

**ANNUAL REPORT
& ACCOUNTS**



2000 - 2001

COAL INDIA LIMITED



An aerial photograph of a landscape. A river flows from the top left towards the bottom right. The left bank is densely wooded with dark trees. The right bank is more open, with a road or path running parallel to the river. The overall scene is in black and white, with high contrast between the dark foliage and the lighter ground.

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Board of Directors



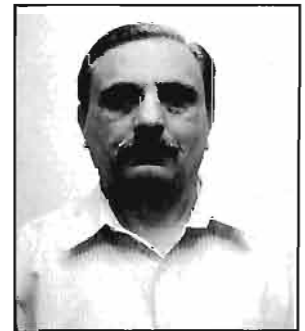
Shri N. K. Sharma



Shri C. D. Arha



Dr. S. Behuria



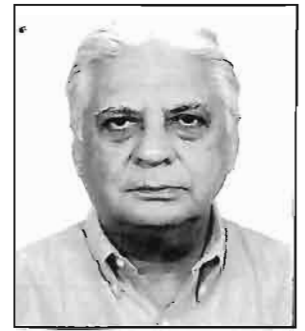
Shri S. S. Bhandari



Shri C. H. Khisty



Shri A. Chatterjee



Shri S. M. Sharma



Shri M. K. Sinha



Shri G. K. Jha



Shri Ashok Mehta

Members of the Board

(As on 30th September, 2001)

CHAIRMAN

Shri N. K. Sharma

FUNCTIONAL DIRECTORS

Shri C. H. Khisty	—	Personnel & Industrial Relations
Shri A. Chatterjee	—	Finance
Shri M. K. Sinha	—	Technical
Shri S. M. Sharma	—	Marketing

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 S. S. Bhandari	—	Additional Member (Traffic) Railway Board, New Delhi
Shri G. K. Jha	—	Chairman-cum-Managing Director South Eastern Coalfields Limited Bilaspur
Shri Ashok Mehta	—	Chairman-cum-Managing Director Eastern Coalfields Limited Sanctoria

COMPANY SECRETARY

Dr. H. Sarkar



2000-2001

Management During 2000-2001

CHAIRMAN

Shri P. K. Sengupta	—	(From 31.12.1994 to 30.9.2000)
Shri C. D. Arha	—	(From 1.10.2000 to 13.2.2001) (Addl. Charge)
Shri N. K. Sharma	—	(From 14.2.2001)

FUNCTIONAL DIRECTORS

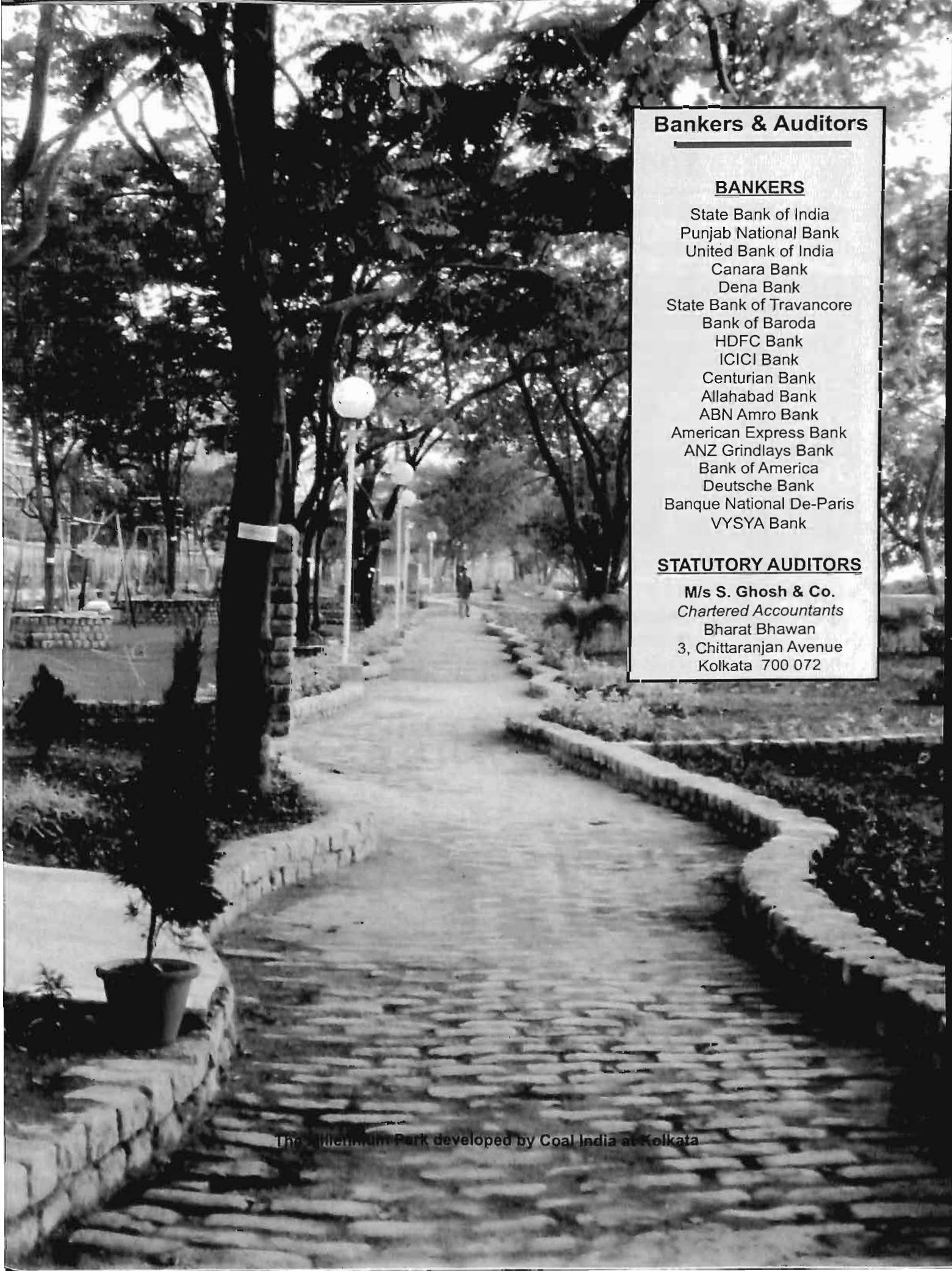
Shri C. H. Khisty	—	Personnel & Industrial Relations (From 6.2.96)
Shri A. Chatterjee	—	Finance (From 27.1.97)
Shri N. K. Sharma	—	Technical (From 10.7.98 to 29.3.2001)
Shri S. M. Sharma	—	Marketing (From 3.10.2000)

DIRECTORS

Shri C. D. Arha	—	Additional Secretary Ministry of Coal, New Delhi (From 17.8.99)
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 to 30.9.2000)
Shri S. S. Bhandari	—	Additional Member (Traffic) Railway Board, New Delhi (From 5.3.2001)
Shri B. Akala	—	Chairman-cum-Managing Director Central Coalfields Ltd. (From 11.7.2000 to 5.3.2001)
Shri S. K. Varma	—	Chairman-cum-Managing Director Central Coalfields Limited (From 5.3.2001)
Shri S. N. Sharma	—	Chairman-cum-Managing Director Mahanadi Coalfields Ltd. (From 8.6.99 to 7.6.2000)
Shri G. K. Jha	—	Chairman-cum-Managing Director South Eastern Coalfields Limited (From 8.6.99 to 7.6.2000)
Shri S. K. Sen	—	Chairman-cum-Managing Director Northern Coalfields Limited (From 11.7.2000)

COMPANY SECRETARY

Dr. H. Sarkar	—	From 30.9.97
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A black and white photograph of a park path lined with trees and streetlights. The path is paved with cobblestones and runs through a lush, wooded area. Several tall, slender streetlights with spherical globes are spaced along the path. The trees are dense and leafy, creating a canopy effect. In the foreground, a small potted plant sits on a low stone wall. The overall atmosphere is serene and natural.

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 S. Ghosh & Co.
Chartered Accountants
Bharat Bhawan
3, Chittaranjan Avenue
Kolkata 700 072

The Millennium Park developed by Coal India at Kolkata



2000-2001

Notice

No. CIL:XI(D):04043:1952:2001

Dated : 20th September, 2001

Notice of the 27th Annual General Meeting of Coal India Limited

Notice is hereby given to all Shareholders of Coal India Limited that the Twenty-seventh Annual General Meeting of the company will be held on Saturday, the 29th September, 2001 at 12.00 Noon, 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, 2001 and profit and Loss Account for the year ended 31st March, 2001 together with the Reports of Statutory Auditors, Comptroller & Auditor General of India and Directors' Report.
2. To declare dividend on Preference 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 S. S. Bhandari 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 Ashok Mehta 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 G. K. Jha who retires in terms of Article 33 (d) (iii) of the Articles of Association of the Company and is eligible for reappointment.
8. To consider and if thought fit, to pass with or without modification(s) the following resolution as Ordinary Resolution :

"Resolved that the Board of Directors of CIL be and are hereby authorised to fix the remuneration of the Statutory Auditors of CIL to be appointed by C&AG in future".

By order of the Board

Sd/-

Kolkata

Dated : the 20th September, 2001

(Dr. H. Sarkar)

Company Secretary

Note :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and that the Proxy need not be a member of the Company.
2. The Shareholders are requested to give their consent for calling the Annual General Meeting at 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 27th Annual General Meeting of Coal India Limited. The report of the Directors and the audited accounts for the year ended 31st March, 2001 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. CIL as a whole has sustained a loss of Rs.1414.47 crores for the year 2000-01 against a profit of Rs.693.87 crores in the previous year. The loss is mainly due to making provision of Rs.3031.66 crores in the Accounts towards arrear payment pursuant to upward revision of pay and allowances of the non-executives effective from 1.7.1996 and the executives effective from 1.1.1997. Your Directors have recommended payment of dividend of Rs.9041.80 lakhs i.e. @10% on preference shares to the Government for the preference shares of CIL held by it.

3. In spite of sluggishness and general recession in the Indian economy during the IXth Five Year Plan period and delay in implementation of Independent Power Projects (IPPs), CIL ended up the year under review exceeding previous year figures both in production and off-take fronts. Production of coal in the year 2000-01 was 268.14 million tonnes as against 260.58 million tonnes in previous year, registering a growth of 2.90%. Off-take, on the other hand, was 273.81 million tonnes posting a growth of 3.87% over the



previous year's off-take of 263.61 million tonnes. Output per manshift (OMS) for the year under review recorded an improvement of about 9.5%. The Indian coal market is now being exposed to competition both from imported coal and also from indigenous coal. This necessitates more efforts on the fronts of cost reduction, improvement in quality of coal and rationalization of manpower. In order to reduce surplus manpower of CIL mainly from ECL, BCCL and CCL, Coal India has formulated Voluntary Retirement Scheme (VRS) based on the guidelines issued by the Deptt. of Public Enterprises. CIL could achieve a reduction of about 20,000 in its manpower during the year.

4. Looking at the future demand of coal vis-a-vis constraints of fund, exploring the possibility of opening some projects with joint venture is under active consideration.

2000-2001

5. Delay in respect of acquisition of forest land and non-forest land is resulting in delay in completion of projects. To ensure that the land is made available without any undue delay, an umbrella Task Force involving Ministry of Coal, Govt. of Jharkhand and the concerned companies is under process of formation. With a view to explore and exploit coal bed methane as a commercial venture, a joint Task Force with the officials of ONGC and CIL has also been formed.

6. Another area which is of our great concern is coal sale dues. Net coal sale dues as on 31.3.2001 after making a provision of Rs.1765.61 crores for bad and doubtful debts was Rs.4701.37 crores

against a corresponding figure of Rs.4129.32 crores in the previous year. Coal sale dues are mounting year after year. As a measure towards this problem, the method of recovery of coal sale dues by means of securitisation of dues is under process of finalisation. We are looking forward for better-off in our liquidity position.

7. While some of the subsidiaries are doing well in their financial performance, 3 other subsidiary companies viz. ECL, BCCL and CCL are continuing to incur huge losses which is the cause of great concern. These 3 subsidiaries are basically sick within the purview of the Sick Industrial



Shri Atal Behari Vajpayee, Hon'ble Prime Minister and Shri Syed Shahnawaz Hussain, Minister of Coal, flanked by senior officials of Ministry of Coal, Coal India Ltd., and Central Trade Union Leaders during the cheque presentation for "Prime Minister's National Relief Fund" for Gujarat earthquake victims

Companies (Special Provisions) Act, 1985. Steps are being taken for their revival.

8. Safety in mines continues to receive priority. Though there has been improvement in this front as a result of a number of measures taken towards this end but efforts are still continuing for further improvement. Special attention is given towards welfare of the employees for improving the quality of life of them. This has led to industrial relation being remained cordial.

9. I am confident that CIL shall scale new height in the days to come and meet the expectation of all stake holders viz. the

employees, the Governments, the consumers and the nation at large with the dedicated performance at all levels as in the past.

10. Finally, I seize the opportunity of placing on record my deep sense of appreciation for the valuable services rendered by my predecessors, Shri P. K. Sengupta and Shri C. D. Arha. I also express my sincere thanks to Ministry of Coal, other Central Govt. Ministries and Departments, State Governments, our employees, Trade Unions and our consumers and suppliers for their unstinted support and relentless co-operation.

Kolkata

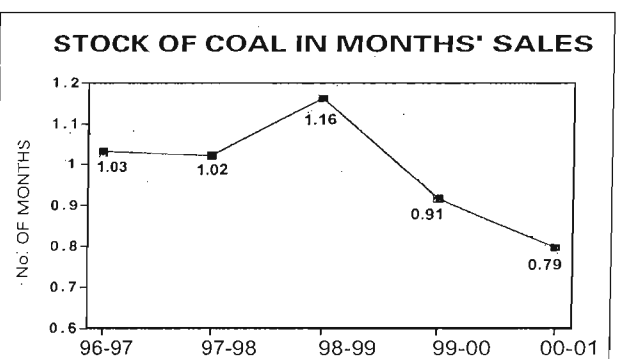
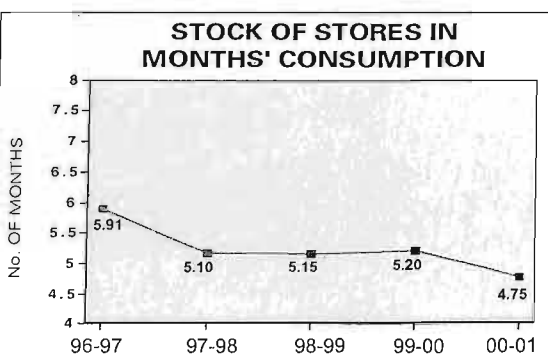
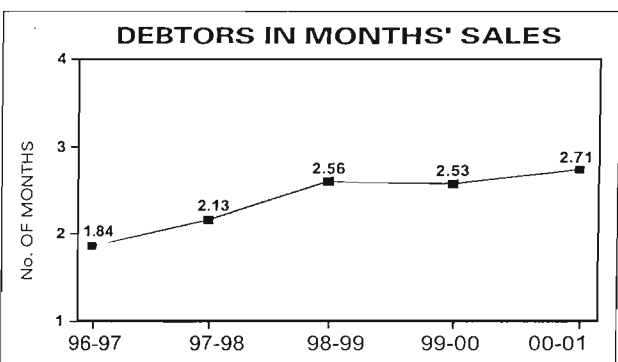
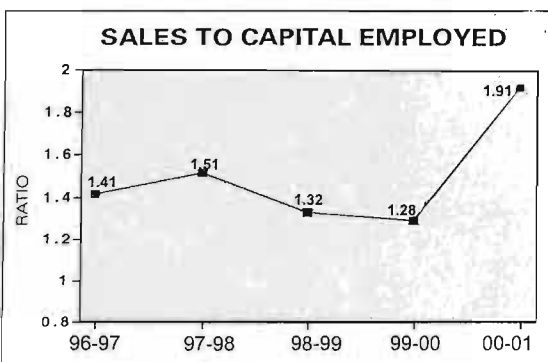
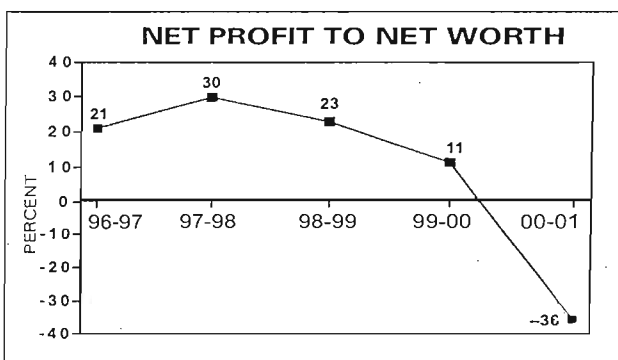
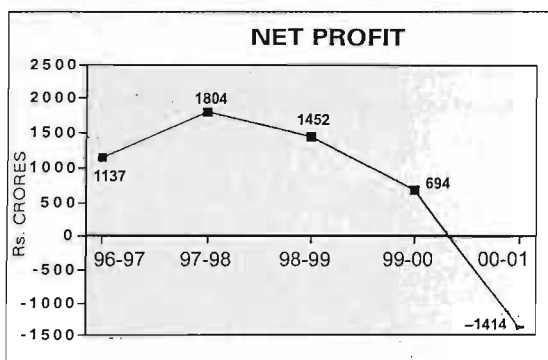
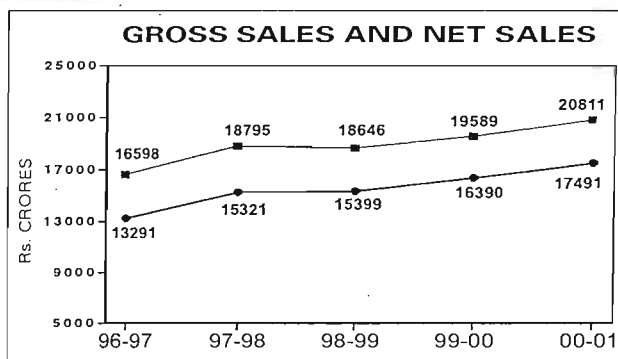
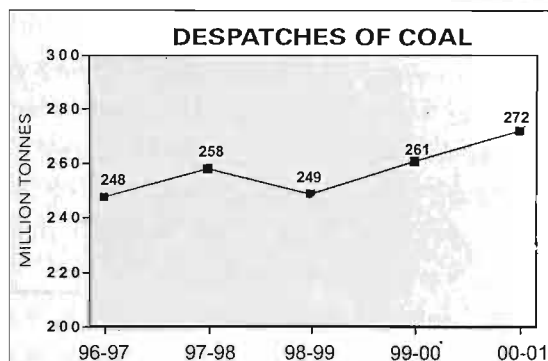
Dated, 29th September, 2001.

N. K. Sharma

Chairman

2000-2001

Performance of Coal India Limited At a Glance



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

Year Ending 31st March	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
1. (a) Production of Raw Coal (Million Tonnes)										
Underground	50.56	52.32	53.32	53.97	55.20	54.81	55.60	56.55	57.06	56.82
Opencast	217.58	208.26	203.16	206.58	195.42	182.46	167.46	159.55	154.16	147.34
TOTAL	268.14	260.58	256.48	260.55	250.62	237.27	223.06	216.10	211.22	204.16
(b) Overburden Removal (Mech. O/c) (Million Cub. Mtrs.)	487.39	462.40	452.10	428.14	395.30	361.57	340.03	325.46	308.94	298.30
2. Off take (Raw Coal) (Million Tonnes)										
Power	207.54	195.08	182.10	189.66	177.14	164.04	148.29	142.54	131.46	120.60
Steel/Hard Coke	13.79	15.45	18.35	19.21	19.35	20.51	21.38	21.26	21.10	21.42
Railway	—	—	0.03	0.05	0.13	0.27	0.59	1.78	2.86	3.92
Domestic & Boiler Use	1.95	2.20	2.58	2.69	2.86	3.01	3.20	3.28	3.40	3.51
Others	50.53	50.91	49.15	48.90	51.45	51.53	49.13	47.75	49.56	48.98
TOTAL	273.81	263.61	252.21	260.51	250.93	239.36	222.59	216.61	208.38	198.43
3. Average Manpower	552061	574477	599292	619576	631999	638814	648519	659647	667459	672217
4. Productivity										
(A) Average per Man per year (Tonnes)	485.71	453.60	427.97	420.53	396.53	371.42	343.95	327.60	216.45	303.71
(B) Output per manshift (OMS).										
(i) Underground (Tonnes)	0.63	0.61	0.59	0.57	0.57	0.56	0.57	0.55	0.55	0.53
(ii) Open Cast (Tonnes)	5.92	5.44	5.52	5.07	5.12	4.75	4.35	4.00	3.80	3.70
(iii) Overall (Tonnes)	2.30	2.10	2.03	1.93	1.86	1.75	1.64	1.52	1.46	1.41



2000-2001

FINANCIAL POSITION

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

(Rs. Crores)

Year Ending 31st March	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
(A) What is owned										
Gross Fixed Assets	25305.86	24546.79	21667.79	20082.20	18445.26	17119.09	15570.04	13554.87	11902.43	10423.77
Less Depreciation	12664.34	11457.95	10167.28	9157.31	8212.82	7381.46	6530.28	5667.04	4853.87	4124.66
(1) Net Fixed Assets	12641.52	13088.84	11500.51	10924.89	10232.44	9737.63	9039.76	7887.83	7048.56	6299.11
(2) Capital Work-in-Progress	1104.99	1194.11	1722.60	1893.85	2114.24	2281.38	2326.80	2737.41	2701.92	2373.09
(3) Misc. expenditure (others)	216.44	70.84	81.02	126.23	516.42	213.79	234.65	165.69	104.61	69.92
(4) Investment (internal)	80.10	80.10	0.10	12.72	2.94	0.08	0.10	0.08	0.08	0.10
(5) Current Assets :										
(i) (a) Inventory of Coal, Coke etc.	1145.46	1242.19	1491.86	1299.44	1142.61	1363.89	1374.86	1656.35	1660.64	1404.69
(b) Inventory of Stores & Spares etc.	1101.09	1121.20	1034.89	1017.35	1022.67	911.17	889.91	810.37	750.49	695.24
(c) Other Inventories	104.37	104.62	91.91	60.26	50.04	57.24	52.91	42.33	35.57	23.40
(ii) Sundry Debtors (including CMPDIL)	4797.61	4155.22	3997.49	3357.44	2597.72	2167.95	2555.55	2443.31	2090.73	1390.30
(iii) Cash & Bank Balances	767.27	787.08	786.93	499.28	401.87	255.18	340.59	218.13	186.63	146.33
(iv) Loans & Advances (incl. Other C/Assets & Adj.)	3163.53	2788.46	3389.48	2150.87	1428.07	823.74	735.11	761.87	978.55	849.39
(v) O.B.R. Adjustments	-449.05	-468.46	-409.31	-468.93	-222.61	-158.31	-44.21	20.09	3.42	47.73
Total Current Assets (5)	10630.28	9730.31	10383.25	7915.71	6420.37	5420.86	5904.72	5952.45	5706.03	4557.08
(6) Less Current Liab. & Prov. (Excl. Intt. Acct. & Due)	14021.56	10032.33	10185.89	8660.34	7140.41	5946.96	4816.42	4278.21	3767.04	2839.13
Net Current Assets (5-6)	-3391.28	-302.02	197.36	-744.63	-720.04	-526.10	1088.30	1674.24	1938.99	1717.95
TOTAL (A)	10651.77	14131.87	13501.59	12213.06	12146.00	11706.78	12689.61	12465.25	11794.16	10460.17
(B) What is owed										
(1) 10% Redeemable Pref. Shares	904.18	904.18	904.18	904.18	904.18					
(2) Govt. Loan	898.56	1446.20	1920.58	2230.82	2534.72	3737.83	3813.58	3813.67	3947.08	3874.23
(3) Interest Accrued & Due	163.59	80.57	26.93	38.01	53.27	59.82	1122.64	1289.26	1334.31	1025.53
(4) Intercompany Loan	722.74	840.48	964.48	240.21	155.49	102.82	130.00	300.00	500.00	225.00
(5) Term Loan (F. Inst. & Banks)	262.54	481.12	367.38	135.22	73.46	99.27	116.13	59.38		
(6) Bonds	563.46	584.33	884.03	1084.03	1484.03	1100.00	1100.00	800.00	600.00	600.00
(7) Others	2809.41	2710.46	1290.97	957.43	932.19	1057.62	941.10	759.04	619.52	447.51
SUB-TOTAL (1 TO 7)	6324.48	7047.34	6358.55	5589.90	6137.34	6157.36	7223.45	7021.35	7000.91	6172.27
(7) Bank Borrowings (incl. Bank O.D. & others)	388.72	944.87	716.45	704.71	593.58	561.89	472.37	692.41	455.12	341.89
TOTAL (B)	6713.20	7992.21	7075.00	6294.61	6730.92	6719.25	7695.82	7713.76	7456.03	6514.16
Net Worth (A-B)	3938.57	6139.66	6426.59	5918.45	5415.08	4987.53	4993.79	4751.49	4338.13	3946.01
Represented by :										
(1) Equity Capital (incl. pending allotment)	6316.36	6316.36	6316.36	6316.36	6316.36	6316.36	6316.36	6104.84	6097.85	6000.76
(2) Reserves	3000.76	2484.64	1721.09	985.10	390.49	316.65	324.80	414.53	334.81	299.24
(3) Profit/Loss (+) / (-)	-5378.55	-2661.34	-1522.14	-1114.62	-1040.31	-1312.29	-1647.37	-1767.88	-2094.53	-2353.99
(4) Misc. Expenditure (D/liab.)	—	—	-88.72	-268.39	-251.46	-333.19				
Net Worth (1 to 3)	3938.57	6139.66	6426.59	5918.45	5415.08	4987.53	4993.79	4751.49	4338.13	3946.01
Capital Employed	9166.75	12786.35	11671.04	10154.97	9462.07	9151.79	9005.52	8272.89	7653.32	6991.63

INCOME AND EXPENDITURE STATEMENT

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

(Rs. Crores)

Year Ending 31st March	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
(A) Earned From :										
Gross Sales	20811.00	19589.19	18646.19	18795.13	16597.78	13378.60	11778.51	11103.62	9564.92	7475.50
Less Coal from Development Mines	67.57	62.64	73.43	88.22	114.72	77.45	31.51	11.38	25.15	12.08
Less Levies (Royalties, Cesses etc.)	3252.74	3136.79	3174.09	3385.80	3192.02	2826.93	2429.43	2209.00	1979.52	1454.00
(1) Net Sales	17490.69	16389.76	15398.67	15321.11	13291.04	10474.22	9317.57	8883.24	7560.25	6009.42
(2) Accretion / Decretion in Stock	- 102.21	-240.23	179.47	166.07	-230.70	-30.18	-298.68	-3.99	288.89	394.76
(3) Boiler & Domestic Consumption of Coal	186.32	194.37	214.91	222.03	214.45	190.65	188.25	177.36	142.39	136.98
(4) Other Revenue Receipts :										
CMPDIL	155.98	92.67	99.27	97.38	92.83	93.15	79.74	70.27	62.30	59.21
Others	320.84	344.31	272.49	205.00	234.74	382.08	263.02	205.10	156.07	138.55
(Aftr. Trans. & Other Recov. & Contras)										
Coal Price Regulation Accounts					- 0.25	2.57	39.39	- 41.59		
TOTAL (A) (1 to 4)	18051.62	16780.88	16164.81	16011.59	13602.36	11109.67	9552.47	9371.37	8168.31	6738.92
(B) Paid to / Provided for										
Employees' Remu. & Benefits (Gross-Rev.)	10204.32	6927.95	6128.37	5989.98	5396.36	5012.36	4178.51	3624.55	3347.78	2842.66
Less : Trans. to Oth. Rev. Heads	430.54	386.20	35.18	341.80	331.48	345.46	210.47	214.83	313.88	171.73
(1) Net S. & Wages (Excl'd. V.R.S. Payment)	9773.78	6541.75	5777.19	5648.18	5064.88	4666.90	3968.04	3409.72	3033.90	2670.93
(2) V.R.S. Payment (Net of Grant Recvd.)	98.41	116.65	96.18	16.39	24.40	31.82	7.54			
(3) Social Overheads	1242.42	1126.94	1104.57	1071.11	979.80	890.19	696.71	621.80	591.57	454.92
(Incl'd. LLTC & Dom. Coal)										
Less : Social overheads Dep. & Intt.	58.11	57.15	60.13	53.08	48.22	40.89	39.39	38.15	32.77	29.51
Social Overheads (Excl'd. Dep. & Intt.)	1184.31	1069.79	1044.44	1018.03	931.58	849.30	657.32	583.65	558.80	425.41
(4) Stores & Spares (Gross - Rev.)	2782.89	2587.62	2413.39	2355.37	2075.66	1786.50	1599.99	1462.19	1254.64	1058.91
Less : Trans. to Oth. Rev. Heads	40.68	42.02	38.39	36.43	31.26	30.13	31.01	30.08	33.59	30.63
Stores & Spares (Net)	2742.21	2545.60	2375.00	2318.94	2044.40	1756.37	1568.98	1432.11	1221.05	1028.28
(5) (i) Power & Fuel (excl'd. coal consumed)	1346.63	1317.70	1218.85	1191.56	1098.46	814.58	707.16	644.20	537.16	447.98
(ii) Boiler & Colliery Consumption of Coal	57.28	56.02	56.37	53.58	53.24	48.33	46.47	44.38	41.70	44.79
(6) Contractors (Trans. & Repairs)	892.92	812.74	745.34	699.47	631.47	651.16	565.59	464.94	381.63	333.93
(7) Misc. Expenses	653.60	814.51	595.28	633.02	476.66	437.37	397.25	420.58	342.77	275.14
(8) Provision for D/Debts. Obsol. etc.	537.10	578.77	812.01	471.92	174.91	146.57	9.87	287.46	121.23	148.45
(9) Interest (Incl'd. S/O & P. P.)	681.77	695.68	659.66	742.79	686.02	- 129.26	497.96	708.93	727.99	566.95
(10) Depreciation (Incl'd. S/O & P. P.)	1503.52	1518.54	1290.78	1240.30	1150.22	1089.82	969.82	912.63	786.09	670.59
(11) O.B.R. Adjustment	- 19.31	56.94	26.99	159.73	67.44	109.72	63.01	-19.28	42.91	7.98
(12) Prior Period Adj. (excl. int. dep. & C.P.R.A.)	13.87	-37.68	14.93	13.69	61.26	25.55	63.73	81.73	81.81	-48.58
TOTAL (B)	19466.09	16087.01	14713.02	14207.60	12464.94	10498.23	9522.74	8971.05	7877.04	6571.85
Profit/Loss for the year (A - B)	- 1414.47	693.87	1451.79	1803.99	1137.42	611.44	29.73	400.32	291.27	167.07
Investment Allowance Reserve		42.24		21.45	35.25	29.00	91.42	-72.75	-31.22	-21.62
Income Tax	- 660.29	-846.77	- 942.85	-991.69	- 883.29	-34.55	-0.64	-0.92	-0.60	-0.46
Proposed dividend	- 90.42	-115.67	- 115.68	-109.37	-96.74	-249.95				
Tax on Dividend	- 61.82	- 104.41	- 82.12	- 181.85	-63.60					
Trans. to General Reserve	- 132.30	- 197.75	- 200.73	-234.99	-107.01	-20.86				
Pref. Shares & Bond Redemption Fund	- 357.91	- 610.70	- 517.92	- 380.00						
Other Adjustment				-1.85	249.95					
Cumulative profit/loss b/f from prev. year	- 2661.34	- 1522.14	- 1114.62	-1040.31	-1312.29	-1647.37	-1767.88	-2094.53	-2353.99	-2498.98
Cumulative profit/loss trans to Balance Sheet	- 5378.55	- 2661.34	- 1522.13	-1114.62	-1040.31	-1312.29	-1647.37	-1767.88	-2094.54	-2353.99
Cumul. P&L (Before Transfer to Reserves etc.)	- 2377.79	- 176.70	144.43	- 168.56	- 687.80	- 1031.54	- 1358.48	- 1387.56	- 1786.96	- 2077.64

2000-2001

IMPORTANT FINANCIAL INFORMATION & RELATIVE RATIOS

(A) FINANCIAL INFORMATION

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

(Rs. Crores)										
Year Ending 31st March	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
(A) Related to Assets & Liabilities										
(1) (i) No. of Equity Shares (CIL) of Rs. 1000 each	63163644	63163644	63163644	63163644	63163644	63163644	63163644	61034440	60970652	59990726
(ii) Shareholder's Funds :										
(a) Equity	6316.36	6316.36	6316.36	6316.36	6316.36	6316.36	6316.36	6104.84	6097.85	6000.76
(b) Reserves & Surplus	3000.76	2484.64	1721.09	985.10	390.49	316.65	324.80	414.53	334.81	299.24
(c) Accumulated Loss	- 5378.55	- 2661.34	- 1522.14	- 1114.62	- 1040.31	- 1312.29	- 1647.37	- 1767.88	- 2094.53	- 2353.99
(d) Deferred Liabilities			88.72	268.39	251.46	333.19				
Net Worth	3938.57	6139.66	6426.59	5918.45	5415.08	4987.53	4993.79	4751.49	4338.13	3946.01
(2) Loan	6324.48	7047.34	6358.55	5589.90	6137.34	6157.36	7223.45	7021.35	7000.91	6172.27
(3) Capital Employed	9166.75	12786.35	11671.04	10154.97	9462.07	9151.79	9005.52	8272.89	7653.32	6991.63
(4) (i) Net Fixed Assets	12641.52	13088.84	11500.51	10924.89	10232.44	9737.63	9039.76	7887.83	7048.56	6299.11
(ii) Current Assets	10630.28	9730.31	10383.25	7915.71	6420.37	5420.86	5904.72	5952.45	5706.03	4557.08
(iii) Net Current Assets (W/C)	- 3391.28	- 302.02	197.36	- 744.63	- 720.04	- 526.10	1088.30	1674.24	1938.99	1717.95
(5) Current Liabilities (Excl. Intt. accrued & Due)	14021.56	10032.33	10185.89	8660.34	7140.41	5946.96	4816.42	4278.21	3767.04	2839.13
(6) (a) Sundry Debtors (Net) (Excl. CMPDIL)	4701.37	4129.32	3975.98	3337.32	2545.85	2113.89	2533.48	2431.26	2086.08	1390.30
(b) Cash & Bank	767.27	787.08	786.93	499.28	401.87	255.18	340.59	218.13	186.63	146.33
(7) Closing Stock of :										
(a) Stores & Spares (Net)	1101.09	1121.20	1034.89	1017.35	1022.67	911.17	889.91	810.37	750.49	695.24
(b) Coal, Cokes etc. (Net)	1145.46	1242.19	1491.86	1299.44	1142.61	1363.89	1374.86	1656.35	1660.64	1404.69
(8) Average Stock of Stores & Spares (Net)	1111.15	1078.05	1026.12	1020.01	966.92	900.54	850.14	780.43	722.87	676.73
(B) Related to Profit/Loss										
(1) (a) Gross Margin	770.82	2908.09	3402.23	3787.08	2973.66	1572.00	1497.51	2021.88	1805.35	1404.61
(b) Gross Profit	- 732.70	1389.55	2111.45	2546.78	1823.44	482.18	527.69	1109.25	1019.26	734.02
(c) Net Profit (before Tax & Invnt. Allowance etc.)	- 1414.47	693.87	1451.79	1803.99	1137.42	611.44	29.73	400.32	291.27	167.07
(d) Net Profit (After Tax)	- 2074.76	- 152.90	508.94	812.30	254.13	576.89	29.09	399.40	290.67	166.61
(e) Net Profit (After & Div. on Pref. Shares)	- 2165.18	- 243.32	418.52	721.88	163.71	576.89	29.09	399.40	290.67	166.61
(2) (a) Gross Sales	20811.00	19589.19	18646.19	18795.13	16597.78	13378.60	11778.51	11103.62	9564.92	7475.50
(b) Net Sales (after levies & dev. etc)	17490.69	16389.76	15398.67	15321.11	13291.04	10474.22	9317.57	8883.24	7560.25	6009.42
(c) Sale value of Production	17574.80	16343.90	15793.05	15709.21	13274.79	10634.69	9207.14	9045.34	7974.80	6532.45
(3) Cost of Goods Sold (Sales-Profit)	18905.16	15695.89	13946.88	13517.12	12153.62	9862.78	9287.84	8482.92	7268.98	5842.35
(4) (a) Total expenditures (excl. recoveries)	19466.09	16087.01	14713.02	14207.60	12464.94	10498.23	9522.74	8971.05	7877.20	6571.85
(b) Sal. & Wages (Gross - rev. only)	10204.32	6927.95	6128.37	5989.98	5396.36	5012.36	4178.51	3624.55	3347.78	2842.66
(c) Stores & Spares (Gross-rev. only)	2782.89	2587.62	2413.39	2355.37	2075.66	1786.50	1599.99	1462.19	1254.64	1058.91
(d) Power & Fuel	1346.63	1317.70	1218.85	1191.56	1098.46	814.58	707.16	644.20	537.16	447.98
(e) Int. & Depreciations (Gross-rev. only)	2185.29	2214.22	1950.44	1983.09	1836.24	960.56	1467.78	1621.56	1514.08	1237.54
(5) Avg. Consump. of Stores & Spares (gross) per month	231.91	215.64	201.12	196.28	172.97	148.88	133.33	121.85	104.55	88.24
(6) (a) Average Manpower Employed during the year	552061	574477	599293	619576	631999	638814	648519	659647	667459	672217
(b) Social Overheads (incl. LTC/LLTC)	1242.42	1126.94	1107.57	1071.11	979.80	890.19	696.71	621.80	591.57	454.92
(c) Social Over head expend. per employee (Rs. 000)	22.51	19.62	18.43	17.29	15.50	13.94	10.74	9.43	8.86	6.77

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

Year Ending 31st March	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
(A) PROFITABILITY RATIOS										
(1) AS % NET SALES										
(a) Gross Margin	4.41	17.74	22.09	24.72	22.37	15.01	16.07	22.76	23.88	23.37
(b) Gross Profit	- 4.19	8.48	13.71	16.62	13.72	4.60	5.66	12.49	13.48	12.21
(c) Net Profit	- 8.09	4.23	9.43	11.77	8.56	5.84	0.32	4.51	3.85	2.78
(2) AS % TOTAL EXPENDITURE										
(a) Sal. & Wages (Gross-Rev.)	52.42	43.07	41.65	42.16	43.29	47.74	43.88	40.40	42.50	43.26
(b) Stores & Spares (Gross-Rev.)	14.30	16.09	16.40	16.58	16.65	17.02	16.80	16.30	15.93	16.11
(c) Power & Fuel	6.92	8.19	8.28	8.39	8.81	7.76	7.43	7.18	6.82	6.82
(d) Interest & Depreciation (Gross-Rev.)	11.23	13.76	13.26	13.96	14.73	9.15	15.41	18.08	19.22	18.83
(3) AS % CAPITAL EMPLOYED										
(a) Gross Margin	8.41	22.74	29.15	37.29	31.43	17.18	16.63	24.44	23.59	20.09
(b) Gross Profit	- 7.99	10.87	18.19	25.08	19.27	5.27	5.86	13.41	13.32	10.50
(c) Net Profit	- 15.43	5.43	12.44	17.76	12.02	6.68	0.33	4.84	3.81	2.39
(4) OPERATING RATIO (SALES-PROFIT/SALES)	1.08	0.96	0.91	0.88	0.91	0.94	1.00	0.95	0.96	0.97
(B) LIQUIDITY RATIOS										
(1) Current Ratio (Current Asset/Current Liability)	0.76	0.97	1.02	0.91	0.90	0.91	1.23	1.39	1.51	1.61
(2) Quick Ratio (Quick Asset/Current Liability)	0.39	0.49	0.47	0.44	0.41	0.40	0.60	0.62	0.60	0.54
(C) TURNOVER RATIOS										
(1) Capital Turnover Ratio (Net Sales/Capital Employed)	1.91	1.28	1.32	1.51	1.40	1.14	1.03	1.07	0.99	0.86
(2) Sundry Debtors as no. of months										
(a) Gross Sales	2.71	2.53	2.56	2.13	1.84	1.90	2.58	2.63	2.62	2.23
(b) Net Sales	3.23	3.02	3.10	2.61	2.30	2.42	3.26	3.28	3.31	2.78
(3) As Ratio of Net Sales										
(a) Sundry Debtors	0.27	0.25	0.26	0.22	0.19	0.20	0.27	0.27	0.28	0.23
(b) Coal Stocks	0.07	0.08	0.10	0.08	0.09	0.13	0.15	0.19	0.22	0.23
(4) Stock of Stores & Spares										
(a) Avg. Stock/Annual Consumption	0.40	0.42	0.43	0.43	0.47	0.50	0.53	0.53	0.58	0.64
(b) Closing Stock as no. of months consumption	4.75	5.20	5.15	5.18	5.91	6.12	6.67	6.65	7.18	7.88
(5) Stock of Coal, Coke, W/coal etc.										
(a) As no. of month's Value of production	0.78	0.91	1.13	0.99	1.03	1.54	1.79	2.20	2.50	2.58
(b) As no. of Month's of cost of goods sold	0.73	0.95	1.28	1.15	1.13	1.66	1.78	2.34	2.74	2.89
(b) As no. of month's Net Sales	0.79	0.91	1.16	1.02	1.03	1.56	1.77	2.24	2.64	2.80
(C) STRUCTURAL RATIOS										
(1) Debt : Equity	1.00	1.12	1.01	0.88	0.97	0.97	1.14	1.15	1.15	1.03
(2) Debt : Networth	1.61	1.15	0.99	0.94	1.13	1.23	1.45	1.48	1.61	1.56
(3) Networth : Equity	0.62	0.97	1.02	0.94	0.86	0.79	0.79	0.78	0.71	0.66
(4) Net Fixed Assets : Networth	3.21	2.13	1.79	1.85	1.89	1.95	1.81	1.66	1.62	1.60
(D) SHARE HOLDER'S INTEREST										
(1) Book Value of Shares (Rs.) (Networth / No. of Equity)	623.55	972.02	1017.45	937.00	857.31	789.62	790.61	778.49	711.51	657.77
(3) Dividend per Share (Rs.)		4.00	4.00	3.00	1.00					



2000-2001

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 Eighth Annual Report of Coal India Limited and Audited Accounts for the year ended 31st March, 2001 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 continues to be managed directly by Coal India Limited. Similarly, Dankuni Coal Complex also continues 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 2000-2001 compared to previous two years are shown in the table below :

	2000-2001	1999-2000	1998-99
Production (in million tonnes)	268.14	260.58	256.48
Off-take of coal (in million tonnes)	273.81	263.61	252.22
Sales (Gross) (Rs. in Crores)	20811.00	19589.19	18646.19
Gross Profit (Rs. in Crores)	-732.70	1389.55	2111.45
Capital employed (Rs. in Crores)	9166.75	12786.35	11671.04
Net Worth (Rs. in Crores)	3938.57	6139.66	6426.59
Profit before Tax (Rs. in Crores)	-1414.47	693.87	1451.79
Profit after Tax (Rs. in Crores)	-2074.76	-152.90	508.94
Gross Profit to Capital employed	- 8%	10.9%	18.09%
Profit before Tax to Net worth	-35.9%	11.3%	22.59%
Coal Stock (net) in terms of	0.79	0.91	1.16
No. of Months Sales (Net)			
Sundry Debtors (net) in terms of	2.71	2.53	2.56
No. of Months Gross Sales			

2. FINANCIAL PERFORMANCE

2.1 Financial Results

CIL and its Subsidiaries have sustained collectively a pre-tax loss of Rs. 1414.47 crores in the year 2000-2001 against a pre-tax profit of Rs. 693.87 crores in the year 1999-2000.

Loss for the year 2000-01 against profit in 1999-00 has been due mainly for providing Rs. 3031.66 crores in 2000-01 Accounts towards arrears of pay pursuant to upward revision in salaries and wages of staff and officers retrospectively since 1.1.97 in case of officers and from 1.7.96 in case of staff. Companywise position with regard to profit (+) earned or loss (-) incurred during the year under review vis-a-vis in 1999-00 have been given in the table appended below :

			(Rs. in Crores)
Company	2000-2001 Profit(+)/ Loss (-)	1999-2000 Profit(+)/ Loss (-)	
ECL	(-) 917.19	(-) 728.23	
BCCL	(-) 1276.70	(-) 692.32	
CCL	(-) 792.91	(-) 121.24	
NCL	(+) 1025.05	(+) 936.87	
WCL	(+) 28.23	(+) 405.86	
SECL	(+) 116.92	(+) 455.34	
MCL	(+) 641.35	(+) 607.65	
CMPDIL	(-) 3.81	(+) 0.71	
CIL/NEC	(+) 280.21	(+) 581.18	
Sub-Total	(-) 898.85	1445.82	
Less : * Dividend from Subsidiaries	515.62	751.95	
Total	(-) 1414.47	693.87	

2.2 Dividend Income and Pay Outs

Dividend income of CIL accounted for during the year under review, based on the recommendations from its three profit making subsidiaries namely, NCL, MCL and SECL adds upto Rs. 515.62 crores as against Rs. 751.95 crores in previous year, the Subsidiary-wise break-up of which are as under :

Name of the Subsidiary	Rs. in Crores
NCL	305.39 *(289.29)
MCL	170.86 *(173.07)
SECL	39.37 *(155.90)

* Figures in brackets are for previous year.

After adjusting the expenses and providing for amounts required to be set aside against above income to meet the immediate commitment of the company, balance available for distribution during the year under review was only Rs. 99.65 crores which could barely meet the company's annual pay out obligation to the Govt. of 10% on non-cumulative redeemable preference share of Rs. 904.18 crores as against dividend on preference share of Rs. 90.42 crores, besides Rs. 25.26 crores dividend on equity capital paid to the Govt. last year.

Placed in this situation your Directors had to restrict dividend pay outs during the year under review to the Govt. only to 10% on investment in non-cumulative redeemable preference share of Rs. 904.18 crores.

3. COAL MARKETING

3.1 Off-take Raw Coal

Against annual target of 268.50 million tonnes in 2000-01, actual off-take has been

273.81 million tonnes which works out to an achievement of 101.98% with reference to target surpassing all past records, coal off-take during the year registered a growth of 3.87% over last year's off-take of 263.61 million tonnes. Sectorwise analysis of off-take reveals that power and cement sectors have drawn more coal during the year than targetted and drew in last year. In case of Fertilizer sector, however, their year's off-take though surpassed the target yet that fell below their last year's level due to demand recession. As regard Steel sector, their off-take dropped to 10.74 million tonnes compared to last year. This drop in off-take has been due mainly for continued shortages of right quality of Feed Coking Coal for the Washeries. Sectorwise analysis of despatches in 2000-01 vis-a-vis targets as well as last years actual are given in the table appended below :

(Figs. in Million Tonnes)

Year	2000-2001			1999-2000	Growth over last year	
Sector	Target	Off-take	% Satn.	Actual	Abs.	%
Power (Util)	196.86	207.54	105.43	195.05	12.49	6.4
Raw Coal*						
Middlings	3.37	2.49	70.33	2.11	0.38	18
Non-coking Washed Coal	9.22	5.96	64.64	6.67	- 0.71	- 10.64
Beneficiated Coal	—	0.75	—	0.5	0.25	50
Steel**	17.43	13.79	79.12	15.45	- 1.66	- 10.74
Cement	6.92	7.01	101.3	6.53	0.48	7.35
Fertilizer	3.12	3.18	101.92	3.37	- 0.19	- 5.64
Export	0.07	0.04	60	0.07	- 0.03	- 42.86
BRK/Others	41.56	40.30	96.97	40.94	- 0.64	- 1.56
Colliery consumption	2.54	1.95	76.92	2.2	- 0.25	- 11.36
Off-take	268.5	273.81	101.98	263.61	10.2	3.87

* Includes raw non-coking coal of 8.29 MT in 2000-01 and 8.58 MT in 1999-00 fed into washery and to Bina Deshaling Plant for beneficiation.

** Includes raw coal feeded into washeries, supply of direct feed/blendable coal to Steel Plants and to Coke Ovens/private cokeries besides supply of NLW coal to cokeries.

2000-2001

Coal based power generation in the country was 330.62 billion units in 2000-01 which is more by 6.2% over the previous year's generation of 310.89 billion units. With the efforts of Railways and Coal Companies, coal stock with power houses as on 31.3.01 grew marginally to 11.73 million tonnes from 11.584 million tonnes in 1.4.00.

With production of 93.26 million tonnes in 2000-01, there has practically been no growth in country's cement production over previous year.



Automatic Rake Loading System (SILO) at Singrauli Coalfields

Companywise figure of actual off-take in 2000-01 vis-a-vis the off-takes targeted for the year with actuals for the previous year are given in the table appended below :

(Figures in Million Tonnes)

Company	2000-2001			1999-2000		Growth over Last Year
	Target	Achieved	% achieved	Achieved	Absolute	
ECL	29.00	28.38	97.86	26.55	1.83	6.89
BCCL	29.80	26.27	88.15	29.21	- 2.94	- 10.06
CCL	34.00	32.89	96.73	32.83	0.06	0.18
NCL	39.00	42.05	107.84	39.28	2.77	7.07
WCL	33.00	35.33	107.07	34.85	0.48	1.39
SECL	60.00	60.78	101.30	57.92	2.86	4.93
MCL	43.00	47.34	110.09	42.13	5.21	12.36
NEC	0.70	0.77	110.00	0.84	- 0.07	- 8.33
CIL	268.50	273.81	101.98	263.61	10.2	3.87

Although collectively the off-take of CIL as a whole in the year under review has surpassed the target, but individually ECL, CCL and BCCL have failed to achieve their targets in 2000-01. If, however, the position is compared in relation to last year's level, it would be seen that barring BCCL and NEC, off-take during the year in all other companies have surpassed their last year's level. While in case of BCCL, absence of critical inputs due to resource constraints had stood on the way, in case of NEC, however, shortage in demand for coal was largely responsible for their negative growth. Apart from above, operational constraints, strike in coal companies for 3 days at a stretch in November, 2000, staging agitation frequently by local villagers/political parties in CCL, restrictive supply of coal to some power stations by BCCL, CCL and ECL had also affected their off-take during the year under review.

3.2 Despatches of Coal and Coal Products by Various Modes

At 269.42 million tonnes, the total despatches of coal and coal products by various modes in 2000-01 was up by 4.36% over last year's figure of 258.15 million tonnes as would

be seen from the analysis given in the table appended below :

(Figures in Million Tonnes)

Year	Rail	Road	MGR	Belt	Rope	Overall
2000-2001	161.70	31.08	64.60	6.54	5.50	269.42
1999-2000	156.09	30.23	59.03	7.54	5.26	258.15
Increase/ Decrease	5.61	0.85	5.57	- 1.00	0.24	11.27
Growth %	3.59	2.81	9.44	- 13.26	4.56	4.36

3.3 Wagon Loading

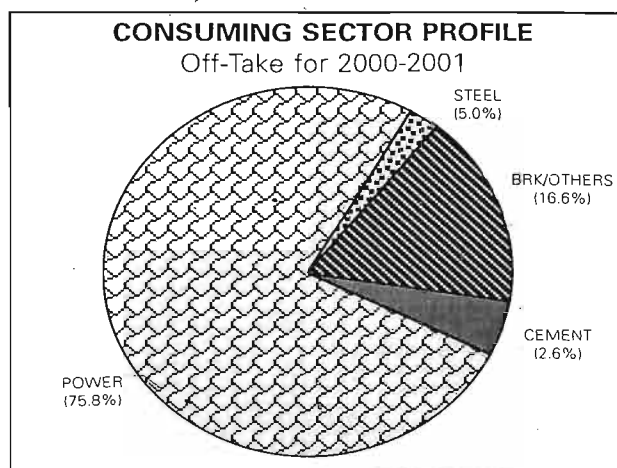
Wagon loading with 18,568 wagons a day in 2000-01 though registered a rise of 3% over last year's figure of 17,975 wagons a day, yet in relation to year's target of 18,844 a day, that has fallen short marginally by 2%.

Company-wise loading target vis-a-vis the actual achieved in 2000-01 and in 1999-00 are given in the table appended below :

(Figures in FWWs/Day)

Company	2000-2001			1999-00		Growth over Last Year
	Target	Actual	% achieved	Actual	Absolute	
ECL	1937	1898	98	1852	46	2
BCCL	3010	2624	87	2872	- 248	- 9
CCL	3219	2989	93	2984	5	17
NCL	769	799	104	762	37	5
WCL	2388	2552	107	2492	60	2
SECL	4169	4016	96	3804	212	6
MCL	3305	3628	110	3149	479	15
NEC	47	62	132	60	2	3
CIL*	18844	18568	98	17975	593	3

* Actuals exclude daily average loading from Dankuni (DCC) of 4 and 7 FWWs/day in 2000-2001 and 1999-2000 respectively.

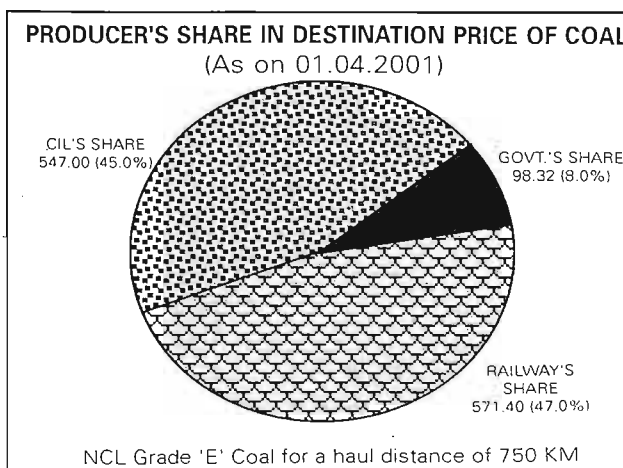


From the table, it would be seen that barring BCCL, loading in 2000-01 over last year have improved in all companies. However, in relation to targets, while actual coal loading into wagons in 2000-01 have far exceeded that in NCL, WCL, MCL and NEC, in case of BCCL, CCL and SECL shortfall in that were noticed. In case of BCCL while transportation bottlenecks coupled with less coal to feed into washeries had attributed to this shortfall, in case of CCL however, frequent breakdown at washeries and the CHPs at sidings, transportation problem arising from strike staged by the villagers/political parties had made the difference, whereas construction activities at Korba-Champa main line, regulating coal supplies with payments to the power stations, filling of less rail programmes by cement plants compared to linkage etc. have led to short fall in SECL.

3.4 Consumer Satisfaction

In order to secure consumer satisfaction over quality by eliminating progressively from supplies to them the over sized stones/boulders, extraneous material etc., following steps have long been taken :

- To maximise despatches of crushed/sized coal to customers particularly in power sector, coal handling plants with aggregate handling capacity of 256.35 million tonnes per annum has been built



up (position as on 31.3.01) of which the net capacity addition during 2000-01 was 1.00 million tonnes. This had the effect of improving despatch of sized coal to power utilities in 2000-01 to 96% against 95% in 1999-2000.

- (b) To ensure that coal despatches are made only after proper weighment, 162 Electronic/Mechanical Weighbridges with facility of Electronic Print-outs, wherever possible, have been installed at Rail Loading points. With such installations it has been possible to improve despatches weighed through electronic weigh bridges to 92% in 2000-01 from 91% in 1999-00.
- (c) For reducing possibility of admixture of coal with OB materials, securing improvement

in fragmentation for improving coal quality etc., measures like picking of shales, stones, selective mining by conventional mode as well as by surface miners, adopting proper blasting procedures/techniques etc. are being instituted.

- (d) To ensure value to the customers at least equivalent to the payments they are called upon to make against coal supplies to them and to help eliminating thereby possibilities of disputes with them on quality related issues, majority of the customers particularly in power sector are now required to pay for coal supplies to them as per analysed grades as reflects from the analysis of sampling of supplies, done either jointly or by independent third party agency engaged for that, as the case may be.



A nursery at Singrauli Coalfields – towards greener tomorrow

These practices have long been introduced and are working in most of the coal companies.

The collective effect of all these have led to reduce number of complaints from the customers during 2000-01 to 85 from 94 in 1999-2000 with the resultant reduction in number of complaints per million tonne of despatches to 0.31 from 0.36.

3.5 Steps Taken Towards Liberal Marketing of Coal

In order to improve availability of coal to small buyers, coal is being released under various liberalised scheme viz. open sales scheme and trade channel network as detailed below :

- Sale under open sales scheme in 2000-01 was 31.65 lakh tonnes against 29.67 lakh tonnes in the year 1999-00
- Coal sale through Trade Channel in 2000-01 was 8.39 lakh tonnes against 6.61 lakh tonnes in 1999-00.

3.6 Export

During 2000-01, CIL exported 0.43 lakh tonnes of coal to Nepal and Bhutan and the amount billed was Rs. 10.57 crores. Deals of country-wise export are as under :

Country	Nepal	Bhutan	Total
Quantity (in '000 tonnes)	35.55	7.17	42.72
Billing (in Rs. crores)	8.60	1.97	10.57

3.7 Stock of Coal, Coke etc.

Net adjusted value of the pithead stock of coal and other products at the close of the year 2000-01 after provision for stock deterioration etc. was Rs. 1145.47 crores which was equivalent to 0.79 months' value of net sales. The Company-wise position of stocks held on 31.3.2001 and on 31.3.2000 are given below :

(Rs. in Crores)

Company	Net Value of stock	Net value of stock	Stock in terms of no. of months Net sales	
	as on 31.3.2001	as on 31.3.2000	As on 31.3.2001	As on 31.3.2000
ECL	123.17	122.24	0.58	0.67
BCCL	421.11	452.46	2.53	2.54
CCL	227.25	250.42	1.29	1.48
NCL	26.12	47.21	0.11	0.23
WCL	95.03	100.66	0.42	0.46
SECL	183.23	170.89	0.63	0.63
MCL	53.47	81.42	0.35	0.61
NEC/CIL	16.09	16.89	—	—
Total	1145.47	1242.19	0.79	0.91

3.8 Coal Prices

To neutralise the effect of increase in cost of production due to increase in input cost, price of both non-coking and coking coal have been increased during the year under review.

3.9 Coal Sales Dues

Net Coal Sales dues outstanding as on 31.3.2001 after providing of Rs. 1765.61 crores (previous year Rs. 1589.48 crores) for bad and doubtful debts, was Rs. 4701.37 crores (previous year Rs. 4129.32 crores) which is equivalent to 2.71 months combined gross sales of CIL as a whole (previous year 2.52 months). Subsidiarywise break up of coal sale dues outstanding as on 31.3.2001 are shown below :

(Rs. in Crores)

Company	Coal Sales Dues as on 31.3.2001		Coal Sales as on 31.3.2000	
	Gross	Net	Gross	Net
ECL	1378.01	1225.66	1118.56	848.81
BCCL	951.04	515.59	929.58	548.09
CCL	1062.61	629.83	1137.61	829.09
NCL	163.19	84.47	224.64	127.76
WCL	788.70	631.32	617.43	492.69
SECL	1574.12	1170.65	1249.83	936.39
MCL	538.19	443.56	427.66	344.32
NEC/CIL	11.12	0.29	13.49	2.17
Total	6466.98	4701.37	5718.80	4129.32

2000-2001

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

During the year 2000-2001, CIL and its Subsidiaries paid/adjusted Rs. 3167.21 Crores (previous year Rs. 2759.01 Crores) towards Royalty, Cess, Sales-tax and other levies as detailed below :

	(Rs. in Crores)	
	2000-2001	1999-2000
Royalty	1925.14	1814.12
Cess	365.65	87.93
Sales-tax	768.96	757.40
Others	107.46	99.56
Total	3167.21	2759.01

* includes Rs. 96.64 crores (previous year, Rs. 92.88 crores) and Rs. 10.82 crores (previous year, Rs. 6.68 crores) towards stowing Excise Duty and Entry Tax respectively.

4. PRODUCTION

Combined coal production of CIL as whole during 2000-2001 was 268.14 million tonnes as against 260.58 million tonnes in the previous year as detailed below, subsidiary-wise:

4.1 Raw Coal Production

	(Figures in Million Tonnes)					
Company	Coking		Non-coking		Total	
	2000-01	1999-00	2000-01	1999-00	2000-01	1999-00
ECL	0.22	0.23	27.81	24.89	28.03	25.12
BCCL	15.04	16.92	10.93	10.98	25.97	27.90
CCL	8.65	8.98	23.10	23.42	31.75	32.40
NCL	—	—	41.40	38.43	41.40	38.43
WCL	0.59	0.63	34.61	33.23	35.20	33.86
SECL	0.51	0.48	59.82	58.27	60.33	58.75
MCL	—	—	44.80	43.55	44.80	43.55
NEC	—	—	0.66	0.57	0.66	0.57
CIL	25.01	27.24	243.13	233.34	268.14	260.58

Coking coal includes coal which have though been graded as coking but is used for



'SURFACE MINER' – A modern Coal Mining Machine at Lakhanpur OCP, MCL

non-metallurgical purpose as well. Coal production was regulated on the basis of assessed demand with provision to keep the pit head stocks at a manageable level.

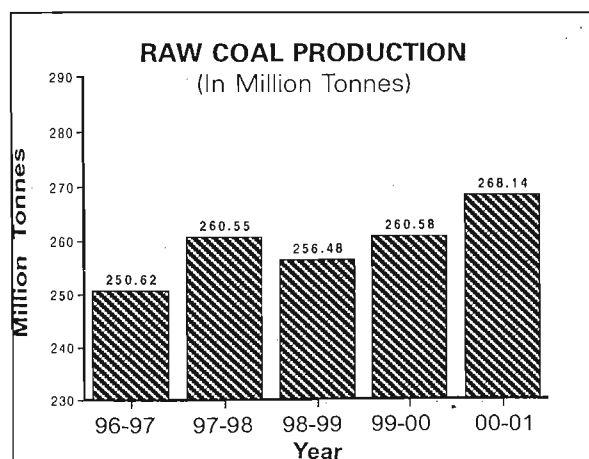
4.2 Production from underground and open cast mines

Of total coal production of 268.14 million tonnes in 2000-01, 50.56 million tonnes equivalent to about 9% of total production was produced from Underground mines and the remaining 217.58 million tonnes, being 81% of year's production, was produced from Opencast mines. The subsidiarywise break-up of above are given in the table appended below :

(Figures in Million Tonnes)

Com- pany	Underground production		Opencast production		Total production	
	2000-01	1999-00	2000-01	1999-00	2000-01	1999-00
ECL	11.77	11.91	16.26	13.21	28.03	25.12
BCCL	8.52	9.80	17.45	18.10	25.97	27.90
CCL	2.88	3.01	28.87	29.39	31.75	32.40
NCL	—	—	41.40	38.43	41.40	38.43
WCL	9.79	9.75	25.41	24.11	35.20	33.86
SECL	15.77	16.00	44.56	42.75	60.33	58.75
MCL	1.62	1.65	43.18	41.90	44.80	43.55
NEC	0.21	0.20	0.45	0.37	0.66	0.57
Total CIL	50.56	52.32	217.58	208.26	268.14	260.58

In order to improve production and productivity of underground mines, introduction of modern/mass production technology and improved methods of mining



are being tried out in a number of mines of SECL and in WCL.

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

The production of Soft Coke, Hard coke and Washed coal of CIL as a whole in 2000-01 was 0.04 lakh tonnes, 0.93 lakh tonnes and 50.67 lakh tonnes respectively as detailed, subsidiary-wise, in the table appended below :

(Figs. in Lakh Tonnes)

Com- pany	Soft Coke		Hard Coke		Washed Coal (Coking)	
	2000-01	1999-00	2000-01	1999-00	2000-01	1999-00
ECL	—	—	—	—	—	—
BCCL	—	—	0.93	1.17	27.04	31.68
CCL	0.04	0.03	—	0.02	20.82	21.06
NCL	—	—	—	—	—	—
WCL	—	—	—	—	2.81	2.98
SECL	—	—	—	—	—	—
MCL	—	—	—	—	—	—
NEC	—	—	—	—	—	—
CIL(Overall)	0.04	0.03	0.93	1.19	50.67	55.72

Decrease in production of washed coal was mainly due to limited availability of raw coking coal suitable for the washery and low yield in washery operation pursuant to reduction of ash contents in clean coal required to match the stipulation to that effect made by SAIL, the end user of clean washed coking coal.

4.4 Overburden Removal

Overburden removal in 2000-01 stood at 487.39 million cubic meters against 462.40 million cubic metres in 99-2000 as detailed below, subsidiary-wise :

(Figs. in Million Cu. Mtrs.)

Company	2000-01	1999-2000
ECL	31.63	28.93
BCCL	49.40	51.38
CCL	47.55	46.54
NCL	133.78	122.83
WCL	100.63	95.53
SECL	70.52	67.06
MCL	49.60	47.46
NEC	4.28	2.67
Total/CIL	487.39	462.40

2000-2001

5. POPULATION OF EQUIPMENT

The details with regard to population of major opencast equipment existed on 1.4.2001 and on 1.4.2000 with their performance status in terms of availability and utilisation of each expressed as percentage of CMPDIL norms are given in the table appended below :

Equip- ment	No. of Equipment		Indicated as % of CMPDIL norms			
	As on 1.4.2001	As on 1.4.2000	Availability		Utilisation	
			2000-01	99-2000	2000-01	99-2000
Dragline	40	41	100	100	108	106
Shovel	803	818	89	89	76	74
Dumper	3715	3855	99	99	61	60
Dozer	1076	1095	91	92	54	54
Drill	793	782	89	88	60	62

6. Capacity Utilisation

The overall capacity utilisation of CIL as a whole for the year 2000-01 was 90% against 93.89% in the year 1999-00 as detailed below, subsidiary-wise :

Sbsidiaries	(Figs. in %)	
	2000-2001	1999-2000
ECL	72.14	62.37
BCCL	79.84	83.02
CCL	76.15	77.94
NCL	90.75	105.45
WCL	109.71	110.88
SECL	95.59	104.90
MCL	90.32	93.53
NEC	175.89	85.39
CIL (overall)	90.00	93.89

The drop in overall percentage of capacity utilisation in 2000-01 compared to 1999-00 have largely been due to building up of high excavation capacity under Coal Sector Rehabilitation Projects (CSRP) in 2000-01

compared to 1999-00 and also for the time taken to stabilize new equipment operations. The full benefit of above with higher capacity utilisation will emerge in next year.

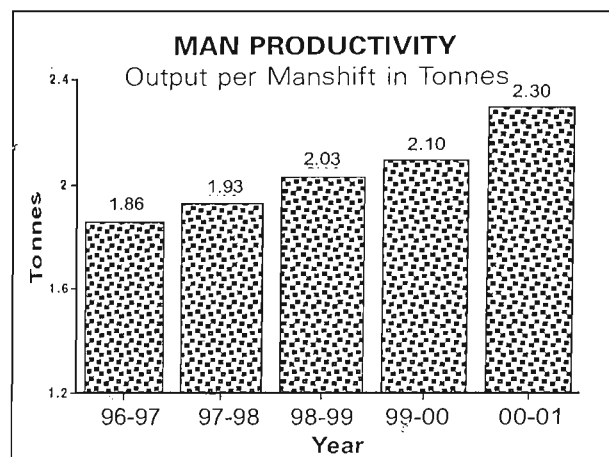
7. PRODUCTIVITY : OUTPUT PER MANSHIFT (OMS)

Output per manshift (OMS) for the year under review has improved by 9.5% to 2.30 tonnes from 2.10 tonnes in the previous year. The subsidiary-wise position is as under :

Com- pany	(Figures in Tonnes)					
	Underground		Opencast		Overall	
	2000-01	1999-00	2000-01	1999-00	2000-01	1999-00
ECL	0.47	0.45	4.54	3.48	0.99	0.83
BCCL	0.51	0.52	2.76	2.49	1.13	1.07
CCL	0.42	0.40	3.14	3.05	1.99	1.89
NCL	—	—	10.46	9.29	10.46	9.29
WCL	0.82	0.78	3.99	3.98	1.93	1.83
SECL	0.93	0.93	9.96	9.31	2.83	2.70
MCL	0.73	0.71	15.72	15.81	9.01	8.75
NEC	0.31	0.28	3.52	2.84	0.82	0.68
Overall	0.63	0.61	5.92	5.44	2.30	2.10
CIL						

8.1 Project Formulation

Additional coal production capacities are built up to meet the gap in supply with reference to demand as assessed, either by setting up new mines or by expanding/re-organisation the existing mines, as the case may be. Services of CMPDIL, a subsidiary of



CIL, are hired for examination and preparation of the project reports necessary in connection with above. In addition to above services CMPDIL are also hired for examination and producing special reports on Safety, Infrastructure Developments, Operation Plans for large Opencast mines, Environmental Management Plan etc. CMPDIL also provides consultancy services to CIL subsidiaries in the field of Remote Sensing, Energy audit, Physico-Mechanical testing on rock and coal samples, Subsidence Studies, Strata Control, Non-destructive Testing, Controlled Blasting, Vibration Studies, Explosive utilisation, Mining electronics etc.

During the year under review, CMPDIL has prepared and produced 253 Reports in all, consisting of 22 Project Reports, 9 Revised Project Reports/Revised Cost Estimates, 37 Special Reports/Operational Plan, 22 Environmental Management Plans, 19 Geological Reports and 45 other Study Reports.

8.2 Project Implementation

During the year 2000-2001 the following 7 (seven) mining projects have been completed :

Sl. No.	Company	Name of Project	Type	Sanctioned Capacity in mty.	Sanctioned Capital in Rs. Crores
1.	NCL	Bina OB Aug Scheme	OC	0.00	48.28
2.	WCL	Pauni	OC	0.60	45.63
3.	WCL	Junad-I	OC	0.32	34.34
4.	WCL	Saoner Expn.	UG	0.42	47.56
5.	WCL	Tandsi	UG	0.60	81.36
6.	SECL	Dipka Expn.	OC	10.00	533.96
7.	SECL	Behraband	UG	0.36	20.24

Presently there are 44 mining and 7 non-mining projects costing Rs. 20 Crores and above under implementation of which 25 mining and 2 non-mining projects are on schedule. Balance 19 mining and 5 non-mining projects are delayed. Out of delayed mining projects, 2 projects are delayed due to delay in acquisition of non-forest land, 2 due to adverse geo-mining conditions, 4 due to fire,

5 due to fund constraints and 6 for other miscellaneous problems.

Of non-mining projects, 3 have been delayed due to land and rehabilitation problem and 2 due to miscellaneous reasons.

8.3 Projects Sanctioned by CIL Board during 2000-2001

During 2000-01, CIL Board has sanctioned following 2 projects :

Sl. No.	Company	Name of Project	Type	Sanctioned Capacity (Mty)	Sanctioned Capital (Rs. in Crores)
1.	WCL	Kamptee UG to OC	OC	0.65	88.39
2.	SECL	Sheetaldhara & Kurja	UG	0.88	98.98

Other than the above, CIL Board has not sanctioned any other project related report during the year under review, not even Revised Cost Estimated or Revised Project Report.

8.4 Project Reports and Revised Cost Estimates Sanctioned by the Government During 2000-01

During the year 2000-2001, save and except only one Revised Project Report as detailed below, no other Project Report has been sanctioned by the Government.

Sl. No.	Company	Name of Project	Type	Sanctioned Capacity (Mty)	Sanctioned Capital (Rs. in Crores)
1.	NCL	Dudhichua Expn. (RPR)	OC	10	1281.39

8.5 Allotment of Captive Blocks

During the year 2000-01 no coal block for captive use was allotted by the Screening Committee constituted in the Ministry of Coal.

9. CAPITAL EXPENDITURE

Expenditure on capital account during 2000-01 was Rs. 1059.32 Crores as against Rs. 2769.66 Crores in previous year as detailed below, subsidiarywise :

2000-2001

Com- pany	(Rupees in Crores)			
	2000-2001 (BE)	Actual	1999-2000 (BE)	Actual
ECL	145.00	106.58	120.00	119.91
BCCL	140.00	62.74	120.00	102.18
CCL	260.00	113.72	220.00	236.74
NCL	946.70	250.66	1000.00	1080.20
WCL	390.00	167.91	303.00	281.59
SECL	536.48	204.14	526.00	594.40
MCL	357.14	145.80	250.00	345.44
CMPDIL	5.00	3.35	5.00	5.76
NEC & CIL	10.00	4.42	12.00	3.44
Total	2790.32	1059.32	2556.00	2769.66

10. CAPITAL STRUCTURE

The authorised share capital of the company as on 31.3.2001 was Rs. 8,904.18 Crores distributed between Equity and Non-cumulative redeemable preference shares as under :

(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 31.03.2001 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, all issued in favour of the Government of India which includes Rs. 256.93 crores worth of Equity Shares issued towards value of land acquired.

Total investment by the Government of India in CIL and its subsidiaries as on 31.03.2001 was Rs.8282.70 Crores as against Rs.8747.31 crores in the previous year as detailed below :

		(Rs. in Crores)	
		As on 31.3.2001	As on 31.3.2000
Share Capital	– Equity	6316.36	6316.36
	– Preference	904.18	904.18
Loan (including interest accrued and due)		1062.16	1526.77
Total		8282.70	8747.31

11. BORROWINGS

During the year under review, CIL has repaid loans with interest to the Government totalling to Rs. 749.43 crores as detailed below :

Loan repayment	—	Rs. 559.48 Crores
Interest	—	Rs. 189.95 Crores
Total		Rs. 749.43 Crores

Above includes pre-payment of 16% interest bearing loans of Rs. 355.01 crores which had the balance tenure of 7 more years. This has been pre-paid with the object of reducing the cost of borrowing by raising low interest bearing commercial loan from IDBI (Rs. 90 crores) and by issuing unsecured bonds (Rs.60 crores) with maturity in both the cases to run till the end of the balance tenure of the Government loans pre-paid. Besides above, further borrowings of Rs.133 crores were made from ICICI for repaying an earlier loan obtained from ICICI carrying higher rate of interest. The company has also received loan of Rs. 11.85 crores during the year from the Government from out of credit of equivalent of amount the Govt. received from IDA (Rs.11.85 crores) for funding Coal Sector Environment and Social Mitigation Projects (CSESMP) of CIL.

12. FOREIGN COLLABORATION

Following projects with foreign collaboration were under implementation during 2000-01.

Sl. No.	Name of Project	Subsidiary	Country of collaboration
1.	New Kumda PSLW	SECL	China
2.	Supply of 4 nos. Hydraulic Shovels	MCL	France

Above were in addition to the following activities completed during the year with foreign collaboration :

Sl. No.	Name of Project	Subsidiary	Country of collaboration
3.	Balrampur PSLW	SECL	China
4.	Rajendra PSLW	SECL	China
5.	Refurbishment of Churcha PSLW equipment to be used at Jhanjhra mine of ECL	ECL	DFID, UK

Besides above, installation of one longwall package at Jhanjhra mine of ECL under bilateral co-operation is also under consideration.

12.1 World Bank financed Projects

A total sum of USD 478.20 million has been disbursed by IBRD and JBIC till 31st March, 2001 against the estimated revised loan facility of USD 522.60 million for procurement of equipment and Technical Assistance under Coal Sector Rehabilitation Project (CSR). The supply of balance equipment and spares under CSR are as per schedule. The disbursements for funding the procurements 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, 2001, the utilisation of IDA credit has been USD 27.35 million. The Coal Sector Environmental and Social Mitigation Project (CSESMP) has since been extended by IDA for one year i.e. till 30.6.2002.

13. GEOLOGICAL EXPLORATION

CMPDIL continued with the detailed exploration of CIL and Non-CIL blocks and Promotional Exploration in North Karanpura CF during the year 2000-2001 by engaging its own drilling resources along with the resources of Mineral Exploration Corporation Ltd. (MECL), State Govts. of M. P. and Orissa.

During the year 2000-2001, fifteen coalfields were selected for Detailed exploration and drilling was conducted in 69 CIL blocks (52 exploration blocks and 17 Production Support/Developmental blocks) spread over in the states of West Bengal, Jharkhand, Maharashtra, M.P., Chattisgarh and Orissa. Three blocks were taken up for promotional exploration in North Karanpura (2) and Wardha Valley Coalfield (1). Detailed exploration was carried out in 7 Non-CIL blocks by CMPDI in Ramgarh, Katol, Sohagpur and Talcher Coalfields. MECL also conducted Detailed Exploration in 6 Non-CIL blocks in Raniganj, East Bokaro, Wardha, Sohagpur and Singrauli Coalfields.

The overall performance of drilling and promotional exploration by CMPDIL and its contractual agencies during 2000-2001 are given below :

Agency	Annual Target 2000-01	Achievement 2000-01 (Detailed Drilling in CIL & Non-CIL Blocks & Promotional Drilling)			Achieved 1999-00 (m)
		Achieved (m)	% Achiev.	+/- (m)	
CMPDIL	192,000	196,194	102	4,194	196,826
MECL	40,500	48,350	119	7,850	8,925
State Govts:	8,500	8,705	102	205	9,065
Pvt. Parties	—	43	—	43	928
Total	241,000	253,292	105	12,292	215,744

13.1 Coalbed Methane

The demonstration project titled "Coalbed Methane Recovery and Commercial Utilisation" has been approved by the Government of India on 15.09.1999 under the

2000-2001

S&T Plan of the Ministry of Coal at an estimated cost of Rs. 76.85 Crores. The project is being funded jointly by the Global Environment Facility (GEF), United Nations Development Programme (UNDP) and the Government of India (GOI). The duration of project is 5 years. The project is to be implemented at the Sudamdih and Moonidih mines of BCCL. The CMPDI and BCCL are the implementing agencies on behalf of GOI.

During the year 2000-2001, following activities have been undertaken or are in progress :

- (i) CMPDI prepared a scheme for establishing Integrated Information System for the CBM project at a cost of Rs.97.14 lakhs which has been approved by the competent authority (Operational Executive Steering Committee) on 3.4.2000, and is under implementation.
- (ii) The Bihar State Pollution Control Board has issued separate "No Objection Certificates" on 21.9.2000 to Sudamdih and Moonidih for a period of one year. The EMP for the project along with the NOCs have been sent to the MOEF for their consideration for EMP clearance.
- (iii) The three international experts appointed in November 2000, together with the Chief Technical advisor visited the project sites at Dhanbad during 30.11.2000 to 6.12.2000 and identified the required equipment for Surface drilling & completion, UG drilling & completion, UG



Miners at work in an underground mine at SECL, Bilaspur

gas collection system and laboratory equipment, together with their broad specifications. Procurement of equipment services by UNIDO is under progress.

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 to outside organisations.

14.1 Consultancy Services to CIL

During the year 2000-2001, 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, Explosive Utilisation, Mining, Electronics etc.

14.2 Outside Consultancy Services

During the year 2000-2001, consultancy services were also provided to 22 organisations for 35 jobs. Some of the important clients/ organisations to whom services were provided are Indian School of Mines, Neyveli Lignite Corporation Limited, Punjab State Electricity Board, Haldia Dock Complex, Integrated Coal Mining Private Limited, Jayaswal NECO Limited, Singareni Collieries Company Limited, TISCO, MOEF etc. Presently, 16 outside consultancy jobs are in hand for 9 organisations like Punjab State Electricity Board, Singareni Collieries Company Limited, Central Pollution Control Board, Madhya Pradesh Pollution control Board, Ministry of Environment and Forests, National Bank for Agriculture and Rural Development (NABARD), Indian Bureau of Mines, Nagpur etc.

During the year 2000-2001, 26 jobs worth Rs. 265.74 lakhs from 17 organisations were procured by CMPDIL.

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 co-ordinates 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 31.3.2001, 40 projects are under various stages of implementation. During the year 2000-2001, 13 projects were sanctioned and 11 projects have been completed and 1 project was terminated.

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 in keeping with the identified thrust areas of the subsidiaries

2000-2001

of CIL are taken up by the Board. As on, 31.3.2001, 9 R&D projects are under various stages of implementation.

16. TELECOMMUNICATION SYSTEM

Telecommunication network has emerged as a strategic infrastructure for Industries and Corporate Sectors to store, access and disseminate vast amount of information and data for responding to rapidly changing events and decision making. Coal India has put on considerable thrust for updating telecommunication system and information technology infrastructures for achieving higher productivity, better human resources management and building up an efficient Management Information System (MIS).

Ministry of Coal (MOC), under its five year IT plan, has advised for implementing a high speed voice and data communication network (Coalnet) under phase-I, interconnecting CIL Hqrs, Subsidiary Cos. Hqrs and MOC, New Delhi in order to improve administrative and operational efficiency and have better control over ongoing projects. As per guidelines from MOC, negotiations have been made with National Informatics Centre (NIC) of govt. of India to build up the communication links and a SCPC-DAMA based Satellite (VSAT) network interconnecting the various locations has been finalised for implementation and is expected to be commissioned during the year 2001-2002. The proposed VSAT network would also extent video conferencing facility between CIL and its constituent unit and MOC through VC equipment.

Significant progress have been made during the year 2000-2001 under Coalnet plan for extending voice and data connectivity from Co. Hqrs. to Area Offices and further upto Projects/Mines of Subsidiary Cos. and installation of underground communication systems.

In NCL, a computer LAN has been established at Hqrs. Office and all Coal Projects (10 Nos.) have been interconnected over voice and data through 60 channel digital MART system.

In CCL, Digital MART has been commissioned for voice and data communication with Area offices. Cor-DECT WLL system is being introduced for extending voice and data communication facilities from Area Offices to Projects/Mines and order has been placed on CMC for this purpose. U/G communication system (auto-cum manual exchange) has been installed in Argada Colliery.

In WCL, all the Area Offices have been connected with Hqrs Office, Nagpur for voice over BSNL's leased lines and arrangement for data connectivity is in progress. U/G communication facilities have been introduced in 2 mines during this year.

In SECL, a scheme has been taken up for implementation of corporate network along with VSAT back bone, encompassing different LAN's at Area Offices and Stores to form a Wide Area Network. Internet access (dialup/leased) has been introduced in CIL and all the Subsidiary Co. Hqrs.

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

17. SYSTEM ACTIVITIES

In the changed scenario of the new millennium, computer as part of Information Technology has come up to mitigate the challenge of changes faced by the Coal Industry. After successful roll over to new millennium, Coal India has taken up computerisation of various activities for improvement in timely decision making process and productivity.

COAL NET Project was conceptualised by way of development of Integrated Database of various business functions right from CIL to subsidiary and down to project and colliery levels for timely availability of information, enhancement in existing MIS, online help to customers etc. and providing information to MOC.

A top down approach with three phases has been planned as road map for Coal Net

implementation. In first phase, the database will be introduced at CIL HQ as well as at Subsidiary HQs. The application software will be developed using current web based technology with Oracle RDBMS at the back end. Intranet for CIL connecting MOC to CIL and Subsidiary HQs has also been planned to provide data transmission to various levels. User-friendly graphic environment will also be made available by introducing GIS interfacing with Database.

In 2nd and 3rd phases the proposed system will be expanded to area/project/colliery levels at the subsidiaries in order to capture data at the source where it is generated. The Intranet will also expand within subsidiary to project/colliery levels.

Steps have been taken to enhance the present Web site by introducing B2B portal for CIL and its subsidiaries by way of making it dynamic and customer centric leading toward e-governance.

Integrated Business Solution (IBS) comprising of materials, maintenance, production, finance and sales systems are in the process of introduction at NCL. Operator Independent Truck Despatch System (OITDS) is at implementation stage at Jayant project and the same has been planned for Dudhichua and Nigahi projects.

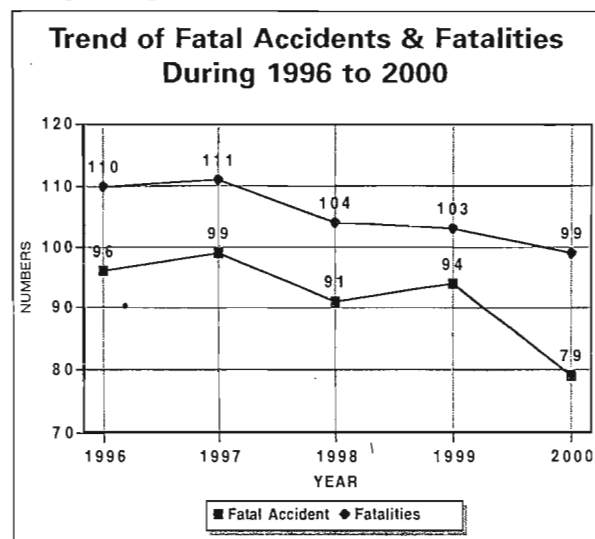
Local Area Network (LAN) has also been planned for introduction at CIL HQ and Subsidiary HQs. In order to establish uniformity, the various application softwares operational in Cobol at subsidiary levels are being transformed to Oracle RDBMS. Subsidiaries have gone quite ahead in switching over to database concept.

Keeping pace with advancement in the field of Information Technology, regular training courses such as Oracle Database, Networking etc. have been conducted at IICM, Ranchi. P.C. orientation courses are being conducted at subsidiaries for exposure towards its usages for various official work leading to more and more utilisation of modern office automation tool.

18. MINES SAFETY

18.1 Trend of Fatal Accidents & Fatalities

In the year 2000, the decreasing trend of fatalities could be maintained and was lowest in the history of CIL, though there has been a gradual flattening of the reducing trend in the last three years as may be seen from the graph given below :



However, a significant reduction in the number of fatal accidents has in fact been achieved in the year 2000 which would be evident from above graph.

18.2 Safety Statistics

The Safety Statistics for CIL, as a whole for 2000 compared to 1999 are as follows :

Table-1 : Safety Statistics for CIL in 2000 compared to the previous year

Parameter	Year 2000	Year 1999
Fatal Accidents	79	94
Fatalities	99	103
Serious Accidents	447	419
Serious Injuries	471	447
Fatality Rate per m.te. of coal production	0.37	0.41
Fatality Rate per 300,000 manshifts deployed	0.25	0.25
Serious Injury Rate per m.te. of Coal production	1.64	1.72
Serious Injury Rate per 300,000 manshifts deployed	1.12	1.06

Note : All figures for 2000 and those for serious accidents, and injuries for 1999 and associated rates are subject to reconciliation with DGMS.

2000-2001

The Company-wise safety statistics for 2000 compared to 1999 are given in Table - 2 below :

Table-2 : Company-wise Safety Statistics for 2000 compared to 1999

Company	Fatal Accidents & Fatalities				Serious Accidents & Injuries			
	Accidents		Fatalities		Accidents		Serious Injuries	
	2000	1999	2000	1999	2000	1999	2000	1999
ECL	16	21	17	25	167	187	173	195
BCCL	14	26	18	28	60	61	63	69
CCL	11	7	15	7	21	29	28	30
NCL	7	3	7	3	9	17	9	19
WCL	14	11	24	11	78	53	80	33
SECL	14	18	15	21	94	54	100	62
MCL	2	7	2	7	17	16	17	17
NEC	1	1	1	1	1	2	1	2
CIL	79	94	99	103	447	419	471	447

Note : All figures for 2000 are subject to reconciliation with DGMS..

18.3 Activities for further enhancement of Safety in mines

The following activities were pursued for further enhancement of safety in mines of Coal India Ltd.

- (i) Safety Performance of CIL and its subsidiary companies were monitored in two meetings of the Standing Committee on Safety in Coal Mines chaired by the Hon'ble MOS (C), in the CIL Safety Board and also in the monthly meetings of CMDs.
- (ii) A Comprehensive Action Plan for Reduction of Accidents in Open Cast and at Surface of mines was framed in consultation with all subsidiaries and Trade Union Members of the CIL Safety Board which is being implemented.
- (iii) Measures for reduction of accidents due to roof and side fall in underground mines

continued vigorously. To attain this end, thrust was given on framing of Scientific Support Plans based on Rock-Mass-Rating and their implementation and this is being done in 498 out of 507 development districts.

- (iv) Replacement of timber support with steel supports continued to be a major thrust area and at present steel support is being used in 492 districts out of 845 districts. In the remaining 353 districts, steel support is being used in conjunction with timber support.
- (v) Improve support systems by resin capsule grouted roof bolts were tried out in the mines of SECL.
- (vi) Drilling in sandstone roof for roof-bolting/stitching was a major problem area. This has been successfully tackled in the mines of SECL through indigenous roof bolting systems using the power pack of Side-Discharge-Loaders.
- (vii) Thrust on training and retraining of Supervisors, Support Personnel, Roof-bolters, HEMM operators and contractor's workers was maintained as a strategy to reduce accidents due to roof/side falls and accidents in open cast mines and at surface of mines. The goal is to train at least one-fifth of persons on roll every year. Achievement in this regard in 2000-01 is given below :

Category of Persons	Total on roll	Nos. trained	%
Support Personnel	16,848	6,860	40.7
HEMM operators	18,404	5,323	28.9
Supervisory Staff	25,039	5,521	22
Contractors' workers	NA	11,694	NA

19. MINES RESCUE SERVICES

A well equipped Rescue Services Organisation staffed by rescue personnel trained in modern training galleries is being maintained by CIL to make available rescue cover to all underground mines within 30 minutes of receiving information of any exigency. As required by the Dubey Committee and as decided subsequently in the 14th Meeting of the Standing Committee on Safety in Coal Mines, 6 Rescue Stations, 14 Rescue Room-with-Refresher-Training facilities and 19 Rescue Rooms are presently being maintained.

20. HUMAN RESOURCE DEVELOPMENT

20.1 Overall Performance

34453 employees were trained during 2000-01, of which 8241 were executives, 7310 were supervisors and 18902 were workmen. This includes in-house training efforts, external training efforts and training at abroad.

The training of workmen and supervisors statutorily required, were taken care of separately.

20.2 In-house Training

The corporate HRD plan for 2000-01 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-six training centres at different locations in Coal India.

In order to formalise Strategic HRD plan, a comprehensive HRD policy is being followed. 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 2000-01 is given below :

Category	Employees Trained
Executives	6397
Supervisors	6927
Workmen*	18406
Total	31730

* The figure excludes the training of workmen at Vocational Training Centre. The training of Workmen for meeting statutory obligation is carried out separately at Vocational Training Centres located at all the subsidiary companies of CIL.

20.3 Training Outside Company

(i) **Within the Country :** In order to expose the employees in specialised field to receive inter-organisational experience and also for supplementing in-house training efforts, 2705 employees from eight subsidiary companies and CIL/HQ were trained under various Training Programme conducted outside the Company. The break-up of training efforts to different levels of employees is given below :

Category	Employees Trained
Executives	1826
Supervisors	383
Workmen	496
Total	2705

(ii) **Training abroad :** 18 employees were trained abroad from April 2000 to March, 2001, the details are given below :

2000-2001

Category	Employees Trained
Executives	18
Supervisors	Nil
Workmen	Nil
Total	18

These employees were provided equipment based training against the 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.

21. MANPOWER

The total manpower of the company including its subsidiaries as on 31.3.2001 was 5,42,051 as against 5,62,071 as on 31.3.2000. Company-wise position of manpower is as below:

Company		Execu- tives	Super- visor/ clerical staff	Skilled/ Semi- skilled/ unskilled workmen	Total
	As on				
ECL	31.3.2001	2922	15873	108657	127,452
	31.3.2000	3025	16624	113734	133,383
BCCL	31.3.2001	2996	16124	94618	113738
	31.3.2000	3067	16502	100409	119978
CCL	31.3.2001	3048	11120	63714	77882
	31.3.2000	3142	11353	66421	80916
WCL	31.3.2001	2581	10882	64403	77866
	31.3.2000	2599	10930	66699	80228
SECL	31.3.2001	3059	12,411	80111	95581
	31.3.2000	3142	13173	81055	97370
MCL	31.3.2001	1360	3592	17635	22587
	31.3.2000	1383	3503	17973	22859
NCL	31.3.2001	1408	3059	12699	17166
	31.3.2000	1424	3063	12755	17242
NEC	31.3.2001	117	773	3209	4099
	31.3.2000	126	800	3364	4290
CMPDI	31.3.2001	916	942	1742	3600
	31.3.2000	931	971	1765	3667
DCC	31.3.2001	73	144	457	674
	31.3.2000	75	149	463	687
CIL (HQ)	31.3.2001	376	727	303	1406
	31.3.2000	397	749	305	1451
CIL as a whole	31.3.2001	18856	75647	447548	542051
	31.3.2000	19311	77817	464943	562071



The Nehru Shatabdi Central Hospital at Talcher, MCL

The presidential directives for Scheduled Cases/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 1.1.2000 and 1.1.2001 are given below :

As on	Total Manpower	Scheduled Caste		Scheduled Tribe	
		Nos.	Percentage	Nos.	Percentage
1.1.2001	547,542	130354	23.81	68330	12.48
1.1.2000	569,316	136382	23.96	70884	12.45

22. INDUSTRIAL RELATIONS AND EMPLOYEES PARTICIPATION IN MANAGEMENT

The Industrial Relations in CIL as well as its subsidiaries remained cordial. Joint

consultative committees are functioning effectively at all levels which have helped in resolving the grievances of employees and achieving targetted production and productivity. During the year, National Coal Wage Agreement-VI (NCWA-VI) has been signed and implemented providing substantial increase in wages and benefits to the workers. The executive pay revision effective from 1.1.97 has also been signed and implemented.

Strikes and Bundhs

There were general strikes and bundhs against the new economic policy of liberalisation and privatisation. There were also strikes for increased wage revision and better fitment benefit.



Tribal Dance during a function at Singrauli

2000-2001

Company	No. of Strikes/Bundhs		No. of other incidents		Mandays lost		Production Lost (in tonnes)	
	1999-00	2000-01	1999-00	2000-01	1999-00	2000-01	1999-00	2000-01
ECL	7	8	117	59	77052	361967	65142	335176
BCCL	5	4	16	12	11753	229019	8093	249455
CCL	6	3	21	12	13284	139790	1847	242000
WCL	3	6	7	2	3277	18200	2600	16953
SECL	13	6	0	0	63656	78961	131850	176515
NCL	3	4	22	20	6443	3440	79087	28000
MCL	1	2	0	0	92	0	13208	0
NEC	0	0	0	0	0	0	0	0
CMPDIL	1	3	0	0	181	2699	110**	1204**
CIL	0	0	0	0	0	0	0	0
Total	39	36	183*	105	175738	834076	301827 +110**	1048099 +1204**

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

** Metreage.

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 Educational Institutions operating in and around coal companies were 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 :

Sl. No.	Item	Available at the time of Nationalisation	Position as on 31.3.2001	Overall satisfaction
1.	Houses	1,18,366	4,06,812	75.05%
2.	Water Supply (Population covered)	2.27 Lakhs	23.16 Lakhs	—
3.	Educational Private Institutions functioning in and around the Coalfield Area	287	1,254	—
4.	Medical facilities			
	(a) Ambulances	42	693	—
	(b) Hospitals	49	87	—
	(c) Hospital beds	1,482	5,965	—
	(d) Dispensaries	197	436	—

Besides, 24 Ayurvedic Dispensaries are also being run in the Subsidiary Coal Companies of CIL to provide indigenous system of treatment to workers. 50 beds are reserved in Ramkrishna Mission Hospital for the treatment of T.B. patients.

23.2 Tree Plantation/Afforestation

Under the Afforestation programme, CIL and its Subsidiary Coal Companies have planted 39.32 Lakhs of seedlings in the Coalfield Areas during the year 2000-2001 to provide better environment.

24. PROGRESSIVE USE OF HINDI

There has been an overall improvement in the use of Hindi for official working at CIL Hqrs and in its subsidiary companies during 2000-01. This issue has been accorded great importance and is under the direct surveillance of the top management of CIL. The process of adoption of Hindi in official work has been boosted up as a result of regular inspections, reviews and supervision by various agencies like the Ministry of Coal, Department of Official Language (Govt. of India), Committee of parliament on official language. Apart from the above, this activity is regularly monitored by Chairman and Director (P&IR), CIL.

CIL has undertaken a number of measures during the year under review for increasing the use of Hindi in CIL and its subsidiary companies. These steps have yielded a positive impact on the implementation of Hindi for official use. The following are some of the important measures taken up for speedy implementation of Hindi in Official work.

- Identification of Nodal Officers in each Deptt. of CIL Hqrs. and in all the subsidiary company headquarters.
- Creation of independent cadre scheme for Rajbhasha Deptt.

- (iii) Creation of posts for Rajbhasha Deptt. and posting of the officers in the Hindi Deptt.
- (iv) Relaxation in norms for promotion of Rajbhasha Deptt. employees.
- (v) Endeavouring to select more number of Hindi Translators and clerical staff.
- (vi) Out of 105 Computers, 73 have been installed with Devnagari Software. The rest are under progress.
- (vii) Imparting training in computer operations to executives and non-executives in dual languages (both Hindi & English).
- (viii) During the year under review, 27 numbers of executives/non-executives have been imparted training in Pragya/Praveen classes.
- (ix) A major Hindi workshop was organised to make people aware of the rules and regulations. 60 persons underwent training in this workshop.

Apart from the above, to make work in Hindi easier and more acceptable, different Hindi reference literature and books like Sangh Ki Rajbhasha Niti, Karyalaya Sahayika, Nemi Karyalaya Tippaniya, Avedan Prarup, Prashashnik Shabdawali Chart and English to Hindi Dictionary have been distributed.

Besides, out of 18 codes/manuals, 6 have been published in Hindi and distributed to all HODs of CIL, Hqrs. and subsidiaries for use. 9 codes/manuals have been sent to Translation Bureau, New Delhi for Hindi Translation and the rest are under progress.

As a result of all the above efforts, there has been an increase in number in writing of original letters, notings etc. in Hindi. All the transfer orders issued now are in bilingual. Appointment letters are also issued in Hindi. Above all, there is an overall improvement in work culture to accept Hindi as a medium of work.

25. ACTIVITIES OF VIGILANCE DEPARTMENT

25.1 Activities

CIL (HQ) Vigilance Department is headed by an IAS officer designated as Chief Vigilance Officer. There are 15 other executives including two at M-2 level and 21 non-executives posted in this Department. Besides the Vigilance set-up at CIL (HQ), separate Vigilance Wings exist at subsidiary companies headed by the Chief Vigilance Officers posted on deputation basis. 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 and 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.
- (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) Transfer of executives figuring in Agreed List/List for doubtful integrity.
- (vi) Policy regarding suspension, transfer and placement in various vigilance cases.



2000-2001

- (vii) Rotation of Officers in sensitive departments.
- (viii) Transparency in corporate decision making.
- (ix) Preparation and up-dating of Civil, Purchase, Sales and Contract Manuals.

25.2 Important Achievements

- (i) Vigilance Division of CIL organised a seminar on 31st October, 2000 and workshop of CVOs on 3rd November, 2000, the commencing and concluding days of the Vigilance awareness week as per directive received from CVC.
- (ii) Transfer policy for executives has been finalised and put into effect.

25.3 Statistics on Punitive Vigilance

	Number of cases	CIL (HQ) Vigilance	Vigilance Division of Subsidiary Companies	Total
(i) Investigation completed (including complaints of previous year)	30	192	222	
(ii) Action recommended after investigation				
Prosecution	—	—	—	
Major Penalty Action	1	64	65	
Minor Penalty Action	1	18	19	
Administrative Action	—	32	32	
(iii) I.A.'s report received in D.I. cases	1	87	88	
(iv) Penalty awarded				
Imposition of Major Penalty	4	45	49	
Imposition of Minor Penalty	1	22	23	
Administrative Action	—	11	11	

26. PARTICULARS OF EMPLOYEES

None of the employees received salary of Rs.1,00,000/- per month or Rs.12,00,000/- 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 (upto 30.9.2000), Shri C. D. Arha (from 1.10.2000 to 13.2.2001) and Shri N. K. Sharma (from 14.2.2001) were Chairman, CIL. Shri C. H. Khisty, Director (P&IR), Shri A. Chatterjee, Director (Finance) and Shri N. K. Sharma as Director (Technical) (upto 29.3.2001) continued on the Board. Shri S. M. Sharma, Director (Marketing) was inducted on the Board w.e.f. 3.10.2000.

While Shri C. D. Arha, Addl. Secretary, Ministry of Coal, Dr. S. Behuria, Joint Secretary & Financial Adviser, Ministry of Coal, Shri Swarup K. Gupta, Addl. Member (Traffic), Railway Board (upto 30.9.2000) were on the Board, Shri S. S. Bhandari, Addl. Member (Traffic), Railway Board, was appointed as Part-time Director w.e.f. 5.3.2001.

Shri B. Akala, CMD, Central Coalfields Limited (from 11.7.2000 to 5.3.2001), Shri S. N. Sharma, CMD, Mahanadi Coalfields Limited (upto 7.6.2000), Shri G. K. Jha, CMD, South Eastern Coalfields Limited (upto 7.6.2000) were on the Board, while Shri S. K. Sen, CMD, Northern Coalfields Limited and Shri S. K. Varma, CMD, Central Coalfields Limited were inducted on the Board w.e.f. 11.7.2000 and 5.3.2001 respectively.

Your Directors wish to place on record their deep sense of appreciation for the valuable guidance and services rendered during their tenure by Shri P. K. Sengupta as Chairman, Shri Swarup K. Gupta, Shri B. Akala, Shri S. N. Sharma and Shri G. K. Jha as Part-time Directors on the Board.

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

The Board of Directors held in all 5 (five) meetings during the year 2000-2001.

requirement of Sec. 212 of the Companies Act, 1956.

28.1 Directors' Responsibility Statement

In terms of section 217(2AA) of the Companies Act, 1956, read with para 2.2 of the significant accounting policy at part A of schedule M and para 10.3 of notes at part B of schedule M forming part of accounts, it is confirmed :

- (i) That in preparation of the Annual Accounts, applicable Accounting Standards have been followed and that no material departures have been made from the same;
- (ii) That such accounting policies have been selected and applied consistently through judgements and estimates that are reasonable and prudent, to give a true and fair view of state of affairs of the company at the end of the financial year and Profit & Loss of the company for that period;
- (iii) That proper and sufficient care have been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) That annual accounts have been prepared on a going concern basis.

28.2 Accounts of the Subsidiaries

The copies of Accounts of the Subsidiary Companies for the year 2000-2001 are attached in Vol.-II with the Annual Report and Accounts of the Company in compliance with

As the accumulated losses had exceeded the net worth as on 31st March, 1999, Eastern Coalfields Limited (ECL) was referred to the Board for Industrial and Financial Reconstruction (BIFR) u/s 15(1) of the Sick Industrial Companies (Special Provisions) Act, (SICA) 1985. The company's application was registered as Case No. 501/2000. A hearing was held on 30th August, 2000 before the Bench-I of BIFR and vide Order No. 501/2000 dated 27th February, 2001. BIFR declared ECL a Sick Company u/s 3(1) (O) of SICA and appointed State Bank of India as Operating Agency under section 18 of SICA to prepare a scheme for its revival. BIFR directed the company to submit a comprehensive Rehabilitation Scheme to the Operating Agency with means of finance fully tied up within 4 weeks to be reckoned from 7th March, 2001 i.e. the date of issue of the order. Company has since presented the Rehabilitation Schemes which are under discussion with the Operating Agency.

In the year 1995 Bharat Coking Coal Ltd. (BCCL) was referred to BIFR with its networth then rendering negative. BIFR at its hearing held on 22.12.1997, refused to regard BCCL as a Sick Company with its networth reviving back to positive by restructuring capital base of the Company though it continued to remain under watch of BIF in terms of section 23 of SICA. After completion of Audit of Accounts for the year 1999-2000, the networth of the company once again rendered negative by Rs.671.14 crores. Under the circumstances and in compliance of the provision of SICA, Form AA has already been filed by BCCL on 13.1.2001 and the Company has been registered Sick vide Registration No. 502/2001.



2000-2001

In case of Central Coalfields Limited (CCL), the Board of Directors of the Company at its 297th meeting held on 29.3.01 were of opinion that the Company with its negative networth has rendered sick within the meaning of sick Industrial Companies (Special provision) Act (SICA), 1985. With above, read with the relevant provision in SICA, a reference to BIFR was made by the Company vide application dated 22.5.2001. The Registrar, BIFR vide his communication dated 6.8.2001 however, declined to honour the reference on the ground that the same was not supported by the latest audited and approved Annual Accounts of the Company for the year 2000-01 which was then under finalisation and audit.

As per the Annual Accounts of CCL for the year ended 31st March, 2001 that has since been finalised, the networth of the Company has rendered negative by Rs.51.22 crores. This was considered by the Board of Directors of CCL at its 301st meeting held on 17.9.01 and decided in the context of above to make a fresh reference to BIFR which is under submission.

Kolkata

Dated : 26th September, 2001.

29. ACKNOWLEDGEMENT

The Board of Directors of your Company wishes to record their deep sense of appreciation for the sincere efforts put in by the employees of the company and the Trade Unions. Your Directors also gratefully acknowledges 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, besides the State Governments. Your Directors also acknowledges with thanks the assistance and guidance rendered by the Auditors, the Comptroller and Auditor General of India and the Registrar of Companies, West Bengal and wishes to place on record their sincere thanks to the Consumers for their patronage.

30. ADDENDA

The following are annexed :

- (i) The comments and review of the Comptroller and Auditor General of India.
- (ii) Replies to the observation made by the Statutory Auditors on the Accounts for the year ended 31st March, 2001.
- (iii) Statement pursuant to Sec. 212 (i) (e) of the Companies Act, 1956.

For and on behalf of the Board of Directors

N. K. Sharma
Chairman



Annual Report

Annual Accounts

2000–2001



2000-2001

Balance Sheet

As at 31st March, 2001

(Rs. in '00,000)

	Schedule	Current Year	Previous Year
I. SOURCES OF FUND			
A. Shareholders' Fund			
(a) Share Capital	A	722054.44	722054.44
(b) Reserves & Surplus	B	155517.83	137460.87
National Renewal Fund		4334.27	336.95
B. Loan Fund			
(a) Secured	C	85133.86	139956.54
(b) Unsecured	D	367144.29	409872.95
		<u>452278.15</u>	<u>549829.49</u>
		1334184.69	1409681.75
II. APPLICATION OF FUND			
A. Fixed Assets	E		
(a) Fixed Assets		34530.87	34556.67
Less : Depreciation		<u>17338.19</u>	<u>16213.37</u>
		17192.68	18343.30
(b) Capital Work-in-Progress		338.83	422.10
(c) Surveyed Off Assets		16.31	—
B. Investment	F	722056.00	722056.00
C. Current Assets, Loans & Advances			
Inventories	G	1834.77	1995.36
Sundry Debtors	H	29.29	216.87
Cash & Bank Balances	I	18143.75	27507.38
Loans & Advances	J	756256.11	734583.25
		<u>776263.92</u>	<u>764302.86</u>
Less : Current Liabilities & Provisions	K	<u>182003.18</u>	<u>95708.02</u>
		594260.74	668594.84
D. Miscellaneous Expenditure	L	320.13	265.51
(To the extent not written-off or adjusted)		<u>1334184.69</u>	<u>1409681.75</u>
Accounting Policies and Notes on Accounts are forming part of the Accounts	M		

Sd/-
(Dr. H. Sarkar)
Company Secretary

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

Sd/-
(A. Chatterjee)
Director (F)

Sd/-
(N. K. Sharma)
Chairman

In terms of our attached report of even date
For S. Ghosh & Co.
Chartered Accountants

Sd/-
(S. Ghosh)
(Partner)

Dated : 20th Sept., 2001
Place : Kolkata

Profit & Loss Account

For the Year ended 31st March, 2001

(Rs. in '00,000)

	Schedule	Current Year	Previous Year
INCOME :			
Sales	1	8654.32	8570.22
Coal issued for other purposes	2	78.77	225.39
Other Income	3	69590.02	92023.53
		78323.11	100819.14
EXPENDITURE :			
Decretion of Stock	4	79.75	2370.55
Consumption of Stores & Spares	5	716.12	644.29
Coal Issued for other purposes per contra	6	13.52	17.77
Employees Remuneration and Benefits	7	8546.72	7380.57
Final (Adhoc) Provision for Impact of Pay/Wage Revision		3947.15	573.90
Social Overhead	8	1223.45	1168.61
Power & Fuel	9	903.11	858.61
Repairs	10	211.21	288.14
Contractual Expenses	11	3183.56	2120.69
Other Expenditure	12	2154.08	1694.84
Interest	13	23813.15	20289.75
Finance Charges	14	3952.40	4763.23
Depreciation		1489.09	1829.24
Provision/Write Off	15	28.26	837.42
		50261.57	44837.61
PROFIT FOR THE YEAR		28061.54	55981.53
Prior Period Adjustment	16	- 40.52	2136.14
PROFIT BEFORE TAX		28021.02	58117.67
Provision for Income Tax		—	—
PROFIT AFTER TAX		28021.02	58117.67
Amount transferred from Bond Redemption Reserve		1721.12	—
Profit brought forward from previous year		243.39	3.34
PROFIT AVAILABLE FOR APPROPRIATIONS		29985.53	58121.01
APPROPRIATION		—	14000.00
Bond Redemption Reserve		—	26000.00
Preference Share Redemption Reserve		16000.00	1485.63
Reserve for Foreign Exchange Transactions		1976.20	3551.12
Transfer to General Reserve		2045.00	—
Proposed Preference Dividends		—	9041.80
Interim		9041.80	—
Final		—	—
Proposed Equity Dividends		—	2526.55
Interim		—	—
Final		922.26	1272.52
Tax on Dividend		—	—
BALANCE CARRIED TO BALANCE SHEET		0.27	243.39
Statement on Significant Accounting Policies, Notes on Accounts			
The Schedules referred to above from 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/-
(N. K. Sharma)
Chairman

In terms of our attached report of even date
For **S. Ghosh & Co.**
Chartered Accountants

Sd/-
(S. Ghosh)
(Partner)

Dated : 20th Sept., 2001
Place : Kolkata



2000-2001

Schedule to Balance Sheet

As At 31st March, 2001

SCHEDULE – A

(Rs. in '00,000)

	Current Year	Previous Year
SHARE CAPITAL		
<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
	<u>890418.00</u>	<u>890418.00</u>
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
	<u>722054.44</u>	<u>722054.44</u>

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

SCHEDULE TO BALANCE SHEET (CONTD.)

SCHEDULE – B

RESERVES & SURPLUS

(Rs. in '00,000)

	Current Year		Previous Year	
A. RESERVES				
(a) Bond Redemption Reserve				
Balance as per last account	58024.52		44024.52	
Add : Amount transferred from Profit and Loss Account	—		14000.00	
Less: Amount transferred to Profit and Loss Account	1721.12		—	
	<u>56303.40</u>		<u>58024.52</u>	
(b) Preference Share Redemption Reserve				
Balance as per last account	64742.00		38742.00	
Add : Amount transferred from Profit and Loss Account	16000.00		26000.00	
	<u>80742.00</u>		<u>64742.00</u>	
(c) Reserve for Foreign Exchange Transactions				
Balance as per last account	1485.63		—	
Add : Amount transferred from Profit and Loss Account	1976.20		1485.63	
	<u>3461.83</u>		<u>1485.63</u>	
(d) General Reserve				
Balance as per last account	12965.33		9414.21	
Add : Amount transferred from Profit and Loss Account	2045.00		3551.12	
	<u>15010.33</u>		<u>12965.33</u>	
B. SURPLUS				
Profit and Loss Account				
Balance Carried forward	0.27		243.39	
TOTAL (A+B)	<u>155517.83</u>		<u>137460.87</u>	



2000-2001

SCHEDULE TO BALANCE SHEET (CONTD.)

SCHEDULE – C

SECURED LOAN

(Rs. in '00,000)

Current Year

Previous Year

Loan from Scheduled Banks

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

(See note No. 8.1 of Schedule - M)

Cash Credit	1844.29	6026.91
Working Capital Demand Loan	14600.00	25513.64
Foreign Currency Non Resident Borrowing	7936.43	12500.97
Commercial Paper	—	18000.00

Secured Bonds

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

All Redeemable at par

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	43403.00
Short Term Loan from Bank (Payable within 1 year)	4000.00	4500.00

Term Loan from Financial Institutions

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

Interest accrued & due on WCDL & Bond	50.14	12.02
	85133.86	139956.54

SCHEDULE TO BALANCE SHEET (CONTD.)

SCHEDULE – D

UNSECURED LOAN

(Rs. in '00,000)

	Current Year	Previous Year
Long term loan from Government of India	89856.26	144619.79
Short Term Loan (Payable within one year)		
From Bank	—	17206.36
From World Bank (Guaranteed by GOI)		
JBIC	103211.74	103143.93
IBRD	110059.35	91801.98
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	1100.00
12.25% Non Convertible (Taxable) (earliest redemption Dec. 2002)	1100.00	1100.00
12.25% Non Convertible (Taxable) (earliest redemption Dec. 2003)	1100.00	1100.00
12.25% Non Convertible (Taxable) (earliest redemption Dec. 2004)	1100.00	1100.00
12.25% Non Convertible (Taxable) (earliest redemption Dec. 2005)	1100.00	1100.00
12.25% Non Convertible (Taxable) (earliest redemption Dec. 2006)	1400.00	1400.00
11.75% Non Convertible (Taxable) (earliest redemption Aug. 2001)	5000.00	—
11.95% Non Convertible (Taxable) (earliest redemption Aug. 2001)	1000.00	—
	12900.00	15000.00
Public Deposit		
Fixed	3.05	3.62
Cumulative	26.14	26.32
	29.19	29.94
Term Loan from Financial Institution	34714.29	30000.00
Interest Accrued and Due on Govt. Loan	16359.26	8056.75
Interest Accrued and Due on Public Deposit	14.20	14.20
	367144.29	409872.95

2000-2001

SCHEDULE TO BALANCE SHEET (CONTD.)

SCHEDULE – E

FIXED ASSETS

(Rs. in '00,000)

	C O S T				DEPRECIATION				NET BLOCK	
	As on 01.04.00	Addition during the year	Adj./Sales/ Trans. during the year	Total as on 31.03.01	As on 01.04.00	Addition during the year	Adj./Sales/ Trans. during the year	Total as on 31.03.01	As on 31.03.01	As on 31.03.00
LAND										
(a) Freehold	672.30	4.28	0.01	676.59	0.00	—	—	0.00	676.59	672.30
(b) Leasehold	1.01	—	—	1.01	0.16	0.01	—	0.17	0.84	0.85
BUILDING	6815.86	4.73	- 0.01	6820.58	1273.01	138.58	- 0.01	1411.58	5409.00	5542.85
PLANT & MACHINERY	18622.34	216.09	- 463.92	18374.51	10125.39	963.25	- 417.02	10671.62	7702.89	8496.95
FURNITURE & FITTINGS/										
OFFICE EQUIPMENTS	1515.60	35.10	- 38.37	1512.33	1199.36	66.17	- 21.82	1243.71	268.62	316.24
RAILWAY SIDING	905.93	—	- 102.46	803.47	378.65	38.16	- 47.86	368.95	434.52	527.28
VEHICLES	352.72	11.39	- 10.54	353.57	258.51	18.38	- 9.84	267.05	86.52	94.21
AIRCRAFT	1458.99	206.39	—	1665.38	675.58	149.78	0.03	825.39	839.99	783.41
TELECOMMUNICATION	308.13	3.40	64.02	375.55	277.57	32.86	25.01	335.44	40.11	30.56
DEVELOPMENT	3084.66	44.09	—	3128.75	1656.47	147.35	- 0.04	1803.78	1324.97	1428.19
PROSPECTING & BORING	819.13	—	—	819.13	368.67	41.83	—	410.50	408.63	450.46
	34556.67	525.47	- 551.27	34530.87	16213.37	1596.37	- 471.55	17338.19	17192.68	18343.30
CAPITAL WORK-IN-PROGRESS	422.10	- 83.27	—	338.83	—	—	—	—	338.83	422.10
SURVEYED OFF ASSETS (P&M)									16.31	—
PREVIOUS YEAR										
FIXED ASSETS	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

ALLOCATION OF DEPRECIATION

CURRENT YEAR

PREVIOUS YEAR

Profit & Loss Account	1489.09	1829.24
Social Overhead	52.94	39.75
Power & Fuel	5.25	5.93
Prior Period Adjustment	0.74	0.49
Development	—	—
Transfer In/Out	—	- 90.94
Adj. (Surveyed off Assets)	-285.00	—
Other Adjustment	- 138.20	- 192.75
TOTAL	1124.82	1591.72

SCHEDULE TO BALANCE SHEET (CONTD.)

SCHEDULE – F

INVESTMENT (Unquoted) (Valued at Cost)	Current Year	(Rs. in '00,000) Previous Year
<i>In Fully Paid up Preference Shares of Subsidiary Companies : (Paid up by way of conversion of loan)</i>		
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
<i>In Fully Paid up Equity Shares of Subsidiary Companies :</i>		
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 CMPDIL (Previous Year - 1,90,400 Equity Shares of Rs. 1000/- each)	1904.00	1904.00
1864009 Equity Shares of Rs. 1000/- 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
<i>In Fully Paid up Equity Shares of Other Company:</i>		
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



2000–2001

SCHEDULE TO BALANCE SHEET (CONTD.)

SCHEDULE – G

INVENTORIES

Current Year

(Rs. in '00,000)
Previous Year

(As valued and certified by the Management)

Stock of Stores & Spareparts (at cost)	396.50		483.86	
Less : Provision for slow-moving/ non-moving obsolescence/shortage	171.86	224.64	179.20	304.66
Stores-in-transit (at cost)		0.80		1.62
		225.44		306.28
Stock of Coal (Valued at lower of Cost or Market Price)	3937.22		4591.76	
Coke (Valued at lower of Cost or Market Price)	0.75		0.75	
	3937.97		4592.51	
Less : Provisions	2328.64	1609.33	2903.43	1689.08
		1834.77		1995.36

SCHEDULE TO BALANCE SHEET (CONTD.)

NORTH EASTERN COALFIELDS COAL INDIA LIMITED MARGHERITA, ASSAM

PARTICULARS IN RESPECT OF COAL STOCK OF NEC (OVERALL) AS ON 31.03.2001

PARTICULARS	OVERALL STOCK		NON-VENDABLE		VENDABLE STOCK	
	QTY.	VALUE	QNTY.	VALUE	QNTY.	VALUE
(A) RECONCILIATION OF BOOK STOCK AND MEASURED STOCK						
1. Opening Stock as on 01.04.2000 (As per Accounts)	573.50	4527.88			573.50	4527.88
2. Add : Production for the Year	660.38	9083.32			660.38	9083.32
Add : Transfer in	0.00	0.00			0.00	0.00
3. Sub-Total (1+2)	1233.88	13611.20			1233.88	13611.20
4. Less : Off Take for the Year						
(a) (i) Out side Despatch	759.61	9659.09			759.61	9659.09
(ii) Transferred Out	0.00	0.00			0.00	0.00
(b) Internal Consumption for Washing etc.	10.39	78.77			10.39	78.77
(c) Consumption for Boiler and Domestic Coal						
Total (4)	770.00	9737.86			770.00	9737.86
5. Derived Stock (3-4)	463.88	3873.34			463.88	3873.34
6. Measured Stock	451.57	3770.55			451.57	3770.55
7. Difference (5 - 6)	12.31	102.79			12.31	102.79
8. Break up of difference						
(a) Excess within 5%						
(b) Shortage within 5%	12.31	102.79			12.31	102.79
(c) Excess beyond 5%						
(d) Shortage beyond 5%						
9. Closing Stock Adopted in Accounts (6+8a+8b)	463.88	3873.34			463.88	3873.34
					QTY.	VALUE
(B) RECONCILIATION OF CLOSING STOCK ADOPTED IN ACCOUNTS					463.88	3873.34
Less : Net shortage of more than 5% accounted for in the Accounts but not adjusted from Book Stock pending write-off					—	—
Less : Non-vendable 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 (Namchik)					—	—
Less : Charges for Rehandling of pit head Stock					—	—
Less : Provision made in accounts to take care of future deterioration of Coal Stock					—	2264.01
Stock as per Accounts after all provisions					463.88	1609.33

2000–2001

SCHEDULE TO BALANCE SHEET (CONTD.)

SCHEDULE – H

SUNDRY DEBTORS (Unsecured)

	Current Year	(Rs. in '00,000) Previous Year
Debts outstanding for a period exceeding 6 months	1091.51	1332.58
Other Debts	20.26	16.22
	1111.77	1348.80
Less : Provision	1082.48	1131.93
	29.29	216.87
CLASSIFICATION		
Considered good	29.29	216.87
Considered doubtful	1082.48	1131.93

	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 – I

CASH AND BANK BALANCES

	Current Year	(Rs. in '00,000) Previous Year
Cash, Cheques, Drafts, Stamps etc. in hand	3.98	4.72
Remittance-in-transit	8.35	1.85
In Current Account with Scheduled Banks	12429.60	16041.61
In Money Market Deposit Account	2200.67	3294.92
In Overseas Business Unit Account	3475.36	8139.22
In Deposit Account with Scheduled Banks	22.69	22.06
With Post Office Savings Bank Account	3.10	3.00
	18143.75	27507.38

SCHEDULE TO BALANCE SHEET (CONTD.)

SCHEDULE – J

LOANS & ADVANCES

Current Year

(Rs. in '00,000)
Previous Year

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

ADVANCE TO SUPPLIERS

For Capital	1791.01		1741.73	
For Others	98.37		91.93	
		1889.38		1833.66

ADVANCE TO EMPLOYEES

For House Building (Secured)	360.79		345.52	
For Motor Car & Other Conveyance (Secured)	26.18		22.17	
For Others	91.04		325.49	
		478.01		693.18

DEPOSITS

For Custom duty & Port Charges	92.43		206.96	
For Other Deposits	196.23		185.05	
		288.66		392.01

Short Term Loan from Body Corporates

150.00 150.00

Other Receivable

53009.26 79934.24

Other Advances

224.55 112.82

AMOUNT DUE FROM GOVERNMENT OF INDIA

For transaction on behalf of Ex-Coal Board 45.23 45.94

Claims Receivable

364.24 366.49

Prepaid Expenses

24.01 31.38

TDS/Advance Tax

56.38 107.51

Balance with Subsidiaries

Loan A/c	310999.43		333328.34	
Current A/c	159792.02		118045.68	
		470791.45		451374.02

Balance with Subsidiaries (World Bank Loan)

Loan A/c	207880.58		183724.59	
Current A/c	21747.45		16527.30	
		229628.03		200251.89

756949.20 735293.14

Less : Provision

693.09 709.89

756256.11 734583.25

CLASSIFICATION

Considered good	756256.11		734583.25	
Considered doubtful	693.09		709.89	



2000–2001

SCHEDULE TO BALANCE SHEET (CONTD.)

SCHEDULE – J (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	119671.70	101232.69	115721.02	101232.69
Bharat Coking Coal Limited	167123.33	168202.98	161887.05	163046.30
Central Coalfields Limited	158177.73	152410.67	158177.73	152410.67
Western Coalfields Limited	49548.99	51575.91	49548.99	44333.82
Northern Coalfields Limited	103056.65	95847.59	103056.65	95847.59
South Eastern Coalfields Limited	78894.35	72516.28	78894.35	65750.30
Mahanadi Coalfields Limited	19382.06	42928.94	19382.06	23536.35
Central Mine Planning & Design Institute Limited	6812.80	7027.63	4519.56	3567.03
	702667.61	691742.69	691187.41	649724.75

Notes : House Building and cars/scooters advance for Rs. 386.97 lakhs (Previous year 367.69 lakhs) included under Loans & Advances (unsecured) considered good and are secured by equitable mortgage on assets concerned.

SCHEDULE TO BALANCE SHEET (CONTD.)

SCHEDULE – K

CURRENT LIABILITIES & PROVISIONS

(Rs. in '00,000)

Current Year

Previous Year

A. CURRENT LIABILITIES:

SUNDRY CREDITORS

For Capital including Revenue Stores
For Coal

265.75
63.85

315.10
63.86

Advance from Customers
Deposits
Advance Deposit (Pre-Nationalisation)

329.60
1722.64
794.25
20.85

378.96
1918.80
920.23
20.85

EMPLOYEES' REMUNERATION & BENEFITS

Salaries, Wages & Allowances
Attendance Bonus
Ex-gratia
Unpaid salaries, Wages etc.
Gratuity
Leave Encashment

424.15
4.36
176.04
—
2126.93
435.13

622.01
2.24
180.29
5.55
1462.60
161.56

3166.61

2434.25

OTHER EXPENSES

Power & Fuel
Contractual Expenses
Others

117.62
1320.83
6020.19

146.44
1356.06
5109.44

7458.64
149.90

6611.94
149.90

Due to Government of India
(including ex-owner's Accounts)

25912.72

30241.59

Interest accrued but not due on Loan

15% Non Convertible Bond
13% Non Convertible Bond
9% Non Convertible Bond

—
0.40
—

2.00
0.40
450.00

SALES TAX

State
Central

20.56
50.67

30.30
0.21

71.23

30.51

Royalty & Cess on Coal

256.49

118.45

Provident Fund

184.49

168.40

Pension Fund

88.22

86.57

INCOME TAX

Employees
Contractors
Others

18.79
0.23
273.08

25.94
65.09
—

292.10

91.03

Professional Tax

5.84

5.03

Surplus Fund from Subsidiaries

106362.53

30980.40

Balance with Subsidiaries Current A/c

9232.07

1901.16

Adv. Deposit Other Govt. Fund

5514.00

—

Other Liability

1617.10

1900.02

B. PROVISIONS:

Provision for Income Tax

269.47

642.50

Other Misc. Provision

0.27

—

Proposed Dividend

9041.80

11568.35

Income Tax on Proposed Dividend

922.26

1272.52

Provision for arrear salary & wages

4580.55

—

Adhoc provision for impact of pay/wage revision

—

573.90

177994.03

92467.76

Current A/c balance with IICM

4009.15

3240.26

182003.18

95708.02



2000–2001_____

SCHEDULE TO BALANCE SHEET (CONTD.)

SCHEDULE – L

MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)	Current Year	<i>(Rs. in '00,000)</i>
		Previous Year
VRS Expenses carried forward	320.13	265.51
(VRS Expenses carried forward –59.50) (Impact of Pay/Wage revision)		
	<u>320.13</u>	<u>265.51</u>

Schedule to Profit & Loss Account

For the Year Ended 31st March, 2001

SCHEDULE – 1

SALES

(Rs. in '00,000)

PARTICULARS	PRODUCTS		TOTAL	
	Raw Coal	Soft Coke	Current Year	Previous Year
Quantity (in '000 M.T.)	759.6	—	759.6	820.7
Gross Sales Value	9659.09	—	9659.09	9657.13
Add : Service Charges received	315.60	—	315.60	317.77
(A)	9974.69	0.00	9974.69	9974.90
Less : Statutory Levies				
Royalty on Coal	911.53	—	911.53	984.88
Stowing Excise Duty	26.59	—	26.59	28.73
Sales Tax				
Central	239.39	—	239.39	209.75
State	142.86	—	142.86	181.32
Total Levies (B)	1320.37	0.00	1320.37	1404.68
Net Value (A - B)	8654.32	0.00	8654.32	8570.22

SCHEDULE – 2

COAL ISSUED FOR OTHER PURPOSES

Current Year

(Rs. in '00,000)
Previous Year

Internal Consumption	21.23	51.33
Free Issue to Employees	44.02	156.29
Others	13.52	17.77
TOTAL	78.77	225.39

2000-2001

SCHEDULE TO PROFIT & LOSS ACCOUNT (CONTD.)

SCHEDULE – 3

OTHER INCOME

	Current Year	(Rs. in '00,000) Previous Year
Subsidy (Stowing)	14.25	15.48
Apex Office Charges	10674.65	10349.65
Interest received	29.38	13.87
Rent (Outsider)	10.77	9.36
LD/Penalty received	2.86	5.21
Tender Fees	5.81	7.08
Provision/Liability write backs For Excess Provision	70.52	195.33
Sale of scraps	12.84	—
Hire charges	1577.02	1603.11
Let out Rent (TDS- Rs. 24.00 lakhs)	393.00	393.00
Dividend from Subsidiaries	51561.67	75194.98
Guarantee Fee from Subsidiaries	3199.06	2924.19
Profit on sale of Assets	2.07	52.50
Gain on Foreign Exchange Transactions	1976.20	1136.10
Others	59.92	123.67
TOTAL	69590.02	92023.53

SCHEDULE TO PROFIT & LOSS ACCOUNT (CONTD.)

SCHEDULE – 4

(Rs. in '00,000)
Previous Year

Current Year

ACCRETION (DECRETION) OF STOCK

Stock of Coal/Coke etc.

A. Opening Stock (Revenue Mines only) as on 1.4.2000

Raw Coal	2141.87	4733.60
Less : Deterioration of Coal value due to fire or longer stocking	452.79	673.97
TOTAL (A)	1689.08	4059.63

B. Closing Stock (Revenue Mines only) as on 31.3.01

Raw Coal	1996.67	2141.87
Less : Deterioration of Coal value due to fire or longer stocking	387.34	452.79
TOTAL (B)	1609.33	1689.08
NET TOTAL (Total A - Total B)	79.75	2370.55

SCHEDULE – 5

(Rs. in '00,000)
Previous Year

Current Year

CONSUMPTION OF STORES & SPARES

Explosives	154.21	134.37
Timber	106.25	99.32
Petrol, Oil and Lubricants	145.12	123.22
Other Consumable Stores & Spares		
(a) HEMM	35.65	44.20
(b) Others	379.99	349.30
	415.64	393.50
	821.22	750.41
Less : Transfer to		
Social Overhead	39.70	40.17
Power & Fuel	8.10	10.50
Other Expenditure	57.30	55.45
	105.10	106.12
TOTAL	716.12	644.29



2000-2001

SCHEDULE TO PROFIT & LOSS ACCOUNT (CONTD.)

SCHEDULE – 6

COAL ISSUED FOR OTHER PURPOSES PER CONTRA

(Rs. in '00,000)

	Current Year	Previous Year
Internal Consumption	21.23	51.33
Free Issue to Employees	44.02	156.29
Others	13.52	17.77
	<u>78.77</u>	<u>225.39</u>
Less : Transfer to		
Power & Fuel	21.23	51.33
Social Overhead	44.02	156.29
	<u>65.25</u>	<u>207.62</u>
TOTAL	<u>13.52</u>	<u>17.77</u>

SCHEDULE – 7

EMPLOYEES' REMUNERATION AND BENEFITS

(Rs. in '00,000)

	Current Year	Previous Year
SALARIES, WAGES AND ALLOWANCES		
Salaries & Wages (Incl. Transport Subsidy)	5672.87	5306.13
Overtime		
(a) Normal	99.52	85.67
(b) Sunday Maintenance	126.78	139.66
	<u>226.30</u>	<u>225.33</u>
Leave Encashment	332.23	50.51
Contribution to Provident Fund and Other Funds (Including Administrative Charges)	571.33	556.07
Attendance Bonus	204.80	172.51
Ex-gratia :		
(a) PPLB - Non Executive	160.75	165.37
(b) PPRL - Executives	15.11	15.01
	<u>175.86</u>	<u>180.38</u>
LTC/LLTC/RRF	341.46	371.78
Pension	41.21	46.53
Gratuity	1081.53	574.72
Workmen Compensation	2.54	6.68
Group Insurance	9.35	10.29
D. L. I.	5.28	3.95
Life Cover Scheme	9.95	8.60
V. R. S.	121.07	94.74
	<u>8795.78</u>	<u>7608.22</u>
Less : Transfer to -		
Social Overhead	244.94	224.15
Power & Fuel	4.12	3.50
	<u>249.06</u>	<u>227.65</u>
TOTAL	<u>8546.72</u>	<u>7380.57</u>

SCHEDULE TO PROFIT & LOSS ACCOUNT (CONTD.)

SCHEDULE – 8

(Rs. in '00,000)

SOCIAL OVERHEAD

	Current Year		Previous Year	
Salaries, Wages & Allowances		244.94		224.15
Free Issue of Coal to Employees		44.02		156.29
Medical Facilities —				
(a) Medical Reimbursement	265.82		233.94	
(b) Medicine	30.73		47.43	
(c) Diet Expenses	7.62		8.20	
		304.17		289.57
Grants to				
(a) Schools & Institutions	42.69		49.03	
(b) Sports, Recreation	1.67		10.24	
		44.36		59.27
Canteen and Creche				
Canteen up-keep		16.84		15.87
House Rent		54.54		57.53
Power		168.64		141.29
Repairs & Maintenance				
(a) Township (incl. welfare buildings)	82.35		98.27	
(b) Plant & Machineries	4.31		3.16	
		86.66		101.43
Maintenance of Vehicles				
(a) Petrol & Diesel	3.95		3.58	
(b) Repairs	0.21		0.04	
(c) Insurance	0.29		0.18	
		4.45		3.80
Consumption of Stores & Spares		35.75		36.59
Depreciation		52.94		39.75
Community Development		82.32		14.87
Environmental Expenses				
Tree Plantation		3.79		1.14
Uniform		5.75		6.31
Training Expenses				
(i) Within the Co.	13.58		6.16	
(ii) Outside the Co.	4.12		4.07	
		17.70		10.23
Other Welfare Expenses		87.42		41.42
		1254.29		1199.51
Less : Recoveries				
House Rent	10.56		11.23	
Hospital Charges	5.31		7.26	
Electricity	14.97		12.41	
		30.84		30.90
TOTAL		1223.45		1168.61

2000-2001

SCHEDULE TO PROFIT & LOSS ACCOUNT (CONTD.)

SCHEDULE – 9

(Rs. in '00,000)

POWER & FUEL

	Current Year	Previous Year
Purchase of Electricity	1030.75	924.90
Power Generation		
Salary & Wages	4.12	3.50
Consumption of Coal	21.23	51.33
Consumption of Stores	8.10	10.50
Repair & Maintenance	2.30	3.74
Depreciation	5.25	5.93
	<u>41.00</u>	<u>75.00</u>
	1071.75	999.90
Less : Transfer to Social Overhead	168.64	141.29
TOTAL	<u>903.11</u>	<u>858.61</u>

SCHEDULE – 10

(Rs. in '00,000)

REPAIRS

	Current Year	Previous Year
Building	60.82	79.05
Plant & Machinery		
Outside Agency	44.29	54.43
Others		
(a) Office Equipment	32.51	33.41
(b) Others	162.76	226.46
	<u>195.27</u>	<u>259.87</u>
	300.38	393.35
Less : Transfer to		
(a) Social Overhead	86.87	101.47
(b) Power & Fuel	2.30	3.74
	<u>89.17</u>	<u>105.21</u>
TOTAL	<u>211.21</u>	<u>288.14</u>

SCHEDULE TO PROFIT & LOSS ACCOUNT (CONTD.)

SCHEDULE – 11

(Rs. in '00,000)

CONTRACTUAL EXPENSES

	Current Year		Previous Year	
Transportation Charges	62.81		36.84	
Coal, Coke	23.57		36.61	
Stores		86.38		73.45
Other Contractual Work		3097.18		2047.24
TOTAL		3183.56		2120.69

2000-2001

SCHEDULE TO PROFIT & LOSS ACCOUNT (CONTD.)

SCHEDULE - 12

(Rs. in '00,000)

OTHER EXPENSES

	Current Year	Previous Year
Travelling		
(a) In country	249.93	238.19
(b) Outside country	33.06	27.64
	<hr/>	<hr/>
Printing & Stationery	282.99	265.83
Postage	64.36	78.00
Telephone	13.24	19.10
Advertisement & Publicity	118.88	123.98
Advertisement for		
(a) Tender	40.32	64.63
(b) Publicity	50.81	28.03
	<hr/>	<hr/>
Demurrage	91.13	92.66
Donation	4.18	5.38
Subscription	20.97	25.07
Security Expenses	19.65	21.44
Hire Charges	146.32	118.81
(a) Computer	95.86	74.22
(b) Others	146.17	126.61
	<hr/>	<hr/>
Maintenance of Vehicles	242.03	200.83
(a) Petrol & Diesel	57.30	55.62
(b) Repairs	27.47	29.68
(c) Road Tax & Insurance	5.63	4.82
	<hr/>	<hr/>
Legal Expenses	90.40	90.12
Bank Charges	69.07	29.34
Guest House Expenses	13.88	27.59
Less : Recoveries	24.51	22.98
	<hr/>	<hr/>
Consultancy Fees	18.96	17.18
Office Contingency Expenses	250.06	109.27
Underloading Charges	29.43	28.11
Loss on sale/discard of assets	41.49	42.29
Auditors' Remuneration	0.58	3.06
(a) Audit Fees	1.61	1.53
(b) Travelling & Out-of-pocket exp.	0.76	0.76
	<hr/>	<hr/>
Tax Audit Fees	2.37	2.29
Internal Audit/Other Audit Fees and exp.	0.52	0.52
Royalty & Cess	1.86	3.16
Rent, Rates & Taxes	5.37	7.03
Insurance	239.12	268.97
Dead Rent	12.91	19.25
Surface Rent	17.23	14.49
Loss on Foreign Exchange rate variance	1.12	0.88
Others	255.18	0.19
	<hr/>	<hr/>
TOTAL	2154.08	1694.84

SCHEDULE TO PROFIT & LOSS ACCOUNT (CONTD.)

SCHEDULE – 13

(Rs. in '00,000)

INTEREST

	Current Year	Previous Year
(a) Government Loan		19250.59
(i) Plan Loan	14079.69	6549.38
(ii) Non-plan Loan	7781.81	4116.69
(b) Bank Overdraft	2486.19	9601.46
(c) Bonds	9018.37	0.11
(d) Public Deposit	0.10	8847.49
(e) Other Corporate/Financial Institution Loan	6328.20	2.44
(f) Pension Fund	1.85	5589.40
(g) Interest on IBRD & JBIC Loan	9717.35	1955.17
(h) Others	6035.06	
	55448.62	55912.73
Less : (a) Recovered from Subsidiaries	21918.12	30033.58
(b) Transferred to Subsidiaries on account of IBRD & JBIC Loan	9717.35	5589.40
	31635.47	35622.98
TOTAL	23813.15	20289.75

SCHEDULE – 14

(Rs. in '00,000)

FINANCE CHARGES

	Current Year	Previous Year
Guarantee Fees on IBRD & JBIC Loan	2559.25	2339.35
<u>Other Expenses for Bond, Public Deposit & C. P.</u>		
Trustee Fee – Bond	1.01	2.01
Discount on C. P.	1195.72	1772.30
Brokerage & Commission	38.57	392.53
Others	17.76	71.94
	1253.06	2238.78
Other Bank Charges	140.09	185.10
Other Charges on IBRD & JBIC Loan	6.27	5.34
	3958.67	4768.57
Less : Transferred to Subsidiaries on account of IBRD & JBIC Loan	6.27	5.34
TOTAL	3952.40	4763.23



2000-2001

SCHEDULE TO PROFIT & LOSS ACCOUNT (CONTD.)

SCHEDULE – 15

(Rs. in '00,000)

PROVISIONS/WRITE OFF

	Current Year	Previous Year
A. Provision for		
Doubtful Advances	6.67	0.49
Others	21.59	46.66
B. Write off		
Capital Work-in-Progress (Simsong)	—	790.27
TOTAL	28.26	837.42

SCHEDULE – 16

(Rs. in '00,000)

PRIOR PERIOD ADJUSTMENT

	Current Year	Previous Year
Debits		
Consumption of Stores	0.16	—
Interest	48.54	—
Depreciation	0.74	0.49
Power & Fuel	—	2.47
Repairs	6.40	—
Social Overhead	0.26	1.84
Contractual Expenses	2.27	23.34
Other Expenditure	16.68	44.69
	75.05	72.83
Credits		
Employees' Remuneration & Benefits	19.63	96.75
Other Income	1.44	427.38
Power & Fuel	3.71	—
Interest	—	1684.84
Provision written back (Doubtful Adv.)	9.75	—
	34.53	2208.97
NET : CREDIT (+) / DEBIT (-)	- 40.52	2136.14

SCHEDULE – M

A. SIGNIFICANT ACCOUNTING POLICIES

1. Accounting Convention

The financial statements are prepared under the historical cost basis, as per applicable 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 scraps 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 and leave encashment 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 preceding period.

4. Fixed Assets

- 4.1 LAND : Land includes cost of acquisition, compensation and rehabilitation expenses incurred for concerned displaced persons.
- 4.2 BUILDING : Building includes roads and culverts situated in colliery and townships as well as cost of electrical fittings water supply arrangements and 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 Siding under the head "Fixed Assets".



2000–2001

- 4.5 Expenses including attributable interest, net of income of the Projects/Mine 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 out put of 25% of rated capacity as per approved project report,
 - (b) 2 years of touching of coal,
- OR
- (c) From the same financial year in which the value of production is more than the total expenses.
- whichever is earlier.
- 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 collectability 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 loans owed by Subsidiary Companies to CIL has been charged on the opening balance of the loans in their books at rates determined in consideration of the provisions contained in the loan agreement as well as the principles of Coporatisation 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 JBIC Banks on account of Coal Sector Rehabilitation Project to be implemented in various Subsidiaries has been shown under the head "Unsecured Loan" (Ref. Schedule - D). 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 JBIC 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".

2000–2001

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. 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.17441.71 lacs (Rs.45060.68 lacs).
- 1.2 Claims against the Company not acknowledged as debts are Rs.56544.22 lacs (Rs.65079.58 lacs).
- 1.3 Negative Marked to Market valuation of outstanding position involving foreign currency transactions as on 31.03.2001 stood at 1729.00 lakhs.
- 1.4 Commitments relating to Forward Exchange Contracts as at the end of the year stood at Rs.3865.84 lacs. (25908.80 lacs).
- 1.5 As on 31.03.01 outstanding letters of credits amounted to Rs.15968.40 lacs, (Rs.40845.83 lacs) and outstanding Deferred payment guarantee issued by Banks amounted to Rs.10300.20 lacs (Rs.10908.71 lacs).

2. 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 lakhs and related building and other assets of Rs.3652.25 lakhs, both at book value as on 31.03.95, have been let out to SECL. Additions to these assets from the day of letting out to 31.03.2001 are Rs.573.62 lakhs on value of plant and Rs.141.16 lakhs on value of building and other assets.

Besides, Fixed Assets comprising of Plant & Machinery of Rs.218.99 lakhs and related building and other assets of Rs.1625.37 lakhs, both at book value as on 31.03.95, 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 31.03.2001 are Rs.279.78 lakhs on value of plant & machinery and Rs.323.40 lakhs on value of building and other assets.

3. Investment in Subsidiaries

- 3.1 Investment of the Company in share capital of Bharat Coking Coal Ltd., Eastern Coalfields Ltd. and Central Coalfields Ltd. as on 31.03.01 amounted to Rs.211800.00 lakhs, Rs.221845.00 lakhs and Rs.94000.00 lakhs respectively. ECL, BCCL and CCL have become sick and are referred to BIFR under Sick Industrial Companies Act, 1985. Plans for restructuring/revival of ECL & BCCL are in an advanced stage. Scheme recommending restructuring of ECL has been finalised and is under consideration of Govt. of India. In case of BCCL final report on revival of BCCL by the consultant is under examination both at BCCL & CIL level. In respect of CCL consultants have been appointed to formulate similar schemes which is in advanced stage of finalisation. Once the revival schemes are

finalised and implemented the financials of these Companies will substantially improve which will turn them into viable Companies. In view of the above the decline in the value of investments, if any, are temporary in nature, and hence, are valued at cost.

4. Inventories

Stores & Spares

- 4.1 The closing stock of stores and spareparts 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.171.86 lakhs (179.20 lakhs) 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.
- 4.4 As per consistent practice, over and above the provision mentioned in para 6.3 (Part "A" of this Schedule) a further provision of Rs.1876.68 lakhs being 90% balance value of slow-moving Coal as per Survey Measurement Team's report has been kept in the Accounts.

5. Sundry Debtors

- 5.1 Provision for Bad & Doubtful Debts amounting to Rs.1082.48 lakhs (Rs.1131.93 lakhs) is considered adequate.

6. Bonds

- 6.1 During the year the Company has redeemed (i) 11% Non-Convertible Un-Secured Bonds (F-Series) amounting to Rs.20 crores, (ii) 11.45% Non-Convertible Un-Secured Bonds (G-Series) amounting to Rs.25 crores, (iii) 11.50% Non-Convertible Un-Secured Bonds (I-Series) amounting to Rs.25 crores, (iv) 12.25% Non-Convertible Un-Secured Bonds (L-Series) amounting to Rs.11 crores. Further, during the year the Company has issued the following Un-Secured Bonds :

11.75%	(P-Series)	—	Rs.50 crores
11.95%	(Q-Series)	—	Rs.10 crores
			<hr/>
			Rs.60 crores
			<hr/>

7. 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 01.05.1973 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.216.85 lakhs due from Railways for missing/diversion of wagons (Rs.212.74 lakhs) etc.



2000–2001_____

- 7.3 Pending reconciliation with regard to dues to Port Authorities net amount has been shown in certain cases.

8. Secured Loans

- 8.1 **Cash Credit** : Pending finalisation of formalities for 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.102.30 Crores have been allocated to the subsidiaries against which Coal India Ltd. is contingently liable to the extent the facility has been actually utilised by subsidiaries as on 31.03.01.

9. 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 at 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 31.03.2001 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 receiveing 0.50p per tonne of productions per Subsidiaries net of expenditure/fund, made/remitted on behalf of IICM.

10. Profit & Loss Account

- 10.1 Recognition of Revenue in respect of interest claim amounting to Rs.10414.76 lakhs (Rs.10414.76 lakhs) and Apex Charges amounting to Rs.2705.65 lakhs (Rs.2656.40 lakhs) attributable to ECL & BCCL, in year's account have been deferred. These have been done in keeping with the published Accounting Standard - 9 of ICAI on Revenue Recognition.
- 10.2 During the year salaries and wages for executives and non-executives has been revised w.e.f. 01.01.1997 and 01.07.1996 respectively. Liability for arrear salary and wages pursuant to such revision has been accounted for during the year.
- 10.3 Dividend recommended by the Subsidiaries (MCL, NCL & SECL) pertaining to the year 2000-2001 as per the relevant Accounts adopted by their Board have been considered and accounted for as income for the year. (Refer Para No. 10 (Part-A) of this Schedule).
- 10.4 Gains amounting to Rs.1976.20 lakhs (Rs.1485.36 lakhs) arising from cancellation of Forward Contracts against Foreign Exchange Loans taken by the Company for its Subsidiaries have been kept as a separate Reserve.

- 10.5 Helicopter engine purchased during the year has been depreciated on the basis of balance life (as per Books) of the original aircraft in keeping with the provisions of the Accounting Standard for Depreciation Accounting (AS-6).

This has resulted in an additional charge of depreciation of Rs.59.41 lakhs.

11. For the purpose of charging interest on the loan owed by Subsidiary Companies to CIL the opening balances of the loan in respective Subsidiaries' books as on 01.04.2000 have been considered and taken in the accounts accordingly.

12. 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 net amount at which they are stated.

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

- 12.3 Balance with Post Office Savings Bank Account in Schedule-I (Cash & Bank Balance) includes Rs.0.27 lakhs short credited by Post Offices in 1991-92 on Postal Orders deposited with them for which full provision has been made in the accounts.

- 12.4 In absence of balance confirmation from the parties, Sundry Debtors, Creditors, Loans & Advances and Deposits have been taken in the Accounts as per their book value.

- 12.5 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 scales industrial undertaking(s) to whom the Company owe a sum exceeding Rs.1 lakh which is outstanding for more than 30 days.

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

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

- 12.8 Figures in the parantheses relates to previous year.

- 12.9 The Accounts together with Notes thereon approved by the Board of Directors of the Company vide adoption of Circular Resolution No. CIL/XI(D)/04001/2001 dated 14.08.2001 and reported upon by the Statutory Auditors on 20th August, 2001 has been revised to comply with the observations of the Comptroller & Auditor General of India. The revision has affected the Accounts and Notes on Accounts for the year as follows :

Rs. in Lakhs

(A) Profit & Loss Account :

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

102.10

2000-2001

(B) Balance Sheet :

(i) Reserves & Surplus :		
General Reserve decreased by	55.00	
Profit & Loss A/c. balance decreased by	47.10	
		102.10
(ii) Fixed Assets increased by		19.09
(iii) Current Liabilities & Provisions increased by		180.69
(iv) Misc. Expenditure (to the extent not written-off or adjusted) increased by		59.50
(v) Insertion of Para No. 4.4 in Significant Accounting Policy (Part B, Sch.-M of the revised Accounts)		
(vi) Revision of Para No. 1.2 (Part B, Sch.-M of the pre-revised Accounts).		
(vii) Revision in Sch.-E to show the value of Surveyed-off Assets separately in Fixed Asset Schedule.		
(viii) Revision of Balance Sheet abstract and General Business Profile (Annexure to Sch-M to give effect to above changes.)		

Schedule A to L form part of the Balance Sheet as at 31st March, 2001 and 1 to 16 form part of Profit & Loss Account for the year ended on that date and Schedule-M represents Accounting Policies and explanatory notes on the Accounts. Additional information required as per Schedule-VI (Part-II and III) of the Companies Act, 1956 are given in the Annexure to Schedule - M.

Signature to Schedule A to M and 1 to 16.

Sd/-
(Dr. H. Sarkar)
Company Secretary

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

Sd/-
(A. Chatterjee)
Director (F)

Sd/-
(N. K. Sharma)
Chairman

In terms of our attached report of even date
For S. Ghosh & Co.
Chartered Accountants

Sd/-
(S. Ghosh)
(Partner)

Place : Kolkata
Dated : 20th Sept., 2001

SCHEDULE TO BALANCE SHEET (CONTD.)

ANNEXURE TO SCHEDULE - M

(Rs. in '00,000)

	Current Year	Previous Year
I. <i>Directors' Remuneration :</i>		
(i) Salaries	14.99	12.31
(ii) Company's Contribution to Provident Fund & Other Funds	1.55	1.02
(iii) Medical Benefits	2.37	0.93
(iv) Perquisites	1.23	0.56
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. <i>The information required in paragraph 3 & 4 of Part (ii) of Schedule - VI of Companies Act, 1956, 3(b) value of imports on CIF basis :</i>		

(Rs. in '00,000)

	Current Year	Previous Year
(i) Raw Material	Nil	Nil
(ii) Capital Goods	Nil	Nil
(iii) Stores, Spares & Components	Nil	18.04

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

(Rs. in '00,000)

	Current Year	Previous Year
(i) Know how	Nil	Nil
(ii) Interest & Commitment charges	9963.04	3523.75
(iii) Exchange Variation	254.73	0.19
(iv) Commission to Foreign Agents	Nil	Nil
(v) Training expenses and payments to Foreign Technicians	Nil	16.92
(vi) Travelling	17.01	Nil
(vii) Medical Treatment	Nil	Nil
(viii) Membership Fees	Nil	Nil
(ix) Advertisement	Nil	Nil



2000-2001

ANNEXURE TO SCHEDULE - M (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	1976.20	1485.63

V. Total consumption of Stores during the year

(Rs. in '00,000)

	Current Year	Previous Year
(i) Imported materials	Nil	Nil
(ii) Indigenous	714.60	750.41

Additional information required in paragraph 3 & 4 of Part II of Schedule VI to the Companies Act, 1956 for the year ended 31st March, 2001.

(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	582.28	1689.08	851.88	4059.63
Adjustment	—	—	— 1.48	—
Production				
Coal	660.38	—	572.28	—
Purchase				
Coal	—	—	—	—
Sales : (Adjusted & excluding Levies & Service ch.)				
Coal	759.61	9659.09	820.74	8252.45
Own Consumption				
Free issue and Boiler Consumption	10.39	78.77	19.66	225.39
Closing Stock :				
Coal & Coke	472.66	1609.33	582.28	1689.08

ANNEXURE TO SCHEDULE - M (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	1
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 DEPLOYMENT OF FUNDS (Amount in Rs. '000) :

Total Liabilities

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

Total Assets

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

Sources of Funds :

Paid-up Capital

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

Secured Loans

		8	5	1	3	3	8	6
--	--	---	---	---	---	---	---	---

Reserve & Surplus

	1	5	5	5	1	7	8	3
--	---	---	---	---	---	---	---	---

Unsecured Loans

	3	6	7	1	4	4	2	9
--	---	---	---	---	---	---	---	---

Application of Funds :

Net Fixed Assets

		1	7	5	4	7	8	2
--	--	---	---	---	---	---	---	---

Net Current Assets

	5	9	4	2	6	0	7	4
--	---	---	---	---	---	---	---	---

Accumulated Losses

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

Investments

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

Misc. Expenditure

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



2000-2001_____

ANNEXURE TO SCHEDULE - M (CONTD.)

BALANCE SHEET ABSTRACT AND GENERAL BUSINESS PROFILE

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

Turnover (Net)							
		8	6	5	4	3	2

Total Expenditure							
		5	0	2	2	3	2

Other Income							
6	9	5	9	0	0	2	

+ -		Profit/Loss Before Tax							
+				2	8	0	2	1	0

+ -		Profit/Loss After Tax							
+				2	8	0	2	1	0

Earning per share (Rs.) including Preference Shares							
-	-	-	-	3	8	.	8

Dividend %		On 10% Cumulative Redeemable Preference Shares
1	0	

V. GENERIC NAME OF PRINCIPAL PRODUCT OF THE COMPANY :

Item Code No. (ITC Code)

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

Product Description

B	I	T	U	M	I	N	O	U	S		C	O	A	L
---	---	---	---	---	---	---	---	---	---	--	---	---	---	---

Item Code No. (ITC Code)

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

Product Description

C	O	K	E	S		O	F		C	O	A	L
---	---	---	---	---	--	---	---	--	---	---	---	---

STATEMENT PURSUANT TO SECTION 212 (1) (E) OF THE COMPANIES ACT, 1956 AS AT 31ST MARCH, 2001

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	Pre-tax Profit (+) Loss (-) for the year ended 31.3.2001 Rs. in Crores	Profit (+) Loss (-) balance as on 31.3.2001 cumulative (after tax Provisions, Provision for Dividends and Reserves) Rs. in Crores
Eastern Coalfields Limited	22,184,500	3	2,218.45	(-) 917.19	(-) 3846.50
Bharat Coking Coal Limited	21,180,000	3	2,118.00	(-)1276.71	(-) 4065.85
Central Coalfields Limited	9,400,000	3	940.00	(-) 792.91	(-) 991.22
Western Coalfields Limited	2,971,000	3	297.10	(+) 28.23	(+) 592.85
Northern Coalfields Limited	1,776,728	3	177.67	(+)1025.05	(+) 1446.53
South Eastern Coalfields Limited	3,597,000	3	359.70	(+) 116.92	(+) 613.00
Mahanadi Coalfields Limited	1,864,009	3	186.40	(+) 641.35	(+) 854.97
Central Mine Planning & Design Institute Limited	190,400	3	19.04	(-) 3.81	(+) 17.67
CIL				(+) 280.21	—
TOTAL				(-) 898.85	(-) 5378.55

Less income from dividend received from subsidiaries included in the Profit of CIL
Loss

= (-) 515.62
= (-) 1414.47



2000–2001

**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, 2001**

In view of the revisions made in the Accounts as a result of the observations made by the Comptroller & Auditor General of India as indicated in the Para 12 of the Auditors' Report to the Shareholders and item No. 12.9 of the Notes on Accounts, there are no further comments to offer upon or supplement to Auditors' Report under Section 619(4) of the Companies Act, 1956 on the Accounts of the Coal India Limited for the year ended 31st March, 2001.

Sd/-
(S. B. Pillay)
Principal Director of Commercial Audit
& Ex-officio Member, Audit Board-II
Kolkata

Kolkata
Dated : The 26th Sept. 2001

REVIEW OF ACCOUNTS OF COAL INDIA LIMITED FOR THE YEAR ENDED 31ST MARCH, 2001 BY THE COMPTROLLER & AUDITOR GENERAL OF INDIA

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

1. FINANCIAL POSITION

(Rs. in Lakhs)

	1998-99	1999-2000	2000-2001
LIABILITIES			
(a) Paid up Capital	722054.44	722054.44	722054.44
(i) Government			
(a) Equity Share	631636.44	631636.44	631636.44
(b) Non-Cum Redm. Preference S.	90418.00	90418.00	90418.00
(ii) Others (All shares are held by Coal India Ltd. - Holding Company)	0.00	0.00	0.00
(b) Reserves & Surplus		13208.72	15010.60
(i) Free Reserves & Surplus	9417.55	0.00	0.00
(ii) Share Premium Account	0.00		140507.23
(iii) Committed Reserve	82766.52	124252.15	
(c) Borrowings from :			89856.26
(i) Government of India	192058.09	144619.79	48014.29
(ii) Financial Institution	40000.00	60000.00	221207.52
(iii) Foreign Currency Loans (Credit)	39331.87	207446.88	1844.29
(iv) Cash Credit	50014.26	6026.91	74932.19
(v) Others (including short term loan)	116934.43	123652.94	16423.60
(vi) Interest Accrued and Due	2693.00	8082.97	184210.52
(d) (i) Current Liabilities & Provisions (excluding Provision for Gratuity)	63913.46	94582.37	
(ii) Provision for Gratuity	1302.83	1462.60	2126.93
TOTAL	1320486.45	1505389.77	1516187.87
ASSETS			
(e) Gross Block	33054.06	34556.67	34530.87
(f) Less : Cumulative Depreciation	14621.65	16213.37	17338.19
(g) Net Block	18432.41	18343.30	17192.68
(i) Surveyed off assets	0.00	0.00	16.31
(h) Capital Work-in-Progress	3995.22	422.10	338.83
(i) Investments	722056.00	722056.00	722056.00
(j) Current Assets, Loans & Advances	575836.36	764302.86	776263.92
(k) Misc. Expenditure not written off	166.46	265.51	320.13
(l) Accumulated Losses	0.00	0.00	0.00
TOTAL	1320486.45	1505389.77	1516187.87
(m) Working Capital [j-d(i)-c(vii)]	509229.90	661637.52	575629.80
(n) Capital Employed (g+m)	527662.31	679980.82	592838.79
(o) Net Worth [a+b(i)+b(ii)-k-l]	731305.53	734997.65	736744.91
(p) Net Worth per rupee of paid up capital (in Rs.)	1.01	1.02	1.02

2000-2001

2. WORKING RESULTS

The working results of the company during the last three years ended 31st March, 2001 are given

			(Rs. in Lakhs)
	1998-99	1999-2000	2000-2001
(i) Sales	7528.72	8570.22	8654.32
(ii) Profit/Loss before Tax & Prior Period adjustment (but before tax)	60620.49	58117.67	28021.02
(iii) Tax provision	0.00	0.00	0.00
(iv) Profit/Loss after tax	60620.49	58117.67	28021.02

3. RATIO ANALYSIS

Some important financial ratio on the financial health and working of the company at the end of last three years are as under :

			(In Percentage)
	1998-99	1999-2000	2000-2001
(A) Liquidity Ratio			
Current Ratio [j/d(i)+c(vi)]	8.65	7.44	3.87
(B) Debt Equity Ratio			
Long term debt to equity [c(i) to c(v) excluding short term loans/a]	0.44	0.56	0.60
(C) Profitability Ratio			
(a) Profit before tax to :			
(i) Capital employed	11.49	8.55	4.73
(ii) Net Worth	8.29	7.91	3.80
(iii) Sales	805.19	678.14	323.78
(b) Profit after tax to equity	9.60	9.20	4.44
(c) Earning per share (in Rupees) (Profit after tax/No. of share)	95.97	92.01	44.36

4. SOURCES AND UTILISATION OF FUNDS

Funds amounting to Rs.115910.65 lakh from internal and external sources were generated during the year as per details given below :

(Rs. in Lakhs)

SOURCES OF FUNDS

(a) Funds from operations :		
(i) Profit after tax	28021.02	
(ii) Add : Depreciation	1124.82	
		29145.84
(b) Decrease in Working Capital (including provision for Gratuity)		86672.05
(c) Decrease in Fixed Assets & Capital Work-in-Progress (including surveyed off assets)		92.76
		<u>115910.65</u>

APPLICATION OF FUNDS

(a) Decrease in borrowings	105891.97
(b) Increase in Miscellaneous Expenditure	54.62
(c) Proposed Dividend	9041.80
(d) Income tax on proposed dividend	922.26
	<u>115910.65</u>

5. INVENTORY LEVEL

The inventory levels of stocks of stores and spares, raw materials, work-in-progress and coal and coke etc. at the end of three years ending 31st March, 2001 are as under :

		(Rs. in Lakhs)		
		1998-99	1999-2000	2000-2001
(a)	Stock of coal, coke and by products less provisions	4059.63	1689.08	1609.33
Stock of Coal, Coke represents 6.47 months' sales in 1998-99, 2.36 months' sales in 1999-2000 and 2.23 months' sales in 2000-2001.				

6. SUNDRY DEBTORS

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

		(Rs. in Lakhs)		
		1998-99	1999-2000	2000-2001
(i)	Sales	7528.72	8570.22	8654.32
(ii)	Total Sundry Debtors	2222.55	1348.80	1111.77
(iii)	Provision for doubtful debts	1239.58	1131.93	1082.48
(iv)	Percentage of Sundry Debtors to Sales	29.52	15.74	12.85

Sd/-
(S. B. Pillay)
Principal Director of Commercial Audit
& Ex-officio Member, Audit Board-II
Kolkata

Kolkata

Dated : The 26th Sept. 2001



2000-2001

AUDITORS' REPORT

MANAGEMENT'S REPLY

To

The Members of Coal India Ltd.

We have audited the attached Balance Sheet of Coal India Limited as at 31st March, 2001 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 reconciliation of fixed assets with financial ledger based on records of physical verification wherever available become difficult. Certain surveyed off assets remained in the Assets Register. Most of the items of fixed assets lying at various locations remained unverified. 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 stockyards of Regional Sales Offices. In case of Stores & Spares only a part of inventory has been verified during the year.

The Fixed Asset Registers are maintained giving all the relevant details of each item of assets. Regarding absence of certain informations as mentioned by the Audit, efforts are being made to secure improvements in record keeping by incorporating the same, which is a continuous process.

This being a 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 1.85% of the total coal stock held by the company at the year end. In view of meagreness of the quantity for

AUDITORS' REPORT

MANAGEMENT'S REPLY

- | | |
|---|---|
| <p>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 is generally reasonable and adequate in relation to the size of the Company and the nature of its business.</p> | <p>which 100% provision for possible shortage exists in the Accounts, no verification physically of these age old stock was considered necessary.</p> <p>Further, since the number of stores and spares items are very large, a part of the inventory was only verified during the year on rotational basis. Verification being done perpetually, the verification of the total inventory gets covered under the arrangement within a cycle period of two to three years time.</p> <p>This being a statement of fact, calls for no comments separately.</p> |
| <p>V. On physical verification of Stock & Spares, no material discrepancies between the physical stock and book records were noticed.</p> | <p>This being a statement of fact, calls for no comments separately.</p> |
| <p>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. 2328.64 lakhs against inventory to cover future deterioration in value of coal due to various reasons have been made.</p> | <p>This being a statement of fact, calls for no comments separately.</p> |
| <p>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. The provision of Sec. 370 (1b) of the Companies Act 1956 are not applicable.</p> | <p>This being a statement of fact, calls for no comments separately.</p> |
| <p>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</p> | <p>This being a statement of fact, calls for no comments separately.</p> |

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AUDITORS' REPORT

MANAGEMENT'S REPLY

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.

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 and interest thereon have not been repaid by some of the Subsidiaries as per stipulation.

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

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

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

(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 a few cases.

All such cases requiring recovery of interest portions, though few in number as observed by the Audit in the para have infact been kept under close watch and the necessary recovery in all such cases 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 procedure is a continuous process. the existing control mechanisms are reviewed from time to time and necessary improvements as deemed fit are incorporated for adherence.

XI. There was 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 statement of fact, calls for no comments separately.

AUDITORS' REPORT

- XII. The Company does 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 or otherwise of such provision could not be commented upon.
- 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.
- XIV. Reasonable records have been maintained by the Company for the sale and disposal of realisable scraps.
- XV. The Company has an internal audit system but internal audit has not been conducted in Head Quarter and RSOs during the year.
- XVI. The maintenance of cost records has not been prescribed by the Central Government u/s 209 (1) (d) of the Companies Act, 1956.
- 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.
- XVIII. There is no undisputed amount as at 31st March, 2001 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.
- XIX. According to the information and explanations given to us and based on test checks carried out by us no personal expenditure has been charged to

MANAGEMENT'S REPLY

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

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

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

Need for strengthening internal audit coverage at Head Quarter and RSOs as observed in the para has been noted for adherence.

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

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

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



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AUDITORS' REPORT

revenue other than those payable under contractual obligation and/or in accordance with the convention and generally accepted business practice.

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.

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.

We further report that :

1. ECL, BCCL & CCL are incurring losses. Accumulated losses of these Companies are higher than the face value of the Investment in some cases. Based on erosion being temporary in nature as considered by the Company, no provisions have been made. (Ref. note 3.1 part-B, Schedule-M, AS-13).
2. The Company has paid interest for Rs. 6034.62 lakhs to some of its Subsidiaries on surplus fund parked by them.
3. Income from dividend received from Subsidiaries viz. MCL, NCL & SECL amounting to Rs. 51561.67 lakhs has been accounted for subject to approval of the shareholders in the AGM of the respective Companies. (Ref. Note 10.3, Part-B, Schedule-M).
4. Interest and Apex Charges Receivable amounting to Rs. 13120.41 lakhs from ECL & BCCL have been deferred due to critical financial position of the above Companies. (Ref. Note 10.1, Part-B, Schedule-M).

MANAGEMENT'S REPLY

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

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This is a statement of fact, and the accounting treatment referred to by the audit in this para is in line with the provisions for such matters as contained in Schedule-VI of the companies Act. 1956.

Recognition of income from interest and apex charges receivable from ECL and BCCL has been deferred on the ground of uncertainty of recoverability thereof during the revival periods of ECL and BCCL which are critically sick and have been referred to BIFR. After the revival plans of these two coal companies, presently under formulation and consideration, get

AUDITORS' REPORT

Income of earlier years still receivable amounting to Rs. 5634.35 lakhs has not been provided for.

5. Company has certain surveyed off assets no longer in use pending finalisation of formalities. The same has not been charged off.
6. The net worth of Management Technology Applications (India) Ltd., as informed though eroded, no provision against investment of Rs. 1.63 lakhs has been made in accounts.
7. Rent liability for Stockyard at Canning has not been provided for. The liability could not be ascertained.
8. Certain old Sundry Creditors and Advance from customers at NEC are pending for payment/adjustment over years. Scrutiny and adjustment is pending in this regard.
9. Payment of interest on Public Deposit for Rs. 0.10 lakhs has not been adjusted. Profit to that extent has been understated.
10. On account of observations referred hereinabove and its impact in accounts as far as we could ascertain profit would have been reduced by Rs. 5635.88 lakhs.

MANAGEMENT'S REPLY

implemented and the companies get eventually revived, it is at that stage these dues, the income recognition in relation to which as referred to by the audit in the para, has been kept suspended, shall get recovered and accounted for in the books of CIL with due reflections thereof also then in the books of ECL and BCCL. The observation of audit in the para may thus have to be viewed in the light of above. In this connection the notes no. 3 and 10.1 of Part B of Schedule-M forming part of Accounts are relevant.

Assets surveyed off have been grouped separately in the Balance Sheet.

These equipments are being disposed off and the effects pursuant to such disposal would be known only when the disposal actually takes place, enabling thereby to give appropriate treatment thereof in Profit & Loss Account.

Since these are long term investment in a Public Sector Undertaking, which is a going concern, no provisions as suggested by the auditors in this para to cover against the likely diminution in value of such investments is felt necessary at this stage.

There is no claim pending on this account for settlement, need for making provision for this as mentioned by the auditors in the para seems to have no relevance at all.

Efforts are being made to reconcile the outstanding balances with the relevant records as observed by the audit and carry out necessary adjustments wherever required which is a continuing process.

Observation of the audit in the para has been noted for future compliance.

The impact as quantified by audit in this para refers to their observations at paras 4, 6 and 9 which have already been discussed herein before separately. In the light of the facts

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MANAGEMENT'S REPLY

brought out in the discussion by way of replies to each, it would no doubt transpire that the observations of audit in these paras does not seem to have much relevance.

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

(I) We have obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purpose of our audit.

(II) In our opinion, proper books of accounts, as required by law, have been kept by the company 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 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 item 2.2, Part-A, Schedule-M, AS-9).

Impact in the Accounts pursuant to non-compliance referred to by Audit in this para being insignificant, has no material bearing at all.

(b) Installation expenses except material issued from stores, if any, wherever incurred departmentally are not capitalised. (Refer item 4.6 of Part-A of Schedule-M, AS-10).

There being no such expenditure made during the year, the question of non-compliance of accounting standard on this item as referred to by Audit seems to have no relevance at all.

(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

The practice regarding valuation of stores and spares mentioned by audit in this para is being followed consistently over the years and the financial impact thereof in Account being not very significant, they have no material bearing at all in the accounts.

AUDITORS' REPORT

MANAGEMENT'S REPLY

inventory of stationery bricks, medicines and aircrafts spares. (Refer item 6.4, Part-A, Schedule-M, AS-2).

- (d) Dividend Income receivable from Subsidiaries has been accounted for pending approval of shareholders in their AGM (Ref. item 10.3, Part-B, Schedule-M, AS-9).

There being no uncertainties involved regarding quantum and recoverability of dividend income accounted for in the accounts in respect of investments in wholly owned subsidiaries without waiting for ratification of such proposed dividend pay outs in AGM of the paying companies, which are mere formalities, the observation regarding non-compliance of accounting standard in respect of accounting of above income as observed by audit seems to have not much relevance particularly when the practice that has been followed in this regard is in keeping with the guidance note of the Institute of Chartered Accountants of India and Accounting Standard-9 pertaining to Revenue Recognition in accounts.

- (V) On the basis of information and explanations given to us and representation obtained by the Company, Directors of the Company do not prima facie have any disqualifications as referred to in section 274 (1) (g) of the Companies Act, 1956.

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

- (VI) 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, 2001.

and,

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

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AUDITORS' REPORT

MANAGEMENT'S REPLY

12. The Balance Sheet as at 31st March, 2001 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 vide adoption of Circular resolution no. CIL/XI/(D)/04001/2001 dated 14.08.2001 and reported upon by us on 20.8.2001 have been revised. The revision has affected the Accounts of the Company as per Note No. 12.9 of Part-B, Sch.-M.

For S. Ghosh & Co.
Chartered Accountants
Sd/-

Place : Kolkata
Dated : 20th Sept., 2001

(S. Ghosh)
Partner