

**ANNUAL REPORT & ACCOUNTS  
2009-2010**



**EASTERN COALFIELDS LIMITED**

*( A Subsidiary of Coal India Limited )*

**SANCTORIA , P.O. DISHERGARH, DIST. BURDWAN**

# C O N T E N T S

	<b>Page No.</b>
1. Management/Bankers/Auditors	<b>1</b>
2. Notice of Annual General Meeting	<b>4</b>
3. Directors' Report	<b>5</b>
4. Comments of the Comptroller and Auditor General of India	<b>106</b>
5. Auditors' Report and Management's Reply	<b>107</b>
6. Financial Position	<b>124</b>
7. Balance Sheet as on 31st March, 2010	<b>132</b>
8. Profit & Loss Accounts for the year ended 31st March, 2010	<b>134</b>
9. Cash Flow Statement for the year ended 31st March, 2010	<b>136</b>
10. Schedule to the Balance Sheet	<b>138</b>
11. Schedule to the Profit & Loss Account	<b>155</b>
12. Accounting Policies	<b>173</b>
13. Notes on Accounts	<b>178</b>

**MANAGEMENT DURING 2009-10**

**FUNCTIONAL DIRECTORS :**

- |    |                       |   |
|----|-----------------------|---|
| 1) | Shri S. Chakrabarti   | Chairman-cum-Mg. Director                           |
| 2) | Shri A. K. Sinha      | Director (Finance) <b>(Upto 12.03.2010)</b>         |
| 3) | Shri S. K. Srivastava | Director (Personnel)                                |
| 4) | Shri S. Chakravarty   | Director (Technical) Opn.                           |
| 5) | Shri N. Kumar         | Director (Technical) P & P <b>(From 24.07.2009)</b> |

**PART-TIME DIRECTORS :**

- |    |                      |   |
|----|----------------------|---|
| 1) | Shri P. R. Mandal    | Advisor (Projects), Ministry of Coal.                               |
| 2) | Shri S. Bhattacharya | Director (Finance), Coal India Limited.<br><b>(Upto 31.01.2010)</b> |

**NON-OFFICIAL PART-TIME DIRECTORS :**

- |    |                     |
|----|---------------------|
| 1) | Shri K. C. Vijn     |
| 2) | Shri P. R. Tripathi |
| 3) | Shri Ashok Nath     |

**SPECIAL DIRECTOR APPOINTED BY BIFR :**

- |    |                   |                          |
|----|-------------------|--------------------------|
| 1) | Mrs. Aruna Makhan | <b>(Upto 13.05.2009)</b> |
|----|-------------------|--------------------------|

**PERMANENT INVITEES :**

- |    |                             |   |
|----|-----------------------------|---|
| 1) | Dr. Sabyasachi Sen          | Principal Secretary, Commerce & Industries Deptt., Govt. of West Bengal <b>(Upto 31.3.2010)</b> .                           |
| 2) | Shri Balbir Ram             | Principal Secretary (Land Reforms), Land & Land Reforms Department, Govt. of West Bengal <b>(From 28.04.09 to 08.02.10)</b> |
| 3) | Shri Ashim Kr. Maitra       | Chief Operations Manager, Eastern Railways <b>(From 28.04.09 to 02.03.10)</b>   |
| 4) | Shri Ashis Kumar Chatterjee | Director (Technical), Damodar Valley Corporation. <b>(From 28.04.09)</b>  |

**COMPANY SECRETARY :**

- |    |                     |
|----|---------------------|
| 1) | Shri M. Viswanathan |
|----|---------------------|

**BANKERS DURING 2009-10**

State Bank of India  
United Bank of India

Canara Bank  
United Commercial Bank

**STATUTORY AUDITOR DURING 2009-10**

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

**BRANCH AUDITORS DURING 2009-10**

M/s. Ghoshal & Co., 4, Ganesh Chandra Avenue, 3<sup>rd</sup> Floor, Kolkata- 700013.

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

M/s. U. S. Saha & Co., 35, Bahir Sarbamangala Road, Burdwan, Pin - 713101

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

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

**MANAGEMENT AS ON 22nd MAY, 2010**

**FUNCTIONAL DIRECTORS :**

- |    |                       |                            |
|----|-----------------------|----------------------------|
| 1) | Shri S. Chakrabarti   | Chairman-cum-Mg. Director  |
| 2) | Shri S. K. Srivastava | Director (Personnel)       |
| 3) | Shri S. Chakravarty   | Director (Technical) Opn.  |
| 4) | Shri N. Kumar         | Director (Technical) P & P |

**PART-TIME DIRECTORS :**

- |    |                   |   |
|----|-------------------|---|
| 1) | Shri P. R. Mandal | Advisor (Projects),<br>Ministry of Coal,<br>Govt. of India,<br>"Shastri Bhawan",<br>New Delhi               |
| 2) | Shri A. K. Sinha  | Director (Finance),<br>Coal India Limited.<br>10, N. S. Road, Kolkata - 700 001<br><b>(From 03.05.2010)</b> |

**NON-OFFICIAL PART-TIME DIRECTORS :**

- |    |                     |
|----|---------------------|
| 1) | Shri K. C. Vijn     |
| 2) | Shri P. R. Tripathi |
| 3) | Shri Ashok Nath     |

**PERMANENT INVITEES :**

- |    |                             |  |
|----|-----------------------------|--|
| 1) | Shri Ashis Kumar Chatterjee | Director (Technical),<br>Damodar Valley Corporation. |
|----|-----------------------------|--|

**COMPANY SECRETARY :**

- |    |                     |
|----|---------------------|
| 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(2010)/8025

May 10, 2010

**NOTICE**

Notice is hereby given that the Thirty-fifth Annual General Meeting of the Shareholders of Eastern Coalfields Limited will be held on **Saturday, the 22nd May, 2010** at the Registered Office of the Company at Sanctoria, P.O. Disergarh-713333, Distt. Burdwan (West Bengal) **at 11.00 A.M.** to transact the following business:-

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as on 31<sup>st</sup> March, 2010 and Profit & Loss Account for the year ended 31<sup>st</sup> March, 2010 together with the Report of the Auditors and Directors thereon.
2. To appoint a Director in place of Shri A. K. Sinha, 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.

Dated : May 10, 2010

By order of the Board

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

**M. Viswanathan**  
Company Secretary.

**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 35th Annual Report on the working of your Company together with audited accounts for the year ended 31st March, 2010, 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.

### Special Achievements:-

- a) After a gap of two years, company earned a profit of Rs. 333.40 crore.
- b) Company supplied 4.09 M.T. of coal under MoU prices, which is close to import parity prices thereby subsidized the UG mining operations.

### 1.0 PRODUCTION :

1.1 Production performance of the Company in 2009-10 against the target as well as compared to last year was as under: -

ITEM	Unit	2009-2010			2008-09	Growth Over last year	
		Target	Actual	Achivd (%)	Actual	Abso-lute	%
<b>1. Production :</b>	M.Te.						
i) Raw Coal - UG		9.250	8.232	89.00	8.392	-0.160	-1.91
Raw Coal -OCP		21.750	21.826	100.35	19.743	2.083	10.55
<b>Total</b>		<b>31.000</b>	<b>30.058</b>	<b>96.96</b>	<b>28.135</b>	<b>1.923</b>	<b>6.83</b>
ii) Coking Coal :							
Blendable		0.030	0.017	55.38	0.023	-0.007	-28.14
Others		0.000	0.045	--	0.025	0.020	81.16
iii) Non-Coking :		30.970	29.996	96.85	28.087	1.909	6.80

ITEM	Unit	2009-2010			2008-09	Growth Over last year	
		Target	Actual	Achivd (%)	Actual	Abso-lute	%
2. O.B. Removal	MCuM	52.000	49.741	95.66	43.069	6.673	15.49
3. Productivity(OMS)	Tonnes						
Underground		0.52	0.47	90.41	0.46	0.006	1.29
Opencast		8.72	7.29	83.59	6.42	0.869	13.54
Overall		1.53	1.46	95.91	1.33	0.136	10.23

## 4. CONSTRAINTS :

Figures in M. Te

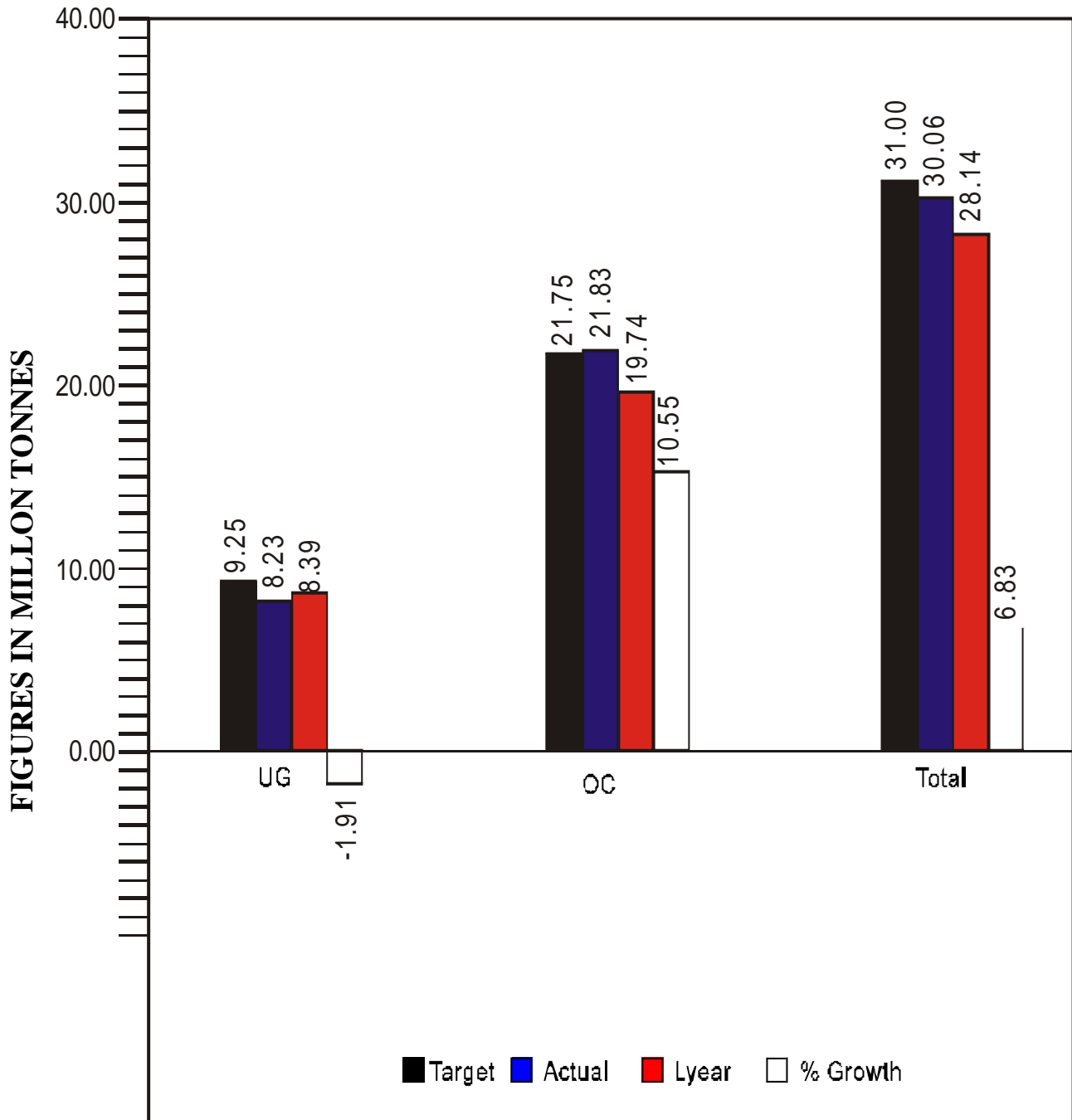
ITEM	As on 31.3.10 Actual	As on 31.3.09 Actual
Cause-wise Loss of Production :		
i) Power	0.151	0.280
ii) Absenteeism	0.094	0.362
iii) Labour Unrest (Industrial Relations)	0.237	0.249
iv) Other Constraints	1.363	3.515
<b>Total</b>	<b>1.845</b>	<b>4.406</b>

## 5. SYSTEM CAPACITY UTILISATION :

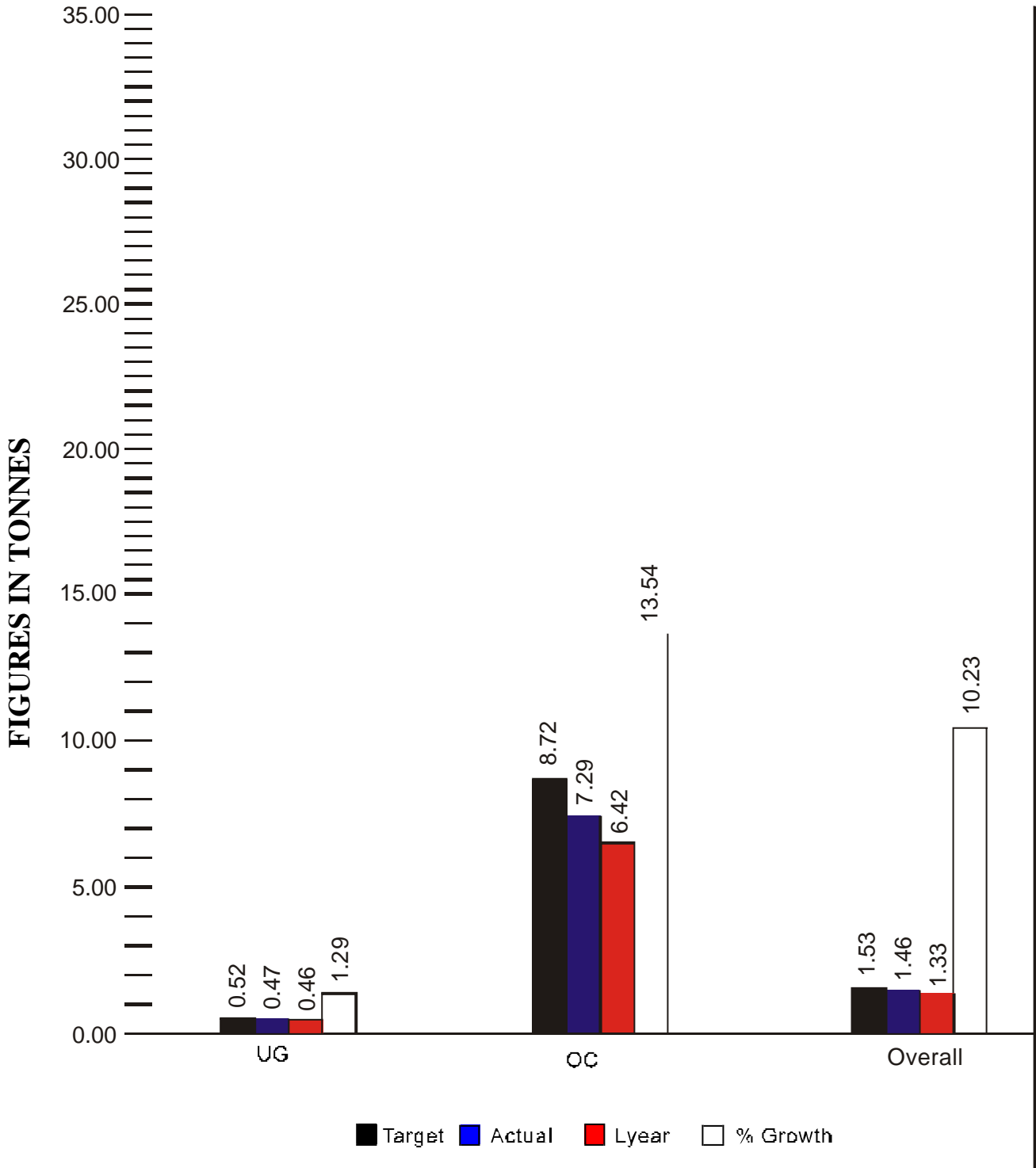
(In %)

ITEM	2009-2010			2008-09	Growth Over last year	
	Target	Actual	Achieved%	Actual	Absolute	%
a) UG	84.12	74.86	88.99	72.75	2.11	2.90
b) OCP(Dept.)	111.12	59.97	53.97	50.39	9.58	19.01
c) OBR (Dept.)	86.51	92.07	106.43	87.11	4.96	5.69
d) OCP (Coal+OBR) Dept.	92.64	86.75	93.64	80.55	6.20	7.70

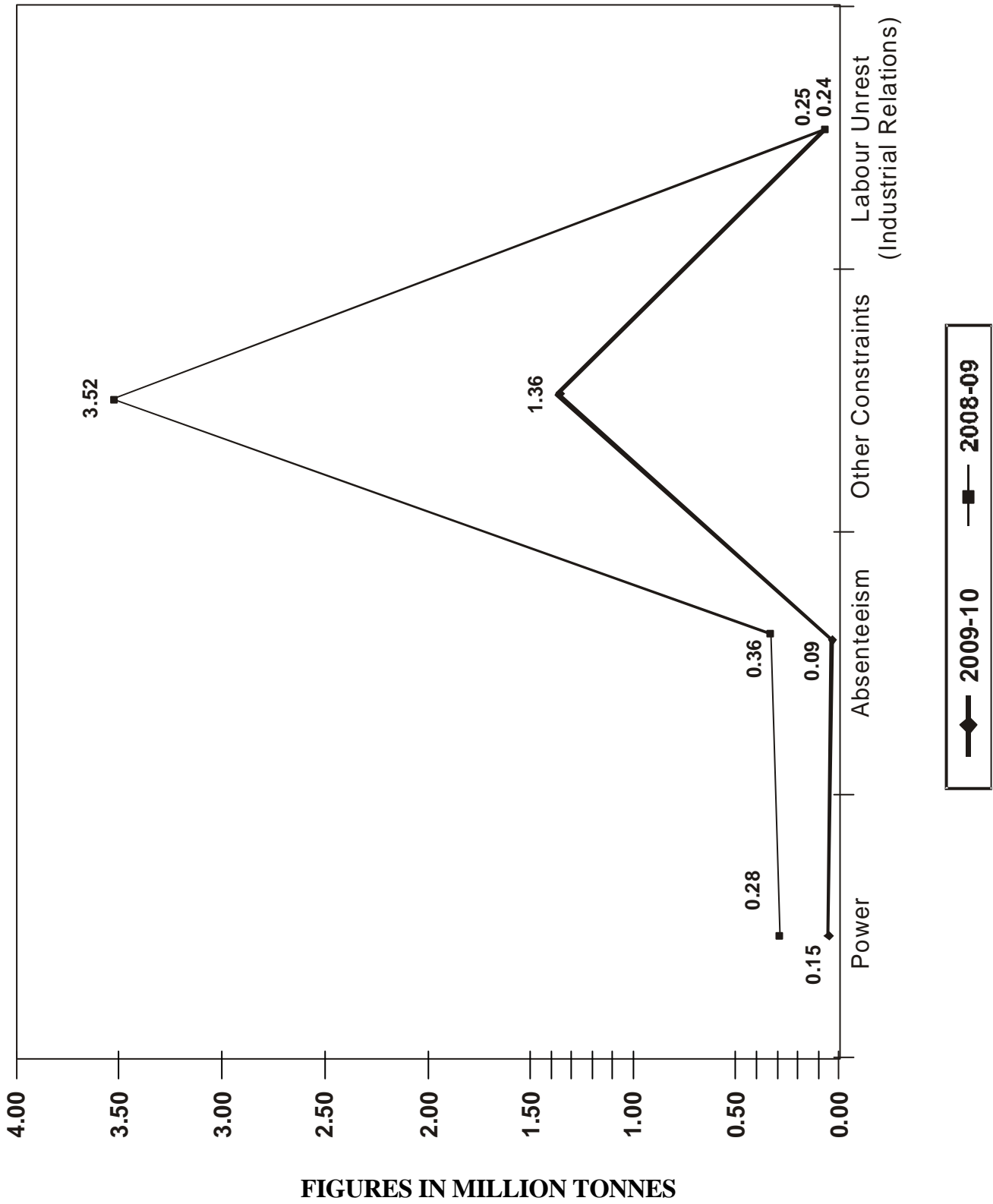
## COAL PRODUCTION 2009-10



# PRODUCTIVITY 2009-10



## CAUSE WISE LOSS OF PRODUCTION 2009-10



**2.0 FINANCIAL RESULTS :**

**2.1.1** Gross sales turnover for the year ending 31<sup>st</sup> March'10 was Rs.6281.21 crore compared to Rs.4855.73 crore in the previous year resulting in increase of 29.36% turnover over previous year. During the year under review, company had made a profit of Rs.333.40 crore compared to last year's loss of Rs.2109.09 crore. Details were as under:

(Rs. in Crore)

	<b>2009-2010</b>	<b>2008-2009</b>
Profit(+)/Loss(-) after charging all expenses but before NCWA VIII / Executive pay revision, interest, depreciation, impairment, O.B.R., prior period adjustment and Fringe Benefit Tax.	874.15	92.99
Add: Impact of NCWA VIII & Executive pay revision	106.22	945.95
Add : Acturial Gratuity & Leave encashment etc.	106.35	866.22
Add: Interest.	0.01	0.07
Add: Depreciation.	146.69	206.86
Add: Impairment	9.51	20.96
Add: OBR Adjustment	170.35	155.86
Profit(+)/Loss(-) for the year after charging interest and depreciation, impairment and OBR Adjustment.	335.02	-2102.93
Add : Prior Period Adjustment.	1.62	2.78
Add : Fringe Benefit Tax.	--	3.38
Net Profit(+)/Loss(-) after considering Prior Period and Fringe Benefit Tax.	333.40	-2109.09

**2.1.2 Capital Expenditure :**

The total Capital Expenditure during the year under review was Rs. 165.02 crore (excluding exchange fluctuation of Rs. (-) 19.26 crore).

**2.1.3 Capital Structure :**

(Rs. in Crore)

	<b>2009-2010</b>	<b>2008-2009</b>
<b>A. SHARE CAPITAL</b>		
i) Authorised Share Capital	2500.00	2500.00
ii) Paid up Share Capital	2218.45	2218.45
<b>B. LOAN FUNDS:</b>		
i) Coal India Limited (Holding Company)	518.97	518.97
ii) Export Development Corporation, Canada.	146.55	170.28

**2.1.4 Borrowing from Govt. of India :**

(Rs. in Crore)

	<b>2009-2010</b>	<b>2008-2009</b>
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)

	<b>2009-2010</b>	<b>2008-2009</b>
i) Repayment of foreign loan through CIL.	4.47	4.32
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)

	<b>2009-2010</b>	<b>2008-2009</b>
i) Royalty on Coal	156.77	137.93
ii) Cess on Coal.	599.97	709.62
iii) Sales Tax (Central & State).	197.95	159.70
iv) Stowing Excise Duty.	28.93	26.86

**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 2010, 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 :**

Total command area of operations of ECL is 1620 Sq.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 for 2009-2010 and Plan for 2010-11 :

Sl. No.	Particulars	Target 2009-10 (BE)	Revised Target 2009-10 (RE)	Actual 2009-10	Actual 2008-09	Planned for 2010-11
1)	Production (Mt)	31.00	31.00	30.058	28.135	33.00
2)	Overall Productivity	1.53	1.52	1.46	1.33	1.71
3)	Plan expenditure (Rs. Crore)	210.00	250.00	165.02	191.88	400.00

### 3.3 GEOLOGICAL EXPLORATION AND DRILLING :

During 2009-10, 29258 metre was drilled by CMPDIL against the revised target of 32450 metre : (Figures in Metre)

Drilling Agency	2009-10 Target (BE)	2009-10 Revised Target (RE)	2009-10 Actual	2008-09 Actual	2010-11 Target (BE)
CMPDIL	23260	32450	29258	25666	34145

### 3.4. RESEARCH AND DEVELOPMENT :

#### 3.4.1 CIL R&D PROJECTS :

Detailed status of implementation of ongoing R&D Projects funded under R&D grant of CIL Board is enclosed as **Annexure - I (Separately)**.

#### 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 (Separately)**

### 3.5 MODERNIZATION OF COAL INDUSTRY :

In order to arrest the declining trend in underground production due to reduction of underground loader's strength, intermediate technology with LHD/SDL was introduced in 46 mines. As on 31.3.2010, 154 nos of SDLs and 24 nos of LHDs were on roll in different underground mines. Production from 154 nos of SDLs was 3.074 Mt and from 24nos of LHDs was 1.014 Mt. In 2009-10 , 40 Nos of SDLs was procured and commissioned.

Apart from introduction of intermediate technology by deploying SDL/LHD in loading operation, “ Mass production technology by deploying Continuous Miner combined with Shuttle car was envisaged. In Jhanjra Project, production achieved in 2009-10 from Continuous Miner was 0.458 MT. For introduction of Continuous Miner at Sarpi Project, agreement with Joy Mining Machinery Limited was signed on 4th April'09. Few equipment of the CM package viz, Quad Bolter, Shuttle Car and Load centre had arrived at Kolkata port. Continuous Miner and feeder breaker is expected to reach by end of May, 2010.

NIT for Global tender for introduction of CM at Jhanjra ( 2nd set) was floated on 2.3.2009. Three parties had submitted their offer. Part-II of the tender was opened on 18.3.2010 and is under scrutiny.

### **3.6 Steps taken to improve the underground production :**

Considering various operational constraints, particularly liquidation of upper seams and current status of implementation of different major development activities in ongoing and future projects, road map drawn earlier for improvement of underground production was re-visited. According to revised guidelines for procurement of SDL / LHD against survey off received from CIL, action for procurement of 52 SDLs ( replacement) equipment had been taken. Main Focus is on availability of proper district size with adequate preparation of coal at faces and proper support so that machine productivity, can improve to the desired level. Major development activities like drift drivages, sinking and deepening of shafts, new stowing installation, drilling of borehole for stowing and dewatering of dip side of workings etc had been identified and time bound action plan is being drawn for completion of activities in time for sustenance and augmentation of production from underground.

Apart from this, more potential mines had been identified for increasing production from Bansra, Haripur, Khottadih, Narainkuri, Jhanjra CM Phase-II for introduction of Mass production technology by deploying Continuous miners/ Low cost Continuous Mine with shuttle car.

For introduction of high capacity PSLW in R-VI seam at Jhanjra Project at a rated capacity of 1.70 Mty , Global NIT was floated on 30.1.2009. Part-I of the tender was opened on 25.11.2009. Three parties had submitted their bid. An expert committee was constituted for technical evaluation of the bid.

**3.7.1 No of Projects approved by Govt. of India during the year and name of the Projects:**

One. Rajmahal Expansion OCP was approved by Govt. on partial outsourcing basis at a capacity of 17 Mty with a capital investment of Rs 153.82 Cr on 22.9.2009.

**3.7.2. No of Projects approved by Board of Directors of ECL during the year and name of the Projects:**

Three. (i) Revised Conceptual Report of Hurra C OC in South East Sector was approved by ECL Board at a capacity of 2.00 Mty with a capital outlay of Rs. 16.22 Cr in its meeting held on 9.5.2009; (ii) Bonjemehari OC patch with a mineable reserve of 1.32 Mte with partial outsourcing mode was approved by ECL board in its meeting held on 9.11.2009 and (iii) Kalipahari (A) OC patch with a minable reserve of 0.32 Mt was approved by ECL Board in its meeting held on 22.1.2010.

**3.7.3. No of Projects approved by Board of Directors of CIL during the year and name of the Projects:**

**NIL**

**3.8 Reports Considered by Inter Ministerial Group/ PIB/ CCEA during the year:**

1. Rajmahal Expansion OCP at a Capacity of 17.00 Mty with a capital investment of Rs 153.28 was considered and approved by Cabinet Committee on Infrastructure in its meeting held in August 2009.

**3.9 Project Formulation : The following Conceptual note/PR were formulated in 2009-10:**

1. Conceptual Note on Kalipahari OC patch to be worked by outsourcing
2. Bonjemehari OC patch to be worked by partial outsourcing
3. Draft RCE for Khottadih CM UG - 0.51 Mty
4. DPR for Kunustoria ( Dobrana ) UG – 0.36 Mty Phase –I
5. DPR for Hurra C Expansion OC – 5.00 Mty
6. DPR for Chuperbhita Expansion OC – 6.00 Mty
7. DPR for Haripur CM UG – 0.51 Mt ( incremental)
8. DPR for Ratibati (Reorganization) UG – 0.324 Mty
9. DPR for Nimcha UG– 0.756 Mty
10. DPR for Khas Kajora UG – 0.30 Mty
11. A Conceptual report to work Hansdia Patch Extension at Sector-1 Block of Sonepur Bazari by outsourcing was prepared and submitted by CMPDIL,RI-I.

**3.10 Foreign Collaboration/ Technology absorption- Adaptaion and innovation:**

**NIL.**

**3.11 World Bank Assitance : NIL**

**3.12 Capital Projects/ Schemes:**

- i) No of New Projects - 1
- ii) Expansion/ Revision/ Foreclosure of Projects – 17
- iii) Others – NIL
- iv) No of Projects pending with Govt. for Sanction – NIL

**3.13 Project Completion : NIL**

**3.14 Project monitoring and Status of implementation :**

**Details given as Annexure – III (Separately)**

**4.0 STABILISATION, REHABILITATION AND BIOLOGICAL RECLAMATION:**

**4.1 Details enclosed as ANNEXURE-IV (Separately).**

## 5.0 COAL MARKETING:

### 5.1 Demand vis-a-vis off-take :

Actual off-take of coal in 2009-10 was 29.22 million tonne against the demand of 31.00 million tonne i.e. demand satisfaction of 94%. Sector-wise demand and off-take during the year 2009-10 compared to 2008-09 was as follows:

(Figures in Million Tonne)

Sector	2009-2010			2008-2009		
	Demand	Actual	% Satisfaction	Demand	Actual	%Satisfaction
POWER	26.00	25.22	97	26.50	23.69	89
CEMENT	0.17	0.15	88	0.17	0.15	88
CPP(ORS)	0.28	0.55	200	0.28	0.57	204
CPP (STEEL)	0.28	0.40	147	0.28	0.38	136
STEEL(BLEND)	0.06	0.01	14	0.06	0.02	33
SPONGE IRON	0.90	0.42	46	1.20	0.61	51
EXPORT	0.02	0.01	35	0.02	0.02	100
LOCO	0.01	0.001	14	0.01	0.004	40
DEF	0.03	0.01	36	0.03	0.03	100
COLLY. CONS.	0.40	0.40	99	0.40	0.41	103
OTHERS	2.86	2.06	72	2.05	2.38	116
<b>TOTAL</b>	<b>31.00</b>	<b>29.22</b>	<b>94</b>	<b>31.00</b>	<b>28.26</b>	<b>91</b>

N.B.:- Demand as per "AAP" target.

### 5.2.0. Average Wagons Loading :

5.2.1 Field-wise average wagon loading on yearly basis 2009-10 compared to previous year was as follows :

(Figures in Box / Day)

<b>FIELD</b>	<b>2009-2010</b>	<b>2008-2009</b>
Raniganj	609	572
Mugma/Salanpur	88	99
Adra	21	18
Pirpainti	38	6
Silo (Rajmahal)	0	1
<b>Total</b>	<b>756</b>	<b>696</b>

**5.3.0 Mode-wise despatch :**

5.3.1. Mode-wise despatch of coal in 2009-2010 compared to previous year was as follows:

(Figures in Million Tonne)

	<b>2009-10</b>	<b>2008-09</b>
<b>Raw Coal</b>		
Rail	16.81	15.53
Road	2.01	2.23
Merry-Go-Round(MGR)	10.01	10.09
<b>Total</b>	<b>28.83</b>	<b>27.85</b>

**5.4.0 Field Stock of Coal as on 31st March 2010 was as follows :**

(Figures in Million Tonne)

<b>FIELD</b>	<b>As on 31.3.10</b>
Raniganj	1.28
Mugma/Salanpur	0.41
S.P. Mines	0.35
Rajmahal	1.27
<b>Total</b>	<b>3.31</b>

**5.5.0 Daily average offer :**

5.5.1 Daily average offer in 2009-10 compared to previous year was as follows:

(Figures in Box / Day)

FIELD	2009-10		2008-09	
	Target	Actual	Target	Actual
Raniganj	564	588	595	550
Mugma/Salanpur	77	89	66	96
Adra	27	21	28	19
Pirpainti	28	38	50	6
Silo (Rajmahal)	0	0	0	1
<b>Total</b>	<b>696</b>	<b>736</b>	<b>739</b>	<b>672</b>

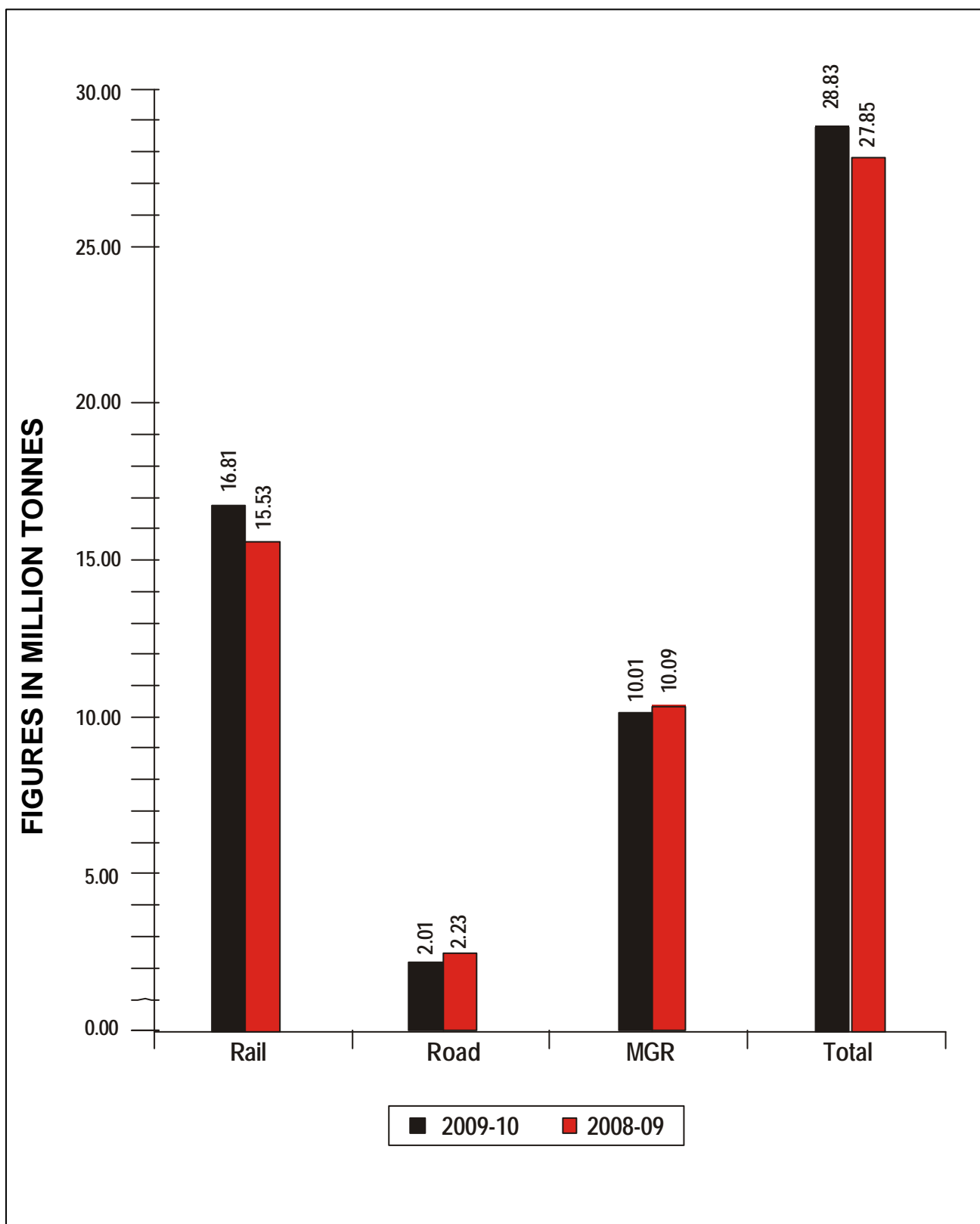
**5.6.0 Supply of Wagons Per Day :**

5.6.1. Supply of wagons per day in 2009-2010 compared to previous year was as follows:

(Figures in Box / Day)

FIELD	2009-2010	2008-2009
Raniganj	611	575
Mugma/Salanpur	89	99
Adra	21	18
Pirpainti	38	6
Silo (Rajmahal)	0	1
<b>Total</b>	<b>759</b>	<b>699</b>

## MODE-WISE DESPATCH OF COAL 2009-10



**5.7. Spot 'e' auction :**

<b>Mode</b>	<b>Despatched Qty. (in lakh tonne)</b>	<b>Gain (Rs. in Cr.)</b>	<b>% age Gain</b>	<b>Despatched Qty. (in lakh tonne)</b>	<b>Gain (Rs. in Cr.)</b>	<b>% Age Gain</b>
Rail	8.15	81.34	52	8.68	102.02	67
Road	7.16	30.91	22	9.59	51.65	32
Total	15.31	112.25	37	18.28	153.67	49

**5.8. Despatch under Mou in 2009 - 10 :**

(In Million Tonne)

<b>Power</b>	<b>Steel (CPP)</b>	<b>Total</b>	<b>Gained Over notified Price (Rs. in Cr.)</b>
4.02	0.07	4.09	863.89

**5.9. REALISATION :**

(Rs. in Crore)

<b>Particulars</b>	<b>2009-2010</b>	<b>2008-2009</b>
Realization	5926.63	4921.72

**5.10. Signing of FSA:**

Company had executed 217 Fuel Supply Agreements for an annual quantity of 118.17 lakh tonne and 69.80 lakh under MoU. Company had also issued Letter of Assurance to 31 units for an annual quantity of 26.02 lakh tonne and 26 LOAs are pending for entering into FSA for 24.09 lakh tonne.

**6.0 POPULATION OF EQUIPMENT (HEMM) :**

6.1 Population of Equipment as on 31st March 2010 compared to 31st March 2009 was as follows :

<b>Equipment</b>	<b>As on 31.3.2010</b>	<b>As on 31.3.2009</b>
Dragline	1	1
Dumper	245	247
Dozer	72	85
Shovel	58	60
Drill	44	52
<b>Total</b>	<b>420</b>	<b>445</b>

6.2 Percentage availability of each type of equipment against CMPDIL norms during the year 2009-10 compared to previous year was as follows :

<b>Equipment</b>	<b>CMPDIL NORMS</b>	<b>% Availability</b>		<b>Growth over last year in %</b>
		<b>2009-10</b>	<b>2008-09</b>	
Dragline	85	87.89	83.92	3.97
Dumper	67	69.84	69.78	0.06
Dozer	70	69.87	68.11	1.76
Shovel	80	73.14	77.09	-3.95
Drill	78	81.99	80.79	1.20

% Availability of shovels suffered mainly because of major repairs at Rajmahal and Sonepur Bazari Projects

6.3 Percentage utilisation of each type of equipment against CMPDIL norm during the year 2009-10 compared to previous year was as follows :

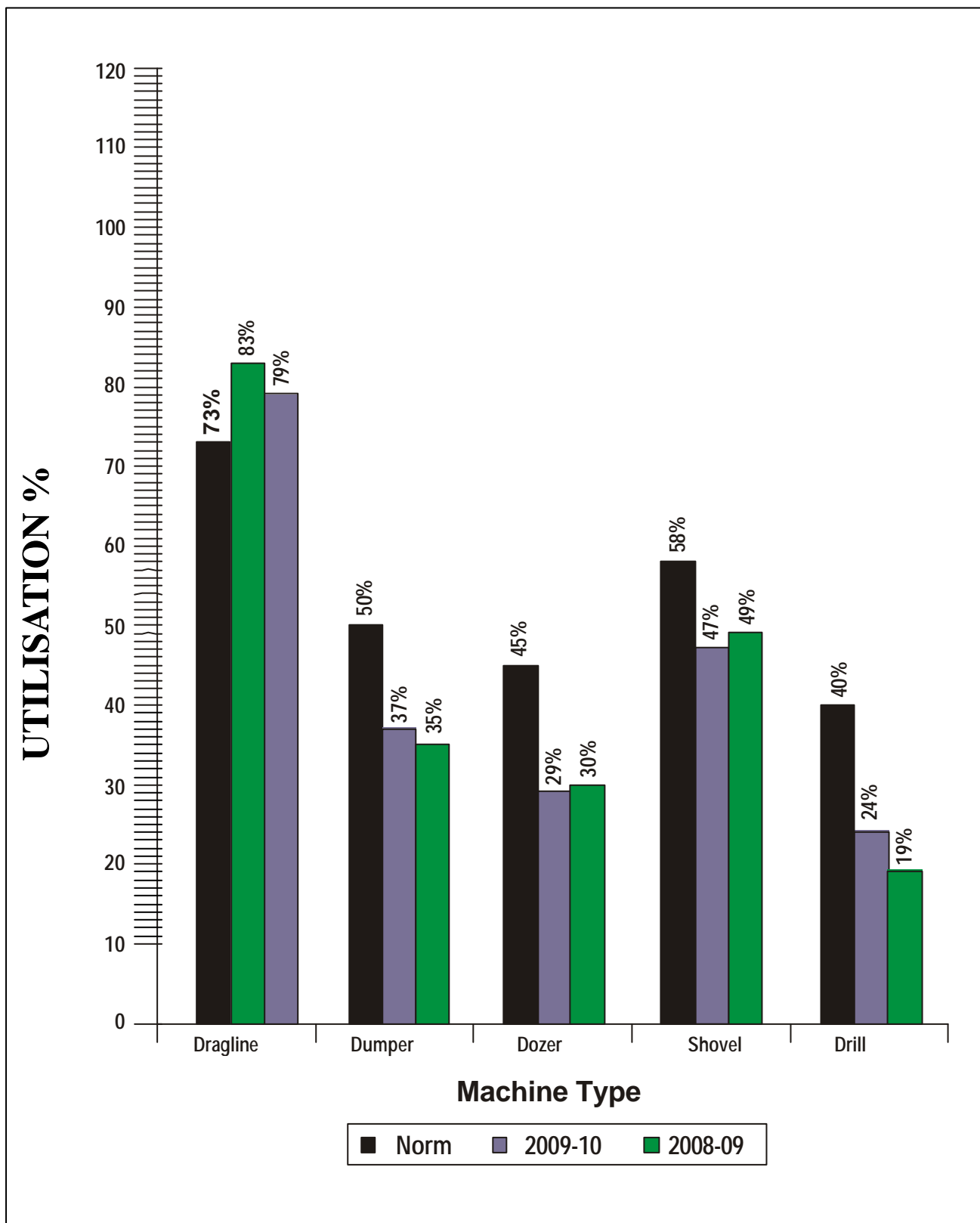
Equipment	CMPDIL NORMS	% Utilisation		Growth over last year in %
		2009-10	2008-09	
Dragline	73	83.32	78.74	4.58
Dumper	50	36.53	34.95	1.58
Dozer	45	28.75	29.80	-1.04
Shovel	58	47.41	48.95	-1.54
Drill	40	24.02	19.18	4.84

Utilisation of Dozer & Shovel suffered mainly due to less availability. Dozer is utilised as and when required.

#### **Steps taken to achieve CMPDIL norms of Dumper Utilisation:**

- Action had been taken to increase reliability of the equipment.
- Procurement action of new equipment against replacement of surveyed off equipment had been undertaken.
- Review of HEMM performance of projects was made at regular intervals and subsequently necessary assistance/help had been provided from HQ to reduce breakdown hours of equipment.
- Recommended stock of critical / major items were maintained to cope up with sudden breakdown of HEMM.
- Replacement actions were taken for procurement of equipment, in stages of small patches having less residual life.
- Action had been taken to induct Dumper Operator(trainee) from internal sources to improve utilisation of dumper.

## % UTILISATION OF OPENCAST MACHINE 2009-10



**6.4 Repair/Rehabilitation done in 2009-10 was as follows:**

<b>Equipment</b>	<b>Target</b>	<b>Achievement</b>
Dumper	1	0
Dozer	1	2
Shovel	0	0
Drill	0	2
<b>Total</b>	<b>2</b>	<b>4</b>

**6.5 New/Replacement equipment provided to OCPs in 2009-10 was as follows :**

<b>Equipment</b>	<b>Nos.</b>	<b>Project</b>
Dumper	14	Belbaid - 3 Rajpura - 1 Shankarpur - 2 Rajmahal - 3 Khottadih - 1 Mahabir - 2 Gopinathpur - 1 Chitra - 1
Dozer	1	Sonepur Bazari
Shovel	3	Jambad - 1 Gopinathpur - 1 Khottadih - 1
Drill	0	-

**7.0 ENERGY CONSERVATION :****7.1. POWER AND FUEL CONSUMPTION****A) ELECTRICITY :**

Particulars	Unit	2009-2010	2008-2009
a) Purchased Units	M.KWH	815.07	805.96
b) Total amount paid to supply agencies	M. Rs.	3755.16	3353.66
c) Rate/Unit (Average)	Rs.	4.61	4.16
d) Specific Consumption of Electricity.	KWH/Te	27.11	28.65

**(B) OWN GENERATION (through Diesel Generator Sets) :**

a) Generated Units	Lac. KWH	1.12	1.02
b) Unit generated per Ltr. of Diesel Oil	KWH/Ltr.	3.14	3.16
c) Cost of Generation	Rs./KWH	9.12	9.08

**(C) AVAILABILITY OF POWER:**

a) Average availability of power in 2009-10	152.08 MVA
b) Power Demand during 2009-10	167.50 MVA
c) % Availability	90.79%

**D. PROGRESS OF POWER GENERATION FROM CHINAKURI POWER PLANT :**

2 Nos. of 10 MW each Power Plants had been commissioned, one in Nov '90 and the other in Jun '91, which are being operated by M/s. DPSC Ltd under lease agreement. 2,31,29,95,419 KWH was generated by CPPs from 1991-92 to 2009-10.

**7.2 Underground Machinery Performance:**

As on 31st March, 2010 Company was having –

- a) 152 SDLs on roll. The productivity per SDL in 2009-10 was 65 TPD against the norms of 80 TPD/Machine.

- b) 24 LHDs on roll. The productivity per LHD in 2009-10 was 124 TPD against the norms of 120 TPD/Machine.
- c) 2 Road Headers on roll. The productivity per Road Header in 2009-10 was 32 TPD against the norms of 80 TPD/Machine.
- d) 3 PSLWs on roll, out of which one was in operation. The productivity of PSLW Set in 2009-10 was 86 TPD against the norms of 750 TPD/Set.
- e) One Continuous Miner was working since 20.09.07 and in 2009-10 produced 458375 Te and with the productivity of 1493 TPD.

### **7.3 Performance of CHPs:**

As on 31st March'10, Company was operating 5 Major CHPs and 5 Mini CHPs. Major CHPs handled 15.34 MT of coal and Mini CHPs handled 0.336 MT of coal in 2009-10.

### **7.4 Energy Conservation & Audit:**

Energy Audit by accredited energy auditor has been made mandatory by Govt. of West Bengal as per notification No. 70-Power/1 dated 23rd Feb '95. CMPDIL is 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 for all the above audits had been received from CMPDIL.

Energy cost per tonne had decreased during the year 2009 – 10 despite enhancement of power cost as per new Tariff Order issued by West Bengal State Electricity Regulatory Commission (WBSERC) due to increase in Mechanised production.

### **7.5 Mechanisation of UG Mines:**

In 2009-10, 40 Standard Height SDLs had been received and commissioned.

SDLs had been introduced in the following mines in 2009-10:

AREA	Name of the Mine
Jhanjra	Jhanjra M.I.C.
Kenda	Siduli
Satgram	Satgram Project
Sodepur	Patmohana
Sodepur	Dubeswari
Mugma	Hariajam

For augmentation of UG production a contract was signed with Joy Mining Machinery of UK in April 2009 for introduction of Continuous Miner at Sarpi UG mine. Part of the consignment i.e. Shuttle Car Load Centre and Quad Bolter had been arrived at Kolkata Port. However, the main equipment i.e. Continuous Miner is expected by the end of May'10.

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

8.1 During the year 2009-10, there was a net reduction of 4853 manpower. Manpower status as on 31st March 2010 compared to 31st March 2009 was as under :

Category	Manpower (As on 31.3.2010)	Manpower (As on 31.3.2009)	Increase (+)/ Decrease (-)
Executive	2136	2252	-116
Supervisor	7075	7512	-437
Ministerial/ Clerical	5292	5894	-602
Highly Skilled/ Skilled	26101	27355	-1254
Semi-Skilled/ Unskilled	43915	46438	-2523
Casual	1	1	0

Badli	4	5	-1
Trainee	1093	1013	80
<b>Total</b>	<b>85617</b>	<b>90470</b>	<b>-4853</b>

**Reasons for variation in Manpower :**

<b>INCREASE</b>	<b>Executive</b>	<b>Non-Executive</b>	<b>Total</b>
Fresh Appointment	40	38	78
Appointment against medically unfit cases	0	7	7
Appointment against death cases.	0	723	723
Reinstatement/Re-joined.	0	70	70
Transfer in from other companies.	70	2	72
Appointment against Land Losers	0	96	96
<b>Total Increase</b>	<b>110</b>	<b>936</b>	<b>1046</b>

<b>DECREASE</b>	<b>Executive</b>	<b>Non-Executive</b>	<b>Total</b>
Retirement	137	4480	4617
Medical Unfit	0	22	22
Death	10	735	745
Resignation	3	24	27
Dismissal/Termination	0	81	81
Transfer to other companies	74	9	83
VR under GHS / EVRS	2	322	324
<b>Total Decrease</b>	<b>226</b>	<b>5673</b>	<b>5899</b>

**8.2 Industrial Relations :**

	<b>2009-2010</b>	<b>2008-2009</b>
1. No. of strikes	3	4
2. Mandays lost (in lakh)	0.00159	1.22
3. Production lost (in lakh tonne)	0.022	0.53

**8.3 Law and Order :**

	<b>2009-2010</b>	<b>2008-2009</b>
Gherao by workers	45	36
Assault	1	1
Demonstration	61	95
Obstruction	92	55
Murder	1	0
Go-slow	0	1
Hunger strike	4	11
Agitation	24	36
Others	51	28
<b>Total</b>	<b>279</b>	<b>263</b>

**8.4 Workers' Participation in Management :**

	<b>2009-2010</b>	<b>2008-2009</b>
J.C.C.	05	04

**8.5 Employment Provided under NCWA & LLS :**

	<b>2009-10</b>	<b>2008-09</b>
NCWA	806	761
Land Losers Scheme	87	133

## 9.1 WELFARE AMENITIES :

Sl. No.	Item	Cumulative position as on 31.3.09	Achievement during 2009-10	Cumulative position as on 31.3.10	Remarks
<b>1.</b>	<b>Co-operative Societies</b>				
	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	
<b>2.</b>	<b>Banking Facilities</b>				
	No. of branches functioning	26	0	26	
3.	Creches	48	0	48	
4.	Canteens	82	0	82	
<b>5.</b>	<b>Educational Facilities</b>				
	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)	2430.03	292.80	2722.83	

	e) No. of Schools receiving non-recurring grant	346	13	359	
	f) Amount of non-recurring grant (Rs. in lakh)	253.11	9.10	262.21	
	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.
6.	Community Development programme, Amount sanctioned (Rs. in lakh)	1961.37	225.00 (Budget)	--	Expenditure on CDP 2009-10 not yet received
7.	Games & Sports amount spent (Rs. in lakh)	294.21	15.10	309.31	
8.	Social & Cultural activities, amount spent (Rs. in lakh)	59.00	1.88	60.88	
9.	<b>CIL Scholarship</b> No. of Scholarship awarded	8188	1526 +37*	9751	*Special Cash Award
10.	Amount sanctioned (Rs. in lakh)	90.25	21.62	111.87	
11.	<b>Library Development</b> Amount sanctioned for development of existing libraries / establishment of new libraries (Rs. in lakh)	11.99	0.00	11.99	

- CIL Scheme for financial assistance to the wards of Wage Board Employee study in Engg. & Medical Colleges was introduced in 2009-10.

## 9.2 CORPORATE SOCIAL RESPONSIBILITY:

CIL Policy on Corporate Social Responsibility would be implemented in ECL from 2010-11 onwards. As per policy "The fund for CSR should be allocated based on 5% of retained earnings of previous year subject to a minimum of Rs.5/- per tonne of coal production of previous year."

## 9.3 SOCIAL AMENITIES :

Sl. No.	Amenities	Unit	Position as on 31.03.2010
i)	Houses	Nos.	104525
ii)	Water Supply population covered	Nos.	483980
iii)	School	Nos.	95
iv)	Community Building	Nos.	54

## 9.4 MEDICAL AMENITIES :

9.4.1 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.

### 9.4.2 MEDICAL EXPENDITURE :

Medical Reimbursement expenditure incurred during the year was Rs. 1106.58 lakh.

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

	<b>2009-2010</b>	<b>2008-2009</b>
No. of patients referred outside	1st visit : 941 nos. Revisit : 1333 Nos.	1st Visit : 1050 Revisit : 2417
Expenditure incurred for their treatment (Rs. lakh)	755.00	418.60

**9.4.4 Villagers covered by Mobile Dispensary : 12374 persons.**

**10.0 HUMAN RESOURCE DEVELOPMENT :**

In 2009-10, company had imparted training to 1830 persons compared to 1727 persons in 2008-09 as per details given below:

**1. Action Plan (MOU):**

Year	No. of Course		No. of participants							
			Target				Actual			
	Target	Actual	Exe.	Supv.	Worker	Total	Exe.	Supv.	Worker	Total
2009-10	113	105	280	510	660	1450	274	570	986	1830
2008-09	113	107	280	510	660	1450	259	645	823	1727

## 2. No. of persons trained in 2009-10 and 2008-09 were as follows :

	2009-10				2008-09			
	Exe.	Supv.	Worker	Total	Exe.	Supv.	Worker	Total
1) General / In-Company Training								
i) MOU	274	570	986	1830	259	645	823	1727
ii) Non-MOU	350	220	472	1042	385	267	600	1252
<b>2) External (within India)</b>								
<b>i) At IICM</b>								
a) One Week Course	74	0	0	74	99	0	0	99
b) Seminar / Short Course	128	0	0	128	83	0	0	83
<b>ii) Out Company Training (other than IICM)</b>								
a) Short duration	31	6	0	37	100	7	5	112
b) Long duration	0	0	168	168	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)	3	0	0	3	3	0	0	3
<b>iii) Manufacturer Training</b>								
a) At ECL's Premises	0	0	0	0	0	0	0	0
b) At Manufacturer's premises	0	0	0	0	0	0	0	0
<b>3. Trainees :</b>								
a) MT's	132	0	0	132	46	0	0	46
b) PDPT	0	53	0	53	0	9	0	9
<b>4. Seminar/ Workshop excluding in-company</b>	221	13	0	234	93	0	0	93
<b>5. External (abroad)</b>	21	4	0	25	9	0	0	9
<b>TOTAL:</b>	<b>1234</b>	<b>866</b>	<b>1626</b>	<b>3726</b>	<b>1084</b>	<b>930</b>	<b>1608</b>	<b>3622</b>

**11.00 SAFETY :****11.01 Accident Statistics for the year 2009 - 10 :**

YEAR	2009-10	2008-09
i. Fatal Accident (Nos.)	8	11
ii. Fatalities (Nos.)	9	11
iii. Serious Injuries (Nos.)	62	122
iv. Fatality / Million tonne output	0.29	0.39
v. Fatality / 3 Lakh Man-shifts	0.13	0.15

**11.02 Safety Measures :**

Safety measures taken in 2009-10 were as under :

**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.
- Ensure better working environment.
- Use of convergence indicator, load cell, stress capsules etc. in depillaring district to indicate immediate roof fall. Follow instrumentation plan as per study of CIMFR.
- Quality improvement in Pit Safety Committee inspection & meeting and monitoring the same by Area & HQ.

**At Sub-Area / Project level:-**

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

**Action taken at Area Level:-**

- Back shift inspection is being carried out on regular basis. Inspection register/notes are being examined by higher ups.
- Utmost care is taken so as to ensure that no workmen is deployed without adequate support of green roof. To maintain this adequate support materials are kept in hand as far as possible. Extreme care is taken so that no workmen enters into any face unless it is inspected by supervisory officials.
- Half an hour waiting time after blasting is strictly followed.
- In order to refresh their knowledge and to improve their skill, training and retraining of dresser, support personnel and supervisory staff is being regularly arranged.
- Special attention is given for proper dressing / supporting of roof / sides under strict supervision. Use of roof bolts /steel supports is being carried out in a big way to replace conventional timber supports.
- Ensure quality of materials and their supply in mines.
- Stress on maintenance of HEMM.

**Thrust by corporate level :**

- Strata Control Monitoring Cell had been established at ECL Head Quarter and subsequently Strata Control Monitoring Cell was established in all areas to study the roof behaviour and improvement of roof support in mines.
- Detailed accident analysis had been done and it was seen that three accidents occurred due to roof fall, two due to hit by SDL, one each for drowning, fall from same level & run over by dumper.
- Calendar of Safety Drive throughout the year had been prepared and is being followed. Details is as under :

**CALENDER OF SAFETY DRIVE FOR THE YEAR 2009-10**

<b>MONTH</b>	<b>PARTICULARS OF SAFETY DRIVE</b>
APR 09	General cleanliness on surface ( Winding engine room, surface haulage, surface sub-station , cap lamp room , boiler house)& underground (travelling and haulage road)
MAY 09	Special drive on Departmental OCP & Outsourcing patches.
JUN 09	Review of monsoon preparedness.
JUL 09	Stowing, Mechanisation of UG loading and roof bolting.
AUG 09	Survey (joint survey & check survey plan) & ventilation of u/g mines.
SEP 09	Rescue preparedness ,handling of explosives and magazines & surface installation like winding, MMV etc.
OCT 09	Gas management, statutory record keeping and maintenance of E&M machineries.
NOV 09	Fire hazards and fire fighting arrangement.
DEC 09	Roof and side dressing and support.
JAN 10	Special drive on Departmental OCP & Outsourcing patches.
FEB 10	Monsoon preparedness, discussion on vetting of annual production plan 10-11 by ISO
MAR 10	Review of risk assessment & status of implementation of safety audit recommendations.

- Special attention was given for use of steel support in mines to reduce roof fall accident.
- Application of roof bolts as a support system is being made on a large scale. At present in U/G mines of ECL 82 working districts are being supported by roof bolting as a system of support.

**YEAR WISE NO. OF ROOF BOLTS USED IN VARIOUS YEARS ARE AS UNDER :**

(Nos. in lakh)

<b>CONSUMPTION</b>	<b>2009-10</b>	<b>2008-09</b>	<b>2007-08</b>	<b>2006-07</b>	<b>2005-06</b>
Roof Bolts	6.095	5.26	5.5	5.5	5.06
Cement Capsules	25.9	24.36	24	24	20.14

- Proper care is being taken for maintenance of HEMM and E&M machineries with particular stress on safety features.
- All fatal accidents are being critically analysed at the highest level during the co-ordination meeting of area CGM/GM with CMD. Necessary action is being taken to prevent recurrence. Safety status of mines is being reviewed on priority.
- In addition to preventive measures, punitive measures are also taken where after enquiry, if any lapse is found on account. In 2009-10 , 8 fatal accidents occurred in ECL of which enquiry had been completed in 7 cases, in which 19 executives 15 supervisors / workmen were held responsible and disciplinary action against all persons were initiated / completed.
- Manual districts are being converted into mechanized ones in a phased manner.
- A seminar on health care management and Occupational health service had been organized from 14th to 19th December 2009 at HRD,ECL.
- As per the recommendations of 32nd Standing Committee, mechanized roof drilling would be provided in more districts. At present 21 roof drilling machines of different types are in use. Action had been taken for procurement of 20 roof drilling machine with compressor and 12 Nos. Hydraulic Drilling machines.
- Discussion is held in the monthly co-ordination meeting of all CGMs/GMs with CMD for making up the stowing lag. Letters have been issued by Director (Tech)/Op, Director (Tech)/P&P and CGM (Safety) to concerned areas.

**Safety Audit:**

Safety Audit had been conducted from 17/4/2007 by a team consisting of Sri Anjan Mukhopadhyay, Ex. Director (T)/Op ECL and Sri A.N.Mukhopadhyay, Retd. DGMS official and report was submitted. The recommendations are being implemented. Safety audit is to be conducted during the year 2010 -11 by an outside agency.

**Monsoon Preparation :**

Special drive in respect to Monsoon Preparedness had been done in the month of June 2009 by Nodal officer of safety department along with colliery management and status of implementation was monitored during the year 2009-10. In February 2010 a Safety Drive on Monsoon Preparedness had been observed for Monsoon of 2010

**11.03 Safety Training :**

Safety training programme had been conducted during the year 2009-10 at HRD, Dishergarh, MTI, Ratibati and Mining Training School, Dhadka.

**11.04 VOCATIONAL TRAINING (STATUTORY AT VTC) 2009-10:**

Type of Training	2009-10	2008-09
Basic	817	920
Refresher	9919	8230
Spl. Training	7793	9880
I.O.D.	261	252
Contractors Workers	889	2493

**11.05 RESCUE SERVICES IN ECL:**

Rescue Services were rendered to all 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.

**11.5.1 Details of Emergency attended:**

In 2009-10, recovery of old sealed off panels were retrieved which were sealed off in

the past due to fire/spontaneous heating etc in the following mines:

- a) Nakrakonda Colliery, Bankola Area on 17.4.2009.
- b) Shyamsundarpur Colliery on 18.9.2009.

**11.5.2** During the year Rescue Services dealt fire/spontaneous heating in the following mines successfully.

- a) Bahula Colliery, Kenda Area on 07.09.2009.
- b) Naba Kajora Colliery, Kajora Area on 09.11.2009.
- c) Dealt blazing of fire in U/G as well as surface at Kunustoria Colliery, Kunustoria Area on 24.10.2009

**11.5.3 Recovery/Dealing Fire/Gas to save human life:**

- a) Tackled Gas leakage from water filter plant at Asansol Railway Colony on 07.05.2009 to save inhabitants of colony.
- b) Recovery of one person from a sand bunker of Kunustoria Colliery, Kunustoria Area on 21.07.2009.
- c) Searching & Recovery of one dead body from North Searsole Colliery, Kunustoria Area on 17.09.2009.
- d) Recovery of one dead body from a pond at Mahabir Colliery, Kunustoria Area on 19.10.2009
- e) Searching & Recovery of one dead body (Pump Khalasi) at Central Kajora Colliery, Kajora Area on 05.11.2009.
- f) Searching one Surveyor at the Sorstoli OCP ICML captive mine CESE, Kolkata on 26.2.2010.

**11.5.4 TRAINING:**

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

	2009-10	2008-09
No. of Rescue personnel trained	665	767
No. of personnel freshly trained	31	40
No. of Refresher practices	5984	7284
No. of Emergencies	10	13

#### 11.5.5 NEW APPARATUS/EQUIPMENT PURCHASED:

One sophisticated modern Fire Tender was procured and commissioned.  
Pneumatic lifting bag with air compressor recently commissioned.

#### 11.5.6 ZONAL RESCUE COMPETITION:

- Zonal Mines Rescue Competition, Eastern Zone, for the year 2009-10 was held on 8th January 2010 in which 12 teams took part.

#### 12.1 TOTAL VALUE OF ORDER PLACED ON ANCILLARY INDUSTRIES:

- 2009-10: Rs.717.45 lakh.
- 2008-09: Rs.553.05 lakh.

#### 12.2 Measures taken for inventory control :

Scientific approach is adopted to forecast the requirement of high consumption value items and high value items. Maximum efforts were made to reduce the procurement lead time of these items. While ordering these items, phase delivery is incorporated in supply order so that inventory is not built up at any moment of time. Moreover, for effective inventory control Rate Contract / Depot Agreement for various items like POL, HEMM Stores etc. are concluded.

These materials are issued on need based exercising strict control. Stores Co-ordination Meeting is held monthly wherein surplus stock held in any area is identified and issued to other needy area. The cause of increase in inventory at any area is discussed and Area

Stores Officer is directed to check the rise in inventory. To exercise effective control “X” items were identified in 09-10 and its inventory was frequently monitored. Each Area is also holding meeting of Area Task Force Committee for gainful utilization of non-moving / obsolete items.

Above measures help in keeping control of inventory. Inventory in terms of months of consumption was 3.45 in 07-08 which was brought down to 2.91 in 08-09. This shows that inventory of stores and spares of ECL is under control.

### 12.3 Disposal of Scrap :

Value of materials sold and amount of realization in 2008-09 & 2009-10 were as under:  
(Rs. in lakh)

	2009-10	2008-09
i) Value of Materials sold	90.60	107.00
ii) Value of actual realization	53.18	192.12

Value of actual realization was less than the value of materials sold in 2009-10 as the buyer is yet to deposit the value of sold material against auction held in January 2010. Moreover, value of materials sold and value of actual realization decreased in 2009-2010 due to global recession. Auction was conducted two times in 2009-10 with a Reserve Value of Rs. 5.00 Crore but materials could be sold amounting to a value of Rs 90.60 Lakhs only.

### 12.4 Steps taken for 'e'-procurement:

ECL had started e-procurement.

The first e-procurement tender was opened on 12/03/2010 and is under process.

Currently, about twelve tenders are on e-tender portal and many more are in pipe line. Effort is being made to put all tenders for procurement of parts and machineries on e-

mode on full fledged basis for that infrastructural support such as access to internet through broad band, updated computers and other facilities for a safe and secured network are being arranged. A vendor training programme is also being organized to generate awareness amongst the vendors for better participation. Simultaneously, the concerned executives and the staffs of the user department are also being trained in specific areas of computer application with a view to ensure smooth transition from manual tendering process to e tendering process.

### 13.0 QUALITY CONTROL:

#### 13.1 Quality Improvement :-

In 2009-10, 86.91 % conformed to billed grade for dispatches of coal covered under agreed sampling arrangement as compared to 84.83 % grade confirmation achieved in 2008-09 on sampled quantity.

	2009-10 (Prov)	2008-09
No. of Samples drawn	9295	8343
No. of samples conformed to billed grade	7690	7000
% of Grade conformation	86.91	84.83
No. of samples with one grade slippage	1428	1307
% of one grade slippage	13.01	13.48
No. of samples with two grade slippage & more	13	124
% of two grade slippage & more	0.08	1.69

#### 13.2 QUALITY DEDUCTION :-

During 2009-10, quality deduction was Rs. 29.18 per tonne compared to Rs. 31.64 per tonne in 2008-09.

Year	Total Qnty Despatched (Rail & Road) (in Lakh tonne)	Amount of Deduction (in Lakh Rs.)	Deduction Rs. per Tonne
2009-10	283.02	7375.72	29.18
2008-09	267.06	8470.38	31.64

### 13.3 WEIGHMENT & SIZING STATUS :

#### WEIGHMENT STATUS :

In 2009-10, quantity weighed in EPS for power house supplies compared to last year, as could be seen from the table below:-

(Figure in L/T)

PARTICULARS	2009-10			2008-09		
	Power EPS	Other Consumers	Total weighment	Power EPS	Other Consumers	Total weighment
Qnty. Despatched (by Rail)	244.09	16.69	260.78	236.71	16.11	252.92
Qnty. Weighed under EPS	241.08	16.69	257.77	236.25	15.96	252.21
Qnty. Weighed under Mech. W.B.	0.00	0.00	0.00	0.00	0.00	0.00
Weighment % under EPS	98.77	100.00	98.85	99.81	99.07	99.76

#### SIZING STATUS :

Out of total despatches in 2009-10, **226.63** lakh tonne of coal despatched to Power Sector was sized (-250mm) by CHP/FB/UG (92.85%) compared to 214.79 lakh tonne in 2008-2009 (90.74%). Despatches from sidings not having CHP/FB facility, sizing was done by Dozer. Action was being taken to install/utilize CHP/FB at these points to achieve 100% crushing of coal.

	2009-10			2008-09		
	Power	Others	Total	Power	Others	Total
Qty. Sized in CHP/ FB (L/T)	226.63	14.24	240.87	214.79	15.02	229.81
%	92.85	85.32	88.12	90.74	93.24	90.90

#### 13.4 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 was 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.

#### 14.0 VIGILANCE:

##### PERFORMANCE OF VIGILANCE DEPARTMENT:

##### 1) VIGILANCE ACTIVITIES: (2009)

##### ➤ PUNITIVE:

Sl. No.	Subject Matter	No. of Cases
1	Complaints	424
2	Investigations	42
3.	Minor Penalty Proceedings Cases	2
	No of Persons	4
4	Major Penalty Proceedings Cases	10
	No of Persons	20

➤ **PREVENTIVE:**

Sl. No.	Subject Matter	No. of Cases
1	C.T.E	3
2	Surprise Checks	17
3	System Improvements	6
4	Special Achievements	3
5	e-governance	4

2) **SYSTEM IMPROVEMENT ACTIVITIES:**

In compliance with Circular No.23/7/08 dated 18/7/08 on “Systemic improvements for better Vigilance Administration in Govt. Organisations” details of System Improvements suggested to Management during 2009 are tabulated below. These would result in decrease in corrupt activities, increased transparency and savings in the revenue expenditure of the company. Implementation of system improvements were discussed in the Functional directors’ meeting and necessary orders were issued

Sl. No.	System Improvement Proposal	Impact
1	<p><b>EFFECTIVE USE OF THE COMPANY WEBSITE FOR TRANSPARENCY</b></p> <p>As per the decision taken in the meeting of Functional Directors more information is now being posted in Company’s Website (easterncoal.gov.in). Information regarding Sales and Marketing, Pending Bills, Bills Details, Recruitment and results, important notices and events are available on the website.</p>	<ul style="list-style-type: none"> <li>➤ For greater transparency.</li> <li>➤ Reduced lead time.</li> <li>➤ Revenue expenditure of the company can be reduced.</li> <li>➤ For cutting down unnecessary delay in the file movement.</li> </ul>

Sl. No.	System Improvement Proposal	Impact						
2	<p><b>IMPROVEMENT IN WORKINGS OF O.C. OUTSOURCED PATCHES.</b></p> <p>1) CGM/GMs of the Areas being the Engineer-in-charge of the agreement should take up at their level and initiate action which would be in line with the terms and conditions of the agreement.</p> <p>2) A committee of following members had been constituted for suggesting guidelines for evaluating vendor rating for working of OC Hired patches :-</p> <table border="0" data-bbox="347 965 1066 1144"> <tr> <td>1) Shri B.P.Singh CGM(IED)</td> <td>Chairman</td> </tr> <tr> <td>2) Shri S.K.Singh CME (CMC)</td> <td>Member</td> </tr> <tr> <td>3) Shri A.K.Soni G.M(Finance)</td> <td>Member</td> </tr> </table>	1) Shri B.P.Singh CGM(IED)	Chairman	2) Shri S.K.Singh CME (CMC)	Member	3) Shri A.K.Soni G.M(Finance)	Member	<ul style="list-style-type: none"> <li>➤ Improved administrative control and greater transparency.</li> <li>➤ To avoid delay in decision making.</li> <li>➤ Improved production and productivity.</li> </ul>
1) Shri B.P.Singh CGM(IED)	Chairman							
2) Shri S.K.Singh CME (CMC)	Member							
3) Shri A.K.Soni G.M(Finance)	Member							
3	<p><b>IMPLEMENTATION OF PHOTO MEDICAL IDENTITY CARDS FOR AVAILING OUTDOOR / INDOOR TREATMENT.</b></p> <p>In order to stop misuse of medical facilities available in the Company by non-entitled cases, proposal for implementation of photo medical identity cards for availing Outdoor/Indoor treatment, an order was issued to all CMOs of the Company Hospitals and Area Medical Officers by Chief of Medical Services.</p>	<ul style="list-style-type: none"> <li>➤ To eliminate chances of corruption and enhanced transparency.</li> <li>➤ Reduced revenue expenditure</li> </ul>						
4	<p><b>AMENDMENT OF DOP FOR TRANSPORTATION OF COAL AND SAND IN EMERGENCY</b></p> <p>D.O.P for transportation of coal and sand – discount bidding and SOR in case of emergency was amended vide ECL/CS/27(N)/7485 dated 19.09.09.</p>	<ul style="list-style-type: none"> <li>➤ Improved administrative control and greater transparency.</li> <li>➤ To avoid delay in decision making.</li> </ul>						

Sl. No.	System Improvement Proposal	Impact
5.	<p><b>EVALUATION OF PROVENNESS OF BIDDERS IN PROCUREMENT CASES</b></p> <p>It was decided to seek documents from bidders certified by notary public in support of the provenness criteria. This is in addition to the certified documents to be sought from the bidders by notary public as per CIL Purchase Manual. Accordingly office order was issued by GM(MM).</p>	<ul style="list-style-type: none"> <li>➤ Greater transparency.</li> <li>➤ Minimize chances of manipulations</li> </ul>
6.	<p><b>OFFER OF STEAM COAL IN PLACE OF ROM COAL WAS STARTED TO ELIMINATE POSSIBILITY OF CORRUPTION AND GENERATION OF MORE REVENUE</b></p> <p>On the basis of various complaints, surprise checks were conducted at different road sale points gave insight to a possibility of consumers taking away steam coal in the name of ROM coal. It was suggested to offer steam coal in place of ROM. This suggestion was accepted by the management and decided to implement in a phased manner. This preventive step not only eliminated the possibility of corruption but also fetched additional revenue to the Company.</p>	<ul style="list-style-type: none"> <li>➤ To earn better revenue by getting enhanced coal sale price.</li> <li>➤ To eliminate corruption.</li> </ul>

### 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 only be completed during 2009.

- i. **CTE on Procurement of Mining Shoes:** Report Prepared and submitted to CMD. The report was marked to GM(MM) for examination.
- ii. **CTE on Procurement of Belt Conveyors for Continuous Miners:** Report placed to CMD with comments received from GM (MM) for further action.

- iii. **CTE on Engagement of DGR sponsored Agency for security services at ECL** The subject file was taken up by CBI Kolkata in connection with the CBI Case file RC0102010A002.

4) **SPECIAL ACHIEVEMENTS:**

Sl. No.	Subject Matter
1	Detection of intentional manipulation of weighment of e-auction rake loaded from Bankola area and weighed at Andal rail weighbridge by vigilance team through surprise check was appreciated by the Functional Directors.
2.	Restructuring of vigilance activities in ECL: Consequent on empowering of CIL by Government of India by bestowing Navratna Status, Chairman, CIL, vide Office Memorandum No.CIL: CH: 36(A)/748 dated 30th December, 2008 asserted that Vigilance Department being an integral part of the organization is expected to perform a pro-active role by acting as enabler of faster, but transparent, equitable and fair decision making by the Management. Accordingly, ECL Vigilance Department proposed to introduce concept of Nodal Officer (Vigilance) at area level by appointing a Sr. Officer (preferably second senior-most officer of the Area, next to CGM/ GM) in each area to bring in more transparency and to assist vigilance to strengthen the vigilance organization in preventing malpractices. HQ Vigilance to concentrate more on serious matters and CTE type intensive examinations, system studies for improvement and also to streamline and simplify the procedures to remove hurdles in the system. The proposal was accepted in the Functional Directors meeting and Addl G.M of each area was nominated as Nodal Officer(Vigilance) to bring transparency and to assist Vigilance Department

## 5) RECOVERY FOR VIGILANCE ACTIVITIES IN 2009:

Sl. No.	Vigilance Ref. No.	Subject Matter of the Case	Details of Recovery	Amount Recovered
1	COMP-15/09	Irregularities in Tar felting works in ECL	Recovery of Rs 350157.92 at Rajmahal area from M/s Calcutta Felt Industries (P) Ltd and Rs 321675.89 at Mugma Area from M/s Jalanidhi Bitumen Specialist Pvt Ltd against Price Fall Clause in the RC of Tarfelting work.	671833.81
2.	PE01A/07-D	Unholy alliance between some ECL officials with Business firm	Recovery of Rs. 689359.28 from any payable amount due to M/s Banowarilal Agarwala Pvt Ltd.	689359.28
3.	CB- 10 / 08	Irregularity in procurement at Ponihati Workshop	Recovery of Rs 10800 each from two executives as minor penalty.	21600.00
4.	COMP - 40 / 09	Surprise Check based on the information received regarding purposely under weighment of the e-auction Rakes at Andal Rly Weighbridge	Re weighment of a rake at Barakar Rail Weigh Bridge on 30.05.09 resulting in increase of 343.8 Tonnes over the weighment at Andal Rail weighbridge valuing at least 8.54 lakhs (Considering the whole amount as Gr C).	854000.00

Sl. No.	Vigilance Ref. No.	Subject Matter of the Case	Details of Recovery	Amount Recovered
5.	INF-45/06 with CBI Investigation Report PE102007A0006	Coal stock shortage at West Kenda OCP	Coal transportation and payment thereof in the year 2006-2007 at New Kenda Colliery was reconciled and deduction of Rs 111373.40 was made from the coal bill of Rita Transport.	111373.40
			<b>Total</b>	<b>2348166.49</b>

## 6) STATUS OF E-GOVERNANCE :

As per the view expressed by CVC during zonal review with CVO's, a meeting was held on 8th April'09 in the Chamber of D (F) at the initiative of CVO, ECL for early introduction of e-payment in the company.

During the Vigilance Awareness Week -2009 a Brain Storming Session was organized on the topic "Use of Communication and Information Technology to bring transparency and efficiency in our work environment". Shri S. Chakrabarti, CMD, ECL was Moderator in the Brain Storming Session, Shri SK Choudhary, CVO, ECL initiated the topic with powerpoint presentation. Heads of Departments of ECL HQs. assisted by one officer each, CGMs/GMs of all the Areas attended the brain storming session. The programme was also attended by the Functional Directors.

During the structural meeting held in the chamber of CMD ECL on 23.2.10 the following points were discussed in details:

- A.(i) Placing all circulars on ECL Website.
- (ii) e-Payment to third parties
- (iii) Status of employment (against land and medically unfit cases) and VRS applications in Company's Website. The proposals were well appreciated and GM(Systems),

GM(Finance) and GM(P&IR) were advised to be present in next meeting to discuss the implementation process.

- B. Comprehensive study of procedure being followed for the monthly allocation of coal despatch at H.Q with regard to FSA, MOU and e-auctions as CVO ECL highlighted the financial gain to the company and stressed the need to computerize the entire process so that any manipulations are ruled out. The proposal was agreed by CMD and GM(S&M) was advised to take further action.

**Point-wise status report on implementation/directives is tabulated below:**

Sl. No.	Area	Status report
1	E-Procurement	M/s ITI Ltd Bangalore, one of the selected Service providers for implementation of e-procurement in CIL and its subsidiaries visited ECL Sanctoria on 10th Aug'09 to make a presentation and system study on e-tendering/e-procurement/e-auction. R.C finalized by CIL provides four options for operation of e-procurement a) E-tendering with e-price bid b) e-tendering with e-price bid followed by reverse auction c) e-tendering with reverse auction d) Bare reverse auction. While selecting options for operations it was felt prudent by the MM department to choose e-tendering with e-price bid only. An informal meeting was held on 13.02.10 in the chamber of CVO, ECL along with the Nodal officers for the implementation of E-Procurement and teething problems being faced in the initial stage. The first e-procurement tender i.e tender for e-procurement for cutting edge for HEMM was opened on 12/03/2010 and the same is under process for further action. As on 7.4.10, 6 procurements through e-tendering with e-price bid were taken up.

Sl. No.	Area	Status report
2	E-Payment	Salaries of about 85% of employees are made through e-payment. ECL is also making payment through e-mode for (a) Service Tax (b) Sales Tax to Govt of WB (c) Stowing excise duty. State bank of India, Asansol and UCO Bank Sanctoria have already extended their support to facilitate payment through e-mode /RTGS. ECL had started payment through e-mode to M/s BEML and taken up the matter with all Explosive Vendors also to provide the necessary details so that their payment can also be made through e-mode. During the structured meeting with CMD on 23.02.10 e-payment to third parties was discussed, CMD agreed for progressively achieving 100% e-payment and it was decided that GM (Finance) may also be called in the next meeting for taking decision on the matter.

## 15.0 AFFORESTATION, EMP MONITORING & ECO-FRIENDLY ACTIVITIES:

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

### 1. Afforestation and Eco-friendly Activities :

Sl. No.	F.Y.	Trees Planted	Area Covered (Ha.)	Expenditure (Rs. in lakhs)	Remarks
1	2008-09	112800	45.20	60.80	Due to increased availability of land in 2009-10
2.	2009-10	133400	54.00	54.97	

**2) Environment Management Plan Monitoring by MOEF :**

In compliance of EMP conditions imposed by MOEF, monitoring is being done on a regular basis for 29(twenty-nine) running projects against eleven (11) projects in 2008-09. Six monthly reports are being sent to Eastern Regional Office, MOEF, Bhubaneswar for 11 (eleven) projects and the process in respect of balance eighteen (18) projects has also been initiated.

Also Air, Water & Noise quality analysis are being done for these projects by CMPDI as per stipulation of MOEF on a quarterly basis. Necessary mitigation measures are being adopted by different areas of ECL.

**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, maintaining the statutory provisions and Rules of Water Pollution Act '74, Air Pollution Act '81 and Environment Protection Act '86.
- b) Required Water Cess (including arrears) based on consumption of water is being deposited by all the collieries, with respective State Pollution Control Boards, as per Water Cess Act '77.
- c) Annual Environmental Statement in Form V (Rule 14 of Environment Protection Act 1986) is submitted to respective State Pollution Control Boards.

**4) Observance of World Environment Day :**

World Environment Day is being observed every year on 5th June by way of inter-colliery/project/area competition. Area-wise inspection is done by inspection teams and annual performance of environment measures/activities are evaluated. Based on the evaluations for different categories, merit position of collieries/projects/areas is 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 all workers and nearby villagers for maintenance of existing forests as well as creation of new forests so that the mine areas are benefitted by better Environmental Conditions.

**6) Environmental Clearance granted by MOEF, New Delhi:**

During 2009-10 Environmental Clearance was received for the following projects:

Sl. No.	Name of the Project	Capacity - MTY
1.	Mohanpura OCP	1.00
2.	Chitra OCP	2.50

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

Area	Name of Project	Capital Investment (Rs. in Crore)	Capacity (MTY)	Status of EMP Clearance	Pending at
Kunu-storia	Narainkuri UGP (Under XI th Plan)	73.53	0.540 (updated)	Public Hearing scheduled be on 14-10-09 was postponed by West Bengal Pollution Control Board.	WBPCB

Area	Name of Project	Capital Investment (Rs. in Crore)	Capacity in (MTY)	Status of EMP Clearance	Pending at
Kunu- storia	K un u s t o r i a Block (Dobrana, Dhasal & B a m a n b a d Seams) UGP	144.81	0.735	Public Hearing scheduled on 02-12-09 was postponed.	WBPCB
	Belbaid	69.11 & 56.48 (for alternative I & II)	0.480	Final EIA/EMP received on 31-03-10 and despatched to CGM, CIL, New Delhi.	MOEF
	Bansra UGP	Additional capital investment Rs. 121.95	Expansion from 0.345 to 0.735	Public Hearing documents under preparation at RI-I, Asansol.	CMPDI, RI-I, Asansol
Jhanjra	Jhanjra UGP	122.35	3.500	Public Hearing documents under preparation at RI-I, Asansol	CMPDI, RI-I, Asansol
Panda- veswar	Rangamati - B UGP	125.29	0.480	Draft EMP and Public Hearing documents are under preparation at RI-I, Asansol	CMPDI, RI-I, Asansol

**Cluster Concept :**

Cluster No.	Name of Mines	Status of EMP Clearance	Pending at
3.	Dabor UG, Bonjemehari UG & OC, Sangramgarh UG & OC, Dalmia UG	Feasibility report & Form-I forwarded to MOEF, New Delhi	MOEF

8) **Cluster concept for old Mines of ECL:**

Consequent to the notification of Sept. 2006, it has become mandatory to obtain Environmental Clearance of all mines in the country. Out of 111 mines, Environmental Clearance had been obtained for 20 mines, 91 belong to pre 1994 period. These 91 mines have been divided into 13 clusters based on the principle of contiguity. ECL has started the process of obtaining Environmental Clearance in respect of 64 mines leaving aside 27 mines where production is suspended.

Form – I application of Cluster no. 3 has been submitted to MOEF for finalization of Terms of Reference (TOR).

9) **Land Reclamation by filling with fly ash:**

As a compliance of the directives by MOEF, New Delhi ECL is offering its old/abandoned OCPs/quarries for filling by fly ash.

10) **Water supply activities:**

A number of old OCPs in ECL are being utilized for fulfilling the water supply needs of its employees and a large population in the surrounding villages of ECL's leasehold areas. PHE deptt. of West Bengal Govt., is utilizing water from the abandoned OCP at Itapara, West Baraboni to supply water to a population of 15164.

11) **Minor irrigation activities:**

Water from many abandoned OCPs/quarries are being used for irrigation by the villages around ECL's leasehold areas. West Bengal Govt. is utilizing many such OCPs to provide Minor irrigation facilities to villages.

**12) Pisciculture:**

Abandoned OCPs in ECL are being used by local villagers and employees for fish cultivation.

**16.0 OFFICIAL LANGUAGE IMPLEMENTATION:**

ECL's Hd.qtrs. and 11 Areas are situated in 'C' region where 86% employees are posted. Only 3 areas are situated in 'A' region (Jharkhand) which consists of only 14 % 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, 4.76 % growth was recorded in Hindi correspondence over last year. In 2009-10 out of 22,856 letters sent, 14,483 letters were in English and 8,374 letters were in Hindi (36.63 %), whereas in 2008-09 out of 33,310 letters sent, 22,692 letters were in English and 10,618 letters were in Hindi (31.87 %)
2. Similarly in 2009-10 out of 2,473 comments made, 1,327 comments were in Hindi (53.56%) whereas in 2008-09 out of 3,155 comments made 1,585 comments were in Hindi (50.24%). Accordingly 3.41 % growth was recorded.
3. In 2009-10, five workshops were organised on 21.05.2009, 09.09.2009, 10.09.2009, 27.10.2009 and 10.02.2010 in which 155 executives/employees were trained, whereas in 2008-09 only 69 executive/employees were trained in 7 workshops.
4. During the period under review, Hindi Pakhwara was celebrated from 01.09.2009 to 14.09.2009, at all the areas of ECL. Final programme was held at Dishergarh Club on 14.09.2009 in which a Quiz Contest was also organized. The winner of quiz contest was awarded. Areas were also awarded prizes for implementing Official Language.
5. A Hindi Kavi sammelan was organised on 15th August 2009 at Dishergarh Club to create a favourable atmosphere for Rajbhasa implementation.

6. An amount of Rs.3,200/- (Rupees three thousand two hundred) was spent for purchasing Hindi books for Ravindra Hindi Pustakalaya, HQ and 31 new Hindi books was purchased as such the number of total Hindi books grew. During the period Rs.5000/- (Rupees five thousand) was also spent for daily Hindi News papers.
7. During the year under review, 4 issues of Khanan Bharati, the Hindi house journal of Coal India was received and distributed at Hd.qtrs and areas.
8. Rajbhasa Deptt. of ECL took active part in the Akhil Bhartiya Rajbhass Sammelan held by Bhartiya Rajbhasa Parishad, New Delhi from 9.12.2009 to 11.12.2009 at Puri. Apart from this an article and lecture was delivered on the subject "Hinditar Bhasa Bhasiyon Ka Hindi ke Liye Yogdan", at Rajbhasa sammelan held at Sambalpur by Mahanadi Coalfields Ltd., on 25th & 26th February'10.
9. A visual report containing events related to Rajbhasa Pakhwara and Official Language Implementation in ECL was telecast at local channel.
10. The tradition to display comments in front of Technical building and at entrance of Administrative building , HQ continued during the year..
11. Issuing minutes of Co-ordination meeting of CGM/GM by CMD every month in Bi-lingual (Hindi and English) was maintained.

#### **17.0 B.I.F.R. & BRPSE STATUS:**

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

BIFR declared the company as sick company in February, 2001 and appointed State Bank of India as its operating agency for formulating a Rehabilitation Scheme. After detailed deliberations with the stakeholders company prepared a Rehabilitation Scheme dated 31st January, 2004. This was discussed in a joint meeting held on 3rd March, 2004 and all the stakeholders supported the scheme. Hence operating agency submitted a fully tied up Draft Rehabilitation Scheme of Eastern Coalfields Limited (March 2004) to BIFR. As per scheme, net worth of the company was slated to become positive in 2008-09 with concessions from CIL. BIFR sanctioned the scheme in November, 2004 for implementation. The scheme was also examined by the office of the Controller General of Accounts . They had also recommended the scheme for revival of the company.

BIFR's sanctioned Rehabilitation Scheme was revised as per the advice of BRPSE due to enhancement of coal prices from 16th June 2004, signing of NCWA-VII on 15th July, 2005 for a period of 5 years from 1st July, 2001 and delay in implementation of some of the projects. As per the Revised Scheme, networth of the company was slated to become positive in 2009-10 . This Revised Scheme was heard by Board for Reconstruction of Public Sector Enterprises(BRPSE) in August, 2005. They had recommended the scheme subject to Eastern Coalfields Limited achieving physical and financial parameters as envisaged in the Scheme. The recommendations of BRPSE was also heard by Committees Of Secretaries (COS) 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 (CCEA) had approved the BRPSE recommended Revival Plan of ECL on 6th October, 2006.

After obtaining the approval of CCEA, company had submitted the Revised Rehabilitation Scheme to the Monitoring Agency and BIFR in October 2006 with a request to approve the Revised Rehabilitation Scheme for implementation. BIFR reviewed the Eastern Coalfields Limited's case on 12th June, 2007 and advised the company to submit Govt. approved Revival Plan to Monitoring Agency with a copy to them within 60 days as Draft Modified Revival Plan (DMRP). Company had submitted the same to Monitoring Agency with a copy to BIFR on 7th August, 2007. BIFR is yet to approve the same.

In the meantime NCWA-VIII agreement was signed on 24th January, 2009 for a period of 5 years from 1st July, 2006 for non executive employees. Govt. of India had announced revised salary to board level and below board level executives in Central Public Sector Enterprises from 1st January, 2007 for a period of 10 years. Company informed the same to Monitoring agency with a copy to BIFR. In June, 2009 BIFR advised the company to revise the Draft Modified Revival Plan submitted earlier. BIFR further advised the company to send a copy of CCEA approval of DMRP to be submitted.

Hence company prepared a Revised Revival Plan taking into account the delay in implementation of many of the projects. This Revised Revival Plan was discussed in 230th ECL board meeting held on 31st August 2009 and 1st Sept, 2009. As per the Revised Revival Plan net worth of the company was slated to become positive in 2014-15 with the concessions from CIL.

However, coal prices were enhanced from 16th October, 2009. Due to delay in implementation of various projects, Functional Directors in its meeting held on 5th Jan'10 advised to revise the physical parameters from 2010-11 to 2016-17 and the same is under revision.

## **18.0 COMPUTERISATION & I.T. ENABLED SERVICES:**

### **A. STANDARD BUSINESS APPLICATIONS:**

- a. Company had successfully implemented standard business applications like Payroll, Personnel Information System, Financial Accounting System, Cost Accounting System, Materials Management System, Sales Billing & Accounting System, Road Sales System etc.
- b. In the last two years, applications mentioned above had been gradually converted from legacy flat files based system to Oracle RDBMS based systems. The conversion had been completed for major applications in all the areas & a small portion is under implementation for fine tuning.

- c. The above applications were designed to operate in batch mode. Company had taken steps to modify & place them in On-Line operations mode so that the concerned users can utilize the features from their place of working and take full advantage of the systems.
- d. Existing batch mode Materials Management System had been implemented in On-Line mode in 6 Area Stores where data connectivity could be established.
- e. The batch mode Financial Accounting System had been modified & converted to On-Line mode at Headquarters & three area offices (Kenda, Salanpur, Pandaveswar).
- f. Road Sales Module of the Coalnet project of Coal India Limited had been implemented at ECL Sales office, Kolkata and is being successfully operated & maintained.

**B. OFFICE AUTOMATION:**

- a. Company had provided about 650 PCs to various offices for routine office automation jobs like Word Processing, Spreadsheet based Calculations etc. More nos. of PCs would be gradually added to take care of demands due to reduction of clerical employees, need for communicating using E-Mails, File & Data creation and transfer etc. Some multifunction devices enabling document scanning, copying, printing & faxing had also been provided to important offices.
- b. At present important users had been provided with Internet facility through various Service providers (BSNL, Tata Indicom, Airtel etc.) through individual connections using Broad Band, Dial-up or Wireless Modem connectivity.
- c. Official E-Mail accounts had been provided to Directors, HODs & Area CGM/ GMs for inter department communications

- d. Data transfer from various Area Offices for consolidation at headquarters is gradually being changed to E-Mail attachments instead of media transfer.
- e. Computer Appreciation Training is being provided on regular basis to various segments of employees to enable them to operate Personal Computers provided in their departments. This had greatly helped in generating enthusiasm amongst the employees for utilizing Personal Computers.

### **19.0 ELECTRONICS & TELECOMMUNICATION:**

In order to keep pace with advancement of communication and information technology the following had been achieved in 2009-10:

- 1) 600 EPABX lines with facilities like IP telephony, Voice mail, ISDN connectivity etc. was installed at ECL HQ. replacing the earlier EPABX of PCM–TDM technology which had become obsolete.

A separate KTS exchange interconnecting CMD's office, Functional Directors, CVO and Company Secretary had been installed in the Administrative Building for emergency communication amongst Sr. executives in an exclusive manner.

- 2) State- of- art EPABX system had been installed in various Area offices and some project offices replacing old and obsolete exchanges for reliable communication amongst the executives from office as well as residences.
- 3) In order to augment communication facilities in underground mines Sound Poser telephone, Loud hailer telephones had been provided to various Collieries. Action had also been taken to replace old and obsolete CDS exchange by latest design auto-cum - manual exchanges in a phased manner.

4. Design, development of Voice and Data compliant network infrastructure along with communication link with adequate bandwidth had been initiated for centralized ERP implementation in an integrated manner by CIL for all the Subsidiary Companies.

#### 20.00 LAND ACQUISITION & LAND INFORMATION STATUS:

Item	Status as on 2009-10		
<b>1. Status of Land Acquisition</b>	The status of land acquisition/possession mode-wise, project-wise for the year 2009-2010 are given below		
	Mode of Acquisition	Acquired (in acre)	Possession (in acre)
	Transfer of Govt. land	Nil	Nil
	Direct Purchase of Tenancy land	33.04	33.04 *Besides above 8.10 acre has been taken in possession in S P Mines on agreement.
	L.A. Act	Nil	Nil
	CBA Act	Nil	72.93
Besides the above, land acquisition cases have been processed under LA Act and under CBA Act in 2009-2010 which are as follows:			
<b>Under L A Act:</b>			
1. Sangramgarh / Salanpur – 34.72 acre			
2. Dalurband / Pandaveswar – 5.65 acre			
3. C L Jambad / Kenda – 94.67 acre			
4. Sarpi / Bankola - 224.49 acre			

Item	Status as on 2009-10
<b>1. Status of Land Acquisition :</b>	<b>Under CBA Act</b> 1. Sonapur Bazari – 2964 acre- Notified u/s 9(i) on 28.11.2009 2. Mohanpur/ Salanpur – 57.69 acre, Notified u/s 7(i) on 15.03.2010 3. Jhanjra – 566.12 acre Notified u/s 4(i) on 9.01.2010 4. Lalmatia ( Chota Vorai ) – 50.33 acre Notified u/s 4(i) on 16.7.2009 5. Simlong 18.12 acre Notified u/s 4(i) on 28.8.2009 6. Rajmahal Ph VII – 698.71 acre applied for notification u/s 4 (i) on 24.12.2009 7. Rajmahal (Lohandia) –228.89 acre applied for notification u/s 4 (i) on 13.1.2010
<b>2. Rehabilitation of villagers :</b>	As per record at Rajmahal area 39 families had been provided plots at rehab site and 10 families were provided Rs. 1 Lakh each as Rehabilitation benefits instead of house hold plot.
<b>3. Status of Mining lease of Sand :</b>	i) Temporary Working Permit for extraction of sand for stowing purpose for the period of 1.04.2009 to 30.06.2009 had been obtained from Jt. Secretary, Govt. of WB, C&I Dept., Kolkata vide no. 233 dt. 30.04.2009 ii) Temporary Working Permit for extraction of sand for stowing purpose for the period of 1.07.2009 to 31.12.2009 had been obtained from Jt. Secretary, Govt. of WB, C&I Dept., Kolkata vide no. 475 dt. 21.08.2009 iii) Temporary Working Permit for extraction of sand for stowing purpose for the period of 1.01.2010 to 31.03.2010 had been obtained from Jt. Secretary, Govt. of WB, C&I Dept., Kolkata vide no. 56 dt. 2.2.2010
<b>4. Status of Mining lease of Coal :</b>	1. Jt. Secretary, Govt. of WB, C&I Dept., Kolkata vide no. 420 dt. 23.07.2009 had informed that 719.17 ha of mining lease of Ardhgram ( Satgram Area) was excluded from ECL 2. Hearing was held on 4.03.2010 regarding renewal application for mining lease at the office of Jt. Secretary, Govt. of WB, C&I Dept., Kolkata

## 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.

1. ECL Security – 2330 as on 1.4.2010
2. Contractual Security – 2109 as on 1.4.2010
3. CISF- 969 as on 1.4.2010

**ECL Security** - 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 Management. Escorting of loaded Railway Rakes, Tipping Trucks/ Dumpers from Coal Depot/Siding to Railway W/Bridges till weighment is done. Raids are also being conducted throughout the year by departmental security personnel, CISF alongwith local Police. Seizure of coal alongwith trucks /vehicles and apprehension of miscreants are also made during the course of raids and subsequently they are handed over to local Police Station. ECL Security Personnel were also deployed during the time of strike/gherao/demonstration/hunger strike and any type of law and order problem in ECL areas.

**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.

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

**Basic Problem of Security-**

- a) Shortage of manpower to manage the day to day security work .
- b) Lack of transport and communication system.
- c) Need for centralised accommodation of Security personnel.

**Prevention of theft of coal and Illegal Mining:**

**Theft of coal:**

Following actions are taken by the company to prevent theft of coal:

- 1. Departmental security /Private Security along with CISF personnel are conducting surprise checks/raids to prevent pilferage/theft of coal. They also seize coal and Trucks during raids and apprehend miscreants involved in it. Thereafter FIRs are being lodged.
- 2. Security personnel have been posted at Coal Depot/Railway Siding/Pit heads and at OCPs.
- 3. Escorting coal loaded rake from Siding to Railway Weighbridges by providing armed security personnel.
- 4. Surprise check en-route during coal transportation by Dumpers from Collieries to Siding.
- 5. Police /District Authorities are being informed and requested to provide security coverage so that theft/pilferage is stopped and miscreants involved are arrested.
- 6. Regular meetings with Police/District Authorities of West Bengal and Jharkhand.
- 7. State level meeting (West Bengal) were held with State officials and ECL Officials at Conference hall of Chief Minister's Secretariat, Writers' Building, Kolkata on 24.8.09, 7.10.09 and 13.11.09 where problems due to illegal coal mining, coal pilferage and other related issues were discussed.

8. On 4<sup>th</sup> December 2009 a meeting was held under the chairmanship of District Magistrate, Burdwan when it was decided that a list of identified places of illegal mining sites where surface rights are with ECL and no surface rights with ECL will be handed over to the District Authorities. The same has since been handed over. Cases should be registered under MMRD Act and this should be contested with due care to come to a logical conclusion. Joint raids will be conducted by a team comprising of Police department, CISF and ECL Security. 8 (eight) check posts will be established at appropriate places to check the trucks enroute to G T Road from different mines so that illegal trucks can be checked.

**Illegal coal mining activities :**

ECL has underground mining rights to extract coal lying within its leasehold area but the surface right of the land does not belong to ECL in most of the cases. So ECL cannot take any administrative/legislative/judicial action against miscreants for illegal mining being done on private land. However ECL maintains a constant vigil, lodging FIRs and providing manpower and machinery to fill-up the illegal mining sites under security cover provided by Police. In addition ECL takes the following steps:

Take active part in the various meetings held with the Central, State, District Administration and Area Level meetings.

Areas have constituted committees to inspect sites prone to illegal mining and constant liaison is maintained by the Area authorities with respective Police Stations.

Dozing / Filling/Sealing of illegal mining sites by Pay-loaders/Dozers with security cover provided by State Police is done when illegal sites are identified. As the filled/sealed/dozed excavations are re-dug by miscreants, these activities have become a continuous process.

ECL security, CISF and Police are conducting regular raids/checks and have seized illegal coal, coal loaded trucks and apprehended and handed over the miscreants to the Police and FIRs are also lodged.

When illegal mining activities outside leasehold are detected, state administration is informed accordingly.

To take up for logical conclusion of cases in Court of Law, letters have been written to the SPs, of Burdwan, Purulia, Dhanbad, Deoghar, Districts giving details of FIRs lodged and asking present status of the cases. Till now the reports have been received from SP, Dhanbad and report is awaited from other SPs which is being followed up.

**A) Seizure of Illegal Trafficking Coal :**

Year	State	No. of Raids	Coal	Trucks seized	Person Apprehended	FIRs Lodged
2009-10	W.B.	269	3,702 mt	180 nos.	94 nos.	188 nos.
	Jharkhand	56	435 mt	02 nos.	02 nos.	06 nos.

Data given above is the seizure made by CISF, ECL Security and DGR sponsored security personnel alongwith Police, outside the colliery premises. The above coal was being 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	Person Apprehended	FIRs Lodged
2009-10	W.B.	724	5,763 mt	31 nos.	161 nos.	64 nos.
	Jharkhand	319	2,398 mt	---	05 nos.	04 nos.

C) During the course of dozing off/ sealing / filling up of illegal mining sites ECL security is also deployed at the dozing points within leasehold and outside the leasehold areas. .In West Bengal **1196 nos.** pits and in Jharkhand **19 nos.** pits were dozed off in the year **2009-10.**

**22.0 PERFORMANCE OF OURSOURCING OC PATCHES:****A. OUTSOURCING OC PATCHES :**

In 2009-10, company produced 43.36 lakh te of coal from 13 outsourced OC patches against 40.02 lakh te produced in 2008-09 from 15 outsourced OC patches. 158.57 lakh Cum of OB was removed from 13 outsourced patches in 2009-10 against 101.06 lakh Cum in 2008-09 from 15 outsourced patches.

**B. No. of tenders of OC Pathces finalized in 2009-10:**

<b>Sl. No.</b>	<b>Name of patch</b>	<b>Projected coal availability in L.Te.</b>
1.	Deep Mining Rajmahal Area	118.00
2.	Dabor OC Patch Salanpur Area	1.21
3.	Narayankuri Patch Kunustoria Area	15.10
4.	Mohanpur OC Patch Salanpur Area	1.53
5.	OB Removal at RJML Area	50.00 L. cum

**C. Global NITs:**

- i) LOI had been issued to M/s Joy Mining Machinery Ltd, UK in Nov'08 & agreement signed on 04/04/2009 for "Introduction of Continuous Miner Technology at Sarpi Underground Mine" in ECL. The equipment is expected to be supplied by May'10.
- ii) Global NIT for "Global Bid Document for working R-VI Seam (Sector- A) with Powered Support Longwall Technology at Jhanjra Underground Project in ECL" had been floated on 30/01/2009 after holding pre-bid meeting with intending tenderers. Tender Part -1 opened on 25/11/09. The scheme envisages extraction of 9.40 M.Te. of coal in 6 years.

- iii) Global NIT for “Introduction of Second Continuous Miner at Jhanjhra UG Mines in Jhanjra Area in ECL.” had been floated on 02.03.2009. Part 1 (Prequalification offer) of the tender was opened on 16/09/09 & Part II (Technical and Commercial offer excluding price) was opened on 18/03/2010. The Scheme envisages extraction of 2.55 M.Te of coal in 5 years.

#### **D. Transportation works:**

**Open Tender** : Transport contracts for transportation of coal in different areas of ECL viz. as Rajmahal, S.P.Mines and Sonepur Bazari Areas had been finalized.

**Discount Bid** : (i) Transportation work having estimated value more than Rs.1.5 Cr. (Coal) and more than Rs.2.00 Cr. (Sand) through tendering from HQ. in respect of different Areas of ECL viz. Kunustoria & Kajora (for Sand transportation) and Jhanjra / Rajmahal (Simlong) (for Coal transportation) had been finalized.

### **23.0 INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY :**

Being a production company, Internal Control standards / parameters are embedded in the annual production programme in terms of Action Plan, Budget, Delegation of power etc. in such a manner that the deviations are reported promptly for review at the appropriate level. Internal Control Systems also cover all functional departments like Purchase, Sales, Quality Control, E&M, Excavation, Civil, Finance, Personnel etc. where established procedures in terms of different manuals of the company are required to be maintained in day to day operations. It may be stated that detailed procedures laid down in different manuals has its own checks and control system. Exceptional matters are also required to be brought to the knowledge of higher management.

The Internal Control Systems being taken care of by different audits are summed up as under :

#### **1. Internal Audit of system and transactions of all Areas and Units of ECL**

Outside Audit firms are appointed by CIL with a specific scope of audit as laid down by CIL. Management’s reply on the major observations of Auditors is placed to Functional Directors for consideration and taking necessary action.

**2. Wages Audit in all Areas & Units of ECL –**

Audit firms are appointed by ECL for conducting wages audit every year. From the Wages Audit report, necessary actions are taken for strengthening the system of wage billing and recovery of any excess payment pointed out therein.

**3. C&AG Audit -**

Throughout the year Govt. Auditors from the office of C&AG conduct propriety audit in different areas / establishments in which internal control systems being maintained and lapses occurring, if any, are being scrutinized. Sometimes specific performance related area e.g. coal transportation, maintenance of HEMM etc is being chosen for in-depth evaluation.

Being a Govt. company, audit by C & AG team is mandatory and C&AG reports are followed-up promptly.

**4. Special Audit –**

On being directed Internal Audit Department undertakes special audit in relation to complaints lodged and system of internal control is examined. Lapses if any, are brought to the knowledge of competent Authority for remedial action.

**5. Physical verification of Stores –**

A team of stores verification Inspectors who are deputed to conduct physical verification of stores materials available in the different Central Stores, Area Stores, Central Workshop Stores every year. Physical verification of stores of most of the areas /units was covered in 2009-10.

**6. Checking and Certification of claim on Subsidy for Sand Stowing & Protective Works done at different Collieries/Mines of ECL -**

Checking and certification of subsidy claim are conducted on a quarterly basis and final claim is submitted to the office of Coal Controller, Kolkata.

Different outside audit agencies are appointed by CIL/ECL in view of inadequacy of infrastructure and present strength of Internal Audit Department. Internal Audit Department acts in co-ordination with different audit agencies for evaluating internal control systems in force and in perpetuating the same.

It is also felt that the internal control systems are adequate having regard to the size of the company, the nature of transactions carried on by it and the frequency of different audits stated above.

## **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-V** and a certification from Auditors regarding compliance of conditions of Corporate Governance by your company for the year ended 31st March 2010 is also placed at **ANNEXURE-VI** 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 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 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-VII).
- iii) Details about research and development activities of the company (ANNEXURE-VIII).
- 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.

Sanctoria,  
Dated : 20.05.2010.

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

## Annexure - I

## 3.4.1. Status of On-going R &amp; D Projects upto 31st March, 2010

Sl. No.	Project Title	Implementing Agency	Month & Year of Sanction	Month & Year of Start	Revised / scheduled date of completion	Total Appr. Cost (Rs. Lakh)	Progressive Disbursement till March, 10 (Rs. Lakh)	Present Status
1	Underground trapped miners location system. Project code CIL/R&D / 1/35/10	TCS, CMC & CMPDI Ranchi	16.11.09	Jan 2010	June 2011	489.70 for TCS/CMC-452.72 CMPDI 36.72	---	Newly started project. Procurement of equipment under process
2	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, Kharagpur / ECL, NCL	Sep. 05	Nov. 05	May 09 Oct. 2008	148.69	143.36	IIT, KGP has developed a high abrasion resistant tyre retreading rubber compound which can resist degradation in harsh mining environment. The field results of this developed compounds are indicative of good performance. Achievement of the project was explained by Project proponent in 9th Apex Committee meeting of CIL R&D Board in detail. Research finding of the project was discussed in 20th CIL R&D Board meeting and suggested project proponent to submit project completion report with final expenditure statements. IIT Kharagpur submitted project completion report and also a proposal as phase-II study under the subject for 85 Te dumper tyres for funding under R&D grant.

(2)

Sl. No.	Project Title	Implementing Agency	Month & Year of Sanction	Month & Year of Start	Revised / scheduled date of completion	Total Appr. Cost (Rs. Lakh)	Progressive Disbursement till March, 10 (Rs. Lakh)	Present Status
3	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	1st May, 2008	Oct. 10 (2.5 Yrs)	216.98	115.00	<p>1) Procurement of all wireless data acquisition and transfer instruments have been completed</p> <p>2) Micro controlled based data logger for installation in underground mine for data collection during the depillaring operation has been installed in underground mine.</p> <p>3) Mechanical housing of combined unit of the sensors boards fitted with different sensors, amplifiers and power supplies and radio processors unit has been built successfully and installed in the underground mine.</p> <p>4) Collection of data from underground mine during roof falls and its wireless transmission has been started and is continuing on a regular basis.</p> <p>5) Electro magnetic emission during rock crack formation both during uniaxial and tensile loading of the samples and this constitutes the process of further research in the context of roof fall prediction.</p> <p>6) Development of electromagnetic signal direction sensors of both inductive and capacitive types have been made to use in underground mine and the laboratory respectively.</p> <p>7) Comparison is being made between latest research work related this study with a result obtained from laboratory.</p>

(3)

Sl. No.	Project Title	Implementing Agency	Month & Year of Sanction	Month & Year of Start	Revised / scheduled date of completion	Total Appr. Cost (Rs. Lakh)	Progressive Disbursement till Match, 10 (Rs. Lakh)	Present Status
4.	Exploration & determination of coal fire hot spots, to prepare the strategy to put off the fire in Nimcha & Samdih-ECL & M/S DMT -Avantika, Hydrabad	ECL & Sub Implementing Agency- DMT AVANTIKA	14.11.08	Feb. 2009	Apr. 2009	444.23	444.00	Project completion report has been submitted by M/S Sri Avantika Contractors (I) Limited but could not be discussed in the 10th Apex Committee Meeting of CIL R&D Board as the representative from DMT/Avantika could not attend the meeting. The same may be taken up in the next Apex Committee Meeting for deliberation. However DMT-Avantika Contractors (I) Ltd has made a presentation of completion report at ECL (HQ) in Nov.2009.
5.	Delineation of workings below railway lines near Ratibati colliery, stability analysis by numerical modeling & possible remedial measures	CIMFR-Dhanbad. Sub implementing Agency- ECL	14.11.08	Feb. 2009	Jan.2010	20.9051	20.42 CIMFR 13.422 ECL- 7.00	M/s Arctic world along with M/s Malageoscience AB, Sweden had visited proposed railway sites near Ratibati Colliery along with borehole GPR system on 16.11.2009 to conduct borehole GPR survey for delineation of mine galleries below railway lines. Borehole GPR survey was carried out and borehole data analysis & its interpretation is going on. ECL has assigned the job of drilling the boreholes for identifying the voids delineated by the geo-physical survey. After completion of the drilling job, the voids location will be confirmed. Numerical simulation for assessing the stability of old mine galleries would be done only after completion of drilling job. Time extension i.e., upto June 2010 has been sought by CIMFR Dhanbad.

(4)

Sl. No.	Project Title	Implementing Agency	Month & Year of Sanction	Month & Year of Start	Revised / scheduled date of completion	Total Appr. Cost (Rs. Lakh)	Progressive Disbursement till March, 10 (Rs. Lakh)	Present Status
6.	Recovery and utilization of Coal mine methane in J h a r i a & R a n i g a n j coalfields Project Code- CIL /R&D/1/30/09	CIMFR-Dhanbad. Molopo Australia Ltd. / ECL / BCCCL	5th Feb, 09	June 09	May 2011	3339.98	2100.00	<p>1) Prepared Gas data report of Amalabad area, Jharia coalfields.</p> <p>2) An assessment of gas data report of Sudamdih &amp; Amalabad areas. Jharia Coalfields has been done.</p> <p>3) Prepared data base for Kalidaspur mine, Raniganj coalfields.</p> <p>4) Information regarding drilling equipment and other items has been scrutinized.</p> <p>Progress of project is not as per scheduled.</p>
7.	GPS production reporting system in OCP. Project code CIL/R&D/1/33/09	System Dept. CIL & ECL	23 June 2009	Sep 09	Aug. 2010	54.00	.20	<p>1) Testing /trial of GPS device Preliminary testing of GPS device has been done. SIMS were inserted in the GPS device. Antenna of GPS devices were kept in the fixed position of the building and Socket had activated datas. (optional co-ordinates of GPS device) was found to be stored at hired server. Study is under process before going for ON SITE trial/testing.</p> <p>2) Five no. of sims are already under testing/trial at free of cost. To recognise those approval for procuring 5 nos of BSNL on tariff was obtained from DT, CIL.</p> <p>3) Software for socket has been developed for connectivity between server &amp; different GPS devices. Testing is going on.</p>

## Annexure - II

## 3.4.2 Status of Implementation of ongoing S &amp; T projects upto 31st March, 2010 :

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	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 Jun-2010	CMRI / ECL / SCCL	42.00	Non availability of permission from DGMS for experimental panel, project could not progress as anticipated. Shyamsunderpur colliery was selected in consultation with ECL mine management. A meeting amongst ECL, CIMFR and DGMS official was held at Sitarampur to discuss various issues related to DGMS permission for depillaring of the panels at Shyamsunderpur colliery. As soon as the permission for extraction of panels granted, instrumentation will be done for strata monitoring during depillaring to generate necessary data to validate the numerical modeling result.
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 Sept. 09	CIMFR / ECL	40.00	Project completed report submitted
3.	Characterization of rock and explosives parameters for optimal explosive energy utilization in opencast blasting – MT/146.	17.03.05	270.37 for CMPDIL 206.15 CIMFR 64.22	Apr'05	Mar'08 Mar'10	CMPDI / CIMFR / NCL / WCL / ECL	1215.910 CIMFR-61.00 CMPDI-154.91	Project completion report submitted

(2)

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 Fund Disbursement (Rs. Lakh)	Present Status
4	Investigations of 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	Mar.2010 Oct. 08	CIMFR / NIRM / ISM / CMPDI / SECL / ECL / BCCL	255.00 CIMFR 70.00 NIRM 130.00 ISM 55.00	Strata and support monitoring observation were collected from 40 PSLW panel which were worked earlier and also 3 PSLW panels which were operated during study. Numerical models have been developed for assessment of character and categorisation of roof rocks. This model could not be validated due to non availability of operating PSLW panels at present. However CIMFR has intimated that a longwall panel will be suitable in one of the SCCL mines. Panel would be taken up for validating the developed numerical models for which CIMFR sought extension of project duration by six months i.e. Sep 2010.
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	Feb.2011	IIT. Kharipur / ECL	320.00	Six number of boreholes for air outlet have been drilled and connected to underground mine workings. Design and fabrication of mixing chamber is in progress and will be installed at worksite shortly. The construction of an office room and a store for the temporary use at the worksite is completed.

(3)

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 Fund Disbursement (Rs. Lakh)	Present Status
6.	Application of high strength steel roof-bolt in underground coal mines (m/156)	21.12.09	103.22 RDCIS- 89.02 CMPDI- 14.20	Jan. 2010	Dec. 2011	RDCIS DGMS CMPDI	70.00	Newly started project.
7.	Carbon sequestration in re-vegetated coalmine wastelands EE/40		64.76	Feb. 2009	Jan. 2012	CIMFR	30.00	Collection of samples from Mugma site has been done for summer season and physic-chemical analysis of soil is in progress. Procurement of equipment is in progress.

## Annexure - III

## 3.14 Project Monitoring and Status of Implementation of Ongoing Projects :

Sl. No.	Name of Project	Capacity (MTY)	Capital (Rs. Cr.)	Date of Approval	Status of Implementation
1.	Jhanjira Continuous Miner (1st set)	0.435	93.60	Feb'07 by CIL Board	Equipment was commissioned successfully in 2007-08 & giving production. Production achieved in 2009-10 was 0.458 MTY .
2.	Shankarpur UG	0.12 (Inc.)	8.13	Jun'02 by ECL Board	Mine had achieved a coal production of 0.118 MT (Inc.) in 2009-10. All major activities were completed, one left out activity i.e. one drift driveage is in progress and will be completed by July 2010.
3.	Khottadith OC Aug.	1.00 (0.55 Inc.)	23.01	Dec'06 by CIL Board	1. Equipment were commissioned in 2008-09. 2. Project had started coal production from Feb'09. 3. Coal production achieved 0.720 Mt (combine) in 2009-10.
4.	Sarpi Aug. UG	0.30 + 0.46 = 0.76	26.36	Jun'08 by CIL Board	Contract with M/s Joy Mining Machinery Ltd was signed on 4-4-09 for supply of Continuous Miner. Part of the consignment i.e. Quadbolter, Shuttle car and load centre had arrived at Kolkata Port. Continuous Miner is expected to be received by end of May'10.
5.	J. K. Nagar Project	0.435	54.15	Nov'04 by GOI /	RCE was approved in Nov'04 and scheduled to be completed in Mar'05. Now reserves to be liquidated with depillaring in conjunction with sand stowing. As such rated production will be lower than the sanctioned capacity. ESC of CIL Board recommended for Foreclosure of the Project during meeting held in April'09. RI-1, CMPDIL is preparing the Foreclosure report.
6.	Bankola R-VI Seam UG	0.24	19.14	Mar'03 by ECL Board	Driveage of drift from R-VIIA to R-VI (208 m) :- Job is in Progress and will be completed within Feb'11.
7.	Kumardih B UG	0.42	79.23	June'06 by CIL Board	Two drift driveages (148m each) from R-VI to R-V seam was completed in Feb'10. Marching of SDL in R-V seam is in progress. It will be commissioned for development in R-V seam shortly.
8.	Khandra NKJ UG	0.285	18.85	July'03 by ECL Board	Deepening & Widening of 2 pit had been completed in Mar'10. Inset in R-VIII, R-VII seam already completed
9.	Parasea Dobrana UG	0.16 (Inc.)	11.89	Feb'04 by ECL Board	1. Staple pit had been completed in Aug.'08. 2. Drift driveage had been completed upto 159m out of 253m. 3. Deepening of 2 Pit will be done after completion of drift driveage.

(2)

Sl. No.	Name of Project	Capacity (MTY)	Capital (Rs. Cr.)	Date of Approval	Status of Implementation
10	Siduli UG.	0.30	54.99	Dec'06 by CIL Board	Sinking of 2 shafts will be taken up on turnkey basis. Expression of Interest was floated in Dec'09 by CIL. Five parties had responded and same is under scrutiny at CIL.
11.	Nabakajora - Madhabpur Block UG	0.30	56.14	Dec'06 by CIL Board	1. Sinking of 1 no. Shaft will be taken up on turnkey basis. Five parties had responded and same is under scrutiny at CIL. 2. Deepening & Widening of shaft: Estimate is under preparation
12.	Chitra East OC	1.3 (Inc.)	112.69	Aug'07 by CIL Board	1. Environmental clearance had been obtained on 4-3-2010. 2. Land is under acquisition. 3. Diversion of Forest land: FAC meeting held on 26-2-10 at MOEF, New Delhi. Minutes is awaited. 4. Estimate for Over Burden removal by outsourcing basis is under vetting.
13.	Rajmahal Expn. OC	17 Mty (6.5 Mty Inc.)	153.82	Sept'09 by GOI	PR(Partial outsourcing ) had been approved by Govt of India on 22-09-2009 . Draft NIT was prepared and published in Website from 04.12.09 to 12.1.2010 inviting suggestions from Bidders, if any. Pre-NIT meeting was held on 12.1.2010 , fourteen bidders participated, some queries were raised by bidders. CMPDIL , RI-I has been asked to modify the bid document and submit the same for consideration and approval of ECL Board. Final NIT is expected to be floated in the month of May'2010.
14.	Jhanjira R-VI Seam PSLW	1.70	287.17	Nov'06 by GOI	Global tender floated on 30-01-09. Part-I of the tender was opened on 25-11-09. Three parties submitted the bid. Expert committee for technical evaluation had been constituted on 8-2-10. This expert committee is studying the technical evaluation of Part-I. Expected to be completed shortly.
15.	Mohanpur Expansion OC	1.0	14.23	June'08 by ECL Board	Work-order for removal of Parting OB and production of coal on outsourced mode was issued on 4-2-2010.
16.	Belbaid (Dhasal) U/g.	0.36 (Incre)	69.11	Feb'09 by CIL Board	Deepening & Widening of 2no.shaft: Estimate is under preparation.
17.	2nd Set Continuous Miner at Jhanjira UG Mine	0.51	122.35	Feb'09 by CIL Board	NIT for global tender was floated on 02-03-09. Three parties submitted the offer. Part -II of the tender opened on 18-03-10, and the same is under scrutiny.
18.	Narainkuri UG	0.54	149.06	Feb'09 by CIL Board	Sinking of 2 shafts will be taken up on turnkey basis. Expression of Interest was floated in Dec'09 by CIL. Five parties had responded and the same is under scrutiny at CIL.

**Annexure - IV**

**4.0 Statibilisation, Rehabilitation and Biological Reclamation**

**4.1 Statibilisation**

Sl. No.	Name of the scheme & Project Code	Sanctioned Amount Lakh Rs.	Qty. of sand to be filled as approved by MOC m3	Performance in 2008-09		Performance in 2009-10		Cumulative (upto March, 10)		Remarks
				Stowing in m3	Exp. in Rs. Lakh	Stowing in m3	Exp. in Rs. Lakh	Stowing in m3	Exp. in Rs. Lakh	
1.	Gowalabasti (EMSC - 16)	187.77	16000	3103	13.89	5909	16.89	65548	187.77	Project completed. Proposal for additional fund is under consideration.
2.	Haripur (EMSC - 26)	187.77	45000	1023	11.40	2312	6.81	41608	187.77	Project completed. Proposal for additional fund is under consideration.
3.	Fathepur (EMSC - 01)	499.43	60000	431	6.75	0	0	54007	387.11	Scheme completed. Completion report is under process.
4.	Palasban (EMSC - 15)	187.77	16000	0	3.30	0	1.32	7909	91.42	Proposal for extension of time submitted for approval.
5.	Sanctoria (EMSC - 29)	478.38	40000	201	10.92	1004	1.46	33037	151.54	Proposal for extension of time is under process
6.	Jeebanpara / Govt. Colony (EMSC - 31)	140.00	20000	0	0	0	0	0	0	Proposal for extension of time for completion is under process
7.	Aludhia / Bharachak (EMSC - 33)	212.00	20000	0	0.87	0	0	0	0	Proposal for extension of time for completion is under process

Sl. No.	Name of the scheme & Project Code	Sanctioned Amount Lakh Rs.	Qty. of sand to be filled as approved by MOC m3	Performance in 2008-09		Performance in 2009-10		Cumulative (upto March, 10)		Remarks
				Stowing in m3	Exp. in Rs. Lakh	Stowing in m3	Exp. in Rs. Lakh	Stowing in m3	Exp. in Rs. Lakh	
8.	Pottary (EMSC - 16)	187.77	45000	2931	15.08	4302	13.36	43858	165.93	Work in Progress
9.	Narsamuda (EMSC - 32)	202.00	20000	0	0.86	0	0	0	0	Stowing is not possible because of fractured strata and absence of underground water. Completion report is under process.
Total (EMSC)		17142.89	3,37,000.00	7689.00	63.19	13527	39.84	245967	1176.8	

**4.2 REHABILITATION OF FOUR UNSTABLE LOCALITIES(EMSC -25) & SANCTORIA VILLAGE :** The Master plan for fire , subsidence , & rehabilitation in the lease hold of Raniganj Coalfield had been approved by Govt. of India on 30.7.09. ADDA( Asansol Durgapur Development Authority) is the implementing authority and they had started the work.

**4.3 Biological Reclamation :-** The scheme for restoration of abandoned coal mines in ECL (EMSC-03) had been completed in March 2003. Blanketing at Amritnagar Colliery is progressing. As per report, 3,87,237.01 m3 blanketting out of 6,37,000.00 m3 of blanketing had been completed and the work is in progress. The work is being carried out departmentally.

**4.4 Implementation of Raniganj Master Plan :** Master plan for Fire , Subsidence & Rehabilitation in the leasehold of Raniganj Coalfield has been approved by Govt. of India on 30.7.09 .ADDA (Asansol Durgapur Development Authority)is the implementing authority and they had started the work.

**ANNEXURE - V**

**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 2010, Board comprised 8 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.

Govt. of India had appointed 3 part-time non-official Directors. In addition we had 4 Nos. permanent invitee in our Board i.e. (1) Principal Secretary, Commerce & Industries Department, Govt. of West Bengal (upto 31.3.2010), (2) Principal Secretary (Land

Reforms), Land & Land Reforms Department, Govt. of West Bengal (from 28.4.09 to 28.2.2010), (3) Chief Operations Manager, Eastern Railways (from 28.4.09 to 2.3.2010) and (4) Director(Technical), Damodar Valley Corporation.

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

Brief profile of 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 2010, 8 Board meetings were held on 09/05/2009, 22/06/2009, 09/07/2009, 31/08/2009, 09/11/2009, 07/12/2009, 22/01/2010 and 23/03/2010. Details of number of Board meetings attended by each of the Directors are given below:-

Sl. No.	Directors	Meeting held during respective tenure of Directors	No. of Board Meetings attended
	<b><u>Functional Directors:</u></b>		
1	Shri S. Chakrabarti Chairman-cum-Mg. Director Eastern Coalfields Limited	8	8
2	Shri A.K. Sinha Director (Finance) Eastern Coalfields Limited	7	7
3	Shri S.K. Srivastava Director (Personnel) Eastern Coalfields Limited	8	8
4	Shri S. Chakravarty Director (Technical) Opn. Eastern Coalfields Limited	8	8

Sl. No.	Directors	Meeting held during the tenure of Directors	No. of Board Meetings attended
5	Shri N. Kumar Director (Technical) P&P Eastern Coalfields Limited	5	5
	<b><u>Part-time Directors:</u></b> <b><u>MOC's Representative:</u></b>		
6	Shri P.R. Mandal Advisor (Projects) Ministry of Coal	8	8
	<b><u>CIL Representative:</u></b>		
7	Shri S. Bhattacharya Director (Finance) Coal India Limited	7	6
	<b><u>Non-official Part-time Directors (Independent Directors) :</u></b>		
8	Shri K.C. Vijn	8	7
9	Shri P.R. Tripathi	8	8
10	Shri Ashok Nath	8	8
	<b><u>Special Director appointed by BIFR:</u></b>		
11	Mrs. Aruna Makhan	1	0

**DIRECTORS:**

During the year 2009-10, 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 2009-10 were Shri A.K. Sinha (upto 12.03.2010), Shri S.K. Srivastava, Shri S.

Chakravarty, Shri N. Kumar (from 24.07.2009), Shri P.R. Mandal, Shri S. Bhattacharya (upto 31.01.2010), Smt. Aruna Makhan (upto 13.05.2009), Shri K.C. Vijn, Shri P.R. Tripathi and Shri Ashok Nath.

**Remuneration of Director :**

**(C) Functional Directors :**

Name	Designation	Remuneration for the year 2009-10 (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	18,01,572.73	745.00
Shri A.K. Sinha	Director (Finance)	16,17,625.91	17,633.00
Shri S.K. Srivastava	Director (Personnel)	16,68,983.75	2,85,259.00
Shri S. Chakravarty	Director (Tech.) Opn.	15,27,390.44	0.00
Shri N. Kumar	Director (Tech.) P & P	9,85,038.00	0.00

**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 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 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. Vijh, P.R. Tripathi, S. Bhattacharya (upto 31.01.2010) and Smt. Aruna Makhan (upto 13.05.2009), Special Director appointed by BIFR, Shri Ashok Nath (from 31.8.09) and 1 (one) Functional Director viz. Shri S.

Chakravarty, Director (Technical) Operations.

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. Vijh, Part-time Non-Official Director.

The Audit Committee met four times in 2009-10, on 09.07.2009, 07.12.2009, 22.01.2010 and 23.03.2010.

#### **Audit Committee Attendance:**

Details of Audit Committee Meetings held in 2009-10 were as follows: -

<b>Sl. No.</b>	<b>Date</b>	<b>Committee Strength</b>	<b>No. of members present</b>
1	09.07.2009	5	4
2	07.12.2009	5	4
3	22.01.2010	5	5
4	23.03.2010	4	3

#### **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 2009-10:-

#### **Statutory Auditors:**

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

**Branch Auditors:**

2. M/s. Ghoshal & Co., 4, Ganesh Chandra Avenue, 3rd Floor, Kolkata-700 013.
3. M/s. Roy Ghosh & Associates, 39, Kalna Road, Badamtala, Burdwan, PIN-713401
4. M/s. U.S. Saha & Co., 35, Bahir Sarbamangala Road, Burdwan, PIN: 713101.
5. M/s. M. Goenka & Co., C/o, Parimal Chandra Banik, Near Vivekananda College, Thakurpally, PO-Sripally-713103, Burdwan.
6. M/s. D.P. Sen & Co., 22, Ashutosh Chowdhury Avenue, 2nd Floor, Flat No:22, Magma Apartment, Kolkata-700 019.

**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
2006-07 A.G.M.	30.07.2007	Sanctoria	Shri S. Chakrabarti, CMD, ECL Mrs. Ratnabali Shome, 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	---
2008-09 A.G.M.	15.07.2009	Sanctoria	Shri S. Chakrabarti, CMD, ECL Shri Pradip Bandopahdyay, Finance Manager, CIL Shri S. Chakravarty, D (T) Opn., 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. He could not attend the meeting. However, Chairman, Audit Committee advised Member Audit Committee to attend the meeting on his behalf in 2007-08 & 2008-09 who had attended 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](http://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](http://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. Management reply to the statutory auditors' observations on the accounts of the company for the year ended 31st March, 2010 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, 2010 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 to audit by Comptroller and Auditor General of India and open to 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 and the same was carried out.

## 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** (60) 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 Design 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 Sushil Kumar Srivastava** (57) 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 in 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, 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** (52) 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 30 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 to 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 Nagendra Kumar** (51) has graduated Mining Engineering (B.Tech – Mining) from Indian School of Mines, Dhanbad in the year 1980. He joined CCL as junior Executive Trainee in 1980. In his first 20 years in CCL, he has worked for almost 6 years as Manager and 7 years as Project Officer. He was transferred to ECL in 2001 in the same capacity and assumed the charge of General Manager in 2004 and Chief General Manager in 2007.

He has spent most of his career in reviving difficult underground and opencast mines and has the experience of working with almost all kind of mechanization in underground and opencast. He was actively associated with indigenization of Long Wall Equipment and has presented a number of papers on its successful implementation. His latest achievement is the successful operation of Continuous Miner in Jhanjra Area matching World Standards in production and safety.

Shri Kumar is a member of MGMI, IMMA and Institution of Engineers.

He has travelled foreign countries like South Africa and China on official tour. Shri Kumar is fond of cricket, books, old melody songs and Rabindra Sangeet too.

- **Shri Pravat Ranjan Mandal** (59) is a 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** (69) 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 Audit Committee of Eastern Coalfields Limited. He joined ECL Board on 24th August 2007.

- **Shri P.R. Tripathi** (67) 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 “**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 Non-Executive Chairman of Hindustan Dorr oliver Ltd., Managing Director of M/s Minman Consultancy Services (Pvt) Limited, Hyderabad, a Consultancy Organisation for Minerals and Metals Industries. He is an Independent Director in the following companies:-

Sl. No.	Company	BSE Scrip Code	Director Type
1	Hindustan Dorr-Oliver Ltd	509627	Non-Executive Chairman
2	IVR Prime Urban Developers Ltd	532881	Non-Executive Director
3	IVRCI Infrastructure & Project Ltd.	530773	Non-Executive Director
4	Premier Explosives Ltd	526247	Non-Executive Director
5	Sarda Energy and Mineral Ltd.	504614	Non-Executive Director

He is also Director in following unlisted Companies/Organisations:

- 1) Creative Port Development Pvt. Ltd.,
- 2) HDO Technologies Ltd.,
- 3) Minman Consultancy Services Pvt. Ltd.,
- 4) Towrian resources Pvt. Ltd. Now renamed as Dharni Sampada Pvt. Ltd.

He joined ECL Board on 24th August 2007.

He is also a Member of Audit Committee of Eastern Coalfields Limited.

- **Shri Ashok Nath** (67) 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.

He is also a Member of Audit Committee of Eastern Coalfields Limited.

Telegram : 'EQUITAX' (C)

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

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

## **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, 2010.

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 : 19th May, 2010  
Place : Kolkata

For S. N. Guha & Co.  
Chartered Accountants

Sd/-  
(M. K. Datta)  
Partner  
Membership No. 012701

## ANNEXURE - VII

**FOREIGN EXCHANGE EARNING & OUTGO**

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

(ii) **Total Foreign Exchange used and earned :**

(Rs. in Lakh)

Sl.No.	Description	2009-10	2008-09
<b>(A)</b>	<b>Foreign Exchange Used</b>		
	1. CIF value of imports		
	(a) Raw materials	0.00	0.00
	(b) Components, stores & spares	933.40	773.44
	(c) Capital goods.	1505.60	379.38
	2. Traveling / Training Expenses	8.39	35.80
	3. Expenses on knowhow and Foreign Consultancy	0.00	0.00
	4. Pension to the Foreigners	0.00	0.00
	5. Others	479.21	453.55
	<b>Total</b>	<b>2926.60</b>	<b>1642.17</b>

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

## 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    | : | Company does not have its own Research & Development (R&D) set up. CMPDIL, 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 |

**CONFIDENTIAL**

gE`\_d 0`Vo

H\$ñ mB` , àYnZ {ZXeH\$ dn(UpÁ` H\$ bd nmarj mVWmnXZ gXñ` bd nmarj m  
~nS`ii H\$bdH\$ñ/m

nanzm{ZOm\_ \_hb, AnMm` QJXre MYD ~ng anS`

H\$bdH\$ñ/m - 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. : 139 / CA / LA-1 / Accounts / ECL / 2009-10

{XZnS` / Dated 20 May, 2010

To  
The Chairman-cum-Managing Director,  
Eastern Coalfields Limited,  
Sanctoria,  
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 31st March, 2010.**

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 31st March, 2010.

The receipt of this letter may please be acknowledged.

Encl. As stated.

Yours faithfully,

Kolkata  
Dated : 20.05.2010

sd/-  
**(Nandana Munshi)**  
Principal Director of Commercial Audit  
And Ex-Officio Member, Audit Board - II  
Kolkata

X0^m0/Phones : 91-33-22875380/7165/2360/8838, 2281-0043/5654, \Sg/Fax : 91-33-22800062  
B0\_b/E-mail : pdca2cal@cal3.vsnl.net.in, Vna : ""H\$ñ bd m' / Telegram : "COLADIT",

**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, 2010**

The preparation of financial statements of Eastern Coalfields Limited for the year ended 31st March, 2010 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 19.05.2010.

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, 2010. 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.

Kolkata,  
Dated : 20.05.2010

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

Sd/-  
**(Nandana Munshi)**  
Principal Director of Commercial Audit  
and Ex-Officio Member, Audit Board - II  
Kolkata.

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

**AUDITORS' REPORT**

**Management's Reply**

- |    |  |  |
|----|--|--|
| 1. | 1. We have audited the attached Balance Sheet of Eastern Coalfields Limited as at 31.03.2010, 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 19 Areas / Units audited under Sec. 228 of the Companies Act, 1956 by the Branch Auditors and 8 Areas / Units audited by us. The reports of the Branch Auditors as submitted and forwarded to us have been appropriately dealt with in preparing this report. These Financial Statements are the responsibility of the 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 comments. |
| 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  | This is a statement of fact. Hence it calls for no comments. |

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.

- |      |   |   |
|------|---|---|
| 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. | This is a statement of fact. Hence it calls for no comments.  |
| 4.0. | Further to our comments in the Annexure referred to above, we report:-  |   |
| 4.1. | <i>Reconciliation between Bin Cards, Priced Stores Ledger and Financial Ledgers. are pending (Note No.5.2 of Schedule – 17).</i>  | The process for reconciliation between Bin Card, Priced Stores. Ledger and Financial Ledger are in progress.        |
| 4.2  | <i>Reconciliation of various advances to suppliers, contractors and employees, with corresponding liabilities are</i>   | The process for reconciliation of various advances to suppliers, contractors and employees are in progress. Pending |

- pending [Note No. 7.1 of Schedule – 17].* reconciliation of the same, a provision of Rs. 1786.10 lakhs has been made in the accounts.
- 4.3 *The long unsettled debit balance in Sales Tax Account of Rs. 2,318.45 lakhs has been shown under loans and advances (Note No. 7.3 of Schedule – 17).* The amount is consisting of advance payment of Rs. 2608.97 lakhs and liabilities of Rs. 290.52 lakhs representing disputed claim and appeal has been made to the appropriate authority. Till settlement of the same, the amount has been shown under Loans and Advances.
- 4.4 *The non-refund from Income-tax Department of Income-tax deducted at source Account of Rs. 1,666.61 lakhs although the company does not have a tax liability. ( Note 7.4 of Schedule – 17)* The matter has been covered in Notes on Accounts at Stat. No. 7.4 and calls for no comments separately.
- 4.5 *The non - adjustment in the Books of Accounts of shortages of coal stock within 5% weighing 0.74 lakhs tones in various areas, valued at Rs. 923.52 lakhs (Note No. 5.3 of Schedule – 17).* As per Uniform Accounting Policy referred in para 6.1, Book Stock of coal is considered in the accounts, where variance between book stock and measured stock is within +/-5% and where the variance is beyond +/-5%, the measured stock is considered.
- 4.6 *The accumulated balance of Cess of Rs. 94,939.37 lakhs collected from customers shown as “Cess Equalisation Account” under current liabilities is yet to be settled. (Note No. 10.1 of Schedule – 17).* This is covered in the Notes on Accounts at Sr. No. 10.1, and calls for no comments separately.
- 4.7 *Non-receipt of confirmation of balances from the parties under* Reconciliation with debtors are being done at regular interval of time throughout the year. As

*various heads for our verification (Note No. 18.4 of Schedule – 17)*

far as confirmation of balances from other parties, like, Sundry Creditors and others outside advances are concerned, ECL is making business transactions with numbers of parties from whom it is not possible to obtain confirmation from each party separately.

4.8 *Inclusion of Rs. 7095.96 lakhs in revenue of incentive receivable on achieving despatch targets, pending confirmation from customers and including the same under the head “Sales” instead of under Other Receipts.(Note No. 11.1 of Schedule – 17). .*

It is a statement of fact and calls for no comments separately.

4.9 *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. 10.4 of Schedule-17].*

This is covered in the Notes on Accounts at Sr. No. 10.4 and calls for no comments separately.

4.10 *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*

This is covered in the Notes on Accounts at Sr. No. 5.5 and calls for no comments separately.

*considered for valuation of stock in this case. Pending finalisation 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. (Note No. 5.5 of Schedule – 17).*

4.11 Without qualifying our report:-

- a) We draw attention to (Note No. 18.4 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).
- It is a statement of fact and calls for no comments separately.

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 the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit; | It is a statement of fact and calls for 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;    | It is a statement of fact and calls for 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. It is a statement of fact and calls for 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. It is a statement of fact and calls for 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 as per General Circular No. 8/2002 dt. 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. It is a statement of fact and calls for no comments separately.
- 5.6 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.

- a) in the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
- b) in the case of Profit and Loss Account, of the **Profit** for the year ended on that date; and
- c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Place : Kolkata

Dated : 19th May 2010

For S. N. Guha & Co.  
Chartered Accountants

sd/-

**(M. K. Datta)**

Partner

Membership No. 012701

Firm Registration No. 301104E

**ANNEXURE TO AUDITORS' REPORT****AS REFERRED TO IN PARAGRAPH 4 OF OUR REPORT OF EVEN DATE****AUDITORS' REPORT****MANAGEMENT'S REPLY**

- 1) In respect of the Fixed Assets:-
- 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 nationalisation and those taken from Coal Mines Rescue Station and Kalla Hospital, which has not been recorded.*
- 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.
- It is a statement of fact and calls for no comments separately.
- It is a statement of fact and calls for no comments separately.

- c) During the year, the company has not disposed of substantial part of its Fixed Assets. It is a statement of fact and calls for no comments separately.
- 2) In respect of inventories:-
- 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. It is a statement of fact and calls for no comments separately.
- 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. It is a statement of fact and calls for no comments separately.
- 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. It is a statement of fact and calls for no comments separately.

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. It is a statement of fact and calls for no comments 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 and after inspection of the same, 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 SRVs and adjustment of advances/recording of liabilities. Reconciliation with debtors are being done at regular interval of time throughout the year. As far as confirmation of balances from other parties, like, Sundry Creditors and other outside advances are concerned, ECL is making business transaction with number of parties from whom it is not possible to obtain confirmation certificate from each party separately
- 5) In respect of particulars of contract, arrangements referred to in section 301 of the Companies Act, 1956:- It is a statement of fact and calls for no comments separately.
- 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.

- |    |  |   |
|----|--|---|
| 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.  | It is a statement of fact and calls for no comments separately. |
| 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.   | It is a statement of fact and calls for no comments separately. |
| 7) | The Internal Audit has been carried out by firms of Chartered 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 <i>the scope and frequency of Internal Audit, timely submission of report etc. needs to be strengthened and improved</i> ; subject to above the Company's Internal Audit is commensurate with the size and nature of the business. | Audit point is noted for further improvement.                   |
| 8) | The Central Government has not prescribed maintenance of cost  | It is a statement of fact and calls for no comments separately. |

records under section 209(1) of the Companies Act, 1956.

- 9.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 2010 for a period of more than six months from the date they become payable.
- It is a statement of fact and calls for no comments separately.

Nature of <u>dues.</u>	<u>Amt. (Rs. In lakhs).</u>
i. Deposit linked Insurance	7.42
ii. Turnover Tax	0.44
iii. PWD & Road Tax	154.73

We are informed that the company has not yet come under the purview of Wealth Tax.

- b) The disputed statutory dues aggregating to Rs. 194461.30 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 :-
- It is a statement of fact and calls for no comments separately.

## 9. b. (Contd.)

Sl. No.	Name of Statute	Nature of Dues	Amount (Rs. in Lakhs)	Period to which the amount relates	Forum where dispute is pending
1.	W.B.R.E. & Production Act, 1976 and WB P.E. Act, 1973	WB RE / PE Cess. Interest & Penalty	1440.10	1982-83 & 1983-84	W.B. Taxation Tribunal
2.	- do -	- do -	176913.44	1984-85 to 2002-03	Com. of Commercial Tax (W.B.)
3.	WB VAT Act	Sales Tax & Interest	86.22	1998-99	WB Taxation Tribunal
4.	- do -	- do -	3254.82	2004-05 to 2006-07	Sr. J.C.C. (Appeal), Asansol
5.	Finance Act, 1994	Service Tax	1317.25	2004-05 to 2007-08	Com. of Central Excise, Bolpur
6.	MMRD Act, 1957	Royalty	480.21	1973-74 to 2008-09	Asansol Court & ADM, Asansol
7.	- do -	- do -	686.17	1986-87, 1989-90 1991-92, 1994-95 to 1995-96, 2003-04	Supreme Court & High Court
8.	B.F. Act, 1981 & CST Act, 1956	Sales Tax	4209.78	1987-88 to 2006-07	Tribunal Ranchi, ACCT, Deoghar, JCCT / DCCT Dumka
9.	MMRO Act, 1957	Royalty	1174.88	1990-97 & 1997-98	High Court, Ranchi
10.	B.F. Act, 1981 & CST Act, 1956	Sales Tax	2433.34	1988-89 to 2003-04	ACCT Godda, Dy. CCT, Pakur
11.	JSEB	Security Deposit & Interest	913.06	2003-04 to 2007-08	Ministry of Coal Govt. of India
12.	B.F. Act, 1981 & CST Act, 1956	Sales Tax	202.13	1978-79 to 1995-96	ST. Tribunal Ranchi
13.	- do -	- do -	1349.90	1988-89 to 2006-07	JCCT (Appeal), Dhanbad
			<b>194461.30</b>		

- 10) The company has an accumulated loss of Rs. 823399.74 lakhs and the net worth of the company remained negative as on 31.03.2010. 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 not incurred cash loss during the financial year under audit although, in the immediately preceding financial year, it had incurred cash loss.
- It 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.
- It 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.
- It 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.
- It 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
- It is a statement of fact. Hence, it calls for no comment separately.

- |  |   |
|--|---|
| and other investment by the company during the year under audit. However, old investment has been held by the company in its own name.   | It 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.  | It 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.  | It 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.                                   | It 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. | It 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.   | It is a statement of fact. Hence, it calls for no comment separately. |

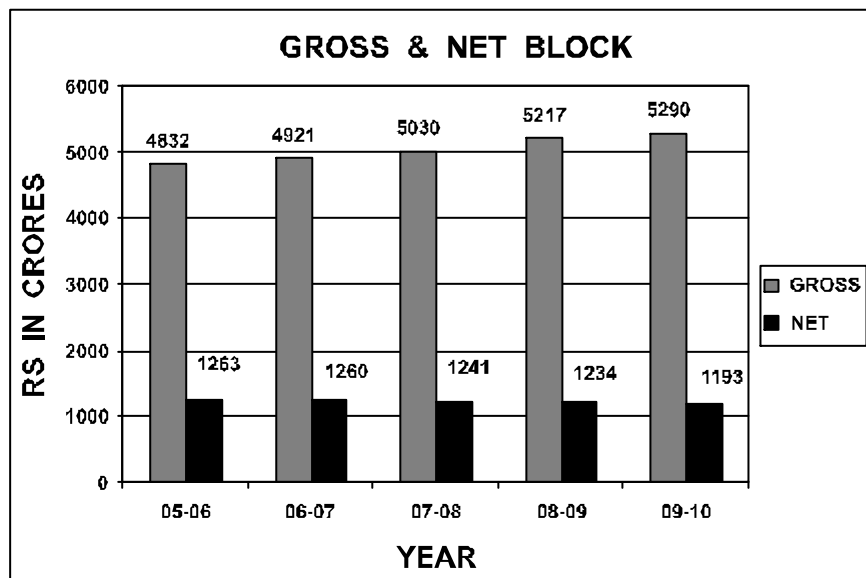
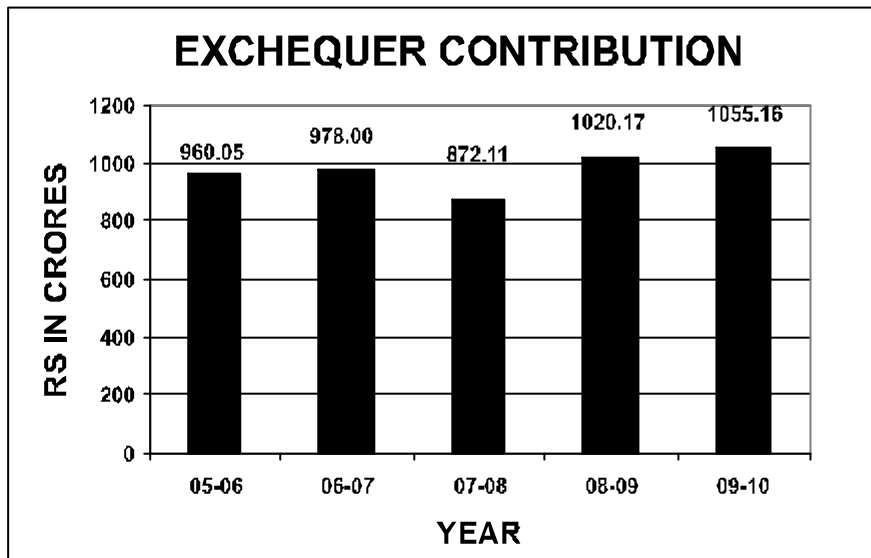
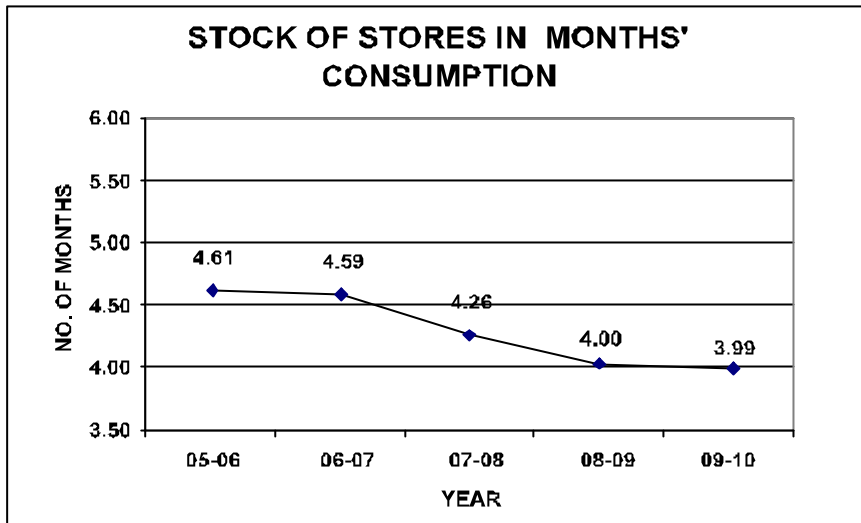
- 20) The company is not a listed company, therefore raising of money by public issue does not arise. It is a statement of fact. Hence, it calls for no comment separately.

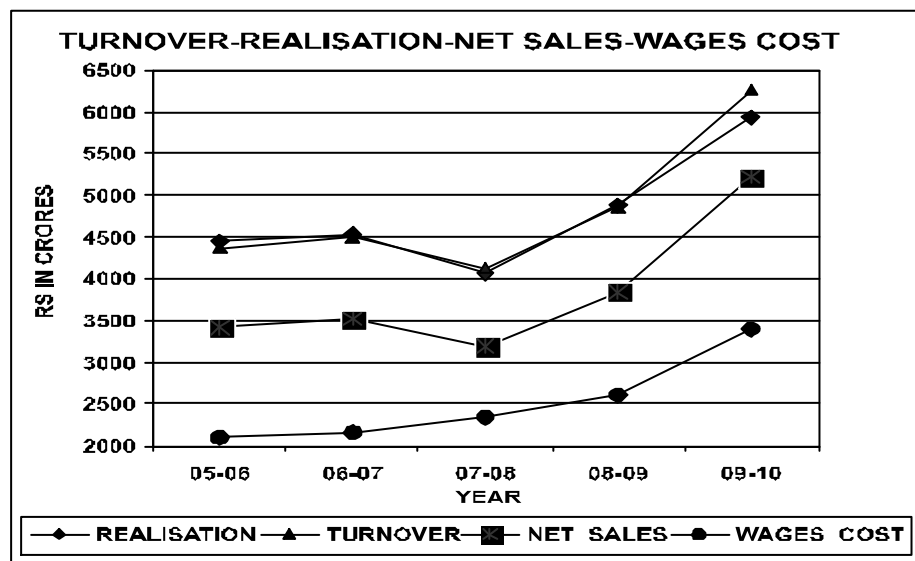
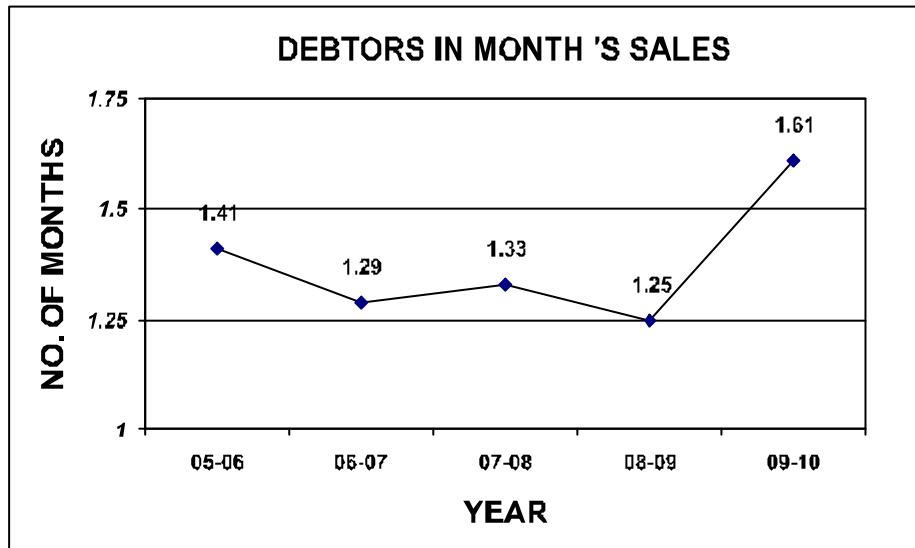
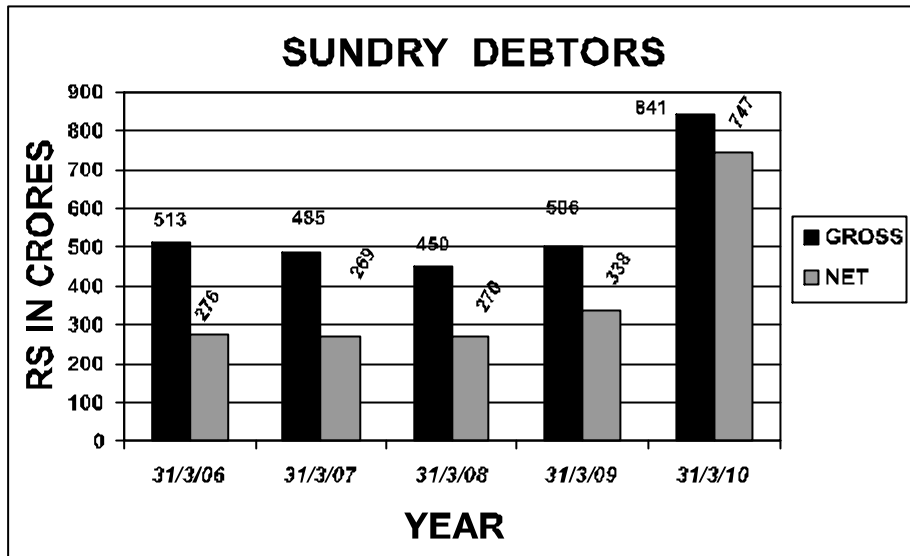
Based upon the audit procedure performed for the purpose of reporting the true and fair view of the financial statement and as per the information and explanations given by the management we report that no fraud on or by the company has been noticed or reported during the course of our audit, except an attempted fraud which was detected and prevented during the year when re-weighment of a rake at Barakar Rail Bridge on 30.05.2009 resulted in an increase of 343.8 tonnes over the initial weighment at Andal weigh Bridge, the effect of which was about Rs. 8.14 lakhs and for which enquiry is in progress.

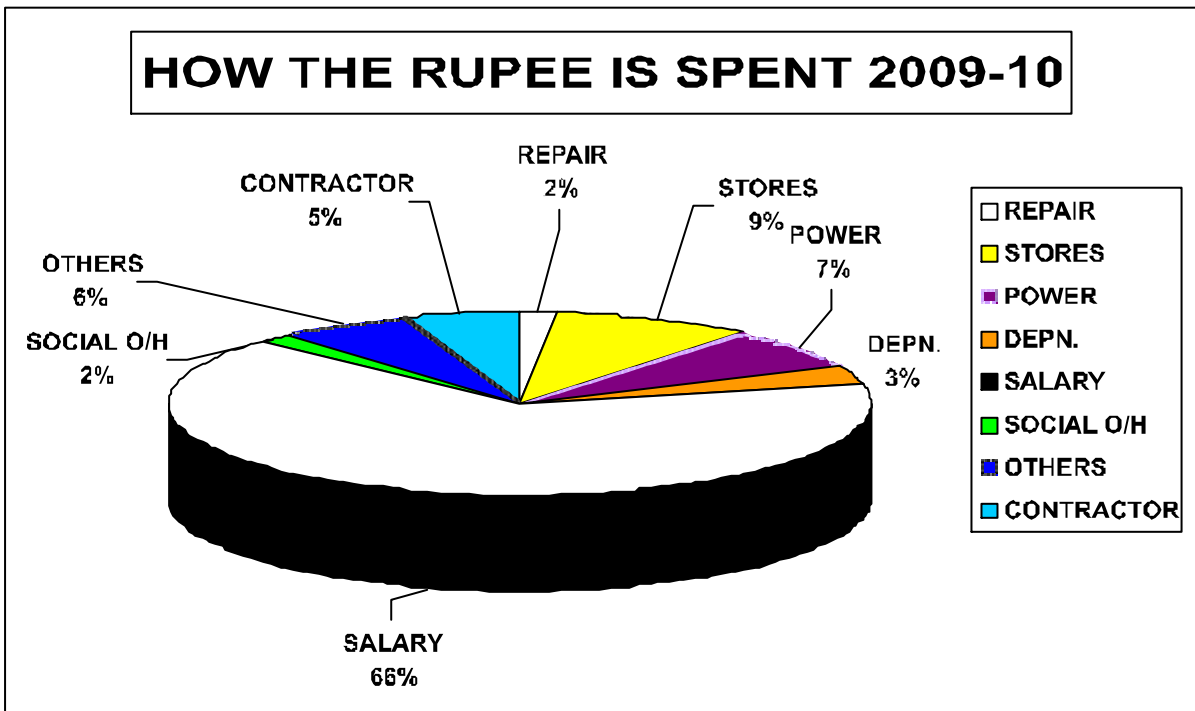
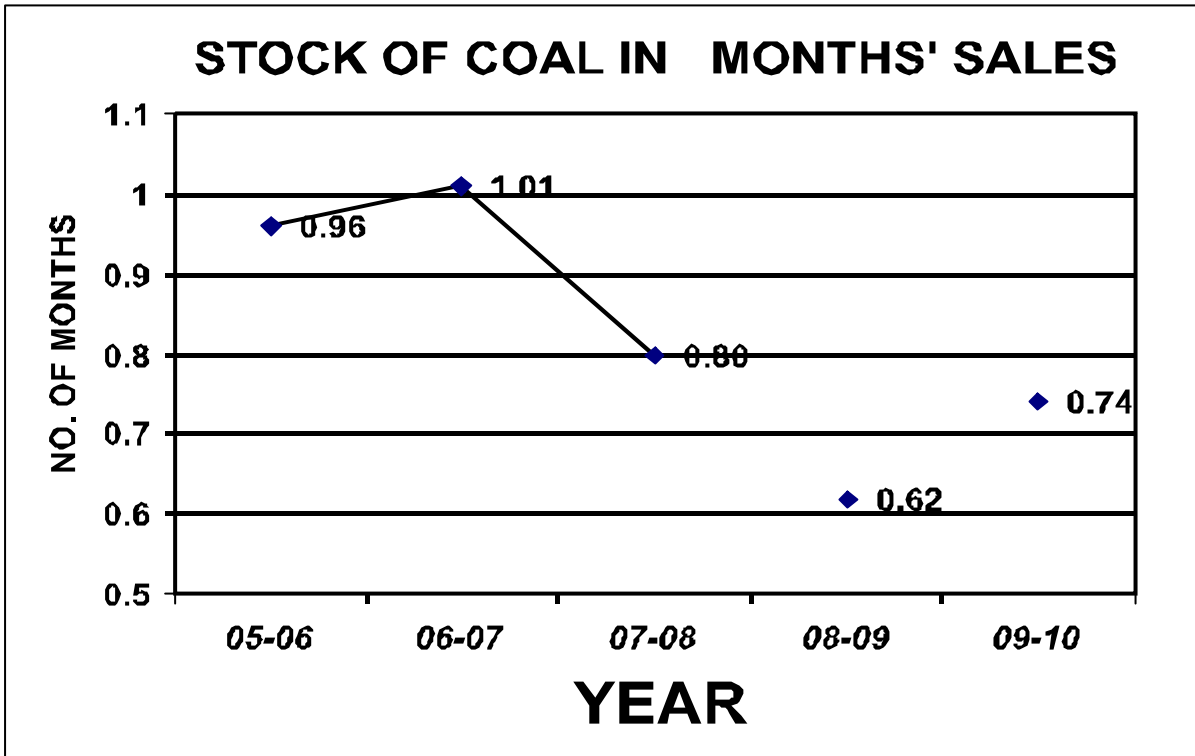
Place : Kolkata  
Dated : 19th May 2010

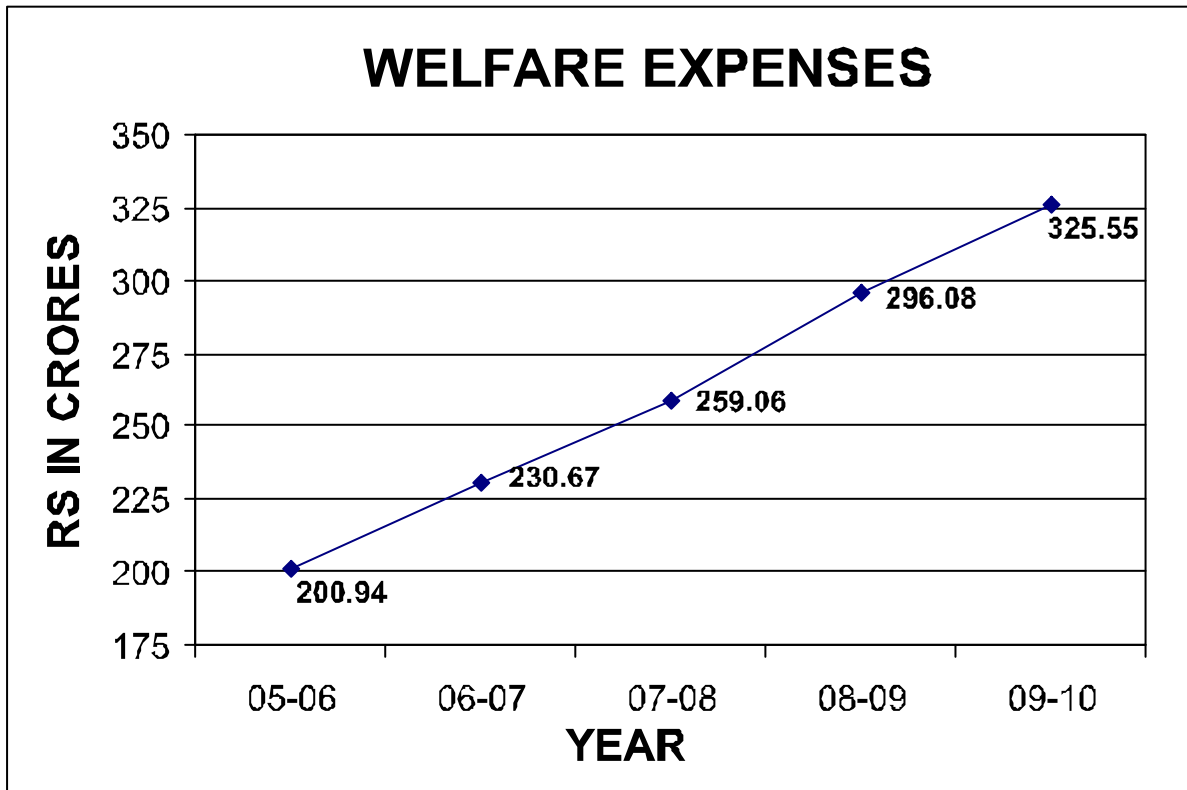
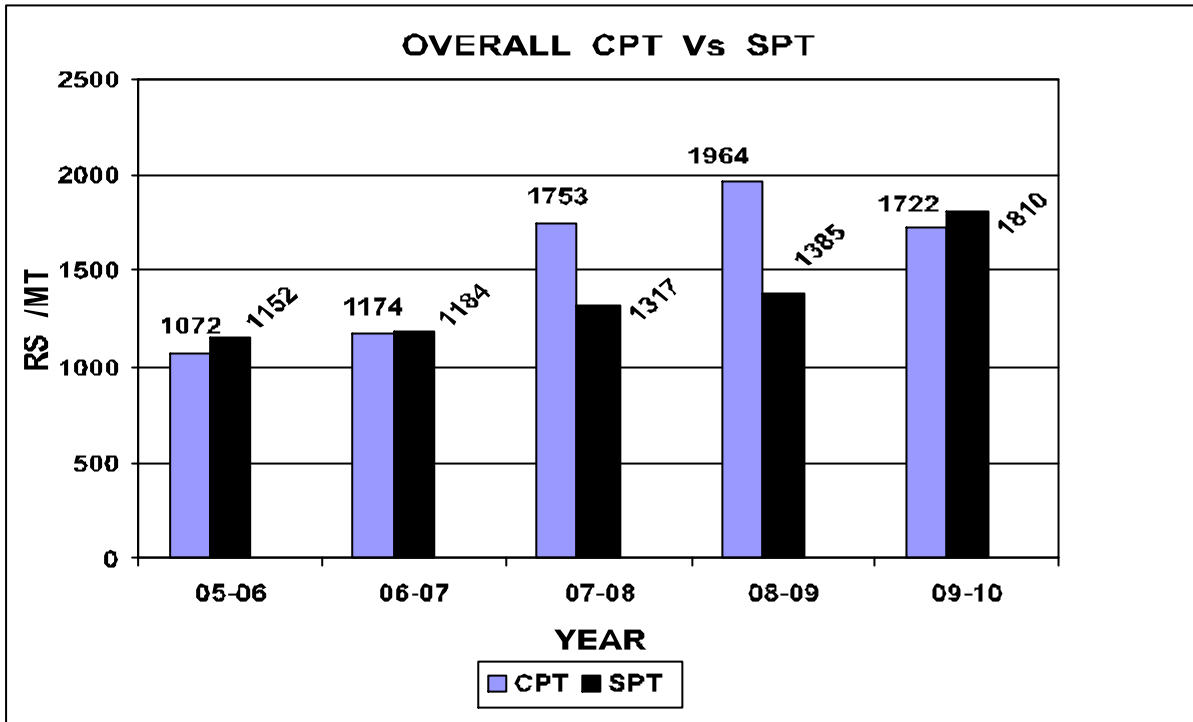
For S. N. Guha & Co.  
Chartered Accountants

sd/-  
**(M. K. Datta)**  
Partner  
Membership No. 012701  
Firm Registration No. 301104E









**BALANCE SHEET AS AT 31ST. MARCH.**  
(Rs. in Crores).

PARTICULARS.	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>SOURCES OF FUNDS :</b>										
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.	0.01	0.01	0.01	0.01	0.01	0.01	0.00	0.00	0.00	0.00
INTEREST ACCRUED AND DUE.	101.41	135.14	168.87	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LOAN FUNDS.	855.37	825.20	769.91	708.64	680.84	708.33	672.96	656.23	689.26	665.52
	<b>3175.24</b>	<b>3178.80</b>	<b>3157.24</b>	<b>2927.10</b>	<b>2899.30</b>	<b>2926.79</b>	<b>2891.41</b>	<b>2874.68</b>	<b>2907.71</b>	<b>2883.97</b>
<b>APPLICATION OF FUNDS :</b>										
FIXED ASSETS :										
GROSS BLOCK.	4307.09	4396.40	4617.14	4706.47	4794.90	4831.90	4920.65	5030.21	5217.34	5290.16
LESS : DEPRECIATION.	2523.03	2725.67	3042.58	3203.55	3488.87	3568.83	3660.27	3789.40	3983.67	4097.59
NET BLOCK.	1784.06	1670.73	1574.56	1502.92	1306.03	1263.07	1260.38	1240.81	1233.67	1192.57
CAPITAL W.I.P.	83.38	79.62	73.95	43.90	42.53	40.63	49.20	41.34	39.85	64.80
INVESTMENTS.	0.08	0.08	0.08	0.41	0.41	0.41	0.38	0.34	0.31	0.28
<b>CURRENT ASSETS, LOANS &amp; ADVANCES:</b>										
INVENTORIES.	281.38	263.67	251.14	260.41	309.28	404.49	427.28	331.42	323.83	453.36
SUNDRY DEBTORS.	1225.58	1274.62	1077.36	684.34	321.12	276.07	269.15	269.84	338.11	746.79
CASH & BANK BALANCE	152.54	242.00	488.85	628.70	852.64	1314.80	846.71	664.36	688.98	947.88
OTHER CURRENT ASSETS.	11.84	13.85	22.15	17.78	18.25	35.45	35.99	42.75	48.35	33.65
LOANS AND ADVANCES.	80.32	82.98	85.61	114.62	95.64	143.17	132.66	138.00	130.33	146.82
SUB-TOTAL.	1751.66	1877.12	1925.11	1705.85	1596.93	2173.98	1711.79	1446.37	1529.60	2328.50
LESS : CURRENT LIABILITIES	3664.16	3759.24	3765.41	3754.06	4056.40	4137.63	3449.62	3987.79	5120.22	5301.42
LESS : PROV. FOR ACT. GRATUITY/L. ENCASH ETC.	642.32	845.50	1137.32	1361.22	1608.54	1668.15	1824.59	2324.70	3342.90	3634.76
NET CURRENT ASSETS	-2554.82	-2727.62	-2977.62	-3409.43	-4068.01	-3631.80	-3562.42	-4866.12	-6933.52	-6607.68
MISC. EXPENDITURE	16.04	31.85	23.35	0.00	0.00	0.00	0.00	0.00	0.00	0.00
PROFIT AND LOSS A/C.	3846.50	4124.14	4462.92	4789.30	5618.34	5254.48	5143.87	6458.31	8567.40	8234.00
<b>TOTAL</b>	<b>3175.24</b>	<b>3178.80</b>	<b>3157.24</b>	<b>2927.10</b>	<b>2899.30</b>	<b>2926.79</b>	<b>2891.41</b>	<b>2874.68</b>	<b>2907.71</b>	<b>2883.97</b>

PARTICULARS.	PROFIT AND LOSS. (EXCLUDING CONTRA ITEMS.)										(Rs. in Crore).	
	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10		
SALES (NET OF LEVIES).	2535.66	2757.41	2729.06	2746.24	3048.19	3417.68	3518.21	3187.61	3837.40	5227.78		
OTHER INCOME.	124.03	190.16	227.60	191.53	148.20	227.18	186.01	204.53	207.77	348.76		
ACCRETION / DECRETION	0.86	-5.71	-6.06	13.70	47.50	99.94	22.21	-85.86	-11.90	123.26		
WORKSHOP JOBS FOR OWN PURPOSE.	41.90	40.92	45.18	48.20	47.81	51.41	45.34	44.72	44.51	50.48		
WAIVER OF INTEREST.	0.00	0.00	0.00	168.65	0.00	0.00	0.00	0.00	0.00	0.00		
WAIVER OF APEX CHARGES.	0.00	0.00	0.00	82.47	0.00	0.00	0.00	0.00	0.00	0.00		
WAIVER OF ELECTRICITY DUTY	0.00	0.00	0.00	0.00	0.00	34.32	16.22	0.00	0.00	0.00		
COAL ISSUED FOR SUNDRY PURPOSES.	0.06	0.12	0.19	0.08	0.03	0.09	0.07	0.09	0.16	0.01		
	<b>2702.51</b>	<b>2982.90</b>	<b>2995.97</b>	<b>3250.87</b>	<b>3291.73</b>	<b>3830.62</b>	<b>3788.06</b>	<b>3351.09</b>	<b>4077.94</b>	<b>5750.29</b>		
EMPLOYEES REMUNERATION & BENEFITS.	1825.43	1929.25	1911.93	2022.75	2250.38	1981.69	2160.87	2597.87	3803.75	3364.35		
ARREAR SALARY & WAGES	537.69			204.61	375.32			163.80	504.89	58.81		
CONSUMPTION OF STORES & SPARES.	302.95	334.13	339.59	343.51	353.60	404.62	411.14	427.37	466.61	490.96		
POWER & FUEL.	241.27	250.88	248.60	246.13	258.81	272.18	253.63	263.66	259.25	304.79		
REPAIRS.	65.78	64.71	63.19	84.86	65.87	69.50	67.93	74.63	70.95	82.82		
SOCIAL OVERHEAD.	111.90	131.05	140.45	141.14	151.03	166.28	199.72	229.89	268.09	296.40		
CONTRACTUAL EXPENSES.	82.27	91.44	94.13	108.12	167.25	213.27	243.61	210.91	254.87	342.00		
MISCELLANEOUS EXPENSES.	73.30	71.34	72.58	60.64	82.86	86.95	97.60	134.69	148.51	160.16		
DEPRECIATION.	239.94	224.26	171.06	169.42	148.84	142.98	136.24	147.00	206.86	146.69		
IMPAIRMENT	0.00	0.00	0.00	0.00	11.49	14.73	5.28	21.83	20.96	9.51		
INTEREST & FINANCIAL CHARGES.	48.53	45.68	42.27	4.14	0.81	10.05	0.41	0.29	0.07	0.01		
OVER BURDEN REMOVAL.	95.75	93.18	129.47	91.81	69.25	99.80	82.73	80.42	155.86	170.35		
PROVISIONS.	-115.42	28.88	74.37	94.09	-2.24	-8.96	3.64	12.47	17.43	-13.55		
WRITE OFF.	110.76	13.35	0.00	0.00	7.77	2.68	10.04	0.00	2.76	1.97		
	<b>3620.15</b>	<b>3278.15</b>	<b>3287.64</b>	<b>3571.22</b>	<b>3941.04</b>	<b>3455.77</b>	<b>3672.84</b>	<b>4364.83</b>	<b>6180.86</b>	<b>5415.27</b>		
PROFIT(+)/LOSS(-) FOR THE YEAR BEFORE PPA	-917.64	-295.25	-291.67	-320.35	-649.31	374.85	115.22	-1013.74	-2102.92	335.02		
PRIOR PERIOD ADJUSTMENT.	0.45	17.61	-47.11	-6.03	-29.89	-2.89	2.90	-12.92	-2.78	-1.62		
FRINGE BENEFIT TAX.						-8.10	-7.52	-3.27	-3.39	0.00		
PROFIT(+)/LOSS (-) AFTER C/PRA	-917.19	-277.64	-338.78	-326.38	-829.04	363.86	110.60	-1029.93	-2109.09	333.40		
PROFIT & LOSS UPTO PREVIOUS YEAR TRANSITIONAL PROVISION	-2929.31	-3846.50	-4124.14	-4462.92	-4789.30	-5618.34	-5254.48	-5143.88	-6458.31	-8567.40		
BAALANCE CARRIED TO BALANCE SHEET	-3846.50	-4124.14	-4462.92	-4789.30	-5618.34	-5254.48	-5143.88	-6458.31	-8567.40	-8234.00		

**CAPITAL EMPLOYED, NET WORTH AND FINANCIAL RATIOS.**

(Rs. in Crores.)

PARTICULARS.	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
CAPITAL EMPLOYED.	-468.64	-644.77	-828.59	-1199.95	-1877.35	-1534.04	-1395.59	-2318.43	-3526.75	-3135.66
NET WORTH	-1644.09	-1937.54	-2267.82	-2570.85	-3399.89	-3036.03	-2925.42	-4239.86	-6348.95	-6015.55
NET WORTH AS PER BRPSE PROJECTION	0.44	0.45	0.44	0.39	0.33	0.44	0.39	0.29	0.24	0.35
<b>LIQUIDITY RATIOS :</b>										
i) Current Ratio (Current Assets/Current Liabilities).	-5.41	-4.28	-3.29	-2.29	-1.62	-2.23	-2.52	-1.37	-1.09	-1.67
<b>TURNOVER RATIOS :</b>										
i) Capital Turnover Ratio (Net Sales/ Capital Employed).	5.17	4.95	4.31	3.24	1.77	1.41	1.29	1.33	1.25	1.61
ii) Sundry Debtors as Nos. of months :	6.52	6.29	5.47	4.10	2.26	1.80	1.65	1.70	1.58	1.93
a). Gross Sales	0.65	0.57	0.54	0.58	0.72	0.96	1.01	0.80	0.62	0.74
b). Net Sales.	6.48	5.62	5.60	5.31	5.32	4.61	4.59	4.26	4.00	3.99
iii) Stock of coal as a No. of months' sale Value	0.39	0.37	0.35	0.32	0.31	0.32	0.30	0.30	0.31	0.30
iv). Stock of Stores & Spares as a No. of months' consumption	-0.52	-0.43	-0.34	-0.28	-0.20	-0.23	-0.23	-0.15	-0.11	-0.11
<b>STRUCTURAL RATIOS :</b>										
i). Debt : Equity.										
ii). Debt : Net Worth.										

## OPERATIONAL STATISTICS

YEAR ENDING 31ST MARCH	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1 (a) PRODUCTION OF RAW COAL :										
(MILLION TONNE)										
UNDERGROUND	11.77	11.66	10.95	9.91	9.45	9.33	8.27	8.32	8.39	8.23
OPENCAST	16.26	16.89	16.23	18.09	17.80	21.78	22.20	15.74	19.74	21.83
<b>TOTAL :</b>	28.03	28.55	27.18	28.00	27.25	31.11	30.47	24.06	28.13	30.06
(b) OVERBURDEN REMOVAL	31.63	33.39	32.04	35.96	39.70	44.30	48.78	39.98	43.07	49.74
(MILLION CU.MTS)										
2. OFFTAKE (RAW COAL) :										
(MILLION TONNE)										
LOCO	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
POWER	22.64	23.18	22.91	24.14	24.11	25.17	26.17	21.94	23.69	25.22
CEMENT	0.07	0.11	0.08	0.11	0.13	0.14	0.18	0.17	0.15	0.15
FERTILIZER	0.26	0.12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
COLLIERY CONSUMPTION	0.61	0.57	0.54	0.52	0.50	0.48	0.45	0.42	0.41	0.40
OTHERS	4.79	4.38	3.76	2.66	2.43	2.90	2.99	2.91	4.01	3.45
<b>TOTAL :</b>	28.38	28.37	27.29	27.43	27.17	28.69	29.79	25.44	28.26	29.22
MANPOWER	127452	119712	114582	110132	105692	101474	98780	94943	90470	85617
3. PRODUCTIVITY (O.M.S) :										
UNDERGROUND	0.47	0.48	0.48	0.45	0.43	0.45	0.42	0.43	0.46	0.47
OPENCAST	4.52	4.92	4.89	5.30	5.30	6.61	7.03	5.04	6.42	7.29
OVERALL :	0.98	1.04	1.03	1.10	1.07	1.29	1.34	1.07	1.33	1.46

**EASTERN COALFIELDS LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH, 2010**

SCHEDULE	AS AT 31ST MARCH 2010 (RS. IN LAKHS)	AS AT 31ST MARCH 2009 (RS. IN LAKHS)
<b>SOURCES OF FUNDS:</b>		
1) Share Holders' Funds		
a) Share Capital	A 221845.00	221845.00
b) Reservs and Surplus	B <u>0.00</u> 221845.00	<u>0.00</u> 221845.00
2) Loan Funds :		
Unsecured Loans	C 66552.44	68925.49
<b>Total</b>	<b>288397.44</b>	<b>290770.49</b>
<b>APPLICATION OF FUNDS :</b>		
<b>1. Fixed Assets.</b>		
a) Gross Block	D 529015.68	521733.65
b) Less : Depreciation / Impairment	<u>409758.45</u>	<u>398367.02</u>
c) Net Block	119257.23	123366.63
d) Capital W.I.P.	E <u>6480.10</u> 125737.33	<u>3984.85</u> 127351.48
e) Assets Taken Over on Nationalisation	817.02	817.02
Less : Provision	<u>817.02</u> 0.00	<u>817.02</u> 0.00
<b>2. Investments.</b>	F 27.80	31.10
<b>3. Current Assets, Loans &amp; Advances :</b>		
a) Inventories	G 45336.51	32383.41
b) Sundry Debtors	H 74679.17	33810.94
c) Cash & Bank Balances	I 94788.14	68897.84
d) Other Current Assets	J 3364.89	4834.62
e) Loans & Advances	K <u>14681.69</u>	<u>13033.13</u>
Total Current Assets, Loans & Advances	232850.40	152959.94

	SCHEDULE	AS AT 31ST MARCH 2010 (RS. IN LAKHS)	AS AT 31ST MARCH 2009 (RS. IN LAKHS)
<b>Less : Current Liab. &amp; Provisions</b>	L		
A) Current Liabilities		530142.05	512022.09
B) Provisions :		<u>363475.78</u>	<u>334289.58</u>
Total Current Liab. & Provisions.		893617.83	846311.67
Net Current Assets / Net Current Liabilities		-660767.43	-693351.73
4) Profit & Loss Account		823399.74	856739.64
<b>Total :</b>		<b>288397.44</b>	<b>290770.49</b>

Accounting Policy and Notes on Accounts 17

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

**S. Chakrabarti**

Chairman -cum-Managing Director

**S. K. Srivastava**

Director (Personnel)

**M. Viswanathan**

Company Secretary

**S. Chattopadhyay**

General Manager (Finance)

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

**(M. K. Datta)**

Partner

for and on behalf of

**S.N. GUHA & CO.**

Chartered Accountants.

Kolkata :

Dated : 19th May, 2010

**EASTERN COALFIELDS LIMITED**  
**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010**

	SCHEDULE	FOR THE YEAR ENDED 31ST MARCH 2010 ( RS. IN LAKHS )	FOR THE YEAR ENDED 31ST MARCH 2009 (RS. IN LAKHS )
<b>INCOME</b>			
Sale	1	522777.76	383740.26
Coal Issued for Other Purpose	2	7886.98	7052.36
Accretion / Decretion (-) in Stock	3	12326.30	--1189.99
Workshop Job for own purpose	4	5047.74	4450.91
Other Receipts	5	34875.53	20777.15
<b>Total :</b>		<b>582914.31</b>	<b>414830.69</b>
<b>EXPENDITURE</b>			
Consumption of Stores & Spares	6	49095.73	46660.92
Colly. Consumption per contra ( Sch. 2)		4971.09	4237.06
Employees Remuneration and Benefits.	7	336434.55	380374.97
Arrear Salary & Wages (NCWA-VIII)/Executives		0.00	50489.16
Arrear PRP		2894.00	0.00
Arrear Superannuation Benefit		2986.97	0.00
Social Overhead.	8	32554.97	29607.70
Power & Fuel	9	30479.04	25925.28
Repairs	10	8281.55	7095.01
Contractual Expenses	11	34200.23	25487.18
Miscellaneous Expenses	12	16016.12	14851.10
Cost of Removal of OB	13	17035.15	15586.26
Interest	14	1.06	7.30
Depreciation		14669.18	20685.82
Impairment		951.06	2095.59
Provision	15 (a)	-1355.10	1743.02
Write-Off	15 (b)	196.43	276.45
<b>Total</b>		<b>549412.03</b>	<b>625122.82</b>

SCHEDULE	FOR THE YEAR ENDED 31ST MARCH 2010 (RS. IN LAKHS)	FOR THE YEAR ENDED 31ST MARCH 2009 (RS. IN LAKHS)
<b>PROFIT (+) / LOSS (-) FOR THE YEAR</b>	33502.28	-210292.13
Prior Period Adj. 16	-162.38	-278.32
NET PROFIT (+) / LOSS (-)	33339.90	-210570.45
Fringe Benefit Tax	0.00	-338.43
NET PROFIT AFTER TAX	33339.90	-210908.88
PROFIT / LOSS UPTO THE PREVIOUS YEAR :	-856739.64	-645830.76
<b>BALANCE CARRIED TO BALANCE SHEET</b>	<b>-823399.74</b>	<b>-856739.64</b>
Basic & Diluted earnings per share of Rs. 1000 each (in Rupees) (Refer note no. 18.5(d) of Schedule 17)	150	-951

Accounting Policy and Notes on Accounts 17

Schedule 1 to 16 form an integral part of the Profit & Loss Account.

**S. Chakrabarti**

Chairman -cum-Managing Director

**M. Viswanathan**

Company Secretary

**S. K. Srivastava**

Director (Personnel)

**S. Chattopadhyay**

General Manager (Finance)

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

**(M. K. Datta)**

Partner

for and on behalf of

**S.N. GUHA & CO.**

Chartered Accountants.

Kolkata :

Dated : 19th May, 2010

**EASTERN COALFIELDS LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010**

	2009-2010 (RS. IN LAKHS)	2008-2009 (RS. IN LAKHS)
<b>(a) Cash Flow from Operating Activities</b>		
Net Profit Before Taxation & Extraordinary Items	33502.28	(210292.13)
Adjustment for :		
Depreciation	15305.26	21669.28
Impairment	951.06	2095.59
Lease Rent Received	(350.00)	(350.00)
Interest Income	(3696.96)	(6074.73)
OBR Adjustment (decrease) / increase	17035.15	15586.26
Prov. for loss of assets	(83.51)	(16.36)
Interest Expenses	1.06	7.30
	29162.06	32917.34
Operating Profit before working capital changes	62664.34	(177374.79)
Decrease / (Increase) in Sundry Debtors	(40868.23)	(6826.49)
Decrease / (Increase) in Loans & Advances	(1648.56)	766.58
Decrease / (Increase) in Other Current Assets	(1469.73)	(559.14)
Decrease / (Increase) in Inventories	(12953.10)	758.68
(Decrease)/Increase in Current Liabilities(excl.OBR)	30271.01	199476.04
	(23729.15)	193615.67
Cash generated from Operation	38935.19	16240.88
Fringe Benefit Tax	0.00	(338.43)
Prior Period Adjustment	(162.38)	(278.32)
	(162.38)	(616.75)
Net cash flow from operating activities	38772.81	15624.13
<b>(b) Cash Flow from Investing Activities</b>		
Purchases of Fixed Assets (Sch.-D) including Capital WIP	(16501.53)	(19187.72)
Adjustment in Value of Fixed Assets	16.81	36.76
Redemption of 8.5% RBI Power Bond	3.30	3.30
Lease Rent Received	350.00	350.00
Interest Income	3696.96	6074.73
	(12434.46)	(12722.93)
Net cash flow from investing activities :	26338.35	2901.20

	2009-2010 (RS. IN LAKHS)	2008-2009 (RS. IN LAKHS)
<b>(c) Cash Flow from Financing Activities :</b>		
Repayment of Long Term Borrowing	(446.99)	(431.80)
Interest Paid	(1.06)	(7.30)
	(448.05)	(439.10)
<b>Net Increase in Cash/Cash equivalents</b>	<b><u>25890.30</u></b>	<b><u>2462.10</u></b>
<b>Opening Cash &amp; Bank Balance</b>	<b>68897.84</b>	<b>66435.74</b>
<b>Closing Cash &amp; Bank Balance</b>	<b>94788.14</b>	<b>68897.84</b>

**S. Chakrabarti**  
Chairman -cum-Managing Director

**M. Viswanathan**  
Company Secretary

**S. K. Srivastava**  
Director (Personnel)

**S. Chattopadhyay**  
General Manager (Finance)

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

Kolkata :  
Dated : 19th May, 2010

**(M. K. Datta)**  
Partner  
for and on behalf of  
**S.N. GUHA & CO.**  
Chartered Accountants.

**EASTERN COALFIELDS LIMITED**  
**SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 2010**  
**SCHEDULE - A**  
**SHARE CAPITAL**

	AS AT 31ST MARCH 2010 (RS. IN LAKHS)	AS AT 31ST MARCH 2009 (RS. IN LAKHS)
<b>AUTHORISED :</b>		
250,00,000 ( Previous year 2,50,00,000 ) Equity Share of Rs. 1000.00 each.	250000.00	250000.00
<b>Issued, Subscribed &amp; Paid up :</b>	—————	—————
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
<b>Total</b>	<b>221845.00</b>	<b>221845.00</b>

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

**EASTERN COALFIELDS LIMITED**  
**SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 2010**  
**SCHEDULE - B**  
**RESERVES AND SURPLUS**

	AS AT 31ST MARCH 2010 (RS. IN LAKHS)	AS AT 31ST MARCH 2009 (RS. IN LAKHS)
<b>CAPITAL RESERVE</b>		
Profit on Sale of asset.	0.00	0.00
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>

**EASTERN COALFIELDS LIMITED**  
**SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 2010**  
**SCHEDULE - C**  
**UNSECURED LOANS**

	AS AT 31ST MARCH 2010 ( RS. IN LAKHS )	AS AT 31ST MARCH 2009 ( RS. IN LAKHS )
i) Due to Coal India Limited. Holding Company	51897.08	51897.08
ii) Export Development Corpn. Canada through CIL US \$ 320.90 Lakhs ( US \$ 330.33 Lakhs )	14655.36	17028.41
<b>TOTAL</b>	<b>66552.44</b>	<b>68925.49</b>

## SCHEDULE - D

**EASTERN COALFIELDS LIMITED**  
**SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 2010**  
**FIXED ASSETS**

[ Rs. IN LAKHS ]

PARTICULARS	GROSS BLOCK				DEPRECIATION / IMPAIRMENT				NET BLOCK AS AT 31.03.09		
	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 THE END OF THE YEAR	DEPRN. FOR THE YEAR	IMPAIRMENT LOSS	WITHDRAWALS / ADJUSTMENT		TOTAL DEPN. AS AT THE END OF THE YEAR	NET BLOCK AS AT 31.03.10
<b>A) COMPLETED ASSETS :</b>											
LAND - FREEHOLD	6295.59	242.50	-26.59	6511.50	934.40	107.22			1041.62	5469.88	
LEASEHOLD	1271.59		26.59	1298.18	361.51	65.33			426.84	871.34	
BUILDINGS	36322.89	163.33	-3.11	36483.11	13163.78	775.41		5.85	13945.04	22538.07	
ROADS AND CULVERTS	4394.34	186.85		4581.19	2043.34	127.12			2170.46	2410.73	
WATER SUPPLY	4483.80	319.86	-0.49	4803.17	2690.45	218.54		-0.49	2908.50	1894.67	
RAILWAY SIDINGS	2473.81	77.81		2551.62	1555.24	81.33		35.00	1671.57	880.05	
<b>PLANT AND MACHINERY :</b>											
a) HEMM	128237.93	3725.69	-2505.81	129457.81	100048.15	3616.44		-2366.04	101298.55	28159.26	
b) POWER PLANT	4024.00			4024.00	3806.84	16.89			3823.73	200.27	
c) OTHERS	189561.47	4435.02	-2246.56	191749.93	151890.18	5990.64		-2081.63	155799.19	35950.74	
TELECOMMUNICATION	1769.74	28.90	-0.13	1798.51	1580.83	36.57		-0.13	1617.27	181.24	
ELECTRICAL INSTALLATION	6604.71	143.54	-0.88	6747.37	4535.90	204.28		-0.84	4739.34	2008.03	
FURNITURE AND OFFICE EQUIP.	1971.29	46.63	-107.22	1910.70	1670.14	45.16		-107.06	1608.24	302.46	
TOOLS AND EQUIPMENTS	438.18	2.36	-1.84	438.70	304.33	13.42		-1.49	316.26	122.44	
PROSPECTING AND BORING	19442.03	452.34		19894.37	18370.35	216.45	146.90		18733.70	1160.67	
MINES DEVELOPMENT	94468.31	1896.15	-1209.50	95154.96	75515.68	3073.44	614.00	-1081.09	78122.03	17032.93	
VEHICLES	1219.67		-0.01	1219.66	1144.76	3.32		-0.01	1148.07	71.59	
FIRE ARMS	25.32			25.32	22.16	0.30			22.46	2.86	
<b>TOTAL (A)</b>	<b>503004.67</b>	<b>11720.98</b>	<b>-6075.55</b>	<b>508650.10</b>	<b>379638.04</b>	<b>14591.86</b>	<b>760.90</b>	<b>-5597.93</b>	<b>389392.87</b>	<b>119257.23</b>	<b>123366.63</b>
<b>B) CAPITAL EXPENDITURE</b>											
<b>ON ASSETS NOT BELONGING TO THE CO.</b>											
TOTAL (B)	580.58	454.29	544.81	1579.68	580.58	529.64		469.46	1579.68	0.00	0.00
<b>C) DISCARDED / SURVEYED OFF ASSETS</b>											
TOTAL (A+B+C)	18148.40	12175.27	-4893.24	529015.68	398367.02	15305.26	760.90	-4674.73	409758.45	119257.23	123366.63
PREVIOUS YEAR	503021.10	22451.70	-3739.15	521733.65	378939.99	21669.28	1424.79	-3667.04	398367.02	123366.63	124081.11

N.B. : Closing Depreciation Rs. 409758.45 includes Impairment of Prospecting & Boring Rs. 4968.97  
Mines Development Rs. 16513.30  
Total Rs. 21482.27

## Note No. 1

	AS AT 31ST MARCH 2010 (RS. IN LAKHS)	AS AT 31ST MARCH 2009 (RS. IN LAKHS)
--	---	---

## ALLOCATION OF DEPRECIATION

1. Profit & Loss Account (Direct)	14669.18	20685.82
2. Social Overhead	612.05	630.18
3. Prior Period Adjustment	21.87	343.00
4. Power and Fuel	2.16	10.28
<b>Sub-Total</b>	<b>15305.26</b>	<b>21669.28</b>
5. Due to sale/discard	-159.44	-888.42
6. Received /Issued to and from other subsidiaries	0.00	4.66
7. Provision for Loss of Asset.	201.70	35.35
8. Other Adjustments	-4716.99	-2818.63
<b>Sub-Total</b>	<b>-4674.73</b>	<b>-3667.04</b>
<b>Total</b>	<b>10630.53</b>	<b>18002.24</b>

## Note No. 2

	AS AT 31ST MARCH 2010 (RS. IN LAKHS)	AS AT 31ST MARCH 2009 (RS. IN LAKHS)
--	---	---

Social Overhead Assets (Gross) Included  
In the Schedule are as follows :

I) Buildings	23718.66	23690.57
II) Plant & Machinery	537.01	530.37
III) Furniture & Office Equipment	387.35	400.89
IV) Vehicles	323.46	323.46
V) Roads & Culverts	1336.57	1334.56
VI) Water Supply	4649.43	4446.00
<b>Total</b>	<b>30952.48</b>	<b>30725.85</b>



**EASTERN COALFIELDS LIMITED**  
**SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 2010**  
**SCHEDULE - F**  
**INVESTMENTS**

	AS AT 31ST MARCH 2010 (RS. IN LAKHS)	AS AT 31ST MARCH 2009 (RS. IN LAKHS)
INVESTMENTS (AT COST) :		
Long Term (Unquoted) :		
Trade :		
a) In fully Trade paid up 8.5% of Tax Free R.B.I., Power Bonds :		
12 Bonds of Rs. 1,65,000/- each.		
(14 Bonds of Rs. 1,65,000/- each)	19.80	23.10
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 Credit 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
<b>Total</b>	<b>27.80</b>	<b>31.10</b>

**EASTERN COALFIELDS LIMITED**  
**SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 2010**  
**SCHEDULE - G**  
**INVENTORIES**

	AS AT 31ST MARCH 2010 (RS. IN LAKHS)	AS AT 31ST MARCH 2009 (RS. IN LAKHS)
I) Stock of Stores & Spares	16251.86	15298.32
Less : Provision	<u>4171.38</u>	<u>4211.19</u>
	12080.48	11087.13
Add :		
In transit / under Inspection	34.81	208.40
Stock Adjustment	<u>37.23</u>	<u>58.21</u>
	————— 12152.52	————— 11353.74
II) Stock of Coal	32237.04	19964.52
Less : Prov. for deterioration of coal value	<u>169.24</u> 32067.80	<u>232.28</u> 19732.24
III) Workshop Job :		
a) Finished Goods	312.31	353.72
b) Work-in-Progress	<u>822.59</u>	<u>960.59</u>
	1134.90	1314.31
Less : Provision	<u>18.71</u>	<u>16.88</u>
	————— 1116.19	————— 1297.43
<b>Total :</b>	<b>45336.51</b>	<b>32383.41</b>

**EASTERN COALFIELDS LIMITED**  
**SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 2010**  
**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	2943	25181.49	472	4260.67	2471	20920.82
Add : Seized Coal / Adjustment	2	29.65	--	25.73	2	3.92
	2945	25211.14	472	4286.40	2473	20927.74
2. Production for the year	30058	543452.67			30058	543452.67
3. Sub total of (1 + 2)	33003	568663.81	472	4286.40	32531	564377.41
4. Less: Offtake for the year						
(A) Outside despatch	28827	522777.76			28827	522777.76
(B) Internal Consumption	3	33.14			3	33.14
(C) Consumption for Boiler and domestic	394	7853.84			394	7853.84
Total (4)	29224	530664.74	--	--	29224	530664.74
5. Derived Stock (3-4)	3779	37999.07	472	4286.40	3307	33712.67
6. Measured Stock	3682	36562.24	472	4286.40	3210	32275.84
7. Differences (5-6)	97	1436.83	--	--	97	1436.83
8. (A) Excess within 5%	2	7.47	--	--	2	7.47
(B) Shortage within 5%	76	930.99	--	--	76	930.99
(C) Excess beyond 5%	0	0.00	--	--	0	0.00
(D) Shortage beyond 5%	23	513.31	--	--	23	513.31
9. Closing Stock adopted in Accounts	3756	37485.76	472	4286.40	3284	33199.36
			Qty. (000)	Value (Rs. in lakhs)		
Stock as per Books.			3779	37999.07		
Less: Net Shortage of more than 5% accounted for in the Accounts but not adjusted from Book Stock pending writing off.			23	513.31		
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	4286.40		
Less : Charges for rehandling of pithead stock.			--	964.15		
Less : Provision made in accounts to take care of future deterioration in Coal Stock.			--	169.24		
Add : Coal Tar			--	1.83		
Stock as per Accounts after all provisions.(Schedule : G)			3284	32067.80		
Less : Seized Coal			2	57.97		
Stock as per Accounts after all provision ( Schedule - 3 )			3282	32009.83		

**EASTERN COALFIELDS LIMITED**  
**SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 2010**  
**SCHEDULE - H**  
**SUNDRY DEBTORS**

	AS AT 31ST MARCH 2010 (RS. IN LAKHS)		AS AT 31ST MARCH 2009 (RS. IN LAKHS)	
Debts Outstanding for a period exceeding six months	13915.33		20784.33	
Less Provision	<u>8434.72</u>	5480.61	<u>15305.53</u>	5478.80
Other debts	70170.30		29848.84	
Less Provision	<u>971.74</u>	69198.56	<u>1516.70</u>	28332.14
<b>TOTAL :</b>	<b>74679.17</b>		<b>33810.94</b>	
<b>CLASSIFICATION (Unsecured) :</b>				
i) Considered Good.	74679.17		33810.94	
ii) Considered Doubtful	9406.46		16822.23	
	<b>84085.63</b>		<b>50633.17</b>	

	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	91.19	111.88	91.19	91.19
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, 2010**  
**SCHEDULE - I**  
**CASH AND BANK**

	AS AT 31ST MARCH 2010 ( RS. IN LAKHS )	AS AT 31ST MARCH 2009 ( RS. IN LAKHS )
Cash in hand	184.19	149.32
Cheques and Drafts in hand	3424.20	939.80
Remittance in transit	1795.27	116.85
With Scheduled Banks :		
On Current Account	32513.75	15816.68
On Term Deposit Account	56870.73	51875.19
With R.B.I. for exchange of Soiled Notes	0.67	0.67
Less : Provision for Soiled Notes	<u>0.67</u> 0.00	<u>0.67</u> 0.00
<b>Total</b>	<b>94788.14</b>	<b>68897.84</b>

**EASTERN COALFIELDS LIMITED**  
**SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 2010**  
**SCHEDULE - J**  
**OTHER CURRENT ASSETS**

	AS AT 31ST MARCH 2010 (RS. IN LAKHS)	AS AT 31ST MARCH 2009 (RS. IN LAKHS)
1. Claims Receivable :		
i) Railway	52.79	42.70
ii) Insurance	13.04	13.04
iii) Others	267.44	303.33
Sub-Total	<u>          </u> 333.27	<u>          </u> 359.07
2. Other Receivables :		
i) Employees	160.25	193.10
ii) Others.	75.45	84.91
Sub-Total	<u>          </u> 235.70	<u>          </u> 278.01
3. Interest Receivable	2865.09	4265.95
	<u>          </u> 3434.06	<u>          </u> 4903.03
Less : Provision	69.17	68.41
<b>Total :</b>	<b>3364.89</b>	<b>4834.62</b>

**EASTERN COALFIELDS LIMITED**  
**SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 2010**  
**SCHEDULE - K**  
**LOANS AND ADVANCES**

	AS AT 31ST MARCH 2010 (RS. IN LAKHS)	AS AT 31ST MARCH 2009 (RS. IN LAKHS)
Advance recoverable in cash or in kind or for value to be received :		
Advance to Suppliers :		
a) For Capital Items	383.43	394.65
b) For Foreign Supplies	49.95	50.36
c) For Other Stores	1559.43	716.41
	----- 1992.81	----- 1161.42
Advance to Contractors :		
a) For Capital Items	270.76	295.09
b) For Others	173.70	229.12
	----- 444.46	----- 524.21
Advances to Employees :		
a) For House Building	64.29	91.62
b) For Others	1065.51	954.68
	----- 1129.80	----- 1046.30
Advances to Others	7.20	8.27
Deposits :		
For P & T, Electricity etc.	1157.64	1188.20
Amount Due from Central/State Govt. :		
a) Subsidy receivable	2707.24	2647.52
b) Electricity	2428.87	2641.75
c) Others	93.21	93.21
	----- 5229.32	----- 5382.48
Current Account Balance - CMPDIL	700.81	
For Value of Stores, Claims and other receivables	209.13	236.13
Sales Tax	2318.45	1986.65
Advance payment of other Statutory dues	42.30	42.64
Advance Fringe Benefit Tax	1514.52	1514.52
Tax deducted at Source	1666.61	1469.85
Prepaid Expenses	54.74	58.24

	AS AT 31ST MARCH 2010 (RS. IN LAKHS)	AS AT 31ST MARCH 2009 (RS. IN LAKHS)
Total	16467.79	14618.91
Less Provision	1786.10	1585.78
<b>Net Advance</b>	<b>14681.69</b>	<b>13033.13</b>
<b>CLASSIFICATION :</b>		
Considered good	14681.69	13033.13
Considered doubtful	1786.10	1585.78
Secured	64.29	91.62
Unsecured	16403.50	14527.29

**EASTERN COALFIELDS LIMITED**  
**SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 2010**  
**SCHEDULE - K (Contd.)**

Amount Due from other subsidiaries of the holding company	Closing Balance		(Rs. in Lakhs) Maximum Amount Due at any time during current Year	
			CURRENT YEAR	PREVIOUS YEAR
	Central Mine Planning & Design Institute Limited	700.81	0.00	700.81
South Eastern Coalfields Limited	0.00	0.00	20.96	
Western Coalfields Limited	0.00	0.00	2.00	
Bharat Coking Coal Limited	0.00	0.00	26.53	
Mahanadi Coalfields Limited	0.00	0.00	9.14	
Northern Coalfields Limited	0.00	0.00	2.51	
Central Coalfields Limited	0.00	0.00	20.05	
<hr/>				
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, 2010**  
**SCHEDULE - L**  
**CURRENT LIABILITIES AND PROVISIONS**

A. CURRENT LIABILITIES :	AS AT 31ST MARCH 2010 (RS. IN LAKHS)		AS AT 31ST MARCH 2009 (RS. IN LAKHS)	
Sundry Creditors Small Scale Industries :				
Capital	0.00		0.00	
Revenue	43.49	43.49	146.31	146.31
Sundry Creditors for Goods :				
Capital	1476.86		1834.52	
Revenue	5545.70	7022.56	6994.33	8828.85
<b>For expenses :</b>				
Employees' remuneration	108920.87		123709.53	
Performance Related Pay (PRP)	5891.00		0.00	
Superannuation Benefit	4731.30		0.00	
Gratuity	16354.91		7661.98	
Leave Encashment	87.51		28.05	
Coal Mines Bonus	3394.23		2356.12	
PPLB/PLRS	8665.77		8010.60	
Power and Fuel	4297.16		2973.78	
Contractual Expenses	8158.09		5321.99	
Repairs	2137.36		1918.19	
Unpaid Wages	4826.48		1247.63	
Others	13185.35	180650.03	9879.30	163107.17
<b>Statutory Dues :</b>				
Royalty	847.40		1027.81	
Cess on Coal	8928.11		1435.49	
Stowing Excise Duty	845.63		856.32	
Deposit Link Insurance	77.56		151.55	
Tax deducted at source (IT) Employees	1715.74		785.97	
Contractors	119.16	12533.60	136.14	4393.28
Life Cover Scheme		621.63		496.56
Provident Fund incl. FPF		4620.25		5586.50
<b>C/A with Subsidiaries and Holding Company</b>				
a) BCCL	0.58		0.58	
b) CIL	194248.42	194248.42	198519.01	198519.59
Customer's Balance		18379.30		20063.19
Cess Equalisation Account		94939.37		91797.42
Employees' Pension contribution		1022.91		1430.40
Other liabilities		16060.49		17652.82
<b>TOTAL :</b>		<b>530142.05</b>		<b>512022.09</b>

**EASTERN COALFIELDS LIMITED**  
**SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 2010**  
**SCHEDULE - L (Contd.)**  
**CURRENT LIABILITIES AND PROVISIONS**

	AS AT 31ST MARCH 2010 (RS. IN LAKHS)	AS AT 31ST MARCH 2009 (RS. IN LAKHS)
<b>B. PROVISIONS FOR :</b>		
Fringe Benefit Tax	985.08	985.08
Actuarial Gratuity	194945.17	186175.81
Actuarial Leave Encashment	26481.90	25632.36
Actuarial LTC / LLTC	1118.62	885.14
Actuarial Life Cover Scheme	1226.00	1238.76
Actuarial Settlement Allowance	56.89	24.81
Actuarial Group Accidental Insurance	16.50	17.26
Actuarial Post Retirement Medical Benefit	65.63	13.84
Actuarial Fatal Mine Accident Benefit	4034.56	3321.95
OBR Adjustment Account	131306.79	114271.64
OCP Reclamation	1899.23	1107.52
Cost of Stowing Lag	1339.41	615.41
<b>Total</b>	<b>363475.78</b>	<b>334289.58</b>

**EASTERN COALFIELDS LIMITED**  
**SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 2010**  
**COST OF REMOVAL OF OVERBURDEN**  
**ANNEXURE TO SCHEDULE - L**

	AS AT 31ST MARCH 2010 (RS. IN LAKHS)	AS AT 31ST MARCH 2009 (RS. IN LAKHS)
Opening Advance Stripping	10440.41	2798.64
Add : Expenditure during the year	51070.37	45266.91
Less : OBR Charged to COAL	49613.22	37625.14
 Closing Advance Stripping (A)	 11897.56	 10440.41
Less : Ratio Variance		
As per Last Account	124712.05	101484.02
Add / Less Written Off	18492.30	23228.03
 TOTAL (B)	 143204.35	 124712.05
 TOTAL (A - B)	 -131306.79	 -114271.64
 Transferred to Liability Schedule (L)	 131306.79	 114271.64

## SCHEDULE - 1

**EASTERN COALFIELDS LIMITED**  
**SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED**  
**31ST MARCH, 2010**  
**SALES**

	FOR THE YEAR ENDED 31ST MARCH 2010 (RS. IN LAKHS)	FOR THE YEAR ENDED 31ST MARCH 2009 (RS. IN LAKHS)
Coal - Quantity ( In Tonne )	28826949	27849603
Gross Sale Value. (A)	628120.55	485573.46
Less : STATUTORY LEVIES :		
(a) Royalty on Coal	15507.45	13964.42
(b) Cess on Coal.	67489.17	69945.93
(c) Stowing Excise Duty.	2882.70	2784.91
(d) Sales Tax :	85879.32	86695.26
i) Central	5634.44	5385.40
ii) VAT (Jharkhand)	237.24	266.42
iii) VAT (W.B.)	13591.79	9486.12
	19463.47	15137.94
Total Lavies (B)	105342.79	101833.20
<b>Net Value (A – B)</b>	<b>522777.76</b>	<b>383740.26</b>

## SCHEDULE - 2

**EASTERN COALFIELDS LIMITED**  
**SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED**  
**31ST MARCH, 2010**

**COAL ISSUED FOR OTHER PURPOSES**

	FOR THE YEAR ENDED 31ST MARCH 2010 (RS. IN LAKHS)	FOR THE YEAR ENDED 31ST MARCH 2009 (RS. IN LAKHS)
<b>Colliery Consumption of Coal per contra :</b>		
a) Boiler consumption.	4938.56	4201.32
b) Workshop etc. consumption.	32.53	35.74
	————— 4971.09	————— 4237.06
Free Issue of Coal to Employees per contra (Schedule 8).	2915.28	2798.57
Coal Issued for Sundry purposes	0.61	16.73
<b>Total :</b>	<b>7886.98</b>	<b>7052.36</b>

## SCHEDULE - 3

**EASTERN COALFIELDS LIMITED**  
**SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED**  
**31ST MARCH, 2010**

**ACCRETION / (DECRETION) IN STOCK**

	FOR THE YEAR ENDED 31ST MARCH 2010 (RS. IN LAKHS)	FOR THE YEAR ENDED 31ST MARCH 2009 (RS. IN LAKHS)
(a) Closing Stock of Coal	33266.45	20986.18
Less : (i) Grade Slippage.	123.23	112.24
(ii) Handling Charges etc.	964.15	958.13
(iii) Prov. for deterioration of Coal Value	<u>169.24</u>	<u>232.28</u>
<b>TOTAL (a)</b>	<b>32009.83</b>	<b>19683.53</b>
(b) Opening 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>
<b>TOTAL (b)</b>	<b>19683.53</b>	<b>20873.52</b>
Accretion (+) / Decretion (-) [ a – b ]	12326.30	-1189.99

**EASTERN COALFIELDS LIMITED**  
**SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED**  
**31ST MARCH, 2010**

**WORKSHOP JOB FOR OWN PURPOSE**

	FOR THE YEAR ENDED 31ST MARCH 2010 (RS. IN LAKHS)	FOR THE YEAR ENDED 31ST MARCH 2009 (RS. IN LAKHS)
(a) Workshop Closing Job :		
i) Finished goods	312.31	353.72
ii) Work-in-Progress	<u>822.59</u>	<u>960.59</u>
	1134.90	1314.31
Less : Provision.	18.71	16.88
Adjustment	<u>0.00</u>	<u>22.07</u>
Total (a) :	1116.19	1319.50
(b) Jobs done for and charged to areas and units (as per contra)	<u>5228.98</u>	<u>4222.18</u>
c) Less : Workshop Opening Job :		
i) Finished goods.	353.72	375.98
ii) Work-in-Progress	<u>960.59</u>	<u>732.34</u>
	1314.31	1108.32
Less : Provision	<u>16.88</u>	<u>17.55</u>
	1297.43	1090.77
<b>TOTAL (a+b-c) :</b>	<b>5047.74</b>	<b>4450.91</b>

## SCHEDULE - 5

**EASTERN COALFIELDS LIMITED**  
**SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED**  
**31ST MARCH, 2010**

**OTHER RECEIPTS**

	FOR THE YEAR ENDED 31ST MARCH 2010 (RS. IN LAKHS)	FOR THE YEAR ENDED 31ST MARCH 2009 (RS. IN LAKHS)
Stowing Subsidy	4912.48	5070.29
Revenue from workshop	12.49	11.50
Interest received from :		
a) Investment in Power Bond	1.89	2.17
b) Bank Deposit	3662.04	6023.88
c) Others	<u>33.03</u>	<u>48.68</u>
Discount Received	8.15	10.34
Rent Received from outsiders	25.39	28.80
Lease Rent	350.00	350.00
Recovery of transportation & loading cost	6992.85	6269.15
Profit on sale of Surveyed Off P&M	0.00	0.35
Tender Fees	51.60	53.39
Sale of Scrap	102.00	55.05
Liquidated Damage.	370.52	402.81
Penalty	110.36	99.55
OCP Reclamation	0.00	86.97
Liability Written Back	785.04	355.10
Arrear Salary writeen back	13057.67	0.00
Excess amount received over exploration		
Cost for transfer of Block	1712.35	0.00
Others	2687.67	1909.12
<b>TOTAL :</b>	<b>34875.53</b>	<b>20777.15</b>

**EASTERN COALFIELDS LIMITED**  
**SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED**  
**31ST MARCH, 2010**

**CONSUMPTION OF STORES**

	FOR THE YEAR ENDED 31ST MARCH 2010 (RS. IN LAKHS)	FOR THE YEAR ENDED 31ST MARCH 2009 (RS. IN LAKHS)
Explosives	6793.71	6069.98
Timber	551.00	549.23
POL	14946.30	15176.28
Consumable Stores & Spares :		
HEMM	12751.07	11126.73
Others	14089.59	13782.46
Sub Total :	49131.67	46704.68
Less : Transferred to :		
a) Social Overhead	24.84	22.15
b) Miscellaneous	10.82	20.25
c) Power & Fuel	0.28	1.36
	35.94	43.76
<b>Total</b>	<b>49095.73</b>	<b>46660.92</b>
Indigenous	48129.75	46348.39
Imported	965.98	312.53

## SCHEDULE - 7

**EASTERN COALFIELDS LIMITED**  
**SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED**  
**31ST MARCH, 2010**

**EMPLOYEES REMUNERATION AND BENEFITS**

	FOR THE YEAR ENDED 31ST MARCH 2010 (RS. IN LAKHS)	FOR THE YEAR ENDED 31ST MARCH 2009 (RS. IN LAKHS)
Salaries & Wages	221670.47	171631.12
Pay Revision - NCWA - VIII / Executives	0.00	44105.42
Performance Related Pay (PRP)	2997.00	0.00
Superannuation Benefit	1744.33	0.00
Overtime		
a) Normal	3117.59	2173.40
b) Sunday Production	9726.78	6016.70
c) Sunday Maintenance	6658.63	5246.31
	<u>19503.00</u>	<u>13436.41</u>
Incentive	41.35	41.14
Leave Encashment	5674.82	16594.69
Fall Back Wages	365.65	292.76
Contribution to PF (As per Annex.I)	30365.76	24494.90
C.M. Bonus	13557.03	9189.13
Perquisite Tax Paid by Co.	0.00	1020.06
Exgratia		
a) PPLB -Non- executive	9012.32	9108.05
b) PPLR- Executive	0.00	457.34
	<u>9012.32</u>	<u>9565.39</u>
LTC / LLTC	2519.40	3707.29
Gratuity	34645.05	88475.72
Workmen Compensation	128.78	86.53
Deposit Link Insurance	0.00	59.93
Life Cover Scheme	445.35	706.69
Fatal Mine Accident Benefit	712.61	3321.95
Voluntary Retirement Scheme	1924.43	1771.21
Other Allowances	1651.84	1005.97
Sub- Total :	346959.19	389506.31
Less : Transferred to :		
a) Social overhead	10501.65	9104.86
b) Power & Fuel	<u>22.99</u>	<u>26.48</u>
	10524.64	9131.34
<b>Total :</b>	<b>336434.55</b>	<b>380374.97</b>

**EASTERN COALFIELDS LIMITED**  
**SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED**  
**31ST MARCH, 2010**

**CONTRIBUTION TO PROVIDENT AND OTHER FUNDS**

	FOR THE YEAR ENDED 31ST MARCH 2010 (RS. IN LAKHS)	FOR THE YEAR ENDED 31ST MARCH 2009 (RS. IN LAKHS)
Coal Mines Provident Fund	27948.43	22371.89
Coal Mines Family Pension Fund	2417.33	2123.01
<b>Total :</b>	<b>30365.76</b>	<b>24494.90</b>

## SCHEDULE - 8

**EASTERN COALFIELDS LIMITED**  
**SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED**  
**31ST MARCH, 2010**

**SOCIAL OVERHEAD**

	FOR THE YEAR ENDED 31ST MARCH 2010 (RS. IN LAKHS)	FOR THE YEAR ENDED 31ST MARCH 2009 (RS. IN LAKHS)
Salary, Wages and Allowances (From Schedule-7)	10501.65	7958.04
Pay Revision - NCWA - VIII / Executive (From Schedule-7)	0.00	1146.82
Free issue of Coal to Employees.	2915.28	2798.57
Medical Facilities:		
a) Medical Reimbursement		
i) Within the Company	1142.23	1031.79
ii) Outside the Company.	686.87	492.70
b) Medicine.	376.01	372.77
c) Diet Expenses.	79.03	81.76
	2284.14	1979.02
Post Retirement Medical Benefit Grants to :	52.07	13.84
a) Schools & Institutions.	495.13	304.30
b) Sports, Recreation.	55.72	44.20
	550.85	348.50
Canteen Upkeep.	7.00	7.05
Creche Expenses.	0.00	0.00
House Rent.	2539.81	2033.84
Power (From Schedule - 9)	7490.28	7566.69
Repair and Maintenance :		
a) Township	2676.90	2403.02
b) Other Welfare Bulidings.	164.45	134.33
c) Plant & Machinery.	35.98	22.22
d) Others.	85.14	76.46
	2962.47	2636.03
Maintenance of Vehicles :		
a) Petrol & Diesel	449.36	394.74
b) Repairs (From Schedule - 10)	46.60	32.32
c) Road Tax	5.33	7.01
d) Insurance	7.78	6.06
	509.07	440.13

	FOR THE YEAR ENDED 31ST MARCH 2010 (RS. IN LAKHS)		FOR THE YEAR ENDED 31ST MARCH 2009 (RS. IN LAKHS)	
Consumption of Stores & Spares (from Schedule - 6)		24.84		22.15
Training Expenses :				
a) Within Company	11.85		25.61	
b) Outside Company.	178.81		141.14	
		190.66		166.75
Depreciation		612.05		630.18
Community Development		249.32		232.36
Environmental Expenditure :				
a) Tree Plantation	54.97		60.80	
b) Others.	227.80		119.26	
		282.77		180.06
Family Planning Expenses		1.97		10.30
Uniform and / or Sticking Charges		54.79		40.23
Hiring charges of bus/Ambulance/School Bus		428.87		485.76
Other Benefits.		1254.90		1178.97
Sub Total :		32912.79		29875.29
Less : Recoveries :				
a) House Rent	45.46		46.65	
b) Electricity	216.07		149.96	
c) Hospital Charges	37.10		26.02	
d) Hire Charges	0.92		6.12	
e) School Bus	57.49		37.60	
f) Others	0.78	357.82	1.24	267.59
<b>TOTAL:</b>		<b>32554.97</b>		<b>29607.70</b>

## SCHEDULE - 9

**EASTERN COALFIELDS LIMITED**  
**SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED**  
**31ST MARCH, 2010**

**POWER AND FUEL**

	FOR THE YEAR ENDED 31ST MARCH 2010 (RS. IN LAKHS)	FOR THE YEAR ENDED 31ST MARCH 2009 (RS. IN LAKHS)
Purchased	37943.89	33453.85
Power Generation :		
Salaries, Wages & Allowances (From Schedule - 7)	22.99	26.48
Consumption of Stores (From Schedule - 6)	0.28	1.36
Depreciation.	2.16	10.28
	25.43	38.12
<b>Sub Total :</b>	37969.32	33491.97
Less : Transferred to :		
a) Social Overhead.	7490.28	7566.69
<b>Total :</b>	<b>30479.04</b>	<b>25925.28</b>

**EASTERN COALFIELDS LIMITED**  
**SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED**  
**31ST MARCH, 2010**

**REPAIRS**

	FOR THE YEAR ENDED 31ST MARCH 2010 (RS. IN LAKHS)	FOR THE YEAR ENDED 31ST MARCH 2009 (RS. IN LAKHS)
Factory & Office Building	203.53	176.59
Plant & Machinery :		
a) Outside Agency	5271.33	4982.67
b) Workshop Debit (Gross)	5228.98	4222.18
	<u>10500.31</u>	<u>9204.85</u>
Major Repairs of Equipments	99.69	0.00
Office Equipment & Furniture	26.45	22.38
Vehicles.	146.29	187.16
Others.	194.09	174.10
	<u>11170.36</u>	<u>9765.08</u>
Less : Transfer to :		
Social Overhead.	46.60	32.32
Miscellaneous expenses	37.79	38.93
Stock of Stores (Outof W/Shop Debit)	2695.82	2440.93
P & M (Out of W/Shop Debit)	<u>108.60</u>	<u>157.89</u>
	2888.81	2670.07
<b>Total :</b>	<b>8281.55</b>	<b>7095.01</b>

## SCHEDULE - 11

**EASTERN COALFIELDS LIMITED**  
**SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED**  
**31ST MARCH, 2010**

**CONTRACTUAL EXPENSES**

	FOR THE YEAR ENDED 31ST MARCH 2010 (RS. IN LAKHS)	FOR THE YEAR ENDED 31ST MARCH 2009 (RS. IN LAKHS)
Transport Charges :		
Sand	3555.03	3579.01
Coal & Coke	12108.91	9758.54
Stores	93.16	84.35
Others	1161.34	1142.88
Other Contractual Works.	17281.79	10922.40
<b>Total :</b>	<b>34200.23</b>	<b>25487.18</b>

**EASTERN COALFIELDS LIMITED**  
**SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED**  
**31ST MARCH, 2010**

**MISCELLANEOUS EXPENSES**

	FOR THE YEAR ENDED 31ST MARCH 2010 (RS. IN LAKHS)	FOR THE YEAR ENDED 31ST MARCH 2009 (RS. IN LAKHS)
Travelling :		
a) In Country	852.00	635.36
b) Outside Country.	11.79	36.08
	<u>          </u>	<u>          </u>
	863.79	671.44
Printing & Stationery	245.85	250.05
Postage.	15.70	13.77
Telephone.	78.06	89.21
Advertisement & Publicity :		
I) Advertisement for :		
a) Tender.	103.28	120.80
b) Others.	1.51	0.89
II) Publicity.	0.13	0.00
	<u>          </u>	<u>          </u>
	104.92	121.69
Freight Charges	4.97	25.53
Demurrage	268.80	728.18
Donation.	2.88	19.17
Security Expense.	5465.20	3304.24
Hire Charges :		
a) Computer	267.14	299.91
b) Cars & Jeeps	512.94	509.95
c) Others	240.27	279.07
	<u>          </u>	<u>          </u>
	1020.35	1088.93
Maintenance of Cars & Jeeps :		
i) Petrol & Diesel	583.59	473.49
ii) Repairs (From Schedule -10)	37.79	38.93
iii) Stores and spares (From Schedule -6)	10.82	20.25
iv) Road Tax.	55.03	53.44
v) Insurance	9.04	13.10
	<u>          </u>	<u>          </u>
	696.27	599.21

	FOR THE YEAR ENDED 31ST MARCH 2010 (RS. IN LAKHS)		FOR THE YEAR ENDED 31ST MARCH 2009 (RS. IN LAKHS)	
Legal Expenses		76.35		109.55
Bank Charges		37.13		61.47
Consultancy Charges		153.49		226.56
Maintenance Service		2082.01		2796.84
Office Contingent		81.36		79.17
Underloading / Overloading Charges		970.38		2321.06
Loss on Sale/Discard of Assets.		2.82		35.10
Auditors Remuneration :				
As Auditor	11.66		9.72	
Travelling & out of Pocket Expenses	4.76		4.78	
		<u>16.42</u>	<u>14.50</u>	
Audit Fees on other capacity		1.45		1.47
Internal Audit Fees .		15.27		15.04
Royalty & Cess		172.67		184.46
Rates & Taxes		110.32		176.24
Service Tax (Others)		765.61		454.44
Rent		4.99		16.38
Surface Rent		8.20		0.59
Dead Rent		67.19		18.53
Insurance		4.22		5.92
Compensation :				
a) Land /Crops	11.25		15.66	
b) Others	5.65	16.90	6.27	21.93
OCP Reclamation		<u>791.71</u>	<u>0.00</u>	
Cost of Stowing Lag		724.00		108.60
Others		1146.84		1291.83
<b>TOTAL :</b>		<b>16016.12</b>		<b>14851.10</b>

**EASTERN COALFIELDS LIMITED**  
**SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED**  
**31ST MARCH, 2010**

**OVERBURDEN REMOVAL ADJUSTMENT**

	FOR THE YEAR ENDED 31ST MARCH 2010 (RS. IN LAKHS)	FOR THE YEAR ENDED 31ST MARCH 2009 (RS. IN LAKHS)
Expenditure charged to Coal	49613.22	37625.14
Add/Less : Ratio Variance	18492.30	23228.03
Less : Expenditure during the year	51070.37	45266.91
<b>Total :</b>	<b>17035.15</b>	<b>15586.26</b>

**EASTERN COALFIELDS LIMITED**                      **SCHEDULE - 14**  
**SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED**  
**31ST MARCH, 2010**  
**INTEREST**

	FOR THE YEAR ENDED 31ST MARCH 2010 (RS. IN LAKHS)	FOR THE YEAR ENDED 31ST MARCH 2009 (RS. IN LAKHS)
On Others.	1.06	7.30
<b>Total :</b>	<b>1.06</b>	<b>7.30</b>

**EASTERN COALFIELDS LIMITED**  
**SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED**  
**31ST MARCH, 2010**                      **SCHEDULE - 15**  
**PROVISIONS / WRITE-OFF**

	FOR THE YEAR ENDED 31ST MARCH 2010 (RS. IN LAKHS)	FOR THE YEAR ENDED 31ST MARCH 2009 (RS. IN LAKHS)
a) Provision for :		
Doubtful Debts	2387.53	3505.71
Doubtful Advances	209.13	48.44
Loss/Obsolescence of Stores.	10.52	214.55
Loss of Assets.	144.71	32.50
Other Current Assets	0.76	12.26
Sub - Total :	2752.65	3813.46
Less : Provision written back for :		
Debtors	3820.39	1639.80
Advance	8.81	327.36
Stores	50.33	52.34
Loss of Assets	228.22	48.86
Other Current Assets	<u>0.00</u>	<u>2.08</u>
	4107.75	2070.44
<b>Total :</b>	<b>(a)     -1355.10</b>	<b>1743.02</b>
b) Write-Off of :		
Bad Debts	196.31	275.84
Bank Balance (Inoperative)	0.12	0.61
	196.43	276.45
<b>Total</b>	<b>(b)     196.43</b>	<b>276.45</b>

**EASTERN COALFIELDS LIMITED**  
**SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED**  
**31ST MARCH, 2010**

**PRIOR PERIOD ADJUSTMENTS**

	FOR THE YEAR ENDED 31ST MARCH 2010 (RS. IN LAKHS)	FOR THE YEAR ENDED 31ST MARCH 2009 (RS. IN LAKHS)
<b><u>DEBIT :</u></b>		
PPLB / PPLR	17.05	0.00
Consumption of Stores & Spares	17.93	-113.85
Repairs - Others	57.59	5.62
Workmen & Staff Welfare Expenses	0.00	44.31
Contractual Expenses	2.15	25.20
Miscellaneous Expenses	51.76	9.95
Depreciation	21.87	343.00
<b>Total Debit</b>	<b>168.35</b>	<b>314.23</b>
<b><u>CREDIT :</u></b>		
Salary, Wages & Allowance	0.00	10.38
a) Contribution to P.F.	5.77	29.36
b) Pension & Gratuity	<u>0.00</u>	<u>5.78</u>
	5.77	45.52
Other Receipt	0.20	-9.61
<b>Total Credit</b>	<b>5.97</b>	<b>35.91</b>
<b>Net Credit (+) / Debit (-)</b>	<b>-162.38</b>	<b>-278.32</b>

**SCHEDULE - 17****SIGNIFICANT ACCOUNTING POLICIES :****1.0 ACCOUNTING CONVENTION****BASIS OF PREPARATION OF FINANCIAL STATEMENTS :**

- 1.1: The Financial statements are prepared under the historical cost convention on the basis of going concern and in accordance with Accounting Standard notified by the Companies (Accounting Standards) Rules, 2006 issued by the Central Government in consultation with the National Advisory Committee on Accounting Standard and relevant provisions of the Companies Act, 1956.

**USE OF ESTIMATES :**

- 1.2: In preparing the financial statements in conformity with Accounting Principles generally accepted in India, Management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liability as at the date of financial statement and the amount of revenue and expenses during the reported period. Actual results could differ from those estimates. Any revision to such estimate is recognised in the period the same is determined.

**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.

**3.0: FIXED ASSETS :**

- 3.1: **Land:** Value of Land includes cost of acquisition, cash rehabilitation expenses and re-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 Railway 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 is 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 un-consumed 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 :-

<b><u>Particulars of the Asset.</u></b>	<b><u>Rate of Depreciation.</u></b>
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%
Hydraulic Shovels > 5.0 to 10.0 cu.m.	11.88%
B.H. Drill < 160 mm	13.57%
SDL	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. Value of leasehold land is amortised on the basis of lease period or balance life of the Project, whichever is earlier.

- 7.3: "Prospecting, Boring and 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.

**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 AS-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 for reclamation of land 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 AS 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 other 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 acquired under Coal Bearing Acquisition Act, 1957, L.A. Act and direct purchase of tenancy land are classified as free hold land and acquisition of other land like inherited land on nationalisation, direct transfer of govt. land and forest land are classified as lease hold land.
- 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 Nationalization 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. 7401.59 Lakhs (Rs. 7367.46 lakh) as appearing in Capital Work in Progress (Sch. E) includes provision of Rs. 1413.17 Lakhs (Rs. 1485.95 lakhs) equivalent to the rate of depreciation for plant not put to use and incomplete civil works held for more than 3 years.
- 3.2: Full provision amounting to Rs. 183.76 lakhs (Rs. 459.34 lakhs) on the value of discarded/ surveyed off assets has been made.

**4.0: INVESTMENT :**

During the year 2009-10, 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. 4171.38 lakhs (Rs. 4211.19 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. 2773.30 lakhs (Rs. 2813.11 lakhs) for non moving stores & spares.

Provision of Rs. 18.71 lakhs (Rs. 16.88 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 31.03.2010 are in progress and shown as Stock Adjustment under Inventories amounting to Rs. 37.23 lakhs (Rs. 58.21 lakhs).
- 5.3: Closing stock of coal has been physically verified by the teams deputed by Coal India Limited (Holding Company). The shortage/surplus found on physical verification of coal stock within (+)/(-) 5% over book stock(mine/colliery-wise), is ignored pursuant to Accounting Policy (refer para 6.1 of Schedule 17). As a result, net shortage within (+)/(-) 5% over book stock (mine/colliery-wise) weighing 0.74 lakh tonnes valued at Rs. 923.52 lakhs remained un-adjusted in the Books of Accounts.
- 5.4: The following shortages of coal exceeding (+)/(-) 5% and corresponding value have been noticed during the year as per coal measurement report conducted by teams deputed by Coal India Ltd.

<b>Area</b>	<b>Shotage in quantity (M.T.)</b>	<b>Value Rs. in Lakhs</b>
Kenda	17476	327.09
Salanpur	912	16.83
Sripur	4475	163.17
Mugma	478	6.22
<b>Total</b>	<b>23341</b>	<b>513.31</b>

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

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

#### 6.0 : SUNDRY DEBTORS :

6.1 : An amount of Rs. 5307.06 lakhs (Rs. 6153.53 lakhs) for grade slippage including levies has been adjusted after reconciliation, settlement and issuing credit notes to the parties during the year. Besides the above, further provision of Rs. 709.60 lakhs has been made as doubtful recovery towards incentive receivable under fuel supply agreement from various power sectors on achieving dispatch target. The details of provision is under :-

(Rs. in lakhs)

Particulars.	2009-10	2008-09
Opening provision	16822.23	18041.58
Less : Settled/written off/adjusted against opening debtors.	5982.91	3085.26
Less : Written back from opening provision	3820.39	1639.80
Add: New provision during the year.	2387.53	3505.71
Closing Balance	9406.46	16822.23

6.2 : As per practice, no provision of Sundry Debtors is made on unsettled amount of Debtors at the initial years. In the 2<sup>nd</sup> year provision is made upto 50% amount of unsettled amount of debtors, and the rest is provided in 3<sup>rd</sup> year if remains unsettled. Further, no provision is made on vendible stock except deterioration of old stock due to fire, theft, etc.

6.3 : An amount of Rs. 92.45 lakhs is included in Sundry debtors representing receivables in various Areas Accounts which are quite old. Pending collection of party-wise details, full provision exists in the Accounts against the said receivables.

#### 7.0: LOANS AND ADVANCES :

7.1: Year end provision of Rs. 1786.10 lakhs (Rs.1585.78 lakhs) represent net un-reconciled advance to suppliers, contractors, employees with the corresponding liabilities appearing in the account.

- 7.2: Reconciliation regarding transactions with other subsidiaries of CIL has been made up to cut off date of 05.04.2010 and confirmed balances have been transferred to CIL as on 31.03.10 . Acceptance of any subsequent advice relating to the period ending 31<sup>st</sup> March 2010 are accounted for subject to the confirmation by the respective subsidiaries.
- 7.3: The net debit balance in Sales Tax of Rs. 2318.45 Lakhs (Rs. 1986.65 lakhs) shown under the head “ Loans and Advances”, consisting of advance payment of Rs. 2608.97 Lakhs and liabilities of Rs. 290.52 lakhs and 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. 1666.61 lakhs (Rs.1469.85 lakhs) shown under the head Loans and Advances represent income tax deducted for several years awaiting refund. In the assessment order for A.Y. 1993-94, a credit of Rs. 352.17 lakhs has been given by the Assessing Officer against which a demand of Rs. 275.23 lakhs pertaining to A.Y. 1993-94 was deducted by way of adjustment as income tax following assessment/appeal and against which order, an appeal by the Company is pending before Income Tax Appellate Tribunal, Kolkata.
- 7.5 : On behalf of Coal India Ltd., an advance of Rs. 500 lakhs has been paid to Asansol Durgapur Development Authority by the Company during the year towards initiation of Demographic Survey, Land Acquisition process etc. for implementation of Master Plan dealing with fire, subsidence and rehabilitation of Raniganj Coalfields.

#### **8.00: 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.

**9.00: UNSECURED LOAN**

9.1 Exchange Fluctuation credit of Rs. 1926.06 Lakhs (debit Rs. 3733.94 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.****CURRENT LIABILITIES :**

- 10.1 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 as on 1<sup>st</sup> April of each year and realization made from customers on the value of despatches of coal, there remains a balance accumulating to Rs. 94939.37 lakhs (Rs. 91797.42 lakhs), which has been shown in Cess Equalisation Account under Current Liabilities & Provision. There is an additional demand of Rs. 32258 lakhs (Rs. 26003 lakhs) arising out of the assessment made upto 2002-03 which has been shown as contingent liability.
- 10.2: The following amounts received by the company, have been shown in Other Liabilities under Current Liabilities and Provisions Schedule.
- a) Rs. 158.81 Lakhs (Rs. 158.81 lakhs) for allotment of Jitpur Block to Jindal Power Ltd.
  - b) Rs. 102.43 Lakhs (Rs. 102.43 lakhs) as Govt. grant for Short Wall Project at Sodepur.
  - c) Rs. 2672.63 Lakhs (Rs. 2739.11 lakhs) for Coalfields Rehabilitation Subsidence, fire etc. under Environmental Measures and Subsidence Control Scheme (EMSC) from Govt. of India.
- 10.3 : Wages remaining unpaid for more than 7 years are identified and deposited to a separate current account with State Bank of India, Sanctoria.
- 10.4: Pending identification of the suppliers as Micro, Small & Medium, as per MSMED Act, disclosures required under this Act has not been made nor interest liabilities, if any, provided.

**B. PROVISIONS:**

10.5: The year end provision towards gratuity, leave encashment, Gross Personal Accident Insurance, LTALTC, 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 LIC1 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%
Return on Assets	Not-funded
Remaining working life	13 years
Formula used	Projected Unit Credit Method

10.6: The year end provision has been arrived on fair estimate for determining the cost incurred for stowing of sand in the total lag of 441912 cu.m. (432111cu.m.) identified on coal production in UG mines during 2009-10.

10.7: The year end provision has been arrived on fair estimate for determining the value of reclaimable area of 743.19 hec. (738.32 hec.) as on 31.03.2010 in respect of all OC mines.

10.8: During the year the company has made ad-hoc provision for Rs. 5891 lakhs as Performance Related Pay as per advice of Coal India Ltd.,

**11.0 : PROFIT AND LOSS ACCOUNT :**

11.1: Sale is net of deduction for grade slippage etc. Sales for the year have been reduced by Rs. 5118.95 Lakhs (Rs. 5932.05 lakhs) due to credit notes issued to the parties for the grade slippage. Sale includes Rs. 7095.96 Lakhs (NIL) as incentive under fuel supply agreement with various power sectors for achieving despatch target.

11.2 : On revision of sale price with effect from 16<sup>th</sup>. October,2009 an additional impact of Rs. 23749 lakhs has been worked out for sales made during the post revised period.

11.3 : Other receipts- Others includes the following income :-

Recoverable exploration cost of the following coal blocks against which the exploration cost have already been impaired, same have been withdrawn from the Fixed Assets/Capital WIP Schedule.

1) Gourandih ABC Coal Block	Rs. 478.42 lakhs
2) Ardhagram OCP & Barjora (North) Coal Block	Rs. 1233.93 lakhs
Write back of advances received from Customers.	Rs. 525.53 lakhs
Forfeiture of earnest money	Rs. 106.81 lakhs
Write back of excess provision of NCWA VIII and Executives Pay Revision.	Rs. 13057.67 lakhs

11.4: Coal issued to employees (free issue) amounting to Rs. 2915.28 Lakhs (Rs. 2798.57 lakhs) and for internal consumption of Rs. 4971.09 lakhs (Rs. 4237.06 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.

11.5: Subsidy due from appropriate authority for stowing and protective work undertaken during the year has been received for six months amounting to Rs. 2348.65 Lakhs (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.

11.6: Amount spent for Community Development/CSR and for employees welfare activities are shown as "Social Overhead Expenses".

11.7: Interest of Rs. 1.89 Lakhs. (Rs. 2.17 lakhs) has been credited in the accounts on the remaining value of 8.5% Tax free RBI Power Bond of Rs. 23.10 Lakhs (Rs. 26.40 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.

11.8: 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 2009-10 Rs. 212.88 Lakhs (Rs. 608.54 lakhs) has been received and recovery of the balance amount of Rs. 2428.87 Lakhs (Rs. 2641.75 lakhs) are in process.

11.9: No liability is accruing in ECL in respect of Wealth Tax in 2009-10 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.

11.10: No liability is accruing in ECL in respect of payment of Minimum Alternate Tax in terms of provision laid u/s 115JB of Income Tax Act. 1961, as ECL is a sick company and referred to BIFR.

## **12.0: CAPITAL COMMITMENT AND CONTINGENT LIABILITIES :**

12.1: Estimated amount of contract remaining to be executed on Capital Account is Rs. 11914.10 lakhs (Rs. 5911.37 lakhs).

12.2: Claims against the Company not acknowledged as debts.

(Rs. in Lakhs)

	Current year	Previous year
Sales Tax	12525	7805
Royalty & Cess	181219	113224
Others	10682	10608
Total	204426	131637

**13.3: DIRECTORS' REMUNERATION :**

(Rs. in lakhs)

	Current year	Previous year
Salary & Allowances	69.29	28.96
Provident Fund.	6.58	4.85
Perquisites.	3.17	1.19
Retirement benefit.	---	21.40
Perquisite Tax	---	0.69
Total	79.04	57.09

- 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.

13.0 : Licensed Capacity : Not applicable.

13.1 : Installed Capacity (as certified by Management) 285.76 lakh tonnes (293.85 lakh tonnes).

13.2 : Production of Coal of 300.58 lakh tonnes (281.35 lakh tonnes).

**14.0 : COAL :**

	<b>(Quantity in lakh tonnes)</b>		<b>(Rs. in lakhs)</b>	
	<b>Current Year</b>	<b>Previous year</b>	<b>Current Year</b>	<b>Previous Year.</b>
OP.Stock	29.43	31.16	19732.24	20922.23
Adjust / seized coal.	0.02	0.03	29.65	26.58
Sales(*)	288.27	278.50	522777.76	383740.26
Closing Stock (**)	37.56	29.43	32067.80	19732.24

(\*) Does not include coal issued for domestic consumption by Employees and boiler consumption of 3.94 lakh tonnes (4.07 lakh tonnes) and Sundry purpose 0.03 lakh tonnes (0.02 lakh) tonnes .

(\*\*) Net surplus/shortage (-) 0.23 lakh tonnes {(-) 0.52 lakh tonne}.

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

**16.0 : CIF Value of Imports.**

	<b>(Rs. in Lakhs.)</b>	
	<b>Current Year.</b>	<b>Previous Year.</b>
a. Raw Materials	--	--
b. Components, Stores & Spares.	933.40	773.44
c. Capital Goods.	1505.60	379.38

**16.1 : Expenditure in Foreign Currency :**

	<b>(Rs. in Lakhs.)</b>	
	<b>Current Year</b>	<b>Previous Year.</b>
a. Travelling Expenses.	8.39	35.80
b. Expenses on Know - How & Foreign Consultancy.	--	--
c. Pension to the Foreigners.	--	--
d. Others	479.21	453.55

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.	965.98	312.53	1.97	0.67
b. Indigenous	48129.75	46348.39	98.03	99.33

### 18.0 : GENERAL :

- 18.1 : Impairment of assets (Prospecting, Boring & Mine Development) is made when the carrying amount of each mine (Cash Generating Unit) exceeds its recoverable amount, which are being determined on the basis of future Cash Flows of subsequent five years calculated on constant price level.
- 18.2 : An advance payment of Rs.810.27 lakhs has been made towards FBT in 2005-06, against which the return was submitted for Rs.748.77 lakhs as per self assessment/tax audit report and assessment was made accordingly. Subsequently an appeal petition was submitted showing revised liabilities as Rs.393.32 lakhs which is pending with the appropriate authority.
- 18.3 : 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.
- 18.4 : 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.
- 18.5 : Mohanpur OCP having original project capacity of 0.45 MTY was planned to be expanded to a production capacity of 1.0 MTY. As per the project report prepared by CMPDI, the expansion was proposed to be undertaken through partial outsourcing by engaging a contractor for removing the parting between seams and extraction of coal. The project was approved by ECL Board in July, 2008. But due to some unavoidable situation, the

expansion project could not be started as yet. As a result the production achieved is far below 1.0 MTY. Hence no OBR accounting is made for this project.

18.6 : 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.

18.7 : 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 33 million tonne in 2010-11 to 45.22 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 Raniganj 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 to various Power

Sectors has been signed. Besides, as per National Coal Distribution Policy (NCDP), issued by the Ministry of Coal, forward e-auction has been 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. Moreover, from 16<sup>th</sup>. October, 2009 price of coal has been increased by 15%. Considering the sale price increase and MoU sales to various Power Sectors the company has earned a profit of Rs. 33340 lakhs in 2009-10 with a production of 300.58 lakh tones of coal.

Thus, by achieving the production target as envisaged in the above road map and with MoU sales with Power Houses it is expected that the company can make its net worth positive after considering the concession from Coal India Ltd., i.e. conversion of current account balance of Rs. 1532 cr. into equity and waiver of unsecured loan of Rs. 519 cr. in near future and as a result the company will continue its operation.

As such, the Accounts of the Company have been prepared on the basis of Going Concern Concept.

#### **18.8. ACCOUNTING STANDARDS :**

- a) AS-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 AS-17.
- b) AS-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 AS-18 is made, being not applicable for the Company.
- c) AS-19: Leases : The Company in terms of Lease Agreement dated 31<sup>st</sup>. March, 1993 executed with “Dishergarh 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 :-

	Gross value	Depreciation for the year	Depreciation upto 31.3.10	(Rs. in lakhs). Net value
1. Power Plant	4024.00 (4024.00)	16.89 (106.37)	3823.73 (3806.94)	200.27 (217.16)
2. Building	1019.64 (1019.64)	31.25 (31.25)	606.85 (575.60)	412.79 (444.04)
3. Other Assets	772.61 (772.61)	28.13 (28.05)	640.85 (612.72)	131.76 (159.89)

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. 700.00 lakhs and for each of the following period is as under :-

	2009-10	2008-09
1. Not later than one year	350.00	350.00
2. Later than one year and not later than five years.	350.00	700.00
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 2009-10. 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 were 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). AS-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). AS-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 AS-22.

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

g). AS- 28 : Impairment loss of Rs. 951.06 lakhs (Rs. 2095.59 lakhs) on prospecting & boring and other mines development cost including Capital WIP for 2009-10 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.

Details	(Rs. In lakhs)			
	Opening Provision as on 01.04.2009	Provision made during The year	Provision Written back During the Year	Closing provision as on 31.03.2010
Unserviceable/Damaged/ Obsolete Stores	1166.37	—	—	1166.37
Non moving Stores	2813.11	10.52	50.33	2773.30
Loans and Advances	1585.78	209.13	8.81	1786.10
Other Current Assets	68.41	0.76	--	69.17
Stowing Lag	615.41	724.00	--	1339.41
Reclamation of land	1107.52	791.71	--	1899.23
Actuarial provision for Gratuity	186175.81	8769.36	---	194945.17
Actuarial provision for Leave encashment	25632.36	849.54	---	26481.90
Actuarial provision for LTC/ LLTC	885.14	233.48	--	1118.62
Actuarial provision for Life Cover Scheme	1238.76	--	12.76	1226.00
Actuarial provision for Settlement Allowances	24.81	32.08	---	56.89
Actuarial Provision for Fatal Mine Accident Benefit	3321.95	712.61	---	4034.56
Actuarial Provision for Gross Personal Accident Policy.	17.26	---	0.76	16.50
Actuarial Provision for Post Retirement Medical benefit	13.84	51.79	--	65.63
<b>Total</b>	<b>224666.53</b>	<b>12384.98</b>	<b>72.66</b>	<b>236978.85</b>

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

19.0: 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 :

<b>I) REGISTRATION DETAILS</b>	
Registration Number	30295 of 1975
State Code	21
Balance Sheet Date	31.03.2010
<b>II) CAPITAL RAISED DURING THE YEAR</b>	
Public Issue	NIL
Rights Issue	NIL
Bonus Issue	NIL
Private Placement	NIL
<b>III) POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS</b>	
	(Amount in thousand)
Total Liabilities	118201527
Total Assets	118201527
<b>SOURCES OF FUNDS</b>	
Paid up Capital	22184500
Reserves & Surplus	0
Unsecured Loans	6655244
<b>APPLICATION OF FUNDS</b>	
Net Fixed Assets	12573733
Investments	2780
Net Current Assets	-66076743
Accumulated Losses	82339974
<b>IV) PERFORMANCE OF THE COMPANY</b>	
Turnover (Including other Income)	58291431
Total Expenditure	54957441
Profit (+) / Loss (-) before Tax	3333990
Profit (+) / Loss (-) after Tax	3333990
Earning per Share (in Rs.)	150
Dividend Rate (%)	NIL
<b>V) GENERIC NAMES OF PRINCIPAL PRODUCTS / SERVICES OF THE COMPANY AS PER MONETARY TERMS</b>	
Item Code No. (ITC)	270112.00
Product Description	Coal

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

**S. Chakrabarti**  
Chairman -cum-Managing Director

**S. K. Srivastava**  
Director (Personnel)

**M. Viswanathan**  
Company Secretary

**S. Chattopadhyay**  
General Manager (Finance)