

DIRECTORS' REPORT

To
The Shareholders,
 Eastern Coalfields Limited.

Gentlemen,

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

1.0 PRODUCTION:

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

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

4. CONSTRAINTS:

Figures in M. Te

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

5. SYSTEM CAPACITY UTILISATION:

(In %)

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

2.0 FINANCIAL RESULTS:

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

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

(Rs. in Crore)

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

2.1.2 Capital Expenditure :

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

2.1.3 Capital Structure :

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

2.1.4 Borrowing from Govt. of India:

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

2.1.5 Repayment of Foreign Loan:

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

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

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

2.1.7 Directors' Responsibility Statement:

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

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

3.0 PLANNING :

3.1 Command Area of Operations :

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

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

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

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

3.3 Geological Exploration and Drilling:

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

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

3.4 RESEARCH AND DEVELOPMENT WORKS:

3.4.1 CIL R&D Project:

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

3.4.2 S&T Projects:

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

3.5 MODERNISATION OF COAL INDUSTRY :

3.5.1 Introduction of Intermediate Technology & Mass Production Technology :

In order to arrest the declining trend in underground production due to reduction in underground loader's strength, intermediate technology with LHD/SDL was introduced in 42 mines of ECL. As on 31.3.09, 138 nos. of SDL's

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

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

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

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

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

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

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

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

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

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

3.7.3 Projects approved by CIL Board in 2008-09 :

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

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

Sonepur Bazari Combined OCP (8 Mty) :

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

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

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

3.9 PROJECT FORMULATION:

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

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

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

3.11 WORLD BANK ASSISTANCE: NIL

3.12 CAPITAL PROJECTS / SCHEMES:

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

3.13 PROJECT COMPLETION IN 2008-09 : NIL

3.14 PROJECT IMPLEMENTATION STATUS :

Details enclosed as ANNEXURE –III.

4.0 STABILISATION, REHABILITATION AND BIOLOGICAL RECLAMATION:

4.1 Details enclosed as ANNEXURE-IV.

5.0 COAL MARKETING:

5.1 Demand vis-a-vis off-take :

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

(Figures in Million Tonnes)

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

N.B.:- Demand as per “AAP” target.

5.2.0 Average Wagons Loading:

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

(Figures in Box/Day)

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

5.3.0 Mode-wise despatch:

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

(Figures in Million Tonnes)

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

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

(Figures in Million Tonnes)

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

5.5.0 Daily average offer:

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

(Figures in Box/Day)

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

5.6.0 Supply of Wagons Per Day:

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

(Figures in Box/Day)

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

5.7.0 Spot 'e' auction year 2008-09:

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

5.8.0 REALISATION:

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

5.9.0 Signing of FSA:

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

6.0 POPULATION OF EQUIPMENT (HEMM):

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

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

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

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

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

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

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

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

Steps taken to achieve CMPDIL norms of Dumper Utilisation:

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

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

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

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

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

7.0 ENERGY CONSERVATION:

7.1 POWER AND FUEL CONSUMPTION:

A) ELECTRICITY:

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

B) OWN GENERATION:

Through Diesel Generator Sets:

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

C) AVAILABILITY OF POWER:

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

D) PROGRESS OF CAPTIVE GENERATION:

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

7.2 Underground Machinery Performance:

As on 31st March, 2009 Company was having –

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

7.3 Performance of Rail & Road Weighbridges:

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

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

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

7.4 Performance of CHPs:

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

7.5 Energy Conservation & Audit:

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

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

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

7.6 Mechanisation of UG Mines:

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

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

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

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

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

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

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

Reasons for variation in Manpower:

INCREASE	Executive	Non-Executive	Total
Fresh Appointment	20	7	27
Appointment against medically unfit cases.	0	3	3
Appointment against death cases.	0	782	782
Reinstatement/Re-joined.	0	39	39
Transfer in from other companies.	112	6	118
Appointment against Land Losers	0	175	175
Total Increase	132	1012	1144

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

8.2 Industrial Relations :

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

8.3 Law and Order :

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

8.4 Workers' Participation in Management :

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

9.1 WELFARE AMENITIES:

Sl. No.	Item	Cumulative position as on 31.3.08	Achievement during 2008-09	Cumulative position as on 31.3.09.	Remarks.
1.	<u>Co-operative Societies</u>				
	a) Co-operative Credit Society	74	0	74	
	b) Primary Co-operative Stores	30	0	30	
	c) Central Co-operative	04	0	04	
	d) Loan and investment to Co-operative Societies (Rs.in Lakh)	63.80	0	63.80	
2.	<u>Banking facilities</u>				
	No. of branches functioning	26	0	26	
3.	Canteens	82	0	82	
4.	<u>Educational facilities</u>				
	a) No. of English medium schools established	0	0	0	
	b) DAV School	04	0	04	
	c) No. of Schools receiving recurring grant –in-aid	162	0	162	
	d) Amount of Recurring grant-in-Aid (Rs. in lakh)	2210.43	219.60	2430.03	
	e)No. of Schools receiving non-recurring grant	346	11	357	
	f) Amount of non-recurring grant (Rs. in lakh)	244.91	8.20	253.11	
	g) No. of schools sanctioned ad-hoc grant	79	0	79	
	h) No. of ad-hoc grant sanctioned (Rs. in lakh)	69.60	0	69.60	

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

9.2 SOCIAL AMENITIES:

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

9.3 MEDICAL AMENITIES:

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

9.3.2 Medical expenditures:

(Rs. in lakh)

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

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

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

9.3.4 Family Welfare Programme:

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

10.0 HUMAN RESOURCE DEVELOPMENT :

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

1. Action Plan (MOU):

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

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

		2007-08				2008-09			
		Exe.	Supv.	Work- er	Total	Exe.	Supv.	Work- er	Total
1.	General/In- Company Training								
	i) MOU	225	529	782	1536	259	645	832	1727
	ii) NON-MOU	132	159	405	696	385	267	600	1252
2	External (within India)								
i)	At IICM:								
a)	One Week course	106	0	0	106	99	0	0	99
b)	Seminar/Short course	95	0	0	95	83	0	0	83
ii)	Out Company Training (Other than IICM):								
a)	Short duration	17	04	0	21	193	7	5	205
b)	Long duration	1	0	178	179	0	0	178	178
c)	1 week or more	0	0	0	0	7	2	2	11
d)	6 weeks intensive course in survey (at ISM)	0	0	0	0	3	0	0	3
iii)	Manufacturer Training:								
a)	At Manufacturer's premises	0	0	6	6	0	0	0	0
3.	Trainees:								
a)	MT's	35	0	0	35	46	0	0	46
b)	PDPT	0	13	0	13	0	9	0	9
4.	Seminar/ Workshop excluding in- company	195	8	0	203	93	0	0	93
5.	External (abroad)	14	2	0	16	9	0	0	9
	TOTAL:	820	715	1371	2906	1177	930	1608	3715

11.00 SAFETY:

11.01 Accident Statistics:

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

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

11.02 Safety measures undertaken in 2008-09

I. At Unit Level:-

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

II. At sub-Area/Project level

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

III. Action taken at Area Level:-

All General Managers were advised to ensure that:-

- ✓ Back shift inspection is being done on regular basis. Inspection Registers /Notes are being examined by ISO Officials.
- ✓ No workman is being deployed without adequate support of green roof.
- ✓ Half an hour waiting time after blasting is being strictly followed. No workman is allowed to enter without inspection of the face by supervisory officials.

- ✓ In order to refresh their knowledge and to improve their skill, training and retraining of dressers, support personnel and supervisory staff is being regularly arranged.
- ✓ Special attention is given for proper dressing / supporting of roof/ sides under strict supervision. Introduction of roof bolts/ steel supports is being carried out in a big way to replace conventional timber supports.
- ✓ Ensured quality of materials and it's supply in mines.
- ✓ Stress on maintenance of HEMM.

11.3 Thrust at Corporate Level:

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

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

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

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

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

- F. Induction of more no. of SDLs with auxiliary fans in u/g.
- G. Induction of larger capacity HEMM in OCPs.
- H. Seminars are being organized on safety subjects like Roof Bolting practice in ECL mines and explosives, it's storage, transportation and use in mines.
- I. On job training at Jhanjra mine where Quad Bolter introduced with continuous miner is in progress for Mining & E&M disciplines from January'2008 for all u/g Areas of ECL.
- J. Introduction of Telemonitoring system in degree III mines namely Kalidaspur, Chinakuri-I & Nasamunda. NIT is being prepared at CMPDI.
- K. Special study is being done to assess the status of safety of Railway lines passing over ECL leasehold areas.
- L. Additional safety measures are being conceptualized in Chinakuri-I mine to work at greater depth with the help of CMPDIL/CMRI.
- M. Risk Assessment study of all mines of ECL had been completed.
- N. Monthly Co-ordination meeting with Area Safety Officers and ISO officials were held.
- O. 5000 nos of Oxygen type Self Rescuer provided in Deg. III and Fiery mines.
- P. Monitoring of Stowing lag by Hqrs.

- Q. 8 Nos. of BM-22 have been provided which were working as continuous gas recorder in Ghusick (R), Kalidaspur and Kumardhubi Collieries. For providing LMD & Continuous Monitoring System, procurement is in progress.

11.4 Liaison with DGMS And Trade Unions:-

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

Corporate level tripartite safety committee meeting was held on 22.04.2009.

11.5 Disciplinary action / Punitive action taken:

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

11.6 Safety Audit:

Safety Audit was due in the year 2006 was conducted from 17/4/2007 by a team comprising of Sri Anjan Mukhopadhyay, Ex. Director(Tech.)/OP, ECL and Sri A.N. Mukhopadhyay, Retd. DGMS official. The recommendations were being implemented. Next Safety audit is to be conducted in 2009-10.

11.7 Monsoon Preparation :

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

11.8 Safety Training :

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

11.9 Vocational Training (Statutory at VTC)

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

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

11.10 RESCUE SERVICES IN ECL:

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

11.10.1 Details of Emergency attended:

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

- a) Chora 9/10 pits under Kenda Area on 13.4.08.
- b) Parasia Colliery under Kunustoria Area on 1.6.08.
- c) J.K. Nagar Colliery under Satgram Area on 25.6.08.
- d) Ramnagar Colliery under IISCO on 23.12.08.
- e) Bankola Colliery under Bankola Area on 19.2.09.

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

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

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

11.10.4 TRAINING:

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

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

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

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

11.10.5 NEW APPARATUS/EQUIPMENT PURCHASED:

One sophisticated modern fire Tender was procured and commissioned.

11.10.6 ADVANCE ACTION FOR PROCUREMENT:

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

11.10.7 ZONAL RESCUE COMPETITION:

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

12.1 TOTAL VALUE OF ORDER PLACED ON ANCILLARY INDUSTRIES:

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

12.2 Measures taken for inventory control & management:

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

12.3 Disposal of Scrap :

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

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

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

12.3 Steps taken for 'e'-procurement:

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

13.0 QUALITY CONTROL:

13.1 Quality Improvement :-

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

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

13.2 Quality deduction:

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

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

13.3 WEIGHMENT & SIZING STATUS:

WEIGHMENT STATUS :

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

(Figure in L/T)

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

SIZING STATUS :

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

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

13.4 SETTLEMENT OF OLD DISPUTES :-

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

13.5 STATUS OF DISPUTES RESOLVED THROUGH UMPIRE:

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

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

13.6 Note on Securitisation of Dues:

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

14.0 VIGILANCE:

PERFORMANCE OF VIGILANCE DEPARTMENT:

1) VIGILANCE ACTIVITIES:

➤ PUNITIVE:

Sl. No.	Subject	No. of Cases	
1	Complaints received	354	
2	Investigations conducted	62	
3	Minor Penalty Proceedings	Cases	3
		No of Persons	6
4	Major Penalty Proceedings	Cases	13
		No of Persons	33

➤ PREVENTIVE:

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

2) SYSTEM IMPROVEMENT ACTIVITIES:

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

SYSTEM IMPROVEMENTS SUGGESTED:

Sl. No.	System Improvement Proposal	Impact
1	<p><u>COMPANY'S QUARTERS LYING VACANT :</u></p> <p>On scrutiny of the annual report of the company, it was observed that company has got almost equal number of company's quarters as that of number of employees on roll. A good number of employees are also availing HRA as per the rules of the company, which means a lot of quarters are lying vacant and prone for misuse by way of subletting, unauthorized occupation with unwanted activities. In this context, a note was put up to CMD.</p>	<ul style="list-style-type: none"> ➤ Misuse of the company's quarters by the miscreants can be avoided. ➤ Revenue expenditure of the company can be reduced.
2	<p><u>INTRODUCTION OF e-INITIATIVES IN ECL: (e-PROCUREMENT, e-MARKETING, e-PAYMENT & e-ADMINISTRATION)</u></p>	<ul style="list-style-type: none"> ➤ For greater transparency. ➤ Reduced lead time. ➤ Revenue expenditure of the company can be reduced. ➤ For cutting down unnecessary delay in the file movement.
3	<p><u>COMPUTERIZATION OF ANNUAL PROPERTY RETURNS OF ALL EXECUTIVES OF ECL:</u></p>	<ul style="list-style-type: none"> ➤ For greater transparency. ➤ Efficient / Query based MIS.
4	<p><u>FORMULATING SPECIFIC GUIDELINES FOR CONTRACTUAL WORK IN RESPECT OF JOBS RELATED TO EXCAVATION & E&M DEPARTMENTS:</u></p>	<ul style="list-style-type: none"> ➤ For taking action on similar lines by different areas. ➤ Revenue expenditure of the company can be reduced.
5	<p><u>MARKING ON THE BODY OF THE TRUCKS:</u></p> <p>Suggested to mark "ON DUTY ECL" in black bold letters on the body of the trucks used for sand transportation and in red bold letters in case of coal transportation. Name of the Area, Registration No., Period of contract are also to be marked on the body. Necessary Orders were issued on 28.1.08.</p>	<ul style="list-style-type: none"> ➤ To eliminate the chances of coal and sand theft. ➤ With enhanced visibility to reduce theft cases which results in better administrative control. ➤ Revenue loss due to theft could be reduced.
6	<p><u>INTRODUCTION OF AMC / COMPREHENSIVE PACKAGE WHILE PROCURING SDL's:</u></p>	<ul style="list-style-type: none"> ➤ Better availability and utilization of the machine. ➤ Decreased maintenance/ running cost. ➤ Reduced revenue expenditure. ➤ To reduce scattered transactions.

7	<p><u>PREPARATION OF SOR FOR “CONTRACTUAL MECHANICAL BREAKAGE OF COAL” AND “ESTIMATES FOR NON-STANDARD TYPE OF WORKS FOR WHICH STANDARD RATES ARE NOT AVAILABLE”:</u></p>	<ul style="list-style-type: none"> ➤ To maintain similarity of rates in all the Areas. ➤ To eliminate chances of corruption and enhanced transparency. ➤ Revenue loss to be reduced.
8	<p><u>INTRODUCTION OF SYSTEM OF VIGILANCE CLEARANCE BEFORE THE PROMOTION ORDER IS PUBLISHED:</u></p>	<ul style="list-style-type: none"> ➤ Improved administrative control and greater transparency. ➤ Minimize chances of manipulations.
9	<p><u>PROPOSAL FOR KEEPING THE PERSONAL FILE OF THE OUTGOING PERSON WITH THE NEW EMPLOYMENT FILE IN CASES OF COMPASSIONATE / MEDICAL UNFIT:</u></p>	<ul style="list-style-type: none"> ➤ To avoid delay in disposal of complaints regarding Employment. ➤ Minimize chances of manipulations. ➤ Greater transparency.
10	<p><u>REGISTRATION AND CLASSIFICATION OF COAL AND SAND TRANSPORTERS:</u></p> <p>Registered contractors to submit</p> <ol style="list-style-type: none"> 1) Performance report along with registration fee for renewal. 2) Necessary undertakings about participation and acceptance of terms & conditions of SOR. 3) Declaration of preferential areas of operation for the purpose of evaluation & classification of transporters: 	<ul style="list-style-type: none"> ➤ For achieving more effectiveness in registration of contractors for Sand & Coal Transportation. ➤ Greater transparency.
11	<p><u>UNIFORM SCHEDULE OF RATES FOR TRANSPORTATION OF MINING TIMBER ON VOLUMETRIC BASIS AND KM BASIS:</u></p>	<ul style="list-style-type: none"> ➤ Uniformity in Rates may be maintained by the company. ➤ Greater transparency. ➤ Reduced revenue expenditure.
12	<p><u>TO ELIMINATE THE POSSIBILITY OF LOADING OF STEAM COAL AGAINST ROM OFFER.:</u></p>	<ul style="list-style-type: none"> ➤ To earn better revenue by getting enhanced coal sale price. ➤ To eliminate corruption.

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

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

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

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

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

4) **SPECIAL ACHIEVEMENTS:**

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

5) **RECOVERY FOR VIGILANCE ACTIVITIES IN 2008:**

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

6) STATUS OF E-GOVERNANCE:

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

Sl. No.	Area	1 st Stage	2 nd Stage
1	Increasing Transparency	Implemented. Recruitment notices, Advertisements, Contact Information, Various manuals, Downloadable application forms, complaint lodging is available in the company website www.easterncoal.gov.in linked with CIL and all other subsidiaries	Not applicable.
2	E-Marketing	Implemented through e_auction. Bidding through Online	Implemented. Status of the Bid is available online
3	E-Procurement	Implemented. Tender notices and downloadable tender documents, Archive of previous tenders, details of concluded tenders are available in the website	Processing status, on line bidding / purchase order, not available till date. Open tender for selection & appointment of service provider for E-procurement & Reverse Auction for CIL and its subsidiary companies is initiated
4	E-Payment	Implemented. Company had obtained e-banking facilities from State Bank of India. Payments to employees, Statutory payments to some Govt Agencies are being paid through online. Payment to Vendors by e-payment is in pipeline.	Status of Bills processed, payment status not available till date. As per the views expressed by CVC during zonal review with CVO’s a meeting was held in the Chamber of D(F) at the initiative of CVO, ECL for early introduction of e-payment in the company and GM(Systems) and G.M(Finance) assured that third party e-payment will be started very soon and the bill payment status will be put up in the company’s website.

15.0 AFFORESTATION, EMP MONITORING & ECO-FRIENDLY ACTIVITIES:

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

1. Afforestation and Eco-friendly Activities:

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

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

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

In compliance with EMP conditions imposed by MoEF monitoring is being done on a regular basis for 11(eleven) running projects and the report is being sent to MoEF on a six monthly basis. Also Air, Water & Noise quality analysis are being done for these projects by CMPDI to maintain the stipulated norms of MoEF on quarterly basis and necessary mitigation measures are being adopted by the areas.

3. Statutory Requirement of State Pollution Control Board

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

4. Observance of World Environment Day :

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

5. Vanmahotsav Week:

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

6. EMP Clearance from MOEF.

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

Name of the Project	Capacity
Rajmahal OCP	17.00 MTY
ChuperbitaOCP	4.00 MTY
Hura C OCP	3.00 MTY
Sonepur Bazari OCP	8.00 MTY
Nakrakonda B OCP	1.50 MTY
Shankarpur UG	0.24 MTY
Bansra UG	0.345 MTY
Bankola R-VI UG	0.57 MTY
NKJ Unit Khandra UG	0.39 MTY
Kumardihi B UG	0.42 MTY
Parasea UG	0.36 MTY
Siduli UG	0.30 MTY
Naba Kajora UG	0.30 MTY

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

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

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

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

9. Water supply and minor irrigation activities :

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

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

10. Pisciculture: Aqua culture Pilot Project :

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

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

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

16.0 OFFICIAL LANGUAGE IMPLEMENTATION:

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

1. During the year under review, 18.50 % growth was recorded in Hindi correspondence over last year. In 2007-08 out of 33,310 letters sent, 22,692 letters were in English and 10,618 letters were in Hindi (31.87 %), whereas in 2008-09 out of 27,766 letters sent, 18,465 letters were in English and 9,301 letters were in Hindi (50.37 %)

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

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

4. During the period under review, Rajbhasa pakhwara was celebrated from 14.09.2008 to 28.09.2008, at all the areas of ECL. Final programme was held at Dishergarh Club on 30.09.2008 in which a quiz contest was also organized. Areas were awarded shield for better performance in implementation of official language. A folder named "Rajbhasa karyanwayan-apechhayen ewam uplabdhiyan" was released on 30.09.2008 by Director (Personnel) during Rajbhasa Pakhawara celebration.
5. A Hasya Kavi sammelan in Hindi was organised on 14th August 2008 at Dishergarh Club to create favourable atmosphere for Rajbhasa implementation.
6. During the year under review, telephone directory 2008-09 in Hindi was published and distributed at Hd.Qtrs and areas.
7. During the year under review, 5 issues of Khanan Bharati the Hindi house journal of Coal India was received and distributed at Hd.qtrs and areas.
8. A book containing the list of martyrs – the workers who had laid down their lives in ECL, since nationalisation till date was released by CMD, on the eve of Coal India foundation day 2008.
9. Hindi department of ECL actively participated in "Rajbhasa Sangoshthi" at Coal India, Kolkata on 17th & 18th July 2008, & on 23rd July 2008 in the meeting of TOLIC at Burnpur, on 20th February 2009 at NPTI Durgapur and also on 25th & 26th February 2009 at Mahanadi Coalfields Ltd. Sambalpur. A paper on the subject "Ekiswi Satabdi men Rajbhasa Hindi ki Dasha Ewam Disha". was presented by Manager (OL) ECL.
10. A visual report containing events related with Rajbhasa Pakhwara and Official Language Implementation in ECL was telecast at local channel.
11. A maiden effort was started to display Adarsh Wakya in front of both the upstairs of Technical building and at entrance of Administrative building , HQ.
12. A collection of poem of Prof. Bidyanand Thakur, named "JHOOTH BHI SACH BOLTA HAI." and another one of Dr. Manorma Choubey named "EK BOOND JO KHO GAYEE". was distributed amongst the areas and Hd.qtrs.
13. The tradition of issuing minutes of Co-ordination meeting of CGM/GM by CMD every month in Bi-lingual (Hindi and English) during the period under review was maintained.

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

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

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

Coal prices were enhanced from 16th June 2004. National Coal Wage Agreement – VII (NCWA-VII) was signed between operating Trade Unions, Coal India Limited and its subsidiary companies for a period of five years from 1st July 2001 on 15th July 2005. These impacts (other than Interim Relief @ 15% of basic) were not considered in the financial projection of the BIFR sanctioned Rehabilitation Scheme. As advised by BRPSE, while submitting the proposal to them these impacts were considered and the physical and financial projections revised taking into account the delay in implementation of some of the projects. As per the revised scheme the networth of the company was slated to become positive in 2009-10. BRPSE heard the scheme on 29th August 2005 and recommended the scheme subject to ECL achieving the physical and financial parameters. The recommendation of BRPSE was also heard by the Committee of Secretaries under the Chairmanship of Cabinet Secretary on 13th January 2006. They had also recommended the scheme for the revival of the company. Cabinet Committee on Economic Affairs had approved the BRPSE-recommended scheme for revival of ECL on 5th October 2006.

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

18.0 COMPUTERISATION & I.T. ENABLED SERVICES:

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

19.0 ELECTRONICS & TELECOMMUNICATION:

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

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

20.00 LAND ACQUISITION & LAND INFORMATION STATUS:

Item	Status		
1. Status of Land Acquisition:	The status of land acquisition/possession mode-wise, for the year 2008-09 were given below		
	Mode of Acquisition	Acquired (in acre)	Possession (in acre)
	Transfer of Govt. land	8.75	8.75
	Direct Purchase of Tenancy land	27.34	27.34
	L.A. Act	43.21	43.21
	CBA Act	1481.30	386.03
2. Rehabilitation of villagers:	In 2008-09, at Rajmahal Project 36 families of Dahernangitola was rehabilitated. They were paid Rupees One Lakh per family as Rehabilitation benefits instead of house hold plot.		
3. Status of Mining lease of Sand:	<p>i) Temporary Working Permit for extraction of sand for stowing purpose for six months w.e.f. January 2008 to June 2008 was obtained from the Office of Jt. Secretary, Govt. of WB, C&I Dept., Kolkata vide no. 459 dt. 18.12.07.</p> <p>ii) Temporary Working Permit for extraction of sand for stowing purpose for the period 1st January 2009 to 30th March 2009 had been obtained from the Office of Jt. Secretary, Govt. of WB, C&I Dept., Kolkata.</p>		

21.0 SECURITY MANAGEMENT:

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

1. ECL Security – 2419.
2. Contractual Security – 2094.
3. CISF- 949 against the sanctioned strength of 1040 heads.

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

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

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

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

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

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

1. Departmental security /Private Security alongwith CISF personnel were carrying out surprise checks/raids to prevent pilferage/theft of coal. They used to seize coal during raids and apprehended miscreants involved in it. Accordingly FIRs were lodged.

2. Posting of security personnel at Coal Depot/Railway Siding/Pit heads and at OCPs .
3. Escorting of coal loaded rake from Siding to Railway Weighbridges by providing armed security personnel.
4. Surprise check enroute during coal transportation by Dumpers from Collieries to Siding.
5. Police /District Authorities are being informed requesting to provide security coverage so that theft/pilferage of coal are stopped and to arrest the miscreants involved in it.
6. Regular meetings with Police/District Authorities of West Bengal and Jharkhand.

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

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

A) Seizure of Illegal Trafficking Coal :

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

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

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

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

C) During the course of dozing off/ sealing / filling up of the illegal mining sites ECL security is also deployed at the dozing points within leasehold and outside the leasehold areas. In West Bengal 1119 nos. pits and in Jharkhand 24 nos. pits were dozed off during the year 2008-09.

22.0 PERFORMANCE OF OURSOURCING OC PATCHES:

A. OURSOURCING OC PATCHES :

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

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

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

C. Global NITs:

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

23.0 INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

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

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

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

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

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

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

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

3. Physical verification of stores is being carried by means of a team of Stock Verifiers throughout the year at all Area and Central Stores.
4. Internal Audit Department on quarterly basis checks and certifies the sand stowing and protective works claim of different units of ECL before submission to Coal Controller.

24.0 CORPORATE GOVERNANCE:

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

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

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

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

25.0 PARTICULARS OF EMPLOYEES:

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

26.0 ACKNOWLEDGEMENT:

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

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

The following papers are annexed to the Report:

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

For and on behalf of the Board of Directors.

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