

ANNUAL REPORT & ACCOUNTS 1990-91

AR 1990



COAL INDIA LIMITED
CALCUTTA

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BOARD OF DIRECTORS



Shri S.K. Chowdhary



Shri B.K. Singh



Shri K. Kosalram



Shri U.K. Choubey



Shri P.K. Sengupta



Dr. S.K. Ghosh



Shri G.C. Mrig



Shri R.N. Mishra



Shri R.B. Mathur



Shri S.P. Verma



Shri N. Sar



Shri U. Kumar

MEMBERS OF THE BOARD AS ON 1ST OCTOBER 1991

CHAIRMAN

Shri S. K. Chowdhary

FUNCTIONAL DIRECTORS

- | | |
|---------------------|------------------------------------|
| Shri P. K. Sengupta | – Finance |
| Shri U. K. Choubey | – Personnel & Industrial Relations |
| Dr. S. K. Ghosh | – Technical |

DIRECTORS

- | | |
|-------------------|--|
| Shri B. K. Singh | – Additional Secretary Ministry of Coal |
| Shri K. Kosalram | – Joint Secretary & Financial
Adviser Ministry of Coal |
| Shri N. Sar | – Chairman-cum-Managing Director
Eastern Coalfields Limited |
| Shri U. Kumar | – Chairman-cum-Managing Director
Northern Coalfields Limited |
| Shri R. B. Mathur | – Chairman-cum-Managing Director
South Eastern Coalfields Limited |
| Shri S. P. Varma | – Chairman-cum-Managing Director
Western Coalfields Limited |
| Shri R. N. Mishra | – Chairman-cum-Managing Director
Central Mine Planning & Design Institute Limited |
| Shri G. C. Mrig | – Chairman-cum-Managing Director
Bharat Coking Coal Limited |

COMPANY SECTETARY

Shri U. Suryanarayana

MANAGEMENT DURING 1990-91

CHAIRMAN

Dr. M.P. Narayanan
(Upto 31st July 1991)

Shri S.K. Chowdhary
(From 31st July 1991)

FUNCTIONAL DIRECTORS

Shri B. Swaminathan	- Finance (Upto 14th November 1990)
Shri P.K. Sengupta	- Finance (From 30th May 1991)
Shri K.A.Sinha	- Technical (Upto 13th July 1990)
Shri S.P.Varma	- Technical (From 22nd Dec'90 to 15th July'91)
Dr. S.K.Ghosh	- Technical (From 15th July 1991)
Shri U.K.Choubey	- Personnel and Industrial Relations (From 22nd May 1990)

DIRECTORS

Shri V.Krishnan	- Addl. Secretary, Ministry of Coal (From 7th June 1990)
Shri B.K. Singh	- Addl. Secretary, Ministry of Coal (From 6th November 1990)
Shri K. Kosalram	- Joint Secretary and Financial Adviser Ministry of Coal (From 10th Nov.'89)
Sri N.Ramji	- Joint Secretary, Ministry of Power (Upto 26th August 1991)
Shri V. Govindarajan	- Chairman-cum-Managing Director Singareni Collieries Co. Limited (Upto 21st August 1990)
Shri M.Jha	- Chairman-cum-Managing Director Northern Coalfields Limited (Upto 30th June 1991)
Shri U.Kumar	- Chairman-cum-Managing Director Northern Coalfields Limited (From 2nd July 91)
Shri R.B. Mathur	- Chairman-cum-Managing Director Bharat Coking Coal Limited (From 24-12-90 to 19-9-91) Chairman-cum-Managing Director South Eastern Coalfields Limited (From 20-9-91)

- | | |
|---------------------|---|
| Shri G.C. Mrig | - Chairman-cum-Managing Director
South Eastern Coalfields Limited
(Upto 20-9-91)
Chairman-cum-Managing Director
Baharat Coking Coal Limited
(Form 22-9-91) |
| Shri S.K. Chowdhary | - Chairman-cum-Managing Director
Central Coalfields Limited |
| Shri P.R.Sinha | - Chairman-cum-Managing Director
Bharat Coking Coal Limited
(Upto 25th December 1990) |
| Shri S.P.Puri | - Chairman-cum-Managing Director
Western Coalfields Limited
(Upto 31st July 1991) |
| Shri S. P.Varma | - Chairman-cum-Managing Director
Western Coalfields Limited
(From 23-2-91) |
| Shri S.P. Mathur | - Chairman-cum-Managing Director
Eastern Coalfields Limited
(Upto 21st December 1990)
Director
Coal India Limited
(From 21st Dec.'90 to 30th June'91) |
| Shri N.Sar | - Chairman-cum-Managing Director
Eastern Coalfields Limited
(From 21st December'90) |
| Shri J.N.Uppal | - Chairman-cum-Managing Director
Central Mine Planning & Design Institute Ltd
(Upto 14th September 1990) |
| Shri R.N. Mishra | - Chairman-cum-Managing Director Incharge
Central Mine Planning & Design Institute Ltd.
(From 18-12-90 to 26-3-91)

- Chairman-cum-Managing Director
Central Mine Planning & Design Inst. Ltd.
(From 27-3-1991) |

COMPANY SECRETARY

Shri U. Suryanarayana

BANKERS & AUDITORS

State Bank of India
Central Bank of India
Indian Bank
Punjab National Bank
Syndicate Bank
Allahabad Bank
United Bank of India
Canara Bank

Statutory Auditors

M/S Gupta & Mitra
Chartered Accountants
Windsor House
29, R.N. Mukherjee Road
Calcutta- 700 001

Branch Auditors

1. M/S N.C. Mitra & Co.
Chartered Accountants
10, Old Post Office Street,
Calcutta - 700 001

2. M/s N. Kumar & Co.
Chartered Accountants
1306, Dalamal Tower,
Nariman Point
Bombay - 400 003

3. M/s Jindal & co.
Chartered Accountants
3803, David Street
Daryaganj,
Delhi - 110 002

NOTICE OF THE SEVENTEENTH ANNUAL GENERAL MEETING OF COAL INDIA LIMITED

Notice is hereby given to all Shareholders of Coal India Limited that the Seventeenth Annual General meeting of the Company will be held on Monday the 30th September, 1991 at 1.30 PM at the Registered Office of the Company at "Coal Bhawan" 10, Netaji Subhas Road, Calcutta - 700 001 to transact the following business :

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 1991 and Profit and Loss Account for the year ended 31st March, 1991 together with the Reports of Statutory Auditors, Comptroller & Auditor General of India and Directors thereon.
2. To appoint a Director in place of Shri B. K. Singh who retires in terms of Article 33(d) (iii) of the Articles of Association of the Company and is eligible for re-appointment.
3. To appoint a Director in place of Shri K. Kosalram who retires in terms of Article 33(d)(iii) of the Articles of Association of the Company and is eligible for re-appointment.
4. To appoint a Director in place of Shri G.C. Mrig who retires in terms of Article 33(d)(iii) of the Articles of Association of the Company and is eligible for re-appointment.
5. To appoint a Director in place of Shri R. B. Mathur who retires in terms of Article 33(d)(iii) of the Articles of Association of the Company and is eligible for re-appointment.
6. To appoint a Director in place of Shri R. N. Mishra who retires in terms of Article 33(d)(iii) of the Articles of Association of the Company and is eligible for re-appointment.
7. To appoint a Director in place of Shri S. P. Verma who retires in terms of Article 33(d)(iii) of the Articles of Association of the Company and is eligible for re-appointment.
8. To appoint a Director in place of Shri N. Sar who retires in terms of Article 33(d)(iii) of the Articles of Association of the Company and is eligible for re-appointment.
9. To appoint a Director in place of Shri U.Kumar who retires in terms of Article 33(d)(iii) of the Articles of Association of the Company and is eligible for re-appointment.

By order of the Board

Sd/-

U. SURYANARAYANA
Company Secretary

Note :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and that the proxy need not be a member of the Company.
2. The Shareholders are requested to give their consent for calling the Annual General Meeting at a shorter notice pursuant to the provisions of the Sec.171(2)(i) of the Companies Act, 1956.

CHAIRMAN'S STATEMENT



I have great pleasure in welcoming you to the 17th Annual General Meeting of Coal India Limited. The report of the Directors on the performance of your Company and its Subsidiaries for the year 1990-91 is already with you.

I am happy to report that during the year under review CIL has produced 189.645 Million Tonnes of Coal compared to 178.60 Million Tonnes in 1989-90, registering an increase of 11.04 Million Tonnes or 6.2%, despite various constraints, in particular, deterioration in power supply to the coal mines. The deterioration in power supply alone accounted for a loss of production to the extent of 6.08 M.T. as against the previous year's loss of 2.4 M.T. on that account. During the year despatches increased by 8.46 Million Tonnes or 5% and the overall output per Manshift improved from 1.21 tonne in 1989-90 to 1.31 tonnes. Continuing efforts in optimisation of equipment utilisation, rationalisation of manpower and introduction of effective cost control measures have brought about a significant upswing in production and productivity.

The cost control measures were enforced with accentuated stress during 1990-91. As a result, the increase in unit cost of production was contained at Rs.12.49 per tonne or 4.7% from Rs.264.69 per tonne in 1989-90 against inflation rate of 11.6% during the year.

In other words, it would be appropriate to say that the unit cost of production during 1990-91 has been brought down in real terms as compared to 1989-90.

Your Company is facing a financial crunch for not being compensated for the increase in cost of production arising from escalation in price of inputs. Coal price has remained unrevised since 1.1.89. Besides the uncovered impact of NCWA-IV (not of interim relief) during 1990-91, your Company had to bear the burden of Gulf surcharge on petro-products revision in executive salaries, enhancement in liability towards ex-gratia and increased rate of interest and financing charges. The budgetary support from the Government for Capital outlay has declined sharply from 96% in

1987-88 to 73% in 1989-90 and 31% during 1990-91. The growing deficit has to be funded through generation of internal resources. In order to meet the resource gap, your Company recourse to market borrowings through issuing bonds worth Rs.200 crores in 1989-90 and Rs.400 crores in 1990-91 to Nationalised Banks and their subsidiaries on private placement basis.

As per latest indications your Company's ability to finance Capital outlay in the coming years will largely depend upon generation of internal resources. While adjustment in Coal price on timely and regular basis for increase in cost of inputs is the need for the future, all round efforts will have to be made to cut down cost of production through planned improvement in productivity of men, machines & other inputs. The investment priorities shall have to be set in a manner that growth in coal production is ensured at a minimum level of investment. In order to minimise investment requirement the utilisation of existing capacity shall have to be increased in a phased manner to reduce the need for creation of additional capacity for sustaining the target of growth in coal production.

Your company maintained the past trend of providing greater emphasis on the safety of all employees through strengthening of internal safety organisations participation of workmen in safety management, training and rescue activities and various other measures. The fatality and serious injury rates per M.T. of coal production in your Company have been reduced to 0.75 and 3.13 respectively in 1990 from 2.05 and 17.30 in 1973.

your Company is moving ahead towards achieving the required growth in production in the future years. Investments called for in the Projects shall have to be met largely from generation of internal resources. We are confident that with the measures for cost control in force, the necessary resources can be generated if coal price takes care of the impact of increase in price of inputs and the price is updated at regular intervals.

What is needed is a timely compensation for increase in input costs arising and a permanent solution to the problem of growing coal sale dues.

I am confident that with dedicated performance at all levels, CIL will continue to contribute to the alleviation of problems in the Energy Sector and will be able to establish high degree of self-discipline and commitment necessary for the generation of internal resources to sustain our present and future growth.

I would like to thank our consumers, suppliers, employees and their families, State Governments, Ministry of Coal and other Ministries/Departments in the Central Government for their unstinted support and guidance during the year.

(S.K. Chowdhary)
Chairman

Calcutta, the 30th September, 1991

OPERATIONAL STATISTICS

Year Ending 31st March	1991	1990	1989	1988	1987	1986	1985	1984	1983	1982
1 a) Production of Raw Coal (M. Tonnes)										
Under Ground	56.09	58.71	61.28	59.04	60.07	59.95	60.50	61.39	61.12	63.27
Opencast	133.56	119.89	110.22	99.98	84.70	74.16	70.31	60.02	53.56	45.67
Total	189.65	178.60	171.50	159.02	144.77	134.11	130.81	121.41	114.68	108.94
b) Over Burden Removal (Mech.O/C) (Million Cub. Mts.)	284.76	278.44	246.22	212.04	185.62	149.52	132.94	115.61	93.59	80.91
2. Off take (Raw Coal) (Million Tonnes)										
Power	109.72	100.38	89.24	82.18	71.26	65.03	54.65	49.55	43.20	38.76
Steel/Hard Coke	20.40	19.49	20.32	19.47	19.11	20.30	19.64	20.49	19.98	20.27
Railway	4.58	5.11	5.57	6.36	6.83	7.91	9.50	9.23	9.68	9.68
Domestic	3.46	3.47	3.50	3.48	3.54	3.62	3.61			
Others	44.99	45.14	46.39	42.44	40.91	38.06	35.25	39.12	39.32	38.14
Total	183.15	173.59	165.02	153.93	141.65	134.92	122.65	118.39	112.18	106.85
3. Average Manpower	670515	669072	672231	674004	672960	671336	664847	652637	638914	622930
4. Productivity :										
A. Average per Man per year (tonnes)	283	267	255	236	215	200	197	186	179	175
B. Output per manshift (OMS)										
i) Under Ground (Tonnes)	0.54	0.55	0.57	0.54	0.54	0.53	0.53	0.53	0.52	0.55
ii) Open Cast (Tonnes)	3.34	3.06	2.91	2.65	2.44	2.24	2.10	1.97	1.99	1.81
iii) Overall (Tonnes)	1.31	1.21	1.15	1.08	0.99	0.92	0.87	0.82	0.79	0.77

Rapid Loading System



FINANCIAL POSITION

(Rs. Crores)

As at 31st March	1991	1990	1989	1988	1987	1986	1985	1984	1983	1982
A. What is owned										
Gross Fixed Assets	8917.20	7506.93	6425.84	5495.21	4701.06	4029.65	3202.10	2636.41	2098.01	1612.59
Less: Depreciation	3480.56	2900.54	2417.72	2011.72	1661.19	1400.49	1119.34	872.43	691.04	532.83
Net Fixed Assets	5436.64	4606.39	4008.12	3483.49	3039.87	2629.16	2082.76	1763.98	1406.97	1079.76
Capital Work-in-Progress	2124.47	2133.83	1824.16	1443.68	1179.63	834.09	786.57	649.56	491.39	316.19
Misc. expenditure etc. to the extent not written off /adj./invested	70.65	27.33	4.67	5.81	8.34	5.23	2.74	2.94	3.21	25.63
Current Assets :										
Inventories	1679.69	1463.66	1323.12	1070.80	982.22	892.43	900.60	760.73	642.58	516.49
Sundry Debtors	1433.75	1441.93	988.49	722.73	465.45	399.55	377.46	379.18	222.36	176.84
Cash & Bank Balance	181.75	174.90	161.71	142.37	141.70	118.68	121.81	235.23	107.50	72.71
Loans & Advances	1082.09	820.06	564.97	651.68	780.70	883.09	933.52	847.40	662.88	524.30
Total Current Assets	4377.28	3900.55	3038.29	2587.58	2370.07	2293.75	2333.39	2222.54	1635.32	1290.34
Less: Current Liabilities & Provisions (incl. Unpaid interest on Loans)	3399.67	2828.33	2512.43	2094.79	1879.36	1552.08	1375.50	1373.67	906.88	779.38
Net Current Assets	977.61	1072.22	525.86	492.79	490.71	741.67	957.89	848.87	728.44	510.96
Total (A)	8609.37	7839.77	6362.81	5425.77	4718.55	4210.15	3829.96	3265.35	2630.01	1932.54
B. What is owed :										
Govt. Loan & Over due interest	4725.72	4430.50	3924.69	3670.18	2993.64	2869.64	2482.89	2191.59	1717.82	1453.45
Intercompany Loan	100.00	125.00	100.00							
Other Loans (foreign credits, bonds, pub. deposits etc.)	858.43	380.98	46.67	40.20	25.46					
Bank Loan (overdrafts etc.)	355.04	333.98	168.41	189.63	200.27	122.00	152.90	182.92	112.15	64.62
Less: Overdue interest incl. in Current Liabilities	(-)921.45	(-)685.90	(-)605.09	(-)580.05	(-)278.02	(-)341.27	(-)309.15	(-)264.30	(-)154.19	(-)133.88
Total (B)	5117.74	4584.56	3634.68	3319.96	2941.35	2650.37	2326.64	2110.21	1675.78	1384.19
Net Worth (A - B)	3491.63	3255.21	2728.13	2105.81	1777.20	1559.78	1503.32	1155.14	954.23	548.35
Represented by :										
Equity Capital	5713.31	5223.86	4764.16	4120.34	3559.50	3012.31	2556.69	2131.65	1691.25	1286.89
(Incl. pending allotment)										
Reserves	277.30	280.95	289.64	245.22	251.42	206.82	162.49	131.56	104.86	73.36
Profit/Loss	(-)2498.98	(-)2249.60	(-)2325.67	(-)2259.75	(-)2033.72	(-)1659.35	(-)1215.86	(-)1108.07	(-)841.88	(-)811.90
(+) (-)										
Total	3491.63	3255.21	2728.13	2105.81	1777.20	1559.78	1503.32	1155.14	954.23	548.35

COAL INDIA LIMITED

(Rs. in Crores)

For the year Ending 31st March	1991	1990	1989	1988	1987	1986	1985	1984	1983	1982
A) Earned from										
Gross Sales	6295.95	6278.32	5600.09	4398.47	3741.26	3293.10				
Less Coal From Development Mines	46.35	51.01	97.58	27.69	26.82	6.22				
Less Levies (Royalties, cess, etc.)	1154.58	1408.28	1314.09	946.77	759.22	573.97				
Net Sales	5095.02	4819.03	4188.42	3424.01	2955.22	2712.91	2438.85	1992.03	1731.97	1444.27
Accretion / Decretion in Stock	108.19	79.13	236.89	60.07	51.77	(-)32.88	92.41	32.20	67.76	39.63
Boiler & Domestic Consumption of Coal, Coke etc.	140.02	123.31	115.60	97.66	92.05	87.21	80.74	71.71	46.59	48.93
Other Revenue Receipts :										
C.M.P.D.I.L	62.58	60.33	57.73	43.42	39.37	32.58	28.34	28.49	21.27	17.13
Others	177.97	167.74	136.23	119.03	104.86	100.87	82.46	71.00	56.47	43.26
Coal Price Regulation Account			36.62	59.82	(-)29.83	(-)48.45		42.79	(-)42.79	
Total (A)	5583.78	5249.54	4771.49	3804.01	3213.44	2852.24	2722.80	2238.22	1881.27	1593.22
B) Paid to/Provided for :										
Employees Remuneration & benefits	2376.89	2212.10	1998.27	1689.76	1616.21	1366.80	1303.48	1185.71	903.03	808.94
Social Overheads										
(incl'd. domestic Coal)	364.82	316.42	331.83	284.77	235.89	196.55	194.89	152.54	115.73	98.48
S/O Dep. & Int.										
(Incl'd. in Dep. & Interest)	(-)24.77	(-)18.89	(-)16.48	(-)14.22	(-)14.83	(-)10.50	(-)8.23	(-)6.30	(-)4.59	(-)3.23
Stores & Spares	861.97	742.77	631.29	568.93	486.02	432.44	382.28	342.41	284.23	222.36
Power & Fuel	376.65	329.41	314.72	275.02	246.04	209.81	181.01	149.32	122.03	95.60
Contractors										
(Transport & Repairs)	373.09	344.68	276.09	254.52	204.68	194.25	149.49	118.77	107.90	75.80
Misc. Expenses & Provisions	425.16	351.60	375.57	272.68	249.88	319.96	161.07	144.02	81.61	80.72
Interest	472.23	366.77	279.53	319.47	166.12	228.09	181.13	139.05	120.25	88.24
Depreciation	578.65	469.69	422.99	376.19	306.78	265.45	219.03	179.83	140.78	104.16
O.B.R. Adjustment	(-)20.61	(-)29.67	42.56	49.89	(-)2.26	1.79	9.05	8.88	(-)4.39	(-)9.55
Prior Period Adj.										
(excl. int., dep. & C.P.R.A.)	52.87	84.53	138.38	(-)48.36	50.66	51.78	27.63	66.67	20.03	26.07
Total (B)	5836.95	5169.41	4794.75	4028.65	3545.19	3256.42	2800.83	2480.90	1886.61	1587.59
Profit/Loss for the year (A-B)	(-)253.17	80.13	(-)23.26	(-)224.64	(-)331.75	(-)404.18	(-)78.03	(-)242.68	(-)5.34	5.63
Investment Allowance Reserve	(-)4.38	0.09	42.34		42.19	39.31	29.49	23.36	24.19	32.94
Income Tax	0.59	3.87	0.42	1.39	0.43		0.27	0.15	0.45	
Profit/Loss b/f from the										
Previous year	(-)2249.60	(-)2325.77	(-)2259.75	(-)2033.72	(-)1659.35	(-)1215.86	(-)1108.07	(-)841.88	(-)811.90	(-)784.59
Cum. P/L carried to Balance Sheet	(-)2498.98	(-)2249.60	(-)2325.77	(-)2259.75	(-)2033.72	(-)1659.35	(-)1215.86	(-)1108.07	(-)841.88	(-)811.90

IMPORTANT FINANCIAL DATAS & RELATIVE RATIOS

A. FINANCIAL INFORMATION/DATAS

(Rs. Crores)

Year Ending 31st March	1991	1990	1989	1988	1987	1986	1985	1984	1983	1982
Earned from										
1. a) Equity (Yearend)	5713.31	5223.86	4764.16	4120.34	3559.50	3012.31	2556.69	2131.65	1691.25	1286.89
b) Net Worth	3491.63	3255.21	2728.13	2105.81	1777.20	1559.78	1503.32	1155.14	954.23	548.35
2. a) Loan from Govt. of India (including overdue interest)	4725.72	4430.50	3924.69	3670.18	2993.64	2869.64	2482.89	2191.59	1717.82	1453.45
b) Intercompany Loan & Foreign Credits	958.43	505.98	146.67	40.20	25.46					
Total Loan (2)	5684.15	4936.48	4071.36	3710.38	3019.10	2869.64	2482.89	2191.59	1717.82	1453.45
3. Capital Employed	6424.33	5668.00	4533.98	3976.28	3530.58	3370.83	3040.65	2612.85	2135.41	1590.72
4. a) Gross Margin	797.71	916.59	679.26	471.02	141.15	89.36	322.13	76.20	255.69	198.03
b) Gross Profit	219.06	446.90	256.27	94.83	(-)165.63	(-)176.09	103.10	(-)103.63	114.91	93.87
c) Net Profit (before Tax & Inv. Allowance)	(-)253.17	(+)80.13	(-)23.26	(-)224.64	(-)331.75	(-)404.18	(-)78.03	(-)242.68	(-)5.34	(+)5.63
5. a) Gross Sales	6295.95	6278.32	5600.09	4398.47	3741.26	3294.10				
b) Net Sales	5095.02	4819.03	4188.42	3424.01	2955.22	2742.91	2438.85	1992.03	1731.97	1444.27
(Net of Royalty, cess, develop, b/debt. prov. etc)										
c) Paid/Payable Amount of Royalty, cesses etc.	1143.54	1327.34	1264.30	892.98	730.12	615.17	498.98	288.69	231.30	
6. Social Overheads (includ. LTC/LLTCetc.)	364.82	316.41	331.83	284.77	235.89	196.55	194.89	152.54	115.73	98.48
7. Earning per Manshift (Rs.)	153.79	146.24	140.47	108.16	106.70	91.35	85.20	79.17	58.82	54.96
8. Average Cost of Production of Raw Coal (Rs. per tonne)	277.18	264.69	252.91	229.46	221.54	213.97	190.63	183.69	152.02	137.15
9. Average Sale Value of Raw Coal (Rs. per tonne)	268.16	273.60	252.29	215.41	202.80	190.87	188.18	159.98	155.77	138.09
10. Value Added per Employee (Rs.000)	61.80	59.44	54.34	41.26	35.76	32.14	31.20	25.00	22.90	19.80
11. Social Overhead Expenditure per employee (Rs.000)	5.42	4.74	4.94	4.23	3.51	2.93	2.93	2.34	1.81	1.50

B. FINANCIAL RATIOS

1. a) Debt : Equity Ratio	0.99	0.94	0.85	0.90	0.85	0.95	0.97	1.03	1.02	1.13
b) Net Worth : Equity(R)	0.61	0.62	0.57	0.51	0.50	0.52	0.59	0.54	0.56	0.43
c) Current Asset : Current Liabilities(R)	1.29	1.38	1.21	1.24	1.26	1.48	1.70	1.62	1.80	1.66
d) Quick Assets : Current Liabilities(R) (Liquidity Ratio)	0.48	0.57	0.46	0.41	0.32	0.33	0.36	0.45	0.36	0.32
e) i) Inventory : Net Sales(R)	0.33	0.30	0.32	0.31	0.33	0.33	0.37	0.38	0.37	0.36
ii) Coal Stock in terms of no. of Months Net Sales	2.35	2.18	2.27	2.05	2.16	2.13	2.58	2.52	2.50	2.42
f) i) Sundry Debtors : Net Sales(R)	0.28	0.30	0.24	0.21	0.16	0.15	0.15	0.19	0.13	0.12
ii) Sundry Debtors in terms of no of Months Net Sales	3.38	3.59	2.83	2.53	1.89	1.77	1.86	2.28	1.54	1.47
2. a) Gross Margin to Net Sales (%)	15.66	19.02	16.22	13.76	4.78	3.29	13.21	3.83	14.76	13.71
b) Gross profit to Net Sales (%)	4.30	9.27	6.12	2.77	(-)5.60	(-)6.49	4.23	(-)5.20	6.63	6.50
c) Net profit to Net Sales (%)	(-)4.97	1.66	(-)0.56	(-)6.56	(-)11.23	(-)14.90	(-)3.20	(-)12.18	(-)0.31	0.39
d) Gross margin to Cap. Employed (%)	12.42	16.17	14.98	11.85	4.00	2.65	10.59	2.92	11.97	12.45
e) Gross profit to Capital Employed (%)	3.41	7.88	5.65	2.38	(-)4.69	(-)5.22	3.39	(-)3.97	5.38	5.90
f) Net profit to Capital Employed (%)	(-)3.94	1.41	(-)0.51	(-)5.65	(-)9.40	(-)11.99	(-)2.57	(-)9.29	(-)0.25	0.35

DIRECTORS' REPORT FOR THE YEAR 1990-91

To
The Members,
Coal India Limited
Gentlemen,

I have great pleasure in presenting to you on behalf of the Board of Directors the Eighteenth Annual Report and Accounts of the Company with Audited Accounts for the year ended 31st March '91 together with the report of the Statutory Auditors and the comments and review of the Comptroller and Auditor General of India.

1. During the year under review, the Company continued to hold seven fully owned Subsidiary Companies viz :

Eastern Coalfields Limited
Bharat Coking Coal Limited
Central Coalfields Limited
Northern Coalfields Limited
Western Coalfields Limited
South Eastern Coalfields Limited
Central Mine Planning & Design Institute Limited.

The mines in Assam, through its NEC Division, and Dankuni Coal Complex continue to be managed directly by your Company.

2. PRODUCTION PERFORMANCE

2.1 Raw Coal Production

The production of Coal during the year 1990-91 was 189.65 Million Tonnes as against the previous year's production of 178.60 Million Tonnes. The overall annual growth during 1990-91 was 6.2% over the previous year. The subsidiarywise position is as follows :

(Figures in Million Tonnes)

Company	Coking Coal		Non-coking coal		Total Raw Coal	
	1990-91	1989-90	1990-91	1989-90	1990-91	1989-90
ECL	1.49	1.41	21.99	23.08	23.48	24.49
BCCL	22.31	22.10	4.39	4.51	26.70	26.61
CCL	16.31	15.75	13.74	12.84	30.05	28.59
NCL	—	—	27.88	23.28	27.88	23.28
WCL	0.74	0.62	22.04	22.39	22.78	23.01
SECL	0.11	0.10	57.97	51.68	58.08	51.78
NEC	—	—	0.68	0.84	0.68	0.84
Total CIL	40.96	39.98	148.69	138.62	189.65	178.60

* Coking Coal includes coal declared as coking but used for non-metallurgical purpose.

** Previous year's figures have been rearranged and regrouped wherever necessary.

2.2 Production of Soft Coke, Hard Coke and Washed Coal

The Production of Soft Coke, Hard Coke and Washed Coal in 1990-91 was 9.12 lakh tonnes, 3.60 lakh tonnes and 83.75 lakh tonnes respectively as against last years production of 9.81 lakh tonnes, 3.94 lakh tonnes and 82.38 lakh tonnes respectively. The subsidiarywise position is as below :

(Figures in lakh tonnes)

Company	Soft Coke		Hard Coke		Washed Coal	
	1990-91	1989-90	1990-91	1989-90	1990-91	1989-90
ECL	3.30	4.49	—	—	—	—
BCCL	1.79	1.78	3.39	3.71	36.88	38.90
CCL	4.03	3.54	0.21	0.23	43.14	40.29
WCL	—	—	—	—	3.73	3.19
Total CIL	9.12	9.81	3.60	3.94	83.75	82.38

Hon'ble Minister for Coal Shri P. A. Sangma in a Review Meeting



2.3 The production of Raw Coal from underground mines and opencast mines in 1990-91 was 56.09 million tonnes and 133.56 million tonnes respectively as against the last year's production of 58.71 million tonnes and 119.89 million tonnes respectively. The subsidiarywise position is as below :

(Figures in Million Tonnes)

Company	Underground Mines		Opencast Mines		Total	
	1990-91	1989-90	1990-91	1989-90	1990-91	1989-90
ECL	13.39	14.72	10.09	9.77	23.48	24.49
BCCL	12.29	13.29	14.41	13.32	26.70	26.61
CCL	4.32	4.76	25.73	23.83	30.05	28.59
NCL	—	—	27.88	23.28	27.88	23.28
WCL	9.72	9.94	13.06	13.07	22.78	23.01
SECL	16.03	15.65	42.05	36.13	58.08	51.78
NEC	0.34	0.35	0.34	0.49	0.68	0.84
Total CIL	56.09	58.71	133.56	119.89	189.65	178.60

2.4 The total quantum of overburden removed in 1990-91 was 284.76 million Cubic Metres as against last year's figure of 278.44 Million Cubic Metres. This was 6.32 MM³ more than last year registering a growth rate of 2.3% over the previous year. Subsidiarywise quantum of overburden removed is as follows :

Overburden Removed (in Million Cu.Mts.)

Company	1990-91	1989-90
ECL	20.73	23.20
BCCL	28.76	28.07
CCL	48.82	46.70
NCL	89.44	83.54
WCL	35.67	39.77
SECL	60.20	53.06
NEC	1.14	4.10
Total CIL	284.76	278.44

3. POPULATION OF EQUIPMENT (HEMM)

For increasing the level of operations in the existing opencast mines and for opening of new mines necessitated the deployment of additional HEMM. The total number of Shovels deployed has increased from 702 to 758 Dumpers from 3403 to 3627, Dozers from 900 to 972 and Drills from 603 to 660. Performance of availability and utilisation of major HEMM as on 31.3.91 compared with the previous year as per CMPDI norms is as follows :

Equipment	% of Availability		% of Utilisation	
	1990-91	1989-90	1990-91	1989-90
Dragline	97	95	102	101
Shovel	85	82	68	67
Dumper	84	82	58	55
Dozer	78	76	62	61
Drill	79	74	60	60



4. CONSTRAINTS

Due to various constraints, especially deterioration in Power Supply from DVC and BSEB, absenteeism, industrial relations, heavy rainfall and breakdown of machines etc., the Company suffered a total loss of raw coal production of 17.53 million tonnes during 1990-91 as compared to 10.32 million tonnes of the previous year. Factorwise break up of loss of production of raw coal is indicated below :

(Figures in Million Tonnes)

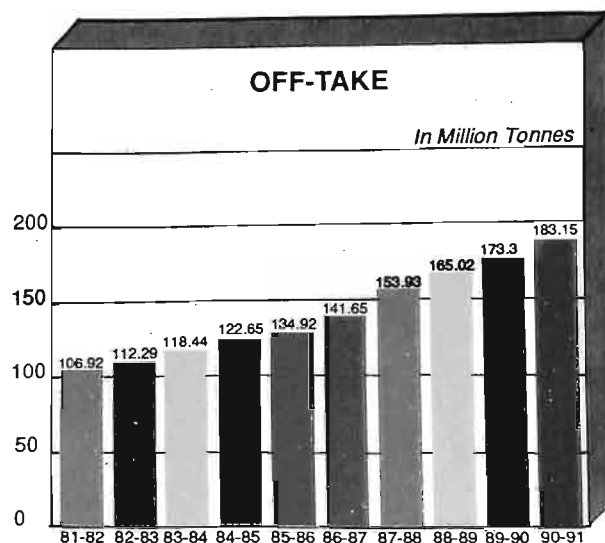
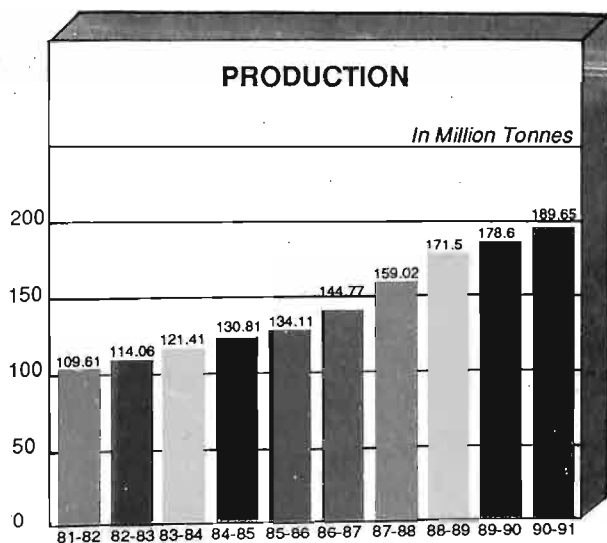
Factor	Loss of production of raw coal	
	1990-91	1989-90
Power	6.08	2.48
Absenteeism	1.83	2.18
Labour unrest	0.27	0.42
Rains	3.00	0.35
Other constraints	6.35	3.89
Total	17.53	10.32

5. AVAILABILITY OF POWER

The availability of power to mines in ECL, BCCL and CCL was far from satisfactory during 1990-91. ECL, BCCL and CCL received a major chunk of power from DVC either directly or through BSEB, DPS and WBSEB. The overall availability of power was around 378.5 MVA as against the demand of 505.5 MVA during the

year leaving heavy short fall of 137 MVA. Besides this, number of interruptions increased during the year from 23778 (Cumulative) to 30646 (Cumulative) compared to last year, delay in restoration of power resulted in 27234 feeder hour loss (cumulative) as compared to 20993 (cumulative) feeder hour loss during the previous year. To improve power availability in mines, Dishergarh Power Supply Company has installed, 2 x 10 MW Captive Power Plant at Chinakuri with Stoker Fired Boiler and they are operating and maintaining them. The above units were commissioned at the end of the last financial year and the benefit from them will be available during 1991-92. M/S BHEL was entrusted with the job of installation of 2x10 MW Captive Power Plant with fluidised bed boiler at Moonidih (BCCL) and Kathara (CCL) and they are expected to be commissioned during 1991-92. Status of power supply from DVC source to ECL, BCCL & CCL during 1990-91 compared to 1989-90, as against the Demand, is indicated below :-

Company	Demand in M.V.A.		Availability in MVA.		Number of interruptions		Feeder Hrs. lost.	
	90-91	89-90	90-91	89-90	90-91	89-90	90-91	89-90
ECL	130	130	89.54	92.5	9328	6670	7321	5616
BCCL	245.5	245.5	184.4	190.2	13163	11099	12444	10255
CCL	130	130	104.57	98.1	8155	6009	7469	5122
Total	505.5	505.5	378.58	380.8	30646	23778	27234	20993



6. PRODUCTIVITY

The overall Oms for the year under review has gone up 1.31 tonnes from 1.21 tonnes in 1990-91 registering a growth rate of 8.3%. The companywise OMS position is given below :

Company	OMS (in tonnes)		% Increase/decrease in 1990-91 over the previous year.
	1990-91	1989-90	
ECL	0.61	0.61	-
BCCL	0.77	0.76	1.3
CCL	1.31	1.20	9.2
NCL	8.80	8.73	0.8
WCL	1.25	1.32	(-) 5.3
SECL	2.21	1.99	11.06
NEC	0.65	0.79	(-) 17.7
Overall CIL	1.31	1.21	8.3

7. WORKING RESULTS

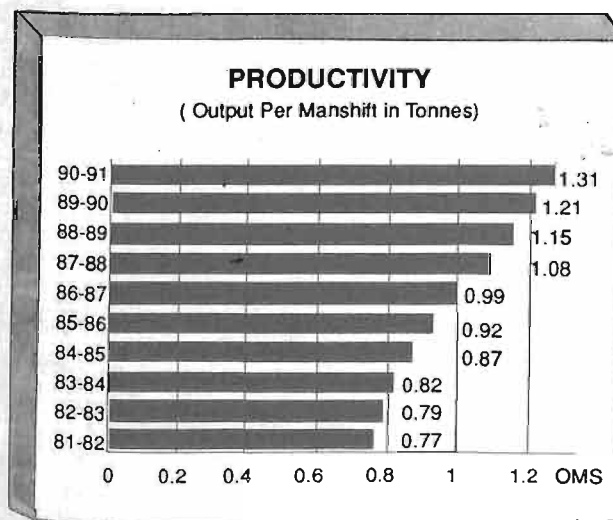
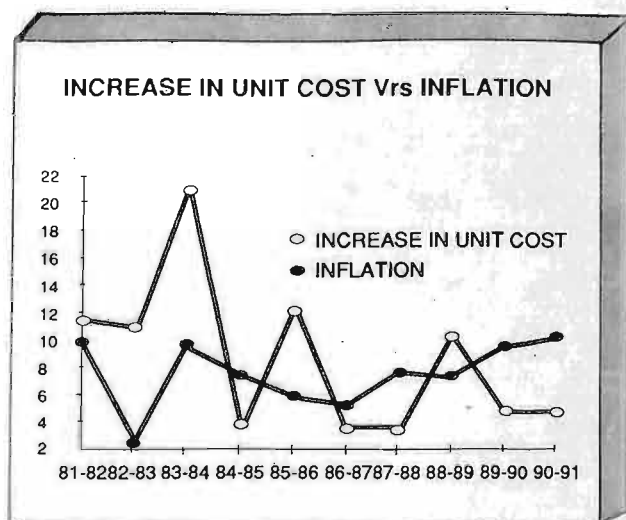
During the year under review, the company and its subsidiaries incurred a total loss of Rs. 253.17 Crores compared to the Profit of Rs. 80.13 Crores of the previous year (before tax provision and investment allowance reserve). The Companywise position of the above loss for 1990-91 is given follows :

(Rupees in Crores)

Company	1990-91 Actuals Profit(+)/Loss(-)		1989-90 Actuals Profit(+)/Loss(-)	
ECL	(-)	42.74	(+)	76.43
BCCL	(-)	96.27	(+)	51.33
CCL	(+)	5.26 *	(+)	10.76
NCL	(+)	22.58	(+)	2.10
WCL	(-)	95.40	(-)	30.94
SECL	(-)	20.79	(-)	32.32
CMPDIL	(+)	2.06 *	(+)	2.42
CIL, NEC, DCC including Stockyards	(-)	27.87	(+)	0.35
Total	(-)	253.17	(+)	80.13

* Before tax provision for Rs. 0.59 crores (CMPDIL) and write-back of Investment Allowance Reserve of Rs. 4.38 Crores (CCL).

The losses during the year compared to previous year's Profit of Rs. 80.13 crores is mainly due to non-neutralisation of the rising operating costs. During the year CIL had to bear additional cost on account of increase in Petroleum products prices, additional exgratia payment, pay revision and increase in rate of interest and financial charges. The anticipated price increase and assumed increase in resources did not materialise.



8. PLANNING

Annual Plan and Annual Action Plan drawn for the year 1990-91, as approved by Ministry of Coal, was monitored regularly. Annual Plan 1991-92 was also drawn up and approved at CIL and at Government level. Annual Action Plan 1991-92 has also been formulated and is being monitored. The performance during 1990-91 against the Annual Action Plan for the year and Plan for 1991-92 are shown as below :

	1990-91		1991-92	
	Planned	Actual	Planned	Actual
1. Production (Million tonnes)	194.00	189.65	203.00	210
2. Productivity (OMS in tonnes)	1.36	1.31	1.37	(1.41)
3. Plan Expenditure (Rs. in crores)	2004.00	1655.14	2036.00	1850
			(149.48)	

8.2 Project Formulation

During the year CMPDIL has prepared 207 192 Reports consisting of 58 project reports, 15 18 Revised Cost Estimates/Revised Project Reports, 45 Environmental Management

Plan (EMPS), 27 Geological Reports and 82 other reports.

8.3 Capital Projects/Schemes

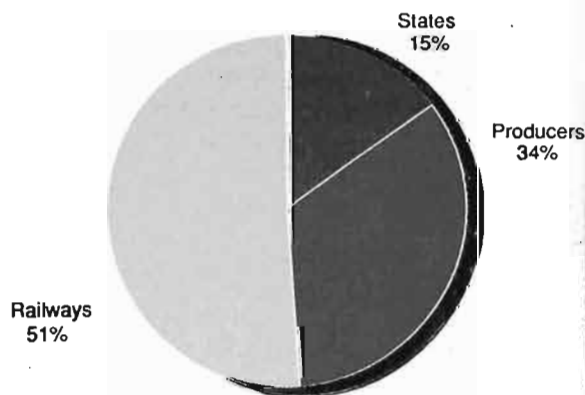
Presently there are 321 Coal Projects each having an initial capital outlay of Rs. 2 crores and above with the total sanctioned Capital outlay of Rs. 10,916.64 crores and an ultimate capacity of 252 million tonnes. Projects where the coal reserves have been exhausted and the projects of which construction have been deferred for various reasons have been excluded out of these 321 projects. 133 projects have been completed and balance 188 projects are at different stages of construction.

Besides these coal projects, there are 189 non-coal projects schemes each having an initial Capital outlay of Rs. 2 crores and above with the total sanctioned capital outlay of Rs. 1991.39 Crores. The major non-coal projects under construction are Madhuband Washery (BCCL), Kedla Washery (CCL) Central Workshop at Singrauli (NCL), Captive Power Plants at Moonidih (BCCL), Kathara (CCL) & Chinakuri (ECL).

Advance Action schemes for coal projects are also under implementation.

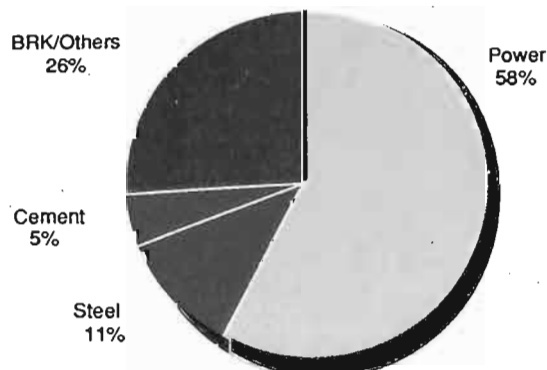
During 1990-91, CIL Board approved 22 projects (including Expansion/RPR/RCE).

**PRODUCER'S SHARE
IN DESTINATION PRICE OF COAL**
As on 1.9.91



West Bengal Grade 'E' Coal for a Haul Distance of 750 Kms

CONSUMING SECTOR PROFILE
Off-take for 1990-91



Companywise details of projects/schemes as approved by CIL Board during 1990-91 are given below :

Company	New Projects	Expansion/ RPR/RCE	Advance Action	Total
ECL	—	3	—	3
BCCL	1	1	1	3
CCL	3	1	4	8
NCL	2	1	1	4
WCL	1	—	—	1
SECL	1	—	2	3
NEC	—	—	—	—
Total	8	6	8	22

During 1990-91, CIL Board sanctioned 11 projects (including Expansion/RPR/RCE). Companywise details of projects schemes as sanctioned by CIL Board during 1990-91 are given below :

Company	New Projects	Expansion/ RPR/RCE	Advance Action	Total
ECL	—	—	—	—
BCCL	—	—	—	—
CCL	3	2	—	5
NCL	—	—	—	—
WCL	1	—	—	1
SECL	1	2	—	3
NEC	1	1	—	2
Total :	6	5	—	11

During 1990-91 the following coal projects have been sanctioned by Government.

Sl. No.	Projects	Capacity (mty)	Capital (Rs. Crores)
1.	Satgram RPR (ECL)	1.20	148.26
2.	JK Nagar RPR (ECL)	0.87	95.28
3.	Katras RPR (BCCL)	0.90	91.81
4.	North Amlabad RPR (BCCL)	0.57	69.48
5.	Amlohri RCE (NCL)	4.00	527.11
6.	Dhanpuri RCE (SECL)	1.25	54.69
7.	Bharatpur RCE (SECL)	3.50	158.97
8.	Lingraj SECL	5.00	229.84
9.	Ghugas (RCE) WCL	1.50	98.07

46 Projects including RPR/RCE have been sent to Government for sanction (ECL-5, BCCL-5, CCL-17, NCL-5, WCL-5, SECL-9.)

9. FOREIGN EXCHANGE EARNING

The overall coal/coke export from CIL during 1990-91 was about 17,781 mt. Coal export was made to Bangladesh against Foreign Exchange resulting in foreign exchange earning of about US\$ 11,29,125 which was received by MMTC, the canalising agency for export of coal. In addition the exports to Nepal and Bhutan are against rupee payment.

10. CAPITAL EXPENDITURE

Expenditure on Capital Account during 1990-91 was Rs. 1655.14 Crores as against Rs. 1393.39 crores during the previous year as indicated below :

(Rupees in crores)

Company	1990-91	1989-90
ECL	432.59	204.84
BCCL	237.37	205.98
CCL	247.41	216.14
NCL	278.03	345.91
WCL	144.52	153.68
SECL	299.31	241.95
CMPDIL	6.07	8.58
NEC	6.62	7.00
DCC	2.40	8.36
CIL (Hqrs)	0.82	0.95
Total	1655.14	1393.39

11. CAPITAL STRUCTURE

Authorised Share Capital of the Company as on 31.3.91 was Rs. 6000 Crores. The paid-up capital of the company as on 31.3.91 was Rs. 5701.72 Crores (including Rs. 256.93 crores worth of shares issued to the Government of India towards the value of land acquired). An amount of Rs. 11.5945 crores equity pending allotment was received from the Government (under Plan Fund Rs. 10 crores and Rs. 1,59,45,000 for payment of land compensation) for which the equity shares were

issued on 22nd August, 1991. Government of India had invested Rs. 489.45 crores towards equity in the company during the year 90-91.

Total investment by the Government of India in CIL and subsidiaries as on 31st March, 1991 was Rs. 9517.58 crores.

	Rs. in crores
Share Capital Including equity pending allotment of Rs. 11.59 crores	5713.31
Loan Fund	
i) Plan Loan	3362.61
ii) Non-plan loan	441.66
Total	9517.58

12. BORROWINGS

12.1 Borrowings from Government of India

During the year a sum of Rs. 120.00 crores was received from the Government of India as loan. A sum of Rs. 315.15 crores was paid to Government of India towards repayment of loan (Rs. 60.32 crores) and interest (Rs. 254.83 crores) as against Rs. 488.83 crores in the previous year. Government of India has waived penal interest of Rs. 86.90 crores for the year 1989-90.

12.2 Bonds and Public Deposits

During the year 1990-91 CIL has issued Rs. 400 crores worth of Bonds to Nationalised Banks/their subsidiary companies on private placement basis. Thus, the total Bonds issued upto 31.3.91 was Rs. 600 crores.

Controller of Capital issues vide letter No. R 327/5/CCI/91 dated 13th June, 1991 accorded permission for issue of CIL Bonds-3rd series for a value of Rs. 400 crores (13% taxable redeemable at par at the end of 7 years from the date of allotment) and the same are yet to be floated in the market.

12.3 During the year 1990-91 an amount of Rs. 20.08 crores was received from the Public Deposits. Thus the total amount on public Deposits received upto 31.3.91 was Rs. 31.06 crores.

13. COAL MARKETING

13.1 Demand

The demand for coal on Coal India Limited was assessed at 191.78 million tonnes for the year 1990-91. As against this demand, the actual offtake was 183.15 million tonnes showing a demand satisfaction of 95.5%. The demand satisfaction on the basis of 185.72 million tonnes of demand and 173.58 million tonnes of off-take was 93.46% for the year 1989-90. The following table gives sectorwise demand, off-take and demand satisfaction for the year 1990-91 and 1989-90 :-

Sector	(Figs. in Million tonnes)					
	April-March '91			April-March '90		
	Demand	Offtake	% Satfn.	Demand	Offtake	% Satfn.
Power (Utility)						
Raw Coal	108.05	109.72	101.55	100.40	100.27	99.87
(Middlings)	(2.10)	(2.25)	(107.14)	(2.70)	(2.37)	(73.91)
Steel/H.C	22.60	20.40	90.27	22.80	19.80	86.84
Loco	4.80	4.58	95.42	5.40	5.13	95.00
Cement	8.28	8.43	101.81	8.00	7.41	92.75
Fertilz	3.90	3.61	92.56	4.60	3.58	77.83
S/C Making	2.20	1.20	54.55	3.30	1.32	41.25
Export	0.30	0.10	33.33	0.30	0.16	53.33
Others	38.15	31.65	82.96	37.40	32.44	86.74
Coly. Cons.	3.50	3.46	98.86	3.52	3.47	98.58
Overall :	191.78	183.15	95.50	185.72	173.58	93.46

13.2 Despatches

13.2.1 *Transportation of Coal and Coal Products:* The transportation of coal and coal products by various means for the year 1990-91 and 1989-90 is given below :-

Year	(Figs. in million tonnes)					
	Rail	Road	MGR	Rope	Belt	Total
1990-91	107.18	28.12	28.61	4.58	6.35	174.84
1989-90	102.91	26.01	26.73	4.25	6.48	166.38

It would be observed from the table that there has been an increase of 8.46 million tonnes or a growth rate of 5% over same period last year.

13.2.2 Off take of Raw Coal : Off take of raw coal for the year 1990-91 was 183.15 million tonnes against the target of 191.63 million tonnes showing 95.6% achievement of the target. Companywise target, actual off-take and percentage achievement for the years 1990-91 are tabulated below :

(Figs in million tonnes)

Company	1990-91			1989-90		
	Target	Actual	%Achv.	Target	Actual	%Achv.
ECL	26.36	23.42	88.9	32.09	25.48	79.4
BCCL	27.22	23.31	85.6	28.10	24.25	86.3
CCL	29.85	28.13	94.2	29.14	28.10	96.4
NCL	27.43	27.33	99.6	23.03	22.36	97.1
WCL	23.18	23.82	102.8	22.70	21.92	96.6
SECL	56.52	56.21	99.5	49.28	50.62	102.7
NEC	0.95	0.93	97.9	1.00	0.83	83.0
Total :	191.51	183.15	95.6	185.34	173.56	93.6

13.2.3 Average loading of wagons: The loading target for the year 1990-91 was fixed at 14275 FWWs per day. The actual loading for the year was 13330 wagons showing 93.4% of the target. The actual loading in 1989-90 was 12791 wagons showing thereby an increase of 539 wagons over last year. Daily average

loading target, offer, supply and loading for the years 1990-91 and 1989-90 are shown below :-

(Figs. in FWWs)

Year	Loading target	Offer	Supply	Loading
1990-91	14275	14359	13481	13330
1989-90	13562	13744	12934	12791

The loading in 2nd half yearly period substantially increased to 14,100 FWW/day from 12,568 FWW/day in 1st half yearly period i.e. by 1,532 wagons (12.2%). The loading in March'91 was an all time high at 15,181 wagons. The increased trend in loading exhibited in 2nd half yearly period is continuing in 1991-92 and it is expected that



in 1991-92 loading would be substantially higher than 1990-91.

13.2.4 Despatches during the year : Despatches of raw coal by various means during the year was 179.48 million tonnes against 170.18 million tonnes during the last year. Modewise break-up of despatches for the last 2 years are as under :

(Figs. in Million Tonnes)

Year	Rail	Road	MGR	Belt	Rope	Internal Consumption	Total
1990-91	100.80	26.33	28.61	6.06	4.56	13.26	179.62
1989-90	96.56	24.20	26.73	6.10	4.12	12.40	170.11

13.2.5 Road Despatches : Road despatches in 1990-91 suffered due to certain restrictions on loading and due to some agitation by the Regional political parties like Indian People's Front etc.

13.3 CIL Stockyards

There are 50 Stockyards in operation during March'91. The existing stockyards are located

A Washery Control Panel

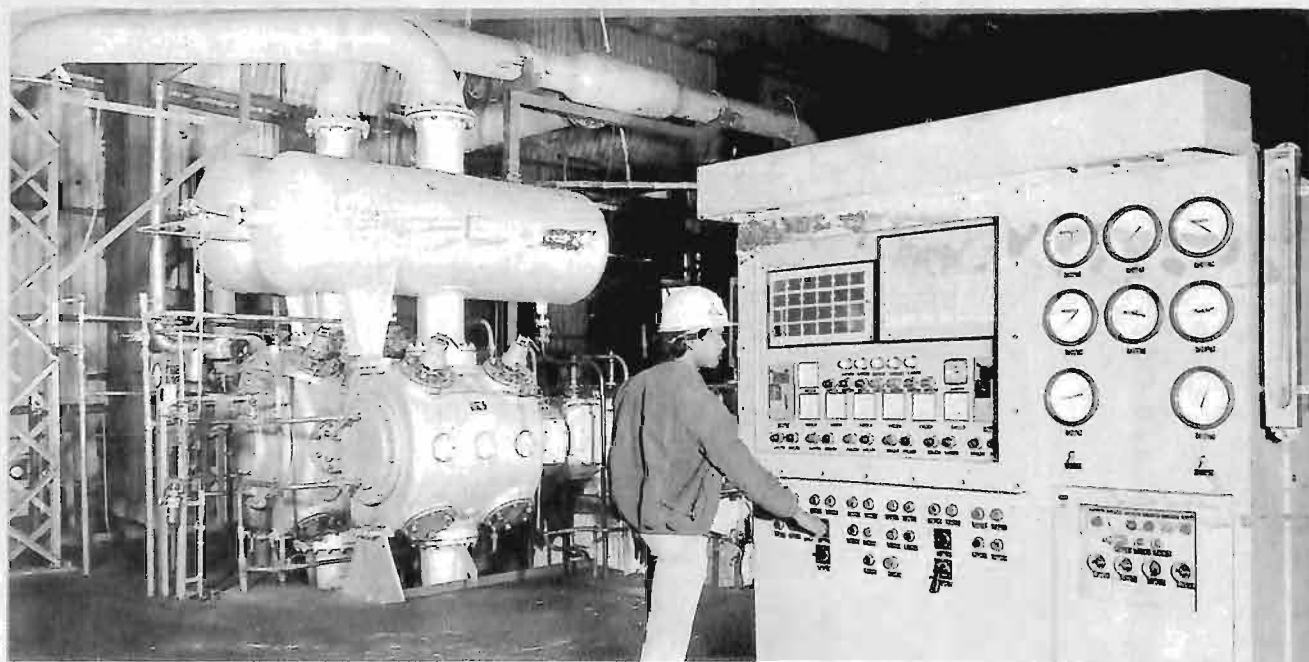
in 10 States and 1 Union Territory(Delhi). The Stockyards in West Bengal handle soft coke also alongwith coal. These Stockyards meet the requirements of industrial consumers opting for supplies from CIL Stockyards.

13.4 Consumer Satisfaction/Stress on Improving Quality of Coal

Complaints on quality of coal mainly relate to supply of coal to lower calorific value, mixture of extraneous materials in it, supply of over-sized coal and short receipts. To overcome these complaints following steps have been taken.

13.4.1 Installation of Coal Handling/Screening Plant : Upto 1.4.91, 233 Coal Handling Plants with annual capacity of 119.60 million tonnes have been installed.

At present about 95% sized coal is being despatched to Power Sector. To ensure supply of 100% sized coal to all consumers, additional CHPs with capacity of 49.32 million tonnes/year is under construction. Moreover, to cover sizing of OC Coal, on crash basis feeder breakers are being installed at points not covered by CHPs.



13.4.2 Installation of Weighbridges : Though weighment of rail borne coal is the responsibility of the Railways as per statute, CIL has installed 94 Electronic Weighbridges upto 31.3.91 at rail loading points alongwith the facility of electronic print out, in order to minimise dispute on quantity supplied/received.

13.5 Stock of Coal and Coke

Stock of Raw-coal at the end of the year stood at 42.37 ml. tonnes as compared to 36.35 million tonnes of previous year. Thus, stock has gone up 6.02 million tonnes during the year under review.

14. FOREIGN COLLABORATION AND TECHNOLOGY ABSORPTION

CIL has collaboration arrangements with USSR, France, UK, Poland United Germany, Canada and Australia, the countries having sufficient expertise and experience in the field of winning and development of mining technology adoptable to Indian conditions for technological upgradation to improve production, productivity, safety and higher rates of Coal recovery. To achieve the objective of technology transfer, bilateral meetings at Govt. level were held regularly with the collaborating

countries and specific areas for bilateral co-operation were identified by Joint Working Groups.

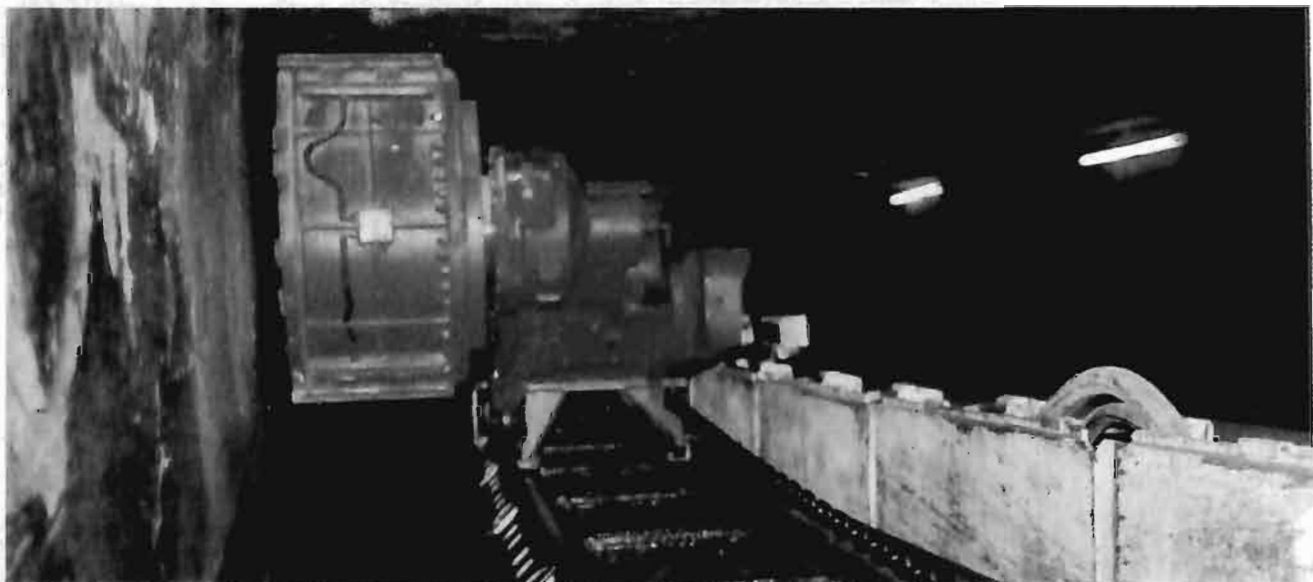
The co-operation includes initial stage of mine planning, construction, equipment supply, technical assistance, training and bringing the mine to the rated capacity in a given time span for high capacity underground and opencast mines in compliance with pre-determined technical parameters. The performance guarantee for the production during the trial period is also part of the approach. It is also ensured that imports are allowed only when items are not available in India or where bilateral financial assistance is provided for purchase of equipment and other technical services.

The major areas of collaboration are :

- 1) Preparation of economically viable detailed Project Reports for large capacity opencast and underground mines.
- 2) Introduction of new mining methods such as 'Blasting Gallery' and 'Sub-level Caving' for extraction of thick seams, working seams with PSLW in different geo-mining conditions, 'Hydro mining', 'Shield Mining' etc. for thick and steep seams.

All these methods facilitate coal mining without sand stowing.

Drum Shearer for a Longwall face



- 3) Introduction of new technologies in open-cast projects like –
 - a) In-pit crushing plant with mobile crusher,
 - b) Application of Bucket Wheel Excavator,
- 4) Assistance in Shaft Sinking, fast Incline Drivages etc.
- 5) Electronification packages for integrated mine management system for underground and opencast mines for monitoring mine environment, transport system, equipment condition monitoring etc.
- 6) Development of training skills.

15. WORLD BANK ASSISTANCE

Financial assistance through I.B.R.D. loan has been made available in respect of :

- 1) Dudhichua Coal Project of NCL.
- 2) Jharia Coking Coal Projects :- Block-II OCP (BCCL)
- 3) Coal Mining and Coal Quality Improvement Project comprising of –
 - a) Gevra Expansion OCP of SECL, and
 - b) Sonapur Bazari OCP of ECL.

Activities of Gevra Expansion and Dudhichua Coal Project are progressing very satisfactorily. Gevra OCP has achieved the targetted capacity

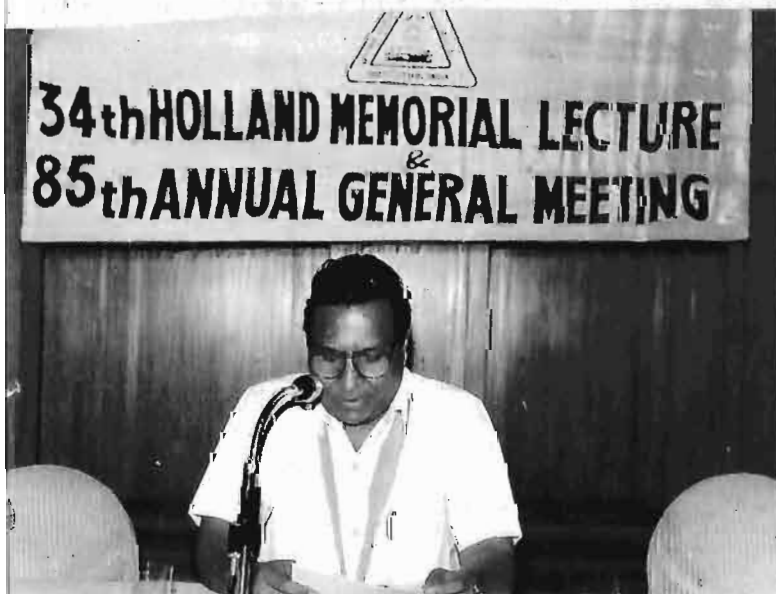
during this year, ahead of the schedule by two years and the targetted capacity of Dudhichua Coal Project is expected to be achieved ahead of the schedule by one year.

16. GEOLOGICAL EXPLORATION & DRILLING

During the year 1990-91, main thrust was given as in the past for detailed coal exploration to meet the increased demand of coal in future for providing comprehensive geological data for mine planning and design, colliery development, Hydrological investigations and Geomining studies etc. Exploration activities were mainly directed towards proving of coking coal resources in Jharia, Sohagpur, Pench-Kanhan Valley and East and West Bokaro coalfields and quarriable Coal resources suitable for power generation in the Rajmahal, North Karanpura, Singrauli, Korba, Ib and Talcher Coalfield. Emphasis was also laid on proving good quality non-coking coals in Raniganj and other Coalfields.

For detailed coal exploration an average of 148 number of drills per month were engaged and a total of 350034 Mtrs. of drilling was carried out in about 157 blocks spread over 28 coalfields in the States of West Bengal, Bihar, Orissa, M.P., Maharashtra, Assam and Meghalaya. The above task was carried out by

Nitrogen Determination in a Laboratory



CMPDIL in association with MECL, State Govts. and Private Agencies.

During the year 35 Geological Reports were prepared through CMPDIL based on which 3967 million tonnes of coal reserves were estimated out of which 3628 million tonnes are of proved category and 2573 million tonnes were quarriable.

The Chemical laboratory of CMPDIL continued to provide support in evaluation of the coal quality by conventional and rapid instrumental analysis system.

The exploration laboratory of CMPDIL in collaboration with Bhaba Atomic Research Centre, Bombay, has taken up second phase of the Joint project under the S & T Scheme for determination of ash percentage of coal by nuclear techniques, using "Coal Ash Monitor", fabricated by BARC on Gama-ray transmission method.

The Petrological laboratory of CMPDIL for the first time in India started working on "Round Robin" exercise in Consultation with other institutions like ISM CFRI, SAIL (R&D) BHU, GSI and BSIP, Lucknow for standardisation of norms of Petrological Studies of Coal.

Borehole geophysical logging through CMPDIL was carried out on routine basis in different coalfields containing in 207 Nos. covering 45420 depth meters. Besides this surface

geophysical investigations for meeting specific requirements were also carried out such as Seismic Refraction Survey, Magnetic Survey, Gravity Survey, Electrical Resistivity Survey, High Resolution Seismic Survey (HRSS), Ground check by Infra-red Radiometers for Scanner.

Computerisation of processing of exploration data has been carried throughout the year. The remote sensing call was strengthened and various hardware and software peripherals were procured for processing.

17. RESEARCH & DEVELOPMENT

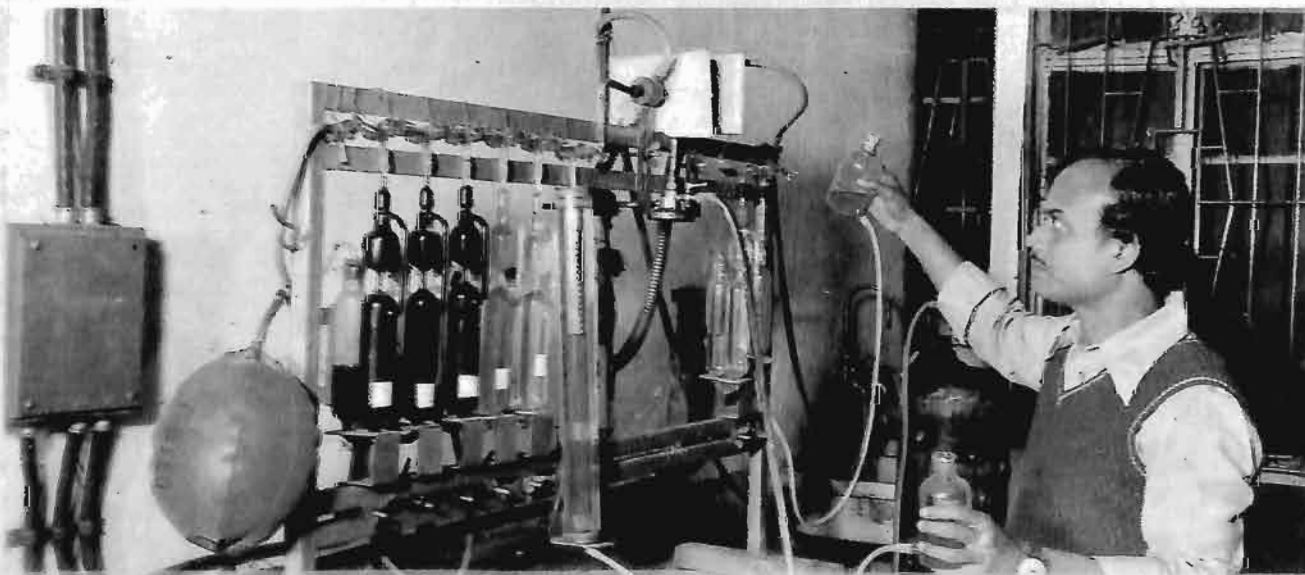
CMPDIL, a subsidiary of Coal India Limited has been entrusted with the function of Co-ordination and monitoring of research and development activities in the Coal Sector through Science and Technology grant of Department of Coal.

CMPDIL is also involved in planning, programming budgeting and overseeing the implementation of Research Projects in Coal Sector and seeing application of research findings.

The major achievements during the year in the field of R&D are as follows :

- The norms and relationships between subsidence movement parameters.

Laboratory — Gas Analysis



- Investigations were carried out to control pollution due to toxic gases in underground, produced during blasting operations with explosives.
- Efforts are being made to standardise and evolve method for defining the work-ability of Indian Coal Seams.
- To extract coal locked up below built up structures.
- Experiments have been carried out to stabilise the best Crushing Circuit for the coal Washeries.
- The facility for testing of coals, to examine their suitability for production of domestic fuels viz: SSF, briquettes & pellets.

18. ENVIRONMENTAL ENGINEERING

During the year 1990-91 CMPDIL formulated Environment Management Plan for 42 Mining Projects and one non-mining project. Continued thrust was given for strengthening environmental data base.

Continuous interaction with the State Govts. and Ministry of Environment and Forests, Govt. of India being made for environmental clearance of projects.

CMPDIL has been continuously inter-acting with the US Office of Surface Mining for prog-

ress of the project on "Conceptual Environmental Management Plan for Jharia Coalfield" which was earlier funded by US-OSM and is in correspondence with furnishing information to the U. K. Overseas Development Administration towards development of Model Environmental Management plan for Amlohri OCM.

CMPDIL also inter-acted with a French Collaboration towards development of an Indo-French Project to investigate impact of opencast coal mining operations on aquifers and ground water quantities.

CMPDIL also prepared a project proposal for live demonstration projects on "Abandoned Mines Restoration at Jharia and Raniganj Coalfields."

19. COMMUNICATION SYSTEM

In Telecommunication Areas further mile stones have been achieved in the progress of CIL's COALNET implementation programme. The 4.5 Mt. dish Satellite earth stations at Bilaspur (SECL) & Margherita (NEC) have been commissioned over INSAT 1D. These satellite links have helped to a large extent in bringing the above mentioned important coal producing cos. into the main stream.

The CIL's vital communication link with Rajmahal Project of ECL over Digital UHF system has been put into operation facilitating both voice

Wagon Tippling Control Panel



and data communication. It is important to mention that over the same system of CIL, STD facility has also been made available at the Rajmahal project site, which remained isolated so long from any effective communication facility of DOT and was causing great constraint in the smooth execution of the project work. Now, with the introduction of the STD facility over CIL's system, the project authorities of Rajmahal are able to establish contacts with outside world both at national and international level. The installation work for the satellite earth Station at the WCL premises of New Majri, Patharkera & Pench respectively have made good progress.

As for augmentation of office automation facility, FAX machines have been installed at CIL Hq. & Delhi office, Co. Hqrs. and some areas of SECL. These are helping in quick transmission and receiving of messages/documents. Besides Electronic Exchanges (EPABX) have been commissioned at CIL Hq. office and other locations thus bring about improvement in the internal communication system. Installation of bilingual Telex machines at several locations, (viz. BCCL, WCL and SECL) and introduction of one Automax system at CIL, Calcutta are helping in transmission and reception of TP/Telex messages to a great extent.

20. COMPUTERISATION

For effective formulation of corporate policy of your company an integrated Management Information System has been developed. Your Company has taken up two projects on Total Integrated Mine Management System. The first of the two sites is in Gevra OCP at SECL. All the computer and transmission hardwares have already been installed in Rajmahal OCP of ECL. A computer hardware has been finalised for computer by METCHEM of Canada. The software has been selected. Training of systems professionals to operate this system is complete.

The VAX Centre at CMPDIL has already generating mine plan through computers. Parallely the Regional Institutes are generating themselves up for automating design and drafting through computers.

CIL's COALPROM Programme is running successfully on Project division of CIL and subsidiary.

Data communication between CIL, Calcutta and CIL, New Delhi is running successfully. Ranchi, Dhanbad, Singrauli has already been linked with Calcutta and data transfer is under preparation. Attendance recording at the source is being tried in ECL. If successful the system will gradually be implemented in other collieries.



To cope-up with the above mentioned plan a large number of computers were installed and training programmes were organised. Total No. of computers installed so far is 421 including PC/PCXT/PCAT. In April'90 - March'91 total No. of computers installed is 100 and 994 persons were already trained.

21. SAFETY

In order to give special impetus in the area of Safety the following measures were taken by your company in the last few years which resulted in reducing the fatality rate per M.T. of Coal production from 2.05 in 1973 to 0.75 and serious injury rate from 17.30 to 3.13 in 1990:

- Strengthening the internal safety organisation at Company level.
- Ensuring full participation of workmen in Safety Management.
- Time-bound implementation of the recommendation of Safety conference and the Standing Committee on Safety.
- By putting a thrust on training and re-training of workmen in various spheres for enhancement of skill.
- By special thrust on easy availability of Safety materials, proper communication system, Rescue Services vocational training etc.

The Companywise position of fatal accidents and fatalities and number of seriously injured persons during 1989-90 and 1990-91 is tabulated below :

Company	No. of Fatal Accidents		No. of Fatalities		No. of seriously injured persons	
	90-91	89-90	90-91	89-90	90-91	89-90
ECL	24	30	27	37	126	149
BCCL	32	43	33	52	117	144
CCL	15	14	16	16	43	44
NCL	6	4	6	5	14	7
WCL	15	16	15	20	180	197
SECL	19	25	22	28	87	85
NEC	3	4	3	4	3	1
TOTAL CIL	114	136	122	162	570	627

22. MINE RESCUE SERVICES

A comprehensive plan to upgrade the rescue services after taking over from the Central Coal Mines Rescue Station Committee, was finalised by CIL in 1988 and implementation of the plan was taken up on priority in last two years. The upgradation plan covers three main areas i.e. construction of new rescue stations, provision of required equipments and staffing the services with competent trained personnel.

Mock Rehearsal of Rescue Operation at a Annual Mines Safety Week Celebration



Construction of new rescue stations - Expert committee constituted by CIL, recommended locations of new rescue stations and facilities to be provided at such station keeping in view the requirement from the angle of providing emergency services as well as training facilities for the men of the services.

In the last two years, three new rescue stations and eight rescue rooms (six numbers of them with training galleries) have already been constructed in different Subsidiary Companies of CIL as under :-

Newly constructed

Company	Rescue Stn.	RRRT	RR
BCCL	Dhansar (Tr. gallery modified)	Sudamdih	Moonidih
CCL	Ramgarh	Kathara, Churi	Hutar
SECL	Manindragarh	Korba, Burhar, Bistrampur Talchir	
WCL	Nagpur	Parasia	

23. HUMAN RESOURCES DEVELOPMENT AND TRAINING

Coal India and its subsidiary companies have operated as per the integrated plan drawn for the year 1990-91 for utilisation of in-house

training facilities for the development of Executives, Supervisors and workmen.

Following areas have been considered for drawing effective strategy of Human Resources Development.

- Intensive training for upgradation of skill to meet the demand of skilled and highly skilled personnel.
- Training of operators and maintenance personnel for various HEMM equipments.
- Coaching of Supervisors and statutory examination conducted by Director General of Mines Safety.
- Implementation of JETs training uniformly in all the companies.
- Training abroad in maintenance and operation of sophisticated equipment connected with mechanisation programme and exposure to advanced Management Concepts practices in developed countries.
- Efforts to develop (a) Technical Training Packages to facilitate management of Technology (b) Management Training Packages to facilitate succession and career growth.
- Self development efforts and participative culture in the Companies including stress relief, commitment to work, quality circle etc.

Women in Public Sector (WIPS), CIL Cell in a Meeting



- h) A workshop as a follow up on the corporate culture programme was conducted for the executives and was followed up by series of in house sessions culminating in the redesign of executives performance appraisal system which has since been introduced.

The table below indicates the number of employees trained during the year 1990-91.

Category	Employees trained
Executives	8,898
Supervisors	6,505
Workers	1,08,775

A total of 73 Executives and Non-Executives were trained abroad during the year 1990-91.

Mentor-Protege programme was introduced in ECL and WCL. It is in process in BCCL.

Quality Circles swelled to 103 in the year and in-house case study presentations were made in WCL and BCCL.

Quality Circles convention was held in May 1991 at CMPDIL, for all the subsidiaries. A number of cases were presented and attracted the attention of all.

The apex training board was reconstituted and its first meetings was held.

24. MANPOWER

Total manpower of your company and its subsidiaries as on 31-3-1991 was 6,73,345 as

against previous year total manpower of 6,67,705.

Company	As on	Executives	Supervisory/ clerical	Skilled/ Semi-skilled un- skilled.	Non-cate- gories (Others)	*Total
BCL	31.3.90	3329	20149	152580	2646	178704
	31.3.91	3383	19892	153025	1589	177889
BCCL	31.3.90	3687	17780	143093	2355	166915
	31.3.91	3761	18194	141996	3472	167423
CCL	31.3.90	3049	11861	84824	858	100592
	31.3.91	3005	11941	82999	844	98789
WCL	31.3.90	1980	8514	69625	2790	82909
	31.3.91	2072	8808	75563	111	86554
SECL	31.3.90	2907	12448	93148	4354	112857
	31.3.91	3167	13106	95559	3901	115733
NCL	31.3.90	1014	2258	10657	4	13933
	31.3.91	1103	2397	11534	-	15034
NEC	31.3.90	118	585	4645	-	5348
	31.3.91	116	648	4552	-	5316
CMPDIL	31.3.90	1219	919	2099	2	4239
	31.3.91	1247	910	2113	14	4284
CIL(Hqrs) & DCC	31.3.90	487	1027	683	11	2208
	31.3.91	515	1065	742	1	2323
CIL as a whole	31.3.90	17790	75541	561354	13020	667705
	31.3.91	18369	76961	568083	9932	673345

* Casuals, Badlies and Company Trainees included.



Operators Training



Adult Education

The new recruits under the provisions of National Coal Wage Agreement and also under landloosers' Scheme were deployed for training in various Training Institutions/Centres for Intensive training and development.

The increase in manpower during the year is only by 5640 which constitutes 0.84%.

25. INDUSTRIAL RELATIONS

During the year under review, industrial relations remained cordial. Subsidiarywise number of strikes, law and order disturbances, man-days lost and loss of coal production are indicated below :

Com- pany	No. of Strikes		No. of other incidents		Mandays Loss		Produc- tion loss (tonnes)		Wages loss (Rs.)	
	89- 90	90- 91	89- 90	90- 91	89- 90	90- 91	89- 90	90- 91	89- 90	90- 91
ECL	15	20	50	85	89949	111200	42347	91010	8990120	10032000
BCCL	11	3	20	17	73655	32761	130830	34646	7346069	4218785
CCL	7	5	81	82	1491	12267	4120	26888	100684	595597
WCL	15	6	48	8	43442	3746	67159	25063	4974245	274035
SECL	12	8	101	28	19481	27708	160368	123390	1996738	3039520
NCL	1	5	8	33	129	2020	2000	1261	8546	272087
NEC	00	1	00	00	499	92	200	92	106000	8138
CMPDIL	00	00	00	00	000	2452	000	0000	000	000
CIL &										
DCC	00	00	00	00	478	1967	000	0000	47829	0000
Total 61+1*	48	308	253	229	124	194213	407024	302350	23570231	18440162

During 1990-91, 93850 Mandays Lost, 53851 Production Lost in ECL, CMPDIL and CIL (included above) were due to Bangla Bandh on 6.2.91

32737 Mandays Lost Rs. 6546400 Wages Lost (not included above) were due to Coal Mines Officer's Association strike on 11th & 12th October'90.

There was no General Strike during the year.

1047 Mandays Lost in CIL(HQ) and Calcutta based offices of CIL due to Calcutta Bandh on 8-3-91 (not included) in the above statement.

** Bangla Bandh.

26. ENVIRONMENTAL MANAGEMENT AND SOCIAL AMENITIES

Thrust were being continued during the year to provide more welfare and social amenities by constructing more hospital buildings, water supply arrangements and also providing more medical and educational facilities, the position of which is indicated in the table given below :

Left One of our Bal Udyans

Right Ganatantra Divas Celebration



26.1 Environmental Management & Social Amenities

Item	Additions during 1990-91	Position as on 31.3.1991
i) Houses	9,668 Nos. additional construction during 1990-91	3,51,374
ii) Water Supply	51,855 Nos. additional population covered during 1990-91	21,03,804
		Actual Nos.
iii) School/College		1,140
iv) Co-operative Stores		
a) Primary		115
b) Central		10
v) Credit Society		150
vi) Bank		215
vii) Ambulance		590
viii) Hospital		77
ix) Hospital Beds		4,898
x) Creche		126
xi) Canteen		385

26.2 Environment & Ecology

Afforestation :- 75.63 Lakhs Trees planted during 90-91.

26.3 Welfare & Sports

Due weightage to sports & games has been given in Coal India after Nationalisation.

In addition, Cultural & Recreational activities have also been activated.

27. PROGRESSIVE USE OF HINDI

According to the Official Language policy of Govt. of India, CIL has made active steps to popularise Hindi in the use of official work. CIL as the Chairman, CALTOLIC during 1990-91 conducted competitions among all the Public Sector Undertakings/Corporations and autonomous bodies of Calcutta in Hindi typing, Essay, Eloquence and Hindi Technical word writing and Hindi quiz competitions. Much stress was given on Hindi training. A full week programme was conducted in September as Hindi week



Community Development -- A Way of life



Afforestation in Coalfields

with a debate competition. Two Hindi workshops for Officers and employees were also held separately in which 40 people have participated. Cash awards were also given to the Officers and employees who passed Hindi Examination.

A special issue on Dr. Ambedkar of 'Khanan Bharati' was also brought out.

28. PAYMENT OF ROYALTY, CESS AND SALES TAX

CIL and its Subsidiaries during the year 1990-91 paid Central and State Governments Rs. 1134.17 Crores against Rs. 1327.34 Crores in previous year. The break-up of Royalty, Cess and Sales Tax payments for 1989-90 and 1990-91 are indicated below :

	(Rs. in Crores)	
	1990-91	1989-90
Royalty	88.26	80.32
Cess (including other levies)	797.97	995.47
Sales Tax (State and Central)	247.94	251.55
Total	1134.17	1327.34

* Billing of cess on coal for despatches from collieries in Bihar stopped consequent on Judgement dt. 6.11.90 by Ranchi Bench of Honble High Court Patna.

By Product Plant at Dankuni Coal Complex

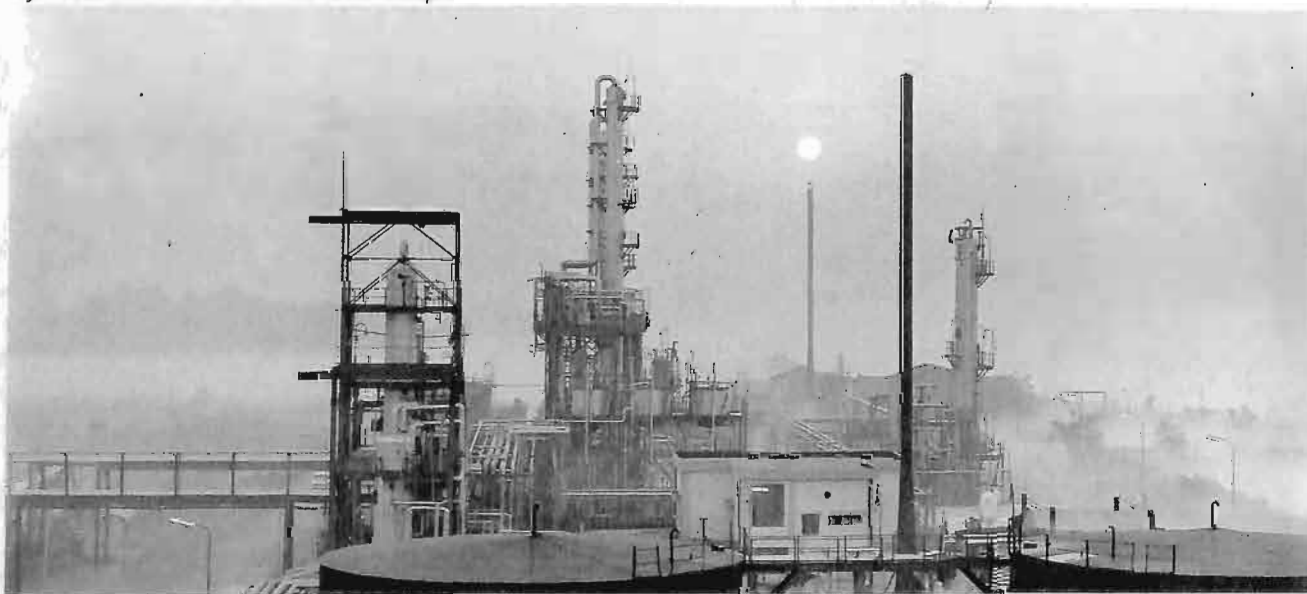
29. COAL PRICE

In the second year in succession, coal prices have not been revised. The prevailing coal prices notified on January 1, 1989 is based on indices for input prices of June'88. Since then, besides the impact arising out of signing of National Coal Wage Agreement - IV in July'89, there has been incidence of substantial increase in the cost of all major inputs. The gulf surcharge on petro products, increase in power tariff and cost of stores and spares, enhancement in the ex-gratia ceiling, revision of executive pay and variable dearness allowance arising out of movement in All India Consumer price index from 762 points in June'88 to 996 points in March'91, are some of the major cost additions, which remain uncovered in the prevailing price.

30. DANKUNI COAL COMPLEX

The construction of the Gas Plant with five Retort Benches was completed in June'90 at a total Capital investment of Rs. 135.37 Crores.

Supply of Gas to M/S Greater Calcutta Gas Supply Corporation started in June'90 with a limited off take of 0.8 million Cft to 1.0 million Cft per day with the operation of one Retort Bench. Though GCGSC had agreed to draw a minimum of 8.0 million Cft of gas per day they have not increased their offtake even to 1 million Cft per day. Besides that they have not finalised



the price of gas to be paid on expiry of one year promotional period. Following the failure of lifting of gas by the GCGSC, the DCC authorities explored alternative buyers and entered into an agreement with M/S Alloy Steel Plant, Durgapur who have agreed for off-take of 2.0 to 4.0 million Cft per day. The supply of gas to M/S Alloy steel Plant commenced from Nov'90 and thereafter the Second Retort Bench was commissioned in Dec'90. The balance three Retort Benches could not be commissioned till date because of lack of gas offtake.

In view of the above, only 25% of the capacity is being utilised which resulted a loss of Rs. 22.75 Crores (including amortisation revenue expenditure of Rs. 4.33 Crores) in the first year of its commercial operation.

The other products viz: CILCOKE, Cokelines, coalfines and crude Tar are having very good response in the market. The cumulative despatch value of all these products including gas for the year 1990-91 was Rs. 16.44 Crores.

31. ENERGY CONSERVATION

Realising the importance of Energy Conservation in today's context, the work of Energy Conservation in an organised manner on total system approach basis was taken up in 1987-88. first Annual Action Plan was launched in 1987-88 and projected target successfully

achieved. Since then work in this sphere has been intensified with resultant success stories year after year. Annual action Plans as a part of long term plans are being drawn year after year with successful implementation and achievement.

Besides Energy Conservation in production and despatch of Coal, Coal India's efforts in the sphere of energy Conservation are also directed towards-

- Conservation of Coal at Source and in exploitation
- Energy Conservation in transportation
- Efficient utilisation of Coal at Consumer end.

The efforts on the above are on long term and continuing basis and are showing results though they cannot be quantified on yearly basis.

High Lights of Achievement in 1990-91

- i) An overall specific Energy Consumption of 12.062 KWH/Te of Coal.
- ii) Implementation of Energy Audit work done in mines of subsidiaries.
- iii) Training of employees in Energy Conservation techniques.
- iv) Co-sponsoring and participation in Energy Conservation Seminar.

Medical Facilities & Health Care



- v) Participation in various Energy Conservation Seminars, award presentation etc. related to conservation in utilisation of Coal and its conservation to usable form of Energy.

32. BOARD OF DIRECTORS

During the year under review Dr. M. P. Narayanan continued as Chairman upto 31st July'91 and Shri S. K. Chowdhary took over the charge as Chairman, from 31st July'91(AN). Functional Directors S/Shri K.A. Sinha and B. Swaminathan retired on 13th July'90 and 14th Nov'90 respectively and Shri P. K. Sengupta assumed charge as Director(Finance) on 30th May'91 and Dr. S. K. Ghosh as Director (Tech)-Incharge on 15th July'91. S/Shri V. Krishnan, Addl. Secretary, Deptt. of Coal and V. Govindarajan, CMD, Singareni Collieries Co. Ltd. relinquished the directorship of CIL consequent to their transfers. S/Shri M. Jha, CMD, NCL, P. R. Sinha, CMD, BCCL, S.P. Puri, CMD, WCL and S.P. Mathur, Director retired on superannuation.

Shri B. K. Singh, Addl. Secretary, Ministry of Coal was appointed as Director on the Board. On 6th Nov., 1990.

During the year 1990-91 nine meetings of the Board of Directors were held.

In terms of Articles 33d(iii) of the Articles of Association of the Company all the Directors excepting the Chairman and wholetime Directors shall retire at this meeting and they are eligible for reappointment.

33. ACCOUNTS OF THE SUBSIDIARIES

The copies of Accounts of the Subsidiaries for the year 1990-91 are attached in Vol-II of the Annual Report and Accounts of your Company in compliance with requirement of Sec 212 of the Companies Act, 1956.

ACKNOWLEDGEMENT

Your Directors sincerely appreciate the contribution made by the employees at all levels of your Company and its subsidiaries and are confident that the employees would continue to strive hard to improve performance in the years to come. Your Directors also wish to place on record their sincere thanks for the support and guidance received from the various departments of the Central Govt. particularly from the Ministry of Coal as also the concerned State Governments. The Directors also acknowledge with thanks the assistance and guidance rendered by Statutory Auditors, Tax Auditors, the Comptroller and Auditor General of India Members of Company Law Board, Registrar of Companies, West Bengal.

ADDENDA

The following are annexd :

- i) The comments and review of the Comptroller and Auditor General of India.
- ii) Replies on observation made by the Statutory Auditors on the Accounts for the year ended 31.3.1991.
- iii) Statement pursuant to Sec 212(i)(e) of the companies Act, 1956 and
- iii) The names and other particulars of the employees of the Company who are in receipt of remuneration not less than Rs. 12,000/- per month stated in Annexure in compliance with the provisions of Sec.217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975. as amended in 1990.

For and on behalf of the
Board of Directors

Sd/-
S. K. CHOWDHARY
Chairman

Dated, 24th September, 1991
Calcutta.

DANKUNI COAL COMPLEX
(Coal India Limited)
ENERGY CONSERVATION AND ENERGY AUDIT

Annexure

Sl. No.	Item	Unit	1990-91	1989-90
1.	POWER AND FUEL CONSUMPTION			
	A) ELECTRICITY			
	a) Purchased :			
	1. Unit	MKWH	9,977	5,528
	2. Total Amount	Rs. lakh	149,654	82,155
	3. Rate/Unit	Rs./KWH	1,500	1,486
	b) Own Generation :			
	Diesel Generator :			
	1. Unit	KWH	49,470	17,888
	2. Unit/Litre Diesel Oil	KWH/Litre	4,000	4,000
	3. Cost/Unit	Rs./KWH	1,300	0,900
	B. COAL			
	(Gr.B. for production of Gas Coke and Tar)			
	1. quantity	L. Tonne	1,910	**
	2. Total Cost	Rs. Lakh	1406.200	**
	3. Avg. Rate	Rs/Tonne	736.385	**
	C. OTHERS		N.A.	N.A.
2.	PRODUCTS :			
	1. Gas M. Therm	2,050	**	
	2. CIL COKE	Lakh Ton	0.504	**
	3. Tar & Other Chemicals	Lakh Ton	0.043	**
	4. Coke Fines	Lakh Ton	0.072	**
	5. Coal Fines	Lakh Ton	0.787	**
3.	CONSUMPTION PER TONNE OF COAL CARBONISED			
	1. Electricity	KWH/Tonne	114.78	**
	2. Furnace Oil		N.A.	N.A.
	3. Coal	T/T	2.19	

Note : ** Commercial production commenced from 24.5.1990.

BALANCE SHEET AS AT 31ST MARCH, 1991

	Schedule	Current year	(Rs. in lakhs) Previous year
SOURCES OF FUND			
Shareholders Fund			
Share Capital	A	570171.84	522182.14
Amount and/or consideration received against equity pending allotment.	B	1159.45	204.26
Reserve & Surplus	C	344.77	344.77
LOAN FUND			
Secured	D	33577.12	41510.43
Unsecured	E	535678.98	569256.10
Total Funds Employed		1140932.16	1030889.07
APPLICATION OF FUNDS			
Fixed Assets	F		
A. Fixed Assets		18522.33	8205.08
Less: Depreciation		3721.07	2762.51
B. Capital work-in-progress		3834.39	9397.05
C. Expenditure during construction Period			3186.85
Investment	G	569198.32	484416.70
Current Assets, Loans & Advances			
Inventories	H	2845.58	3995.66
Sundry Debtors	I	492.84	415.15
Cash & Bank Balance	J	1028.82	1631.78
Loans & Advances	K	551870.87	528312.67
		556238.11	534355.26
Less: Current liabilities & provision	L	20432.93	19189.83
Net Current Assets.		535805.18	515165.43
A. MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)			
	M	3727.42	2501.78
B. PROFIT & LOSS ACCOUNT			
		13565.59	17293.01
		1140932.16	1030889.07
Accounting Policy and Notes to the Accounts are forming part of the Accounts.			
	N		

Sd/-
U. Suryanarauana
Company Secretary

Sd/-
D. Benerjee
Chief General
Manager(F)

Sd/-
P.K.Sengupta
Director
(Finance)

Sd/- Sd/-
S.K.Chowdhary
Chairman

Calcutta
Dated 24th Sept.,91

Subject to our report of even date

For GUPTA & MITRA
Chartered Accountants
Sd/- 24.9.91
(T.K. Datta)
Partner

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1991

	Schedule	Current year	(Rs. in lakhs) Previous year
INCOME :			
Sale of Coal, Coke etc.	1	12304.45	11164.54
Coal issued for other purposes per contra.	2	133.99	129.24
Other Receipts	3	2383.63	2062.31
C P R A		655.69	—
		<u>15477.76</u>	<u>13356.09</u>
EXPENDITURE :			
Decretion in Stock	4	1112.42	99.00
Purchase of Coal, Coke etc.	5	6950.33	5892.18
Employees Remuneration & Benefits	6	2970.81	2519.44
Consumption of Stores & Spare parts	7	502.58	301.18
Power & Fuel	8	309.21	241.41
Repairs	9	179.45	122.30
Contractual Expenses	10	1118.05	1601.28
Social Overhead	11	661.60	601.78
Depreciation		882.05	391.91
Interest	12	1378.92	1262.98
Provision	13	65.84	20.91
Contribution to Coal Price Regulation Account.		—	37.82
Deferred revenue expenditure of DCC amortised		434.94	—
Coal issued for other purposes per contra	14	12.99	—
Other Expenditure	15	1462.04	1590.94
Finance expenses for Bonds and Public Deposit	16	9.45	78.73
		<u>18050.68</u>	<u>14761.86</u>
Less: Excess of Expenditure over Income of DCC for the year deferred for future amortisation.		—	(-) 1400.00
		<u>18050.68</u>	<u>13361.86</u>
Profit/Loss (-) for the year		(-) 2572.92	(-) 5.77
Prior Period Adjustment	17	(-) 213.98	122.04Cr
Less: Excess of Income over Expenditure of DCC relating to Prior Period transferred to Expenditure during Construction Period		—	40.36Cr
		<u>213.98</u>	<u>81.68Cr</u>
		<u>2786.90</u>	<u>34.59</u>
Profit/Loss (-) for the year (after Prior Period Adjustment)			
Balance of loss carried forward from previous year		(-) 10778.69	(-) 10813.28
Balance of loss transferred to Balance Sheet		(-) 13565.59	(-) 10778.69

Sd/-
U. Surayanarayana
Company Secretary

Sd/-
D. Benerjee
Chief General
Manager (F)

Sd/-
P.K. Sengupta
Director
(Finance)

Sd/-
S.K. Chowdhary
Chairman

Calcutta
Dated 24th Sept.,91

Subject to our report of even date
For Gupta & Mitra
Chartered Accountants
Sd/- 24/9/91
(T.K. Datta)
Partner

SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 1991.

SCHEDULE - A

	Current year	(Rs. in lakhs) Previous year
SHARE CAPITAL		
AUTHORISED CAPITAL		
6,00,00,000 Equity Shares of Rs.1000/- each (previous year 6,00,00,000 Equity Shares of Rs.1000/- each)	6,00,000.00	6,00,000.00
Issued Subscribed & paid up 54447845 Equity Shares of Rs.1000/- each fully paid in cash (previous year 4,96,48,875 Equity Shares of Rs.1000/- each)	5,44,478.45	4,96,488.75
2569339 Equity Shares of Rs.1000/- each allotted as fully paid up for consideration received other than cash (previous year 25,69,339 Equity Shares of Rs.1000/- each)	25,693.39	25,693.39
	5,70,171.84	5,22,182.14

SCHEDULE - B

	Current year	(Rs. in lakhs) Previous year
Amount and/or consideration received from Government of India against Equity pending allotment.		
For Equity Fund	1,000.00	-
For Land compensation	159.45	204.26
	1,159.45	204.26

SCHEDULE - C

	Current year	(Rs. in lakhs) Previous year
RESERVE & SURPLUS :		
Investment Allowance	344.77	344.77
	344.77	344.77

SCHEDULE TO BALANCE SHEET (CONTD.)

SCHEDULE - D

		Current year	(Rs. in lakhs) Previous year
SECURED LOANS			
Cash Credit from Scheduled Banks (secured by hypothecation of stock of Stores & Spare Parts, Stock of Coal & Coke, Book Debts & other Assets).			
State Bank of India	15084.19		20140.22
Punjab National Bank	4356.17		2966.42
United Bank of India	1874.49		1403.55
Canara Bank	1262.28		0.24
Bank of Baroda	999.99	23577.12	—
Term loan from ONGC (Secured against guarantee given by Government of India and also by second charge on stock of Stores & Spare Parts, Stock of Coal & Coke, Book Debts & other Assets)		10000.00	10000.00
Term loan from Punjab National Bank (Secured against Fixed Deposit)		—	7000.00
		<u>33577.12</u>	<u>41510.43</u>

SCHEDULE - E

		Current year	(Rs. in lakhs) Previous year
UNSECURED LOANS			
Long term loan from Government of India		380427.11	374459.58
Short term loan from Neyveli Lignite Corporation Limited,		—	2500.00
Secured Bonds (both to be secured by equitable mortgage/ hypothecation of Fixed Assets of Northern Coalfields Limited).			
13% Non-convertible Secured Bonds	45000.00		5000.00
9% Non-convertible (Tax free) Secured Bonds	<u>15000.00</u>	60000.00	<u>15000.00</u>
Public Deposits		3106.55	1098.12
Interest accrued and due on Government Loan		<u>92145.32</u>	<u>68589.77</u>
		<u>535678.98</u>	<u>466647.47</u>

SCHEDULE TO BALANCE SHEET (CONTD.)

SCHEDULE - F

FIXED ASSETS

(Rs. in lakhs)

	Cost				Depreciation				Net Block Total	
	As on 1.4.90	Add during the year	Adj./Sales/ Trans during the year	Total 31.3.91	As on 1.4.90	Add during the year	Adj./Sales/ Trans during the year	Total 31.3.91	As on 31.3.91	As on 31.3.90
Land a) Free hold	205.13	281.99	(+) 0.01	487.13	-	-	-	-	487.13	205.13
b) Leasehold	8.25	-	-	8.25	0.59	0.08	-	0.67	7.58	7.66
Building - Free hold	1810.21	1443.82	(-) 201.66	3052.37	199.68	65.06	(-) 0.17	264.57	2787.80	1610.53
Plant & Machinery	3520.92	7617.46	(-) 2.72	11135.66	1930.71	692.22	1.97	2624.90	8510.76	1590.21
Furniture Fittings/ Office Equipment	250.19	77.61	(-) 1.14	326.66	65.17	15.19	(-) 0.04	80.32	246.34	185.02
Railway Siding	368.30	461.21	-	829.51	19.56	38.76	(-) 0.01	58.31	771.20	348.74
Vehicles	182.08	12.00	(-) 2.71	191.37	60.91	16.39	(-) 0.52	76.78	114.59	121.17
Aircraft	115.64	-	(-) 14.01	101.63	70.27	11.40	(-) 0.72	80.95	20.68	45.37
Telecommunication	18.71	126.05	-	144.76	2.54	7.21	12.60	22.35	122.41	16.17
Development	1436.49	397.57	(-) 9.82	1824.24	377.48	84.13	(-) 0.02	461.59	1362.65	1059.01
Prospecting & Boring	289.16	131.60	(-) 0.01	420.75	35.60	15.03	-	50.63	370.12	253.56
Total	8205.08	10549.31	(-) 232.06	18522.33	2762.51	945.47	(+) 13.09	3721.07	14801.26	5442.57
Expenditure during Construction Pending allocation	3186.85		(-) 3186.85							
Capital work-in-progress	9397.05		(-) 5562.66	3834.39					3834.39	-
Grand Total	20788.98	10549.31	(-) 8981.57	22356.72	2762.51	945.47	13.09	3721.07	18635.65	5442.57
PREVIOUS YEAR										
Fixed Assets	6406.52	1780.33	18.23	8205.08	2274.00	488.70	(-) 0.19	2762.51	5442.57	4132.52
Expenditure during Construction	3268.53	-	(-) 81.68	3186.85	-	-	-	-	3186.85	3268.53
Capital work-in-progress	9373.83	768.45	(-) 745.23	9397.05	-	-	-	-	9397.05	9373.83

SCHEDULE TO BALANCE SHEET (CONTD.)

Allocation of Depreciation	(Rs. in lakhs)	
	Current year	Previous year
Profit & Loss Account	882.05	391.91
Social Overhead	47.18	22.85
Prior Period Adjustment	14.15	(-) 0.16
Development	4.77	4.73
O B R	11.50	69.21
Other adjustment	(-) 1.09	(-) 0.03
Total	958.56	488.51

SCHEDULE - G

INVESTMENT	(Rs. in lakhs)	
	Current year	Previous year
9774300 fully paid Equity Shares of Rs.1,000/- each in Eastern Coalfields Ltd. (previous year 90,00,000 Equity Shares of Rs.1,000/- each)	97743.00	90,000.00
8298907 fully paid Equity Shares of Rs.1,000/- each in Central Coalfields Ltd. (previous year 67,51,107 Equity Shares of Rs.1,000/- each)	82989.07	67,511.07
10476300 fully paid Equity Shares of Rs.1,000/- each in Bharat Coking Coal Ltd. (previous year 95,00,000 Equity Shares of Rs.1,000/- each.)	104763.00	95,000.00
6632800 fully paid Equity Shares of Rs.1,000/- each in Western Coalfields Ltd. (previous year 50,00,000 Equity Shares of Rs.1,000/- each.)	66328.00	50,000.00
11278262 fully paid Equity Shares of Rs.1,000/- each in Northern Coalfields Ltd. (previous year 90,00,000 Equity Shares of Rs.1,000/- each.)	112782.62	90,000.00
10268700 fully paid Equity Shares of Rs.1,000/- each in South Eastern Coalfields Ltd. (previous year 90,00,000 Equity Shares of Rs.1,000/- each.)	102687.00	90,000.00
190400 fully paid Equity Shares of Rs.1,000/- each in CMPDIL (previous year 1,90,400 Equity Shares of Rs.1,000/- each.)	1904.00	1,904.00
16334 fully paid Equity Shares of Rs.10/- each in Management and Technology Application (India) Ltd. (previous year 16,334 Equity Shares of Rs.10/- each.)	1.63	1.63
	569198.32	484416.70

SCHEDULE TO BALANCE SHEET (CONTD.)

SCHEDULE - H

(Rs. in lakhs)				
		<u>Current year</u>		<u>Previous year</u>
INVENTORIES				
(As valued and certified by the Management)				
Stock of stores & spare parts (at cost)	708.56		698.10	
Less : Provision of slow-moving/ non-moving obsolescence/ shortage	<u>35.28</u>		<u>18.73</u>	
	673.28		679.37	
Stores-in-transit (at cost)	<u>2.06</u>	675.34	<u>—</u>	679.37
Stock of Coal, Coke etc. (at net selling price in NEC and at-cost in CMO and DCC)	1555.34		3192.98	
Coal & Coke-in-transit	278.15		78.53	
Coal & Coke Fines	<u>111.74</u>	1945.23	<u>1.68</u>	3273.19
CIL COKE		107.85		—
Coal Tar		78.47		1.72
Other By-products		0.59		—
Chemicals		30.88		—
Stock of Bricks (at cost)		7.22		20.06
Work-in-progress (at cost)				
In Workshop	—		21.32	
In Brick Kilns	—		<u>—</u>	21.32
Total		<u>2845.58</u>		<u>3995.66</u>

SCHEDULE TO BALANCE SHEET (CONTD.)

SCHEDULE - I

	(Rs. in lakhs)	
	Current year	Previous year
Sundry Debtors (Unsecured)		
Debts outstanding for period exceeding six months	87.43	94.70
Other Debts	459.00	372.42
	546.43	467.12
Less: Provision for Doubtful Debts	53.59	51.97
	492.84	415.15
Classification :		
Considered good	492.84	415.15
Considered doubtful	53.59	51.97
	Maximum amount due at any time	Closing balance
	During current year	Current year
	During previous year	Previous year
Due by the Companies under the same management with the names of the Companies.	—	—
Due by the parties in which the Director(s) of the Companies is/are interested.	—	—

SCHEDULE - J

	(Rs. in lakhs)	
	Current year	Previous year
CASH & BANK BALANCES		
Cash, Cheques, Drafts, Stamps etc. in hand	253.93	84.76
Remittance-in-transit	229.71	1272.25
In Current Account with Scheduled Banks	526.71	263.74
With Post Office Savings Bank Account	6.15	0.16
Balance with Public Deposit Account	12.32	10.87
Total	1028.82	1631.78

SCHEDULE TO BALANCE SHEET (CONTD.)

SCHEDULE - K

			(Rs. in lakhs)	
		Current year	Previous year	
LOANS & ADVANCES (UNSECURED) (ADVANCE RECOVERABLE IN CASH OR FOR VALUE TO BE RECEIVED)				
ADVANCES TO SUPPLIERS				
For Capital	656.28		227.49	
For Others	92.81	749.09	214.01	441.50
ADVANCES TO CONTRACTORS				
For Capital works	9.91		5.71	
For Others	0.21	10.12	19.03	24.74
ADVANCES TO EMPLOYEES				
For House Building	216.73		154.78	
For Motor Car & Other Conveyance	31.03		27.49	
For Others	25.71	273.47	19.23	201.50
DEPOSITS				
For Custom duty & Port charges	276.53		256.76	
For Short Term Deposit with Bank	11000.00		12500.00	
For Other Deposits	47.83	11324.36	156.98	12913.74
Other Advances		271.55		110.45
AMOUNT DUE FROM THE GOVERNMENT OF INDIA				
For transaction on behalf of Ex-owners of Non-Coking Coal Mines	485.00		484.54	
For transactions on behalf of Ex-Coal Board	5.36		12.03	
For interest subsidy on non-plan loan	1551.62		1551.62	
For subsidy receivable	50.54	2092.52	90.03	2138.22
Claims receivable		342.48		238.45
Prepaid Expenses		22.01		17.50
In current Account with Subsidiaries of Holding Company		536919.79		512314.80
Sub total		552005.39		528400.90
Less: Provision		134.52		88.23
Total		551870.87		528312.67
CLASSIFICATION				
Considered good		551870.87		528312.67
Considered doubtful		134.52		88.23

SCHEDULE - K (CONTD.)

AMOUNT DUE FROM SUBSIDIARY COMPANIES :

	Maximum amount due at any time during the year		(Rs. in Lakhs) Closing Balance	
	Current year	Previous year	Current year	Previous year
Eastern Coalfields Limited	114085.44	139161.22	98671.33	90004.17
Bharat Coking Coal Limited	177865.94	196318.60	171086.56	156555.78
Central Coalfields Limited	54809.49	57580.70	54809.49	57554.67
Western Coalfields Limited	55386.26	52934.80	45386.26	52215.22
Northern Coalfields Limited	95246.73	93234.74	95246.73	93234.74
South Eastern Coalfields Limited	71940.29	63207.29	71940.29	63207.69
Central Mine Planning & Design Institute Limited	1282.95	3288.14	(-) 220.87	(-) 457.47

Notes : House Building and cars/scooters advance for Rs.247.76 lakhs (Previous year Rs.182.27 lakhs) included under Loans & Advances (unsecured) considered good and are secured by equitable mortgages on assets concerned.

SCHEDULE TO BALANCE SHEET (CONTD.)

SCHEDULE - L

CURRENT LIABILITIES & PROVISIONS	(Rs. in lakhs)			
	Current year		Previous year	
CURRENT LIABILITIES				
SUNDRY CREDITORS				
For Capital including Revenue Stores	664.25		242.59	
For Coal	1379.70	2043.95	604.04	846.63
Advance from Customer		1731.67		970.77
Deposits		435.13		207.84
Advance Deposit pre-Nationalisation		20.85		20.85
EMPLOYEES REMUNERATION & BENEFITS				
Salaries, Wages & Allowance	337.61		296.19	
Attendance Bonus	2.42		1.04	
Ex-gratia	118.60		66.54	
Unpaid Salaries, Wages etc.	3.28	461.91	4.82	368.59
OTHER EXPENSES				
Power & Fuel	29.47		18.26	
Contractual Expenses	294.65		449.78	
Others	47.17	371.29	24.23	492.27
Due to Government of India		554.05		554.05
Interest accrued but not due on loans		13720.60		14342.86
Assam Land Tax		349.44		294.78
SALES TAX				
State	20.76		10.09	
Central	37.16	57.92	18.58	28.67
Royalty & Cess on Coal		16.97		24.53
Provident Fund		33.00		89.94
Discount on Bonds		-		487.50
Turnover Tax		1.11		-
INCOME TAX				
Public Deposit	0.46		0.41	
Employees	17.59		30.12	
Contractors	3.07	21.12	4.83	35.36
Professional Tax		2.81		2.63
Other Liability		611.11		422.56
Total		20432.93		19189.83

SCHEDULE TO BALANCE SHEET (CONTD.)

SCHEDULE - M

		(Rs. in lakhs)	
		Current year	Previous year
MISCELLANEOUS EXPENDITURE			
(To the extent not written off or adjusted)			
OVERBURDEN REMOVAL :			
As per last Account		609.03	330.62
Expenditure during the year -			
Contractual	420.40		1157.37
Departmental	214.73	635.13	1841.97
		<u>1244.16</u>	<u>2172.59</u>
Less: Adjustment			
Contractual	627.18		878.96
Departmental	214.73	841.91	1563.56
		<u>402.25</u>	<u>609.03</u>
Discount on Bond		2455.29	492.75
Excess of expenditure over income of DCC deferred for future amortisation			
As per last Account	1400.00		
Less: Addition/adjustment during the year	95.18		1400.00
	<u>1304.82</u>		<u>1400.00</u>
Less: 1/3rd amortised during the year	434.94	869.88	—
	<u>434.94</u>	<u>869.88</u>	<u>1400.00</u>
Total		<u>3727.42</u>	<u>2501.78</u>

SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1991

SCHEDULE - 1

		(Rs. in lakhs)	
		Current year	Previous year
SALES OF COAL COKE ETC.			
Coal	12109.31		11452.33
Coke	138.69		187.41
Gas, CIL Coke, Coal, Tar etc.	1459.41	13707.41	216.87
			11856.61
Less: Statutory levies			
Royalty on Coal	58.92		52.27
Stowing Excise Duty	31.74		28.17
Assam Land Tax	901.64		233.84
Sales Tax :			
Central	135.80		91.43
State	274.86	1402.96	286.36
			692.07
Total		12304.45	11164.54

SCHEDULE - 2

		(Rs. in lakhs)	
		Current year	Previous year
COAL ISSUED FOR OTHER PURPOSE PER CONTRA.			
Boiler Consumption	16.18		9.50
Free issue to Employees	104.82		104.64
Brick Making	9.61		15.10
Others	3.38		-
Total		133.99	129.24

SCHEDULE - 3

		(Rs. in lakhs)	
		Current year	Previous year
OTHER RECEIPTS :			
Subsidy	88.91		138.26
Apex Office Charges	1758.13		1578.57
Service Charges	47.42		43.45

SCHEDULE TO PROFIT & LOSS ACCOUNT (CONTD.)

SCHEDULE - 3 (Contd.)

	Current year	(Rs. in lakhs) Previous year
Contractual Recoveries	216.18	191.60
Recovery of Transport Charges	68.43	58.82
INTEREST RECEIVED :		
Post Office Savings Bank Account	0.15	0.12
Loans & Advances to Employees	3.50	2.42
From Contractors	0.91	-
Rent (Outsiders)	1.01	8.99
Penalty	132.83	2.84
Sale of Bricks	0.01	0.04
Value of Coal in Missing Wagon	0.43	0.41
Excess provision for Bad & Doubtful Debts and Advance written back	0.92	-
Brick used for Capital Job	14.93	-
Claims received	16.12	-
Others	33.75	36.79
Total	2383.63	2062.31

SCHEDULE - 4

	Current year	(Rs. in lakhs) Previous year
DECRETION IN STOCK :		
OPENING STOCK		
Coal, Coke etc.	3192.98	3283.95
Coal & Coke-in-Transit	78.53	87.21
Coal & Coke Fines	1.68	10.39
CIL Coke	-	-
Coal Tar	1.72	0.15
Bricks	7.75	12.27
	3282.66	3393.97
Less: Closing Stock :		
Coal, Coke etc.	1555.34	3192.98
Coal & Coke-in-Transit	278.15	78.53
Coal & Coke Fines	111.74	1.68
Coal Tar	78.47	1.72
CILCoke	107.85	-
Chemicals	30.88	-
Other Bye Products	0.59	-
Bricks	7.22	20.06
	2170.24	3294.97
Total	1112.42	99.00

SCHEDULE TO PROFIT & LOSS ACCOUNT (CONTD.)

SCHEDULE-5

	Current year	(Rs. in lakhs) Previous year
PURCHASE OF COAL, COKE ETC.		
Coal	5217.97	4455.61
Coke	72.84	280.63
Railway Freight	1541.66	1088.46
Octroi and Entry Tax	24.68	21.35
POL for Plant	5.27	5.56
Chemicals for Plant	87.91	40.57
Total	6950.33	5892.18

SCHEDULE-6

	Current year	(Rs. in lakhs) Previous year
EMPLOYEES REMUNERATION & BENEFITS		
Salary, Wages and Allowances including O.T., Leave encashment, incentive etc.,	2497.39	2281.95
Contribution to P.F. & Other Fund (Including Administrative charges)	209.90	204.77
Attendance Bonus	109.39	95.59
Ex-gratia	121.10	66.50
LTC/LLTC/RRF	114.12	67.64
Pension	2.28	1.19
Gratuity	88.15	67.29
Workmen Compensation	4.58	6.06
Group Insurance	11.63	11.16
D.L.I.	0.56	0.62
Life Cover Scheme	5.10	5.10
Less: Transferred per contra	3164.20	2807.87
Social Overhead	74.86	74.29
Development	4.08	10.37
O B R	114.45	203.77
Total	2970.81	2519.44

SCHEDULE TO PROFIT & LOSS ACCOUNT (CONTD.)

SCHEDULE - 7

	Current year	(Rs. in lakhs) Previous year
CONSUMPTION OF STORES & SPARE PARTS		
Explosives	38.79	61.67
Timber	139.88	141.24
P O L	77.07	85.78
Spaces For HEMM & Other Mining Equipments	204.52	221.24
Social Overhead Stores per contra	26.78	16.39
Power Consumption Stores	6.80	3.58
Other Consumable Stores & Spare Parts	125.73	84.74
	<u>619.57</u>	<u>614.64</u>
Less : Transferred per contra		
Repair & Maintenance	7.04	10.05
Development	1.62	3.05
O B R	46.51	256.57
Social Overhead	26.78	16.39
Power & Fuel	8.05	3.58
Other Expenditure	26.99	23.82
Total	<u>502.58</u>	<u>301.18</u>

SCHEDULE-8

	Current year	(Rs. in lakhs) Previous year
POWER & FUEL :		
Purchase of Electricity	344.92	294.59
POWER GENERATION		
Boiler consumption per contra	16.18	9.50
Consumption of Stores per contra	8.05	3.58
	<u>24.23</u>	<u>13.08</u>
	369.15	307.67
Less : Transferred per Contra		
O B R	10.27	27.46
Social Overhead	49.67	38.80
	<u>59.94</u>	<u>66.26</u>
	<u>309.21</u>	<u>241.41</u>

SCHEDULE TO PROFIT & LOSS ACCOUNT (CONTD.)

SCHEDULE -9

		<u>Current year</u>		<u>(Rs. in lakhs) Previous year</u>
REPAIRS				
Factory & Office Buildings		42.11		50.27
Plant & Machinery		103.02		50.36
P O L and Spares for Aircraft		7.04		10.05
Office Furniture & Equipment		14.19		10.88
Vehicles		20.10		20.98
Township maintenance		64.63		67.18
Others		13.09		0.74
Less : Transferred per contra		<u>264.18</u>		<u>210.46</u>
Other Expenditure	20.10		20.98	
Social Overhead	<u>64.63</u>	<u>84.73</u>	<u>67.18</u>	<u>88.16</u>
Total		<u>179.45</u>		<u>122.30</u>

SCHEDULE - 10

		<u>Current year</u>		<u>(Rs. in lakhs) Previous year</u>
CONTRACTUAL EXPENSES				
Transport Charges				
Coal, Coke etc.	174.40		392.37	
Stores	<u>4.65</u>	179.05	<u>8.04</u>	400.41
Operation charges		142.35		162.92
Overburden Removal				
Coal	56.44		70.56	
Other	<u>627.17</u>	683.61	<u>878.96</u>	949.52
Other contractual work		<u>113.04</u>		<u>92.10</u>
Less : Transferred to		1118.05		1604.95
Development				3.67
Total		<u>1118.05</u>		<u>1601.28</u>

SCHEDULE TO PROFIT & LOSS ACCOUNT(CONTD.)

SCHEDULE – 11

	Current year	(Rs. in lakhs) Previous year
SOCIAL OVERHEAD		
Salary, Wages & Allowances per Contra	74.86	74.29
Free issue of Coal to employees per contra	104.82	104.64
Medical reimbursement	117.68	117.55
Canteen up-keep and refreshment	10.30	8.25
Grant to Schools and Institutions	81.07	50.03
Training Expenses	11.94	3.35
Repairs & Maintenance of Township and other Social Overhead Assets per contra	64.63	67.18
Depreciation on Social Overhead assets	47.18	22.85
Uniform	4.85	2.63
House Rent	40.30	56.16
Electricity charges for Hospital, Township and other welfare Buildings per contra	49.67	38.80
Reimbursement for CMALSPF	2.70	4.56
Consumption of Stores per contra	26.78	16.39
Sports, Recreation of Grant	9.17	9.29
Transit Flat Expenses	5.22	7.85
Other Welfare expenses including Hindi language development Expenses	21.15	29.58
	<u>672.32</u>	<u>613.40</u>
Less : Recoveries		
House Rent	5.25	7.72
Transit Flat Charges	1.56	1.56
Hospital Charges	1.97	1.23
Electricity & Water Charges	1.92	1.10
Others	0.02	0.01
	<u>10.72</u>	<u>11.62</u>
Total	<u>661.60</u>	<u>601.78</u>

SCHEDULE TO PROFIT & LOSS ACCOUNT (CONTD.)

SCHEDULE - 12

		<u>Current year</u>		<u>(Rs. in lakhs) Previous year</u>
INTEREST				
Plan Loan from Government of India		56989.26		49993.83
Non-plan loan from Government of India (including Rs. 5,807.58 lakhs per contra)		5999.21		6001.36
Bank overdraft		2367.45		909.24
Interest on ONGC loan		1450.00		1450.00
Interest on Bonds		2512.42		191.75
Interest on Public Deposit		345.00		22.19
Interest on Neyveli Lignite Corporation Loan		78.47		1.10
Others		267.64		—
		<u>70009.45</u>		<u>58569.47</u>
Less : Recovered from Subsidiaries	62212.01		51216.46	
Interest received from Suppliers	—		3.04	
Interest received on short term Loan	567.58		173.03	
Transferred to OBR	—		42.44	
Interest subsidy	5807.58		5807.58	
Rebate on Interest	43.36	68630.53	63.94	57306.49
Total		<u>1378.92</u>		<u>1262.98</u>

SCHEDULE - 13

		<u>Current year</u>		<u>(Rs. in lakhs) Previous year</u>
PROVISION				
Bad & Doubtful Debts		2.27		0.39
Doubtful Advances		47.01		20.52
Stores		16.56		—
Total		<u>65.84</u>		<u>20.91</u>

SCHEDULE - 14

		<u>Current year</u>		<u>(Rs. in lakhs) Previous year</u>
COAL ISSUED FOR OTHER PURPOSES per contra				
Brick making		9.61		15.10
Boiler consumption		16.18		9.50
Free issue to employees		104.82		104.64
For others		3.38		—
		<u>133.99</u>		<u>129.24</u>
Less : Transferred per contra				
Development	—		15.10	
Power & Fuel	16.18		9.50	
Social Overhead	104.82	121.00	104.64	129.24
Total		<u>12.99</u>		<u>—</u>

SCHEDULE TO PROFIT & LOSS ACCOUNT (Contd.)

SCHEDULE - 15

	(Rs. in lakhs)	
	Current year	Previous year
OTHER EXPENDITURE		
Travelling	219.80	162.45
Printing & Stationery	41.03	51.26
Postage & Telephone	143.38	143.70
Freight Charges	112.20	40.81
Advertisement	242.86	156.98
Underloading charges	1.27	0.43
Demurrage	6.24	8.54
Rent	49.65	39.72
Insurance	30.97	0.99
Rates & Taxes	26.65	9.23
Legal Expenses	7.64	8.18
Royalty & Cess	11.62	11.37
Assam Land Tax	22.43	6.13
Service charges of Holding Company	6.30	7.42
Exhibition Expenses	9.25	22.87
Auditors' Remuneration		
Audit Fees	0.93	0.84
Travelling and out of pocket expenses	0.47	0.42
In other capacity (Tax Audit)	0.31	0.28
Management Audit	1.08	5.28
Bank Charges	14.17	7.56
Office Contingencies	16.14	10.67
Computer Rent etc.	50.55	49.41
Security Expenses	1.58	1.09
Consultant/Retainer Fees	22.27	16.76
Hire charges	94.60	95.40
Books & Periodicals	6.10	4.56
Conference and Seminar	12.66	46.82
Sales Tax	4.70	2.90
Repairs and Maintenance of Cars & Jeeps		
Petrol & Diesel	26.99	23.82
Repairs	20.10	20.98
Others (Road Tax, Insurance etc.)	4.26	7.99
Rescue & Safety	3.74	2.07
O B R (Departmental)	214.73	684.60
Turnover Tax	17.82	6.75
Other Miscellaneous Expenses	52.35	18.15
Loss of Missing Wagon	—	0.41
Entertainment Expenses	0.14	0.17
	1496.98	1677.01
Less : Transferred per contra :		
Development	2.94	0.92
O B R	32.00	85.15
Total	1462.04	1590.94

SCHEDULE TO PROFIT & LOSS ACCOUNT (CONTD.)

SCHEDULE – 16

	Current year	(Rs. in lakhs) Previous year
FINANCE EXPENSES FOR BONDS AND PUBLIC DEPOSIT.		
Discount on issue of Bonds	396.96	54.75
Other Expenses for issue of Bonds and Public Deposit.	54.91	23.98
Sub Total	451.87	78.73
Less : Recoveries made from Subsidiaries.	442.42	—
Total	9.45	78.73

SCHEDULE – 17

PRIOR PERIOD ADJUSTMENT		
Salary, Wages & Allowances	140.26	59.17
Contribution to P.F.	1.50	—
Consumption of Stores	43.17	24.36
Rent for Hired Buildings	6.90	0.67
Subsidy for Protective work	46.20	(-) 4.02
Depreciation	14.15	(-) 0.16
Interest on Government Loan	(-) 79.04	(-) 166.55
Doubtful Debts no longer required	(-) 0.45	—
Power & Fuel	—	(-) 0.52
Sale of Coal/Coke	(-) 0.15	(-) 1.40
Opening Stock	33.63	—
Repair & Maintenance	—	(-) 0.25
Miscellaneous Expenditure	22.78	14.80
Purchase	8.79	(-) 6.52
Contractual Expenses	3.00	17.04
Social Overhead	4.38	0.16
Apex Office Charges	0.55	0.25
Miscellaneous	(-) 31.69	(-) 4.54
Holding Companies Expenses allocated Subsidiaries	155.70	—
Recovery of Holding Companies Expenses from Subsidiaries	(-) 155.70	(-) 54.53
Total	213.98	(-) 122.04

ACCOUNTING POLICIES AND NOTES ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 1991

SCHEDULE-N

A. ACCOUNTING POLICIES

1. All expenses and income including for Projects/Mines under development are initially booked to the natural heads of accounts and then transferred to functional heads of accounts wherever necessary.
2.
 - i) Building includes cost of electrical fittings, water supply arrangement and sanitary fittings. Depreciation on such fittings and arrangements have been provided for at the rate prescribed for building in Schedule-XIV of the Companies Act, 1956.
 - ii) Payments made to Railway authorities are initially booked to "Railway Sidings under Construction" and are shown under the head "Capital Work-in-progress". As and when Railway Siding is completed and put to use, the same is transferred to Railway Sidings completed under the head "Fixed Assets".
 - iii) Expenses net of income of the Projects/Mine under development including proportionate interest and administrative expenses capitalised are booked to development account by way of transfer from natural heads of income/expenses accounts.
 - iv) Installation expenses wherever done departmentally are not capitalised
 - v) Subsidy and/or grants received on capital account are deducted from the cost of assets to which these relate.
3.
 - i) Stock of stores, spare parts, work-in-progress and other finished goods are valued at cost.
 - ii) Stock of Coal, Coke, etc. are valued at net realisable value. However, stock at CIL Dumps and Dankuni Coal Complex have been valued at cost.
 - iii) Book Stock of Coal, Coke etc. is taken for the purpose of Closing stock where the variance between book stock and physically verified stock is upto $\pm 5\%$ and in case the variance is beyond $\pm 5\%$ the physical stock is taken as closing stock.
 - iv) The stock of medicines excepting for Central Medical Hospital Stores and stock of Stationery are not considered for inventory purpose and is charged to revenue.
4.
 - i) Additional liability for Royalty, Cess, Sales Tax etc., if any, is accounted for in the year in which final assessment orders are received.
 - ii) Liabilities for Gratuity and Life Cover Scheme are accounted for in respect of amounts accrued and due but not paid as at the close of the year. However, Gratuity is not actuarially ascertained and accounted for.
5. In Opencast Mines, the cost of OBR is charged on average ratio evaluated on current working cost of removal of OB at each mine with due adjustment for advance stripping/ratio variance account.
6.
 - (a) Depreciation of Fixed Assets is charged on straightline method as per the rates specified for the rates specified for the corresponding assets in the Schedule-XIV to the Companies Act, 1956.
 - (b) Depreciation on leasehold land and Buildings is charged equitably over lease period.
 - (c) Development and Prospecting & Boring expenses are amortised over a period of 20 (twenty) years or Project life, whichever is lower.

- (ii) Coal issued to employees (free issue) and for Boiler consumption is accounted for on the basis of norms fixed by the Management and valued at relevant grades' selling price and the same is exhibited in the Accounts per contra.
- (iii)(a) Interest on Government loans, Bank Overdraft, Bonds, Public Deposits and other loans net of rebate and interest received on loans, for the year is allocated to the Subsidiaries and Units on the basis of total investment for the year comprising purchase consideration, investment and current account balances upto a specific date as determined by the Management, taking into account the Debt-Equity Ratio as 1:1. In case of subsidy for interest on non-plan loan from Government of India, this is allocated to losing Subsidiaries and Units in proportion to their cumulative loss balances upto the previous year.
- (b) Apex Office charges are allocated to Subsidiaries and revenue mines directly under Coal India Limited in proportion to their production ratio for the year.
- (iv) No adjustment for the loss of the Subsidiary Companies is made in the Accounts of Coal India Limited.

B. NOTES ON THE ACCOUNTS

1. (i) Title deeds for land acquired, in some cases, have not yet been executed in favour of the Company. This includes the land acquired at Dankini Coal Complex and made over to the Company by the Government of West Bengal. Pending final award of compensation, the liability, if any, on this account remains unascertained.
- (ii) The immovable properties vested with and owned by the Company under Coal Mines (Nationalisation) Act, 1973, have been depreciated in full excepting in some cases where a token value of Re.1/- per asset are being maintained in the Books of Accounts.
2. (i) The following provisions exist in the Accounts and are considered adequate to cover possible losses that may arise in future on disposal recovery and adjustments against the assets concerned:

	(Rupees in lakhs)
a) For stock of Coal, Coke etc., on account of deterioration due to fire and longer period of stocking	Rs. 203.99
b) For stock of slow-moving/non-moving and obsolete stores and spares	Rs. 35.28
c) For bad and doubtful debts	Rs. 53.59
d) For bad and doubtful advances	Rs. 134.52
- (ii) The closing stock of stores has been considered in the Accounts as per balances appearing in priced stores ledger of the Regional Stores and as per store records for stores lying at the Collieries/Units.
- (iii) Book Stocks of coal have been considered in Accounts at RSO, Lucknow, Bhubaneswar (expecting Jagatpur Dump), Bolpur, Chetla, 24, Parganas(N) and Kalyani Stockyards of RSO, West Bengal as physical verification could not be carried out there at the end of the year (excepting at Kalyani Stockyard).
3. Pending registration of transfer of assets and liabilities of erstwhile C.M.A.L. and its Divisions, now Coal India Limited, the overdraft balance of Coal India Limited has been secured by creating charge against stock of Coal, stock of Stores & Spare Parts and Book Debt of the Subsidiary Companies.
4. The Company has issued 13% non-convertible secured Bonds amounting to Rs. 450 crores and

9% (tax free) non-convertible secured Bonds of Rs.150 crores both redeemable at par on private placement basis to Nationalised Banks/their Subsidiaries and the said Bonds are to be secured by equitable mortgage of Fixed Assets of Northern Coalfields Limited (a Subsidiary of Coal India Limited). Pending receipt of suitable offer, the Board's decision for investment of Rs. 12.95 crores to create CIL Bonds Redemption Fund (1st Series) could not be implemented during the year.

5. The Company has invited deposits from the Public as per provision of the Companies (Acceptance of Deposits) Rules, 1975 and received Rs. 3106.55 lakhs till the close of the financial year and the same has been shown under Unsecured Loan.
6. Deduction made from the wages of the employees covered by National Coal Wage Agreement at the rate of 2% of Basic Wages plus D. A. towards the proposed post-retirement benefit Scheme w.e.f. 1.4.1989 amounting to Rs. 60.04 lakhs has been shown under Current Liabilities. However, no decision on this proposed Scheme has yet been communicated to the Company by the Government of India.
7. Rs. 485.00 lakhs shown under Loans & Advances is recoverable out of Rs. 594.91 lakhs on account of deposits made to the Commissioner of Payments as per Government order in respect of surplus Collieries managed during the management period on behalf of the Government.

Further, a sum of Rs. 554.05 lakhs has been shown under Current Liabilities & Provisions out of which Rs. 517.89 lakhs is considered adjustable against amount shown as "Due from the Government of India". However, no such adjustment was carried out in the Accounts pending Government approval.

8. The Government of India, Ministry of Energy, Department of Coal, New Delhi, vide No.28012(3). 81-CA dated 5.3.1983 has introduced Retention Price Scheme and authorised Coal India Limited to operate the Coal Price Regulation Account on behalf of the Government of India. As per the said Scheme, the contribution to the Coal Price Retention Account during the year has been fully distributed to the claimant Subsidiary Companies/Unit and the balance of the said Account has become NIL as on 31st March, 1991.
9. At Dankuni Coal Complex, a sum of Rs. 110.30 lakhs has been accounted for being the penalty charged to GCGSC against the shortfall of committed Gas Off-take covering the period from 1st June, 90 to 30th November, 1990 as per MOU with GCGSC. But no such penalty has been considered in Accounts for the period from 1st December, 1990 to 31st March, 1991 as no firm and agreed Gas Off-take Schedule could be arrived at with GCGSC for the said period.
10. Dankuni Coal Complex has started commercial operation on and from 24.5.90. A sum of Rs. 434.94 lakhs has been amortised and charged to Profit & Loss Account for the year out of Rs. 1304.82 lakhs (Net off Rs. 95.18 lakhs in respect of Prior Period Adjustment during the year) being the proportionate Share of first year's Commercial operation.
11. An amount of Rs. 2.70 lakhs has been provided in the Accounts towards an estimated deficit in the Revenue Account of CMALSPF for the year 1990-91.
12. Pending decision of the Government of India on waiver of penal interest, payable, if any, on Rs. 1,096.00 lakhs interest on non-plan loan accrued but not due upto 31.3.1979, no provision has been made in the Accounts as per past practice. Subsidy for the interest on non-plan loan is being granted by the Government of India for the equivalent amount of interest due thereon every year since 1979-80.
13. (i) The balances with the Subsidiary Companies have been reconciled but the final balances remained unconfirmed.
 (ii) Directors are allowed to use the Company's cars for personal use for which recovery is being made.
 (iii) Previous year's figures have been rearranged and regrouped wherever necessary.

14. (i) The amount (including the amount on behalf of the Subsidiaries) remains to be executed on capital Account not provided is Rs. 12957.35 lakhs (previous year Rs. 16575.21 lakhs).

(ii) (a) Claims against the Company not acknowledged as debts include:

	(Rs. in lakhs)
Claims by Contractors	259.97
Cases in Arbitration	35.62
Suit against the Company	19.71
District Board, Gorakhpur	0.08
Claim by the legal heirs of the deceased in Company's Car accident.	6.00
Claims for Sales Tax	0.49

15. The Accounts together with Notes thereon approved by the Board of Directors of the Company in its meeting held on 22nd August, 1991 and reported thereon by the Auditors on 11th September, 1991 have been revised to comply with the observations of the Comptroller and Auditor General of India and also of the Statutory Auditors.

The revision has affected the accounts for the year as follows:

(a) Profit & Loss Account:

The Loss of the Company has increased by Rs. 84.93 lakhs.
(Rs. 82.46 lakhs at the instance of
Comptroller and Auditor General of India
and balance Rs. 2.47 lakhs as per observation
of Statutory Auditors)

(b) Balance Sheet:

(i) Inventories have decreased by Rs. 81.45 lakhs.
(ii) Loans & Advance have increased by Rs. 2.39 lakhs.
(iii) Current Liabilities and provisions
have increased by Rs. 5.87 lakhs.

(c) The Schedules to the Profit & Loss Account and Balance Sheet including Notes on the Accounts have been suitably amended/modified and additional disclosure made, wherever necessary.

16. Schedules A to M form part of the Balance Sheet as on 31st March, 1991 1 to 17 form part of the Profit & Loss Account for the year ended on that date and Scheduled—N represents Accounting Policies and Explanatory Notes on the Accounts. Additional information required as per Schedule—VI (Part-II) of the Companies Act, 1956 are given in the Annexure to Schedule—N.

Signatures to Schedules A to N and 1 to 17.

Sd/-
U.Suryanarayana
Company Secretary

Sd/-
D. Benerjee
Chief General
Manager(F)

Sd/-
P.K. Sengupta
Director
(Finance)

Sd/-
S.K. Chowdhary
Chairman

As per our separate report of even date.

For Gupta & Mitra
Chartered Accountants

Sd/- 24.9.91

(T.K.Datta)
Partner

Calcutta
The 24th September, 1991

STATEMENT PURSUANT TO SECTION 217(2A) OF COMPANIES ACT, 1956

Annexure to Schedule - N

		(Rupees in lakhs)	
		Current year	Previous year
1.	Directors' Remuneration		
	(i) Salaries	3.28	3.93
	(ii) Company's Contribution to Provident Fund & Other Funds	0.28	0.37
	(iii) Medical benefits	0.25	0.92
	(iv) Perquisites	0.80	1.06
2.	Particulars of employees who are in receipt of not less than Rs. 1,44,000 per annum or Rs. 12,000 per month (Previous year Rs. 72,000/- and Rs. 6000/- respectively) when employed for a part of the year.		
		Employed Throught out the year	Employed for part of the year
		1990-91	1989-90
	(i) Number of employees	1	173
	(ii) Salaries, allowances, etc. (Rupees in lakhs)	1.60	169.32
	(iii) Contribution to provident Fund (Rupees in lakhs)	0.10	6.39
		0.03	1.83
3.	The information required in paragraph 3 & 4 of part (ii) of the Schedule-vi of Companies Act, 1956, 3(b) value of imports on CIF basis.		
		Current year	(Rupees in lakhs) Previous Year
	(i) Raw materials	—	—
	(ii) Capital goods	—	—
	(iii) Stores, Spares & Components	5.28	5.03
4.	Expenditure incurred in Foreign Currency on account of :		
	(i) Know how		
	(ii) Interest		
	(iii) Exchange variation		
	(iv) Commission to Foreign Agents		
	(v) Training expenses and payment to Foreign Technicians		
	(vi) Travelling	66.98	9.79
	(vii) Medical Treatment		
5.	Earning in Foreign Exchange on account of		
	(i) Export of Goods (Calculated on FOB basis)		

- (ii) Exchange variation
- (iii) Miscellaneous

(Rupees in lakhs)

6. Total consumption of Stores during the year :

	<u>Current year</u>	<u>Previous Year</u>
(a) Imported	—	—
(b) Indigenous	619.57 (100%)	614.64 (100 %)

7. Additional information required in paragraph 3 and 4 of Part-II of Schedule-VI to the companies Act, 1956 for the year ended 31st March, 1991.

(a) Installed Capacity/Licenced Capacity for Coal & Coke - Not applicable.

(b) Installed Capacity of DCC per annum :

(i) CIL Gas.	33.00 lakh /m/Therm.
(ii) Tar Products	0.31 lakh Tonnes.
(iii) Semi Coke	3.51 lakh Tonnes.
(iv) Coal Fines	0.84 lakh tonnes
(v) Other By-Products	0.12 lakh Tonnes

8. Statement of Opening Stock, Production, Purchases, Turnover and Closing Stock of Coal, Coke and CIL Gas, Other Products & by-products including its trading activities.

i) Value = Rs. in lakhs

ii) Quantity = in'000'M.T./m/ Therm for CIL Gas

	<u>Qty.</u>	<u>Current year</u>	<u>Value</u>	<u>Qty.</u>	<u>Previous Year</u>	<u>Value</u>
Opening Stock :						
Coal & Coke	642.9		3271.51	725.1		3371.14
Other Product & by-product	1.6		3.40	—		—
Production :						
Coal & Coke	671.8		—	836.3		—
Other Product & by-product	156.2		—	25.3		—
Purchase :						
Coal & coke	1000.1		5290.81	819.0		4736.24
Sales : (Excluding levies)						
Coal & coke	1685.8		10888.80	1645.8		10935.81
CIL Gas	205.0		195.50	—		—
Other Product & By-Product	135.0		1220.15	24.3		210.73
Own Consumption :						
Free issue and Boiler						
Consumption	22.5		—	21.8		—
Plant Consumption of Coal	203.8		—	60.5		—
Other plant consumption	0.4		—	—		—
Closing Stock :						
Coal & Coke	349.3		1833.49	642.9		3271.51
Other Product & by-product	27.5		298.65	1.6		3.40

Note : - Production of CIL Gas could not be recorded in full in the absence of metering arrangement and the plant was also in the initial operation stage during the year.

STATEMENT PURSUANT TO SECTION 212(1) (E) OF THE COMPANIES ACT, 1956 AS AT 31ST MARCH, 1991

Subsidiary (Fully owned)	No. of Equity Shares held by Coal India Ltd.	No. of Equity Shares held by CIL in nominees Name	Total paid-up value Rs. in crores	Profit (+) Loss(-) for the year ended 31-3-91		Profit (+) Loss(-) balance as on 31-3-91 acumulative (after Tax Provision and investment allowance Reserve)	
				Rs. in crores		Rs. in crores	
ECL	97,74,297	3	977.43	(-)	42.74	(-)	843.07
BCCL	1,04,76,298	2	1047.63	(-)	96.27	(-)	1038.00
CCL	82,98,905	2	829.8907	(+)	5.26*	(-)	114.94
WCL	66,32,798	2	663.28	(-)	95.40	(-)	239.27
NCL	1,12,78,259	3	1127.8262	(+)	22.58	(-)	3.46
SECL	1,02,68,697	3	1026.87	(-)	20.79	(-)	134.34
CMPDIL	1,90,397	3	19.04	(+)	2.06*	(+)	9.76
NEC/DCC/CIL				(-)	27.87	(-)	135.66
				(-)	253.17	(-)	2498.98

*Before tax provision for Rs. 0.59 crores (CMPDIL) and write-back of Investment Allowance of Rs. 4.38 Crores (CCL)

**COMMENTS OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA
UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956
ON THE ACCOUNTS OF COAL INDIA LIMITED, CALCUTTA
FOR THE YEAR ENDED 31ST MARCH, 1991**

In view of the revision made in the accounts as a result of the observations made by the Comptroller & Auditor General of India as indicated in Para 5 (iii) of Annexure B to the Auditors' Report to the Shareholders and Note No. 15 of Part 'B' of Schedule N - Notes forming part of Accounts, there are no further comments to offer upon or supplement to the Auditors' Report under Section 619(4) of the Companies Act, 1956 on the accounts of Coal India Limited for the year ended 31st March, 1991.

(U. Bhattacharya)
Principal Director of Commercial Audit
& Ex-Officio Member, Audit Board - II
Calcutta

Dated : Calcutta, 26th Sept. 91

REVIEW OF ACCOUNTS OF COAL INDIA LIMITED FOR THE YEAR ENDED 31ST MARCH, 1991 BY THE COMPTROLLER & AUDITOR GENERAL OF INDIA.

1. FINANCIAL POSITION :

The table below summarise the financial position of the Company under the broad headlines for the last 3 years.

		(Rs. in lakhs)		
		1988-89	1989-90	1990-91
LIABILITIES :				
a)	Paid up capital (including amount due to Govt. of India to be adjusted against issue of shares)	476415.89	522386.40	571331.29
b)	Reserve & Surplus	344.77	344.77	344.77
c)	Borrowings :			
i)	From Govt. of India	331960.45	374459.58	380427.11
ii)	From Bank including Term loan from ONGC & NCL	21673.28	44010.43	33577.12
iii)	Bonds & Public Deposits	—	21098.12	63106.55
d)	Trade dues & current liabilities (incl. provisions)	76555.72	87779.60	112578.25
	Total	906950.11	1050078.90	1161365.09
ASSETS :				
e)	Gross Block	6406.52	8205.08	18522.33
f)	Less : Depreciation	2274.00	2762.51	3721.07
g)	Net Fixed Assets	4132.52	5442.57	14801.26
h)	Capital works-in-progress (including other capital Assets)	12642.36	12583.90	3834.39
i)	Investment	402458.08	484416.70	569198.32
j)	Current Assets, Loans & Advances (including amount due from Govt. of India for non-coking coal mines)	476573.25	534355.26	556238.11
k)	Miscellaneous Expenditure & Losses not written off :			
i)	Deferred Revenue Expenditure	330.62	2501.78	3727.42
ii)	Accumulated losses	10813.28	10778.69	13565.59
		906950.11	1050078.90	1161365.09
	Capital Employed	404150.05	452018.23	458461.12
	Net Worth	465616.76	509450.70	554383.05

- Note: 1. Capital employed represents Net Fixed Assets plus working capital.
 2. Net worth represents paid up capital plus Reserve and surplus less intangible assets.
 3. The figures taken in the years 1988-89 and 1989-90 are as published in the respective years Accounts irrespective of adjustments made in subsequent years.

2. CAPITAL STRUCTURE :

The debt-equity ratio of the Company was 0.7 : 1 in 1988-89, 0.76 : 1 in 1989-90 and 0.78 : 1 in 1990-91.

3. RESERVE AND SURPLUS :

The reserve and surplus 344.77 amounted to (a) 0.030% of total liabilities in 1990-91 as against 0.033% in 1989-90 and 0.038% in 1988-89 and (b) 0.060% of equity capital Rs.571331.29 in 1990-91 against 0.066% in 1989-90 and 0.072% in 1988-89.

4. LIQUIDITY AND SOLVENCY :

- (a) The percentage of current assets to total net assets 52.55 in 1988-89, 50.89 in 1989-90 and 47.90 in 1990-91.
- (b) The percentage of current Assets to current liabilities including provisions declined from 622.52 in 1988-89 to 608.75 in 1989-90 and 494.09 in 1990-91.
- (c) The percentage of quick assets (cash and bank balances, debtors and advances) to current liabilities (excluding provisions) varied from 4.96 in 1988-89 to 14.00 in 1989-90 and 11.94 in 1990-91.

5. WORKING CAPITAL :

Working capital (current assets, loans and advances less Trade dues and current liabilities and provisions) of the company at the close of 3 years ending March, 1991 amounted to Rs.400017.53 lakhs in 1988-89, Rs.446575.66 lakhs in 1989-90 and Rs.443659.86 lakhs in 1990-91 and represented 376.01 months, 455.78 months and 422.70 months value of production at cost (excluding depreciation during the above years respectively).

6. SOURCES OF FUNDS :

Funds amounting to Rs.958.56 lakhs from internal sources (depreciation reserve and surplus and provisions) and Rs.111286.19 lakhs from other sources were utilised during 1990-91 as shown below :

	(Rs. in lakhs)
Gross Fixed Assets	10317.25
Capital Works in Progress	(-) 8749.51
Investment (other than trade)	84781.62
Current Assets, Loans & Advances	21882.85
Miscellaneous Expenses and losses not written off.	4012.54
	112244.75

7. WORKING RESULTS :

	(Rs. in Lakhs)					
	1988-89		1989-90		1990-91	
Profit/Loss as per Account -	(+)	37.21	(-)	5.77	(-)	2572.92
Add: Development Rebate, Investment Allowance Reserve, Stock Deterioration reserve shown above the line.		—		—		—
Profit/Loss for the year.	(+)	37.21	(-)	5.77	(-)	2572.92
Add/deduct: Past period adjustment shown below the line.	(-)	110.39	(+)	40.36	(-)	213.98
Loss/Profit before tax	(-)	73.18	(+)	34.59	(-)	2786.90
Tax provision		—		—		—
Loss/Profit after tax	(-)	73.18	(+)	34.59	(-)	2786.90

(+) indicates profit

(-) indicates loss

The cumulative loss as on 31.3.91 amounted to Rs.13565.59 lakhs as against the paid up capital of Rs.571331.29 lakhs as on the same date.

8. COST TREND :

The table below indicates the percentage of cost of Sales to Sales during last three years.

	(Rs. in lakhs)					
	1988-89		1989-90		1990-91	
Sale of Coal, Coke, Bricks etc.		11519.48		11856.61		13707.41
Add: Loss/Less Profit	(+)	37.21	(-)	5.77	(-)	2572.92
Cost of Sales		11482.27		11862.38		16280.33
Percentage of cost of Sales to Sales		99.68		100.05		118.77

9. PRODUCTION PERFORMANCE :

The value of production during the last three years is worked out below :

	(Rs. in lakhs)					
	1988-89		1989-90		1990-91	
i) Sales of Coal, Bricks etc.		11519.48		11856.61		13707.41
ii) Closing Stock of coal & bricks etc. (including work-in-progress)		3473.38		3294.97		2170.24
iii) Opening Stock of Coal, Bricks (including work-in-progress)		2226.71		3393.07		3282.66
iv) Value of Production (i + ii + iii)		12766.15		11757.61		12594.99

The percentage of value of production to networth are 2.74 in 1988-89, 0.31 in 1989-90 and 2.27 in 1990-91. Percentage of value of production to total net assets declined from 1.91 in 1988-89 to 1.12 in 1989-90 and 1.08 in 1990-91.

10. INVENTORY AND PRODUCTION :

The table below indicates the comparative position of inventory and its distribution at the close of the last 3 years ended 31st March, 1991.

	(Rs. in lakhs)					
	1988-89		1989-90		1990-91	
i) Stores and spares		478.33		679.37		675.34
ii) Stock of Coal, Brick etc.		3473.38		3294.97		2170.24

The stock of stores and spares was equivalent to 21.85 months consumption in 1988-89, 27.07 months in 1989-90 and 16.12 months in 1990-91. Stock of Coal, Bricks etc. represented 3.62 month's sales in 1988-89, 3.33 months sales in 1989-90 and 1.90 month's sales in 1990-91.

11. SUNDRY DEBTORS AND TURNOVER :

The following table indicates the value of book debts and sales for the last three years.

As on Debt consi- dered good	Total Book Debts consi- dered doubtful	Total Book	Total	Sales of Debtors to sales.	(Rs. in lakhs) Percentage
31.3.89	403.89	51.58	455.47	11519.48	3.95
31.3.90	415.15	51.97	467.12	11856.61	3.94
31.3.91	492.84	53.59	546.43	13707.41	3.99

Sundry debtors represented about 0.47 months turnover in 1988-89, 0.47 months turnover in 1989-90 and 0.48 months turnover in 1990-91.

The following Table indicates the details of debts outstanding for more than one year as on 31.3.1991.

	Govt. Deptt.	Private parties	(Rs. in lakhs) Total
i)Debts outstanding over one year but less than two years.	6.74	4.64	11.38
ii)Debts outstanding over two years but less than three years.	4.72	-	4.72
iii)Debts outstanding for three years and above	57.40	-	57.40
Total	68.86	4.64	73.50

Dated: Calcutta
The 26th Sept.,91

(U. Bhattacharya)
Pr. Director of Commercial Audit &
Ex-Officio Member, Audit Board-II
Calcutta

ADDENDUM TO DIRECTOR'S REPORT

Auditors' Report

To
The Members of Coal India Limited
10, Netaji Subhas Road,
Calcutta-700 001

We have audited the attached Balance Sheet of coal India Limited as at 31st March, 1991 and the annexed Profit & Loss Account for the year ended on that date together with the attached Schedule number A to N and 1 to 17 in which are incorporated the accounts of North Eastern Coalfields, Dankuni Coal Complex, Coal India Limited Headquarters and Coal Marketing organisation audited by us and the accounts of Regional Sales Offices and Delhi Office of Coal India Ltd. audited by Branch Auditors in accordance with the letter of appointment No. C-033/2128844/90-IGC, dated 02.04.91 of company Law Board, Delhi. While preparing our Report as under, we have given due consideration to the Reports of Branch Auditors and incorporated the same in appropriate places. We report as follows :

As required by the Manufacturing & Other Companies (Auditors' Report) order, 1988 issued by the Government of India in terms of Section-227(4A) of the Companies Act, 1956, we enclose in the annexure "A" a statement of the matters specified in paragraphs 4 & 5 of the said order and the basis of such check of books and records of the Company as was considered appropriate and the information and explanations given to us in course of our audit, we enclose herewith our comments in the statement marked Annexure "B" to the report.

Subject to our comments in the Annexure "B" referred in paragraph (1) above.

- i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii) In our opinion proper books of accounts as required by law have been kept by the

Company so far as it appears from our examination of the books.

- iii) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of accounts.
- iv) In our opinion and to the best of our information and according to the explanations given to us, the said accounts subject to our comments in Annexure "A" and in "B" and to the notes appearing in Schedule "N" specially Note No. B 1 (i) Title deeds of Land Acquired, No. 2 (iii) on stock of Coal, No. 3 Overdraft facilities of CIL, No. 4 Issue of Bonds, No. 5 Deposits as per the provision of the Companies (Acceptance of Deposits) Rule 1975, No. 6 Deduction of 2% from employees salary for proposed pension scheme, No. 7 Amount of non-adjustment of amount due from and due to Govt. of India due to pending approval from Govt. of India, No. 9 Penalty charged to GCGSC for short off-take of Gas from Dankuni Coal Complex, No. 12 Non provision of penal interest pending decision of the Govt. of India, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view;
- a) in the case of Balance Sheet of the state of affairs of the company as at 31st March, 1991 and
- b) in the case of Profit & Loss Account, of the loss for the year ended on that date.

For GUPTA & MITRA
Chartered Accountants

Calcutta :
The 24th September, 1991

(T.K.Datta)
Partner

ADDENDUM TO DIRECTOR'S REPORT

ANNEXURE TO THE AUDITORS' REPORT OF COAL INDIA LIMITED FOR THE YEAR ENDED 31ST MARCH, 1991

ANNEXURE - 'A'

Report Under Manufacturing And other Companies (Auditors' Report) Order, 1988 Management's Reply

As required by the Manufacturing and other Companies (Auditors' Report) Order 1988, issued in terms of Section-227(4A) of the Companies Act, 1956 and on the basis of such checks of books and record of the Company as we considered appropriate and according to the information and explanations given to us in course of our audit, we report on the matters specified in paragraphs 4 and 5 of the said Order as follows :

- i) The company has maintained proper records to show full particulars including quantitative details and situation of Fixed Assets except some Regional Sales Offices and General Manager's Office at Delhi where the detailed records of fixed assets have not yet been complied.

Physical verification of Fixed Assets has been carried out by the Management during the year except of CIL Hqrs., and according to information furnished to us, no significant discrepancies have been noticed between the book records and physical balances.
- ii) The Fixed Assets of the Company have not been revalued during the year.
- iii) No physical verification has been carried out at RSO, Lucknow and RSO, Bhubaneswar (except at Jagatpur Dump of the RSO, Bhubaneswar). Stock of Coal, Coke has been physically measured by the Management during the year in other places. Discrepanies noticed on stock verification have been properly dealt with. At NEC, and Dankuni Coal Complex the Company is having perpetual inventory system, Most of the stores items covering substantial portion of its value have been physically verified by the Management.

Efforts are being made to ascertain the wanting details for showing the same in the fixed assets register at the few regional sales offices/General Manager's Office, Delhi, referred to by the audit.

Steps will be taken to complete physical verification of fixed assets at CIL Hqrs.

No comments

Steps will be taken to arrange physical verification at the stock-yards attached to RSO, Lucknow and also the stockyards at RSO, Bhubaneswar (Jagatpur Dump stockyard verified physically during the year) referred to by the audit.

- | | |
|---|---|
| iv) The procedure of physical verification of stocks followed by the Management is reasonable and adequate in relation to the size of the company and the nature of its business. | No comments |
| v) No material discrepancy has been noticed on physical verification of stock except in the case of NBQ's Stockyard for 801.21 M.T. of Coal was found short as compared to book balance. | Coal stock is adopted and valued in accordance with the Accounting Policy vide para 3 (iii) of Sch. N forming part of the Accounts. |
| vi) The stock of coal, coke etc have been valued at net realisable value, stock at CIL Dumps and Dankuni Coal Complex have been valued at cost, stores at Dankuni Coal Complex, NEC and CIL Headquarters have been valued at cost. | No comments |
| vii) The Company has not taken any loan secured or unsecured from the Companies, Firms, and other parties listed in the register maintained under Section-301 or the Companies Act, 1956. It has been stated that there was no party which required such listing in the Register under Section-370 (1B) of the Companies Act, 1956. | No comments |
| viii) The Company is providing funds to the Subsidiaries in the nature of loan to meet their Capital and Revenue needs and is charging interest. The rate of interest and other conditions of transfer of such fund are not prima facie prejudicial to the interest of the Company. | No comments |
| ix) Loans and advances in the nature of loans are given to employees and their recovery in general is as stipulated. | No comments |
| x) In our opinion, there are adequate internal control procedures commensurate with the size of the Company and nature of its business. | No comments |
| xi) According to information given to us, the Company has not purchased any stores, raw materials or components exceeding Rs. 50,000/- in value for such type thereof during the year from the Subsidiary companies, Firms or other Parties in which the Directors are interested. However, the Company is purchasing Coal from its Subsidiaries at notified selling price. | No comments |

- | | |
|---|---|
| <p>xii) During the year, the Company has determined obsolete unserviceable and damaged stores or raw materials against which either necessary provision has been made in the Accounts or the amount has been written off.</p> | <p>No comments</p> |
| <p>xiii) The Company has accepted Deposits within the meaning of companies (Acceptance of Deposits) Rules, 1975 amounting to Rs. 3106.55 lakhs.</p> <p>The Company also issued 13% non-convertible Secured Bonds redeemable at par and also 9% (tax-free) non-convertible Secured Bonds redeemable at par to Nationalised Banks and one of their Subsidiaries amounting to Rs. 450.00 Crores and Rs. 150.00 crores respectively. However, the Company could not execute the Security within the year pending completion of necessary formalities. Pending completion of such formalities, the Company has shown the said Secured Bonds as "Unsecured Loans" (to be secured by equitable mortgage of fixed assets of Northern Coalfields Limited). The charge with the Registrar of Companies is yet to be created in this connection.</p> | <p>Action to complete formalities for creation of charge is in process.</p> |
| <p>xiv) In our opinion and according to explanation given to us, the Company has maintained records for sale and disposal of scraps. However, there is scope for further improvement in this regard.</p> | <p>Noted</p> |
| <p>xv) The Company has an internal audit Wing. Moreover, the Company avails the services of professional Firms in this regard. In our opinion, the same is commensurate with its size and nature of its business now. However, there is scope for further improvement.</p> | <p>Noted</p> |
| <p>xvi) The maintenance of cost records under Section-209 (1) (d) of the Companies Act, 1956, has not been prescribed by the Central Government.</p> | <p>No comments</p> |
| <p>xvii) According to records maintained by the Company, in our opinion, the Company is generally regular in depositing provident Fund dues with the appropriate authority.</p> | <p>No comments</p> |
| <p>xviii) According to the explanations given to us by the Management, undisputed amount of Income Tax, Sales Tax,</p> | <p>No comments</p> |

Customs and Excise Duty, were not outstanding as on 31.3.1991 for more than six months.

xix) On the basis of selective checking, we did not observe any personal expenses being charged to Revenue Account.

No comments

xx) This is a Government Company under Section-617 of the Companies Act, 1956, which is excluded under Section-3 (d) of the Sick Industrial Companies (Special Provision) Act, 1985, to be treated as sick Industrial Company.

No comments

ANNEXURE – "B"

Refer to Paragraph 2 of our report of even Date**Management's Reply**

Our comments noted hereunder should be read in conjunction with the contents in Annexure "A" herewith.

1. FIXED ASSETS :

- i) Complete details of Fixed Assets vested with and owned by the Company under Coal Mines (Nationalisation) Act, 1973 were not made available to us except those assets which are still in existence and are in some cases accounted for at nominal value of Re. 1/- each.
- ii) Regularisation of transfer of assets and liabilities from Coal India Limited to Subsidiaries and also between subsidiaries on formation of the subsidiaries is stated to be in progress.
- iii) In respect of assets added during the year depreciation has been calculated taking the period rounded off to the nearest month.
- iv) In Dankuni Coal Complex and amount of Rs. 8857.55 lakhs has been capitalised during the year. This includes Rs. 6308.39 lakhs and Rs. 2480.67 lakhs transferred from Capital W.I.P. and allocation of expenditure during construction period respectively.

Fixed Assets vested with and takeover by the Company on Nationalisation of Coal Mines have been fully depreciated, leaving a nominal value of Re. 1/- for each of such assets.

The matter was referred to the Government of India and it is learnt that Government is contemplating introduction of necessary legislation in the parliament.

No comments.

No comments

2. INVENTORIES:

- i) During the year three physical verification of stock has been done at Kamakhaguri and New Bongaigaon dumping yard in the month of August, 1990 and January, March, 1991. Two conversion rate applied i.e. 1:2136 M3=1 tonne and 1:074 M3=1 tonne. Whereas CIL's own inventory team apply the conversion rate 1.05 M3=1 tonne. The physical stock verification at above two yards was not carried out by CIL inventory team. The conversion rate applied other than CIL Inventory Team's conversion rate based on Committee's report submitted to us on 20.9.91. Due to application of committee's approved conversion rate the stock has been understated to the extent of 2,756.80 M.T.

The conversion factors applied are the approved conversion factors. It is clarified further that a single conversion factor may not be universally applicable in all cases, specially when density, compactness, size etc. of one particular stack of coal varies from that of another. As the conversion factors applied are approved conversion factors there is no understatement of stock as mentioned by the Auditors.

ii) Ground shortage of Coal at NBQ for 801.21 M.T. shortage on physical verification compared to book stock was not considered for stock valuation purpose, but at KAMG variation of 286.09 M.T. shortage has been considered for stock valuation.

iii) At the beginning of the year under review i.e. on 1.4.90, nil value stock lying in different collieries of NEC was 19,483.65 M.T. out of which a quantity of 9974.55 M.T. was stated to have been sold during the year leaving a balance of 9,509.10 M.T. out of which 6,100.56 M.T. taken at NIL value and the balance quantity $(9,509.10 - 6,100.56) = 3,408.54$ M.T. has been considered at full value. Thus the stock has been overvalued by Rs. 16.38 lakhs.

iv) After adjusting shale contents the total book stock arrived at 2,21,735.51 M.T. at NEC. The Company has considered the closing stock as per the accounting policy of CIL. We have observed that the physical stock taken by CIL inventory team has gone up by 90.83% in case of Baragolai Colliery, 33.94% in case of Tikok Colliery and 8.48% in case of Ledo Colliery in comparison to book stock. The effect of which the closing stock has been overstated by 18,073.35 M.T. The question arises as to the proper recording of coal raised at Colliery level or the method adopted by the CIL inventory team during physical measurement of stock.

v) At Dankuni Coal Complex input of Raw Coal in the process has been determined on the basis of derived method i.e. opening stock add. purchases less closing stock. During the year under review production of CIL Coke, Cokefines, Coal Tar, Sulphur Sludge, Phenol etc. are measured on the basis of standard norms of conversion factor as well as operating experience, but not on physical measurement basis. Further the closing stock of Coal Tar has been measured physically by CIL team but the quantity as ascertained by the Management.

Coal stock has been adopted and valued at NBQ and KAMG stockyard of NEC. in accordance with CIL's Accounting Policy vide para No. 3 (iii) of Sch-N which forms part of the Accounts.

The stock referred to by audit were not originally valued on the ground that there was no ready market at that time.

With the establishment of the market subsequently a substantial part of the said Coal could be disposed off at the relevant notified selling price.

A substantial part of this balance has been sold during 90-91 and even the remaining portion has since been sold out in the current year (91-92) at notified selling price. Hence, there is no overvaluation of stock.

There is no change in the method adopted by the CIL inventory team for the purposes of physical measurement of stock. Adoption of closing stock quantities and valuation thereof are as per the accounting policy of CIL. Shortage/surpluses exceeding a variation of 5% as compared to Book stocks would, however, be subject to investigation based on which appropriate action would be initiated.

Efforts are being made to arrange physical measurement of stock for Coal Tar also from the current year (91-92).

- vi) In NEC the opening balance of brick was Rs. 20.06 lakhs has been taken as Rs. 7.75 lakhs during the year, effect of which is Rs.12.31 lakhs debit during the year to prior period adjustment account.

The opening balance of Bricks had to be adjusted to correct the excess valuation in the said opening Balance debiting prior period adjustment Account.

3. LOAN AND ADVANCES

- i) Loans and Advances include Rs. 0.97 lakhs paid to Singarani Colliery Co. Ltd., in the year 1987-88 and Rs. 0.19 lakhs to Indian Iron & Steel Co. Ltd., in the yr. 1986-87. No explanations to these long outstanding loans made available to us.
- ii) Advance to supplier at NEC include R. 8.03 lakhs against purchase of stores items are lying unadjusted from 1975-76 onwards upto 1987-88.
- Advance to employees at NEC amounts to Rs. 4.12 lakhs. No details made available to us during the course of our audit.
- iii) In R.S.O., Patna, penalty claim of Rs. 3.07 lakhs have been provided as per relevant contract for ground and transit shortage. The Final bills for these amounts have not yet been made.
- iv) Railway claims of Rs. 16.68 lakhs of Bhopal are shown as recoverable. A provision of Rs. 16 lakhs has been made against it.
- v) Pending claims to Railway as on 31.3.1991 amounts to Rs. 60.86 lakhs out of which claims not settled upto 1989-90 at KAMG amount to Rs. 30.72 lakhs and at NBQ Rs. 14.02 lakhs. Some of the claims at KAMG are lying unsettled since 1983-84.

Recovery of this amount will be pursued with the Companies referred to by the audit.

Reconciliation is in process and will be adjusted on completion of the same.

The position will be reviewed for adjustment if any.

Despite provision, the matter will be pursued for settlement with the Railways.

This will be pursued vigorously with the Railways.

4. CURRENT LIABILITIES

- i) Other liability amounting to Rs. 611.11 lakhs includes Rs. 196.21 lakhs being the Assam Land Tax collected from sale of Coal raised prior to 1.1.1990
- ii) No Assam Land Tax imposed on sale of 3952.40 M.T. to Ranigunge coal Corporation and 908.00 M.T. to Premium Coke Mfg. Pvt. Ltd by NEC by virtue of stay order of Supreme Court on Writ Petition Moved by the above respective parties.

Payment of Assam Land Tax to Assam State Government is based on production but since despatches during the year were more than the production, the position of liability is correctly reflected.

No comments

- iii) Current liabilities include Rs. 20.85 lakhs on account of subsidy received relating to pre-nationalisation period which are stated to be either payable to appropriate authority or adjustable against the claim due to the companies on account of Management period's transaction.
- iv) At CIL Headquarters Rs. 6.62 lakhs have been provided in the Accounts on ad-hoc basis.
- v) In R.S.O., Bhopal, liability for Coal purchase include Rs. 52 lakhs (approx.) outstanding for more than 3 years for which bills, details etc. have not been received till date.

No comments

Provision made is considered adequate.

Necessary reconciliation is in process and the liability will be settled/adjusted on completion of the reconciliation.

5. OTHERS

- i) The Coal and O.B. ratio at NEC has been considered during the year 1:6.29, in comparison to previous year the ratio was 1:7.58. The percentage of hired expenses on OBR is 97.17 (Previous year 78.55). No explanation to increase in hire expenses was made available to us.
- ii) The Current account balance with subsidiaries, other loans and advances, sundry debtors, sundry creditors, desposits and amount due to and due from Government of India remained unconfirmed.
- iii) The Balance Sheet as at 31st March, 1991 and Profit & Loss Account for the year ended on that date together with Notes thereon which were approved by the Board of Directors of the Company on 22.8.1991 and reported upon by us on 11.9.1991 have been revised to comply with the observations of the comptroller and Auditor General of India as well as our observations on pre-revised accounts.

We are to state further that in view of the satisfactory explanations subsequently furnished to us, we have suitably amended/modified our report dated 11.9.1991.

The revision has affected the accounts of the Company as follows :

1. Profit and Loss Accounts

The loss has gone up by Rs. 84.93 lakhs.

The OBR accounting is done as per the accounting policy referred to at para 5 of the accounting policies mentioned in schedule No. N. which forms part of the accounts. There is no distortion.

Balances are reconciled from time to time and the process of reconciliation is a continuous one.

Para 15 of Notes to the Accounts (Schedule-N) which is forming part of Accounts maybe referred to.

2. **Balance Sheet :**

- a) Inventories have decreased by Rs. 81.45 lakhs;
- b) Loans and advances have increased by Rs. 2.39 lakhs;
- c) Current liabilities & Provisions have gone up by Rs. 5.87 lakhs.

3. The Schedule to the Profit & Loss Account and Balance Sheet including Notes on the Accounts have been suitably amended, modified and additional disclosure made wherever necessary.

For GUPTA & MITRA
Chartered Accountants

Calcutta :
The 24th September, 1991

(T.K.Datta)
Partner

ANNEXURE FORMING PART OF DIRECTORS' REPORT FOR THE YEAR ENDED 31-3-91

Information as per section 217(2)(A) of the
Companies Act, 1956

Read with the Companies (particulars of Employees)
Rules 1975, as amended in 1990

(A) EMPLOYED THROUGHOUT THE FINANCIAL YEAR 1990-91

Name	Designation	Remuneration Rs.	Qualification	Date of Commencement of employment	Last employment hold
Dr. M. P. Narayanan	Chairman	160030	1st Class MMC of Competence DIM, Doctor of Letters, FBIM (London), FIE, FIMS(London), FIIE, Fellow of WAPS.	15.11.88	Neyveli lignite Corporation Ltd.

(B) EMPLOYED FOR PART OF THE YEAR 1990-91

Shri K. A. Sinha	Director (T)	71635	BSc (Mining) 1st Class M.M.C.	22.5.86	CMPDIL
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