

**ANNUAL REPORT & ACCOUNTS
2010-11**



EASTERN COALFIELDS LIMITED

(A Subsidiary of Coal India Limited)

SANCTORIA , P.O. DISHERGARH, DIST. BURDWAN

C O N T E N T S

	Page No.
1. Management/Bankers/Auditors	1
2. Notice of Annual General Meeting	3
3. Directors' Report	4
4. Comments of the Comptroller and Auditor General of India	97
5. Auditors' Report and Management's Reply	98
6. Financial Position	112
7. Balance Sheet as on 31st March, 2011	118
8. Profit & Loss Accounts for the year ended 31st March, 2011	120
9. Cash Flow Statement for the year ended 31st March, 2011	122
10. Schedule to the Balance Sheet	124
11. Schedule to the Profit & Loss Account	141
12. Accounting Policies	159
13. Notes on Accounts	163

MANAGEMENT DURING 2010-11**FUNCTIONAL DIRECTORS :*****Shri S. Chakrabarti***Chairman-cum-Mg. Director
(Upto 31.08.2010)***Shri T.K. Lahiry***Chairman-cum-Mg. Director
(From 01.09.2010 to 23.12.2010)***Shri Rakesh Sinha***Chairman-cum-Mg. Director
(From 23.12.2010)***Shri S.K. Srivastava***

Director (Personnel)

Shri S. Chakravarty

Director (Technical) Opn.

Shri N. Kumar

Director (Technical) P&P

Shri A.K. SoniDirector (Finance)
(From 16.12.2010)**PART-TIME OFFICIAL DIRECTORS :*****Shri P.R. Mandal***Advisor (Projects),
Ministry of Coal. (Upto 31.03.2011)***Shri A.K. Sinha***Director (Finance), CIL
(From 03.05.2010)**NON-OFFICIAL PART-TIME DIRECTORS :*****Shri K.C. Viji***

(Upto 23.08.2010)

Shri P.R. Tripathi

(Upto 23.08.2010)

Shri Ashok Nath

(Upto 23.08.2010)

SPECIAL DIRECTOR APPOINTED BY BIFR :***Shri K.K. Gautam***

(From 24.12.2010)

COMPANY SECRETARY :***Shri M. Viswanathan*****MANAGEMENT AS ON 23rd MAY, 2011****FUNCTIONAL DIRECTORS :*****Shri Rakesh Sinha***

Chairman-cum-Mg. Director

Shri S.K. Srivastava

Director (Personnel)

Shri S. Chakravarty

Director (Technical) Opn.

Shri N. Kumar

Director (Technical) P&P

Shri A.K. Soni

Director (Finance)

PART-TIME OFFICIAL DIRECTORS :***Shri A.K. Sinha***

Director (Finance), Coal India Limited

SPECIAL DIRECTOR APPOINTED BY BIFR :***Shri K.K. Gautam*****COMPANY SECRETARY:*****Shri M. Viswanathan***

BANKERS DURING 2010-11

State Bank of India
United Bank of India

Canara Bank
United Commercial Bank

STATUTORY AUDITOR DURING 2010-11

M/s. Dutta Sarkar & Co., 7A, Kiran Sankar Road, 2nd Floor, Kolkata - 700001

BRANCH AUDITORS DURING 2010-11

M/s. G. Basu & Co.. "BASU HOUSE", Chowringh Approach, Kolkata - 700072.

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

M/s. R. P. Boobna & Co., Karnani Estate, 209, A. J. C. Bose Road, 2nd Floor, Room No. 87,
Kolkata - 700017.

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, Flate No. 22, Magma Apartment,
Kolkata - 700 019.

REGISTERED OFFICE OF THE COMPANY

CMD's Office, Sanctoria, Post - Dishergarh, District - Burdwan, Pin - 713333



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(2011)/8946

May 16, 2011

NOTICE

Notice is hereby given that the Thirty-sixth Annual General Meeting of the Shareholders of Eastern Coalfields Limited will be held on **Monday, the 23rd May, 2011** 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:-

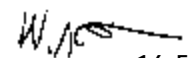
ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 2011 and Profit & Loss Account for the year ended 31st March, 2011 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.

Dated : May 16, 2011

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

By order of the Board


16.5.11

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, have pleasure in presenting the 36th Annual Report on the working of your Company together with audited accounts for the year ended 31st March, 2011, 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) The coal production of the company for the year 2010-11 has registered a growth of 2.48% over previous year.
- b) The OBR of 56.246 M CuM recorded a growth of 13.08% over previous year.
- c) The company achieved off-take of 29.74 Mt during the year with a growth of 0.15% over previous year.
- d) Productivity for the year has been 9.31% higher than the previous year.
- e) Sales Realization for the year has been Rs.7117.65 crores which improved by 20.09% over previous year.
- f) For the consecutive second year the company registered a profit of more than Rs.106.0 crore.

1.0 PRODUCTION :

1.1 Production performance of the Company in 2010-11 against the target as well as compared to last year was as under: -

Particulars	Unit	2010-11			2009-10	Growth Over last year	
		Target	Actual	Achieved (%)	Actual	Abso-lute	%
1. Production :	M.Te.						
i) Raw Coal - UG		8.80	7.372	83.78	8.232	-0.860	-10.44
- OC		24.20	23.432	96.83	21.826	1.606	7.36
Total		33.00	30.804	93.35	30.058	0.746	2.48
ii) Coking Coal :							
- Blendable		0.016	0.007	43.07	0.017	-0.010	-58.52
- Others		0.032	0.039	125.32	0.045	-0.006	-12.84
iii) Non-Coking :		32.953	30.757	93.34	29.996	0.761	2.54
2. O.B. Removal	MCuM	55.00	56.246	102.27	49.741	6.505	13.08

Particulars	Unit	2010-11			2009-10	Growth Over last year	
		Target	Actual	Achieved (%)	Actual	Abso-lute	%
3. Productivity(OMS)	Tonnes						
- Underground		0.54	0.45	83.77	0.47	-0.019	-4.04
- Opencast		8.34	8.14	97.60	7.29	0.855	11.73
- Overall		1.71	1.60	93.43	1.46	0.136	9.31

1.2 CONSTRAINTS :

(Figures in M. Te)

Particulars	As on 31.3.11 Actual	As on 31.3.10 Actual
Loss of Production due to :		
i) Power failure	0.245	0.151
ii) Absenteeism	0.262	0.094
iii) Labour Unrest (Industrial Relations)	0.620	0.237
iv) Others	2.065	1.363
Total	3.192	1.845

1.3 SYSTEM CAPACITY UTILISATION :

(In %)

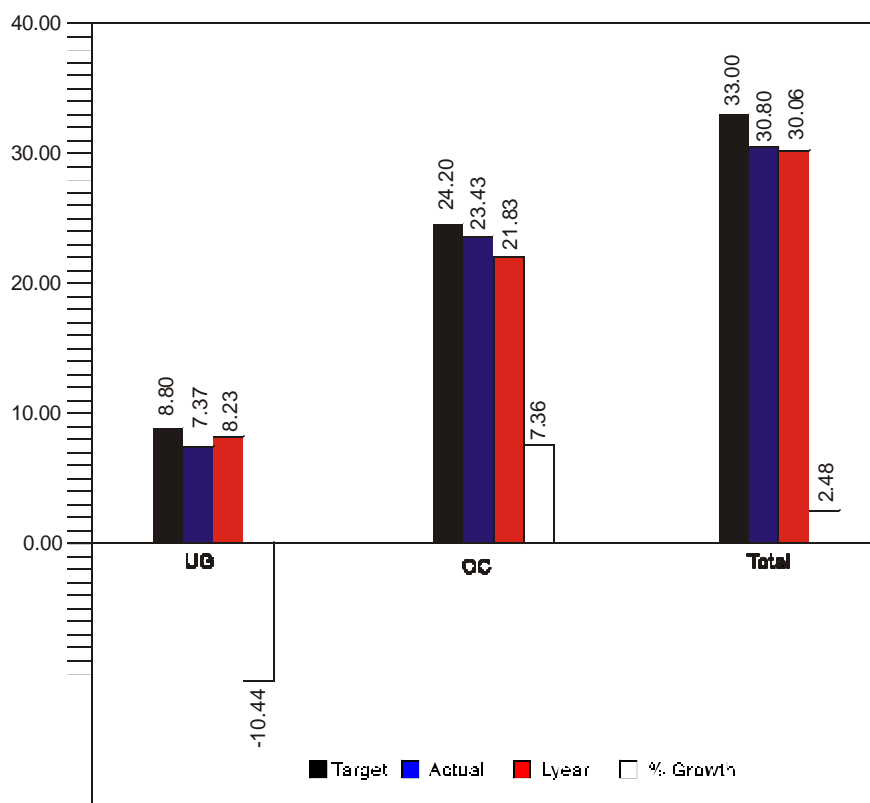
Particulars	2010-11			2009-10	Growth Over last year	
	Target	Actual	Achieved%	Actual	Absolute	%
a) UG	80.71	67.61	83.77	74.86	-7.25	-9.68
b) OC (Dept.)	116.57	60.97	52.30	59.97	1.00	1.67
c) OBR (Dept.)	89.82	85.65	95.36	92.07	-6.42	-6.97
d) OC (Coal+OBR) Dept.	96.79	81.55	84.25	86.75	-5.20	-5.99

2.0 FINANCIAL RESULTS :

- 2.1.** Gross sales turnover for the year ending 31st March'11 was Rs. 7139.32 crore compared to Rs. 6281.21 crore in the previous year resulting in increase of 13.66% turnover over previous year. During the year under review, company had made a profit of Rs. 106.57 crore compared to last year's Profit of Rs. 333.40 crore. Details were as under:

COAL PRODUCTION

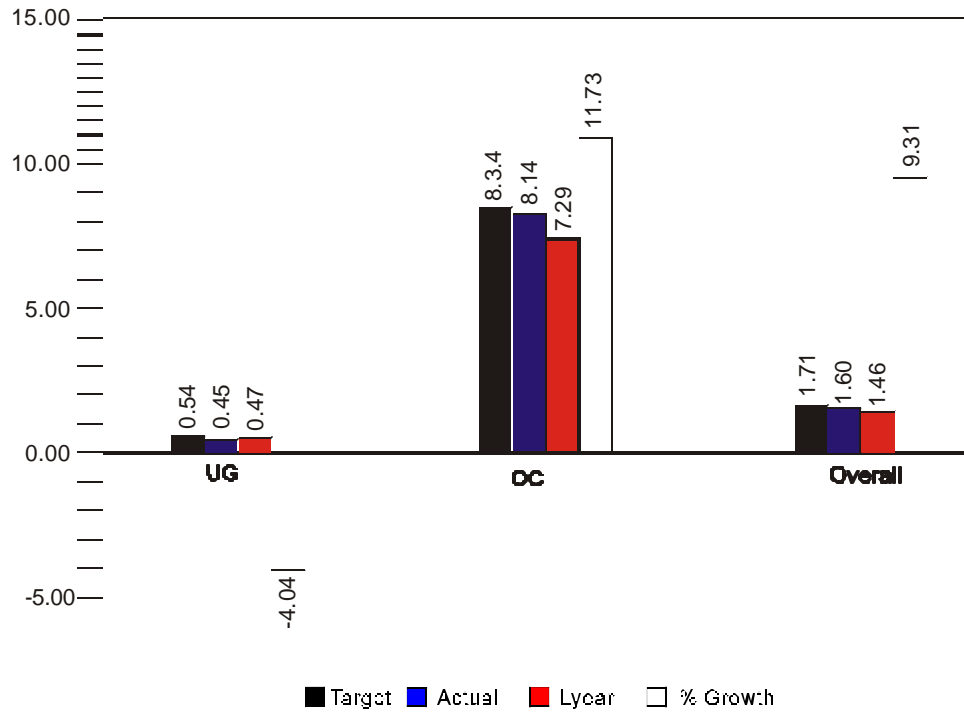
MILLION TONNES



Minister visit at Jhanjra Area on 27-12-2010

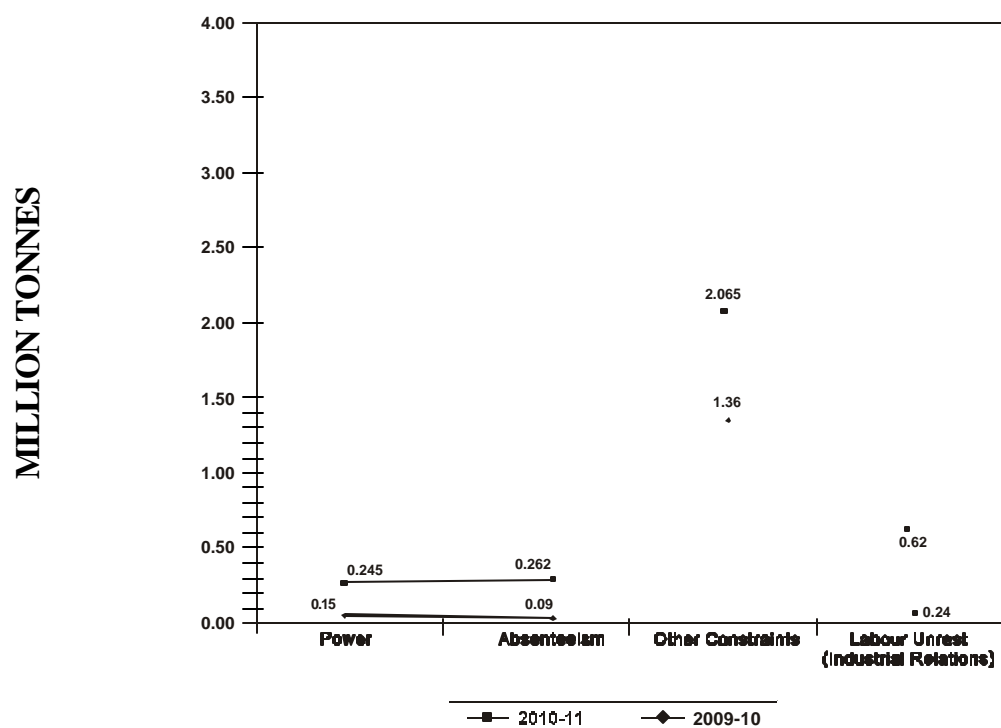
PRODUCTIVITY

TONNES PER MAN SHIFT



Continuous Miner

CAUSE WISE LOSS OF PRODUCTION



Dragline in operation at Sonapur Bazari

(Rs. in Crore)

	2010-11	2009-10
Profit(+)/Loss(-) after charging all expenses but before PRP / Executive Superannuation benefit interest, depreciation, impairment, O.B.R., prior period adjustment.	846.04	880.51
Less: Impact of PRP/Executive Superannuation Benefit.	73.84	106.22
Less: Actuarial provision (AS-15)	219.97	106.35
Less: Interest.	1.01	0.01
Less: Depreciation/Impairment/Mine Closure Provision.	280.57	162.56
Less: OBR Adjustment	164.08	170.35
Profit (+)/Loss (-) for the year after charging interest and depreciation, impairment and OBR Adjustment.	106.57	335.02
Less: Prior Period Adjustment.	0	1.62
Net Profit (+)/Loss (-) after considering Prior Period Adjustment.	106.57	333.40
Cash Profit	745.36	681.45

2.2 Capital Expenditure :

Total Capital Expenditure during the year under review was Rs. 184.93 crore (excluding exchange fluctuation of Rs. (-) 0.64 crore) against the Capital Expenditure of Rs. 165.02 crore during 2009-10.

2.3 Capital Structure :

(Rs. in Crore)

	2010-11	2009-10
A. SHARE CAPITAL		
i) Authorised Share Capital (2,50,00,000 Eq. shares of Rs. 1000 each)	2500.00	2500.00
ii) Paid up Equity Share Capital (22184500 shares of Rs. 1000 each)	2218.45	2218.45
B. LOAN FUNDS:		
i) Coal India Limited (Holding Company)	518.97	518.97
ii) Export Development Corporation, Canada.	141.56	146.55

2.4 Repayment of Foreign Loan :

(Rs. in Crore)

	2010-11	2009-10
i) Repayment of foreign loan through CIL.	4.35	4.47

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

(Rs. in Crore)

	2010-11	2009-10
i) Royalty on Coal	161.69	156.77
ii) Cess on Coal.	857.02	599.97
iii) Sales Tax (Central & State).	209.95	197.95
iv) Stowing Excise Duty.	29.19	28.93
v) Central Excise Duty	33.92	----
Total	1291.77	983.62

2.6 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 2011, all the applicable accounting standards were followed with proper explanation relating to material departures;
- (b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the Profit/Loss of the company for that period;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
- (d) the Directors had prepared the annual accounts on a going concern basis.

3.0 PLANNING :**3.1 Command Area of Operations :**

The total command area of operations of ECL is 1620 Sq.Km extending over different coalfields as under :

Coalfields	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 2010-11 and Plan for 2011-12 :

Sl. No.	Particulars	2010-11			2009-10	2011-12
		Target (BE)	Revised Target (RE)	Actual	Actual	Planned
1	Production (Mt)	33.00	32.40	30.806	30.058	33.00
2	Overall Productivity	1.71	1.65	1.60	1.46	1.78
3	Plan expenditure (Rs. Crore)	400.00	250.00	184.93	165.02	400.00

3.3 GEOLOGICAL EXPLORATION AND DRILLING :

During 2010-11, 31779 metre was drilled by CMPDIL against the revised target of 31650 metre:
(Figures in Metre)

Drilling Agency	2010-11			2009-10	2011-12
	Target (BE)	Revised Target (RE)	Actual	Actual	Target (BE)
CMPDIL	34145	31650	31779	29258	27500

3.4. RESEARCH AND DEVELOPMENT :

3.4.1 CIL R&D Project :

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

3.4.2 S&T Projects :

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

3.5 Modernization of Coal Industry:

The efforts towards modernization and mechanization in underground mines continued during the year under intermediate technology with LHD/SDL. As a result, as on 31.03.2011 SDL/LHD have been introduced in 49 mines. As on 31.3.2011, 160 Nos of SDLs and 38 Nos of LHDs were on roll in different underground mines. Coal production from 160 no of SDLs was 2.599 Mt and from 38 nos of LHDs was 1.024 Mt during 2010-11. In 2010-11, 26 Nos of SDLs and 16 Nos LHDs of (15 Nos against survey off and 1 additional LHD) were procured and commissioned against survey off.

Apart from introduction of intermediate technology by deploying SDL/LHD in loading operations mass production technology has also been introduced in ECL. One Continuous Miner combined with Shuttle car was deployed at Jhanjra in the year 2007. In addition a Continuous Miner has been commissioned at Sarpi Mine in August, 2010. The production achieved during 2010-11 from Continuous Miners in Jhanjra and Sarpi was 0.449 Mt & 0.229 Mt respectively.

NIT for Global tender for introduction of Continuous Miner at Jhanjra (2nd set) was floated on 2.3.2009. TCR for 2nd set of Continuous Miner was approved by ECL Board on 3.3.2011 along with Updated Cost Estimate for introduction of 2nd set CM at Jhanjra. UCE for introduction of 2nd set CM at Jhanjra was forwarded to CIL on 18.3.2011 for approval of CIL Board.

3.6 Steps taken to improve underground production:

Considering various operational constraints, particularly liquidation of upper seams and scope for augmentation of production, action has been taken to arrest the decline trend of underground production. According to guidelines for procurement of SDL / LHD against survey off, action for procurement of 113 SDLs (70 replacement and 43 additional) had been taken in 2010-11 itself to improve the level of mechanized production in 2011-12 apart from converting some manual underground mines to loader-less mine. Main Focus is being exerted on availability of proper district size with adequate preparation of Coal at faces and proper support so that machine productivity, a key parameter for increasing production, can improve to the desired level. Major development activities like drift ravages, sinking and deepening of shafts , new stowing installation, drilling of borehole for stowing and dewatering of dip side of workings etc have been identified and time bound action plan is being drawn for completion of activities in time to sustain and augment production from underground mines.

Apart from this, more potential mines have been identified like Bansra, Haripur, Khottadih, Narainkuri, Jhanjra CM Phase –II, Tilaboni etc for introduction of Mass production technology by deploying Continuous miners/ Low cost Continuous Miner with shuttle car. In principle approval of ECL Board has been obtained for introduction of 6 Continuous Miner (2 at Jhanjra, 2 at Tilaboni and 2 at Shankarpur) to improve production from underground operations. Action has been taken for Global tendering on risk-gain sharing basis for introduction of the above Continuous miner along with tendering formalities of major development activities involved in these mines. Some underground Projects like Dhangajore, Rangamati A and Sonapur Bazari (R-II/III seam) has been identified to work on MDO concept.

For introduction of high capacity PSLW in RVI seam at Jhanjra Project at a rated capacity of 1.70 Mty, Global NIT has been finalized. LOI has been issued on 3.3.11 to M/s CODCO, China.

3.7 No of Projects approved by Board of Directors of ECL during the year and name of the Projects:

Four numbers of Patches and Four numbers of Projects have been approved by Board of Directors of ECL during the year. The details are as follows:

Patches:

1. Hansdiha Patch-II was approved by ECL Board on 19-05-2010 with a capital outlay of Rs. 16.57 crores and mineable coal reserve of 45.40 Lakh Tonne.
2. Mallick Basti patch with a mineable coal reserve of 2.60 Lakh Tonne was approved by ECL Board on 08-11-10 with a capital outlay of Rs. 2.17 crore.
3. Kalipahari-A (Revised) patch with a mineable coal reserve of 3.20 Lakh Tonne was approved by ECL Board on 08-11-10 with a capital outlay of Rs 5.61Crore.
4. Dabor-Ph-II patch with a mineable coal reserve of 15.80 Lakh Tonne was approved by ECL Board on 05-01-11 with a capital outlay of Rs 3.55 crore.

Projects :

Name of Project	Capital Outlay (Rs. (In Crore)	Capacity (MTY)	Status
Khottadih CM	122.35	0.51	Approved by ECL Board on 19-05-10. The proposal was sent to CIL for approval on 05-07-2010. Awaiting approval of CIL
Sonepur Bazari Combined OCP	995.00	8.0	Approved by ECL Board on 28-01-11. Action is being taken for financial vetting of PR.
Simlong OCP	92.28	2.0	PR has been approved in ECL Board meeting held on 28-03-11.
Tilaboni UG	716.69	1.86	PR has been approved in ECL Board meeting held on 28-03-11.

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

3.9 Project Formulation: DPR have been formulated for the Projects:

1. Low height Continuous miner at Jhanjra. (0.30 MTY)
2. Project Report for Shankarpur mine. (OC-2.0 MTY, UG-1.163 MTY)
3. Project Report for Dabor Open Cast Project (1.563 MTY)

3.10 Foreign Collaboration/ Technology absorption- adaptation and innovation:

Absorption of Continuous miner technology at Sarpi.

3.11 World Bank Assistance: Nil**3.12 Capital Projects/ Schemes:**

- i) No of New Projects - Nil
- ii) Expansion/ Revision/ Foreclosure of Projects – No of on-going projects-18. Fore closure Report of J.K. Nagar was placed in ECL Board on 28-03-11. Mine closure Plan of the Project is to be placed in the next ECL Board.
- iii) Others – Nil
- iv) No of Projects pending with Govt. for Sanction – Nil

3.13 Project Completion:

Project completion report of Jhanjra CM-1 has been approved by ECL Board on 15-01-11. It has been sent to CIL for approval.

3.14 Project monitoring and Status of implementation:

Details given as Annexure – III (Separately)

4.0 STABILISATION, REHABILITATION AND BIOLOGICAL RECLAMATION:

Details enclosed as ANNEXURE-IV (Separately).

5.0 COAL MARKETING:**5.1 Demand vis-a-vis off-take:**

Actual off-take of coal in 2010-11 was 29.74 million tonne against the demand of 33.00 million tonne i.e. demand satisfaction of 90%. Sector-wise demand and off-take during the year 2010-11 compared to 2009-10 was as follows:

(Figures in Million Tonne)

Sector	Off take 2010-11			Off-take 2009-10		
	Demand	Actual	% Satisfaction	Demand	Actual	%Satisfaction
POWER	26.40	26.21	99	26.00	25.22	97
CEMENT	0.17	0.16	92	0.17	0.15	88
CPP(ORS)	0.47	0.53	114	0.28	0.55	200
CPP (STEEL)	0.47	0.47	99	0.28	0.40	147
STEEL(BLEND)	0.06	0.01	12	0.06	0.01	14
SPONGE IRON	0.90	0.33	37	0.90	0.42	46

Sector	Off take 2010-11			Off-take 2009-10		
	Demand	Actual	% Satisfaction	Demand	Actual	%Satisfaction
EXPORT	0.02	0.00	0	0.02	0.01	35
LOCO	0.01	0.001	09	0.01	0.001	14
DEF	0.03	0.01	23	0.03	0.01	36
COLLY. CONS.	0.40	0.38	95	0.40	0.40	99
OTHERS	4.07	1.65	41	2.86	2.06	72
TOTAL	33.00	29.74	90	31.00	29.22	94

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

5.2. Average offer, supply and loading of Wagons per day :

Field-wise average offer, supply and loading of wagons for the year 2010-11 compared to previous year was as follows : (Figures in Box/Day)

Field	Offer of Wagons				Supply of Wagons		Loading of Wagons	
	2010-11		2009-10		2010-11	2009-10	2010-11	2009-10
	Target	Actual	Target	Actual				
Raniganj	608	561	564	588	592	611	590	609
Mugma / Salanpur	91	114	77	89	123	89	122	88
Adra	20	25	27	21	25	21	25	21
Pirpainti	30	65	28	38	65	38	65	38
Total	749	766	696	736	805	759	802	756

5.3. Mode-wise despatch :

Mode-wise despatch of coal in 2010-11 compared to previous year was as follows:

(Figures in Million Tonne)

Mode of Despatch	2010-11	2009-10
Rail	17.75	16.81
Road	1.55	2.01
Merry-Go-Round(MGR)	10.06	10.01
Total	29.36	28.83

5.4. Field (Book) Stock of Coal as on 31st March 2011 was as follows :

(Figures in Million Tonne)

FIELD	As on 31.3.11
Raniganj	1.17
Mugma/Salanpur	0.43
S.P. Mines	0.15
Rajmahal	2.62
Total	4.37

5.5. Spot 'e' auction :

	2010-11			2009-10		
Mode	Despatched Qty. (in lakh tonne)	Gain over notified price (Rs. in Cr.)	% age Gain	Despatched Qty. (in lakh tonne)	Gain over notified price (Rs. in Cr.)	% age Gain
Rail	5.54	40.76	29	8.15	81.34	52
Road	6.49	51.81	36	7.16	30.91	22
Total	12.03	92.57	32	15.31	112.25	37

5.6. Despatch under MOU :

(In Million Tonnes)

2010-11			2009-10		
Despatched Qty.	Gain over notified price (Rs. in Cr.)	% age Gain	Despatched Qty.	Gain over notified price (Rs. in Cr.)	% age Gain
5.56	909.47	71	4.09	863.89	108

5.7. Sales Realisation :

(Rs. in Crore)

Particulars	2010-11	2009-10
Sales Realisation	7117.65	5926.6

5.8. Signing of FSA:

Company had executed 26 Fuel Supply Agreement (FSA) through LOA route for an annual quantity of 1.11 million tonnes of coal during the year.

6.0 POPULATION OF EQUIPMENT (HEMM) :

6.1 Population of Equipment as on 31st March 2011 compared to 31st March 2010 and major repair / rehabilitation done during 2010-11 was as follows :

Equipment	No. of Equipment as on		Repair / Rehabilitation of equipment during 2010-11	
	31.03.2011	31.03.2010	Target	Achievement
Dragline	1	1	---	---
Dumper	221	245	1	1
Dozer	73	72	1	1
Shovel	62	58	0	0
Drill	41	44	0	0
Total	398	420	2	2

6.2 Percentage availability & utilisation of each type of equipment against CMPDIL norms during the year 2010-11 compared to previous year was as follows :

Equip-ment	Availability				Utilisation			
	CMPDIL Norms	2010-11	2009-10	Growth over last year in %	CMPDIL Norms	2010-11	2009-10	Growth over last year in %
Dragline	85	92.57	87.89	4.68	73	87.57	83.32	4.25
Dumper	67	68.64	69.84	- 1.20	50	38.47	36.53	1.94
Dozer	70	73.05	69.87	3.18	45	27.51	28.75	- 1.25
Shovel	80	73.77	73.14	0.63	58	47.23	47.41	- 0.18
Drill	78	78.35	81.99	- 3.64	40	28.68	24.02	4.66

The % availability of dumper during the period 2010-11 is less compared to last year same period mainly due to failure of engine and transmission. The % availability of drill is less compared to last year same period but it is more than CMPDIL norms. The % availability of dumper is also more than CMPDIL norms.

The % utilisation of shovel is at par compared to last year same period. Dozer is utilised whenever it is required.

Steps taken to achieve CMPDIL norms of Dumper Utilisation:

- Action has 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 was provided from HQ to reduce breakdown hours of equipment.
- Recommended stocks of critical / major items were being maintained to cope up with sudden breakdown of HEMM.
- After approval from ECL Board, replacement actions were being taken for procurement of equipments, in stages of small patches having less residual life.

6.3 New/Replacement equipment provided to OCPs in 2010-11 was as follows :

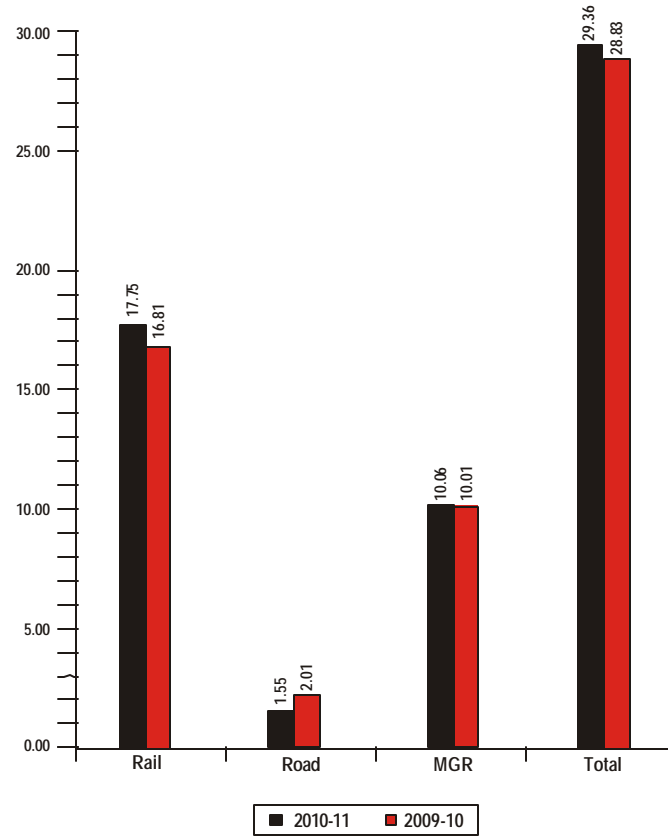
Equipment	Nos.	Project
Dumper	10	Sonepur Bazari - 4, Chitra - 6
Dozer	9	Rajmahal - 4, Sonepur Bazari - 3, Khottadih - 1 Chora - 1
Shovel	7	Sonapur Bazari - 1, Khottadih - 2, Chora - 1 Belbaid - 1, Chitra - 1, Gopinathpur - 1



Coal Washery

MODE-WISE DESPATCH OF COAL

MILLION TONNES



Cultural Programme by school students on the eve of Republic Day Celebration

7.0 ENERGY CONSERVATION :**7.1.1 POWER AND FUEL CONSUMPTION**

Sl.	Particulars	Unit	2010-11	2009-10
I.	ELECTRICITY PURCHASED			
a)	Purchased Units	M.KWH	805.36	815.07
b)	Total amount paid to supply agencies (Approximate)	M. Rs.	4678.07	3794.40
c)	Rate/Unit (Average)	Rs.	5.81	4.71
d)	Specific Consumption of Electricity (Approximate)	KWH/Te	26.14	27.11
II.	OWN GENERATION (Through DG Sets) :			
a)	Generated Units	Lac. KWH	1.27	1.12
b)	Unit generated per Ltr. of Diesel Oil	KWH/Ltr.	4.40	3.14
c)	Cost of Generation	Rs./KWH	9.48	9.12
III.	AVAILABILITY OF POWER:			
a)	Average availability of power	MVA	152.42	152.08
b)	Power Demand	MVA	167.50	167.50
c)	% Availability	% age	91.00	90.79

7.1.2 PROGRESS OF POWER GENERATION FROM CHINAKURI POWER PLANT:

2 Nos of 10MW each power plants have been commissioned (one in Nov'90 and the other in June'91) which are being operated by M/S DPSC Ltd. under lease agreement.

The energy generated in Chinakuri Power Plant in KWH during 2010-11 is 46499520 KWH. 2359494939 KWH was generated by Chinakuri Power Plant from 1991-92 to 2010-11.

7.2 Energy Conservation & Audit:

CMPDIL is empanelled as an accredited energy auditor by Govt. of West Bengal. CMPDIL had undertaken preparation of energy audit reports for ECL during last five years upto 2009-10 but in the year 2010-11, CMPDIL has not prepared any report of Energy Audit for ECL. However, the recommendations made in earlier reports have been implemented to some extent.

Energy cost per tonne of coal production had increased in 2010-11 due to enhancement in power cost as per new tariff order issued by West Bengal State Electricity Regulatory Commission (WBSERC).

The specific consumption has decreased in 2010-11 compared to 2009-10.

7.3 Underground Machinery Performance:

The detail of Underground Machineries with productivity is given below:

Equipment	2010-11		2009-10	Remarks
	On Roll	Productivity (TPD)	Productivity (TPD)	
SDL	160	57	65	-
LHD	38	107	124	-
Road Header	2	30	32	-
PSLW	3	157	86	PSLW at AW-10 Panel started on 31.08.2010.

2 Sets of Continuous Miner are in operation. The Continuous Miner set at Jhanjra was working since 20.09.2007 and during 2010-11 has produced 449360 Te and the productivity was 1459 TPD. 2nd Set of Continuous Miner started on 29.08.2010 at Sarpi Project, Bankola Area and during 2010-11 has produced 229432 Te and the productivity was 1268 Te.

7.4 Performance of CHPs:

As on 31st March 2011, Company was operating 4 Nos. of major CHPs and 4 Nos. of Mini CHPs. During 2010-11, these Major CHPs handled 13.8951 M. Te and Mini CHPs handled 0.28765 M. Te of coal.

7.5 Mechanisation of UG Mines:

In 2010-11, 26 Nos. SDL Machines (21 Nos. of Standard Height and 5 Nos. Low Height) and 16 Nos. of LHDs had been received and commissioned.

SDLs had been introduced in the following mines in 2010-11:

AREA	Name of the Mine
Kenda	New Kenda
Satgram	Tirat
Mugma	Khoodia

1st Set Continuous Miner has been introduced at Jhanjra Project and is working since 20.09.2007. 2nd Set Continuous Miner has been introduced at Sarpi Project under Bankola Area and is working since 29.08.2010.

For augmentation of UG production, contract of another Set of Continuous Miner for Jhanjra Project is under process of execution. Moreover, another set of PSLW is also being introduced.

7.6 Achievements:

- a. Award of work for construction of CHP began at Jhanjra as per Project Report.
- b. At Sarpi Project, for coal evacuation, UG conveyor transport arrangement is being strengthened with extension.

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

- 8.1 During the year 2010-11, there was a net reduction of 4489 manpower. Manpower status as on 31st March 2011 compared to 31st March 2010 was as under :

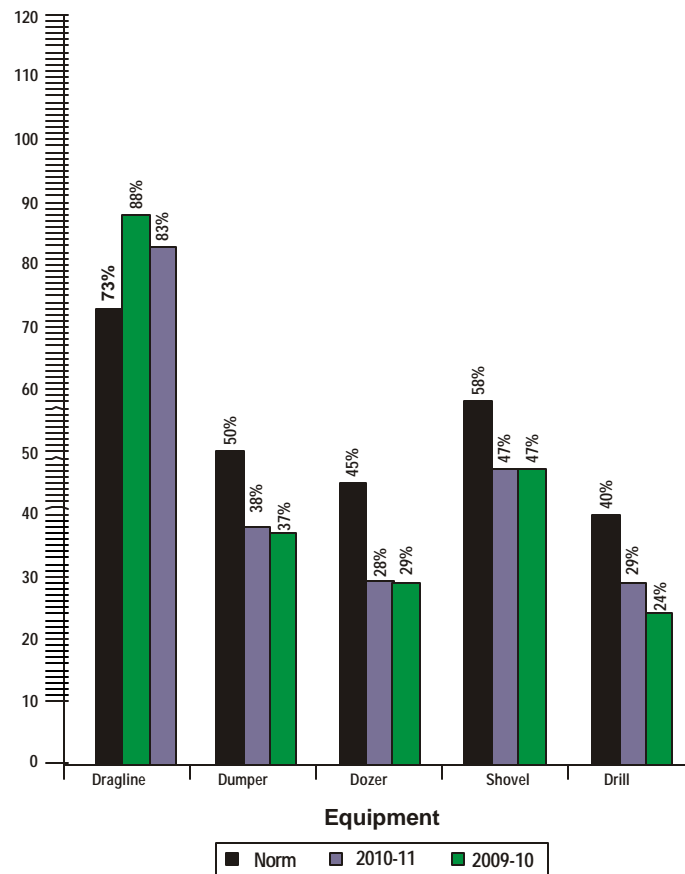
Category	Manpower as on		Increase (+)/ Decrease (-)
	31.3.2011	31.3.2010	
Executive	2342	2136	206
Supervisor	6383	7075	-692
Ministerial/ Clerical	4922	5292	-370
Highly Skilled/ Skilled	24897	26101	-1204
Semi-Skilled/ Unskilled	41644	43915	-2271
Casual	0	1	-1
Badli	3	4	-1
Trainee	937	1093	-156
Total	81128	85617	-4489

Reasons for variation in Manpower :

Particulars	Executive	Non-Executive	Total
INCREASE			
Fresh Appointment	83	20	103
Appointment against medically unfit cases	0	6	6
Appointment against death cases.	0	716	716
Reinstatement/Re-joined.	0	180	180
Transfer in from other companies.	60	4	64
Appointment against Land Losers	0	72	72
Total Increase (A)	143	998	1141

UTILISATION

% UTILISATION OF OPENCAST EQUIPMENTS



Annual Sports at ECL Ground on eve of Republic Day Celebration

DECREASE	Executive	Non-Executive	Total
Retirement	131	4445	4576
Medical Unfit	0	15	15
Death	6	706	712
Resignation	8	15	23
Dismissal/Termination	1	51	52
Transfer to other companies	29	51	80
VR under GHS / EVRS	0	172	172
Total Decrease (B)	175	5455	5630
VARIATION (A – B)	(–) 32	(–) 4457	(–) 4489

8.2 Industrial Relations :

Subject	2010-11	2009-10
No. of strikes	5	3
Mandays lost (in lakh)	1.44	0.00159
Production lost (in lakh tonnes)	1.74	0.022

8.3 Law and Order :

Subject	2010-11	2009-10
Law and Order (Disturbance)	289	279

8.4 Workers' Participation in Management :

Meeting	2010-11	2009-10
No. of JCC Meeting held at HQ Level	04	05
No. of structured Meeting held at HQ level	22	39

8.5 Employment Provided under NCWA & LLS :

Employment provided under	2010-11	2009-10
NCWA	765	806
Land Losers Scheme	48	87

8.6 Other Achievements:

SI No	Subject	2010-11	2009-10
1	Outside recruitment of Statutory personnel	20	41
2	Encadrement of Statutory personnel	77	84
3	Disposal of age dispute cases	94	81
4	Conversion from PR to TR to meet up shortage in TR category	1304	1021
5	Transfer of employees/redeployment of manpower	404	353
6	Disposal of long absenteeism cases	1064	680
7	Dismissal	36	81
8	Reinstatement	218	90
9	VRS (GSH)	187	330

9.1 WELFARE AMENITIES :

Sl. No.	Item	Achievement during 2009-10	Cumulative position as on 31.3.10	Achievement during 2010-11	Cumulative position as on 31.3.11	Remarks
1.	Co-operative Societies					
	a) Co-operative Credit Society	0	74	0	74	
	b) Primary Co-operative Stores	0	30	0	30	
	c) Central Co-operative	0	04	0	04	
	d) Loan and Investment to Co-operative Societies (Rs. in Lakh)	0	63.80	0	63.80	
2.	Banking Facilities					
	No. of branches functioning	0	26	0	26	
3.	Creches	0	48	0	48	

Sl. No.	Item	Achievement during 2009-10	Cumulative position as on 31.3.10	Achievement during 2010-11	Cumulative position as on 31.3.11	Remarks
4.	Canteens	0	82	0	82	
5.	Educational Facilities					
	a) DAV School	0	04	0	04	
	b.i) No. of Schools receiving recurring grant - in aid	0	162	0	162	
	b.ii) Amount of Recurring grant-in-Aid (Rs. in lakh)	292.80	2722.83	292.80	3015.63	
	c.i) No. of Schools receiving non-recurring grant	13	359	11	370	
	c.ii) Amount of non-recurring grant (Rs. in lakh)	9.10	262.21	9.5	271.71	
	d.i) No. of schools sanctioned ad-hoc grant	0	79	0	79	
	d.ii) No. of ad-hoc grant sanctioned (Rs. in lakh)	0	69.60	0	69.60	
	e) No. of School buses engaged	0	156	0	156	
6.	a) Community Development programme, Amount sanctioned (Rs. in lakh)	249.32	2210.69	429.71	2640.40	CSR Policy of CIL is being followed in place of CDP from 2010-11
	b) Corporate Social Responsibility - Amount sanctioned (Rs. in lakh)	---	---	44.69	44.69	Expenditure against sanctioned amount of Rs. 5 crore.
7.	Games & Sports amount spent (Rs. in lakh)	15.10	309.31	15.00	324.31	

Sl. No.	Item	Achievement during 2009-10	Cumulative position as on 31.3.10	Achievement during 2010-11	Cumulative position as on 31.3.11	Remarks
8.	Social & Cultural activities, amount spent (Rs. in lakh)	1.88	60.88	2.00	62.88	37 students were given special cash award
9.	CIL Scholarship					
	a) No. of Scholarship and Cash awarded	1563	9751	1367	11118	
	b) Amount sanctioned (Rs. in lakh)	21.62	111.87	15.79	127.66	
10.	CIL Scheme for Financial Assitance to the Extent of Tuition Fees & Hostel Charges of the Wards of Wage Board Employee studying in the Select Engineering & Govt. Medical Colleges.					
	a) No. of wards of WBE sanctioned	44	44	38	82	
	b) Amount sanctioned (Rs. in lakh)	5.50	5.50	6.56	12.06	



Primary School at Sonepur Bazari

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."



Mobile Dispensary at Bankola Area

9.3.0 SOCIAL AMENITIES:

Since the inception, Eastern Coalfield Limited has taken up various activities for the welfare of its workers as well as development of people/communities living in the surrounding areas of the mines. In addition, lots of activities have been attended for the development of infrastructure, industrial structure, roads and railway sidings, residential building, water supply and other welfare activities etc. Brief description is as below.

Republic Day Celebration at ECL ground 26.01.2011

9.3.1 Residential Buildings:

There are altogether 104507 number of residential houses in the company, out of which 63904 numbers are standard quarters and 40603 numbers of non-standard houses. Regular repairing and maintenance of these quarters are being attended. In the recent time ECL has introduced the concept of Block Repairing. According to this concept, thorough repairing of complete blocks of residential quarters is being taken up. In the current financial year i.e. 2010-11, about 4000 quarters have been thoroughly repaired in different areas. Apart from this, normal need based repairing has also being attended.

Expenditure incurred under the capital as well as revenue head are shown below:

Capital Expenditure	Rs. 32.80 Lakhs
Revenue Expenditure	Rs. 2815.50 Lakhs

9.3.2 Welfare Buildings and Other Development Works:

For the welfare of the workmen, there is tremendous improvement in the assets since nationalization, details as below.

- | | |
|--------------------------------|--------------------------------|
| a) Hospitals- 12 | e) Rest Shelters- 137 |
| b) Dispensaries- 128 | f) Multipurpose Institutes- 12 |
| c) Canteens- 82 | g) Community Centers -54 |
| d) Adult Education Centers- 03 | |

Expenditure incurred under the capital as well as revenue head is shown below:

Capital Expenditure	Rs. 118.25 Lakhs
Revenue Expenditure	Rs. 227.00 Lakhs

9.3.3 Service Buildings :

In addition to the welfare buildings, Rs. 69.30 Lakhs has been spent under the capital head for service buildings.

9.3.4 Water Supply :

ECL has always given special attention for the improvement of potable water supply to the occupants of our residential houses as well as to the people of nearby communities. There are 22 numbers of slow sand filters, 20 numbers rapid gravity filters to provide filtered and treated potable water to the employees and their dependants. There are also 11 numbers of river bed bore wells.

In addition to this ECL has also participated with RCFA-1 and RCFA-2 water supply schemes of West Bengal government and Chirkunda water supply scheme of Jharkhand Govt. for augmenting the source of water and water is served to a population of 483980.

Expenditure incurred under the capital as well as revenue head was shown below.

Capital Expenditure	Rs. 202.68 Lakhs
Revenue Expenditure	Rs. 569.00 Lakhs

9.3.5 Roads and Culverts:

Dispatch of coal is one of the prime activities of ECL and it is being done effectively and efficiently. Coal is being dispatched mainly by the mode of roads. ECL has taken proper steps in this regard. In addition construction and maintenance of colony roads have also been done. Expenditure incurred for construction and maintenance of roads and culverts are as below :

Capital Expenditure	Rs. 163.62 Lakhs
Revenue Expenditure	Rs. 289.50 Lakhs

9.3.6 Railway Sidings:

ECL has provided sufficient fund for railway siding works. Capital expenditure of Rs. 315.03 Lakhs has been incurred in the year 2010-11.

9.3.7 Mine Development:

Lots of work related to mine development was taken up during the year 2010-11 and capital expenditure amounting to Rs.1057.01 Lakhs has been incurred.

9.4.0 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.



CT Scan Machine at CH Kalla

9.4.2 Medical expenditures:

Medical Reimbursement expenditure incurred during the year was Rs.1283.15 lakh against last year Rs.1142.23 lakh

9.4.3 No. of persons referred to outside for treatment & expenditure incurred for their treatment and Villagers covered by Mobile Dispensary:

Particulars	2010-11	2009-10
No. of patients referred outside:		
- 1st Visit	933	941
- Revisit	1359	1333
Expenditure incurred for their treatment (in Rs. Lakh)	767.51	686.87
Health & family welfare programme:		
- No of camps	21	1
- No of beneficiaries	1244	97
Villagers covered by Mobile Dispensary:		
- No of Mobile vans	03	1
- No of camps	281	137
- No of beneficiaries	22981	12374



Mobile dispensary van released for Cental Hospital, Kalla
on Coal India Foundation Day (01-11-2010)

10.0 HUMAN RESOURCE DEVELOPMENT:

In 2010-11, company had imparted training to 1703 persons compared to 1830 persons in 2009-10 as per details given below:

10.1. Action Plan (MOU):

Year	No. of Course		No. of participants							
			Target				Actual			
	Target	Actual	Exe.	Supv.	Worker	Total	Exe.	Supv.	Worker	Total
2010-11	105	97	260	510	690	1460	284	504	915	1703
2009-10	113	105	280	510	660	1450	274	570	986	1830

10.2. No. of persons trained in 2010-11 and 2009-10 were as follows :

Nature of Training	2010-11				2009-10			
	Exe.	Supv.	Worker	Total	Exe.	Supv.	Worker	Total
1. General/In-Company Training :								
1.i) MOU	284	504	915	1703	274	570	986	1830
1.ii) Non-MOU	102	48	304	454	350	220	472	1042
2. Training External (Within India) :								
2.i) At IICM :								
2.i.a) One Week Course	166	0	0	166	74	0	0	74
2.i.b) Seminar / Short Course	100	0	0	100	128	0	0	128
2.ii) Out Company Training (other than IICM)								
2.ii.a) Short duration	52	13	6	71	31	6	0	37
2.ii.b) Long duration	0	0	168	168	0	0	168	168
2.ii.c) 1 Week or more	12	0	0	12	0	0		
2.ii.d) 6 weeks intensive course in survey (at ISM)	3	0	0	3	3	0	0	3

Nature of Training	2010-11				2009-10			
	Exe.	Supv.	Worker	Total	Exe.	Supv.	Worker	Total
3. Trainees :								
3.a) MT's	118	0	0	118	132	0	0	132
3.b) PDPT	0	47	0	47	0	53	0	53
4. Seminar/ Workshop excluding in-company	197	11	1	209	221	13	0	234
5. External (abroad)	12	0	4	16	21	4	0	25
TOTAL	1046	623	1398	3067	1234	866	1626	3726

11.00 SAFETY :

11.1 Accident Statistics for the year 2010 - 11 :

YEAR	2010-11	2009-10
i. Fatal Accident (Nos.)	13	8
ii. Fatalities (Nos.)	13	9
iii. Serious Injuries (Nos.)	97	121
iv. Fatality / Million tonne output	0.42	0.29
v. Fatality / 3 Lakh Man-shifts	0.20	0.13

(* Subject to reconciliation with DGMS)

11.2 Safety Measures

Safety measures taken during the year 2010-11 in ECL:

At unit level

- Qualitative and quantitative improvement in inspection to ensure better roof management by supervisors, mining executives.
- Enhanced the awareness amongst all to prevent unsafe act, inadvertent entry into goaves/ unsafe workings 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 in regular basis. Inspection register/notes are being examined by higher ups.
- Utmost care is taken so as to ensure that no workman 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 workman enters into any face unless it is inspected by supervisory officials.
- Half an hour waiting time after blasting is being 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 paid towards 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 has been established in ECL Head Quarter and subsequently Strata Control Monitoring Cell has been established in all areas to study the roof behavior and for improvement of roof support in mines.
- Detailed accident analysis has been done and it has been seen that three accidents occurred due to roof / side fall, three due to run over by dumper, two due to fall of persons from height / same level, one due run over by drill, one due to electricity, one due to fall of object and two in unclassified category.
- Calendar of Safety Drive for the year 2010-11 had been prepared and was followed. Details is as under :

CALENDER OF SAFETY DRIVE FOR THE YEAR 2010 – 11:

MONTH	DETAILS OF SAFETY DRIVE
APR 10	Monsoon preparedness, review of risk assessment & status of implementation of safety audit recommendation.
MAY 10	General cleanliness on surface (Winding engine room, surface haulage, surface sub-station, cap lamp room, boiler house) & underground (traveling and haulage road)
JUN 10	Review of monsoon preparedness.
JUL 10	Stowing, Mechanisation of UG Loading and Roof Bolting.
AUG 10	Survey (joint survey & check survey plan) & ventilation of u/g mines.
SEP 10	Rescue preparedness, handling of explosives and magazine & surface installation like winding, MMV etc.
OCT10	Gas management, statutory record keeping and maintenance of E&M machineries.
NOV 10	Fire hazards and fire fighting arrangement.
DEC 10	Roof and side dressing and support.
JAN 11	Special drive on Departmental OCP & Out sourcing patches.
FEB 11	Safety in haulage and conveyor transport system in UG Mines and discussion on vetting of annual production plan 2011-12 by ISO
MAR 11	Monsoon preparedness, review of risk assessment & status of implementation of safety audit recommendation.

- Special attention has been 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, 90 Working districts are being supported by roof bolting as a system of support.

No. of roof bolts consumed in various years are as under:

(Nos. in lakh)

CONSUMPTION	2010-11	2009-10	2008-09	2007-08	2006-07
Roof Bolts	6.1003	6.095	5.26	5.5	5.5
Cement Capsules	25.93	25.9	24.36	24	24

- 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 analyzed 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 a lapse is found on account of any individual.
- Manual districts are being converted into mechanized ones in a phased manner. 22 U/G Mines have been identified for mechanization of loading. Procurement of 113 Nos. of SDLs is in pipe line. 40 Nos. of SDLs are to be newly introduced and rest will be replacement against surveyed off.
- As per recommendation of 32nd Standing Committee, mechanized roof drilling will be provided in more districts. At present 22 Nos. of roof drilling machines of different types are in use. Action has been taken for procurement of 24 Nos. UDMs and 18 Nos. of pneumatic roof drilling machines. In addition, 37 Nos. surveyed off SDLs will be revived as Roof Bolting Machines.
- Detail discussion is held in the monthly co-ordination meeting of all CGMs/GMs with CMD for making up the standing stowing lag. Letters have been issued by Director (Tech)/Op, Director (Tech)/P&P and CGM (Safety) to concerned GMs.

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 2010 by the Nodal Officers / In-charge of Areas of safety department along with the Colliery Management and status of implementation had been monitored at regular interval during the year 2010-11. In March 2011 a Safety Drive on Monsoon Preparedness has been observed for the Monsoon of the year 2011-12.

11.3 Safety Training

- i) Safety training programme had been conducted during the year 2010-11 at HRD, Dishergarh; MTI, Ratibati and Mining Training School, Dhadka.
- ii) 13 Executives (Area Safety Officers, Executives from ISO, HQ, ECL & Colliery Safety officers) attended Short Term Course on "Spontaneous Heating Liability of Coal" at NIT, Raurkela, from 27.10.10 to 30.10.10.

- iii) 5 Executives [CGM (Safety), ECL and 4 Executives from ISO, HQ, ECL] attended “3-Day training programme on “Accident- causes, investigation & prevention” organized IBC, Mumbai, at Hotel Big Boss, Roudon Street. Kolkata from 06.12.10 to 08.12.10.
- iv) One Executives from ISO, HQ, ECL attended a short term course on “Mine closure Environment Management” from 11.01.11 to 14.01.11 at IIT, Kharagpur.

11.4 Vocational training (Statutory at VTC) :

Type of Training	2010-11	2009-10
Basic	832	817
Refresher	9295	9919
Spl. Training	4087	7793
I.O.D.	291	261
Contractors Workers	1157	889

11.5 RESCUE SERVICES IN ECL:

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



Mock Drill during Mines Rescue Competition

11.5.1 Details of Emergency attended:

In 2010-11, recoveries of old sealed off panels were retrieved which were sealed off in the past due to fire/spontaneous heating/emission of gas etc in Tirat Colliery, Satgram Area on 28/10/2010

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

- a) Moira Colliery, Bankola Area from 13.04.2010 to 15.04.2010.
- b) Kunustoria Colliery, Kunustoria Area from 8.8.2010 to 31.8.2010.

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

- a) Recovery of dead bodies at Anjan Hill Mines of SECL from 06.05.2010 to 12.05.2010 after an explosion.
- b) Recovery of one person from an abandoned pit at Barmundia Colliery on 23.10.2010.

11.5.4 TRAINING:

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

Nature of Training	2010-11	2009-10
No. of Rescue personnel trained	669	665
No. of personnel freshly trained	48	31
No. of Refresher practices	5635	5984
No. of Emergencies	6	10

11.5.5 NEW APPARATUS/EQUIPMENT PURCHASED:

One sophisticated modern Gas Analyser was procured. Purchase order for procurement of one mannequin has been issued for better training in First Aid.

11.5.6 ZONAL RESCUE COMPETITION:

Zonal Mines Rescue Competition, Eastern Zone, for the year 2010-11 was held on 13th December, 2010 in which 11 teams took part (including BCCL Area-XII).

11.5.7 ALL INDIA MINES RESCUE COMPETITION (COAL & METAL):

41st All India Mines Rescue competition (Coal & Metal) was conducted by ECL from 24th February, 2011 to 26th February, 2011 in which 21 teams from Coal and Metal Companies took part. ECL (A) team stood first in that competition and ECL (B) team was declared second.

12.0 MATERIAL MANAGEMENT:**12.1 TOTAL VALUE OF ORDER PLACED ON ANCILLARY INDUSTRIES:**

- i) 2010-11: Rs.754.12 Lakhs.
- ii) 2009-10: Rs.717.45 Lakhs.

12.2 Steps taken for 'e'-procurement:

ECL started e-procurement in this year for all items with a full fledged Cell within Materials Management department catering to the need of e-procurement activities of Purchase Deptt. All open/global tenders are being processed through e-tenders with e-price bids. Infrastructure support for successful implementation such as access to internet through broadband, LAN, updated software and other facilities for a safe and secure network has been set up. As a latest development, e-payment has also been made compulsory in all e-procurement.

However, Earnest Money Deposit and Tender fees are still being submitted off-line by way of Demand Draft. Accepting EMD/Tender Fees through Internet banking facilities like NEFT/RTGS is under study for its implementation in true spirit.

12.3 Reconciliation of Error-lines:

In ECL there was a huge difference in the quantity as reflected in Kardex balance vis-à-vis ledger balance and it was continuing for years together.

The Card balance should exactly match with the ledger balance and all out effort was taken to reconcile the difference between the Kardex balance and ledger balance.

At the start of the year the position of error lines of On-line Stores and Off-line Stores vis-à-vis the position end of the year 2010-11 is reflected as follows:-

Error-line Position	31.03.2011	31.03.2010
On-line Stores	44	1667
Off-line Stores	1177	7062

The balance error-lines shall be reconciled very soon and to stop further generation of error-lines, the system of receipt / issue voucher through D.T.I. along with material code has been introduced with effect from 01/04/2011. This will help in elimination of generation of new errors and also the system has been introduced that supply order shall be issue only with material code.

12.4 Inventory Management

There has been a substantial reduction in stock of stores both in terms of rupees as well as in terms of months consumption is as follows:-

Particulars	2010-11	2009-10
Stock of Stores (Rs. in Crore)	132.98	133.31
No. of months consumption	3.13	3.45

However, action is being taken in 2011-12 to further improve the position of inventory holding as because the obsolete and non-moving items are being identified which is now a part of the inventory holding and may be turned as dead inventory which we need to reduce by the effectively use of these dead inventory in other CIL subsidiaries / Govt. Undertakings / PSU wherever it may be required.

12.5 Disposal of Scrap

A comparative statement of money realization from scrap sale is as follows:-

Particulars	2010-11	2009-10
Money Realized (Rs. in Lakhs)	315.84	53.18

However, during the year 2011-12 the realization of revenue from scrap sale is expected to be increased and the target has been kept for Rs. 10.00 Crores to be realized from scrap sale in 2011-12.

Selling agreement with MSTC is expiring in Sept.2011 and the present service charge with MSTC is @ 2.25% of the money realized from scrap sale and we are going for an open tendering so that the service charge towards scrap sale is substantially reduced.

13.0 QUALITY CONTROL:

13.1 Quality Improvement

In 2010-11, 87.42 % conformed to billed grade for dispatches of coal covered under agreed sampling arrangement as compared to 85.81 % grade confirmation achieved in 2009-10 on sampled quantity.

Details of Sampling	2010-11	2009-10
No. of Samples drawn	11086	9828
No. of samples conformed to billed grade	9236	8163
% of Grade conformation	83.31	83.06
No. of samples with one grade slippage	1673	1620
% of one grade slippage	15.09	16.48
No. of samples with two grade slippage & more	123	40
% of two grade slippage & more	1.11	0.41

13.2 QUALITY DEDUCTION

Although the Grade confirmation has increased by 1.61% during 2010-11 compared to 2009-10, quality deduction in 2010-11 was Rs. 42.18 per tonne compared to Rs. 30.90 per tonne in 2009-10. This is because of revision of coal prices and also due to more quantity of coal dispatched under MoU during 2010-11.

Year	Total Qnty Despatched (Rail & Road) (in Lakh tonne)	Amount of Deduction (in Lakh Rs.)	Deduction Rs. /Tonne
2010-11	292.01	12317.39	42.18
2008-09	273.02	8437.25	30.90

(N.B.: Amounts calculated on the basis of basic price of ROM (250 mm) Coal)

13.3 WEIGHMENT & SIZING STATUS :**13.3.1 WEIGHMENT STATUS :**

In 2010-11, quantity weighed in EPS for supplies a/c power houses & others compared to last year could be seen from the table below:-

(Figure in L/T)

Details	2010-11			2009-10		
	Power EPS	Other Consumers	Total	Power EPS	Other Consumers	Total
Qty. Despatched (by Rail)	261.63	13.22	274.85	249.11	16.66	265.77
Qty. Weighed under EPS	257.71	13.18	270.89	245.57	16.66	262.23
Weighment % under EPS	98.50	99.71	98.56	98.58	100.00	98.67

13.3.2 SIZING STATUS

Out of total dispatches in 2010-11, 229.49 lakh tonne of coal dispatched to Power Sector was sized (-250mm) by CHP/FB/UG (87.71%) compared to 231.24 lakh tonne in 2009-2010 (92.83%). Dispatches from sidings not having CHP/FB facility, sizing was done by Dozer. To achieve supply of 100% crushed coal to power houses, action is being initiated in a few areas to award contracts for transportation of crushed coal (through mobile crusher) from pitheads to loading points.

Sizing of Coal	2010-11			2009-10		
	Power	Others	Total	Power	Others	Total
Qty. Sized in CHP/ FB (L/T)	229.49	8.06	237.55	231.24	12.84	244.08
%	87.71	60.94	86.43	92.83	77.08	91.84

13.4 STATUS OF DISPUTES RESOLVED THROUGH UMPIRE:

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

➤ **PUNITIVE:**

PREVENTIVE:

■ **Extent of IT usage and the E-Governance:**

The tenders are being placed simultaneously on company website www.easterncoal.gov.in & Govt. Tender portal www.tenders.gov.in. Besides the Tender and Bid documents, Registration Forms for the Vendors and vigilance circulars are also available in website. Company website is linked with CIL website in which all the manuals related to Contact, Civil, Purchase are available.

■ E-PROCUREMENT:

After the finalization of the Rate Contracts with 1) M/s ITI Ltd., Bangalore, 2) M/s MSTC Ltd., Kolkata 3) M/s Metal Junction Service Limited, Kolkata as Service providers for implementation of e-procurement in CIL and its subsidiaries, representative of M/s ITI Ltd visited ECL, Sanctoria on 10th Aug'09 to make a presentation and system study regarding e-tendering/e-procurement/e-auction. CVO, ECL was present during the presentation. In line with the above, the representative of M/s ITI Limited deputed their executive who stationed at ECL to provide training to the concerned officers for implementation. The R.C finalized by CIL provides four options of operation for 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 and 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 officer for the implementation of E-Procurement to discuss the status of implementation and the teething problems being faced in the initial stage. CVO, ECL was informed that MCL and SECL have started e-procurement through the same agency i.e. M/s ITI Ltd, Bangalore. On 14.05.10 the progress of e-procurement was reviewed in the chamber of CVO in presence of GM (MM) and the Nodal Officer for implementation of e-procurement. GM (MM) informed that vendor training programme was also conducted on 12.05.10. Improvement in infrastructural support was pointed out and accordingly GM (Systems) and GM (E&T) were informed and necessary support was provided. More procurements through e-tendering with e-price bid were taken up and due publication is being made in the company website (easterncoal.gov.in).

■ E-PAYMENT:

As per the latest report received salaries of about 85% of employees are made through e-payment. State bank of India, Asansol and UCO Bank, Sanctoria have already extended their support to facilitate payment through e-mode/RTGS. During the structured meeting with CMD on 23.02.10 e-payment to third parties was discussed and CMD agreed for progressively achieving 100% e-payment. In the meeting on 10.4.10 CMD ECL directed GM (Finance) to implement the RTGS System of payment to the third parties. At the end of Sept'10, 25 suppliers / payee are paid through e-payment /RTGS. During Sept'10 besides the statutory payment and payment to employees 53% (Rs. 1065 Lakhs out of Rs. 2007 Lakhs) payment was made through RTGS/E-Mode. During the month of November, 2010 out of total payable amount of Rs. 2620.72 Lakhs, payment of Rs.1877.51 Lakhs was made through RTGS (71.64%). Three new customers were added in RTGS payment. 23 customers were paid through RTGS in Nov.2010. During the month of December, 2010 out of total payable amount of Rs.1663.57 Lakhs, payment of Rs.1094.00 Lakhs was made through RTGS (65.76%). Three new customers were added in RTGS payment. 24 customers were paid through RTGS in Dec, 2010. During the month of January, 2011 out of total payable amount of Rs 1923 Lakhs, payment of Rs 1506.00 Lakhs was made through RTGS (78.31%). Two new customers were added in RTGS payment. 27 customers were paid through RTGS in Jan, 2011. During the month of February,

2011 out of total payable amount of Rs 2674.04 Lakhs, payment of Rs 1719.27 Lakhs was made through RTGS (64.30%). Two new customers were added in RTGS payment. 25 customers were paid through RTGS in Feb.2011.

■ E-AUCTION OF COAL:

In the matter of e-auction of coal consequent on complaints about mismatch between Offered / Booking and Lifted quantities of Coals with allegation of false offers being made by the collieries due to non availability of coal and unjust forfeiture of EMD of consumers, areas were strongly advised that the quality and quantity of coal offered by collieries every month for allotment and loading on account of e-auction and FSA Consumers are done realistically, so that there is no mismatch between offer, booking and lifting. A monthly report in this respect is also requested for.

In response to Vigilance Investigation related to e-auction following orders were issued by GM (Sales) at different times for improvement in the system.

- 1) Letter No ECL: HQ: S&M: 627 dated 14.01.10
- 2) Letter No ECL/HQ/S&M/1617 dated 13.02.10
- 3) Letter No ECL/HQ/S&M/3154 dated 24.03.10 - Submission of timely and realistic offer depending upon the actual availability and load-ability of coal was issued.
- 4) Letter No ECL/HQ/S&M/ROAD WB/3621 Dated 8.4.10 - To reduce the complaints about the non allowing the placements of 12/14/18 wheelers trucks for coal loading in the different collieries the Area authorities were instructed:
 - a) To display the weighing capacity, length of platform and type of vehicles / trucks (indicating the number of wheels) to be weighed with details at suitable location of the road weighbridge.
 - b) To mention clearly the weighing facility w.r.t capacity of the weighbridges available at the dispatch site/loading colliery in the offer letter while making offers on account of road dispatches so that same can be displayed in the e-auction notice and ECL's website.

Subsequently, following one investigation of a Complaint on irregularities in e-auction, one System improvement proposal was forwarded to D(T) OP as per the directive of CMD for his view vide ECL/VIG/WING-1/Sales Policy/NS-36/NS/47 dt 5.4.10.

1. Instead of 'book-stock + Anticipated production' as mentioned in the offer letter, the collieries should indicate 'Readily despatchable coal free from extraneous materials, fire coal and excluding carpet/pressed coal + Anticipated production' as the basis of offer to reflect a realistic picture and the same should be forwarded to ECL HQ Sales .

2. The offer letter should also indicate the capacity of the Road weighbridge & location in colliery in which the trucks are to be weighed, which should be consequently reflected in the E/Auction and sale order itself, so that the customer can place appropriate capacity trucks.
3. Since the present E-Auctions are Spot E-Auctions, the party wise sale orders should be tagged with a computerized loading programme for placement of truck.
4. If in any particular date/day the loading programme of E-Auction fails due to reasons of force-majeure, strike, Sunday etc in which colliery have no control, then carry forward should be provisioned.

EFFECTIVE USE OF THE COMPANY WEBSITE FOR TRANSPARENCY

In pursuance of decision taken at the meeting held on 10th April'10 on the vigilance issues subject matter of display of the status of employment (under NCWA & LLS) and VRS in the company website was discussed in the Functional Directors' meeting on 5.6.10 as Item No 22. Company secretary informed vide letter no ECL/CS/27(O)/7th of 2010/22 dated 17th June'10 that Functional Directors advised to display the approved cases of employment against L.L.S and V.R.S optees in company's website for bringing more transparency . Placing the circulars and status of employment in ECL Website has started.

1. Preparation / finalization of Materials/ Safety Budget

Vide Letter no ECL/CS/27(O)/3rd of 2010/1 dated 16th March'10 Company Secretary informed that the subject matter was discussed as Item No 01 in the meeting of the Functional Directors on 24.2.10 and after detailed deliberations it was decided as follows.

- a) While Preparing Materials / Safety Budget prescribed format as stipulated in annexure-51 of Stores Manual should be strictly followed.
- b) Realistic assessment of current year requirement should be made with adequate justification by taking into consideration last three year's consumption and
- c) Materials / Safety budget should be prepared based on the indents received from areas. For centralized item indent will be initiated by the concerned deptt at HQ.

2. System improvement relating to payment of House Rent Allowance when both wife and husband are employees:

During the course of investigation by Vigilance Department, it was observed that house rent allowance was being paid to both wife and husband when both of them are employees, for a quite long time. After examining a few cases, the matter was referred to D(P) for getting the entire matter examined so that recoveries are effected for such double payment and prevention

of such payment in future. On perusal of one vigilance investigation report by D (P) regarding payment of House Rent Allowance to both WB employees when both husband and wife are employees of the company in contravention of the NCWA Provision, instruction was issued by GM (P&IR) vide ECL/CMD/C-6/WBE-33/533 dated 19.6.10. This effort of Vigilance Department has resulted in initiation of action for huge recoveries from the concerned employees and prevention of such double payment in future.

3. Regulating issuance of work orders in Areas:

In terms of CVO, ECL's observation duly approved by CMD ECL the proposal of issuance of the work order by the Agent or CGM/GM instead of departmental heads, to avoid mismanagement & better co-ordination between users & executing agencies was sent to C.E (Civil) vide ECL/VIG/W-1/INF-18/07/915 dated 25th June'10.

4. Strengthening system of hospital medical stores management:

On examination of the CBI Memorandum in respect of Joint Surprise Check at Sanctoria Hospital necessary guidelines have been issued to all Hospitals of ECL to strengthen the entire system of hospital medical stores and to prevent any lapses in future by Chief of Medical Services ECL vide Office Order no ECL/C-5(E)/CMS/10/Office order/465 dated 3.8.10.

5. Improvement in the system of issuance of Sick/ Fit Certificates:

Arising out of a surprise check on source information about irregularities in issuance of sick/fit certificates, the matter was taken up with CMS, ECL and an Internal Memo was issued vide No.ECL/C-5(E)/10/1131 dated 14.12.2010 by CMO, Sanctoria Hospital laying down the policy for issuance of sick/fit certificates as communicated by CMS, ECL vide his letter No.ECL/C-5(E)/cms/11/Conf/847 dated 13.1.2011

MONTHLY REVIEW OF PENDING CASES BY CVO, ECL:

To reduce pendency and to complete the investigation in the laid down procedures by CVC within stipulated time frame, review meeting with all the investigating officers is being conducted every month. Pending vigilance cases as on 31st December'10 and the Vigilance Activities along with the System Improvement Proposals were reviewed by the Board of Directors of ECL in the 243rd Board Meeting of ECL held on 3.3.2011.

IDENTIFICATION OF SENSITIVE POSTS & JOB ROTATION:

During the year 2010, 36 executives and 512 non-executive employees were transferred from sensitive posts.

Surprise Inspections:

Out of 29 surprise checks conducted in 2010, Seventeen (17) surprise checks were carried out during the period Apr'10 to Dec'10. During the year 2010, 7 inspections were jointly conducted with CBI resulting in registration of 4 RCs and 2 PEs by CBI. Arising out of surprise inspections, after investigation by Vigilance Department, in 6 inspections irregularities were not observed and closed. One case was registered and investigation taken up arising out of one surprise inspection. Arising out of a surprise Check Vigilance Audit was taken up regarding contractual expenses and its execution at Sonapur Bazari Area.

IMPORTANT ACHIEVEMENTS:

Besides what has been indicated in the system improvements undertaken in the foregoing, an amount of Rs.2,04,076.32 was made in Jan.2010 as per details given below:

Recovery made from Vigilance Activities in 2010

Vigilance Ref. No.	Subject Matter of the Case	Details of Recovery	Amount Recovered
INF- 09 / 08	Irregularities in payment of HRA at Kolkata Sales Office	In a vigilance case (INF-09/08) regarding Irregularities in payment of HRA at Kolkata Sales Office recovery of Rs.3402000 was shown in 2008. As per latest report received in this respect total recovery in this case stands at Rs.3606076.32 leaving balance of Rs. 463192.91.	Rs.204076.32

Monetary gain to Company due to vigilance activities in 2010

- (1) Computerization of the entire process of e-auction by way of booking optimum quantity from a point at highest price, has resulted in overall increase of 9.66% (on the %age increase over notified price) when compared to the increase in 2010-11 (April, 10 to Jan.11) over the corresponding period of 2009-10 and on actual dispatch basis, there has been an increase of sales realization of around Rs.5 crores on this count.
- (2) Due to concerted and constant efforts of Vigilance Department in the matter of wagon loading, the under-loading charges as penalty being paid to Railways has come down from Rs.882.31 Lakhs (Rs.7.51 per tonne) during the period April, 2009 to December, 2009 to Rs.460.73 Lakhs (Rs.3.67/tonne) during the period April, 2010 to December, 2010, a net gain of Rs.421.58 Lakhs.

15.0 AFFORESTATION, EMP MONITORING & ECO-FRIENDLY ACTIVITIES:

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

15.1. Afforestation and Eco-friendly Activities:

Sl. No.	Year	Trees Planted	Area Covered (Ha.)	Expenditure (Rs. in lakhs)	Remarks
1	2009-10	133400	54.00	54.97	
2.	2010-11	62500	25.00	21.00	Forest Department expressed inability to do any more plantation work for ECL. They returned the cheques given to them from 3 Areas of ECL. West Bengal Waste Land Development Corporation agreed to take up this work henceforth.

15.2 Environment Management Plan Monitoring by MOEF:

In compliance of EMP conditions imposed by MOEF, monitoring is being done on a regular basis for 30(thirty) environmentally cleared projects by MOEF. The six monthly compliance reports of the approved projects are being sent to Eastern Regional Office, MOEF, Bhubaneswar. Necessary mitigation measures are being adopted by the different Areas of ECL.

15.3 Statutory Requirements of State Pollution Control Boards:

- a) Annual Consent for discharge of water and emission of air is being obtained, for each colliery from the State Pollution Control Boards of West Bengal & Jharkhand while maintaining the statutory provisions and Rules of Water Pollution Act, 1974, Air Pollution Act 1981 and the Environment Protection Act 1986.
- b) Required Water Cess (including arrears) based on consumption of water is being deposited by all the mines, with the respective State Pollution Control Boards, as per the Water Cess Act, 1977.

- c) Annual Environmental Statement in Form V (Rule 14 of Environment Protection Act 1986) is being submitted to respective State Pollution Control Boards in respect of the approved projects.

15.4. Observance of World Environment Day:

World Environment Day was observed on 5th June 2010 followed by inter-colliery/project/area competition on 7th & 8th June 2010. Area-wise inspection was undertaken by inspection teams and annual performance of environment measures/activities was evaluated. Prize distribution ceremony was held in Jhanjra Area and Prizes were distributed to winners along with Shields & Merit Certificates to winning areas i.e. Jhanjra, Sonapur Bazari & Rajmahal and mines namely Bansra, Nimcha & Chapapur.

15.5 Environmental Clearance granted by MOEF, New Delhi:

During 2010-11 Environmental Clearance was received for :

SI No	Name of Project	Capacity -MTY	MOEF Ref. No.
1	Belbaid	0.48	J-11015/204/2008-IA-II(M), 26.07.2010

15.6. Environmental Clearance of ECL mines / projects pending at S.P.C.B, MOEF, etc.

Area	Name of Project	Capital Investment (Rs. in Crore)	Capacity (MTY)	Status of EMP Clearance
Jhanjra	Jhanjra UGP	122.35	3.500	Draft EIA/EMP documents and Public Hearing documents submitted to West Bengal Pollution Control Board on 6th Oct .2010, but not accepted due to mistakes in Draft EIA/EMP documents. Given back to RI-I, CMPDI on 20/22-01-11 for rectification.
Panda-veswar	Rangamati - B UGP	125.29	0.480	One copy of draft EMP and Public Hearing documents (English & Bangla versions) submitted to West Bengal Pollution Control Board on 18-02-11 by Project Proponent for study.
	Rangamati - A UGP	342.41 & 387.24 for variant I & II	0.983	TOR received vide MOEF No J - 11015/ 204 / 2010-IA.II (M) Dated 23-09-10. Draft EIA / EMP ready. Public Hearing documents under preparation at RI-I, Asansol

Area	Name of Project	Capital Investment (Rs. in Crore)	Capacity in (MTY)	Status of EMP Clearance
Kunustoria	Narainkuri UGP (Under XIth Plan)	73.53	0.540 (up-dated)	WBPCB postponed the Public Hearing (scheduled to be held on 15/9/10) vide notification dated 23/8/10 mentioning unavoidable circumstances.
	Kunustoria Block (Dobrana, Dhasal & Bamanbad Seams) UGP	144.81	0.7350	Public Hearing to be held on 02-12-09 was postponed.
	Bansra UGP	Additional capital investment Rs. 121.95	Expansion from 0.345 to 0.735	Public Hearing held on 25-11-2010. Proceeding received from WBPCB. Final EIA / EMP under preparation at CMPDI, RI-I
Bankola	Tilaboni	716.69	2.14	TOR received vide MOEF No J -11015 / 02 / 2011 -IA.II (M) Dated 21-03-2011. Draft EIA/EMP documents and Public Hearing documents to be prepared by RI-I, CMPDI.

15. 7. Cluster Concept Of Old Mines:

Purpose of Grouping

The cluster approach for obtaining environmental clearances for mines that were taken over during nationalization period was discussed between Secretary (Coal) and Secretary, MOEF on 28th February 2008. It was observed that a large number of such mines, mostly underground mines, existing in the old coalfields of Raniganj and Jharia continue to operate without any environmental clearance from the MOEF. Since preparing EIA/EMPs individually for these mines would take time, it was mooted that cluster/groups of such mines may be identified for preparing cluster-wise integrated EIA/EMPs.

In Raniganj and Mugma Coalfields of Eastern Coalfields the process of obtaining Environmental clearance of 87 mines of the pre nationalization/pre 1994 period has been initiated as per directive of MOC & MOEF.

Status of pending Environmental Clearance of ECL Clusters:

Cluster No.	No. of mines	Status of EMP Clearance
5	Two mines	TOR received vide letter no J-11015/288/2010-IA.II, Dated 03-12-2010.
6	Nine mines	TOR received vide letter no J-11015/385/2010-IA.II, Dated 09-02-2011.
7	Four mines	TOR received vide letter no J-11015/386/2010-IA.II, Dated 09-02-2011.
2 & 9	Three & Fifteen	EAC Meeting held on 21-02-2011 at New Delhi. Awaiting TOR.
1 & 12	Eleven & Seventeen	EAC Meeting held on 19-04-2011 at New Delhi. Awaiting TOR

15.8 Land Reclamation by filling with fly ash:

ECL has taken an initiative to fill with fly ash the under mentioned abandoned Opencast mines:

SI No	Name of Abandoned OCP	Name of Area	Name of power plant operator	Remarks
1	Parasea	Kunustoria	D.V.C. Mejhia	Almost filled up
2	Nimcha Fire Project	Satgram	DPL, Durgapur	In progress
3	Dhandadih	Kajora	D.V.C. Mejhia	
4	Porascole (West)	Kajora	D.V.C. Mejhia	In progress
5	Topsi OCP	Kunustoria	Jai Balaji Industries	In progress

Note: The top is being covered with top soil followed by tree plantation.

ECL has offered 4 abandoned Opencast Quarries in Mugma Area, Jharkhand State to Maithon Power Limited a joint venture of D.V.C. & Tata Power which is expected to start operations in June/July 2011. The Quarries to be filled with fly ash are:

i) Mandman East & West, ii) Lakhimata B P Quarry, iii) Rajpura Old Quarry, and iv) Chapapur Quarry.

Note: The top will be covered with top soil followed by tree plantation. Apart from this, two Quarries will be developed as Ecological Parks by Maithon Power Limited after filling up with Fly ash.

15.9 Development of Water Resources:

a) Drinking Water:

A number of old OCPs filled with water in ECL are being utilized for fulfilling the needs of its employees and large population in the surrounding villages. The Public Health Engineering Department of the West Bengal Govt., is utilizing the water from the abandoned OCPs at Itapara, West Baraboni to supply filtered drinking water to a population of 15164. Public Health Engineering Department of Jharkhand State is taking water from two abandoned Opencast Quarries namely Rajpura & Hariajam of Mugma Area and supplying water to the local population in the Nirsa Block. They are drawing 1 Lakh gallons of water per day from each quarry for this purpose.

b) Minor irrigation activities:

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

c) Pisciculture:

Two abandoned OCPs namely Debu & Dalmia of Salanpur Area in ECL, with the participation of the West Bengal Fisheries Development Corporation are being utilized by the local villagers and employees for Pisciculture.

16.0 OFFICIAL LANGUAGE IMPLEMENTATION:

ECL's HQ and 11 Areas are situated in 'C' region where 86% employees are posted. Only 3 areas are situated in 'A' region (Jharkhand). Efforts were being made to achieve the target given under Annual Programme 2010-11 issued by Rajbhasa Vibhag of Ministry of Home Affairs, Govt. of India in 'A' region as well as in 'C' region.

1. During the year under review, 3.6 % growth was recorded in Hindi correspondence over last year.
2. Similarly in 2010-11 a marginal growth of 0.5% was achieved over last year 2009-10 in Hindi comments.
3. In 2010-11, two workshops were organised on 01.07.2010 and 11.02.2011 in which 83 executives/ employees were trained.
4. During the period under review, Hindi Pakhwara was organised from 14.09.2010 to 28.09.2010, at all the areas of ECL. Final programme was held at Dishergarh Club on 28.09.2010 in which essay competition, official letter writing, note sheet writing competition and also a Quiz Contest was also organized. The winners were awarded with prizes in form of books. Areas were also

awarded with shields for implementing Official Language successfully.

5. A Hindi Kavi sammelan was organised on 17.08.2010 at Dishergarh Club to create a favourable atmosphere for Rajbhasa implementation.
6. Hindi Library has been enriched with addition of many books of prominent writers. During the period sufficient amount was also spent for purchasing 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 HQ and areas.
8. ECL was represented by two executives in the Akhil Bhartiya Rajbhass Sammelan organised by Bhartiya Rajbhasa Parishad, New Delhi at Goa from 25.11.2010 to 27.11.2010
9. The tradition to display comments in front of Technical building and at entrance of Administrative building, HQ continued during the year also.
10. The minutes of Co-ordination meeting of CGM/GM by CMD every month was issued in Bi-lingual (Hindi and English) as usual like previous years.

17.0 BIFR & 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 were also heard by Committee 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 submit a copy of CCEA/ Govt. of India approval of the DMRP.

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.

Hence the financial projections earlier made were revised. As per the revised financial projections the networth of the company is slated to become positive in 2016-17 with waiver of CIL loan and conversion of current account balance into equity. In the 237th ECL board meeting held on 5th August, 2010 ECL board approved the Draft Modified/Revised Proposal (DMRP) – June, 2010 for revival of ECL. BRPSE reviewed the ECL's case on 27th August, 2010. Company presented the DMRP (June, 2010). BRPSE advised the company to revise the physical and financial projections by exploring the possibility of advancing the project completion to enable the company to come out of BIFR. Hence the revised DMRP (November, 2010) was prepared with cut-off date of 31st March, 2010. As per DMRP (November, 2010) the company is expected to come out of BIFR in 2014-15. The revised DMRP (November, 2010) was submitted to BIFR in its

meeting held on 22nd November, 2010 with copies to all stakeholders and BRPSE. BIFR advised the Monitoring Agency to examine the proposal with the help of the expertise, if required, and to submit a fully tied up MDRS to the BIFR for further action. The Monitoring Agency is examining the DMRP (November, 2010) and getting the TEV study conducted by the consultant.

18.0 COMPUTERISATION & I.T. ENABLED SERVICES:

A. STANDARD BUSINESS APPLICATIONS:

- The company has 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.
- The company has taken steps to modify & place the above mentioned applications 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.
- During the recent past existing batch mode Materials Management System has been implemented in On-Line mode in 6 of the Area Stores where data connectivity could be established.
- The batch mode Financial Accounting System has been modified & converted to On-Line mode for three more areas during the year covering total six areas (Kenda, Salanpur, Pandaveswar, Kunustoria, Satgram and Mugma) and Headquarters.
- The Road Sales Module of the Coalnet project of Coal India Limited has been implemented at ECL Sales office Kolkata and is being successfully operated & maintained.
- Vigilance Information System has been implemented in Vigilance department of ECL facilitating on-line information and monitoring / tracking of vigilance cases pending / under process.

B. OFFICE AUTOMATION:

- The company has provided about 800 PCs to various offices for routine Office Automation jobs like Word Processing, Spreadsheet based Calculations etc. More nos. of PCs will be gradually added to take care of demands due to reduction of clerical hands, need for communicating using E-Mails, File & Data creation and transfer etc. Some multifunction devices enabling Document scanning, copying, printing & faxing have also been provided to important offices.
- Leased line Internet connectivity through BSNL has been taken and about 50 users have been given access for facilitating E-payment & E-tendering. Other important users have been provided with Internet facility through various Service providers (BSNL, Tata Indicom, Airtel etc.) using Broad Band, Dial-up or Wireless Modem connectivity.
- Official E-Mail accounts have been provided to the Directors, HODs & Area CGM/ GMs for inter department communications.
- The data transfer from various Area Offices for consolidation at headquarters has been changed to E-Mail attachments instead of media transfer.

- Computer Appreciation Training is being provided on regular basis to the various segments of employees to enable them to operate the Personal Computers provided in their departments. This has greatly helped in generating enthusiasm among employees for utilizing the Personal Computers.

C. WEB-SITE OF THE COMPANY:

- The company provides information for dissemination to public on its web-site www.easterncoal.gov.in.
- ECL executives have been given access under secured login area in ECL website for dissemination of internal circulars/ notices.
- A "Discussion Forum" under ECL website has been created for Closed-User-Group of ECL. The discussion-forum is extensively being used for reporting & review of daily production, dispatch & equipment performance.

19.0 ELECTRONICS & TELECOMMUNICATION:

In order to keep pace with advancement of communication and information technology the following had been achieved in 2010-11.

19.1 Surface Communication:

All the Executives of ECL have been provided with SIM Cards under Closed User Group (CUG) scheme to facilitate free voice communication among the Executives for better Co-ordination with regard to Safety and Productivity.

A 2 Mbps leased internet connection has been taken from BSNL for accessing high speed internet for E-procurement, E-auction, etc at ECL HQ and it is being extended to all the departments through LAN Connection. Where LAN Connections are not available, internet connections are provided through BSNL Broad Band Connections and Tata Indicom and these connections are used to send daily attendance also.

One ISDN Line connection has been taken from BSNL for Video Conferencing with Coal India and other Subsidiaries.

For efficient surface communication, old telephone exchanges are being replaced by 64/128 line EPABX having facilities like ISDN, VOIP, LAN / WAN and Broad Band Compliant.

For efficient and fast transmission of messages from Company HQ to Area Office, FAX machines have already been provided. Action has been taken to replace the wireless sets by providing FAX machines to all the mines in phases.

19.2 Underground Communication:

In Jhanjra 2&3 Incline of Jhanjra Area, Auto Cum Manual underground communication has been installed, facilitating direct voice communication from surface/ residences to the long wall face of the mine. This helps to reduce the downtime of the equipments and increase production and safety.

Also, action has been taken to replace the old and obsolete Central Despatch System by latest designed auto cum manual exchanges in a phased manner, to extend the communication infrastructure within the underground mine and from surface to underground.

20.00 LAND ACQUISITION & LAND INFORMATION STATUS:

20.1 Status of Land Acquisition:

The status of land acquisition/possession mode-wise, project-wise for the year 2010-2011 is given below:

Mode of Acquisition	Acquired (in acre)	Possession (in acre)
Transfer of Govt. land	131.94	131.94
Direct Purchase of Tenancy land	24.62	24.62
L.A. Act	Nil	Nil
CBA Act	2964.00	78.89

20.1A The status of land acquisition cases which have been processed under LA Act and under CBA Act are as follows:

Under L.A. Act:

1. Sangramgarh / Salanpur - 34.72 acre - Notification u/s 4(i) done on 3.8.2010. Total payment made by ECL Rs 1.34 Cr on 16.9.2010.
2. Dalurband / Pandaveswar - 5.65 acre - Notification u/s 4(i) done on 3.8.2010. Total payment made by ECL Rs 12.47 Lakhs on 6.12.2010.
3. C L Jambad / Kenda - 94.67 acre - Notification u/s 4(i) done on 7.4.2010. Total Rs 1.79 Cr has been deposited to State Government on 29.3.2010
4. Sarpi / Bankola - 224.49 acre - Further revised application for acquisition of 217.38 acre of land submitted on 25.6.2010

5. Kalipahari / Sripur - 18 Ha - Application submitted on 21.4.2010 and deposited 50% to estimated amount on 1.2.2011.

Under CBA Act:

1. Sonapur Bazari - 2964 acre - Notified u/s 11 (i) on 19.4.2010
2. Mohanpur/ Salanpur - 57.69 acre - Notified u/s 7(i) on 15.03.2010
3. Jhanjra - 566.12 acre - Notified u/s 7(i) on 25.12.2010
4. Lalmatia (Chota Vorai) - 50.33 acre Notified u/s 7 (i) on 9.10.2010
5. Simlong - 18.12 acre - Revised notification u/s 7(i) has been submitted on 30.8.2010
6. Rajmahal Ph VII - 698.71 acre - MOC sent the notification to Govt. press for publication on 22.2.2011.
7. Rajmahal (Lohandia) - 228.89 acre Notification u/s 4(i) published in the Gazette of India on 24.7.2010.

20.2 Rehabilitation of villagers:

In the Rajmahal Area 2 families had been provided Rs. 1.0 Lakh per family as Rehabilitation benefits instead of house hold plot.

20.3 Status of Mining lease of Sand:

1. Temporary Working Permit for extraction of sand for stowing purpose for the period of 1.04.2010 to 30.09.2010 has been obtained from the Jt. Secretary, Govt. of WB, C&I Dept., Kolkata vide no. 232, dated. 8.4.2010.
2. Temporary Working Permit for extraction of sand for stowing purpose for the period of 1.10.2010 to 31.3.2011 has been obtained from the Jt. Secretary, Govt. of WB, C&I Dept., Kolkata vide no. 829, dated. 6.2.2010

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 personnel as on 01.04.2011.

1. ECL Security – 1969 persons including 343 Lady Security Guards.
2. Contractual Security – 2109 persons.
3. CISF- 945 persons.

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

Contractual Security:

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

CISF:

CISF is deployed for static duty at Rajmahal, Sonapur Bazari, and S.P. Mines Areas. Besides they are having camps at Mugma, Salanpur, Sripur, Kunustoria, Pandaveswar, Kalidaspur and Satgram Areas. They remain on mobile duty to conduct raids against illegal mining, illegal trafficking of coal and illegal coal depots and also being deployed during Strike/Gherao in the colliery/Area to maintain law and order.

Basic Problem of Security-

- i. Shortage of manpower in security department to manage the day to day security work.
- ii. Lack of transport and communication system.
- iii. Need for centralized accommodation for Security personnel.

Prevention of theft/pilferage of Coal and illegal mining:

Theft/pilferage of coal:

The coal pilferage/theft are taking place from Coal Depot, Railway Siding OC Mine, Coal Transporting route, Pit Head, Coal loaded Railway Rakes etc. by the villagers including female and children. Following steps are taken by the company to prevent theft/pilferage of coal:

1. Departmental security /Private Security along with CISF personnel are conducting surprise checks/raids to prevent pilferage/theft of coal. They seize coal and trucks during raids and apprehend miscreants involved in it. Thereafter FIRs are being lodged.

2. Security personnel are being posted at Coal Depot/Railway Siding/Pit heads OCPs.
3. Escorting of coal loaded rake from Siding to Railway Weighbridges by providing armed security personnel.
4. Conducting surprise check & escorting dumpers during coal transporting from Collieries to Siding.
5. Police /District Authorities are being informed and requested to provide security cover to the company's property materials and coal.
6. Regular meeting with Police/State/District Authorities of West Bengal and Jharkhand.

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:

1. Intelligence collection.
2. Dozing off/filling up/sealing the illegal coal mining sites and subside area by Pay Loaders/ Dozers etc.
3. Surprise checks /raids are being conducted by CISF, ECL Security along with Police and seizure of illegal coal /illegal trafficking of coal with involved vehicles and apprehension of miscreants and handing over them to the local Police station.
4. Regular meeting are held with Central and State Authorities of WB and Jharkhand and District authorities of Burdwan, Bankura, Purulia and Birbhum of West Bengal and combined authority of Jharkhand for prevention of illegal mining.
5. The concerned Police Stations are advised by District Authority to increase their vigil check to stop re-opening of the dozed off illegal mining spots.
6. Frequent inspection by Area Team consisting of CGM, Area Survey Officer, Area Security Officer along with CISF officials to the affected sites.
7. Joint inspection of Railway Track, NH-2 and important surface construction by Civil Authority, ECL Management, Railway Authority and National Highway Authority is also conducted.
8. FIRs are also lodged to the local Police Stations as well as information are sent to the

District Authorities as and when the illegal mining activities are noticed within leasehold of ECL and outside the leasehold area (private owners land /forest area).

To take up the cases for its logical conclusion of the cases in the Court of Law, letters have been written to the SPs of Burdwan, Purulia, Dhanbad, Deoghar Districts, giving details of FIRs lodged and asking for present status of the cases. The cases are pending in the Court and ECL has engaged Lawyers to follow up the cases in the Court of Law for logical conclusion.

A) Seizure of Illegal Trafficking Coal :

Year	State	No. of Raids	Coal seized	Trucks seized	Person Apprehended	FIRs Loadged
2010-11	WB	120	1863 mt	55	06	53
	Jharkhand	69	437 mt	07	11	10
	Total	189	2300 mt	62	17	63
2009-10	Total	325	4137 mt	182	96	194
Variation		(-) 136	(-) 1837 mt	(-) 120	(-) 79	(-) 131

The data given above is the seizure made by CISF, ECL Security and DGR sponsored security personnel along with 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 Loadged
2010-11	WB	687	5650 mt	09	14	08
	Jharkhand	261	1401 mt	01	03	03
	Total	948	7051 mt	10	17	11
2009-10	Total	1043	8161 mt	31	166	68
Variation		(-) 95	(-) 1110 mt	(-) 21	(-) 149	(-) 57

C) During the course of dozing off/ sealing / filling up of the illegal mining sites the ECL security

along with CISF and local Police are also deployed at the dozing points within leasehold and outside the leasehold areas. In the year 2010-11 following dozing /ceiling are done to curb the illegal coal mining.

State	Sites dozed	Volume used (L.cum)	Expend.(approx) (Rs. in Lakh)	Fir/info. sent to local PS
West Bengal	4022	0.889	3.0305	298
Jharkhand	18	2.680	56.37	44

More than 5 years no incident of theft /pilferage of Explosive Magazine and looting of cash have been reported by the Colliery/Area of ECL.

Cause of variation of figures

This year different type of Meetings i.e. Central level/ State level/District level/Sub-Divisional level/CIL level /Company level and Colliery level were held on Mitigation of Illegal Mining and Theft of Coal in West Bengal and Jharkhand States. ECL Management along with District Authority have taken drastic action on the above problems hence the Illegal Trafficking of Coal and Illegal Mining has gone down considerably which can be seen from the table below and so seizure of coal from Illegal Trafficking, seizure from Illegal Mining are in decreasing trend. Theft of other materials from colliery / units has increased in the present days the cause of which is under investigation.

Theft / Recovery of other materials :

Year	2009-10	2010-11	Variation (Increase/decrease)
No. of Incidents	153	203	(+) 50
No. of FIRs/ Infos.	115	147	(+) 32
Property Stolen (Rs)	60,02,135	99,77,525	(+) 39,75,390
Property recovered (Rs)	5,63,640	2,91,437	(-) 2,72,203
Person apprehended (No)	06	12	(+) 06

22.0 PERFORMANCE OF OURSOURCING OC PATCHES:

A OURSOURCING OC PATCHES:

In 2010-11, company produced 56.97 LT of coal from 11 outsourced OC patches against 43.36 LT of coal produced in 2009-10 from 13 outsourced OC patches. 253.06 L CuM of over burden

was removed from 13 outsourced patches in 2010-11 against 158.57 L CuM. of over burden in 2009-10 from 13 outsourced patches.

B. Details of Tenders finalised during 2010-11:

i) For Outsourcing of OC Patches:

SI No	Name of Patch	Work order value (Rs. in crore)	Coal (L. T)	OB (L CuM)
1	Madhabpur Ph-II OC Patch at Kajora Area	2.97	1.00	4.64
2	Bonjemehari OC Patch at Salanpur area	22.82	-	10.00
3	Hansdiha Patch –II at SB Area	232.51	45.40	315.24
4	Kapasara OC Patch at Mugma Area	43.83	8.00	54.00
	Total	302.13	54.40	383.88

ii) For Underground mines (Gobal Tender):

SI No	Name of work	Agreement /LOA
1	Sarpi Continuous Miners at Bankola Area	Agreement signed on 04/04/2010 with Joy Mining
2	Tele monitoring for 3 Nos Mines 1. Chinakuri-I, Sodepur Area 2. Narsamunda, Sodepur Area 3. Kalidaspur, Satgram Area	LOA issued on 31/01/2011 to M/s. Jagdamba Tyre Re-treading Co. Value of work: Rs. 3.00 Cr.
3	Jhanjra PSLW at Jhanjra Area	LOA issued on 03/03/2011 to M/s. CODCO. Value of work : Rs.238.00 Cr.
4	Jhanjra 2nd CM at Jhanjra Area	Approval by ECL Board for award of work to M/s. Bocyrus DBT. Europe. Awaiting UCE approval from empowered sub committee CIL Value of work: Rs. 70.00 Cr.

C) NIT Floated:**a) Outsourcing Patches:**

Sl. No.	Name of Work	NIT & Corrigendum ref. No.	Date of Part - I Opening	Coal L. Te	OB L. Cum
1	Kalipahari A OC Patch at Sripur area	22, Date : 10/01/11	25/03/2011 (2 Nos offer received)	3.20	14.70
2.	Mallick Basti OC Patch, Satgram Area	112, Date: 09/02/11 & Corrigendum no. 218 Dated. 23/03/11	24/03/2011 but no tender received and extended 25/04/2011	2.60	11.70
3.	Removal of OB at A2, A3 Patch at Rajmahal Area	152, Date: 22/02/2011	31/03/2011	-	48.00
4.	800 Te Strata Bunker at Jhanjra	172, Date: 01/03/11	04/04/2011	-	-

b) Global Tender:

Sl. No.	Name of Work	NIT & Corrigendum ref. no.	Date of Part-I Opening
1.	Rajmahal Expn.(17 Mty)	116, dt.11/02/2011	21/06/2011
2.	Abandoned /derelict 6 Nos Mines (1) Shampur 'A' Colliery, Mugma Area (2) Sangramgarh Colliery, Salanpur Area (3) Sripur Colliery, Sripur Area. (4) Kapasara Colliery, Mugma Area (5) Girmint Colliery, Sripur Area (6) Seetalpur Colliery, Sodepur Area	756 to 761, dt.27/02/10. & subsequent corrigenda	21/04/2011

D) Draft NIT**a) Outsourcing OC Patch :**

Sl. No.	Name of Work	Proposed Coal	Proposed OB	Remarks
1.	Dabor Ph-II OC Patch	15.80 L.Te	48.70 L.cum	Under process of approval
2.	Khoirabad Ph-III remaining	0.97 L.Te.	1.49 L.cum	-do-
3.	West Kenda OC Patch at Kenda Area	11.89L.Te.	76.50 L.cum	-do-
4.	Extension of Damalia West Extension OC Patch at Satgram Area	0.37 L.Te.	1.73 L.cum	-do-

b) Global Draft NIT :

Sl. No.	Name of Work	Remarks
1.	Tilaboni CM	Draft NIT displayed in website since 25/03/2011. Pre-NIT meeting scheduled on 26/04/2011
2.	Low height CM 2 Nos at Jhanjra	-do-
3.	Rangamati MAAS Production	Draft tender document scrutinized for vetting of CMPDIL.
4.	High Speed shaft sinking	-do-

E) Transportation works:**a) Discount Bidding:**

Transportation work having estimated value more than Rs.1.5 cr. (Coal) and more than Rs.2.00 Crores (Sand) through tendering from HQ in respect of different Areas of ECL had been finalized.

b) Open Tender:

Transport contracts for transportation of coal in different areas of ECL e.g. Rajmahal, S.P.Mines & Sonapur Bazari had been finalized.

23.0 INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

Being a production company, the Internal Control standards / parameters are embedded in the annual production program 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. The 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 operation. It may be stated here that the detailed procedure laid down in the different Manuals has its own checks and control system. The operational departments are required to comply with the terms of the respective Manuals in their day to day work and exceptional matters, if any, are required to be brought to the knowledge of higher management.

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

23.1. Internal Audit of system & transactions at all Areas and Units of ECL:

Upto the Financial Year 2010-11, outside Audit Firms were appointed by CIL with specific scope of audit as laid down by CIL. From the financial year 2011-12, outside Audit firms will be appointed by ECL in terms of guideline of Coal India Ltd. and such audit will continue throughout the year.

23.2. 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 highlighted therein.

23.3. C&AG Audit:

Throughout the year Govt. Auditors from the office of C&AG conduct propriety audit in different

areas / establishments in which the 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.

It may be stated here that being a Govt. company, audit by C& AG team is mandatory and the C&AG reports are required to be followed-up promptly.

23.4. Special Audit:

On being directed, Internal Audit department undertakes special audit / enquiry in relation to complaints lodged and the system of internal control is examined vis-à-vis lapses occurring, if any, which are brought to the knowledge of competent Authority for remedial action.

23.5. 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 and Central Workshop stores every year. Physical verification of stores of most of the areas / units was covered up in 2010-11.

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

Checking and certification job is conducted on quarterly basis and final claim under the signature of Director (T)/OP is submitted to the office of Coal Controller, Kolkata.

23.7. Restructuring of Internal Audit Department as per direction of CIL Audit Committee:

In the Audit Committee Meeting of CIL Board held on 18/12/2010, the issue of strengthening of Internal Audit department with sufficient manpower from various disciplines was discussed. The requirement of manpower in this respect was sought for by CIL along with role & responsibilities of Internal Audit Department on restructuring.

Additional manpower requirement vis-à-vis revised role after restructuring has been submitted to CIL and further instruction in this respect is awaited. It may be stated here that on restructuring, Internal Audit Department at the Subsidiary level will assume a much greater role than at present and is expected to cover major functional areas for better internal control system & maintaining operational efficiency simultaneously.

Thus at present the different outside audit agencies are appointed by CIL/ECL in view of inadequacy in infrastructure. This department acts in conjunction with the different audit agencies in evaluating the 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 the transactions carried on by it and the frequency of the 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.

ECL is committed to achieving highest level of transparency, openness and accountability and fairness in all areas of operation, meeting the aspirations of all its stakeholders with primary objective of enhancing shareholders value, timely and balanced disclosure of all material information to all the stakeholders and protection of their interest. The Company has put in place a sound system of internal control to mitigate the risks and comply with the laws of land, rules & regulations in true letter and spirit with a view to provide oversight and guidance to management in strategy implementation.

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 2011 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 and to the employees of the Company at all level for their sincere and dedicated services rendered by them in the functioning of the Company. 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 BIFR and making it a profitable company.

Your Directors acknowledge with thanks the assistance and guidance received from Statutory Auditors, Tax Auditor, Concurrent Auditor, BIFR, BRPSE, SBI, Registrar of Companies, West Bengal and Comptroller and Auditor General of India. Your Directors also wish to place on record their sincere thanks to the valued customers and 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.



(Rakesh Sinha)
Chairman-cum-Mg. Director

Sanctoria,

Dated: 20th May 2011

Annexure - I

3.4.1. Status of On-going R & D Projects upto 31st March, 2011

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 15.6.2010 (Rs. Lakh)	Present Status
1	Underground trapped miners location system. Project code CIL/R&D / 1/35/10	TCS, CMC & CMPDIL Ranchi	16.11.09	15, Jan 2010	15, June 2011	489.70 for TCS/CMC-452.72 CMPDIL 36.72	168.54	1 Jhanjra mine, ECL has been selected for study. Collection of detail mine plans, surface map completed. 2 Detail system design, documentation done. 3 Major Data Communication over WIFI and MFAHF has been completed with application software. 4. Work related to endorsed closure final design, testing/ detecting MCD features is in progress. Work is progressing on Web service in test location- coordinates and overall application testing and tuning.
2	Investigation on augmentation of life of dump-truck tyres through the 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	147.91	Project Completed

(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 15.6.2010 (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	IT, Kharagpur / ECL	Apr.'08	1st May, 2008	Oct. 10 (2.5 Yrs)	216.98	215.08	Project completion report under preparation.
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 Hyderabad	ECL & Sub Implementing Agency- DMT AVANTIKA	14.11.08	Feb. 2009	Apr. 2009	444.23	444.00	Project Completion report submitted by DMT was discussed in R&D Board of CIL and accepted.
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	Draft completion report submitted by CIMFR, Dhanbad was accepted by Exploration Division, CMPDIL and necessary observation has been sent to CIMFR for incorporation in the final Project Report. Final report is still awaited.

(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 15.6.2010 (Rs. Lakh)	Present Status
6.	Recovery and utilization of Coal mine methane in Jhanjira & Ranganj coalfields Project Code- CIL /R&D/1/30/09	CIMFR-Dhanbad, Moolopo Australia Ltd. / ECL / BCCCL	22.5.09	June 09	May 2011	3339.98	2100.00	The progress of the project is much behind the schedule time frame. The slow progress of the Project was again reviewed in the last meeting of R&D Board of CIL held on 11.2.11 at Kolkata, The Committee directed CIMFR to place the orders and also signing of agreement with Mopolo, Australia Limited by 15th April 2011. The CIMFR further directed to submit the schedule of completion of project activities to CMPDIL after placing order for the procurement of equipment. The minutes of the meeting is awaited.
7.	Investigation of Belt behavior in developed and depillaring panels under blast induced dynamic loading (Project Code CIL/R&D/1/12/10 GPS production reporting system in OCP	CMPDIL, Ranchi, IIT, Kharagpur and RDCIS (sail), Ranchi		15.12.10	15.11.13	491.08	165.00	Khottadih and Jhanjira underground mines of ECL have been selected for execution of the Project. Procurement of equipment is in progress.

Annexure - II

3.4.2 Status of Implementation of ongoing S & T projects upto 31st March, 2011

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	Draft completion report submitted.
2	Investigations of cavability 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 CMPDIL- 10.00	Nov' 05	Sep-2010 Mar - 2010 Oct' 08	CIMFR / NIRM / ISM / CMPDIL / SECL / ECL / BCCL	255.00 CIMFR-70.00 NIRM-130.00 ISM-55.00	Draft project completion report submitted
3.	Model studies on gravity blind back filling method and evaluation of a pre-jamming indication parameter in the field – MT/154	12.02.08	402.56	Mar' 08	Feb, 2011 Nov, 2011	IIT, Kharagpur / ECL	360.00	An ultrasonic system was installed for fine tuning of depth sensing water level installed at Shyamsundarpur Colliery, ECL. Rimming of Borehole no 10 was carried out for inserting ROV camera into the borehole. The project implementation got delayed due to delay in procurement of 4nos of ROV camera from USA. Project has extended up to Nov 2011 in the 7th Technical Sub-Committee meeting of SSRC held on 4.1.2011.

(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	Application of high strength steel roof-bolt in underground coal mines (m/156)	21.12.09	103.22 RDCIS- 89.02 CMPDIL 14.20	Jan, 2010	Dec 2011	RDCIS DGMS CMPDIL	70.00	65 nos of 22mm dia rock bolt grade TMT (YS 640MPa) installed at R-VI seam CM-1 Panel, Jhanjira Project for performance evaluation. 60T high strength roof bolt grade TMT bar sent to Jhanjira for fabrication of 20mm roof bolts. High strength rock bolt grade bars of 16mm have also have also been developed but yet to put into field trial. Sent to ECL by RDCIS, Ranchi. Bolts are installed at R6-CM Panel-1, Jhanjira mines for performance evaluation.
5	Carbon sequestration in re-vegetated coalmine wastelands EE/40		64.76	Feb, 2009	Jan, 2012	CIMFR	30.00	Soil analysis for organic contents ranged from 0.19-0.92% in different re-vegetated mine site at Mugma, ECL and Neghai and Jayant Project, NCL of mine spoils shows a increase of 79% over a period of 0-20 years. Leaf lifts from NCL and ECL sites have been collected for above ground biomass (BGB) and its ranges from 25.66-338gm-2 and 28-287gm-2 respectively. Selected panel species were studied with respect to height and girth. Growth performance was measured in different age re-vegetated mine site. Microbial biomass carbon (MBC) was analysed and quantified in forest and different re-vegetated mine site.

(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.	Delineation of barrier thickness against water logged workings in underground.		342.2692	May, 2007	March 2011 OCT 2010 APL 2009	CIMFR	340.00	M/S Ground Radar ,Canada has visited the selected 3 sites (East Basuria colliery of Kusunda Area, BCCL, Shyampur B colliery of Mugma Area, ECL .and Barmundia colliery(A) of Salanpur Area , ECL) in 3rd week of march 2010 along with their developed proto type GPR system. The system could able to detect coal barrier up to 60 metre and above with 5 to 10%. Project is likely to be delayed as field trial will be conducted with GPR system after obtaining ATEX certification.

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.	Jhanjra Continuous Miner (1st set)	0.435	93.60	Feb'07 by CIL Board	Production started from Sept'07. Targeted production achieved in 08-09. Project completion report has been approved by ECL Board on 15-01-11. Same has been forwarded to CIL for approval by CIL Board.
2.	Shankarpur UG	0.12 (Inc.)	8.13	Jun'02 by ECL Board	The mine has achieved coal production of 0.118 MT (Inc.) during 2009-10. All major activities have been completed.
3.	Khottadih OC Aug.	1.00 (0.55 Inc.)	23.01	Dec'06 by CIL Board	1. Equipments were commissioned during 2008-09. 2. Project has started coal production from Feb'09.
4.	Sarpi Aug. UG	0.30 + 0.46 = 0.76	147.86 (120.35 Additional)	Jun'08 by CIL Board	Sarpi CM Commissioned in the month of August'10 and giving production.
6.	J. K. Nagar Project	0.435	54.15	Nov'04 by GOI	Fore closure Report of J.K.Nagar was placed in ECL Board on 28-03-11.
6.	Bankola R-VI Seam UG	0.24	19.14	Mar'03 by ECL Board	Activities: Drivage of drift from R-VIIA to R-VI (208 m). Job is in Progress and will be completed within March'12. Arrangement for Pre-NIT meeting for sinking/deepening of shaft is in progress.
7.	Kumardih B UG	0.42	79.23	June'06 by CIL Board	In addition to the project activities being geared up, recently a pair of drifts has been driven from R VI to R V seam to tide over the coal reserve crisis in R VI seam. Seam R V is entirely virgin in Kumardih- B UG lease hold and has favorable geo-mining condition. Two nos of SDL along with network of haulage for coal transportation through the said drift have already been commissioned and this has added to the volume of coal production.
8.	Khandra NKJ UG	0.285	18.85	July'03 by ECL Board	Shaft sinking has been completed in August'10. Proposal for driving of two nos of drifts are being finalized.
9.	Parasea Dobrana UG	0.16 (Inc.)	11.89	Feb'04 by ECL Board	Drivage of one no. of drift from R-VI (Kenda) to R-V (Dobrana) seam is being expedited to complete the job at the earliest. Proposal is being made to drive second parallel drift to facilitate ventilation in the mine working for coal production from R-V seam.

(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	Arrangement for Pre-NIT meeting for sinking/deepening of shaft is in progress.
11.	Nabakajora - Madhabpur Block UG	0.30	56.14	Dec'06 by CIL Board	Arrangement for Pre-NIT meeting for sinking/deepening of shaft is in progress.
12.	Chitra East OC	1.3 (Inc.)	112.69	Aug'07 by CIL Board	1. Environmental clearance has been obtained on 4-3-2010. 2. Estimate for outsourcing of OB is under scrutiny. But project has produced 1.40 MT in the year 2010-11 from the baseline production of 1.2 MT
13.	Rajmahal Expn. OC	17 Mty (6.5 Mty Inc.)	153.82	Sept'09 by GOI	Tender for partial outsourcing has been floated on 15.02.11. But project has produced 12.86 MT in the year 2010-11 from the baseline production of 10.5 MT.
14.	Jhanjira R-VI Seam PSLW	1.70	287.17	Nov'06 by GOI	LOI issued to M/s CODCO, China on 03-03-11 for PSLW Package.
15.	Mohanpur Expansion OC	1.0	14.23	June'08 by ECL Board	Production started on August'10. Expected date of Achievement of rated capacity is 11-12. Project has achieved 0.98MT in the year 10-11.
16.	Belbaid (Dhasal) UG	0.36 (Incre)	69.11	Feb'09 by CIL Board	Arrangement for Pre-NIT meeting for sinking/deepening of shaft is in progress.
17.	2nd Set Continuous Miner at Jhanjira UG Mine	0.51	122.35	Feb'09 by CIL Board	TCR for Global tender has been approved by ECL Board on 03-03-11. LOI will be issued shortly. Updated Cost estimate for the Project has been approved by ECL Board and same has been forwarded to CIL, Kolkata for approval by CIL Board.
18.	Narainkuri UG	0.54	149.06	Feb'09 by CIL Board	Sinking of 2 nos. shafts will be taken up on turnkey basis. Arrangement for Pre-NIT meeting for sinking/deepening of shaft is in progress.

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 2009-10		Performance in 2010-11		Cumulative Performance upto Mar, 11		Remarks
				Stowing in m3	Exp. in Rs. Lakh	Stowing in m3	Exp. in Rs. Lakh	Stowing in m3	Exp. in Rs. Lakh	
1	Fathepur (EMSC - 01)	499.43	60,000	Nil	Nil	Nil	Nil	54007	387.11	Scheme completed.. Completion report submitted.
2.	Palasban (EMSC - 15)	187.77	16,000	Nil	1.32	Nil	Nil	7909	91.42	Validity of project has expired. Extension of time for completion is under process.
3.	Gowalabasti (EMSC - 16)	187.77	66,000	5909	16.89	Nil	Nil	65548	187.77	Scheme completed, completion report submitted.
4.	Pottery (EMSC - 16)	187.77	45,000	4302	13.36	1304	8.99	45162	174.92	Validity of project has expired. Extension of time for completion is under process.
5.	Haripur (EMSC - 26)	187.77	45,000	2312	6.81	Nil	Nil	41608	187.77	Scheme completed, completion report submitted.
6.	Sanctoria (EMSC - 29)	478.38	40,000	1004	1.46	Nil	Nil	33037	151.54	Validity of project has expired. Extension of time for completion is under process.
7.	Jeebanpara / (EMSC - 31)	140.00	20,000	Nil	Nil	Nil	Nil	Nil	Nil	Validity of project has expired. 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 2009-10		Performance in 2010-11		Cumulative Performance upto Mar, 11		Remarks
				Stowing in m3	Exp. in Rs. Lakh	Stowing in m3	Exp. in Rs. Lakh	Stowing in m3	Exp. in Rs. Lakh	
8.	Narsamuda (EMSC - 32)	202.00	20000	Nil	Nil	Nil	Nil	Nil	4.15	Stowing is not possible because of fractured strata and absence of underground water.
9.	Aludhia / Bharachak (EMSC - 33)	212.00	20000	Nil	Nil	Nil	Nil	Nil	6.75	Validity of project has expired. Extension of time of completion is under process
10.	Rehabilitation (EMSC - 25)	3252.00	Expenditure upto March' 2011			Nil	Nil	Nil	50.82	
	Total (EMSC)	5534.89	332000	13527	39.84	1304	8.99	247271	1242.3	

4.2 Rehabilitation of four unstable localities (EMSC-25) & Sanctoria village- The Master Plan for fire, subsidence and rehabilitation in the lease of hold of ECL has been approved by Govt. of India on 30.07.2009. ADDA is the implementing authority and they have started the work.

4.3 Biological Reclamation: The scheme for restoration of abandoned coal mine in ECL (EMSC-03) has been completed in March'2003. Fire blanketing at Amritnagar colliery is going on. As per Amritnagar colliery report a quantity of 3,87,237.01 m3 blanketing out of 6,37,000 m3 of blanketing has been completed and the work is under progress. The work is being carried out departmentally.

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 2011, Board comprised 8 Directors, out of which 5 were whole-time Functional Directors including Chairman-cum-Mg. Director.

Adviser (Projects), Ministry of Coal (MoC) was a Govt. nominee representing MoC. Director (Finance), CIL was nominated on the Board of Eastern Coalfields Limited w.e.f. 03.05.2010. BIFR has appointed a Special Director on the Board of Eastern Coalfields Limited w.e.f. 24.12.2010.

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

DIRECTORS:

During the year 2010-11, Shri S. Chakrabarti was the Chairman-cum-Managing Director of the Company till 31.08.2010. Thereafter Shri T.K. Lahiry, CMD, BCCL was given the additional charge of CMD, ECL w.e.f 01.09.2010. He continued till 23.12.2010 when Shri Rakesh Sinha was appointed as Chairman-cum-Mg. Director, ECL. CMD, ECL was holding the additional charge of D (F), ECL upto 15.12.2010. The other Directors on the Board of the Company during

2010-11 were Shri A.K. Sinha (w.e.f. 03.05.2010), Shri P.R. Mandal, Shri S.K. Srivastava, Shri S. Chakravarty, Shri N. Kumar, Shri A.K. Soni (from 16.12.2010), Shri K.K. Gautam (from 24.12.2010), Shri K.C. Vijn (upto 23.08.2010), Shri P.R. Tripathi (upto 23.08.2010) and Shri Ashok Nath (upto 23.08.2010).

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

Service Contract:

Directors of the company are appointed by the President of India. The terms and conditions of appointment of Whole-time Functional Directors are decided by the President of India in terms of Articles of Association of the Company. BIFR has appointed a Special Director on the board of Eastern Coalfields Limited and the terms and conditions of his appointment are laid down by BIFR.

(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 2011, 10 Board meetings were held as against the minimum requirement of 4 meetings. The details of the Board meetings are as follows:

Date	Board of Directors							
	Functional		Part-time Official		Part Time Non-Official		Total	
	Strength	Present	Strength	Present	Strength	Present	Strength	Present
19.05.2010	4	4	2	1	3	2	9	7
01.07.2010	4	4	2	2	3	2	9	8
05.08.2010	4	4	2	1	3	2	9	7
29.08.2010	4	4	2	2	-	-	6	6
21.09.2010	4	4	2	1	-	-	6	5
08.11.2010	4	4	2	2	-	-	6	6
15.01.2011	5	5	2	2	1	-	8	7
28.01.2011	5	5	2	2	1	1	8	8
03.03.2011	5	5	2	2	1	1	8	8
28.03.2011	5	5	2	2	1	1	8	8

Details of number of Board meetings attended by each of the Directors are given below :

Sl. No.	Directors	Board Meetings		No. of other Directorships
		Held during the tenure	Attended	
	<u>Functional Directors:</u>			
1	Shri S. Chakrabarti Chairman-cum-Mg. Director	4	4	Nil
2	Shri T.K.Lahiry Chairman-cum-Mg. Director	2	2	1
3	Shri Rakesh Sinha Chairman-cum-Mg. Director	4	4	NIL
4	Shri S.K. Srivastava Director (Personnel)	10	10	NIL
5	Shri S. Chakravarty Director (Technical) Opn.	10	10	NIL
6	Shri N. Kumar Director (Technical) P&P	10	10	NIL
7	Shri A.K.Soni Director (Finance)	4	4	NIL
	<u>Part-time Official Directors:</u>			
8	Shri P.R. Mandal Adviser (Projects) Ministry of Coal	10	9	NIL
9	Shri A.K.Sinha Director (Finance) Coal India Limited	10	8	2
	<u>Special Director appointed by BIFR:</u>			
10	Shri K.K.Gautam	4	3	2
	<u>Part Time Non-Official Director</u>			
11	Shri K.C. Vijn	3	0	—
12	Shri P.R. Tripathi	3	3	09
13	Shri Ashok Nath	3	3	01

(C) Remuneration of the Director :**(i) Functional Directors :**

Name	Designation	Remuneration for the year 2010-11 (Amount in Rs.)		
		All elements of remuneration package (i.e. salary, pension, P.F., gratuity etc.)	Other benefits	Total
Shri S. Chakrabarti	Chairman-cum-Mg. Director (upto 31.08.2010)	863279	77732	941011
Shri Rakesh Sinha	Chairman-cum-Mg. Director (from 23.12.2010)	285599	14717	300316
Shri S.K. Srivastava	Director (Personnel)	1619491	56673	1676164
Shri S. Chakravarty	Director (Technical) Opn.	1839277	75536	1914813
Shri N. Kumar	Director (Technical) P&P	1621122	42289	1663411
Shri A.K. Soni	Director (Finance) (from 16.12.2010)	574562	61014	635576

(ii) Part-time official Directors:

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

(iii) Part-time Non-official Directors:

No remuneration is being paid to Part-time Non-official Directors except sitting fee. Details of sitting fee paid for attending Board / Committee Meetings are shown below.

Sl. No.	Name of the Director	Total Sitting Fee Paid (Rs.)
1	Shri K.C. Vijn	—
2	Shri P.R. Tripathi	52,500
3	Shri Ashok Nath	52,500
4	Shri K.K. Gautam	37,500

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. Vijn (upto 23.08.2010), P.R. Tripathi (upto 23.08.2010), Ashok Nath (upto 23.08.2010) and 1 (one) Functional Director viz. Shri S. Chakravarty, Director (Technical) Operations.

The Audit Committee was again reconstituted on 15.01.2011 and it comprised of 3 (three) part-time directors viz. S/Shri P.R. Mandal, A.K. Sinha, K.K. Gautam and 1 (one) Functional Director

viz. Shri S. Chakravarty, Director (Technical) Operations.

Director (Finance) and General Manager (IA) are the permanent invitee 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 (upto 23.08.2010). Thereafter Shri A.K. Sinha was appointed as Chairman of the committee in absence of Shri K.C. Vijh (due to his cessation). Shri P.R. Mandal was the Chairman of the reconstituted Audit Committee.

The Audit Committee met five times in 2010-11, on 19.05.2010, 01.07.2010, 05.08.2010, 08.11.2010 and 28.01.2011.

Audit Committee Attendance:

Details of number of Audit Committee meetings attended by each of the members are given below:-

Sl. No.	Members	Meeting held during respective tenure of members	No. of Audit Committee Meetings attended.
1	Shri K.C. Vijh	3	—
2	Shri P.R.Tripathi	3	3
3	Shri Ashok Nath	3	3
4	Shri S. Chakravarty	4	4
5	Shri P.R. Mandal	1	1
6	Shri A.K. Sinha	5	3
7	Shri K.K. Gautam	1	1

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 2010-11:

Statutory Auditors:

1. M/s. Dutta Sarkar & Co., 7A, Kiran Sankar Roy Road, 2nd Floor, Kolkata-700001.

Branch Auditors:

2. M/s. G Basu & Co., "BASU HOUSE" Chowringh Approach, Kolkata-700072.
3. M/s. Roy Ghosh & Associates, 39, Kalna Road, Badamtala, Burdwan-713401
4. M/s. R P Boobna & Co., Karnani Estate 209, A.J.C Bose Road, 2nd Floor, Room No.87, Kolkata-700017
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, Flate 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
2007-08	19.07.2008 11:30 AM	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	15.07.2009 11:30 AM	Sanctoria	Shri S. Chakrabarti, CMD, ECL Shri Pradip Bandopahdyay, Finance Manager, CIL Shri S. Chakravarty, D (T) Opn., ECL	-
2009-10	22.05.2010 11:00 AM	Sanctoria	Shri S. Chakrabarti, CMD, ECL Shri Prabir Chakraborty, Finance Manager, CIL Shri S.K.Srivastava, D (P), ECL Shri S. Chakravarty, D (T) Opn., ECL Shri N. Kumar D (T) P&P, ECL.	-

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

Notice of Annual General Meeting is being sent to Chairman of Audit Committee to enable him to attend the meeting. He could not attend the meeting. However, Chairman, Audit Committee advised Member Audit Committee to attend the meeting on his behalf in 2008-09 & 2009-10 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.

(c) Accounting Treatment:

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

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

A committee was constituted to prepare the above report.

5. Means of Communications:

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

Apart from Annual Accounts, quarterly review of accounts was also conducted by the statutory auditors of the company.

6. Audit Qualifications:

It is always the company's endeavour to present an unqualified financial statement. Management reply to the statutory auditors' observations on the accounts of the company for the year ended 31st March, 2011 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, 2011 are 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. Shareholding pattern of the Company:

100% shares of the company are held by Coal India Ltd.

9. 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 a 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.

Shri Rakesh Sinha (56) has graduated mining engineering in 1977 from National Institute of Technology, Raipur. He also holds First Class Mine Manager's Certificate of Competency (COAL). He joined Coal India limited on 18th November, 1977 and was posted at Bharat Coking Coal Limited as Junior Executive Trainee. Thereafter he worked in different capacities in various mines of BCCL including prestigious Moonidih Project, the first completely mechanised mine in India.

Shri Sinha was transferred to South Eastern Coalfields Limited in April, 1989, where he worked in different capacities like Superintendent of Mines/ Manager, Project Officer, General Manager and Technical Secretary to Director (Technical) OP, SECL. He also worked as Project Officer of prestigious high capacity Gevra Opencast Project where on 18.03.2007 coal production reached to a level of 1.00 L.Te, which is highest ever production from a single project on a day in the history of Coal India Limited. Subsequently in 2007 on promotion as Chief General Manager he was again transferred back to his parent Company i.e., BCCL and took over the charge of Chief General Manager, Lodna Area.

Shri Sinha was selected for the post of Director (Technical), Bharat Coking Coal Limited in September 2007 and joined as Director (Technical) Operation in June, 2008. Under his dynamic leadership there were remarkable improvements in different spheres at BCCL.

Due to his proven track record and managerial capability he was selected as Chairman-cum-Mg. Director, Eastern Coalfields Limited in August, 2010. He took over as Chairman-cum-Mg. Director on 23rd December, 2010. He has a vast experience as practicing Mining Engineer in different mining conditions. He also visited different countries of Europe and China in connection with Powered Support Longwall equipment and global leadership programme arranged by IMI, Delhi.

Shri Krishna Kumar Gautam (65), is a M.Sc., L.L.B and worked as Senior Vice-President of National Bulk Handling Corporation Limited since 2007. Prior to that he worked as Sr. Vice President of National Collateral Management Services Limited during 2006-07. Prior to that he worked in Food Corporation of India in various capacities including Executive Director during the period from 1986 to 2006. He also worked as CEO of Agra Divisional Development Corporation from 1977 to 1986. Prior to that he worked in Bank of Baroda in various capacities from 1969 to 1977. He is an expert in Agri-commodities business including trading, Collateral Management and providing end to end solutions. He also expert in managing the Industrial Enterprises, Finance & Banking and various laws. He is on the Board of M/s. Jai Jute &

Industries Ltd., & M/s. Kamani Tubes Ltd. He also a Member of the Audit Committee of Eastern Coalfields Limited.

Shri Sushil Kumar Srivastava (58) is a 1971 batch Science Graduate from Meerut University. He became Associate Member of the Institute of Company Secretaries of India (ICSI) in 1977 and now he is Fellow Member of ICSI. He holds Degree in Law from Meerut University. He holds Diploma in Personnel Management and Industrial Relations and Post Graduate Diploma in Human Resource Management. Shri Srivastava is also Life Member of National Institute of Personnel Management (NIPM).

Shri Srivastava has more than 33 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 (53) 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.

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 travelled different foreign countries on different official visits.

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

Shri Nagendra Kumar (52) 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 kinds 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 visited different countries like South Africa, China, France, Italy and Germany.

Shri Kumar is fond of cricket, books, old melody songs and Rabindra Sangeet.

Shri Asok Kumar Sinha (58) is the Director (Finance) of Coal India Limited. Mr. Sinha graduated with honours in physics from Belur Ramakrishna Vidyamandir, Calcutta University in 1971 and became a member of the Institute of Chartered Accountants of India in 1977. He has also obtained a bachelor's degree in law from Calcutta University in 1976.

Mr. Sinha has over three decades of experience as a finance executive in the mining industry. He was associated with ECL in various capacities from 1977 to 2001 and was also the General Manager (Finance) of BCCL and Director (Finance) of ECL. Mr. Sinha joined Coal India Limited as Director (Finance) on March 13, 2010 and is responsible for overall financial management and audit functions, of all Subsidiaries of Coal India Limited and in advising the Board on all financial matters.

Mr. Sinha is experienced in the field of management accounting and has held the post of chairman of Asansol Chapter of Chartered Accountants. He has also participated in the 'Advanced Management Programme' at the Queens' College, Cambridge, United Kingdom and has completed the 'Scope-IMI Global Leadership Advance Management Programme' on strategic issues of national and international leadership.

Mr. Sinha has the credit of successfully launching the IPO of Coal India Limited, the biggest IPO in the Indian Capital Market history.

Shri Ashok Kumar Soni (58) is the Director (Finance) of Eastern Coalfields Limited. Shri Soni graduated with Honours in Commerce from Calcutta University. He is also Associated Member of Institute of Cost and Works Accountants of India. Shri Soni has over more than thirty years of experience as a Finance Executive in BCCL and ECL. He has become General Manager (Finance) in 2004 and was elevated to the post of Director (Finance), ECL w.e.f. 16.12.2010. Shri Soni is a vivid follower of cricket and hockey.

ANNEXURE - VI

DUTTA SARKAR & COMPANY
CHARTERED ACCOUNTANTS

7A, Kiron Sankar Roy Road,
2nd Floor,
Kolkata - 700 001

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, 2011.

The compliance of conditions of Corporate Governance is the responsibility of the management. The Company is a subsidiary of Coal India Limited, a listed Govt. Co. and the shares of the subsidiary 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.

For **DUTTA SARKAR & CO.**
Chartered Accountants

Date : 17th May, 2011
Place : Sanctoria, Asansol

Sd/-
(B. K. Datta)
Partner
Membership No. 016175

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	2010-11	2009-10
(A)	Foreign Exchange Used		
	1. CIF value of imports		
	(a) Raw materials	0.00	0.00
	(b) Components, stores & spares	3586.21	933.40
	(c) Capital goods.	1040.31	1505.60
	2. Traveling / Training Expenses	32.36	8.39
	3. Expenses on knowhow and Foreign Consultancy	0.00	0.00
	4. Pension to the Foreigners	0.00	0.00
	5. Others	465.30	479.21
	Total	5124.18	2926.60

(B) Foreign Exchange Earned –

Nil

Nil

ANNEXURE - V III

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



गर्भो ऽस्य भवतु

हस्ताक्षर, अर्थात् {ZKXH\$ dnfUpA` H\$ bd nmarj mVWmnXZ gXñ` bd nmarj m
~n6211 H\$bdH\$N/m

nanZm{ZOm_ _hb, AnMm` QJXre MYD ~ng and>

H\$bdH\$N/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. : 35 / CA / LA-1 / Accounts / ECL / 2010-11

{XZnH\$ / Dated 18 May, 2011

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, 2011.**

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, 2011.

The receipt of this letter may please be acknowledged.

Encl. As stated.

Yours faithfully,

sd/-

(Saurav Kumar Jaipuriyar)

Principal Director of Commercial Audit
& Ex-Officio Member, Audit Board - II
Kolkata

Kolkata
Dated : 18.05.2011

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, Vm : ""H\$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, 2011**

The preparation of financial statements of Eastern Coalfields Limited for the year ended 31st March, 2011 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance 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 17.05.2010.

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, 2011. 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 : 18.05.2011

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

Sd/-
(Saurav Kumar Jaipuriyar)
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. | <p>We have audited the attached Balance Sheet of Eastern Coalfields Limited as at 31.03.2011 and the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto, in which are incorporated the accounts of Head Office and 7 Areas / Units audited by us and also 19 Areas / Units audited under Section 228 of the Companies Act, 1956 by the Branch Auditors. 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.</p> | <p>It is a statement of fact and calls for no comments separately.</p> |
| 2. | <p>We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.</p> | <p>It is a statement of fact and calls for no comments separately.</p> |
| 3. | <p>As required by the Companies (Auditors' Report) Order, 2003 as amended, issued by the Central Government of India in</p> | <p>It is a statement of fact and calls for no comments separately.</p> |

terms of Sub-Section (4A) of Section 227 of the Companies Act, 1956 we enclose in the annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order to the extent applicable to the Company.

4.0. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:—

- | | |
|--|--|
| <p>4.1 <i>Bin cards, Stores Ledger and Financial Ledger are not reconciled. It could not be ascertain when it was last reconciled (Note No. 5.2 of Schedule – 17).</i></p> | <p>The process for reconciliation between Bin card and Priced stores ledger are in progress as referred to our note in Sl.No. 5.2.</p> |
| <p>4.2 <i>An amount of Rs. 1669.48 Lakhs (Rs. 1786.10 Lakhs) being net of un-reconciled advances to suppliers, contractors and employees with corresponding liabilities has been provided in the accounts. Reconciliation of the same has not been done. It could not be ascertain when it was last reconciled (Note No.7.1 of Schedule – 17).</i></p> | <p>The process for reconciliation of various advances to suppliers, contractors and employees are in progress. Pending reconciliation of the same a provision of Rs.1669.48 lakhs has been made in the accounts (Refer Note No. 7.1).</p> |
| <p>4.3 <i>Confirmation of balances from the creditors and parties to whom advances were paid was not available for our verification (Note No. 18.4 of Schedule 17).</i></p> | <p>As far as confirmation of balances from Sundry Creditors and other outside advances are concerned, ECL is making business transaction with number of parties from whom it is not becoming practicable to obtain confirmation certificate. However efforts are being made to obtain confirmation certificate from the creditors/ parties having business transaction of Rs. 10 lacs or more in the current year.</p> |
| <p>4.4 <i>Technical evaluation for determining un-serviceable, damaged and obsolete stores have not been made resulting in under provision for un-serviceable / obsolete stores which were not quantified</i></p> | <p>Audit point is noted. Action has already been taken for determining the value of obsolete, un-serviceable and damaged stores by constituting a committee.</p> |

- 4.5 *Royalty of Rs. 1948.44 Lakhs under the current liabilities includes an amount of Rs. 437.93 Lakhs (Rs 437.93 Lakhs) relating to Royalty of Coal of Head Quarter. It could not be ascertained since when the amount is lying outstanding and whether it is actually payable based on the demand from the authorities.* Audit point is noted for taking appropriate action in 2011-2012.
- 4.6 Certificate of physical verification of year end stock of coal of Kajora Area and Salanpur Area from external Chartered Accountants / Cost Accountants appointed by Coal India Limited under internal control mechanism was not available for verification. It is fact at the time of audit certificate from the Chartered Accountant in respect of physical verification of coal stock could not be made available for audit. However all the certificates have been received subsequently and is available with concerned department.
- 4.7 *Internal Audit Reports of duly appointed external firm of internal auditors for the period from 01.01.2011 to 31.03.2011 are yet to be received in respect of some areas / unit.* Previously Internal Audit was being conducted for the period January to December i.e. calendar year. This practice was introduced with a view to make the Internal Audit report available to the Statutory Auditors. Internal Auditors were appointed for financial year 2010-11 to conduct the audit for 15 months i.e. Jan'10 to Mar'11. Internal Audit report upto Dec'10 was shown to the auditors and the Internal Audit report for the period Jan'11 to Mar'11 is in pipeline.
- 4.8 In case of Mines Rescue Station (MRS)**
- *In security deposit schedule item no. 24 security deposit appearing in the name of IISCO (Ramnagar) amounting to Rs.1 lakh. No particulars / documents relating to this item was available. Date of deposit could not be ascertained since this is very old in nature as reported.* The audit point is noted and will be reviewed for taking appropriate action in 2011-12.
- *In outstanding expenses for revenue there is opening un-reconciled amount of Rs. 14,68,343.06, details of which could not be produced before us.* The audit point is noted and will be reviewed for taking appropriate action in 2011-12.

- *In outstanding expenses for capital there is opening un-reconciled amount of Rs. 3,05,597.51, details of which, if available, could not be produced before us. Reconciliation process need be expedited.*
- The audit point is noted and will be reviewed for taking appropriate action in 2011-12.
- 4.9 In spite of the company presently having negative net worth, the financial statements have been prepared on a going concern basis, which assumes that the company will continue in operational existence in 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 targets, closing down of unviable mines, rationalization of manpower, timely implementation of the Project, obtaining various reliefs and concessions and also meeting the additional impact of provision of impairment of assets under AS – 28 which was not envisaged in the aforesaid rehabilitation scheme.
- It is a statement of fact and calls for no comments separately.
- 4.10 Incentive for achieving dispatch targets during the year amounting to Rs.11723.53 Lakhs (RS. 7095.96 Lakhs) is shown in the financial statements as Sales which is not in conformity with the requirements of part II of Schedule VI of the Companies Act, 1956. (Note No. 11.1 of Schedule – 17).
- The amount of incentive attracts prescribe rate of Sales Tax and as such it is shown under sales.
5. 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 accounts 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, records and the audited returns from the areas / units. | It is a statement of fact and calls for no comments separately. |
| 5.4 | In our opinion, the Balance Sheet, Profit & Loss Account 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 Section 274(1) (g) of the Companies Act, 1956 and as per General Circular No. 8/2002 dated 22.03.2002 issued by the Ministry of law, Justice and Company Affairs, the provision of Section 274(1)(g) of the Companies Act, 1956 is not applicable to the Company, being a Government 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 paragraph 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, | It is a statement of fact and calls for no comments separately. |

- | | | |
|----|---|---|
| a) | In the case of Balance Sheet, of the state of affairs of the Company as at 31 st March, 2011 | It is a statement of fact and calls for no comments separately. |
| b) | In the case of Profit and Loss Account, of the Profit for the year ended on that date; and | It is a statement of fact and calls for no comments separately. |
| c) | In the case of Cash Flow Statement, of the cash flows for the year ended on that date. | It is a statement of fact and calls for no comments separately. |

For **DUTTA SARKAR & CO.**
Chartered Accountants

Dated : 17th May 2011

Place : Sanctoria, Asansol

(B.K.Dutta)
Partner
Membership No. - 016175

ANNEXURE TO AUDITORS' REPORT**AS REPORTED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE****AUDITORS' REPORT****MANAGEMENT'S REPLY**

- | | |
|--|---|
| 1) In respect of its fixed assets; | |
| a) The Company has generally maintained proper records showing full particulars, including quantitative details and situation of the fixed assets except for assets taken over from Coal Mines Authority on nationalization and those taken from Coal Mines Rescue Station and Central Hospital Kalla, which has not been recorded. | It is a statement of fact and calls for no comments separately. |
| b) The Company has physically verified the items of Plant and Machinery worth Rs.1 Lakh and more and certain other assets in a phased periodical manner during the year and no material discrepancies were noticed on such physical verification. However, in absence of Physical verification of Plant and Machinery valuing less than Rs. 1 Lakh and remaining other assets and reconciliation thereto, we are unable to express our opinion regarding material discrepancies, if any. | It is a statement of fact and calls for no comments separately. |
| c) The Company has not disposed off any substantial part of its fixed assets during the year. | It is a statement of fact and calls for no comments separately. |

2) In respect of inventories:-

- | | | |
|----|---|---|
| a) | The inventories have generally been physically verified during the year 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 information and 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 | Normally on receipt of materials and after inspection of the same, SRVS are prepared, and advances are adjusted / liabilities are recorded. |

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.

Some times 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 becoming practicable to obtain confirmation certificate. However efforts are being made to obtain confirmation certificate from the creditors/parties having business transaction of Rs.10 lakhs or more in the current year.

5) In respect of particulars of contract, arrangements referred to in Section 301 of the Companies Act, 1956 :—

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 entered.

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

b) No transaction have 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 firm of Chartered Accountants. The scope should include a thorough scrutiny of old outstanding balances under various heads of accounts to establish the validity of those being carried over in the books from year to year. In our opinion the scope and frequency of internal audit, timely submission of report etc. needs to be strengthened and improved; subject to above the Company's Internal Audit system is commensurate with the size and nature of its business.
- It is a statement of fact and calls for no comments separately.
- 8) Maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 has not been prescribed by the Central Government.
- It is a statement of fact and calls for no comments separately.
9. In respect of statutory dues:
- a) The Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Income Tax, Value Added Tax, Central Sales Tax, Customs Duty, Excise Duty, Cess and other statutory dues except Rs. 0.44 Lakhs relating to Turnover Tax were outstanding as at 31st March 2011 for a period of more than 6 months from the date they became payable.
- It is a statement of fact and calls for no comments separately.
- b) The disputed statutory dues aggregating to Rs. 292242.23 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 -	86570.39	1984-85 to 1997-1998	Com. of Commercial Tax Govt. of W.B.
3.	- do -	- do -	23270.38	1998-99 to 2000-2001	WB Taxation Tribunal
4.	- do -	- do -	160663.58	2001-02 to 2006-07	Asst. Commissioner of Sales Tax, Asansol
5.	WB VAT Act	Sales Tax & Interest	86.22	1998-99	WB Taxation Tribunal
6.	- do -	- do -	5426.85	2004-05 to 2007-08	Sr. J.C.C.T. (Appeal), Asansol
7.	Finance Act, 1994	Service Tax	2176.16	2005-06 to 2007-08	Customs, Excise & Service Tax Appellate Tribunal, Kolkata
8.	MMRD Act, 1957	Royalty	480.21	1973-74 to 2008-09	Asansol Court & ADM, Asansol
9.	- do -	- do -	686.17	1986-87, 1989-90 1990-91, 1994-95 1995-96, 2003-04	Supreme Court & High Court
10.	B.F. Act, 1981 & CST Act, 1956	Sales Tax	4379.78	1987-88 to 2006-07	Tribunal Ranchi, ACCT, Deoghar, JCCT / DCCT Dumka
11.	- do -	- do -	2433.34	1988-89 to 2003-04	ACCT Godda, Dy. CCT, Pakur, DCCT Dumka
12.	- do -	- do -	202.13	1978-79 to 1995-96	St. Tribunal, Ranchi

Sl. No.	Name of Statute	Nature of Dues	Amount (Rs. in Lakhs)	Period to which the amount relates	Forum where dispute is pending
13.	- do -	- do -	1349.90	1988-89 to 2006-07	JCCT (Appeal), Dhanbad
14.	- do -	- do -	652.63	1988-89 to 2003-04	Dy. CCT (Appeal) Chirkunda
15.	- do -	- do -	336.45	2000-01	Commissioner of Commercial Taxes, Ranchi
16.	JSEB	Security deposit & interest	913.06	2003-04 to 2007-08	Ministry of Coal, Govt. of India
17.	MMRD Act, 1957	Royalty	1174.88	1990 - 91 to 1997-98	High Court, Ranchi
			292242.23		

- 10) The Company has an accumulated loss of Rs.812742.45 Lakhs (823399.74 Lakhs) and the net worth of the Company remained negative as on 31.03.2011. BIFR has declared the Company as sick industrial company in terms of Section 3(1) (o) of the Sick Industrial Companies (Special Provision) Act, 1985 vide order No. 501/2000 dated 23.02.2001. It is a statement of fact. Hence, it calls for no comment separately.
- 11) The Company has no dues to the financial institution 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 explanations given to us and based on the information available, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, 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/society. Therefore, the provisions of clause (xiii) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company. | It is a statement of fact. Hence, it calls for no comment separately. |
| 14) | In our opinion, the Company has not dealt or traded in shares, securities, debentures or other investments 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) | We are informed that 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 raised any term loan during the period under audit. | It is a statement of fact. Hence, it calls for no comment separately. |
| 17) | According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that there are no funds raised on short-term basis that have been used for long - term investment. | It is a statement of fact. Hence, it calls for no comment separately. |
| 18) | Since the Company is subsidiary of Coal India limited the question of making preferential allotment of shares does not arise. | It is a statement of fact. Hence, it calls for no comment separately. |
| 19) | No debentures have been issued by the company and hence the question of creating security and / or charge in respect thereof does not arise. | It is a statement of fact. Hence, it calls for no comment separately. |

- | | | |
|-----|--|---|
| 20) | The company is not a listed company, hence question of raising of fund by public issue and its end-use does not arise. | It is a statement of fact. Hence, it calls for no comment separately. |
| 21) | No fraud on or by the Company has been noticed during the year of audit. | It is a statement of fact. Hence, it calls for no comment separately. |

Dated : 17th May 2011

Place : Sanctoria, Asansol

For **DUTTA SARKAR & CO.**
Chartered Accountants

(B.K.Dutta)
Partner
Membership No. - 016175

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

PARTICULARS.	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
SOURCES OF FUNDS :										
SHARE CAPITAL	2218.45	2218.45	2218.45	2218.45	2218.45	2218.45	2218.45	2218.45	2218.45	2218.45
CONVERSION OF LOAN INTO EQUITY	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
RESERVE AND SURPLUS.	0.01	0.01	0.01	0.01	0.01	0.00	0.00	0.00	0.00	0.00
INTEREST ACCRUED AND DUE.	135.14	168.87	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LOAN FUNDS.	825.20	769.91	708.64	680.84	708.33	672.96	656.23	689.26	665.52	660.53
	3178.80	3157.24	2927.10	2899.30	2926.79	2891.41	2874.68	2907.71	2883.97	2878.98
APPLICATION OF FUNDS :										
FIXED ASSETS :										
GROSS BLOCK.	4396.40	4617.14	4706.47	4794.90	4831.90	4920.65	5030.21	5217.34	5290.16	5461.82
LESS : DEPRECIATION.	2725.67	3042.58	3203.55	3488.87	3568.83	3660.27	3789.40	3983.67	4097.59	4253.03
NET BLOCK.	1670.73	1574.56	1502.92	1306.03	1263.07	1260.38	1240.81	1233.67	1192.57	1208.79
CAPITAL W.I.P.	79.62	73.95	43.90	42.53	40.63	49.20	41.34	39.85	64.80	48.19
INVESTMENTS.	0.08	0.08	0.41	0.41	0.41	0.38	0.34	0.31	0.28	0.24
CURRENT ASSETS, LOANS & ADVANCES:										
INVENTORIES.	263.67	251.14	260.41	309.28	404.49	427.28	331.42	323.83	453.36	568.72
SUNDRY DEBTORS.	1274.62	1077.36	684.34	321.12	276.07	269.15	269.84	338.11	746.79	959.20
CASH & BANK BALANCE	242.00	488.85	628.70	852.64	1314.80	846.71	664.36	688.98	947.88	940.99
OTHER CURRENT ASSETS.	13.85	22.15	17.78	18.25	35.45	35.99	42.75	48.35	33.65	36.58
LOANS AND ADVANCES.	82.98	85.61	114.62	95.64	143.17	132.66	138.00	130.33	146.82	133.33
SUB-TOTAL.	1877.12	1925.11	1705.85	1596.93	2173.98	1711.79	1446.37	1529.60	2328.50	2638.82
LESS : CURRENT LIABILITIES	3759.24	3765.41	3754.06	4056.40	4137.63	3449.62	3987.79	5120.22	5301.42	5062.21
LESS : PROV. FOR ACT. GRATUITY/L. ENCASH ETC.	845.50	1137.32	1361.22	1608.54	1668.15	1824.59	2324.70	3342.90	3634.76	4082.27
NET CURRENT ASSETS	-2727.62	-2977.62	-3409.43	-4068.01	-3631.80	-3562.42	-4866.12	-6933.52	-6607.68	-6505.66
MISC. EXPENDITURE	31.85	23.35	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
PROFIT AND LOSS A/C.	4124.14	4462.92	4789.30	5618.34	5254.48	5143.87	6458.31	8567.40	8234.00	8127.42
TOTAL	3178.80	3157.24	2927.10	2899.30	2926.79	2891.41	2874.68	2907.71	2883.97	2878.98

PARTICULARS.	PROFIT AND LOSS. (EXCLUDING CONTRA ITEMS.)										(Rs. in Crore).	
	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11		
SALES (NET OF LEVIES).	2757.41	2729.06	2746.24	3048.19	3417.68	3518.21	3187.61	3837.40	5227.78	5882.60		
OTHER INCOME.	190.16	227.60	191.53	148.20	227.18	186.01	204.53	207.77	348.76	325.85		
ACCRETION / DECRETION	-5.71	-6.06	13.70	47.50	99.94	22.21	-85.86	-11.90	123.26	109.51		
WORKSHOP JOBS FOR OWN PURPOSE.	40.92	45.18	48.20	47.81	51.41	45.34	44.72	44.51	50.48	58.47		
WAIVER OF INTEREST.	0.00	0.00	168.65	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
WAIVER OF APEX CHARGES.	0.00	0.00	82.47	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
WAIVER OF ELECTRICITY DUTY	0.00	0.00	0.00	0.00	34.32	16.22	0.00	0.00	0.00	0.00		
COAL ISSUED FOR SUNDRY PURPOSES.	0.12	0.19	0.08	0.03	0.09	0.07	0.09	0.16	0.01	0.23		
EMPLOYEES REMUNERATION & BENEFITS.	2982.90	2995.97	3250.87	3291.73	3830.62	3788.06	3351.09	4077.94	5750.29	6376.66		
ARREAR SALARY & WAGES	1929.25	1911.93	2022.75	2250.38	1981.69	2160.87	2597.87	3803.75	3364.35	3911.37		
CONSUMPTION OF STORES & SPARES.	334.13	339.59	343.51	353.60	404.62	411.14	427.37	466.61	490.96	539.57		
POWER & FUEL.	250.88	248.60	246.13	258.81	272.18	253.63	263.66	259.25	304.79	376.30		
REPAIRS.	64.71	63.19	84.86	65.87	69.50	67.93	74.63	70.95	82.82	84.48		
SOCIAL OVERHEAD.	131.05	140.45	141.14	151.03	166.28	199.72	229.89	268.09	296.40	319.69		
CONTRACTUAL EXPENSES.	91.44	94.13	108.12	167.25	213.27	243.61	210.91	254.87	342.00	410.98		
MISCELLANEOUS EXPENSES.	71.34	72.58	60.64	82.86	86.95	97.60	134.69	148.51	160.16	270.07		
DEPRECIATION.	224.26	171.06	169.42	148.84	142.98	136.24	147.00	206.86	146.69	168.85		
IMPAIRMENT	0.00	0.00	0.00	11.49	14.73	5.28	21.83	20.96	9.51	9.66		
INTEREST & FINANCIAL CHARGES.	45.68	42.27	4.14	0.81	10.05	0.41	0.29	0.07	0.01	1.01		
OVER BURDEN REMOVAL.	93.18	129.47	91.81	69.25	99.80	82.73	80.42	155.86	170.35	164.08		
PROVISIONS.	28.88	74.37	94.09	-2.24	-8.96	3.64	12.47	17.43	-13.55	-8.58		
WRITE OFF.	13.35	0.00	0.00	7.77	2.68	10.04	0.00	2.76	1.97	22.61		
	3278.15	3287.64	3571.22	3941.04	3455.77	3672.84	4364.83	6180.86	5415.27	6270.09		
PROFIT(+)/LOSS(-) FOR THE												
YEAR BEFORE PPA	-295.25	-291.67	-320.35	-649.31	374.85	115.22	-1013.74	-2102.92	335.02	106.57		
PRIOR PERIOD ADJUSTMENT.	17.61	-47.11	-6.03	-29.89	-2.89	2.90	-12.92	-2.78	-1.62	0.00		
FRINGE BENEFIT TAX.					-8.10	-7.52	-3.27	-3.39	0.00	0.00		
PROFIT(+)/LOSS (-) AFTER CPRA	-277.64	-338.78	-326.38	-829.04	363.86	110.60	-1029.93	-2109.09	333.40	106.57		
PROFIT & LOSS UPTO PREVIOUS YEAR	-3846.50	-4124.14	-4462.92	-4789.30	-5618.34	-5254.48	-5143.88	-6458.31	-8567.40	-8234.00		
TRANSITIONAL PROVISION				-149.84			-284.50	0.00	0.00	0.00		
BAALANCE CARRIED TO BALANCE SHEET	-4124.14	-4462.92	-4789.30	-5618.34	-5254.48	-5143.88	-6458.31	-8567.40	-8234.00	-8127.43		

CAPITAL EMPLOYED, NET WORTH AND FINANCIAL RATIOS.

(Rs. in Crores.)

PARTICULARS.	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
CAPITAL EMPLOYED.	-644.77	-828.59	-1199.95	-1877.35	-1534.04	-1395.59	-2318.43	-3526.75	-3135.66	-2797.44
NET WORTH	-1937.54	-2267.82	-2570.85	-3399.89	-3036.03	-2925.42	-4239.86	-6348.95	-6015.55	-5908.98
NET WORTH AS PER BRPSE PROJECTION				-3399.89	-3318.41	-3366.12	-3382.32	-2839.76	-1968.26	-1050.73
LIQUIDITY RATIOS :										
i) Current Ratio (Current Assets/Current Liabilities).	0.45	0.44	0.39	0.33	0.44	0.39	0.29	0.24	0.35	0.40
TURNOVER RATIOS :										
i) Capital Turnover Ratio (Net Sales/ Capital Employed).	-4.28	-3.29	-2.29	-1.62	-2.23	-2.52	-1.37	-1.09	-1.67	-2.10
ii) Sundry Debtors as Nos. of months :										
a). Gross Sales	4.95	4.31	3.24	1.77	1.41	1.29	1.33	1.25	1.61	1.76
b). Net Sales.	6.29	5.47	4.10	2.26	1.80	1.65	1.70	1.58	1.93	2.13
iii) Stock of coal as a No. of months' sale Value	0.57	0.54	0.58	0.72	0.96	1.01	0.80	0.62	0.74	0.84
iv). Stock of Stores & Spares as a No. of months' consumption	5.62	5.60	5.31	5.32	4.61	4.59	4.26	4.00	3.99	3.70
STRUCTURAL RATIOS :										
i) Debt : Equity.	0.37	0.35	0.32	0.31	0.32	0.30	0.30	0.31	0.30	0.30
ii). Debt : Net Worth.	-0.43	-0.34	-0.28	-0.20	-0.23	-0.23	-0.15	-0.11	-0.11	-0.11

OPERATIONAL STATISTICS

YEAR ENDING 31ST MARCH	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
1 (a) PRODUCTION OF RAW COAL :										
(MILLION TONNE)										
UNDERGROUND	11.66	10.95	9.91	9.45	9.33	8.27	8.32	8.39	8.23	7.37
OPENCAST	16.89	16.23	18.09	17.80	21.78	22.20	15.74	19.74	21.83	23.43
TOTAL :	28.55	27.18	28.00	27.25	31.11	30.47	24.06	28.13	30.06	30.80
(b) OVERBURDEN REMOVAL	33.39	32.04	35.96	39.70	44.30	48.78	39.98	43.07	49.74	56.25
(MILLION CU.MTS)										
2. OFFTAKE (RAW COAL) :										
(MILLION TONNE)										
LOCO	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
POWER	23.18	22.91	24.14	24.11	25.17	26.17	21.94	23.69	25.22	26.24
CEMENT	0.11	0.08	0.11	0.13	0.14	0.18	0.17	0.15	0.15	0.16
FERTILIZER	0.12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
COLLIERY CONSUMPTION	0.57	0.54	0.52	0.50	0.48	0.45	0.42	0.41	0.40	0.40
OTHERS	4.38	3.76	2.66	2.43	2.90	2.99	2.91	4.01	3.45	2.96
TOTAL :	28.37	27.29	27.43	27.17	28.69	29.79	25.44	28.26	29.22	29.76
MANPOWER	119712	114582	110132	105692	101474	98780	94943	90470	85617	81128
3. PRODUCTIVITY (O.M.S) :										
UNDERGROUND	0.48	0.48	0.45	0.43	0.45	0.42	0.43	0.46	0.47	0.44
OPENCAST	4.92	4.89	5.30	5.30	6.61	7.03	5.04	6.42	7.29	7.96
OVERALL :	1.04	1.03	1.10	1.07	1.29	1.34	1.07	1.33	1.46	1.57

EASTERN COALFIELDS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2011

SCHEDULE	AS AT 31ST MARCH 2011 (RS. IN LAKHS)	AS AT 31ST MARCH 2010 (RS. IN LAKHS)
SOURCES OF FUNDS:		
1) Share Holders' Funds		
a) Share Capital	A 221845.00	221845.00
b) Reserves and Surplus	B <u>0.00</u> 221845.00	<u>0.00</u> 221845.00
2) Loan Funds :		
Unsecured Loans	C 66053.19	66552.44
Total	287898.19	288397.44

APPLICATION OF FUNDS :

1. Fixed Assets.

a) Gross Block	D 613845.52	529015.68
b) Less : Depreciation / Impairment	<u>434887.65</u>	<u>409758.45</u>
c) Net Block	178957.87	119257.23
d) Capital W.I.P.	E <u>4818.65</u> 183776.52	<u>6480.10</u> 125737.33
e) Assets Taken Over on Nationalisation	817.02	817.02
Less : Provision	<u>817.02</u> 0.00	<u>817.02</u> 0.00

2. Investments.

F	24.50	27.80
---	-------	-------

3. Current Assets, Loans & Advances :

a) Inventories	G 56872.27	45336.51
b) Sundry Debtors	H 95919.80	74679.17
c) Cash & Bank Balances	I 94099.57	94788.14
d) Other Current Assets	J 3658.01	3364.89
e) Loans & Advances	K <u>13332.59</u>	<u>14681.69</u>

Total Current Assets, Loans & Advances	263882.24	232850.40
---	-----------	-----------

	SCHEDULE	AS AT 31ST MARCH 2011 (RS. IN LAKHS)	AS AT 31ST MARCH 2010 (RS. IN LAKHS)
Less : Current Liab. & Provisions	L		
A) Current Liabilities		506221.22	530142.05
B) Provisions :		<u>466306.30</u>	<u>363475.78</u>
Total Current Liab. & Provisions.		972527.52	893617.83
Net Current Assets / Net Current Liabilities		-708645.28	-660767.43
4) Profit & Loss Account		812742.45	823399.74
Total :		287898.19	288397.44

Accounting Policy and Notes on Accounts - 17

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

Rakesh Sinha
Chairman -cum-Managing Director
DIN - 02186695

A. K. Soni
Director (Finance)
DIN - 03248110

M. Viswanathan
Company Secretary

S. Chattopadhyay
General Manager (Finance)

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

Kolkata :
Dated : 17th May, 2011

(B. K. Dutta)
Partner
Membership No. : 16175
for and on behalf of
Dutta Sarkar & Co.
Chartered Accountants.
Firm Regn. No.: 303114E

EASTERN COALFIELDS LIMITED
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	SCHEDULE	FOR THE QUARTER ENDED 31ST MARCH 2011 (RS. IN LAKHS)	FOR THE YEAR ENDED 31ST MARCH 2011 (RS. IN LAKHS)	FOR THE YEAR ENDED 31ST MARCH 2010 (RS. IN LAKHS)
INCOME				
Sale	1	195979.84	588259.77	522777.76
Coal Issued for Other Purpose	2	4764.60	10604.19	7886.98
Accretion / Decretion (-) in Stock	3	10382.66	10951.47	12326.30
Workshop Job for own purpose	4	1817.60	5847.22	5047.74
Other Receipts	5	15191.10	32584.76	34875.53
Total :		228135.80	648247.41	582914.31
EXPENDITURE				
Consumption of Stores & Spares	6	17043.86	53956.56	49095.73
Colly. Consumption per contra (Sch. 2)		3211.99	7021.40	4971.09
Employees Remuneration and Benefits.	7	113908.41	391137.36	336434.55
Arrear PRP		0.00	0.00	2894.00
Arrear Superannuation Benefit		0.00	0.00	2986.97
Social Overhead.	8	10972.36	35528.87	32554.97
Power & Fuel	9	8915.99	37630.30	30479.04
Repairs	10	3579.04	8447.84	8281.55
Contractual Expenses	11	12088.05	41097.72	34200.23
Miscellaneous Expenses	12	6877.52	17421.67	16016.12
Cost of Removal of OB	13	12579.26	16408.17	17035.15
Interest	14	0.60	100.87	1.06
Depreciation		14509.80	26469.62	14669.18
Impairment		1322.93	966.03	951.06
Provision	15 (a)	-2595.66	-857.71	-1355.10
Write-Off	15 (b)	783.51	2261.42	196.43
Total		203197.66	637590.12	549412.03

	SCHEDULE	FOR THE QUARTER ENDED 31ST MARCH 2011 (RS. IN LAKHS)	FOR THE YEAR ENDED 31ST MARCH 2011 (RS. IN LAKHS)	FOR THE YEAR ENDED 31ST MARCH 2010 (RS. IN LAKHS)
PROFIT (+) / LOSS (-) FOR THE YEAR		24938.14	10657.29	33502.28
Prior Period Adj.	16	0.00	0.00	-162.38
NET PROFIT (+) / LOSS (-)		24938.14	10657.29	33339.90
NET PROFIT AFTER TAX		24938.14	10657.29	33339.90
PROFIT / LOSS UPTO THE PREVIOUS YEAR :		0.00	-823399.74	-856739.64
BALANCE CARRIED TO BALANCE SHEET		24938.14	-812742.45	-823399.74
Basic & Diluted earnings per share of Rs. 1000 each (in Rupees)		112	48	150
(Refer note no. 18.6(d) of Schedule 17)				

Accounting Policy and Notes on Account 17

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

Rakesh Sinha
Chairman -cum-Managing Director
DIN - 02186695

A. K. Soni
Director (Finance)
DIN - 03248110

M. Viswanathan
Company Secretary

S. Chattopadhyay
General Manager (Finance)

This is the Profit and Loss A/c. referred
to in our report of even date.

(B. K. Dutta)
Partner
Membership No. : 16175
for and on behalf of
Dutta Sarkar & Co.
Chartered Accountants.
Firm Regn. No.: 303114E

Kolkata :
Dated : 17th May, 2011

EASTERN COALFIELDS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

	2010-2011 (RS. IN LAKHS)	2009-2010 (RS. IN LAKHS)
(a) Cash Flow from Operating Activities		
Net Profit Before Taxation & Extraordinary Items	10657.29	33502.28
Adjustment for :		
Depreciation	27090.52	15305.26
Impairment	966.03	951.06
Lease Rent Received	(350.00)	(350.00)
Interest Income	(5019.77)	(3696.96)
OBR Adjustment (decrease) / increase	16408.17	17035.15
Prov. for loss of assets	(2.89)	(83.51)
Interest Expenses	100.87	1.06
	39192.93	29162.06
Operating Profit before working capital changes	49850.22	62664.34
Decrease / (Increase) in Sundry Debtors	(21240.63)	(40868.23)
Decrease / (Increase) in Loans & Advances	1349.10	(1648.56)
Decrease / (Increase) in Other Current Assets	(293.12)	1469.73
Decrease /(Increase) in Inventories	(11535.76)	(12953.10)
(Decrease)/Increase in Current Liabilities(excl.OBR)	(5162.05)	30271.01
	(36882.46)	(23729.15)
Cash generated from Operation	12967.76	38935.19
Prior Period Adjustment	0.00	(162.38)
	12967.76	38772.81
Net cash flow from operating activities	12967.76	38772.81
(b) Cash Flow from Investing Activities		
Purchases of Fixed Assets (Sch.-D) including Capital WIP	(18493.04)	(16501.53)
Adjustment in Value of Fixed Assets	-0.28	16.81
Redemption of 8.5% RBI Power Bond	3.30	3.30
Lease Rent Received	350.00	350.00
Interest Income	5019.77	3696.96
	(13120.25)	(12434.46)
Net cash flow from investing activities :	(152.49)	26338.35

	2010-2011 (RS. IN LAKHS)	2009-2010 (RS. IN LAKHS)
(c) Cash Flow from Financing Activities :		
Repayment of Long Term Borrowing	(435.21)	(446.99)
Interest Paid	(100.87)	(1.06)
	(536.08)	(448.05)
Net Increase in Cash/Cash equivalents	<u>(688.57)</u>	<u>25890.30</u>
Opening Cash & Bank Balance	94788.14	68897.84
Closing Cash & Bank Balance	94099.57	94788.14

Rakesh Sinha
Chairman -cum-Managing Director
DIN - 02186695

M. Viswanathan
Company Secretary

A. K. Soni
Director (Finance)
DIN - 03248110

S. Chattopadhyay
General Manager (Finance)

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

Kolkata :
Dated : 17th May, 2011

(B. K. Datta)
Partner
Membership No. : 16175
for and on behalf of
Dutta Sarkar & Co.
Chartered Accountants.
Firm Regn. No.: 303114E

N.B. : The Cash Flow Statement does not include Mine Closure Plan (Assets) and Mine Closure Liability.

EASTERN COALFIELDS LIMITED
SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 2011
SCHEDULE - A
SHARE CAPITAL

	AS AT 31ST MARCH 2011 (RS. IN LAKHS)	AS AT 31ST MARCH 2010 (RS. IN LAKHS)
AUTHORISED :		
250,00,000 (Previous year 2,50,00,000) Equity Share of Rs. 1000.00 each.	250000.00	250000.00
Issued, Subscribed & Paid up :	_____	_____
1,03,90,000 (Previous year 1,03,90,000) Equity Shares of Rs. 1000.00 each fully Paid-up in cash	103900.00	103900.00
1,17,94,500 (Previous Year 1,17,94,500) Equity Shares of Rs. 1000.00 each alloted as fully paid-up against consideration received other than cash.	117945.00	117945.00
Total	221845.00	221845.00

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

EASTERN COALFIELDS LIMITED
SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 2011
SCHEDULE - B
RESERVES AND SURPLUS

	AS AT 31ST MARCH 2011 (RS. IN LAKHS)	AS AT 31ST MARCH 2010 (RS. IN LAKHS)
CAPITAL RESERVE		
Profit on Sale of asset.	0.00	0.00
TOTAL	0.00	0.00

EASTERN COALFIELDS LIMITED
SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 2011
SCHEDULE - C
UNSECURED LOANS

	AS AT 31ST MARCH 2011 (RS. IN LAKHS)	AS AT 31ST MARCH 2010 (RS. IN LAKHS)
i) Due to Coal India Limited. Holding Company	51897.08	51897.08
ii) Export Development Corpn. Canada through CIL US \$ 311.46 Lakhs (US \$ 320.90 Lakhs)	14156.11	14655.36
TOTAL	66053.19	66552.44

EASTERN COALFIELDS LIMITED

SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 2011

FIXED ASSETS

SCHEDULE - D

[Rs. IN LAKHS]

PARTICULARS		GROSS BLOCK					DEPRECIATION / IMPAIRMENT				
	COST AS AT COMMENCEMENT OF THE YEAR	ADDITION DURING THE YEAR	WITHDRAWALS / ADJUSTMENT	TOTAL COST AS AT THE END OF THE YEAR	DEPRN. AS AT COMM. OF THE YEAR	DEPRN. FOR THE YEAR	IMPAIRMENT LOSS	WITHDRAWALS / ADJUSTMENT	TOTAL DEPN. AS AT THE END OF THE YEAR	NET BLOCK AS AT 31.03.11	NET BLOCK AS AT 31.03.10
A) COMPLETED ASSETS :											
LAND - FREEHOLD	6511.50	281.27		6792.77	1041.62	113.77	0.00	0.00	1155.39	5637.38	5469.88
LEASEHOLD	1298.18	4087.27		5385.45	426.84	251.37	0.00	0.00	678.21	4707.24	871.34
BUILDINGS	36483.11	137.50		36620.61	13945.04	775.13	0.00	-0.02	14720.15	21900.46	22538.07
ROADS AND CULVERTS	4581.19	71.96	-6.25	4646.90	2170.46	128.57	0.00	-6.25	2292.78	2354.12	2410.73
WATER SUPPLY	4803.17	126.98	-22.05	4908.10	2908.50	206.53	0.00	-22.05	3092.98	1815.12	1894.67
RAILWAY SIDINGS	2551.62	18.11		2569.73	1671.57	79.80	0.00	0.00	1751.37	818.36	880.05
PLANT AND MACHINERY :											
a) HEMM	129457.81	3814.24	-5956.08	127315.97	101298.55	5136.29	0.00	-5706.14	100728.70	26587.27	28159.26
b) POWER PLANT	4024.00	0.00		4024.00	3823.73	0.00	0.00	0.00	3823.73	200.27	200.27
c) OTHERS	191749.93	5926.15	-2978.23	194697.85	155799.19	6262.54	0.00	-2931.94	159129.79	35568.06	35950.74
TELECOMMUNICATION	1798.51	13.75	-2.34	1809.92	1617.27	27.93	0.00	-2.22	1642.98	166.94	181.24
ELECTRICAL INSTALLATION	6747.37	139.02		6886.39	4739.34	186.88	0.00	-0.01	4926.21	1960.18	2008.03
FURNITURE AND OFFICE EQUIP.	1910.70	56.28	-7.40	1959.58	1608.24	39.42	0.00	-6.04	1641.62	317.96	302.46
TOOLS AND EQUIPMENTS	438.70	223.21	0.01	661.92	316.26	19.91	0.00	0.00	336.17	325.75	122.44
PROSPECTING AND BORING	19894.37	75.69		19970.06	18733.70	247.50	-54.05	0.00	18927.15	1042.91	1160.67
MINES DEVELOPMENT	95154.96	4189.85		99344.81	78122.03	3239.68	623.81	4.66	81990.18	17354.63	17032.93
MINES CLOSURE PLAN	0.00	67663.57		67663.57	0.00	9585.02			9585.02	58078.55	0.00
VEHICLES	1219.66	52.60	-1.10	1271.16	1148.07	4.06	0.00	-1.05	1151.08	120.08	71.59
FIRE ARMS	25.32	0.00		25.32	22.46	0.27	0.00	0.00	22.73	2.59	2.86
TOTAL (A)	508650.10	86877.45	-8973.44	586554.11	389392.87	26304.67	569.76	-8671.06	407596.24	178957.87	119257.23
B) CAPITAL EXPENDITURE											
ON ASSETS NOT BELONGING TO THE CO.	1579.68	487.85	-145.22	1922.31	1579.68	487.85	0.00	-145.22	1922.31	0.00	0.00
TOTAL (B)	1579.68	487.85	-145.22	1922.31	1579.68	487.85		-145.22	1922.31	0.00	0.00
C) DISCARDED / SURVEYED											
OFF ASSETS	18785.90	0.00	6583.20	25369.10	18785.90	298.00	0.00	6285.20	25369.10	0.00	0.00
TOTAL (A+B+C)	529015.68	87365.30	-2535.46	613845.52	409758.45	27090.52	569.76	-2531.08	434887.65	178957.87	119257.23
PREVIOUS YEAR	521733.65	12175.27	-4893.24	529015.68	398367.02	15305.26	760.90	-4674.73	409758.45	119257.23	123366.63
N.B. : Closing Depreciation Rs. 434887.65 includes Impairment of Prospecting & Boring Rs. 4914.92											
Mines Development Rs. 17137.11											
Total Rs. 22052.03											

Note No. 1

	AS AT 31ST MARCH 2011 (RS. IN LAKHS)	AS AT 31ST MARCH 2010 (RS. IN LAKHS)
--	---	---

ALLOCATION OF DEPRECIATION

1.	Profit & Loss Account (Direct)	26469.62	14669.18
2.	Social Overhead	618.74	612.05
3.	Prior Period Adjustment	0.00	21.87
4.	Power and Fuel	2.16	2.16

Sub-Total	27090.52	15305.26
------------------	-----------------	-----------------

5.	Due to sale/discard	0.00	-159.44
6.	Received /Issued to and from other subsidiaries	0.00	0.00
7.	Provision for Loss of Asset.	4.66	201.70
8.	Other Adjustments	-2535.74	-4716.99

Sub-Total	-2531.08	-4674.73
------------------	-----------------	-----------------

Total	24559.44	10630.53
--------------	-----------------	-----------------

Note No. 2

	AS AT 31ST MARCH 2011 (RS. IN LAKHS)	AS AT 31ST MARCH 2010 (RS. IN LAKHS)
--	---	---

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

I) Buildings	23755.14	23718.66
II) Plant & Machinery	559.69	537.01
III) Furniture & Office Equipment	406.51	387.35
IV) Vehicles	323.46	323.46
V) Roads & Culverts	1375.41	1336.57
VI) Water Supply	4865.09	4649.43

Total	31285.30	30952.48
--------------	-----------------	-----------------

EASTERN COALFIELDS LIMITED

SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 2011

CAPITAL WORK - IN - PROGRESS

SCHEDULE - E

PARTICULARS	[Rs. IN LAKHS]											
	COST AS AT COMM. OF THE YEAR	ADDITION DURING THE YEAR	WITHDRAWAL / ADJUSTMENT	TRANSFER TO COMPLETED ASSETS	TOTAL COST AS AT THE END OF THE YR.	PROVISION AS AT COMM. OF THE YEAR	ADDITION DURING THE YEAR	PROVISION WITHDRAWN /ADJ. DURING THE YEAR	IMPAIRMENT LOSS	TOTAL PROV. AS AT THE END OF YEAR	NET ASSETS AS ON 31.03.2011	NET ASSETS AS ON 31.03.2010
BUILDINGS	560.94	159.88	2.56	111.54	606.72	501.63	1.20			502.83	103.89	59.31
ROADS AND CULVERTS	171.89	168.31	13.00	57.61	269.59	16.56	0.00			16.56	253.03	155.33
WATER SUPPLY	75.39	181.44	0	101.07	155.76	49.40	0.00			49.40	106.36	25.99
RAILWAY SIDING	297.81	46.02	0.00	23.50	320.33	102.28	1.45			103.73	216.60	195.53
P&M AND CAPITAL												
STORES IN STORES	4937.76	8503.97	3724.14	6163.78	3553.81	845.58	6.82	2.61		849.79	2704.02	4092.18
C.H.P.	2795.64	128.00	0	128.00	2795.64	2774.53				2774.53	21.11	21.11
PROSP. & BORING	411.04	1.34	0.00	1.34	411.04	411.04				411.04	0.00	0.00
MINES DEVELOPMENT	4378.10	3724.95	18.26	4034.40	4050.39	2540.76		14.41	396.27	2922.62	1127.77	1837.34
OTHERS	123.94	693.51	9.93	491.02	316.50	30.63				30.63	285.87	93.31
TOTAL	13752.51	13607.42	3767.89	11112.26	12479.78	7272.41	9.47	17.02	396.27	7661.13	4818.65	6480.10
PREVIOUS YEAR	11352.31	14707.05	3655.45	8651.40	13752.51	7367.46	23.34	308.55	190.16	7272.41	6480.10	3984.85

	As At	As At
	31st March' 11	31st March' 10
	Rs. in Lakhs	Rs. in Lakhs

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

i) Buildings	55.84	30.04
ii) Roads & Culverts	23.91	1.34
iii) Water Supply	106.36	25.99
	186.11	57.37

EASTERN COALFIELDS LIMITED
SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 2011
SCHEDULE - F
INVESTMENTS

	AS AT 31ST MARCH 2011 (RS. IN LAKHS)	AS AT 31ST MARCH 2010 (RS. IN LAKHS)
INVESTMENTS (AT COST) :		
Long Term (Unquoted) :		
Trade :		
a) In fully paid up 8.5% of Tax Free R.B.I., Power Bonds :		
10 Bonds of Rs. 1,65,000/- each.		
(12 Bonds of Rs. 1,65,000/- each)	16.50	19.80
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
Total	24.50	27.80

EASTERN COALFIELDS LIMITED
SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 2011
SCHEDULE - G
INVENTORIES

	AS AT 31ST MARCH 2011 (RS. IN LAKHS)	AS AT 31ST MARCH 2010 (RS. IN LAKHS)	
I) Stock of Stores & Spares	16261.16	16251.86	
Less : Provision	<u>4217.04</u>	<u>4171.38</u>	
	12044.12	12080.48	
Add :			
In transit / under Inspection	373.08	34.81	
Stock Adjustment	<u>14.91</u>	<u>37.23</u>	
	————— 12432.11	————— 12152.52	
II) Stock of Coal	43228.69	32237.04	
Less : Prov. for deterioration of coal value	<u>170.91</u>	<u>169.24</u>	32067.80
	43057.78		
III) Workshop Job :			
a) Finished Goods	257.77	312.31	
b) Work-in-Progress	<u>1144.16</u>	<u>822.59</u>	
	1401.93	1134.90	
Less : Provision	<u>19.55</u>	<u>18.71</u>	
	————— 1382.38	————— 1116.19	
Total :	56872.27	45336.51	

EASTERN COALFIELDS LIMITED
SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 2011
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	3756	37485.76	472	4286.40	3284	33199.36
Add : Seized Coal / Adjustment	1	4.96		342.00	1	-337.04
	3757	37490.72	472	4628.40	3285	32862.32
2. Production for the year	30803	609579.39			30803	609579.39
3. Sub total of (1 + 2)	34560	647070.11	472	4628.40	34088	642441.71
4. Less: Offtake for the year						
(A) Outside despatch	29365	588259.77			29365	588259.77
(B) Internal Consumption	3	59.26			3	59.26
(C) Consumption for Boiler and domestic	377	10544.93			377	10544.93
Total (4)	29745	598863.96	-	-	29745	598863.96
5. Derived Stock (3-4)	4815	49711.73	472	4628.40	4343	45083.33
6. Measured Stock	4690	47478.46	--	--	4690	47478.46
7. Differences (5-6)	125	2233.27	--	--	125	2233.27
8. (A) Excess within 5%	2	47.19	--	--	2	47.19
(B) Shortage within 5%	102	1326.74	--	--	102	1326.74
(C) Excess beyond 5%	0	8.70	--	--	0	8.70
(D) Shortage beyond 5%	24	962.42	--	--	24	962.42
9. Closing Stock adopted in Accounts	4791	48758.01	472	4628.40	4319	44129.61
			Qty. (000)	Value (Rs. in lakhs)		
Stock as per Books.			4815	49711.73		
Less: Net Shortage of more than 5% accounted for in the Accounts but not adjusted from Book Stock pending writing off.			24	953.72		
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	4628.40		
Less : Charges for rehandling of pithead stock.			--	902.75		
Less : Provision made in accounts to take care of future deterioration in Coal Stock.			--	170.91		
Add : Coal Tar			--	1.83		
Stock as per Accounts after all provisions.(Schedule : G)			4319	43057.78		
Less : Seized Coal				96.48		
Stock as per Accounts after all provision (Schedule - 3)			4319	42961.30		

EASTERN COALFIELDS LIMITED
SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 2011
SCHEDULE - H
SUNDRY DEBTORS

	AS AT 31ST MARCH 2011 (RS. IN LAKHS)		AS AT 31ST MARCH 2010 (RS. IN LAKHS)	
Debts Outstanding for a period exceeding six months	12429.37		13915.33	
Less Provision	<u>6833.27</u>	5596.10	<u>8434.72</u>	5480.61
Other debts	92031.95		70170.30	
Less Provision	<u>1708.25</u>	90323.70	<u>971.74</u>	69198.56
TOTAL :		95919.80		74679.17
CLASSIFICATION (Unsecured) :				
i) Considered Good.		95919.80		74679.17
ii) Considered Doubtful		8541.52		9406.46
		104461.32		84085.63

	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	91.19	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, 2011
SCHEDULE - I
CASH AND BANK

	AS AT 31ST MARCH 2011 (RS. IN LAKHS)	AS AT 31ST MARCH 2010 (RS. IN LAKHS)
Cash in hand	118.63	184.19
Cheques and Drafts in hand	1510.91	3424.20
Remittance in transit	15.04	1795.27
Balance with Scheduled Banks :		
On Current Account	32151.07	32513.75
On Term Deposit Account	60303.92	56870.73
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
Total	94099.57	94788.14

EASTERN COALFIELDS LIMITED
SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 2011
SCHEDULE - J
OTHER CURRENT ASSETS

	AS AT 31ST MARCH 2011 (RS. IN LAKHS)	AS AT 31ST MARCH 2010 (RS. IN LAKHS)
1.Claims Receivable :		
i) Railway	52.79	52.79
ii) Insurance	13.04	13.04
iii) Others	266.87	267.44
Sub-Total	<u> </u> 332.70	<u> </u> 333.27
2. Other Receivables :		
i) Employees	138.78	160.25
II) Others.	80.31	75.45
Sub-Total	<u> </u> 219.09	<u> </u> 235.70
3. Interest Receivable	3256.47	2865.09
	<u> </u> 3808.26	<u> </u> 3434.06
Less : Provision	150.25	69.17
Total :	3658.01	3364.89

EASTERN COALFIELDS LIMITED
SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 2011
SCHEDULE - K
LOANS AND ADVANCES

	AS AT 31ST MARCH 2011 (RS. IN LAKHS)	AS AT 31ST MARCH 2010 (RS. IN LAKHS)
Advance recoverable in cash or in kind or for value to be received :		
Advance to Suppliers :		
a) For Capital Items	335.43	383.43
b) For Foreign Supplies	54.15	49.95
c) For Other Stores	1289.82	1559.43
	----- 1679.40	----- 1992.81
Advance to Contractors :		
a) For Capital Items	270.77	270.76
b) For Others	326.23	173.70
	----- 597.00	----- 444.46
Advances to Employees :		
a) For House Building	38.20	64.29
b) For Others	1095.98	1065.51
	----- 1134.18	----- 1129.80
Advances to Others	7.24	7.20
Deposits :		
For P & T, Electricity etc.	999.60	1157.64
Amount Due from Central/State Govt. :		
a) Subsidy receivable	2254.43	2707.24
b) Electricity	2162.23	2428.87
c) Others	93.21	93.21
	----- 4509.87	----- 5229.32
Current Account Balance - CMPDIL	112.38	700.81
CCL	41.02	0.00
	----- 153.40	----- 700.81
For Value of Stores, Claims and other receivables	376.17	209.13
Sales Tax	1826.85	2318.45
Advance payment of other Statutory dues	369.31	42.30
Advance Fringe Benefit Tax	1514.52	1514.52
Tax deducted at Source	1777.73	1666.61
135		

	AS AT 31ST MARCH 2011 (RS. IN LAKHS)	AS AT 31ST MARCH 2010 (RS. IN LAKHS)
Prepaid Expenses	56.80	54.74
Total	15002.07	16467.79
Less Provision	1669.48	1786.10
Net Advance	13332.59	14681.69
CLASSIFICATION :		
Considered good	13332.59	14681.69
Considered doubtful	1669.48	1786.10
Secured	38.20	64.29
Unsecured	14963.87	16403.50

EASTERN COALFIELDS LIMITED
SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 2011
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	112.38	700.81	165.59	
South Eastern Coalfields Limited	0.00	0.00	2.15	
Western Coalfields Limited	0.00	0.00	25.30	
Bharat Coking Coal Limited	0.00	0.00	29.63	
Mahanadi Coalfields Limited	0.00	0.00	9.77	
Northern Coalfields Limited	0.00	0.00	2.15	
Central Coalfields Limited	41.02	0.00	10.70	
<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, 2011
SCHEDULE - L
CURRENT LIABILITIES AND PROVISIONS

A. CURRENT LIABILITIES :	AS AT 31ST MARCH 2011 (RS. IN LAKHS)	AS AT 31ST MARCH 2010 (RS. IN LAKHS)
Sundry Creditors Small Scale Industries :		
Capital	0.00	0.00
Revenue	19.80	43.49
	<u>19.80</u>	<u>43.49</u>
Sundry Creditors for Goods :		
Capital	1420.87	1476.86
Revenue	6254.37	5545.70
	<u>6254.37</u>	<u>5545.70</u>
For expenses :		
Employees' remuneration	24667.09	108920.87
Performance Related Pay (PRP)	11646.00	5891.00
Superannuation Benefit	6359.98	4731.30
Gratuity	14968.76	16354.91
Leave Encashment	94.37	87.51
Coal Mines Bonus	3400.08	3394.23
PPLB/PLRS	11804.14	8665.77
Power and Fuel	4314.51	4297.16
Contractual Expenses	7834.83	8158.09
Repairs	2469.84	2137.36
Unpaid Wages	2047.95	4826.48
Others	10684.75	13185.35
	<u>10684.75</u>	<u>13185.35</u>
Statutory Dues :		
Royalty	948.44	847.40
Cess on Coal	3065.90	8928.11
Central Excise Duty	2825.80	0.00
Stowing Excise Duty	862.53	845.63
Deposit Link Insurance	101.24	77.56
Tax deducted at source (IT) Employees	2746.23	1715.74
Contractors	122.86	119.16
	<u>122.86</u>	<u>119.16</u>
Life Cover Scheme	630.35	621.63
Provident Fund incl. FPF	4371.02	4620.25
Current Account with CIL	253672.47	194248.42
Customer's Balance	18409.14	18379.30
Cess Equalisation Account	90591.47	94939.37
Employees' Pension contribution	1046.52	1022.91
Other liabilities	18839.91	16060.49
TOTAL :	506221.22	530142.05

EASTERN COALFIELDS LIMITED
SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 2011
SCHEDULE - L (Contd.)
CURRENT LIABILITIES AND PROVISIONS

	AS AT 31ST MARCH 2011 (RS. IN LAKHS)	AS AT 31ST MARCH 2010 (RS. IN LAKHS)
B. PROVISIONS FOR :		
Fringe Benefit Tax	985.08	985.08
Actuarial Gratuity	207471.73	194945.17
Actuarial Leave Encashment	35049.59	26481.90
Actuarial LTC / LLTC	1274.90	1118.62
Actuarial Life Cover Scheme	1146.80	1226.00
Actuarial Settlement Allowance	77.71	56.89
Actuarial Group Accidental Insurance	15.84	16.50
Actuarial Post Retirement Medical Benefit	330.51	65.63
Actuarial Fatal Mine Accident Benefit	4575.61	4034.56
OBR Adjustment Account	147714.96	131306.79
OCP Reclamation	0.00	1899.23
Cost of Stowing Lag	0.00	1339.41
Mine Closure Cost	67663.57	0.00
Total	466306.30	363475.78

EASTERN COALFIELDS LIMITED
SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 2011
COST OF REMOVAL OF OVERBURDEN
ANNEXURE TO SCHEDULE - L

	AS AT 31ST MARCH 2011 (RS. IN LAKHS)	AS AT 31ST MARCH 2010 (RS. IN LAKHS)
Opening Advance Stripping	11897.56	10440.41
Add : Expenditure during the year	58487.77	51070.37
Less : OBR Charged to COAL	60045.28	49613.22
Closing Advance Stripping (A)	10340.05	11897.56
Less : Ratio Variance		
As per Last Account	143204.35	124712.05
Add / Less Written Off	14850.66	18492.30
TOTAL (B)	158055.01	143204.35
TOTAL (A - B)	-147714.96	-131306.79
Transferred to Liability Schedule (L)	147714.96	131306.79

SCHEDULE - 1

EASTERN COALFIELDS LIMITED
SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED
31ST MARCH, 2011
SALES

	FOR THE QUARTER ENDED 31ST MARCH, 2011 (RS. IN LAKHS)	FOR THE YEAR ENDED 31ST MARCH 2011 (RS. IN LAKHS)	FOR THE YEAR ENDED 31ST MARCH 2010 (RS. IN LAKHS)
Coal - Quantity (In Tonne)	8540703.00	29364538	28826949
Gross Sale Value. (A)	231936.71	713931.86	628120.55
Less : STATUTORY LEVIES :			
(a) Royalty on Coal	4731.09	17257.87	15507.45
(b) Cess on Coal.	19587.41	79839.65	67489.17
(c) Stowing Excise Duty.	812.63	2936.42	2882.70
(d) Central Excise Duty	<u>4151.21</u>	<u>4151.21</u>	<u>0.00</u>
(e) Sales Tax :		104185.15	85879.32
i) Central	2350.16	7183.23	5634.44
ii) VAT (Jharkhand)	29.32	214.96	237.24
iii) VAT (W.B.)	<u>4295.05</u>	<u>14088.75</u>	<u>13591.79</u>
	6674.53	21486.94	19463.47
Total Lavies (B)	35956.87	125672.09	105342.79
Net Value (A – B)	195979.84	588259.77	522777.76

SCHEDULE - 2

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

COAL ISSUED FOR OTHER PURPOSES

	FOR THE QUARTER ENDED 31ST MARCH, 2011 (RS. IN LAKHS)	FOR THE YEAR ENDED 31ST MARCH 2011 (RS. IN LAKHS)	FOR THE YEAR ENDED 31ST MARCH 2010 (RS. IN LAKHS)
Colliery Consumption of Coal per contra :			
a) Boiler consumption.	3194.79	6985.03	4938.56
b) Workshop etc. consumption.	17.20	36.37	32.53
	<hr/> 3211.99	<hr/> 7021.40	<hr/> 4971.09
Free Issue of Coal to Employees per contra (Schedule 8).	1540.27	3559.90	2915.28
Coal Issued for Sundry purposes	12.34	22.89	0.61
Total :	4764.60	10604.19	7886.98

SCHEDULE - 3

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

ACCRETION / (DECRETION) IN STOCK

	FOR THE QUARTER ENDED 31ST MARCH, 2011 (RS. IN LAKHS)	FOR THE YEAR ENDED 31ST MARCH 2011 (RS. IN LAKHS)	FOR THE YEAR ENDED 31ST MARCH 2010 (RS. IN LAKHS)
(a) Closing Stock of Coal	44530.29	44530.29	33266.45
Less : (i) Grade Slippage.	495.33	495.33	123.23
(ii) Handling Charges etc.	902.75	902.75	964.15
(iii) Prov. for deterioration of Coal Value	<u>170.91</u>	<u>170.91</u>	<u>169.24</u>
TOTAL (a)	42961.30	42961.30	32009.83
(b) Opening Stock of Coal	34231.59	33266.45	20986.18
Less : (i) Grade Slippage.	357.79	123.23	112.24
(ii) Handling Charges etc.	1126.11	964.15	958.13
(iii) Prov. for deterioration of coal value	<u>169.05</u>	<u>169.24</u>	<u>232.28</u>
TOTAL (b)	32578.64	32009.83	19683.53
Accretion (+) / Decretion (-) [a – b]	10382.66	10951.47	12326.30

SCHEDULE - 4

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

WORKSHOP JOB FOR OWN PURPOSE

	FOR THE QUARTER ENDED 31ST MARCH, 2011 (RS. IN LAKHS)	FOR THE YEAR ENDED 31ST MARCH 2011 (RS. IN LAKHS)	FOR THE YEAR ENDED 31ST MARCH 2010 (RS. IN LAKHS)
(a) Workshop Closing Job :			
i) Finished goods	257.77	257.77	312.31
ii) Work-in-Progress	<u>1144.16</u>	<u>1144.16</u>	<u>822.59</u>
	1401.93	1401.93	1134.90
Less : Provision.	19.55	19.55	18.71
Adjustment	<u>9.79</u>	<u>9.79</u>	<u>0.00</u>
Total (a) :	1392.17	1392.17	1116.19
(b) Jobs done for and charged to areas and units (as per contra)	1740.29	5571.24	5228.98
c) Less : Workshop Opening Job :			
i) Finished goods.	438.95	312.31	353.72
ii) Work-in-Progress	<u>888.62</u>	<u>822.59</u>	<u>960.59</u>
	1327.57	1134.90	1314.31
Less : Provision	18.71	18.71	16.88
Less : Adjustment	<u>6.00</u>	<u>0.00</u>	<u>0.00</u>
	1314.86	1116.19	1297.43
TOTAL (a+b-c) :	1817.60	5847.22	5047.74

SCHEDULE - 5

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

OTHER RECEIPTS

	FOR THE QUARTER ENDED 31ST MARCH, 2011 (RS. IN LAKHS)	FOR THE YEAR ENDED 31ST MARCH 2011 (RS. IN LAKHS)	FOR THE YEAR ENDED 31ST MARCH 2010 (RS. IN LAKHS)
Stowing Subsidy	351.34	4175.02	4912.48
Revenue from workshop	2.88	2.88	12.49
Interest received from :			
a) Investment in Power Bond	0.39	1.61	1.89
b) Bank Deposit	1016.99	4005.55	3662.04
c) Others	<u>9.07</u>	<u>1012.61</u>	<u>33.03</u>
Discount Received	2.09	6.67	8.15
Rent Received from outsiders	14.75	36.20	25.39
Lease Rent	87.50	350.00	350.00
Recovery of transportation & loading cost	2618.29	8768.45	6992.85
Tender Fees	15.36	53.68	51.60
Sale of Scrap	36.91	92.25	102.00
Liquidated Damage.	266.01	428.44	370.52
Penalty	116.85	215.23	110.36
Stowing Lag	1339.41	1339.41	0.00
OCP Reclamation	1899.23	1899.23	0.00
Liability Written Back	430.28	747.53	785.04
Arrear Salary writeen back	0.00	0.00	13057.67
Excess amount received over exploration			
Cost for transfer of Block	0.00	0.00	1712.35
Others	6983.75	9450.00	2687.67
TOTAL :	15191.10	32584.76	34875.53

SCHEDULE - 6

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

CONSUMPTION OF STORES

	FOR THE QUARTER ENDED 31ST MARCH, 2011 (RS. IN LAKHS)	FOR THE YEAR ENDED 31ST MARCH 2011 (RS. IN LAKHS)	FOR THE YEAR ENDED 31ST MARCH 2010 (RS. IN LAKHS)
Explosives	2170.74	7988.58	6793.71
Timber	122.85	479.47	551.00
POL	4656.33	16469.20	14946.30
Consumable Stores & Spares :			
HEMM	4994.70	14145.23	12751.07
Others	5109.74	14912.40	14089.59
Sub Total :	17054.36	53994.88	49131.67
Less : Transferred to :			
a) Social Overhead	9.98	34.69	24.84
b) Miscellaneous	0.44	2.03	10.82
c) Power & Fuel	<u>0.08</u> 10.50	<u>1.60</u> 38.32	<u>0.28</u> 35.94
Total	17043.86	53956.56	49095.73
Indigenous	16689.34	53105.68	48129.75
Imported	312.45	850.88	965.98

SCHEDULE - 7

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

EMPLOYEES REMUNERATION AND BENEFITS

	FOR THE QUARTER ENDED 31ST MARCH, 2011 (RS. IN LAKHS)	FOR THE YEAR ENDED 31ST MARCH 2011 (RS. IN LAKHS)	FOR THE YEAR ENDED 31ST MARCH 2010 (RS. IN LAKHS)
Salaries & Wages	68789.68	243350.20	221670.47
Performance Related Pay (PRP)	4855.00	5755.00	2997.00
Superannuation Benefit	528.68	1628.68	1744.33
Overtime			
a) Normal	917.72	3489.18	3117.59
b) Sunday Production	3535.67	10420.93	9726.78
c) Sunday Maintenance	1803.68	7190.84	6658.63
	<hr/> 6257.07	<hr/> 21100.95	<hr/> 19503.00
Incentive	31.84	68.01	41.35
Leave Encashment	5488.08	14626.02	5674.82
Fall Back Wages	135.35	387.38	365.65
Contribution to PF (As per Annex.I)	7805.36	31863.66	30365.76
C.M. Bonus	3915.47	13238.69	13557.03
PPLB -Non- executive	2534.93	14760.90	9012.32
LTC / LLTC	793.85	2262.37	2519.40
Gratuity	14019.38	48418.92	34645.05
Workmen Compensation	78.28	159.13	128.78
Life Cover Scheme	165.80	420.05	445.35
Fatal Mine Accident Benefit	142.94	541.05	712.61
Voluntary Retirement Scheme	124.54	1326.46	1924.43
Other Allowances	753.89	1973.03	1651.84
Sub- Total :	116420.14	401880.50	346959.19
Less : Transferred to :			
a) Social overhead	2510.87	10727.77	10501.65
b) Power & Fuel	<u>0.86</u>	<u>15.37</u>	<u>22.99</u>
	2511.73	10743.14	10524.64
Total :	113908.41	391137.36	336434.55

SCHEDULE - 7
ANNEXURE - I.

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

CONTRIBUTION TO PROVIDENT AND OTHER FUNDS

	FOR THE QUARTER ENDED 31ST MARCH, 2011 (RS. IN LAKHS)	FOR THE YEAR ENDED 31ST MARCH 2011 (RS. IN LAKHS)	FOR THE YEAR ENDED 31ST MARCH 2010 (RS. IN LAKHS)
Coal Mines Provident Fund	6789.00	28822.94	27948.43
Coal Mines Family Pension Fund	1016.36	3040.72	2417.33
Total :	7805.36	31863.66	30365.76

SCHEDULE - 8

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

SOCIAL OVERHEAD

	FOR THE QUARTER ENDED 31ST MARCH, 2011 (RS. IN LAKHS)	FOR THE YEAR ENDED 31ST MARCH 2011 (RS. IN LAKHS)	FOR THE YEAR ENDED 31ST MARCH 2010 (RS. IN LAKHS)
Salary, Wages and Allowances (From Sch-7)	2510.87	10727.77	10501.65
Free issue of Coal to Employees.	1540.27	3559.90	2915.28
Medical Facilities:			
a) Medical Reimbursement			
i) Within the Company	399.09	1283.15	1142.23
ii) Outside the Company.	341.85	767.51	686.87
b) Medicine.	139.04	343.73	376.01
c) Diet Expenses.	27.59	86.86	79.03
	————— 907.57	————— 2481.25	————— 2284.14
Post Retirement Medical Benefit	274.14	285.96	52.07
Grants to :			
a) Schools & Institutions.	148.92	504.11	495.13
b) Sports, Recreation.	23.93	46.35	55.72
	————— 172.85	————— 550.46	————— 550.85
Canteen Upkeep.	2.44	8.08	7.00
House Rent.	581.80	2371.13	2539.81
Power (From Schedule - 9)	2383.59	9169.51	7490.28
Repair and Maintenance :			
a) Township	1369.56	2550.52	2676.90
b) Other Welfare Bulidings.	45.59	129.82	164.45
c) Plant & Machinery.	28.02	40.27	35.98
d) Others.	37.26	86.81	85.14
	————— 1480.43	————— 2807.42	————— 2962.47
Maintenance of Vehicles :			
a) Petrol & Diesel	44.61	468.85	449.36
b) Repairs (From Schedule - 10)	8.85	29.36	46.60
c) Road Tax	0.37	7.96	5.33
d) Insurance	1.88	6.65	7.78
	————— 55.71	————— 512.82	————— 509.07

	FOR THE QUARTER ENDED 31ST MARCH, 2011 (RS. IN LAKHS)	FOR THE YEAR ENDED 31ST MARCH 2011 (RS. IN LAKHS)	FOR THE YEAR ENDED 31ST MARCH 2010 (RS. IN LAKHS)
Consumption of Stores & Spares (from Schedule - 6)	9.98	34.69	24.84
Training Expenses :			
a) Within Company	10.65	22.11	11.85
b) Outside Company.	61.96	204.25	178.81
	<u>72.61</u>	<u>226.36</u>	<u>190.66</u>
Depreciation	156.80	618.74	612.05
Community Development	150.25	429.71	249.32
CSR Expenses	44.69	44.69	0.00
Environmental Expenditure :			
a) Tree Plantation	4.77	41.71	54.97
b) Others.	52.54	99.01	227.80
	<u>57.31</u>	<u>140.72</u>	<u>282.77</u>
Family Planning Expenses	3.70	4.02	1.97
Uniform and / or Stiching Charges	27.16	49.80	54.79
Hiring charges of bus/Ambulance/School Bus	121.93	438.23	428.87
Other Benefits.	498.40	1522.18	1254.90
Sub Total :	11052.50	35983.44	32912.79
Less : Recoveries :			
a) House Rent	12.52	51.75	45.46
b) Electricity	49.92	292.32	216.07
c) Hospital Charges	11.70	46.77	37.10
d) Hire Charges	0.27	0.73	0.92
e) School Bus	5.65	58.08	57.49
f) Others	0.08	4.92	0.78
	<u>80.14</u>	<u>454.57</u>	<u>357.82</u>
TOTAL:	10972.36	35528.87	32554.97

SCHEDULE - 9

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

POWER AND FUEL

	FOR THE QUARTER ENDED 31ST MARCH, 2011 (RS. IN LAKHS)	FOR THE YEAR ENDED 31ST MARCH 2011 (RS. IN LAKHS)	FOR THE YEAR ENDED 31ST MARCH 2010 (RS. IN LAKHS)
Purchased	11298.10	46780.68	37943.89
Power Generation :			
Salaries, Wages & Allowances (From Schedule - 7)	0.86	15.37	22.99
Consumption of Stores (From Schedule - 6)	0.08	1.60	0.28
Depreciation.	0.54	2.16	2.16
	<u>1.48</u>	<u>19.13</u>	<u>25.43</u>
Sub Total :	11299.58	46799.81	37969.32
Less : Transferred to :			
a) Social Overhead.	2383.59	9169.51	7490.28
Total :	8915.99	37630.30	30479.04

SCHEDULE - 10

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

REPAIRS

	FOR THE QUARTER ENDED 31ST MARCH, 2011 (RS. IN LAKHS)	FOR THE YEAR ENDED 31ST MARCH 2011 (RS. IN LAKHS)	FOR THE YEAR ENDED 31ST MARCH 2010 (RS. IN LAKHS)
Factory & Office Building	79.68	140.13	203.53
Plant & Machinery :			
a) Outside Agency	2290.89	5171.91	5271.33
b) Workshop Debit (Gross)	<u>1740.29</u>	<u>5571.24</u>	<u>5228.98</u>
	4031.18	10743.15	10500.31
Major Repairs of Equipments	64.04	64.04	99.69
Office Equipment & Furniture	12.53	30.49	26.45
Vehicles.	100.44	198.79	146.29
Others.	<u>30.63</u>	<u>165.51</u>	<u>194.09</u>
	4318.50	11342.11	11170.36
Less : Transfer to :			
Social Overhead.	8.85	29.36	46.60
Miscellaneous expenses	13.32	39.71	37.79
Stock of Stores			
(Out of W/Shop Debit)	708.36	2798.04	2695.82
P & M (Out of W/Shop Debit)	<u>8.93</u>	<u>27.16</u>	<u>108.60</u>
	739.46	2894.27	2888.81
Total :	3579.04	8447.84	8281.55

SCHEDULE - 11

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

CONTRACTUAL EXPENSES

	FOR THE QUARTER ENDED 31ST MARCH, 2011 (RS. IN LAKHS)	FOR THE YEAR ENDED 31ST MARCH 2011 (RS. IN LAKHS)	FOR THE YEAR ENDED 31ST MARCH 2010 (RS. IN LAKHS)
Transport Charges :			
Sand	944.34	3275.84	3555.03
Coal & Coke	3887.00	13726.88	12108.91
Stores	22.30	69.67	93.16
Others	311.29	1207.87	1161.34
Other Contractual Works.	6923.12	22817.46	17281.79
Total :	12088.05	41097.72	34200.23

SCHEDULE - 12

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

MISCELLANEOUS EXPENSES

	FOR THE QUARTER ENDED 31ST MARCH, 2011 (RS. IN LAKHS)	FOR THE YEAR ENDED 31ST MARCH 2011 (RS. IN LAKHS)	FOR THE YEAR ENDED 31ST MARCH 2010 (RS. IN LAKHS)
Travelling :			
a) In Country	287.21	921.33	852.00
b) Outside Country.	6.77	33.77	11.79
	293.98	955.10	863.79
Printing & Stationery	90.72	281.00	245.85
Postage.	5.54	14.13	15.70
Telephone.	26.50	94.67	78.06
Advertisement & Publicity :			
I) Advertisement for :			
a) Tender.	55.73	177.27	103.28
b) Others.	3.04	3.73	1.51
II) Publicity.	0.07	0.23	0.13
	58.84	181.23	104.92
Freight Charges	0.71	1.61	4.97
Demurrage	-15.08	122.30	268.80
Donation.	14.46	27.27	2.88
Security Expense.	1014.24	4791.18	5465.20
Hire Charges :			
a) Computer	87.84	309.75	267.14
b) Cars & Jeeps	145.74	541.84	512.94
c) Others	188.81	303.54	240.27
	422.39	1155.13	1020.35
Maintenance of Cars & Jeeps :			
i) Petrol & Diesel	212.61	719.38	583.59
ii) Repairs (From Sch. -10)	13.32	39.71	37.79
iii) Stores and spares (From Schedule -6)	0.44	2.03	10.82
iv) Road Tax.	33.13	61.85	55.03
v) Insurance	4.45	11.19	9.04
	263.95	834.16	696.27

	FOR THE QUARTER ENDED 31ST MARCH, 2011 (RS. IN LAKHS)	FOR THE YEAR ENDED 31ST MARCH 2011 (RS. IN LAKHS)	FOR THE YEAR ENDED 31ST MARCH 2010 (RS. IN LAKHS)
Legal Expenses	28.44	104.65	76.35
Bank Charges	11.67	35.27	37.13
Consultancy Charges	5.73	133.91	153.49
Maintenance Service	1500.96	3549.91	2082.01
Office Contingent	32.89	89.48	81.36
Underloading / Overloading Charges	185.38	584.51	970.38
Loss on Sale/Discard of Assets.	0.00	0.00	2.82
Auditors Remuneration :			
As Auditor	9.72	17.01	11.66
Travelling & out of Pocket Expenses	4.42	7.87	4.76
	<hr/> 14.14	<hr/> 24.88	<hr/> 16.42
Audit Fees on other capacity	2.97	3.57	1.45
Internal Audit Fees .	-4.63	16.72	15.27
Royalty & Cess	50.79	193.70	172.67
Rates & Taxes	2162.79	2232.48	110.32
Service Tax (Others)	415.83	583.30	765.61
Rent	1.59	3.88	4.99
Surface Rent	30.03	30.48	8.20
Dead Rent	0.93	7.14	67.19
Insurance	0.40	1.67	4.22
Compensation :			
a) Land /Crops	2.93	7.02	11.25
b) Others	<u>0.22</u> 3.15	<u>0.55</u> 7.57	<u>5.65</u> 16.90
OCP Reclamation	-105.00	0.00	791.71
Cost of Stowing Lag	-235.78	0.00	724.00
Others	598.99	1360.77	1146.84
TOTAL :	6877.52	17421.67	16016.12

SCHEDULE - 13

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

OVERBURDEN REMOVAL ADJUSTMENT

	FOR THE QUARTER ENDED 31ST MARCH, 2011 (RS. IN LAKHS)	FOR THE YEAR ENDED 31ST MARCH 2011 (RS. IN LAKHS)	FOR THE YEAR ENDED 31ST MARCH 2010 (RS. IN LAKHS)
Expenditure charged to Coal	20308.35	60045.28	49613.22
Add/Less : Ratio Variance	9912.04	14850.66	18492.30
Less : Expenditure during the year	17641.13	58487.77	51070.37
Total :	12579.26	16408.17	17035.15

EASTERN COALFIELDS LIMITED **SCHEDULE - 14**
SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED
31ST MARCH, 2011

INTEREST

	FOR THE QUARTER ENDED 31ST MARCH, 2011 (RS. IN LAKHS)	FOR THE YEAR ENDED 31ST MARCH 2011 (RS. IN LAKHS)	FOR THE YEAR ENDED 31ST MARCH 2010 (RS. IN LAKHS)
On Others.	0.60	100.87	1.06
Total :	0.60	100.87	1.06

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

PROVISIONS / WRITE-OFF

SCHEDULE - 15

	FOR THE QUARTER ENDED 31ST MARCH, 2011 (RS. IN LAKHS)	FOR THE YEAR ENDED 31ST MARCH 2011 (RS. IN LAKHS)	FOR THE YEAR ENDED 31ST MARCH 2010 (RS. IN LAKHS)
a) Provision for :			
Doubtful Debts	-4078.41	4739.50	2387.53
Doubtful Advances	0.00	0.04	209.13
Loss/Obsolescence of Stores.	4.70	82.23	10.52
Loss of Assets.	5.16	9.47	144.71
Other Current Assets	81.08	81.08	0.76
Sub - Total :	-3987.47	4912.32	2752.65
Less : Provision written back for :			
Debtors	-1506.24	5604.44	3820.39
Advance	116.57	116.66	8.81
Stores	36.50	36.57	50.33
Loss of Assets	-38.64	12.36	228.22
Other Current Assets	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
	-1391.81	5770.03	4107.75
Total : (a)	-2595.66	-857.71	-1355.10
b) Write-Off of :			
Bad Debts	783.51	2261.42	196.31
Bank Balance (Inoperative)	<u>0.00</u>	<u>0.00</u>	<u>0.12</u>
	783.51	2261.42	196.43
Total (b)	783.51	2261.42	196.43

SCHEDULE - 16

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

PRIOR PERIOD ADJUSTMENTS

	FOR THE QUARTER ENDED 31ST MARCH, 2011 (RS. IN LAKHS)	FOR THE YEAR ENDED 31ST MARCH 2011 (RS. IN LAKHS)	FOR THE YEAR ENDED 31ST MARCH 2010 (RS. IN LAKHS)
<u>DEBIT :</u>			
PPLB / PPLR	0.00	0.00	0.00
Consumption of Stores & Spares	0.00	0.00	-113.85
Repairs - Others	0.00	0.00	5.62
Workmen & Staff Welfare Expenses	0.00	0.00	44.31
Contractual Expenses	0.00	0.00	25.20
Miscellaneous Expenses	0.00	0.00	9.95
Depreciation	0.00	0.00	343.00
Total Debit	0.00	0.00	314.23
<u>CREDIT :</u>			
Salary, Wages & Allowance	0.00	0.00	10.38
a) Contribution to P.F.	0.00	0.00	29.36
b) Pension & Gratuity	<u>0.00</u>	<u>0.00</u>	<u>5.78</u>
	0.00	0.00	45.52
Other Receipt	0.00	0.00	-9.61
Total Credit	0.00	0.00	35.91
Net Credit (+) / Debit (-)	0.00	0.00	-278.32

Annexure-V

SCHEDULE – 17.**SIGNIFICANT ACCOUNTING POLICIES :****1.0: ACCOUNTNG CONVENTION.**

- 1.1: Financial Statements are prepared on the basis of historical cost and on accrual basis following going concern concept, accounting standards and generally accepted accounting principles except otherwise stated in Notes on Accounts.
- 1.2: All expenditure and income are booked initially in the natural heads of accounts and then transferred to functional heads wherever required for better classification.

2.0: SUBSIDIES/GRANTS FROM GOVERNMENT :

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

3.0: FIXED ASSETS :

- 3.1: Land: Value of Land includes cost of acquisition, compensation and cash rehabilitation expenses incurred for displaced persons. Other expenditure incurred on acquisition of land, viz. Resettlement Cost/Cash Compensation in lieu of employment etc. paid to oustees are treated as indirect expenditure on acquisition of land and recognized as revenue expenditure.
- 3.2: Plant & Machinery: Value of Plant and Machinery includes cost and expenses incurred for erection/installation cost and other attributable cost of bringing those assets to working conditions for their intended use except departmental cost.
- 3.3: Railway Sidings: Pending commissioning, payments made to the Railway Authorities for construction of Rly. Siding is shown under Capital Work-in-Progress.
- 3.4: Mines Development: Expenses net of income of the Mines under development are booked to Mines Development Account and shown under Capital Work-in-Progress till the Mines are brought to Revenue Account.
- 3.5 : Mines under Development are brought to Revenue in the financial year whenever any of the following events occur first: -

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

4.0 : PROSPECTING & BORING AND OTHER DEVELOPMENT EXPENDITURE :

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

5.0: INVESTMENTS:

Investments are stated at cost.

6.0: INVENTORIES :

- 6.1: Book Stock of coal is considered in the accounts, where the variance between book stock and measured stock is up to +/- 5% and in cases where the variance is beyond +/-5%, the measured stock is considered. Such stock is valued at lower of cost or net realisable value (NRV).
- 6.2: Stock of stores and spare parts at Central and Area Stores are valued at weighted average cost. The year end stores and spare parts remaining 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.

Depreciation on Tele-Communication equipment is charged over the technically estimated life of the asset at higher rate @ 15.83%.

Depreciation on certain equipments/HEMM is charged over the technically estimated life at higher rates viz. @ 11.83%, 13.57% and 15.83% as applicable.

- 7.2: Value of land acquired under the Coal Bearing Areas (Acquisition & Development) Act, 1957 are amortized equally over the life of the Project.
- 7.3: "Prospecting, Boring and other Mines Development Expenditure" (being capital in nature of Revenue Mines) are amortized over a period of 20 years or the working life of the Mines whichever is less, from the year the mines are brought to revenue.
- 7.4: Assets not belonging to the Company are fully charged in the year when these expenditures are incurred and the same are taken out from the Accounts in the following year.
- 7.5: Assets attracting 100% depreciation other than items costing Rs. 5000/- or less are taken out from the books of account after expiry of two years following the year in which these are fully depreciated.

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

11.00 : BORROWING COST :

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

12.00: PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS.

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

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

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

14.00: OVERBURDEN REMOVAL (OBR) ADJUSTMENT :

In Open Cast Mines with rated capacity of one million tonnes per annum and above, cost of OBR is charged on technically evaluated average ratio (COAL:OB) at each mine with due adjustment for advance stripping and ratio-variance account after the mines are brought to revenue. Net of balances of advance stripping and ratio variance at the end of the year is shown as cost of Removal of OB under the head Current Assets/Current Liabilities as the case may be.

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

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

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

NOTES ON ACCOUNTS

1.0 : BACKGROUND :

- 1.1: Eastern Coalfields Limited was incorporated as a Private Limited Company on 1st. November, 1975 as a 100% Subsidiary of Coal India Limited (CIL) upon taking over of Assets and Liabilities vested with the Eastern Division of Coal Mines Authority Ltd. (former name of Coal India Limited).
- 1.2: Pending completion of legal formalities for transfer of assets and liabilities to the Company certain Assets including Mining Rights etc. continued to be in the name of CIL.
- 1.3: The formal transfer Deeds/Agreement for Assets & Liabilities transferred and taken over by the Company in respect of Coal Mines Labour Welfare Organisation, Kalla & Central Hospital along with 4 other Hospitals/Dispensaries, Mines Rescue Station, Barakar Engineering & Foundry Works are yet to be finalized and executed in favour of the Company. In the absence of formal transfer and/or details of assets and liabilities of the above units, the valuation thereof has 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 is recognized nor any operational expenses are incurred by the Company for such Plant.
- 2.5: Capital items of stores like Conveyor Belt, Power Cables, Engineering Ropes and 90% value of civil materials lying in the Stores are shown as Capital W.I.P.
- 2.6: Physical verification of Plant & Machinery each worth Rs.1.00 lakh and more have been carried out as per programme. Resultant differences on completion of formalities have been adjusted.

2.7: ASSETS TAKEN OVER ON NATIONALISATION :

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

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

- 3.1 : Total year end provision of Rs. 7661.13 Lakhs (Rs. 7272.41 lakh) as appearing in Capital Work in Progress (Sch. E) includes provision of Rs. 1418.58 Lakhs (Rs. 1413.17 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. 298.00 lakhs (Rs. 183.76 lakhs) on the value of discarded/surveyed off assets has been made.

4.0: INVESTMENT:

During the year 2010-11, 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. 4217.04 lakhs (Rs. 4171.38 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. 2818.96 lakhs (Rs. 2773.30 lakhs) for non moving stores & spares.

Provision of Rs. 19.55 lakhs (Rs. 18.71 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 31.03.2011 are in progress and shown as Stock Adjustment under Inventories amounting to Rs. 14.91 lakhs (Rs. 37.23 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 1.00 lakh tonnes valued at Rs. 1279.55 lakhs remained un-adjusted in the Books of Accounts.

- 5.4: The following shortages/surplus 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.

Area	Shotage(-) / Surplus (+) in quantity (M.T.)	Value Rs. in Lakhs
Salanpur	(-) 919	(-) 33.23
Kenda	(-) 23256	(-) 928.83
Sripur	(-) 9	(-) 0.36
Bankola	(+) 216	(+) 8.70
Total	(-) 23968	(-) 953.72

- 5.5 : The enquiry proceedings by CBI, Dhanbad for shortage of coal at Rajmahal OCP of 19.54 lakhs tonne valuing to Rs. 6385.73 lakhs in 2007-08 has been completed in 2010-2011 and the same has been forwarded to Chairman, CIL for information and advice the Vigilance department for taking action against the charged officers as per CBI order.

- 5.6: Coal of 471408 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. 12392.59 lakhs (Rs. 5307.06 lakhs) for grade slippage including levies has been adjusted after reconciliation, settlement and issuing credit notes to the parties during the year. The details of provision are under:- (Rs. in lakhs)

Particulars	2010-11	2009-10
Opening provision	9406.46	16822.23
Less : Settled/written off/adjusted against opening debtors.	-----	5982.91
Less : Written back from opening provision	5604.44	3820.39
Add: New provision during the year.	4739.50	2387.53
Closing Balance	8541.52	9406.46

- 6.2: Provision of Sundry Debtors are generally made on case to case basis. Normally no provision of Sundry Debtors is made on unsettled amount of Debtors at the initial years. In the 2nd year provision is made upto 50% amount of unsettled amount of debtors, and the rest is provided in 3rd 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. 1669.48 lakhs (Rs.1786.10 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 06.04.2011 and confirmed balances have been transferred to CIL as on 31.03.11. Acceptance of any subsequent advice relating to the period ending 31st March 2011 are accounted for subject to the confirmation by the respective subsidiaries.
- 7.3: The net debit balance in Sales Tax of Rs. 1826.85 Lakhs (Rs. 2318.45 lakhs) Shown under the head “ Loans and Advances”, consisting of advance payment of Rs. 2557.83 Lakhs and liabilities of Rs. 730.98 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. 1777.73 lakhs (Rs. 1666.61 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 In 2010-11 an amount of Rs. 15971.92 lakhs has been received from Ministry of Coal, GoI towards initiation of Demographic Survey, Land Acquisition process etc. for implementation of Master Plan dealing with fire, subsidence and rehabilitation of Raniganj Coalfields. Against the above, Rs. 5 crore has already been paid in 2009-10 to ADDA and the balance amount is pending for payment to them as per their verbal request.

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. 64.04 Lakhs (credit Rs. 1926.06 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 1st April of each year and realization made from customers on the value of despatches of coal, there remains a balance accumulating to Rs. 90591.47 lakhs (Rs. 94939.37 lakhs), which has been shown in Cess Equalisation Account under Current Liabilities & Provision. There is an additional demand of Rs. 32258 lakhs (Rs. 32258 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 Limited.
 - b) Rs. 102.43 Lakhs (Rs. 102.43 lakhs) as Govt. grant for Short Wall Project at Sodepur.
 - c) Rs. 2668.24 Lakhs (Rs. 2672.63 lakhs) for Ranigunj 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: As required by section 22 of Micro, Small & Medium Enterprises Development Act, 2006, the following information is disclosed on the basis of information available with company. As on 31.03.2011 Principal amount remaining unpaid is Rs. 120.60 lakhs and interest due thereon is "NIL".

B. PROVISIONS :

- 10.5: The year end provision towards gratuity, leave encashment, Gross Personal Accident Insurance,

LTA/LTC, life cover scheme, settlement allowances, Fatal mine accidental benefit and medical benefit on retired employees has been made on actuarial valuation as per the certificate given by the actuary. The assumptions considered by the Actuary for determining the above actuarial valuation are as under :-

Demographic Assumptions

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

Financial Assumption

Discount rate	8.5 %
Inflation rate	6 %
Return on Assets	Not-funded
Remaining working life	13 years
Formula used	Projected Unit Credit Method

- 10.6: During the year the company has made ad-hoc provision for .Rs. 5755 lakhs (Rs. 5891 lakhs) as Performance Related Pay as per advice of Coal India Ltd.,

11 : PROFIT AND LOSS ACCOUNT :

- 11.1: Sale is net of deduction for grade slippage for current period and earlier period. Sales for the year have been reduced by Rs. 12164.50 Lakhs (Rs. 5118.95 lakhs) due to credit notes issued to the parties for the grade slippage. Sale includes Rs. 11723.53 Lakhs (Rs. 7095.96 lakhs) as incentive under fuel supply agreement with various power sectors for achieving despatch target.
- 11.2 : On revision of sale price with effect from 27th February,2011 an additional impact of Rs. 14614 lakhs has been worked out for sales made during the post revised period.
- 11.3: Coal issued to employees (free issue) amounting to Rs. 3559.90 Lakhs (Rs. 2915.28 lakhs) and for internal consumption of Rs. 7021.40 lakhs (Rs. 4971.09 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.
- 11.4: Subsidy due from appropriate authority for stowing and protective work undertaken during the year has been received for six months amounting to Rs.2072.61 Lakhs (Rs. 2348.65 lakhs.)

Subsidy receivable for the balance period of six months have been estimated on pro-rata basis and shown under Loans and Advances.

- 11.5: Amount spent for Community Development/CSR and for employees welfare activities are shown as "Social Overhead Expenses".
- 11.6: Interest of Rs. 1.61 Lakhs. (Rs. 1.89 lakhs) has been credited in the accounts on the remaining value of 8.5% Tax free RBI Power Bond of Rs. 16.50 Lakhs (Rs. 19.80 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.
- 11.7: 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 2010-11 Rs. 266.64 Lakhs (Rs. 212.88 lakhs) has been received and recovery of the balance amount of Rs. 2162.23 Lakhs (Rs. 2428.87 lakhs) are in process.
- 11.8 No liability is accruing in ECL in respect of Wealth Tax in 2010-11 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.
- 11.9 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.
- 11.10 The delay payment surcharge of Rs 760.87 lakhs imposed by Jharkhand State Electricity Board for Rajmahal Area as a guarantee for regular payment including interest thereon has not been considered in the accounts as the area is regular in making payment of Electricity charge to the authority.
- 11.11 Mine closure provision in the current year has been taken for Rs. 9585.02 lakhs being the pro-rata cost of total mine closure expenditure determined as per the norms of CIL. Escrow Account will be opened with Schedule Bank in the next year.

Provision of Rs. 1899.23 lakhs for OCP Reclamation & Rs. 1339.41 lakhs for cost of Stowing Lag made in the accounts has been withdrawn and credited to Profit & Loss A/C.

12.00 CAPITAL COMMITMENT AND CONTINGENT LIABILITIES :-

- 12.1 Estimated amount of contract remaining to be executed on Capital Account is Rs. 6095.43 Lakhs(Rs. 11914.10 lakhs).
- 12.2 Claims against the company not acknowledged as debts.

	(Rs. in Lakhs)	
	Current year	Previous year
Sales Tax	13867	12525
Royalty & Cess	265011	181219
Others	11566	10682
Total	290444	204426

13.3: DIRECTORS' REMUNERATION :

	(Rs. in lakhs)	
	Current year	Previous year
Salary & Allowances	59.66	69.29
Provident Fund.	7.89	6.58
Perquisites.	5.80	3.17
Retirement benefit.	25.81	---
Total	99.16	79.04

- 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) 319.73 lakhs tonnes (285.76 lakh tonnes).

13.2 : Production of Coal of 308.03 lakh tonnes (300.58 lakh tonnes).

14.0 : COAL :

	(Quantity in lakh tonnes)		(Rs. in lakhs)	
	Current Year	Previous year	Current Year	Previous Year.
OP.Stock	37.56	29.43	32067.80	19732.24
Adjust / seized coal.	0.01	0.02	4.96	29.65
Sales(*)	293.65	288.27	588259.77	522777.76
Closing Stock (**)	47.91	37.56	43057.78	32067.80

(*) Does not include coal issued for domestic consumption by Employees and boiler consumption of 3.77 lakh tonnes (3.94 lakh tonnes) and Sundry purpose 0.03 lakh tonnes (0.03 lakh) tonnes .

(**) Net surplus/shortage (-) 0.24 lakh tonnes {(-) 0.23 lakh tonne}.

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

16.0 : CIF Value of Imports.

	(Rs. in Lakhs.)	
	Current Year.	Previous Year.
a. Raw Materials	--	--
b. Components, Stores & Spares.	3586.21	933.40
c. Capital Goods.	1040.31	1505.60

16.1 : Expenditure in Foreign Currency :

	(Rs. in Lakhs.)	
	Current Year	Previous Year.
a. Travelling Expenses.	32.36	8.39
b. Expenses on Know - How & Foreign Consultancy.	--	--
c. Pension to the Foreigners.	--	--
d. Others	465.30	479.21

17.0 : 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.	850.88	965.98	1.58	1.97
b. Indigenous	53105.68	48129.75	98.42	98.03

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 : Reconciliation of balances with Debtors are made on perpetual basis. Where confirmation from Creditors and other parties are not obtained, in that case the book balances are considered as correct.
- 18.5 : As per Policy referred to in Para 14.00 OBR Accounting of Mohanpur OCP under Salanpur Area has been made in the current year.
- 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 company was declared Sick Company and was referred to the Board for Industrial and Financial Reconstruction (BIFR) and a case was registered as case no. 501/2000. BIFR has appointed State Bank of India as its operating agency for formulating a Rehabilitation Scheme. The company after detailed deliberation with Stakeholders prepared a Rehabilitation Scheme and submitted to BIFR through the operating agency. The BIFR sanctioned the scheme in November,2004 for implementation. As per the BIFR sanctioned scheme, the net worth of the

company was slated to become positive in 2008-09 after considering the concessions / relief to be received from Coal India Limited. But due to delay in implementation of some of the envisaged project for augmentation of production, implementation of NCWA-VII w.e.f. 01.07.2001 to 30.06.2006 and revision of sale price of coal from 16/06/2004 the physical and financial projection were revised and accordingly revised revival plan was prepared. The revised plan was recommended by Board for Reconstructions of Public Sector Enterprises (BRPSE) and approved by Government of India in October, 2006. As per the revised Revival Plan approved by Government of India, the net worth of the company was slated to become positive in 2009-2010.

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

Hence, the company again prepared a revised Revival Plan taking into account the delay in implementation of many of the projects, and as per the revised projection, the net worth of the company was stated to become positive in 2014-15, and was placed for discussion in 230th ECL Board meeting held on 31st August, 2009 and 1st September, 2009

But due to delay in implementation of various projects, Functional Directors in its meeting held on 5th Jan, 2010 advised to revise the physical parameters from 2010-11 to 2016-17. In between Coal Sale Price was also enhanced from 16th October, 2009.

Hence, the financial projections earlier made were further revised and as per the revised projection, the net worth of the company was stated to become positive in 2016-17 with waivers of CIL loan and conversion of current account balance into equity. ECL Board in its 237th meeting held on 5th August, 2010 had approved the above Draft Modified / Revised Proposal (DMRP). Company presented the DMRP to BRPSE and BRPSE reviewed the ECL's case on 27th August, 2010 BRPSE advised the company to revise the physical and financial projection by exploring the possibility of advancing the project completion to enable the company to come out of BIFR in advance. Accordingly revised DMRP has been prepared and as per the revised scheme, the company is expected to come out of BIFR in 2014-15. The sale price of the company has increased at par with imported coal price which facilitate the company to earn a profit in 2009-2010 and 2010-11. The company has prepared a Road Map for achieving optimum level of production from projects by advancing the completion procedure and with further increase in Sale price w.e.f. 27.02.2011, it is expected that the company can make its net worth positive after considering the concessions from Coal India Limited 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 31st. March, 1993 executed with “Dishegarh Power supply Company Ltd.” (presently D P S C Ltd.) Registered Office at No. 8 Clive Row, Kolkata for leasing out the 2 X 10 M W 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)	3823.73 (3823.73)	200.27 (200.27)
2. Building	1019.64 (1019.64)	31.26 (31.25)	638.11 (606.85)	381.53 (412.79)
3. Other Assets	772.61 (772.61)	0.19 (28.13)	641.04 (640.85)	131.57 (131.76)

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

(Rs. in lakhs).

	2010-11	2009-10
1. Not later than one year	350.00	350.00
2. Later than one year and not later than five years.	-----	350.00
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 2010-11. 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 :

Earning per share is calculated by dividing the profit incurred by the company in 2010-11 with the weighted average number of equity share outstanding during the period as per details given below :

	(Rs. in lakhs)
a) Profit during 2010-11	- 10657.29
b) Weighted average number of shares	- 22184500 Nos.
EPS - (Basic deputed) (a / b)	Rs. 48/-

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. 966.03 lakhs (Rs. 951.06 lakhs) on prospecting & boring and other mines development cost including Capital WIP for 2010-11 debited to current year P/L A/c under the head impairment of assets as per accounting policy No. 8.00.

h) AS-29 :

In respect of Provision, Contingent Liabilities and Contingent Assets, the followings are the transactions made during the year.

				(Rs. In lakhs)
Details	Opening Provision as on 01.04.2010	Provision made during The year	Provision Written back During the Year	Closing provision as on 31.03.2011
Unserviceable/Damaged/ Obsolete Stores	1166.37	—	—	1166.37
Non moving Stores	2773.30	82.23	36.57	2818.96
Loans and Advances	1786.10	0.04	116.66	1669.48
Other Current Assets	69.17	81.08	----	150.25
Stowing Lag	1339.41	-----	1339.41	-----
Reclamation of land	1899.23	----	1899.23	-----
Actuarial provision for Gratuity	194945.17	12526.56	-----	207471.73
Actuarial provision for Leave encashment	26481.90	8567.69	-----	35049.59
Actuarial provision for LTC/ LLTC	1118.62	156.28	-----	1274.90
Actuarial provision for Life Cover Scheme	1226.00	-----	79.20	1146.80
Actuarial provision for Settlement Allowances	56.89	20.82	-----	77.71
Actuarial Provision for Fatal Mine Accident Benefit	4034.56	541.05	-----	4575.61
Actuarial Provision for Gross Personal Accident Policy.	16.50	-----	0.66	15.84
Actuarial Provision for Post Retirement Medical benefit	65.63	264.88	-----	330.51
Total	236978.85	22240.63	3471.73	255747.75

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 :

I) REGISTRATION DETAILS

Registration Number	30295 of 1975
State Code	21
Balance Sheet Date	31.03.2011

II) CAPITAL RAISED DURING THE YEAR

Public Issue	NIL
Rights Issue	NIL
Bonus Issue	NIL
Private Placement	NIL

III) POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS

(Amount in thousand)

Total Liabilities	126042571
Total Assets	126042571

SOURCES OF FUNDS

Paid up Capital	22184500
Reserves & Surplus	0
Unsecured Loans	6605319

APPLICATION OF FUNDS

Net Fixed Assets	18377652
Investments	2450
Net Current Assets	-70864528
Accumulated Losses	81274245

IV) PERFORMANCE OF THE COMPANY

Turnover (Including other Income)	64824741
Total Expenditure	63759012
Profit (+) / Loss (-) before Tax	1065729
Profit (+) / Loss (-) after Tax	1065729
Earning per Share (in Rs.)	48
Dividend Rate (%)	NIL

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

Item Code No. (ITC)	270112.00
Product Description	Coal

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

Rakesh Sinha

Chairman -cum-Managing Director
DIN - 02186695

M. Viswanathan
Company Secretary

A. K. Soni

Director (Finance)
DIN - 03248110

S. Chattopadhyay
General Manager (Finance)