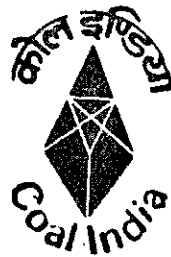


# **ANNUAL REPORT AND ACCOUNTS 1993-94**



**MAHANADI COALFIELDS LIMITED**

# ANNUAL REPORT AND ACCOUNTS 1993-94



**MAHANADI COALFIELDS LIMITED**

( A Subsidiary of Coal India Limited )

**MCL COMPLEX, ANAND VIHAR, BURLA  
SAMBALPUR 768 018 (ORISSA)**

## CONTENTS

Sl.No.	Page No.
1. Management/Bankers/Auditors	2
2. Notice	4
3. Directors' Report	5
4. Comments of the Comptroller & Auditor General of India	20
5. Balance Sheet as at 31st March, 1994	21
6. Profit & Loss Account for the year ending 31st March, 1994	22
7. Schedules forming part of the Balance Sheet and Profit & Loss Account	23
8. Auditors' Report and Management's Replies there to : Addendum to Directors' Report	66
9. Particulars of Employees	79

**MANAGEMENT DURING 1993-94**

CHAIRMAN-CUM-MANAGING DIRECTOR	:	Dr. A. S. Prasad (up to 1.3.94)
DIRECTOR-IN-CHARGE	:	Shri C. R. Das (from 2.3.94)
FUNCTIONAL DIRECTOR	:	Shri V. K. Sehgal, Director (T) (from 28.10.93)
PART-TIME DIRECTORS	:	Shri G. C. Mrig, CMD, BCCL, Dhanbad,  Shri P. K. Sengupta, Director (F), CIL, Calcutta,  Dr. S. K. Ghosh, Director (T), CIL, Calcutta (up to 31.12.93),  Shri Sunil Soni, Dy. Secretary, Coal, New Delhi.
COMPANY SECRETARY	:	Shri S. C. Behera, A. C. S.

**PRESENT MANAGEMENT**

DIRECTOR-IN-CHARGE	:	Shri C. R. Das
FUNCTIONAL DIRECTORS	:	Shri V. K. Sehgal Director (T)
PART-TIME DIRECTORS	:	Shri G. C. Mrig, CMD, BCCL, Dhanbad  Shri P. K. Sengupta Director (F), CIL, Calcutta  Shri T. K. Deb Director (T), CIL, Calcutta  Shri Sunil Soni Dy. Secretary, Coal, New Delhi
COMPANY SECRETARY	:	Shri S. C. Behera, ACS
BANKERS	:	State Bank of India, UCO Bank , CanaraBank, Andhra Bank, Indian Overseas Bank, United Bank of India, Union Bank of India.
AUDITORS	:	M/s K. C. Samal & Co., Chartered Accountants, Sambalpur.
BRANCH AUDITORS	:	M/s R. S. Sahoo & Co. Chartered Accountants, Bhubaneswar.
REGISTERED OFFICE	:	MCL Complex, Anand Vihar, P: O: U. C.E. Burla Sambalpur - 768018, Orissa.

**MAHANADI COALFIELDS LIMITED**  
**SAMBALPUR**  
**NOTICE**  
**SECOND ANNUAL GENERAL MEETING**

Ref : MCL/SBP/CS/AGM-2/94

Dated :12th Sept.,94

Notice is hereby given to all Shareholders of Mahanadi Coalfields Ltd. that the Second Annual General Meeting of the Company will be held on 26th day of September, 1994 at 11AM at the Registered Office of the Company, MCL Complex, Anand Vihar, Burla, Sambalpur to transact the following business :-

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1994 and Profit & Loss Account for the period ended on that date together with the Reports of Statutory Auditors, Comptroller and Auditor General of India and the Board of Directors of the Company thereon.
2. (i) To re-appoint a Director in place of Shri G. C. Mrig who retires in terms of Article 34e (iii) of the Articles of Association of the Company and is eligible for re-appointment.  
(ii) To re-appoint a Director in place of Shri P. K. Sengupta who retires in terms of Article 34 e (iii) of the Articles of Association of the Company and is eligible for re-appointment.  
(iii) To re-appoint a Director in place of Shri Sunil Soni, who retires in terms of Article 34 e (iii) of the Articles of Association of the Company and is eligible for re-appointment.  
(iv) To re-appoint a director in place of Shri T. K. Deb who retires in terms of Article 34 e (iii) of the Articles of Association of the Company and is eligible for re-appointment.

By Order of the Board of Directors,  
For Mahanadi Coalfields Limited

**(S. C. Behera)**

Asst. Company Secretary

Registered Office :

MCL Complex, Anand Vihar, Burla, Sambalpur - 768018

**NOTE :**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy 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 a shorter notice pursuant to the Provisions under Sec.171(2) (i) of the Companies Act, 1956.

To  
All Shareholders  
Auditors.

**DIRECTORS' REPORT**

To

The Shareholders,  
Mahanadi Coalfields Limited,

Gentlemen,

On behalf of the Board of Directors I have pleasure in presenting the Second Annual Report and Accounts of your Company from 1st April 93 to 31st March 94 together with the reports of the Statutory Auditors and the Comptroller and Auditor General of India.

**2. HIGHLIGHTS OF THE YEAR**

Your Company has made rapid strides in yet another year in areas like Production, productivity, Despatches, Offtake, Wagon loading, Profitability, welfare etc. as can be seen from the following highlights:

Performance	92-93	93-94
a) Coal Production (in MT)	23.14	24.30
b) Overall Productivity (OMS)	4.79	5.02
c) Despatches (LT)	225.27	239.86
d) Off-take (LT)	226.18	240.82
e) Wagon Loading (FWW/Day)	1796	1973
f) System Capacity Utilisation (%)	78.91	79.97
	(Rs. in crores)	
g) Gross Margin	287.34	316.78
Less Depreciation	44.69	48.24
Interest	46.68	61.58
	<u>195.97</u>	<u>206.96</u>
CPRA	152.24	185.69
Net Profit	43.73	21.27
h) Welfare	12.95	17.27

**3. LOCATION OF UNITS**

Your Company has at Present 21 mines situated in the State of Orissa. For effective administrative control and optimising

operations, the mines are grouped into 5 Areas.

Area	No. of mnes as on 31.3.94		Total
	Working	Under Development	
Talcher	4	1	5
Orient	6	0	6
Ib Valley	4	1	5
Jagannath	3	0	3
Kalinga	2	0	2
Total	19	2	21

**4. PRODUCTION PERFORMANCE****4.1 Production Performance vis-a-vis Target :**

Your Company showed satisfactory results during the year under report. The Target of Production both for Coal and Overburden has been met.

Production	92-93		93-94	
	Actual	Target	Actual	Actual
<b>Coal</b>				
UG (MT)	1.91	2.00	1.98	
OC (MT)	21.23	21.80	22.32	
Total (MT)	23.14	23.80	24.30	
OBR ( M Cum)	23.56	25.00	25.05	
Composite				
Prod. (M Cum)	40.09	42.00	42.41	

**4.2 Production Growth over Previous year**

Particulars	%age Growth
Coal UG	3.66
OC	5.13
Overall	5.01
OBR	6.32
Composite	5.78

## 5. PRODUCTIVITY

During the year 93-94 an all time high output per manshift of 5.02 tonnes could be achieved against the target of 4.68 tonnes. The productivity has registered a growth of 4.80 % over the previous year.

Particulars	(Tonne)		
	92-93	93-94	
	Actual	Target	Actual
UG	0.68	0.68	0.69
OC	10.60	10.64	11.94
Overall	4.79	4.68	5.02

## 6. CONSTRAINTS TO ATTAIN RATED CAPACITY

### 6.1 Loss of Production causewise is quantified below :

	(Million Tonnes)	
	92-93	93-94
i) Power interruption	0.0355	0.0294
ii) Absenteeism	0.0054	0.0040
iii) Labour Unrest	0.0006	0.0026
iv) Other Constraints	0.0575	0.0495
<b>Total</b>	<b>0.0990</b>	<b>0.0855</b>

## 7. AVAILABILITY OF POWER

	92-93	93-94
Power Demand (KVA)	32355	47550
Energy Consumed (Million KWH)	134.265	135.440
Specific Energy Consumption (KWH/T)	5.80	5.57

## 8. POPULATION & PERFORMANCE OF HEMM

### 8.1 Population of HEMM

Population of different Heavy Earth Moving Machineries during 1993-94 as compared to 1992-93 is given below :

HEMM Category	Population at the end of the year	
	92-93	93-94
Dragline	7	7
Shovel	46	54
Dumper	305	313
Dozer	81	86
Drill	71	74

### 8.2 Availability

Availability percentage of different Heavy Earth Moving Machineries are given below :

HEMM Category	%age Availability	
	92-93	93-94
Dragline	86	81
Shovel	77	84
Dumper	83	88
Dozer	75	70
Drill	77	76

### 8.3 Utilisation

Utilisation percentage of different Heavy Earth Moving Machineries are given below :

HEMM Category	%age Availability	
	92-93	93-94
Dragline	72	77
Shovel	53	57
Dumper	48	48
Dozer	54	47
Drill	52	48

## 9. SYSTEM CAPACITY UTILISATION

CMPDIL, Ranchi assessed the composite system capacity of 37.10 M. Cu.M. as on 1st April 93 against which the company could achieve 29.67 M. Cu.M. registering a capacity utilisation of 79.97% against 78.91% in 92-93.

Various steps were taken during the year to improve the system capacity utilisation by putting special thrust on management of spare parts, rehabilitation and workshop support.



A major thrust was also given towards daily monitoring of equipment and out put of machines.

Reasons for low availability and utilisation :

1. Lower availability of draglines during 93-94 as compared to 92-93 was due to premature failure of swing rollers and excessive wearing of rails of 20/90 dragline in particular and aging of page walking dragline and 4/45 dragline at Balanda. Difficulty in getting spares for the draglines of USS origin from the countries of CIS.
2. Poor availability and utilisation of dozers was due to failure of Kamatsu Engine, indigenous transmission and under carriage in case of D155 and D355 Dozers. In case of D355 Dozer indigenous final drive assembly also failed in one dozer. As a result of these failures 9 dozers became inoperational in 93-94.

The cases of failure were taken up with the manufacturers and necessary corrective measures were initiated.

The marginal decline in availability of drills was due to inordinate delay in getting the spares for LMP drills.

## 10. CAPITAL STRUCTURE

The Authorised Share Capital of your Company was Rs.500 crores and Paid up Share Capital was Rs.100 crores and 9 thousand only during the year. Your Company continued to be a subsidiary of Coal India Limited.

## 11. WORKING RESULT

**11.1** During the year under report your Company earned a profit of Rs.206.96 Crs. against Rs.195.97 Crs. in the preceding year (before adjustment of C.P.R.A.).

Details are as under :

	(Rs. in Crores)	
	92-93	93-94
i) Profit for the year	195.97	206.96
ii) Less/Add:Contribution to/from Coal Price Regulation Account	- 152.24	- 185.69
iii) Profit after Coal rice Regulation Account	43.73	21.27
iv) Cumulative Profit	(43.73)	(65.00)

## 11.2 Profit earned vis-a-vis Target

Against the Annual Action Plan Profit Target of Rs. 190.17 Crores, your Company has earned a profit of Rs.206.96 Crores.

## 11.3 Retention Price of Coal

The Government of India, Ministry of Coal, New Delhi, vide Notification No.SO-262(E), Dt.28.3.94 has fixed Rs.195/- per tonne as Retention Price for the year 93-94. In pursuance of this Notification the Company has contributed to Coal Price Regulation Account an amount of Rs.18569.53 lakhs.

## 11.4 Revision of Coal Price

The gradewise basic price per tonne of coal has been revised with effect from 19.6.93.

## 12. ASSET ADDITION

**12.1** Investment in Fixed Assets and Capital Work in Progress during the year in relation to sanctioned capital budget is given as under:

	(Rs. in Crores)	
	92-93	93-94
FIXED ASSETS		
Land	2.64	2.23
Building	16.94	24.56
Plant & Machinery	64.60	61.64
Furniture & Fitting	1.34	2.98
Railway Sidings	9.17	0.01
Vehicles	1.24	1.88
Prospecting & Boring	4.77	2.90
Development Exp.	15.03	6.16
Total	115.73	102.36
Capital W I P	31.81	37.08
Grand Total	147.54	139.44
BUDGETED	150.00	200.00

**13. SALES REALISATION**

The Company achieved sales realisation of Rs.757.41 Crs. as against the target set for sales realisation of Rs.728.88 Crs. during 93-94. This sales realisation is commendable when viewed in the light of the performance during the previous year 92-93 when only Rs.611.42 Crs. was realised.

**14. SUNDRY DEBTORS**

Sector	(Fig. in Rs.Cr.)	
	As on 31.3.93	As on 31.3.94
Power	112.91	181.30
Steel	11.13	17.65
Loco	1.75	0.96
Dump Sale	0.55	0.55
Others	43.49	49.78
<b>Total</b>	<b>169.83</b>	<b>250.24</b>

Due to huge accumulation of outstanding with Power Sector, 'Cash & Carry' system has been introduced from 1st October, 91 which stipulates that Power Houses should make advance payment before commencement of the despatches. This has not been implemented.

The Company has been pursuing the matter with the Government of India for taking steps to see that these old outstanding are liquidated and payment against the current supplies are made within a stipulated period.

**15. PAYMENT TO CENTRAL/STATE EXCHEQUER**

The Statutory Payment made by the Company to the State and Central Exchequer on account of Royalty, Sales Tax etc. during the year compared with the payment made last year is as follows :

	(Rs. in Crores)	
	92-93	93-94
Royalty	63.14	78.75
State Sales Tax	11.00	12.50

Central Sales Tax	15.84	18.53
Stowing Excise Duty	6.88	10.88
Octroi & Other Taxes	2.09	0.08
<b>Total</b>	<b>98.95</b>	<b>120.74</b>

**16. PROJECT FORMULATION/CAPITAL PROJECTS**

There are 16 sanctioned Mining Projects in MCL with a Capital outlay of Rs.1631.75 Crs. with an ultimate capacity of 40.23 Mty. of coal, out of which 6 have already been completed. The total capital outlay of 6 completed Projects is Rs.287.13 Crs. with a capacity of 9.30 Mty.

**16.1 Completed Projects - 6 Nos.**

	Capacity in Mty.	Capital in Rs. Cr.
1. Bharatput O/C	3.50	158.97 (RCE)
2. Lajkura O/C	1.00	38.98 (RCE)
3. Jagannath O/C	2.00	29.73
4. Jagannath O/C Phase-II	1.00	19.75
5. Jagannath O/C Phase-III	1.00	19.92
6. Lilari O/C	0.80	19.78
	<b>9.30</b>	<b>287.13</b>

The Production achieved from completed Projects in 93-94 has been 11.56 Mty. against the P. R. Provision of 9.30 Mty giving a performance of 24.30% above the sanctioned P R Provision.

**16.2 On going Projects**

There are 10 on going Projects in MCL with a Capital outlay of Rs.1344.62 Crs. with an ultimate capacity of 30.93 Mty. as shown below :

	Capacity in Mty.	Capital in Rs. Crs.
1. Lingraj O/C	5.00	229.84
2. Ananta O/C	4.00	156.49
3. Kalinga O/C	8.00	345.96
4. Lakhanpur O/C	5.00	221.51

5. Samaleswari O/C	3.00	126.85
6. Belpahar O/C	2.00	131.32 (RCE)
7. Basundhara (E) O/C	0.60	19.69
8. Nandira U/G (Augmentation)	0.33	17.95
9. Ananta O/C Expansion	1.50	46.99
10. Bharatpur O/C Expansion	1.50	48.02
	<u>30.93</u>	<u>1344.62</u>
Total of all Mining Projects	40.23	1631.75

Out of the above 10 Projects, work on Basundhara (E) OCP though sanctioned in 1989 is yet to start because of delay in land acquisition. The land acquisition process has started in Ananta & Bharatpur (Expansion) Projects and these projects are expected to be completed on schedule.

Work at Lingraj Project has suffered during 1993-94 due to land acquisition Problems. It is expected that this problem will be solved soon and/land acquired. Efforts are on to complete the project on schedule.

The Belpahar Project has already achieved its projected production capacity. The project is however, behind the schedule in respect of construction of Railway Siding & CHP which are lagging behind mainly due to delay in land acquisition.

### 16.3 Coal Preparation Plants

The following Coal Preparation Plants have been sanctioned :

	<u>Capacity in Mty.</u>	<u>Capital in Rs. Crs.</u>
a) Ananta CPP	2.6	48.85
b) Bharatpur CPP	2.6	48.60
c) Kalinga CPP (approved by Govt. with Kalinga IMCB)	8.8	<u>139.81</u>
		<u>237.26</u>

### 16.4 Advance Action

The following Projects have been sanctioned for Advance Action :

	<u>Capacity in Mty.</u>	<u>Total Capital in Rs. Crs.</u>	<u>Advance Action Capital in Rs. Crs.</u>
a) Gopalprasad(E) O/C	6.00	178.73	6.24
b) Basundhara (W)	2.40	101.50	5.006

### 16.5 Projects formulated and awaiting sanction

	<u>Incremental Capacity in Mty.</u>	<u>Incremental Capital in Rs. Crs.</u>
a) Lakhanpur O/C Expansion	5.00	430.60

Project Reports for the following projects have been prepared and proposal for advance action has been sent to CIL for sanction.

	<u>Capacity in Mty.</u>	<u>(PR Prov) Capital in Rs. Crs.</u>
b) Advance Action for Bhubaneswari OCP	10.00	490.54 (9.98 Advance Action)
c) Advance Action for Hingula OCP	8.00	341.04 (9.9692 for Advance Action inclusive of Advance Action for Gopalprasad East OCP)
d) Kaniah OCP	3.50	208.645 (9.0496 for Advance Action)

### 16.6 Projects to be processed in 94-95

	<u>Capacity in Mty.</u>	<u>Capital in Rs. Crs.</u>
a) Samaleswari O/C Expansion	1.00 (Incre- mental)	50.64 (Incre- mental)

**16.7 Major non-mining projects of MCL**

	<b>Capital Outlay (Rs. Crs.)</b>
a) Power Supply Phase-I Ib-Valley Area	33.35
b) Power Supply Scheme/ Talcher Coalfields Ph-I	13.14
c) Central Excavation Workshop Addl.	15.81
d) Central Hospital (RCE)	14.28
e) Central Excavation Workshop	13.32
f) Samaleswari CHP	40.07
g) Belpahar CHP	32.22
h) Arterial Road Ib Valley	17.80
i) Other non-mining projects	42.16
j) Arterial Road Talcher	19.90
k) Power Supply Re-organisation Talcher Coalfields Ph-II	29.10
l) E & M Workshop Talcher	11.39
m) Integrated CHP (Lajkura & Samaleswari)	39.19
<b>Total</b>	<b>321.73</b>

A suitable alternative arrangement is being thought of, for completing Samaleswari Coal Handling arrangement at a much lesser investment and withdraw Lajkura & Samaleswari integrated CHP scheme. All other Projects are at various stages of completion.

**16.8 Details of projects under implementation***A. On investment basis*

	<b>Category of Projects</b>		
	<b>Rs. 100 Crs. and above</b>	<b>Less than Rs.100 Crs.</b>	<b>Total</b>
No. of Projects Sanctioned	7	9	16
Capital (Rs. in Crs.)	1370.94	260.81	1631.75
Ultimate Capacity	30.50	9.73	40.23
P. R. sch. (Mty) - 93-94	13.80	6.60	20.40
Actual (Mty) - 93-94	13.589	8.321	21.91
Status - No on sch.	6	8	14
Status - No. Delayed	1	1	2

*B. On Technology basis :*

	<b>O/C</b>	<b>U/G</b>	<b>Total</b>
No. of Projects Sanctioned	15	1	16
Capital (Rs. in Crs.)	1613.80	17.95	1631.75
Ultimate Capacity	39.88	0.35	40.23
P. R. sch. (Mty)-93-94	20.20	0.20	20.40
Actual (Mty)-93-94	21.672	0.238	21.91
Status - No. on Sch.	13	1	14
Status - No. Delayed	2	0	2

*C. On Type basis :*

	<b>New Projects</b>	<b>Reorgani- sation/ Expansion</b>	<b>Total</b>
No. of Projects Sanctioned	11	5	16
Capital (Rs. in Crs.)	1479.12	152.63	1631.75
Ultimate Capacity	34.90	5.33	40.23
P. R. Sch. (Mty)-93-94	17.20	3.20	20.40
Actual (Mty)-93-94	19.672	2.238	21.91
Status - No. on sch.	9	5	14
Status - No. Delayed	2	0	2

*D. Status of important Projects :*

## a) Kalinga IMCB Project :

The coal production has started and in 1993-94, it has produced 1.5000 mt. of coal & 1.939 mm<sup>3</sup> of overburden. The P. R. schedule of coal was 1.25 Mty. & 1.00 mm<sup>3</sup> of O.B in 93-94. The offtake of coal and land acquisition are two major constraints.

## b) Lakhanpur O/C

Work is going on schedule. It has produced 0.703 mt. of coal & 1.039 mm<sup>3</sup> of overburden in 93-94. The P. R. schedule of coal was 1.25 Mty. & 2.50 mm<sup>3</sup> of OB in 93-94. The production had to be pegged down because of no off-take by IB Thermal Power Station of OPGC.

- c) Lingaraj O/C  
The project is suffering due to non-acquisition of land and adverse geomining condition. It has produced 0.08 mt. of coal in 93-94 against P. R. Schedule of 1.30 MT.
- d) Ananta O/C  
The mine has produced 4.005 mt. of coal in 1993-94 and has exceeded the P. R. schedule of 4.0 mty. and it is one year ahead of schedule date of completion.
- e) Belpahar  
RCE for Rs. 131.31 crores has been approved by the Govt. The project has produced 2.001 MT of Coal in 93-94 against the rated capacity of 2 Million Tonne. Construction of Railway siding and CHP are in progress.

for approval. The EMPs of 2 projects (Padma OCP & Samaleswari Expansion) are under preparation.

The following general measures for environmental protection are being followed regularly in all MCL mines and Projects on a continual basis.

1. Monitoring of air, water & noise parameters of environment are being done on a quarterly basis. When the analysis results exceed the prescribed tolerance limit, abatement measures for their control are adopted.
2. In Opencast Mines Dumpers are being monitored as per norms provided in EMP's. The operators of Shovel's, Drill's, Dozer's, Dragline's and Dumper's are provided with ear muffs and ear plugs as abatement measures against sound pollution.
3. Provision for plantation of 300 meters of green belt is being followed meticulously in all opencast projects against the danger of dust and noise to the villages nearby.
4. Rehabilitation of land oustees and their socio-economic settlement is being done as per the norms set by the State Government.
5. Provision for compensatory afforestation is being completely fulfilled.
6. At Lajkura Opencast Mines in IB Valley Area automatic water sprinkling arrangement is provided in haul road for suppression of dust and is functioning satisfactorily.
7. Regular visits by State Pollution control Authorities are done to find out any lapse in taking the control measures.
8. For water pollution, following measures are being provided :

### 16.9 Exploration

During 93-94 a total of 38800.00 meters of drilling for exploration purpose was done. 847 MT of reserve was proved in 93-94.

### 16.10 Environment, Ecology & Afforestation :

The Management is taking necessary measures for implementation of Environmental Management Plan for various projects, for arresting the ecological imbalance that is likely to be caused by mining. Environmental measures are taken as an integral part in mine management system in all projects. Accordingly comprehensive EMP for each project is being prepared to safeguard the environment and ecology in the mining areas.

Presently the EMPs of 8 projects have been approved by the govt. and EMPs of 5 projects (Hingula, Ananta Expansion, Bhubaneswari, Bharatpur Expansion & Lakhanpur Expansion) have been submitted

- Provision of oil and grease traps and settling tanks for industrial effluents from workshops and vehicles depots.
- Provision of septic tanks and soak pits for domestic sewerage.

9. Air pollution is being controlled on a continual basis with the following measures :

- Provision of green belt and vegetation.
- Provision of water sprinkler.
- Black topping of Haul Road and other roads.
- Regular maintenance of the HEMM and P&M.
- Careful blasting operation.
- Provision of covers over conveyors.

10. For noise pollution, following abatement measures are being followed :

- In CHPs, chute linings are provided.
- Silencers are provided in the tippers and light vehicles.

## 17. COAL MARKETING

1993-94 has been a year of all round excellence registering a substantial growth in off-take and sales realisation.

### 17.1 Demand and offtake (in million te) and percentage satisfaction

17.1.1. During 93-94, the demand (linkage of coal) was 23.70 million te as against 22.90 million te in 92-93. The off-take during 93-94 was 24.08 million te as against 22.62 million te

during 92-93. There was thus an increase of 3.49% in demand and 6.45% in offtake.

### 17.1.2 Sector wise Demand and Offtake

Sector	Demand 93-94	Offtake 93-94	Percentage Satisfaction
Power	20.652	21.003	101.70
Cement	0.650	0.312	48.00
Fertiliser	0.500	0.720	144.00
Others	1.900	2.047	107.74
<b>Total</b>	<b>23.702</b>	<b>24.082</b>	<b>101.60</b>

### 17.1.3 Mode wise Despatch

Mode	92-93	93-94	%age Growth
Rail	15.400	17.059	10.77
Road	2.370	2.080	- 12.24
Belt	1.500	1.614	7.60
M. G. R.	3.230	3.237	0.22
<b>Total</b>	<b>22.500</b>	<b>23.990</b>	<b>6.62</b>

17.1.4 Daily Average Loading in 93-94 was 1973 FWs/day against the target of 2050 FWs/day and actual of 1796 FMs/day during the preceding year.

### 17.1.5 Stock of Coal as on 31.3.94

The Closing Stock of Coal as on 31.3.94 was 48.195 lakh tonnes compared to 45.984 lakh tonnes as on 31.3.93.

## 18. COAL QUALITY IMPROVEMENT

During the year 93-94 your Company had taken various measures for ensuring proper quality of despatches. The number of complaints received during 93-94 compared to 92-93 are below:

92-93	53
93-94	47

18.1 The following steps were taken by the Company for maintaining quality.

1. Facility of supervision of loading was extended to coal consumers at sidings.
2. All sidings despatching coal to major consumers and core sector industries were manned by officers specially nominated for maintaining quality and weighment.
3. Surprise inspections were conducted by a special team of officers from Headquarters for monitoring quality and weighment.
4. Public analysts & CCO were engaged for analysis of collected samples.

## 19. COAL HANDLING PLANTS

21.12 million te was despatched through mini CHPs/Coal Handling Plants during 93-94 against 19.29 million te during 92-93.

Particulars	No.	1992-93
		Coal Handled Million te
MAJOR CHP	4	2.46
MINOR CHP	11	16.83
<b>TOTAL</b>	<b>15</b>	<b>19.29</b>

Particulars	No.	1993-94
		Coal Handled Million te
MAJOR CHP	4	6.45
MINOR CHP	16	16.67
<b>TOTAL</b>	<b>20</b>	<b>21.12</b>

## 20. DETAILS OF WEIGHBRIDGES

Type of Weighbridges	92-93	93-94
Road Weighbridge		
Mechanical	9	9
Electronic	18	18
Rail weighbridge	6	7

## 21. SAFETY

Safety continued to draw the foremost attention of the Management. The Safety Policy formulated by Safety Board of CIL, the Standing committee on Safety has been implemented in your Company.

The position of fatal and serious accidents with comparative position of previous year is shown below :

	92-93	93-94
1. Fatal accidents	4	5
2. No. of fatalities	4	5
3. No. of serious injuries	22	21
4. Rate of fatality per million tonnes of coal production	0.17	0.2
5. Rate of fatalities per 3 lakh manshifts	0.26	0.31
6. Rate of serious injuries per million tonnes of coal production	0.95	0.86
7. Rate of serious injuries per 3 lakh manshifts	1.43	1.31

### 21.1 Safety measures and Training

Safety measures implemented are given below :

1. Recommendations of various enquiry committees which were constituted to enquire into all fatal/serious accidents were circulated to all the projects for implementation.
2. Recommendations of Safety Conference, Safety Board, Standing Committees were circulated to all the Projects.
3. Pit Safety Committee meeting is held monthly at Colliery level. Performance of the Pit Safety Committee is reviewed regularly.

4. Tripartite meeting with DGMS officials and Trade Union representatives was held, in which Safety Measures were discussed and its recommendations were implemented.
5. Executives are deputed to attend programmes outside the Company dealing with fire, blasting techniques etc.
6. Gravimetric Dust Samplers were made available and training in its use were arranged.
7. For the purpose of Dust Sampling 2 electronic balances have been made available.
8. Fire tenders have been provided for dealing with fire.

### 21.2 Safety Week

In your Company during 93-94 the Safety Week was observed, from 3.1.94 to 8.1.94 in Ib Coalfields and from 10.1.94 to 15.1.94 in Talcher Coalfields. During this period inspection of all the Projects were carried out by the teams of MCL & DGMS. The final day function was held on 16.1.94 at Balanda Project. Sri B. K. Sharan, DGMS was the Chief Guest on the occasion.

Prizes were distributed to Safe workers and the shield for overall performance was given to Nandira Colliery(UG) and Jagannath Colliery (OCP).

### 22. RESCUE

During the year, rescue capability of your Company has sufficiently improved.

**22.1** Mines Rescue Stations at Brajraj Nagar and Talcher are functioning.

**22.2** During the year we have indented the following Rescue Equipments :

	Nos.
1. Self contained oxygen breathing apparatus	74
2. Oxygen hand pump	4
3. Oxygen power operator pump	2
4. Reviving apparatus	15

## 23. TELECOMMUNICATION & COMPUTERISATION

### 23.1 Telecommunication

Your Company has an efficient Telecommunication network. HOT lines between Sambalpur MCL HQRs with CIL HQRs Calcutta, MCL HQRs with Jagannath Area HQRs, MCL HQRs with Ib BValley area offices have been established. Work on Digital integrated telecommunication system has been taken up to link MCL HQRs with all the areas in 1st phase.

- ii) RABMN system have been commissioned at Sambalpur HQRs and all the five area offices.
- iii) FAX, TELEX and EPABX exchanges have been commissioned in MCL HQRs, Talcher and Jagannath area.

### 23.2 Computerisation

A comprehensive computerisation plan integrating the communication system was drawn up to meet the functional needs. During the year 93-94 PC's, Desk Top Publishing System and Video Presentation System has been installed in MCL-HQRs for Office Automation.

PC's have been provided to all departments and 100 persons have been trained for using the PC's.

Under process of development & installations.

- i) During the year purchase order was placed



for Local Area Network at MCL-HQRs for computer based MIS.

- ii) Purchase Order for Hardware for introducing Computerised Hospital Management System for Talcher Central Hospital was placed during the year. HMS software is being developed of CMPDIL, Ranchi.
- iii) Sales & Realisation System software is under process of development.

Future Plans

- i) Implementation of Local Area Network at MCL HQRs and Hospital Management System at Talcher Central Hospital is being planned during the year 94-95.
- ii) Computerised Project monitoring using MS-Project Software as recommended by International Mining Consultant Limited (IMCL) for World Bank Aided & for Mega Projects of MCL shall be introduced in 94-95. 3 copies of Software has already been purchased.

**24. DEVELOPMENT OF ANCILLIARY INDUSTRIES**

Keeping in view of the Govt. guidelines for development of small scale units, order for bulk consumption items like bolt & nuts, coal tubs, leather shoes, stone dust, electrodes etc have been/ being finalised with small scale units to ensure regular business to these units. 18 small scale units have been recognised as ancillary units to your Company during 93-94.

**25. EXPENDITURE ON PUBLIC RELATIONS & PUBLICITY**

During the year your Company has spent Rs.37.08 lakhs on account of Publicity & Public Relations & Advertisement.

**26. WORLD BANK ASSISTANCE**

The Company has not received any assistance from World Bank directly during the year 93-94.

**27. BORROWING FROM GOVT. OF INDIA**

The Company has not borrowed from Govt. of India directly during the year 93-94.

**28. HUMAN RESOURCE AND THEIR DEVELOPMENT**

**28.1 Manpower**

*28.1.1 The Company's Manpower as on 31.3.94 compared to that of 31.3.93 is indicated below :*

Sl. No.	Category/ Skill	Manpower as on	
		31.3.93	31.3.94
1.	Executives	882	954
2.	Supervisors	1278	1348
3.	Clerical	1459	1540
4.	Skilled workers	4936	5093
5.	Unskilled	12047	12570
6.	Others	1130	655
	<b>Total</b>	<b>21732</b>	<b>22160</b>

**28.2 Human Resource Development**

Human Resource has been a major strength of your company. The task before the Human Resource Department is therefore to develop the work force with right attitude and skills, so as to prepare them to make optimum use of machine power intelligently.

The operation of most sophisticated HEMM's deployed in open cast mines and Coal Handling Plants with modern electronic control requires skilled manpower. In the process of developing Human Resource, planning started with the following strategies:

- a) Identification of shortage of Technical and Skilled manpower.
- b) Initiate necessary measures for the development and training of strategic manpower.
- c) Initiate appropriate policies for effective utilisation of the available Human Resources.
- d) At the Mining Engineering & Excavation Training Institute, Belpahar three mandatory training courses viz (i) Induction Training Programme (ii) Technology Appreciation Course & (iii) Supervision and Management Course for 30 JET's were conducted, during 1993-94. The Institute is yet to be manned adequately.

The statutory requirement under Mines Vocational Training Rules is met through Vocational Training Centres at each Project.

The number of persons trained (excluding vocational training) during 1993-94 is given below:

Category of employees trained	Internal In-Company	External Within India	Total
1. Executives	253	137	390
2. Supervisory Staff	104	15	119
3. Workers	78	33	111
<b>TOTAL</b>	<b>435</b>	<b>185</b>	<b>620</b>

## 29. PARTICIPATIVE MANAGEMENT IN MCL

**29.1** As you are all aware, participative management has taken deep roots in your Company.

**29.2** At the Company level a Joint Consultative Committee under the Chairmanship of Director-in-Charge exists. This committee

includes other Functional Directors and workmen's representatives of Central Trade Unions and a representative of Officer's Association.

**29.3** A new thrust has been given to participative culture when the broad functional areas of the JCC were identified as below :

- (i) Formulation and evaluation of Action plans/Budgets.
- (ii) Resource Utilisation: Optimum utilisation of Mines Capacity, human resources and equipments.
- (iii) Cost/Profitability
- (iv) Quality of Coal.
- (v) Safety.
- (vi) Employees Welfare.
- (vii) Environmental protection

This participative culture has brought about harmonious industrial relation and has resulted in improving overall financial health of the Company.

## 30. INDUSTRIAL RELATIONS

**30.1** The Industrial Relations have been cordial in your Company during 93-94. The number of strikes, mandays lost & production loss during the year under report were as under:

	1992-93	1993-94
1. Strikes	1	2
2. Stoppage/Obstruction	3	4
3. Mandays Lost	1337	5257
4. Loss of Production (in MT)	6405	26390

## 30.2 ABSENTEEISM

The percentage of absenteeism during

the year 1992-93 was 23.27% as against 21.68% during the year 1993-94 resulting in a reduction of 1.59%.

### 31. EMPLOYEE'S WELFARE & SOCIAL AMENITIES

**31.1** Your Company continued to place due emphasis on "Welfare & Social Amenities" like Housing, Water Supply, Medical, Educational & Recreational facilities.

During 1993-94, an amount of Rs. 17.27 Crores was spent on the above activities, against the amount of Rs.12.95 Crores spent during the previous year.

#### PARTICULARS OF SOCIAL AMENITIES

Details	Total at the end of	
	1992-93	1993-94
Houses	12214	12821+49*
% Satisfaction	56.2%	59.22%
Water Supply (MGD)	5.82	6.10
Aided Schools	22	23
Colleges	4	4
Co-operative Stores	5	5
Co-operative Societies	5	6
ECCS	1	1
Bank Branches	5	8
Bank Extn. Counter	5	10
Ambulance	21	35
Hospitals	4	4
Dispenseries	9	11
Hospital Beds	198	198
Canteens	19	21

\* (49) represents leased accomodation.

#### 31.2 Family Welfare

The Company conducted 736 Family Planning operations during 1993-94 against 715 operations in the preceeding year.

#### 31.3 Eye Camps

The Company conducted 417 eye operations during 1993-94 against 364 in 1992-93.

### 32. AFFORESTATION

During the year under report 4.01 lakh trees were planted aganst 4.42 Lakh during 1992-93.

### 33. CAPITAL INVESTMENT ON SOCIAL AMENITIES

Particulars	(Rs. in lakhs)	
	Gross Value of Fixed Assets	
	As on 31.3.93	As on 31.3.94
Buildings	8173.00	10867.64
Plant & Machinery	1278.96	1746.68
Furniture & Fittings	70.73	113.03
Vehicles	90.03	149.65
Development	209.43	312.67
<b>Total (Debt)</b>	<b>9822.15</b>	<b>13189.67</b>

### 34. HINDI IN OFFICIAL WORK

During theyear under report your Company has taken special care for promotion of Hindi in official work.

Hindi week was observed to promote use of Hindi from 14.9.93 to 21.9.93 in which 42 employees were present.

Hindi workshops were organised which was attended by a number of employees and 32 participants were awarded merit certificates and prizes.

A Hindi library has started functioning during 1993-94.

### 35. STATUTORY AUDITORS

Under Sec. 619(2) of the Companies Act, 1956 the following Audit firms were appointed as Statutory/Branch Auditors for the year 1993-94.

**STATUTORY AUDITORS**

M/s K. C. Samal & Co.  
Chartered Accountants  
Bhudharaja  
Sambalpur.

**BRANCH AUDITORS**

M/s R. S. Sahoo & Co.  
Chartered Accountants  
Bhubaneswar.

**Part Time Directors**

1. Shri G. C. Mrig,  
Chairman-cum-Managing Director,  
BCCL, Dhanbad.
2. Shri P. K. Sengupta, Director (F)  
Coal India Limited, Calcutta.
3. Dr. S. K. Ghosh (upto 31.12.93)  
Director (Tech),  
Coal India Ltd., Calcutta.
4. Shri Sunil Soni,  
Deputy Secretary,  
Ministry of Coal, New Delhi.
5. Shri T. K. Deb (from 14.6.94)  
Coal India Limited Calcutta.

Replies of the Management on the observations made by the Statutory Auditors on the Accounts for the year ended 31st March, 1994, are given in the Annexure, forming part of the report. Comments of the Comptroller & Auditor General of India under Sec.619 (4) of the Companies Act, 1956, on the Accounts of the Company for the year ended 31st March, 1994, are enclosed as Annexure.

**Particulars of employees**

The Particulars of Employees whose remuneration is :

- (a) Not less than Rs.1,44,000/- per financial year and
- (b) Not less than Rs.12,000/- per month are given in Annexure forming part of the report, as required under Sec. 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of employees) (Amendment) Rules 1990.

**36. BOARD MEETINGS**

Four Board Meetings were held during the year 1993-94.

**37. BOARD OF DIRECTORS**

The Company had the following directors on the Board as on 26.9.94 i.e. till the date of the last Annual General Meeting.

1. Dr. A. S. Prasad, (upto 1.3.94)  
(Chairman-cum-Managing Director)
2. Shri C. R. Das, (from 2.3.94)  
(Director-in-Charge)

**Functional Directors**

1. Shri V. K. Sehgal, (from 28.10.93)  
(Director Technical)

**38. ACKNOWLEDGEMENTS**

**38.1** Your Directors express their gratefulness to the Ministry of Coal, Government of India and Coal India Limited for their valuable assistance, support and guidance from time to time.

**38.2** The Directors also thank the various Ministries of the Central Government and the State Government of Orissa for their valuable support.

**38.3** The Directors also take this opportunity to acknowledge with thanks the assistance rendered by the sister organisations.

**38.4** Industrial relations in the Company continued to be cordial. The Directors place on record their appreciation for the cooperation extended by the Trade Unions and Officers Association and the team spirit shown by the employees at all levels towards the achievement of the objectives of the company.

**38.5** The Directors also feel pleasure to record the appreciation of the services rendered by Statutory Auditors and the Officers and Staff of Comptroller and Auditor General of India and the Company Law Board.

**38.6** The Directors also extend their thanks to various important citizens of Sambalpur and also residing in the coalfields of Talcher & Brajrajnagar areas of Orissa for their cooperation from time to time.

**39. ADDENDA**

**39.1 The following papers are annexed**

- i. A Statement of names and other particulars of those employees of the company who were in receipt of remuneration of not less than Rs.1,44,000/- during the financial year or Rs.12,000/- per month. This is in compliance of the Provisions of section 217 (2A) of the Companies Act, 1956 read with the Companies

(Particulars of Employees) Rules, 1975.

- ii. Addendum to the Directors Report under section 217 (3) of the Companies Act, 1956.
- iii. Comments of the Comptroller and Auditor General of India under section 619 (4) of the Companies Act, 1956.

For and on the behalf of  
the Board of Directors

**(C. R. DAS)**

Director-in-Charge

Sambalpur

Dated 24th Sept. 94.

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA  
UNDER SECTION 619 (4) OF THE COMPANIES ACT, 1956 ON THE  
ACCOUNTS OF MAHANADI COALFIELDS LIMITED, SAMBALPUR FOR  
THE YEAR ENDED 31ST MARCH, 1994**

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 para 3 of the Auditor's Report to Shareholders and item No.12 of Notes on Accounts, there are no further comments to offer upon or supplement to the Auditors' Report under Section 619 (4) of the Companies Act, on the accounts of Mahanadi Coalfields Limited for the year ended 31st March, 1994.

**(B. K. Chattopadhyay)**

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

Calcutta

Dated the 16th September, 1994.

**BALANCE SHEET AS AT 31ST MARCH 1994**

	<u>SCHEDULE</u>	<u>Current year (Rs. in lakhs)</u>	<u>Previous year (Rs. in lakhs)</u>
<b>I. SOURCES OF FUND</b>			
<b>1. Shareholders' Funds :</b>			
i) Share Capital	SCH 1	10000.09	0.09
ii) Amount received against equity pending allotment.	610101	63.21	
iii) Reserves & Surplus	SCH 2	9139.35	4681.40
<b>2. Loanfunds:</b>			
i) Secured	SCH 3 (a)		510.12
ii) Unsecured	SCH 3 (b)	72894.13	77462.89
<b>3. Deferred Credits :</b>			
Less: Int. on Deff. payments	810105	576.30	774.18
Net Deferred Credit		33.64	58.19
		542.66	715.99
<b>TOTAL</b>		<b>92639.44</b>	<b>83370.49</b>
<b>II. APPLICATION OF FUND</b>			
<b>1. Fixed Assets :</b>			
Gross Block	SCH 4	79060.60	68824.99
Less: Depreciation		28097.36	22850.15
Net Block		50963.24	45974.84
Add: Capital - Work-in-Progress		14442.33	10734.68
<b>TOTAL (1)</b>		<b>65405.57</b>	<b>56709.52</b>
<b>2. Investments :</b>			
	SCH 5	0.04	0.07
<b>3. Current Assets, Loans &amp; Advances :</b>			
i) Inventories	SCH 6	15882.37	14695.95
ii) Sundry Debtors	SCH 7	17704.03	11884.89
iii) Cash & Bank Balances	SCH 8	1932.86	852.63
iv) Loans & Advances	SCH 9	8539.56	12412.78
<b>SUB TOTAL</b>		<b>44058.82</b>	<b>39846.25</b>
Less : Current Liab. & Provs.	SCH 10	19629.69	13577.82
<b>TOTAL (3)</b>		<b>24429.13</b>	<b>26268.43</b>
<b>4. i) Misc. expenditure (to the extent not written off)</b>			
	SCH 11	2804.70	392.47
<b>ii) Profit &amp; Loss A/c</b>			
<b>TOTAL</b>		<b>92639.44</b>	<b>83370.49</b>
<b>S. C. Behera</b> Asst. Secretary MCL SAMBALPUR	<b>J. Roy</b> General Manager (F) MCL SAMBALPUR	<b>V. K. Sehgal</b> Director (T) MCL SAMBALPUR	<b>C. R. Das</b> Director-in-charge MCL SAMBALPUR

As per our report of this date annexed

For **K. C. Samal & Co.**  
Chartered Accountants.

K. C. Samal, B. Com. F. C.A.

## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING 31ST MARCH, 1994

INCOME	SCHEDULE	Current year (Rs. in lakhs)	Previous year (Rs. in lakhs)
SALE OF COAL COKE ETC	SCH 12	64342.16	53200.44
COAL ISSUED FOR OTHER PURPOSES	SCH 13	435.47	388.66
OTHER RECEIPTS	SCH 14	5590.76	4914.78
ACCRETION IN STOCK	SCH 15		2413.98
<b>TOTAL</b>		<b>70368.39</b>	<b>60917.86</b>
<b>EXPENDITURE</b>			
DECRETION IN STOCK	SCH 15	1013.31	
EMPLOYEES REMUNERATION	SCH 16	11376.78	10063.30
CONSUMPTION OF STORES & SPARES PARTS	SCH 17	9454.63	7800.64
POWER & FUEL	SCH 18	2546.31	2023.68
REPAIRS & MAINT	SCH 19	1686.13	1589.25
CONTRACTUAL EXPENSES	SCH 20	6890.56	5743.81
SOCIAL OVERHEAD	SCH 21	1727.36	1295.08
INTERNAL CONSUMPTION OF COAL	0001.21	151.51	117.74
WEALTH TAX		0.27	
DEPRECIATION	005101/103	4667.41	4346.82
INTEREST	SCH 22	6157.77	4668.19
PROVISIONS	SCH 23(A)	2266.45	1086.94
WRITEOFFS	SCH 23 (B)	8.02	1060.06
CONTRIBUTION TO CPRA	003801	18569.53	15224.09
OTHER EXPENDITURE	SCH 24	1725.54	1525.50
NET PROFIT FOR THE YEAR CARRIED DOWN		2126.81	4372.76
<b>TOTAL</b>		<b>70368.39</b>	<b>60917.86</b>
PROFIT/LOSS BROUGHT FROM PREVIOUS YEAR		4372.76	
NET PROFIT FOR THE YEAR BROUGHT DOWN		2126.81	4372.76
BALANCE (LOSS) TRANSFERRED TO BALANCE SHEET			
<b>TOTAL</b>		<b>6499.57</b>	<b>4372.76</b>
PROFIT/LOSS BROUGHT FROM PREVIOUS YEAR	630000		
PROVISION FOR INCOME TAX	004816		
BALANCE (PROFIT) TRANS : RES & SURP A/C SCH 2		6499.57	4372.76
<b>TOTAL</b>		<b>6499.57</b>	<b>4372.76</b>

**S. C. Behera**  
Asst. Secretary  
MCL  
SAMBALPUR

**J. Roy**  
General Manager (F)  
MCL  
SAMBALPUR

**V. K. Sehgal**  
Director (T)  
MCL  
SAMBALPUR

**C. R. Das**  
Director-in-charge  
MCL  
SAMBALPUR

As per our report of this date annexed

For **K. C. Samal & Co.**  
Chartered Accountants.

K. C. Samal, B. Com. F. C.A.



**SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH 1994****SCHEDULE - 1  
SHARE CAPITAL**

	<u>Current Year (Rs. in lakhs)</u>	<u>Previous Year (Rs. in lakhs)</u>
5000000 Equity Share of Rs. 1000/- each (Previous Year 5000000 Equity Share of Rs. 1000/- each)	50000.00	50000.00
<b>SHARE CAPITAL</b>	<u>50000.00</u>	<u>50000.00</u>
ISSUED SUBSCRIBED & PAID UP :		
1000009 Equity Shares of Rs. 1000/- each fully paid up (Previous Year 9 Equity Shares of Rs. 1000/- each) issued for consideration in cash.	10000.09	0.09
<b>TOTAL</b>	<u>10000.09</u>	<u>0.09</u>

## SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH 1994

### SCHEDULE - 2 RESERVE & SURPLUS

	Current Year (Rs. in lakhs)	Previous Year (Rs. in lakhs)
<b>A. RESERVES</b>		
i) CAPITAL RESERVES As per last accounts additions during the year		
ii) HOUSING SUBSIDY	150.00	-
iii) Investment Allowance utilised reserve As per last Account Transferred from Investment Allowance Reserve	-	-
iv) Investment allowance Reserve Transferred from P & L A/C during the year	-	-
<b>SUB TOTAL (i+ii+iii+iv)</b>	<b>150.00</b>	<b>-</b>
Overburden Suspense (*) Accumulated for future overburden removal	3317.25	45.23.18
LESS : Expenditure on advance stripping	827.47	4214.54
<b>SUB TOTAL (V)</b>	<b>2489.78</b>	<b>308.64</b>
<b>TOTAL (A)</b>	<b>2639.78</b>	<b>308.64</b>
<b>B. PROFIT &amp; LOSS ACCOUNT</b>		
Balance profit transferred from P & L A/C (B)	6499.57	4372.76
<b>GRAND TOTAL (A+B)</b>	<b>9139.35</b>	<b>4681.40</b>

## SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH 1994

### SCHEDULE - 3 (A)

#### SECURED LOANS

<u>SECURED LOAN</u>	<u>Current Year (Rs. in lakhs)</u>	<u>Previous Year (Rs. in lakhs)</u>
From State Bank of India on cash credit/ facilities as allocated by CIL (against hypothecation of Stock of Coal, Coke, Store & Spare parts, book debts & other assets).	-	510.12
<b>TOTAL</b>	-	510.12

### SCHEDULE - 3 (B)

#### UNSECURED LOANS

	<u>Current Year (Rs. in lakhs)</u>	<u>Previous Year (Rs. in lakhs)</u>
<b>UNSECURED LOANS</b>		
Due to Coal Inida Limited, Holding Co.:		
- On account of Purchase consideration	68673.13	60649.60
- On account of funds provided	4221.00	16126.99
On account of Interest accrued and due	-	-
Book Over Draft	-	686.30
<b>TOTAL</b>	<b>72894.13</b>	<b>77462.89</b>

## SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH 1994

### SCHEDULE - 4

#### FIXED ASSETS (REVENUE & DEVELOPMENT MINES)

SL. NO.	PARTICULARS	GROSS BLOCK				(Fig. in lakh Rs.)
		AS ON 1.4.93	ADJ. DURING THE YEAR	DEDUCTION DURING THE YEAR	ADDITION DURING THE YEAR	TOTAL AS ON 31.03.94
1.	LAND :					
	i) Freehold	7.20				7.20
	ii) Leasehold	3059.16	-28.90		251.66	3281.92
2.	BUILDINGS :					
	i) Township	5249.07			1388.14	6637.21
	ii) Other than township	1516.34			751.52	2267.86
	iii) Roads & Culverts (Mining Area)	1103.96			315.93	1419.89
3.	PLANT & MACHINERY :	47178.86	27.60	25.25	6162.00	53343.21
4.	FURNITURE & FITTINGS & OFFICE EQUIPMENTS	685.47	2.23		295.79	983.49
5.	RAILWAY SIDINGS	1466.81			1.20	1468.01
6.	VEHICLE	705.28	0.33		187.71	893.32
7.	PROSPECTING & BORING	3892.55	-151.68		441.25	4182.12
8.	DEVELOPMENT EXPENDITURE	3960.29			616.08	4576.37
<b>SUB TOTAL (A)</b>		<b>68824.99</b>	<b>- 150.42</b>	<b>25.25</b>	<b>10411.28</b>	<b>79060.60</b>
9.	CAPITAL WORK IN PROGRESS					
	i) Building under construction					
	a) Township	2922.16		809.04	2278.99	4392.11
	b) Other than Township	1158.64		271.59	926.56	1813.61
	c) Roads & Culverts (Mining Area)	224.36		83.63	275.37	416.10
	ii) Plant & Machinery					
	a) under erection/ installation	4038.07		1024.81	1357.08	4370.34
	b) in stores	822.74	- 9.32	894.94	1159.70	1078.18
	c) in transit & awaiting inspection		1.85	1.85	11.82	11.82
	iii) Railway siding under construction	904.54			884.36	1788.90
	iv) Construction materials in Stores	664.17		419.87	326.97	571.27
<b>SUBTOTAL (B)</b>		<b>10734.68</b>	<b>- 7.47</b>	<b>3505.73</b>	<b>7220.85</b>	<b>14442.33</b>
<b>TOTAL (A+B)</b>		<b>79559.67</b>	<b>- 157.89</b>	<b>3530.98</b>	<b>17632.13</b>	<b>93502.93</b>

## SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH 1994

## SCHEDULE - 4

## FIXED ASSETS (REVENUE &amp; DEVELOPMENT MINES)

PARTICULARS	DEPRECIATION (Fig. in Lakh Rs.)				NET BLOCK		
	AS ON 1.4.93	ADJ. DURING THE YEAR	DEDUCTION DURING THE YEAR	ADDITIONS DURING THE YEAR	TOTAL AS ON 31.3.94	31.3.94 (Rs. in lakhs)	31.3.93 (Rs. in lakhs)
<b>1. LAND</b>							
i) Free hold						7.20	7.20
ii) Lease hold	445.89			123.75	569.64	2712.28	2613.27
<b>2. BUILDINGS</b>							
i) Township	582.85			97.62	680.47	5956.74	4666.22
ii) Other Than Township	222.60			73.24	295.84	1972.02	1293.74
iii) Roads & Culverts (Mining Area)	166.39			43.49	209.88	1210.01	937.57
<b>3. PLANT &amp; MACHINERY</b>	19289.91	3.51	2.76	4342.56	23633.22	29709.99	27888.95
<b>4. FURNITURE &amp; FITTINGS OFFICE EQUIPMENTS</b>	155.73			149.99	305.72	677.77	529.74
<b>5. RAILWAY SIDINGS</b>	328.83			68.79	397.62	1070.39	1137.98
<b>6. VEHICLES</b>	339.73			65.20	404.93	488.39	365.55
<b>7. PROSPECTING &amp; BORING</b>	445.83			47.08	492.91	3689.21	3446.72
<b>8. DEVELOPMENT EXPENDITURE</b>	872.39			234.74	1107.13	3469.24	3087.90
<b>SUBTOTAL (A)</b>	<b>22850.15</b>	<b>3.51</b>	<b>2.76</b>	<b>5246.46</b>	<b>28097.36</b>	<b>50963.24</b>	<b>45974.84</b>
<b>9. CAPITAL WORK-IN- PROGRESS</b>						14442.33	10734.68
<b>GRAND TOTAL</b>	<b>22850.15</b>	<b>3.51</b>	<b>2.76</b>	<b>5246.46</b>	<b>28097.36</b>	<b>65405.57</b>	<b>56709.52</b>

**SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH 1994****SCHEDULE - 5**

	<u>Current Year (Rs. in lakhs)</u>	<u>Previous Year (Rs. in lakhs)</u>
<b>INVESTMENT</b>		
QUOTED :	-	-
UNQUOTED :		
1) 430 Share of Rs.10/- each fully paid (Employees Co-Operative Society Ltd.)	0.04	0.07
<b>TOTAL</b>	<u>0.04</u>	<u>0.07</u>

## SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH 1994

### SCHEDULE - 6

	<u>Current Year (Rs. in lakhs)</u>	<u>Previous Year (Rs. in lakhs)</u>
<b>INVENTORIES :</b>		
<b>A. Stock of stores &amp; spare parts</b>		
i) Stores & Spare Parts	4625.93	3225.45
ii) Stores & Spare parts in transit	130.59	19.87
iii) Discarded/surveyed off assets in stores	7.46	7.46
iv) Stock adjustment	-	-
<b>SUBTOTAL</b>	<u><b>4763.98</b></u>	<u><b>3252.78</b></u>
Less : i) Provision for obsolescence	18.22	18.22
ii) Provision in difference/ Shortage	18.29	18.29
<b>TOTAL (A)</b>	<u><b>4727.47</b></u>	<u><b>3216.27</b></u>
<b>B. Stock of Coal</b>		
i) Revenue Mines	11449.14	12082.86
ii) Capital Projects	1042.94	370.23
<b>SUBTOTAL</b>	<u><b>12492.08</b></u>	<u><b>12453.09</b></u>
Less : i) Provision for rehandling Charges	379.50	135.13
ii) Provision for shortage Coal	-	-
iii) Provision for deterioration of coal due to fire or longer stocking	957.68	838.28
<b>TOTAL (B)</b>	<u><b>11154.90</b></u>	<u><b>11479.68</b></u>
<b>C. Workshop manufactured :</b>		
i) Manufactured items	-	-
ii) Work in Progress	-	-
<b>TOTAL (C)</b>	<u><b>-</b></u>	<u><b>-</b></u>
<b>D. Loss of assets</b>		
	60.30	20.94
Less : Provision	60.30	20.94
<b>TOTAL (D)</b>	<u><b>-</b></u>	<u><b>-</b></u>
<b>GRAND TOTAL : (A+B+C+D)</b>	<u><b>15882.37</b></u>	<u><b>14695.95</b></u>

## SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH 1994

### SCHEDULE - 7

	<u>Current Year (Rs. in lakhs)</u>	<u>Previous Year (Rs. in lakhs)</u>
<b>INVENTORIES :</b>		
<b>A. SUNDRY DEBTORS</b>		
i) Outstanding for more than six months	20329.49	12181.24
ii) Other debts	4694.54	4801.65
<b>SUBTOTAL</b>	<b>25024.03</b>	<b>16982.89</b>
Less : Provision for Doubtful debts	7320.00	5098.00
<b>TOTAL</b>	<b>17704.03</b>	<b>11884.89</b>
<b>B. CLASSIFICATION</b>		
i) Considered good and in respect of which the Company is full secured	1054.83	2209.13
ii) Considered good for which the Company holds no security other than the debtors personal security (*)	16649.20	9675.76
iii) Considered doubtful	7320.00	5098.00
<b>TOTAL</b>	<b>25024.03</b>	<b>16982.89</b>
i) Due by Directors or other officers of the company or any of them either severally or jointly with any other person or due by firms or private companies respectively in which any Director is a partner or a member	-	-
ii) Due from other Companies under the same management within the meaning of Sec. 370(1B)	-	-
iii) The maximum amt. due at any time during the year	-	-
(*) Unsecured amount includes Rs ..... (Previous year .....) secured by Bank Guarantee.		



## SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH 1994

### SCHEDULE - 8

	<u>Current Year (Rs. in lakhs)</u>	<u>Previous Year (Rs. in lakhs)</u>
<b>CASH &amp; BANK BALANCES</b>		
i) a. Cash / Stamp in hand	5.76	4.85
b. Cheques/Demand drafts in hand	0.63	0.42
c. Cash Balances with colliery manager/ imprest holder	2.35	0.13
ii) Remittance in transit	11.80	37.57
iii) Cash at Bank in respect of Staff security deposit		
iv) Cash at Postal Savings Bank in respect of GPF		
v) Balances with Scheduled Banks		
a) in Current Accounts	1689.46	809.66
b) in Cash Credit Account	-	-
vi) Soiled/Mutiliated notes	-	-
vii) Fixed Deposits with Scheduled Banks	222.86	-
<b>TOTAL</b>	<u><b>1932.86</b></u>	<u><b>852.63</b></u>

## SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH 1994

### SCHEDULE - 9

	Current Year (Rs. in lakhs)	Previous Year (Rs. in lakhs)
<b>LOANS &amp; ADVANCES</b>		
(Advances recoverable in cash or in kind for value to be received)		
<b>A. Advances to Suppliers :</b>		
i) For Capital Goods :		
1) P & M Advance (in country)	1606.83	1162.57
2) P & M Advance (foreign country)		
ii) For Stores & Others :		
1) Stores Advance (in country)	1273.08	1048.85
2) Stores Advance (foreign country)	0.58	1.42
3) Other works (in country)	232.33	170.43
4) Other works (Foreign country)		
<b>TOTAL (A)</b>	<b>3112.82</b>	<b>2383.27</b>
<b>B. Advance to Contractors :</b>		
1) Stores to contractors on loan	204.53	296.24
<b>TOTAL (B)</b>	<b>204.53</b>	<b>296.24</b>
<b>C. Advance to Employees</b>		
1. House building advance	138.48	114.62
2. Motor car advance	51.28	25.73
3. Motor cycle/Scooter Advance	2.74	2.56
4. Other Conveyance advance	0.02	0.03
5. Festival advance	1.89	0.09
6. Pay advance	8.53	8.64
7. Medical advance	14.17	11.29
8. Flood/drought relief advance		0.01
9. Leave Salary Advance	4.72	5.76
10. Local Purchase Advance	28.80	18.60
11. Misc. Advance	76.87	54.23
12. Travelling Advance	37.56	29.85
13. L. T. C. Advance	7.86	6.72
14. Advance others	155.06	7.64
15. Freight Advance		0.05
16. Study Advance/Self Development loan		0.06
17. Other Receivables	0.42	0.35
<b>TOTAL (C)</b>	<b>528.40</b>	<b>286.23</b>

## SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH 1994

### SCHEDULE - 9

	<u>Current Year</u> (Rs. in lakhs)	<u>Previous Year</u> (Rs. in lakhs)
<b>D. Advance to others :</b>		
1. Railway Siding Advance	176.00	141.90
2. Advance to co-operative Societies	0.45	0.46
3. Port Trust Advance		
4. Customs Duty		
5. Tax deducted at source		
6. Advance Income Tax (Company)		
7. Income Tax (Co) Deposited under protest		
8. Advance sales tax	141.54	39.37
9. ST deposit under protest	192.11	212.42
10. Advance to subsidiary Company	67.22	17.12
11. Advance to Holding Co.		
12. Advance Recoverable from Government	273.91	391.49
13. Stevedoring charges receivable		
14. Survey Charges Receivable		
15. Other Receivable	1198.93	980.20
<b>TOTAL (D)</b>	<b>2050.16</b>	<b>1782.96</b>
<b>E. Deposits :</b>		
1. Soiled notes to Reserve Bank of India	0.09	0.03
2. Other Deposits :		
i) With P & T Dept.	1.76	1.65
ii) With Electricity department	14.72	73.07
	326.03	
iii) With others	534.65	386.01
<b>TOTAL (E)</b>	<b>877.25</b>	<b>460.76</b>
<b>F. Prepaid Expenses</b>	15.61	15.33
<b>TOTAL (F)</b>	<b>15.61</b>	<b>15.33</b>

## SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH 1994

### SCHEDULE - 9

	<u>Current Year</u> (Rs. in lakhs)	<u>Previous Year</u> (Rs. in lakhs)
<b>G. Claims receivable :</b>		
1. Subsidy	64.16	63.73
2. Railways	1.24	1.67
3. Insurance	0.21	0.21
4. Foreign Consignment	0.14	0.14
5. Stores		
6. Fidelity	0.65	0.65
7. Sales Tax		
8. Cess	3.41	3.41
9. Others	169.79	176.85
<b>TOTAL (G)</b>	<b>239.60</b>	<b>246.66</b>
<b>H. In Current Account with Subsidiaries of Holding Co.</b>		
1. Eastern Coalfields Limited	0.28	
2. Bharat Coking Coal Limited		
3. Central Coalfields Limited	0.14	
4. Western Coalfields Limited	1.58	0.02
5. CMPDI Limited	7.85	34.27
6. Northern Coalfields Limited		0.02
7. South Eastern Coalfields Limited	1508.13	6913.81
<b>TOTAL (H)</b>	<b>1517.98</b>	<b>6948.12</b>
<b>I.</b>		
1. Contribution Receivable on account of Coal Price Regulation Account		
<b>TOTAL (I)</b>		
<b>GRAND TOTAL (A+B+C+D+E+F+G+H+I)</b>	<b>8546.35</b>	<b>12419.57</b>
Less : Provision for doubtful advances	6.79	6.79
<b>NET TOTAL</b>	<b>8539.56</b>	<b>12412.78</b>

## SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH 1994

### SCHEDULE - 10

	Current Year (Rs. in lakhs)	Previous Year (Rs. in lakhs)
<b>CURRENT LIABILITIES &amp; PROVISIONS :</b>		
<b>1. CURRENT LIABILITIES :</b>		
<b>A. SUNDRY CREDITORS</b>		
i) For Capital Goods	978.59	648.09
ii) For Stores & Others	2487.54	1730.32
<b>TOTAL (A)</b>	<b>3466.13</b>	<b>2378.41</b>
<b>B. ADVANCES &amp; DEPOSITS FROM CUSTOMERS</b>		
<b>TOTAL (B)</b>	<b>4715.44</b>	<b>772.28</b>
<b>C. DEPOSIT FROM CONTRACTORS &amp; OTHERS</b>		
<b>TOTAL (C)</b>	<b>1275.28</b>	<b>1025.97</b>
<b>D. EMPLOYEES RENUMERATION AND BENIFITS</b>		
i) Salaries Wages & Allowances	1747.12	1468.25
ii) Attendance Bonus	73.14	76.72
iii) Exgratia/Annual Bonus	532.33	453.65
iv) Unpaid salaries wages etc.	36.50	32.03
<b>TOTAL (D)</b>	<b>2389.09</b>	<b>2030.65</b>
<b>E. OTHER EXPENSES</b>		
i) Power & Fuel	305.73	227.09
ii) Contractual expenses (Transportation & other works)	809.63	844.62
iii) Others		
a) Acceptance	- 19.31	5.13
b) Gratuity	78.96	40.51
c) Workmen compensation	-	0.43
d) Outstanding expenses Capital	1633.28	1047.46
e) Outstanding expenses Revenue	547.83	441.24
f) Demurrage	11.11	1.50
g) Audit fee & Expenses	5.70	1.46
h) Repairs & Maintenance	21.45	56.86
i) Others	48.85	12.74
<b>TOTAL (E)</b>	<b>3443.23</b>	<b>2679.04</b>

**SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH 1994****SCHEDULE - 10**

	<u>Current Year</u> (Rs. in lakhs)	<u>Previous Year</u> (Rs. in lakhs)
<b>F. CURRENT ACCOUNT BALANCE WITH OTHER SUBSIDIARIES OF COAL INDIA LTD</b>		
i) Eastern Coalfields Ltd.	-	0.01
ii) Bharat Coking Coal Ltd.	0.10	0.22
iii) Central Coalfields Ltd.	-	1.09
iv) Western Coalfields Ltd.	-	-
v) C.M.P.D.I.L.	-	-
vi) Northern Coalfields Ltd.	6.95	-
vii) South Eastern Coalfields Ltd.	-	-
<b>TOTAL (F)</b>	<b>7.05</b>	<b>1.32</b>
<b>G. STATUTORY DUES</b>		
i) Provident Fund	135.02	101.68
ii) Pension Fund	444.94	323.83
iii) Sales Tax	222.66	308.30
iv) Royalty on Coal & others	620.55	625.09
v) Cess on coal	763.23	926.03
vi) Central Excise duty	2.17	2.16
vii) Stowing Excise duty	300.99	654.93
viii) Other Cess:		
a) Rescue Cess	0.25	0.34
b) CMLW CESS	3.81	3.81
c) Cess on Royalty on Coal	1766.45	1696.08
d) Cess on storage on coal	-	-
e) Others	0.12	0.12
ix) Income Tax (TDS)	13.39	15.28
x) a) Surface Rent & Dead Rent	0.03	0.54
b) Land Revenue		
xi) Other Statutory Dues	46.73	17.17
xii) Professional Tax		0.01
xiii) OREEP Tax	-	-
<b>TOTAL (G)</b>	<b>4320.34</b>	<b>4675.37</b>

## SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH 1994

### SCHEDULE - 10

	<u>Current Year</u> (Rs. in lakhs)	<u>Previous Year</u> (Rs. in lakhs)
<b>H. OTHER LIABILITIES</b>		
i) LIC Premium (SSS)	1.14	4.57
ii) CTD (Post Office)	2.20	1.66
iii) A. E. C. D. (Wages)	0.90	0.81
iv) A. E. C. D. (DA)	0.32	0.32
v) Dues from canteen	0.12	- 0.40
vi) Dues from Co-operative societies	0.40	2.11
vii) Prime Ministers Relief Fund	2.34	1.58
viii) Benevolent Fund	1.94	1.98
ix) Welfare Fund		
x) S. T. Set off claim	0.02	
xi) Others	3.75	2.15
<b>TOTAL (H)</b>	<b>13.13</b>	<b>14.78</b>
<b>I. PAYABLE TO CPRA ON ACCOUNT OF RETENTION PRICE</b>		
<b>TOTAL (I)</b>		
<b>TOTAL OF CURRENT LIABILITIES</b> (A+B+C+D+E+F+G+H+I)	<b>19629.69</b>	<b>13577.82</b>
<b>II. PROVISIONS</b>		
a) for reclamation of land		
b) for Taxation (for HQ use only)		
<b>TOTAL PROVISIONS</b>		
<b>GRAND TOTAL (II + I)</b>	<b>19629.69</b>	<b>13577.82</b>

## SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH 1994

### SCHEDULE - 11

	Current Year (Rs. in lakhs)	Previous Year (Rs. in lakhs)
<b>MISCELLANEOUS EXPENDITURE</b>		
(To the extent not written off or adjusted)		
A. i) Preliminary expenses	64.17	72.18
ii) Share issue expenses		
iii) Pre incorporation loss		
iv) HEMM Rehabilitation Exp.	284.42	320.29
v) Freight handling charge expenses		
vi) Others		
<b>SUBTOTAL (A)</b>	<b>348.59</b>	<b>392.47</b>
<b>B. Over burden suspense (*)</b>		
Expenditure on advance stripping (quarry)	5145.92	
Less : Accumulated provision for		
Over Burden Removal	2689.81	
<b>SUBTOTAL (B)</b>	<b>2456.11</b>	<b>-</b>
<b>GRAND TOTAL (A+B)</b>	<b>2804.70</b>	<b>392.47</b>



**SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR  
ENDING 31ST MARCH, 1994**

**SCHEDULE - 12**

	<u>Current Year</u> (Rs. in lakhs)	<u>Previous Year</u> (Rs. in lakhs)
<b>SALES</b>		
<b>1. COAL VALUE</b>		
i) Raw coal	64372.81	53247.19
ii) Washed	-	-
iii) Middlings	-	-
iv) Soft Coke	-	-
v) Hard coke	-	-
vi) Briquettes	-	-
vii) ByProducts	-	-
viii) Raw coal sale of Dev Mine	187.88	176.60
<b>SUB TOTAL (1)</b>	<b>64560.69</b>	<b>53423.79</b>
<b>2. STATUTORY LEVELES</b>		
i) Royalty on coal	6428.61	6777.91
ii) Cess on Coal	-	-
iii) Stowing excise duty	811.85	788.58
iv) Sales Tax Central	2090.79	1498.79
v) Sales Tax State	1265.48	1099.21
vi) Cess on Royalty on coal	-	-
vii) Cess on storage of coal	-	-
viii) Other cess	12179.00	0.00
ix) Octroi Duty	7.32	9.58
x) OREEP Tax	-	-
<b>SUB TOTAL (2)</b>	<b>22783.05</b>	<b>10174.07</b>
<b>TOTAL (1+2)</b>	<b>87343.74</b>	<b>63597.86</b>
<b>3. CREDIT NOTES (for current year sales only)</b>		
Coal Value	30.65	46.75
<b>4. Statutory levies (in respect of credit notes as mentioned in 3 above)</b>		
i) Royalty on coal	0.15	0.16
ii) Cess on coal	77.16	0.00
iii) Stowing excise duty	-	0.05
iv) Sales Tax Central	345.78	0.00
v) Sales Tax State	145.08	1.97
vi) Cess on Royalty on Coal	-	-
vii) Cess on Storage of Coal	-	-
viii) Other cess	12178.89	0.00
<b>SUB TOTAL (4)</b>	<b>12747.06</b>	<b>2.18</b>
<b>TOTAL (3 + 4)</b>	<b>12777.71</b>	<b>48.93</b>
<b>TOTAL (1+2)-(3+4)</b>	<b>74566.03</b>	<b>63548.93</b>
Less : Statutory Levies	10035.99	10171.89
Less : transferred to development (Coal Value only)	187.88	176.60
<b>NET SALES</b>	<b>64342.16</b>	<b>53200.44</b>

## SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING 31ST MARCH, 1994

### SCHEDULE - 13

	Current Year (Rs. in lakhs)	Previous Year (Rs. in lakhs)
<b>COAL ISSUED FOR OTHER PURPOSES PER CONTRA</b>		
1. Internal consumption of Coal:		
i) For Workshop boiler etc.	151.51	117.74
ii) For power Generation etc.	-	-
2. Free issue of coal to employees	283.96	270.92
<b>TOTAL</b>	<b>435.47</b>	<b>388.66</b>

### SCHEDULE - 14

	Current Year (Rs. in lakhs)	Previous Year (Rs. in lakhs)
<b>OTHER RECEIPTS</b>		
1. Subsidy	114.15	94.68
2. Revenue from Workshop	1144.10	1015.90
3. Transportation charges on despatches	3933.89	3166.76
4. Interest Received		
i) from investments	0.02	-
ii) from loans to employees	2.42	1.98
iii) Others	4.55	16.37
5. Profit on sale of Assets	6.03	-
6. Rent from outsiders	6.37	11.28
7. Penalty/liquidated damages recovered	31.11	122.70
8. Tender Fees	13.73	10.40
Services charges from customers for joint sampling	16.19	38.38
9. Rebates, discount & allowances	3.14	3.30
10. Others		
i) Claims from Railways	-	-
ii) Claims from Others	0.40	0.02
iii) Sales of scrap	0.05	7.46
iv) Sale of rejects	-	-
v) Guest House recoveries	0.16	0.14
vi) Sales Tax set off claims	-	-
vii) Other Misc. receipts	314.45	425.41
<b>TOTAL</b>	<b>5590.76</b>	<b>4914.78</b>

**SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR  
ENDING 31ST MARCH, 1994**

**SCHEDULE - 15**

	<u>Current Year</u> (Rs. in lakhs)	<u>Previous Year</u> (Rs. in lakhs)
<b>ACCRETION/DECRETION OF STOCK</b>		
<b>I. Stock of Coal</b>		
<b>A. Closing stock (revenue mines only)</b>		
as on 31.3.94	11449.14	12082.86
Less: i) Provision for rehandling charges	379.50	135.13
ii) Provision for deterioration of coal value due to fire or longer stocking (should agree with Sch-6)	957.68	838.28
iii) Provision for shortage of coal	-	-
<b>TOTAL (A)</b>	<u><b>10111.96</b></u>	<u><b>11109.45</b></u>
<b>B. Opening stock (revenue mines only)</b>		
as on 1.4.92	12082.86	9417.99
Less : i) Provision for rehandling charges (opening)	135.13	101.23
ii) Provision for deterioration of coal value due to fire or longer stocking (Total provision of last year should be shown here)	838.28	667.11
iii) Provision for shortage of coal (opening)	-	-
<b>SUB TOTAL</b>	<u><b>11109.45</b></u>	<u><b>8649.65</b></u>
Add : i) Adjustment of opening stock (details is to be given on foot note)	15.82	13.61
ii) Development stock brought to revenue	-	-
Less : a) Provision for deterioration	-	1.27
b) Provision for rehandling	-	4.18
<b>TOTAL (B)</b>	<u><b>11125.27</b></u>	<u><b>8657.81</b></u>
<b>NET TOTAL (A-B) OF I</b>	<u><b>- 1013.31</b></u>	<u><b>2451.64</b></u>

**SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR  
ENDING 31ST MARCH, 1994**

**SCHEDULE - 15**

	<u>Current Year</u> (Rs. in lakhs)	<u>Previous Year</u> (Rs. in lakhs)
<b>II. Workshop work-in-progress</b>		
closing stock	-	-
Less : Opening stock	-	37.66
<b>NET TOTAL OF II</b>	-	- 37.66
 <b>III. Finished goods in workshop</b>		
closing stock	-	-
Less : Opening stock	-	-
<b>NET TOTAL OF III</b>	-	-
<b>GRAND TOTAL OF (I+II+III)</b>	- 1013.31	2413.98

**Note :** Rs.15.82 lakhs represents adjustment of on wheel stock as at 01-04-93 which was not considered for closing stock as at 31-03-93 in lb Valley Area.

**SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR  
ENDING 31ST MARCH, 1994**

**SCHEDULE - 16**

	<u>Current Year</u> (Rs. in lakhs)	<u>Previous Year</u> (Rs. in lakhs)
<b>EMPLOYEES REMUNERATION &amp; BENEFITS</b>		
<b>A. Salaries Wages Bonus &amp; Allowances</b>		
1. Wages & Allowances Piece rated employees	790.80	764.19
2. Wages & Allowances quarry	127.49	107.07
3. Salaries Wages & allowances Time rated employees	5317.49	4701.48
4. Overtime	1229.50	979.13
5. Leave wages	548.43	473.34
6. Paid holiday wages	75.68	74.28
7. Salaries & Allowances Executives	677.57	554.70
8. Leave encashment	15.88	7.27
9. Directors Salaries Adhoc relief	1.39	1.21
10. Other Allowances & Benefits		
i) Night Shift allowances	40.61	26.18
ii) Special incentive	8.98	16.99
iii) City compensatory Allowance	0.08	
iv) Foreign Service Contribution		
v) House Rent Allowance	58.52	59.48
vi) Transport subsidy	103.88	102.28
vii) Rescue Allowance	0.63	0.61
viii) Parade Allowance	1.00	0.86
ix) Washing Allowance	3.22	3.15
x) Educational assistance	2.06	
xi) Ad-hoc relief	61.78	0.13
<b>TOTAL (A)</b>	<b>9064.99</b>	<b>7872.35</b>

**SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR  
ENDING 31ST MARCH, 1994**

**SCHEDULE - 16**

	<u>Current Year (Rs. in lakhs)</u>	<u>Previous Year (Rs. in lakhs)</u>
<b>B. 1. Contribution to Provident Fund &amp; Other Funds (including admn. charges)</b>	947.33	719.77
2. Directors PF	0.14	0.11
3. Contribution to pension fund	17.30	
<b>TOTAL (B)</b>	<u>964.77</u>	<u>719.88</u>
<b>C. Attendance Bonus</b>	306.69	294.36
<b>D. Exgratia/Annual Bonus</b>	468.53	410.63
<b>E. LTC/LLTC/RRF</b>	336.76	488.87
<b>F. Pension</b>	391.80	225.88
<b>G. Gratuity</b>	150.37	131.68
<b>H. Workmen compensation</b>	7.11	8.90
<b>I. Rewards/Incentive Bonus</b>	37.02	90.72
<b>J. D L I</b>	2.77	1.85
<b>K. Life cover scheme</b>	7.92	7.65
<b>TOTAL (A TO K)</b>	<u>11738.73</u>	<u>10252.77</u>
Less : Transferred per contra to social overhead (Sch-21)		
1. Maintenance Services (Township & Water supply)	14.11	33.22
2. Medical & Health Service	145.16	150.92
3. School & Educational Services		
4. Educational Assistance	2.06	
5. Overtime		
6. Provident Fund		
7. Other Fringe Benefits	200.62	5.33
<b>SUB TOTAL</b>	<u>361.95</u>	<u>189.47</u>
<b>NET TOTAL</b>	<u>11376.78</u>	<u>10063.30</u>

**SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR  
ENDING 31ST MARCH, 1994**

**SCHEDULE - 17**

	<u>Current Year (Rs. in lakhs)</u>	<u>Previous Year (Rs. in lakhs)</u>
<b>CONSUMPTION OF STORES &amp; SPARE PARTS</b>		
1. Explosives & Detonators	2260.91	1820.68
2. Timber	94.51	103.76
3. P. O. L.	1898.23	1538.00
4. i) Consumable Stores (indigenous)	2329.16	1888.45
ii) Consumable stores (imported)		
5. Upkeep & Maintenance of		
A. Vehicles		
POL, Stores & Spare parts	126.66	73.73
B. Plant & Machinery		
i) Spares for mining & other plant & equipment (indigenous)	260.78	217.67
ii) Spares for mining & other plant & Equipment (imported)		
iii) HEMM Spares (indigenous)	2611.04	2231.72
iv) HEMM spares (imported)		0.35
C. Stores on account of Social Hospital overhead		
i) Township, Watersupply Hospital & other welfare service	12.43	15.61
ii) Car, Jeeps, Ambulance & other welfare vehicles (POL & STORES)	8.53	3.89
<b>SUBTOTAL</b>	<u><b>9602.25</b></u>	<u><b>7893.86</b></u>
LESS :		
i) Transfer to Social O. Head Sch - 21 Total of item 5 (c) above	20.96	19.49
ii) Transfer to other expenditure (Sch-24) as shown in sl. no. 5A above	126.66	73.73
<b>NET TOTAL</b>	<u><b>9454.63</b></u>	<u><b>7800.64</b></u>

**SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR  
ENDING 31ST MARCH, 1994**

**SCHEDULE - 18**

	Current Year (Rs. in lakhs)	Previous Year (Rs. in lakhs)
<b>POWER &amp; FUEL</b>		
1. For Industrial Power & Light (including admn. use)	2546.31	2023.68
2. For Township & other welfare centres	50.41	115.69
3. Own coal used for power per contra	-	-
<b>TOTAL</b>	<b>2596.72</b>	<b>2139.37</b>
Less : Transfer to Social Over Head (Sch - 21) (As shown in sl. no. 2 above)	50.41	115.69
<b>NET TOTAL</b>	<b>2546.31</b>	<b>2023.68</b>



**SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR  
ENDING 31ST MARCH, 1994****SCHEDULE - 19**

	<u>Current Year</u> (Rs. in lakhs)	<u>Previous Year</u> (Rs. in lakhs)
<b>REPAIR &amp; MAINTENANCE</b>		
1. Factory & Office Buildings	56.41	33.35
2. Plant & Machinery	1434.63	1428.92
3. Vehicles	100.69	89.37
4. i) Siding maintenane charges	69.05	31.60
ii) Others	25.35	6.01
<b>TOTAL</b>	<u><b>1686.13</b></u>	<u><b>1589.25</b></u>

**SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR  
ENDING 31ST MARCH, 1994****SCHEDULE - 20**

	<u>Current Year</u> (Rs. in lakhs)	<u>Previous Year</u> (Rs. in lakhs)
<b>CONTRACTUAL EXPENSES</b>		
1. Transport charges for		
i) Coal Coke etc.	5785.71	4906.46
ii) Sand	76.78	34.92
iii) Others	71.16	10.10
2. Hiring of HEMM	-	-
3. Other Contractual works	956.91	792.33
<b>TOTAL</b>	<u>6890.56</u>	<u>5743.81</u>

**SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR  
ENDING 31ST MARCH, 1994**

**SCHEDULE - 21**

<b>SOCIAL OVERHEAD</b>	<b>Current Year (Rs. in lakhs)</b>	<b>Previous Year (Rs. in lakhs)</b>
	<u>                    </u>	<u>                    </u>
A. 1. Salary wages and allowances per contra	361.95	189.47
2. Free Issue of Coal to employees per contra	283.96	270.92
3. i) Medical reimbursement	58.54	38.65
ii) Directors Medical Expenses	3.82	0.08
4. Medical cash grant	6.89	0.98
5. i) Medicines	131.82	89.06
ii) Diet expenses	11.50	16.83
6. Canteenupkeep & Refreshments	1.85	0.45
7. Educational Expenses (Central School & other Schools)	78.73	77.13
8. Training expenses	32.62	12.90
9. Repair & Maintenance of :		
a. i) Township	365.81	246.88
ii) Hospital building & Equipments	16.71	6.18
iii) Educational buildings	6.18	2.01
iv) Other welfare centres	17.71	11.45
b. Social overhead vehicles		
i) Repairs	4.89	3.53
ii) Vehicle Tax & Registration fees	0.52	0.59
iii) Insurance	0.46	0.53
10. Crech Expenses		
11. Depreciation	156.27	122.44
12. Power & Fuel per contra	50.41	115.69
13. Consumption of stores per contra	20.96	19.49
14. Sports, Recreation & Grants	13.26	5.15
15. Other welfare expenses:		
i) Grants to co-operatives		
ii) Community development	77.57	46.57
iii) Uniforms	25.80	22.14
iv) Expenses on family welfare programme	1.60	1.42
v) Others	20.43	13.14
<b>TOTAL (A)</b>	<b><u>1750.26</u></b>	<b><u>1313.68</u></b>
<b>RECOVERIES :</b>		
1. House rent	13.96	12.03
2. School bus, water, electricity & other charges	4.73	3.97
3. Hospital charges	4.21	2.60
4. Hospital subsidy		
<b>TOTAL (B)</b>	<b><u>22.90</u></b>	<b><u>18.60</u></b>
<b>NET TOTAL (A-B)</b>	<b><u>1727.36</u></b>	<b><u>1295.08</u></b>

## SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING 31ST MARCH, 1994

### SCHEDULE - 22

INTEREST	Current Year (Rs. in lakhs)	Previous Year (Rs. in lakhs)
1. On dues to Coal India Ltd. Holding Company	6103.34	4603.11
2. On Bank Overdraft	14.30	10.07
3. On deferred payment	24.55	28.43
4. Chargeable to development units	621.51	398.70
5. Others	15.58	26.58
<b>SUBTOTAL</b>	<b>6779.28</b>	<b>5066.89</b>
LESS : Interest Capitalised during the year (as shown in serial no.4 above)	621.51	398.70
<b>NET TOTAL</b>	<b>6157.77</b>	<b>4668.19</b>

### SCHEDULE - 23

PROVISIONS & WRITE OFFS:	Current Year (Rs. in lakhs)	Previous Year (Rs. in lakhs)
<b>A. PROVISIONS</b>		
1. Provision for Doubtful Debts	2222.00	1058.00
2. Provision of obsolescence of Stores		18.22
3. Provision for reclamation of land		
4. Provision for shortage/ difference in stores & Spares		3.93
5. Provision for doubtful Advances	5.09	6.79
6. Provision for loss Assets	39.36	
<b>TOTAL (A)</b>	<b>2266.45</b>	<b>1086.94</b>
<b>B. WRITE OFF</b>		
1. Bad/Doubtful debts		1052.04
2. Doubtful advance		
3. Stores & Spares		
4. Preliminary expenses	8.02	8.02
<b>TOTAL (B)</b>	<b>8.02</b>	<b>1060.06</b>

**SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR  
ENDING 31ST MARCH, 1994**

**SCHEDULE - 24**

	<u>Current Year (Rs. in lakhs)</u>	<u>Previous Year (Rs. in lakhs)</u>
<b>OTHER EXPENDITURE</b>		
1. Travelling :		
i) Directors	4.61	5.68
ii) Others	149.59	127.05
2. Printing & Stationery	91.72	60.75
3. Postage & Telephone etc.	107.44	47.17
4. Freight Charges	54.89	85.74
5. Advertisement etc.		
i) Publicity & public relation	3.48	2.68
ii) Advertisement	33.60	16.17
6. Demurrage	120.69	86.99
7. Rent	37.27	37.55
Surface Rent/dead rent	1.45	4.69
8. Insurance	5.82	9.91
9. i) Rates & Taxes	45.53	36.29
ii) Land revenue	3.60	6.93
10. legal expenses	30.12	17.49
11. Royalty & Cess	21.69	24.83
12. Service charges of Holding co.	362.89	232.95
13. Other Administrative Expenses		16.79
14. Loss on sale or of stores		
Survey off of Assets	0.05	
15. Loss on Sale of Stores		
16. Auditors remuneration :		
i) Audit Fees	0.95	0.70
ii) Travelling & out of pocket expenses	0.48	0.45
iii) Other capacity	0.46	0.32
17. Bank Charges	4.40	2.98
18. Accounting Charges	2.02	0.10
19. Rescue & Safety	36.00	12.47
20. Isolation/Ventilation	15.20	7.44
21. Consultancy/Retainer Fees	24.63	9.49
22. Hire Charges of :		
i) Computers	19.98	14.69
ii) Helicopters	0.48	3.22
iii) Others	23.58	26.19

**SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR  
ENDING 31ST MARCH, 1994**

**SCHEDULE - 24**

	<u>Current Year (Rs. in lakhs)</u>	<u>Previous Year (Rs. in lakhs)</u>
23. Entertainment		
24. Books & Periodicals	3.15	2.55
25. Conference & Meetings	38.85	19.37
26. Purchase of water	7.71	19.15
27. Maintenance of Cars, jeeps etc		
i) Vehicles Tax & Registration Fees	35.84	16.36
ii) Insurance	3.12	2.65
iii) Stores & Spareparts per contra	126.66	73.73
28. HEMM Rehabilitation Exp. W/off	220.94	188.95
29. Overburden Removal Adjustment	- 274.96	70.64
30. Donation/Grant	9.12	0.67
31. Internal Audit		
Expenses (external)		
i) Fees	4.49	0.59
ii) Travelling & Out of pocket expenses	0.98	0.17
32. Other Miscellaneous expenses	347.02	232.96
<b>TOTAL</b>	<u><b>1725.54</b></u>	<u><b>1525.50</b></u>

**SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR  
ENDING 31ST MARCH, 1994**

**SCHEDULE - 25**

	<u>Current Year (Rs. in lakhs)</u>	<u>Previous Year (Rs. in lakhs)</u>
<b>PRIOR PERIOD ADJUSTMENTS</b>		
<b>DEBIT</b>		
1. Employees remuneration & benefits		
2. Social overhead		
3. Consumption of stores & spare parts		
4. Power & Fuel		
5. Repairs & Maintenance		
6. Interest		
7. Depreciation		
8. Contractual Expenses		
9. Other Expenditure :		
i) Royalty & Cess		
ii) OBR Adjustment		
iii) Rates & Taxes		
iv) Demurrage		
v) Loco-Hire, weigh-bridge & Siding Charges		
vi) Others		
<b>TOTAL (A)</b>	<u>NIL</u>	<u>NIL</u>
<b>CREDIT</b>		
1. Sales		
2. Other Income		
<b>TOTAL (B)</b>	<u>NIL</u>	<u>NIL</u>
<b>NET TOTAL (A-B)</b>	<u>NIL</u>	<u>NIL</u>

## SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 1994

### SCHEDULE - 26

#### NOTES FORMING PART OF ACCOUNTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 1994.

	Current Year (Rs.)	Previous Year (Rs.)
<b>Claims against the Company</b>		
<b>not acknowledged as debts :</b>		
i) Suits against company	2,77,71,123.05	2,61,44,551.45
ii) Demurrage	—	—
iii) Sales Tax	3,88,33,295.06	3,18,74,934.00
iv) Other claims	7,85,43,056.00	24,24,04,818.33
<b>TOTAL</b>	<b>14,51,47,474.11</b>	<b>30,04,24,303.78</b>
<b>Estimated amount of contract remaining to be executed on capital account and not provided for :</b>		
i) Land	84,63,787.00	5,63,64,211.36
ii) Building	35,13,06,942.54	29,84,05,816.22
iii) Plant & Machinery	21,96,53,384.51	4,86,95,760.83
iv) Railway siding	10,36,53,662.86	7,80,92,552.07
v) Prospecting & Boring	—	—
vi) Development	7,50,00,302.10	1,63,22,826.11
<b>TOTAL</b>	<b>75,80,78,079.01</b>	<b>49,78,81,166.59</b>
<b>Expenditure in foreign currency</b>		
i) Travelling Exp.		
<b>Particulars of employees who are in receipt of</b>		
	<b>Remuneration not less than Rs.1,44,000/- for persons employed through out the year</b>	<b>Remuneration not less than Rs.12,000/- pm for persons employed for part of the year</b>
i) Number of employees	14	4
ii) Salaries & Wages	21,19,437.00	5,88,832.44
iii) Contribution to Provident Fund	1,48,361.00	47,263.00
<b>TOTAL (ii + iii)</b>	<b>22,67,798.00</b>	<b>6,36,095.44</b>



## ACCOUNTING POLICIES

### 1. ACCOUNTING CONVENTIONS

Accrual basis of accounting has been followed except in the following cases :

- 1.1 Gratuity and Life Cover Scheme are accounted for on Cash basis. Liability in respect of death and/or retirement is also provided for. Actuarial valuation of gratuity liability for the year and as at the end of the year have neither been ascertained nor accounted for.
- 1.2 Interest on advance to employees, i.e. House Building Advance, Purchase of Cars etc. are provided on realisation basis.
- 1.3 Demurrage, Liquidated damages and escalation claims are accounted for on the basis of final settlement.
- 1.4 Insurance/Railway claims accounted for on admission/final settlement.
- 1.5 Scrap is accounted for on realisation.
- 1.6 Additional liability for royalty, cess etc. if any are accounted for in the year in which final assessment orders are received.

### 2. FIXED ASSETS

#### 2.1 Land

Land includes cost of acquisition, compensation, afforestation etc. and also rehabilitation expenditure for displaced persons whose land are acquired.

#### 2.2 Building

Building includes cost of roads, culverts falling within township, cost of electrical fittings, water supply arrangements and sanitary fittings. Depreciation on such fittings and arrangements have been provided for at the rate prescribed for buildings.

#### 2.3 Railway Siding

Payments made to the Railway Authorities for construction of Railway sidings are shown under Capital Work-in Progress until completion certificate is received.

#### 2.4 Plant & Machinery

Plant & Machinery includes cost and expenses incurred towards erection/installation for bringing the assets to use. Installation expenses wherever incurred departmentally, other than stores are not capitalised. Gross block as well as depreciation on surveyed-off Plant & Machinery are taken-out of the fixed assets and the book value or surveyed value whichever is lower are transferred to current assets.

## 2.5 Development

Expenses, net of income of the Projects/Mines under development including proportionate interest and administrative expenses are capitalised and booked to development account by way of transfer from appropriate heads of Income/Expenses Account.

Projects/Mines under development are brought to revenue immediately after the financial year in which the unit achieved 25% of targetted production or from the same financial year in which the value of coal production is more than the total expenses, whichever event occurs first. On Projects/Mines coming to revenue, such development expenses are amortised over 20 years or life of the projects/mines whichever is less.

### 2.6.1 Depreciation

Depreciation on fixed assets is provided on straightline method in accordance with Sec. 205 read with Sch-XIV to the Companies Act, 1956 (as amended). The depreciation on the addition to assets made during the year is taken prorata on month to month basis, in which the assets have been commissioned or completed. Depreciation on lease-hold land is charged on the basis of life of the project or lease period whichever is lower.

2.6.2 Depreciation on land acquired under Coal Bearing Area (Acquisition & Development) Act, 1957 has been charged on the basis of balance life of the project.

2.6.3 Prospecting, Boring and Development expenditure are amortised over a period of 20 years or the life of the project whichever is less.

2.6.4 Assets having one year's life are depreciated in full in the year of addition and the same are withdrawn from the Accounts following the year in which these are fully depreciated.

2.6.5 Profit/Loss on sale of surveyed-off assets are charged to Profit & Loss Account.

2.6.6 Fixed assets other than buildings and certain items of assets requiring erection have been treated as commissioned/completed based on stores issue vouchers where date of commission/completion have not been made available.

## 3. INVENTORIES

3.1 Imported spares and related custom duty thereon are accounted for on the basis of debit advice received from Coal India Limited.

3.2 Stock of stores and spare parts are valued at weighted average cost. Workshop manufactured item and work-in-progress are valued at estimated cost. Charged-off stores & spares lying at the close of the year at Colliery sub-stores consuming centres are valued at the year end issue price of Central Stores/Regional Stores.

3.3 Book stock of coal is taken for the purpose of closing stock where the Variance between book stock and physically verified stock (as per survey measurement team) is upto +/-5% and in case the variance is beyond +/- 5%, the physical stock is taken as the closing stock. Stock of coal is valued at lower of declared grade selling price or net realisable value based on the actual

realisation of the despatch of coal during the last quarter of the year less provision @1.5% value of production of coal at Revenue Mines during the year towards deterioration in value and unrecoverable rehandling charges.

- 3.4 Coal issued to employees (free issue) and for boiler consumption are accounted for on the basis of norms fixed by the management and taken to Profit & Loss Account at relevant grade selling price as per Contra.
- 3.5 Stock of medicines and stationary are not considered for inventory purpose and the expenses on these accounts are charged to revenue.

#### **4. INVESTMENT**

Investments are stated at cost.

#### **5. TRANSACTIONS IN FOREIGN CURRENCIES**

Payments for import transactions are made in rupee currency by opening letter of credit. The same is accounted for, at the exchange rates prevailing on the date of transactions. If there is any exchange difference arising out of foreign currency, the same is dealt with in the Profit & Loss Account. However, exchange differences related to the acquisition of fixed assets are adjusted in the value of fixed assets on the basis of advice received from Coal India Limited.

#### **6. PRIOR PERIOD ADJUSTMENT**

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

#### **7. SUBSIDY AND/OR GRANTS**

- 7.1 Subsidy and/or grants received on account of capital are deducted from the cost of specific assets to which they relate.
- 7.2 Subsidy claims for the accounting year which are yet to be received/confirmed from the appropriate authorities are accounted for on estimated basis, as the subsidy actually received stands to the claim preferred whether during the relevant year or earlier years, as the case may be.

#### **8. REVENUE RECOGNITION**

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

Revenue arising from the use by other of the company's resources save and except for items

specified in Paragraph-2 of this Schedule are only recognised when no significant uncertainty as to measurability or collectibility exists.

## **9. PRICE RETENTION**

Necessary adjustment is made in the Profit & Loss Account for the difference between the net coal sale price during the year and retention price, as notified under coal price regulation. Account. No such adjustments are considered in respect of prior period adjustment of sales.

## **10. OVERBURDEN REMOVAL EXPENSES**

The overburden removal expenses are charged on average ratio evaluated at current working cost of removal of overburden with due adjustment for advance stripping and ratio variance in respect of projects having capacity of one million tonne and above. Such expenses in respect of projects having capacity of less than one million tonne are charged directly to revenue heads in the year in which operation commences and/or coal is exposed.

The permissible tolerance of measured overburden with reference to the reported overburden, as per guidelines circulated vide letter no. CH:TS:26, dt. 10.1.1994 is indicated below :

- a) In all projects where annual quantum of overburden removal is less than 1 million cubic mtrs., no correction need be made so long as the variance is less than (+-) 5% or, 30,000 cubic mtrs., whichever is less.
- b) In opencast mines where overburden removal volume is 1-5 million cu.m./annum, no corrections need be made so long as the variance is less than (+ -) 3% or 2 lakhs cu.m. whichever is less.
- c) In all the projects having overburden removal in excess of 5 million cu.m./annum, no corrections need be made if the variance is within (+-) 2%.

## **11. SYSTEM OF BOOKING OF INCOME & EXPENSES**

All expenses and income including for projects/mines under development are initially booked to natural head of accounts and then transferred to functional head of a/cs., wherever necessary.

## **12. APEX OFFICE CHARGES & INTEREST**

**12.1** Apex Office charges is accounted for as per apportionment made and advised by the Coal India Limited, and the allocation to Units is done on the basis of production of revenue mines.

**12.2** Interest and financial charges in Coal India Limited dues are accounted for as per apportionment made and advised by Coal India Limited.

## **13. LAND RECLAMATION**

Land reclamation expenses is charged to Profit & Loss Account when incurred.

**14. DEFERRED REVENUE EXPENDITURE**

Rehabilitation expenditure (Heavy repairs) of Heavy Earth Movng Machineries are treated as Deferred Revenue Expenditure and are written off over a period of the extended life of the asset but not exceeding four years including the year in which expenditure is first incurred, as per policy guidelines issued by Coal India Limited, the Holding Company.

**15. CLAIMS**

**15.1** Sales claims are accounted for on final determination and settlement of such claims.

**15.2** Railway/Insurance Claims are accounted for on the ascertainment of such claims on an estimated basis.

**15.3** Subsidy for stowing and proctive work is accounted for on realisable basis in proportion to the actual receipts and/or acceptance of first half year of the concerned financial year to the total claim.

**16. CONTINGENT LIABILITIES**

Contingent liabilities are not accounted for but disclosed separately by way of notes after careful evaluation of the facts of the case.

**17. RESEARCH & DEVELOPMENT EXPENDITURE**

Research and Development Expenditure (net) are charged as expense of the period in which they are incurred except where such expenditure are deferred.

**18. BALANCE WITH CIL/AMOUNT DUE TO CIL**

Amount due to Coal India Limited after adjustment for conversion to Equity from time to time is shown as unsecured loan.

**NOTES ON ACCOUNTS****1. CONTINGENT LIABILITES**

(i) Claims against the Company not acknowledged as debts :

(a) Suits against the Company

**1993-94**  
**(Rs. in lakhs)**

277.71

**1992-93**  
**(Rs. in lakhs)**

261.45

(b) Sales Tax/Levies

<u>1993-94</u> (Rs. in lakhs)	<u>1992-93</u> (Rs. in lakhs)
388.33	318.75

(c) Others

<u>1993-94</u> (Rs. in lakhs)	<u>1992-93</u> (Rs. in lakhs)
785.43	2424.05

## 2. CAPITAL COMMITMENTS

Estimated amount of contracts remaining to be executed on Capital Account and not provided for amounts to Rs.1851.66 lakhs.

### 2.1 Fixed Assets

**2.2** On abolition of Coal Mines Welfare Organisation and Coal Mines Rescue Organisation, the assets taken not been incorporated in the accounts, pending finalisation or purchase consideration for these assets which include Hospitals, Rescue Stations, Welfare Centres and Other.

**2.3** Land acquired under Coal Bearing Area (Acquisition & Development) Act, 1957 has been shown as land lease hold in Fixed Assets. Title Deeds and/or lease deeds of land and buildings and Mining Rights are not available with the Company as the transfer formalities from the Holding Company and its other Subsidiaries have not been completed and consequently some documents continue to be held in the name of the Holding Company or its other Subsidiaries. Transfer of and Mining Rights from State Government of Orissa to this company after its formation have been effected on the basis of notification issued by the Orissa State Government.

**2.4** It has been decided by management to physically verify Plant & Machineries valued at Rs. 1.00 lakh or more in each case and the same has been accordingly carried out and reconciled with the Plant Cards.

**2.5** Physical verification of other Fixed Assets like land building, Rly. siding and other immovable assets are to be carried out once in every three years.

**2.6** Job-wise details for capital Work-in-Progress Register has been maintained. Payment to Railway authorities for construction of siding have been shown under Capital Work-in-Progress, pending receipt of completion certificate and/or other necessary particulars from the concerned authority. In some cases, jobs shown in capital work-in-progress including some old brought forward balances whether completed or not could not be ascertained. Pending ascertainment/identification of these items, they have not been capitalised in the account and depreciation thereon has not been provided for.

**2.7** Capital Work-in-Progress in the Fixed Assets Schedule includes Plant & Machinery in stores and Plant & Machinery in transit.

## 2.8 Development Expenditure

- i) Expenditure incurred on behalf of the company by the Central Mines Planning & Design Institute Ltd. (A subsidiary of Coal India Limited) on planning, designing, exploration and development have been capitalised in respect of projects. The expenditure relating to the projects yet to be sanctioned or construction yet to be taken up has been carried forward under prospecting and Boring. The development expenditure includes Rs.621.51 lakhs towards capitalisation of interest incurred on the respective development projects and is after deduction of Rs.1247.29 lakhs being sale of coal and Rs.1046.11 lakhs being closing stock of coal of development mines.
- ii) In some mines under development, the sales and closing stock of coal exceeds the total development expenditure resulting in negative capitalisation of substantial amounts which are netted off against the expenditure on other development.

## 3. INVENTORIES

### 3.1 Valuation of Inventory

- i) The closing stock of stores and spares at Sub-stores/Regional Stores/Colliery Stores have been considered in the accounts as per balances appearing in the Financial Ledger. Reconciliation between Priced Stores Ledgers and Numerical ledgers are carried out periodically. Discrepancies arising out of physical verification of stock of stores & spares are adjusted/provided for periodically. Physical Verification of stores and spares have been conducted during the year and the discrepancy arising out of such verification and reconciliation, is under scrutiny.
- ii) Stores and Spares also include loose tools.

### 3.2 Stock of Coal

- i) Closing stock of coal has been physically verified at all projects of company. The Book Stock of coal has been taken as closing stock as per the policy of Coal India Limited as the variance between Book Stock and physically measured stock is within +/- 5%.
- ii) Government has notified Retention price for the financial year 93-94 @ Rs.195/- per m.t. stock of coal has been valued at lower of selling price based on the notification of declared grades as on 31.3.94 or net realisable value based on the actual realisations on the despatch of coal during the last quarter of the year (January to March 1994) less provision @1.5% of value of production during the year towards deterioration of value due to fire, abnormal stocking etc. A provision of Rs.18569.53 lakhs being the amount payable on despatches during the year under coal price regulation account has been made in the accounts. However, as per the policy of the Company, retention price has not been taken into consideration for valuation of closing stock of coal.
- iii) Provision for rehandling wherever necessary has been made in respect of stock lying at pit-head to meet the transportation and loading cost from the pit-head to the Rly. siding at the prevalent rates during the year.

#### **4. SUNDRY DEBTORS**

Sales have been accounted for on the basis of 'D' notes issued by Rly. authorities/ Transit pass for road despatches contractors receipt of despatches. Sales/Credit Notes in respect of revenue mines have been taken into profit & loss account whereas Sales/Credit Notes in respect of development mines have been adjusted against expenses capitalised in respect of such mines.

#### **5. LOAN AND ADVANCES**

- 5.1** Some of the amounts of advances appearing in the books of accounts are very old, appropriate classification of which between good and doubtful as well as secured and unsecured advance could not be ascertained correctly.
- 5.2** Pending complete linkage of the relevant liabilities with corresponding advances for purchase of stores, machinery, to employees for expenses etc. both liabilities and advances remain overstated and the impact of the above on Profit & Loss Account couldnot be ascertained.

#### **6. SECURED LOAN/CASH CREDIT**

The Current Assets including stock of coal, stores and spares, book debts of the company along with similar assets of Coal Inida Limited and its other subsidiaries are hypothecated to state Bank of India against the cash credit limit of Rs.183 crores granted to Coal Inida Limited, Out of which a sum limited to Rs.5.00 crores is allocated to the Company.

#### **7. CURRENT LIABILITES/PROVISIONS**

- 7.1** Sundry Creditors and other liabilities, represents General Ledger Balances and includes some old debit balances which have been netted against the other credit balances of Sundry Creditors and other liabilities, quantum thereof is unascertained pending linking up.
- 7.2** Deductions made from the wages of the employees covered under National Coal Wage Agreement (NCWA) @ 2% of basic wages + D. A. towards Post Retirement benefit w.e.f. 1.4.89 amounting to Rs.444.94 lakhs has been kept separately, under other liabilities pending consideration and approval of appropriate scheme by the Govt. of India.

#### **8. CONFIRMATION OF BALANCE**

Confirmation of balances of Sundry Debtors, Sundry Creditors, various loans and advances, Deposit etc. as on 31.3.94 have not been obtained and the impact on Profit & Loss Account can not be ascertained.

#### **9. PROFIT & LOSS ACCOUNT**

The net profit of Rs.2126.81 lakhs has been achieved during 1993-94 as compared to Rs.4372.76 lakhs during the previous year.



**10. OTHERS****10.1** Contribution on Account of Coal Price Regulation Account.

The Govt. of India vide its Notification No.SO-262 (E) dt.28.3.94 has fixed Rs.195/- per M. T. as retention price for the financial year 93-94. In pursuance of this notification, a sum of Rs.18569.53 lakhs in respect of despatches for the year have become payable to the C. P. R. Account. The amount has been arrived at on the basis of coal despatches during the year from revenue mines only. The said amount, subject to confirmation of Coal India Limited has been charged to Profit & Loss Account.

**10.2** Interest receivable from Debtors on delayed payments are accounted for on cash basis.

**10.3** Current year expenses includes Rs.389.52 lakhs towards arrear Interim Relief to employees, Rs.4.73 lakhs towards depreciation, Rs. 65.91 lakhs towards contractual payments, aggregating Rs.559.29 lakhs, relating to prior period charged to the Profit and Loss Account of the current year in their respective heads of expenses.

**10.4** The Orissa government has claimed road tax amounting to Rs.540.32 lakhs under Motor Vehicles Act on HEMM Dumpers from the year 1987-88 since the claim has been challenged and contested by the Company, no provision has been made for the said amount.

**10.5** Sales Tax demand for Rs.388.33 lakhs made on the company has been disputed and not provided for. However a sum of Rs.192.11 lakhs has been said under protest.

**10.6** Rate of depreciation on some of the assets have been revised, the impact of which is Rs.60.18 lakhs on Profit & Loss Account of the current year.

**10.7** Additional information is required in Paragraph 3 & 4 of Part II of the Schedule VI of the Companies Act, 1956 for the year ended 31st March 1994 :

1) Coal

(a) Licensed Capacity	-	Not applicable.
Installaed Capacity	-	Not applicable.

**11.1** Statement of Opening Stock of coal, Production, off take and closing Stock as under :

	Qty (lakh M.T.)	1993-94 Value (Cr. Rs.)
<b>Open Stock</b>		
a) Rev. Mines	44.38	111.09
b) Dev. Mines	1.60	3.70
<b>Prodn.</b>		
Rev. Mines	235.19	638.61
Dev. Mines	7.83	8.61

**1993-94**

	<b>Qty (lakh M.T.)</b>	<b>Value (Cr. Rs.)</b>
<b>Sales (Excl. Levies)</b>		
Rev. Mines	234.71	643.42
Dev. Mines	5.03	1.88
<b>Own Consn.</b>	0.95	4.35
<b>Cl. Stock</b>		
Rev. Mines	43.91	101.93
Dev. Mines	4.40	10.43

**10.8** Value of Imports Calculated on CIF basis :

	<b>1993-94</b>	<b>1992-93</b>
Stores & Spares	NIL	NIL
Capital Goods	NIL	NIL
Expen. on Foreign Currency		
i) Travelling	NIL	NIL
ii) Know how & Consultancy	NIL	NIL

**10.9** Value of Imported/Indigenous RawMaterials, Stores & Spares Consumed.

	<b>Raw Materials</b>	
	<b>Value</b>	<b>% age</b>
Imported	NIL	NIL
Indigenous	NIL	NIL
	<b>Stores &amp; Spare</b>	
	<b>Value</b>	<b>% age</b>
Imported	NIL	NIL
Indigenous	9487.80	100%

**11.2** Statement of Opening Stock of coal, Production, off take and Closing Stock as under :

	<b>Qty. (lakh M. T.)</b>	<b>1992-93 Value (Cr. Rs.)</b>
<b>Open Stock</b>		
a) Rev. Mines	39.78	86.58
b) Dev. Mines	0.99	2.06
<b>Prodn.</b>		
Rev. Mines	229.03	560.41
Dev. Mines	1.40	3.43

	Qty. (lakh M. T.)	1992-93 Value (Cr. Rs.)
<b>Sales (Excl. Levies)</b>		
Rev. Mines	223.03	532.00
Dev. Mines	0.79	1.77
<b>Own Consn.</b>	1.00	3.90
<b>Cl. Stock</b>		
Rev. Mines	44.38	111.09
Dev. Mines	1.60	3.70

12. Accounts for the year 93-94 as approved by the Board of Directors on 25.07.94 and reported up on by the Statutors on 29.07.94 was submitted to Commercial Audit. During the course of Audit the Principal Director of Commercial Audit has finally issued memos which were accepted by the Company and accordingly the Adjustments have been carried out in the Accounts of the Company for the year 93-94.

The summarised effect of the adjustments & Changes have the effect of reducing the current years profit by Rs.389.70 lakhs as under :

	Rs. in lakh
a) Increase in Prov. for Loss of Assets	39.36
b) Inc. in Employees Remuneration & Benefit	244.65
c) Increase in Rates & Taxes	14.69
d) Inc. in Interest Increase in Other Misc. Expenses	2.55
e) Increase in Prov. for doubtful advance	5.08
f) Increase in prov. for stock deterioration	80.96
<b>TOTAL</b>	<b><u>389.70</u></b>

Accordingly changes have been made in Profit & Loss Account, Balnce Sheet and Notes on Accounts by Circular Resolution dt. 12.9.94.

All the Schedules 1 to 26 and the Accounting Policies & Notes on Accounts form Integral part of these Accounts.

**Asst. Secretary**  
MCL  
SAMBALPUR

**General Manager (F)**  
MCL  
SAMBALPUR

**Director (T)**  
MCL  
SAMBALPUR

**Director-in-charge**  
MCL  
SAMBALPUR

As per our report of this date annexed  
For **K. C. Samal & Com.**  
Chartered Accountants.  
K. C. Samal, B. Com. F. C.

**ADDENDUM TO DIRECTOR'S REPORT**  
**(UNDER SECTION 217(3) OF THE COMPANIES ACT, 1956)**

**AUDITORS' REPORT**

**MANAGEMENTS REPLY**

To  
The Members of  
Mahanadi Coalfields Limited  
Sambalpur.

1. We have audited the attached Balance Sheet of Mahanadi Coalfields Limited as at 31st March, 1994 and annexed Profit & Loss Account for the year ended on that date together with the notes and schedules referred to thereon.

The accounts of the following areas/offices audited by the other Branch Auditor appointed by the Company Law Board/ Central Govt., have been incorporated in this account.

- a) Talcher Area
- b) Jagannath Area
- c) Kalinga Area

2. Our observations and comments on the accounts are given in Annexure --A to this report.

3. The Statement of Accounts together with the Notes thereon, approved by the Board of Directors in their meeting held on 25.07.94 and reported thereon by us on 29th July, 1994 have been revised and amended to comply with the observations of the Comptroller and Auditor General of India.

The relevant amendments have the effect of decreasing the current year's profit by Rs.389.70 lakhs comprising of :

	(Rs. in lakhs)
a) Increase in provision for loss of assets	Rs. 39.36

**AUDITORS' REPORT****MANAGEMENT REPLY**

	<b>(Rs. in lakhs)</b>
b) Increase in employees remuneration & Benefits	Rs. 244.65
c) Increase in Rates & Taxes	Rs. 14.69
d) Increase in Interest & Other Misc. Expenses	Rs. 2.55
e) Increase in Provision for Doubtful Advance	Rs. 5.08
f) Increase in Provision for Stock Detoriation	Rs. 80.96
<b>TOTAL</b>	<b>Rs. 389.70</b>

This report, therefore superseeds our earlier report dated 29th July, 94.

4. As required by the manufacturing and other Companies (Auditors' Report Order, 1988) and on the basis of such test checks of the books and records of the company, as were considered appropriate and according to the information and explanations given to us in the course of our audit, we enclose in the Annexure - B a statement on the matters specified in paragraph 4 & 5 of the said order.
5. Subject to our comments contained in Annexure - A & B to this report and read with notes on accounts given in Schedule - 27 and Statement of Accounting policies in Schedule 28 forming part of the accounts, we report that :
  - a) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion and so far it appears from the examination of the books, proper books of account as required by law have been kept by the Company except Fixed Assets Register in some of the units as mentioned in Annexure - A to this report.

**AUDITORS' REPORT**

- c) The Branch Auditor's Report of the Areas not visited by us have been forwarded to us and those have been properly dealt with in preparing our report.
- d) The Balance Sheet and Profit & loss Account are in agreement with the books of accounts.
- e) To the best of our information and according to the explanations given to us and subject to our comments in Annexure - A and Annexure - B to this report and read with the notes on accounts, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :
  - i) in the case of Balance Sheet, of the State of affairs of the Company as at 31st March, 1994 and
  - ii) in the case of Profit & Loss Account, the profit of the Company for the year ended on that date.

**MANAGEMENT REPLY**

PLACE : SAMBALPUR  
DATED : 14TH Sept., 1994

For **K. C. SAMAL & CO.**  
CHARTERED ACCOUNTANTS

**(K. C. Samal B. Com. FCA)**

**ANNEXURE - A**

**REFERRED TO IN OUR REPORT ON THE ACCOUNTS OF  
MAHANADI COALFIELDS LTD. FOR THE YEAR ENDED 31ST MARCH, 1994**

**AUDITORS' REPORT****MANAGEMENTS REPLY****1. FIXED ASSETS**

- |      |   |  |
|------|---|--|
| i)   | The company has taken over Hospitals, Rescue Station, Welfare Centres etc. from other organisations in areas. Pending finalisation the assets/liabilities/depreciation in respect of the assets taken over have not been taken into account.  | The management has no comments to offer, as this is a statement of fact. The value of the Assets has not yet been communicated by the Govt. The depreciation etc. will be provided when the value is communicated.   |
| ii)  | The titles/lease deeds of the land, building and mining rights were not available for our verification. We are informed that, the land acquired under Coal Bearing Area (Acquisition & Development) Act, 1957 has been shown as land lease-hold in Fixed Assets. Title Deeds and/or lease deeds of land and buildings and Mining Rights are not available with the Company as the transfer formalities from the Holding Company and its other subsidiaries have not been completed and consequently some documents continue to be held in the name of the Holding Company or its other subsidiaries, transfer of land and Mining Rights from State Govt. of Orissa to this company after its formation have been effected on the basis of notification issued by the Orissa State Government. In view of the above it has not been possible for us to verify the ownership of the land. | Details of the Land acquired/purchased is maintained indicating the reference of the Demand Note raised by the authorities, for the area and acquired and handed over to the company. Details of the land vested on nationalisation have however, not been available in most of the areas, as no formal orders of the Govt. is issued separately vesting these lands in the company. |
| iii) | The fixed assets of Plant & Machinery, buildings, furnitures are being physically verified and not yet reconciled with the register as on date of audit in some of the units.   | Reconciliation of physical verification statement and Asset Register/Plant Card will be taken up, where the same has not been done.  |
| iv)  | In regard to Railway sidings the payment made to the Railway Authority for construction of the Railway sidings has been shown under capital work-in-progress.   | In the case of Railway Siding the work is executed by RITES as a deposit work and hence capitalisation has to be necessarily done on the basis of the information furnished by the Railways. However,  |

**AUDITORS' REPORT**

in the absence of particulars and/or other necessary information under capitalisation and under provision of the depreciation, if any, in this regard could not be ascertained.

- v) No report has been made available to audit in respect of damaged/discarded assets and no provision has been made. As a result, the over-valuation of assets to that extent could not be ascertained.
- vi) Kalinga Area has paid an advance for acquisition of land amounting to Rs.530.87 lakhs which is included in advance to others in Sch-9.

**2. INVENTORIES**

- i) We have been given to understand that the stock of stores & spares have been physically verified by independent Chartered Accountant/Cost Accountant Firms and their report is yet to be received. In absence of any such report, adjustment carried out in respect of reconciliation between priced ledger and numerical ledger could not be ascertained and therefore we are unable to comment on this.
- ii) In respect of Jagannath Area, out of the total non-moving stores of Rs.3,06,46,473/- a provision of Rs.18,22,340/- only has been made for obsolete stores items and for the balance amount no provision has been made.

**MANAGEMENT'S REPLY**

Railway Sidings which have been completed in all respects are capitalised on the basis of information available.

The review of Damaged/discarded Assets is done by the company every year and provision made wherever considered necessary.

The amount has not been fully disbursed as on 31.03.94 and hence, lying under Advance head.

Reconciliation of Priced ledger and Numerical ledger is in progress. During the course of day to day work discrepancy noticed, if any, is taken care of immediately.

The review of unserviceable/damaged stores is being made every year. The non-moving stores of Rs.306.46 lakhs has been analysed as under :

<u>A. Insurance item</u>	<u>(Rs. in lakhs)</u>
HEMM Spares	82.08
Under Ground	
Machinery spares	49.42
 B. Obsolete Stores	 18.22
(provided in 92-93)	
 C. Other slow moving spares	
under identification	156.74
 <b>Total</b>	 <b><u>306.46</u></b>



**AUDITORS' REPORT****MANAGEMENT'S REPLY**

The other slow moving spares worth Rs.156.74 lakhs is under active scrutiny and examination.

**3. STOCK OF COAL**

- |     |  |   |
|-----|--|---|
| i)  | No provision for Rs.344.54 lakhs has been made in the account for the difference between the value of book stock and physical stock of coal as the difference is within +/- 5% as per the Company's Policy.  | Production and physical stock of coal is verified by volumetric measurement, whereas despatches are on actual weight. This may result is some variation and such variation upto +/- 5% at the year end is ignored for accounting as per the accounting policy of the company.   |
| ii) | As per the policy of the company, stock of coal is valued at lower of the declared selling price or net realisable value based in the actual realisation of the despatch of coal during the last quarter of the year, the over/ under valuation of Closing Stock of coal could not be ascertained, as compared to actual cost. | Valuation of closing stock has been made at lower of declared grade selling prices as at 31st March, 1994 or net realisation made in the last quarter of the year after providing for rehandling charges, wherever applicable. Further, a provision @ 1.5% on during the year towards deterioration due to fire, longer period of stocking etc. has been made. These are as per Accounting Policy of the Company. The method of valuation of closing stock as given above is consistent ——— followed. |

**4. SUNDRY DEBTORS**

- |     |   |                             |
|-----|---|-----------------------------|
| i)  | The year end confirmation of debtors' are not obtained.   | No comments.                |
| ii) | During the year, provision for bad and doubtful debts worth Rs.22.22 crores has been made and total provision made upto 31.3.94 is Rs.73.20 crores. Since the units are operating for a longer period of time and balances outstanding are transferred from South Eastern Coalfields Limited and the actual bad debts has not been written off. In our opinion the company should write off such very old balances. | The matter is under review. |

**5. LOANS & ADVANCES**

- |    |   |              |
|----|---|--------------|
| i) | No balance confirmation has been obtained for Loans Advances made by the Company as on 31.3.94. | No comments. |
|----|---|--------------|

**AUDITORS' REPORT**

**MANAGEMENT'S REPLY**

- ii) The credit balance of Loans & Advances have been shown after netting of the same.
- iii) No linkage has been made between the liabilities with the corresponding advances for the purchase of stores, machineries and given to the employees etc. as a result, the impact of the above Profit & Loss Account could not be ascertained.
- iv) In the absence of complete details, classification of Loans & Advances between secure and unsecured good doubtful has not been made and we could not verify the same.

No comments.

Thrust on Linking-up of stores advances and Sundry creditors are being made every year, as a result the balance of earlier year in both the accounts have been reduced. The scrutiny of current advances is in progress simultaneously. However, provision carried in the accounts considered to be adequate.

Classification of advances between secured and unsecured good and doubtful are in progress.

**6. CURRENT LIABILITIES/SUNDRY CREDITORS**

- i) Confirmation of balances of sundry creditors deposits from customers etc. has not been obtained as on 31.3.94.
- ii) The debit balance included in the Sundry Creditors Account and other liabilities have been netted against the other credit balance of Sundry Creditors and other Liabilities.
- iii) No provision of gratuity liabilities of employees on actuarial basis has been provided. Amount is unascertainable.

No comments.

Subsidiary ledgers in respect of Sundry creditors have been prepared and is under reconciliation. Adjustments will be carried out as required. This is a continuous process.

As per Accounting Policy of the company, Gratuity and life cover scheme are accounted for on Cash-cum-Retirement and or death basis. Accrued liability is neither actuarially ascertained nor accounted for.

**7. MISCELLANEOUS**

- i) Provision for C.P.R.A. has been made on the basis of despatches from the Revenue Mines. No such provision has been made in respect of despatches from development mines.

Provision for contribution to Coal Price Regulation Account is required to be made only on despatches made from revenue mines in terms of clarification issued by the Holding Company.

**AUDITORS' REPORT**

**MANAGEMENT'S REPLY**

- |  |  |
|--|--|
| <p>ii) The disputed demand of Sales Tax for Rs.388.33 lakhs has not been provided in the account. However, a sum of Rs.192.11 lakhs has been paid under protest.</p> | <p>The disputed demand of Sales Tax for Rs.388.33 has been revealed in the in Notes on Accounts (Schedule 27).</p>   |
| <p>iii) The balance confirmation from holding Company and other subsidiaries have not been obtained as on 31.3.94.</p>   | <p>This is a continuous job. The unreconciled balances with the holding company as well as other subsidiaries will be again reconciled during the next financial year.</p> |

**8. PROFIT & LOSS ACCOUNT**

- |  |   |
|--|---|
| <p>i) Depreciation has been charged during the year on all depreciable assets at the rate specified in Schedule -XIV to the Companies Act. 1956, as revised during the year. The Company has applied the revised rate of depreciation on all assets, existing and new during the current year. As a result, on this revision in rates, the depreciation charged to the Profit &amp; Loss Account is lower and profit for the year inflated to that extent.</p> | <p>Depreciation charged on all Assets, existing and new during the current financial year as per Company Act, 1956.</p> |
| <p>ii) No Income Tax provision has been made in the Profit &amp; Loss Account of the Company. As inform to us by the Company, the Company is not liable for Income Tax during the year.</p>  | <p>No comments.</p>   |

For **K. C. SAMAL & CO.**  
Chartered Accountants

(K. C. SAMAL, B. Com., FCA)

PLACE : SAMBALPUR  
DATED :

## ANNEXURE - B

## AUDITORS' REPORT

## MANAGEMENTS REPLY

- |  |  |
|--|--|
| <p>1.1 Fixed Assets Register/ Plant Cards have generally been properly maintained showing full particulars &amp; quantitative details. Except for land, situation of fixed assets are by and large properly recorded. Further in few cases location of plant &amp; Machinery are yet to be recorded.</p>   | <p>Location of Plant &amp; Machinery in the Fixed Assets Register wherever missing has since been incorporated.</p>  |
| <p>1.2 As informed, as per the programme of verifying the item of Plant &amp; Machinery over Rs.1 lakh in each case, the Company has generally carried out such verification and no significant discrepancies were noticed. We have been informed that there is a programme of verification of other assets periodically over a period of 3 years but the same has not commenced during the period.</p>  | <p>The Management has no comments to offer as it is a statement of facts.</p>  |
| <p>2. None of the assets have been revalued during the period.</p>   | <p>The Management has no comments to offer as it is a statement of facts.</p>  |
| <p>3.1 Physical verification of stock of coal has been conducted by a team of independent surveyors deputed by the close of the year. Physical verification of stock of stores and spares are being conducted by firm(s) of independent Chartered Accountants/Cost Accountants. The report is still awaited.</p>   | <p>a) Stock of Coal :<br/>The Management has no comments to offer as it is a statement of facts.</p> <p>b) Stock of Stores &amp; Spares :<br/>The stock of stores and spares have been verified by firm(s) of independent Chartered Accountants/ Cost Accountants. The discrepancies are under reconciliation.</p> |
| <p>3.2 The procedures of the physical verification of stock of coal followed by the Management appears to be reasonable and adequate in relation to the size of the company and the nature of its business. The physical verification of stores and spares were conducted during the period by a Chartered Accountants Firm. We are unable to comment whether the procedure for physical verification of stores and spares is reasonable or adequate in relation to the size of the unit and nature of the business. In our opinion, system of continuous stock taking should be introduced.</p> | <p>a) Stock of Coal :<br/>The Management has no comments to offer as it is a statement of facts.</p> <p>b) Stock of Stores &amp; Spares :<br/>The stock of stores and spares have been verified by firm(s) of independent Chartered Accountants/ Cost Accountants. The discrepancies are under reconciliation.</p> |

**AUDITORS' REPORT**

3.3 Shortage/excess found on physical verification in respect of coal in this +/- 5% tolerance compared to book records have been ignored in the books of accounts. In absence of physical verification of stock of stores and spares report, we are unable to comment about the discrepancy, if any, arising out of such verification.

3.4 As regards the valuation of stock of coal as per the policy of the company no adjustment has been made for the difference between the selling price/net realisable value and the notified retention price of coal in the coal stock valuation. Subject to above, the valuation of stock of coal is fair and proper and in accordance with the normally accepted accounting principles. Stock of stores & spares have been taken into account as per General Ledger Balance pending adjustment for discrepancies, if any, found on the basis of physical verification report. Subject to the above, the valuation of stock to stores & spares is fair and proper.

4. The company has not taken any loans, secured or unsecured from Companies, Firms or other parties listed in the register maintained under Sec. 301 of the Companies Act, 1956 and/or from the companies from the same management as defined under Sec. 370 (IB) of the said Act other than unsecured loans from Coal India Limited. The interest on the said loan is accounted for, based on debit/credit notes issued by the holding company. In absence of information about the rate of interest and other terms and conditions of such loans, we are unable to comment whether or not these are prejudicial to the interest of the company.

**MANAGEMENT'S REPLY**

a) Stock of Coal :

Production and Physical stock of coal is verified by volumetric measurement whereas despatches are on actual weight. This may result in some variation and as such variation upto +/- 5% at the year end is ignored for accounting as per Accounting Policy of the Company.

b) Stock of Stores & Spares :

The stock of stores and spares have been verified by firm (s) of independent Chartered Accountants/ Cost Accountants. The discrepancies are under reconciliation.

As per practice prevalent in the Company, closing stock of coal has been valued at lower of declared grade selling price or the net realisable value of the last quarter of the year, which is followed consistently.

Hence, the question of valuing closing stock on the basis of retention price does not arise. Further, the retention price is declared by the Govt. on year to year basis and unless the retention price is declared it will not be prudent to conclude that there will be a retention price in the following year. Further, it is also not proper to conclude that there will be no change in the declared retention price. Proper valuation of closing stock requires consistent system of valuation of closing stock, whatever method is adopted.

The interest is allocated by Coal India Ltd., on the basis of investment made by it in the subsidiary Company.

**AUDITORS' REPORT**

**MANAGEMENT'S REPLY**

- |  |   |
|--|---|
| 5. As explained to us, the company has not granted any loans secured or unsecured to the companies, firms or other parties as listed in the register maintained under Sec. 301 of the Companies Act, 1956, and/or companies under the same management as defined under sub. Sec. (1B) of Sec. 317 of the Companies Act, 1956, except in case of routine transactions with sister subsidiary companies. | The Management has no comments to offer as it is a statement of facts.  |
| 6.1 The company has given loans & advances in the nature loans to its employees and the same are generally recovered as per stipulations.  | The Management has no comments to offer as it is a statement of facts.  |
| 6.2 In the case of loans & advances in the nature of advances to other parties, in absence of complete details of old balances, we are unable to comment whether the same are secured or unsecured and good or doubtful or recoverable.  | Subsidiary records have been prepared in all the Areas/Offices and reconciliation thereof with control accounts is in progress. |
| 7.1 The internal control procedures in respect of purchase of stores and spares including components, plants, equipments & other assets are in our opinion, adequate and commensurate with the size of the company & nature of its business except occasional delay in accounting of stores, spares, plants & machineries etc., adjustment of advances and accounting of suppliers bills.              | The Management has no comments to offer as it is a statement of facts.  |
| 7.2 In our opinion, adequate internal control procedure commensurate with the size and nature of its business exists in the company with regard to the sale of goods.  | The Management has no comments to offer as it is a statement of facts.  |
| 8. We have been given to understand that there are no transactions with the parties entered in the register maintained under Sec. 301 of the Companies Act 1956, aggregating to Rs. 50, 000/- or more in respects of each party during the year, of purchase of goods and materials and sale of good/ materials and services.  | The Management has no comments to offer as it is a statement of facts.  |

**AUDITORS' REPORT****MANAGEMENT'S REPLY**

9. In the absence of physical verification report, we are unable to comment whether the company has an adequate system for determination of unserviceable and/or damaged stores & spares. In case of Jagannath Area, the total stock of non-moving stores & spares is Rs. 3,06,46,473.00 out of which a provision has been made for Rs. 18, 22,340/- (Rupees eighteen lakhs twentytwo thousand three hundred forty) only.
- The review of unserviceable/damaged stores is being made every year. The non moving stores of Rs. 306.46 lakhs has been analysed as under :
- |   |                |
|---|----------------|
| A. Insurance Items                                | (Rs. in lakhs) |
| HEMM Spares                                       | 82.08          |
| Under Ground                                      |                |
| Machinery Spares                                  | 49.42          |
| B. Obsolete Stores                                | 18.22          |
| C. Other slow moving spares under identification. | 156.74         |
| Total   | 306.46         |
- The other slow moving spares worth Rs.156.74 lakhs is under active scrutiny and examination.
10. The company has not accepted any deposits from the Public as defined under section 58A of the companies Act 1956, and the rules framed thereunder.
- The Management has no comments to offer as it is a statement of facts.
11. Scraps arising out of unserviceable stores/ spares, discarded plant & machinery etc., are accounted for at the time of sale. Adequate records for disposal have been maintained by the company. We are given to understand that there are no realisable by-product.
- The Management has no comments to offer as it is a statement of facts.
12. The company has an internal audit department which is not commensurate with the size and nature of the business of the company. The holding company i.e. COAL INDIA LIMITED, generally appoints firms of Chartered Accountants/Cost Accountants as Internal Auditors of different areas of its subsidiary companies. During the year under review, the company appointed firms of accountants to conduct the audit of various areas of the company and action is being taken on such reports wherever received.
- The Management has no comments to offer as it is a statement of facts.
13. As explained to us by the management, the Central Govt. has not prescribed maintena-
- The Management has no comments to offer as it is a statement of facts.

**AUDITORS' REPORT**

**MANAGEMENT'S REPLY**

nce of cost records under Sec. 209 (l) (d) of the Company Act 1956.

- |  |  |
|--|--|
| 14. Provident Fund dues are deposited regularly and in time.   | The Management has no comments to offer as it is a statement of facts.   |
| 15. The payment of stowing excise duty is due for the month of Feb. '94 & March '94 amounting to Rs.3 (three) Crores only. There is no undisputed liability outstanding for more than six months towards, Income Tax, Wealth Tax, Customs Duty etc.  | The stowing excise duty is paid quarterly. The liability for Feb. ' 94 & Mar. '94 has been paid within due date. |
| 16. During the course of our audit of the books of accounts carried out in accordance with generally accepted auditing practices and according to the information and explanation given to us no personal expenses of employees or Directors, other than those payable under contractual obligation or in accordance with prevailing business practice have been charged to revenue account. | The Management has no comments to offer as it is a statement of facts.   |
| 17. This being a Govt. Company Sick Industrial Companies (Special Provisions) Act 1985 is not applicable.  | The Management has no comments to offer as it is a statement of facts.   |
| 18. It appears to us that there is reasonable system of authorisation at proper levels with necessary control on the issue of stores and allocation of stores and labour to jobs. It appears from our test check that the system of Internal control commensurate to the volume and nature of the business of company.   | The Management has no comments to offer as it is a statement of facts.   |

For **K. C. SAMAL & CO.**

**(K. C. SAMAL, B. Com. FCA)**

PLACE : SAMBALPUR

DATED :



## ANNEXURE TO THE DIRECTORS' REPORT

**PARTICULARS OF EMPLOYEES AS REQUIRED UNDER SEC. 217 (2A) OF  
THE COMPANIES ACT, 1956 READ WITH COMPANIES  
(PARTICULARS OF EMPLOYEES) AMENDMENT RULE, 1990  
AND FORMING PART OF DIRECTORS' REPORT**

**LIST OF EMPLOYEES WHO ARE IN RECEIPT OF REMUNERATION OF RS.1,44,000  
OR MORE DURING THE PERIOD 1993-94 (EMPLOYED THROUGHOUT THE YEAR)**

Sl. No.	Name	Designation	Qualification	Place of posting	Remuneration (Rs.)	Experience in years	Date of Commencement of Employment	Age	Last employment held
01.	Dr. M. M. Das	(MS)	MBBS	Balanda Dispens.	1,55,887.00	21	10.5.78	49	—
02.	Kulwanta Singh	(Addl. CM)	BE, 1st Class Colliery Managers Certificate	Balanda Colliery	1,61,332.00	29	—	54	—
03.	Dr. B. B. Marthe	(Dy. MS)	MBBS	R. H., Tal	1,46,316.00	14	12.11.80	42	—
04.	Dr. P. K. Pattanaik	(MS)	MBBS (Dip-in-Anesth)	R. H., Tal	1,60,822.00	15	20.3.79	45	—
05.	Dr. G. N. Behera	(MS)	MBBS	R. H., Tal	1,68,765.00	22	10.5.77	48	—
06.	Dr. P. K. Mishra	(Dy. CMO)	MBBS	R.H., Tal	1,73,024.00	22	13.5.72	47	—
07.	Dr. (Cap) K. B. Rao	(MS)	Dentist	R. H., Tal	1,75,735.00	26	1968	53	—
08.	Dr. R. K. Mohaptra	(MS)	MBBS	R. H., Tal	1,56,377.00	22	10.12.73	48	—
09.	Dr. S. Sahas	(MS)	M.D.	R.H., Tal	1,44,547.00	11	1.2.83	38	—
10.	Dr. (Mrs.) S.K. Mishra	(Dy. CMO)	MBBS	C. H., Tal	1,80,679.00	26	2.7.68	52	—
11.	Dr. P. K. Panda	(MS)	MBBS	C.H., Tal	1,62,314.00	22	11.5.77	46	—
12.	Dr. G. S. Mohaptra	(Dy. CMO)	M. D.	C.H., Tal	1,68,539.00	22	1.12.72	47	—
13.	Dr. B. K. Das	(MS)	M. S.	R. H., Tal	1,50,582.00	13	1.8.80	42	—
14.	Dr. (Mrs.) C. Dei	(MS)	MBBS	JNC Disp.	1,62,879.00	21	11.5.78	46	—

Note : None of the above employee is a relative of any Director.