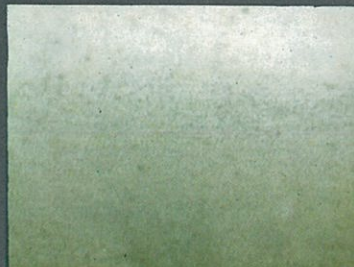
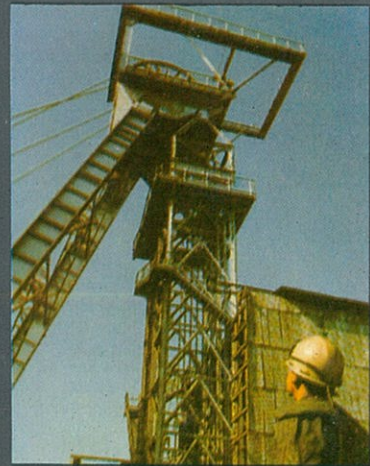
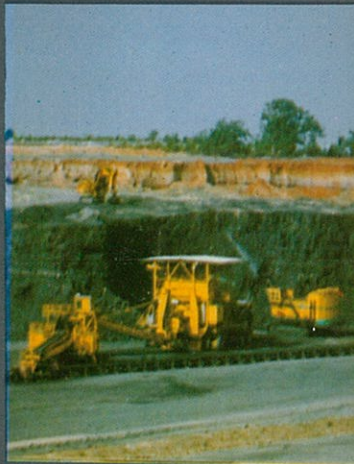


ANNUAL REPORT & ACCOUNTS
1996-97



MAHANADI COALFIELDS LIMITED

**ANNUAL REPORT & ACCOUNTS
1996-97**



MAHANADI COALFIELDS LIMITED

(A Subsidiary of Coal India Limited)

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

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MANAGEMENT DURING 1996-97

- CHAIRMAN-CUM-MANAGING DIRECTOR : Shri C. R. Das (up to 30.11.96)
Shri A. R. Shrama (from 2.12.96)
- FUNCTIONAL DIRECTOR : Shri V. K. Sehgal, Director (T)
(up to 31.1.97)
- PART TIME DIRECTORS : Shri P. K. Sengupta, Chairman, CIL, Calcutta.
Shri Sunil Soni, Director, Ministry of Coal
New Delhi (up to 28-2-97)
Shri T. K. Deb, Director (T), CIL, Calcutta
(up to 30-6-96)
Shri A. K. Sahay, Director (T), CIL,
Calcutta (from 21.11.96)
Shri A. Chatterjee, Director (F), CIL,
Calcutta (from 13.3.97)
Shri Premanand Das, Director,
Ministry of Coal (from 28.2.97)
- COMPANY SECRETARY : Shri S. C. Behera

PRESENT MANAGEMENT

- CHAIRMAN-CUM-MANAGING DIRECTOR : Shri A. R. Sharma
- FUNCTIONAL DIRECTOR : Shri. S. N. Sharma, Director (T)
- PART TIME DIRECTORS : Shri P. K. Sengupta, Chairman,
CIL, Calcutta.
Shri Premanand Das, Director,
Ministry of Coal, New Delhi.
Shri A. K. Sahay, Director (T),
CIL, Calcutta.
Shri A. Chatterjee, Director (F),
CIL, Calcutta.
- Company Secretary** : S. C. Behera

Bankers

State Bank of India, UCO Bank, Canara Bank, Andhra Bank,
Indian Overseas Bank, United Bank of India, Union Bank of India.

Auditors

M/s K.L. Banerjee & Co.
Chartered Accountants, Calcutta.

Branch Auditors

M/s Bhasin Hota & Co.,
Chartered Accountants,
Bhubneswar.

Registered Office

MCL Complex, Anand Vihar, P.O.: U.C.E. Burla,
Sambalpur- 768018, Orissa

MCL/SBP/CS/AGM-5/97

September 16, 1997

NOTICE

FIFTH ANNUAL GENERAL MEETING

Notice is hereby given that the Fifth Annual General Meeting of Mahanadi Coalfields Limited will be held at 11 AM on Tuesday the 23rd September, 1997 at the Registered Office of the Company, MCL Complex, Anand Vihar, P.O.-U.C.E., Burla, Sambalpur to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited accounts for the year ended 31st March, 1997, Report of the Auditors thereon and Directors' Report.
2. To declare Dividend.
3. To 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.
4. To appoint a Director in place of Shri A. K. Sahay, who retires in terms of Article 34 e (iii) of the Articles of Association of the Company and is eligible for re-appointment.
5. To appoint a Director in place of Shri A. Chatterjee, who retires in terms of Article 34 e (iii) of the Articles of Association of the Company and is eligible for re-appointment.
6. To appoint a Director in place of Shri Premanand Das, who retires in terms of Article 34 e (iii) of the Articles of Association of the Company and is eligible for re-appointment.

SPECIAL BUSINESS

To consider, and if thought fit, pass with or without modification(s) the following resolutions as Special Resolutions.

Resolution No. 1

"Resolved that the Object Clause III (B) of the Memorandum of Association be altered by inserting immediately after Sub-clause 56, the following new Sub-clause No. 57 which reads as under.

III (B) - 57 : To empower Coal India Limited to borrow money or to receive money or deposit or issue bonds for the purpose of financing the business of the CIL including its subsidiary Companies either without security or secured by Debentures, Bonds, stock (perpetual or terminable) mortgage or other security charged on the undertaking all or any of the assets of the MCL including its uncalled capital and to increase, reduce or pay off any such securities."

Resolution No. 2

"RESOLVED THAT the Article-20 of the Articles of Association of Mahanadi Coalfields Limited be and is hereby amended to read as under :

Subject to the approval of the President/CIL and the provisions under Section 292 and 293 (i) (d) of the Act, the Board may by means of a resolution passed at a meeting of the Board from time to time, borrow and/or secure the payment of any sum or sums of money for the purposes of the Company, provided that no approval of President/CIL would be necessary for borrowing from the banks for the purpose of meeting the working capital requirements on the hypothecation of the Company's Current Assets."

By order of the Board of Directors
For Mahanadi Coalfields Limited

S.C. Behera
Company Secretary

REGISTERED OFFICE :

MCL Complex, Anand Vihar, P.O. : U C E , Burla, Sambalpur

NOTE :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. Proxies, in order to be effective, must be received by the Company not less than 48 hours before the meeting.
2. The Shareholders are requested to give their consent for calling the Annual General Meeting at a shorter notice pursuant to the Provisions under Section 171 (2) (i) of the Companies Act, 1956.

ANNEXURE TO THE NOTICE

Explanatory Statement for Resolution No.1

Company Secretary, Coal India Limited (the Holding Company) vide his letter No.CIL/XI(D)/04017/880/92 dated 2nd July, 1992 had informed that the Ministry of Coal vide letter No. 48016/1/92-CA, dated 5th May, 1992 communicated the approval to the proposal of Coal India Ltd. to amend the "Object Clause" of Memorandum and Articles of Association of CIL to empower it to mortgage or create charge on the Fixed Assets of Coal India Limited and its subsidiary companies to provide for the coverage of security in favour of trustees of CIL Bond Holders.

Further to the above the Company Secretary, Coal India Ltd. vide his letter No. CIL/XI(D):04065C:131:97 dated 14.3.97 has requested to take up the matter of amending Object Clause of Memorandum and Articles of Association of Mahanadi Coalfields Ltd. as per the amended provisions of the Companies Act.

Accordingly the "Object Clause" of Mahanadi Coalfields Ltd. is required to be amended to empower Coal India Limited to mortgage or create charge on Fixed Assets of Mahanadi Coalfields Limited against the issue of CIL Bonds to provide for the coverage of security in favour of trustees of CIL Bonds Holders.

The fund allocation for capital and revenue expenditure to various subsidiary companies is done centrally at the level of Coal India Ltd. (the holding company) keeping in view their fund requirement. This arrangement facilitates availability of funds to subsidiary companies in equitable manner at economical cost. It also avoids multiplicity of procedure and formalities which are required to be followed in obtaining loan, invite deposits, issue of bonds etc. Therefore to meet the financial requirements of CIL and its subsidiary companies Coal India Limited is required to borrow money and has to provide security. Thus the above amendment in the 'Object Clause' of the Memorandum of Association will enable the Company to carry on its business more economically/efficiently.

The above referred letter of Company Secretary, Coal India Limited and Memorandum and Articles of Association can be inspected at the registered Office of the Company on any working day during the office hours. These will also be available at the meeting.

As per the amended provisions of the Companies Act a Company has to file with the Registrar of Companies a Special Resolution to the effect of the Change of Memorandum and Articles of Association passed by the Company in its General Meeting.

None of the Directors are interested or concerned in the Resolution.

Explanatory Statement for Resolution No.2

The entire holding of Equity of MCL as well as of other Subsidiary Companies is held by Coal India Limited while the Coal India's entire Equity as well as Preference Share Capital is held by the president of India. The Articles of some of the subsidiary Companies under the head "Borrowing Power" (Article-20) enjoins certain limitation on the power of the Board to borrow, by making such powers to borrow subject to the approval of the President of India over and above compliance with the statutory provisions.

The existing Articles of the borrowing power limit of ECL, BCCL, CCL and CMPDIL stipulates approval of the "CIL" whereas Articles of WCL, SECL, NCL state the "Presidents" approval. In MCL however, it has been stated that approval of "President/CIL" be taken.

In view of the above, in order to make a uniformity in the Clause of the Sanctioning Authority for borrowing power of the Subsidiary Companies as the borrowing limits of the subsidiary companies will be required to be enhanced consequent on swap of Equity to Debt CIL, pursuant to its Board approval has directed to amend the Article-20 of the Articles of Association of all the Subsidiary Companies as mentioned above.

The said amendment to the Articles of Association of Mahanadi Coalfields Ltd. can be made as per the provisions of Section-31 of the companies Act 1956 by passing a Special resolution at the General Meeting.

The above referred letter of company Secretary, CIL and Memorandum and Articles of Association of Mahanadi Coalfields Limited can be inspected at the registered office of the company on any working day during the office hour. These will be available at the meeting also.

None of the Directors are interested or concerned in the Resolution.

By order of the Board of Directors
For Mahanadi Coalfields Limited

S. C. Behera
Company Secretary

DIRECTOR'S REPORT

To
The Shareholders,
Mahanadi Coalfields Limited.

Gentlemen,

Your directors have pleasure in presenting the 5th Annual Report on the operations of your Company for the 1996-97.

Your Company has completed another successful year not only in respect of production and overburden removal but also in respect of profit and other parameters. The following figures speak for themselves :

2. HIGHLIGHTS OF THE YEAR

2.1 Performance

	1996-97	1995-96
(a) Coal Production (MT)	37,367	32,701
(b) Overall Productivity (OMS)	6.850	6.330
(c) Despatches (MT)	37,220	34,347
(d) Offtake (MT)	37,292	34,347
(e) Wagon Loading (FWWs/day)	3001	2859
	(Rs. in Crs.)	
(f) Gross Margin	490.44	490.03
Less		
Depreciation	78.59	75.38
Interest	85.20	78.59
Profit before CPRA & Tax	326.65	336.06
Less CPRA	—	311.31
Profit before Tax	326.65	24.75
Provision for Income Tax	93.00	—
Proposed Dividend	100.00	20.00
Retained Profit	133.65	4.75
(g) Welfare Expenditure	35.46	29.26

3. LOCATION

Your Company has at present 21 mines situated in the state of Orissa. For effective administrative control and optimising operation, the mines are grouped into 7 Areas viz. Talcher, Jagannath, Kalinga, Hingula, IB-Valley, Orient and Basundara.

4. PRODUCTION PERFORMANCE

Production Performance Vis-a-vis Target

Your Company showed satisfactory results

during the year under report. The target of production for coal has been met. However, the target of overburden slipped slightly.

Unit	1996-97		1995-96		Percentage Growth Over previous year
	Target	Actual	Actual	Actual	
O/C Coal (MT)	34,000	35,555	30,816	15.38	
U/G Coal (MT)	2,000	1,811	1,885	-3.92	
Total Coal (MT)	36,000	37,366	32,701	14.26	
OBR (M.Cum)	36,000	34,538	32,092	7.62	
Composite					
Production (M.Cum)	61,714	61,228	55,450	10.42	

5. PRODUCTIVITY

(in tonne/manshift)

Unit	1996-97		1995-96		Percentage Growth Over previous year
	Target	Actual	Actual	Actual	
O/C	12.90	12.82	12.76	0.47	
U/G	0.69	0.68	0.69	-1.45	
Overall	6.40	6.85	6.33	8.21	

6. POWER

6.1 To meet the power demand in Talcher Coalfields, Power supply project phase-I for 3x20 MVA at 132 KV/32 KV. from OSEB is under operation. Present contract demand is 24900 MVA. In addition to this, for meeting future power demand, CMPDIL RI-VII is working out the master plan and project report.

6.2 In IB Valley Coalfields, one 4x20 MVA 132 KV/32KV power supply system is under construction and likely to be commissioned by September'97. A scheme for construction of 3x20 MVA 220 KV/33 KV substation at Basundhara area and one 220 Transmission line from Budhipadar substation to Garjanbahal sub-station is under implementation.

6.3 Availability of Power

ITEM	1996-97	1995-96
(i) Contract demand KVA	45078	43520
(ii) Energy consumed (in million KWH)	186.97	172.51
(iii) Specific energy consumption-KWH/Te	5.00	5.27

7. POPULATION AND PERFORMANCE OF HEMM

7.1 Population and Performance

HEMM Population at the end of the year :

HEMM	1996-97	1995-96
Dragline	7	7
Shovel	57	53
Dumper	318	326
Dozer	91	81
Drill	83	80

7.2 Availability

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

HEMM	Percentage 1996-97	Availability 1995-96
Dragline	87	87
Shovel	88	88
Dumper	101	96
Dozer	84	79
Drill	78	78

7.3 Utilisation

7.3.1 Utilisation percentage of difference Heavy Earth Moving Machineries are given below:

HEMM	Percentage 1996-97	Availability 1995-96
Dragline	81	82
Shovel	62	64
Dumper	50	52
Dozer	51	56
Drill	53	50

7.4 Availability & Utilisation of HEMM

7.4.1 The availability of equipment during 1996-97, improved over the same period last year. There is reduction in HEMM (Shovels & Dumpers) which are under breakdown for more than three months.

Various steps have been taken during the year to improve the availability and utilisation of HEMM by judicious management of spare parts, rehabilitation and improved workshop facilities.

Monitoring of production and working hours

of equipment has been started on daily basis.

8. SYSTEM CAPACITY UTILISATION

8.1 CMPDIL, Ranchi, assessed the composite system capacity at 43.23 M.Cum as on 1st April '96 against which the Company could achieve 37.63 M.cum registering a capacity utilisation 87% against 85% last year.

8.2 To improve system capacity utilisation following steps have been taken.

8.2.1 More Stress has been given for better upkeep of haul roads, for which 8 nos. high capacity Motor Graders have been ordered. Also high capacity Water Sprinklers (28KL) has been ordered and 10 Nos. 16 KL Water Sprinkler are under process for issuance of orders.

8.2.2 In Central Workshop, IB Valley electrical repair have been started and 60% of the requirement of rebuilt engines of IB Valley Area have been met by CWS, IB Valley. The workshop has been provided with Equipment & Manpower to cater normal & emergent needs of the Ib-Valley Coalfields.

9. CAPITAL STRUCTURE

The authorised share capital and paid up share capital continued to be Rs.500 crores and Rs. 100.0009 crores respectively during the year. However, Equity shares of Rs.86.40 crores issued to CIL on 28th July, 1997.

10. WORKING RESULTS

10.1 During the year under report your company earned a profit of Rs.326.65 crores against Rs.336.06 crores in the last year (before adjustment of CPRA & Dividend).

Details are as under :

	(Rs. in Crores)	
	1996-97	1995-96
(i) Profit for the year	326.65	336.06
(ii) Less: Contribution to CPRA	N.A.	311.31
(iii) Profit after CPRA	326.65	24.75

(iv) Provision for Income Tax including that on dividend	93.00	—
(v) Proposed Dividend	100.00	20.00
(vi) Transfer to General Reserve	25.00	4.75
(vii) Cumulative Profit	241.66	133.01

11. PRICE OF COAL

11.1 Retention Price of Coal

There being no Notification on Retention Price for 1996-97 from the Govt. of India. As such the Contribution on Account of Coal Price Regulation Account during 1996-97 is nil against Rs.31131.21 lakhs during 1995-96.

11.2 Revision of Coal Price

Prices of grades D,E,F & G were revised w.e.f 24.00 hours of 31.3.97 (mid-night). Prices of non-coking coal of A,B and C grades, Coking Coal, Semi Coking Coal, Direct Feed Coal & Washed Coal were revised w.e.f. 0.00 hours of 20th Oct. 1996

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)	
FIXED ASSETS	1996-97	1995-96
Land	16.49	9.02
Building	34.59	65.67
Plant & Machinery	83.70	67.40
Furniture & Fitting	3.52	0.83
Railway Sidings	8.87	17.07
Vehicles	1.50	2.19
Prospecting & Boring	—	-31.14
Development Exp.	14.89	2.95
TOTAL	163.56	133.99
Capital Work-in-Progress	37.16	63.46
GRAND TOTAL	200.72	197.45

13. SALES REALISATION

During the year sales realisation touched a new height of Rs.1402.00 crores i.e. around Rs.100.00 crores more than last year.

To resolve out-standing disputes, MCL in

co-ordination with C.I.L. placed unresolved issues before the Umpires, appointed by Ministry of Coal. Umpires hearing are over for MSEB, TNEB & GEB and awards are awaited.

14. SUNDRY DEBTORS

	(Rs. in Crores)	
Sector	As on 31.3.97	As on 31.3.96
Power	188.44	166.03
Steel	14.42	19.17
Loco	0.97	1.14
Dump Sales	—	—
Others	32.31	43.95
TOTAL	236.14	230.29

15. PAYMENT TO 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 payments made last year are as follows:

	(Rs. in Crores)	
	1996-97	1995-96
1. Royalty	197.90	185.58
2. Cess on Coal	—	7.71
3. Sales Tax	56.83	50.99
4. Stowing Excise duty	13.03	12.02
TOTAL	267.76	256.30

16. PROJECT FORMULATION/CAPITAL PROJECTS

There are 15 sanctioned mining projects in MCL with a capital outlay of Rs.1668.61 crores with an ultimate capacity of 41.23 Mty. of coal, out of which 10 have already been completed. The total capital outlay of 10 completed Projects is Rs.803.59 crores with a capacity of 21.13 Mty.

16.1 Completed Project

Sl. No.	Name of the Project	Capacity in Mty.	Capital (Rs. in Crs.)
1.	Bharatpur OC	3.50	158.97 (RCE)
2.	Lajkura OC	1.00	38.98 (RCE)
3.	Jagannath OC	4.00	69.40
4.	Lilari OC	0.80	19.78
5.	Ananta OC	4.00	156.49
6.	Balanda OC	1.00	36.87

7.	Nandira UG (Augmentation)	0.33	17.95
8.	Belpahar OC (RCE)	2.00	131.31
9.	Samaleswari OC	3.00	126.85
10.	Ananta OC (Expansion)	1.50	46.99
TOTAL		21.13	803.59

The production achieved from completed Projects in 96-97 has been 25.400 Million Tonnes against the P. R. Provision of 21.13 Mty. giving a performance of 120.21%

16.2 On going Projects

There are 5 on going projects in MCL with a capital outlay of Rs.865.02 crores with an ultimate capacity of 20.10 Mty. as shown below :

Sl. No.	Name of the Project	Ultimate Capacity in Mty.	Capital (Rs. in Crs.)
1.	Lingaraj OC	5.00	229.84
2.	Kalinga OC	8.00	345.96
3.	Lakhanpur OC	5.00	221.51
4.	Basundhara (E) OC	0.60	19.69
5.	Bharatpur OC Expansion (Incremental)	1.50	48.02
Sub-Total of on going projects		20.10	865.02
Grand-Total of completed and on going projects		41.23	1668.61

16.3 Advance Action

Advance Action has been sanctioned for following projects and are under implementation :

Sl. No.	Name of the Project	Capacity (in Mty)	Total Capital (Rs. in Cr)	Advance Action Capital (Rs. in Cr)
1.	Basundhara (West) OCP	2.40	156.63	5.006
2.	Chhendipada OCP	0.35	19.25	2.00
3.	Bhubaneswari OCP	10.00	513.55	5.79
4.	Hingula-I OCP	4.00	174.98	5.82
5.	Kaniah OCP	3.50	215.97	6.39
6.	Kulda OCP	10.00	699.36	8.62

16.4 New Projects formulated & processed for sanction and awaiting Govt.'s approval :

Sl. No.	Name of the Project	Capacity (in Mty)	Total Capital Outlay (Rs. in Cr)
1.	Kulda OCP	10.00	699.36
2.	Lakhanpur OC Expansion	10.00	683.46
		(incremental 5.0)	

16.5 The following Project Reports have been approved by Company Board and are being processed for approval by CIL and the Govt.:

Sl. No.	Name of the Project	Capacity (in Mty)	PR Capital Cost (Rs. in Cr)
1.	Hingula -I	4.00	182.56
2.	Basundhara (West)	2.40	180.41

16.6 The following Project Reports have been prepared and are under processed for approval :

Sl. No.	Name of the Project	Capacity (in Mty)	PR Capital Cost (Rs. in Cr)
1.	Belpahar Expansion	1.5 (Incre)	119.88 (Incremental)
2.	Bhubaneswari	10.00	573.56
3.	Kaniha	3.50	215.97
4.	Garjanbahal OCP Advance Action	8.00	9.15 (Adv. Action)

16.7 Projects to be Formulated

Sl. No.	Name of the Project	Capacity (in Mty)
1.	Lingaraj OC Expansion	10.00
2.	Lajkura OC Extension	1.10
3.	Garjanbahal OC	8.00
4.	Chhendipada OC	0.35

16.8 Major Completed Non-mining Project in M.C.L.

There are 11 completed non-mining projects in MCL.

Sl. No.	Name of the Project	Sanctioned Capital (Rs. Crs)
1.	Regional Stores, IB Valley	3.11
2.	Central Hospital, Talcher	14.28
3.	Central Excv. Workshop, Talcher	17.83
4.	Power Supply Scheme, Talcher, Phase-I	19.98
5.	Central Workshop, IB Valley	11.76
6.	Training (Excv) Institute, IB Valley	5.25
7.	Integrated Telecommunication System, Talcher	3.35
8.	Water Supply Scheme, IB Valley	4.83
9.	Talcher Sand Transportation	5.00
10.	Water Supply Scheme at Talcher Phase-I	5.83
11.	IB Power Supply 4x20 MVA 132/33 KV Sub-station.	12.58
TOTAL		103.80

16.9 Major on going Non-mining Projects of MCL

Following are the 7 on-going non-mining projects with a total capital outlay of Rs.60.04 crores. Brief details of the same are as under :

Sl. No.	Name of the Project	No. of Projects	Capital Outlay (Rs. in Crs)
1.	Sand mining from IB river of IB Valley Coalfield	1	5.35
2.	Arterial Road for IB Valley and Talcher Coalfields	2	37.70
3.	Mining-cum-Excavation and Training Institute at Talcher Coalfields	1	5.25
4.	Environmental laboratories at IB Valley and Talcher Coalfields	2	3.87
5.	Integrated Water Supply Scheme Phase-II for talcher Coalfields	1	7.88
TOTAL		7	60.04

16.10 Status of Projects under Implementation On investment basis :

Sl. No.	Category of Project	No. of Project	Category	Sanctioned Capital Rs. Crs	Ultimate Capacity in Mty	96-97		Status	
						PR. Sch Mty	Act Mty	No on Sch	Del ayed
1.	Rs. 100 Crs. & above (Lingaraj, Kalinga & Lakhanpur)	3	OC	797.31	18.00	12.50	10.171	2	1
2.	Less than Rs.100 Crs. (Bharatpur & Basundhara (East))	2	OC	69.71	2.10	1.80	0.394	1	1
TOTAL		5	867.02	20.10				3	2

* Lakhanpur project is a linked project of OPGC Power house, scheduled for completion in March '95, but is delayed because of delay in completion of OPGC Power house. They are not lifting coal as per schedule. Anticipated date of completion is March '99.

** Basundhara East Project was sanctioned on 4.6.1989 and was scheduled to be completed by March '93. But due to lack of infrastructural facilities and assured consumers, the project was shelved. The project has been revived on 7.11.1994 and has now been taken up for implementation. Taking 4 years as construction time as per P.R., the project is now scheduled to be completed by March '98.

*** Bharatpur OCP expansion Project was scheduled for completion in March '97 but has been delayed due to land acquisition problem and is now anticipated to be completed by March '99.

16.11 Coal Preparation Plant

There are 3 sanctioned Coal Preparation Plants in MCL as detailed below :

Sl. No.	Name of the Project	Capacity of raw coal (in Mty)	Capital cost (in Crs.)	Status
1.	Kalinga OC	8.00	139.81	LOI issued to M/s. Roberts & Scaefar for work on the basis of Build Own Operate (BOO).
2.	Bharatpur OC	2.60	48.60	LOI issued to M/s. Madhucon for construction of Ananta-Bharatpur CPP on BOO concept for throughput capacity of 5.2 Mty.
3.	Ananta OC	2.60	48.85	

16.12 Land Acquired for on Going Projects

(Fig. in Ha)

Name of the Project	Total land required	Land under physical possession on till 95-96	Land taken in possession in 96-97 till 3/97	Total land in physical possession	Category of land under possession			
					T.L.	G.L.	F.L.	Total
Lingaraj OCP	1248.51	167.42	9.37	176.80	163.57	2.32	10.91	176.80
Kalinga OCP	1117.16	311.02	275.80	586.82	365.03	221.79	—	586.82
Lakhanpur OCP	1412.55	281.56	—	281.56	281.56	—	—	281.56
Samaleswari OCP	907.61	402.64	—	402.64	296.19	106.45	—	402.64
Bharatpur OCP	1017.22	539.06	96.23	635.29	544.33	90.96	—	635.29
Ananta OCP	297.70	185.41	—	185.41	69.98	46.28	69.15	185.41
Basundhara (E) OCP	140.84	62.73	18.86	81.59	48.90	32.69	—	81.59
Kulda OCP	975.48	283.76	—	283.76	—	283.76	—	283.76

Details of land notified during 96-97.

1.	Kaniah Block	:	Proposal for notification u/s 7(i) of CBA Act, submitted to MOC on 3.3.97 for 606.307 Ha.
2.	Hingula Block	:	Notified u/s 9(i) of CBA Act. 1063.569 Ha. S.O. No. 222 dt. 21.1.97.
3.	Bhubaneswari	:	(i) Notified u/s 7(i) of CBA Act. 688.43 Ha. S.O. No. 2939 dt. 9.10.96 (ii) Proposal submitted to MOC for notification u/s 9(i) of CBA Act. on 3.12.96 for 688.43 Ha.

17. EXPLORATION

Drilling of 43,997.50 m for coal exploration has been done in 11 blocks (7 in Talcher

and 4 in Ib Valley CF) by CMPDIL and DNG, Orissa in 1996-97 against 41,848.30 m in 1995-96.

The above exploration also included geophysical logging of boreholes for 2980.00 depth meter and 11.0 line KM surface resistivity survey.

Detailed proving of 579.73 Mt coal reserves has been done (262.75 Mt in one block of Ib Valley and 316.98 Mt. in one block of Talcher Coalfields) where exploration is completed and Geological report drawn in 1996-97, against 1340 Mt proved in 1995-96.

Areas potential for mining and exploration have been identified for MCL till 2036-37 AD.

Projects have been formulated for creation of Natural Resources Database for MCL.

18. ENVIRONMENTAL, ECOLOGY & AFFORESTATION

18.1 Afforestation drive in the mines of MCL continued vigorously and 3,13,667 saplings of mixed species have been planted during 1996-97 with 80% survival against the target of 3,00,0.00 and last year's plantation of 3,45,957.

Agriculture was tried first time in MCL on 10 ha. dump of Lakhanpur OCP with the seeds of Arhar Dal (Pigeon-Pea) in consultation with the scientists of Agriculture College, Chiplima. The results were promising. The plants of Arhar Dal are surviving on the slopes of the dump due to re-generation of seeds.

Agriculture was also tried on the dumps of Ananta OCP after technical reclamation involving terracing and top soil laying. Plants of medicinal value were also planted on the same dump.

Special attention is being given to establishing vegetation on the slopes.

Towards this end geo-textiles have already been used on the slopes of Balanda and work has been awarded to Kerala State Coir Corporation for use of geo-textiles on 5,000 sq.mtrs. of slope area of Belpahar OCP for honey promoting trees besides grasses.

An agreement was signed with National environmental Engineering Institute, Nagpur for DBT-MCL-NEERI collaborative project for restoration of coal mine spoil dump through integrated bio-technological approach. The site selected is Lajkura dump.

Silvi-Pastoral Reclamation by IGFR : Recently scientists from IGFR, Jhansi have done a very good job of revegetation on the slopes of Balanda OCP. They made trenches and bunds along the contour, applied farmyard manure then sowed and planted seeds and pellets of grasses, plants and legumes on alternate contours. Some local varieties of grasses were also transplanted.

18.2.1 Air Pollution

To check Air pollution following steps have been taken :

1. Black topping of roads & semi-permanent haul roads & metalling of haul roads.
2. Provision of fixed point, auto start, fine nozzle mounted water sprinklers of roads, siding & CHP.
3. Installation of Dust Control system & Dust Extraction System in CHP's and at transfer points elsewhere.
4. Wetting of roads by mobile water tankers.
5. Use of Dust suppressing chemicals in CHP's & on haul road.
6. Installation of an Instant Shower System at Bharatpur OCP.
7. Green belts have been created between

residential area and mine infrastructure to control the dust.

8. Installation of a Concurrent Shower System at Jagannath CHP is in hand, as per our commitment towards all out efforts for dust suppression.

18.2.2 Water Pollution

Effluent from mines, workshop, setting ponds and spoil dumps are made to conform to standards of MOEF before being discharged into the drains and streams/nalas. Garland drains have been provided near the toe of OB dumps as well as quarry boundaries.

18.2.3 Noise Pollution

Green Belts have been created between the residential colonies and infrastructural facilities to attenuate the noise level and to arrest the movement of dust. Workers exposed to noise beyond permissible limits have been provided with ear muffs & ear plugs.

18.2.4 Monitoring

Regular monitoring on pollution of Air, Water, Noise and Soil was carried out including micro meteorological studies by Government agencies whose laboratories are duly recognised by MOEF in this regard. Two Environmental laboratories will be established one in Talcher coalfields and another in IB Valley Coalfields. Procurement of equipment for these laboratories is in advanced stage. Environmental audit was conducted in each project and environmental statement was submitted to State Pollution Control Board (SPCB) for the year 1996. Taxonomical Classification of Flora & Fauna have been conducted for four projects of MCL.

18.3 Training & Organisation

Six officers have been trained in tailor-made 13 week course in environmental

management in mining areas at ISM, Dhanbad. Two officers are undergoing M. Tech. course in Environmental Engineering. Six employees are undergoing Diploma Courses in Environmental Engineering through Indian Institute of Ecology & Environment, New Delhi, Services of these officers are utilised at Hqr. & in OC areas as Nodal Env't. Officer. Nine officers have been trained in Environmental Impact Assessment at ISM, Dhanbad and their services are utilised at projects as nodal officer, Env't. Two senior officers were sent to IIFM, Bhopal for training in development of nurseries.

18.4 Environmental Telemonitoring

Environmental Telemonitoring system has been commissioned in Mine No.3 of Orient Area on 28.3.95 and since then it is working satisfactorily. Annual Environmental prizes have been instituted one each for the best underground mine and the best opencast mine.

19. COAL DEMAND AND OFF-TAKE

Your Company has achieved Off-take target every year since its inception including 1996-97. Against the target of 37.00 Million Tonnes fixed for 1996-97 actual off take recorded is 37.28 million tonnes, an achievement of 101% of target. This was achieved despite of the set back suffered because of N.T.P.C. Kaniha not taking coal upto its linkage level. In fact it did not lift any coal till 13th August, 1996. The actual off-take in previous year was 34.437 million tonnes, recording a growth of 8% this year.

19.1 Sectorwise Demand & Off-take

SECTOR	TARGET 96-97	ACTUAL 96-97	%AGE ACHV	ACTUAL 95-96
Power (INC.CPP)	33.25	33.50	101	30.594
Cement	0.70	0.63	90	0.474
Fertilizer	0.30	0.70	233	0.710
Others	2.75	2.45	89	2.659
TOTAL	37.00	37.28	101	34.437

Shortfall in cement sector has occurred because of non filing of programme as per linkage mainly by South and Western based cement plants. Introduction of L.S.S.(M) with tendering process also affected coal off-take for industries (Others) during first and second quarter.

19.2 Wagon Loading

Daily average wagon loading achieved is 3001 FWS/day against target of 3198 FWS/day due to Railways' inability to supply wagons in both IB & Talcher fields. As such achievement is 6% less than the target. But it is still 142 FWS/day more than achievement of last year (2859 FWS), a growth of 5%.

19.3 Modernisation in Despatches

- (a) Orissa Power Generation Corporation's siding at Ubda for despatching coal through MGR was commissioned during the year. Despatch through this siding was 6.38 lakh tonnes during the year.
- (b) Despatches from Basundhra East, a new area, were started from February '97.

20. COAL QUALITY IMPROVEMENT

20.1 During the year 1996-97, various measures for ensuring proper quality of despatches were intensified. The number of complaints received during 1996-97 has come down to 11 against 12 in 1995-96.

20.2 Following steps were taken by the Company to improve quality and consumer satisfaction :-

- (i) Facility for supervision of loading at sidings has been extended to more consumers during 1996-97.
- (ii) All the sidings which are despatching coal to major consumers and core sector industries have been put under

the supervision of nodal officers specifically for maintaining quality and weighment.

- (iii) Surprise inspections are being conducted by a team of officers from Mahanadi Coalfields Limited Headquarters to ensure proper quality and quantity.
- (iv) C.C.O's % coverage for Power houses (rail despatch) has improved from 20.47% in 95-96 to 39.00% in 96-97
- (v) Stone picking arrangements have been intensified at Balanda Colliery.
- (vi) During the year a total of 37.2 million tonnes of coal were despatched. The complaints have come down from 0.354 per million tonnes in 95-96 to 0.296 per million tonnes in 96-97.
- (vii) 3 Nos. of new rail weighbridges with electronic print-out system has been commissioned during 96-97 (viz. Lingraj MGR, Deulbera and Jagannath siding) to increase the total no. of such WBs from 6 in 95-96 to 9 in 96-97.
- (viii) Our company is installing another 15 nos. of 100 tonnes Electronic In-motion Weighbridges in 97-98 so as to cover all the sidings with standby facilities.
- (ix) 100% coal despatches by Rail, Belt and MGR were crushed by CHP/FB
- (x) Out of the total despatches of 37.20 million tonnes, about 71.76% was duly weighed against 55.5% of 95-96. Despatches through modes other than Rail/MGR were 100% weighed.

20.3 Number of CHPs and Weighbridges and their Functioning Points etc.

33.312 million tonnes of coal were despatched through coal handling plants in 1996-97 against 30.31 million tonnes in 1995-96.

ITEMS	1996-97		1995-96	
	NOS	QTY-MT	NOS	QTY-MT
i) Major CHPs	4	6.26	4	6.52
ii) Mini CHPs	35	27.05	24	23.79
TOTAL	39	33.31	28	30.31

20.4 Details of Weighbridge

Types of Weighbridge	1996-97	1995-96
1. Road weighbridges (mech.)	8	8
2. Road weighbridges (elct.)	22	22
3. Rail weighbridges (elect.)	16	12

21. SAFETY

21.1 Your Company has been striving continuously for improving Safety standards and inculcating Safety awareness amongst the employees through observance of Safety week, Seminars, Safety education and vocational training programme.

For promoting Safety consciousness amongst workers, staff & executives special emphasis is being laid on educating the importance of implementation of recommendations of Safety conferences, decisions of CIL Safety Board & also decisions taken by the Standing Committee on Safety.

Safety circulars and booklets on safety are made available up to colliery level as details below :

- (i) A code of practice for dealing with fires in OC mines.
- (ii) Traffic Rules, Procedures & Code of Safe dumping-tipping of OB.
- (iii) Code of practice on Safety & health in OC mines.
- (iv) Guideline for mining executives.
- (v) A guide line for drawing up support plans in Bord & Pillar workings (based on Paul committee).
- (vi) Report of Tech Sub-Committee on dust (NDPC).

(vii) Minutes of Tripartite Safety Committee of CIL level & Subsidiary level.

(viii) Minutes of CIL Safety Board.

The Safety week was observed from 27th January '97 to 1st February '97 and final day function was held at Orient area on 2.2.97 and Zonal Rescue Competition was held on 21.12.96 at Talcher Rescue Station.

21.1.2 Accident statistics

	1996-97	1995-96
Fatal accidents	3	9
Fatalities	3	9
Serious Accidents	20	19
Serious injuries	23	19
Rate of Fatality		
Per Mill. Ton output	0.080	0.280
Per 3 lakh manshift	0.168	0.530
Rate of serious injuries		
Per Mill Tonne Output	0.615	0.581
Per 3 lakh manshift	1.289	1.104

22. COMPUTERISATION

22.1 Computerised Maintenance Management System (CMMS) package has been implemented in most of the Open Cast projects of MCL to monitor the following key areas in OC mines:

- (a) To keep track of preventive maintenance of all OCP equipment e.g. dumper, shovel etc and issue advance notice and warning so that timely action may be taken by the concerned persons.
- (b) To analyse the frequency and breakdown hours of the equipments and to analyse reason of breakdown and to take corrective measures
- (c) To monitor the consumption of HSD and lubricants which will give the percentage deviation in consumption from the norms set by the company.
- (d) To analyse the performance of tyres with conditions of tyre, hours run, retreading status, failure analysis etc. Recently the CMMS has been modified to cater to the

user's requirement to provide the reports required for MIS purpose.

- 22.2 Vigilance Information System :- An effective Vigilance Information System has been developed in-house to keep records of various vigilance cases pending against employees, clearances given to employees for promotions, cases cleared etc. The system has been installed at Vigilance Department and is in operation. The various reports relating to CBI, CVC and CIL are sent through this system.
- 22.3 Production Monitoring System has been developed in-house for Production Department. The system will keep records of targets and achievement of OB removal Coal Production on a daily basis for each UG & OC mines. The system will generate statistical reports on coal production, short fall from target, OMS of various mines etc. to help management to take precautionary measures.
- 22.4 System for Administration Department : A modular system for Admn. Department has been developed in-house for smooth monitoring of Leave Balances, Stores Inventory, Vehicle Maintenance, POL Billing etc.
- 22.5 Indent Monitoring System has been developed in-house for Materials Management Department. The system will monitor the progress of indents received at MM Department. From various Departments, it will generate various MIS reports on Indent progress, Files movement, tender issue details and Supply order details. The system is ready for implementation.
- 22.6 System for RR Department: Another software has been developed for Rehabilitation and Resettlement of land oustees for RR department which is due for implementation.
- 22.7 System for PME: A computerised system

for Periodical Medical Examination has been developed in-house for its implementation at Regional Hospital, Talcher.

- 22.8 Training: User level and skill level training have been imparted to 148 employees.

23. TELECOMMUNICATION

Installation of an efficient and reliable communication network is one of the major thrust area of MCL. Digital multi access radio telephone (DMART) system has been installed & commissioned for Phase-I i.e., between MCL Hqrs. to area Hqs. of MCL. Phase-II of DMART System of communication between area Hqs. and to different projects is under installation and is likely to be commissioned by Sept '97.

The DMART system will facilitate speech & data transmission between Hqrs. Area and Projects. Apart from this, MCL is already connected to CIL Hqrs. and Talcher and Ib-Valley coalfields through HOT line, Fax and RABMN.

24. DEVELOPMENT OF ANCILLARY INDUSTRIES

- 24.1 In addition to 24 units which were under ancillary status in 95-96 additional 16 units have been recognised for ancillary status in 96-97.
- 24.2 Another 7 units are in the process of recognition for ancillary status.
- 24.3 Total amount of supply orders placed during 96-97 on ancillary units is Rs.3.45 crores against 3.25 crores during 95-96.

25. EXPENDITURE ON ADVERTISEMENT AND PUBLICITY

During the year 1996-97 an amount of Rs.83.11 lakhs was spent on advertisement and publicity against Rs.112.48 lakhs last year.

	(Rs. in lakh)	
	1996-97	1995-96
1. Advertisement for		
(a) Recruitment	0.26	0.06
(b) Tender	70.01	101.28
(c) Others	2.97	3.34
2. Publicity	9.87	7.8
TOTAL	83.11	112.48

26. WORLD BANK ASSISTANCE

26.1 Seven Sub-Projects have been proposed for World bank funding under coal sector rehabilitation project (CSRPO)

26.1.1 Group-A New Sub-Projects

The objectives is to procure the balance HEMM and other major P & M to enable the project to achieve its targeted production capacity.

Sub-Projects:

Ib-Valley Coalfields

1. Lakhanpur OC 5 Mty.
2. Samaleswari OC 3 Mty.

Talcher Coalfields

1. Ananta OC Exp. 1.5 Mty.
2. Bharatpur Exp. 1.5 Mty.

Group-B Replacement : Sub-Projects

The objectives is to procure replacement HEMM to maintain current level of production.

Sub-Projects :

1. Belphar OC 2.0 Mty Ib-Valley Coalfields
2. Bharatpur OC 3.5 Mty Talcher Coalfields
3. Jagannath OC 4.0 Mty Talcher Coalfields

26.2 No assistance from World Bank has been received by the company during the year 1996-97.

26.3 Environmental and Social Mitigation Project (ESMP) has been approved by the World Bank and is under process of implementation in projects proposed for World Bank funding.

26.4 Non financial assistance was received by the company during the year 1996-97 under ESMP.

27. HUMAN RESOURCE DEVELOPMENT

27.1 Manpower

The Company's Manpower as at 31.3.97 compared to that of 31.3.96 is indicated below :

Category	As at 31.3.97	As at 31.3.96
Executives	1240	1171
Supervisors	1623	1513
Highly Skilled	6392	5958
Semi Skilled		
T.R.	9010	9119
P.R.	3023	3092
Ministerial	1702	1698
Badlies	379	399
Trainees	14	7
Apprentices	50	136
Ex. CMWO/others	22	26
TOTAL	23455	23119

In Company Training

During 1996-97 a total of 73 training programmes were conducted in MCL (including those conducted exclusively for MCL at STC, Ranchi, CETI, Singrauli, IMME, Puri) compared to 71 programmes in 1995-96. The break-up of persons attended is as follows :

	1996-97	1995-96
Excitives	394	521
Supervisors	280	416
Workers	380	503
TOTAL	1259	1440

Out Company Nominations (within India)

In 1996-97 a total of 469 employees were nominated to various programmes conducted by different agencies (including

IICM, Ranchi and Central facilities of CIL) within India compared to 583 in 1995-96.

	1996-97	1995-96
Executives	318	429
Supervisors	92	73
Workers	59	81
TOTAL	469	583

Nominations to Training Programmes outside India the following executives of MCL attending foreign training programmes during 1996-97.

1. Shri N. K. Sharma, CGM attended a programme on "Coal Technology" in Australia from 29.4.96 to 6.6.96
2. Shri P. S. De, ACM, attended a 40 week Post Graduates Training Programme on "Opencast Mine & Quarrying" in France.

Management Trainees & PDPTs

23 PDPTs (13 Mining & 10 Non-mining) were engaged in MCL as per recommendation of Board of Practical Training, (Eastern Region), Calcutta during 1996-97 compared to 12 in 1995-96. And 3 MTs cleared their probation closure examination held at IICM, Ranchi held in June '96 and December '96.

Vocational Training of Students of Educational Institutions

During 1996-97 unpaid vocational training was imparted to 219 Technical (Mining & Non-Mining) and 22 non-technical students of various educational Institutions in India as a partial fulfilment of their curriculum. These figures for 995-96 were 164 and 24 respectively.

28. SCHEDULED CASTES & SCHEDULED TRIBES

Presidential directives on reservation of posts for SC/ST in appointments and promotions are being followed.

Backlog vacancies identified as on 1.1.1996

was 302. Out of the above, 45 vacancies have been filled up till 31.3.97. Efforts are being made to fill up the rest of the vacancies as early as possible.

The total manpower and the strength of SC/ST as on 1.1.97.

Total employees	No. of		Percentage of	
	SC	ST	SC	ST
23322	3635	2593	15.59	11.12

29. PARTICIPATIVE MANAGEMENT

In MCL the following for a under Participative Management (Company level) have been functioning very effectively.

- (a) Joint Consultative Committee (JCC)
- (b) Welfare Board
- (c) Tripartite Safety Committee
- (d) Sports Promotion Committee

All the above Committees are represented by members of both Trade Unions & Management. In the Tripartite Safety Committee, in additions to the Management representatives, Govt. Representatives (Directorate General of Mines Safety are also member).

Besides the above Committees at Company level, different participative for a functioning at Area/Unit level are :

1. Production Committee
2. Pit Safety Committee
3. Consultative Committee
4. Canteen Management Committee
5. House Allotment Committee, etc.

All the above Committees/For a discuss and decide different aspects and issues relating to production, Productivity, Safety Welfare etc.

30. INDUSTRIAL RELATIONS

The Industrial Relations in the Company during the year 1996-97 remained cordial, though there were some strikes and work

stoppages in some mines. The details of the Strike/Works Stoppage vis-a-vis mandays loss and Production loss are given below :

Sl. No.	Particulars	Loss in terms of		
		Prodn Coal (Te)	OB(CUM)	Mandays
1.	Strike	2910	—	3871
2.	Stoppage/Obstruction of Work	14500	10325	1030
TOTAL		17410	10325	4901

31. ABSENTEEISM

The Overall Absenteeism during the year 1996-97 was 20.84. In order to reduce the Absenteeism among PR Workers, which is still high in some mines, regular inter actions with workers and Union representatives are being done.

32. EMPLOYEES WELFARE AND SOCIAL AMENITIES

The position of Welfare and Social Amenities like housing, water supply, medical, educational etc., is as under.

32.1 Particulars of Social Amenities

Details	Total at the end of 96-97	Total at the end of 95-96
Houses	14226	14205
% of satisfaction (housing)	59.77	61.69
Water Supply (filtered water generated)	8.30 MGD	8.20 MGD
Aided Schools/Instutions	30	26
Colleges	04	04
Co-operative Stores	09	09
EECS	01	01
Bank Branches	14	14
Bank extension counters	12	12
Ambulances	38	38
Dispensaries	14	11
Hospital	05	05
Hospital beds	354	354
Canteens	24	24

32.2 During 96-97 an amount of Rs.35.46 crores was spent on Revenue heads and Rs.238.13 crores on Capital heads against

the amount of Rs.29.26 crores (Revenue) & Rs.209.39 crores (Capital) spent during the previous year on employees welfare and social amenities.

32.3 Family Welfare

Your Company conducted 2555. Family Planning Operations during 1996-97 against 2216 operations of the preceding year.

32.4 Your Company conducted 760 Eye operations during the year 1996-97 against the target of 350 in the Eye Camps organised by it.

32.5 Cultural and Recreational activities

Keeping in view the importance of Sports and Games Cultural and recreational activities, a Sports Control Board at the apex level is functioning to monitor these activities in MCL through Areas Sports Committee constituted in different Arreas of MCL. At present the company is having 12 numbers of Play Grounds, 02 nos. of Stadiums, 08 nos. of Children's Parks, 13 nos. of Officers Club, 14 nos. of Workers Institute, 08 nos. of Libraries for the employees. The Inter Area Tournaments have been organised in Coalfields to build up team spirit and to develop the sense of unity and fellow fellings among the employees. To encourage the sports men, coaching facilities have been provided by expert coaches invited from Sports Authority of India and MCL team have been deputed to Different subsidiaries to participate in the inter Company Tournaments as per CIL Sports Calendar. As per CIL Sports Calendar, the CIL Inter Company Carom & Bridge competitions were organised at MCL HQ during the year 1996-97. Teams from all subsidiary Company of CIL had participated in the competition in which the SCCL team became the champion in carom and SECL, Bilaspur the champion in bridge tournament.

33. CAPITAL INVESTMENT ON SOCIAL AMENITIES

(Rs. in Crores)

Sl. No. Particulars	Gross value of Fixed Assets	
	As at 31.03.97	As at 31.03.96
1. Buildings	186.63	164.28
2. Plant & Machineries	40.11	36
3. Furnitures, Fittings & Office Equipments	3.12	2.28
4. Vehicles	2.39	2.15
5. Development	5.86	4.67
TOTAL	238.11	209.38

34. CONSERVATION OF ENERGY

- (a) Energy Audit cum conservation Rreport has been prepared which envisages annual saving of Rs.4.91 crores.
- (b) Action taken for improvement of power factor of entire Talcher Coalfields by installing new capacitor banks and running the Dragnline synchronous drives in leading power factor.
- (c) Seminars & workshops on energy Conservation have been held for awareness of users and E & M Personnel.
- (d) Action is being taken to feed 11 KV Power to Deulbera & Handidhua by installing 5 MVA 33 KV/11 KV transformers at Lingaraj 33 KV sub-station which will save substantial amount of energy which is being wasted as transmission losses presently as power is being fed by a very long 11 KV OH line from Balanda Central sub-station.
- (e) 33 KV/11 KV sub-station at Kalinga for Orient 2,3 & 4 mines has been charged. Action is being taken to enhance the contracts demand & completely shift the load to 33 KV and disconnect 11 KV supply for better reliability.
- (f) Action is being taken to reduce the contract demand of Nandira 132 KV/33 KV sub-station from 28000 KVA to below 25 MVA (24900 KVA) to get rebate of electricity duty to the tune of Rs.60 lakhs per annum. (as per new Tariff.)
- (g) Action is being taken to install separate tested metering unit and energy meters to record the domestic consumption in colonies which will help to save Rs.2.5 crores per annum.
- (h) Action is being taken to reduce the Electricity duty for domestic consumption @5 paise/unit where as GRIDCO is charging @25 paise/unit in Talcher coalfield @20 paise/unit in other places.

Some useful proposals are under active consideration :

- (a) While purchasing motors weightage to be given for highly energy efficient cold rolled grains oriented silicon steel laminated core designed to work between 1.4 to 1.6 weber/sq. meter.
- (b) Underground conveyer system must have surge bunkers to avoid idle running of conveyors.
- (c) Mine water underground should be used for cooling or spraying.
- (d) Fluorescent tubes with electronic chockes to be used in place of Incandescent lamps everywhere.
- (e) Sump capacity to be increased and to increase the size of the pumping installation to stagger the pumping hours to reduce the power demand and Baffle walls on sumps to avoid suspended particle during pumping.
- (f) All the fan motors are to be replace by new synchronous motors which will help to constantly improve the power factor of the entire mine. Ventilator fans are to run at higher blade angle and high efficiency zone. Drivage of adequately

sized road way, ascending ventilation, stoppage of air leakage will further improve energy requirement.

Impact of the energy conservation measures taken during the year.

In the month of March '97 the power factor of all the mines of MCL could be raised above. 0.9 and the penalty due to low power factor has become zero.

The specific energy consumption during 96-97 has become 5.07 KWH/Tonne of coal produced. The energy consumed for coal crushing and OB removal by dragline, shovel & drills are also included in the above mentioned figure.

Electric Energy Consumption

	1996-97	1995-96
Annual energy consumption (MKWH)	188.08	172.51
Rate of unit Rs./KWH	3.11	2.4
Specific energy consumption KWH/Tonne	5.07	5.27

34.2 Impact of Measures Taken

1. The specific energy consumption during 96-97 was 5.00 KWH/Te against the actual of 5.27 KWH/Te during previous year i.e. 95-96
2. This reduction specific energy consumption over the previous year is in spite of increase in crushing of coal which was 33.31 MT against previous years figure of 30.31 MT.

34.3 Power and Fuel Consumption

	96-97	95-96
1. Electric Purchased Units (in Million KWH)	186.97	172.51
Rate/Units (in Rs. KWH)	3.12	2.40
Specific energy consumption KWH/Te	5.00	5.27
2. Diesel consumption (in ltr/Te)	0.77	0.80

35. FOREIGN EXCHANGE

During the year your Company used Foreign Exchange amounting to Rs.472.09 lakhs for import of P & M spares. The Company did not earn any Foreign Exchange.

36. HINDI IN OFFICIAL WORK

- 36.1 In order to accelerate the progressive use of Hindi as per directives/instructions received from Department of Official language, Ministry of Home and Ministry of Coal, Govt. of India, continued efforts were made towards promoting use of Hindi in the Company.
- 36.2 Rajbhasa Implementation Committee at Hqs. level and Area level are Co-ordinating the progress of use of Hindi through regular review meeting.
- 36.3 Hindi week was celebrated from 14.9.96 to 21.9.96 marked by various competitions, workshops and functions, which attracted good participation by executives and non-executives in Hqs. and all areras. The winners of the various competitions and commendable performers were rewarded suitable.
- 36.4 Correspondence and Noting in Hindi have increased remarkably.
- 36.5 MCL News' (a monthly news magazine) and "Pratibha" (a quarterly literary house journal) are published on regular basis in which articles, features, poems etc. appeared in Hindi, English and Oriya.
- 36.6 This year also the Company published Annual Calender in Hindi. It was based on sketches and slogans on safety awareness. A good number of Hindi books are available in the library.

37. AUDITORS

Under Section 619 (2) of the Companies Act, 1956, the following Audit Firms were

appointed as Statutory/Branch Auditors for the year 1996-97.

Statutory Auditors

M/s K. L. Banerjee & Co.,
Chartered Accounts, Calcutta.

Branch Auditors

M/s. Bhasin Hota & Co.,
Chartered Accountants, Bhubaneswar.

Replies of the Management on the observations made by the Statutory Auditors on the accounts for the year ended 31st March 1997 are given in Annexure, forming part of the report. Comments of the Comptroller and Auditor General of India under Section 619 (4) of the Companies Act, 1956, on the Accounts of the Company for the year ended 31st March 1997 are also enclosed as Annexure.

38. BOARD MEETINGS

Five Board Meetings were held during the year.

39. BOARD OF DIRECTORS

1. Shri C. R. Das, on attaining the age of superannuation retired from the post of Chairman-cum-Managing Director on 30th November 1996.
2. Shri A. R. Sharma, took over as Chairman-cum-managing Director (Actg.) on 2nd December 1996.
3. Shri Sunil Soni, consequent upon his transfer from the post of Director, Ministry of Coal ceased to be the part-time Director on MCL Board w.e.f. 28th February 1997. In place of Shri Sunil Soni, Shri Premanand Ds, Director, Ministry of Coal was appointed as part-time Director.
4. Shri V. K. Sehgal, consequent upon his transfer from MCL to SECL ceased to be the Director on MCL Board w.e.f. from 1st February 1997. In place of

Shri Sehgal, Shri Srinivas Sharma was appointed as Director (Tech.) on MCL Board w.e.f. 8th April 1997.

5. Shri T. K. Deb, Director (T), CIL, on attaining the age of superannuation retired from service and therefore, ceased to be the part-time Director on MCL Board w.e.f. 1st July 1996. In place of Shri T. K. Deb, Shri A. K. Sahay, Director (T) CIL was appointed part-time Director on MCL Board w.e.f. 21st November 1996.
6. Shri P. K. Sengupta, Chairman, CIL continued as part-time Director on MCL Board during the year.
7. Shri A. Chatterjee, Director (Fin.) CIL was appointed part-time Director on MCL Board w.e.f. 13th March 1997.

The Board of Directors placed on record its deep appreciation for the valuable contributions made by Shri C. R. Das, Chairman-cum-Managing Director. The Board also placed on record its deep appreciation for the valuable service rendered by Shri Sunil Soni, Shri V. K. Sehgal, Shri T. K. Deb, Directors.

40. DECLARATION OF DIVIDEND

Yours Directors have for the second time proposed a Dividend of Rs.100,00,09,000/- being 100% of the Paid up Equity Share Capital of the Company to the Coal India Limited, the Holding Company.

41. ACKNOWLEDGEMENTS

- 41.1 Board of Directors express sincere thanks to the Ministry of Coal, and Coal India Limited for their valuable assistance, support and guidance at different point of times. Your Directors also thank the various Ministers of the Central Govt. and the State Govt. of Orissa for their valuable support. The Directors are thankful to the Sister Organisations for the co-operation and assistance rendered by them.

41.2 Directors place on records their appreciation for the cooperation extended by the Trade Unions and Officers Associations and the team spirit shown by the employees at all levels towards the achievement of the objectives of your Company.

41.3 The Directors also record appreciation of the services rendered by the Auditors and the Officers and staff of Comptroller and Auditor General of India and the Company Law Board.

41.4 The Directors also extend their thanks to various important citizens of Sambalpur and also those residing in the Coalfields Areas of Orissa for their co-operation from time to time.

42. FIXED DEPOSITS

42.1 Since, your Company has not accepted any deposits from the Public, no information is

required to be furnished in respect of outstanding deposits.

43. PARTICULARS OF EMPLOYEES

43.1 Particulars of employees as required under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of the Employees), Rules, 1975 are not given as your Company has not paid any remuneration attracting these provisions.

44. ADDENDA

The following papers are annexed.

1. Addendum to the Directors Report under Section 217 (3) of the Companies Act 1956.
2. Comments of the Comptroller and Auditor General of India under Section 619 (4) of the Companies Act 1956.

Sambalpur
23.09.1997

A. R. Sharma
Chairman-Cum-Managing Director

Comments of the Comptroller & Auditor General of India U/S 619 (4) of the Companies Act, 1956 on the accounts of Mahanadi Coalfields Limited for the year ended 31st March 1997.

The accounts of the Company have been revised as a result of observations made by the Comptroller & Auditor General of India as indicated in Para-4 of the Auditors Report to the Shareholders and Item No.14 of the Notes forming part of the Accounts (Schedule 'P') which has the effect of decreasing the profit by Rs.2.33 crores. The following further comments are made upon or Supplement to the Auditor's Report under Section 619 (4) of the Companies Act, 1956 on the accounts of the Company.

Schedule 'P' Notes on Accounts - Item 3.9

The Company has changed the policy of treatment of expenditure on 'Prospecting & Boring' in respect of revenue mines from the year 1996-97 with the concurrence of Coal India Limited which has not issued any uniform guidelines in this regard to all other subsidiary companies.

Dated : Calcutta
the 16th September, 1997.

Jayanta Chatterjee
Pr. Director of Commercial Audit &
Ex-office Member Audit Board-II
Calcutta

**REVIEW OF ACCOUNTS OF MAHANADI COALFIELDS LIMITED FOR THE
YEAR ENDED 31st MARCH, 1997 BY THE
COMPTROLLER & AUDITOR GENERAL OF INDIA**

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

		(Rs. in lakhs)		
1. FINANCIAL POSITION		<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>
LIABILITIES				
a.	Paid up Capital	10063.30	10000.09	10000.09
	(i) Government	0.00	0.00	0.00
	(ii) Others-Coal India Ltd.-Holding Company (Including Share application money pending allotment of Rs.63.21 lakhs upto 94-95)	10063.30	10000.09	10000.09
b.	Reserves & Surplus			
	(i) Free Reserves & Surplus	13301.10	13776.59	27378.05
	(ii) Share Premium Account	0.00	0.00	0.00
	(iii) Capital Reserve	0.00	0.00	2618.22
c.	Borrowing :-			
	(i) From CIL Holding Company	70802.61	77870.90	63869.90
	(ii) From Financial Instns.	0.00	0.00	0.00
	(iii) Foreign Credit (Deffered payment liabilities)	2578.20	2072.09	1636.87
	(iv) Cash Credit	0.00	0.00	0.00
	(v) Others	0.00	0.00	0.00
	(vi) Interest Accrued and Due	0.00	0.00	0.00
d.	(i) Current Liabilities & Provisions (Excluding Prov. for Gratuity)	26123.25	28157.68	46552.32
	(ii) Provisions for Gratuity	62.49	2283.14	2331.89
TOTAL		<u>122930.95</u>	<u>134160.49</u>	<u>154387.34</u>
ASSETS				
e.	Gross Block	98654.02	112052.59	127032.84
f.	Less: Cumulative depreciation	34304.62	40228.74	47169.62
g.	Net Block	64349.40	71823.85	79863.22
h.	Capital Work-in-progress	14718.07	21063.68	23088.80
i.	Investments	0.04	0.04	283.81
j.	Current Assets, Loans & Advances	43232.11	38486.14	48919.04
k.	Misc-expenditure not written off	631.33	2786.78	2232.47
l.	Accumulated Losses	0.00	0.00	0.00
TOTAL		<u>122930.95</u>	<u>134160.49</u>	<u>154387.34</u>

ANNUAL REPORT 1996-97

m.	Working Capital [j-d (i)-c (vi)]	17108.86	10328.46	2366.7
n.	Capital Employed [g+m]	81458.26	82152.31	82229.9
o.	Net Worth [a+b (i)+b (ii)-k-l]	22733.07	20989.90	35145.6
p.	Net Worth per Rupee of paid up Capital (in Rs.)	2.26	2.10	3.5

2A. WORKING RESULTS

The working results of the company for the last 3 years ending 31st March 1997 are as under :

		(Rs. in lakhs)		
		<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>
a)	Sales	74191.78	98794.29	112631.82
b)	Profit for the year	6817.66	2518.27	33961.59
c)	Prior Period Adjustment	-16.13	-42.76	-1296.22
d)	Profit Before Tax	6801.53	2475.51	32665.37
e)	Tax Provision	—	—	8300.00
f)	Profit after Taxz	6801.53	2475.51	24365.37

2B. RATIO ANALYSIS

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

		(In Percentages)		
		1994-95	1995-96	1996-97
A.	Liquidity Ratio			
i)	Current Ratio $[\frac{d(i)+c (vi)}{a}]$	165.49	136.68	105.08
B.	Debt Equity Ratio			
i)	Long term debt to Equity [c (i) to c (v) excluding short term loan /a]	729.19	799.42	655.06
C.	Profitability Ratios			
a.	Profit before tax to			
i)	Capital employed	8.35	3.01	39.72
ii)	Net worth	29.92	11.79	92.94
iii)	Sales	9.17	2.51	29.00
b.	Profit after tax to Equity	67.59	24.75	243.65
c.	Earning per share (in Rupees) (Profit after Tax/No. of Equity Share)	680.15	247.55	2436.52

3. SOURCES AND UTILISATION OF FUNDS

Funds amounting to Rs.42725.46 lakhs from internal and external sources were generated and utilised during the year as per details given below :

	(Rs. in lakhs)
SOURCES OF FUNDS:	
(a) Funds from operations	
(i) Profit after tax	24365.37
(ii) Add: Depreciation	6940.88
(b) Increase in other Reserves (Road Subsidy)	236.19
(c) Increase in Over Burden Removal Reserve	3056.05
(d) Decrease in Working Capital (including Prov. for Gratuity)	8010.49
(e) Misc. Expenditure to the extent written off during the year (net)	116.48
	<u>42725.46</u>

APPLICATION OF UNDS:

a)	Additions to Fixed Assets & Capital work-in-progress	17005.37
b)	Decrease in Borrowings	14436.22
c)	Increase in Investment	283.77
d)	Proposed Dividend	10000.09
e)	Provn. for I.T. on proposed Divident	1000.01
		42725.46

4. INVENTORY LEVELS

The Inventory levels of stocks of stores and spares, coal, etc. at the end of 3 years ending 31st March, 1997 are as under :

		<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>
				(Rs. in lakhs)
i)	Stocks of Stores & Spares	5265.46	5902.86	6645.49
ii)	Work-in-progress	23.09	21.72	149.65
iii)	a) Stock of coal, coke	13347.24	8806.39	4975.15
	b) Provision for deterioration of coal	1125.15	880.64	497.49
iv)	Percentage of Stock of coal & coke to Sales	17.99	8.91	4.42

5. SUNDRY DEBTORS

The Sundry Debtors vis-a-vis Sales in the last three years ending 31st March, 1997 are as follows :

Years	Sundry Debtors			Sales	%age of Debtors to Sales
	Considered good	Considered Doubtful	Total		
As on.					
31.03.95	15092.01	8230.00	23322.01	74191.78	31.43
31.03.96	14290.86	8738.50	23029.36	98794.29	23.31
31-03-97	18102.89	5511.00	23613.89	112631.82	20.97

CALCUTTA

The 16th September, 1997.

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

BALANCE SHEET

AS AT 31ST MARCH, 1997

	SCHEDULE	CURRENT YEAR <u>(Rs. in Lakhs)</u>		PREVIOUS YEAR <u>(Rs. in Lakhs)</u>
SOURCES OF FUND				
Share Holders Funds				
a) Capital	A		10000.09	10000.09
b) Share Application Money Pending Allotment	B		—	—
c) Reserves & Surplus	C		29996.27	13338.76
Loan Funds				
a) Secured	D (I)		—	—
b) Unsecured	D (II)	63869.90	63869.90	77870.90
Deferred Credit				
Deferred Credit		1637.96	2077.56	
Less : Int. on Deferred Payment		1.09	5.47	2072.09
GRAND TOTAL		<u>105503.13</u>	<u>105503.13</u>	<u>103281.84</u>
APPLICATION OF FUND				
Fixed Assets				
a) Gross Block	E	127032.84	112052.59	
Less: Depreciation		47169.62	40228.74	
Net Block			79863.22	71823.85
b) Capital Work-in-Progress	F		23088.80	21063.68
TOTAL			<u>102952.02</u>	<u>92887.53</u>
Investments	G		283.81	0.04
Current Assets, Loans & Advance				
a) Inventories	H	11151.89	13706.19	
b) Debtors	I	18102.89	14290.86	
c) Cash & Bank Balances	J	5038.21	3221.18	
d) Other Current Assets	K	25.73	36.28	
e) Loans and Advances	L	14600.32	7231.63	
		48919.04	38486.14	
Less : Current Liabilities & Provisions.	M	48884.21	30440.82	
Net Current Assets			34.83	8045.32
Misc. Expenditure to the extent not yet written off or adjusted	N		2232.47	2348.95
GRAND TOTAL			<u>105503.13</u>	<u>103281.84</u>

BALANCE SHEET
AS AT 31ST MARCH 1997

	SCHEDULE	CURRENT YEAR <u>(Rs. in Lakhs)</u>	PREVIOUS YEAR <u>(Rs. in Lakhs)</u>
ACCOUNTING POLICIES	O		
NOTES ON ACCOUNTS	P		

S. C. Behera
Company Secretary

J. Roy
General Manager (F)

Mayukha Sengupta
Chief General Manager (F)

S. N. Sharma
Director (Technical)

A. R. Sharma
Chairman-Cum-Mg. Director

In terms of our report of even date
For **K. L. Banerjee & Co.,**
Chartered Accountants

K. L. Banerjee
PARTNER

Date : The 3rd Day of Sept. 1997.

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDING 31ST MARCH, 1997

	SCHEDULE	CURRENT YEAR (Rs. in Lakhs)	PREVIOUS YEAR (Rs. in Lakhs)
INCOME			
Sales	1	112631.82	98794.29
Coal issued for other purpose	2	449.28	419.53
Other Income	4	11186.29	9398.86
TOTAL INCOME		<u>124267.39</u>	<u>108612.68</u>
EXPENDITURE			
Decretion in Coal Stock	3	3613.82	4101.06
Internal Consn. of Coal	5	126.39	110.36
Consn. of Stores & Spare Parts	6	15750.14	13841.94
Power & Fuel	7	5723.64	4225.65
Employees Remuneration & Benefits	8	19436.57	17289.31
Impact of Revision of Executive Salary		—	841.05
Contractual Expenses	9	13453.85	10204.17
Repairs (purchased)	10	3780.02	3164.79
Social Facilities	11	3546.24	2925.68
Other Expenditure	12	4289.59	2991.09
Expenditure pertaining to Overburden		3056.05	-429.17
Contribution to Coal Price Regulation Account		—	31131.21
TOTAL EXPENDITURE		<u>72776.31</u>	<u>90397.14</u>
GROSS OPERATING PROFIT		51491.08	18215.54
Interest	13	8519.89	7859.46
Depreciation		7172.27	7203.11
Provisions	14 (A)	-3058.05	577.25
Write off	14 (B)	4895.38	57.45
PROFIT FOR THE YEAR		<u>33961.59</u>	<u>2518.27</u>

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDING 31ST MARCH, 1997

	SCHEDULE	CURRENT YEAR (Rs. in Lakhs)	PREVIOUS YEAR (Rs. in Lakhs)
Prior Period Adjustment	15	1296.22	42.76
NET PROFIT BEFORE TAXATION		32665.37	2475.51
Provision for Income Tax		8300.00	—
PROFIT AFTER TAX		24365.37	2475.51
Proposed Dividend		10000.09	2000.02
Provision of IT on Proposed Dividend		1000.01	—
PROFIT AFTER TAX AND PROPOSED DIVIDEND		13365.27	475.49
TRANSFERRED TO GENERAL RESERVE ACCOUNT		2500.00	475.49
Retained Profit after transfer to General Reserve Account		10865.27	—
Profit upto the previous year		13301.10	13301.10
BALANCE CARRIED TO BALANCE SHEET		24166.37	13301.10

S. C. Behera
Company Secretary

J. Roy
General Manager (F)

Mayukha Sengupta
Chief General Manager (F)

S. N. Sharma
Director (Technical)

A. R. Sharma
Chairman-Cum-Mg. Director

In terms of our report of even date
For **K. L. Banerjee & Co.**,
Chartered Accountants

K. L. Banerjee
PARTNER

Date : The 3rd Day of Sept. 1997.

SHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 1997

SCHEDULE - A

SHARE CAPITAL

	CURRENT YEAR <u>(Rs. in Lakhs)</u>	PREVIOUS YEAR <u>(Rs. in Lakhs)</u>
Authorised 50,00,000 Equity Share of Rs. 1000 each	50000.00 <hr style="width: 100%;"/>	50000.00 <hr style="width: 100%;"/>
Issued, Subscribed & paid up 1000009 (Previous Year 1000009 Equity Shares of Rs.1000 each allotted as fully paid up for consideration received other than cash.	10000.09 <hr style="width: 100%;"/>	10000.09 <hr style="width: 100%;"/>
TOTAL	10000.09 <hr style="width: 100%;"/>	10000.09 <hr style="width: 100%;"/>

Note : Entire Share Capital is held by Holding Company-Coal India Ltd. and its nominees.

SCHEDULE - B

AMOUNT RECEIVED AGAINST EQUITY PENDING ALLOTMENT

Amount and/or consideration received Coal India Ltd., against Equity Shares pending allotment.	— <hr style="width: 100%;"/>	— <hr style="width: 100%;"/>
TOTAL	— <hr style="width: 100%;"/>	— <hr style="width: 100%;"/>

SHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 1997

SCHEDULE - C

RESERVES AND SURPLUS

	AS 01.04.96 (Rs. in Lakhs)	ADDITIOINS DURING THE YEAR (Rs. in Lakhs)	DEDUCTION ADJUSTEMENT DURING THE YEAR (Rs. in Lakhs)	AS AT 31.03.97 (Rs. in Lakhs)
(A) 1) General Reserve Account	475.49	2500.00	—	2975.49
2) Profit & Loss Account	13301.10	10865.27	—	24166.37
3) Other Reserves-Road Subsidy	—	244.00	-7.81	236.19
SUB TOTAL (A)	<u>13776.59</u>	<u>13609.27</u>	<u>-7.81</u>	<u>27378.05</u>
(B) Accumulated Ratio Variance Reserve (OBR)	9242.84	3239.28	-152.24	12329.88
Less: Closing Advance Stripping (OBR)	9680.67	9711.66	-9680.67	9711.66
SUB TOTAL (B)	<u>-437.83</u>	<u>-6472.38</u>	<u>9528.43</u>	<u>2618.22</u>
GRAND TOTAL (A+B)	<u>13338.76</u>	<u>7136.89</u>	<u>9520.62</u>	<u>29996.27</u>

SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 1997

SCHEDULE - D (I)

SECURED LOANS

	CURRENT YEAR <u>(Rs. in Lakhs)</u>	PREVIOUS YEAR <u>(Rs. in Lakhs)</u>
From State Bank of India on cash credit/facilities as allocated by CIL (Against hypothecation of stock of coal, coke, stores & spare parts, book debts and other Assets)	—	—

TOTAL

SCHEDULE -D (II) UNSECURED LOANS

Due to Coal India Limited, Holding Co. (Loan Account)	63869.90	77870.90
TOTAL	63869.90	77870.90

SHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 1997

SCHEDULE-E

ASSETS

	GROSS BLOCK OF FIXED ASSETS			DEPRECIATION					NET BLOCK	
	COST AS AT BEGINNING OF YEAR	ADDITIONS DURING THE YEAR	ADJUSTMENT DURING THE YEAR	COST AS AT CLOSING OF THE YEAR	PROVIDED UPTO THE BEGINNING OF THE YEAR	FOR THE YEAR	ADJUSTMENT DURING THE YEAR	PROVIDED UPTO THE END OF THE YEAR	AS AT YEAR END (31.3.97)	AS AT YEAR END (31.3.96)
1. LAND :										
i) Free hold	113.43	6.90	0.00	120.33	0.00	0.00	0.00	0.00	120.33	113.43
ii) Lease hold	4525.27	1641.61	0.00	6166.88	878.97	211.75	0.00	1090.72	5076.16	3646.30
2. BUILDING:										
i) Township	13898.01	1891.86	219.45	16009.32	1066.85	258.62	12.50	1337.97	14671.35	12831.16
ii) Other than Township	5405.06	745.64	-219.46	5931.24	569.12	213.82	-12.52	770.42	5160.82	4835.94
iii) Roads & Culverts	2298.42	821.52	0.00	3119.94	325.76	120.67	0.00	446.43	2673.51	1972.66
3. PLANT & MACHINERY	71943.43	8370.11	-1077.87	79235.67	33210.13	5978.46	-945.57	38243.02	40992.65	38733.30
4. FURNITURE & FITTINGS & OFFICE EQUIPMENTS	1211.61	351.86	0.00	1563.47	473.20	156.62	-0.01	629.81	933.66	738.41
5. RAILWAY SIDING	4010.43	887.26	-298.68	4599.01	532.02	226.05	-19.75	738.32	3860.69	3478.41
6. VEHICLE	1340.02	150.48	-2.99	1487.51	661.14	121.64	0.82	783.60	703.91	678.88
7. PROSPECTING & BORING	1521.64	0.00	-0.00	1521.64	621.42	68.50	0.00	689.92	831.72	900.22
8. DEVELOPMENT EXPENDITURE	5785.27	1488.77	3.79	7277.83	1890.13	549.28	0.00	2439.41	4838.42	3895.14
GRAND TOTAL	112052.59	16356.01	-1375.76	127032.84	40228.74	7905.41	-964.53	47169.62	79863.22	71823.85

SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 1997

SCHEDULE - E

ALLOCATION OF DEPRECIATION

Cont...

		CURRENT YEAR (Rs. in Lakhs)		PREVIOUS YEAR (Rs. in Lakhs)
(A) REVENUE				
HEMM		4238.07		4743.20
Workshop Equipment		79.40		59.97
Others		2854.80		2399.94
(B) SOCIAL FACILITY ASSETS (REV.)				
Township	361.76		312.26	
Others	<u>89.44</u>	451.20	<u>47.97</u>	360.23
(C) PRIOR PERIOD ADJUSTMENT (REV.)		235.39		-25.15
(D) CAPITALISATION				
Social Facility Assets	—		0.12	
Others	<u>46.55</u>	46.55	<u>-72.85</u>	-72.73
TOTAL		<u>7905.41</u>		<u>7465.46</u>

SHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 1997

SCHEDULE -F

CAPITAL WORK IN PROGRESS

(Rs. in Lakhs)

	UPTO THE BEGINING OF THE YEAR (01.04.96)	ADDITIONS DURING THE YEAR	TRANSFER/ ADJUSTMENT DURING THE YEAR	UPTO THE END OF THE YEAR (31.3.97)
1. BUILDING UNDER CONSTRUCTION :				
i) Township	2542.82	1659.39	-1535.96	2666.25
ii) Other than Township	732.31	637.14	-452.58	916.87
iii) Roads & Culverts (Mining Area)	224.43	618.36	-481.74	361.05
2. PLANT & MACHINERY:				
i) Under erection/Installation	3670.37	1819.57	-2545.70	2944.24
ii) in stores	1166.86	1944.87	-1720.73	1391.00
iii) In transit & awaiting Inspection	9.74	57.64	-0.94	66.44
iv) Railway siding under construction	2953.87	873.10	-1177.48	2649.49
v) P & B for Dev Mines	3665.15	812.20	39.75	4517.10
vi) Dev Exp of Non-Rrev. Mines	1639.65	741.48	-10.58	2370.55
TOTAL CAPITAL WORK IN PROGRESS	16605.20	9163.75	-7885.96	17882.99
CAPITAL GOODS IN STOCK :	648.62	271.30	-148.07	771.85
CAPITAL ADVANCE :				
i) P & M Advance for Capital Goods	1333.71	848.66	-266.62	1915.75
ii) Railway Siding Advance	180.79	4.84	-59.06	126.57
iii) Land Advance	2295.36	829.31	-733.03	2391.64
TOTAL CAPITAL ADVANCE	3809.86	1682.81	-1058.71	443.96
GRAND TOTAL	<u>21063.68</u>	<u>11117.86</u>	<u>-9092.71</u>	<u>23088.80</u>

SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 1997

SCHEDULE -G

INVESTMENTS

	CURRENT YEAR (Rs. in Lakhs)	PREVIOUS YEAR (Rs. in Lakhs)
Non-Trade Investments at Cost (Unquoted) [430 Shares of Rs. 10/- each fully paid (Employees Co-operative Society)]	0.04	0.04
Pension Fund Deposit [Investment in Schedule Banks]	283.77	—
TOTAL	<u>283.81</u>	<u>0.04</u>

SHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 1997

SCHEDULE -H

INVENTORIES

		CURRENT YEAR (Rs. in Lakhs)		PREVIOUS YEAR (Rs. in Lakhs)
A. Stock of Stores & Spares		6245.36		5744.65
Less :				
i. Provision for obsolescence	291.41		115.74	
ii. Provision for Difference/Shortage	<u>14.36</u>	305.77	<u>14.36</u>	130.10
SUB TOTAL		<u>5939.59</u>		<u>5614.55</u>
Add:				
In transit/Under Inspection		705.85		288.31
Discarded/Surveyed off Stock Adjustment		0.05		—
TOTAL (A)		<u>6645.49</u>		<u>5902.86</u>
B. Stock of Coal				
(1) Revenue		4623.05		8806.39
(2) Capital Project		352.10		0.00
SUB TOTAL (1+2)		4975.15		8806.39
Less: Provision for Deterioration	497.49		880.64	
Rehandling Charges	<u>120.91</u>	618.40	<u>144.14</u>	1024.78
TOTAL (B)		<u>4356.75</u>		<u>7781.61</u>
As per annexure H (I) & H (II)				
C. Workshop Job :				
Work in progress		149.65		21.72
TOTAL (C)		<u>149.65</u>		<u>21.72</u>
D. Loss of Assets		117.66		123.89
Less : Provision		117.66		123.89
TOTAL (D)		<u>—</u>		<u>—</u>
GRAND TOTAL (A+B+C+D)		<u>11151.89</u>		<u>13706.19</u>

SHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 1997

PARTICULARS IN RESPECT OF COAL STOCK AS ON 31.3.97

SCHEDULE – H (Contd.)

ANNEXURE - H (I)

PARTICULARS	OVERALL STOCK		PROVISION FOR NON VENDABLE STOCK		VENDABLE STOCK	
	QUANTITY	VALUE	QUANTITY	VALUE	QUANTITY	VALUE
	(L Te)	(L Rs.)	(L Te)	(L Rs.)	(L Te)	(L Rs.)
A. RECONCILIATION OF BOOK STOCK AND MEASURED STOCK:						
1. OPENING STOCK AS ON 1.4.96 (As per Accounts)	34.10	8806.39			34.10	8806.39
2. ADD PRODUCTION FOR THE YEAR	373.67	108903.46			373.67	108903.46
3. SUB TOTAL (1+2)	407.77	117709.85			407.77	117709.85
4. LESS OFF TAKE FOR THE YEAR						
(A) OUTSIDE RESPATCH	372.20	112730.21			372.20	112730.21
(B) INTERNALS CONSUMPTION FOR WASHERIES ETC.	0.20	1.26			0.20	1.26
(C) CONSUMPTION FOR BOILER AND DOMESTIC COAL	0.52	3.23			0.52	3.23
TOTAL (4)	372.92	112734.70			372.92	112734.70
5. DERIVED STOCK (3-4)	34.85	4975.15			34.85	4975.15
6. MEASURED STOCK	34.18	4852.28			34.18	4852.28
7. DIFFERENCE (5-6)	0.67	122.87			0.67	122.87
8. BREAK UP OF DIFFERENCE :						
(A) EXCESS WITHIN 5%						
(B) SHORTAGE WITHIN 5%	0.67	122.87			0.67	122.87
(C) EXCESS BEYOND 5%						
(D) SHORTAGE BEYOND 5%						
9. CLOSING STOCK ADOPTED IN ACCOUNTS (6-8A+8B)	34.85	4975.15			34.85	4975.15

SHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 1997

PARTICULARS IN RESPECT OF COAL STOCK AS ON 31.3.97 (Contd.)

SCHEDULE -H (Contd.)

ANNEXURE -H (II)

PARTICULARS	<u>QUANTITY</u>	<u>VALUES</u>
(B) RECONCILIATION OF CLOSING STOCK ADOPTED IN ACCOUNT WITH BOOKS STOCK AS AT THE END OF THE YEAR		
STOCK AS PER	34.85	4975.15
LESS :		
NET SHORTAGE OF MORE THAN 5% ACCOUNTED FOR IN THE ACCOUNTS BUT NOT ADJUSTED FROM BOOK STOCK PENDING WRITE OFF.		
LESS :		
NON-VENDABLE STOCK INCLUDING MIXED STOCK AND STOCK ON FIRE FOR WHICH PROVISION EQUIVALENT TO THE VALUE HAS BEEN MADE IN ACCOUNTS BUT QY. NOT ADJUSTED IN BOOK STOCK AS WELL AS ACCOUNTS.		
LESS :		
CHARGE FOR REHANDLING OF PITHEAD STOCK		120.91
LESS :		
PROVISION MADE IN THE ACCOUNTS TO TAKE CARE OF FUTURE DETERIORATION IN COAL STOCK.		497.49
ADD:		
COAL IN WAGON ETC.		
STOCK AS PER ACCOUNTS AFTER ALL PROVISIONS	<u>34.85</u>	<u>4356.75</u>

SHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 1997

SCHEDULE - I

DEBTORS

	CURRENT YEAR (Rs. in Lakhs)	PREVIOUS YEAR (Rs. in Lakhs)
Outstanding for over six months	16152.49	19654.64
Other debts	<u>7461.40</u>	<u>3374.72</u>
SUB TOTAL	23613.89	23029.36
Less : Provision for Doubtful Debts	5511.00	8738.50
TOTAL	<u>18102.89</u>	<u>14290.86</u>
 CLASSIFICATION		
1. Considered good and in respect of which the Company is fully secured.	1264.17	1962.38
2. Considered good in respect of which the Company holds no security other than Debtors personal Security.	16838.72	12328.48
3. Considered Doubtful	5511.00	8738.50
TOTAL	<u>23613.89</u>	<u>23029.36</u>

Note : Unsecured amount includes Rs. 744.76 Lakhs (Previous year Rs. 1179.53 Lakhs) covered by Bank Guarantees.

SHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 1997

SCHEDULE - J

CASH & BANK BALANCES

	CURRENT YEAR (Rs. in Lakhs)	PREVIOUS YEAR (Rs. in Lakhs)
A. (i) Cash/Stamp in hand	6.40	4.99
(ii) Cheques/Demand Draft in hand	1.15	0.01
(iii) Cash balance with Imprest Holder	1.83	0.78
B. Remittance-in-Transit	184.80	5.03
C. Balance with Schedule Bank		
(i) Current Account	4727.81	3169.09
(ii) Deposit Account	115.56	41.23
D. Soiled/mutilated notes in hand	—	0.05
With R B I	0.66	—
TOTAL	<u>5038.21</u>	<u>3221.18</u>

SCHEDULE - K

OTHER CURRENT ASSETS

Claims Receivable :

1. S & P Susidy	23.18	33.66
2. Railways	0.97	0.97
3. Insurance Company	0.26	—
4. Fidelity	0.65	0.65
5. Others	0.67	1.00
TOTAL	<u>25.73</u>	<u>36.28</u>

SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 1997

SCHEDULE - L (Contd.)

LOANS & ADVANCES

	CURRENT YEAR (Rs. in Lakhs)	PREVIOUS YEAR (Rs. in Lakhs)
A. Advance to Suppliers (Stores)	1695.21	1507.70
TOTAL (A)	1695.21	1507.70
B. Advance to Contractors	141.75	287.10
TOTAL (B)	141.75	287.10
C. Advance to Employees		
1. House Building Advance	283.31	224.37
2. Motor Car Advance	183.48	131.62
3. Motor Cycle, Scooter Advance	1.93	2.41
4. Other Conveyance Adv.	0.08	0.03
5. Festival Advance	0.00	0.05
6. Pay Advance	5.81	4.94
7. Medical Advance	29.76	22.35
8. Local Purchase Advance	12.06	14.37
9. Misc. Advance	82.71	95.04
10. Travelling Advance	72.03	64.65
11. L T C Advance	16.69	15.45
12. Advance (Others)	246.99	263.11
13. Freight Advance	0.75	—
14. Study Advance	0.62	0.86
Development Loan		
15. Other Receivables	2.28	0.46
TOTAL (C)	938.50	839.71

SHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 1997

SCHEDULE - L (Contd.)

LOANS & ADVANCES

	CURRENT YEAR (Rs. in Lakhs)	PREVIOUS YEAR (Rs. in Lakhs)
D. Advance to Others		
1. Advance to Co-operative Society	0.48	0.41
2. Port Trust Advance	21.60	—
3. Tax deducted at Source	—	0.28
4. Advance Income Tax	6100.30	200.00
5. Advance Wealth Tax	3.89	1.07
6. Advance Sales Tax	429.71	471.19
7. ST deposit under protest	487.10	450.21
8. Advance to Subsidiary Co.	13.54	—
9. Advance Receivable from Government	0.84	0.88
10. HEMM Tax Under Protest	—	331.50
11. Other receivable	120.98	234.15
TOTAL (D)	7178.44	1689.69
E. Deposit		
i. Deposit with P&T Dept.	5.20	4.27
ii. With Elec. Boards.	3675.14	1984.44
iii. With Others	541.46	527.85
TOTAL (E)	4221.80	2516.56
F. Prepaid Expenses	54.02	45.04
TOTAL (F)	54.02	45.04

SHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 1997

SCHEDULE - L (Contd.)

LOANS & ADVANCES

	CURRENT YEAR (Rs. in Lakhs)	PREVIOUS YEAR (Rs. in Lakhs)
G. Current Accounts with Subsidiaries of Holding Company.		
1. Eastern Coalfields Ltd.	—	0.04
2. Central Coalfields Ltd.	0.04	—
3. Western Coalfields Ltd.	58.86	—
4. CMPDI Limited	0.77	10.57
5. Southern Eastern Coalfields Ltd.	307.65	333.23
6. Northern Coalfields Ltd.	3.28	1.99
TOTAL (G)	370.60	345.83
 GRAND TOTAL (A TO G)	 14600.32	 7231.63
 Less : Provision for Doubtful Advances	 —	 —
 NET TOTAL	 14600.32	 7231.63
 Classification :		
a) Considered good in respect of which the company is fully secured	610.47	645.50
b) Considered good for which the company holds no security other than Party's Personal security.	13989.85	6586.13
c) Considered doubtful	—	—

Note : 1. Amount due from an officer of the Company is Rs. 3.04 lakhs (Previous year Rs. 3.23 lakhs). Maximum amount due at any time during the year is Rs. 3.06 lakhs (Previous year Rs. 3.24 lakhs)

2. Amount due from Director of the Company is nil (Previous year Rs. 0.04 lakhs)

SHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 1997

SCHEDULE - M CURRENT LIABILITIES AND PROVISIONS

	CURRENT YEAR (Rs. in Lakhs)	PREVIOUS YEAR (Rs. in Lakhs)
A. Current Liabilities		
Sundry Creditors for Goods		
For Capital	1559.26	1144.16
For Stores	2381.53	2197.53
TOTAL (A)	<u>3940.79</u>	<u>3341.69</u>
B. Sundry Creditors for Expenses		
Contractual Expenses		
Capital	1951.28	3520.59
Revenue	1097.89	684.92
Power & Fuel	481.35	226.61
TOTAL (B)	<u>3530.52</u>	<u>4432.12</u>
C. Employees Remuneration and Benefits		
Salaries, Wages & Allowances	3160.72	4660.11
Attendance Bonus	140.23	127.35
Exgratia	607.57	571.83
Unpaid Salaries & Wages	25.99	22.91
Gratuity	2331.89	2283.14
DLI	0.34	0.18
TOTAL (C)	<u>6266.74</u>	<u>7665.52</u>
D. Other Expenses		
Contractual Expenses	922.11	993.25
Demurrage	0.00	0.07
Audit Fees & Expenses	2.30	12.77
Repair & Maintenance	88.12	80.69
Others	179.68	163.23
TOTAL (D)	<u>1192.21</u>	<u>1250.01</u>
E. Statutory Dues Sales Tax		
Central	228.07	214.92
State	190.93	153.68
Royalty & Cess		
Royalty on Coal	3123.89	1835.48
Cess on Coal	3315.17	3331.95

Contd...

SCHEDULE - M (Contd.)

a) Rescue Cess	0.15	0.15
b) C & W L Cess	3.80	3.80
c) Others	0.00	0.09
Stowing Excise Duty	361.87	372.92
Central Excise Duty	2.16	2.16
Provident Fund	263.83	172.55
Pension Fund	1441.52	973.01
Professional Tax	0.10	0.07
Income tax :		
Employees	4.47	1.36
Contractors	26.02	18.56
Surface Rent & Dead Rent	0.03	0.03
Land Revenue	0.04	—
Other Statutory Dues	72.49	57.69
TOTAL (E)	9034.54	7138.42
F. Other Liabilities		
i) L.I.C. Premium (sss)	0.40	0.67
ii) C.D. Post Office	0.03	-0.04
iii) A.E.C.D (Wages)	0.00	—
iv) A.E.C.D. (DA)	0.01	0.04
v) Dues to Canteen	0.03	0.08
vi) Dues to Co-operative Societies	0.38	0.30
vii) Prime Minister's Relief Fund	-0.00	4.37
viii) Benevolent Fund	4.28	2.61
ix) Welfare Fund	0.03	—
x) Others	69.88	21.09
TOTAL (F)	75.04	29.12
G. Advances and Deposits		
Advance from Customers	1468.80	2190.35
Deposits from Contractors & Others	2069.11	1895.38
TOTAL (G)	3537.91	4085.73
H. Current Account Balance with CIL & Subsidiaries		
1. Coal India Limited	1998.89	491.52
2. Bharat Cooking Coal Ltd.	0.00	4.13
3. Central Coalfields Ltd.	0.19	0.86
4. Western Coalfields Ltd.	0.01	0.11
TOTAL (H)	1999.09	496.62
I. Total Current Liabilities (A to H)	29576.84	28439.23
J. Provisions :		
a) Taxation	9307.28	1.57
b) Proposed Dividend	10000.09	20001.02
TOTAL (J)	19307.37	2001.59
GRAND TOTAL (I TO J)	48884.21	30440.82

SHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 1997

SCHEDULE - N

MISCELLANEOUS EXPENDITURE

		(Rs. in Lakhs)			
		As At 31.3.96	Additions During the Year	Deduction/ Adjustment During the Year	As At 31.3.97
A.	(To the extent not written off or Adjusted)				
	1. HEMM Rehabilitation	739.83	806.60	-525.06	1021.37
	2. Expenditure on Gratuity	1561.00	0.00	-390.00	1171.00
	3. Others :				
	i) Preliminary Expenses	48.12	0.00	-8.02	40.10
	ii) Share issue expenses	—	—	—	—
	iii) Pre-incorporaion loss	—	—	—	—
	TOTAL (3)	<u>48.12</u>	<u>0.00</u>	<u>-8.02</u>	<u>40.10</u>
	GRAND TOTAL (1+2+3)	<u>2348.95</u>	<u>806.60</u>	<u>-923.08</u>	<u>2232.47</u>

SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING 31.3.97

SCHEDULE - 1

SALES

		CURRENT YEAR (Rs. in Lakhs)		PREVIOUS YEAR (Rs. in Lakhs)	
QUANTITY (L/TE)			372.20		343.46
(A) Gross Sales Value	146661.65		129642.18		
Less : Surface transportation charges (SCH-4)	<u>7155.78</u>	139505.87	<u>5988.19</u>	123653.99	
Less : Statutory Levies :					
Royalty on Coal		19790.45		18558.18	
Stowing excise Duty		1302.53		1202.16	
Sales Tax :					
Central	3479.26		3122.52		
State	<u>2203.42</u>	5682.68	<u>1976.84</u>	5099.36	
(B) Total Levies		<u>26775.66</u>		<u>24859.70</u>	
(C) Basic Value (A-B)		<u>112730.21</u>		<u>98794.29</u>	
Less : Transfer to Development		98.39		—	
NET VALUE		<u>112631.82</u>		<u>98794.29</u>	

SCHEDULE - 2

COAL ISSUED FOR OTHER PURPOSE

	CURRENT YEAR			PREVIOUS YEAR		
	COLLIERY CONSN	FREE ISSUED TO EMP	TOTAL	COLLIERY CONSN	FREE ISSUED TO EMP	TOTAL
QUANTITY (L/Te)	0.20	0.52	0.72	0.21	0.68	0.89
(A) Value	145.97	322.89	468.86	130.60	309.17	439.77
(B) Statutory Levies						
Royalty on Coal	19.58	—	19.58	20.24	—	20.24
Levies (B)	19.58	—	19.58	20.24	—	20.24
VALUED (A-B)	126.39	322.89	449.28	110.36	309.17	419.53

SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING 31.3.97

**SCHEDULE - 3
ACCRETION/DECRETION IN STOCK**

		CURRENT YEAR (Rs. in Lakhs)	PREVIOUS YEAR (Rs. in Lakhs)
(A) Closing Stock			
Raw Coal		4975.15	8806.39
Less : Provision :			
Deterioration	497.49		880.64
Rehandling	120.91	618.40	144.14
TOTAL (A)		4356.75	7781.61
(B) Work in Progress		149.65	21.72
TOTAL (B)		149.65	21.72
(C) TOTAL (A+B)		4506.40	7803.33
(D) Opening Stock			
Raw Coal		8806.39	12526.19
Less : Provision :			
Deterioration	880.64		1125.15
Rehandling	144.14	1024.78	340.79
TOTAL (D)		7781.61	11060.25
(E) Work in Progress		21.72	23.09
TOTAL (E)		21.72	23.09
(F) TOTAL (D+E)		7803.33	11083.34
TOTAL (C+F)		-3296.93	-3280.01
Less : Development Stock Brought to Rev.		—	821.05
Transfer to Development		316.89	—
Accretion/Decretion in Stock		-3613.82	-4101.06

SHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING 31.3.97

SCHEDULE - 4 OTHER INCOME

	CURRENT YEAR <u>(Rs. in Lakhs)</u>	PREVIOUS YEAR <u>(Rs. in Lakhs)</u>
Stowing Subsidy	47.12	77.46
Transportation Charges	7155.78	5988.19
Value of Workshop job done	2963.48	2462.54
Rent (Outsider)	15.03	12.56
Interest Received on		
1. Bank Deposits	10.07	0.24
2. Loans & Advances to Employees	3.85	2.76
3. Loans & Advances to Contractors & Others	20.15	2.14
Discount, Rebate & Allowances	13.61	3.78
Liquidated Damages/Panalty	91.15	142.66
Others:		
Tender Fee		
Service Charges from Customers on joint sampling	22.46	18.87
Claims from Railways	15.02	38.21
Claims from others	9.87	11.52
Sale of scarp	97.61	53.03
Other Misc. receipts	724.60	585.36
SUB TOTAL	11189.80	9399.32
LESS : Transfer to Development	3.51	0.46
TOTAL	11186.29	9398.86

SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING 31.3.97

SCHEDULE - 5

INTERNAL CONSUMPTION OF COAL

	CURRENT YEAR <u>(Rs. in Lakhs)</u>	PREVIOUS YEAR <u>(Rs. in Lakhs)</u>
QUANTITY (L/Te)	0.20	0.21
VALUE (A)	145.97	130.60
Royalty on Coal	19.58	20.24
Levies (B)	19.58	20.24
Valued (A-B)	<u>126.39</u>	<u>110.36</u>

SHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING 31.3.97

SCHEDULE - 6

CONSUMPTION OF STORES & SPARES

	CURRENT YEAR <u>(Rs. in Lakhs)</u>	PREVIOUS YEAR <u>(Rs. in Lakhs)</u>
(A) Explosives	3510.94	2824.68
Timber	79.50	83.84
Petrol, Oil & Lub.	3102.61	2714.38
Other Stores & Spares :		
1. HEMM Spares	5468.98	4531.20
2. Consumption of POL Store & Spares for Cars & Jeeps	172.99	117.38
3. Consumption of POL Store & Spares for Ambu, & School Bus	15.85	15.50
4. Consumption of Stores & Spares for Township Water supply & Social Facilities	23.46	16.88
5. Consumption of POL Store & Spares for Generator	0.68	0.39
6. Others	3619.93	3691.13
SUB TOTAL (A)	15994.94	13995.38
(B) Less : Transfer to		
Social Facilities	39.99	32.74
Development	31.82	3.31
Other Expenditure	172.99	117.39
SUB TOTAL (B)	244.80	153.44
TOTAL (A-B)	15750.14	13841.94

SHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING 31.3.97

SCHEDULE - 7

POWER & FUEL

	CURRENT YEAR <u>(Rs. in Lakhs)</u>	PREVIOUS YEAR <u>(Rs. in Lakhs)</u>
(A) Purchase of Electricity	5902.62	4325.42
SUB TOTAL (A)	5902.62	4325.42
(B) Less : Transfer to Social Facilities Development	160.13	98.00
	18.85	1.77
SUB TOTAL (B)	178.98	99.77
TOTAL (A-B)	5723.64	4225.65

SCHEDULE - 8

EMPLOYEES REMUNERATION AND BENEFITS

	CURRENT YEAR <u>(Rs. in Lakhs)</u>	PREVIOUS YEAR <u>(Rs. in Lakhs)</u>
(A) Salaries, Wages & Allowances :		
Piece Rated Wages	1079.07	874.39
Time Rated Wages	8223.50	9037.80
Executives Salary	2320.62	911.73
Leave Wages	615.72	537.15
Paid Holiday Wages	111.39	101.49
Leave Encashment	152.58	14.47
Nightshift Allowance	39.89	33.75
House Rent Allowance	84.24	79.36
Transport Subsidy	174.76	137.38
Incentive Bonus/Reward	45.53	94.18
Special Incentive	2.24	0.00
Other Allowances	9.70	17.57
TOTAL (A)	12859.24	11839.27

SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING 31.3.97

SCHEDULE - 8 (Contd.)

EMPLOYEES REMUNERATION AND BENEFITS

	CURRENT YEAR <u>(Rs. in Lakhs)</u>	PREVIOUS YEAR <u>(Rs. in Lakhs)</u>
((B) Normal OT	1542.26	1110.97
Sunday OT	1194.74	874.34
Fall Back Wages	2.42	1.61
Attendance Bonus	553.03	407.83
Exgratia	534.93	504.14
Provident Fund	1788.67	1240.42
Pension Fund	0.59	-
LLTC	565.80	680.84
RRF	73.60	68.42
Pension	191.84	180.96
Gratuity	694.73	813.00
Workmens' Compensation	16.17	9.30
D.L.I.	6.76	5.81
Life Cover Scheme	12.95	6.00
TOTAL (B)	7178.49	5903.64
(C) Less transfer to :		
Social Facilities	452.61	390.75
Development	148.55	62.85
TOTAL (C)	601.16	453.60
GRAND TOTAL (A+B-C)	19436.57	17289.31

SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING 31.3.97

SCHEDULE - 9

CONTRACTUAL EXPENSES

	CURRENT YEAR <u>(Rs. in Lakhs)</u>	PREVIOUS YEAR <u>(Rs. in Lakhs)</u>
Transportation Charges :		
Coal	10853.59	8259.50
Sand	47.42	22.72
Others	682.30	406.94
Hire Charges of HEMM	5.93	7.67
Other Contractual Works	1931.38	1530.72
SUB TOTAL	<u>13520.62</u>	<u>10227.55</u>
Less : Transfer to Development	66.77	23.38
TOTAL	<u>13453.85</u>	<u>10204.17</u>

SHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING 31.3.97

SCHEDULE - 10

REPAIRS

	CURRENT YEAR <u>(Rs. in Lakhs)</u>	PREVIOUS YEAR <u>(Rs. in Lakhs)</u>
(A) Township Repair :	564.54	479.88
Repair of Hospital, Educational & Other Welfare Buildings	142.70	121.31
Factory & Office Buildings	135.99	148.44
Plant & Machinery	915.84	607.99
Office Equip. & Furnitures	21.25	24.64
Hospital Equipment	1.71	1.82
Heavy Vehicles	41.86	37.68
Cars & Jeeps	120.10	98.63
Social Facility Vehicles	10.27	7.21
Rehabilitation Expn. Written off	525.05	334.99
Workshop Job done	2091.90	1961.30
Siding Maint. Charges	54.88	48.02
TOTAL (A)	<u>4626.09</u>	<u>3871.91</u>
(B) Less : Transfer to		
Social Facilities	719.22	610.22
Other Expenses	120.10	96.63
Development	6.75	0.27
TOTAL (B)	<u>846.07</u>	<u>707.12</u>
TOTAL (A-B)	<u>3780.02</u>	<u>3164.79</u>

SHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING 31.3.97

SCHEDULE - 11

SOCIAL FACILITIES

	CURRENT YEAR (Rs. in Lakhs)	PREVIOUS YEAR (Rs. in Lakhs)
(A) Salaries, Wages & Allowances (Contra)	452.61	390.75
Free issue to Employees :		
Coal	322.89	309.17
Gas	<u>26.68</u>	<u>5.45</u>
	349.57	314.62
Medical Reimbursement	104.12	86.96
Medicine & Diet Inst.	247.71	201.22
Grant to Schools & Expn.	136.40	130.70
Sports, Rec. Grants	36.96	34.04
Canteen upkeep	1.55	1.87
Purchase of Water	33.21	3.25
Power (Contra)	160.13	98.00
TOTAL (A)	<u>1522.26</u>	<u>1261.41</u>
(B) Repair :		
Township Repair (Contra)	564.54	479.88
Repair of Hospital, School & Wel, Building (Contra)	142.70	121.31
Hospital Equip. (Contra)	1.71	1.82
TOTAL (B)	<u>708.95</u>	<u>603.01</u>

SHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING 31.3.97

SCHEDULE - 11 (Contd.)

SOCIAL FACILITIES

	CURRENT YEAR (Rs. in Lakhs)	PREVIOUS YEAR (Rs. in Lakhs)
(C) Cons. of Stores & Spares for Social Facility Services (Contra)	24.14	17.27
Maintenance of Vehicles :		
Stores & Spares for SOH Vehicles (Contra)	15.85	15.47
Repairs of Social Facility Vehicles (Contra)	10.27	7.21
Road Tax	1.16	0.70
Insurence	2.35	0.23
TOTAL MAINT. OF VEHICLES	29.63	23.61
Training Expenses	237.69	246.77
Dcpreciation	451.20	360.35
Community Development	458.60	256.33
Environment/Ecology Improvement	81.95	99.06
Guest House Expenses	12.86	13.63
Others	118.94	81.16
TOTAL (C)	1415.01	1098.18
TOTAL (A+B+C)	3646.22	2962.60
(D) Less : Recoveries		
House Rent	19.48	16.47
Hospital Charges	13.47	6.73
School Bus, Electricity & Water Charges	8.51	5.01
Guest House/Transit Flat	0.29	0.29
TOTAL (D)	41.75	28.50
(E) Less : Transfer to Development	58.23	8.42
GRAND TOTAL (A+B+C-D-E)	3546.24	2925.68

SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING 31.3.97

SCHEDULE - 12

OTHER EXPENDITURE

	CURRENT YEAR (Rs. in Lakhs)	PREVIOUS YEAR (Rs. in Lakhs)
(A) Travelling	280.42	248.86
Printing & Stationery	153.34	149.67
Books & Periodicals	6.31	5.02
Postage & Telephone	204.24	165.25
Bank Charges	11.25	17.91
Advertisement for Recruitment	0.26	0.06
Tender	70.01	101.28
Others	2.97	3.34
Publicity	9.87	7.80
Freight Charges	56.10	48.68
U. Loading Charges	432.68	451.16
Demurrage`	11.24	1.52
Donation & Subscriptions	2.65	1.20
Security Expenses	392.87	255.8 8
Rescue & Safety	52.76	27.54
Expenses on Meeting	59.55	55.02
Hire Charges :		
(i) Computer	43.35	24.82
(ii) Others	88.71	121.20
	132.06	146.02
Maintenance of Cars & Jeeps :		
(i) P.O.L. & Spares (Contra)	172.99	117.39
(ii) Repairs (Contra)	120.10	96.63
(iii) Vehicle Tax	850.53	23.25
(iv) Insurance	4.54	4.27
	1148.16	241.54
Total (A)	3026.74	1927.75

SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING 31.3.97**SCHEDULE - 12 (Contd.)****OTHER EXPENDITURE**

	CURRENT YEAR (Rs. in Lakhs)	PREVIOUS YEAR (Rs. in Lakhs)
(B) Royalty & Cess	19.90	24.98
Insurance	2.35	1.17
Rent, Rates & Taxes.	154.31	128.06
Auditors' Remuneration :		
(i) Audit Fee	1.20	1.20
(ii) Out of pocket Expenses	0.70	0.63
(iii) In other Capacity	0.40	0.40
Internal Audit Expenses	21.28	21.05
Legal Expenses/Consultancy Fees	75.07	89.28
Apex Office Expenses/Financial Charges	755.61	600.13
Loss on Sale/Discard of Assets	48.07	85.73
Office Contingency	31.82	14.82
Prospecting & Boring	28.96	0.00
Others	201.65	133.61
Wealth Tax	5.70	0.53
TOTAL (B)	1347.02	1101.59
(C) Less : Transfer to Development	84.17	38.25
TOTAL (A+B-C)	4289.59	2991.09

SCHEDULE - 13**INTEREST**

	CURRENT YEAR (Rs. in Lakhs)	PREVIOUS YEAR (Rs. in Lakhs)
INTEREST :		
On dues to Coal India Ltd, Holding Co.	8394.37	7767.41
On deferred payment	4.30	9.39
Chargeable to Dev. Units	168.57	83.60
Others	121.22	82.66
SUB TOTAL	8688.46	7943.06
LESS :		
Interest Capitalised during the year	168.57	83.60
TOTAL	8519.89	7859.46

SHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING 31.3.97

SCHEDULE - 14 (A)

PROVISIONS

	CURRENT YEAR (Rs. in Lakhs)	PREVIOUS YEAR (Rs. in Lakhs)
Doubtful Debts (New Provision)	1463.50	508.50
Less : Earlier Provision no longer required	4691.00	- 508.50
Obsolescence of Stores	175.67	34.24
Loss of Assets	-6.22	34.51
TOTAL (A)	-3058.05	577.25

SCHEDULE - 14 (B)

WRITE OFFS

	CURRENT YEAR (Rs. in Lakhs)	PREVIOUS YEAR (Rs. in Lakhs)
Bad/Doubtful Debts	4691.00	49.43
Assets Written off	196.36	-
Preliminary Expenses	8.02	8.02
TOTAL (B)	4895.38	57.45

SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING 31.3.97

SCHEDULE - 15

PRIOR PERIOD ADJUSTMENT

	CURRENT YEAR <u>(Rs. in Lakhs)</u>	PREVIOUS YEAR <u>(Rs. in Lakhs)</u>
(A) DEBIT :		
Consumption of Stores & Spare parts	-	-79.60
Power & Fuel	188.20	43.69
Interest	-	0.07
Depreciation	235.39	-25.15
Contractual Expenses	-	27.65
Other Expenditure :		
(i) Demurrage	-	-0.46
(ii) Others	-	69.48
TOTAL (A)	423.59	35.68
(B) CREDIT		
Sales	-873.76	0.00
Other Income	0.01	-7.08
TOTAL (B)	-873.75	-7.08
NET TOTAL (A-B)	1297.34	42.76
Less : Transfer to Development	1.12	0.00
GRAND TOTAL	1296.22	42.76

SCHEDULE "O" ACCOUNTING POLICY

SIGNIFICANT ACCOUNTING POLICIES

1. ACCOUNTING CONVENTION

The financial Statements are prepared under the Historical cost basis, as per Accounting Standards and generally accepted accounting practices, except otherwise stated in Accounting Policy and Notes on Accounts.

2. BASIS OF ACCOUNTING

2.1 All expenses are booked initially in the natural heads of accounts and then transferred to functional heads.

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

- a) Interest on advance to employees e.g. House Building, Purchase of Car etc. Demurrage, Liquidated damages/Penalty, Sales of scrap are provided on realisation/cash basis.
- b) Insurance/Railway claim and escalation claims are accounted for on the basis of admission final settlement.
- c) Additional Liability for royalty, cess etc., if any are accounted for in the year in which final assessment orders are received.

3. GRATUITY

3.1 Gratuity has been charged on Actuarial Valuation basis. The liability for gratuity as per actuarial valuation as on 31.3.95 has been deferred and charged in five equal yearly instalments commencing from 1995-96. The incremental liability for gratuity on actuarial valuation basis for the year is charged in full in current year's accounts.

3.2 Leave Encashment

Till the Accounting year 1995-96 Leave Encashment was being charged on cash basis. During 1996-97 leave encashment liability has been assessed on actuarial Valuation as on 31.3.97 and has been charged in full in current year's Accounts.

4. SUBSIDY GRANTS

4.1 Subsidy/Grants received on Capital Account are deducted from the cost of respective Assets to which they relate.

4.2 Subsidy claims for the accounting year which are yet to be received/confirmed from the appropriate authorities are accounted for on estimated basis. This estimate is based on the amount of subsidy received prorata to the claim preferred in the immediately preceding half year.

5. FIXED ASSETS

Land: Land includes cost of acquisition, compensation and rehabilitation expenses including expenses for compensatory afforestation incurred for concerned displaced persons.

- 5.1 **Building** : Building includes roads and culverts situated in colliery and township as well as cost of electrical fittings, water supply arrangements and sanitary fittings.
- 5.2 **Plant & Machinery** : Plant & Machinery includes cost and expenses incurred for erection/ installation and other attributable cost of bringing those assets to working condition for their intended use.
- 5.3 **Railway Siding** : Railway Siding payments made to Railway authorities are shown under Capital Work-in-progress. As and when Railway Siding is completed and brought to working condition for its intended use, the same is transferred to Railway Sidings. under the head "Fixed Assets".
- 5.4 **Prospecting & Boring**: Prospecting & Boring expenditure of Development Mines till it is brought to Revenue are shown in Capital-work-in-Progress (Schedule-F).

Prospecting & Boring Expenditure of Revenue Mines incurred upto 31.03.96 are amortised over a period of 20 years or life of the Project whichever is less.

Prospecting & Boring Expenditure of Revenue Mines since 01.04.96 are charged to Revenue Account.

- 5.5 **Development**: Expenses net of the income of the projects/Mines under development including proportionate interest capitalised are booked to development account. Project/Mines under development are brought to revenue either.
- (a) Immediately after the financial year in which the unit achieves physical coal output of 25% of rated capacity as per approved project report, or
 - (b) From the Financial year immediately succeeding the year in which the value of production is more than the total expenses whichever is earlier.
- 5.6 Installation expenses wherever done departmentally are not capitalised.

6. DEPRECIATION

- 6.1 Depreciation is provided at the rates specified in Schedule XIV to the Companies Act. 1956 as amended on straight line basis except that:
- (a) Depreciation for lease hold land has been charged equitably on the basis of lease period or life of the project whichever is less.
 - (b) Depreciation on land acquired under Coal Bearing Area (Acquisition & Development) Act. 1957 has been charged on the basis of Balance life of the project.
 - (c) Development expenditure are amortised over a period of 20 years or the life of the project whichever is less.
 - (d) Assets attracting 100% depreciation, are depreciated in full in the year of the addition and the same are withdrawn from the Block in the following year in which these are fully depreciated.
 - (e) Profit/Loss on sale of surveyed-off assets are charged to Profit & Loss Account.
 - (f) Depreciation on addition to Assets made during the year is taken prorata on month to month basis in which the Assets have been commissioned or put into use.

7. INVENTORIES

- 7.1 Stock of Stores & Spare parts are valued at Weighted Average Cost. Work in progress, workshop jobs are valued at cost.
- 7.2 Imported spares and related custom duty thereon are accounted for on the basis of debit advice received from Coal India Limited.
- 7.3 Book stock of Coal, Coke, etc., is taken for the purpose of Closing Stock, where, the variance between the book stock and measured stock is upto $\pm 5\%$ and in case the variance is beyond 5% the measured stock is taken for the purpose of Closing Stock.
- 7.4 Stock of coal and coke (if applicable) is valued at "Cost or Market Price whichever is lower" from the Accounting Year 1996-97 after adjusting provision for deterioration @ 10% of the value of stock as at the close of the year and estimated net transportation/rehandling charges. However rehandling charges in respect of transportation of coal by own fleet/mechanical device is not considered.
- 7.5 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.
- 7.6 Stock of medicines and stationery are not considered for the purpose of inventory valuation, the expenses on this account are charged to Revenue.

8. PRIOR PERIOD ADJUSTMENT/EXTRA ORDINARY ITEMS

- 8.1 Material charges or credit (in excess of Rs. 10,000/- for any individual item) which arise in the current period as a result of errors and omissions in the preparation of the financial statement of one or more prior period are disclosed in the Profit & Loss Account in a manner that their impact on current profit or loss can be perceived.

9. OVERBURDEN REMOVAL EXPENSES

- 9.1 In accordance with company's policy, the overburden removal expenses in respect of Open Cast Projects having capacity of less than one million tones, are charged directly to revenue heads in the year in which operation commences and /or coal is exposed. The permissible tolerance of measured overburden with reference to the reported overburden as per guidelines circulated vide letter No. Ch:TS:26 dated. 10.01.94 is indicated below.

Annual quantum of OBR on the project	Permissible Limits of Variance (whichever is less)	
	%	Quantum Mill. CUM
Less than 1ML Cu. m.	(±) 5	0.03
Between 1 & 5 ML. Cu. m.	(±) 3	0.20
More than 5 ML Cu. m.	(±) 2	—

10. APEX OFFICE CHARGES & INTEREST

- 10.1 Apex Office Charges is accounted for as per apportionment made and advised by the Coal India Ltd., and the allocation to Units is done on the basis of production of revenue mines.

- 10.2 Interest from Coal India Ltd., are accounted for as per apportionment made and advised by Coal India Ltd., and allocated to the units of the basis of Gross Fixed Assets at the beginning of the year.

11. FOREIGN CURRENCY TRANSACTIONS

- 11.1 Assets and Liabilities balances related to foreign currency transactions are translated at the year and rate of exchange and the resultant net losses are charged to revenue while net gains are ignored. Exchange fluctuation on foreign currency loan taken for the purpose of acquisition of Fixed Assets at the year end rate of exchange is included in the carrying amount of Fixed Assets and amortised during the balance life of the respective assets. Realised gains/losses on foreign currency transactions (other than for Fixed Assets) are adjusted in the Profit & Loss Account and those related to Fixed Assets are added to the cost of respective Fixed Assets.

12. REVENUE RECOGNITION

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

Revenue arising from the use of the Company's resources by others are only recognised when no significant uncertainty as to measurability or collectibility exists.

13. DEFERRED REVENUE EXPENDITURE

- 13.1 Rehabilitation expenditure (Heavy repairs) of heavy Earth Moving 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.

14. LAND RECLAMATION

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

15. INVESTMENT

- 15.1 Investment are valued at cost.

SCHEDULE "P"
NOTES ON ACCOUNTS

1. CONTINGENT LIABILITIES

Claims against the Company not acknowledged as debts :

	(Rs. in Lakhs)	
	<u>1996-97</u>	<u>1995-96</u>
a) Suits against MCL	105.78	362.03
b) Sales Tax & Levies	2553.02	1634.52
c) Road Tax for HEMM & others	31.86	1569.14

2. CAPITAL COMMITMENTS

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

	(Rs. in Lakhs)	
	<u>1996-97</u>	<u>1995-96</u>
Capital Commitment	11214.02	10249.97

3. FIXED ASSETS

- 3.1 land includes lease hold land acquired under Coal Bearing Acquisition Act, 1957.
- 3.2 The assets and Liabilities taken over from Coal Mines, labour Welfare Organisation in 1981 have not been reflected in these accounts pending determination of value thereof.
- 3.3 The Assets and Liabilities of Mines Rescue station taken over during 1985-86 have not been reflected in the Accounts pending determination of value thereof.
- 3.4 Plant & Machinery costing Rs. 1.00 lakh and above in each case have only been physically verified by the Company during the year and reconciled with the Plant Cards.
- 3.5 Physical verification of other Fixed Assets like land, Building, Railway Siding and other immovable assets have been carried out in the current year.
- 3.6 payment to Railway authorities for construction of siding have been shown under Capital Work-in-Progress, pending completion of the siding for intended use.
- 3.7 Capital work-in-Progress in the Fixed Assets Schedule includes Plant & machinery in stores, Plant & machinery in transit Prospecting & Boaring and Development Expenditure for non revenue mines and advances for acquisition of land, plant & machinery and railway siding.

3.8 Prospecting & Boring

Till 95-96 Prospecting & Boring Expenditure of Revenue Mines was being amortised over a period of 20 years or life of the Project whichever is less. Prospecting & Boring Expenditure from 01.04.96 in respect of Revenue Mines are fully charged to the Revenue Account of the year concerned. This has the effect of decrease in current years Profit to the extent of Rs. 27.51 lakhs.

If the change in Policy would have been given retrospective effect, the profit for the current year would have decreased by another Rs. 831.72 lakhs.

3.9 Development Expenditure

- (i) During the year interest amounting to Rs. 168.57 lakhs has been capitalised on account of expenditure incurred on projects under Development.
- (ii) In mines under development where the sales and closing stock of coal exceeds the total development expenditure resulting in negative capitalisation, it has been netted off against the expenditure on other development.

4. INVENTORIES

4.1 Stock of Stores & Spares

- (i) The closing stock of stores and spares and substores/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.

4.2 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 where the variation between Book Stock and physically measured stock is within $\pm 5\%$.
- (ii) Till 1995-96 stock of coal and coke was valued at lower of declared grade selling price or net realisable value, based on actual realisable value on the despatches of coal during the last quarter of the year. From 1996-97 onwards stock of coal and coke is valued at "cost or market price whichever is lower". This has the effect of decrease in the current year's profit to the extent of Rs. 4654.51 lakhs (previous year -Nil).
- (iii) Provision for rehandling charges wherever considered necessary has been made in respect of pit head/ground stock to the Railway Siding at the contractual rates during the year minus Surface Transportation Charges recoverable from customer wherever applicable. However rehandling charges in respect of transportation of coal by own fleet has not been considered. The overhead costs of CHP has been ignored while working rehandling charges.
- (iv) provision for Deterioration of coal has been made @ 10% of Coal Stock at the close of the year.

5. SUNDRY DEBTORS

- 5.1 Sundry debtors have increased by Rs. 584.53 lakhs. Adhoc amount received from customers, are under reconciliation. The provision of Rs. 5511.00 lakhs up to 31.3.97 including provision of Rs. 1463.50 lakhs made during the year against bad & Doubtful debts is considered adequate and is in conformity with the usual practice uniformly followed by the Company.

6. LOAN AND ADVANCES

- 6.1. Pending Linking, certain credit balances in Current Assets and Debit Balances in Liability Accounts have been netted from Gross amounts.

7. SECURED LOAN/CASH CREDIT

- 7.1 The Company has arrangement of Cash Credit facility with State bank of India upto Rs. 500.00 Lakhs as allocated by Coal India Limited against hypothecation of Stock of Coal, Stores and Spares, Books Debts and other Assets of the Company which was not availed of during the year.

8. CURRENT LIABILITIES/PROVISIONS

- 8.1 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. 1.4.1989 amounting to Rs. 1441.52 lakhs (inclusive of interest) has been kept separately, under other liabilities pending approval of appropriate scheme by the Govt. of India.

9. CONFIRMATION OF BALANCE

- 9.1 Confirmation of balances of Sundry Debtors, Sundry Creditors, various loans and advances, Deposit etc. as at 31.3.97 have not been obtained in all cases.

10. PROVISION FOR BAD AND DOUBTFUL DEBT

- 10.1 provision towards Bad and Doubtful Debt has been made in the Accounts as follows:

i. In Case of full bills outstanding for more than 3 years.	Full provision
ii. In case of full bills Outstanding for less Than 3 years.	In the ratio of realisation upto 31st May of the following year.
iii. In case of partly paid bills.	Considering the nature of deduction.

11. OTHERS

- 11.1 There being no Notification on Retention Price for 1996-97 from the Govt. of India, the Contribution on Account of Coal Price Regulation Account during 1996-97 is nil against Rs. 31131.21 lakhs contributed to C.P.R. Account during 1995-96.
- 11.2 Interest/penalty received from Debtors on delayed payments are accounted for on cash basis.
- 11.3 Employees remuneration and benefits include Rs. 968.28 lakhs towards arrear salary of Executive.
- 11.4 Sales Tax demand for Rs. 2553.02 lakhs made on the Company has been disputed and not provided for. However a sum of Rs. 487.10 lakhs has been paid under protest.
- 11.5 Gratuity has been charged on "Actuarial Valuation" basis. Actuarial valuation of incremental

gratuity liability for the year ended 31.3.97 has been certified by the actuary at Rs. 304.73 lakhs. A total amount of Rs. 694.73 lakhs being the sum total of Rs. 304.73 lakhs towards the incremental liability for the current year and Rs. 390.00 lakhs (1/5th of Rs. 1951.00 lakhs) accruing upto 31.3.95, have been charged to profit and loss account for the year 1996-97. As against the incremental liability of Rs. 304.73 lakhs on "Actuarial Valuation" basis a total of Rs. 263.08 lakhs has been paid on account of Gratuity during the year 1996-97.

- 11.6 Leave Encashment liability has been assessed on Actuarial Valuation basis as on 31.3.97 at Rs. 152.58 lakhs and have been charged in full in the current year's accounts. This has resulted in decrease in current year's profit by Rs. 109.41 lakhs.
- 11.6.1 IICM contribution booked under the Head "Training Expenses" vide Sch. 11 amounting to Rs. 196.59 lakhs for the year 1996-97 have been accounted for on the basis of advice received from Coal India Limited.
- 11.7 A sum of Rs. 144.93 lakhs towards construction of 7000 the Ground Bunker and 1500 Te Surge Bunker and other connected Civil & Structural works for the Coal handling Plant at Lajkura OCM was approved by MCL Board for write off action during 96-97. Depreciation for a sum of Rs. 41.08 lakhs having been charged against the asset, the balance sum of Rs. 103.85 lakhs has been written off after withdrawal of earlier provision of Rs. 73.87 lakhs.
- 11.8 An amount of Rs. 92.50 lakhs incurred on renovation of 7 Km of Railway Track from Existing Sand Gathering and Transportation Project to Talcher Colliery was approved by MCL Board for write off action during 1996-97. Accordingly Rs. 92.50 lakhs has been written off during 1996-97.
- 11.9 Rs. 4691.00 lakhs has been written off towards Bad & Doubtful Debts against corresponding provision which has been withdrawn from the Accounts during 1996-97 as approved in the 27th meeting of the Board held at Bhubaneswar on 28.04.97.
- 11.10 Rs. 8.02 lakhs towards preliminary expenses have been written off during the year 1996-97.
- 11.11 Rs. 175.67 lakhs towards obsolescence of stores have ben provided during the year 1996-97 making the cumulative provision to Rs. 291.41 lakhs.
- 11.12 Rs. 53.12. lakhs towards unabsorbed depreciation of Railway Siding and CHP at HRC Colliery have been provided for during 1996-97.
- 11.13 Liability towards Cess and Sales Tax thereon as on 31.3.97 stands at Rs. 3315.17 lakhs with corresponding contra debit to sundry debtors account. The Cess and other Taxes on Minerals (Validation) Act, 1992 was challenged in the Supreme Court of India which found it to be valid. The Supreme Court inter alia held (P.Kannadasan Vrs. State of Tamilnadu) that collection of Cess by State Govt. till 4.4.91 to be legal and the liability to pay (though not actually deposited) Cess till that period survived, though the Validation Act was a temporary statute.

But the Hon'ble Supreme Court is silent regarding the modalities of the procedure of realising the Cess from the past consumers (ed-users). MCL could only raise and actually raised Bills on the consumers but it has no legal means to enforce the Bills against the said consumers. Neither the Supreme Court nor the Cess and other Taxes on Minerals (validation) Act, 1992 has either explicitly or by necessary implication, ordained that the coal Companies are liable to pay Cess to the State Govt, irrespective of its realisation from the consumers. Further, the issue of

realisability of the non-realised Cess for the period ending on 04.04.91 has been referred to a larger Bench of Supreme Court and the issue is subjudice.

11.14 The excess of Accumulated "Ratio Variance Reserve (OBR)" over "Closing Advance Stripping (OBR)" has been reflected during the current year under "Reserve & Surplus" (Previous years's figures are re-grouped accordingly).

11.15 Director's Remuneration

During the year the following amounts have been paid as 'Directors Remuneration' which do not however include the value of perquisites like free medical facility provided for in the Company Hospital. House rent, electricity etc. are charged as per Company's rules applicable to the Executives.

	Rs. in Lakhs)	
	1996-97	1995-96
Salary	4.28	3.36
PF	0.65	0.34
Medical Exp.	0.35	0.46
Travelling Exp.	16.76	15.51
Leave Encashment	2.19	0.00
Gratuity	1.00	0.00
Total	25.23	19.67

11.16 Additional information as required in Paragraph 3 & 4 of Part. II of the Schedule VI to the Companies Act, 1956 for the year ended 31st, march, 1997.

(i) Coal

(a) Licensed Capacity	-	Not applicable
(b) Installed Capacity	-	Not applicable

11.17 Value of imports Calculated on CIF basis.

	Rs. in Lakhs)	
	1996-97	1995-96
Stores & Spares	84.43	Nil
Capital Goods	-	917.13
Expn. on Foreign Currency		
i. Travelling	Nil	Nil
ii. Know-how & Consultancy	Nil	Nil

11.18 Value of Imported/Indigenous Raw materials, Stores & Spares Consumed.

	1996-97		1995-96	
	Value (L. Rs.)	% age	Value (L. Rs.)	% age
Raw materials				
Imported	Nil	Nil	Nil	Nil
Indigenous	Nil	Nil	Nil	Nil
Stores & Spares				
Imported			Nil	Nil
Indigenous	15992.19	100%	13995.38	100%

12. Statements of Opening Stock of Coal, Production, Offtake and Closing Stock as under :

	1996-97		1995-96	
	Qty. (L. MT)	Value (Cr. Rs.)	Qty (L. MT)	Value (Cr. Rs.)
Opening Stock :				
a) Rev. Mines	34.10	88.06	51.44	133.47
b) Dev. Mines			-	-
Total:	34.10	88.06	51.44	133.47
Production:				
a) Rev. Mines	371.95	1084.53	327.01	946.73
b) Dev. Mines	1.72	4.50	Nil	Nil
Total	373.67	1089.03	327.01	946.73
Sales (Excl. Levies) :				
a) Rev. Mines	371.89	1126.32	343.46	987.94
b) Dev. Mines.	0.31	0.98	-	-
Total	372.20	1127.30	343.46	987.94
Own Consumption:	0.72	4.49	0.89	4.19
Closing Stock :				
a) Rev. Mines	33.44	46.23	34.10	88.06
b) Dev. Mines	1.41	3.52	Nil	Nil
Total :	34.85	49.75	34.10	88.06

13. Provision of Income Tax has been made in Accounts to the tune of Rs. 93.00 crore for the Accounting Year 1996-97 (Assessment year 1997-98) which includes Rs. 10.00 Crores as Income Tax on Dividend calculated @10% on the proposed dividend. The same for the previous Accounting Year 95-96 (Assessment Year 96-97) was nil.

14. The Accounts for the year 1996-97 with Notes on Accounts approved by the Board of Directors on 28.07.97 and reported upon by the statutory auditors on 28.07.97 have been revised in pursuance to memos issued by the comptroller & Auditor General of India, U/S 619(4) of the companies Act, 1956. As a result of revision, the following changes have been made in the Profit & Loss Account and Balance Sheet:

(Rs. in lakhs)			
Decrease in :			
1.	Net Profit after adjustment of P.P. Account		233.37
Represented by :			
Decrease in :			
1.	Gross Block	62.35	
	Less : Depn.	13.82	48.53
2.	Net Current Assets	184.84	233.37

Apart from above, Contingent Liability under Road Tax for HEMM & others reduced from Rs. 216.69 lakhs to Rs. 31.86 lakhs and Accounting Policy on Prospecting & Boring modified at Sl. No. 5.4 and Sl. No. 6 (c) (Sch-O). Notes on Accounts (Sch-P) have also been modified/corrected under Prospecting & Boring at Sl. No. 3.9. A note bearing No. 11.6.1 on IICM Training Expenses at page No. 97 has been incorporated. Income-tax on dividend calculated @ 10% on the proposed dividend instead of "Interim Dividend" at Sl. No. 13 on Notes on Accounts.

15. The Board of Directors, have proposed a dividend of Rs. 10000.09 lakhs (previous year 2000.02) for the year 1996-97 being 100% of the paid up Equity Share Capital of the Company to be paid to Coal India Limited, the Holding Company. This has the effect of decrease in Reserves & Surplus (Sch. 'C') and increase in the Current Liabilities and Provisions (Sch. 'M').
16. Previous year's figures have ben rearranged/regrouped wherever considered necessary.
17. All the schedules A to N & 1 to 15 and the Accounting Policies (Sch. O) and Notes on Accounts (Sch. P) form integral part of Accounts.

S. C. Behera
Company Secretary

J. Roy
General Manager (F)

Mayukha Sengupta
Chief General manager (F)

S. N. Sharma
Director (Technical)

A.R. Sharma
Chairman-cum-Mg.-Director

In terms of our report of even date for
K. L. Banerjee & Co.,
Chartered Accountants.

K.L. Banerjee
PARTNER

Dated; The 3rd day of September, 1997.

ADDENDUM TO DIRECTOR'S REPORT
(UNDER SECTION 217(3) AND 227(2) OF THE COMPANIES ACT, 1956)

AUDITORS' REPORT

MANAGEMENT'S REPLY

To
The Members,
Mahanadi Coalfields Ltd.
Anand Vihar, UCE, Burla,
Sambalpur

We have audited the attached Balance Sheet of Mahanandi coalfields Limited as at 31. March, 1997 and annexed profit & Loss Account for the year ended on that date annexed there to and report that :-

- | | |
|---|---|
| 1. The Accounts of the following Areas/Offices audited by the other Branch Auditor appointed by the Central Govt. have been incorporated in this account. | No comments |
| (a) Talcher Area. | |
| (b) Jagannath Area | |
| (c) Kalinga Area | |
| (d) Central workshop, Talchar. | |
| 2. As required by the manufacturing and other companies (Auditors' Report) order, 1988, issued by the Company Law Board in terms of Section. 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said order. | No comments |
| 3. Further to our comments in the Annexure referred to in paragraph 2 above, we report that :- | |
| (i) Profit for the year and miscellaneous expenses to the extent not written off (Schedule - N) has been overstated by Rs. 1171.00 lakhs due to deferment of expenditure on gratuity as required | Gratuity has been charged on "Actuarial Valuation" basis. Actuarial valuation of incremental gratuity liability for the year ended 31.3.97 has been certified by the actuary at Rs. 304.73 lakhs. A total amount of Rs. 694.73 lakhs being the sum total of |

- under Accounting Standard - 15.
- Rs. 304.73 lakhs towards the incremental liability for the current year and Rs. 390.00 lakhs (1/5th of Rs. 1951.00 lakhs) accruing upto 31.3.95, have been charged to profit and loss account for the year 1996-97.
- (ii) Profit for the year and miscellaneous expenses to the extent not written off (Schedule-N) has been overstated by Rs. 1021.37 lakhs due to non-amortisation of full amount of HEMM Rehabilitation Expenses as required under Accounting Standard - 10.
- Rehabilitation expenditure (Heavy repairs) of heavy earth Moving 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.
- (iii) Profit for the year and the P&M in Stores has been overstated by Rs. 98.87 lakhs due to non-provision of non-moving P&M items which are un-moved for a long period.
- In Terms of the Company policy, provision against loss/ deterioration of stores & spares are to be carried as under :
- (a) Stores & Spares held for more than 10 years as on last day of the year to which the Accounts relates - 100%.
- (b) Stores & spares held for more than 5 years as on last day of the year to which the Accounts relates -- 50%.
- The non-moving Plant & Machinery referred to by Audit has not been discarded by the Management and there has been no loss of Assets and therefore no provision is required.
- (iv) Stores Advance (Schedule - L) for Rs. 667.81 lakhs remain un-adjusted since a long period.
- Thrust of linking-up stores advances and sundry creditors are being made every year, as a result the balance of earlier year under the head "Advance & Deposits" have been reduced. The scrutiny of current advances is in progress simultaneously.
- (v) Advances paid to various parties for P&M in Stores shown under Capital work-in-Progress (Schedule-F) instead of Loans and Advances (Schedule -L) out of which Rs. 459.85 lakhs remain un-adjusted since long.
- The grouping has been done in accordance with the uniform policy on presentation of accounts as laid down by Coal India Limited. The scrutiny of current advances is in progress simultaneously.
- (vi) There is a change in the basis of valuation of Coal Stock during the year. This has the effect of decrease in the profit to the extent of Rs. 4654.51 lakhs.
- No comments.

- | | |
|--|--|
| <p>(vii) Net Development Expenditure Capitalised in respect of Ananta Project under Jagannath Area, which started Commercial production since 1989-90, shows a Credit balance of Rs. 909.48 lakhs prior to the year it was brought under Revenue. No depreciation has been considered on this account.</p> | <p>Expenses net of the income of the projects/Mines under development including proportionate interest charges capitalised are booked to development account.</p> |
| <p>(viii) Certain credit balances in Current Assets and expenses as well as credit balances in liabilities and income have not been reconciled.</p> | <p>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.</p> |
| <p>(ix) Balance confirmation from Holding Company and Other Subsidiaries, Sundry Debtors, loans and Advances, Deposits have not been obtained at the year end.</p> | <p>No comments.</p> |
| <p>(x) The company has taken over hospital, rescue station, welfare centre etc., from other Organisations. Pending finalisation of assets/liabilities / depreciation in respect of assets taken over have not been taken into account.</p> | <p>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.</p> |
| <p>(xi) Title / Lease Deeds of land and mining rights were not fully available for all the units for our verification.</p> | <p>Details of the land acquired/ purchased is maintained indicating the reference of the demand note raised by the authorities, 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 order of the Govt. is issued separately vesting these lands in company.</p> |
| <p>(xii) As per uniform Policy guideline of CIL Capital advance for Rs. 4433.96 lakhs has been shown under "Capital work-in-progress" (Schedule - F), which should be shown under "Loans and Advances" (Schedule - L) instead.</p> | <p>The grouping has been done in accordance with the uniform policy on presentation of accounts as laid down by Coal India Limited.</p> |
| <p>(xiii) Sales Tax demand for Rs. 2553.02 lakhs made on the Company has been disputed and not provided for. However a sum of Rs. 487.10 lakhs has been paid under protest. (Please refer Note 11.4 of Notes on Account).</p> | <p>The disputed demand of sales Tax for Rs. 2553.02 lakhs has been revealed/disclosed in the Notes on Accounts.</p> |

- (xiv) Assets worth Rs. 237.43 lakhs (Gross Value) was written off during the year after charging off Rs. 41.08 lakhs as depreciation and after withdrawal of earlier provision for Rs. 73.87 lakhs. (Please refer to Note 11.7 and 11.8 of Notes on Account). No comments.
- (xv) Rs. 4691.00 lakhs has been written off towards bad and Doubtful Debts against corresponding provision which has been withdrawn from the accounts during the year. (please refer to Note 11.9 of Notes on Account). No comments.
- (xvi) Unlike previous year the excess of accumulated "Ratio variance Reserve (OBR)" over "Closing Advance stripping (OBR)" has been reflected during the current year under "Reserve & Surplus" (Schedule -C) instead of "Miscellaneous expenditure" (Schedule - N). (Please refer to Note 11.14 of Notes on Account). The excess of Accumulated "Ratio Variance Reserve (OBR)" over "Closing Advance Stripping (OBR)" has been reflected during the current year under "Reserve & Surplus" (previous year's figures are re-grouped accordingly).

4. The statement of accounts together with the Notes thereon, approved by the Board of Directors in their Meeting held on 28.07.97 and reported thereon by us on 28.07.97 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. 233.37 lakhs comprising of: No comments

	(L. Rs.)
(a) Increase in Provision for loss of Assets	14.52
(b) Increase in Contractual Expenses	24.87
(c) Increase in Prov. for Deprn.	9.14
(d) Increase in Provision for Power & Fuel (Prior Period Adjustment)	184.84
	233.37

5. Subject to the above comments referred to the paragraphs 2 and 3 above, we report that :-

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

ii) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of such books. No comments

iii) The Balance Sheet and the Profit and Loss Account referred to in this report are in agreement with the books of account.

iv) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and Profit and Loss Account give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:

a) In so far as it relates to the state of affairs of the balance Sheet of the Company as at 31st March 1997.

b) In so far as it relates to the Profit & Loss Account, of the profit of Company for the year ended on that date.

Place : Calcutta

Dated : 3rd Sept. 1997.

For K. L. Banerjee & Co.,
Chartered Accountants

K.L. Banerjee
Partner

AUDITORS' REPORT TO THE MEMBERS
ANNEXURE TO THE AUDITO'S REPORT

(Referred to in paragraph 2 of our Report of even date)

AUDITORS' REPORT

MANAGEMENT'S REPLY

- | | |
|--|---|
| 1. The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets. All the assets have been physically verified by the management during the year. Material discrepancies have not yet been ascertained for adjustment. | The discrepancies are under reconciliation and necessary adjustment as called for will be carried in the accounts of 1997-98. |
| 2. None of the fixed assets of the Company have ben revalued during the year. | No comments. |
| 3. Physical Verification of stock of coal has been conducted by a team deputed by CIL at the end of the year. The stock of stores and spares have been physically verified by Chartered/Cost Accountants' firms and no major descrepancies were noticed. | No comments. |
| 4. The procedure of physical verification of stock of coal and stock of stores and spares followed by the management appears to be reasonable and adequate in relation to the size of the Company and nature of its business. | No comments. |
| 5. Shortage/excess found on Physical Verification of Coal stock within 5% tolerance compared to book records have been ignored in the books of account. | No comments. |
| 6. Valuation of stock is fair and proper in accordance with the normally accepted accounting principals. There is change in the basis of valuation of coal stock during the year. This has the effect of decrease in the Profit to the extent of Rs. 4654.51 lakhs. | No comments. |
| 7. The Company has not taken any loan, secured or unsecured from Companies, firms or other parties listed in the register maintained under Section. 301 of the | No comments. |

Companies act, 1956, and/or from the companies under the same management as defined under Section. 370 (IB) of the said Act, other than unsecured loans from Coal India Ltd. The interest on the said loan is accounted for on the basis of debit/credit notes issued by the holding Company. In absence of information about the rate of interest and other terms & conditions of such loans, we are unable to comment whether or not these are prejudicial to the interest of the Company.

- | | | |
|-----|---|---|
| 8. | The Company has not granted loan to other companies listed in the register maintained under Section. 301 of the Companies Act, 1956 and / or companies under the same management as defined under Sec. 370 (IB) of the Companies Act, 1956, except in case of routine transactions with sister subsidiary companies. | No comments. |
| 9. | The company has given loans and advances in the nature of loans to its employees and the same are generally recovered as per stipulations.

Incase of loas and advances, in the nature of advances to other parties, the same remain un-adjusted/unreconciled for a long period. However, management has taken reasonable steps for its recovery / adjustment/reconciliation. | No comments.

Subsidiary records have been prepared in all the Areas/ Offices and reconciliation threof with control accounts is in progress. |
| 10. | In our opinion and according to information and explanations given to us, there is a adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchases of stores, raw materials including components, plant and machinery, equipment and other assets and for the sale of goods. | The management has no comments to offer as it is a statement of facts. |
| 11. | The company has not entered into any transactions for purchase of goods and materials and sale of materials and services in pursuance of contract or arrangements entered in the register maintained under Section. 301 of the Companies Act, 1956 | The management has no comments to offer as it is a statement of facts. |

and aggregating during the year to Rs. 50,000.00 or more in respect of each party.

- | | | |
|-----|--|--|
| 12. | As explained to us, the Company has a regular procedure for the determination of unserviceable or damaged stores and spares and stock of coal. Adequate provision has been made in the accounts for the loss arising on the items so determined except Rs. 98.87 lakhs of non-moving P&M stores. | In terms of the Company policy, provision against loss/ deterioration of stores & spares are to be carried as under:

(a) Stores & spares held for more than 10 years as on last day of the year to which the Accounts relates --- 100%

(b) Stores & spares held for more than 5 years as on last day of the year to which the Accounts relates -- 50%

The non-moving Plant & Machinery referred to by Audit has not been discarded by Management and there has been no loss of Assets and therefore no provision is called for. |
| 13. | The company has not accepted any deposit from the public under section. 58A of the Companies Act, 1956 and rules framed thereunder. | No comments |
| 14. | In our opinion reasonable records have been maintained by the Company for the sale and disposal of scrap. We are given to understand that there is no realisable by-product. | No comments |
| 15. | In our opinion, the company has an internal audit system commensurate with the size and nature of its business. But the Internal Audit Report of the some Areas for the half year ended 31st march, 1997 is still awaited. | No comments |
| 16. | As explained to us by the Management, Central Government has not prescribed maintenance of Cost Records under Section 209 (I) (d) of the Companies Act, 1956. | No comments. |
| 17. | Provident Fund dues are deposited regularly and in time. | No comments |
| 18. | According to the information and explanations given to us, no undisputed amount payable in respect of Income Tax Wealth Tax, Sales Tax, Customs Duty and Excise Duty were outstanding as at | No comments. |

31st March, 1997, for a period of more than six months from the date they became payable.

19. According to the information and explanations given to us, no personal expenses of employees or Directors have been charged to Revenue Account other than those payable under contractual obligation or in accordance with generally accepted business practice. No comments.
20. The Company is not sick within the meaning of clause (O) of Sub-section (1) of Section. 3 of the Sick Industrial Companies (Special Provision) Act, 1985. No comments

For K. L. Banerjee & Co.
Chartered Accountants

Place : Calcutta
Dated : 3rd Sept, 1997

K. L. Banerjee
Partner

INFORMATION AS REQUIRED BY PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

**BALANCE SHEET ABSTRACT AND COMPANY'S
GENERAL BUSINESS PROFILE**

I. REGISTRATION DETAILS

Registration No.

1	5	-	0	3	0	3	8
---	---	---	---	---	---	---	---

 of 92-93 State Code

1	5
---	---

Balance Sheet

3	1	0	3	9	7
---	---	---	---	---	---

Date Date Month Year

II. CAPITAL RAISED DURING THE YEAR (AMOUNT Rs. IN THOUSANDS)

Public Issue

								N	I	L
--	--	--	--	--	--	--	--	---	---	---

Right Issue

								N	I	L
--	--	--	--	--	--	--	--	---	---	---

Bonus Issue

								N	I	L
--	--	--	--	--	--	--	--	---	---	---

Private Placement

								N	I	L
--	--	--	--	--	--	--	--	---	---	---

**III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS
(AMOUNT RS. IN THOUSANDS)**

Total Liabilities

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

Total assets

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

SOURCES OF FUNDS

Paid-up Capital

	1	0	0	0	0	0	9
--	---	---	---	---	---	---	---

Reserves & Surplus

	2	9	9	9	6	2	7
--	---	---	---	---	---	---	---

Secured Loans

						N	I	L
--	--	--	--	--	--	---	---	---

Unsecured Loans

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

APPLICATION OF FUNDS

Net Fixed Assets

1	0	2	9	5	2	0	2
---	---	---	---	---	---	---	---

Investments

			2	8	3	8	1
--	--	--	---	---	---	---	---

Net Current Assets

				3	4	8	3
--	--	--	--	---	---	---	---

Misc. Expenditure

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

Accumulated Losses

						N	I	L
--	--	--	--	--	--	---	---	---

IV. PERFORMANCE OF COMPANY (AMOUNT RS. IN THOUSANDS)

Turnover(Net)								Total Expenditure								
1	1	2	6	3	1	8	2		7	9	9	6	6	4	5	
+ / -				Profit/Loss Before Tax				+ / -				Profit/Loss After Tax				
+		3	2	6	6	5	3	7	+		2	4	3	6	5	3
Earning per Share (in Rs.)								Dividend Rate %								
		2	4	3	6	.	5	2					1	0	0	

V. GENERIC NAME OF THE ONLY PRODUCT / SERVICE OF COMPANY

Item Code No. (ITC Code)

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

Product Description

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