

**AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS  
OF COAL INDIA LIMITED FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH 2008**

1. We have examined the attached consolidated Balance sheet of Coal India Limited as at 31<sup>st</sup> March 2008, and also the consolidated Profit & Loss Account and the consolidated Cash Flow statement for the year ended on that date annexed thereto.

The consolidated financial statements are the responsibility of the management of Coal India Limited and have been prepared by the management on the basis of separate financial statements and other financial information regarding component. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

2. We conducted our audit in accordance with the generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis of our opinion.

3. We did not audit the financial statements of the following subsidiaries. These financial statements and other financial informations have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of these subsidiaries, is based solely on the reports of other auditors. The total assets (WDV) including Capital Work-in-Progress and Expenditure During Construction as at 31<sup>st</sup> March 2008 and the total revenue for the year ended on that date in respect of these subsidiaries are as under:-

(Rs. In Lakhs)

<b>Subsidiary</b>	<b>Assets</b>	<b>Revenue</b>
Eastern Coalfields Ltd	128215.09	335957.16
Bharat Coking Coal Ltd	117898.10	396951.31
Central Coalfields Ltd	171909.42	594281.32
Northern Coalfields Ltd	215384.19	612310.13
Western Coalfields Ltd	149757.59	545304.78
South Eastern Coalfields Ltd	252422.32	805371.46
Mahanadi Coalfields Ltd	160918.07	520306.87
CMPDI Ltd	6186.97	19907.70

4. We report that the consolidated financial statements have been prepared by the management of Coal India Limited in accordance with the requirements of Accounting Standard –21 “ Consolidated Financial Statements” issued by the Institute of Chartered accountants of India.
5. Based on our audit and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements read with Notes in Schedule – M give a true and fair view in conformity with the accounting principles generally accepted in India:
- (a) in the case of the consolidated balance sheet, of the state of affairs of Coal India Limited as at 31<sup>st</sup> March, 2008;
- (b) in the case of the consolidated profit & loss account, of the profit for the year ended on that date; and
- (c) in the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.

For Mitra Kundu & Basu  
Chartered Accountants

( S. Das )  
Partner

Membership No.051391

Dated The 29<sup>th</sup> July 2008  
Place : Kolkata