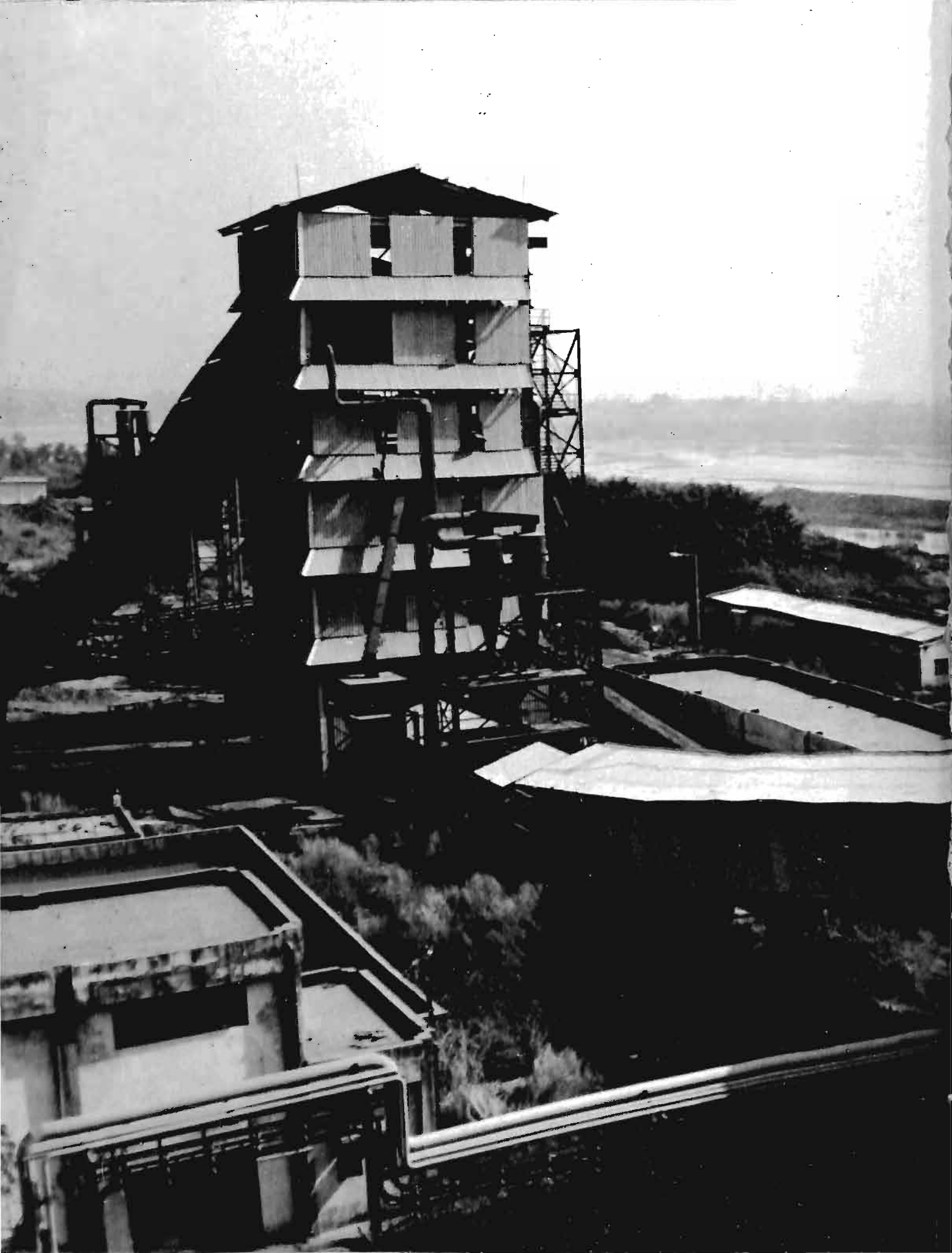


**ANNUAL
REPORT AND ACCOUNTS
1995-96**

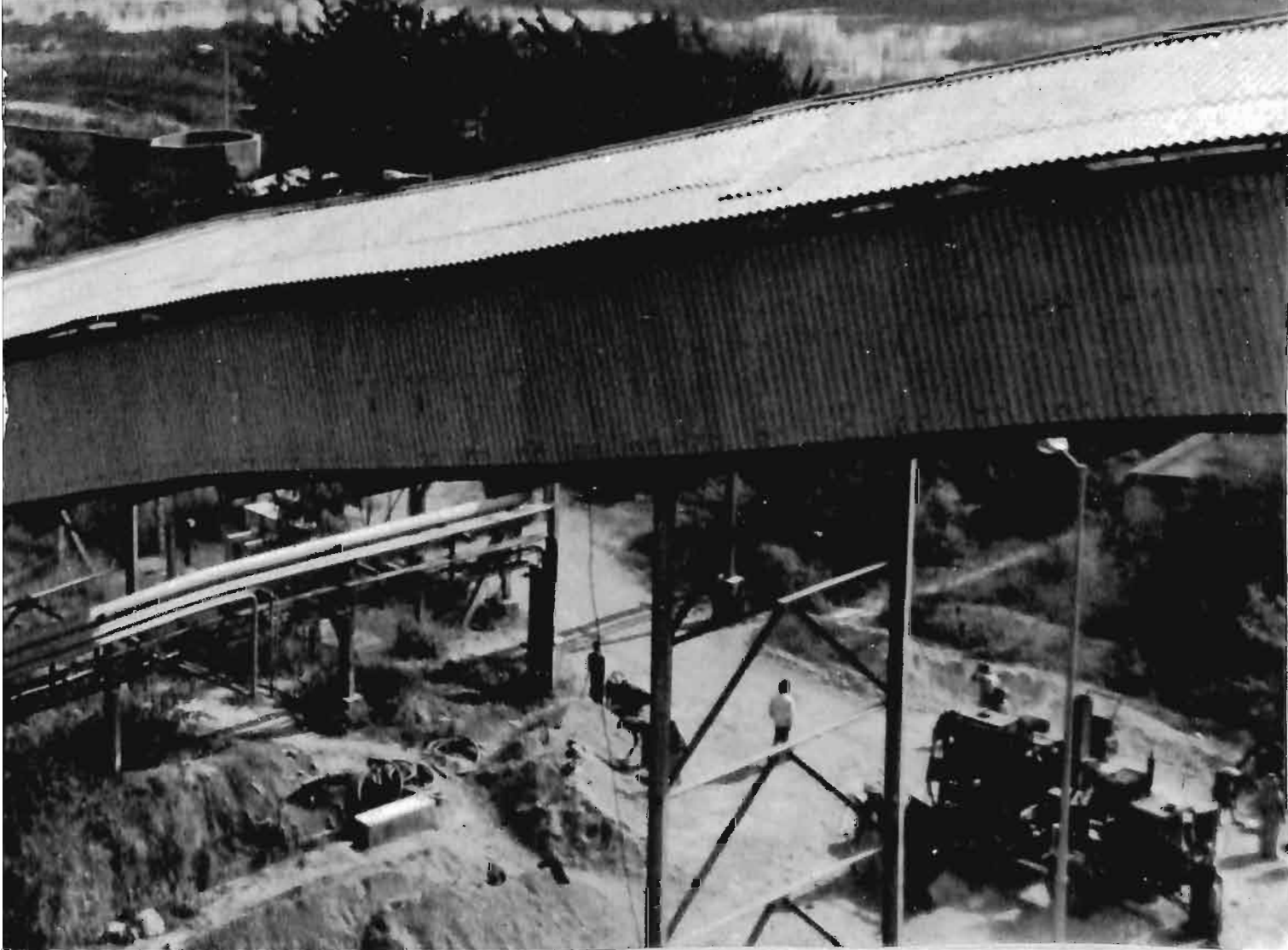


Coal India Limited



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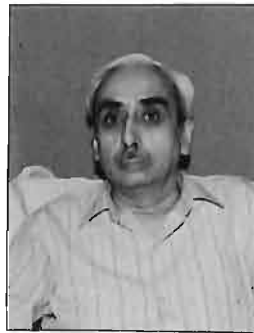
Board of Directors



Shri P. K. Sengupta



Shri P. K. Banerji



Shri Shanti Narain



Shri Vivek Mehrotra



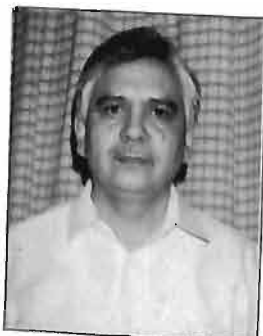
Shri U. K. Mittal



Shri M. C. Mahapatra



Shri U. Kumar



Shri C. H. Khisty



Shri A. K. Sahay

Members of the Board

(As on 27th September, 1996)

CHAIRMAN

Shri P. K. Sengupta

FUNCTIONAL DIRECTORS

Shri C. H. Khisty

— Personnel & Industrial Relations

Shri A. K. Sahay

— Technical

DIRECTORS

Shri P. K. Banerji

— Additional Secretary
Ministry of Coal, New Delhi

Shri Vivek Mehrotra

— Joint Secretary & Financial Adviser
Ministry of Coal, New Delhi

Shri Shanti Narain

— Adviser (Traffic)
Railway Board, New Delhi

Shri U. K. Mittal

— Director (Operations)
Steel Authority of India Limited
New Delhi

Shri M. C. Mahapatra

— Chairman-cum-Managing Director
Singareni Collieries Co. Ltd.
Kothagudem

Shri U. Kumar

— Chairman-cum-Managing Director
South Eastern Coalfields Limited
Bilaspur (MP)

COMPANY SECRETARY

Shri U. Suryanarayana

Management During 1995-96

CHAIRMAN

Shri P. K. Sengupta — (From 31.12.1994)

FUNCTIONAL DIRECTORS

Shri C. H. Khisty — Personnel & Industrial Relations
(From 6th February, 1996)

Shri T. K. Deb — Technical
(Upto 30th June, 1996)

Shri R. A. P. Singh — Personnel & Industrial Relations
(Upto 31st December, 1995)

DIRECTORS

Shri B. N. Makhija — Additional Secretary, Ministry of Coal
(Upto 12th February, 1996)

Shri Vivek Mehrotra — Joint Secretary & Financial Adviser
Ministry of Coal (From 16th Feb., 1995)

Shri U. K. Mittal — Director (Operations)
Steel Authority of India Limited
(From 8th December, 1994)

Shri Shanti Narain — Adviser (Traffic), Railway Board
(From 13th February, 1996)

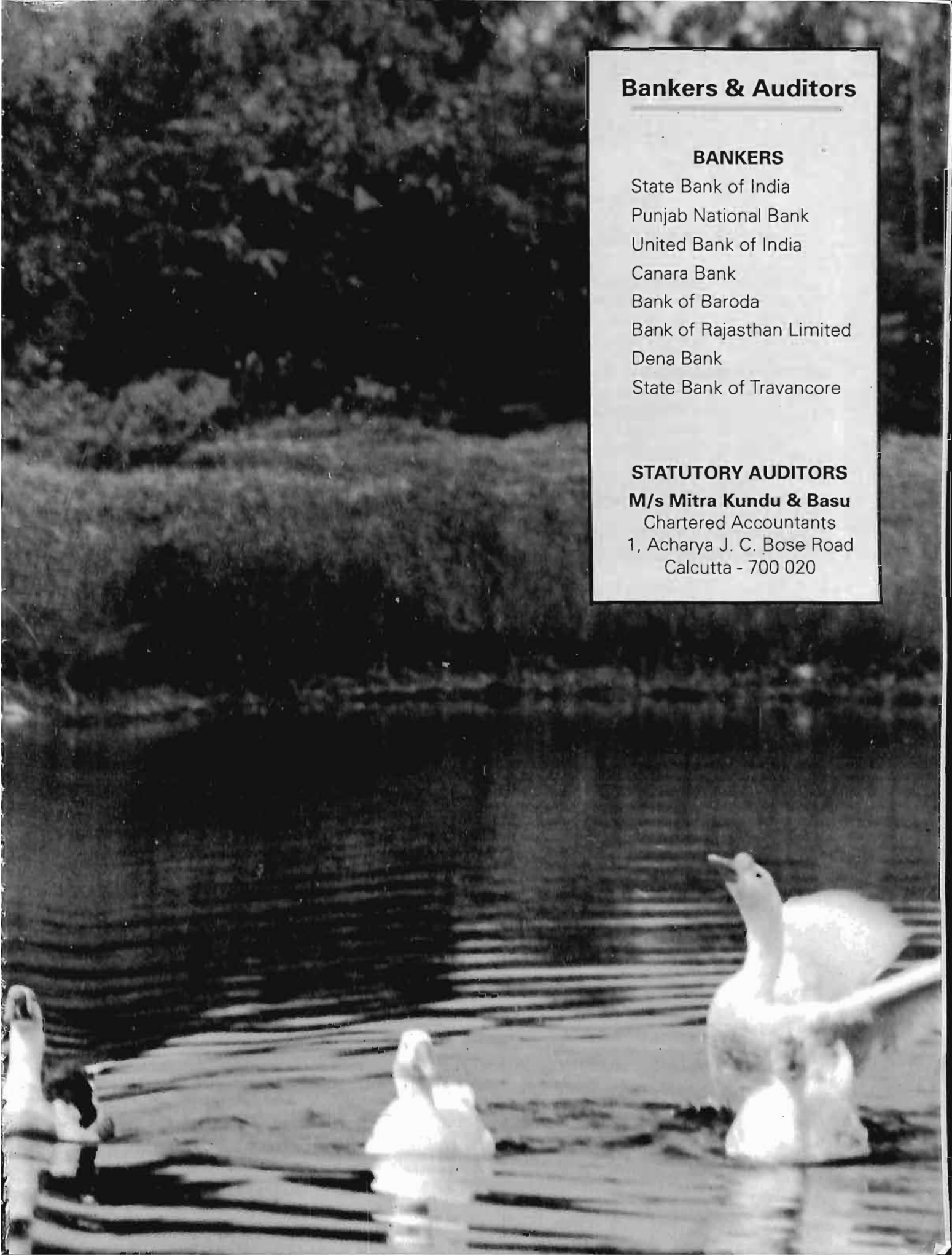
Shri U. Kumar — Chairman-cum-Managing Director
South Eastern Coalfields Limited
(From 13th February, 1996)

Shri M. A. Ubaid — Chairman-cum-Managing Director
Central Coalfields Limited
(Upto 2nd November, 1995)

Shri C. R. Das — Chairman-cum-Managing Director
Mahanadi Coalfields Limited
(Upto 15th March, 1996)

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 Mitra Kundu & Basu
Chartered Accountants
1, Acharya J. C. Bose Road
Calcutta - 700 020

Notice

NOTICE OF THE 22ND ANNUAL GENERAL MEETING OF COAL INDIA LIMITED

Notice is hereby given to all Shareholders of Coal India Limited that the Twenty-Second Annual General Meeting of the Company will be held on Friday, the 27th September, 1996 at 3.00 P.M., at the Registered office of the Company at Coal Bhawan, 10, Netaji Subhas Road, Calcutta to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 1996 and Profit and Loss Account for the year ended 31st March, 1996 together with the Reports of Statutory Auditors, Comptroller & Auditor General of India and Directors' Report.
2. To appoint a Director in place of Shri P. K. Banerji 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 Vivek Mehrotra 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 U. K. Mittal 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 Shanti Narain who retires in terms of Article 33(d)(iii) of the Articles of Association of the Company and is eligible for reappointment.
6. To appoint a Director in place of Shri M. C. Mahapatra who retires in terms of Article 33(d)(iii) of the Articles of 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 Articles of Association of the Company and is eligible for reappointment.

By order of the Board

Sd/-

(U. Suryanarayana)
Company Secretary

Calcutta

Dated 14th September, 1996

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



I have pleasure in welcoming you to the 22nd Annual General Meeting of Coal India Limited (CIL). The report of the Directors on the performance of your Company and its Subsidiaries for the year 1995-96 is already with you.

1995-96 has been a year of remarkable improvement in performance of CIL. Offtake (Despatches plus internal consumption) of coal has increased by 16.71 Million Tonnes which is the highest increase ever in any year since inception of CIL. Such major increase in the volume of offtake has helped CIL to achieve 12.4% growth in sales, net of levies and taxes. During the year till 31.3.96 prices of all grades of coal produced by CIL continued to be the same as was notified by the Government on 17th June, 1994 excepting that the add ons like Long Flame Premium was revised by Govt. on 29.12.1995 and WCL was allowed to charge administered prices applicable for Singareni Collieries Companies Limited w.e.f 22.3.96.

The increase in sales was achieved largely by improvement in utilisation of existing resources and the sales to capital

employed ratio improved to 1.15 from 1.03 in the previous year.

There has been significant improvement in management of coal sale dues and stock. The level of debtors in terms of number of months' sales has been reduced from 2.60 to 1.90. Value of coal stock in terms of number of months' sales has been brought down from 1.77 to 1.56 and the stock of stores and spares which was equivalent to 6.67 months' consumption as at the end of 1994-95 has been reduced to 6.12.

With these measures, coupled with the relief of waiver of over due interest allowed by the Govt., the aggregate net profits of CIL and its Subsidiaries improved to a record level of Rs. 611.44 crores as against Rs. 29.73 crores in the previous year. Net profit of 1995-96 as a percentage of net worth as at the end of the year improved to 11%. Having earned profits for 5 years in succession, accumulated aggregate loss of CIL and its Subsidiaries which reached a peak of Rs. 2498.98 crores as at the end of 1990-91 has been reduced to Rs. 1312.29 crores. It is expected that the remaining accumulated loss would be wiped out within the next two years.

One of the most significant events of the year is de-regulation of coking coal as well as Grade A, B & C of non-coking coal. Under the order dated 22.3.1996 issued by the Ministry of Coal, nearly 40% of CIL's production has become free from price and distribution controls. It is expected that the de-regulation will help determination of the prices of these grades of coal on the basis of its value as perceived by the market.

In pursuance of the policy of encouraging coal mining by the consumers in Power, Steel and Cement Sector, CIL have identified 56 mining blocks having a geological reserve of 16.554 Billion Tonnes for consideration of the Screening Committee for allotment to the interested consumers who are eligible under the amended Coal Mining Nationalization Act. So far the Screening Committee has allotted 25 blocks/sub-blocks with aggregate geological reserve of 6.175 Billion Tonnes.

Substantial reduction in import duty on non-coking coal in two stages from 85% to 25% has opened up the possibility of imported coal emerging as strong competitor in the coastal power stations. For CIL the challenge is to step up coal production at competitive cost by improving utilization of existing resource and by providing adequate resources for financing coal projects. With budgetary support being phased out, CIL have been looking for various options for funding the coal projects. The response to CIL's efforts to secure credit for procurement of equipment has been quite encouraging.

While the discussions with the World Bank for financing of Coal Sector Rehabilitation Project (CSRP) by the Bank to the extent of around 1 Billion U.S. \$ with co-financing from JEXIM Bank continue, the Bank has approved IDA loan of 63 million US \$ for implementation of Environmental & Social Mitigation Project (ESMP) in the 25 Sub-projects covered under CSRP. During the ensuing visit of President, World Bank to Talcher Coalfields of MCL, CIL would take the opportunity of apprising him about the efforts being made by CIL and its Subsidiaries to mitigate environmental and

social impact of mining coal.

Your Company continues to lay great emphasis on safety in the mines. The system of safety clearance of mine workings has been introduced requiring prior clearance of working plans from safety angle. In addition to the statutory measures to ensure safety, monitoring of safety status of every individual mine has been strengthened through monthly safety status reports. Unfortunately, heavy and unprecedented rains in Dhanbad-Jharia Coalfields in Sept. '95 led to inundation of Gaslitand and 5 other mines of BCCL. Recovery operations were undertaken on war footing but loss of 77 lives could not be avoided. The Company deeply mourn the untimely death of these members of CIL family. All help and support required, including employment to the dependents and education for the children, has been provided.

Adequate emphasis has been placed on consumer satisfaction. Adoption of various measures like extensive shale/stone picking, selective mining, advance stripping of overburden and improved blasting technique for better fragmentation of coal have collectively resulted in marked reduction of consumer complaints. The number of complaints per million tonne of coal despatched has reduced from 1.42 in 1994-95 to 0.84 during 1995-96.

Your Company continues to lay stress on welfare of employees. Substantial addition to housing and medicare facilities has been made during the year. As a consequence the overall housing satisfaction has improved to 61% and the number of employees per hospital bed has declined to a comfortable level of 120.

The industrial relations climate continued to remain generally cordial. The National Coal Wage Agreement-V has been implemented and the long outstanding matter regarding pay revision of executives has been settled.

With dedicated performance at all levels I look forward to scaling of new heights by your Company, not only in physical and financial performance,

but also in fulfilling its obligations to its consumers as well as the nation at large.

I take the opportunity of expressing my sincere thanks to our consumers, suppliers, State Governments, Ministry of Coal and other Central Govt. Departments/ Ministries, the trade unions and all our employees for their unstinted support and co-operation.

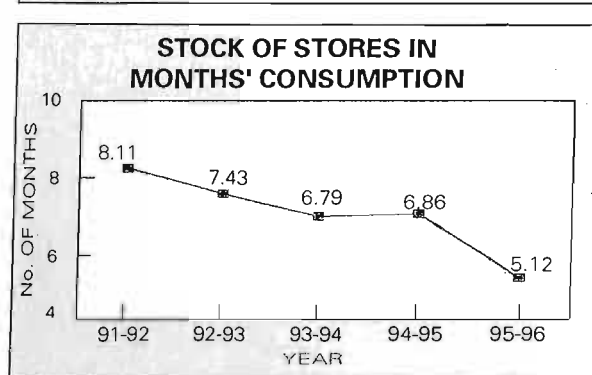
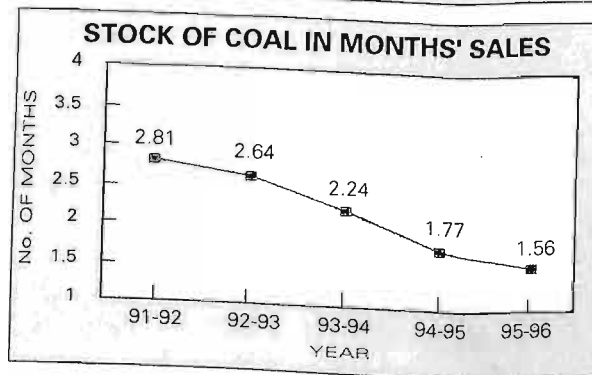
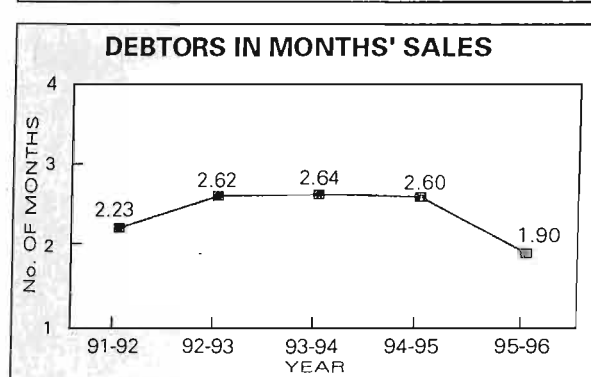
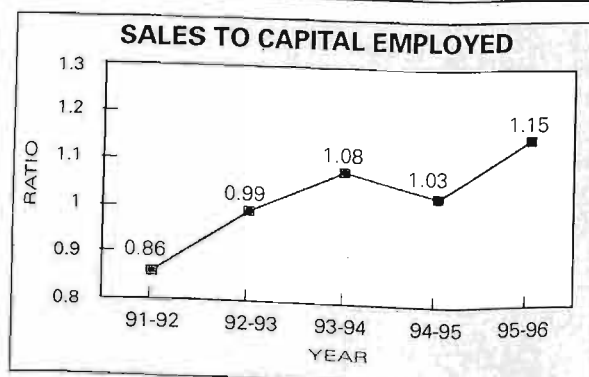
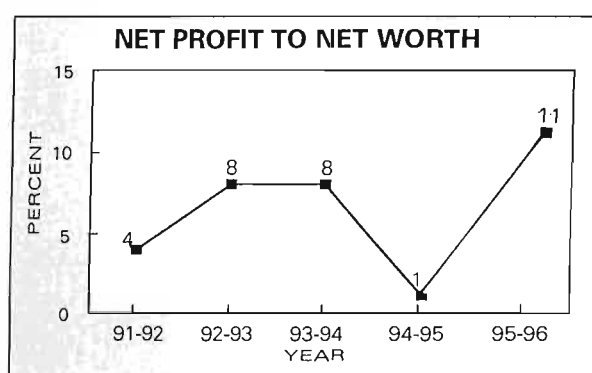
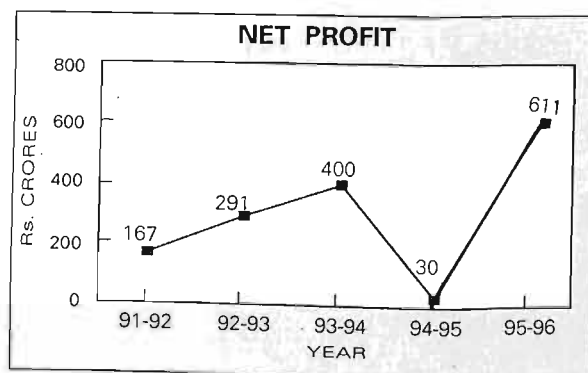
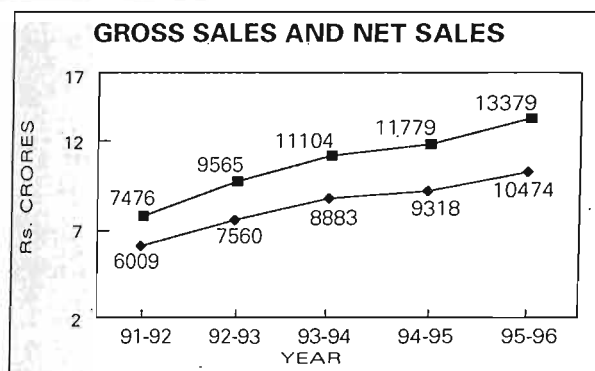
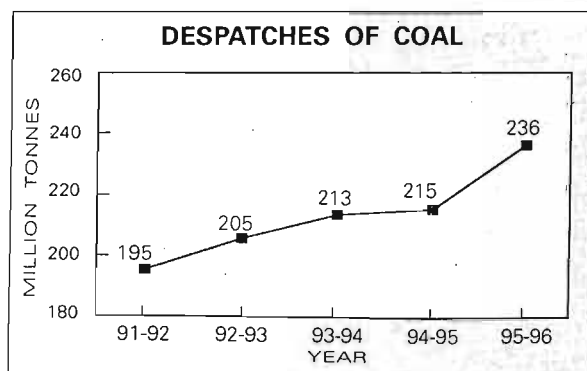
Calcutta
Dated, Sept. 27, 1996

P. K. Sengupta
Chairman



Smt. Kanti Singh, Hon'ble Minister of Coal, during her visit to "Earth Science Museum", CMPDIL, Ranchi.

Performance of Coal India Limited At a Glance



OPERATIONAL STATISTICS

(CONSOLIDATED FOR COAL INDIA LIMITED & ITS SUBSIDIARY COMPANIES)

Year Ending 31st March	1996	1995	1994	1993	1992	1991	1990	1989	1988	1987
1. (a) Production of Raw Coal (Million Tonnes)										
Under Ground	54.82	55.60	56.55	57.06	56.82	56.09	58.71	61.28	59.04	60.07
Opencast	182.43	167.46	159.55	154.16	147.34	133.56	119.89	110.22	99.98	84.70
TOTAL	237.25	223.06	216.10	211.22	204.16	189.65	178.60	171.50	159.02	144.77
(b) Overburden Removal (Million Cub. Mts.)	361.70	340.09	325.46	309.64	298.30	284.76	278.44	246.22	212.04	185.62
2. Off take (Raw Coal) (Million Tonnes)										
Power	165.97	148.29	144.39	131.31	124.54	109.72	100.38	89.24	82.18	71.26
Steel/Hard Coke	20.43	21.30	21.48	21.22	16.59	20.40	19.49	20.32	19.47	19.11
Railway	0.28	0.59	1.78	2.81	3.93	4.58	5.11	5.57	6.36	6.83
Domestic & Boiler Use	3.00	3.20	3.27	3.38	4.36	3.46	3.47	3.50	3.48	3.54
Others	49.62	49.21	45.61	49.47	48.75	44.99	45.14	46.39	42.44	40.91
TOTAL	239.30	222.59	216.53	208.19	198.17	183.15	173.59	165.02	153.93	141.65
3. Average Manpower	638814	648519	659647	667459	672217	670515	669072	672231	674004	672960
4. Productivity										
(A) Average per Man per year (Tonnes)	371.41	343.97	327.60	316.45	303.71	282.84	266.94	255.12	235.93	215.12
(B) Output per manshift (OMS)										
(i) Under Ground (Tonnes)	0.57	0.57	0.55	0.55	0.53	0.54	0.55	0.57	0.54	0.54
(ii) Opencast (Tonnes)	4.74	4.35	4.00	3.80	3.70	3.34	3.06	2.91	2.65	2.44
(iii) Overall (Tonnes)	1.77	1.64	1.52	1.46	1.41	1.31	1.21	1.15	1.08	0.99
5. Information — As per Cost Report										
(i) Earning per Manshift (Rs.)	280.10	237.78	209.32	191.79	170.85	153.76	146.21	129.75	111.52	104.29
(ii) Avg. Cost of Production of Net Saleable Coal (Rs. P.T.)	412.66	380.45	377.56	334.31	301.67	277.18	264.69	252.91	229.46	221.54
(iii) Avg. Sale Value of Production of Net Saleable Coal (Rs. P.T.)	426.52	418.80	401.36	356.38	302.16	268.17	273.64	252.29	215.41	202.80

FINANCIAL POSITION

(CONSOLIDATION OF AUDITED ACCOUNTS OF COAL INDIA LIMITED & ITS SUBSIDIARIES)

	(Rs. Crores)									
Year Ending 31st March	1996	1995	1994	1993	1992	1991	1990	1989	1988	1987
(A) What is owned										
Gross Fixed Assets	17119.09	15570.04	13554.87	11902.43	10423.77	8917.20	7506.93	6425.84	5495.21	4701.06
Less Depreciation	7381.46	6530.28	5667.04	4853.87	4124.66	3480.56	2900.54	2417.72	2011.72	1661.19
(1) Net Fixed Assets	9737.63	9039.76	7887.83	7048.56	6299.11	5436.64	4606.39	4008.12	3483.49	3039.87
(2) Capital Work-in-Progress	2281.38	2326.80	2737.41	2701.92	2373.09	2124.47	2133.83	1824.17	1443.68	1179.63
(3) Misc. expenditure - (incl'd. Deferred R.E., etc.)	546.98	234.65	165.69	104.61	69.92	60.57	37.92	6.34	5.81	8.34
(4) Investment (internal)	0.08	0.10	0.08	0.08	0.10	0.08	0.10	0.17		
(5) Current Assets :										
(i) (a) Inventory of Coal, Coke etc.	1363.89	1374.86	1656.35	1660.64	1404.69	999.53	875.21	793.03	585.79	530.96
(b) Inventory of Stores & Spares etc.	911.17	889.91	810.37	750.49	695.24	658.22	571.08	506.07	471.39	438.03
(c) Other Inventories	57.24	52.91	42.33	35.57	23.40	21.94	17.36	14.13	13.62	13.23
(ii) Sundry Debtors	2167.95	2555.55	2443.31	2090.73	1390.30	1433.75	1441.92	988.50	722.73	465.45
(iii) Cash & Bank Balances	255.18	340.59	218.13	186.63	146.33	181.75	174.90	161.72	142.37	141.70
(iv) Loans & Advances (incl'd. Other C/Assets & Adj't)	823.74	735.11	761.87	978.55	849.39	1082.09	820.08	584.56	657.01	736.20
(v) O.B.R. Adjustments	- 158.31	- 44.21	20.09	3.42	47.73	10.00	- 10.69	- 48.84	- 5.33	44.50
Total Current Assets (5)	5420.86	5904.72	5952.45	5706.03	4557.08	4387.28	3889.86	2999.17	2587.58	2370.07
(6) Less Current Liab. & Prov. (Excl'd. Intt. Acct. & Due)	5946.96	4816.42	4278.21	3767.04	2839.13	2456.97	2142.43	1870.60	1514.74	1601.34
(7) Net Current Assets (5-6)	- 526.10	1088.30	1674.24	1938.99	1717.95	1930.31	1747.43	1128.57	1072.84	768.73
TOTAL (A) (1+2+3+4+7)	12039.97	12689.61	12465.25	11794.16	10460.17	9552.07	8525.67	6967.37	6005.82	4996.57
(B) What is owed										
(1) Govt. Loan	3737.83	3813.58	3813.67	3947.08	3874.23	3804.27	3744.60	3319.60	3090.13	2715.62
(2) Interest Accrued & Due	59.82	1122.64	1289.26	1334.31	1025.53	921.45	685.90	605.09	580.05	278.02
(3) Intercompany Loan	102.82	130.00	300.00	500.00	225.00	100.00	125.00	100.00		
(4) Term Loan (F. Intt. & Banks)	99.27	116.13	59.38				70.00			
(5) Bonds	1100.00	1100.00	800.00	600.00	600.00	600.00	200.00			
(6) Others	1057.62	941.10	759.04	619.52	447.51	279.68	110.98	46.67	40.20	25.46
SUB-TOTAL (1 TO 6)	6157.36	7223.45	7021.35	7000.91	6172.27	5705.40	4936.48	4071.36	3710.38	3019.10
(7) Bank Borrowings (incl'd. Cash Cr. etc)	561.89	472.37	692.41	455.12	341.89	355.04	333.98	167.88	189.63	200.27
TOTAL (B)	6719.25	7695.82	7713.76	7456.03	6514.16	6060.44	5270.46	4239.24	3900.01	3219.37
Net Worth (A-B)	5320.72	4993.79	4751.49	4338.13	3946.01	3491.63	3255.21	2728.13	2105.81	1777.20
Represented by :										
(1) Equity Capital (incl'd. pending allotment)	6316.36	6316.36	6104.84	6097.85	6000.76	5713.31	5223.86	4764.16	4120.34	3559.50
(2) Reserves	316.65	324.80	414.53	334.81	299.24	277.30	280.95	289.74	245.22	251.42
(3) Profit/Loss (+) / (-)	- 1312.29	- 1647.37	- 1767.88	- 2094.53	- 2353.99	- 2498.98	- 2249.60	- 2325.77	- 2259.75	- 2033.72
Net Worth (1 to 3)	5320.72	4993.79	4751.49	4338.13	3946.01	3491.63	3255.21	2728.13	2105.81	1777.20
Capital Employed (A1+A4+A7-B2)	9151.79	9005.52	8272.89	7653.32	6991.63	6445.58	5668.02	4531.77	3976.28	3530.58

INCOME AND EXPENDITURE STATEMENT

(CONSOLIDATION OF AUDITED ACCOUNTS OF COAL INDIA LIMITED & ITS SUBSIDIARIES)

(Rs. Crores)

Year Ending 31st March	1996	1995	1994	1993	1992	1991	1990	1989	1988	1987
(A) Earned From :										
Gross Sales	13378.60	11778.51	11103.62	9564.92	7475.50	6295.95	6278.32	5600.09	4398.47	3741.26
Less Coal from Development Mines/Purchases	77.45	31.51	11.38	25.15	12.08	46.35	51.01	97.58	27.69	26.82
Less Levies (Royalties, Cesses etc.)	2826.93	2429.43	2209.00	1979.52	1454.00	1154.58	1408.28	1314.09	946.77	759.22
(1) Net Sales	10474.22	9317.57	8883.24	7560.25	6009.42	5095.02	4819.03	4188.42	3424.01	2955.22
(2) Accretion / Decretion in Stock	- 30.18	- 298.68	- 3.99	288.89	394.76	108.19	79.13	236.89	60.07	51.77
(3) Boiler & Domestic Consumption of Coal	190.65	188.25	177.36	142.39	136.98	140.02	123.31	115.03	100.72	92.05
(4) Other Revenue Receipts :										
CMPDIL	93.15	79.74	70.27	62.30	59.21	62.58	60.33	57.73	43.42	39.37
Others	382.08	263.02	205.10	156.07	138.55	97.13	100.24	77.92	58.67	69.33
(Aftr. Trans. & Other Recov. & Contras)										
Coal Price Regulation Accounts	- 0.25	2.57	39.39	- 41.59				36.62	59.82	- 29.83
TOTAL (A) (1 to 4)	11109.67	9552.47	9371.37	8168.31	6738.92	5502.94	5182.04	4712.61	3746.71	3177.91
(B) Paid to / Provided for										
Employees' Remu. & Benefits (Gross-Rev.)	5012.36	4178.51	3624.55	3347.78	2842.66	2555.02	2406.75	2309.61	1775.59	1756.69
Less : Trans. to Oth. Rev. Heads	345.46	210.47	214.83	313.88	171.73	178.13	194.65	311.34	85.83	140.48
(1) Net S. & Wages (Excl. V.R.S. Payment)	4666.90	3968.04	3409.72	3033.90	2670.93	2376.89	2212.10	1998.27	1689.76	1616.21
(2) V.R.S. Payment (Net of Grant Recvd.)	31.82	7.54								
Social Overheads (Incl. LLTC & Dom. Coal)	890.19	696.71	621.80	591.57	454.92	364.82	316.42	331.83	284.77	235.89
Less : Social overheads Dep. & Intt.	40.89	39.39	38.15	32.77	29.51	24.77	18.89	16.48	14.22	14.83
(3) Social Overheads (Excl. Dep. & Intt.)	849.30	657.32	583.65	558.80	425.41	340.05	297.53	315.35	270.55	221.06
Stores & Spares (Gross - Rev.)	1786.50	1599.99	1462.19	1254.64	1058.91	895.11	780.48	657.59	588.18	519.43
Less : Trans. to Oth. Rev. Heads	30.13	31.01	30.08	33.59	30.63	33.14	37.71	26.30	19.25	33.41
(4) Stores & Spares (Net)	1756.37	1568.98	1432.11	1221.05	1028.28	861.97	742.77	631.29	568.93	486.02
(5) (i) Power & Fuel (excl. coal consumed)	814.58	707.16	644.20	537.16	447.98	376.65	329.41	282.53	248.40	220.63
(ii) Boiler & Colliery Consumption of Coal	48.33	46.47	44.38	41.70	44.79	27.97	32.42	32.19	26.62	25.41
(6) Contractors (Trans. & Repairs)	651.16	565.59	464.94	381.63	333.93	309.83	292.97	228.03	205.08	177.92
- Net of Recovery										
(7) Misc. Expenses & provisions	583.94	407.12	708.04	464.00	423.59	379.61	303.39	364.75	264.82	241.11
(8) Interest (Incl. S/O, P. P. & waiver)	- 129.26	497.96	708.93	727.99	566.95	472.23	366.77	279.53	319.47	166.12
(9) Depreciation (Incl. S/O & P. P.)	1089.82	969.82	912.63	786.09	670.59	578.65	469.69	422.99	376.19	306.78
(10) O.B.R. Adjustment	109.72	63.01	-19.28	42.91	7.98	- 20.61	- 29.67	42.56	49.89	- 2.26
(11) Prior Period Adj. (excl. int. dep. & C.P.R.A.)	25.55	63.73	81.73	81.81	- 48.58	52.87	84.53	138.38	- 48.36	50.66
TOTAL (B) (1 to 11)	10498.23	9522.74	8971.05	7877.04	6571.85	5756.11	5101.91	4735.87	3971.35	3509.66
Profit/Loss for the year (A - B)	611.44	29.73	400.32	291.27	167.07	- 253.17	80.13	- 23.26	- 224.64	- 331.75
Investment Allowance Reserve	29.00	91.42	- 72.75	- 31.22	- 21.62	4.38	- 0.09	- 42.34		- 42.19
Income Tax	- 34.55	- 0.64	- 0.92	- 0.60	- 0.46	- 0.59	- 3.87	- 0.42	- 1.39	- 0.43
Proposed dividend	- 249.95									
Trans. to General Reserve	- 20.86									
Cumulative profit/loss b/f from prev. year	- 1647.37	- 1767.88	- 2094.53	- 2353.99	- 2498.98	- 2249.60	- 2325.77	- 2259.75	- 2033.72	- 1659.35
Cumulative profit/loss trans to Balance Sheet	- 1312.29	- 1647.37	- 1767.88	- 2094.54	- 2353.99	- 2498.98	- 2249.60	- 2325.77	- 2259.75	- 2033.72

IMPORTANT FINANCIAL INFORMATION & RELATIVE RATIOS

(A) FINANCIAL INFORMATION

(CONSOLIDATION OF AUDITED ACCOUNTS OF COAL INDIA LIMITED & ITS SUBSIDIARIES)

	(Rs. Crores)									
Year Ending 31st March	1996	1995	1994	1993	1992	1991	1990	1989	1988	1987
(A) Related to Assets & Liabilities										
(1) Shareholder's Funds										
(a) Equity	6316.36	6316.36	6104.84	6097.85	6000.76	5713.31	5223.86	4764.16	4120.34	3559.50
(b) Reserves & Surplus	316.65	324.80	414.53	334.81	299.24	277.30	280.95	289.74	245.22	251.42
(c) Accumulated Loss	- 1312.29	- 1647.37	- 1767.88	- 2094.53	- 2353.99	- 2498.98	- 2249.60	- 2325.77	- 2259.75	- 2033.72
Net Worth	5320.72	4993.79	4751.49	4338.13	3946.01	3491.63	3255.21	2728.13	2105.81	1777.20
(2) Loan	6157.36	7223.45	7021.35	7000.91	6172.27	5705.40	4936.48	4071.36	3710.38	3019.10
(3) Capital Employed	9151.79	9005.52	8272.89	7653.32	6991.63	6445.58	5668.02	4531.77	3976.28	3530.58
(4) (i) Net Fixed Assets	9737.63	9039.76	7887.83	7048.56	6299.11	5436.64	4606.39	4008.12	3483.49	3039.87
(ii) Current Assets	5420.86	5904.72	5952.45	5706.03	4557.08	4387.28	3889.86	2999.17	2587.58	2370.07
(iii) Net Current Assets (W/C)	- 526.10	1088.30	1674.24	1938.99	1717.95	1930.31	1747.43	1128.57	1072.84	768.73
(5) Current Liabilities	5946.96	4816.42	4278.21	3767.04	2839.13	2456.97	2142.43	1870.60	1514.74	1601.34
(Excl. Intt. accrued & Due)										
(6) (a). Sundry Debtors (Net)	2113.89	2533.48	2431.26	2086.08	1390.30	1433.75	1441.93	988.49	722.73	465.45
(Excl. CMPDIL)										
(b) Cash & Bank	255.18	340.59	218.13	186.63	146.33	181.75	174.90	161.72	142.37	141.70
(7) Closing Stock of :										
(a) Stores & Spares (Net)	911.17	889.91	810.37	750.49	695.24	658.22	571.08	506.07	471.39	438.03
(b) Coal, Cokes etc. (Net)	1363.89	1374.86	1656.35	1660.64	1404.69	999.53	875.21	793.03	585.79	530.96
(c) Other Inventories (Net)	57.24	52.91	42.33	35.57	23.40	21.94	17.36	14.13	13.62	13.23
(8) Average Stock of Stores & Spares (Net)	900.54	850.14	780.43	722.87	676.73	614.65	538.58	488.73	454.71	424.41
(B) Related to Profit/Loss										
(1) (a) Gross Margin	1572.00	1497.51	2021.88	1805.35	1404.61	797.71	916.59	679.26	471.02	141.15
(b) Gross Profit	482.18	527.69	1109.25	1019.26	734.02	219.06	446.90	256.27	94.83	- 165.63
(c) Net Profit (before Tax & Invt. Allowance etc.)	611.44	29.73	400.32	291.27	167.07	- 253.17	80.13	- 23.26	- 224.64	- 331.75
(2) (a) Gross Sales	13378.60	11778.51	11103.62	9564.92	7475.50	6295.95	6278.32	5600.09	4398.47	3741.26
(b) Net Sales (after. levies & dev. etc)	10474.22	9317.57	8883.24	7560.25	6009.42	5095.02	4819.03	4188.42	3424.01	2955.22
(c) Paid/Payable Amount of										
- Royalty, Cess etc.	2826.93	2429.43	2209.00	1979.52	1454.00	1154.58	1408.28	1314.09	946.77	759.22
(d) Avg. Net Sales Per Month	872.85	776.46	740.27	630.02	500.79	424.59	401.59	349.04	285.33	246.27
(3) Cost of Goods Sold (Sales-Profit)	9862.78	9287.84	8482.92	7268.98	5842.35	5348.19	4738.90	4211.68	3648.65	3286.97
(4) (a) Total expenditures	10498.23	9522.74	8971.05	7877.04	6571.85	5756.11	5101.91	4735.87	3971.35	3509.66
(b) Sal. & Wages (Gross - rev. only)	5012.36	4178.51	3624.55	3347.78	2842.66	2555.02	2406.75	2309.61	1775.59	1756.69
(c) Stores & Spares (Gross-rev. only)	1786.50	1599.99	1462.19	1254.64	1058.91	895.11	780.48	657.59	588.18	519.43
(d) Power & Fuel	814.58	707.16	644.20	537.16	447.98	376.65	329.41	282.53	248.40	220.63
(e) Int. & Depreciations	960.56	1467.78	1621.56	1514.08	1237.54	1050.88	836.46	702.52	695.66	472.90
(Gross-rev. only)										
(5) Avg. Consump. of Stores & Spares (gross) per month	148.88	133.33	121.85	104.55	88.24	74.59	65.04	54.80	49.02	43.29
(6) (a) Average Manpower Employed	638814	648519	659647	667459	672217	670515	669072	672231	674004	672960
(b) Social Overheads (inclcd. LTC/LLTC)	890.19	696.71	621.80	591.57	454.92	364.82	316.42	331.83	284.77	235.89
(c) Social Over head expnd. per employee (Rs. 000)	13.94	10.74	9.43	8.86	6.77	5.44	4.73	4.94	4.23	3.51
7. (a) Value added	8108.56	8964.27	7006.19	6252.66	5079.32	4139.22	3977.21	3652.06	2784.27	2406.71
(b) Value added per employee (Rs. 000)	126.93	107.39	106.21	93.68	75.56	61.73	59.44	54.33	41.31	35.76

IMPORTANT FINANCIAL INFORMATION & RELATIVE RATIOS
(B) FINANCIAL RATIOS / PERCENTAGES
(CONSOLIDATION OF AUDITED ACCOUNTS OF COAL INDIA LIMITED & ITS SUBSIDIARIES)

Year Ending 31st March	1996	1995	1994	1993	1992	1991	1990	1989	1988	1987
(A) PROFITABILITY RATIOS										
(1) AS % NET SALES										
(a) Gross Margin	15.01	16.07	22.76	23.88	23.37	15.66	19.02	16.22	13.76	4.78
(b) Gross Profit	4.60	5.66	12.49	13.48	12.21	4.30	9.27	6.12	2.77	- 5.60
(c) Net Profit	5.84	0.32	4.51	3.85	2.78	- 4.97	1.66	- 0.56	- 6.56	- 11.23
(2) AS % TOTAL EXPENDITURE										
(a) Sal. & Wages (Gross-Rev.)	47.74	43.88	40.40	42.50	43.26	44.39	47.17	48.77	44.71	50.05
(b) Stores & Spares (Gross-Rev.)	17.02	16.80	16.30	15.93	16.11	15.55	15.30	13.89	14.81	14.80
(c) Power & Fuel	7.76	7.43	7.18	6.82	6.82	6.54	6.46	5.97	6.25	6.29
(d) Interest & Depreciation (Gross-Rev.)	9.15	15.41	18.08	19.22	18.83	18.26	16.40	14.83	17.52	13.47
(3) AS % CAPITAL EMPLOYED										
(a) Gross Margin	17.18	16.63	24.44	23.59	20.09	12.38	16.17	14.99	11.85	4.00
(b) Gross Profit	5.27	5.86	13.41	13.32	10.50	3.40	7.88	5.65	2.38	- 4.69
(c) Net Profit	6.68	0.33	4.84	3.81	2.39	- 3.93	1.41	- 0.51	- 5.65	- 9.40
(4) OPERATING RATIO (SALES-PROFIT/SALES)	0.94	1.00	0.95	0.96	0.97	1.05	0.98	1.01	1.07	1.11
(B) LIQUIDITY RATIOS										
(1) Current Ratio (Current Asset/Current Liability)	0.91	1.23	1.39	1.51	1.61	1.79	1.82	1.60	1.71	1.48
(2) Quick Ratio (Quick Asset/Current Liability)	0.40	0.60	0.62	0.60	0.54	0.66	0.75	0.61	0.57	0.38
(3) Working Capital as % of										
(a) Capital Employed	- 5.75	12.08	20.24	25.34	24.57	29.95	30.83	24.90	26.98	21.77
(b) Net Fixed Assets	- 5.40	12.04	21.23	27.51	27.27	35.51	37.93	28.16	30.80	25.29
(C) TURNOVER RATIOS										
(1) Capital Turnover Ratio (Net Sales/Capital Employed)	1.14	1.03	1.07	0.99	0.86	0.79	0.85	0.92	0.86	0.84
(2) Working Capital Turnover Ratio (Net Sales/Working Capital)	- 19.91	8.56	5.31	3.90	3.50	2.64	2.76	3.71	3.19	3.84
(3) Sundry Debtors as no. of months										
(a) Gross Sales	1.90	2.58	2.63	2.62	2.23	2.73	2.76	2.12	1.97	1.49
(b) Net Sales	2.42	3.26	3.28	3.31	2.78	3.38	3.59	2.83	2.53	1.89
(4) As Ratio of Net Sales										
(a) Sundry Debtors	0.20	0.27	0.27	0.28	0.23	0.28	0.30	0.24	0.21	0.16
(b) Coal Stocks	0.13	0.15	0.19	0.22	0.23	0.20	0.18	0.19	0.17	0.18
(5) Stock of Stores & Spares										
(a) Avg. Stock/Annual Consumption	0.50	0.53	0.53	0.58	0.64	0.69	0.69	0.74	0.77	0.82
(b) Closing Stock as no. of months consumption	6.12	6.67	6.65	7.18	7.88	8.82	8.78	9.23	9.62	10.12
(D) STRUCTURAL RATIOS										
(1) Debt : Equity	0.97	1.14	1.15	1.15	1.03	1.00	0.94	0.85	0.90	0.85
(2) Debt : Networth	1.16	1.45	1.48	1.61	1.56	1.63	1.52	1.49	1.76	1.70
(3) Networth : Equity	0.84	0.79	0.78	0.71	0.66	0.61	0.62	0.57	0.51	0.50
(4) Net Fixed Assets : Networth	1.83	1.81	1.66	1.62	1.60	1.56	1.42	1.47	1.65	1.71

Directors' Report

To

The Members

Coal India Limited

Gentlemen,

On behalf of the Board of Directors, I have great pleasure in presenting to you, the Twenty Third Annual Report of Coal India Limited and Audited Accounts for the year ended 31st March, 1996 together with the report of the Statutory Auditors and report 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 and Meghalaya in North Eastern Coalfields continued to be managed directly by Coal India Limited.

As reported, the Carbonisation Plant (Dankuni Coal Complex) was leased on rental basis to South Eastern Coalfields Limited (A subsidiary of Coal India Limited) for a period of five years effective from 1st April, 1995 for efficient and economic operation of the unit.

The Indian Institute of Coal Management (IICM) which was established as an autonomous educational body under Societies Registration

Act (Act XXI of 1861) in the State of Bihar on 2nd September, 1994 for institutionalised education and training of CIL employees has been treated as a separate legal entity. The fixed assets of IICM as on 31.3.95 has been leased to IICM for a period of five years effective from 1st April, 1995.

During the year under report Bharat Coking Coal Limited (A subsidiary of Coal India Limited) has been referred to BIFR on 24-11-95 under the Sick Industrial Companies (Special provision) Amendment Act, 1993.

Under the provision of Section 23 (1) (a) (i) of the Sick Industrial Companies (Special provision) Amendment Act, 1993 Eastern Coalfields Limited (another subsidiary of Coal India Limited) has been reported to BIFR on 23.11.95.

HIGHLIGHTS OF PERFORMANCE

The highlights of performance of Coal India Limited including its Subsidiaries in the year 1995-96 compared to previous two years are shown in the table below :

	1995-96	1994-95	1993-94
Production (in million tonnes)	237.25	223.06	216.10
Off-take of coal (in million tonnes)	239.30	222.59	216.53
Sales (Gross) (Rs. in Crores)	13378.60	11778.51	11103.62
Capital employed (Rs. in Crores)	9151.79	9005.52	8272.89
Net Worth (Rs. in Crores)	5320.72	4993.79	4751.49
Net Profit (Rs. in Crores)	611.44	29.73	400.32
Net Profit to Net worth	11.49%	0.6%	8.43%
Coal Stock in terms of No. of Months Sales (Net)	1.56	1.77	2.24
Sundry Debtors (in terms of No. of Months Sales (Gross)	1.90	2.60	2.64

DECONTROL OF COAL PRICES

Government of India vide notification GRS 146 (E) SO 240 (E) and SO 243(E), dated 22.3.1996 deregulated prices and decontrolled distribution of A, B & C grade of Non-coking Coal and all Coking Coal.

2. FINANCIAL PERFORMANCE

2.1 Working Results

Your Directors are happy to report that CIL and its Subsidiaries earned substantial profit of Rs. 611.44 Crores. Company-wise position before and after considering claim/contribution from Coal Price Regulation Account (CPRA) is as under :

Com- pany	(Rs. in Crores)			
	Before CPRA		After CPRA	
	Profit (+) / Loss (-)		Profit (+) / Loss (-)	
	1995-96	1994-95	1995-96	1994-95
ECL	(-) 391.22	(-) 575.54	154.67	(-) 108.47
BCCL	(-) 216.99	(-) 560.48	102.26	(-) 154.63
CCL	(-) 173.24	(-) 164.44	(-) 1.43	(-) 118.96
NCL	536.23	430.87	179.47	190.80
WCL	85.98	158.14	98.59	71.57
SECL	476.70	463.40	76.96	91.78
MCL	336.06	284.37	24.75	68.01
CMPDIL	3.37	2.77	3.37	2.77
CIL, NEC	(-) 45.20	(-) 11.93	(-) 27.20	(-) 13.14
Total CIL	611.69	27.16	611.44	29.73

3. COAL MARKETING

3.1 Demand

The growth in demand of coal on Coal India Limited was assessed at 17.00 Million Tonnes (248.50 Million Tonnes in 1995-96 against 231.50 Million Tonnes in 1994-95). The actual Off-take of coal increased by 16.71 Million Tonnes (239.30 Million Tonnes in 1995-96 against 222.59 Million Tonnes in 1994-95). Overall demand satisfaction during the year under review worked out to 96.30%. The

satisfaction of demand from power sector was 103.45%.

The following table shows sector-wise demand, actual Off-take and demand satisfaction for the year 1995-96 and 1994-95.

Year	(Figs. in Million Tonnes)					
	1995-96			1994-95		
	Demand	Off-take	% Satis- fac- tion	Demand	Off-take	% Satis- fac- tion
Power (utility)	160.43	165.97	103.45	147.70	148.29	100.40
Raw Coal (Middlings)	(4.00)	(2.33)	(58.00)	(2.80)	(2.72)	(95.36)
Steel	25.41	20.43	80.40	24.00	21.30	88.75
Loco	0.60	0.28	46.67	2.00	0.59	29.50
Cement	11.94	8.34	69.85	10.50	8.53	81.24
Fertilizer	4.25	3.78	88.94	3.50	3.98	113.71
Soft-Coke making	0.45	0.22	48.89	0.60	0.33	55.00
Export	0.40	0.08	20.00	0.40	0.09	22.50
BRK/Others	41.82	37.20	88.95	39.31	36.28	92.29
Colliery consumption	3.20	3.00	93.75	3.49	3.20	91.69
Overall CIL	248.50	239.30	96.30	231.50	222.59	96.15

3.2 Despatches

3.2.1 Despatches of Coal and Coal Products by various Modes

Total despatches of coal and coal products by various modes were 232.92 Million Tonnes against 215.26 Million Tonnes showing an increase of 17.66 Million Tonnes or a growth rate of 8.2% over previous year. Modewise despatches during the last 2 years are shown in the following table.

Year	(Figures in Million Tonnes)					
	Rail	Road	MGR	Belt	Rope	Overall
95 - 96	139.396	34.095	48.617	5.968	4.871	232.919
94 - 95	130.734	30.181	43.689	5.788	4.868	215.260
Increase/ Decrease	8.662	3.914	4.928	0.180	0.003	17.659
Growth %	6.626	12.968	11.280	3.110	0.062	8.204

Increase in despatches by Rail was 8.66 Million Tonnes followed by increase of 4.93 Million Tonnes in despatches by MGR. The growth rates for these two modes of despatches were 6.63% and 11.28% respectively. The growth rate in road despatches was 12.97% against growth of 3.2% during 1994-95.

3.3 Off-take of Raw Coal

The Off-take target for the year 1995-96 was fixed at 248.50 Million Tonnes. Against this target, actual off-take was 239.30 Million Tonnes showing 96.30% achievement of target. Company-wise figures tabulated below shows that target was met by NCL, WCL and MCL whereas there was significant shortfall in ECL, BCCL, CCL and NEC. In SECL, the shortfall was marginal.

(Figures in Million Tonnes)						
Company	1995-96		1994-95		Growth Over Last Year	
	Target	Achvd. %	Achvd. %	Achvd.	Abs.	% age
ECL	29.00	26.76	92.28	25.23	1.53	6.06
BCCL	32.50	27.28	83.94	29.14	(-1.86)	(-6.38)
CCL	35.50	31.22	87.94	31.50	(-0.28)	(-0.89)
NCL	35.00	35.08	100.23	32.94	2.14	6.50
WCL	29.00	30.72	105.93	27.60	3.12	11.30
SECL	54.00	52.75	97.69	48.32	4.43	9.17
MCL	32.30	34.44	106.63	27.00	7.44	27.56
NEC	1.20	1.05	87.50	0.86	0.19	22.09
Overall CIL	248.50	239.30	96.30	222.59	16.71	7.51

3.4 Wagon Loading

Target for wagon loading was fixed at 18056 Four Wheeler Wagons per day for 1995-96. The actual average achieved was 16901 FWW/day showing 93.6% achievement of target and a growth of 964 FWW/day against the achievement of 15937 FWW/day during 1994-95.

Companywise target and loading achieved during the year 1995-96 and 1994-95 are tabulated below :

(Figures in FWWs/Day)						
Company	1995-96		1994-95		Growth Over Last Year	
	Target	Achvd. %	Achvd. %	Achvd.	Abs.	% age
ECL	2011	1948	96.87	1998	(-150)	(-7.50)
BCCL	3145	2663	84.67	2826	(-163)	(-5.77)
CCL	3240	2933	90.52	2924	9	0.31
NCL	800	943	117.88	832	111	13.34
WCL	2014	2069	102.73	1913	156	8.15
SECL	3832	3396	88.62	3124	272	8.71
MCL	2902	2858	98.48	2237	621	27.76
NEC	112	91	81.25	83	8	9.64
CIL	18056	16901*	93.60	15937**	964	6.05

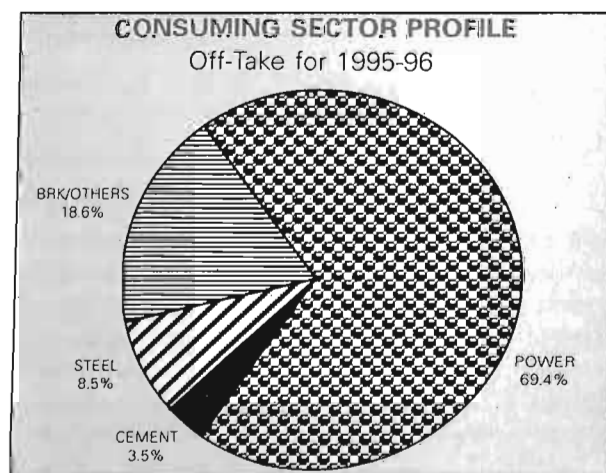
* Excluding daily average loading of 20 FWWs/day from Dankuni (DCC).

** Excluding daily average loading of 15 FWWs/day from Dankuni (DCC).

From the above table, it is seen that loading performance was better than 1994-95 in all the Companies except ECL and BCCL.

3.5 Consumer Satisfaction

Besides taking steps to supply "sized" and "weighed coal" to consumers, various measures have been taken like extensive picking of



shale/stone from coal, selective mining of coal after segregation of bands, advance stripping of overburden and improvement on blasting technique for better fragmentation of coal. These have resulted in the substantial decline in the number of complaints from the consumers as shown in the table below :

	Total No. of Complaints	No. of Complaints per million tonnes of Despatch
94 - 95	311	1.42
95 - 96	198	0.84

3.6 Stock of Coal

Value of pithead stock of coal and other products at the close of the year 1995-96 was Rs. 1363.89 Crores which was equivalent to 1.56 months' value of sales (net). Subsidiary Company-wise value of stock as on 31.3.1996 and 31.3.1995 before and after provision for deterioration etc. is shown in table below :

Company	(Rs. in Crores)					
	1995-96 (as on 31.3.96)			1994-95 (as on 31.3.95)		
	Value of Stock (Gross)	Provi- sion for deterio- ration etc.	Value of Stock (Net)	Value of Stock (Gross)	Provi- sion for deterio- ration etc.	Value of Stock (Net)
ECL	174.10	36.11	137.99	202.10	113.82	88.28
BCCL	480.89	64.73	416.16	452.90	77.70	375.20
CCL	269.90	35.03	234.87	292.00	24.67	267.33
NCL	71.03	7.10	63.93	60.00	19.67	40.33
WCL	92.06	9.70	82.36	143.81	19.10	124.71
SECL	345.22	38.79	306.43	306.65	32.10	274.55
MCL	88.06	10.25	77.81	133.47	14.66	118.81
NEC/ CIL	72.66	28.32	44.34	105.03	19.37	85.66
Total	1593.92	230.03	1363.89	1695.96	321.09	1374.87

3.7 Coal Sales Dues

Dues as on 31.3.96 are Rs. 2113.89 Crores (Previous year Rs. 2533.48 Crores) after provision of Rs. 1135.18 Crores (Previous year 1217.32 Crores) for doubtful debt. The dues are equivalent to 1.90 months Gross Sales (Previous year 2.58 months) subsidiary-

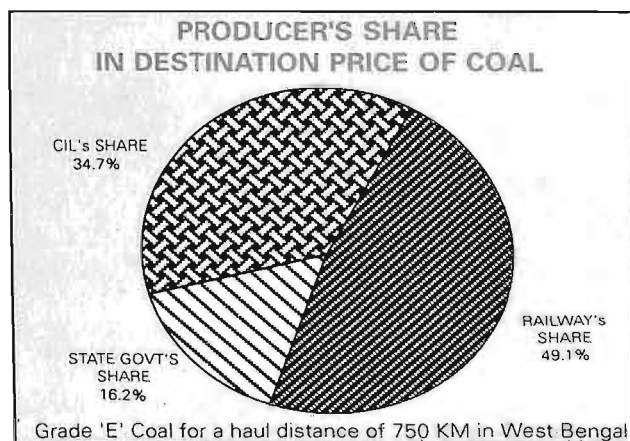
wise dues as on 31.3.96 before provision for doubtful debt and after provision are shown below :

Company	(Rs. in Crores)	
	Gross	Net (After provision for doubtful debt)
ECL	383.61	235.55
BCCL	739.91	228.36
CCL	848.43	764.57
NCL	272.88	187.47
WCL	221.99	190.18
SECL	526.31	341.78
MCL	230.29	142.91
NEC/CIL	25.65	23.07
Total	3249.07	2113.89

3.8 Payment of Royalty, Cess and Sales-Tax

During the year 95-96, CIL and its Subsidiaries paid Rs. 3137.41 Crores (Previous year Rs. 2440.98 Crores) towards Royalty, Cess and Sales-tax.

	(Rs. in Crores)	
	1995-96	1994-95
Royalty	1826.99	1418.69
Cess (Including other levies)	786.86	564.86
Sales-tax	523.56	457.43
Total	3137.41	2440.98



4. PRODUCTION

Production of coal during 1995-96 was an all-time high of 237.25 Million Tonnes as against 223.06 Million Tonnes in the previous year. Growth during the year 1995-96 was 6.5%. The subsidiary-wise position is as below :

4.1 Raw Coal Production

(Figures in Million Tonnes)

Company	Raw Coal Production					
	Coking		Non-coking		Total Coal	
	95-96	94-95	95-96	94-95	95-96	94-95
ECL	0.38	0.43	27.42	24.42	27.80	24.85
BCCL	21.87	22.77	5.92	5.98	27.79	28.75
CCL	11.45	13.25	19.31	17.95	30.76	31.20
NCL	—	—	35.20	32.50	35.20	32.50
WCL	0.76	0.85	28.25	26.39	29.01	27.24
SECL	0.16	0.13	53.01	49.87	53.17	50.00
MCL	—	—	32.70	27.33	32.70	27.33
NEC	—	—	0.82	1.19	0.82	1.19
Overall CIL	34.62	37.43	202.63	185.63	237.25	223.06

* Coking coal includes coal declared as 'Coking' but are used for non-metallurgical purpose.

4.2 Break-up of Underground and Opencast Production

Coal production from underground mines was 0.78 Million Tonnes (1.4%) less than the production in 1994-95. Opencast coal production continued to be about 77% of the total production.

(Figures in Million Tonnes)

Com- pany	Underground production		Opencast production		Total production	
	95-96	94-95	95-96	94-95	95-96	94-95
	95-96	94-95	95-96	94-95	95-96	94-95
ECL	13.71	13.61	14.09	11.24	27.80	24.85
BCCL	10.10	11.49	17.69	17.26	27.79	28.75
CCL	3.89	4.01	26.87	27.19	30.76	31.20
NCL	—	—	35.20	32.50	35.20	32.50
WCL	9.63	9.60	19.38	17.64	29.01	27.24
SECL	15.31	14.55	37.86	35.45	53.17	50.00
MCL	1.88	1.94	30.82	25.39	32.70	27.33
NEC	0.30	0.40	0.52	0.79	0.82	1.19
Total CIL	54.82	55.60	182.43	167.46	237.25	223.06



Smt. Kanti Singh at Rajrappa mine site. Also seen are Shri P. K. Sengupta, Chairman, CIL & Shri S. C. Khera, CMD, CCL.

4.3 Soft Coke, Hard Coke and Washed Coal

The production of Soft Coke, Hard Coke and Washed Coal in 1995-96 was 1.64 lakh tonnes, 2.04 lakh tonnes and 91.18 lakh tonnes respectively as against production of 2.47 lakh tonnes, 2.07 lakh tonnes and 89.45 lakh tonnes respectively in 1994-95. Subsidiary-wise position is as below :

	(Figs. in Lakh Tonnes)					
	Soft Coke		Hard Coke		Washed Coal	
	95-96	94-95	95-96	94-95	95-96	94-95
ECL	0.50	0.72	—	—	—	—
BCCL	0.26	0.47	1.95	2.03	42.20	43.08
CCL	0.88	1.28	0.09	0.04	44.75	42.47
WCL	—	—	—	—	4.23	3.90
Total/CIL	1.64	2.47	2.04	2.07	91.18	89.45

4.4 Overburden Removal

Quantum of overburden removal in 1995-96 was 361.695 million Cu. M as against 340.088 million Cu. M. in 1994-95 showing a growth of 6.2%. Subsidiary-wise position is as below :

Company	(Figs. in Million Cu. M.)	
	1995-96	1994-95
ECL	24.310	24.682
BCCL	35.730	34.917
CCL	44.088	48.359
NCL	100.643	93.922
WCL	59.391	51.489
SECL	60.456	54.148
MCL	32.091	27.697
NEC	4.986	4.874
Total/CIL	361.695	340.088

5. POPULATION OF EQUIPMENT

Addition of equipment of Opencast mines was controlled keeping in view the need for optimisation of equipment utilisation. CIL's procurement plan of equipment for opencast mines for the year 1995-96 was

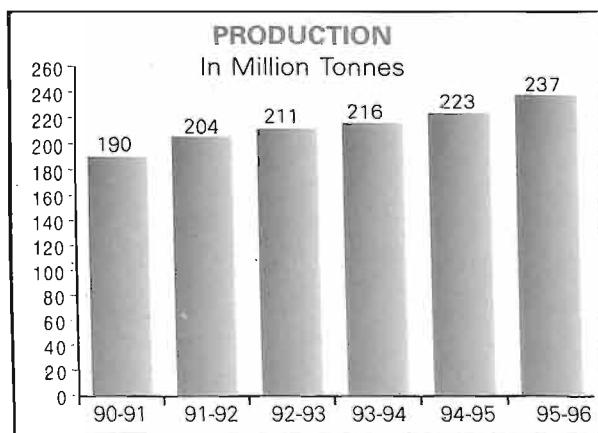
drawn up accordingly. The population of equipment as on 1.4.96 and performance of major equipment in terms of %age availability and utilisation is tabulated below. The performance has been expressed as %age of CMPDIL norms.

Equip- ment	No. of Equip- ment		Indicated as % of CMPDIL norms			
	As on 1.4.95	As on 1.4.96	Availability		Utilisation	
			95-96	94-95	95-96	94-95
Dragline	38	40	89	92	93	94
Shovel	857	865	84	85	65	63
Dumper	4124	4047	88	86	55	51
Dozer	1075	1059	80	79	57	57
Drill	826	828	83	83	61	59

It may be seen from the above table that there has been an improvement in utilisation of Shovels, Dumper and Drill compared to the previous year.

6. CONSTRAINTS

Coal production during 1995-96 was affected due to various reasons such as power failure, absenteeism, breakdown of machinery and adverse industrial relations. Loss of production due to these factors has been assessed at 12.39 Million Tonnes.



Inundation in Gaslitand mine and a few neighbouring mines in BCCL during last week of September, 1995 resulted in loss of production of 1.23 m.t. in underground mines and 0.52 m.t. in opencast mines.

7. AVAILABILITY OF POWER

ECL, BCCL and CCL operating in Eastern Region receive major part of requirement of power from DVC either directly or through BSEB, DPS and WBSEB. The Power supply from DVC to CCL has improved, whereas in BCCL and ECL, the interruptions were less but the feeder hour losses were more compared to 94-95 due to long duration failures of Eastern Grid, DVC overhead lines and Sub-station equipment.

The power supply to ECL from WBSEB has improved in terms of Feeder hour loss during 95-96.

The statement showing the position of power supply during 95-96 and 94-95 is indicated below :

(A) DVC Source

Com- pany	Demand MVA		Availability MVA		Interruptions in No.s		Feeder hours Lost	
	95-96	94-95	95-96	94-95	95-96	94-95	95-96	94-95
ECL	90.0	90.0	86.6	86.7	1844	2057	1796	1659
BCCL	180.0	180.0	173.0	174.3	2022	2404	3764	2725
CCL	96.7	102.7	98.4	98.7	1157	2142	1616	2152
Total	366.7	372.7	358.0	359.7	5023	6603	7176	6536



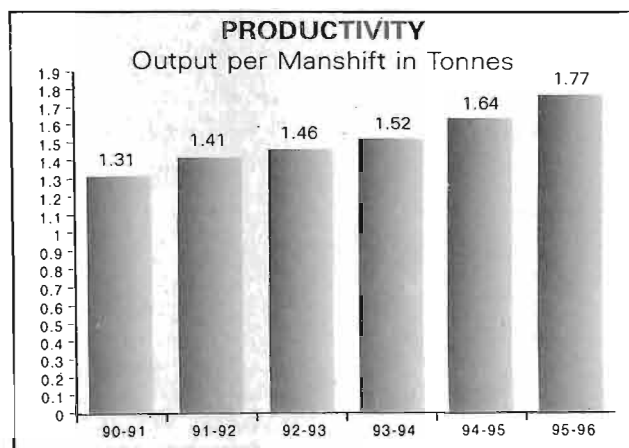
A shovel and dumper in operation at an opencast mine.

(B) WBSEB Source

Com- pany	Demand MVA		Availability MVA		Interruptions in No.s		Feeder hours Lost	
	95-96	94-95	95-96	94-95	95-96	94-95	95-96	94-95
ECL	29.5	29.5	29.0	29.0	1179	925	1301	1565

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 :

- (i) Chinakuri, ECL 2 x 10 MW stoker fired boiler based on coal (Commissioned in 90-91).
- (ii) Moonidih, BCCL 2 x 10 MW FBC boiler based on washery reject (Plant is on trial run, some major safety installation to be completed by BHEL. The plant is yet to be handed over by BHEL).
- (iii) Kathara, CCL 2 x 10 MW FBC boiler based on washery reject (On trial run being operated at about 50% capacity. Some of the vital Safety installations are yet to be completed. The plant is yet to be handed over by BHEL).



In addition to above, CIL has entered into agreements for setting up a number of washery reject based captive power plants on "Build-Own-Operate" basis.

8. PRODUCTIVITY : OUT-PUT PER MANSHIFT (OMS)

Productivity output per manshift (OMS) for the year under review has increased to 1.77 tonnes from 1.64 tonnes in 1994-95 registering an improvement of 7.9%. The Company-wise OMS position is as under :

Com- pany	Under- ground		Opencast		Overall		%age improvement in 95-96 over 94-95
	95-96	94-95	95-96	94-95	95-96	94-95	
ECL	0.44	0.43	3.31	2.49	0.78	0.69	13.0
BCCL	0.50	0.54	2.37	2.25	1.00	0.99	1.0
CCL	0.45	0.45	2.55	2.60	1.60	1.60	—
NCL	—	—	8.14	7.68	8.14	7.68	6.0
WCL	0.69	0.69	3.83	3.58	1.53	1.45	5.5
SECL	0.86	0.84	8.84	8.18	2.44	2.32	5.2
MCL	0.69	0.68	12.77	12.13	6.33	5.45	16.1
NEC	0.38	0.50	4.12	5.58	0.91	1.26	(-27.8
Overall CIL	0.57	0.57	4.74	4.35	1.77	1.64	7.9

9. PLANNING

Annual Action Plan for the year 1995-96 as approved by Ministry of Coal was periodically monitored. The Salient features of the Annual Plan for 1996-97 are as follows :

		1995-96		1996-97
		Plan	Actual	Plan
1.	Production (Million Tonnes)	241.00	237.25	252.00
2.	Off-take (Million Tonnes)	248.50	239.30	254.00
3.	Productivity (OMS in tonnes)	1.66	1.77	1.82
4.	Capital Expenditure (Rs. in crores)	2260.00	1503.63	2143.00

9.1 Project Formulation

CMPDIL has prepared a total of 184 reports during 1995-96. This includes 51 Project Reports, 5 Revised Project Reports, 5 Revised Cost Estimates, 74 other Reports, 21 Environmental Management Plans (EMPs) and 28 Geological Reports.

9.2 Project Implementation

Implementation of projects has been given due attention and concentrated effort. Production contribution from projects has been 196.06 Million Tonnes out of total coal production of 237.25 Million Tonnes in 1995-96. This accounts for about 83% of total output. During the year 1995-96, 9 projects have been completed. Implementation of some of the projects are delayed due to constraints like non-availability of land, problem of rehabilitation, forest clearance etc.

The land for Coal Projects is acquired under the provisions of Coal Bearing Areas (Acquisition and Development) Act, 1957. Even after completion of all legal formalities of land acquisition, physical possession is not easily available. The land acquisition delayed due to various factors, viz. non-availability of updated records of rights (RORs), delay in processing the proposals at district, subdivision as also at State levels, resistance from the ex-land owners on the demand for abnormally high compensation and employment, non-availability of lands for compensatory afforestation, demand of compensation by State Governments for their lands at very high rates, large scale encroachments on Government/Forest lands and pressure from non-governmental persons and organisations for employment and benefits beyond the existing provisions to land losers, etc. However, follow up action are being taken with the appropriate authorities for expeditious acquisition of land.



Shri Arvind Verma, Secretary, MOC at Dankuni Carbonisation Plant. Also seen are Shri Vivek Mehrotra, Jt. Secy. & FA, MOC, Shri U. Kumar, CMD, SECL and other officials of Dankuni Coal Complex.

In addition to Govt. of India's liberal rehabilitation package vide 49019/4/86/CP/LSW, dated 19.10.90 Coal India Limited has formulated and adopted a Resettlement and Rehabilitation policy which covers all affected parties including landless labourers.

9.3 Investment in Projects/Schemes

There are 387 coal projects as on 31.3.96 each having an initial capital outlay of Rs. 2 Crores and above. The total ultimate capacity of these projects is 312.08 Mty and the aggregate sanctioned capital outlay is Rs. 16,496.95 Crores. Projects where coal reserves have exhausted and projects for which construction has been deferred due to various unavoidable reasons, have been excluded from these figures.

Out of total 387 projects, 251 projects have been completed and 136 projects are in different stages of construction.

Besides these coal projects, there are 210 non-mining projects/schemes, each having an initial capital outlay of Rs. 2 Crores and above. The total sanctioned capital outlay is Rs. 2673.06 Crores. Major non-mining projects under construction are Madhuband washery (BCCL), Kedla washery (CCL) and Captive Power Plants at Moonidih (BCCL) and Kathara (CCL). 19 Advance Action Schemes for coal projects are also under implementation.

9.4 Projects Sanctioned by CIL Board During 1995-96

During 1995-96, CIL Board sanctioned the following five Projects (Including RPRs/RCEs).

No.	Company	Name of Project	Capacity (Mty)	Capital (Rs. in Crores)
New Projects				
1.	CCL	Bokaro OC (Bermo Seam)	0.80	46.78
2.	SECL	Sheetaldhara UG	0.51	48.22
RCE/RPR				
1.	ECL	Amritnagar UG	0.33	34.39
2.	WCL	Gouri-I OC	0.50	25.13
3.	WCL	Saoner UG	0.54	48.66

9.5 Project Reports and Revised Cost Estimates Sanctioned by the Govt. During 1995-96

During 1995-96 the following Project Reports and Revised Cost Estimates have been sanctioned by Govt. of India.

No.	Company	Name of Project	Capacity	Capital Cost (Rs. in Crores)
1.	ECL	Jhanjra UG RCE	2.00 Mty	403.96
2.	BCCL	Captive Power Plant Moonidih RCE	20 MW	71.27
3.	CCL	KD Hesalong Expn. PR (Incremental)	3.00 Mty	214.93
4.	ECL	Kalidaspur UG RCE	0.54 Mty.	74.05

9.6 Identification and Allotment of Mining Blocks for Captive Use

During 1995-96, four proposals for captive mining for power generation purpose have been cleared by the Screening Committee constituted by the Ministry of Coal.

10. EXPORT AND FOREIGN EXCHANGE EARNING

During 1995-96, CIL exported 0.93 lakh tonnes (previous year 1.19 Lakh Tonnes) of coal to Nepal and Bangladesh and earned a revenue of Rs. 14.08 Crores which includes foreign exchange earning of US \$ 1.44 Million.

11. CAPITAL EXPENDITURE

Expenditure on Capital Account during 1995-96 was Rs. 1503.63 Crores as against Rs. 1604.56 Crores of the previous year. The company-wise break-up of investment for 95-96 is as under :

(Rupees in Crores)

Company	1995-96		1994-95	
	Budget	Actual	Budget	Actual
ECL	358.00	360.65	470.00	282.59
BCCL	200.00	183.65	160.00	143.02
CCL	360.00	233.56	300.00	344.10
NCL	428.00	189.27	390.00	283.37
WCL	250.00	150.18	180.00	129.00
SECL	300.00	168.43	250.00	196.48
MCL	340.00	197.44	280.00	198.68
CMPDIL	9.00	3.84	9.00	5.58
NEC, DCC & CIL Hqrs	15.00	16.61	23.90	21.74
Total	2260.00	1503.63	2062.90	1604.56

This investment has been financed from the following sources :

1. Budgetary support : Rs. 288.72 Cr.
2. Supplier's credit : Rs. 26.45 Cr.
3. Internal resources : Rs.1188.46 Cr.
ploughed back for investment

12. CAPITAL STRUCTURE

The authorised share capital of the Company as on 31.3.1996 was Rs. 8000 Crores and the paid-up capital was Rs. 6316.36 Crores (Including Rs. 256.93 Crores worth of shares issued to the Govt. of India towards the value of land acquired).

Total investment by the Government of India in CIL and Subsidiaries as on 31.3.96 was Rs. 10,054.19 Crores.

(Rs. in Crores)

	As on 31.3.96	As on 31.3.95
Share capital	6316.36	6316.36
Plan loan	3298.95	3374.01
Non-Plan Loan	438.88	439.57
Total	10,054.19	10,129.94

Government of India vide its Notification, dated 17.7.96 approved capital restructuring for CIL comprising of the following :

- Waiver of Rs. 891.75 Crores being arrears of normal interest.
- Conversion of Rs. 904.18 Crores being the arrears of repayment of plan loan into 10% non-cumulative preference equity.
- Moratorium on repayment and payment of interest accrued on Rs. 432.64 Crores. Repayment of non-plan loan commencing from 1.4.1999. Loan has to be repaid in 3 annual instalments along with interest.

13. BORROWINGS

13.1 Borrowings from Government of India

During the year a sum of Rs. 288.72 Crores was received from the Government of India by way of plan loan. A sum of Rs. 892.62 crores (Previous year Rs. 443.48 crores) was paid to the Central Government during 1995-96. The breakup of this amount is as follows :

	Rs. in Crores	
	1995 - 96	1994 - 95
(a) Repayment of loan	364.47	108.09
(b) Interest payment	528.15	335.39

13.2 Bonds and Public Deposits

During the year Coal India did not raise any resource from issue of Bonds. Total value of Bonds issued upto 31.3.96 is Rs. 1100 Crores (Rs. 450 Crores 13% taxable, Rs. 500 Crores 15.5% taxable and Rs. 150 Crores 9% tax-free).

New deposits under Public Deposit Scheme was discontinued from 1st April, 1995 as the level of deposits was not commensurate to high cost of administering the deposits. During the year 1995-96 an amount of Rs. 6.12 Crores was repaid to the depositors on maturity. Thus the total amount of public deposits as on 31.3.1996 was Rs. 10.91 Crores.

14. FOREIGN COLLABORATION

14.1 To meet growing demand for coal in the company, Foreign collaboration with advanced coal producing countries are considered for :

- (a) Bringing in new technology in Underground and Opencast mines for improvement in production and productivity with provision for training.
- (b) Induction of external loan through bilateral agreements at Government level on concessional terms, for import of equipment and technology.
- (c) Financing of scientific studies, R&D activities, etc. by way of grants.
- (d) Co-operation in exploration, technology upgradation and mine planning with CMPDIL, the planning and designing subsidiary of CIL.

In the area of underground mining, import of modern roof bolting technology, introduction of high productive mining technology, longwall mining in difficult roof condition, fire control etc. are being considered. Keeping these objectives in view, Joint Working Group on coal have been set up with UK, France, Germany, Poland, Russia, Canada, Australia and China to identify projects for bilateral co-operation.

France has assisted Coal India in introduction of Blasting Gallery Technology in East Katras (BCCL) and Chora (ECL), Sub-level Caving Technology in East Katras and High-Face-Long wall Technology in Kottadih project of ECL. A training centre with French collaboration has also been commissioned in Burradhemmo of ECL.

Germany is assisting CIL for studying underground voids in Eastern Coalfields, on a project for subsidence and strata control in multi-

seam workings in underground mines. Another project for identification of old workings has also been taken up under German assistance.

Expansion of Rajmahal Project from 5 mty. to 10 mty. has been completed by the Canadian Commercial Corporation. Concessional credit was provided by CCC for Canadian goods and services.

Piparwar Opencast Project of 6.5 million Tonnes capacity with in-pit crushing technology is under implementation at CCL by White Industries Australia Limited on a turnkey basis. Construction of the opencast mine has been completed and the coal preparation and coal handling plant is under construction.

For construction of Piparwar Project of CCL by WIAL, the import cost is being financed by an interest free loan from Export Finance and Insurance Co-operation (EFIC) of Australia.

In September, 1995, 4 contracts have been signed with China National Coal Mining Engineering Equipment (Group) Corporation (CME), China, for supply and commissioning of Powered Support Longwall Equipment with performance guarantee at Churcha West, Balrampur, New Kumda and Rajendra Collieries of SECL and management of hard roof at Churcha West.

A proposal for refurbishment of Churcha PSLW equipment is awaiting formal approval of ODA.

Project for introduction of Fine Coal Washing in Moonidih Project (BCCL) with Australian aid has been approved by CIL Board and cleared by Ministry of Coal. The project is awaiting formal approval from Australian Govt.

Under bilateral co-operation, agreed between India and China, China is to provide expertise in underground mining and India has to provide expertise to China in opencast mining for which the Xianfeng Opencast mine in China has been identified.

Memoranda of Understanding for co-operation between CMPDIL and Giproshakht (Russia) Rheinbruan (Germany) and Met-Chem (Canada) have been finalised.

A joint statement between Deptt. of Energy, USA and Ministry of Coal has been signed for co-operation in the field of fossil energy.

14.2 Coal Bed Methane

Coal Bed Methane gas (CBM), a new conventional energy source in coal bearing areas has been recognised as a long-term energy source.

Coal India Limited, has entered into a memorandum of understanding and licence agreement with M/s Modi Mckenzie Methane Ltd. (Now changed its name as Great Eastern Energy Corporation Ltd.) for exploitation of Coal Bed Methane covering an area of 225 Sq. Kms. in Raniganj Coalfields of West Bengal and commenced operations.

14.3 Introduction of Modern Technology for Underground Mines

CIL has invited Global bids for optimisation of coal production in seven underground mines of SECL, namely Kapildhara, Somna, Churcha, Chirimiri, Pinoura, Vindhya and Kalyani by introduction of modern technologies on gain/risk sharing basis.

14.4 World Bank Projects

World Bank on 16th May, 1996 approved the IDA Credit of US \$ 63 Million for the Coal Sector Environmental and Social Mitigation Project costing US \$ 84 Million. The said credit will be used for the purpose of implementing Environmental Action Plans (EAP), Rehabilitation Action Plans (RAP) & Indegenous People's Development Plans (IPDP) in 25 Open cast Mines which have been identified for World

Bank funding under Coal Sector Rehabilitation Project (CSR) presently under discussion with the World Bank.

15. GEOLOGICAL EXPLORATION AND OTHER ACTIVITIES OF CMPDIL

CMPDI, as the lead organisation for detailed coal exploration continued its activities to enhance the reserve base for mine planning and exploitation. Detailed exploration for proving coking coal resources in Jharia, East and West Bokaro, Sohagpur, Pench Kanhan Coalfields and North Karanpura Coalfields were carried out. Superior grade non-coking coals were explored in Raniganj, Bistrampur and parts of Wardha Valley and other coalfields. Major resources were deployed, however, for proving quarriable potentiality of coal resources suitable for power generation in North Karanpura, Ib Valley, Talcher, Singrauli and Mand-Raigarh Coalfields.

For detailed coal exploration, on an average 99 drills per month were deployed out of which 43 drills belong to CMPDIL. Detailed exploration continued in 140 blocks spread over 23 coalfields in the states of West Bengal, Bihar, Orissa, Madhya Pradesh, Maharashtra, Assam and Meghalaya. Against a total of 2,70,000 metre drilling target, actual meterage drilled was 2,72,403 metres registering an achievement of 101%.

Geophysics : CMPDI has been in the forefront in introduction of new technologies in detailed coal exploration. Multi-parametric well logging, Seismic Refraction Survey, magnetic Survey and Electrical Restivity Survey for detailed coal exploration have been routinised.

Experimental geophysical survey for Manganese exploration in SGBK Block, Orissa was completed for Orissa Mining Corporation.

Remote sensing, an established frontier technology for evaluation of regional geological assessment and environmental monitoring was carried out in different coalfields.

Chemical Laboratory continued to provide support. Coal Petrographic Laboratory also continued to provide support in evaluation of mineral composition and rank of coal particularly of Coking coal.

During the year, 28 geological reports were prepared establishing a reserve of 2.5 billion tonnes of which 2.4 billion tonnes fall under the 'proved' category. Out of total reserves, 1.3 billion tonnes are amenable to "Opencast mining".

UNDP assisted project on "Modelling and control of water systems in Coal Mining Environment" is under execution in ECL and WCL.

A total of 40 Mining project reports were prepared by CMPDI having a total capacity of 41.555 Million Tonnes and capital investment of Rs. 4727.49 Crores.

The National Development Corporation (NDC), Tanzania and the African Development Bank (ADB) desired exploration of potential surface mineable coal deposits in Mchuchuma-Katewaka Coalfield to aid the techno-economic feasibility study of a surface mine and pit head Thermal Power Station. The Geological report was submitted and found satisfactory by the client.

16. RESEARCH & DEVELOPMENT

CMPDI acts as Nodal Agency and coordinates R&D/S&T activities in Coal/Lignite Sector. As nodal agency CMPDI invites the



Green plantation at mine site.

project proposals related to the identified thrust areas from various implementing agencies who have capability and necessary infrastructure and processes the same for funding through Standing Scientific Research Committee (SSRC).

The status of implementation of the projects is as follows :

- | | |
|------------------------------------|------|
| 1. On going projects as on 1.4.96 | - 38 |
| 2. Projects approved during 95-96 | - 8 |
| 3. Projects completed during 95-96 | - 5 |
| 4. On going projects as on 31.3.96 | - 41 |

Some of the major R&D/S&T projects under implementation are as follows :

1. Rapid Cooling of strata heated by fire at South Tisra Fire Area of BCCL.
2. Control of massive and hard roof by water injection under high pressure.
3. Improvement in the life of mine implemented through tarbological studies.
4. Development of processed continuous mining equipment condition monitoring for maximum machine available time in mines etc.

Considerable attention is also being focussed on technology transfer and industrial exploitation of R&D efforts.

17. COMMUNICATION SYSTEM

Effective and reliable communication is vital to the functioning of a core sector for decision making. In pursuit of above, Coal India has developed its own Information System — COALNET — within its units facilitating voice and

data communications from corporate office in Calcutta to the Hqrs. of the Subsidiary Companies and further down stream communication covering Area offices, Projects, Workshops and Collieries/Units etc. The Phase-I and Phase-II of COALNET project have since been implemented by DoT on turnkey basis. Six Satellite Earth Stations, Microwave Links and Digital UHF links have been set up through which speech and data connectivities have been established with all Subsidiary Cos. and some important projects like Rajmahal, Piparwar, Patherkera and Pench area of WCL.

Digital exchanges of State-of-the-art technology have been installed at various Subsidiary Companies as well as CIL Hqrs. which have improved the efficiency of the communication systems remarkably. One such exchange is also under installation at CIL Hqrs. for hotline connections with the subsidiaries.

Under COALNET Phase-III programme the network is being extended to cover all Areas, Stores, Workshops, Rescue Stations etc. by establishing Digital MART, UHF Radio links and VHF Radio Trunking systems. Digital TDMA systems have already been installed in NCL, Singrauli and MCL, Sambalpur connecting Company Hqrs. with the Area Offices for speech and data. Most of the Area offices in SECL have been covered by HF-ISB Radio system. Integrated voice and data communication through UHF Radio Link are also being established for Hasdeo, Sohagpur, Korba, Gevra and Kusbunda Areas of SECL.

Improvement in communication through the above measures would help CIL and its subsidiaries function more efficiently and achieve the goals and objectives.

18. COMPUTERISATION

Computerisation is an integral part of all the business functions at CIL. Covering of more and more application areas under computerisation is a continuous process. Apart from regular operation and maintenance of the various business systems already introduced, the following major jobs were taken up during the year :

1. Marketing Information System has been developed in order to provide on-line information about coal allotment, loading and despatches, bills outstanding etc. Implementation of the system has already started and is expected to be fully operational very soon.



*Smt. Etwariya Devi
the first Lady Shovel Operator of Coal India.*

2. On-line Material Management System is operational in a number of regional stores. The system presently caters to the various stores functions and maintains on-line stock status of spare parts, consumables etc. Upgradation of the system to include the purchase, stock verification, inventory control functions also. Procurement of suitable hardware and software is in the process.

19. MINES SAFETY

During the year 1995-96, safety of operations continued to be a priority area in Coal India Limited. A system of Safety Clearance of mine workings has been introduced which required the prior clearance of working plans from safety angle. An Apex Advisory Group on Safety consisting of Shri H. B. Ghose, Ex-DGMS & Ex-CMD, CMPDIL and Shri C. S. Jha, Ex-CMD, ECL & BCCL have been appointed to oversee that the safety aspect of operations and advise CIL. The Apex Group is interacting with officials at different levels for bringing improvement in the safety standards of the mines.

In addition to the statutory measures to ensure safety, monitoring of safety status of each individual mine has been strengthened through monthly safety status report for each individual mine. Recommendations of special safety audits, including audit of engineering installations are being implemented.

Unfortunately, an incidence of unprecedented rainfall of over 330 mm in 12 hours in the night of 26/27.9.95 resulted in inundation of a number of mines in BCCL causing large-scale loss of lives and property. 77 lives were lost in this disaster. Setting aside the fatalities in the disaster at Gaslitand and other collieries on that day, 115 accidents took place in the mines of CIL

leading to 125 fatalities. The comparative position to last year, companywise, as well as the rates of fatalities per million tonne of production is given below :

Com- pany	Fatal Accident		Fatalities		Fatality Rate/ M.Te. of Production	
	1995-96	1994-95	1995-96	1994-95	1995-96	1994-95
ECL	23	17	24	17	0.86	0.64
BCCL	34 *	30	112 *	38	4.03*	1.43
CCL	21	21	22	24	0.72	0.73
NCL	4	2	4	3	0.11	0.15
WCL	13	15	13	17	0.45	0.59
SECL	15	14	16	22	0.32	0.28
MCL	9	3	9	3	0.28	0.07
NEC	2	—	2	—	2.44	—
CIL	121	102	202 *	124	0.86	0.53
CIL excluding disasters	115	102	125	124	0.53	0.53

* 77 fatalities due to inundation of 6 mines of BCCL on 26/27.9.95

The following measures are being continued to further improve the safety status of mines :

- (i) A crash safety programme has been launched under which mine workings are being re-examined from the angle of safety. The Vocational Training Centres are being activated for safety oriented training and retraining and publicity campaigns on safety have been launched.
- (ii) Precautions against inundation are being taken through comprehensive water management plans and preparations for the monsoons are being done to prevent inrush of water in mines.
- (iii) On the advice of the Apex Group all necessary precautions against fire and explosion are being taken up by the coal companies. These include improvement in ventilation standards, proper care and maintenance in the use of equipment, proper supervision and training and retraining of employees. Stress has been given on Emergency Response Plans for prompt withdrawal of workmen in the eventuality of a disaster.
- (iv) Special attention is being paid to the safety aspect of operations in Deg. III gassy mines through inspections by officials from ISO at the Corporate headquarters. The ISO at subsidiary company level is doing likewise.
- (v) Safety Audit of all mines has been completed and recommendations made in these audits largely implemented. A second round of Safety Audit has been commenced to monitor the status of implementation of the first round of Safety Audit and identify other weak areas.
- (vi) Constant and continuous monitoring of safety is being done through monthly minewise reports of Safety Status. These reveal that there has been substantial progress in removal of deficiencies in ventilation standards, support, telecommunication facilities, measures against dangers of inundation in underground mines, condition of haul roads, lighting in the workings and provision of Audio-Visual-Alarms in opencast mines.
- (vii) Monitoring of the safety status of the mines is being continued through surprise inspections by officers of Internal Safety organisation

(ISO), a Sub-Committee of the CIL Safety Board, through regular review of safety performance of each subsidiary company at CIL level co-ordination meetings with the Chief General Manager(s)/General Manager(s).

- (viii) In addition to the above, monitoring of implementation of the recommendations of the Conferences on Safety in mines and decisions taken in Standing Committee on Safety as well CIL Safety Board is being continued. Safety performance is also being reviewed periodically in CMDs' meets and CIL Board meetings.

20. MINES RESCUE SERVICES

Rescue Stations and Rescue Rooms have been established in the coalfields and substantial progress has been made in equipping and staffing the rescue rooms properly to deal with any kind of emergency. At present there are 6 Rescue Stations and 25 Rescue Rooms in existence. 6 additional Rescue Rooms have been provided in 1995-96.

Several incentives have been provided for persons who are involved in rescue and emergency services.

New technology equipment like infra-red imager, paging system etc. have been introduced.

Order has been placed for a large diameter rescue drill for evacuation of trapped miners.

A large number of high head high capacity submersible pumps have been procured for large scale dewatering operations.

21. MANAGEMENT DEVELOPMENT AND TRAINING

21.1 Training Abroad

Training in UK under the Colombo Plan, continued to be an important part of the Indo-UK collaboration in the Coal Sector. Under this plan two executives were sent to UK for Environmental Management Course.

As a part of project based collaboration, the following employees were trained abroad in maintenance and operation of sophisticated equipment and management of mechanisation from developed countries :

Category	Employees Trained
Executives	37
Supervisors	3
Workers	5
Total	45

21.2 In-house Training

Corporate HRD Plan

An integrated approach to Human Resource Development was taken and a Corporate HRD Plan was drawn for the year 1995-96. The Plan was based on the requirement of each Subsidiary Company and available in-house Training infrastructure located at different Subsidiary Companies.

Total No. of employees trained during 1995-96 are given as follows :

Category	Employees Trained
Executives	11934
Supervisors	9389
Workers	22193 *
Total	43516

* This excludes workmen trained in Vocational Training Centre.

New Training Infrastructure

Indian Institute of Coal Management (IICM), the Training Centre for training Managers of CIL has started functioning at Ranchi. It is expected that this Institute will ultimately become a resource centre for Coal Mining Industry in future.

22. MANPOWER

22.1 The total manpower of the Company including its Subsidiary Companies as on 31.3.96 was 6,36,535 against 6,41,093 as at the end of previous year.

Subsidiary Company-wise position of manpower as on 31.3.96 was as follows :

Company		Execu- tives	Super- visor/ clerical	Skilled/ Semi- skilled/ un skilled	Non- Catego- rised others	Total
ECL	31.3.96	3402	19981	138019	272	161675
	31.3.95	3450	19985	139789	581	163805
BCCL	31.3.96	3516	17836	125232	855	147439
	31.3.95	3572	17884	126992	1524	149972
CCL	31.3.96	3289	12130	76377	1020	92816
	31.3.95	3572	12103	77265	1718	94404
WCL	31.3.96	2429	10148	71551	729	84857
	31.3.95	2332	9992	71418	637	84309
SECL	31.3.96	3089	12862	82688	389	99028
	31.3.95	3039	12589	82214	529	98371
MCL	31.3.96	1171	3211	18169	432	22983
	31.3.95	1094	3079	18005	464	22642
NCL	31.3.96	1312	2599	12747	3	16661
	31.3.95	1282	2582	12431	3	16298
NEC	31.3.96	153	661	4012	0	4826
	31.3.95	154	676	4064	0	4894
CMPDIL	31.3.96	1073	1073	1833	3	3982
	31.3.95	1128	1084	1870	4	4086
DCC	31.3.96	83	145	473	0	701
	31.3.95	83	142	473	0	698
CIL (HQ)	31.3.96	400	491	676	0	1567
	31.3.95	419	920	275	0	1614
CIL as a whole	31.3.96	19917	81137	531777	3704	636535
	31.3.95	19871	80966	534796	5460	641093



Coal miners in a celebration.

22.2 The Presidential directive for Scheduled Castes/Scheduled Tribes has been implemented in all the Subsidiaries/Units of Coal India Limited. Since the availability of SC/ST candidates through local Employment Exchange continues to be poor, special Recruitment drives were undertaken for recruitment of SC/ST candidates vide Office Memorandum No. 6/19/93-DAE (SC-ST Cell), dated 18.9.93.

27% reservation has also been provided to other Backward Classes (OBC).

The representation of SC/ST employees in total manpower of Coal India and its Subsidiary Companies as on 31.12.95 is given below :

Scheduled Caste		Scheduled Tribe	
Nos.	Percentage	Nos.	Percentage
1,54,353	24.25	80,755	12.68

23. INDUSTRIAL RELATIONS

The Industrial Relations in Coal India and its Subsidiaries continued to be cordial except for stray incidents resorted to by individual unions. The Subsidiary-wise strikes and loss of mandays/production were as follows :

Company	No. of Strikes		No. of other incidents		Mandays lost		Production Lost (in tonnes)	
	94-95	95-96	94-95	95-96	94-95	95-96	94-95	95-96
ECL	13 + 1 (GS) + 1 (Bundh)	4+1(BB) 2 (GS)	52	29	180896	162488	131678	107373
BCCL	3 + 1 (GS) + 1 (Bundh)	7+2 (GS)	44	25	18394	33225	11611	28467
CCL	2 + 1 (GS) + 1 (Bundh)	3 + 2 (GS)	68	60	98893	63902	223460	121617
WCL	5 + 1 (GS) + 1 (Bundh)	4 + 1 (GS)	21	13	27824	14514	40458	27350



A workers housing colony at Subsidiary HQs

Com- pany	No. of Strikes		No. of other incidents		Mandays lost		Production Lost (in tonnes)	
	94-95	95-96	94-95	95-96	94-95	95-96	94-95	95-96
SECL	3 + 1 (GS) + 1 (Bundh)	8 + 2 (GS)	0	1	42356	49293	35419	50089
NCL	1 + 1 (GS) + 1 (Bundh)	2 + 2 (GS)	19	20	4664	2194	650	20000
MCL	1 (GS)	2	4	2	792	549	2878	8522
NEC	1 + 1 (GS)	1	0	0	1729	3655	900	2919
CMPDIL	1 (GS) + 1 (Bundh) + 1 (BB)	2 (GS)	0	1	1734	1607	—	—
DCC	0	0	0	0	0	0	0	0
CIL	1 (GS) + 1 (Bundh)	2 (GS)	0	0	1729	1729	0	0
Total	28 + 1 (GS) + 1 (Bundh) + 1 (BB)	31 + 2 (GS) + 1 (BB)	208	151	379011	333156	447054	366337

BB = Bangal Bundh, BUNDH = Bharat Bundh, G. S. = General Strike, J. B. = Jharkhand Bundh.

From the information on IR situation shown above, it would be observed that though there is an increase in wild-cat strikes from 28 to 31 during 95-96, there is a decrease in the total loss of mandays and production during the year under review compared to last year. However, the Company had to face difficult situation during the year due to agitations and obstruction by regional political parties, land oustees and unemployed youth resulting in interruption in mine operation, projects construction and transport of coal.

24. EMPLOYEES' WELFARE AND SOCIAL SECURITY SCHEME

24.1 Welfare Activities

Since its inception, Coal India and its Subsidiaries have been endeavouring to improve the quality of life at work place and at living place of their employees. Efforts have been made to improve basic needs and

facilities of the employees. With a view to improve the standard of living of Coal-miners, housing, water supply, medical and educational facilities, have been the major thrust areas of welfare activities of the Management. Welfare of coal-miners enjoys the same importance in CIL as production, productivity and safety and by sincere efforts of the Coal Companies, there has been a significant improvement in quality of life of coal-miners during the Post-Nationalisation period of the Coal Industry.

The table below shows the position of basic facilities provided such as housing, water supply, education and medical facilities since post nationalisation period of the Coal Industry.

Item	Available at the time of Nationa- lisation	Additions during 1995-96	Position as on 31.3.96	Overall satis- faction in percen- tage
(i) Houses	1,18,366	6,681	3,89,463	61.18%
(ii) Water supply	2.27 lakhs population	0.33 lakh popula- tion	22.88 lakhs popula- tion	
(iii) Educa- tional Institu- tions	287		1347	
(iv) Medical facilities				
(a) Ambulance	42	7	650	
(b) Hospitals	49	1	85	
(c) Hospital beds	1482	92	5606	1:120
(d) Dispensaries			424	

24.2 Tree Plantation/Afforestation

Under the afforestation programme, CIL and its Subsidiaries during the year 1995-96 have planted 75.05 lakh trees as against the target of 72.15 lakh trees.

25. PROGRESSIVE USE OF HINDI

25.1 Major thrust was given during the year under report as in the previous years for implementation of the Official Language Act in CIL and its subsidiary companies. Arrangements were made for training in the field of Hindi Training of Officers and Employees who participated in the classes and appeared at the respective examinations enthusiastically.

During the year the members of the Hindi Salahkar Samiti of the Ministry attended the Advisory Committee Meeting held at Nagpur and praised the efforts of propagation and implementation of official language in the Subsidiary Companies. As a measure of mass contact, Hindi exhibition and Kavi Sammelan were held during the occasion.

As usual, "Khanan Bharti", the premier magazine of all the PSUs is continuing to be published from Nagpur. Moreover, a few magazines viz. : Jyotsna, Saurav, Pallav, Vasundhara, Pratibimb are being published from different Subsidiary Companies to promote Hindi language among the CIL family.

In order to accelerate inspiration of Hindi language, competition among employees on Hindi dictation, Essay writing, Quiz contest etc. were conducted.

26. PARTICULARS OF EMPLOYEES IN RECEIPT OF Rs. 25,000/- PER MONTH OR Rs. 3 LAKHS PER ANNUM

None of the employees received salary of Rs. 25,000/- per month or Rs. 3,00,000/- per annum or more in full or part of the year (as per provisions of Sec. 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended in 1995).

BOARD OF DIRECTORS

Shri P. K. Sengupta, who took charge of the office of CMD, CIL on 31.12.94 and was appointed Chairman-cum-Managing Director of the Company on 4.9.1995.

Shri C. H. Khisty, Director (P&IR) was appointed as full-time Director on the Board w.e.f. 6th February, 1996 in place of Shri R.A.P. Singh who retired on 31.12.95.

Shri P. K. Banerji, Additional Secretary, Ministry of Coal was appointed as part-time Director on the Board w.e.f. 31.7.96 in place of Shri B. N. Makhija, who was transferred on 12.2.96.

Shri Vivek Mehrotra, Joint Secretary & Financial Adviser, Ministry of Coal and Shri U. K. Mittal, Director (Operation), Steel Authority of India Ltd. continued as Part-time Directors of the Company.

Shri Shanti Narain, Adviser (Traffic) Railway Board and Shri U. Kumar, Chairman-cum-Managing Director, South Eastern Coalfields Limited were appointed as Part-time Directors on the Board w.e.f. 13.2.96.

Shri M. C. Mahapatra, Chairman-cum-Managing Director, Singareni Collieries Co. Ltd., was appointed as part-time Director on the Board w.e.f. 21.6.96.

Shri T. K. Deb, Director (Technical) ceased from the Directorship consequent on his retirement on 30.6.96.

Shri M. A. Ubaid, Chairman-cum-Managing Director, Central Coalfields Limited and Shri C. R. Das, Chairman-cum-Managing Director, Mahanadi Coalfields Limited ceased from the Directorship effective from 2.11.95 and 15.3.96 respectively consequent on completion of their tenure of appointments as Directors on the Board.

Your Directors wish to place on record their deep sense of appreciation for the valuable guidance and services rendered by Shri B. N. Makhija, Shri T. K. Deb, Shri R. A. P. Singh, Shri M. A. Ubaid and Shri C. R. Das as Directors during their tenure on the Board.

In terms of Article 33 d(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 10 (ten) meetings during the year 1995-96.

ACCOUNTS OF THE SUBSIDIARIES

The copies of Accounts of the Subsidiary Companies for the year 1995-96 are attached in Vol-II of the Annual Report and Accounts in compliance with requirement of Sec. 212 of the Companies Act, 1956.

ACKNOWLEDGEMENT

Your Directors sincerely appreciate the contribution made by the employees at all level of your Company and its Subsidiary Companies 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 Ministries 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 and Registrar of Companies, West Bengal.

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 31.3.96.
- (iii) Statement pursuant to Sec. 212 (i) (e) of the Companies Act, 1956.

For and on behalf of the
Board of Directors

P. K. Sengupta
Chairman

Calcutta
Date, 25th Sept., 1996

Annual Accounts

1995-96

Balance Sheet

As At 31st March, 1996

				(Rs. in '00,000)
	Schedule	Current Year		Previous Year
I. SOURCES OF FUND				
A. Shareholders' Fund				
(a) Share Capital	A	631636.44		631636.44
(b) Share Money Pending Allotment	B	—		—
(c) Reserves & Surplus	C	1134.85		1134.85
B. Loan Fund				
(a) Secured	D	40737.60	28937.31	
(b) Unsecured	E	495856.45	618325.89	
		536594.05		647263.20
		1169365.34		1280034.49
II. APPLICATION OF FUND				
A. Fixed Assets	F			
(a) Fixed Assets		30709.06	27874.70	
Less : Depreciation		10354.78	8893.74	
		20354.28		18980.96
(b) Capital Work-in-Progress		1663.08		2835.97
B. Investment	G	623053.00		623053.00
C. Current Assets, Loans & Advances				
Inventories	H	4913.29	9464.95	
Sundry Debtors	I	2307.41	3955.83	
Cash & Bank Balances	J	831.50	367.34	
Loans & Advances	K	530865.45	629787.83	
		538917.65	643575.95	
Less : Current Liabilities & Provisions	L	43176.31	34148.51	
		495741.34		609427.44
D. Miscellaneous Expenditure (To the extent not written-off or adjusted)	M	1206.41		1110.02
E. Profit & Loss Account		27347.23		24627.10
		1169365.34		1280034.49
Accounting Policies and Notes to the Accounts are forming part of the Accounts	N			
Sd/- U. Suryanarayana Company Secretary	Sd/- A. K. Mitra Chief General Manager (F)	Sd/- C. H. Khisty Director (P)	Sd/- P. K. Sengupta Chairman	

New Delhi
Dated : The 14th September, 1996.

As per our separate report of even date :
For Mitra Kundu & Basu
Chartered Accountants

Dated : 16.9.96
Calcutta

Sd/-
(S. C. Basu)
(Partner)

Profit & Loss Account

For the Year Ended 31st March, 1996

(Rs. in '00,000)			
INCOME	Schedule	Current Year	Previous Year
Sales	1	9101.98	13526.22
Coal Issued for other purposes	2	179.11	287.18
Other Income	3	7089.62	4821.39
Contribution to/from Coal Price Regulation Account		1799.92	-121.35
		18170.63	18513.44
EXPENDITURE			
Depletion/Accretion of Stock	4	3236.64	-2255.24
Purchase of Coal & Coke etc.	5	267.21	6306.54
Consumption of Stores & Spares	6	910.53	978.98
Coal Issued for other purposes	7	8.00	25.09
Employees' Remuneration and Benefits	8	6273.28	4341.48
Impact of MOU on JBCCI-V		—	553.75
Social Overhead	9	943.27	1089.95
Power & Fuel	10	504.30	852.99
Repairs	11	276.57	298.97
Contractual Expenses	12	2848.65	2706.58
Other Expenditure	13	1931.86	2524.34
Interest	14	1501.28	758.36
Finance Charges	15	2.87	2.29
Depreciation		1311.45	1283.00
Provisions	16	108.55	360.24
		20124.46	19827.32
PROFIT/LOSS FOR THE YEAR		-1953.83	-1313.88
Prior Period Adjustment	17	-766.30	—
NET PROFIT/LOSS BEFORE TAXATION		-2720.13	-1313.88
Provision for Income Tax		—	—
PROFIT/LOSS AFTER TAX		-2720.13	-1313.88
Profit/Loss upto the previous year		-24627.10	-23313.22
Balance carried to the Balance Sheet		-27347.23	-24627.10
Statement on Significant Accounting Policies, Notes on Accounts The Schedules referred to above form an integral part of Accounts.	N		

Sd/-
U. Suryanarayana
Company Secretary

Sd/-
A. K. Mitra
Chief General Manager (F)

Sd/-
C. H. Khisty
Director (P)

Sd/-
P. K. Sengupta
Chairman

As per our separate report of even date :
For Mitra Kundu & Basu
Chartered Accountants

New Delhi
Dated : The 14th September, 1996.

Dated : 16.9.96
Calcutta

Sd/-
(S. C. Basu)
(Partner)

Schedule to Balance Sheet

As At 31st March, 1996

SCHEDULE - A

	Current Year	(Rs. in '00,000) Previous Year
SHARE CAPITAL		
<i>Authorised</i>		
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
<i>Issued, Subscribed and Paid up</i>		
6,05,94,305 Equity Shares of Rs.1000/- each fully paid in cash (Previous Year 6,05,94,305 Equity Shares of Rs.1000/- each)	605943.05	605943.05
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
	631636.44	631636.44

SCHEDULE - B

	Current Year	(Rs. in '00,000) Previous Year
SHARE MONEY PENDING ALLOTMENT		
Amount and/or consideration received from Government of India against Equity Shares pending allotment :		
For Land Compensation	0.00	0.00

SCHEDULE - C

	Current Year	(Rs. in '00,000) Previous Year
RESERVES & SURPLUS		
Investment Allowance Reserve (Utilised)	344.77	344.77
Bond Redemption Reserve	790.08	790.08
	1134.85	1134.85

SCHEDULE TO BALANCE SHEET (CONTD.)

SCHEDULE - D

	(Rs. in '00,000)	
	Current Year	Previous Year
SECURED LOAN		
Cash Credit from Scheduled Banks (secured by hypothecation of stock of Stores & Spareparts, Stock of Coal & Coke, Book Debts & Other Assets)		
State Bank of India	24427.84	14150.57
Punjab National Bank	3582.30	5000.00
United Bank of India	1418.04	921.64
Canara Bank	1442.41	1676.54
Bank of Baroda	4500.00	1167.38
Dena Bank	2884.45	2960.39
Bank of Rajasthan	255.64	666.96
State Bank of Travancore	1913.65	2080.56
	40424.33	28624.04
Commercial Paper	—	—
Interest accrued & due (Secured by Govt. Guarantee)	313.27	313.27
	40737.60	28937.31

SCHEDULE - E

	(Rs. in '00,000)	
	Current Year	Previous Year
UNSECURED LOAN		
Long term loan from Government of India	373783.17	381358.47
<i>Secured Bonds</i> (To be secured by equitable mortgage/hypothecation of Fixed Assets of Northern Coalfields Ltd.)		
15.5% Non-convertible	50000.00	50000.00
13% Non-convertible	45000.00	45000.00
9% Non-convertible (Tax Free)	15000.00	15000.00
	110000.00	110000.00
<i>Short Term Loan from</i> Neyveli Lignite Corporation Ltd. Unit Trust of India	5000.00	5000.00
	—	8000.00
	5000.00	13000.00
<i>Public Deposits</i> Fixed	765.73	1310.29
Cumulative	325.78	393.10
	1091.51	1703.39
Interest Accrued & Due	5981.77	112264.03
	495856.45	618325.89



SCHEDULE TO BALANCE SHEET (CONTD.)

SCHEDULE - F

(Rs. in '00,000)

FIXED ASSETS

	C O S T				DEPRECIATION				NET BLOCK	
	As on 01.04.95	Addition during the year	Adj./Sales/ Trans. during the year	Total as on 31.03.96	As on 01.04.95	Addition during the year	Adj./Sales/ Trans. during the year	Total as on 31.03.96	As on 31.03.96	As on 31.03.95
LAND										
(a) Freehold	666.57	5.33		671.90					671.90	666.57
(b) Leasehold	2.21			2.21	0.26	0.03		0.29	1.92	1.95
BUILDING	5556.87	390.03	-0.48	5946.42	609.71	120.70	-2.12	728.29	5218.13	4947.16
PLANT & MACHINERY	14304.38	1677.28	16.53	15998.19	6064.15	775.48	3.61	6843.24	9154.95	8240.23
FURNITURE & FITTINGS/ OFFICE EQUIPMENTS	798.53	545.32	3.84	1347.69	251.93	80.60	52.45	384.98	962.71	546.60
RAILWAY SIDING	1077.52	1.72	-28.28	1050.96	240.08	49.88	-7.06	282.90	768.06	837.44
VEHICLES	282.22	13.68	10.65	306.55	149.55	24.91	-2.61	171.85	134.70	132.67
AIRCRAFT	1572.12			1572.12	425.27	178.70	-0.03	603.94	968.18	1146.85
TELECOMMUNICATION	266.90	2.93	-7.73	262.10	59.15	12.41	-0.26	71.30	190.80	207.75
DEVELOPMENT	2716.07	117.41		2833.48	925.82	137.03		1062.85	1770.63	1790.25
PROSPECTING & BORING	631.31	86.13		717.44	167.82	37.32		205.14	512.30	463.49
TOTAL	27874.70	2839.83	-5.47	30709.06	8893.74	1417.06	43.98	10354.78	20354.28	18980.96
CAPITAL WORK-IN-PROGRESS	2835.97	686.05	-1858.94	1663.08					1663.08	2835.97
GRAND TOTAL	30710.67	3525.88	-1864.41	32372.14	8893.74	1417.06	43.98	10354.78	22017.36	21816.93
PREVIOUS YEAR										
FIXED ASSETS	24044.37	3859.57	-29.24	27874.70	7542.21	1357.24	-5.71	8893.74	18980.96	16502.16
CAPITAL WORK-IN-PROGRESS	4493.05	447.25	-2104.33	2835.97					2835.97	4493.05

ALLOCATION OF DEPRECIATION

	CURRENT YEAR	PREVIOUS YEAR
Profit & Loss Account	1311.45	1283.00
Social Overhead	62.66	58.00
Power & Fuel	8.40	8.41
Prior Period Adjustment	73.41	—
Development	6.63	8.17
Other Adjustment	—	—
Transfer In/Out	-1.51	-6.05
TOTAL	1461.04	1351.53

SCHEDULE TO BALANCE SHEET (CONTD.)

SCHEDULE - G

(Rs. in '00,000)

Current Year	Previous Year
---------------------	----------------------

INVESTMENT (Unquoted)
(Valued at Cost)

In Fully Paid Equity Shares of
Subsidiary Companies :

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 fully paid 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
----------	----------

1,17,84,728 fully paid Equity Shares of
Rs. 1000/- each in Northern Coalfields Ltd.
(Previous year 1,17,84,728 Equity Shares
of Rs. 1000/- each)

117847.28	117847.28
-----------	-----------

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 10,00,009 Equity Shares
of Rs. 1000/- each)

10000.09	10000.09
----------	----------

1,90,400 fully paid Equity Shares of
Rs. 1000/- each in CMPDIL
(Previous Year 1,90,400 Equity Shares
of Rs. 1000/- each)

1904.00	1904.00
---------	---------

In Fully Paid Equity Shares of
Other Company :

16,334 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
------	------

623053.00	623053.00
------------------	------------------

SCHEDULE TO BALANCE SHEET (CONTD.)

SCHEDULE - H

	(Rs. in '00,000)	
	Current Year	Previous Year
INVENTORIES		
(As valued and certified by the Management)		
Stock of Stores & Spareparts (At cost)	524.40	921.71
Less : Provision for slow-moving/ non-moving obsolescence/shortage	47.67	41.94
	<u>476.73</u>	<u>879.77</u>
Stores-in-transit (At cost)	—	8.69
	<u>476.73</u>	<u>888.46</u>
Stock of Coal (At net selling price in NEC and at cost in CMO and DCC)	7264.52	9966.82
Coke (At net realisable value)	1.85	24.01
Coal Fines (At cost)	—	73.28
Other By-products (At net realisable value)	—	438.40
	<u>7266.37</u>	<u>10502.51</u>
Less : Provisions	2831.70	1902.90
Provision for DCC	—	33.82
	<u>4434.67</u>	<u>8565.79</u>
Stock of Bricks (At cost)	1.89	10.70
	<u>4913.29</u>	<u>9464.95</u>

SCHEDULE TO BALANCE SHEET (CONTD.)

ANNEXURE TO SCHEDULE - H

**NAME OF COMPANY, NEC, CIL, MARGHERITA, ASSAM
PARTICULARS IN RESPECT OF COAL STOCK AS ON 31.03.96**

QTY. IN '000' TONNE
VALUE IN RS. LAKHS

PARTICULARS	OVERALL STOCK		PROVISION FOR NON VENABLE STOCK		VENDBABLE STOCK	
	QTY.	VALUE	QTY.	VALUE	QTY.	VALUE
(A) RECONCILIATION OF BOOK STOCK AND MEASURED STOCK						
1. Opening stock as on 01.04.95 (As Per Accounts)	1158.07	9265.02			1158.07	9265.02
2. Add Production for the Year	820.57	6635.41			820.57	6635.41
3. Sub-Total (1+2)	1978.64	15900.43			1978.64	15900.43
4. Less Offtake for the Year						
(A) (i) Outside Despatch	1030.94	8751.36			1030.94	8751.36
(ii) Transferred out						
(B) Internal Consumption for washeries etc.						
(C) Consumption for Boiler and Domestic Coal	20.64	179.85			20.64	179.85
Total (4)	1051.58	8931.21			1051.58	8931.21
5. Derived Stock (3 –4) (927.06–13.35)	913.71	6969.22			913.71	6969.22
6. Measured Stock (924.45 – 13.35)	911.10	6949.31			911.10	6949.31
7. Difference (5–6)	2.61	19.91			2.61	19.91
8. Break up of Difference						
(A) Excess Within 5%						
(B) Shortage Within 5%	2.61	19.91			2.61	19.91
(C) Excess Beyond 5%	0.06	0.46			0.06	0.46
(D) Shortage Beyond 5%						
9. Closing Stock Adopted In Accounts (6–8A+8B+8C)	913.77	6969.68			913.77	6969.68
In Transit	9.53	78.63			9.53	78.63
(B) Reconciliation of Closing Stock Adopted in Accounts with Book Stock as at the end of Year Stock as per Books						
			QTY.		VALUE	
			913.71		6969.22	
ADD : Net Excess of more than 5% Accounted for in the Account but not adjusted from Book stock pending write off			0.06		0.46	
LESS : Non-venable stock including mixed stock and stock on which provision equivalent to the value has been made in accounts but Qy. not adjusted in Book Stock as well as accounts			525.52		1998.47	
LESS : Charges for Rehandling of Pit Head Stock			—		2.76	
LESS : Provision made in the Accounts to take care of future deterioration in Coal Stock			—		704.83	
ADD : Coal in Wagon			9.53		76.25	
Stock as per A/cs after all provisions			397.78		4339.87	

SCHEDULE TO BALANCE SHEET (CONTD.)

SCHEDULE - I

	Current Year	(Rs. in '00,000) Previous Year
SUNDRY DEBTORS (UNSECURED)		
Debts outstanding for period exceeding 6 months	1552.56	1808.97
Other Debts	1012.07	2472.16
	<hr/> 2564.63	<hr/> 4281.13
Less : Provision	257.22	325.30
	<hr/> 2307.41	<hr/> 3955.83
 CLASSIFICATION		
Considered good	2307.41	3955.83
Considered doubtful	257.22	325.30

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

	Current Year	(Rs. in '00,000) Previous Year
CASH AND BANK BALANCES		
Cash, Cheques, Drafts, Stamps etc. in hand	5.02	4.99
Remittance-in-transit	35.43	30.51
In Current Account with Scheduled Banks	790.28	316.28
With Post Office Savings Bank Account	0.74	0.67
Public Deposit Account	0.03	14.89
	<hr/> 831.50	<hr/> 367.34

SCHEDULE TO BALANCE SHEET (CONTD.)

SCHEDULE - K

	(Rs. in '00,000)	
	Current Year	Previous Year
LOANS & ADVANCES		
Loans & Advances (Unsecured)		
[Advance Receivable in cash or in kind		
or for value to be received]		
<i>ADVANCE TO SUPPLIERS</i>		
For Capital	1209.31	1185.81
For Others	64.06	74.79
	1273.37	1260.60
<i>ADVANCE TO CONTRACTORS</i>		
For Capital Works	7.22	21.77
<i>ADVANCE TO EMPLOYEES</i>		
For House Building	283.26	357.70
For Motor Car & Other Conveyance	32.36	41.97
For Others	66.34	28.15
	381.96	427.82
<i>DEPOSITS</i>		
For Custom Duty & Port Charges	162.67	63.41
For Other Deposits	429.29	210.79
	591.96	274.20
Short Term Loan to IDPL	150.00	150.00
Other Receivable	88.30	170.26
Other Advances	98.36	83.91
<i>AMOUNT DUE FROM GOVERNMENT OF INDIA</i>		
For transaction on behalf of Ex-Coal Board	16.39	9.69
For interest subsidy on non-plan loan	—	1551.62
For subsidy receivable	—	151.83
	16.39	1713.14
Claims Receivable	517.44	462.42
Prepaid Expenses	37.84	46.56
In Current Account with Subsidiaries of Holding Co.	528083.80	625547.82
	531246.64	630158.50
Less : Provision	381.19	322.84
Provision for DCC	—	47.83
	530865.45	629787.83
<i>CLASSIFICATION</i>		
Considered good	530865.45	629787.83
Considered doubtful	381.19	370.67

SCHEDULE TO BALANCE SHEET (CONTD.)

SCHEDULE - K (Contd.)

AMOUNT DUE FROM SUBSIDIARY COMPANIES

(Rs. in '00,000)

	Maximum amount due at any time during the year		Closing Balance	
	Current year	Previous Year	Current Year	Previous Year
Eastern Coalfields Limited	190518.84	189794.15	129600.02	163630.56
Bharat Coking Coal Limited	220939.19	234164.37	166161.81	200728.79
Central Coalfields Limited	100164.06	98172.97	90792.26	98172.97
Western Coalfields Limited	20956.40	32666.21	17259.77	32666.21
Northern Coalfields Limited	29175.88	45118.73	29175.88	45118.73
South Eastern Coalfields Limited	13487.65	11118.42	13487.65	11118.42
Mahanadi Coalfields Limited	77678.24	70926.72	77678.24	70926.72
Central Mine Planning & Design Institute Limited	6657.67	7402.10	4622.35	3185.42
Indian Institute of Coal Management	2047.08	—	— 694.18	—

Notes : House Building and cars/scooters advance for Rs.315.62 lakhs (Previous year 399.67 lakhs) included under Loans & Advances (Unsecured) considered good and are secured by equitable mortgage on assets concerned.)

SCHEDULE TO BALANCE SHEET (CONTD.)

SCHEDULE - L

	(Rs. in '00,000)	
	Current Year	Previous Year
CURRENT LIABILITIES & PROVISIONS		
SUNDRY CREDITORS		
For Capital including Revenue Stores	59.32	354.43
For Coal	375.72	1191.46
	435.04	1545.89
Advance from Customer	780.68	1624.10
Deposits	1129.48	1058.32
Advance Deposit (Pre-nationalisation)	20.85	20.85
EMPLOYEES' REMUNERATION & BENEFITS		
Salaries, Wages & Allowances	1766.15	869.66
Attendance Bonus	4.63	4.15
Ex-gratia	142.03	156.24
Unpaid salaries, Wages etc.	3.53	22.67
Gratuity	743.18	47.80
	2659.52	1100.52
OTHER EXPENSES		
Power & Fuel	39.01	192.38
Contractual Expenses	1092.79	1186.73
Others	489.68	232.82
	1621.48	1611.93
VRS GRANTS (National Renewal Fund)	262.30	2217.50
Book Overdraft	97.35	197.40
Due to Government of India	197.25	297.67
(Including ex-owner's Accounts)		
Interest accrued but not due on Loan	33894.82	21728.40
Assam Land Tax	—	216.54
SALES TAX		
State	23.23	41.78
Central	24.58	45.36
	47.81	87.14
Royalty & Cess on Coal	136.28	1030.70
Provident Fund	96.04	359.55
INCOME TAX		
Public Deposit	0.26	0.38
Employees	25.57	11.34
Contractors	4.86	13.75
	30.69	25.47
Professional Tax	5.35	5.64
Other Liability	1761.37	1020.89
	43176.31	34148.51

SCHEDULE - M

	(Rs. in '00,000)	
	Current Year	Previous Year
MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
Discount on Bonds	483.32	877.71
VRS Expenses carried forward	165.76	232.31
Gratuity	557.33	—
	1206.41	1110.02

Schedule to Profit & Loss Account

For the Year Ended 31st March, 1996

SCHEDULE - 1

(Rs. in '00,000)

SALES

PARTICULARS	P R O D U C T S						TOTAL	
	Raw Coal	Hard Coke	Soft Coke	Coal Gas	Bye Products	CIL Coke	Current Year	Previous Year
QUANTITY (in '000 M.T.)	1072.1	—	5.8	—	—	—	1077.9	1376.5
(in '000 Therm)	—	—	—	—	—	—	0.0	6163.4
Gross Sales Value (A)	10976.65	—	30.78	—	—	—	11007.43	15843.14
Less : Rebate	204.58	—	—	—	—	—	204.58	692.21
	10772.07	0.00	30.78	0.00	0.00	0.00	10802.85	15150.93
Less : Statutory Levies								
Royalty on Coal	1236.94	—	—	—	—	—	1236.94	1001.79
Stowing Excise Duty	36.06	—	—	—	—	—	36.06	29.23
Assam Land Tax	—	—	—	—	—	—	—	—
Sales Tax								
Central	273.82	—	—	—	—	—	273.82	300.01
State	152.87	—	1.18	—	—	—	154.05	293.68
Total Levies (B)	1699.69	0.00	1.18	0.00	0.00	0.00	1700.87	1624.71
Net Value (A - B)	9072.38	0.00	29.60	0.00	0.00	0.00	9101.98	13526.22

SCHEDULE - 2

(Rs. in '00,000)

	Current Year	Previous Year
COAL ISSUED FOR OTHER PURPOSES		
Boiler Consumption	39.45	117.81
Free Issue to Employees	131.66	144.28
Others	8.00	25.09
TOTAL	179.11	287.18

SCHEDULE TO PROFIT & LOSS ACCOUNT (CONTD.)

SCHEDULE - 3

	(Rs. in '00,000)	
	Current Year	Previous Year
OTHER INCOME		
Subsidy (Stowing)	21.28	154.65
Recovery of Apex Office Charges	4246.93	4052.00
Interest received	11.46	10.32
Profit on Sale of Assets	1.40	1.58
Rent (Outsider)	0.05	1.03
L. D./Penalty received	12.90	25.38
Tender Fees	10.84	35.09
Service charges from customers	596.62	472.60
Provision/Liability Write backs		
For Advance	17.41	17.94
For Excess Liability	37.69	2.43
For Doubtful Debts	68.41	—
	<hr/> 123.51	<hr/> 20.37
Hire charges	1560.00	—
Let out Rent	393.00	—
Others	111.63	48.37
TOTAL	<hr/> 7089.62 <hr/>	<hr/> 4821.39 <hr/>



SCHEDULE TO PROFIT & LOSS ACCOUNT (CONTD.)

SCHEDULE - 4

	(Rs. in '00,000)	
	Current Year	Previous Year
ACCRETION / DECRETION OF STOCK		
Stock of Coal / Coke etc.		
Opening Stock (Revenue Mines only)		
as on 1.4.95 :		
Raw Coal	8132.95	5422.60
Less : Trf. Out (DCC)/Adjt.	403.28	103.12
	<hr/> 7729.67	<hr/> 5319.48
Soft Coke	1.85	1.95
Coal & Coke in transit	78.07	206.70
Bricks	10.70	1.81
CIL Coke	22.16	488.57
Coal Tar	41.67	28.22
Other By-Products	436.19	420.15
	<hr/> 500.02	
Less : Trf. Out (DCC)	500.02	
	<hr/> 7820.29	<hr/> 6466.88
Less : Deterioration of Coal value due to fire or longer stocking	147.09	145.62
	<hr/>	<hr/>
TOTAL (A)	7673.20	6321.26
Closing Stock (Revenue Mines only)		
as on 31.03.96 :		
Raw Coal	5063.78	8132.95
Soft Coke	1.85	1.85
Coal & Coke in Transit	73.87	78.07
Bricks	1.89	10.70
CIL Coke	—	22.16
Coal Tar	—	41.67
Other By-Products	—	436.19
	<hr/> 5141.39	<hr/> 8723.59
Less : Deterioration of Coal value due to fire or longer stocking	704.83	147.09
	<hr/>	<hr/>
TOTAL (B)	4436.56	8576.50
NET TOTAL OF (TOTAL A – TOTAL B)	3236.64	–2255.24

SCHEDULE TO PROFIT & LOSS ACCOUNT (CONTD.)

SCHEDULE - 7

	(Rs. in '00,000)	
	Current Year	Previous Year
COAL ISSUED FOR OTHER PURPOSES		
Boiler Consumption	39.45	117.81
Free Issue to Employees	131.66	144.28
Others	8.00	25.09
	<u>179.11</u>	<u>287.18</u>
Less : Transfer to		
Power & Fuel	39.45	117.81
Social Overhead	131.66	144.28
	<u>171.11</u>	<u>262.09</u>
TOTAL	<u>8.00</u>	<u>25.09</u>

SCHEDULE - 8

	(Rs. in '00,000)	
	Current Year	Previous Year
EMPLOYEES' REMUNERATION AND BENEFITS		
<i>SALARIES, WAGES AND ALLOWANCES</i>		
Salaries & Wages (Incl. Transport Subsidy)	4917.65	3221.48
Overtime		
(a) Normal	78.25	96.01
(b) Sunday Production	—	1.01
(c) Sunday Maintenance	0.01	0.27
	<u>78.26</u>	<u>97.29</u>
Incentive	0.25	4.01
Leave Encashment	7.19	1.12
Contribution to Provident Fund and Other Funds (Including Administrative Charges)	469.88	370.48
Attendance Bonus	136.32	120.92
Ex-gratia		
(a) PPLB - Non Executive	124.45	149.27
(b) PPLR - Executive	9.28	9.43
	<u>133.73</u>	<u>158.70</u>
LTC/LLTC/RRF	319.85	214.49
Pension	3.95	3.50
Gratuity	284.15	219.81
Workmen Compensation	2.60	7.12
Group Insurance	11.01	10.11
D. L. I.	1.89	2.33
Life Cover Scheme	5.55	4.50
V. R. S.	81.06	77.44
Others	0.23	0.17
	<u>6453.57</u>	<u>4513.47</u>
Less : Transfer to		
Social Overhead	135.02	145.64
Power & Fuel	2.60	1.40
Development	42.67	24.95
	<u>180.29</u>	<u>171.99</u>
TOTAL	<u>6273.28</u>	<u>4341.48</u>

SCHEDULE TO PROFIT & LOSS ACCOUNT (CONTD.)

SCHEDULE - 9

	(Rs. in '00,000)	
	Current Year	Previous Year
SOCIAL OVERHEAD		
Salaries, Wages & Allowances	135.02	154.67
Free Issue of Coal to Employees	131.66	144.28
Medical Facilities		
(a) Medical Reimbursement	102.12	110.67
(b) Medicine	50.33	55.46
(c) Diet Expenses	4.04	8.02
(d) Medical Grants	18.23	16.33
	<u>174.72</u>	<u>190.48</u>
Grants to		
(a) Schools & Institutions	7.18	19.10
(b) Sports, Recreation	17.15	80.76
	<u>24.33</u>	<u>99.86</u>
Canteen and Creche		
Canteen up-keep	11.69	16.92
House Rent	53.06	35.44
Power	75.92	81.38
Repairs & Maintenance		
(a) Township (Incl. welfare buildings)	102.92	104.53
(b) Plant & Machineries	2.07	1.36
	<u>104.99</u>	<u>105.89</u>
Maintenance of Vehicles		
(a) Petrol & Diesel	10.84	1.48
(b) Repairs	5.24	4.11
(c) Road Tax	—	0.36
(d) Insurance	0.21	0.12
	<u>16.29</u>	<u>6.07</u>
Consumption of Stores & Spares	37.48	43.85
Depreciation	62.66	58.00
Community Development	51.75	73.02
Environmental expenses		
Tree Plantation	15.44	36.56
Uniform	3.81	8.22
Training Expenses		
(i) Within the Co.	13.86	26.98
(ii) Outside the Co.	13.05	6.19
	<u>26.91</u>	<u>33.17</u>
Others	33.91	26.35
	<u>959.64</u>	<u>1114.16</u>
Less : Recoveries		
House Rent	8.46	10.39
Hospital Charges	1.58	1.40
Electricity	3.58	3.39
	<u>13.62</u>	<u>15.18</u>
Less : Transferred to Development	2.75	9.03
TOTAL	<u>943.27</u>	<u>1089.95</u>

SCHEDULE TO PROFIT & LOSS ACCOUNT (CONTD.)

SCHEDULE - 10

		(Rs. in '00,000)
	Current Year	Previous Year
POWER & FUEL		
Purchase of Electricity	487.38	769.41
Power Generation		
Salary & Wages	2.60	1.40
Consumption of Coal	39.45	117.81
Consumption of Stores	43.63	40.53
Repair & Maintenance	3.02	—
Depreciation	8.40	8.41
	<u>97.10</u>	<u>168.15</u>
	584.48	937.56
Less : Transfer to		
Social Overhead	75.92	81.38
Development	4.26	3.19
	<u>80.18</u>	<u>84.57</u>
TOTAL	<u>504.30</u>	<u>852.99</u>

SCHEDULE - 11

		(Rs. in '00,000)
	Current Year	Previous Year
REPAIRS		
Building	189.58	215.51
Plant & Machinery		
Outside Agency	42.70	104.08
Others		
(a) Office Equipment	51.88	33.93
(b) Consumption of Stores per contra	18.43	0.27
(c) Vehicles	21.20	6.12
(d) Others	72.54	52.76
	<u>164.05</u>	<u>93.08</u>
	396.33	412.67
Less : Transfer to		
(a) Social Overhead	110.23	110.00
(b) Power & Fuel	3.02	—
(c) Development	6.51	3.70
	<u>119.76</u>	<u>113.70</u>
TOTAL	<u>276.57</u>	<u>298.97</u>

SCHEDULE TO PROFIT & LOSS ACCOUNT (CONTD.)

SCHEDULE - 12

	(Rs. in '00,000)	
	Current Year	Previous Year
CONTRACTUAL EXPENSES		
Transportation Charges	8.23	135.78
Coal, Coke	7.28	14.02
Stores	15.51	149.80
	2833.14	2556.78
Other Contractual Work		
	2848.65	2706.58
TOTAL		

SCHEDULE TO PROFIT & LOSS ACCOUNT (CONTD.)

SCHEDULE - 13

		(Rs. in '00,000)	
	Current Year	Previous Year	
OTHER EXPENDITURE			
Travelling			
(a) In Country	286.21	308.10	
(b) Outside Country	50.31	38.03	
	<hr/>	<hr/>	
	336.52	346.13	
Printing & Stationery	101.62	145.46	
Postage	7.22	10.90	
Telephone	229.42	201.02	
Advertisement & Publicity			
(i) Advertisement for			
(a) Recruitment	40.34	18.54	
(b) Tender	91.02	61.33	
(c) Publicity	70.46	73.02	
(d) Others	0.02	3.10	
	<hr/>	<hr/>	
	201.84	155.99	
Freight Charges	74.27	89.14	
Demurrage	26.01	112.84	
Donation	30.63	48.00	
Subscriptions	17.94	16.83	
Security expenses	94.49	85.60	
Hire Charges			
(a) Computer	46.52	29.52	
(b) Others	77.60	89.52	
	<hr/>	<hr/>	
	124.12	119.04	
Maintenance of Cars & Jeeps			
(a) Petrol & Diesel	43.31	40.20	
(b) Repairs	40.10	38.77	
(c) Road Tax & Insurance	10.05	11.98	
	<hr/>	<hr/>	
	93.46	90.95	
Legal Expenses	10.34	15.58	
Bank Charges	23.05	29.86	
Guest House expenses	36.49	54.15	
Less : Recoveries	3.01	2.23	
	<hr/>	<hr/>	
	33.48	51.92	
Consultancy fees	22.91	39.76	
Office Contingency expenses	48.89	57.65	
Underloading Charges	14.52	—	
Loss on sale/discard of assets	0.57	—	
Auditors' Remuneration			
(a) Audit fees	1.03	0.93	
(b) Tax Audit fees	0.34	0.31	
(c) Travelling & Out-of-pocket exp.	0.52	0.47	
	<hr/>	<hr/>	
	1.89	1.71	
Internal Audit fees and expenses	2.86	2.47	
Apex office Charges	47.74	29.96	
Royalty & Cess	6.63	9.09	
Assam Land Tax	—	62.07	
Rent, Rates & Taxes	167.26	209.96	
Insurance	28.29	47.42	
Dead Rent	8.17	5.38	
Surface Rent	0.32	1.93	
Land Compensation	9.73	19.86	
Siding Maintenance Charges	6.07	55.71	
Others	184.01	497.05	
	<hr/>	<hr/>	
	1954.27	2559.28	
Less : Transferred to Development	22.41	34.94	
	<hr/>	<hr/>	
TOTAL	1931.86	2524.34	

SCHEDULE TO PROFIT & LOSS ACCOUNT (CONTD.)

SCHEDULE - 14

		(Rs. in '00,000)
	Current Year	Previous Year
INTEREST		
<i>HOLDING COMPANY :</i>		
(a) Government Loan		
(i) Plan Loan	49112.04	49555.59
(ii) Non-plan loan	104.46	104.08
(b) Bank Overdraft	4257.27	3967.41
(c) Bonds	14950.00	14950.00
(d) Public Deposit	219.17	260.27
(e) Inter-corporate/Financial institutional Loan		
(i) N.L.C.	1379.93	934.65
(ii) U.T.I.	119.23	3154.08
(f) Pension Fund	28.32	128.59
	<hr/>	<hr/>
	70170.42	73054.67
Less : (a) Recovered from Subsidiaries	68668.47	71474.67
(b) Interest received on short-term deposits	0.67	32.62
(c) Interest subsidy received		—
(d) Rebate on Interest		190.63
	<hr/>	<hr/>
	68669.14	71697.92
	<hr/>	<hr/>
	1501.28	1356.75
Less : Waiver of Penal Interest for earlier years	—	598.39
	<hr/>	<hr/>
TOTAL	<hr/> 1501.28 <hr/>	<hr/> 758.36 <hr/>

SCHEDULE - 15

		(Rs. in '00,000)
	Current Year	Previous Year
FINANCE CHARGES		
<i>I. COAL INDIA LIMITED</i>		
(a) Discount on issue of Bond/CP	394.39	394.39
(b) Commission on issue of CP		—
(c) Guarantee of CP		—
(d) Other expenses for issue of Bond & Public Deposits including certification fees of Rs. 5,000/- to auditors	262.24	181.68
	<hr/>	<hr/>
	656.63	576.07
Less : Recoveries made from Subsidiaries	653.76	573.78
	<hr/>	<hr/>
TOTAL	<hr/> 2.87 <hr/>	<hr/> 2.29 <hr/>

SCHEDULE TO PROFIT & LOSS ACCOUNT (CONTD.)

SCHEDULE - 16

	Current Year	(Rs. in '00,000) Previous Year
PROVISIONS		
PROVISION FOR		
Doubtful Debts	0.33	180.71
Doubtful Advances	75.76	167.39
Others	32.46	12.14
TOTAL	108.55	360.24

SCHEDULE - 17

	Current Year	(Rs. in '00,000) Previous Year
PRIOR PERIOD ADJUSTMENT		
DEBITS		
Depreciation	73.41	—
Repairs	1.67	—
Other Expenditure	544.45	—
Consumption of Stores & Spare Parts	146.77	—
	766.30	0.00
CREDITS	0.00	0.00
Net : Credit (+) / Debit (-)	-766.30	0.00

SCHEDULE - N

A. SIGNIFICANT ACCOUNTING POLICIES

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 on 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) Life Cover Scheme and Leave encashment are accounted for on cash-cum-retirement basis.
- (b) Interest on advance to employees e.g. House Building, Purchase of Car etc., Sale of scrap are provided on realisation/cash basis.
- (c) Demurrage, liquidated damages are provided on the basis of final settlement.
- (d) Advances for T.A./L.T.C. etc. are directly charged to revenue account.
- (e) Insurance/Railway claim and escalation claims are accounted for on the basis of admission/final settlement.
- (f) Additional Liability for royalty, cess etc. — if any, are accounted for in the year in which final assessment orders are received.

2.3 Liability for gratuity is accounted for on actuarial basis. Such liability on actuarial valuation as on 31.3.95 has been provided for and written off equally in five years from the Financial year 1995-96 as concurred by Board in its meeting dated 29.5.96. Further accruals for the year are provided for in the respective year.

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 based on the amount of subsidy received pro-rata to the claim preferred in the immediately preceeding period.

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.
- 4.7 Terminal Benefits under Voluntary Retirement Scheme is charged off to Profit & Loss Account in four equal annual instalments.

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 or 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, Boring and Development expenditure are amortised over a period of 20 years or the life of the project whichever is earlier.
- (d) Assets attracting 100% depreciation, are depreciated in full in the year in which the 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 +/- 5%, and incase the variance is beyond +/- 5%, the measured stock is taken for the purpose of closing stock.
- 6.3 Such stock are valued at lower of declared grade selling price or net realisable value on the actual realisation on despatches of coal during last quarter of the year. A provision @10% on such value of stock has been made towards deterioration of value due to fire/longer period of stocking etc. less for provision for rehandling charges as applicable.
- 6.4 Stock of medicines and stationery are not considered for the purpose of inventory valuation. The expenses on this account are charged to Revenue.

6.5 Stock of Stores and Spare Parts are valued at F.I.F.O. method price, charged off stores at issue price of Area stores/estimated cost.

7. Prior Period Adjustment/Extra Ordinary items

Income and expenditure pertaining to earlier years but not provided for in the books of accounts of related years are treated as per Accounting Standard - 5 issued by the Institute of Chartered Accountants of India, except where such income and expenses relate to development period.

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 MI.Cu.m.
Less than 1 MI.Cu.m.	(+/-) 5%	0.03
Between 1 & 5 MI.Cu.m.	(+/-) 3%	0.02
More than 5 MI.Cu.m.	(+/-) 2%	—

9. Apex Office Charges

Apex Office charges (including expenditure of Delhi Office) are allocated to subsidiaries and revenue mines directly under Coal India Ltd. in proportion to their production ratio for the year. Net expenditure of Coal Marketing Organisation (including RSOs) are allocated to subsidiaries in the ratio of total despatches made on behalf of different subsidiaries/units during the year.

10. Revenue Recognition

Revenue from transaction 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

Interest on Govt. Loans, 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 opening balance of loan from CIL appearing in the books of accounts of Subsidiary Companies and Units.

B. NOTES ON ACCOUNTS

1. 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. 7670.07 lacs (Previous year Rs. 11413.35 lacs).
- 1.2 Claims against the Company not acknowledged as debts for Rs. 813.79 lacs as against previous year figures is Rs. 1145.18 lacs.
- 1.3 As on 31.3.96 outstanding Letters of Credits amounted to Rs. 177.42 lacs, outstanding Deferred payment guarantee issued by Banks amounted to Rs. 3432.08 lacs and outstanding Guarantee/counter guarantee issued by the Govt. of India on behalf of the Company amounted to Rs. 82021.70 lacs.

2. Fixed Assets

- 2.1 Title deeds for land acquired, in some cases, have not yet been executed in favour of the Company.
- 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 assets are being maintained in the Books of Accounts.
- 2.3 Fixed Asset Register/Plant Card in respect of assets have been maintained.
- 2.4 Jobwise details for Capital Work-in-Progress have been maintained.
- 2.5 Pending decision, expenses relating to Advance Action has been kept in Development account and no provision has been made in the accounts.
- 2.6 Physical verification of Plant & Machinery worth Rs. 1.00 lac or more and certain other assets have been made in most of the cases and resultant discrepancies, if any, have been adjusted wherever necessary.
- 2.7 *Dankuni Coal Complex* : Fixed assets including Power Plant valued Rs. 6064.71 lacs and related Building & other assets valuing Rs. 3652.25 lacs have been let out to SECL. Depreciation on this assets have been charged to Revenue and maintenance, Insurance and other charges such as taxes are to be borne by tenant. Rent/hire charges payable by the tenant has been accounted for as "Income".
- 2.8 *Indian Institute of Coal Management* : Fixed Assets including Plant & Machinery valued Rs. 218.99 lacs and related building & other assets valuing Rs. 1625.37 lacs have been let out to IICM, a registered Society under Societies Registration Act, 1861.

Depreciation on these assets have been charged to Revenue. Whereas maintenance and other charges are to be borne by the tenant. Rent/hire charges payable by the tenant has been accounted for as income.

3. Inventories

Stores & Spares

- 3.1 The closing stock of stores and spare parts has been considered in the Accounts as per balances appearing in priced stores ledger of the Regional Stores and as per physically verified stores lying at the collieries/units.
- 3.2 Pending determination of unservicable or obsolete spares, an ad-hoc provision for Rs. 47.67 lacs (Previous year Rs. 41.94 lacs) has been kept in the Account.
- 3.3 Stores & Spares also include loose tools.
- 3.4 The Stock of Coal at the Stockyard has been valued at cost on weighted average basis.

4. Sundry Debtors

- 4.1 An amount of Rs. 257.22 lacs exists in the Accounts (Previous year Rs. 325.30 lacs) towards Provision for Bad & Doubtful Debts and considered adequate.

5. Public Deposit

- 5.1 The balance of the Public Deposit Account as on 31st March, 1996 stood at Rs. 1091.51 lacs (Previous year 1703.39 lacs).

6. 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. 500 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's Surplus in respect of Non-coking coalmines.
- 6.3 Claims receivable includes Rs. 241.14 lacs due from Govt. of India, Ministry of Rail for diversion/missing of wagons.
- 6.4 Pending linking, certain credit balance in current assets and corresponding debit balance in current liabilities have been netted from gross amount.
- 6.5 Pending adjustment of verification of records Stores amounting to Rs. 81.54 lacs have been kept in Stores Suspense Account under the Loans & Advances Schedule.

7. Secured Loan

7.1 Cash credit

Pending registration of transfer of assets and liabilities of erstwhile C.M.A.L. and its Divisions, now Coal India Limited the overdraft balance of Coal India Limited has been secured by creating charge against Stock of Coal, Stock of Stores & Spare Parts and Book Debt of the Subsidiary Companies. The O. D. facilities enjoyed by the Subsidiaries/Units are out of total O. D. facilities enjoyed by Coal India Limited.

8. Current Liabilities & Provisions

- 8.1** The provisions made in the Accounts against Stock of Coal & Coke on A/c. of deterioration due to fire, longer period of stocking etc. slow moving/non-moving and obsolete stores, claims receivable, advance etc. are considered adequate to cover possible loss that may arise in future on disposals.
- 8.2** Other liability under "Current Liabilities and Provision" includes Rs. 346.15 lacs (Fund Rs. 261.11 lacs and interest Rs. 85.04 lacs being the amount deducted (@2% of basic wages plus DA) from the wages of the employees covered by NCWA from 1.4.89 towards contribution under proposed pension scheme. Pending consideration and approval of such scheme by Govt. of India, the accounts do not include any revenue charge in respect of Company's contribution as may arise (amount not ascertainable). Interest as applicable for CMPF is considered in the accounts.
- 8.3** The balances with the Subsidiary Companies have been reconciled but the final balances remained unconfirmed.
- 8.4** Waiver of normal interest amounting to Rs. 891.75 crores relating to past years have been received from the Govt. of India and has been duly accounted for in books of Accounts.

9. 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 Ltd. to operate the Coal Price Regulation Account on behalf of the Government of India. As per the said Scheme, total contribution to the said account during the year amounts to Rs. 106746.25 lacs. This amount less opening balance of claim of Rs. 35.38 lacs has been distributed to the claimant Subsidiary Companies/Units.
- 9.2** Provision of Rs. 443.01 lacs have been made on account of estimated impact of revision of salary of executives with effect from 1.1.92.
- 9.3** Directors are allowed to use the Company's cars for personal use for which recovery is being made.
- 9.4** As per past practice, goods purchased by CIL on behalf of Subsidiaries are accounted for in the books of Subsidiary Companies.
- 9.5** Subsidiarywise stowing & protective work is accounted for on realisable basis.
- 9.6** There will be no taxable income. Provision for Income Tax has not been made in the Accounts.
- 9.7** Pending approval of Board/C.L.B. an additional amount of Rs.18000/- towards Auditors' remuneration has been provided in the accounts.

10. Effect due to Change in Accounting Policy and Basis of Accounts

10.1 Provision for stock of coal

Due to change in Accounting Policy for provision on account of probable deterioration in quality of stock of coal and loss due to fire from 1.5% of the saleable coal produced during the year to 10% of the net coal stock value, loss for the year has been increased by Rs. 606.81 lacs.

- 10.2** Due to change in Accounting Policy for accounting of gratuity from "Cash-cum-Retirement" basis to actuarial basis, the liability for gratuity has been actuarially ascertained as on 31.3.95 for Rs. 696.66 lakhs and as on 31.3.96 for Rs. 841.48 lakhs. Provision has been made in Accounts for incremental liability for the year amounting to Rs. 144.82 lakhs in full and 1/5th of gratuity liability as on 31.3.95 for Rs. 139.33 lakhs. The Company has deferred the provision of balance 4/5th of liability as on 31.3.95 amounting to Rs. 557.33 lakhs.

Further, due to such change in Accounting Policy for accounting of gratuity from 'cash-cum-retirement' basis to 'actuarial valuation' basis loss for the year has been increased by Rs. 185.71 lacs.

- 10.3** Due to change in Accounting Policy, allocation of interest (on Govt. loan, Intercompany loans, Bank overdrafts, Bonds, Public deposits etc. net of interest received on Short Term Deposit) for the year to the Subsidiaries and Units from previous year's policy of allocation on the basis of N. F. A. (including C.W.I.P.) as at the beginning of the Financial Year to current year's policy of allocation on the basis of opening Current Account balance appearing in the Books of Accounts of such Subsidiaries/Units : the loss for the year has been increased by Rs. 901.45 lakhs.

Further, that due to letting out of Fixed Assets of D.C.C. to S.E.C.L., such interest to the extent of Rs. 2639.79 lakhs which otherwise would have been allocated to D.C.C. (CIL), has not been made.

11. Directors' Remuneration

	(Rs. in Lacs)	
Particulars	Current Year	Previous Year
Salaries & Allowances	3.93	7.14
Provident Fund	0.37	0.58
Medical Benefit	—	0.31
Perquisites	0.08	0.29

Notes :

- (a) Perquisites do not include charges for electrical energy which has been recovered as per Rules of the Company.
- (b) Besides above, Directors have been allowed to use of cars for private journey upto a ceiling of 1000/750 KMs on payment of Rs.400/Rs.250 per month as per service conditions.

12. Others

- 12.1** In the opinion of Management current assets, loans and advances have realisable value in the course of business at least equal to the amount at which they are stated.
- 12.2** In the opinion of Management, diminution in the value of investment in ECL and BCCL is not of permanent nature and are valued at cost.
- 12.3** Pending confirmation of balance from the parties, Sundry Debtors, Creditors, Loans and Advances and Deposits have been taken in the accounts as per book value.
- 12.4** Previous year's figures have been re-grouped and re-arranged wherever necessary.

13. The Accounts together with notes thereon approved by the Board of Directors of the Company in the meeting held on 6th August, 1996 and reported upon by the Statutory Auditors on 9th August, 1996 have been revised to comply with the observations of the Comptroller and Auditor General of India and Statutory Auditors, accounting for final contribution/claim, to/ from C.P.R.A. The revision has affected the accounts and Notes to the Accounts for the year as follows :

Rs. in Lakhs

(a) Profit & Loss Account :

The loss of the Company has increased due to acceptance of the observations of Comptroller and Auditor General of India and Statutory Auditors by :

410.77

(b) Balance Sheet :

(i) Fixed Assets increased by	17.65	
Less : Depreciation increased by	1.72	
	<hr/>	15.93
(ii) Capital Work-in-Progress increased by		14.22
(iii) Loans & Advance decreased by		81.54
(iv) Current Liabilities & Provision increased by		359.38

- (v) Insertion of Note No. 10.3 in Notes to the Accounts (Part 'B' Sch. 'N' of the revised accounts).

Revision of Note No. 9.1 and 10.2 in Notes to the Accounts (Part 'B' Sch. 'N' of the revised accounts)
Deletion of Note No. 9.5 of Notes to the Accounts of earlier accounts adopted on 6th August '96 in the revised accounts.

Revision of Balance Sheet Abstract and General Business Profile (Annex. to Sch. N) to give effect to the above changes.

Schedule A to M form part of the Balance Sheet as at 31st March, 1996, 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&III) 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/-
A. K. Mitra
Chief General Manager (F)

Sd/-
C. H. Khisty
Director (P)

Sd/-
P. K. Sengupta
Chairman

As per our separate report of even date :
For Mitra Kundu & Basu
Chartered Accountants

New Delhi
Dated : The 14th September, 1996.

Dated : 16.9.96
Calcutta

Sd/-
(S. C. Basu)
(Partner)

SCHEDULE TO BALANCE SHEET (CONTD.)

ANNEXURE TO SCHEDULE - N

(Rs. in '00,000)

	Current Year	Previous Year
I. <i>Directors' Remuneration :</i>		
(i) Salaries	3.93	7.14
(ii) Company's Contribution to Provident Fund & Other Funds	0.37	0.58
(iii) Medical Benefits	—	0.31
(iv) Perquisites	0.08	0.29
II. <i>Particulars of employees who are in receipt of not less than Rs. 3,00,000 per annum or Rs. 25,000 per month (Previous year Rs. 3,00,000 and Rs. 25,000 respectively) when employed for a part of the year :</i>		

(Rs. in '00,000)

	Employed throughout the Year		Employed for Part of the Year	
	1995-96	1994-95	1995-96	1994-95
(i) Number of employees (Nos.)	Nil	Nil	Nil	Nil
(ii) Salaries, Allowances etc. (Rs.)	Nil	Nil	Nil	Nil
(iii) Contribution to Provident Fund (Rs.)	Nil	Nil	Nil	Nil
III. <i>The information required in paragraph 3 & 4 of Part (ii) of Schedule - VI of Companies Act, 1956, 3(b) value of imports on CIF basis :</i>				

(Rs. in '00,000)

	Current Year	Previous Year
(i) Raw Material	Nil	Nil
(ii) Capital Goods	Nil	Nil
(iii) Stores, Spares & Components	5.95	Nil
IV. <i>Expenditure incurred in Foreign Currency on account of :</i>		

(Rs. in '00,000)

	Current year	Previous Year
(i) Know how	Nil	Nil
(ii) Interest	Nil	Nil
(iii) Exchange Variation	Nil	Nil
(iv) Commission to Foreign Agents	Nil	Nil
(v) Training expenses and payments to Foreign Technicians	7.88	0.95
(vi) Travelling	28.73	38.03
(vii) Medical Treatment	Nil	Nil

ANNEXURE TO SCHEDULE - N (Contd..)

V. Earning in Foreign Exchange on account of :

(Rs. in '00,000)

	Current year	Previous Year
(i) Export of Goods (Calculated on FOB basis)	Nil	63.24
(ii) Exchange variation	Nil	Nil
(iii) Miscellaneous	Nil	Nil

VI. Total consumption of Stores during the year :

(Rs. in '00,000)

	Current year	Previous Year
(i) Imported materials	Nil	Nil
(ii) Indigenous (100%)	1077.13	1117.6

Additional information required in paragraph 3 & 4 of Part II of Schedule VI to the Companies Act, 1956 for the year ended 31st March, 1996.

(i) Installed Capacity	Not Applicable	Not Applicable
(ii) Licenced Capacity	Not Applicable	Not Applicable

VII. 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 '00,000)
(Quantity in '000 M.T.)
(CIL Gas Qty. in '000 Therm)

	Current year		Previous Year	
	Qty.	Value	Qty.	Value
Opening Stock				
Coal & Coke	1240.6	8087.93	967.2	5963.48
Other Products & by-products	43.8	477.86	36.7	459.09
Transfer Out (Coal/Coke)	(-) 37.8	(-) 425.44	(-) 13.1	(-) 103.12
Transfer Out (By-Prod.)	(-) 43.8	(-) 477.86	Nil	Nil
Production				
Coal & Coke	820.5	Nil	1275.9	Nil
Other Products & by-products	Nil	Nil	369.8	Nil
Purchase :				
Coal & Coke	33.1	259.58	565.5	5575.33
Other Products	Nil	Nil	0.4	90.12
Sales : (Adjusted & excluding Levies)				
Coal & Coke	1077.9	9101.98	1023.2	8837.62
CIL Gas	Nil	Nil	6163.4	660.92
Other Products & by-products	Nil	Nil	353.3	4027.68

ANNEXURE TO SCHEDULE - N (Contd..)

(Rs. in '00,000)

(Quantity in '000 M.T.)

(CIL Gas Qty. in '000 Therm)

	Current year		Previous Year	
	Qty.	Value	Qty.	Value
Own Consumption				
Free issue and Boiler consumption	20.6	Nil	24.2	Nil
Plant Consumption of Coal	Nil	Nil	507.5	Nil
Plant Consumption of Gas	Nil	Nil	419.8	Nil
Plant Consumption of POL etc.	Nil	Nil	9.8	Nil
Closing Stock :				
Coal & Coke	957.9	4434.67	1240.6	8087.93
Other Products & by-products	Nil	Nil	43.8	477.86

ANNEXURE TO SCHEDULE - N (Contd..)

BALANCE SHEET ABSTRACT AND GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS :

Registration No.

2	8	8	4	4
---	---	---	---	---

State Code

2	1
---	---

Balance Sheet Date

3	1
---	---

0	3
---	---

9	6
---	---

Date Month Year

**II. CAPITAL RAISED DURING THE YEAR
(Amount in Rs. '000)**

Public Issue

-	-	-	-	-	-	-	-	-	-
---	---	---	---	---	---	---	---	---	---

Rights Issue

-	-	-	-	-	-	-	-	-	-
---	---	---	---	---	---	---	---	---	---

Bonus Issue

-	-	-	-	-	-	-	-	-	-
---	---	---	---	---	---	---	---	---	---

Private Placement

-	-	-	-	-	-	-	-	-	-
---	---	---	---	---	---	---	---	---	---

**III. POSITION OF MOBILISATION AND DEVELOPMENT OF FUNDS
(Amount in Rs. '000)**

Total Liabilities

1	1	8	3	9	8	8	0	1
---	---	---	---	---	---	---	---	---

Total Assets

1	1	8	3	9	8	8	0	1
---	---	---	---	---	---	---	---	---

Sources of Funds

Paid-up Capital

6	3	1	6	3	6	4	4
---	---	---	---	---	---	---	---

Reserves & Surplus

1	1	3	4	8	5
---	---	---	---	---	---

Secured Loans

4	0	7	3	7	6	0
---	---	---	---	---	---	---

Unsecured Loans

4	9	5	8	5	6	4	5
---	---	---	---	---	---	---	---

Application of Funds

Net Fixed Assets

2	2	0	1	7	3	6
---	---	---	---	---	---	---

Investments

6	2	3	0	5	3	0	0
---	---	---	---	---	---	---	---

Net Current Assets

4	9	5	7	4	1	3	4
---	---	---	---	---	---	---	---

Misc. Expenditure

1	2	0	6	4	1
---	---	---	---	---	---

Accumulated Losses

2	7	3	4	7	2	3
---	---	---	---	---	---	---

BALANCE SHEET ABSTRACT AND GENERAL BUSINESS PROFILE (Contd..)

IV. PERFORMANCE OF COMPANY (Amount in Rs. '000)

Turnover (Net)								
			9	1	0	1	9	8

Total Expenditure								
			1	1	8	2	2	1

+ - Profit/Loss Before Tax

	-				2	7	2	0	1	3
--	---	--	--	--	---	---	---	---	---	---

+ - Profit/Loss After Tax

	-				2	7	2	0	1	3
--	---	--	--	--	---	---	---	---	---	---

Earning per share (Rs.)

-	-	-	-	-	-	-	-	-	-
---	---	---	---	---	---	---	---	---	---

Dividend

-	-
---	---

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY

Item Code No. (ITC Code)

2	7	0	1	1	2	.	0	0
---	---	---	---	---	---	---	---	---

Product Description

BITUMINOUS COAL

Item Code No. (ITC Code)

2	7	0	1	2	0	.	0	9
---	---	---	---	---	---	---	---	---

Product Description

COAL OTHERS (Briquettes)

Item Code No. (ITC Code)

2	7	0	4	0	0	.	0	4
---	---	---	---	---	---	---	---	---

Product Description

SOFT COKES OF COAL

**STATEMENT PURSUANT TO SECTION 212 (1) (E) OF
THE COMPANIES ACT, 1956 AS AT 31ST MARCH, 1996**

Subsidiary (Fully owned)	No. of Equity Shares held by Coal India Limited	No. of Equity shares held by CIL in Nominees' Name	Total paid-up value Rs. in Crores	Profit (+) Loss (-) for the year ended 31.3.1996 Rs. in Crores	Profit (+) Loss (-) balance as on 31.3.96 cumulative (After Tax Provisions, Provision for Dividends and Investment allowance Reserve) Rs. in Crores
Eastern Coalfields Limited	1,03,89,997	3	1039	154.67	(-) 845.57
Bharat Coking Coal Limited	1,12,19,997	3	1122	102.26	(-) 1190.77
Central Coalfields Limited	93,99,997	3	940	(-) 1.43	101.68
Western Coalfields Limited	71,09,997	3	711	98.59	7.45
Northern Coalfields Limited	1,17,84,725	3	1178.4728	179.47	599.05
South Eastern Coalfields Limited	1,12,09,997	3	1121	76.96	136.59
Mahanadi Coalfields Limited	10,00,006	3	100.0009	24.75	133.01
Central Mine Planning & Design Institute Limited	1,90,397	3	19.04	3.37	19.74
NEC/DCC/CIL				(-) 27.20	(-) 273.47
TOTAL				611.44	(-) 1312.29

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 619 (4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS
OF COAL INDIA LIMITED, FOR THE YEAR ENDED 31ST MARCH, 1996
VIDE LETTER NO. 4164/CA/LA-I/ACS/CIL/1995-96, DATED 25.9.96**

MANAGEMENT'S REPLY

The accounts of the Company have been revised as a result of observations made by the Comptroller and Auditor General of India as indicated in Para 7 of the Auditors' Report to the Share Holders and item 13 of the Notes forming part of the Accounts (Schedule-N) which has the effect of increasing the loss by Rs. 4.11 Crores. The following further comments are made upon or supplement to the Auditors' Report under Section 619 (4) of the Companies Act, 1956 on the accounts of the Company :

A. PROFIT & LOSS ACCOUNT – Loss for the year (–) Rs. 27.20 crores

- (i) Loss for the year has been understated by Rs. 557.33 lakhs due to non-provision of full liability of Gratuity in contravention of the AS 15. This has also resulted in overstatement of Miscellaneous Expenditure to the extent not written off (Schedule-M) by Rs. 557.33 lakhs (Ref. Para 3 of the Auditors Report).

The Company has been charging gratuity in the Annual Accounts consistently on "cash-cum-retirement basis" till accounting year 1994-95. Consequent upon AS 15 being made mandatory by the Institute of Chartered Accountants from the year 1995-96, the Company has carried out actuarial valuation of gratuity liability for the past period services as on 31.3.95 as well as gratuity liability for the current year i.e. 1995-96. Because of the fact that Coal Industry in India is highly labour intensive and the expenditure on wages, allowances and other social overheads in CIL constitute nearly 52% of the total cost of production, gratuity liability for past services on actuarial valuation worked out to a figure which is highly disproportionate to the current year's revenue and expenditure. Charging the entire amount of past period liability in the accounting year 1995-96 would not have given true and fair picture particularly because of the fact that administered price of coal allowed by the Govt. with effect from 17.6.94 (applicable for the year 1995-96 also) did not provide for such major incidence of gratuity liability. Charging of entire past period liabilities on actuarial valuation in one year as per AS-15 would have meant charging

in the accounts for the year 1995-96 gratuity amount equivalent to what has been charged in the last ten years. Hence CIL Board took a view in the matter and decided that in the Accounts for the year 1995-96 liability which has accrued in the year should be charged in full in addition to 1/5th of the liability as on 31.3.95 on past services.

Management is of the view that the method followed for charging gratuity in the accounts is quite prudent. Necessary disclosure has also been made in the Notes to Accounts vide Note No. 10.2.

- (ii) Non-provision of liability on account of other retirement benefits is against AS 15. (Ref. Para 4 of the Auditors' Report).

The facility of encashment of leave is only restricted to executives. Such facility is not available to non-executive cadre employees covering 97% of the total workforce. Moreover, such facilities to executives are made available only at the time of retirement or death while in service. Hence, management is of the opinion that the method of providing liability on cash basis which is being followed consistently is fair. This has also been disclosed in the Accounting Policy vide Para No. 2.2 (a).

- (iii) The Company is deducting 2% of basic wages plus DA from their employees from 1.4.1989 as contribution towards proposed Pension Fund as per Wage Agreement entered into with employees. Such amount deducted upto 31.3.96 amounted to Rs. 2.61 crores but matching employer's contribution to that extent has not been provided on the plea of non-approval of the Pension Scheme by the Govt. of India (Ref. Para 8.2 of Notes to Accounts, Schedule - N).

The draft Pension Scheme as well as relevant clause (9.6.0) of the National Coal Wage Agreement (NCWA-V) applicable for the period 1.7.91 to 30.6.96 have made it clear that there will be no contribution from the employer. Therefore, the question of providing for employer's contribution in the accounts does not arise.

B. BALANCE SHEET

- Fixed Assets (Schedule-F) Rs. 307.09 crores.
- Notes to Accounts (Schedule - N).

- (i) The fact of transfer of Plant & Machinery, vehicles, office equipments, etc. valuing Rs. 22.08 lakhs owned by Regional

The point raised by the Audit has been noted and an appropriate agreement for transfer of the assets would be entered into in the year 96-97.

Institute of CMPDIL, Tora to the Company during 1995-96 has not been disclosed. Further, no formal agreement has been entered into for the said transfer of Assets.

- (ii) Investment of the Company in share capital of Bharat Coking Coal Ltd. and Eastern Coalfields Ltd. as on 31.3.1996 amounted to Rs. 1122 crores and Rs. 1039 crores respectively. As BCCL has become sick as on 31.3.1995 and referred to BIFR and ECL has become potentially sick under the Sick Industrial Companies Act, 1985, the fact of their sickness should have been disclosed in the Notes to Accounts. Noted.

Jayanta Chatterjee

Principal Director of Commercial Audit &
Ex-Officio Member, Audit Board-II
Calcutta

Calcutta

Dated, 25th September, 1996

REVIEW OF ACCOUNTS OF COAL INDIA LIMITED FOR THE YEAR ENDED 31ST MARCH, 1996 BY THE COMPTROLLER & AUDITOR GENERAL OF INDIA

Note : Review of accounts has been prepared without taking into account comments under Section 619 (4) of Companies Act, 1956 and qualification contained in the Statutory Auditors' Report.

1. FINANCIAL POSITION

The table below summarises the financial position of the Company under broad headings for the last three years :

			(Rs. in crores)
	1993-94	1994-95	1995-96
LIABILITIES			
(a) Paid up Capital :			
(i) Government - (All shares held by Central Government)	6104.84	6316.36	6316.36
(ii) Others	—	—	—
(b) Reserves & Surplus :			
(i) Free Reserves & Surplus	—	—	—
(ii) Share Premium Account	—	—	—
(iii) Committed Reserve	8.38	11.35	11.35
(c) Borrowing :			
(i) From Govt. of India	3813.68	3813.58	3737.83
(ii) Financial Institutions (UTI)	200.00	80.00	—
(iii) Foreign Currency Loans	—	—	—
(iv) Cash Credit	371.74	286.24	404.24
(v) Others (Including short term loan)	1012.94	1167.04	1160.92
(vi) Interest Accrued and Due	1292.39	1125.77	62.95
(d) (i) Current Liabilities & Provisions (Excluding Provision for Gratuity)	415.32	341.01	424.33
(ii) Provisions for Gratuity	0.47	0.48	7.43
TOTAL	13219.76	13141.83	12125.41
ASSETS			
(e) Gross Block	240.44	278.75	307.09
(f) Less : Cumulative Depreciation	75.42	88.94	103.55
(g) Net Block	165.02	189.81	203.54
(h) Capital Work-in-Progress	44.93	28.36	16.63
(i) Investments	6228.42	6230.53	6230.53
(j) Current Assets, Loans & Advances	6535.54	6435.76	5389.18
(k) Misc. Expenditure not written off	12.72	11.10	12.06
(l) Accumulated Losses	233.13	246.27	273.47
TOTAL	13219.76	13141.83	12125.41

		(Rs. in crores)		
		1993-94	1994-95	1995-96
(m)	Working Capital [j-d(i)-c(vi)]	4827.83	4968.98	4901.90
(n)	Capital Employed [G+m]	4992.85	5158.79	5105.44
(o)	Net Worth [a+b (i) + b (ii) – k – l]	5858.99	6058.99	6030.83
(p)	Net Worth per Rupee of paid-up capital (in Rs.)	0.96	0.96	0.95

2.A. Working Results

The working results of the Company for the last three years ending 31st March, 1996.

			(Rs. in crores)	
		1993-94	1994-95	1995-96
(a)	Sales	100.44	135.26	91.02
(b)	Loss after prior period adjustment	– 33.74	– 13.14	– 27.20

2.B. Ratio Analysis

Some important financial ratios on the financial health and working of the Company at the end of last 3 years are as under :

		(In percentages)		
		1993-94	1994-95	1995-96
(A)	Liquidity Ratio			
	Current Ratio [j/[d(i) + c (vi)]]	382.71	438.77	1105.97
(B)	Debt Equity Ratio			
	Long term debt to Equity	77.42	78.06	76.76
	[c(i) to c(v) excluding short term loan /a]			
(C)	Profitability Ratios			
(a)	Profit before tax to			
(i)	Capital employed	- 0.67	- 0.25	- 0.53
(ii)	Net worth	- 0.57	- 0.22	- 0.45
(iii)	Sales	- 33.33	- 9.71	- 29.88
(b)	Profit after tax to Equity	- 0.55	- 0.21	- 0.43
(c)	Earning per share (in Rupees)	- 5.48	- 2.08	- 4.31

3. SOURCES AND UTILISATION OF FUNDS

Fund amounting to Rs. 74.03 crores from internal and external sources were generated and utilised during the year given below :

	(Rs. in crores)
SOURCES OF FUNDS :	
(a) Decrease in working capital	74.03
APPLICATION OF FUNDS :	
(a) Additions to Fixed Assets (Net of CWIP)	16.62



(b)	Decrease in Borrowings		43.86
(c)	Funds from operations —		
	Loss for the year	27.20	
	Less : Depreciation	14.61	12.59
(d)	Increase in Miscellaneous expenditure (To the extent not written off)		0.96
			<u>74.03</u>

4. INVENTORY LEVELS

The inventory levels at the close of the last three years ending 31st March, 1996 were as under :

		(In percentages)		
		1993-94	1994-95	1995-96
(a)	Stock of Coal, Coke and by-products less provisions	64.23	85.77	44.35

Stock of Coal, Coke represents 7.67 month's sales in 1993-94, 7.60 month's sales in 1994-95 and 5.84 month's sales in 1995-96.

5. SUNDRY DEBTORS

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

		(Rs. in crores)		
		1993-94	1994-95	1995-96
(i)	Sales	100.44	135.26	91.02
(ii)	Total Sundry Debtors	29.58	42.81	25.65
(iii)	Provision for doubtful debts	1.45	3.25	2.57
(iv)	Percentage of Sundry Debtors to Sales	29.45	31.65	28.18

Calcutta
The 25th September, 1996

Jayanta Chatterjee
Principal Director of Commercial Audit &
Ex-Officio member, Audit Board-II
Calcutta

AUDITORS' REPORT

MANAGEMENT'S REPLY

The Members of Coal India Limited
10, Netaji Subhas Road
Calcutta - 700001

We have audited the attached Balance Sheet of Coal India Limited as at 31st March, 1996 and the annexed Profit and Loss Account for the year ended on that date which are in agreement with the books of account.

As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988, and on the basis of such examination of the books and records of the Company as we considered appropriate and the information and explanations given to us during the course of our audit we report that in our opinion :

- | | |
|--|--------------|
| 1. The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets. The fixed assets of the Company have been physically verified by the Management at reasonable intervals except in few cases and no material discrepancies between book's records and physical inventory were noticed. | No comments. |
| 2. None of the fixed assets have been revalued during the year. | No comments. |
| 3. Physical verification of stock of Coal, Coke have been carried out by the Management except at stockyard of Regional Sales Offices. | No comments. |
| 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. | No comments. |
| 5. On physical verification of stock no material discrepancies between the physical stock and book records were found except stores & spares of N.E.C. necessary adjustment for which have been carried out in the books of accounts. | No comments. |

AUDITORS' REPORT

MANAGEMENT'S REPLY

- | | |
|---|--|
| <p>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. There has been no change in the basis of valuation of stock as followed in the preceding year except in the case of NEC as stated in note no. 10.1 of Schedule-N (Part 'B').</p> | <p>No comments.</p> |
| <p>7. The Company has not taken any loan from companies, firms or other parties listed in the register maintained u/s 301 of the Companies Act or from Companies under the same management u/s 370 (1b) of the Companies Act, 1956.</p> | <p>No comments.</p> |
| <p>8. The Company has not granted any loan, secured or un-secured to companies, firms or other parties listed in the register maintained u/s 301 of the Companies Act, 1956. However the Company has routed funds through Current Account to other Subsidiaries, the terms and conditions of which are not prejudicial to the interest of the Company.</p> | <p>No comments.</p> |
| <p>9. In respect of Loans or Advances in the nature of loans, where repayments have been stipulated or restipulated the parties are repaying the principal and interest amounts as stipulated or as restipulated except the following :</p> <p>(a) Loan to IDPL amounting to Rs. 150.00 lakhs.</p> <p>(b) Interest on loans to Jessop & Co. Ltd. amounting to Rs. 39.06 lakhs.</p> <p>Loans and/or advances in the nature of loan given by the Company to employees are generally recovered with interest wherever applicable as stipulated excepting in few cases.</p> | <p>(a) The matter has already been taken up with the Ministry for invoking of Guarantee.</p> <p>(b) With recovery made in 95-96 the principal loan amount stands fully recovered alongwith a substantial portion of interest. Efforts are being made to recover the balance of interest amount in 1996-97.</p> |
| <p>10. In our opinion, though there are adequate internal control procedure commensurate with the size of the Company and nature of its business relating to purchase of</p> | <p>Noted.</p> |

AUDITORS' REPORT

MANAGEMENT'S REPLY

stores and spares including component, plant & machinery, equipment and the sale of goods, this needs to be strengthened in respect of NEC for :

- (i) Expediting accounting for goods received.
- (ii) Corelating the advances with the corresponding liabilities.

- | | | |
|-----|--|--------------|
| 11. | There were no transactions for the purchase of goods and materials and sale of goods, materials and services in persuance 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 unserviceable or damaged stock of raw material and finished goods; except stores and spares against which an adhoc provision exists in the accounts. | No comments. |
| 13. | In our opinion and according to the information 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. | No comments. |
| 14. | Reasonable records have been maintained by the Company for the sale and disposal of realisable by-products, except for scraps at NEC. | Noted. |
| 15. | The Company has an internal audit system commensurate with its size and the nature of its business. | No comments. |
| 16. | The maintenance of cost records has not been prescribed by the Central Government u/s 209 (1) (d) of the Companies Act, 1956. | No comments. |

AUDITORS' REPORT

MANAGEMENT'S REPLY

- | | |
|---|--------------|
| 17. According to the records of the Company Provident Fund dues have been regularly deposited during the year with the appropriate authorities. The Employees State Insurance Act is not applicable to the Company. | No comments. |
| 18. There is no undisputed amount outstanding as at 31st March, 96 for a period of more than 6 months from the date they become payable in respect of Income Tax, Wealth Tax, Sales Tax, Custom Duty and Excise Duty. | No comments. |
| 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. | No comments. |
| 20. The Company is not a Sick Industrial Undertaking within the meaning of Section 3 (1) (0) of Sick Industrial Companies (Special Provisions) Act, 1985. | No comments. |
| 21. In respect of the Companies trading activities, as explained to us, by the Management, there are no damaged goods except to the extent provided for. | No comments. |

We further report that subject to our comments below :

- | | |
|--|---|
| 1. Rs. 61.12 lakhs receivable from and Rs. 54.63 lakhs payable to Custom Authorities which represent some old amount lying in reconciliation which have not been accounted for by the Company. | The Accounts is under reconciliation and the same will be adjusted in the subsequent years. |
| 2. Transshipment losses of 0.21 lakh tonnes of coal at NEC valued at Rs. 169.99 lakhs have been adjusted in the books of accounts, as per consistent past practice. | No comments. |
| 3. The Company has changed the Accounting treatment for gratuity from cash basis to mercantile basis. | The same has been adequately disclosed in Accounting Policy No. 2.3 read with Notes to the Accounts No. 10.2. |

AUDITORS' REPORT

MANAGEMENT'S REPLY

Accordingly, actuarial valuation for gratuity liability was done as on 31.3.96. The liability in this account upto 31.3.95 and 31.3.96 has been valued at Rs. 696.66 lakhs and Rs. 841.48 lakhs respectively. It has been decided by the management to account for the incremental liability for 1995-96 by charging Rs. 144.82 lakhs in full and defer the past period liability of Rs. 696.66 lakhs over five years. Thus the total amount of Rs. 284.15 lakhs being the sum total of Rs. 144.82 lakhs for the year and Rs. 139.33 lakhs being 1/5th of Rs. 696.66 lakhs accruing upto 31.3.95 have been charged to Profit & Loss Account for the year 1995-96. Thus the Accounting Standard 15 has not been followed in its entirety. Because of non-provision of 4/5th of gratuity liability of the past years amounting to Rs. 557.33 lakhs, Loss for the year has been understated to that extent.

- | | | |
|-------|---|--------------|
| 4. | Item No. 2.2 (a) of Significant Accounting Policies of Schedule-N. | No comments. |
| 5. | Item No. 9.4 of the Notes on Accounts of Schedule - N. | No comments. |
| 6. | Legal opinion may be taken regarding validity of the practice referred to in note No. 9.4 of Schedule-N. | Noted. |
| (i) | 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) | In our opinion, 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 | |



AUDITORS' REPORT

MANAGEMENT'S REPLY

required by the Companies Act, 1956 in the manner so required, and give true and fair view :

- (a) in the case of Balance Sheet of the state of the Company's affairs as at 31st March, 1996 and
 - (b) in the case of Profit & Loss Account of the Loss of the Company for the year ended on that date.
7. The Balance Sheet as at 31st March, 1996 and Profit & Loss Account for the year ended on that date together with the Notes thereon which were approved by the Board of Directors of the Company on 6th August, 1996 and reported upon by us on 9th August, 1996 have been revised. We further report than in view of informations/ explanations subsequently furnished to us, we have suitably amended/modified our report dated 9th August, 1996. The revision has affected the Accounts of the Company as per Note No. 13 of Schedule-N (Part B).

For **Mitra Kundu & Basu**
Chartered Accountants
Sd/-
(S. C. Basu)
Partner

Calcutta
Dated, 16th September, 1996