

ANNUAL REPORT AND ACCOUNTS 1993-94

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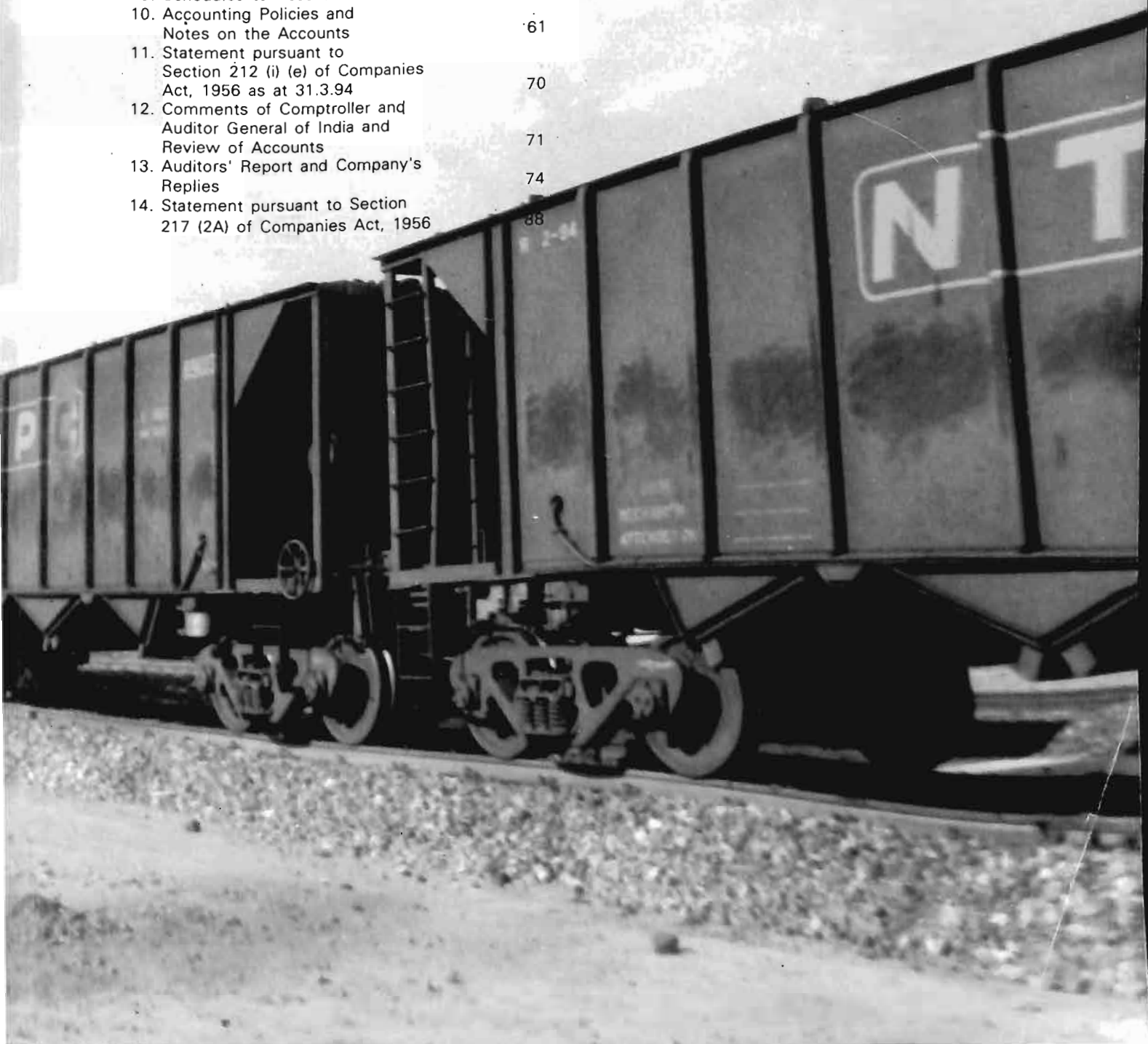


Coal India Limited



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Board of Directors



Shri S. K. Chowdhary



Shri B. N. Makhija



Shri K. Kosal Ram



Shri M. K. Misra



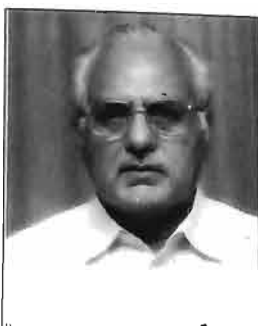
Shri B. Sengupta



Shri P. K. Sengupta



Shri T. K. Deb



Shri R. A. P. Singh



Shri U. Kumar



Shri R. N. Mishra

Members of the Board

(As on 27th September, 1994)

CHAIRMAN

Shri S. K. Chowdhary

FUNCTIONAL DIRECTORS

Shri P. K. Sengupta	— Finance
Shri T. K. Deb	— Technical
Shri R. A. P. Singh	— Personnel & Industrial Relations

DIRECTORS

Shri B. N. Makhija	— Additional Secretary, Ministry of Coal, New Delhi
Shri K. Kosal Ram	— Joint Secretary & Financial Adviser Ministry of Coal, New Delhi
Shri M. K. Misra	— Adviser (Traffic), Railway Board; New Delhi
Shri B. Sengupta	— Member (Grid & Operation), Central Electricity Authority, New Delhi
Shri R. N. Mishra	— Chairman-cum-Managing Director Eastern Coalfields Limited, Sanctoria
Shri U. Kumar	— Chairman-cum-Managing Director South Eastern Coalfields Limited Bilaspur (MP)

COMPANY SECRETARY

Shri U. Suryanarayana

Management During 1993-94

CHAIRMAN

Shri S. K. Chowdhary

FUNCTIONAL DIRECTORS

- | | |
|---------------------|--|
| Shri P. K. Sengupta | — Finance (From 30th May, 1991) |
| Dr. S. K. Ghosh | — Technical (Upto 31st Dec., 1993) |
| Shri T. K. Deb | — Technical (From 31st May, 1994) |
| Shri R. A. P. Singh | — Personnel & Industrial Relations
(From 15th July, 1992) |

DIRECTORS

- | | |
|--------------------|--|
| Shri B. N. Makhija | — Addl. Secretary, Ministry of Coal
(From 28th May, 1993) |
| Shri K. Kosal Ram | — Joint Secretary & Financial Adviser
Ministry of Coal, (From 10th Nov., 1989) |
| Shri M. K. Misra | — Adviser (Traffic), Railway Board
(From 28th Sept., 1993) |
| Shri B. Sengupta | — Member (Grid & Operation), Central Electricity
Authority (From 14th Oct., 1993) |
| Shri R. B. Mathur | — Chairman-cum-Managing Director
Western Coalfields Limited (Upto 22nd Dec., 1993) |
| Shri R. N. Mishra | — Chairman-cum-Managing Director
Eastern Coalfields Limited (From 23rd Sept., 1993) |
| Shri U. Kumar | — Chairman-cum-Managing Director
South Eastern Coalfields Limited
(From 19th Jan., 1994) |

COMPANY SECRETARY

Shri U. Suryanarayana

Bankers & Auditors

Bankers

State Bank of India
Punjab National Bank
United Bank of India
Canara Bank
Bank of Baroda
Bank of Rajasthan Limited
Dena Bank
State Bank of Travancore

Statutory Auditors

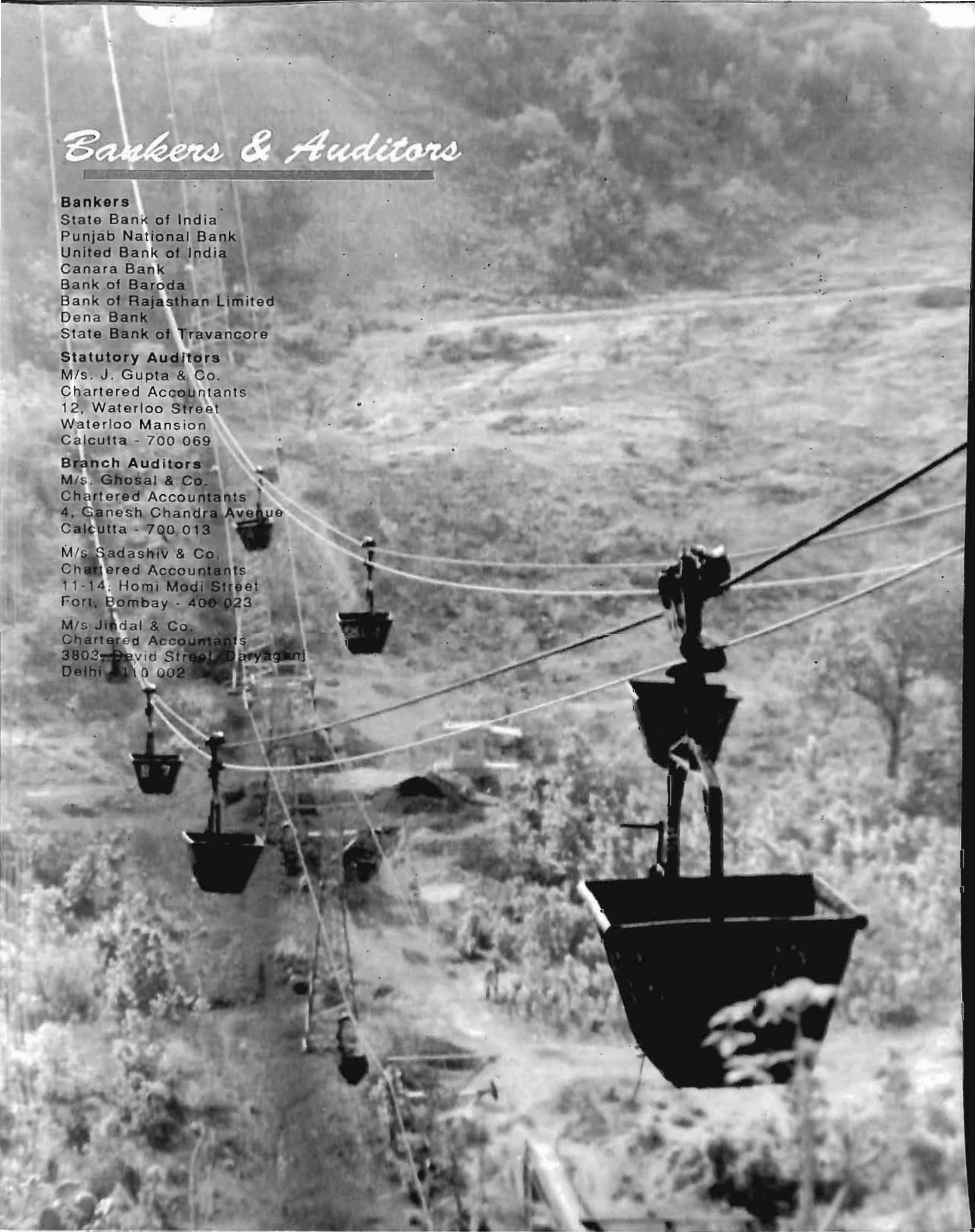
M/s. J. Gupta & Co.
Chartered Accountants
12, Waterloo Street
Waterloo Mansion
Calcutta - 700 069

Branch Auditors

M/s. Ghosal & Co.
Chartered Accountants
4, Ganesh Chandra Avenue
Calcutta - 700 013

M/s Sadashiv & Co.
Chartered Accountants
11-14, Homi Modi Street
Fort, Bombay - 400 023

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



Notice

NOTICE OF THE 20TH ANNUAL GENERAL MEETING OF COAL INDIA LIMITED

Notice is hereby given to all Shareholders of Coal India Limited that the Twentieth Annual General Meeting of the Company will be held on Tuesday, the 27th September, 1994 at 3.00 PM at the Registered Office of the Company at Coal Bhawan, 10, Netaji Subhas Road, Calcutta to transact the following business :

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 1994 and Profit and Loss Account for the year ended 31st March, 1994 together with the Reports of Statutory Auditors, Comptroller & Auditor General of India and Directors' Report.
2. To appoint a Director in place of Shri B. N. Makhija who retires in terms of Article 33 (d) (iii) of the Articles of Association of the Company and is eligible for reappointment.
3. To appoint a Director in place of Shri K. Kosal Ram who retires in terms of Article 33 (d) (iii) of the Articles of Association of the Company and is eligible for reappointment.
4. To appoint a Director in place of Shri M. K. Misra who retires in terms of Article 33 (d) (iii) of the Articles of Association of the Company and is eligible for reappointment.
5. To appoint a Director in place of Shri B. Sengupta who retires in terms of Article 33 (d) (iii) of the Articles Association of the Company and is eligible for reappointment.
6. To appoint a Director in place of Shri R. N. Mishra who retires in terms of Article 33 (d) (iii) of the Articles Association of the Company and is eligible for reappointment.
7. 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 reappointment.

By order of the Board

Sd/-
(U. Suryanarayana)
Company Secretary

Calcutta,
Dated 20th September, 1994

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 the Shorter Notice pursuant to the provisions of Sec. 171 (2) of the Companies Act, 1956.

Chairman's Statement



Friends,

I have great pleasure in welcoming you to the 20th Annual General Meeting of Coal India Limited. The report of the Directors on the performance of your company and its subsidiaries for the year 1993-94 is already with you.

2. The year just gone by has witnessed both stagnancy and revival in the world economy. Developing sector of the global economy has performed better than the developed sector. In other words, slower economic growth or stagnancy of growth in some of the developed countries of the world has been taken care of by higher economic growth in developing countries, more particularly those in Asia. In so far as India is concerned, the regime of the closed economy is giving way to judicious globalisation which has begun in real earnest. Initial response to this shift has been positive. India will continue to be an attractive place for investment. What we have seen in the recent years is only the tip of the potential. As a key player in the Indian economy we are in the process of remodelling our strategies to make best use of the opportunities.
3. Liberalisation of the economy has thrown up a number of challenges for Coal India. With amendment in the Coal Mines Nationalisation Act, coal mining has been opened up to private sector consumers in Power and Steel Industries. We welcome this opening up as Coal Industry in India needs larger investment than Coal India can afford to provide. However,

private investment in the captive coal mines should generate healthy competition provided we are in level playing field.

4. Besides, removing restrictions of import of coal, import duty on non-coking coal has been reduced from 85% to 35% and the duty on coking coal has been maintained at 5%. This is posing stiff challenge to Coal India, particularly because of fairly high rate of levies and taxes on coal mined in India and the inherent high ash content in the Indian coal. However, with relatively low cost of production and the useful properties, in particular low sulphur content of Indian coal, the challenge from the imported coal can be met effectively. Performance of the power stations run by NTPC proves beyond doubt the utility of using coal produced in India. The solution lies in large scale beneficiation of Run of Mine (ROM) Coal so that lower ash beneficiated coal of consistent quality is available to the consumers. With growing concern for environment, Indian coal with low sulphur has an edge over most of the coal available for import.
5. In the domestic front Coal India is experiencing some amount of competition from coal mined in Meghalaya by private entrepreneurs and lignite being mined by private sector in Gujarat. Even though Coal India is handicapped due to the fact that various controls and regulations under which Coal India operate do not apply to these private mines. We are gearing ourselves to face this competition by reorienting our marketing strategy.
6. As a matter of policy the Government has cut down budgetary support in the Public Sector Undertakings and Coal India is no exception. We have responded to this policy by substantial augmentation in internal resources which has not only taken care of lower level of budgetary support but met the requirements of discharging debt service obligation to the Govt. in full. Over the last few years Coal India has been transformed from a major receiver of Government fund to a major contributor and the net contribution (repayment and interest payment to the Central Government minus receipt of net budgetary support) in the year 1993-94 has been of the order to Rs. 595.28 crores. In addition, CIL has made an advance payment of Rs. 292.52 crores to the Central Government against amount becoming due in 1994-95. Efforts to maximise

sufficient quantity of coal. Supply of coal to internal resources through efficiency improvement with a view to attain self sufficiency continues.

Strategic Response

7. Cost reduction has been identified as the key area. Package of measures for improvement in productivity of men and machines and efficiency in use of other inputs is being implemented. Investment in non-economic activities will be regulated with the object of phasing out such investment over a period of time.
8. Beneficiation of coal has been identified as another thrust area. Private investment for setting up of Washeries for supply of beneficiated coal to the consumers, including those in Power Sector, is being encouraged. Besides a fairly large number of Indian Companies, Overseas Companies from USA, Australia and South Korea have shown interest in setting up Washeries under "Build-Own-Operate" principle. We expect favourable response from the consumers in the matter of their acceptance to pay for the cost of washing coal as the benefits, particularly to the long distance consumers are obvious.
9. Liberalisation of economy coupled with improved financial performance of Coal India
10. In our perception one of the most important criteria for measuring CIL's performance is our ability to satisfy the need of the consumers. Power Sector is by far the largest consumer and the supplies to this Sector has increased from a level of 108.48 Million Tonnes in 1990-91 to 147.28 Million Tonnes in 1993-94 achieving annualised growth of 12.94%. Coal stocks at the Power Houses reached the record level of 7.23 Million Tonnes as on 31.3.94. This is a very comfortable stock for the Power Houses. Augmentation of coal supplies to Steel Plants has been a matter of importance for us. Improvement in technology of washing coking coal and modification of existing washeries to handle higher ash in ROM Coking Coal are the thrust areas identified in this regard. The Cement Sector has been cancelling programmes throughout the year and the demand of this Sector has been more than fulfilled. Even though the projected demand was higher, actual lifting was lower than the projected demand. Other Industries are also receiving



has generated encouraging enquiries from Overseas as well as Indian entrepreneurs Domestic Sector is another area of priority and to cater to this Sector we are supplying coal to a large number of SSF Plants which are being built in the Private Sector. To make coal easily available to consumers, both Whole-Sale Traders Scheme and Mini Traders Scheme have been started and are functioning well.

11. I am confident that with dedicated performance at all levels, CIL will continue to scale the new heights and achieve its goals and objectives with a high degree of self-discipline and commitment.

12. I would like to thank our consumers, suppliers, State Governments, Ministry of Coal and other Ministries/Departments in the Central Government, all the Trade Unions and all the employees and their families for their unstinted support, co-operation and guidance.

Calcutta,
27th Sept. '94

S. K. Chowdhary
Chairman

OPERATIONAL STATISTICS

Year Ending 31st March	1994	1993	1992	1991	1990	1989	1988	1987	1986	1985
1. a) Production of Raw Coal (M. Tonnes)										
Under Ground	56.55	57.06	56.82	56.09	58.71	61.28	59.04	60.07	59.95	60.50
Opencast	159.55	154.16	147.34	133.56	119.89	110.22	99.98	84.70	74.16	70.31
Total	216.10	211.22	204.16	189.65	178.60	171.50	159.02	144.77	134.11	130.81
b) Over Burden Removal (Mcch.O/C) (Million Cub. Mts.)	325.46	309.64	298.30	284.76	278.44	246.22	212.04	185.62	149.52	132.94
2. Off take (Raw Coal) M. Tonnes										
Power	144.39	131.31	124.54	109.72	100.38	89.24	82.18	71.26	65.03	54.65
Steel/Hard Coke	21.48	21.22	16.59	20.40	19.49	20.32	19.47	19.11	20.30	19.64
Railway	1.78	2.81	3.93	4.58	5.11	5.57	6.36	6.83	7.91	9.50
Domestic & Boiler Use	3.27	3.38	4.36	3.46	3.47	3.50	3.48	3.54	3.62	3.61
Others	45.61	49.47	48.75	44.99	45.14	46.39	42.44	40.91	38.06	35.25
Total	216.53	208.19	198.17	183.15	173.59	165.02	153.93	141.65	134.92	122.65
3. Average Manpower	655944	663349	672217	670515	669072	672231	674004	672960	671336	664847
4. Productivity										
A. Average per Man per Year (tonnes)	327.60	316.45	303.71	282.84	266.94	255.12	235.93	215.12	199.77	196.75
B. Output per manshift (OMS)										
(i) Under Ground (Tonnes)	0.55	0.55	0.53	0.54	0.55	0.57	0.54	0.54	0.53	0.53
(ii) Open Cast (Tonnes)	4.00	3.80	3.70	3.34	3.06	2.91	2.65	2.44	2.24	2.10
(iii) Overall (Tonnes)	1.52	1.46	1.40	1.31	1.21	1.15	1.08	0.99	0.92	0.87
5. Information As per Cost Report										
(i) Earning per Manshift (Rs)	208.52	191.79	170.85	153.76	146.21	129.75	111.52	104.29	91.35	85.20
(ii) Avg. Cost of Production of Net Saleable Coal (Rs.P.T.)	364.35	334.31	301.67	277.18	264.69	252.91	229.46	221.54	213.97	190.63
(iii) Avg. Sale Value of Production of Net Saleable Coal (Rs. P. T.)	400.12	356.38	302.16	268.17	273.64	252.29	215.41	202.80	190.87	188.18

FINANCIAL POSITION

(Rs. Crores)

Year Ending 31st March	1994	1993	1992	1991	1990	1989	1988	1987	1986	1985
A. What is owned										
Gross Fixed Assets	13554.87	11902.43	10423.77	8917.20	7506.93	6425.84	5495.21	4701.06	4029.65	3202.10
Less : Depreciation	5667.04	4853.87	4124.66	3480.56	2900.54	2417.72	2011.72	1661.19	1400.49	1119.34
Net Fixed Assets	7887.83	7048.56	6299.11	5436.64	4606.39	4008.12	3483.49	3039.87	2629.16	2082.76
Capital Work-in-Progress	2737.41	2701.92	2373.09	2124.47	2133.83	1824.16	1443.68	1179.63	834.09	786.57
Misc. expnd. etc. to the extent not written off/OBR adj./invsted	185.86	108.11	117.75	70.65	27.33	4.67	5.81	8.34	5.23	2.74
Current Assets :										
Inventories	2509.05	2446.70	2123.33	1679.69	1463.66	1323.12	1070.80	982.22	892.43	900.60
Sundry Debtors	2443.31	2090.73	1390.30	1433.75	1441.93	988.49	722.73	465.45	399.55	377.46
Cash & Bank Balance	218.13	186.63	146.33	181.75	174.90	161.71	142.37	141.70	118.68	121.81
Loans Advances	761.87	978.55	849.39	1082.09	820.06	564.97	651.68	780.70	883.09	933.52
Total Current Assets	5932.36	5702.61	4509.35	4377.28	3900.55	3038.29	2587.58	2370.07	2293.75	2333.39
Less : Current Liabilities	5567.47	5101.35	3864.66	3399.67	2828.33	2512.43	2094.79	1879.36	1552.08	1375.50
Net Current Assets	364.89	601.26	644.69	977.61	1072.22	525.86	492.79	490.71	741.67	957.89
Total (A)	11175.99	10459.85	9434.64	8609.37	7839.77	6362.81	5425.77	4718.55	4210.15	3829.96
B. What is owned :										
Govt. Loan & Over due interest	5102.93	5281.39	4899.76	4725.72	4430.50	3924.69	3670.18	2993.64	2869.64	2482.89
Intercompany Loan & Loan from Financial Institutes	352.93	500.00	225.00	100.00	125.00	100.00				
Other Loans (foreign credits, bonds, pub. deposits etc.)	1559.04	1219.52	1047.51	858.43	380.98	46.67	40.20	25.46		
Bank Loan (overdrafts etc.)	698.86	455.12	341.89	355.04	333.98	168.41	189.63	200.27	122.00	152.90
Less : Overdue interest incld. in Current Liabilities	1289.26	1334.31	1025.53	921.45	685.90	605.09	580.05	278.02	341.27	309.15
Total (B)	6424.50	6121.72	5388.63	5117.74	4584.56	3634.68	3319.96	2941.35	2650.37	2326.64
Net Worth (A - B)	4751.49	4338.13	3946.01	3491.63	3255.21	2728.13	2105.81	1777.20	1559.78	1503.32
Represented by :										
Equity Capital (Incl. pending allotment)	6104.84	6097.85	6000.76	5713.31	5223.86	4764.16	4120.34	3559.50	3012.31	2556.69
Reserves	414.53	334.81	299.24	277.30	280.95	289.64	245.22	251.42	206.82	162.49
Profit/Loss (+) / (-)	-1767.88	-2094.53	-2353.99	-2498.98	-2249.60	-2325.67	-2259.75	-2033.72	-1659.35	-1215.86
Net Worth	4751.49	4338.13	3946.01	3491.63	3255.21	2728.13	2105.81	1777.20	1559.78	1503.32
Capital (NEA+OBR+NVTT)	8272.89	7653.32	6991.63	6424.33	5668.00	4533.98	3976.28	3530.58	3370.83	3040.65

Financial Position (Contd.)

A. Earned from

Gross Sales	11103.62	9564.92	7475.50	6295.95	6278.32	5600.09	4398.47	3741.26	3293.10	2937.83
Less Coal From Development Mines	11.38	25.15	12.08	46.35	51.01	97.58	27.69	26.82	6.22	
Less Levies (Royalties, cesses etc)	2209.00	1979.52	1454.00	1154.58	1408.28	1314.09	946.77	759.22	573.97	498.98
Net Sales	8883.24	7560.25	6009.42	5095.02	4819.03	4188.42	3424.01	2955.22	2712.91	2438.85
Accretion/Decretion in Stocks	- 3.99	288.89	394.76	108.19	79.13	236.89	60.07	51.77	(-) 32.88	92.41
Boiler & Domestic Consumption of Coal, Coke etc.	166.09	142.39	136.98	140.02	123.31	115.60	97.66	92.05	87.21	80.74
Other Revenue Receipts :										
C.M.P.D.I.	70.27	61.05	59.21	62.58	60.33	57.73	43.42	39.37	32.58	28.34
Others	447.22	355.94	235.69	177.97	167.74	136.23	119.03	104.86	100.87	82.46
Coal Price Regulation Account	39.39	- 41.59				36.62	59.82	- 29.83	- 48.45	
Total (A)	9602.22	8366.93	6836.06	5583.78	5249.54	4771.49	3213.44	4213.44	2852.24	2722.80

B. Paid to/Provided for :

Employees Remu. & benefits (Gross-Rev.)	3624.55	3347.78	2848.55	2555.02	2406.75	2309.61	1775.59	1756.69	1467.11	1405.94
Less : Trans. to oth.rev. heads	214.83	313.88	177.62	178.13	194.65	311.34	85.83	140.48	100.31	102.46
Net Salary & Wages	3409.72	3033.90	2670.93	2376.89	2212.10	1998.27	1689.76	1616.21	1366.80	1303.48
Social Overheads (inclcd. LLTC & Domestic coal)	621.80	591.57	454.92	364.82	316.42	331.83	284.77	235.89	196.55	194.89
S/O Dep. & Int. (Inclcd. in Dep. & Int.)	- 38.15	- 32.77	- 29.51	- 24.77	- 18.89	- 16.48	- 14.22	- 14.83	- 10.50	- 8.23
Stores & Spares (Gross-Rev.)	1462.19	1254.64	1058.91	895.11	780.48	657.59	588.18	519.43	448.60	398.55
Less : Trns. to oth. rev. heads	30.08	33.59	30.63	33.14	37.71	26.30	19.25	33.41	16.16	16.27
Net Stores & Spares	1432.11	1221.05	1028.28	861.97	742.77	631.29	568.93	486.02	432.44	382.28
Power & Fuel	644.20	537.16	447.98	376.65	329.41	314.72	275.02	246.04	209.81	181.01
Contractors (trans.&repairs)	683.66	564.14	413.71	373.09	344.68	276.09	254.52	204.68	194.25	149.49
Misc. Expenses & Provisions	764.55	521.81	485.74	425.16	351.60	375.57	272.68	249.88	319.96	161.07
Interest	708.93	727.99	566.95	472.23	366.77	279.53	319.47	166.12	228.09	181.13
Depreciation	912.63	786.09	670.59	578.65	469.69	422.99	376.19	306.78	265.45	219.03
O. B. R. Adjustment	- 19.28	42.91	7.98	- 20.61	- 29.67	42.56	49.89	- 2.26	1.79	9.05
Prior Period Adj. (excl. int., dep. & C.P.R.A.)	81.73	84.80	- 48.58	52.87	84.53	138.38	- 48.36	50.66	51.78	27.63
I. T. Written Back		- 2.99								
Total (B)	9201.90	8075.66	6668.99	5836.95	5169.41	4794.75	4028.65	3545.19	3256.42	2800.83
Profit/loss for the year (A-B)	400.32	291.27	167.07	- 253.17	80.13	- 23.26	- 224.64	- 331.75	- 404.18	- 78.03
Investment Allowance Reserve	- 72.75	- 31.22	- 21.62	4.38	- 0.09	- 42.34		- 42.19	- 39.31	- 29.49
Income Tax	- 0.92	- 0.60	- 0.46	- 0.59	- 3.87	- 0.42	- 1.39	- 0.43		- 0.27
Cummulative Profit/Loss b/f from the Previous year	- 2094.53	- 2353.99	- 2498.98	- 2249.60	- 2325.77	- 2259.75	- 2033.72	- 1659.35	- 1215.86	- 1108.07
Cummulative Profit/Loss trans. to Balance Sheet	- 1767.88	- 2094.54	- 2353.99	- 2498.98	- 2249.60	- 2325.77	- 2259.75	- 2033.72	- 1659.35	- 1215.86

IMPORTANT FINANCIAL INFORMATION AND RATIOS

A. FINANCIAL INFORMATION

(Rs. Crores)												
Year Ending 31st March			1994	1993	1992	1991	1990	1989	1988	1987	1986	1985
1.	a)	Equity (Year end)	6104.84	6097.85	6000.76	5713.31	5223.86	4764.16	4120.34	3559.50	3012.31	2556.69
	b)	Net Worth	4751.49	4338.13	3946.01	3491.63	3255.21	2728.13	2105.81	1777.20	1559.78	1503.32
2.	a)	Loan from Govt. of India (including overdue Interest)	5102.93	5281.39	4899.76	4725.72	4430.50	3924.69	3670.18	2993.64	2869.64	2482.89
	b)	Intercorporate Loan & Foreign Credits	1911.97	1719.57	1272.51	958.43	505.98	146.67	40.20	25.46		
		Total Loan (2)	7014.90	7000.96	6172.27	5684.15	4936.48	4071.36	3710.38	3019.10	2869.64	2482.89
3.		Capital Employed	8272.89	7653.32	6991.63	6424.33	5668.00	4533.98	3976.28	3530.58	3370.83	3040.65
4.	a)	Gross Margin	2021.88	1805.35	1404.61	797.71	916.59	679.26	471.02	141.15	89.36	322.13
	b)	Gross Profit	1109.25	1019.26	734.02	219.06	446.90	256.27	94.83	- 165.63	- 176.09	103.10
	c)	Net Profit (before Tax & Inv. Allowance)	400.32	291.27	167.07	- 253.17	80.13	- 23.26	- 224.64	- 331.75	- 404.18	- 78.03
5.	a)	Gross Sales	11103.62	9564.92	7475.50	6295.95	6278.32	5600.09	4398.47	3741.26	3293.10	2937.83
	b)	Net Sales (after levies, dev. & prov. etc)	8883.24	7560.25	6009.42	5095.02	4819.03	4188.42	3424.01	2955.22	2712.91	2438.85
	c)	Paid/Payable Amount of Royalty, cess etc.	2209.00	1979.52	1454.00	1154.58	1408.28	1314.09	946.77	759.22	573.97	498.98
	d)	Avg. Gross Sales per month	925.30	797.08	622.96	524.66	523.19	466.67	366.54	311.77	274.43	244.82
	e)	Avg. Net Sales per month	740.27	630.02	500.79	424.59	401.59	349.04	285.33	246.27	226.08	203.24
6.	a)	Gross Sales	9201.90	8075.66	6668.99	5836.95	5169.41	4794.75	4028.65	3545.19	3256.42	2800.83
	b)	Expenses Before Int, dpre. prov. & Adj. (Rev. only)	7599.62	6518.67	5423.47	4806.68	4362.62	4049.67	3283.10	3074.55	2761.09	2391.62
	c)	Sal & Wages (Gross-rev-only)	3624.55	3347.78	2848.55	2555.02	2406.75	2309.61	1775.59	1756.69	1467.11	1405.94
	d)	Stores & Spares (Gross Rev. only)	1462.19	1254.64	1058.91	895.11	780.48	657.59	588.18	519.43	448.60	398.55
	e)	Power & Fuel	644.20	537.16	447.98	376.65	329.41	314.72	275.02	246.04	209.81	181.01
	f)	Int. & Depreciations (Gross - rev. only)	1621.56	1514.08	1237.54	1050.88	836.46	702.52	695.66	472.90	493.54	400.16
7.	a)	Social Overheads (includ. LTC/LLTC)	621.80	591.57	454.92	364.82	316.42	331.83	284.77	235.89	196.55	194.89
	b)	Social Overhead Expenditure per employee (Rs.000)	9.43	8.86	6.77	5.44	4.73	4.94	4.23	3.51	2.93	2.93
8.	a)	Value added	7006.19	6252.66	5079.32	4139.22	3977.21	3652.06	2784.27	2406.71	2157.57	2077.05
	b)	Value added per employee (Rs. 000)	106.21	93.68	75.56	61.73	59.44	54.33	41.31	35.76	32.14	31.24
9.		Closing Stock of : (Rs.Crores)										
	a)	Stores & Spares (Gross)	896.79	809.01	755.73	708.30	617.67	550.99	512.30	470.95	428.56	377.05
	b)	Coal, Cokes etc. (Net)	1656.35	1660.64	1404.69	999.53	875.21	793.03	585.79	530.96	481.65	524.22
10.	a)	Total Assets (N.F.A.+C.W.I.P.+C.A.)	16557.60	15453.09	13181.55	11938.39	10640.77	8870.57	7514.75	6589.57	5757.00	5202.72
	b)	Net Fixed Assets	7887.83	7048.56	6299.11	5436.64	4606.39	4008.12	3483.49	3039.87	2629.16	2082.76
11.		Net Current Assets (Working Capital excl. OBR)	364.89	601.26	644.69	977.61	1072.22	525.86	492.79	490.71	741.67	957.89
12.		Average Stock of Stores & Spares (Gross)	778.04	782.37	732.02	662.99	584.33	531.65	491.63	449.76	402.81	359.59
13.		Cost of Goods Sold (Sales-Profit)	8482.92	7268.98	5842.35	5348.19	4738.90	4211.68	3648.65	3286.97	3117.09	2516.88
14.	a)	Consumption of Stores & Spares (Gross)	1462.19	1254.64	1058.91	895.11	780.48	657.59	588.18	519.43	448.60	398.55
	b)	Avg. Consump. of Stores & Spares (gross) per month	121.85	104.55	88.24	74.59	65.03	54.80	49.02	43.29	37.38	33.21
15.	a)	Sundry Debtors (Net) (Before CMPDIL)	2431.26	2086.08	1390.30	1433.75	1441.93	988.49	722.73	465.45	399.55	377.46
	b)	Sundry Debtors (Gross) (Before CMPDIL)	3702.19	3133.37	1926.77	1894.94	1856.96	1349.40	983.10	676.92	532.02	502.84

B. FINANCIAL RATIOS

(Rs. Crores)

Year Ending 31st March	1994	1993	1992	1991	1990	1989	1988	1987	1986	1985
1. a) Debt : Equity Ratio	1.15	1.15	1.03	0.99	0.94	0.85	0.90	0.85	0.95	0.97
b) Net Worth : Equity Ratios	0.78	0.71	0.66	0.61	0.62	0.57	0.51	0.50	0.52	0.59
c) Net Fixed Assets : Net worth	1.66	1.62	1.60	1.56	1.42	1.47	1.65	1.71	1.69	1.39
d) Working Capital : Total Assets	0.02	0.04	0.05	0.08	0.10	0.06	0.07	0.07	0.13	0.18
e) Current Assets :										
Current Liabilities	1.07	1.12	1.17	1.29	1.38	1.21	1.24	1.26	1.48	1.70
f) Quick Assets : Current Liabilities (Liquidity)	0.48	0.45	0.40	0.48	0.57	0.46	0.41	0.32	0.33	0.36
g) i) Avg. Stock of Stores & Spares : cosupt. of stores (Gross)	0.53	0.62	0.69	0.74	0.75	0.81	0.84	0.87	0.90	0.90
ii) Closing Stock of Stores & Spares (Gross) in terms of no of months' consumption	7.36	7.74	8.56	9.50	9.50	10.05	10.45	10.88	11.46	11.35
iii) Coal Stocks : Net sales	0.19	0.22	0.23	0.20	0.18	0.19	0.17	0.18	0.18	0.21
iv) Coal Stock in terms of no. of months' Net Sales	2.24	2.64	2.80	2.35	2.18	2.27	2.05	2.16	2.13	2.58
h) i) Sundry Debtors (Gross) : Gross Sales	0.33	0.33	0.26	0.30	0.30	0.24	0.22	0.18	0.16	0.17
ii) Sundry Debtors (Gross) in terms of no of months' Gross Sales	4.00	3.93	3.09	3.61	3.55	2.89	2.68	2.17	1.94	2.06
iii) Sundry Debtors (Net) in terms of no of months' Gross Sales	2.63	2.62	2.23	2.73	2.76	2.12	1.97	1.49	1.46	1.54
i) Operating Ratio (Sales-Profit/net Sales)	0.95	0.96	0.97	1.05	0.98	1.01	1.07	1.11	1.15	1.03
j) Working Capital : Net Sales	0.04	0.08	0.11	0.19	0.22	0.13	0.14	0.17	0.27	0.39
2. a) Gross Margin to Net Sales (%)	22.76	23.88	23.37	15.66	19.02	16.22	13.76	4.78	3.29	13.21
b) Gross profit to Net Sales (%)	12.49	13.48	12.21	4.30	9.27	6.12	2.77	(-) 5.60	(-) 6.49	4.23
c) Net Profit to Net Sales (%)	4.51	3.85	2.78	(-) 4.97	1.66	(-) 0.56	(-) 6.56	(-) 11.23	(-) 14.90	(-) 3.20
d) Sal & Wages (Gross-Rev.) to Total Expnd. (%)	39.39	41.46	42.61	43.77	46.56	48.17	44.07	49.55	45.05	50.20
e) Stores & Spares (Gross-Rev.) to Total Expnd. (%)	15.89	15.54	15.88	15.34	15.10	13.71	14.60	14.65	13.78	14.23
f) Power & Fuel to Total Expend. (%)	7.00	6.65	6.72	6.45	6.37	6.56	6.83	6.94	6.44	6.46
g) Interest & Depreciation (Gross-Rev.) (%)	17.62	18.75	18.56	18.00	16.18	14.65	17.27	13.34	15.16	14.29
h) Gross margin to Capital Employed (%)	24.44	23.59	20.09	12.42	16.17	14.98	11.85	4.00	2.65	10.59
i) Gross profit to Capital Employed (%)	13.41	13.32	10.50	3.41	7.88	5.65	2.38	(-) 4.69	(-) 5.22	3.39
j) Net profit to Capital Employed (%)	4.84	3.81	2.39	(-) 3.94	1.41	(-) 0.51	(-) 5.65	(-) 9.40	(-) 11.99	(-) 2.57

Directors' Report

Dear Members,

Directors of your Company have great pleasure in presenting to you the Twenty First Annual Report and Accounts for the year ended 31st March, 1994 alongwith the report of the Statutory Auditors and the comments and review of the Comptroller and Auditor General of India.

During the year the Company continued to have eight fully owned Subsidiary Companies viz :

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

The mines in Assam through its North Eastern Coalfields division, headed by a Director-in-Charge, and Dankuni Coal Complex, headed by a General Manager, continued to be managed directly by Coal India Limited.

HIGHLIGHTS OF PERFORMANCE

a) The table below shows salient features of performance of Coal India including its Subsidiaries, for the year compared to previous two years :

	1991-92	1992-93	1993-94
Production (In Million Tonnes)	204.16	211.22	216.10
Despatch of Coal (In Million Tonnes)	194.92	204.98	213.05
Sales (Gross) (Rs. in Crores)	7475.50	9565.92	11103.62
Profit before Interest (Rs. in Crores)	734.02	1019.26	1109.25
Capital Employed (Rs. in Crores)	6991.63	7653.32	8272.89
Net worth (Rs. Crores)	3946.01	4338.13	4751.49
Net Profit (Rs. in Crores)	167.07	291.27	400.32
Gross profit to Capital Employed	10.50%	13.32%	13.41%
Net Profit to Net Worth	4.23%	6.71%	8.43%
Coal Stock in terms of No. of Months' Net Sales	2.24	2.64	2.80
Sundry Debtors (Net) in terms of No. of Months' Gross Sales	2.23	2.62	2.63



Mining activity in progress in an opencast mine.

- (b) The High Power Committee (HPC) evaluated the MOU (Memorandum of Understanding) composite score for the year 1992-93 and its evaluation placed Coal India Ltd. under the category "Excellent". The provisional rating for the year 1993-94 is also "Excellent".

2.0 FINANCIAL PERFORMANCE

2.1 Operating Results

Your Directors are happy to report that for the third consecutive year, CIL and its subsidiaries earned substantial profit. Companywise position before and after considering claim/contribution from Coal Price Regulation Account (CPRA) is as under :

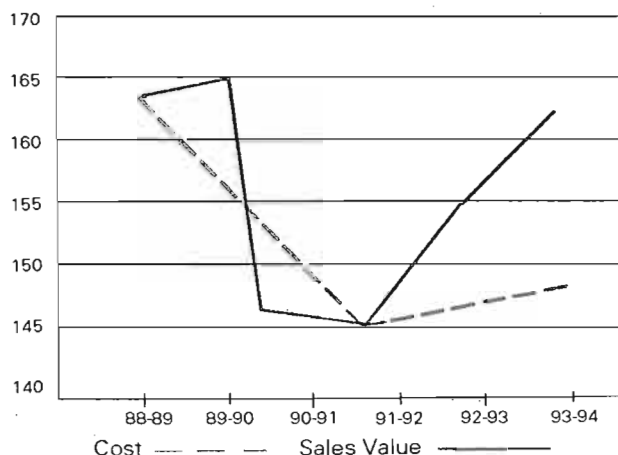
(Rs. in crores)

Company	(Before CPRA) Profit (+)/Loss(-)		(After CPRA) Profit (+)/Loss(-)	
	1993-94	1992-93	1993-94	1992-93
ECL	- 477.98	- 354.28	- 70.40	- 17.20
BCCL	- 341.87	- 370.26	21.56	- 73.84
CCL	127.19	136.44	62.06	41.56
NCL	392.50	335.36	225.23	190.72
WCL	84.17	76.76	31.59	11.80
SECL	397.61	348.39	139.84	133.40
MCL	206.97	195.97	21.27	43.73
CMPDIL	2.64	2.50	2.64	2.50
CIL, NEC, DCC	- 30.30	-38.02	- 33.47	- 41.40
Total CIL	360.93	332.86	400.32*	291.27

* The Profit of Rs. 400.32 Crores for 1993-94 was after providing interim relief to the employees for the period 1.7.91 to 31.3.94.

COST & AVERAGE SALE VALUE PER TONNE

At Constant 1981-82 Prices



2.2 Application of Internally Generated Fund

During the year CIL including its Subsidiary Companies generated gross margin i.e. profit before Depreciation, Interest and Taxes of Rs. 2021.89 crores (previous year Rs. 1805.34 crores). Out of this an amount of Rs. 728.28 crores (previous year Rs. 547.26 crores) has been paid to the Govt. towards loan repayment and interest payment due for the year. In addition, an amount of Rs. 292.51 crores has been paid to the Govt. in advance against the amount payable in 1994-95. Servicing of other loans viz. bonds, inter-corporate loan and bilateral credits accounts for an outgo of Rs. 452.59 crores during the year (previous year Rs. 204.93 crores). The quantum of internally generated funds ploughed back for investment during the year is Rs. 548.51 crores.

2.3 Foreign Exchange Earnings

For the second consecutive year CIL exported coal directly to Nepal and Bangladesh. During the year, CIL exported 77,000 tonnes of coal and earned a revenue of Rs. 10.63 crores which includes foreign exchange of US \$ 1.19 million.

2.4 Capital Expenditure

During the year an investment of Rs. 1687.92 crores has been made in the mines and other facilities of CIL and the Subsidiaries. Investment on Plant & Machinery constitutes 64%, Development, Railway Siding and Infrastructure 29% and Welfare 7%.

The companywise break-up of investment for 93-94 is as under :

Company	(Rs. in crores)
ECL	356.40
BCCL	161.91
CCL	402.02
NCL	248.04
WCL	138.02
SECL	200.16
MCL	139.44
CMPDIL	7.88
NEC, DCC & CIL Hqrs.	34.05
Total	1687.92

2.5 Capital Structure

The authorised share capital of the Company as on 31.3.94 was Rs. 8000 crores and the paid up capital was Rs. 6103.44 crores (including Rs.256.93 crores worth of shares issued to the Govt. of India towards the value of land acquired). This does not include an amount of Rs. 140.04 lakhs received from the Govt. for payment of land compensation for which equity shares were issued during 1994-95. Govt. of India invested Rs.7 crores towards equity in the Company during the year 93-94 compared to the equity investment of Rs. 97 crores in the previous year.

Government investment in CIL and Subsidiaries as on 31.3.94 was Rs.9918.51 crores.

	(Rs. crores)	
	As on 31.3.94	As on 31.3.93
Share Capital (Including equity pending allotment of Share for Rs.140.04 lacs)	6104.84	6097.84
Plan Loan	3372.71	3506.12
Non-Plan Loan	440.96	440.96
Total	9918.51	10044.92

2.6 Fresh Borrowings from Govt. & Servicing of Govt. Loan

During the year a sum of Rs. 337 crores was received from the Govt. of India as loan. A sum of Rs. 470.41 crores was paid to the Govt. of India towards repayment of loan. This includes payment of Rs.193.61 crores towards loan repayment due in 94-95. Aggregate payment of interest during the year is Rs.550.38 crores of which interest due in 94-95 is Rs. 98.90 crores.

2.7 Bonds and Public Deposits

During the year 93-94 CIL issued Bonds worth Rs.200 crores. The value of Bonds issued upto 31.3.94 is Rs. 800 crores (Rs. 450 crores 13% taxable, Rs.200 crores 15.5% taxable and Rs.150 crores 9% tax free).

During the year 93-94 an amount of Rs. 94 lakhs was received from the depositors under the public deposit scheme and repayment

of Rs. 14.28 crores to the depositors on maturity of their deposits has been made. Amount of deposits as on 31.3.94 stands at Rs.12.94 crores.

2.8 Term Loan from Financial Institutions

During the year CIL have been able to tie up medium term credit from FI's for asset acquisition by Subsidiary Companies. A line of credit for Rs. 75 crores for purchase of equipment by NCL has been tied up with IDBI under the Asset Credit Scheme. The amount drawn till 31.3.94 is Rs. 51.35 crores. A loan for building the township at Jhanjra Project has been tied up with SBI Home Finance. The sanctioned amount of Rs. 6.45 crores has been fully drawn. In both cases CIL have issued corporate guarantee to the lenders.

2.9 Issue of Commercial Papers

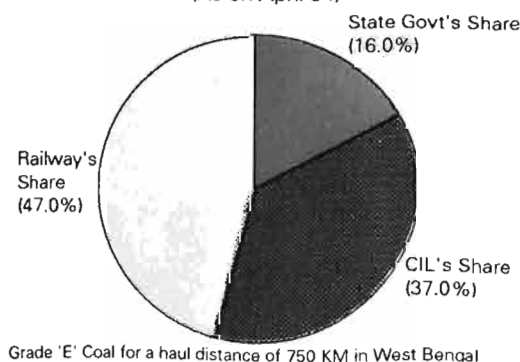
For the first time CIL have issued Commercial Papers (CP) of Rs.100 crores with a maturity period of 90 days. The CP's were accorded the highest credit rating of P1 + by CRISIL and as a result the issue could be made at the floor discount rate of 12.5% fixed by the Indian Bankers Association.

2.10 Coal Price

The pit head price of coal is fixed by the Central Govt. under the Colliery Control Order, 1945. Effective from 17.6.93 the average ROM coal price was revised from Rs. 363 to Rs. 381 in order to neutralise the impact of increase

PRODUCER'S SHARE IN DESTINATION PRICE OF COAL

(As on April'94)



in the rate variable dearness allowance from Rs. 1.65 to Rs. 2.00 per month per point AICPI over 800 points effective from 1.1.89.

2.11 Coal Sale Dues

Dues as on 31.3.94 is Rs.2431.26 crore (previous year Rs.2086.08 crore) after provision of Rs. 1270.93 crore (previous year Rs. 1047.29 crore) for doubtful debt. The dues are equivalent to 2.63 months' Gross Sales (previous year 2.62 months). Dues from power sector accounts for nearly 80% of the total dues. Subsidiarywise dues as on 31.3.94 before provision for doubtful debt and after provision are shown below :

(Rs. in crores)		
Coal Sale Dues as on 31.3.94		
Company	Gross	Net (after provision for doubtful debt)
ECL	675.76	566.46
BCCCL	1069.05	502.56
CCL	813.26	708.18
NCL	187.38	108.64
WCL	279.94	105.82
SECL	396.98	234.43
MCL	250.24	177.04
NEC/CIL	29.58	28.13
Total	3702.19	2431.26

The amount disputed by the consumers is increasing mainly because of the fact that the power houses are not accepting colliery end as the venue for quality inspection as was decided in the meeting of Standing Committee of Secretaries on Industrial Infrastructure held on 15.10.91. A number of consumers like Badarpur, DVC and UPSEB are not paying even the undisputed dues. Coal Companies have not been able to enforce Cash & Carry System in the larger interest of uninterrupted generation of power.

2.12 Payment of Royalty, Cess and Sales Tax

During the year 93-94 CIL and its Subsidiaries paid Rs. 1833.42 crores (previous year Rs.1900.29 crores) towards Royalty, Cess & Sales Tax.

(Rs. in crores)		
	93-94	92-93
Royalty	1183.25	1137.77
Cess	395.31	399.05
(including other levies)		
Sales Tax	423.58	363.47
Total	2002.14	1900.29

3.0 MARKETING

3.1 Demand

The demand for coal on Coal India Limited was assessed at 223.19 million tonnes for the year 1993-94. As against this demand, the actual offtake was 216.53 million tonnes showing a demand satisfaction of 97.02%. Sectorwise demand, offtake and demand satisfaction for the year 1993-94 as compared to 1992-93 are as under :

Sector	1993-94			1992-93		
	Demand	Offtake	%Satn	Demand	Offtake	%Satn
Power (utility)						
Raw coal	140.22	144.39	102.97	124.17	131.46	105.87
(Middlings)	(2.65)	(2.90)	(100.40)	(2.65)	(2.48)	(94.00)
Steel	21.47	21.48	100.05	22.35	21.10	94.41
Loco	3.09	1.78	57.61	3.30	2.86	86.67
Cement	9.59	8.29	86.44	11.15	8.49	76.14
Fertiliser	4.00	4.13	103.25	3.50	3.99	114.00
Soft Coke making	0.75	0.57	76.00	2.10	0.63	30.00
Export	0.20	0.09	45.00	0.50	0.14	28.00
BRK/Others	40.30	32.53	80.72	47.25	36.31	76.85
Colliery consumption	3.57	3.27	91.60	3.50	3.40	97.14
Overall	223.19	216.53	97.02	217.82	208.38	95.67

3.2 Despatches

3.2.1 Despatches by Various Modes

The break-up of despatches by various modes for the year 1993-94 as compared to 1992-93 is given below. It would be observed from the table that there has been an increase of 7.97 million tonnes or a growth rate of 3.95% in despatches over the previous year.

Year	Rail	Road	MGR	Rope	Belt	Total
93-94	127.95	29.22	41.08	4.98	6.58	209.81
92-93	124.31	30.97	35.69	4.71	6.16	201.84
Growth%	2.93	- 5.65	15.10	5.73	6.82	3.95

Road despatches were affected due to transport strike in August and September, 1993, JMM agitation in some parts of Bengal - Bihar Coalfields during April, Sept., Oct.'93 and January '94. Apart from this, general strikes and Bundhs also hampered road movement of coal during the year which also witnessed non-

fulfilment of full demand of coal by the consuming sectors in economy, e.g. Cement and other non-core sectors.

3.3 Offtake of Raw Coal

Offtake of raw coal during the year 1993-94 has been 216.53 million tonnes against a target of 222.00 million tonnes, showing an achievement of 97.54% against target. The companywise actual offtake as compared to target for the year and actual for the previous year is as follows :

Company	Figs. in Million Tonnes					
	1993-94			1992-93		
	Target	Achvd.	%age Achvd.	Achvd.	Abs.	%age
ECL	26.96	23.23	86.16	23.26	0.05	0.15
BCCL	29.51	29.39	99.59	27.60	1.79	6.49
CCL	36.30	33.38	91.96	32.90	0.48	1.46
NCL	31.40	32.40	103.18	30.34	2.06	6.79
WCL	26.00	25.88	99.54	25.35	0.53	2.09
SECL	47.93	47.40	98.89	45.43	1.97	4.34
MCL	22.9	24.08	105.15	22.61	1.47	6.50
NEC	1.00	0.77	77.00	0.83	0.11	2.50
CIL	222.00	216.53	97.54	208.37	8.16	3.92

3.4 Average Loading of Wagons

The wagon loading target for the year 1993-94 was fixed at 16,500 wagons/day. The actual loading for the year was 15,671 wagons/day showing 95% achievement of the target. Actual loading in 1992-93 was 15,159 wagons/day.

Companywise break-up of daily average loading for the years 1993-94 and 1992-93 are given below :

Company	1993-94		%age Achvd.	1992-93		Growth over last year
	Target	Achvd.		Achvd.	Abs.	
ECL	2045	1914	93.59	1887	27	1.43
BCCL	2950	2807	95.15	2601	208	7.92
CCL	3400	3061	90.03	2975	86	2.89
NCL	1000	955	95.5	1143	-188	-16.45
WCL	1730	1838	106.24	1711	127	7.42
SECL	3235	3051	94.31	2964	87	2.94
MCL	2050	1970	96.10	1788	182	10.18
NEC	90	75	83.33	90	-15	-16.67
CIL	16500	15671	94.98	15159	512	3.38

3.5 Consumer Satisfaction

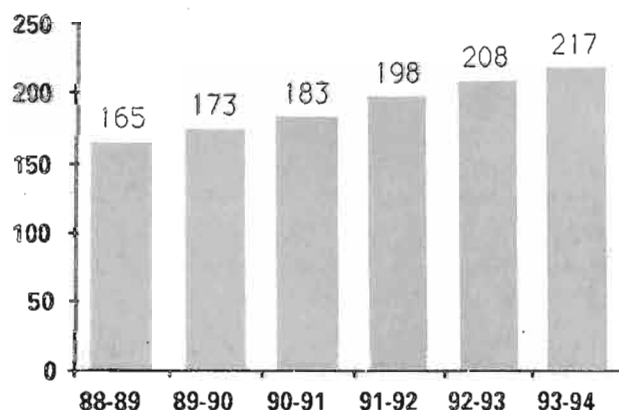
3.5.1 Supply of Sized Coal to Consumers

Upto 31.3.94, 218 CHPs with annual crushing capacity of 192.8 million tonnes have been installed. At present despatch of sized coal using CHPs/Feeder Breakers is around 78% of the total despatches. To ensure supply of sized coal to all consumers, additional CHPs/FBs with crushing capacity of 26.88 million tonnes are under various stages of installation.

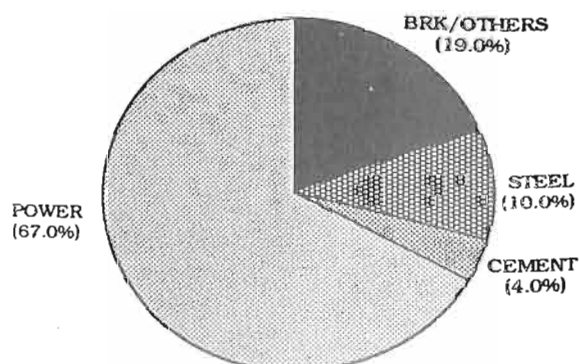
3.5.2 Supply of Weighed Coal To Consumers

In order to supply coal after weighment at loading points, CIL has taken a special drive for installation of electronic weighbridges. Upto

OFF-TAKE
In Million Tonnes



CONSUMING SECTOR PROFILE
Off-Take for 1993-94



31.3.94, CIL has installed 108 electronic weighbridges at rail loading points alongwith the facility of electronic print out. 12 more electronic weighbridges are under installation and are likely to be commissioned in 1994-95.

3.5.3 Beneficiation of Coal

Traditionally, only coking coal is beneficiated in this country for feeding the Steel Sector. A number of Committees set up earlier recommended beneficiation of non-coking coal also for optimisation of cost in terms of heat value at delivery ends located at distant places from the mine, for minimising environmental pollution and also for supplying coal of constant quality. Subsequent to the amendment of Coal Mines Nationalisation Act in 1993 allowing outside parties to mine and wash coal for utilisation in Captive Power or Steel Plants, CIL decided to associate private parties in the beneficiation of both coking and non-coking coal on "build-Own-Operate" basis.

3.5.4 Consumer Complaints

Besides taking steps to supply "sized" and "weighed" coal to consumers, to satisfy the consumers, CIL has taken measures like extensive picking of shale/stone from coal, selective mining of coal after segregation of bands, advance stripping of overburden and improvement in blasting technique for better fragmentation of coal. As a result of these measures, there has been a substantial decline in the number of complaints from the consumers. From 221 complaints (1.16 complaints per million tonne of coal despatch) in 1991-92 and 199 complaints (0.96 complaints per million tonne of coal despatch) in 1992-93, the no. of complaints in 1993-94 has reduced to 150 (0.69 complaints per million tonnes of despatch).

3.6 Loading and Sampling Constraints

3.6.1 Loading Constraints

The following are the major loading constraints faced during the year 1993-94:

- (i) Cancellation and suspension of Rail programme by INDUSTRIES including CEMENT Sector was more than 600 wagons/day.

- (ii) Less submission of programme as compared to Rail linkage by Cement Plants was 340 wagons/day.
- (iii) Power-coal movement by Rail was less by 140 wagons/day compared to CEA Annual requirement due to high stocks and restrictions by Power Sector. Stocks with the Power Sector went up by 0.5 million tonnes during the year.

3.6.2. Sampling Constraints

As per the decision taken in the Committee of Secretaries, Govt. of India on 15.10.91 and Hon'ble Minister of Coal on 17.12.91, Joint Sampling of coal for ensuring quality of coal



Rapid Coal Loading System for Bulk despatches to consumer.

for the power plants is to be done at the loading end with the help of Coal Controller Organisation. However, SEBs are not associating with the sampling at the loading end.

Further, the Committee of Secretaries, Govt. of India, in its meeting held on 17th March'94 has constituted a group of Chairman of SEBs of Tamilnadu, Punjab, Maharashtra, Gujrat, Bihar and UP to discuss with Coal India Limited and CEA to how best to implement the Joint Sampling mechanism at the loading end and/or otherwise inter-alia also to consider the feasibility of CIF deliveries of coal. However, the SEBs are not implementing this decision as well.

There have been court decisions, in addition to the above administrative decision, for sampling at the loading end. However, SEBs have till date not complied with it.

3.7 Stock of Coal

For the purpose of Annual Accounts, wherever variation between book stock and measured stock is more than 5%, measured stock has been taken into account and in all cases where the variation is upto 5% book stock has been taken into account. On this basis the quantity of coal stocks accounted for at the close of the year 1993-94 and 1992-93.

(Figs. in Lakh Tonnes)		
Company	As on 31.3.1993	As on 31.3.1994
ECL	71.93	59.84
BCCL	91.32	82.72
CCL	119.01	116.60
NCL	28.94	19.10
WCL	28.99	35.15
SECL	68.66	70.14
MCL	45.98	48.31
NEC	5.57	9.67
Overall	461.62	441.53

The stock of 59.84 lakh tonnes in ECL as on 31.3.1994 includes non vendible and mixed stock of 31.24 lakh tonnes for which a provision of Rs.87.53 crores has been made in the accounts.

Coal stocks are valued at net realisable price. Against the value of stock on net realisable price, provision for deterioration etc. is made and the net value of stock after the provisions

is considered for the the Profit & Loss Account. Such provisions made against value of stock of coal and other products as on 31.3.1993 and 31.3.1994 are as follows :

(Value - Rs. crores)		
	Prov. as on 31.3.1993	Prov. as on 31.3.1994
ECL	92.27	106.12
BCCL	52.09	69.30
CCL	37.74	42.88
NCL	16.35	17.65
WCL	15.64	17.93
SECL	26.30	29.97
MCL	9.73	13.37
NEC	2.19	13.82
Overall	252.31	311.04

4.0 PRODUCTION

Production of coal during 1993-94 was an all time high of 216.10 million tonnes as against 211.26 million tonnes in the previous year. Growth during 1993-94 was 2.3%, despite various operational problems including power shortage during the year. The subsidiarywise position is as below :

4.1 Raw Coal Production

(Figure in million tonnes)						
Company	Coking*		Non-coking		Total Coal	
	93-94	92-93	93-94	92-93	93-94	92-93
ECL	0.61	0.62	22.00	23.44	22.61	24.06
BCCL	23.32 **	22.77	5.72	5.28	29.04	28.05
CCL	15.56	16.61	17.95	15.81	33.51	32.42
NCL			31.41	30.70	31.41	30.70
WCL	0.76	0.71	25.74	25.04	26.50	25.75
SECL	0.12	0.11	47.41	45.93	47.53	46.04
MCL			24.30	23.14	24.30	23.14
NEC			1.20	1.10	1.20	1.10
Total CIL	40.37	40.82	175.73	170.44	216.10	211.22

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

** Includes 9.70 million tonnes non-linked washery (NLW) coal.

4.2 Break-up of Underground and Opencast Production

There is a marginal negative growth of 0.50 million tonnes (0.9%) in underground coal production in 1993-94. Opencast coal production continued to be about 74% of the total production.

(Figures in million tonnes)

Company	Underground prodn.		Opencast prodn.		Total coal	
	93-94	92-93	93-94	92-93	93-94	92-93
ECL	14.18	14.90	8.43	9.16	22.61	22.06
BCCL	11.72	11.54	17.32	16.51	29.04	28.05
CCL	4.33	4.42	29.18	28.00	33.51	32.42
NCL			31.41	30.70	31.41	30.70
WCL	9.53	9.50	16.97	16.25	26.50	25.75
SECL	14.40	14.40	33.13	31.64	47.53	46.04
MCL	1.98	1.91	22.32	21.23	24.30	23.14
NEC	0.41	0.39	0.79	0.71	1.20	1.10
Total CIL	56.55	57.06	159.55*	154.20	216.10	211.22

* In addition, there was exposed coal to the tune of 8.40 million tonnes as on 31.3.1994.

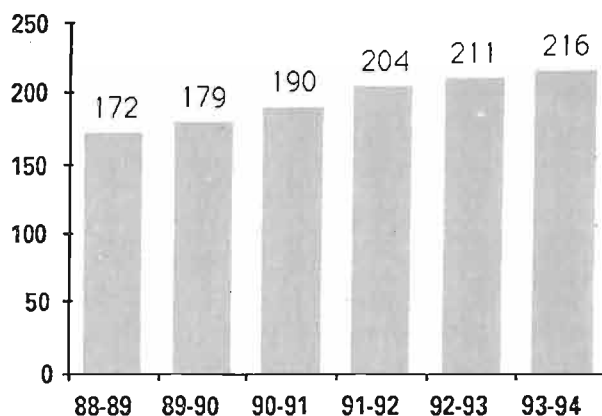
The following major steps were taken to improve UG production during the year :

- Relatively small and low economic mines reorganised to bigger units for higher production.
- Introduction of PSLW face, deployment of SDL/LHD made.

(iii) Import of suitable technologies for extraction of coal in thick seams whose coal is standing on pillar (locked up) made.

(iv) Acquisition of surface right for undertaking depillaring operation.

PRODUCTION In Million Tonnes



Coal Washing for value addition of Coal

4.3 Soft Coke, Hard Coke and Washed Coal

The production of Soft Coke, Hard Coke and Washed Coal in 1993-94 was 4.30 lakh tonnes, 2.70 lakh tonnes and 92.34 lakh tonnes respectively as against a production of 4.75 lakh tonnes, 3.11 lakh tonnes and 92.56 lakh tonnes respectively in 1992-93. The subsidiarywise position is as below :

Company	(Figures in Lakh Tonnes)					
	Soft Coke		Hard Coke		Washed Coal	
	93-94	92-93	93-94	92-93	93-94	92-93
ECL	1.13	1.56				
BCCL	0.67	0.66	2.53	2.90	40.64	39.72
CCL	2.50	2.53	0.17	0.21	48.00	49.14
WCL					3.70	3.70
Total CIL	4.30	4.75	2.70	3.11	92.34	92.56

Soft Coke

The production of soft coke has been declining over the last few years. The process of manufacturing soft coke releases large amount of smoke and is concentrated in Bihar and the Bihar State Pollution Control Board has launched prosecutions in respect of the soft coke manufacturing in Bihar. This activity had, therefore, to be discontinued in some places and in some places continues in reduced scale.

To enable the consumers to get domestic fuel, CIL has taken the following actions:

- To supply steam coal to different places, so that the soft coke making may be distributed over different geographical areas.
- To encourage setting up of Special Smokeless Fuel Plants by private sector in different parts of the country and provide them with sufficient coal linkage.
- To encourage setting up of briquetting units in different parts of the country and providing them with sufficient linkage.
- To manufacture of coke in Dankuni Coal Complex.

4.4 Overburden Removal

Quantum of overburden removed (mechanised means) in 1993-94 was 325.46

million cubic meters (MM3) as against 308.94 million cubic meters (MM3) i.e. 5.3%. Subsidiarywise position is as below:

Company	(In million cu.mts.)	
	1993-94	1992-93
ECL	20.91	20.18
BCCL	35.74	33.70
CCL	50.95	52.09
NCL	90.53	82.36
WCL	47.25	44.78
SECL	50.37	48.19
MCL	25.05	23.62
NEC	4.66	4.02
Total CIL	325.46	308.94

5.0 POPULATION OF EQUIPMENT (HEMM)

Keeping in view the need for optimising capacity utilisation in opencast mines, all out effort has been made to ensure optimum availability and utilisation of the existing equipment. Population of main opencast equipment and performance in terms of availability and utilisation during 93-94 vis-a-vis 92-93 are given below :

Equipment	No. of machines	Indicated as % of CMPDIL norms			
		Availability		Utilisation	
		93-94	92-93	93-94	92-93
Dragline	37	90	91	91	92
Shovel	816	83	82	62	63
Dumper	4094	85	85	52	51
Dozer	1045	78	77	56	56
Drills	809	82	81	59	60

The marginal decrease in availability and utilisation of dragline was primarily due to the fact that spares for Russian equipment continued to be a problem. The efforts for obtaining the supply of spares for continued and part shipment received in July '94. Efforts are being continued for indigenisation of HEMM spares.

6.0 CONSTRAINTS

Deterioration in power supply position from DVC and BSEB, absenteeism, strikes/ bandhs, breakdown of machines etc. affected coal production and, as a result, the Company suffered a loss in production of 10.64 million tonnes during 1993-94 as against 12.31 million tonnes in 1992-93. Factorwise break up of loss of production of raw coal is indicated in the following table :

Loss of Production of Raw Coal (In million tonnes)

Factor	1993-94	1992-93
Power	1.56	2.61
Absenteeism	1.81	1.16
Labour unrest	0.51	0.67
Rains	0.67	0.84
Non-receipt of equipment	0.71	1.16
Breakdown of machines	3.64	2.57
Miscellaneous other constraints	1.74	2.30
Total CIL	10.64	12.31

7.0 AVAILABILITY OF POWER

ECL, BCCL & CCL operating in Eastern Region received major part of power from DVC either directly or through BSEB, DPS and WBSEB. The power supply to ECL, BCCL & CCL during 93-94 improved considerably compared to 92-93 due to segregation of coal feeders for direct power supply from DVC. However, there was some deterioration in power supply to ECL from WBSEB during 93-94 compared to 92-93.

The statement showing the position of power supply during 92-93 and 93-94 is indicated below :

(A) DVC Source

Comp- any	Demand in MVA		Availability in MVA		Interruptions in Nos.		Feeder hours lost	
	93-94	92-93	93-94	92-93	93-94	92-93	93-94	92-93
ECL	115.0	120.0	87.3	93.9	2061	5196	1663	4593
BCCL	218.4	261.0	188.6	186.8	4017	12945	4706	13704
CCL	114.9	128.5	103.0	106.3	1281	3829	1955	3894
Total	448.3	509.5	378.9	387.0	7359	21970	8324	22191

(B) WBSEB Source

Comp- any	Demand in MVA		Availability in MVA		Interruptions in Nos.		Feeder hours lost	
	93-94	92-93	93-94	92-93	93-94	92-93	93-94	92-93
ECL	29.5	29.5	28.4	28.2	1038	1042	2617	1769

In order to combat the power shortage, action was taken for installation of Coal/Washery reject based captive thermal power plants at the following locations :

- Chinakuri, ECL-2x10 MW stoker fired boiler coal based (Commissioned in 90-91).
- Moonidih, BCCL-2x10 MW FBC boiler washery reject based (Under final commissioning).
- Kathara, CCL-2x10 MW FBC boiler - washery reject based (Under final commissioning).

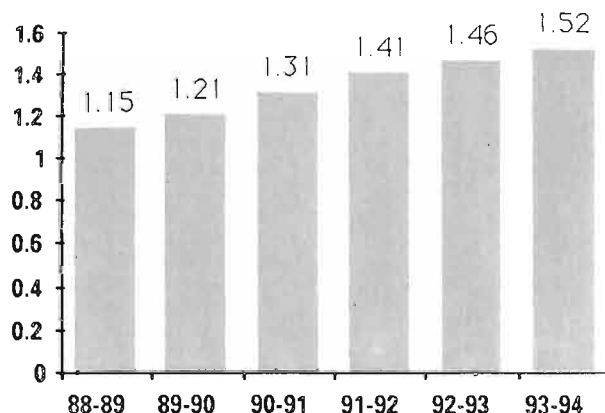
In addition to above, CIL has already initiated following action to set up washery reject based captive power plants on "Build-Own-Operate" basis :

Location	Capacity	Remarks
GIDI	1X10 MW	Agreement signed
RAJRAPPA	1X10 MW	do
BHOJUDIH	1X10 MW	do
PIPARWAR	1X20 MW	LOI issued
GIDI (EXPN)	1x10 MW	do

8.0 PRODUCTIVITY

Productivity out put per manshift (OMS) for the year under review has increased to 1.52 tonnes from 1.46 tonnes in 1992-93 registering a growth of 4.1%. The companywise OMS position is as under :

PRODUCTIVITY
Output Per Manshift in Tonnes



Shovel Dumper in operation - opencast mine.

(Figures in Tonnes)

Comp- any	Underground		Opencast		Overall		%age increase/ decrease in 1993-94 over 1992-93
	93-94	92-93	93-94	92-93	93-94	92-93	
ECL	0.42	0.44	1.73	1.80	0.59	0.62	- 4.8
BCCL	0.48	0.45	2.22	2.16	0.90	0.85	5.9
CCL	0.48	0.48	2.49	2.28	1.61	1.50	7.3
NCL			7.62	7.50	7.62	7.50	1.6
WCL	0.68	0.68	3.64	3.44	1.43	1.37	4.4
SECL	0.83	0.84	7.35	7.16	2.20	2.13	3.3
MCL	0.69	0.68	11.95	10.60	5.03	4.79	5.0
NEC	0.49	0.47	5.26	4.02	1.22	1.10	10.9
Overall CIL	0.55	0.55	4.00	3.80	1.52	1.46	4.1

9.0 PLANNING

Annual Action Plan for the year 93-94 as approved by the Ministry of Coal was periodically monitored. Annual Plan, 94-95 has been approved by the Govt. Annual Action Plan, 94-95 has been formulated and is being monitored periodically.

The salient features of Annual Plan for 94-95 is stated as follows :

	93-94		94-95
	Plan	Actual (Prov)	Plan
1. Production (Million tonnes)	216.00	216.10	223.00
2. Productivity (OMS in tonnes)	1.52	1.52	1.53
3. Plan expenditure (Rs. in crores)	1901.00	1685.64	2062.90

The actual expenditure fell short of the budgeted expenditure by about Rs.242 crores. This is principally owing to delay in the implementation of a number of major projects viz. Kottadih OC (ECL), Khadia OC (NCL), Nigahi OC (NCL), Rohini OC (CCL), Lakhanpur OC (MCL), Lingraj OC (MCL), Kalinga OC (MCL) etc. because of land acquisition and rehabilitation problems. The lag in implementation has resulted in delay in the construction of these mines, as well as, various infrastructure like railway siding and workshop. Besides; there were difficulties in the mobilisation of funds from Capital Market.



Panaromic View of Silo

9.1 Project Formulation

CMPDIL had prepared 40 Project Reports, 17 Revised Cost Estimates/Revised Project Reports, 22 Environmental Management Plan (EMPs), 30 Geological Reports and 25 other reports totalling to 134 during 93-94.

9.2 Project Implementation

A major thrust has been given for implementation of coal projects. During 93-94, 64% of milestones have been achieved for the projects under construction. The contribution of projects can be gauged from the fact that in 93-94 the production from projects has been 164.55 MT against the total production of 216.1 MT of CIL which accounts for about 76% of the total output. 21 projects were completed in 93-94. However due to various constraints such as non-availability of land and shifting of villagers, implementation of some of the projects is lagging behind.

9.3 Capital Projects/Schemes

There are 349 coal projects (as on 31.3.94) each having an initial capital outlay of Rs. 2 crores and above. The total ultimate capacity of these projects is 298.53 mty and the aggregate sanctioned capital outlay is Rs.14,799.05 crores. Projects where the coal reserves have been exhausted and the projects for which construction has been deferred for various reasons have been excluded from these figures. Out of these 349 projects, 233 projects are completed and 116 projects are in different stages of construction.

Besides these coal projects, there are 204 non-mining projects/schemes each having an initial capital outlay of Rs. 2 crores and above with the total sanctioned capital outlay of Rs.2606.77 crores. The major non-mining projects under construction are Madhuband Washery, BCCL, Kedla Washery, CCL, Captive Power Plants at Moonidih (BCCL) and at Kathara (CCL). 20 Advance Action Schemes for Coal Projects are also under implementation.

9.4 Projects Sanctioned During 1993-94

During 1993-94, CIL Board sanctioned the following 12 projects (including RPR/RCE Advance Action) :

Sl. No.	PR/RCE/RPR/ Adv. Action	Company	Capacity (Mty)	Capital (Rs.crs)
1.	Jharia Mine Fire Control Tech. Assistance Project	BCCL		47.81
2.	PR for Jaridih OCP	CCL	0.60	48.83
3.	Adv. Action for Parej OCP	CCL	—	1.68
4.	PR for Baranj OCP	WCL	0.45	44.44
5.	RCE for Kawadi OCP	WCL	0.40	27.32
6.	PR for Amb. River Diversion	WCL	—	27.99
7.	PR for Sasti RO UG	WCL	0.36	38.25
8.	PR for Dugga OCP	SECL	0.50	46.00
9.	PR for Somna UG	SECL	0.55	44.85
10.	RCE for modification of Kargali Washery	CCL	—	21.33
11.	PR for Bharatpur CPP	MCL	2.60	48.60
12.	PR for Ananta CPP	MCL	2.60	48.85

9.5 Revised Cost Estimates Sanctioned by the Govt. During 1993-94

During 1993-94, the following RCEs for mining and non-mining projects have been sanctioned by the Government of India :

Project	Type	Company	Latest sancd. capacity	Latest sancd. capital
Mining Projects				
1. Rajmahal Expn. OC	RCE	ECL	10.50	966.70
2. Piparwar OC	RCE	CCL	6.50	838.27
3. Nigahi OC	RCE	NCL	4.20	648.04
4. Belpahar OC	RCE	MCL	2.00	131.31
Non-mining Projects				
1. Madhuband Washery	RCE	BCCL		194.18
2. Kedla Washery	RCE	CCL		130.41

9.6 Identification and Allotment of Mining Blocks for Captive Use

Considering the need to augment power generation and to create additional capacities, the Govt. had taken a decision to allow private sector participation in the power sector. For this purpose, Coal Mines Nationalisation (Amendment) Act, 1993 has been enacted.

Consequent upon this, forty (40) mining blocks have been identified in the command areas of Coal India Ltd. for offering to private sector for captive end use.

During 1993-94, nine (9) proposals for captive mining for power generation purpose have been cleared by the Screening Committee constituted by the Ministry of Coal. Altogether

eleven (11) mining blocks have been identified/ allotted for captive mining purpose during 1993-94.

10.0 FOREIGN COLLABORATION

10.1 To meet growing demand for Coal, Foreign Collaboration with advanced coal producing countries is considered for :

- (a) bringing in new technologies both in underground and opencast sectors,
- (b) seeking bilateral funds for import of equipment which are not manufactured in the country,
- (c) bringing foreign financial assistance to meet the investment requirement.

With the liberalisation of economy and more thrust on financial independence effort is also being made to get foreign credits on competitive basis.

Joint Working Groups on Coal were set up with Poland, UK, France, Germany, erstwhile USSR, Canada and Australia to identify areas and projects for bilateral co-operation.

Joint Working Group with Peoples Republic of China has also been established in January, 1994.

However, due to political changes in erstwhile USSR, Joint Working Group with former USSR has ceased to function.

10.2 Co-operation with CIS Countries

The erstwhile USSR was assisting CIL in the implementation of Nigahi Opencast Project (Northern Coalfields Limited), Khadia Opencast Project (Northern Coalfields Limited), Jhanjra Underground Project (Eastern Coalfields Limited and Modernisation of Patherdih Washery (Bharat Coking Coal Limited). The cost of imported equipment for these projects was funded from credit, while the payment for deputation of experts for rendering technical assistance was made in Indian Rupees under the Bilateral Trade Plan.

10.3 Co-operation with France

During the year 1993-94, PSLW (Powered Support Longwall) equipment set was imported for Kottadih (ECL). Training Centre (ECL) with French assistance was in the advanced stage of implementation. Training



A five member chinese team lead by Mr. Fan Weitang, Hon'ble Vice Minister of Peoples Republic of China, in discussion with chairmans CIL and other senior officials of CIL.

for the Indian longwall operators was started by end of 1993-94.

The technical studies were conducted in Rajur Project (WCL) for proposed introduction of Blasting Gallery technique with the French assistance. The draft feasibility report received in March, 1994 is under scrutiny.

CIL has entered into an agreement in Sept., 1993 for "Process Identification of Coal Briquetting" with French assistance.

Initial activities for identification of sources of coke and other ingredients for manufacture of Briquettes have started.

The Indo-French Task Force for identification of new projects for possible French co-operation has initially identified three projects in CIL for inclusion in future co-operation programme with France after requisite study.

10.4 Co-operation with Germany

Germany assisted in implementation for Bina Deshaling Plant (Northern Coalfields Limited) under Capital Goods Credit Programme. Germany is also providing Consultancy Services for Chinakuri Project (ECL), and has expressed willingness to give credit on soft term for implementation of the project with longwall mining under difficult cavein roof conditions. However, the economies of the proposed projects has been found to be unfavourable.

Other CIL projects identified for German co-operation are :

- Kalinga Coal Preparation Plant (MCL).
- Pootki Balihari Project (BCCL).
- Coal Benefication Plant.
- Old Abandoned Mine Workings.
- Characterisation of Coking Coal and Design of Blend.
- Subsidence and strata control in multi seam deposits.

For obtaining German assistance, proposals have been forwarded to German side through Deptt. of Economic Affairs and are under active consideration.

10.5 Co-operation with Canada

The expansion phase of Rajmahal Opencast Project (Eastern Coalfields Limited)

from 5 Mty to 10.5 Mty is being implemented by the Canadian Commercial Corporation on a turnkey basis with concessional financing of the Canadian goods and services by Export Development Corporation of Canada. Hura "C" (Rajmahal "B") of Eastern Coalfields Ltd. was considered for implementation with Canadian assistance, but due to adverse economies it has been dropped. Further expansion of Rajmahal Project by 3.5 Mty to 14 Mty with Canadian assistance is under study.

10.6 Co-operation with Australia

Piparwar Opencast Project of Central Coalfields Limited is under implementation by White Industries Australia Limited on a turnkey basis. The cost of imports for this project is being financed by a concessional loan from the Export Finance and Insurance Corporation of Australia.

Two more projects viz. Introduction of Roof Reinforcement Technology in CIL mines and Moonidih Washery (Bharat Coking Coal Limited) where a fine coal circuit is proposed to be added, are presently under active consideration for implementation. Moonidih Washery Project is with grant financing of Australian supplies and for Roof Reinforcement Technology, Australian Government is providing 35% of Australian supplies under grant aid.

10.7 Co-operation with China

Secretary, Ministry of Coal and Chairman, CIL visited China in June, 1993 for discussion on collaboration with Chinese organisations for development of Indian underground mines.

In response, Chinese coal delegation under leadership of Vice-Minister, Chinese Coal Industry, visited CIL selected mines in October, 1993.

A Joint Working Group on Coal has been established between India and China for co-operation in the field of mine design and equipment supply for mechanisation of underground mines.

The Chinese have submitted offers for supply of longwall equipment for CIL mines viz. Churcha West and Behraband along with an offer for supply of technology for controlling hard roof condition.

10.8 World Bank Assisted Coal Projects

Presently the following projects are being assisted by World Bank/IDA :

Project	Company	Capacity (Mty)	Amount of loan in US \$ M.	Closing date
Sonepur Bazari	ECL	3.00	97.86	30.0.94
Gevra	SECL	10.00	65.20	30.9.94
Jharia Mine Fire Tech.Asst.Project	BCCL	Technical Study	12.00	30.6.95

The scope of co-operation for first two projects is mainly for equipment procurement, construction of Workshop, Training Centres and Coal Handling Plant.

10.8.1 Jharia Mine Fire Control Technical Assistance Project

The proposed technical study of Jharia Coalfield would assist BCCL/CIL in adopting means to :

- Salvage valuable coking coal reserves that are increasingly blocked by fires.
- Prevent further environmental degradation as well as damage to town and infrastructure facilities.
- Reduce the need for resettlement and evolve resettlement programme wherever necessary.

11.0 GEOLOGICAL EXPLORATION AND DRILLING

As in the previous year, detailed coal exploration activities were mainly directed towards proving coking coal resources in the Jharia, East and West Bokaro, Sohagpur and Pench Kanhan Valley Coalfields and quarriable coal reserves suitable for power generation in North Karanpura, Singrauli, Korba, Ib and Talcher Coalfields. Emphasis was also laid for proving industry grade non-coking coal in Raniganj and other coalfields. For detailed coal exploration, an average of 108 drills were deployed. Of these, 44 were of CMPDI and others hired on contractual basis from MEC— 46 nos., State Governments— 14 nos. and Pvt Agencies— 4 nos. The detailed coal exploration was carried out in 139 blocks spread over 23 coalfields in the States of West Bengal, Bihar, Orissa, MP, Maharashtra, Assam and Meghalaya.

As against an annual drilling target of

2,47,500 metres, a total of 2,75,094 metres of drilling was carried out by all agencies. The overall drill productivity obtained was 211 metre per drill/month.

Drilling carried out by CMPDI's own drills for detailed coal exploration was 1,68,671 metres against a target of 1,59,000 metres i.e. an achievement of 106%. CMPDI achieved a drill productivity of 317 metres during this year registering an improvement over the previous years' drill productivity of 306 metres.

During the year, 30 geological reports were prepared assessing a total reserves of 3472 million tonnes out of which 2823 million tonnes fall under the 'proved' category. Further, out of the total reserves, 1380 million tonnes are amenable to opencast mining. Of this, 1242 million tonnes fall under the 'proved' category.

The Chemical Laboratory of CMPDI continued to provide support in evaluation of coal quality by conventional and rapid instrumental analysis system. Against a target of 2000 metres of coal core processing, the actual coal cores processed was 2145 metres. A total of 17132 determination of various parameters was conducted. The Coal Petrographic Laboratory also continued to provide support in evaluation of maceral composition and rank of coal particularly for the coking coal areas. As against a target of 400 determinations the actual determination carried out was 424. Services were also rendered to M/s. R. V. Briggs, Calcutta, for carrying out petrographic analysis of 428 samples.

CMPDI has been in the forefront in introducing new technologies in detailed coal exploration and today Multi-Parametric Well Logging, Seismic Refraction Survey, Magnetic Survey, Gravity Survey, Electrical Resistivity Survey and High Resolution Seismic Survey are carried out for meeting specific requirements. During the year Multi-parametric well logging was carried out in 186 boreholes covering 43516 depth metres. Besides this, 467 vertical electrical soundings as a part of electrical resistivity survey and about 240 line kms of other surface geophysical surveys like HRSS, Ground Check by infrared Rapid by Scanner, Micro/Tower gravity, magnetic gravity

and Ground proving radar surveys, were also carried out.

Remote Sensing studies were carried out over the Moher Sub-basin of Singrauli Coalfields for creating environmental database. Besides this, Remote Sensing studies were also carried out for generating land use/land cover and Hydrogeomorphic data in North Karanpura Coalfield and East Bokaro Coalfield.

In an effort towards diversification of exploration activities in other minerals, CMPDI took up the work of exploring Manganese deposits in Barbil and other areas of Keonjhar District (Orissa). In addition to this, Orissa Mining Corporation has also offered the job of exploring Bauxite deposits of Kalahandi District.

Operation 'Paye-Jal' initiated in the previous year was completed during this year by constructing a total of over 40 tube wells in drought hit Palamau & Garwa Districts of Bihar. CMPDI also brought out a publication titled "Coal Atlas of India" which was released by Hon'ble Prime Minister of India on 30th Sept'93. This publication was also exhibited in the World Book Fair held in Frankfurt. A seminar — "Coal Exploration, 1994" on Exploration Technology for Modern Coal Mines was also successfully organised in January '94.

12.0 RESEARCH & DEVELOPMENT

As a Nodal Agency for co-ordination of research and development activities in the coal sector CMPDI was involved in planning, programming, budgeting and overseeing the implementation of research projects in the coal and lignite sectors and seeking application of research findings.

During the year, 36 projects were under implementation by about 20 various agencies/institutions including a number of divisions of CMPDI. Following 3 projects were completed during the year 1993-94 :

- (i) Induced caving of sub-level coal, numerical evaluation of some geological and mining parameters.
- (ii) 10 TPH oil agglomeration plant at Patherdih.
- (iii) Design and installation of two coal fired inert gas generators for combating mine fires.

Some of the major R & D projects under implementation and status of these projects are as follows :

- (a) A project on 'Mechanised depillaring of 6m thick seam-III of Chirimiri with cable bolted supports is being implemented by SECL & CMRS to maximise recovery from 6m thick seam and improve production and productivity by way of modified method of mining using cable bolts as common system of support. With the modified method one panel has already been extracted and work is in progress for extraction of another panel.
- (b) A project on identification and delineation of abandoned and unsurveyed underground colliery workings in Raniganj Coalfield, Geophysical Studies is being implemented by CMPDI, MGMI & University of Laval, Canada to apply state-of-the-art technology in an integrated manner and to establish geophysical procedure to locate the abandoned and unsurveyed underground colliery workings in Raniganj Coalfield.
- (c) A number of new technologies for beneficiation of fine coal such as oil agglomeration, flotation column, slurry jig, and spiral concentrators are under implementation. Projects have also been undertaken for modernisation & automation of coal preparation plants. Completion of all these R & D projects, will help in optimising the operation of fine coal circuit leading to improved & efficient recovery. It may also be possible to beneficiate coal with difficult washing characteristics economically.
- (d) A number of projects have been undertaken in the field of Environment & Ecology for sustainable growth, reclamation of abandoned mining areas and environmental management of overburden dump.

A project on "Soil enrichment and reclamation of back filled areas of Neyveli Opencast Mines" is being implemented by NLC/ Annamalai University for enrichment of the sterile mine spoils with suitable amendments in order to transform it to substrate for

development of the green cover and growing of suitable plant species which are ecologically suitable for the area. Another project is being implemented by Rajya Van Vikas Nigam of UP & MP and BHU to understand the mechanism of natural revegetation of mine spoils by using biological resources. Projects are also under implementation by CMRS, NEC in deferent mining areas.

Apart from above, CMPDI is engaged in the activities of Technology Information, Forecasting and Assessment Council (TIFAC) and agency set up by Ministry of Science & Technology. The agency is concerned with the assessment of the state-of-the-art technologies and forecasting of technological trends. It also keeps track of the technological efforts and developments taking place in the country and abroad. CMPDI is Data Producer for the agency in the area of Coal & Lignite.

13.0 ENVIRONMENT & REHABILITATION POLICY

13.1 Environment Policy

CIL had established Environment Cell under World Bank Project Division for monitoring of effective implementation of environmental management and action plans

and compliance with environmental regulations and standards. CIL had engaged M/s International Mining Consultant Limited to evaluate the standard of the management of the environmental impacts of the mining projects. The recommendations as given by them under the process of implementation.

For assessment of Environmental issues across an industrial or development sector, the Company felt necessary to have an "Sectoral Environment Assessment" to rectify the shortcomings. Therefore, CIL had engaged Mr. John H Dick, Environment Specialist of M/s Sustainable Visions, Canada for this "Sectoral Environmental Assessment". The report and the recommendations are expected to be received soon.

13.2 Rehabilitation Policy

Coal India recognises that the acquisition/ acquiring of land for mining purposes affects the livelihood of the owners of the land and landless as well. In order to provide suitable compensation and rehabilitation packages to the affected people, CIL has its own resettlement and rehabilitation policies which take into account guidelines issued by the Central and State Govts. for this purpose from



Aforestation by the side of a Coalfields Road

time to time. However, as a matter of principle, the compensation and benefits offered to the people affected by Coal Projects is at least equal to and not less than those prescribed by the laws and the guidelines of the Central and State Govts.

In its rehabilitation efforts, CIL deals with a wide range of project-affected people (PAP). Accordingly, various compensation and rehabilitation packages viz. offering of — Employment, Land for land, Assistance to establish non-farm self employment through the provision of infrastructure, Petty contracts or formation of co-operatives, Assistance in the form of a subsistence allowance or grant, replacement cost of homestead and structure on it etc. are offered to them in accordance with their entitlement.

Special attempts are made to ensure that women are given adequate access to income generating opportunities.

Besides, CIL provides to the resettlement site a large number of community facilities like school, road with street light, pucca drain, pond, tubewell for drinking water, community centre, play ground etc.

14.0 COMMUNICATION SYSTEM

Commendable progress has been made in the Telecommunication Areas during the

year 1993-94. The Information Technology backed by "COALNET" Communication Network has played a significant role to provide solutions for early decision making and to bring the major coal producing companies and various projects in the main stream of communication with State-of-the-Art technology.

The highlights of the various major activities are indicated below :

1. One 30 channel Digital UHF link between CCL, Ranchi and Piparwar Project has been commissioned providing a permanent solution to bring this prestigious project with main stream of DoT national network. This will enable our collaborator M/s White Industries to make direct contact with their counterpart in Australia and other part of the world for smooth and early execution of the project.
2. Computer data communication networking under COALNET Project has been established between CIL (HQs), Calcutta and WCL, Nagpur via CIL owned New Majri Satellite Earth Station (7.5 mtrs Dish). Similar Data link has also been established with NEC, Margherita facilitating exchange of on-line information.
3. 37 nos. of VSATs working with RABMN



Quest for excellence through technology

have been installed in various remote areas of ECL, MCL, RSOs & Delhi Office for onward Data communication. This will enable to have exchange of information of production, power and safety reports quickly. This network has a unique facility to access any of the Telex and Data links thus making various connectivities transparent to each other.

The above mentioned effective communication network will go a long way to achieve our target and contribute to overall growth of national economy by way of faster decision making and achieving higher productivity with high standard of safety levels.

15.0 COMPUTERISATION

In the process of computerisation, information systems have been developed at various work centres of CIL and its subsidiaries in order to achieve effective integration of the distributed databases, CIL has taken up massive programme for computer communication. The introduction of Local Area Network (LAN) in Hospital Management System at CCL, office Automation at CMPDIL, Business data processing at MCL are important steps forward towards this goal. Inter networking of these LAN units at subsequent stage will complete the process of integration of IS.

Implementation of Total Mines Management System at Piparwar Project of CCL is in progress. Once completed, the system is envisaged to provide strong decision support for commercial functions as well as the day-to-day mining operations. Computerised project management system has been installed at a number of World Bank aided projects in 5 subsidiary companies.

Computerised material management system is in operation in about 40 Regional Stores for the last 5 years and considerable success has been achieved in streamlining the various stores and purchase activities. The system is being revamped for better control of inventory spare parts in particular.

Introduction of 25 Mini/Supermini computers and 144 Personnel computers during the year and training of 663 personnel in various Users' orientation and Professional courses have further strengthened the dedicated team

of computer professionals in its pursuit of excellence.

16.0 MINES SAFETY

The safety performance of the subsidiary companies were constantly monitored and reviewed periodically in co-ordination meetings of the chiefs of Internal Safety Organisations.

During the calendar year 1993 the lowest ever rates of fatalities at 0.61 per million tonne coal output and serious injuries at 1.94 per million tonne coal output could be achieved. However, the disastrous fire at New Kenda in which 55 people lost their lives in January, 1994 was a set back on the safety front and resulted in an increase in the number of fatalities over last year.

The table given below shows the accident statistics pertaining to the year 1993-94 as compared 1992-93 :

Company	No. of fatal accidents (Fatalities)		No. of Serious accidents (Serious injuries)	
	1993-94	1992-93	1993-94	1992-93
ECL	26 (81)	25 (28)	105 (110)	81 (83)
BCCCL	28 (29)	38 (44)	137 (138)	112 (145)
CCL	12 (13)	24 (25)	22 (28)	24 (26)
NCL	5 (6)	4 (4)	6 (6)	1 (1)
WCL	17 (17)	17 (21)	79 (89)	113 (114)
SECL	22 (29)	16 (17)	52 (58)	37 (41)
MCL	5 (5)	5 (5)	25 (25)	5 (6)
NEC	2 (10)	1 (1)	1 (1)	—
CIL	117 (190)	130 (145)	427 (455)	373 (416)

Based upon in-depth analysis of accidents occurring in last 2 years the five key result areas identified were as follows :

- (i) Adoption of Roof Bolting as a regular means of support in underground mines for eliminating dangers from falls of strata.
- (ii) Establishing communication network from working places in underground mines with surface mine office so that regular monitoring of work places can be done and any on-set of danger can be reported and required assistance requisitioned.
- (iii) Improving Ventilation of mine workings for better work environment.

- (iv) Carrying out check survey of workings to determine and assess the extent of dangers in case of drifage being made in presence of water-logged workings above or on the same horizon.
- (v) Connection of mine plans with the National Grid and preparing up fresh plans.

Many safety measures viz. periodic review of safety performance safety audit of all underground mines, monitoring of implementation of important recommendations of CIL Safety Board etc. were adopted during the year.

17.0 MINES RESCUE SERVICES

At the time of take over of CCMRSC (Central Coal Mines Rescue Service Committees), rescue organisation in 1985, there were only two full-fledged Rescue Stations at Sitarampur and Dhansar. Thereafter, four more Rescue Stations had been developed at Ramgarh, Nagpur, Manindragarh and Brajrajnagar and expansion and modernisation programmes undertaken, the details of which are as under:

- (i) 4 new Rescue Stations (RS), 11 Rescue Rooms with refresher training facilities have been established and made operational till 1993-94, 510 nos. modern type of Self-Contained Breathing Apparatus and accessories like pump testers have been procured and distributed to different Rescue Stations/RRRTs.
- (ii) Old Rescue Station at Dhansar has been modified as per modernisation plan.
- (iii) Modern training galleries have been provided at all newly constructed Rescue Station and RRRT and also at modified RS at Dhansar.
- (iv) 51 nos. modern type of reviving apparatus have been procured for Rescue Station.
- (v) Personal paging system for permanent Brigade Members have

been introduced at Nagpur RS.

- (vi) All the Brigade Members of Rescue Station and field volunteers have been trained in the use of Chemical Oxygen type Self-Rescuer. 500 numbers of Chemical type Self-Rescuers have been provided to Rescue Stations and U/G mines of different subsidiary companies.
- (vii) The staffing pattern and ultimate requirement of post of executives for manning rescue services have been approved by CIL Board and circulated to companies for implementation.

18.0 HUMAN RESOURCE DEVELOPMENT AND TRAINING

Coal India and its subsidiary companies have operated an integrated plan drawn for utilisation of in-house training facilities for development of Executives, Supervisors and Workmen.

The no. of employees trained during 1993-94 are given below :

Executive	-	10,952	
Supervisors	-	8,772	
Workmen	-	1,03,761	
			(Includes statutory training under VT Rules)
Total	-	1,23,485	

During the year 1993-94, 43 executives and 7 non-executives were trained abroad.

19.0 MANPOWER

19.1 The total manpower of the Company including its subsidiaries as on 31.3.94 was 6,55,944 as against previous year's total manpower of 6,63,349 thereby resulting in reduction in manpower to the extent of 7,405.

Subsidiary Companywise Position of Manpower is as below:

Company	As on	Execu- tives	Supervi- sory/ Clerical	Skilled/ Semi- skilled/ Un-skilled	Non- cate- gorised Others	Total
ECL	31-3-94	3,511	20,398	146,986	832	171,727
	31-3-93	3,566	20,109	148,661	1,215	173,551
BCCL	31-3-94	3,637	18,246	132,913	1,780	156,576
	31-3-93	3,711	18,354	137,185	1,094	160,344
CCL	31-3-94	3,263	12,028	78,628	1,757	95,676
	31-3-93	3,095	12,017	79,937	1,941	96,990
WCL	31-3-94	2,305	9,572	72,012	696	84,585
	31-3-93	2,214	9,276	72,595	1,000	85,085
SECL	31-3-94	2,795	12,286	81,541	901	97,523
	31-3-93	2,622	11,728	82,383	1,124	97,857
MCL	31-3-94	954	2,888	17,663	555	22,060
	31-3-93	882	2,737	16,984	1,055	21,658
NCL	31-3-94	1,212	2,626	12,323	4	16,165
	31-3-93	1,210	2,631	12,103	4	15,948
NEC	31-3-94	152	633	4,313	0	5,098
	31-3-93	137	647	4,400	0	5,184
CMPDIL	31-3-94	1,180	1,100	1,877	23	4,180
	31-3-93	1,242	878	2,094	113	4,327
CIL & DCC	31-3-94	512	1,094	748	0	2,354
	31-3-93	553	1,101	752	0	2,406
CIL as a whole	31-3-94	19,521	80,871	549,004	6,548	655,944
	31-3-93	19,231	79,478	557,094	7,546	663,349

19.2 Reservation for Scheduled Castes/ Tribes/other Backward classes in recruitment and promotion.

The Presidential Directives for Scheduled Castes/Scheduled Tribes have been implemented in all Subsidiaries/Units of Coal India Ltd. Since the availability of SC/ST through local Employment Exchanges continues to be poor, Special Recruitment Drives were undertaken for recruitment of SC/ST candidates.

Vide Office Memorandum No.6/19/93-DPE (SC-ST Cell), dated 18.9.93, 27% reservation has also been provided to Other Backward Classes.

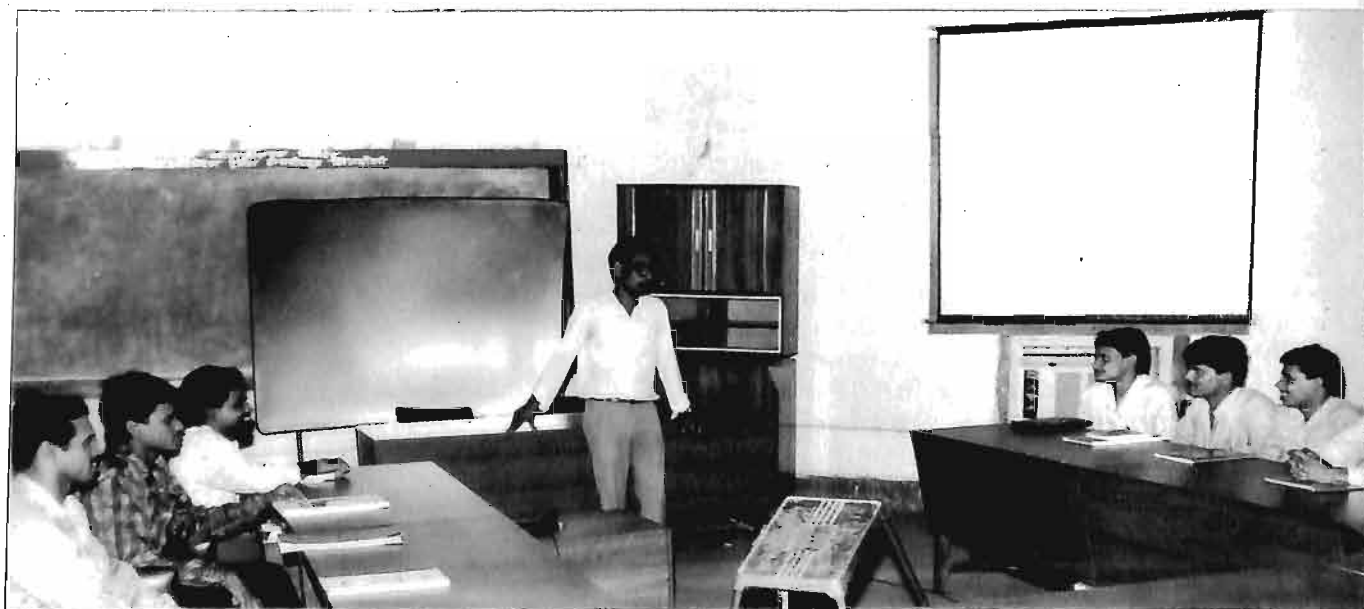
The representation of SC/ST employees in total Manpower of Coal India Ltd. and its subsidiaries as on 31.12.93 are given below:

Total Manpower	Scheduled Caste		Scheduled Tribe	
	Nos.	Percen- tage	Nos.	Percen- tage
6,56,850	1,64,077	24.98	84,390	12.85

20.0 INDUSTRIAL RELATIONS

During the year under review the Industrial Relation remain cordial except for stray incidents resorted to by individual unions. The subsidiary-wise strikes, law & order disturbances, mandays lost & loss of production were as follows :

Company	Year	No. of striked	No. of incdnts.	Mandays lost	Production lost (In tonnes)
ECL	92-93	12	108	8481	5598
	93-94	50	118	32685	55090
BCCL	92-93	12	31	89744	98426
	93-94	4	46	31308	62060
CCL	92-93	1	65	662	18400
	93-94	2	71	4458	12936
WCL	92-93	13	26	7813	19267
	93-94	7	20	15091	18109
SECL	92-93	12	12	10826	16438
	93-94	8	3	3725	9409



Session in progress in a HRD Training Centre

NCL	92-93	4	30	459	11440
	93-94	1	23	0	0
MCL	92-93	0	12	0	0
	93-94	1	7	2429	30804
NEC	92-93	0	0	0	0
	93-94	0	0	0	0
CMPDIL	92-93	3	2	226	122(MTG.)
	93-94	0	2	0	0
DCC	92-93	0	0	0	0
	93-94	0	0	0	0
CIL as a whole	92-93	57	285	118211	169569
	93-94	70	290	83444	181968

have been making all out efforts to improve the living conditions of coal miners. The three basic necessities that attracted more attention of the management were Housing, Water Supply and Medical Care. Emphasis has also been laid to improve the general environmental and ecological conditions in the coalfield areas. Considerable improvements have been made in these areas. Sectorwise achievements are as follows :

21.2 Educational Facilities

The primary responsibility of providing educational facilities lies with the State Governments. However, keeping in view the high percentage of illiteracy in the collieries, CIL, on its part, continued to provide financial and other assistance to privately managed Schools and Colleges located in the coalfields areas so that they continue to serve the wards of colliery employees. At present, 1,286 Educational Institutions are functioning within the operational areas of CIL Subsidiaries against 287 at the time of nationalisation.

21.3 Housing

At the time of nationalisation there were only 1,18,366 houses including sub-standard houses. There has been significant

The Company had to face difficult situation during the year due to numerous problems on account of agitation and obstruction by Regional political parties, land oustees and unemployed youths resulting in interruption of work in progress in construction of projects in working of mines and also in transportation of coal.

21.0 EMPLOYEES WELFARE AND SOCIAL SECURITY SCHEMES

21.1 Welfare Activities of Coal India

Welfare in Coal India enjoys the same importance as production, productivity and safety. Since Nationalisation of Coal Mines welfare of coal miners has been receiving greater attention year after year. The Coal Companies



improvement in the construction of houses during the post nationalisation period. The number of houses has increased to 3,76,255 and the housing satisfaction is 57%. The Coal Companies are making all out efforts to further improve the housing facilities.

21.4 Water Supply

At the time of nationalisation of coal Mines a population of about 2.27 lakhs was provided with potable water in the coalfield areas. Concerted efforts to augment water supply have yielded good results. At present Coal Companies are supplying drinking water to a population of about 22.17 lakhs. The position is likely to improve further as many new schemes of water supply are under execution.

21.5 Medical Facilities

In the coal mines every worker seeking employment is subjected to a medical check-up at the time of initial appointment. Thereafter he undergoes Periodical Medical check-up once in a block of 5 years. Coal India Limited is extending medical facilities to the employees and their families through its various medical establishments starting right from the Dispensary level to the Central and Apex Hospitals situated in different parts of the coalfields.

There are 81 Hospitals with 5,355 Beds, 431 Dispensaries, 624 Ambulances, 1,641 Doctors (including 348 Specialists) in CIL and its Subsidiaries to provide medical facilities to the colliery employees. Emergency beds are also available in colliery dispensaries. 50 beds are also available at the Ramakrishna Mission T. B. Sanatorium at Ranchi for T.B. patients.

Besides, 24 Ayurvedic Dispensaries are also being run in the Subsidiaries of CIL to provide indigenous system of treatment to workers.

21.6 Special Efforts for Diagnosis of Pneumoconiosis

60 PME Centres have been established in the Subsidiaries of CIL for performing Periodical Medical Examination of their employees.

In the field of PME work, "Health of Coal-Miners", in collaboration with UK, is playing a very important role in proper diagnosis of Pneumoconiosis and dust measurement and control. Under this project, a number of CIL Doctors have been trained in Institute of Occupational Medicine, Edinburgh. CIL Doctors are now well trained in diagnosis procedure of Pneumoconiosis.



21.7 Family Planning

The Subsidiaries of CIL have been laying considerable stress on Family Planning. During 1993-94, 12,029 Sterilisation Operations were performed.

21.8 Other Welfare Activities

The Subsidiaries of CIL are running 406 Canteens, 307 Co-operative Institutions, 124 Creches and 143 Pit-Head Baths, 205 Bank Branches and 31 Extension Counters are also available in the coalfield areas to cater the needs of the miners.

21.9 Tree Plantation/Afforestation

During the year 1993-94, the Coal Companies had a target of Tree Plantation of 104.00 lakhs. Against this target, Companies have achieved the target to the extent of 77.54 lakh of trees.

21.10 Sports and Cultural Activities

Sports, games, recreational & cultural facilities have been activated in the Coal Companies of CIL. With a view to encourage the sporting & cultural potentialities of the vast

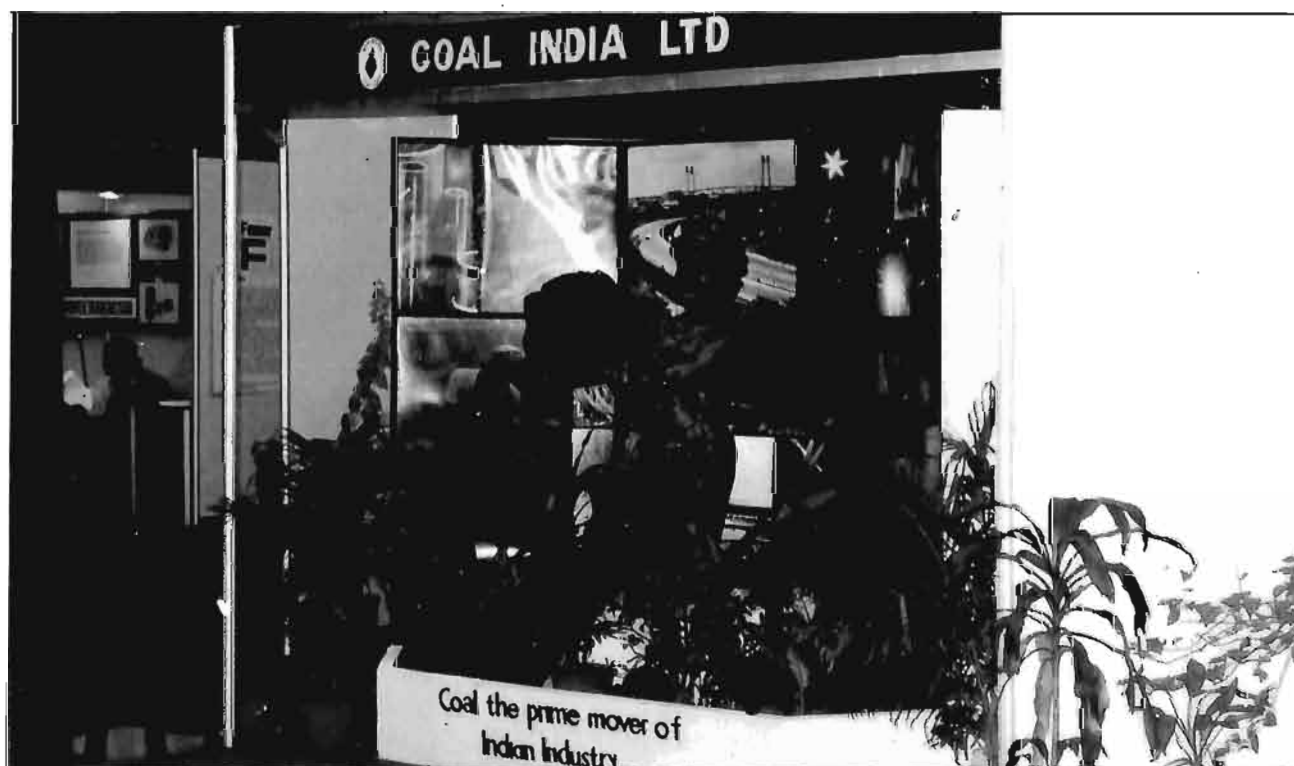
manpower, a Sports Control Board has been set up to formulate guidelines & bring improvement in sports and cultural activities each year. The details of playgrounds, Stadia and Gymnasium are as under :

Company	No. of Playgrounds	No. of Stadia	No. of Gymnasiums
ECL	54	4	2
BCCL	45	4	1
CCL	54	7	1
WCL	20	5	3
SECL	52	9	—
NCL	10	—	—
CMPDIL	7	—	—
Total	242	30	7

An Archery Academy has been established at Northern Coalfields Limited with a view to develop this sport for participation at national level. One of our women employee has broken the world record in Power Lifting in International Meet. While emphasising to improve the standard of existing sportsmen and athletes, regular coaching is also being organised through Sports Authority of India (SAI).

22.0 PROGRESSIVE USE OF HINDI

Implementation of the Official Language Act in CIL and its subsidiary companies has



Facia of coal pavilion at IITF '93

been one of the priority areas during 1993-94. Based on the experiences of the past, an arrangement has been made during the year under reference to ensure the massive participation of employees implementation of Official Language. The reconstituted Hindi Salahkar Committee representing senior level managers from various departments has brought about a great change in the entire scenario. Various measures viz. Training, Incentive for passing exams. etc. have been adopted for use of Hindi to a further extent. The publication of Hindi Magazines— Khanan Bharatii, Basundhara, Pallav, Pratibimb, Sampada continued. In a nutshell, CIL is poised to make greater use of Hindi in day to day work.

23.0 BOARD OF DIRECTORS

During the year under review, Shri S. K. Chowdhary as Chairman, Shri P. K. Sengupta as Director (Finance) and Shri R. A. P. Singh as Director (P&IR) continued.

Shri B. N. Makhija, Addl. Secretary, Ministry of Coal and Shri K. Kosal Ram, Joint Secreary & Financial Adviser, Ministry of Coal continued as Part-time Directors of the Company.

Shri M. K. Misra, Adviser (Traffic), Railway Board and Shri B. Sengupta, Member (Grid & Operation), Central Electricity Authority were appointed as Part-time Directors on 28th Sept '93 and 14th Oct '93 respectively.

Shri R. N. Mishra, CMD, Eastern Coalfields Ltd. and Shri U. Kumar, CMD, South Eastern Coalfields Ltd. were appointed as Part-time Directors on 23rd September'93 and 19.1.94 respectively in place of Shri P. P. Williams, CMD, SCCL and Shri R. B. Mathur, CMD, WCL.

Shri T. K. Deb, Director (Technical) was appointed as full time Director on the Board w.e.f. 31st May'94 in place of Dr. S. K. Ghosh who retired on 31.12.93.

Your Directors wish to place on record their deep sense of appreciation for the valuable guidance and services rendered by Dr. S. K. Ghosh, Shri P. P. Williams and Shri R. B. Mathur during their tenure as Directors on the Board.

In terms of Article 33d(iii) of the Articles of Association of the Company all the Directors excepting the Chairman and Whole-time Directors shall retire at the forthcoming Annual

General Meeting and they are eligible for re-appointment.

The Board of Directors held 8 (eight) meetings during the year 1993-94.

24.0 ACCOUNTS OF THE SUBSIDIARIES

The copies of Accounts of the Subsidiaries for the year 1993-94 are attached in Vol-II of the Annual Report and Accounts in compliance with requirement of Sec. 212 of the Companies Act., 1956.

25.0 ACKNOWLEDGEMENT

Your Directors sincerely appreciate the contribution made by the employees at all level 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 Government particularly from the Ministry of Coal as also the concerned State Governments. Your Directors also acknowledge with thanks the assistance and guidance rendered by Statutory Auditors, Tax Auditors, the Comptroller and Auditor General of India, Members of the Company Law Board, Registrar of Companies, West Bengal. Thanks to Consumers also.

26.0 ADDENDA

The following are annexed :

- (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 31.3.94.
- (iii) Statement pursuant to Sec. 212 (i) (e) of the Companies Act, 1956, and
- (iv) The names and other particulars of the employees of the Company who are in receipt of remuneration not less than 12,000/- per month in full or part of the year as 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

Calcutta
Dated, 25th Sept., 1994

S. K. Chowdhary
Chairman

Balance Sheet

As At 31st March, 1993

	<u>Schedule</u>	<u>Current Year</u>	<u>(Rs. in lakhs)</u> <u>Previous Year</u>
I. SOURCES OF FUND			
1. Shareholders' Fund			
a) Share Capital	A	610344.40	609706.52
b) Share Money Pending Allotment	B	140.04	77.91
c) Reserve & Surplus	C	837.68	677.10
2. Loan Fund			
a) Secured	D	47487.11	26652.96
b) Unsecured	E	621587.39	644101.40
		<u>669074.50</u>	<u>670754.36</u>
		1280396.62	1281215.89
II. APPLICATION OF FUND			
Fixed Assets	F		
a) Fixed Assets		24044.37	21196.89
Less : Depreciation		<u>7542.21</u>	<u>7092.03</u>
		16502.16	14104.86
b) Capital Work in Progress		4493.05	3935.47
Investment	G	622842.09	612842.09
Current Assets, Loans and Advances			
Inventories	H	7330.34	5657.50
Sundry Debtors	I	2813.23	1478.28
Cash and Bank Balances	J	357.41	334.43
Loans and Advances	K	643052.93	647472.67
		<u>653553.91</u>	<u>654942.88</u>
Less : Current Liabilities and Provisions	L	<u>41579.92</u>	<u>26241.72</u>
Net Current Assets		611973.99	628701.16
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)	M	1272.11	1666.50
PROFIT & LOSS ACCOUNT		<u>23313.22</u>	<u>19965.81</u>
		1280396.62	1281215.89

Accounting Policies and Notes to the Accounts are forming part of the Accounts

N

Sd/-
U. Suryanarayana
Company Secretary

Sd/-
S. K. Sanyal
General Manager (F)

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

Sd/-
S. K. Chowdhary
Chairman

As per our separate report of even date :

Calcutta
Dated : The 15th Sept., 1994

For J. Gupta & Co.
Chartered Accountants
Sd/- Dated 17.9.94
S. Chakrabarty
(Partner)



Profit & Loss Account

(For the Year Ended 31st March, 1994)

(Rs. in lakhs)

INCOME	Schedule	Current Year	Previous Year
Sale of Coal, Coke etc.	1	10043.62	9862.99
Coal issued for other purposes per contra	2	296.11	164.07
Other Receipts	3	2935.21	2588.49
Accretion of Stock	4	1613.71	2528.01
		<u>14888.65</u>	<u>15143.56</u>
EXPENDITURE			
Purchase of Coal, Coke etc.	5	3478.81	4241.44
Employees' Remuneration & Benefits	6	4556.99	4148.92
Consumption of Stores and Spare Parts	7	728.67	784.26
Power & Fuel	8	701.95	542.81
Repairs	9	275.31	250.87
Contractual Expenses	10	2297.69	2071.19
Social Overhead	11	974.28	779.92
Depreciation		1013.90	1511.17
Interest	12	2568.48	1951.14
Provisions	13	193.49	16.24
Coal issued for other purposes per contra	14	14.10	15.04
Other Expenditure	15	1737.61	1426.87
Finance expenses for Bonds and Public Deposit	16	45.75	12.06
Contribution to Coal Price Regulation Account		316.79	336.77
Deferred revenue expenditure of DCC amortised		—	434.94
		<u>18903.82</u>	<u>18523.64</u>
Profit/Loss (–) for the year		(–) 4015.17	(–) 3380.08
Prior Period Adjustment	17	667.76	(–) 760.02
Profit/Loss (–) for the year (after Prior Period Adjustment)		(–) 3347.41	(–) 4140.10
Balance of loss carried forward from previous year		(–) 19965.81	(–) 15825.71
Balance of loss transferred to Balance Sheet		(–) 23313.22	(–) 19965.81
Accounting Policies and Notes to the Accounts are forming part of the Accounts	N		

Sd/-
U. Suryanarayana
Company Secretary

Sd/-
S. K. Sanyal
General Manager (F)

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

Sd/-
S. K. Chowdhary
Chairman

As per our separate report of even date :

For J. Gupta & Co.
Chartered Accountants
Sd/- Dated 17.9.94
S. Chakrabarty
(Partner)

Calcutta
Dated : The 15th Sept., 1994

Schedule to Balance Sheet

As At 31st March, 1994

SCHEDULE - A

SHARE CAPITAL	Current Year	Previous Year
(Authorised)		
8,00,00,000 Equity Shares of Rs. 1000/- each (previous year 8,00,00,000 Equity Shares of Rs. 1000/- each)	800000.00	800000.00
Issued, Subscribed and paid up :		
5,84,65,101 Equity Shares of Rs.1000/- each fully paid in cash (previous year 5,84,01,313 Equity Shares of Rs.1000/- each)	584651.01	584013.13
25,69,339 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)	25693.39	25693.39
	610344.40	609706.52

SCHEDULE - B

SHARE MONEY PENDING ALLOTMENT	Current Year	Previous Year
Amount and/or consideration received from Government of India against Equity Shares pending allotment :		
For Land compensation	140.04	77.91
	140.04	77.91

SCHEDULE - C

RESERVE & SURPLUS	Current Year	Previous Year
Investment Allowance Reserve (Utilised)	344.77	344.77
Bond Redemption Reserve	492.91	332.33
	837.68	677.10



SCHEDULE TO BALANCE SHEET (CONTD.)

SCHEDULE - D

SECURED LOAN

(Rs. in lakhs)

	Current Year	Previous Year
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	21758.00	13575.35
Punjab National Bank	3754.36	5000.00
United Bank of India	1595.00	1970.33
Canara Bank	1383.69	1760.00
Bank of Baroda	3974.73	3500.00
Dena Bank	2443.06	534.01
Bank of Rajasthan	550.00	—
State Bank of Travancore	1715.00	—
	37173.84	26339.69
Commercial Paper	10000.00	—
Interest accrued & due (Secured by Govt. guarantee)	313.27	313.27
	47487.11	26652.96

SCHEDULE - E

UNSECURED LOAN

(Rs. in lakhs)

	Current Year	Previous Year
Long term loan from Government of India	381367.40	394708.07
Secured Bonds (To be secured by equitable mortgage/hypothecation of Fixed Assets of Northern Coalfields Limited)		
15.5% Non-convertible	20000.00	—
13% Non-convertible	45000.00	45000.00
9% Non-convertible (Tax Free)	15000.00	15000.00
	80000.00	60000.00
Short Term Loan from Neyveli Lignite Corpn. Ltd. Unit Trust of India	10000.00 20000.00	22500.00 27500.00
	30000.00	50000.00
Public Deposits Fixed Cumulative	1045.30 248.39	2122.34 505.17
	1293.69	2627.51
Export Credit from S. B. I.	—	3335.17
Interest Accrued and due	128926.30	133430.65
	621587.39	644101.40

SCHEDULE TO BALANCE SHEET (CONTD.)

SCHEDULE - F

FIXED ASSETS

(Rs. in lakhs)

		C O S T				D E P R E C I A T I O N				N E T B L O C K	
		As on 1.4.93	Add: during the year	Adj./Sales/ Trans. dur- ing the year	Total As on 31.3.94	As on 1.4.93	Add : during the year	Adj./Sales Trans. dur- ing the year	Total As on 31.3.94	As on 31.3.94	As on 31.3.93
Land											
a) Freehold		506.88	75.95	—	582.83	—	—	—	—	582.83	507.07
b) Leasehold		8.24	—	(-) 1.77	6.47	0.85	0.03	(-) 0.19	0.69	5.78	7.20
Building		3511.39	326.92	(-) 1.31	3837.00	436.54	112.13	(-) 42.94	505.73	3331.27	3074.85
Plant & Machinery		12249.69	519.21	—	12768.90	5333.82	642.22	(-) 612.28	5363.76	7405.14	6915.87
Furniture Fittings/ Office Equipment		410.23	62.93	2.26	475.42	116.01	34.62	(-) 22.66	127.97	347.45	294.22
Railway Siding		866.85	202.21	—	1069.06	145.13	43.89	0.14	189.16	879.90	721.72
Vehicles		218.60	42.14	(-) 2.35	258.39	109.97	22.03	(-) 2.95	129.05	129.34	108.63
Aircraft		409.76	1162.36	—	1572.12	155.64	91.06	(-) 0.13	246.57	1325.55	254.12
Telecommunication		213.40	26.60	—	240.00	38.55	10.39	(-) 0.04	48.90	191.10	174.85
Development		2220.40	382.47	—	2602.87	661.27	118.75	15.07	795.09	1807.78	1559.13
Prospecting & Boring		581.45	49.86	—	631.31	94.25	31.19	9.85	135.29	496.02	487.20
TOTAL		21196.89	2850.65	(-) 3.17	24044.37	7092.03	1106.31	(-) 656.13	7542.21	16502.16	14104.86
Capital											
Work-in-progress		3935.47	794.18	(-) 236.60	4493.05	—	—	—	—	4493.05	3935.47
GRAND TOTAL		25132.36	3644.83	(-) 239.77	28537.42	7092.03	1106.31	(-) 656.13	7542.21	20995.21	18040.33
PREVIOUS YEAR											
Fixed Assets	19743.43	1470.19	(-) 16.73	21196.89	4821.70	2280.02	(-) 9.69	7092.03	14104.86	14921.73	
Capital											
Work-in-progress		3703.07	745.86	(-) 513.46	3935.47	—	—	—	—	3935.47	3703.07

(Rs. in lakhs)

ALLOCATION OF DEPRECIATION

	Current Year	Previous Year
Profit & Loss Account	1013.90	1511.17
Social Overhead	58.92	46.92
Prior Period Adjustment	(-) 631.22	713.85
Development	4.25	7.93
Other Adjustment	4.33	(-) 9.54
Total	450.18	2270.33

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SCHEDULE TO BALANCE SHEET (CONTD.)

SCHEDULE - G

(Rs. in lakhs)

INVESTMENT

	Current Year	Previous Year
1,03,90,000 fully paid Equity Shares of Rs. 1000/- each in Eastern Coalfields Ltd. (Previous Year 1,03,90,000 Equity Shares of Rs. 1000/- each)	103900.00	103900.00
94,00,000 fully paid Equity Shares of Rs.1000/- each in Central Coalfields Ltd. (Previous year 94,00,000 Equity Shares of Rs. 1000/- each)	94000.00	94000.00
1,12,20,000 fullypaid Equity Shares of Rs.1000/- each in Bharat Coking Coal Ltd. (Previous year 1,12,20,000 Equity Shares of Rs.1000/- each)	112200.00	112200.00
71,10,000 fully paid Equity Shares of Rs.1000/- each in Western Coalfields Ltd. (Previous year 71,10,000 Equity Shares of Rs.1000/- each)	71100.00	71100.00
1,17,63,637 fully paid Equity Shares of Rs. 1000/- each in Northern Coalfields Ltd. (Previous year 1,17,63,637 Equity Shares of Rs.1000/- each)	117636.37	117636.37
1,12,10,000 fully paid Equity Shares of Rs.1000/- each in South Eastern Coalfields Ltd. (Previous year 1,12,10,000 Equity Shares of Rs.1000/- each)	112100.00	112100.00
10,00,009 fully paid Equity Shares of Rs.1000/- each in Mahanadi Coalfields Ltd. (Previous year 9 Equity Shares of Rs.1000/- each)	10000.09	0.09
1,90,400 fully paid Equity Shares of Rs.1000/- each in C.M.P.D.I.L. (Previous year 1,90,400 Equity Shares of Rs. 1000/- each)	1904.00	1904.00
16,334 fully paid Equity Shares of Rs.10/- each in Management and Technology Appliances (India) Ltd. (Previous year 16,334 Equity Shares of Rs.10/- each)	1.63	1.63
	622842.09	612842.09

SCHEDULE TO BALANCE SHEET (CONTD.)

SCHEDULE - H

INVENTORIES

(Rs. in lakhs)

	Current Year	Previous Year
(As valued and certified by the Management)		
Stock of stores & spare parts (at cost)	953.50	818.48
Less : Provision for slow-moving/non-moving obsolescence/shortage	59.88	35.00
	893.62	783.48
Stores-in-transit (at cost)	12.34	63.35
	905.96	846.83
Stock of Coal (at net selling price in NEC and at cost in CMO and DCC)	6965.58	3427.87
Coke	607.54	566.59
Coal Fines	229.64	656.60
Other By-products	230.85	371.63
	8033.61	5022.69
Less : Provisions	1611.04	219.31
	6422.57	4803.38
Stock of Bricks (at cost)	1.81	7.29
	7330.34	5657.50



SCHEDULE TO BALANCE SHEET (CONTD.)

SCHEDULE - I

SUNDRY DEBTORS (UNSECURED)

	Current Year	(Rs. in lakhs) Previous Year
Debts outstanding for period exceeding 6 months	1249.12	205.08
Other Debts	1708.70	1342.94
	2957.82	1548.02
Less : Provision	144.59	69.74
	2813.23	1478.28
CLASSIFICATION		
Considered good	2813.23	1478.28
Considered doubtful	144.59	69.74

	Maximum amount due at any time		Closing Balance	
	During Current Year	During Previous Year	Current 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

CASH AND BANK BALANCES

	Current Year	(Rs. in lakhs) Previous Year
Cash, Cheques, Drafts, Stamps etc. in hand	22.05	20.90
Remittance-in-transit	28.93	21.64
In Current Account with Scheduled Banks	302.11	290.00
With Post Office Savings Bank Account	3.16	0.39
Public Deposit Account	1.16	1.50
	357.41	334.43

SCHEDULE TO BALANCE SHEET (CONTD.)

SCHEDULE - K

LOANS AND ADVANCES

(Rs. in lakhs)

		<u>Current Year</u>	<u>Previous Year</u>
Loans & Advances (Unsecured) [Advance Receivable in cash or for value to be received]			
ADVANCES TO SUPPLIERS			
For Capital	259.59	6.96	
For Others	48.39	1158.96	
		307.98	1165.92
ADVANCES TO CONTRACTORS			
For Capital Works	63.01	85.33	
For Others	2.35	5.46	
		65.36	90.79
ADVANCES TO EMPLOYEES			
For House Building	325.32	289.54	
For Motor Car & Other Conveyance	40.60	34.61	
For Others	22.11	25.87	
		388.03	350.02
DEPOSITS			
For Custom duty & Port Charges	147.98	668.07	
For Deposit with Bank for Bond redemption	1803.91	1643.33	
For Other Deposits	206.03	192.41	
		2157.92	2503.81
Short Term Loan to IDPL		150.00	100.00
Other Receivable		123.57	80.06
Other Advances		72.93	144.40
AMOUNT DUE FROM GOVERNMENT OF INDIA			
For transaction on behalf of Ex-Coal Board	10.05	2.09	
For interest subsidy on non-plan loan	1551.62	1551.62	
For subsidy receivable	—	215.37	
		1561.67	1769.08
Claims receivable		497.26	556.90
Prepaid Expenses		35.85	30.80
In current account with Subsidiaries of Holding Company		637914.30	640810.88
		643274.87	647602.66
Less : Provision		221.94	129.99
		643052.93	647472.67
CLASSIFICATION			
Considered good		643052.93	647472.67
Considered doubtful		221.94	129.99



SCHEDULE TO BALANCE SHEET (CONTD.)

SCHEDULE - K (CONTD.)

AMOUNT DUE FROM SUBSIDIARY COMPANIES

(Rs. in lakhs)

	Maximum amount due at any time during the year		Closing Balance	
	CurrentYear	Previous Year	Current Year	Previous Year
Eastern Coalfields Limited	166660.86	140855.92	152401.68	138583.25
Bharat Coking Coal Limited	219820.55	207017.17	211332.76	202179.54
Central Coalfields Limited	92873.43	86204.28	94136.83	86204.28
Western Coalfields Limited	24930.05	44700.33	36639.86	44700.33
Northern Coalfields Limited	(-) 5918.32	94067.42	53626.65	81590.85
South Eastern Coalfields Limited	(-) 64150.19	85889.26	15052.05	13653.11
Mahanadi Coalfields Limited	12462.67	76687.67	73375.80	76687.67
Central Mine Planning & Design Institute Limited	3269.36	(-) 2788.15	1347.72	(-) 2788.15

Notes : House Building and cars/scooters advance for Rs.365.92 lakhs (Previous year Rs.324.15 lakhs) included under Loans & Advances (unsecured) considered good and are secured by equitable mortgage on assets concerned.

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SCHEDULE TO BALANCE SHEET (CONTD.)

SCHEDULE - L

CURRENT LIABILITIES & PROVISIONS

(Rs. in lakhs)

	<u>Current Year</u>	<u>Previous Year</u>
SUNDRY CREDITORS		
For Capital including Revenue Stores	1393.12	818.31
For Coal	519.41	908.38
	1912.53	1726.69
Advance from Customer	347.67	443.63
Deposits	409.98	522.24
Advance Deposit (Pre-Nationalisation)	20.85	20.85
EMPLOYEES' REMUNERATION & BENEFITS		
Salaries, Wages & Allowances	742.34	451.39
Attendance Bonus	3.53	20.17
Ex-gratia	167.16	140.23
Unpaid salaries, Wages etc.	19.55	1.97
Gratuity	46.93	45.41
	979.51	659.17
OTHER EXPENSES		
Power & Fuel	54.42	50.39
Contractual Expenses	824.64	422.85
Others	517.53	454.32
	1396.59	927.56
VRS GRANTS (National Renewal Fund)	12000.00	—
Bank Overdraft	7432.76	375.82
Due to Govt. of India	339.34	81.59
(including ex-owner's Accounts)		
Interest accrued but not due on Loan	14831.66	15811.93
Assam Land Tax	324.23	677.53
SALES TAX		
State	31.45	19.81
Central	48.67	29.97
	80.12	49.78
Public Deposit Fixed due (Book Overdraft)	14.98	—
Royalty & Cess on Coal	53.06	16.47
Provident Fund	322.45	41.51
INCOME TAX		
Public Deposit	4.84	0.07
Employees	8.75	12.38
Contractors	11.40	1.28
	24.99	13.73
Professional Tax	6.17	2.07
C.P.R.A.	—	4140.74
Other Liability	1068.87	730.41
Provision for Taxation	14.16	—
	41579.92	26241.72



SCHEDULE TO BALANCE SHEET (CONTD.)

SCHEDULE - M

MISCELLANEOUS EXPENDITURE

(To the extent not written off or adjusted)

(Rs. in lakhs)

	Current Year	Previous Year
OVERBURDEN REMOVAL :		
As per last Account		142.70
Expenditure during the year		
Contractual	—	945.69
	—	1088.39
Less : Adjustment		
Contractual		1088.39
		—
Discount on Bonds	1272.11	1666.50
Excess of Expenditure over income of		
DCC deferred for future amortisation		
As per last Account		434.94
Less : Amortised during the year		434.94
	1272.11	1666.50

Schedule to Profit & Loss Account

For the Year Ended 31st March, 1994

SCHEDULE - 1

(Rs. in lakhs)

	<u>Current Year</u>	<u>Previous Year</u>
SALE OF COAL COKE ETC.		
Coal	6900.22	8684.86
Coke	50.05	154.39
Gas, CIL Coke, Coal Tar etc.	3831.18	2016.88
	<u>10781.45</u>	<u>10856.13</u>
Less : Statutory Levies		
Royalty on Coal	78.84	55.83
Stowing Excise Duty	26.35	30.08
Assam Land Tax	275.17	547.28
Sales Tax		
Central	174.55	158.98
State	182.92	200.97
	<u>737.83</u>	<u>993.14</u>
	<u>10043.62</u>	<u>9862.99</u>

SCHEDULE - 2

(Rs. in lakhs)

	<u>Current Year</u>	<u>Previous Year</u>
COAL ISSUED FOR OTHER PURPOSES PER CONTRA :		
Boiler Consumption	136.34	22.47
Free issue to Employees	145.67	126.56
Brick Making	14.10	15.04
	<u>296.11</u>	<u>164.07</u>



SCHEDULE TO PROFIT & LOSS ACCOUNT (CONTD.)

SCHEDULE - 3

(Rs. in lakhs)

	Current Year	Previous Year
OTHER RECEIPTS		
Apex office charges	2340.32	1857.81
Subsidy	217.59	292.90
Service charges	51.88	51.50
Contractual Recoveries	1.93	93.40
Recovery of Siding/Transport Charges	243.39	187.40
Interest received		
Loans & Advances to Employees	6.55	3.16
From Contractors	1.94	1.15
Rent (outsider)	8.49	4.31
Sale of Bricks	1.56	1.65
Value of coal in missing wagon	—	0.02
Excess provision for Bad & Doubtful Debts and Advance written back	—	5.09
Bricks used for Capital jobs	—	0.01
Claims Received	14.47	15.77
Profit on sale of Assets	17.74	52.42
Others	0.23	0.26
	37.64	25.95
	2935.24	2588.49
Less : Transferred per contra Development	0.03	—
	2935.21	2588.49

SCHEDULE - 4

(Rs. in lakhs)

	Current Year	Previous Year
ACCRETION IN STOCK		
CLOSING STOCK		
Coal, Coke etc.	5278.93	3095.62
Coal & Coke in Transit	206.70	114.93
Coal & Coke Fines	326.13	729.05
CIL Coke	488.57	564.60
Coal Tar	28.22	227.30
Chemicals	26.28	29.05
Other Bye Products	34.55	0.90
Oil	33.19	41.93
Bricks	1.81	7.29
	6424.38	4810.67
Less : Opening Stock		
Coal, Coke etc.	3095.62	1542.43
Add : Adjustment	—	49.04
	3095.62	1591.47
Coal & Coke in Transit	114.93	53.29
Coal & Coke Fines	729.05	195.19
Coal Tar	227.30	145.41
CIL Coke	564.60	259.87
Chemicals	29.05	22.56
Other By-products	0.90	0.68
Oil	41.93	5.66
Bricks	7.29	8.53
	4810.67	2282.66
	1613.71	2528.01

SCHEDULE TO PROFIT & LOSS ACCOUNT (CONTD.)

SCHEDULE - 5

(Rs. in lakhs)

	<u>Current Year</u>	<u>Previous Year</u>
PURCHASE OF COAL, COKE ETC.		
Coal	3034.68	3435.42
Coke	24.92	75.86
Railway Freight	359.12	661.85
Octroi and Entry Tax	—	15.91
P O L for Plant	13.93	12.12
Chemicals for Plant	46.16	40.28
	<u>3478.81</u>	<u>4241.44</u>

SCHEDULE - 6

(Rs. in lakhs)

	<u>Current Year</u>	<u>Previous Year</u>
EMPLOYEES' REMUNERATION & BENEFITS		
Salary, Wages and Allowances including O. T., Leave encashment, Incentive etc.	3746.09	3287.57
Contribution to P. F. & other Funds (including Administrative charges)	337.56	311.00
Attendance Bonus	122.40	120.33
Ex-gratia	165.71	141.71
LTC/LLTC/RRF	211.24	258.89
Pension	3.71	3.65
Gratuity	101.58	104.57
Workmen Compensation	13.62	4.80
Group Insurance	10.20	11.94
D. L. I.	1.25	1.21
Life Cover Scheme	7.05	5.85
	<u>4720.41</u>	<u>4251.52</u>
Less : Transferred per contra		
Social Overhead	137.89	91.92
Development	25.53	10.68
	<u>163.42</u>	<u>102.60</u>
	<u>4556.99</u>	<u>4148.92</u>



SCHEDULE TO PROFIT & LOSS ACCOUNT (CONTD.)

SCHEDULE - 7

	<u>Current Year</u>	<u>Previous Year</u>	<i>(Rs. in lakhs)</i>
CONSUMPTION OF STORES & SPARE PARTS			
Explosives	84.47	79.62	
Timber	180.71	175.12	
P. O. L.	115.15	94.77	
Spares for HEMM & Other Mining Equipments	230.83	231.23	
Other Social overhead stores per contra	64.55	41.58	
Power generation stores per contra	25.18	25.88	
Other consumable stores & spare parts	171.29	283.60	
	<hr/> 872.18	<hr/> 931.80	
Less : Transferred per contra			
Repair & Maintenance	0.04	20.77	
Development	13.71	26.60	
Social Overhead	64.55	41.58	
Power & Fuel	25.18	25.88	
Other Expenditure	40.03	32.71	
	<hr/> 143.51	<hr/> 147.54	
	<hr/> 728.67	<hr/> 784.26	

SCHEDULE - 8

	<u>Current Year</u>	<u>Previous Year</u>	<i>(Rs. in lakhs)</i>
POWER & FUEL :			
Purchase of Electricity	608.84	573.23	
Power Generation			
Boiler consumption per contra	136.34	22.47	
Consumption of stores per contra	25.18	25.88	
	<hr/> 161.52	<hr/> 48.35	
	<hr/> 770.36	<hr/> 621.58	
Less : Transferred per contra			
Development	4.57	2.72	
Social Overhead	63.84	76.05	
	<hr/> 68.41	<hr/> 78.77	
	<hr/> 701.95	<hr/> 542.81	

SCHEDULE TO PROFIT & LOSS ACCOUNT (CONTD.)

SCHEDULE - 9

(Rs. in lakhs)

	<u>Current Year</u>	<u>Previous Year</u>
REPAIRS		
Factory & Office Buildings	174.49	91.76
Plant & Machinery	54.18	91.34
P O L and Spares for Aircraft	12.81	31.74
Office Furniture & Equipment	26.41	18.70
Vehicles	34.25	26.83
Township Maintenance	134.60	111.09
Others	7.81	21.53
	<u>444.55</u>	<u>392.99</u>
Less : Transferred per contra		
Other Expenditure	34.25	26.83
Social Overhead	134.60	111.09
Development	0.39	4.20
	<u>169.24</u>	<u>142.12</u>
	<u>275.31</u>	<u>250.87</u>

SCHEDULE - 10

(Rs. in lakhs)

	<u>Current Year</u>	<u>Previous Year</u>
CONTRACTUAL EXPENSES		
Transport Charges -		
Coal, Coke etc.	139.91	151.01
Stores	8.14	7.29
	<u>148.05</u>	<u>158.30</u>
Operation Charges	38.25	82.55
Overburden Removal -		
Coal	183.87	135.87
Others	1322.89	1088.39
	<u>1506.76</u>	<u>1224.26</u>
Other Contractual Work -	605.94	606.08
	2299.00	2071.19
Less : Transferred to Development	1.31	—
	<u>2297.69</u>	<u>2071.19</u>



SCHEDULE TO PROFIT & LOSS ACCOUNT (CONTD.)

SCHEDULE - 11

(Rs. in lakhs)

	<u>Current Year</u>	<u>Previous Year</u>
SOCIAL OVERHEAD		
Salary, Wages & Allowances per contra	137.89	91.92
Free issue of coal to employees per contra	145.67	126.56
Medical reimbursement	194.80	154.42
Canteen upkeep and refreshment	13.23	11.50
Grants to Schools and Institutions	63.10	32.76
Training Expenses	12.83	4.04
Repairs & Maintenance of Township and other social overhead assets per contra	134.60	111.09
Depreciation on social overhead assets	58.92	46.92
Uniform	4.10	6.18
House Rent	18.70	16.10
Electricity charges for Hospital Township and other welfare Buildings per contra	63.84	76.05
Reimbursement for CMALSPF	—	1.00
Consumption of stores per contra	48.88	41.58
Sports, Recreation & Grant	23.50	12.77
Transit Flat Expenses	30.58	17.85
Other Welfare expenses including Hindi Language development Expenses	65.85	47.14
	<u>1016.49</u>	<u>797.88</u>
Less : Recoveries/Transfers		
Development	25.81	3.57
House Rent	8.82	8.21
Transit Flat Charges	1.85	1.61
Hospital Charges	2.61	2.59
Electricity & Water Charges	3.12	1.98
	<u>42.21</u>	<u>17.96</u>
	<u>974.28</u>	<u>779.92</u>

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SCHEDULE TO PROFIT & LOSS ACCOUNT (CONTD.)

SCHEDULE - 12

	<i>(Rs. in lakhs)</i>	
	<u>Current Year</u>	<u>Previous Year</u>
INTEREST		
Government Loan :		
Plan loan	65241.40	63210.23
Non Plan loan		
(including Rs.5,807.58 lakhs. per contra)	6013.93	6024.98
Bank Overdraft	6077.95	4732.64
Bonds	7233.97	7200.00
Public Deposit	237.10	468.80
Intercompany/Financial Institution Loan :		
Neyveli Lignite Corporation Ltd.	3015.32	2405.33
Unit Trust of India	4084.63	2117.33
Others	33.71	32.55
	<u>91938.01</u>	<u>86191.86</u>
Less : Recovered from		
Subsidiaries	83456.89	78311.84
Interest received		
on short term Deposits	48.55	35.73
Interest subsidy received	5807.58	5807.58
Rebate on Interest	56.51	85.57
	<u>89369.53</u>	<u>84240.72</u>
	<u>2568.48</u>	<u>1951.14</u>

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SCHEDULE TO PROFIT & LOSS ACCOUNT (CONTD.)

SCHEDULE - 13

(Rs. in lakhs)

	<u>Current Year</u>	<u>Previous Year</u>
PROVISION		
Stores	24.88	—
Doubtful Debts	74.85	16.24
Doubtful Claims	48.03	—
Doubtful Advances	45.73	—
	<u>193.49</u>	<u>16.24</u>

SCHEDULE - 14

(Rs. in lakhs)

	<u>Current Year</u>	<u>Previous Year</u>
COAL ISSUED FOR OTHER PURPOSES PER CONTRA		
Boiler consumption	136.34	22.47
Free issue to employees	145.67	126.56
Brick making	14.10	15.04
	<u>296.11</u>	<u>164.07</u>
Less : Transferred per contra		
Power & Fuel	136.34	22.47
Social overhead	145.67	126.56
	<u>282.01</u>	<u>149.03</u>
	<u>14.10</u>	<u>15.04</u>

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SCHEDULE TO PROFIT & LOSS ACCOUNT (CONTD.)

SCHEDULE - 15

(Rs. in lakhs)

OTHER EXPENDITURE :

	<u>Current Year</u>	<u>Previous Year</u>
Travelling	328.67	212.44
Printing & Stationery	100.47	59.59
Postage & Telephone	212.36	156.16
Freight Charges	2.19	135.37
Advertisement	205.81	122.87
Demurrage	48.44	49.21
Rent	149.51	146.29
Insurance	24.99	30.58
Rates & Taxes	57.57	26.72
Legal Expenses	17.50	8.13
Royalty & Cess	0.39	13.35
Assam Land Tax	22.20	22.24
Service charges of Holding Company	12.89	9.59
Exhibition Expenses	—	—
Auditors' Remuneration		
Audit Fees	0.93	0.93
Travelling and out of pocket expenses	0.47	0.47
In other capacity (Tax Audit)	0.31	0.31
	1.71	1.71
Bank charges	21.25	12.70
Office contingencies	38.97	15.71
Computer Rent etc.	23.48	46.07
Security expenses	5.57	2.87
Consultant/Retainer Fees	25.95	24.99
Hire charges	67.78	51.88
Books & Periodicals	8.16	4.45
Conference and Seminar	6.57	3.80
Sales Tax	0.05	0.01
Repairs and Maintenance of cars & Jeeps :		
Petrol & Diesel	40.03	32.71
Repairs	34.25	26.83
Others (Road Tax Insurance etc)	19.74	10.34
	94.02	69.88
Loss on sale of assets	0.01	0.59
Rescue & Safety	6.21	5.30
O B R (Departmental)	—	—
Turnover Tax	31.31	14.10
Other Miscellaneous Exp.	353.25	187.85
Entertainment Expenses	0.10	0.14
	1867.38	1434.59
Less : Transferred per contra Development O B R	129.77	7.72
	129.77	7.72
	1737.61	1426.87



SCHEDULE TO PROFIT & LOSS ACCOUNT (CONTD.)

SCHEDULE - 16

(Rs. in lakhs)

	Current Year	Previous Year
FINANCE EXPENSES FOR BONDS AND PUBLIC DEPOSITS		
Discount on issue of Bond / CP	694.52	394.39
Commission on issue of CP	28.25	—
Guarantee Fees	18.90	71.71
Other expenses for issue of Bonds and Public Deposit	155.90	12.28
	897.57	478.38
Less : Recoveries made from Subsidiaries	851.82	466.32
	45.75	12.06

SCHEDULE - 17

(Rs. in lakhs)

	Current Year	Previous Year
PRIOR PERIOD ADJUSTMENT		
Debits		
Purchase of Coal, Coke etc.	47.94	11.98
Employees' Remuneration & Benefits	143.99	58.74
Interest on Bonds	—	—
Financial Expenses	1.26	—
Contractual Expenses	10.85	120.30
Depreciation	- 631.22	713.21
Social Overhead	1.23	9.88
Repairs (Purchased)	0.84	—
Other Expenditure	81.20	33.54
Consumption of Stores & Spare parts	18.31	16.41
	- 325.60	964.06
Credits		
Op. Stock of Coal, Coke etc.	—	49.52
Interest Waived	200.96	—
Prov. for Doubtful Adv./Claims written back	1.82	35.59
Sale of Coal, Coke etc.	—	11.14
Recoveries from Subsidiaries :		
Interest	92.75	—
Apex Office Charges	—	47.55
Financial Expenses	—	—
	92.75	47.55
Prov for damaged Stores w/b Interest	—	0.18
Other Receipts	46.63	58.97
	342.16	204.04
Net : Credit (+)/Debit (-)	667.76	- 760.02

SIGNIFICANT ACCOUNTING POLICIES

SCHEDULE - N

1. ACCOUNTING CONVENTION

The financial statements are prepared under the historical cost basis, as per Accounting Standards and generally accepted accounting practices, except otherwise stated in the Accounting Policy and Notes Accounts.

2. BASIS OF ACCOUNTING

- 2.1 All expenses are booked initially in the natural heads of accounts and then transferred to functional heads.
- 2.2 Accrual basis of accounting has been followed except in the following cases :
 - a) Gratuity and Life Cover Scheme are accounted for on cash-cum-retirement basis. Actuarial valuation of gratuity liability for the year and as at the end e year have neither been ascertained nor accounted for.
 - b) Interest on advance to employees e.g. House Building, Purchase of Car etc. Demurrage, Liquidated damages, Sale of scrap are provided on realisation/cash basis.
 - c) Advances for T. A./L.T.C. etc. are directly charged to revenue account.
 - d) Insurance/Railway claim and escalation claims are accounted for on the basis of admission/ final settlement.
 - e) Additional Liability for royalty, cess etc. – if any are accounted for in the year in which final assessment orders are received.

3. SUBSIDY/GRANTS

- 3.1 Subsidies / grants received on Capital Account are deducted from the cost of respective assets to which they relate.
- 3.2 Subsidy claims for the accounting year which are yet to be received/confirmed from the appropriate authorities are accounted for on estimated basis. This estimate is based on the amount of subsidy received pro-rata to the claim preferred in the immediately preceeding quarter.

4. FIXED ASSETS

- 4.1 LAND — land includes cost of acquisition, compensation and rehabilitation expenses incurred for concerned displaced persons.
- 4.2 BUILDING — building includes roads and culverts situated in colliery and townships as well as cost of electrical fittings water supply arrangements and sanitary fittings.
- 4.3 PLANT & MACHINERY — Plant & Machinery includes cost and expenses incurred for erection/ installation and other attributable cost of bringing those assets to working condition for their intended use.



- 4.4 RAILWAY SIDING — payments made to Railway authorities are shown under Capital Work-in-progress. As and when Railway Siding is completed and brought to working condition for its intended use, the same is transferred to Railway Sidings under the head "Fixed Assets".
- 4.5 Expenses net of income of the Projects/Mine under development including proportionate interest capitalised are booked to development accounts.

Projects/mines under development are brought to revenue either

- a) From the beginning of the financial year immediately after the year in which the unit achieves physical coal output of 25% of rated capacity as per approved project report, OR
- b) From the same financial year in which the value of production is more than the total expenses.

—— whichever is earlier.

- 4.6 Installation expenses wherever done departmentally are not capitalised.

5. DEPRECIATION

Depreciation is provided at the rates specified in Schedule XIV to the Companies Act, 1956 as amended on straight line basis except that :

- a) Depreciation for lease hold land has been charged equitably on the basis of lease period of life of the project whichever is less.
- b) Depreciation on land acquired under Coal Bearing Area (Acquisition & Development) Act, 1957 has been charged on the basis of balance life of the project.
- c) Prospecting, Boaring and Development expenditure are amortised over a period of 20 years or the life of the project whichever is less.
- d) Assets attracting 100% depreciation, are depreciated in full in the year in which assets have been commissioned/completed.
- e) Assets acquired prior to 2.4.87 in NEC are charged at the rates prevailing upto 2.4.87 (i.e. before the amendment).

6. INVENTORIES

- 6.1 Stock of stores, spare parts, work in progress, workshop jobs are valued at cost.
- 6.2 Book stock of Coal, Coke, etc. is taken for the purpose of closing stock, where, the variance between the book stock and measured stock is upto $\pm 5\%$, and incase the variance is beyond $\pm 5\%$, the measured stock is taken for the purpose of closing stock.
- 6.3 Stock of Coal (and Coke Stock if applicable) is valued at net realisable value, based on actual realisation on despatches during the last quarter of the year and after adjusting provision for deterioration @1.5% of the value of coal & coke produced during the year with estimated net transportation/rehandling charges (if applicable).

- 6.4 In D. C. C., Stock of coal and coal fine are valued at cost and stock of CIL coke, coke fines, coal tar and tar chemicals are valued at net realisable value.
- 6.5 Stock of medicines and stationery are not considered for the purpose of inventory valuation. The expenses on this account are charged to Revenue.

7. PRIOR PERIOD ADJUSTMENT/EXTRA ORDINARY ITEMS

Material charges or credit (in excess of Rs.10000/- for any individual items) which arise in the current period as a result of errors and omissions in the preparation of the financial statement of one or more prior period are disclosed in the Profit & Loss Account in a manner that their impact on current or loss can be perceived.

8. OVERBURDEN REMOVAL EXPENSES

In accordance with company's policy, the overburden removal expenses in respect of O. C. projects having capacity of less than one million tonne, are charged directly to revenue heads in the year in which operation commences and/or coal is exposed. The permissible tolerance of measured overburden with reference to the reported overburden, as per guidelines circulated vide letter no. CH:TS:26 dated 10.1.94 is indicated below :

Annual Quantum of OBR of the Project	Permissible limits of Variance (whichever is less)	
	%	Quantum Ml. Cu.m.
Less than 1 Ml. Cu. m.	(+/-) 5 %	0.03
Between 1 & 5 Ml. Cu. m.	(+/-) 3 %	0.02
More than 5 Ml. Cu. m.	(+/-) 2 %	—

9. APEX OFFICE CHARGES AND INTEREST ON CIL DUES

Apex office charges are allocated to subsidiaries and revenue mines directly under Coal India Ltd. in proportion to their production ratio for the year.

10. REVENUE RECOGNITION

Revenue from transactions involving the sale of goods is recognised when property in the goods passes to the buyer for a consideration and the Co. retains no effective control of the goods transferred to a degree usually associated with ownership, and no significant uncertainty exists regarding the amount of the consideration that will be derived from the same goods.

Revenue arising from the use of the Company's resources by others are only recognised when no significant uncertainty as to measurability or collectibility exists.

11. INVESTMENT

Investments are valued at cost.



12. INTEREST

- (a) Interest on Govt. Loans (net of rebate), Intercompany Loans, Bank Overdrafts, Bonds, Public Deposits and interest received on short-term deposits for the year is allocated to the subsidiaries and units on the basis of incremental investments upto a specific date at the end of the year as determined by the Management (excluding investment against Non plan loan support to ECL and BCCL).
- (b) Interest on Non Plan Loans from Govt. of India and the Interest Subsidy are allocated to ECL and BCCL in proportion to their share of Non Plan support.

B. NOTES ON ACCOUNTS

1.0 CONTINGENT LIABILITIES/CAPITAL COMMITMENTS

- 1.1 The amount (including the amount on behalf of the Subsidiaries) remains to be executed on capital Account not provided is Rs.14332.32 lakhs (previous year Rs.29966.25 lakhs).
- 1.2 Claims against the Company not acknowledged as debts for Rs. 1247.24 lakhs as against previous year figures of Rs.930.63 lakhs.
- 1.3 The tenure of NCWA-IV expired on 30th June, 1991. The modalities of forming JBCCI for NCWA-V is still in the process. As such, the liability, if any, that may arise out of wage revision as per NCWA-V can not be ascertained at the moment. Hence, the same could not be considered in the Accounts.
- 1.4 As on 31.3.94 outstanding Letters of Credits amounted to Rs.2966.28 Lakhs; outstanding deferred payment guarantee issued by Banks amounted to Rs.837.51 Lakhs and outstanding guarantee/counter guarantee issued by the Govt. of India on behalf of the Company amounted to Rs.71632.51 lakhs.

2.0 FIXED ASSETS

- 2.1 Title deeds for land acquired, in some cases, have not yet been executed in favour of the company. This includes the land acquired at Dankuni 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.
- 2.2 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.

3.0 INVENTORIES

- 3.1 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.

4.0 SUNDRY DEBTORS

- 4.1 An amount of Rs.74.85 lakhs has been provided in the Accounts (previous year Rs. 16.24 lakhs) towards Bad & Doubtful Debts.

5.0 PUBLIC DEPOSIT

- 5.1 The Company has invited deposits from the Public as per provision of the Companies (Acceptance of Deposits) Rules, 1975 and the balance of the Public Deposit Account as on 31st March 1994 amounts to Rs. 1308.67 lakhs.

6.0 LOANS & ADVANCES

- 6.1 Company has issued on Private placement basis 13% non-convertible secured Bonds amounting to Rs.450 crores, 15.5% non convertible secured Bonds amounting to Rs.200 crores and 9% (Tax-free) non-convertible secured Bonds of Rs. 150 crores both redeemable at par to Nationalised Banks/their subsidiaries and the said bonds are to be secured by equitable mortgage/hypothecation of fixed assets of Subsidiary coal companies.
- 6.2 The fund available with the Company against Cash, Bank Balances Road coupons etc. taken over by the Company from the Management Period of non-coking coal mines i.e. on 1.5.1973 has been adjusted against the deposit made by the company to The Commissioner of Payments on behalf of Govt. of India towards amount due for the Management Period Surplus in respect of Non-Coking coalmines.
- 6.3 In order to create "Bond Redemption Fund" on the basis approved by the Board, the Company had deposited Rs.1311.00 lakhs during 91-92 with Canbank Financial Services Ltd. and PNB Capital Services Ltd. – being subsidiaries of Canara Bank and Punjab National Bank respectively, towards first instalment of deposits to the fund. Though the said deposits were made on terms mutually agreed to the formal agreement in this regard has not been executed. The second instalment of deposits which had fallen due during 1992-93 were not made as the management has started reviewing the whole issue for alternative sources of fund mobilisation which will enable the Company to redeem the bonds on maturity. Statements of investments and income therefrom showing the position as on 2.4.92 and 21.9.92 have been made available by Canbank Financial Services Ltd. and PNB Capital Services Ltd. respectively. However, considering the rate of return of 15.5% (compounded quarterly) agreed to by both the organisations earlier Rs.492.91 lakhs (Rs.332.33 lakhs for previous year) has been taken into account and shown under Reserves & Surplus.

7.0 CASH CREDIT

- 7.1 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 & Spareparts and Book Debt of the Subsidiary Companies. The O. D. facilities enjoyed by the Subsidiaries/Units are out of total O. D. facilities enjoyed by Coal India Ltd.

8.0 CURRENT LIABILITIES & PROVISIONS

- 8.1 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 :



(Rs. in lakhs)

a)	For stock of coal, coke etc. on account of deterioration due to fire and longer period of stocking	1611.04
b)	For stock of slow-moving/non-moving moving and obsolete stores and spares	59.88
c)	For bad and doubtful debts	144.59
d)	For claims considered doubtful of recovery	47.83
e)	For advance considered doubtful of recovery	174.11

8.2 Govt. of India has been granting Interest Subsidy on Non-Plan loans amounting to Rs.5807.58 lakhs since 1979-80. The decision of Govt. of India is awaited for such subsidy for the period upto 31st March 1979 which amounts to Rs.1096.00 lakhs. Pending that decision no Penal Interest on the above sum has been considered in the Accounts as per past practice consistently being followed. Also no penal interest has been considered in the Accounts on outstanding Interest on some takenover loans (i.e. from Ex-coal Board and Ex-NCDC), whose principal amount have been repaid in full, as per the prevalent past practice.

8.3 Deduction w.e.f. 1.4.1989 @ 2% of Basic and D. A. made from the Wage Board Employees covered by National Coal Wage Agreement towards the proposed Retirement Benefit Scheme, Govt.'s decision for which is awaited, has been shown under current liabilities. However, Interest as applicable for CMPF has been considered in the Accounts.

8.4 The balances with the Subsidiary Companies have been reconciled but the final balances remained unconfirmed.

9.0 PROFIT & LOSS ACCOUNT

9.1 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 the Government of India. As per the said Scheme, total contribution to the said Account during the year amounts to Rs.73360.07 lakhs. This amount alongwith opening balance of Rs.4140.74 lakhs has been distributed to the claimant Subsidiary Companies.

10.0 OTHERS

10.1 Directors are allowed to use the Company's cars for personal use for which recovery is being made.

11.0 PREVIOUS YEAR'S FIGURES HAVE BEEN REARRANGED & REGROUPED WHEREVER NECESSARY.

12.0 CHANGE IN ACCOUNTS DUE TO REVISIONS :

12.1 The Accounts together with notes thereon approved by the Board of directors of the Company in the meeting held on 18th August 1994 and reported upon by the Auditors on 23rd August 1994 have been revised to comply with the observation 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 :

(Rs. in Lakhs)

(a)	Profit & Loss Account :	
	The loss of the Company has increased by (Rs.127.80 lakhs at the instance of Comptroller and Auditor General of India and by Rs.1.71 lakhs as per the observation of Statutory Auditors) :	129.51
(b)	Balance Sheet :	
	(i) Reserve & Surplus decreased by	109.33
	(ii) Secured Loan increased by	2567.24
	(iii) Unsecured Loan decreased by	9971.70
	(iv) Fixed Assets increased by	146.52
	(v) Inventories decreased by	13.71
	(vi) Sundry Debtors decreased by	74.85
	(vii) Cash & Bank balance increased by	0.05
	(viii) Loans & Advance decreased by	81.08
	(ix) Current Liabilities & Provisions increased by	7620.23

Schedule A to M form part of the Balance Sheet as at 31st March, 1994 and 1 to 17 form part of Profit & Loss Account for the year ended on that date and Schedule - 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.

Signature to Schedule A to N and 1 to 17.

Sd/-
U. Suryanarayana
Company Secretary

Sd/-
S. K. Sanyal
General Manager (F)

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

Sd/-
S. K. Chowdhary
Chairman

Calcutta
Dated : The 15th Sept., 1994

As per our separate report of even date :

For J. Gupta & Co.
Chartered Accountants
Sd/- Dated 17.9.94
S. Chakrabarty
(Partner)



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

Annexure to Schedule - N

(Rs. in lakhs)

	Current year	Previous year
1. Directors' Remuneration		
(i) Salaries	6.14	4.64
(ii) Company's Contribution to Provident Fund & Other Funds	0.63	0.60
(iii) Medical Benefits	1.03	0.89
(iv) Perquisites	2.37	2.25
2. Particulars of employees who are in receipt of not less than Rs. 1,44,000 per annum or Rs.12000 per month (Previous year Rs.1,44,000 and Rs.12000 respectively) when employed for a part of the year.		

	Employed throughout the year		Employed for part of the year	
	1993-94	1992-93	1993-94	1992-93
(i) Number of employees	19	12	3	4
(ii) Salaries, Allowances etc. (Rs. in lakhs)	33.63	21.35	3.92	6.03
(iii) Contribution to Provident Fund. (Rs. in lakhs)	2.75	1.38	0.30	0.29

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	Previous year
(i) Raw material	—	—
(ii) Capital goods	1129.77	—
(iii) Stores, Spares & Components	—	2.21

	Current year	Previous year
4. Expenditure incurred in Foreign Currency on account of :		
(i) Know-how	7.90	—
(ii) Interest	—	—
(iii) Exchange variation	—	—
(iv) Commission to Foreign Agents	—	—
(v) Training expenses and payment to Foreign Technicians	—	—
(vi) Travelling	27.68	12.25
(vii) Medical Treatment	—	—

5.	Earning in Foreign Exchange on account of		
	(i) Export of Goods (Calculated on FOB basis)	—	—
	(ii) Exchange variation	—	—
	(iii) Miscellaneous	—	—

6.	Total consumption of Stores during the year :		(Rs. in lakhs)
		Current year	Previous year
	(a) Imported materials	—	—
	(b) Indigenous	836.89 (100%)	931.80 (100%)

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, 1994.

(a) Installed Capacity	Not applicable.
(b) Licenced Capacity	Not applicable.

7. Statement of Opening Stock, Production, Purchases, Turnover and Closing Stock of Coal, Coke and Other Product and by-product including its trading activities.

	(Rs. in lakhs)		(Quantity in '000' M.T.)	
	Current Year		Previous Year	
	Qty.	Value	Qty.	Value
Opening Stock :				
Coal & Coke	557.1	3775.15	281.0	1644.78
Other Products & by-products	85.6	1028.23	27.5	606.81
Production :				
Coal & Coke	1201.0	—	1101.1	—
Other Products & by-products	230.0	—	213.7	—
Purchase :				
Coal & Coke	332.8	3059.60	503.7	3511.28
Other Products	0.2	60.09	0.2	52.40
Sales : (Excluding Levies)				
Coal & Coke	1154.5	7125.91	1091.4	7889.51
CIL Gas (Therm)	3259.2	312.61	2987.8	225.93
Other Products & by-products	220.2	2605.10	118.7	1747.55
Own Consumption :				
Free issue and Boiler				
Consumption	26.7	—	22.3	—
Plant Consumption of Coal	299.2	—	271.7	—
Plant Consumption of Gas (Therm)	459.6	—	—	—
Plant Consumption of POL etc.	0.2	—	0.1	—
Closing Stock :				
Coal & Coke	967.2	5963.48	557.1	3775.15
Other Product & by-product	36.7	459.09	85.6	1028.23



**STATEMENT PURSUANT TO SECTION 212 (1) (E) OF THE COMPANIES ACT, 1956
AS AT 31ST MARCH, 1994**

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 (+) Less (-) for the year ended 31.3.1994 Rs. in Crores	Profit (+) Loss (-) balance as on 31.3.94 cumulative (after Tax provisions and investment allowance Reserve) Rs. in Crores
Eastern Coalfields Limited	103,89,997	3	1039	(-) 70.40	(-) 891.77
Bharat Coking Coal Limited	112,19,997	3	1122	21.56	(-) 1138.40
Central Coalfields Limited	93,99,997	3	940	62.06	(+) 101.65
Western Coalfields Limited	71,09,997	3	711	31.59	(-) 162.71
Northern Coalfields Limited	117,63,634	3	1176.3637	225.23	(+) 381.13
South Easter Coalfields Ltd.	112,09,997	3	1121	139.84	(+) 95.32
Mahanadi Coalfields Limited	10,00,006	3	100.0009	21.27	(+) 65.00
Central Mine Planning & Design Institute Limited	1,90,397	3	19.04	2.64	(+) 15.03
NEC/DCC/CIL	—	—	—	(-) 33.47	(-) 233.13
				(+) 400.32	(-) 1767.88



**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, 1994**

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 item 10 of annexure 'C' of the Auditors' Report to Shareholders and item no. B - 11.1 (a) & (b) of Schedule N - Notes on 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 Ltd., Calcutta, for the year ended 31st March 1994.

(B. K. CHATTOPADHYAY)

PRINCIPAL DIRECTOR OF COMMERCIAL AUDIT
& EX-OFFICIO MEMBER, AUDIT BOARD - II
CALCUTTA

Dated : Calcutta
The 26th September, 1994

annual
report



**REVIEW ON THE ACCOUNTS OF COAL INDIA LIMITED
FOR THE YEAR ENDED 31ST MARCH, 1994 BY THE COMPTROLLER &
AUDITOR GENERAL OF INDIA**

The table below summarises the Financial Position of the Company under broad headings for the last three years.

1. FINANCIAL POSITION :

	(Rs. in crores)		
<u>LIABILITIES</u>	<u>1991-92</u>	<u>1992-93</u>	<u>1993-94</u>
(a) Paid-up	6000.76	6097.84	6104.84
(b) Reserves & Surplus :			
i) Free Reserves & Surplus	—	—	—
ii) Committed Reserves	4.45	6.77	8.38
(c) Borrowings from :			
i) Govt. of India	3874.23	3947.08	3813.67
ii) Others	1119.87	1423.02	1584.68
iii) Interest Accrued and Due	1028.66	1337.44	1292.39
(d) Current Liabilities & Provisions	201.37	262.42	415.80
TOTAL	12229.34	13074.57	13219.76
 ASSETS			
(e) Gross Block	197.43	211.97	240.44
(f) Less : Cumulative Depreciation	48.22	70.92	75.42
(g) Net Block	149.21	141.05	165.02
(h) Capital Work-in-Progress	37.03	39.35	44.93
(i) Expenditure Capitalised	26.39	16.66	12.72
(j) Investments	6128.06	6128.42	6228.42
(k) Current Assets, Loans & Advances	5730.39	6549.43	6535.54
(l) Cumulative Losses	158.26	199.66	233.13
TOTAL	12229.34	13074.57	13219.76
Capital Employed (g+k-d-c (iii))	4649.57	5090.62	4992.37
Net Worth a+b(i) - (i+l)	5816.11	5881.52	5858.99

2. DEBT-EQUITY RATIO :

The Debt Equity ratio of the Company was 0.79:1 in 1991-92, 0.84:1 in 1992-93 and 0.81:1 in 1993-94.

3. SOURCES & UTILISATION OF FUNDS :

Fund amounting to Rs.159.08 crores were generated from internal and external sources and utilised during the year as given below :

(Rs. in Crores)

Sources of Fund :

(a) Increase in Share capital	7.00
(b) Interest received on investment of Bond Redemption Fund	1.61
(c) Increase in Borrowed Fund	28.24
(d) Decrease in Working capital	122.23
TOTAL	159.08

Utilisation of Fund :

(e) Addition to Fixed Assets	28.47
(f) Increase in Capital Work-in-Progress	5.58
(g) Increase in Investments	100.00
(h) Funds applied for operation	
Loss for the year	33.47
Less : Depreciation	(-) 4.50
Less : Misc. expenditure written off	(-) 3.94
	25.03
TOTAL	159.08

4. LIQUIDITY & SOLVENCY

- The liquidity of the Company in terms of percentage of liquid assets i.e. current assets to the total net assets (excluding accumulated loss) of the Company was 0.86% in 1991-92, 1.10% in 1992-93 and 1.20% in 1993-94.
- The percentage of Current Assets to Current liabilities (including provisions and interest accrued and due on loans) which is measure of liquidity was 8.43% in 1991-92, 8.83% in 1992-93 and to 9.16% in 1993-94.
- The percentage of quick assets (Sundry Debtors, Loan & Advances Cash & Bank balances) to Current Liabilities (including provisions) which is another measure of liquidity was 4.86 in 1993-94, 5.30 in 1992-93 and 5.92 in 1991-92.

5. WORKING RESULTS

The working results of the company and inventory levels of finished stock for the last 3 years are as under :-

(Rs. in Crores)

	1991-92	1992-93	1993-94
(a) Sales	139.24	98.63	100.44
(b) Loss after prior period adjustments	22.60	41.40	33.47
(c) Finished stock	22.33	48.11	64.24
(d) Percentage of Finished Goods in Stock to Sales	16.04%	48.77%	63.96%

6. SUNDRY DEBTORS

The percentage of Sundry Debtors to Sales in the last 3 years is given below:

(Rs. in crores)

	1991-92	1992-93	1993-94
(a) Sales	139.24	98.63	100.44
(b) Total Sundry Debtors	9.58	15.48	29.58
(c) Provision for doubtful debts	0.54	0.70	1.45
(d) Percentage of Sundry Debtors to sales	6.88%	15.70%	29.45%

Dated, Calcutta,
The 26th September, 1994

(B. K. CHATTOPADHYAY)
Principal Director of Commercial
Audit & Ex-Officio Member
Audit Board II, Calcutta



AUDITORS REPORT

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

We have audited the attached Balance Sheet of Coal India Ltd. as at 31st March, 1994 and annexed Profit & Loss Account for the year ended on that date, in which are incorporated the accounts of units, branches and other offices audited by Branch Auditors in accordance with the letter of appointment of Company Law Board, Government of India. We report that :

1. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board, we enclose, in the Annexure - A, a statement on the matter specified in the said order.
2. Further to our comments in Annexure - A referred to in paragraph (1) above, we report that :
 - i) subject to our comments in Annexure 'B', we have obtained all the informations 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 as appears from our examination of the books.
 - iii) the Balance Sheet and Profit & Loss Account, dealt with by the report, are in agreement with the books of account.
 - iv) in our opinion, subject to our comments in Annexure 'C' and to the best of our informations and according to the explanations given to us, the said accounts, read with Accounting Policies and Other Notes, give information required by the Companies Act, 1956, in the manner so required, and give true & fair view :
 - a) in the case of Balance Sheet of the state of the Company's affairs as at 31st March, 1994 and
 - b) in the case of Profit & Loss Account of the Loss of the Company for the year ended on that date.

Calcutta :

Dated, the 17th day of
Sept., 1994

For **J. Gupta & Co.**
Chartered Accountants

(S. Chakraborty)
Partner

ANNEXURE - A

Auditors' Report

Management's Reply

(Referred to in Paragraph 1 of our Report of even date)

1. As per our information, the Company has maintained records showing particulars including, in some cases, quantitative details and situation of its fixed assets at head quarter, Dankuni Coal Complex and Regional Sales Offices although as per the guidelines issued by The Institute of Chartered Accountants of India the same cannot be termed as 'proper' and having 'full' particulars. At North Eastern Coalfields, the fixed assets register, as required by law, has been kept which shows full particulars including quantitative details and situations of its fixed assets.

Physical verification of fixed assets has been carried out during the year by the Management. No material discrepancies were noticed on such verification wherever book records reconciled with the physical balances.

2. None of the fixed assets have been revalued during the year.

3. Physical verification of stock of Coal, Coke, other by-products have been carried out by the Management during the year except at Stockyards at Regional Sales Offices and some by products of Dankuni Coal Complex. The basis of factors adopted for conversion of volumetric measurement of coal/coke dump into Metric Ton has not been explained to us although the said factor is being applied consistently as per past practice. The stores and spare parts have been physically verified during the year on the basis of perpetual inventory system so as to cover all items over a period. In our opinion, the frequency of verification is reasonable in case of stores and spares parts.

As brought out in the Audit Reports considerable progress towards maintenance of records of fixed assets has been made and perfection in regard to assets of NEC, the major unit has been achieved. Certain inadequacies in respect of assets records of DCC, CIL Head Quarters and Regional Offices, pointed out by the Auditors are being removed.

No comments

The basis of factors adopted for conversion of volumetric measurement of Coal/Coke stock into weight has since been explained to the Audit.



Auditors' Report

Management's Reply

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| 4. In our opinion and according to the informations and explanations given to us, the procedure of physical verification of stock followed by the management are generally reasonable and adequate in relation to the size of the Company and the nature of its business except with regard to conversion factor as mentioned in 3 above. Further, in our opinion, the procedure needs modification to the extent that the quality and period of holding of stock should also be determined during verification by the stock verifiers. | Some steps in the direction of determining vendibility of stock has been taken. Feasibility of further refinement in the procedure is being examined. |
| 5. On physical verification of stock, the discrepancies between the physical stock and book records were material in some cases and have been properly dealt with in the books of accounts. | No comments. |
| 6. On the basis of information and explanation given to us, valuation of stock is fair and proper and in accordance with the normally accepted accounting principles except as indicated in Note No.4 of Annexure C and Note No.12 below. There has been no change in the basis of valuation of stock as followed in the preceding year. | No comments. |
| 7. The Company has not taken any loan from companies, firm or other parties listed in the register maintained u/s 301 of the Companies Act, 1956 or from Companies under the same management as defined under section 370 (1B) of the Companies Act, 1956. | No comments. |
| 8. The Company is providing funds to the wholly owned subsidiaries in the nature of interest bearing loan which includes loans and accrued interest thereon given by the Government of India to those Companies and routed through the Company. The terms and conditions of loan given to those subsidiaries have not been specified and repayment of loans alongwith interest thereon are not being received from those companies. | No comments. |

Auditors' Report

9. The Company had granted the refundable loan of Rs.134.78 lacs (including Principal Rs.80.06 lacs) to M/s. Jessop & Co. during 1990-91 for a period of one year which has not been repaid alongwith interest accrued and due thereon as per stipulations. However, out of principal Rs. 80.06 lacs, Rs.11.21 lacs has been recovered during the year. In our opinion, Rs.54.72 lacs being accrued interest on loan included in balance of Rs.123.57 lacs as on 31.3.94 should be provided for due to its being doubtful of recovery. The Company has also advanced short term loan to M/s IDPL amounting to Rs. 150 lacs during the year which has become due for payment upto 31.3.93.

Further, the Company has given advances to employees for house building, purchase of motor car, scooters and for medical treatment etc. which are being generally regularly recovered.

10. In our opinion, on the basis of sample checking made by us, and according to the informations and explanations given to us :-
- Internal control procedure, with regards to plant and machinery, equipment and other assets made at RSO and Dankuni Coal Complex are considered adequate but purchases at North Eastern Coalfields, and by Material Management Wing at Head Quarter, are not adequate to commensurate with the size of the company and the nature of its business.
 - Internal control procedure with regard to purchase of Coal and with regard to sale of goods are adequate, except for transportation of coal from subsidiaries to Dankuni Coal Complex where quality of coal received were not analysed and from collieries to Stock Yards at North Eastern Coalfields, where there is scope of reduction of substantial expenses on under-loading/ over-loading charges and on transportation of shale by segregating the same at Colliery loading point, to commensurate with the size of the Company and the nature of its business.

Management's Reply

M/s Jessop & Co. have agreed to allow adjustment of loan amount and Interest against their dues from CIL. Partial adjustment has already been made during 1993-94; balance amount will be adjusted in subsequent period.

Regarding recovery of intercorporate loan to IDPL reference has been made to Ministry of Fertilizers & Chemicals, Govt. of India Guaranteed the loan.

The Company has a comprehensive Material Management Manual which deals with purchase/ material management procedures. The purchase procedure followed in line with said manual have stood the test of time and has not so far attracted any major adverse comments as to its inadequacy from any corner.

Coal supplied from Subsidiaries to DCC is being analysed. Steps have been taken for controlling expenditure of underloading/ overloading and segregation of shales at colliery loading points to the extent possible.

Auditors' Report

Management's Reply

11. In our opinion and according to the informations and explanations given to us, there were no transactions for the purchase of goods and materials and sale of goods, materials and services in pursuance of contract or arrangement recorded in the register maintained u/s 301 of the Companies Act, 1956 and aggregating during the year to Rs.50,000/- or more. However, the Company is purchasing coal from its subsidiaries at notified selling price.

No comments.
12. The Company has determined unservicable or damaged stock of stores, coal, coke and other by-products. The Company has made a provision in the accounts amounting to Rs. 1611.04 lacs for coal stock and Rs.59.89 lacs against stock of stores and spares. However, we are unaware of further provision, if any, which may be required to be made in view of the consistent increase in the inventory due to comparatively non-saleability of the stocks in the open market.

The provisions which accounts for 23% of value of coal stock is considered adequate.
13. In our opinion and according to the informations and explanations given to us, the Company has complied with the provisions of Sec. 58A of the Companies Act, 1956 and their applicable rules framed thereunder with regard to the deposits accepted from the public except in respect of :

No comments.

 - a) Rule 3A regarding maintenance of liquid assets @15% of deposit maturing.
 - b) Rule 6 regarding issuance of deposit receipt to deposit holder within 8 weeks from the date of acceptance.
 - c) Rule 10 regarding filling of Return of Deposits on 31.3.94 with the Registrar and Reserve Bank of India inasmuch as the Return filed is not in conformity with the books of accounts as audited.
 - d) Rules regarding publication of advertisement before acceptance of deposits.

Auditors' Report

Management's Reply

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| <p>14. In our opinion, reasonable records have been maintained by the Company for the sale and disposal of realisable by-products.</p> | <p>No comments.</p> |
| <p>15. The internal audit at North Eastern Coalfields and Dankuni Coal Complex has been conducted by firms of Chartered Accountants and the same is considered adequate. However, management's comments on the audit report were still awaited. Internal audit at headquarter has been conducted by the company departmentally which is not considered adequate to commensurate with the size of company and the nature of its business. Internal audit has not been conducted at the RSOs, RM Office at Delhi and other places.</p> | <p>The Internal Audit Report of NEC & DCC are being studied. Steps have been taken to widen the coverage of audit of Head Quarters & RSO's by Internal Audit Department.</p> |
| <p>16. The maintenance of cost records has not been prescribed by the Central Government under section 209 (i) (d) of the Companies Act, 1956.</p> | <p>No Comments.</p> |
| <p>17. According to the records of the Company, Provident Fund dues have been regularly deposited during the year with the appropriate authorities except considerable delay in the case of North Eastern Coalfields. The Employee's State Insurance Act is not applicable to the Company.</p> | <p>The NEC's dues have since been cleared.</p> |
| <p>18. According to the informations and explanations given to us, no undisputed amount payable in respect of Income tax, sales tax, custom duty and excise duty were outstanding as at 31st March, 1994 for a period of more than six months from the date they become payable except Rs.0.26 lakhs at some RSO's.</p> | <p>No comments.</p> |
| <p>19. According to the informations and explanations given to us, no personal expenses has been charged to revenue other than those payable under contractual obligation and/or in accordance with the generally accepted business practice. An amount of Rs.2.53 lakhs has been shown as advance against Director-in-charge, NEC, at the year end on account of certain</p> | <p>Noted for action in 1994-95.</p> |



Auditors' Report

Management's Reply

telephone, laundry expenses and miscellaneous expenses incurred by him during the year. However, from the records made available to us, we are unable to form an opinion regarding the adequacy of the amount shown as advance vis.-a-vis the expenditure of personal nature incurred by DIC, NEC. The management has assured to look into the matter and take appropriate action for recovery.

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| 20. The provisions of the Sick Industrial Companies (Special provisions, Act, 1988) are not applicable to this Company. | No comments. |
| 21. In respect of the Company's trading activities, as explained to us by the management, there are no damaged goods except to the extent provided for. | No comments. |

For **J. Gupta & Co.**
Chartered Accountants

Calcutta
Dated, the 17th day
of Sept., 1994

(**S. Chakraborty**)
Partner

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report

ANNEXURE - B

Auditors' Report

Management's Reply

(Referred to in Paragraph 2(i) of our Report of even date)

1. Informations/explanations/details/ records have not been made available in respect of the followings:

i) Rs.153.19 lacs payable to Government of India in respect of liability on account of ex-owners of Collieries although efforts have been taken during the year to reconcile the same.

This represents the amount received (net of payments made) from Commissioner of Payments on behalf of Govt. of India in respect of management period of all taken over coal mines. Detailed schedules including ownerwise/ collierywise audited balances (separately for surplus and deficit collieries) have been furnished to Audit.

ii) Extent of economical benefits contemplated out of expenditure, both capital and revenue, being incurred at Gauhati Office of North Eastern Coalfields.

The Gauhati office of North Eastern Coalfields was established in late 1992, with the approval of CIL Board with a view to achieve greater interaction/liaison with the State govt./Railways/ Other statutory bodies in the North Eastern Region for development and expansion of NEC.

iii) Purpose and documents in respect of Rs.1.38 lakhs incurred for coal Sampling incurred by Calcutta office of North Eastern Coalfields.

The expenditure is related to coal sampling of NEC, the details of which are being worked out.

iv) Status of a few old advances and their realisability/adjustment.

Major old advances and liabilities have been adjusted/reconciled during the year. For the other items reconciliation is in progress.

v) Reconciliation of some old liabilities.

2. The security against Cars/Scooters advances to employees have not been registered with appropriate authority.

Noted for corrective action in 1994-95.

3. Confirmation from Collieries for the supply of coal made to the customers directly in respect of some of the RSOs to ascertain whether the service charges have been fully accounted for.

The service charges are collected and accounted for by the RSOs for only those supplies for which the services are rendered by the RSO's. All such service charges have been accounted for.

For direct supply from colliery to the consumers, consumers service charges are not applicable.



Auditors' Report

Management's Reply

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| 4. Penal interest have been charged by Banks for excess drawals/delay in submission of return. The calculation thereof have not been furnished to us and as a result we are not in a position to opine on the correctness of the same. | The calculations have been checked and duly accounted for. |
| 5. Reasons for variation of current year's revenue and Balance Sheet items compared to last year and/or norms therefor. | Clarification for major variations, to the extent asked for have been provided. |
| 6. Confirmation of balances with suppliers, customers, railway claims and government. | Noted. |
| 7. Rs.157.84 lacs lying credited to Sundry Creditors for goods lying in head quarters books represents the liability for coal bills of Regional Sales Offices. Since, supporting such as, stock register, challans, related expenditure on freight etc. relating to receipt of coal from subsidiaries etc. are lying at the respective RSO's and is not reported upon by branch auditors, being within their scope of audit, we have not verified the same in the absence of proper records. | The relevant schedules alongwith the copies of accepted bills sent by the Regional Sales Offices have been submitted to the audit. |

For **J. Gupta & Co.**
Chartered Accountants

Calcutta,
Dated the 17th day
of Sept., 1994

(S. Chakraborty)
Partner

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ANNEXURE - C

Auditors' Report

Management's Reply

(Referred to in Paragraph 2 (iv) of our Report of even date)

Observation on accounts.

1. FIXED ASSETS

Capital Work-in-Progress :

Rs.528.30 lakhs has been incurred upto 31.03.1994 on certain Exploratory Mines and Projects being worked out since last several years. In view of the abnormally long gestation period already elapsed without getting success in commencing commercial production economically and also in view of increasingly competitive market of Meghalaya coal consequent on the liberalisation of Indian economy, in our opinion, the expenses already incurred may not be economically utilised/ recovered.

The expenditure on exploratory mines and projects is, futuristic by nature. If any of the projects/ schemes are abandoned appropriate effect in the accounts will be given as and when the situation arises.

2. INVESTMENTS

i) Investment in Central Coalfields Ltd., amounting to Rs. 14396.40 lacs are still held in the name of M/s.Coal Mines Authority Ltd. instead of Coal India Ltd., consequent on the change of name of the Company from former to latter.

Noted for action.

ii) The Company has investments aggregating to Rs.6,22,842.09 lacs in wholly owned subsidiaries. In addition, it has dues from some of these Companies on current account amounting to Rs.637897.41 lacs. Some of these Companies have incurred substantial losses as shown by their latest audited accounts. No provision has been made for possible losses in respect of investment and other dues.

Investment in subsidiary Companies are valued at cost and suitably disclosed in the Accounting Policy no.11.



Auditors' Report

Management's Reply

3. CASH & BANK BALANCES

Credit balances amounting to Rs. 58.25 lacs lying in Current Accounts with the Schedule Banks for payment of interest warrants issued but not presented for payment which has neither been reconciled nor disclosed in the accounts. This includes Rs. 2.90 lakhs which has been transferred to cash credit account of the Company after the year end.

The balance, lying with the Banks is the amount due to the deposit holders for which the Company has already issued the warrants and as such the question of disclosing the same under Cash & Bank balance does not arise. Further, reconciliation of outstanding warrants is a continuous process and adjustments are made as and when complete details are available.

Nominal amounts outstanding at two Banks (viz. Canara & PNB) which have been determined in 1994-95 as not required for this purpose any more, has been transferred to cash credit A/c in 1994-95.

4. INVENTORIES

Assam Land Tax is payable on the basis of production irrespective of the realisation thereof from the customers. As such, the liability towards Assam Land Tax is the charge to the company and should form part of the valuation of the closing stock of coal to the extent out of the production before withdrawal of the said tax with effect from 1.2.1994. The valuation is understated to this extent.

As per policy of the Company, the stock of coal, coke etc. are valued at net realisable value excluding levies. Since the liability for Assam Land Tax has been provided in full as per statute and no levies is to be considered for stock valuation purpose, the question of undervaluation of stock does not arise.

5. LOANS & ADVANCES

- i) Rs. 1311.00 lakhs invested by the company under Portfolio Management Scheme with wholly owned subsidiaries of nationalised banks to create fund for future redemption of Bonds, carry lower minimum assured return compared to interest paid by the company on bank borrowings, although management feels that this investment was necessary to enable the company to meet its commitment to redeem the Bonds on maturity.

The interest rate on the investment is the best offer received after inviting quotation from a number of nationalised Banks and their subsidiaries.

Auditors' Report

Management's Reply

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| <p>Further, no Bond Redemption Reserve exists against deposit with Bank for Bond Redemption although accrued income thereon amounting to Rs.492.91 lacs has corresponding Bond Redemption Reserve which is not accounted for as per normally accepted accounting principles.</p> | <p>As per consistent practice the accrued income has been credited to Reserve a/c. and not in the P & L a/c.</p> |
| <p>ii) The Company has made a short term loan of Rs.150 lacs to M/s. IDPL although the company's main objects do not permit advancing such loans.</p> | <p>The short term loan to IDPL has been given as per Board's approval and covered by Guarantee given by Govt. of India.</p> |
| <p>iii) Rs.61.12 lacs receivable from and Rs.121.34 lacs payable to Custom Authorities which represent some old amount lying in reconciliation which have not been accounted for by the Company.</p> | <p>Pending reconciliation/adjustment, amount paid to Custom Authorities has been shown under the head — "Loans & Advance - Custom Duties."</p> |
| <p>iv) Other deposits include several payments the particulars whereof are not made available to us and as such we are unable to state whether any advances have been disclosed as deposits.</p> | <p>No advances has been shown as deposits.</p> |
| <p>v) Debtors and advances include certain old balance realisability and/or adjustability of the same appears to be not certain in some cases and not provided for.</p> | <p>Suitable provisions for doubtful debt/advance have been made.</p> |
| <p>vi) Pending items in reconciliation with subsidiaries balances include some very old items. The financial implications of such pending adjustments have not been ascertained by us.</p> | <p>Several major pending items have been reconciled during the year. Certain other Debit/Credit transactions made on behalf of subsidiaries by CIL could not be adjusted by the subsidiaries pending linking up/completion of verification and acceptance by concerned units.</p> |
| <p>vii) We have not been explained the extent of demurrage and penal rental charges, which forms substantial part of total port trust charges of Calcutta Port Trust amounting to Rs.333.71 lacs as accounted for during the year.</p> | <p>Noted for action in 1994-95.</p> |



Auditors' Report

Management's Reply

6. CURRENT LIABILITIES & PROVISIONS

Estimated liability for value of work done upto 31.3.94 from the period upto which the last running bill has been received from the Contractors have not been provided for in the absence of proper information or bills from the Contractors for NEC.

As per consistent practice liability has been provided on the basis of bills received. Action for providing liability on the basis of value of work done will be taken in 1994-95.

7. UNSECURED LOANS

Public Deposits :

a) Fixed Deposit Register is not reconciled with the Accounts. Deposits as per the Register are more by Rs. 10.68 lakhs which, we are informed, is due to discrepancies in earlier years and the same is stated to be under reconciliation.

Noted for action in 1994-95.

b) Rs.163.20 lacs is understandably received from employees by way of deduction from salary. The said amount is not disclosed in the accounts although interest amounting to Rs.7.04 lakhs has been provided for on such deposits calculated at simple yield rate of 17.26% equivalent to 14% commulative rate, compounded at monthly rests.

Noted.

8. RESERVES & SURPLUS

Rs.160.58 lacs being amount credited to Bond Redemption Reserve during the year instead of charging to Profit & Loss Account represents the minimum assured return on deposits made under portfolio management scheme. The loss for the year is overstated to this extent.

As per consistent practice the amount has been correctly credited to Reserve & Surplus and not in P & L a/c.

9. PROFIT & LOSS ACCOUNT

i) Gratuity has been paid to employees who have left the services of the company during the year for their full service period including for the period for which they were employed in the

No comments.

Auditors' Report

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subsidiaries of the company and the full amount so paid has been charged to the accounts of the company as per prevalent and consistent policy followed by the company.

- ii) a) Interest on cash credit Account with banks has been under/over charged in the accounts as follows :

(Rs. in lacs)

Bank	Accounted for Co/ch- arged by banks	Interest Chargeable
State Bank	Rs. 2705.48	Rs. 2712.46
P. N. B.	Rs. 845.79	Rs. 841.79
U. B. I.	Rs. 301.69	Rs. 295.95
Dena Bank	Rs. 325.85	Rs. 337.36

Management has taken appropriate actions to regularise the discrepancies.

- iii) Expenses for Overburden Removal incurred at North Eastern Coalfields in respect of area where coal not yet exposed and/or exploited fully have not been proportionately carried forward and the same is as per the consistent accounting policy followed by the company.

Action has been taken for settling the amount overcharged/undercharged by the Banks.

No comments.

10. The Balance Sheet as at 31st march, 1994 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 18th August 1994, and reported upon by us on 23rd August 1994 have been revised. We further state that in view of the information/explanations subsequently furnished to us, we have suitably amended/modified our report dated 23rd August, 1994. The revision has affected the Accounts of the Company as per Note 11 of Schedule "N" to the Accounts.

No comments.

For **J. Gupta & Co.**
Chartered Accountants

Calcutta,
Dated the 17th day
of Sept., 1994

(S. Chakraborty)
Partner



ANNEXURE FORMING PART OF DIRECTORS' REPORT FOR THE YEAR ENDED 31-3-94

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 1993-94

Sl. No.	Name	Designation	Total Remuneration for the year/part of the year (Rs.)	Qualification	Date of joining of CIL	Date of birth held before joining the Company	Last employment
1	2	3	4	5	6	7	8
1.	Sri S. K. Chowdhary	Chairman	2,96,250.00	B. Sc. (Hons) (Mining) 1st Class, B. L. FIME (London) FIE (India)	31.7.91	1.1.37	C. C. L.
2.	Sri P. K. Sengupta	Director (F)	1,86,642.00	B. Com., ICWA	14.5.91	8.9.40	E.C. L.
3.	Sri R. A. P. Singh	Director (P)	1,85,817.00	BA, BL, DSW	21.2.92	27.12.37	E. C. L.
4.	Sri I. B. Pandey	DIC, NEC	2,47,000.00	BA, MAS, Hindi Visharad, Sahitya, Ratna	16.2.93	29.1.37	N. C. L.
5.	Sri S. K. Chatterjee	IG/ED (Vigilance)	1,63,664.00	I. P. S.	29.6.89	4.4.41	On deputation Govt. of Orissa.
6.	Sri J. P. Dasgupta	A.C.M.M.	1,86,815.00	AISM (Mining), B. Sc. (Mining Engg.)	1.8.73	17.1.43	Bengal Coal Co.
7.	Sri L. K. Bose	E.D. (CP & P)	1,47,853.00	1st Class Mining, B. Sc. (M), AISM	14.5.90	21.11.38	E. C. L.
8.	Sri C. P. Bansal	E. D. (Prod)	1,49,260.00	1st Class Mining, B.Sc. (M)	24.11.93	12.8.37	E. C. L.
9.	Dr. C. K. Basu	M. S.	2,19,504.00	B. Sc. MBBS	11.11.77	15.1.38	C. C. L.
10.	Dr. B. K. Baruah	Dy. CMO	2,00,325.16	MBBS, DAMO	17.1.78	1.3.43	Fresh Apptt.
11.	Dr. U. C. Das	Dy. C. M. O.	1,94,054.18	MBBS, MSFICS	8.3.82	1.8.50	Fresh Apptt.
12.	Dr. M. B. Roy	Med. Supdt.	1,78,862.80	MBBS, DIH	1.12.71	1.10.47	Taken over
13.	Dr. T. C. Borthakur	Med. Supdt.	1,87,794.34	MBBS, MD	14.9.81	6.2.53	Fresh Apptt.
14.	Dr. Md. Akbar	Dy. Med. Supdt.	1,73,188.49	MBBS, MD	12.11.84	19.8.55	Fresh Apptt.
15.	Dr. (Mrs.) M. S. Gogoi	Dy. Med. Supdt.	1,64,533.17	MBBS	22.10.81	2.10.57	Fresh Apptt.
16.	Dr. S. A. Rahman	Med. Supdt.	1,73,722.30	MBBS	3.4.74	1.1.48	Fresh Apptt.
17.	Dr. S. B. Das	Med. Supdt.	1,73,193.73	MBBS, DIH	25.11.78	1.1.52	Fresh Apptt.
18.	Dr. A. C. Borthakur	Med. Supdt.	1,83,691.02	MBBS	23.4.71	1.5.38	Taken over
19.	Dr. H. R. Swargiri	Addl. CMO	2,37,459.07	MBBS, DA, MD	29.7.77	31.12.44	B. C. C. L.

(B) EMPLOYED FOR PART OF THE YEAR 1993-94

1.	Dr. S. K. Ghosh	Director (T)	1,12,973.00	B. Sc. Mining, 1st Class (UK) PHD, Mining (UK) AMIMIN (E) (London)	15.7.91	16.12.35	B. C. C. L.
2.	Shri A. R. Sen	CME	1,48,693.00	2nd Class Mining Manager, BE (Mining)	15.2.82	23.2.39	C.C.L.
3.	Sri R. N. Sinha	Dy. Chief Statistical Manager	1,60,247.00	M. Sc. (Statistics)	25.6.73	10.2.36	N. C. D. C.