

ANNUAL REPORT & ACCOUNTS
2008-2009



EASTERN COALFIELDS LIMITED

(A Subsidiary of Coal India Limited)

SANCTORIA, P.O. DISHERGARH, DIST. BURDWAN

EASTERN COALFIELDS LIMITED

MANAGEMENT DURING 2008-09

<u>CHAIRMAN-CUM-MANAGING DIRECTOR:</u>		
1	Shri S. Chakrabarti	Chairman-cum-Mg. Director
<u>FUNCTIONAL DIRECTORS:</u>		
1	Shri U.S. Upadhyay	Director (Technical) Opn. (Upto 31.01.09)
2	Shri A.K. Sinha	Director (Finance)
3	Shri V.K. Singh	Director (Technical) P&P (Upto 31.07.08)
4	Shri S.K. Srivastava	Director (Personnel)
5	Shri S. Chakravarty	Director (Technical) Opn. (From 24.3.09)
<u>PART-TIME DIRECTORS:</u>		
1	Shri P.R. Mandal	Advisor (Project), Ministry of Coal.
2	Shri S. Bhattacharya	Director (Finance), Coal India Limited.
<u>NON-OFFICIAL PART-TIME DIRECTORS:</u>		
1	Shri K.C. Vijn	
2	Shri P.R. Tripathi	
3	Shri Ashok Nath	
<u>SPECIAL DIRECTOR APPOINTED BY BIFR:</u>		
1	Mrs. Aruna Makhan	
<u>PERMANENT INVITEES:</u>		
1	Dr. Sabyasachi Sen	Principal Secretary, Commerce & Industries Deptt., Govt. of West Bengal.
2	Shri S.C. Tiwary	Principal Secretary(Land Reforms), Land & Land Reforms Department, Govt. of West Bengal. (From 21.8.08 to 8.1.09)
3	Shri K.K. Srivastava	Chief Operations Manager, Eastern Railways. (From 21.8.08 to 3.1.09)
4	Shri A. Das	Director (Technical), Damodar Valley Corporation. (From 21.8.08 to 31.12.08)
<u>COMPANY SECRETARY:</u>		
1	Shri M. Viswanathan	

BANKERS DURING 2008-09

State Bank of India	Canara Bank
United Bank of India	United Commercial Bank

STATUTORY AUDITOR DURING 2008-09

M/s. S.N. Guha & Co., 12 Waterloo Street, Kolkata-700069.

BRANCH AUDITORS DURING 2008-09

**M/s. M. Goenka & Co., C/o, Parimal Chandra Banik, Near Vivekananda College,
Thakurpally, PO-Sripally-713103, Burdwan.**

M/s. Roy Ghosh & Associates, 39, Kalna Road, Badamtala, Burdwan, PIN-713401.

M/s. A.K. Saha & Co., C/o Bivash Mandal, Bijoyram Katwa Rd., Durgapur-713101.

**M/s. D.P. Sen & Co., 22, Ashutosh Chowdhury Avenue, 2nd Floor, Flate No:22,
Magma Apartment, Kolkata-700 019.**

M/s. Ghoshal & Co., 4, Ganesh Chandra Avenue, 3rd Floor, Kolkata-700 013.

EASTERN COALFIELDS LIMITED

MANAGEMENT AS ON 15th JULY'09

<u>CHAIRMAN-CUM-MANAGING DIRECTOR:</u>		
1	Shri S. Chakrabarti	Chairman-cum-Mg. Director
<u>FUNCTIONAL DIRECTORS:</u>		
1	Shri A.K. Sinha	Director (Finance)
2	Shri S.K. Srivastava	Director (Personnel)
3	Shri S. Chakravarty	Director (Technical) Opn.
<u>PART-TIME DIRECTORS:</u>		
1	Shri P.R. Mandal	Advisor (Project), Ministry of Coal, Govt. of India, "Shastri Bhawan" New Delhi.
2	Shri S. Bhattacharya	Director (Finance), Coal India Limited.
<u>NON-OFFICIAL PART-TIME DIRECTORS:</u>		
1	Shri K.C. Vijn	
2	Shri P.R. Tripathi	
3	Shri Ashok Nath	
<u>SPECIAL DIRECTOR APPOINTED BY BIFR:</u>		
1	Mrs. Aruna Makhan	(Upto 13.5.09)
<u>PERMANENT INVITEES:</u>		
1	Dr. Sabyasachi Sen.	Principal Secretary, Commerce & Industries Deptt., Govt. of West Bengal.
2	Shri Balbir Ram	Principal Secretary(Land Reforms), Land & Land Reforms Department, Govt. of West Bengal. (From 28.4.09)
3	Shri Ashim Kumar Maitra	Chief Operations Manager, Eastern Railways. (From 28.4.09)
4	Shri Ashis Kumar Chatterjee	Director (Technical), Damodar Valley Corporation. (From 28.4.09)
<u>COMPANY SECRETARY:</u>		
1	Shri M. Viswanathan	



Eastern Coalfields Limited
(A Subsidiary of Coal India Limited)
Office of the Chairman-cum-Managing Director
Sanctoria, P.O. Disergarh-713333, Distt. Burdwan (W.B.)
Company Secretariat.

Ref.No. ECL:CS:15(2009)/7239

July 10, 2009

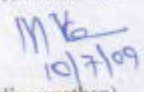
NOTICE

Notice is hereby given that the Thirty-fourth Annual General Meeting of the Shareholders of Eastern Coalfields Limited will be held on Wednesday, the 15th July 2009 at the Registered Office of the Company at Sanctoria, P.O. Disergarh-713333, Distt. Burdwan (West Bengal) at 11:30 A.M. to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 2009 and Profit & Loss Account for the year ended 31st March, 2009 together with the Report of the Auditors and Directors thereon.
2. To appoint a Director in place of Shri S. Bhattacharya, Director, who retires in terms of Articles 33(i)(e)(iii) of the Articles of Association of the Company and is eligible for reappointment.
3. To appoint a Director in place of Shri P.R. Mandal, Director, who retires in terms of Articles 33(i)(e)(iii) of the Articles of Association of the Company and is eligible for reappointment.

By order of the Board


(M. Viswanathan),
Company Secretary.

Registered Office:
Eastern Coalfields Limited,
Sanctoria, P.O. Disergarh,
Distt. Burdwan (West Bengal),
PIN : 713333.

- N.B. : (i) A member entitled to attend and vote at the meeting is entitled to appoint a proxy and vote instead of himself and the proxy need not be a member of the Company. Proxy in order to be effective must be received by the Company not less than 48 hours before the meeting.
- (ii) Members are also requested to accord their consent for convening the meeting at a shorter notice under Sec. 171(2)(i) of the Companies Act, 1956.

DIRECTORS' REPORT

To
The Shareholders,
 Eastern Coalfields Limited.

Gentlemen,

I, on behalf of the Board of Directors, am presenting to you the 34th Annual Report on the working of your Company together with the audited accounts for the year ended 31st March, 2009, the report of the Statutory Auditors and Management's reply thereon as well as the comments of the Comptroller and Auditor General of India on the audited accounts.

1.0 PRODUCTION:

1.1 Production performance of the Company in 2008-09 against the target as well as compared to last year was as under: -

ITEM	Unit	2008-2009			2007-08	Growth Over last year	
		Target	Actual	Achivd (%)	Actual	Absolute	%
1. Production :	M.Te.						
i) Raw Coal - UG		10.660	8.392	78.72	8.319	0.073	0.88
Raw Coal -OCP		20.840	19.743	94.74	15.740	4.003	25.43
Total		31.500	28.135	89.32	24.059	4.076	16.94
ii) Coking Coal							
Blendable		0.030	0.023	77.07	0.022	0.001	3.22
Others		0.040	0.025	62.50	0.015	0.010	71.59
iii) Non-Coking		31.430	28.087	89.36	24.022	4.065	16.92
2. O.B. Removal	MCuM	51.425	43.069	83.75	39.982	3.087	7.72
3. Productivity(OMS)	Tonnes						
Underground		0.59	0.46	78.02	0.43	0.032	7.46
Opencast		7.13	6.42	90.05	5.04	1.378	27.33
Overall		1.51	1.33	87.99	1.07	0.255	23.72

1.2 CONSTRAINTS:

Figures in M. Te

ITEM	As on 31.3.09	As on 31.3.08
	Actual	Actual
Cause-wise Loss of Production.		
i) Power	0.280	0.539
ii) Absenteeism	0.362	0.248
iii) Labour Unrest (Industrial Relations)	0.249	0.002
iv) Other Constraints	3.515	9.228
Total	4.406	10.017

1.3 SYSTEM CAPACITY UTILISATION:

(In %)

ITEM	2008-2009			2007-08	Growth Over last year	
	Target	Actual	Achieved (%)	Actual	Absolute	%
a) UG	92.42	72.75	78.72	67.55	5.20	7.70
b) OCP(Dept)	100.20	78.15	77.99	65.01	13.14	20.21
c) OBR(Dept)	88.87	87.11	98.02	78.07	9.04	11.58
d) OCP (Coal+OBR) Dept	92.43	85.86	92.89	76.30	9.56	12.53

2.0 FINANCIAL RESULTS:

2.1.1 Gross sales turnover for the year ending 31st March'09 was Rs.4855.73 crore compared to Rs.4057.66 crore in the previous year resulting in increase of 19.67% over last year. The loss for the year was Rs.2109.09 crore compared to loss of Rs.1029.93 crore in 2007-08. This was mainly due to impact of NCWA-VIII, Executive pay revision, actuarial gratuity and leave encashment etc.

The summarised working results of the company for the year 2008-09 were as under :-

(Rs. in Crore)

	2008-2009	2007-2008
Profit(+)/Loss(-) after charging all expenses but before NCWAVIII / Executive pay revision, interest, depreciation, impairment, O.B.R., Prior Period Adjustment, and Fringe Benefit Tax.	92.99	- 259.68
Add: Impact of NCWA VIII / Executive pay revision.	- 945.95	-388.58
Add : Actuarial Gratuity/Leave encashment etc.	- 866.22	- 115.93
Add: Interest.	- 0.07	-0.29
Add: Depreciation.	- 206.86	-147.00
Add: Impairment	- 20.96	-21.83
Add: OBR Adjustment	- 155.86	-80.42
Profit(+)/Loss(-) for the year after charging interest and depreciation, impairment and OBR Adjustment.	- 2102.93	-1013.73
Add : Prior Period Adjustment.	- 2.78	-12.92
Add : Fringe Benefit Tax.	- 3.38	-3.28
Net Profit(+)/Loss(-) after considering Prior Period and Fringe Benefit Tax.	- 2109.09	-1029.93

2.1.2 Capital Expenditure :

The total Capital Expenditure during the year under Review was Rs. 191.88 crore (excluding Exchange Fluctuation of Rs. 37.34 crore).

2.1.3 Capital Structure :

(Rs. in Crore)

	2008-2009	2007-2008
A. SHARE CAPITAL		
i) Authorised Share Capital	2500.00	2500.00
ii) Paid up Share Capital	2218.45	2218.45
B. LOAN FUNDS:		
i) Coal India Limited (Holding Company)	518.97	518.97
ii) Export Development Corporation, Canada.	170.28	137.26

2.1.4 Borrowing from Govt. of India:

(Rs. in Crore)

	2008-2009	2007-2008
i) Borrowing from Govt. of India.	0	0
ii) Repayment of Loan during the year.	0	0
iii) Payment of Interest during the year.	0	0

2.1.5 Repayment of Foreign Loan:

(Rs. in Crore)

	2008-2009	2007-2008
i) Repayment of foreign loan through CIL.	4.32	3.37
ii) Payment of Interest through CIL.	0	0

2.1.6 Payment/Adjustment of Royalty, Cess, Stowing excise duty & Sales Tax during the year:

(Rs. in Crore)

	2008-2009	2007-2008
i) Royalty on Coal	137.93	102.68
ii) Cess on Coal.	654.40	621.48
iii) Sales Tax (Central & State).	159.70	136.22
iv) Stowing Excise Duty.	26.86	26.04

2.1.7 Directors' Responsibility Statement:

Pursuant to sub-section (2AA) of Section 217 of the Companies Act, 1956 the Board of Directors of the Company hereby state and confirm that:-

- (a) in the preparation of the Annual Accounts for the year ended 31st March 2009, all the applicable accounting standards were followed with proper explanation relating to material departures;
- (b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the Profit/Loss of the company for that period;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
- (d) the Directors had prepared the annual accounts on a going concern basis.

3.0 PLANNING :

3.1 Command Area of Operations :

The total command area of operation of ECL is 1620 Square KM extending over different Coalfields as under :

Coal Field	Area (Sq. Km).	Location
Raniganj and Mugma Fields	1530	Located in Burdwan, Birbhum, Bankura, Purulia Districts of West Bengal and Dhanbad District of Jharkhand
Saharjuri & Rajmahal Coalfields	90	Located in Deoghar and Godda districts of Jharkhand

3.2 Planned and Actual Coal Production for 2008-2009 and Planned Production for 2009-10 were as follows:

Sl No	Particulars	Target 2008-09 (BE)	Revised Target 2008-09 (RE)	Actual 2008-09	Actual 2007-08	Planned for 2009-10
1	Production (Mt)	31.50	31.50	28.135	24.059	31.00
2	Overall Productivity (Tonne)	1.51	1.44	1.33	1.07	1.53
3	Plan Expenditure	400.00	220.00	192.36	161.79	210.00

3.3 Geological Exploration and Drilling:

During 2008-09, 25666 metre was drilled by CMPDI against the target of 22000 metre.

Drilling Agency	2008-09(Target)	2008-09 Actual	2007-08(Actual)	2009-10 Target
CMPDI	22000Metre	25666 metre	22353 metre	22000 metre

3.4 RESEARCH AND DEVELOPMENT WORKS:

3.4.1 CIL R&D Project:

Detailed status of implementation of ongoing R&D Projects funded under R&D grant of CIL is enclosed as **ANNEXURE-I**.

3.4.2 S&T Projects:

Detailed status of implementation of ongoing S&T Research Projects funded under S&T grant of MoC is enclosed as **ANNEXURE-II**.

3.5 MODERNISATION OF COAL INDUSTRY :

3.5.1 Introduction of Intermediate Technology & Mass Production Technology :

In order to arrest the declining trend in underground production due to reduction in underground loader's strength, intermediate technology with

LHD/SDL was introduced in 42 mines of ECL. As on 31.3.09, 138 nos. of SDL's and 28 nos. of LHDs were on roll in different underground mines of ECL. Production contribution from 138 nos. of SDL's was 2.699 Mt and from 28 nos. of LHDs was 1.049 Mt. During the year 2008-09, procurement action had been taken for 40 Nos of SDL out of which 5 SDLs were received and commissioned.

Apart from introduction of intermediate technology by deploying SDL/LHD in loading operation, "Mass Production Technology" by deploying Continuous Miners combined with shuttle car was envisaged. In Jhanjra Project, Continuous Miner was commissioned and contributed production of 0.566 Mt in 2008-09. For introduction of CM at Sarpi Project, agreement was signed on 4th April 2009, equipment is expected to be received in September 2009 and after commissioning expected to start contributing production from November 2009 onwards.

PR for introduction of Continuous Miner at Jhanjra (2nd set) was approved by CIL Board in its meeting held on 6.2.09 at a capacity of 0.51Mty with a capital investment of Rs.122.35 Cr. NIT for Global tender was floated on 2.3.09. Pre-bid meeting was held on 9.4.2009. Opening of tender (part-I) is scheduled on 04.08.09.

3.6 STEPS TAKEN TO IMPROVE THE U.G. PRODUCTION :

A Comprehensive Road Map was formulated for augmentation of underground Production during XIth Plan period. 24 Marginal schemes involving 40 additional SDLs had been prepared for augmentation of underground Production for existing mines and completed projects in 2008-09. Out of this 16 Schemes involving 20 SDL's had been approved and under implementation and remaining 8 schemes were also been prepared. The schemes envisaged augmentation for production by implementing identified major developmental activities, converting the manual districts to semi-mechanized districts by deploying SDL in loading operation and optimization of districts and rationalization of manpower deployment.

3.7.1 Projects approved by Govt. in 2008-09 : NIL

3.7.2 No of Projects approved by ECL Board in 2008-09 :

Sl No.	Name of the Project	Date of approval	Capacity (Mt)	Capital investment (Rs. Cr)
1	Mohanpur Expansion OC	16.6.2008	1.00 (0.59 incremental)	14.23

Following Conceptual Reports of OC patches were approved by ECL Board in 2008-09 to be worked by Outsourcing:

- .Conceptual Report of Bonbohal OC patch.
- Conceptual Report of Deep Mining Zone of Rajmahal OCP.
- Conceptual Report of Narainkuri OC patch.
- Revised Conceptual report for Sangramgarh (extension) OC patch.

3.7.3 Projects approved by CIL Board in 2008-09 :

Sl No.	Name of the Project	Date of approval	Capacity (Mt)	Capital investment (Rs. Cr)
1	Belbaid (Dhasal)	6.2.2009	0.36	69.11
2	2 nd Set of CM at Jhanjra	6.2.2009	0.51	122.35
3	Narainkuri UG	6.2.2009	0.54	149.06
4	RCE of Sarpi Augumentation UG	10.6.08	0.76	147.86

3.7.4 Projects submitted to CIL after clearance of ECL Board and awaiting approval of Govt.:

Sonepur Bazari Combined OCP (8 Mty) :

The above PR was approved by ECL Board in its meeting held on 24.1.2008 for 8 MTY for implementation of variant III (part departmental with existing capacity of HEMM and rest outsourcing) with additional Capital investment of Rs 495.09 Cr. The proposal was sent to CIL on 12.2.2008 for consideration and approval of CIL Board. As the total investment of the Project for expanded capacity of 8 Mty worked out to Rs. 1028.24 Cr. CIL opined that this needed to be approved by Govt. Hence it was sent to MoC and approval is awaited. MoC had since returned the proposal and advised CIL to consider for approval.

3.8 REPORT CONSIDERED BY INTER MINISTERIAL GROUP/PIB/CCEA DURING 2008-09 :

PIB Meeting for Rajmahal Expansion OC at a Capacity of 17 Mty (with partial outsourcing option) with a capital investment of Rs. 272.13 Cr was held on 13.10.2008. PIB had forwarded the report to CCEA with the views of Planning Commission and ECL.

3.9 PROJECT FORMULATION:

The following Schemes/Project Reports/RPR/RCE were formulated in 2008-09 along with Conceptual Reports for working OC patch to be worked by outsourcing HEMM.

- DPR for introduction of Continuous Miner at Bansra at a capacity of 0.51 Mty
- DPR for introduction of CM at Khottadih at a capacity of 0.51 Mty
- DPR for Rangamati B UG at a capacity of 0.48 Mty
- DPR for Dhangajore UG at a capacity of 0.24 Mty.
- Revised Conceptual Report of Sangramgarh OC patch.
- Conceptual Report of Bonbohal OC patch.
- Conceptual Report of Deep Mining Zone of Rajmahal OCP.
- Conceptual Report of Narainkuri OC patch.

3.10 FOREIGN COLLABORATION & TECHNOLOGY ABSORPTION-ADAPTION AND INNOVATION: NIL

3.11 WORLD BANK ASSISTANCE: NIL

3.12 CAPITAL PROJECTS / SCHEMES:

i)	No .of New Projects	1
ii)	Expansion/Revision/Re-organized/Foreclosure Projects	17
iii)	Others	Nil
iv)	No. of new & expansion projects pending with Govt. for approval	4

3.13 PROJECT COMPLETION IN 2008-09 : NIL

3.14 PROJECT IMPLEMENTATION STATUS :

Details enclosed as **ANNEXURE –III.**

4.0 STABILISATION, REHABILITATION AND BIOLOGICAL RECLAMATION:

4.1 Details enclosed as ANNEXURE-IV.

5.0 COAL MARKETING:

5.1 Demand vis-a-vis off-take :

Actual off-take of coal in 2008-09 was 28.26 million tonnes against the demand of 31.00 million tonnes i.e. demand satisfaction of 91%. Sector-wise demand and off-take during the year 2008-09 compared to 2007-08 was as follows:

(Figures in Million Tonnes)

Sector	2008-2009			2007-2008		
	Demand	Actual	% satisfaction	Demand	Actual	% satisfaction
POWER	26.50	23.69	89	26.85	21.94	82
CEMENT	0.17	0.15	89	0.17	0.17	100
CPP(ORS)	0.28	0.57	207	0.25	0.39	156
CPP (STEEL)	0.28	0.38	139	0.25	0.33	134
STEEL (BLEND)	0.06	0.02	38	0.06	0.02	36
SPONGE IRON	1.20	0.61	51	0.58	0.62	107
EXPORT	0.02	0.02	100	0.02	0.01	52
LOCO	0.01	0.004	72	0.01	0.001	25
DEF	0.03	0.03	100	0.04	0.04	100
COLLY. CONS.	0.40	0.41	103	0.50	0.42	85
OTHERS	2.05	2.38	114	4.68	1.50	32
TOTAL	31.00	28.26	91	33.41	25.44	76

N.B.:- Demand as per “AAP” target.

5.2.0 Average Wagons Loading:

5.2.1 Field-wise average wagon loading on yearly basis in 2008-09 compared to previous year was as follows:

(Figures in Box/Day)

Field	2008-09	2007-08
Raniganj	572	536
Mugma/Salanpur	99	84
Adra	18	20
Pirpainti	6	11
Silo(Rajmahal)	1	2
Total	696	653

5.3.0 Mode-wise despatch:

5.3.1 Mode-wise despatch of coal in 2008-09 compared to previous year was as follows:

(Figures in Million Tonnes)

	2008-09	2007-08
Raw Coal		
Rail	15.53	14.69
Road	2.23	1.77
Merry-Go-Round(MGR)	10.09	8.56
Total	27.85	25.02

5.4.0 Field Stock of Coal as on 31st March 2009 was as follows:

(Figures in Million Tonnes)

	As on 31.3.09
Raniganj	1.14
Mugma/Salanpur	0.34
S.P. Mines	0.20
Rajmahal	0.84
Total	2.52

5.5.0 Daily average offer:

5.5.1 Daily average offer during 2008-09 compared to previous year was as follows:

(Figures in Box/Day)

	2008-09		2007-08	
	Target	Actual	Target	Actual
Raniganj	595	550	598	531
Mugma/Salanpur	66	96	79	112
Adra	28	19	27	19
Pirpainti	50	6	57	11
Silo(Rajmahal)	0	1	0	7
Total	739	672	761	680

5.6.0 Supply of Wagons Per Day:

5.6.1 Supply of wagons per day during 2008-09 compared to previous year was as follows:

(Figures in Box/Day)

	2008-09	2007-08
Raniganj	575	554
Mugma/Salanpur	99	94
Adra	18	20
Pirpainti	6	11
Silo(Rajmahal)	1	2
Total	699	681

5.7.0 Spot 'e' auction year 2008-09:

Mode	Offered Qty (in lakh tonnes)	Bid Qty (in lakh tonnes)	Despatched Qty (in lakh tonnes)	Gain over notified price (Rs.in crore)	%age Gain over notified price (on despatch)
Rail	12.20	12.08	8.69	102.02	67
Road	27.54	10.53	9.59	51.65	32
Total	39.74	22.61	18.28	153.67	49

5.8.0 REALISATION:

	Rs in Crore	
	2008-09	2007-08
Gross billing	5001.97	4238.66
Credit note	99.47	125.23
Net billing	4902.50	4113.43
Realization	4921.72	4107.00

5.9.0 Signing of FSA:

In 2008-09, Company had executed 202 Fuel Supply Agreements for an annual quantity of 3.022 MT. Company had also issued Letter of Assurance to 31 units for an annual quantity of 2.357 MT.

6.0 POPULATION OF EQUIPMENT (HEMM):

6.1 Population of Equipment as on 31st March 2009 compared to 31st March 2008 was as follows :

Equipment	As on 31.3.2009	As on 31.3.2008
Dragline	1	1
Dumper	247	278
Dozer	85	93
Shovel	60	88
Drill	52	77
Total	445	537

6.2 Percentage availability of each type of equipment against CMPDIL norms during the year 2008-2009 compared to previous year was as follows :

Equipment	CMPDIL NORMS	% Availability		Growth over last year in %
		2008-09	2007-08	
Dragline	85	83.92	91.71	-7.79
Dumper	67	69.78	70.10	-0.32
Dozer	70	68.11	64.48	3.63
Shovel	80	77.09	76.89	0.20
Drill	78	80.79	80.27	0.52

- Dragline was under breakdown due to failure of swing rail (25 days) and of boom pulley pivot pin (6 days).

6.3 Percentage utilisation of each type of equipment against CMPDIL norm during the year 2008-2009 compared to previous year was as follows :

Equipment	CMPDIL NORMS	% Utilisation		Growth over last year in %
		2008-09	2007-08	
Dragline	73	78.74	85.38	-6.64
Dumper	50	34.95	31.58	3.37
Dozer	45	29.80	29.72	0.08
Shovel	58	48.95	48.94	0.01
Drill	40	19.18	17.98	1.20

- % utilisation of Dragline was less compared to last year due to less availability of the machine.

Steps taken to achieve CMPDIL norms of Dumper Utilisation:

- Action had been taken to increase reliability of the equipment.
- Action is being taken for construction & maintenance of haul road in large capacity mines for better performance of transport machinery.
- Daily working hours of dumper of high capacity mines is being monitored from HQ.
- Procurement action of new equipment against replacement of surveyed off equipment had been undertaken.
- Condition based monitoring had been strengthened in bigger projects like Rajmahal & Sonapur Bazari for better performance of the equipment.
- Review of HEMM performance of projects are being made at regular intervals and subsequently necessary assistance/help are provided from HQ to reduce breakdown hours of the equipment.
- Recommended stock of critical/major items are being maintained to cope up with sudden breakdown of HEMM.
- Actions are being taken for procurement of equipment in stages for small patches having less residual life.
- Action had been taken to induct Dumper Operator (trainee) from internal sources to improve the utilisation of dumper.

6.4 Repair/Rehabilitation done in 2008-09 was as follows:

Equipment	Target	Achievement
Dumper	4	7
Dozer	1	1
Shovel	0	1
Drill	1	0
Misc.	0	1
Total	6	10

6.5 New/Replacement equipment provided to OCPs in 2008-09 was as follows:

Equipment	Nos.	Project
Dumper	30	Rajmahal-9, Sonapur-8 Khottadih-5, Gopinathpur-3, Chitra-2, Mohanpur-3.
Dozer	16	Rajmahal-3, Sonapur-2, Mohanpur-2, Chitra-2, Mahabir-1, Rajpura-1, Jambad-1, Barmuri-1, Khottadih -3.
Shovel	6	Sonapur-1, Khottadih-1, Mohanpur-1, Chitra-2, Gopinathpur-1.
Drill	2	Mohanpur-1, Chitra-1.

7.0 ENERGY CONSERVATION:

7.1 POWER AND FUEL CONSUMPTION:

A) ELECTRICITY:

	Particulars	Unit	2008 - 09	2007 - 08
a)	Purchased Units	M. KWH	805.96	774.86
b)	Total amount paid to Supply Agencies	M. Rs.	3353.66	3160.64
c)	Rate / Unit (Average)	Rs.	4.16	4.07
d)	Specific Consumption of Electricity	KWH / Te	28.65	32.20

B) OWN GENERATION:

Through Diesel Generator Sets:

	Particulars	Unit	2008 - 09	2007 - 08
a)	Generated Units	Lac. KWH	1.02	1.35
b)	Units generated per Ltr. of Diesel Oil	KWH / Ltr	3.16	3.18
c)	Cost of Generation	Rs. / KWH	9.08	9.01

C) AVAILABILITY OF POWER:

a)	Average availability of power during 2008-09	162.89 MVA
b)	Power Demand during 2008-09	167.50 MVA
c)	% Availability	97.25 %

D) PROGRESS OF CAPTIVE GENERATION:

2 Nos. of 10 MW each captive power plants had been commissioned, one in Nov '90 and the other in Jun'91. 2206029 MWH was generated by the CPPs from 1991-92 to 2008-09.

7.2 Underground Machinery Performance:

As on 31st March, 2009 Company was having –

- 138 SDLs on roll. The productivity per SDL in 2008-09 was 68 TPD against the norms of 80 TPD/Machine.
- 28 LHDs on roll. The productivity per LHD in 2008-09 was 119 TPD against the norms of 120 TPD/Machine.
- 2 Road Headers on roll. The productivity per Road Header in 2008-09 was 77 TPD against the norms of 80 TPD/Machine.
- 3 PSLWs on roll, out of which one was in operation. The productivity of PSLW Set in 2008-09 was 215 TPD against the norms of 750 TPD/Set.
- One Continuous Miner set was working since 20.09.07 and in 2008-09 produced 566185 Te and with the productivity of 1856 TPD.

7.3 Performance of Rail & Road Weighbridges:

RAIL – In 2008-09, ECL owned rail weighbridges weighed 20.994 M. T. of coal i.e. 88.69% of the total weighment. Balance weighment was done at railway owned weighbridges because there is no ECL owned rail weighbridges at Kajora and Bankola areas.

In 2007-08, ECL owned rail weighbridges weighed 18.616 M.T. of coal i.e. 81% of the total rail dispatch weighment.

ROAD – In 2008-09, total coal weighed through road weighbridges was 2.104 M.T. i.e. 100% weighment. In 2007-08, total coal weighed was 1.857 M.T. i.e. 100% weighment.

7.4 Performance of CHPs:

As on 31st March'09, Company was operating 7 Major CHPs and 4 Mini CHPs. Major CHPs handled 14.30 MT of coal and Mini CHPs handled 0.37 MT of coal in 2008-09.

7.5 Energy Conservation & Audit:

Energy Audit by accredited energy auditor had been made mandatory by Govt. of West Bengal as per notification No. 70-Power/1 dated 23rd Feb'95. CMPDIL was empanelled as an accredited energy auditor by Govt. of West Bengal. CMPDIL was entrusted with preparation of energy audit reports for Chapapur, Madhaipur & Chora 10 Pit collieries in 2008-09. Final reports of all the above audits were yet to be received from CMPDIL.

Energy cost had increased in 2008-09 due to enhancement of power cost as per new Tariff Order issued by West Bengal State Electricity Regulatory Commission (WBSERC). Power consumption had also increased in 2008-09 due to :

- (i) Increased Production.
- (ii) Deployment of additional machines like SDL, LHD in mines; and
- (iii) Increase in domestic consumption, etc.

7.6 Mechanisation of UG Mines:

SDLs had been deployed in the following mines in 2008 – 09:

AREA	Name of the Mine
Bankola	Moirā
Kenda	Chora 10 Pit
Kenda	Chora Block Incline
Kunustoria	Amrasota

In Sarpi Unit of S.S. Pur Colliery, Bankola Area, one LHD was deployed.

One Continuous Miner for Sarpi Unit of S.S. Pur of Bankola area is expected to be supplied by September, 2009. Pre-commissioning activities are in progress to start full-fledged production from November, 2009.

8.0 MANPOWER, PERSONNEL, INDUSTRIAL RELATIONS & LAW AND ORDER :

8.1 During the year 2008-2009, there was net reduction of 4473 manpower. Manpower status as on 31st March 2009 compared to 31st March 2008 was as follows :

Category	Manpower (As on 31.3.09)	Manpower (As on 31.3.08)	Increase (+)/Decrease (-)
Executive	2252	2299	-47
Supervisor	7512	7845	-333
Ministerial/ Clerical	5894	6356	-462
Highly Skilled/ Skilled	27355	29036	-1681
Semi-Skilled/ Unskilled	46438	48474	-2036
Casual	1	1	0
Badli	5	6	-1
Trainee	1013	926	87
Total	90470	94943	-4473

Reasons for variation in Manpower:

INCREASE	Executive	Non-Executive	Total
Fresh Appointment	20	7	27
Appointment against medically unfit cases.	0	3	3
Appointment against death cases.	0	782	782

Reinstatement/Re-joined.	0	39	39
Transfer in from other companies.	112	6	118
Appointment against Land Losers	0	175	175
Total Increase	132	1012	1144

DECREASE	Executive	Non-Executive	Total
Retirement	118	4171	4289
Medical Unfit	0	13	13
Death	5	747	752
Resignation	4	24	28
Dismissal/Termination	0	110	110
Transfer to other companies	79	16	95
VR under GHS/EVRS	1	329	330
Total Decrease:	207	5410	5617

8.2 Industrial Relations :

		2008-2009	2007-2008
1.	No. of strikes	2	2
2.	Mandays lost (in lakh)	0.16	0.16
3.	Coal Production lost (in lakh tonnes)	0.05	0.05

8.3 Law and Order :

	2008-2009	2007-2008
Gherao by workers	14	29
Assault on executives	0	3
Assault on workers	0	0
Obstruction	19	46
Murder	0	2
Go-slow	0	0
Inter/Intra union rivalry	0	0
Hunger strike	6	6
Demonstration	21	55
Gate Meeting	35	41
Confinement	4	16
Agitation	16	22
Dharna	3	6

8.4 Workers' Participation in Management :

	2008-2009	2007-2008
J.C.C.	04	03

9.1 WELFARE AMENITIES:

Sl. No.	Item	Cumulative position as on 31.3.08	Achievement during 2008-09	Cumulative position as on 31.3.09.	Remarks.
1.	<u>Co-operative Societies</u>				
	a) Co-operative Credit Society	74	0	74	
	b) Primary Co-operative Stores	30	0	30	
	c) Central Co-operative	04	0	04	
	d) Loan and investment to Co-operative Societies (Rs.in Lakh)	63.80	0	63.80	
2.	<u>Banking facilities</u>				
	No. of branches functioning	26	0	26	
3.	Canteens	82	0	82	
4.	<u>Educational facilities</u>				
	a) No. of English medium schools established	0	0	0	
	b) DAV School	04	0	04	
	c) No. of Schools receiving recurring grant –in-aid	162	0	162	
	d) Amount of Recurring grant-in-Aid (Rs. in lakh)	2210.43	219.60	2430.03	
	e)No. of Schools receiving non-recurring grant	346	11	357	

	f) Amount of non-recurring grant (Rs. in lakh)	244.91	8.20	253.11	
	g) No. of schools sanctioned ad-hoc grant	79	0	79	
	h) No. of ad-hoc grant sanctioned (Rs. in lakh)	69.60	0	69.60	
	i) No. of School buses engaged	156	0	156*	*55 Co. School Buses and 101 hired buses.
5.	Community Development programme, Amount sanctioned (Rs. in lakh.)	1722.48	240.00 (Budget)	-	
6.	Games & Sports amount spent(Rs. in lakh)	277.53	16.68	294.21	
7.	Social & Cultural activities , amount spent (Rs. in lakh)	56.76	2.24	59.00	
8.	<u>CIL Scholarship</u> No. of Scholarship awarded	6812	1348 +28*	8188	*Special Cash Award
	Amount sanctioned (Rs. in LAKH)	73.42	15.29 +1.54	90.25	
9.	<u>Library Development</u> Amount sanctioned for development of existing libraries /establishment of new libraries(Rs. in lakh)	10.99	0.10	11.09	

9.2 SOCIAL AMENITIES:

	Amenities	Unit	Position as on 31.3.2009.
i)	Houses	Nos.	104525
ii)	Water supply population covered	Nos.	483980
iii)	School	Nos.	95
iv)	Community Building	Nos.	54

9.3 MEDICAL AMENITIES:

9.3.1 12 Hospitals with a total bed capacity of 1275 extended medical services to the employees and their wards/dependants. 130 Nos. of Ambulances were in service in these Hospitals.

9.3.2 Medical expenditures:

(Rs. in lakh)

	2008-09	2007-08
Medical reimbursement	1349.22	1468.87
Medicine	339.87	463.90
Diet	71.85	93.98
Total	1760.94	2026.75

9.3.3 No. of persons referred to outside for treatment & expenditure incurred for their treatment:

	2008-09	2007-08
No. of patients referred outside	1050	1201
Expenditure incurred for their treatment in Rs. lakh	418.60	447.56

9.3.4 Family Welfare Programme:

	2008-09	2007-08
Lap Ligation – No of cases.	1726	2714

10.0 HUMAN RESOURCE DEVELOPMENT :

In 2008-09, company imparted training to 1727 persons compared to 1536 persons in 2007-08 as per details given below:

1. Action Plan (MOU):

			No. of participants							
Year	No. of Course		Target				Actual			
	Target	Actual	Exe.	Supv.	Worker	Total	Exe.	Supv.	Worker	Total
2007-08	115	102	295	580	520	1395	225	529	782	1536
2008-09	113	107	280	510	660	1450	259	645	823	1727

2. No. of persons trained in 2007-08 and 2008-09 were as follows:

		2007-08				2008-09			
		Exe.	Supv.	Work-er	Total	Exe.	Supv.	Work-er	Total
1.	General/In-Company Training								
	i) MOU	225	529	782	1536	259	645	832	1727
	ii) NON-MOU	132	159	405	696	385	267	600	1252
2	External (within India)								
i)	At IICM:								
a)	One Week course	106	0	0	106	99	0	0	99
b)	Seminar/Short course	95	0	0	95	83	0	0	83
ii)	Out Company Training (Other than IICM):								
a)	Short duration	17	04	0	21	193	7	5	205
b)	Long duration	1	0	178	179	0	0	178	178
c)	1 week or more	0	0	0	0	7	2	2	11
d)	6 weeks intensive course in survey (at ISM)	0	0	0	0	3	0	0	3
iii)	Manufacturer Training:								
a)	At Manufacturer's premises	0	0	6	6	0	0	0	0

3.	Trainees:								
a)	MTs	35	0	0	35	46	0	0	46
b)	PDPT	0	13	0	13	0	9	0	9
4.	Seminar/ Workshop excluding in- company	195	8	0	203	93	0	0	93
5.	External (abroad)	14	2	0	16	9	0	0	9
TOTAL:		820	715	1371	2906	1177	930	1608	3715

11.00 SAFETY:

11.01 Accident Statistics:

Safety Performance of ECL in 2008-09 compared to same period last year was follows:

Sl. No.	Item	2008-09	2007-08
I	Fatal Accidents (Nos)	11	07
II	Fatalities(Nos)	11	07
III	Serious Injuries (Nos)	120	129

11.02 Safety measures undertaken in 2008-09

I. At Unit Level:-

- Qualitative and quantitative improvement in inspection to ensure better roof management by supervisors, mining executives.
- Enhanced awareness amongst all to prevent unsafe act, inadvertent entry into goaves/unsafe working places by providing fencings.
- Ensured better working environment.
- Provision of convergence indicator in depillaring districts to indicate immediate roof fall and also instrumentation as per study by CMRI.
- Quality improvement in Pit Safety Committee inspection & meeting and monitoring the same by Area & HQ.

II. At sub-Area/Project level

- Ensure supply of safety materials in time.
- Enforced discipline in mine.

III. Action taken at Area Level:-

All General Managers were advised to ensure that:-

- ✓ Back shift inspection is being done on regular basis. Inspection Registers /Notes are being examined by ISO Officials.
- ✓ No workman is being deployed without adequate support of green roof.
- ✓ Half an hour waiting time after blasting is being strictly followed. No workman is allowed to enter without inspection of the face by supervisory officials.
- ✓ In order to refresh their knowledge and to improve their skill, training and retraining of dressers, support personnel and supervisory staff is being regularly arranged.
- ✓ Special attention is given for proper dressing / supporting of roof/ sides under strict supervision. Introduction of roof bolts/ steel supports is being carried out in a big way to replace conventional timber supports.
- ✓ Ensured quality of materials and it's supply in mines.
- ✓ Stress on maintenance of HEMM.

11.3 Thrust at Corporate Level:

- A. Strata Control Monitoring Cell had been established in ECL Head Quarters and subsequently at all areas to study the roof behaviour for improvement of roof support in mines.
- B. Detailed accident analysis is being done and it has been seen that most of accidents have occurred in green roof area due to Trucks/dumpers and u/g transport
- C. Calendar of safety drives conducted throughout the year were as under:

MONTH	PARTICULARS OF SAFETY DRIVE
April'08	General cleanliness on surface (winding room, surface haulage, surface sub-station, cap lamp room, boiler house) & underground (travelling and haulage road)

May'08	Safety drive on improvement in quality of inspection of statutory personnel including executives and system improvement.
June'08	Review of Monsoon Preparedness
July'08	Special drive on departmental OCP & out-sourcing patches and general awareness (for all mines).
August'08	Survey (joint survey& check survey) & Ventilation of u/g mines
September'08	Rescue Preparedness & Handling of Explosive and Magazine & Surface installation like winding, MMV etc.
October'08	Gas Management, statutory record keeping and maintenance of E&M Machineries
November,08	Fire hazards & fire fighting arrangement
December,08	Roof & Side Dressing and support.
January'09	Annual Safety Week for the Year 2008-09
February'09	Safety in haulage & conveyor transport system in u/g mines & discussion on vetting of annual production plan'09-'10 by ISO
March'09	Monsoon Preparedness ; Review of Risk Assessment study and status of implementation of safety audit recommendations.

- D. Special attention had been given to steel support in mines to reduce roof fall accident.
- E. Application of roof bolts as a support system is being made on a large scale. At present in u/g mines of ECL 80 working districts are being supported by roof bolting as a system of support and in some districts roof bolting/ roof stitching is being done in addition to conventional support.

NO OF ROOF BOLTS USED YEAR-WISE WERE AS FOLLOWS:-

CONSUMPTION	2004-05	2005-06	2006-07	2007-08	2008-09
Roof Bolts (nos in lakhs)	4.50	5.06	5.50	5.50	5.26
Cement Capsules (nos in lakhs)	22.00	20.14	24.00	24.00	24.36

- F. Induction of more no. of SDLs with auxiliary fans in u/g.
- G. Induction of larger capacity HEMM in OCPs.
- H. Seminars are being organized on safety subjects like Roof Bolting practice in ECL mines and explosives, it's storage, transportation and use in mines.
- I. On job training at Jhanjra mine where Quad Bolter introduced with continuous miner is in progress for Mining & E&M disciplines from January'2008 for all u/g Areas of ECL.

- J. Introduction of Telemonitoring system in degree III mines namely Kalidaspur, Chinakuri-I & Nasamunda. NIT is being prepared at CMPDI.
- K. Special study is being done to assess the status of safety of Railway lines passing over ECL leasehold areas.
- L. Additional safety measures are being conceptualized in Chinakuri-I mine to work at greater depth with the help of CMPDIL/CMRI.
- M. Risk Assessment study of all mines of ECL had been completed.
- N. Monthly Co-ordination meeting with Area Safety Officers and ISO officials were held.
- O. 5000 nos of Oxygen type Self Rescuer provided in Deg. III and Fiery mines.
- P. Monitoring of Stowing lag by Hqrs.
- Q. 8 Nos. of BM-22 have been provided which were working as continuous gas recorder in Ghusick (R), Kalidaspur and Kumardhubi Collieries. For providing LMD & Continuous Monitoring System, procurement is in progress.

11.4 Liasion with DGMS And Trade Unions:-

Bi-partite meeting with DGMS was organized on 27.08.2008 and safety thrust areas identified. Timely starting of shift and strengthening of supervision stressed.

Corporate level tripartite safety committee meeting was held on 22.04.2009.

11.5 Disciplinary action / Punitive action taken:

In addition to preventive measures punitive measures were also taken. In 2008-09, 11 (eleven) fatal accidents had occurred in ECL of which enquiry was completed in 7 cases, in which 6(six) executives, 5 (five) supervisors and 8 (eight) workmen were held responsible and disciplinary action against all persons had been completed/initiated.

11.6 Safety Audit:

Safety Audit was due in the year 2006 was conducted from 17/4/2007 by a team comprising of Sri Anjan Mukhopadhyay, Ex. Director(Tech.,)/OP, ECL

and Sri A.N. Mukhopadhyay, Retd. DGMS official. The recommendations were being implemented. Next Safety audit is to be conducted in 2009-10.

11.7 Monsoon Preparation :

Special drive in respect of Monsoon preparedness had been done in the month of June, 2008 by the nodal officers of Safety department along with colliery management and status of implementation had been monitored during the year 2008 – 09.

11.8 Safety Training :

Safety training programmes had been conducted during the year 2008-09 at HRD, Dishergarh, MTI, Ratibati and Mining Training School, Dhadka.

11.9 Vocational Training (Statutory at VTC)

Vocational training (Statutory) imparted in 2008-09 & 2007-08 was as follows:

Type of training	2008-09	2007-08
Basic	920	908
Refresher	8230	10652
Spl. Training	9880	4767
I.O.D	252	325
Contractor's workers	2493	1306

11.10 RESCUE SERVICES IN ECL:

Rescue Services were rendered to all the collieries of ECL, Chanch Victoria Area of BCCL, Ramnagar Colliery of IISCO as well as to Civil Administration and Public Authorities (as when required) through Mines Rescue Station, Sitarampur, Rescue Room with Refresher Training (RRRT), Kenda and Rescue Rooms operating at Jhanjra, Perbelia, Mugma & Kalidaspur.

11.10.1 Details of Emergency attended:

In 2008-09, recovery of dd sealed off panels were retrieved which were sealed off in the past due to fire/spontaneous heating etc in the following mines:

- a) Chora 9/10 pits under Kenda Area on 13.4.08.
- b) Parasia Colliery under Kunustoria Area on 1.6.08.

- c) J.K. Nagar Colliery under Satgram Area on 25.6.08.
- d) Ramnagar Colliery under IISCO on 23.12.08.
- e) Bankola Colliery under Bankola Area on 19.2.09.

11.10.2 During the year Rescue Services dealt with fire/spontaneous heating in following mines successfully and saved 6.25 M.T. of coal.

- a) Jambad Colliery under Kajora Area from 23.8.08 to 25.8.08.
- b) Parascole West Colliery under Kajora Area from 21.11.08 to 27.11.08.

11.10.3 Mines Rescue Station dealt with fire, which included emergency at Shankarpur Colliery under Bankola Area and Sangramgarh Colliery under Salanpur Area, Sodepur Colliery under Sodepur Area, Hariajam Colliery under Mugma Area and emergency at Kankarsol Villages under Asansol South Police Station.

11.10.4 TRAINING:

Refresher as well as initial training was imparted at Mines Rescue Station regularly, details were as follows:

	2008-09	2007-08
No. of Rescue personnel trained	767	712
No. of personnel freshly trained	40	17
No. of Refresher practices	7284	6196
No. of Emergencies	13	10

Training was also imparted to the employees of other mining companies and earned revenue to the company.

Revalidation training given to 12 employees of UCIL from 14.7.08 to 29.7.08.

11.10.5 NEW APPARATUS/EQUIPMENT PURCHASED:

One sophisticated modern fire Tender was procured and commissioned.

11.10.6 ADVANCE ACTION FOR PROCUREMENT:

Some modern rescue tools like Pneumatic lifting bag of different capacity with all ancillary equipment etc are in the process of procurement to meet the crisis requirement.

11.10.7 ZONAL RESCUE COMPETITION:

- Zonal Mines Rescue Competition, Eastern Zone, for the year 2008-09 was held on 13th January 2009.
- ECL had bagged 2nd “BEST IN FIRST AID” in All India Mines Rescue Competition.

12.1 TOTAL VALUE OF ORDER PLACED ON ANCILLARY INDUSTRIES:

- i) 2007-08: Rs.561.67 lakh.
- ii) 2008-09: Rs.553.05 lakh.

12.2 Measures taken for inventory control & management:

Utmost efforts were made to reduce the procurement lead time of high value items. These materials were issued on need based exercising strict control. While ordering these items, phase delivery is incorporated in supply order so that inventory is not built up. Besides, regular Stores Co-ordination Meeting is held to emphasize reduction in inventory. Each area is also holding meeting of Area Task Force Committee for gainful utilization of non-moving / obsolete items. For effective inventory control Rate Contract / Depot Agreement for various items like POL, HEMM Stores etc. are concluded. All these measures help us in keeping control over inventory.

12.3 Disposal of Scrap :

Value of materials sold and value of actual realization in 2007-08 & 2008-09 were as under:

	<u>2007-08</u>	<u>2008-09</u>
(i) Value of Materials sold(Rs. in lakh) :	293.32	107.00
(ii) Value of actual realization (Rs. in lakh):	344.56	192.12.

The value of materials sold does not correspond to value of actual realization because of spill over of realization value in succeeding year. Value of materials sold and value of actual realization decreased in 2008-2009 due to recession.

12.3 Steps taken for 'e'-procurement:

A Demo presentation will be made shortly by Service Provider. M/s. MSTC. Thereafter, 'e'-Procurement activities will commence.

13.0 QUALITY CONTROL:

13.1 Quality Improvement :-

In 2008-09, 82.63 % of samples drawn conformed to billed grade for dispatches covered under 3^d Party/Joint sampling arrangement as compared to 81.99% grade confirmation achieved in 2007-08 on sampled quantity. In 2008-09, in case of joint sampling at loading end, 83.62% of samples confirmed to scheduled grade and in case of 3rd party sampling 80.83% of samples confirmed to scheduled grade.

	2008-09	2007-08
No. of Samples drawn	8343	8309
No. of samples conformed to billed grade	6894	6813
% of Grade conformation	82.63	81.99
No. of samples with one grade slippage.	1107	1479
% of one grade slippage	13.30	17.80
No. of samples with two grade slippage & more	103	17
% of two grade slippage & more	1.23	0.21

13.2 Quality deduction:

In 2008-09 quality deduction was Rs. **27.51** per tonne compared to Rs. **24.93** per tonne in 2007-08.

Year	Total quantity despatched (Rail & Road) (in Lakh tonne)	Amount of Deduction (in Lakh Rs.)	Deduction Rs. /Tonne
2008-09	267.06	7347.50	27.51
2007-08	249.70	6224.85	24.93

13.3 WEIGHMENT & SIZING STATUS:

WEIGHMENT STATUS :

In 2008-09, quantity weighed in EPS for Power houses supplies increased by 0.08 % compared to last year as could be seen from the table below:-

(Figure in L/T)

	2008-09			2007-08		
	Power EPS	Other Consumers	Total weighment	Power EPS	Other Consumers	Total weighment
Qnty. Despatched (by Rail)	236.71	16.11	252.92	217.82	11.35	229.17
Qnty. Weighed under EPS	236.25	15.96	252.21	217.22	11.21	228.43
Qnty. Weighed under Mech.WB	0.00	0.00	0.00	0.00	0.00	0.00
Weightment % under EPS	99.81	99.07	99.76	99.73	98.72	99.68

SIZING STATUS :

Out of total despatches in 2008-09, **236.71** lakh tonne of coal despatched to Power Sector was sized (-250mm) by CHP/FB/UG (90.74%) compared to 217.82 lakh tonne in 2007-2008 (84.78%). Despatches from sidings not having CHP/FB facility, sizing was done by Dozer (Ex: Khottadih OCP/ OCP expansion etc.). Action was being taken to install/utilize CHP/FB at these points to achieve 100% crushing of coal.

	2008-09			2007-08		
	Power	Others	Total	Power	Others	Total
Qnty. Sized in CHP/FB (L/T)	214.79	15.02	229.81	184.67	9.82	194.49
%	90.74	93.24	90.90	84.78	86.47	84.87

13.4 SETTLEMENT OF OLD DISPUTES :-

- WBPDCL :- Disputes on quality amounting to Rs.0.09 crore as on 31.3.08 had been reduced to nil as on 31.3.09.
- Overall disputed outstanding a/c. quality had been reduced from Rs.16.63 crore as on 31.03.08 to Rs.13.65 crore as on 31.3.09.

13.5 STATUS OF DISPUTES RESOLVED THROUGH UMPIRE:

a) U.P.S.E.B :-

Till March 1995, final award received for interest claim for delay in payment was Rs. 11.29 crore. This had been referred to Ministry of Law by UPSEB. Secretary, Law, Govt. of India had rejected UPSEB petition. Claim had been submitted for payment of Interest. However, UPRVUNL had appealed to Lucknow Bench of Allahabad High Court for relief.

13.6 Note on Securitisation of Dues:

UPSEB's dues as on 30/9/01 of Rs. 0.33 crore had been securitized.

14.0 VIGILANCE:

PERFORMANCE OF VIGILANCE DEPARTMENT:

1) VIGILANCE ACTIVITIES:



PUNITIVE:

Sl. No.	Subject	No. of Cases
1	Complaints received	354
2	Investigations conducted	62
3	Minor Penalty Proceedings Cases 	



PREVENTIVE:

Sl. No.	Subject	No. of Cases
1	C.T.E	3
2	Surprise Checks	25
3	System Improvements	12
4	Special Achievements	4
5	e-governance	4

2) **SYSTEM IMPROVEMENT ACTIVITIES:**

In compliance with the CVC Circular No.23/7/08 dated 18/7/08 on System improvements for better Vigilance Administration in Govt. organisations details of System improvements suggested to the Management which had been forwarded to the concerned departments for implementation were narrated below. These would result in increase in transparency and huge savings in the revenue expenditure of the company. The implementation of system improvements were discussed in the 222nd ECL Board Meeting held on 3rd Sept-08 and Board advised the company to discuss the proposals in Functional Directors Meeting and apprise the board.

SYSTEM IMPROVEMENTS SUGGESTED:

Sl. No.	System Improvement Proposal	Impact
1	<u>COMPANY'S QUARTERS LYING VACANT :</u> On scrutiny of the annual report of the company, it was observed that company has got almost equal number of company's quarters as that of number of employees on roll. A good number of employees are also availing HRA as per the rules of the company, which means a lot of quarters are lying vacant and prone for misuse by way of subletting, unauthorized occupation with unwanted activities. In this context, a note was put up to CMD.	<ul style="list-style-type: none">➤ Misuse of the company's quarters by the miscreants can be avoided.➤ Revenue expenditure of the company can be reduced.
2	<u>INTRODUCTION OF e-INITIATIVES IN ECL: (e-PROCUREMENT, e-MARKETING, e-PAYMENT & e-ADMINISTRATION)</u>	<ul style="list-style-type: none">➤ For greater transparency.➤ Reduced lead time.➤ Revenue expenditure of the company can be reduced.➤ For cutting down unnecessary delay in the file movement.
3	<u>COMPUTERIZATION OF ANNUAL PROPERTY RETURNS OF ALL EXECUTIVES OF ECL:</u>	<ul style="list-style-type: none">➤ For greater transparency.➤ Efficient / Query based MIS.
4	<u>FORMULATING SPECIFIC GUIDELINES FOR CONTRACTUAL WORK IN RESPECT OF JOBS RELATED TO EXCAVATION & E&M DEPARTMENTS:</u>	<ul style="list-style-type: none">➤ For taking action on similar lines by different areas.➤ Revenue expenditure of the company can be reduced.

5	<u>MARKING ON THE BODY OF THE TRUCKS:</u> Suggested to mark "ON DUTY ECL" in black bold letters on the body of the trucks used for sand transportation and in red bold letters in case of coal transportation. Name of the Area, Registration No., Period of contract are also to be marked on the body. Necessary Orders were issued on 28.1.08.	<ul style="list-style-type: none"> ➤ To eliminate the chances of coal and sand theft. ➤ With enhanced visibility to reduce theft cases which results in better administrative control. ➤ Revenue loss due to theft could be reduced.
6	<u>INTRODUCTION OF AMC / COMPREHENSIVE PACKAGE WHILE PROCURING SDL's:</u>	<ul style="list-style-type: none"> ➤ Better availability and utilization of the machine. ➤ Decreased maintenance/ running cost. ➤ Reduced revenue expenditure. ➤ To reduce scattered transactions.
7	<u>PREPARATION OF SOR FOR "CONTRACTUAL MECHANICAL BREAKAGE OF COAL" AND "ESTIMATES FOR NON-STANDARD TYPE OF WORKS FOR WHICH STANDARD RATES ARE NOT AVAILABLE":</u>	<ul style="list-style-type: none"> ➤ To maintain similarity of rates in all the Areas. ➤ To eliminate chances of corruption and enhanced transparency. ➤ Revenue loss to be reduced.
8	<u>INTRODUCTION OF SYSTEM OF VIGILANCE CLEARANCE BEFORE THE PROMOTION ORDER IS PUBLISHED:</u>	<ul style="list-style-type: none"> ➤ Improved administrative control and greater transparency. ➤ Minimize chances of manipulations.
9	<u>PROPOSAL FOR KEEPING THE PERSONAL FILE OF THE OUTGOING PERSON WITH THE NEW EMPLOYMENT FILE IN CASES OF COMPASSIONATE / MEDICAL UNFIT:</u>	<ul style="list-style-type: none"> ➤ To avoid delay in disposal of complaints regarding Employment. ➤ Minimize chances of manipulations. ➤ Greater transparency.
10	<u>REGISTRATION AND CLASSIFICATION OF COAL AND SAND TRANSPORTERS:</u> Registered contractors to submit 1) Performance report along with registration fee for renewal. 2) Necessary undertakings about participation and acceptance of terms & conditions of SOR. 3) Declaration of preferential areas of operation for the purpose of evaluation & classification of transporters:	<ul style="list-style-type: none"> ➤ For achieving more effectiveness in registration of contractors for Sand & Coal Transportation. ➤ Greater transparency.

11	<u>UNIFORM SCHEDULE OF RATES FOR TRANSPORTATION OF MINING TIMBER ON VOLUMETRIC BASIS AND KM BASIS:</u>	<ul style="list-style-type: none"> ➤ Uniformity in Rates may be maintained by the company. ➤ Greater transparency. ➤ Reduced revenue expenditure.
12	<u>TO ELIMINATE THE POSSIBILITY OF LOADING OF STEAM COAL AGAINST ROM OFFER.:</u>	<ul style="list-style-type: none"> ➤ To earn better revenue by getting enhanced coal sale price. ➤ To eliminate corruption.

3) **CTE TYPE EXAMINATION CONDUCTED BY THE VIGILANCE WING:**

6 Cases were earmarked for CTE Type Examination and were assigned to executives of vigilance department as per their cadre/department. Due to shortage of manpower 3 cases could be completed. Progress of the job is being monitored and discussed twice in a month by C.V.O in the review meeting.

i) **CTE on Procurement of Oxygen Self Rescuers:** 8 executives including 2 (two) Board level executives were issued charge sheets under major penalty proceedings as per CVC's directives.

ii) **CTE on Contract for supply & comprehensive maintenance of Computer System:** The report had been prepared and sent to the concerned department for comments. Reply is awaited.

iii) **CTE on Transportation of Mining Timber:** For maintaining uniformity in the rates for transportation of mining timber a committee was formed to look into the matter. The report was submitted by the committee. CTE report along with action taken by the Management was sent to CTE (Chief Technical Examiner), CVC, New Delhi.

4) **SPECIAL ACHIEVEMENTS:**

Sl. No.	Subject
1	Settlement of long pending subjudice Vigilance Cases. 1) CB-6/2001(B) in which penalty of reduction of 1 stage was awarded to two executives. 2) CB-01/03. One Non Executive was dismissed.
2.	Rs 58,84,961.34 was recovered in 6 Vigilance investigations/ Cases .
3	Introduction of system of Vigilance clearance before the Promotion order is published.
4	The proposal of C.V.O for reimbursement of gas cylinder in lieu of coal for domestic consumption in all units, placed in 215 th ECL Board meeting was approved.

5) RECOVERY FOR VIGILANCE ACTIVITIES IN 2008:

Sl. No.	Reference File No	Subject Matter	Amount Recovered
1	Comp-21/08	Auditing at Parbelia Colliery and consequent checking at other collieries	Rs 20,61,633.51
2	Comp-32/08	Recovery of HRA at J.K.Ropeways	Rs 15,850.00
3	CB-02/08	Penalty imposed on one executive.	Rs 29,800.00
4	INF-09/08	Recovery from excess HRA paid at Kolkata Sales Office.	Rs 34,02,000.00
5	CB-04/07	Penalty imposed on one executive.	Rs 49,230.00
6	CB-04/06	Recoverable amount from two doctors.	Rs 3,26,447.83
Total			Rs 58,84,961.34

6) STATUS OF E-GOVERNANCE:

After the issuance of the CVC circular no 006/VGL/117 dated 22.11.06 on “Increasing Transparency through effective use of websites” one proposal i.e. to curb the number of complaints for inordinate delays and arbitrariness in the processing, non-adherence to the ‘first-come-first-served’ principle, raising of piece-meal/questionable queries, improper public dealings, was sent to CMD. CMD had advised to circulate the same to all concerned to act upon the indicative suggestions of Vigilance Department. Point wise / Stage wise implementation status was given below.

Sl. No.	Area	1 st Stage	2 nd Stage
1	Increasing Transparency	Implemented. Recruitment notices, Advertisements, Contact Information, Various manuals, Downloadable application forms, complaint lodging is available in the company website www.easterncoal.gov.in linked with CIL and all other subsidiaries	Not applicable.
2	E-Marketing	Implemented through e_auction. Bidding through Online	Implemented. Status of the Bid is available online
3	E-Procurement	Implemented. Tender notices and downloadable tender documents, Archive of previous tenders, details of concluded tenders are available in the website	Processing status, on line bidding / purchase order, not available till date. Open tender for selection & appointment of service provider for E-procurement & Reverse Auction for CIL and its subsidiary companies is initiated

4	E-Payment	Implemented. Company had obtained e-banking facilities from State Bank of India. Payments to employees, Statutory payments to some Govt Agencies are being paid through online. Payment to Vendors by e-payment is in pipeline.	Status of Bills processed, payment status not available till date. As per the views expressed by CVC during zonal review with CVO's a meeting was held in the Chamber of D(F) at the initiative of CVO, ECL for early introduction of e-payment in the company and GM(Systems) and G.M(Finance) assured that third party e-payment will be started very soon and the bill payment status will be put up in the company's website.
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15.0 AFFORESTATION, EMP MONITORING & ECO-FRIENDLY ACTIVITIES:

The impact on the environment due to extraction of coal is being monitored constantly by the Company and adequate measures for control of Air, Water & Noise Pollution, Land degradation, Deforestation etc. are being undertaken in accordance with the provisions of all statutory norms, acts and rules on regular basis by way of the following Environment Protection Activities:-

1. Afforestation and Eco-friendly Activities:

Year	Trees Planted (in Lakh)	Area Covered (in Ha)	Cost incurred (in Lakh)
2007-08	1.467	51.10	25.63
2008-09	1.128	45.20	31.87

- (a) The tree plantation included medicinal plants as well as fruit plants of 4850 nos.
- (b) An Ecological Park "GUNJAN PARK" was developed and handed over to the West Bengal Govt. 50,000 trees were planted over OB dump there.
- (c) One picnic spot was developed at Bankola Area named "HASI KHUSI PARK"

2. Environment Management Plan Monitoring By MOEF(Govt.of India)

In compliance with EMP conditions imposed by MoEF monitoring is being done on a regular basis for 11(eleven) running projects and the report is being

sent to MoEF on a six monthly basis. Also Air, Water & Noise quality analysis are being done for these projects by CMPDI to maintain the stipulated norms of MoEF on quarterly basis and necessary mitigation measures are being adopted by the areas.

3. Statutory Requirement of State Pollution Control Board

- a) Annual Consent for discharge of water and emission of air is being obtained for each colliery from respective State Pollution Control Boards by maintaining Statutory Provisions and Rules of Water Pollution Act 74, Air Pollution Act 81, Environment Protection Act 86.
- b) Water Cess on consumption of water is being deposited with the State Pollution Control Board following Water Cess Act 77 by all collieries. Annual Environmental Statement (Form V, Rule 14 of Environment Protection Act 1986) is also being submitted to respective State Pollution Control Board.

4. Observance of World Environment Day :

On 5th June, World Environment Day is observed every year by way of inter Colliery/Project/Area competition. Area-wise inspection is done by inspection teams and annual performance of environment measures/activities were evaluated. Based on such evaluation, position/merit of collieries/projects/areas were determined and winners are awarded shields/merit certificates etc.

5. Vanmahotsav Week:

Vanmahotsav week is celebrated from 14th to 20th July each year to bring awareness amongst the workers and nearby villagers for maintenance of existing forest as well as plantation of new trees for better environmental conditions.

6. EMP Clearance from MOEF.

Company had received EMP clearance from MoEF for the following projects:

Name of the Project	Capacity
Rajmahal OCP	17.00 MTY
ChuperbitaOCP	4.00 MTY
Hura C OCP	3.00 MTY
Sonepur Bazari OCP	8.00 MTY
Nakrakonda B OCP	1.50 MTY
Shankarpur UG	0.24 MTY
Bansra UG	0.345 MTY

Bankola R-VI UG	0.57 MTY
NKJ Unit Khandra UG	0.39 MTY
Kumardihi B UG	0.42 MTY
Parasea UG	0.36 MTY
Siduli UG	0.30 MTY
Naba Kajora UG	0.30 MTY

7. STATUS OF PENDING EMP CLEARANCE OF ECL MINES/PROJECTS AT S.P.C.B AND MOEF LEVEL

Area	Name of Project	Capital investment (Rs. in Crores)	Capacity in /MTY	Status of EMP Clearance	Pending At
Kunus-toria	Narainkuri UGP (Under XI th Plan)	73.53	0.540 (updated)	Documents for Public Hearing had already been submitted to W.B.P.C.B. for holding Public Hearing.	WBPCB
	Kunustoria Block (Dobrana, Dhasal & Bamanbad Seams) UGP	144..81	0.735	TOR received on 20-4-09. Draft EMP/P.H.. documents is under preparation at CMPDI,RI-I, Asansol.	CMPDI
	Belbaid	69.11 & 56.48 (for alternative I & II)	0.480	Public Hearing was to be held on 26-3-09 postponed due to Parliamentary Elections. Fresh notification will be published.	WBPCB
Kajora	Naba-Kajora UG (Expn.)	56.14	0.300	Environmental Clearance received from MOEF vide letter dtd. 29-12-08.	EC received
S.P. Mines	Chitra East OCP	389..85	2.500	Public Hearing was held on 17-3-2009 at Chitra conducted by JSPCB.	JSPCB
Salanpur	Mohanpur Expn. OCP	72.764 (option I) 36.427 (Option II)	1.000	EAC meeting for Environmental Clearance was held on 23-2-09. ECL was asked to submit the details of R&R package for PAPs, for reconsideration by EAC.	CMPDI

8. Brief about the issue of Block EMP for 63 Mines of ECL:

As per notification of Sept.06, it became mandatory to obtain Env. clearance of all mines in the country. ECL started obtaining the Env. clearance in respect of all the old mines for which no clearance had been taken earlier. Consequently, for 63 mines Env. clearance to be obtained. These had been divided into 12 separate clusters based on the principle of contiguity.

9. Water supply and minor irrigation activities :

ECL had also offered five old OCPs viz. Itapara, West Baraboni, Dhandadih, Dalurband and Ghanshyampur to the West Bengal Govt. for water supply purposes.

ECL had also offered five old OCPs namely Old Alkusa Gopalpur, Old Dabor, Old Dalmia, Old Real Jambad and Old Purusattampur to West Bengal Govt. for minor irrigation purposes.

10. Pisciculture: Aqua culture Pilot Project :

ECL had also undertaken a unique aquaculture pilot Project in an abandoned open cast mine of Bankola Area. This abandoned open cast mine had turned into a permanent water reservoir fed by rainwater, ground water and surface runoff.

Aquaculture in an abandoned opencast mines had been thought of as an excellent idea for income generation. However, the depth of such abandoned opencast mines, which in many places was over 100 feet was proving to be a hurdle for conventional aquaculture.

With the sponsorship of Indian Council of Agricultural Research, University Grants Commission and invaluable help provided by Dr. Apurba Ratan Ghosh, Head of the Environment Department, Burdwan University it was decided to go in for cage aquaculture which entails rearing fish in an enclosure or cage.

16.0 OFFICIAL LANGUAGE IMPLEMENTATION:

ECL's Hd.qtrs. and its 11 Areas are situated in 'C' region where 95% employees are posted. Only 3 areas are situated in 'A' region which consists of only 5 % employees. Efforts were being made to achieve the target given under Annual Programme issued by Raj Bhasa Bibhag of Ministry of Home Affairs, Govt. of India in 'A' region as well as in 'C' region.

1. During the year under review, 18.50 % growth was recorded in Hindi correspondence over last year. In 2007-08 out of 33,310 letters sent, 22,692 letters were in English and 10,618 letters were in Hindi (31.87 %), whereas in

2008-09 out of 27,766 letters sent, 18,465 letters were in English and 9,301 letters were in Hindi (50.37 %)

2. Similarly 1585 comments were made in Hindi (50.24 %) in 3155 files opened in 2008-09 against 1758 comments were made in Hindi (49.24%) in 3570 files opened in 2007-08 recording a growth of 1.00 %.

3. In 2008-09, five days workshop was organised from 07.04.2008 to 11.04.2008 in which 39 executives/employees were trained. Similarly another workshop for 2 days on 17.12.08 & 18.12.08 was organised in which 30 executives/employees were trained.

4. During the period under review, Rajbhasa pakhwara was celebrated from 14.09.2008 to 28.09.2008, at all the areas of ECL. Final programme was held at Dishergarh Club on 30.09.2008 in which a quiz contest was also organized. Areas were awarded shield for better performance in implementation of official language. A folder named "Rajbhasa karyanwayan-apechhayen ewam uplabdhiyan" was released on 30.09.2008 by Director (Personnel) during Rajbhasa Pakhawara celebration.

5. A Hasya Kavi sammelan in Hindi was organised on 14th August 2008 at Dishergarh Club to create favourable atmosphere for Rajbhasa implementation.

6. During the year under review, telephone directory 2008-09 in Hindi was published and distributed at Hd.Qtrs and areas.

7. During the year under review, 5 issues of Khanan Bharati the Hindi house journal of Coal India was received and distributed at Hd.qtrs and areas.

8. A book containing the list of martyrs – the workers who had laid down their lives in ECL, since nationalisation till date was released by CMD, on the eve of Coal India foundation day 2008.

9. Hindi department of ECL actively participated in "Rajbhasa Sangoshthi" at Coal India, Kolkata on 17th & 18th July 2008, & on 23rd July 2008 in the meeting of TOLIC at Burnpur, on 20th February 2009 at NPTI Durgapur and also on 25th & 26th February 2009 at Mahanadi Coalfields Ltd. Sambalpur. A paper on the subject "Ekiwi Satabdi men Rajbhasa Hindi ki Dasha Ewam Disha". was presented by Manager (OL) ECL.

10. A visual report containing events related with Rajbhasa Pakhwara and Official Language Implementation in ECL was telecast at local channel.

11. A maiden effort was started to display Adarsh Wakya in front of both the upstairs of Technical building and at entrance of Administrative building , HQ.

12. A collection of poem of Prof. Bidyanand Thakur, named "JHOOTH BHI SACH BOLTA HAI." and another one of Dr. Manorma Choubey named "EK BOOND JO KHO GAYEE". was distributed amongst the areas and Hd.qtrs.

13. The tradition of issuing minutes of Co-ordination meeting of CGM/GM by CMD every month in Bi-lingual (Hindi and English) during the period under review was maintained.

17.0 B.I.F.R. AND BRPSE STATUS:

As on 31st March 1997, accumulated losses of the company had exceeded its networth by Rs. 251.20 crore and hence company was referred to BIFR in October, 1997. BIFR registered the case as Case No. 501/98. Due to financial restructuring done by Coal India Ltd as on 31st March 1998 by converting unsecured loan of Rs.1179.45 crore into equity share capital, networth of the company became positive by Rs. 423.96 crore 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 turned negative as on 31st March 1999 by Rs. 10.90 crore and hence company was again referred to BIFR in November, 1999. Company's case was registered as Case No. 501/2000.

Board for Industrial and Financial Reconstructions (BIFR) declared the company as a sick company under section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act (SICA), 1985 vide its order dated 23rd February, 2001 and appointed State Bank of India as Operating Agency to formulate a Rehabilitation Scheme. After detailed deliberation with the various stakeholders, Revised Draft Rehabilitation Scheme of ECL dated 31st January, 2004 was prepared. This was discussed in the Joint Meeting held on 3rd March 2004. In the Joint Meeting all the Stakeholders had supported the scheme. As a sequel to the discussion held in the Joint Meeting, Operating Agency prepared the Draft Rehabilitation Scheme of ECL (March'2004) and submitted the same to BIFR. As per the scheme, the networth of the Company was slated to become positive in 2008-09. BIFR heard the scheme on 21st September 2004 and sanctioned the Scheme on 2nd November 2004 for implementation. This scheme was also examined by the office of the Controller General of Accounts who had also recommended the scheme for the revival of the Company.

Coal prices were enhanced from 16th June 2004. National Coal Wage Agreement – VII (NCWA-VII) was signed between operating Trade Unions, Coal India Limited and its subsidiary companies for a period of five years from 1st July 2001 on 15th July 2005. These impacts (other than Interim Relief @ 15% of basic)

were not considered in the financial projection of the BIFR sanctioned Rehabilitation Scheme. As advised by BRPSE, while submitting the proposal to them these impacts were considered and the physical and financial projections revised taking into account the delay in implementation of some of the projects. As per the revised scheme the networth of the company was slated to become positive in 2009-10. BRPSE heard the scheme on 29th August 2005 and recommended the scheme subject to ECL achieving the physical and financial parameters. The recommendation of BRPSE was also heard by the Committee of Secretaries under the Chairmanship of Cabinet Secretary on 13th January 2006. They had also recommended the scheme for the revival of the company. Cabinet Committee on Economic Affairs had approved the BRPSE-recommended scheme for revival of ECL on 5th October 2006.

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

18.0 COMPUTERISATION & I.T. ENABLED SERVICES:

1. Initiatives were taken for an intermediate arrangement for replacement of existing old RISC Servers along with nodes, printers etc. for continuity of existing operations till the new IT policy of CIL comes into force, consequent upon the decision taken by the CIL to discontinue the Coal Net project and to implement a comprehensive uniform IT policy throughout CIL.
2. Applications like payroll, PIS, Stores Accounting, Financial Accounting, Cost sheet processing were successfully converted from legacy flat file system to Oracle RDBMS environment.
3. All the routine and statutory jobs such as payroll, PIS, Stores Accounting, Financial Accounting, Sales application, Cost sheet processing, Web site activities, different MIS reports as and when required etc. were performed satisfactorily.
4. On-Line Material Management System (OMMS) was in operation in six areas with users' satisfaction. For implementation of (OMMS) in other areas action had been initiated in consultation with CMPDIL.
5. 247 sets of Pentium IV systems along with peripherals, printers, UPS systems on rental basis including comprehensive maintenance successfully installed at different sites during the financial year and in operation.

6. E-mail accounts for important offices of ECL under official domain 'ecl.gov.in' were provided with services rendered by CMPDIL.
7. Action had been initiated for implementation of high speed Local Area Networking (LAN) for Hd. Qrs. and at two pilot project sites at Kunustoria Area and at Sonapur Bazari Area in consultation with CMPDIL.

19.0 ELECTRONICS & TELECOMMUNICATION:

The phenomenal advancement in Information Technology during the last decade had radically changed the functioning of business houses and corporate sectors. During 2008-09 following activities were completed/initiated:

1. 600 lines EPABX with facilities like I.P. Telephone compatibility, Voice Mail, ISDN etc. had been received at Central Stores and being installed at ECL(HQ). Similar EPABX systems are also under process of installation of various area offices replacing the old and obsolete equipment.
2. A prototype Surface to UG communication equipment designed and developed by M/s. Kaizen Services Pvt. Ltd., Kolkata had been tried successfully at Khottadih U/G mines, Pandaveswar Area is awaiting DGMS approval.
3. GPS based operator independent Truck dispatch system is going to be installed in Sonapur Bazari OC Mines for which tender enquiry had been floated at CIL along with similar requirements from other subsidiary companies.

20.00 LAND ACQUISITION & LAND INFORMATION STATUS:

Item	Status		
1. Status of Land Acquisition:	The status of land acquisition/possession mode-wise, for the year 2008-09 were given below		
	Mode of Acquisition	Acquired (in acre)	Possession (in acre)
	Transfer of Govt. land	8.75	8.75
	Direct Purchase of Tenancy land	27.34	27.34
	L.A. Act	43.21	43.21
	CBA Act	1481.30	386.03

2. Rehabilitation of villagers:	In 2008-09, at Rajmahal Project 36 families of Dahernangitola was rehabilitated. They were paid Rupees One Lakh per family as Rehabilitation benefits instead of house hold plot.
3. Status of Mining lease of Sand:	<p>i) Temporary Working Permit for extraction of sand for stowing purpose for six months w.e.f. January 2008 to June 2008 was obtained from the Office of Jt. Secretary, Govt. of WB, C&I Dept., Kolkata vide no. 459 dt. 18.12.07.</p> <p>ii) Temporary Working Permit for extraction of sand for stowing purpose for the period 1st January 2009 to 30th March 2009 had been obtained from the Office of Jt. Secretary, Govt. of WB, C&I Dept., Kolkata.</p>

21.0 SECURITY MANAGEMENT:

The aim of Security Department is to protect men and materials of the company. Company is having 3(three) types of Security as on 31st March'09.

1. ECL Security – 2419.
 2. Contractual Security – 2094.
- & 6) - 949 against the sanctioned strength of 1040 heads.

ECL Security- The main duty of ECL Security is to guard the company's property i.e. Stores, Office, Explosive Magazines, Coal Depots/Sidings, Colonies and escorting of VIPs as and when required by the Management. Escorting of loaded Railway Rakes, Tipping Trucks /Dumpers from Coal Depot/Siding to Railway W/Bridges/W/Bridges respectively till the weighment is done. The raids are also conducted throughout the year by our security personnel, CISF alongwith local Police. Seizure of coal alongwith involved trucks /vehicles, and apprehension of miscreants are also made during the course of raids and subsequently handed over to the local Police Station. ECL Security Personnel were also deployed during the time of strike/gherao/demonstration/hunger stike and any type of law and order problem in ECL Area.

Contractual Security – Contractual Security personnel engaged through DGR sponsored agencies are generally deployed for outsourcing patches, some collieries of ECL and escorting of Railway Rakes due to acute shortage of departmental security personnel.

CISF- CISF is deployed for static duty at Rajmahal, Sonepur Bazar, SP. Mines. Besides they are having camps at Mugma, Salanpur, Sripur, Kunustoria, Pandavewar, Kalidaspur and Satgram Areas. They remain on mobile duty to conduct raids against illegal mining, illegal trafficking of coal and illegal coal depots and to deploy CISF personnel during Strike/Gherao in the colliery/area.

ECL Management had taken steps to stop/curb illegal coal mining activities and illegal transporting of coal which are as under :-

A) Steps being taken to stop pilferage of coal in ECL:

The coal pilferage/theft are taking place from Coal Depot, Railway Sidings, Coal Transporting route, Pit Head, Coal loaded Railway Rakes etc. by the villagers including female and children. To stop pilferage/theft following steps were taken:

1. Departmental security /Private Security alongwith CISF personnel were carrying out surprise checks/raids to prevent pilferage/theft of coal. They used to seize coal during raids and apprehended miscreants involved in it. Accordingly FIRs were lodged.
2. Posting of security personnel at Coal Depot/Railway Siding/Pit heads and at OCPs.
3. Escorting of coal loaded rake from Siding to Railway Weighbridges by providing armed security personnel.
4. Surprise check enroute during coal transportation by Dumpers from Collieries to Siding.
5. Police /District Authorities are being informed requesting to provide security coverage so that theft/pilferage of coal are stopped and to arrest the miscreants involved in it.
6. Regular meetings with Police/District Authorities of West Bengal and Jharkhand.

B) Action taken to prevent illegal coal mining in ECL:

1. Intelligence collection.
2. Dozing off/filling up/sealing the illegal coal mining sites and subsidence area by departmental Pay Loaders/Dozers and sometimes contractually.

3. Surprise checks /raids by CISF, ECL Security alongwith Police and seizure of illegal coal /illegal trafficking of coal with involved vehicles and apprehension of miscreants and subsequently handed over the same to the local Police Station.
4. Regular meetings at Central level, States level at West Bengal and Jharkhand State and District level meeting (Burdwan, Bankura, Purulia and Birbhum of West Bengal and combined Districts level meeting of Jharkhand) with District Authorities.
5. The concerned Police Stations are advised by District Authorities and Sub-Divisional Authority to increase their vigil to check to stop re-opening of the dozed illegal mining spots.
6. Frequent inspection by Area Team consisting of CGM, Area Survey Officer, Area Security Officer alongwith CISF officials to the affected sites.
7. Joint inspection of Railway Track, NH-2 and important surface construction by Civil Authority, ECL Management, Railway Authority and National Highway Authority is also conducted.
8. FIRs are also lodged with the local Police Stations as well as information are sent to the District Authorities as and when the illegal mining activities are noticed within leasehold of ECL and outside the leasehold area (private owners land /forest area).

A) Seizure of Illegal Trafficking Coal :

Year	State	No. of Raids	Coal seized	Trucks Seized	Persons Apprehended	FIRs Lodged
2008 -09	WB	800	7606 mt	172	24	205
	Jharkhand	121	1546 mt	01	04	05

The data given above is the seizure made by CISF, ECL Security and DGR sponsored security personnel alongwith Police, outside the colliery premises. The coal was carried by Trucks either from illegal mining sites or illegal trafficking/illegal coal stock.

B) Seizure of Illegal Mined Coal by ECL Security , CISF & Local Police:

Year	State	No. of Raids	Coal seized	Trucks Seized	Persons Apprehended	FIRs Lodged
2008 -09	WB	517	4203mt	21	90	41
	Jharkhand	191	2326mt	-	-	02

- C) ' XUC WHRXVRI CR] IQ off/VHQ IKQ XSR VHOI IQQ VWV
(&/ VFXUWVOR GSB\HVMCR] IQ SRIW within leasehold and outside
the leasehold areas. ,Q HWQDO 1119QR SMQIQKDKQG 24QR
SMZHUR] HRII duringKHU 8- 9

22.0 PERFORMANCE OF OURSOURCING OC PATCHES:

A. OUTSOURCING OC PATCHES :

In 2008-09, company produced 40.02 lakh te of coal from 15 outsourced OC patches against 36.76 lakh te produced in 2007-08 from 9 outsourced OC patches. 101.06 lakh cum of OB was removed from 15 outsourced patches in 2008-09 against 77.89 lakh cum in 2007-08 from 9 outsourced patches.

B. No. of tenders finalized in 2008-09:

In 2008-09, 7 tenders for outsourced OC patches were finalized with a coal availability of 97.66 lakh te. In 2007-08, also 7 tenders for oursourced OC patches were finalized with a coal availability of 95.09 lakh te.

C. Global NITs:

- i) LOI had been issued to M/s Joy Mining Machinery Ltd, UK in Nov'08 & agreement was signed for "Introduction of Continuous Miner Technology at Sarpi Underground Mine" in ECL. The equipment is scheduled to be supplied in Sept'09.
- ii) Global NIT for the work of "Global Bid Document for working R-VI Seam (Sector-A) with Powered Support Longwall Technology at Jhanjra Underground Project in ECL" was floated on 30/01/2009 after holding pre-bid meeting with intending tenderers. The tender is scheduled to be opened on 15/07/09. The scheme has provision for extraction of 9.40 M.Te. of coal in 6 years.

23.0 INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

1. In order to achieve the objective, various activities were under-taken and each function was carried out following certain laid down procedures. The frame-work of procedures had its own checks and control. The objective of Internal Audit was to examine whether reasonable care had been exercised to ensure internal checks and control inherent in the process and to report to the Management in regard to shortcomings and remedy thereof.

Considering the inadequacy of infrastructure and the strength of Internal Audit Department, External Auditors were appointed for conducting wages audit on regular basis to verify excess/irregular payments on wages which is about 68% of the total cash cost. The Internal Audit Department ensured recovery of excess/irregular payments as given in the audit reports and initiates corrective action on the aspects highlighted by them. The Wage Auditors were appointed by ECL on the basis of laid down norms approved by the Board.

In order to give coverage on all aspects, Internal Auditors were appointed by CIL with a laid down scope of audit. This frame work of scope of audit had been designed in the form of internal control questionnaires. The Internal Audit Department in turn, take steps to remove the short-comings as reported by the Internal Auditors in consultation with line management.

2. Commercial Audit Department (Govt. Audit) undertakes proprietary audit on all functions on regular intervals. The Inspection Report submitted by C&AG are attended by the management and discussion are held with the C&AG Auditors in true spirit for taking corrective action on short-comings. Reply to Part-1B Paras of C&AG Inspection Reports are sent to the C&AG office after approval by Director(s).

Draft Para raised by the Principal Director, Commercial Audit were given utmost priority considering its implication and monitored by the Internal Audit Department right from the stage of collection and scrutiny of reply, preparation of draft reply which is vetted by the concerned HOD and approved by Director / s and CMD. The observations of Govt. Auditors are given utmost importance and corrective actions are taken wherever necessary.

Performance Audit on specific topics covering various operations of the company are undertaken by C&AG office which are dealt by Internal Audit Department. The comments of the management are prepared and submitted along with corrective action taken in this regard.

Performance of the Company with regard to transaction audit conducted by C&AG Office was discussed in Directors(Finance)'s Co-ordination Meeting held on 20-01-2009 at CIL Office, Kolkata. ECL was adjudged the best amongst all Subsidiaries which was appreciated and recorded. Out of 37 Audit Paras during 2008-2009, as on date 24 Paras were settled, another 10 Paras had been replied (in the process of settlement) and only 3 Paras were pending for reply.

3. Physical verification of stores is being carried by means of a team of Stock Verifiers throughout the year at all Area and Central Stores.

4. Internal Audit Department on quarterly basis checks and certifies the sand stowing and protective works claim of different units of ECL before submission to Coal Controller.

24.0 CORPORATE GOVERNANCE:

24.1 Corporate Governance is a process that aims to meet shareholders aspirations and societal expectations. It is a commitment that is backed by the fundamental belief of maximising shareholders value, transparency in functioning, values and mutual trust amongst all the constituents of organisation. It's not a discipline imposed by a Regulator, rather a culture that guides the Board, management and employees to function towards the best interest of shareholders. It involves essentially a creative, generative and positive thinking activity that adds value to the various stakeholders that are served as end customers of the corporate entity.

In our Company, Corporate Governance philosophy stems from our belief that corporate governance is a key element in improving efficiency and growth as well as enhancing investor confidence and accordingly the Corporate Governance philosophy has been scripted as under:-

“As a good corporate citizen, the Company is committed to sound corporate practices, based on conscience, openness, fairness, professionalism and accountability in building confidence of its various stakeholders in it thereby paving the way for its long term success.”

A report on Corporate governance of your company is placed at **ANNEXURE-IV** and a certification from Auditors regarding compliance of conditions of Corporate Governance by your company for the year ended 31st March 2009 is also placed at **ANNEXURE-V** to this report.

25.0 PARTICULARS OF EMPLOYEES:

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

26.0 ACKNOWLEDGEMENT:

Your Directors express their sincere gratitude to the Govt. of India in general, Ministry of Coal, Govt. of West Bengal, Govt. of Jharkhand and Coal

India Limited in particular for their valuable guidance and co-operation throughout the year towards attainment of the objectives of the company. Your Directors also thank all the operating Trade Unions for their day-to-day co-operation to the management and to the employees of the Company for their wholehearted support in the functioning of the Company and devotion to duty. They are fully confident that the employees of all ranks would continue to strive hard to improve the performance of the company in the coming years to enable the company to come out of its sickness.

Your Directors acknowledge with thanks the assistance and guidance received from Statutory Auditors, Tax Auditor, Concurrent Auditor and Comptroller and Auditor General of India. Your Directors also wish to place on record their sincere thanks to the consumers for their patronage to the company.

The following papers are annexed to the Report:

- i) Comments of the Comptroller and Auditor General of India under Section 619(4) of the Companies Act 1956.
- ii) Foreign exchange earning and outgo (**ANNEXURE-VI**).
- iii) Details about research and development activities of the company (**ANNEXURE-VII**).
- iv) Addendum to the Director's Report under Sec. 217(3) and 227(2) of the Companies Act 1956 stating Statutory Auditor's Report and Management's reply thereon.

For and on behalf of the Board of Directors.

(S. Chakrabarti)
Chairman-cum-Mg. Director

Sanctoria,

Dated : July 14, 2009.

3.4.1 CIL R&D PROJECT:

Detailed status of implementation of ongoing R&D Projects was as follows:

Sl. No.	Project Title	Impl. Agency	Month & Year of Sanction	Month & Year of Start	Revised/scheduled date of completion	Total Cost (Rs. Lakh)	Progressive Disbursement (Rs. Lakh)	Present Status
1	2	3	4	5	6	7	8	9
1.	Investigation on augmentation of life of dump-truck tyres through improvement of tyre retreading compound & development of an optimum road maintenance management system. Project Code: CIL/R&D/1/22/05	IIT, Kharag-pur/EC L, NCL	Sep-05	Nov-05	May 09/ Oct2008	148.69	143.36	Research team had prepared different types of compounds which were tested for several abrasion resistant properties. Some of the samples prepared in the lab indicated better abrasion resistance than the retreated samples collected from different tyre retreading companies. 89 nos. of new rubber compounds had been prepared out of which two was selected for Retreading of dump truck tyres at Barkakana workshop of CCL. Project proponent vide letter No; MIN/SKP/LDT/133/08-09 dated 20.01.2009 informed that four retreaded 35Te dump truck had been sent to Khottadih OCP, ECL for field testing, report of field trial was awaited.

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Sl. No.	Project Title	Impl. Agency	Month & Year of Sanction	Month & Year of Start	Revised/scheduled date of completion	Total Cost (Rs. Lakh)	Progressive Disbursement (Rs. Lakh)	Present Status
2.	Development of roof fall prediction system for underground mines using wireless network Project Code: CIL/R&D/1/27/08	IIT, Kharagpur/ ECL	Apr' 08	1 st May' 2008	Oct'10 (2.5 yrs)	216.98	115.00	<p>1. Testing of rock samples under varying loads continued at workshop to identify the frequency bandwidths of the variation.</p> <p>2. Equipment like Picoscope had been procured and efforts were being made to procure other important equipment like accostic energy meter, roof stress prediction and roof convergence detection equipment etc.</p> <p>3. Development of roof fall simulation in IIT,Kharagpur had been started, wherein a virtual mine roof would be made with rock beams placed one over the other. After subjecting the load on these beams, sensor network would simulate the roof fall to test the efficiency of the system.</p> <p>4. IIT, Kharagpur was successful in developing evaluation boards for imported sensors made by the analog Devices inc. USA.</p> <p>These boards would be placed on mine roofs with wireless networking and with central control station located outside the mine.</p> <p>5. Project team had visited the office of Indian counterpart of a reputed US company in connection with the project work of underground mine sensor interfacing and networking which would be started after sensor selection.</p> <p>6. Negotiation with major global manufactures and suppliers for procurement of a ground penetration Radar was in progress.</p> <p>7. Sandstone, shale and coal samples collection from mine had been completed for the present study. More samples were required to be analysed.</p>

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Sl. No.	Project Title	Impl. Agency	Month & Year of Sanction	Month & Year of Start	Revised/scheduled date of completion	Total Cost (Rs. Lakh)	Progressive Disbursement (Rs. Lakh)	Present Status
3	Exploration & determination of coal fire hot spots, to prepare the strategy to put off fire in Nimcha & Samdih-ECL & M/S DMT –Avantika, Hyderabad	ECL & Sub Implementing Agency- DMT AVANT IKA	14.11. 08	Feb2009	Apr2009	444.23	444.10	New project.
4	Delineation of workings below railway lines near Ratibati colliery, stability analysis by numerical modeling & possible remedial measures	CIMFR-Dhan bad. Sub implementing Agency-ECL	14.11.08	Feb'09	Jan 2010	20.9051	20.42	New project.

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3.4.2 S&T PROJECTS:

Detailed status of implementation of ongoing S&T Projects was as follows:

Sl. No.	Project Title	Date of approval by MOC	Financial Outlay (Rs. Lakh)	Date of start	Scheduled/Revised date of compln.	Principal/ Sub-implementing Agency	Progressive disbursement (Rs. Lakh)	Present Status
1	2	3	4	5	6	7	8	9
1.	Stability of parting between coal pillars workings in level contiguous seams during depillaring – MT/137.	09-09-03	50.54	Oct'04	Oct' 07 Sep'08 Dec.09	CMRI/ ECL/ SCCL	42.00	Procurement of geo-technical instruments is in the trial stage. This had affected the downstream activities delaying the project detrimentally. Modeling exercises were also badly delayed.
2.	Development of a micro-seismic monitoring system for stability analysis of underground mine workings under 'Difficult to cave' roof conditions-MT/145.	11-08-04	47.849	Oct' 04	Mar'06 Mar'07 Sept'07 Sept' 08	CMRI/ ECL	40.00	In the 3 rd Technical Sub-committee meeting held on 18.7.08, it was informed that no substantial progress could be made for the last 3 years in this project mainly due to delay in procurement of equipment by CIMFR. The project duration had already been extended thrice for the same reason. Committee after detailed deliberations recommended closure of the project as it was not found feasible to continue the project with no progress for a period of almost 4 years.

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Sl. No.	Project Title	Date of approval by MOC	Financial Outlay (Rs. Lakh)	Date of start	Scheduled/Revised date of compln.	Principal/Sub-implementing Agency	Progressive disbursement (Rs. Lakh)	Present Status
3.	Characterization of rock and explosives parameters for optimal explosive energy utilization in opencast blasting – MT/146.	17-03-05	270.37 For CMPDI-206.15 CIMFR - 64.22	Apr`05	Mar`08 Mar` 10.	CMPDI/ CIMFR/ NCL/ WCL/ ECL	137.98 CIMFR-56.00 CMPDI-81.98	Analysis of data collected at Kusmunda Project, SECL & Umrer Project WCL was in progress in respect of explosive characterization of rock samples. Samples were collected from Umrer Project, WCL for preparation and determination of dynamic tensile strength. Data collection at Sonapur Bazari Mine, ECL was in progress.
4.	Investigations capability of overlying strata and development of guidelines for estimation of support capacity for longwall faces – MT/151.	06-10-05	461.3674 For CIMFR-200.142 NIRM-187.91 ISM-63.3154 CMPDI-10.00	Nov`05	Mar2010 Oct`08	CIMFR/ NIRM/ ISM/ CMPDI SECL/ ECL/ BCCL	245.00 CIMFR-70.00 NIRM-130.00 ISM-45.00 CMPDIL-Nil	Procurement of strata monitoring instrument was in progress. FLAC-C and FLAC-2D numerical modeling Software had been procured. An index or parameter for assessment of capability of the roof rocks had been assessed. Various numerical models for the past longwall panels were run to standardize the goaf material properties. Change in mechanical characteristics of goaf materials due to compaction and face advance was taken into account.
5.	Model studies on gravity blind back filling method and evaluation of a pre-jamming indication parameter in the field – MT/154	12-02-08	395.18	Mar` 08	Feb2011	IIT, Kharag-pur/ECL	250.00	Suitable location for field trial of gravity blind back filling techniques had been identified and permission to carry out project activities was obtained. Six number of boreholes for air outlet was drilled and connected to underground mine working. Fabrication of moving laboratory was in progress and expected to be completed shortly. One 100 KVA field transformer had been procured and installed at the work site at Chakdola.

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Sl. No.	Project Title	Date of approval by MOC	Financial Outlay (Rs. Lakh)	Date of start	Scheduled/Revised date of compln.	Principal/Sub-implementing Agency	Progressive disbursement (Rs. Lakh)	Present Status

3.14 PROJECT IMPLEMENTATION STATUS :

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Sl. No.	Name of Projects	Capacity (MTY)	Capital (Rs.Cr.)	Status of Implementation.
1	Jhanjra Continuous Miner (1 st set)	0.435	93.60	The equipment was commissioned successfully in 2007-08 & giving production. Coal production achieved was 0.27 Mt in 2007-08 and 0.566 in 2008-09.
2	Shankarpur UG.	0.12 (Inc.)	8.13	The mine had achieved coal production of 0.150 MT (Inc.) in 2008-09. The major left out activities i.e. two nos. of drift drivages is in progress and will be completed by Nov.'09.
3	Khottadih OC Aug.	0.55(Inc.)	23.01	1. Equipment had been commissioned in 2008-09. 2. Project had started coal production from Feb'09.
4	Sarpi Aug UG.	0.30+0.46 =0.76	26.36	As per Review Committee meeting held on 01-03-08 at CIL Office, Sarpi Ug. Project (0.30 MTY) was dovetailed to Sarpi Aug. U/g in June'08. Global Tender for introduction of Continuous Miner was finalized in 2008-09. Contract with M/s Joy Mining Machinery Ltd was signed on 4-4-09.
5	J.K.Nagar Project.	0.435	54.15	RCE was approved in Nov'04 and project was scheduled to be completed in Mar'05. Mine had suffered heavy seepage during encountering of crossing of dykes. ESC of CIL Board recommended for Foreclosure of the Project in the meeting held in April'09.
6	Bankola R-VI seam Ug.	0.24	19.14	1. Drivage of drift from R-VIIA to R-VI (208 m) :- Job is in Progress and will be completed within Mar'10. 2. Deepening of shaft will be taken up on turnkey basis.
7	Kumardih B Ug.	0.42	79.23	1. Deepening of Pit no.5 & 6 had been completed. 2. Equipping of No. 5 Pit would be completed in Mar.'10.
8	Khandra NKJ Ug.	0.285	18.85	1. Deepening & Widening of 2 pit is in progress. 2. 122m deepening & widening had been completed. 3. Expected to be completed in Mar'10.

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Sl. No.	Name of Projects	Capacity (MTY)	Capital (Rs.Cr.)	Status of Implementation.
9	Parasea Dobrana UG.	0.16 (Inc.)	11.89	1. Staple pit had been completed in Aug.'08. 2. Drift drivage had been completed upto 112m out of 253m. 3. Deepening of 2 Pit would be done after completion of drift drivage.
10	Siduli Ug.	0.30	54.99	Sinking of 2 nos. shafts would be taken up on turnkey basis.
11	Nabakajora-Madhabpur Block Ug	0.30	56.14	Sinking of 1 no. Shaft and Deepening & Widening would be taken up on turnkey basis.
12	Chitra East OC	1.3(Inc.)	112.69	Tender for Over Burden removal by outsourcing basis will be issued after preparation of NIT, which is under preparation.
13	Rajmahal Expn. OC	17Mty (6.5 Mty Inc.)	50.08	1. ECL Board approved the PR for 17.00 Mty with partial outsourcing option on 06-09-07 for an investment of Rs.227.01 crore. 2. PIB meeting was held on 13-10-08. The proposal had been forwarded to CCEA with the views of Planning commission & ECL.
14	Jhanjra R-VI Seam PSLW	1.70	287.17	Modified Global NIT was floated on 30-01-09
15	Mohanpur Expansion OC	1.0	14.23	Mohanpur Expansion OC had been approved in 220 th ECL Board Meeting held on 16-06-08 with the option "Top OB extraction to be done departmentally and balance OB and coal to be outsourced".
16	Belbaid (Dhasal) U/g	0.36 (Incre)	69.11	PR for a capital of Rs. 69.11 Cr., and capacity for 0.36 MT(Incre.) was approved in CIL Board meeting in Feb'09. Deepening & Widening of shaft will be taken up on turnkey basis.
17	2 nd set Continuous Miner at Jhanjra UG Mine	0.51	122.35	1. PR for a capital of Rs. 122.35 cr., and capacity for 0.51 MT was approved in CIL Board meeting held in Feb'09. 2. NIT for global tender was floated on 02-03-09.

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Sl. No.	Name of Projects	Capacity (MTY)	Capital (Rs.Cr.)	Status of Implementation.
18	Narainkuri Ug	0.54	149.06	PR for a capital of Rs. 149.06 cr., and capacity for 0.54 MT was approved in CIL Board meeting held in Feb'09. Sinking of 2 nos. shafts will be taken up on turnkey basis.
19	Chuperbita OCP	4.00	232.05	Updated cost estimate is under preparation at RI-1, CMPDIL. This will be placed to CIL Board through ECL Board. Land acquisition is in process. Diversion of forest land is under process.
20	Hura-C OC	3.00	144.45	Updated cost estimate is under preparation. This will be placed to CIL Board through ECL Board. Land acquisition is in process. Diversion of forest land is under process.
21	Sonepur Bazari combined OCP	8.00	495.09	Updated cost estimate is under preparation. This will be placed to CIL Board through ECL Board. Simultaneously completion report for 3.4 Mty is under vetting at RI-1, CMPDIL.

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REPORT ON CORPORATE GOVERNANCE:

(1) Philosophy:

Transparency, accountability and integrity are the main ingredients of good corporate governance. Your company as a good corporate citizen believes in adhering to the highest standards of corporate governance. ECL provides appropriate access to information to the citizens of India under the provisions of Right To Information (RTI) Act, 2005.

(2) Board of Directors:

(A) Composition of the Board:

We are a Government company within the meaning of section 617 of the Companies Act, 1956 as Coal India Limited holds entire paid-up share capital. As per Articles of Association the power to appoint Directors rests with the President of India.

In terms of Articles of Association of the company strength of our Board shall not be less than 3 Directors and not more than 15 Directors. These Directors may be either whole-time Functional Directors or part-time Directors. The Directors are not required to hold any qualification share.

As on 31st March 2009, Board comprised 10 Directors, out of which 4 were whole-time Functional Directors including Chairman-cum-Mg. Director.

Adviser (Projects), Ministry of Coal (MoC) was a Govt. nominee representing MoC; Director (Finance), Coal India Limited (CIL) represented CIL in the Board.

As the company is in BIFR, BIFR had appointed a Special Director in the company's Board.

Board also had 3 part-time non-official Directors appointed by Govt. of India. In addition we had Principle Secretary, Commerce & Industries Department, Govt. of West Bengal as permanent invitee in our Board.

The Directors brings to Board wide range of experience and skills.

Brief profile of the Directors is enclosed as **Annexure - A.**

(B) Board Meetings:

Meetings of Board of Directors are normally held at Kolkata for the convenience of Directors. Company has well defined procedures for meetings of Board of Directors and Committees thereof so as to facilitate decision making in an informed and efficient manner.

During the financial year ended 31st March 2009, 8 Board meetings were held on 26.04.2008, 16.06.2008, 14.07.2008, 03.09.2008, 12.11.2008, 30.12.2008, 29.01.2009 and 27.03.2009. Details of the number of Board meetings attended by each of the Directors is given below:-

Sl. No.	Directors	Meeting held during respective tenure of Directors	No. of Board Meetings attended
<u>Functional Directors :</u>			
1	Shri S. Chakrabarti Chairman-cum-Mg. Director Eastern Coalfields Limited	8	8
2	Shri U.S. Upadhyay Director (Technical) Opn. Eastern Coalfields Limited	7	7
3	Shri A.K. Sinha Director (Finance) Eastern Coalfields Limited	8	8
4	Shri V.K. Singh Director (Technical) P&P Eastern Coalfields Limited	3	3
5	Shri S.K. Srivastava Director (Personnel) Eastern Coalfields Limited	8	8
6	Shri S. Chakravarty Director (Technical) Opn.	1	1
<u>Part-time Directors :</u> <u>MOC's Representative:</u>			
7	Shri P.R. Mandal Adviser (Projects) Ministry of Coal	8	7
<u>CIL Representative:</u>			
8	Shri S. Bhattacharya Director (Finance) Coal India Limited	8	8

Non-official Part-time Directors :			
9	Shri K.C. Vijn	8	7
10	Shri P.R. Tripathi	8	6
11	Shri Ashok Nath	8	8
Special Director appointed by BIFR:			
12	Mrs. Aruna Makhan	8	8

DIRECTORS:

During the year 2008-09, Shri S. Chakrabarti was the Chairman-cum-Managing Director of the Company and is continuing. The other Directors on the Board of the Company during 2008-09 were Shri V.K. Singh (upto 31.07.08), Shri U.S. Upadhyay (upto 31.01.09), Shri A.K. Sinha, Shri S.K. Srivastava, Shri S. Chakravarty (from 24.3.09), Shri P.R. Mandal, Shri S. Bhattacharya, Smt. Aruna Makhan, Shri K.C. Vijn, Shri P.R. Tripathi and Shri Ashok Nath.

Remuneration of the Director:

(C) Functional Directors:

Name	Designation	Remuneration for the year 2008-09 (Amount in Rs.)	
		All elements of remuneration package (i.e. salary, P.F., pension, gratuity etc.)	Other benefits
Shri S. Chakrabarti	Chairman-cum-Mg. Director	8,10,571.39	300.00
Shri U.S. Upadhyay	Director (Technical) Opn.	6,66,895.45	47,860.00
Shri A.K. Sinha	Director (Finance)	7,72,734.42	0.00
Shri V.K. Singh	Director (Technical) P&P	2,39,587.75	25,884.00
Shri S.K. Srivastava	Director (Personnel)	7,68,711.95	31,765.00

Service Contract:

All the Directors of the company are appointed by the President of India. The terms and conditions of all the Whole-time Functional Directors are decided by the President of India in terms of Articles of Association of the Company.

(D) Part-time Directors:

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

(E) Non-official Part-time Directors:

No remuneration is being paid to Non-official Part-time Directors (Independent Directors) except Sitting Fee for attending Board / Committee Meetings.

3. Board Committee:

Audit Committee:

Your Company has an independent Audit Committee. The composition, procedures, powers and role/functions of the Audit Committee, constituted by the Company is to comply with the requirements of the Companies Act, 1956. Even though it is not mandatory for the Company, being a private company, to form an Audit Committee, in pursuit of corporate excellence Company formed an Audit Committee as approved in its 167th Board Meeting held on 4.10.2001.

The scope of the Audit Committee includes the following: -

- 1) Review of financial statements,
- 2) Periodical review of internal control system,
- 3) Review of Govt. Audit and Statutory Auditors Report,
- 4) Review of operational performance vis-à-vis standard parameters,
- 5) Review of project implementations,
- 6) Review of internal audit findings/observations,
- 7) Development of effective internal audit functions in commensurate with company's turnover.
- 8) Discussion with Internal Auditors any significant findings and follow up thereon,
- 9) Discussion with the external auditors,
- 10) Reviewing the company's financial and risk management policies,
- 11) Special studies/investigation of any matter including issues referred by the Board.

Composition:

Audit Committee was reconstituted on 29.12.2007 as per Guidelines on Corporate Governance for CPSE 2007 circulated by DPE. Reconstituted Audit Committee comprised of 4 (four) part-time directors viz. S/Shri K.C. Vijn, P.R. Tripathi, S. Bhattacharya and Smt. Aruna Makhan, Special Director appointed by BIFR and 1 (one) Functional Director viz. Shri U.S. Upadhyay, Director (Technical) Operations (till 31st January, 2009) and Shri S. Chakravarty, Director (Technical) Operations (from 27.03.2009).

Director (Finance) and General Manager (IA) are the permanent invitees to the Audit Committee and Company Secretary is Secretary to the Committee.

Chairman of the Committee was Shri K.C. Vijn, Part-time Non-Official Director.

The Audit Committee met three times in 2008-09, on 16.06.2008, 30.12.2008 and 27.03.2009.

Audit Committee Attendance:

Details of Audit Committee Meetings held in 2008-09 were as follows: -

Sl. No.	Date	Committee Strength	No. of members present
1	16.06.2008	5	5
2	30.12.2008	5	5
3	27.03.2009	5	4

Statutory Auditors:

Under Section 619(2) of the Companies Act, 1956 the following Chartered Accountants Firms were appointed by the Comptroller and Auditor General of India for conducting audit of the financial accounts of the company for the year 2008-09:-

Statutory Auditors:

1.	S.N. Guha & Co., 12, Waterloo Street, Kolkata-700069.
----	---

Branch Auditors:

2.	M. Goenka & Co., C/o. Parimal Chandra Banik, Near Vivekananda College, Thakurpally, P.O. Sripally, Burdwan, West Bengal.
3.	Roy Ghosh & Associates, 39, Kalna Road, Badamtala, Burdwan, West Bengal.
4.	A.K. Saha & Co., C/o. Bikash Mandal, Bijoyram Katwa Rd., Durgapur-713101.
5.	D.P. Sen & Co., 22, Ashutosh Chowdhury Avenue, 2 nd Floor, Flat No. 22, Magma Apartment, Kolkata-700019.
6.	Ghosal & Co., 4, Ganesh Chandra Avenue, 3 rd Floor, Kolkata.

Annual General Meeting:

Particulars of Annual General Meeting of Shareholders of the company held during last 3 years were as under:-

Year	Date & Time	Place	Attendance	Special Resolution, if any
2005-06 A.G.M.	12.08.2006	Sanctoria	Shri D. Chakravarti, CMD, ECL Shri Subir Chakrabarti, Dy. CFM, CIL	-
2005-06 E.G.M.	25.09.2006	Sanctoria	Shri D. Chakravarti, CMD, ECL Shri Biswajit Goswami, FM., CIL	Amendment of Objects Clause of Articles of Association
2006-07 A.G.M.	30.07.2007	Sanctoria	Shri S. Chakrabarti, CMD, ECL Mrs. Ratnabali Som, F.M., CIL	-
2007-08 A.G.M.	19.07.2008	Sanctoria	Shri S. Chakrabarti, CMD, ECL Shri P.V. Krishna, Chief of Internal Audit, CIL Shri U.S. Upadhyay, D (T) Opn., ECL Shri S.K. Srivastava, D (P), ECL	-

No Special Resolution was passed through postal ballot at any of the General Meetings of the members held during the above three years.

Notice of Annual General Meeting is being sent to Chairman of Audit Committee to enable him to attend the meeting.

4. DISCLOSURES:

(a) Related Party Transactions:

As per the disclosures given by the Directors of the company there were no related party transactions that have potential conflict with the interest of the company at large.

(b) Code of Conduct for Directors and Senior Executives:

The Code of Conduct for Directors and Senior Executives was approved by the Board of Directors of the company in its 214th Meeting held on 15th October, 2007. This was circulated to the Directors and senior executives and obtained their affirmation. It was also uploaded in the website of the company www.easterncoal.gov.in.

(c) Accounting Treatment:

The financial statements are prepared in accordance with applicable mandatory Accounting Standards and relevant presentational requirements of the Companies Act, 1956.

(d) Risk Management, Fraud Prevention and Identification and Management Discussion and Analysis Report:

A committee was constituted to prepare the above report.

5. Means of Communications:

Operational and financial performance of the company was uploaded in company's website www.easterncoal.gov.in.

Apart from Annual Accounts, half-yearly review of accounts were also conducted by the statutory auditors of the company.

6. Audit Qualifications:

It is always the company's endeavour to present an unqualified financial statements. Managements reply to the statutory auditors' observations on the accounts of the company for the year ended 31st March, 2009 are furnished as an Annexure to Directors' Report. Comments of the Comptroller and Auditor General of India under section 619(4) of the

Companies Act, 1956 on the accounts of Eastern Coalfields Limited for the year ended 31st March, 2009 is also enclosed.

7. Training of Board Members:

The Functional Directors are the heads of the respective functional areas by virtue of their possessing the requisite expertise and experience. They are aware of the business model of the company as well as the risk profile of the company's business. The Part-time Directors are also fully aware of the company's business model.

8. Whistle Blower Policy:

Being a public sector undertaking, the records of the company are open for audit by Comptroller and Auditor General of India and open for inspection by Vigilance/C.B.I. etc.

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

The Board of your company had accorded its approval in its 218th Meeting held on 27th March, 2008 to sign an MoU with M/s. Transparency International in line with the MoU entered into by CIL for implementation of Integrity Pact.

PROFILE OF DIRECTORS

Brief resume of all Directors, nature of their expertise in specific functional areas and names of companies in which they hold Chairmanships, Directorships, Memberships of Board / Committees are given below.

In addition, Govt. of India has appointed 4 Permanent invitees to the Board viz. Principle Secretary, Commerce & Industries, Principle Secretary, Land & Land Reforms of Govt. of West Bengal, Chief Operations Manager, Eastern Railways and Director (Technical), Damodar Valley Corporation.

- **Shri Smarajit Chakrabarti** (59) is a 1972 batch graduate mining engineer from Indian School of Mines, Dhanbad. He holds First Class Colliery Managers' Certificate of Competency since 1976 and M. Tech. in Mining Engineering from Indian School of Mines since 1983.

After a brief period of post graduate practical training in an iron ore mine, Shri Chakrabarti joined Coal Industry soon after nationalisation in 1973. He worked in Western Division of Coal Mines Authority Limited which later became Western Coalfields Limited. He has over 35 years of experience in mining industry and served in Western Coalfields Limited, Northern Coalfields Limited, Bharat Coking Coal Limited and Central Mine Planning and Designing Institute Limited in various capacities. Before taking over charge as Chairman-cum-Mg. Director in Eastern Coalfields Limited from 1st April 2007, he was Director (Technical) in Central Mine Planning and Designing Institute Limited, Ranchi.

In connection with training and other official assignments he had visited countries like U.K., Germany, Iran and Australia.

- **Shri Asok Kumar Sinha** (57) is a Physics Graduate with Honours from Belur Ramakrishna Vidyamandir in 1971, Associate Member of The Institute of Chartered Accountants of India since 1977 and a Bachelor of Law from Calcutta University since 1976.

Shri Sinha has over three decades of experience as Accounts Executive in mining industry and worked in various capacities in Eastern Coalfields Limited from 1977 till 2001, thereafter, at Bharat Coking Coal Limited upto 2003 and Coal India Limited upto April 2006. He joined as Director (Finance) in Eastern Coalfields Limited from 17th April 2006.

He is a well versed accounting professional, both in Indian and International Accounting & Standards.

He had adorned the post of Chairman of Asansol Chapter of Chartered Accountants. He had participated in the Advanced Management Programme at Queens' College, Cambridge, U.K. from 20th July to 1st August 2008.

- **Shri Sushil Kumar Srivastava** (56) is a 1971 batch Science Graduate from Meerut University. He is an Associate Member of The Institute of Company Secretaries of India since 1977 and holds Degree in Law from Meerut University. He holds Diploma in Personnel Management and Industrial Relations and Post Graduate Diploma in Human Resource Management from Indira Gandhi National Open University.

Shri Srivastava has more than 30 years experience at senior management level discharging multifarious functions in reputed organisations. He joined Coal India Limited in August 1990 as Company Secretary and posted at Northern Coalfields Limited. He was transferred to Western Coalfields Limited in October 2006. Both in Northern Coalfields Limited and Western Coalfields Limited he had an opportunity to interact and coordinate with Board level executives and different departmental heads and acquainted good exposure in all facets of coal industry including Personnel Management and Industrial Relations. He joined Eastern Coalfields Limited as Director (Personnel) from 1st February 2008.

Shri Srivastava has attended various training programmes including Advance Management Programme at Administrative Staff College, Hyderabad and Management Training Programme organised by Indian Institute of Coal Management, Ranchi when he visited Australia for study tour.

- **Shri S. Chakravarty** (51) has graduated in Mining engineering (B.Tech-Mining) from Indian School of Mines, Dhanbad in the year 1979. Thereafter, acquired Master of Computer Application from BIT, Mesra in the year 1997. He is a recipient of William Selkirk Scholarship and Haarlem-E-West Scholarship.

Shri Chakravarty has a vast practical experience in Mining Industry for more than 29 years. He has worked in different capacities of Management Administration, Production, Planning functions in underground as well as opencast mines of CCL/BCCL/NCL & ECL. Prior to joining as Director

(Technical) in ECL, he worked in various capacities like CGM/T.S. to Chairman, Coal India, C.G.M., Amlohri Project in N.C.L. He has an excellent track record of various performance indicators which has always been appreciated.

Shri Chakravarty has widely travelled foreign countries like U.S.A., Russia, Belarus, Germany, Switzerland, France, China, Singapore etc. as a part of Indian Delegation, U.N.D.P. and official tours.

Shri Chakravarty is interested in reading books, singing and is a keen follower of all sports.

- **Shri Shyamal Bhattacharya** (59) is a science graduate from Calcutta University and an associate member of The Institute of Cost & Works Accountants of India.

He joined nationalised coal industry in 1975 and served in various positions in Coal India Limited and its subsidiaries. Shri Bhattacharya has over 35 years experience in Financial Management, Strategic Planning, Accounts and Sales & Marketing spheres. He has assumed charge as Director (Finance), Coal India Limited from 1st July 2006. Prior to his joining at Coal India Limited as Director (Finance), he was Director (Finance) in Western Coalfields Limited.

Apart from ECL, he holds Directorship in Coal India Limited and South Eastern Coalfields Limited. He is also a Member of Audit Committee of Eastern Coalfields Limited. He joined ECL Board on 23rd October 2006.

- **Shri Pravat Ranjan Mandal** (58) is 1973 batch graduate mining engineer from Indian School of Mines, Dhanbad.

Shri Mandal is having more than three decades of experience in Coal Industry and held key positions in his distinguished career. Currently he is Adviser (Projects), Ministry of Coal, Govt. of India. His current assignment includes strategic planning, technical upgradation of coal industry including ushering in development of clean coal technology both in short-term and long-term perspective, capacity building in India aiming towards improving availability of coal and coal based energy sources for the nation and to maintain its competitive advantage in energy sector.

He has the distinction of rendering professional services across the entire gamut of coal mining from project planning both for surface and

underground coal projects, operations, strategic planning and environmental management. He was one of the key architects in formulating mines plans for introduction of advance mining technology like longwall and continuous miner technology in Coal India Limited.

Shri Mandal had attended training programme in Underground Mechanisation in Germany and widely travelled to Russia, Australia, USA, Indonesia, Japan and Europe.

He is an ardent reader and technology-savvy professional. He maintains harmonious relationship and man-machine interface. He joined ECL Board on 7th March 2006.

Shri Mandal is also in the Board of Minerals Exploration Corporation Ltd., Nagpur.

- **Shri Kailash Chandra Vijn** (68) is a graduate mining engineer from Indian School of Mines, Dhanbad. He holds First Class Mine Managers' Certificate of Competency and is also a Fellow Member of the Institution of Engineers. He also holds Post Graduate in Mine Planning from Leningrad Mining Institute, USSR and Post Graduate Diploma in Business Management (Gold Medallist).

Shri Vijn had an excellent and distinguished career in mining industry; over three decades worked in various subsidiaries of Coal India Limited and retired as Chairman-cum-Mg. Director of Western Coalfields Limited.

Shri Vijn has expertise in design and operations of large underground and opencast mines, Design and layout of longwall faces/continuous miner faces and their successful operation with improved productivity and reduced cost. He had started large green field projects without time and cost over run. During his distinguished career, he had handled complex industrial relations problems including management development and training of manpower.

Shri Vijn is the Chairman of the Audit Committee of Eastern Coalfields Limited. He joined ECL Board on 24th August 2007.

- **Shri P.R. Tripathi** (66) is a 1963 batch mining engineer from Indian School of Mines, Dhanbad and ranked 4th in the order of merit. He holds First Class Mine Managers' Certificate Competency under Coal Mines Regulation Act since 1966 and under Metalliferous Mines Regulation Act

since 1972. He is a Fellow of Institution of Engineers of India and Life Fellow of All India Management Association. His specialisation includes mine planning, operation and complete management of mineral projects in iron ore, diamond, lime stone and coal. He is also an expert in mineral beneficiation and development of new material through utilisation of waste. He is an acknowledged leader of corporate world having received number of awards for managerial excellence and leadership in mineral industry of India.

After working 8 years in coal mines, he joined National Mineral Development Corporation as Shift Manager and held very senior positions including Director (Production) for 3 years and CMD from November 1997 to 30th June 2003 of a Schedule 'A', Mini Ratna, Grade-I Company. In between, he had 3 years experience in Steel Authority of India Limited as General Manager (Planning and Development) for creating and development of Raw Materials Division as an independent unit.

He is actively involved in sharing and dissemination of knowledge, gave lectures and published articles in various management and technical journals/forums in India and abroad.

He was conferred with the **“NMDC Gold Medal for the year 1995”** for his contribution towards development of Iron Ore Industry by Mining Engineers' Association of India, **“Manager of the Year 2000 Award”** by Hyderabad Management Association in recognition of his outstanding leadership and managerial skills, **“John Dunn Medal for the Year 2001-02”** by MGMI of India for his outstanding contribution to Mineral Industry. He was selected **“Man of the Year 2002”** by American Biographical Institute, USA for his outstanding accomplishments to date and the noble example he had set for his peers. He was awarded as **“Distinguished Mining Engineer”** by Institution of Engineers (India) in 2006.

During his long and distinguished career he served as Member of Board in many companies.

Presently he is Chairman-cum-Mg. Director of M/s Minman Consultancy Services (Pvt) Limited, Hyderabad, a Consultancy Organisation for Minerals and Metals Industries. In addition, he is also advising various international companies like Noble Resources, Hongkong; Mittal Steel Limited, London as and when required. At present, in addition to Eastern Coalfields Limited, he is an Independent Director in the following companies:-

1. Sarda Energy and Mineral Ltd
2. Jhagadia Copper Ltd
3. Hindustan Dorr-Oliver Ltd
4. IVRCI Infrastructure Ltd
5. HDO Technologies
6. IVR Prime Urban Developers Ltd
7. Taurian Resources Pvt. Ltd
8. POL India Agencies Ltd
9. Premier Explosives Ltd

He joined ECL Board on 24th August 2007.

He is also a Member of Audit Committee of Eastern Coalfields Limited, IVRCL Infrastructure Ltd, Hindustan Dorr-Oliver Ltd, Premier Explosives Ltd.

He is also a Member of Compensation Committee of IVRCL Infrastructure Ltd, Hindustan Dorr-Oliver Ltd, Sarda Energy and Mineral Ltd and Premier Explosives Ltd.

- **Shri Ashok Nath** (66) is a B.A. (Hons.), LLB, M.Sc. (Economics) from U.K. and retired IAS. He had a long and distinguished career in Govt. and retired as Chairman-cum-Mg. Director of Delhi Financial Corporation. Prior to his posting as Chairman-cum-Mg. Director, Delhi Financial Corporation, he was Chief Secretary, Govt. of Goa.

Presently he is a Director in Delhi Stock exchange. He joined ECL Board on 24th August 2007.

TELEGRAM : 'EQUITAX' (C)

S. N. GUHA & CO.
CHARTERED ACCOUNTANTS
12, WATERLOO STREET
KOLKATA - 700 069

PHONE: 2248-8032 / 8033
FAX : 91 - 33- 2248 - 8033
E-Mail : snguha23@dataone.in

ANNEXURE-V

Auditors' Certificate on Compliance with the conditions of Corporate Governance

To the Members of Eastern Coalfields Limited

We have examined the compliance of conditions of Corporate Governance by Eastern Coalfields Limited (the Company) for the year ended 31st March, 2009.

The compliance of conditions of Corporate Governance is the responsibility of the management. The Company is a subsidiary of Coal India Limited a Government Company and the shares of the company are also not listed in any stock exchange so that Clause 49 of the listing agreement is not applicable. Under the circumstances our examination was carried out in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has generally complied with the conditions of Corporate Governance.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency with which the management has conducted the affairs of the Company.

Date: 09 JUL 2009

Place : Kolkata



For S. N. Guha & Co.
Chartered Accountants

S. Chandra

(S. Chandra)
Partner

Membership No. 053613

ANNEXURE-VI.

FOREIGN EXCHANGE EARNING & OUTGO

- (i) Activities relating to exports, : Company is not engaged in initiatives taken to increase exports, export activities. development of new export markets for products, services and export plans.

- (ii) **Total Foreign Exchange used and earned** **(Rs in lakh)**

Sl. No.	Description	2008-09	2007-08
(A)	Foreign Exchange used:		
	1. CIF value of imports:		
	(a) Raw materials	0.00	0.00
	(b) Components, stores & spares	773.44	293.51
	(c) Capital goods	379.38	4296.18
	2. Travelling/Training Expenses	35.80	5.46
	3. Expenses on knowhow and Foreign Consultancy	0.00	0.00
	4. Pension to the Foreigners.	0.00	0.15
	5. Others	453.55	383.68
	TOTAL	1642.17	4978.98

- (B) Foreign Exchange Earned -- Nil.**

ANNEXURE-VII

FORM-B

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

RESEARCH AND DEVELOPMENT (R&D)

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

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

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



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कार्यालय प्रधान निदेशक वाणिज्यिक लेखापरीक्षा तथा पदेन सदस्य लेखापरीक्षा

बोर्ड - II कोलकाता

पुराना निजाम महल, आचार्य जगदीश चन्द्र बोस रोड

कोलकाता - 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. 353/CA/LA-I/Accounts/ECL/2008-09

Dated : 13.07.2009

To
The Chairman-cum-Managing Director,
Eastern Coalfields Limited,
Sanctoria, Asansol,
West Bengal

**Sub: Comments of the Comptroller & Auditor General of India under
Section 619(4) of the Companies Act, 1956 on the Accounts of
Eastern Coalfields Limited for the year ended 31 March 2009.**

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 Eastern Coalfields
Limited for the year ended 31 March 2009.

The receipt of this letter may please be acknowledged.

Yours faithfully,

Encl: As stated.

Kolkata,
Dated: 13.07.2009


(Dr. Smita S Chaudhri)
PRINCIPAL DIRECTOR OF COMMERCIAL AUDIT
AND EX-OFFICIO MEMBER, AUDIT BOARD - II
KOLKATA

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

The preparation of financial statements of Eastern Coalfields Limited for the year ended 31 March 2009 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standard 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 09 07 2009.

I, on the behalf of the Comptroller and Auditor General of India have conducted a supplementary audit under section 619(3) (b) of the Companies Act, 1956 of the financial statements of Eastern Coalfields Limited for the year ended 31 March 2009. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors report under section 619(4) of the Companies Act, 1956.

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


(Dr. Smita S Chaudhri)

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

Kolkata
Dated: 13.07.2009

**AUDITORS' REPORT TO THE MEMBERS OF MEMBERS OF
EASTERN COALFIELDS LIMITED.**

Sl. No.	Auditors' Report.	Management's Reply.
1.	We have audited the attached Balance Sheet of Eastern Coalfields Limited as at 31.03.2009, the Profit and Loss Accounts and also the Cash Flow Statement for the year ended on that date annexed thereto, in which are incorporated the accounts of 20 Areas/Units audited under Sec. 228 of the Companies Act, 1956 by the Branch Auditors and 9 Areas /Units audited by us. The reports of the Branch Auditors as submitted and forwarded to us have been appropriately dealt with in preparing this report. These Financial Statements are the reasonability of the management of the company. Our responsibility is to express an opinion on these financial statements based on our audit.	This is a statement of fact. Hence it calls for no comment.
2.	We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.	This is a statement of fact. Hence it calls for no comment.
3.	As required by the Companies (Auditor's Report) order, 2003 issued by the Central Govt. of India in terms of Sec. 227(4A) of the Companies Act, 1956 and on the basis of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practice in India and according to the information and explanations given to us, we enclose in the annexure our report on the matters specified in paragraphs 4 & 5 of the said order.	

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4.0	Further to our comments in the Annexure referred to above, we report :-	
4.1	Reconciliation between Bin Cards, Priced Stores Ledger and Financial Ledgers after the cut off period of June, 1985 are pending (Note No. 5.2 of Schedule-17).	An exercise is under process for reconciliation of Bin Cards, Priced Stores Ledger and Financial Ledger beyond the cut off period of June, 1985.
4.2	Reconciliation of various advances to suppliers, contractors and employees, with corresponding liabilities after the cut off period of March, 1985 are pending [Note No.7.1(b) of Schedule – 17].	Reconciliation is under process after the cut off period of March, 1985.
4.3	The long unsettled debit balance in Sales Tax Account of Rs.1986.65 lakhs has been shown under loans and advances (Note No.7.3 of Schedule – 17).	This is an accumulated amount of long pending disputed cases at different forum and is being adjusted gradually after settlement of assessments and refund thereof from appropriate authority.
4.4	The non-refund from Income-tax Department of Income-tax deducted at source Account of Rs.1469.85 lakhs although the company does not have a tax liability. (Note 7.4 of Schedule -17)	Application for refund of Rs.1318.13 lakhs upto 31.3.08 has been made and strong persuasion is being made for refund of total amount from Income Tax Department.
4.5	The accumulated balance of Cess of Rs.91797.42 lakhs collected from customers shown as “Cess Equalisation Account” under current liabilities is yet to be settled. (Note 11.1 of Schedule – 17)	This is covered in the notes on accounts at Sl. No. 4.5 and calls for no comments separately.
4.6	Non-receipt of confirmation of balances from the parties under various heads for our verification (Note No. 19.2 of Schedule – 17).	Reconciliation of debtors is a continuous procedure through out the year. As far as confirmation of balance from other parties like, sundry creditors and other outside advances are concerned, ECL is making business transactions with numbers of parties from whom it is not possible to obtain confirmation certificate from each party separately.
4.7	The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMEDA) have not been made. No interest on the amount due to such enterprises has been determined and provided. In the absence of non-identification of such units, we are unable to quantify the impact in the accounts. (Note No. 11.4 of Schedule-17) .	This is covered in the notes on accounts (Sch-17) Sl. No.11.4 and calls for no comments separately.

4.8	<p>In the year 2007-08 a shortage of 19.54 lakhs M.T. of Coal (value Rs.6385.73 lakhs in Rajmahal O.C.P. between book stock and measured stock was detected. As per accounting policy No. 6.1 closing stock of coal as per measured stock has been considered for valuation of stock in this case. Pending finalization of the procedural measures including enquiry by appropriate authority of the above noted abnormal shortage, we are unable to comment on the ultimate impact of the difference.</p>	<p>The shortage of 19.94 lac M.T. of coal at Rajmahal OCP valuing Rs.6385.73 lacs happened in the year 2007-08 and treated in the books of accounts as per the accounting policy Sl. No. 6.1. The enquiry is in progress.</p>
4.9	<p>Without qualifying our report :-</p> <p>a) we draw attention to (Note No. 12.8 of Schedule-17), regarding the effect of change in accounting policy relating to depreciation at higher rates on certain plant and machinery resulting increase in loss by Rs.1525.92 lakhs.</p> <p>b) we draw attention to (Note No. 19.4 of Schedule-17), regarding declaration of the Company as Sick Industrial Company u/s 3((1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985(SICA) on 23rd February, 2001 by the Board for Industrial & Financial Reconstruction (BIFR). Rehabilitation Scheme (March 04) has been sanctioned by BIFR. The Board for Reconstruction of Public Sector Enterprises (BRPSE) has also recommended the revival scheme subject to the Company achieving the physical and financial parameters. The Cabinet Committee on Economic Affairs has also approved the BRPSE recommended revival plan on 05.10.2006. The proposal is awaiting final clearance from the Government of India (BIFR).</p>	<p>This is a statement of facts and calls for no comments.</p> <p>This is a statement of facts and calls for no comments.</p>

	In spite of the Company presently having negative net worth, the financial statements have been prepared as a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future. The validity of this assumption depends on the successful implementation of the BIFR sanctioned Rehabilitation Scheme prepared u/s 18 of SICA including adherence to production target, closing down of unviable mines, rationalization of manpower, timely implementation of new-Projects, obtaining various relief and concessions and also meeting the additional impact of provision for impairment of assets under AS 28 which were not envisaged in the aforesaid rehabilitation Scheme.	
5.0	Further to above, we report that :	
5.1	We have obtained all thee information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;	This is a statement of fact and offers no comments separately.
5.2	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;	This is a statement of fact and offers no comments separately.
5.3	The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account and with audited returns from the areas/offices.	This is a statement of fact and offers no comments separately.
5.4	In our opinion, the Balance Sheet, Profit & Loss and Cash Flow Statement dealt with by this report comply with the applicable accounting standards referred to in section 211 (3C) of the Companies Act, 1956.	This is a statement of fact and offers no comments separately.
5.5	On the basis of written representation received from the Company Secretary of the Company all the functional directors of the Company are not prima-facie disqualified as referred to in Sec. 274(1)(g) of the Companies Act, 1956 and	This is a statement of fact and offers no comments separately.

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	22.03.2002 issued by Ministry of Law, Justice of Company Affairs, the provisions of Sec. 274(1)(g) of the Companies Act, 1956 is not applicable to the Company, being a Govt. Company.	
5.6	<p>In our opinion and to the best of our information and according to the explanations given to us, the account subject to Para – 5 above, the said financial statements read together with the Notes on account thereon and attached thereto, give in the prescribed manner the information required by the Companies Act, 1956 and give a true and fair view in conformity with the accounting principles generally accepted in India.</p> <p>a) in the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;</p> <p>b) in the case of Profit and Loss Account, of the loss for the year ended on that date; and</p> <p>c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.</p>	<p>This is a statement of fact and offers no comments separately.</p> <p>This is a statement of fact and offers no comments separately.</p> <p>This is a statement of fact and offers no comments separately.</p>

For S.N. Guha & Co.
Chartered Accountants

Place : Kolkata
Dated: 09 JUL 2009

(S. Chandra)
Partner
Membership No. 053613

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ANNEXURE TO AUDITORS' REPORT

AS REFERRED TO IN PARAGRAPH 4 OF OUR REPORT OF EVEN DATE

Sl.No.	Auditors' Report	Management's Reply
1)	<p>In respect of the Fixed Assets :-</p> <p>a) The Company has generally maintained records showing full particulars including quantitative details and situation of the Fixed Assets except for assets taken over from Coal Mines Authority on nationalization and those taken from Coal Mines Rescue Station and Kalla Hospital, which has not been recorded.</p> <p>b) The Company has during the year physically verified items of Plant & Machinery worth Rs.1 lakh and more and certain other assets. No material discrepancies have been noticed on such verification. However, in absence of physical verification of Plant & Machinery valuing less than Rs.1 lakh and remaining other assets and reconciliation thereto, we are unable to form an opinion on the extent of material discrepancies, if any, in respect of such assets.</p> <p>c) During the year, the company has not disposed of substantial part of its Fixed Assets.</p>	<p>This is a statement of fact. Hence, it calls for no comment separately.</p> <p>Efforts are being taken at areas/units level to conduct physical verification of Plant & Machinery valuing less than Rs.1 lakh and remaining other assets and reconciling the same in 2009-10.</p> <p>This is a statement of fact. Hence, it calls for no comment separately.</p>
2)	<p>In respect of inventories :-</p> <p>a) The inventory has generally been physically verified by the management as per perpetual inventory system. Stock of Coal has been physically verified by the designated team of Coal India Limited at the end of the year. In our opinion, the frequency of verification is reasonable.</p>	<p>This is a statement of fact. Hence, it calls for no comment separately.</p>

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	<p>b) In our opinion and according to the Information and explanations given to us the procedures for physical verification of inventories followed by the management are generally reasonable and adequate in relation to the size of the company and the nature of its business.</p> <p>c) In our opinion and according to the Explanations given to us the company has maintained proper records of its inventory. The discrepancies between physical stocks and the book records arising out of physical verification have been properly dealt with in the books of accounts in accordance with accounting policy No. 6.1.</p>	<p>This is a statement of fact. Hence, it calls for no comment separately.</p> <p>This is a statement of fact. Hence, it calls for no comment separately.</p>
3)	The Company has neither granted nor taken any loan secured or unsecured to/from companies, firms or other parties covered in the Register maintained u/s. 301 of the Companies Act, 1956.	This is a statement of fact. Hence, it calls for no comment separately.
4)	In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory and Fixed Assets and with regard to the sale of goods except in some cases there are time lag between receipts of the material, adjustment of advances and recording of liabilities and also the absence of balance confirmation from the parties. During the course of our audit , no major weakness has been noticed in the internal controls.	Normally on receipt of materials, SRVs are prepared and advances are adjusted/liabilities are recorded. Sometimes due to some disputes, there may be some delay in inspection, resulting in delay in preparation of SRV and adjustment of advances/recording of liabilities. Reconciliation of debtors is a continuous procedure through out the year. As far as confirmation of balance from other parties like, sundry creditors and other outside advances are concerned, ECL is making business transactions with numbers of parties from whom it is not possible to obtain confirmation certificate from each party separately.

5)	<p>In respect of particulars of contract, arrangements referred to in section 301 of the Companies Act, 1956 :-</p> <p>a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements that needed to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.</p> <p>b) No transaction has been made in pursuance of such contracts or arrangements exceeding the value of Rs.5 lakhs in respect of any party.</p>	<p>This is a statement of fact. Hence, it calls for no comment separately.</p> <p>This is a statement of fact. Hence, it calls for no comment separately.</p>
6)	The company has not accepted any deposit from the public during the year under section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under.	This is a statement of fact. Hence, it calls for no comment separately.
7)	The Internal Audit has been carried out by firms of Chartered/Cost Accountants. The scope should include a thorough scrutiny of old outstanding balances under various heads of account to establish the validity of those being carried over in the books from year to year. In our opinion the scope and frequency of Internal Audit, timely submission of report etc. needs to be strengthened and improved, subject to above the Company's Internal Audit is commensurate with the size and nature of the business.	This is a statement of fact. Hence, it calls for no comment separately.
8)	The Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956.	This is a statement of fact. Hence, it calls for no comment separately.
9)	<p>a) The company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Income-tax, Sales Tax, Customs Duty, Excise Duty, Cess and other statutory dues except the following statutory dues that were outstanding as at 31st March 2009 for a period of more than six months from the date they become payable.</p>	This is a statement of fact. Hence, it calls for no comment separately.

<u>NATURE OF DUES</u>	<u>AMOUNT (Rs.IN LAKHS)</u>	
i) Deposit Linked Insurance	14.06	
ii) Turnover Tax	0.44	
iii) Stowing Excise Duty (Dec '93 to Mar '00)	5.67	
We are informed that the company has not yet come under the purview of Wealth Tax.		This is a statement of fact. Hence, it calls for no comment separately.
b) The disputed statutory dues aggregating to Rs.120173.60 lakhs that have not been deposited on account of Sales Tax, Excise Duty, Cess, Income-tax, Royalty, Service Tax and interest thereon etc., before the appropriate authorities are indicated below :-		These are the disputed statutory dues which are pending in different forums and remain unpaid till disputes are settled in the respective forum.

9.b (Contd.)

No.	Nature of Dues	Forum where dispute is pending	Amount (Rs.lakhs)
1.	Cess	Tribunal, Commissioner of Commercial Tax & ACCT	35874.31
2.	Interest on Cess	-do-	70877.72
3.	Penalty on Cess	-do-	99.21
4.	Royalty and Cess	Dy. Director of Mines, Dhanbad	15.26
5.	Cess	Supreme Court	655.20
6.	Royalty of Coal	Asansol Court & Department	480.15
7.	Royalty	High Court, Ranchi	1174.88
8.	Royalty and Cess	Supreme Court, High Court & Certificate Court	686.17
9.	Sales Tax and Interest (W.B)	DCCT and Tribunal	2132.64
10.	Sales Tax & Interest	DCCT Dumka and CCT, Ranchi	1634.33
11.	Sales Tax, Jharkhand	Jt. Commissioner of Commercial Taxes	1814.44
12.	Sales Tax, Jharkhand	Dy. CCT (Appeal) Dumka, ACCT Deoghar, Tribunal, Ranchi	2223.75
13.	Additional Income Tax	ITAT/Kolkata	275.23
14.	Service Tax on Goods Transport by Road	Commissioner of Central Excise, Bolpur	1317.25
15.	Security Deposit & Interest (JSEB)	Ministry, Govt. of India	913.06
		Total	120173.60

Sl. No.	Auditors' Report.	Management's Reply.
10)	The company has an accumulated loss of Rs.856739.64 lakhs and the net worth of the company remained negative as on 31.03.2009. BIFR has declared the company as Sick Industrial Company in terms of Section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985 vide order No. 501/2000 dated 27.02.2001. The company has incurred cash loss during the financial year under audit as well as in the immediately preceding financial year.	This is a statement of fact. Hence, it calls for no comment separately.
11)	The company has no dues to the financial institutions or banks or debenture holders.	This is a statement of fact. Hence, it calls for no comment separately.
12)	In our opinion and according to the information and explanations given to us no loans and advances have been granted by the company on the basis of security by way of pledge of share debentures and other securities.	This is a statement of fact. Hence, it calls for no comment separately.
13)	In our opinion the company is not a chit fund or a nidhi/mutual benefit fund/societies; hence this clause is not applicable to the company.	This is a statement of fact. Hence, it calls for no comment separately.
14)	In our opinion there was no dealing or trading in shares, securities debentures and other investment by the company during the year under audit. However, old investment has been held by the company in its own name.	This is a statement of fact. Hence, it calls for no comment separately.
15)	The company has not given any guarantee for loans taken by others from banks or financial institutions.	This is a statement of fact. Hence, it calls for no comment separately.
16)	The company has not taken any term loan during the year covered by our audit.	This is a statement of fact. Hence, it calls for no comment separately.
17)	On the basis of our examination, we are of the opinion that the company has not raised any fund on short-term basis, which has been used for long-term investment.	This is a statement of fact. Hence, it calls for no comment separately.
18)	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 Companies Act, 1956.	This is a statement of fact. Hence, it calls for no comment separately.
19)	No debenture has been issued by the company; hence creation of securities in respect of debenture issued does not arise.	This is a statement of fact. Hence, it calls for no comment separately.

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20)	The company is not a listed company, therefore raising of money by public issue does not arise.	This is a statement of fact. Hence, it calls for no comment separately.
21)	Based upon the audit procedure perform for the purpose of reporting the true and fair view of the financial statement and as per the information and explanations given by the management we report that no fraud on or by the company has been noticed or reported during the course of our audit.	This is a statement of fact. Hence, it calls for no comment separately.

For S.N. Guha & Co.
Chartered Accountants

Place : Kolkata
Dated: 09 JUL 2009

(S. Chandra)
Partner
Membership No. 053613

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BALANCE SHEET AS AT 31ST. MARCH.

(Rs. in Crores).

PARTICULARS.	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
SOURCES OF FUNDS :										
SHARE CAPITAL	2218.45	2218.45	2218.45	2218.45	2218.45	2218.45	2218.45	2218.45	2218.45	2218.45
CONVERSION OF LOAN INTO EQUITY	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
RESERVE AND SURPLUS.	9.32	0.01	0.01	0.01	0.01	0.01	0.01	0.00	0.00	0.00
INTEREST ACCRUED AND DUE.	67.57	101.41	135.14	168.87	0.00	0.00	0.00	0.00	0.00	0.00
LOAN FUNDS.	876.59	855.37	825.20	769.91	708.64	680.84	708.33	672.96	656.23	689.26
	3171.93	3175.24	3178.80	3157.24	2927.10	2899.30	2926.79	2891.41	2874.68	2907.71
APPLICATION OF FUNDS :										
FIXED ASSETS :										
GROSS BLOCK.	4232.83	4307.09	4396.40	4617.14	4706.47	4794.90	4831.90	4920.65	5030.21	5217.34
LESS : DEPRECIATION.	2325.77	2523.03	2725.67	3042.58	3203.55	3488.87	3568.83	3660.27	3789.40	3983.67
NET BLOCK.	1907.06	1784.06	1670.73	1574.56	1502.92	1306.03	1263.07	1260.38	1240.81	1233.67
CAPITAL W.I.P.	116.03	83.38	79.62	73.95	43.90	42.53	40.63	49.20	41.34	39.85
INVESTMENTS.	0.08	0.08	0.08	0.08	0.41	0.41	0.41	0.38	0.34	0.31
CURRENT ASSETS, LOANS & ADVANCES:										
INVENTORIES.	259.78	281.38	263.67	251.14	260.41	309.28	404.49	427.28	331.42	323.83
SUNDRY DEBTORS.	848.81	1225.58	1274.62	1077.36	684.34	321.12	276.07	269.15	269.84	338.11
CASH & BANK BALANCE	129.32	152.54	242.00	488.85	628.70	852.64	1314.80	846.71	664.36	688.98
OTHER CURRENT ASSETS.	11.36	11.84	13.85	22.15	17.78	18.25	35.45	35.99	42.75	48.35
LOANS AND ADVANCES.	70.68	80.32	82.98	85.61	114.62	95.64	143.17	132.66	138.00	130.33
SUB-TOTAL.	1319.95	1751.66	1877.12	1925.11	1705.85	1596.93	2173.98	1711.79	1446.37	1529.60
LESS : CURRENT LIABILITIES	2710.62	3664.16	3759.24	3765.41	3754.06	4056.40	4137.63	3449.62	3987.79	5120.22
LESS : PROV. FOR ACT.GRATUITY./L.ENCASH. ETC	409.13	642.32	845.50	1137.32	1361.22	1608.54	1668.15	1824.59	2324.70	3342.90
NET CURRENT ASSETS.	-1799.80	-2554.82	-2727.62	-2977.62	-3409.43	-4068.01	-3631.80	-3562.42	-4866.12	-6933.52
MISC. EXPENDITURE.	19.25	16.04	31.85	23.35	0.00	0.00	0.00	0.00	0.00	0.00
PROFIT AND LOSS A/C.	2929.31	3846.50	4124.14	4462.92	4789.30	5618.34	5254.48	5143.87	6458.31	8567.40
TOTAL :	3171.93	3175.24	3178.80	3157.24	2927.10	2899.30	2926.79	2891.41	2874.68	2907.71

PROFIT AND LOSS.
(EXCLUDING CONTRA ITEMS.)

(Rs. in Crore).

PARTICULARS.	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
SALES (NET OF LEVIES).	2203.54	2535.66	2757.41	2729.06	2746.24	3048.19	3417.68	3518.21	3187.61	3837.40
OTHER INCOME.	158.14	124.03	190.16	227.60	191.53	148.20	227.18	186.01	204.53	207.77
ACCRETION/DECRETION.	-96.25	0.86	-5.71	-6.06	13.70	47.50	99.94	22.21	-85.86	-11.90
WORKSHOP JOBS FOR OWN PURPOSE.	37.60	41.90	40.92	45.18	48.20	47.81	51.41	45.34	44.72	44.51
WAIVER OF INTEREST.	0.00	0.00	0.00	0.00	168.65	0.00	0.00	0.00	0.00	0.00
WAIVER OF APEX CHARGES.	0.00	0.00	0.00	0.00	82.47	0.00	0.00	0.00	0.00	0.00
WAIVER OF ELECTRICITY DUTY	0.00	0.00	0.00	0.00	0.00	0.00	34.32	16.22	0.00	0.00
COAL ISSUED FOR SUNDRY PURPOSES.	0.11	0.06	0.12	0.19	0.08	0.03	0.09	0.07	0.09	0.16
	2303.14	2702.51	2982.90	2995.97	3250.87	3291.73	3830.62	3788.06	3351.09	4077.94
EMPLOYEES REMUNERATION & BENEFITS.	1565.79	1825.43	1929.25	1911.93	2022.75	2250.38	1981.69	2160.87	2597.87	3804.31
ARREAR SALARY & WAGES	133.38	537.69			204.61	375.32			163.80	504.89
CONSUMPTION OF STORES & SPARES.	269.58	302.95	334.13	339.59	343.51	353.60	404.62	411.14	427.37	466.61
POWER & FUEL.	233.64	241.27	250.88	248.60	246.13	258.81	272.18	253.63	263.66	259.25
REPAIRS.	55.40	65.78	64.71	63.19	84.86	65.87	69.50	67.93	74.63	70.95
SOCIAL OVERHEAD.	110.78	111.90	131.05	140.45	141.14	151.03	166.28	199.72	229.89	268.09
CONTRACTUAL EXPENSES.	68.82	82.27	91.44	94.13	108.12	167.25	213.27	243.61	210.91	254.87
MISCELLANEOUS EXPENSES.	68.09	73.30	71.34	72.58	60.64	82.86	86.95	97.60	134.69	147.95
DEPRECIATION.	295.65	239.94	224.26	171.06	169.42	148.84	142.98	136.24	147.00	206.86
IMPAIRMENT	0.00	0.00	0.00	0.00	0.00	11.49	14.73	5.28	21.83	20.96
INTEREST & FINANCIAL CHARGES.	65.05	48.53	45.68	42.27	4.14	0.81	10.05	0.41	0.29	0.07
OVER BURDEN REMOVAL.	40.88	95.75	93.18	129.47	91.81	69.25	99.80	82.73	80.42	155.86
PROVISIONS.	30.76	-115.42	28.88	74.37	94.09	-2.24	-8.96	3.64	12.47	17.43
WRITE OFF.	97.36	110.76	13.35	0.00	0.00	7.77	2.68	10.04	0.00	2.76
	3035.18	3620.15	3278.15	3287.64	3571.22	3941.04	3455.77	3672.84	4364.83	6180.86
PRFIT(+)/LOSS(-) FOR THE YEAR BEFORE PPA	-732.04	-917.64	-295.25	-291.67	-320.35	-649.31	374.85	115.22	-1013.74	-2102.92
PRIOR PERIOD ADJUSTMENT.	3.81	0.45	17.61	-47.11	-6.03	-29.89	-2.89	2.90	-12.92	-2.78
FRINGE BENEFIT TAX							-8.10	-7.52	-3.27	-3.39
PROFIT(+)/LOSS (-)	-728.23	-917.19	-277.64	-338.78	-326.38	-679.20	363.86	110.60	-1029.93	-2109.09
PROFIT & LOSS UPTO PREVIOUS YEAR	-2201.08	-2929.31	-3846.50	-4124.14	-4462.92	-4789.30	-5618.34	-5254.48	-5143.88	-6458.31
TRANSITIONAL PROVISION						-149.84			-284.50	0.00
BALANCE CARRIED TO BALANCE SHEET	-2929.31	-3846.50	-4124.14	-4462.92	-4789.30	-5618.34	-5254.48	-5143.88	-6458.31	-8567.40

CAPITAL EMPLOYED, NET WORTH AND FINANCIAL RATIOS.

(Rs. in Crores.)

PARTICULARS.	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
CAPITAL EMPLOYED.	271.94	-468.64	-644.77	-828.59	-1199.95	-1877.35	-1534.04	-1395.59	-2318.43	-3526.75
NET WORTH	-730.11	-1644.09	-1937.54	-2267.82	-2570.85	-3399.89	-3036.03	-2925.42	-4239.86	-6348.95
NET WORTH AS PER BRPSE PROJECTION						-3399.89	-3318.41	-3366.12	-3382.32	-2839.76
LIQUIDITY RATIOS :										
i) Current Ratio (Current Assets/Current Liabilities).	0.45	0.44	0.45	0.44	0.39	0.33	0.44	0.39	0.29	0.24
ii) Current Ratio (C.assets / C. liab less cess equa , OBR, CILC/A)	0.72	0.69	0.97	1.20	1.11	0.96	1.29	1.81	1.04	0.70
iii) Quick Ratio	0.60	0.59	0.84	1.05	0.94	0.81	1.11	1.49	0.82	0.56
TURNOVER RATIOS :										
i) Capital Turnover Ratio (Net Sales/Capital Employed).	#REF!	-5.41	-4.28	-3.29	-2.29	-1.62	-2.23	-2.52	-1.37	-1.09
ii) Sundry Debtors as Nos. of months :										
a). Gross Sales	4.78	5.17	4.95	4.31	3.24	1.77	1.41	1.29	1.33	1.25
b). Net Sales.	6.09	6.52	6.29	5.47	4.10	2.26	1.80	1.65	1.70	1.58
Net Sundry Debtors as Nos of months :										
a). Gross Sales	3.62	4.60	4.37	3.73	2.36	0.99	0.76	0.72	0.80	0.84
b). Net Sales.	#REF!	5.80	5.55	4.74	2.99	1.26	0.97	0.92	1.02	1.06
iii) Stock of coal as a No. of months' sale value	0.74	0.65	0.57	0.54	0.58	0.72	0.96	1.01	0.80	0.62
iv). Stock of Stores & Spares as a No. of months' consmpn.	6.50	6.48	5.62	5.60	5.31	5.32	4.61	4.59	4.26	4.00
STRUCTURAL RATIOS :										
i). Debt : Equity.	0.40	0.39	0.37	0.35	0.32	0.31	0.32	0.30	0.30	0.31
ii). Debt : Net Worth.	-1.20	-0.52	-0.43	-0.34	-0.28	-0.20	-0.23	-0.23	-0.15	-0.11

OPERATIONAL STATISTICS										
YEAR ENDING 31ST MARCH	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
1 (a) PRODUCTION OF RAW COAL : (MILLION TONNE)										
UNDERGROUND	11.91	11.77	11.66	10.95	9.91	9.45	9.33	8.27	8.32	8.39
OPENCAST	13.21	16.26	16.89	16.23	18.09	17.80	21.78	22.20	15.74	19.74
TOTAL :	25.12	28.03	28.55	27.18	28.00	27.25	31.11	30.47	24.06	28.13
(b) OVERBURDEN REMOVAL (MILLION CU.MTS)										
	28.93	31.63	33.39	32.04	35.96	39.70	44.30	48.78	39.98	43.07
2. OFFTAKE (RAW COAL) : (MILLION TONNE)										
LOCO	0.01	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00
POWER	19.75	22.64	23.18	22.91	24.14	24.11	25.17	26.17	21.94	23.69
CEMENT	0.14	0.07	0.11	0.08	0.11	0.13	0.14	0.18	0.17	0.15
FERTILIZER	0.32	0.26	0.12	0.00	0.00	0.00	0.00	0.00	0.00	0.00
COLLIERY CONSUMPTION	0.65	0.61	0.57	0.54	0.52	0.50	0.48	0.45	0.42	0.41
OTHERS	5.67	4.79	4.38	3.76	2.66	2.43	2.90	2.99	2.91	4.01
TOTAL :	26.54	28.38	28.37	27.29	27.43	27.17	28.69	29.79	25.44	28.26
3. MANPOWER	133383	127452	119712	114582	110132	105692	101474	98780	94943	90470
4. PRODUCTIVITY (O.M.S)										
UNDERGROUND	0.45	0.47	0.48	0.48	0.45	0.43	0.45	0.42	0.43	0.46
OPENCAST	3.48	4.52	4.92	4.89	5.30	5.30	6.61	7.03	5.04	6.42
OVERALL :	0.83	0.98	1.04	1.03	1.10	1.07	1.29	1.34	1.07	1.33

EASTERN COALFIELDS LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2009

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	<u>SCHEDULE</u>	<u>AS AT</u> <u>31ST MARCH</u> <u>2009</u> <u>(RS. IN LAKHS)</u>	<u>AS AT</u> <u>31ST MARCH</u> <u>2008</u> <u>(RS. IN LAKHS)</u>
SOURCES OF FUNDS:			
1) Share Holders' Funds.			
a) Share Capital.	A	221845.00	221845.00
b) Reserves and Surplus.	B	<u>0.00</u>	<u>0.00</u>
		221845.00	221845.00
2) Loan Funds :			
Unsecured Loans.	C	68925.49	65623.35
Total:		290770.49	287468.35

APPLICATION OF FUNDS:

1. Fixed Assets.

a) Gross Block	D	521733.65	503021.10
b) Less: Depreciation./Impairment		<u>398367.02</u>	<u>378939.99</u>
c) Net Block		123366.63	124081.11
d) Capital W.I.P.	E	<u>3984.85</u>	<u>4133.98</u>
		127351.48	128215.09
e) Assets Taken Over on Nationalisation		817.02	817.02
Less: Provision.		<u>817.02</u>	<u>817.02</u>
		0.00	0.00

2. Investments.

F	31.10	34.40
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3. Current Assets, Loans & Advances:

a) Inventories	G	32383.41	33142.09
b) Sundry Debtors	H	33810.94	26984.45
c) Cash & Bank Balances.	I	68897.84	66435.74
d) Other Current Assets.	J	4834.62	4275.48
e) Loans & Advances	K	<u>13033.13</u>	<u>13799.71</u>

Total Current Assets, Loans & Advances		152959.94	144637.47
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	<u>SCHEDULE</u>	AS AT 31ST MARCH 2009 (RS. IN LAKHS)	AS AT 31ST MARCH 2008 (RS. IN LAKHS)
Less: Current Liab. & Provisions.	L		
A) Current Liabilities		512022.09	398779.16
B) Provisions		334289.58	232470.21
		<hr/>	<hr/>
Total Current Liab. & Provisions.		846311.67	631249.37
Net Current Assets/ Net Current Liabilities		-693351.73	-486611.90
4.Profit & Loss Account.		856739.64	645830.76
Total:		290770.49	287468.35

Accounting Policy and Notes on Accounts 17

Schedules 'A' to 'L' and Schedule 17 form
an integral part of the Balance Sheet.

S. Chandra 9/7/09
Chairman-cum-Managing Director

Director(Finance)

M. S. 9/7/09
Company Secretary

General Manager (Finance)

This is the Balance Sheet referred
to in our report of even date .

S. Chandra

(S.Chandra)

Partner

for and on behalf of

S.N.GUHA & CO.

Chartered Accountants

Kolkata.

Dated: The 09. 07., 2009



EASTERN COALFIELDS LIMITED
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	SCHEDULE	FOR THE YEAR ENDED 31ST MARCH 2009 (RS. IN LAKHS)	FOR THE YEAR ENDED 31ST MARCH 2008 (RS. IN LAKHS)
INCOME:			
Sale	1	383740.26	318761.31
Coal Issued for Other Purpose	2	7052.36	6887.48
Accretion/Decretion(-) in Stock	3	-1189.99	-8586.47
Workshop Job for own purpose	4	4450.91	4471.70
Other Receipts	5	20777.15	20453.19
Total:		414830.69	341987.21
EXPENDITURE			
Consumption of Stores & Spares	6	46660.92	42737.40
Colly. Consumption per contra(Sch.2)		4237.06	3961.77
Employees Remuneration and Benefits	7	380431.37	259786.94
Arrear Salary & Wages(NCWA-VIII)/Executives		50489.16	16379.59
Social Overhead	8	29607.70	25906.25
Power & Fuel	9	25925.28	26365.87
Repairs	10	7095.01	7462.86
Contractual Expenses	11	25487.18	21091.40
Miscellaneous Expenses	12	14794.70	13468.66
Cost of Removal of OB	13	15586.26	8041.81
Interest	14	7.30	29.12
Depreciation		20685.82	14700.36
Impairment		2085.59	2182.63
Provision	15(a)	1743.02	1246.57
Write-Off	15(b)	276.45	0.00
Total:		625122.82	443361.23




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SCHEDULE	FOR THE YEAR ENDED 31ST MARCH 2009 (RS. IN LAKHS)	FOR THE YEAR ENDED 31ST MARCH 2008 (RS. IN LAKHS)
PROFIT(+)/LOSS(-) FOR THE YEAR.		
Prior Period Adj.	16	
NET PROFIT(+)/LOSS(-).	-210292.13	-101374.02
Fringe Benefit Tax	-278.32	-1291.94
NET PROFIT AFTER TAX	-210570.45	-102665.96
PROFIT/LOSS UPTO THE PREVIOUS YEAR.	-338.43	-327.53
Add : Transitional Provision (Actuarial)	-210908.88	-102993.49
	-645830.76	-514387.52
BALANCE CARRIED TO BALANCE SHEET.	0.00	-28449.75
	-856739.64	-845830.76
Basic & Diluted earnings per share of Rs 1000 each (in Rupees) (Refer note no. 18.5(d) of Schedule 17)	-951	-464
Accounting Policy and Notes on Accounts.	17	
Schedule 1 to 16 form an integral part of the Profit & Loss Account.		
S. Chandra 9/7/09 Chairman-cum-Managing Director		Director(Finance)
M B 9/7/09 Company Secretary		General Manager(Finance)
This is the Profit and Loss A/c.referred to in our report of even date.		
		
(S.Chandra) Partner for and on behalf of S.N.GUHA & CO. Chartered Accountants		
Kolkata, Dated :The 09.07 ,2009		

Eastern Coalfields Limited
Cash Flow Statement for the year ended 31st March, 2009

	(Rs. in lakhs)	
	<u>2008-09</u>	<u>2007-08</u>
(a) Cash Flow from Operating Activities		
Net Profit Before Taxation & Extraordinary items	(210292.13)	(101374.02)
Adjustment for:		
Depreciation	21669.28	15343.94
Impairment	2095.59	2182.63
Lease Rent Received	(350.00)	(350.00)
Interest Income	(6074.73)	(6204.45)
OBR Adjustment (decrease) / increase	15586.26	8041.81
Prov. for loss of assets	(16.36)	30.05
Interest Expenses	7.30	29.12
	32917.34	19073.10
Operating Profit before working capital changes	(177374.79)	(82300.92)
Decrease/ (Increase) in Sundry Debtors	(6826.49)	(68.94)
Decrease/ (Increase) in loans & Advances	766.58	(533.65)
Decrease/ (Increase) in Other Current Assets	(559.14)	(676.64)
Decrease / (Increase) in Inventories	758.68	9585.59
(Decrease)/Increase in Current Liabilities(excl.OBR)	199476.04	67336.43
	193615.67	75642.79
Cash generated from Operation	16240.88	(6658.13)
Fringe Benefit Tax	(338.43)	(327.53)
Prior Period Adjustment	(278.32)	(1291.94)
	(616.75)	(1619.47)
Net cash flow from operating activities	15624.13	(8277.60)
(b) Cash Flow from Investing Activities		
Purchases of Fixed Assets(Sch.- D) including Capital WIP.	(19187.72)	(16178.72)
Adjustment in value of Fixed Assets	36.76	68.76
Redemption of 8.5% RBI Power Bond	3.30	3.30
Lease Rent Received	350.00	350.00
Interest Income.	6074.73	(9552.21)
Net cash flow from investing activities	2901.20	(17829.81)



	(Rs.in lakhs)	
	2008-09	2007-08
(C) Cash Flow from Financing Activities		
Repayment of Long Term Borrowing.	(431.80)	(376.78)
Interest Paid	(7.30)	(29.12)
	(439.10)	(405.90)
Net increase in cash/cash equivalents	2462.10	(18235.71)
Opening Cash & Bank Balance	66435.74	84671.45
Closing Cash & Bank Balance	68897.84	66435.74

S. Chandra 9/7/09
Chairman-cum-Managing Director

M.K. 9/7/09
Company Secretary

General Manager (Finance)

Director (Finance)

This is the Cash Flow Statement referred to in our report of even date.

Kolkata,
Dated : The 09.07., 2009



S. Chandra
(S.Chandra)
Partner
for and on behalf of
S.N.GUHA & CO.
Chartered Accountants

EASTERN COALFIELDS LIMITED
SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 2009
SCHEDULE - A
SHARE CAPITAL

	AS AT 31ST MARCH 2009 (RS.IN LAKHS)	AS AT 31ST MARCH 2008 (RS.IN LAKHS)
AUTHORISED:		
250,00,000 (Previous year 2,50,00,000) Equity Share of Rs. 1000.00 each.	250000.00	250000.00
ISSUED, SUBSCRIBED & PAID UP :		
1,03,90,000 (Previous Year 1,03,90,000) Equity Shares of Rs. 1000.00 each fully paid-up in cash.	103900.00	103900.00
1,17,94,500 (Previous Year 1,17,94,500) Equity Shares of Rs. 1000.00 each alloted as fully paid-up against consideration received other than cash.	117945.00	117945.00
TOTAL:	221845.00	221845.00

Note: The entire Share Capital is held by Coal India Ltd., Holding Company and its nominee.

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EASTERN COALFIELDS LIMITED
SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 2009
SCHEDULE - B
RESERVES AND SURPLUS

	AS AT 31ST MARCH 2009 (RS.IN LAKHS)	AS AT 31ST MARCH 2008 (RS.IN LAKHS)
CAPITAL RESERVE :		
Profit on sale of asset.	0.00	0.00
TOTAL:	0.00	0.00

EASTERN COALFIELDS LIMITED
SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 2009
SCHEDULE - C
UNSECURED LOANS

	AS AT 31ST MARCH 2009 (RS.IN LAKHS)	AS AT 31ST MARCH 2008 (RS.IN LAKHS)
i) Due to Coal India Limited, Holding Company	51897.08	51897.08
ii) Export Development Corpn. Canada through CIL US\$ 330.33 Lakhs (US\$ 339.76 Lakhs)	17028.41	13726.27
TOTAL:	68925.49	65623.35

EASTERN COALFIELDS LIMITED
SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH ,2009

SCHEDULE - D
FIXED ASSETS
=====

[RS.IN LAKHS]

PARTICULARS	GROSS BLOCK					DEPRECIATION / IMPAIRMENT					
	COST AS AT COMMENCEMENT OF THE YEAR	ADDITION DURING THE YEAR	WITHDRAWALS ADJUSTMENT	TOTAL COST AS AT THE END OF THE YEAR	DEPRN. AS AT COMMENCEMENT OF THE YEAR	DEPRN. FOR THE YEAR	IMPAIRMENT LOSS	WITHDRAWALS ADJUSTMENT	TOTAL DEPN. AS AT THE END OF THE YEAR	NET BLOCK AS AT 31.03.2009	NET BLOCK AS AT 31.03.2008
A) COMPLETED ASSETS:											
LAND- FREEHOLD/LEASE	7366.75	262.96	-62.53	7567.18	1211.77	146.67		-62.53	1295.91	6271.27	6154.98
BUILDINGS	36209.32	131.77	-18.20	36322.89	12395.28	786.70		-18.20	13163.78	23159.11	23814.04
ROADS AND CULVERTS	4339.01	94.80	-39.47	4394.34	1966.88	109.72		-33.26	2043.34	2351.00	2372.13
WATER SUPPLY	4367.42	116.73	-0.35	4483.80	2500.20	190.60		-0.35	2690.45	1793.35	1867.22
RAILWAY SIDINGS	2464.62	9.19		2473.81	1473.01	82.23		0.00	1555.24	918.57	991.61
PLANT AND MACHINERY:											
a) HEMM	119431.21	8482.79	323.93	128237.93	94748.48	4907.89		391.78	100048.15	28189.78	24682.73
b) POWER PLANT	4024.00	0.00	0.00	4024.00	3700.47	106.37		0.00	3806.84	217.16	323.53
C) OTHERS	182338.03	10911.16	-3687.72	189561.47	145000.50	10695.37		-3805.69	151890.18	37671.29	37337.53
TELECOMMUNICATION	1731.89	26.79	11.06	1769.74	1534.89	35.72		10.22	1580.83	188.91	197.00
ELECTRICAL INSTALLATION	6524.00	147.56	-66.85	6604.71	4285.20	256.42		-5.72	4535.90	2068.81	2238.80
FURNITURE AND OFFICE											0.00
EQUIPMENT	1945.55	60.20	-34.46	1971.29	1654.40	50.35		-34.61	1670.14	301.15	291.15
TOOLS AND EQUIPMENTS	419.60	22.60	-4.02	438.18	294.59	13.41		-3.67	304.33	133.85	125.01
PROSPECTING AND BORE	19049.79	392.24		19442.03	17578.19	238.07	554.09	0.00	18370.35	1071.68	1471.60
MINES DEVELOPMENT	93040.34	1427.97		94468.31	71369.83	3220.97	870.70	54.18	75515.68	18952.63	21670.51
VEHICLES	1219.96		-0.29	1219.67	1140.83	4.21		-0.28	1144.76	74.91	79.13
FIRE ARMS	25.32			25.32	21.86	0.30		0.00	22.16	3.16	3.46
TOTAL (A)	484496.81	22086.76	-3578.90	503004.67	360876.38	20845.00	1424.79	-3508.13	379638.04	123366.63	123620.43
B) CAPITAL EXPENDITURE ON ASSETS NOT BELONGING TO THE CO.	349.47	364.94	-133.83	580.58	349.47	364.94		-133.83	580.58	0.00	0.00
TOTAL (B)	349.47	364.94	-133.83	580.58	349.47	364.94		-133.83	580.58	0.00	0.00
C) DISCARDED/SURVEYED OFF ASSETS	18174.82		-26.42	18148.40	17714.14	459.34		-25.08	18148.40	0.00	460.68
TOTAL (A+ B+C)	503021.10	22451.70	-3739.15	521733.65	378939.99	21669.28	1424.79	-3667.04	398367.02	123366.63	124081.11
PREVIOUS YEAR	492064.70	15341.96	-4385.56	503021.10	366026.95	15343.94	1856.45	-4287.35	378939.99	124081.11	126037.75

N.B :CLOSING DEPRECIATION RS 398367.02 INCLUDES IMPAIRMENT OF PROSPEC 4822.07
MINES DEVELOPMENT 15899.30
TOTAL RS 20721.37

NOTE NO.1	FOR THE YEAR 2008-09 (RS.IN LAKHS)	FOR THE YEAR 2007-08 (RS.IN LAKHS)
ALLOCATION OF DEPRECIATION:		
1. Profit and Loss Account.(Direct)	20685.82	14700.36
2. Social Overhead .	630.18	596.87
3. Prior Period Adjustment.	343.00	36.43
4. Power & Fuel.	10.28	10.28
SUB TOTAL	21669.28	15343.94
5. Due to sale/discard.	-888.42	-2459.24
6. Received/Issued to and from other subsidiaries.	4.66	16.48
7.Provision for Loss of Asset.	35.35	29.45
8. Other Adjustments.	-2818.63	-1874.04
SUB TOTAL	-3667.04	-4287.35
TOTAL	18002.24	11056.59

NOTE NO.2

	AS AT 2009 (RS.IN LAKHS)	AS AT 2008 (RS.IN LAKHS)
Social Overhead Assets(Gross) included in the Schedule are as follows.		
i) Buildings.	23647.21	23634.70
ii) Plant & Machinery	530.37	508.50
iii) Furniture & Office Equipment	492.26	460.16
iv) Vehicles	317.87	317.87
v) Roads & Culverts	1329.96	1290.96
vi) Water Supply	4446.00	4329.62
Total:	30763.67	30541.81

EASTERN COALFIELDS LIMITED
SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH ,2009
SCHEDULE - E
CAPITAL WORK-IN-PROGRESS

RS IN LAKHS

PARTICULARS	COST AS AT COMM. OF THE YEAR	ADDITION DURING YEAR	WITHDRAWAL/ ADJUSTMENT	TRANSFER TO COMPLETED ASSETS	TOTAL COST AS AT THE END OF THE YEAR	PROVISION AS AT COMM. OF THE YEAR	ADDITION DURING YEAR	PROVISION WITHDRAWN /ADJ.DURING YEAR	IMPAIRMENT LOSS	TOTAL PROV.AS AT THE END OF YEAR	NET ASSETS AS ON 31.3.2009	NET ASSETS AS ON 31.3.2008
BUILDINGS	552.55	156.50		129.65	579.40	499.33	1.56	0.24		500.65	78.75	53.22
ROADS & CULVERT	103.05	155.64		99.50	159.19	16.56				16.56	142.63	86.49
WATER SUPPLY	180.67	127.71		116.81	191.57	46.27	3.13			49.40	142.17	134.40
RAILWAY SIDING	417.99	65.97		9.19	474.77	129.03	0.70			129.73	345.04	288.96
P&M AND CAPITAL STORES IN STORE	3937.03	19407.11	3756.90	16026.58	3560.66	904.78	24.78	10.22		919.34	2641.32	3032.25
C.H.P.	2774.53	0			2774.53	2774.53				2774.53	0.00	0.00
PROSP. & BORING	311.66	248.69		170.86	389.49	311.66			77.83	389.49	0.00	0.00
MINES DEVELOPM	2469.16	1988.93		1357.11	3100.98	2035.58	2.33	73.75	592.97	2557.13	543.85	433.58
OTHERS	135.71	468.36	3.39	478.96	121.72	30.63				30.63	91.09	105.08
TOTAL	10882.35	22618.91	3760.29	18388.66	11352.31	6748.37	32.50	84.21	670.80	7367.46	3984.85	4133.98
PREVIOUS YEAR	11341.84	15601.68	4042.29	12018.88	10882.35	6421.59	67.56	66.96	326.18	6748.37	4133.98	4920.25

As at 31ST MARCH 2009 <u>RS IN LAKHS</u>	As at 31ST MARCH 2008 <u>RS IN LAKHS</u>
--	--

NOTE: Social Overhead assets (Net)
included in the schedule are as follows:

(i) Buildings	38.18	45.38
(ii) Roads & Culverts	1.33	11.27
(iii) Water Supply	142.17	134.40
	181.68	191.05

EASTERN COALFIELDS LIMITED
SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 2009
SCHEDULE - F
INVESTMENTS.

	AS AT 31ST MARCH <u>2009</u> (RS.IN LAKHS)	AS AT 31ST MARCH <u>2008</u> (RS.IN LAKHS)
INVESTMENTS (AT COST):		
Long Term (Unquoted):		
Trade :		
In fully paid up 8.5% of Tax Free R.B.I. Power Bonds:		
14 Bonds of Rs.1,65,000/- each.		
(16 Bonds of Rs.1,65,000/- each.)	23.10	26.40
Non-Trade :		
In fully paid up shares of employees Co-Operative Society.		
i) 500 'B' class share of Rs. 1000/- each in Coal Mines Officer's Co- Operative Credi Society Ltd.	5.00	5.00
ii) 1000 'D' Class share of Rs. 100/- each in Dishergarh Colly. Worker's Central Co-Operative Stores Ltd.	1.00	1.00
iii) 4000 shares of Rs. 25/- each in the Mugma Coalfield Colly. Worker's Central Co-Operative Stores Ltd.	1.00	1.00
iv) 500 'B' Class Shares of Rs. 100/- each in Sodepur Colly. Employees' Co-Operative Credit Society Ltd.	0.50	0.50
v) 500 'B' Class Shares of Rs. 100/- each in Dhemomain Colly. Employees' Co-Operative Credit Society Ltd.	0.50	0.50
TOTAL :	31.10	34.40

EASTERN COALFIELDS LIMITED
SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 2009
SCHEDULE - G
INVENTORIES

	AS AT 31ST MARCH 2009 (RS.IN LAKHS)	AS AT 31ST MARCH 2008 (RS.IN LAKHS)
I. Stock of Stores & Spares.	15298.32	15089.38
Less: Provision.	4211.19	4048.98
	<u>11087.13</u>	<u>11040.40</u>
Add:		
In transit/Under Inspection	208.40	39.11
Stock Adjustment.	58.21	49.58
	<u>11353.74</u>	<u>11129.09</u>
II. Stock of Coal.	19964.52	21191.25
Less: Prov.for deterioration of coal value	<u>232.28</u>	<u>269.02</u>
	19732.24	20922.23
III. Workshop Job:		
a) Finished Goods.	353.72	370.19
b) Work -in-Progress.	960.59	738.13
	<u>1314.31</u>	<u>1108.32</u>
Less: Provision	16.88	17.55
	<u>1297.43</u>	<u>1090.77</u>
TOTAL :	32383.41	33142.09

EASTERN COALFIELDS LIMITED
SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH,2009
ANNEXURE TO SCHEDULE - G

(A) Reconciliation of Book Stock and Measured Stock:	Overall Stock		Non Vendible Stock		Vendible Stock	
	(Qty'000)	Value (Rs.in lakhs)	(Qty'000)	Value (Rs.in lakhs)	(Qty'000)	Value (Rs.in lakhs)
1. Opening Stock	3116	26692.31	472	4233.60	2644	22458.71
Add : Seized Coal/Adjustment.	3	26.58		27.07	3	-0.49
	3119	26718.89	472	4260.67	2647	22458.22
2. Production for the year.	28135	390149.44			28135	390149.44
3. Sub total of (1 + 2).	31254	416868.33	472	4260.67	30782	412607.66
4. Less: Offtake for the year.						
(A) Outside despatch.	27850	383740.26			27850	383740.26
(B) Internal consumption.	2	52.47			2	52.47
(C) Consumption for Boiler and domestic.	407	6999.89			407	6999.89
Total (4).	28259	390792.62	-	-	28259	390792.62
5. Derived Stock (3-4).	2995	26075.71	472	4260.67	2523	21815.04
6. Measured Stock.	2876	24595.61	472		2404	24595.61
7. Differences (5 - 6).	119	1480.10	-	-	119	1480.10
8. (A) Excess within 5%.		4.99	-	-	0	4.99
(B) Shortage within 5%.	67	590.87	-	-	67	590.87
(C) Excess beyond 5%.	4	55.05	-	-	4	55.05
(D) Shortage beyond 5%.	56	949.27	-	-	56	949.27
9. Closing Stock adopted in Accounts.	2943	25181.49	472	4260.67	2471	20920.82
			<u>Qty.</u> <u>(000)</u>	<u>Value</u> <u>(Rs.in lakhs)</u>		
Stock as per Books.			2995	26075.71		
Less: Net Shortage of more than 5% accounted for in the Accounts but not adjusted from Book Stock pending writing off.			52	894.22		
Less: Non-vendible stock including mixed stock and stock on fire for which provision equivalent to the value has been made in the accounts but quantity not adjusted in book stock as well as accounts.			472	4260.67		
Less: Charges for rehandling of pithead stock.			-	958.13		
Less: Provision made in accounts to take care of future deterioration in Coal Stock.			-	232.28		
Add: Coal Tar.			-	1.83		
Stock as per Accounts after all provisions.(Schedule:G)			2471	19732.24		
Less: Seized Coal.			2	48.71		
Stock as per Accounts after all provision(Schedule - 3)			2469	19683.53		

EASTERN COALFIELDS LIMITED
SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 2009
SCHEDULE - H
SUNDRY DEBTORS

	AS AT 31ST MARCH 2009 (RS.IN LAKHS)		AS AT 31ST MARCH 2008 (RS.IN LAKHS)	
Debts Outstanding for a period exceeding six months.	20784.33		18680.81	
Less: Provision.	<u>15305.53</u>	5478.80	<u>15974.04</u>	2706.77
Other debts.	29848.84		26345.22	
Less Provision	<u>1516.70</u>	28332.14	<u>2067.54</u>	24277.68
TOTAL:		33810.94		26984.45
CLASSIFICATION(Unsecured):				
i) Considered Good.		33810.94		26984.45
ii) Considered Doubtful.		16822.23		18041.58

	Maximum amount due at any time during :		Closing Balance	
	Current Year	Previous Year	Current Year	Previous Year
Due from Companies under the same Management Dankuni Coal Complex.	111.88	111.88	91.19	111.88
Due from the Parties in which the Director(s) of the Company is/are interested.	Nil	Nil	Nil	Nil

EASTERN COALFIELDS LIMITED
SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 2009
SCHEDULE- I
CASH AND BANK

	AS AT 31ST MARCH 2009 (RS.IN LAKHS)	AS AT 31ST MARCH 2008 (RS.IN LAKHS)
Cash in hand.	149.32	152.20
Cheques & Drafts in hand.	939.80	6543.52
Remittance in transit.	116.85	95.36
With Scheduled Banks:		
On Current Accounts.	15816.68	6448.77
On Deposit Account.	51875.19	53195.89
With R.B.I. for exchange of Soiled Notes.	0.67	0.67
Less: Provision for Soiled Notes.	0.67	0.67
	0.00	0.00
Total:	68897.84	66435.74

EASTERN COALFIELDS LIMITED
SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 2009
SCHEDULE - J
OTHER CURRENT ASSETS

	AS AT 31ST MARCH <u>2009</u> (RS.IN LAKHS)	AS AT 31ST MARCH <u>2008</u> (RS.IN LAKHS)
1. Claims Receivable:		
i) Railway.	42.70	53.07
ii) Insurance	13.04	13.04
iii) Others.	<u>303.33</u>	<u>204.19</u>
Sub-Total:	359.07	270.30
2. Other Receivables:		
i) Employees	193.10	289.46
ii) Others.	<u>84.91</u>	<u>69.34</u>
Sub-Total:	278.01	358.80
3. Interest Receivable	4265.95	3704.61
	<u>4903.03</u>	<u>4333.71</u>
Less: Provision.	68.41	58.23
Total:	4834.62	4275.48

EASTERN COALFIELDS LIMITED
SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 2009
SCHEDULE - K
LOANS AND ADVANCES

	AS AT 31ST MARCH 2009 (RS.IN LAKHS)	AS AT 31ST MARCH 2008 (RS.IN LAKHS)
Advance recoverable in cash or in kind or for value to be received:		
Advance to Suppliers:		
a) For Capital Items.	394.65	725.57
b) For Foreign Supplies.	50.36	50.03
c) For Other Stores.	716.41	916.25
	1161.42	1691.85
Advance to Contractors:		
a) For Capital Items.	295.09	264.50
b) For Others	229.12	187.88
	524.21	452.38
Advances to Employees:		
a) For House Building.	91.62	114.13
c) For Others.	954.68	778.30
	1046.30	892.43
Advances to Others.	8.27	7.16
Deposits:		
For P & T.Electricity etc.	1188.20	1193.20
Amount Due from Central/ State Govt.:		
a) Subsidy receivable.	2647.52	2989.98
b) Electricity	2641.75	3250.29
c) Others.	93.21	393.54
	5382.48	6633.81
For Value of Stores, claims and other receivables.	236.13	282.73
Sales Tax.	1986.65	1154.33
Advance payment of other Statutory dues.	42.64	48.83
Advance Fringe Benefit Tax	1514.52	1928.30
Tax deducted at Source	1469.85	1318.03
Prepaid Expenses.	58.24	61.36
Total:	14618.91	15664.41
Less Provision.	1585.78	1864.70
Net Advance:	13033.13	13799.71
CLASSIFICATION:		
Considered good.	13033.13	13799.71
Considered doubtful.	1585.78	1864.70
Secured	91.62	114.13
Unsecured	14527.29	15550.28

EASTERN COALFIELDS LIMITED

SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 2009

SCHEDULE - K (Contd....)

(RUPEES IN LAKHS)

AMOUNT DUE FROM OTHER
SUBSIDIARIES OF THE HOLDING
COMPANY.

CLOSING BALANCE

MAXIMUM AMOUNT DUE AT
ANY TIME DURING CURRENT
YEAR

CURRENT
YEAR

PREVIOUS
YEAR

Central Mine Planning & Design
Institute Limited.

0.00

0.00

69.03

South Eastern Coalfields Limited.

0.00

0.00

72.08

Western Coalfields Limited.

0.00

0.00

134.38

Bharat Coking Coal Limited.

0.00

0.00

1.03

Mahanadi Coalfields Limited.

0.00

0.00

20.31

Northern Coalfields Limited.

0.00

0.00

30.58

Central Coalfields Limited.

0.00

0.00

4.43

AMOUNT DUE BY DIRECTORS
OR OTHER OFFICERS
OF THE COMPANY

CLOSING BALANCE

MAXIMUM AMOUNT DUE
AT ANY TIME DURING

CURRENT
YEAR

PREVIOUS
YEAR

CURRENT
YEAR

PREVIOUS
YEAR

Directors.

0.00

0.00

0.00

0.00

EASTERN COALFIELDS LIMITED
SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 2009
SCHEDULE - L
CURRENT LIABILITIES AND PROVISIONS

	AS AT 31ST MARCH 2009 (RS.IN LAKHS)		AS AT 31ST MARCH 2008 (RS.IN LAKHS)	
A. CURRENT LIABILITIES:				
Sundry Creditors Small Scale Industries.				
Capital.	0.00		0.00	
Revenue	146.31	146.31	158.09	158.09
Sundry Creditors for Goods:				
Capital.	1834.52		5219.34	
Revenue	6994.33	8828.85	7950.68	13170.02
For expenses:				
Employees' remuneration.	123709.53		53544.91	
Gratuity.	7661.98		7363.18	
Leave Encashment	28.05		0.00	
Coal Mines Bonus.	2356.12		2469.64	
PPLB/PLRS	8010.60		5716.48	
Power and Fuel.	2973.78		3130.51	
Contractual Expenses.	5321.99		5159.36	
Repairs.	1918.19		2170.91	
Unpaid Wages.	1247.63		1168.84	
Others.	9879.30	163107.17	10269.69	90993.52
Statutory Dues:				
Royalty.	1027.81		871.82	
Cess on Coal.	1435.49		2451.43	
Stowing Excise Duty.	856.32		757.27	
Deposit Link Insurance.	151.55		141.07	
Tax deducted at source(IT). Employees.	785.97		914.85	
Contractors	136.14	4393.28	63.03	5199.47
Life Cover Scheme.		496.56		430.69
Provident Fund incl.FPF.		5586.50		3322.61
C/A with Subsidiaries and Holding Company:				
a) BCCL	0.58		0.58	
b) CIL	198519.01		171118.09	
c) CMPDIL	0.00	198519.59	0.04	171118.71
Customer's Balance		20063.19		13053.43
Cess Equalisation Account		91797.42		86227.44
Employees' Pension contribution.		1430.40		1162.20
Other liabilities.		17652.82		13942.98
TOTAL:		512022.09		398779.16

EASTERN COALFIELDS LIMITED
SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 2009
SCHEDULE - L (Contd.)
CURRENT LIABILITIES AND PROVISIONS

	AS AT 31ST MARCH 2009 (RS.IN LAKHS)	AS AT 31ST MARCH 2008 (RS.IN LAKHS)
B. PROVISIONS FOR :		
Fringe Benefit Tax	985.08	1395.43
Actuarial Gratuity	186175.81	116642.01
Actuarial Leave Encashment	25632.36	12339.79
Actuarial LTC/LLTC	885.14	823.30
Actuarial Life Cover Scheme	1238.76	852.04
Actuarial Settlement Allowance	24.81	14.32
Actuarial Group Accidental Insurance	17.26	16.64
Actuarial Post Retirement Medical Benefit	13.84	0.00
Actuarial Fatal Mine Accident Benefit	3321.95	0.00
OBR Adjustment Account	114271.64	98685.38
OCP Reclamation	1107.52	1194.49
Cost of Stowing Lag	615.41	506.81
TOTAL:	334289.58	232470.21

EASTERN COALFIELDS LIMITED
SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 2009
COST OF REMOVAL OF OVERBURDEN
ANNEXURE TO SCHEDULE - L

	AS AT 31ST MARCH <u>2009</u> (RS.IN LAKHS)	AS AT 31ST MARCH <u>2008</u> (RS.IN LAKHS)
Opening Advance Stripping	2798.64	624.39
Add : Expenditure during the year	45266.91	34236.73
Less : OBR Charged to COAL	37625.14	32062.48
Closing Advance Stripping (A)	10440.41	2798.64
Less : Ratio Variance :		
As per Last Account	101484.02	91267.96
Add /Less Written Off	23228.03	10216.06
TOTAL (B)	124712.05	101484.02
TOTAL (A-B)	-114271.64	-98685.38
Transferred to Liability Schedule (L)	114271.64	98685.38
TOTAL:	0.00	0.00

EASTERN COALFIELDS LIMITED
SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009
SALES

SCHEDULE-1

	FOR THE YEAR ENDED 31ST MARCH 2009 (RS.IN LAKHS)	FOR THE YEAR ENDED 31ST MARCH 2008 (RS.IN LAKHS)
COAL - Quantity (In Tonne).	27849603	25019685
Gross Sale Value.(A)	485573.46	405765.74
LESS: STATUTORY LEVIES:		
(a) Royalty on Coal	13964.42	10276.70
(b) Cess on Coal.	69945.93	60230.82
(c) Stowing Excise Duty.	2784.91	2501.97
(d) Sales Tax:	86695.26	73009.49
i) Central	5385.40	5909.63
ii) VAT (Jharkhand)	266.42	113.37
ii) VAT (W.B)	9486.12	7971.94
	15137.94	13994.94
Total Levies.(B)	101833.20	87004.43
Net Value(A-B)	383740.26	318761.31

EASTERN COALFIELDS LIMITED
SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH,2009

SCHEDULE-2

COAL ISSUED FOR OTHER PURPOSES

	FOR THE YEAR ENDED 31ST MARCH <u>2009</u> (RS.IN LAKHS)	FOR THE YEAR ENDED 31ST MARCH <u>2008</u> (RS.IN LAKHS)
Colliery Consumption of Coal per contra:		
a)Boiler consumption.	4201.32	3927.06
b)Workshop etc. consumption.	35.74	34.71
	_____ 4237.06 _____	3961.77
Free issue of Coal to Employees per contra (Schedule 8).	2798.57	2916.89
Coal issued for Sundry purposes	16.73	8.82
Total:	7052.36	6887.48

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EASTERN COALFIELDS LIMITED
SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH,2009

SCHEDULE-3.

ACCRETION/(DECRETION) IN STOCK

	FOR THE YEAR ENDED 31ST MARCH <u>2009</u> (RS.IN LAKHS)		FOR THE YEAR ENDED 31ST MARCH <u>2008</u> (RS.IN LAKHS)	
(a) Closing Stock of coal.	20986.18	22536.35		
Less: (i) Grade Slippage.	112.24	124.52		
(ii) Handling Charges etc.	958.13	1269.29		
(iii) Prov.for deterioration of coal value	<u>232.28</u>	<u>269.02</u>		
TOTAL (a).		19683.53		20873.52
(b) Opening Stock of coal.	22536.35	30759.31		
Less: (i) Grade Slippage.	124.52	238.65		
(ii) Handling Charges etc.	1269.29	1060.67		
(iii) Prov.for deterioration of coal value	<u>269.02</u>	<u>0.00</u>		
TOTAL(b).		20873.52		29459.99
(C) Adjustment against Opening Stock		0.00		0.00
Accretion(+)/Decretion(-) [a-b]		-1189.99		-8586.47

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SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

SCHEDULE-4

WORKSHOP JOB FOR OWN PURPOSE

	FOR THE YEAR ENDED 31ST MARCH <u>2009</u> (RS.IN LAKHS)		FOR THE YEAR ENDED 31ST MARCH <u>2008</u> (RS.IN LAKHS)
a) Workshop Closing job:			
(i) Finished goods.	353.72	375.98	
(ii) Work-in-Progress	960.59	732.34	
	1314.31	1108.32	
Less: Provision.	16.88	17.55	
Adjustment.	22.07	23.50	
Total (a):	1319.50		1114.27
b) Jobs done for and charged to areas and units (as per contra)	4222.18		4602.62
c) Less: Workshop Opening Job:			
(i) Finished goods.	375.98	205.04	
(ii) Work-in-Progress	732.34	1058.07	
	1108.32	1263.11	
Less: Provision.	17.55	1090.77	1245.19
TOTAL (a+b-c):	4450.91		4471.70

EASTERN COALFIELDS LIMITED
SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH,2009

SCHEDULE-5

OTHER RECEIPTS

	FOR THE YEAR ENDED 31ST MARCH <u>2009</u> (RS.IN LAKHS)	FOR THE YEAR ENDED 31ST MARCH <u>2008</u> (RS.IN LAKHS)
Stowing Subsidy.	5070.29	5366.78
Revenue from workshop.	11.50	6.81
Interest received from:		
a) Investment in Power Bond.	2.17	2.45
b) Bank Deposit.	6023.88	6178.12
c) Others.	48.68	23.88
Discount Received.	10.34	5.35
Rent Received from outsiders.	28.80	26.67
Lease Rent.	350.00	350.00
Recovery of transportation & loading cost	6269.15	5283.14
Profit on sale of Surveyed Off P&M.	0.35	162.52
Tender Fees.	53.39	47.63
Sale of Scrap	55.05	275.08
Liquidated Damage.	402.81	195.44
Penalty.	99.55	101.36
 OCP Reclamation	 86.97	 0.00
Liability Written Back.	355.10	538.87
Excess amount received over exploration cost for transfer of Block	0.00	227.44
Others.	1909.12	1661.65
 TOTAL:	 20777.15	 20453.19

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EASTERN COALFIELDS LIMITED
SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH,2009

SCHEDULE-6

CONSUMPTION OF STORES

	FOR THE YEAR ENDED 31ST MARCH <u>2009</u> (RS.IN LAKHS)	FOR THE YEAR ENDED 31ST MARCH <u>2008</u> (RS.IN LAKHS)
Explosives	6069.98	4289.45
Timber	549.23	511.61
POL	15176.28	13817.78
Consumable Stores & Spares:		
HEMM	11126.73	11479.76
Others.	13782.46	12682.83
Sub-Total:	46704.68	42781.43
Less: Transferred to:		
a) Social Overhead.	22.15	18.57
b) Miscellaneous.	20.25	23.29
c) Power & Fuel.	1.36	2.17
	43.76	44.03
TOTAL:	46660.92	42737.40
Indigenous.	46348.39	41681.82
Imported.	312.53	1055.58

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EASTERN COALFIELDS LIMITED
SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH,2009

EMPLOYEES REMUNERATION AND BENEFITS.

SCHEDULE-7

	FOR THE YEAR ENDED 31ST MARCH 2009 (RS.IN LAKHS)	FOR THE YEAR ENDED 31ST MARCH 2008 (RS.IN LAKHS)
Salaries & Wages.	171631.12	153765.04
Pay Revision - NCWA-VIII/Executives	44105.42	22478.75
Overtime:		
a) Normal.	2173.40	1989.72
b) Sunday Production.	6016.70	6197.64
c) Sunday Maintenance.	5246.31	4854.48
	13436.41	13041.84
Incentive	41.14	72.42
Leave Encashment	16594.69	4053.40
Fall Back Wages	292.76	431.95
Contribution to PF(As per Annex.I)	24494.90	21345.37
C.M.Bonus.	9189.13	9655.64
Perquisite Tax Paid by CO.	1020.06	1095.42
Exgratia:		
a) PPLB - Non-executive.	9108.05	7205.79
b) PPLR - Executive.	457.34	299.94
	9565.39	7505.73
LTC/LLTC	3707.29	4658.49
Pension	56.40	32.84
Gratuity.	88475.72	25046.67
Workmen Compensation	86.53	77.68
Deposit Link Insurance	59.93	56.71
Life Cover Scheme	706.69	235.26
Fatal Mine Accident Benefit	3321.95	0.00
Voluntary Retirement Scheme.	1771.21	2718.86
Other Allowances	1005.97	982.01
Sub-Total:	389562.71	267254.08
Less: Transferred to:		
a) Social Overhead.	9104.86	7444.49
b) Power & Fuel.	26.48	22.65
	9131.34	7467.14
Total:	380431.37	259786.94

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EASTERN COALFIELDS LIMITED
SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH,2009

CONTRIBUTION TO PROVIDENT AND OTHER FUNDS

SCHEDULE-7
ANNEXURE I.

FOR THE
YEAR ENDED
31ST MARCH
2009
(RS.IN LAKHS)

FOR THE
YEAR ENDED
31ST MARCH
2008
(RS.IN LAKHS)

Coal Mines Provident Fund	22371.89	19476.66
Coal Mines Family Pension Fund	2123.01	1868.71
<hr/>		
Total:	24494.90	21345.37

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EASTERN COALFIELDS LIMITED
SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH,2009

SCHEDULE-8

SOCIAL OVERHEAD

	FOR THE YEAR ENDED 31ST MARCH <u>2009</u> (RS.IN LAKHS)	FOR THE YEAR ENDED 31ST MARCH <u>2008</u> (RS.IN LAKHS)
Salary,Wages and Allowances (From Sch - 7).	7958.04	6858.74
Pay Revision - NCWA-VIII/Executives(From Sch-7)	1146.82	585.75
Free issue of Coal to Employees.	2798.57	2916.89
Medical Facilities:		
a)Medical Reimbursement.		
i) Within the Company.	1031.79	1028.81
ii)Outside the Company.	492.70	447.56
b)Medicine.	372.77	262.62
c)Diet Expenses.	81.76	65.13
	1979.02	1804.12
Post Retirement Medical Benefit	13.84	0.00
Grants to:		
a)Schools & Institutions.	304.30	295.07
b)Sports,Recreation.	44.20	51.17
	348.50	346.24
Canteen Upkeep.	7.05	6.29
Creche Expenses.	0.00	0.26
House Rent.	2033.84	1932.47
Power(From Schedule - 9)	7566.69	6097.75
Repair and Maintenance:		
a) Township.	2403.02	2103.68
b) Other Welfare Buildings.	134.33	111.11
c) Plant & Machinery.	22.22	21.59
d) Others.	76.46	70.44
	2636.03	2306.82
Maintenance of Vehicles:		
a) Petrol & Diesel.	394.74	386.59
b) Repairs(From Schedule - 10)	32.32	18.50
c) Road Tax.	7.01	8.37
d) Insurance.	6.06	10.92
	440.13	424.38
Consumption of Stores & Spares(from Schedule - 6)	22.15	18.57
Training Expenses:		
a) Within Company.	25.61	20.44
b) Outside Company.	141.14	122.62
	166.75	143.06

Depreciation	630.18	596.87
Community Development.	232.36	387.68
Environmental Expenditure:		
a) Tree Plantation.	60.80	38.57
b) Others.	119.26	108.53
	180.06	147.10
Family Planning Expenses.	10.30	8.14
Uniform and/or Sticking Charges	40.23	49.37
Hiring charges of bus/Ambulance/School Bus.	485.76	427.81
Other Benefits.	1178.97	1019.33
Sub-Total:	29875.29	26077.64
Less: Recoveries:		
a) House Rent.	46.65	40.51
b) Electricity.	149.96	67.20
c) Hospital Charges.	26.02	24.57
d) Hire Charges.	6.12	2.03
e) School Bus.	37.60	35.88
f) Others.	1.24	1.20
	267.59	171.39
TOTAL:	29607.70	25906.25

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EASTERN COALFIELDS LIMITED
SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH,2009

SCHEDULE-9

POWER AND FUEL

	FOR THE YEAR ENDED 31ST MARCH <u>2009</u> (RS.IN LAKHS)		FOR THE YEAR ENDED 31ST MARCH <u>2008</u> (RS.IN LAKHS)	
Purchased.		33453.85		32428.52
Power Generation:				
Salaries,Wages & Allowances(From Schedule - 7).	26.48		22.65	
Consumption of Stores(From Schedule - 6).	1.36		2.17	
Depreciation.	10.28		10.28	
		38.12		35.10
Sub-Total:		33491.97		32463.62
Less: Transferred to:				
a) Social Overhead.		7566.69		6097.75
Total:		25925.28		26365.87

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EASTERN COALFIELDS LIMITED
SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH,2009

SCHEDULE-10

REPAIRS

	FOR THE YEAR ENDED 31ST MARCH <u>2009</u> (RS.IN LAKHS)	FOR THE YEAR ENDED 31ST MARCH <u>2008</u> (RS.IN LAKHS)
Factory & Office Building.	176.59	202.73
Plant & Machinery:		
a) Outside Agency.	4982.67	4430.39
b) Workshop Debit (Gross).	4222.18	4602.62
	9204.85	9033.01
Major Repairs of Equipments.	0.00	804.00
Office Equipment & Furniture.	22.38	24.54
Vehicles.	187.16	187.27
Others.	174.10	205.66
	9765.08	10457.21
Less: Transfer to:		
Social Overhead.	32.32	18.50
Miscellaneous Expenses	38.93	36.77
Stock of Stores (Out of W/Shop Debit)	2440.93	2497.20
P & M (Out of W/Shop Debit)	157.89	441.88
	2670.07	2994.35
Total:	7095.01	7462.86

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EASTERN COALFIELDS LIMITED
SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

SCHEDULE-11

CONTRACTUAL EXPENSES

	FOR THE YEAR ENDED 31ST MARCH <u>2009</u> (RS.IN LAKHS)	FOR THE YEAR ENDED 31ST MARCH <u>2008</u> (RS.IN LAKHS)
Transport Charges:		
Sand	3579.01	3346.57
Coal & Coke	9758.54	7611.08
Stores	84.35	79.76
Others	1142.88	815.31
Other Contractual Works.	10922.40	9238.68
Total:	25487.18	21091.40

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EASTERN COALFIELDS LIMITED
SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH,2009

SCHEDULE-12

MISCELLANEOUS EXPENSES

	FOR THE YEAR ENDED 31ST MARCH 2009 (RS.IN LAKHS)	FOR THE YEAR ENDED 31ST MARCH 2008 (RS.IN LAKHS)	
Travelling:			
a) In Country.	635.36	421.29	
b) Outside Country.	<u>36.08</u>	<u>5.98</u>	
		671.44	427.27
Printing & Stationery		250.05	218.75
Postage.		13.77	14.62
Telephone.		89.21	99.05
Advertisement & Publicity:			
i) Advertisement for:			
a) Tender.	120.80	103.16	
b) Others.	0.89	0.00	
ii) Publicity.	<u>0.00</u>	<u>0.05</u>	
		121.69	103.21
Freight Charges		25.53	3.95
Demurrage		728.18	565.29
Donation.		19.17	11.71
Security Expense.		3304.24	2540.23
Hire Charges:			
a) Computer.	299.91	404.07	
b) Cars & Jeeps	509.95	424.77	
c) Others.	<u>279.07</u>	<u>201.00</u>	
		1088.93	1029.84
Maintenance of Cars & Jeeps:			
i) Petrol & Diesel.	473.49	457.41	
ii) Repairs(From Schedule - 10)	38.93	36.77	
iii) Stores and Spares(From Schedule - 6)	20.25	23.29	
iv) Road Tax.	53.44	58.87	
v) Insurance.	<u>13.10</u>	<u>20.61</u>	
		599.21	596.95

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Legal Expenses		109.55		107.52
Bank charges		61.47		90.34
Consultancy Chrgs.		226.56		54.83
Maintenance Service		2796.84		1032.33
Office Contingent		79.17		84.01
Underloading / Overloading charges.		2321.06		2607.75
Loss on Sale/Discard of Assets.		35.10		60.45
Auditors Remuneration:				
As Auditor	9.72		9.72	
Travelling & out of Pocket Expenses	<u>4.78</u>	14.50	<u>4.80</u>	14.52
Tax Audit Fees		0.82		0.82
Internal Audit Fees.		15.69		57.50
Royalty & Cess		184.46		206.72
Rates & Taxes		176.24		109.99
Service Tax (Others)		454.44		1402.11
Rent		16.38		4.83
Surface Rent		0.59		0.14
Dead Rent		18.53		18.34
Insurance		5.92		3.10
Compensation:				
a) Land/Crops	15.66		104.50	
b) Others	<u>6.27</u>	21.93	<u>0.10</u>	104.60
OCP Reclamation		0.00		429.49
Cost of Stowing Lag		108.60		183.84
Others.		1235.43		1284.56
TOTAL:				
		14794.70		13468.66

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EASTERN COALFIELDS LIMITED

SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH,2009

OVERBURDEN REMOVAL ADJUSTMENT

SCHEDULE - 13

	FOR THE YEAR ENDED 31ST MARCH <u>2009</u> (RS.IN LAKHS)	FOR THE YEAR ENDED 31ST MARCH <u>2008</u> (RS.IN LAKHS)
Expenditure charged to Coal	37625.14	32062.48
Add/Less : Ratio Variance	23228.03	10216.06
Less : Expenditure during the year	45266.91	34236.73
TOTAL	15586.26	8041.81

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EASTERN COALFIELDS LIMITED

SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH,2009

SCHEDULE-14

INTEREST

	FOR THE YEAR ENDED 31ST MARCH <u>2009</u> (RS.IN LAKHS)	FOR THE YEAR ENDED 31ST MARCH <u>2008</u> (RS.IN LAKHS)
On Others.	7.30	29.12
Total:	7.30	29.12

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EASTERN COALFIELDS LIMITED

SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH,2009

SCHEDULE-15

PROVISIONS/WRITE-OFF.

	FOR THE YEAR ENDED 31ST MARCH <u>2009</u> (RS.IN LAKHS)		FOR THE YEAR ENDED 31ST MARCH <u>2008</u> (RS.IN LAKHS)	
a) Provision for:				
Doubtful Debts		3505.71		3794.04
Doubtful Advances		48.44		480.74
Loss/Obsolescence of Stores.		214.55		300.95
Loss of Assets.		32.50		67.56
Other Current Assets.		12.26		16.65
Sub-Total:		3813.46		4659.94
Less: Provision written back for :				
Debtors	1639.80		3338.34	
Advance	327.36		6.39	
Stores	52.34		31.13	
Loss of Assets.	48.86		37.51	
Other Current Assets	<u>2.08</u>	2070.44	<u>0.00</u>	3413.37
Total:	(a)	1743.02		1246.57
b) Write-Off of :				
Advance	275.84			
Bank balance (Inoperative)	0.61	276.45		0.00
Total:	(b)	276.45		0.00

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EASTERN COALFIELDS LIMITED
SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH,2009

SCHEDULE-16

PRIOR PERIOD ADJUSTMENTS.

	FOR THE YEAR ENDED 31ST MARCH <u>2009</u> (RS.IN LAKHS)	FOR THE YEAR ENDED 31ST MARCH <u>2008</u> (RS.IN LAKHS)
DEBIT:		
c) PPLB / PPLR	0.00	114.23
Power & Fuel	0.00	301.54
Repairs - Others	5.62	20.80
Workmen & Staff Welfare Expenses	44.31	13.35
Contractual Expenses.	25.20	155.65
Miscellaneous Expenses.	9.95	333.14
Other Receipt	9.61	-55.66
Depreciation	343.00	36.43
Total Debit	437.69	919.48
CREDIT:		
Consumption of Stores & Spares.	113.85	-260.82
Salary , Wages & Allowance	10.38	-115.16
d) Contribution to P.F.	29.36	0.00
e) Pension & Gratuity	5.78	-12.87
C.M.Bonus	0.00	45.52
	11.81	-116.22
Repairs- Plant & Machinery	0.00	4.58
Total Credit	159.37	-372.46
Net Credit (+)/Debit(-)	-278.32	-1291.94

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SCHEDULE – 17.

SIGNIFICANT ACCOUNTING POLICIES :

1.0: ACCOUNTING CONVENTION.

1.1: Financial Statements are prepared on the basis of historical cost and on accrual basis following going concern concept, accounting standards and generally accepted accounting principles except otherwise stated in Notes on Accounts.

1.2: All expenditure and income are booked initially in the natural heads of accounts and then transferred to functional heads wherever required for better classification.

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 year-end, if any, is shown as current liabilities.

2.2: Subsidies/Grants on Revenue Account are credited to Profit & Loss Account under the head 'Other Receipts' and the relevant expenses are debited to the respective heads. The unspent amount, if any, at the year-end is shown as current liabilities.

3.0: FIXED ASSETS :

3.1: Land: Value of Land includes cost of acquisition, cash rehabilitation expenses and settlement cost incurred for displaced persons. All other expenditures are recognised as revenue expenditure.

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

3.3: Railway Sidings: Pending commissioning, payments made to the Railway Authorities for construction of Rly. Siding is shown under Capital Work-in-Progress.

3.4: Mines Development: Expenses net of income of the Mines under development are booked to Mines Development Account and shown under Capital Work-in-Progress till the Mines are brought to Revenue Account.

3.5 : Mines under Development are brought to Revenue in the financial year whenever any of the following events occur first: -

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

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 WIP 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.

5.0: INVESTMENTS:

Investments are stated at cost.

6.0: INVENTORIES :

6.1: Book Stock of coal is considered in the accounts, where the variance between book stock and measured stock is up to +/- 5% and in cases where the variance is beyond +/-5%, the measured stock is considered. Such stock is valued at lower of cost or net realisable value (NRV).

6.2: Stock of stores and spare parts at Central and Area Stores are valued at weighted average cost. The year end stores and spare parts remaining unconsumed at Collieries/Sub-Stores/consuming centres initially charged off are added back to inventory at cost/at issue price of Area Stores (weighted average cost), except the stores against which invoices are yet to be received are valued at last purchase price. Workshop jobs including work-in-progress are valued at cost excluding administrative overhead.

6.3: Stores and spare parts include loose tools.

6.4: Provisions are made at the rate of 100% for unserviceable, damaged and obsolete stores and at the rate of 50% for stores and spares including capital stores and spares not moved for five years.

6.5: Stock of stationery, brick, sand, medicine and scraps are not considered for inventory purpose except stock of medicines at Kalla & Sanctoria Hospitals which are valued at FIFO basis.

7.0: DEPRECIATION/ AMORTISATION :

7.1: Depreciation on fixed assets is provided on straight-line method at the rates prescribed in Schedule XIV to the Companies Act, 1956, except on certain following assets :-

<u>Particulars of the Asset.</u>	<u>Rate of Depreciation.</u>
Tele-Communication Equipment	15.83%
Dumper upto 35 T.	15.83%
Dumper upto 50 T.	13.57%
Hydraulic Shovels upto 1.2 cu.m.	13.57%
Hydraulic Shovels > 1.2 to 2.2 cu.m.	13.57%
Hydraulic Shovels > 2.2 to 5.0 cu.m.	13.57%

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Hydraulic Shovels > 5.0 to 10.0 cu.m.	11.88%
B.H. Drill < 160 mm	13.57%
S.D.L.	19.00%
LHD	15.83%

Depreciation on the assets added/disposed off during the year is provided on pro-rata basis with reference to the month of addition/disposal.

7.2: Value of land acquired under the Coal Bearing Areas (Acquisition & Development) Act, 1957 are amortized equally over the life of the Project.

7.3: “Prospecting, Boring and other Mines Development Expenditure” (being capital in nature of Revenue Mines) are amortized over a period of 20 years or the working life of the Mines whichever is less, from the year the mines are brought to revenue.

7.4: Assets not belonging to the Company are fully charged in the year when these expenditures are incurred and the same are taken out from the Accounts in the following year.

7.5: Assets attracting 100% depreciation including items whose actual cost does not exceed five thousand rupees, depreciation is provided for the full year in the first year of capitalisation of such assets irrespective of the actual usage (No. of months) and such assets are taken out from the books of account after the expiry of one year from the date of installation.

8.0: IMPAIRMENT OF ASSETS:

Prospecting, Boring and Development expenses of all loss making mines are considered impaired and impairment are also considered where evidence of physical damages or obsolescence of assets are available.

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9.0 : FOREIGN CURRENCY TRANSACTIONS :

Year-end balance of foreign currency transactions is translated at the year end rates and the corresponding effect is given in the respective accounts.

10.00 : RETIREMENT BENEFIT :

Year-End liability as per A.S-15 (revised) on account of Gratuity, Leave Encashment, LTC/LLTC, Retirement Benefit etc. is provided for on accrual basis as per actuarial valuation.

11.00 : BORROWING COST :

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

12.00: PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS.

Provision in respect of all departmental open cast mines and stowing lag for U.G. mines are made in order to meet the company's present obligation on account of past events as per provision laid down in A.S. 29.

13.00 : TRANSACTIONS WITH COAL INDIA LIMITED (HOLDING COMPANY).

Amount due to Coal India Limited on account of loan after adjustment for conversion to equity from time to time is shown as "Unsecured Loan". Amount due/receivable on account of revenue nature transactions in Current Account is shown under "Current Liabilities/Current Assets".

14.00: OVERBURDEN REMOVAL (OBR) ADJUSTMENT :

In Open Cast Mines with rated capacity of one million tonnes per annum and above, cost of OBR is charged on technically evaluated average ratio (COAL:OB) at each mine with due adjustment for advance stripping and ratio-variance account after the mines are brought to revenue. Net of balances of advance

stripping and ratio variance at the end of the year is shown as cost of Removal of OB under the head Current Assets/Current Liabilities as the case may be.

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

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

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

NOTES ON ACCOUNTS.

1.0 : BACKGROUND:

1.1: Eastern Coalfields Limited was incorporated as a Private Limited Company on 1st. November, 1975 as a 100% Subsidiary of Coal India Limited (CIL) upon taking over of Assets and Liabilities vested with the Eastern Division of Coal Mines Authority Ltd.

(former name of Coal India Limited).

1.2: Pending completion of legal formalities for transfer of assets and liabilities to the Company certain Assets including Mining Rights etc. continued to be in the name of CIL.

1.3: The formal transfer Deeds/Agreement for Assets & Liabilities transferred and taken over by the Company in respect of Coal Mines Labour Welfare Organisation, Kalla & Central Hospital along with 4 other Hospitals/Dispensaries, Mines Rescue Station, Barakar Engineering & Foundry Works are yet to be finalized and executed in favour of the Company. In the absence of formal transfer and/or details of assets and liabilities of the above units, the valuation thereof have not been considered in the accounts. Consequently payment of Rs. 26.92 lakhs (Rs. 26.92 lakhs) made for Mines Rescue Station and Kalla Hospital has been shown in the accounts as Receivable.

2.0 : FIXED ASSETS AND CAPITAL-WORK-IN-PROGRESS.

2.1: Land consists of free/leasehold land and land acquired under Coal Bearing Acquisition Act, 1957 the extent of which has not been classified in the Accounts.

2.2: Land includes certain land taken on possession by the Company for which legal formalities in respect of title deeds etc. are pending. However, land taken on possession by the Company, for which values are yet to be ascertained pending completion of legal formalities have not been included.

2.3: Building includes Roads & Culverts situated in the residential/Official/Factory areas.

2.4: S.P. Mines is the custodian of presently abandoned Soft Coke Plant as installed by CMPDIL. Neither any value of assets are recognized nor any operational expenses are incurred by the Company for such Plant.

2.5: Capital items of stores like Conveyor Belt, Power Cables, Engineering Ropes and 90% value of civil materials lying in the Stores are shown as Capital W.I.P.

2.6: Physical verification of Plant & Machinery each worth Rs.1.00 lakh and more have been carried out as per programme. Resultant differences on completion of formalities have been adjusted.

2.7: ASSETS TAKEN OVER ON NATIONALISATION :

The net value of assets, details of which are not available amounting to Rs. 817.02 Lakhs acquired on nationalization of Coal Mines under Coal Mines Nationalisation Act, 1973 have been taken into accounts and fully provided for.

3.0 : PROVISIONS ON FIXED ASSETS/CAPITAL W.I.P.

3.1 : Total year end provision of Rs. 7367.46 lakhs (Rs. 6421.59 lakhs) as appearing in Capital Work-in-Progress (Schedule – E) includes provision of Rs. 1485.95 lakhs (Rs. 1466.94 Lakhs) equivalent to the rate of depreciation for Plant not put to use & incomplete Civil Works held for more than 3 years .

3.2 : Full provision amounting to Rs. 459.34 lakhs (Rs. 272.62 lakhs) on the value of discarded/surveyed off assets has been made .

4.0: INVESTMENT:

During the year 2008-09, 2 sets of 8.5% Tax Free RBI Power Bond amounting to Rs. 3.30 lakhs (Rs. 3.30 lakhs) representing Rs. 1.65 lakhs(Rs.1.65 lakhs) each have been redeemed.

5.0: INVENTORY :

5.1: Perpetual verification of inventories has been carried out during the year except in certain Areas. Closing stock of stores at Central and Area Stores have been valued at weighted average cost. Year-end provision of Rs. 4211.19 lakhs (Rs. 4048.98 lakhs) is consisting of the following.

a) Rs. 231.71 lakhs (Rs.231.71 lakhs) for quantitative discrepancies noticed between Bin Cards and Stores Ledger upto June'85.

b) Rs. 1166.37 lakhs (Rs. 1166.37 lakhs) for unserviceable, damaged and obsolete stores.

c) Rs. 2813.11 lakhs (Rs. 2650.90 lakhs) for non moving stores & spares.

Further provision of Rs. 16.88 lakhs (Rs. 17.55 lakhs) for work shop jobs have also been made.

5.2: Reconciliation between Bin Cards and Store Ledger and Store Ledger with Financial Ledger as on 31.03.2009 are in progress and shown as Stock Adjustment under Inventories amounting to Rs. 58.21 lakhs (Rs. 49.58 lakhs).

5.3: The variance found on physical verification of stock (measured stock) of coal as compared to book stock is given below and is accounted for as per accounting policy No. 6.1.
(Figures in lakhs).

	<u>Within +/- 5%</u>		<u>Exceeding +/-5%</u>	
	<u>Quantity</u>	<u>Value</u>	<u>Quantity</u>	<u>Value</u>
Shortage.	0.67	590.87	0.56	949.27
Excess.	--	4.99	0.04	55.05
Net Shortage.	0.67	585.88	0.52	894.22

5.4. Coal of 471361 M.T (471361 M.T.) mixed with Matti etc. is non-vendible and has been taken at NIL value.

5.5: Shortage of coal at Rajmahal OCP of 19.54 L. tonne including fire stock valued at Rs. 6385.73 lakhs was accounted for in the accounts of 2007-08 for which enquiry is in progress.

6.0: SUNDRY DEBTORS :

An amount of Rs. 6153.53 lakhs (Rs. 5866.16 lakhs) for grade slippage including levies has been adjusted after reconciliation, settlement and issuing credit notes to the parties during the year. The details of provision is under :-

(Rs. in lakhs).

Particulars.	2008-09	2007-08
Opening provision	18041.58	21564.87
Less : Settled/written off/adjusted against Opening debtors.	3085.26	3978.99
Less : Written back from opening provision	1639.80	3338.34
Add: New provision during the year.	3505.71	3794.04
Closing Balance	16822.23	18041.58

7.0: LOANS AND ADVANCES :

7.1: Year end provision of Rs. 1585.78 lakhs (Rs.1864.70 lakhs) is consisting of the followings.

a) Provision of Rs. 275.84 lakhs (Rs. 275.84 lakhs) for net un-linked debit and credit balances of advance to Suppliers and Sundry Creditors appearing prior to March, 1985 has been written off as approved in 228th meeting of Board of Directors of ECL held on 22nd June, 2009.

b) Rs. 1585.78 lakhs (Rs.1588.86 lakhs) for net un-reconciled advance to suppliers, contractors, employees with the corresponding liabilities appearing in the accounts after 31st. March, 1985.

7.2: Reconciliation regarding transactions with other subsidiaries of CIL has been made up to cut off date of 21.04.2009 and confirmed balances have been transferred to CIL as on 31.03.09 . Acceptance of any subsequent advice relating to the period ending 31st March 2009 are accounted for subject to the confirmation by the respective subsidiaries.

7.3: The net debit balance in Sales Tax of Rs. 1986.65 lakhs (Rs. 1154.33 lakhs) shown under the head “ Loans and Advances” represent the amount lying unadjusted pending settlement exclusive of the disputed claims not acknowledged as debts.

7.4: The debit balance in Tax Deducted at Source of Rs. 1469.85 lakhs (Rs. 1318.03 lakhs) shown under the head Loans and Advances represent income tax deducted for several years but remaining un refunded.

8.00: Bank Balances of Rs. 0.61 lakhs lying in-operative in different areas for a long period have been written off as approved in 228th. Meeting of Board of Directors of ECL held on 22nd June, 2009, as per details given below :-

Areas.	Names of Banks.	Amount. (Rs.)
Mugma	State Bank of India, Kumardhubi.	2421.40
	SBI, Asansol.	15178.13
	SBI, Chirkunda	543.19
Sripur	United Commercial Bank, Asansol.	4538.00
S.P. Mines.	SBI, Simlong.	15000.00
	SBI, Godda.	23000.00

9.00 : SECURED LOANS :

The Company through its Holding Company, CIL, has entered into agreement with Bank Consortium (lead Bank SBI) to avail cash credit facilities and the said facilities are collaterally secured by creating hypothecation charge over the current assets comprising of Book debts, stock of Raw Materials, semi finished goods, finished goods and consumable

stores & spares both present and future jointly and severally in favour of the said bank for a sum of Rs. 4700 lakhs (Rs. 4700 lakhs) . However, the said facilities have not been availed by the company during the year.

10.00 : UNSECURED LOAN

10.1 Exchange Fluctuation debit of Rs. 3733.94 lakhs (Cr. Rs. 1296.25 Lakhs) in respect of un-secured loan from Export Development Corporation, Canada through CIL has been adjusted in the value of un-secured loan and also in the corresponding value of the respective assets.

10.0: CURRENT LIABILITIES & PROVISIONS.

11 :CURRENT LIABILITIES :

11.1 In the process of making payment of cess on the annual value of coal bearing land based on average production of preceding two years valuing at a rate prevailing on 31.03.2008 and realization made from customers on the value of despatches of coal, there remains a balance accumulating to Rs. 91797.42 lakhs)(Rs. 86227.44 Lakhs), which has been shown in Cess Equalisation Account under Current Liabilities & Provision. There is an additional demand of Rs. 26003 lakhs (Rs. 26003 lakhs) arising out of the assessment made upto 2001-02 which has been shown as contingent liability.

11.2: The following amounts received by the company, have been shown in Other Liabilities under Current Liabilities and Provisions Schedule.

- a) Rs. 278.64 lakhs (Rs. 278.64 lakhs) on allotment of Barjora (North) Coal Block to Damodar Valley Corporation by the Ministry of Coal, Govt. of India.
- b) Rs. 158.81 lakhs (Rs. Nil) for allotment of Jitpur Block to Jindal Power Ltd.
- c) Rs. 951.09 lakhs (Rs. Nil) for allotment of Ardhagram Old Block to Sova Ispat Ltd.
- d) Rs. 102.43 lakhs (Rs. 108.77 lakhs) as Govt. grant for Short Wall Project at Sodepur.
- e) Rs. 2739.11 lakhs (Rs. 2802.33 lakhs) for Ranigunj Coalfields Rehabilitation Subsidence, fire etc. under Environmental Measures and Subsidence Control Scheme (EMSC) from Govt. of India.
- f) Rs. 451.00 lakhs (Rs. Nil) for exploration and determination of Coal fire hot spot in Nimcha and Samdih, carried out by DMT, Avantika, as approved by the Apex Committee for R& D Board of CIL.

11.3 : Wages remaining unpaid for more than 7 years are identified and deposited the same a separate current account with State Bank of India, Sanctoria.

11.4: Pending identification of the suppliers as Micro, Small & Medium, as per MSMED Act, disclosures required under this Act has not been made.

B. PROVISIONS:

11.5: The year end provision towards gratuity, leave encashment, Gross Personal Accident Insurance, LTA/LTC, life cover scheme, settlement allowances, Fatal mine accidental benefit and medical benefit on retired employees has been made on actuarial valuation as per the certificate given by the actuary.

The assumptions considered by the Actuary for determining the above actuarial valuation are as under:-

Demographic Assumptions

Mortality rate-	Table LIC 1994-1996
Superannuation Age	60 years
Early retirement & disablement	10 per thousand per annum
	6 above age 45
	3 between 29 and 45
	1 below age 29

Financial Assumption:

Discount rate	8%
Inflation rate	6.5%
Return on Assets	Not-funded
Remaining working life	14 years
Formula used	Projected Unit Credit Method

11.6: The year end provision has been arrived on fair estimate for determining the cost incurred for stowing of sand in the total lag of 432111cu.m. (425029cu.m.) identified on coal production in UG mines during 2008-09.

11.7: The year end provision has been arrived on fair estimate for determining the value of reclaimable area of 738.32 hec. (796.32 hec) as on 31.03.2009 in respect of all OC mines.

11.8 : The liability in respect of arrears on revision of Salaries & Wages including gratuity leave encashment and other benefits for non-executives w.e.f. 01.07.2006 as per NCWA-VIII and for executives w.e.f. 01.01.2007 upto 31.03.2008 (as reduced by provision already made upto 31.03.2008) provided on estimate, have been shown in Profit & Loss account. The impact of the same for the year 2008-09 also provided during the year on estimate, has been shown in Schedule-7. The additional impact arising out of pay revision of executives and non executives is estimated to the tune of Rs. 1481 crores, out of which a sum of Rs. 408 crores has been paid.

12 : PROFIT AND LOSS ACCOUNT :

12.1: Sale is net of deduction for grade slippage etc. Sales for the year have been reduced by Rs. 5932.05 lakhs (Rs. 5658.14 lakhs) due to credit notes issued to the parties for the grade slippage.

12.2: Coal issued to employees (free issue) amounting to Rs. 2798.57 lakhs (Rs. 2916.89 Lakhs) and for internal consumption of Rs. 4237.06 lakhs (Rs. 3961.77 Lakhs) are accounted for on the basis of norms fixed by the management and valued at related grade selling price and the same is exhibited in the accounts as a specific contra.

12.3: Subsidy due from appropriate authority for stowing and protective work undertaken during the year has been received for six months amounting to Rs. 2521.56 lakhs. Subsidy receivable for the balance period of six months have been estimated on pro-rata basis and shown under Loans and Advances.

12.4 Amount spent for Community Development and for employees welfare activities are shown as “Social Overhead Expenses”.

12.5 : Interest of Rs. 2.17 lakhs (Rs. 2.45 lakhs) has been credited in the accounts on the remaining value of 8.5% Tax free RBI Power Bond of Rs. 26.40 lakhs after redemption (Rs. 29.70 Lakhs) acquired under securitisation of past dues of UPSEB which are repayable over a period of 15 years in 20 equal 6 monthly instalments commencing from 01.10.2006.

12.6 : Total claim of Rs. 4766.84 lakhs was lodged with the Director of Electricity, Govt. of West Bengal, in support of relief/concession required for revival of ECL according to BIFR’s sanctioned scheme vide its letter No. 40/PA/PR.Secy./IRPE dated 30.8.2005. During the year Rs. 608.54 lakhs (Rs. 1516.55 lakhs) has been received and recovery of the balance amount of Rs. 2641.75 lakhs (Rs. 3250.29 lakhs) are in process.

12.7 : No liability is accruing in ECL in respect of Wealth Tax in 2008-09 on the basis of calculation arrived at as per provision laid down in the Act. As such no provision in the accounts has been made.

12.8 : Due to change in Accounting Policy referred in para 7.1 of Significant Accounting Policy relating to provision of depreciation on certain Plant & Machineries at higher rates than that of the rate specified in Schedule XIV of the Companies Act, 1956, the loss for the year is increased by Rs. 1525.92 lakhs

12.9 : Due to revision in payment of gratuity from a limit of Rs. 3.50 lakhs to Rs. 10.00 lakhs per employee and revision of salaries & wages of executives and staff following implementation of NCWA VIII, the loss for the year is increased by Rs. 64533.22 lakhs and Rs. 6661.48 lakhs on account of actuarial valuation of gratuity and leave encashment respectively as given by the actuary.

13.0: CAPITAL COMMITMENT AND CONTINGENT LIABILITIES :

13.1: Estimated amount of contract remaining to be executed on Capital Account is Rs. 5911.37 lakhs (Rs. 11780.15 lakhs).

13.2: Claims against the Company not acknowledged as debts.

(Rs. in lakhs).

	Current year.	Previous year.
Sales Tax.	7805	5496
Royalty & Cess.	113224	114114
Others.	10608	16952
Total.	131637	136562

13.3 : :DIRECTORS' REMUNERATION :

(Rs. in lakhs)

	Current year.	Previous year.
Salary & Allowances.	28.96	27.72
Provident Fund.	4.85	4.16
Perquisites.	1.19	2.47
Retirement benefit.	21.40	10.66
Perquisite Tax	0.69	0.54
Total	57.09	45.55

a). Perquisites do not include value/charges for House Rent/Electrical Energy which has been recovered as per rules of the Company and value of Free Medical facilities in Company Hospital/Dispensary.

b). Besides the above, Directors have been allowed to use car for private journey up to a ceiling of 750 Kms. per month on payment of Rs. 400/= per month as per service rules.

14.0 : Licensed Capacity : Not applicable.

14.1 : Installed Capacity (as certified by Management) 293.85 lakh tonnes (339.27 lakh tonnes).

14.2 : Production of Coal of 281.35 lakh tonnes(240.59 lakh tonnes)

15.0 : COAL :

	(Quantity in lakh tonnes)		(Rs. in lakhs)	
	Current year	Previous year.	Current year	Previous year.
OP. Stock	31.16	64.85	20922.23	29494.93
Adjust/seized coal	0.03	0.03	26.58	16.24
Sales(*)	278.50	250.20	383740.26	318761.31
Closing stock(**)	29.43	31.16	19732.24	20922.23

(*) Does not include coal issued for domestic consumption by Employees and boiler consumption of 4.07 lakh tonnes (4.17 Lakh tonnes) and Sundry purpose 0.02 lakh tonnes (0.03 Lakh tonnes).

(**) Net surplus/shortage (-) 0.52 lakh tonnes {(-) 19.91 lakh tonne}).

16.0 : Earning in foreign exchange :- Rs. NIL lakh (Rs. NIL lakh).

17.0 : CIF Value of Imports.

	(Rs. in Lakhs.)	
	Current year.	Previous year.
a. Raw Materials.	--	--
b. Components, Stores & Spares.	773.44	293.51
c. Capital Goods.	379.38	4296.18

17.1 : Expenditure in Foreign Currency : (Rs. in Lakhs.)

	Current year.	Previous year.
a. Travelling expenses.	35.80	5.46
b. Expenses on Know-How & Foreign Consultancy.	--	--
c. Pension to Foreigner.	--	0.15
d. Others.	453.55	383.68

18.0 : Total consumption of Stores during the year.

	(Rs.in lakhs)		(Percentage)	
	Current year.	Previous year.	Current year	Previous year.
a). Total consumption of imported materials.	312.53	1055.58	0.67	2.47
b). Indigenous	46348.39	41681.82	99.33	97.53

19.0 : GENERAL :

19.1 : In the opinion of the management, all current assets including loans and advances have realizable value in the ordinary course of business at least equal to the amount at which they are stated. Further adequate provision has also been made in respect of all known liabilities.

19.2 : In absence of confirmation of balances from the debtors, creditors, loans and advances. deposits and other parties the book balance have been considered as correct.

19.3 : A case of misappropriation was detected at Satgram Area in the year 2004-05 and FIR was lodged and the matter has been taken up with the Insurance Company. The amount involved has been worked out to Rs. 39.69 lakhs. CBI and Departmental Enquiry are in process.

19.4 : The Board for Industrial and Financial Reconstruction(BIFR) had sanctioned the Revival Plan of Eastern Coalfields Limited in November, 2004. As per the BIFR sanctioned Revival Plan the net worth of the company was slated to become positive in 2008-09. However, due to delay in implementation of some of the envisaged projects for augmentation of production, implementation of NCWA-VII w.e.f. 01.07.2001 to 30.06.2006 and enhancement of sale price of coal from 16.06.2004, the physical and financial projections were revised and Revised Revival Plan was prepared. The Revised Revival Plan was recommended by Board for reconstruction of Public sector Enterprises (BRPSE) and approved by Govt. of India in October, 2006. As per the revised Revival Plan approved by Govt. of India, the net worth of the company was slated to become positive in 2009-10.

However, due to inordinate delay in obtaining approval of project report for many of the envisaged projects, difficulty in acquisition of land and getting forest clearance, many of the projects could not be implemented. In addition, NCWA-VIII from 01.07.2006 and executive pay revision from 01.01.2007 has been implemented. As such the company would not be able to make its net worth positive in 2009-10.

The company has prepared a Road Map for its revival. This Road Map has considered the optimum level of production considering the various stages in which the envisaged projects were held up and the expected time within which these projects could be implemented. The Road Map has envisaged the production from 31 million tonne in 2009-10 to 47.76 million tonne in 2016-17. In addition to increasing production, the company has also made a programme for maximization of sale revenue beyond normal increase in sale price from time to time. The company has taken steps to sell high premium Ranigunj underground coal to selective power sector consumers at a price nearer to the imported price but more than the e-auction price. Already MoU for selling of coal at a premium price with Damodar Valley Corporation and WBPDCCL has been signed. Besides as per National Coal Distribution Policy (NCDP), issued by the Ministry of Coal, forward e-auction has been proposed to be introduced and thereby the company would be able to sell at cost plus reasonable return on investment or 100% above the notified price whichever is lower.

Based on the physical projections and expected increase in sales revenue by selling coal to selective power consumers at a higher price and by forward/spot e-auction, financial projections have been prepared on constant prices which envisaged that the company would be able to earn profit from 2009-10 and the net worth of the company will become positive in 2015-16 considering

the concessions from Coal India Limited i.e. conversion of current account balance of Rs. 1532 crore into equity and waiver of Rs. 519 crore of unsecured loan. Management of the company is of the opinion that by implementing of the Road Map, the company can make its networth positive while meeting all its financial obligations and as a result the company will continue its operation and will become viable in near future. As such, the accounts of the company have been prepared on the basis of 'going concern concept'.

19.5. ACCOUNTING STANDARDS :

a). A.S. 17 : Segment Reporting – The Company is primarily engaged in a single segment business of production and sale of coal. There is no other reportable primary segment identifiable in accordance with A.S. 17.

b). A.S. 18: Related Party Disclosures – In view of the exemption granted to State Controlled enterprises as regards related party relationship with other State Controlled Enterprises for transactions with such enterprises, no disclosure under A.S. 18 is made, being not applicable for the Company.

c). AS 19: Leases : The Company in terms of Lease Agreement dated 31st. March, 1993 executed with "Dishegarh Power supply Company Ltd." (presently DPSC Ltd.) Registered Office at No. 8 Clive Row, Kolkata for leasing out the 2x10 MW Chinakuri Thermal Power Station including Land, Building, P&M etc. The Lease Agreement is for 20 years from the commencement of the lease W.E.F. 1.4.1991. The lease rental payable by DPSC Ltd. shall be as per agreement. The cost of the Assets along with depreciation thereof furnished under the Schedule of Fixed Assets at Gross value and depreciation are mentioned as under :-

(Rs. in lakhs).

	Gross Value	Depreciation For the year	Depreciation Upto 31.03.09	Net Value.
1. Power Plant	4024.00 (4024.00)	106.37 (212.47)	3806.84 (3700.47)	217.16 (323.53)
2. Building	1019.64 (1019.64)	31.25 (31.25)	575.60 (544.35)	444.04 (475.29)
3. Other Assets.	772.61 (772.61)	28.05 (28.05)	612.72 (584.67)	159.89 (187.94)

The lease rental for the year Rs. 350.00 Lakhs (previous year Rs. 350.00 lakhs) received and shown in the P/L A/c. (Schedule 5).

Further minimum lease payment in aggregate during the period of lease are Rs. 1750.00 lakhs and for each of the following period is as under :-

	(Rs. in lakhs).	
	2008-09	2007-08.
1. Not later than one year.	350.00	350.00
2. Later than one year and not later than five years.	700.00	1050.00
3. Later than five years and till the period of lease.	--	--

No contingent rents are recognised as income in the P/L A/c. for the year 2008-09. Initial direct cost of Revenue nature incurred in respect of the leased out assets were recognized as an expense in the statement of P/L a/c. in the period in which they are incurred.

On termination of lease, the Company shall have the right to take over the entire assets & properties given under the lease by paying the written down value of the additions & alterations that may be brought by the lessee on such assets and property.

d). A.S. 20 - Earnings Per Share :

As the Share of the Company is not listed in any Stock Exchange in India, the Accounting Standard 20 is not primarily applicable. However, earning per share has been shown in Balance Sheet abstract and general business profile (Schedule 17) in pursuant to Part IV of Schedule VI to the Companies Act, 1956. and also disclosed in the face of the P/L A/c.

e). A.S. 22 – Accounting for Taxes on income :

In absence of reasonable certainties that sufficient future taxable income will be available against which deferred tax assets can be realised, no deferred tax assets have been recognized in the accounts in terms of A.S. 22.

f). A.S. 24 - There is no discontinuation in operation of any activities in any mines during the year.

g). A.S. 28 : Impairment loss of Rs. 2095.59 lakhs (Rs. 2182.63 lakhs) on prospecting & boring and other mines development cost including Capital WIP for 2008-09 debited to current year P/L A/c under the head impairment of assets as per accounting policy No. 8.00.

h). AS 29 – In respect of Provision, Contingent Liabilities and Contingent Assets, the followings are the transactions made during the year.

(Rs. In lakhs)

Details	Opening Provision as on 01.04.2008	Provision made during The year	Provision Written back During the Year	Closing provision as on 31.03.2009
Unserviceable/Damaged/ Obsolete Stores	1166.37	--	--	1166.37
Non moving Stores	2650.90	214.55	52.34	2813.11
Loans and Advances	1864.70	48.44	327.36	1585.78
Other Current Assets	58.23	12.26	2.08	68.41
Stowing Lag	506.81	108.60	--	615.41
Reclamation of land	1194.49	--	86.97	1107.52
Actuarial provision for Gratuity	116642.01	69533.80	--	186175.81
Actuarial provision for Leave encashment	12339.79	13292.57	--	25632.36
Actuarial provision for LTC/ LLTC	823.30	61.84	--	885.14
Actuarial provision for Life Cover Scheme	852.04	386.72	--	1238.76
Actuarial provision for Settlement Allowances	14.32	10.49	--	24.81
Actuarial Provision for Fatal Mine Accident Benefit	--	3321.95	--	3321.95
Actuarial Provision for Gross Personal Accident Policy.	16.64	0.62	--	17.26
Actuarial Provision for Post Retirement Medical benefit	--	13.84	--	13.84
Total	138129.60	87005.68	468.75	224666.53

19.6 : The figures in the parenthesis represent those for the previous Year.

19.7: Figures for the previous year have been regrouped, re-arranged and recast wherever necessary.

20.0 INFORMATION PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE:

REGISTRATION DETAILS

Registration Number	30295 of 1975,
State Code	21
Balance Sheet Date	31.03.2009

CAPITAL RAISED DURING THE YEAR

Public Issue	Nil
Rights Issue	Nil
Bonus Issue	Nil
Private Placement	Nil

POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS

	<u>(Amt. in thousand)</u>
Total Liabilities	113708216
Total Assets	113708216

SOURCES OF FUNDS

Paid up Capital	22184500
Reserves & Surplus	0
Unsecured Loans	6892549

APPLICATION OF FUNDS

Net Fixed Assets	12735148
Investments	3110
Net Current Assets	-69335173
Accumulated Losses	85673964

PERFORMANCE OF THE COMPANY

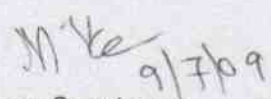
Turnover (including other income)	41483069
Total Expenditure	62540114
Profit(+)/Loss(-) before Tax	-21057045
Profit(+)/Loss(-) after Tax	-21090888
Earning Per Share (in Rs.)	-951
Dividend Rate (%)	Nil

GENERIC NAMES OF PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY AS PER MONETARY TERMS:

Item Code No.(ITC)	270112.00
Product Description	Coal

Signature to Schedule 'A' to 'L' and 1 to 16


Chairman-cum-Managing Director

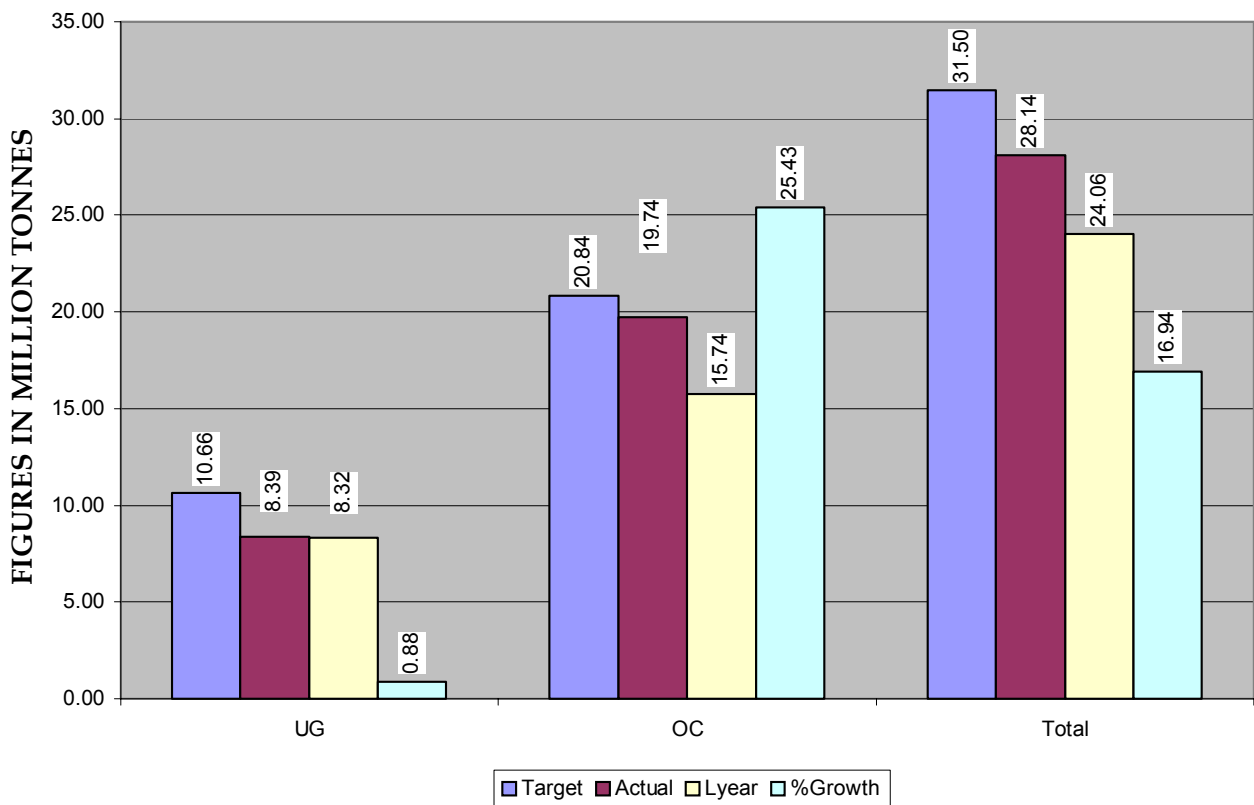

Company Secretary


Director(Finance)

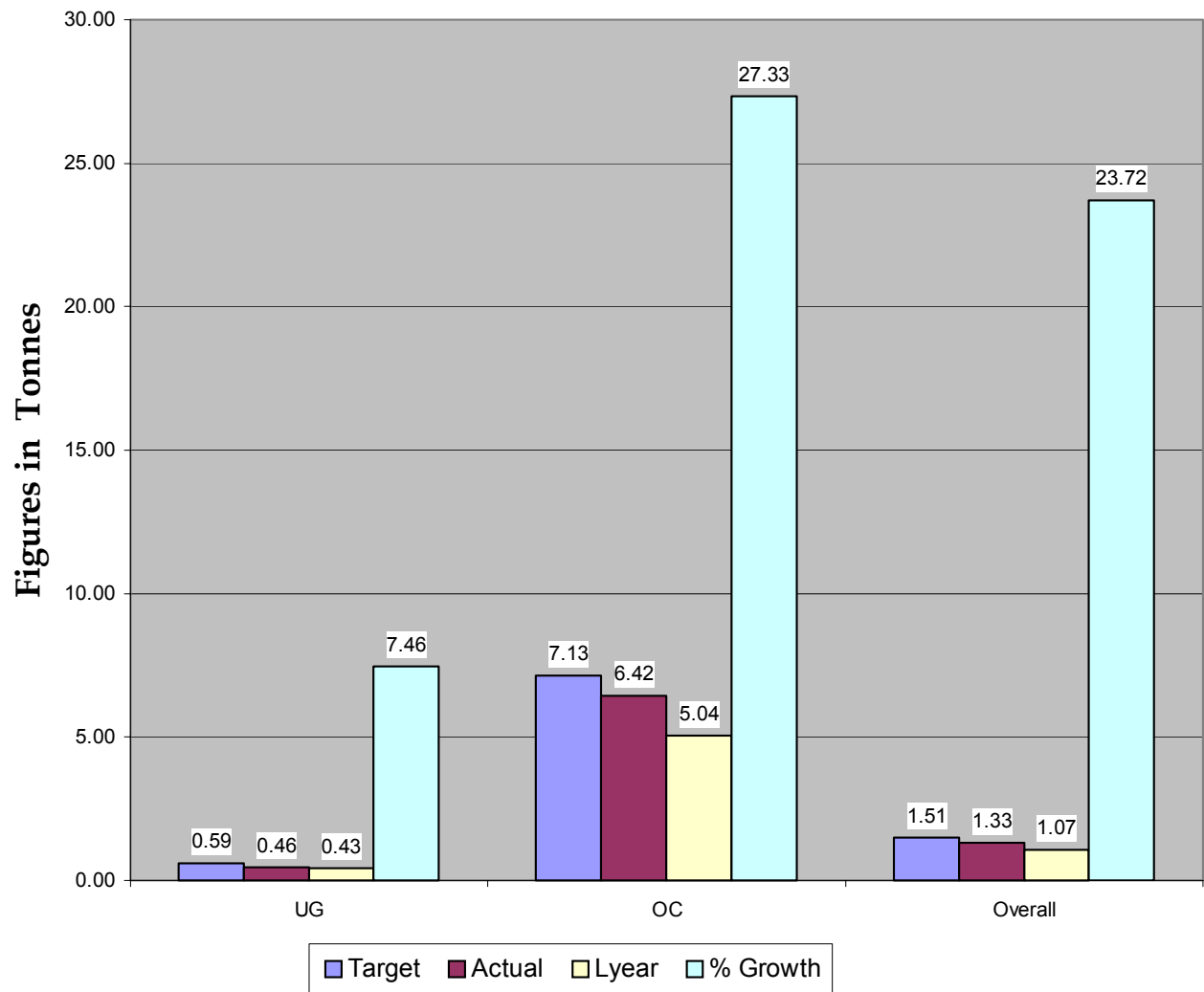

General Manager(Finance)

169

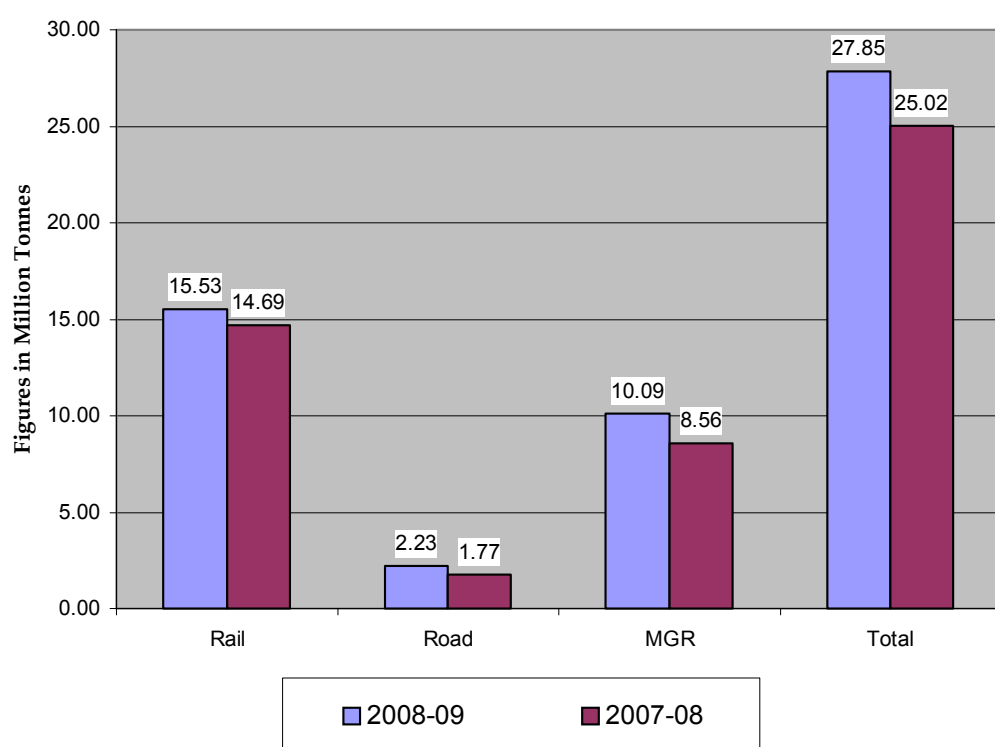
COAL PRODUCTION 2008-09



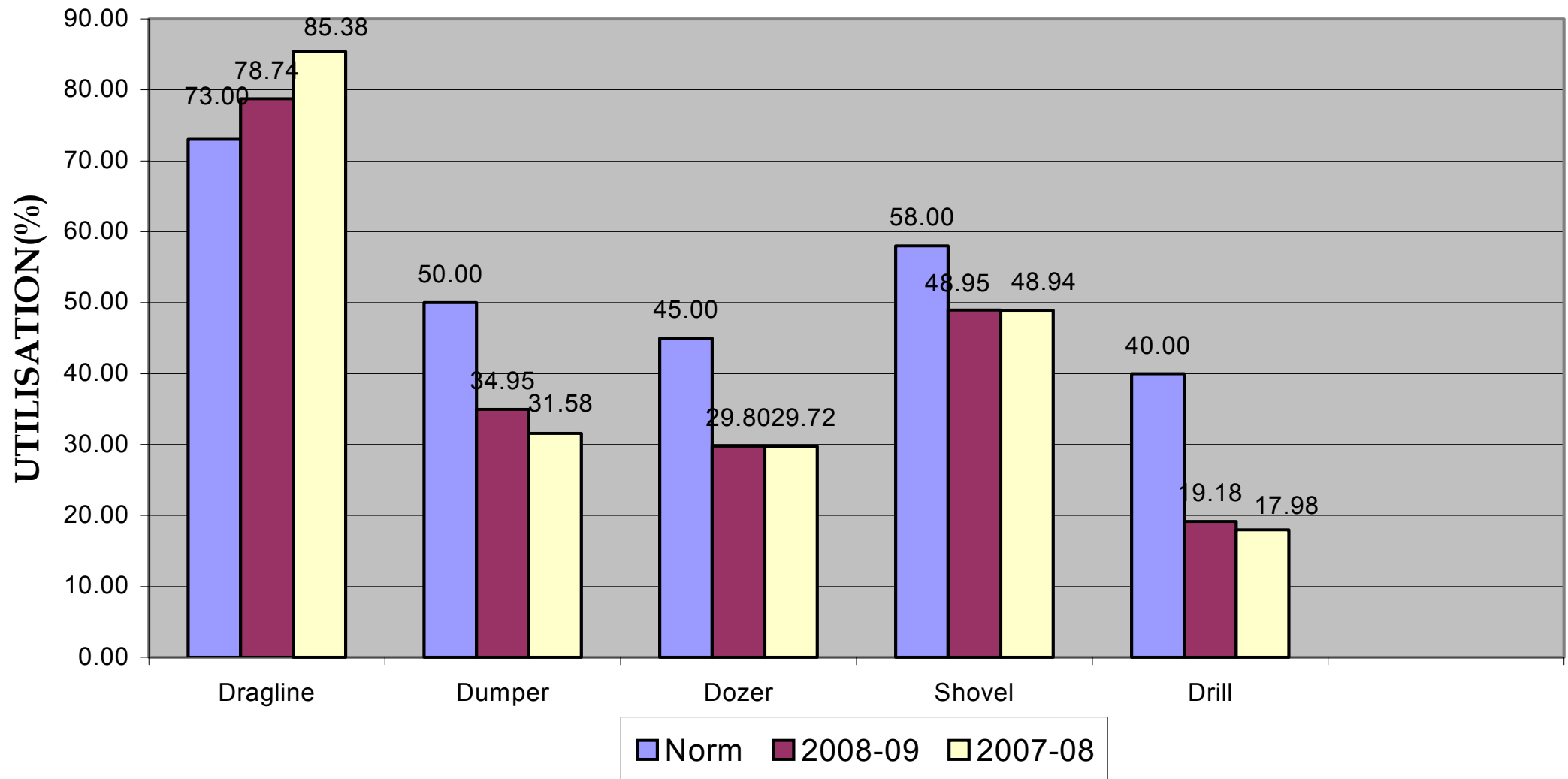
PRODUCTIVITY 2008-09

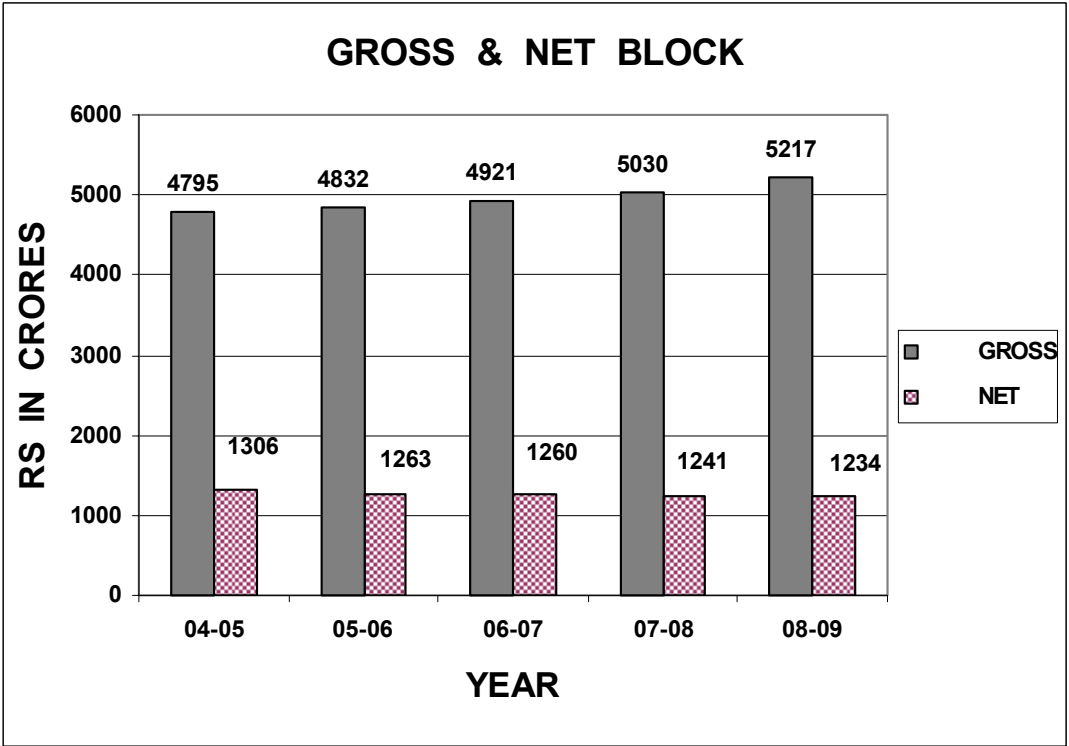
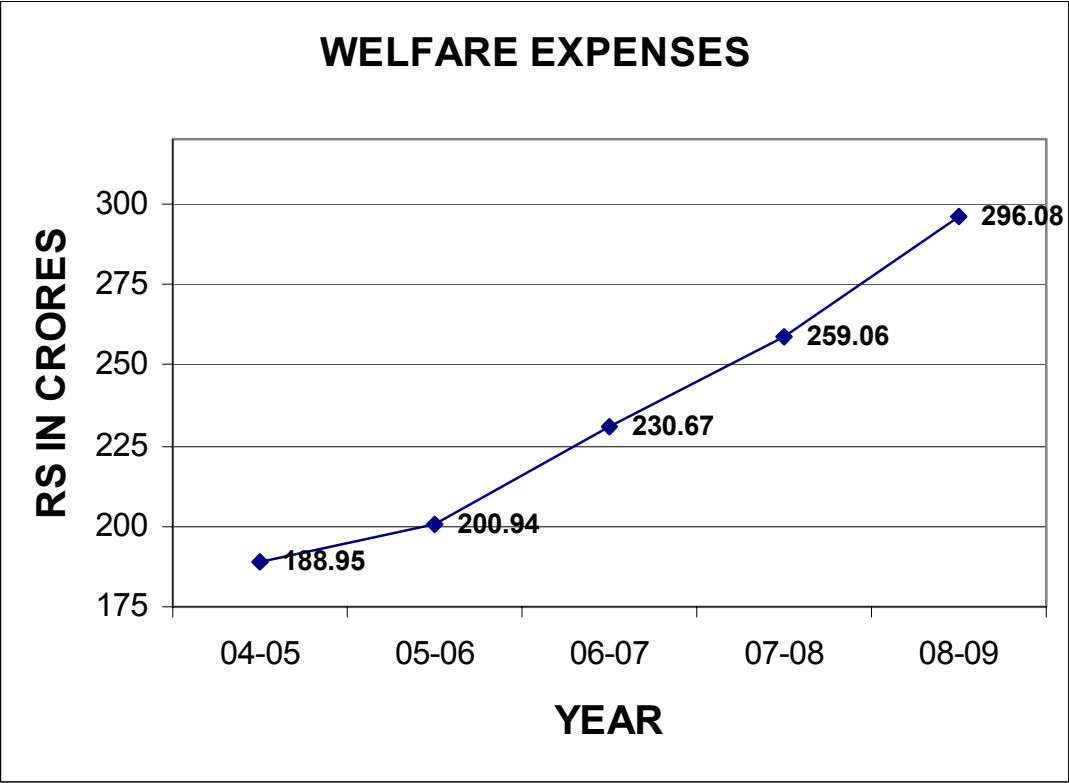


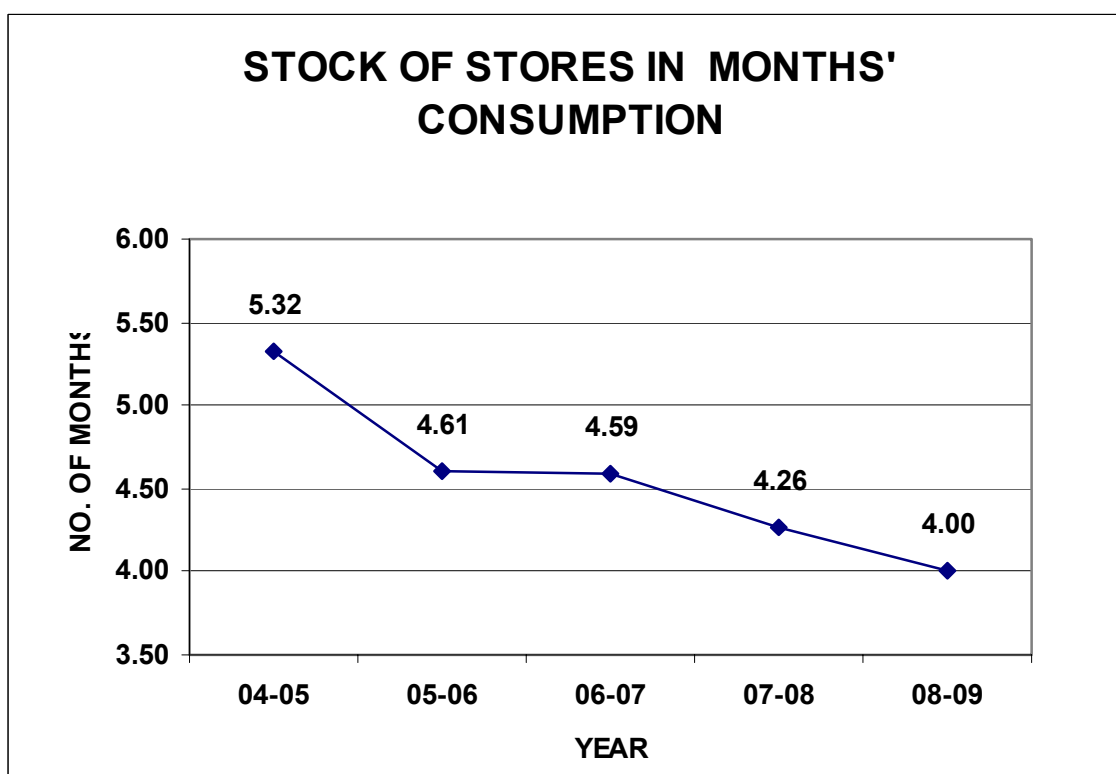
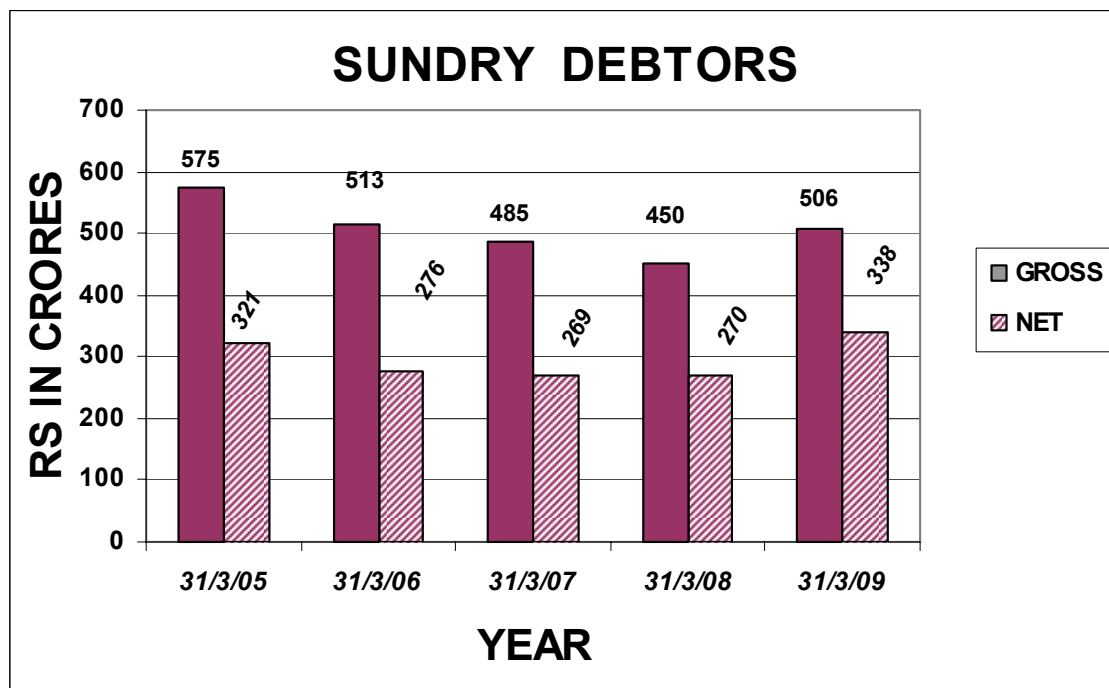
MODE-WISE DESPATCH OF COAL 2008-09



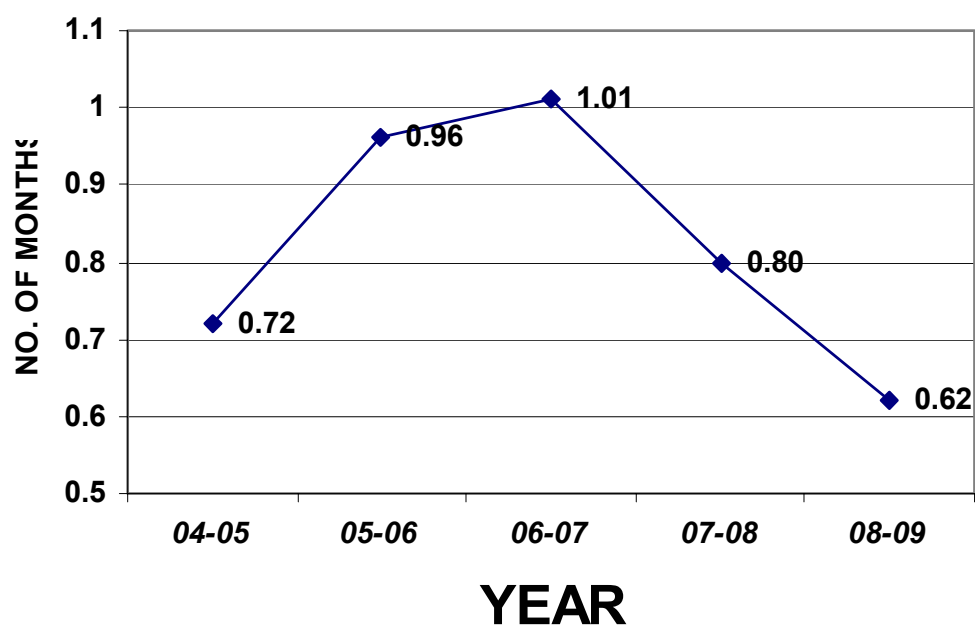
%UTILISATION OF OPENCAST MACHINES 2008-09



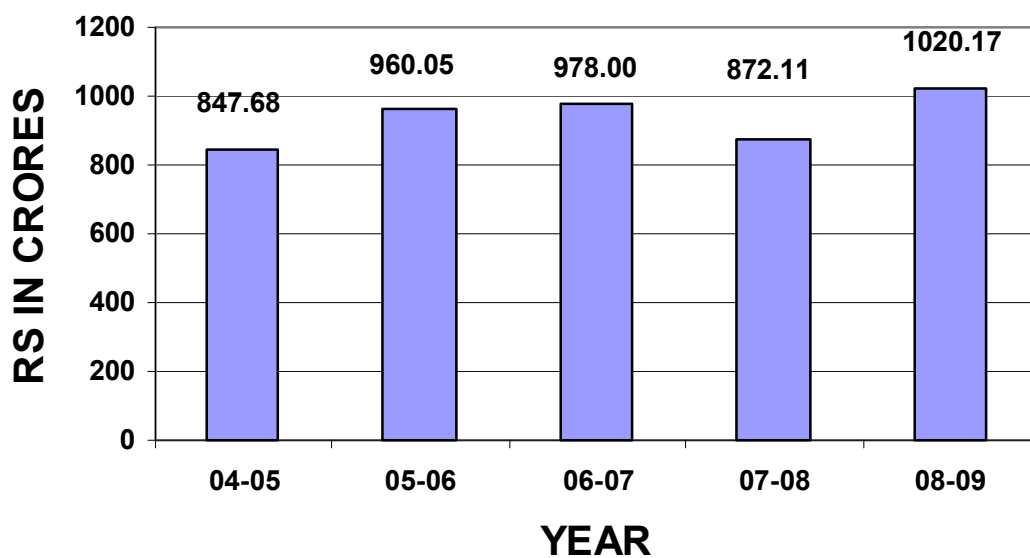




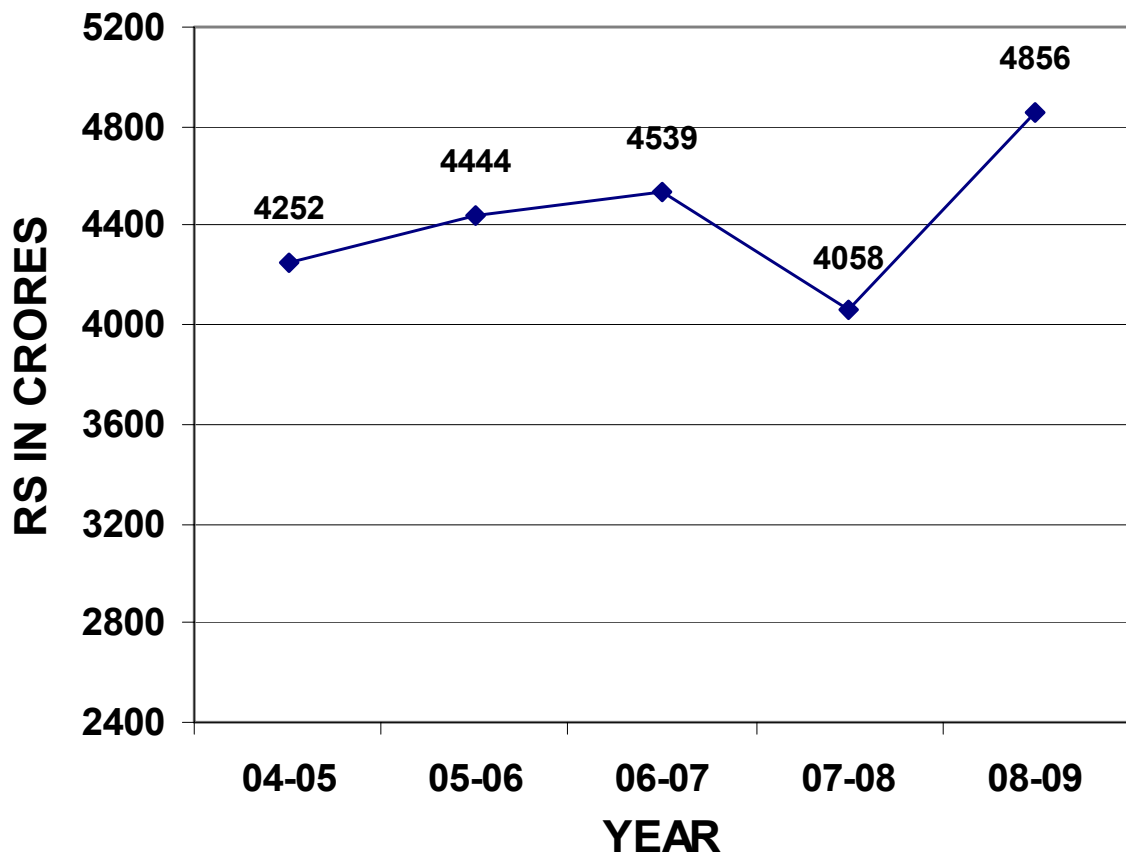
STOCK OF COAL IN MONTHS' SALES



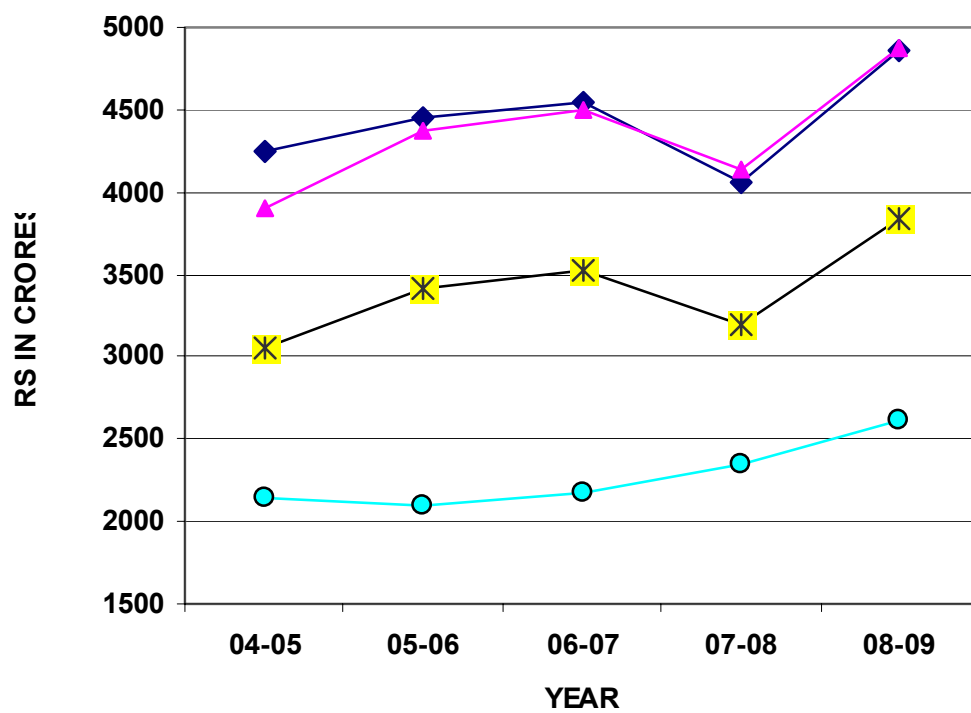
EXCHEQUER CONTRIBUTION



SALES REALISATION

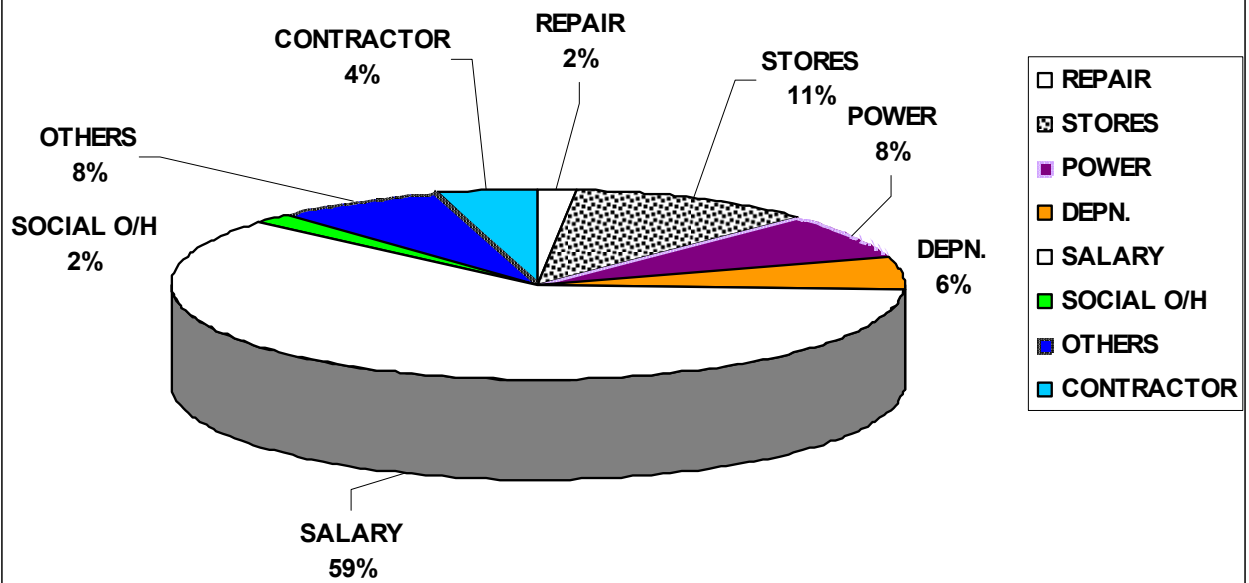


TURNOVER-REALISATION-NET SALES-WAGES COST

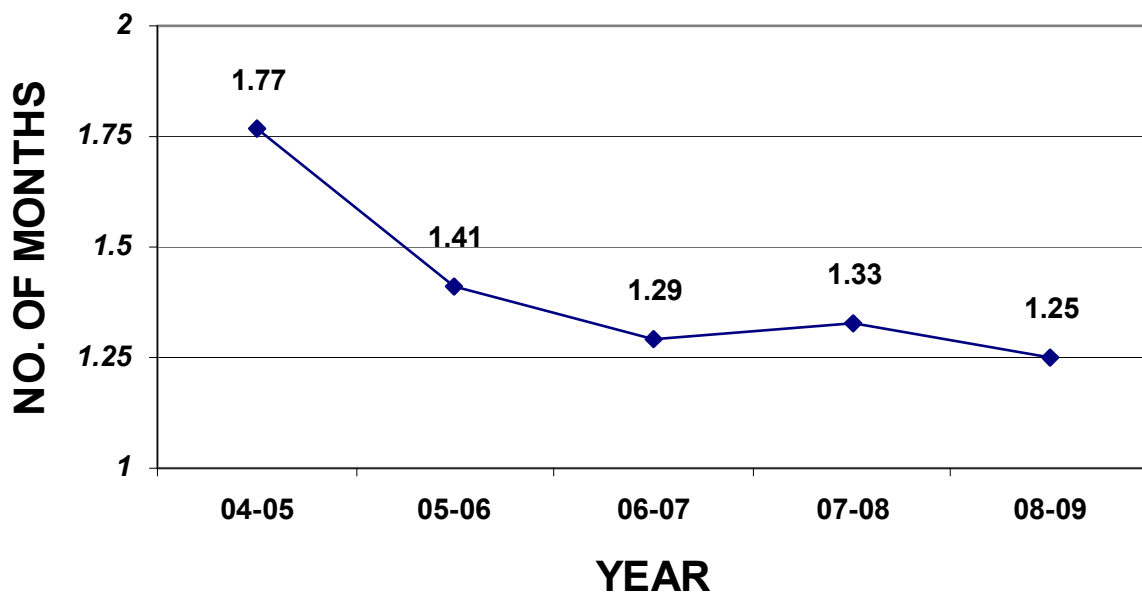


—◆— REALISATION —▲— TURNOVER —x— NET SALES —○— WAGES COST

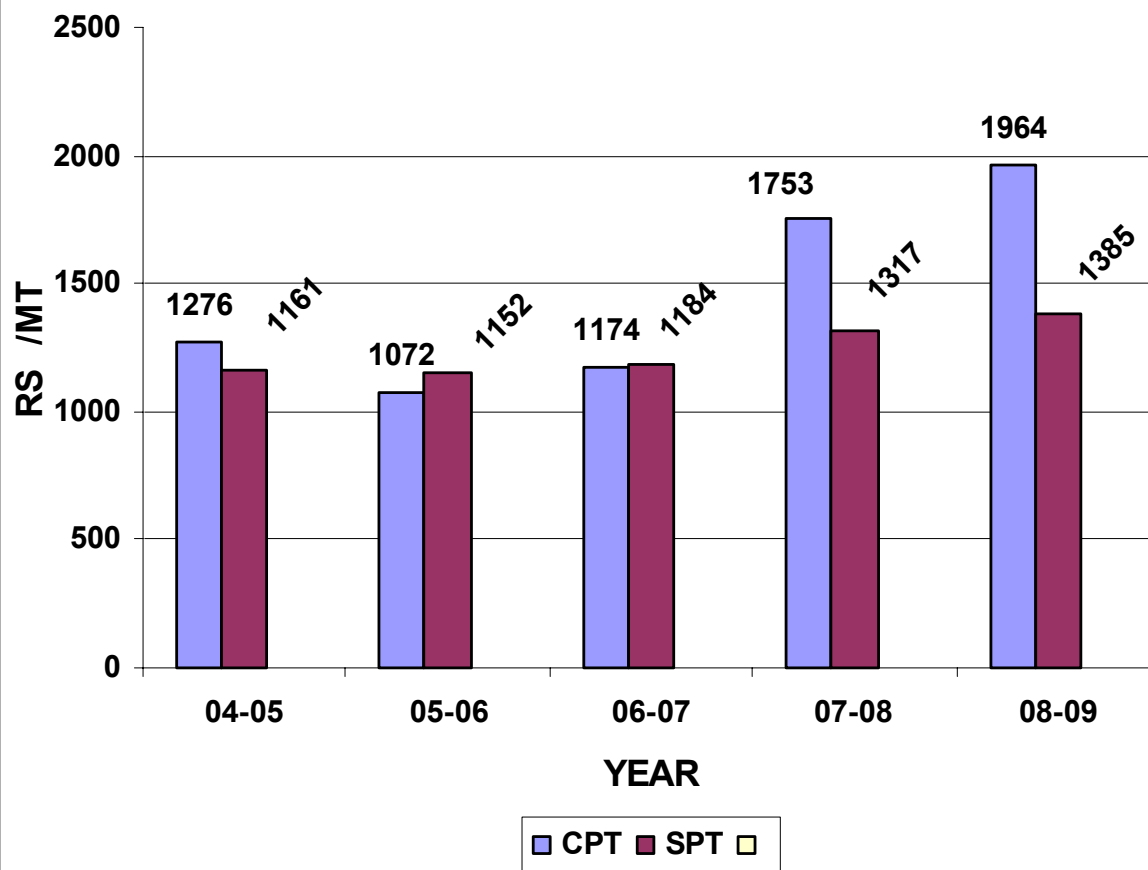
HOW THE RUPEE IS SPENT -2008 -09



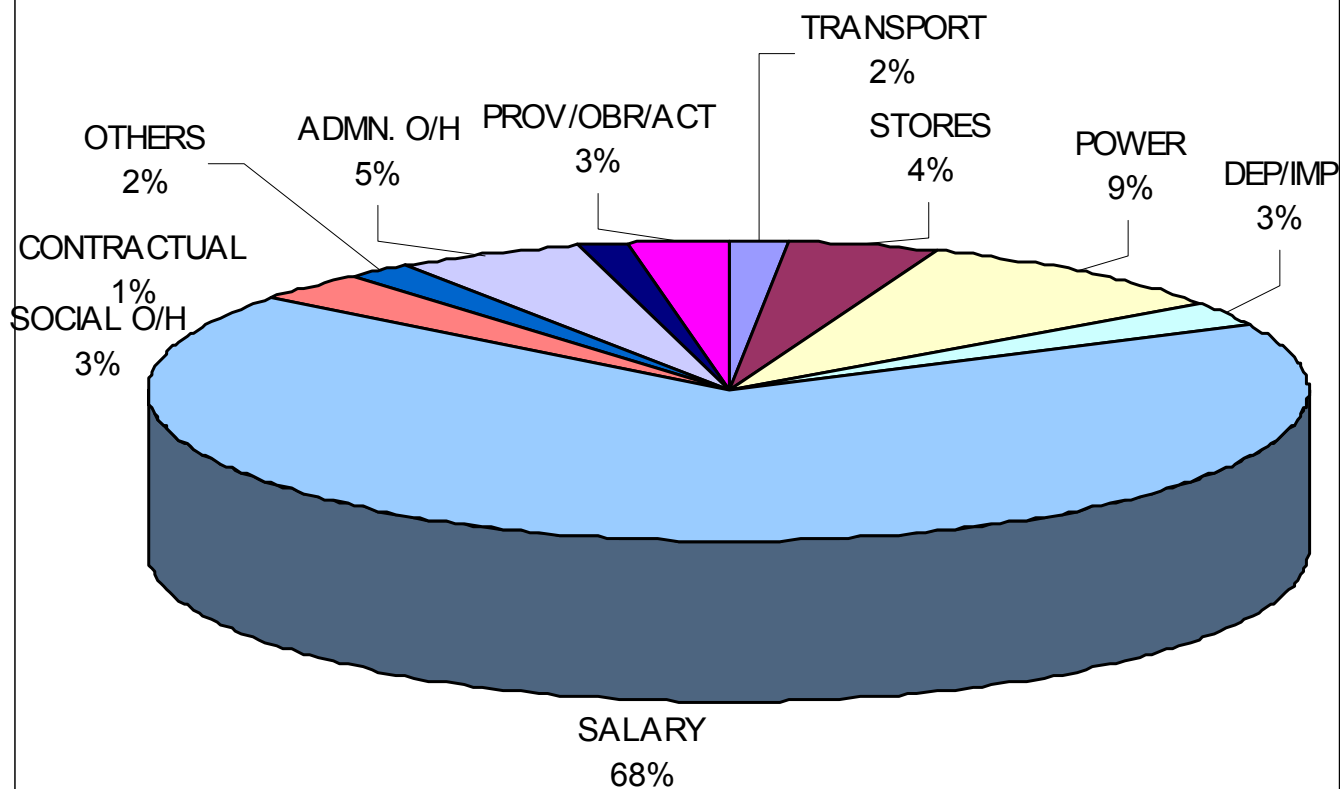
DEBTORS IN MONTH 'S SALES



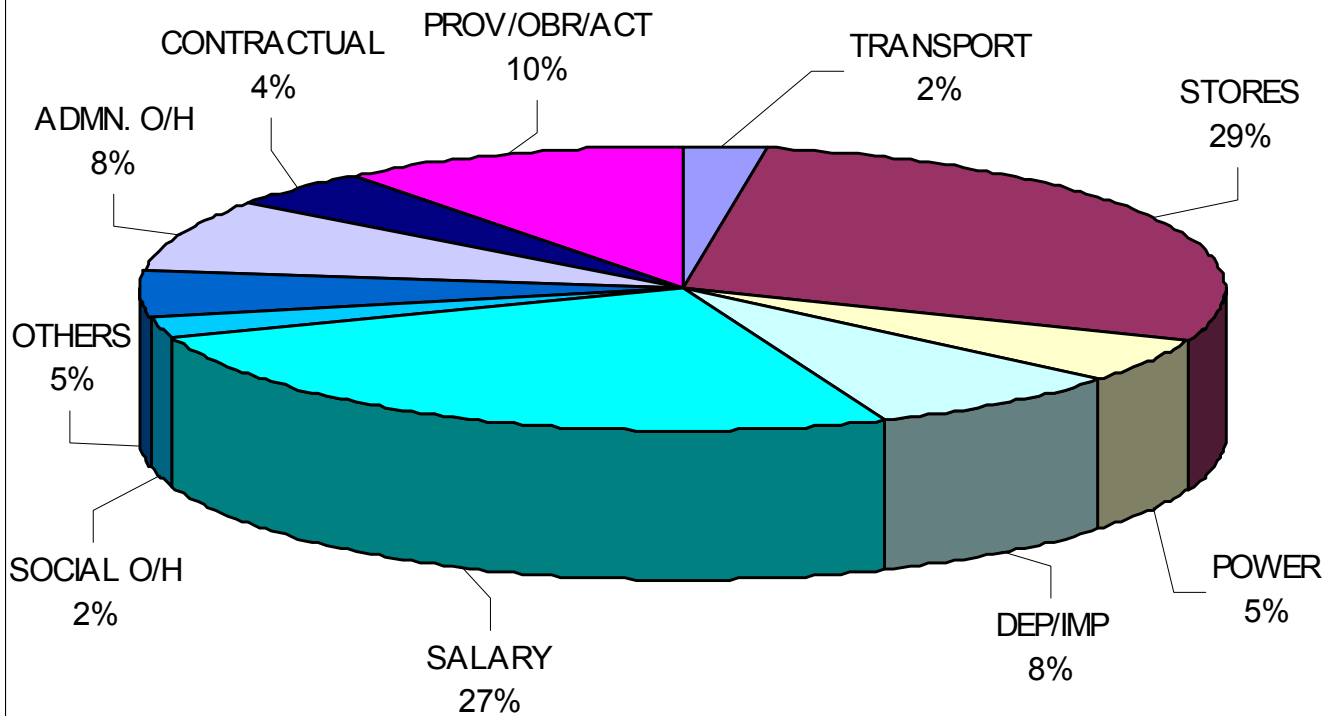
OVERALL CPT Vs SPT



EXPENDITURE OF UG MINES - 2006- 07



EXPENDITURE OFOC MINES - 2006 - 07



DEPARTMENTAL EXPENDITURE 2006 - 07

