest changes if any and recommend or otherwise to the Board of Directors of CIL
- b) Review matters related to "Long – term Off – take Contract" put up by the management and suggest changes if any, and recommend or otherwise such proposals to the Board of Directors of CIL and
- c) Any other matter from Coal Videsh Division, which CIL Management decides to refer for Committee's advice.



The Foreign Acquisition Committee consists of following Directors and their attendance record is as follows:

SI No	Name of the Director	Status		No. of Meeting attended
1	Dr. R. N. Trivedi	Independent Director	Chairman (till 24.08.13)	2
2	Dr (Smt) Sheela Bhide	Independent Director	Member (till 04.08.13)	2
3	Dr. Mohd. Anis Ansari	Independent Director	Member (till 24.08.13)	2
4	Shri Kamal R Gupta	Independent Director	Member (till 04.08.13)	2
5	Shri N. Kumar	Director (Technical)	Member	2
6	Shri A. Chatterjee	Director (Finance)	Member	2

### **3.7 Review of Treasury Management Committee.**

A Review of Treasury Management Committee was constituted by CIL Board of Directors in its 265th meeting held on 14-02-2011 and was re-constituted by the Board in its 297th Board meeting held on 20-05-13. The Committee has been constituted to review the Treasury Management Policy of CIL in view of Government guidelines to invest upto 30% of surplus funds of PSUs in Mutual Funds owned by Public Sectors Banks. During the year 2013-14, 2 meetings were held on 11-06-13 & 02-08-13. The Treasury Management Committee consists of following members and their attendance record is as follows:-

SI No	Name of the Director	Status		No. of Meeting attended
1	Shri Kamal R Gupta	Independent Director	Chairman (till 04.08.13)	2
2	Smt Sujata Prasad	JS & FA, MOC	Member (w.e.f. 20-05-13)	0
3	Dr. R. N. Trivedi	Independent Director	Member (till 24.08.13)	2
4	Dr. Mohd. Anis Ansari	Independent Director	Member (till. 24.08.13)	2
5	Ms. Sachi Chaudhuri	Independent Director	Member (till. 24.08.13)	2
6	Shri A.Chatterjee	Director(Finance)	Member	2

### **3.8 Convergence to IFRS Committee**

The Convergence to IFRS committee was constituted by CIL Board of Directors in its 270th meeting held on 25-05-2011 and re-constituted by the Board in its 291st Board meeting held on 09-11-12. During the year, no meeting of Convergence to IFRS Sub- Committee was held.

### **3.9 Human Resource Management Committee**

Human Resource Management Committee was constituted by CIL Board of Directors in its 270th meeting held on 25-05-2011. During the year, one meeting was held i.e. on 17-07-13.

The Human Resource Management Sub- Committee consists of following members and their attendance record is as follows:

<b>SI No</b>	<b>Name of the Director</b>	<b>Status</b>		<b>No. of Meeting attended</b>
1	Prof S.K. Barua	Independent Director	Chairman (till 04.08.13)	1
2	Dr. R. N. Trivedi	Independent Director	Member (till 24.08.13)	1
3	Shri R. Mohan Das	Director (P&IR)	Member	1

### **3.10 Corporate Governance including Risk Assessment and Minimization Procedures Committee.**

Corporate Governance including Risk Assessment and Minimization Procedures Committee was constituted by CIL Board of Directors in its 273rd meeting held on 20-09-2011 and reconstituted by the Board in its 303rd CIL Board meeting held on 14th Jan'14. During the year, three meetings of Corporate Governance including Risk Assessment and Minimization Procedures were held i.e. on 24-04-13, 11-2-14 & 20-03-14. The Corporate Governance including Risk Assessment and Minimization Procedures Sub- Committee consists of following members and their attendance record is as follows:

<b>SI No</b>	<b>Name of the Director</b>	<b>Status</b>		<b>No. of Meeting attended</b>
1	Dr. A. K. Rath	Independent Director	Chairman (till 26.04.13)	1
2	Dr R N Trivedi	Independent Director	Chairman (w.e.f 14.01.14)	2
3	Shri Kamal R Gupta	Independent Director	Member (till 04.08.13)	1
4	Dr. Md. Anis Ansari	Independent Director	Member (till 24.08.13)	1
5	Ms. Sachi Chaudhuri	Independent Director	Member (till 24.08.13)	1
6	Shri C Balakrishnan	Independent Director	Member (w.e.f 14.01.14)	1
7	Shri R. Mohan Das	Director (P&IR)	Member (till 14-01-14)	1
8	Shri N.Kumar	Director (Technical)	Member	2
9	Shri B K Saxena	Director(Marketing)	Member(w.e.f 14-01-14)	2



### **3.11 Corporate Social Responsibility and Sustainable Development Committee.**

Sustainable Development Committee was constituted by CIL Board of Directors in its 282nd meeting held on 16th April' 2012. This committee was renamed as Corporate Social Responsibility and Sustainable Development by CIL Board in its 297th meeting held on 13th Feb.'2013 and reconstituted by the Board in its 303rd CIL Board meeting held on 14th Jan'14. During the year, four meetings of committee were held i.e. on 25-06-13, 17-07-13, 31-01-14 & 12-02-14. The Corporate Social Responsibility and Sustainable Development Committee consists of following members and their attendance record is as follows

<b>Sl No</b>	<b>Name of the Director</b>	<b>Status</b>		<b>No. of Meeting attended</b>
1	Dr. Md. Anis Ansari	Independent Director	Chairman (till 24.08.13)	2
2	Dr R N Trivedi	Independent Director	Chairman (w.e.f 14-01-14)	2
3	Dr (Smt) Sheela Bhide	Independent Director	Member (till 04.08.13)	2
4	Shri Kamal R Gupta	Independent Director	Member (w.e.f 04.08.13)	2
5	Dr Noor Mohammad	Independent Director	Member (w.e.f 14-01-14)	2
6	Shri R. Mohan Das	Director (P&IR)	Member	3
7	Shri N. Kumar	Director (Technical)	Member	2

### **4. Remuneration of Directors.**

Remuneration of Functional Directors is decided by the Government of India. Sitting fee payable to Independent Directors is fixed by the Board of Directors of CIL in pursuance of DPE guidelines and the Companies Act, 1956. Accordingly, the Board has decided payment of sitting fees for each meeting of the Board and Committees of the Board Rs. 20,000/- to each Independent Director for attending each meeting in its 263rd meeting held on 14th December, 2010.

Details of remuneration paid to Functional Directors of the Company during the financial Year 2013-14 was as under:

(in Rupees)

<b>Sl</b>	<b>Name of the Director</b>	<b>Salary</b>	<b>Benefits</b>	<b>Total</b>
1.	Shri S Narsing Rao	17,81,107.00	9,80,471.00	27,61,578.00
2.	Shri R. Mohan Das	19,56,255.00	8,47,294.00	28,03,549.00
3.	Shri N Kumar	17,18,048.00	7,45,030.00	24,63,078.00
4.	Shri B.K.Saxena	16,92,602.00	7,85,757.00	24,78,359.00
5	Shri A.Chatterjee	16,68,619.00	7,31,146.00	23,99,765.00

Details of sitting fee paid to Independent Directors during the Year 2013-14 are given below:

(in Rupees)

Name of the Independent Director	Sitting Fees for Board Meeting	Sitting Fees for Committee Meetings	Total
Prof S.K. Barua	80,000	1,00,000	1,80,000
Dr. R.N. Trivedi	1,80,000	4,40,000	6,20,000
Dr (Smt) Sheela Bhide	80,000	1,80,000	2,60,000
Dr. A.K. Rath	0	60,000	60,000
Dr.Md. Anis Ansari	60,000	2,60,000	3,20,000
Shri Kamal Raj Gupta	60,000	3,20,000	3,80,000
Ms. Sachi Chaudhuri	80,000	2,20,000	3,00,000
Shri Alok Perti	1,20,000	1,40,000	2,60,000
Shri C Balakrishnan	60,000	60,000	1,20,000
Dr Noor Mohammad	80,000	1,40,000	2,20,000
Prof Indranil Manna	20,000	0	20,000
Shri Sri Prakash	40,000	0	40,000

## 5. Accountability of Directors.

**Memorandum of Understanding** (MoU) is a mutually negotiated agreement and contract between the Administrative Ministry/Government of India (MoC) and the Management of CPSE (CIL) to fix the targets before the beginning of the financial year and is intended to evaluate the performance of CIL after the completion of the Financial year vis-à-vis the target fixed. In line with the MoU between CIL & MOC, CIL further signs MoU with all its subsidiaries within the stipulated timeframe.

It is done by adopting a system of "five point scale" and "criteria weight" which ultimately result in calculation of "composite score" or an index of audited performance of the enterprise. The composite score is forwarded to DPE through the administrative ministry viz. MoC duly approved by CPSE Board by August of the succeeding financial year in line with the guidelines prescribed by DPE for their vetting.

The component of performance evaluation mainly consists of financial and non-financial parameters which carry equal weightage of 50% each. The key parameters are gross margin, net sales and other related financial ratios, CSR and Sustainability, R&D, project implementation, HRM, Quality & Customer satisfaction, coal production & off-take, productivity & safety, extent of globalization etc. CIL has been vigorously pursuing this system since 1988-89, which has helped immensely in fulfillment of its long ranging objectives, aspirations and overall growth over the period. The entire process also ensures transparency as well as accountability towards all stakeholders.



## **6. General Body Meetings**

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

<b>Financial Year.</b>	<b>Date.</b>	<b>Time.</b>	<b>Location.</b>
2012–13	18-09-13	10.30 A.M.	Science City, Main Auditorium, JBS Haldane Avenue, Kolkata – 700 046.
2011–12	18-09-2012	10.30 A.M.	Kala Mandir, 48 Shakespeare sarani Kolkata-700017
2010–2011	20-09-2011	11.00 A.M.	Science City, Main Auditorium, JBS Haldane Avenue, Kolkata – 700 046.

## **7. Disclosures**

There was no transaction by the company of material nature with Promoters, Directors or the Management, their relatives, etc. that may have potential conflict with the interests of company at large. The Non-Executive Directors had no pecuniary relationships or transactions with the company during the year except receipt of sitting fees for attending meetings of the Board/Board Sub-committees. Three Directors of the company hold shares of the Company as on 31st March' 2014. These shares were purchased by them at the time of IPO.

### **CEO/CFO Certification**

As required by Clause 49 of the Listing Agreement(s), Certificate duly signed by Shri S. Narsing Rao, (Chairman) and Shri A. Chatterjee, Director (Finance) was placed before the Board of Directors in its 307th Meeting held on 29th May'2014 and is annexed to the Corporate Governance Report.

## **8. Means of Communication.**

The Company communicates with its shareholders through its Annual Report, General Meetings and disclosures through website.

The Company also communicates with its institutional shareholders through a combination of Analysts briefing, individual discussions and also participation at investor conferences from time to time. Financial results are discussed by way of conference calls regularly after the end of each quarter.

Information and latest updates and announcement regarding the company can be accessed at company's website [www.coalindia.in](http://www.coalindia.in).

### **Official Releases and Presentations**

In order to make the general public aware of the achievements of the company, press conference is held after finalisation of results of each quarter where highlights of the company for each quarter are briefed to the Press for information of the stakeholders after an intimation to the Stock Exchanges.

## **9. Shareholding Pattern of CIL**

As on 31st March, 2014 , 89.65% Shares of Coal India Ltd. is held by the President of India and balance 10.35% are held by:- FIIs 5.34%, Indian Public 1.28%, Banks & FI 2.19%, Private Corporate Bodies 0.68%, Mutual Funds 0.74%, NRI/OCB 0.03% and Others 0.09%.

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

Coal India Ltd. is at present having nine wholly owned Subsidiaries. (Seven Coal Producing Companies, One Service Oriented Company and One Foreign Subsidiary Company). The Company's Subsidiaries are located at:

### **(A) Coal Producing Companies:**

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

### **(B) Service Oriented Company:**

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

### **(C) Foreign Subsidiary Company:**

<b>Name of the Subsidiary Company</b>	<b>Location</b>
(ix) Coal India Africana Limitada.	Mozambique

## **11. Code of Conduct.**

The Company has in place a Code of Conduct applicable to Board Members as well as to Senior Management and the same has been hosted on the Company's website.

Further, all the Board Members of Coal India Limited and Senior Management Personnel have affirmed compliance to the code of conduct as on 31st March, 2014.

### **Declaration as required under clause 49 of the Listing Agreement.**

All the members of the Board and Senior Management Personnel have affirmed compliance to the Code of Conduct for the financial year ended on March, 31, 2014.

(S. Narsing Rao)

Chairman & Managing Director

Kolkata

Dated :- 3rd June, 2014.



## **12. Code of Internal procedures and conduct for Prevention of Insider Trading.**

In pursuance to Regulation 12(1)of the Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, CIL has adopted "**CODE OF INTERNAL PROCEDURES AND CONDUCT FOR PREVENTION OF INSIDER TRADING AND DEALING WITH SECURITIES OF COAL INDIA LIMITED**" with the objective of preventing purchase and/or sale of the shares of the CIL by an insider on the basis of unpublished price sensitive information. Under this code, Insiders (Officers, Designated Employees) are prevented to deal with the company's shares during the closure of Trading Window. To deal in Securities beyond limits specified, permission of Compliance Officer is required. All Directors/Officers/Designated Employees are also required to disclose related information periodically as defined in the Code. Company Secretary has been designated as Compliance Officer for this Code.

## **13. SHAREHOLDERS' INFORMATION.**

### **i) Annual General Meeting.**

Date: 10th September' 2014

Time : 10:30 A. M.

Venue: Science City, Main Auditorium, JBS Haldane Avenue, Kolkata - 700046.

### **ii) Financial Calendar for FY 2014–15**

<b>Particulars</b>	<b>Date</b>
Accounting period	April 1, 2014 to March 31, 2015
Un audited Financial Results for the first three quarters	Announcement within 45 days from the end of each quarter.
Fourth Quarter Results	Announcement of Audited Accounts on or before May, 30, 2015.
AGM (Next Year)	September 2015 (Tentative)

### **(iii) Book Closure.**

The Register of Members and Share transfer Books of the Company will remained closed from 2nd September 2014 to 10th September 2014 (both days inclusive).

### **(iv) Payment of Dividend.**

The Board of Directors of CIL had paid an Interim Dividend of Rs.29 per share (290% on the paid up share capital) paid on and from 25th January 2014 and the same was considered as final dividend.

**(v) Dividend History.**

Year	Total Paid up Share Capital (₹ in crore)	Total amount of dividend paid (₹ in crore)	Date of AGM in which dividend was declared	Rate of Dividend.
2005–06	6316.3644	1263.27	13-09-2006	20%
2006–07	6316.3644	1500.00	18-09-2007	23.748%
2007–08	6316.3644	1705.42	29-07-2008	27%
2008–09	6316.3644	1705.42	28-07-2009	27%
2009–10	6316.3644	2210.00	25-05-2010	35%
2010–11	6316.3644	2463.38	20-09-2011	39%
2011–12	6316.3644	6316.36	18-09-2012	100%
2012–13	6316.3644	8842.91	18-09-2013	140%
2013–14	6316.3644	18317.46	Interim Dividend declared and paid earlier.	290%

**(vi) Listing on Stock Exchanges.**

CIL equity shares are listed on the following Stock Exchanges:

**National Stock Exchange of India Limited.**

Scrip Code: COAL INDIA

Stock Code: ISIN: INE522FO1014.

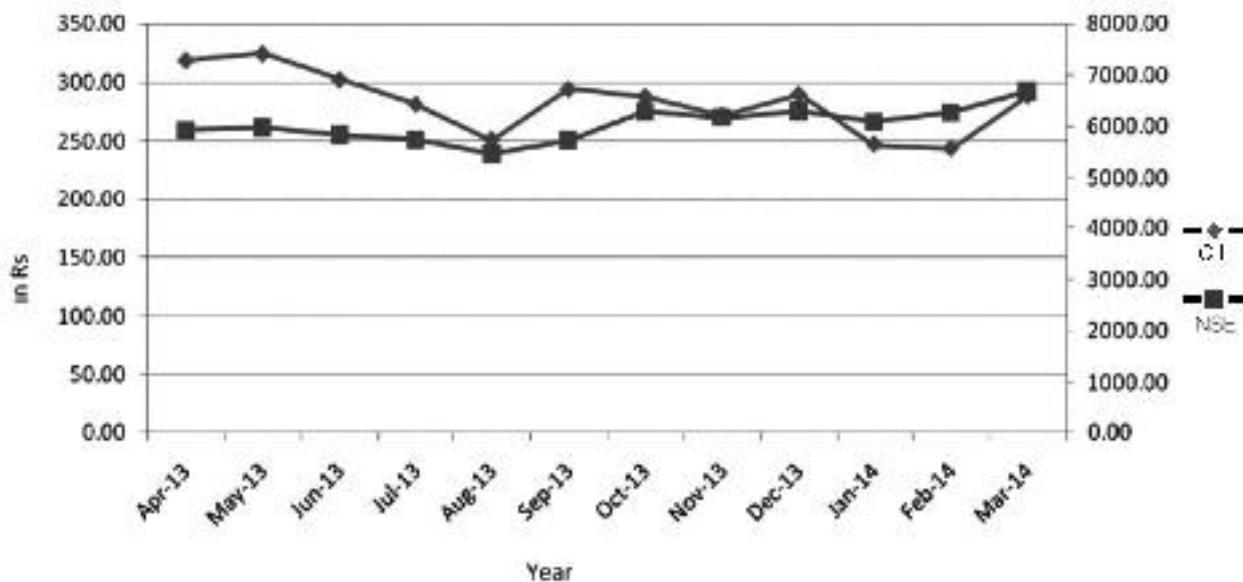
**Bombay Stock Exchange Limited.**

Scrip Code: 533278.

An annual Listing fee for the year 2014–15 has already been paid to both the Stock Exchanges.

**(vii) Market Price Data- NSE:**

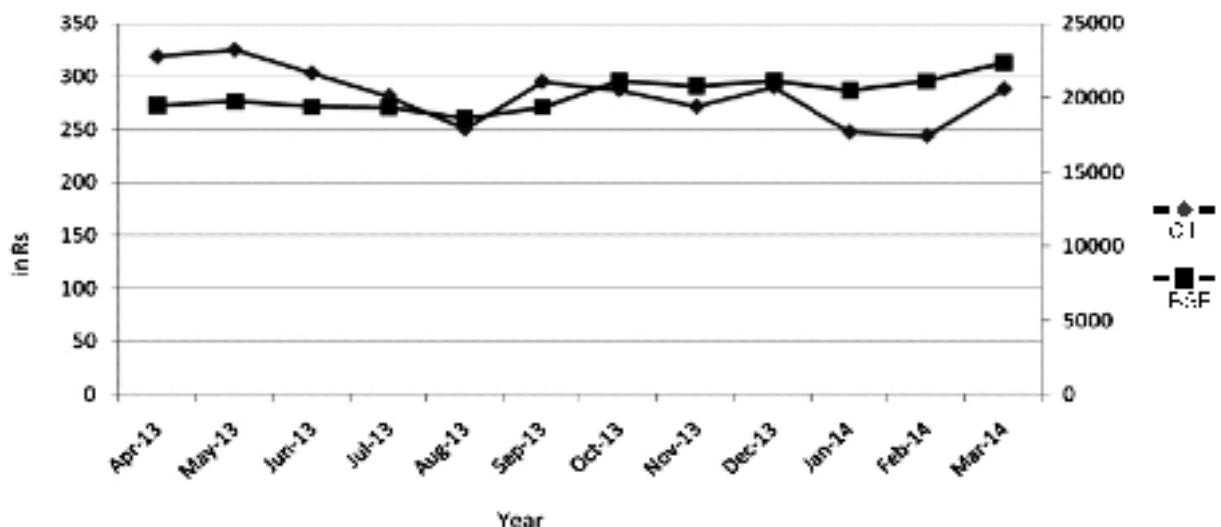
Month	High (₹)	Low (₹)	Closing (₹)
Apr-13	324.30	292.00	319.20
May-13	329.50	294.05	324.70
Jun-13	330.70	285.20	302.55
Jul-13	308.00	270.00	281.55
Aug-13	286.00	238.20	251.40
Sep-13	309.00	252.70	294.45
Oct-13	314.80	275.00	287.95
Nov-13	301.50	260.95	271.95
Dec-13	298.90	268.00	290.00
Jan-14	307.85	244.40	247.45
Feb-14	271.20	240.30	244.00
Mar-14	292.00	240.70	288.75



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

**(viii) Market Price Data- BSE:**

Month	High (₹)	Low (₹)	Closing (₹)
Apr-13	323.80	292.05	318.70
May-13	329.60	294.45	324.95
Jun-13	330.65	285.15	302.95
Jul-13	307.60	270.00	281.45
Aug-13	286.00	238.35	250.50
Sep-13	309.00	252.30	295.00
Oct-13	314.85	275.30	287.35
Nov-13	301.65	261.10	271.60
Dec-13	297.95	268.10	290.00
Jan-14	304.95	244.45	247.50
Feb-14	271.10	240.50	244.00
Mar-14	292.10	240.80	287.90



**Stock performance of Coal India vis a vis Sensex (based on closing price)**

**(ix) Registrar and Share transfer Agent**

**M/s. Karvy Computershare Pvt. Ltd.**  
 17-24 Vithal Rao Nagar  
 Madhapur  
 Hyderabad-500081  
 E-mail id: einward.ris@karvy.com  
 Ph. no.: 040-44655000  
 Toll Free No.: 18003454001  
 Fax: 040 23420814

**Local Address**

**M/s. Karvy Computershare Pvt. Ltd.**  
 49 Jatin Das Road  
 1st Floor  
 Kolkata 700 029  
 E-mail id: einward.ris@karvy.com  
 Ph. no.: 033 2464 7231/7232/4891  
 Fax: 033 2464 4866

**(x) Share Transfer System**

The share transfer activities under physical segment are being carried out by **M/s. Karvy Computershare Pvt. Ltd.** The share transfer system consists of activities like receipt of shares along with transfer deed from transferors, its verification, preparation of Memorandum of transfers, etc.



**(xi) Distribution of Shareholding**

Shares held by different categories of shareholders and size of holdings as on 31st March, 2014 is given below:

**a. Shareholding pattern as on March, 31, 2014**

Category	Total no. of shares	% of Equity
GOI	5662690126	89.65
FII's	337509935	5.34
Indian Public & HUF	80779801	1.28
Banks, Insurance & FI	137946596	2.19
Private Corporate Bodies	43182489	0.68
Mutual Funds	46803265	0.74
NRI/QFI/FRN's	1985925	0.03
Others	5466263	0.09
<b>TOTAL</b>	<b>6316364400</b>	<b>100.00</b>

**b. Top Ten shareholders as on 31st March' 2014:**

SL No	Name	Total Shares	% To Equity
1	PRESIDENT OF INDIA	5662690126	89.65%
2	LIFE INSURANCE CORPORATION OF INDIA	132878769	2.10%
3	FRANKLIN TEMPLETON INVESTMENT FUNDS	37135945	0.59%
4	CPSE ETF	22037834	0.35%
5	MORGAN STANLEY ASIA (SINGAPORE) PTE.	17601593	0.28%
6	THE CHILDREN'S INVESTMENT FUND MANAGEMENT (UK) LLP	17549563	0.28%
7	STICHTING PENSIOENFONDS ABP	13611322	0.21%
8	GOVERNMENT OF SINGAPORE	11804950	0.19%
9	VANGUARD EMERGING MARKETS STOCK INDEX FUND, ASERIE	11482704	0.18%
10	SWISS FINANCE CORPORATION (MAURITIUS) LIMITED	10595277	0.17%
<b>Total</b>		<b>5937388083</b>	<b>94.00%</b>

**c. Distribution of shareholding according to size, % of holding as on March, 31, 2014:**

<b>Number of Shares</b>	<b>Number of Shareholders</b>	<b>% of Shareholders</b>	<b>Total No of shares</b>	<b>% of shares</b>
1–5000	627802	99.79	77734085	1.23
5001–10000	415	0.07	3082875	0.05
10001–20000	232	0.03	3358422	0.05
20001–30000	114	0.02	2870502	0.05
30001–40000	56	0.01	1966279	0.03
40001–50000	51	0.01	2361995	0.04
50001–100000	131	0.02	9479953	0.15
100001 and above	345	0.05	6215510289	98.40
<b>Total</b>	<b>629146</b>	<b>100.00</b>	<b>6316364400</b>	<b>100.00</b>

**(xii) Dematerialization of Shares and Liquidity**

10% of the Shares of the Company issued to the Public are in dematerialized segment and are available for trading system of National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd (CDSL). 0.35% shares of the company is in CPSE ETF and can be traded in the Stock Exchanges.

Secretarial Audit Report for reconciliation of the share capital of the Company obtained from practicing Company Secretary at the end of each quarter has been submitted to Stock Exchanges within the stipulated time.

**No of shares held in dematerialized and physical mode as on 31st March' 14**

<b>Mode of holding</b>	<b>No. of shares</b>	<b>% of total capital issued</b>
Held in dematerialized form in CDSL	23273869	0.37
Held in dematerialized form in NSDL	6293085375	99.63
Physical	5156	0.00
<b>Total</b>	<b>6316364400</b>	<b>100.00</b>



The names and address of the Depositories are as under:

**1. National Securities Depository Ltd.**

Trade World, 4th Floor,  
Kamala Mills Compound,  
Senapati Bapat Marg,  
Lower Parel, Mumbai-400 013.

**2. Central Depository Services (India) Limited.**

Phiroze Jeejeebhoy Towers,  
17th Floor, Dalal Street Fort, Mumbai – 400 001.

Custodial Fees for the year 2014-15 have been paid to NSDL and CDSL.

**(xiii) Joint Venture Companies of CIL:**

- a) CIL NTPC Urja Pvt Ltd
- b) MAMC Industries Limited.
- c) International Coal Ventures Private Limited

**(xiv) Details of Shares in ESCROW Account as per clause 5A(i) of Listing Agreement**

<b>Opening Balance as on 01.04.13</b>		<b>Disposed off during the year</b>		<b>Closing balance as on 31.03.14</b>	
Aggregate No of Shareholders	No of Shares Outstanding	No of Shareholders to whom their shares were credited	Shares transferred from ESCROW Account	Aggregate No of Shareholders in Escrow A/c	No of Shares Outstanding in Escrow A/c
218	27230	37	5509	181	21721

**(xv) Unpaid Dividend Status as on 31.03.2014:-**

SL. No	Year	Unpaid as on 31.03.2014	
		Cases	Amount (in Rs.)
1	Interim 2010–11	26703	7868892.50
2	Final 2010–11	29386	915055.20
3	Interim 2011–12	21637	15250150.50
4	Final 2011–12	30708	1203628.00
5	Interim 2012–13	16455	10376992.10
6	Final 2012–13	20398	7118675.00
7	Interim 2013–14	16210	31306776.00
TOTAL			7,40,40,169.30

**(xvi) Outstanding IPO refund as on 31.03.14:-**

SL. NO.	Cases	Amount (in Rs.)
1	641	65,99,542.75

**(xvii) Status of complaints disposed off during 2013-14(Quarter wise):-**

Quarter	Opening	Received	Resolved	Pending	Consumer Forum Cases
1st Qtr	27	768	756	39*	19
2nd Qtr	39	3124	3128	35*	22
3rd Qtr	35	2396	2406	25*	22
4th Qtr	25	2617	2617	25*	22

\*Includes Consumer Forum cases for which ATR has been filed with the appropriate authorities

**(xviii) Address for Correspondence.**

Coal India Limited,  
10, N.S. Road,  
Kolkata- 700001  
Phone: 033-22485123,  
Fax: 033- 2231 5060.  
E –mail: complianceofficer @coalindia.in.



## **ANNEXURE- I**

### **Non- Mandatory Requirements.**

Besides the mandatory requirements as mentioned in preceding pages, the status of compliance with non-mandatory requirements of Clause 49 of the Listing Agreement are produced below:

- 1. The Board :** The Company is headed by an Executive Chairman. No independent Director has been appointed for the period exceeding, in the aggregate, a period of nine years, on the Board of the Company.
- 2. Remuneration Committee :** Please refer to Para 3.3 of this Report.
- 3. Shareholder Rights :** The quarterly Financial Results of the Company are published in leading newspapers. Financial Results are discussed by way of conference calls regularly after the close of each quarter and also hosted on the website of the Company. These results are not separately circulated.
- 4. Audit Qualification :** It is always Company's endeavour to present unqualified financial statements.
- 5. Training to Board Members :** The Board of Directors are fully briefed on all business related matters, associated risk, new initiatives etc of the Company. The Independent Directors are sponsored for Training on Corporate Governance from time to time.
- 6. Whistle Blower Policy :** In terms of clause 49 of the Listing Agreement, a listed company may establish a mechanism for employees to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy. Also in terms of clause 8 of DPE guidelines on Corporate Governance for CPSEs issued in 2007, company may establish a mechanism for employees to report to the management concerns of ethical behavior. Accordingly the Board of Directors of CIL in its 272nd Board Meeting held on 12th August, 2011 has approved "COAL INDIA WHISTLE BLOWER POLICY 2011" at CIL and its subsidiary companies and same is implemented.

CIL has provided ample opportunities to encourage the employees to become whistle blowers (employees who voluntarily and confidentially want to bring the unethical practices, actual or suspected fraudulent transactions in the organization to the notice of competent authority for the greater interest of the organization and the nation). It has also ensured a very robust mechanism within the same framework to protect them (whistle blowers) from any kind of harm. It is hereby affirmed that no personnel has been denied access to the Audit committee.

## CEO AND CFO CERTIFICATION

To  
 The Board of Directors  
 Coal India Limited.

The Financial Statements of CIL (consolidated) for the year ended 31st March, 2014 are placed herewith before the Board of Directors for their consideration and approval.

The Financial Statements for the above mentioned period for the subsidiaries of Coal India Ltd. have been prepared by the respective subsidiaries and have been approved by their respective Boards. The respective CEO/CFO certification on the Financial Statements of the subsidiaries for the said period as submitted to the respective Board are also placed for kind perusal.

The Standalone Financial Statements for the above period also forms a part of the above Consolidated Financial Statements.

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

- a. We have reviewed Financial Statements and the cash flow statement for the year ended 31st March, 2014 and that to the best of our knowledge and belief:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b. To the best of our knowledge and belief, no transactions entered into by the company during the year ended 31st March, 2014 are fraudulent, illegal or violative of the company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee
  - i. There has not been any significant changes in internal control over financial reporting during the year under reference;
  - ii. There has not been any significant changes in Accounting Policies during the year, except with regard to depreciation rates of certain office equipment/machine, details of which have been suitably disclosed in para-7.1 of Note-33 (Significant Accounting Policy) and point No.15 of Note-34 (Additional Notes on Accounts) of the Annual Accounts for the year ended 31.03.2014; and



- iii. We are not aware of any instance of significant fraud with involvement therein of the Management or an employee having a significant role in the company's internal control system over financial reporting, except that, a case of misappropriation of Company's fund for personal gain has come to the notice of the Management, in CIL's Marketing Division which is under investigation by different agencies. Pending completion of the investigation process the impact of such misappropriation cannot be ascertained at this stage.

Onwards - 25/5/14

Date : 29.05.2014.

New Delhi

Director (Finance)

Chairman cum Managing Director

## Mamta Binani

PRACTISING COMPANY SECRETARY

### CORPORATE GOVERNANCE CERTIFICATE

CIN NO: L23109WB1973GOI028844

Authorised/Nominal Capital: ₹ 89,041,800,000/-

To

The Members,  
 M/s. Coal India Limited  
 (Govt. of India Undertaking)  
 10, Netaji Subhas Road  
 Coal Bhawan, Kolkata 700001

We have examined the compliance of conditions of Corporate Governance by Coal India Limited (the "company") for the year ended 31st March 2014 as required under clause 49 of the Equity Listing Agreement and as stipulated in the Guidelines on Corporate Governance (the "guidelines") for Central Public Sector Enterprises (CPSEs) issued by the Department of Public Enterprise, Government of India, vide OM No. 18(8)/2005-GM dated 14th May, 2010.

1. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination, carried out is in accordance with the Corporate Governance (Modules of Best Practices) issued by the Institute of Company Secretaries of India was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification and have been provided with such records, documents certificates etc. as had been required by us.
2. The Company has taken steps for reviewing of compliance of laws. An elaborate system is in place for management of currency as well as interest rate risk relating to foreign loan and steps have been taken in other areas of integration and alignment of risk management with corporate and operational objectives.
3. In our opinion and to the best of our information and according to the explanations given to us, subject to our observation in paragraph 2 above, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement subject to the provision in relation to composition of Board of Directors in the Company and that of the Independent Directors in the material subsidiaries of the Company.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : Kolkata

Dated : 03.06.2014



CS Mamta Binani

C.P. no.: 2598

Membership no.: FCS-4525



## **VINOD KOTHARI & COMPANY**

Practising Company Secretaries  
1012 Krishna Building, 224 A.J.C. Bose Road  
Kolkata - 700 017, India  
Phone: +91-33-2281 7715 | 1276 | 3742  
email: [vinod@vinodkothari.com](mailto:vinod@vinodkothari.com)  
Web: [www.vinodkothari.com](http://www.vinodkothari.com)  
[www.india-financing.com](http://www.india-financing.com)  
PAN No - AFMPK8774Q  
Service Tax Registration No. AFMPK8774QST002

### **Secretarial Audit Report**

To  
The Board of Directors  
Coal India Limited  
10 Netaji Subhas Road  
Kolkata - 700001,  
India

We have examined the registers, records, books and papers of M/s Coal India Limited ("The Company") for the Financial Year ended on 31st March, 2014 according to the provisions of:

- a. The Companies Act, 1956 and the rules made thereunder including any re-enactment thereof;
  - b. SEBI (Acquisition of Shares & Takeovers) Regulations, 2011;
  - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - d. The Equity Listing Agreement;
  - e. Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010.
- I.** In our opinion, based on test check carried out by us, verification of records produced to us and according to the information furnished to us by the Company, its Company Secretary and Officers, the Company has complied with the provisions of the Companies Act, 1956 ("the Act") and Rules made under the Act including any re-enactment thereof and the Memorandum and Articles of Association of the Company, subject to the provisions as stated specifically herein, with regard to:
- a. maintenance of various Statutory Registers and documents and making necessary entries therein;
  - b. filing of the requisite forms and returns with the Registrar of Companies and Central Government within the time prescribed under the Act and rules made there under;

- c. closure of Register of Members and Share Transfer Books of the Company from September 11, 2013 to September 18, 2013 (both days inclusive);
- d. convening and holding of the meetings of Directors and Committees of the Directors including passing of the resolutions by Circulation;
- e. convening and holding of 39th Annual General Meeting on 18th September, 2013;
- f. minutes of the proceedings of General Meeting and meetings of the Board and its committees were properly recorded in loose leaf form which are being bound in book form at regular intervals;
- g. appointment and remuneration of Auditors and Cost Auditors;
- h. transfers and transmission of shares;
- i. dematerialization / rematerialization of shares;
- j. composition and terms of reference of Audit Committee;
- k. declaration and payment of dividend;
- l. investment of Company's funds etc. as required under the provisions of section 372A of the Act;
- m. service of documents by the Company on its Members and Auditors;
- n. borrowings and registration, modification and satisfaction of charges;
- o. deposit of both the employees and employers contribution relating to Provident Fund with the Trusts created for the purpose;
- p. form of Balance Sheet, statement of Profit & Loss Account and disclosures to be made therein as per the revised Schedule VI to the Act issued by the Ministry of Corporate Affairs;
- q. contracts, Common Seal, Registered Office, and publication of name of the company, and
- r. generally all other applicable provisions of the Act and the Rules made there under that Act.

**II.** We further state that:

- a. The Directors have disclosed their interest and concerns in contracts and arrangements, shareholdings and directorships in other companies and interests in other entities as and when required and their disclosures have been noted and recorded by the Board;
- b. The Directors have complied with the disclosure requirements in respect of their eligibility of appointments, their being independent and compliance with the Code of Conduct for Directors and Senior Management Personnel;
- c. The Company has obtained all necessary approvals under the various provisions of the Act; and
- d. There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Companies Act, 1956, Securities Exchange Board of India Act, 1992, Listing Agreement, Foreign Exchange Management Act, 1992 and Rules, Regulation and Guidelines framed under these Acts against/ on the Company, its Directors and Officers.



**III.** We further report that:

- a. The Company has complied with the applicable provisions of the Companies Act, 1956, the Rules made thereunder including re-enactment thereof;
- b. The Company has complied with all the requirements under the Equity Listing Agreement subject to the provision in relation to composition of Board of Directors in the Company and appointment of Independent Directors in the material subsidiaries of the Company;
- c. The Company has complied with the provisions of the Securities Exchange Board of India (Substantial Acquisition of Shares & Takeovers) Regulations, 2011 including the provisions with regard to disclosures and maintenance of records required under the Regulations;
- d. The Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 including provisions with regard to disclosures and maintenance of records required under the Regulations;
- e. The Company has complied with Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 subject to the provision in relation to composition of Board of Directors in the Company and appointment of independent directors in the material subsidiaries of the Company.

**For Vinod Kothari & Company  
Practising Company Secretaries**



Vinod Kumar Kothari  
C. P. No. 1391

Place: Kolkata  
Date: 17 May, 2014

---

## SUSTAINABILITY REPORT 2013-14

In terms of Clause 55 of the Listing Agreement requirement, company had prepared Sustainability Report under GRI framework(B-level) for the year 2013-14 and the same is posted in the Company's website [www.coalindia.in](http://www.coalindia.in). Any shareholder desirous to get the report in physical form can apply to Chief General Manager (Environment), Coal India Limited, Annex Building, 10, Netaji Subhas Road, Kolkata 700001, India or send an e-mail to [cgmenv@coalindia.in](mailto:cgmenv@coalindia.in)



(M. Viswanathan)  
Company Secretary



## MANAGEMENT DISCUSSION AND ANALYSIS

### **1.0 INDUSTRY STRUCTURE AND DEVELOPMENT**

#### **Overview of the Indian economy**

With an estimated GDP of approximately US \$4.96 trillion in 2013, on a purchasing power parity basis, India is one of the largest economy in the world (*Source: CIA World Fact book*). India is also one of the fastest growing economies in the world. Coal is the one of the prime fuels in India.

#### **Global coal industry and reserves**

The world coal reserves as per the rate of production in 2013 are estimated to suffice on an average for the next 113 years, whereas going by the rate of production of coal in India vis-à-vis its proved reserves such period stands on an average at 100 years. (*Source: BP Statistical Review of World Energy June 2014*). Although proved coal reserves are widely distributed across the world, 82.8% of the world's recoverable reserves are located in five regions: the United States (26.6%), Russian Federation (17.6%), China (12.8%), Total Europe and Eurasia (other than Russian Federation) (17.2%), and Australia (8.6%) (*Source: BP Statistical Review of World Energy June 2014*). According to the BP Statistical Review of World Energy June 2013, India accounted for 6.8% of the world's Proved reserves.

#### **Global coal production and consumption**

China is the largest producer of coal 3,680.0 million tons (47.4% of the total worldwide production in 2013), followed by the United States 892.6 million tons (12.9% of the total worldwide production in 2013). (*Source: BP Statistical Review World Energy June 2014*). Asia is the biggest market for coal and currently accounts for 70.5% of global coal consumption, owing to China and India, who are the primary consumers (*Source: BP Statistical Review World Energy June 2014*).

#### **Indian coal industry and reserves**

As on 01.04.2014, the estimated geological resource of Indian coal was 301.56 billion tons (*Source: MOC, GoI*). In India, coal is the prime fuel used in firing thermal power plants due to its availability and affordability. Coal is the dominant source of energy and met a substantial part, of the total primary energy requirement of India. The coal sector in India is primarily dominated by the PSUs under the central and the state governments.

### **2.0 OPPORTUNITIES AND THREATS**

#### **Opportunities**

- Strong economic growth in India and resultant demand for energy, particularly coal based energy.
- Cheapest source of energy vis-à-vis other energy sources and would ensure continuous demand.
- Increased business opportunity through the use of imported coal by blending the same with domestic coal to remove mismatch in quantity and quality.

#### **Our Competitive Strengths**

- ✓ The largest coal producer and reserve holder in the world
- ✓ Well positioned to capitalize on the high demand for coal in India
- ✓ Track record of growth and cost efficient operations
- ✓ Strong track record of financial performance
- ✓ Strong capabilities for exploration, mine planning, research and development
- ✓ Experienced senior management team and large pool of skilled employees

#### **Threats**

- Difficulty in obtaining clearances in respect of coal resources under forest cover and tribal lands.
- Large tract of coal bearing zones being situated in populated areas and thus prone to operational disruptions.
- Change in policies/ regulations governing the sector

- Possibility of negative impact of climate change initiatives on the use of coal.
- High dependence on Indian Railways for evacuation of coal.

#### Weakness

- ✓ High cost of production in underground (legacy) mines and resulting losses in such mines
- ✓ Evacuation of coal largely dependent on external agencies which is often a constraint.
- ✓ Dominance of low grade coals in available resources

### **3.0 SEGMENT-WISE OR PRODUCT WISE PERFORMANCE**

#### **Off take of Coal India Limited**

	April-March'14	April-March'13	April-March'12
Off take (Mill Te)	471.58	465.18	433.08
Growth ( over previous year)	1.38%	7.41%	—

#### ➤ Statement of Breakup of offtake (in Million Te):

Particulars	April'13 to March '14	%	April'12 to March '13	%	Growth %
Off-take	471.58	100.00%	465.18	100.00%	1.38%
Less : Own Consumption	0.56	0.12%	0.81	0.17%	(30.86%)
Less : Feed to Washeries	16.75	3.55%	18.18	3.91%	(7.87%)
Less : E-auction	58.01	12.30%	49.14	10.56%	18.05%
Despatch to Outsiders under FSA	396.26	84.03%	397.05	85.36%	(0.20%)

#### ➤ Statement of Breakup of Sales ( ₹ in crores):

Particulars	April'13 to March '14	%	April'12 to March '13	%	Growth %
Sales ( Net)	68810	100.00%	68303	100.00%	0.74%
less: E-auction Sales	12656	18.39%	12503	18.31%	1.22%
less: Washed Coal & Washery Products	4105	5.97%	4387	6.42%	(6.43%)
Sales to FSA (incl. NLW coal)	52049	75.64%	51412	75.27%	1.24%



➤ **Sector-wise dispatch of coal & coal products**

Sector-wise break-up of dispatch of coal & coal products during 2013-14 against target and last year's actual are given below:-

(Figs. in million tonnes )						
Year	2013-14			2012-13	Growth over Last Year	
Sector	AAP Target	Despatch	% Satn.	Actual	Abs.	%
Power (Util)	376.18	353.83	94.1	345.43	8.40	2.4
Steel *	4.72	3.66	77.5	4.74	-1.08	-22.8
Cement**	7.08	5.45	77.0	6.47	-1.02	-15.8
Fertilizer	2.84	2.29	80.6	2.50	-0.21	-8.4
Others	99.72	106.25	106.5	107.07	-0.82	-0.8
<b>Despatch</b>	<b>490.54</b>	<b>471.48</b>	<b>96.1</b>	<b>466.21</b>	<b>5.27</b>	<b>1.1</b>

\* despatch of washed coking coal & raw coking coal for direct feed, blendable coal to steel plants & to external washeries

\*\* despatch to cement plants excluding cement cpp

➤ **Production from underground and opencast mines.**

Coal production from underground mines in 2013-14 was 36.113 Million Tonnes compared to 37.776 Million Tonnes in 2012-13. Production from Open cast mines during 2013-14 was 92.19% of total raw coal production. Company-wise production was as under:

(Figure in Million Tonnes)

Company	Underground Production		Opencast Production		Total Production	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
ECL	6.871	6.849	29.183	27.062	36.054	33.911
BCCL	2.704	3.153	29.91	28.06	32.614	31.213
CCL	0.956	1.024	49.066	47.037	50.022	48.061
NCL	0	0.00	68.639	70.021	68.639	70.021
WCL	7.73	8.2	31.999	34.087	39.729	42.287
SECL	16.416	16.869	107.845	101.35	124.261	118.219
MCL	1.433	1.678	109.006	106.216	110.439	107.894
NEC	0.003	0.003	0.661	0.602	0.664	0.605
<b>CIL</b>	<b>36.113</b>	<b>37.776</b>	<b>426.309</b>	<b>414.435</b>	<b>462.422</b>	<b>452.211</b>

### **Washed Coal (Coking) Production**

Subsidiary-wise production of Washed coal (coking) was as under:

Company	(Figure in Lakh Tonnes)	
	Washed Coal (Coking)	
	2013-14	2012-13
BCCL	9.53	13.29
CCL	13.58	12.39
WCL	1.2	1.44
<b>CIL (Total)</b>	<b>24.31</b>	<b>27.12</b>

### **Overburden Removal**

Overburden Removal during 2013-14 was 806.544 Million Cubic Meters against 746.702 Million Cubic Meters achieved in 2012-13 recording a splendid growth of 8.01%. Company-wise details of overburden removal is shown below:

(Figure in Million Cubic Meters)		
Company	2013-14	2012-13
ECL	85.756	76.448
BCCL	85.419	84.259
CCL	59.022	63.308
NCL	208.787	195.706
WCL	120.076	113.685
SECL	144.875	118.202
MCL	96.028	90.361
NEC	6.581	4.733
<b>CIL</b>	<b>806.544</b>	<b>746.702</b>

### **4.0 OUTLOOK**

In the terminal year (2016-17), as per XII Plan document, growth rate of demand of coal in India has been envisaged at 7.09 % (980.50 Mt). In 2014-15, demand of coal in India has been estimated to the tune of 787.03 Mt against 769.69 Mt in 2013-14.

In the terminal year of XII Plan (2016-17), the envisaged indigenous coal production is 795.00 Mt. Out of this, share of CIL is 615 Mt (77 % share of total production)with an envisaged growth rate of 7.12 %. Out of this, 30.20 % is to come from



existing mines, 54.2 % from projects under implementation and 15.6% from new projects to be taken up. On date, 149 projects are under various stages of implementation. Further, 126 new projects are also identified to be taken up in future. Coal production target of CIL in 2014-15 is 507 Mt with a growth of 9.61 % over the last year's achievement.

CIL has proposed a capital outlay of ₹ 25, 400 Cr in XII Plan plus an ad-hoc provision of ₹ 35,000 Cr for acquisition of assets abroad and development of the acquired coal blocks in Mozambique. The capital expenditure for the year 2014-15 has been envisaged at ₹. 5225.00 Cr plus additional ad-hoc provision of ₹. 4500 Cr for acquisition of coal assets abroad and development of coal blocks in Mozambique.

**Railway Infrastructure Projects:** In order to achieve the planned growth in production and evacuation in future, CIL has undertaken the following major Railway Infrastructure Projects to be executed by Indian Railways Authority:

1. Tori-Shivpur-Khatotia new BG Line with a length of about 93.45 Km for North Karanpura Coalfields of Central Coalfields Limited, Ranchi, Jharkhand. The work is under execution in Tori-Shivpur Section by East Central Railway, Patna.
2. Jharsuguda –Barpalli Railway Infrastructure Project with a length of about 52.4 Km for IB Coalfields of Mahanadi Coalfields Limited, Sambalpur, Odisha. The work is under execution by South Eastern Railways, Kolkata.
3. To cater evacuation of coal from Mand-Raigarh and Korba-Gevra Coalfields of SECL, following two (2) Railway Corridors have been identified for construction:
  - (a) East Corridor (Bhupdepur-Ghaghoda-Dharamjaiigarh upto Korba with a spur from Ghaghoda to Donga Mahua to connect mines of Gare-Pelma Block) with a length of about 180 km.
  - (b) East-West Corridor (Gevra Road via Dipka, Kathghora, Sindurgarh, Pasan) with a length of about 122 Km

### **Business Strategies**

- Continue to increase production and capitalize on the significant demand-supply gap for coal in India
- Effective pricing mechanisms to maintain competitiveness
- Enhance our profitability and maintain our competitiveness by improving operating and cost efficiencies
- Continue to increase our reserve base in India
- Acquire strategic international resources or mining rights and identify joint development opportunities
- Continue to focus on developing environmentally and socially sustainable operations

### **Research and Development**

Our wholly owned subsidiary CMPDIL is an established coal mine design and planning Institute in India and provides comprehensive technical and consultancy services for our operations and also to non-CIL clients for geological exploration and drilling, mine planning and design, coal beneficiation and utilization, allied engineering services, human resource development, environmental engineering, information and communication technology, research and development and laboratory and field services.

The R&D activity in Coal sector is administered through an apex body namely, Standing Scientific Research Committee (SSRC) with Secretary (Coal) as its Chairman. The other members of this apex body include Chairman CIL, CMDs of CMPDI, SCCL and NLC, Directors of concerned CSIR laboratories, representatives of Department of S&T, Planning Commission and educational institutions, amongst others. The main functions of SSRC are to plan, programme, budget and oversee the implementations of research projects and seek application of the findings of the R&D work done.

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

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

Total no. of S&T projects taken up (till 31.3.2014)	-	380
Total no. of S&T projects completed (till 31.3.2014)	-	310

For in-house R&D work of CIL, R&D Board headed by Chairman, CIL is also functioning. CMPDI acts as the Nodal Agency for processing the proposals for CIL approval, preparation of budget estimates, disbursement of fund, monitoring the progress of implementation of the projects, etc.

In order to enhance R&D base in command areas of CIL, CIL Board in its meeting held on 24th March 2008 had delegated substantial powers to CIL R&D Board and the Apex Committee of the R&D Board. The Apex Committee is empowered to sanction individual R&D project upto ₹ 5.0 crore value with a limit of ₹ 25.0 crore per annum considering all the projects together and CIL R&D Board is empowered to sanction individual R&D project upto ₹ 50.0 crore.

So far, 71 projects have been taken up under CIL R&D Board fund, out of which 48 projects have been completed till March, 2014.

The status of CIL R&D Board Projects during 2013-14 is as follows:

(i) Projects on-going as on 1.4.2013	23
(ii) Projects sanctioned during 2013-14	02
(iii) Projects completed during 2013-14	07
(iv) Projects on-going as on 1.4.2014	18

Following R&D projects were completed during 2013-14:

- (i) Analysis of in-situ stress for CBM exploration in Jharia Coalfield.
- (ii) Effective utilization of low rank and low volatile high rank Indian coking coals for Blast Furnace (BF) coke making.
- (iii) Assessment of performance of explosives/blast results based on explosive energy utilization.
- (iv) Investigations of Bolt Behavior in Development and Depillaring Panels under Blast Induced Dynamic Loading.
- (v) Feasibility study of High Angle Conveying System (HAC) in Opencast Coal Mines by Computer Modelling and Simulation.
- (vi) Investigation on augmentation of life of dump truck tyres through improvement of tyre re-treading compound and development of an optimum road maintenance management system-Phase-II.
- (vii) Development of a notch cutting machine to facilitate construction of stoppings in underground coal mines.

The disbursement of fund for CIL R&D Projects during the year 2013-14 was ₹10.97 crore.

## **5.0 RISKS AND CONCERNs**

**The major risk and concerns of CIL are outlined below:**

- Coal mining by its inherent nature is subject to multiple operational risks like difficult geo-mining conditions ,weather, natural disasters and poor mining conditions.
- CIL is further constrained by stringent labour regulations. The company also has a ageing workforce.
- CIL may face difficulties in the acquisition of land in a timely manner, particularly in respect of land owned by private parties and forest land, resulting in delays in some of their projects.
- Success of expansion projects depends on various factors including obtaining government permits, licenses and approvals to proceed with its expansion programmes.
- Rail transportation, operated by the Indian Railways, is the main transportation mode utilized by CIL for coal transportation, particularly for long distance supply arrangements. CIL's sales volumes have in the past been constrained by inadequate transportation capacities, including non-availability of adequate railway infrastructure.



**Apart from above the following risks are also identified:-**

**Commodity risk**

The price of our raw coal and products sold at a price pursuant to our memoranda of understanding with customers and the price of raw coal sold under our E-Auction schemes, and consequently our revenues, are subject to the risk of fluctuation in prices of coal and coal products in the international markets. In addition, we use significant quantities of petroleum-based fuel and lubricants, explosives, tyres, steel and other raw materials and consumables in our mining operations, and are exposed to fluctuations in the prices of these materials.

**Operating risk**

Our operations are subject to various operating risks that may materially increase our cost of mining operations and delay or disrupt production at particular mines either permanently or for varying lengths of time, which could have a material adverse effect on our business, results of operations and financial condition. We currently maintain insurance for our business premises and cash-in-transit insurance. We also do not maintain insurance coverage for loss of our assets such as our equipment, plant and machinery nor do we maintain third party insurance; as the cost of effecting such insurance cover outweighs the chances of materialization of such risks.

**Currency exchange risk**

Changes in currency exchange rates may affect our results of operations. 100% of our debt is denominated in foreign currencies( which however is not significant). Depreciation of the Indian rupee against the foreign currencies may adversely affect our results of operations by increasing the cost of financing any debt denominated in foreign currency or any proposed capital expenditure in foreign currencies.

However during the year, the balance outstanding amount of the foreign currency loans drawn from JBIC bank (denominated in Japanese Yen) and IBRD bank (denominated in US Dollar) for implementation of coal sector rehabilitation project in various subsidiaries has been prepaid. This used to form a major part of our debt. With prepayment of these loans the risk of foreign exchange fluctuations were therefore substantially eliminated.

However, we expect our future capital expenditure in connection with our proposed expansion plans to include expenditure in foreign currencies for imported equipment and machinery.

**Effect of Inflation**

Inflation has a direct impact on our cost as employees' remuneration costs constitutes around 50% of the total cost of the company and major part of it is dearness allowance which is directly linked to inflation. Apart from this items like power & fuel, stores, contractual expenses etc. also have an impact of inflation.

**6.0 INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

Coal India Limited (CIL) has robust internal control systems and processes in place for smooth and efficient conduct of business and complies with relevant laws and regulations. A comprehensive delegation of power exists for smooth decision-making. Elaborate guidelines for preparation of accounts are followed consistently for uniform compliance. In order to ensure that all checks and balances are in place and all internal control systems are in order, regular and exhaustive internal audits are conducted by experienced firms of accountants in close co-ordination with company's Internal Audit Department. Besides, the company has Audit Committee to keep a close watch on compliance with Internal Control Systems. A well-defined Internal Control Framework has been developed identifying key controls and supervision of operational efficiency of designed key control by internal audit

**7.0 DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

**FINANCIAL DISCUSSION AND ANALYSIS**

**Further Divestment by Govt. of India to CPSE – ETF:**

During FY 2013-14, Govt. of India has further divested 0.35% of total equity shares equivalent to 22037834 number of equity shares of ₹ 10 (face value) each by way of placement of such shares in Central Public Sector Exchange Traded Fund (CPSE-ETF) and post such divestment, Govt. of India holds 89.65% of the total equity share capital as on 31.03.2014.

Pursuant to above the shareholding pattern in CIL stood as follows:

	As on 31.03.2014		As on 31.03.2013	
	Shareholding Pattern (%)	Share Capital (₹ Crore)	Shareholding Pattern (%)	Share Capital (₹ Crore)
Government of India	89.65 %	5662.69	90%	5684.72
CPSE - ETF	0.35%	22.03	-	-
Other Investors	10%	631.64	10%	631.64
<b>Total</b>	<b>100%</b>	<b>6316.36</b>	<b>100%</b>	<b>6316.36</b>

### Income :-

(₹ in crores)

Particulars	FY 2013-14	FY 2012-13	Growth %
Gross Sales	89374.51	88281.32	1.24%
Less: Levies	20564.49	19978.58	2.93%
Net Sales	68810.02	68302.74	0.74%
Other Income	8969.38	8746.69	2.55%
<b>Total Income</b>	<b>77779.40</b>	<b>77049.43</b>	<b>0.95%</b>

The total income of the Company primarily comprises of income from sale of Coal, other incomes, and interest earned. The total income for fiscal 2014 is ₹ 77779.40 crores as against ₹ 77049.43 crores in the previous year registering an increase of 0.95 %. Major elements of income are discussed below:

#### Income from Sale of Coal

Sales is presented as gross sales net of various statutory levies comprising royalty, cess on coal, central excise duty and stowing excise duty; and sales tax etc.. The Income from sale of coal is mainly dependent on the pricing and production of coal and distribution thereof. About 12% ( i.e. 58.01 mt) of total coal sold is through e-auction mechanism, the price determination of which is completely dependent on market.

Average realization of coal sales through e-auction decreased by ₹ 362/ ton i.e. to ₹ 2182/ton in FY 2014 from ₹ 2544 in FY 2013.

Offtake during 2013-14 increased to 471.58 million ton from 465.18 million ton of previous year.

#### Other Income

Other income primarily includes (i) interest income from banks, employees and others, (ii) interest on our investments in the 8.5% Tax Free RBI Power Bonds (which resulted from the securitization of our sundry debtors), (iii) Dividend from mutual funds, (iv) recovery of transportation and loading charges that we charge our customers, (v) any income from our workshops and press jobs, (vi) any liquidated damages or penalty payments by our suppliers and third party contractors. Other income also includes stowing subsidies granted by the Coal Controller of India, rental income, any income from sale of scrap, and any profit on sale of assets. Other income also includes any write back of provisions and liabilities made in previous year.

During the year there is a revision in raw non-coking coal sizing charges for different sizes and rapid loading charges. Due to this revision an approx. additional revenue of ₹ 228.59 crores was earned during the year, which is included in other income.



## Expenditure

### Break up of Major Heads: -

(₹ in crores)

Particulars	FY 2013-14	FY 2012-13	Growth	Growth %
Cost of Materials Consumed	7022.05	6062.11	959.94	15.84%
Change in inventories	92.65	493.92	(401.27)	-81.24%
Employee benefit expenses	27769.43	27320.78	448.65	1.64%
Power & Fuel	2282.23	2333.48	(51.25)	-2.20%
Welfare Expenses	734.80	622.43	112.37	18.05%
Contractual Exp/Repairs	7812.71	6624.37	1,188.34	17.94%
Finance Costs	58.00	45.17	12.83	28.40%
OBR Adjustment	3286.56	3201.74	84.82	2.65%
Depreciation/Impairment	1996.41	1812.97	183.44	10.12%
Provision	1154.53	927.10	227.43	24.53%
Other Expenditure/PPA	2690.49	2626.32	64.17	2.44%
<b>Total Expenditure</b>	<b>54899.86</b>	<b>52070.39</b>	<b>2,829.47</b>	<b>5.43%</b>

### Cost of Material Consumed

Cost of material consumed relate to materials used in our coal mining and processing operations, primarily petrol oil and lubricant (including diesel), explosives, and timber. Other consumables used in our coal mining operations include tyres, spares for heavy earthmoving machineries, other plant and machinery relating to our coal handling plants and beneficiation facilities, vehicles, and other miscellaneous stores and spares.

Consumption of stores and spares increased by ₹ 959.94 crores or 15.84%, from ₹ 6062.11 crores in fiscal 2013 to ₹ 7022.05 crores in fiscal 2014, mainly due to increase in prices of diesel, increase in volume of composite production and general inflation during the year.

### Employee Benefit Expenses

Employee benefit expenses include salary, wages and allowances, any provisions relating to Employee benefit, contributions to provident fund and gratuity, overtime payments, leave encashment, attendance bonus, productivity and performance linked bonus and other incentives, and other employee benefits.

Employees remuneration and benefits, which represents the largest component of our expenditure, increased by ₹ 448.65 crores , or 1.64%, from ₹ 27320.78 crores in fiscal 2013 to ₹ 27769.43 crores in fiscal 2014.

Increase in salary is due to the annual normal increment in salary and DA, which however is offset to some extent by decrease in employees due to retirement.

Output per manshift (OMS) during 2013-14 improved to 5.62 Tonnes per manshift from 5.32 Tonnes per manshift of previous year

### Power and Fuel

Power and fuel represents cost of electricity consumed in our operations, including electricity purchased from external sources and cost of internal power generation relating to diesel generator sets.

Power and fuel expenses was ₹ 2282.23 crores in fiscal 2014 as against ₹ 2333.48 crores during FY 2013.The higher amount of power & fuel in previous year FY 2013 was due to payment of some arrear liability during previous year.

### **Welfare Expenses**

Welfare expenses represents various expenses associated with social welfare activities, CSR activities and expenses associated with medical expenses for retired employees. Expenses towards community development and environmental expenditure are also reflected under welfare expenses.

Welfare expenses increased by ₹ 112.37 crores, or 18.05%, from ₹ 622.43 crores in fiscal 2013 to ₹ 734.80 crores in fiscal 2014 primarily on account of an increase in CSR expenses owing to contribution made on account of natural disasters in Orissa and Uttarakhand.

### **Contractual Expenses/ Repairs**

Contractual charges primarily consist of transportation charges for coal, sand and materials carried out through third party contractors, contractor expenses relating to wagon loading operations, hiring charges for plant and machinery and heavy earthmoving machinery representing cost of coal extraction and overburden removal activities outsourced to third party contractors, and other miscellaneous works carried out through third party contractors such as for road maintenance and temporary lighting. Repairs consist of cost of repair and maintenance of plant and machinery relating to our operations, rehabilitation of heavy earthmoving machinery, office equipment, vehicles and other miscellaneous assets.

Contractual Expenses/Repairs increased by ₹ 1188.34 crores, or 17.94 %, from ₹ 6624.37 crores in fiscal 2013 to ₹ 7812.71 crores in fiscal 2014. Contractual Expenses/Repairs has increased mainly because of increased volume of contractual operations, impact for increase in wages of contractual workers and also due to rise in diesel prices etc recovered through escalation clause.

### **Finance Costs**

Finance Costs include interest paid on our financing arrangements with IBRD and JBIC, interest on bank overdrafts and cash credit, interest on deferred credit arrangements with the Export Development Corporation of Canada and Liebherr France S.A. of France, and other interest expenses. Other Finance Cost include fees paid to the GoI for guarantees issued by the GoI in connection with the IBRD and JBIC loans, and other bank expenses and charges.

The foreign currency loans drawn from JBIC bank (denominated in Japanese Yen) and IBRD bank (denominated in US Dollar) for implementation of coal sector rehabilitation project in various subsidiaries has been prepaid during the year on 05.11.2013 and 06.12.2013 respectively.

Finance costs increased by ₹ 12.83 crores, or 28.40% , from ₹ 45.17 crores in fiscal 2013 to ₹ 58.00 crores in fiscal 2014 due to payment of interest on some old dues to CISF as per Government order, despite reduction in interest on IBRD & JBIC loan on their prepayment.

### **Overburden Removal Adjustment**

In open cast mines, with rated capacity of one million tons per annum and above, the cost of overburden removal expenses is charged on technically evaluated average ratio (coal: overburden) at each mine with due adjustment for advance stripping and ratio variance account after the mines are brought to revenue. The net of balances of advance stripping and ratio variance at the end of the relevant period is shown as cost of removal of overburden under the head current assets or current liabilities, as applicable.

Overburden Removal Adjustment increased by ₹ 84.82 crores, or 2.65% , from ₹ 3201.74 crores in fiscal 2013 to ₹ 3286.56 crores in fiscal 2014

### **Depreciation/ Impairment**

Depreciation on our fixed assets is provided on straight line method at the rates and manner specified in Schedule XIV of the Companies Act 1956 except otherwise for those assets for which technically evaluated higher rate of depreciation has been considered as a policy. Impairment loss is recognized wherever the carrying amount of an asset is in excess of its recoverable amount and the same is recognized as an expense in the statement of profit and loss and carrying amount of the asset is reduced to its recoverable amount. Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the asset no longer exist or have decreased.

Depreciation/ Impairment increased by ₹ 183.44 crores, or 10.12 %, from ₹ 1812.97 crores in fiscal 2013 to ₹ 1996.41 crores in fiscal 2014, owing to addition of assets during the year.



### **Provision/write-off**

Provisions/write-off include any provisions for doubtful debts and advances, provisions for stores and spares inventory, provisions relating to impairment of assets, and any other miscellaneous provisions..

Provisions made are presented net of any write back of provisions. Write-offs include write-offs for doubtful debts, doubtful advances and other write-offs.

Provisions/write-off increased by ₹ 227.43 crores, or 24.53%, from ₹ 927.10 crores in fiscal 2013 to ₹ 1154.53 crores in fiscal 2014.

During the year ₹ 839.96 crores ( pertaining to three subsidiaries namely Eastern Coalfields Limited, Central Coalfields Limited and Northern Coalfields Limited) has been considered under the head provision/ write off for deemed lowering of grade as compared to the grade of coal supplied and billed. A further amount of ₹ 36.49 crores has been adjusted against the current year sales for the same reason.

### **Other Expenditure /PPA**

Other expenditure include various operational, selling and administrative expenses, most significantly under-loading expenses paid to Indian Railways, mine rehabilitation expenses, security expenses, royalty and cess payable on coal used for internal consumption and rent, rates and taxes. Miscellaneous expenses also include traveling expenses, employee training expenses, cost of printing and stationery, communication, advertisement and publicity related expenses, freight charges for equipment and machinery and materials, demurrage paid to Indian Railways and equipment and materials freight carriers, land/crop compensation and hire charges for office administration equipment. Other miscellaneous expenses include expenses incurred for land reclamation relating to rehabilitation and resettlement of affected communities.

Miscellaneous Expenses/PPA increased by ₹ 64.17 crores, or 2.44%, from ₹ 2626.32 crores in fiscal 2013 to ₹ 2690.49 crores in fiscal 2014.

### **Taxation**

Income tax expense comprises current tax expense and deferred tax expense or credit computed in accordance with the relevant provisions of the Income Tax Act, as amended. Provision for current taxes is recognized based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Income Tax Act.

Net Deferred tax assets/ liabilities are recognized for the future tax consequences attributable to timing differences that result between the profits offered for income taxes and the profits shown in our financial statements. Deferred tax assets and liabilities are measured using tax rates and tax regulations enacted or substantively enacted up to the balance sheet date. The effect on deferred tax assets and liabilities due to a change in tax rates is recognized in the financial statement of the relevant fiscal year of change of rate. Deferred tax assets in respect of carry forward losses are recognized only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized. Other deferred tax assets are recognized only if there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably /virtually certain (as the case may be) to be realized.

All the subsidiaries of Coal India Limited are earning profits. ECL & BCCL, the two subsidiaries which were incurring losses a few years back, has also started earning profits during last few years and continue to earn profit in the current year. Their carried forward accumulated loss as per Income Tax Act has also been totally exhausted and their entire current year profit is taxable. The total income tax expenses during current FY 2014 is ₹ 7767.90 crores as against ₹ 7622.67 crores in previous year.

## PROFITABILITY

(₹ in crores)

Particulars	2013 -14	2012-13
Profit Before Tax (PBT)	22879.54	24979.04
Income Tax	7767.90	7622.67
Profit for the period from continuing operations	15111.64	17356.37
Profit/(Loss) from discontinuing operations	(0.01)	(0.01)
Profit for the period	15111.63	17356.36
Less:- Share of Minority	(0.04)	—
Profit for the group (PAT)	15111.67	17356.36

The Profit Before Tax (PBT) decreased by ₹ 2099.50 crores, or 8.41%, from ₹ 24979.04 crores in fiscal 2013 to ₹ 22879.54 crores in fiscal 2014, mainly due to decrease in e-auction price.

The Profit After Tax (PAT) decreased by ₹ 2244.69 crores, or 12.93 %, from ₹ 17356.36 crores in fiscal 2013 to ₹ 15111.67 crores in fiscal 2014.

## Cash Flows (in nutshell)

(₹ in crores)

	For the year ended March 31	
	2014	2013
Opening Cash equivalents	11684.93	12260.19
Net cash from operating activities	14524.69	9109.41
Net cash from investing activities	8579.76	(1832.73)
Net cash used in financing activities	(25350.25)	(7851.94)
Change in Cash & Bank Balance	(2245.80)	(575.26)
Closing Cash & Bank Balance	9439.13	11684.93

Net cash from operating activities for the year ended March 31, 2014 increased by ₹ 5415.28 crores i.e. 59.45% from the previous year. Net cash from operating activities was ₹ 14524.69 crores as against ₹ 9109.41 crores for the previous year.

Net cash from investing activities for the year ended March 31, 2014 increased by 10412.49 crores from the previous year. Net cash from investing activities was ₹ 8579.76 crores as against Net cash used in investing activities of ₹ 1832.73 crores for the previous year due to more investment of surplus fund in Fixed Deposits compared to earlier year owing to reasons stated above .

Net cash used in financing activities for the year ended March 31, 2014 increased by ₹ 17498.31 crores i.e. 222.85 % from the previous year. Net cash used in financing activities was ₹ 25350.25 crores as against ₹ 7851.94 crores for the previous year mainly due to huge payment of dividend and dividend tax during the year.



**The various ratios related to the financials of Coal India :-**

Ratios	April to March '14	April to March '13
<b>As % Net Sales</b>		
Profit Before Tax	33.25%	36.57%
<b>As % Total Expenditure</b>		
Employee Benefits Exp.	50.58%	52.47%
Cost of Materials consumed	12.79%	11.64%
Power & Fuel	4.16%	4.48%
Contractual Expenditure	12.44%	11.14%
Welfare Expense	1.34%	1.20%
Interest & Depreciation	3.74%	3.57%
Other Expenditure	14.95%	15.50%
Operating Ratio (sales-profit)/sales	0.67	0.63
<b>Liquidity Ratios</b>		
Current Ratio	3.28	3.35
Quick Ratio	3.06	3.14
Sundry Debtors as no. of Days sales	44.23	51.00
Stock of Coal as no. of Days of production (Qty)	38.36	46.73
<b>Structural Ratios</b>		
Debt: Equity	0.03	0.17
Debt: Net Worth	0.004	0.02
Net Worth: Equity Capital	6.71	7.67
EPS	23.92	27.63

**8.0 MATERIAL DEVELOPMENT IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED.**

The total manpower of the Company including its subsidiaries as on 31.03.2014 is 346638 as against 357926 as on 31.3.2013.

**Productivity**

Output per manshift (OMS) during 2013-14 improved to 5.62 Tonnes per manshift from 5.32 Tonnes per manshift of previous year.

As a public sector undertaking, salaries, wages and benefits of our executive employees are determined by the GoI. The current compensation level for our executive employees was finalized in May 2009 and is effective from January 1, 2007.

**Training**

We aim to provide continuous training for our employees. We established the Indian Institute of Coal Management ("IICM") in 1994 to provide training and development opportunities to our middle and senior management executives, other level officers and our management trainees. IICM offers training programs such as advanced management programs, leadership development programs, general management programs and young managers' programs. The areas covered included advanced maintenance practices, general management program, management development program, training and coaching, career development for junior officers and communication skills. In addition, our company has arranged for a significant number of executives to attend external training programs and sent our employees (including directors, senior executives and non-executive employees) for a number of international training sessions outside India.

In CIL and its subsidiaries, 93825 employees have been trained during 2013-14. Out of which 20502 were executives and 73323 were non-executives. These trainings include in-house training (training at subsidiary training centers and also at IICM), training in other reputed institutes outside the company and training abroad.

## **Initiatives**

- CIL has been recruiting fresh and dynamic young bloods in different disciplines for the last few years. A special attention has been given to groom these young and energetic persons in their respective fields throughout the year. In addition to the introductory concept on Coal Industry, they have been trained on basic Management Techniques (MAP) and also in their respective Technical fields (TAP) through regular courses organized by IICM with reputed faculties. Special attention has also been given in tuning them in their respective specialized working areas by on-the-job training throughout the year. Their probation is closed after appearing for the examination at the end of the year successfully.
- As MTs of Excavation and E&M disciplines are posted in different Coal Mines, to provide them proper exposure to Mining Operations as well as Mining Equipments (both surface and underground) and to make them conversant with the Mining activities, 5 weeks intensive training in different batches for a total of 253 MTs was organized at Indian School of Mines, Dhanbad, the premier Mining Institute of our country during the year 2013-14.
- Special training modules as per need of our industry have been designed and tie-ups were done with IIM, Lucknow and ASCI, Hyderabad to train our middle level (E4-E7) executives on Management Development Programmes at their campuses w.e.f. 1st April, 2014.
- Similarly tie-up was done made with IIM, Calcutta to train about 150 General Managers (E8) of different disciplines on Advance Management including Overseas learning w.e.f. 4th May, 2014.
- 5 senior executives were sent to Japan to attend 8 days training programme on "Coal Preparation"
- 2 middle level executives were sent to China to attend 20 days training programme on "Fully Mechanized Coal Mining Technology- 2013"
- 495 executives have been given certified training in Project Management at IICM and other renowned Institutes.
- 72 executives have been given certified training in Contract Management at IICM and other reputed Institutes.





# Annual Accounts 2013–14

(Standalone)





## BALANCE SHEET (STANDALONE)

As at 31st March, 2014

(₹ in crore)

	Note No.	As at 31.03.14	As at 31.03.13
<b>I EQUITY AND LIABILITIES</b>			
(1) Shareholders' Fund			
(a) Share Capital	1	6316.36	6316.36
(b) Reserves & Surplus	2	10128.88	14199.80
(c) Money Received against Share Warrants		—	—
		<b>16445.24</b>	<b>20516.16</b>
(2) Share Application money pending allotment		—	—
(3) Non-Current Liabilities			
(a) Long Term Borrowing	3	—	914.39
(b) Deferred Tax Liability		—	—
(c) Other Long Term Liabilities	4	2521.45	2306.23
(d) Long Term Provisions	5	185.93	161.53
		<b>2707.38</b>	<b>3382.15</b>
(4) Minority Interest		—	—
(5) Current Liabilities			
(a) Short Term Borrowing	6	—	—
(b) Trade Payables	7	2.22	2.41
(c) Other Current Liabilities	8	4188.74	5964.79
(d) Short Term Provisions	9	1698.01	4171.61
		<b>5888.97</b>	<b>10138.81</b>
<b>Total</b>		<b>25041.59</b>	<b>34037.12</b>
<b>II ASSETS</b>			
(1) Non-Current Assets			
(a) Fixed Assets			
i) Tangible Assets - Gross Block	10A	360.58	356.44
Less : Depreciation, Impairment & Provisions		264.53	260.03
Net carrying Value		<b>96.05</b>	<b>96.41</b>
ii) Intangible Assets - Gross Block	10A	40.50	40.50
Less : Depreciation, Impairment & Provisions		40.30	40.28
Net carrying Value		<b>0.20</b>	<b>0.22</b>
iii) Capital Work-in-Progress	10B	<b>186.27</b>	<b>107.46</b>
iv) Intangible Assets under Development	10C	<b>17.46</b>	<b>14.43</b>
(b) Non-Current Investment	11	<b>8858.19</b>	<b>8858.19</b>
(c) Long Term Loans & Advances	12	<b>667.70</b>	<b>1815.75</b>
(d) Other Non-Current Assets	13	—	—

## BALANCE SHEET (Contd.) (STANDALONE)

As at 31st March, 2014

(₹ in crore)

	Note No.	As at 31.03.14	As at 31.03.13
<b>(2) Current Assets</b>			
(a) Current Investments	14	790.75	167.88
(b) Inventories	15	39.87	15.66
(c) Trade Receivables	16	15.11	1.48
(d) Cash & Bank Balance	17	9817.84	18104.28
(e) Short Term Loans & Advances	18	4014.70	4067.31
(f) Other Current Assets	19	537.45	788.05
		<b>15215.72</b>	<b>23144.66</b>
<b>Total</b>		<b>25041.59</b>	<b>34037.12</b>

Significant Accounting Policies  
Additional Notes on Accounts

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

M.Viswanathan  
Company Secretary

P.Chakraborty  
General Manager (Finance)

A. Chatterjee  
Director (Finance)

S.Narsing Rao  
Chairman- Cum-Managing Director

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

Date : 29th May, 2014  
Place : New Delhi

(Srijit Chakraborty)  
Partner  
Membership No. 055317



## STATEMENT OF PROFIT & LOSS (STANDALONE)

For the Year ended 31st March, 2014

(₹ in crore)

<b>INCOME</b>	<b>Note No.</b>	<b>For the Year ended 31.03.14</b>	<b>For the Year ended 31.03.13</b>
Sale of Coal	20	395.53	443.38
Less: Excise Duty		22.55	26.75
Other Levies		58.73	64.38
		81.28	91.13
(I) Revenue from Operations		314.25	352.25
(II) Other Income	21	16089.85	11088.01
<b>(III) Total Revenue (I+II)</b>		<b>16404.10</b>	<b>11440.26</b>
<b>(IV) EXPENSES</b>			
Cost of Materials Consumed	22	12.36	11.61
Purchases of Stock-in-Trade		—	—
Changes in inventories of finished goods/ work-in-progress and Stock-in-trade	23	(25.03)	2.54
Employee Benefits Expenses	24	355.00	346.76
Power & Fuel		6.88	6.83
Welfare Expenses	25	162.07	97.97
Repairs	26	7.38	10.06
Contractual Expenses	27	79.39	54.37
Finance Costs	28	258.54	375.65
Depreciation/Amortization/Impairment		6.41	4.96
Provisions (Net of reversal)	29	40.29	19.74
Write off ( Net of past provisions)	30	—	—
Other Expenses	31	80.34	171.74
<b>Total Expenses</b>		<b>983.63</b>	<b>1102.23</b>
<b>(V) Profit before Prior Period,exceptional and extraordinary items and Tax.</b>		<b>15420.47</b>	<b>10338.03</b>
(VI) Prior Period Adjustment {charge/(income)}	32	—	—
(VII) Exceptional Items		—	—
<b>(VIII) Profit before Extraordinary Items and Tax</b>		<b>15420.47</b>	<b>10338.03</b>
(IX) Extraordinary Items {charges/(income)}		—	—
<b>(X) Profit before Tax (VIII-IX)</b>		<b>15420.47</b>	<b>10338.03</b>
(XI) Less/(Add): Tax expenses			
- Current year		380.00	460.00
- Deferred Tax		—	—
- Earlier years		31.93	83.71
<b>(XII) Profit for the year from continuing operations (X-XI)</b>		<b>15008.54</b>	<b>9794.32</b>
(XIII) Profit/(Loss) from discontinuing operations		—	—
(XIV) Tax expenses of discontinuing operations		—	—
(XV) Profit/(Loss) from discontinuing operations (after Tax) (XIII-XIV)		—	—
<b>(XVI) Profit for the year (XII+XV)</b>		<b>15008.54</b>	<b>9794.32</b>

## STATEMENT OF PROFIT & LOSS (Contd.) (STANDALONE)

For the year ended 31st March, 2014

(₹ in crore)

	Note No.	For the Year ended 31.03.14	For the Year ended 31.03.13
(XVII) Earnings per share (in ₹) (Face Value of ₹ 10/- per share)			
(1) Basic		23.76	15.65
(2) Diluted		23.76	15.65
Significant Accounting Policies	33		
Additional Notes on Accounts	34		

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

**M. Viswanathan**  
Company Secretary

**P. Chakraborty**  
General Manager (Finance)

**A. Chatterjee**  
Director (Finance)

**S. Narsing Rao**  
Chairman-Cum-Managing Director

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

Date : 29th May, 2014  
Place : New Delhi

(Srijit Chakraborty)  
Partner  
Membership No. 055317



## **THE CASH FLOW STATEMENT (INDIRECT METHOD) (STANDALONE)**

For the Year ended 31st March, 2014

(₹ in crore)

<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>For the Year ended 31.03.14</b>	<b>For the Year ended 31.03.13</b>
Net profit before tax	15420.47	10338.03
Adjustment for :		
Depreciation / Impairment of fixed assets	6.41	4.96
Interest	(1300.40)	(1658.61)
Finance cost related to financing activity	258.54	375.65
Dividend from mutual fund investments	(107.20)	(68.65)
Profit/loss on sale of fixed assets	(0.03)	—
Povisions made & write off during the year	40.29	19.74
Provision/Liability write back during the year	(12.48)	(83.35)
<b>Operating Profit before Current/Non Current Assets and Liabilities</b>	<b>14305.60</b>	<b>8927.77</b>
Adjustment for:		
Trade Receivables	(13.63)	(1.47)
Inventories	(24.21)	2.85
Short/Long Term Loans/Advances & Other Current Assets	1298.76	2753.06
Short/Long Term Liabilities and Provisions	(1414.11)	(538.58)
<b>Cash Generated from Operation</b>	<b>14152.41</b>	<b>11143.63</b>
Income Tax Paid/Refund	(532.16)	(600.65)
<b>Net Cash Flow from Operating Activities</b>	<b>(A)</b>	<b>13620.25</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(87.84)	(49.17)
Investment in Bank Deposits	7681.11	(2323.60)
Investment in 5% redeemable cumulative Preference Shares in BCCL	—	(2539.00)
Interest pertaining to Investing Activities	1797.54	1434.54
Interest / Dividend from Investments	107.20	68.65
Investment in Mutual Fund Investment	(622.87)	54.12
<b>Net Cash from Investing Activities</b>	<b>(B)</b>	<b>8875.14</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of Long Term Borrowings	(1,257.02)	(223.04)
Interest & Finance cost pertaining to Financing Activities	(258.54)	(375.65)
Increase in Shifting & Rehabilitation Fund	214.14	328.88
Dividend and Tax on Dividend	(21799.30)	(6440.75)
<b>Net Cash used in Financing Activities</b>	<b>(C)</b>	<b>(23100.72)</b>
<b>Net Increase / (Decrease) in Cash &amp; Cash equivalent (A+B+C)</b>	<b>(605.33)</b>	<b>477.96</b>
<b>Cash &amp; Cash equivalent (opening balance)</b>	<b>784.26</b>	<b>306.30</b>
<b>Cash &amp; Cash equivalent (closing balance)</b>	<b>178.93</b>	<b>784.26</b>

(All figures in bracket represents outflow)

## THE CASH FLOW STATEMENT (INDIRECT METHOD) (Contd.) (STANDALONE)

For the Year ended 31st March, 2014

	(₹ in crore)	For the Year ended 31.03.14	For the Year ended 31.03.13
<b>Cash &amp; Cash Equivalent</b>			
Balances with Scheduled Banks			
- In Deposit Accounts with maturity upto 3 months	110.39	733.00	
- In Current Accounts	68.00	48.68	
- In Cash Credit Accounts	0.51	2.55	
Remittance - in transit	0.00	—	
Cheques, Drafts and Stamps in hand	—	—	
Cash in hand	0.03	0.03	
<b>Total</b>	<b>178.93</b>		<b>784.26</b>

M. Viswanathan  
Company Secretary

P. Chakraborty  
General Manager (Finance)

A. Chatterjee  
Director (Finance)

S. Narsing Rao  
Chairman- Cum-Managing Director

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

(Srijit Chakraborty)  
Partner  
Membership No. 055317

Date : 29th May, 2014  
Place : New Delhi



## NOTES TO BALANCE SHEET (STANDALONE)

### NOTE - 1

(₹ in crore)

SHARE CAPITAL	As at 31.03.14	As at 31.03.13
<b>Authorised</b>		
(i) 8000000000 Equity Shares of ₹ 10/- each	8000.00	8000.00
(ii) 9041800 Non-cumulative 10% Redeemable Preference Shares of ₹ 1000/- each	904.18	904.18
	<b>8904.18</b>	<b>8904.18</b>
<b>Issued, Subscribed and Paid-up</b>		
6316364400 Equity Shares of ₹ 10/- each	6316.36	6316.36
	<b>6316.36</b>	<b>6316.36</b>

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

Name of Shareholder	No. of Shares Held (Face value of ₹ 10 each)	% of Total Shares
Hon'ble President of India	5662690126	89.65

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

- Listing of shares of Coal India Ltd. In Stock Exchange.*

Pursuant to divestment of 10% of total equity shares held by Hon'ble President of India (Govt. of India), to the public, the shares of Coal India Ltd. is listed in two major stock exchanges of India, viz. Bombay Stock Exchange and National Stock Exchange on and from 4th November, 2010.

During F.Y.2013-14 Govt.of India has further disinvested 0.35% of total Equity Shares equivalent to 22037834 number of Equity Shares by way of placement of such Shares in Central Public Sector Exchange Traded Fund (CPSE-ETF) and post such disinvestment Govt.of India holds 89.65% of the total Equity Share Capital as on 31.03.2014.

## NOTES TO BALANCE SHEET (Contd.) (STANDALONE)

### NOTE - 2

(₹ in crore)

#### RESERVES & SURPLUS

##### RESERVES :

###### A. Capital Redemption Reserve

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

**Total (A)**

###### B. Reserve for Foreign Exchange Transactions

As per last Balance Sheet  
Add : Addition during the year  
Less: Transfer to General Reserve

**Total (B)**

###### C. CSR Reserve

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

**Total (C)**

###### D. Sustainable Development Reserve

As per last Balance Sheet  
Add : Addition during the year

**Total (D)**

###### E. General Reserve

As per last Balance Sheet  
Add: Transfer from statement of Profit & Loss  
Add: Transfer from CSR Reserve  
Add: Transfer from Reserve for Foreign Exchange Transaction

**Total (E)**

###### F. Surplus in statement of Profit & Loss

As per last Balance Sheet  
Profit after Tax during the year  
Less: Adjustment for Dividend of 2012-13  
Profit available for Appropriation

##### APPROPRIATION

Reserve for Foreign Exchange Transaction  
Transfer to General Reserve  
Transfer to CSR Reserve  
Transfer to Sustainable Development Reserve  
Interim Dividend  
Corporate Dividend Tax  
Proposed final Dividend on Equity Shares

**Total (F)**

**Total (A+B+C+D+E+F) :**

	As at 31.03.14	As at 31.03.13
<b>A. Capital Redemption Reserve</b>	<b>904.18</b>	<b>904.18</b>
As per last Balance Sheet	904.18	—
Add: Addition during the year	—	—
Less: Adjustment during the year	—	—
<b>Total (A)</b>	<b>904.18</b>	<b>904.18</b>
<b>B. Reserve for Foreign Exchange Transactions</b>	<b>4.68</b>	<b>97.82</b>
As per last Balance Sheet	4.68	97.82
Add : Addition during the year	—	—
Less: Transfer to General Reserve	4.68	93.14
<b>Total (B)</b>	<b>0.00</b>	<b>4.68</b>
<b>C. CSR Reserve</b>	<b>0.00</b>	<b>81.93</b>
As per last Balance Sheet	81.93	84.85
Add : Addition during the year	25.34	22.48
Less : Transfer to General Reserve (utilisation)	107.27	25.40
<b>Total (C)</b>	<b>0.00</b>	<b>81.93</b>
<b>D. Sustainable Development Reserve</b>	<b>18.66</b>	<b>8.47</b>
As per last Balance Sheet	8.47	—
Add : Addition during the year	10.19	8.47
<b>Total (D)</b>	<b>18.66</b>	<b>8.47</b>
<b>E. General Reserve</b>	<b>6504.61</b>	<b>4891.81</b>
As per last Balance Sheet	4891.81	3793.84
Add: Transfer from statement of Profit & Loss	1500.85	1072.57
Add: Transfer from CSR Reserve	107.27	25.40
Add: Transfer from Reserve for Foreign Exchange Transaction	4.68	—
<b>Total (E)</b>	<b>6504.61</b>	<b>4891.81</b>
<b>F. Surplus in statement of Profit &amp; Loss</b>	<b>23317.26</b>	<b>18162.02</b>
As per last Balance Sheet	8308.73	8367.70
Profit after Tax during the year	15008.54	9794.32
Less: Adjustment for Dividend of 2012-13	0.01	—
Profit available for Appropriation	23317.26	18162.02
<b>APPROPRIATION</b>		
Reserve for Foreign Exchange Transaction	—	(93.14)
Transfer to General Reserve	1500.85	1072.57
Transfer to CSR Reserve	25.34	22.48
Transfer to Sustainable Development Reserve	10.19	8.47
Interim Dividend	18317.46	6126.87
Corporate Dividend Tax	761.99	—
Proposed final Dividend on Equity Shares	—	2716.04
<b>Total (F)</b>	<b>2701.43</b>	<b>8308.73</b>
<b>Total (A+B+C+D+E+F) :</b>	<b>10128.88</b>	<b>14199.80</b>



## **NOTES TO BALANCE SHEET (Contd.) (STANDALONE)**

### **NOTE - 2 (Contd.)**

#### **CSR Reserve**

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

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

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

Out of the total expenses of ₹ 141.70 crore incurred and accounted for during the year accumulated CSR reserve upto 31.03.2014 amounting to ₹ 107.27 crore has been transferred to General Reserve from CSR Reserve as utilised.

#### **Sustainable Development Reserve**

Following the guidelines of Department of Public Enterprises, Ministry of Heavy Industries & Public Enterprises, vide its office memorandum dated 23rd September, 2011 issued "Guidelines on Sustainable Development for CPSEs", a Sustainable Development Reserve of ₹ 10.19 crore, equivalent to ₹ 50.00 lakh plus 0.1% of the profit after tax of previous year exceeding ₹ 100.00 crore has been created during the year by way of appropriation of profits.

#### **Interim Dividend**

CIL Board in its meeting held on 14/01/2014 declared an Interim Dividend @ ₹ 29.00 per share amounting to ₹ 18317.46 crore which has since been paid.

#### **Corporate Dividend Tax**

The above represent the Dividend Tax pertaining to the Dividend paid over and above the Dividend received from Subsidiaries, as per provision of Income Tax Act.

## NOTES TO BALANCE SHEET (Contd.) (STANDALONE)

	NOTE - 3	(₹ in crore)
	<b>As at 31.03.14</b>	<b>As at 31.03.13</b>
<b>LONG TERM BORROWING</b>		
<b>Term loan</b>		
IBRD (USD Nil, Prev.year USD 8.80 Crore)	—	482.20
JBIC (JPY Nil, Prev.year JPY 739.17 Crore)	—	432.19
<b>Total</b>	<b>—</b>	<b>914.39</b>
<b>CLASSIFICATION 1</b>		
Secured	—	—
Unsecured	—	914.39

The foreign currency loans drawn from JBIC & IBRD banks for implementation of Coal sector Rehabilitation project in various Subsidiaries has been prepaid on 05.11.2013 & 06.12.2013 consequent upon the decision of the Board of Directors of CIL taken in 299th & 300th meeting held on dated 26.06.2013 and 03.08.2013 respectively. However, in terms of the agreement with JBIC & IBRD banks, Coal India Ltd.had entered into back to back loan agreement with its participating Subsidiaries and therefore all other financial charges viz interest, guarantee fee etc. upto to the date of prepayment has been transferred through Current Account with Subsidiaries.



## NOTES TO BALANCE SHEET (Contd.) (STANDALONE)

### NOTE - 4

(₹ in crore)

OTHER LONG TERM LIABILITIES	As at 31.03.14	As at 31.03.13
<b>Shifting &amp; Rehabilitation Fund</b>		
Opening balance	2305.91	1977.03
Add: Interest from investment of the fund (Net of TDS )	203.67	193.46
Add: Contribution received	240.33	237.46
Less: Amount released to subsidiaries during the year	229.86	102.04
	<b>2520.05</b>	<b>2305.91</b>
Security Deposits	1.40	0.32
<b>Total</b>	<b>2521.45</b>	<b>2306.23</b>

#### Shifting and Rehabilitation Fund

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

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

Interest earned (Net of TDS) on bank deposits earmarked for this fund is credited to this fund.

## NOTES TO BALANCE SHEET (Contd.) (STANDALONE)

### NOTE - 5

(₹ in crore)

#### LONG TERM PROVISIONS

##### For Employee benefits

	As at 31.03.14	As at 31.03.13
- Gratuity	—	3.59
- Leave encashment	44.57	41.75
- Other employee benefits	122.23	105.31
Mine closure	18.63	10.38
Others	0.50	0.50
<b>TOTAL</b>	<b>185.93</b>	<b>161.53</b>

##### Provision for mine closure

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

As per the above guidelines an amount of ₹ 18.63 crore equivalent to provision existing on 31.03.2014 has been deposited in an escrow account opened during 2013-14 and has been disclosed separately in Note-17.



## NOTES TO BALANCE SHEET (Contd.) (STANDALONE)

### NOTE - 6

(₹ in crore)

SHORT TERM BORROWING	As at 31.03.14	As at 31.03.13
<b>Loan from Bank</b>	—	—
<b>Loans repayable on demand</b>	—	—
<b>Total :</b>	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>

### Cash Credit

Pending finalisation of formalities for transfer of assets and liabilities of erstwhile Coal Mine Authorities Ltd. and its divisions, now Coal India Ltd, the bank borrowings of Coal India Ltd. has been secured by creating charge against stock of coal, stock of stores and spare parts and book debts and other assets of CIL and its subsidiary companies.

The total working capital credit limit available to CIL is ₹ 550.00 crore, out of which fund based limit is ₹ 250.00 crore. The balance ₹ 300.00 crore limit is non-fund based and Coal India Limited is contingently liable to the extent such facility is actually utilised by the subsidiaries. There is no credit balance in the cash credit account.

### NOTE - 7

(₹ in crore)

TRADE PAYABLES	As at 31.03.14	As at 31.03.13
Sundry creditors for revenue stores	2.22	2.41
<b>TOTAL</b>	<hr/> <hr/>	<hr/> <hr/>

## **NOTES TO BALANCE SHEET (Contd.) (STANDALONE)**

		NOTE - 8	(₹ in crore)
		As at 31.03.14	As at 31.03.13
<b>OTHER CURRENT LIABILITIES</b>			
Current Maturities of Long Term Borrowings			
Term Loan From IBRD (USD Nil, Prev.year USD 1.89 Crore)	—	103.60	
Term Loan From JBIC (JPY Nil, Prev.year JPY 202.22 Crore)	—	118.24	
Surplus fund from subsidiaries parked	3568.24	5230.94	
Current account with subsidiaries	24.90	—	
For capital (including stores)	25.95	17.98	
For Expenses			
Salary Wages & Allowances	12.46	13.43	
Power & Fuel	1.18	1.02	
Others	<u>66.30</u>	<u>59.55</u>	
	79.94	<u>74.00</u>	
<b>Statutory Dues:</b>			
Sales Tax/Vat	1.91	1.60	
Provident Fund	3.64	3.66	
Central Excise Duty	—	—	
Royalty & Cess on Coal	9.50	6.07	
Stowing Excise Duty	—	0.08	
Clean Energy Cess	—	—	
Income Tax deducted/collected at Source	<u>9.25</u>	<u>13.20</u>	
	24.30	<u>24.61</u>	
Security Deposits	21.03	21.58	
Earnest money	13.53	16.07	
Advance & Deposit from customers / others	32.70	46.22	
Interest accrued but not due on borrowings			
IBRD (USD nil, prev. year USD 0.04 crore)	—	2.10	
JBIC (JPY nil, Prev. year JPY 2.33 crore)	—	1.36	
Current account with IICM	167.01	157.82	
Unpaid dividend*	7.41	11.21	
Ex-owner account	1.61	1.61	
Advance deposit others (Pre-nationalisation)	0.21	0.21	
Other liabilities	221.91	137.24	
<b>TOTAL</b>	<b>4188.74</b>	<b>5964.79</b>	

\* No amount is due for payment to Investor Education & Protection Fund



## NOTES TO BALANCE SHEET (Contd.) (STANDALONE)

### NOTE - 8 (Contd.)

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

#### 2. Current Accounts with Subsidiaries

The current account balances with the subsidiaries are reconciled on regular intervals, and the same as on 31.03.2014 has been reconciled. Adjustment arising out of reconciliation are carried out continuously. However revenue expenses pending adjustment are provided for.

#### 3. Current Account with IICM

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

During this year total contribution received from NEC and the subsidiaries on this account amounted to ₹ 23.09 crore. Further ₹ 12.37 crore (net) were remitted to IICM during the year; and hire charges / lease rent recovered from IICM amounted to ₹ 1.53 crore (excluding service tax applicable thereon).

#### 4. Consortium of CIL & ONGC

A sum of ₹ 17.65 crore has been spent by CMPDIL, a Subsidiary of Coal India Ltd. for Drilling and Exploration on account of Coal Bed Methane project (Jharia and Raniganj) of CIL and ONGC Consortium. The above expenses has been made out of remittance to CMPDIL, routed through the CMPDIL Current Account appearing in ' Current Account with Subsidiaries'.

### NOTE - 9

(₹ in crore)

#### SHORT TERM PROVISIONS

	As at 31.03.14	As at 31.03.13
For Employee Benefits		
- Gratuity	—	9.89
- Leave Encashment	10.05	7.94
- PPLB	8.58	7.88
- PRP	89.88	74.66
- Other Employee Benefits	29.69	22.40
For Proposed Dividend	—	2716.04
For Corporate Dividend Tax	—	—
For Income Tax	1554.60	1330.19
For Excise Duty on Closing Stock of Coal	5.21	2.61
<b>TOTAL</b>	<b>1698.01</b>	<b>4171.61</b>

## **NOTES TO BALANCE SHEET (Contd.) (STANDALONE)**

(₹ in crore)

NOTE - 10 A





## **NOTES TO BALANCE SHEET (Contd.) (STANDALONE)**

### **NOTE - 10 A (Contd.)**

#### **FIXED ASSETS**

1. *Land*
  - Title deeds for land acquired, in some cases, have not been executed in favour of the company and mutation in certain cases are yet to be executed.
  - Land in possession of North Eastern Coalfields, Assam, includes 8069.70 hectares of lease hold land for which no value has been shown in the Balance Sheet.
2. *Dankuni Coal Complex / Indian Institute of Coal Management :*
  - Fixed assets comprising power plant and related building and other assets having written down value as on 31.03.2014 of ₹ 17.71 crore, continue to be let out to South Eastern Coalfields Ltd. for a nominal lease rent of ₹ 1/- per annum under cancellable operating lease agreement. The above written down value of ₹ 17.71 crore includes land of ₹ 3.73 crore (at cost) and building of ₹ 6.52 crore (at WDV). The actual worth of the property is considered to be much higher than its WDV and hence no provision is called for.
  - Fixed assets comprising plant & machinery and related building and other assets having written down value as on 31.03.2014 of ₹ 13.84 crore have been let out to Indian Institute of Coal Management, a registered society under Societies Registration Act, 1860 for an annual lease rent of ₹ 1.53 crore under cancellable operating lease agreement.

## NOTES TO BALANCE SHEET (Contd.) (STANDALONE)

NOTE - 10 B  
(₹ in crore)

### CAPITAL WORK-IN-PROGRESS

PARTICULARS	COST		PROVISION		IMPAIRMENT LOSS		Total Provision & Impairment Loss	NET CARRYING VALUE
	As on 01.04.13	Addition during the year	Adj./Transfer during the year	As on 01.04.13	Addition during the year	Adj./Sales/Transfer during the year		
<b>Tangible Assets</b>								
Building/Water Supply/Roads & Curvets	104.41	81.84	(1.39)	184.86	0.05	—	0.05	104.36
Plant & Equipments	0.79	0.26	(0.70)	0.35	0.03	—	0.03	0.76
Railway Sidings	—	—	—	—	—	—	—	—
Development	2.34	—	(1.21)	1.13	—	—	—	2.34
Others	—	—	—	—	—	—	—	—
<b>TOTAL</b>	<b>107.54</b>	<b>82.10</b>	<b>(3.30)</b>	<b>186.34</b>	<b>0.08</b>	<b>—</b>	<b>0.08</b>	<b>186.26</b>
Tangible Assets (As on 31.03.2013)	60.83	45.94	0.77	107.54	0.08	—	0.08	107.46
<b>Surveyed off Assets</b>	<b>0.07</b>	<b>0.02</b>	<b>(0.02)</b>	<b>0.07</b>	<b>0.07</b>	<b>(0.01)</b>	<b>0.06</b>	<b>0.01</b>
Surveyed off Assets (As on 31.03.2013)	0.07	—	—	0.07	—	—	0.07	—
<b>Grand Total</b>	<b>107.61</b>	<b>82.12</b>	<b>(3.32)</b>	<b>186.41</b>	<b>0.15</b>	<b>(0.01)</b>	<b>0.14</b>	<b>186.27</b>
Grand Total (As on 31.03.2013)	60.90	45.94	0.77	107.61	0.15	—	0.15	107.46





**NOTES TO BALANCE SHEET (Contd.) (STANDALONE)**

**NOTE - 10 C**

**INTANGIBLE ASSETS UNDER DEVELOPMENT**

PARTICULARS	COST		PROVISION		IMPAIRMENT LOSS		Total Provision & Impairment Loss	NET CARRYING VALUE
	As on 01.04.13	Addition during the year	Adj./Sales/Transfer during the year	As on 01.04.13	Addition during the year	Adj./Sales/Transfer during the year		
<b>Intangible Assets</b>								
Development	7.24	3.04	(0.01)	10.27	2.91	—	2.91	As on 31.03.14
Prospecting & Boring	11.28	—	—	11.28	1.18	—	1.18	As on 31.03.14
<b>TOTAL</b>	<b>18.52</b>	<b>3.04</b>	<b>(0.01)</b>	<b>21.55</b>	<b>4.09</b>	<b>—</b>	<b>4.09</b>	<b>As on 31.03.14</b>
Intangible Assets (As on 31.03.2013)	16.75	2.22	(0.45)	18.52	4.09	—	4.09	As on 31.03.13

(₹ in crore)

## NOTES TO BALANCE SHEET (Contd.) (STANDALONE)

NON - CURRENT INVESTMENTS - (unquoted) at Cost	NOTE - 11			(₹ in crore)
	Number of shares current year/ (previous year)	Face value per share current year/ (previous year)	As at 31.03.14	As at 31.03.13
<b>Equity Shares in Joint Venture Companies</b>				
International Coal Venture Private Limited	2800000 (2800000)	10 ( 10 )	2.80	2.80
CIL NTPC Urja Private Limited	25000 (25000)	10 ( 10 )	0.02	0.02
<b>Equity Shares in Subsidiary Companies</b>				
Eastern Coalfields Limited	22184500 (22184500)	1000 (1000)	2218.45	2218.45
Central Coalfields Limited	9400000 (9400000)	1000 (1000)	940.00	940.00
Bharat Coking Coal Limited	21180000 (21180000)	1000 (1000)	2118.00	2118.00
Western Coalfields Limited	2971000 (2971000)	1000 (1000)	297.10	297.10
Central Mine Planning & Design Institute Limited	190400 (190400)	1000 (1000)	19.04	19.04
Northern Coalfields Limited	1776728 (1776728)	1000 (1000)	177.67	177.67
South Eastern Coalfields Limited	3597000 (3597000)	1000 (1000)	359.70	359.70
Mahanadi Coalfields Limited	1864009 (1864009)	1000 (1000)	186.40	186.40
Coal India Africana Limitada		(Quota Capital)	0.01	0.01
5% redeemable cumulative Preference Shares in Subsidiaries (Bharat Coking Coal Ltd.)	25390000 (25390000)	1000 (1000))	2539.00	2539.00
<b>Total</b>			<b>8858.19</b>	<b>8858.19</b>
Aggregate amount of unquoted investments			<b>8858.19</b>	<b>8858.19</b>
Aggregate amount of quoted investments			—	—
Market value of quoted investments			—	—



## **NOTES TO BALANCE SHEET (Contd.) (STANDALONE)**

### **NOTE - 11 (Contd.)**

(₹ in crore)

#### **NON - CURRENT INVESTMENTS - Unquoted at Cost**

##### *1. Investment in ECL and BCCL*

Investment of the company in equity share capital of Eastern Coalfields Limited (ECL) and Bharat Coking Coal Limited (BCCL) which are of long term in nature amounted to ₹ 2218.45 crore (₹ 2218.45 crore) and ₹ 2118.00 crore (₹ 2118.00 crore) respectively as on 31.03.2014. ECL and BCCL had become sick and were referred to BIFR under Sick Industrial Companies (Special Provisions) Act, 1985. The revival plan/ scheme of both ECL and BCCL had already been approved by BIFR and thereafter vetted by the concerned ministry.

The net worth of BCCL had turned positive at the end of the year 2012-13 and came out of BIFR. During 2013-14 it has continued to earn profit. Considering the improved financial position of BCCL, the investment in share of BCCL are valued at cost.

Further the implementation of the revival scheme in ECL will substantially improve the financial position of the company. ECL is also earning profit.

In view of above, the decline in value of investments, if any, is temporary in nature, and hence, are valued at cost.

##### *2. Investment in International Coal Ventures Pvt. Ltd.*

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

The aforesaid SPV viz. International Coal Ventures Pvt. Ltd. was initially formed by incorporation under Companies Act, 1956 on 20th May, 2009 with an authorised capital of ₹ 1.00 crore and paid up capital of ₹ 0.70 crore. The authorised Capital and paid up Capital as on 30.06.2013 stood at ₹ 1110.00 crore and ₹ 9.80 crore respectively. Out of above paid up capital, Coal India Ltd. is owning 2/7th share i.e. ₹ 2.80 crore face value of equity shares.

##### *3. Investment in CIL NTPC Urja Private Ltd.*

CIL NTPC Urja Pvt.Ltd., a 50:50 joint venture company was formed on 27th April'2010 between CIL & NTPC for setting up of joint integrated power plants along with mining of coal. Coal India Ltd. is holding 50% equity shares of face value of ₹ 0.02 crore in the joint venture company.

##### *4. Investment in Coal India Africana Limitada (100% owned subsidiary –Overseas)*

Coal India Ltd., has formed a 100% owned subsidiary in Republic of Mozambique, named "Coal India Africana Limitada" to explore non-coking coal properties in Mozambique. The initial paid up capital on such formation (known as "Quota Capital") is ₹ 0.01 crore (USD 1000).

## NOTES TO BALANCE SHEET (Contd.) (STANDALONE)

### NOTE - 12

(₹ in crore)

#### LONG TERM LOANS & ADVANCES

##### **Loans**

Loans to subsidiaries

Eastern Coalfields Ltd.

Balance with subsidiaries (World Bank)

Loan to employees ( House Building )

- Secured considered good
- Unsecured considered good
- Doubtful

For Motor Car and other conveyance

- Secured considered good
- Unsecured considered good
- Doubtful

Less : Provision for Doubtful Loans and Advances

##### **Advances**

For capital

- Secured considered good
- Unsecured considered good
- Doubtful

Less : Provision for doubtful Loans & Advances

For revenue

- Secured considered good
- Unsecured considered good
- Doubtful

Less : Provision for doubtful Loans & Advances

Deposit for P&T, Electricity etc.

- Secured considered good
- Unsecured considered good
- Doubtful

Less : Provision for doubtful deposits

#### TOTAL

##### CLASSIFICATION

Secured

Unsecured - Considered good

- Considered doubtful

As at  
31.03.14

As at  
31.03.14

As at  
31.03.13

518.97

518.97

1136.23

1.13

1.03

1.03

—

0.01

—

—

—

—

—

0.01

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—

—



## NOTES TO BALANCE SHEET (Contd.) (STANDALONE)

### NOTE - 12 (Contd.)

(₹ in crore)

#### LONG TERM LOANS & ADVANCES

	Closing Balance		Maximum amount due at any time during	
	Current Period	Previous Period	Current Period	Previous Period
Due by the Companies in which Director(s) of the Company is/are also a Director(s)/Member(s)	—	—	—	—
Due by the parties in which the Director(s) of Company is/are interested	—	—	—	—

##### 1. Advances for Capital

Full provision is kept in the accounts against an old advance amounting to ₹ 3.58 crore paid to M/s MAMC (now a sick company) for arranging supply of imported spares on behalf of BCCL, a subsidiary company.

##### 2. Loans to subsidiaries

Loan account balance with ECL of ₹ 518.97 crore.

ECL is a sick company and referred to BIFR. On implementation of BIFR scheme ECL is turning around and is earning profits. In view of their financials turning around no provision has been considered on loan for ₹ 518.97 crore.

## NOTES TO BALANCE SHEET (Contd.) (STANDALONE)

### NOTE - 13

(₹ in crore)

<b>OTHER NON-CURRENT ASSETS</b>	<b>As at 31.03.14</b>	<b>As at 31.03.13</b>
Exploratory drilling work (for Eastern Coalfields Ltd)		
- secured considered good	—	—
- Unsecured considered good	—	—
- Doubtful	104.86	89.47
	104.86	89.47
Less: Provision	104.86	89.47
Other Receivables	—	—
- secured considered good	—	—
- Unsecured considered good	—	—
- Doubtful	0.31	0.31
	0.31	0.31
Less: Provision	0.31	0.31
<b>TOTAL</b>	—	—
<b>CLASSIFICATION</b>		
Secured	—	—
Unsecured - Considered good	—	—
- Considered Doubtful	105.17	89.78

	<b>Closing balance</b>		<b>Maximum amount due at any time during</b>	
	<b>Current period</b>	<b>Previous Period</b>	<b>Current period</b>	<b>Previous Period</b>
Due by the Companies in which Director(s) of the Company is/are also a Director(s)/Member(s)	—	—	—	—
Due by the parties in which the Director(s) of Company is/are interested	—	—	—	—

### Exploratory Drilling Work

In view of a critically weak financial position of ECL which is under BIFR, expenditure incurred by CMPDIL on exploratory drilling works falling under the command area of ECL is initially funded by CIL and shown as above (advance). Such advance, if remains unadjusted for five years since they were accounted for is written off.

However, since CIL is required to write off the same as aforesaid as an abundant precaution, advance made on this account during the year is fully provided for.

### NOTE - 14

(₹ in crore)

<b>CURRENT INVESTMENTS - (unquoted) at cost</b>	<b>Number of units current year/ (previous year)</b>	<b>NAV</b>	<b>As at 31.03.14</b>	<b>As at 31.03.13</b>
<b>NON-TRADE</b>				
Mutual Fund Investment				
UTI Mutual Fund	3209456.913	1019.4457	327.19	41.97
(412008.366)				
LIC Mutual Fund	(Nil)	—	—	41.97
(382532.883)				
SBI Mutual Fund	3590093.355	1003.2500	360.18	41.97
(418661.027)				
Canara Robeco Mutual Fund	575800.328	1005.5000	57.90	41.97
(417763.328)				
Union KBC Mutual Fund	454500.863	1000.6506	45.48	41.97
(Nil)				
<b>Total</b>			<b>790.75</b>	<b>167.88</b>
Aggregate of unquoted investments			790.75	167.88
Fair value of unquoted investments (NAV)			790.75	168.01
Provision made for diminution in the value of investments			—	—



## NOTES TO BALANCE SHEET (Contd.) (STANDALONE)

	NOTE - 15		(₹ in crore)
<b>INVENTORIES</b>			
Stock of Coal	38.58	As at 31.03.14	As at 31.03.13
Less : Provision	0.44		13.55 0.44
<b>A Stock of Coal (Net)</b>	<b>38.14</b>		<b>13.11</b>
Stock of Stores & Spares (at cost)	2.71		3.29
Less : Provision	1.09		0.94
<b>B Net Stock of Stores &amp; Spares (at cost)</b>	<b>1.62</b>		<b>2.35</b>
<b>C Stock of Medicine at Central Hospital</b>	<b>0.11</b>		<b>0.20</b>
<b>Total (A + B + C)</b>	<b>39.87</b>		<b>15.66</b>

	NOTE - 16		(₹ in crore)
<b>TRADE RECEIVABLES</b>			
Debts outstanding for a period exceeding six months from the due date			
- Secured considered good	—		—
- Unsecured considered good	0.54		0.01
- Doubtful	10.77		10.77
	11.31		10.78
	10.77		10.77
Less : Provision for bad & doubtful debts	<b>0.54</b>		0.01
Other Debts			
- Secured considered good	—		—
- Unsecured considered good	14.57		1.47
- Doubtful	—		—
	14.57		1.47
<b>Total</b>	<b>15.11</b>		<b>1.48</b>
<b>Classification :</b>			
Secured	—		—
Unsecured - Considered Good	15.11		1.48
- Considered Doubtful	10.77		10.77

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

## NOTES TO BALANCE SHEET (Contd.) (STANDALONE)

### NOTE - 17

(₹ in crore)

	<b>As at 31.03.14</b>	<b>As at 31.03.13</b>
<b>CASH &amp; BANK BALANCE</b>		
<b>Cash &amp; Cash Equivalent</b>		
Balances with Scheduled Banks		
- In Deposit Accounts with maturity upto 3 months	110.39	733.00
- In Current Accounts	68.00	48.68
- In Cash Credit Accounts	0.51	2.55
Cheques, Drafts and Stamps in hand	—	—
Cash in hand	0.03	0.03
<b>Other Bank Balances</b>		
Balances with Scheduled Banks		
- In deposit accounts with maturity of more than 3 months not exceeding 12 months	4916.73	13935.12
- In deposit accounts with maturity of more than 12 months	2159.22	1100.00
- In deposit accounts under Shifting and Rehabilitation Fund Scheme with maturity of more than 3 months not exceeding 12 months	705.74	2273.69
- In deposit accounts under Shifting and Rehabilitation Fund Scheme with maturity of more than 12months	1831.18	—
Escrow Account for Mine Closure Fund	18.63	—
Balance in dividend account (Interim dividend 2012-13)	—	8.46
Balance in unpaid dividend accounts	7.41	2.75
<b>Total</b>	<b>9817.84</b>	<b>18104.28</b>



## NOTES TO BALANCE SHEET (Contd.) (STANDALONE)

### NOTE - 18

(₹ in crore)

#### SHORT TERM LOANS & ADVANCES

##### ADVANCE

Advance to suppliers

For revenue

- Secured considered good —
- Unsecured considered good 0.04
- Doubtful 0.22

	As at 31.03.14	As at 31.03.13
	—	—
Less : Provision for doubtful advances	<u>0.26</u>	<u>0.23</u>
	0.04	0.01
	<u>0.22</u>	<u>0.22</u>

Advance payment of statutory dues

Sales tax

- Secured considered good —
- Unsecured considered good —
- Doubtful 0.02

Less : Provision for doubtful advances	—	—
	—	—
Cenvat credit receivable	—	—
Advance income tax / Tax deducted at source	—	—
Others	—	—

- Secured considered good —
- Unsecured considered good 0.02
- Doubtful —

Less : Provision for doubtful advances	—	—
	—	—
Cenvat credit receivable	—	—
Advance income tax / Tax deducted at source	—	—
Others	—	—

- Secured considered good —
- Unsecured considered good 0.02
- Doubtful —

Less : Provision for doubtful advances	—	—
	—	—
Advance to employees	—	—
- Secured considered good —	—	—
- Unsecured considered good 27.09	27.09	28.75
- Doubtful —	—	—
Less : Provision for doubtful advances	—	—
	—	—
Current account with subsidiaries	—	—
Claims receivables	—	—

- Secured considered good —
- Unsecured considered good 27.09
- Doubtful —

Less : Provision for doubtful advances	—	—
	—	—
Current account with subsidiaries	—	—
Claims receivables	—	—

- Secured considered good —
- Unsecured considered good 27.09
- Doubtful —

Less : Provision for doubtful claims	—	—
	—	—
Prepaid expenses	—	—
<b>TOTAL</b>	<b>4014.70</b>	<b>4067.31</b>
CLASSIFICATION		

Secured

Unsecured - Considered good  
- Considered doubtful

—  
4014.70  
2.95  
—  
4067.31  
3.38

## NOTES TO BALANCE SHEET (Contd.) (STANDALONE)

### NOTE - 18 (Contd.)

(₹ in crore)

#### SHORT TERM LOANS & ADVANCES

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

#### Current accounts with subsidiaries

The balances of the current account with the subsidiaries are reconciled at regular intervals, and the same as on 31.03.2014 has also been reconciled. Adjustments arising out of reconciliation are carried out continuously. However revenue expenses pending adjustment are provided for.

Further current account with subsidiaries also includes dues from ECL of ₹ 1714.31 crore.

ECL is sick and referred to BIFR. On implementation of BIFR scheme ECL is turning around and have started earning profit. In view of its financials turning around no provision has been considered on such loans and advances.

For Current Account with BCCL refer details stated in Note-11- investment in ECL & BCCL.

### NOTE - 19

(₹ in crore)

#### OTHER CURRENT ASSETS

	As at 31.03.14	As at 31.03.13
Interest accrued		
Deposit with banks	283.32	780.46
Other advances	179.42	3.29
Less: Provision	0.01	0.01
	179.41	3.28
Deposits		
Deposit for customs duty, port charges etc.	0.88	0.99
Less: Provision	0.79	0.79
	0.09	0.20
Others	63.80	0.06
Less: Provision	0.06	0.06
	63.74	—
Amount receivable from Govt of India for transactions on behalf of Ex-Coal Board	2.18	2.00
Less: Provision	2.18	2.00
	—	—
Assam Land Tax recoverable	0.43	—
Other receivables	13.06	6.97
Less: Provision	2.60	2.86
	10.46	4.11
<b>TOTAL</b>	<b>537.45</b>	<b>788.05</b>



## NOTES TO STATEMENT OF PROFIT & LOSS (STANDALONE)

	NOTE - 20	(₹ in crore)	
	<b>For the Year ended 31.03.14</b>	<b>For the Year ended 31.03.13</b>	
<b>REVENUE FROM OPERATIONS</b>			
<b>Sale of Coal</b>	395.53	443.38	
<b>Less: Excise Duty</b>	<u>22.55</u>	<u>26.75</u>	416.63
<b>Less : Other Levies</b>			
Royalty	41.16	43.50	
Stowing Excise Duty	0.58	0.62	
Central Sales Tax	7.12	7.90	
Clean Energy Cess	2.88	3.09	
State Sales Tax/VAT	2.60	4.87	
Other Levies	4.39	4.40	
<b>TOTAL LEVIES</b>	<u>58.73</u>		<b>64.38</b>
<b>Revenue From Operations (Net sales)</b>	<b><u>314.25</u></b>		<b><u>352.25</u></b>

Revenue from operations (Net Sales) include the adjustment for credit note of ₹ 2.95 crore issued to NTPC with regard to settlement of GCV related issues, against Coal sales during the period from October,2012 to March, 2014, (From October, 2012 to March, 2013 - ₹ 1.11 crore and from April,2013 to March, 2014 - ₹ 1.84 crore).

## NOTES TO STATEMENT OF PROFIT & LOSS (STANDALONE)

	NOTE - 21	(₹ in crore)
	<b>For the Year ended 31.03.14</b>	<b>For the Year ended 31.03.13</b>
<b>OTHER INCOME</b>		
<b>Income From Non-Current Investments</b>		
Dividend from Subsidiaries	14406.82	9038.08
<b>Income From Current Investments</b>		
Dividend from Mutual Fund Investments	107.20	68.65
<b>Income From Others</b>		
Interest (Gross)		
From Deposit with Banks	1300.40	1658.61
(TDS ₹ 162.47 crore, previous year ₹ 173.25 crore)		
From Loans and Advances to Employees	0.52	1.24
Others (TDS ₹ 3.15 crore, previous year ₹ 1.55 crore)	30.82	20.21
Apex Charges (TDS ₹ 23.92 crore, previous year ₹ 21.71 crore)	212.91	193.24
Subsidy for Sand Stowing & Protective Works	0.03	0.28
Profit on Sale of Assets	0.04	—
Recovery of Transportation & Loading Cost	3.06	2.72
Exchange Rate Variance	—	0.03
Lease Rent (TDS ₹ 0.15 crore, previous year ₹ 0.15 crore)	1.53	1.53
Liability/Provision Write Back	12.48	83.35
Recruitment fees from applicants	0.60	5.27
Guarantee fee from Subsidiaries	16.22	17.04
Less: Guarantee fee on IBRD & JBIC Loan	12.98	13.63
<b>TOTAL</b>	<b>16089.85</b>	<b>11088.01</b>



## **NOTES TO STATEMENT OF PROFIT & LOSS (Contd.) (STANDALONE)**

### **NOTE - 21 (contd.)**

#### **OTHER INCOME**

- Apex charge and interest from ECL and BCCL.

Till FY.2012-13, recognition of revenue in respect of interest claim on other loans and advances attributable to Bharat Coking Coal Ltd. had been deferred in consistence with the provision of Accounting Standard-9 (Revenue Recognition) of Institute of Chartered Accountants of India. The Net Worth of BCCL had turned positive at the end of the year 2012-13 and came out of BIFR and consequent upon decision of the Board of Directors of CIL vide its 301st meeting held on 13.11.2013, interest accrued upto 31.03.2013 for ₹ 396.64 crore has been waived and interest for the period from 01.04.2013 to 31.03.2014 for ₹ 11.43 crore has been recognised. Similarly service charges payable to Coal India Ltd. by BCCL are also been recognised during the year.

Recovery of interest from ECL is already waived by CIL Board as under:-

Coal India Ltd. Board vide its 209th meeting held on 25th July, 2003 (Item No.209:4B) has granted relief and concession on several account for revival of Eastern Coalfields Ltd. as sought by the operating agencies. Such relief and concession inter alia include:

- Waiver of interest due on unsecured loans from Coal India Ltd. amounting to ₹ 135.00 crore as outstanding on 31.03.2002.
- Waiver of future interest on unsecured loan of ₹ 519.00 crore till Eastern Coalfields Ltd.'s networth becomes positive.
- Waiver of service charges payable to Coal India Ltd. till Eastern Coalfields Ltd.'s networth becomes positive.

Accordingly, no interest and service charges are charged during the year to ECL.

- Final dividend of 2012-13 received from CCL(₹ 436.37 crore), WCL (₹ 194.60 crore), NCL (₹ 609.28 crore), MCL (₹ 1028.94 crore), SECL (₹ 1142.05 crore) and Interim dividend from SECL (₹ 2302.58 crore), MCL (₹ 5983.16 crore), NCL (₹ 2136.84 crore) and CCL (₹ 573.00 crore) has been accounted for during this year.
- Dividend from mutual fund investments/ interest from deposits with Banks above also includes that from investments of amount lying in Current Account with IICM.

### **NOTE - 22**

(₹ in crore)

#### **COST OF MATERIALS CONSUMED**

	<b>For the Year ended 31.03.14</b>	<b>For the Year ended 31.03.13</b>
Explosives	5.01	2.84
Timber	0.45	0.57
P O L	3.58	4.51
HEMM Spares	0.08	0.12
Other Consumable Stores & Spares	3.24	3.57
<b>TOTAL</b>	<b>12.36</b>	<b>11.61</b>

## NOTES TO STATEMENT OF PROFIT & LOSS (Contd.) (STANDALONE)

### NOTE - 23

(₹ in crore)

#### CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE

	For the Year ended 31.03.14	For the Year ended 31.03.13
Closing Stock of Coal	38.58	13.55
Less: Deterioration of Coal	0.44	0.44
	<b>38.14</b>	<b>13.11</b>
Opening Stock of Coal	13.55	16.09
Less: Deterioration of Coal	0.44	0.44
	<b>13.11</b>	<b>15.65</b>
<b>Change in Inventory of Stock in trade</b> [Decretion / (Accretion)]	<b>(25.03)</b>	<b>2.54</b>

### NOTE - 24

(₹ in crore)

#### EMPLOYEE BENEFITS EXPENSE

	For the Year ended 31.03.14	For the Year ended 31.03.13
Salary, Wages, Allowances, Bonus etc.	254.10	231.25
Ex-Gratia	9.46	9.42
PRP	15.22	15.23
Contribution to P.F. & Other Funds	26.45	26.01
Gratuity	9.22	11.20
Leave Encashment	15.87	12.42
Workman Compensation	—	0.15
Medical Expenses	11.16	10.01
Grants to School & Institutions	1.30	0.83
Sports & Recreation	0.57	0.66
Canteen & Creche	0.21	0.17
Power (Township)	6.29	5.67
Hire Charge of Bus, Ambulance etc.	0.83	0.50
Other Employee Benefits	4.32	23.24
<b>TOTAL</b>	<b>355.00</b>	<b>346.76</b>



## NOTES TO STATEMENT OF PROFIT & LOSS (Contd.) (STANDALONE)

### NOTE - 25

(₹ in crore)

#### WELFARE EXPENSES

	For the Year ended 31.03.14	For the Year ended 31.03.13
Medical Expenses for Retired Employees	19.56	71.84
Tree Plantation	0.05	0.03
CSR Expenses	141.70	23.73
Environmental Expenses	0.01	0.06
Other Expenses	0.75	2.31
<b>Total</b>	<b>162.07</b>	<b>97.97</b>

### NOTE - 26

(₹ in crore)

#### REPAIRS

	For the Year ended 31.03.14	For the Year ended 31.03.13
Building	5.24	7.63
Plant & Machinery	0.87	0.47
Others	1.27	1.96
<b>Total</b>	<b>7.38</b>	<b>10.06</b>

### NOTE - 27

(₹ in crore)

#### CONTRACTUAL EXPENSES

Transportation Charges :

	For the Year ended 31.03.14	For the Year ended 31.03.13
- Coal	0.17	0.15
Wagon Loading	1.91	1.66
Hiring of P&M	76.71	51.65
Other Contractual Work	0.60	0.91
<b>Total</b>	<b>79.39</b>	<b>54.37</b>

## NOTES TO STATEMENT OF PROFIT & LOSS (Contd.) (STANDALONE)

### NOTE - 28

(₹ in crore)

#### FINANCE COSTS

	For the Year ended 31.03.14	For the Year ended 31.03.13
<b>Interest Expenses</b>		
Interest on IBRD & JBIC Loan	11.84	20.04
Less: Transferred to subsidiaries	<u>11.84</u>	<u>20.04</u>
	—	—
Interest to Subsidiaries on surplus fund parked	258.41	375.30
Others	0.13	0.15
<b>TOTAL (A)</b>	<b><u>258.54</u></b>	<b><u>375.45</u></b>
<b>Other Finance Cost</b>		
Bank commitment and allocation charges	—	0.20
<b>TOTAL (B)</b>	<b><u>—</u></b>	<b><u>0.20</u></b>
<b>TOTAL (A+B)</b>	<b><u>258.54</u></b>	<b><u>375.65</u></b>

#### *Interest to Subsidiaries paid on Surplus Fund*

Interest has been paid on surplus fund parked by subsidiaries except on fund earmarked as interest free. Such interest is paid at annualised average yield rate at which CIL earns from its investment in fixed deposits with banks. No interest is considered on funds given free of interest by NCL ₹ 508.52 crore & MCL ₹ 184.55 crore as these funds were transferred to ECL & BCCL (and remain outstanding till 31.03.2014) for specific purposes as interest free advances.



## NOTES TO STATEMENT OF PROFIT & LOSS (Contd.) (STANDALONE)

### NOTE - 29

(₹ in crore)

#### PROVISIONS ( NET OF REVERSAL )

##### (A) PROVISION MADE FOR

	For the Year ended 31.03.14	For the Year ended 31.03.13
Doubtful Advances & Claims	35.29	16.37
Stores & Spares	0.15	0.06
Mine Closure expenses	5.14	3.29
Others	—	0.09
<b>TOTAL(A)</b>	<b>40.58</b>	<b>19.81</b>

##### (B) PROVISION REVERSAL

Doubtful Advances & Claims	0.28	0.01
Surveyed of Fixed Assets/Capital WIP	0.01	—
Stores & Spares	—	0.05
Others	—	0.01

<b>TOTAL(B)</b>	<b>0.29</b>	<b>0.07</b>
<b>TOTAL (A-B)</b>	<b>40.29</b>	<b>19.74</b>

### NOTE - 30

(₹ in crore)

#### WRITE OFF ( Net of past provisions )

Doubtful advances  
Less :- Provided earlier

**TOTAL**

**For the Year  
ended  
31.03.14**

**For the Year  
ended  
31.03.13**

20.15	11.45	—
20.15	11.45	—
—	—	—

## NOTES TO STATEMENT OF PROFIT & LOSS (Contd.) (STANDALONE)

### NOTE - 31

(₹ in crore)

#### OTHER EXPENSES

	For the Year ended 31.03.14	For the Year ended 31.03.13
Travelling expenses		
- Domestic	11.04	11.55
- Foreign	0.37	0.45
Training Expenses	3.87	3.28
Telephone & Postage	1.02	1.80
Advertisement - Others	8.60	7.16
Demurrage	0.07	0.20
Donation/Subscription	0.62	1.18
Security Expenses	3.98	3.69
Hire Charges	4.09	2.92
CMPDI Expenses	0.53	0.74
Legal Expenses	4.74	3.92
Bank Charges	0.06	0.10
Guest House Expenses	0.61	0.62
Consultancy Charges	9.46	5.53
Under Loading Charges	1.65	2.29
Loss on Sale/Discard/Surveyed of Assets	0.01	—
Auditor's Remuneration & Expenses		
- For Audit Fees	0.05	0.05
- For Taxation Matters	—	—
- For Company Law Matters	—	—
- For Management Services	—	—
- For Other Services	0.14	0.12
- For Reimbursement of Expenses	0.06	0.03
Internal & Other Audit Expenses	0.20	0.19
Rent	7.04	19.82
Rates & Taxes	0.84	3.20
Wealth Tax	0.23	0.14
Insurance	0.42	0.51
Loss on Foreign Exchange Transactions	—	93.14
Loss on Exchange Rate Variance	0.15	0.02
Rescue/Safety Expenses	0.07	0.10
Dead Rent/Surface Rent	0.27	0.52
Siding Maintenance Charges	0.16	0.13
Printing & stationery	2.18	2.27
Meeting expenses	2.08	2.01
Brokerage & Commission	1.58	1.41
Excise duty on stock	2.60	—
Commitment Fees	8.33	—
Miscellaneous expenses	3.22	2.65
<b>TOTAL (A)</b>	<b>80.34</b>	<b>171.74</b>



## NOTES TO STATEMENT OF PROFIT & LOSS (Contd.) (STANDALONE)

### NOTE - 32

(₹ in crore)

#### PRIOR PERIOD ADJUSTMENT

##### (A) Expenditure

Contractual Expenses  
Other Expenditure

**TOTAL (A)**

##### (B) Income

Other Income

**TOTAL (B)**

**TOTAL (A-B) {Charge/(Income)}**

**For the Year  
ended 31.03.14**

**For the Year  
ended 31.03.13**

—

—

—

—

—

—

—

—

## (STANDALONE)

### NOTE - 33

#### A. SIGNIFICANT ACCOUNTING POLICIES

##### 1.0 Accounting Convention:

Financial statements are prepared under the historical cost convention and on accrual basis of accounting and going concern concept, in accordance with the generally accepted accounting principles in India and the relevant provisions of the Companies Act, 1956 including accounting standards notified there under, except otherwise stated.

##### 2.0 Subsidies / Grants from Government:

- 2.1 Subsidies / Grants on capital account are deducted from the cost of respective assets to which they relate. The unspent amount at the Balance Sheet date, if any, is shown as current liabilities.
- 2.2 Subsidies / Grants on revenue account are credited to Statement of Profit & Loss under the head- Other Income and the relevant expenses are debited to the respective heads. The unspent amount at the Balance Sheet date, if any, is shown as current liabilities.
- 2.3 Subsidies / Grants from Government received as an implementing agency.
- 2.3.1 Certain Grant / Funds received under S&T, PRE, EMSC, CCDA etc. as an implementing agency and used for creation of assets are treated as Capital Reserve and depreciation thereon is debited to Capital Reserve Account. The ownership of the asset created through grants lies with the authority from whom the grant is received.
- 2.3.2 Grant / Funds received as Nodal/Implementing Agency are accounted for on the basis of receipts and disbursement.

##### 3.0 Fixed Assets:

###### 3.1 Land:

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

###### 3.2 Plant & Machinery:

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

###### 3.3 Railway Siding:

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

###### 3.4 Development:

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

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

##### 4.0 Prospecting & Boring and other Development Expenditure:

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



## **(STANDALONE)**

### **5.0 Investments:**

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

Non-Current investments are carried at cost. However, when there is a decline, other than temporary, in the value of the long term investment, the carrying amount is reduced to recognize the decline.

### **6.0 Inventories:**

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

6.1.1 Coal & coke fines are valued at lower of cost or net realisable value.

6.1.2 Slurry (coking/semi-coking), middling of washeries and by products are valued at net realisable value.

6.2 Stores & Spares:

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

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

6.2.3 Stores & spare parts include loose tools.

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

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

### **7.0 Depreciation:**

7.1. Depreciation on fixed assets is provided on straight line method at the rates and manner specified in Schedule XIV of the Companies Act, 1956 (as amended) except for telecommunication equipment , photocopying machine, fax machines, mobile phones, digitally enhanced cordless telephone and computer (including printer & scanner), which are charged at higher rates on the basis of their technically estimated life, as follows :-

Telecommunication equipment	: -	15.83% p.a. and 10.55% p.a.
Photocopying machine	: -	23.75% p.a.
Fax machine	: -	31.67% p.a.
Mobile phone	: -	31.67% p.a.
Digitally enhanced cordless telephone	: -	31.67% p.a.
Computer (including printer & scanner)	: -	31.67% p.a.

Depreciation on Earth Science Museum and high volume respiratory dust samplers are charged @5.15% and 33.33% respectively on the basis of their technically estimated life.

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

Depreciation on SDL and LHD (equipments) are charged @19% p.a. and @15.83% p.a. respectively on the basis of technical estimation.

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

## (STANDALONE)

- 7.2 Value of land acquired under Coal Bearing Area (Acquisition & Development) Act, 1957 is amortised on the basis of the balance life of the project. Value of leasehold land is amortised on the basis of lease period or balance life of the project whichever is earlier.
- 7.3 Prospecting, Boring and Development expenditure are amortised from the year when the mine is brought under revenue in 20 years or working life of the project whichever is less.

### **8.0 Impairment of Asset:**

Impairment loss is recognised wherever the carrying amount of an asset is in excess of its recoverable amount and the same is recognized as an expense in the statement of profit and loss and carrying amount of the asset is reduced to its recoverable amount.

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased.

### **9.0 Foreign Currency Transactions:**

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

### **10.0 Retirement benefits / other employee benefits:**

#### **10.1 Defined contributions plans:**

The company has defined contribution plans for payment of Provident Fund and Pension Fund benefits to its employees. Such Provident Fund and Pension Fund are maintained and operated by the Coal Mines Provident Fund (CMPF) Authorities. As per the rules of these schemes, the company is required to contribute a specified percentage of pay roll cost to the CMPF Authorities to fund the benefits.

#### **10.2 Defined benefits plans:**

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

#### **10.3 Other employee benefits:**

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

### **11.0 Recognition of Income and Expenditure:**

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

### **12.0 Sales**

- 12.1 Revenue in respect of sales is recognised when the property in the goods with the risks and rewards of ownership are transferred to the buyer.
- 12.2 Sale of coal are net of statutory dues and accepted deduction made by customer on account of quality of coal.
- 12.3 The revenue recognition is done where there is reasonable certainty of collection. On the other hand, revenue recognition is postponed in case of uncertainty as assessed by management.

### **13.0 Dividend**

Dividend income is recognised when right to receive is established.

### **14.0 Borrowing Costs:**

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



## (STANDALONE)

### 15.0 Taxation:

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

### 16.0 Provision:

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

### 17.0 Contingent Liability:

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

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

### 18.0 Overburden Removal (OBR) Expenses :

In open cast mines with rated capacity of one million tonnes per annum and above, cost of OBR is charged on technically evaluated average ratio (COAL: OB) at each mine with due adjustment for advance stripping and ratio-variance account after the mines are brought to revenue. Net of balances of advance stripping and ratio variance at the Balance Sheet date is shown as cost of removal of OB under the head Non - Current Assets/ Long Term Provisions as the case may be.

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

Annual Quantum of OBR of the Mine	Permissible limits of variance	
	I	II
	%	Quantum (in Mill.Cu. Mtr.)
Less than 1 Mill. CUM	+/- 5%	0.03
Between 1 and 5 Mill. CUM	+/- 3%	0.20
More than 5 Mill. CUM	+/- 2%	Nil

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

### 19.0 Prior Period Adjustments and Prepaid Expenses:

Income / expenditures relating to prior period and prepaid expenses, which do not exceed ₹ 0.10 Crore in each case, are treated as income / expenditure of current year.

**NOTE – 34**
**ADDITIONAL NOTES ON ACCOUNTS (STANDALONE)**
**i) Contingent Liabilities / Commitments**

- The amount remaining to be executed on capital account not provided for is ₹ 45.44 crore (₹ 108.23 crore).
- The amount remaining to be executed on revenue account not provided for is ₹ 510.83 crore (₹ 458.95 crore).
- Claims against the company not acknowledged as debts are ₹ 1802.25 crore (₹ 23.85 crore).
- The Competition Commission of India (CCI), on the basis of complaints by few coal customers (called as 'informant' in the case) against certain conducts of M/S Coal India Limited, M/S Western Coalfields Limited, M/S South Eastern Coalfields Limited, M/S Mahanadi Coalfields Limited (called as 'opposite party' in the case) heard the case and vide its order dated 09.12.2013, had inter-alia imposed a penalty of ₹ 1773.05 crore which is to be deposited within 60 days of receipt of the order.

The appeal against the above order has already been filed and the hearing is taking place from time to time.

The Competition Appellate Tribunal vide its interim order dated 13.01.14, has granted status quo until further orders, in respect of implementation of directions/restraints (other than the imposition of penalty) ordered by CCI on 09.12.13.

Further, the Competition Appellate Tribunal in the hearing dated 26.02.2014 has agreed to grant stay in favour of CIL on the order of penalty of ₹ 1773.05 crore pending disposal of Appeal, on the condition that CIL deposits a token penalty of ₹ 50 crore within 3 weeks from the date of the order. Accordingly the said sum of ₹ 50 crore has been deposited on 12th March 2014.

In view of the above, the entire amount of penalty of ₹ 1773.05 crore under appeal has been shown as contingent liability and included with ₹ 1802.25 crore mentioned above, with corresponding ₹ 50 crore under deposits in the books of Coal India Limited being a holding company.

- The company has given guarantee for loans obtained by subsidiaries from Export Development Bank of Canada (EDC) and Liebherr France the outstanding balance of which as on 31.03.2014 stood at ₹ 168.07 crore (₹ 160.35 crore) and ₹ 9.75 crore (₹ 8.72 crore) respectively.
- As on 31.03.2014 outstanding letters of credits amounted to ₹ 59.66 crore (₹ 216.41 crore).

**ii) Long Term & Short Term Provision ( Refer Note 5 & Note 9)**
*Provision for Employee Benefits*

The disclosures as per actuary's certificate for employee benefits for gratuity and leave encashment are given below:-

**ACTUARIAL VALUATION OF GRATUITY LIABILITY AS AT 31-03-2014**

CERTIFICATES AS PER ACCOUNTING STANDARD 15 (Revised 2005)

(₹ in crore)

<b>Table 1 : Disclosure Item 120 ( c )</b> <b>Table showing changes in Present Value of obligations</b>	<b>As at</b>	
	<b>31.03.2014</b>	<b>31.03.2013</b>
Present Value of obligations at beginning of the year	156.50	152.90
Acquisition Adjustment	0.00	0.00
Interest Cost	12.44	11.38
Past Service Cost	0.00	0.00
Current Service Cost	7.26	7.11
Curtailment Cost	0.00	0.00
Settlement Cost	0.00	0.00
Benefits Paid	20.32	21.16
Actuarial Gain / Loss on obligations	-8.90	6.27
Present Value of Obligation at the end of the year	146.98	156.50



## (STANDALONE)

(₹ in crore)

<b>Table 2 : Disclosure Item 120 ( e )</b> <b>Table showing changes in Fair Value of Plan Assets</b>	<b>As at</b>	
	<b>31.03.2014</b>	<b>31.03.2013</b>
Fair Value of Plan Asset at Beginning of the year	152.91	130.11
Acquisition Adjustment	0.00	0.00
Expected Return on Plan Asset	13.00	10.41
Contributions	22.56	29.94
Benefits Paid	20.32	21.16
Actuarial gain/loss on Plan Asset	1.69	3.61
Fair Value of Plan Asset at end of the year	169.83	152.91

(₹ in crore)

<b>Table 3 : Disclosure Item 120 ( f )</b> <b>Table showing Funded Status</b>	<b>As at</b>	
	<b>31.03.2014</b>	<b>31.03.2013</b>
Present Value of Obligation at end of the year	146.98	156.50
Fair Value of Plan Asset at end of the year	169.83	152.91
Funded Status	22.86	-3.59
Unrecognised actuarial gain/loss at end of the year	0.00	0.00
Net Asset (Liability) recognized in Balance Sheet	22.86	-3.59

(₹ in crore)

<b>Table 4 : Disclosure Item 120 ( g )</b> <b>Table showing Expense Recognized in statement of Profit/Loss</b>	<b>As at</b>	
	<b>31.03.2014</b>	<b>31.03.2013</b>
Current Service Cost	7.26	7.11
Past Service Cost	0.00	0.00
Interest Cost	12.44	11.38
Expected Return on Plan Asset	13.00	10.41
Curtailment Cost	0.00	0.00
Settlement Cost	0.00	0.00
Actuarial gain/ loss Recognised in the year	-10.59	2.66
Expense Recognised in Statement of Profit/Loss	-3.88	10.74

## (STANDALONE)

(₹ in crore)

<b>Table 7 : DISCLOSURE ITEM 120 (I)</b> <b>Table Showing Actuarial Assumptions:</b>		<b>As at</b>	
		<b>31.03.2014</b>	<b>31.03.2013</b>
Mortality Table	:	IALM (2006-2008) ULT.	LICI – 1994-1996
Superannuation Age	:	60	60
Early Retirement & Disablement	:	10 Per Thousand P.A.	10 Per Thousand P.A.
	:	6 above age 45	6 above age 45
	:	3 between 29 and 45	3 between 29 and 45
	:	1 below age 29	1 below age 29
Discount Rate	:	8.50%	8.00%
Inflation Rate	:	6.25%	6.25%
Return on Asset	:	8.50%	8.00%
Remaining Working Life	:	10 years	10 years
FORMULA USED	:	Project Unit Credit Method	Project Unit Credit Method

**Table 8 : DISCLOSURE ITEM 120(m)**

**Not applicable as Scheme is not related to Medical cost**

**Table 9 : DISCLOSURE ITEM 120(n)**

**Summary of last 4 valuation record – Company to produce**

(₹ in crore)

<b>Table 10 : DISCLOSURE ITEM 120(o)</b> <b>Movements in the Liability Recognised in Balance Sheet:</b>		<b>As at</b>	
		<b>31.03.2014</b>	<b>31.03.2013</b>
Opening Net Liability		3.59	22.79
Expenses as above		-3.88	10.74
Contributions		22.56	29.94
Closing Net Liability		-22.86	3.59
<b>Closing Fund / Provision at the end of the Year</b>		<b>146.98</b>	<b>156.50</b>



## (STANDALONE)

### ACTUARIAL VALUATION OF LEAVE ENCASHMENT BENEFIT(EL/ HPL) AS AT 31-03-2014

CERTIFICATES AS PER ACCOUNTING STANDARD 15 (Revised 2005)

(₹ in crore)

Table 1 : Disclosure Item 120 ( c ) Table showing changes in Present Value of obligations	As at	
	31.03.2014	31.03.2013
Present Value of obligations at beginning of the year	48.46	47.10
Acquisition Adjustment	0.00	0.00
Interest Cost	4.05	3.50
Past Service Cost	0.00	0.00
Current Service Cost	9.23	9.21
Curtailment Cost	0.00	0.00
Settlement Cost	0.00	0.00
Benefits Paid	1.61	6.79
Actuarial Gain / Loss on obligations	-7.28	-4.56
<b>Present Value of Obligation at the end of the year</b>	<b>52.85</b>	<b>48.46</b>

**Table 2 : DISCLOSURE ITEM 120(e)**

**Table Showing Changes in Fair Value of Plan Assets:**

**Not applicable as Scheme is unfunded**

**Table 3 : DISCLOSURE ITEM 120(f)**

**Table Showing Funded Status**

**Not applicable as Scheme is unfunded**

(₹ in crore)

Table 4 : Disclosure Item 120 ( g ) Table showing Expense Recognized in statement of Profit/Loss	As at	
	31.03.2014	31.03.2013
Current Service Cost	9.23	9.21
Past Service Cost	0.00	0.00
Interest Cost	4.05	3.50
Expected Return on Plan Asset	0.00	0.00
Curtailment Cost	0.00	0.00
Settlement Cost	0.00	0.00
Actuarial gain/loss recognised in the year	-7.28	-4.56
<b>Expenses Recognised in Statement of Profit/Loss</b>	<b>6.00</b>	<b>8.15</b>

## (STANDALONE)

(₹ in crore)

Table 7 : DISCLOSURE ITEM 120 (i) Table Showing Actuarial Assumptions:	As at	
	31.03.2014	31.03.2013
Mortality Table	: IALM (2006-2008) ULM	LICI-1994-1996
Superannuation Age	: 60	60
Early Retirement & Disablement	: 10 Per Thousand P.A.	10 per thousand PA
	: 6 above age 45	6 above age 45
	: 3 between 29 and 45	3 between 29 and 45
	: 1 below age 29	1 below age 29
Discount Rate	: 8.50%	8.00%
Inflation Rate	: 6.25%	6.25%
Return on Asset	: N/A	0.00
Remaining Working Life	: 10 years	10 years
FORMULA USED	: Project Unit Credit Method	Project Unit Credit Method

(₹ in crore)

Table 10 : DISCLOSURE ITEM 120(o) Movements in the Liability Recognised in Balance Sheet	As at	
	31.03.2014	31.03.2013
Opening Net Liability	0.00	0.00
Expenses as above	6.00	8.15
Contributions	0.00	0.00
Closing Net Liability	6.00	8.15
<b>Closing Fund / Provision at the end of the Year</b>	<b>52.85</b>	<b>48.46</b>

### NOTE TO APPENDIX B OF AS15 (REVISED 2005)

AS THE SCHEME IS UNFUNDDED CHARGES TO PROFIT / LOSS ACCOUNT  
HAS BEEN BASED ON FOLLOWING ASSUMPTIONS:-

- (1) PREVIOUS OBLIGATION WAS PROVIDED FOR AT LAST ACCOUNTING DATE
- (2) BENEFIT TO EXITS HAS BEEN PAID TO DEBIT OF ABOVE PROVISION
- (3) CURRENT OBLIGATION WILL BE PROVIDED FOR AT CURRENT ACCOUNTING DATE



## (STANDALONE)

### iii) Provisions

The position and movement of various provisions except those relating to employee benefits which are valued actuarially as on 31.03.2014 are given below:

(₹ in crore)

Provisions	Opening Balance	Addition during the year	Write back /Adj. during the year	Closing Balance
<b>Note 5 &amp; 9 :- Long Term &amp; Short Term Provision</b>				
PRP	74.66	15.22	-	89.88
Mine Closure Plan	10.38	5.14	3.11	18.63
Others	0.50	-	-	0.50
<b>Note 10A:- Fixed Assets</b>				
Impairment of Assets	24.46	-	-	24.46
<b>Note 10B:- Capital Work in Progress</b>				
Against CWIP	0.08	-	-	0.08
Against Surveyed off Assets	0.07	-	(0.01)	0.06
<b>Note 10C:- Intangible Assets under Development</b>				
Against Intangible Assets under Development	4.09	-	-	4.09
<b>Note 12:- Long Term Loans &amp; Advances</b>				
Against advances for Capital	3.58	-	-	3.58
Against advances for Revenue	2.61	-	-	2.61
Against advances for P&T, Elec. etc	0.75	-	(0.02)	0.73
<b>Note 13:- Other Non-Current Assets</b>				
Against Exploratory Drilling Work	89.47	35.11	(19.72)	104.86
Against Other Receivables	0.31	-	-	0.31
<b>Note 15:-Inventories</b>				
Against Stock of Coal	0.44	-	-	0.44
Against Stock of Stores & Spares	0.94	0.15	-	1.09
<b>Note 16:-Trade Receivables</b>				
Provision for bad & doubtful debts	10.77	-	-	10.77
<b>Note 18:- Short Term Loans &amp; Advances</b>				
Against Advances to suppliers for revenue	0.22	-	-	0.22
Against Advance payment of Sales Tax	0.02	-	-	0.02
Against Claim receivables	3.14	-	(0.43)	2.71
Against Advances to employees	-	-	-	-
<b>Note 19:- Other Current Assets</b>				
Against Other Advances	0.01	-	-	0.01
Against Deposit for customs duty etc	0.79	-	-	0.79
Against Other Deposit	0.06	-	-	0.06
Against receivable for transaction on behalf of ex-coal board	2.00	0.18	-	2.18
Against Other Receivables	2.86	-	(0.26)	2.60

## (STANDALONE)

### iv) Segment Reporting

The Company is primarily engaged in a single segment business of production and sale of Coal. However, there is significant income from dividend from Subsidiaries also. The details are given below:

#### SEGMENT REPORTING

(₹ in crore)

Description	Coal Mining		Other Incidental Activities		Consolidation	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
<b>Revenue</b>						
External Sales	314.25	352.25	-	-	314.25	352.25
Dividend Income	-	-	14514.02	9106.73	14514.02	9106.73
<b>Total Revenue</b>	<b>314.25</b>	<b>352.25</b>	<b>14514.02</b>	<b>9106.73</b>	<b>14828.27</b>	<b>9458.98</b>
Segment Result (before tax and interest)	30.21	62.54	14514.02	9106.73	14544.23	9169.27
<b>Add:</b> Prior period adjustment	-	-	-	-	-	-
<b>Net Segment Result (before tax and interest)</b>	<b>30.21</b>	<b>62.54</b>	<b>14514.02</b>	<b>9106.73</b>	<b>14544.23</b>	<b>9169.27</b>
Unallocated Income/Expenditure (Net)	-	-	-	-	(455.50)	(511.30)
Operating Profit	-	-	-	-	14088.73	8657.97
Interest Income	2.37	3.19	1329.37	1676.87	1331.74	1680.06
Income Tax	-	-	-	-	411.93	543.71
<b>Profit from Ordinary Activities</b>	<b>2.37</b>	<b>3.19</b>	<b>1329.37</b>	<b>1676.87</b>	<b>15008.54</b>	<b>9794.32</b>
<b>Other Information</b>						
Segment Assets	294.77	234.23	-	-	294.77	234.23
Unallocated Corporate Assets	-	-	-	-	16193.46	25245.01
<b>Total Assets</b>	<b>294.77</b>	<b>234.23</b>	<b>0.00</b>	<b>0.00</b>	<b>16488.23</b>	<b>25479.24</b>
Segment Liabilities	288.98	291.16	-	-	288.98	291.16
Unallocated Corporate Liabilities	-	-	-	-	8307.37	12093.57
<b>Total Liabilities</b>	<b>288.98</b>	<b>291.16</b>	<b>0.00</b>	<b>0.00</b>	<b>8596.35</b>	<b>12384.73</b>
Segment Capital Expenditure	8.78	7.66	-	-	8.78	7.66
Unallocated Capital Expenditure	-	-	-	-	82.46	44.67
<b>Total Capital Expenditure</b>	<b>8.78</b>	<b>7.66</b>	<b>0.00</b>	<b>0.00</b>	<b>91.24</b>	<b>52.33</b>
Depreciation (Including provision for impairment)	106.48	105.66	-	-	106.48	105.66
Unallocated Depreciation (Including Other provisions)	-	-	-	-	198.35	194.65
<b>Total Depreciation (Including provision for impairment)</b>	<b>106.48</b>	<b>105.66</b>	<b>0.00</b>	<b>0.00</b>	<b>304.83</b>	<b>300.31</b>



## (STANDALONE)

### v) Earnings per share

Sl. No.	Earnings per Share particulars	31st March 2014	31st March 2013
i)	Profit after Taxation	₹ 15008.54 Crore	₹ 9794.32 crore
ii)	Add/ Less: Adjustment for Reserve For Foreign Exch.	NIL	(+) ₹ 93.14 crore
iii)	Net profit after tax attributable to Equity Share Holders.	₹ 15008.54 Crore	₹ 9887.46 crore
iv)	No. of Shares Outstanding during the year.	6316364400	6316364400
v)	Basic and Diluted Earnings per Share in Rupees (Face value ₹ 10/- per share)	₹ 23.76	₹ 15.65

### vi) Related party disclosure

Key management personnel for the year ending 31.03.2014:

Mr. S. NarsingRao, Chairman-Cum-Managing-Director  
 Mr. R. Mohan Das, Director (P&IR)  
 Mr. A. Chatterjee, Director (Finance)  
 Mr. N. Kumar, Director (Technical)  
 Mr. B. K. Saxena, Director ( Marketing)

(₹ in crore)

Sl. No.	Whole Time Director's Remuneration	Amount (Current year)	Amount (Previous year)
i)	Salaries	1.29	1.19
ii)	Co's Contribution to P.F. & other Fund	0.11	0.12
iii)	Medical Benefits	0.01	0.03
iv)	Provision for Gratuity	-	0.05

Note: (i) Provision on the basis of actuarial valuation of defined benefits have not been considered in the above Director's remuneration.

(ii) Besides above, whole time Directors have been allowed to use of cars for private journey upto a ceiling of 1000 KMs on payment of ₹ 520 per month as per service conditions.

(iii) In addition, during the year ₹ 0.28 crore (₹ 0.45 crore) has been paid to the Independent Directors as sitting fees.

### vii) Taxation

An amount of ₹ 380.00 crore (₹ 460.00 crore) is provided in the accounts during the current year towards income tax.

There is no deferred tax liability of the company for this year. However, the company is having a deferred tax asset on the basis of calculation as per Accounting for Taxes on Income (AS-22), issued by Institute of Chartered Accountants of India. As per existing provisions of tax laws the dividend received from subsidiaries which accounts for the income of Coal India Ltd, is tax free w.e.f. financial year 2003-04. Since without considering such dividend there is no virtual certainty of future taxable income, as a prudent practice no deferred tax asset is recognised in the accounts.

### viii) Borrowings and other Costs in respect of foreign currency loans

Borrowing and other costs (including exchange difference) in respect of foreign currency loans obtained for subsidiary companies have been recovered from the respective subsidiary companies.

### ix) The fund available with the company from the management period (Pre-nationalisation) of non-coking coal mines i.e. on (01.05.1973)

The fund available with the company against cash, bank balances, road coupons etc. taken over by the company from the management period of non-coking coal mines i.e. on 01.05.1973 has been adjusted against the deposit made by the company on behalf of the Govt. of India to Commissioner of Payments on account of surplus of the said management period.

## (STANDALONE)

### x) Goods procured by Coal India Ltd. on behalf of Subsidiaries

As per existing practice, arrangement for procurement of goods by Coal India Ltd. on behalf of subsidiary companies are accounted for in the books of respective subsidiaries directly.

### xi) Insurance and escalation claims

Insurance and escalation claims are accounted for on the basis of admission/final settlement.

### xii) Provisions made in the Accounts

Provisions made in the accounts against slow moving/non-moving/obsolete stores, claims receivable, advances, doubtful debts etc. are considered adequate to cover possible losses.

### xiii) Micro, Small and Medium Enterprises

There is no reported Micro, Small and Medium Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006", to whom the company owes dues.

### xiv) Current Assets, Loans and Advances etc.

In the opinion of the Management, Current Assets, Loans and Advances etc. have realisable value in the course of business at least equal to the net amount at which they are stated.

### xv) Balance confirmation

Balance confirmation/reconciliation is carried out for bank balances, all major loans & advances, long term liabilities and current liabilities. Provision is taken against all doubtful unconfirmed balances.

### xvi) Revision of Schedule VI to the Companies Act 1956 ( w.e.f. 01.04.2011)

The format as per revised Schedule VI has been applied while preparing this accounts. Following the new guidelines of the revised format inter-alia , the following segregation have been made in the Balance Sheet:-

#### **Current Assets**

An asset has been classified as current when it satisfies any of the following criteria:-

- It is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle i.e. one year.
- It is held primarily for the purpose of being traded
- It is expected to be realized within twelve months after the reporting date
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

#### **Non-Current Assets**

All assets other than current assets are Non- Current Assets

#### **Current Liabilities**

A liability has been classified as current when it satisfies any of the following criteria:

- It is expected to be settled in the company's normal operating cycle i.e. one year.
- It is held primarily for the purpose of being traded
- It is due to be settled within twelve months after the reporting date
- The company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counter party, result in its settlement by the issue of equity instruments do not affect its classification.



## (STANDALONE)

### Non-Current Liabilities

All liabilities other than current liabilities are Non-Current Liabilities.

### Operating Cycle for Coal India Limited

As there is no normal Operating cycle the same is considered to be 12 months period.

#### xvii) Significant accounting policy

Significant accounting policies (Note-33) have been suitably modified / re-drafted over previous year, as found necessary to elucidate the accounting policies adopted by the company.

#### xviii) Impact due to changes in accounting policy.

During the year based on technically estimated useful life depreciation rates of the following assets were revised:

Sl. No.	Assets	Existing Dep. Rate	Revised Dep. Rate.
1	Photocopying machine	10.55%	23.75%
2	Fax Machine	15.83%	31.67%
3	Mobile Phone	15.83%	31.67%
4	Digitally enhanced cordless telephone	15.83%	31.67%
5	Computer (including printer & scanner)	16.21%	31.67%

Due to above changes in depreciation rates the profit for the year decreased by ₹ 0.67 Crore

#### xix) Previous year's figures

Previous year's figures have been regrouped and rearranged wherever considered necessary.

Figures in the parentheses relating to Note nos. 1 to 19 (Balance Sheet items) correspond to position as on 31.03.2013 and figures relating to Note nos. 20 to 32 (Profit & Loss items) correspond to 12 month period of the previous year.

#### xx) Use of estimate:

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

**xxi)** During the financial year 2013-14, a case of misappropriation of Company's fund for personal gain has come to the notice of the management which is under investigation by different agencies. Pending completion of the investigation process the impact of such misappropriation cannot be ascertained at this stage.

**xxii)** The information required in paragraph 5 (viii) (a) Part II of Schedule – VI of Companies Act., 1956, value of imports on CIF basis :

(₹ in crore)

	Current Year	Previous Year
(i) Raw Material	NIL	NIL
(ii) Capital Goods	5.70	18.35
(iii) Stores, Spares & Components	NIL	NIL

## (STANDALONE)

### xxiii) Expenditure incurred in Foreign Currency on account of:

(₹ in crore)

	Current Year	Previous Year
(i) Interest & commitment charges	11.84	20.24
(i) Commission to Foreign Agents	0.09	0.12
(i) Travelling / Training Expenses	0.32	0.82
(i) Advertisement	0.23	—
(i) Consultancy/Legal	—	3.68
(ii) Subscription/Membership fees	0.01	0.01
(iii) Exchange Variation	—	93.16

### xxiv) Earning in Foreign Exchange on account of:

(₹ in crore)

	Current Year	Previous Year
(i) Export of Goods (Calculated on FOB basis)	NIL	NIL
(ii) Exchange Variation	NIL	0.03
(iii) Miscellaneous	NIL	NIL

### xxv) Total Consumption of Stores during the Year:

(₹ in crore)

	Current Year		Previous Year	
	Amount	% of total consumption	Amount	% of total consumption
(i) Imported Materials	NIL	—	NIL	—
(ii) Indigenous	12.36	100%	11.61	100%

### xxvi) Statement of Opening Stock, Production, Purchases, Turnover and Closing Stock of Coal.

(₹ in crore)

(Quantity in '000 MT)

	Current Year		Previous Year	
	Qty.	Value	Qty.	Value
Opening Stock	87.34	13.11	100.84	15.65
Production	663.66	—	604.77	—
Sales	576.73	395.47	618.25	443.38
Own Consumption	—	—	0.02	—
Closing Stock	174.27	38.15	87.34	13.11

Note 1 to 19 form part of the Balance Sheet as at 31st March, 2014 and 20 to 32 form part of Statement of Profit & Loss for the period ended on that date. Note – 33 represents Significant Accounting Policies and Note – 34 represents additional notes on the Accounts.

Signature to Note 1 to 34.



**Coal India Limited.** A Maharatna Company

---

## (STANDALONE)

M. Viswanathan  
Company Secretary

P. Chakraborty  
General Manager (Finance)

A. Chatterjee  
Director (Finance)

S. Narsing Rao  
Chairman-Cum-Managing Director

Date : 29th May, 2014  
Place : New Delhi

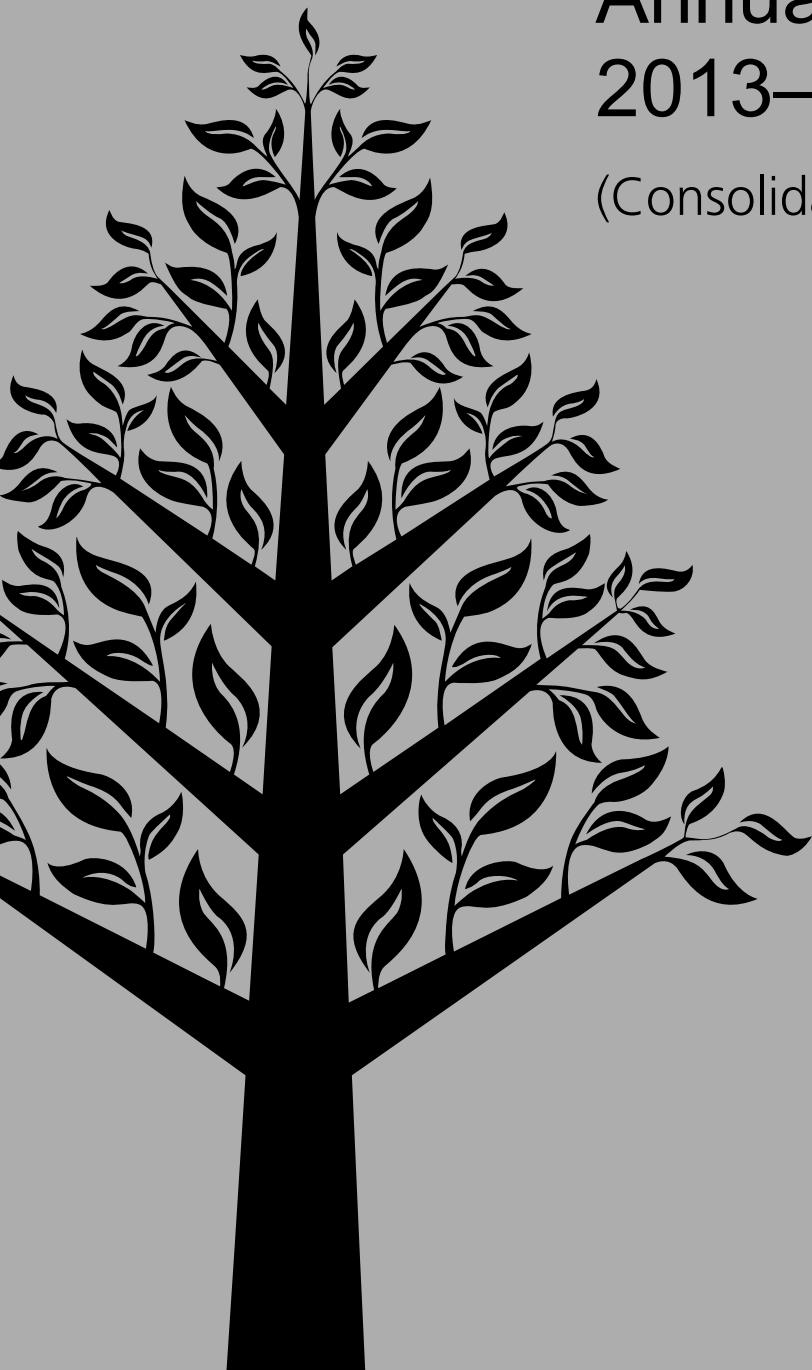
As per our report annexed  
For De Chakraborty & Sen  
Chartered Accountants  
FR No.303029E

(Srijit Chakraborty)  
Partner  
Membership No. 055317



# Annual Accounts 2013–14

(Consolidated CIL & Its Subsidiaries)





## BALANCE SHEET (CONSOLIDATED)

As at 31st March, 2014

	Note No.	As at 31.03.14	As at 31.03.13	(₹ in crore)
<b>I EQUITY AND LIABILITIES</b>				
(1) Shareholders' Fund				
(a) Share Capital	1	6316.36	6316.36	
(b) Reserves & Surplus	2	36088.10	42155.63	
		<b>42404.46</b>	<b>48471.99</b>	
(2) Share Application money pending allotment		—	—	—
(3) Non-Current Liabilities				
(a) Long Term Borrowings	3	171.46	1,077.79	
(b) Other Long Term Liabilities	4	3,528.94	3,137.21	
(c) Long Term Provisions	5	33,639.01	31,144.35	
		<b>37,339.41</b>	<b>35,359.35</b>	
(4) Minority Interest		<b>63.60</b>	<b>63.60</b>	
(5) Current Liabilities				
(a) Short Term Borrowings	6	—	—	
(b) Trade Payables	7	805.08	837.17	
(c) Other Current Liabilities	8	18,077.99	16,385.71	
(d) Short Term Provisions	9	5,551.81	9,177.99	
		<b>24,434.88</b>	<b>26,400.87</b>	
<b>Total</b>		<b>104,242.35</b>	<b>110,295.81</b>	
<b>II ASSETS</b>				
(1) Non-Current Assets				
(a) Fixed Assets				
i) Tangible Assets - Gross Block	10A	37,175.72	35,225.88	
Less : Depreciation, Impairment & Provisions		23,312.53	22,471.63	
Net carrying Value			<b>13,863.19</b>	<b>12,754.25</b>
ii) Intangible Assets - Gross Block	10A	3,721.38	3,784.79	
Less : Depreciation, Impairment & Provisions		2,989.64	3,073.28	
Net carrying Value			731.74	711.51
iii) Capital Work-in-Progress	10B		2,836.48	2,216.02
iv) Intangible Assets under Development	10C		1,668.79	1,279.93
(b) Non-Current Investments	11		1,187.58	1,400.30
(c) Deferred Tax Assets (Net)			1,971.74	2,255.02
(d) Long Term Loans & Advances	12		1,163.66	1,181.36
(e) Other Non-Current Assets	13		592.62	74.17

## BALANCE SHEET (CONSOLIDATED) (Contd.)

As at 31st March, 2014

(₹ in crore)

	Note No.	As at 31.03.14	As at 31.03.13
<b>(2) Current Assets</b>			
(a) Current Investments	14	2,587.32	994.66
(b) Inventories	15	5,568.07	5,617.83
(c) Trade Receivables	16	8,241.03	10,480.21
(d) Cash & Bank Balance	17	52,389.53	62,236.00
(e) Short Term Loans & Advances	18	6,595.69	4,919.81
(f) Other Current Assets	19	4,844.91	4,174.74
		<b>80,226.55</b>	<b>88,423.25</b>
<b>Total</b>		<b>104,242.35</b>	<b>110,295.81</b>

Significant Accounting Policies 33  
Additional Notes on Accounts 34

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

M.Viswanathan  
Company Secretary

P.Chakraborty  
General Manager (Finance)

A. Chatterjee  
Director (Finance)

S.Narsing Rao  
Chairman- Cum-Managing Director

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

Date : 29th May, 2014  
Place : New Delhi

(Srijit Chakraborty)  
Partner  
Membership No. 055317



## STATEMENT OF PROFIT & LOSS (CONSOLIDATED)

For the Year ended 31st March, 2014

(₹ in crore)

<b>INCOME</b>	Note No.	<b>For the Year ended 31.03.14</b>	<b>For the Year ended 31.03.13</b>
Sale of Coal	20	89,374.51	88,281.32
Less: Excise Duty		4,881.69	4,674.93
Other Levies		15,682.80	15,303.65
		<hr/> 20,564.49	<hr/> 19,978.58
(I) Revenue from Operations		68,810.02	68,302.74
(II) Other Income	21	8,969.38	8,746.69
		<hr/> <b>77,779.40</b>	<hr/> <b>77,049.43</b>
<b>(III) Total Revenue (I + II)</b>			
<b>(IV) EXPENSES</b>			
Cost of Materials Consumed	22	7,022.05	6,062.11
Purchases of Stock-in-Trade		—	—
Changes in inventories of finished goods/work in progress and Stock in trade	23	92.65	493.92
Employee Benefits Expenses	24	27,769.43	27,320.78
Power & Fuel		2,282.23	2,333.48
Welfare Expenses	25	734.80	622.43
Repairs	26	985.18	822.40
Contractual Expenses	27	6,827.53	5,801.97
Finance Costs	28	58.00	45.17
Depreciation/Amortization/Impairment		1,996.41	1,812.97
Provisions (Net of reversal)	29	888.35	740.09
Write off ( Net of past provisions)	30	266.18	187.01
Overburden Removal Adjustment		3,286.56	3,201.74
Other Expenses	31	2,691.90	2,633.18
<b>Total Expenses</b>		<hr/> <b>54,901.27</b>	<hr/> <b>52,077.25</b>
<b>(V) Profit before Prior Period, exceptional and extraordinary items and Tax.</b>		<b>22,878.13</b>	<b>24,972.18</b>
(VI) Prior Period Adjustment {charge/(income)}	32	(1.41)	(6.86)
(VII) Exceptional Items		—	—
<b>(VIII) Profit before Extraordinary Items and Tax</b>		<b>22,879.54</b>	<b>24,979.04</b>
(IX) Extraordinary Items {charge/(income)}		—	—
<b>(X) Profit before Tax (VIII-IX)</b>		<b>22,879.54</b>	<b>24,979.04</b>
(XI) Less/(Add): Tax expenses			
- Current period		7,624.07	7,915.84
- Deferred Tax		283.28	(228.25)
- Earlier years		(139.45)	(64.92)
(XII) Profit for the period from continuing operations (X-XI)		<b>15,111.64</b>	<b>17,356.37</b>

## STATEMENT OF PROFIT & LOSS (CONSOLIDATED) (Contd.)

For the year ended 31st March, 2014

(₹ in crore)

INCOME	Note No.	For the Year ended 31.03.14	For the Year ended 31.03.13
(XIII) Profit/(Loss) from discontinuing operations		(0.01)	(0.01)
(XIV) Tax expenses of discontinuing operations		—	—
(XV) Profit/(Loss) from discontinuing operations (after Tax) (XIII–XIV)		(0.01)	(0.01)
<b>(XVI) Profit for the Period (XII + XV)</b>		<b>15,111.63</b>	<b>17,356.36</b>
(XVII) Less:- Share of Minority		(0.04)	—
<b>(XVIII) Profit for the Group (XVI + XVII)</b>		<b>15,111.67</b>	<b>17,356.36</b>
(XIX) Earnings per share (in ₹) (Face Value of ₹ 10/- per share)			
(1) Basic		23.92	27.63
(2) Diluted		23.92	27.63
Significant Accounting Policies	33		
Additional Notes on Accounts	34		

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

**M.Viswanathan**  
Company Secretary

**P.Chakraborty**  
General Manager (Finance)

**A. Chatterjee**  
Director (Finance)

**S.Narsing Rao**  
Chairman- Cum-Managing Director

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

Date : 29th May, 2014  
Place : New Delhi

**(Srijit Chakraborty)**  
Partner  
Membership No. 055317



## **THE CASH FLOW STATEMENT (INDIRECT METHOD)—CONSOLIDATED**

For the Year ended 31st March, 2014

(₹ in crore)

<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>For the Year ended 31.03.14</b>	<b>For the Year ended 31.03.13</b>
Net profit before tax	22,879.57	24,979.03
<b>Adjustment for :</b>		
Exchange fluctuation loss on long term borrowing	53.92	—
Depreciation / Impairment of fixed assets	1,995.88	1,838.67
Interest from Bank Deposits	(5,315.36)	(6,010.11)
Finance cost related to financing activity	58.00	45.17
Interest / Dividend from investments	(362.13)	(246.45)
Profit / Loss on sale of fixed assets	(17.99)	(2.74)
Provisions made & write off during the year	1,154.53	927.10
Liability write back during the year	(626.10)	(132.32)
OBR Adjustment made	3,286.56	3,201.74
<b>Operating Profit before Current/Non Current Assets and Liabilities</b>	<b>23,106.88</b>	<b>24,600.09</b>
<b>Adjustment for :</b>		
Trade Receivables	2,239.18	(4,817.37)
Inventories	49.76	453.45
Short/Long Term Loans/Advances & Other Current Assets	(2,335.24)	(1,074.11)
Short/Long Term Liabilities and Provisions	290.50	(1,400.93)
<b>Cash Generated from Operation</b>	<b>23,351.08</b>	<b>17,761.13</b>
Income Tax Paid/Refund	(8,826.39)	(8,651.72)
<b>Net Cash Flow from Operating Activities</b>	<b>(A)</b>	<b>14,524.69</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(4,116.38)	(2,453.97)
Investment in Bank Deposit	7,600.67	(4,608.48)
Change in investments	(1,379.94)	(413.56)
Interest pertaining to Investing Activities	6,113.22	5,411.68
Interest / Dividend from investments	362.19	231.60
<b>Net Cash from Investing Activities</b>	<b>(B)</b>	<b>8,579.76</b>
		<b>(1,832.73)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of Borrowings	(1,263.37)	(228.70)
Interest & Finance cost pertaining to Financing Activities	(58.00)	(45.17)
Receipt of Shifting & Rehabilitation Fund	214.14	328.88
Dividend & Dividend Tax	(24,243.02)	(7,906.95)
<b>Net Cash used in Financing Activities</b>	<b>(C)</b>	<b>(25,350.25)</b>
		<b>(7,851.94)</b>
<b>Net Increase / (Decrease) in Cash &amp; Cash equivalent (A + B + C)</b>	<b>(2,245.80)</b>	<b>(575.26)</b>
<b>Cash &amp; Cash equivalent (opening balance)</b>	<b>11,684.93</b>	<b>12,260.19</b>
<b>Cash &amp; Cash equivalent (closing balance)</b>	<b>9,439.13</b>	<b>11,684.93</b>

(All figures in bracket represent outflow)

M.Viswanathan  
Company Secretary

P.Chakraborty  
General Manager (Finance)

A. Chatterjee  
Director (Finance)

S.Narsing Rao  
Chairman- Cum-Managing Director

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

(Srijit Chakraborty)  
Partner  
Membership No. 055317

Date : 29th May, 2014  
Place : New Delhi

## NOTES TO BALANCE SHEET (CONSOLIDATED)

### NOTE - 1

(₹ in crore)

<b>SHARE CAPITAL</b>	<b>As at 31.03.14</b>	<b>As at 31.03.13</b>
<b>Authorised</b>		
(i) 8000000000 Equity Shares of ₹ 10/- each		
	8,000.00	8,000.00
(ii) 9041800 Non-cumulative 10% Redeemable Preference Shares of ₹ 1000/- each		
	904.18	904.18
	<b>8,904.18</b>	<b>8,904.18</b>
<b>Issued, Subscribed and Paid-up</b>		
6316364400 Equity Shares of ₹ 10/- each	6,316.36	6,316.36
	<b>6,316.36</b>	<b>6,316.36</b>

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

<b>Name of Shareholder</b>	<b>No. of Shares Held (Face value of ₹ 10 each)</b>	<b>% of Total Shares</b>
Hon'ble President of India	5662690126	89.65

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

- Listings of shares of Coal India Ltd. In Stock Exchange.*

Pursuant to divestment of 10% of total equity shares held by Hon'ble President of India (Govt. of India), to the public, the shares of Coal India Ltd. is listed in two major stock exchanges of India, viz. Bombay Stock Exchange and National Stock Exchange on and from 4th November, 2010.

During F.Y. 2013-14, Govt. of India has further disinvested 0.35% of total Equity Shares equivalent to 22037834 number of Equity Shares by way of placement of such shares in Central Public Sector Exchange Traded Fund (CPSE-ETF) and post such disinvestment Govt. of India holds 89.65% of the total Equity Share Capital as on 31.03.2014.



## NOTES TO BALANCE SHEET (CONSOLIDATED) (Contd.)

### NOTE - 2

(₹ in crore)

#### RESERVES & SURPLUS

##### RESERVES :

###### A. Capital Reserve

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

**Total (A)**

**As at  
31.03.14**

11.18  
2.72  
1.30  
**12.60**

**As at  
31.03.13**

12.26  
0.71  
1.79  
**11.18**

###### B. Capital Redemption Reserve

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

**Total (B)**

1,808.36  
—  
—  
**1,808.36**

1,808.36  
—  
—  
**1,808.36**

###### C. Reserve for Foreign Exchange Transactions

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

**Total (C)**

4.68  
—  
4.68  
—  
**4.68**

97.82  
—  
93.14  
**4.68**

###### D. CSR Reserve

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

**Total (D)**

494.58  
231.28  
354.94  
**370.92**

424.67  
220.82  
150.91  
**494.58**

###### E. Sustainable Development Reserve

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

**Total (E)**

18.21  
25.70  
1.44  
**42.47**

—  
22.78  
4.57  
**18.21**

###### F. General Reserve

As per last Balance Sheet  
Add: Transfer from statement of Profit & Loss (Appropriation)  
Add: Transfer from CSR Reserve  
Add: Transfer from Sustainable Development Reserve  
Add/(Less): Adjustment During the Year (Deferred Tax)  
Add: Transfer from Foreign Exchange Reserve

**Total (F)**

15,189.64  
2,827.44  
354.94  
1.44  
—  
4.68  
**18,378.14**

11,692.53  
2,508.92  
150.91  
4.57  
832.71  
—  
**15,189.64**

###### G. Surplus in statement of Profit & Loss

As per last Balance Sheet  
Less: Adjustment for past liability  
Less: Adjustment for dividend of 2012-13  
Add: Profit after Tax During the year  
Profit available for Appropriation

24,636.44  
5.59  
0.01  
15,111.67  
**39,742.51**

20,105.60  
—  
—  
17,356.36  
**37,461.96**

###### APPROPRIATION

Reserve for Foreign Exchange Transaction  
Transfer to General Reserve  
Transfer to CSR Reserve  
Transfer to Sustainable Development Reserve  
Interim Dividend  
Proposed Dividend on Equity Shares  
Corporate Dividend Tax

**Total (G)**

—  
2,827.44  
231.28  
25.70  
18,317.46  
—  
2,825.27  
**15,515.36**

(93.14)  
2,508.92  
220.82  
22.78  
6,126.87  
2,716.04  
1,323.23  
**24,636.44**

## NOTES TO BALANCE SHEET (CONSOLIDATED) (Contd.)

### NOTE - 2 (Contd.)

(₹ in crore)

	As at 31.03.14	As at 31.03.13
<b>H. Miscellaneous Expenditure</b> (to the extent not written off)		
Preliminary Expenses	1.53	1.53
Pre-Operational Expenses	38.18	5.89
<b>Total (H)</b>	<b>39.71</b>	<b>7.42</b>
<b>Sub -Total (A + B + C + D + E + F + G – H) :</b>	<b>36,088.14</b>	<b>42,155.67</b>
 <b>Reserves &amp; Surplus of Joint Ventures</b>		
Surplus / (Deficit)	(0.04)	(0.04)
<b>Sub -Total</b>	<b>(0.04)</b>	<b>(0.04)</b>
 <b>Total</b>	<b>36,088.10</b>	<b>42,155.63</b>

### RESERVES & SURPLUS

#### 1. CSR Reserve

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

The subsidiaries of CIL also create a reserve equivalent to 5% of the retained profit of previous year subject to a minimum of ₹ 5 per tonne of coal production of previous year, for meeting expenses relating to CSR activities in the state to which the subsidiary belongs. Pending any revision in the CSR policy, the above has been continued during this year.

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

Out of actual expenses incurred and accounted for during the year amounting to ₹ 409.37 crore, ₹ 354.94 crore has been transferred to General Reserve from CSR Reserve as utilised. Balance ₹ 54.43 crore (₹ 409.37 crore – ₹ 354.94 crore) pertaining to CIL (including BCCL) has been directly charged off for which no corresponding unutilised reserve was remaining.

#### 2. Sustainable Development Reserve

Following the guidelines of Department of Public Enterprises, Ministry of Heavy Industries & Public Enterprises, vide its office memorandum dated 23rd September, 2011 issued "Guidelines on Sustainable Development for CPSEs", a Sustainable Development Reserve of ₹ 25.70 crore has been created during the year by way of appropriation of profits.

The actual expenses incurred and accounted for during the year is ₹ 1.44 crore transferred to General Reserve from Sustainable Development Reserve as utilised. Pending any revision in the Sustainable Development Reserve policy, the above has been continued during this year.

#### 3. Preliminary expenses

Preliminary expenses of ₹ 1.53 crore is in respect of the subsidiaries of Mahanadi Coalfields Limited. Similarly pre operational expenses of ₹ 38.18 crore is in respect of Coal India Africana Limitada, Mozambique.

#### 4. Interim Dividend

CIL board in its meeting held on 14/01/14 declared an interim dividend @ ₹ 29 per share amounting to ₹ 18317.46 crore which has since been paid.



## NOTES TO BALANCE SHEET (CONSOLIDATED) (Contd.)

### NOTE - 3

(₹ in crore)

LONG TERM BORROWINGS	As at 31.03.14		As at 31.03.13	
	Total	171.46	Total	1,077.79
<b>Term loan</b>				
IBRD (USD Nil, Prev.year USD 8.80 Crore)	—		482.20	
JBIC (JPY Nil, Prev. year JPY 739.17 Crore)	—		432.19	
Export Development Corp., Canada	162.32		155.20	
Liebherr France S.A., France	9.14		8.20	
<b>Classification 1</b>				
Secured	—		—	
Unsecured	171.46		1,077.79	
<b>Classification 2</b>				
<b>Loan Guaranteed by Directors &amp; Others</b>				

Particulars of Loan	Amount (₹ in crore)	Nature of Guarantee
Export Development Corp., Canada	162.32	Guarantee executed by the President of India
Liebherr France S.A., France	9.14	The GOI provided an irrevocable and unconditional guarantee in relation to all our payment obligations.

Current maturities of these long term borrowing are shown under note-8 for ₹ 5.75 crore and ₹ 0.61 crore in respect of EDC, Canada and Liebherr France S.A., France loan, which are also guaranteed as above.

#### Repayment Schedule:

Export Development Corp. Canada: Repayment of instalments is made semi-annually i.e. on January 31 and on July 31.

Liebherr France S.A. France: Repayment under these loan facilities will be completed on September 30, 2028 and September 30, 2030.

## NOTES TO BALANCE SHEET (CONSOLIDATED) (Contd.)

### NOTE - 4

(₹ in crore)

#### OTHER LONG TERM LIABILITIES

##### **Shifting & Rehabilitation Fund**

	<b>As at 31.03.14</b>	<b>As at 31.03.13</b>
Opening balance	2,305.91	1,977.03
Add: Interest from investment of the fund (net of TDS)	203.67	193.46
Add: Contribution received	240.33	237.46
Less: Amount released	229.86	102.04
	<b>2,520.05</b>	<b>2,305.91</b>
Security deposits	559.57	488.44
Others	449.32	342.86
<b>Total</b>	<b>3,528.94</b>	<b>3,137.21</b>

#### 1. Shifting and Rehabilitation Fund

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

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

#### 2. Others

This includes cess on Coal of Mahanadi Coalfields Limited including principal of ₹ 8.40 crore (net of payments) and interest of ₹ 9.47 crore (net of payments) against receipts from Government of Orissa in the year 2005–06 as per directive of Hon’ble Supreme Court judgement dated 31.7.2001. The money is refundable to the customers. During the current Period, the Group has provided interest of ₹ 1.01 crore (₹ 1.01 crore) calculated at the rate of 12% for the unpaid principal amount of the Cess liability. The total liability thus included therein becomes ₹ 26.48 crore (as at 31.03.2013 ₹ 25.47 crore) as at 31.03.2014. The Group has not identified the customers / parties to whom the refund is to be made. Finalisation of modalities for refunding the same to the customers / parties is yet to be done.

Others concerning SECL also includes ₹ 412.91 Crore relating to amount realized from customers and employees account of cases pending before various courts / arbitration.



## NOTES TO BALANCE SHEET (CONSOLIDATED) (Contd.)

### NOTE - 5

(₹ in crore)

LONG TERM PROVISIONS	As at 31.03.14		As at 31.03.13	
	For Employee benefits			
- Gratuity	1,799.39		3,584.78	
- Leave encashment	2,449.46		2,392.57	
- Other employee benefits	2,039.30		1,414.78	
For foreign exchange transactions (Marked to Market)		—	—	
OBR Adjustment Account	24,814.71		21,528.15	
Mine closure	2,535.53		2,223.46	
Others	0.62		0.61	
<b>TOTAL</b>	<b>33,639.01</b>		<b>31,144.35</b>	

### Provision for mine closure

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

As per the above guidelines escrow account has been opened by CIL & in respect of most of the projects of its subsidiary companies.Balance in the said account is ₹ 2265.77 crore as on 31.03.2014, separately disclosed in Note-17.

## NOTES TO BALANCE SHEET (CONSOLIDATED) (Contd.)

### NOTE - 6

(₹ in crore)

	As at 31.03.14	As at 31.03.13
<b>SHORT TERM BORROWING</b>		
<b>Loan from bank</b>	—	—
<b>Loans repayable on demand</b>	—	—
<b>Other loans and advances</b>	—	—
Deferred credits	—	—
<b>Total :</b>	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>
<b>CLASSIFICATION 1</b>		
Secured	—	—
Unsecured	—	—
<b>CLASSIFICATION 2</b>		
<b>Loan Guaranteed by Directors &amp; Others</b>		

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

### Cash Credit

Pending finalisation of formalities for transfer of assets and liabilities of erstwhile Coal Mine Authorities Ltd. and its divisions, now Coal India Ltd, the bank borrowings of Coal India Ltd. has been secured by creating charge against stock of coal, stock of stores and spare parts and book debts and other assets of CIL and its subsidiary companies.

The total working capital credit limit available to CIL is ₹ 550.00 crore, out of which fund based limit is ₹ 250.00 crore. The balance ₹ 300.00 crore limit is non-fund based and Coal India Limited is contingently liable to the extent such facility is actually utilised by the subsidiaries. There is no credit balance in the cash credit account.

### NOTE - 7

(₹ in crore)

	As at 31.03.14	As at 31.03.13
<b>TRADE PAYABLES</b>		
Sundry creditors for revenue stores	805.08	837.17
<b>TOTAL</b>	<hr/> <hr/>	<hr/> <hr/>



## NOTES TO BALANCE SHEET (CONSOLIDATED) (Contd.)

### NOTE - 8

(₹ in crore)

<b>OTHER CURRENT LIABILITIES</b>	<b>As at 31.03.14</b>	<b>As at 31.03.13</b>
Current Maturities of Long Term Borrowings		
Term Loan From IBRD (USD Nil, Prev. year USD 1.89 Crore )	—	103.60
Term Loan From JBIC (JPY Nil, Prev. year JPY 202.22 Crore)	—	118.24
Term Loan From Export Development Corp., Canada	5.75	5.15
Term Loan From Liebherr France S.A., France	0.61	0.52
For capital (including stores)	889.19	606.21
For Expenses		
Salary Wages & Allowances	2,145.90	2,182.69
Power & Fuel	421.01	412.31
Others	2,225.30	2,386.80
	4,792.21	4,981.80
<b>Statutory Dues:</b>		
Sales Tax/Vat	109.50	123.15
Provident Fund & Pension Fund	576.74	543.58
Central Excise Duty	99.99	112.39
Royalty & Cess on Coal	607.07	609.53
Stowing Excise Duty	121.50	115.43
Clean Energy Cess	333.22	376.63
Other Statutory Levies	760.88	785.18
Income Tax deducted at Source	230.35	256.96
	2,839.25	2,922.85
Security Deposits	576.41	455.67
Earnest money	290.48	266.67
Advance & Deposit from customers / others	6,223.10	4,843.58
Interest accrued but not due on borrowings	—	3.46
Cess Equalisation Account	1,241.82	1,044.22
Current account with IICM	167.01	157.82
Unpaid dividend*	7.41	11.21
Other liabilities	1,040.87	860.72
<b>Sub- Total</b>	<b>18,074.11</b>	<b>16,381.72</b>
<b>Other Current Liabilities of Joint Ventures</b>		
For Expenses	0.01	0.01
Other liabilities	3.87	3.98
<b>Sub- Total</b>	<b>3.88</b>	<b>3.99</b>
<b>TOTAL</b>	<b>18,077.99</b>	<b>16,385.71</b>

\* No amount is due for payment to Investor Education & Protection Fund

## NOTES TO BALANCE SHEET (CONSOLIDATED) (Contd.)

### NOTE - 8 (Contd.)

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

#### 2. Current Account with IICM

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

During this year total contribution received from NEC and the subsidiaries on this account amounted to ₹ 23.09 crore. Further ₹ 12.37 crore (net) were remitted to IICM during the year; and hire charges / lease rent recovered from IICM amounted to ₹ 1.53 crore (excluding service tax applicable thereon).

3. In the process of making payment of cess by Eastern Coalfields Limited on the annual value of coal bearing land based on average production of preceding two years valuing at a rate prevailing as on 1st April of each year and realization made from customers on the value of despatches of coal, considering the sale price prevailing on 1st day of April of the financial year, there remains a balance accumulating to ₹ 1241.82 crore (₹ 1044.22 crore), which has been shown under Cess Equalisation Account.
4. Bazaar fees amounting to ₹ 294.46 crore (₹ 242.68 crore) collected by Bharat Coking Coal Limited on sale of coal/ coke vide Gazette Notification No. 34 dated 18th Jan'2006 but the same has not been deposited to the appropriate authority as the matter is subjudice at Jharkhand High Court under case no.6507 of 2006.
5. In Bharat Coking Coal Limited, revised agreement in respect of price of rejects and power tariff with DLF is not yet finalized. However, interest receivable/payable at this stage is not accounted for. The matter is also pending before Dhanbad Court and Appellate Tribunal for Electricity New Delhi. However, interest due to delay in payment to DLF has been provisionally determined at ₹ 19.80 crore (₹ 16.86 crore) upto 31.03.2014.
6. By virtue of enactment of Cess and Other Taxes on Mineral Validation Act, 1992, Western Coalfields Limited & Central Coalfields Limited raised supplementary bills on customers' upto 4.4.1991. An amount of ₹ 103.29 crore (Previous Year ₹ 103.29 crore) has been shown as liability for Cess on Royalty under the head Other Current Liabilities. In view of the judgment of Hon'ble High Court, Patna and Ranchi Bench, in writ petition No. CWJC/1280 of 1992, the said Cess is not payable. However, a Special Leave Petition is pending in Supreme Court against it.

### NOTE - 9

(₹ in crore)

SHORT TERM PROVISIONS	As at 31.03.14		As at 31.03.13	
For Employee Benefits				
- Gratuity	724.34		1,450.15	
- Leave Encashment	341.55		324.33	
- PPLB	1,054.34		914.96	
- PRP	2,556.66		2,049.09	
- Other Employee Benefits	323.16		769.10	
For Proposed Dividend	—		2,716.04	
For Corporate Dividend Tax	191.22		571.66	
For Excise Duty on Closing Stock of Coal	356.44		378.03	
For Others	4.10		4.63	
<b>TOTAL</b>	<b>5,551.81</b>		<b>9,177.99</b>	



**NOTES TO BALANCE SHEET (CONSOLIDATED) (Contd.)**

**NOTE - 10 A**

(₹ in crore)

**FIXED ASSETS**

PARTICULARS	GROSS BLOCK			DEPRECIATION			IMPAIRMENT LOSS			Total Depreciation & Impairment Loss	As on 31.03.14	As on 31.03.13
	As on 01.04.13	Addition during the year	Adj./Sales/Transfer during the year	As on 01.04.13	Addition during the year	Adj./Sales/Transfer during the year	As on 01.04.13	Addition during the year	Adj./Sales/Transfer during the year			
<b>Tangible Assets</b>												
Land	236.25	42.18	(6.86)	271.57	5.29	0.30	—	5.59	—	—	5.59	265.98
(a) Freehold	236.25	42.18	(6.86)	271.57	5.29	0.30	—	5.59	—	—	5.59	265.98
(b) Leasehold	3,410.72	765.52	1.13	4,177.37	1,364.08	146.47	(1.86)	1,508.69	—	—	1,508.69	2,668.68
Building/Water Supply/Road & Culverts	4,065.39	66.71	(0.00)	4,132.10	1,599.45	86.42	(4.97)	1,680.90	3.92	—	3.92	1,684.82
Plant & Equipments	25,335.64	1,970.97	(1,034.55)	26,272.06	17,752.78	1,497.89	(972.47)	18,278.20	91.36	0.01	10.94	102.31
Telecommunication	137.36	62.79	(0.46)	199.69	112.29	6.81	5.86	124.96	—	—	—	124.96
Railway Sidings	455.65	19.89	(1.80)	473.74	298.84	15.29	(0.02)	314.11	0.10	—	0.10	314.21
Furniture & Fixtures/Office Tools & Equipments/Electrical Fittings/Fire Arms	426.17	27.22	(7.87)	445.52	313.43	23.02	(7.27)	329.18	2.67	—	2.67	331.85
Vehicle	276.09	5.06	(10.50)	270.65	221.03	10.25	(7.96)	223.32	0.02	—	0.02	223.34
Aircraft	19.95	—	—	19.95	17.65	—	—	17.65	1.72	—	1.72	19.37
Development	833.94	62.34	(12.92)	883.36	618.44	20.16	(10.42)	628.18	40.75	21.20	0.26	62.21
Assets taken on Nationalisation	28.70	0.99	—	29.69	27.81	0.99	—	28.80	—	—	—	28.80
<b>Total Tangible Assets</b>	<b>35,225.86</b>	<b>3,023.67</b>	<b>(1,073.83)</b>	<b>37,175.70</b>	<b>22,331.09</b>	<b>1,807.60</b>	<b>(999.11)</b>	<b>23,139.58</b>	<b>140.54</b>	<b>21.21</b>	<b>11.20</b>	<b>172.95</b>
Tangible Assets of Previous Year (As on 31.03.2013)	34,180.98	1,821.35	(776.47)	35,225.86	21,367.10	1,684.85	(720.86)	22,331.09	132.74	8.96	(1.16)	140.54
												22,471.63
												12,754.23
												12,681.14

## NOTES TO BALANCE SHEET (CONSOLIDATED) (Contd.)

### NOTE - 10 A (Contd.)

<b>Tangible Assets of Joint Ventures</b>											
Plant & Equipments	0.01	—	—	0.01	—	—	—	—	—	0.01	0.01
Furniture & Fixtures/ Office Tools & Equipments/ Electrical Fittings/ Fire Arms	0.01	—	—	0.01	—	—	—	—	—	0.01	0.01
<b>Total Tangible Assets of Joint Ventures</b>	<b>0.02</b>	<b>—</b>	<b>—</b>	<b>0.02</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>0.02</b>	<b>0.02</b>
Tangible Assets of Joint Ventures in Previous Year (As on 31.03.2013)	0.01	0.01	—	0.02	—	—	—	—	—	0.02	0.01
<b>TOTAL Consolidated Tangible Assets</b>	<b>35,225.88</b>	<b>3,023.67</b>	<b>(1,073.83)</b>	<b>37,175.72</b>	<b>22,331.09</b>	<b>1,807.60</b>	<b>(999.11)</b>	<b>23,139.58</b>	<b>140.54</b>	<b>21.21</b>	<b>172.95</b>
TOTAL Consolidated Tangible Assets of Previous Year (As on 31.03.2013)	34,180.99	1,821.36	(776.47)	35,225.88	21,367.10	1,684.85	(720.86)	22,331.09	132.74	8.96	(1.16)
<b>Intangible Assets</b>										140.54	22,471.63
Computer Software Development	8.28	0.75	(4.15)	4.88	8.28	0.75	(4.15)	4.88	—	—	4.88
Prospecting & Boring	3,312.60	128.65	(217.77)	3,223.48	2,213.68	97.06	(219.95)	2,090.79	468.13	54.43	(13.51)
<b>TOTAL</b>	<b>3,784.79</b>	<b>165.30</b>	<b>(228.71)</b>	<b>3,721.38</b>	<b>2,527.84</b>	<b>106.51</b>	<b>(230.99)</b>	<b>2,403.36</b>	<b>545.44</b>	<b>54.73</b>	<b>(13.89)</b>
Intangible Assets of Previous Year (As on 31.03.2013)	3,915.42	91.60	(222.23)	3,784.79	2,605.99	112.01	(190.16)	2,527.84	550.29	32.71	(37.56)



## NOTES TO BALANCE SHEET (CONSOLIDATED) (Contd.)

### NOTE - 10 A (Contd.)

#### FIXED ASSETS

1. Title deeds for land acquired, in some cases, have not been executed in favour of the company and mutation in certain cases are yet to be executed.
2. Land acquired under Coal Bearing Areas (Acquisition and Development) Act, 1957 and Land Acquisition Act, 1984 is accounted for on payment basis and the same is shown as Leasehold land.
3. Land in possession of North Eastern Coalfields, Assam, includes 8069.70 hectares of lease hold land for which no value has been shown in the Balance Sheet.
4. The assets and liabilities taken over from Coal Mines Labour Welfare Organisation and Coal Mines Rescue Organisation, for which no quantitative details are available, have not been incorporated in the accounts pending determination of value thereof.
5. The transfer formalities from the Holding Company and other subsidiaries have not been completed and consequently some documents continue to be held in the name of the Holding Company and other subsidiaries.
6. Fixed assets comprising plant & machinery and related building and other assets having written down value as on 31.03.2014 of ₹ 13.84 crore have been let out to Indian Institute of Coal Management, a registered society under Societies Registration Act, 1860 for an annual lease rent of ₹ 1.53 crore under cancellable operating lease agreement.
7. South Eastern Coalfields Limited in terms of License Agreement dated 19th day of March 2001 executed with M/s Apollo Hospital Enterprises Ltd., Chennai has granted the latter a right to occupy and use the fully constructed main hospital building measuring 2,97,099.74 Sq.ft. (27611.50 Sqm) and the residential quarters measuring 55,333 Sq. ft. (5142.47 Sqm) together with superstructures on the land such as sub station building, sewerage treatment plant and pump house. The License Agreement provides for a lease period of 30 years from the effective date of the commencement of the lease i.e November 2001.

The lease rental payable by the Apollo Hospital is accounted for as per the agreement. As per the agreement, the lease rental receivable from Apollo Hospital for the year 2013–14, for main hospital building is ₹ 4/- per Sq.ft. per month (₹ 4/- per Sq.ft per month) ₹ 1.43 Crore or 1/3rd of net profit arrived from the operation of this division of the hospital of the licensee, whichever is more and for residential quarters the rate is ₹ 2/- per Sq.ft. per month (₹ 2/- per Sq.ft per month) ₹ 0.13 Crore. The lease rental paid by Apollo Hospital for the period/year ended 31.03.2014 accounted for is ₹ 1.56 Crore (₹ 1.56 Crore) towards minimum rental.

The cost of the gross assets leased to Apollo Hospital Enterprises Ltd. furnished under the schedule of Fixed Assets is ₹ 31.32 Crore (₹ 31.32 Crore) accumulated depreciation as on 31.03.2014 is ₹ 8.25 Crore (₹ 7.71 Crore).

The future minimum lease payments in the aggregate during the year of lease are ₹ 26.49 Crore (₹ 28.05 Crore) for each of the following periods are as under:

		<b>Current Year</b>	<b>Previous Year</b>
		(₹ in crore)	
(I)	Not later than one year	1.56	1.56
(II)	Later than one year and not later than five year	6.23	6.23
(III)	Later than five years and till the period of lease	18.70	20.26

No contingent rents are recognized as income in the Profit and Loss Account.

8. Furniture & Fixtures/Office Tools & Equipments/Electrical Fittings/Fire Arms:

The figures of office equipments included in the above head of fixed assets could not be segregated as per requirements of revised Schedule VI format due to presence of some old balances appearing as clubbed figure as per pre revised Schedule VI format.

## NOTES TO BALANCE SHEET (CONSOLIDATED) (Contd.)

NOTE - 10 B  
(₹ in crore)

### CAPITAL WORK-IN-PROGRESS

PARTICULARS	COST		PROVISION		IMPAIRMENT LOSS		Total Provision & Impairment Loss	NET CARRYING VALUE
	As on 01.04.13	Addition during the year	Adj./Transfer during the year	As on 31.03.14	As on 01.04.13	Adj./Sales/Transfer during the year	As on 31.03.14	
<b>Tangible Assets</b>								
Building/Water Supply/Road & Culverts	254.38	243.90	(54.46)	443.82	20.24	1.05	(0.26)	21.03
Plant & Equipments	1,685.72	1,236.66	(879.84)	2,042.54	91.30	7.83	(8.74)	90.39
Railway Sidings	117.69	35.07	(3.64)	149.12	42.23	3.04	(0.48)	44.79
Development	81.01	16.25	(8.15)	89.11	27.47	0.74	(0.01)	28.20
Others	100.92	192.96	(179.10)	114.78	1.41	0.09	—	1.50
<b>Total Tangible Assets</b>	<b>2,239.72</b>	<b>1,724.84</b>	<b>(1,125.19)</b>	<b>2,839.37</b>	<b>182.65</b>	<b>12.75</b>	<b>(9.49)</b>	<b>185.91</b>
Tangible Assets of Previous Year (As on 31.03.2013)	1,885.15	1,770.18	(1,415.61)	2,239.72	172.79	12.29	(2.43)	182.65
<b>Tangible Assets of Joint Ventures</b>	<b>4.58</b>	<b>0.14</b>	<b>—</b>	<b>4.72</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Tangible Assets of Joint Ventures in Previous Year (As on 31.03.2013)	—	3.33	1.25	4.58	—	—	—	—
<b>TOTAL Consolidated Tangible Assets</b>	<b>2,244.30</b>	<b>1,724.98</b>	<b>(1,125.19)</b>	<b>2,844.09</b>	<b>182.65</b>	<b>12.75</b>	<b>(9.49)</b>	<b>185.91</b>
TOTAL Consolidated Tangible Assets of Previous Year (As on 31.03.2013)	1,885.15	1,773.51	(1,414.36)	2,244.30	172.79	12.29	(2.43)	182.65
<b>Surveyed off Assets</b>	<b>514.59</b>	<b>48.33</b>	<b>19.44</b>	<b>582.36</b>	<b>351.06</b>	<b>8.15</b>	<b>33.69</b>	<b>392.90</b>
Surveyed off Assets (As on 31.03.2013)	497.96	36.34	(19.71)	514.59	353.36	3.64	(5.94)	351.06
<b>Grand Total</b>	<b>2,758.89</b>	<b>1,773.31</b>	<b>(1,105.75)</b>	<b>3,426.45</b>	<b>533.71</b>	<b>20.90</b>	<b>24.20</b>	<b>578.81</b>
Grand Total of Previous Year (As on 31.03.2013)	2,383.11	1,809.85	(1,434.07)	2,758.89	526.15	15.93	(8.37)	533.71





NOTES TO BALANCE SHEET (CONSOLIDATED) (Contd.)

NOTE - 10 C

INTANGIBLE ASSETS UNDER DEVELOPMENT

		COST		PROVISION		IMPAIRMENT LOSS		NET CARRYING VALUE	
PARTICULARS		As on 01.04.13	Addition during the year	As on 31.03.14	As on 01.04.13	Add./Sales/Transfer during the year	As on 31.03.14	As on 01.04.13	Add./Sales/Transfer during the year
<b>Intangible Assets</b>									
Development	571.11	320.47	(130.48)	761.10	16.87	—	(0.75)	16.12	24.26
Prospecting & Boring	757.45	229.08	(26.99)	959.54	6.12	—	—	6.12	1.38
<b>TOTAL</b>	<b>1,328.56</b>	<b>549.55</b>	<b>(157.47)</b>	<b>1,720.64</b>	<b>22.99</b>	<b>—</b>	<b>(0.75)</b>	<b>22.24</b>	<b>25.64</b>
Intangible Assets (As on 31.03.2013)	1,107.43	291.18	(70.05)	1,328.56	23.73	—	(0.74)	22.99	28.75
								(2.96)	(0.15)
								25.64	25.64
								48.63	48.63
								1,279.93	1,279.93
								1,054.95	1,054.95
								As on 31.03.13	As on 31.03.13

## NOTES TO BALANCE SHEET (CONSOLIDATED) (Contd.)

### NOTE - 11

(₹ in crore)

	As at 31.03.14	As at 31.03.13
<b>NON - CURRENT INVESTMENTS - Quoted / Unquoted at Cost</b>		
<b>TRADE (Unquoted)</b>		
8.5% Tax Free Special Bonds (Fully Paid up) : (on securitisation of Sundry Debtors) Major State-wise Break-up		
Uttar Pradesh	33.44	66.87
Haryana	1.34	2.67
Maharashtra	66.56	123.30
Madhya Pradesh	80.97	155.73
Gujarat	35.15	70.29
West Bengal	11.31	22.63
<i>Investment in Co-op Shares</i>		
Investment in Coal Mines Officers Cooperative credit society Ltd	0.05	0.05
Investment in Dishergarh colly Worker's Central Cooperative store Ltd.	0.01	0.01
Investment in Mugma coalfield colly Worker's Central Cooperative store Ltd.	0.01	0.01
Investment in sodepur & Dhenomain colly Employee's Cooperative Credit Society Ltd.	0.01	0.01
<b>NON-TRADE (Quoted)</b>		
7.55% Secured Non Convertible IRFC Tax Free 2021 Series 79 bonds	200.00	200.00
8% Secured Non convertible IRFC Bonds Tax free	108.75	108.75
7.22% Secured Non convertible IRFC Bonds Tax Free	499.95	499.95
7.22% Secured Redeemable REC Bonds Tax Free	150.00	150.00
<b>Sub- Total :</b>	<b>1,187.55</b>	<b>1,400.27</b>
<b>NON - CURRENT INVESTMENTS - (unquoted) at Cost of Joint Ventures</b>		
<i>Investment in Shares</i>		
ICVL Global PTE Ltd.	0.03	0.03
<b>Sub- Total :</b>	<b>0.03</b>	<b>0.03</b>
<b>Total :</b>	<b>1,187.58</b>	<b>1,400.30</b>
Aggregate amount of unquoted investments	228.88	441.60
Aggregate amount of quoted investments	958.70	958.70
Market value of quoted investments	967.99	969.48



## NOTES TO BALANCE SHEET (CONSOLIDATED) (CONTD.)

### NOTE - 12

(₹ in crore)

#### LONG TERM LOANS & ADVANCES

##### Loans

Loan to employees

For House Building

- Secured considered good
- Unsecured considered good
- Doubtful

As at  
31.03.14

As at  
31.03.13

48.83

57.10

—

—

0.01

0.01

—

—

48.84

57.11

—

—

0.01

0.01

Less: Provision for doubtful loans

48.83

57.10

—

—

For Motor Car and other conveyance

- Secured considered good
- Unsecured considered good
- Doubtful

0.52

0.72

—

—

—

—

0.52

0.72

—

—

Less: Provision for doubtful loans

0.52

0.72

For Others

- Secured considered good
- Unsecured considered good
- Doubtful

—

—

—

—

0.10

0.74

—

—

0.24

0.10

—

—

0.34

0.84

—

—

0.24

0.10

—

—

0.10

0.74

##### Advances

For capital

- Secured considered good
- Unsecured considered good
- Doubtful

5.63

—

—

—

706.27

698.57

—

—

12.50

14.13

—

—

724.40

712.70

—

—

12.50

14.13

—

—

711.90

698.57

Less: Provision for doubtful advances

—

—

For revenue

- Secured considered good
- Unsecured considered good
- Doubtful

—

—

—

—

123.39

167.40

—

—

3.96

6.11

—

—

127.35

173.51

—

—

3.96

6.11

—

—

123.39

167.40

Less: Provision for doubtful advances

—

—

Security deposits

- Secured considered good
- Unsecured considered good
- Doubtful

—

—

—

—

8.02

3.22

—

—

0.66

0.66

—

—

8.68

3.88

—

—

0.66

0.66

—

—

8.02

3.22

Less : Provision for doubtful loans and advances

—

—

Deposit for P&T, Electricity etc.

- Secured considered good
- Unsecured considered good
- Doubtful

—

—

—

—

270.90

253.61

—

—

3.45

4.55

—

—

274.35

258.16

—

—

3.45

4.55

—

—

270.90

253.61

Less : Provision for doubtful deposits

—

—

**TOTAL**

1,163.66

1,181.36

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

## NOTES TO BALANCE SHEET (CONSOLIDATED) (CONTD.)

### NOTE - 13

(₹ in crore)

<b>OTHER NON-CURRENT ASSETS</b>	<b>As at 31.03.14</b>	<b>As at 31.03.13</b>
Exploratory drilling work (for Eastern Coalfields Ltd)		
- secured considered good	—	—
- Unsecured considered good	—	—
- Doubtful	104.86	89.47
	104.86	89.47
Less: Provision	104.86	89.47
Other Receivables	—	—
- secured considered good	—	—
- Unsecured considered good	592.62	74.17
- Doubtful	12.16	12.27
	604.78	86.44
Less: Provision	12.16	12.27
<b>TOTAL</b>	<b>592.62</b>	<b>74.17</b>
<b>CLASSIFICATION</b>		
Secured	—	—
Unsecured - Considered Good	592.62	74.17
- Considered Doubtful	117.02	101.74

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

Other Receivable includes balance claim of ₹ 20.86 crore (₹ 21.11 crore) against total claim of ₹ 47.67 crore lodged with Director of Electricity, Govt. of West Bengal in support of relief / concession required for revival of ECL according to BIFR's sanctioned scheme. Against the above claim 10% provision has been made considering its doubtful recovery.

### NOTE - 14

(₹ in crore)

<b>CURRENT INVESTMENTS - (unquoted) at cost</b>	<b>As at 31.03.14</b>	<b>As at 31.03.13</b>
<b>NON-TRADE</b>		
Mutual Fund Investment		
UTI Mutual Fund	1,280.65	154.47
LIC Mutual Fund	—	157.85
SBI Mutual Fund	944.98	264.80
Canara Robeco Mutual Fund	116.51	204.81
Union KBC Mutual Fund	48.50	—
<b>TRADE</b>		
<b>8.5% Tax Free Special Bonds (Fully Paid up) :</b>		
(on securitisation of Sundry Debtors)		
Major State-wise Break-up		
Uttar Pradesh	33.44	33.44
Haryana	1.33	1.33
Maharashtra	46.86	56.72
Madhya Pradesh	68.58	74.77
Gujarat	35.15	35.15
West Bengal	11.32	11.32
<b>Total :</b>	<b>2,587.32</b>	<b>994.66</b>



## NOTES TO BALANCE SHEET (CONSOLIDATED) (Contd.)

	NOTE - 15	(₹ in crore)
<b>INVENTORIES</b>		
Stock of Coal	4,585.82	4,677.21
Coal Under Development	1.11	52.86
	<hr/>	<hr/>
Less : Provision	4,586.93	4,730.07
<b>A Stock of Coal (Net)</b>	<hr/> <b>4,154.61</b>	<hr/> <b>4,301.16</b>
Stock of Stores & Spares (at cost)	1,367.91	1,281.24
Stores-in-Transit	61.37	93.30
	<hr/>	<hr/>
Less : Provision	1,429.28	1,374.54
<b>B Net Stock of Stores &amp; Spares (at cost)</b>	<hr/> <b>1,167.16</b>	<hr/> <b>1,117.90</b>
Workshop Jobs :		
Work-in-progress and Finished Goods	217.61	163.71
Less : Provision	1.65	1.65
<b>C Net Stock of Workshop Jobs</b>	<b>215.96</b>	<b>162.06</b>
<b>D Press :</b>	<b>1.18</b>	<b>1.25</b>
Work-in-Progress and Finished Goods		
<b>E Stock of Medicine at Central Hospital</b>	<b>2.28</b>	<b>2.09</b>
<b>F Prospecting &amp; Boring/ Development Exp./Coal Blocks meant for Sale</b>	<b>26.88</b>	<b>33.37</b>
<b>Total (A + B + C + D + E + F )</b>	<b>5,568.07</b>	<b>5,617.83</b>

**Note :-**

In three of the areas of Mahanadi Coalfields Limited namely Talcher Area, HBM and mine no. 3 of Orient Area, variation between book stock and measured stock is 0.08 million ton, 0.04 million ton and 0.01 million ton respectively (beyond 5%) and therefore measured stock has been considered in the accounts.

## NOTES TO BALANCE SHEET (CONSOLIDATED) (Contd.)

	NOTE - 16	(₹ in crore)	
<b>TRADE RECEIVABLES</b>		<b>As at 31.03.14</b>	<b>As at 31.03.13</b>
Debts outstanding for a period exceeding six months from the due date			
- Secured considered good	—	—	—
- Unsecured considered good	4,514.90	2,258.64	—
- Doubtful	2,435.19	1,607.08	—
	<hr/>	<hr/>	<hr/>
Less: Provision for bad & doubtful debts	6,950.09	3,865.72	—
	2,435.19	1,607.08	—
	<hr/>	<hr/>	<hr/>
	<b>4,514.90</b>	<b>2,258.64</b>	
Other Debts			
- Secured considered good	369.61	24.08	—
- Unsecured considered good	3,356.52	8,197.49	—
- Doubtful	153.82	248.57	—
	<hr/>	<hr/>	<hr/>
Less: Provision for bad & doubtful debts	3,879.95	8,470.14	—
	153.82	248.57	—
	<hr/>	<hr/>	<hr/>
	<b>3,726.13</b>	<b>8,221.57</b>	
<b>Total</b>	<b>8,241.03</b>	<b>10,480.21</b>	
<b>Classification :</b>			
Secured	369.61	24.08	—
Unsecured - Considered Good	7,871.42	10,456.13	—
- Considered Doubtful	2,589.01	1,855.65	—

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

The Government of Madhya Pradesh by Gazette Notification dated 30.09.2005 has imposed a new tax under "Madhya Pradesh Gramin Avsanrachana Tatha Sadak Adhiniyam, 2005" (MPGATSVA 2005), with effect from 30.09.2005. This Adhiniyam provides for charging of tax @ 5% on annual value w.e.f. 30.09.2005. Some consumers as well as WCL moved the Hon'ble High Court of Madhya Pradesh, Jabalpur and obtained interim relief. As per the interim order dated 15.02.2006, the Hon'ble High Court, Jabalpur had directed the Company not to deposit this tax to the State Government but to keep it in a fixed deposit. The matter was later dismissed by the Jabalpur High Court in favour of MP Government. WCL has filed an SLP before the Hon'ble Supreme Court and the matter is still sub judice. The Hon'ble Supreme Court of India vide its order dated 02.08.2010 directed the Company to file its returns for all the years under protest as per MPGATSVA (2005). The Hon'ble Supreme Court directed the assessing officer under the Act to complete the assessments of returns filed by the Company. In compliance with the Supreme Court directions the assessing officers raised total demand of ₹ 370.58 crore against the Company upto 31.03.2014. The Company, as per legal advice, has deposited full amount of demand amounting to ₹ 370.58 crore upto 31.03.2014. and has preferred Appeals against the assessment orders with Competent Appellate Authority, Jabalpur and Bhopal.

An amount of ₹ 408.10 crore has been received from customers on this account upto 31.03.2014. Term Deposit, against this receipt upto 31.03.2014 (after adjusting ₹ 370.58 crore paid for appeal), for ₹ 32.69 crore has been made upto 31.03.2014 and ₹ 4.83 crore is made in April 2014. The matter is now pending before Hon'ble Supreme Court and Appellate authority, Jabalpur. The interest on fixed deposits made on this account is treated as liability.



## NOTES TO BALANCE SHEET (CONSOLIDATED) (Contd.)

### NOTE - 17

(₹ in crore)

	<b>As at 31.03.14</b>	<b>As at 31.03.13</b>
<b>CASH &amp; BANK BALANCE</b>		
<b>Cash &amp; Cash Equivalent</b>		
Balances with Scheduled Banks		
- In Deposit Accounts with maturity upto 3 months	7,746.61	9,978.95
- In Current Accounts	1,639.15	1,657.40
- In Cash Credit Accounts	36.98	30.67
In Account with Banks outside India	10.46	5.56
Remittance - in transit	0.68	4.66
Cheques, Drafts and Stamps in hand	2.59	3.13
Cash in hand	2.36	3.93
<b>Other Bank Balances</b>		
Balances with Scheduled Banks		
- In deposit accounts with maturity of more than 3 months*	38,139.16	48,265.03
- In deposit accounts under Shifting and Rehabilitation Fund Scheme with maturity of more than 3 months	2,536.92	2,273.69
<b>Balance in Dividend Account (Interim dividend 2012–13)</b>	—	8.46
<b>Balance in unpaid dividend accounts</b>	7.41	2.75
<b>Escrow Account with Bank for Mine Closure Fund</b>	2,265.77	—
<b>Sub-Total</b>	<b>52,388.09</b>	<b>62,234.23</b>
<b>Cash &amp; Bank Balance in Joint Ventures</b>		
<b>Cash &amp; Cash Equivalent</b>		
Balances with Scheduled Banks		
- In Deposit Accounts with maturity upto 3 months	0.29	0.62
- In Current Accounts	0.01	0.01
<b>Other Bank Balances</b>		
Balances with Scheduled Banks		
- In deposit accounts with maturity of more than 3 months	1.14	1.14
<b>Sub-Total</b>	<b>1.44</b>	<b>1.77</b>
<b>Total</b>	<b>52,389.53</b>	<b>62,236.00</b>

\* This includes deposits of ₹ 4240.69 Crore (₹ 1101.33 Crore) of maturity more than 12 months from the date of acquisition.

Deposits includes ₹ 193.37 crore (₹ 189.01 crore) held as margin money or security against the borrowing/others.

In Mahanadi Coalfields balance with Scheduled Bank in Deposit Account includes ₹ 1.43 crore (previous year ₹ 1.33 crore) which is under lien to Hon'ble District Court of Sundergarh.

Fixed deposit amounting to ₹ 66.74 crore and ₹ 111.31 crore have been placed under lien of State Bank of India for issuing letter of comfort for issuance of Bank Guarantee in favour of President of India to fulfil the terms of allocation of blocks on behalf of Subsidiary Companies i.e. M/s. MJSJ Coal Ltd. and M/s. MNH Shakti Ltd. respectively.

## NOTES TO BALANCE SHEET (CONSOLIDATED) (Contd.)

### NOTE - 18

(₹ in crore)

#### SHORT TERM LOANS & ADVANCES

##### ADVANCE

Advance to suppliers

For revenue

- Secured considered good 437.37
- Unsecured considered good 8.99
- Doubtful —

**As at  
31.03.14**

446.36  
8.99

**As at  
31.03.14**

329.32  
25.33  
354.65  
25.33

**As at  
31.03.13**

329.32

Less: Provision for doubtful advances

437.37

Advance payment of statutory dues

Sales tax

- Secured considered good —
- Unsecured considered good 177.37
- Doubtful 0.02

177.39  
0.02

—  
115.31  
0.04  
115.35  
0.04

115.31

Less: Provision for doubtful advances

177.37

Advance income tax / Tax deducted at source  
(Net of Provisions)

4,872.54

3,530.77

Others

- Secured considered good —
- Unsecured considered good 284.68
- Doubtful 0.44

285.12  
0.44

—  
159.31  
0.70  
160.01

159.31

Less: Provision for Doubtful Advances

284.68

Advance to employees

- Secured considered good —
- Unsecured considered good 540.81
- Doubtful 1.54

542.35  
1.54

—  
562.89  
3.37  
566.26

3.37

Less: Provision for doubtful advances

540.81

562.89

Claims receivables

- Secured considered good —
- Unsecured considered good 248.77
- Doubtful 14.72

263.49  
14.72

—  
189.63  
19.08  
208.71

19.08

Less: Provision for doubtful claims

248.77

189.63

Prepaid expenses

34.15

32.24

**Sub-Total**

**6595.69**

**4919.47**

**Short Term Loans & Advances in Joint Ventures**

Advance income tax / Tax deducted at source (ICVL)

—

0.34

**Sub-Total**

—

0.34

**TOTAL**

**6,595.69**

**4,919.81**

CLASSIFICATION

Secured

Unsecured - Considered good

- Considered doubtful —

6,595.69

4,919.81

—

48.52

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



## NOTES TO BALANCE SHEET (CONSOLIDATED) (Contd.)

	<b>NOTE - 19</b>	(₹ in crore)	
<b>OTHER CURRENT ASSETS</b>		<b>As at 31.03.14</b>	<b>As at 31.03.13</b>
Interest accrued			
- Investment	62.37	62.43	
Deposit with banks	1,922.13	2,719.99	
- Others	3.48	2.70	
	1,987.98		2,785.12
Other advances	492.34	231.88	
Less: Provision	8.80	1.89	229.99
Deposits			
Deposit for customs duty, port charges etc.	1.52	1.66	
Less: Provision	0.79	0.79	
	0.73		0.87
Deposit for Royalty, Cess & Sales Tax	365.29	200.96	
Less: Provision	40.25	40.25	
	325.04		160.71
Others	1,234.13	209.35	
Less: Provision	1.22	2.18	
	1,232.91		207.17
Amount receivable from Govt of India for transactions on behalf of Ex-Coal Board	2.18	2.00	
Less: Provision	2.18	2.00	—
Other receivables	860.41	829.47	
Less: Provision	46.15	38.62	
	814.26		790.85
<b>Sub -Total</b>	<b>4,844.46</b>		<b>4,174.71</b>
<b>Other Current Assets in Joint Venture</b>			
Other advances	0.08	0.02	
Interest accrued on deposit with banks	0.37	0.01	
<b>Sub -Total</b>	<b>0.45</b>		<b>0.03</b>
<b>TOTAL</b>	<b>4,844.91</b>		<b>4,174.74</b>

Commercial Tax Department, Madhya Pradesh and Uttar Pradesh has raised a demand of ₹ 741.39 crore (previous year ₹ 474.65 crore) till 31.03.2014 for Sales Tax and Entry tax, against which an appeal has been filed and ₹ 120.23 crore (previous year ₹ 94.65 crore) has been deposited under protest by Northern Coalfields Limited and the claim of ₹ 741.39 crore has been shown as Contingent Liability.

## NOTES TO STATEMENT OF PROFIT & LOSS (CONSOLIDATED)

	NOTE - 20		(₹ in crore)
	<b>For the Year ended 31.03.14</b>	<b>For the Year ended 31.03.13</b>	
<b>Revenue From Operations</b>			
Sales of Coal	89,374.51	88,281.32	
Less: Excise Duty	4,881.69	4,674.93	
	<hr/>	<hr/>	
Less : Other Levies			
Royalty	7,332.65	7,063.44	
Cess on Coal	1,859.43	1,850.23	
Stowing Excise Duty	457.17	450.74	
Central Sales Tax	959.05	893.56	
Clean Energy Cess	2,285.58	2,254.09	
State Sales Tax/VAT	2,117.05	2,137.70	
Other Levies	671.87	653.89	
<b>TOTAL LEVIES</b>	<b>15,682.80</b>	<b>15,303.65</b>	
<b>Revenue From Operations (Net sales)</b>	<b><hr/>68,810.02</b>	<b><hr/>68,302.74</b>	

	NOTE - 21		(₹ in crore)
	<b>For the Year ended 31.03.14</b>	<b>For the Year ended 31.03.13</b>	
<b>OTHER INCOME</b>			
<b>Income From Non-Current Investments</b>			
Interest from			
Government Securities (8.5% Tax Free Special Bonds) - Trade	32.80	52.46	
Non Convertible IRFC / REC Tax Free Bonds 2021 Series (Non Trade)	70.75	38.15	
<b>Income From Current Investments</b>			
Dividend from Mutual Fund Investments	241.63	140.49	
Interest from			
Government Securities (8.5% Tax Free Special Bonds) - Trade	16.95	15.35	
<b>Income From Others</b>			
Interest			
From Deposit with Banks	5,315.36	6,010.11	
From Loans and Advances to Employees	2.82	3.85	
From Income Tax Refunds	23.01	36.89	
Others	105.08	59.90	
Subsidy for Sand Stowing & Protective Works	99.89	79.51	
Profit on Sale of Assets	22.22	4.78	
Recovery of Transportation & Loading Cost	1,697.61	1,469.02	
Exchange Rate Variance	—	0.79	
Lease Rent	25.63	25.16	
Liability / Provision Write Backs	626.10	132.32	
Excise Duty on Decrease in Stock	51.60	68.05	
Other non-operating Income	637.93	609.86	
<b>TOTAL</b>	<b><hr/>8,969.38</b>	<b><hr/>8,746.69</b>	

Dividend from mutual fund investments/interest from deposits with banks above also includes that from investments of amount lying in Current Account with IICM.



## NOTES TO STATEMENT OF PROFIT & LOSS (CONSOLIDATED) (Contd.)

### NOTE - 22

(₹ in crore)

#### COST OF MATERIALS CONSUMED

	<b>For the Year ended 31.03.14</b>	<b>For the Year ended 31.03.13</b>
Explosives	1,318.94	1,219.29
Timber	37.03	38.74
P O L	3,080.04	2,391.58
HEMM Spares	1,214.21	1,118.24
Other Consumable Stores & Spares	1,371.83	1,294.26
<b>TOTAL</b>	<b>7,022.05</b>	<b>6,062.11</b>

### NOTE - 23

(₹ in crore)

#### CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE

	<b>For the Year ended 31.03.14</b>	<b>For the Year ended 31.03.13</b>
Opening Stock of Coal	4,674.53	5,221.06
Add: Adjustment of opening stock	51.60	—
Less: Deterioration of Coal	428.91	439.89
Less:-	4,297.22	4,781.17
Closing Stock of Coal	4,583.06	4,674.53
Less: Deterioration of Coal	432.32	428.91
<b>A Change in Inventory of Coal</b>	<b>146.48</b>	<b>535.55</b>
Opening Stock of Workshop made finished goods and WIP	157.93	117.70
Add: Adjustment of opening stock	5.78	—
Less: Provision	1.65	2.86
Less:-	162.06	114.84
Closing Stock of Workshop made finished goods and WIP	217.61	157.93
Less: Provision	1.65	1.65
<b>B Change in Inventory of workshop</b>	<b>(53.90)</b>	<b>(41.44)</b>
Press Opening Job		
i) Finished Goods	0.88	0.71
ii) Work in Progress	0.37	0.35
Less:-	1.25	1.06
Press Closing Job		
i) Finished Goods	0.72	0.88
ii) Work in Progress	0.46	0.37
<b>C Change in Inventory of Closing Stock of Press Job made finished goods and WIP</b>	<b>1.25</b>	<b>1.25</b>
Change in Inventory of Stock in trade (A+B+C) {Decretion / (Accretion)}	<b>0.07</b>	<b>(0.19)</b>
	<b>92.65</b>	<b>493.92</b>

## NOTES TO STATEMENT OF PROFIT & LOSS (CONSOLIDATED) (Contd.)

### NOTE - 24

(₹ in crore)

#### EMPLOYEE BENEFITS EXPENSES

Salary, Wages, Allowances, Bonus etc.  
Ex-Gratia  
PRP  
Contribution to P.F. & Other Funds  
Gratuity  
Leave Encashment  
VRS  
Workman Compensation  
Medical Expenses  
Grants to Schools & Institutions  
Sports & Recreation  
Canteen & Creche  
Power - Township  
Hire Charges of Bus, Ambulance etc.  
Other Employee Benefits

**TOTAL**

**For the Year  
ended 31.03.14**

20,615.96	18,930.24
1,128.42	1,062.70
495.60	505.48
2,470.01	2,291.46
514.51	1,456.83
601.34	833.21
9.93	18.04
10.23	27.02
316.95	306.66
125.89	96.01
20.41	8.06
3.45	3.10
765.25	713.82
50.39	43.90
641.09	1,024.25
<b>27,769.43</b>	<b>27,320.78</b>

**For the Year  
ended 31.03.13**

### NOTE - 25

(₹ in crore)

#### WELFARE EXPENSES

Medical Expenses for Retired Employees  
CSR Expenses  
Sustainable Development Expenses  
Environmental Expenses  
Tree Plantation  
Other Expenses

**TOTAL**

**For the Year  
ended 31.03.14**

144.97	285.22
409.37	140.13
1.44	4.57
60.84	45.33
16.48	16.58
101.70	130.60
<b>734.80</b>	<b>622.43</b>

**For the Year  
ended 31.03.13**

### NOTE - 26

(₹ in crore)

#### REPAIRS

Building  
Plant & Machinery  
Others

**TOTAL**

**For the Year  
ended 31.03.14**

307.32	253.67
625.74	521.96
52.12	46.77
<b>985.18</b>	<b>822.40</b>

**For the Year  
ended 31.03.13**



## NOTES TO STATEMENT OF PROFIT & LOSS (CONSOLIDATED) (Contd.)

### NOTE - 27

(₹ in crore)

#### CONTRACTUAL EXPENSES

Transportation Charges:

	For the Year ended 31.03.14	For the Year ended 31.03.13
- Sand	67.37	51.33
- Coal	2,442.60	2,100.43
- Stores & Others	2.77	2.08

Wagon Loading

Hiring of P&M

Other Contractual Work

**TOTAL**

**6,827.53**

**5,801.97**

### NOTE - 28

(₹ in crore)

#### FINANCE COSTS

##### Interest Expenses

	For the Year ended 31.03.14	For the Year ended 31.03.13
Deferred Payments	0.98	0.09
Interest on IBRD & JBIC Loan	11.84	20.24
Others	32.13	10.94

**TOTAL (A)**

**44.95**

**31.27**

##### Other Finance Cost

Guarantee Fees on (IBRD & JBIC) Loan  
Bank commitment and allocation charges

12.98  
0.07

13.63  
0.27

**TOTAL (B)**

**13.05**

**13.90**

**TOTAL (A+B)**

**58.00**

**45.17**

## NOTES TO STATEMENT OF PROFIT & LOSS (CONSOLIDATED) (Contd.)

### NOTE - 29

(₹ in crore)

#### PROVISIONS (NET OF REVERSAL)

##### (A) PROVISION MADE FOR

	For the Year ended 31.03.14	For the Year ended 31.03.13
Doubtful debts	1,005.09	715.61
Doubtful Advances & Claims	52.80	24.77
Stores & Spares	10.72	7.83
Mine Closure expenses	527.06	592.50
Surveyed of Fixed Assets/Capital WIP	11.42	7.96
Others	—	43.66

**TOTAL(A)**

**1,607.09**

**1,392.33**

##### (B) PROVISION REVERSAL

	For the Year ended 31.03.14	For the Year ended 31.03.13
Doubtful debts	257.88	605.98
Doubtful Advances & Claims	30.18	8.71
Stores & Spares	5.64	4.66
Mine Closure expenses	288.08	27.36
Surveyed of Fixed Assets/Capital WIP	2.51	5.50
Others	134.45	0.03

**TOTAL(B)**

**718.74**

**652.24**

**TOTAL (A-B)**

**888.35**

**740.09**

### NOTE - 30

(₹ in crore)

#### WRITE OFF (Net of past provisions)

	For the Year ended 31.03.14	For the Year ended 31.03.13
Doubtful debts	229.97	186.88
Doubtful advances	56.35	11.45
Less :- Provided earlier	(20.15)	11.45
Others	36.20 0.01	— 0.13

**TOTAL**

**266.18**

**187.01**



## NOTES TO STATEMENT OF PROFIT & LOSS (CONSOLIDATED) (Contd.)

### NOTE - 31

(₹ in crore)

#### OTHER EXPENSES

	<b>For the Year ended 31.03.14</b>	<b>For the Year ended 31.03.13</b>
Travelling expenses		
- Domestic	139.94	139.03
- Foreign	2.40	1.72
Training Expenses	39.87	35.25
Telephone & Postage	28.30	21.70
Advertisement & Publicity	60.26	52.71
Freight Charges	42.57	47.25
Demurrage	83.98	50.83
Donation/Subscription	1.37	1.98
Security Expenses	462.92	432.83
Hire Charges	183.79	151.41
Legal Expenses	20.14	17.81
Bank Charges	0.89	1.29
Guest House Expenses	8.33	6.30
Consultancy Charges	47.99	18.62
Under Loading Charges	375.42	303.87
Loss on Sale/Discard/Surveyed of Assets	4.23	2.04
Auditor's Remuneration & Expenses		
- For Audit Fees	0.97	0.97
- For Taxation Matters	—	—
- For Company Law Matters	—	—
- For Management Services	—	—
- For Other Services	2.99	3.12
- For Reimbursement of Expenses	1.09	0.80
Internal Audit Fees & Expenses	9.88	10.08
Rehabilitation Charges	240.01	237.38
Royalty & Cess	417.16	450.37
Central Excise Duty	31.49	57.29
Rent	15.02	25.41
Rates & Taxes	69.15	65.04
Insurance	4.06	4.40
Loss on Foreign Exchange Transactions	—	93.14
Loss on Exchange Rate Variance	53.92	10.78
Lease Rent	0.19	—
Rescue/Safety Expenses	32.51	27.49
Dead Rent/Surface Rent	12.52	34.36
Siding Maintenance Charges	32.14	41.88
Land/Crops Compensation	7.56	8.20
Miscellaneous expenses	258.84	277.83
<b>TOTAL</b>	<b>2,691.90</b>	<b>2,633.18</b>

## NOTES TO STATEMENT OF PROFIT & LOSS (CONSOLIDATED) (Contd.)

### NOTE - 32

(₹ in crore)

#### PRIOR PERIOD ADJUSTMENT

##### (A) Expenditure

	For the Year ended 31.03.14	For the Year ended 31.03.13
Employees Remuneration & Benefits	3.61	2.73
Power & Fuel	68.73	—
Welfare Expenses	18.76	—
Repairs	2.48	(0.12)
Contractual Expenses	3.46	1.79
Other Expenditure	12.41	(2.79)
Interest and other Financial charges	0.89	—
Depreciation	(0.53)	25.70
<b>TOTAL (A)</b>	<b>109.81</b>	<b>27.31</b>

##### (B) Income

	For the Year ended 31.03.14	For the Year ended 31.03.13
Sale of Coal & Coke	108.53	(9.57)
Other Income	0.36	29.28
Consumption of Stores & Spares	2.33	5.64
Power & Fuel	—	8.82
<b>TOTAL (B)</b>	<b>111.22</b>	<b>34.17</b>
<b>TOTAL ( A-B ) {Charge/(Income)}</b>	<b>(1.41)</b>	<b>(6.86)</b>



## (CONSOLIDATED)

### NOTE - 33

#### A. SIGNIFICANT ACCOUNTING POLICIES

##### 1.0 Accounting Convention:

Financial statements are prepared under the historical cost convention and on accrual basis of accounting and going concern concept, in accordance with the generally accepted accounting principles in India and the relevant provisions of the Companies Act, 1956 including accounting standards notified there under, except otherwise stated.

##### 2.0 Subsidies / Grants from Government:

- 2.1 Subsidies / Grants on capital account are deducted from the cost of respective assets to which they relate. The unspent amount at the Balance Sheet date, if any, is shown as current liabilities.
- 2.2 Subsidies / Grants on revenue account are credited to Statement of Profit & Loss under the head- Other Income and the relevant expenses are debited to the respective heads. The unspent amount at the Balance Sheet date, if any, is shown as current liabilities.
- 2.3 Subsidies / Grants from Government received as an implementing agency.
- 2.3.1 Certain Grant / Funds received under S&T, PRE, EMSC, CCDA etc. as an implementing agency and used for creation of assets are treated as Capital Reserve and depreciation thereon is debited to Capital Reserve Account. The ownership of the asset created through grants lies with the authority from whom the grant is received.
- 2.3.2 Grant / Funds received as Nodal/Implementing Agency are accounted for on the basis of receipts and disbursement.

##### 3.0 Fixed Assets:

###### 3.1 Land:

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

###### 3.2 Plant & Machinery:

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

###### 3.3 Railway Siding:

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

###### 3.4 Development:

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

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

##### 4.0 Prospecting & Boring and other Development Expenditure:

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

## (CONSOLIDATED)

### 5.0 Investments:

Current investments are valued at the lower of cost and fair value as at the Balance Sheet date.

Investments in mutual fund are considered as current investments.

Non-Current investments are carried at cost. However, when there is a decline, other than temporary, in the value of the long term investment, the carrying amount is reduced to recognize the decline.

### 6.0 Inventories:

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

6.1.1 Coal & coke fines are valued at lower of cost or net realisable value.

6.1.2 Slurry (cooking/semi-cooking), middling of washeries and by products are valued at net realisable value.

#### 6.2 Stores & Spares:

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

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

6.2.3 Stores & spare parts include loose tools.

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

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

### 7.0 Depreciation:

7.1. Depreciation on fixed assets is provided on straight line method at the rates and manner specified in Schedule XIV of the Companies Act, 1956 (as amended) except for telecommunication equipment, photocopying machine, fax machines, mobile phones, digitally enhanced cordless telephone and computer (including printer & scanner), which are charged at higher rates on the basis of their technically estimated life, as follows :-

Telecommunication equipment	: -	15.83% p.a. and 10.55% p.a.
Photocopying machine	: -	23.75% p.a.
Fax machine	: -	31.67% p.a.
Mobile phone	: -	31.67% p.a.
Digitally enhanced cordless telephone	: -	31.67% p.a.
Computer (including printer & scanner)	: -	31.67% p.a.

Depreciation on Earth Science Museum and high volume respiratory dust samplers are charged @5.15% and 33.33% respectively on the basis of their technically estimated life.

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

Depreciation on SDL and LHD (equipments) are charged @19% p.a. and @15.83% p.a. respectively on the basis of technical estimation.

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



## (CONSOLIDATED)

in the year of their addition. Assets attracting 100% depreciation are taken out from the Assets after expiry of two years following the year in which these are fully depreciated.

- 7.2 Value of land acquired under Coal Bearing Area (Acquisition & Development) Act, 1957 is amortised on the basis of the balance life of the project. Value of leasehold land is amortised on the basis of lease period or balance life of the project whichever is earlier.
- 7.3 Prospecting, Boring and Development expenditure are amortised from the year when the mine is brought under revenue in 20 years or working life of the project whichever is less.

### **8.0 Impairment of Asset:**

Impairment loss is recognised wherever the carrying amount of an asset is in excess of its recoverable amount and the same is recognized as an expense in the statement of profit and loss and carrying amount of the asset is reduced to its recoverable amount.

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased.

### **9.0 Foreign Currency Transactions:**

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

### **10.0 Retirement benefits / other employee benefits:**

#### **10.1 Defined contribution plans:**

The company has defined contribution plans for payment of Provident Fund and Pension Fund benefits to its employees. Such Provident Fund and Pension Fund are maintained and operated by the Coal Mines Provident Fund (CMPF) Authorities. As per the rules of these schemes, the company is required to contribute a specified percentage of pay roll cost to the CMPF Authorities to fund the benefits.

#### **10.2 Defined benefit plans:**

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

#### **10.3 Other employee benefits:**

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

### **11.0 Recognition of Income and Expenditure:**

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

### **12.0 Sales**

- 12.1 Revenue in respect of sales is recognised when the property in the goods with the risks and rewards of ownership are transferred to the buyer.
- 12.2 Sale of coal are net of statutory dues and accepted deduction made by customer on account of quality of coal.
- 12.3 The revenue recognition is done where there is reasonable certainty of collection. On the other hand, revenue recognition is postponed in case of uncertainty as assessed by management.

## (CONSOLIDATED)

### 13.0 Dividend

Dividend income is recognised when right to receive is established.

### 14.0 Borrowing Costs:

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

### 15.0 Taxation:

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

### 16.0 Provision:

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

### 17.0 Contingent Liability:

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

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

### 18.0 Overburden Removal (OBR) Expenses :

In open cast mines with rated capacity of one million tonnes per annum and above, cost of OBR is charged on technically evaluated average ratio (COAL:OB) at each mine with due adjustment for advance stripping and ratio-variance account after the mines are brought to revenue. Net of balances of advance stripping and ratio variance at the Balance Sheet date is shown as cost of removal of OB under the head Non - Current Assets/ Long Term Provisions as the case may be.

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

Annual Quantum of OBR of the Mine	Permissible limits of variance	
	I	II
	%	Quantum (in Mill.Cu. Mtr.)
Less than 1 Mill. CUM	+/- 5%	0.03
Between 1 and 5 Mill. CUM	+/- 3%	0.20
More than 5 Mill. CUM	+/- 2%	Nil

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

### 19.0 Prior Period Adjustments and Prepaid Expenses:

Income / expenditures relating to prior period and prepaid expenses, which do not exceed ₹ 0.10 Crore in each case, are treated as income / expenditure of current year.



## (CONSOLIDATED)

### NOTE - 34

#### ADDITIONAL NOTES ON ACCOUNTS:

##### **1 Contingent Liabilities & Commitments**

- i) The amount remaining to be executed on capital account not provided for is ₹ 2555.44 crore (₹ 2452.16 crore).  
The amount remaining to be executed on revenue account not provided for is ₹ 13802.21 crore (₹ 11587.51 crore).
- ii) Claims against the company not acknowledged as debt are ₹ 22194.34 crore (₹ 16523.41 crore).
- iii) Outstanding letters of credit amounted to ₹ 288.10 crore (₹ 253.09 crore).
- iv) Outstanding Deferred Payment Guarantee issued by banks amounted to ₹ 6.44 crore (₹ 23.36 crore).
- v) The Competition Commission of India (CCI), on the basis of complaints by few coal customers (called as 'informant' in the case) against certain conducts of M/S Coal India Limited, M/S Western Coalfields Limited, M/S South Eastern Coalfields Limited, M/S Mahanadi Coalfields Limited (called as 'opposite party' in the case) heard the case and vide its order dated 09.12.2013, had inter-alia imposed a penalty of ₹ 1773.05 crore which is to be deposited within 60 days of receipt of the order.

The appeal against the above order has already been filed and the hearing is taking place from time to time.

The Competition Appellate Tribunal vide its interim order dated 13.01.14, has granted status quo until further orders, in respect of implementation of directions/restraints (other than the imposition of penalty) ordered by CCI on 09.12.13.

Further, the Competition Appellate Tribunal in the hearing dated 26.02.2014 has agreed to grant stay in favour of CIL on the order of penalty of ₹ 1773.05 crore pending disposal of Appeal, on the condition that CIL deposits a token penalty of ₹ 50 crore within 3 weeks from the date of the order. Accordingly the said sum of ₹ 50 crore has been deposited on 12th March 2014.

In view of the above, the entire amount of penalty of ₹ 1773.05 crore under appeal has been shown as contingent liability and included with ₹ 1802.25 crore mentioned above, with corresponding ₹ 50 crore under deposits in the books of Coal India Limited being a holding company.

- vi) The company has given guarantee for loans obtained by subsidiaries from Export Development Bank of Canada (EDC) and Liebherr France, the outstanding balance of which as on 31.03.2014 stood at ₹ 168.07 crore (₹ 160.35 crore) and ₹ 9.75 crore (₹ 8.72 crore) respectively.

##### **2 Basis of Preparation of Financial Statements**

- i) The financial statements of the subsidiaries used in the consolidation are drawn up to the same reporting date as that of the Parent Company, i.e. year ending 31st March,2014.
- ii) The financial statements have been prepared under the historical cost convention and on the accrual basis of accounting. The accounts of the subsidiaries have been prepared in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India and on the basis of accounting principles generally accepted in India.
- iii) The financial statements have been prepared in line with the requirements of Revised Schedule-VI of Companies Act, 1956 as introduced by the Ministry of Corporate Affairs from financial year ended on 31st March 2012.

##### **3 Principles of Consolidation and Financial Reporting of Interest in Joint Venture and Overseas Subsidiary.**

- i) The consolidated financial statements relate to Coal India Limited, its wholly owned subsidiary companies, namely, Eastern Coalfields Limited (ECL), Bharat Coking Coal Limited (BCCL), Central Coalfields Limited (CCL), Northern Coalfields Limited (NCL), Western Coalfields Limited (WCL), South Eastern Coalfields Limited (SECL), Mahanadi Coalfields Limited (MCL), Central Mine Planning & Design Institute Limited (CMPDIL) & Coal India Africana Limitada (Overseas Subsidiary), proportionate stake in International Coal Venture Pvt. Limited (ICVL) and CIL-NTPC Urja Pvt. Ltd.
- ii) The financial statements of MCL has been consolidated with its three subsidiary companies – MNH Shakti Limited, MJSJ Coal Limited and Mahanadi Basin Power Limited.

## (CONSOLIDATED)

- iii) The financial statements of the company and its subsidiary companies are combined on a line-by-line basis adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses in accordance with Accounting Standard- 21 " Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India. However the non-recognition of interest in holding company's accounts from one of its subsidiaries ( as per Accounting Standard-9 ) has been ignored in such consolidation.
- iv) Significant Accounting Policies and Notes to these Consolidated Financial Statements are intended to serve as a means of informative disclosure and a guide for better understanding the consolidated position of the companies. Recognizing this purpose, the Company has disclosed only such Policies and Notes from individual financial statements, which fairly present the needed disclosure.
- v) CIL has entered into a Memorandum of Understanding (vide approval from its Board in 237th meeting held on 24th November, 2007) regarding formation of Special Purpose Vehicle (SPV) through joint venture involving CIL/ SAIL/RINL/NTPC & NMDC for acquisition of coking coal properties abroad. The formation of the SPV had been approved by the Cabinet, Govt. of India, vide its approval dated 8th November, 2007. The aforesaid SPV viz. International Coal Ventures Pvt. Ltd. has been formed by incorporation under Companies Act, 1956 on 20th May, 2009 with an authorised capital of ₹ 1.00 crore and paid up capital of ₹ 0.70 crore. The authorised Capital and paid up Capital as on 30.06.2013 stood at ₹ 1110.00 crore and ₹ 9.80 crore respectively. Out of above paid up capital, Coal India Ltd. is owning 2/7th share i.e. worth ₹ 2.80 crore face value of equity shares.
- vi) The consolidated financial statements include the interest of the company in the above joint venture (International Coal Ventures Pvt. Ltd.) which has been accounted for using the proportionate consolidation method of accounting and reporting whereby the company's share of each asset, liability of a jointly controlled entity has been considered. Such accounting has been carried out considering the latest available un-audited financial statements as on 30.06.2013.
- vii) CIL NTPC Urja Pvt. Ltd., a 50 : 50 Joint Venture Company was formed on 27th April'2010 between CIL & NTPC and CIL has invested ₹ 0.02 crore as on 31.03.2014. The un-audited Accounts of the above joint venture company upto the year ended 31st March'2014 has been considered in consolidation.
- viii) On incorporation of subsidiaries on the basis of joint venture agreement as per directives from the Ministry of Coal, Mahanadi Coalfields Ltd has deposited money / transferred debits for capital and other expenditure.

The position of investment and other current account as at 31.03.2014 is as under :-

Name of Subsidiary	Stake in Subsidiary	Date of Incorporation	Address	Minority Interest as per Consolidated Accounts as on 31.03.2014
1) MNH Shakti Ltd	70%	16.07.2008	Anand Vihar, Burla, Sambalpur	₹ 25.53 crore
2) MJSJ Coal Ltd.	60%	13.08.2008	House no 42, 1st Floor, Anand Nagar, Hakim Para, Angul	₹ 38.07 crore
3) Mahanadi Basin Power Limited	100%	02.12.2011	Plot No. G-3 Mancheswar Railway Colony Bhubaneswar	—
<b>Total</b>				<b>₹ 63.60 crore</b>

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



## (CONSOLIDATED)

- ix) In terms of Memorandum of Understanding (MOU) signed on 03.11.2012 between South Eastern Coalfields Limited (SECL), IRCON International Limited (IRCON) and the Government of Chhattisgarh (GoCG) for establishment of two Railway Corridors viz., East Corridor and East West Corridor, two(2) Subsidiary Companies of SECL have been Incorporated under the Companies Act,1956 viz., M/s Chhattisgarh East Railway Limited (CERL) and M/s. Chhattisgarh East-West Railway Limited (CEWRL).

Both the subsidiaries are yet to start development activities, related expenditure has been consolidated.

- x) Investment in Subsidiary (Overseas) :

Coal India Ltd., formed a 100% owned subsidiary in Republic of Mozambique, named "Coal India Africana Limitada". The initial paid up capital on such formation (known as "Quota Capital") was ₹ 0.01 Crore (USD 1000). The Accounts of the above subsidiary company upto the year ended 31.03.2014 has been considered in consolidation.

### 4 Provision for Employee Benefits :

Liability of certain other employee benefits like Gratuity, Earned Leave, Life Cover Scheme, Settlement Allowance, Group Personal Accident Insurance Scheme, Leave Travel Concession, Medical Benefits for Retired Executives, Compensation to dependents in case of mine accidental death are valued on actuarial basis. Total liability as on 31.03.2014 based on valuation made by the Actuary, details of which are mentioned below is ₹ 17046.27 crore.

The actuarial liability as on 31.03.2014

(₹ in crore)

Head	Opening Actuarial Liability as on 01.04.13	Incremental Liability during Period	Closing Actuarial Liability as on 31.03.14
Gratuity	13121.06	(478.33)	12642.73
Earned Leave	2240.23	55.34	2295.57
Half Pay Leave	412.90	6.67	419.57
Life Cover Scheme	105.79	(20.18)	85.61
Settlement Allowance Executives	6.28	1.25	7.53
Settlement Allowance Non-executives	295.94	(16.45)	279.49
Group Personal Accident Insurance Scheme	1.45	(0.27)	1.18
Leave Travel Concession	227.67	18.25	245.92
Medical Benefits	750.48	100.64	851.12
Compensation to dependants in case of mine accidental death	241.80	(24.25)	217.55
<b>Total</b>	<b>17403.60</b>	<b>357.33</b>	<b>17046.27</b>

Against actuarial liability of Gratuity, fair value of plan assets at the end of the year is ₹ 10678.95 crore (₹ 8397.13 crore).

## (CONSOLIDATED)

Summary of actuarial assumptions are as under :-

Formula used	Projected Unit Credit Method
Discount Rate	8.50%
Return on Assets	8.50%
Inflation Rate	6.25%
Mortality Table	IALM-(2006-08) ULT.

### 5 Eastern Coalfields Limited and Bharat Coking Coal Limited

ECL had become sick and were referred to BIFR under Sick Industrial Company (Special Provisions) Act, 1985. The revival plan/scheme of ECL had already been approved by BIFR and thereafter vetted by the concerned ministry.

The implementation of the revival scheme in ECL will substantially improve the financial position of the company.

The net worth of BCCL had turned positive at the end of the year 2012–13 and came out of BIFR. During 2013–14 it has continued to earn profit.

During the financial year 2013–14 ECL and BCCL have earned profit after tax for ₹ 872.23 crore and ₹ 1714.35 crore respectively. Accumulated Profit (Loss) and Net worth of ECL and BCCL as on 31.03.2014 are as under:-

(₹ in crore)

Company	Accumulated Profit(Loss)		Net Worth	
	As on 31.03.14	As on 31.03.13	As on 31.03.14	As on 31.03.13
ECL	(4637.53)	(5509.76)	(1586.37)	(2458.60)
BCCL	(2391.68)	(4106.03)	2265.32	550.97

### 6 Discontinuing Operation :

- i) CBE Plant, Bhandra – Western Coalfields Limited.

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

CIL had given its approval for disposal of the Plant and the Company in its 197th Board Meeting held on 19.04.2006 had approved the disposal of P&M by tendering/e-auction and accordingly the P&M along with related stores & spares have been disposed off during 2006–07 by auction through MSTC. The Net Block of assets pending disposal is ₹ 0.08 crore. The liability towards Overheads after closure of the Plant till 31.03.2014 for maintenance and upkeep of the Plant is ₹ 0.40 crore.

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



## (CONSOLIDATED)

- ii) DFD Plant, Hinganghat, Western Coalfields Limited.

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

The disposal of the Plant is under process and the exact date of completion of discontinuance is not determinable as of now. The Net Block of assets pending disposal is ₹ 0.03 crore and the liability towards Municipal Taxes is ₹ 0.04 crore. The Company has applied to the Hinganghat Nagar Palika for waiver of the Municipal Taxes for the past four years on the ground that the Plant is no more in operation. The revenue expenses incurred during the current year is ₹ 0.01 crore (Previous Year 0.01 crore). Since the Plant is inoperative for the past ten years and the final disposal of the Plant is yet to be done, there is no question of profit/loss. There is no cash outflow attributable to operating, investing and financing of discontinuance.

- 7 Bharat Coking Coal Limited has received grant under various SSRC/EMSC (now included in Master Plan) and R&D Schemes. The Company has received as nodal/implementing agency and are accounted for on the basis of receipts and disbursement. Position as on 31.03.2014 is as under :

(₹ in crore)

Particular	Amount
Opening balance of unutilized grant as on 01.04.2013 (including balances at different areas amounting to ₹ 9.21 Cr.)	98.40
Grant received during financial year 2013–14	229.72
Utilisation/adjustment during financial year 2013–14	131.23
Closing balance of unutilized grant as on 31.03.2014	196.89

- 8 With the introduction of Gross Calorific value (GCV) system of grading of coal w.e.f. 1st January 2012, supply of coal to NTPC Ltd., (a major coal customer) was billed at declared grade of coal corresponding to the GCV range of the coal supplied, with effect from October 2012 NTPC Ltd. released payment based on GCV determined unilaterally at the receiving end, contrary to the provision of Fuel Supply Agreement which stipulates that the GCV is to be determined at the loading end by joint collection, preparation, testing and analysis of the coal being supplied, and withheld the balance amount.

For an appropriate resolution of the issue, the Govt. of India advised for extrapolation of the result of the third party sampling/analysis during October – December 2013 to the supplies during the past period from October 2012 upto September 2013. On the basis of this settlement formula and pending final reconciliation / settlement of all the subsidiaries of CIL with NTPC Ltd., provision / write off of ₹ 876.45 crore (pertaining to three subsidiaries namely Eastern Coalfields Limited, Central Coalfields Limited & Northern Coalfields Limited) for such deemed lowering of grade as compared to the grade of coal supplied and billed has been considered in the Accounts during the year.

- 9 During the year a case of misappropriation of company's fund for personal gain has come to the notice of the management in CIL's marketing division which is under investigation by different agencies. Pending completion of the investigation process the impact of such misappropriation cannot be ascertained at this stage.

- 10 Use of Estimate:

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

## (CONSOLIDATED)

**11** Earnings per share:

Sl. No.	Earning per Share Particulars	31st March' 2014	31st March' 2013
i)	Profit after Taxation (₹ in crore).	15111.67	17356.36
ii)	Add/(less) adjustment for Reserve for foreign Exchange (₹ in crore).	—	93.14
iii)	Net profit after tax attributable to Equity shareholders (₹ in crore).	15111.67	17449.50
iv)	Weighted average No. of shares outstanding during the year.	6316364400	6316364400
v)	Basic and Diluted earning per Share in Rupees (Face value of Rs. 10/- per share)	23.92	27.63

**12** Directors' Remuneration :

(₹ in crore)

Particulars	31st March'2014	31st March'2013
Salary & Allowances, Contribution to Provident Fund, FPF, Leave Encashment, PRP & other benefits	11.69	11.39

**13** Earning in Foreign Exchange on account of :

(₹ in crore)

Sl.No	Particulars	31st March,2014	31st March,2013
(i)	Export of Goods (Calculated on FOB basis)	NIL	NIL
(ii)	Exchange Variation (net)	NIL	0.03
(iii)	Miscellaneous	NIL	NIL

**14** As required by section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 the following information is disclosed on the basis of information available with the company:

(₹ in crore)

Sl.No	Descriptions	As on 31.03.2014
1)	Principal amount remaining unpaid	0.68
2)	Interest due thereon (interest due and / or payable)	Nil

**15** The Company is primarily engaged in a single segment business of Production and sale of Coal. The income from interest and other income is less than 10% of the total revenue, hence no separate segment is recognized for the same.

**16** Figures in the parentheses relates to the previous year.



## (CONSOLIDATED)

### 17 Impact due to changes in accounting policy

During the year based on technically estimated useful life depreciation rates of the following assets were revised.

Sl. No.	Assets	Existing Dep. Rate	Revised Dep. Rate.
1	Photocopying machine	10.55%	23.75%
2	Fax Machine	15.83%	31.67%
3	Mobile Phone	15.83%	31.67%
4	Digitally enhanced cordless telephone	15.83%	31.67%
5	Computer (including printer & scanner)	16.21%	31.67%

Due to above changes in depreciation rates the profit for the year decreased by ₹ 8.18 Crore.

### 18 Previous year's figures have been regrouped and rearranged wherever considered necessary.

### 19 Note-1 to 19 form part of the Balance Sheet as at 31st March, 2014 and 20 to 32 form part of Statement of Profit & Loss for the year ended on that date. Note-33 represents Significant Accounting Policies and Note-34 represents additional notes on the Accounts.

Signature to Note 1 to 34.

<b>M.Viswanathan</b> <b>Company Secretary</b>	<b>P.Chakraborty</b> <b>General Manager</b> <b>(Finance)</b>	<b>A.Chatterjee</b> <b>Director</b> <b>(Finance)</b>	<b>S.Narsing Rao</b> <b>Chairman-Cum-Managing Director</b>
--	--	--	---

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

**Date : 29th May, 2014**  
**Place : New Delhi**

**(Srijit Chakraborty)**  
**Partner**  
**Membership No. 055317**

## AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF COAL INDIA LIMITED

INDEPENDENT AUDITORS REPORT

### 1. Report on the Financial Statements

We have audited the accompanying consolidated financial statements of COAL INDIA LIMITED (CIL) and its subsidiaries, which comprise the consolidated Balance Sheet as at March 31, 2014, and the consolidated statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of Significant Accounting Policies and other explanatory information. These financial statements include figures in respect of CIL (Holding Company), Eastern Coalfields Limited (ECL), Bharat Coking Coal Limited (BCCL), Central Coalfields Limited (CCL), Northern Coalfields Limited (NCL), Western Coalfields Limited (WCL), South Eastern Coalfields Limited (SECL), Mahanadi Coalfields Limited-Consolidated (MCL), Central Mines Planning and Design Institute Limited (CMPDIL), Coal India Africana Limitada (CIAL) and two Joint Ventures viz- CIL- NTPC Urja Private Limited and International Coal Ventures Private Limited (ICVL).

### 2. Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### 3. Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated

## MANAGEMENT REPLY



financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **4. Opinion**

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the consolidated statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

#### **5. Other Matter**

1. We did not audit the financial statements of the subsidiaries, whose financial statements and other financial information have been audited by other Auditors whose report have been furnished to us by the Management and our opinion is based solely on the reports of the other Auditors. Our opinion is not qualified in respect of this matter.
2. Consolidation also includes un-audited financial statements and financial information certified by the Management of two Joint Ventures viz- CIL- NTPC Urja Private Limited and International Coal Ventures Private Limited (ICVL). These were reviewed by us as far as practicable. Our opinion is not qualified in respect of this matter.
3. The consolidated financial statements reflect total assets ₹96934.46 crore as at March 31, 2014; total revenues ₹ 77128.95 crore and net cash outflows ₹ 2963.05 crore for the year then ended as under:-

(Figures in ₹ crore)

	Total Assets	Total Revenue	Net Cash Flow
<b>SUBSIDIARIES:</b>			
EASTERN COALFIELDS LIMITED (ECL)	8646.79	9600.70	748.92
BHARAT COKING COAL LIMITED (BCCL)	7755.98	9294.80	10.49
CENTRAL COALFIELDS LIMITED (CCL)	10970.41	9180.95	-744.07
NORTHERN COALFIELDS LIMITED (NCL)	16932.64	10509.76	-540.05
WESTERN COALFIELDS LIMITED (WCL)	9953.79	7263.05	-111.00
SOUTH EASTERN COALFIELDS LIMITED (SECL)	22217.86	18594.25	398.20
MAHANADI COALFIELDS LIMITED-CONSOLIDATED (MCL)	19570.16	12033.00	-2716.83
CENTRAL MINE PLANNING AND DESIGN INSTITUTE LIMITED (CMPDIL)	830.52	652.44	-8.71
<b>FOREIGN SUBSIDIARY:</b>			
COAL INDIA AFRICANA LIMITADA (CIAL)	49.65	0.00	0.00
<b>JOINT VENTURE:</b>			
CIL-NTPC URJA PRIVATE LIMITED	0.01	0.00	0.00
INTERNATIONAL COAL VENTURES PRIVATE LIMITED (ICVL)	6.65	0.00	0.00

The above information regarding ICVL relate to last available figures only and not as on March 31,2014

#### Emphasis of matter

- Without qualifying our Report, attention is drawn to the following :-
  - Additional Note No. 34.5: regarding a sick subsidiary, ECL which is under BIFR but progressing well under Revival Schemes approved by BIFR and vetted by the concerned Ministry.
  - Additional Notes No.34.3(v), 3(vi) and 3(vii): regarding inclusion in the consolidated financial statements of the un-audited accounts of two joint ventures stated in the said paragraph.

This is only a statement of fact referring to the notes on accounts.

This is only a statement of fact referring to the notes on accounts.

For **De Chakraborty & Sen**  
 Chartered Accountants  
 F.R. No.303029E



(Srijit Chakraborty)  
 (Partner)  
 Membership No. 055317  
 Place: Camp New Delhi  
 Date: 29th May, 2014



## **GREEN INITIATIVE APPEAL TO THE SHAREHOLDERS**

The Shareholders holding shares in demat form are requested to register their e-mail id with their Depository. Shareholders holding shares in physical form are requested to send their consent to our Registrar and Transfer Agent, Karvy Computershare Pvt Ltd. on the following format.

Date: \_\_\_\_\_

M/s. Karvy Computershare Pvt. Ltd.

Unit: COAL INDIA

17-24, Vittal Rao Nagar

Madhapur

Hyderabad - 500 081

Ph. No.: 040-44655000, Fax No. : 040-23420814

Email id: einward.ris@karvy.com

I/We \_\_\_\_\_ holding \_\_\_\_\_ shares of the Company in physical form intend to receive all communications including notices, annual reports, through our e-mail id given hereunder:

Folio No \_\_\_\_\_ E-mail id \_\_\_\_\_

---

Signature of the first holder



## NOTES

## NOTES



## COAL INDIA LIMITED

A MAHARATNA COMPANY

CIN: L23109WB1973GOI028844

10, Netaji Subhas Road, Kolkata-700001

PHONE: 033-2248 5123, GRAM: COALINDIA, FAX:033-2231-5060, www.coalindia.in

### PROXY FORM

#### FORTIETH ANNUAL GENERAL MEETING

DP ID	CLIENT ID	FOLIO NO	NO OF SHARE(S) HELD

I/We \_\_\_\_\_  
of \_\_\_\_\_ in the district of \_\_\_\_\_ being a Member/  
Members of Coal India Limited, hereby appoint \_\_\_\_\_ of \_\_\_\_\_  
in the district of \_\_\_\_\_ or failing him/her \_\_\_\_\_ of \_\_\_\_\_  
\_\_\_\_\_ or failing him/her \_\_\_\_\_ of \_\_\_\_\_  
\_\_\_\_\_ as my/our Proxy to attend and vote for me/us and on my/our behalf at the fortieth  
Annual General Meeting of the Company to be held on Wednesday, the 10th September 2014 at 10.30 A.M at Science  
City, Main Auditorium, JBS Haldane Avenue, Kolkata -700046 and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014 \_\_\_\_\_

**Signature of Shareholder**

Affix  
Revenue  
Stamp

<b>Signature of 1<sup>st</sup> Proxy-holder</b>	<b>Signature of 2<sup>nd</sup> Proxy-holder</b>	<b>Signature of 3<sup>rd</sup> Proxy holder</b>

#### NOTES:-

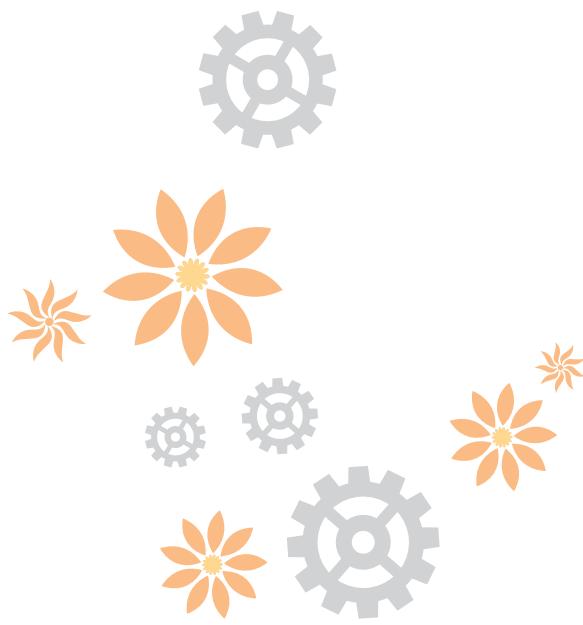
- 1) The Proxy form must be received at Coal India Limited, Coal Bhawan, 10 N.S. Road Kolkata -700001 not less than 48 hours before the commencement of the Annual General Meeting.
- 2) Members/Proxy holders are requested to bring their copy of the Annual Report for reference at the meeting.
- 3) No instruments of proxy shall be valid unless,
  - (a) In the case of an individual shareholder, it is signed by him/her or his/her attorney, duly authorised in writing;
  - (b) In the case of joint holder, it is signed by the shareholder first named in the register or his/her attorney, duly authorised in writing;
  - (c) In the case of a body corporate signed by its officer or an attorney duly authorised in writing.
- 4) An instrument of Proxy deposited with the Company shall be irrevocable and final.
- 5) A person can act as proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.





## Coal India Limited

10, Netaji Subhas Road, Kolkata - 700 001



[www.coalindia.in](http://www.coalindia.in)

GRI G3.1  
Compliant  
B Level Report.

# SUSTAINABILITY REPORT 2013-14



**COAL INDIA LTD.**  
**10 N.S. Road, Kolkata-700001**



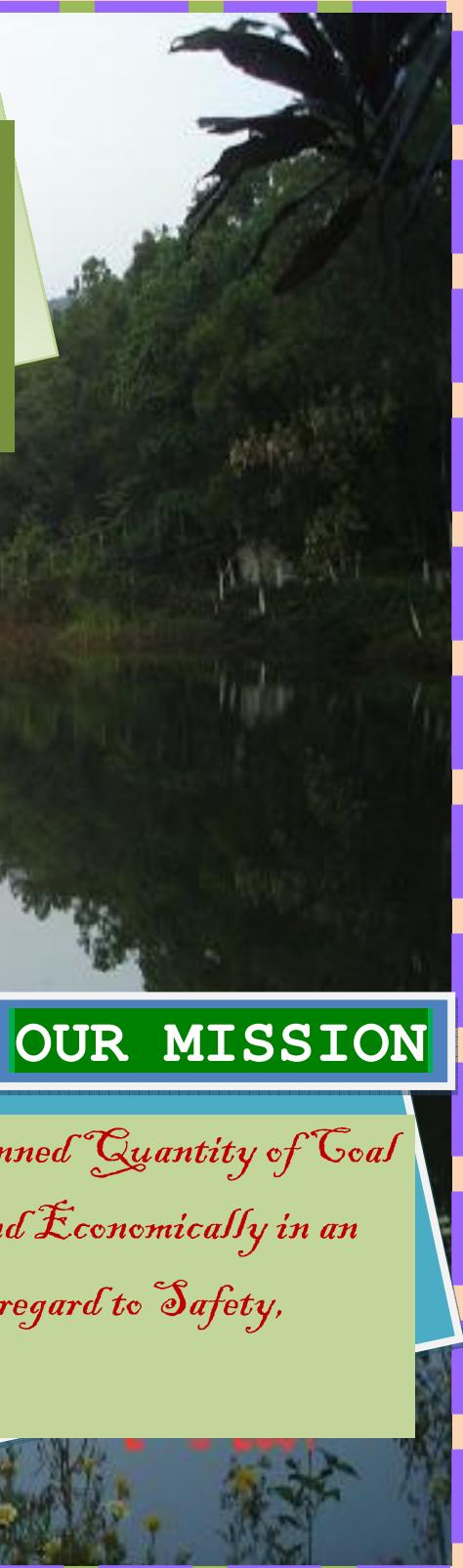
# CONTENT INDEX

Page | 1

<b>Topic</b>	<b>Page No.</b>
<b>Our Vision and Mission</b>	<b>2</b>
<b>Chairman's Statement</b>	<b>3</b>
<b>Our Company</b>	<b>5</b>
<b>About The Report</b>	<b>9</b>
<b>Corporate Governance: Coal India Board</b>	<b>10</b>
	<b>Sustainable Development Board Level Committee as on 31.03.2014</b>
	<b>13</b>
	<b>Organizational Structure</b>
	<b>15</b>
	<b>Governance / Transparency Initiatives</b>
	<b>16</b>
<b>Our Stakeholders</b>	<b>18</b>
	<b>Stakeholders' Engagement</b>
	<b>19</b>
	<b>Stakeholders Mapping</b>
	<b>20</b>
<b>Economic Performance</b>	<b>23</b>
	<b>High Lights Of The Performance In 2013-14</b>
	<b>24</b>
	<b>Coverage of defined benefit plan obligations</b>
	<b>29</b>
<b>Our Employees &amp; Human Rights</b>	<b>32</b>
	<b>Employee's Concern</b>
	<b>33</b>
	<b>Safety</b>
	<b>37,40-42</b>
	<b>Training</b>
	<b>43</b>
<b>Environment Performance</b>	<b>50</b>
	<b>Environmental Impact Assessment</b>
	<b>51</b>
	<b>Air Pollution Control Measures</b>
	<b>51</b>
	<b>Water Pollution Control Measures</b>
	<b>52</b>
	<b>Noise Pollution Control Measures</b>
	<b>54</b>
	<b>Biodiversity</b>
	<b>55</b>
	<b>Other measures to reduce Pollution at the source by new methods</b>
	<b>57</b>
	<b>Conservation of natural Resources</b>
	<b>57</b>
	<b>Environmental Aspects- Performance</b>
	<b>58-65</b>
	<b>MoU with Govt. of India Performance in 2013-14</b>
	<b>65</b>
	<b>SD Projects Target Vs Achievement in 2013-14</b>
	<b>66</b>
<b>Social Aspects –Performance</b>	<b>68</b>
<b>Major Activities under taken in CIL and Its Subsidiaries during 2013-14</b>	<b>69</b>
<b>Awards</b>	<b>76</b>
<b>G 3.1 Content Index</b>	<b>79</b>
<b>Mapping with Principles as per BRR</b>	<b>84</b>
<b>List of Abbreviations</b>	<b>85</b>
<b>Sustainability Report 2013-14 - FEEDBACK FORM</b>	<b>86</b>

## OUR VISION

*To emerge as a global player in the primary energy sector committed to provide energy security to the country by attaining environmentally & socially sustainable growth through best practices from mine to market*



## OUR MISSION

*To Produce and Market the Planned Quantity of Coal and Coal products Efficiently and Economically in an Eco-Friendly Manner with due regard to Safety, Conservation and Quality*

## FROM THE CHAIRMAN'S DESK

**C**oal India Ltd. (CIL) is the 8<sup>th</sup> Central PSU conferred with **Maharatna Status** by Govt. of India and with this status CIL enjoys larger financial autonomy which provides the opportunity to take the company on growth path of country's energy security through Sustainable Development.

CIL's priority is to satisfy the country's energy need for the economic growth as coal meets over **50 %** of the primary energy requirement . However, CIL desires to ensure that it is being done in a socio-eco friendly manner.

### ECONOMIC PERFORMANCE

CIL is one of the largest profit making Companies having earned Rs. 22879.54 rores pre-tax profit against previous year figure of Rs 24,979.04 crores.

### SOCIAL FRONT

We believe that our main stakeholders are all the persons around our activity zone and the land losers. Considering their needs and aspirations, it is our endeavour to improve our Resettlement & Rehabilitation (R&R) policy and CSR activities which will be more need based and satisfying to the Project Affected Persons and neighbouring stakeholders. R&R policy of CIL has given its subsidiaries the flexibility to deal the Project affected people and to settle their grievances more humanly.

A number of initiatives has been and is being taken by CIL for the people around through various CSR activities. CIL's CSR policy is placed in the public domain through our website.

### ENVIRONMENT

Environment Impact Assessment studies are carried out for each project to undertake the mitigation measures in a planned and phased manner to minimize the impact of coal mining on land, air and water. This in turn helps the community at large.

### SAFETY & WELFARE OF EMPLOYEES

Our Employees, the back bone of the industry, are one of the most Important Stakeholder. CIL is the first PSU to settle the Wage agreement for 5 years up to 30-06-2016. CIL and its subsidiaries take different types of welfare measures required to facilitate not only employees but also their families in consultation with their representatives.

Safe employees are the productive employees. Safety in CIL has improved by collective management. All safety measures and awareness programmes are undertaken and monitored by Safety committee consisting of the Management and Union representatives. Further, we have been adopting technologies with “Safety First” in mind. Manual under ground mining are being replaced by mechanized and semi-mechanized mining with LHD / SDL and will be completely eliminate shortly. Fully mechanized technologies like the Continuous Miners and Power Support Long wall System for under ground mining and High Wall mining & High capacity equipment for open cast mining are adopted for safe, high productivity and production. More and more Man Riding systems are being installed in the under ground mines to reduce the arduous travelling.

Maintaining transparency in our activities & operations is our motto and all information regarding the company is available in Web. It is our belief that we can grow only with the active support and cooperation of the stakeholders. Stakeholders’ views are given due importance and we thank all our stakeholders for their co-operation in the growth of CIL.

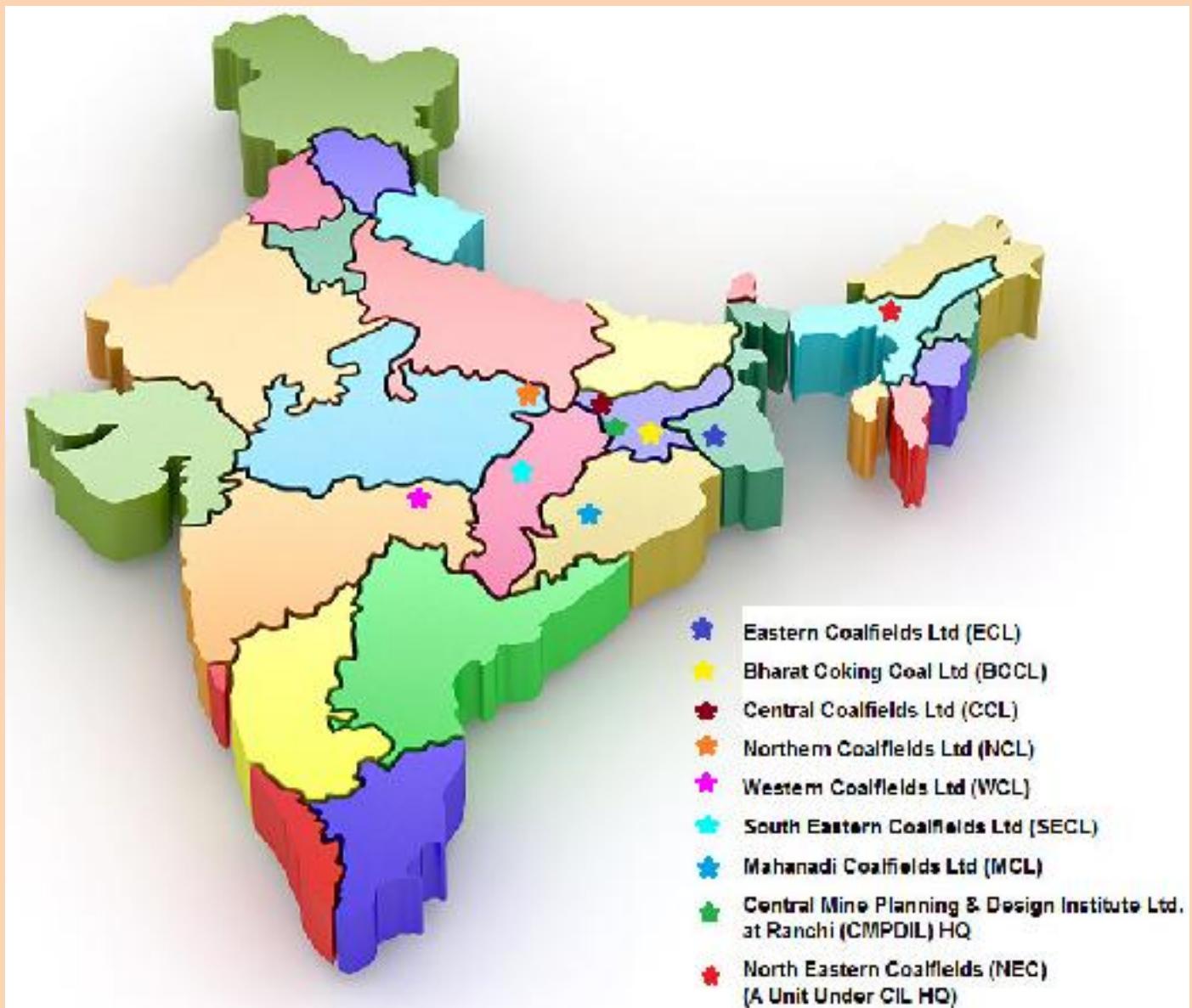
**(DR. A K Dubey)**  
**Chairman,**  
**Coal India Ltd.**

## OUR COMPANY

Coal India Ltd. (CIL), a Central Public Sector Undertaking, is having 89.65% ownership of the Central Government and 10.35% ownership of the public. CIL is the largest corporate employer with a manpower of 346638 worldwide in the coal sector (as on 31<sup>st</sup> March, 2014) and the *single* largest coal producing company in the world. It is a 'Maharatna' Company under Ministry of Coal, Government of India. Having headquarters at Kolkata, West Bengal, CIL operates through 82 mining areas spread over 8 provincial states of India. CIL has 429 mines of which 237 are underground, 166 opencast and 26 mixed mines. CIL further operates 17 coal washeries (13 coking coal and 4 non-coking coal) and also manages 200 other establishments like workshops, hospitals etc. CIL has 27 training Institutes. Indian Institute of Coal Management (IICM) as a 'Centre of Excellence' operates under CIL and imparts multi-disciplinary Management Development Programmes to executives. CIL's major consumers are Power and Steel sectors. Others include Cement, Fertilizer, Brick Kilns and a host of other industries. Being a major coal producing company, it supplies over 50% of the prime energy need of the country. As such, CIL serves directly or indirectly the entire nation.

## ORGANISATIONAL PROFILE

CIL has eight fully owned Indian subsidiary companies located in 8 different provincial states of India and its corporate head office is situated at Kolkata, West Bengal. In addition, CIL has a foreign subsidiary in Africa at Mozambique namely Coal India Africana Limitada (CIAL).



**Eastern Coalfields Ltd. (ECL)** – It is mainly located in the state of West Bengal with company HQ at Sanctoria, Dist.- Burdwan (West Bengal) and a small part in Jharkhand.

**Bharat Coking Coal Ltd. (BCCL)** – It is mainly located in the state of Jharkhand with company HQ at Dhanbad, Dist.- Dhanbad (Jharkhand) and a small part in West Bengal.

**Central Coalfields Ltd. (CCL) & Central Mine Planning and Design Institute Ltd. (CMPDIL)** – It is located in the state of Jharkhand with company HQ at Ranchi, Dist.- Ranchi (Jharkhand).

Northern Coalfields Ltd. (NCL) – It is mainly located in the state of Madya Pradesh with company HQ at Singrauli, Dist.- Singrauli (Madya Pradesh) and a small part in Uttar Pradesh.

Western Coalfields Ltd. (WCL) – It is mainly located in the state of Maharastra with company HQ at Nagpur, Dist.- Nagpur (Maharastra) and a small part in Madya Pradesh.

South Eastern Coalfields Ltd. (SECL) – It is mainly located in the state of Chattishgarh with company HQ at Bilaspur, Dist.- Bilaspur (Chattishgarh) and a small part in Madya Pradesh.

Mahanadi Coalfields Ltd. (MCL) – It is located in the state of Odisha with company HQ at Sambalpur, Dist.- Sambalpur (Odisha).

Coal mines located in the state of Assam i.e. North Eastern Coalfields, continue to be managed directly by CIL. Similarly, Dankuni Coal Complex (DCC) located in West Bengal also remains to be with SECL.

**MCL** has three subsidiaries viz.

1. MNH Shakti Ltd (70% equity holding)
2. MJSJ Coal Ltd (60% equity holding) and
3. Mahanadi Basin Power Ltd (100%)

MCL has also a Joint Venture with M/s OPTCL.

**SECL** has incorporated two subsidiary companies viz.

1. M/s Chhattisgarh East Railway LTD on 12<sup>th</sup> Mar'13 and
2. M/s Chhattisgarh East- West Railway Ltd on 25<sup>th</sup> Mar'13 with 64% holding in each of the subsidiary.

### **Products and Services offered by Coal India Limited:**

#### **COKING COAL:**

This coal, when heated in the absence of air, forms coherent beads, free from volatiles, with strong and porous mass, called coke.

- It has coking properties
- Mainly used in steel making and metallurgical industries
- Also used for hard coke manufacturing

#### **SEMI COKING COAL:**

This coal, when heated in the absence of air, forms coherent beads not strong enough to be directly fed into the blast furnace. Such coals are blended with coking coal in adequate proportion to make coke.

- It has comparatively less coking properties than coking coal
- Mainly used as blend-able coal in steel making, merchant coke manufacturing and other metallurgical industries

#### **NLW COKING COAL:**

This coal is not used in metallurgical industries because of higher ash content. This coal is used for power utilities and non-core sector consumers.

#### **NON-COKING COAL:**

This coal does not have coking properties.

- Mainly used as thermal grade coal for power generation

- Also used for sponge iron making, cement, fertilizer, glass, ceramic, paper, chemical, brick manufacturing, for other host of industries and as domestic fuel.

### **WASHED AND BENEFICIATED COAL:**

This coal is to undergo the processes of coal washing or coal beneficiation, resulting in value addition due to reduction in ash percentage.

- Used in manufacturing of hard coke for steel making
- Beneficiated and washed non-coking coal is used mainly for power generation
- Beneficiated non-coking coal is used by cement, sponge iron and other industrial plants

### **MIDDLING:**

Middling is one of the three products i.e. clean, middling and reject, of the two stage coal washing / beneficiation processes and a fraction of feed raw coal.

- Used for power generation
- Also used by domestic fuel plants, brick manufacturing units, cement plants, industrial plants, etc.

### **REJECTS:**

Reject is one of the products of coal beneficiation processes after separation of cleans and / or middlings and a fraction of feed raw coal.

- Used for Fluidized Bed Combustion (FBC) Boilers for power generation, road repairs, briquette (domestic fuel) making, land filling, etc.

### **CIL COKE / LTC (Low Temperature Carbonisation) COKE:**

CIL Coke / LTC Coke is a smokeless, environment friendly product of the Dankuni Coal Complex, obtained through low temperature carbonisation.

- Used in furnaces and kilns of industrial units
- Also used as domestic fuel

### **COAL FINES / COKE FINES:**

This is the screened fractions of feed raw coal and LTC coke / CIL Coke respectively, obtained from the Dankuni Coal Complex and other coke oven plants.

- Used in industrial furnaces as well as for domestic purposes

### **TAR / HEAVY OIL / LIGHT OIL / SOFT PITCH:**

These are products from Dankuni Coal Complex using low temperature carbonisation of non-coking coal in vertical retorts.

- Used in furnaces and boilers of industrial plants as well as power houses, oil, dye, pharmaceutical industries etc.

### **CONSULTENCY SERVICES :**

CMPDIL one of the Subsidiary of Coal India Limited is providing total consultancy in coal and mineral exploration, mining, engineering and allied fields as premiere consultants in India and a leading one in international arena.

## ABOUT THIS REPORT



*CIL presents it's third consecutive annual Sustainability Report starting from 2011-12, encompassing company's sustainability performance for the reporting period from 1<sup>st</sup> April 2013 to 31<sup>st</sup> March 2014.*

This year's sustainability report has been developed as per the GRI 3.1 Guidelines on Sustainability Reporting meeting the requirements of application level 'B'. The content of the report has been developed on the principles of materiality, stakeholder inclusivity and responsiveness as applicable to CIL's current sustainability context.

*In this report, there have been no re-statements from the previous reporting year.*

This report includes the major sustainability performance of CIL and its 8 fully owned subsidiaries in India. There is no change in the reporting boundary in FY13-14. CIL's previous year's sustainability report can be accessed at web site of Coal India Ltd: <https://www.coalindia.in>

Valuable suggestions and comments of the stakeholders can help us to improve our sustainability reporting practice.

**We appreciate if you send your suggestions and comments on the report to:**

Name	R.N. Biswas
Designation :	Chief General Manager (Environment),CIL
Telephone No :	033-22105817
E-mail :	<a href="mailto:cgmenv@coalindia.in">cgmenv@coalindia.in</a>



## CORPORATE GOVERNANCE FRAMEWORK OF COAL INDIA LIMITED

**CIL is governed by a Board of Directors. The Chairman cum Managing Director is the Chairman of CIL Board. Being a CPSE, Directors are appointed / nominated by the President of India.**

### **BOARD OF DIRECTORS**

Shri S. Narsing Rao Chairman cum Managing Director of the company continued throughout the year. On being appointed as Principal Secretary to Chief Minister, Telengana, he has submitted his resignation to Secretary, Ministry of Coal on 23rd May'2014. His Resignation was accepted on 24th June'2014 by Ministry of Coal and he relinquished his charge from 26th June'2014(FN).

Shri R. Mohan Das, Director (P&IR), Shri N. Kumar Director (Technical), Shri B. K. Saxena, Director (Marketing) and Shri A. Chatterjee, Director (Finance) were on the Board throughout the year.

Dr A K Dubey Additional Secretary, MoC was nominated on the Board w.e.f 3rd April, 2013 and continued as a part-time official Director on the Board for the balance period of financial year. Dr. A.K. Dubey, has assumed the additional charge of CMD, CIL with effect from 26th June'2014(FN). Ms Anjali Anand Srivastava, Joint Secretary & Financial Advisor, MoC continued as a Part Time Director till 8th April, 2013. Smt Sujata Prasad, Joint Secretary & Financial Advisor, MoC was nominated on the Board w.e.f 3rd May' 2103 and continued as a part-time official Director on the Board for the balance period of financial year.

On completion of tenure Dr A. K. Rath ceased to be Independent Director w.e.f 26th April 2013. Shri Kamal R Gupta, Dr (Smt) Sheela Bhide and Prof. S. K. Barua ceased to be Independent Director w.e.f 3rd August, 2013, Dr R. N. Trivedi, Ms Sachi Chaudhuri & Dr. Mohd. Anis Ansari ceased to be Independent Directors w.e.f 23rd August'2013.

Dr R. N. Trivedi and Shri Alok Perti were appointed as Independent Director w.e.f 31st October 2013 and continued throughout the year. Shri C Balakrishnan and Dr Noor Mohammad were appointed as Independent Director w.e.f 19th December' 2013 and continued throughout the year. Prof Indranil Manna and Shri Shri Prakash were appointed as Independent Director w.e.f. 3rd February' 2014 and continued throughout the year.

Shri A.N.Sahay, CMD, MCL and Shri A.K.Debnath, CMD, CMPDIL have been appointed as permanent invitees on CIL Board with effect from 23rd April 2013. Shri D.P.Pande has been appointed as permanent invitee on the board with effect from 12th July 2012 continued till 10th April 2013.

<b>1</b>	<b>Dr. A. K. Dubey ( From 27<sup>th</sup> June,2014 &amp; still continuing)</b>	<b>Chairman</b>
<b>2</b>	<b>Shri S. Narsingh Rao (From 24<sup>th</sup> April 2012 to 26<sup>th</sup> June 2014)</b>	<b>Ex - Chairman</b>
<b>3</b>	Smt. Sujata Prasad	Member
<b>4</b>	Dr. R. N. Trivedi	Member
<b>5</b>	Shri C. Balakrishnan	Member
<b>6</b>	Dr. Noor Mahammad	Member
<b>7</b>	Shri Alok Perti	Member
<b>8</b>	Prof. Indranil Manna	Member
<b>9</b>	Shri Shri Prakash	Member
<b>10</b>	Shri R. Mohan Das	Member/FD
<b>11</b>	Shri N. Kumar	Member/FD
<b>12</b>	Shri B .K. Saxena	Member/FD
<b>13</b>	Shri A. Chatterjee	Member/FD
<b>14</b>	Shri A.N.Sahay	Permanent Invitee.
<b>15</b>	Shri A.K.Debnath	Permanent Invitee

Endeavoring towards enhanced administration and overseeing specific functions of the company, CIL Board has chosen various committees including a specific Committee for Sustainable Development. During the year 2013-14, the committee for Sustainable Development constituted by 5 Board members from 01.04.2013 to 23.08.2014 subsequently reconstituted in the 303rd Board held on 14.01.2014 with 4 members. The detail composition of Sustainable Development Committee is detailed in the succeeding pages.

**COAL INDIA LIMITED**  
**BOARD LEVEL SUSTAINABLE DEVELOPMENT**  
**COMMITTEE**  
**AS ON 31.03.2014**

**Sustainable Development Committee was Constituted by the CIL Board of Directors in its 282<sup>nd</sup> meeting held on 16<sup>th</sup> April' 2012. This committee was reconstituted by the Board in its 303<sup>th</sup> CIL Board meeting held on 14<sup>th</sup> January'14. During the year, four meeting were held i.e. on 25-06-2013, 17-07-2013, 31.01.2014 and 12-02-2014. It consists of following members:**

<b>Dr. R.N. Trivedi</b>	-	<b>Chairman</b>
<b>Dr. Noor Muhammad</b>	-	<b>Member</b>
<b>Shri R. Mohan Das</b>	-	<b>Member</b>
<b>Shri N. Kumar</b>	-	<b>Member</b>

## Board Level Sustainable Development Committee



**Dr. R. N. Trivedi, Chairman**



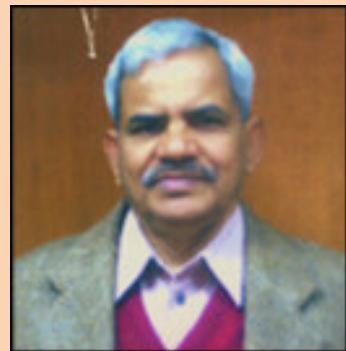
**Shri R Mohan Das**

Director (Per)



**Shri N. Kumar**

Director (Technical)



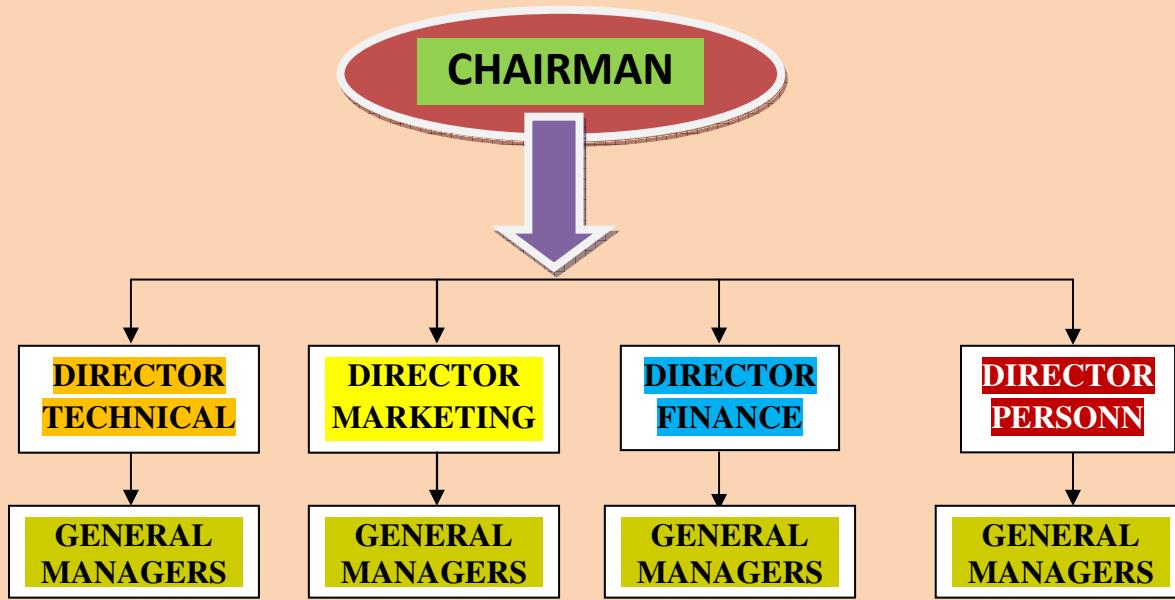
**Dr. Noor Mohammad**

(Independent Director)

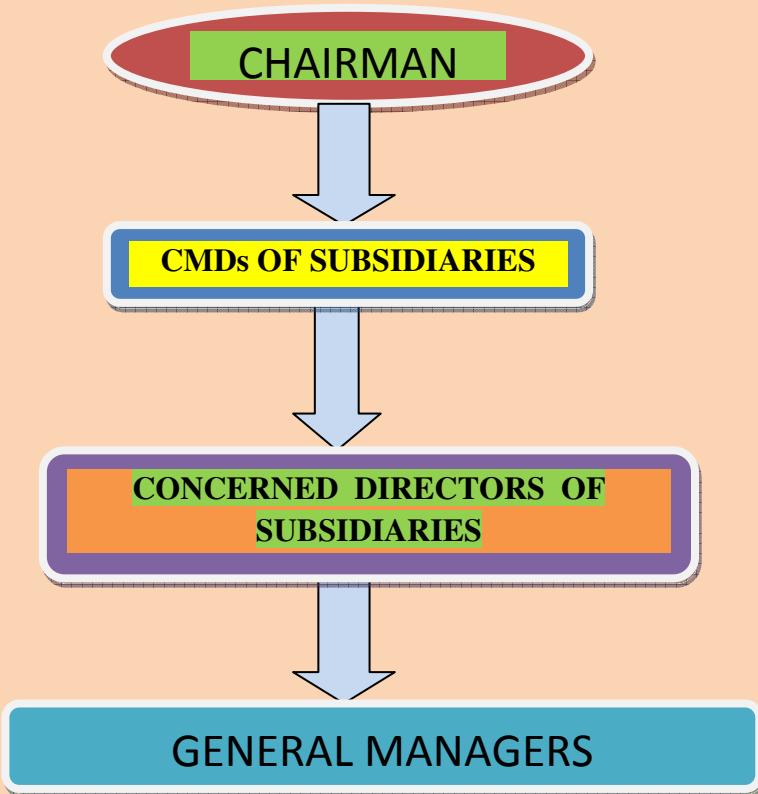
## Sustainable Development Policy Statement of Coal India Limited

CIL shall promote and pursue sustainable mining integrating Environmental Socio-Cultural and economic factors which comprise the basic fabric of Sustenance in our society. It shall also incorporate views and opinions of stakeholders ensuring compatibility and implementation.

## Organization Structure at Coal India (HQ) Level



## Coordination between the Holding Company and the Subsidiaries



## **GOVERNANCE / TRANSPARENCY INITIATIVES**

### **Our Philosophy:**

We have integrated Corporate Governance as a business philosophy to ensure transparency, greater organisational justice and corporate sustainability.

### **Our Values:**

Our core values are equity, justice, transparency and accountability which are the touchstones of good governance and we practice them to the best extent in every sphere of our business activities.

### **Corporate Governance:**

- Regularly monitoring governance structures, principles and practices recommendation to the Board on any changes.
- Reviewing the ethical performance of the Board and recommends measures for improvement
- Review of charters, composition, annual calendar for meeting and performance of all the Sub-committees of the Board

### **Strategic Management:**

- Facilitating to the Board in the formulation of strategic vision / mission / goal and objectives for the future
- Recommending to the Board with the Management the strategic priorities
- Recommending the Board annual action plans in all the major areas of the business
- Reviewing the progress in the achievement of our strategic goals

### **Risk Management:**

- Reviewing the risk management strategy, policies & procedures
- Defining risk appetite, risk tolerance
- Monitoring the risk exposures
- Reviewing the Management's action on managing and monitoring material risks
- Reviewing the overall risk management plan and recommending changes to the Board

### **Human Resource Management and Remuneration (HRMR) Sub-committee:**

- Reviews the policies/rules/regulations/manuals/guidelines related to recruitment, transfer, promotion, training and development, retention, deputation, succession, performance and reward system
- Recommends to the Board the strategic initiatives focused to address the HR issues, any new HR focused policy, foreign training to the Board and Executive and Supervisory level.
- Recommends the management on annual financial budgetary allocations towards training and development, employee welfare, public relations along with annual forecast and budget of manpower for the Company.

All tenders valuing 1.0 crores are subject to Integrity pact. The tenders can be scrutinized by an independent External Monitor (IEM) appointed under the provision of the Integrity pact. All the

complaints received from the Firms participating in the Tender are refer to IEM. Complains are resolved to the satisfaction of the IEMs

- Introduced e-auction for selling coal to any consumer from any location in a transparent manner.
- Introduced Integrity Pact in High Value Procurement and tendering.
- E - procurement introduced for speeding up purchase of vital inputs.

### **UN Global Compact Initiative:**

We are signatories to the Global Compact, the largest global corporate responsibility initiative, coordinated by the UN and including more than 8,000 companies in 135 countries and the principles are followed.

### **Society Associations**

Coal India Limited is member of the following major trade and chamber / association which have business with coal sector, viz.

- a. Federation of Indian Chambers of Commerce and Industry (FICCI).
- b. The Associated Chambers of Commerce and Industry of India (ASSOCHAM)
- c. Standing Conference of Public Enterprises (SCOPE) and
- d. Bengal Chamber of Commerce, Kolkata.

We have maintained association with the above trade and chambers for improvement and sharing knowledge with global advances in mining sector through various Symposia and Conferences. Besides promoting our corporate image, association with these organizations also help us in enhancing our approach and standards in all spheres of mining activities particularly with Energy security, Sustainable and inclusive development policies.



## OUR STAKEHOLDERS



## STAKEHOLDERS' ENGAGEMENT:

CIL's stakeholders are individuals, groups and constituencies those contribute either voluntarily or involuntarily to its wealth-creating capacity and activities. Therefore, these stakeholders are also potential beneficiaries and / or risk bearers.

CIL considers its stakeholders as one of the most important components for its sustainable existence. They contribute and play a vital role in strategic management, corporate governance, business purpose and corporate social responsibility (CSR). The key stakeholders identified in this section are connected to the Company via various modes of engagements. They are:

**Shareholders,**  
**Customers,**  
**Land losers,**  
**Employees,**  
**Suppliers / contractors,**  
**Local villagers / Community and**  
**Government / Statutory and Regulatory Bodies**

Stakeholders	Stakeholder Engagement	Stakeholder Issues
Share Holders	Annual General Body Meeting	<ul style="list-style-type: none"> <li>• Company's performance.</li> </ul>
Customers	<ul style="list-style-type: none"> <li>• NCCC meeting with Industry representatives and Ministries are held under the stewardship of Chairman - Once in a Year.</li> <li>• RCCC meetings with Customers - chaired by CMDs of Subsidiaries held at subsidiaries - Once in a year</li> <li>• Marketing Team meets the customers frequently</li> <li>• Consumer Complaints System (Website – <a href="http://www.coalindia.gov.in">www.coalindia.gov.in</a>)</li> </ul>	<ul style="list-style-type: none"> <li>• Quantity and quality of Coal.</li> <li>• Delivery Time.</li> <li>• Size of coal.</li> </ul>
Land losers	<ul style="list-style-type: none"> <li>• Public Hearing / Consultation (For New &amp; Expansion projects) as &amp; when required</li> <li>• Regular meeting in the Project</li> </ul>	<ul style="list-style-type: none"> <li>• Rehabilitation and Resettlement.</li> <li>• Compensation.</li> </ul>
Employees	<ul style="list-style-type: none"> <li>• Corporate level Industrial Relations meetings with Union leaders (JBCCI) - Five yearly for wage negotiation</li> <li>• Employee trainings and seminars</li> <li>• Safety Week (Annually)</li> <li>• Vigilance Week (Annually)</li> <li>• Monthly Co-ordination meetings (Monthly))</li> </ul>	<ul style="list-style-type: none"> <li>• Job Performance</li> <li>• Wage negotiation.</li> <li>• Promotion.</li> <li>• Information exchange.</li> <li>• Housing related matters.</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>• Interactive meetings and sessions during tenders</li> <li>• Vendors meet – regularly at least once in a quarter</li> </ul>	<ul style="list-style-type: none"> <li>• NIT conditions.</li> <li>• Supply schedule.</li> <li>• Quality of items of supply.</li> </ul>
Local Villagers /Community	<ul style="list-style-type: none"> <li>• Sustainable Development initiatives and CSR Activities (Ongoing) – every initiative is taken with due consultation</li> </ul>	<ul style="list-style-type: none"> <li>• Source of Earning.</li> <li>• Basic amenities.</li> <li>• Road.</li> </ul>

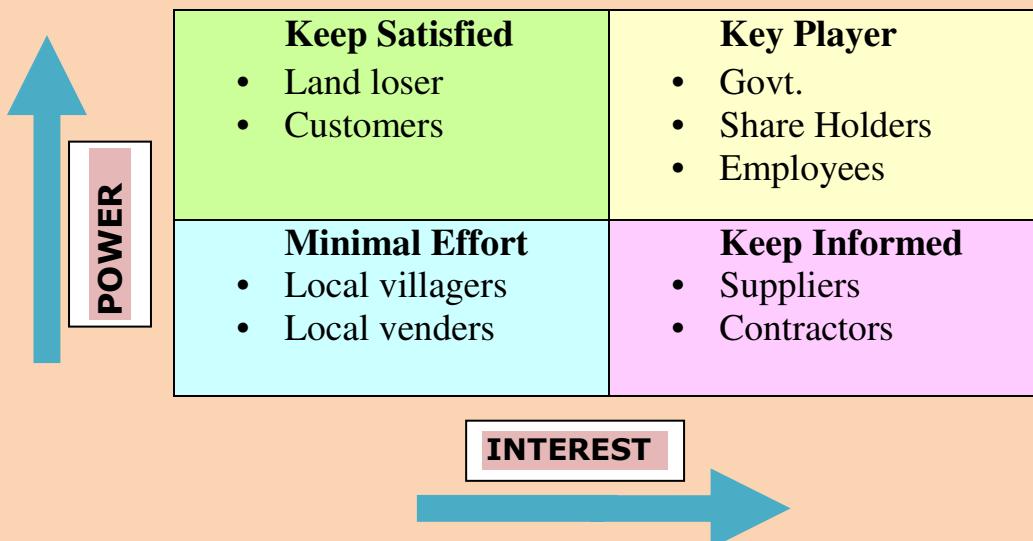
Stakeholders	Stakeholder Engagement	Stakeholder Issues
Government - Ministry of Coal and CIL / Govt. Statutory / Regulatory Authorities	<ul style="list-style-type: none"> <li>• Performance Report (Quarterly)</li> <li>• Performance Report (Annually)</li> <li>• Board Meetings (at least once a month)</li> <li>• Compliance Report</li> <li>• Inspections</li> </ul>	<ul style="list-style-type: none"> <li>• Street lighting.</li> <li>• Drinking water.</li> <li>• Education.</li> <li>• Performance at every front.</li> <li>• Policy decision.</li> <li>• Law abidance</li> </ul>

Most material issues are identified to ensure quality business performance and responsibility in conjunction with key internal stakeholders. These are rehabilitation and resettlement of project of affected persons / families, basic amenities for local communities, quantity and quality of coal for our consumers, compliance with rules and regulations, companies economic performance in the interest of our shareholders, health and safety of all our employees and environmental stewardship.

Based on the impact on our business, the issues are identified and we need to address the issues to ensure our sustainability and that of our stakeholders. Feedback from our external stakeholders provides the input for our materiality determination and prioritization process.

#### STAKEHOLDERS MAPPING:

After mapping of the Stakeholders and analyzing the related issues, the following is the representation through a prioritization matrix.



**Stakeholder to be addressed on priority:**

- Land loser and Customers
- Government, Share Holders, Employees

**Vulnerable Stakeholder:**

- Local villagers

**Marginalized Stakeholder:**

- Local venders, Local villagers.

**LAND LOSERS**

We believe that our main stakeholders are all the persons around our activity zone and the land losers. Considering their needs and aspirations, it is our endeavour to improve our Resettlement & Rehabilitation (R&R) policy and CSR activities which will be more need based and satisfying to the Project Affected Persons and neighbouring stakeholders. Revised R&R policy of CIL -2012 has given its subsidiaries the flexibility to deal the Project affected people and to settle their grievances more humanly.

**CUSTOMER****Our motto customers' satisfaction:**

We discuss the various issues with Industrial representatives and Ministry representatives in the National Coal Consumer Council (NCCC) and Regional Coal Consumer Council (RCCC). Further, regular interaction with power houses takes place. Considering their views, various measures are undertaken for improvements.

Coal is being supplied by New Coal Distribution Policy (NCDP) in the interest of the customers. Almost all provisions contained in NCDP have been successfully implemented by CIL. As per the proportion of the supply, we conduct regular meeting with the Stakeholders since we value our customer needs. RCCC meetings are held in each of our subsidiary companies where they interact with key consumers to identify their concerns and establish measures to address the same. Some of the key steps taken to meet our customer expectations are highlighted below:

- i) In order to ensure enhanced customer satisfaction, special emphasis has been given to quality management. Steps are being taken to monitor quality right at the coalface apart from bringing further improvements in crushing, handling, loading and transport system.
- ii) CIL has built up coal handling plants with a capacity of about 296 MT per annum so as to maximize dispatch of crushed / sized coal to the consumers. More than 56 nos. of Surface miners have been deployed in different open cast mines to extract and supply 170.82 MT (-) 100 mm size coal. In addition, the washeries at BCCL, CCL and WCL have crushing / sizing facilities to the tune of about 39.4 MT.
- iii) Measures like picking of shale / stone, selective mining by conventional mode by using dozers and graders as well as by Surface Miners, adopting proper blasting procedure / technique for reducing the

possibility of admixture of coal with over-burden materials, improved fragmentation i.e. sizing of coal etc. are being taken for improving coal quality.

iv) Surface Miners have been deployed for extraction of coal at large nos. opencast mines to improve the quality of coal. Actions are being taken for deployment of more and more Surface Miners in open cast mines where geo-mining condition permits.

v) Joint sampling system is in vogue for major consuming sectors e.g. power (utilities as well as captive), steel, cement, sponge iron covering more than 95% of total production of CIL. Large consumers having annual contract quantity of 0.40 MT or more and having FSA have been covered under joint sampling. The achievement of grade conformity in respect of joint sampling & 3<sup>rd</sup> party sampling and analysis has been to the tune of 95.63% ( 9 April,13 to July ,13 ) and 92.63% ( Oct,13- March,14 ) respectively in respect of supplies to power sector during 2013-14. This system is working satisfactorily.

vi) Sufficient and required number of Electronic Weighbridges with the facility of print out have been installed at Road & Rail loading points to ensure that coal dispatches are made only after proper weighment. For this purpose, coal companies have installed 168 weighbridges in the Railway sidings and 478 Road weighbridges for weighment of trucks. Coal companies have also taken actions for installation of standby weighbridges to ensure 100% weighment.

## **LOCAL VILLAGERS**

Stakeholders i.e. neighbouring villagers and civil society institutions have definite expectations from the industry and the expectations are on the rise. The issues are addressed in right earnest and sincerity in consultation with the stakeholders through meetings with them at various levels. Various welfare measures under CSR are taking up as per their requirement.

In short, the expectations of all stakeholders are increasing and the resource providers are being subject to greater scrutiny – regarding the quality of product by customers, CSR works to improve the society and reduce the impact on the environment, their relative risk as an investment vehicle, their governing principles and their potential to act as an economic springboard for local development. Understanding and balancing these diverse and evolving stakeholders' needs and expectations is the key to sustainability and we are committed to have more interaction with Stakeholders.

Suggestions from the stakeholders are always welcome. Our corporate website [www.coalindia.in](http://www.coalindia.in) provides comprehensive information and copies of SD reports have been posted.





## ECONOMIC PERFORMANCE

As an organized state owned coal mining corporate, CIL came into being in November 1975 with the government taking over private coal mines. With a modest production of 79 MT in the year of its formation, CIL today is the **single largest coal producer in the world**. Operating through 82 mining areas under 07 wholly owned coal producing subsidiaries spread over 8 provincial states of India, CIL is the apex body.

CIL as per the country's demand for coal and considering the various constraints, set target for various Production parameters for the coal producing subsidiaries. The target vis-à-vis the actual achievement for the last 3 years are tabulated below:

Production of coal is our main objective. However, open cast production constitutes more than 90% of CIL's coal production and it requires considerable quantity of handling / removal of over burden (OB). The comparative performance of Coal production & OB removal are given below:

#### Coal Production

(Figs. are in MT)

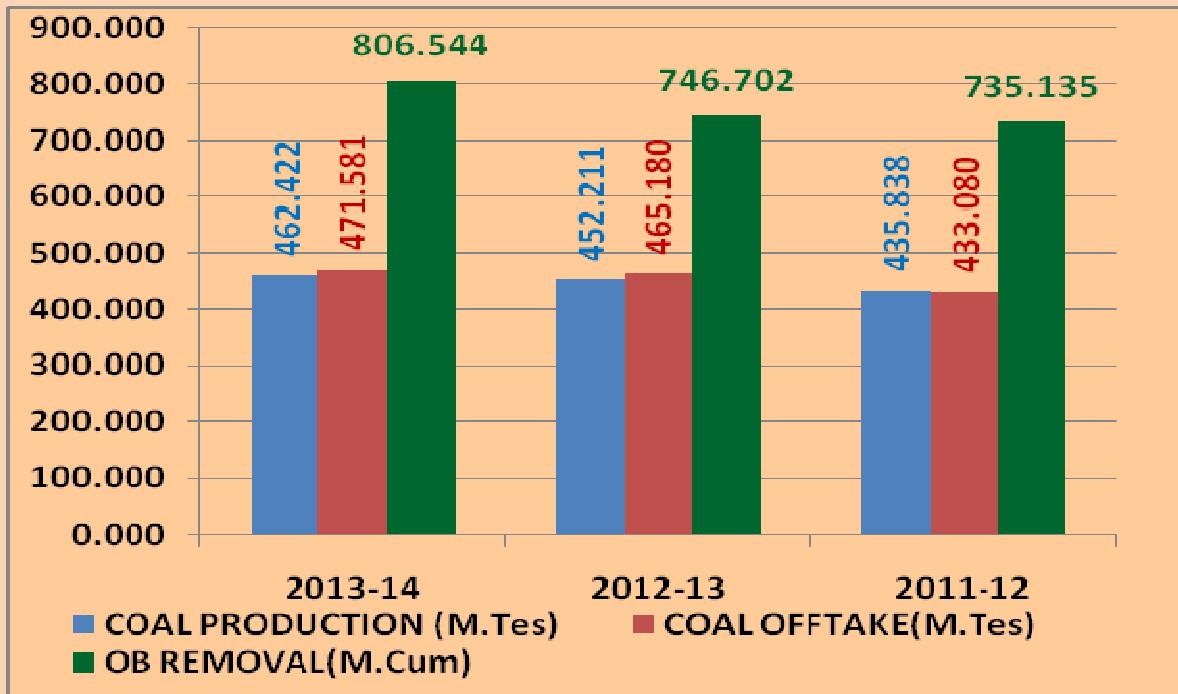
COMPANY	2013-14		2012-13		2011-12	
	Target	Actual	Target	Actual	Target	Actual
ECL	34.500	<b>36.054</b>	33.000	<b>33.911</b>	33.000	<b>30.558</b>
BCCL	32.500	<b>32.614</b>	31.000	<b>31.213</b>	30.000	<b>30.207</b>
CCL	53.500	<b>50.022</b>	55.000	<b>48.061</b>	51.000	<b>48.004</b>
NCL	72.200	<b>68.639</b>	70.000	<b>70.021</b>	68.500	<b>66.401</b>
WCL	44.000	<b>39.729</b>	45.000	<b>42.287</b>	45.500	<b>43.110</b>
SECL	124.300	<b>124.261</b>	117.000	<b>118.219</b>	112.000	<b>113.837</b>
MCL	120.000	<b>110.439</b>	112.000	<b>107.894</b>	106.000	<b>103.119</b>
NEC	1.000	<b>0.664</b>	1.100	<b>0.605</b>	1.000	<b>0.602</b>
<b>CIL</b>	<b>482.000</b>	<b>462.422</b>	<b>464.100</b>	<b>452.211</b>	<b>447.000</b>	<b>435.838</b>

#### Over Burden (OB) Production

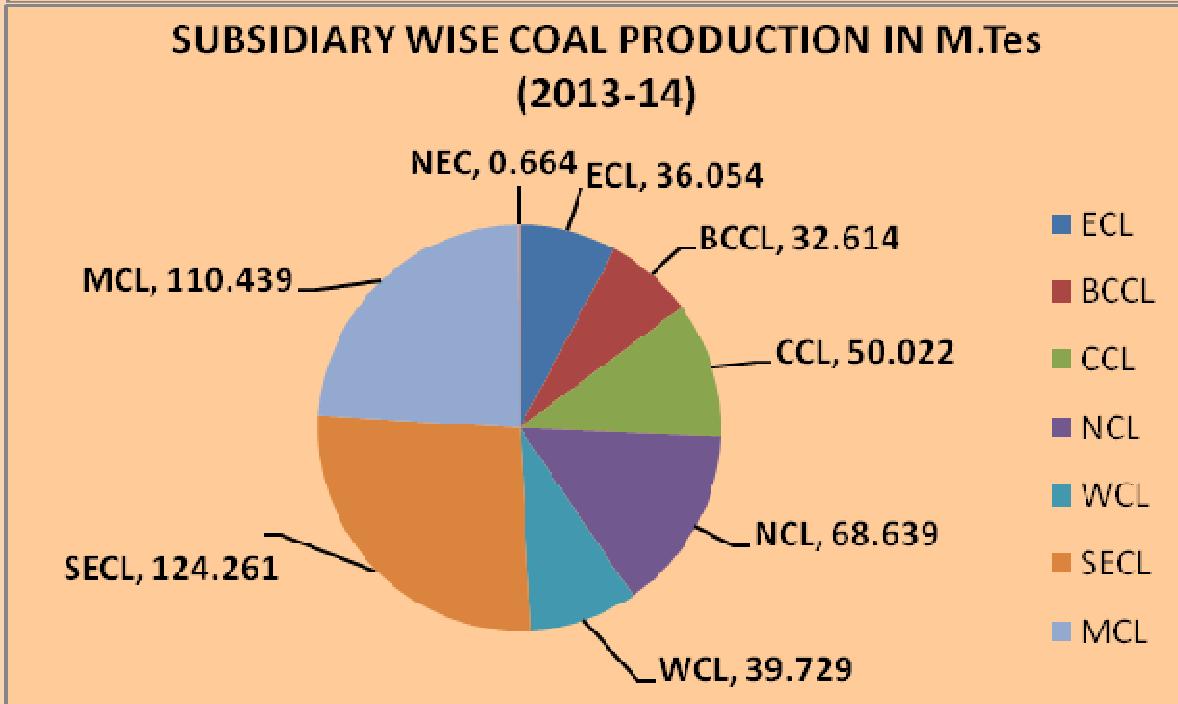
(Figs. are in MCuM)

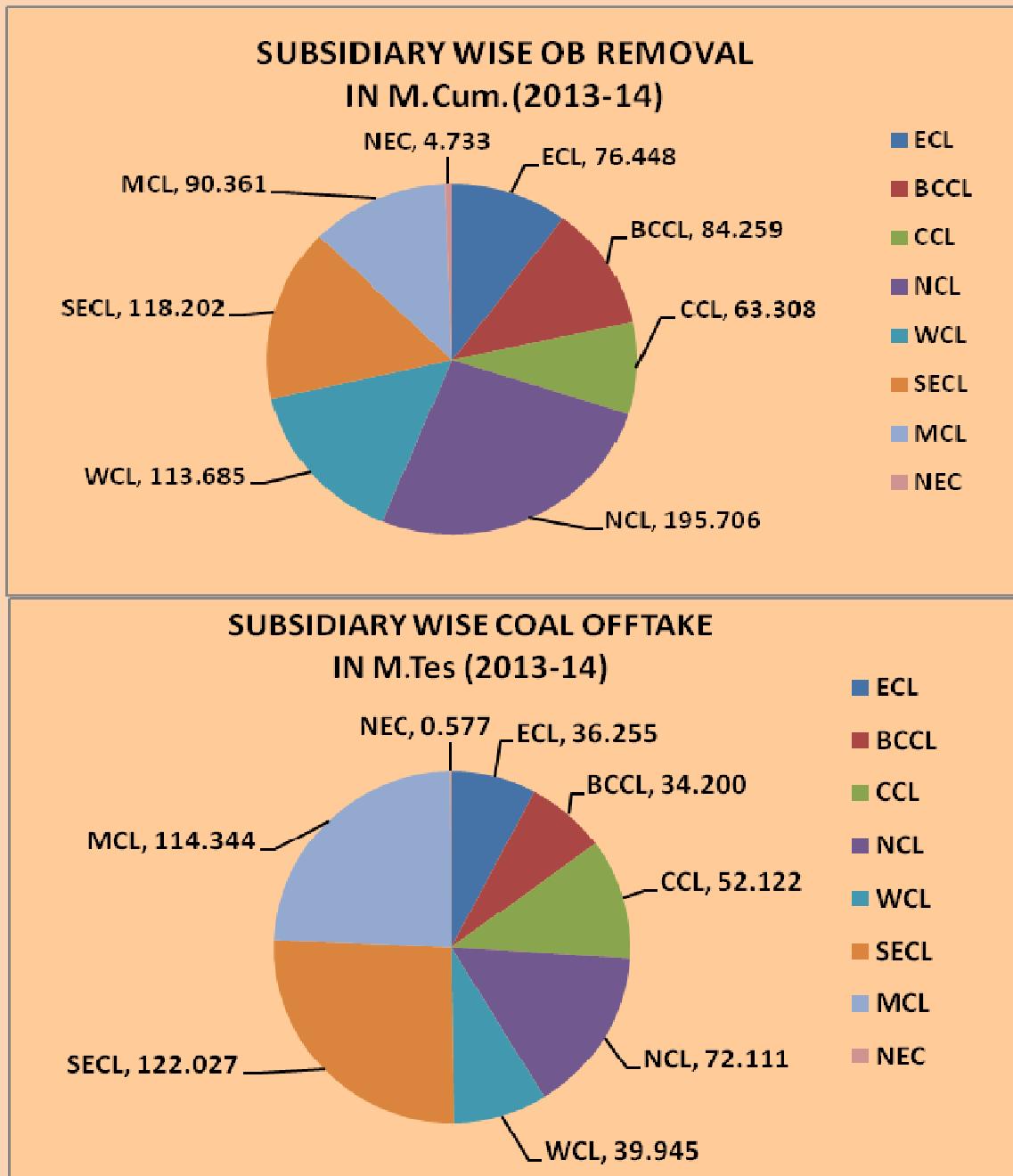
COMPANY	2013-14		2012-13		2011-12	
	Target	Actual	Target	Actual	Target	Actual
ECL	66.150	<b>85.756</b>	60.00	<b>76.448</b>	61.00	<b>60.306</b>
BCCL	84.250	<b>85.419</b>	85.00	<b>84.259</b>	84.00	<b>81.361</b>
CCL	68.600	<b>59.022</b>	68.00	<b>63.308</b>	63.00	<b>65.677</b>
NCL	259.700	<b>208.787</b>	230.00	<b>195.706</b>	239.00	<b>201.664</b>
WCL	155.000	<b>120.076</b>	130.00	<b>113.685</b>	127.00	<b>122.490</b>
SECL	161.200	<b>144.875</b>	155.00	<b>118.202</b>	153.00	<b>113.494</b>
MCL	109.750	<b>96.028</b>	105.00	<b>90.361</b>	100.00	<b>85.668</b>
NEC	7.850	<b>6.581</b>	7.00	<b>4.733</b>	8.00	<b>4.475</b>
<b>CIL</b>	<b>912.500</b>	<b>806.544</b>	<b>840.00</b>	<b>746.702</b>	<b>835.00</b>	<b>735.135</b>

### CIL's COAL , OB PRODUCTION AND COAL OFFTAKE



### SUBSIDIARY WISE COAL PRODUCTION IN M.Tes (2013-14)





## PERFORMANCE HIGH LIGHTS OF 2013-14:

The performance highlights of CIL and its Subsidiaries for the year 2013-14 compared to previous year are shown in the table below:

	2013-14	2012-13
<b>Production of Coal (in million tonnes)</b>	<b>462.42</b>	<b>452.21</b>
<b>Off-take of Coal (in million tonnes)</b>	<b>471.58</b>	<b>465.18</b>
<b>Sales (Gross) (Rs./Crores)</b>	<b>89374.51</b>	<b>88281.32</b>
<b>Capital Employed (Rs/Crores) Note- 1</b>	<b>74891.87</b>	<b>78984.09</b>
<b>Capital Employed (Rs/Crores)- excluding capital work in progress and intangible assets under development.</b>	<b>70386.60</b>	<b>75488.14</b>
<b>Net Worth (Rs./Crores) (as per Accounts)</b>	<b>42391.86</b>	<b>48460.81</b>
<b>Profit Before Tax (Rs./Crores)</b>	<b>22879.54</b>	<b>24979.04</b>
<b>Profit after Tax (Rs/Crores)</b>	<b>15111.67</b>	<b>17356.36</b>
<b>PAT / Capital Employed (in %)</b>	<b>20.18</b>	<b>21.97</b>
<b>Profit before Tax / Net Worth (in %)</b>	<b>53.97</b>	<b>51.54</b>
<b>Profit after Tax / Net Worth (in %)</b>	<b>35.65</b>	<b>35.82</b>
<b>Earning Per Share (Rs.)</b>  <b>(Considering face value of Rs.10 per share)</b>	<b>23.92</b>	<b>27.63</b>
<b>Dividend per Share (Rs.)</b>  <b>(Considering face value of Rs.10 per share)</b>	<b>29.00</b>	<b>14.00</b>
<b>Coal Stock (net) (in terms of no. of months net sales)</b>	<b>0.72</b>	<b>0.76</b>
<b>Trade Receivables (net) (in terms of no of months gross sales)</b>	<b>1.11</b>	<b>1.42</b>

Note-1:

Capital employed = Gross Block of Fixed assets (including capital work in progress and intangible assets under development) less accumulated depreciation plus current assets minus current liabilities.

**EC1: Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.**

SL. No	Direct Economic Value Generated And Distributed	INR. Crores	
		2013-14	2012-13
1	Total Assets	104242.35	110295.81
2	Income from operation	-	-
3	Retained Earnings (Domestic Operation)	-	-
4	Net Profit	15111.67	17356.36
5	Operating Expenses	-	-
6	Employees Benefit Expenses	27769.43	27320.78
7	Interest Expenses	44.95	31.27
8	Contribution to Exchequer (Payment to Government)	19713.52	19731.11
9	Dividends to Shareholders	18317.46	8842.91

**EC2: Financial implications and other risks and opportunities for the organization's activities due to climate change:**

Natural calamities like cyclone, flash flood etc. can affect production of the mines near coastal area or the river and earthquake may affect mines in earthquake prone zones.

## **RETIREMENT BENEFITS / OTHER EMPLOYEE BENEFITS**

### **a) Defined contributions plans:**

We have defined contribution plans for payment of Provident Fund and Pension Fund benefits to our employees. These are operated and maintained by the Coal Mines Provident Fund (CMPF) Authorities. As per the rules of these schemes, the company is required to contribute a specified percentage of pay roll cost to the CMPF Authorities to fund the benefits.

### **b) Defined benefits plans:**

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

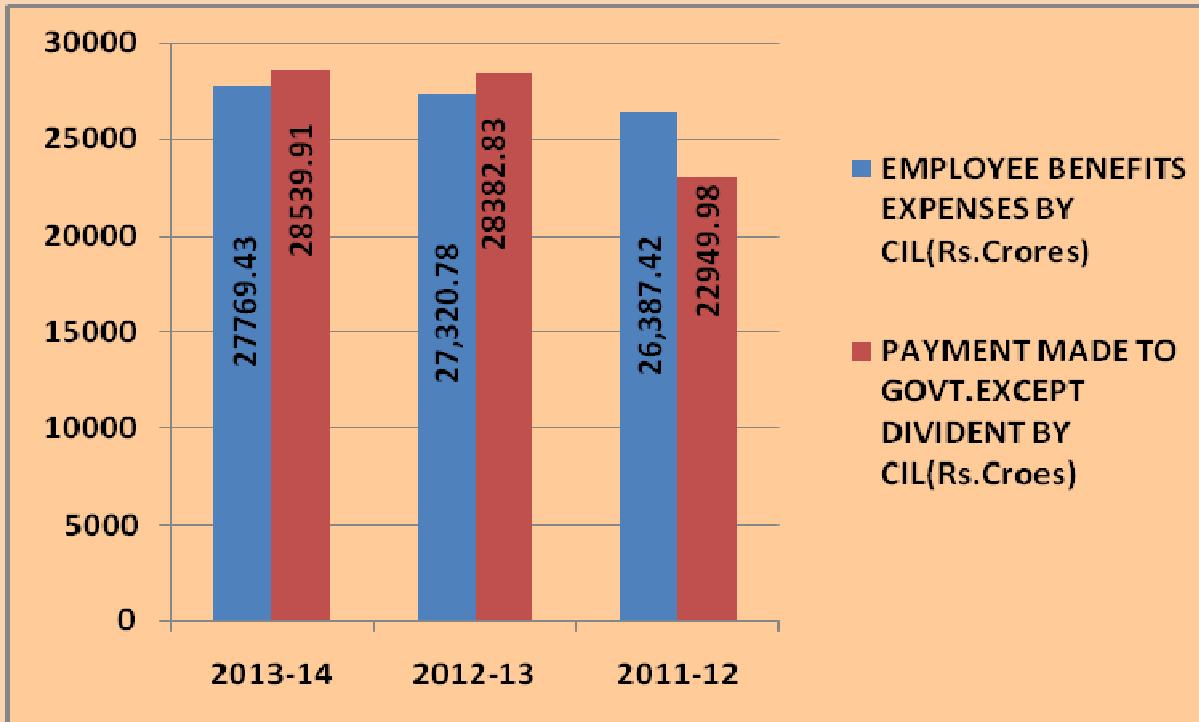
**EC3: Coverage of the organization's defined benefit plan obligations:**

(Rs. in crores)

<b>Sl. No.</b>	<b>EMPLOYEE BENEFITS EXPENSES</b>	<b>2013-14</b>	<b>2012-13</b>	<b>2011-12</b>
<b>1</b>	Salary, Wages, Allowances, Bonus etc.	20615.96	18,930.24	16,571.73
<b>2</b>	Ex-Gratia	1128.42	1,062.70	858.68
<b>3</b>	PRP	495.60	505.48	382.33
<b>4</b>	Contribution to P.F. & Other Funds	2470.01	2,291.46	1,778.31
<b>5</b>	Gratuity	514.51	1,456.83	3,944.09
<b>6</b>	Leave Encashment	601.34	833.21	804.67
<b>7</b>	VRS	9.93	18.04	13.78
<b>8</b>	Workman Compensation	10.23	27.02	10.49
<b>9</b>	Medical Expenses	316.95	306.66	273.42
<b>10</b>	Grants to Schools & Institution	125.89	96.01	81.29
<b>11</b>	Sports & Recreation	20.41	8.06	7.75
<b>12</b>	Canteen & Crèche	3.45	3.10	2.95
<b>13</b>	Power- Township	765.25	713.82	629.32
<b>14</b>	Hire Charges of Bus, Ambulance etc.	50.39	43.90	33.52
<b>15</b>	Other Employee Benefits	641.09	1,024.25	995.09
<b>TOTAL</b>		<b>27769.43</b>	<b>27,320.78</b>	<b>26,387.42</b>
<b>Sl. No.</b>	<b>WELFARE EXPENSES</b>	<b>2013-14</b>	<b>2012-13</b>	<b>2011-12</b>
<b>1</b>	Medical Expenses for Retired Employees	144.97	285.22	29.08
<b>2</b>	CSR Expenses	409.37	140.13	81.99
<b>3</b>	Sustainable Development Expenses	1.44	10.72	—
<b>4</b>	Environmental Expenses	60.84	45.33	45.50
<b>5</b>	Tree Plantation	16.48	16.58	19.31
<b>6</b>	Other Expenses	101.7	130.60	119.59
<b>TOTAL</b>		<b>734.8</b>	<b>622.43</b>	<b>317.60</b>

**EC4: Significant financial assistance received from government**

Com- pany	Year	Payment made to Govt. except Dividend (Fig in Rs. Crores)	Payment Received from Govt.
CIL	2011-12	22949.98	<i>Nil</i>
	2012-13	28382.83	<i>Nil</i>
	2013-14	28539.91	<i>Nil</i>


**c) Other employee benefits:**

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

**EC8: Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in kind, or pro bono engagement**

<b>Subsi -diary</b>	<b>SL. No.</b>	<b>Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in kind, or pro bono engagement</b>	<b>Numbers</b>	<b>Expenditure (in Rs. Lakh)</b>
<b>SECL</b>				
	<b>1</b>	Medical Centres	2	109.08
	<b>2</b>	Schools	59	536.53
	<b>3</b>	College	4	259.34
	<b>4</b>	Sewing Machine Training	1	6.82
	<b>5</b>	Road Repairing / Strengthening (km)	40	2647.32
	<b>6</b>	Hand pumps	30	16.38
	<b>7</b>	Dug wells / Pond	23	161.87
	<b>8</b>	Market place	3	23.07
<b>WCL</b>				
	<b>1</b>	Sewing Machine Training	2	0.60
	<b>2</b>	Road Repairing / Strengthening (km)	54290	936.05
	<b>3</b>	Hand pumps	40	28.19
	<b>4</b>	Dug wells / Pond	9	33.19
	<b>5</b>	Any other benefit-class rooms	14	23.03
<b>CCL</b>				
	<b>1</b>	Medical Centres	148	24.03
	<b>2</b>	College /Education	78	365.86
	<b>3</b>	Piggery / Goatery / Poultry ( Training)	23	43.15
	<b>4</b>	Road Repairing / Strengthening (km)	31.58	461.97
	<b>5</b>	Hand pumps	615	438.4
	<b>6</b>	Dug wells / Pond	196	448.26
	<b>7</b>	Any other benefit	64	73.74



## **OUR EMPLOYEES & HUMAN RIGHTS**

## **Employee's Concern:**

Coal mining in India is a labour intensive industry and work forces are the main pillars of our industry. We provide several welfare amenities to our employees.

Five Central Trade Unions (INTUC, AITUC, HMS, BMS & CITU), apart from other regional unions functioning in CIL and its Subsidiary Companies are recognized by the Management of CIL and its Subsidiary Companies. 100% of Non-Executive employees are covered by collective bargaining agreement. The Wages are reviewed once in 5 years and revised. **There is no discrimination in the wages for men and women**

### **Ratio of basic salary of men to women by employee category:**

Coal Wage agreement for 5 years up to 30-06-2016 had been settled in CIL ahead of other CPSU. CIL and its subsidiaries take all welfare measures required to facilitate not only its employees but also their families.

The Company does not employ nor encourage forced, bonded or child labour in any of its operations. CIL abides by The Mines Act, 1952, which prohibits the employment of children below 18 years of age in a mine. We follow proper checks and audits as per the Act. **We do not make any verbal agreement; instead all our contracts are in written form with various contractors. This ensures that no children get employed in our coal mines.**

### **Manpower:**

**LA1:** The total manpower of the Company including its subsidiaries as on 31.03.2014 is **3,46,638** against **3,57,926** as on 31.03.2013. Number of contractual workers is 69267 and there is no temporary worker as on 31.03.2014. Subsidiary company (representing different states) wise position of manpower is as below:

<b>Company</b>	<b>As on</b>	<b>Executive</b>	<b>Non-Executive</b>	<b>Total</b>
<b>ECL</b>	31.03.2014	2518	69308	71826
		[2422(M), 96(F)]	[63041(M), 6267(F)]	
	31.03.2013	2587	71689	74276
		[2485(M),102(F)]	[65071(M),6618(F)]	[67556 (M),6720(F)]
	31.03.2012	2446	75563	78009
<b>BCCL</b>	31.03.2014	2543	56417	58960
		[2442(M),101(F)]	[50988(M), 5429(F)]	
	31.03.2013	2603	59095	61698
		[2513(M), 90 (F)]	[53406(M), 5689(F)]	[55919(M), 5779(F)]
	31.03.2012	2564	62320	64884
<b>CCL</b>	31.03.2014	2765	43921	46686
		[2624(M), 41(F)]	[39185(M), 4736(F)]	
	31.03.2013	2824	45302	48126

		[2679(M),145(F)]	[40537(M), 4765(F)]	[43216(M), 4910(F)]
	31.03.2012	2686	47340	50026
<b>WCL</b>	31.03.2014	2693	49791	52484
		[2542(M),151(F)]	[46771(M), 3020(F)]	
	31.03.2013	2868	52092	54960
		[2710(M),158(F)]	[49023(M), 3069(F)]	[51733(M), 3227(F)]
	31.03.2012	2620	54369	56989
<b>SECL</b>	31.03.2014	3503	67407	70910
		[3386(M),117(F)]	[63621(M), 3786(F)]	
	31.03.2013	3524	70194	73718
		[3403(M),121(F)]	[66374(M) 3820(F)]	[69777(M) 3941(F)]
	31.03.2012	3308	72770	76078
<b>MCL</b>	31.03.2014	1879	20399	22278
		[1808(M), 71(F)]	[18776(M), 1623(F)]	
	31.03.2013	1851	20214	22065
		[1784(M), 67(F)]	[18726(M), 1488(F)]	[20510(M), 1555(F)]
	31.03.2012	1643	20380	22023
<b>NCL</b>	31.03.2014	1771	14970	16741
		[1715(M), 56(F)]	[143348(M), 622(F)]	
	31.03.2013	1832	14241	16073
		[1784(M), 48(F)]	[13632(M), 609(F)]	[15416(M), 657(F)]
	31.03.2012	1746	14583	16329
<b>NEC</b>	31.03.2014	117	2082	2199
		[111(M), 6(F)]	[1867(M), 215(F)]	
	31.03.2013	122	2254	2376
		[117(M), 5(F)]	[2033(M), 221(F)]	[2150(M), 226(F)]
	31.03.2012	117	2421	2538
<b>CMPDIL</b>	31.03.2014	970	2165	3135
		[892(M), 78(F)]	[2006(M), 159(F)]	
	31.03.2013	957	2185	3142
		[887(M), 70(F)]	[2041(M), 144(F)]	[2928(M), 214(F)]
	31.03.2012	855	2274	31129
<b>DCC</b>	31.03.2014	38	474	512
		[31(M), 7(F)]	[444(M), 30(F)]	
	31.03.2013	45	506	551
		[39(M), 6(F)]	[474(M), 32(F)]	[513(M), 38(F)]
	31.03.2012	38	524	562
<b>CIL(HQ)</b>	31.03.2014	383	524	907

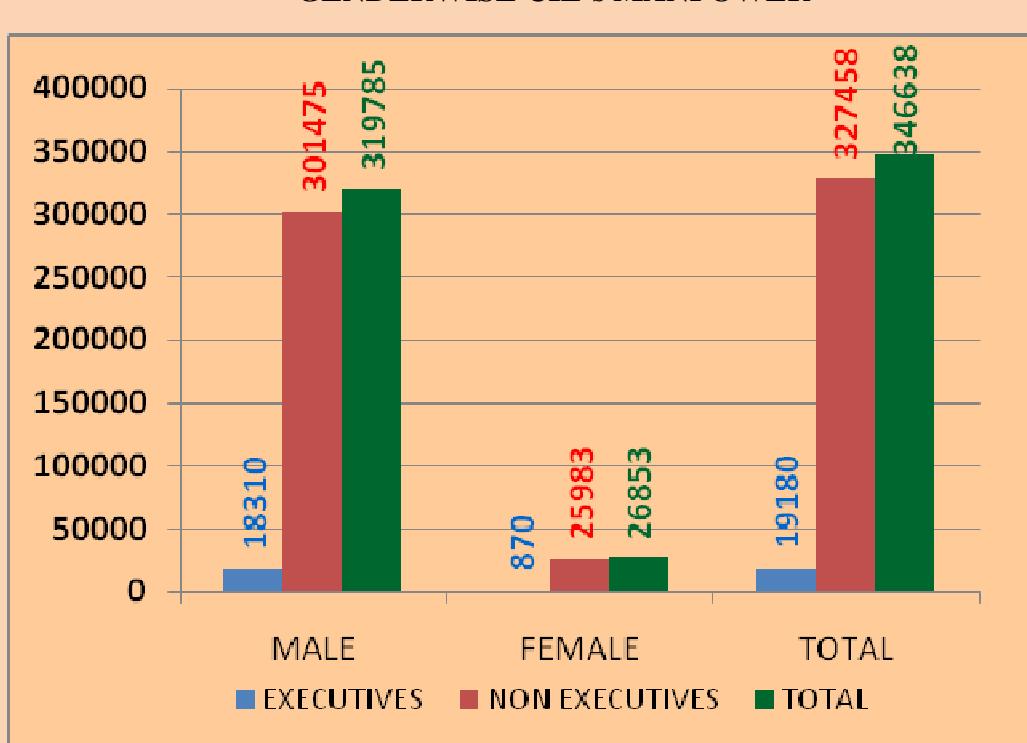
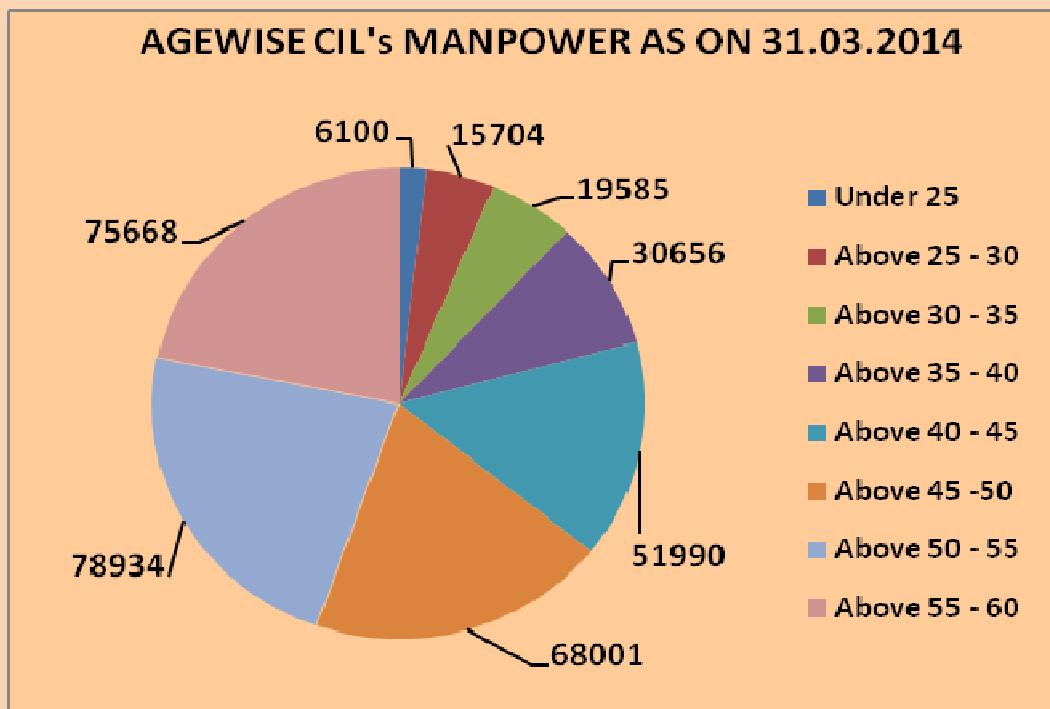
		[337(M), 46(F)]	[428(M), 96(F)]
	31.03.2013	379	562
		[342(M), 37(F)]	[458(M), 104(F)]
	31.03.2012	361	618
<b>CIL as a whole</b>	31.03.2014	19180	327458
		[18310(M),870(F)]	301475(M),25983(F)
	31.03.2013	19592	338334
		[18743(M),849(F)]	[311775(M),26559(F)] [330518(M),27408(F)]
	31.03.2012	18384	353162
			371546

**LA2: Total number and rate of new employee recruited during 2013-14 and employee turnover by age group, gender, and region:**

<b>Company Number of persons hired for the year 2013-14</b>		
<b>CIL</b>	Fresh recruitment	2249
	Appointment of land losers	2085
	Employment in lieu of death(9.3.2)	2894
	Employment in lieu of perm. Disability(9.4.0)	59
	Appointment of dependant of executives	1
	<b>Total</b>	<b>7288</b>

<b>Company Number of employees separated from the company during 2013-14</b>		
<b>CIL</b>	Resignation	265
	VRS (BPE)	78
	Dismissal / Termination / Separation	393
	<b>Total</b>	<b>736</b>

Company	Age group in years								Total
	Under 25	Above 25 - 30	Above 30 - 35	Above 35 - 40	Above 40 - 45	Above 45 -50	Above 50 - 55	Above 55 - 60	
<b>ECL</b>	924	3112	4137	7261	14418	15611	14688	11675	71826
<b>BCCL</b>	664	1716	3504	6376	8281	11636	12265	14518	58960
<b>CCL</b>	1381	2561	3326	5264	8504	8744	8039	8867	46686
<b>WCL</b>	1043	2053	2442	3141	5394	9250	14668	14493	52484
<b>SECL</b>	962	2370	2926	4821	9917	14190	18415	17309	70910
<b>MCL</b>	519	1737	1887	2498	3180	4201	4721	3535	22278
<b>NCL</b>	436	1638	1067	1039	1779	3349	4318	3115	16741
<b>NEC</b>	8	18	23	98	289	362	728	673	2199
<b>CMPDI</b>	139	429	240	136	134	423	712	922	3135
<b>DCC</b>	8	3	0	4	14	83	171	229	512
<b>CIL(HQ)</b>	16	67	33	18	80	152	209	332	907
<b>Total</b>	<b>6100</b>	<b>15704</b>	<b>19585</b>	<b>30656</b>	<b>51990</b>	<b>68001</b>	<b>78934</b>	<b>75668</b>	<b>346638</b>



**LA3: Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation:**

There is no system of keeping temporary / part time employee, however housing, electricity, water supply, medical facilities, educational facilities etc. are extended to the contractual workers.

**LA4: Percentage of employees covered by collective bargaining agreements:**

100 % of employees covered by collective bargaining agreements as mentioned before.

**LA5: Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements:**

It is 15 days as per rule and it is specified in collective agreements.

**LA6: Percentage of total workforce represented informal joint management – Worker Health and Safety committees that help monitor and advice on occupational health and safety programmes:**

CIL has a corporate Safety Policy which specifically focuses on involvement of workmen and their representatives on formulating practices and implementing them for betterment in occupational health and safety of the person working therein.

As per clause 28T of The Mines Rules, 1955, a safety committee is required to be constituted in every mine wherein 100 persons are ordinarily employed. The safety committee shall consist of the following:

- (1) The manager (Chairman)
- (2) 5 Officials or competent persons nominated by the chairman
- (3) 5 Officials or competent persons nominated by the workmen.
- (4) Workmen's Inspector
- (5) Safety Officer.

In conformity with The Mines Rules, 1955, safety committees exist at every mines / units of different subsidiaries of Coal India Ltd where 100 persons are ordinarily employed.

The following table depicts the no. of safety committees and total committee members existing in different subsidiaries of Coal India Ltd:

Subsidiaries	No of Mines / units	Total No of safety committee members	% of total workforce represented informal joint management-worker health & safety committee - to monitor and advise on OHS
ECL	104	1352	7.47
BCCL	53	1016	6.10
CCL	67	793	7.19
WCL	79	1081	6.38

<b>NCL</b>	10	244	4.10
<b>MCL</b>	26	546	4.40
<b>SECL</b>	86	1389	5.90
<b>NEC</b>	4	58	6.90
<b>Total</b>	<b>429</b>	<b>6479</b>	<b>6.31</b>

**LA 7:** Subsidiary-wise Accident statistics (Rate of fatality and serious injury) of CIL during the year from 2011 to 2013 Region wise Accidents:

<b>Subs-diary</b>	<b>Accident</b>	<b>2011</b>			<b>2012</b>			<b>2013</b>		
		<b>A</b>	<b>K</b>	<b>I</b>	<b>A</b>	<b>K</b>	<b>I</b>	<b>A</b>	<b>K</b>	<b>I</b>
<b>ECL</b>	Fatal	7	7		10	10		11	11	
	Serious	86		86	80		80	62		62
<b>BCCL</b>	Fatal	9	10		9	9		8	11	
	Serious	32		33	23		24	20		30
<b>CCL</b>	Fatal	2	3		7	8		6	6	
	Serious	9		9	10		10	4		4
<b>NCL</b>	Fatal	6	6		3	3		8	8	
	Serious	9		11	13		13	14		14
<b>WCL</b>	Fatal	7	8		10	12		8	8	
	Serious	29		29	40		41	38		38
<b>SECL</b>	Fatal	12	12	-	9	10		15		38
	Serious	55	-	57	40	-	40	40	15	-
<b>MCL</b>	Fatal	5	5		1	1		1	1	
	Serious	10		10	7		7	11		11
<b>NEC</b>	Fatal	1	1		1	1	1	-	-	-
	Serious	-	-	-	-	-	-	-	-	-
<b>CIL</b>	Fatal	50	52		50	54		57	60	
	Serious	230		235	213		215	189		191

**A – Accident, K – Killed, I - Injured**

#### **Fatality Rate and Serious Injury Rate:**

<b>Subsi-diary</b>	<b>Rate of fatality / injuries</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>ECL</b>	Fatality rate per MT	0.229	0.295	0.314
	Fatality rate per 3 Lac man shifts	0.115	0.172	0.195
	Serious Injuries rate per MT	2.814	2.359	1.789
	Serious Injuries rate per 3 Lac Man shifts	1.418	1.375	1.099
<b>BCCL</b>	Fatality rate per MT	0.332	0.288	0.337
	Fatality rate per 3 Lac man shifts	0.225	0.212	0.268
	Serious Injuries rate per MT	1.094	0.769	0.613
	Serious Injuries rate per 3 Lac Man shifts	0.743	0.566	0.487

Subsi-diary	Rate of fatality / injuries	2011	2012	2013
CCL	Fatality rate per MT	0.062	0.166	0.119
	Fatality rate per 3 Lac man shifts	0.086	0.238	0.181
	Serious Injuries rate per MT	0.187	0.208	0.079
	Serious Injuries rate per 3 Lac Man shifts	0.259	0.297	0.320
NCL	Fatality rate per MT	0.090	0.043	0.116
	Fatality rate per 3 Lac man shifts	0.442	0.228	0.569
	Serious Injuries rate per MT	0.166	0.186	0.204
	Serious Injuries rate per 3 Lac Man shifts	0.810	0.989	0.996
WCL	Fatality rate per MT	0.206	0.284	0.201
	Fatality rate per 3 Lac man shifts	0.165	0.239	0.178
	Serious Injuries rate per MT	0.747	0.969	0.956
	Serious Injuries rate per 3 Lac Man shifts	0.596	0.817	0.847
SECL	Fatality rate per MT	0.105	0.085	0.121
	Fatality rate per 3 Lac man shifts	0.204	0.171	0.260
	Serious Injuries rate per MT	0.501	0.338	0.337
	Serious Injuries rate per 3 Lac Man shifts	0.968	0.683	0.729
MCL	Fatality rate per MT	0.048	0.009	0.009
	Fatality rate per 3 Lac man shifts	0.240	0.061	0.067
	Serious Injuries rate per MT	0.096	0.065	0.099
	Serious Injuries rate per 3 Lac Man shifts	0.68	0.426	0.738
NEC	Fatality rate per MT	1.660	1.654	0.00
	Fatality rate per 3 Lac man shifts	0.466	0.788	0.00
	Serious Injuries rate per MT	0.00	0.00	0.00
	Serious Injuries rate per 3 Lac Man shifts	0.00	0.00	0.00
CIL	Fatality rate per MT	0.120	0.119	0.129
	Fatality rate per 3 Lac man shifts	0.187	0.197	0.227
	Serious Injuries rate per MT	0.545	0.457	0.414
	Serious Injuries rate per 3 Lac Man shifts	0.846	0.785	0.724

**No of work related fatalities, injuries etc. by region:**

Employee Type	2011					2012					2013				
	M	F	UG	OC	SUR	M	F	UG	OC	SUR	M	F	UG	OC	SUR
Dept. Emp.	36	0	18	13	5	42	0	18	15	9	37	0	17	14	6
Cont. Emp.	16	0	1	12	3	18	0	4	12	2	21	0	2	16	3
Total	52	0	19	25	8	60	0	22	27	11	58	0	19	30	9

M – Male, F – Female, UG – Under-ground, OC – Open cast, SUR – Surface

**LA8: Education, training, counseling, prevention and risk-control programs regarding serious diseases:**

<b>Comp</b>	<b>No of Camps arranged for</b>	<b>2011-12 no. of</b>		<b>2012-13 no. of</b>		<b>2013-14 no. of</b>	
		<b>camps</b>	<b>persons attended</b>	<b>camps</b>	<b>persons attended</b>	<b>camps</b>	<b>persons attended</b>
<b>CIL</b>	<b>HIV / Aids Camps</b>	78	5630	78	8569	114	11052
	<b>Leprosy</b>	6	780	9	1351	04	544
	<b>Health awareness</b>	488	49067	524	47986	461	43503
	<b>Visual impairment</b>	72	5435	37	4649	61	7147
	<b>Family Planning</b>	113	4766	110	3985	118	489
	<b>Water borne disease awareness</b>	02	530	05	351	12	2837
	<b>Pneumoconiosis awareness</b>	04	179	05	186	06	141
	<b>Tuberculosis awareness</b>	01	50	01	22	02	44
	<b>Heart check up</b>	03	897	11	1114	39	5807

## **Safety & Health**

**LA9:** CIL has always given the highest priority to “Safety” and safety is considered to be a part of its core production process and is embodied in the mission statement. Over the years, CIL has made significant improvement in occupational health and safety matters by implementing recommendations of various bodies involving TU representatives like, CIL safety Board, Standing Committee on Safety in coal mines, National Safety Conference, Various Parliamentary Committee on Safety.

**Health and safety aspects covered in formal agreement with unions based as on National Coal Wage Agreement IX:** The organizational structure and mechanism which monitor and advise on Occupational health and Safety programs *with active participation of workforce and its representatives are produced below:*

<b><i>At Mine level</i></b>	1. Workman inspectors: as per Mines Rule-1955 2. Safety Committee: constituted as per Mines Rule-1955 3. Statutory supervisory personnel as per CMR-1957
<b><i>At Area level</i></b>	1. Bipartite / Tripartite Committee Meeting
<b><i>At Subsidiary HQ level</i></b>	1. Bipartite / Tripartite Committee Meeting 2. Inspection and advising on corrective measures by Safety Board Constituted at subsidiary level
<b><i>At CIL HQ Level</i></b>	1. CIL Safety Board 2. National Dust Prevention Committee Meeting
<b><i>At ministerial Level / National Level</i></b>	1. Standing Committee on Safety in coal mines. 2. National Safety Conference. 3. Various Parliamentary Committee on Safety

The instrument of "safety committee" has been given statutory backing by being incorporated in Mines Rules-1955 in a new chapter IVB recognizing greater strides in safety by participation of workers in safety management programmes. A safety committee is required to be constituted at every mine employing more than 100 persons. This committee shall consist of the manager (chairman), five officials or competent persons nominated by the chairman, five workers nominated by workmen, workmen's inspector where so designated and safety officer (secretary). The role and functions of the committee is specified in the rule 29V of mines rules-1955. The safety committee is a "Bi-partite" in nature, i.e. they consist of management and worker's representatives. The concept underlying worker's participation in safety management is that- when workers participate in safety activities, the safety decisions are not taken by the management alone and imposed on the workers, but the problems are explained in detail and the workers are made to participate in the analysis and arriving at the decision with management's guidance.

### **Safety Policy of CIL:**

Safety is given prime importance in the operations of CIL as embodied in the mission of Coal India Ltd. CIL has formulated a Safety Policy for ensuring safety in mines and implementation of which is closely monitored at several levels.

- 1) Operations and systems will be planned and designed to eliminate or materially reduce mining hazards.
- 2) Implement Statutory Rules and Regulations and strenuous efforts made for achieving superior standards of safety.
- 3) To bring about improvement in working conditions by suitable changes in technology.
- 4) Provide material and monetary resources needed for the smooth and efficient execution of Safety Plans.
- 5) Deploy safety personnel wholly for accident prevention work.
- 6) Organize appropriate forums with employees' representatives for Joint consultations on safety matters and secure their motivation and commitment in Safety Management.
- 7) Prepare annual Safety Plan and long term Safety Plan at beginning of every calendar year, unit-wise and for the company, for improvement of safety in operations as per respective geo-mining needs to fulfill implementation of decisions by Committee on Safety in Mines and Safety Conferences and to take measures for overcoming accident proneness as may be reflected through study of accident analysis, keeping priority in sensitive areas of truck / dumper, ground movement, haulage, explosives, machinery etc.
- 8) Set up a frame work for execution of the Safety Policy and Plans through the General Managers of Areas, Agents, Managers and other safety personnel of the units.
- 9) Multi-level monitoring of the implementation of the Safety Plans through Internal Safety Organization at the company headquarters and Area Safety Officers at area level.
- 10) All senior executives at all levels of management will continue to inculcate a safety consciousness and develop involvement in practicing safety towards accident prevention in their functioning.
- 11) Institute continuous education, training and retraining all employees with the accent placed on development of safety oriented skills.
- 12) Continue efforts to better the living conditions and help of all the employees both in and outside the mines.

## **Managing Safety Risk**

Mining operation and system has been planned and designed so as to eliminate or to mitigate mining hazards. Statutory Rules and Regulations have been implemented so as to strive for superior standard of safety. Budgetary provision has been made for procurement of safety gadgets and appliances. Deployment of statutory personnel for accident prevention work has been ensured. Senior officials at all levels continue to inculcate safe practices in mines.

Risk assessment and Risk management has been done in all mines covering hazards and mechanism of each hazard, control, action and responsibility and its implementation is updated regularly.

Recommendations of the 10th Safety Conference, Standing Committee on safety and the CIL Safety Board are being implemented.

Area level and Company level Tripartite Safety Committee meeting is in vogue and its recommendations are being implemented. Safety Audit of each mine is being done periodically and deficiencies pointed out are being rectified. Safety Fortnight is being observed every year to enhance awareness amongst employees. Emphasis upon training and retraining has been given to departments as well as contractual employees along with the provision and use of safety wears / safety gadgets. Contractor's employees are treated at par with departmental employees in matters pertaining to safety. All out efforts are being made to increase awareness amongst the employees through public address system as well as knowledge dissemination through the distribution of write-up and steps are being taken to ensure that all people perceive, carry out and enforce provisions of laws, code of practices and standing orders.

RMR of all underground working districts has been determined. Roof support is being provided on the basis of RMR in conformity with Regulation 108 of Coal Mines Regulations, 1957 and steel supports are being used as roof support.

To overcome the difficulties of manual drilling and reduce the exposure of face workers under the green roof, 15 (fifteen) numbers of Universal Drilling Machine and 08 (eight) numbers of Hydraulic Roof Bolting Machine are in use. Safety Management Plan(SMP) is being prepared in respect of each mine.

73 Officers have been trained in Risk Assessment and Safety Management by the SIMTARS (Australia) trained Executives of CIL.

78 Staff and trained executives of CIL have attended the different Safety related training programmes organized by DGMS, Dhanbad, BHU-Varanasi, NSCI-New Delhi, IICM - Ranchi and other Organizations.

## **Rescue**

Nos. of Mines Rescue Stations are serving mines of CIL while Rescue Room- cum-Refresher Training serving mines of different coalfields. All the rescue stations are well equipped with modern rescue apparatus like BG-174, BG-4, Maxaman, Travox 120, Computerised testing quaster II etc. to deal with emergency situations. All the underground mines are within reach of 30 minutes from respective MRS / RRRT.

To promote rescue awareness amongst our employees, a Zonal Rescue Competition is being organised every year in different Subsidiary Companies. To enhance the capacity of Rescue Trained Person in mines, a fresh initiative has been taken to enroll more number of employees from existing manpower and newly recruited employees.

### **List of Mining Acts:**

Mines Act, 1952

Coal Mines Regulation, 1957

Mines Rules, 1955

Mines Rescue Rules, 1985

Mines Vocational Training Rules, 1966

Indian Electricity Rules, 1956

Initial and periodical medical examinations of every person in a mine are to be done as per Section 29B of Mines Rules, 1955.

**Initial Medical Examination (IME):** Initial medical examination is conducted for every person seeking employment in a mine, unless such person has already undergone within the preceding five years, a medical examination under these rules while in employment at another mine

**Periodic Medical Examination (PME):** Periodical medical examination thereafter is conducted for every person employed in the mine at intervals of not more than five years.

### **Human Resource Development**

Coal India Ltd's HRD division has made optimum utilization of the resources and technology both existing and new and also used advanced methods and technology for the enhancement of efficiency and productivity in the company. HRD has been developing new techniques and opportunities for employee's self development which in turn proved to be favoring the company as a whole.

### **Overall Performance**

HRD division CIL has achieved more than the given MOU targets in this financial year. In CIL and its subsidiaries, 93825 employees have been trained during 2013-14. Out of which 20502 were executives and 73323 were non-executives. These trainings include in- house training (training at subsidiary training centers and also at IICM), training in other reputed institutes outside the company and training abroad.

#### **i) In-house Training**

The In-house trainings were organized at subsidiary HQs, 27 Training Centers and also 102 VT Centers across Coal India and also at IICM. Respective HRD Division organized these trainings after assessing the training need in the respective category of employees with in the subsidiary. Special attention was given for improving skill of the employees keeping in mind the need of Industry. Details of in-house Training are listed below:-

	<b>Training</b>	<b>Short Training</b>	<b>Workshop / Seminar</b>	<b>Total</b>
<b>Executive</b>	7135	8273	1211	16619
<b>Non-executive</b>	62997	9396	174	72567
<b>Total</b>	70132	17669	1385	89186

## ii) Training Outside Company (Within the Country)

Besides in-house training at our Training Institutes, VT centers and IICM, employees were trained within the country at reputed training institutes, in their respective field of operations and also for supplementing our in-house training efforts. Employees from eight subsidiary companies and from CIL (HQ) have been trained in those reputed institutes. The break-up is given below:-

	Training	Short Training	Workshop / Seminar	Total
<b>Executive</b>	1363	1428	970	3761
<b>Non-executive</b>	642	85	29	756
<b>Total</b>	2005	1513	999	4517

## iii) Training Abroad

CIL has sent 122 employees in different countries from all the subsidiary companies and CIL (HQ) during the year 2013-14.

	Training	W/Shop / Seminar / Conference	Total
<b>Executive</b>	57	65	122

## Initiatives

- CIL has been recruiting fresh and dynamic young bloods in different disciplines for the last few years consistently. A special attention has been given in grooming these young and energetic persons in their respective fields through out the year. In addition to the introductory concept on Coal Industry, they have been trained on basic Management Techniques (MAP) and also in their respective Technical fields (TAP) through regular courses organized by IICM with the reputed faculties. Special attention has also been given in tuning them in their respective specialized working areas by on-the-job training throughout the year. Their probation is closed after appearing for the examination at the end of year successfully.
- As MTs of Excavation and E&M disciplines are posted in different Coal Mines, to provide them proper exposure to Mining Operations as well as Mining Equipments (both surface and underground) and to make them conversant with the Mining activities, 5 weeks intensive training in different batches for a total of 253 MTs was organized at **Indian School of Mines, Dhanbad**, the premier Mining Institute of our country during the year 2013-14.
- Special training modules as per need of our industry have been designed and tie-ups were done with IIM, Lucknow and ASCI, Hyderabad to train our middle level (E4-E7) executives on Management Development Programmes at their campuses w.e.f. 1<sup>st</sup> April, 2014.
- Similarly tie-up was done made with IIM, Calcutta to train about 150 General Managers (E8) of different disciplines on Advance Management including Overseas learning w.e.f. 4<sup>th</sup> May, 2014.
- 5 senior executives were sent to Japan to attend a 8 days training programme on “Coal Preparation”

- 2 middle level executives were sent to China to attend a 20 days training programme on “Fully Mechanized Coal Mining Technology- 2013”
- 495 executives have been given certified training in Project Management at IICM and other renowned Institutes.
- 72 executives have been given certified training in Contract Management at IICM and other reputed Institutes.

## **LA10: Learning and Development**

Training and Development is an integral part of our Corporate Policy to deal with the development of existing Human Resources as well as to look ahead with clear perspective with special reference to technological advances and growth of manpower to fulfill the demand of production vis-à-vis technology.

Our Training and Development department takes care of the various training needs of its employees for their skill up-gradation and new skill acquisitions through internal training as well as external training. Besides this, we send our employees for outside trainings

### **Total man-hours of training (operation wise) and man-hours of training per employee:**

Training programme conducted in all subsidiaries and information of two subsidiary companies are given below:

<b>Subsidiary</b>	<b>Particulars</b>	<b>Total Training Hours</b>	<b>Training Hours per employee</b>
<b>BCCL</b>	Male	439968	8.06
	Female	4860	0.86
<b>SECL</b>	<b>Male</b>	454458	6.51
	<b>Female</b>	13362	3.1

## **LA11: Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings**

i) **Technical Training:** Necessary technical training is provided to the employees working in mines directly or indirectly. It also updates them with latest technology if any, to be used in mining operation in near future 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, the employees are exposed through :

**Basic course:** Appropriate to technology, equipment and system

**Refresher course:** Once in three years to those who have already gone through basic course or are already working in specific skill area. Refresher training is also conducted either on the site or in the training centres.

**Specialised Course:** In case of change in technology, in equipment configuration & capacity and improvement in the system of production.

.ii) **Management Training:** Need based training is provided to executives at each level as per our requirement from time to time e.g. entry to the higher level. In house training on various subject of our

interest is imparted at the Management Training Institute of different subsidiaries.. Also the executives are sent to various outside organizations like IICM, Ranchi, ISM, IIMs, IITs, NITs and other renowned training centres in India and abroad for acquiring new skills and knowledge

**iii) Transformation Training:** In addition to the regular statutory training courses, we take interest in providing specialized training to the employees with an outlook to our future requirements as per the our Corporate plans to make the employees skilled enough to take on the future challenges.

## TRAINING CURRICULUM

### Executives Programme:

General Management Programme: For enhancing the managerial skill and performance of executives

Functional Programme: For developing functional skills

Cross Functional Programme: For developing knowledge regarding function of other department

Computer Awareness Programme: For efficient and smooth functioning of official jobs

### Supervisors' Programme:

Supervisory Development Programme: For knowledge and skill up-gradation'

Safety Management for Supervisors: For creating awareness among the supervisors

Coaching classes: For carrier growth

Computer Awareness Programme: For efficient and smooth functioning of official jobs

### Workers' Programme

Workers Development Programme : For skill up-gradation of workers

HEMM training : Land oustees are selected for this training to be posted in different mines

Safety Awareness Programme : To create safety awareness among workers about mine safety

Computer Awareness Programme : To handle computer efficiently

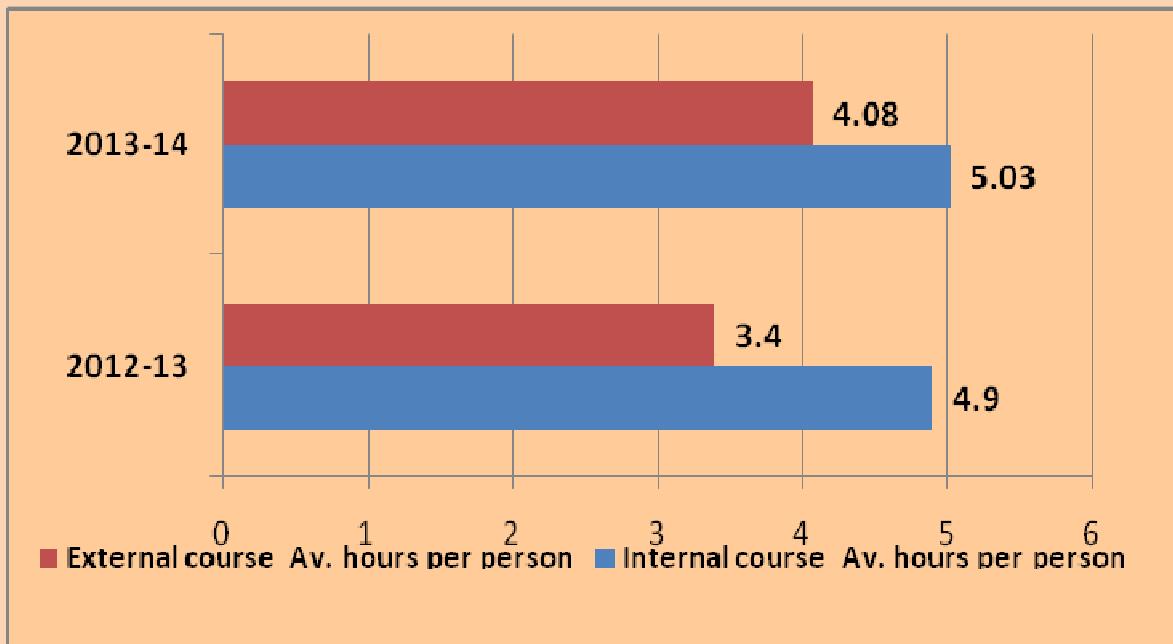
**Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings**

Company	Skills up-gradation Programme for lifelong learning		2012-13	2013-14
CIL	Internal course	Av. hours per person	4.9	5.03
	External course	Av. hours per person	3.4	4.08

### Workforce Training-Average Training hours per person per year

Company	Category	2012-13		2013-14	
		Male	Female	Male	Female
CIL	Executives	3.3	2.6	4.25	3.93
	Non-executives	5.5	6.0	4.9	5.1
	Trainees	5.16	6.0	6.9	6.5

### AVERAGE TRAINING HOURS PER PERSON



**LA 13: Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity:**

Already covered in pre pages i.e. 11, 12-14, 33 – 36.

**LA14:** We provide life insurance scheme to all wage board employees covered under NCWA. We also provide health care benefits to both permanent and temporary employees at all the regions. The full-time employees enjoy benefits plans such as Provident Fund, Family Pension Fund, Annuity Fund, Maternity Leave, Retirement Provision and Stock Ownership. CIL, being a Public Sector Undertaking, does not discriminate among its employees based on Gender for salary and remuneration. The ratio of the basic salary and remuneration of women to men is 1:1. For payment of salary / wages, it follows the NCWA for Non - executives and specified pay scales for executive employees which does not discriminate among employees based on gender

**Ratio of Basic Salary of Men to Women Covered by Employee Category FY 13-14**

**1 : 1**

**LA 15: Return to work and retention rates after parental leave, by gender**

Parental leave for male employee is nil as there is no leave sanctioned for males. All female employees in the process of child birth are availing maternity benefit leaves up to two issues as per CILs rule. The employees after attaining the said leave period are joining their duty on regular basis.

## **HR2- Percentage of significant suppliers, contractors, and other business partners that have undergone human rights screening, and actions taken :**

As such there is no separate human right policy in CIL. However, we are fully committed to abide by the rules on Human Rights across our operations and this reflects in our dealing with our different stakeholders. All suppliers / contractors / vendors who undertake to provide services enter into a comprehensive formal agreement with CIL, which contains stipulations and conditions requiring them to ensure the compliance of various applicable labour statutes in respect of their employees / workers. These include the Payment of Wage Act - 1936, the Minimum Wages Act -1948, Equal Remuneration Act - 1976, the Industrial Dispute Act - 1947, the Employees State Insurance Act - 1948, the Coal Mines Provident Fund and Misc. Provisions Act - 1948, the Child Labour (Prohibition and Regulation) Act -1986 and the Contact Labour (Regulation & Abolition) Act -1970.

CIL ensures that the contractor's labour is treated fairly as per the law. The contractors are advised to pay the wages to its workers through bank and settle the issue in accordance with the law.

We are committed to the principles of the United Nations Global Compact on Human Rights.

CIL is the first PSU to settle the Wage agreement for 5 years up to 30-06-2016. CIL and its subsidiaries take all welfare measures required to facilitate not only employees but also their families. Awareness on human rights is included in our training programmes. During the year 2013-14 we don't have any reported case of human rights violation.

The Company does not employ nor encourage forced, bonded or child labour in any of its operations. CIL abides by The Mines Act, 1952, which prohibits the employment of children below 18 years of age in a mine. We follow proper checks and audits as per the Act. **We do not make any verbal agreement; instead all our contracts are in written form with various contractors. This ensures that no children get employed in our coal mines.**

## **HR4: Incidence of discrimination**

CIL prohibits discriminations on race, colour, religion, sex, caste, sexual orientation, national or regional origin, or any other characteristic protected by law. There have been no cases of discrimination during the reporting period

## **HR6: Operation identified as having significant risk for incidence of child labour and measures taken to contribute to the elimination of child labour**

We respect and promote fundamental of human rights. We understand the potential adverse impacts on human rights and responsible to mitigate or eliminate them. We neither employ nor encourage child labour in any of our operations. We abide by The Mines Act, 1952, which prohibits the employment of children below 18 years of age in a mine. We follow proper checks and audits as per the Act, to ensure no child is employed in the mines through medical examinations for age proof.

**HR9: Total number of incidents of violations involving rights of indigenous people and actions taken**

Engaging openly with surrounding community is important to ensure that our activities positively enhance the lives of people living near our operations and the society broadly. We reaffirm the corporate motto of Growing with Surroundings which is in sync with the national agenda of Inclusive Growth by working together with our communities. We aim to create opportunities that are aligned with their interests and build mutually beneficial relationships. We do not make any political contributions, in cash or in-kind, or participate directly in the activities of any political party. We also recognise the traditional rights and values of indigenous peoples and respect cultural heritage. We introduced a well defined CSR Policy in 2011-12. Being site specific industry, mining requires land where mineral is available. So at times it is unfortunate that indigenous communities get affected by our operations. However, the PAPs are adequately compensated as per CIL's R&R policy and there were no incidents of violations involving rights of indigenous people during the reporting period. We have taken up various activities extending financial assistance for water supply schemes, construction / repair of public utility roads & culverts, construction of community centre, check-dam for the benefit of the peripheral villages, rendering preventive health programme, village health programme and family welfare programme.



## Environment performance

### **Strategies, current actions, and future plans for bio-diversity conservation:**

Environmental pollutions are the negative by-products of industrialization. Coal mining like any other industrial activity leaves some environment footprint on the society. At the same time, key role of the coal industry to India's economy cannot be over emphasized. Cheap energy availability is essential for growth of the people, industry, economy and the nation. With limited availability of oil, gas, hydro and distant sight of large scale nuclear and renewable energy prospects, the choice is not to go back to use of firewood but rely on coal for meeting the growing energy needs. The need is to integrate and address environmental concerns in the system and operation of coal mining activities to preserve the environment or make it better in the best possible way.

We are committed to follow environmentally responsible practices and adhere to the relevant environmental laws and regulations in all aspects of our business from mining to marketing and striving for the continual improvement of environmental conditions in and around our operational areas. The company has adopted a Corporate Environmental Policy, duly approved by Board of directors.

### **Environmental Impact Assessment:**

Before commencement /enhancement of production from coal mines, the impact on existing environment and forest due to coal mining projects are assessed by an Environment Impact Assessment (EIA) study for each project and based on the same, Environmental Management Plans (EMP) are prepared.

EMPs deal with the various pollution mitigation measures to be undertaken to mitigate the impact of pollution, in order to reduce adverse effect on environment & forest, as per requirement of the project. The EMP is submitted to MoEF for obtaining Environmental clearance (EC). Various types of pollution and the mitigative measures as per EMP of the coal project approved by MOEF with project specific conditions are taken up for implementation.

The various types of pollution generated in Coal India –coal mines are

- **Air Pollution**
- **Water Pollution**
- **Noise Pollution**
- Land degradation**

**Hence, various measures being taken to mitigate environmental impacts are as follows:**

#### **1. Air Pollution control:**

##### **Air Quality**

When it comes to coal mining, dust is the only major source of air pollution as there are no chemicals involved in the operations. The total particulate matter includes dust size from 0 micron to 100 micron is assessed using emission rate for different mining activities like drilling in coal & OB, blasting of coal & OB, loading of coal & OB, transportation of coal & OB, unloading of coal & OB, crushing of coal at CHP and loading of coal at railway siding for dispatch to power plants & other consumers.

The emission rate has been developed by CMRI, Dhanbad under funding of MoEF, GOI. The emission rate for different mining activities is different. The total particulate matter has been calculated at coalface for the activities like drilling, blasting, loading etc., and loading & unloading at

CHP and at railway siding that is subsequently lifted from the ground for dispatch to the consumers and hence not necessary that the total estimated TPM becomes air borne which is harmful for the health of human being and animals.

As per the stipulations of MOEF, the monitoring of particulate matters up to 10 micron and 100 micron are being done in and around the mine areas, residential and village areas. Values of the parameters are mostly found within the limit of the stipulated standards. However, if there is any increasing trend of the parameters, sources are identified and control measures are applied to bring the parameters within the stipulated limit. For control of particulate matter pollution at source fixed sprinklers at coal handling plants (CHPs), coal stock yards, weighbridges and along transportation roads are installed. The mist type water spraying system is also being installed along the conveyor belts / Bunkers in coal handling plants. The sides of CHPs are also covered by side cladding with GI Sheet to control pollution at source. In addition, effective dust suppression has been achieved through water sprinkling by mobile water tankers along the coal transportation roads and haul roads by the large capacity (28KL & 70 KL) water tankers. Further, effective plantation in the mine lease area has been done to arrest the propagation and dispersion of dust significantly. CIL is having drills fitted with dust extractors.

Other pollutants of coal mining activities are generally SOx (Oxide of sulphur) and NOx (Oxides of nitrogen) due to use of the explosives in blasting, exhausts of machineries deployed for mining and vehicles used for transportation of coal and OB. These parameters are also monitored regularly and found to be within the specified limits / standards.

Controlled blasting / planning of residential colonies / habitation away from the mines as far as possible are also some of the measures taken.

The quality of ambient air in and around the mine is monitored every fortnight as per Environment (Protection) Amendment Rule.

## **2. Water pollution Control**

The waste from the mines is treated by settling arrangements before let out. Most of the opencast mines have installed dewatering pumps on floats and this system allows pumping only clean and settled water. The treated water is used for Water supply to the residential colonies, to some adjoining villages and surplus water for agricultural purposes also.

The effluent from workshops is treated in Workshop Effluent Treatment Plants (WETPs) and domestic effluents from some major residential colonies are treated in the Domestic Effluent Treatment Plants (DETPs) and in other small residential colonies septic tanks have been constructed. The quality of discharge and effluent water is also monitored every fortnight as per Environment (Protection) Amendment Rule.

The closed water recirculation system has been adopted in the washeries to stop the discharge of outside the premises and minimise water requirement. The treated water is used for water sprinkling in coal transfer points, good housekeeping and plantation for overall improvement of the environment.



### **Water Withdrawal by Source**

We understand that water is a precious resource that must be used optimally and responsibly. Water management is essential to ensure conservation of freshwater usage as well as mitigating through water pollution measures. The environmental, ecological, social, cultural and economic values of water have also led to greater scrutiny of responsible water use and expectations from our stakeholders for improved resource stewardship.

### **Water Conservation Initiatives**

Abandoned quarry voids are used as water harvesting structure for recharge of ground water. Water Treatment Plants (WTP) are operational under integrated water supply schemes and Small scale water filtration units for domestic supply are also existing.

Surface water sources are mostly not affected due to the withdrawal of water from our operations. Pumped water from mines is recycled for domestic & industrial consumption and supplied to surrounding villages. Remaining water wherever feasible is stored in the mine voids / reservoirs and used for aquifer recharging, etc.

In order to conserve rain water and replenish the ground water reservoir, six (6) rain water harvesting Proposals were constructed as a SD activity.

### **3. Noise pollution Control measures:**

Noise pollution is generated due to HEMM deployment, Work shops, CHPs and due to blasting operations. This is reduced by -

- a. Proper maintenance of equipment
- b. Green belt provided around the mine as well as residential area .
- c. Controlled Blasting & blasting in day time.
- d. Use of Surface Miner & High Wall mining which extract coal without blasting.
- e. Ear Muff or Ear Plugs provided to Workers working in extremely noisy areas.

### **4. Land reclamation and Remote Sensing Survey for monitoring**

Coal mining activities need to use land and generates some impacts on environment, since mining involves removing the top earth to dig out the coal. Eco-friendly mining systems have been put in place in all of its mining areas.

We are committed to restore the degraded land and the mined out areas. This is being done by technically reclaimed mined out areas and subsequently biological reclamation by plantation on the technically reclaimed areas. CIL introduced state-of-the-art Satellite Surveillance to monitor land reclamation and restoration for all opencast projects. 50 major OCPs excavating more than 5 Mm<sup>3</sup> (Coal + OB) per annum are being monitored every year while remaining OCPs excavating less than 5 Mm<sup>3</sup> (Coal + OB) per annum are being monitored once in 3 years. This gives a clear picture of land reclamation which otherwise is difficult to estimate. Satellite Surveillance indicates the increase in plantation area from 158.3 km<sup>2</sup> in 2010-11 to 163.19 km<sup>2</sup> in 2013-14. This information is available in the web site of CMPDIL.

### **5. Coal Washeries:**

"CIL has decided to set up 16 washeries with 92.010 MTY capacity in its various subsidiaries to reduce the ash% from coal so as to make it competitive in comparison to imported coal," according to an official statement. Out of the 16 washeries, two would be set up in SECL, six in Bharat Coking Coal Limited (BCCL), Jharkhand , four in Mahanadi Coalfields Ltd (MCL), Orissa, three in Central Coalfields Limited (CCL), Jharkhand and one in Eastern Coalfields Limited (ECL) West Bengal. CIL already has 17 coal washeries of a capacity of 39.40 MTY in operation, in different subsidiaries.

### **Subsidiary-wise and state-wise details of proposed coal washeries:**

Sl. No.	Name of the washery	Capacity (MTY)	Subsidiary	State	Status (As on 31.3.14)
1	Kusmunda	10	SECL	Chhattisgarh	Bid under process
2	Baroud	5	SECL	Chhattisgarh	Land acquisition in progress
3	Madhuband	5	BCCL	Jharkhand	Under construction
4	Patherdih	5	BCCL	Jharkhand	Under construction
5	Patherdih	2.5	BCCL	Jharkhand	Evaluation of offers in progress
6	Dahibari	1.6	BCCL	Jharkhand	Under construction
7	Dugda	2.5	BCCL	Jharkhand	Evaluation of offers in

Sl. No.	Name of the washery	Capacity (MTY)	Subsidiary	State	Status (As on 31.3.14)
8	Bhojudih	2.0	BCCL	West Bengal	Evaluation of offers in progress
9	Ashoka	10.0	CCL	Jharkhand	Price escalation demanded by L-1 bidder which is under consideration
10	Konar	3.5	CCL	Jharkhand	Possession of land in progress
11	Karo	2.5	CCL	Jharkhand	Forest clearance (Stage-1) has been applied
12	Chitra	2.5	ECL	Jharkhand	Land acquisition in progress
13	Bashundhara	10	MCL	Orissa	RFP is under evaluation
14	Jagannath	10	MCL	Orissa	RFP is under evaluation
15	Hingula	10	MCL	Orissa	LOI issued to L-1 bidder
16	Ib-vally	10	MCL	Orissa	Land acquisition in progress
TOTAL		92.10			

Out of the above proposed washeries Madhuban (5.00 MTY), Patherdih (5.00 MTY) and Dahibari (1.60 MTY) of BCCL are in advanced stages of construction. Others are in different stages of tendering processes.

### Bio-diversity

Tree Plantation on reclaimed land in back filled & OB dump areas, plantation in & around mines, road sides, township / residential areas, available vacant spaces and implementation of conservation plan for protection of flora & fauna are carried out as per Environmental Clearance (EC).

This is apart from the payment made for compensatory afforestation for diverted forest for mining in double the degraded forest as marked by the state Forest departments. The plantation has created man made forest in mining areas where there was minimum forest. Even in the marked and designated forest areas, the tree density was much less earlier than the forest we have created.

Since beginning, the subsidiaries of CIL have undertaken massive plantation work through concerned State Forest Corporations. CIL has till date planted around 81.10 million trees over an area of around 34316 Ha. Keeping Bio-diversity in mind, we plant mostly indigenous plants to preserve the bio-diversity.

We go for multispecies plantation with a proper mix of timber yielding, fruit bearing, medicinal and other useful varieties.

The detail of plantation carried out in the last three years by the different subsidiaries is tabulated as under:

**PLANTATION**

(Fig. in nos.)

<b>Subsidiary</b>	<b>During 2011-12</b>	<b>During 2012-13</b>	<b>During 2013-14</b>
<b>ECL</b>	195000	51000	45000
<b>BCCL</b>	343000	46916	42009
<b>CCL</b>	405800	302000	144000
<b>MCL</b>	75600	31000	0
<b>WCL</b>	226000	160000	163500
<b>SECL</b>	386000	483000	512850
<b>NCL</b>	441000	452247	420100
<b>NEC (CIL)</b>		60,000	8660
<b>TOTAL</b>	<b>2,072,400</b>	<b>1,586,163</b>	<b>1,336,119.00</b>



BCCL has adopted the latest biological reclamation technique and the work is being executed by the Forest Research Institute, Dehradun. We have developed comprehensive mine reclamation and rehabilitation strategies for each of our mines and the same is being implemented as per the EMP approved by MoEF. Concurrent and progressive back filling of mine voids by the overburden material, preservation of topsoil, its storing and use it during technical reclamation and before plantation as the integral part of mining operation.

### **Mine Closure Provisions**

In terms of revised guidelines issued by Ministry of Coal (MoC) in 2013, CMPDI has prepared 257 (93 new & 164 revised ) mine closure plans for CIL mines during the year. Quick comments on 42 mine closure plans for coal blocks sent by MOC were also prepared.

### **Regular air, water and noise monitoring:**

All the mines / washeries of CIL are being monitored on regular basis by CMPDI. In case of any deficiency, the sources are identified and immediate corrective measures are taken by the areas / projects for amelioration.

### **Other measures to reduce Pollution at the source by new methods:**

#### **Switching to eco-friendly mode of transport:**

In order to reduce the dust pollution due to road transportation eco-friendly measures are being adopted. Coal to thermal power stations who consume more than 80% of thermal coal, is transported by rail / series of belt conveyors to thermal power stations & rail heads are constructed to make rail head available nearer to mine to reduce road transportation. We have constructed and are constructing integrated CHP for rapid loading wagon and trucks. In future, both existing and future mines will have mode of coal transportation more and more either by rail or conveyors.

#### **Clean Mining Technology:**

More and more Surface Miners and Continuous Miners are being deployed for reduction of air pollution. High Wall Mining has been introduced to recover thin coal seams after economical open cast mining is over. In underground mines, manual mining are being converted to semi-mechanized Bord & Pillar mining with LHD (Load Haul Dumper) / SDL (Side Discharge Loader) and fully mechanized mass production technology with Continuous Miner (CM) and Power Support Long-wall (PSLW) faces in phases. UDMs (Universal Drilling Machines) are being deployed. This not only reduces wastage of valuable coal but also increase productivity as well as safety of the workers in the mines. Man-Riding system is being installed to fully utilize shift hours to increase productivity and ensuring safety of the personnel.

## Conservation of Natural Resources

### Indirect Primary energy consumption

Electricity is the major source of energy in the mining operations. Electricity consumed in different coal producing subsidiaries is given in table under EN4.

### CIL has taken following initiatives to reduce electricity consumption and improve efficiency:

- I. Street lights in Residential Area as well as Non - residential area are being connected to auto timer based off & on system.
- II. High energy consuming mercury / sodium vapour lamps are replaced with LED / CFL or any other energy efficient lamps.
- III. Possibilities for installation of low voltage (LV) distribution line with insulated wire to prevent hooking and power pilferage.
- IV. Overhead water tanks of the Residential Buildings (RB) and Non-residential Buildings (NRB) are fitted with float valves.
- V. To use the roof top of RB & NRB including hospital / dispensary and canteen etc. for generating electricity with the help of Photo Voltaic Cells or any other conversion method to utilize solar energy.
- VI. Initiatives have improved Power factor of 47 metering points to more than 0.97 from 0.80.

Based on these initiatives, actions are being taken at coal producing subsidiaries. In order to have an idea of the impact a comparative study subsidiary wise the electricity consumption per tonne of coal for the last 3 years have been shown in the next page in table under EN4.

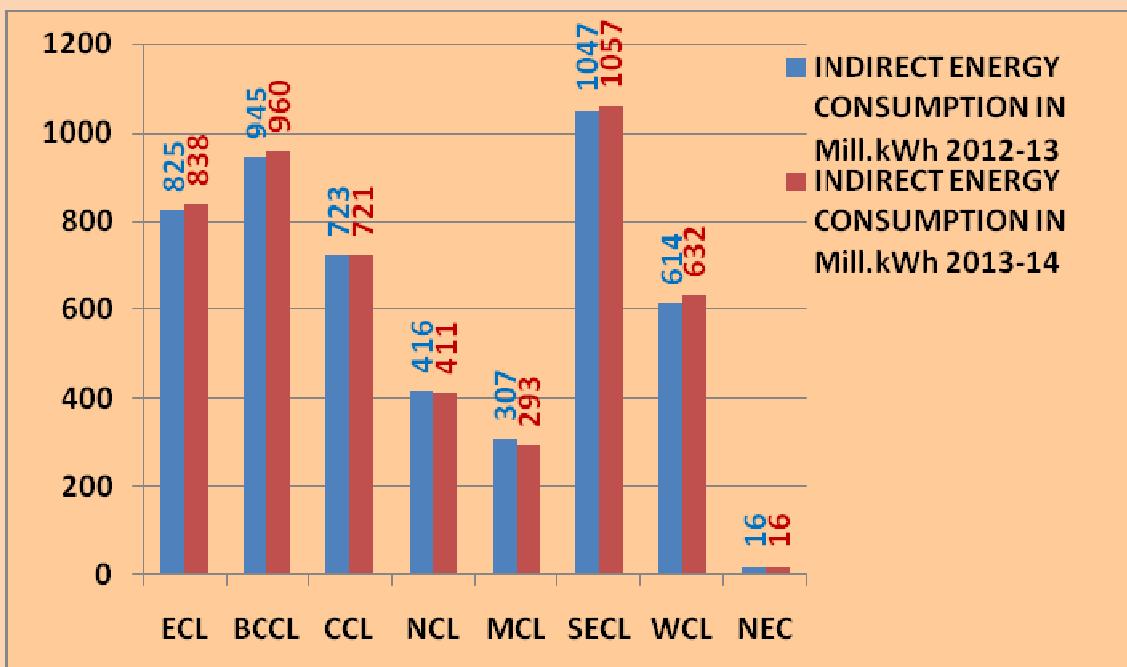
### EN3: Direct energy consumption by primary energy source :

Subsi-diary	Particulars	2011-12	2012-13	2013-14
BCCL	Million KWH	0.05	0.0324	0.0099
	Coal production			
	KWH per ton of coal production			
WCL	Million KWH	189.75	190.18	111.11
	Coal production	43.11	42.29	19.15
	KWH per ton of coal production	4.4	4.5	5.8
NEC	Million KWH	8.92	8.31	4.48
	Coal production	0.602	0.604	0.125
	KWH per ton of coal production	14.82	13.76	35.84

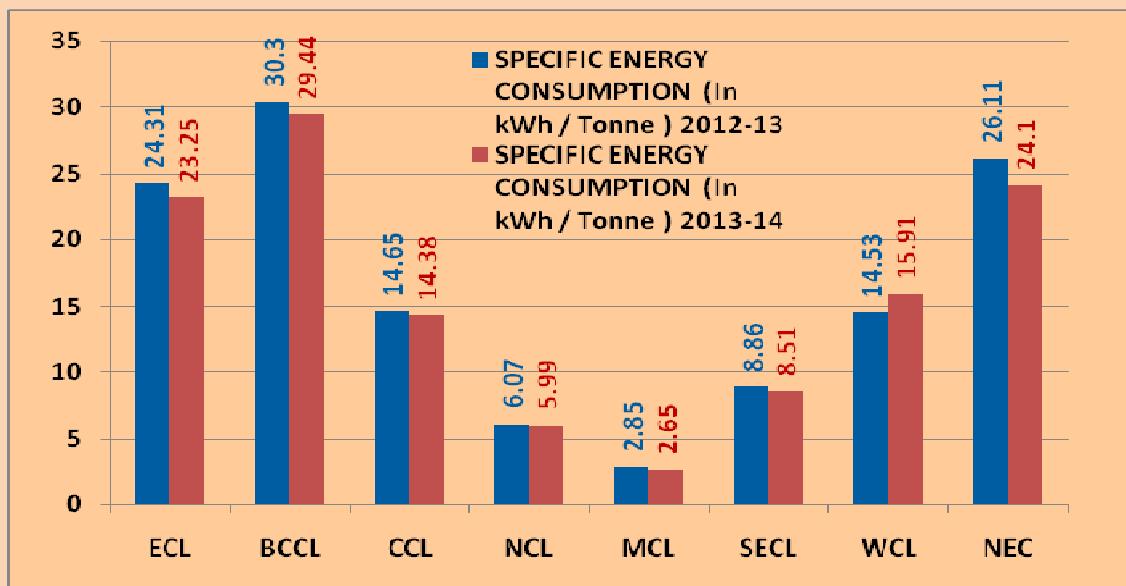
**EN4: Indirect energy consumption by primary energy source:**

Subsidiary	Energy Consumption					
	In Mill.kWh			In kWh / Tonne		
	2011-12	2012-13	2013-14	2011-12	2012-13	2013-14
ECL	809	825	838	26.46	24.31	23.25
BCCL	949	945	960	31.42	30.3	29.44
CCL	689	723	721	14.35	14.65	14.38
NCL	428	416	411	6.45	6.07	5.99
MCL	308	307	293	2.98	2.85	2.65
SECL	1031	1047	1057	9.06	8.86	8.51
WCL	613	614	632	14.22	14.53	15.91
NEC	15	16	16	25.61	26.11	24.1
CIL	4842	4894	4928	11.11	10.8	10.65

**SUBSIDIARYWISE INDIRECT ENERGY CONSUMPTION**



### SUBSIDIARYWISE SPECIFIC ENERGY CONSUMPTION



#### **EN5: Energy saved due to conservation and efficiency improvements:**

Com- pany	Different fields of Energy Consumption, where conservation and efficiency improvement has been incorporated	Energy used before incorporation of conservation and efficiency improvement plan (MWH), 2012-13 (a)	Actual energy consumption after incorporation of measures (MWH), 2013-14 (b)	Energy Saved (MWH) (a-b)
--------------	---	--	---	-----------------------------------

By replacing 19101 nos. high energy consuming lights, we have saved 174.3 GJh in 2013-14. Besides each pump placed on float in open case mine saves nearly 15% energy compared to pump placed on ground.

#### **EN6: Initiatives to provide energy - efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives:**

Com- pany	Initiatives taken in the year 2013-14 to provide energy-efficient or renewable energy based products and services	Energy Consumption before measures taken (MWH), 2012-13 (a)	Energy Consumption after measures taken (MWH), 2013-14 (b)	Reduction in Energy Consumption (Anticipated) (MWH) (a - b)
--------------	---	---	--	--

CIL's initiatives has resulted in issuance of work order for 2.0 MW capacity and 0.25 MW capacity Solar PV power plants in MCL and CMPDIL respectively in 2013-14. CIL's new office building at Rajarhat at Kolkata has 140 KW Solar PV power generation capacities.

**EN7: Initiatives to reduce indirect energy consumption and reductions achieved:**

Com- pany	Initiatives taken in the year 2013-14 to Reduce Indirect Energy Consumption	Indirect Energy Consumption before measures taken (MWH), 2012-13 (a)	Indirect Energy Consumption after measures taken (MWH), 2013-14 (b)	Reduction Achieved (MWH)
--------------	--	--	---	--------------------------------

Initiative of CIL has improved Power factor of 47 metering points to more than 0.97 from 0.80. Details of CIL's initiatives to reduce electricity consumption and improve efficiency described in pages 58.

**EN8: Total water withdrawal by source :**

Subsi- diary	Total Water withdrawal by source in the year 2013-14	Volume of Water (KL)		
		2011-12	2012-13	2013-14
BCCL	Ground Water			
	River Water			
	Water from abandoned mines			
	Any other source	Total 110160.00	126620.00	102960
WCL		Total 56365.80	73177.48	
NEC	Ground Water	155164	155164	120450
	River Water	1228589	1228589	531200
	Water from abandoned mines			
		Total 1383753	1383753	651650)

**EN9: Water sources significantly affected by withdrawal of water :**

- The impact of water drawl are limited to only 300m depending on the strata condition from the active mining operation zone and only for the period of mine life. This 300 m zone around specifically for Open cast mine is physically acquired for the mine as blasting safety zone. However, if there is any report of shortage of water, the effected habitation are provided with suitable drinking water supply by sinking hand pumps, through water tankers, piped water etc.
- The entire mine's industrial water demand is mostly met from the mine water. The treated mine water is also used for domestic and agricultural need.
- The surplus treated mine water is discharge into the local ponds, agricultural fields and finally to the natural courses.
- After cessation of mining, a part of the open cast mine area is reclaimed and the final void is converted into a water reservoir which in turn works as water recharge structure and source of water for the local. Similarly under ground mine after exhaustion also serves as water recharging structure.

**EN10: Percentage and total volume of water recycled and reused:**

The entire mine industrial water demand is mostly met from the mine discharge. The treated mine water is also used for domestic and agricultural need. The surplus treated mine water is discharged into the neighbouring ponds, agricultural fields and finally to the natural courses.

**EN11: Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas:**

<b>Land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas</b>	
<b>Location</b>	<b>Area size</b>
<b>Madhya Pradesh</b>	<b>9590.298 Ha.</b>
<b>Chhattisgarh</b>	<b>29738.092 Ha.</b>

**EN12: Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas;**

<b>Subsidiary</b>	<b>Name of Eco-sensitive zones</b>	<b>Significant impact on biodiversity</b>	
		<b>In protected area</b>	<b>Outside protected area</b>
<b>NEC</b>	Dehing Patkai Wild Life Santuary	None	None

Protected area is out of bounds from mining activities. Areas of high biodiversity value outside protected areas are being maintained with regular gap plantation with indigenous species.

**EN14: Strategies, current actions and future plans for managing impacts on bio-diversity:**

<b>Subsidiary</b>	<b>Strategies, current actions and future plans for biodiversity conservation</b>	<b>Brief description</b>
<b>NEC</b>	Wild life conservation plan prepared by Aaranyak was submitted to MoEF and accepted during approval of EC for Lekhapani OCP	All wildlife observations have been recorded & reported and all effective and a sustainable wildlife management plan for conservation of the biodiversity was recommended
<b>BCCL</b>	Old OB dump area has been taken up with three tier plantation with the help of Forest research Institute, Dehradun	Local and indigenous species are planted on 53 Ha of degraded and mined out land.

Besides all subsidiary take up massive plantation with indigenous species , details have been described in pre pages.

**EN20: NOx, SOx, and other significant air emissions by type and weight:**

(micro. gms. / Cum)

Name of the Mine	Monitoring Station	SOx	NOx
Ballarpur OCP (WCL)	Sub Area Manager's Office	79	8
Gevra OCP (SECL)	Gevra mine	27	28
Ashoka OCP(CCL)	Bendi Village	10	38
Piparwar OCP(CCL)	Kalyanpur Village	10	43
Standard		120	120

Details about other air pollutants / emissions and mitigative measures are covered in pages 47-48.

**EN21: Total water discharge by quality and destination:**

Mine discharge water is used for industrial purposes, domestic purposes for own employees and neighbouring villages after treatment, surplus water for agricultural purposes and the balance is discharged to natural courses. Discharged water is monitored regularly and it conform the standard of water quality and the standards are given below:

Mine	Analysis Result			
	pH	TSS (mg/l)	COD(mg/l)	O&G(mg/l)
Ballarpur OCP	7.86 to 8.10	<25 to 242	<40 to 192	<2
Gouri Deep OC	7.68 to 8.77	56 to 288	<40 to 224	<2
Piparwar OCP	7.90 to 8.10	24 to 120	2.40 to 40	<2
Ashoka OCP	8.08	24	40	<2
Standard	5.5 to 9.0	100	250	10

**EN22: Total weight of waste by type and disposal method:**

Company	Type of Waste	Disposal Method	Volume / Weight
CIL	OB	Back filling / Land filling	806.544 Mill. Cum
	Metal Scrap	Sold to authorized recyclers	
	Burnt oil	Sold to authorized recyclers	
	Battery	Exchanged against new from battery sellers / manufactures or sold through authorized dealer.	
	Plastic waste (drum etc.)	Sold to dealers	
	HEMM Tyre	Retreaded till retreat able and then sold to authorized dealers	
	Glass	Sold for recycling	
	Domestic Waste (Bio-degradable)	Land filling & composting	
	Conveyer Belt Waste	Different in-house use	
	e-waste	Sold to authorized recyclers	

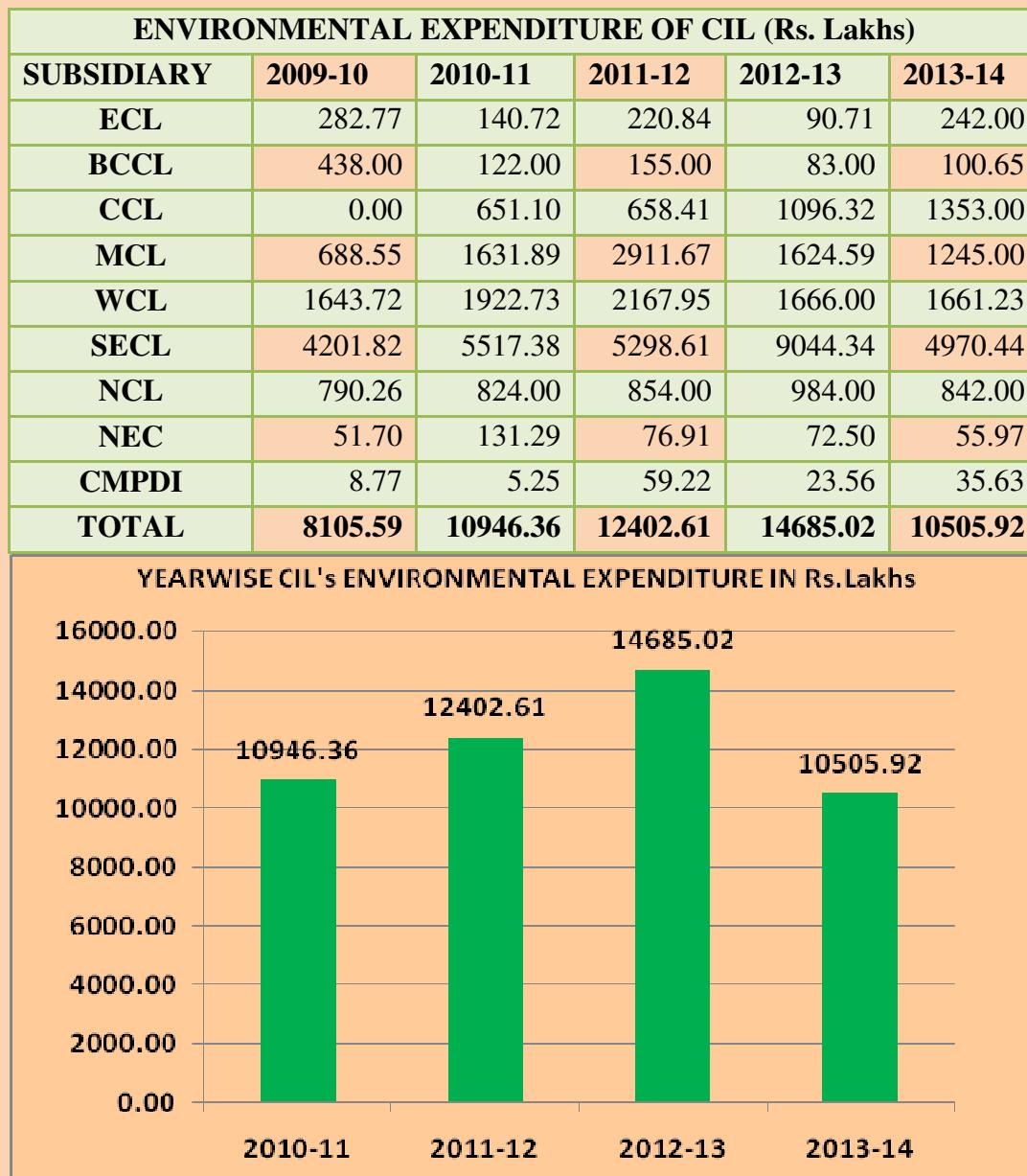
**EN26: Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation. Subsidiary-wise and state-wise details of proposed coal washeries:**

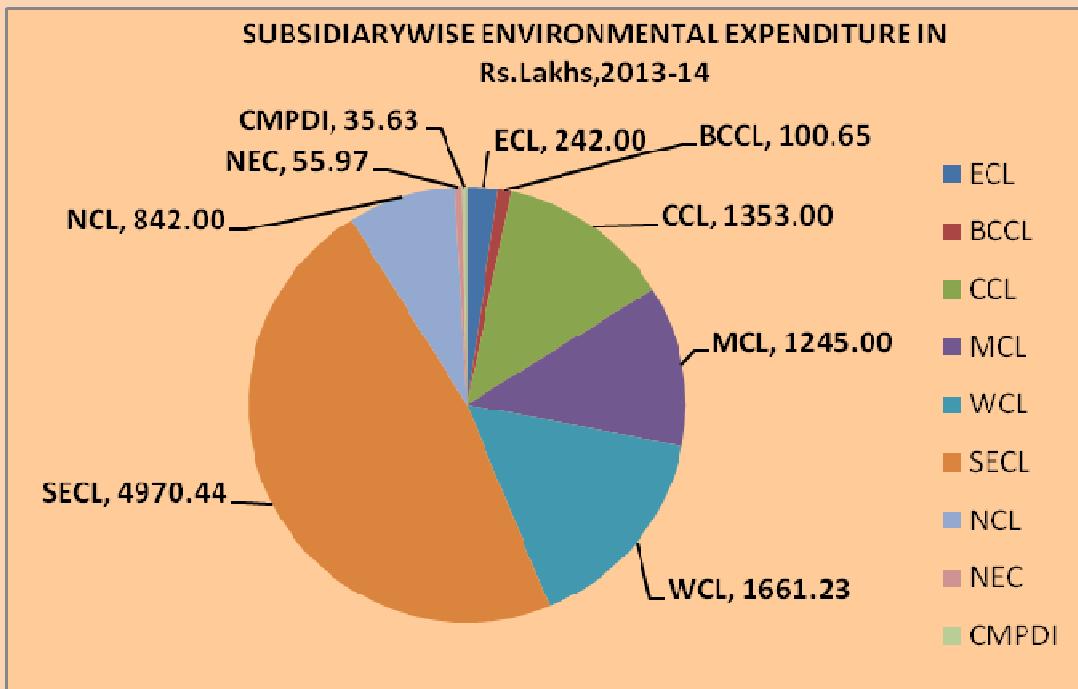
Details are mentioned in pages from 51 to 56.

**EN28: Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations:**

There is no report of any noncompliance for the 2013-14.

**EN30: Total environmental protection expenditures and investments by type:**





### **ISO- 14001 System:**

Obtaining ISO 14001 certification and maintaining & revalidation are the continuous process. During the year 2013-14, 7 units (05 Open cast projects, 01 Underground project & 01 Central Workshop) have got certification for ISO 14001. So far, 73 units of CIL got ISO 14001 certification which includes opencast projects, underground mines, washeries, workshops and hospitals till the year 2013-14. In addition, Northern Coalfields Limited (NCL) and Mahanadi Coalfields (MCL), as a company, have also got ISO 14001 certification.

### **MOU WITH GOVT. OF INDIA: PERFORMANCE IN 2013-14**

Coal India is holding Company and all activities are taken up at Subsidiaries from their own fund. Since the Subsidiaries are the separate profit centres and subsidiaries have full powers to spend from their revenue fund for all SD activities. Hence, the action plan is prepared and corresponding budget are allocated. This is approved by the concerned SD Committee of the subsidiary. CIL has ensured that necessary action plan has been prepared by the subsidiaries and passed by the concerned SD Committee.

The CSR & Sustainable Development Committee was Constituted by the CIL Board of Directors in its 282<sup>nd</sup> meeting held on 16<sup>th</sup> April' 2012. This committee was reconstituted by the Board in its 303<sup>th</sup> CIL Board meeting held on 14<sup>th</sup> January'14. During the year, four meetings were held i.e. on 25/06/2013, 17/07/2013, 31/01/2014 and 12/02/2014.

Sustainable Development is an important activity and it is part of MOU signed by CIL and Govt. of India. The Achievements under the MOU is detailed as under:

#### **SD Expenditure (2013 – 14):**

Percentage (%) achievement ( CIL's CSR & SD expenses in 2013-14 as % of PAT of FY 2012-13) is equal to Rs.410.81 Crores / Rs.173.56 Crores \* 100 i.e. 236.70%

### SD Projects Target Vs Achievement in 2013-14:

Evaluation Criteria	Unit	Weight (In %)	MoU Target		Performance (13-14)
			Exclnt.	V.Good	
<b>Impact of such involvement on production/ services /processes and reduction in carbon foot-print</b>					
<b>Installation of Solar Panels</b>	No	1	3	2	3
<b>Rain water harvesting projects</b>	No	1	3	2	6
<b>Sub-Total</b>		2			
<b>The efforts made and the success achieved in the engagement of key stakeholders through adoption of good corporate communication strategy</b>					
<b>The no. of meetings / consultation held with key stakeholders viz. Customers, Employees</b>	No	0.25	4	3	6
<b>Establishment of web-based feedback system from key stakeholders regarding the performance of the company in social, economical and environmental sustainability</b>	Yes / No	0.25			Established (CIL)
<b>Sub-Total</b>		0.5			
<b>Adoption of sustainability reporting and disclosure procedures and practice</b>					
<b>Preparation of Sustainability Report for 2013</b>	Month	0.25	Feb,14		SD Report of CIL for 12-13 assured in Oct. 2013
<b>Frequently updated display of information in this regard on the Company web-site</b>	Duration	0.25	quarterly		quarterly
<b>Sub-Total</b>		0.5			
<b>Plantation (in lakhs)</b>			<b>8.25</b>	<b>7.6</b>	<b>11.815</b>
<b>ECL</b>					0.45
<b>BCCL</b>					0.42
<b>CCL</b>					1.42
<b>WCL</b>					0.125
<b>SECL</b>					5.12
<b>MCL</b>					0.00
<b>NCL</b>					4.20
<b>NEC</b>					0.08
<b>TOTAL</b>					<b>11.815</b>

As stated earlier, these targets executed by the subsidiaries and they have got it evaluated by an Independent External Agency / Expert / Consultant engaged by them.

### **Climate Change**

We recognize that the climate change is a significant challenge to us as a major coal & mining sector. We have a responsibility to constructively engage on climate change issues and play an important role in contributing towards global greenhouse reduction. We have taken several initiatives & conserve energy, started constructing solar power generation plants in our different subsidiaries as green power initiatives & to reduce green house gasses.

### **CIL is committed to protect our Surroundings**





## Social Aspects –Performance

**SO1: Nature, scope and effectiveness of any programmes and practices that assess and manage the impacts of operation of communities, including entering, operating and existing**

Corporate Social Responsibility (CSR) is a company's commitment towards the stakeholders and it is meant for improving the quality of the life of the stakeholders. CIL has a well-defined CSR policy introduced w.e.f. 29.06.2010 based on the guidelines issued by Department of Public Enterprise for Central PSUs on CSR in April 2010, which is also applicable to the subsidiary of CIL.

The economically backward and needy people of the society living in & around coalfields / mining areas in different parts of India are the major areas covered under CSR activities. CSR policy is operational within the radius of 25 Km of the project site and areas including Head Qtrs. Further, CSR activities are also undertaken beyond mining areas within the respective state with approval of the Board. CIL being the holding company use to execute CSR activities on all India basis.

The annual budget for CSR in respect of subsidiary coal companies is allocated as on 5% of the retain earnings of previous year subject to minimum of Rs.5 per tonne of coal production of previous year. In respect of CIL as a Holding Company 2.5% of retained profit of last year is allocated for execution of CSR activities.

CIL believes in 'mining with a human face' through a socially sustainable inclusive development. It pursues a structured CSR policy in and around the coal mining areas to improve quality of life with community consensus and inclusive participation. In order to expedite CSR activities and as per DPEs Guidelines, a two tier CSR Committee has been constituted – i.e. (a) CSR Committee comprising of six officers of below Board level posts for recommendation of all CSR Projects and (b) A Board Level Committee on CSR & Sustainable Development for deliberation and approval of CSR projects having value above Rs.1.00 crore. Constitution of the Board Level Committee has been approved by CIL Board on 13.02.13. The CSR projects having value less than Rs.1.00 crore are being approved by the Chairman, CIL.

**Some of the Major CSR initiatives undertaken by CIL during 2013-14 are as under:**

- CIL is under process of signing MOU with Govt. of West Bengal in respect of opening of a IIIT at Kalyani under PPP Model in West Bengal for which CSR grant has already been sanctioned.
- Financial grant to Sunebada Hill Area Development Plan by way of providing bye-cycles for 12000 nos. of households for ensuring better mobility in Nuapada Dist., Odisha, through Collector and District Magistrate, Nuapada.
- Installation of 130 nos. of hand pumps in different backward areas of Dist. ,Sidhi, M.P. duly forwarded by Collector, Sidhi , M.P.
- Support for installation of solar lights in the backward areas of Dist Siddharthanagar, U.P. to be implemented by Non-conventional Energy Development Agency (NEDA).
- Support for community drinking project to ensure safe and clean drinking water and setting up of water treatment plant in Bishnupur Municipality, Dist. - Bankura, W. Bengal.
- Financial grant to Department of school Education, Govt. W.B. for providing 9000 nos of By-cycles to the girl students of South & North 24 Parganas and Nadia districts, W.B.

**Further, CIL has released an amount of Rs. 50.00 crores in favour of Chief Minister's Relief Fund, Uttarakhand for the disaster at Uttarkhand owing to torrential rain, cloud bursts, flash floods and land slides. An amount of Rs.50.00 crores has also been released under CSR to Chief Minister Relief Fund, Odissa for rehabilitation activities for victim of "Phailin."**

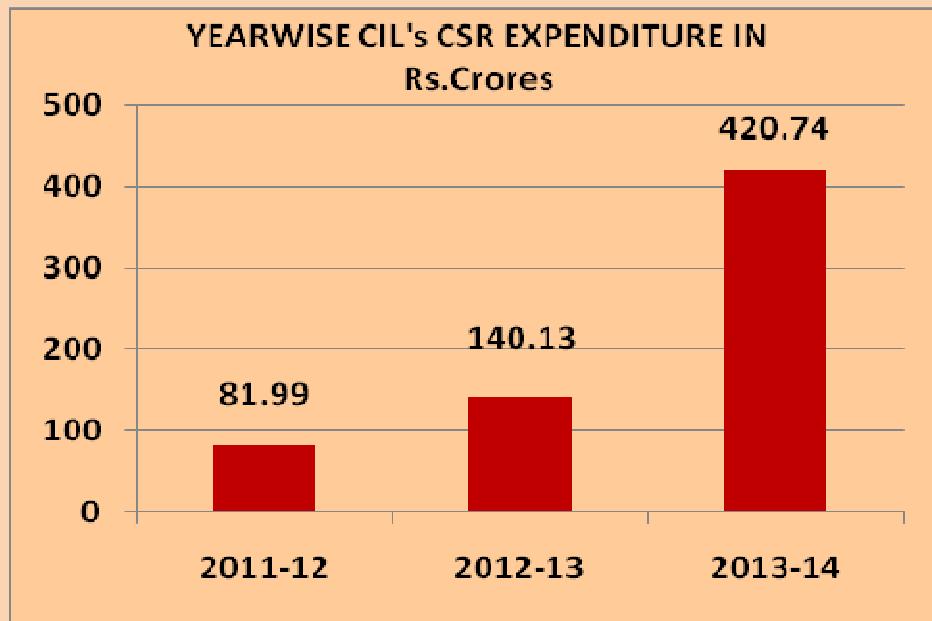
CIL is showing a positive commitment towards CSR and setting an example to be a responsible Corporate Citizen by engaging in variety of Socially Responsible activities like :-

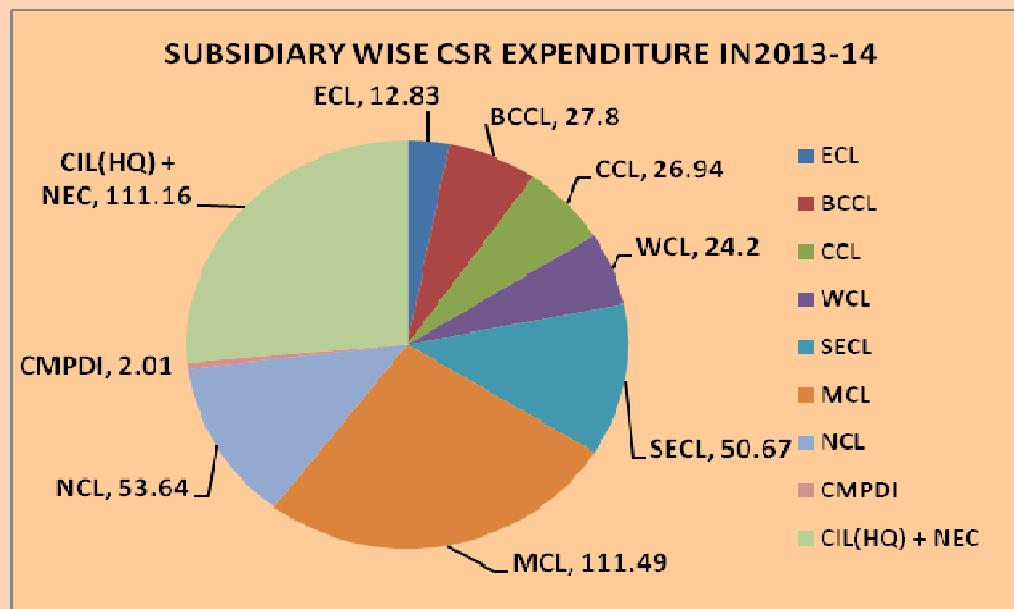
- Pursues a structured CSR policy around coal mining areas to improve quality of life with community consensus and inclusive participation
- Mobile Dispensaries and wellness clinics introduced on a large scale.
- Tele-medicine facilities introduced in central hospitals.
- Provides medical services to employees, their families and local populace through 79 fully equipped hospitals with 5709 beds, 418 Dispensaries, 11 Ayurvedic Dispensaries, 589 Ambulance .
- Employs 1445 specialist Doctors. (*Available on CIL website Executive Seniority list*)
- Spent Rs. 21.17 Lakh for supply of potable water in remote corners of CIL's areas of operation
- Supports 536 schools under different categories - Project Schools (55); Privately managed Schools with grant packages (284); Private Committee Managed Educational Institutes (72) and other schools where occasional grants are given (125).
- Meets the entire cost of wards of workmen securing admission in government engineering and medical colleges ( published in CIL web [www.coalindia.in](http://www.coalindia.in) sub site CSR)
- Committed to generate employment opportunities for people in mining areas by providing vocational training.
- The company Pursues 'Mining with a human face' through socially sustainable inclusive model of growth by making Project Affected People stakeholders in the decision making process for their livelihood.
- Medical facilities extended to nearby communities in fully equipped company hospitals.
- Mobile dispensaries and Tele-medicine facilities meant for employees also extended to nearby village populace. (Documents available with medical dept. At CIL HQ.)

CSR activities in CIL have made an impact on protection and improving ecology, commitment towards improving the quality of life of the Local Community as well as the Society at large.

**CSR Expenditure of CIL and its Subsidiaries ( Fig. in Crores)**

<b>Subsidiary</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>
<b>ECL</b>	13.14	0	12.83
<b>BCCL</b>	5.53	7.43	27.8
<b>CCL</b>	11	13.66	26.94
<b>WCL</b>	7.86	20.96	24.2
<b>SECL</b>	17.66	46.63	50.67
<b>MCL</b>	14.47	25.56	111.49
<b>NCL</b>	9.25	17.64	53.64
<b>CMPDI</b>	0.49	1.06	2.01
<b>CIL(HQ) + NEC</b>	2.59	7.19	111.16
<b>Total for CIL</b>	<b>81.99</b>	<b>140.13</b>	<b>420.74</b>





**SO3: Percentage of employees trained in organization's anti-corruption policies and procedures:**

Company	No. of employees trained in organization's anti-corruption policies and procedures 2013-14	
	Particulars	No. of Participants attended
<b>CIL</b>	Training course attended by Vigilance Officials of CIL in the different institutions / Centre's outside company	22
	Training and seminars organized by Vigilance Division, CIL	
<b>1</b>	Transparency in recruitment and promotion processes by Sri Manoj Kumar, CVO,CIL	15
<b>2</b>	2 days exhaustive training programme on "Departmental Enquiry" from 18 <sup>th</sup> & 19 <sup>th</sup> Nov. 13 by Sri A. K. Garde, Retd. Sect.(CVC)	18
<b>3</b>	Effective Transparency through e-commerce in PSU environment by M-Junction, Kolkata	26
<b>4</b>	Common irregularities observed in Procurement Process by Sri Ashutosh Mishra, Director (IP & CSF), Transparency International India	30
<b>5</b>	Vigilance awareness for tackling corruption and deficit in Governance by Sri M.P.Juneja, retd. CTO, CVC	30
<b>6</b>	e-office solution by Shri Sidharth Sen, Senior Scientist, NIC	22
<b>7</b>	Current Trend in Financial Fraud & Economic Crimes - How to be Vigilant' by Shri P.Sarath Kumar, CA, Sarat & Associate, Hyderabad.	30
<b>8</b>	Quiz Competition in Vigilance and related topics during VAW-2013	18
<b>9.</b>	Stakeholders Meet on 31.10.13 during the Vigilance Awareness Week	50
<b>10</b>	Open Interactive Session on Vigilance related issues with special emphasis on Promoting Good Governance - Positive Contribution of Vigilance	60

#### **SO4: Actions taken in response to incidents of corruption:**

Subsidiary	Incidents of corruption	Disciplinary actions taken against officers no.		Penalty imposed against officers no.	
		Major	Minor	Major	Minor
ECL	28	19	35	06	03
CCL	16	40	02	36	09
WCL	200	86	22	12	21
NCL	81	01	42	16	42
BCCL	26	47	58	51	40
SECL	23	09	05	13	03
CMPDI	00	00	00	00	00
MCL	09	09	05	07	01
CIL (Hq.)	23	01	00	00	04
<b>Total</b>	<b>406</b>	<b>212</b>	<b>169</b>	<b>141</b>	<b>123</b>

#### **PR5: Coal Quality Improvement:**

We have taken utmost care to improve the quality of coal being supplied to different Power Houses and to fulfill consumers' satisfaction. During the reporting period, various measures for ensuring proper quality and size of coal dispatched were intensified and we achieved a record off take of 471.58 MT as against target of 492.00 MT. We are working on improving product quality and customer satisfaction. Some of the measures undertaken are as follows:

1. Frequent interactions with the consumers
2. Quarterly Regional Coal Consumer Council Meetings at subsidiary end
3. Area level meets are held with various consumers at the time of Joint Sampling and complaints are sorted out at the colliery level / loading level
4. Consumers are encouraged to check and supervise personally the coal loading sidings as well as weighbridges

The consumer feedback form is also available on our website so that the consumers can download and submit it. On the basis of the directives of MoC / CIL, our Sales and Marketing executives' deal with the consumers. Major consumers have signed Fuel Supply Agreement (FSA). In case of E-auction buyers, the issues are addressed and as per the guidelines received from MoC / CIL. The customer satisfaction is measured through the points mentioned in the FSA. Consumer buys coal from us and as per the available report almost the joint sample result is at par with the declared grade of coal.

During the reporting period, 17 quality related complaints were received. We adhere to all standard laws as per the directives of MOC/CIL. In regard to marketing communication, we issue a letter to the consumer as soon as we receive the LOA from MoC / CIL. Regarding promotion of coal, we have started deploying more and more surface miners to supply (-) 100 mm size coal to all major consumers like Power Houses, Cement, Sponge Iron, etc.

**Practices Related to customer satisfaction, including results of surveys measuring customer satisfaction :**

Subsidiary	Name of Customer	Satisfaction Level in %
CIL	Power House, Steel, Fertilizer, Others	Meeting held with customer's representatives on monthly basis and sized coal dispatched is 100% and weighment through electronic weighbridge before dispatch is 98%.

**PR6: Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship:**

Company	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship
CIL	<p>With a purpose to communicate with stakeholders, meeting like National &amp; Regional Coal Consumers meet, Quality consumers meet are organized by concerned department.</p> <p>As Central Public Sector Undertaking, CIL is committed to adhere all the laws / standards of the land.</p> <p>All contract values of more than 2 lakhs are given in web site of CIL, <a href="http://www.coalindia.in">www.coalindia.in</a> and Govt. web site, <a href="http://www.tenders.gov.in">www.tenders.gov.in</a> . The present threshold limit for integrity pact is Rs.1.00 Crore,</p> <p>Advertisement and sponsorship is issued on time to time basis as per PR policy</p>

**PR9: Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services:**

There is no such case of non-compliance with laws and regulations concerning the provision and use of products and services.





## AWARDS

The List of awards won by CIL & Subsidiaries

Year	Awards / Achievements
2014	<ul style="list-style-type: none"> <li>▪ Greentech CSR Award 2014 by Greentech Foundation, New Delhi, 22-30 January,2014</li> <li>▪ 24<sup>th</sup> National Meet of WIPS was held at Swabhumi, Kolkata on 11<sup>th</sup> &amp; 12<sup>th</sup> February,2014;</li> <li>▪ Received the Juries Special Award for excellence in Public Sector Management under Maharatna Category.</li> <li>▪ Golden Peacock Environment Management Award to WCL in July, 13</li> <li>▪ Silver medal to Bhurbaneshwari &amp; Samleshwari OCP of MCL for outstanding achievement in Metal &amp; Mining Sector in Environment Management by Greentech in 2014</li> <li>▪ Madhya Pradesh Environment Award - 2013-14 to Sharda High Wall Mine, SECL for pollution control and environmental management</li> </ul>
2013	<ul style="list-style-type: none"> <li>▪ CIL bags 1st Prize in the filed of Official Language Implementation Policy</li> <li>▪ CIL bags 1st prize in the corporate offices category for best implementation of Official Language policy of the Union by Town Official Language Implementation Committee (TOLIC) (PSU), Kolkata on the occasion of prize distribution ceremony-cum-Half yearly meeting held on 30.08.2013.</li> <li>▪ <b>CIL conferred with two CSR Awards</b> CIL was conferred with two Corporate Social Responsibility Awards on 18 February 2013-the World CSR Day. The awards, 'Global CSR Excellence and Leadership Award' for Best Corporate Social Responsibility Practices and 'Blue Dart Most Caring Companies of India Award' were presented in a formal function to CIL officials.</li> <li>▪ <b>Coal India receives Geospatial Award</b> CIL was conferred with '<i>Best Geospatial Application in an Enterprise</i>' Award, on 22 January 2013, by Geospatial Media and Communications Pvt. Ltd.</li> </ul>
2012	<ul style="list-style-type: none"> <li>▪ <b>Coal India bags CSR Award</b> CIL was awarded "IPE CSR Corporate Governance Award 2012" for its outstanding achievement in Corporate Social Responsibility. The award instituted by Institute of Public Enterprises and endorsed by World CSR Congress, CMO Asia and Asian Confederation of Business was presented by Director IPE, in a formal function held on 24 November 2012 in Mumbai.</li> <li>▪ <b>Coal India features in Platts Global Energy Company rankings</b> CIL was named to 'Platts Top 250 Global Energy Company Rankings' for 2012 for having distinguished itself through its remarkable performance last year. Since, 2002 Platts has ranked energy companies' financial performance globally,</li> </ul>

regionally and by industry sector. For 2012 CIL earned a ranking of 48 on overall global performance. Platts also analyzed energy companies by nine industry classifications and three regions. CIL ranked No. 2 in Coal and Consumable Fuels in Asia / Pacific Rim; and also No.2 in Coal and Consumable Fuels globally and No.11 in overall performance in Asia / Pacific Rim. Platts rankings are based on four key metrics - asset worth, revenues, profits and return on investment capital. All companies which ranked are publicly held and have assets greater than US \$4 Billion. The rankings were announced in a formal Asia Awards Function on 23 October 2012 in Singapore.

- **Mr. R Mohan Das, CIL Director (P&IR), conferred HR Award**

Mr. R. Mohan Das, Director (Personnel & IR), CIL, was recently conferred with the coveted "HR Leadership Award" jointly by the 'Institute of Public Enterprises' (IPE) and 'Asia Pacific HRM Congress' at Bangalore in an official awards ceremony. Mr. Mohan Das was also honoured with a citation on inclusion of his name as one of the 'Most Powerful HR Professionals of India' for his outstanding contribution in the field of HR.

- **CMPDI bags International Award**

Central Mine Planning & Design Institute (CMPDI) the Ranchi based mine consultancy arm of CIL received the reputed "*Geospatial World Excellence Award 2012*" on 24<sup>th</sup> April, 2012, in Amsterdam, Netherlands. The award conferred on CMPDI, amidst stiff competition, was in recognition of excellent usage of Geospatial technology for land reclamation monitoring of coal mines on behalf of CIL. CMPDI was selected for the award out of total 149 nominations by a panel of eminent international jury.

- **Mr. A K Sinha Director (Finance), CIL honoured**

Mr. Asok Kumar Sinha, Director (Finance), CIL, was conferred with the coveted "Best CFO" Award in PSU category in an awards function organized by 'Business Today' and 'Yes Bank' on 11 April 2012, in New Delhi. The Award was presented by Shri Pranab Mukherjee, Hon'ble Finance Minister, and (Dr) Shri Veerappa Moily, Hon'ble Minister for Corporate Affairs, GoI.

## G3.1 CONTENT INDEX

### Part I : Profile Disclosure Description Reported

Profile disclosure	Description	Reported	Page no
<b>1.1</b>	Statement from the most senior decision-maker of the organization	Fully	3-4
<b>1.2</b>	Description of key impacts, risks and opportunities	Fully	16-17
<b>2.1</b>	Name of organization.	Fully	6
<b>2.2</b>	Primary brands, products and / or services	Fully	7-8
<b>2.3</b>	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Fully	6-7
<b>2.4</b>	Location of organization's headquarters	Fully	6
<b>2.5</b>	Number of countries where the organization operates and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Fully	6
<b>2.6</b>	Nature of ownership and legal form	Fully	6
<b>2.7</b>	Market served (including geographic breakdown, sectors served and types of customers / beneficiaries)	Fully	6
<b>2.8</b>	Scale of the reporting organization	Fully	6,24-27
<b>2.9</b>	Significant changes during the reporting period regarding size, structure or ownership.	None	
<b>2.10</b>	Awards received in the reporting period	Fully	76-78
<b>3.1</b>	Reporting period (e.g., fiscal/calendar year) for information provided	Fully	9
<b>3.2</b>	Date of the most recent previous report	Fully	9
<b>3.3</b>	Reporting cycle	Fully	9
<b>3.4</b>	Contact point for questions regarding report	Fully	9
<b>3.5</b>	Process for defining Report content or its contents	Fully	5-9
<b>3.6</b>	Boundary of the Report	Fully	9
<b>3.7</b>	Specific limitation on scope & boundary of the report	Fully	9
<b>3.8</b>	Basis for reporting on joint venture, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations	Fully	9
<b>3.9</b>	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols	Fully	5-9
<b>3.10</b>	Explanation of the effect of any re-statements of information provided in earlier reports and the reasons for such re-statement (e.g., mergers / acquisitions, change of base years / periods, nature of business, measurement methods).	Fully	9
<b>3.11</b>	Significant changes from previous reporting period in the scope, boundary, or measurement methods applied in the report.	Fully	9

<b>Profile disclosure</b>	<b>Description</b>	<b>Reported</b>	<b>Page no</b>
<b>3.12</b>	Table identifying the location of standard disclosure	Fully	79-84
<b>3.13</b>	Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the assurance provider(s).	Not Assured	
<b>4.1</b>	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight	Fully	15
<b>4.2</b>	Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's Management and the reasons for this arrangement)	Fully	Chairman, Presidential appointee
<b>4.3</b>	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members	Fully	11
<b>4.4</b>	Mechanism for share holders and employees to provide recommendation or direction to highest governance body	Fully	12
<b>4.5</b>	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance)	Not	
<b>4.6</b>	Processes in place for the highest governance body to ensure conflicts of interest are avoided	Fully	15
<b>4.7</b>	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	Fully	10-17
<b>4.8</b>	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	Fully	16
<b>4.9</b>	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	Fully	10-17
<b>4.10</b>	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Fully	10-17
<b>4.11</b>	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	Fully	10-17
<b>4.12</b>	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	Fully	10-17
<b>4.14</b>	List of stakeholders engaged by the organization	Fully	19

Profile disclosure	Description	Reported	Page no
<b>4.15</b>	Basis for identification of stakeholders with whom to engage	Fully	19-20
<b>4.16</b>	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Fully	19-20
<b>4.17</b>	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	Fully	19-20

## Part II- Disclosure on Management Approach (DMAs):

Profile disclosure	Description	Reported	Page no.
<b>DNA EC</b>	<b>Disclosure on Management Approach EC</b>		
<b>Aspects</b>	Economic performance	Fully	23
	Market presence	Fully	7,24
	Indirect economic impacts	Not	
<b>DNA EN</b>	<b>Disclosure on Management Approach EN</b>		
<b>Aspects</b>	Materials	Fully	50-67
	Energy	Fully	58-61
	Water	Fully	52.53,61,62
	Biodiversity	Fully	55
	Emissions, effluents and waste	Fully	62,63
	Products and services	Fully	50-67
	Compliance	Fully	57,62,63
	Transport	Fully	50-67
	Overall	Fully	50-67
<b>DNA LA</b>	<b>Disclosure on Management Approach LA</b>		
<b>Aspects</b>	Employment	Fully	33
	Labor/management relations	Fully	33
	Occupational health and safety	Fully	37-43
	Training and education	Fully	43-47
	Diversity and equal opportunity	Fully	47
	Equal remuneration for women and men	Fully	33,47
<b>DNA HR</b>	<b>Disclosure on Management Approach HR</b>		
<b>Aspects</b>	Investment and procurement practices	Fully	33
	Non-discrimination	Fully	33

Profile disclosure	Description	Reported	Page no.
	Freedom of association and collective bargaining	Fully	33
	Child labor	Fully	33
	Prevention of forced and compulsory labor	Fully	33
	Security practices	Not	
	Indigenous rights	Fully	49
	Assessment	Fully	71-74
	Remediation	Fully	71-74
<b>DNA SO</b>	<b>Disclosure on Management Approach SO</b>		
<b>Aspects</b>	Local communities	Fully	71-74
	Corruption	Fully	71,72
	Public policy	Fully	72
	Anti-competitive behaviour	Fully	72
	Compliance	Fully	72
<b>DNA PR</b>	<b>Disclosure on Management Approach PR</b>		
<b>Aspects</b>	Customer health and safety	Fully	72-74
	Product and service labelling	Fully	72-74
	Marketing communications	Fully	72-74
	Customer privacy	Fully	72-74
	Compliance	Fully	72-74

### Part III- The indicators considered for this Report:

Standard disclosure	Description	Reported	Page no.
<b>EC1</b>	Direct economic value generated and distributed	Fully	28
<b>EC2</b>	Financial implications and other risks and opportunities for the organization's activities due to climate change	Fully	28
<b>EC3</b>	Coverage of the organization's defined benefit plan obligations	Fully	29
<b>EC4</b>	Significant financial assistance received from government	Fully	30
<b>EC8</b>	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in kind, or pro bono engagement	Fully	31
<b>LA1</b>	Total workforce by employment type, employment contract, and region, broken down by gender.	Fully	33-35
<b>LA2</b>	Total number and rate of new employee hired and employee turnover by age group, gender, and region	Fully	35
<b>LA3</b>	Benefits provided to full-time employees that are not provided to	Fully	37

Standard disclosure	Description	Reported	Page no.
	temporary or part-time employees, by significant locations of operation		
<b>LA4</b>	Percentage of employees covered by collective bargaining agreement.	Fully	37
<b>LA5</b>	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements	Fully	37
<b>LA6</b>	Percentage of total workforce represented informal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	Fully	37,38
<b>LA7</b>	Subsidiary-wise Accident statistics, Fatality Rate and Serious Injury Rate, No of work related fatalities, injuries etc. by region	Fully	38-39
<b>LA8</b>	Education, training, counseling, prevention and risk-control programs regarding serious diseases	Fully	40
<b>LA 9</b>	Health and safety topics covered in formal agreement with unions	Fully	40-43
<b>LA 10</b>	Average hours of training per year per employee by employee category.	Fully	45,46
<b>LA11</b>	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Fully	45
<b>LA13</b>	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	Fully	11,12-14,33-36
<b>LA14</b>	Ratio of basic salary of men to women by employee category	Fully	33,47
<b>LA15</b>	Return to work and retention rates after parental leave, by gender	Fully	47
<b>HR2</b>	Percentage of significant suppliers, contractors, and other business partners that have undergone human rights screening, and actions taken	Fully	48
<b>HR4</b>	Incidents of discrimination	Fully	48
<b>HR6</b>	Operation identified as having significant risk for incidents of child labor and measures taken to contribute to the elimination of child labor	Fully	48
<b>HR9</b>	Total number of incidents of violations involving rights of indigenous people and actions taken	Fully	49
<b>EN3</b>	Direct energy consumption by primary energy source	Fully	58
<b>EN4</b>	Indirect energy consumption by primary energy source	Fully	59-60
<b>EN5</b>	Energy saved due to conservation and efficiency improvements	Fully	60
<b>EN6</b>	Initiatives to provide energy - efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives	Fully	60
<b>EN7</b>	Initiatives to reduce indirect energy consumption and reductions achieved	Fully	61
<b>EN8</b>	Total water withdrawal by source	Fully	61
<b>EN9</b>	Water sources significantly affected by withdrawal of water	Fully	61
<b>EN10</b>	Percentage and total volume of water recycled and reused	Fully	62
<b>EN11</b>	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Fully	62

Standard disclosure	Description	Reported	Page no.
<b>EN12</b>	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	Fully	62
<b>EN14</b>	Strategies, current actions, and future plans for managing impacts on bio-diversity	Fully	55,62
<b>EN20</b>	NOx, SOx, and other significant air emissions by type and weight	Fully	63
<b>EN21</b>	Total water discharge by quality and destination	Fully	63
<b>EN22</b>	Total weight of waste by type and disposal method	Fully	63
<b>EN26</b>	Initiatives to mitigate environmental impacts of products and services, and extent of impact	Fully	51-56
<b>EN28</b>	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations	Fully	64
<b>EN30</b>	Total environmental protection expenditures and investments by type	Fully	64
<b>SO1</b>	Nature, scope and effectiveness of any programs and practices that assesses and manage the impacts of operation of Communities, including entering, operating and existing	Fully	69-72
<b>SO3</b>	Percentage of employees trained in organization's anti-corruption policies and procedures	Fully	72
<b>SO4</b>	Actions taken in response to incidents of corruption	Fully	73
<b>PR5</b>	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	Fully	73
<b>PR6</b>	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion and sponsorship	Fully	74
<b>PR9</b>	Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services	Fully	74

### Mapping with Principles as per BRR

Principles as per BRR	Principle	Related Page
<b>Principle 1</b>	Business should govern themselves with ethics, transparency and accountability	16
<b>Principle 2</b>	Business should provide goods and services safe and contribute to Sustainability through life cycle	24- 31
<b>Principle 3</b>	Business Should promote wellbeing of employees	33
<b>Principle 4</b>	Business should respect the interest of and be responsive towards all stake-holders, especially those are disadvantaged, vulnerable and marginalised	19 -22
<b>Principle 5</b>	Business should respect and promote human rights	33,49
<b>Principle 6</b>	Business should respect, protect and make efforts to restore the environment	50 – 67
<b>Principle 7</b>	Business when engaged in influencing public and regulatory policy should do so in a responsible manner	16, 69-74
<b>Principle 8</b>	Business should respect support inclusive growth and equitable development.	69 – 74
<b>Principle 9</b>	Business should engage with and provide value to their customers in responsible manner	21 ,73

## List of Abbreviations

SL NO.	Abbreviations	Full form
1.	AITUC	All India Trade Union Congress
2.	BMS	Bharatya Mazdoor Sangha
3.	BRR	Business Responsibility Report
4.	CHP	Coal Handling Plant
5.	CIMFR	Central Institute of Mines & Fuel Research
6.	CITU	Centre of Indian Trade Unions
7.	CSR	Corporate Social Responsibility
8.	EC	Environmental Clearance
9.	FC	Forestry Clearance
10.	HEMM	Heavy Earth Moving Machineries
11.	HMS	Hind Mazdoor Sabha
12.	HRD	Human Resource Development
13.	INTUC	Indian National Trade Union Congress
14.	ISM	Indian School of Mines
15.	JBCCI	Joint Bipartite Committee on Coal Industry
16.	LTC	Low Temperature Combustion
17.	MoC	Ministry of Coal
18.	MoEF	Ministry of Environment & Forest
19.	MoU	Memorandum of Understanding
20.	NLW	Non Linked Washery
21.	NCCC	National Coal Consumer Council
22.	OB	Over Burden
23.	OCP	Opencast Coal Mines
24.	PAF	Project Affected Family
25.	PAP	Project Affected Person
26.	R&R	Rehabilitation & Resettlement
27.	RCCC	Regional Coal Consumer Council
28.	RMR	Rock Mass Rating
29.	SD	Sustainable Development
30.	SHG	Self Help Group
31.	TU	Trade Union
32.	VWG	Voluntary Working Group

## SUSTAINABILITY REPORT 2013-14 - FEEDBACK FORM

We value your feedback as it helps us to improve what we do and how we communicate. Kindly spare a few minutes to complete this feedback form.

Were you able to find the information you needed? YES / NO

Do you think the report covered all of the important issues relating to sustainability? YES / NO

Are there any specific issue(s) you would like to see covered in our Sustainability Report

Please specify

Which sections of our Sustainability Report were you most interested in?

(Please tick all that apply)

Our Strategy Social Performance

Economic Performance

Environment Performance

Social performance

Any others (Specify)

Clarity of information provided in the report.

High

Medium

Low

What Information you feel that can be added?

Quality of design and layout of the report:

Excellent

Good

Average

Poor

Any suggestion for better Sustainable Development CIL?

Any other comment

Please provide your details:

Your Name:

Organisation:

Designation:

Stakeholder category:

Email address:

Coal India Limited sincerely thanks you for your valuable feedback.

**Please mail / email your feedback to:**

Shri R.N. Biswas

CGM(WBP / FPD / ENV)

[cgmenv@coalindia.in](mailto:cgmenv@coalindia.in)

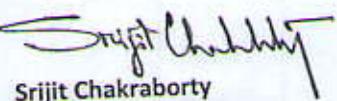
## FORM A

Covering letter of the annual audit report to be filed with the stock exchanges.

1	Name of the Company :	Coal India Limited ( Standalone)
2	Annual Financial statement for the year ended	31st March 2014
3	Type of Audit observation	Unqualified / Matter of Emphasis ( Refer Annexure )
4	Frequency of observation	Refer Annexure

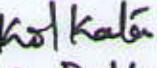
for De Chakraborty & Sen  
Chartered Accountants  
FR No.303029E

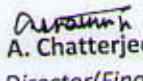
for Coal India Limited

  
Srijit Chakraborty  
Partner  
Membership No. 055317

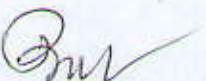
Place: Kolkata  
Date: 06/08/2014

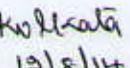
  
Dr. A.K. Dubey  
Chairman-Cum  
-Managing Director  
*12/8/14*

Place:   
Date: 13.8.14

  
A. Chatterjee  
Director(Finance)

Place: Kolkata  
Date: 13.8.14

  
Dr. R.N. Trivedi  
Chairman - Audit Committee

Place:   
Date: 12/8/14



<u>Observation of Auditor</u>  <u>(Unqualified / Matter of Emphasis)</u>	<u>Relevant notes in the annual financial statements</u>	<u>Management's Response</u>	<u>Comments of the Board/ Chair of the Audit Committee</u>	<u>Frequency of observation</u>
<p>1. Notes No.11 (1), 12(2) and 18 dealing with investments in and loans &amp; advances (Short term / Long term, Current Account debit balances) to sick subsidiary of the company, that is, Eastern Coalfields Limited (ECL) which is under the Board of Industrial &amp; Financial Reconstruction (BIFR). Revival plans have been approved by BIFR and vetted by the concerned ministry. On implementation of revival schemes the subsidiary is turning around and has started earning profits. In view of the changing circumstances, the management is of the opinion that no writing down or provisioning is required.</p> <p>2. Note No. 10A(2) regarding non-provision against fixed assets in Dankuni Coal Complex leased to South Eastern Coalfields Limited (SECL) for lease rent of Re.1 per annum. In the opinion of the management the nominal income earning is a temporary policy matter and actual worth of the assets including land is much higher than the book value and as such no provision is called for.</p>	<p>Explanatory Notes provided in Notes No. 11 (1), 12(2) and 18</p> <p>This is a statement of fact referring to the notes on accounts no 10A (2) only.</p> <p>Explanatory Notes provided in Note No. 10A(2)</p> <p>This is a statement of fact referring to the notes on accounts no 10A (2) only.</p>	<p>We agree with the management response</p> <p>We agree with the management response</p>	<p>We agree with the management response</p> <p>We agree with the management response</p>	<p>Since this is only of highlighting statement of fact given in notes, the same is not applicable.</p> <p>Since this is only of highlighting statement of fact given in notes, the same is not applicable.</p>
				- 28 -



3.	The company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets. However, certain details as regards purchase order reference; date of commissioning and locations, identification marks are absent there in some cases of old items.	Fixed Assets are shown in Note 10A, 10B and 10C	Few old items of fixed assets as mentioned by the audit are fully depreciated.	We agree with the management response Since this is only of fact given in notes, the same is not applicable.
4.	Physical verification of inventory at North Eastern Coalfields has been conducted at reasonable intervals during the year by the management. However, identification of obsolete items of stores & spares were not carried out during the year.	Inventories are shown in Note 15	Efforts for identification of obsolete items of stores & spares, if any, as mentioned by the Audit will be done in 2014-15.	We agree with the management response Since this is only of fact given in notes, the same is not applicable.
	However, inventory at stock-yards of West Bengal Regional Sales Office has not been physically verified. The inventories being very old have been provided for.	The said Stockyards of West Bengal Regional Sales Office are not operative since long. The book stock is not significant and their value has been fully provided for since long.		
	The inventories have been measured on the basis of volumetric system.			
5. (a)	According to the information and explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of The Companies Act, 1956. However, interest has been waived on loans and advances to its subsidiaries Bharat Coking Coal Limited (BCCL) and Eastern Coalfields limited (ECL). In other cases clauses 4(iii)(b) to 4(iii)(d) of the Order are not applicable	Explanatory Notes provided in Notes No.12(2) and 18	These are 100% subsidiaries of CIL. ECL is sick and referred to BIFR. Out of certain loans to ECL and BCCL, interest on such loans to ECL were waived since 2003-04.	We agree with the management response Since this is only of fact given in notes, the same is not applicable.
	During the year, CIL Board approved to make such loans interest free upto 31 <sup>st</sup> March, 2013 i.e. the date upto which BCCL was under BIFR.			
	Interest has been fully charged on such loans to BCCL for the year 2013-14.			
(b)	The company has not taken any loans, secured or unsecured, from companies, firms or other parties	Explanatory Notes provided	BCCL has returned the non-interest bearing fund by 31.12.2013, thereafter	We agree with the management response Since this is only of fact given in notes, the same is not applicable.



covered in the register maintained under section 301 of the Companies Act, 1956 except some surplus funds of the subsidiaries parked with this holding company where reasonable interest has been paid except for a part of such fund parked by Northern Coalfields Limited and Mahanadi Coalfields Limited, where no interest has been paid as these funds were transferred to Eastern Coalfields Limited and Bharat Coking Coal Limited for specific purposes as interest free advance. In our opinion, on the basis of explanations provided to us, the terms and conditions of these advances are not prejudicial to the interest of the company.

6.

There is, in general, an adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit no major weakness in internal control has been noticed except the following:

- (a) The control over activities within the processing of payroll and disbursement of salary and wages in some units needs to be strengthened.

- (b) The control over procurement of service related to traveling at New Delhi office needs to be strengthened.

Not Applicable

**Note:** action is being taken to adjust / reconcile the differences.

We agree with the management response

Since this is only of highlighting statement of fact given in notes, the same is not applicable.

**Note:** action is being taken to further strengthen the same in 2014-15.

We agree with the management response

Since this is only of highlighting statement of fact given in notes, the same is not applicable.

**Note:** Efforts are being taken to improve the areas of inadequacies as mentioned by the audit.

We agree with the management response

Since this is only of highlighting statement of fact given in notes, the same is not applicable.

in Notes No.28

such surplus fund parked by NCL and MCL to the extent returned by BCCL were made interest bearing.

statement of fact given in notes, the same is not applicable.



The Company has an Internal Audit system commensurate with the size and nature of its business, but it requires continuing improvement in respect of timeliness of reporting together with risk based analysis of the inadequacies. Further, no Information System Audit has been carried out.

8. There are no dues of Sales Tax, Income Tax, Custom Duty, Wealth Tax, Excise Duty, Cess and Other Statutory dues which have not been deposited on account of any dispute except the following:

Sl No	Name of the Statute	Nature of dues	Amount Rs.	Period to which relates	Forum where dispute is pending
1.	Provincial Sales Tax Act	Sales Tax	3,86,243.13	F.Y. 1989-90	Assessing Officer
2.	Provincial Sales Tax Act	Sales Tax	1,79,762.00	F.Y. 1990-91	Additional Commissioner (Appeals)-3
3.	Provincial Sales Tax Act	Sales Tax	48,441.00	F.Y. 1990-91	Additional Commissioner (Appeals)-3
4.	Provincial Sales Tax Act	Sales Tax	2,75,819.00	F.Y. 1991-92	Additional Commissioner (Appeals)-3
5.	Provincial Trade Tax Act	Trade Tax	9,040.00	F.Y. 1993-94	Assessing Officer

Shown Contingent liability under Note 34 (i)

These cases are very old and pending before assessing Officer / sales Tax Departmental Appellate Authority. Pending verdict of these appeal cases, no deposit has been made. However, these have been shown as contingent liability.

We agree with the management response

Since this is only highlighting of fact given in notes, the same is not applicable.

9. No fraud, on or by the company has been noticed by us during the year. However, according to the information and explanations given to us, a case of misappropriation of Company's funds for personal gain has come to the notice of the management which is under investigation by different agencies, the impact of such misappropriation cannot be ascertained at this stage.

Explanatory Notes provided in Notes No.34 (xxi)

As stated by the Audit, the matter is under intense investigation by different agencies.

We agree with the management response

Since this is only highlighting of fact given in notes, the same is not applicable.

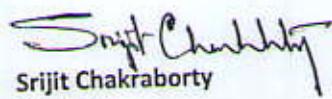


## FORM A

Covering letter of the annual audit report to be filed with the stock exchanges

1	Name of the Company :	Coal India Limited ( Consolidated )
2	Annual Financial statement for the year ended	31st March 2014
3	Type of Audit observation	Unqualified / Matter of Emphasis ( Refer Annexure )
4	Frequency of observation	Refer Annexure

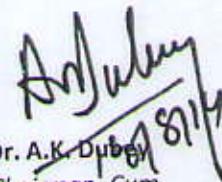
for De Chakraborty & Sen  
Chartered Accountants  
FR No.303029E

  
Srijit Chakraborty  
Partner  
Membership No. 055317

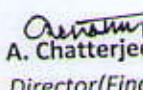
Place: Kolkata  
Date: 06/08/2014



for Coal India Limited

  
Dr. A.K. Dubey  
Chairman-Cum  
-Managing Director  
*13/8/14*

Place: Kolkata  
Date: 13.8.14

  
A. Chatterjee  
Director(Finance)

Place: Kolkata  
Date: 6/8/14

  
Dr. R.N. Trivedi  
Chairman - Audit Committee

Place: Kolkata  
Date: 12/8/14

Annexure (Regarding Para 3 & 4 of Form A.)

<u>Observation of Auditor</u>	<u>Management's Response</u>	<u>Comments of the Board/Chair of the Audit Committee</u>	<u>Frequency of observation</u>
<u>(Unqualified/Matter of Emphasis)</u>	<u>Relevant Notes in the annual financial statements</u>		
<p>1. Without qualifying our Report, attention is drawn to the following :-</p> <ul style="list-style-type: none"> <li>Additional Note No. 34.5: regarding a sick subsidiary, ECL which is under BIFR but progressing well under Revival Schemes approved by BIFR and vetted by the concerned Ministry.</li> </ul>	<p>Explanatory Notes provided in Note no 34.5</p>	<p>This is only a statement of fact referring to the notes on accounts.</p>	<p>We agree with the management response</p> <p>Since this is only of highlighting statement of fact given in notes, the same is not applicable</p>
<p>• Additional Notes No.34.3(v), 34(vi) and 34(vii): regarding inclusion in the consolidated financial statements of the un-audited accounts of two joint ventures stated in the said paragraph.</p>	<p>Explanatory Notes provided in Note no(s) 34.3(v), 34.3 (vi) and 34.3 (vii)</p>	<p>This is only a statement of fact referring to the notes on accounts.</p>	<p>We agree with the management response</p> <p>Since this is only of highlighting statement of fact given in notes, the same is not applicable</p>

