

**ANNUAL REPORT & ACCOUNTS  
2011-12**



**EASTERN COALFIELDS LIMITED**

*( A Subsidiary of Coal India Limited )*

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

# C O N T E N T S

	<b>Page No.</b>
1. Management/Bankers/Auditors	<b>1</b>
2. Bankers / Auditors / Vision / Missiom Statement	<b>2</b>
3. Notice of Annual General Meeting	<b>3</b>
4. Chairman's Statement	<b>4</b>
5. Directors' Report	<b>6</b>
6. Comments of the Comptroller and Auditor General of India	<b>98</b>
7. Auditors' Report and Management's Reply	<b>99</b>
8. Balance Sheet as on 31st March, 2012	<b>113</b>
9. Profit & Loss Accounts for the year ended 31st March, 2012	<b>115</b>
10. Cash Flow Statement for the year ended 31st March, 2012	<b>117</b>
11. Notes forming part of Balance Sheet	<b>119</b>
12. Notes forming part of Profit & Loss Account	<b>146</b>
13. Significant Accounting Policies	<b>159</b>
14. Notes on Accounts	<b>164</b>

**MANAGEMENT DURING 2011-12****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&amp;P

(Upto 31.01.2012)

*Shri A.K. Soni*

Director (Finance)

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

Director (Finance), CIL

*Shri D.N. Prasad*

Director (Technical)

Ministry of Coal (From 31.05.2011)

**SPECIAL DIRECTOR APPOINTED BY BIFR:***Shri K. K. Gautam***NON-OFFICIAL PART-TIME DIRECTORS:***Shri Subrata Chaudhuri*

(From 24.06.2011)

*Shri S.K. Mohanty*

(From 24.06.2011)

*Prof. (Dr.) M.K. Srivastava*

(From 24.06.2011)

*Shri S.M. Lodha*

(From 24.06.2011)

*Shri S.M. Sharma*

(From 09.09.2011)

**MANAGEMENT AS ON 21st MAY, 2012****FUNCTIONAL DIRECTORS:***Shri Rakesh Sinha*

Chairman-cum-Mg. Director

*Shri S.K. Srivastava*

Director (Personnel)

*Shri S. Chakravarty*

Director (Technical) Opn.

*Shri A.K. Soni*

Director (Finance)

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

Director (Finance), CIL

*Shri D.N. Prasad*

Director (Technical), Ministry of Coal

**SPECIAL DIRECTOR APPOINTED BY BIFR:***Shri K.K. Gautam***NON-OFFICIAL PART-TIME DIRECTORS:***Shri Subrata Chaudhuri**Shri S.K. Mohanty**Prof. (Dr.) M.K. Srivastava**Shri S.M. Lodha**Shri S.M. Sharma*

**BANKERS DURING 2011-12**

State Bank of India  
United Bank of India

Canara Bank  
United Commercial Bank

**STATUTORY AUDITOR DURING 2011-12**

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

**BRANCH AUDITORS DURING 2011-12**

M/s. Lodha & Co., 14 Government Place East, Kolkata-700069

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

M/s. L B Jha & Co., GF-1, Gillander House, 8, Netaji Subhas Road, Kolkata-700001

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

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

**REGISTERED OFFICE OF THE COMPANY**

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

**VISION STATEMENT**

To emerge from the position of domestic leader to leading global player in the energy sector by adopting best practices from mine to market with due care to environmental and social sustenance.

**MISSION STATEMENT**

Produce the planned quantity of coal efficiently and economically with due regard to safety, conservation & quality.



**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(2012)/9884

May 18, 2012

## **NOTICE**

Notice is hereby given that the Thirty-seventh Annual General Meeting of the Shareholders of Eastern Coalfields Limited will be held on **Monday, the 21st May, 2012** at the Registered Office of the Company at Sanctoria, P.O. Disergarh-713333, Distt. Burdwan (West Bengal) **at 04.00 P.M.** to transact the following business:-

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as on 31<sup>st</sup> March, 2012 and Profit & Loss Account for the year ended 31<sup>st</sup> March, 2012 together with the Report of the Auditors and Directors thereon.
2. To appoint a Director in place of Shri A. K. Sinha, Director, who retires in terms of Articles 33(i) (e) (iii) of the Articles of Association of the Company and is eligible for reappointment.
3. To appoint a Director in place of Shri D.N. Prasad, Director, who retires in terms of Articles 33(i) (e) (iii) of the Articles of Association of the Company and is eligible for reappointment.

By order of the Board

Dated : May 18, 2012

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

**(V. R. Reddy)**  
Chief Manager (Finance)  
Company Secretariat

- Notes :** (i) A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of 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.



## CHAIRMAN'S STATEMENT

Friends,

I have great pleasure in welcoming you to the 37th Annual General Meeting of Eastern Coalfields Limited. The Directors' Report, audited accounts for the financial year 2011-12 together with the report of Statutory Auditors and the report and review of the Comptroller and Auditor General of India, are already with you.

1. Today, India is among the fastest growing economies in the world. Energy is among one of the major inputs for economic development of any country. Coal dominates the energy mix in India, contributing over 52% of the total primary energy production. Our company produces one of the best qualities of Non-Coking Coal which caters to the needs of various power plants, steel plants, cement factories etc.
2. The strategic vision of our company is to place itself on a path of accelerated growth with enhancement in productivity, competitiveness and profitability while meeting the growing demand of coal in the country in an environmentally and socially sustainable manner.
3. The financial year 2011-12 was particularly challenging to us. We started the year with a positive production growth but our production was severely affected by heavy rains in the second quarter of the year. The production again accelerated from October, 2011 onwards. This year the coal production was 30.559 MT. During the year, we have set milestones in the history of the company in recording highest ever turnover of ₹ 10695.11 crores, highest ever profit of ₹ 962.13 crores, highest ever OBR of 60.467 M CuM. and highest ever coal off-take of 30.83 MT.
4. During the year 2011-12, 2 (two) projects namely Shankarpur (UG+OC) and Kottadih OC were approved by the Board.
5. Continuous efforts are being made to enhance the coal production from underground mines. 113 nos of SDLs and 24 nos of LHDs has been procured in order to mechanize our underground mines.

6. The impact on the environment due to extraction of coal is being monitored constantly by our Company and adequate measures are undertaken 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. During 2011-12 we planted 195000 nos of trees covering an area of 78 Ha with an expenditure of ₹ 0.59 crores as compared to 62500 nos of trees planted covering an area of 25.00 Ha with an expenditure of ₹ 0.21 crores.
7. We have also committed for sustainable development and CSR activities in villages around ECL command area.
8. We have always given the highest priority towards safety, which in ECL is considered as a part of core production process. To improve the safety standards, ECL has vigorously pursued several measures during the year.
9. Our Company has complied with the conditions of corporate governance as stipulated in the Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) issued by the Department of Public Enterprises, Government of India. As required under the said guidelines a separate section on Corporate Governance has been added in the Directors' Report and a Compliance Certificate has been obtained from the statutory auditors.
10. We are committed to produce more than 33 MT coal during 2012-13 and confident that ECL will march ahead in the times to come and with co-operation of all and our tireless efforts, the company will come out of BIFR in days to come.

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



(Rakesh Sinha)  
Chairman

Place: Sanctoria  
Date: 21st May, 2012

## DIRECTORS' REPORT

To  
**The Shareholders,**  
 Eastern Coalfields Limited

**Gentlemen,**

I, on behalf of the Board of Directors, have pleasure in presenting the 37th Annual Report on the working of your Company together with audited accounts for the year ended 31st March, 2012, 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 OC coal production of the company for the year 2011-12 has registered a growth of 1.25% over previous year.
- b) The OBR of 60.305 M CuM. is the highest ever recorded by the company with a growth of 7.22% over previous year.
- c) The company achieved off-take of 30.83 Mt which is the highest ever recorded by the company with a growth of 3.67% over previous year.
- d) Productivity for the year has been 4.81% higher than the previous year.
- e) Sales Realization has been the highest ever. For the year 2011-12 it was ` 9528.16 crores which improved by 31.23% over previous year.
- f) The company achieved hat-trick in earning profit for the 1st time.
- g) The company achieved hat-trick in producing more than 30 Million Tonnes of coal for the 1st time.
- h) The company has recorded highest ever turnover of ` 10695.11 crores and highest ever profit of ` 962.13 crores.

### 1.0 PRODUCTION:

1.1 Production performance of the Company in 2011-12 against the target as well as compared to last year was as under:

Particulars	Unit	2011-12			2010-11	Growth Over last year	
		Target	Actual	Achieved (%)	Actual	Absolute	%
<b>1. Production :</b>	M.Te.						
i) Raw Coal - UG		9.00	6.834	75.93	7.372	-0.538	-7.30
- OC		24.00	23.725	98.85	23.432	0.293	1.25
<b>Total</b>		<b>33.00</b>	<b>30.559</b>	<b>92.60</b>	<b>30.804</b>	<b>-0.245</b>	<b>-0.8</b>
ii) Coking Coal :	MTe.						
- Blendable		0.020	0.010	51.18	0.007	0.003	48.53
- Others		0.043	0.041	94.75	0.039	0.001	3.21
iii) Non-Coking :		32.937	30.508	92.62	30.757	-0.250	-0.81
<b>2. O.B. Removal</b>	MCuM	60.999	60.305	98.86	56.246	4.059	7.22
<b>3. Productivity(OMS)</b>	Tonnes						
- Underground		0.567	0.442	77.94	0.45	-0.008	-1.79
- Opencast		8.856	8.641	96.87	8.145	0.496	6.09
- Overall		1.777	1.677	94.40	1.60	0.077	4.8



**1.2 CONSTRAINTS :**

(Figures in M. Te)

Particulars	As on 31.3.12	As on 31.3.11
<b>Loss of Production due to :</b>		
i) Power failure	0.316	0.245
ii) Absenteeism	0.362	0.262
iii) Labour Unrest (Industrial Relations)	0.152	0.620
iv) Others	3.852	2.065
<b>Total</b>	<b>4.682</b>	<b>3.192</b>

**1.3 SYSTEM CAPACITY UTILISATION :**

(In %)

Particulars	2011-12			2010-11	Growth Over last year	
	Target	Actual	Achieved(%)	Actual	Absolute	%
a) UG	82.17	62.43	75.98	67.25	-4.82	-7.17
b) OC (Dept)	121.26	116.66	96.21	114.28	2.38	2.08
c) OBR (Dept)	108.96	82.16	75.40	85.89	-3.73	-4.34
d) OC (Coal+OBR) Dept	112.07	89.61	79.96	92.29	-2.68	-2.90
e) OC (Coal) Hired	278.30	292.72	105.18	100.26	192.46	191.96
f) OC (OBR) Hired	274.10	408.80	149.14	110.50	298.30	269.95
g) OC (Coal+OBR) Hired	332.13	467.94	140.89	115.28	352.66	305.92
h) Overall (UG+OC) (Hired+ Dept.)	136.13	129.90	95.42	96.97	36.91	38.06

**2.0 FINANCIAL RESULTS :**

- 2.1. Gross sales turnover for the year ending 31st March, 2012 was ₹ 10695.11 crores compared to ₹ 7139.32 crores in the previous year resulting in increase of 49.81% over previous year. During the year under review, company had made a profit of ₹ 962.13 crores compared to last year's profit of ₹ 106.57 crores. Details were as under:

(₹ in Crore)

Particulars	2011-12	2010-11
Profit(+)/Loss(-) after charging all expenses but before PRP / Executive Superannuation benefit interest, depreciation, impairment, O.B.R., prior period adjustment.	2220.44	846.04
Less: Impact of PRP/Executive Superannuation Benefit.	43.07	73.84

Particulars	2011-12	2010-11
Less: Actuarial provision (AS-15)	708.57	219.97
Less: Interest.	0.16	1.01
Less: Depreciation/Impairment/Mine Closure Provision.	258.32	280.57
Less: OBR Adjustment	248.19	164.08
Profit (+)/Loss (-) for the year after charging interest and depreciation, impairment and OBR Adjustment.	962.13	106.57
Less: Prior Period Adjustment.	0.00	0.00
Net Profit (+)/Loss (-) after considering Prior Period Adjustment.	962.13	106.57
Cash Profit	2251.36	745.36

## 2.2 Capital Expenditure :

Total Capital Expenditure during the year under review was ₹ 332.96 crores against the Capital Expenditure of ₹ 184.93 crores during 2010-11.

## 2.3 Capital Structure :

(₹ in Crore)

Particulars	2011-12	2010-11
A. SHARE CAPITAL		
i) Authorized Share Capital (2,50,00,000 Eq. shares of ₹ 1000 each)	2500.00	2500.00
ii) Paid up Equity Share Capital (22184500 shares of ₹ 1000 each)	2218.45	2218.45
B. LOAN FUNDS:		
i) Coal India Limited (Holding Company)	518.97	518.97
ii) Export Development Corporation, Canada.	155.69	141.56

## 2.4 Repayment of Foreign Loan :

(₹ in Crore)

Particulars	2011-12	2010-11
i) Repayment of foreign loan through CIL.	4.43	4.35

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

( in Crore)

Particulars	2011-12	2010-11
i) Royalty on Coal	189.44	161.69
ii) Cess on Coal.	1509.45	857.02
iii) Sales Tax (Central & State).	321.06	209.95
iv) Stowing Excise Duty.	29.03	29.19
v) Central Excise Duty	413.40	33.92
<b>Total</b>	<b>2462.38</b>	<b>983.62</b>

**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 2012, 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:**

Mining lease-hold area of ECL is about 753 Sq. Km out of which surface right area is about 237.18 Sq. Km. Command area of operation of ECL is in two States-West Bengal and Jharkhand. Areas of Raniganj Coalfield are spreading over Burdwan, Birbhum, Bankura and Purulia District in West Bengal. Saharjuri Coalfield in Deoghar District of Jharkhand is being worked as SP Mines Area. Hura Coalfields in Godda District of Jharkhand and ECL's largest opencast mine Rajmahal is being operated there. Heart of Raniganj Coalfields is located on the north of Ajoy River while Mejia and Pabelia are on south of Damodar River. In Dhanbad District, Mugma field lies on the west of Barakar River. Formation of coal seems has occurred mainly in two sequences at ECL- Raniganj measures & Barakar measures. Raniganj measures cover the entire coalfield of Raniganj-Pandaveswar, Kajora, Jhanjra, Bankola, Kenda, Sonapur, Kunustoria, Satgram, Sripur, Sodepur and partly at Salanpur Areas. Barakar measures cover two areas i.e Salanpur & Mugma Areas, S.P. Mines and Rajmahal Areas are mainly related to Barakar measure and Talchair series.

**3.2 Planned and Actual for 2011-12 and Plan for 2012-13 :**

Sl. No.	Particulars	2011-12			2010-11	2012-13
		Target (BE)	Revised Target (RE)	Actual	Actual	Planned
1	Production (Mt)	33.00	31.00	30.56	30.80	33.00
2	Overall Productivity	1.78	1.65	1.68	1.60	1.874
3	Plan expenditure ( Crore)	400.00	250.00	315.80	184.93	450.00

**3.3 GEOLOGICAL EXPLORATION AND DRILLING :**

During 2011-12, 28920 metre was drilled by CMPDIL against the target of 27500 metre in CIL Block :  
(Figures in Metre)

Drilling Agency	2011-12			2010-11	2012-13
	Target (BE)	Revised Target (RE)	Actual	Actual	Target (BE)
CMPDIL	27500	27500	28920	31779	28000

**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:**

In order to increase the level of modernization and mechanization in underground mines intermediate technology deploying LHD/SDL was introduced in 58 mines of ECL during 2011-12. As on 31.3.2012, 200 SDL's and 37 LHD's were on roll in different underground mines of ECL. Production achieved from 200 SDLs was 2.899 Mt and from 37 LHDs was 1.069 Mt during 2011-12.

Apart from introduction of intermediate technology by deploying SDL/LHD in loading operation, mass production technology deploying Continuous Miner combined with Shuttle car has already deployed at Jhanjra and Sarpi. In Jhanjra Project, the production achieved during 2011-12 from Continuous Miner operation was 0.275 MT. Production achieved from Continuous Miner operation at Sarpi during 2011-12 was 0.504 MT.

### 3.6 Steps taken to improve underground production:

Considering the various operational constraints, liquidation of upper seam, availability of land for caving etc action has been taken to improve underground production mainly by introduction of mass production technology in more number of mines in XI/XII Plan like Jhanjra 2nd set Continuous Miner, Kottadih, Tilaboni, Shankarpur, Pandaveswar–Dalurband and Kumardihi B. Tender for Introduction of 2nd set Continuous Miner has been finalized and approved by ECL Board. LOI has been issued on 28.5.2011 to M/S Bucyrus DBI GmbH, Germany. Updated Cost Estimate for introduction of 2nd set Continuous Miner at Jhanjra was approved by CIL Board on 13.5.2011 at a capital investment of ₹ 147.25 Cr.

In Kottadih UG, CIL Board approved the Project Report for introduction of Continuous Miner at an incremental capacity of 0.60 MTY. A pre-NIT meeting was held on 22.3.2012. 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.

113 SDLs (70 replacement and 43 additional), and 24 UDMs have been procured to improve the level of mechanized production in 2011-12 apart from to convert some manual underground mines to loader-less mine and placing order for 4 LHD's. Main focus is being exerted on availability of proper district size with adequate preparation of Coal at faces with proper support of roof so that machine productivity, a key parameter for increasing production can improve to the desired level. Major development activities like drift drivages, sinking and deepening of shafts, new stowing installation, drilling of borehole for stowing and dewatering of dip side of workings etc have been identified and time bound action plan is being drawn for completion of activities in time to sustain and augment production from underground.

LOI has been issued to M/S CODCO, China for introduction of high capacity PSLW in R-VI seam at Jhanjra Project at a rated capacity of 1.70 MTY.

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

SL No	Name of the Project	Capacity (MTY)	Approved Capital Investment ( ₹ Cr)	Date of Approval
1	Shankarpur (OC+UG)	OC : 2.00 UG : 1.163	349.54	Approved by ECL Board on 16.5.2011
2	Project Report of Kottadih OCP	1.50	19.26	Approved by ECL Board on 7.11.2011

**3.8 No. of Projects approved by the board of Directors of CIL during the year and name of the Projects:**

SL No	Name of the Project	Capacity (MTY)	Approved Capital Investment ( Cr)	Date of Approval
1	Kottadih CM	0.51	122.35	Approved by CIL Board on 13.5.2011
2	Updated Cost Estimate of Jhanjra 2nd Set CM	0.51	147.25	Approved by CIL Board on 13.5.2011

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

- i. Pandaveswar Dalurband CM: 1.02 MTY
- ii. Kumardihi B CM: 0.51 MTY
- iii. Chitra Expansion OC: 5.00 MTY

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

- i. 2nd Set CM at Jhanjra UG - LOI was issued on 28.5.2011 to M/S. Bucyrus DBT GmbH.
- ii. Jhanjra R-VI Seam PSLW - LOI has been issued on 3.3.11 to M/S. CODCO for long wall package.

**3.11 Activities completed by Planning Department :**

- i. During the year 2011-12, the following OC patches by outsourcing have been operationalized.
  - a. Hansdiha Ph –II OC patch,
  - b. Narainkuri OC patch,
  - c. Kapasara OC Patch
  - d. Dabor Ph-II OC patch
- ii. Technical Committee considered the following OC patches for outsourcing for the year 2011-12.
  1. Jambad OCP (Kajora Area): OB removal 10.90 M. Cum for three years on 3.1.2012.
  2. North–Searsole Patch (Kunustoria Area) – Coal and OB on 15.12.2011.
  3. Lohandiha Patch (Rajmahal Area) – for OB removal on 15.11.2011.
  4. Nakrakonda B OC patch (Bankola Area) - 3rd deviation for coal and OB removal on 20.10.2011.
  5. Simlong OC Sector –II, III and IV (Rajmahal Area) and balance part of existing Simlong (Rajmahal Area) - Dated 1.10.2011.
  6. Nakrakonda B Extension OC patches – Coal and OBR - on 23.5.2011.
  7. Quarry 2A – Sonapur Bazari Area – Coal and OBR - Dated 4.4.2011.
- iii. R&D Proposal - Development of roof fall prediction system for underground mines using wireless net work (Phase –II) - Form-IA issued to IIT, Kharagpur on 22.3.2012.
- iv. Innovation in indigenous development in underground mechanized roof-bolting/drilling system - Project completed (MoU Target – Jan, 2012). Drill machine has been developed for anchoring with

SDL bucket. It is being used at Shyampur B Colliery of Mugma Area. One no of surveyed off TRF make SDL has been converted in roof bolting machine at Kenda Area and is working satisfactorily.

### 3.12 Capital Projects/ Schemes:

- i. No. of new Projects: 1. Kottadih CM: Capacity 0.51MTR,
- ii. Expansion/Revision/Foreclosure of Projects: No of On-Going Projects 17 including new Project Kottadih CM Foreclosure of Projects: One-Foreclosure Report of J. K. Nagar UG Project was approved by ESC of CIL Board on 11-08-11. Foreclosed Capacity: 0.290 MTY, Foreclosed Capital: ₹ 54.06 Cr., Deemed date of Foreclosure: March 2010.
- iii. Others; Nil
- iv. Total: On-Going Projects 17
- v. No of Projects pending with Government/CIL for sanction: 1-Sonepur Bazari Combined OC: 8.00 MTY, Estimated Capital: ₹ 1055.00 Crore.

### 3.13 Project Completion:

Approval of Completion Report for Jhanjra 1st Set Continuous Miner was done by ESC of CIL Board on 13-05-2011. Capacity: 0.4375 MTY Estimated Completion Cost: ₹ 93.52 Crore. Deemed date of completion: September 2010

### 3.14 Project monitoring and Status of implementation:

Details given as Annexure – III (Separately)

### 3.15 Other Activities taken up during the year 2011-12:

Sl.No.	Name of the activities	Action Taken	Achievement Status
1	Capacity Creation through approval of new/expansion projects.  Stage-I Board approval for initiating application for clearance to be granted by MoEF for Continuous miner Project.  Stage-II Clearance & final approval of Sonepur Bazari.	Shankarpur Mine. UG 1.163 MTY was approved by ECL Board on 16-05-11. Form-I submitted to MoEF on 21-09-11 for EC Clearance.  Stage-I clearance of Sonepur Bazari was done on 28-01-11.Capacity – 8.0MTY. Financial vetting of Project Report was done by Price Water House Cooper & approved by ECL Board. It has been sent to CIL on 20-03-12 for placing before ESC of CIL Board for final approval.	Achieved.  Final Approval from CIL Board is awaited.
2	Commissioning/completion of New/Expansion Projects	Hansdiha Patch II, Sonepur Bazari Area. Capacity-1.25MTY,Capital - ₹ 16.57 Crores	Commissioned in June, 2011

Sl.No.	Name of the activities	Action Taken	Achievement Status
3.	Revision/Modification of Long Term action Plan including preparation of Revival plan of ECL	Revision/Modification of Long Term action Plan including preparation of Revival plan of ECL has been prepared within Sept'11.	Achieved
4.	Floating of tenders for construction of washery at Sonepur Bazari (8.0 MTY)	Selling of RFP documents (NIT No ECL/ HQ/P&P/Sonepur Bazari (Washery)/04, dated 22-12-11) was started from 29-12-2011.	Achieved
5.	Floating of tenders for construction of washery at Chitra (2.5 MTY)	RFP Bid document is under preparation at CMPDIL, Ranchi.	Work is in progress
6.	Shifting of Barabhorai village to Lalmatia OB dump site at Rajmahal.	Rehandling work at Lalmatia OB Dump completed. Plotting of the site has been done. Distribution of compensation among the eligible PAFs has been started.	Construction of house at Site has been started.
7.	Finalization of tender for CHP at Chitra East OCP.	Tender floated on 12-10-11. Part-I opened which is under scrutiny.	TCR is under examination.
8.	Preparation of Master Control Network.	1) Jhanjra 2nd set Continuous miner, 2) Jhanjra PH-II PSLW, 3) Sarpi augmentation OC, 4) Rajmahal expansion OC. Master Control Net work has been prepared.	Achieved(4)
9.	Online updating of Project database in MOSPI (No of Projects costing more than ` 150 Crores)	Online updating of Project database in MOSPI (No of Projects costing more than ` 150 Crores) for Jhanjra-PH II Long wall (UG) and Rajmahal Expansion OC have been started.	Achieved (2 No).
10.	Incremental Production from On-going Projects	Target: 0.9Mt	Achieved 1.128 Mt

#### 4.0 MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT:

Management's Discussion and Analysis Report is presented in a separate section forming part of the Annual Report (**ANNEXURE-IV**).

#### 5.0 COAL MARKETING:

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

Actual off-take of coal in 2011-12 was 30.83 million tonne against the demand of 34.00 million tonne i.e. demand satisfaction of 91%. Sector-wise demand and off-take during the year 2011-12 compared to 2010-11 is as follows:



(Figures in Million Tonne)

Sector	Off-take 2011-12			Off-take 2010-11		
	Demand	Actual	% Satisfaction	Demand	Actual	%Satisfaction
POWER	29.58	24.27	82	26.40	26.212	99
CEMENT	0.15	0.14	93	0.17	0.157	92
CPP(ORS)	0.45	0.35	78	0.47	0.534	114
CPP (STEEL)	0.46	0.42	91	0.47	0.465	99
STEEL (BLEND)	0.06	0.01	17	0.06	0.007	12
SPONGE IRON	0.58	0.31	53	0.90	0.329	37
EXPORT	0.02	0	0	0.02	0.00	0
LOCO	0.01	0	0	0.01	0.001	10
DEF	0.03	0	0	0.03	0.007	23
COLLY. CONS.	0.40	0.341	85	0.40	0.38	95
OTHERS	2.26	4.989	221	4.07	1.652	41
<b>TOTAL</b>	<b>34.00</b>	<b>30.830</b>	<b>91</b>	<b>33.00</b>	<b>29.744</b>	<b>90</b>

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

## 5.2. Average loading of Wagons per day :

Field-wise average loading of wagons for the year 2011-12 compared to previous year as follows :

(Figures in Box/Day)

Field	Loading of wagons			
	2011-12		2010-11	
	Target	Actual	Target	Actual
Raniganj	612	573	608	590
Mugma/Salanpur	109	147	91	122
Adra	20	20	20	26
Pirpainti	40	62	30	65
Rajmahal (Wharf Wall)	0	71	0	0
<b>Total</b>	<b>781</b>	<b>873</b>	<b>749</b>	<b>803</b>

**5.3. Mode-wise despatch :**

Mode-wise despatch of coal in 2011-12 compared to previous year as follows:

(Figures in Million Tonnes)

Mode of Despatch	2011-12	2010-11
Rail	19.79	17.75
Road	2.19	1.55
Merry-Go-Round(MGR)	8.51	10.06
<b>Total</b>	<b>30.49</b>	<b>29.36</b>

**5.4. Stock of Coal as on 31st March 2012 is as follows :** (Figures in lakh Tonnes)

FIELD	As on 31.3.12
Raniganj	11.83
Mugma/Salanpur	4.02
S.P. Mines	0.82
Rajmahal	24.30
<b>Total</b>	<b>40.97</b>

**5.5. Spot 'e' auction & Forward 'e' auction**

Mode	2011-12			2010-11		
	Despatched Qty. (in lakh tonne)	Gain over notified price (₹ in Cr.)	% age Gain	Despatched Qty. (in lakh tonne)	Gain over notified price (₹ in Cr.)	% age Gain
<b>Spot 'e' auction</b>						
Rail	25.37	237.41	28.08	5.54	40.76	28.74
Road	12.80	229.63	57.36	6.49	51.81	35.76
<b>Total</b>	<b>38.17</b>	<b>467.04</b>	<b>37.48</b>	<b>12.03</b>	<b>92.57</b>	<b>32.29</b>
<b>Forward 'e' auction</b>						
Road	0.55	9.5	98.95	0.03	0.22	52.38
<b>Total</b>	<b>0.55</b>	<b>9.5</b>	<b>98.95</b>	<b>0.03</b>	<b>0.22</b>	<b>52.38</b>

During 2011-12, 12.66% of production was sold through 'e' auction against a target of 5%.

**5.7. Sales Realisation :**

( in Crore)

<b>Particulars</b>	<b>2011-12</b>	<b>2010-11</b>
Sales Realisation	9528.16	7117.65

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

**6.1** Population of Equipment as on 31st March 2012 compared to 31st March 2011 and major repair / rehabilitation done during 2011-12 is as follows :

<b>Equipment</b>	<b>No. of Equipment as on</b>		<b>Repair / Rehabilitation of equipment during 2011-12</b>	
	<b>31.03.2012</b>	<b>31.03.2011</b>	<b>Target</b>	<b>Achievement</b>
Dragline	1	1	---	---
Dumper	232	221	---	---
Dozer	80	73	1	1
Shovel	62	62	0	0
Drill	41	41	1	1
<b>Total</b>	<b>416</b>	<b>398</b>	<b>2</b>	<b>2</b>

**6.2** Percentage availability & utilisation of each type of equipment against CMPDIL norms during the year 2011-12 compared to previous year is as follows :

Equip-ment	Availability				Utilisation			
	CMPDIL Norms	2011-12	2010-11	Growth over last year in %	CMPDIL Norms	2011-12	2010-11	Growth over last year in %
Dragline	85	90.24	92.57	-2.33	73	84.37	87.57	-3.20
Dumper	67	68.05	68.64	-0.59	50	37.06	38.47	-1.41
Dozer	70	72.41	73.05	-0.64	45	29.97	27.51	2.46
Shovel	80	74.32	73.77	0.55	58	45.59	47.23	-1.64
Drill	78	76.05	78.35	-2.30	40	30.01	28.68	1.33

The % availability of drill suffered because 2 nos. of drills are under major repair. There were also problems of rotation motor, feed pump and under-carriage in some drills. The % utilisation of the equipment suffered mainly due to heavy rain from mid of June'11 to September'11.

**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.

**6.3** New/Replacement equipment provided to OCPs in 2011-12 is as under :

Equipment	Nos.	Project
Dumper	34	Sonepur Bazari - 16, Rajmahal - 4, Belbaid - 1, Mahabir - 2, Khottadih - 1, Chitra - 7, Gopinathpur- 1, and Baramuri - 2
Dozer	8	Sonepur Bazari - 1, Rajmahal - 1, Belbaid - 1, Shankarpur - 1, Khottadih - 1, Jambad - 1, Chitra - 1 and Gopinathpur - 1
Shovel	5	Khottadih - 1, Jambad - 1, Mahabir - 1, Mohanpur-1 and Rajpura - 1

## 7.0 ENERGY CONSERVATION :

### 7.1.1 POWER AND FUEL CONSUMPTION

Sl.	Particulars	Unit	2011-12	2010-11
<b>I.</b>	<b>ELECTRICITY PURCHASED</b>			
a)	Purchased Units	M.KWH	808.52	809.87
b)	Total amount paid to the supply agencies (Approximate)	M. `	5057.10	4672.50
c)	Rate/Unit (Average)	`	6.25	5.76
d)	Specific Consumption of Electricity (Approximate)	KWH/Te	26.45	26.14
<b>II.</b>	<b>OWN GENERATION (Through DG Sets) :</b>			
a)	Generated Units	Lakh KWH	1.30	1.27
b)	Unit generated per Ltr. of Diesel Oil	KWH/Ltr.	4.70	4.40
c)	Cost of Generation	`. /KWH	9.44	9.48
<b>III.</b>	<b>AVAILABILITY OF POWER:</b>			
a)	Average availability of power	MVA	154.10	152.42
b)	Power Demand	MVA	167.50	167.50
c)	% Availability	%	92.00	91.00

### 7.1.2 Progress of Power Generation from Chinakuri Power Plant:

The energy generated from Chinakuri Power Plant during 2011-12 was 15183840 KWH as compared to 46499520 KWH in 2010-11.

## 7.2 Energy Conservation & Audit:

CMPDIL is empanelled as an accredited energy auditor by Govt. of West Bengal. CMPDIL had prepared energy audit reports for ECL for five years upto 2009-10 but in 2010-11 and 2011-12, 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 2011-12 due to enhancement in power cost as per new tariff order issued by respective State Electricity Regulatory Commissions of Jharkhand and West Bengal.

### 7.3 Underground Machinery Performance:

The detail of Underground Machineries with productivity is given below:

Equipment	2011-12		2010-11	Remarks
	On Roll	Productivity (TPD)	Productivity (TPD)	
SDL	206	56	57	Nil
LHD	37	95	107	Nil
Road Header	1	15	30	Crossing of unforeseen localized fault took four months from Sept 2011, during this period Road Header was idle.
PSLW	1	15	157	As Longwall equipment has outlived its life, Longwall panel AW 10 has been stopped in June, 2011.
Continuous Miner	2	1520	1268	During 2011 - 12 continuous miners have produced 779930 tonnes in comparison to 678792 tonnes in 2010-11.

### 7.4 Performance of CHPs:

As on 31st March 2012, Company was operating 4 Nos. of major CHPs and 4 Nos. of Mini CHPs. During 2011-12, the Major CHPs handled 13.689 M. Te and Mini CHPs handled 0.21535 M. Te of coal.

### 7.5 Mechanization of UG Mines:

In 2011-12, 113 nos. SDLs and 24 nos. UDMs were received out of which 92 SDLs and 5 UDMs were commissioned till 31st March, 2012.

SDLs had been introduced in the following 6 mines in 2011-12:

AREA	Name of the Mine
Kenda	Parascole East
Satgram	Chapui Khas, Kuardih
Mugma	Badjna, Lakhimata & Hariajam

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.

## 9.1 WELFARE AMENITIES :

Sl. No.	ITEM	Cumulative position as on 31.3.2011	Achievement during 2011-12	Cumulative position as on 31.3.2012	Remarks
1.	<b>Co-operative Societies</b>				
	a) Co-operative Credit Society	74	0	74	
	b) Primary Consumer Co-operative Stores	30	0	30	
	c) Central Co-operative	04	0	04	
	d) Loan and Investment to Co-operative Societies ( ` in Lakh)	63.80	0	63.80	
2.	<b>Banking Facilities</b>				
	No. of branches functioning	26	0	26	
3.	Creches	48	0	48	
4.	Canteens	82	0	82	
5.	<b>Educational Facilities</b>				
	a) DAV School	04	0	04	
	b.i) No. of Schools receiving recurring Grant - in - aid	162	0	162	
	b.ii) Amount of Recurring grant-in-Aid ( ` in lakh)	3015.63	366.00	3381.63	
	c.i) No. of Schools receiving non-Recurring Grant-in-aid	370	16	386	
	c.ii) Amount of non-recurring grant-in-aid ( ` in lakh)	271.71	15.00	286.71	
	d.i) No. of schools sanctioned ad-hoc grant	79	0	79	
	d.ii) No. of ad-hoc grant sanctioned ( ` in lakh)	69.60	0	69.60	
	e) No. of School buses engaged	156	0	156	
6.	a) Community Development programme, Amount sanctioned ( ` in lakh)	2640.40	0	2640.40	
	b) Corporate Social Responsibility - Amount sanctioned ( ` in lakh)	44.69	1314.11	1358.80	Expenditure against sanctioned amount of ` 16.5 crore

Sl. No.	Item	Cumulative position as on 31.3.11	Achievement during 2011-12	Cumulative position as on 31.3.12	Remarks
7.	Games & Sports amount spent (₹ in lakh)	324.31	19.19	343.50	
8.	Social & Cultural activities, amount spent (₹ in lakh)	62.88	1.97	64.85	
9.	<b>CIL Scholarship</b>				
	a) No. of Scholarship and Cash awarded	11118	1285	12403	37 students were given special cash award
	b) Amount sanctioned (₹ in lakh)	127.66	14.72	142.38	
10.	CIL Scheme for Financial assistance to extent of the Tuition Fees & Hostel Charges of the Wards of Wage Board Employee studying in the Selected Engineering & Govt. Medical Colleges.				
	a) No. of wards of WBE sanctioned	82	29	111	
	b) Amount sanctioned (₹ in lakh)	12.06	3.81	15.87	

### 9.1 MEDICAL AMENITIES:

9.1.1 12 Hospitals with a total bed capacity of 1275 extended medical services to the employees and their wards/dependants. 130 Nos. of Ambulances were in service in these hospitals.

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

Particulars	2011-12	2010-11
No. of patients referred outside:	759	933
Expenditure incurred for their treatment (in ₹ Lakh)	497.40	767.51
Health & family welfare programme:		
- No of camps	23	21
- No of beneficiaries	1205	1244
Villagers covered by Mobile Dispensary:		
- No of camps	648	281
- No of beneficiaries	37840	22981

During 2011-12, one more mobile medical van is provided at SP Mines Area from 1.11.2011 against MoU Target for provision of one mobile medical van having pathological testing and ECG facilities in addition to



existing three and 648 health camps have been held against a target of 51 health awareness programme/ health camp for weaker section.



*Olympus A U 400 Auto Analyser at Central Hospital, Kalla*

### 9.1.3 Reorganisation for up gradation of Hospitals:

A reorganisation proposal for up gradation of hospitals/dispensaries for providing improved health care services throughout ECL has been agreed in the Welfare Board Meeting held on 17.03.2012. The following equipments have been procured and installed in 2011-12 for up gradations of the hospitals:

#### **Central Hospital, Kalla:**

- i) Haemodialysis Machine, ii) USG Machine, iii) Telemedicine Equipments and
- iv) Spirometers.

#### **Sanctoria Hospital:**

- i) Operating Microscope for eye operation.

#### **Field Hospitals:**

- i) Spirometers at S.P. Mines, ii) Oxygen Concentrator at Rajmahal Hospital and Satgram Hospital and iii) Binocular Microscope at Bansra Hospital.

## 10.0 CORPORATE SOCIAL RESPONSIBILITY:

Eastern Coalfields Limited as a responsible corporate citizen has been undertaking Community Development Activities. However, over the last few years, the concept of CSR has developed. CSR at ECL is a programme for service to the community residing around Coal Mines of the Company. The scope of activities is normally limited within the radius of 15 Km of Coalfields Area. However depending on the exigencies and requirements certain works are also undertaken outside the radius of 15 Km.



***Mobile Medical Van Released on Coal India Foundation Day-  
1st November, 2011***

ECL actively promotes various programmes for the enhancement of the medical, educational and drinking water facilities and also the economic well-being of the communities located in and around the mining area. As per policy “The fund for CSR should be allocated based on 5% of retained earnings of previous year subject to a minimum of ₹ 5/- per tonne of coal production of previous year”

#### **10.1 Major Activities undertaken under CSR during the year 2011-12:**

##### **1. Up gradation of Netaji Eye Hospital run by Shri Bijoy Krishna Ashram Relief Society**

An amount of ₹ 111.72 lakhs has been sanctioned for up gradation of Netaji Eye Hospital run by Shri Bijoy Krishna Ashram Relief Society, situated at Ramchandrapur, Purulia which is surrounded by poor and backward villagers. In first phase an amount of ₹ 25.35 lakhs has been provided for procuring medical equipments and ₹ 20.50 lakhs for civil works. In second phase an amount of ₹ 37.75 lakhs will be given for medical equipment and ₹ 28.11 lakh for completing the construction work.

##### **2. Assistance to Bidhan Chandra Pratibandhi Karma Kendra**

An amount of ₹ 3.78 lakhs has been given to Bidhan Chandra Pratibandhi Karma Kendra for providing Artificial limbs/Prosthesis Arm Crutches, tri-cycles, wheel chairs, Prosthesis spectacles, hearing aids etc. to the physically challenged children of the said school.

##### **3. Sponsorship of 31st Boys Free Style, Greco Roman Style and 14th Female Junior National Wrestling Championship 2012**

An amount of ₹ 2.5 lakhs (Rupees Two lakhs Fifty Thousand only) has been provided for the sponsorship of "31st Boys Free Style , Greco Roman Style and 14th Female Junior National Wrestling Championship 2012" to be conducted by Jharkhand State Wrestling Association at Deogarh (Jharkhand).

#### 4. Education

ECL has extended financial assistance to the educational institutes to meet their infrastructural needs, providing furniture and laboratory equipment, development of library etc. During the year 2011-12, an amount of ₹ 43.77 Lakhs have been spent for development of educational institutions.

#### 5. Supply of Drinking water

Villages around Rajmahal Area have been provided with 50 nos of deep tube wells and 45 nos of water tankers were deployed to meet the acute water scarcity in the area. During the year, 10 nos deep tube wells and 59 nos. of hand-pumps have been installed/repared in villages around ECL Command Area. Laying of drinking water pipeline for a length of 3 KM at Jowalbhanga village of Bankola Area is also completed. Laying of pipelines, digging of ponds, wells, bore-hole, installation of hand-pumps have been undertaken in different areas of ECL under CSR programme. A sum of ₹ 447.12 lakhs have been spent under this head.

#### 6. Infrastructure Development

Construction and repair of PCC & concrete roads, drains, culverts, community centers, boundary walls, burning ghat, children parks, urinals, electrification, fencing etc. have been undertaken during the year 2011-12 and a total sum of ₹ 175.30 lakhs have been incurred over infrastructural development. 12 nos of solar lights have already been installed in villages around Rajmahal command area of ECL.

Financial assistance of ₹ 3.30 lakhs have been granted to outside agencies to carry out CSR activities in different fields in ECL command area. Fund amounting to ₹ 513.48 lakhs has been released to different areas to carry out CSR activities as per the needs & priorities of that particular area.

### 10.2 Social Amenities :

Since the inception, Eastern Coalfields 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:-

#### 10.2.1 Residential Building:

There are altogether 91180 number of residential houses in the company, out of which 62960 numbers are standard quarters and 28220 numbers of non-standard houses. At present housing satisfaction is more

than 118% as such no further residential houses are required to be constructed. 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 year 2010-2011 a separate fund amounting to rupees 8.39 crores was provided for block repairing works and about 3640 quarters were thoroughly repaired. In the year 2011-12 a budget of rupees 11.89 crores was provided for block repairing and about 4427 no, of quarters were thoroughly repaired. In the year 2012-13 about 7000 quarters are likely to be repaired under the block repairing programme.

### 10.2.2 Welfare Buildings:

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

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

All these welfare buildings are properly being maintained periodically. Some welfare activities being undertaken during the year are as follows:-

Sl. no.	Name of Work	Present Status
1.	Reconstruction of damaged portion of post-office building at Dishergarh.	Work completed.
2.	Construction of community hall & stadium at Jhanjra Area.	Work completed.

### 10.2.2 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 dependents. 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 5,33,587.

In the year 2011-12, 23 schemes were approved for providing and installation of pressure filters and other allied works for improving availability and portability of water in different units of Satgram, Sripur, Kajora,

Pandaweswar, Kenda, Kunustoria, Sodepur, Bankola and Mugma Area. These schemes include installation of 23 nos. of pressure filters along with allied works and major pipeline works.

Works of installation of pressure filters and allied works at Bankola Area, Kunustoria Area, Mugma Area and Sodepur Area are completed and to be commissioned. In other Areas tendering actions have been taken up and subsequently works of water supply and treatment plants likely to be completed within a couple of months.

### 10.2.3 Coal Production Roads and Railway Sidings:

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 and railways. ECL has taken proper steps in this regard. Detail description of some ongoing and new works is as below:-

- a) Roads- Various activities have been undertaken for construction of coal transportation roads, peripheral roads of administrative buildings and internal colony roads with details as under :-

Sl. no.	Name of Work	Present Status
1.	Construction of Coal transportation road of Morafari under Kunustoria Area	Work completed.
2.	Construction of Coal transportation road from MIC to Nakrakunda at Jhanjra area	60% work completed. Work is in brisk progress.
3.	Construction of approach road to Kumarpur railway siding at Rajmahal Area	Work awarded.

- b) Work of construction of wharf walls, drains, weigh bridge, security rooms etc has been recently commenced. In addition to this proposals for extension of railway siding at Sonepur Bazari Area and at Rajmahal Area are under process with details as under.

Sl. No.	Name of Work	Present Status
1	Construction of wharf wall, drains, weighbridge, security room etc. at Rajmahal railway siding	Work completed

## 11.0 SAFETY:

### 11.1 Accident Statistics for the year of 2011-12

YEAR	2011-12*	2010-11
i) Fatal Accidents (Nos.)	7	13
ii) Fatalities (Nos.)	7	13

iii) Serious Injuries (Nos.)	82	97
iv) Fatality / Million tonne output	0.229	0.42
v) Fatality / 3 Lakh Man-shifts	2.683	0.20
vi) Reduction in fatality rate (fatalities/ Mcum. Of total material excavated) w.r.t previous year	48.521%	-31.00%
vii) Reduction in serious injury rate (serious injuries/ Mcum. Of total material excavated) w.r.t previous year	21.196%	23.00%

(\* subject to reconciliation with DGMS)

## 11.2 Safety Measures

### Jobs undertaken by ISO for enhancing safety in Mines of ECL

- I. Safety Board at Corporate Level has been constituted for inspecting the Mines and removing deficiencies observed. Monthly meeting of Safety Board is regularly being held for reviewing status of safety in mines. The Safety Board comprises of, amongst others, Six Members nominated by the Operating Trade Unions. These members are also being nominated by ECL for training on Safety, Mining Methods, Occupational Health etc.
- II. To conduct Special Meeting of Pits Safety Committee after fatal accident and implementation of the recommendation of Special Pits Safety Committee.
- III. Enquiring into Fatal accidents in order to get know the root causes and fixing responsibility.
- IV. Issuance of Safety Circulars in line of finding of the enquiry into Accidents / Dangerous Occurrences / Near-miss Incidents to prevent recurrence.
- V. Maintenance and Analysis of Statistics of Fatal and Serious Accidents for taking remedial measures.
- VI. To observe Special Safety Drive on Roof & Side Dressing and Implementation of SSR for both Development and depillaring workings.
- VII. 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 wherever practicable.
- VIII. Back shift inspection is being carried out (its frequency is to be increased). Inspection register/ notes are being examined by higher authority.
- IX. Ensure quality of materials and their supply in mines.
- X. 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. Determination of RMR is to be done wherever required and Support Rules are to be framed accordingly.
- XI. Drawing and devising Safe Operating Procedures in respect of Mining and allied activities and operation of Mining Machinery /HEMM and enforcing the same.
- XII. Carrying out illumination Survey in OC Mines, UG Mines as well for improving illumination wherever required.

- XIII. Carrying out noise-mapping in and around Blast Hole Drill and other HEMM in OC Mines for taking remedial measures.
- XIV. Introduction of Loading Equipment like LHD, SDL and Roof Bolters for minimizing exposure of workforce to risk.
- XV. Exception Reports are being submitted by the Executives/ Inspecting officials from ISO after inspection of Mines for removal of the deficiencies.
- XVI. A Gas chromatograph has been procured and installed at the centrally located Satgram Area Laboratory.
- XVII. Procurement of Slope Stability Radars for large OCPs is in pipeline for monitoring slopes.
- XVIII. Observing Safety Drives on various operational aspects like monsoon preparedness, stowing, mechanization of UG loading and roof bolting, Survey (joint survey & check survey plan) & ventilation of UG mines, Rescue preparedness, handling of explosives and magazine & surface installation like winding, MMV etc., Gas management, statutory record keeping and maintenance of E&M machineries, Fire hazards and fire fighting arrangement, Roof and side dressing and support, Special drive on OCPs, Safety in haulage and conveyor transport system, review of risk assessment, General cleanliness in mines etc. throughout the year.

**Assessment of Risk, Drawing Mine-wise Safety Management Plan and its periodical review/ updating**

- I. Detailed accident analysis has been done and it has been seen that one accident occurred due to roof fall, one due to run over by dumper, one due to hit by LHD, one due to land slide, one due to fall of dumper from OB Dump, one due to hit by cutter boom of Road Header and one due to collision between a stationary & a running dumper.
- II. Calendar of Safety Drive for the year 2011-12 had been prepared and was followed. Details is as under :

**CALENDER OF SAFETY DRIVE FOR THE YEAR 2011 – 12 :**

MONTH	ITEMS OF SAFETY DRIVE
APR 11	Safety drive on Fire & Explosion Hazard in UG Mines
MAY 11	General cleanliness on surface (Winding engine room, surface haulage, surface sub-station, cap lamp room, boiler house) & underground (traveling and haulage road)
JUN 11	Review of monsoon preparedness.
JUL 11	Stowing, mechanization of UG loading and roof bolting
AUG 11	Survey (joint survey & check survey plan), ventilation of u/g mines, Roof and side dressing and support
SEP 11	Rescue preparedness, handling of explosives and magazine & surface installation like winding, MMV etc.

OCT 11	Gas management, statutory record keeping and maintenance of E&M machineries
NOV 11	Fire hazards and fire fighting arrangement
DEC 11	Roof and side dressing and support
	Safety drive on improvement in quality of inspection of statutory personnel including executive and system improvement, fire & explosion in UG mines
JAN 12	Special drive on Departmental OCP & Out sourcing patches.
FEB12	Safety in haulage & Conveyor transport system in u/g mines & discussion on vetting of annual production plan 12-13 by ISO.
MARCH 12	Monsoon preparedness, review of risk assessment & status of implementation of safety audit recommendation.

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

(Nos. in lakh)

CONSUMPTION	2011-12	2010-11
Roof Bolts	6.6758	6.1003
Cement Capsules	27.12	25.93

**11.3 Safety Audit**

Safety Audit had been conducted in 2007. The recommendations are being implemented.

**11.4 Monsoon preparation**

Special drive in respect to Monsoon Preparedness had been done in the month of June 2011 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 2011-12. In March 2012 a Safety Drive on Monsoon Preparedness has been observed for the Monsoon of the year 2012-13. A Control Room opened at Head Quarter, ECL from 10.06.2011 to 15.10.2011 on 24X7 basis which was manned by Executives provided with telephone & vehicle for their movement keeping close liaison with Area Control Rooms operating in all Areas.

Close liaison is maintained with the Chief Engineer (Hydel), DVC, Maithon, for getting 'Flood Warning Message' whenever Panchet and Maithon dams release flood water to cause rise of HFL of rivers. Close liaison is also maintained with the Director, Indian Meteorological Department, Alipur, Kolkata and the Director, Area Cyclone Warning Centre, Alipur, Kolkata for obtaining 'Weather Forecast Report' over Telephone & FAX for alerting the Areas to be affected by heavy Rain/ Thunder/ Shower.



**11.5 Safety Training**

Year	Two Weeks Structured Training for			
	Front line supervisors		Workmen's Inspector	
	No. of Programme	No. of Participant	No. of Programme	No. of Participant
2010-11	01	28	03	38
2011-12	04	115	03	50

**11.6 Training for appearing in Statutory Exams:**

Type of Exam	No. of employees trained	Training Institute
<b>A. For appearing in</b>		
1st Class - Coal	15	MTS , Dhadka
2nd class –Coal	40	MTS , Dhadka
Overman	20	MTS , Dhadka
Mining Sirdar	160	MTS , Dhadka
Surveyor	25	MTS , Dhadka
Electrical Supervisor	14	MTS , Dhadka
Winding Engine driver	36	MTI, Ratibatti
<b>B. Trade Course</b>		
Surveyor	33	MTS , Dhadka
Mining Sirdar	52	MTS , Dhadka
Electrician	31	MTS , Dhadka
<b>C. Diploma in Mining (Part time)</b>	160	Raniganj Mining Institute

**11.7 Training to Bipartite Safety Board Members:**

- i) 4 (four) Safety Board Member were sent for Specialized training course conducted by DGMS from 16.01.2012 to 20.01.2012 on Role & Function of Workmen's Inspector.
- ii) 6 Safety Board Members and one executive from ISO were sent for training on "Occupational Health & Safety Management System OHSAS18001: 2007- Lead Auditor Training" from 26-30 March 2012 at ESCI, Hyderabad.

**11.8 Vocational training (Statutory at VTC) 2011-12.**

Type of Training	2011-12	2010-11
Basic	1027	832
Refresher	9351	9295
Spl. Training	6675	4087
I.O.D.	170	291
Contractors Workers	3142	1157

**11.9 RESCUE SERVICES IN ECL:**

Rescue Services have been 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 performed at Mines Rescue Station***

**11.9.1 Details of Emergency attended:**

In 2011-12, recoveries of old sealed off panels were retrieved in Kunustoria, Parascol (W), Pandaveswar and Tirat Colliery.

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

- a) Kunustoria Colliery, Kunustoria Area from 17.04.2011 to 06.05.2011.
- b) Paracol (W) colliery, Kajora Area on 16.07.2011 to 17.07.2011.
- c) Pandaveswar colliery, Pandaveswar Area on 01.12.2011.
- d) Tirat Colliery, Satgram Area on 04.12.2011.
- e) Nakrakonda colliery, Bankola Area from 24.9.2011 to 25.9.2011.

**11.10 Training:**

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

<b>Nature of Training</b>	<b>2011-12</b>	<b>2010-11</b>
No. of Rescue personnel trained	682	669
No. of personnel freshly trained	47	48
No. of Refresher practices	5834	5635
No. of Emergencies	6	6
Initial training to other Subsidiaries (NEC Assam)	6	0

**11.11 New apparatus/equipment purchased:**

One MANNEQUINE was procured on 26.05.2011. 8(eight) Nos. of Carevent Resuscitating Apparatus were procured on 30.06.2011.

**11.12 Zonal Rescue Competition:**

Zonal Mines Rescue Competition, Eastern Zone, for the year 2011-12 was held on 16th December, 2011 in which 12 teams took part (including BCCL Area-XII).

**11.13 All India Mines Rescue Competition (Coal & Metal):**

42nd All India Mines Rescue competition (Coal & Metal) was conducted by MCL from 24th February, 2012 to 26th February, 2012 in which 21 teams from Coal and Metal Companies took part. Two teams from ECL took part in that competition and won the prizes-3rd Best in Statutory, First Aid & Theory.

**11.14 Budget Provision for Mines Rescue:**

( ` in Lakhs)

Particulars	Capital Budget		Revenue Budget	
	2011-12	2010-11	2011-12	2010-11
Sanctioned	90.38	299.83	938.00	880.00
Expenditure	29.38	7.60	1117.00	919.00

**12.0 MATERIAL MANAGEMENT:****12.1 Total value of Order Placed on Ancillary Industries:**

- i) 2011-12: ` 819.88 Lakhs.  
ii) 2010-11: ` 754.12 Lakhs.

**12.2 Steps taken for 'e'-procurement:**

ECL started e-procurement in the year 2009-10 for all items with a full fledged Cell within Materials Management department, catering to the need of e-procurement activities of Purchase Department. 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 also been set up. As a latest development, e-payment has also been made compulsory in all e-procurements.

However, earnest money deposits and tender fees are still being submitted offline by way of Demand Draft. Accepting EMD/Tender Fees through net banking facilities like NEFT/RTGS is under study for its implementation in true spirit and the same will be implemented as soon as programme is ready.

**13.0 QUALITY CONTROL:****13.1 Quality Improvement**

In 2011-12, 89.66 % conformed to billed grade for dispatches of coal covered under agreed sampling arrangement as compared to 83.14 % grade confirmation achieved in 2010-11 on sampled quantity.

Details of Sampling	2011-12	2010-11
% of Grade conformation	89.66	83.14
No. of samples with one grade slippage	811	1729
% of one grade slippage	10.15	15.53
No. of samples with two grade slippage & more	15	131
% of two grade slippage & more	0.18	1.18

Against MoU Target of 99% for despatch covered under agreed sampling of coal to power sector actual achievement is 100%.

### 13.2 Quality deduction:

Even though the grade confirmation has improved over last year, quality deduction increased to ₹ 53.60 per tonne in 2011-12 compared to ₹ 43.02 per tonne in 2010-11. This is due to revision of coal prices making higher price difference between Grade B and Grade C coal.

Year	Total Qnty Despatched (Rail & Road) (in Lakh tonne)	Amount of Deduction (in Lakh ₹)	Deduction ₹/Tonne
2011-12	303.40	16252.84	53.60
2010-11	292.63	12589.15	43.02

[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 2011-12, against MoU Target of 99% for despatch of weighed on Electronic Weighbridge coal to power sector by rail actual achievement is 99.12%. Quantity weighed in EPS for supplies a/c Power houses & others compared to last year can be seen from the table below :

(Figure in L/T)

Details	2011-12			2010-11		
	Power EPS	Other Consumers	Total	Power EPS	Other Consumers	Total
Qnty. Despatched (by Rail) (in L/T)	246.36	57.04	303.40	262.12	31.51	293.63
Qnty. Weighed under EPS (in L/T)	244.19	56.55	300.74	258.40	31.51	289.91
Weighment % under EPS	99.12	99.14	99.12	98.58	100.00	98.73

#### 13.3.2 Sizing Status

Dispatches from sidings not having CHP/FB facility, sizing was done by Dozer and thus 100% sized coal was dispatched. 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. Against MoU Target of 99% for despatch of sized coal to power sector by rail actual achievement is 100% as per details shown below.

Sizing of Coal	2011-12			2010-11		
	Power	Others	Total	Power	Others	Total
Qty. Sized in CHP/ FB (L/T)	217.22	46.04	263.26	243.90	26.61	270.51
%	88.17	80.70	86.01	93.05	84.47	92.12
DZR/MNL	29.14	11.00	40.14	18.22	4.90	23.12
%	11.83	19.30	13.99	6.95	15.53	7.88
Total	100	100	100	100	100	100

**14.0 VIGILANCE:****Vigilance Activities : (2011-12)****14.1 Punitive :**

Sl. No.	Subject	No.	
1	Complaints received	344	
2	Complaints taken up for verification	38	
3	Complaints pending as on 31.03.2012	22	
4	Cases taken up for Investigation	09	
5	Investigations completed	08	
6	Investigation pending as on 31.03.2012	01	
7	Regular cases registered by CBI	01	
8	Cases taken up for Disciplinary Action	<b>No. of Cases</b>	<b>No. of of persons</b>
	Major	05	08
	Minor	02	29
9	Departmental Inquiries completed	14	50
10	Cases in which penalty imposed :		
	(i) Major penalty	03	23
	(ii) Minor penalty	03	10
	(iii) Administrative Action	04	08
	(iv) Exoneration	04	09
11	Departmental Enquiry Cases pending as on 31.3.2012:		
	(i) Major	28	42
	(ii) Minor	01	03
12	Inquiries pending with IAs more than 6 months	11	15

**14.1 PREVENTIVE:**

Sl. No.	Subject	No.
1	Surprise Checks/Inspections conducted	12
2	Vigilance Awareness programmes organized:	
	(i) Awareness Programmes	6
	(ii) Stake Holders Meet	1
	(iii) Competitions Essay/Painting etc.	4
3	Seminar/Workshops on Vigilance Awareness	2

In regular HRD programmes, 2 sessions (3 hours) are devoted for vigilance awareness.

**14.3 Measures taken for systematic improvement:**

During February, 2012, one proposal was submitted to the Management regarding system improvement in the matter of employment against land loser scheme.

**14.4 Vigilance Awareness Week:**

ECL observed Vigilance Awareness Week from 31st October to 5th November, 2011 as per directives of Central Vigilance Commission.

A pledge was taken to bring about integrity and transparency in all spheres of our activities and also to work unstintingly for eradication of corruption in all spheres of life.

During this period, the following activities were organized :

- Banners and posters with anti-corruption slogans were displayed at all strategic points in all the areas and ECL Headquarters.
- Vigilance Awareness programmes were organized by ECL Vigilance Department in various areas of ECL:
- Competitions for school children were organised on 02.11.2011 at A G Church School, Sodepur where students of different schools participated.
- One day "Vigilance Awareness" programme for Management Trainees addressed by Sr. Mgr.(Vig) was organized at HRD auditorium on 2.11.2011. The Management Trainees were appraised about the Conduct, Discipline and Appeal Rules applicable to them and also about the various facets of Vigilance, besides educating them on tendering procedures.
- On 3.11.2011, Essay Competition was organized among officers and non-executive employees of ECL HQ. The topics for essays were "Do the present anti-corruption drives bring the desired results?" for executives and for non-executive employees (either in English, Hindi or Bengali) "What should ECL Management further do to bring in greater transparency?". Prizes to the winners (1st and 2nd) for both categories were given.

- A One Day Seminar was organized on 04.11.2011 in the Conference Hall of ECL HQ participated by all CGMs/GMs of Areas and HODs of ECL, HQ and other senior officers. On this occasion, the inaugural issue of News letter "Sachetna" published by Vigilance Department of ECL.
- Stakeholders' Meet was organized on 05.11.2011 in the ECL Conference Hall at HQ presided over by Sri S K Srivastava, Director(P) and attended by Shri N.Kumar, DT(P&P), Shri AK Soni, D(F) and Shri PK Sinha, CVO, ECL & BCCL.
- One Vigilance Awareness Programme was organized on 27.3.2012 for Management Trainees of ECL HQ in the Conference Hall which was attended by around 50 officers where deliberations were on Conduct, Discipline and Appeal Rules of CIL applicable to the employees besides general functioning of Vigilance, various facets of Vigilance, role of CVC and, CBI etc.

#### 14.5 Extent of IT usage and the E-Governance:

GM (System) of ECL has been appointed as administrator for web-publication of tender documents through government tender portal on recommendation of CVO by NIC. They have asked to make 100% web-publication of tenders except of petty nature. Now the tenders are being placed simultaneously on company website [www.easterncoal.gov.in](http://www.easterncoal.gov.in) & Govt. Tender portal [www.tenders.gov.in](http://www.tenders.gov.in). Besides the Tender and Bid documents Registration Forms for the Vendors and vigilance circulars are also available on website.

Company website is linked with CIL website in which all the manuals related to Contract, Civil, Purchase are available. Bill payment and outstanding bills details are being displayed on Website. Employment notices are published on ECL's Website. For handling public grievance a link has been given to government portal "[pgportal.gov.in](http://pgportal.gov.in)".

#### 14.6 Implementation of e-governance:

During a meeting the following points were reviewed in details i) Placing all circulars on ECL Website, ii) e-payment to third parties and iii) Status of employment (against land acquisition and medically unfit cases) with relationship of the nominee and VRS applications in Company Website. Time bound action programme in respect of the same was requested for. Comprehensive study was done on the procedure being followed for the monthly allocation of coal despatch at the H.Q with regard to FSA, MOU and e-auctions as discussed during the meeting held at MOC in presence of Chairman, CIL.

##### 14.6.1 E-Auction:

There has been marked improvement in e-auction during the period April, 2011 to December, 2011 compared to corresponding period of previous year. Monetary gain for the company due to automation of allotment as high bid collieries/pilots are offered under e-auction and low bid collieries/pilots are offered to FSA consumers under non power sector. Improvement in e-auction during 2011 (April, 2011 to December 2011) was ` 3061.22 thousand tonnes compared to 798.42 thousand tonnes during the corresponding period last year and in terms of gain over notified price is ` 40086.71 Lakhs compared to ` 8054.24 Lakhs during the corresponding period last year.



The system improvement measures have resulted in improved steam loading during the period from January, 2011 to December, 2011 as compared to the corresponding period of 2010, by rail 8.81 Lakh tonnes compared to 2.50 Lakh tonnes and by road 13.79 Lakh tonnes compared to 9.22 Lakh tonnes, i.e. a net improvement of 10.88 Lakh tonnes resulting into additional gain of ₹ 19.58 crores was achieved.

#### **14.6.2 E-Procurement:**

All open/global tenders are being done through e-tendering with M/s.ITI Limited as service provider, the tender documents are being given on ITI's portal [www.itietendering.com/CIL](http://www.itietendering.com/CIL). The tender notices for these tenders are being displayed in government tender portal as well as website of ECL with a note that tender documents are available in the ITI portal and can be downloaded from there. Further all Limited tender enquiries above ₹ 10 lakhs are also being uploaded/published on ECL's Website/Govt. Portal.

During 2011, all open/global tenders of ECL HQs are being done through e-procurement with e-price bid system. Several cases have been finalized against the same and the balance is in the process of being finalized. For e-procurement activities to be conducted in a smooth manner, the infrastructural support such as LAN Connections, updated computers, scanners etc. have been provided to the Dealing Officers. Further, a full fledged e-procurement Cell is functioning to provide support to the Dealing Officers for e-procurement activities.

Presently, tender fees and earnest money deposit or documents towards exemption for the same are being obtained off-line and the Techno-Commercial (Part-I) bid is being opened the next day. A system for introducing payment through internet banking like NEFT/RTGS is to be developed so that payment of Tender Fees and EMD can be accepted online. Submission of these or exemption from these, has to be intimated by Finance Department/Service Provider to Department immediately thereafter so that at the time of opening of techno-commercial (Part-I) bids of the firms, acceptance/disqualification of the offers can be done after the tender opening itself. Efforts in this direction have been undertaken. Details of all Purchase Orders finalized by the Department are being put up on the website subsequent to finalization of tenders.

#### **14.6.3 E-payment:**

All the payment advices are routed through the computer system at HQs. After processing of bills for payment the documents are being raised in the computer system. Subsequently the payment advices are sent to Fund Section for payment. Earlier all the payments were made by issuing cheques. Now after introduction of payment through RTGS/e-mode, the payments are made both by issuing cheques and advice through RTGS/e-mode.

#### **14.6.4 Job Rotation:**

An Office Order vide Ref.No. ECL/C-5(D)/Sensitive Posting/EE/775, dated 30/4/2009 was issued mentioning the transfer policy in respect of Executives and Non-executives working in sensitive disciplines. During the structured meeting on 23.02.10, CVO brought to the notice the discussion held during the meeting with Secretary (Coal) on the issue. It was directed to Dy. CPM (EE) to submit quarterly progress report for review in the structured meeting and GM (P&IR) has to take necessary action in consultation with Area CGMs/GM/HODs for non executives.

**14.7 IMPORTANT ACHIEVEMENTS:****14.7.1 IMPLEMENTATION OF INTEGRITY PACT PROGRAMME:**

Integrity Pact has been implemented in ECL. During the year 2011, in 140 tenders (117 from Purchase, 17 from CMC and 2 from Civil) IP were incorporated. No complaints were received and no matters were referred to Independent External Monitors.

**14.7.2 Details of Recovery from Vigilance Activities in 2011:**

Vigilance Ref. No.	Subject Matter of the Case	Details of Recovery	Amount Recovered
CB - 06 / 08	Irregularities in pay clerk advance in Satgram Area during 1996-97 to 2005	Recovery of ₹ 4.71 lakhs was ordered from the dues of Shri DK Chatterjee, Ex.FM, ECL vide order No.ECL/VIG/CB-06/08/PU-EX/22 dated 3.9.2011.	₹ 4.71 lakhs.
		Recovery of ₹ 58,976/- was ordered from the dues of Shri A.K. Dutta, FM (Retd), Salanpur Area vide order No.ECL/VIG/CB-06/08/PU-EX/23 dated 3.9.2011	₹ 58,976

**14.7.3 Monetary gain to Company due to vigilance activities in 2011:**

Improvement in e-auction during 2011 (April, 2011 to Dec.2011) was 3061.22 thousand tonnes compared to 798.42 thousand tonnes during the corresponding period last year and in terms of gain over notified price is ₹ 40086.71 lakhs compared to ₹ 8054.24 Lakh during the corresponding period last year.

The system improvement measures have resulted in improved steam loading during the period from Jan.11 to Dec.11 when compared to the corresponding period of 2010, by rail 8.81 Lakh tonnes compared to 2.50 Lakh tonnes and by road 13.79 Lakh tonnes compared to 9.22 Lakh tones, i.e. a net improvement of 10.88 Lakh tonnes and additional gain has been ₹ 19.58 crores.

Refund of EMD is brought to bare minimum and efforts are made to dispatch entire booked quantity under e-auction and company is progressing towards becoming a EMD refund free company.

Office automation of Vigilance Department, ECL Integrated Vigilance Information System has been implemented in ECL and new modules are under development like vigilance clearance status, etc.

**15.0 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.

**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 2011-12 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, 76.35% growth was recorded in Hindi correspondence over last year.
2. Similarly in 2011-12 a growth of 68.24% was achieved over last year 2010-11 in Hindi comments.
3. In 2011-12, four workshops were organized on 24.05.2011, 09.09.2011, 09.11.2011 and 15.02.2012 in which total 171 non-executives and executives were trained.
4. During the period under review, Hindi Pakhwara was organized from 01.09.2011 to 14.09.2011, at all the areas of ECL. Final programme was held at Dishergarh Club on 18.01.2012 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 and certificates. Areas were also awarded with shields for implementing Official Language successfully.
5. A Hindi Kavi sammelan was organized on 17.08.2011 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. Entire programme of Coal India foundation day of 2011 was organized in Hindi in which printing of invitation cards, issue of letters and convening of programme on 01.11.2011 at ECL HQs and on 02.11.2011 at Kunustoria Area was done in Hindi.
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.
11. During the year 2011-12, 20 non-executives/executives employees of ECL HQs and areas were trained in computer operation in Hindi from National Power Training Institute, Durgapur.
12. During the year under review felicitation of retired employee was started on the date of their superannuation. The certificates given as memento containing their date of joining and length of service are written in Hindi as per policy decision.

**17.0 BIFR & BRPSE STATUS:**

As on 31st March, 1997 accumulated losses of the company exceeded its networth by ₹ 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 ₹ 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 the 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 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 for approval. The recommendations of BRPSE were heard by Committees of Secretaries (COS) under the chairmanship of Cabinet Secretary on 13th January, 2006. They had also recommended the Scheme for the revival of the Company. Cabinet Committee on Economic Affairs (CCEA) had approved the BRPSE recommended Revival Plan of ECL on 6th October, 2006.

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

In the meantime NCWA-VIII for non executive employees and revised salary to board level and below board level executives were implemented. Company informed the same to Monitoring agency with a copy to BIFR. In June, 2009 BIFR advised the company to revise the Draft Modified Revival Plan submitted earlier. BIFR further advised the company to send a copy of CCEA approval of DMRP.

Hence company prepared a Revised Revival Plan taking into account the delay in implementation of many projects. This Revised Revival Plan was discussed in 230th ECL board meeting held on 31st August 2009 and 1st Sept, 2009. Due to enhancement of coal prices from 16th October, 2009 and 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. 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 was 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. As advised by BIFR, the Monitoring Agency got the TEV study conducted by a consultant.

In the hearing held on 08.06.2011 the BIFR directed the company to serve a copy of DMRP and TEV Report to all the stake holders, advised MA to call a joint meeting of all the stakeholders within four weeks and submit a report if any on the DMRP and TEV Report vis-à-vis the suggestions of other stake holders within six weeks. The directions of BIFR are complied.

As per summary record of proceedings of the meeting held on 02.09.2011, the BIFR advised to consider the following points while finalizing the MDRS:

1. Pricing of coal should be at near import parity price. The sales, profitability and cash flow projections should be submitted under two scenarios (a) With sale price of coal at import party price, the Cost of Scheme/means in finance to also be revised accordingly (b) With Coal India pricing guidelines.
2. The profitability projections should be with conservative estimates and based on past trend with reasonable and practically achievable goals. And the production targets should be reviewed and achievable targets may be incorporated in the MDRS.

Accordingly DMRP, September, 2011 was submitted considering the above points. As per the revised DMRP of ECL- September, 2011, the net-worth of the company is slated to become positive in 2015-16. Effective steps have been taken to successfully implement the revival plan and it is expected that the company will come out of BIFR by 2015-16.

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

### **A. Standard Business Applications**

- a. The company has successfully implemented standard business applications like Payroll, Personnel Information System, Financial and Cost Accounting Systems, Materials management, Sales Billing & Accounting Systems, Road Sales System etc.
- b. 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.
- c. 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.
- d. 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.
- e. 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.

- f. 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**

- a. 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.
- b. 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.
- c. Official E-Mail accounts have been provided to the Directors, HODs & Area CGM/ GMs for inter department communications.
- d. The data transfer from various Area Offices for consolidation at headquarters has been changed to E-Mail attachments instead of media transfer.
- e. 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**

- a. The company provides information for dissemination to public on its web-site [www.easterncoal.gov.in](http://www.easterncoal.gov.in).
- b. ECL executives have been given access under secured login area in ECL website for dissemination of internal circulars/ notices.
- c. 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 2011-12.

**19.1 Surface Communication:**

- (a) For efficient surface communication, old telephone exchanges were replaced by 64/128 line EPABX having facilities like ISDN, VOIP, LAN/WAN and Broad Band Compliant in Areas & Collieries.
- (b) For efficient and fast transmission of messages from Company Headquarter 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.
- (c) Data transmission link was established between computer centres of ECL, HQs and Kunustoria Area through 2 Mbps leased line of BSNL.

**19.2 Underground Communication:**

- a. In order to augment communication facilities in underground mines latest design Auto-cum-manual underground intrinsically safe system has been provided replacing the old CDS/sound power system.
- b. Various categories of new armoured telephone cable have been provided in underground mines to replace old unserviceable cables.

**19.3 Others:**

- (a) Walkie Talkies/VHF radio had been provided in opencast projects & CISF.
- (b) The new Audio-Conference system has been installed at conference room of CMD's Building, HQs replacing the old system.

**20.0 LAND ACQUISITION & LAND INFORMATION STATUS:****20.1 Status of Land Acquisition:**

The status of land acquisition/possession mode-wise, project-wise for the year 2011-12 is given below:

<b>Mode of Acquisition</b>	<b>Acquired (in acre)</b>	<b>Possession (in acre)</b>
Transfer of Govt. land	Nil	Nil
Direct Purchase of Tenancy land	1.53	11.51
L.A. Act	95.12	95.12
CBA Act	Nil	83.73

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. **Kalipahari OCP – 44.46 acre** - Plot information completed in 2011-12 and has been forwarded to Writer's by LA Collector, Burdwan.
2. **Sarpi UG – 217.38 revised** - Application for cabinet note submitted to Jt. Sec C&I, WB on 3.8.2011. Jt. Sec C&I WB asked to submit the lease document to CMO on 8.11.2011. State Govt demanded 50% estimated amount ₹ 5.94 Crore on 28.12.2011 which will be paid shortly.
3. **Nakrakonda Ext. OCP - 55.99 acre** - Application submitted on 18.5.2011. Proposal is pending with LA Collector, Burdwan. Application for cabinet note submitted to Jt. Sec C&I, WB on 24.9.2011. Jt. Sec C&I, WB asked to submit the lease document to CMO on 8.11.2011. State Govt demanded 50% estimated amount ₹ 0.51 Crore on 28.12.2011 and amount deposited on 17.2.2012.

4. **Mohanpur OCP - 39.66 acre** - ECL deposited ₹ 0.88 crore on 9.8.2011. Proposal is pending with LA Collector, Burdwan. Application for cabinet note submitted to Jt. Sec C&I, WB on 16.11.2011.
5. **Sonepur Bazari OCP - 49.59 acre** - Application submitted on 27.7.2011. Proposal is pending with LA Collector, Burdwan. Application for cabinet note submitted to Jt. Sec C&I, WB on 27.7.2011. Jt. Sec C&I, WB asked to submit the lease document to CMO on 8.11.2011. Company deposited 50% estimated amount ₹ 0.55 Crore on 10.01.2012
6. **Gourandih D Block - 42.48 acre** - Application submitted on 14.6.2011. Proposal is pending with LA Collector, Burdwan.
7. **Pandaveswar OCP - 360.62 acre** - Application submitted on 19.4.2011. Proposal is pending with LA Collector, Burdwan
8. **Narainkuri OCP – 114.80 acre** - Application submitted on 14.6.2011. ECL deposited ₹ 4.26 crore on 18.10.2011.

#### Under CBA Act:

1. **Chota Bhorai Mouza - 50.38 acre** - Applied for notification u/s 9 (i) on 27.9.2011.
2. **Simlong project - 18.03 acre** - Notification u/s 7 (i) done on 23.7.2011. Draft notification u/s 9 (i) sent on 30.12.2011 to MoC.
3. **Rajmahal Ph VII – 698.71 acre** - Draft notification u/s 9 (i) sent on 12.4.2011.
4. **Rajmahal (Lohandia) – 228.89 acre** - MoC published the notification u/s 7 (i) in the Gazette of India on 2.4.2011 and Draft notification u/s 9 (i) sent to MOC on 8.11.2011.
5. **Simlong project – 566.12 acre** - Draft notification u/s 9 (i) sent on 12.4.2011 and further fresh notification u/s 9 (i) as per advise of MOC sent on 28.11.2011
6. **Mohanpur OCP, Salanpur – 57.69 acre** - the draft notification u/s 9 sent to MoC on 12.4.2011. MoC asked to take up the matter with the State Govt. which has been taken up by ECL on 17.5.2011. Further some clarification was sent to MoC on 28.11.2011.

**20.2 Rehabilitation of project affected families:** 36 families in Jhanjra Area.

#### **20.3 Status of Mining lease of Sand:**

1. Temporary Working Permit for extraction of sand for stowing purpose for the period from 1.04.2011 to 30.09.2011 has been obtained from the Jt. Secretary, Govt. of WB, C&I Dept., Kolkata vide ref no 627, dated 13.9.2011.



2. Temporary Working Permit for extraction of sand for stowing purpose for the period from 1.10.2011 to 31.3.2012 has been obtained from the Jt. Secretary, Govt. of WB, C&I Dept., Kolkata vide ref no 655, dated 29.9.2011.

#### **21.0 SECURITY MANAGEMENT:**

The aim of Security Department is to protect men and materials of the company. Company is having 3(three) types of security.

1. ECL Security – 1857 as on 01.07.2011 including 363 female security guards.
2. Contractual Security – 2109 persons.
3. CISF- 950 persons.

##### **ECL Security:**

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

##### **Contractual Security:**

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

##### **CISF:**

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

##### **Basic Problem of Security**

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

##### **Steps being taken to stop pilferage of coal in ECL:**

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. To stop pilferage/theft the following steps are being taken:

- Departmental/Private Security along with CISF personnel are carrying out surprise checks/raids to prevent pilferage/theft of coal. They also seize coal during raids and apprehending miscreants involved in it. Accordingly FIRs are being lodged.
- Posting of security personnel at Coal Depot/Railway Siding/Pit heads and at OCPs are being done.
- Escorting of coal loaded rake from Siding to Railway Weighbridges by providing armed security personnel.
- Surprise check & escort on route during coal transporting by Dumpers from Collieries to Siding.
- Police/District Authorities are being informed/requested to provide security coverage so that theft/pilferage of company's materials and coal are stopped and to arrest the miscreants involved in it.
- Regular meeting with Police/State/District Authorities of West Bengal and Jharkhand are being done.

#### **Steps taken to prevent illegal coal mining in ECL:**

- Intelligence collection.
- Dozing off/filling up/sealing the illegal coal mining sites and subside area by departmental Pay Loaders/ Dozers and sometimes contractually.
- Surprise checks /raids by CISF, ECL Security along with Police and seizure of illegal coal/illegal trafficking of coal with involved vehicles and apprehension of miscreants and subsequently handed over to the same to the local Police station.
- Regular meeting with Central/ State/District level Authorities.
- The concerned Police Stations are advised by District Authority and Sub-Divisional Authority to increase their vigil check to stop re-opening of the dozed illegal mining spots.
- Frequent inspection by Area Team consisting of CGM, Area Survey Officer, Area Security Officer along with CISF officials to the affected sites and accordingly meetings are held with the Commandant, CISF Office regularly.
- 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.
- FIRs are also lodged to the local Police Stations as well as informations 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).
- Follow up the matter of FIRs lodged with Police, to take the cases for logical conclusion in the Court of Law, letters have been written to the SPs of Burdwan, Purulia, Dhanbad, Deoghar Districts, giving details of FIRs lodged and asked for present status of the cases. ECL has engaged Lawyers to follow up the cases in the Court of Law for logical conclusion.
- ECL Management at HQs Level and Area level is holding regular meeting with the officials of Asansol-Durgapur Commissionerate and are able to control theft of coal and illegal mining in a large scale.

## A) Details of Seizure of Coal from Illegal Trafficking and Illegal Mining Sites:

Year	State	No. of Raids	Coal seized (tonne)	Trucks seized	Person Apprehended	FIRs Lodged
<b>Seizure of Coal from illegal trafficking</b>						
2011-12	West Bengal	289	4634	18	02	26
	Jharkhand	262	1014	-	05	02
	Total	551	5648	18	07	28
2010-11	Total	189	2300	62	17	63
	Variation	362	3348	-44	-10	-35
<b>Seizure of Coal from Illegal Mining Sites</b>						
2011-12	West Bengal	32	644	05	44	09
	Jharkhand	08	23	-	03	02
	Total	40	667	05	47	11
2010-11	Total	948	7051	10	17	11
	Variation	-908	-6384	-05	30	0

B) 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 2011-12 following dozing /sealing are done to curb the illegal coal mining.

State	Sites dozed (L.cum)	Volume used ( in Lakh)	Expend.(approx) to local PS	Fir/info. sent
West Bengal	1878	0.3840	0.21	86
Jharkhand	15	3.0375	114.27	25

This year different type of Meetings i.e. Central/State/District/Sub-Divisional/CIL/Company and Colliery level were held on Mitigation of Illegal Mining and Theft of Coal in West Bengal and Jharkhand States. After setting up the Commissionerate Asansol-Durgapur in the month of Sept'11, the drastic action taken by ECL Management alongwith District Authority, the Illegal Trafficking of Coal and Illegal Mining has gone down considerably. Due to close liaison with Police, re-opening of those dozed off illegal mining pits are not re-opened as was done in earlier period by the miscreants. Incidences of Theft of other materials from colliery/units have decreased in the recent past. For more than 5 years no incident of theft /pilferage of Explosives and looting of cash have been reported by the Colliery/Area of ECL.

**C) Theft / Recovery of other materials :**

Year	2011-12	2010-11	Variation (Increase/decrease)
No. of Incidents	196	203	(-) 07
No. of FIRs/ Infos.	168	147	(+) 21
Property Stolen (in ` )	1,04,65,859	99,77,525	(+) 4,88,334
Property recovered (in ` )	6,39,000	2,91,437	(+) 3,47,563
Person apprehended	03	12	(-) 09

**22.0 PERFORMANCE OF OUTSOURCING OC PATCHES :****22.1 OUTSOURCING OC PATCHES:**

In 2011-12, company produced 74.99 LT of coal from 16 outsourcing OC patches against 56.97 LT of coal produced in 2010-11 from 11 outsourcing OC patches. 314.34 L CuM. of over burden was removed from 16 outsourcing patches in 2011-12 against 253.06 L CuM. of overburden in 2010-11 from 11 outsourcing patches.

**A. OC Patches through HEMM :**

Sl. No.	Name of Patch / Area	W.O. / LOA No. & Work Value / Name of Agency	Completion Period
1	Hansdiha Patch –II at Sonapur Bazari Area	No 441, dated 02/06/11, ` 232.51 Crores/ANE Industries Pvt. Ltd.	4 years
2	Kapasara OC Patch at Mugma Area	No 550, dated 05/07/11, ` 43.83 Crores/ M/s. Ashirbad Real Estate Transport Pvt. Ltd.	5 years
3	Dabor Ph-II OC Patch, Salanpur Area	W.O.No 876, dated 8/11/11, ` 47.58 crores/ M/s. Faridabad Gurgaon Mineral	3 years
4	Removal of OB at A2,A3 Patch at Rajmahal Area	W.O. No 636, dated 6/8/11, ` 31.68 Crores/ M/s. IVRCL-Sushee (JV)	
5	Kalipahari A OC, Sripur Area	LOA 457, dated 7/6/11, 16.40 crores / M/s. Ramkey Infrastructure	
6	Removal of OB at Kottadih, Pandaveswar Area	W.O. No 877 dated 8/11/11, ` 27.27 Crores/ M/s. Mahalaxmi Infracontract Pvt. Ltd.	
7.	West Kenda OC Patch, Kenda Area	W.O. No 670, dated 19/08/11, ` 41.97 Crores/ M/s. ANE(JV)	

**B. Global Tender :**

Sl. No.	Name of Work / Area	Agreement / LOA / Name of agency	Completion Period
1	Tele monitoring for 3 Mines 1. Chinakuri - I, Sodepur Area 2. Narsamuda, - do- 3. Kalidaspur, Satgram Area	W.O. No 487, dated 16/06/11, M/s. Jagdamba Tyre Re-treading Co. / Value of work: ` 2.77 crores.	10 years
2	Jhanjra 2nd CM at Jhanjra Area	W.O 423, dated 28/05/11, M/s. Bocyrus DBT. Europe. Value of work: ` 70.00 Crores.	6 years
3	Rajmahal Expansion (17 Mty) Rajmahal Area	LOA No 194, dated 20/03/12, M/s. Essel Mining & Consortium / ` 4679.53 Crores.	12½ years

**C. Tenders Awarded in 2011-12 (Transport) :**

Sl. No.	Name of Work	Qty. /Unit / period	Lead	Name of Agency	Status
1	Loading and transportation of coal 35 Lakh tonne per year by tippers from coalface of Sonapur Bazari OCM to Sonapur Bazari CHP & coalface of Sonapur Bazari OCM to coal dump within lead ranges of 3-4 Km, 4-5 Km & 5-6 Km and 3-4 Km, 4-5 Km respectively per year & loading and transportation of 4.2 Lakh tonne of coal per year by tippers from coal dump at Sonapur Bazari OCM to CHP of Sonapur Bazari OCM within a lead range of 0.5– 1.00 Km.	2625000 Tonne in 3 years to each party.	3-4 KM 4-5 KM 5-6 KM.	M/s CMATPL-ACC (JV), M/s U C C - A M P L (JV), M/s B K B Transport Pvt. Ltd. and M/s BLA-IMWPL-SKT (JV). Award value ` 1187 lakhs to each party.	LOA ref. No. ECL/HQ/ CMC/Transport/LOA/SBA/ 1876, 1877, 1878 & 1879, dated 08/11/2011. Work is continuing.
2	Loading & transportation of coal by tippers from quarry face of Rajmahal OCP to Main/Interim CHP at Rajmahal Area.	24.00 M Te in 2 years.	4-5 KM & 5-6 KM and 6-7 KM.	M/s Mahalaxmi Infracontract Pvt. Ltd. Award value ` 106.65 Crores.	LOA ref. No. ECL/HQ/ CMC/Transport/LOA/RJML/1896, dated 28/11/2011

Sl. No.	Name of Work	Qty. /Unit / period	Lead	Name of Agency	Status
3	Loading & transportation of coal by tippers from Rajmahal OCP Depot to Pirpainti Railway Siding, breaking of coal into (-) 100 mm size by mobile crusher, loading into wagons and allied work at Sliding.	100.00 L Te. in 3 year (50 Lakh Te. to each party)	5-6 KM	M/s. CISC-NKAS (JV) & M/s. BLA Projects Pvt. Ltd. Award value ` 100.50 Crores to each party.	Work order issued on 05/04/2011 for a period of 3 years for a total quantity of 10 MT of coal.
4	Loading and transportation of coal from heap No. 5G (quarry bed stock) to Wharf wall sliding of Rajmahal Area.	6.00 Lakh Tonne in 3 months. (3 Lakh Tonne to each party)	4-5 KM	M/s Ambey Mining Pvt. Ltd. & M/s BLA Projects Pvt. Ltd. Award value to each party ` 2.02 crores	W.O Nos. 1813 & 1814, dated 29.08.2011 and the work is continuing.
5	Loading and transportation of coal from Rajmahal OCP face to CHP of Rajmahal Area.	4.00 Million Tonne in 5 months. (2Million Tonne to each party)	1-2 KM.	M/s Ambey Mining Pvt. Ltd. & M/s BLA Projects Pvt. Ltd. Award value to each party ` 1 6 5 6 . 4 0 Lakhs.	Work awarded on 01/08/2011 and the work is continuing.
6	Loading of ROM coal into tippers by Pay Loader at Surface Stock Yard, transportation of coal from Surface Stock Yard to Rajmahal Siding by tippers within lead range of 1 – 2 KM and loading of crushed coal into wagon at Rajmahal Siding and allied works at the siding for a period of 3 (three) months in respect of Rajmahal OCP, Rajmahal Area.	6.00 Lakh Tonne in 3 months. (3 Lakh Tonne to each party)	1-2 KM	M/s Ambey Mining Pvt. Ltd. & M/s BLA Projects Pvt. Ltd. Award value to each party ` 123.45 Lakhs.	LOA issued vide ref. no ECL / HQ / CMC / Transport / 2011 /1938, 1939, dated 24.12.2011

Sl. No.	Name of Work	Qty. /Unit / period	Lead	Name of Agency	Status
7	Loading, crushing and transportation of coal from Rajmahal coal stock yard (IR depot/ Kendua depot) to Wharf Wall Railway siding near Silo and loading of coal into wagons with allied works at Rajmahal Area	40.00 Lakh Tonne in 24 months	1-2 KM	M/s NKAS Services Pvt. Ltd. Award value 1965.30 Lakhs.	LOA issued vide ref. no ECL/HQ/CMC/Transport / LOA/ RJML/ 2036, dated 28.03.2012

#### D. Work tendered & under finalization:

##### a) Outsourcing OC Patch:

SI No	Name of work	Proposed Coal	Proposed Overburden	Remarks
1	North Searsole OC	19.80 L. Te	98.40 L. CuM.	NIT floated.
2	Jambad OBR	-	109 L. CuM.	-do-
3	Mallickbasti OC	2.60 L. Te	9.20 L. CuM.	Part-I opened.
4	Lohandiha OBR	-	158.00 L. CuM.	Part-II opened.
5	Nakrakonda 'B' extension	5.42 L. Te	55.74 L. CuM. Re-handling 54.39 L. CuM.	Part-II opened.
6	Chapapur 10	8.00 L. Te	23.00 L. CuM.	Part-II opened.
7	Khoirabad Extn.	0.97 L. Te	1.49 L. CuM.	Part-II opened.
8	Sonepur Bazari Sec 2A	41.70 L. Te	262.10 L. CuM.	Award of work has been approved by ECL Board.

##### b) Global Draft NIT:

SI No	Name of work	Remarks
1	Kottadih CM	Draft NIT displayed in website since 25/02/2012. Pre-NIT meeting held on 22/03/12

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

Transportation works having estimated value more than ₹ 1.5 crore (Coal) and more than ₹ 2.00 Crores (Sand) through tendering from HQs in respect of different areas of ECL had been finalized.

**23.0 CORPORATE GOVERNANCE:**

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 2012 is also placed at **ANNEXURE-VI** to this report.

Corporate Governance norms as per Corporate Governance guidelines issued by DPE as applicable to ECL complied with as per MoU target. Data for Public Enterprise Survey published by DPE was submitted as per DPE's Directives.

**24.0 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**

**Sanctoria,**  
Dated: 19th May 2012.



**(Rakesh Sinha)**  
**Chairman-cum-Mg. Director**

## Annexure - I

## 3.4.1. Status of On-going R &amp; D Projects upto 31st March, 2012

Sl. No.	Name of the Project	Financial Outlay (₹ in Lakhs)	Date of Start	Revised / scheduled date of completion	Progressive Disbursement (₹ Lakh)	Present Status
1	Development of imminent roof fall prediction system in underground mines using wireless network Project Code : CIL/R&D/1/27/08 Implementing agency: IIT, Kharagpur & ECL	216.98	May, 2008	Feb. 2011	215.00	Development and fine tuning of different vibration, acoustic and electromagnetic sensors and sensors assemblies and their deployment in the underground mine roof at site to capture data completed. Analysis of data obtained from mine is being done with particular emphasis on correlation, signal power and progressive differencing for prediction of roof fall time. Draft completion report submitted.
2	Delineation of workings below Railway lines near Ratibatti Colliery, stability analysis by numerical modeling & possible remedial measures Project Code: CIL/R&D/1/31/08 Implementing agency: CIMFR, Dhanbad	20.90518	Feb, 2009	June, 2010	20.422	Draft completion report submitted by CIMFR, Dhanbad. The Borehole GPR system was used for the first time to delineate inaccessible mine workings below railway lines near Ratibatti Colliery, Satgram area. Following conclusions are drawn based on analysis: (i) Six mine galleries have been confirmed using direct non-coring drilling of boreholes. (ii) Two small pillars existing below the railway track at depth of the cover of about 58m are found to be stable. (iii) Three roadways/galleries which are at the depth of cover of 24m, 27.5m and 36.5m below the Grand Cord Railway lines are not long term stable should be filled with sand by blind back filling. (iv) Other three roadways at depth of 51.5m, 53.5m and 54.5m below Grand Cord Railway lines are not likely to cause any damage to track. The Apex Committee in its meeting held on 10.8.2011 accepted the project completion report and recommended the same for consideration by the R&D Board of CIL.

Sl. No.	Name of the Project	Financial Outlay (₹ in Lakhs)	Date of Start	Revised / scheduled date of completion	Progressive Disbursement (₹ Lakh)	Present Status
3	Recovery and Utilization of Coal Mine Methane in Jharia and Raniganj Coalfields Project Code: CIL/R&D/1/30/09 Implementing agency: CIMFR, Dhanbad /	3339.98	June, 2009	May, 2011	2100.00	Almost no physical progress could be made in the major activities so far. The Apex Committee in its meeting held on 10.08.2011 recommended to R&D Board of CIL foreclosure of the project as it was found not feasible to continue with the project and directed to CIMFR to refund ₹ 21.0 Crore to CMPDIL advanced to them in Aug.2009. CIMFR, Dhanbad has refunded ₹ 19.86557 Crore to CMPDIL and balance is yet to be refunded.
4	Underground Trapped Miner Location system Project code - CIL/R&D/1/35/10 Implementing agency: TCS, CMC & CMPDIL (ME), Ranchi	489.70	15th Jan. 2010	June, 2012 Dec. 2011 15th June, 2011	350.89	The Prototype Mine Communicating Device (MCD) with required features has been developed and the process is going to make it compact so that it would be easier to carry in underground mines. As per DGMS advice, RF testing for Wi-Fi part has been done at SAMEER (Society for Applied Microwave Electronics Engineering and Research) for MCD. The test results are satisfactory. IS testing for MCD would be done at ERTL. After getting approval from DGMS, field trial will be undertaken at Jhanjira mines, ECL.
5	Investigation of Bolt Behavior in Development and Depillaring panels under Blast induced dynamic loading. Project Code: CIL/R&D/1/42/10. Implementing Agencies: CMPDIL, Ranchi, IIT, Kharagpur & RDCIS (SAIL), Ranchi.	491.08	15th Dec. 2010	15th Nov. 2013	190.49	Majority of equipment has been procured by IIT, Kharagpur. Laboratory investigations in respect of 20mm, 22mm and 25mm Fe-640 bolts supplied by SAIL is under trial. Resin with variable setting time is being used during laboratory experimentation. Fabrication for laboratory pull-out test has been done and few pull-out tests have been performed with casting samples. IIT and CMPDIL team has visited Kottadih mine and Jhanjira mine for site selection. Fully fledged field and laboratory work will be started shortly.

## Annexure - II

## 3.4.2. Status of On-going S &amp; T Projects upto 31st March, 2012

Sl. No.	Name of the Project	Financial Outlay (₹ in Lakhs)	Date of Start	Revised / scheduled date of completion	Progressive Disbursement (₹ Lakh)	Present Status
1	Stability of parting between coal pillars workings in level contiguous seams during depillaring (MT/137) Implementing agency: CIMFR	50.54	Oct. 2004	Jun. 2010 Oct. 2007	42.00	Final completion report submitted.
2	Investigation of cavability of overlying strata and development of guidelines of support capacity for longwall faces (MT/151) Implementing agency: CIMFR, NIRM, CMPDI &ISM	461.3674 For CMRI - 200.142 For NIRM-187.91 For ISM-63.3154 For CMPDI -10.00	Nov. 2005	Sep. 2010 Mar. 2010 Oct. 2008	255.00  CMRI - 70.0 NIRM - 130.00 ISM - 55.00	Draft completion report submitted.
3	Delineation of barrier thickness against waterlogged workings in underground coal mines- (MT/153) Implementing agency : CIMFR, Dhanbad	342.2692	May. 2007	Mar. 2012 Jan. 2012 Sep. 2011 April, 2009	340.00	Demonstration of GPR was made on 29.02.2012 and findings were presented on 02.03.2012. The technology was found to be satisfactory. The developed GPR is capable of detecting 60.0m or so in coal thickness. During the presentation, CMD, CMPDIL suggested that CIMFR should conduct more field trials so that interpretations and calibration of GPR could be made for detecting water logged workings. Draft report is under preparation.

Sl. No.	Name of the Project	Financial Outlay (₹ in Lakhs)	Date of Start	Revised / scheduled date of completion	Progressive Disbursement (₹ Lakh)	Present Status
4	Model studies on gravity blind back filling method and evaluation of pre-jamming indication parameters in the field (MT/154) Implementing agency: IIT, Kharagpur	402.66	Mar. 2008	Nov. 2011 Feb. 2011	400.00	Gravity blind backfilling method developed by IIT, Kharagpur is under trial at abandoned Krishnanagar colliery, ECL. Underground mapping generated showing the position of sand-bed deposition of 17000 m <sup>3</sup> from BH-13, BH -23 & BH -10 through sonar imaging facilities incorporated with underwater Remotely Operated Video (ROV) camera. Data analysis is in progress. Draft report is under preparation.
5	Application of high strength steel roof-bolts in underground coal mines (MT/156) Implementing agency: RDCIS, DGMS & CMPDIL	103.22 For RDCIS-89.02 For CMPDIL-14.20	Jan. 2010	Dec. 2011	70.00	65 nos of 22mm dia rock bolts of Yield Strength of 640 MPa (TMT) installed in the panels where continuous miner is deployed at Jhanjira project for performance evaluation. First phase of trial was started at Jhanjira project with 10 nos. of 16 mm. High strength roof bolts. Tell tales (50 Nos) received at Jhanjira mine. Draft completion report submitted.
6	Carbon sequestration in re-vegetated coal mine wastelands (EE/ 40) Implementing agency: CIMFR	64.76	Feb. 2009	Jan. 2012	30.00	Soil analysis for organic carbon contents ranged from 0.19 - 0.92% in different re-vegetated mine sites at Mugma, ECL and Nigahi & 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 (AGB) and below ground biomass (BGB) and ranges from 25.66 -338gm-2 and 28-287 gm-2 respectively. Selected plant species were studied with respect to height & girth. Growth performance was measured in different age re-vegetated mine sites. Microbial biomass carbon (MBC) was analyzed & quantified in forest & different re-vegetated mine site. Rotary shaker and deep freezer has been purchased and installed. Draft completion report is under preparation.

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

Sl. No.	Name of Project	Capacity (MTY)	Capital ( ` Cr.)	Date of Approval	Status of Implementation
1	Shankarpur UG	0.12 (Inc.)	8.13	Jun' 02 by ECL Board	Project has completed. Completion report is under vetting.
2	Kottadih OC Aug.	1.5	19.26	Nov' 11	Land acquisition is under process. Outsourcing of Top OB has been started.
3	Sarpi Aug UG.	0.30+0.46 =0.76	147.86 (120.35 Additional)	June' 08 by CIL Board	Production achieved during 11-12 is 0.504 Mt. Land acquisition as well as Tendering for construction of CHP is under progress.
4	Bankola R-VI Seam UG	0.24	19.14	Mar' 03 by ECL Board	Project involves deepening & widening of shafts. Action has been initiated to take-up the job for design and preparation of estimate for Conventional methods for deepening and widening of shafts.
5	Kumardihi B UG	0.42	79.23	June' 06 by CIL Board	Deepening & widening of shafts have been completed. A Draft PR for introduction of Continuous miner was prepared by CMPDIL and Panning Committee meeting was held on 20-02-12.
6	Khandra NKJ UG	0.285	18.85	July' 03 by ECL Board	Deepening & widening of shafts have been completed.
7	Parasea Dobrana UG	0.16 (Inc.)	11.89	Feb' 04 by ECL Board	Project involves deepening& widening of shafts. Staple Pit completed. Drift drivages – Out of 253m of drift drivages, 160 meter completed. Action has been initiated to take-up the job for design and preparation of estimate for Conventional methods for deepening and widening of shafts.
8	Siduli UG	0.30	54.99	Dec' 06 by CIL Board	Project involves New shafts /deepening& widening of shafts. Action has been initiated to take-up the job for design and preparation of estimate for Conventional methods for deepening and widening of shafts.

Sl. No.	Name of Project	Capacity (MTY)	Capital ( ` Cr.)	Date of Approval	Status of Implementation
9	Nabakajora - Madhabpur Block UG	0.30	56.14	Dec'06 by CIL Board	
10	Chitra East OC	1.3 (Inc.)	112.69	Aug' 07 by CIL Board	Acquisition/possession of 323.00Ha. of J.B. land is under progress. Forestry Clearance, Stage-II for 124.28Ha as well as Tendering for CHP is under progress.
11	Rajmahal Expansion OC	17 MTY (6.5 MTY Inc.)	153.82	Sept' 09 by GOI	Tender for Partial outsourcing (17.00MTY) has been finalized. LOA has been issued. Rehabilitation of village is under progress.
12	Jhanjra 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. M/S CODCO is yet to obtain VISA and permission for opening Project Office from Govt. of India. Contract is yet to be signed.
13	Mohanpur Expansion OC	1.0	14.23	June' 08 by ECL Board	Land acquisition is under progress. Project has achieved rated capacity.
14	Belbaid (Dhasal ) UG	0.36 (Incre)	69.11	Feb' 09 by CIL Board	Project involves deepening& widening of shafts. Action has been initiated to take-up the job for design and preparation of estimate for Conventional methods for deepening and widening of shafts.
15	2nd set Continuous Miner at Jhanjra UG Mine	0.51	122.35	Feb' 09 by CIL Board	LOA has been issued to M/s Bucyrus DBT GmbH on 28-05-11 for supply of CM Package. But contract is yet to be signed
16	Narainkuri UG	0.54	149.06	Feb'09 by CIL Board	Due to want of EMP clearance, action for development of infrastructure like Mini CHP, Shaft Sinking and equipping etc is pending.
17	Kottadih Continuous Miner UG	0.6	127.17	May' 11 By CIL, Board	Pre-NIT meeting was held on 22-3-12. Action has been taken for drivages of one new incline from surface to R-V seam.

**MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT-2011-12****Overview of the Indian economy:**

With an estimated GDP, on a purchasing power parity basis, India is the 4th largest economy in the world after the European Union, the United States, and China (Source: CIA World Fact book-2012). India is also one of the fastest growing economies in the world. Coal is the one of the prime fuels in India and has met approximately 52% of India's total energy needs and will continue to be crucial to India's future energy needs.

**Global coal industry and reserves:**

The world coal reserves as per the rate of production in 2010 are estimated to suffice for the next 118 years (Source: BP Statistics). Although coal deposits are widely distributed across the world, 80% of the world's recoverable reserves are located in five regions: the United States (27.6%), Russia (18.2%), China (13.3%), Australia, New Zealand (9.0%), India (7.0%) and Germany (4.7%) (Source: BP Statistical Review of World Energy June 2011).

**Global coal production and consumption:**

China is the largest producer of coal followed by the United States, Australia and India. Asia is the biggest market for coal and currently accounts for 67.1% of global coal consumption, owing to China and India, who are the primary consumers.

**Indian coal industry and reserves:**

As of April 2011, the geological resource of Indian coal was 285.862 billion tonnes (Source: GSI, Gol). In India, coal is the prime fuel used to fire thermal power plants due to its availability and affordability. Coal is the dominant source of energy and met 52% (approximately), while oil and natural gas met approximately 41.6% of the total primary energy requirement of India in fiscal 2009 (Source: BP Statistics).

**Coal production and consumption in India**

According to BP Statistical Review of World Energy June 2011, India is the fourth largest producer of coal in the world. India's coal production was 569.9 million tonnes (Source: BP Statistical Review World Energy June 2011). In addition, India is the third largest consumer of coal in the world. Bulk portion of coal produced in India is consumed by the power sector for generation of electricity in the country. In addition coal is also used in other industries such as steel, cement, fertilizers, bricks manufacturing, textiles and chemicals.

**OUTLOOK:****Overview of Eastern Coalfields Limited:**

Eastern Coalfields Limited (ECL) a subsidiary of Coal India Limited was incorporated on 1st November 1975 by taking over 414 mines vested with Eastern Division of Coal Mines Authority Limited (CMAL) and the company



commenced its commercial operation from that date. It operates in the states of West Bengal and Jharkhand. It is the 7th largest producer of coal in India.

ECL is one of the best quality coal producing companies in India having a reserve of 25.869 Billion Tonne of Coal of premium grade at Raniganj Coalfields as on 01.04.2011. As on date there are 111 working mines in Eastern Coalfields Ltd., 90 being underground mines, 14 opencast mines and 7 mixed mines( as per Long Term Plan).

### **Strength and Weakness:**

#### **Competitive Strength:**

- Reserve of 25.869 Billion Tonne of Coal as on 01.04.2011 of premium grade at Raniganj Coalfields.
- Average ash content less than 20%.
- Raniganj coal can be blended with high ash coal from other subsidiaries to satisfy MoEF stipulations.
- Reserves of 18.523 Billion Tonne of Coal down to a depth of 600 metre as on 01/04/2011 (as per GSI) at Jharkhand where scope for comparatively easy extraction of coal by open cast mining exists.
- Demand is more than the supply position
- Workmen capable of working in difficult conditions.

#### **Weakness:**

- The coal mining in the Raniganj coalfield had started about 150 years back. Hence the company is loaded with old legacy of small mines, old steam winders working at 50% of its capacity.
- Difficult geo-mining condition.
- Dense population impedes acquisition of land.
- Huge infrastructure built on coal bearing areas hinder open cast mining.
- Huge pumping and sand stowing cost.
- Socio-political conditions and work culture not conducive.

### **Opportunities and Threats:**

#### **Opportunities:**

- Leverage on rise in prices of non-coking coal internationally.
- Realisation of better value for coal through E- marketing.
- Recourse working small OC patches to curb illegal mining.
- Positive response from Central Trade Unions to issues involving production and productivity.
- Increasing co-operation from State Governments in solving the problems.

#### **Threats:**

- Opposition to acquisition of land by villagers.
- Opposition to closure of unviable mines.
- Opposition to hiring of HEMM.
- Land constraints in introduction of mass production technology.
- Difficulty in better E-marketing of ECL's coal due to 25% cess charged by the Government of West Bengal.

**Business Strategies:**

1. Continue to increase production, productivity and capitalize on the significant demand-supply gap for coal in India.
2. Improve realizations through increased sales of higher quality coal, and e-auction of coal.
3. Enhance profitability and maintain competitiveness by improving operating and cost efficiencies and control.
4. Continue to increase our reserve base.
5. Continue to focus on developing environmentally and socially sustainable operations.

**Production:**

Particulars	2011-12	2010-11
OCP - Coal (MT)	23.725	23.432
Underground Coal (MT)	6.833	7.372
Total (MT)	30.558	30.804
Growth %	-0.8	2.48
OBR- (MCUM)	60.305	56.246
Growth %	7.22	13.08

**SEGMENT-WISE OR PRODUCT WISE PERFORMANCE:**

(in Million Tonnes)

Particulars	2011-12	%	2010-11	%	Growth (%)
Despatch to Outsiders under FSA	21.689	70.35	22.03	74.08	3.52
E-auction	3.872	12.56	0.12	0.40	221.86
Despatch under MoU	-	-	5.56	18.70	-
Others	4.93	15.99	1.65	5.55	198.79
Own Consumption	0.341	1.11	0.38	1.28	-
Total Off-take	30.832	100	29.74	100	3.66

**Our Customers:**

Majority of coal produced in ECL is supplied to Thermal Power Plants. In addition coal is also supplied

to various industries that include Steel, Cement, Sponge Iron & others.

**Transportation, Infrastructure and Logistics:**

Following the extraction of coal from a mine/working face, coal is transported to despatch points through tipping trucks and conveyor belts. Coal is delivered to the customers from the dispatch points through rail, road or dedicated rail MGR system.

All consignments dispatched are weighed at either ECL owned weighbridges available at our dispatch points or to the nearest weighbridges owned by Railways. Our sales are either “free on rail” or “free on road” from the designated dispatch points, and transportation is arranged by the customers at their own cost. Customers may choose the mode of transport between rail and road. The cost of transportation of coal from the mines to designated dispatch points (either at rail-head or at road-head) is borne by us provided such dispatch points are located within three kilometers from the mines. If the dispatch point from our mines is more than three kilometers but within 20 kilometers, the customers bear such transportation cost at specified rates as notified by us from time to time. In circumstances where the distance from the dispatch point is greater than 20 kilometers from our mines, the customer bears the actual cost of transportation.

Our dispatch is dependent on the availability of adequate coal transportation capacities and the efficiency of coal handling and loading infrastructure at our mines. We are also dependent on third party road transportation providers including truckers for the supply of materials, the transportation of coal from our stockpiles, coal crushing and handling plants to the dispatch points and for the supply of our coal to customers.

The following table shows information relating to various modes of transportation utilized for raw coal dispatch from our mines:

(in Million Tonnes)		
<b>Mode of Despatch</b>	<b>2011-12</b>	<b>2010-11</b>
Rail	19.79	17.75
Road	2.19	1.55
Merry-Go-Round(MGR)	8.51	10.06
<b>Total</b>	<b>30.49</b>	<b>29.36</b>

**Pricing of Coal:**

The pricing of Non-Coking Coal is presently based on its Gross Calorific Value and that of Coking Coal & Washery Grade Coal is set on the basis of ash level content. Pricing of coal for Semi Coking Coal is set on the basis of ash & moisture content level. The coal price is revised considering the escalation in input cost, inflation and landed cost of imported coal. The final customer price includes basic price and other charges (Cess, Royalties, Excise, Sales Tax and others). Around 90% of Coal is sold under the long-term fuel supply agreements (“FSAs”) executed between ECL and the linked customers. In addition, coal is also sold under E-auction scheme. As advised by Coal India Limited, we have adopted GCV based coal pricing mechanism with effect from 1st January, 2012. This change of system from UHV to GCV based coal pricing mechanism adversely affected the pricing of coal produced in Rajmahal to the extent of Rs. 230/- per tonne of coal dispatched. However, the issue has been taken up with Coal India Limited for revision of price.

**Distribution and Marketing Policy:**

NCDP has been issued on October 18, 2007 with an objective to meet the demand of coal from consumers of different sectors of the economy, both on short term and long term basis, in an assured, sustained, transparent and efficient manner with built- in commercial discipline.

**E-Auction Scheme:**

The E-Auction scheme of coal has been introduced to provide access to coal for customers who were not able to source their coal requirement through the available institutional mechanisms under the NCDP. The quantity of coal to be offered under E-Auction is reviewed from time to time by the MoC. Currently, approximately 10% of our aggregate raw coal production may be offered under the E-Auction scheme. The E-auction scheme provides an avenue for additional coal procurement by customers as well as determination of market determined price of a particular source/quality of coal and additional revenue thereof.

**Fuel Supply Agreements:**

In accordance with the terms of the NCDP, Coal Company has entered into legally enforceable FSAs directly with the customers or with State Nominated Agencies that in turn enters into appropriate distribution arrangements with end customers. Our FSAs can be broadly categorized into:

1. FSAs with customers in the power utilities sector, including State power utilities, private power utilities ("PPUs") and independent power producers ("IPPs");
2. FSAs with customers in non-power industries (including captive power plants ("CPPs") and
3. FSAs with State Nominated Agencies.

**Research and Development**

For research and development needs ECL engaged CMPDIL, which is one of the subsidiary of CIL. CMPDIL acts as a nodal agency for coordination of the research activities, disbursement of funds as well as monitoring the progress of our research and development activities.

**Memorandum of Understanding between Eastern Coalfields Limited and Coal India Limited and Ministry of Coal:**

For every financial year ECL enters into a MoU with CIL and MoC to set various parameters for physical and financial performances. The achievements are graded on a scale of 1 to 5; excellent being the grade 1 and poor as 5. For the year 2010-11, ECL has obtained "fair" grading. MoU target for coal production for 2012-13 is 33.00 Million Tonne.

**RISKS AND CONCERNS**

The major risk and concerns of ECL are outlined below:

1. Coal mining by its inherent nature is subject to multiple operational risks like weather, natural disasters and dangerous mining conditions.
2. ECL being a public sector company is further constrained by stringent labour regulations. The company also has an ageing workforce.
3. ECL is facing difficulties in land acquisition, particularly in respect of land owned by private parties and forest land, resulting in delays in some of the projects.
4. Success of expansion projects depends on various factors including obtaining government clearances, licenses and approvals to proceed with its expansion programme.

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

ECL has a sound system of internal control for efficient running of its business as well as for complying with the relevant rules & regulations. The internal control parameters are in-built in its production programme by way of Action plan, Budget, Delegation of Power in such a way that the deviations are promptly reported and reviewed at appropriate level. The internal control system covers all functions of the organization. There are Manuals for purchase, civil, contract management along-with laid down procedures which are required to be followed in day to day functioning with checks and controls.

The internal control systems are taken care of by the different audits as summed up hereunder:

**Internal Audit of systems/transactions by outside firms of Chartered/Cost Accountants.**

For internal audit, outside Audit Firms are engaged by the company as per CIL guidelines, with specific scope of work throughout the year. They have to submit the monthly report as well as exceptional reports and the findings along-with management's comments are placed for discussion in the Audit Committee meetings at both ECL & CIL level.

**Propriety Audit by C&AG Officials**

C&AG Officials conduct propriety audit in different areas/establishments in which justification in support of the expenditure and also the Internal Control aspects are analyzed in- depth. Lapses/imbances, if any, are pointed out in the Inspection Report of C&AG Office and management has to offer its comments along with corrective actions taken. Specific performance related areas like coal transportation, maintenance of HEMM etc. are being chosen for in-depth evaluation by C&AG for system improvement.

**Special Audit by the departmental Officials**

The Internal Audit department undertakes Special Audit/enquiries covering certain specified areas as and when required by the competent authority. The Internal Control system in operation is examined in-depth vis-à-vis lapses, if any, and the matter is reported to the competent authority for necessary remedial action along with suggestion for improvement.

**Physical verification of stores**

The Internal Audit Department has a team of Stores Verification Inspectors who are deputed to conduct physical verification of Stores throughout the year.

**Checking and certification of Stowing & Protective Works claim**

Checking & certification is conducted on quarterly basis and final claim is submitted to the Office of Coal Controller, Kolkata. Audit Committee of ECL/CIL review the adequacy of internal control system based on reports submitted by the Internal Auditors & others and suggests corrective measures for improvement wherever necessary. The Audit Committee has also identified twenty specified items as key areas of control/improvement and performance to be brought to the notice of the Audit Committee periodically.

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

## DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Results of Operations:

(` in crores)

Particulars	2011 – 12	2010 – 11	Growth (%)
Gross Sales	10695.11	7139.32	49.81
Less : Levies	2433.02	1256.72	93.60
Net Sales	8262.09	5882.60	40.45
Other Income	298.62	354.37	(-) 15.73
Total Income	8560.71	6236.97	37.26

### Income from Sale of Coal:

Sales is presented as gross sales net of (i) various statutory levies comprising royalty, cess on coal, central excise duty and stowing excise duty : and (ii) sales tax. The Income from sale of coal is mainly dependent on the pricing and production of coal and distribution thereof.

### Expenditure:

#### Break up of Major Heads:

(` in crores)

Particulars	2011-12	2010-11	Growth	
			Absolute	% age
(Accretion)/Decretion in stock	44.67	(-) 112.35	67.68	60.24
Stores & Spares	574.22	539.95	34.27	6.35
Salary & Wages	5087.34	4042.04	1045.30	25.86
Power & Fuel	382.42	376.11	6.31	1.68
Social Overhead	209.40	180.52	28.88	16.00
Contractual Exp/Repairs	481.42	410.98	70.44	17.14
Other Expenditure	270.21	233.46	36.75	15.74
Interest & Finance Charges	0.16	1.01	(-) 0.85	84.16
OBR Adjustment	248.19	164.08	84.11	51.26
Depreciation/Impairment	200.90	184.72	16.18	8.76
Provision	188.99	109.88	79.11	72.00
<b>Profit after tax</b>	<b>962.13</b>	<b>106.57</b>	<b>855.56</b>	<b>802.52</b>

**Cash Flows:**

(₹ in crores)

<b>P a r t i c u l a r s</b>	<b>31.03.2012</b>	<b>31.03.2011</b>
Opening Cash & Cash equivalents	940.99	947.88
Net cash from operating activities	567.64	129.68
Net cash from investing activities	-255.30	-131.20
Net cash used in financing activities	-4.59	-5.36
Change in Cash and cash equivalents	307.75	-6.88
Closing cash & cash equivalents	1248.74	940.99

**HUMAN RESOURCE DEVELOPMENT:****Manpower:**

It is the employees who make the difference. Hence every employee is encouraged to optimize his/her full potential by availing of opportunities that exist across multiple functions and disciplines. Manpower status as on 31st March 2012 compared to 31st March 2011 is as under:

<b>Category</b>	<b>Manpower as on</b>		<b>Increase (+)/ Decrease (-)</b>
	<b>31.3.2012</b>	<b>31.3.2011</b>	
Executive	2446	2342	104
Supervisor	6175	6383	-208
Ministerial/ Clerical	4416	4922	-506
Highly Skilled/ Skilled	24076	24897	-821
Semi-Skilled/ Unskilled	39817	41644	-1827
Casual	0	0	0
Badli	2	3	-1
Trainee	1077	937	140
<b>Total</b>	<b>78009</b>	<b>81128</b>	<b>-3119</b>

**Reasons for Variation in Manpower :**

<b>Particulars</b>	<b>Executive</b>	<b>Non-Executive</b>	<b>Total</b>
<b>INCREASE</b>			
Fresh Appointment	166	54	220
Appointment against medically unfit cases	0	7	7
Appointment against death cases.	0	964	964

Particulars	Executive	Non-Executive	Total
Reinstatement/Re-joined.	0	213	213
Transfer in from other companies.	38	6	44
Appointment against Land Losers	0	64	64
<b>Total Increase (A)</b>	<b>204</b>	<b>1308</b>	<b>1512</b>
<b>DECREASE</b>			
Retirement	143	3694	3837
Medical Unfit	0	23	23
Death	9	640	649
Resignation	15	5	20
Dismissal/Termination	0	50	50
Transfer to other companies	38	8	46
VR under GHS / EVRS	2	4	6
<b>Total Decrease (B)</b>	<b>207</b>	<b>4424</b>	<b>4631</b>
<b>VARIATION (A – B)</b>	<b>– 3</b>	<b>– 3116</b>	<b>– 3119</b>

The Presidential Directives in respect of recruitment / promotion for SC, ST and OBC candidates have been implemented in ECL. A representative from Minority Community is always kept as a member in all recruitment Committees.

The representation of SC/ST employee in total manpower of ECL as on 01.04.2011 and 01.04.2012 are given below:

As on	Total Manpower	Schedule Caste		Schedule Tribe	
		Numbers	% age	Numbers	% age
01.04.2011	81128	18567	22.88	8441	10.40
01.04.2012	78009	17614	22.57	8379	10.74

#### Industrial Relations :

SI No	Subject	2011-12	2010-11
1	No. of strikes	2	5
2	Mandays lost (in lakh)	0.69	1.44
3	Production lost (in lakh tonnes)	0.89	1.74

#### Law and Order :

Subject	2011-12	2010-11
Law and order (Disturbance)	159	289



**Workers' Participation in Management :**

<b>Meetings</b>	<b>2011-12</b>	<b>2010-11</b>
No. of JCC Meeting held at HQ level	03	04
No. of structured Meeting held at HQ level	21	22

**Employment provided under NCWA & LLS :**

<b>Employment provided under</b>	<b>2011-12</b>	<b>2010-11</b>
NCWA	1079	765
Land Losers Scheme	41	48

**Productivity:**

Output per Manshift (OMS) during 2011-12 improved to 1.677 tonnes from 1.60 tonnes of previous year.

**Trade Unions :**

The majority of our non-executive employees are members of several unions including INTUC, AITUC, HMS, BMS, UTUC, CITU etc. The executives are members of CMOAI. The wage revision and other conditions of service of non-executives employees are governed by the National Coal Wage Agreement (NCWA) formulated by JBCCI. The JBCCI has signed the MoU for NCWA-IX on 31.12.2011 and consequent from that the NCWA-IX has come into force with effect from 01.07.2011 for a period of 5 years benefiting all categories of employees excluding executives. Salaries, perks and allowances etc. of our executive cadre employees are determined by Government of India. The current compensation package for executives was revised from 1st January, 2007 and is applicable for a period of 10 years.

**Training :**

We aim to provide continuous training for our employees. Indian Institute of Coal Management (IICM) which was formed in 1994 by Coal India Limited (CIL) offers training programmes on Advanced Management, Leadership Development, General Management, Advanced Maintenance practices, Management Development, Training and Coaching, Career Development and Communication skills. In addition, we have arranged external training including abroad for a significant number of employees. Apart from IICM, at ECL, we have well equipped HRD centre, VTCs which provide various training to our staff and executives. HRD also arrange for industrial/ vocational training on need basis for students of various Institutes.

In 2011-12, company had imparted training to 4866 persons compared to 3067 persons in 2010-11. The details are given below:

## 1. Action Plan :

Year	No. of Course		No. of participants							
			Target				Actual			
	Target	Actual	Exe.	Supv.	Worker	Total	Exe.	Supv.	Worker	Total
2011-12	113	116	260	480	730	1470	477	597	1021	2095
2010-11	105	97	260	510	690	1460	284	504	915	1703

Nature of Training	2011-12				2010-11				
	Exe.	Supv.	Worker	Total	Exe.	Supv.	Worker	Total	
<b>1. General/In-Company Training :</b>									
1.i) MOU	477	597	1021	2095	284	504	915	1703	
1.ii) Non-MOU	625	640	452	1717	102	48	304	454	
<b>2. Training External (Within India) :</b>									
<b>2.i) At IICM :</b>									
2.i.a) MOU	402	0	0	402	166	0	0	166	
2.i.b) Seminar / Short Course	30	0	0	30	100	0	0	100	
<b>2.ii) Out Company Training (other than IICM)</b>									
2.ii.a) Short duration	12	2	2	16	52	13	6	71	
2.ii.b) Long duration	0	0	160	160	0	0	168	168	
2.ii.c) MOU	96	19	5	120	15	0	0	15	
<b>3. Trainees :</b>									
3.a) MT's	0	0	0	0	118	0	0	118	
3.b) PDPT	0	67	0	67	0	47	0	47	
<b>4. Seminar/ Workshop excluding in-company</b>	246	4	0	250	197	11	1	209	
<b>5. External (abroad)</b>	9	0	0	9	12	0	4	16	
<b>TOTAL</b>	<b>1897</b>	<b>1329</b>	<b>1640</b>	<b>4866</b>	<b>1046</b>	<b>623</b>	<b>1398</b>	<b>3067</b>	

**2. Details of training:**

During 2011-12, 7 Executives are trained in Project Management against a target of 5 persons, 6 Executives are trained in Contract Management against a target of 5 persons and 23 medical professionals are trained against target of training 10 medical professionals in occupational health & safety.

**ENVIRONMENTAL PROTECTION AND CONSERVATION****AFFORESTATION:**

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

SI No	Year	Trees planted	Area covered (Ha.)	Expenditure (₹ in lakhs)	Remarks
1	2010-11	62500	25	21.00	Forest Department of West Bengal did not do plantation work in ECL. Plantation could be done only in the area falling in Jharkhand.
2	2011-12	195000	78	59.00	West Bengal Waste Land Development Corporation did the plantation work in West Bengal areas. In Jharkhand, plantation was made through state Forest deptt. of Jharkhand.

**Environment Management Plan Monitoring:**

In compliance of EMP conditions imposed by MOEF, monitoring is being done on a regular basis for 31(thirty one) environmentally cleared projects by MOEF. The six monthly compliance reports ending March & September of the approved projects are being sent in the month of June & December every year in prescribed format to Eastern Regional Office, MOEF (Bhubaneswar). Necessary mitigation measures are being adopted by the different Areas of ECL.

**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. Accordingly all the mines in operation are having valid Consent to Operate obtained from respective state Pollution Control Board by depositing required fees along with prescribed format.
- b. Required Water Cess (including arrears) based on consumption of water & demand note from SPCB 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.

#### Observance of World Environment Day:

World Environment Day was observed on 5th June 2011 in ECL HQs, Sanctoria and also in areas of ECL by hoisting Environment Flag & taking oath along with tree plantation. It is followed by inter-colliery/project/area competition on 8th & 9th June 2011. Area-wise inspection was undertaken by inspection teams and annual performance of environment measures/activities was evaluated.

#### Environmental Clearance granted by MOEF, New Delhi:

During 2011-12, TOR was received for Simlong Expansion as detailed below:

Area	Name of Project	Capital investment (₹ in Crores)	Capacity (MTY)	Status of EMP Clearance	Pending at
Rajmahal	Simlong Expansion OCP	92.28	2.30	TOR received vide letter no J-11015/ /2011-IA.II (M), Dated 15-07-2011.	CMPDI, RI-I, Asansol for preparation of EIA/ EMP data generation.

ECL has already obtained environment clearance for 31 coal mines/projects earlier as per the notification of MoEF. However, as per the revised notification in 2006 by MoEF, Environmental Clearance is required for old/pre 1994 coalmines also. Accordingly, ECL has started taking Environment Clearance of pre 1994 coal mines under cluster concept and TOR has been granted by MoEF for 9 clusters so far. EAC meeting for 12 clusters have been held.

Cluster No.	No. of mines	Status of EMP Clearance	Pending at
2	Three	TOR received vide letter no J-11015/37/ 2011-IA.II(M), Dated 19-05-2011	Action for Data generation & EIA/EMP being taken by RI-I, CMPDIL
10	Nineteen	TOR received vide letter no J-11015/ 180/ 2011-IA.II(M) , Dated 30-09-2011	
1	Eleven	Modified TOR received vide letter no J- 11015/78/2011-IA.II(M), Dated 02-12-2011	
9	Fifteen	Modified TOR received vide letter no J-11015/38/2011-IA.II(M) Dated 02-12-2011	
12	Nineteen	Modified TOR received vide letter no J-11015/76/2011-IA.II(M) Dated 02-12-2011	
11	Eleven	TOR received vide letter no J-11015/245/ 2011-IA.II(M) , Dated 13-01-2012	

Cluster No.	No. of mines	Status of EMP Clearance	Pending at
5	Two	Modified TOR obtained vide letter no J-11015/288/2010-IA.II(M) dated 29.02.2012	
6	Nine	Modified TOR obtained vide letter no J-11015/385/2011-IA.II(M) dated 29.02.2012.	
7	Four	Modified TOR obtained vide letter no J-11015/106/2011-IA.II(M) dated 29.02.2012	
8	seven	EAC meeting for Supplementary note for TOR modification held on 23-01-12.	MOEF
3	Three	EAC meeting held on 22-02-12.	MOEF
4	Four	EAC meeting held on 22-02-12.	MOEF

#### Status of Air Pollution Control Facility:

ECL has mostly underground mines where Air Pollution is low. Drilling, blasting & transport of coal are the main cause of air pollution. Design of the mining equipment is such that it produces less dust and it is suppressed at the point of generation. Before starting the drilling & cutting of coal water spraying is done and blasting is done scientifically with optimum quantity of explosive and in a designed pattern so as to generate less dust, provide good fragmentation, less ground vibration and less fumes. Spraying is done before coal is transported out. The transfer points of coal transport are fitted with static water sprinklers. ECL has a few Open cast mines such as Rajmahal, Sonapur Bazari, Chitra (E) Mohanpur, Jambad & some small patch work of OCPs. All OCPs have adequate nos of Mobile Water Sprinklers through which haul road are kept wet to suppress the dust. Some fixed type of Water Sprinklers is used in CHP, Siding & other transfer points to suppress the dust.

#### Water Management:

##### Development of Water Resources

Mine Water is routed through settling tanks in order to remove the suspended & other solids. This water is reused for industrial & other purposes. During 2011-12, effluent treatment plant of Base Workshop of Sonapur Bazari & Rajmahal OCPs has been made operative. Further, a numbers of old abandoned pits are there in ECL since nationalization of coalmines which are full of water. These abandoned pits with water are used as water resource of Raniganj & Mugma coalfields. This also acts as aquifer recharger and helps in maintaining water table.

##### a) Drinking Water :

A number of old OCPs filled with water 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 Government 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 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 like Old Purusottampur OCP of Pandaveswar Area, Old Real Jambad OCP of Kajora Area, Old Al Kusha Gopalpur OCP, Old Dabor OCP and Old Dalmia OCP of Salanpur Area 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 used for pisciculture by local villagers.

**Land Reclamation:**

**a. Back-filling with mining in opencast mines:**

Excavation and back filling of de-coaled area in opencast mines is done simultaneously leaving minimum active mining areas required for mining operation as an integral part of mining method.

**b. Filling with fly ash :**

During 2011-12, about Seven Lakh CuM. of Fly Ash has been dumped in Parasea OCP of Kunustoria by DVC, Mejia and filled ash has been covered with top soil up to 0.2 to 0.3 meter for growth of grass.

**c. Land reclamation study by Satellite Surveillance:**

As per directive of CIL, CMPDIL, Ranchi has been engaged for monitoring land reclamation status through remote sensing satellite for Coal Mines having production of more than 5 million (Coal+OB) and accordingly land Restoration Monitoring for two projects i.e., Rajmahal (17 MTY) & Sonapur Bazari ( 3 MTY) OCPs has been done from 2008.

Objective of the land restoration/reclamation monitoring is to assess the area of backfilled, plantation, social forestry, active mining area, water bodies and distribution of wasteland, agricultural land and forest in the leasehold area of the project. This will help in assessing the progressive status of mined land reclamation and to take up remedial measures, if any, required for environmental protection.

**Study of the report of 2011-12 reveals that,**

- I. Out of the total mine leasehold area of 39.44 km<sup>2</sup> of the two projects viz Rajmahal and Sonapur Bazari It is evident from the analysis that 70.92% areas of the OC projects has already been reclaimed and balance 29.08 % area is under active mining.

- II. On comparing the status of land reclamation for the year 2011 with respect to the year 2010, it is evident from the analysis that the area of land reclamation has increased from 7.12 Km<sup>2</sup> (Yr. 2010) to 8.82 Km<sup>2</sup> (Yr. 2011). This increase of an area of 1.70 Km<sup>2</sup> of land reclamation is mainly because of the increase in backfilled areas. This increase in land reclamation area is the result of the efforts of ECL taken up towards environmental protection.
- III. Analysis of satellite data indicates that 64.90% & 77.94 % area have been reclaimed in Rajmahal and Sonapur Bazari OC respectively. Out of two projects in ECL, Sonapur Bazari tops with 77.94% reclamation followed by Rajmahal OCP with 64.90% reclamation.

#### Scheme for augmentation of existing Environmental Laboratory at CMPDIL, RI-I, Asansol

Functional Directors have accorded in principle approval for augmentation of existing Environment Laboratory at CMPDIL, RI-I, Asansol for continuation of work of environmental monitoring of all the 111 mines of ECL (previously only 33 mines). The annual monitoring cost to ECL at present rate of CPCB will be around ₹ 451.24 lakhs.

#### ISO certification of Sonapur Bazari OCP & Rajmahal OCP:

CMPDIL, Ranchi is engaged for obtaining the ISO certification (ISO 9001:2008, ISO 14001: 2004, OH SAS 18001 and SA: 8000: 2008) for Rajmahal OCP and Sonapur Bazari OCP at a cost of ₹ 65, 95,954.00 lakhs.

#### Sustainable Development Activities:

SINo	Evaluation criteria	Unit	Target 2011-12	Achievement Upto 31.03.12	Remarks
1	Tree Plantation	Lakhs	1.60	1.95	Plantation made by Waste land Development Board and Jharkhand Forest deptt. in 78 Ha. Area spread over Bankola, Sonapur Bazari, Jhanjra, Satgram and Mugma Areas.
2	Effluent Treatment Plants (New/To make operative)	No of Mines	2	2	ETP at base workshop made operative at Sonapur Bazari & Rajmahal OCPs.
3	Back- filling of abandoned OCPs/ Subsided areas with fly ash within ECL Command Area	L.Cu.M	6.30	7.00	Parasia OCP in Kunustoria Area by DVC, Mejhia

SINo	Evaluation criteria	Unit	Target 2011-12	Achievement Upto 31.03.12	Remarks
4	Conducting workshop for awareness on sustainable development	Nos	1	1	Workshop held on 28-09-2011. Venue: CITMC, Dishergarh

**Status of Forestry Clearance:**

Sl. No	Name of the Area	Name of the Project	Forest Land in Ha.	Application Status
1.	Rajmahal	Hura 'C'	527.043	Stage I granted vide Ref.No.F.No.8-6/2009-FC, dated 9-9-11 for 260 Ha. Compliance of conditions for stage II clearance is under preparation.
		Chupervita	245.78	Application was forwarded to MOEF, New Delhi, Dated: 5-1-2011. DGPS Survey is to be conducted by user agency for site inspection by Bhubaneswar, MOEF Office. Survey is underway.
2	S.P. Mines	Chitra East OCP	124.28	Stage-I Clearance granted by MOEF vide Ref.No.F.No.8-79/2009FC, dated: 21-4-10. Complied Status of Stage-I sent dated: 15-9-11 to MOEF, for obtaining Stage-II clearance. Three nos. of queries raised by MOEF, New Delhi on 11-11-2011, which is to be complied/ replied.
		Chitra West OCP	109.00	Application to be made for stage 1 clearance in proper format.
3	Jhanjra	Jhanjra	90.30	Renewal of forest lease (which was expired on 2006) for 90.30 Ha. of Forest Land for Coal mining project. Application forwarded by PCCF to Secy, Forest, WB.
		Jhanjra	78.00	Application to be made.



**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 2012, Board comprised 12 Directors, out of which 4 were whole-time Functional Directors including Chairman-cum-Mg. Director.

Director (Technical), Ministry of Coal (MoC) was a Govt. nominee representing MoC (w.e.f 31.05.2011). Director (Finance), CIL was nominated on the Board of Eastern Coalfields Limited. BIFR has appointed a Special Director on the Board of Eastern Coalfields Limited w.e.f 24.12.2010.

The government nominated 4 (four) part time non-official directors on the Board of ECL w.e.f 24.06.2011. One more part time non-official director was nominated on Board as a financial expert w.e.f 09.09.2011.

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

**DIRECTORS:**

During the year 2011-12, Shri Rakesh Sinha was the Chairman-cum-Managing Director of the Company. The other Directors on the Board of the Company during 2011-12 were Shri A.K. Sinha, Shri D.N. Prasad (w.e.f 31.05.2011), Shri K.K. Gautam, Shri Subrata Chaudhuri (w.e.f 24.06.2011), Shri S.K. Mohanty (w.e.f 24.06.2011), Prof. (Dr.) M.K. Srivastava (w.e.f 24.06.2011), Shri S.M. Lodha (w.e.f 24.06.2011), Shri S.M. Sharma (w.e.f 09.09.2011), Shri S.K. Srivastava, Shri S. Chakravarty, Shri N. Kumar (till 31.01.2012) and Shri A.K. Soni.

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. The terms and condition of non-official part time directors are laid down by the Ministry of Coal.

**(B) Board Meetings:**

Meetings of Board of Directors are normally held at Sanctoria/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 2012, 8 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
16.05.211	5	5	1	1	1	1	7	7
15.07.2011	5	5	2	2	5	4	12	11
05.08.2011	5	5	2	2	5	5	12	12
07.11.2011	5	5	2	1	6	5	13	11
29.12.2011	5	5	2	1	6	5	13	11
28.01.2012	5	5	2	1	6	6	13	12
15.02.2012	4	4	2	2	6	4	12	10
13.03.2012	4	4	2	1	6	5	12	10

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	
	<b><u>Functional Directors:</u></b>			
1	Shri Rakesh Sinha Chairman-cum-Mg. Director	8	8	NIL
2	Shri S.K. Srivastava Director (Personnel)	8	8	NIL
3	Shri S. Chakravarty Director (Technical) Opn.	8	8	NIL

Sl. No.	Directors	Board Meetings		No. of other Directorships
		Held during the tenure	Attended	
4	Shri N. Kumar Director (Technical) P&P (upto 31.01.2012)	6	6	NIL
5	Shri A.K.Soni Director (Finance)	8	8	NIL
<b>Part-time Official Directors:</b>				
6	Shri D.N. Prasad Director (Technical) Ministry of Coal, (w.e.f 31.05.2011)	7	6	2
7	Shri A.K.Sinha Director (Finance) Coal India Limited	8	5	2
<b>Special Director appointed by BIFR:</b>				
8	Shri K.K.Gautam	8	8	NIL
<b>Part Time Non-Official Director:</b>				
9	Shri Subrata Chaudhuri (w.e.f 24.06.2011)	7	5	1
10	Shri S.K. Mohanty (w.e.f 24.06.2011)	7	7	NIL
11	Prof. (Dr.) M.K. Srivastava (w.e.f 24.06.2011)	7	3	NIL
12	Shri S.M. Lodha (w.e.f 24.06.2011)	7	7	7
13	Shri S.M. Sharma (w.e.f 09.09.2011)	5	5	NIL

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

Name	Designation	Remuneration for the year 2011-12 (Amount in ` )		
		All elements of remuneration package (i.e. salary, pension, P.F., gratuity etc.)	Other benefits	Total
Shri Rakesh Sinha	Chairman-cum-Mg. Director	3168541	253502	3422043
Shri S.K. Srivastava	Director (Personnel)	2839861	254055	3093916
Shri S. Chakravarty	Director (Technical) Opn.	2701184	228839	2930023
Shri N. Kumar	Director (Technical) P&P (till 31.01.2012)	2566953	235697	2802650
Shri A.K. Soni	Director (Finance)	2362793	225390	2588183

**(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 ( ` )
1	Shri K.K. Gautam	2,12,500/-
2	Shri Subrata Chaudhuri	70,000/-
3	Shri S.K. Mohanty	1,50,000/-
4	Prof. (Dr.) M.K. Srivastava	70,000/-
5	Shri S.M. Lodha	1,70,000/-
6	Shri S.M. Sharma	1,20,000/-
	<b>TOTAL</b>	<b>7,92,500/-</b>

**3. Board Committee:****[A] 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.

**Scope of Audit Committee:**

The scope of Audit Committee is as follows:-

1. Overseeing of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board the fixation of audit fees.
3. Recommendation to the Board for fixation of fees to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, and ensuring that the annual financial statements are in compliance with applicable laws before submission to the Board for approval, with particular reference to:
  - a) Matters required to be included in the Directors Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956;
  - b) Changes, if any, in accounting policies and practices;
  - c) Major accounting entries involving estimates based on the exercise of judgment by management;
  - d) Significant adjustments made in the financial statements arising out of audit findings;
  - e) Compliance with legal requirements relating to financial statements;
  - f) Disclosure of any related party transactions; and
  - g) Qualifications in the draft audit report.
  - h) The management discussion and analysis of financial condition and results of operations.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing with the management, performance of internal auditors and adequacy of the internal control systems.
7. Reviewing the adequacy of internal audit function, if any including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit and the information regarding appointment and / or removal of Internal Auditor.
8. Discussion with internal auditor and / or auditors any significant findings and follow up thereon.
9. Reviewing the findings of any internal investigations by the internal auditors / auditors / agencies into matters where there is suspected fraud or irregularity or a failure of internal control system of a material nature and reporting the matter to the Board.
10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
12. Reviewing the functioning of the Whistle Blower Mechanism.
13. Reviewing the follow up action on the audit observations of the C&A G audit.
14. Any difficulties encountered during audit work including any restrictions on the scope of activities or access to required information.

15. Reviewing the follow up action taken on the recommendations of Committee on Public Undertakings (COPU) of the Parliament.

**Composition:**

Audit Committee was reconstituted by the Board on 15.01.2011 and it comprised of 3 part-time directors viz S/Shri PR Mandal, AK Sinha, KK Gautam and 1 functional director viz Shri S Chakravarty, Director (Technical) Operations. Audit Committee was again reconstituted by the Board on 15.07.2011 and it comprised of 2 (Two) part-time official directors viz S/Shri AK Sinha and DN Prasad, 3 (three) part-time non-official directors viz. S/Shri S.K. Mohanty, Prof. (Dr.) M.K. Srivastava, S.M. Lodha, 1 (one) Special Director viz. Shri K.K. Gautam and 1 (one) Functional Director viz. Shri S. Chakravarty, Director (Technical) Operations. Audit Committee was once again reconstituted on 07.11.2011 and Shri S.M. Sharma, part-time non-official director, was made a member of the committee in addition to the existing members.

Director (Technical) Project and Planning, Director (Finance) and General Manager (IA) are the permanent invitee to the Audit Committee and Company Secretary is Secretary to the Committee.

Shri AK Sinha was Chairman of the Committee for the first meeting held on 16.05.2011 and subsequently with the reconstitution of Audit Committee, Shri S.K. Mohanty, Part-time Non-Official Director was the chairman for rest of the year.

8 (eight) meetings of the Audit Committee were held during the financial year 2011-12, i.e on 16.05.2011, 05.08.2011, 19.10.2011, 06.11.2011, 09.12.2011, 28.01.2012, 15.02.2012 and 12.03.2012.

**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 Meetings attended.
1	Shri S.K. Mohanty	7	7
2	Shri A.K. Sinha	8	6
3	Shri D.N. Prasad	7	4
4	Shri K.K. Gautam	8	8
5	Prof. (Dr.) M.K. Srivastava	7	4
6	Shri S.M. Lodha	7	7
7	Shri S.M. Sharma	4	4
8	Shri S. Chakravarty	8	8

**[B] Remuneration Committee**

Remuneration Committee was constituted in the 250th meeting of Board. The Committee consists of Shri S.K. Mohanty, Shri S.M. Lodha, Prof. (Dr.) M.K. Srivastava, Shri K.K. Gautam and Shri S.K. Srivastava. Company Secretary is the secretary to the Committee.

Scope of the Committee: The committee would deal the issues which would be referred to it by the Board from time to time.

No meeting of this committee was held during the year.

**[C] Committee on “Sundry Debtors”**

A Committee on Sundry Debtors was constituted in the 248th meeting of Board. The Committee consists of Shri S.M. Lodha, Shri K.K. Gautam, Shri S.M. Sharma, Shri S. Chakravarty and Shri A.K. Soni. The Chairman of the Committee is Shri S. M. Lodha. Company Secretary is secretary to the committee.

2 (two) meetings of the Committee on “Sundry Debtors” were held during the financial year 2011-12, i.e on 05.12.2011 and 12.03.2012. All members attended the meetings.

**[D] Committee for Evaluation, Appraisal and Approval of Projects**

In the 246th meeting of the Board, a Committee for Evaluation, Appraisal and Approval of projects was constituted. During the year 2011-12 only 2 (two) meetings of the Committee for Evaluation, Appraisal and Approval of Projects were held i.e on 19.10.2011 and 13.03.2012. The Chairman of the Committee is Shri Rakesh Sinha. The details of members and their attendance at meetings are given below:

Sl. No.	Members	Meeting held during respective tenure of members	No. of Meetings attended
1	Shri Rakesh Sinha	2	2
2	Shri D. N. Prasad	2	1
3	Shri K. K. Gautam	2	2
4	Shri Subrata Chaudhury	2	1
5	Shri S.M. Lodha	2	2
6	Shri S. Chakravarty	2	2
7	Shri N. Kumar (till 31.01.2012)	1	1
8	Shri A. K. Soni	2	2
9	Shri Gopal Prasad	2	2

**[E] Committee on Sustainable Development.**

A committee on Sustainable Development was constituted by ECL Board in its 249th Meeting held on 29th December, 2011. The Chairman of the Committee is Shri Subrata Chaudhuri. During the year 2011-12, only 1 (one) meeting of the Committee on Sustainable Development was held i.e on 13.03.2012. The details of members and their attendance at meeting are given below:

Sl. No.	Members	Meeting held during respective tenure of members	No. of Meetings attended
1	Shri Subrata Chaudhuri	1	1
2	Shri K.K. Gautam	1	1
3	Shri S.M. Sharma	1	1
4	Shri S.K. Srivastava	1	1
5	Shri N. Kumar (till 31.01.2012)	0	0

**[F] Committee on Research & Development Activities.**

A committee on research & Development was constituted by ECL Board in its 249th Meeting held on 29th December, 2011. The committee consists of Shri Subrata Chaudhuri, Shri S.M. Sharma, Shri K.K. Gautam, Shri S.K. Srivastava and Shri N. Kumar (till 31.01.2012). The Chairman of the Committee is Shri Subrata Chaudhuri. The Company Secretary is secretary to the committee.

No meeting of this committee was held during the year.

**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 2011-12:

**Statutory Auditors:**

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

**Branch Auditors:**

2. M/s. Lodha & Co., 14 Government Place East, Kolkata-700069
3. M/s. Roy Ghosh & Associates, 39, Kalna Road, Badamtala, Burdwan-713401
4. M/s. L B Jha & Co., GF-1, Gillander House, 8, Netaji Subhas Road, Kolkata- 700001
5. M/s. U S Saha & Co., 35, Bahir Sarbamangla Road, Burdwan-713101
6. M/s. D.P. Sen & Co., 22, Ashutosh Chowdhury Avenue, 2nd Floor, Flat No: 22, Migma 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
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.	-
2010-11	23.05.2011 11:00 AM	Sanctoria	Shri Rakesh Sinha, CMD, ECL Shri Annirudha Pal, Sr. Officer (F),CIL Shri S. Chakravarty, D (T), Operations, ECL (member of Audit Committee) Shri N. Kumar, D (T), P&P, ECL Shri A.K. Soni, D (F), 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.easterncol.gov.in](http://www.easterncol.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:**

A committee was constituted to prepare the above report.

**5. Means of Communications:**

Annual Report, Operational and financial performance of the company is uploaded in company's website [www.easterncol.gov.in](http://www.easterncol.gov.in).

Apart from Annual Accounts, quarterly review of accounts is 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, 2012 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, 2012 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:**

The company promotes ethical behaviour in all its business activities. The Board has put in place mechanism of reporting illegal or unethical behaviour. Employees are free to report violation of laws, rules, fraud or unethical conduct to the Competent Authority. The reports received from any employee will be reviewed by the Screening Committee. The management personnel are obligated to maintain confidentiality of such reporting and ensure that the whistle blowers are not subjected to any discriminatory practices.

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** (57) 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 was ever highest till then from a single project on a day in the history of Coal India Limited. Subsequently in April, 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 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 also 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 seminars, training programmes including Advance Management Programme of Administrative Staff College, Hyderabad when he also visited SDA, Bocconi University in Milan, Italy and other European Countries from 11.09.2011 to 24.09.2011 and AMP (overseas) organised by Indian Institute of Coal Management, Ranchi when he visited Australia for study tour from 25.11.2007 to 01.01.2007.

**Sri Subrata Chakravarty**, working as Director (Technical) in Eastern Coalfields Ltd. (A subsidiary of Coal India Ltd.), was born on 06-03-1958.

Having initial school education at Patha Bhawana, Santiniketan, he pursued his Graduation in Mining Engineering from Indian School of Mines, Dhanbad in the year, 1979. Thereafter, acquired Master of Computer Application from BIT, Mesra in the year 1997. He was awarded William Selkirk Scholarship and Haarlem-E-West Scholarship for higher studies in Imperial College of Science & Technology, London, which remained unavailed.

Sri Chakravarty has a vast practical experience in Mining Industry for more than 32 years. He has worked in different capacities of Management Administration, Production, Planning Functions in underground as well as opencast mines of CCL, BCCL, NCL and ECL. Prior to joining as Director Technical in ECL, he worked in various capacities like Chief General Manager/Technical Secretary to Chairman, Coal India Ltd., Chief General Manager, Amlohri Project, Northern Coalfields Ltd. He has an excellent track record of various performance indicators which has always been appreciated.

Sri Chakravarty has widely travelled foreign countries like U.S.A., Russia, Belarus, Germany, Switzerland, France, China, Singapore etc., as a part of Indian Delegation, U.N.D.P. and official tours. Sri Chakravarty is interested in reading books, singing and is a keen follower of all sports.

**Shri Asok Kumar Sinha (59)** is the Director (Finance) of Coal India Limited and also holding the additional charge of CMD, South Eastern Coalfields 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 also holds bachelor's degree in law from Calcutta University.

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 (59)** is the Director (Finance) of Eastern Coalfields Limited. Shri Soni graduated with Honours in Commerce from Calcutta University. He is also a Fellow 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.

**Shri D.N. Prasad (54)**, a Graduate Mining Engineer from the University College of Engineering, Osmania University with University First rank, holder of First Class Mine Manager's Certificate of Competency to manage coal mines and MBA from UK, has put in about 32 years of overall experience in the Coal and Energy sectors of India. His experience includes eleven years of operation and management of coal mines in the Public Sector Coal Companies, Coal India Ltd. & Singareni Collieries Co. Ltd. and about 21 years in Development Policy Planning for Energy fuels Coal & Lignite in the Energy Division of the Planning Commission and Ministry of Coal, Government of India. He is presently continuing as Director (Technical) in the Ministry of Coal, Govt. of India.

His experience encompass development of coal mining projects; techno-economic appraisals of coal mining projects for investment decisions; capital budgeting; exploration for coal and lignite, CBM, CMM etc.; appraisal of environmental impact assessment; issues related to climate change; development of perspective plans for coal & lignite; development of clean coal technologies including coal washing, coal gasification, UCG, CTL; development of infrastructure for coal evacuation etc. He represented Planning Commission & Ministry of Coal on various Committees related to coal development and visited a number of countries including Australia, Japan, Germany, UK, USA, Belgium, France, China, Turkey etc. in relation to professional work. He has contributed a number of papers on policy issues in coal sector in various National & International Forums. He is a Member of professional bodies like Institution of Engineers (India), Mines, Metals & Geological Institute of India (MMGI) etc.

**Shri Subrata Chaudhuri (64)** is a Chair Professor in the Department of Mining Engineering, Indian School of Mines. Before joining academia, he served Indian coal sector for nearly four decades in production, planning and in Ministry of Coal (Govt. of India), and retired as CMD of CMPDI Ltd, a subsidiary of Coal India Ltd. Currently, he is also a non-official part time Director on the Board of SAIL.

A graduate in Mining Engineering from University of Calcutta and post-graduate in Opencast Mining from Indian School of Mines, Shri Chaudhuri holds the professional 'First Class (Coal) Mine Managers' Certificate of Competency' issued by Ministry of Labour and Employment (India) for managing coal mines. He is a Fellow of Institution of Engineers (India) and a recognized qualified planner (RQP) in the panel of Ministry of Coal, Government of India.

**Shri S.K. Mohanty, (64)** joined the Indian Revenue Services in 1972. He retired as Chief Commissioner of Income Tax (CCIT), Orissa Bhubaneswar. He holds a master's degree in History and has also been trained at Indian Institute of Foreign Trade, New Delhi. During his tenure as an IRS Officer he held various prestigious posts such as Dy. Director/Dy. Secretary, DGS&D, Ministry of Supply, Gol, Director (Finance) and acting CMD of Orissa Power Generation Corporation (OPGC), Government of Orissa. He also held the post of CIT Chennai, CIT Vishakhapatnam, CIT Hyderabad, Chief CIT Hyderabad, Chief CIT Mumbai. His areas of specialisation/ expertise are Financial Management, Taxation, Administration and other commercial matters. In 1988 Shri Mohanty won the Union Finance Minister's Highest Award for excellence in the field of collection and administration of Direct Taxes in India.

**Shri S.M. Sharma, (66)** by profession is a business strategic advisor from Kanpur. He joined the ECL Board as a Financial Expert and Part-time Non-official Director. He holds Bachelor's Degrees in Law and Economics. He has wide and varied experience in auditing and has conducted the audit of various PSEs such as SBI, LIC, TAFCO, UP Bridge Corporation etc. He has also conducted audit of various reputed private sector companies such as Jagran Prakashan Limited (Dainik Jagran), Kothari Products Limited (Pan Parag), Rotomac Global Pvt. Ltd., Frontier Construction Co. Ltd., Miniature Bulb Industries Limited, Hitech Bio Sciences Ltd. etc.

Shri Sharma is an expert in the field of business management, tax planning and consultancy. He has attended/ participated in various professional seminars and workshops from time to time in India as well as abroad in UK, USA, France and Germany. He is Group Advisor to the Boards of Jagran Prakashan Ltd. (Dainik Jagran) and Rotomac Global Pvt. Ltd. He is also associated with Rave-3 Multiplex from the stage of ideation, conceptualisation to implementation and its successful operation.

Shri Sharma has been actively engaged in many social, charitable, environmental and cultural NGO's and associations.

**Prof. (Dr.) M.K. Srivastava (58)** is a known institution builder, sound academician, honest, dedicated and strict administrator. He has credit of building a national law university of repute at Raipur (C.G.) with best infrastructure in the country and a postgraduate teaching & research centre of law at Barakatullah University, Bhopal (M.P.). His association with various academic & non-academic institutions as Vice Chancellor, Professor, Head, Dean, Member of Executive Councils, Board of Studies, Academic Council etc., has benefited those institutions remarkably.

He started his career as an advocate in Uttar Pradesh but due to his academic interest he opted teaching as a career at University of Allahabad and Bhopal. Due to long experience and wide exposure he was nominated by different search committees for appointment of Vice chancellors for Hidayatullah National Law University Raipur, University of Bikaner, Open University Bilaspur and Rajasthan Technical University of Kota etc.

He was nominated by a number of International institutions like The Hague Academy of international law, British Council, American Centre, U.N.D.P., Cardiff Law School, Wales for Various purposes. He widely travelled premier institutions of world, signed MOUs, Exchange Programmes and Research collaborations. Among them were

Osgood Law School, York University, University of Calgary, University of Ottawa & the IUCN Academy of Environmental Law in Canada, George Washington University, George Town University and Columbia University and the Supreme Court of United States of America. As a partner in the EPLC-POROS Project of European Union he visited Athens, Greece. He participated in the British Council International Programme at Belfast, Northern Ireland (U.K.). He has contributed a lot in the field of Law and Management.

**Shri SM Lodha (61)** is an Honours Graduate in Commerce, Law and MBA. He has over 35 years of cross industry experience in large Corporates and has been associated as Chief Executive Officer, advisor, and board member of reputed companies. He is on the board of Zigong Safam Cast Iron Co. Ltd. (China), Essar Information Technology Limited, SJVN Limited, Indsur Gears Limited, Essar Securities Limited, Trade Promotion Organization etc. He is also an Independent member of the Mumbai Board of State Bank of India. Mr. Lodha is also serving as Chairman and member of Board level committees, which include investment committee, Audit committee etc in these companies. He is well known name in the Financial Sector. Recently, International who's who society, USA has recognized him as one of the new member of appear in the 2011-2012 edition of international who's who of professionals having demonstrated exemplary achievement and distinguished contribution to business community.

**Shri Krishna Kumar Gautam (66)** is a M.Sc., L.L.B and worked as Senior Vice-President of National Bulk Handling Corporation Limited since 2007. He worked as Sr.Vice President of National Collateral Management Services Limited during 2006-07. He was also associated with 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. He also worked in Bank of Baroda in various capacities from 1969 to 1977. He is an expert in Agro-commodities business including trading, Collateral Management and providing end to end solutions. He is also an expert in managing the Industrial Enterprises, Finance & Banking and various laws. He is also a Member of all Committees of Board of Eastern Coalfields Limited.

**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 (ECL, the Company) for the year ended 31st March, 2012.

The compliance of conditions of Corporate Governance is the responsibility of the management. The Company is the subsidiary of Coal India Limited, a Government Company which is listed and the shares of the Company (ECL) are 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 : 18th May, 2012  
Place : Kolkata

Sd/-  
(P. S. De)  
Partner  
Membership No. 016727

---

Telephone : +91 33 2248 1760 / 2213 1333 / 2248 3297, Telefax : +91 33 2282 4889 / 2210 3885  
E-mail : info@duttasarkar.com / dusac.2009@rediffmail.com / dusac@vsnl.net  
Website : www.duttasarkar.com



## ANNEXURE - VII

**FOREIGN EXCHANGE EARNING & OUTGO**

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

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

(` in Lakh)

Sl.No.	Description	2011-12	2010-11
<b>(A)</b>	<b>Foreign Exchange Used</b>		
	1. CIF value of imports		
	(a) Raw materials	0.00	0.00
	(b) Components, stores & spares	2118.00	3586.21
	(c) Capital goods.	2897.00	1040.31
	2. Traveling / Training Expenses	14.00	32.36
	3. Expenses on know-how and Foreign Consultancy	0.00	0.00
	4. Pension to the Foreigners	0.00	0.00
	5. Others	695.00	465.30
	<b>Total</b>	<b>5724.00</b>	<b>5124.18</b>

**(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 |



**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, 2012**

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 18.05.2012.

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, 2012. 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 : 18.05.2012

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

Sd/-  
**(Yashodhara Ray Chaudhuri)**  
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. We have audited the attached Balance Sheet of Eastern Coalfields Limited as at 31.03.2012 and the Statement of Profit & Loss and also the Cash Flow Statement for the year ended on that date annexed thereto, in which are incorporated the accounts 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.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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.
3. As required by the Companies (Auditors' Report) Order, 2003 as amended, issued by the Central Government of India in 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.

It is a statement of fact.

It is a statement of fact.

It is a statement of fact.

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

Bin cards, Stores Ledger and Financial Ledger are not reconciled.

The process for reconciliation between Bin cards and Priced stores ledgers are in progress.

Confirmation of outstanding balances of various advances, deposits and liabilities was not available for our verification.

ECL is making business transaction with number of parties which are appearing in the accounts under various heads like Advances, Deposits, Sundry Creditors and Liabilities, etc. from whom efforts are made to collect Confirmation Certificate but it may not be practicable in all cases. In view of above, efforts are made to obtain. Confirmation certificate from Parties / Creditors having business transaction of Rs.10 lacs or more in a year.

Technical evaluation for determining unserviceable, Damaged and obsolete stores have not been made resulting in improper provision for unserviceable / obsolete stores which were not quantified.

Audit point is noted. Action has already been taken for determining the value of Obsolete, Unserviceable and damaged stores.

Under Other Current Liabilities (Note-8) Royalty & Cess on Coal includes an amount of Rs.4.38 crores (Rs. 4.38 crores) under the head Royalty of Head Quarter Accounts. 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 and action is being taken to ascertain the position.

In spite of the company presently having negating 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

It is a statement of fact.

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.

Capital Liabilities of Kalla Central Hospital includes :

1. Power Laundry (now in use) –	
	5,14,818.00
2. Deept Therapy (out of order) –	
	11,53,012.00
3.O T Lamp	- 1,98,644.55
4.ECG Machine	- 3,042.26

Audit point is noted for taking an appropriate action as deem fit.

The above assets supplied during 1985-86 i.e. at the time of taking over of the company by ECL from the Central Govt. The supply bills were not paid by ECL reportedly on the ground that order was not issued by them, but all the machinery / equipments were put to use and depreciation was charged and present WDV is within 5% of original cost but payment was not made to suppliers. Appropriate measures may be initiated to write back the liabilities which is more than 25 years old.

Large quantity of scrap materials appearing to be of considerable value (amount is not ascertainable) were found lying in different areas/units under open sky. These are also being depleted may be due to theft / robbery or otherwise particularly from closed areas/ units causing considerable financial losses to ECL as gathered by us. Immediate steps are called for disposal of the materials.

Audit point is noted and attempt is being taken for early disposal of Scrap.

In outstanding expenses for revenue of Mines Rescue Station includes an opening unreconciled amount of Rs. 14.68 lacs and in outstanding expenses for capital includes an opening unreconciled amount of Rs.3.06 lacs for which details could not be produced to us for verification.

It is a statement of fact.

Under Other Current Liabilities (Note-8) Income Tax Deducted at Source does not include any liability for Tax deducted at source on contractors bills/professional Bill which was booked as liability as on 31st March,2012.

It is a practice that a liability on account of tax deducted at source from contractors bills / professional bills are made when bills are raised by the contractor / professional during the year but payment are not made. But when the liabilities are made on estimate basis in absence of any bills from contractors / professional, no provision is made for TDS. However, Audit point is noted for taking a suitable action in future.

5. Further to above we report that :

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.

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.

The Balance Sheet, Statement of Profit & Loss 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.

In our opinion, the Balance Sheet, Profit & Loss A/C 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.

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

It is a statement of fact.



is not applicable to the Company, being A Government Company.

In our opinion and to the best of our information and according to the explanations given to us, the account subject to paragraph 4.1 to 4.9 above, the said financial statements read together with the Notes on Accounts thereon and attached thereto, given in the prescribed manner the information required by the Companies Act, 1956 and given a true and fair view in conformity With the accounting principles generally accepted in India.

It is a statement of fact.

- a) In the case of Balance Sheet, of the state of affairs Of the Company as at 31st March,2012;
- b) In the case of Statement of Profit & Loss, of the Profit for the year ended on that date; and
- c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

**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 Movable fixed assets except for assets taken over from Coal Mines Authority on nationalization and those taken from Coal Mines Rescue Station, which has not been recorded. According to the information and explanations given to us out of total 17836.88 Hectares of land acquired in West Bengal by ECL under different modes of acquisition ECL could make record of land in the name of ECL only 4368.74 hectares of land. | Audit point is noted and to determine the position as well as to take an appropriate action concern department will be consulted. |
| b) | The Company has physically verified the items of Plant & Machinery worth Rs. 1 lac and more and certain other assets in a phased periodical manner during the year and no material discrepancies were notice on such physical verification. However, no identification number is given on the fixed assets which have been verified. In absence of Physical verification of Plant & Machinery valuing Less than Rs. 1 lac and remaining other assets and reconciliation thereto, we are unable to express our opinion regarding materials discrepancies, if any.   | It is a statement of fact                                                                                                         |
| c) | The Company has not disposed off any substantial part of its fixed assets during the year.                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | It is a statement of fact                                                                                                         |
| 2. | In respect of its Inventories ;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                   |

- |    |                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                           |
|----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|
| a) | The inventories have generally been physical 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 and coverage of verification is required to be improved.                                                                                                                        | It is a statement of fact |
| 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 |
| 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 |
| 3. | The Company has neither granted nor taken 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 |
| 4. | In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory and Fixed assets and with regard to the sale of goods except in some cases there are time lag between receipts of the material, adjustment of advances and recording of liabilities. During the course of our | It is a statement of fact |

audit, no major weakness has been noticed in the internal controls.

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
  - 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
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
7. The Internal Audit has been carried out by firm of Chartered Accountants under the supervision of the Internal Audit department of the Company. The scope of the internal audit need to be enlarged encompassing 'system audit and risk based audit'. In our opinion Compliance to the internal audit report 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
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

9. In respect of statutory dues ;
- 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. It is a statement of fact
- a) The dispute statutory dues aggregating to Rs. 3560.55 Crore 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. It is a statement of fact
10. The Company has an accumulated loss of Rs. 7165.30 cr. (Rs. 8127.43 crores) and the net worth of the Company remained negative as on 31.03.2012. 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
11. The Company has no dues to the financial institution or banks or debenture holders. It is a statement of fact
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
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

- |     |                                                                                                                                                                                                                                                     |                           |
|-----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|
| 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 |
| 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 |
| 16. | The Company has not raised any term loan during the period under audit.                                                                                                                                                                             | It is a statement of fact |
| 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 |
| 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 |
| 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 |
| 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 |
| 21. | No fraud on or by the Company has been noticed during the year of audit.                                                                                                                                                                            | It is a statement of fact |

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

PARTICULARS.	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>SOURCES OF FUNDS :</b>										
SHARE CAPITAL	2218.45	2218.45	2218.45	2218.45	2218.45	2218.45	2218.45	2218.45	2218.45	2218.45
CONVERSION OF LOAN INTO EQUITY	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
RESERVE AND SURPLUS.	-4462.91	-4789.29	-5618.33	-5254.47	-5143.87	-6458.31	-8567.40	-8234.00	-8127.43	-7165.30
INTEREST ACCRUED AND DUE.	168.87	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LOAN FUNDS.	769.91	708.64	680.84	708.33	672.96	656.23	689.26	665.52	656.24	670.18
OTHER NON CURRENT LIABILITIES									11.20	5.51
LONG TERM PROVISIONS	1137.32	1361.22	1608.54	1668.15	1824.59	2324.70	3342.90	3634.76	4136.04	4731.93
	-168.36	-500.98	-1110.50	-659.54	-427.87	-1258.93	-2316.79	-1715.27	-1105.50	460.77
<b>APPLICATION OF FUNDS :</b>										
FIXED ASSETS :										
GROSS BLOCK.	4617.14	4706.47	4794.90	4831.90	4920.65	5030.21	5217.34	5290.16	5197.08	5389.97
LESS : DEPRECIATION.	3042.58	3203.55	3488.87	3568.83	3660.27	3789.40	3983.67	4097.59	3988.28	4107.20
NET BLOCK.	1574.56	1502.92	1306.03	1263.07	1260.38	1240.81	1233.67	1192.57	1208.80	1282.77
CAPITAL W.I.P.	73.95	43.90	42.53	40.63	49.20	41.34	39.85	64.80	36.91	51.28
INTANGIBLE ASSETS UNDER DEVELOPMENT									11.28	46.22
NON CURRENT INVESTMENTS.	0.08	0.41	0.41	0.41	0.38	0.34	0.31	0.28	0.21	0.18
OTHER NON CURRENT ASSETS									18.34	17.68
OTHER LONG TERM LOANS AND ADVANCES									6.57	21.04
<b>CURRENT ASSETS, LOANS &amp; ADVANCES:</b>										
CURRENT INVESTMENTS.	251.14	260.41	309.28	404.49	427.28	331.42	323.83	453.36	568.72	622.93
INVENTORIES.	1077.36	684.34	321.12	276.07	269.15	269.84	338.11	746.79	959.20	2459.37
SUNDRY DEBTORS.	488.85	628.70	852.64	1314.80	846.71	664.36	688.98	947.88	940.99	1248.74
CASH & BANK BALANCE	22.15	17.78	18.25	35.45	35.99	42.75	48.35	33.65	65.83	83.28
OTHER CURRENT ASSETS.	85.61	114.62	95.64	143.17	132.66	138.00	130.33	146.82	77.59	176.23
LOANS AND ADVANCES.	1925.11	1705.85	1596.93	2173.98	1711.79	1446.37	1529.60	2328.50	2612.36	4590.58
SUB-TOTAL.	3765.41	3754.06	4056.40	4137.63	3449.62	3987.79	5120.22	5301.42	4999.97	5548.98
LESS : CURRENT LIABILITIES	-1840.30	-2048.21	-2459.47	-1963.65	-1737.83	-2541.42	-3590.62	-2972.92	-2387.61	-958.40
NET CURRENT ASSETS.	23.35	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MISC. EXPENDITURE.	-168.36	-500.98	-1110.50	-659.54	-427.87	-1258.93	-2316.79	-1715.27	-1105.50	460.77
TOTAL :										

**NOTE : FIGURES FOR THE YEAR 2010-11 & 2011-12 ARE AS PER REVISED SCHEDULE VI**

PARTICULARS.	PROFIT AND LOSS.										(₹ in Crore).	
	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2010-11	2011-12
SALES (NET OF LEVIES).	2729.06	2746.24	3048.19	3417.68	3518.21	3187.61	3837.40	5227.78	5882.60	8262.09	5882.60	8262.09
OTHER INCOME.	227.60	191.53	148.20	227.18	186.01	204.53	207.77	348.76	354.37	298.62	354.37	298.62
ACCRETION/DECREATION.	-6.06	13.70	47.50	99.94	22.21	-85.86	-11.90	123.26	112.35	44.67	112.35	44.67
WORKSHOP JOBS FOR OWN PURPOSE.	45.18	48.20	47.81	51.41	45.34	44.72	44.51	50.48	0.00	0.00	0.00	0.00
WAIVER OF INTEREST.	0.00	168.65	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
WAIVER OF APEX CHARGES.	0.00	82.47	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
WAIVER OF ELECTRICITY DUTY	0.00	0.00	0.00	34.32	16.22	0.00	0.00	0.00	0.00	0.00	0.00	0.00
COAL ISSUED FOR SUNDRY PURPOSES.	0.19	0.08	0.03	0.09	0.07	0.09	0.16	0.01	0.00	0.00	0.00	0.00
EMPLOYEES REMUNERATION & BENEFITS.	2995.97	3250.87	3291.73	3830.62	3788.06	3351.09	4077.94	5750.29	6349.32	8605.38	6349.32	8605.38
ARREAR SALARY & WAGES	1911.93	2022.75	2250.38	1981.69	2160.87	2597.87	3803.75	3364.35	4042.04	5087.34	4042.04	5087.34
CONSUMPTION OF STORES & SPARES.	339.59	343.51	353.60	404.62	411.14	427.37	466.61	490.96	539.95	574.22	539.95	574.22
POWER & FUEL.	248.60	246.13	258.81	272.18	253.63	263.66	259.25	304.79	376.11	382.42	376.11	382.42
REPAIRS.	63.19	84.86	65.87	69.50	67.93	74.63	70.95	82.82	57.02	61.76	57.02	61.76
SOCIAL OVERHEAD.	140.45	141.14	151.03	166.28	199.72	229.89	268.09	296.40	180.52	209.40	180.52	209.40
CONTRACTUAL EXPENSES.	94.13	108.12	167.25	213.27	243.61	210.91	254.87	342.00	410.98	481.42	410.98	481.42
MISCELLANEOUS EXPENSES.	72.58	60.64	82.86	86.95	97.60	134.69	148.51	160.16	176.44	208.45	176.44	208.45
DEPRECIATION.	171.06	169.42	148.84	142.98	136.24	147.00	206.86	146.69	184.72	200.90	184.72	200.90
IMPAIRMENT	0.00	0.00	11.49	14.73	5.28	21.83	20.96	9.51	0.00	0.00	0.00	0.00
INTEREST & FINANCIAL CHARGES.	42.27	4.14	0.81	10.05	0.41	0.29	0.07	0.01	1.01	0.16	1.01	0.16
OVER BURDEN REMOVAL.	129.47	91.81	69.25	99.80	82.73	80.42	155.86	170.35	164.08	248.19	164.08	248.19
PROVISIONS.	74.37	94.09	-2.24	-8.96	3.64	12.47	17.43	-13.55	87.27	188.99	87.27	188.99
WRITE OFF.	0.00	0.00	7.77	2.68	10.04	0.00	2.76	1.97	22.61	0.00	22.61	0.00
	3287.64	3571.22	3941.04	3455.77	3672.84	4364.83	6180.86	5415.27	6242.75	7643.25	6242.75	7643.25
PROFIT(+)/LOSS(-) FOR THE YEAR BEFORE PPA	-291.67	-320.35	-649.31	374.85	115.22	-1013.74	-2102.92	335.02	106.57	962.13	106.57	962.13
PRIOR PERIOD ADJUSTMENT.	-47.11	-6.03	-29.89	-2.89	2.90	-12.92	-2.78	-1.62	0.00	0.00	0.00	0.00
FRINGE BENEFIT TAX				-8.10	-7.52	-3.27	-3.39	0.00	0.00	0.00	0.00	0.00
PROFIT(+)/LOSS (-) AFTER CPRA.	-338.78	-326.38	-679.20	363.86	110.60	-1029.93	-2109.09	333.40	106.57	962.13	106.57	962.13
PROFIT & LOSS UPTO PREVIOUS YEAR	-4124.14	-4462.92	-4789.30	-5618.34	-5254.48	-5143.88	-6458.31	-8567.40	-8234.00	-8127.43	-8234.00	-8127.43
TRANSITIONAL PROVISION			-149.84			-284.50	0.00	0.00	0.00	0.00	0.00	0.00
BALANCE CARRIED TO BALANCE SHEET	-4462.92	-4789.30	-5618.34	-5254.48	-5143.88	-6458.31	-8567.40	-8234.00	-8127.43	-7165.30	-8127.43	-7165.30

NOTE : FIGURES FOR THE YEAR 2010-11 &amp; 2011-12 ARE AS PER REVISED SCHEDULE VI



## OPERATIONAL STATISTICS

YEAR ENDING 31ST MARCH	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
1 (a) PRODUCTION OF RAW COAL : ( MILLION TONNE)										
UNDERGROUND	10.95	9.91	9.45	9.33	8.27	8.32	8.39	8.23	7.37	6.83
OPENCAST	16.23	18.09	17.80	21.78	22.20	15.74	19.74	21.83	23.43	23.73
TOTAL :	27.18	28.00	27.25	31.11	30.47	24.06	28.13	30.06	30.80	30.56
(b) OVERBURDEN REMOVAL ( MILLION CU.MTS)	32.04	35.96	39.70	44.30	48.78	39.98	43.07	49.74	56.25	60.31
2. OFFTAKE (RAW COAL) : ( MILLION TONNE)										
LOCO	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
POWER	22.91	24.14	24.11	25.17	26.17	21.94	23.69	25.22	26.21	24.27
CEMENT	0.08	0.11	0.13	0.14	0.18	0.17	0.15	0.15	0.15	0.14
FERTILIZER	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
COLLIERY CONSUMPTION	0.54	0.52	0.50	0.48	0.45	0.42	0.41	0.40	0.38	0.34
OTHERS	3.76	2.66	2.43	2.90	2.99	2.91	4.01	3.45	3.00	6.08
TOTAL :	27.29	27.43	27.17	28.69	29.79	25.44	28.26	29.22	29.74	30.83
3. MANPOWER	114582	110132	105692	101474	98780	94943	90470	85617	81128	78009
4. PRODUCTIVITY (O.M.S)										
UNDERGROUND	0.48	0.45	0.43	0.45	0.42	0.43	0.46	0.47	0.45	0.44
OPENCAST	4.89	5.30	5.30	6.61	7.03	5.04	6.42	7.29	8.14	8.64
OVERALL :	1.03	1.10	1.07	1.29	1.34	1.07	1.33	1.46	1.60	1.68

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

(₹ in Crores.)

PARTICULARS.	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
CAPITAL EMPLOYED.	-828.59	-1199.95	-1877.35	-1534.04	-1395.59	-2318.43	-3526.75	-3135.66	-1320.30	171.10
NET WORTH	-2244.46	-2570.84	-3399.88	-3036.02	-2925.42	-4239.86	-6348.95	-6015.55	-5908.98	-4946.85
NET WORTH AS PER BRPSE PROJECTION			-3399.89	-3318.41	-3366.12	-3382.32	-2839.76	-1968.26	-1050.73	-224.94
<b>LIQUIDITY RATIOS :</b>										
i) Current Ratio (Current Assets/Current Liabilities).	0.51	0.45	0.39	0.53	0.50	0.36	0.30	0.44	0.52	0.83
<b>TURNOVER RATIOS :</b>										
i) Capital Turnover Ratio (Net Sales/Capital Employed).	-3.29	-2.29	-1.62	-2.23	-2.52	-1.37	-1.09	-1.67	-4.46	48.29
ii) Sundry Debtors(Gross) as Nos. of months :										
a). Gross Sales	4.31	3.24	1.77	1.41	1.29	1.33	1.25	1.61	1.76	2.99
b). Net Sales.	5.47	4.10	2.26	1.80	1.65	1.70	1.58	1.93	2.13	3.87
iii) Stock of coal (Net of excise duty) as a No. of months' sale value	0.54	0.58	0.72	0.96	1.01	0.80	0.62	0.74	0.84	0.66
iv). Stock of Stores & Spares (Gross) as a No. of months' consumption (Including Stock of Medicine at Central Hospital)	5.60	5.31	5.32	4.61	4.59	4.26	4.00	3.99	3.70	3.78
<b>STRUCTURAL RATIOS :</b>										
i). Debt : Equity.	0.35	0.32	0.31	0.32	0.30	0.30	0.31	0.30	0.30	0.30
-ii). Debt : Net Worth.	-0.34	-0.28	-0.20	-0.23	-0.23	-0.15	-0.11	-0.11	-0.11	-0.14

**EASTERN COALFIELDS LIMITED**  
**BALANCE SHEET (CONSOLIDATED)**  
**As at 31st March. 2012**

( ` in Crores)

	NOTES	AS AT 31.03.2012	AS AT 31.03.2011
<b>I EQUITY AND LIABILITIES</b>			
(1) Shareholders' Fund			
a) Share Capital	1	2,218.45	2,218.45
b) Reserves & Surplus	2	<u>(7165.30)</u>	<u>(8,127.43)</u>
		(4,946.85)	(5,908.98)
(2) <b>Non-Current Liabilities</b>			
a) Long Term Borrowing	3	670.18	656.24
b) Deferred Tax Liabilities			
c) Other Long Term Liabilities	4	5.51	11.20
d) Long Term Provisions	5	<u>4,731.93</u>	<u>4,136.04</u>
		5,407.62	4,803.48
(3) <b>Minority Interest</b>		-	-
(4) <b>Current Liabilities</b>			
a) Short Term Borrowing	6	1,772.49	2,535.19
b) Trade Payables	7	72.85	62.74
c) Other Current Liabilities	8	2,755.14	1,961.05
d) Short Term Provisions	9	<u>948.50</u>	<u>440.99</u>
		5,548.98	4,999.97
<b>Total</b>		<b>6,009.75</b>	<b>3,894.47</b>
<b>II ASSETS</b>			
(1) <b>Non-Current Assets</b>			
(a) Fixed Assets			
i) Tangible Assets - Gross Block	10A	4,157.09	4,003.93
Less : Depreciation, Impairment & Provisions		<u>3,032.15</u>	<u>2,979.11</u>
Net Carrying Value		<b>1,124.94</b>	<b>1,024.82</b>
ii) Intangible Assets - Gross Block	10A	1,232.88	1,193.15
Less : Depreciation, Impairment & Provisions		<u>1,075.05</u>	<u>1,009.17</u>
Net Carrying Value		<b>157.83</b>	<b>183.98</b>
iii) Capital Work-in-Progress	10B		36.91

	NOTES	AS AT 31.03.2012	AS AT 31.03.2011
iv) Intangible Assets under Development	10C	46.22	11.28
(b) Non-Current Investment	11	0.18	0.21
(c) Deferred Tax Asset			
(d) Long Term Loans & Advances	12	21.04	6.57
(e) Other Non-Current Assets	13	17.68	18.34
<b>(2) Current Assets</b>			
(a) Current Investments	14	0.03	0.03
(b) Inventories	15	622.93	568.72
(c) Trade Receivables	16	2,459.37	959.20
(d) Cash & Bank Balance	17	1,248.74	940.99
(e) Short Term Loans & Advances	18	176.23	77.59
(f) Other Current Assets	19	83.28	65.83
		4,590.58	2,612.36
<b>Total</b>		<b>6,009.75</b>	<b>3,894.47</b>

0.00

Significant Accounting Policies 33

Additional Notes on Accounts 34

The Notes referred to above form an integral part of Balance Sheet

Date :

Place :

**Rakesh Sinha**

Chairman -cum-Managing Director

DIN - 02186695

Company Secretary

**A. K. Soni**

Director (Finance)

DIN - 03248110

**A. K. Bhowmick**

General Manager (Finance)

**(P. S. De)**

Partner

Membership No. : "16727"

for and on behalf of

**Dutta Sarkar & Co.**

Chartered Accountants.

Firm Regn. No.: 303114E

**EASTERN COALFIELDS LIMITED**  
**STATEMENT OF PROFIT & LOSS**  
**For the Year Ended 31st March, 2012**

(₹ in Crore)

<u>INCOME</u>	Notes	For the Year ended 31.03.12	For the Year ended 31.03.11
<b><u>Sale of Coal, coke etc.</u></b>	20	10,695.11	7,139.32
<b><u>Less:- Excise Duty</u></b>		(410.58)	(41.51)
Other Levies		(2,022.44)	(1,215.21)
Revenue From Operations		8,262.09	5,882.60
Other Income	21	298.62	354.37
<b>Total Revenue</b>		<b>8,560.71</b>	<b>6,236.97</b>
<b><u>EXPENSES</u></b>			
Cost of Material Consumed	22	574.22	539.95
Change in inventories of finished goods work in progress and Stock in trade	23	(44.67)	(112.35)
Employee benefit expenses	24	5,087.34	4,042.04
Power & Fuel		382.42	376.11
Welfare Expenses	25	209.40	180.52
Repairs	26	61.76	57.02
Contractual Expenses	27	481.42	410.98
Finance Costs	28	0.16	1.01
Depreciation/amortization/Impairment		200.90	184.72
Provisions	29	188.99	87.27
Write off	30		22.61
Overburden Removal Adjustment		248.19	164.08
Other Expenditure	31	208.45	176.44
<b>Total Expenses</b>		<b>7,598.58</b>	<b>6,130.40</b>
<b>Profit/(Loss) before Prior Period, exceptional and extraordinary items and tax</b>		<b>962.13</b>	<b>106.57</b>
Prior Period Adjustment { charges/ (Incomes) }	32	-	-
Exceptional Items		-	-
<b>Profit/(Loss) before extraordinary items and tax</b>		<b>962.13</b>	<b>106.57</b>
Extraordinary Items { charges/ (Incomes) }		-	-

<u>INCOME</u>	Notes	For the Year ended 31.03.12	For the Year ended 31.03.11
<b>Profit/(Loss) before Tax</b>		<b>962.13</b>	<b>106.57</b>
Less : Tax Expense			
- Current year		-	-
- Deferred Tax		-	-
- Earlier years		-	-
<b>Profit/(Loss) for the period</b>		<b>962.13</b>	<b>106.57</b>
Earning per equity share (in ` )			
(Face Value of ` 1000/- per share)			
(1) Basic		433.69	48.00
(2) Diluted		-	-
Significant Accounting Policies	33		
Additional Notes on Accounts	34		

The Notes referred to above form an integral part of Profit & Loss Account.

**Rakesh Sinha**

Chairman -cum-Managing Director  
DIN - 02186695

Company Secretary

**A. K. Soni**

Director (Finance)  
DIN - 03248110

**A. K. Bhowmick**  
General Manager (Finance)

**(P. S. De)**

Partner  
Membership No. : "16727"  
for and on behalf of  
**Dutta Sarkar & Co.**  
Chartered Accountants.  
Firm Regn. No.: 303114E

**EASTERN COALFIELDS LIMITED**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31ST MARCH, 2012**

	31.03.2012	(₹ in Crores) 31.03.2011
<b>(a) Cash Flow from Operating Activities</b>		
Net Profit Before Taxation & Extraordinary Items	962.13	106.57
Adjustment for :		
Depreciation / Impairment	200.90	280.57
Lease Rent Received	(3.50)	(3.50)
Interest Income	(70.78)	(50.20)
OBR Adjustment (decrease) / increase	248.19	164.08
Prov. for loss of assets	5.30	(0.03)
Interest Expenses	0.16	1.01
	380.27	391.93
Operating Profit before working capital changes	1342.40	498.50
Decrease / (Increase) in Sundry Debtors	(1500.17)	(212.41)
Decrease / (Increase) in Loans & Advances	(113.11)	13.49
Decrease / (Increase) in Other Current Assets	(16.79)	(2.93)
Decrease / (Increase) in Inventories	(54.21)	(115.36)
(Decrease)/Increase in Current Liabilities(excl.OBR)	909.52	(51.62)
	(774.76)	(368.83)
Cash generated from Operation	567.64	129.67
Prior Period Adjustment	0.00	0.00
	567.64	129.67
Net cash flow from operating activities	567.64	129.67
<b>(b) Cash Flow from Investing Activities</b>		
Purchases of Fixed Assets (Sch.-D) including Capital WIP	(332.96)	(184.93)
Adjustment in Value of Fixed Assets	3.35	0.00
Redemption of 8.5% RBI Power Bond	0.03	0.03
Lease Rent Received	3.50	3.50
Interest Income	70.78	50.20
	(255.30)	(131.20)
Net cash flow from investing activities	312.34	(1.53)

			(` in Crores)	
	31.03.2012		31.03.2011	
<b>(c) Cash Flow from Financing Activities :</b>				
Repayment of Long Term Borrowing	(4.43)		(4.35)	
Interest Paid	(0.16)	(4.59)	(1.01)	(5.36)
<b>Net Increase in Cash/Cash equivalents</b>	<b><u>(307.75)</u></b>		<b><u>(6.89)</u></b>	
<b>Opening Cash &amp; Bank Balance</b>	<b>940.99</b>		<b>947.88</b>	
<b>Closing Cash &amp; Bank Balance</b>	<b>1248.74</b>		<b>940.99</b>	

**Rakesh Sinha**  
Chairman -cum-Managing Director  
DIN - 02186695

Company Secretary

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

**A. K. Bhowmick**  
General Manager (Finance)

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

**(P. S. De)**  
Partner  
Membership No. : "16727"  
for and on behalf of  
**Dutta Sarkar & Co.**  
Chartered Accountants.  
Firm Regn. No.: 303114E



## NOTES TO BALANCE SHEET CONSOLIDATED

## NOTE - 1

## SHARE CAPITAL

(` Crores)

	AS AT 31-03-2012	AS AT 31-03-2011
<b>AUTHORISED :</b>		
250,00,000 Equity Share of ` 1000.00 each.	2500.00	2500.00
	--	--
	<u>2,500.00</u>	<u>2,500.00</u>
<b>Issued, Subscribed &amp; Paid up :</b>		
10390000 Equity Shares of ` 1000/- each fully Paid-up in cash	1,039.00	1,039.00
11794500 Equity Shares of ` 1000/- each allotted as fully paid-up consideration received other than cash	1,179.45	1,179.45
<b>Total</b>	<b>2218.45</b>	<b>2218.45</b>

Note 1 : Shares in the company held by each shareholder holding more than 5% Shares.

Name of Shareholder	No. of Shares Held (Face value of ` 10 each)	% of Total Shares

Note 2 : During the year there is no change in the number of shares.

## NOTES TO BALANCE SHEET CONSOLIDATED

## NOTE - 2

## RESERVES &amp; SURPLUS

( ` Crores)

	AS AT 31-03-2012	AS AT 31-03-2011
<b>RESERVES :</b>		
<b>Capital Reserve</b>		
As per last Balance Sheet	-	-
Add: Addition during the year	-	-
Less: Adjustment During the year	-	-
	<u>-</u>	<u>-</u>
<b>Capital Redemption Reserve</b>		
As per last Balance Sheet	-	-
Add: Addition during the year	-	-
Less: Adjustment During the year	-	-
	<u>-</u>	<u>-</u>
<b>Reserve for Foreign Exchange Transactions</b>		
As per last Balance Sheet	-	-
Add: Addition during the year	-	-
Less: Adjustment During the year	-	-
	<u>-</u>	<u>-</u>
<b>CSR Reserve</b>		
As per last Balance Sheet	-	-
Add: Addition during the year	-	-
Less: Transfer to General Reserve	-	-
	<u>-</u>	<u>-</u>
<b>General Reserve</b>		
As per last Balance Sheet	-	-
Add: Transfer from Profit & Loss Account	-	-
Add/ Less: Adjustment During the year	-	-
	<u>-</u>	<u>-</u>
<b>Surplus in Profit &amp; Loss Account</b>		
As per last Balance Sheet	(8,127.43)	(8,234.00)
Profit/(Loss) after Tax During the Year	962.13	106.57
Profit/(Loss) available for Appropriation	<u>(7,165.30)</u>	<u>(8,127.43)</u>

**APPROPRIATION**

Reserve for Foreign Exchange Transaction	-	-
Transfer to General Reserve	-	-
Transfer to CSR Reserve	-	-
Interim Dividend	-	-
Proposed Dividend on Equity Shares	-	-
Corporate Dividend Tax	-	-
	<hr/>	<hr/>
	<hr/>	<hr/>

**Miscellaneous Expenditure**

(to the extent not written off)

Preliminary Expenses	-	-
Pre-Operational Expenses		

---

<b>Total :</b>	<b>(7,165.30)</b>	<b>(8,127.43)</b>
----------------	-------------------	-------------------

---

## NOTES TO BALANCE SHEET (CONTD.) CONSOLIDATED :

## NOTE - 3

## LONG TERM BORROWING

(` Crores)

	AS AT 31-03-2012	AS AT 31-03-2011
<b>Term Loan</b>		
IBRD	-	-
JBIC	-	-
Export Development Corp., Canada	151.21	137.27
Liebherr France S.A., France		
<b>Loan From Coal India Limited</b>	<u>518.97</u>	<u>518.97</u>
<b>Total (A+B)</b>	<b>670.18</b>	<b>656.24</b>
<b>CLASSIFICATION 1</b>		
Secured	-	-
Unsecured	670.18	656.24

## CLASSIFICATION 2

## Loan Guaranteed by directors &amp; others

Particulars of Loan	Amount in ` crores	Nature of Guarantee
Export Development Corporation, Canada	151.21	GOI

**Note :-** Exchange Fluctuation debit of ` 18.50 cr. (Credit ` 0.64 cr.) in respect of unsecured loan from Export Development Corporation, Canada through CIL has been adjusted in the value of the secured loan and correspondingly given effect in the Profit / Loss account under Note No. 31.

## NOTES TO BALANCE SHEET (CONTD.) CONSOLIDATED :

## NOTE - 4

## OTHER LONG TERM LIABILITIES

(` Crores)

	AS AT 31-03-2012	AS AT 31-03-2011
<b>Shifting &amp; Rehabilitation Fund</b>		
Opening Balance	-	-
Add: Interest from Investment of the fund	-	-
Add: Contribution Received	-	-
Less : Amount utilised	-	-
	<u>-</u>	<u>-</u>
Trade Payable *	-	-
Security Deposits	4.31	-
Others ( Specify Nature)	1.20	11.20
<b>Total</b>	<u>5.51</u>	<u>11.20</u>

## NOTES TO BALANCE SHEET (CONTD.) CONSOLIDATED :

**NOTE - 5****LONG TERM PROVISIONS**

(` Crores)

	AS AT 31-03-2012	AS AT 31-03-2011
<b>For Employee Benefits</b>		
- Gratuity	2,271.77	2,074.72
- Leave Encashment	340.33	350.50
- Other Employee Benefits	241.22	137.82
	-	-
For Foreign Exchange Transactions (Marked to Market)	-	-
OBR Adjustment Account	1,725.34	1,477.15
Mine Closure	153.27	95.85
For Others	-	
<b>TOTAL</b>	<b>4,731.93</b>	<b>4,136.04</b>

**Note 5.1:** The year end liability of Gratuity, Leave encashment and other employee benefit like Gross Personal Accident Insurance Policy, Leave Travel Concession medical benefit for retired executive, compensation to dependents in case of mines accidental death are valued on actuarial basis.

## NOTES TO BALANCE SHEET (CONTD.) CONSOLIDATED :

## NOTE - 6

## SHORT TERM BORROWING

(` Crores)

	AS AT 31-03-2012	AS AT 31-03-2011
Loan From Bank	-	-
<b>Loans Repayable on Demand</b>		
Balance with Coal India Limited & other Subsidiaries of Coal India Limited	1,772.49	2,535.19
Overdraft against Pledge of Term Deposit	-	-
<b>Other Loans and Advances</b>		
Deferred Credits	-	-
<b>Total :</b>	<b>1,772.49</b>	<b>2,535.19</b>
<b>CLASSIFICATION 1</b>		
Secured	-	-
Unsecured	1,772.49	2,535.19

## CLASSIFICATION 2

## Loan Guaranteed by directors &amp; others

Particulars of Loan	Amount in ` crores	Nature of Guarantee
NIL	NIL	NIL

NOTES TO BALANCE SHEET (CONTD.) CONSOLIDATED :

**NOTE - 7**

**TRADE PAYABLES**

(` Crores)

	AS AT 31-03-2012	AS AT 31-03-2011
Sundry Creditors For Revenue Stores	72.85	62.74
<b>TOTAL</b>	<u>72.85</u>	<u>62.74</u>



## NOTES TO BALANCE SHEET (CONTD.) CONSOLIDATED :

## NOTE - 8

## OTHER CURRENT LIABILITIES

(` Crores)

	AS AT 31-03-2012	AS AT 31-03-2011
<b>Current Maturities of Long Term Borrowings</b>		
Term Loan From IBRD	-	-
Term Loan From JBIC	-	-
Term Loan From Export Development Corp., Canada	4.42	4.29
Term Loan From Liebherr France S.A., France	-	-
Loan From Coal India Limited	-	-
Surplus Fund from Coal India	-	-
Current Account with Subsidiaries	-	-
For Capital (including Stores)	12.30	14.21
<b>FOR EXPENSES :</b>		
Salary Wages & Allowances	780.63	242.61
Power & Fuel	40.89	43.15
Others	79.96	72.70
	<b>901.48</b>	<b>358.46</b>
<b>STATUTORY DUES :</b>		
Sales Tax/VAT**	-	-
Provident Fund & Pension Fund	70.11	54.18
Central Excise Duty	21.41	28.26
Royalty & Cess on Coal	23.75	12.23
Stowing Excise Duty	10.08	8.62
Clean Energy Cess	19.19	27.91
Other Statutory Levies	9.90	9.87
	<b>154.44</b>	<b>141.07</b>
Income Tax Deducted at Source	12.20	28.69
Security Deposit	70.03	53.02
Earnest Money	67.21	21.88
Advance & Deposit from customers / others	430.25	208.69
Interest Accrued and due on Borrowings	-	-
Interest Accrued but not due on Borrowings	-	-

**ANNUAL REPORT 2011-12**

Cess Equilisation Account	849.78	905.92
Current Account with IICM	-	-
Unpaid Dividend*	-	-
Ex-Owner Account	-	-
Advance Deposit other Pre-Nationalisation	-	-
Others Liabilities	253.03	224.82
<b>TOTAL</b>	<b>2,755.14</b>	<b>1,961.05</b>

**Note - 8.1 :-** In the process of making payment of Cess on the annual value of coal bearing land based on the average production of preceding two years valuing at a rate prevailing as on 1st April of each year and realisation made from customeres on the value of despatches of Coal considering the sale price prevailing on 1st day of April of the financial year, there remains a balance accumulating to ` 849.78 cr. (~ 905.92 cr.) which has been shown under cess equilisation A/C.

## NOTES TO BALANCE SHEET (CONTD.) CONSOLIDATED :

## NOTE - 9

## SHORT TERM PROVISIONS

(` Crores)

	AS AT 31-03-2012	AS AT 31-03-2011
<b>For Employee Benefits</b>		
- Gratuity	530.67	149.69
- Leave Encashment	49.40	0.94
- PPLB	162.52	118.04
- PRP	146.10	116.46
- Other Employee Benefits	58.62	52.13
For Proposed Dividend	-	-
For Corporate Dividend Tax	-	-
Provision for Income Tax		
Less : Advance Income Tax / Tax Deducted at Source		
For Excise Duty on Closing Stock of Coal		
For Others	1.19	3.73
<b>TOTAL</b>	<b>948.50</b>	<b>440.99</b>

**Note - 9.1 :-** Employee Benefit in respect of Gratuity and leave encashment includes actuarial valuation of expected payment to be made during next one year amounting to ` 384.07 cr. and ` 41.24 cr. respectively.

**NOTE - 10A**  
**FIXED ASSETS**

PARTICULARS	GROSS BLOCK			DEPRECIATION			IMPAIRMENT LOSS			CARRYING VALUE	
	As on 01.04.11	Addition during the period	Adj./Sales/Tr ansfer during the period	As on 01.04.11	Addition during the period	Adj./Sales/Tr ansfer during the period	As on 01.04.11	Addition during the period	Adj./Sales/ Transfer during the period	As on 31.03.12	As on 31.12.11
<b>Tangible Assets</b>											
Land											
(a) Freehold	67.93	13.75	-	11.55	1.33	-	12.88	-	-	68.80	56.38
(b) Leasehold	53.85	0.76	(3.42)	6.78	4.65	-	11.43	-	-	39.76	47.07
Building/Water Supply/ Road & Culverts	461.76	7.8	-	201.06	11.45	-	212.51	-	-	257.05	260.70
Plant & Equipments	3,260.38	214.33	(85.52)	2,636.82	114.64	(82.42)	2,669.04	-	-	720.15	623.56
Telecommunication	18.10	0.98	-	16.43	0.29	-	16.72	-	-	2.36	1.67
Railway Sidings	25.70	0.52	-	17.52	0.81	-	18.33	-	-	7.89	8.18
Furniture & Fixtures/Office Tools & Equipments/Electrical Fittings/ Fire Arms	95.33	2.72	(0.07)	69.27	2.56	(0.07)	71.76	-	-	26.22	26.06
Vehicle	12.71	1.74	(0.43)	11.51	0.21	(0.41)	11.31	-	-	2.71	1.20
Aircraft											
Development											
Assets taken on Nationalisation	8.17	-	-	8.17	-	-	8.17	-	-	-	-
<b>TOTAL</b>	<b>4,003.93</b>	<b>242.60</b>	<b>(89.44)</b>	<b>2,979.11</b>	<b>135.94</b>	<b>(82.90)</b>	<b>3,032.15</b>	<b>-</b>	<b>-</b>	<b>1,124.94</b>	<b>1,024.82</b>
Tangible Assets (As on 31.03.2011)	3,944.17	149.48	(89.72)	2,933.54	132.33	(86.76)	2,979.11	-	-	1,024.82	1,010.63
<b>Intangible Assets</b>											
Computer Software											
Development	993.45	39.14	-	646.96	33.90	-	680.86	172.94	3.12	200.07	173.55
Prospecting & Boring	199.70	0.59	-	132.07	2.31	-	134.38	57.20	2.55	59.75	61.6
<b>Total</b>	<b>1,193.15</b>	<b>39.73</b>	<b>-</b>	<b>779.03</b>	<b>36.21</b>	<b>-</b>	<b>815.24</b>	<b>230.14</b>	<b>3.19</b>	<b>259.82</b>	<b>183.98</b>
Intangible Assets (As on 31.03.2011)	1,150.49	42.66	-	753.80	34.86	-	788.66	214.76	0.05	220.51	183.98
	5,197.08	282.33	(89.44)	3,758.14	172.15	(82.90)	3,847.39	230.14	3.19	259.82	1,208.80

Note- Assets under lease shall be separately specified for each class of asset

Note-10A.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.

Note-10A.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.

**NOTE - 10 B**  
**CAPITAL WORK-IN-PROGRESS**

( Crores)

PARTICULARS	COST		ADDITION DURING THE PERIOD		ADJ./SALES/TRANSFER DURING THE PERIOD		PROVISION		IMPAIRMENT LOSS			CARRYING VALUE	
	As on 01.04.11	As on 31.03.12	Addition during the period	As on 01.04.11	As on 31.03.12	Adj./Sales/Transfer during the period	As on 31.03.12	As on 01.04.11	As on 01.04.11	Addition during the period	As on 31.03.12	As on 31.03.12	As on 31.03.11
<b>Tangible Assets</b>													
Building/Water Supply /Road & Culverts	10.32	11.60	9.13	5.69	0.21	-	5.90	-	-	-	5.90	5.70	4.63
Plant & Equipments	63.50	75.33	235.70	36.18	0.48	0.07	36.73	-	-	-	36.73	38.60	27.32
Railway Sidings	3.20	6.58	3.91	1.10	1.59	(0.07)	2.62	-	-	-	2.62	3.96	2.10
Development													
Others	3.17	3.33	2.01	0.31	-	-	0.31	-	-	-	0.31	3.02	2.86
<b>TOTAL</b>	<b>80.19</b>	<b>96.84</b>	<b>250.75</b>	<b>43.28</b>	<b>2.28</b>	<b>-</b>	<b>45.56</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>45.56</b>	<b>51.28</b>	<b>36.91</b>
Tangible Assets (As on 31.03.2011)	89.63	80.18	98.81	43.21	0.09	(0.03)	43.27	-	-	-	43.27	36.91	46.42
<b>Surveyed off Assets</b>	<b>253.69</b>	<b>315.06</b>	<b>61.37</b>	<b>253.69</b>	<b>3.06</b>	<b>58.31</b>	<b>315.06</b>				<b>315.06</b>		
Surveyed off Assets (As on 31.03.2011)	187.86	253.69	65.83	187.86	2.98	62.85	253.69				253.69		
<b>Grand Total</b>	<b>333.88</b>	<b>411.90</b>		<b>296.97</b>			<b>360.62</b>				<b>360.62</b>	<b>51.28</b>	<b>36.91</b>
Grand Total (As on 31.03.2011)	277.49	277.49		231.07	3.07	62.82	296.96				296.96		46.42

Note-Assets under lease shall be separately specified for each class of asset

Note- 10B.1:- Total year and provision of ₹ 45.49 cr (₹ 43.27 cr) under Tangible Assets includes provision of ₹ 14.82 cr (₹ 14.19 cr) equivalent to the rate of depreciation for Plant & not put to use and incomplete civil.

Note- 10B.2:- Full provision amounting to ₹ 3.06 cr (₹ 2.98 cr) on the value of Surveyed Off Assets has been made.

**NOTE - 10 C**  
**INTANGIBLE ASSET UNDER DEVELOPMENT**

(₹ Crores)

PARTICULARS	COST		ADDITION		ADJ./SALES/TRANSFER		PROVISION		IMPAIRMENT LOSS		CARRYING VALUE	
	As on 01.04.11	Addition during the period	As on 31.03.12	As on 01.04.11	As on 31.03.12	As on 01.04.11	As on 31.03.12	As on 01.04.11	As on 31.03.12	As on 01.04.11	As on 31.03.12	As on 31.03.11
<b>Intangible Assets</b>												
Development	40.50	74.67	74.47	11.70	11.66	17.52	11.66	2.26	(3.19)	16.59	46.22	11.28
Prospecting & Boring	4.11	0.02	4.11	2.73	2.73	1.38	2.73	-	-	1.38	-	-
<b>TOTAL</b>	<b>44.61</b>	<b>74.69</b>	<b>78.58</b>	<b>14.43</b>	<b>14.39</b>	<b>18.90</b>	<b>14.39</b>	<b>2.26</b>	<b>(3.19)</b>	<b>17.97</b>	<b>46.22</b>	<b>11.28</b>
Intangible Assets (As on 31.03.2011)	47.89	37.26	44.61	10.71	10.56	18.81	10.56	3.96	---	22.77	11.28	18.37

Note 10 C. 1 : Total year and provision of ₹ 32.65 Cr. (₹ 33.33 Cr) under intangible Assets has been made.

## NOTES TO BALANCE SHEET (CONTD.) CONSOLIDATED :

## NOTE - 11

## NON - CURRENT INVESTMENTS - Unquoted at Cost

(₹ crores)

	Number of shares/bonds/sec urities current Year / (previous) year)	Face value per shares/bonds/sec urity current year/(previous year) (₹)	As at 31.03.12	As at 31.03.11
<b>TRADE</b>				
<b>8.5% Tax Free Special Bonds (Fully Paid up) :</b>				
(on securitisation of Sundry Debtors)				
Major State-wise Break-up				
UP	-	-	0.10	0.13
Haryana	-	-	-	-
Maharashtra	-	-	-	-
Madhya Pradesh	-	-	-	-
Gujarat	-	-	-	-
West Bengal	-	-	-	-
Others	-	-	-	-
Equity Shares in Joint Venture Companies ( with name of joint ventures)	-	-	-	-
Equity Shares in Subsidiaries Companies ( with name of Subsidiaries)	-	-	-	-
Others (in Co-operative Shares)	-	-	0.08	0.08
<b>NON-TRADE</b>				
7.55% Non Convertible IRFC Tax Free Bonds 2021 Series	-	-	-	-
<b>Total :</b>			<b>0.18</b>	<b>0.21</b>

Aggregate of Quoted Investment	-	-
Aggregate of Unquoted Investment	-	-
Market Value of Quoted Investment	-	-
Provision made for diminution in the value of Investment	-	-

## NOTES TO BALANCE SHEET (CONTD.) CONSOLIDATED :

## NOTE - 12

## LONG TERM LOANS &amp; ADVANCES

(` Crores)

	AS AT 31-03-2012	AS AT 31-03-2011
<b>LOANS</b>		
<b>ADVANCES</b>		
For Capital		-
- Secured considered goods	-	-
- Unsecured considered goods	7.77	3.02
- Doubtful	2.68	3.04
	<u>10.45</u>	<u>6.06</u>
Less : Provision for Doubtful Loans and Advances	2.68	3.04
	<u>7.77</u>	<u>3.02</u>
For Revenue	-	-
- Secured considered goods	-	-
- Unsecured considered goods	8.76	0.28
- Doubtful	2.70	4.14
	<u>11.46</u>	<u>4.42</u>
Less : Provision for Doubtful Loans and Advances	2.70	4.14
	<u>8.76</u>	<u>0.28</u>
Security Deposits	-	-
- Secured considered goods	-	-
- Unsecured considered goods	2.64	1.49
- Doubtful	0.66	1.11
	<u>3.30</u>	<u>2.60</u>
Less : Provision for Doubtful Loans and Advances	0.66	1.11
	<u>2.64</u>	<u>1.49</u>
Deposit for P&T, Electricity etc.		
- Secured considered goods	-	-
- Unsecured considered goods	0.40	0.07
- Doubtful	0.45	0.45
	<u>0.85</u>	<u>0.52</u>
Less : Provision for Doubtful Loans and Advances	0.45	0.45
	<u>0.40</u>	<u>0.07</u>



## LOAN TO EMPLOYEES &amp; OTHERS

For House Building*	-	-
- Secured considered goods	1.35	1.69
- Unsecured considered goods	-	-
- Doubtful	-	-
	<u>1.35</u>	<u>1.69</u>
For Motor Car and Other Conveyance*	-	-
- Secured considered goods	-	0.02
- Unsecured considered goods	-	-
- Doubtful	-	-
	<u>-</u>	<u>0.02</u>
For Others	-	-
- Secured considered goods	-	-
- Unsecured considered goods	0.12	-
- Doubtful	-	-
	<u>0.12</u>	<u>-</u>
Less : Provision for Doubtful Loans and Advances	<u>-</u>	<u>-</u>
	0.12	-
	<u>21.04</u>	<u>6.57</u>
Loan To Subsidiaries	-	-
- Secured considered goods	-	-
- Unsecured considered goods	-	-
- Doubtful	-	-
	<u>-</u>	<u>-</u>
<b>TOTAL</b>	<b>21.04</b>	<b>6.57</b>

## Note

	CLOSING BALANCE		MAXIMUM AMOUNT DUE AT ANY TIME DURING	
	CURRENT PERIOD	PREVIOUS PERIOD	CURRENT PERIOD	PREVIOUS PERIOD
Due by the Companies in which directors of the company is also a director/member ( With name of the Companies)	NIL	NIL	NIL	NIL
Due by the parties in which the Director(s) of company is /are interested	NIL	NIL	NIL	NIL

## NOTES TO BALANCE SHEET (CONTD.) CONSOLIDATED :

## NOTE - 13

## OTHER NON-CURRENT ASSETS

(` Crores)

	AS AT 31-03-2012	AS AT 31-03-2011
<b>Long Term Trade Receivable</b>		
- Secured considered goods	-	-
- Unsecured considered goods	-	-
- Doubtful	-	-
	<hr/>	<hr/>
Less Provision for bad and doubtful Trade Receivable	-	-
	<hr/>	<hr/>
<b>Exploratory Drilling Work</b>		
- Secured considered goods	-	-
- Unsecured considered goods	-	-
- Doubtful	-	-
	<hr/>	<hr/>
Less Provision for bad and doubtful	-	-
	<hr/>	<hr/>
<b>Other Receivables</b>		
- Secured considered goods	-	-
- Unsecured considered goods	17.68	18.34
- Doubtful	5.34	5.02
	<hr/>	<hr/>
	23.02	23.36
Less Provision for bad and doubtful Receivables	5.34	5.02
	<hr/>	<hr/>
	17.68	18.34
<b>TOTAL</b>	<b>17.68</b>	<b>18.34</b>

## Note :

	CLOSING BALANCE		MAXIMUM AMOUNT DUE AT ANY TIME DURING	
	CURRENT PERIOD	PREVIOUS PERIOD	CURRENT PERIOD	PREVIOUS PERIOD
Due by the Companies in which directors of the company is also a director/member ( With name of the Companies)	NIL	NIL	NIL	NIL
Due by the parties in which the Director(s) of company is /are interested	NIL	NIL	NIL	NIL

**Note - 13.1 :** Other Receivable includes balance claim of ` 21.11 cr. (` 21.62 cr) against total claim of Rs. 47.67 cr. lodged with Director of Electricity, Govt. of West Bengal in support of relief / concession required for revival of ECL accordingly to BIFR's sanctioned scheme. Against the above claim 10% provision has been made considering its doubtful recovery.

## NOTES TO BALANCE SHEET (CONTD.) CONSOLIDATED :

## NOTE - 14

## CURRENT INVESTMENTS - Quoted / Unquoted at Cost

(` crores)

	Number of shares/bonds/sec urities current Year / (previous year)	Face value per shares/bonds/sec urity current year/(previous year) (r)	Market Value/NAV Per Shares/bonds/security current year / (previous year) ( ` )	As at 31.03.12	As at 31.03.11
<b>NON-TRADE</b>					
Mutual Fund Investment ( with name of mutual fund )	-	-	-	-	-
7.55% Non Convertible IRFC Tax Free Bonds 2021 Series					
<b>TRADE</b>					
<b><u>8.5% Tax Free Special Bonds (Fully Paid up) :</u></b>					
(on securitisation of Sundry Debtors)					
<u>Major State-wise Break-up</u>					
UP				0.03	0.03
<b>Total :</b>				<b>0.03</b>	<b>0.03</b>
Aggregate of Quoted Investment				-	-
Aggregate of Unquoted Investment				-	-
Market Value of Quoted Investment				-	-
Market Value of Unquoted Investment				-	-
Provision made for diminution in the value of Investment				-	-

Note :- The current maturities of Non- Current Investments is to be shown in Current Investments.

## NOTES TO BALANCE SHEET (CONTD.) CONSOLIDATED :

## NOTE - 15

## INVENTORIES

(` Crores)

(Valuation as per Accounting Policy No..... )

	AS AT 31-03-2012	AS AT 31-03-2011
Stock of Coal	478.41	432.29
Coal Under Development	-	-
Less : Provision	1.76	1.71
<b>A Stock of Coal (Net)</b>	<b>476.65</b>	<b>430.58</b>
Stock of Stores & Spares (at cost)	174.02	162.26
Stores -in -transit	5.79	3.73
Less : Provision	46.98	42.17
<b>B Net Stock of Stores &amp; Spares (at cost)</b>	<b>132.83</b>	<b>123.82</b>
<b>C Workshop Jobs :</b>		
Work-in-progress and Finished Goods	12.83	14.02
Less : Provision	0.23	0.20
<b>Net Stock of Workshop Jobs</b>	<b>12.60</b>	<b>13.82</b>
<b>D Press :</b>		
Work-in-Progress and Finished Goods	-	-
<b>E Stock of Medicine at Central Hospital</b>	<b>0.85</b>	<b>0.50</b>
<b>F Prospecting &amp; Boring/ Development Exp./Coal Blocks meant for Sale</b>	<b>-</b>	<b>-</b>
<b>Total ( A to F )</b>	<b>622.93</b>	<b>568.72</b>

Note - 15.1 : Closing stock of coal has been physically verified by the teams deputed by Coal India Ltd. 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 Note 33). As a result, net shortage within (+)/(-) 5% over book stock (mine/colliery wise) weighing 1.03 L.T. valued at ` 12.87 cr. remain unadjusted in the Books of Account.

Note - 15.2 :- 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 ` 46.76 cr (` 42.17 cr) is consisting of the following.

a) ` 2.32 cr (Rs 2.32 cr) for quantitative discrepancies noticed between Bin Cards and Stores Ledger upto June, 85

b) ` 11.66 cr (` 11.66 cr) for unserviceable, damaged and obsolete stores.

c) ` 32.78 cr (` 28.19 cr) for non-moving stores & spares.

## SCHEDULES TO BALANCE SHEET (CONTD.) CONSOLIDATED

## ANNEXURE TO NOTE - 15

(Qty. in Lakh tonnes) (value in lakh ₹)

TABLE - A

Reconciliation of closing stock adopted in Account with Book stock as at the end of the year:

	OVERALL STOCK		NON-VENDABLE STOCK		VENDABLE STOCK	
	Qty.	Value	Qty.	Value	Qty.	Value
1. (A) Opening stock as on 01.04.11	47.91	47589.70	4.72	4628.40	43.19	42961.30
(B) Adjustment in Opening Stock		89.55	(0.01)	95.55		(6.00)
	47.91	47,679.25	4.71	4,723.95	43.2	42,955.30
2. Production for the year	305.58	8,43,213.30	-	-	305.58	843213.30
3. Sub-Total (1+2)	353.49	890,892.55	4.71	4,723.95	348.78	886,168.60
4. Off- Take for the year :						
(A) Outside Despatch	304.90	826,208.75	-	-	304.90	826208.75
(B) Coal feed to Washeries	-	-	-	-	-	-
(C) Own Consumption	3.40	12,295.88	-	-	3.40	12295.88
TOTAL(A)	308.30	838,504.63	-	-	308.30	838,504.63
5. Derived Stock	45.19	52,387.92	4.71	4,723.95	40.48	47,663.97
6. Measured Stock	44.16	51,100.32	4.71	4,723.95	39.45	46376.37
7. Difference (5-6)	1.03	1,287.60			1.03	1,287.60
8. Break-up of Difference:						
(A) Excess within 5%	-	-	-	-	-	-
(B) Shortage within 5%	1.03	1,287.60	-	-	1.03	1,287.60
(C) Excess beyond 5%	-	-	-	-	-	-
(D) Shortage beyond 5%	-	-	-	-	-	-
9. Closing stock adopted in A/c. (6-8A+8B)	45.19	52,387.92	4.71	4,341.72	40.48	47,663.97

## Should Form Part of Notes to Accounts

## Summary of Closing Stock of Coal

Table : B

	Raw Coal		Washed / Deshated Coal				Other Products				Total	
	Coking Qty	Value	Non-Coking Qty	Value	Coking Qty	Value	Non-Coking Qty	Value	Qty	Value	Qty	Value
Opening Stock (Audited)	-	-	4,791.00	47,297.02	-	-	-	-	-	-	4,791.00	47,297.02
Less: Non-vendable Coal	-	-	472.00	4,341.72	-	-	-	-	-	-	472.00	4,341.72
Adjusted Opening Stock (Vendable)	-	-	4,319.00	42,955.30	-	-	-	-	-	-	4,319.00	42,955.30
Production	-	-	30,558.00	843,213.30	-	-	-	-	-	-	30,558.00	843,213.30
Offtake*												
(A) Outside Despatch	-	-	30,490.00	826,208.75	-	-	-	-	-	-	30,490.00	826,208.75
(B) Coal feed to Washeries	-	-	-	-	-	-	-	-	-	-	-	-
(C) Own Consumption	-	-	340.00	12,295.88	-	-	-	-	-	-	340.00	12,295.88
Closing Stock **	-	-	4,047.00	47,663.97	-	-	-	-	-	-	4,047.00	47,663.97
Less: Shortage	-	-	-	-	-	-	-	-	-	-	-	-
Closing Stock ***(Note - 15)	-	-	4,047.00	47,663.97	-	-	-	-	-	-	4,047.00	47,663.97
Less: Seized Coal	-	-	-	139.67	-	-	-	-	-	-	-	139.67
Closing Stock ***(Note - 23)	-	-	-	47,524.30	-	-	-	-	-	-	-	47,524.30

## NOTES TO BALANCE SHEET (CONTD.) CONSOLIDATED :

## NOTE - 16

## TRADE RECEIVABLES

(` Crores)

	AS AT 31-03-2012	AS AT 31-03-2011
Debts outstanding for a period exceeding six months from the due date		
- Secured considered goods	-	-
- Unsecured considered goods	103.64	55.96
- Doubtful	<u>122.08</u>	<u>68.33</u>
	225.72	124.29
Less Provision for bad and doubtful trade receivables	<u>122.08</u>	<u>68.33</u>
	103.64	55.96
Other Debts	-	-
- Secured considered goods	-	-
- Unsecured considered goods	2,355.73	903.24
- Doubtful	<u>83.59</u>	<u>17.08</u>
	2,439.32	920.32
Less Provision for bad and doubtful trade receivables	<u>83.59</u>	<u>17.08</u>
	2,355.73	903.24
<b>Total</b>	<b><u>2,459.37</u></b>	<b><u>959.20</u></b>

## Notes :

	CLOSING BALANCE		MAXIMUM AMOUNT DUE AT ANY TIME DURING	
	CURRENT PERIOD	PREVIOUS PERIOD	CURRENT PERIOD	PREVIOUS PERIOD
Due by the Companies in which directors of the company is also a director/member ( With name of the Companies)	NIL	NIL	NIL	NIL
Due by the parties in which the Director(s) of company is /are interested	NIL	NIL	NIL	NIL

Note 16.1 :- An amount of ` 167.99 cr (` 123.93 cr) for grade slippage including levies has been adjusted after reconciliation, settlement and issuing credit notes to parties during the year.

	in crore <u>2011 - 12</u>	in crore <u>2010 - 11</u>
Note 16.2 :- The details of provision are as under :-		
Opening Provision	85.41	94.06
Less Settled/Written off/adjusted against opening debtors	----	----
Less Written back from opening provision	116.44	56.04
Add New provision during the year	232.13	47.39
Closing Balance	201.10	85.41

## NOTES TO BALANCE SHEET (CONTD.) CONSOLIDATED :

## NOTE - 17

## CASH &amp; BANK BALANCE

(` Crores)

	AS AT 31-03-2012	AS AT 31-03-2011
Balances with Scheduled Banks		
- SBI Dividend Account (unpaid/unclaimed dividend account)	-	-
- In Deposit Accounts with maturity upto 3 months	230.66	321.51
- In Current Accounts	-	-
- In Cash Credit Accounts	-	-
Balances with Non - Scheduled Banks		
In Account with Banks outside India	-	-
Remittance - in transit	3.08	0.15
Cheques, Drafts and Stamps on hand	7.14	15.11
Cash on hand	0.83	1.18
Deposit with Scheduled Banks under Shifting and Rehabilitation Fund Scheme with maturity upto 3 months	-	-
<b>Other Bank Balances</b>		
Balances with Scheduled Banks		
- In Deposit Accounts with maturity more than 3 months	1,007.03	603.04
Deposit with Scheduled Banks under Shifting and Rehabilitation Fund Scheme with maturity more than 3 months	-	-
Deposit with Scheduled Banks under Mine Closure Plan Scheme*	-	-
<b>Total</b>	<b>1,248.74</b>	<b>940.99</b>
Maximum amount outstanding with Banks other than Scheduled Banks at any time during the year	nil	nil



## NOTES TO BALANCE SHEET (CONTD.) CONSOLIDATED :

## NOTE - 18

## SHORT TERM LOANS &amp; ADVANCES

(` Crores)

	AS AT 31-03-2012	AS AT 31-03-2011
<b>LOANS</b>		
<b>ADVANCE</b> ( Recoverable in cash or in kind or for value to be received)		
ADVANCE TO SUPPLIERS		
For Revenue	-	-
- Secured considered goods	-	-
- Unsecured considered goods	70.19	11.37
- Doubtful	<u>2.35</u>	<u>0.91</u>
	72.54	12.28
Less Provision for bad and doubtful Advance	<u>2.35</u>	<u>0.91</u>
	<u>70.19</u>	<u>11.37</u>
	<b>70.19</b>	<b>11.37</b>
ADV PAYMENT OF STATUTORY DUES		
SalesTax	-	-
- Secured considered goods	-	-
- Unsecured considered goods	13.36	18.29
- Doubtful	<u>-</u>	<u>-</u>
	13.36	18.29
Less Provision for bad and doubtful Advance	<u>-</u>	<u>-</u>
	<u>13.36</u>	<u>18.29</u>
Advance Income Tax / Tax Deducted at Source	19.32	17.78
Less : Provision for Income Tax	<u>-</u>	<u>-</u>
	<u>19.32</u>	<u>17.78</u>
Others	-	-
- Secured considered goods	-	-
- Unsecured considered goods	18.55	18.23
- Doubtful	<u>0.12</u>	<u>0.61</u>
	18.67	18.84
Less Provision for bad and doubtful Advance	<u>0.12</u>	<u>0.61</u>
	<u>18.55</u>	<u>18.23</u>
	<u>51.23</u>	<u>54.30</u>

**ANNUAL REPORT 2011-12**

Advance to Employees		
- Secured considered goods	-	-
- Unsecured considered goods	54.05	9.41
- Doubtful	2.95	1.54
	<u>57.00</u>	<u>10.95</u>
Less Provision for bad and doubtful Advance	2.95	1.54
	<u>54.05</u>	<u>9.41</u>
Current Account with Coal India Limited & other Subsidiaries of Coal India Limited	-	-
Loan Account with Subsidiaries		
- Secured considered goods	-	-
- Unsecured considered goods	-	-
- Doubtful	-	-
	<u>-</u>	<u>-</u>
Less Provision for bad and doubtful Loan	-	-
	<u>-</u>	<u>-</u>
Claims Receivables		
- Secured considered goods	-	-
- Unsecured considered goods	0.15	1.95
- Doubtful	2.05	1.38
	<u>2.20</u>	<u>3.33</u>
Less Provision for bad and doubtful claim receivables	2.05	1.38
	<u>0.15</u>	<u>1.95</u>
Prepaid Expenses	0.61	0.56
	<u>54.81</u>	<u>11.92</u>
<b>TOTAL</b>	<b><u>176.23</u></b>	<b><u>77.59</u></b>

Notes :	CLOSING BALANCE		MAXIMUM AMOUNT DUE AT ANY TIME DURING	
	CURRENT PERIOD	PREVIOUS PERIOD	CURRENT PERIOD	PREVIOUS PERIOD
Due by the Companies in which directors of the company is also a director/member ( With name of the Companies)	NIL	NIL	NIL	NIL
Due by the parties in which the Director(s) of company is /are interested	NIL	NIL	NIL	NIL

Note 18.1 :- The net debit balance of ₹ 13.36 cr. ( ₹ 18.27 cr.) consisting of advance payment of ₹ 34.10 cr. ( ₹ 25.58 cr) and liabilities of ₹ 20.74 cr ( ₹ 7.31 cr) lying unadjusted pending settlement exclusive of disputed claim not acknowledged as debt.

Note 18.2 :- The debit balance in Tax deducted at source of ₹ 19.32 cr ( ₹ 17.78 cr) represents income tax deducted for several years awaiting refund. In the assessment order for A.Y. 1993-94, a credit of ₹ 3.52 cr has been given by the Assessing Officer against which a demand of ₹ 2.75 cr 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.

## NOTES TO BALANCE SHEET (CONTD.) CONSOLIDATED :

## NOTE - 19

## OTHER CURRENT ASSETS

(` Crores)

	AS AT 31-03-2012	AS AT 31-03-2011
Interest Accrued		
- Investment	-	-
- Deposit with Banks	52.21	32.57
- Others	0.03	-
Ex Owner's Account	-	-
Other Advances	0.00	-
Less: Provision	-	-
	0.00	
<b>DEPOSITS</b>		
Deposit for Customs Duty, Port Charges etc.	0.68	0.68
Deposit with Coal India Limited	-	-
Deposit for Royalty, Cess & Sales Tax	-	-
Less: Provision	-	-
Others	7.72	6.95
Less: Provision	-	-
Amount Receivable from Govt of India for transactions on behalf of Ex-Coal Board	-	-
Less: Provision	-	-
Other Receivables	22.74	25.63
Less: Provision	0.10	-
	22.64	
<b>TOTAL</b>	<b>83.28</b>	<b>65.83</b>

## NOTES TO PROFIT &amp; LOSS ACCOUNT CONSOLIDATED :

## NOTE - 20

REVENUE FROM OPERATIONS	( ₹ Crores)	
	AS AT 31-03-2012	AS AT 31-03-2011
Sales of Coal, coke etc *	10,695.11	7,139.32
Less: Excise Duty	410.58	41.51
Less : Other Levies		
Royalty	185.75	172.58
Cess on Coal	1,327.19	687.93
Stowing Excise Duty	30.49	29.36
Central Sales Tax	108.85	71.83
Clean Energy Cess	152.45	110.47
State Sales Tax/VAT	217.71	143.04
Other Levies	-	-
<b>TOTAL LEVIES</b>	<b>2,022.44</b>	<b>1,215.21</b>
<b>Revenue From Operations (NET SALES*)</b>	<b>8,262.09</b>	<b>5,882.60</b>

Note 20.1 :- Sale is net of deduction for grade slippage for current period and earlier period. Sales for the year have been reduced by ₹ 161.70 cr.( ₹ 121.64 cr.) due to credit note issued to the parties for grade slippage. Sales includes ₹ 626.05 cr. ( ₹ 117.23 cr.) as incentive under fuel supply agreement with various power sector for achieving despatch target.

No: 20.2 :- On revision of sale price with effect from 1st Jan'2012 due to change in pricing from UHV to GCV , an additional impact of ₹ 60.18 cr.has been work out for sales made during post revised period.

## NOTES TO PROFIT &amp; LOSS ACCOUNT CONSOLIDATED :

## NOTE - 21

## OTHER INCOME

( ` Crores)

	AS AT 31-03-2012	AS AT 31-03-2011
<b><u>Income From Long Term Investments</u></b>		
Dividend from Joint Ventures	-	-
Dividend from Subsidiaries	-	-
Interest from		
Government Securities ( 8.5% Tax Free Special Bonds) ( Trade )	-	-
7.55% Non Convertible IRFC Tax Free Bonds 2021 Series (Non-Trade)		
<b><u>Income From Current Investments</u></b>		
Dividend from Mutual Fund Investments	-	-
Interest from		
Government Securities ( 8.5% Tax Free Special Bonds) ( Trade )	0.01	0.02
7.55% Non Convertible IRFC Tax Free Bonds 2021 Series (Non-Trade)		
<b><u>Income From Others</u></b>		
Interest (Gross)		
From Deposit with Banks	70.58	40.06
From Loans and Advances to Employees		-
From Income Tax Refunds	-	-
From Coal India	-	-
Others	0.19	10.13
Apex Charges	-	-
Subsidy for Sand Stowing & Protective Works	34.17	41.75
Profit on Sale of Assets	1.32	-
Recovery of Transportation & Loading Cost	110.93	87.68
Gain on Foreign exchange Transactions	-	-
Exchange Rate Variance	-	-
Lease Rent	3.50	3.50
Liability Write Backs	2.55	39.90
Guarantee Fees from Subsidiaries	-	-
Other non-operating Income	75.37	131.33
<b>TOTAL</b>	<b>298.62</b>	<b>354.37</b>

## NOTES TO PROFIT &amp; LOSS ACCOUNT (CONTD.) CONSOLIDATED :

## NOTE - 22

## COST OF MATERIAL CONSUMED

( ` Crores)

	AS AT 31-03-2012	AS AT 31-03-2011
Explosives	93.27	79.89
Timber	4.44	4.79
P O L	186.13	164.69
HEMM Spares	131.03	141.45
Other Consumable Stores & Spares	159.35	149.13
<b>TOTAL</b>	<b>574.22</b>	<b>539.95</b>

## NOTES TO PROFIT &amp; LOSS ACCOUNT (CONTD.) CONSOLIDATED :

## NOTE - 23

(₹ Crores)

## CHANGE IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE

	AS AT 31-03-2012	AS AT 31-03-2011
Closing Stock of Coal / Coke	477.01	431.32
Less: Deterioration of Coal/Coke	<u>1.76</u>	<u>1.71</u>
<b>Total (1)</b>	475.25	429.61
Opening Stock of Coal/Coke	431.32	321.79
Less: Deterioration of Coal/Coke	<u>1.71</u>	<u>1.69</u>
<b>Total (2)</b>	429.61	320.10
<b>A) Change in Inventory of Closing Stock (2-1)</b>	(45.64)	(109.51)
Closing Stock of Workshop made finished goods and WIP	12.83	14.12
Less: Provision	<u>0.23</u>	<u>0.20</u>
<b>Total (3)</b>	12.60	13.92
Opening Stock of Workshop made finished goods and WIP	14.12	11.35
Less: Provision	<u>0.20</u>	<u>0.19</u>
<b>Total (4)</b>	13.92	11.16
<b>B) Change in Inventory of Closing Stock of workshop (4-3)</b>	1.32	(2.76)
Press Closing Job		
i) Finished Goods	-	-
ii) Work in Progress	-	-
<b>Total (5)</b>	-	-
Press Opening Job		
i) Finished Goods	-	-
ii) Work in Progress	-	-
<b>Total (6)</b>	-	-
<b>C) Change in Inventory of Closing Stock of Press Job made finished goods and WIP (6-5)</b>	-	-
Closing Stock of Medicines ( Central Hospital) (7)	0.85	0.50
Less Opening Stock of Medicines ( Central Hospital) (8)	0.50	0.42
<b>D) Change in Inventory of Stock of Medicines at Central Hospitals (8-7)</b>	(0.35)	(0.08)
<b>Total Change in Inventory of Stock( A+B+C+D)</b>	<u>(44.67)</u>	<u>(112.35)</u>

## NOTES TO PROFIT &amp; LOSS ACCOUNT (CONTD.) CONSOLIDATED :

## NOTE - 24

## EMPLOYEE BENEFIT EXPENSES

(` Crores)

	AS AT 31-03-2012	AS AT 31-03-2011
Salary, Wages, Allowances & Benefits	3213.18	2,673.40
Exgratia	193.67	147.61
PRP	29.64	57.55
	-	-
Contribution to P.F. & Other Funds	332.53	318.64
Gratuity	912.32	484.19
Leave Encashment	103.79	146.26
VRS	2.83	13.26
Workman Compensation	1.56	1.59
Other Employee Benefits	297.82	199.54
<b>TOTAL</b>	<b>5,087.34</b>	<b>4,042.04</b>

**Note 24.1:** The National Coal Wage Agreement(NCWA-IX) effective from 01/07/2011 has been finalised in 30th January 2012 for Wage Board employee. Summarised position of financial impact of pay revision excluding Gratuity impact for employees who retired during the period from 01/07/2011 to 31/03/2012 and the impact of Actuarial Liability is given below.

<b>Impact of pay revision as on 31.03.12</b>	<b>577.95 cr</b>
<b>Impact of Gratuity during the period 01/07/11 to 31/03/12</b>	<b>24.01 cr</b>
<b>Actuarial Liability as on 31/03/12 towards Gratuity, Earn leave encashment,LCS &amp; Settlement Allowance</b>	<b>494.63 cr</b>

**Note 24.2:** Salary, wages, allowances & benefits includes ` 13.43 Crore provision made for Superannuation Benefit to Executive



## NOTES TO PROFIT &amp; LOSS ACCOUNT (CONTD.) CONSOLIDATED :

## NOTE - 25

## WELFARE EXPENSES

(₹ Crores)

	AS AT 31-03-2012	AS AT 31-03-2011
Medical Expenses	25.03	27.28
Medical Expenses for retired employees	3.85	
Grants to Schools & Institutions	7.60	5.04
Sports & Recreation	0.38	0.46
Canteen & Creche	0.09	0.09
Power - Township	92.26	88.77
Hire Charges of Bus, Ambulance etc.	4.71	3.80
CSR Expenses	9.11	4.74
		-
Environmental Expenses	1.75	0.99
Tree Plantation	0.46	0.42
Other Expenses	64.16	48.93
<b>TOTAL</b>	<b>209.40</b>	<b>180.52</b>

NOTES TO PROFIT & LOSS ACCOUNT (CONTD.) CONSOLIDATED :

**NOTE - 26**

**REPAIRS**

(` Crores)

	AS AT 31-03-2012	AS AT 31-03-2011
Building	1.50	1.40
Plant & Machinery	55.98	52.36
Others	4.28	3.26
<b>TOTAL</b>	<b>61.76</b>	<b>57.02</b>

## NOTES TO PROFIT &amp; LOSS ACCOUNT (CONTD.) CONSOLIDATED :

## NOTE - 27

## CONTRACTUAL EXPENSES

( ` Crores)

		AS AT 31-03-2012	AS AT 31-03-2011
Transportation Charges :			
- Sand	-	32.23	32.76
- Coal & Coke	-	139.45	137.27
- Stores & Others etc.		1.13	0.81
Wagon Loading		4.05	2.21
Hiring of P&M		98.56	51.22
Other Contractual Work		206.00	186.71
<b>TOTAL</b>		<b>481.42</b>	<b>410.98</b>

## NOTES TO PROFIT &amp; LOSS ACCOUNT (CONTD.) CONSOLIDATED :

## NOTE - 28

## FINANCE COSTS

( ` Crores)

INTEREST EXPENSE	AS AT 31-03-2012	AS AT 31-03-2011
Deferred Payments	-	-
Bank Overdraft / Cash Credit	-	0.98
Interest on IBRD & JBIC Loan	-	-
CIL Fund Loan Interest	-	-
Interest to Subsidiaries	-	-
Others	0.16	0.03
<b>TOTAL(A)</b>	<b>0.16</b>	<b>1.01</b>
<b>OTHER BORROWING COSTS</b>		
Guarantee Fees on (IBRD & JBIC) Loan	-	-
Other Expenses / Bank Charges *	-	-
<b>TOTAL(A)</b>	<b>-</b>	<b>-</b>
<b>TOTAL (A+B)</b>	<b>0.16</b>	<b>1.01</b>

## NOTES TO PROFIT &amp; LOSS ACCOUNT (CONTD.) CONSOLIDATED :

## NOTE - 29

## PROVISIONS

(` Crores)

	AS AT 31-03-2012	AS AT 31-03-2011
<b>(A) PROVISION MADE FOR</b>		
Doubtful debts	236.70	47.40
Doubtful advances & Claims	1.36	0.81
Foreign exchange Transaction	-	-
Stores & Spares	5.07	0.82
Reclamation of Land/Mine Closure Expenses	57.42	95.85
Surveyed of Fixed Assets/Capital WIP	5.41	0.09
Others	-	-
<b>TOTAL (A)</b>	<b>305.96</b>	<b>144.97</b>
<b>(B) PROVISION WRITTEN BACK</b>		
Doubtful debts	116.44	56.04
Doubtful advances & Claims	0.16	1.17
Foreign exchange Transaction	-	-
Stores & Spares	0.26	0.37
Reclamation of Land/Mine Closure Expenses	-	-
Surveyed of Fixed Assets/Capital WIP	0.11	0.12
Others	-	-
<b>TOTAL (B)</b>	<b>116.97</b>	<b>57.70</b>
<b>TOTAL (A-B)</b>	<b>188.99</b>	<b>87.27</b>

**Note - 29.1 :-** Provision for mine closure expenses in the current year has been taken for ` 57.42 cr (` 95.85 cr) being the pro-rata cost of total mine closure expenditure of all operating mines being determined as per guideline issued by the Ministry of Coal, GOI.

## NOTES TO PROFIT &amp; LOSS ACCOUNT (CONTD.) CONSOLIDATED :

**NOTE - 30****WRITE OFF**

( ` Crores)

	AS AT 31-03-2012	AS AT 31-03-2011
Doubtful debts	-	22.61
Doubtful advances	-	-
Others	-	-
<b>TOTAL</b>	-	<b>22.61</b>

## NOTES TO PROFIT &amp; LOSS ACCOUNT (CONTD.) CONSOLIDATED :

## NOTE - 31

## OTHER EXPENSES

(₹ Crores)

	AS AT 31-03-2012	AS AT 31-03-2011
Travelling expenses		
- Domestic	9.69	9.21
- Foreign	0.14	0.34
Training Expenses	2.04	2.26
Telephone & Postage	1.27	1.09
Advertisement & Publicity	3.13	1.81
Freight Charges	0.02	0.02
Demurrage	1.39	1.22
Donation/Subscription	0.17	0.25
Security Expenses	52.76	47.91
Service Charges of CIL		-
Hire Charges	14.17	11.55
CMPDI Expenses		-
Legal Expenses	1.37	1.05
Bank Charges	0.33	0.35
Guest House Expenses	0.76	0.70
Consultancy Charges	0.34	0.34
Under Loading Charges	5.58	5.84
Loss on Sale/Discard/Surveyed of Assets	-	-
Auditor's Remuneration & Expenses		
- For Audit Fees	0.19	0.17
- For Taxation Matters	0.01	0.03
- For Company Law Matters	-	-
- For Management Services	-	-
- For Other Services	1.22	0.35
- For Reimbursement of Expenses	0.05	0.08
Rehabilitation Charges	-	-
Royalty & Cess	1.62	1.94
Central Excise Duty	3.27	21.04
Rent	0.03	0.04
Rates & Taxes	1.15	1.28
Insurance	0.11	0.02
Loss on Exchange Rate Variance	18.50	-
Lease Rent	-	-
Rescue/Safety Expenses	1.56	1.43
Dead Rent/Surface Rent	0.32	0.38
Siding Maintenance Charges	2.60	2.64
Land/Crops Compensation	0.01	0.08
Miscellaneous Expenses	84.65	63.02
<b>TOTAL</b>	<b>208.45</b>	<b>176.44</b>

## NOTES TO PROFIT &amp; LOSS ACCOUNT (CONTD.) CONSOLIDATED :

## NOTE - 32

## PRIOR PERIOD ADJUSTMENT

(₹ Crores)

	AS AT 31-03-2012	AS AT 31-03-2011
<b>(A) Expenditure</b>		
Sale of Coal & Coke	-	-
Stock of Coal & Coke	-	-
Other Income	-	-
Consumption of Stores & Spares	-	-
Employees Remuneration & Benefits	-	-
Power & Fuel	-	-
Welfare Expenses	-	-
Repairs	-	-
Contractual Expenses	-	-
Other Expenditure	-	-
Interest and other financial charges	-	-
Depreciation	-	-
<b>TOTAL (A)</b>	<b>-</b>	<b>-</b>
<b>(B) Income</b>		
Sale of Coal & Coke	-	-
Stock of Coal & Coke	-	-
Other Income	-	-
Consumption of Stores & Spares	-	-
Employees Remuneration & Benefits	-	-
Power & Fuel	-	-
Welfare Expenses	-	-
Repairs	-	-
Contractual Expenses	-	-
Other Expenditure	-	-
Interest and other financial charges	-	-
Depreciation	-	-
<b>TOTAL (B)</b>	<b>-</b>	<b>-</b>
<b>TOTAL (A-B)</b>	<b>-</b>	<b>-</b>



**NOTES - 33****SIGNIFICANT ACCOUNTING POLICIES :****1.0 ACCOUNTING :**

- 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 realizable 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:

<u>Particulars of the Assets</u>	<u>Rate of Depreciation</u>
Telecommunication Equipment	15.83 %
Dumper upto 35 T	15.83 %
Dumper upto 50 T	13.57 %
Hydraulic Shovels upto 1.2 cu.m	13.57 %
Hydraulic Shovels > 1.2 to 2.2.cu.m	13.57 %
Hydraulic Shovels > 2.2 to 5.0 cu.m	13.57 %
Hydraulic Shovels > 5.0 to 10.0 cu.m	11.88 %
B. H. Drill < 160 MM	13.57 %
S D L	19.00 %
L H D	15.83 %

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

- 7.2 Value of land acquired under the Coal Bearing Areas (Acquisition & Development) Act, 1957 are amortized equally over the life of the Project.
- 7.3 "Prospecting, Boring and other Mines Development Expenditure" (being capital in nature of Revenue Mines) are amortized over a period of 20 years or the working life of the Mines whichever is less, from the year the mines are brought to revenue.
- 7.4 Assets not belonging to the Company are fully charged in the year when these expenditures are incurred and the same are taken out from the Accounts in the following year.
- 7.5 Assets attracting 100% depreciation including items whose actual cost does not exceed ' 5000/- Depreciation is provided to the full year in the first year of capitalisation of such assets irrespective of the actual usage (No. of month) and such assets are taken out from the books of account after expiry of one year from the date installation.

## 8.0 IMPAIRMENT OF ASSETS

Impairment loss is recognised for Prospecting Boring and Development expenses wherever the carrying amount of an asset is in excess of its recoverable amount and the same is recognised as an expense in the statement of Profit & Loss.

Reversal of impairment loss recognised in prior years is recorded when there is as indication that the impairment losses recognised for the asset no longer exist.

**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 statement of Profit & Loss.

**10.0 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.

**11.0 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 Mine Closure activities for both open cast mines and 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.

Contingent liabilities are not provided in the accounts and are disclosed by way of a note.

**13.0 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".

**14.0 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.

+

**NOTE - 34****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 finalised 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 ₹ 26.92 lakhs (₹ 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 Building includes Roads & Culverts situated in the residential/official/factory areas.
- 2.2 S P Mines is the custodian of presently abandoned Soft Coke Plant as installed by CMPDIL. Neither any value of assets is recognised nor any operational expenses incurred by the Company for such Plant.
- 2.3 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.
- 2.4 Physical verification of Plant & Machinery each worth ₹ 1.00 lakh and more have been carried out as per programme. Resultant differences on completion of formalities have been adjusted.

**2.5 ASSETS TAKEN OVER ON NATIONALISATION :**

The net value of assets, details of which are not available amounting to ₹ 8.17 crores acquired on nationalization of Coal Mines under Coal Mines Nationalisation Act, 1973 have been taken into accounts and shown under group of tangible assets against which full provision has been made.

**3.0: INVENTORY:**

- 3.1 The enquiry proceedings by CBI, Dhanbad for shortage of coal at Rajmahal OCP of 19.54 lakhs

tonne valuing to ₹ 63.85 crores in 2007-08 has been completed in 2010-2011 and the same has been forwarded to Chairman, CIL for information and advise the Vigilance department for taking action against the charged officers as per CBI order.

3.2: Coal of 471408 M.T. (471361 M.T.) mixed with matti etc. is non-vendible and has been taken as NIL value.

3.3: No provision is made on vendible stock except deterioration of old stock due to fire, theft, etc.

**4.0: SUNDRY DEBTORS:**

4.1 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 2<sup>nd</sup> year provision is made up to 50% amount of unsettled amount of debtors, and the rest is provided in 3<sup>rd</sup> year if remains unsettled.

4.2 An amount of ₹ 92.45 lakhs included in Sundry Debtors representing receivable in various Areas Accounts which are quite old. Pending collection of party-wise details, full provision exists in the Accounts against the said receivable.

**5.0: SECURED LOAN:**

5.1 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 primarily 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 sum of ₹ 4700 lakhs (₹ 4700 lakhs). However, the said facilities have not been availed by the company during the year.

**6.0: CURRENT LIABILITIES & PROVISIONS.**

**A. CURRENT LIABILITIES:**

6.1 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 31.03.2012 Principal amount remaining unpaid is ₹ 19.03 crores and interest due thereon is "NIL".

**B. PROVISIONS:**

6.2 The year end provision towards gratuity, leave encashment, Gross Personal Accident Insurance, LTA/LTC, Life Cover Scheme, settlement allowances, Fatal Accident benefit and medical benefit on retired employees has been made on actuarial valuation as per the certification given by the actuary. The assumptions considered by the Actuary for determining the above actuarial valuation are as under:-

Demographic Assumptions

Mortality rate	Table LIC1 1994 – 1996
Superannuation Age	60 years
Early retirement & disablement	10 per thousand per annum
	6 above age 45
	3 between 29 and 45
	1 below age 29

Financial Assumption

Discount rate	8. %
Inflation rate	6 %
Return on Assets	Not-funded
Remaining working life	12 years
Formula used	Projected Unit credit Method

6.3 During the year company has ad-hoc provision for ₹ 29.64 crores ( ₹ 57.55 cr.) as Performance Related Pay as per advice of Coal India Ltd.

**7.0: PROFIT AND LOSS ACCOUNT:**

7.1 Coal issued to employees (free issue) amounting to ₹ 32.71 crores ( ₹ 35.60 crores) and for internal consumption of ₹ 90.25 crores ( ₹ 70.21 crores) 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.

7.2 Subsidy due from appropriate authority for stowing and protective work undertaken during the year has been received for six months amounting to ₹ 15.84 crores ( ₹ 20.73 crores). Subsidy receivable for the balance period of six months have been estimated on pro-rata basis and shown under Other Current Assets (Note – 19).

7.3 No liability is accruing in ECL in respect of Wealth Tax in 2011-12 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.

7.4 No liability is accruing in ECL 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.

**8.0 CAPITAL COMMITMENT:**

8.1 Estimated amount of contract remaining to be executed is ₹ 135.30 crores ( ₹ 60.95 crores).

8.2 Claims against the company not acknowledged as debts:



( ` in Crores)

	Current year	Previous year
Sales Tax	149.54	138.67
Royalty & Cess	2947.50	2650.11
Others	460.00	115.66
<b>Total</b>	<b>3557.04</b>	<b>2904.44</b>

**9.0: DIRECTORS' REMUNERATION :**

	Current year	Previous year
Salary & Allowances	1.24	.59
Provident Fund.	.08	.08
Perquisites.	.16	.06
Retirement benefit.	NIL	.26
<b>Total</b>	<b>1.48</b>	<b>.99</b>

Salary and Allowances includes PRP of ` 0.44 crores.

- 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.
- 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 ` 400/- per month as per service rules.

**10.0: Production of Coal of 305.59 lakh tonnes (308.03. lakh tonnes).****11.0: COAL:**

(Quantity in lakh tonnes)

( ` in crores)

	31.03.12	31.03.11	31.03.12	31.03.11
OP.Stock	47.91	37.56	430.58	320.68
Adjust / seized coal.	---	0.01	1.40	0.05
Sales(*)	304.90	293.65	8262.09	5882.60
Closing Stock (**)	45.19	47.91	476.64	430.58

(\*) Does not include coal issued for domestic consumption by Employees and boiler consumption of 3.40 lakh tonnes (3.77 lakh tonnes) and Sundry purpose 0.01 lakh tonnes (0.03 lakh tonnes) .

(\*\*) Net surplus/shortage – (-) NIL lakh tonne {0.24 lakh tonne}

#### 12.0. Earning in foreign exchange - NIL (NIL)

#### 13.0 : CIF Value of Imports.

(` . in Crores)

	Current Year.	Previous Year.
a. Raw Materials	Nil	Nil
b. Components, Stores & Spares.	21.18	35.86
c. Capital Goods.	28.97	10.40

#### 14.0 : Expenditure in Foreign Currency :

(` in Lakhs.)

	Current Year	Previous Year.
a. Travelling Expenses.	0.14	0.32
b. Expenses on Know - How & Foreign Consultancy.	--	Nil
c. Pension to the Foreigners.	6.95	--
d. Others		4.65

#### 15.0 : Total consumption of Stores during the year.

	(` in Crores)		(Percentage)	
	Current Period	Previous Period	Current Period	Previous Period
a. Total consumption of imported materials.	21.64	8.50	3.82	1.58
b. ·Indigenous	552.58	531.06	96.18	98.42

#### 16.0 : GENERAL :

A meeting was held on 02.09.2011 with Monitoring Agency and Technical Consultant appointed by SBI in the office of the BIFR and re-assessed the status as under consisting the following.

- i) Production targets have been reviewed further with pessimistic approach.
- ii) Pricing of coal at par with imported coal price
- iii) Projection to be made with conservative estimates.

Accordingly, ECL has submitted a revised estimate where it shows that by considering the above approach, the net worth of ECL will become positive in the year 2013-14 or otherwise by CIL pricing guidelines, the net worth of the company will become positive in the year 2015-16. The position has been intimated to BIFR on 15.10.2011. In view of above, the accounts of the company have been prepared on the basis of Going Concern Concept.

#### 17.0 ACCOUNTING STANDARDS:

- a. AS-17: Segment Reporting –The Company is primarily engaged in a single segment business of production and sale of coal. There is no other reportable primary segment identifiable in accordance with AS-17.
- b. AS-18: Related Party Disclosures – In view of the exemption granted to State Controlled enterprises as regards related party relationship with other State Controlled Enterprises for transactions with such enterprises, no disclosure under AS-18 is made, being not applicable for the Company.
- c. AS-19: Leases: The Company in terms of Lease Agreement dated 31<sup>st</sup>. March, 1993 executed with “Dishegarh Power Supply Company Ltd.” (Presently DPSC 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 lease period has further been extended for 1 year up to 31<sup>st</sup> March, 2012. 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:

(` in crores)

	Gross value	Depreciation for the year	Depreciation upto 31.3.12	Net value as on 31.3.12
1. Power Plant	40.24	-----	38.24	2.00
	(40.24)	-----	(38.24)	(2.00)
2. Building	10.20	0.31	6.69	3.51
	(10.20)	(0.31)	(6.38)	(3.82)
3. Other Assets	7.7	-----	6.41	1.32
	(7.7)	(0.19)	(6.41)	(1.32)

The lease rental for the year ending 31<sup>st</sup> Mar, 2012 ` 3.50 crores (` 3.50 crores) has been provided and credited to P/L. A/C (Note – 21).

No contingent rents are recognised as income in the P/L A/c. for the year ending 31<sup>st</sup> Mar, 2012. Initial direct cost of Revenue nature incurred in respect of the leased out assets were recognized as an expense in the statement of P/L a/c. in the period in which they are incurred.

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

d) AS – 20 EARNING PER SHARE:

Earnings per share is calculated by dividing the profit earned by the company for the Year ending 31<sup>st</sup> Mar, 2012 with the weighted average number of equity share outstanding during the period as per details given below :-

(` in crores)

a.	Profit during period ending 31 <sup>st</sup> Mar, 2012	962.13 Crores
b.	Weighted average number of shares	2218450000
	EPS - (Basic & diluted) (a/b)	433.69

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 ` 28.75 crores (` 9.66 crores) on prospecting & boring and other mines development cost including Capital WIP for quarter ending March, 2012 debited to 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.

(` in crores)

Details	Opening Provision as on 31.03.2011	Provision made during The year/Period	Provision Written back During the Year	Closing provision as on 31.03.2012
Unserviceable/Damaged/ Obsolete Stores	11.66	—	—	11.66
Non moving Stores	28.19	5.07	0.26	33.00
Loans and Advances and Other Current Assets	18.19	1.07	0.16	19.10
Mine Closure Plan	95.85	56.50	----	152.35

Details	Opening Provision as on 31.03.2011	Provision made during The year/Period	Provision Written back During the Year	Closing provision as on 31.03.2012
Actuarial provision for Gratuity	2074.72	581.12	-----	2655.84
Actuarial provision for Leave encashment	350.50	37.48		387.98
Actuarial provision for LTC/ LLTC	12.75	10.06		22.81
Actuarial provision for Life Cover Scheme	11.47	10.36		21.83
Actuarial provision for Settlement Allowances	0.78	64.20		64.98
Actuarial Provision for Fatal Mine Accident Benefit	45.76	1.93		47.69
Actuarial Provision for Gross Personal Accident Policy	0.16	0.02		0.18
Actuarial Provision for Post Retirement Medical benefit	3.31	3.40		6.71
<b>Total</b>	<b>2653.34</b>	<b>770.99</b>	<b>0.42</b>	<b>3423.91</b>

**18.0** No Reserve is created for CSR activities since ECL is under BIFR and having a negative Net worth.

**19.0** The figures in the parenthesis represent those for the previous year.

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

# C O N T E N T S

	<b>Page No.</b>
1. Management/Bankers/Auditors	<b>1</b>
2. Bankers / Auditors / Vision / Missiom Statement	<b>2</b>
3. Notice of Annual General Meeting	<b>3</b>
4. Chairman's Statement	<b>4</b>
5. Directors' Report	<b>6</b>
6. Comments of the Comptroller and Auditor General of India	<b>98</b>
7. Auditors' Report and Management's Reply	<b>99</b>
8. Balance Sheet as on 31st March, 2012	<b>113</b>
9. Profit & Loss Accounts for the year ended 31st March, 2012	<b>115</b>
10. Cash Flow Statement for the year ended 31st March, 2012	<b>117</b>
11. Notes forming part of Balance Sheet	<b>119</b>
12. Notes forming part of Profit & Loss Account	<b>146</b>
13. Significant Accounting Policies	<b>159</b>
14. Notes on Accounts	<b>164</b>

**ANNUAL REPORT & ACCOUNTS  
2011-12**



**EASTERN COALFIELDS LIMITED**

*( A Subsidiary of Coal India Limited )*

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