ANNUAL REPORT & ACCOUNTS 1996-97

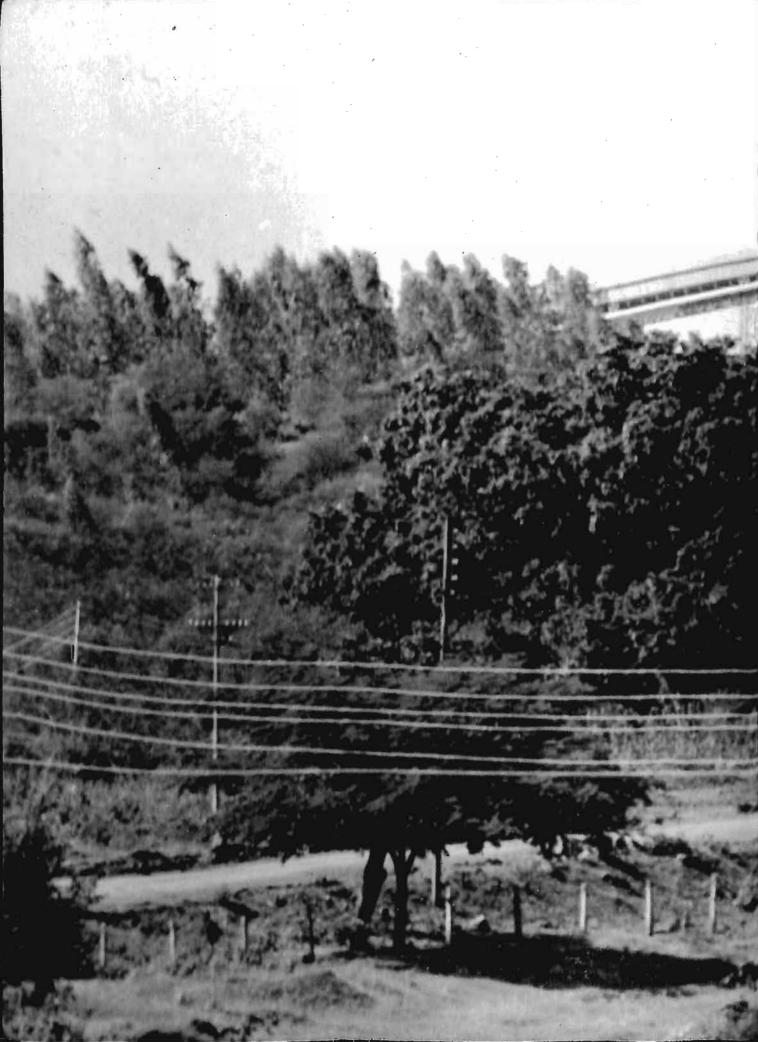


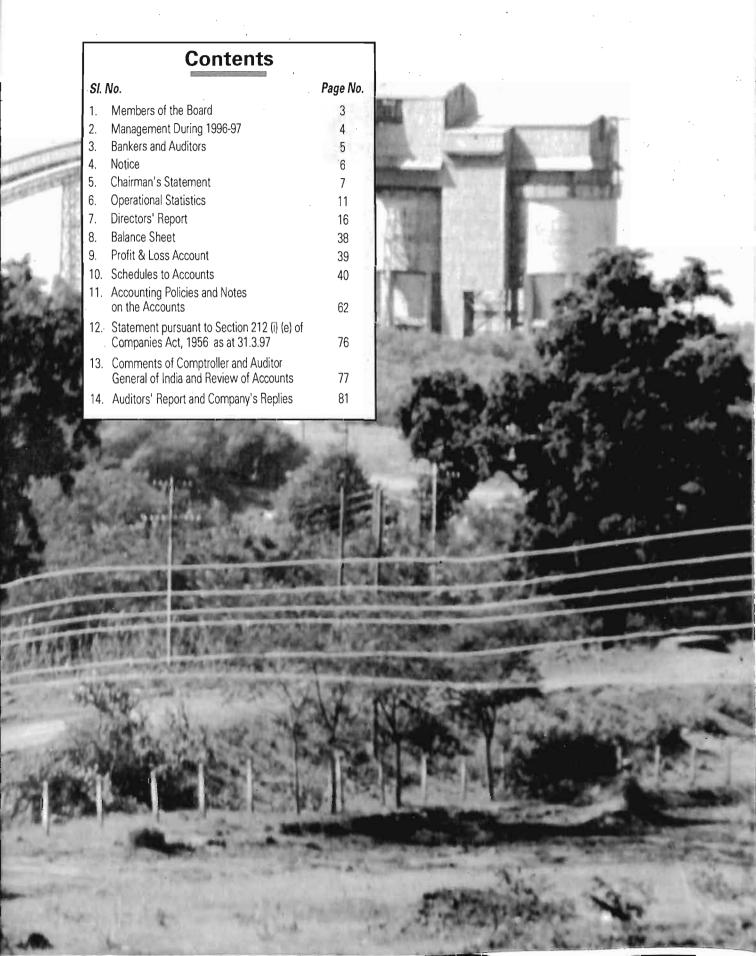






Coal India Limited







Board of Directors



Shri P. K. Sengupta



Shri P. K. Banerji



Shri A.P.V.N. Sarma



Shri Vivek Mehrotra



Shri C. H. Khisty



Shri Swarup K. Gupta



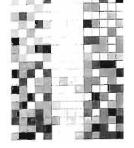
Shri A. K. Sahay



Shri A. Chatterjee



Shri S. K. Sen



Members of the Board

(As on 29th September, 1997)

CHAIRMAN

Shri P. K. Sengupta

FUNCTIONAL DIRECTORS

Shri C. H. Khisty — Personnel & Industrial Relations

Shri A. K. Sahay — Technical

Shri A. Chatterjee — Finance

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 Swarup K. Gupta — Additional Member (Traffic)

Railway Board, New Delhi

Shri A. P. V. N. Sarma, IAS — Chairman-cum-Managing Director

Singareni Collieries Co. Ltd.

Kothagudem

Shri S. K. Sen — Chairman-cum-Managing Director

Northern Coalfields Limited

Singrauli (MP)

COMPANY SECRETARY

Shri U. Suryanarayana



Management During 1996-97

CHAIRMAN

Shri P. K. Sengupta — (From 31.12.1994)

FUNCTIONAL DIRECTORS

Shri C. H. Khisty — Personnel & Industrial Relations (From 6.2.96)

Shri T. K. Deb — Technical (Upto 30.6.96)
Shri A. K. Sahay — Technical (From 27.9.96)
Shri A. Chatterjee — Finance (From 27.1.97)

DIRECTORS

Shri P. K. Banerji — Additional Secretary, Ministry of Coal

(From 31.7.96)

Shri Vivek Mehrotra — Joint Secretary & Financial Adviser

Ministry of Coal (From 16.2.1995)

Shri U. K. Mittal — Director (Operations)

Steel Authority of India Limited

(Upto 14.2.97)

Shri Shanti Narain — Adviser (Traffic), Railway Board

(Upto 3.12.1996)

Shri U. Kumar — Chairman-cum-Managing Director

South Eastern Coalfields Limited

(Upto 31.3.97)

Shri M. C. Mahapatra — Chairman-cum-Managing Director

Singareni Collieries Co. Limited

(Upto 26.10.96)

Shri Swarup K. Gupta — Additional Member (Traffic)

Railway Board, New Delhi

(From 27.12.96)

Shri S. K. Sen — Chairman-cum-Managing Director

Northern Coalfields Limited, Singrauli (MP)

(From 4.2.97)

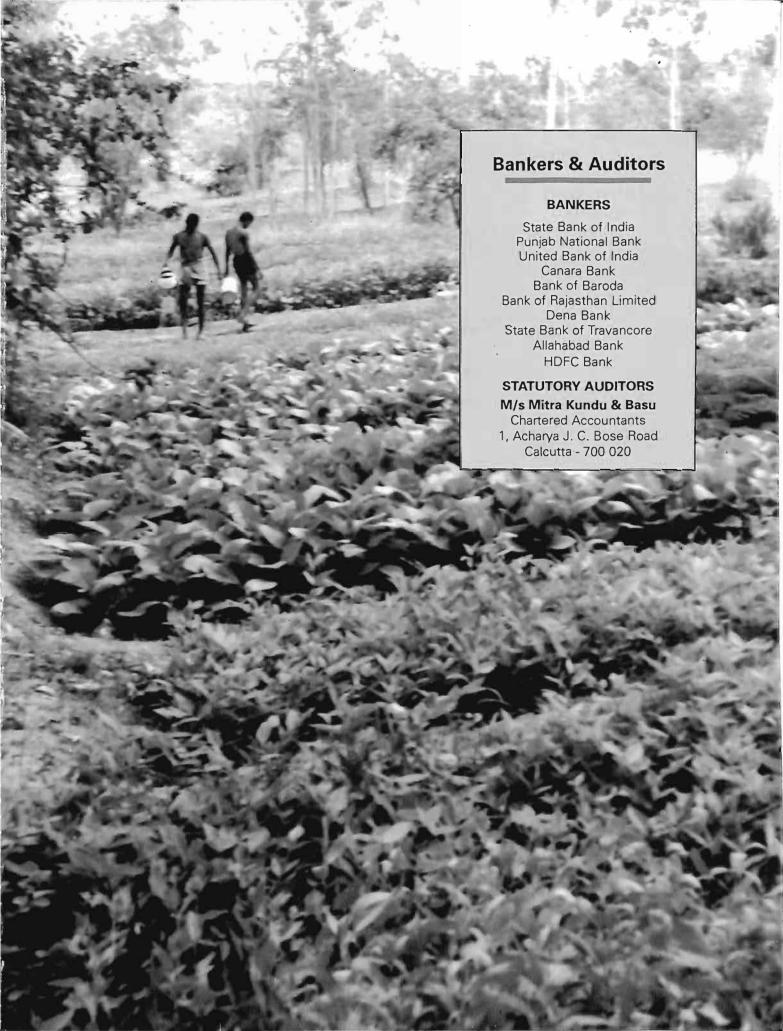
Shri A. P. V. N. Sarma, IAS — Chairman-cum-managing Director

Singareni Collieries Co. Limited, Kothagudem

(From 4.2.97)

COMPANY SECRETARY

Shri U. Suryanarayana





Notice

No. CIL: X1(D): 04043: 97 Dated: 20th September, 1997

Notice of the 23rd Annual General Meeting of Coal India Limited

Notice is hereby given to all Shareholders of Coal India Limited that the Twenty-third Annual General Meeting of the Company will be held on Monday, the 29th September, 1997 at 3.00 PM 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, 1997 and Profit and Loss Account for the year ended 31st march, 1997 together with the Reports of Statutory Auditors, Comptroller & Auditor General of India and Directors' Report.
- 2. To declare dividend on:
 - (a) Preference Share capital
 - (b) Equity Share Capital
- 3. 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.
- 4. 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.
- 5. To appoint a Director in place of Shri Swarup K. Gupta 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 A.P.V.N. Sarma 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 S. K. Sen 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/-

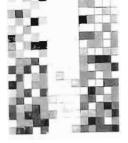
(U. Suryanarayana)
Company Secretary

Calcutta

Dated: the 20th September, 1997

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.

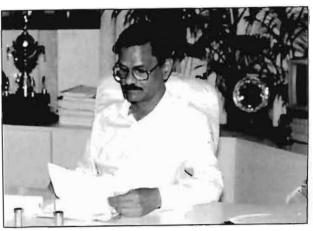


Chairman's Statement

I have pleasure in welcoming you to the 23rd Annual General Meeting of CIL. The Report of the Directors on the performance of your Company and its Subsidiary Companies for the year 1996-97 is already with you.

During the year 1996-97, besides attaining new heights of performance in coal production and despatches, CIL has also been able to consolidate its financial results substantially. The pre-tax profit has registered a growth of 86% over previous year and reached the highest ever level of Rs. 1137.42 crores. The profit before interest and taxes also scaled a new height at Rs. 1823.44 crores surpassing all past records. As a percentage of net worth, the net profit has registered rise from 12.26 to 21.00. Similarly the ratio of gross profit (i.e. profit before interest and taxes) on capital employed has significantly improved from 5.27% in 1995-96 to 19.27% in the year under review. The pretax profit, expressed as percentage of net sales, has also recorded significant improvement to 8.56 as against 5.84 in the previous year even with the growth in net sales by 26.9% over the previous year. CIL's contribution to the exchequer by way of corporate taxes and dividends has aggregated to an all time high of Rs. 1043.63 crores as against Rs. 34.55 crores in the previous year.

Sales to capital employed has also shown a remarkable improvement compared to previous year from 1.14 to 1.40. The coal stock has been further reduced to a level of 1.03 months' net sales as against 1.56 months as at the end



of previous year. Despite continued problems in securing timely recovery of coal sale dues, the level of sundry debtors in terms of number of months' gross sales has been brought down to 1.84 as against 1.90 at the end of 95-96 and 2.60 at the end of 94-95. Even at this level the dues are considered to be well above the desired level and therefore, the thrust to recover the old dues with timely realisation of current dues would have to continue.

Responding to the need for accelerating the pace of economic development in the country through improvement in infrastructure, CIL have stepped up coal supply to the power sector substantially. Starting with a relatively slow growth of 9.23 million tonnes per year in the first 3 years of the 8th Plan period, the annual increase in supply of coal to power sector in the last two years has been of the order of 14.43 million tonnes per year. Besides enabling a higher level of generation and improvement in PLF, the increase in despatches to power sector has helped building up comfortable stock in most of the power houses. The

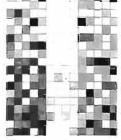


aggregate coal stock at power houses have reached all time high of 10.39 million tonnes which is equivalent to 21 days consumption. The aggregate coal stock in the power houses at the beginning of the year 96-97 was only 5.31 million tonnes.

In response to growing demand for coal from new power stations, CIL has given linkage for a fairly large number of new power stations and has taken, at the same time, measures to augment coal production by implementation of the new projects. One of the various impediments which stood on the way of attaining accelerated growth in coal production has been shortage of resources necessary to implement new projects. To overcome above problem, efforts have been initiated to achieve improvement in generation of internal resources during the 9th Plan period. Aside above, resources of the order of 1.06 billion US dollar (Rs. 3650 crore) for funding 24 coal projects is being secured from IBRD and Exim Bank of Japan of which loan for 530 million US dollars has already been approved by IBRD and the process of giving approval of another loan of 530 million US dollars by Japan Exim Bank is at its advanced stage. Further, a number of measures has already been taken to tie up project finance from the domestic sources. All these measures would enable CIL to meet its requirement of funds of the order of Rs. 14000 crore for investment in the 9th Plan period without looking for any budgetary support from the Government

As a major step in recognising the importance of perpetuating mining practices which are environmentally and socially sustainable and in order to mitigate the environment and social impact of





implementation of coal projects, CIL is in the process of implementing environment and social mitigation plan with the help of World Bank assistance of 63 million US dollars as IDA loan.

Several measures for commercialisation of CIL operations have been initiated. Legally enforceable coal supply agreements with the major consumers are being negotiated. A comprehensive scheme christened as the Corporatisation Programme has been drawn up to progressively empower each of the Subsidiary Companies to attain selfreliance towards mobilisation of resources required for investments. An integral part of the programme is restructuring the capital base of the Subsidiary Companies and attaining turn around of ECL & BCCL. Detailed plans have been formulated for both these components and are being implemented.

Reduction of import duty, increase in railway freight and adjustment in the price of coal to neutralise inflationary impact on input prices have considerably eaten away the price advantage hitherto enjoyed by domestic coal over imported coal, particularly in the coastal area. Consequently the need for an enhanced focus on cost reduction through improvement in capacity utilisation and

man productivity has been recognised as a key thrust area and efforts are being initiated in this direction.

Safety in mines continues to receive priority. The overall rate of fatality per million tonnes of coal produced has been reduced to 0.4 as against 0.5 in 1995-96. However, there is no room for any complacency in this area and all efforts need to be consolidated to achieve further improvement in performance on safety front. In respect of industrial relations, the situation remains fairly cordial with loss of mandays and production on account of strikes etc. reducing substantially by around 50% in comparison with the previous year.

With dedicated performance at all levels I look forward to CIL scaling new height, not only in physical and financial performance, but also in fulfilling its obligation to the consumers and to the nation at large.

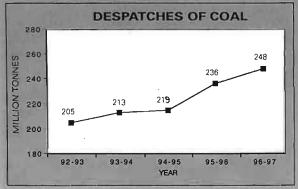
I take the opportunity of expressing my sincere thanks to our conusmers, suppliers, State Governments, Ministry of Coal and other Central Govt. Departments/ Ministries, the trade unions and all our employees for their unstinted support through relentless efforts and cooperation.

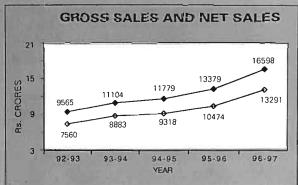
Calcutta Dated, Sept. 29, 1997 (P. K. Sengupta)

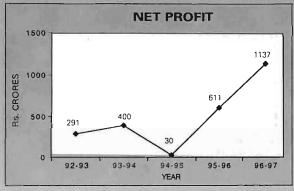
Chairman

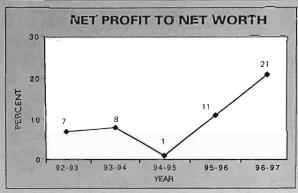


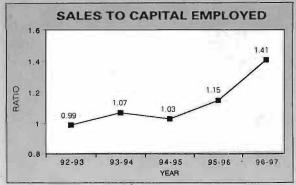
Performance of Coal India Limited At a Glance

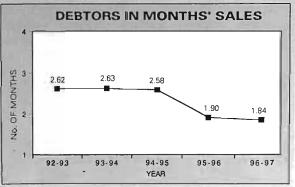


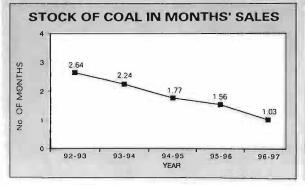


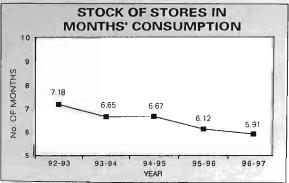


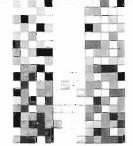












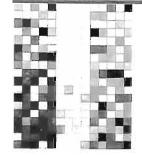
OPERATIONAL STATISTICS (CONSOLIDATED FOR COAL INDIA LIMITED & ITS SUBSIDIARY COMPANIES)

Yea -	r Endi	ng 31st March	1996-97	1995-96	1994-95	1993-94	1992-93	1991-92	1990-91	1989-90	1988-89	1987-88
1.	(a)	Production of Raw Coal (Million Tonnes)										
		Underground	55.20	54.81	55.60	56.55	57.06	56.82	56.09	58.71	61.28	59.04
		Opencast	195.42	182.46	167.46	159.55	154.16	147.34	133.56	119.89	110.22	99.98
		TOTAL	250.62	237.27	223.06	216.10	211.22	204.16	189.65	178.60	171.50	159.02
	(b)	Overburden Removal (Mech. O/c) (Million Cub. Mts.)	395.25	361.57	340.03	325.46	308.94	298.30	284.76	278.44	246.22	212.04
2.		ake (Raw Coal) on Tonnes)										
		Power	177.14	164.04	148.29	142.54	131.46	120.60	106.23	100.26	89.3 7	82.31
		Steel/Hard Coke	19.35	20.51	21.38	21.26	21.10	21.42	20.51	19.80	20.45	19.45
		Railway	0.13	0.27	0.59	1.78	2.86	3.92	4.51	5.13	5.57	6.36
		Domestic & Boiler Use	2.86	3.01	3.20	3.28	3.40	3.51	3.48	3.47	3.49	3.48
		Others	51.45	51.53	49.13	47.25	49.56	48.98	48.54	44.92 ⁻	46.41	42.42
		TOTAL	250.93	239.36	222.59	216.61	208.38	198.43	183.27	173.58	165.29	154.02
3.	Avera	age Manpower	631999	638814	648519	65964 7	667459	672217	670515	669072	672231	674004
4. (A)		uctivity age per Man per year (Tonnes)	396.53	371.02	343.95	327.60	316.45	303.71	282.84	266.94	255.12	235.93
(B)	Outp (i)	ut per manshift (OMS) Underground (Tonnes)	0.57	0.56	0.57	0.55	0.55	0.53	0.54	0.55	0.57	0.54
	(ii)	Open Cast (Tonnes)	5.12	4.75	4.35	4.00	3.80	3.70	3.34	3.06	2.91	2.65
	(iii)	Overail (Tonnes)	1.86	1.75	1.64	1.52	1.46	1.41	1.31	1.21	1.15	1.08
5.	Infor	mation — As per Cost Report										
	(i)	Earning per Manshift (Rs.)	311.68	280.10	237.78	208.52	191.79	170.85	153.76	146.21	129.75	111.52
	(ii)	Avg. Cost of Production of Net Saleable Coal (Rs. P.T.)	442.06	412.66	380.45	364.35	334.31	301.67	277.18	264.69	252.91	229.46
	(iii)	Avg. Sale Value of Production of Net Saleable Coal (Rs. P.T.)	512.06	426.52	418.80	400.12	356.38	302.16	268.17	273.64	252.29	215:41



FINANCIAL POSITION (CONSOLIDATION OF AUDITED ACCOUNTS OF COAL INDIA LTD. & ITS SUBSIDIARIES)

Yea	ar Ending 31st March	1997	1996	1995	1994	1993	1992	1991	1990	1989	198
(A)	What is owned		•								
1, .,	Gross Fixed Assets	18445.26	17119.09	15570.04	13554.87	11902.43	10423.77	8917.20	7506.93	6425.84	5495.2
	Less Depreciation	8212.82	7381.46	6530.28	5667.04	4853.87	4124.66	3480.56	2900.54	2417.72	2011.7
(1)	Net Fixed Assets	10232.44	9737.63	9039.76	7887.83	7048.56	6299.11	5436.64	4606.39	4008.12	3483.4
(2)	Capital Work-in-Progress	2114.24	2281.38	2326.80	2737.41	2701.92	2373.09	2124.47	2133.83	1824.17	1443.6
(3)	Misc. expenditure (others)	516.42	213.79	234.65	165.69	104.61	69.92	60.57	37.92	6.34	5.8
(4)	Investment (internal)	2.94	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.	1142.61	1363.89	1374.86	1656.35	1660.64	1404.69	999.53	875.21	793.03	585.7
	(b) Inventory of Stores & Spares et		911.17	889.91	810.37		695.24	658.22	571.08	506.07	471.3
	(c) Other Inventories	50.04	57.24	52.91	42.33	35.57	23.40	21.94	17.36	14.13	13.6
	(ii) Sundry Debtors (including CMPDIL		2167.95	2555.55	2443.31	2090.73	1390.30	1433.75	1441.92	388.50	722.7
	(iii) Cash & Bank Balances	401.87	255.18	340.59	218.13	186.63	146.33	181.75	174.90	161.72	i42.3
	(iv) Loans & Advances (incld. Other C/Assets & Adjt)	1428.07	923.74	735.11	761.87	978.55	849.39	1082.09	820.08	584.56	657.0
	(v) O.B.R. Adjustments	-222.61	-158.31	-44.21	20.09	3.42	47.73	10.00	-10.69	-48.84	-5.3
	Total Current Assets (5)	6420.37	5420 86	5904.72	5952.45	5706.03	4557.08	4387.28	3889.86	2999.17	2587.5
(6)	Loss Current Liab. & Prov. Field (ntt. Acct. & Due)	7140.41	5946.96	4816.42	4278.21	3767.04	. 2839.13	2456.97	2142.43	1870.60	1514.7
	Net Current Assets (5–6)	-720.04	-526.10	1088.30	1674.24	1938.99	1717.95	1930.31	1747.43	1128.57	1072.84
	TOTAL (A)	12146.00	11706.78	12689.61	12465.25	11794.16	10460.17	9552.07	8525.67	6967.37	6005.8
(B)	What is owed	_									-
(1)	10% Redeemable Pref. Shares	904.18									
(2)	Govt. Loan	2534.72	3737.83	3813.58	3813.67	3947.08	3874.23	3804.27	3744.60	3319.60	3090.13
3)	Interest Accrued & Due	53.27	59.82	1122.64	1289.26	1334.31	1025.53	921.45	685.90	605.09	580.09
	Intercorporate Loan	155.49	102.82	130.00	300.00	500.00	225.00	100.00	125.00	100.00	
	Term Loan (F. Intt. & Banks)	73.46	99.27	116.13	59.38				70.00		
						000.00	200.00	000.00			
6)	Bonds	1484.03	1100.00	1100.00	00.008	600.00	600.00	600.00	200.00		
7)	Others	932.19	1057.62	941.10	759.04	619.52	447.51	279.68	110.98	46.67	40.20
:	SUB-TOTAL (1 TO 7)	6137.34	6157.36	7223.45	7021.35	7000.91	6172.27	5705.40	4936.48	4071.36	3710.38
7) {	Bank Borrowings										
((incld. Bank O.D. & others)	593.58	561.89	472.37	692.41	455.12	341.89	355.04	333.98	167.88	189.63
1	TOTAL (B)	6730.92	6719.25	7695.82	7713.76	7456.03	6514.16	6060.44	5270.46	4239.24	3900.01
p	Vet Worth (A-B)	5415.08	4987.53	4993.79	4751.49	4338.13	3946.01	3491.63	3255.21	2728.13	2105.81
epres	sented by :										
		6316.36	6316.36	6316.36	6104.84	6097.85	6000.76	5713.31	5223.86	4764.16	4120.34
	Reserves	390.49	316.65	324.80	414.53	334,81	299.24	277.30	280.95	289.74	245.22
		1040.31	-1312.29	-1647.37	-1767.88	-2094.53	-2353.99	-2498.98	-2249.60	-2325.77	-2259.75
		251.46	-333.19								
.14	let Worth (1 to 4)	5415.08	4987.53	4993.79	4751.49	4338.13	3946.01	3491.63	3255.21	2728.13	2105.81
	I Employed	9462.07	9151.79	9005.52	8272.89	7653.32	6991.63	6445.58	5668.02	4531.77	3976.28



INCOME AND EXPENDITURE STATEMENT (CONSOLIDATION OF AUDITED ACCOUNTS OF COAL INDIA LTD. & ITS SUBSIDIARIES)

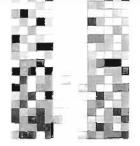
Year	Ending 31st March	1997	1996	1995	1994	1993	1992	1991	1990	1989	1988
(A)	Earned From :										
	Gross Sales	16597.78	13378.60	11778.51	11103.62	9564.92	7475.50	6295.95	6278.32	5600.09	4398.47
Less	Coal from Development Mines	114.72	77,45	31.51	11.38	25.15	12.08	46.35	51.01	97.58	27.69
Less	Levies (Royalties, Cesses etc.)	3192.02	2826.93	2429.43	2209.00	1979.52	1454.00	1154.58	1408.28	1314.09	946.77
(1)	Net Sales	13291.04	10474.22	9317.57	8883.24	7560.25	6009.42	5095.02	4819.03	4188.42	3424.01
(2)	Accretion / Decretion in Stock	-230.70	-30.18	-298.68	-3.99	288.89	394.76	108.19	79.13	236.89	60.07
(3)	Boiler & Domestic Consumption of Coal	214.45	190.65	188.25	177.36	142.39	136.98	140.02	123.31	115.03	100.72
(4)	Other Revenue Receipts :										
	CMPDIL	92.83	93.15	79.74	70.27	62.30	59.21	62.58	60.33	57.73	43.42
	Others	234.74	382.08	263.02	205.10	156.07	138.55	97.13	100.24	77.92	58.67
	(Aftr. Trans. & Other Recov. & Contras)										
	Coal Price Regulation Accounts		- 0.25	2.57	39.39	- 41.59				36.62	59.82
	TOTAL (A) 1 to 4)	13602.36	11109.67	9552.47	9371.37	8168.31	6738.92	5502.94	5182.04	4712.61	3 746 .7 1
(B)	Paid to / Provided for										
	Employees' Remu. & Benefits (Gross-Rev.)	5396.36	5012.36	4178.51	3624.55	3347.78	2842.66	2555.02	2406.75	2309.61	1775.59
Les	s : Trans. to Oth Rev. Heads	331.48	345.46	210.47	214.83	313.88	171.73	178.13	194.65	311.34	95.83
_											
(1)	Net S. & Wages (Excld. V.R.S. Payment)	5064.88	. 4666.90	3968.04	3409.72	3033.90	2670.93	2376.89	2212.10	1998.27	1689.76
(2)	V.R.S. Payment (Net of Grant Recvd.)	24.40	31.82	7.54	621.00	FO1 F7	45 4 00	204.02	210.40	221.02	20477
(3)	Social Overheads (Incld. LLTC & Dom. Coal)	979.80	890.19	696.71	621.80	591.57	454.92	364.82	316.42	331.83	284.77
Les	s : Social overheads Dep. & Intt.	48.22	40.8 9	39.39	38.15	32.77	29.51	24.77	18.89	16.48	14.22
_	Social Overheads (Excld. Dep. & Intt.)	931.58	849.30	657.32	583.65	558.80	425.41	340.05	297.53	315.35	270.55
(4)	Stores & Spares (Gross - Rev.)	2075.66	1786.50	1599.99	1462.19	1254.64	1058.91	895.11	780.48	657.59	588 18
Les	: Trans. to Oth. Rev. Heads	31.26	30.13	31.01	30.08	33.59	30.63	33.14	37.71	26.30	19.25
	Stores & Spares (Net)	2044.40	1756.37	1568.98	1432.11	1221.05	1028.28	861.97	742.77	631.29	568.93
(5)	(i) Power & Fuel (excld. coal consumed)	1098.46	814.58	707.16	644.20	537.16	447.98	376.65	329.41	282.53	248.40
	(ii) Boiler & Colliery Consumption of Coal	53.24	48.33	46.47	44.38	41.70	44.79	27.97	32.42	32.19	26.62
(6)	Contractors (Trans. & Repairs)	631.47	651.16	565.59	464.94	381.63	333.93	309.83	292.97	228.03	205.08
(7)	Misc. Expenses & provisions	651.57	583.94	407.12	708.04	464.00	423.59	379.61	303.39	364.75	264.82
(8)	Interest (Incld. S/O, P. P. & waiver)	686.02	-129.26	497.96	708.93	727.99	566.95	472.23	366.77	279.53	319.47
(9)	Depreciation (Incld. S/O & P. P.)	1150.22	1089.82	969.82	912.63	786.09	670.59	578.65	469.69	422.99	376.19
(10)	O.B.R. Adjustment	67.44	109.72	63.01	-19.28	42.91	7.98	-20.61	-29.67	42.56	49.89
(11)	Prior Period Adj. (excl. int. dep. & C.P.RA.)	61.26	25 55	63.73	81.73	81.81	-48.58	52.87	84.53	138.38	-48.36
_	TOTAL (B)	12464.94	10498.23	9522.74	8971.05	7877.04	6571.85	5756.11	5101.91	4735.87	3971.35
Pro	fit/Loss for the year (A – B)	1137.42	611.44	29.73	400.32	291.27	167.07	-253.17	80.13	-23.26	-224.64
	estment Allowance Reserve	35 25	29.00	91.42	-72.75	-31.22	-21.62	4.38	-0.09	-42.34	224.04
	ome Tax	-946.89	-34.55	-0.64	-0.92	-0.60	-046	-0.59	-3.87	-0.42	-1.39
	posed dividend	-96.74	-249.95	V.V-	0.52	0.00	J70	0.55	5.07	0.72	1.50
	posed dividend is, to General Reserve	-107.01	-20.86								
	er Adjustment (Prior Period devidiend)	249.95	-20.00								
	nulative profit/loss	240.00									
cul	b/f from prev. year	-1312.29	-1647 37	-1767.88	-2094.53	-2353.99	-2498.98	-2249.60	-2325.77	-2259.75	-2033.72
Cur	nulative profit/loss trans to Balance Sheet	-1040.31	-1312 29	-1647.37	·1767 88	-2094.54	-2353.99	-2498.98	-2249.60	-2325.77	-2259.75



IMPORTANT FINANCIAL INFORMATION & RELATIVE RATIOS (A) FINANCIAL INFORMATION

(CONSOLIDATION OF AUDITED ACCOUNTS OF COAL INDIA LTD. & ITS SUBSIDIARIES)

Yea	r Ending 31st March	1997	1996	1995	1994	1993	1992	1991	1990	1989	198
(A)	Related to Assets & Liabilties										
(1)	Shareholder's Funds										
	(a) Equity	6316.36	6316.36	6316.36	6104.84	6097.85	6000.76	5713.31	5223.86	4764.16	4120.34
	(b) Reserves & Surplus	390.49	316.65	324.80	414.53	334.81	299.24	277.30	280.95	289.74	245.22
	(c) Accumulated Loss	-1040.31	-1312.29	-1647.37	-1767.88	-2094.53	-2353.99	-2498.98	-2249.60	-2325.77	-2259.75
	(d) Deferred Liabilities	251.46	333.19								
	Net Worth	5415.08	4987.53	4993.79	4751,49	4338.13	3946.01	3491.63	3255.21	2728.13	2105.81
(2)	Loan (incl.10% Reddemable Pref. Shares)	6137.34	6157.36	7223.45	7021.35	7000.91	6172.27	5705.40	4936.48	4071.36	3710.38
(3)	Capital Employed	9462.07	9151.79	9005.52	8272.89	7653.32	6991.63	6445.58	5668.02	4531.77	3976.28
(4)	(i) Net Fixed Assets	10232.44	9737.63	9039.76	7887.83	7048.56	6299.11	5436.64	4606.39	4008.12	3483.49
	(ii) Current Assets	6420.37	5420,86	5904.72	5952.45	5706.03	4557.08	4387.28	3889.86	2999.17	2587.58
	(iii) Net Current Assets (W/C)	-720.04	-526.10	1088.30	1674.24	1938.99	1717.95	1930,31	1747.43	1128.57	1072.84
(5)	Current Liabilities	7140.41	5946.96	4816.42	4278.21	3767.04	2839.13	2456.97	2142.43	1870.60	1514.74
,0,	(Excl. Intt. accrued & Due).	7 7 10. 11	00 10.00	4070.42	4270.21	3707.04	2033.13	2430.37	2142.43	1070.00	1514.74
(6)	(a) Sundry Debtors (Net)	2545.85	2113.89	2533.48	2431.26	2086.08	1390.30	1433.75	1441.93	988.49	722.73
(0)	(Excl. CMPDIL)	2343.03	2113.03	2000.40	2431.20	2000.00	1390,30	1433.73	1441.55	300.43	122.13
	(b) Cash & Bank	401.87	255.18	340.5 9	218.13	186.63	146.33	181.75	174.90	161.72	142.37
(7)	Closing Stock of :										
	(a) Stores & Spares (Net)	1022.67	911.17	889.91	810.37	750.49	695.24	658.22	571.10	506.07	471.39
	(b) Coal, Cokes etc. (Net)	1142.61	1363.89	1374.86	1656.35	1660.64	1404.69	999.53	875.21	793.03	585.79
	(c) Other Inventories (Net)	50.04	57.24	52.91	42.33	35.57	23.40	21.94	17.36	14.13	13.62
(8)	Average Stock of Stores & Spares (Net)	966.92	900.54	850.14	780.43	722.87	676.73	614.65	538.58	488.73	454.71
(B)	Related to Profit/Loss										
(1)	(a) Gross Margin	2973.66	1572.00	1497.51	2021.88	1805.35	1404.61	797.71	916.59	679.26	471.02
	(b) Gross Profit	1823.44	482.18	527.69	1109.25	1019.26	734.02	219.06	446.90	256.27	94.83
	(c) Net Profit (before Tax &	1137.42	611.44	29.73	400.32	291.27	167.07	-253.17	80.13	-23.26	-224.64
	Invt. Allowance etc.)										
(2)	(a) Gross Sales	16597.78	13378.60	11778.51	11103.62	9564.92	7475.50	6295.95	6278.32	5600.09	4398.47
	(b) Net Sales (after, levies & dev. etc)	13291.04	10474.22	9317.57	8883.24	7560.25	6009.42	5095.02	481903	4188.42	3424.01
	(c) Paid/Payable Amount of										
	- Royalty, Cess etc.	3192.02	2826.93	2429.43	2209.00	1979.52	1454.00	1154.58	1408.28	1314.09	946.77
	(d) Avg. Net Sales Per Month	1107.59	872.85	776.46	740.27	630.02	500.79	424.59	401.59	349.04	285.33
(3)	Cost of Goods Sold (Sales-Profit)	12153.62	9862.78	9287.84	8482.92	7268.98	5842.35	5348.19	4738.90	4211.68	3648.65
(4)	(a) Total expenditures (excl. recov. & others)	12464.94	10498.23	9522.74	8971.05	7877.20	6571.85	5756.11	5101.91	4735.87	3971.35
	(b) Sal. & Wages (Gross - rev. only)	5396.36	5012.36	4178.51	3624.55	3347.78	2842.66	2555.02	2406.75	2309.61	1775.59
	(c) Stores & Spares (Gross-rev. only)	2075.66	1786.50	1599.99	1462.19	1254.64	1058.91	895.11	780.48	657.59	588.18
	(d) Power & Fuel	1098.46	814.58	707.16	644.20	537.16	447.98	376.65	329.41	282.53	248.40
	(e) Int. & Depreciations (Gross-rev. only)	1836.24	960.56	1467.78	1621.56	1514.08	1237.54	1050.88	836.46	702.52	695.66
(5)	Avg. Consump. of Stores & Spares	172.97	148.88	133.33	121.85	104.55	88.24	74.59	65.04	54.80	49.02
(6)	(gross) per month (a) Average Manpower Employed	631999	638814	648519	659647	667459	672217	670515	669072	672231	674004
	during the year (b) Social Overheads (incld. LTC/LLTC)	1098.46	890.19	696.71	621.80	591.57	454.92	364.82	316.42	331.83	284.77
	(c) Social Overheads (incld. ETC/EETC) (d) Social Over head expnd. per employee (Rs. 000)	17.38	13.94	10.74	9.43	8.86	6.77	5.44	4.73	4.94	4.23
7.	(a) Value added	10171.52	8108.56	6964.27	7006.19	6252.66	5079.32	4139.22	3977,21	3652.06	2784.27
•	(b) Value added per employee (Rs. 000)	160.94	126.93	107.39	106.21	93.68	75.56	61.73	59.44	54.33	41.31



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

Year	Ending 31st March	1997	1996	1995	1994	1993	1992	1991	1990	1989	1988
(A)	PROFITABILITY RATIOS										
(1)	AS % NET SALES	-									
	(a) Gross Margin	22.37	15.01	16.07	22.76	23.88	23.37	15.66	19.02	16.22	13.76
	(b) Gross Profit	13.72	4.60	5.66	12.49	13.48	12.21	4.30	9.27	6.12	2.77
	(c) Net Profit	8.56	5.84	0.32	4.51	3.85	2.78	-4.97	1.66	-0.56	-6.56
(2)	AS % TOTAL EXPENDITURE										
	(a) Sal. & Wages (Gross-Rev.)	43.29	47.74	43.88	40.40	42.50	43.26	44.39	47.17	48.77	44.71
	(b) Stores & Spares (Gross-Rev.)	16.65	17.02	16.80	16.30	15.93	16.11	15.55	15.30	13.89	14.81
	(c) Power & Fuel	8.81	7.76	7.43	7.18	6.82	6.82	6.54	6.46	5.97	6.25
	(d) Interest & Depreciation (Gross-Rev.)	14.73	9.15	15.41	18.08	19.22	18.83	18.26	16.40	14.83	17.52
(3)	AS % CAPITAL EMPLOYED										
	(a) Gross Margin	31.43	17.18	16.63	24.44	23.59	20.09	12.38	16.17	14.99	11.85
	(b) Gross Profit	19.27	5.27	5.86	13.41	13.32	10.50	3.40	7.88	5.65	2.38
	(c) Net Profit	12.02	6.68	0.33	4.84	3.81	2.39	-3.93	1.41	-0.51	-5.65
(4)	OPERATING RATIO (SALES-PROFIT/SALES)	0.91	0.94	1.00	0.95	0.96	0.97	1.05	0.98	1.01	1.07
(B)	LIQUIDITY RATIOS										
(1)	Current Ratio (Current Asset/Current Liability)	0.90	0.91	1.23	1.39	1.51	1.61	1.79	1.82	1.60	1.71
(2)	Quick Ratio (Quick Asset/Current Liability)	0.41	0.40	0.60	0.62	0.60	0.54	0.66	0.75	0.61	0.57
(3)	Working Capital as % of										
	(a) Capital Employed	- 7.61	- 5.75	12.08	20.24	25.34	24.57	29.95	30.83	24.90	26.98
	(b) Net Fixed Assets	- 7.04	- 5.40	12.04	21.23	27.51	27.27	35.51	37.93	28.16	30.80
(C)	TURNOVER RATIOS										
(1)	Capital Turnover Ratio (Net Sales/Capital Employed)	1.40	1.14	1.03	1.07	0.99	0.86	0.79	0.85	0.92	0.86
(2)	Working Capital Turnover Ratio (Net Sales/Working Capital)	- 18.46	-19.91	8.56	5.31	3.90	3.50	2.64	2.76	3.71	3.19
(3)	Sundry Debtors as no. of months										
	(a) Gross Sales	1.84	1.90	2.58	2.63	2.62	2.23	2.73	2.76	2.12	1.97
	(b) Net Sales	2.30	2.42	3.26	3.28	3.31	2.78	3.38	3.59	2.83	2.53
[4]	As Ratio of Net Sales										
	(a) Sundry Debtors	0.19	0.20	0.27	0.27	0.28	0.23	0.28	0.30	0.24	0.21
	(b) Coal Stocks	0.09	0.13	0.15	0.19	0.22	0.23	0.20	0.18	0.19	0.17
(5)	Stock of Stores & Spares										
	(a) Avg. Stock/Annual Consumption	0.47	0.50	0.53	0.53	0.58	0.64	0.69	0.69	0.74	0.77
	(b) Closing Stock as no. of months consumption	5.91	6.12	6.67	6.65	7.18	7.88	8.82	8.78	9.23	9.62
(D)	STRUCTURAL RATIOS										
(1)	Debt : Equity	0.97	0.97	1.14	1.15	1.15	1.03	1.00	0.94	0.85	0.9
(2)	Debt : Networth	1.13	1.23	1.45	1.48	1.61	1.56	1.63	1.52	1.49	1.7
(3)	Networth : Equity	0.86	0.79	0.79	0.78	0.71	0.66	0.61	0.62	0.57	0.5
(4)	Net Fixed Assets : Networth	1.89	1.95	1.81	1.66	1.62	1.60	1.56	1.42	1.47	1.6



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 Fourth Annual Report of Coal India Limited and Audited Accounts for the year ended 31st March, 1997 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.

Dankuni Coal Complex continued to be on lease/rental basis with South Eastern Coalfields Ltd. (a subsidiary of Coal India Limited) for efficient and economic operation of the unit

HIGHLIGHTS OF PERFORMANCE

The highlights of performance of Coal India Limited including its Subsidiaries in the

year 1996-97 compared to previous two years are shown in the table below:

	1996-97	1995-96	1994-95
Production (in million tonnes)	250.62	237.27	223.06
Off-take of coal (in million tonnes)	250.93	239.36	222.59
Sales (Gross) (Rs. in Crores)	16597.78	13378.60	11778.51
Gross Profit (Rs. in Crores)	1823.44	482.18	527.69
Capital employed (Rs. in Crores)	9462.07	9151.79	9005.52
Net Worth (Rs. in Crores)	5415.08	4987.53	4993.79
Net Profit (Rs. in Crores)	1137.42	611.44	29.73
Gross Profit to Capital employed	19.27%	5.27%	5.86%
Net Profit to Net worth	21.00%	12.26%	0.6%
Coal Stock (net) in terms of No. of Months Sales (Net)	1.03	1.56	1.77
Sundry Debtors (net) in terms of No. of Months Gross Sales	1.84	1.90	2.60

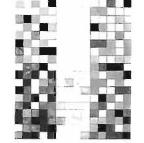
2. FINANCIAL PERFORMANCE

2.1 Working Results

Your Directors are happy to report that CIL and Subsidiaries have earned pre-tax profit of Rs. 1137.42 Crores for the year 1996-97.

Company-wise position is shown below:

			(Rs. in Crores)
Com- pany	1996-97 *Profit(+)/ Loss (-)	1995-96 Before CPRA	1995-96 After CPRA
ECL	(-) 341.15	(-) 391.22	154.67
BCCL	(-) 322.81	(-) 216.99	102.26
CCL	(-) 15.52	(-) 173.24	(-) 1.43
NCL	(+) 728.65	(+) 536.23	179.47
WCL	(+) 525.21	(+) 85.98	98.59
SECL	(+) 580.72	(+) 476.70	76.96
MCL	(+) 326.65	(+) 336.06	24.75
CMPDIL	(+) 2.91	(+) 3.37	3.37
CIL/NEC * *	(+) 442.06	(-) 45.20	(-) 27.20
Overall CIL	(+) 1137.42	(+) 611.69	(+) 611.44



- With the deregulation in price of certain grades of Coal, operation of Retention Price Scheme and the Coal Price Regulation Account (CPRA) have been discontinued from 1996-97.
- ** The profit figure of the subsidiary companies for the year 1996-97 as shown in the table above are before dividend payments. In case of CIL/NEC the profit of Rs. 442.06 Crores includes income from dividend received from subsidiaries.

The income from dividend received from subsidiaries and accounted for in the year 96-97 is as follows:

Company	Rs. in Crores
NCL	280.48
WCL	142.20
SECL	246.62
MCL	120.00
Total	789.30

2.3 Your Directors recommended the payment of Rs. 6,31,63,644.00 @ Re 1.00 per share on 63163644 Equity Shares of Rs. 1000/- each in addition to the payment of dividend of Rs. 9041.80 Lakhs on 9041800-10%. Redeemable non-cumulative Preference Shares of Rs. 1000/- each after payment of appropriate tax as applicable thereon.

3. COAL MARKETING

3.1 The demand for coal on Coal India Limited was assessed at 254.00 million tonnes for the year 1996-97 as against 248.50 million tonnes of 1995-96 which represent the growth in demand by 5.50 million tonnes. As against this demand, the actual off-take was 250.93 million tonnes as against 239.36 million tonnes of 1995-96, showing a demand satisfaction of 98.79%. Sector-wise demand, off-take and demand satisfaction for the year 1996-97 as compared to 1995-96 are as under:

(Figs. in Million Tonnes)

Year		1996-97		,	1995-96	
Sector	Demand	Off-take	% Satis- fac- tion	Demand	Off-take	% Satis- fac- tion
Power (utility)	165.10	177.14	107.29	160.43	164.04	102.25
Raw Coal (Middlings)	(3.78)	(2.58)	(68.25)	(4.00)	(2.34)	(58.50)
Steel	25.43	19.35	76.09	25.41	20.51	80.72
Loco	0.40	0.13	32.50	0.60	0.27	45.00
Cement	13.50	8.18	60.59	11.94	8.34	69.85
Fertilizer	3.80	3.90	102.63	4.25	3.78	88.94
Soft-Coke making	0.29	0.01	3.45	0.45	0.22	48.89
Export	0.30	0.13	43.33	0.40	0.08	20.00
BRK/Others	41.98	39.23	93.45	41.82	39.11	93.52
Colliery consumption	3,20	2.86	89.38	3.20	3.01	94.06
Overall CiL	254.00	250.93	98.79	248.50	239.36	96.32

3.2 Despatches of Coal and Coal Products by Various Modes

Total despatches of coal and Coal products by various modes were 245.01 million tonnes against 232.91 million tonnes showing an increase of 12.10 million tonnes at a growth rate of 5.19% over previous year. Mode-wise despatches during 1996-97 and 1995-96 are shown in the following table.

(Figures in Million Tonnes)

Year	Rail	Road	MGR	Belt	Rope	Overall
96 – 97	149.07	32.92	52.70	5.69	4.63	245.01
95 – 96	139.35	34.10	48.62	5.97	4.87	232.91
Increase/ Decrease	9.72	(-) 1.18	4.08	(-) 0.28	(-) 0.24	12.10
Growth %	6.98	(-) 3.46	8.39	(-) 4.69	(-) 4.95	5.19

3.3 Off-take of Raw Coal

The Off-take target for the year 1996-97 was fixed at 254 million tonnes. Against this target, actual off-take was 250.93 million tonnes showing 98.79% achievement of target. Company-wise figures tabulated



below show that target was exceeded by NCL, SECL and MCL whereas there was significant short-fall in ECL, BCCL, CCL and NEC.

		40		_		25.44		
Compa	ny	19:	96-97		. 19	95-96		h over Year
	Target	Achvd.	% achvd.	Target	Achvd.	% achvd.	Abso- lute	% age
ECL	31.00	28.97	93.45	29.00	26.76	92.98	2.21	8.26
BCCL	29.30	27.46	93.75	32.50	27.28	83.94	0.18	0.70
CCL	35.20	31.56	89.66	35.50	31.29	87.94	0.27	1.09
NCL	37.00	37.00	100.00	35.00	35.08	100.23	1.92	5.47
WCL	29.50	31.24	105.90	29.00	30.72	105.93	0.52	1.69
SECL	53.80	56.56	105.13	54.00	52.75	97.69	3.81	7.22
MCL	37.00	37.29	100.78	32.30	34.43	106.63	2.86	8.28
NEC	1.20	0.85	70.83	1.20	1.05	87.50	(-) 0.20	(-) 19.05
Overall								
CIL	254.00	250.93	98.79	248.50	239.36	96.32	11.57	4.86

3.4 Wagon Loading

Target for wagon loading was fixed at 18418 FWW per day for 1996-97. The actual

average achieved was 17706 FWW/day showing 96% achievement of target and a growth of 805 FWW/day over the achievement of 1690 FWW/day during 1995-96.

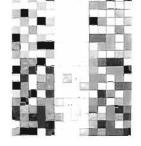
Company-wise target and loading achieved during the year 1996-97 and 1995-96 are tabulated below:

		(1	Figures in	FWWS/Day)
Company	Target	1996-97 Achvd.	% Achvo	1995-96 d. Achvd.
ECL	2025	1914	95	1948
BCCL	2900	2655	92	2663
CCL	3345	3079	92	2933
NCL	842	1009	120	943
WCL	2125	2146	101	2069
SECL	3871	3845	99	3396
MCL	3198	3000	94	2858
NEC	112	58	52	91
Overall CIL	18418	17706*	96	16901**

- * Excluding daily average loading of 29 FWW/day from Dankuni (DCC).
- ** Excluding daily average loading of 20 FWWs/day from Dankuni (DCC).



Despatch of coal to far -flung consumers



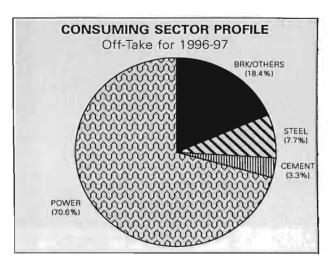
3.5 Consumer Satisfaction

Besides taking steps to supply "sized coal" and "weighed coal" to consumers, various measures have been taken like extensive picking of shale/stone from coal, selective mining of coal, segregation of bands, advance stripping of overburden and improvement on blasting technique for better fragmentation of coal. These have resulted in substantial decline in the number of complaints from the consumers as shown in the table below:

Year Total No. of Complaints		No. of Complaints per million tonnes of Despatch
1996 – 97	157	0.63
1995 – 96	198	0.84

In case of supply of coal to Power Sector by different modes of transportation, there have been improvements in both weighment through electronic weigh-bridges and sizing through Coal Handling Plants/Feeder Breaker. The performance in this regard with respect to total despatch to Power Sector during two years are given below:

Year	Weighment% through electronic weigh-bridges	Sized % through CHP/FB		
1996-97	76.0	82.9		
1995-96	66.2	81.6		

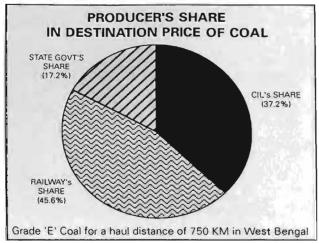


3.6 Stock of Coal

Value of pithead stock of coal and other products at the close of the year 1996-97 was Rs. 1142.61 crores which was equivalent to 1.03 months value of sales (net). Subsidiary company-wise value of stock as on 31.3.1997 and 31.3.1996 before and after provision for deterioration etc. is shown in table below:

					(Rs. in	Crores)
Compa	-	1996-97 s on 31.3.9	7)	(2	1995-96 as on 31.3.	96)
	Value of Stock (Gross)	Provision for deterioration etc.	Value of Stock (net)	Value of Stock (Gross)	Provision for deterioration etc	Value of Stock (net)
ECL	179.86	38.69	141.17	174.10	36.11	137.99
BCCL	436.11	67.41	368.70	480.89	64.73	416.16
CCL	288.90	37.09 .	251.81	269.90	35.03	234.87
NCL	49.49	_	49.49	71.03	7.10	63.93
WCL	63.73	6.41	57.32	92.06	9.70	82.36
SECL	214.91	25.22	189.69	345.22	38.79	306.43
MCL	49.75	6.18	43.57	88.06	10.25	77.81
NEC/ CIL	61.44	20.58	40.86	72.66	28.32	44.34
Total	1344.19	201.58	1142.61	1593.92	230.03	1363.89

During the year method of valuation of closing stock of coal has been changed from net realisable value based on actual realisation made in the last quarter to cost or market price whichever is lower. Effect of the change in the





method of valuation has resulted in reduction of profit by Rs. 354.47 crores and reduction in current assets to the same extent.

3.7 Coal Prices

Following important decisions were taken by the Government of India during 1996-97 with regard to prices of coal.

- 1. Deregulation of prices of Grade-D non-coking coal w.e.f. 12.3.97.
- Coal PSUs have been permitted to revise prices of E, F and G Grades of non-coking coal till 1st January, 2000 once in every six months, by updating the cost indices as per the escalation formula in the 1987 report of the Bureau of Industrial Cost and Prices.

3.8 Coal Sales Dues

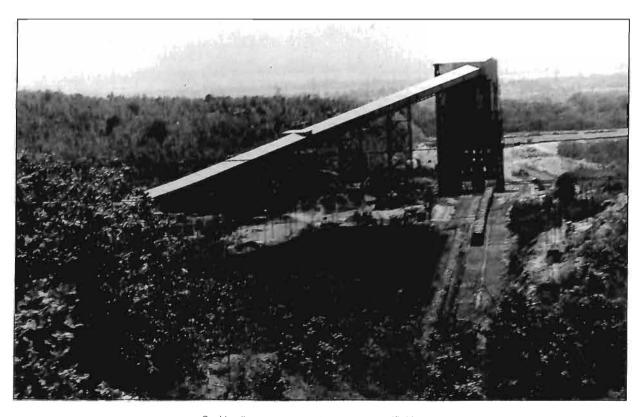
Dues as on 31.3.97 are Rs. 2545.85

Crores (previous year Rs. 2113.89 Crores) after provision of Rs. 1138.29 Crores (previous year Rs. 1135.18 Crores) for doubtful debt. The dues are equivalent to 1.84 months Gross Sales (previous year 1.90 months).

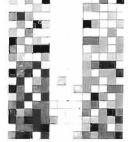
Subsidiary-wise dues as on 31.3.97 before provision for doubtful debt and after provision are shown below:

(Rs. in Crores)

Company	Coal Sale	Coal Sales Dues as on 31.3.97			
	Gross	Net (after provision for doubtful debt			
ECL	611.52	455.81			
BCCL	812.64	241.43			
CCL	891.94	804.59			
NCL	287.47	191.79			
WCL	220.12	179.89			
SECL	601.04	481.03			
MCL	236.14	181.03			
NEC/CIL	23.26	10.28			
Total	3684.13	2545.85			



Coal loading arrangement in a remote coalfield



3.9 Payment of Royalty, Cess and Sales-Tax

During the year 1996-97, CIL and its Subsidiaries paid Rs. 3098.69 crores (previous year Rs. 3137.41 crores) towards Royalty, Cess and Sales-tax.

		(Rs. in Crores)
	1996-97	1995-96
Royalty	1825.31	1826.99
Cess (including other levies)	684.17	786.86
Sales-tax	589.21	523.56
Total	3098.69	3137.41

4. PRODUCTION

Production of coal during 1996-97 was an all-time high of 250.62 Million Tonnes as against 237.27 Million Tonnes in the previous year, registering a growth of 5.6%. The subsidiary-wise position is as below:

4.1 Raw Coal Production

(Figures in Million Tonnes)

Company	Coking		Non-	Non-coking		Total Coal	
	96–97	95–96	96–97	95-96	96–97	95–96	
ECL	0.39	0.37	29.26	27.44	29.65	27.81	
BCCL	21.68	21.89	5.45	5.92	27.13	27.81	
CCL	11.74	11.45	20.44	19.31	32.18	30.76	
NCL			37.01	35.20	37.01	35.20	
WCL	0.70	0.75	30.53	28.25	31.23	29.00	
SECL	0.17	0.16	55.13	53.01	55.30	53.17	
MCL	_	_	37.37	32.70	37.37	32.70	
NEC	_	_	0.75	0.82	0.75	0.82	
Overall CIL	34.68	34.62	215.94	202.65	250.62	237.27	

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

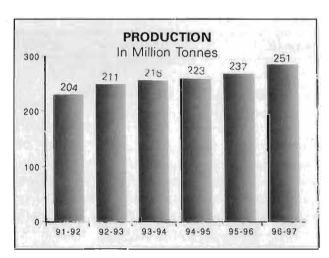
4.2 Break-up of Underground and Opencast Production

Coal production from underground mines in 1996-97 was 55.19 million tonnes which is 0.7% more than the production in 1995-96. Production from opencast mines during 1996-97 was 195.43 million tonnes, registering a growth rate of 7.1%. Opencast coal production continued to be about 78% of the total production.

			(F	igures in	Million	Tonnes)	
Com-		rground luction		Opencast production		Total production	
pany	96 – 97	95 – 96	96 – 97	95 – 96	96 – 97	95 – 96	
ECL	13.88	13.70	15.77	14.11	29.65	27.81	
BCCL	10.04	10.10	17.09	17.71	27.13	27.81	
CCL	3.52	3.89	28.66	26.87	32.18	30.76	
NCL	_	-	37.01	35.20	37.01	35.20	
WCL	9.86	9.62	21.37	19.38	31.23	29.00	
SECL	15.80	15.31	39.50	37.86	55.30	53.17	
MCL	1.81	1.89	35.56	30.81	37.37	32.70	
NEC	0.28	0.30	0.47	0.52	0.75	0.82	
Total CIL	55.19	54.81	195.43	182.46	250.62	237.27	

4.3 Soft Coke, Hard Coke and Washed Coal

The production of Soft coke, Hard coke and Washed coal in 1996-97 was 0.54 lakh





tonnes, 2.27 lakh tonnes and 81.15 lakh tonnes respectively as against production of 1.64 lakh tonnes, 2.05 lakh tonnes and 91.18 lakh tonnes respectively in 1995-96. Subsidiary-wise position is as below:

(Fins	in	La	kh	Tonnes)	

Com-	om- Soft Coke		Hard	Hard Coke		ed Coal
pany	96–97	95-96	96–97	95–96	96–97	95–96
ECL	0.44	0.50	_	_		_
BCCL	0.01	0.26	2.16	1.95	35.47	42.20
CCL .	0.09	0.88	0.11	0.10	41.56	44.75
WCL	_	_	_	_	4.12	4.23
Total/CIL	0.54	1.64	2.27	2.05	81.15	91.18

4.4 Overburden Removal

Quantum of overburden removal in 1996-97 was 395.248 MM3 as against 361.570 MM3 in 1995-96 showing a growth of 9.3%. Subsidiary-wise position is as below:

(Figs. in Million Cu. M.)

	(11go: 117 1111	
Company	1996-97	1995-96
ECL	30.326	24.305
BCCL	43.175	35.609
CCL	42.913	44.089
NCL	106.189	100.643
WCL	70.806	59.391
SECL	63.122	60.456
MCL	34.538	32.091
NEC	4.179	4.986
Total/CIL	395.248	361.570

5. POPULATION OF EQUIPMENT

During the year 1996-97 there has been substantial reduction in the number of opencast equipment due to survey off of outlived equipment and restricted procurement. The population of equipment as on 1.4.97 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. It can be seen that the availability and utilisation have improved compared to last year.

Equip- ment	No. of Equip- ment		Indicated as % of CMPDIL norms			
	As on 1.4.97	As on 1.4.96	Avail 96–97	ability 95–96	Utilis 96–97	ation 95-96
Dragline	40	40	95	89	98	93
Shovel	807	865	85	84	68	65
Dumper	3724	4047	92	88	58	55
Dozer	1040	1059	82	80	58	57
Drill	740	828	86	83	67	61

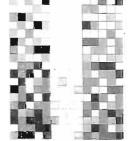
5.1 Capacity Utilisation

The capacity utilisation of CIL has increased to 85.19% during 96–97 compared to 79.19% of 95-96 showing a growth of 7.58%. Companywise details are under:

Subsidiaries	96 – 97	95 – 96	% Growth
ECL	74.95	62.33	20.25
BCCL	78.23	68.83	13.66
CCL	65.79	64.51	1.98
NCL	80.22	80.56	0.42
WCL	98.72	86.89	13.62
SECL	101.69	97.20	4.62
MCL	99.62	96.36	3.38
CIL	85.19	79.19	7.58

6. AVAILABILITY OF POWER

ECL, BCCL and CCL operating in Eastern Region receive major part of power from DVC either directly or through BSEB, DPS and WBSEB. During 96-97, power supply from DVC to ECL and BCCL improved whereas in CCL there was a deterioration compared to 95–96 due to long duration failures of DVC overhead lines and



Sub-station equipment. The power supply to ECL from WBSEB has also improved during 96–97.

The statement showing the position of power supply during 96 – 97 as compared to 95–96 is indicated below:

(A) DVC Source

Com- pany	Dem in N			ability MVA		uptions No.s		r hours ost
	96–97	95–96	96–97	95–96	96–97	95–96	96–97	95–96
ECL	90.0	90.0	87.2	86.6	1439	1844	1318	1796
BCCL	180.0	180.0	174.8	173.0	1544	2022	2779	3764
CCL	102 .3	96.7	98.5	98.4	1780	1157	2113	1616
Total	372.3	366.7	360.5	358.0	4763	5023	6210	7176

(B) WBSEB Source

Com- pany		mand MVA		ability MVA		uptions No.s	Feeder Lo	
	96-97	9 5-96	96–97	95-96	9 6- 97	95-96	96–97	9 5 –9 6
ECL	29.5	29.5	29.1	29:0	1207	1179	1273	1301

In order to combat the power shortage, action has been 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 plant is under trial run as per contract before taking over by BCCL.
- (iii) Kathara, CCL 2 x 10 MW plants under trial run as per contract before taking over by CCL.

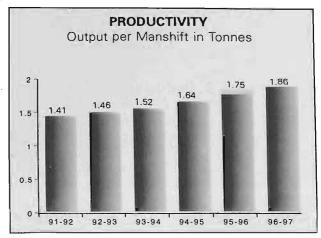
In addition to above, the following Captive Power Plants under Build-Own-Operate Scheme are under various stages of implementation.

Location	Capacity	Status
Rajrappa, CCL	1 x 10 MW	Site activities started. All major equipments and packages ordered
Gidi, CCL	1 x 10 MW	as per information furnished by the Contractor.
Madhuband, BCCL	1 x 10 MW	Site activities have started recently.
Piparwar, CCL	1 x 10 MW	The entrepreneurs have been asked to take possession of the
Kedla, CCL	1 x 10 MW	land for the construction of the Power Plant.

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

Productivity output per manshift (OMS) for the year under review has improved to 1.86 tonnes from 1.75 tonnes in 1995-96 registering an improvement of 6.3%. The Company-wise position is as under:

Com- pany	Und		Open	cast	Ov	erall	%age improve- ment in 96–97 over
, -	96-97	95-96	96 –97	95-96	96-97	95-96	95 – 96
ECL	0.44	0.44	3.65	3.30	0.83	0.78	6.4
BCCL	0.47	0.46	2.75	2.37	0.98	0.94	4.3
CCL	0.41	0.45	2.64	2.56	1.65	1.60	3.1
NCL	_	_	8.60	8.14	8.60	8.14	5.7
WCL	0.71	0.69	4.06	3.83	1.63	1.53	6.5
SECL	0.90	0.87	9.25	8.90	2.54	2.44	4.1
MCL	0.68	0.69	12.82	12.76	6.85	6.33	8.2
NEC	0.37	0.38	3.65	4.12	0.85	0.91	(-) 6.6
Overall CIL	0.57	0.56	5.12	4.75	1.86	1.75	6.3





8. PLANNING

1. Production (Million tonnes)

The salient features of the Annual Plan for 1997-98 are as follows :

260.00

2.	Off-take (Million tonnes)	263.50
3.	Productivity (OMS in tonnes)	1.93
4.	Capital Expenditure (Rs. in crores)	2269.95

The Memorandum of Understanding between Coal India Limited and Ministry of Coal was signed for the year 1996-97. The Performance Rating of Coal India Limited for the last two years has been placed under "Very

Good" rating.

The MOU between Coal India Limited and Ministry of Coal for the year 1997-98 was also signed during the year.

8.1 Project Formulation

CMPDIL has prepared 253 reports during 1996-97. It includes 36 mining project reports having a total capacity of 35.90 million tonnes envisaging a total investment of 3311.56 Crores.

8.2 Project Implementation

Implémentation of projects continues to be a priority area in the operation plan of CIL and its subsidiaries. Production contribution from projects has been 215.22 million tonnes out of total coal production of 250.62 MT in 96–97. This accounts for about 86% of total output. During the year 96–97, 11 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 provision 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 is delayed due to various factors viz. non-availability of updated records of rights (RORS), delay in processing the proposals at district, Sub-division 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 Governmental land and pressure from non-government persons and organisations for employment and benefits to the PAP's beyond the existing provisions in CIL's R&R policy. However, follow-up action are being taken with the appropriate authorities for expeditious acquisition of land.

8.3 Investment in Projects/Schemes

There are 391 coal projects as on 31.3.97 each having an initial capital outlay of Rs. 2 crores and above. The total ultimate capacity of these projects is 319.74 mty and the aggregate sanctioned capital outlay is Rs.17,120.86 Crores. (Includes 31 exhausted projects).

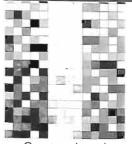
Out of total 391 projects 264 projects have been completed and 127 projects are in different stages of construction.

Besides these coal projects, there are 213 non-mining projects/schemes, each having an initial capital outlay of Rs. 2 crores and above. The total sanctioned capital outlay is Rs. 2689.64 crores. Major non-mining projects under construction are Madhuband Washery (BCCL), Kedla Washery (CCL) and Captive Power Plants at Moonidih (BCCL) and Kathara (CCL). 21 Advance Action Schemes for coal projects are also under implementation.

8.4 Projects Sanctioned by CIL Board during 1996-97

During 1996-97, CIL Board sanctioned the following five Projects including RPRs/RCEs.

SI. No.	Company	Name of Project	Capacity (Mty)	Capital (Rs. in Crores)
New	Projects			
1.	ECL	Rajmahal capacity optimisation OC	1.50	46.86
2.	WCL	Pauni OC	0.60	45.63
3.	WCL	Naherya UG	0.36	46.17
4.	SECL	Mahan OC	0.36	41.95
RCE	/RPR			
5.	SECL	Bangwar UG (RPR)	0.36	27.54



8.5 Project Reports and Revised Cost Estimates Sanctioned by the Government During 1996-97

During 1996-97 only one Project Report has been sanctioned by the Government of India.

No.	Company	Name of Project	Capacity (mty)	Sanctioned Capital (Rs.in Crores)
4.	SECL	Dipka Expn. OC	7.00	462.07

8.6 Allotment of Mining Blocks for Captive Use

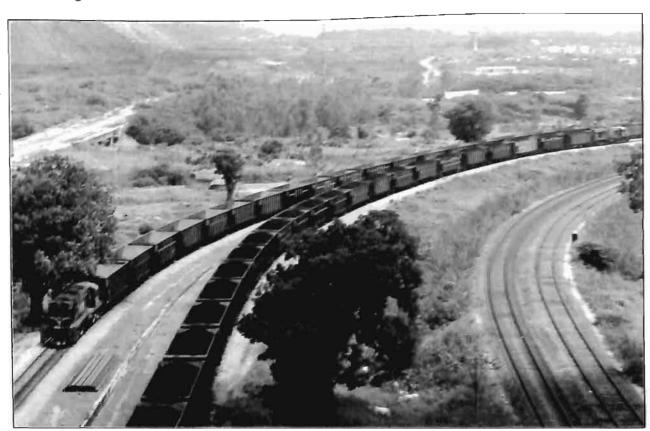
During the year 1996-97, two Captive Mine Blocks have been allotted for Power Generating Sector and on Sub-Block has been allotted for Sponge Iron Sector by the Screening Committee constituted by the Ministry of Coal.

9. EXPORT AND FOREIGN EXCHANGE EARNINGS

During 96 – 97, CIL exported 1.21 lakh tonne (previous year 0.93 L. T.) of coal to Nepal and Bangladesh and earned revenue of Rs. 21.80 crores (Previous year 14.08 crores) which includes foreign exchange earning US \$ of 1.96 million (previous year US \$ 1.44 million).

10. CAPITAL EXPENDITURE

Expenditure in capital account during 1996-97 was Rs. 1530.45 crores as against 1503.63 crores of the previous year. The



Coal — Keeping economy on the move



company-wise break-up of investment for 1996–97 is as under:

(Rupees	in	Crores)

			(· · · · · · · · · · ·	
Com- pany	1996 Budget (BE)	-97 Actual	199 Budget	5–96 Actual
ECL	300.00	273.09	358.00	360.65
BCCL	240.00	213.85	200.00	183.65
CCL	230.00	234.74	360.00	233.56
NCL	460.00	127.78	428.00	189.27
WCL	238.00	228.91	250.00	150.18
SECL	350.00	248.50	300.00	168.43
MCL	300.00	183.81	340.00	197.44
CMPDIL	8.00	4.93	9.00	3.84
NEC & C	IL 17.00	14.84	15.00	16.61
Total	2143.00	1530.45	2260.00	1503.63

This investment has been financed from the following sources:

		96–97	95–96
1.	Budgetary support	12.47	288.72
2.	Suppliers' credit/ Outside borrowings i.e. Bonds, I.C. Loan etc.	599.03	239.27
3.	Internal resources ploughed back for investment	918.95	975.64

11. CAPITAL STRUCTURE

The authorised share capital of the company as on 31.3.97 was Rs. 8,904.18 Crores divided into

(i) 90,41,800 Non-cumulative 10% redeemable. preference shares of Rs. 1000/- each

Rs. 904.18 crores

(ii) 8,00,00,000 Equity Shares of Rs. 1000/each

Rs.8000.00 crores

Rs. 8904.18 crores

The paid-up capital as on 31.3.97 was Rs. 7220.54 Crores comprising of Rs. 904.18 crores of Non-cumulative 10% redeemable preference share capital and Rs. 6316.36 Crores of Equity Capital issued to the Government India, including Rs. 256.93 crores worth of Equity Shares issued to the Government of India towards the value of land acquired.

During the year 1996-97 outstanding plan loan to the extent of Rs. 904.18 Crores as on 31.3.92 payable to the Government of India by Coal India Limited was converted into non-cumulative 10% redeemable preference share capital, redeemable in the year 2003-04 vide Ministry of Coal, Government of India Order No. 48019/1/92-CA, dated 13th February, 1997.

Total investment by the Government of India in CIL and subsidiaries as on 31.3.97 was Rs. 9808.53 crores.

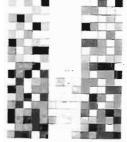
			(Rs. in Crores)
		As on 31.3.97	As on 31.3.96
Share Capital	EquityPreference	6316.36 904.18	6316.36 —
Loan (including interest accrued and due)		2587.99	3797.65

12. BORROWINGS

Amount received by issuing 17% Bonds during 1996-97 is Rs. 434.03 crores. Amount received from Neyveli Lignite Corporation as inter-corporate loan is Rs. 165 Crores of which Rs. 40 Crores has been repaid during the year leaving an outstanding balance of Rs. 125 crores. Further Rs. 12.47 crores has been received from Ministry of Coal, Government of India as Non-plan loan during 1996-97.

12.1 Bonds and Public Deposits

During the year CIL issued Bonds worth Rs. 434.03 crores. The value of Bonds issued



upto 31.3.97 is Rs. 1534.03 Crores as detailed below:

	Rs. in Crores
17% Non-convertible (Taxable)	434.03
15.5% Non-convertible (Taxable)	500.00
13% Non-convertible (Taxable)	450.00
9% Non-convertible (Taxable)	150.00
Total	1534.03

Out of Rs. 1534.03 crores, Rs. 50 crores was redeemed on maturity. Thus the balance amount as on 31.3.97 is Rs. 1484.03 crores.

New Deposits under Public Deposit Scheme was discontinued from 1st April, 1995 as the level of deposits did not commensurate with high cost of administering the deposits. During the year 96-97 an amount of Rs. 6.17 crores was repaid to the depositors on maturity. Thus the balance amount of Public Deposit as on 31.3.97 was Rs. 4.75 crores.

13. FOREIGN COLLABORATION

For improvement in production and productivity, induction of external loans, financing of scientific studies, R&D activities, and upgradation in mine planning with CMPDIL, foreign collaborations have been made.

With the liberalisation of economy and more thrust on financial independence, efforts are being made to get foreign investments/ credits on competitive basis. Global tendering for procuring both equipment and technology have been resorted.

During 1996-97, following Joint Working Group meetings were held:

- Indo-French Joint Working Group in September, 1996.
- Indo-Russian Joint Working Group meeting in July, 1996.
- Indo-German Joint Working Group meeting held in October, 1996.

Two meetings of Indo-UK Coal Forum, set up in January, 1997 have been held till July, 1997. A team of officials from CIL, SCCL and Ministry of Coal also visited UK in June, 1997 and saw the manufacturing facilities of mining equipment and services.

Indo-China Joint Task Force on Coal met at New Delhi in January, 1997 and discussed pending issues, viz. finalisation of equipment specification for Churcha, West mine, development of fast moving spares in India and development of opencast mine in China with Indian assistance.

13.1 Continuing Collaboration

Piparwar Project of CCL

With Australian co-operation, producing 111% of capacity.

In this project, a non-coking coal beneficiation plant has been commissioned in March, 1997 and its Demonstration Test started from April, 1997.

Chinese Longwall Technology in SECL

3 sets of Powered Support Longwall face equipment for New Kumda, Rajendra and Balrampur have been received at Mine sites and are under inspection and commissioning.

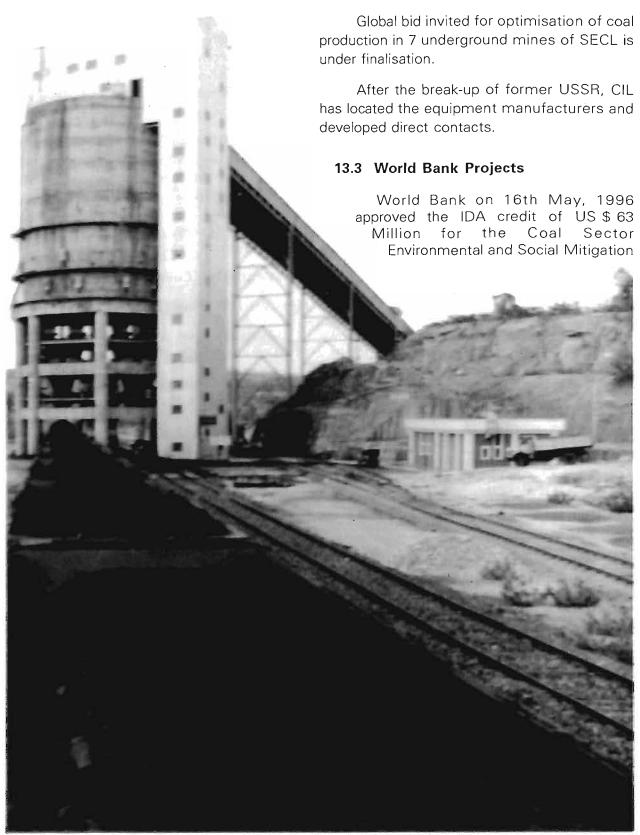
Refurbishment of Churcha PSLW Equipment

Refurbishment of Churcha PSLW equipment has been undertaken under grant from ODA (UK). Replacement supports and associated spares have since been received at mine site.

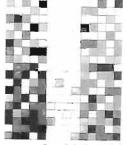
13.2 New Collaboration

CIL is considering proposals of recovery of combustible matter from Washery Rejects and of Dry Beneficiation of Lumpy Coal for scientific study with Canadian co-operation.





Computerised coal loading system in operation



Project costing US \$ 84 Million. The said credit is for the purpose of implementing Environmental Action Plans (EAP), Rehabilitation Action Plans (RAP) and Indigenous Peoples Development Plans (IPDP) in 25 opencast mines which have been identified for World Bank funding under Coal Sector Rehabilitation Project (CSRP).

Coal Sector Rehabilitation Project (CSRP) covering 24 opencast mines costing US \$ 1700 million is mainly for procurement of replacement/new HEMM, Coal Handling Plants and Technical Assistance to improve operational efficiency of the mines. World Bank approved the loan of US \$ 530 million for Coal Sector Rehabilitation Project (CSRP) in September, 1997. Japan EXIM Bank has also given in principle approval for co-financing of equivalent of US \$ 530 Million.

14. GEOLOGICAL EXPLORATION AND OTHER ACTIVITIES OF CMPDIL

CMPDI, as primary organisation for detailed coal exploration continued its activities for proving coal reserves to enhance the reserve base for mine planning and subsequent exploitation. Detailed exploration to prove coking coal resources in Jharia, East and West Bokaro, Sohagpur, Pench-Kanhan and North Karanpura Coalfields were carried out. Superior grade non-coking coals were explored in Raniganj, Bisrampur and other Coalfields. The resources were also deployed for proving quarriable potentiality of coal resources suitable for power generation.

For detailed coal exploration, on an average 100 drills were deployed per month out of which 42 drills belonged to CMPDI. Detailed exploration are continuing in 147 blocks spread over 23 coalfields. Against a total of 2,70,000 metres drilling target, actual meterage drilled was 2,76,997 registering an achievement of 103%.

CMPDI was also engaged in preparation of Project Reports. During the year a total of

253 Reports were prepared out of which 36 Reports were coal mining project reports having a total capacity of 35.90 m.t. envisaging a total investment of Rs. 3311.56 Crores.

In addition to satisfying planning requirement of CIL, CMPDI is offering consultancy services outside CIL as also abroad.

Major achievement in international consultancy effort are as follows:

- (i) CMPDI earned US \$ 601231 in foreign exchange for providing Consultancy Services.
- (ii) An agreement was signed with M/s National Development Corporation, Tanzania for preparation of pre-feasibility and Feasibility Reports for Mchuchuma Colliery and thermal Power Station for US \$ 2.55 Million.
- (iii) Centre for Coal Utilisation Japan (CCUJ) engaged CMPDI as a consultant for implementing a Research Programme for an environment friendly coal utilisation system in Idnia.
- (iv) CMPDI alongwith Montan Consulting, Germany was awarded a project on "Implementation of Clean Coal Technology through coal beneficiation funded by Asian Development Bank."

15. RESEARCH & DEVELOPMENT

CMPDI acts as nodal agency and coordinates R&D/S&T activities in Coal/Lignite Sectors. The nodal agency invites the project proposals related to the identified thrust areas from various implementing agencies and processes the same for funding through SSRC.

As on 31.3.97, 41 projects are under various stages of implementation. During the year 10 projects were approved and the following 8 projects were completed during the year:



- (i) Assessment and evaluation of molten carbonate fuel cell technology using Indian Coal.
- (ii) Development of suitable fire protective coating for preventing spontaneous combustion in the benches of opencast/ underground mines vis-a-vis consolidation of dust.
- (iii) Improvement in the life of mineimplements through tribological studies.
- (iv) Failure analysis of certain cage suspension gear components and standardisation of ultrasonic testing technique for examination of suspension gear components.
- (v) Modelling and scale up studies on water only cyclones treating coal.
- (vi) Development of 100-200 KW oscillatory combuster utilising low grade coal.
- (vii) Production of biofertiliser using lignite as carrier material.
- (viii) An integrated ecological study on revegetation of mine spoil.

16. COMMUNICATION SYSTEM

CII devised its own captive speech and data communication network within its organisation — COALNET — for connecting corporate office in Calcutta to Subsidiary Companies Hgrs. and further down to Area offices, projects, Workshops, Collieries/Units etc. The Phase-I and Phase-II schemes of COALNET project have since been implemented by DoT on turnkey basis under co-ordination by CIL. Satellite Earth stations (6 Nos.) Microwave Links and Digital UHF links have been set up through which speech and data connectivities have been established with all subsidiary companies and some important projects like Rajmahal, Piparwar, Patherkera and Pench (WCL).

Digital exchanges of State-of-the-art technology have been installed at different subsidiary companies and CIL Hqrs. which have increased the efficiency and performance of our communication systems remarkably. One such PCM-TDM exchange has been installed in CIL Hqrs for hotline connections with the subsidiary Companies with direct inward dialing (DID) and automatic call routing facility.

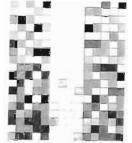
Under COALNET Phase-III programme speech and data connectivities are being extended to cover all Areas, Stores. Workshops, Rescue Stations etc. utilising digital MART, UHF Radio links and VHF Radio Trucking systems. While Digital TDMA systems have already come up in NCL, MCL similar facilities are coming up in CCL & WCL also. Ambitious scheme for setting up a VSAT based integrated speech and communication network linking SECL, Bilaspur with its area offices (12 Nos.) with the help of a shared satellite Hub-station at Bilaspur has been conceived and is under process of implementation. One IMMERSAT-M type mobile satellite terminal has been procured by SECL for emergency communication during mine disaster and other exigencies.

Various value added Telecom services like Radio paging, I-Net and GPSS connectivity etc. have been introduced to augment the operational efficiency of communication systems, Internet connectivity with Electronic-mail (E-Mail) transfer facilities have been established in CIL (Hqrs), CMPDI (Ranchi) and WCL (Nagpur) through VSNL for logging remote data bases and down loading files for updating informations on various items.

The above mentioned programme is expected to contribute to overall improvement in productivity and efficiency of the mines along with higher safety levels.

17. COMPUTERISATION

Development of effective Business Information System has always been a priority activity at Coal India. With increase in business volume and complexities, Computerised



Information System has become an integral part of the daily activities of the organisation. More and more application areas are being covered under the Computerisation plan of the company.

An integrated system is being developed for computerisation of various functions at collieries. The Information System planned for implementation at the collieries of different subsidiary companies embraces major activities at collieries viz. Production and despatch, Sales billing, Recording pit-head attendance, Equipment performance, Colliery store function etc. The system has been designed to monitor various operations at collieries and provide tools for decision support. Development work for the system is in the progress.

18. MINES SAFETY

During the year 1996-97, safety of operations continued to be a priority area in Coal India Limited. The overall fatalities reduced significantly and the overall fatality per million tonne of coal produced has come down to 0.4 compared to 0.5 in 95-96 and 94-95.

The overall company-wise position of fatal accidents and fatalities during 1996-97 compared to the previous year is given below:

Company	Acc	idents	Fatalities		
	96-97	95-96	96-97	95-96	
ECL	19	23	22	24	
BCCL	24	28*	27	35*	
CCL	18	21	19	22	
NCL	1	4	1	4	
WCL	8	13	8	13	
SECL	15	15	16	16	
MCL	4	9	4	9	
NEC	1	2	2	2	
Overall CIL	90	115*	99	125*	

^{*1.} This is excluding 77 fatalities at Gaslitand and 5 other mines of BCCL on 26/27,9.95.

During the year 1996-97, the following steps were taken for the improvement of safety status of mines of CIL.

1. Thrust on disaster prevention through:

- (i) Special drive in preparation of Emergency Action Plans of mines and conducting of mockdrills.
- (ii) Examination of Annual Operation Plans of mines by the Internal Safety Organisation (ISO).
- (iii) Fresh Safety Audit of mines and implementation of the recommendations.
- (iv) Conducting workshops on disaster prevention and management.
- (v) Special drive for inspection of all highly gassy (Degree-III) mines and fiery mines by ISO Officials and follow up corrective action for removal of deficiencies.
- (vi) Increased thrust in the provision of protable gas monitors/self rescuers to the workers of under grond mines for underground workings and taking action for finalisation of total environmental mine system for degree-III gassy and fiery mines.
- Random scrutiny and evaluation of the safety status of the mines by very senior experts in mining from outside Coal India Limited constituting the Apex Group on safety and implementation of recommendations of the Apex Group.
 - Safety clearance of production districts before commencement of operation.
- Safety clearance of the executives holding statutory position of responsibility before being considered for promotion.

^{2.} The figures of 96-97 are subject to reconciliation with DGMs.



- Monthly monitoring of the safety status of all mines of CIL on computerised data base report (SSR-I and SSR-II) and thrust on rectification of the deficiencies observed.
- Empowerment of Colliery Managers to take disciplinary action and delegation of special powers for purchasing safety items.
- Increased thrust on use of scientific methods of roof support through Rock Mass Rating based support plans for mines and Roof Bolting systems of support especially in the freshly exposed roof area.
- 8. Vigorous efforts for training and retraining of the workers supervisors and officials of the mine through VTC, HRD etc.

19. MINES RESCUE SERVICES

Six main Rescue Stations, eleven Rescue Rooms with Refresher Training facilities (RRRTs) and twelve Rescue Rooms have been established and are functioning in various subsidiaries.

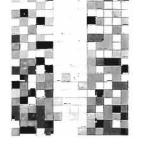
Old outdated main rescue equipment are being replaced by modern equipment in a phased manner. About 80% of such apparatus have been replaced.

Modern training galleries have been provided at all main Rescue Stations and RRRTs

Thirteen additional Rescue Rooms are being constructed to ensure that in case of emergent need in any underground mine Rescue Teams reach within half an hour of receiving information.



Coal miners in a celebration



Several incentives have been introduced for attracting suitable persons to serve in the rescue services.

New technology equipment like infra-red imager paging system etc. have been introduced. Trial is under way for development of cordless radio-communication system for use by Rescue Teams in rescue/recovery work below ground.

One large diameter drill machine for evacuation of mines trapped below ground has been procured from abroad and supporting equipment are being proceeded from indigenous sources for trial and commissioning of the machine.

A large number of high capacity submersible pumps and horizontal pumps have been procured and kept in readiness for large scale dewatering of mines whenever the need arise.

20. MANAGEMENT DEVELOPMENT AND TRAINING

20.1 Training Abroad

Sixty-nine employees were sent abroad under various schemes for training abroad. The employees were sent to Australia, UK, Japan, France, USA, Canada, Germany, China and Singapore.

The employees were sent against project based slots, arising out of commercial contract, under purchase contract for acquisition of capital equipment, scholarship, and against other slots available from the Ministry of Coal for upgradation of knowledge and skill in technical area, and environment.

Two executives from the board level were sent to Advanced Management Programme with an attachment to foreign training module at Malayasia, Singapore and China.

20.2 In-house Training

An integrated approach to Human Resource Development was taken based on the five year review and Strategic HRD Plan for next five years. The plan reflected requirement of each subsidiary company with appropriate regimentation of planning process arising out of recommendations of review and future perspective. Total number of employees trained during 1996-97 are given as follows:

Category	Employees Trained
Executives	10315
Supervisors	8821
Workmen	27354
Total	46490

In-house training efforts at all training centres and also training efforts at area level have been considered. However, this does not include workmen trained in vocational training centres.

20.3 Indian Institute of Coal Management

Indian Institute of Coal Management, situated at Ranchi has been entrusted with the responsibility of training Senior Managers and Management Trainees. The career development courses, functional courses and specialised courses are conducted in different areas of management and technology, related to the role of managers. Management trainees are also trained through an approved scheme.

21. MANPOWER

21.1 The total manpower of the company including its subsidiaries as on 31.3.97 was 627463 as against 636535 as on 31.3.96. Subsidiary company-wise position of manpower is as below:



Company		Execu- tives	Super- visor/ clerical	Skilled/ Semi-	Non- Catego-	Total
	As on		ciericai	skilled/ un skilled	rised/ others	
ECL	31.3.96	3,402	19,981	138,019	273	161,675
	31.3.97	3,303	19,762	135,020	166	158,251
BCCL	31.3.96	3,516	17,836	125,232	855	147,439
	31.3.97	3,377	18,003	120,220	836	142,436
CCL	31.3.96	3,289	12,130	76,377	1,020	92,816
	31.3.97	3,263	12,110	75,446	830	91,649
WCL	31.3.96	2,429	10,148	71,551	729	84,857
	31.3.97	2,441	10,454	71,307	603	84,805
SECL	31.3.96	3,089	12,862	82,688	389	99,028
	31.3.97	3,042	12,936	82,939	49	98,966
MCL	31.3.96	1,171	3,211	18,169	432	22,983
	31.3.97	1,227	3,323	1B,458	419	23,455
NCL	31.3.96	1,312	2,599	12,747	3	16,661
1102	31.3.97	1,320	2,722	12,948	0	16,990
NEC	21 2 00	160	061	4.010	^	4.000
NEC	31.3.96 31.3.97	153 145	661 775	4,012 3,841	0 18	4,826 4,779
0.400					•	0.000
CMPDI	31.3.96 31.3.97	1,073 1,024	1,073 1,054	1,833 1,822	3 0	3,982 3,900
	51.5.57	1,024	1,034	1,022	Ü	0,000
DCC	31.3.96	83	145	473	0	701
	31.3.97	88	144	480	0	712
CIL (HO)	31.3.96	400	491	676	0	1,567
	31.3.97	394	570	584	0	1,548
CIL as	31.3.96	19,917	81,137	531,777	3,704	636,535
a whole	31.3.97	19,624	81,853	523,065	2,921	627,463

21.2 The presidential directives for Scheduled Castes/Scheduled Tribes/OBC have been implemented in all the subsidiaries/units of Coal India Limited. Special recuitment drives were undertaken for recruitment of SC/ST candidates.

The representation of SC/ST employees in total manpower of Coal India and its Subsidiary Companies as on 31.12.96 is given below:

Sche	duled Caste	Sched	duled Tribe
Nos.	Percentage	Nos.	Percentage
1,52,765	24.26	79,875	12.69

22. INDUSTRIAL RELATIONS

The Industrial Relations in Coal India and its Subsidiaries remained cordial. The subsidiary-wise strikes and loss of mandays/ production in comparison to 1995-96 is as follows:

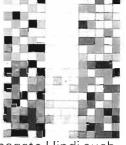
Com- pany	No. of Strikes		No. of other incidents			days st	Production Lost (in tonnes)	
	95-96	96-97	95-96	96–97	95-96	96-97	95-96	96-97
ECL	4+1 (BB) + 2 (GS)	5+1 (BB)	29	33	162488	14259	107373	11954
BCCL	7+2 (GS)	6	25	42	33225	803	28467	1690
CCL	3+2 (GS)	1+1 (Bun)	60	64	63902	138	121617	1205
WCL	4+1 (GS)	7	13	18	14514	24238	27350	26273
SECL	8+2 (GS)	7	1.	00	49293	80089	50089	103307
NCL	2+2 (GS)	1	20	22	2194	517	20000	18000
MCL	2	3	2	3	549	4901	8522	26934
NEC	1	00	00	00	3655	00	2919	00
CMPDI	2 (GS)	1+1 (BB)	1	t	1607	316	764.15 (mtg)	255 (mtg)
(HQ)	2 (GS)	1 (BB)	00	00	1729	954	00	00
Total	31+2 (GS) + 1 (BB)	31+1 (BB) + 1 (Bun)	151	183	333156	162215	366337 + 764.15 (mtg)	187363 + 225 (mtg)

BB = Bangal Bundh, BUNDH = Bharat Bundh, GS = General Strike, mtg. = Meterage (Drilling)

There has been a decrease in the total loss of mandays/production during 96-97 as compared to the previous years.

23. EMPLOYEES' WELFARE AND SOCIAL SECURITY SCHEME

Welfare of coal miners has significant impact on production, productivity and safety. CIL and its subsidiaries allot priority to the welfare of their workforce by providing and improving the basic necesities suchg as housing, water supply, medical care and educational facilities to their wards. Emphasis has also been laid on improving the general environmental and ecological conditions in the coalfield areas.



23.1 The table below shows the position of basic facilities provided :

lte	m at the time of Nationa- lisation	Available during 1996-97	Additions as on 31.3.97	Position satis- faction in percen- tage	Overall
(i)	Houses	1,18,366	4990	3,94,001	62.79%
(ii)	Water Supply	2.27 lakhs population	24665 additional population	23.13 lakhs population	
(iii)	Educa- tional Institutions	287	_	1347	
(iv)	Medical facilities*				
(a)	Ambulance	42	22	672	
(b)	Hospitals	49	_	85	
(c)	Hospital beds	1482	154	5760	
(d)	Dispensaries	_	23	447	

^{*} Besides, 27 Ayurvedic Dispensaries are also being run in the subsidiaries of CIL to provide indigenous system of treatment to workers

23.2 Tree Plantation/Afforestation

Under the afforestation programme, CIL and its Subsidiaries during the year 1996-97 have planted 79.92 lakh trees as against the target of 84.27 lakh trees.

24. PROGRESSIVE USE OF HINDI

Major thrust was given during the year under report as in the previous years for Rajbhasha implementation in CIL and its subsidiary companies. A detailed training scheme has been worked out to complete the training in Hindi language, Hindi typing. Hindi stenography, translation etc. in a phased manner so that a suitable and conducive climate is created for transformation of working system from English to Hindi.

A Rajbhasha Karyaunwayan Samity has been reconstituted for effective implementation of Rajbhasha policy and all the HODs have been made its members. During the year, 4 Hindi workshops have been organised. Complete set of forms have been identified and made bilingual.

Other measures to propagate Hindi such as distribution of the prizes, cash awards have also been organised. Altogether 39 employees and officers have been given awards and recognitions.

Sansadiya Rajbhasha Samity visited in February, 1997. Its useful suggestions have given a boost to Hindi implementation activities.

25. 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).

26. BOARD OF DIRECTORS

During the year under review, Shri P. K. Sengupta as Chairman and Shri C. H. Khisty as Director (P&IR) continued.

Shri A. K. Sahay, Director (Technical) and Shri A. Chatterjee, Director (Finance) were appointed as full-time Directors on the Board w.e.f. 27.9.1996 and 27.1.97 respectively.

Shri P. K. Banerji, Additional Secretary, Ministry of Coal and Shri Vivek Mehrotra, Joint Secretary & Financial Adviser, Ministry of Coal, continued as part-time Directors of the Company.

Shri Swarup K. Gupta, Additional member (Traffic), Railway Board was appointed as Part-time Director on the Board w.e.f. 27.12.96 in place of Shri Shanti Narain transferred, Shri A. P. V. N. Sarma, IAS, Chairman-cum-Managing Director, Singareni Collieries Co. ltd., Hyderabad and Shri S. K. Sen, Chairman-cum-Managing Director, Northern Coalfields Ltd., Singrauli were appointed as Part-time Director on the Board w.e.f. 4.2.97 in place of Shri M. C. Mahapatra, IAS, Chairman-cum-Managing Director, Singareni Collieries Co. Ltd. transferred and Shri U. Kumar,



Chairman-cum-Managing Director, South Eastern Coalfields Limited retired on 31.1.97.

Shri U. K. Mittal, Director (Commercial) SAIL ceased from the Directorship from the Board w.e.f. 14.2.97 consequent to resignation.

Your Directors wish to place on record their deep sense of appreciation for the valuable guidance and services rendered by S/Shri Shanti Narain, M. C. Mahapatra, U. K. Mittal and U. Kumar during their tenure as Directors on the Board.

In terms of Articles 33d(iii) of the Articles of Association of the Company all the Directors excepting the Chairman and wholetime Directors should retire at the coming Annual General Meeting and they are eligible for reappointment.

The Board of Directors held 10 (ten) meetings during the year 1996-97.

27. ACCOUNTS OF THE SUBSIDIARIES

The copies of Accounts of the Sbusidiary Companies for the year 1996-97 are attached in Vol–II of the Annual Report and Accounts in compliance with requirement of Sec. 212 of the Companies Act, 1956.

Bharat Coking Coal Limited (A Subsidiary of Coal India Limited) has been referred to BIFR on 24.11.95 under Section 15 (i) of the Sick Industrial Companies (Special Provision) Amendment Act, 1993 and is still a Sick Company under that Act. The Company submitted 'Turn Around Strategy' to BIFR wherein the plan for revival of the company was outlined. This was followed by three hearings in BIFR wherein the papers on implementation of a Turn Around Strategy was reviewed.

Restructuring of the capital base of BCCL which was taken up for implementation as one of the measures for reviving the health of Company, has since been implemented. With above the networth of the company has rendered positive.

Under the provision of Section 23 (1) (a) (i) of the Sick Industrial Companies (Special

provision) Amendment Act, 1993 Eastern Coalfields Limited (a Subsidiary of Coal India Limited) has been reported to BIFR on 23.11.95, the fact of which was mentioned in the Directors' Report of previous year. Consequent on the networth of ECL being negative as on 31.3.97 a reference under section 15 (i) of the Sick Industrial Companies (Special provision) Amendment Act, 1993 is being made to BIFR by ECL.

28. ACKNOWLEDGEMENT

Your Directors sincerely appreciate the contribution made by the trade unions and employees at all levels. 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 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 the Registrar of the Companies, West Bengal. Your Directors also wished to place on record their sincere thanks to the Consumers/Customers for their patronage.

29. 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 31st March, 1997.
- (iii) Statement pursuant to Sec. 212 (i) (e) of the Companies Act, 1956.

For and on behalf of the Board of Directors

Calcutta

Date: 29th Sept., 1997

(P. K. Sengupta)

Chairman



Annual Accounts 1996-97



Balance Sheet

As At 31st March, 1997

		Schedule		Current Year		(Rs. in '00,000) Previous Year
I.	SOURCES OF FUND					
Α.	Shareholders' Fund (a) Share Capital (b) Share Money Pending Allotment (c) Reserves & Surplus	A B C		722054.44 2352.48		631636.44 — 1134.85
B.	Loan Fund (a) Secured (b) Unsecured	D E	46087.27 420176.30	466263.57	40737.60 495856.45	536594.05
				1190670.49		1169365.34
11.	APPLICATION OF FUND					
Α.	Fixed Assets (a) Fixed Assets Less: Depreciation	F	32020.88 11738.04	20282.84	30709.06 10354.78	20354.28
	(b) Capital Work-in-Progress			1860.77		1663.08
В.	Investment	G		623053.00		623053.00
C.	Current Assets, Loans & Advances					
	Inventories Sundry Debtors Cash & Bank Balances Loans & Advances	H J K	4696.70 1028.06 3934.05 597014.78		4913.29 2307.41 831.50 530865.45 	
	Less : Current Liabilities & Provisions	L	606673.59 61709.78	544963.81	43176.31	495741.34
D	. Miscellaneous Expenditure (To the extent not written-off or adjuste	M d)		510.07		1206.41
Е	. Profit & Loss Account					27347.23
۸	coounting Policies and Notes to the			1190670.49		1169365.34
	ccounting Policies and Notes to the ccounts are forming part of the Accounts	Ν				
	//	Sd/- S. Lahiri al Manager(F	-)	Sd/- A. Chatterjee Director (F)	P.	Sd/- K. Sengupta Chairman

Calcutta

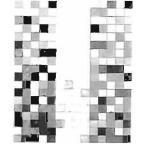
Dated: The 19th September, 1997

As per our separate report of even date :

For Mitra Kundu & Basu

Chartered Accountants

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



Profit & Loss Account

For the Year Ended 31st March, 1997

			(Rs. in '00,000)
INCOME	Schedule	Current Year	Previous Year
Sales	1	9681.86	9101.98
Coal Issued for other purposes	2	186.83	179.11
Other Income	3	61736.47	7089.62
Contribution to/from Coal Price Regulation Account		_	1799.92
		71605.16	18170.63
EXPENDITURE			
Decretion of Stock	4	344.14	3236.64
Purchase of Coal & Coke etc.	5	274.18	267.21
Consumption of Stores & Spares	6	834.21	910.53
Coal Issued for other purposes per Contra	7	22.97	8.00
Employees' Remuneration and Benefits	8	5906.45	6273.28
Social Overhead	9	941.79	923.23
Power & Fuel	10	470.66	504.30
Repairs	11	305.96	276.57
Contractual Expenses	12	2269.22	2848.65
Other Expenditure	13	2017.27	1931.78
Interest	14	34274.39	1501.28
Finance Charges	15	1790.21	2.87
Depreciation		1325.59	1331.57
Provisions	16	1623.64 ————	108.55
		52400.68	20124.46
PROFIT/LOSS FOR THE YEAR		19204.48	- 1953.83
Prior Period Adjustment	17	25001.17	- 766.30
		44205.65	- 2720.13
PROFIT/LOSS BEFORE TAX		5000.00	- 2720.13
Provision for Income Tax			
PROFIT/LOSS AFTER TAX		39205.65	- 2720.13
Loss brought forward from the previous year		- 27347.23	- 24627.10
Profit/Loss (Balance) upto current year		11858.42	- 27347.23
Proposed Dividend on Preference Shares		9041.80	
Proposed Dividend on Equity Shares @ Re1/- per share		631.64	_
Tax on Proposed Dividend on Preference Shares and Equ	ity Shares	967.35	
Balance Carried Forward to Balance Sheet		1217.63	~ 27347.23
Statement on Significant Accounting Policies,	N		
Notes on Accounts	Accounts		
The Schedules referred to above form an integral part of	Accounts.		

Sd/-U. Suryanarayana Company Secretary Sd/-S. Lahiri General Manager(F) Sd/-A. Chatterjee Director (F)

Sd/-P. K. Sengupta Chairman

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

Calcutta

Dated : The 19th September, 1997

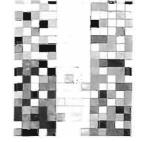
Sd/-(S. C. Basu) (Partner)



Schedule to Balance Sheet

As At 31st March, 1997

			(Rs. in '00,000
SHA	RE CAPITAL	Current Year	Previous Year
	norised		
(i)	9041800 Non-cumulative 10% Redeemable		
.17	Preference Shares of Rs. 1000/- each (Previous Year Nil)	90418.00	_
(ii)	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
Issu	ued, Subscribed and Paid up	890418.00	800000.00
(i)	9041800 Non-cumulative 10% Redeemable Preference Shares of Rs. 1000/- each fully paid in cash (Previous Year Nil)	90418.00	_
(ii)	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
		722054.44	631636.44
	SCHEDULE - B		
			(Rs. in '00,000)
SH	IARE MONEY PENDING ALLOTMENT	Current Year	Previous Year
Ar ag	nount and/or consideration received from Government of India ainst Equity Shares pending allotment :		
Fo	r Land Compensation	_	
		0.00	0.00
	SCHEDULE - C		
P	ESERVES & SURPLUS	Comment Value	(Rs. in '00,000)
	RESERVES	Current Year	Previous Year
	vestment Allowance Reserve (Utilised)	344.77	344.77
В	ond Redemption Reserve	790.08	790.08
		1134.85	1134.85
В	SURPLUS		
Ρ	rofit & Loss Account	1217.63	
	TOAL (A+B)	2352.48	1134.85



		Current Year		(Rs. in '00,000) 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 Punjab National Bank United Bank of India Canara Bank Bank of Baroda Dena Bank Bank of Rajasthan State Bank of Travancore Allahabad Bank HDFC Bank	25148.63 4993.26 1542.05 1544.88 4460.85 2878.82 562.45 1940.33 1905.20 797.53	45774.00	24427.84 3582.30 1418.04 1442.41 4500.00 2884.45 255.64 1913.65) 4
Interest accrued & due (Secured by Govt. Guarantee)		313.27		313.27
		46087.27		40737.60
	SCHEDULE - E			
		Current Year		(Rs. in '00,000) Previous Year
UNSECURED LOAN		Current real		Trevious real
Long term loan from Government of India		253472.10		373783.17
Secured Bonds (To be secured by equitable mortgage/hypothecation of Fixed Assets of Northern Coalfields Ltd. and other Subsidiarie	s)			
17% Non-convertible (Taxable) 15.5% Non-convertible 13% Non-convertible 9% Non-convertible (Tax Free)	43403.00 50000.00 40000.00 15000.00	148403.00	50000.00 45000.00 15000.00	110000.00
Short Term Loan From		140 100.00		110000.00
Neyveli Lignite Corporation Ltd.		12500.00		5000.00
Public Deposits				
Fixed Cumulative	419.20 55.39		765.73 325.78	
Interest Accrued & Due		474.59 5326.61		1091.51 5981.77
				——————————————————————————————————————
		420176.30		495856.45



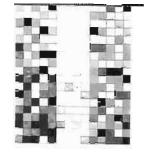
SCHEDULE - F

(Rs. in '00,000)

FIXED ASSETS

		С	0 S T			DEPRE	CIATION		NE	T BLOCK
	As on 01.04.96	Addition during the year	Adj./Sales/ Trans. during the year	Total as on 31.03.97	As on 01.04.96	Addition during the year	Adj./Sales/ Trans. during the year	Total as on 31.03.97	As on 31.03.97	As on 31.03.96
LAND										
(a) Freehold	671.90			671.90					671.90	671.90
(b) Leasehold	2.21			2.21	0.29	0.03		0.32	1.89	1.92
BUILDING	5946.42	502.20	- 7.12	6441.50	728.29	128.62	- 0.12	856.79	5584.71	5218.13
PLANT & MACHINERY	15998.19	445.69	89.24	16533.12	6843.24	830.89	7 .87	7682.00	8851.12	9154.95
FURNITURE & FITTINGS/ OFFICE EQUIPMENTS	1347.69	80.92	- 56.56	1372.05	384.98	85.14	- 11.53	458.59	913.46	962.71
RAILWAY SIDING	1050.96			1050.96	282.90	49.79		332.69	718.27	768.06
VEHICLES	306.55	16.09		322.64	171.85	25.01	- 0.01	196.85	125.79	134.70
AIRCRAFT	1572.12			1572.12	603.94	81.70	- 24.94	660.70	911.42	968.18
TELECOMMUNICATION	262.10	0.94		263.04	71.30	12.80	13.11	97.21	165.83	190.80
DEVELOPMENT	2833.48	193.96		3027.44	1062.85	144.55	2.00	1209.40	1818.04	1 7 70.63
PROSPECTING & BORING	717.44	46.46		763.90	205.14	38.35		243.49	520.41	512.30
TOTAL	30709.06	1286.26	25.56	32020.88	10354.78	1396.88	- 13.62	11738.04	20282.84	20354.28
CAPITAL WORK-IN-PROGRESS	1663.08	522.19	- 324.50	1860.77					1860.77	1663.08
GRAND TOTAL	32372.14	1808.45	- 298.94	33881.65	10354.78	1396.88	- 13.62	11738.04	22143.61	22017.36
PREVIOUS YEAR										
FIXED ASSETS	27874.70	2839.13	- 5.47	30 7 09.06	8893.74	1417.06	43.98	10354.78	20354.28	18980.96
CAPITAL WORK-IN-PROGRESS	2835.97	686.15	- 1858.94	1663.08					1663.08	2835.97

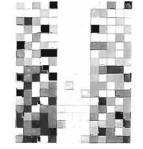
ALLOCATION OF DEPRECIATION	CURRENT YEAR	PREVIOUS YEAR
Profit & Loss Account	1325.59	1331.5 7
Social Overhead	46.81	42.54
Power & Fuel	5.93	8.40
Prior Period Adjustment	- 24.32	73.41
Development	11.78	6.63
Transfer In/Out	7.84	_
Other Adjustment	9.63	- 1.51
Total	1383.26	1461.04



· .	SCHEDULE - G	
	Current Year	(Rs. in '00,000) 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



		Current Year		Rs. in '00,000)
INVENTORIES		0011011111111	·	1001003 1001
(As valued and certified by the Management)				
Stock of Stores & Spareparts (at cost)	650.94		524.40	
Less: Provision for slow-moving/ non-moving obsolescence/shortage	47.67	603.27	47.67	476.73
Stores-in-transit (at cost)		1.01		_
		604.28		476.73
Stock of Coal (Valued at lower of Cost or Market Price)	6142.65		7264.52	
Coke (Valued at lower of Cost or Market Price)	0.95		1.85	
	6143.60		7266.37	
Less : Provisions	2057.60	4086.00	2831.70	4434.67
Stock of Bricks (at cost)		6.42		1.89
		4696.70		4913.29



ANNEXURE TO SCHEDULE - H

NAME OF COMPANY, NEC, CIL, MARGHERITA, ASSAM PARTICULARS IN RESPECT OF COAL STOCK AS ON 31.03.97

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

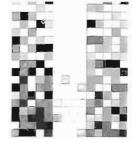
		OVERALL STOCK PROVISION FOR PARTICULARS VENDABLE ST							
				QTY.	VALUE	QTY.	VALUE	QTY.	VALUE
(A)	REC STC	ONC OCK A	ILIATION OF BOOK ND MEASURED STOCK						
	1.		ning stock as on 14.96 (As Per Accounts)	923.30	7048.31		9:	23.30	7048.31
	2.	Add	production for the year	752.12	8478.50		7	52.12	8478.50
	3.		Total (1+2)	1675.42	15526.81		16	75.42	15526.81
	4.	les	s Offtake for the year						
		(A)	(i) Outside despatch	825.93	9321.03		8:	25.93	9321.03
		1,	(ii) Transfered out						
		(B)	Internal consumption for						
			Washeries etc.						
		(C)	Consumption for Boiler and domestic coal	21.68	186.84		:	21.68	186.84
			Total (4)	847.61	9507.87		84	47.61	9507.87
	5.	Der	ived Stock (3-4)	827.81	6018.94		82	27.81	6018.94
	6.	Mea	asured Stock	811.85	5902.90		8	11.85	5902.90
	7.	Diff	erence (5–6)	15.96	116.04			15.96	116.04
	8.	Brea	ak up of Difference						
		(A)	Excess within 5%						
		(B)	Shortage within 5%	15.96	116.04			15.96	116.04
		(C)	Excess beyond 5%						
		(D)	Shortage beyond 5%						
	9.		sing stock adopted in Accounts 8A + 8B + 8C)	827.81	6018.94		82	27.81	6018.94
								Qty.	Value
(B)	Red	concilia	ation of closing stock adopted in Acco	ounts			83	27.81	6018.94
Les	s:	Net adju	shortage of more than 5% accounter sted from Book Stock pending write	d for in the Acco	ounts but not			_	
Les	s:	prov	n-vendable stock including mixed stock vision equivalent to the value has bee qty. not adjusted in Book Stock as we	n made in Acco					1332.00
Les	s :	Cha	rges for rehandling of Pithead Stock					_	_
Les	s:		6 value of Closing Stock for deterioral and longer period of stocking etc.	tion on account	of			_	601.89
			ck as per Accounts after all provisi	ons				27.81	4085.05



SCHEDULE - I

OONEDOL		Current Year		. in '00,000) vious Year
SUNDRY DEBTORS (UNSECURED)				
Debts outstanding for period exceeding 6 months		1370.99		1552.56
Other Debts		955.49		1012.07
		2326.48	-	2564.63
Less : Provision		1298.42		257.22
		1028.06		2307.41
CLASSIFICATION				
Considered good		1028.06		2307.41
Considered doubtful		1298.42		257.22
	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			_	_

	Current Year	(Rs. in '00,000) Previous Year
CASH AND BANK BALANCES	ourient real	1704,043 104.
Cash, Cheques, Drafts, Stamps etc. in hand	14.26	5.02
Remittance-in-transit	1264.85	35.43
In Current Account with Scheduled Banks	2652.20	790.28
With Post Office Savings Bank Account	2.69	0.74
Public Deposit Account	0.05	0.03
	3934.05	831.50



ЗСПЕРС)LE - K			
		Current Year		Rs. in '00,000) Previous Year
LOANS & ADVANCES				
Loans & Advances (Unsecured) [Advance Receivable in cash or in kind or for value to be received]				
ADVANCE TO SUPPLIERS	1212.01		1209.31	
For Others	1212.01 92.46	1304.47	64.06	1273.37
ADVANCE TO CONTRACTORS		1304.47		7.22
For Capital Works		_		7.22
ADVANCE TO EMPLOYEES			283.26	
For House Building	308.36 33.90		32.36	
For Motor Car & Other Conveyance	33. 9 0 77.75		66.34	
For Others		420.01		381.96
DEPOSITS	100.00		162.67	
For Custom duty & Port Charges	169.60 1450.45		429.29	
For Other Deposits		1620.05		591.96
Short Term Loan to IDPL		150.00		150.00
Other Receivable		106.11		88.30
Other Advances		98.81		98.36
AMOUNT DUE FROM GOVERNMENT OF INDIA				
For transaction on behalf of Ex-Coal Board		22.56		16.39
Claims Receivable		413.27		517.44
Prepaid Expenses		49.28		41.32
In Current Account with Subsidiaries of Holding Co.		593441.57		528083.80
		597626.13		531250.12
Less : Provision		611.35		384.67
		597014.78		530865.45
CLASSIFICATION		<u> </u>		
Considered good		597014.78		530865.45
Considered Doubtful		611.35		384.67



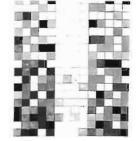
SCHEDULE - K (Contd..)

AMOUNT DUE FROM SUBSIDIARY COMPANIES

(Rs. in '00,000)

	Maximum amount due at any time during the year		Closing	g Balance
	Current year	Previous Year	Current Year	Previous Year
Eastern Coalfields Limited	171382.85	190518.84	171382.85	129600.02
Bharat Coking Coal Limited	198798.39	220939.19	198798.39	166161.81
Central Coalfields Limited	110291.32	100164.06	110291.32	90792.26
Western Coalfields Limited	13768.16	20956.40	5309.14	17259.77
Northern Coalfields Limited	22632.43	29175.88	12363.54	29175.88
South Eastern Coalfields limited	19074.26	13487.65	19074.26	13487.65
Mahanadi Coalfields Limited	75657.58	77678.24	75657.58	77678.24
Central Mine Planning & Design Institute Limited	12952.14	6657.67	1671.72	4622.35
Indian Institute of Coal Management	126.90	2047.08	- 1107.23	- 694.18
	624684.03	661625.01	593441.57	528083.80

Notes: House Building and cars/scooters advance for Rs.342.26 lakhs (Previous year 315.62 lakhs) included under Loans & Advances (Unsecured) considered good and are secured by equitable mortgage on assets concerned.



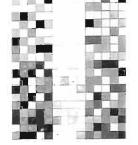
				(Rs. in '00,000)
CURRENT LIABILITIES & PROVISIONS	C	Current Year		Previous Year
A. CURRENT LIABILITIES				
For Coal	335.31 81.67	416.98	250.89 184.15	
Advance from Customer Deposits Advance Deposit (Pre-Nationalisation) EMPLOYEES' REMUNERATION & BENEFITS		318.48 1833.83 20.85		1129.48 20.85
Salaries, Wages & Allowances Attendance Bonus Ex-gratia Unpaid salaries, Wages etc. Gratuity	808.41 1.77 143.56 2.74 780.33 137.24		1766.15 4.63 142.03 3.53 743.18	
OTHER EXPENSES Power & Fuel Contractual Expenses	51.37 530.49	1874.05	39.01 1092.79	2659.52
Others VRS GRANTS (National Renewal Fund)	350.22	932.08 197.90	489.68	1621.48 262.30 97.35
Book Overdraft Due to Government of India (including ex-owner's Accounts) Interest accrued but not due on Loan		200.07 37572.53		197.25 33894.82
SALES TAX State Central	27.41	29.90	23.23 24.58	47.81
Royalty & Cess on Coal Provident Fund Pension Fund		56.70 105.50 402.34		136.28 96.04 261.11
INCOME TAX Public Deposit Employees Contractors	17.70 74.51 2.21	94.42	0.26 25.57 4.86	30.69
Professional Tax Other Liability		6.06 2507.19		5.35 1500.26
B. PROVISIONS				
FIOVISION TO INCOME TAX	5000.00 499.89 ————	4500.11		
Proposed Dividend Income Tax on Proposed Dividend		9673.44 967.35		
		61709.78		43176.31



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
VRS Expenses carried forward	92.08	165.76
Gratuity	417.99	557.33
	510.07	1206.41



Schedule to Profit & Loss Account

For the Year Ended 31st March, 1997

SCHEDULE - 1

(Rs. in '00,000)

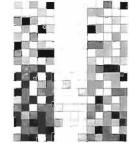
SALES	CVIEC
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				PRODU	JCTS			TC	TAL
	PARTICULARS	Raw Coal	Hard Coke	Soft Coke	Coal Gas	Bye Products	CIL Coke	Current Year	Previous Year
QUAN	TITY (in '000 M.T.)	861.9	_	11.1	_	_	_	873.0	1077.9
Gross	Sales Value (A)	11096.26	_	57.89	_		_	11154.15	11007.43
Less :	Rebate							0.00	204.58
		11096.26	0.00	57.89	0.00	0.00	0.00	11154.15	10802.85
Less:	Statutory Levies								
	Royalty on Coal	1001.81		_	_	_	-	1001.81	1236.94
	Stowing Excise Duty	28.99	_	_	-	_	_	28.99	36.06
	Sales Tax								
	Central	233.48			_	_	_	233.48	273.82
	State	205.78		2.23		_	_	208.01	154.05
	Total Levies (B)	1470.06	0.00	2.23	0.00	0.00	0.00	1472.29	1700.87
	Net Value (A – B)	9626.20	0.00	55.66	0.00	0.00	0.00	9681.86	9101.98

	Current Year	(Rs. in '00,000) Previous Year
COAL ISSUED FOR OTHER PURPOSES		
Boiler Consumption	34.65	39.45
Free Issue to Employees	129.21	131.66
Others	22.97	8.00
TOTAL	186.83	179.11



		Current Year		s. in '00,000) evious Year
OTHER INCOME				
Subsidy (Stowing)		15.75		21.28
Apex Office Charges		4930.35		4246.93
Interest received		12.53		11.46
Profit on Sale of Assets		_		1.40
Rent (Outsider)		0.14		0.05
L. D./Penalty received		3.62		12.90
Tender Fees		7.21		10.84
Service charges from customers		557.78		596.62
Provision/Liability Write backs				
For Advance	35.13		17.41	
For Excess liability	189.48		37.69	
For Doubtful Debts			68.41	
		224.61		123.51
Hire charges		1560.00		1560.00
Let out Rent		393.00		393.00
Others		96.47		111.63
Dividend received from Subsidiaries		53935.01		_
TOTAL		61736.47		7089.62
•				



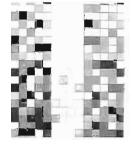
		Current Year	(Rs. in '00,000) Previous Year
DECRETION OF STOCK			
Stock of Coal/Coke etc.			
A. Opening Stock (Revenue Mines only) as on 1.4.96			
Raw Coal Less : Transfer out (DCC)/Adjustment	5063.78 —	5063.78	8132.95 403.28 ———— 7729.67
Soft Coke Coal & Coke in Transit Bricks		1.85 73.87 1.89	1.85 78.07 10.70
CIL Coke Coal Tar Other Bye-Products	_ _ _		22.16 41.67 436.19
			500.02
Less : Transfer out (DCC)			
		5141.39	7820.29
Less : Deterioration of Coal Value due to fire or longer stocking		704.83	147.09
TOTAL (A)		4436.56	7673.20
B. Closing Stock (Revenue Mines only) as on 31.3.97			
Raw Coal Soft Coke		4686.94 0.76	5063.78 1.85
Coal & Coke in transit		0.19	73.87
Bricks CIL Coke		6.42	1.89
Coal Tar		_	
Other By-Products			
Less : Deterioration of Coal value due to	fire of	4694.31	5141.39
longer stocking		601.89	704.83
TOTAL (B)		4092.42	4436.56
NET TOTAL [TOTAL (A) - TOTA	AL (B)]	344.14	3236.64



SCHEDULE - 5

	Current Year	(Rs. in '00,000) Previous Year
PURCHASE OF COAL & COKE, ETC.		
Raw Coal	227.56	. 241.39
Coke	33.51	18.18
Transportation Charges of Coke	13.11	7.64
TOTAL	274.18	267.21

			(R	s. in '00,000)
		Current Year	Pr	evious Year
CONSUMPTION OF STORES & SPARES				
Explosives		142.73		148.91
Timber		212.79		244.83
Petrol, Oil and Lubricants		160.92		208.87
Other Consumable Stores & Spares				
(a) HEMM	30.94		48.13	
(b) Others	403.37		426.39	
		434.31		474.52
		950.75		1077.13
Less : Transfer to				
Social Overhead	23.79		48.32	
Development	11.66		12.91	
Power & Fuel	10.96		43.63	
Repair & Maintenance	22.91		18.43	
Other Expenditure	47.22		43.31	
		116.54		166.60
TOTAL		834.21		910.53



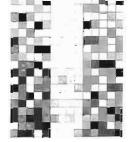
SCHEDULE - 7

			(Rs	. in '00,000)
		Current Year	Pre	evious Year
COAL ISSUED FOR OTHER PURPOSES PER CONTRA				
Boiler Consumption		34.65		39.45
Free Issue to Employees		129.21		131.66
Others		22.97		8.00
		186.83		179.11
Less : Transfer to				
Power & Fuel	34.65		39.45	
Social overhead	129.21		131.66	
		163.86		171.11
TOTAL		22.97		8.00

	SCHEDULE - 8			
		Current Year		. in '00,000) evious Year
EMPLOYEES' REMUNERATION AND BENEFITS SALARIES, WAGES AND ALLOWANCES Salaries & Wages (Incl. Transport Subsidy)		4365.79		4917.65
Overtime (a) Normal (b) Sunday Production	112.94 — 0.03		78.25 — 0.01	10 17 100
(c) Sunday Maintenance Incentive Leave Encashment Contribution to Provident Fund and Other Funds		112.97 3.51 148.29 504.82		78.26 0.25 7.19 469.88
(including Administrative Charges) Attendance Bonus Ex-gratia		211.91		136.32
(a) PPLB - Non-Executive (b) PPLR - Executive	117.78 8.13	125.91	124.45 9.28 ———	133.73
LTC/LLTC/RRF Pension Gratuity	•	251.65 4.22 295.65		319.85 3.95 284.15
Workmen Compensation Group Insurance D. L. I.		5.71 10.36 2.22		2.60 11.01 1.89
Life Cover Scheme V. R. S. Others		8.10 85.63 0.30		5.55 81.06 0.23
Less : Transfer to		6137.04		6453.57
Social Overhead Power & Fuel Development	174.71 2.92 52.96	220.50	135.02 2.60 42.67	100.00
TOTAL	- 	230.59 		180.29 6273.28



		Current Year		s. in '00,000) evious Year
SOCIAL OVERHEAD				
Salaries, Wages & Allowances		174.71		135.02
Free Issue of Coal to Employees		129.21		131.66
Medical Facilities				
(a) Medical Reimbursement	162.83		120.35	
(b) Medicine	49.63		50.33	
(c) Diet Expenses	6.19		4.04	
Grants to		218.65		174.72
(a) Schools & Institutions	9.11		7.18	
(b) Sports, Recreation	18.28		17.15	
	` ———	27.39		24.33
Canteen and Creche				
Canteen up-keep		13.60		11.69
House Rent		51.76		53.06
Power		78.61		75.92
Repairs & Maintenance				
(a) Township (incl. welfare buildings)	97.41		102.92	
(b) Plant & Machineries	0.62	00.00	2.07	104.00
Maintenance of Vehicles		98.03		104.99
(a) Petrol & Diesel	7.76		10.84	
(b) Repairs	4.12		5.24	
(c) Road Tax	0.09		0.08	
(d) Insurance	0.09		0.21	
		12.06		16.37
Consumption of Stores & Spares		16.03		37.48
Depreciation		46.81		42.54
Community Development		18.77		51.75
Environmental expenses Tree Plantation		10.14		15.44
Uniform		12.14 7.43		15.44 3.81
Training Expenses		7.43		3.61
(i) Within the Co.	10.98		13.86	
(ii) Outside the Co.	6.64		13.05	
	<u> </u>	17.62		26.91
Others		37.88		33.91
Less : Recoveries		960.70		939.60
House Rent	0.20		8.46	
Hospital Charges	9.20 3.00		1.58	
Electricity	3.84		3.58	
·		16.04		13.62
Less: Transferred to Development		2.87		2.75
TOTAL		941.79		923.23



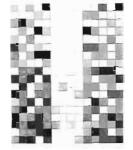
SCHEDULE - 10

			(Rs	. in '00,000)
		Current Year	Pre	evious Year
POWER & FUEL				
Purchase of Electricity		498.31		487.38
Power Generation				
Salary & Wages	2.92		2.60	
Consumption of Coal	34.65		39.45	
Consumption of Stores	10.96		43.63	
Repair & Maintenance	3.11		3.02	
Depreciation	5.93		8.40	
		57.57		97.10
		555.88		584.48
Less : Transfer to				
Social Overhead	78.61		75.92	
Development	6.61		4.26	
•		85.22		80.18
TOTAL		470.66		504.30

		COLLEGE	• •			
						in '00,000)
				Current Year	Pre	vious Year
REPAIRS						
Building				172.35		189.58
Plant & N	1achinery					
Out	side Agency			47.55		42.70
Others						
(a)	Office Equipment		52.39		51.88	
(b)	Consumption of Stores		22.91		18.43	
(c)	Vehicles		13.81		21.20	
(d)	Others		104.84		72.54	
				193.95		164.05
1				413.85		396.33
Less : Tra			400 44			
(a)	Social Overhead		102.14		110.23	
(b)	Power & Fuel		3.11		3.02	
(c)	Development		2.64		6.51	
				107.89		119.76
	TOTAL			305.96		276.57



	Current	(Rs. in '00,000) t Year Previous Year
CONTRACTUAL EXPENSES		
Transportation Charges		
Coal, Coke	2.49	8.23
Stores	8.76	7.28
	 1	11.25 — 15.51
Other Contractual Work	225	57.97 2833.14
TOTAL	226	59.22 2848.65



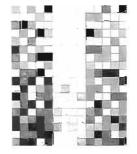
· · · · · · · · · · · · · · · · · · ·	SCHEDULE - 13			
			(Rs.	in '00,000)
		Current Year	Pre	vious Year
OTHER EXPENDITURE				
Travelling				
(a) In Country	263.72		286.21	
(b) Outside Country	29.88		50.31	
·		293.60		336.52
Printing & Stationery		110.85		101.62
Postage		8.44		7.22 229.42
Telephone		206.00		225.42
Advertisement & Publicity				
(i) Advertisement for (a) Recruitment	37.49		40.34	
(b) Tender	131.85		91.04	
(c) Publicity	46.61		70.46	
(6)	-	215.95		201.84
Freight Charges		109.86		74.27
Demmurrage		7.46		26.01
Donation		39.38		30.63
Subscriptions		18.19		17.94
Security expenses		94.20		94.49
Hire Charges	66.28		46.52	
(a) Computer	86.34		77.60	
(b) Others		152.62		124.12
Maintenance of Cars & Jeeps		.02.02		
(a) Petrol & Diesel	47.21		43.31	
(b) Repairs	34.08		40.10	
(c) Road Tax & Insurance	10.02		10.05	
		91.31		93.46
Legal Expenses		77.35		10.34
Bank Charges	29.72	7.76	36.49	23.05
Guest House expenses	5.22		3.01	
Less : Recoveries		24.50	3.01	33.48
Consultance form		37.16		22.91
Consultancy fees Office Contingency expenses		40.36		48.89
Underloading Charges		26.31		14.52
Loss on sale/discard of assets		3.68		0.57
Auditors' Remuneration				
(a) Audit fees	1.03		1.03	
(b) Tax Audit fees	0.34		0.34	
(c) Travelling & Out-of-pocket exp.	0.52	1.00	0.52	1.00
		1.89 4.66		1.89 2.86
Internal Audit fees and expenses		4.55		47.74
Apex Office Charges		8.23		6.63
Royalty & Cess		254.57		167.18
Rent, Rates & Taxes Insurance		30.92		28.29
Dead Rent		3.53		8.17
Surface Rent		0.97		0.32
Land Compensation				9.73
Siding Maintenance Charges		6.60		6.07
Loss on Foreign Exchange variance		0.44		104.01
Others		158.16		184.01
		2034.95		1954.19
Less : Transferred to Development		17.68		22.41
2033. Hansiened to Development				
TOTAL.		2017.27		1931.78



SCHEDULE - 14

		(Rs. in '00,000)
	Current Year	Previous Year
INTEREST		
HOLDING COMPANY :		
(a) Government Loan		
(i) Plan Loan	35839.82	49112.04
(ii) Non-plan Loan	62.07	104.46
(b) Bank Overdraft	5907.42	4257.27
(c) Bonds	16261.78	14950.00
(d) Public Deposit	102.94	219.17
(e) Inter-corporate/Financial Institutional Loan		
(i) N. L. C.	461.23	1379.93
(ii) U. T. I.	_	119.23
(f) Pension Fund	41.26	28.32
	58676.52	70170.42
Less: (a) Recovered from Subsidiaries	24304.61	68668.47
(b) Interest received on short-term deposits	97.52	0.67
	24402.13	68669.14
TOTAL	34274.39	1501.28
		

FINANCE CHARGES	Current Year	(Rs. in '00,000) Previous Year
Discount on issue of Bond/CP	1475.13	394.39
Other expenses for issue of Bond & Public Deposits	315.08	262.24
	1790.21	656.63
Less: Recoveries made from subsidiaries		653.76
TOTAL	1790.21	2.87



SCHEDULE - 16

PROVISIONS	Current Year	(Rs. in '00,000) Previous Year
Provision for		
Doubtful Debts	1041.20	0.33
Doubtful Advances	271.71	75.76
Others	310.73	32.46
		
TOTAL	1623.64	108.55

		(Rs. in '00,000)
	Current Year	Previous Year
PRIOR PERIOD ADJUSTMENT		
Debits		
Employees' Remuneration & Benefits	8.06	_
Repairs	12.94	1.67
Consumption of Stores & Spare parts	3.83	146.77
Contractual Expenses	15.10	_
	39.93	148.44
Credits		
Dividend received	24994.75	_
Depreciation	24.32	- 73.41
Other Income	12.15	
Other Expenditure	9.88	- 544.45
	25041.10	- 617.86
NET CREDIT (+) / DEBIT (-)	25001.17	- 766.30



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

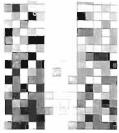
- 2.1 All expenses are booked initially in the natural heads of accounts and then transferred to functional heads.
- 2.2 Accrual basis of accounting has been followed except in the following cases:
 - (a) Life Cover Scheme is accounted for on cash-cum-retirement basis.
 - (b) Interest on advance to employees e.g. House Building, Purchase of Car etc., Sale of scrap are provided on realisation/cash basis.
 - (c) Demurrage, liquidated damages are provided for 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 accounted for and is charged 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.
- 2.4 Liability for Leave Encashment for executives is accounted for on actuarial basis.

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, is based on the amount of subsidy received pro-rata to the claim preferred in the immediately preceding 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 sanitory 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 begining 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 is 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 is 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 are commissioned/completed.
- (e) Assets acquired prior to 2.4.87 in NEC are charged at the rates prevailing upto 2.4.87.

6. Inventories

- 6.1 Stock of stores & spare parts, are valued at weighted average method price and charged off stores at issue price of area Stores/estimated cost. Work-in-Progress and 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 Stock of Coal is valued at lower of cost or Market Price. A provision of 10% on value so arrived at, is made due to deterioration on account of fire and longer period of stocking etc.



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.

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

Annual Quantum of OBR

In accordance with Company's policy, the overburden removal expenses in respect of O. C. project 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:

Permissible limits

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

9. Apex Office Service Charges

Apex Office Service Charges are levied to Subsidiaires of Coal India Ltd. on the basis stated below:

(i) Procurement of Services including

Foreign Contracts : 1% of the value of Supply Order/Contracts.

(ii) Marketing Services : Re. 1/- per tonne of Despatch.

(iii) Other Corporate Service : Re. 0.50 per tonne of Productions.

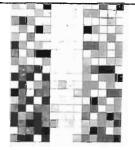
10. Revenue Recognition

Revenue from transaction involving the sale of goods is recognised when property in the goods passes to the buyer for a consideration and the Company, 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, Intercorporate Loans, Fund based facilities, 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

1.0 Contingent Liabilities/Capital Commitments

- 1.1 The amount (including the amount on behalf of the Subsidiaries) remaining to be executed on Capital Account not provided is Rs. 5609.08 lacs (previous year Rs. 7670.07 lacs).
- 1.2 Claims against the Company not acknowledged as debts are Rs. 397.41 lacs as against previous year figures of Rs. 813.79 lacs.
- 1.3 As on 31.3.97 outstanding Letters of Credits amounted to Rs. 898.71 lacs, (Previous year Rs. 177.42 lacs). Outstanding Deferred payment guarantee issued by Banks amounted to Rs. 1895.39 lacs (Previous year Rs. 3432.08 lacs) and outstanding Guarantee/counter guarantee issued by the Govt. of India on behalf of the Company amounted to Rs. 81355.38 lacs (Previous year Rs. 82021.70 lacs).

2.0 Share Capital

- 2.1 With the approval of the Government, Long Term Loan from Government of India amounting to Rs. 90418.00 lakh has been converted to 10% Non-Cumulative Redeemable Preference Shares, to be redeemed out of profits; in the year 2003–2004.
- 2.2 Authorised Capital of the Company has been increased by Rs. 90418.00 lacs on the basis of the sanction of Government of India for conversion of loan into 10% Non-Cumulative Redeemable Preference Shares as aforesaid.

3.0 Fixed Assets

- 3.1 Title deeds for land acquired, in some cases, have not been executed in favour of the company.
- 3.2 Fixed Asset Register/Plant Card in respect of assets have been maintained.
- 3.3 Pending decision, expenses relating to Advance Action has been kept in the Development account and no provision has been made in the accounts.
- 3.4 Physical verifciation 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, is adjusted wherever necessary.
- 3.5 **Dankuni Coal Complex:** Fixed assets including Power Plant valued at Rs. 6064.71 lacs and related Building and other assets valuing Rs. 3652.25 lacs have been let out to SECL. Depreciation on these assets including additions thereon of Rs.272.32 lacs on value of Plant and Rs. 224.15 lacs on value of Building and other Assets respectively have been charged to revenue. 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".



3.6 Indian Institute of Coal Management: Fixed Assets including Plant & Machinery valued Rs. 218.99 lacs and related building and 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 including additions thereon of Rs. 243.07 lacs on value of Plant & Machinery and Rs. 298.35 lacs on value of Building and other assets respectively has 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".

4.0 Inventories

Stores & Spares

- 4.1 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.
- 4.2 Pending determination of unserviceable or obsolete spares an ad-hoc provision for Rs. 47.67 lacs (previous year Rs. 47.67 lacs) has been kept in the Account.
- 4.3 Stores & Spares also include loose tools.

5.0 Sundry Debtors

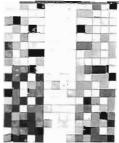
5.1 An amount of Rs. 1298.42 lacs exists in the Accounts (Previous year Rs. 257.22 lacs) towards Provision for Bad & Doubtful Debts and considered adequate.

6.0 Public Deposit & Bond

- 6.1 The balance of the Public Deposit Account as on 31st March, 1997 stood at Rs. 474.59 lacs. (Previous year 1091.51 lacs).
- 6.2 Company has issued on Private placement basis 13% non-convertible secured Bonds amounting to Rs. 400 crores, 15.5% non-convertible secured Bonds amounting to Rs. 500 crores, 9% (Tax-free) non-convertible secured Bonds of Rs. 150 crores and 17% non-Convertible (Taxable) secured Bonds of Rs. 434.03 crores all redeemable at par to Nationalised Banks/their subsidiaries/Institutions/Trusts/Individuals and the said bonds are to be secured by equitable mortgage/hypothecation of fixed assets of Subsidiary coal companies.

7.0 Loans & Advances

- 7.1 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.
- 7.2 Claims receivable includes Rs. 238.26 lacs due from Govt. of India, Ministry of Rail for diversion/missing of wagons (Previous Year Rs. 241.14 lacs).
- 7.3 Pending linking with regard to Dues to Port Authorities certain credit balance and corresponding debit balance have been netted from gross amount.
- 7.4 In Current Account with Subsidiaires of Holding Company includes net balance of Rs. (–) 1107.23 lakhs with Indian Institute of Coal Management. This net balance has been arrived



at after adjustment of payment to it towards contribution of Rs. 12.52 crores @ Rs. 0.50 per tonne of annual production on Subsidiary Companies for meeting revenue expenses of the Institute.

8.0 Secured Loan

8.1 Cash credit

Pending registration of transfer of assets and liabilities of erstwhile CMAL and its Divisions, now Coal India Ltd. the Bank Borrowings 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 C. C. facilities enjoyed by the Subsidiaries/Units are out of total C. C. facilities enjoyed by Coal India Limited.

9.0 Current Liabilities & Provisions

- 9.1 The provisions made in the Accounts against 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.
- 9.2 Pending finalisation of the Pension Scheme, Company's contribution, if any, towards the said fund has not been accounted for. Interest paid/payable on the amounts collected from the employees and held by the Company has been charged in the accounts as per rate prescribed by CMPF Rules.
- 9.3 The balances with the Subsidiary Companies have been reconciled but the final balances remained unconfirmed.

10.0 Profit & Loss Account

- 10.1 With the deregulation of Coal Prices, the Coal Price Regulation Account Scheme has been abolished.
- 10.2 As per extant practice, goods purchased by CIL on behalf of Subsidiaries are accounted for in the books of the Subsidiary Companies.
- 10.3 Interest amounting to Rs. 32696.17 lacs attributable to E.C.L. and B.C.C.L. has not been levied to them during the year.
- 10.4 Subsidy for stowing & protective works is accounted for on realisable basis, Subsidiarywise.
- 10.5 Provision for proposed dividend @ 10% on Preference Shares has been made in the accounts alongwith provision for Income Tax @ 10% on such proposed dividend.
- 10.6 Dividend/Interim Dividend recommended/declared by the Subsidiaries (S.E.C.L., N.C.L., M.C.L. and W.C.L.) relating to the year 1996-97 has been shown/taken as an income in the Profit & Loss A/c for the year.

Further, dividend declared by the Subsidiaries (Rs. 24994.75 lacs) for the year 1995-96 and received during the year 1996-97 (after TDS thereon for Rs. 499.89 lacs) has been accounted for during the year under Prior Period Adjustment.

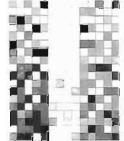


11.0 Effect due to change in Accounting Policy and basis of accounts

Particu	ılars	Previous Policy/Practice	Present Policy/Practice	Effects
	uation of ck of Coal	Lower of declared grades selling price or net realisable value.	Lower of Cost or Market Price	Profit increased by Rs. 668.52 lacs.
, -,	ve Encashment ex Office Charges	Cash-Cum-Retirement basis	Actuarial Valuation basis	Profit decreased by Rs. 137.24 lacs.
	Apex Office exp. including Delhi Office expenses Net expenditure of Coal Marketing	Allocating net expenditure in proportion to Production ratio of Subsidiaries/units. In the ratio of total despatches made on behalf of different	(i) 1% of value of Supply Order/contract. (ii) 0.50 p. per tonne of production (iii) Re.1/- per tonne of despatches	Profit increased by Rs. 391.41 lacs.
	Organisation (including RSOs)	Subsidiaries/ Units during the year.		

12.0 Others

- 12.1 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 Investment of the Company in Share Capital of Bharat Coking Coal Ltd. and Eastern Coalfields Ltd. as on 31.3.97 amounted to Rs. 1122.00 crores and Rs. 1039.00 crores respectively. B.C.C.L. has become sick and referred to B.I.F.R. and E.C.L. has become potentialy sick under Sick Industrial Companies Act, 1985.
 - Diminution in the value of investment in ECL and BCCL is not of permanent nature and hence, are valued at cost.
- 12.3 Pending confirmation of balance from the parties, Sundry Debtors, Creditors, Loans & Advances and Deposits have been taken in the Accounts as per book value.
- 12.4 Formal agreement with each Subsidiary Companies for levying Apex Office Service Charges (ref. Accounting Policy no.9) as per 159th meeting of Board of Directors held on 14th September, 1996 (item no. 159.4 (H)) is yet to be finalised.
- 12.5 Previous years' figures have been regrouped and rearranged wherever necessary.
- 13.0 The Accounts together with notes thereon approved by the Board of Directors of the Company in the meeting held on 28th July, 1997 and reported upon by the Statutory Auditors on 7th August, 1997 have been revised to comply with the observations of the Comptroller and Auditor General of India and Statutory Auditors, accounting for difference



between interim and proposed final dividend by NCL. The revision has affected the accounts and Notes to the Accounts for the year as follows:

Rs. in Lakhs

(a) Profit & Loss Account:

(i) The profit of the Company has decreased due to acceptance of the observations of Comptroller and Auditor General of India and Statutory Auditors by:

1556.81

 (ii) The profit of the Company has decreased due to acceptance of the observations of Comptroller and Auditor General of India by

284.48

1841.29

(iii) The profit of the Company has increased due to accountal of difference between interim and proposed final dividend of NCL

353.92

1487.37

(iv) Proposed Dividend on Equity Shares and Income Tax thereon:

694.81

2182.18

(b) Balance Sheet

(i) Reserve & Surplus:

Profit & Loss Account decreased by :

2182.18

(ii) Fixed Assets (w.d.v.) decreased by :

13.11

(iii) Net value Inventory decreased by :

1332.00

(iv) Loans & Advances (net of provision) increased by :

108.72

(v) Current Liability & Provision increased by:

945.79

(vi) Insertion of note no. 7.4, 12.4 in Notes to the Accounts (part-B, Sch. – N of the revised accounts)

Revision of Note no. 1.2, 2.1, 2.2, 11 (a) in Notes to the Accounts (Part-B, Sch.–N of the prerevised accounts).

Re-number of Note No. 12.4 to Note No. 12.5 (Part-B, Sch.N of the pre-revised accounts)

Revision of Sch. A – Share Capital (insertion of the word "Redeemable")



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

Revision of Annexure to Sch. K for accountal of dividend.

Revision of Annexure to Sch. N and Annexure to Sch. H to give effect to change in Inventories.

Schedule A to M form part of the Balance Sheet as at 31st March, 1997 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.

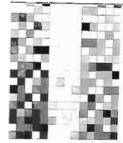
Sd/-U. Suryanarayana Company Secretary Sd/-S. Lahiri General Manager(F) Sd/-A. Chatterjee Director (F) Sd/-P. K. Sengupta Chairman

Calcutta

Dated: The 19th September, 1997

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

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



SCHEDULE TO BALANCE SHEET (CONTD.)

ANNEXURE TO SCHEDULE - N

(Rs. in '00,000)

		Current Year	Previous Year
1. Dire	ectors' Remuneration :		
(i)	Salaries	4.58	3.93
(ii)	Company's Contribution to Provident Fund & Other Funds	0.44	0.37
(iii)	Medical Benefits	0.19	_
(iv)	Perquisites	0.38	0.08

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.
- II. 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:

(Rs. in '00,000)

		Employed throughout the Year		Employed the	•
		1996-97	1995-96	1996-97	1995-96
(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. 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:

(Rs. in '00,000)

		Current Year	Previous Year
(i)	Raw Material	Nil	Nil
(ii)	Capital Goods	Nil	Nil
(iii)	Stores, Spares & Components	15.85	5.95

IV. Expenditure incurred in Foreign Currency on account of :

(Rs. in '00,000)

		Current year	Previous Year
(i)	Know how	Nil	Nil
(ii)	Interest	Nil	Nil



ANNEXURE TO SCHEDULE - N (Contd..)

(Rs. in '00,000)

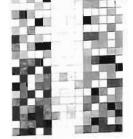
			Current year	Previous Year
	(iii)	Exchange Variation	0.44	Nil
	(iv)	Commission to Foreign Agents	Nil	Nil
	(v)	Training expenses and payments to Foreign Technician	s 36.00	7.88
	(vi)	Travelling	17.12	28.73
	(vii)	Medical Treatment	Nil	Nil
	(viii)	Membership Fees	12.07	Nil
	(ix)	Advertisement	3.36	Nil
V.	Ear	ning in Foreign Exchange on account of :		(Rs. in '00,000)
			Current year	Previous Year
	(i)	Export of Goods (calculated on FOB basis)	Nil	Nil
	(ii)	Exchange variation	Nil	Nil
	(iii)	Miscellaneous	Nil	Nil
VI.	Tot	al consumption of Stores during the year :		(Rs. in '00,000)
			Current year	Previous Year
	(i)	Imported materials	15.85 (2%)	Nil
	(ii)	Indigenous	934.90 (98%)	1077.13 (100%)
	Ad yea	ditional information required in paragraph 3 & 4 of Part II o ar ended 31st March, 1997.	f Schedule VI to the Co	impanies Act, 1956 for the
	(i)	Installed Capacity	Not Applicable	Not Applicable
	(ii)	Licenced Capacity	Not Applicable	Not Applicable

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

Not Applicable

(Rs. in '00,000) (Quantity in '000 M.T.)

	Current year		Previ	vious Year	
	Qty.	Value	Qty.	Value	
Opening Stock					
Coal & Coke	957.90	4434.67	1240.60	8087.93	
Other Products & by-products			43.80	477.86	
Transfer Out (Coal/Coke)	_	_	(-) 37.80	(-) 425.44	
Transfer Out (Bye Prod.)	_		(-) 43.80	(-) 477.86	
Adjustment	0.30			_	



ANNEXURE TO SCHEDULE - N (Contd..)

(Rs. in '00,000) (Quantity in '000 M.T.)

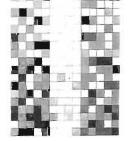
	Current year		Previo	ous Year
	Qty.	Value	Qty.	Value
Production				
Coal & Coke	752.10	_	820.50	_
Purchase:				
Coal & Coke	31.40	261.07	33.10	259.58
Sales : (Adjusted & excluding Levies)				
Coal & Coke	873.00	9681.86	1077.90	9101.98
Own Consumption				
Free issue and Boiler Consumption	21.70	186.83	20.60	-
Closing Stock				
Coal & Coke	847.00	4086.00	957.90	4434.67



ANNEXURE TO SCHEDULE - N (Contd..)

BALANCE SHEET ABSTRACT AND GENERAL BUSINESS PROFILE

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Bc			·	_			_	_	_	Rig	hts	Issu	ie_			
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ON OF I				_			_	_	_	9	0	4	1	8	0	0
MOEI													Loan share:			
			ΓΙΟΝ	AN	D DEVE	LOPM	IENT	OF	FU	NDS	S					
Tota	ıl Liab	oilities								Tot	al A	sse	ts			
5 1	8	7 0	2	0			1	2	5	1	8	7	0	2	0	
of Fur	ds															
Paic	l-up C	Capital							Res	serv	es 8	k Su	ırplu	S		
2 2	0	5 4	4	4						2	3	5	2	4	8	
Şec	ured l	Loans			_				Uı	nsec	cure	d Lo	ans			
4 6	0	8 7	2	7				4	2	0	1	7	6	3	0	
tion of	Fund	ls			_											
Net F	ixed	Asset	S							Inve	estn	nent	S			
2 2	1	4 3	6	1				_								
	Tota 5 1 s of Fun Paid 2 2 Sector 4 6 Net F	Total Liab 5 1 8 s of Funds Paid-up (2 2 0 0 Secured 4 6 0 tion of Fund Net Fixed	Paid-up Capital 2 2 0 5 4 Secured Loans 4 6 0 8 7 tion of Funds Net Fixed Asset	Total Liabilities 5	Total Liabilities 5	Total Liabilities 5	Total Liabilities 5	Total Liabilities 5	Total Liabilities 5	Total Liabilities 5	Total Liabilities					



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

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

V.

Turnover (Net)			To	tal l	Ехре	endit	ure		
9 6 8 1	8 6		2	7	2	1	2	6	8
Other Income									
6 1 7 3 6	4 7								
+ - Profit/Loss Before Ta	эх								
+ 4 4 2 0	5 6 5								
					٠				
+ - Profit/Loss After Ta	X								
+ 3 9 2 0	5 6 5								
Earning per share (Rs.) inclu	- - - - - -	es Divi	dend	1 %		% Non 0 rence Sha		ive Red	deemable
- - - 5 4	1 . 3 0	1)	On Ed	quity Shar	es @ Re	e.1/- per	r share.
GENERIC NAMES OF THRI	EE PRINCIPAL PROD	UCTS/S	ERV	ICE	s o	F CO	MP	YNA	,
Item Code No. (ITC Code)	2 7 0 1 1 2	2 . 0	0						
Product Description	BITUMINOU	s cc	AL						
Item Code No. (ITC Code)	2 7 0 1 2 0	0 . 0	9						
Product Description	COAL OTHE	RS (Bri	q u	e t	t e s)		
Item Code No. (ITC Code)	2 7 0 4 0 (0 . 0	4						
Product Description	SOFT COKE	S OF	С	0 /	\ L				



STATEMENT PURSUANT TO SECTION 212 (1) (E) OF THE COMPANIES ACT, 1956 AS AT 31ST MARCH, 1997

Subsidiary [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 31.3.1997 Rs. in Crores	Loss (– as o cu (Pr Prov C	Profit (+) balance n 31.3.97 mulative after Tax ovision for bividends and vestment llowance Reserve)
Eastern Coalfields Limited	1,03,89,997	3	1039	(-) 341.15	(-)	1186.72
Bharat Coking Coal Limited	1,12,19,997	3	1122	(-) 322.81	(-)	1513.58
Central Coalfields Limited	93,99,997	3	940	(-) 15.52	(+)	121.41
Western Coalfields Limited	71,09,997	3	711	(+) 525.21	(+)	179.60
Northern Coalfields Limited	1,17,84,725	3	1178.4728	(+) 728.65	(+)	783.44
South Eastern Coalfields Limite	ed 1,12,09,997	3	1121	(+) 580.72	(+)	300.08
Mahanadi Coalfields Limited	10,00,006	3	100.0009	(+) 326.65	(+)	241.66
Central Mine Planning & Design Institute Limited	1,90,397	3	19.04	(+) 2.91	(+)	21.62
NEC/CIL				(+) 442.06	(+)	12.18
TOTAL				(+)1926.72	(+)	1040.31

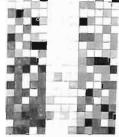
Less income from dividend received from subsidiaries included in the

Profit of CIL/NEC

Profit (before tax)

= (-) 789.30

= (+) 113742



COMMENTS OF THE COMPTROLLER & 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, 1997

In view of the revisions made in the accounts of the Company as a result of observations made by the Comptroller & Auditor General of India as indicated in para 6 of the Auditors' Report dated 19-09-1997 to the Shareholders and item No. 13 (a) (i) & (ii) of the Notes (Schedule -"N") forming part of Accounts, which has the effect of reducing the profit for the year by Rs. 18.41 crores, there are no further comments to offer upon or supplement to Auditors' Report under Section 619 (4) of the Companies Act, 1956 on the Accounts of the Company for the year ended 31st March, 1997.

Sd/-**(Jayanta Chatterjee)** rector of Commercial Audi

Dated : Calcutta the 27th September, 1997 Pr. Director of Commercial Audit & Ex-officio Member Audit Board-II
Calcutta



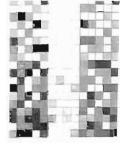
REVIEW OF ACCOUNTS OF COAL INDIA LIMITED FOR THE YEAR ENDED 31ST MARCH 1997 BY THE COMPTROLLER & AUDITOR GENERAL OF INDIA

Note: Review of accounts has been prepared without taking into account comments under section 619 (4) of Companies Act 1956 and qualifications 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)
			1994-95	1995-96	1996-97
LIAB	ILITIES	S			
(a)	Paid	d up Capital			
	(i)	Government - (All shares held by Central Government)	6316.36	6316.36	7220.54
	(ii)	others	_		_
(b)	Res	serves & Surplus			
	(i)	Free Reserves & Surplus	11.35	11.35	23.52
	(ii)	Share Premium Account			
	(iii)	Committed Reserve			
(c)	Bor	rowing :-			
	(i)	From Govt. of India	3813.58	3737.82	2534.72
	(ii)	Financial Institutions (UTI)	80.00	0.00	0.00
	(iii)	Foreign Currency Loans	0.00	0.00	0.00
	(iv)	Cash Credit	286.24	404.24	457.74
	(v)	Others (Including short term loan)	1167.04	1160.93	1613.78
	(vi)	Interest Accrued and Due	1125.77	62.95	56.40
(d)	(i)	Current Liabilities & Provisions (Excluding Provision for Gratuity)	341.01	424.33	609.30
	(ii)	Provisions for Gratuity	0.48	7.43	7.80
		TOTAL	13141.83	12125.41	12523.80
ASSI	ETS				
(e)	Gro	ss Block	278.75	307.09	320.21
(f)	Les	s : Cumulative depreciation	88.94	103.55	117.38
(g)	Net	Block	189.81	203.54	202.82
(h)	Cap	ital Work-in-progress	28.36	16.63	18.61
(i)	Inve	estments	6230.53	6230.53	6230.53
(j)	Curi	rent Assets, Loans & Advances	6435.76	5389.18	6066.74
(k)	Mis	c-expenditure not written off	11.10	12.06	5.10
(1)	Acc	umulated Losses	246.27	273.47	0.00
		TOTAL	13141.83	12125.41	12523.80
(m)	Woi	rking Capital (j- d (i) - c(vi))	4968.98	4901.90	5401.04
(n)	Сар	oital Employed { g+m }	5158.79	5105.44	5603.86
(0)	Net	Worth [a+b (i) +b (ii) -k-!]	6070.34	6042.18	7238.96
(p)		Worth per Rupee of d up Captial (in Rs.)	0.96	0.96	1.00



2.A. WORKING RESULTS

The working results of the company for the last three years ending 31st march 1997 are as under :

			(Rs. in crores)
	1994-95	1995-96	1996-97
Sales	135.26	91.02	96.82
Profit/Loss after Prior period	-13.14	-27.20	442.06
adjustments but before Tax			
Provision for tax	0.00	0.00	50.00
Profit/Loss after Tax	-13.14	-27.20	392.06
	Profit/Loss after Prior period adjustments but before Tax Provision for tax	Sales 135.26 Profit/Loss after Prior period -13.14 adjustments but before Tax Provision for tax 0.00	Sales 135.26 91.02 Profit/Loss after Prior period -13.14 -27.20 adjustments but before Tax Provision for tax 0.00 0.00

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)		
		1994-95	1995-96	1996-97
A.	Liquidity Ratio			
	Current Ratio [j / (d (i) + C (vi))]	438.77	1 105.97	911.33
В	Debt Equity Ratio			
	Long term debt to Equity	78.06	76.77	55.72
	[c (i) to c(v) excluding short term loan / a [
C.	Profitability Ratios			
	 Profit before tax to 			
	(i) Capital employed	-0.25	-0.53	7.89
	(ii) Net worth	-0.22	-0.45	6.11
	(iii) Sales	-9.71	-29.88	456.58
b.	Profit after tax to Equity	-0.21	-0.43	6.21
C.	Earning per share (in Rupees)	-2.08	-4.31	62.07

3. SOURCES AND UTILISATION OF FUNDS

Fund amounting to Rs. 1317.40 crores from internal and external sources were generated and utilised during the year given below:

	3		(Rs. in crores)
soul	RCES OF FUNDS :		
(a)	Increase in Share Capital		904.18
(b)	Fund from operations -		
	Profit for the year after tax	392.06	
	Add : Depreciation	13.83	
,	Add : Provision for Gratuity	0.37	
	•		406.26
(e)	Decrease in Miscellaneous expenditure		6.96
	(to the extent not written off)		
			1317.40
APPL	LICATION OF FUNDS :		
(a)	Additions to Fixed Assets		
	(Net of CWIP)		15.10
(b)	Decrease in Borrowings		696.75
(c)	Increase in working capital		499.14
(d)	Dividend Proposed		96.74
(e)	Provision for Income Tax on		9.67
	Proposed Dividend		
			1317.40



4. INVENTORY LEVELS

The inventory levels at the close of the last three years ending 31st March, 1997 were as under :

	· ·			(Rs. in crores)
		1994-95	1995-96	1996-97
(a)	Stock of Coal, Coke and by products less provisions	85.77	44.35	40.86
	Stock of Coal, Coke represents 7.60 month's in 1996-97.	sales in 1994-95, 5.84 month's	s sales in 1995-96 and §	5.06 month's sales

5. SUNDRY DEBTORS

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

				(Rs. in crores)
		1994-95	1995-96	1996-97
(i)	Sales	135.26	91.02	96.82
(ii)	Total Sundry Debtors	42.81	25.65	23.26
(iii)	Provision for doubtful debts	3.25	2.57	12.98
(vi)	Percentage of Sundry Debtors to Sales	31.65	28.18	24.02

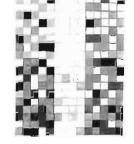
Sd/-

(Jayanta Chatterjee)

Pr. Director of Commercial Audit & Ex-officio Member Audit Board-II
Calcutta

Dated : Calcutta

the 27th September, 1997



MANAGEMENT'S REPLY

The Members of Coal India Ltd.

10, Netaji Subhas Road, Calcutta - 700001

We have audited the attached Balance Sheet of Coal India Limited as at 31st. March, 1997 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. However, in some Units the physically verfied list of fixed assets are under reconciliation.

This being statement of fact, calls for no comment.

This being statement of fact, calls for no

This being statement of fact, calls for no

This being statement of fact, calls for no

- 2. None of the fixed assets have been revalued during the year.
- Physical verification of stock of Coal, Coke have been carried out by the Management except at stockyard of Regional Sales Offices.
- 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.
 - o comment. n
- 5. On physical verification of stock no material discrepancies between the

This being statement of fact, calls for no comment.

comment.

comment.



MANAGEMENT'S REPLY

physical stock and book records were found. Necessary steps are being taken for adjustment of minor discrepancies of Stores & Spares of N.E.C.

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 change in the basis of valuation of stock as followed in the preceding year as stated in Schedule 'N', Part 'A' note no. 6.3. Consequently Profit for the year has been increased by Rs. 668.52 lacs.

This being statement of fact, calls for no comment.

7. The Company has not taken any loan from Companies, Firm or other parties listed in the register maintained u/s. 301 of the Companies Act or from Companies under the same management u/s. 370 (1b) of the Companies Act, 1956.

This being statement of fact, calls for no comment.

8. The Company has not granted any loans, 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.

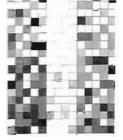
This being statement of fact, calls for no comment.

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:

The claim has been accepted by and registered with I.D.B.I. the nodal agency appointed for revival of I.D.P.I.

Loan to IDPL amounting to Rs. 150.00 lakhs and interest thereon Rs. 47.29 lacs.

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.



MANAGEMENT'S REPLY

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

This being statement of fact, calls for no comment.

- (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 the selling price fixed by the Management.

This being statement of fact, calls for no comment.

12. The Company has determined unservicable or damaged stock of raw material and finished goods; except stores and spares against which an adhoc provision exists in the accounts.

This being statement of fact, calls for no comment.

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.

This being statement of fact, calls for no comment.

 Reasonable records have been maintained by the Company for the sale and disposal of realisable scraps. This being statement of fact, calls for no comment.

15. The Company has an internal audit system commensurate with its size and the nature of its business.

This being statement of fact, calls for no comment.



MANAGEMENT'S REPLY

16. The maintenance of cost records has not been prescribed by the Central Government u/s. 209(1) (d) of the Companies Act, 1956.

This being statement of fact, calls for no comment.

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.

This being statement of fact, calls for no comment.

18. There is no undisputed amount outstanding as at 31st March '97 for a period of more than 6 months from the the date they become payable in respect of Income Tax, Wealth Tax, Sales Tax, Custom Duty and Excise Duty.

This being statement of fact, calls for no comment.

19. According to the informations and explanations given to us no personal expense has been charged to revenue other than those payable under contractual obligation and/or in accordance with the generally accepted business practice.

This being statement of fact, calls for no comment.

 The Company is not a Sick Industrial Undertaking within the meaning of Section 3(1)(0) of Sick Industrial Companies (Special Provisions) Act, 1985.

This being statement of fact, calls for no comment.

21. In respect of the Companies trading activites, as explanied to us, by the Management, there are no damaged goods except to the extent provided for.

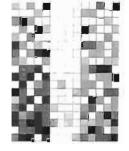
This being statement of fact, calls for no comment.

- We further report that subject to our comments below:
- Transhipment losses of 0.21 lakh tonnes of coal at NEC valued at Rs. 175.46 lakhs have been adjusted in the books of accounts, as per consistent past practice.

This being statement of fact. Calls for no comment.

2. Miscellaneous Expenditure (to the extent not yet written off or adjusted)

Gratuity - Rs. = 417.99 lacs.



MANAGEMENT'S REPLY

This represents remaining balance of gratuity provision of previous year not charged off to Profit & Loss Account this year as prior - period adjustment in accordance with the AS - 15. Consequently Profit for the year and Miscellaneous Expenditure (gratuity) has been overstated by Rs. 417.99 lacs respectively.

This matter has adequately been disclosed in the Accounting Policy no.2.3 at Part-A of Schedule-N forming part of Accounts.

3. The Company is deducting 2% of basic wages plus DA from their employees from 01.04.89 as contribution towards proposed Pension Fund as per Wage Agreement entered into with employees. Such amount deducted upto 31.3.97 amounting to Rs. 4.02 crores but employer's contribution, if any, has not been provided on the plea of non-approval of the Pension Scheme by the Govt. of India (Ref. Para 9.2 of Notes on Accounts, Schedule N - Part B).

This being statement of fact, calls for no comment.

4. According to note no. 10.2 of Notes on Accounts of Schedule -N (Part -B), as per past practice, goods purchased by CIL on behalf of subsidiaries are accounted for in the books of subsidiary companies. Legal opinion may be taken regarding validity of this practice. This being statement of fact, calls for no comment.

5. Anticipatory Protective Subsidy receivable for NEC has not been accounted for:

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.



MANAGEMENT'S REPLY

- (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 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, 1997 and
 - (b) in the case of Profit & Loss Account of the Profit of the Company for the year ended on that date.
- 6. The Balance Sheet as at 31st March 1997 and Profit & Loss Account for the year ended on that date together with the Notes theron which were approved by the Board of Directors of the Company on 28th July, 1997 and reported upon by us on 7th August 1997 have been revised. We further report that in view informations/ explanations subsequently furnished to us, we have suitably amended/modified our report dated 7th August 1997. 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/-

Calcutta
Dated 19th Sept., 1997

(S. C. Basu)

Partner