

1999 - 2000



SD

Annual Report

Members of the Board

(As on 30th September, 2000)

AR 1999

CHAIRMAN

Shri P. K. Sengupta

FUNCTIONAL DIRECTORS

Shri C. H. Khisty	— Personnel & Industrial Relations
Shri A. Chatterjee	— Finance
Shri N. K. Sharma	— Technical

DIRECTORS

Shri C. D. Arha	— Additional Secretary Ministry of Coal, New Delhi
Dr. S. Behuria	— Joint Secretary & Financial Adviser Ministry of Coal, New Delhi
Shri Swarup K. Gupta	— Additional Member (Traffic) Railway Board, New Delhi
Shri B. Akala	— Chairman-cum-Managing Director Central Coalfields Limited, Ranchi
Shri S. K. Sen	— Chairman-cum-Managing Director Northern Coalfields Limited, Singrauli

COMPANY SECRETARY

Dr. H. Sarkar

Management During 1999-2000

CHAIRMAN

Shri P. K. Sengupta — (From 31.12.1994)

FUNCTIONAL DIRECTORS

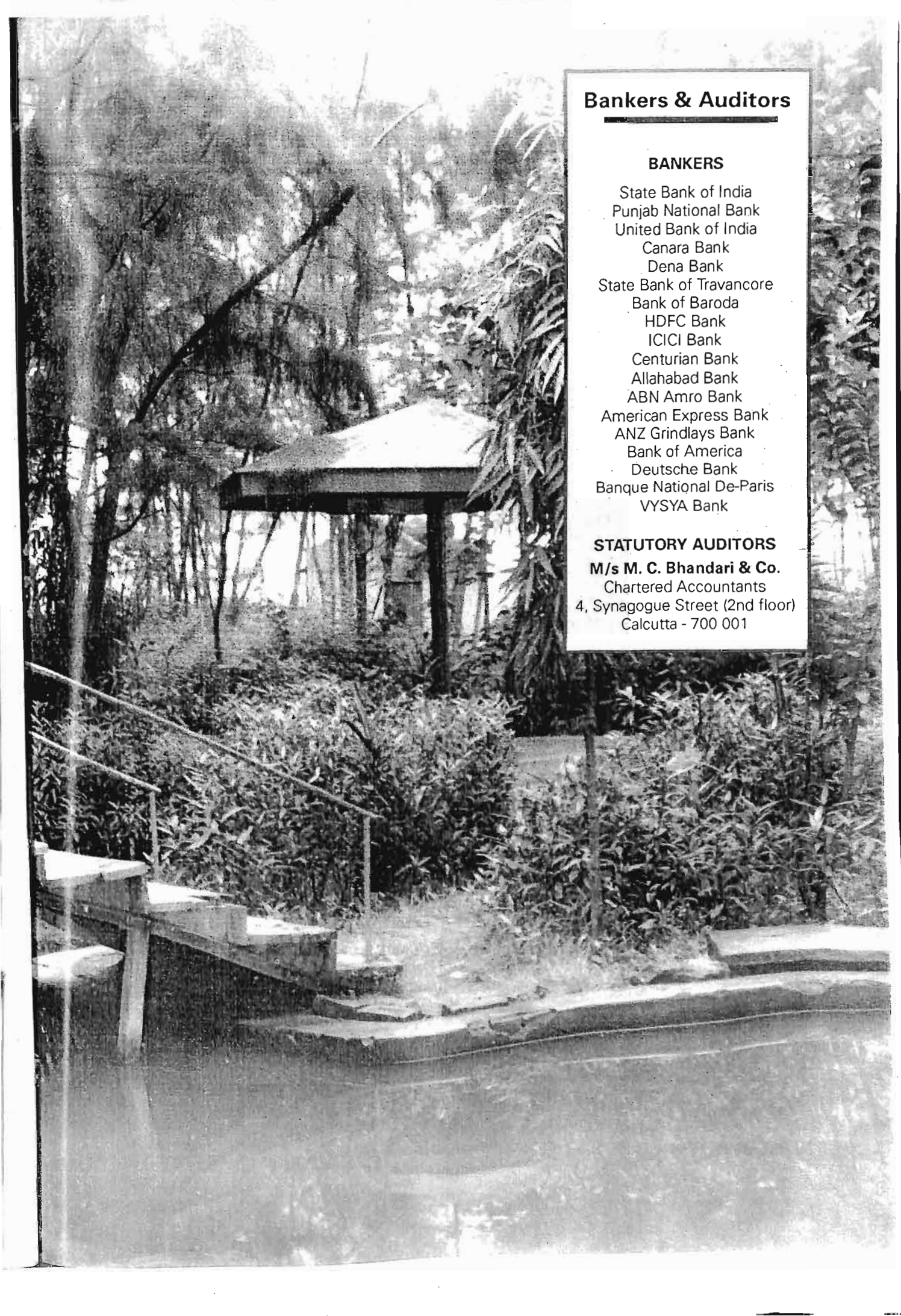
Shri C. H. Khisty — Personnel & Industrial Relations (From 6.2.96)
 Shri A. Chatterjee — Finance (From 27.1.97)
 Shri N. K. Sharma — Technical (From 10.7.98)

DIRECTORS

Shri P. K. Banerji — Additional Secretary, Ministry of Coal,
 New Delhi (From 31.7.96 to 17.8.99)
 Shri C. D. Arha — Additional Secretary
Ministry of Coal, New Delhi (From 17.8.99)
 Shri Vivek Mehrotra — Joint Secretary & Financial Adviser
 Ministry of Coal, New Delhi
 (From 16.2.95 to 12.2.2000)
 Dr. S. Behuria — Joint Secretary & Financial Adviser
 Ministry of Coal, New Delhi
 (From 24.3.2000)
 Shri Swarup K. Gupta — Additional Member (Traffic)
 Railway Board, New Delhi
 (From 27.12.96)
 Shri K. C. Viji — Chairman-cum-Managing Director
 Western Coalfields Limited
 (From 28.4.98 to 27.4.99)
 Shri S. K. Varma — Chairman-cum-Managing Director
 Central Mine Planning & Design Institute Ltd.
 (From 28.4.98 to 27.4.99)
 Shri S. N. Sharma — Chairman-cum-Managing Director
 Mahanadi Coalfields Limited (From 8.6.99)
 Shri G. K. Jha — Chairman-cum-Managing Director
 South Eastern Coalfields Limited (From 8.6.99)

COMPANY SECRETARY

Dr. H. Sarkar — From 30.9.97

A black and white photograph of a garden. In the center, there is a small, square gazebo with a flat roof, surrounded by dense foliage and trees. In the foreground, there is a pond with a low stone wall and a set of stairs leading down to it. The overall scene is lush and green.

Bankers & Auditors

BANKERS

State Bank of India
Punjab National Bank
United Bank of India
Canara Bank
Dena Bank
State Bank of Travancore
Bank of Baroda
HDFC Bank
ICICI Bank
Centurian Bank
Allahabad Bank
ABN Amro Bank
American Express Bank
ANZ Grindlays Bank
Bank of America
Deutsche Bank
Banque National De-Paris
VYSYA Bank

STATUTORY AUDITORS

M/s M. C. Bhandari & Co.
Chartered Accountants
4, Synagogue Street (2nd floor)
Calcutta - 700 001

Notice

No. CIL : XI(D) : 04043 : 1516 : 2000

Dated : 27th September, 2000

Notice of the 26th Annual General Meeting of Coal India Limited

Notice is hereby given to all Shareholders of Coal India Limited that the Twenty-sixth Annual General Meeting of the company will be held on Friday, the 29th September, 2000 at 11.30 AM, 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, 2000 and Profit and Loss Account for the year ended 31st March, 2000 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 C. D. Arha 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 Dr. S. Behuria 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 B. Akala 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/-

(Dr. H. Sarkar)

Company Secretary

Calcutta

Dated : the 27th September, 2000

Note :

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

Chairman's Statement

Friends,

I have great pleasure in welcoming you to the 26th Annual General Meeting of Coal India Ltd. The report of the Directors and the audited accounts for the year ended 31st March, 2000 together with the report of the Statutory Auditors and the report and review of the Comptroller & Auditor General of India, are already with you.

2. The pre-tax profit of CIL as a whole for the year 1999-2000, after providing Rs. 563.69 crores towards impact of revision in pay and allowances of the non-executives effective from 1.7.1996 and the executives effective from 1.1.1997, pending agreement, was Rs. 693.87 crores (previous year Rs. 1451.79 crores). Your Directors have recommended payment of dividend of Rs. 2526.55 lakhs i.e. @ Rs. 4/- per share on equity share and Rs. 9041.80 lakhs i.e. @ 10% on preference share to the Government for the shares of CIL held by the Government.

3. The financial result for the year 1999-2000 as compared to the previous year is also to be seen in the context of only moderate increase in price of coal produced in NCL and CCL and no increase in price of coal produced by other Subsidiaries despite rise in AICPI and WPI as well as the price of specific inputs used for mining of coal. Restricted revision in coal price was necessary considering the fact that the landed cost of domestic coal at a number of destinations near the coast on per therm basis is working out to be more than the cost of the imported coal.



The competition emerging from the imported coal and also the need for revision in wages and salaries having a significant impact have made it imperative for the company to look for accelerating the pace of improving the productivity of men and equipment. The improvement in availability and utilisation of equipment, in particular opencast equipment, has been identified as a priority. Improvement in man productivity by way of rationalisation of manpower and mechanisation of underground mines has also been identified as a necessity. The company is persuing the objective of manpower rationalisation through intensive measures and it has been possible to reduce the manpower by 24811 during the year 1999-2000.

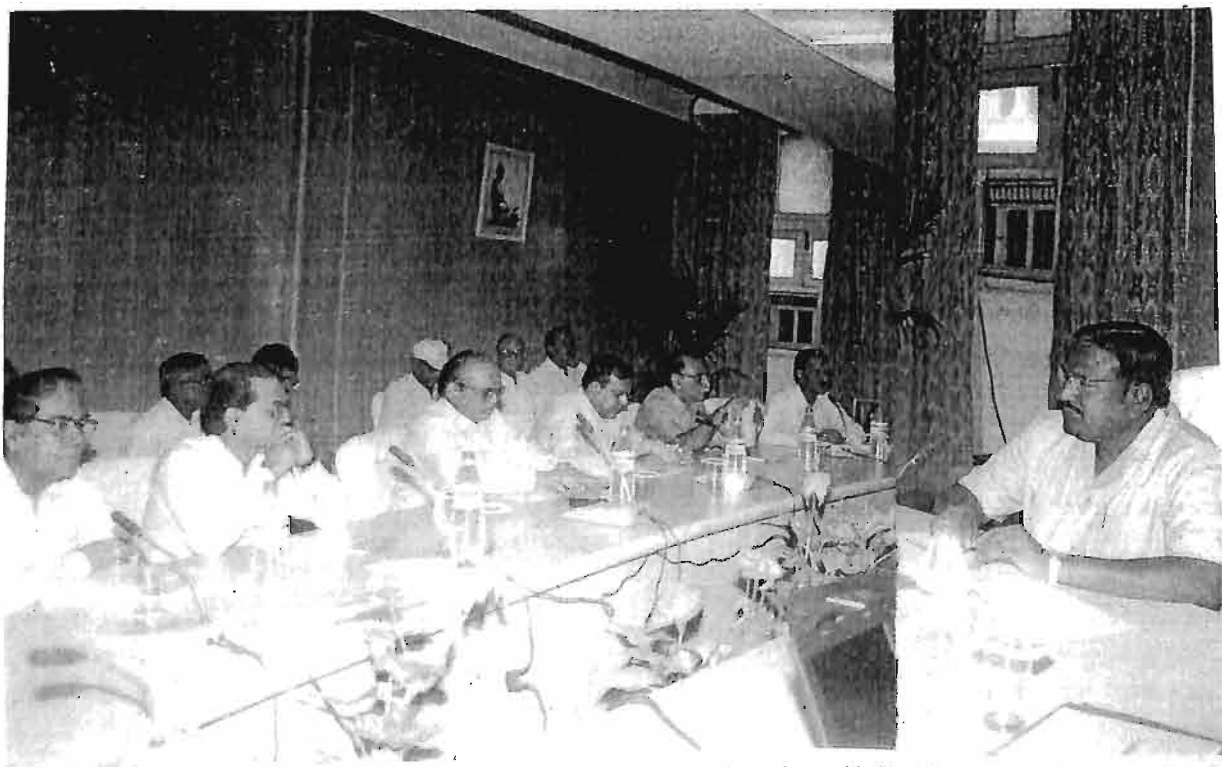
4. After a year of sluggish demand of coal resulting in downward trend in coal production in the previous year, the offtake and production of coal during the year 1999-2000 have registered a significant increase. The despatch of coal to power sector has registered an increase of nearly

7% over the previous year and the overall coal stock in the power houses has been maintained at a comfortable level of 17 days. The arrangement of sampling and analysis of coal as agreed with the Council of Power Utilities (CPU) having stabilised, the dispute on quality of coal supplied to the power houses has virtually been eliminated.

5. The recovery of coal sale dues continues to be a matter of concern. While insistence on following the 'Cash & Carry System' has resulted in some improvement in the recovery of dues against current supply, the problem of recovery of old dues continues. The company has pinned its hope of having a breakthrough in recovery of old dues through the process of securitisation with the help of the Central government.

6. Expected substantial increase in the demand of coal in the Xth plan period has necessitated looking for various options for funding of new coal projects. A number of major coal projects have been identified for implementation under joint venture with participation of public sector as well as private sector companies. The process of finalising the joint venture arrangements has been initiated. The company is also looking for various options to explore and exploit coal bed methane as a commercial venture and as a first step an understanding to work jointly with ONGC has been reached.

7. While 4 of the coal producing Subsidiaries, namely, NCL, WCL, SECL and MCL continue to have impressive performance, earning an aggregate pre-tax profit of Rs. 2405.72 crores during the year



Shri N. T. Shanmugam, Hon'ble Minister of Coal, Govt. of India, holding discussions with CIL officials at Coal Bhawan, Calcutta



1999-2000, the other 3 Subsidiaries, namely, ECL, BCCL and CCL continue to incur heavy losses. The Company is aware of the need to cut-down the losses and revive these 3 companies. The consultant's report on the revival of ECL is presently under consideration of the government and the reports on BCCL and CCL are expected shortly. Continued financial viability of CIL will largely depend on the success of turning-around these 3 Subsidiaries.

8. Safety in mines and welfare of the employees continue to receive special attention. There has been visible improvement in the performance of the company in the safety front, but further improvement is necessary. The company also continue to pursue its objective of mitigating the impact of

coal mining on the environment and the society. Fairly large number of schemes for mitigating the environmental and social impact have been taken up and the progress of these schemes is satisfactory.

9. The task for the year 2000-01 has been spelt out in the Annual Operation Plan of the company which aims at further consolidation of physical and financial performance of the company with emphasis on satisfying the consumers.

10. I take this opportunity of expressing my sincere thanks to our consumers, suppliers, Ministry of Coal, other Central government Ministries/Departments, State Governments, the Trade Unions and our employees for their relentless support and co-operation.

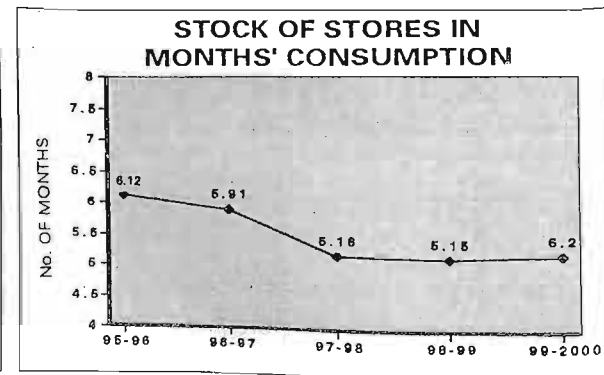
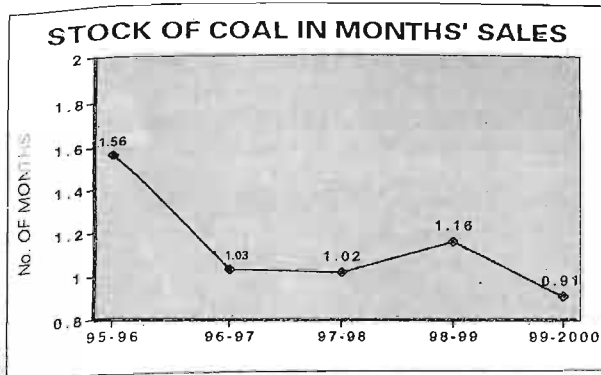
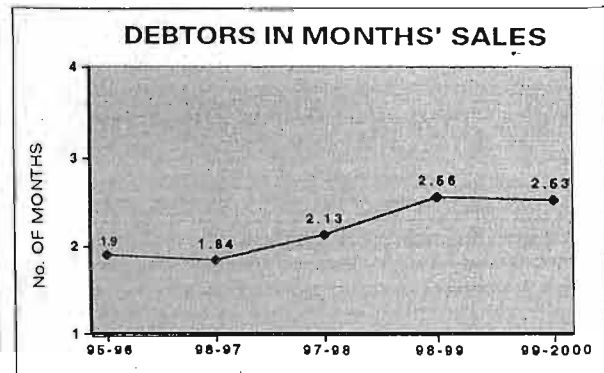
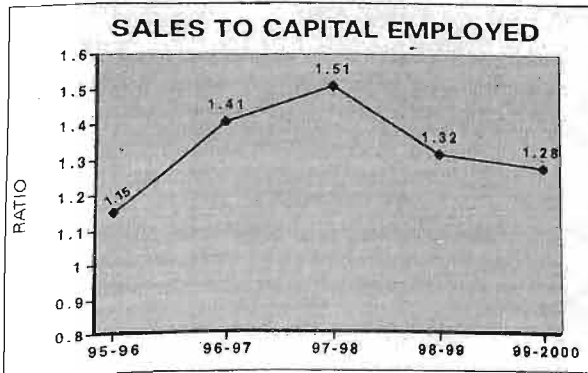
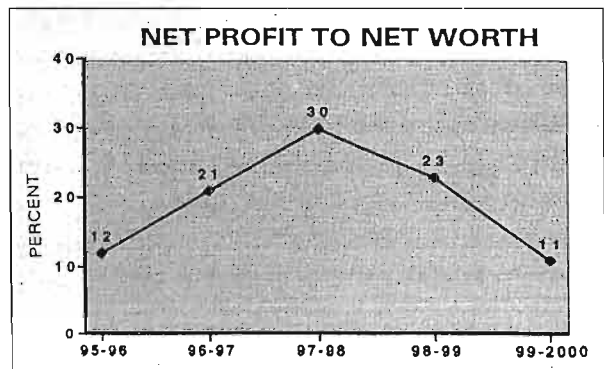
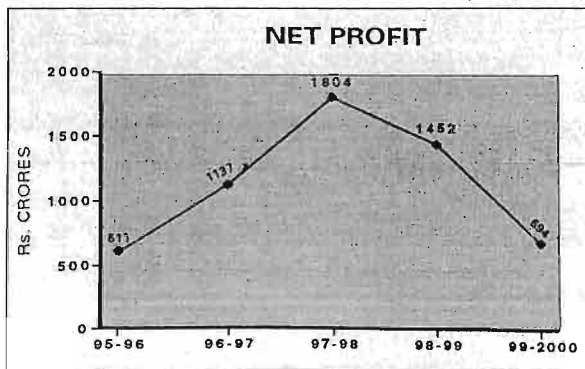
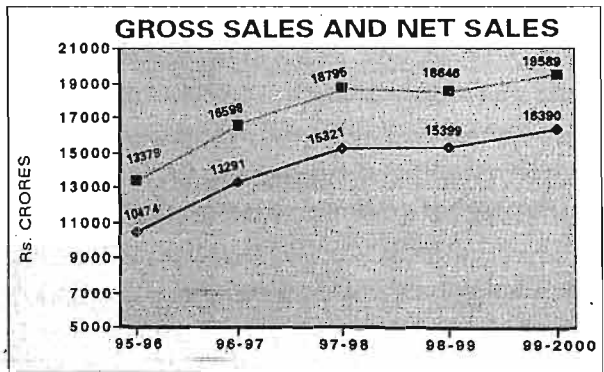
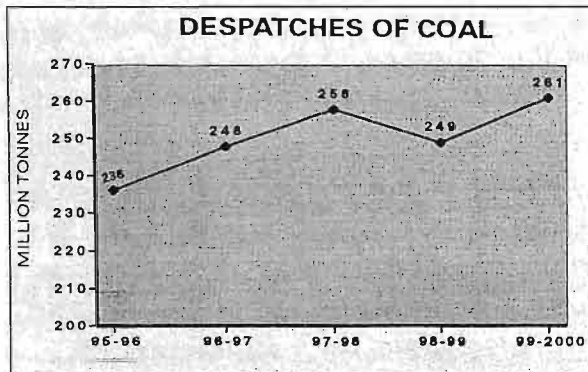
Calcutta

Dated, 29th September, 2000.

P. K. Sengupta

Chairman

Performance of Coal India Limited At a Glance





Annual Report

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

Year Ending 31st March	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
1. (a) Production of Raw Coal (Million Tonnes)										
Underground	52.32	53.32	53.97	55.20	54.81	55.60	56.55	57.06	56.82	56.09
Opencast	208.26	203.16	206.58	195.42	182.46	167.46	159.55	154.16	147.34	133.56
TOTAL	260.58	256.48	260.55	250.62	237.27	223.06	216.10	211.22	204.16	189.65
(b) Overburden Removal (Mech. O/c) (Million Cub. Mts.)	462.28	452.10	428.14	395.30	361.57	340.03	325.46	308.94	298.30	284.76
2. Off take (Raw Coal) (Million Tonnes)										
Power	195.08	182.10	189.66	177.14	164.04	148.29	142.54	131.46	120.60	106.23
Steel/Hard Coke	15.21	18.35	19.21	19.35	20.51	21.38	21.26	21.10	21.42	20.51
Railway	—	0.03	0.05	0.13	0.27	0.59	1.78	2.86	3.92	4.51
Domestic & Boiler Use	2.22	2.58	2.69	2.86	3.01	3.20	3.28	3.40	3.51	3.48
Others	50.88	49.15	48.90	51.45	51.53	49.13	47.75	49.56	48.98	48.54
TOTAL	263.39	252.21	260.51	250.93	239.36	222.59	216.61	208.38	198.43	183.27
3. Average Manpower	574477	599293	619576	631999	638814	648519	659647	667459	672217	670515
4. Productivity										
(A) Average per Man per year (Tonnes)	453.60	427.97	420.53	396.53	371.42	343.95	327.60	316.45	303.71	282.84
(B) Output per manshift (OMS)										
(i) Underground (Tonnes)	0.61	0.59	0.57	0.57	0.56	0.57	0.55	0.55	0.53	0.54
(ii) Open Cast (Tonnes)	5.46	5.52	5.07	5.12	4.75	4.35	4.00	3.80	3.70	3.34
(iii) Overall (Tonnes)	2.11	2.03	1.93	1.86	1.75	1.64	1.52	1.46	1.41	1.31

FINANCIAL POSITION

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

(Rs. Crores)

Year Ending 31st March	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
(A) What is owned										
Gross Fixed Assets	24546.79	21667.79	20082.20	18445.26	17119.09	15570.04	13554.87	11902.43	10423.77	8917.20
Less Depreciation	11457.95	10167.28	9157.31	8212.82	7381.46	6530.28	5667.04	4853.87	4124.66	3480.56
(1) Net Fixed Assets	13088.84	11500.51	10924.89	10232.44	9737.63	9039.76	7887.83	7048.56	6299.11	5436.64
(2) Capital Work-in-Progress	1194.11	1722.60	1893.85	2114.24	2281.38	2326.80	2737.41	2701.92	2373.09	2124.47
(3) Misc. expenditure (others)	70.84	81.02	126.23	516.42	213.79	234.65	165.69	104.61	69.92	60.57
(4) Investment (Internal)	80.10	0.10	12.72	2.94	0.08	0.10	0.08	0.08	0.10	0.08
(5) Current Assets :										
(i) (a) Inventory of Coal, Coke etc.	1242.19	1491.86	1299.44	1142.61	1363.89	1374.86	1656.35	1660.64	1404.69	999.53
(b) Inventory of Stores & Spares etc.	1121.20	1034.89	1017.35	1022.67	911.17	889.91	810.37	750.49	695.24	658.22
(c) Other Inventories	104.62	91.91	60.26	50.04	57.24	52.91	42.33	35.57	23.40	21.94
(ii) Sundry Debtors (including CMPDIL)	4155.22	3997.49	3357.44	2597.72	2167.95	2555.55	2443.31	2090.73	1390.30	1433.75
(iii) Cash & Bank Balances	787.08	786.93	499.28	401.87	255.18	340.59	218.13	186.63	146.33	181.75
(iv) Loans & Advances	2788.46	3389.48	2150.87	1428.07	823.74	735.11	761.87	978.55	849.39	1082.09
(incl. Other C/Assets & Adj)										
(v) O.B.R. Adjustments	-468.46	-409.31	-468.93	-222.61	-158.31	-44.21	20.09	3.42	47.73	10.00
Total Current Assets (5)	9730.31	10383.25	7915.71	6420.37	5420.86	5904.72	5952.45	5706.03	4557.08	4387.28
(6) Less Current Liab. & Prov. (Excl. Intt. Acct. & Due)	10032.33	10185.89	8660.34	7140.41	5946.96	4816.42	4278.21	3767.04	2839.13	2456.97
Net Current Assets (5-6)	-302.02	197.36	-744.63	-720.04	-526.10	1088.30	1674.24	1938.99	1717.95	1930.31
TOTAL (A)	14131.87	13501.59	12213.06	12146.00	11706.78	12689.61	12465.25	11794.16	10460.17	9552.07
(B) What is owed										
(1) 10% Redeemable Pref. Shares	904.18	904.18	904.18	904.18						
(2) Govt. Loan	1446.20	1920.58	2230.82	2534.72	3737.83	3813.58	3813.67	3947.08	3874.23	3804.27
(3) Interest Accrued & Due	80.57	26.93	38.01	53.27	59.82	1122.64	1289.26	1334.31	1025.53	921.45
(4) Intercompany Loan	840.48	964.48	240.21	155.49	102.82	130.00	300.00	500.00	225.00	100.00
(5) Term Loan (F. Inst. & Banks)	481.12	367.38	135.22	73.46	99.27	116.13	59.38			
(6) Bonds	584.33	884.03	1084.03	1484.03	1100.00	1100.00	800.00	600.00	600.00	600.00
(7) Others	2710.46	1290.97	957.43	932.19	1057.62	941.10	759.04	619.52	447.51	279.68
SUB-TOTAL (1 TO 7)	7047.34	6358.55	5589.90	6137.34	6157.36	7223.45	7021.35	7000.91	6172.27	5705.40
(7) Bank Borrowings (incl. Bank O.D. & others)	944.87	716.45	704.71	593.58	561.89	472.37	692.41	455.12	341.89	355.04
TOTAL (B)	7992.21	7075.00	6294.61	6730.92	6719.25	7695.82	7713.76	7456.03	6514.16	6060.44
Net Worth (A-B)	6139.66	6426.59	5918.45	5415.08	4987.53	4993.79	4751.49	4338.13	3946.01	3491.63
Represented by :										
(1) Equity Capital (incl. pending allotment)	6316.36	6316.36	6316.36	6316.36	6316.36	6316.36	6104.84	6097.85	6000.76	5713.31
(2) Reserves	2484.64	1721.09	985.10	390.49	316.65	324.80	414.53	334.81	299.24	277.30
(3) Profit/Loss (+) / (-)	-2661.34	-1522.14	-1114.62	-1040.31	-1312.29	-1647.37	-1767.88	-2094.53	-2353.99	-2498.98
(4) Misc. Expenditure (D/liab.)		-88.72	-268.39	-251.46	-333.19					
Net Worth (1 to 4)	6139.66	6426.59	5918.45	5415.08	4987.53	4993.79	4751.49	4338.13	3946.01	3491.63
Capital Employed	12786.35	11671.04	10154.97	9462.07	9151.79	9005.52	8272.89	7653.32	6991.63	6445.58

INCOME AND EXPENDITURE STATEMENT

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

	(Rs. Crores)									
Year Ending 31st March	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
(A) Earned From :										
Gross Sales	19589.19	18646.19	18795.13	16597.78	13378.60	11778.51	11103.62	9564.92	7475.50	6295.95
Less Coal from Development Mines	62.64	73.43	88.22	114.72	77.45	31.51	11.38	25.15	12.08	46.35
Less Levies (Royalties, Cesses etc.)	3136.79	3174.09	3385.80	3192.02	2826.93	2429.43	2209.00	1979.52	1454.00	1154.58
(1) Net Sales	16389.76	15398.67	15321.11	13291.04	10474.22	9317.57	8883.24	7560.25	6009.42	5095.02
(2) Accretion / Decretion in Stock	-240.23	179.47	166.07	-230.70	-30.18	-298.68	-3.99	288.89	394.76	108.19
(3) Boiler & Domestic Consumption of Coal	194.37	214.91	222.03	214.45	190.65	188.25	177.36	142.39	136.98	140.02
(4) Other Revenue Receipts :										
CMPDIL	92.67	99.27	97.38	92.83	93.15	79.74	70.27	62.30	59.21	62.58
Others	344.31	272.49	205.00	234.74	382.08	263.02	205.10	156.07	138.55	97.13
(Afttr. Trans. & Other Recov. & Contras)										
Coal Price Regulation Accounts					-0.25	2.57	39.39	-41.59		
TOTAL (A) (1 to 4)	16780.88	16164.81	16011.59	13602.36	11109.67	9552.47	9371.37	8168.31	6738.92	5502.94
(B) Paid to / Provided for										
Employees' Remu. & Benefits (Gross-Rev.)	6927.95	6128.37	5989.98	5396.36	5012.36	4178.51	3624.55	3347.78	2842.66	2555.02
Less : Trans. to Oth. Rev. Heads	386.20	351.18	341.80	331.48	345.46	210.47	214.83	313.88	171.73	178.13
(1) Net S. & Wages (Excltd. V.R.S. Payment)	6541.75	5777.19	5648.18	5064.88	4666.90	3968.04	3409.72	3033.90	2670.93	2376.89
(2) V.R.S. Payment (Net of Grant Recvd.)	116.65	96.18	16.39	24.40	31.82	7.54				
(3) Social Overheads (Incltd. LLTC & Dom. Coal)	1126.94	1104.57	1071.11	979.80	890.19	696.71	621.80	591.57	454.92	364.82
Less : Social overheads Dep. & Inttt.	57.15	60.13	53.08	48.22	40.89	39.39	38.15	32.77	29.51	24.77
Social Overheads (Excltd. Dep. & Inttt.)	1069.79	1044.44	1018.03	931.58	849.30	657.32	583.65	558.80	425.41	340.05
(4) Stores & Spares (Gross - Rev.)	2587.62	2413.39	2355.37	2075.66	1786.50	1599.99	1462.19	1254.64	1058.91	895.11
Less : Trans. to Oth. Rev. Heads	42.02	38.39	36.43	31.26	30.13	31.01	30.08	33.59	30.63	33.14
Stores & Spares (Net)	2545.60	2375.00	2318.94	2044.40	1756.37	1568.98	1432.11	1221.05	1028.28	861.97
(5) (i) Power & Fuel (excltd. coal consumed)	1317.70	1218.85	1191.56	1098.46	814.58	707.16	644.20	537.16	447.98	376.65
(ii) Boiler & Colliery Consumption of Coal	56.02	56.37	53.58	53.24	48.33	46.47	44.38	41.70	44.79	27.97
(6) Contractors (Trans. & Repairs)	812.74	745.34	699.47	631.47	651.16	565.59	464.94	381.63	333.93	309.83
(7) Misc. Expenses	814.51	595.28	633.02	476.66	437.37	397.25	420.58	342.77	275.14	243.84
(8) Provision for D/Debts. Obsol. etc.	578.77	812.01	471.92	174.91	146.57	9.87	287.46	121.23	148.45	135.77
(9) Interest (Incltd. S/O & P. P.)	695.68	659.66	742.79	686.02	-129.26	497.96	708.93	727.99	566.95	472.23
(10) Depreciation (Incltd. S/O & P. P.)	1518.54	1290.78	1240.30	1150.22	1089.82	969.82	912.63	786.09	670.59	578.65
(11) O.B.R. Adjustment	56.94	26.99	159.73	67.44	109.72	63.01	-19.28	42.91	7.98	-20.61
(12) Prior Period Adj. (excl. int. dep. & C.P.R.A.)	-37.68	14.93	13.69	61.26	25.55	63.73	81.73	81.81	-48.58	52.87
TOTAL (B)	16087.01	14713.02	14207.60	12464.94	10498.23	9522.74	8971.05	7877.04	6571.85	5756.11
Profit/Loss for the year (A - B)	693.87	1451.79	1803.99	1137.42	611.44	29.73	400.32	291.27	167.07	-253.17
Investment Allowance Reserve	42.24		21.45	35.25	29.00	91.42	-72.75	-31.22	-21.62	4.38
Income Tax	-846.77	-942.85	-991.69	-883.29	-34.55	-0.64	-0.92	-0.60	-0.46	-0.59
Proposed dividend	-115.68	-115.68	-109.37	-96.74	-249.95					
Tax on Dividend	-104.41	-82.12	-181.85	-63.60						
Trans. to General Reserve	-197.75	-200.73	-234.99	-107.01	-20.86					
Pref. Shares & Bond Redemption Fund	-610.70	-517.92	-380.00							
Other Adjustment			-1.85	249.95	-249.95					
Cumulative profit/loss b/f from prev. year	-1522.14	-1114.62	-1040.31	-1312.29	-1647.37	-1767.88	-2094.53	-2353.99	-2498.98	-2249.60
Cumulative profit/loss trans to Balance Sheet	-2661.34	-1522.13	-1114.62	-1040.31	-1312.29	-1647.37	-1767.88	-2094.54	-2353.99	-2498.98
Cumul. P&L (Before Transfer to Reserves etc.)	-176.70	144.43	-168.56	-687.80	-1031.54	-1358.48	-1387.56	-1785.96	-2077.64	-2244.25

IMPORTANT FINANCIAL INFORMATION & RELATIVE RATIOS

(A) FINANCIAL INFORMATION

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

(Rs. Crores)

Year Ending 31st March	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
(A) Related to Assets & Liabilities										
(1) (i) No. of Equity Shares (CIL) of Rs. 1000 each	63163644	63163644	63163644	63163644	63163644	63163644	61034440	60970652	59990726	57017184
(ii) Shareholder's Funds :										
(a) Equity	6316.36	6316.36	6316.36	6316.36	6316.36	6316.36	6104.84	6097.85	6000.76	5713.31
(b) Reserves & Surplus	2484.64	1721.09	985.10	390.49	316.65	324.80	414.53	334.81	299.24	277.30
(c) Accumulated Loss	-2661.34	-1522.14	-1114.62	-1040.31	-1312.29	-1647.37	-1767.88	-2094.53	-2353.99	-2498.98
(d) Deferred Liabilities		88.72	268.39	251.46	333.19					
Net Worth	6139.66	6426.59	5918.45	5415.08	4987.53	4993.79	4751.49	4338.13	3946.01	3491.63
(2) Loan (incl. 10% Redeemable Pref. Shares)	7047.34	6358.55	5589.90	6137.34	6157.36	7223.45	7021.35	7000.91	6172.27	5705.40
(3) Capital Employed	12786.35	11671.04	10154.97	9462.07	9151.79	9005.52	8272.89	7653.32	6991.63	6445.58
(4) (i) Net Fixed Assets	13088.84	11500.51	10924.89	10232.44	9737.63	9039.76	7887.83	7048.56	6299.11	5436.64
(ii) Current Assets	9730.31	10383.25	7915.71	6420.37	5420.86	5904.72	5952.45	5706.03	4557.08	4387.28
(iii) Net Current Assets (W/C)	-302.02	197.36	-744.63	-720.04	-526.10	1088.30	1674.24	1938.99	1717.95	1930.31
(5) Current Liabilities	10032.33	10185.89	8660.34	7140.41	5946.96	4816.42	4278.21	3767.04	2839.13	2456.97
(Excl. Intt. accrued & Due)										
(6) (a) Sundry Debtors (Net)	4129.32	3975.98	3337.32	2545.85	2113.89	2533.48	2431.26	2086.08	1390.30	1433.75
(Excl. CMPDIL)										
(b) Cash & Bank	787.08	786.93	499.28	401.87	255.18	340.59	218.13	186.63	146.33	181.75
(7) Closing Stock of :										
(a) Stores & Spares (Net)	1121.20	1034.89	1017.35	1022.67	911.17	889.91	810.37	750.49	695.24	658.22
(b) Coal, Cokes etc. (Net)	1242.19	1491.86	1299.44	1142.61	1363.89	1374.86	1656.35	1660.64	1404.69	999.53
(8) Average Stock of Stores & Spares (Net)	1078.05	1026.12	1020.01	966.62	900.54	850.14	780.43	722.87	676.73	614.65
(B) Related to Profit/Loss										
(1) (a) Gross Margin	2908.09	3402.23	3787.08	2973.66	1572.00	1497.51	2021.88	1805.35	1404.61	797.71
(b) Gross Profit	1389.55	2111.45	2546.78	1823.44	482.18	527.69	1109.25	1019.26	734.02	219.06
(c) Net Profit (before Tax & Invt. Allowance etc.)	693.87	1451.79	1803.99	1137.42	611.44	29.73	400.32	291.27	167.07	-253.17
(d) Net Profit (After Tax)	-152.90	508.94	812.30	254.13	576.89	29.09	399.40	290.67	166.61	-252.58
(e) Net Profit (After & Div. on Pref. Shares)	-243.32	418.52	721.88	163.71	576.89	29.09	399.40	290.67	166.61	-252.58
(2) (a) Gross Sales	19589.19	18646.19	18795.13	16597.78	13378.60	11778.51	11103.62	9564.92	7475.50	6295.95
(b) Net Sales (after levies & dev. etc)	16389.76	15398.67	15321.11	13291.04	10474.22	9317.57	8883.24	7560.25	6009.42	5095.02
(c) Sale value of Production	16343.90	15793.05	15709.21	13274.79	10634.69	9207.14	9045.34	7974.80	6532.45	5343.34
(3) Cost of Goods Sold (Sales-Profit)	15695.89	13946.88	13517.12	12153.62	9862.78	9287.84	8482.92	7268.98	5842.35	5348.19
(4) (a) Total expenditures (excl. recov. & others)	16087.01	14713.02	14207.60	12464.94	10498.23	9522.74	8971.05	7877.20	6571.85	5756.11
(b) Sal. & Wages (Gross - rev. only)	6927.95	6128.37	5989.98	5396.36	5012.36	4178.51	3624.55	3347.78	2842.66	2555.02
(c) Stores & Spares (Gross-rev. only)	2587.62	2413.39	2355.37	2075.66	1786.50	1599.99	1462.19	1254.64	1058.91	895.11
(d) Power & Fuel	1317.70	1218.85	1191.56	1098.46	814.58	707.16	644.20	537.16	447.98	376.65
(e) Int. & Depreciations (Gross-rev. only)	2214.22	1950.44	1983.09	1836.24	960.56	1467.78	1621.56	1514.08	1237.54	1050.88
(5) Avg. Consump. of Stores & Spares (gross) per month	215.64	201.12	196.28	172.97	148.88	133.33	121.85	104.55	88.24	74.59
(6) (a) Average Manpower Employed during the year	574477	599293	619576	631999	638814	648519	659647	667459	672217	670515
(b) Social Overheads (incl. LTC/LLTC)	1126.94	1104.57	1071.11	979.80	890.19	696.71	621.80	591.57	454.92	364.82
(c) Social Over head expend. per employee (Rs. 000)	19.62	18.43	17.29	15.50	13.94	10.74	9.43	8.86	6.77	5.44
7 (a) Value added	12517.25	12242.10	12242.51	10171.52	8108.56	6964.27	7006.19	6252.66	5079.32	4139.22
(b) Value added per employee (Rs. 000)	217.89	204.28	197.59	160.94	126.93	107.39	106.21	93.68	75.56	61.73
(C) RELATED TO COST REPORTS										
(i) Earning Per manshift (Rs.)	425.98	396.82	357.59	311.68	280.10	237.78	208.52	191.79	170.85	153.75
(ii) Avg. Cost of Production of Net Saleable Coal (Rs. P. T.)	540.08	502.44	480.81	442.06	412.66	380.45	364.35	334.31	301.67	277.18
(iii) Avg. Sale Value of Net Saleable Coal produced (Rs. P. T.)	581.46	570.48	562.57	512.06	426.52	418.80	400.12	356.38	302.16	268.17

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

Year Ending 31st March	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
(A) PROFITABILITY RATIOS										
(1) AS % NET SALES										
(a) Gross Margin	17.74	22.09	24.72	22.37	15.01	16.07	22.76	23.88	23.37	15.66
(b) Gross Profit	8.48	13.71	16.62	13.72	4.60	5.66	12.49	13.48	12.21	4.30
(c) Net Profit	4.23	9.43	11.77	8.56	5.84	0.32	4.51	3.85	2.78	- 4.97
(2) AS % TOTAL EXPENDITURE										
(a) Sal. & Wages (Gross-Rev.)	43.07	41.65	42.16	43.29	47.74	43.88	40.40	42.50	43.26	44.39
(b) Stores & Spares (Gross-Rev.)	16.09	16.40	16.58	16.65	17.02	16.80	16.30	15.93	16.11	15.55
(c) Power & Fuel	8.19	8.28	8.39	8.81	7.76	7.43	7.18	6.82	6.82	6.54
(d) Interest & Depreciation (Gross-Rev.)	13.69	13.26	13.96	14.73	9.15	15.41	18.08	19.22	18.83	18.26
(3) AS % CAPITAL EMPLOYED										
(a) Gross Margin	22.74	29.15	37.29	31.43	17.18	16.63	24.44	23.59	20.09	12.38
(b) Gross Profit	10.87	18.09	25.08	19.27	5.27	5.86	13.41	13.32	10.50	3.40
(c) Net Profit	5.43	12.44	17.76	12.02	6.68	0.33	4.84	3.81	2.39	- 3.93
(4) OPERATING RATIO (SALES-PROFIT/SALES)	0.96	0.91	0.88	0.91	0.94	1.00	0.95	0.96	0.97	1.05
(B) LIQUIDITY RATIOS										
(1) Current Ratio (Current Asset/Current Liability)	0.97	1.02	0.91	0.90	0.91	1.23	1.39	1.51	1.61	1.79
(2) Quick Ratio (Quick Asset/Current Liability)	0.49	0.47	0.44	0.41	0.40	0.60	0.62	0.60	0.54	0.66
(C) TURNOVER RATIOS										
(1) Capital Turnover Ratio (Net Sales/Capital Employed)	1.28	1.32	1.51	1.40	1.14	1.03	1.07	0.99	0.86	0.79
(2) Sundry Debtors as no. of months										
(a) Gross Sales	2.53	2.56	2.13	1.84	1.90	2.58	2.63	2.62	2.23	2.73
(b) Net Sales	3.02	3.10	2.61	2.30	2.42	3.26	3.28	3.31	2.78	3.38
(3) As Ratio of Net Sales										
(a) Sundry Debtors	0.25	0.26	0.22	0.19	0.20	0.27	0.27	0.28	0.23	0.28
(b) Coal Stocks	0.08	0.10	0.08	0.09	0.13	0.15	0.19	0.22	0.23	0.20
(4) Stock of Stores & Spares										
(a) Avg. Stock/Annual Consumption	0.42	0.43	0.50	0.47	0.50	0.53	0.53	0.58	0.64	0.69
(b) Closing Stock as no. of months consumption	5.20	5.15	5.18	5.91	6.12	6.67	6.65	7.18	7.88	8.82
(5) Stock of Coal, Coke, W/coal etc.										
(a) As no. of month's Value of production	0.91	1.13	0.99	1.03	1.54	1.79	2.20	2.50	2.58	2.24
(a) As no. of Month's of cost of goods sold	0.95	1.28	1.15	1.13	1.66	1.78	2.34	2.74	2.89	2.24
(b) As no. of month's Net Sales	0.91	1.16	1.02	1.03	1.56	1.77	2.24	2.64	2.80	2.35
(C) STRUCTURAL RATIOS										
(1) Debt : Equity	1.12	1.01	0.88	0.97	0.97	1.14	1.15	1.15	1.03	1.00
(2) Debt : Networth	1.15	0.99	0.94	1.13	1.23	1.45	1.48	1.61	1.56	1.63
(3) Networth : Equity	0.97	1.02	0.94	0.86	0.79	0.79	0.78	0.71	0.66	0.61
(4) Net Fixed Assets : Networth	2.13	1.79	1.85	1.89	1.95	1.81	1.66	1.62	1.60	1.56
(D) SHARE HOLDER'S INTEREST										
(1) Book Value of Shares (Rs.) (Networth / No. of Equity)	972.02	1017.45	937.00	857.31	789.62	790.61	778.49	711.51	657.77	612.38
(3) Dividend per Share (Rs.)	4.00	4.00	3.00	1.00						

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 Seventh Annual Report of Coal India Limited and Audited Accounts for the year ended 31st March, 2000 together with the report of the Statutory Auditors and report and review of the Comptroller and Auditor General of India thereon.

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 and
Central Mine Planning & Design
Institute Limited.

The mines in Assam and an exploratory mine in Meghalaya in North Eastern Coalfields continued to be managed directly by Coal India Limited and Dankuni Coal Complex continued to be on lease with South Eastern Coalfields Ltd. (a Subsidiary of Coal India Limited) during the year under review.

HIGHLIGHTS OF PERFORMANCE

The highlights of performance of Coal India Limited including its Subsidiaries in the year 1999-2000 compared to previous two years are shown in the table below :

	1999-2000	1998-99	1997-98
Production (in million tonnes)	260.58	256.48	260.55
Off-take of coal (in million tonnes)	263.39	252.22	260.51
Sales (Gross) (Rs. in Crores)	19589.19	18646.19	18795.13
Gross Profit (Rs. in Crores)	1389.55	2111.45	2546.78
Capital employed (Rs. in Crores)	12786.35	11671.04	10154.97
Net Worth (Rs. in Crores)	6139.66	6426.59	5918.45
Profit before Tax (Rs. in Crores)	693.87	1451.79	1803.99
Profit after Tax (Rs. in Crores)	-152.90	508.94	812.30
Gross Profit to Capital employed	10.9%	18.09%	25.08%
Profit before Tax to Net worth	11.3%	22.59%	30.48%
Coal Stock (net) in terms of No. of Months Sales (Net)	0.91	1.16	1.02
Sundry Debtors (net) in terms of No. of Months Gross Sales	2.53	2.56	2.13

2. FINANCIAL PERFORMANCE

2.1 Financial Results

CIL and its Subsidiaries have earned collectively a pre-tax profit of Rs. 693.87 Crores in the year 1999-2000 as against Rs. 1451.79 Crores for the year 1998-99. The reduction of profit during the year as compared to 1998-99 is due to :

- (i) Charging adhoc provision amounting to Rs. 563.69 crores on account of revision of salary and wages of staff and officers.
- (ii) Not allowing increase in sale price of coal to neutralise the increase in input prices (except in case of CCL and NCL).

Company-wise position is shown below:

	(Rs. in Crores)	
Company	1999-2000 Profit(+)/ Loss (-)	1998-99 Profit(+)/ Loss (-)
ECL	(-) 728.23	(-) 472.47
BCCL	(-) 692.32	(-) 442.34
CCL	(-) 121.24	(-) 149.35
NCL	(+) 936.87	(+) 802.14
WCL	(+) 405.86	(+) 476.58
SECL	(+) 455.34	(+) 676.55
MCL	(+) 607.65	(+) 801.31
CMPDIL	(+) 0.71	(+) 0.63
CIL/NEC	(+) 581.18	(+) 606.20
Sub-Total	1,445.82	2,099.25
Less : * Dividend from Subsidiaries	751.95	647.46
Total	693.87	1451.79

* Dividend Rs. 751.95 Crores

Annual Report

The Company-wise dividend provided by subsidiaries for the year 1999-2000 are given below :

Company	Rs. in Crores
NCL	289.29
WCL	133.69
SECL	155.90
MCL	173.07
Total	751.95

Your Directors have recommended payment of dividend of Rs. 2526.55 Lakhs i.e. @ Rs. 4 per share on 63163644 Equity Shares of Rs. 1000/- each and Rs. 9041.80 Lakhs on 9041800 — 10% Redeemable non-cumulative Preference Shares of Rs. 1000 each with payment of tax as applicable thereon.

3. COAL MARKETING

3.1 Off-take Raw Coal

Actual off-take in 1999-2000 was 263.39 million tonnes against target of 260.65 million tonnes showing achievement of 101.05%. The off-take in 1999-2000 registered 4.4% growth over last year's off-take of 252.22 million tonnes.

Sector wise analysis of off-take also shows that power sector, cement sector and industrial sector received more coal in 1999-2000 compared to 1998-99 and the actual off-take in 1999-2000 exceeded the target. However, in case of steel plants and fertilizer, the off-take fell short of both the target and last year's performance. Sector wise break-up of despatch for 1999-2000 against target and last year's actual is given below :

(Figs. in Million Tonnes)						
Year	1999-2000			1998-99		Growth over last year
Sector	Target	Off-take	% Satn.	Actual	Abs.	%
Power (Util)	188.55	195.08	103.46	182.1	12.98	7.13
Raw Coal*						
Middlings	3	2.11	70.33	3.02	-0.91	-30.13
Non-coking Washed Coal	5.5	6.67	121.27	5.25	1.42	27.05
Beneficiated Coal		0.5				
Steel**	19.02	15.21	79.97	18.35	-3.14	-17.11
Cement	6	6.53	108.83	5.6	0.93	16.61
Fertilizer	3.8	3.37	88.68	3.64	-0.27	-7.42
Export	0.07	0.07	100	0.04	0.03	75
BRK/Others	40.61	40.91	100.74	39.91	1	2.51
Colliery consumption	2.6	2.22	85.38	2.58	-0.36	-13.95
Off-take	260.65	263.39	101.05	252.22	11.17	4.43

* includes raw non-coking coal feed to washery : 8.07 MT in 1999-2000 and 6.26 MT in 1998-99 and non-coking coal feed for beneficiation of 0.601 MT in Bina Dreshing Plant of NCL for 1999-2000

** includes raw coal feed to washeries, direct feed, blendable to steel plants, coke ovens, private cokeries and NLW coal to cokeries.

In case of steel plants, lower off-take was largely due to their non-acceptance of washed coal from Kargali washery. Lower despatch to the fertilizer sector was due to reduced demand for coal from this Sector pursuant to switching over to gas to a large extent.

Companywise quantities of actual off-take, target in 1999-2000 vis-a-vis actual of the previous year are shown below:

(Figures in Million Tonnes)						
Company	1999-2000			1998-99		Growth over Last Year
	Target	Achieved	% achieved	Achieved	Absolute	%
ECL	29.00	26.55	91.55	26.35	0.2	0.76
BCCL	27.75	29.21	105.26	27.49	1.72	6.26
CCL	34.20	32.58	95.26	32.31	0.27	0.84
NCL	37.20	39.28	105.59	35.50	3.78	10.65
WCL	32.00	34.85	108.91	30.72	4.13	13.44
SECL	58.50	57.92	99.01	57.30	0.62	1.08
MCL	41.30	42.16	102.08	41.83	0.33	0.79
NEC	0.70	0.84	120.00	0.72	0.12	16.67
CIL	260.65	263.39	101.05	252.22	11.17	4.43

Although ECL, CCL and SECL failed to achieve the target in 1999-2000, off-take from these companies, however, surpassed last year's level. In case of SECL, reduced demand from Power Sector led to lower off-take. In case of ECL and CCL, however, due to several input constraints, their off-take could not match with the year's target. Furthermore, frequent agitations by MCC also affected the off-take in CCL.

3.2 Despatches of Coal and Coal Products by Various Modes

Total despatches of coal and coal products by various modes in 1999-2000 were 258.36 million tonnes against 245.44 million tonnes in 1998-99, showing a growth of 5.26% over 1998-99. Mode-wise despatches during 1999-2000 and 1998-99 are shown in the following table :

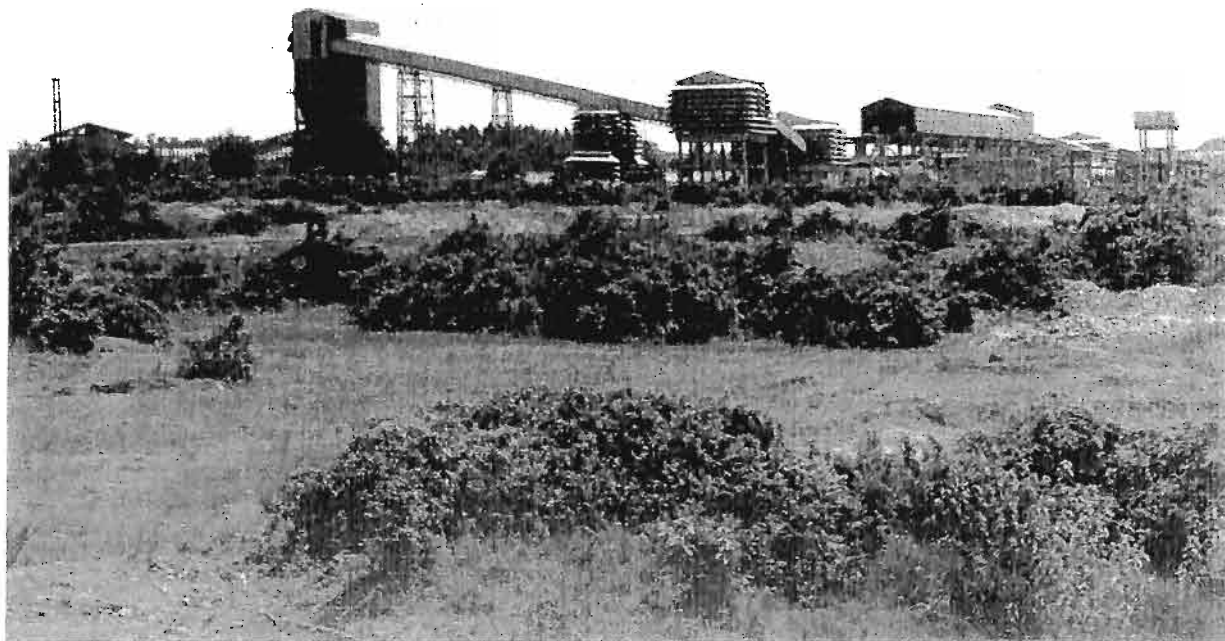
(Figures in Million Tonnes)						
Year	Rail	Road	MGR	Belt	Rope	Overall
1999-2000	156.13	30.41	59.02	7.54	5.26	258.36
1998-99	148.19	29.54	55.18	7.43	5.10	245.44
Increase/ Decrease	7.94	0.87	3.84	0.11	0.16	12.92
Growth %	5.36	2.95	6.96	1.48	3.14	5.26

3.3 Wagon Loading

Although the actual loading during 1999-2000 was 17975 wagons/day against a target of 18821 wagons/day resulting in a satisfaction of 96%, the wagon loading in 1999-2000 has registered a growth of 4.21% over 1998-99. Company-wise loading target, actual performance in 1999-2000 vis-a-vis that of 1998-99 are shown below :

Company	(Figures in FWWs/Day)					
	1999-2000			1998-99		Growth over Last Year
	Target	Achieved	% achieved	Achieved	Absolute	% age
ECL	2187	1852	85	1865	- 13	- 1
BCCL	2708	2872	106	2554	318	12
CCL	3264	2984	91	2904	80	3
NCL	776	762	98	642	120	19
WCL	2261	2492	110	2143	349	16
SECL	4201	3804	91	3852	- 48	- 1
MCL	3366	3149	94	3229	- 80	- 2
NEC	58	60	103	59	1	2
CIL*	18821	17975	96	17248	727	4

* Actual exclude daily average loading from Dankuni (DCC) of 7 and 18 FWWs/day for 1999-2000 and 1998-99 respectively.



A panoramic view of a Coal Handling Plant (CHP) at Lakhanpur, MCL

From the above table, it is seen that BCCL, WCL and NEC not only achieved target in 1999-00, but also registered growth over last year. But ECL, SECL and MCL failed to achieve the target in 1999-2000 and also registered negative growth. In CCL, on the other hand, the actual performance in 1999-00 was lower than the target, but it was higher compared to 1998-99.

3.4 Consumer Satisfaction

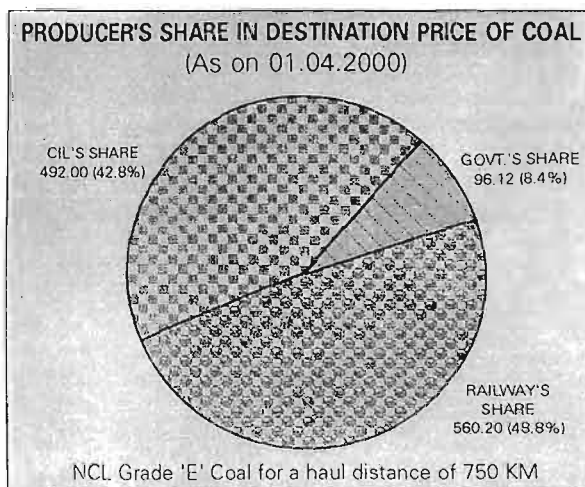
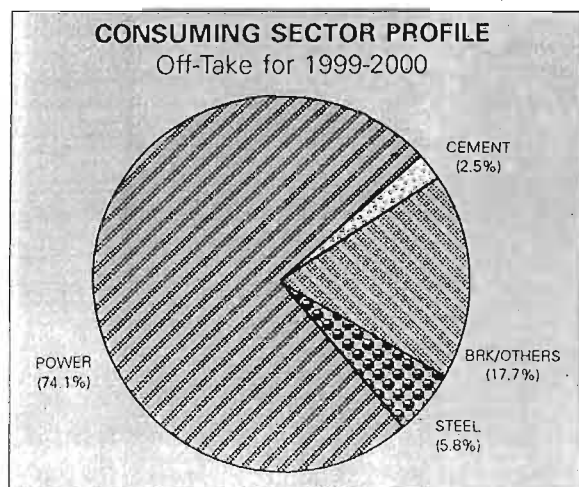
Consumer satisfaction is affected by complaints on quality, mainly related to the presence of over-sized stones/boulders, extraneous material, oversized coal etc. The following steps have been taken to enhance the consumers' satisfaction :

- CIL has built up coal handling plant capacity of 255.35 million tonnes per annum as on 31.3.2000, so as to maximise despatches of crushed/sized coal to the consumers. The net capacity addition during 1999-2000 was 3.01 million tonnes.
- Electronic/Mechanical weighbridges with the facility of electronic printout have been installed at rail loading points to ensure that coal despatches are effected only after proper

weighment. Weighbridges of different types (Electronic/Mechanised/converted electronic), 158 in number have already been installed in CIL for this purpose.

- Measures like picking of shale/stone, selective mining by conventional modes as well as by surface miners, adopting proper blasting procedure/technique for improved fragmentation of coal etc. are being taken for improving coal quality.
- Engagement of independent third party sampling agencies and adoption of joint sampling system are already in place for major consumers covering Power Sector, to eliminate possibility of disputes related to quality, as the consumers are required to pay on the basis of analysed grades of coal.

The number of complaints during 1999-2000 has reduced considerably to 94 from 311 in the year 1998-99. Corresponding number of complaints per million tonne of despatches has also reduced from 1.42 to 0.36.



Performance of weighment through Electronic Weighbridges and of sizing have improved in case of coal supply to Power Sector. Percentage of despatches weighed through Electronic Weighbridges during 1999-2000 has reached a level of about 91% as compared to 76% in the year 1998-99. The percentage of despatches of sized coal to Power Sector has reached a level of about 95% during 1999-2000 as compared to about 83% during 1998-99.

3.5 Steps Taken Towards Liberal Marketing of Coal

To improve the availability of coal to large section of buyers, particularly the small ones, a number of measures were taken. The important ones are :

- (a) Augmenting sale under Liberalised Schemes.

- (b) Sale through Trade Channel to reach the users located at distant points in the country. During 1999-2000, 5.63 lakh tonnes was sold under this scheme.

3.6 Export

During 1999-00, CIL exported 0.65 lakh tonnes of coal to Nepal and Bhutan and earned a revenue of Rs. 13.27 crores.

Details of Countrywise export are as under :

Country	Nepal	Bhutan	Total
Quantity (in '000 tonnes)	56.00	9.50	65.50
Realisation (in Rs. crores)	11.39	1.88	13.27

3.7 Stock of Coal, Coke etc.

Net provisional value of the pithead stock of coal and other products at the close of the year 1999-2000 after provision for stock deterioration etc. was Rs. 1242.19 Crores



Green ambiance created out of a central nursery in a coalfield, MCL

which was equivalent to 0.91 months' value of net sales. The Company-wise position of stocks as on 31.3.2000 and 31.3.1999 are given below :

Company	(Rs. in Crores)			
	Net Value of stock	Net value of stock	Stock in terms of no. of months Net sales	
	as on 31.3.2000	as on 31.3.1999	As on 31.3.2000	As on 31.3.99
ECL	122.24	218.48	0.67	1.28
BCCL	452.46	543.94	2.54	3.39
CCL	250.42	246.81	1.48	1.52
NCL	47.21	71.25	0.23	0.39
WCL	100.66	129.12	0.46	0.64
SECL	170.89	170.13	0.63	0.63
MCL	81.42	71.53	0.61	0.55
NEC/CIL	16.89	40.60	—	—
Total	1242.19	1491.86	0.91	1.16

3.8 Coal Prices

The prices of all grades of non-coking coal produced in NCL and CCL were increased by 6% and 5% respectively w.e.f. 31.5.99. The prices of coking coal produced in CCL were also increased by 4% from the same date.

3.9 Coal Sales Dues

Net Coal Sales dues as on 31.3.2000 was Rs. 4129.32 Crores (previous year Rs. 3975.98 Crores) after provision of Rs. 1589.48 Crores (previous year Rs. 1666.56 Crores) for bad & doubtful debts. The overall net dues are equivalent to 2.53 months Gross Sales (previous year 2.6 months). Subsidiary-wise Sales dues as on 31.3.2000 are shown below :

Company	(Rs. in Crores)			
	Coal Sales Dues as on 31.3.2000		Coal Sales as on 31.3.99	
	Gross	Net	Gross	Net
ECL	1118.56	848.81	876.14	636.05
BCCL	929.58	548.09	1164.07	570.05
CCL	1137.61	829.09	1081.02	844.71
NCL	224.64	127.76	305.27	219.38
WCL	617.43	492.69	597.64	400.97
SECL	1249.83	936.39	1152.61	908.48
MCL	427.66	344.32	443.56	386.51
NEC/CIL	13.49	2.17	22.23	9.83
Total	5718.80	4129.32	5642.54	3975.98

3.10 Payment of Royalty, Cess and Sales-Tax etc.

During the year 1999-2000, CIL and its Subsidiaries paid/adjusted Rs. 2765.55 Crores (previous year Rs. 2860.65 Crores) towards Royalty, Cess, Sales-tax and other levies, the details of which are as follows :

	(Rs. in Crores)	
	1999-2000	1998-99
Royalty	1820.92	1799.25
Cess	99.87	268.67
Sales-tax	757.40	714.44
Others	87.36	78.29
Total	2765.55	2860.65

4. PRODUCTION

Production of coal during 1999-2000 was 260.58 million tonnes as against 256.48 million tonnes in the previous year. The subsidiary-wise position is given below :

4.1 Raw Coal Production

Company	(Figures in Million Tonnes)					
	Coking		Non-coking		Total	
	99-00	98-99	99-00	98-99	99-00	98-99
ECL	0.23	0.28	24.89	26.88	25.12	27.16
BCCL	16.92	22.02	10.98	5.15	27.90	27.17
CCL	8.98	10.03	23.42	22.14	32.40	32.17
NCL	—	—	38.43	36.52	38.43	36.52
WCL	0.63	0.65	33.23	31.10	33.86	31.75
SECL	0.48	0.46	58.27	57.10	58.75	57.56
MCL	—	—	43.55	43.51	43.55	43.51
NEC	—	—	0.57	0.64	0.57	0.64
CIL	27.24	33.44	233.34	223.04	260.58	256.48

Coking coal includes coal graded as coking but used for non-metallurgical purpose

as well. Coal production was regulated on the basis of demand keeping the pit head stocks at manageable level.

4.2 Production from underground and open cast mines

Coal production from underground mines in 1999-2000 was 52.32 million tonnes as compared to 208.26 million tonnes from opencast mines. Production from opencast mines accounted for about 80% of the total production. The details are summarised below:

(Figures in Million Tonnes)

Com- pany	Underground production		Opencast production		Total production	
	99-00	98-99	99-00	98-99	99-00	98-99
ECL	11.91	12.94	13.21	14.22	25.12	27.16
BCCL	9.80	9.74	18.10	17.43	27.90	27.17
CCL	3.01	3.09	29.39	29.08	32.40	32.17
NCL	—	—	38.43	36.52	38.43	36.52
WCL	9.75	9.70	24.11	22.05	33.86	31.75
SECL	16.00	16.00	42.75	41.56	58.75	57.56
MCL	1.65	1.66	41.90	41.85	43.55	43.51
NEC	0.20	0.18	0.37	0.46	0.57	0.64
Total CIL	52.32	53.31	208.26	203.17	260.58	256.48

In order to improve production and productivity of underground mines, introduction of modern/mass production technology and improved methods of mining are being tried in a number of mines of SECL.

4.3 Soft Coke, Hard Coke and Washed Coal (Coking)

The production of Soft coke, Hard coke and Washed coal in 1999-2000 was 0.03 lakh tonnes, 1.11 lakh tonnes and 55.72 lakh tonnes respectively. Subsidiary-wise position is as follows :

(Figs. in Lakh Tonnes)

Com- pany	Soft Coke		Hard Coke		Washed Coal	
	99-00	98-99	99-00	98-99	99-00	98-99
ECL	—	0.01	—	—	—	—
BCCL	—	—	1.09	1.32	31.68	27.42
CCL	0.03	0.09	0.02	0.11	21.06	31.41
NCL	—	—	—	—	—	—
WCL	—	—	—	—	2.98	3.47
SECL	—	—	—	—	—	—
MCL	—	—	—	—	—	—
NEC	—	—	—	—	—	—
CIL	0.03	0.10	1.11	1.43	55.72	62.30



Talcher Central Workshop — an ISO 9002 project of MCL

Decrease in production of washed coal was mainly due to lower availability of raw coking coal suitable for the washery and the lower yield arising out of the need of end user (SAIL) for reduction in ash% in clean coal.

4.4 Overburden Removal

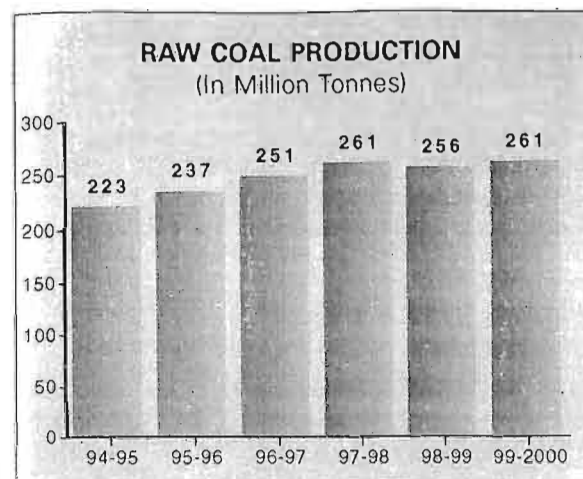
Overburden removal in 1999-2000 was 462.28 million cubic meters as against 451.51 million cubic metres in 1998-99. Subsidiary-wise position is shown below :

(Figs. in Million Cu. Mtrs.)

Company	1999-2000	1998-99
ECL	28.81	34.23
BCCL	51.38	54.96
CCL	46.54	46.53
NCL	122.83	111.93
WCL	95.53	91.59
SECL	67.06	64.71
MCL	47.46	44.01
NEC	2.67	3.55
Total/CIL	462.28	451.51

5. POPULATION OF EQUIPMENT

The population of major opencast equipment as on 1.4.2000 compared to 1.4.99 alongwith the performance in terms of availability and utilisation expressed as %age of CMPDIL norm is tabulated below :



Equip- ment	No. of Equipment		Indicated as % of CMPDIL norms			
	As on 1.4.00	As on 1.4.99	Availability		Utilisation	
			99-00	98-99	99-00	98-99
Dragline	41	40	100	101	106	105
Shovel	818	830	89	87	74	74
Dumper	3855	3753	99	96	60	60
Dozer	1095	1010	92	89	54	58
Drill	782	780	88	90	62	64

5.1 Capacity Utilisation

The overall capacity utilisation of CIL for the year 1999-2000 is 93.89% as compared to 93.27% of the year 1998-99. The Sbusidiary-wise details are as under :

(Figs. in %)

Sbusidiaries	1999-2000	1998-99
ECL	62.37	71.79
BCCL	83.02	89.65
CCL	77.94	73.54
NCL	105.45	93.87
WCL	110.88	110.44
SECL	104.90	101.93
MCL	93.53	109.10
NEC	85.39	70.78
CIL (overall)	93.89	93.27

6. AVAILABILITY OF POWER

ECL, BCCL and CCL operating in Eastern Region meet major part of their power requirements from DVC either directly or through BSEB, DPS and WBSEB. During 99-00 there was overall improvement in power supply though in case of DVC, there was some marginal deterioration (regarding number of interruptions). The data showing the position of power supply in ECL, BCCL and CCL during 98-99 and in 99-00 are indicated below :

(A) DVC Source

Com- pany	Demand in MVA		Availability in MVA		Interruptions in Nos.		Feeder hours Lost	
	98-99	99-00	98-99	99-00	98-99	99-00	98-99	99-00
ECL	90.0	90.0	87.8	88.1	1320	1468	1320	1095
BCCL	167.8	171.5	164.0	167.8	1240	1620	2241	1957
CCL	113.9	117.8	110.2	114.8	1930	1707	2265	1563
Total	371.7	379.3	362.0	370.7	4490	4795	5826	4615

(B) WBSEB Source

Com- pany	Demand in MVA		Availability in MVA		Interruptions in Nos.		Feeder hours Lost	
	98-99	99-00	98-99	99-00	98-99	99-00	98-99	99-00
ECL	35.0	35.0	34.32	34.66	1016	560	1398	802

(C) DPS Source

Com- pany	Demand in MVA		Availability in MVA		Interruptions in Nos.		Feeder hours Lost	
	98-99	99-00	98-99	99-00	98-99	99-00	98-99	99-00
ECL	31.0	31.0	30.95	30.97	66	54	62	42

CIL is having the following coal/reject based captive power plants.

- (i) Chinakuri, ECL 2 x 10 MW – stoker fired boiler based on coal.
- (ii) Moonidih, BCCL 2 x 10 MW – based on fluidised bed technology using washery reject as fuel.
- (iii) Kathara, CCL 2 x 10 MW – based on fluidised bed technology using washery reject as fuel.

In addition to above, the following Captive Power Plants under Build-Own-

Operate Scheme are under various stages of implementation.

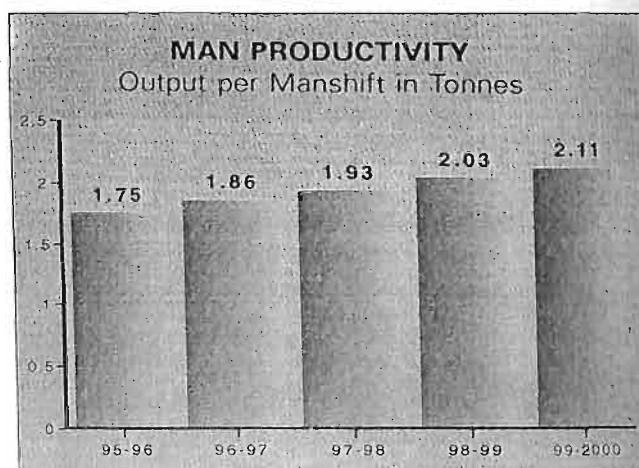
Location	Capacity
Rajrappa, CCL	1 x 10 MW
Gidi, CCL	1 x 10 MW
Madhuband, BCCL	1 x 10 MW
Piparwar, CCL	1 x 10 MW
Kedla, CCL	1 x 10 MW

7. PRODUCTIVITY: OUTPUT PER MANSHIFT (OMS)

Output per manshift (OMS) for the year under review has improved to 2.11 tonnes from 2.03 tonnes in the previous year, registering an improvement of about 4%. The Company-wise position is as under :

(Figures in Tonnes)

Com- pany	Underground		Opencast		Overall	
	99-00	98-99	99-00	98-99	99-00	98-99
ECL	0.45	0.46	3.48	3.64	0.83	0.85
BCCL	0.52	0.49	2.49	3.16	1.07	1.07
CCL	0.40	0.39	3.05	2.86	1.89	1.77
NCL	—	—	9.29	8.78	9.29	8.78
WCL	0.78	0.74	4.07	4.11	1.84	1.72
SECL	0.93	0.92	9.31	9.25	2.70	2.64
MCL	0.71	0.69	15.81	13.94	8.75	8.03
NEC	0.28	0.24	2.84	3.31	0.68	0.72
Overall	0.61	0.60	5.46	5.53	2.11	2.03
CIL						



8. PLANNING

The Annual Plan for the year 2000-2001 has set the following broad objectives :

Subsidiary	Production (MT)	Off-take (MT)	Capital Outlay (Rs. Cr.)
ECL	28	29	145
BCCL	29.5	29.8	140
CCL	34	34	260
NCL	39	39	946.7
WCL	33	33	390
SECL	60	60	536.48
MCL	43	43	357.14
NEC	0.5	0.7	3
CMPDI/DCC	—	—	12
Overall CIL	267	268.5	2790.32

8.1 Project Formulation

CMPDIL was engaged in preparation of project reports for new/expansion/re-organisation mines for building of additional production capacity. Additionally, CMPDIL prepared of special reports for safety, fires, development of infrastructures, operational plans etc.

During the year 1999-2000, a total of 265 reports including 25 Project Reports, 13 Revised Project Reports/Revised Cost Estimates, 65 Special Reports/Operational Plans, 13 Environmental Management Plans, 24 Geological Reports and 126 Other Studies have been prepared.

8.2 Project Implementation

During the year 1999-2000 the following 6 (six) projects have been completed :

Sl. No.	Company	Name of Project	Sanctioned Capacity in mty.	Sanctioned Cost in Rs. Crores
1	CCL	K. D. Hesalong Expn. OC	4.5	273.41
2	CCL	Urimari OC	1.3	95.33
3	WCL	Gandegaon OC	0.75	95.6
4	SECL	New Kumda (PSLW) UG	0.6	45.32
5	MCL	Kalinga OC	8	345.96
6	MCL	Lakhanpur OC	5	221.51

45 mining and 7 non-mining projects are in different stages of implementation. Of these 25 mining and 4 non-mining projects are on schedule and 20 mining and 3 non-mining projects are delayed due to factors like non-availability of land, problem of rehabilitation, delay in forest clearance, adverse geo-mining condition and fund constraints etc.

8.3 Projects Sanctioned by CIL Board during 1999-2000

During 1999-2000, CIL Board sanctioned P. R. for only one new project :

Sl. No.	Company	Name of Project	Sanctioned Capacity in mty.	Sanctioned Cost in Rs. Crores
1.	WCL	Nirguda OC	0.75	95.03

No RCE or RPR has been sanctioned by CIL Board during this year.

8.4 Project Reports and Revised Cost Estimates Sanctioned by the Government During 1999-2000

During the year 1999-2000 no Project Report and Revised Cost Estimates were sanctioned by the Government of India.

8.5 Allotment of Mining Blocks for Captive Use

During the year 1999-2000, three Sub-Blocks were allotted to Sponge Iron Sector by the Screening Committee constituted by the Ministry of Coal.

9. CAPITAL EXPENDITURE

Expenditure on capital account during 1999-2000 was Rs. 2769.66 Crores as against Rs. 1831.97 Crores of previous year.

The Companywise details of capital expenditure for 1999-2000 is as under :

Com- pany	(Rupees in Crores)			
	1999-2000		1998-99	
	(BE)	Actual	(BE)	Actual
ECL	120.00	119.91	140.00	131.23
BCCL	120.00	102.18	207.66	172.02
CCL	220.00	236.74	219.20	181.46
NCL	1000.00	1080.20	727.15	342.73
WCL	303.00	281.59	414.24	359.82
SECL	526.00	594.40	427.25	309.74
MCL	250.00	345.44	363.80	326.57
CMPDIL	5.00	5.76	5.00	2.91
NEC & CIL	12.00	3.44	12.70	5.49
Total	2556.00	2769.66	2517.00	1831.97

10. CAPITAL STRUCTURE

The authorised share capital of the company as on 31.3.2000 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
Total	Rs. 8904.18 crores

The paid-up capital as on 31.3.2000 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 of India, including Rs. 256.93 Crores worth of Equity Shares issued to the Government of India towards the value of land acquired.

Total investment by the Government of India in CIL and its subsidiaries as on 31.3.2000 was Rs. 8747.31 Crores as against Rs. 9168.05 Crores in the previous year, the details of which are as under :

		(Rs. in Crores)	
		As on 31.3.2000	As on 31.3.99
Share Capital	— Equity	6316.36	6316.36
	— Preference	904.18	904.18
Loan (including interest accrued and due)		1526.77	1947.51
Total		8747.31	9168.05

11. BORROWINGS

During the year CIL has repaid loans and paid interest to the Government. The details are as under :

Loan repayment	—	Rs. 605.35 Crores
Interest	—	Rs. 246.40 Crores
Total		Rs. 851.75 Crores

The amount of loan repayment includes pre-payment of 17% interest bearing loans, the outstanding balance of which as on 1.4.99 was Rs. 377.60 crores. These loans had balance tenure of 7 years. The pre-payment has been done with the objective of reducing interest cost. Resources for making the prepayment were mobilised by raising commercial borrowings from ICICI (Rs. 300 crores) and issuance of unsecured bonds (Rs. 80 crores) both for maturity matching with the balance tenure of the pre-paid Government loans. The company has received loan of Rs. 130.97 crores from the Government being mainly the equivalent of grant received by the Government from IDA (Rs. 99.78 crores) for Environment and Social Mitigation Project (ESMP) and from ODA (Rs. 31.19 crores) for Jhanjra project of ECL.

Besides, the borrowings and issuance of bonds as above, further borrowings of Rs. 300 crores were obtained from ICICI of which Rs. 200 crores was drawn with the purpose of prepaying an earlier loan of ICICI contracted at a higher cost. Besides, outstanding balance of

inter-corporate loans of Rs. 175 crores obtained from NLC in the previous year was fully repaid during the year.

12. FOREIGN COLLABORATION

Following foreign collaboration projects are under implementation during 1999-2000:

Sl. No.	Name of Project	Subsidiary	Country of collaboration
1.	Balrampur PSLW	SECL	China
2.	Rajendra PSLW	SECL	China
3.	Refurbishment of Churcha PSLW equipment to be used at Jhanjhra mine of ECL	ECL	DFID, UK
4.	New Kumda PSLW	SECL	China
5.	Supply of 4 nos. Hydraulic Shovels	MCL	France

During the year the following activities have been completed with foreign collaboration:

Sl. No.	Name of Project	Subsidiary	Country of collaboration
1.	Studies on "slope Stability"	NCL	Russia
2.	Preparation of Master Plan for		
	I Talcher Coalfields	MCL	Russia
	II Ib Valley Coalfields	MCL	Russia
	III Korba Coalfields	SECL	Russia

12.1 World Bank financed Projects

The procurement of equipment under Coal Sector Rehabilitation Project (CSRP) was scheduled to take place in two stages namely Stage A & B. The total value of the commitment for the Stage A is USD 522.60 million. Placement of orders for all the packages of equipment under Stage A have been completed by March, 2000. A total sum of USD 421.84 million has been disbursed by IBRD and JBIC till 31st March, 2000. A review

of the CSRP by CIL and the participating subsidiaries, in July, 2000, indicated that Stage B procurement needed to be deferred to ensure full utilisation of the equipment received under Stage A. Moreover, the review also indicated that a further investment of about USD 254 million would be required over and above the commitments made in Stage A in order to complete the CSRP. But, unlike the original schedule, the deployment of equipment would have to be spread over a longer time frame (2004-05), requiring revision of the procurement plan and stretching the disbursement period beyond the loan closure date. Accordingly, CIL, in consultation with Ministry of Coal, proposed cancellation of the total uncommitted part of the loan i.e. USD 507.40 million from IBRD and JBIC. The total revised loan facility from the IBRD and JBIC now stands at USD 522.60 million. The disbursements for the procurement under Stage A will continue till 2003-04.

As for the Coal Sector Environmental and Social Mitigation project (CSESMP) all the major activities under Environmental Action Plan (EAP), Rehabilitation Action Plan (RAP), Indigenous People Development Plan (IPDP) and Technical Assistance programmes are progressing as per schedule. Till 31st March, 2000, the utilisation of IDA credit has been USD 17.34 million.

13. GEOLOGICAL EXPLORATION

CMPDIL (a subsidiary of CIL) continued the detailed exploration of CIL blocks during the year 1999-2000 by engaging its own drilling resources along with the resources of Mineral Exploration Corporation Ltd. (MECL), State Govts. of M. P. and Orissa and private agencies in a limited manner. The services of private agencies were utilised for the detailed drilling in two blocks in Assam.

Coal Companies of CIL have identified blocks proposed to be retained by CIL to sustain a production level during 2006-07 (final year of Xth plan) for another 30 years i.e. upto

1999 – 2000

2036-37. These blocks retained by CIL are termed as CIL blocks. All other blocks, which have not been retained by CIL are termed as non-CIL blocks.

Apart from detailed drilling in CIL blocks, Promotional Drilling has been carried out by CMPDIL for the first time. Detailed drilling in Non-CIL blocks has also been carried out in a limited manner. During the year 1999-2000, nineteen coalfields were selected for Detailed Exploration and drilling was conducted in 97 blocks spread over in the states of Assam, West Bengal, Bihar, Maharashtra, M. P. and Orissa. Two blocks were taken up for promotional drilling in North Karanpura and detailed drilling was carried out in 3 Non-CIL blocks in North Karanpura, West Bokaro and Talcher coalfields. The overall performance of detailed drilling and promotional drilling by CMPDIL and its contractual agencies during 1999-2000 is given below :

**Agency-wise Drilling Achievements during 1999-2000
(For CIL, Non-CIL and promotional Drilling)**

Agency	Annual Target 1999-00	Achieved 1999-00 (m)	% achiev. against Annual Target	+/- (m)	Productivity (m/dr/ mth)
CMPDIL	192,000	196,826	103	4,826	349
MECL	7,000 + 5,500*	8,925	127	1,925	254
State Govts:					
M. P.	5,000	5,228	105	228	65
Orissa	2,500	3,837	153	1,337	142
Pvt. Parties	1,000	928	93	- 72	66
Total	2,07,500 + 5,500* = 2,13,000	215,744	104	8,244	297

Note : * MECL drilled 5500m in 98-99 from the work programme of 1999-2000. The drilling target of MECL for 1999-2000 was 7000m



Income generation activity (Carpet weaving) in a Rehabilitation & Resettlement Centre (R&R)

Apart from detailed drilling mentioned at above table, CMPDIL also carried out 5,397 metre of blast hole drilling for production support work in CCL command area.

14. CONSULTANCY SERVICES

In addition to satisfying the planning requirement of CIL and its subsidiary companies, CMPDIL (a subsidiary of CIL) is also offering expert consultancy services to CIL as well as outside organisations.

14.1 Consultancy Services to CIL

Expert consultancy services were provided to subsidiary companies of Coal India Limited in the field of Environmental Management and Monitoring, Remote Sensing, Energy Audit, Physico-mechanical Test on Rock and Coal Samples, Subsidence Studies, Strata Control, Non Destructive Testing (NDT), Controlled Blasting, Vibration Studies, Explosives Utilisation, Mining, Electronics etc. during the year 1999-2000.

A total of 265 reports have been prepared during the year under reference.

14.2 Outside Consultancy Services

During the year 1999-2000, consultancy services were also provided to 33 organisations for 45 jobs including services rendered for Special Smokeless Fuel jobs. Some of the important clients/organisations to whom services were provided are Steel Authority of India Limited, Neyveli Lignite Corporation Limited, Larsen & Tubro Limited, Bharat Heavy Electricals Limited, Punjab State Electricity Board, Haldia Dock Complex, Integrated Coal Mining Private Limited, BLA Industries Limited, Jayaswals NECO Limited etc. Presently, 13 outside consultancy jobs are in hand for 12 organisations like Madhya Pradesh Electricity Board, Punjab State Electricity Board, Singareni Collieries Company Limited, Indian School of Mines, Integrated Coal Mining Pvt. Ltd., Enron India Private Limited etc.

During the year 51 jobs worth Rs. 218.36 lakhs from 39 organisations were procured by CMPDIL.

In addition to above, CMPDIL undertook consultancy jobs from abroad. New Energy and Industrial Technology Development Organisation (NEDO) commissioned Centre for Coal Utilisation, Japan (CCUJ) to implement a research programme for an environment friendly coal utilisation system in India in co-operation with an Indian organisation through survey of coal mines and coal utilisation facilities, plant situation, operating conditions and environmental protection measures etc. and interviewing the related administrative offices, research institutes etc. As part of the above implementation programme, CCUJ and CMPDIL entered into an agreement on the 14th January, 2000. Site survey and visits to related authorities/plants were completed and final report submitted.

15. RESEARCH AND DEVELOPMENT

15.1 S&T Projects Funded by MOC

The Research & Development activities in Coal Sector are being administered through an Apex Scientific Body known as Standing Scientific Research Committee (SSRC) with Secretary (Coal) as its Chairman. The high level committee is entrusted with the vital task of planning, programming, budgeting and overseeing the implementation of the R&D programmes in Coal Sector and also seeking application of research findings. The SSRC is assisted by four Standing Sub-committees each dealing with one of the four relevant major areas of coal research viz,

- Production, productivity & Safety
- Coal Beneficiation
- Coal Utilisation
- Environment & Ecology

CMPDIL acts as a 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, who have capability and necessary infrastructure in concerned field. CMPDIL processes the same for funding through SSRC.

As on 31.3.2000, 39 projects are under various stages of implementation. During the year 1999-2000, 19 projects were sanctioned and 15 projects were completed.

15.2 R&D Projects funded by CIL R&D Board

R&D Board of CIL was constituted by Coal India in August, 1995. Field oriented research projects including transfer and absorption of new technologies are taken up in line with the identified thrust areas of the subsidiaries of CIL.

As on 31.3.2000, 11 R&D projects are under various stages of implementation. During the year 1999-2000, 5 projects were approved by CIL R&D Board.

16. TELECOMMUNICATION SYSTEM

To keep pace with rapid developments in the field of Telecommunication and Information Technology, CIL has been continuously updating its telecommunication systems for achieving higher productivity, better human resource management, stores and inventory control as well as building up an efficient Management Information System (MIS).

As per guide lines from PMO's Secretariat, New Delhi, CIL and all the Subsidiary Cos. have hosted Websites on Internet with the help of NIC through which

various information like organisation structure, major activities, availability of various grades of coal, foreign investments, Press releases and tender notices etc. have been put up and have been updated regularly for information of all concerned.

Marketing Dept., CIL has taken up a scheme for computerised sales and despatch reporting system, 'Coals-Rails' with all the Subsidiary Cos. In order to implement the same on real time basis in an integrated manner, a scheme has been taken up to establish high speed data communication link between CIL Marketing Dept. and all the Subsidiary Cos. with the help of NIC.

Significant progress has been made during the year 1999-2000 under Coalnet plan for linking Mines/Projects with Area offices and further with the respective Subsidiary Co. Hqrs. for speech and data connectivity. Hotline speech connectivity between NCL Hqrs., Singrauli and CIL, Calcutta has been established over DoT's optic fibre cable on leased basis replacing the old and costly satellite based (Analog SCPC) link. An integrated computer data communication network between various projects and Hqrs. is under progress in NCL.

In SECL, 9 nos. of 10 channels Digital UHF Radio links have been set up for linking the Area offices with various mines/projects. A scheme has also been taken up for establishing Digital Radio link and Optic fibre cabling along with multi-service voice, data multiplexer/switch to cater for inter networking between Area CGM/GM offices and Regional stores on turnkey basis.

In WCL, a proposal for establishing an integrated satellite based data communication network linking company Hqrs. at Nagpur with

all the Area offices, Area stores, central workshop etc. in closed user group (CUG) operation is under consideration.

Electronic Road and In-motion Rail weighbridges are being installed in coal siding under SECL, NCL, WCL and ECL.

Programs for augmenting communication system in UG mines of CIL have also been taken up and are being implemented under the mine electronification plan. Intrinsically safe UG communication system has been installed in SECL, WCL and BCCL.

All the above mentioned programmes would help achieve the targets and would contribute to overall growth of productivity and efficiency with higher safety level.

17. COMPUTERISATION

Year 2000 was very critical for Y2K problem, posing danger for computer related activities and microprocessor based systems throughout the globe. Coal India Limited drew well designed and time bound programme to address the Y2K problem in the year 2000. This was achieved by conducting awareness programs, Impact analysis, taking Inventory of all Hardware & Software and its upgradation/ replacement, wherever required. This resulted in smooth transition in the Year 2000 in all the subsidiaries without any problem.

To march towards E-Commerce, Coal India Ltd. launched WEB Site on 26th January, 2000 giving therein the information about CIL and its subsidiaries. It has taken further step to enhance the WEB concept in the areas of WEB enabled business and optimum utilisation of CYBER route of trading. The proposed enhancement will enable IT tools to come into closer contact with employees/customers/ clients etc. to receive their comments/

suggestions/grievances on line, and act on them and inform them promptly.

Information Technology has brought opportunities for Coal India and its subsidiaries, to change from concept of Data Processing to Data sharing and analysis for quick decision-making. This resulted in introducing strong Database at CIL and Subsidiaries. During the year, two subsidiaries namely WCL and MCL started implementing Oracle RDBMS. BCCL has already introduced oracle Database sometimes back, while other subsidiaries will introduce in due course.

18. MINES SAFETY

18.1 Progress on the safety front continued in the year 1999 and it has been possible to reduce the number of fatal accidents from 177 in 1975, the year of formation of CIL, to 90 in 1999. The number of fatalities have also reduced from 233 in 1975 to 99 in 1999. The Safety Statistics for CIL as a whole for 1999 compared to previous year are as follows :

Table-1 : Safety Statistics for CIL in 1999 compared to the same period last year

Parameter	Year 1999	Year 1998
Fatal Accidents	90	91
Fatalities	99	104
Serious Accidents	351	416
Serious Injuries	377	432
Fatality Rate per m.te. of coal production	0.39	0.4
Fatality Rate per 300,000 manshifts worked	0.24	0.24
Serious Injury Rate per m.te. of Coal production	1.49	1.63
Serious Injury Rate per 300,000 manshifts worked	0.92	0.99

Note : All figures for 1999 and those for serious accidents, injuries and concerned rates for 1998 are subject to reconciliation with DGMS.

18.2 Fatal Accidents & Fatalities

The Company-wise break-up of fatal accidents, fatalities, serious accidents and serious injuries are given in Table-2 below :

Table-2 : Company-wise Safety Statistics for 1999 compared to 1998

Company	Fatal Accidents & Fatalities				Serious Accidents & Injuries			
	Accidents		Fatalities		Accidents		Serious Injuries	
	99	98	99	98	99	98	99	98
ECL	20	23	24	25	147	146	154	151
BCCL	25	25	27	26	50	86	58	88
CCL	7	7	7	11	29	33	30	36
NCL	3	5	3	5	17	28	19	26
WCL	11	14	11	15	58	68	58	71
SECL	17	10	20	12	35	38	42	43
MCL	6	5	6	8	13	16	14	16
NEC	1	2	1	2	2	1	2	1
CIL	90	91	99	104	351	416	377	432

Note : All figures for 1999 and those for serious accidents, injuries for 1998 are subject to reconciliation with DGMS.

- (1) Safety Statistics are given in calendar years in conformity with DGMS.
- (2) Figures for fatal accidents, fatalities and concerned rates have been modified after reconciliation with DGMS.

18.3 Activities for further improvement of the Safety Scenario

During the year 1999, the following measures were taken to bring about an improvement in the safety performance of the company :

- (i) Safety Performance of CIL and its subsidiary companies was monitored in meetings of the Standing Committee on Safety in Coal Mines chaired by the Hon'ble MOS for Mines & Minerals, the CIL Safety Board, the Board of Directors of CIL, as well as in the monthly meetings of CMDs.

- (ii) Thrust on safety inspections of mines was maintained in 1999 by the Internal Safety Organisation (ISO) of CIL, as well as by the ISO of the subsidiary companies for sample checks on the status of safety in mines.
- (iii) Measures were taken to reduce roof and side fall accidents as below :
 - (a) Thrust on drawing up and implementation of Support Plans of underground mines based on Rock-Mass-Rating (RMR) and roof-bolting/roof-stitching systems of roof support was continued. RMR has been determined in 522 out of 526 development districts.
 - (b) Steel supports are being used wherever feasible, mostly in development districts. Out of 526 development districts and 307 depillaring districts, steel supports are being used in 446 districts. In most of the remaining 387, partial steel supports are being used.
 - (c) Roof bolting/stitching systems of support which find application mostly in development districts are being used in 425 districts out of 526 development districts and 307 depillaring districts.
- (iv) Training and retraining of workmen, including contractor's workers, and supervisory staff is vital for any meaningful action for reduction of accidents. In order to attack the two major causes of fatal accidents, accidents due to roof/side falls, and accidents at surface and open cast due to movement of wheeled trackless equipment, it was decided to give thrust

on training of support personnel and front-line supervisors, and operators of heavy Earth Moving Machinery and contractor's workmen respectively so that at least one-fifth of the persons on rolls is trained every year. The achievement in 1999-2000 in this regard is given below :

	Total on roll	Nos. trained	%
Support Personnel	19,101	4,716	24.7
Supervisory Staff	23,662	7,651	32.3
HEMM operators	12,992	2,623	20.2
Contractors' workers	NA	8,774	NA

19. MINES RESCUE SERVICES

Wherever mining activities are being undertaken by CIL, provisions for Rescue Stations and Rescue Rooms as required by the Dubey Committee and subsequently as decided in the 14th meeting of the Standing Committee on Safety in Mines have been made and the Rescue Services Organisation is maintained in state of constant preparedness to tackle any emergency in the underground mines of CIL. At present 6 Rescue Stations, 14 Rescue Rooms-with-Refresher-Training facilities and 18 Rescue Rooms are functioning.

20. HUMAN RESOURCE DEVELOPMENT

20.1 Overall Performance

34830 employees were trained during 1999-2000, out of which 9351 were executives, 8033 were supervisors and 17446 were workmen. The performance included in-house training efforts, external training efforts and training abroad. In addition, the training inputs at the area level have been considered.

The training of workmen and supervisors under statutory obligations are taken care of separately.

20.2 In-house Training

The corporate HRD plan for 1999-2000 was developed within the framework of the Strategic HRD plan, by integrating efforts of HRD in all the subsidiary companies and considering capabilities of twenty five training centres at different locations in Coal India.

In order to formalise Strategic HRD plan, a comprehensive HRD policy was followed which was approved by CIL Apex Training Board. The strategy arising out of HRD policy envisaged efforts in terms of inputs to technical training, management training, general development of workmen and supervisors and also transforming new employees for learning skills.

Total number of employees trained through in-house training efforts during 1999-2000 is given below :

Category	Employees Trained
Executives	7135
Supervisors	7515
Workmen*	16743
Total	31393

- * The training of workmen also includes training in the areas. However, the training of Workmen for meeting statutory obligation is carried out separately at vocational Training Centres throughout the companies.

20.3 Training Outside Company

- (i) **Within the Country :** In order to expose the employees in specialised fields through inter-organisational experience

and also for supplementing in-house training efforts, 3410 employees from eight subsidiary companies and CIL/HQ were trained under various Training Programme conducted outside the Company. The break-up of training efforts at different levels of employees is given below:

Category	Employees Trained
Executives	2198
Supervisors	509
Workmen	703
Total	3410

Category	Employees Trained
Executives	18
Supervisors	9
Workmen	Nil
Total	27

These employees were provided equipment based training against slots received through purchase contracts. A few slots on management training, to expose them on management principles and to improve knowledge and skill in specific spheres, were also utilised.

- (ii) **Training abroad :** 27 employees were trained abroad from April '99 to March , 2000, the details of which are mentioned below :

21. MANPOWER

21.1 The total manpower of the company including its subsidiaries as on 31.3.2000 was



Shri P. K. Sengupta, Chairman, CIL flagging off relief convoy at Dankuni Coal Complex for Orissa flood victims

5,62,071 as against 5,86,882 as on 31.3.99. Subsidiary company-wise position of manpower is as below:

Company	As on	Executives	Super-visor/ clerical staff	Skilled/ Semi- skilled/ unskilled workmen	Total
ECL	31.3.00	3025	16624	113734	133,383
	31.3.99	3089	17804	121853	142,746
BCCL	31.3.00	3067	16502	100409	119978
	31.3.99	3101	16860	107259	127220
CCL	31.3.00	3142	11353	66421	80916
	31.3.99	3178	11755	70060	84993
WCL	31.3.00	2599	10930	66699	80228
	31.3.99	2579	10929	69648	83156
SECL	31.3.00	3142	13173	81055	97370
	31.3.99	3160	13263	81682	98105
MCL	31.3.00	1383	3503	17973	22859
	31.3.99	1350	3376	18257	22983
NCL	31.3.00	1424	3063	12755	17242
	31.3.99	1389	3000	12804	17193
NEC	31.3.00	126	800	3364	4290
	31.3.99	136	827	3597	4560
CMPDI	31.3.00	931	971	1765	3667
	31.3.99	950	1001	1786	3747
DCC	31.3.00	75	149	463	687
	31.3.99	78	142	476	696
CIL (HQ)	31.3.00	397	749	305	1451
	31.3.99	400	776	307	1483
CIL as a whole	31.3.00	19311	77817	464943	562071
	31.3.99	19420	79733	487729	586882

21.2 The presidential directives for Scheduled Castes/Scheduled Tribes/OBC have been implemented in all the subsidiaries/units of Coal India Limited.

The representation of SC/ST employees in total manpower of CIL and its Subsidiary Companies as on 1.1.1999 and 1.1.2000 are given below:

As on	Total Manpower	Scheduled Caste		Scheduled Tribe	
		Nos.	Percentage	Nos.	Percentage
1.1.2000	569,316	136382	23.96	70884	12.45
1.1.1999	594,468	143664	24.17	74894	12.6

22. INDUSTRIAL RELATIONS AND EMPLOYEES PARTICIPATION IN MANAGEMENT

The Industrial Relations in CIL and its subsidiary companies remained cordial during the year. Various Joint Consultative forum met from time to time and all issues of mutual interest were resolved through discussions between the parties.

Joint Bipartite Committees are effectively functioning at Coal India, Hqrs., and JCC is functioning in all the subsidiaries most effectively and successfully. A Public/Staff Grievance Redressal Cell headed by the Chief



1999 – 2000

General Manager (Personnel) is also functioning at CIL (HQ).

Strikes and Bundhs

There were sporadic incidents of strike in the subsidiary companies. However, the overall mandays lost was much lower as compared to the previous year. The loss of production due to strike also reduced considerably. The above facts are presented in the following table :

Com- pany	No. of Strikes/Bundhs		No. of other Incidents		Mandays lost		Production Lost (in tonnes)	
	1998-99	1999-00	1998-99	1999-00	1998-99	1999-00	1998-99	1999-00
ECL	14	7	137	117	270425	77052	182556	65142
BCCL	8	5	51	16	11963	11753	78540	8093
CCL	1	6	58	21	25720	13284	69400	1847
WCL	5	3	8	7	18311	3277	22126	2600
SECL	8	13	1	0	42620	63656	71720	131850
NCL	2	3	35	22	2272	6443	0	79087
MCL	2	1	0	0	5112	92	76876	13208
NEC	0	0	0	0	0	0	0	0
CMPDI	4	1	0	0	1130	181	533	110
							(MTG)**	(MTG)**
CIL	0	0	0	0	0	0	0	0
Total	44	39	290*	183*	377553	175738	501218 +533 MTG	301827 +110 MTG

* Other incidents include GO-slow, Gherao/Assault/Demonstration/Obstruction for stoppage of work and Dharna etc.

** Metre Gauge.

23. EMPLOYEES' WELFARE AND SOCIAL SECURITY SCHEME

Due attention was given by the management to the welfare activities with a view to improve the quality of life of the employees. The basic facilities of Housing, Water Supply, Medical Care etc. were continued to be provided to the employees. Some of Educational Institutions which are operating in and around coal companies are being given assistance by way of grant in aid as a part of welfare and community development activities.

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

Item	Available at the time of Nationa- lisation	Additions during 1999-2000	Position as on 31.3.2000	Overall satis- faction
(i) Houses	1,18,366	3,997	4,04,135	71.90%
(ii) Water Supply (Population covered)	2.27 Lakhs	0.18 Lakhs	23.63 Lakhs	
(iv) Medical facilities				
(a) Ambulance	42	—	672	
(b) Hospitals	49	01	87	
(c) Hospital beds	1,482	2	5,931	
(d) Dispensaries	—	03	436	

* Besides, 24 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 Subsidiary Coal Companies have planted 32.79 Lakhs of seedlings in the Coalfield Areas during the year 1999-2000 to provide better environment.

24. IMPLEMENTATION OF OFFICIAL LANGUAGE

The year under reference witnessed the Silver jubilee celebration of the declaration of Hindi as Rajbhasha of the Nation. The occasion being celebrated through out the country as per programme circulated by the Central Govt. through Rajbhasha Deptt., Ministry of Home Affairs was a solemn opportunity for us. Coal India Limited and its subsidiaries had taken initiative to be a part of this large scale nation-wide programme. Number of programmes have been undertaken by the Coal India Limited and subsidiaries.

Implementation of Official Language has been amongst the priorities before CIL, so has

been the case during the year under review. To achieve the goal, a basic job of creation of conducive atmosphere required for acceptance of objectives, specially in the "C" region states, where CIL Hqrs. is operative, is progressing well. The goal can only be achieved through a planned, sustained and result based training of employees who are not at home in Hindi. CIL has chalked out an intensive Hindi training which is vigorously being implemented. Under this scheme, during the year 39 officers and staff have been trained in Praveen and Pragya examination whereas 30 persons have been nominated to Hindi workshops. Number of other steps have been initiated for various developmental activities to propagate use of Hindi in Official works. The comprehensive scheme drawn for training of the workers and officers in CIL Hqrs. aimed at completion of the total training of the employees by 2001 in a phased manner.

In the apex office of CIL at Calcutta, Rajbhasha Implementation Committee has been constituted with HODs as its members. This committee monitors the progress and suggests remedial measures in different areas where more sustainable efforts are required to achieve the goal.

Copies of "Koyala Udyog Sabdawali" have been widely circulated. All the letter received in Hindi are replied in Hindi only. Hindi library is being set in each Deptt. for facilitating the availability of the supplementary literature to the department concerned. The company has also procured and distributed nearly 30 Devnagari Software to various departments and training for its utilisation is on progress.

Apart from the above, the Rajbhasha Deptt. monitors the publication of magazines like the KHANAN BHARATI, JYOTSNA, SAURAV, PALLAV, VASUNDHARA, SAMPADA and PRATIBIMB through out the year.

To propagate the use of Hindi, a comprehensive cash award scheme has been formulated to motivate employees in Noting, Drafting and Letter writing. Implementation at individual levels is another area earmarked to reward the persons concerned. The review of progress in each Deptt. is done on regular basis to ensure effective utilisation of Hindi in the Official work.

The Company has also participated in various functions/meetings and seminars organised by Calcutta Town Official Language Implementation Committee (CALTOLIC), Calcutta, Ministry of Coal as well as other Hindi propagating organisations.

Standard Hindi drafts on various matters have been prepared and circulated among the employees. Similarly, draft of letters, words required to be used in day to day works have been distributed amongst the officials. Hindi noting and drafting in the files have been introduced. Each Deptt. has been advised to identify the subject of files to be maintained in Hindi only. The orders relating to transfers, promotions, notifications and other communication with trade union forums/ individuals, Govt. sector are also progressively being done in Hindi.

25. ACTIVITIES OF VIGILANCE DEPARTMENT

25.1 Activities

CIL (HQ) Vigilance Department is headed by an Officer designated as Chief Vigilance Officer. There are 18 other executives including four at M-2 level and 22 non-executives in this Department. Besides the Vigilance set-up at CIL (HQ), separate vigilance set-ups exist at subsidiary level headed by either CVO or by a Departmental Officer. The CIL Vigilance Department co-ordinates the activities of the Subsidiary Vigilance Wings as well as acts as a nodal agency for furnishing information/

statistics, etc. to the MOC & CVC. The Vigilance Department also does liaison with CBI and other anti-corruption agencies and advises Chairman, CIL/Subsidiary CMDs on all aspects of preventive and punitive Vigilance. In addition to above, this department renders the advice and guidance in Vigilance Investigation and other related activities to the subsidiary companies.

During the year emphasis was given on system-improvement in the following areas :

- (i) Curbing coal stock shortages and over reporting of production in coal producing subsidiary companies of Coal India Limited.
- (ii) Prevention of irregularities in providing employment by subsidiary companies.
- (iii) Transport contracts and movement of coal and sand.
- (iv) Quarterly review of disciplinary proceedings pending for more than one year.
- (v) Amendments to CDA Rules, 1978 of CIL.
- (vi) Identification of sensitive departments and transfer of personnel occupying sensitive posts for long periods.

25.2 Important Achievements

- (i) During the year Rs. 6.52 lakhs recovered from a Supplier towards Risk Purchase notice against a tender floated by CIL MM Department.
- (ii) The recovery process of Rs. 8.09 lakhs towards outstanding Sales realisation for supply of coal from NEC to Cement Corporation of India has been settled and almost recovered.

- (iii) Recovery action has been completed of old outstanding bills against supply of coal from WCL to the extent of Rs. 1.75 lakhs from Central Railways.
- (iv) Amendment of CDA Rules has been made.
- (v) Regular surprise inspections of various departments of CIL which yielded good material for further investigation.
- (vi) As advised by CVC, action has been taken to computerise the Property Returns annually submitted by executives for effective monitoring and follow up action.
- (vii) An workshop on Marketing policies and procedures was organised by this Department on 5.1.2000.

26. PARTICULARS OF EMPLOYEES

None of the employees received salary of Rs. 50000/- per month or Rs. 6,00,000/- 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.

27. BOARD OF DIRECTORS

During the year under review, Shri P. K. Sengupta, Chairman, Shri C. H. Khisty, Director (P&IR), Shri A. Chatterjee, Director (Finance) and Shri N. K. Sharma, Director (Technical) continued on the Board.

Shri P. K. Banerji, Additional Secretary, Ministry of Coal, Shri Vivek Mehrotra, Joint Secretary & Financial Adviser, Ministry of Coal were on the Board upto 17.8.99 and 12.2.2000 respectively while Shri Swarup K. Gupta, Additional member (Traffic), Railway Board continued as part-time Directors of the Company. Shri C. D. Arha, Additional Secretary,

Ministry of Coal and Dr. S. Behuria, Joint Secretary & Financial Adviser, Ministry of Coal were inducted on the Board of the Company as part-time Directors w.e.f. 17.8.99 and 24.3.2000 respectively.

Shri K. C. Vijn, Chairman-cum-Managing Director, Western Coalfields Limited, Nagpur and Shri S. K. Varma, Chairman-cum-Managing Director, Central Mine Planning & Design Institute Limited, Ranchi continued on the Board up to 27.4.99.

Shri S. N. Sharma, Chairman-cum-Managing Director, Mahanadi Coalfields Limited and Shri G. K. Jha, Chairman-cum-Managing Director, South Eastern Coalfields Limited were on the Board from 8.6.99.

Your Directors wish to place on record their deep sense of appreciation for the valuable guidance and services rendered by S/ Shri P. K. Banerji, Vivek Mehrotra, K. C. Vijn and S. K. Varma during their tenure as Part-time 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 wholtime Directors shall retire at the coming Annual General meeting and they are eligible for reappointment.

The Board of Directors held 8 (Eight) meetings during the year 1999-2000.

28. ACCOUNTS OF THE SUBSIDIARIES

The copies of Accounts of the Subsidiary Companies for the year 1999-2000 are attached in Vol. - II with the Annual Report and Accounts of the Company in compliance with requirement of Sec. 212 of the Companies Act, 1956.

As accumulated losses of ECL had exceeded its net-worth as on 31.3.1999, the Company was referred to BIFR under Section 15(1) of the Sick Industrial Companies (Special Provisions) Act, 1985. The Company's application was registered as Case No. 501/ 2000. A hearing was held on 30th August, 2000 before bench No. 1 consisting of Mr. P. P. Chauhan, Chairman and Mr. G. Narayanan, Member. BIFR has sought some clarifications from ECL, which are being furnished.

Though BIFR at its last hearing held on 22.12.97 discharged BCCL out of BIFR, the company was under watch by BIFR under Section 23 of SICA as its accumulated losses were more than 50% of its paid-up share capital and it was continuing to make losses. As on 31.3.2000 the net worth of BCCL has again become negative. Necessary steps are being taken under the provisions of SICA.

29. ACKNOWLEDGEMENT

The Board of Directors of your Company wish to record their deep sense of appreciation for the sincere efforts put in by the Trade Unions and the employees of the Company. Your Directors also gratefully acknowledge the co-operation, support and guidance extended to the company by the various Ministries of the Government of India in general and Ministry of Coal in particular as also the State Governments. Your Directors also acknowledge with thanks the assistance and guidance rendered by the Auditors, the Comptroller and Auditor General of India, Members of the Company Law Board and the Registrar of Companies, West Bengal. Your Directors also wish to place on record their sincere thanks to the Consumers for their patronage.

30. ADDENDA

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

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, 2000.

For and on behalf of
the Board of Directors

Calcutta

Dated : 27th September, 2000.

P. K. Sengupta
Chairman



Annual Report

Annual Accounts **1999 – 2000**

1999-2000

Balance Sheet

As At 31st March, 2000

	Schedule	(Rs. in '00,000)	
		Current Year	Previous Year
I. SOURCES OF FUND			
A. Shareholders' Fund			
(a) Share Capital	A	722054.44	722054.44
(b) Share Money Pending Allotment	B	—	—
(c) Reserves & Surplus	C	137460.87	92184.07
National Renewal Fund		336.95	1616.17
B. Loan Fund			
(a) Secured	D	135444.47	189417.26
(b) Unsecured	E	414384.97	251614.39
		549829.44	441031.65
		1409681.70	1256886.33
II. APPLICATION OF FUND			
A. Fixed Assets	F		
(a) Fixed Assets		34556.67	33054.06
Less : Depreciation		16213.37	14621.65
(b) Capital Work-in-Progress		18343.30	18432.41
		422.10	3995.22
B. Investment	G	722056.00	722056.00
C. Current Assets, Loans & Advances			
Inventories	H	1995.36	4465.87
Sundry Debtors	I	216.87	982.97
Cash & Bank Balances	J	26954.26	19104.19
Loans & Advances	K	733235.16	551283.33
Less : Current Liabilities & Provisions	L	762401.65	575836.36
		93806.86	63600.12
		668594.79	512236.24
D. Miscellaneous Expenditure	M	265.51	168.46
(To the extent not written-off or adjusted)			
		1409681.70	1256886.33
Accounting Policies and Notes on Accounts are forming part of the Accounts	N		
Sd/- Dr. H. Sarkar Company Secretary	Sd/- S. B. Das Chief General Manager (F)	Sd/- A. Chatterjee Director (F)	Sd/- P. K. Sengupta Chairman

In terms of our separate report of even date :
For M. C. Bhandari & Co.
Chartered Accountants

Calcutta
Dated : The 19th September, 2000

Sd/-
(M. R. Jain)
(Partner)

Profit & Loss Account

For the Year Ended 31st March, 2000

			(Rs. in '00,000)
INCOME	Schedule	Current Year	Previous Year
Sales	1	8570.22	7528.72
Coal Issued for other purposes	2	225.39	209.06
Other Income	3	92023.53	80662.85
		100819.14	88400.63
EXPENDITURE			
Decretion of Stock	4	2370.55	1210.47
Purchase of Coal & Coke etc.	5	0.00	0.80
Consumption of Stores & Spares	6	644.29	787.20
Coal Issued for other purposes per contra	7	17.77	23.03
Employees' Remuneration and Benefits	8	7380.57	7197.16
Adhoc Provision for Impact of Pay/Wage Revision (See Note No. 10.2(A); Part-B, Sch-N)		573.90	—
Social Overhead	9	1168.61	1086.71
Power & Fuel	10	858.61	655.75
Repairs	11	288.14	366.73
Contractual Expenses	12	2120.69	2282.45
Other Expenditure	13	1694.84	1937.22
Interest	14	20289.75	9653.39
Finance Charges	15	4763.23	693.79
Depreciation		1829.24	1375.67
Provisions/Write Off	16	837.42	173.93
		44837.61	27444.30
		55981.53	60956.33
PROFIT FOR THE YEAR			
Prior Period Adjustment	17	2136.14	— 335.84
PROFIT BEFORE TAX		58117.67	60620.49
Provision for Income Tax		—	—
		58117.67	60620.49
PROFIT AFTER TAX			
		3.34	166.37
Profit brought forward from previous year		58121.01	60786.86
PROFIT AVAILABLE FOR APPROPRIATIONS			
APPROPRIATION			
Bond Redemption Reserve		14000.00	23234.44
Preference Share Redemption Reserve		26000.00	20742.00
Reserve for Foreign Exchange Transactions		1485.63	—
Transfer to General Reserve		3551.12	3966.21
Proposed Preference Dividends		9041.80	—
Interim		—	9041.80
Final		—	—
Proposed Equity Dividends		2526.55	—
Interim		—	2526.55
Final		1272.52	1272.52
Tax on Dividend		243.39	3.34
BALANCE CARRIED TO BALANCE SHEET			

Statement on Significant Accounting Policies, Notes on Accounts
The Schedules referred to above form an integral part of Accounts

Sd/-
Dr. H. Sarkar
Company Secretary

Sd/-
S. B. Das
Chief General Manager(F)

Sd/-
A. Chatterjee
Director (F)

Sd/-
P. K. Sengupta
Chairman

In terms of our separate report of even date :
For M. C. Bhandari & Co.
Chartered Accountants

Calcutta
Dated : The 19th September, 2000

Sd/-
(M. R. Jain)
(Partner)

1999 - 2000

Schedule to Balance Sheet

As At 31st March, 2000

SCHEDULE - A

SHARE CAPITAL	Current Year	(Rs. in '00,000) Previous Year
<i>Authorised</i>		
(i) 9041800 Non-cumulative 10% Redeemable Preference Shares of Rs. 1000/- each (Previous Year 9041800 Non-Cumulative 10% Redeemable Preference Shares of Rs. 1000/- each)	90418.00	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
	890418.00	890418.00
ISSUED, SUBSCRIBED AND PAID UP		
(i) 9041800 Non-Cumulative 10% Redeemable Preference shares of Rs. 1000 each fully paid up by way of conversion of GOI loan (Previous year 9041800 Non-Cumulative 10% Redeemable Preference Shares of Rs. 1000/- each). (To be redeemed out of profits in the year 2003-2004)	90418.00	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	722054.44

Note : Entire paid-up Share Capital held by GOI.

SCHEDULE - B

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

SCHEDULE TO BALANCE SHEET (CONTD.)

SCHEDULE - C

		(Rs. in '00,000)	
RESERVES & SURPLUS		Current Year	Previous Year
A. RESERVES			
(a) Bond Redemption Reserve :			
Balance as per last account	44024.52	20790.08	
Add : Amount transferred from Profit and Loss Account	14000.00	23234.44	
	<u>58024.52</u>	<u>44024.52</u>	
(b) Preference Share Redemption Reserve :			
Balance as per last account	38742.00	18000.00	
Add : Amount transferred from Profit and Loss Account	26000.00	20742.00	
	<u>64742.00</u>	<u>38742.00</u>	
(c) Reserve for Foreign Exchange Transactions:			
(X) Amount transferred from Profit and Loss Account	1485.63		
(d) General Reserve :			
Balance as per last account	9414.21	5448.00	
Add : Amount transferred from Profit and Loss Account	3551.12	3966.21	
	<u>12965.33</u>	<u>9414.21</u>	
B. SURPLUS			
Profit and Loss Account :			
Balance carried forward	243.39	3.34	
TOTAL (A+B)	<u>137460.87</u>	<u>92184.07</u>	

SCHEDULE TO BALANCE SHEET (CONTD.)

SCHEDULE - D

(Rs. in '00,000)

SECURED LOAN

Loan from Scheduled Banks

(Secured by hypothecation of stock of Stores & Spareparts, Stock of Coal & Coke, Book Debts & other Assets of CIL and Subsidiary Companies) -

(See note no. 9.1 of Schedule-N)

	Current Year	Previous Year
Cash Credit	6026.91	50014.26
Working Capital Demand Loan	25513.64	11000.00
Foreign Currency Non Resident Borrowing	12500.97	—
Commercial Paper	17999.95	—

Secured Bond

(To be secured by hypothecation of Plant & Machinery of NCL, SECL & WCL)

All Redeemable at par

15.5% Non Convertible (earliest redemption April '99)	—	30000.00
9% Tax free Non Convertible (earliest redemption March, 2000)	—	15000.00
17% Non Convertible (Taxable) (earliest redemption Feb., 2002)	18623.00	18623.00
17% Non Convertible (Taxable) earliest redemption Feb., 2004)	24780.00	24780.00
	43403.00	88403.00

Corporate Loan from Financial Institutions

(Secured by hypothecation of moveable assets of the company and certain specified assets of its Subsidiaries)

	30000.00	40000.00
--	----------	----------

135444.47

189417.26

SCHEDULE TO BALANCE SHEET (CONTD.)

SCHEDULE - E

(Rs. in '00,000)

Current Year Previous Year

UNSECURED LOAN

Long term loan from Government of India

144619.79 192058.09

Short Term Loan

(Payable within one Year)

From Bank

21706.36 17500.00

From World Bank (Guaranteed by GOI)

JEXIM

103143.93 20195.19

IBRD

91801.98 19136.68

Un-Secured Bonds

11% Non Convertible (Taxable) (earliest redemption July, 2000)	2000.00
11.45% Non Convertible (Taxable) (earliest redemption July, 2000)	2500.00
11.50% Non Convertible (Taxable) (earliest redemption July, 2000)	1500.00
11.50% Non Convertible (Taxable) (earliest redemption July, 2000)	1000.00
12.25% Non Convertible (Taxable) (earliest redemption Dec., 2000)	1100.00
12.25% Non Convertible (Taxable) (earliest redemption Dec., 2001)	1100.00
12.25% Non Convertible (Taxable) (earliest redemption Dec., 2002)	1100.00
12.25% Non Convertible (Taxable) (earliest redemption Dec., 2003)	1100.00
12.25% Non Convertible (Taxable) (earliest redemption Dec., 2004)	1100.00
12.25% Non Convertible (Taxable) (earliest redemption Dec., 2005)	1100.00
12.25% Non Convertible (Taxable) (earliest redemption Dec., 2006)	1400.00

15000.00

Public Deposit

Fixed

3.62

4.99

Cumulative

26.32

26.44

29.94 31.43

Corporate Loan from Financial Institution

30000.00 314285.71428

Interest Accrued and Due on Govt. Loan

8056.75 2678.80

Interest Accrued and Due on Public Deposit

14.20 14.20

Interest Accrued and Due on Working Capital Demand Loan

12.02

414384.97

251614.39

SCHEDULE TO BALANCE SHEET (CONTD.)

SCHEDULE - F

(Rs. in '00,000)

FIXED ASSETS

	C O S T				DEPRECIATION				NET BLOCK	
	As on 01.04.99	Addition during the year	Adj./Sales/ Trans. during the year	Total as on 31.03.00	As on 01.04.99	Addition during the year	Adj./Sales/ Trans. during the year	Total as on 31.03.00	As on 31.03.00	As on 31.03.99
LAND										
(a) Freehold	671.90	—	0.40	672.30	0.00	—	—	0.00	672.30	671.90
(b) Leasehold	1.01			1.01	0.15	1.01		0.16	0.85	0.86
BUILDING	6605.26	38.01	172.59	6815.86	1119.72	142.33	10.96	1273.01	5542.85	5485.54
PLANT & MACHINERY	17152.32	1664.69	-194.67	18622.34	9338.78	970.58	-183.97	10125.39	8496.95	7813.54
FURNITURE & FITTINGS/ OFFICE EQUIPMENTS	1489.48	31.11	-4.99	1515.60	930.80	269.20	-0.64	1199.36	316.24	558.68
RAILWAY SIDING	905.93			905.93	335.62	43.03		378.65	527.28	570.31
VEHICLES	362.09		-9.37	352.72	245.76	21.74	-8.99	258.51	94.21	116.33
AIRCRAFT	1557.87		-98.88	1458.99	692.76	81.70	-98.88	675.58	783.41	865.11
TELECOMMUNICATION	276.09	0.99	31.05	308.13	110.04	158.73	8.80	277.57	30.56	166.05
DEVELOPMENT	3228.45	29.20	-172.99	3084.66	1520.18	147.29	-11.00	1656.47	1428.19	1708.27
PROSPECTING & BORING	803.66	20.80	-5.33	819.13	327.84	41.29	-0.46	368.67	450.46	475.82
TOTAL	33054.06	1784.80	-282.19	34556.67	14621.65	1875.90	-284.18	16213.37	18343.30	18432.41
CAPITAL WORK-IN-PROGRESS	3995.22	121.81	-3694.93	422.10	—	—	—	—	422.10	3995.22
GRAND TOTAL	37049.28	1906.61	-3977.12	34978.77	14621.65	1875.90	-284.18	16213.37	18765.40	22427.63
PREVIOUS YEAR										
FIXED ASSETS	32920.31	482.19	-348.44	33054.06	13213.34	1457.23	-48.92	14621.65	18432.41	19706.97
CAPITAL WORK-IN-PROGRESS	3955.43	289.56	-249.77	3995.22	—	—	—	—	3995.22	3955.43

ALLOCATION OF DEPRECIATION

	CURRENT YEAR	PREVIOUS YEAR
Profit & Loss Account	1829.24	1375.69
Social Overhead	39.75	58.06
Power & Fuel	5.93	5.93
Prior Period Adjustment	0.49	-4.37
Development	—	10.21
Transfer In/Out	-90.94	-3.24
Other Adjustment	-192.75	-33.95
Total	1591.72	1408.33



SCHEDULE TO BALANCE SHEET (CONTD.)

SCHEDULE - G

(Rs. in '00,000)

Current Year

Previous Year

INVESTMENT (Unquoted) (Valued at Cost)

In Fully Paidup Preference Shares of Subsidiary Companies : (Paid up by way of conversion of loan)

2041800 Cumulative 10% Redeemable Preference Shares of Rs. 1000/- each in Mahanadi Coalfields Ltd. (Previous Year - 2041800 Cumulative 10% Redeemable Pref. Shares of Rs. 1000/- each)	20418.00	20418.00
4000000 Cumulative 10% Redeemable Preference Shares of Rs. 1000/- each in Northern Coalfields Ltd. (Previous year - 4000000 Cumulative 10% Redeemable Pref. Shares of Rs. 1000/- each)	40000.00	40000.00
3000000 Cumulative 10% Redeemable Preference Shares of Rs. 1000/- each in South Eastern Coalfields Ltd. (Previous Year - 3000000 Cumulative 10% Redeemable Pref. Shares of Rs. 1000/- each)	30000.00	30000.00

In Fully Paid up Equity Shares of Subsidiary Companies :

22184500 Equity Shares of Rs. 1000/- each in Eastern Coalfields Ltd. (Previous Year 221,84,500 Equity Shares of Rs. 1000/- each)	221845.00	221845.00
21180000 Equity Shares of Rs. 1000/- each in Bharat Coking Coal Ltd. (Previous Year 211,80,000 Equity Shares of Rs. 1000/- each)	211800.00	211800.00
94,00,000 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
2971000 Equity Shares of Rs. 1000/- each in Western Coalfields Ltd. (Previous Year 29,71,000 Equity Shares of Rs. 1000/- each)	29710.00	29710.00
1,90,400 Equity Shares of Rs. 1000/- each in C.M.P.D.I.L. (Central Mining Planning & Design Institute Ltd.) (Previous Year 1,90,400 Equity Shares of Rs. 1000/- each)	1904.00	1904.00
1864009 Equity Shares of Rs. 1000/- each in Mahanadi Coalfields Ltd. (Previous year 18,64,009 Equity Shares of Rs. 1000/- each)	18640.09	18640.09
1776728 Equity Shares of Rs. 1000/- each in Northern Coalfields Ltd. (Previous Year 17,76,728 Equity Shares of Rs. 1000/- each)	17767.28	17767.28
3597000 Equity Shares of Rs. 1000/- each in South Eastern Coalfields Ltd. (Previous Year 35,97,000 Equity Shares of Rs. 1000/- each)	35970.00	35970.00

In Fully Paid-up Equity Shares of Other Company :

16,334 Equity Shares of Rs. 10/- each in Management and Technology Applications (India) Ltd. (Previous Year 16,334 Equity Shares of Rs. 10/- each)	1.63	1.63
	722056.00	722056.00

SCHEDULE TO BALANCE SHEET (CONTD.)

SCHEDULE - H

	Current Year	(Rs. in '00,000) Previous Year
INVENTORIES		
(As valued and certified by the Management)		
Stock of Stores & Spareparts (at cost)	483.86	529.97
Less : Provision for slow-moving/ non-moving obsolescence/shortage	179.20	132.54
	<u>304.66</u>	<u>397.43</u>
Stores-in-transit (at cost)	1.62	8.81
	<u>306.28</u>	<u>406.24</u>
Stock of Coal (Valued at lower of Cost or Market Price)	4591.76	6803.59
Coke (Valued at lower of Cost or Market Price)	0.75	0.75
	<u>4592.51</u>	<u>6804.34</u>
Less : Provisions	2903.43	2744.71
	<u>1689.08</u>	<u>4059.63</u>
	<u>1995.36</u>	<u>4465.67</u>

SCHEDULE TO BALANCE SHEET (CONTD.)

ANNEXURE TO SCHEDULE - H

NAME OF COMPANY, NEC, CIL, MARGHERITA, ASSAM
PARTICULARS IN RESPECT OF COAL STOCK AS ON 31.03.2000

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

PARTICULARS	OVERALL STOCK		PROVISION FOR NON VENABLE STOCK		VENDBLE STOCK	
	QTY.	VALUE	QTY.	VALUE	QTY.	VALUE
(A) RECONCILIATION OF BOOK STOCK AND MEASURED STOCK						
1. Opening stock as on 01.04.99 (As Per Accounts)	841.62	6739.71			841.62	6739.71
2. Add production for the year	572.28	6266.01			572.28	6266.01
Add : Transfer in	0.00	0.00			0.00	0.00
3. Sub Total (1+2)	1413.90	13005.72			1413.90	13005.72
4. Less Off take for the year						
(A) (i) Outside despatch	820.74	8252.45			820.74	8252.45
(ii) Transferred out	0.00	0.00			0.00	0.00
(B) Internal Consumption for Washing etc.	19.66	225.39			19.66	225.39
(C) Consumption for Boiler and domestic coal						
Total (4)	840.40	8477.84			840.40	8477.84
5. Derived stock (3 - 4)	573.50	4527.88			573.50	4527.88
6. Measured Stock	554.37	4381.14			554.37	4381.14
7. (Difference (5-6))	19.13	146.74			19.13	146.74
8. Break up of difference :						
(A) Excess within 5%					19.13	146.74
(B) Shortage within 5%	19.13	146.74				
(C) Excess beyond 5%						
(d) Shortage beyond 5%						
9. Closing stock adopted in Accounts (6 - 8A + 8B)	573.50	4527.88			573.50	4527.88

Qty. Value
573.50 4527.88

(B) Reconciliation of closing stock adopted in Accounts

Less : Net shortage of more than 5% accounted for in the Accounts but not adjusted from Book Stock pending write off

Less : Non-venable stock including mixed stock and stock on which provision equivalent to the value has been made in accounts but qty. not adjusted in Book Stock as well as accounts.

Less : Charges for Rehandling of pit head Stock

Less : Provision made in accounts to take care of future deterioration of Coal Stock

Stock as per Accounts after all Provisions

2838.80
573.50 1689.08

SCHEDULE TO BALANCE SHEET (CONTD.)

SCHEDULE - I

	Current Year	(Rs. in '00,000) Previous Year
SUNDRY DEBTORS (UNSECURED)		
Debts outstanding for period exceeding 6 months	1332.58	1532.11
Other Debts	16.22	690.44
	<hr/> 1348.80	<hr/> 2222.55
Less : Provision	1131.93	1239.58
	<hr/> 216.87	<hr/> 982.97

CLASSIFICATION

Considered good	216.87	982.97
Considered doubtful	1131.93	1239.58

	Maximum amount due at any time		Closing Balance	
	During Current year	During Previous Year	During Current Year	During Previous Year
Due by the Companies under the same management with the names of the companies	—	—	—	—
Due by the parties in which the Director(s) of the companies is/are interested	—	—	—	—

SCHEDULE - J

	Current Year	(Rs. in '00,000) Previous Year
CASH AND BANK BALANCES		
Cash, Cheques, Drafts, Stamps etc. in hand	4.72	3.87
Remittance-in-transit	1.85	14.67
In Current Account with Scheduled Banks	15488.49	8504.75
In Money Market Deposit Account	3294.92	4377.47
In Overseas Business Unit Account	8139.22	6182.58
In Deposit Account with Scheduled Banks	22.06	17.99
With Post Office Savings Bank Account	3.00	2.86
	<hr/> 26954.26	<hr/> 19104.19

SCHEDULE TO BALANCE SHEET (CONTD.)

SCHEDULE - K

(Rs. in '00,000)

Current Year

Previous Year

LOANS & ADVANCES

Loans & Advances (Unsecured)
[Advance Receivable in cash or in kind
or for value to be received]

ADVANCE TO SUPPLIERS

For Capital
For Others

1241.73
91.93

1333.66

684.74
88.62

773.36

ADVANCE TO EMPLOYEES

For House Building (Secured) ?
For Motor Car & Other Conveyance (Secured) ?
For Others

345.52
22.17
325.49

693.18

347.18
25.51
112.20

484.89

DEPOSITS

For Custom duty & Port Charges
For Other Deposits

760.03
185.05

945.08
150.00

97.94
118.99

216.93
150.00

Short Term Loan from Body Corporates

79934.24
612.82

65212.51
933.84

Other Receivable
Other Advances

45.94

38.16

AMOUNT DUE FROM GOVERNMENT OF INDIA

For transaction on behalf of Ex-Coal Board

366.49

380.92

Claims Receivable

31.38

51.47

Prepaid Expenses

107.51

77.96

TDS/Advance Tax

Balance with Subsidiaries

Loan A/c
Current A/c

333328.34
116144.52

449472.86

367791.01
79466.86

447257.87

Balance with Subsidiaries (World Bank Loan)

Loan A/c
Current A/c

183724.59
16527.30

200251.89

28895.55
7599.98

36495.53

733945.05
709.89

552073.44
790.11

Less : Provision

733235.16

551283.33

CLASSIFICATION

Considered good
Considered Doubtful

733235.16
709.89

551283.33
790.11

SCHEDULE TO BALANCE SHEET (CONTD.)

SCHEDULE - K (Contd..)

AMOUNT DUE FROM SUBSIDIARY COMPANIES

(Rs. in '00,000)

	Maximum amount due at any time during the year		Closing Balance	
	Current year	Previous Year	Current Year	Previous Year
Eastern Coalfields Limited	101232.69	78286.70	101232.69	73351.68
Bharat Coking Coal Limited	168202.98	139030.60	163046.30	139030.60
Central Coalfields Limited	152410.67	131777.42	152410.67	131777.42
Western Coalfields Limited	51575.91	41177.48	44333.82	41177.48
Northern Coalfields Limited	95847.59	88237.27	95847.59	31870.192
South Eastern Coalfields limited	72516.28	106147.16	65750.30	37150.50
Mahanadi Coalfields Limited	42928.94	55880.07	23536.35	26393.10
Central Mine Planning & Design Institute Limited	7027.63	10374.12	3567.03	3001.70
	691742.69	650910.82	649724.75	483753.40

Notes : House Building and cars/scooters advance for Rs. 367.69 lakhs (Previous year 372.69 lakhs) included under Loans & Advances (unsecured) considered good and are secured by equitable mortgage on assets concerned.

SCHEDULE TO BALANCE SHEET (CONTD.)

SCHEDULE - L

	(Rs. in '00,000)	
	Current Year	Previous Year
CURRENT LIABILITIES & PROVISIONS		
A. CURRENT LIABILITIES		
SUNDRY CREDITORS		
For Capital including Revenue Stores	315.10	401.45
For Coal	63.86	63.59
Advance from Customer	378.96	465.04
Deposits	1918.80	1033.49
Advance Deposit (Pre-Nationalisation)	920.23	1061.02
	20.85	20.85
EMPLOYEES' REMUNERATION & BENEFITS		
Salaries, Wages & Allowances	622.01	1039.52
Attendance Bonus	2.24	2.44
Ex-gratia	180.29	189.07
Unpaid salaries, Wages etc.	5.55	0.42
Gratuity	1462.60	1302.83
Leave Encashment	161.56	137.88
	2434.25	2672.16
OTHER EXPENSES		
Power & Fuel	146.44	79.89
Contractual Expenses	1356.06	1966.46
Others	5109.44	1470.56
Short Term Loan from Subsidiaries — NCL	6611.94	3516.91
Due to Government of India	30980.40	—
(including ex-owner's Accounts)	149.90	146.01
Interest accrued but not due on Loan	30241.59	35773.35
15% Non Convertible Bond	2.00	—
13% Non Convertible Bond	0.40	0.40
9% Non Convertible Bond	450.00	—
SALES TAX		
State	30.30	13.98
Central	0.21	12.28
Royalty & Cess on Coal	30.51	26.26
Provident Fund	118.45	461.25
Pension Fund	168.40	183.84
	86.57	46.97
INCOME TAX		
Employees	25.94	19.08
Contractors	65.09	2.96
Professional Tax	91.03	22.04
Other Liability	5.03	5.00
	1900.02	2143.23
B. PROVISIONS		
Provision for Income Tax	642.50	680.67
Proposed Dividend	11568.35	11568.35
Income Tax on Proposed Dividend	1272.52	1272.52
Adhoc provision for Impact of pay/wage revision	573.90	—
	90566.60	61099.36
	3240.26	2500.76
Current A/c balance with IICM	93806.86	63600.12

SCHEDULE TO BALANCE SHEET (CONTD.)

SCHEDULE - M

(Rs. in '00,000)

MISCELLANEOUS EXPENDITURE

(To the extent not written off or adjusted)

VRS Expenses carried forward

Gratuity

Current Year

Previous Year

265.51

27.07

—

139.39

265.51

166.46

Schedule to Profit & Loss Account

For the Year Ended 31st March, 2000

SCHEDULE - 1

(Rs. in '00,000)

SALES

PARTICULARS	P R O D U C T S		TOTAL	
	Raw Coal	Soft Coke	Current Year	Previous Year
QUANTITY (in '000 M.T.)	820.7	—	820.7	709.6
Gross Sales Value (A)	9657.13	—	9657.13	8435.73
Add : Service Charges received	317.77	—	317.77	274.52
(A)	9974.90	0.00	9974.90	8710.25
Less : Statutory Levies				
Royalty on Coal	984.88	—	984.88	840.71
Stowing Excise Duty	28.73	—	28.73	24.52
Sales Tax				
Central	209.75	—	209.75	212.40
State	181.32	—	181.32	103.90
Total Levies (B)	1404.68	0.00	1404.68	1181.53
Net Value (A – B)	8570.22	0.00	8570.22	7528.72

SCHEDULE - 2

(Rs. in '00,000)

COAL ISSUED FOR OTHER PURPOSES

	Current Year	Previous Year
Internal Consumption	51.33	36.79
Free Issue to Employees	156.29	149.24
Others	17.77	23.03
TOTAL	225.39	209.06

SCHEDULE TO PROFIT & LOSS ACCOUNT (CONTD.)

SCHEDULE - 3

	Current Year	(Rs. in '00,000) Previous Year
OTHER INCOME		
Subsidy (Stowing)	15.48	22.16
Apex Office Charges	10349.65	12794.00
Interest received	13.87	29.62
Rent (Outsider)	9.36	0.05
L. D./Penalty received	5.21	1.42
Tender Fees	7.08	4.76
Provision/Liability Write backs		
For Excess Liability	195.33	345.38
Hire charges	1603.11	1560.00
Let out Rent (TDS — Rs. 24.00 lakhs)	393.00	393.00
Dividend from Subsidiaries	75194.98	64746.36
Guarantee Fee from Subsidiaries	2924.19	589.98
Profit on sale of Assets	52.50	—
Gain on Foreign Exchange Transactions	1136.10	—
Others	123.67	176.12
TOTAL	92023.53	80662.85

SCHEDULE TO PROFIT & LOSS ACCOUNT (CONTD.)

SCHEDULE - 4

	(Rs. in '00,000)	
	Current Year	Previous Year
ACCRETION (DECRETION) OF STOCK		
<i>Stock of Coal/Coke etc.</i>		
A. Opening Stock (Revenue Mines only) as on 1.4.99		
Raw Coal	4733.60	6018.18
Soft Coke	—	—
Coal & Coke in Transit	—	—
Bricks	—	3.66
	<u>4733.60</u>	<u>6021.84</u>
Less : Deterioration of Coal Value due to fire or longer stocking	673.97	751.74
TOTAL (A)	<u>4059.63</u>	<u>5270.10</u>
B. Closing Stock (Revenue Mines only) as on 31.3.2000		
Raw Coal	2141.87	4733.60
Soft Coke	—	—
Coal & Coke in transit	—	—
Bricks	—	—
	<u>2141.87</u>	<u>4733.60</u>
Less : Deterioration of Coal value due to fire or longer stocking	452.79	673.97
TOTAL (B)	<u>1689.08</u>	<u>4059.63</u>
NET TOTAL [TOTAL (A) – TOTAL (B)]	<u>2370.55</u>	<u>1210.47</u>

SCHEDULE TO PROFIT & LOSS ACCOUNT (CONTD.)

SCHEDULE - 5

	Current Year	(Rs. in '00,000) Previous Year
PURCHASE OF COAL & COKE, ETC.		
Raw Coal	—	—
Coke	—	0.63
Transportation Charges of Coke	—	0.11
TOTAL	0.00	0.80

SCHEDULE - 6

	Current Year	(Rs. in '00,000) Previous Year
CONSUMPTION OF STORES & SPARES		
Explosives	134.37	130.27
Timber	99.32	141.70
Petrol, Oil and Lubricants	123.22	148.02
Other Consumable Stores & Spares		
(a) HEMM	44.20	35.46
(b) Others	349.30	461.10
	<u>393.50</u>	<u>496.56</u>
	750.41	916.55
Less : Transfer to		
Social Overhead	40.17	44.90
Development	—	3.50
Power & Fuel	10.50	12.14
Other Expenditure	55.45	68.81
	<u>106.12</u>	<u>129.35</u>
TOTAL	644.29	787.20

SCHEDULE TO PROFIT & LOSS ACCOUNT (CONTD.)

SCHEDULE - 7

	Current Year	Previous Year
(Rs. in '00,000)		
COAL ISSUED FOR OTHER PURPOSES		
Internal Consumption	51.33	36.79
Free Issue to Employees	156.29	149.24
Others	17.77	23.03
	<u>225.39</u>	<u>209.06</u>
Less : Transfer to		
Power & Fuel	51.33	36.79
Social overhead	156.29	149.24
	<u>207.62</u>	<u>186.03</u>
TOTAL	<u>17.77</u>	<u>23.03</u>

SCHEDULE - 8

	Current Year	Previous Year
(Rs. in '00,000)		
EMPLOYEES' REMUNERATION AND BENEFITS		
SALARIES, WAGES AND ALLOWANCES		
Salaries & Wages (Incl. Transport Subsidy)	5306.13	5477.34
Overtime		
(a) Normal	85.67	198.42
(b) Sunday Maintenance	139.66	13.08
	<u>225.33</u>	<u>211.50</u>
Leave Encashment	59.51	73.62
Contribution to Provident Fund and Other Funds (including Administrative Charges)	556.07	520.23
Attendance Bonus	172.51	178.03
Ex-gratia		
(a) PPLB - Non-Executive	165.37	171.81
(b) PPLR - Executive	15.01	17.12
	<u>180.38</u>	<u>188.93</u>
LTC/LLTC/RRF	371.78	267.37
Pension	46.53	4.38
Gratuity	574.72	516.30
Workmen Compensation	6.68	2.48
Group Insurance	10.29	10.28
D. L. I.	3.95	2.97
Life Cover Scheme	8.60	9.00
V. R. S.	94.74	18.35
Others	—	0.07
	<u>7608.22</u>	<u>7481.35</u>
Less : Transfer to		
Social Overhead	224.15	210.18
Power & Fuel	3.50	3.50
Development	—	70.51
	<u>227.65</u>	<u>284.19</u>
TOTAL	<u>7380.57</u>	<u>7197.16</u>

SCHEDULE TO PROFIT & LOSS ACCOUNT (CONTD.)

SCHEDULE - 9

		Current Year	(Rs. in '00,000) Previous Year
SOCIAL OVERHEAD			
Salaries, Wages & Allowances		224.15	210.18
Free Issue of Coal to Employees		156.29	149.24
Medical Facilities			
(a) Medical Reimbursement	233.94	166.49	
(b) Medicine	47.43	47.86	
(c) Diet Expenses	8.20	5.21	
		289.57	219.56
Grants to			
(a) Schools & Institutions	49.03	42.85	
(b) Sports, Recreation	10.24	14.49	
		59.27	57.34
Canteen and Creche			
Canteen up-keep		15.87	15.23
House Rent		57.53	55.97
Power		141.29	117.91
Repairs & Maintenance			
(a) Township (incl. welfare buildings)	98.27	73.27	
(b) Plant & Machineries	3.16	1.54	
		101.43	74.81
Maintenance of Vehicles			
(a) Petrol & Diesel	3.58	3.75	
(b) Repairs	0.04	1.08	
(c) Insurance	0.18	0.19	
		3.80	5.02
Consumption of Stores & Spares		36.59	41.15
Depreciation		39.75	58.06
Community Development		14.87	38.03
Environmental expenses			
Tree Plantation		1.14	2.98
Uniform		6.31	4.09
Training Expenses			
(i) Within the Co.	6.16	19.58	
(ii) Outside the Co.	4.07	4.39	
		10.23	23.97
Others		41.42	37.04
		1199.51	1110.58
Less : Recoveries			
House Rent	11.23	11.03	
Hospital Charges	7.26	6.19	
Electricity	12.41	5.12	
		30.90	22.34
Less : Transferred to Development			1.53
TOTAL		1168.61	1086.71

SCHEDULE TO PROFIT & LOSS ACCOUNT (CONTD.)

SCHEDULE - 10

	(Rs. in '00,000)	
	Current Year	Previous Year
POWER & FUEL		
Purchase of Electricity	924.90	722.95
Power Generation		
Salary & Wages	3.50	3.50
Consumption of Coal	51.33	36.79
Consumption of Stores	10.50	12.14
Repair & Maintenance	3.74	0.30
Depreciation	5.93	5.93
	<u>75.00</u>	<u>58.66</u>
	999.90	781.61
Less : Transfer to		
Social Overhead	141.29	117.91
Development	—	7.95
	<u>141.29</u>	<u>125.86</u>
TOTAL	858.61	655.75

SCHEDULE - 11

	(Rs. in '00,000)	
	Current Year	Previous Year
REPAIRS		
Building	79.05	89.85
Plant & Machinery		
Outside Agency	54.43	68.34
Others		
(a) Office Equipment	33.41	94.75
(b) Vehicles	—	6.48
(c) Others	226.46	183.90
	<u>259.87</u>	<u>285.13</u>
	393.35	443.32
Less : Transfer to		
(a) Social Overhead	101.47	75.21
(b) Power & Fuel	3.74	0.30
(c) Development	—	1.08
	<u>105.21</u>	<u>76.59</u>
TOTAL	288.14	366.73

SCHEDULE TO PROFIT & LOSS ACCOUNT (CONTD.)

SCHEDULE - 12

	Current Year	(Rs. in '00,000) Previous Year
CONTRACTUAL EXPENSES		
Transportation Charges		
Coal, Coke	36.84	10.46
Stores	36.61	15.78
	<hr/> 73.45	<hr/> 26.24
Other Contractual Work	2047.24	2256.92
	<hr/> 2120.69	<hr/> 2283.16
Less : Transfer to Development	<hr/>	<hr/> 0.71
TOTAL	<hr/> 2120.69 <hr/>	<hr/> 2282.45 <hr/>

SCHEDULE TO PROFIT & LOSS ACCOUNT (CONTD.)

SCHEDULE - 13

	(Rs. in '00,000)	
	Current Year	Previous Year
OTHER EXPENDITURE		
Travelling		
(a) In Country	238.19	275.46
(b) Outside Country	27.64	23.69
Printing & Stationery	265.83	299.15
Postage	78.00	68.57
Telephone	19.10	40.07
Advertisement & Publicity	123.98	145.27
(i) Advertisement for		
(a) Recruitment	15.02	
(b) Tender	41.00	
(c) Publicity	84.67	
Demurrage	92.66	140.69
Donation	5.38	7.14
Subscriptions	25.07	22.44
Security expenses	5.59	20.17
Hire Charges	118.81	115.25
(a) Computer	74.22	47.51
(b) Others	126.61	108.57
Maintenance of Vehicles	200.83	156.08
(a) Petrol & Diesel		68.81
(b) Repairs	55.62	23.47
(c) Road Tax & Insurance	29.68	8.35
Legal Expenses	90.64	100.63
Bank Charges	29.34	9.52
Guest House expenses	27.59	21.68
Less : Recoveries	22.98	28.56
	5.80	6.28
Consultancy fees	17.18	22.28
Office Contingency expenses	109.27	182.19
Underloading Charges	28.11	31.84
Loss on sale/discard of assets	42.29	52.92
Auditors' Remuneration	3.06	0.21
(a) Audit fees	1.53	1.03
(b) Travelling & Out-of-pocket exp.	0.76	0.51
Tax Audit fees	2.29	1.54
Internal Audit/other Audit fees and expenses	0.51	0.36
Royalty & Cess	3.16	1.85
Rent, Rates & Taxes	7.03	7.73
Insurance	268.97	283.63
Dead Rent	18.73	31.47
Surface Rent	14.49	16.45
Loss on Foreign Exchange variance	0.88	0.88
Others	0.19	9.11
	95.86	159.47
	1694.84	1948.59
Less : Transferred to Development	—	11.37
TOTAL	1694.84	1937.22

1999 - 2000

SCHEDULE TO PROFIT & LOSS ACCOUNT (CONTD.)

SCHEDULE - 14

		Current Year	(Rs. in '00,000) Previous Year
INTEREST			
(a) Government Loan			
(i) Plan Loan		19250.59	26861.99
(ii) Non-plan Loan		6549.38	41.26
(b) Bank Overdraft		4116.69	4972.12
(c) Bonds		9601.46	16444.07
(d) Public Deposit		0.11	0.09
(e) Other corporate/Financial Institutional Loan		8847.49	7123.30
(f) Pension Fund		2.44	85.17
(g) Others		1955.17	—
		<hr/>	<hr/>
		50323.33	55528.00
Less : (a) Recovered from Subsidiaries	30033.58		45873.73
(b) Interest received on short-term deposits	—		0.88
	<hr/>	<hr/>	<hr/>
		30033.58	45874.61
		<hr/>	<hr/>
TOTAL		20289.75	9653.39

SCHEDULE - 15

		Current Year	(Rs. in '00,000) Previous Year
FINANCE CHARGES			
Guarantee Fees on Foreign Loan		2339.35	471.99
<u>Other Expenses for Bond & Public Deposit:</u>			
Trustee Fee — Bond	2.01		3.01
Discount on C.P.	1772.30		—
Brokerage & Commission	392.53		0.36
Others	257.04		218.44
	<hr/>	<hr/>	<hr/>
		2423.88	221.81
		<hr/>	<hr/>
TOTAL		4763.23	693.79

SCHEDULE TO PROFIT & LOSS ACCOUNT (CONTD.)

SCHEDULE - 16

	(Rs. in '00,000)	
	Current Year	Previous Year
PROVISIONS/WRITE OFF		
A. Provision for		
Doubtful Debts	—	53.51
Doubtful Advances	0.49	44.33
Others	46.66	76.09
B. Write Off		
Capital Work-in-Progress (Simsong)	790.27 ✓	—
TOTAL	837.42	173.93

SCHEDULE - 17

	(Rs. in '00,000)	
	Current Year	Previous Year
PRIOR PERIOD ADJUSTMENT		
Debits		
Depreciation	0.49	- 4.37
Power & Fuel	2.47	8.36
Repairs	—	6.67
Social Overhead	1.84	0.32
Contractual Expenses	23.34	—
Other Expenditure	44.69	91.58
	72.83	102.56
Credits		
Employees' Remuneration & Benefits	96.75	- 237.47
Other Income	427.38	—
Repairs	—	5.10
Financial Expenses	—	3.35
Interest	1684.84	- 4.26
	2208.97	- 233.28
NET CREDIT (+) / DEBIT (-)	2136.14	- 335.84

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, applicable in India, 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 wherever required.
- 2.2 Accrual basis of accounting has been followed except in the following cases :
- (a) Life Cover Scheme is accounted for on cash-cum-death basis.
 - (b) Interest on advance to employees e.g. House Building, Purchase of Conveyance etc. are accounted for on realisation after recovery of principal. Sale of scrap are accounted for on realisation/cash basis.
 - (c) Demurrage, liquidated damages are accounted for on the basis of final settlement.
 - (d) Insurance and escalation claims are accounted for on the basis of admission/final settlement.
 - (e) Additional Liability for royalty, cess etc. — if any, are accounted for in the year in which final assessment orders are received.
- 2.3 Liability for gratuity is accounted for on actuarial valuation. Such liability as on 31.3.95 is being charged off equally in five years from the Financial Year 1995-96.
- 2.4 Liability for Leave Encashment for Executives is accounted for on actuarial valuation.

3. Subsidy/Grants

- 3.1 Subsidy claims for stowing etc. 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 preceeding period.

4. Fixed Assets

- 4.1 LAND : Land includes cost of acquisition, compensation and rehabilitation expenses incurred for concerned displaced persons.
- 4.2 BUILDING : Building includes roads and culverts situated in colliery and townships as well as cost of electrical fittings water supply arrangements and sanitary fittings.
- 4.3 PLANT & MACHINERY : Plant & Machinery includes cost and expenses incurred for erection/installation and other attributable cost of bringing those assets to working condition for their intended use.
- 4.4 RAILWAY SIDING : Payments made to Railway authorities for construction of Railway Siding 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 including attributable interest, net of income of the Projects/Mines under development are booked to development accounts.

Projects/mines under development are brought to revenue either :

- (a) From the beginning of the financial year immediately after the year in which the unit achieves physical coal output of 25% of rated capacity as per approved project report,
- (b) 2 years of touching of coal,
OR
- (b) From the same financial year in which the value of production is more than the total expenses. — whichever is earliest.

- 4.6 Installation expenses except materials issued from Stores, if any, wherever incurred departmentally are not capitalised.

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

5. Depreciation/Amortisation

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

- (a) Value of lease hold land is amortised equitably during the period of lease or life of the project whichever is less.
- (b) Value of land acquired under Coal Bearing Area (Acquisition & Development) Act, 1957, is charged off on the basis of 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 capitalised.
- (e) Assets in the nature of Telecommunication are depreciated at higher rates viz. 15.83% and 10.55% per annum based on technically revised estimated life of two categories of such assets.

6. Inventories

- 6.1 "Stock of stores & spare parts", are priced at weighted average cost method and "Charged off Stores" at issue price of Area Stores/estimated cost.
- 6.2 Book stock of Coal, Coke etc. is adopted as 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 net realisable value. To cover possible deterioration in value due to fire and/or longer period of stocking etc. a provision of 10% is made.

- 6.4 Stock of medicines, bricks, stationery and Aircraft Spares are not considered for the purpose of closing inventory.

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.

8. Overburden Removal Expenses

Expenditure relating to overburden removal is charged to revenue in the year in which these are incurred as per consistent accounting practice.

9. Apex Charges

✓ Apex charges are recovered from Coal Producing Subsidiaries of Coal India Ltd. at the rate of Rs. 5/- per tonne of their respective production.

10. Revenue Recognition

Revenue from transaction involving the sale of goods is recognised on despatches.

Revenue arising from the use by others, of the Company's resources are only recognised when no significant uncertainty as to realisability or collectibility exists save and except for items specified in Para 2.2 (Part - A) of this Schedule.

11. Investment

Investments are stated at cost.

12. Interest

Interest on the loan owed by Subsidiary Companies to CIL has been charged on the opening balance of the loan in their books at rates determined in consideration of the provisions contained in the loan agreement as well as the principles of Corporatisation of financial flows adopted by the Board. The above amount is utilised to meet the obligations of CIL in respect of interest on Government loans, Intercompany loans, Fund based facilities, Bonds, etc. net of interest earned on Short Term Deposits for the year.

13. Foreign Exchange Loan

The loan drawn from IBRD and JEXIM Banks on account of Coal Sector Rehabilitation Project to be implemented in various Subsidiaries has been shown under the head "Unsecured Loan" (Ref. Schedule -E). Loans remaining unallocated/unutilised at the end of the year have been kept in "Money Market Deposit Account" of State Bank of India, New York and "Overseas Business Unit Account" of State Bank of India, Tokyo.

In terms of the agreement with IBRD and JEXIM Bank, Coal India Ltd. has entered into back-to-back loan agreements with its participating Subsidiaries and loans including effect of exchange rate variation have been shown under "Loans to Subsidiaries" and all other financial charges viz. : Interest, Commitment charges etc. and interest earned are transferred through "Current Account with subsidiaries".

6.4 Stock of medicines, bricks, stationery and Aircraft Spares are not considered for the purpose of closing inventory.

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.

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Revenue arising from the use by others, of the Company's resources are only recognised when no significant uncertainty as to realisability or collectibility exists save and except for items specified in Para 2.2 (Part - A) of this Schedule.

11. Investment

Investments are stated at cost.

12. Interest

Interest on the loan owed by Subsidiary Companies to CIL has been charged on the opening balance of the loan in their books at rates determined in consideration of the provisions contained in the loan agreement as well as the principles of Corporatisation of financial flows adopted by the Board. The above amount is utilised to meet the obligations of CIL in respect of interest on Government loans, Intercompany loans, Fund based facilities, Bonds, etc. net of interest earned on Short Term Deposits for the year.

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In terms of the agreement with IBRD and JEXIM Bank, Coal India Ltd. has entered into back-to-back loan agreements with its participating Subsidiaries and loans including effect of exchange rate variation have been shown under "Loans to Subsidiaries" and all other financial charges viz. : Interest, Commitment charges etc. and interest earned are transferred through "Current Account with subsidiaries".

14. Conversion of Foreign Currency

Foreign Currency loan transactions are translated at the exchange rate prevailing at the time of transaction. Year end balance is converted at the year end applying closing rates.

B. NOTES ON ACCOUNTS

1.0 Contingent Liabilities/Capital Commitments

1.1 The amount remaining to be executed on Capital Account including that on behalf of Subsidiaries not provided for is Rs. 45060.68 lacs (Rs. 172078.45 lacs).

1.2 Claims against the Company not acknowledged as debts are Rs. 65079.58 lacs (Rs. 411.54 lacs).

1.3 Commitments relating to Forward Exchange Contracts as at the end of the year stood at Rs.25908.80 lacs. (15828.80 lacs)

1.4 As on 31.3.00 outstanding letters of credits amounted to Rs. 40845.83 lacs, (Rs. 171319.63 lacs) outstanding Deferred payment guarantee issued by Banks amounted to Rs. 10978.71 lacs (Rs. 8381.16 lacs).

2.0 Fixed Assets

2.1 Title deeds for land acquired, in some cases, have not been executed in favour of the company and mutation in certain cases are yet to be executed.

2.2 **Dankuni Coal Complex/Indian Institute of Coal Management**: Fixed Assets comprising Power Plant of Rs.6064.71 lacs and related building and other assets of Rs.3652.25 lacs, both at book value as on 31.3.95, have been let out to SECL. Additions to these assets from the day of letting out to 31.03.2000 are Rs.564.03 lacs on value of plant and Rs.236.60 lacs on value of building and other assets.

Besides, Fixed Assets comprising of Plant & Machinery of Rs.218.99 lacs and related building and other assets of Rs.1625.37 lacs, both at book value as 31.3.95 have been let out to IICM, a registered society under Societies Registration Act, 1861. Additions to these assets from the day of letting out to 31.03.2000 are Rs.279.42 lacs on value of plant & machinery and Rs.313.23 lacs on value of building and other assets.

3.0 Investment in Subsidiaries

3.1 Investment of the Company in share capital of Bharat Coking Coal Ltd. and Eastern Coalfields Ltd. as on 31.3.00 amounted to Rs.211800.00 lacs and Rs.221845.00 lacs respectively. ECL has become sick and is referred to BIFR, and BCCL is potentially sick under Sick Industrial Companies Act, 1985. Plans for restructuring/revival of ECL & BCCL are in an advanced stage of formulation and it is expected that with implementation of these plans, the Companies shall turnaround. In view of this, investment in ECL & BCCL have been valued at cost.

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 Central Stores and as per physically verified stores lying at the collieries/units.

14. Conversion of Foreign Currency

Foreign Currency loan transactions are translated at the exchange rate prevailing at the time of transaction. Year end balance is converted at the year end applying closing rates.

B. NOTES ON ACCOUNTS

1.0 Contingent Liabilities/Capital Commitments

1.1 The amount remaining to be executed on Capital Account including that on behalf of Subsidiaries not provided for is Rs. 45060.68 lacs (Rs. 172078.45 lacs).

1.2 Claims against the Company not acknowledged as debts are Rs. 65079.58 lacs (Rs. 411.54 lacs).

1.3 Commitments relating to Forward Exchange Contracts as at the end of the year stood at Rs.25908.80 lacs. (15828.80 lacs)

1.4 As on 31.3.00 outstanding letters of credits amounted to Rs. 40845.83 lacs, (Rs. 171319.63 lacs) outstanding Deferred payment guarantee issued by Banks amounted to Rs. 10978.71 lacs (Rs. 8381.16 lacs).

2.0 Fixed Assets

2.1 Title deeds for land acquired, in some cases, have not been executed in favour of the company and mutation in certain cases are yet to be executed.

2.2 **Dankuni Coal Complex/Indian Institute of Coal Management:** Fixed Assets comprising Power Plant of Rs.6064.71 lacs and related building and other assets of Rs.3652.25 lacs, both at book value as on 31.3.95, have been let out to SECL. Additions to these assets from the day of letting out to 31.03.2000 are Rs.564.03 lacs on value of plant and Rs.236.60 lacs on value of building and other assets.

Besides, Fixed Assets comprising of Plant & Machinery of Rs.218.99 lacs and related building and other assets of Rs.1625.37 lacs, both at book value as 31.3.95 have been let out to IICM, a registered society under Societies Registration Act, 1861. Additions to these assets from the day of letting out to 31.03.2000 are Rs.279.42 lacs on value of plant & machinery and Rs.313.23 lacs on value of building and other assets.

3.0 Investment in Subsidiaries

3.1 Investment of the Company in share capital of Bharat Coking Coal Ltd. and Eastern Coalfields Ltd. as on 31.3.00 amounted to Rs.211800.00 lacs and Rs.221845.00 lacs respectively. ECL has become sick and is referred to BIFR, and BCCL is potentially sick under Sick Industrial Companies Act, 1985. Plans for restructuring/revival of ECL & BCCL are in an advanced stage of formulation and it is expected that with implementation of these plans, the Companies shall turnaround. In view of this, investment in ECL & BCCL have been valued at cost.

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 Central Stores and as per physically verified stores lying at the collieries/units.

4.2 Provision for Rs.179.20 lacs (132.54 lacs) has been kept in the accounts for unserviceable or obsolete spares which is considered adequate.

4.3 Stores and Spares also include loose tools and aircraft spares - value of which is not separately ascertained.

5.0 Sundry Debtors

5.1 Provision for Bad & Doubtful Debts amounting to Rs.1131.93 lacs (Rs.1239.58 lacs) is considered adequate.

6.0 Bonds

6.1 During the year the Company has redeemed (i) 15.5% Non-Convertible Secured Bonds (C-Series) amounting to Rs. 300 crores, (ii) 9% Tax Free Non-Convertible Secured Bonds (A-Series) amounting to Rs. 150 crores. Further, during the year the Company has issued the following Un-Secured Bonds :

11% (E-Series)	—	Rs. 20 Crores
11.45% (F-Series)	—	Rs. 25 Crores
11.50% (G&H Series)	—	Rs. 25 Crores
12.25% (I to O-Series)	—	Rs. 80 Crores

Rs. 150 Crores

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 on behalf of the Govt. of India to Commissioner of Payments on account of surplus of the Management Period in respect of such non coking coal mines.

7.2 Claims receivable include Rs. 212.74 lacs due from Railways for missing/diversion of wagons (Rs. 219.55 lacs) etc.

7.3 Pending linking with regard to Dues to Port Authorities certain credit balance and corresponding debit balance have been netted from gross amount.

8.0 Secured Loans

9.1 **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 Ltd. has been secured by creating charge against stock of Coal, stock of stores and spare parts and book debts of the subsidiary companies.

Out of total cash credit limit of Rs. 700 Crores (including Rs. 200 Crores temporary adhoc limit) sub-limit of Rs. 48.30 Crores have been extended to the subsidiaries against which

Coal India Ltd. is contingently liable to the extent the facility has been actually utilised by subsidiaries as on 31.3.00.

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 losses.
- 9.2 Interest paid/payable on the amounts collected from the employees towards the Pension Scheme and held by the Company has been charged in the accounts as per rates prescribed by Coal Mines Pension Scheme 1998.
- 9.3 The balance of the current account with the Subsidiaries are being reconciled on a continuous basis, and the same as on 31.3.2000 has been reconciled substantially, while reconciliation of the balance is in progress.
- 9.4 Current Account balance with IICM (in Current Liabilities & Provisions Schedule of Balance Sheet) represents the fund accumulated by receiving 0.50 p per tonne of productions per Subsidiaries net off expenditure/Fund made/remitted on behalf of IICM.

10.0 Profit & Loss Account

- 10.1 Recognition of Revenue in respect of interest claim amounting to Rs. 10414.76 lakhs (Rs. 10414.76 lacs) and Apex Charges amounting to Rs. 2656.40 lacs attributable to ECL & BCCL, in year's account have been deferred. These have been done in keeping with the published guidance note of ICAI for deferment of Revenue Recognition followed by Accounting Standard-9.
- 10.2 Pending finalisation of revision of pay scales to the executive cadre employees (below Board level) a recoverable advance is paid to such executives at a fixed monthly rate. Further, Provision for payment of Interim Relief w.e.f. 1.1.97 to the Board Level Executives has suitably been made in the Accounts.
- 10.2 (A) An adhoc provision of Rs. 573.90 lakhs calculated @ Rs. 10,000/- per employee on roll as on 31.3.2000 has been made in the Accounts towards financial impact likely to arise on finalising the wage/pay revision.
- 10.3 Interim Dividend declared by the respective Subsidiaries for the year 1999-2000 as well as final dividend recommended as per Accounts adopted by the Board of the respective Subsidiaries have been considered as income for the year.
- 10.4 Gains amounting to Rs. 1485.36 lacs arising out of cancellation of Forward Contracts against Foreign Exchange Loans taken by the Company for its Subsidiaries and remaining in their Books, have been kept as a separate Reserve.
- 10.5 During the year an amount of Rs. 1901.16 lacs has been paid as interest to N. C. L. a Subsidiary of Coal India Ltd., on funds parked by them as deposit.
- 10.6 Due to change in Accounting Policy (ref. para 5(e) of Part-A : Schedule - N) of charging depreciation on assets in the nature of Telecommunication at higher rates than that specified in Schedule - XIV of the Companies Act, 1956 the profit of the year has been reduced by Rs. 343.43 lakhs.

✓ 10.7 During the year a sum of Rs. 790.27 lakhs comprising Rs. 766.26 lakhs of revenue expenditure capitalised during construction period and Rs. 24.01 lakhs prospecting & boring expenditure capitalised, till 31.3.1999 in respect of Simsong Project, has been charged to revenue : since the future prospect of the Project has become uncertain.

11.0 For the purpose of charging interest on the loan owed by Subsidiary Companies to CIL on the opening balances of the loan in respective Subsidiaries' books as on 01.04.1999 have been considered after incorporating necessary corrections in these opening balances.

12.0 Others

12.1 In the opinion of the Management Current assets, Loans and Advances, Sundry Debtors etc. have realisable value in the course of business atleast equal to the amount at which they are stated.

12.2 Cash & Bank Balance (Sch. J) includes fund held on behalf of Orissa Cyclone Relief Fund created by contribution from employees of Coal India Ltd., its Subsidiaries and others.

12.2 (A) Balance with Post Office savings Bank Account in Schedule - J (Cash & Bank Balances) includes Rs. 0.27 lakhs short credited by Post Offices in 19991-92 on Postal Orders deposited with them.

12.3 In absence of 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 As per extant practice, goods purchased by CIL on behalf of Subsidiaries are accounted for in the books of the Subsidiary Companies.

There is no case of outstanding dues of the small scale industrial undertaking(s) to whom the Company owe a sum exceeding Rs. 1 lakh which is outstanding for more than 30 days.

12.5 Previous years' figures have been regrouped and rearranged wherever necessary.

12.6 As there is no taxable income during the year provision for tax has not been made.

12.7 In Notes on Accounts figure in the parentheses relates to previous year.

12.8 The Accounts together with Notes thereon approved by the Board of Directors of the Company in a meeting held on 19th August, 2000 and reported upon by the Statutory Auditors on 21st August, 2000 has been revised to comply with the observation of the Comptroller & Auditor General of India and Statutory Auditors. The revision has affected the Accounts & Notes on Accounts for the year as follows :

(A) Profit & Loss Account :

Rs. in Lakhs

- (i) Profit of the Company has decreased due to acceptance of the observations of the Comptroller & Auditor General of India

4988.53

(ii) The Profit of the Company has increased due to acceptance of Audit observations of the Statutory Auditors by	1457.69	
	<u>3530.84</u>	
(iii) The Profit of the Company has increased due to write back of excess liability on account of interest on Bond (Accrued & Due)	1681.96	1848.88

(B) Balance Sheet

(i) Reserve & Surplus :		
General Reserve for the year decreased by		1848.88
(ii) Fixed Assets (W.D.V.) decreased by		343.43
(iii) Loans & Advance decreased by		26968.65
(iv) Current Liabilities & Provisions increased by		33938.29
(v) <u>Cash & Bank Balance</u>		
Current Account Balance with Schedule Banks decreased by		.09
Cash, Cheques, Drafts, Stamps in hand increased by		.09
(vi) <u>Unsecured Loan</u>		
Insertion in Schedule - E		
(a) "Interest Accrued and Due on Working Capital Demand Loan"	12.02	
(b) "Corporate Loan from Financial Institution"	30000.00	
Short Term Loan from Banks reduced by	59413.51	
(vii) <u>Secured Loan</u>		
Corporate Loan from Financial Institutions decreased by	30000.00	
(viii) Insertion of para no. 5 (e) in Significant Account Policy (Part A - Sch. N. of the revised Accounts)		
(ix) Insertion of Note(s) No (s) 10.6, 10.7, 10.2(A), 12.2 (A) 12.8 in Notes on Accounts (Part B - Sch N		

- of the revised accounts)
- (x) Revision of Note (s) no (s) 1.2, 10.5 in Notes on Accounts (Part B : Sch. - N of the pre-revised Accounts)
 - (xi) Revision of Schedule-E (to change the name "from Body Corporate" to "From Banks")
 - (xii) Revision of Schedule - F (to give suitable effect of Accounting Policy no. 5 (e) and Note no. 10.6)
 - (xiii) Revision of Annexure to Schedule - K (to give effect to change in Current Account balances with Subsidiaries)
 - (xiv) Revision of Balance Sheet abstract and General Business Profile (Annexure to Schedule-N to give effect to above changes).

Schedule A to M form part of the Balance Sheet as at 31st March, 2000 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/-
Dr. H. Sarkar
Company Secretary

Sd/-
S. B. Das
Chief General Manager(F)

Sd/-
A. Chatterjee
Director (F)

Sd/-
P. K. Sengupta
Chairman

In terms of our separate report of even date :
For M. C. Bhandari & Co.
Chartered Accountants

Calcutta
Dated : The 19th September, 2000

Sd/-
(M. R. Jain)
(Partner)

SCHEDULE TO BALANCE SHEET (CONTD.)

ANNEXURE TO SCHEDULE - N

	(Rs. in '00,000)	
	Current Year	Previous Year
I. <i>Directors' Remuneration :</i>		
(i) Salaries	12.31	9.80
(ii) Company's Contribution to Provident Fund & Other Funds	1.02	0.94
(iii) Medical Benefits	0.93	0.87
(iv) Perquisites	0.56	0.29

Notes :

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

II. *The information required in paragraph 3 & 4 of Part (III) 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	18.04	Nil

III. *Expenditure incurred in Foreign Currency on account of :*

	(Rs. in '00,000)	
	Current Year	Previous Year
(i) Know how	Nil	Nil
(ii) Interest	2934.21	Nil
(iii) Exchange variation	0.19	9.11
(iv) Commission to Foreign Agents	589.54	Nil
(v) Training expenses and payments to Foreign Technicians	Nil	3.00
(vi) Travelling	16.92	3.24
(vii) Medical Treatment	Nil	Nil
(viii) Membership Fees	Nil	Nil
(ix) Advertisement	Nil	Nil

ANNEXURE TO SCHEDULE - N (Contd..)

IV. Earning 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

V. Total consumption of Stores during the year :

(Rs. in '00,000)

	Current year	Previous Year
(i) Imported materials	Nil	Nil
(ii) Indigenous	750.41	916.55 (100%)

Additional information required in paragraph 3 & 4 of Part II of Schedule VI to the Companies Act, 1956 for the year ended 31st March, 2000.

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

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

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

	Current year		Previous Year	
	Qty.	Value	Qty.	Value
Opening Stock				
Coal & Coke	851.88	4059.63	946.10	5266.44
Adjustment	- 1.48	—	- 1.26	—
Production				
Coal & Coke	572.28	—	637.42	—
Purchase :				
Coal & Coke	—	—	0.09	0.69
Sales : (Adjusted & excluding Levies & Service ch..)				
Coal & Coke	820.74	8252.45	709.63	7254.20
Own Consumption				
Free issue and Boiler Consumption	19.66	225.39	20.84	209.06
Closing Stock				
Coal & Coke	582.28	1753.71	851.88	4059.63

ANNEXURE TO SCHEDULE - N (Contd.)

BALANCE SHEET ABSTRACT AND GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS :

Registration No.

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

State Code

2	1
---	---

Balance Sheet Date

3	1
---	---

0	3
---	---

0	0
---	---

Date Month Year

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

Public Issue

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

Rights Issue

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

Bonus Issue

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

Private Placement

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

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

Total Liabilities

1	5	0	3	2	2	3	0	5
---	---	---	---	---	---	---	---	---

Total Assets

1	5	0	3	2	2	3	0	5
---	---	---	---	---	---	---	---	---

Sources of Funds

Paid-up Capital

7	2	2	0	5	4	4	4
---	---	---	---	---	---	---	---

Reserves & Surplus

1	3	7	4	6	0	8	7
---	---	---	---	---	---	---	---

Secured Loans

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

Unsecured Loans

4	1	4	3	8	4	9	7
---	---	---	---	---	---	---	---

Application of Funds

Net Fixed Assets

1	8	7	6	5	4	0
---	---	---	---	---	---	---

Investments

7	2	2	0	5	6	0	0
---	---	---	---	---	---	---	---

Net Current Assets

6	6	8	5	9	4	7	9
---	---	---	---	---	---	---	---

Misc. Expenditure

2	6	5	5	1
---	---	---	---	---

Accumulated Losses

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

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

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

Turnover (Net)

			8	5	7	0	2	2
--	--	--	---	---	---	---	---	---

Total Expenditure

		4	2	4	7	6	0	8
--	--	---	---	---	---	---	---	---

Other Income

9	2	0	2	3	5	3
---	---	---	---	---	---	---

+ - Profit/Loss Before Tax

+			5	8	1	1	7	6	7
---	--	--	---	---	---	---	---	---	---

+ - Profit/Loss After Tax

+			5	8	1	1	7	6	7
---	--	--	---	---	---	---	---	---	---

Earning per share (Rs.) including preference Shares

-	-	-	-	8	0	.	4	9
---	---	---	---	---	---	---	---	---

Dividend %

1	0
---	---

on 10% Non Cumulative Redeemable Preference Shares.

On Equity Shares @ Rs.4/- per share.

V. GENERIC NAMES OF TWO PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY

Item Code No. (ITC Code)

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

Product Description

BITUMINOUS COAL

Item Code No. (ITC Code)

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

Product Description

SOFT COKES OF COAL

**STATEMENT PURSUANT TO SECTION 212 (1) (E) OF
THE COMPANIES ACT, 1956 AS AT 31ST MARCH, 2000**

Subsidiary (Fully owned)	No. of Equity Shares held by Coal India Limited	No. of Equity shares held by CIL in nominees' Name	Total paid-up value Rs. in Crores	Profit (+) Loss (-) for the year ended 31.3.2000 Rs. in Crores	Profit (+) Loss (-) balance as on 31.3.2000 cumulative (after Tax, Provisions, Provision for Dividends and Reserves) Rs. in Crores
Eastern Coalfields Limited	22,184,500	3	2,218.45	(-) 728.23	(-) 2929.31
Bharat Coking Coal Limited	21,180,000	3	2,118	(-) 692.32	(-) 2789.15
Central Coalfields Limited	9,400,000	3	940	(-) 121.24	(-) 198.79
Western Coalfields Limited	2,971,000	3	297.1	(+) 405.86	(+) 590.48
Northern Coalfields Limited	1,776,728	3	177.67	(+) 936.87	(+) 1229.94
South Eastern Coalfields Limited	3,597,000	3	359.7	(+) 455.34	(+) 679.47
Mahanadi Coalfields Limited	1,864,009	3	186.4	(+) 607.65	(+) 730.52
Central Mine Planning & Design Institute Limited	190,400	3	19.04	(+) 0.71	(+) 23.07
CIL				(+) 581.18	(+) 2.43
TOTAL				(+)1445.82	(-) 2661.34

Less income from dividend received from subsidiaries included in the
Profit of CIL
Profit (before tax)

= (-) 751.95
= (+) 693.87

**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, 2000**

The accounts of the Company have been revised as a result of the observations made by the Comptroller & Auditor General of India as indicated in para no. 22 of the Auditors' Report to the shareholders and Note No. 12.8 of the Notes on Accounts (Schedule-N). The following further comment is made upon or supplement to Auditors' Report under Section 619 (4) of the Companies Act, 1956 on the accounts of Coal India Limited for the year ended 31st March, 2000.

Profit & Loss Account :

Employees Remuneration and Benefits (Sch.8) Rs. 7380.57 lakh.

Adhoc provision for impact of pay/wage revision Rs. 573.90 lakh.

B. Notes on Accounts (Schedule-N) — Item No. 10, 2 (A), Item No. 15 of the Auditors' Report.

Included in the above is a provision of Rs. 573.90 lakh towards adhoc financial liability on account of NCWA / VI negotiation and pay scale revision of executives. Proportionate contribution @ 10.6 percent towards Company's share of Provident Fund and Pension Fund has not been provided in the accounts. This has resulted in understatement of employees' remuneration and benefits by Rs. 60.83 lakh and corresponding overstatement of profit for the year.

Sd/-

(N. K. Chanda)

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

Calcutta,
Dated : 27.9.2000

MANAGEMENT'S REPLY

An adhoc provision towards likely impact of wage and executive pay revision, under negotiation, has been shown in the profit & loss accounts separately and not under employees' remuneration & benefit (Sch.8) as mentioned by audit.

The wage and executive pay revision being not finalised yet, the likely impact thereof in accounts in absence of formal agreements, have been provided for entirely on an adhoc basis covering therein all elements of wage and executive pay. The extent of shortfall or excess in amounts so provided in accounts on an adhoc basis shall be adjusted in the subsequent accounts after the wage and executive pay revision have been finalised and documented in agreements.

Viewed in the light of the above, no additional provision separately towards company's share of provident fund and family pension fund, as observed by audit, was considered necessary.

REVIEW OF ACCOUNTS OF COAL INDIA LIMITED FOR THE YEAR ENDED 31ST MARCH 2000 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.

FINANCIAL POSITION

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

	1997-98	1998-99	(Rs. in Lakhs) 1999-2000
LIABILITIES			
(a) Paid up Capital			
(i) Government	722054.44	722054.44	722054.44
(ii) others	—	—	—
(b) Reserves & Surplus			
(i) Free Reserves & Surplus	5614.37	9417.55	13208.72
(ii) Share Premium Account	—	—	—
(iii) Committed Reserve	38790.08	82766.52	124252.15
(c) Borrowings			
(i) From Govt. of India	223082.03	192058.09	144619.79
(ii) From Financial Institutions	10000.00	40000.00	60000.00
(iii) Foreign Currency Loans	—	39331.87	207446.88
(iv) Cash Credit	53293.29	50014.26	6026.91
(v) Others (Including short term loan)	109936.14	116934.43	123652.89
(vi) Interest Accrued and Due	3800.78	2693.00	8082.97
(d) (i) Current Liabilities & Provisions	64011.23	63913.46	92681.21
(ii) Provisions for Gratuity	777.87	1302.83	1462.60
TOTAL	1231360.23	1320486.45	1503488.56
ASSETS			
(e) Gross Block	32920.31	33054.06	34556.67
(f) Less : Depreciation	- 13213.34	- 14621.65	- 16213.37
(g) Net Block	19706.97	18432.41	18343.30
(h) Capital Works-in-progress	3955.43	3995.22	422.10
(i) Investments	631638.00	722056.00	722056.00
(j) Current Assets, Loans & Advances	575769.30	575836.36	762401.65
(k) Misc-expenditure not written off	290.53	166.46	265.51
(l) Accumulated Losses	—	—	—
TOTAL	1231360.23	1320486.45	1503488.56
(m) Working Capital [j- d (i) - c(vi)]	507957.29	509229.90	661637.50
(n) Capital Employed [g+m]	527664.26	527662.31	679980.80
(o) Net Worth [a+b (i) - b (ii) - k-l]	727378.28	731305.53	734997.65
(p) Net Worth per Rupee of paid up Capital (in Rs.)	1.01	1.01	1.02

2.A. WORKING RESULTS

The working results of the company for the last three years ending 31st march 2000 :

	(Rs. in Lakhs)		
	1997-98	1998-99	1999-2000
(a) Sales	6452.31	7528.72	8570.22
(b) Profit after Prior period adjustments (but before Tax)	54082.35	60620.49	58117.67
(c) Provision for tax	—	—	—
(d) Profit/Loss after Tax	54082.35	60620.49	58117.67

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 :

	1997-98	1998-99	1999-2000
A. Liquidity Ratio			
Current Ratio (Current assets to liabilities and provisions and interest accrued and due but excluding provisions for Gratuity [j / { d (i) + C. (vi) }])	8.49	8.65	7.57
B. Debt Equity Ratio			
Long term debt to Equity [c (i) to c(v) but excluding short term loan / a]	0.46	0.44	0.56
C. Profitability Ratios			
a. Profit before tax to			(In Percentages)
(i) Capital employed	10.25	11.49	8.55
(ii) Net worth	7.43	8.29	7.89
(iii) Sales	838.22	805.15	678.16
b. Profit after tax to Equity	8.56	9.60	9.20
c. Earning per share (in Rupees)	85.62	95.97	92.01

3. SOURCES AND UTILISATION OF FUNDS

Fund amounting to Rs.165347.52 lakhs from internal and external sources were generated and utilised during the year given below:

SOURCES OF FUNDS :

(Rs. in lakhs)

(a) Fund applied for operations -	
Depreciation	1591.72
Increase in Provision for Gratuity	159.77
Decrease in Fixed Assets (Net of CWIP)	2070.51
	3822.00
(b) Profit for the year	58117.67
(c) Increase in Borrowings	103407.85

165347.52

APPLICATION OF FUNDS :

(a) Increase in Working Capital	152407.60
(b) Increase in Misc. Expenditure	99.05
(c) Dividend Proposed	11568.35
(d) Provision for Income Tax on proposed dividend	1272.52

165347.52

INVENTORY LEVELS

The inventory levels at the close of the last three years ending 31st March, 2000 were as under :

(Rs. in Lakhs)

	1997-98	1998-99	1999-2000
(a) Stock of Coal, Coke and by products less provisions	5266.44	4059.63	1689.08

Stock of Coal, Coke represents 9.79 month's sales in 1997-98, 6.47 month's sales in 1998-99 and 2.36 month's sales in 1999-2000.

SUNDRY DEBTORS

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

(Rs. in Lakhs)

	1997-98	1998-99	1999-2000
(i) Sales	6452.31	7528.72	8570.22
(ii) Total Sundry Debtors	2575.48	2222.55	1348.80
(iii) Provision for doubtful debts	1514.73	1239.58	1131.93
(iv) Percentage of Sundry Debtors to Sales	39.91	29.53	15.74

Sd/-

(N. K. Chanda)

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

Dated : Calcutta
The 27th September, 2000

AUDITORS' REPORT

To

The Members of Coal India Ltd.

We have audited the attached Balance Sheet of Coal India Limited as at 31st march, 2000 and the annexed Profit and Loss Account for the year ended on that date.

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 given to us during the course of our audit we report that in our opinion :

- ✓ I. The Company is maintaining records showing particulars including quantitative details and situation of fixed assets. However, in certain cases complete details like Purchase Order reference, date of commissioning and location code etc., are missing. Grouping of different nature of items in one card or vice-versa have also been noticed. Identification nos. are generally not maintained as a result of which physical verification and reconciliation with financial ledger of these assets became difficult. Certain surveyed off assets remained in the assets ledger. Most of the items of fixed assets remained unverified during the year and no material discrepancies between book-records and physical inventory wherever carried out have been reported.

- ✓ II. None of the fixed assets have been revalued during the year.

- III. Physical verification of stock of Coal, Coke have been carried out by the Management except at stockyard of Regional Sales Offices. In case of Stores & Spares only a part of inventory has been verified during the year.

MANAGEMENT'S REPLY

The Fixed Asset Registers are maintained giving all the relevant details of each item of assets, which are physically verified regularly at least once in three years intervals. Further, firms of Chartered Accountants were engaged during the year to examine and suggest improvements required in this regard, if any. They have since completed their examination and have recommended in their reports certain improvement with regard to the record keeping in Fixed Assets Register by restructuring format of the register which are in their various stages of implementation.

This being a mere statement of fact, calls for no comments separately.

The total coal stock held at the stockyards of the Regional Sales Offices at the close of the year was 8776.68 MT which in terms of percentage works out to 1.51% of the total coal stock held by the Company at the year end. In view of the meagreness of the quantity

AUDITORS' REPORT

MANAGEMENT'S REPLY

for which 100% provision for possible shortage exists in the Accounts, no verification physically of these age-old stock was considered necessary.

With regard to the verification of the stock of Stores & Spares at the CIL Production Unit in NEC, a firm of Chartered Accountants was engaged to verify them, itemwise. The firm has since completed verification and submitted their report in terms of which certain adjustments in the Inventory of stock and spares are necessary with required reflection thereof in the Accounts which are being carried out.

IV. 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.

This being a mere statement of fact, calls for no comments separately.

V. On physical verification of stock no material discrepancies between the physical stock and book records were noticed. However, discrepancies yet to be reconciled at NEC need to be completed early.

The discrepancies requiring reconciliation at NEC as observed by Audit in the para has been noted for compliance. A firm of Chartered Accountants was engaged for verification of Bin Card with physical balance. The firm has submitted its report which is under examination.

VI. On the basis of information and explanation given to us, valuation of stock is fair and in accordance with the normally accepted accounting principles. Provision to the tune of Rs. 2903.43 lakhs against inventory to cover future deterioration in value of coal due to various reasons have been made. However, adequacy or otherwise of the same could not be ascertained since it is based on mere estimates.

The total provision against value of coal stock held at the close of the year in terms of percentage is about 63%. Quantity despatched from out of such coal stock by way of sales subsequently in periods after the closure of the year shows that there have not been any deductions claimed by the buyers of such coal on account of either quality or weight shortage. Viewed the matter in the light of the above it would no doubt appear that the provision made in the Accounts are more than adequate and requires no revision further.

AUDITORS' REPORT

✓ VII. The Company has not taken any loan from Companies, Firms or other parties listed in the register maintained u/s 301 of the Companies Act 1956. *except from its wholly owned subsidiaries from whom funds have been taken in the form of short term loan or current a/c.* The provision of u/s 370 (1b) of the Companies Act 1956 are not applicable to a Company on and from Oct. 31, 1998.

✓ VIII. 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, except to its wholly owned Subsidiaries to whom funds have been granted in the form of loans and current a/cs. The provision of sec. 370 of the Companies Act, 1956 are not applicable to a Company on and from Oct. 31, 1998.

IX. 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 accordingly except the following :

✓ (a) Principal of Loans have not been repaid by some of the Subsidiaries as per stipulation. Interest has not been recognised in case of ECL and BCCL as referred in Note no. 10.1 of part-B of Schedule-N.

✓ (b) In respect of certain loans and advances, which have been considered as doubtful, and fully provided for.

MANAGEMENT'S REPLY

This being a mere statement of fact, calls for no comments separately.

This being a mere statement of fact, calls for no comments separately.

The observation of audit in this para may have to be viewed in the light of the clarification appearing in note No. 10.1 (Pt.B) in Schedule 'N' forming part of accounts. In this connection it is further clarified that in view of the persistent failure on the part of ECL & BCCL in making payment of interest besides principal loan repayments, necessarily because of their negative debt servicing capacity, there can hardly have any sense in recognising revenue by CIL in its account for above interest income. It is in this background the recognition of the revenue of these interest incomes have been deferred in the accounts which is permissible as per the guidance note of the Institute of Chartered Accountants of India on 'accounting of Income on accrual basis'.

This being a mere statement of fact, calls for no comments separately.

AUDITORS' REPORT

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- ✓(c) Loans and/or advances in the nature of Loans given by the Company to employees are generally recovered with interest, wherever applicable, as stipulated excepting in few cases.

All such cases requiring recovery of interest portion, though few in number as observed by the audit in the para have in fact been kept under close watch and the recovery of such dues are in progress.

- X. 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 components, plant & machinery, equipment and the sale of goods, however the same needs to be strengthened.

Strengthening of internal control procedures is a continuous process and the practice followed on that at CIL is no exception. Thus the observations of audit at the concluding portion of this para needs to be viewed in the light of above.

- XI. There were no transactions for the purchase and sale of goods, materials and services in pursuance of contract or arrangement recorded in the register maintained u/s 301 of the Companies Act, 1956 and aggregating during the year to Rs. 50,000/-

This being a mere statement of fact, calls for no comments separately.

- XII. The Company do not have any Raw Material and Finished Goods as such. However, determination of unserviceable or damaged stores are still pending against which ad-hoc provision is being maintained, adequacy of which cannot be commented upon.

This being a mere statement of fact, calls for no comments separately.

- ✓XIII. 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 in earlier years.

This being a mere statement of fact, calls for no comments separately.

- XIV. Reasonable records have been maintained by the Company for the sale and disposal of realisable scraps.

This being a mere statement of fact, calls for no comments separately.

AUDITORS' REPORT

MANAGEMENT'S REPLY

- | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>✓ XV. The Company has an internal audit system but <u>internal audit have not been conducted in Head Quarter and RSO's during the year. the report on the accounts of NEC has not been made available to us.</u></p> | <p>Need for strengthening internal audit coverage at RSO(s), Headquarters as observed in the para has been noted for adherence.</p> <p>As internal audit report of NEC was received late same could not be made available to Audit for scrutiny.</p> |
| <p>XVI. The maintenance of cost records has not been prescribed by the Central Government u/s 209 (1) (d) of the Companies Act, 1956.</p> | <p>This being a mere statement of fact, calls for no comments separately.</p> |
| <p>XVII. According to the records of the Company Provident Fund dues have been generally regularly deposited during the year with the appropriate authorities. The Employees State Insurance Act is not applicable to the Company.</p> | <p>This being a mere statement of fact, calls for no comments separately.</p> |
| <p>XVIII. There is no undisputed amount as at 31st March, 2000 for a period of more than 6 months from the date they become payable in respect of Income Tax, Wealth Tax, Sales Tax, Custom Duty and Excise Duty.</p> | <p>This being a mere statement of fact, calls for no comments separately.</p> |
| <p>XIX. According to the informations and explanations given to us and as far as we could ascertain the personal expenditure have not been charged to revenue other than those payable under contractual obligation and/or in accordance with the convention and generally accepted business practice.</p> | <p>This being a mere statement of fact, calls for no comments separately.</p> |
| <p>XX. The Company is not a Sick Industrial Undertaking within the meaning of Section 3 (1) (0) of Sick Industrial Companies (Special Provisions) Act, 1985.</p> | <p>This being a mere statement of fact, calls for no comments separately.</p> |
| <p>XXI. In respect of the Companies trading activities, as explained to us, by the Management, there are no damaged goods except to the extent provided for.</p> | <p>This being a mere statement of fact, calls for no comments separately.</p> |

AUDITORS' REPORT

MANAGEMENT'S REPLY

We further report that :

1. As per practice certain expenditure at existing mines at NEC are capitalised under "Mines Development and Prospecting & Boring", irrespective of substantial increase in production or proved reserve of the mines justifying such capitalisation. We have been informed that such expenditure pertain to development activities in the mines for maintaining production without which it would not be possible to keep the mines going. As such in our opinion, expenditure incurred upto previous years Rs. 3846.53 lakhs and incurred during the year Rs. 44.67 lakhs should have been charged to revenue.
2. Feasibility of "Lekhapani Mines" which is purely of exploratory nature could not be established even after a lapse of substantial time. As such, in our opinion, expenditure incurred upto the year amounting to Rs. 135.43 lakhs should have been charged to revenue.
- ✓ 3. ECL and BCCL are incurring losses and not paid any dividend since a long time. Net worth of these Companies have become negative and these are not in a position to pay interest on their Loan account as well as apex office charges. Accumulated losses of these Companies are much higher than the face value of the investments and the portion of the assets of these companies have already been mortgaged or hypothicated to outside parties. As such, in our opinion, provision in the account atleast equal to the face value of the investments i.e. Rs. 433645.00 lakhs should have been made.

The expenditure referred to in the para pertains to development activities in the mine for maintaining production, the benefit of which will continue to accrue in future years also. It is further clarified that without this expenditure it would not have been possible to keep the mine going. Viewing the matter in the light of above, it would no doubt appear that the expenditure has correctly been capitalised in adherence of the practice in this regard. In this connection the disclosure at para no. 5(c) in Part A of Schedule -N is also relevant and may please be referred to.

All expenditure in question referred to in the para by audit have been incurred on account of Prospecting & Boring which, because of providing enduring benefits, are of capital nature and have thus been correctly capitalised for disclosure accordingly in the accounts.

The need for making provision against likely losses in value of CIL's investment in ECL & BCCL as opined by the auditors in this para, calls for review as they seem to have no force in view of the fact that, providing against such likely losses based on historical data without ascertaining the position with regard to the coverage of such investment by value of assets which presently exists in these Subsidiaries is void of any rational. In fact, during the year under review, assets of certain areas in ECL & BCCL were revalued by experts on current replacement costs basis which indicates that there replacement costs far exceeds their book value. This signifies that CIL's investment in these Subsidiaries are still covered well by their assets without any dimunition in their value. The aggregate Revalued Value After Depreciation (RVAD) as on 31.3.1999 of the assets in mines of ECL was Rs. 1783.96 crores

1999 2000

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against W.D.V. as per the books of Rs. 578.62 crores. In respect of BCCL such RVAD was Rs. 428.49 crores against Rs. 75.89 crores of WDV as reveals from records. However, as CIL is having long term interest in these Companies and have plans to implement measures for reviving their viability, there seems to exist no justification to provide for diminution in value of CIL's investment in these Companies at this stage. The audit observation in this para may thus have to be viewed in the light of above.

✓4. Reference is invited to note no. 10.5 of part "B" of schedule - N. Company has paid Rs. 1901.16 lakhs to some of its subsidiaries on account of surplus fund perked by them during the year. Similarly, in our opinion interest also should have been recovered on the debit balances lying in the current account of some of the other Subsidiary Companies also as the matching cost has already been absorbed by the Company, but, effect could not be ascertained.

Interest was paid to NCL, a Subsidiary of CIL as it was decided in their Board to park such surplus fund to CIL instead of in other agency, only against payment of interest. Moreover, CIL also has gained by taking such short term loan from this Subsidiary rather than obtaining them from the market. CIL, as a matter of policy, is not charging any interest on the current account balances as because they are temporary in nature.

✓5. A reference is invited to Accounting Policy no. 12 of Schedule - N. As per said Accounting Policy interest on loan given to subsidiaries is to be charged on the opening balances of the loan as appearing in their books. However, during the year the company has accounted for interest income on the balance appearing in their own books (opening balance less value of preference shares issued less loan installments repaid by individual subsidiaries) but not recognised the balance of loan accounts shown in the books of subsidiaries. Had the interest computed on the basis of said accounting policy interest income would have been lower by Rs. 1360.16 lakhs excluding interest on ECL and BCCL

Observation of audit in this para is not totally correct in the sense that the interest has in fact been charged on balance as appearing in the books of Subsidiaries with only exception that such balance subjected to interest has been worked out after carrying out the adjustment required to rectify the errors/ omissions noticed in the course of reconciling such balances with reference to the relevant records available at CIL.

AUDITORS' REPORT

amounting to Rs. 2730.37 lakhs which has not been recognised.

- ✓ 6. A reference is invited to Note no. 10.4 of Part-B of Schedule-N.

In our opinion, such income has arisen out of new lines of business which is subject to the approval of the shareholders and pending compliance of other legal formalities.

7. Sundry Debtors balances and transactions relating to the period of last 15-20 years and appearing in Debtors Ledger at NEC have been though, scrutinised during the year and a revised ledger has been prepared based upon such scrutiny. However, as these transactions are relating to a pretty long period these requires a special audit before given any effect in the account. As uch we are unable to comment on the adjustments carried out because of such scrutiny.

- ✓ 8. Refer Note no. 10.3 of Schedule - N.

Income from dividend amounting to Rs. 75194.98 lakhs have been accounted for in the accounts of the Company on the basis of proposed interim/final dividend declared by the subsidiaries which is subject to the approval of shareholders in AGM of the respective companies.

- ✓ 9. We have relied upon the transactions made in between the company and its subsidiaries as reflected in the "Debit and Credit" advises exchanged and accepted by the companies on the basis of available details. A no. of transactions involving substantial amounts remained unreconciled at the end of the year which may have effect on the accounts but the figures could not be ascertained.

MANAGEMENT'S REPLY

Opinion of the Auditors as mentioned in the para seems to have no foundation. It is denied that the Company have in fact commenced any new business on forward trading, nor any legally formalities for that, as observed by the audit in the para, awaits compliance.

The job of linking seriatum of Sundry Debtors Ledger was done by a firm of Chartered Accountants. Necessary rectification entries, if any, have been carried out as advised in their report. Hence, there no more exists any need for any further audit in this regard as opined by the audit.

This being a mere statement of fact, calls for no comments separately.

Current account reconciliation is a continuous process and joint reconciliation between CIL and its Subsidiaries are done at regular intervals. Most of the items appearing in such joint reconciliation have actually been carried out by the respective Subsidiary Companies and also by CIL. However, that does not take into account old unreconciled balances for reconciliation of which special efforts are being made with target to reconcile them each and adjust by the turn of 2001.

AUDITORS' REPORT

MANAGEMENT'S REPLY

- ✓ 10. Since company is not recognising income on account of interest receivable since last two years and apex office charges for the year from ECL and BCCL because of their critical financial position, in our opinion such income recognised in earlier years remained uncollected in real terms and shown either in current account or in loan account should have been de-recognised or provision should have been made. However the figures as far as we could ascertained amounts to Rs. 5634.35 lakhs.
- ✓ 11. Reference is invited to the accounting policy no. 14 of part - A of Sch.-N as the Rupee-Dollar exchange rates has substantially changed after the year end date. In our opinion, to reflect more accurate liability a further provision of Rs. 7151.80 lakhs should have been made and also corresponding recovery of the same should have been made from the concerned subsidiaries.
- ✓ 12. Provision required to be made against certain loans and advances carried since several years and remained unadjusted.
- ✓ 13. Company has certain surveyed of assets which are no longer in useable condition. Despite this, the same has not been charged off. Effect not ascertained.
- ✓ 14. As informed to us, MGT and Tech. A ppl (I) Ltd., is not paying any dividend and incurring losses for several years and net worth of the same has already been eroded, therefore, in our opinion, adequate provision against the investment of

In view of the position as mentioned in reply to para no. 3, the question of such derecognition and/or making provision in the accounts as opined by the auditors in this para, does not arise.

Valuation as per the generally accepted commercial practice, has been done on the basis of exchange rate prevalent as on 31.3.2000. This practice has consistently been followed over the years. Observations of audit in this para may thus have to be viewed in the light of above.

Observation of the audit in the para is generic in nature without specifying any such instances requiring necessary action noticed, if any. Nevertheless, necessary action will be taken if on scrutiny existence of any such loans and advances are noticed.

To deal with the matter as observed by the auditors, a firm of Chartered Accountants was engaged to examine them and advise. The firm has since completed their examination and submitted their report pointing out therein the rectifications required. A committee has since been constituted to examine the report submitted by the firm of Chartered Accountants and advise action which is in progress.

Since these are long term investment in Public Sector Undertakings, both of which are going concerns, no provision as suggested by the auditors to cover against the likely diminution in value of such investments are felt necessary.

AUDITORS' REPORT

MANAGEMENT'S REPLY

Rs. 1.63 lakhs in the said company should have been made in this accounts.

- ✓15. Reference is invited to note no. 10.2 and 10.2 (A) of part-B of Sch.-N.

Provision of Rs. 573.90 lakhs against the expenditure on account of likely revision of Pay scales of the Employees have been made in the account. However adequacy or otherwise of the same could not be commented upon.

16. Company is holding its stock at Jalpaiguri, Howrah and Canning stockyard, but the rent liability of such stockyards not provided in the account for a number of years. Figure not ascertained.

- ✓17. Various ledgers accounts viz. sundry debtors, Creditors Advance from customers and employees advance ledgers like — Medical, LLTC, LTC, Conveyance, Motor Car and House Building advances etc., the Bank Books including common Bank Books of company as well as its subsidiaries maintained at various RSOs require improvement to reflect the transactions in the manner it is required as per law. Further, possibility of under/over booking of expenditure and liabilities could not be eliminated completely at RSOs.

18. In a number of cases, the name of the party, reference of bill no. and date, and linking of the transactions have not been made in the ledgers of Creditors and advance from Customers maintained at NEC. It appears that most of the transactions from the year 1974-75 onwards are still appearing in such ledgers. Transactions have also not been recorded on day to day basis in chronological order. In a number of cases even earlier years and months transactions have been recorded much after the transactions of succeeding months. Under such circumstances day to day position of Creditors and advance

This being a mere statement of fact, calls for no comments separately.

No claim on this account is pending for which provision, as mentioned by auditors in the para, is required.

All Books of Accounts are maintained in the manner as required under law. However, carrying out improvements in maintaining records as observed by the audit in the para is a continuous process and the same are being carried out with requirements as and when noticed on scrutiny.

The points observed by the auditors in this para being generic without citing the specific instances of apparent irregularities in record keeping which requires attention, no specific response to them is possible. However, in order to make the record straight it is submitted that all day to day transactions are recorded in cash/ledger book regularly and corresponding ledger entries of each such transaction are made periodically.

AUDITORS' REPORT

MANAGEMENT'S REPLY

from customers cannot be readily ascertained.

19. The ledgers accounts at NEC, Margherita is maintained in such a manner which though give a combined consolidated position of transactions incurred at various offices under its control like Guwahati, Margherita, Sinsong, Siliguri, New Delhi, Calcutta, Tura etc., but the transactions incurred at various offices are not summarised and a separate Trial Balance for each Office cannot be readily prepared. As such transaction in the General Ledger maintained at NEC could not be readily counter checked with the records maintained at respective offices.

20. Effect of various observations as referred above and as far we could ascertain amounts to Rs. 444667.77 lakhs which if considered turn the profit of the year into losses by a sum of Rs. 386550.10 lakhs.

21. Subject to our comments as referred above, we report that :

- (i) We have obtained all the informations and explanations which, to the best of our knowledge and belief were necessary for the purpose of our audit.
- (ii) In our opinion, proper books of accounts, as required by law, have been kept by the company as appears from our examination of the books.
- (iii) The Balance Sheet and profit and loss accounts dealt with by this report are in agreement with the books of accounts.
- (iv) In our opinion the Profit and Loss Account and the Balance Sheet comply with the Accounting Standards referred to in section

These aspects shall be looked into and necessary improvements where necessary will be carried out.

Quantification made by the auditors in this para seems to have no relevance at all in view of the respective position that in fact are obtaining as mentioned in replies to para nos. 1, 2, 3, 5, 10 & 14, herein before.

AUDITORS' REPORT

211 (3C) of The Companies Act, 1956 to the extent applicable except :

- (a) Different basis of accounting have been followed as against accrual basis (Refer note no. 2.2 of Significant Accounting Policies AS-9).
- (b) Installation expenses except material issued from stores, if any, wherever incurred departmentally are not capitalised. (Refer note 4.6 of Part-B of Schedule-N, AS-10).
- (c) Valuation of Stores & Spares — Inclusion of Freight, Transportation and other incidental charges on notional basis, and also valuation of charged off stores on estimated basis at NEC, non-consideration of inventory of stationery bricks, medicines and aircrafts spares as referred in Accounting Policy No. 6.4, AS-2.
- (d) Non-recognition of interest claim and Apex office charges in respect of ECL and BCCL (instead of the same provision against such income should have been made as envisaged in AS-9).
- (e) Dividend Income (Note 10.3 Part-B Schedule-N on AS-9).
- (v) In our opinion and to the best of our information and according to the explanations given to us; the accounts gives the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :
- (a) In the case of Balance Sheet, of the state of affairs of the company as at 31st March, 2000.

and,

- (b) In the case of Profit and Loss Account, of the profit for the year ended on that date.

MANAGEMENT'S REPLY

AUDITORS' REPORT

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22. The Balance Sheet as at 31st March, 2000 and Profit and Loss Account for the year ended on that date together with notes thereon which were approved by the Board of Directors of the Company on 19th of August, 2000 and reported by us on 21st August 2000 have been revised. The revision has affected accounts of the Company as per Note No. 12.8 of Schedule N, Part-B.

For M. C. Bhandari & Co.
Chartered Accountants

Sd/-

Calcutta,
Dated : 19.9.2000

(M. R. Jain)
Partner