

MAHANADI COALFIELDS LIMITED



COAL

ANNUAL REPORT & ACCOUNTS

1998 - 99

**ANNUAL REPORT & ACCOUNTS
1998-99**



MAHANADI COALFIELDS LIMITED

(A Subsidiary of Coal India Limited)

JAGRITI VIHAR, P.O.UCE, BURLA
SAMBALPUR 768 018 (ORISSA)

CONTENTS

<i>Sl. No.</i>		<i>Page No.</i>
1.	Management/Bankers' /Auditors	2
2.	Notice	3
3.	Directors' Report	4
4.	Comments and Review of the Comptroller & Auditor General of India	29
5.	Balance Sheet as at 31st March, 1999	33
6.	Profit & Loss Accounts for the year Ending 31st March, 1999	34
7.	Balance Sheet Abstract and Company's General Business Profile	35
8.	Schedules forming part of the Balance Sheet and Profit & Loss Account	36
9.	Auditors' Report and Management's Reply	85

MANAGEMENT DURING 1998-99

CHAIRMAN-CUM-MANAGING DIRECTOR : Shri S. N. Sharma

FUNCTIONAL DIRECTORS : Shri G. K. Choudhary
Director (Personnel)

Shri Mayukha Sengupta
Director (Finance)
(w.e.f. 20.07.98)

Shri B. P. Singh
Director (Technical)
(from 21.7.98 to 24.02.99)

Shri B. N. Mishra
Director (Technical)
(w.e.f. 18.02.99)

PART TIME DIRECTORS : Shri A. K. Sahay
CMD, BCCL
Dhanbad (upto 29.07.98)

Shri A. Chatterjee
Director (Finance)
CIL, Calcutta

Shri N. K. Sharma
Director (Technical)
CIL, Calcutta
(w.e.f. 30.07.98)

Shri Permanand Das
Director
Ministry of Coal
New Delhi

COMPANY SECRETARY : Shri S. C. Behera

PRESENT MANAGEMENT

(As on 11.09.1999)

CHAIRMAN-CUM-MANAGING DIRECTOR	:	Shri S. N. Sharma
FUNCTIONAL DIRECTORS	:	Shri G. K. Choudhary, Director (Personnel) Shri Mayukha Sengupta, Director (Finance) (w.e.f. 20.07.98) Shri B. N. Mishra, Director (Technical) (w.e.f. 18.02.99)
PART TIME DIRECTORS	:	Shri A. Chatterjee, Director (Finance) CIL, Calcutta Shri N. K. Sharma, Director (Technical) CIL, Calcutta, (w.e.f. 30.07.98) Shri Devdas Chhotray, Joint Secretary Ministry of Coal, New Delhi
COMPANY SECRETARY	:	Shri S. C. Behera

BANKERS

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

STATUTORY AUDITORS

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

BRANCH AUDITORS

M/s Bhasin Hota & Co.
Chartered Accountants
Bhubaneswar

REGISTERED OFFICE

Jagriti Vihar, P. O. : U.C.E. Burla
Sambalpur - 768018, Orissa

NOTICE
SEVENTH ANNUAL GENERAL MEETING

Notice is hereby given that the Seventh Annual General Meeting of Mahanadi Coalfields Limited will be held at 11.30 AM on Saturday the 11th September, 1999 at the Registered Office of the Company, Jagriti 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, 1999, Report of the Auditors thereon and Directors' Report.
2. To declare Dividend on :
 - (a) Preference Share Capital
 - (b) Equity Share Capital
3. To appoint a Director in place of Shri 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.
4. To appoint a Director in place of Shri N. K. Sharma, 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 Permanand Das, who retires in terms of Article 34 e (iii) of the Articles of Association of the Company and is eligible for re-appointment.

By order of the Board of Directors
For Mahanadi Coalfields Limited

Sd/-

(S. C. Behera)
Company Secretary

REGISTERED OFFICE :

Jagriti Vihar, P. O. : U.C.E., Burla, Sambalpur - 768018

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.
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.

DIRECTORS' REPORT

To

The Shareholders
Mahanadi Coalfields Limited

Gentlemen,

I have great pleasure in presenting to you on behalf of the Board of Directors, the 7th Annual Report of your Company together with the audited Accounts for the year ended 31st March, 1999 along with the report of the Statutory Auditors and the comments of the Comptroller and Auditor General of India.

Your Company had a successful year in all regards including production and profits.

2. ORGANISATION

2.1 In 1998-99 MCL had 22 mines situated in the Ib and Talcher Coalfields of Orissa State. For effective administrative control and operational activities the mines are grouped in 10 Areas viz. Ib-Valley, Orient, Lakhanpur, Basundhara and Garjanbahal in Ib. Coalfields and Jagannath, Talcher, Kalinga, Lingaraj and Hingula in Talcher Coalfields.

2.2 Your Company took over the Regional Sales Office of Coal India Limited situated at Bhubaneswar with effect from 1.4.98 for a purchase consideration of Rs. 9.25 lakhs.

3. PERFORMANCE HIGHLIGHTS

- Record Coal Production of 43.511 million tonnes and overburden Removal of 44.005 million Cu. M. during the year registering growth of 3.17% and 11.67% respectively over the previous year.
- System Capacity Utilisation of Opencast Mines at 106% recorded significant improvement of 15% over the previous year.
- The Productivity in terms of output per manshift (OMS) increased to 8.03 tonnes from previous year's achievement of 7.59 tonnes.
- Total off-take at 41.81 million tonnes exceeded the target of 41.00 million

tonnes inspite of recessionary market conditions.

- The Profit before Tax (PBT) continued to be above Rs. 600 crores during the year enabling the Company to be amongst the leading profit making Public Sector Enterprises.

4. PRODUCTION PERFORMANCE

Your Company has completed another year of successful operation in the field of production as is evident from the following table showing production performance for the year 1998-99 as compared to the targets and achievement of the previous year :

Production	1998-99		1997-98 Actual	% Achie- vement against Target	% Growth over pre- vious Year
	Target	Actual			
Coal (MT)	41.000	43.511	42.173	106.12	3.17
OBR (M.Cum.)	41.870	44.005	39.406	105.10	11.67
Composite Production (M. Cum.)	71.156	75.084	69.529	105.52	7.99

5. PRODUCTIVITY

Your Company has also made significant improvement in productivity in terms of output for manshift (OMS) as briefed hereunder :

(Fig. in tonne/manshift)

Unit	1998-99		1997-98 Actual	% Growth over previous year
	Target	Actual		
Open Cast	13.50	13.94	13.87	0.50
Under Ground	0.60	0.69	0.68	1.47
Over all	7.28	8.03	7.59	5.80

6. POWER

6.1 To meet the power demand in the "Talcher Coalfields", power supply project Phase-I is already in operation having a capacity of 3x20 MVA at 132 KV/33KV at Nandira Grid Sub-station. The power is being received from M/s GRIDCO Orissa, the Present Maximum Demand is 25.656 MVA against a Contract demand of 28.000 MVA. The power supply to Hingula Area shall also be given from this Sub-station.

6.2 Similarly for meeting the un-interrupted power supply to Ib-Valley Coalfields, construction of one 2x20 MVA 132 KV/33KV grid Sub-station at Jorabaga, Belpahar has been completed. This is proposed to be energised through a 132 KV double circuit power line from M/s GRIDCO's Budipadar Sub-station. The work of stringing power conductor is in progress and Tower erection at Ib-River crossing is expected to be completed in 1999-2000. Power evacuation system from this Sub-station is also to be re-organised. A report has been submitted from CMPDIL in this regard and the same is under consideration.

6.3 In addition to above, one 3 x 20 MVA 220 KV/ 33KV Grid Sub-station at Basundhara Area is under construction through M/s GRIDCO/H. I. W. A 220 KV Double Circuit Transmission line to feed power to the above Sub-station is also taken-up by M/s GRIDCO for feeding power from Budipadar Grid to Garjanbahal Sub-station to "Basundhara Area". The first stage forest clearance has been obtained and the work is in progress.

6.4 Construction of one 2 x 3.15 MVA, 33 KV / 6.6 KV Sub-station at Basundhara alongwith a 33 KV transmission line has been completed and DGMS approval has been obtained for charging. M/s WESCO has also sanctioned a load of 1000 KVA at 33 KV and agreement for power supply has been executed for meeting initial demand.

6.5 Availability of Power :

1. Contract Demand-MVA	49.95
2. Energy consumed-Million KWH	216.690
3. Specific Energy consumption-KWH/T	4.98

4. Target Specific Energy Consumption-KWH/T 5.17

7. POPULATION AND PERFORMANCE OF HEMM

The population of HEMM alongwith their performance during the year under report is brought out in the following table :

Equipment	Population (in Nos.) (as on 31.3.99)	% availability against standards	% achievement of utilisation against standards
Dragline	7	94	89
Shovel	70	91	62
Dumper	383	103	50
Dozer	107	90	53
Drill	95	87	51

Various steps taken during the year to improve the availability and utilisation of HEMM are as under :

- (a) Judicious management of spare parts
- (b) Rehabilitation of equipment
- (c) Reduction in repair time due to improved workshop facilities.
- (d) Monitoring of production and working hours of on daily basis.

8. SYSTEM CAPACITY UTILISATION

8.1 CMPDIL, Ranchi assessed the composite system capacity (Departmental) of open cast mines at 44.10 M. Cu.m. as on the 1st April, 1998 against which the Company could achieve 46.68 M. Cu.m. (Compsite), registering a capacity utilisation 106% against 92% last year.

8.2 System capacity has improved over last year and is on improving trend.

9. CAPITAL STRUCTURE

The Authorised Share Capital of the Company has been reclassified during the year. The same has been divided into 2041800 10% Cumulative Redeemable Preference shares of Rs. 1000/-

each and 2958200 Equity shares of Rs.1000/- each.

The aforesaid Preference shares amounting to Rs. 204.18 crores have been issued to Coal India Limited (CIL) on 29.3.99 by conversion of unsecured loan due to CIL. However, the paid-up Equity share Capital of the Company continued to be Rs. 186.40 crores during the year.

10. FINANCIAL REVIEW

The financial results of the Company for the year 1998-99 as compared to 1997-98 are as under :

	<i>Res. in Crores</i>	
	<u>1998-99</u>	<u>1997-98</u>
Gross Profit (Profit before Depreciation & Interest)	760.65	787.39
Less : Depreciation	105.38	89.50
Interest	53.96	43.78
Net Profit before Tax	601.31	654.11
Less : Provision for Income Tax	195.00	220.00
Profit after Tax	406.31	434.11
Less : Transfer to General Reserve	40.63	45.00
Less : Proposed Dividend		
(a) On Preference Shares	0.17	—
(b) On Equity Shares	162.52	173.64
Less : Provision for IT on Proposed Dividend	16.27	17.37
Retained Profit	186.72	198.10

The Profit before Tax (PBT) for the year has gone down from the previous year primarily due to increase in inventory of coal at the year end valued at cost which is much lower than the Selling Price.

10.1 Dividend

An amount of Rs. 16.78 lakhs has been provided for dividend payable on 10% Cumulative Redeemable Preference Shares issued on 29.3.99.

The Directors are pleased to recommend a dividend of 87.19% of the paid-up Equity Share Capital for Rs. 16252.29 lakhs which amounts to 40% of the Profit after Tax (PAT).

10.2 Borrowings

10.2.1 Secured Loans

The Company purchased 3 Nos. Shovel from M/s Toyoto Tsusho Corporation, Japan which were tied up with a deferred credit package for 85% of F.O.B. price. The balance amount in respect to above as on 31.3.1999 excluding interest was Rs. 31.42 crores.

The amount due to M/s Tevetmet Prem Export, Moscow as on 31.3.1999 for purchase of Dragline on deferred payment basis is Rs. 13.00 crores.

10.2.2 Unsecured Loans

A Loan Agreement has been entered into between the Company and Coal India Limited in respect of outstanding loan from the Holding Company as on 31.3.1998. Further the Company has entered into Subsidiary Loan Agreement with Coal India Limited wherein CIL agreed to onlend amount equal to US \$ 97.16 million based on CIL's Loan Agreement with IBRD & JEXIM (at equal share) for financing works under CSRP. The amount due to CIL as on 31.3.99 stood at Rs. 227.20 crores which includes loans pertaining to IBRD & JEXIM amounting to Rs. 42.61 crores.

11. REVISION OF COAL PRICE

During the year the basic price of coal has been revised by CIL vide Order No. CIL : S&M: GM (F) : Pricing : 789, dated 21.8.98 with effect from 22.8.1998.

12. CAPITAL EXPENDITURE

Expenditure on Capital account during the year 1998.99 was Rs. 305.50 crores as against Rs. 240.10 crores during the previous year. The head-wise capital expenditure is furnished below :

<i>(Rs. in Crores)</i>		
Fixed Assets	1998-99	1997-98
Land	3.70	13.19
Building	62.82	38.45
Plant & Machinery	191.03	95.02
Furniture & Fitting	3.94	2.70
Railway Sidings	12.18	4.80
Vehicles	4.00	2.20
Prospecting & Boring	0.29	6.65
Development Exp.	10.16	17.94
TOTAL	288.12	180.95
Capital Work-in-Progress	17.38	59.15
GRAND TOTAL	305.50	240.10

The Gross Fixed Assets including capital work-in-progress at the end of the year stood at Rs. 1973.90 crores.

13. SALES REALISATION

13.1 During 1998-99, MCL achieved sales realisation at Rs. 1742.11 crores compared to last year's realisation of Rs. 1872.70 crores inspite of very heavy recession in economy and Steel Industry in particular.

Realisation works out to 89.51% of overall billing of Rs. 1946.25 crores during the year which is nearer to the overall percentage realisation of CIL, MCL had no choice but to suspend supplies to regular defaulters of payment when repeated request and persuasion failed to elicit requisite response in timely payment of coal bills. During the year, two more Interim Awards have been received from the Hon'ble Umpire in respect of unresolved disputed between MSEB and CIL/Coal Companies, GEB and CIL/Coal Companies. Based on the Interim Awards, amount payable/receivable under different heads a/c MSEB are being worked out for presentation before the Umpire. As regards GEB, the award speaks about Interim payment only since all other issues were settled in bilateral settlement meeting held on 20.11.95.

Settlements of unresolved disputes with WBPDCCL however could not materialise bilaterally since MCL is reluctant to accept sharing of overloading penalty in view of the decision from Hon'ble Supreme Court.

SEB's were requested to pay in advance equivalent to 90% of coal value and 100% of statutory levies and taxes as per directives of CIL and this is being enforced in current financial year.

14. SUNDRY DEBTORS

The coal sales outstanding (before provision) as on 31.3.99 with positions as on 31.3.98 is brought out in the following table :

<i>(Rs. in Crores)</i>		
SECTOR	As on 31.3.99	As on 31.3.98
Power	289.20	190.11
Steel	73.36	35.35
Others	81.00	69.53
TOTAL	443.56	294.99

15. PAYMENT TO EXCHEQUER

Your company continued to be major contributory to the Central and State Exchequer.

15.1 The payment made by the company to on account of Royalty, Sales Tax and stowing Excise Duty during the year as compared with the payments made during previous year are as follows :

<i>(Rs. in Crores)</i>		
	1998-99	1997-98
1. Royalty	227.40	227.59
2. Sales Tax	76.67	75.56
3. Stowing Excise duty	15.23	15.13
TOTAL	319.30	318.28

16. PROJECT FORMULATION/CAPITAL PROJECTS

There are 16 sanctioned mining projects in MCL. The ultimate production capacity of these sanctioned projects is 41.58 Mty. with a sanctioned capital outlay of Rs. 1688.36 crores, out of which 13 have been completed.

16.1 Completed Projects — 13 Nos.

Sl. No.	Name of the Project	Capacity in Mty.	Sanctioned Capital in Rs. Crores
1.	Ananta O/C	4.00	156.49
2.	Ananta O/C expn.	1.50	46.99
3.	Balanda O/C	1.00	36.87
4.	Basundhara (E) O/C	0.60	19.69
5.	Belpahar O/C	2.00	131.31 (RCE)
6.	Bharatpur O/C	3.50	158.97 (RCE)
7.	Bharatpur O/C Expn. (Incremental)	1.50	48.02
8.	Jagannath O/C	4.00	69.40
9.	Lajkura O/C	1.00	38.98 (RCE)
10.	Lilari O/C	0.80	19.78
11.	Lingaraj O/C	5.00	229.84
12.	Nandira U/G (Augmentation)	0.33	17.95
13.	Samaleswari O/C	3.00	126.85
TOTAL		28.23	1101.14

The production achieved from the above completed projects in 1998-99 has been 33.98 MT of coal against the P. R. Provision of 28.23 Million Tonnes, thus giving a performance of 120.37%.

16.2 On going Projects

There are 3 on going projects with a capital outlay of Rs 587.22 crores with an ultimate capacity of 13.35 Mty.

Sl. No.	Name of the Project	Capacity in Mty.	Capital Outlay Rs. in Crores
1.	Chhendipada O/C	0.35	19.75
2.	Kalinga O/C	8.00	345.96
3.	Lakhanpur O/C	5.00	221.51
TOTAL		13.35	587.22
– Capacity and Capital outlay of thirteen completed projects		<u>28.23</u>	<u>1101.14</u>
Total of all mining projects including completed projects		41.58	1688.36

16.3 Advance Action Projects

Advance Action Proposals have been sanctioned for the following 6 projects and are under implementation.

Sl. No.	Project	Ultimate Capacity (in Mty.)	Estimated Capital (Rs. Crores)	Advance Action Outlay Capital (Rs. Crores)
1.	Basundhara (W) O/C	2.40	189.85 (Mar'97)	5.07
2.	Bhubaneswari OCP	10.00	697.62 (Sep'97)	5.79
3.	Garjanbahal OCP	10.00	763.69 (Mar'98)	8.28
4.	Hingula-1 OCP	4.00	201.27 (Dec'97)	5.82
5.	Kaniah OCP	3.50	294.71 (Sep'97)	6.38
6.	Kulda OCP	10.00	947.85 (June'97)	8.62

16.4 Projects formulated, approved by CIL and awaiting Govt's approval

The following six projects reports have been processed and they are awaiting Govt's approval :

Sl. No.	Name of the Project	Capacity (Mty.)	Estimated Capital of Project (Rs. Crores)
1.	Basundhara (W)	2.40	189.85 (Mar'97)
2.	Bhubaneswari	10.00	697.62 (Sep'97)
3.	Hingula-1	4.00	201.27 (Dec'97)
4.	Kaniha	3.50	294.71 (Sep'97)
5.	Kulda OC	10.00	947.85 (June '97)
6.	Lakhanpur OC Expansion	5.00 (Incremental)	612.74 (Incr.) (Dec'97)
TOTAL		34.90	

16.5 The following project reports have been prepared and are under process for approval :

Sl. No.	Name of the Project	Capacity (Mty)	Capital (Rs. Crs.)
1.	Garjanbahal OCP	10.00	763.69
2.	Gopalprasad West OCP	12.00	982.29
3.	Natraj UG	0.52	83.21

16.6 Projects to be formulated

Sl. No.	Name of the Project	Capacity (Mty)
1.	Belpahar OC Expansion	1.50 (Incremental)
2.	Jagannath UG	1.003
3.	Lajkura OC Extension	1.00
4.	Padma/Jagannath OC Extension	4.00
5.	Siarmal OCP	4.00

16.7 Major completed Non-mining Project in MCL

There are 24 sanctioned major non-mining projects with a total capital outlay of Rs. 211.517 crores, out of which 11 have been completed. Details are as under :

Sl. No.	Name of the Project	Date of approval	Sanctioned Capital (Rs. Crs.)	Completed in
1.	Central Workshop, Ib Valley	11.8.89	11.76	1/96
2.	Power Supply scheme, Phase-1, Ib Valley	22.8.91	33.35	6/97
3.	Regional Stores, Ib Valley	26.11.85	3.33	3/96
4.	Training (Excv.) Institute Ib Valley	13.7.89	5.25	10/93
5.	Water Supply scheme, Ib Valley	19.7.91	4.83	2/96
6.	Central Hospital, Talcher	8.5.87	14.28	3/96
7.	Central Workshop, Talcher	25.3.89	17.83	
8.	Integrated Telecommunication System, Talcher	26.4.91	2.90	3/98
9.	Integrated Telecommunication System IB-Valley	26.4.91	2.37	3/96
10.	Power supply scheme, Talcher, Phase-1	25.3.89	19.98	9/94
11.	Water supply scheme at Talcher, Phase - 1	11.1.83	5.83	3/96
TOTAL			121.71	

16.8 Major on going Non-mining Projects in MCL

Following are the major on-going non-mining projects with a total capital outlay of Rs. 176.87 crores. Breif details of the same are as under :

Sl. No.	Name of the Project	No. of Projects	Capital Outlay (Rs. Crs.)
1.	Sand Winning from Ib river of Ib Valley Coalfields	1	5.35
2.	Arterial road for Ib-Valley and Talcher Coalfields	2	37.70 (17.80 +19.90)
3.	Mining-cum-Excavation Training Institute at Talcher Coalfields	1	5.25
4.	Environmental Laboratories at Ib - Valley and Talcher Coalfields	2	3.87 (1.82+2.05)
5.	Integrated water supply scheme Phase-II for Talcher Coalfields	1	7.88
6.	Construction of Railway line linking Kalinga CPP to existing Jagannath Spur 3 & 4	1	11.18
7.	Construction of balance railway line work of Bharatpur CPP yard, South Balanda and remodeling of South Balanda yard	1	13.81
8.	Belpahar-Basundhara Road (BRO)	1	38.00
9.	Sundergarh-Basundhara Road	1	31.33
10.	Water supply to 39 villages of Talcher Coalfield	1	20.00
11.	Construction of Air strip at Talcher	1	2.50
TOTAL		13	176.87

16.9 Status of Projects under Implementation on investment basis

(A) On going Projects (Costing above Rs. 100 crores)

Sl. No.	Projects	Capital Outlay (Rs.Crs.)	Ultimate Capacity (Mty)	Stripping Ratio (Cum/Te)	Scheduled Completion	Status of implementation
1.	Kalinga O/C	345.96	8.00	1.50	03/2000	On schedule
2.	Lakhanpur O/C	221.51	5.00	1.011	03/96	Project is linked to OPGC Power plant, since power plant has been delayed, project is likely to be delayed by four years.
Sub Total A		767.47	13.00			

(B) On going Projects (Costing less than Rs. 100 crores)

Sl. No.	Projects	Capital Outlay (Rs.Crs.)	Ultimate Capacity (Mty)	Stripping Ratio (Cum/Te)	Scheduled Completion	Status of implementation
1.	Chhendipada Open cast	19.75	0.35	1.14	3/2001	Project approved by MCL Board in its 27th meeting held on 28.4.97
Sub Total B		19.75				
TOTAL (A+B)		787.22				

16.10 Coal Preparation Plant***Kalinga CPP (8.0 Mty. throughput capacity) under Built own operate basis.***

The terms of agreement of Kalinga Washery between M/s Roberts and Schaefer Engineering (India) Pvt. Ltd. and MCL was intialised on 25.03.98 and same was approved by MCL Board on 22.02.99. Kalinga Washery is to produce about 6.05 Mty washed coal.

Ananta Bharatpur Washery (5.2 Mty. throughput capacity) under Built own operate basis.

Meetings were held with M/s Madhucon Projects Ltd. and various issues were discussed and agreed. Further, discussions will be held shortly when NTPC gives firm commitment to take washed coal at washed coal price. This Washery is to produce 3.72 Mty washed coal.

16.11 Land Acquired for on-going Projects*(Figure in Ha)*

Project	Total land required	Land under physical possession till 97-98	Land taken in possession during 98-99	Total land in possession	Category of land under possession			
					As on 01.04.99			
					T. L.	GNFL	FL	Total
Kalinga OC	1117.35	586.82	206.205	793.025	567.678	221.79	3.557	793.025
Lakhanpur OC	1412.54	428.17	—	428.17	428.17	—	—	428.17
Lingaraj OCP	1248.51	176.80	14.013	190.813	171.206	2.32	17.287	190.813

16.12 Details of land notified during 1998-99

- Bhubaneswari Block** : Notification U/ S 11(i) of CBA (A&D) Act for 688.43 Ha. of land published vide S. O. No. 1450, dtd. 25.07.98.
- Kaniha Block** : Notification U/s 9 (i) of CBA (A&D) Act for 606.307 Ha. of land issued on 19.09.98 vide S. O. No. 1841 dtd. 28.08.98. Proposal for Notification U/ S 11 (i) has been sent to MOC on 11.03.99.
- Ananta Extn. Block** : Notification U/s 4 (i) of CBA (A&D) Act for 175.277 Ha. of land has been issued on 19.12.98 vide S. O. No. 2614, dated 08.12.98.

17. EXPLORATION

- 17.1 Detailed exploration in MCL command area for the year 1998-99 was conducted by CMPDIL and DMG (Govt. of Orissa) in parts of Talcher and Ib-Valley Coalfields. Against targets of 35.200 milion and 5000 million of drilling by CMPDIL and DMG(O), the meterage achieved are 35324.95 million and 5198.60 million respectively. The productivity per drill per month achieved by CMPDIL and DMG (O) is 462 million and 200 million respectively. The detail of coal reserve proved during 98-99 is as follows :

Sl.No.	Block	Proved Reserve (Mt)
1.	Utkal-X	564.24
2.	Siarmal Extn.	566.22
3.	Manoharpur	181.68
4.	Talabira - III	432.42
5.	Brahmani	0.97
Total		1745.53

18. ENVIRONMENTAL ECOLOGY & AFFORESTATION

- 18.1 Environmental Master Plans have been prepared for each coalfield separately by a group of experts appointed by Government of India. Regional EMP for Angul Talcher Industrial belt has also been prepared by M/s Kirlosker Consultants through Orissa Govt. under the

Department of Orissa Environment Programme. A Regional EMP for Ib-Vally Coalfield is being prepared as per the directive of Ministry of Envnt. and Forests. Govt. of India, New Delhi and for which work has been awarded to CMPDI. Ranchi for preparing the REMP. A total of 14 EMPs for OC projects and 2 EMPs for UG projects have been approved by MOEF. As regards future projects, EMP for 11 other projects, EMPs have been submitted and are under consideration. Grant of air consent and water consent for all the projects of MCL was obtained within due time. Four new environmental R&D schemes were formulated and submitted to CIL R&D Board for a total sum of Rs. 32 crores. MCL was awarded for 3rd successive time with Best Environmental & Ecological Gold Awards under 6th Jawaharlal Nehru Memorial Awards, 1999 organised by international Greenland society, Hyderabad.

Following measures have been taken to protect the environment :

Afforestation :

Afforestation drive in the mines of MCL continued vigorously and 3,92,698 saplings of mixed species have been plated during 1998-99 with 80% survival against the target of 3,000.00 and last year's plantation of 3,14,949 which is highest in a single year since the inception of the Company. Following are the highlights of our special efforts towards this :

1. Use of Integrated Bio-Technological Approach for Plantation on dump slopes of fast growing medicinal and fruit trees with assistance from National Environmental Engineering Research Institute, Nagpur.
2. Soil-water conservation through contour bunding and grass seeding on dump slopes with assistance from IGFRI, Jhansi.
3. Reclamation of spoil banks for creating picnic spots and water harvesting structures on Balanda dump.
4. Hydroseeders fitted on Mobile Fire Tenders for slope irrigation and hydroseeding of grass and legumes in advanced stage of procurement.
5. Use of Sewerage treatment plant sludge for soil amendment at Bharatpur OCP.
6. Special attention is being given to establishing vegetation on the slopes. Towards this end use of Coir matting for promoting vegetation and stablisation of dump slopes at Lakhanpur OCP on 5,000 sq. mtrs. of slope area has been successfully done by Kerala State Coir Corporation. Coir matting material has already been procured for application on OB dump slopes on different World Bank aided projects for an area of 4.1 Ha. Ground preparations are going on and coir matting alongwith seeding of grass and plantation will be completed very soon.
7. Completion and Inauguration of Medical Garden at Ananta OB dump.
8. Prepared and Awarded work for OB Dumps Enhancement Plan.
9. Launched a Drive for including 30% fruit-giving plants in the plantation scheme.
10. Launched a scheme for
 - * In pit Fruit orchard on the 18 Ha. Internal Dragline Dumps of Samaleswari a first ever horticultural scheme within the acitve mining zone of a large mine.
 - * Mango grove and Spice-Garden on the back-filled Dumps of Lilari project.
11. Completion & Submission of Report on Land use Mapping of Ib-valley Coalfields by Satellite Imagery.

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 on roads, siding & CHP.
3. Installation of Dust Control System & Dust Extraction System in CHPs and at transfer points elsewhere.

- | | |
|--|--|
| <p>4. Wetting of roads by mobile water sprinklers. Five heavy duty 28 KL water sprinklers have been procured recently by MCL.</p> <p>5. Environmental telemonitoring of underground environment from surface-installed device at Orient Mines.</p> <p>6. Design, Development and use of instant showering system on moving loaded trucks to reduce dust dissemination at Bharatpur OCP. A second such system was installed recently at Lingraj OCP.</p> <p>7. Fully enclosed and automated, atomised shower system for dust suppression during rapid coal loading in wagons through high capacity silos at Bharatpur OCP.</p> <p>8. Formulation of specifications for :
(i) Multipurpose Hydroseeder cum Fire water tender and (ii) Mobile Vacuum Cleaner cum spillage lifter.</p> <p>9. A mobile nitrogen generating plant for fire prevention and fire fighting has been procured for Orient Area, the first of its type in India.</p> <p>10. Green belts have been created between residential area and mine infrastructure to control the dust.</p> <p>11. Commissioning of concurrent shower during loading of trucks at CHP at Jagannath CHP, which is working satisfactorily. Work is being awarded for another such system at Lilari OCP.</p> <p>12. Work completed on the R&D scheme of quantification of fly ash and other dusts in the ambient mining environment in Talcher and Ib-Valley Coalfields.</p> <p>13. Completion & inauguration by Minister for Coal of an environmental firendly air conditioned canteen and pit head refreshment centre at Bharatpur OCP.</p> | <p>3. Mine discharge treatment plants have been provided in each mine before the water discharge point to surface or nullah.</p> <p>4. Garland drains have been provided near the toe of OB dumps as well as quarry boundaries.</p> <p>5. Water is monitored at all the discharge points and except suspended solids all the parameters remains within prescribed limit.</p> <p>6. Sewerage treatment plant for domestic waste treatment has been operational at Nehru Satabdi Colony, Bharatput and the present system of soak pits and septic tanks in all the colonies are going to be replaced by such Sewerage treatment plant.</p> <p>7. Inauguration of a Belpahar Eco-tank a mine water sedimentation and tanker charger facility for dust spraying.</p> <p>8. Completion of 1st phase of Samaleswari integrated mine discharge treatment facility.</p> <p>9. Completion and submission of reports to Ministry of Environment and Forests for the works of :
— Water Balance Study of Ib Valley Coalfields
— Study on impact of MCL Mining Area on Siltation and Pollution aspects of Hirakud Reservoir.</p> |
|--|--|

18.2.2 Water Pollution

1. Effluent from mines, workshop, setting ponds and spoil dumps are made to conform to standards of MOEF before being discharged into the natural drains and strems/nalas.
2. Mine seepage water are made to settle in big

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 & plugs.

18.4 Environment monitoring and Environmental Audit

Regular monitoring of air, water, noise and soil is 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 coalfield and another in Ib Valley coalfield. Procurement of equipment for these laboratories is in advanced stage. Environmental audit was conducted in each project and environmental statement was submitted to SPCB for the year 1998.

18.5 Training and Organisation

13 Officers have been trained in tailor - made thirteen week course in environmental management in mining areas ISM, Dhanbad. 9 Executives of different ranks and disciplines took training in environment management in mining areas at ISM, Dhanbad during 1998-99. 2 Officers have completed M. Tech. course in Environmental Engineering. Number of employees are undergoing two years Master's degree programme in Ecology and environment offered by National University of Journalism, Bhopal and conducted by Indian Institute of Ecology and Environment, New Delhi. all the six World Bank aided projects of MCL have full time environment officers at project level and area level. Environment cadre has been created and 14 executives have been so far absorbed in this cadre.

18.6 Environmental Telemonitoring

Environmental telemonitoring system has been commissioned in Mine No.3, Orient Area on 28.03.95 and since then it is working satisfactorily. Further all the underground mines of MCL are going to have the same system in due course.

18.7 Environmental Awareness

Environment Fortnight was celebrated in the mines, areas as well as at subsidiary headquarters during 5th to 21st June, 1998. A National Seminar on "Intersectoral co-operation in Flyash Management" was organised on 21st June on the concluding day of the Fortnight. Training programmes are arranged at regular interval for employees of MCL on the subject of environmental management in mining areas. Technical papers were presented on environmental themes at the National Seminars at Puri, Bhubaneswar, Sambalpur, Ranchi regarding works done in MCL.

19. SALES & MARKETING PERFORMANCE

19.1 Coal demand and Off-take

During the year 1998-99 MCL achieved off-take of 41.81 million tonnes against AAP target of 41.00 million tonnes registering achievement of 102% of target. The above performance was achieved despite recession in market.

Off-take during 1998-99 was less than achievement of 43.28 million tonnes in 1997-98, the main reason being refusal of some Power Houses viz. TNEB & MSEB to accept even linked quantity of coal during the year due to heavy holding of stock.

Against demand of 41.00 million tonnes. MCL achieved off-take of 41.81 million tonnes. Sectorwise break up of demand vis-a-vis off take during the year as compared to last year is given in the table below :

Sector	Target 1998-99	Actual 1998-99	%age achieved	Actual 1997-98
Power (Incl. CPP)	38.24	38.25	100.03	39.59
Cement	0.55	0.31	56.36	0.40
Fertilizer	0.54	0.44	81.48	0.66
Others	1.58	2.75	174.05	2.56
Col. Consumption	0.09	0.06	66.67	0.07
OTAL	41.00	41.81	101.98	43.28

19.2 Wagon Loading

Daily average wagon loading achieved during 1998-99 is 3222 FWs against AAP target of 3407 FWs. Wagon loading achieved is less than target because of less demand and off-take from Power Houses & Cement Plants. Wagon loading achieved during last year was 3352 FWs/day.

19.3 Agreement with Customers

Based on draft model agreement prepared in consultation with CPU, negotiations/discussions are initiated to conclude agreement with major consumers of MCL coal viz. TNEB, MSEB & APSEB. The draft agreement include provision

not only for quality and quantity assessment also but on commercial aspects.

19.4 Stock of Coal

the coal stock at the end of the year was 40.66 lakh tonnes as against 23.74 lakh tonnes last year represents 34.11 days' production. The increase in year end stock is due to recessionary market condition and high production.

20. COAL QUALITY IMPROVEMENT

20.1 During 1998-99 various measures for ensuring proper quality of coal despatch were intensified. Against despatch of 41.75 mt the number of complaint is 9 which is same as that of last year.

20.2 Following steps were taken by our company to improve quality and consumer satisfaction :

- (i) An "interaction programme" with different consumer's has been initiated to help improve consumer's satisfaction.
- (ii) Facilities for supervision of loading at sidings has been extended to more consumers during 1998-99.
- (iii) All 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.
- (iv) Surprise inspections are being conducted by a team of officers from Company HQ to ensure proper quantity and quality.
- (v) CCO's % coverage for Power Houses (Rail Despatch) has improved from 39% in 1996-97 and 58.47% in 1997-98 to 65.30 in 1998-99.
- (vi) Stone/Shales picking arrangements have been intensified at Balanda and Talcher collieries.
- (vii) Electronic Rail Weighbridges with print out facility are existing at all sidings. Apart from this Company has provided seven standby Rail Weighbridges for achieving the target of 100% weighment. During the year 1998-99 four numbers of Rail weighbridges have been commissioned.

(viii) 100% coal despatches by rail, belt and MGR were crushed by CHP/FB.

(ix) Out of total despatches of 41.75 mt., about 93.61% was duly weighed in 1998-99 against 85.56% of 1997-98 and 71.76% of 96-97. Moreover the Company achieved upto 97.45% overall weighment in March '99 despatches through modes other than Rail/MGR were 100% weighed.

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

39.42 Million Tonnes of Crushed Coal were despatched through Coal Handling Plants during 98-99 against 39.32 Million Tonnes of crushed Coal during the period 97-98.

Item	98-99		97-98	
	NOs	Qty. Million Te	NOs	Qty. Million Te
Coal handling plants/Feeder breakers	41	39.42 MT	40	39.32 MT

The function points of these CHPs are as follows :

Major CHPs :

Area	Location of CHPs	Capacity -MTY
Jagannath	Jagannath OCP	2.0
	Balanda OCP	1.2
Kalinga	Bharatpur OCP	3.5
		6.7 MTY

Mini CHPs / Feeder Breakers :

Area	Location of CHPs	Capacity -MTY
Jagannath	Jagannath CHP	4.0
	Ananta OCP	6.0
Kalinga	Kalinga OCP	3.0
Ib-Valley	Lajkura OCP	2.0
	Samaleswari OCP	5.0
	Lilari OCP	1.0
Lakhanpur	Belpahar OCP	2.0
	Lakhanpur OCP	4.0
Lingaraj	Lingaraj OCP	5.0
Basundhara	Basundhara OCP	1.0
		33.00 MTY

20.4 Details of Weighbridges

Type of Weighbridge	98-99	97-98
1. Road Weighbridges (Mech.)	6	7
2. Road Weighbridges (Electronic)	30	26
3. Rail Weighbridges (Electronic)	21	18
4. % Weighment during the year (by rail)	<u>90.64</u>	<u>79.07</u>
5. % Weighment during the year (Overall Weighment)	<u>93.50</u>	<u>84.20</u>

The percentage of weighment of Coal despatched to consumers achieved during the year 98-99 is overall 93.50% against 84.20% for the previous year i.e. 97-98 whereas total "RAIL" despatch weighment was 90.64% for 98-99 compared to 79.07% for corresponding period i.e. 97-98.

The following 100 Ton Electronic Weighbridges were commissioned during 98-99 for the following sidings :

1. Lakhanpur Siding	100 Ton	Electronic	1 No.	Standby
2. Belpahar "Y" Curve siding	100 Ton	Electronic	1 No	— do —
3. Lajkura Siding I&II	100 Ton	Electronic	1 No.	Standby
4. Lajkura Siding III	100 Ton	Electronic	1 No	—do—
5. Lingaraj Siding	100 Ton	Electronic	1 No	—do—

Population, performance & Utilisation of equipments :

Sl. No.	Name of the equipment	No. on Roll	1998-99		1997-98	
			% Avail	% Utili-sation	% Avail	% Utili-sation
1.	Winder	6	100.00	100.00	100.00	95.58
2.	Haulage	55	90.90	85.70	93.78	95.58
3.	SDL	35	84.21	87.68	85.85	95.88
4.	Main Pump	93	95.70	92.13	91.66	95.88
5.	Vent. Fan	11	100.00	100.00	100.00	95.88
6.	Belt Conv.	35	100.00	100.00	100.00	95.88
7.	Chain Conv.	23	95.65	100.00	100.00	95.88
8.	Transformer	48	95.83	93.38	94.09	95.88
9.	Coal tubs	2210	90.05	86.83	93.86	95.88
10.	Loco trolley	6	100.00	100.00	100.00	95.88
11.	Coal Drill	136	92.34	89.94	95.83	95.88
12.	Mine Car	110	89.62	87.72	90.98	95.88

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, Safety competitions (like safety essay, safety poem, safety debate, safety posters & slogans), Safety drives, Seminars, Safety conferences, Safety education, and Vocational Training programme.

For promoting Safety consciousness amongst workers, staff & executives special emphasis is being laid on the importance of implementation of recommendations of safety conferences, decisions taken in CIL Safety Board, Standing Committee on Safety and Bipartite/Tripartite Committee meeting on safety of company/area level.

Safety circulars and booklets on Safety are made available upto Colliery level e.g.

- (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 guideline 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 Subsidiary level,
- (viii) Minutes of CIL Safety Board/Standing Committee on safety.

MCL has observed Special Drive for the following :

- (i) Special Safety drive on Safety Committee & VTC from 20.4. 98 to 30.4.98.
- (ii) Special Safety drive on Transport from 16.05.98 to 30.05.98 in Talcher Coalfield and from 01.06.98 to 13.06.98 in Ib Valley Coalfields.

Accident analysis from 1991-1998 was printed in coloured papers (Fatal=Red, Serious=Yellow) and distributed among all the employees of MCL during Annual Mines Safety Week '99.

The Safety week was observed from 18th January, 1999 to 23rd January, 1999 and final day function was held at Lakhanpur area on 24th January, 1999.

One seminar on "Simultaneous working by opencast and underground mining in the superimposed seams" was organised under banner of MGMI on 12.8.98 in which DMS, BBSR region also participated.

Rock Mass Rating (RMR) of each development district have been determined and support plan framed and approved on the basis of RMR.

Effect of vibration due to heavy blasting in Opencast mines over developed underground mines is under study at Orient Mine No. 2 by CMRI.

One Rescue Station has been established at Brajarajnagar at Ib Valley Coalfield serving underground mines of Orient Area. One Rescue Room with Refresher Training facilities (RRRT) is functioning at Talcher Coalfield serving underground mines of Talcher Area. MRS, Brajarajnagar and RRRT, Talcher have been fully equipped with modern rescue apparatus. Zonal Rescue competition was held on 27.12.98 at Talcher RRT. Rescue team of MCL also participated in "All India Rescue Competition" held on 20/21.02.99 at Rescue Station, Sitarampur, ECL and adjudged "Best" in First Aid and "5th Best" in over all performances.

21.1.2 Accident Statistics

Fatal accidents	5
Fatalities	8
Serious accidents	12
Serious injuries	12
Rate of Fatality :	
Per Mill. tonne output	0.183
Per 3 lakh manshift	0.445
Rate of serious injuries	
Per mill. tonne output	0.275
Per 3 lakh manshift	0.667

22. COMPUTERISATION

22.1 On line Material Management System (OMMS) : The OMMS was planned for all stores of MCL as directed by MCL Board. Hardware/ software specification has been drawn in consultation with CMPDIL and its procurement formalities have been completed and awaiting for award of work.

22.2 Area Level Computerisation : Upgradation of Area level computers has been planned in consultation with CMPDIL. Its procurement formalities have been completed and awaiting for award of work.

22.3 Hospital Management System : Hardware/ Software specification has been finalised in consultation with CMPDIL for HMS to be implemented at NSCH, Talcher and its procurement formalities have been completed and awaiting for award of work.

22.4 Colliery Level Computerisation : Colliery level computerisation has been planned as directed by MCL Board. CMPDIL is developing the software for colliery level computerisation for CIL and its subsidiary. The development work is in progress. It was decided in 34th CMD Meet that at first instance software shall be implemented in one are of BCCL and CCL.

22.5 Year 2000 (Y2K) Compliance

- (a) Most of the mining operations of MCL are either not computerised or not dependent on software affected by Y2K issue. However, some of the Electronic Weighbridges are not Y2K compliant and are being upgraded replaced to make them Y2K compliant at an estimated cost of Rs. 8.32 lakhs by Sept. '99.
- (b) As the computers are taken on rental basis and the normal rental contract of computer installed at 3 locations of MCL has expired, the same are being replaced by Y2K compliant hardware/software by Sept. '99.
- (c) MCL is having 206 Y2K compliant PCs. There are some old PCs which are being used for day to day routine work and will not affect the millennium bug.

23. TELECOMMUNICATION

Rs. in Lakhs

23.1 The Telecommunication Network of "MCL" is being upgraded keeping in pace with the increasing requirement of efficient and reliable communication system.

(1) Existing Telephone Communication Network of office and both the colonies have been upgraded by installing a 600 line Digital electronics Telephone Exchange at Corporate Office, linking office with both the colonies with closed loop dialing system facilitating telecommunication facility internally and externally.

(2) The Digital MART exchange of MCL Hqrs. and all areas of MCL have been integrated with the 600 Lines exchange by closed loop direct dialing facilitating telephone communication from project level to MCL Hqrs. and among the Areas during the year 1998-1999.

(3) Upgradation of existing VHF communication System in MCL Hqrs and in all the Areas are being done.

(4) Installation of Internet Terminals on rent and guarantee basis from DOT Sambalpur in the offices of Chief Executives for International Data Communication is in the pipe line and is likely to be completed by September , 1999.

24. DEVELOPMENT OF ANCILLARY INDUSTRIES

24.1 In addition to 52 SSI units upto 97-98, additional 3 SSI units have been given ancillary status during 98-99.

24.2 Another 29 SSI units are in the process of scrutiny for further consideration.

Total amount of supply orders placed during 98-99 on ancillary units is Rs. 5.74 crores against Rs. 5.02 crores placed during 97-98.

25. EXPENDITURE ON ADVERTISEMENT AND PUBLICITY

During the year an amount of Rs. 233.65 lakhs was spent on Advertisement and Publicity as briefed hereunder :

Advertisement for :

(a) Recruitment	—
(b) Tender	163.20
(c) Others	12.33

Publicity : 58.12

Total 233.65

26. WORLD BANK ASSISTANCE

26.1 Seven Sub-projects have been proposed for World Bank funding under Coal Sector Rehabilitation Projects (CSRPP).

26.1.1 **Group-A New Sub-Projects** : The objective 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 objective is to replace HEMM to maintain current level of production :

Sub-Projects :

Ib-Valley Coalfields :

1. Belpahar OC	2.0 Mty
----------------	---------

Talcher Coalfields :

1. Bharatpur OC	3.5 Mty
2. Jagannath OC	4.0 Mty

* Final Capacity 5.5 Mty

26.2 The Loan Agreements for CSRPs were signed between the IBRD/JEXIM and Coal India Limited and the same have become effective w.e.f. 17.6.98. Subsidiary Loan Agreements have been signed between Coal India Limited and Mahanadi Coalfields Limited, wherein Coal India Limited has agreed to onlend to Mahanadi Coalfields Limited US \$ 97.16 million to enable the Subsidiary to perform the work under CSRPs.

26.3 Environmental and Social Mitigation Projects (ESMP) have been approved by the World Bank and are under implementation in World Bank aided Projects. A loan of US \$ 11.56 million has been granted by IDA (International Development Association) for meeting the expenditure related to ESMP.

26.4 A computerised database based on updated and verified list of Project affected persons as on 31.10.97 has been prepared for each of the six world Bank aided projects. Issue of photo identity cards to the willing EPAPs has been completed.

26.5 Organisational structure of World Bank Project Division has been strengthened at Subsidiary, Area and Project level for smooth implementation.

26.6 All the cross-conditionalities between ESMP & CSRPs under schedule-9 of Loan Agreement, have been fulfilled by the covenanted dates.

26.7 The following HEMMs have been received in MCL under world Bank funding :

- (a) 2.8m³ Shovel (BEML) PC 650D— one number for Ananta OCP.
- (b) 4 m³ Diesel Backhoe — two numbers for Bharatpur OCP.
- (c) 5.74 m³ Front End Loader — one number for Bharatpur OCP.
- (d) 50 tonnes HML Dumpers CAT 773 B Series II — Nine numbers for Bharatpur OCP and nine numbers for Lakhanpur OCP.
- (e) 70 tonnes crane (TIL) — one number for Belpahar OCP and one number for Lakhanpur OCP.
- (f) 310 KW, BD 355 Crawler Dozer — three numbers for Bharatpur OCP, one for

Belpahar OCP and one for Samleswari OCP.

26.8 MCL has not received so far any reimbursement of claimed expenditure under ESMP.

27. HUMAN RESOURCE DEVELOPMENT

27.1 Manpower

The Company's manpower as on 31.3.99 compared to that of 31.3.98 as per details given below :

Category	As at 31.3.99	As at 31.3.98
Executives	1350	1289
Supervisors	1680	1664
Highly skilled	6446	6388
Semi skilled : Time Rated	8930	9024
Piece Rated	2544	2951
Ministerial	1696	1686
Badlies	293	355
Company Trainees	15	13
Ex. CMWO/Others	19	21
Total	22973	23391
Apprentices	10	16
Grand Total	22983	23407

27.2 Training

27.2.1 In Company Training

During the year under review, Management Training Institute, Sambalpur started functioning from 8.6.98. MTI, Sambalpur & MEETI, Belpahar conducted the following programmes :

- (1) Foundation Management Course.
- (2) Supervisory Development Programme.
- (3) Coaching Classes for First Class and other statutory examinations.
- (4) Basic and Refresher Courses for Workers and supervisors of Mining, Excavation and E&M disciplines.

- (5) Technical Programmes conducted by Manufacturers.
- (6) Safety Management for Supervisors.
- (7) Programmes for members of Safety Committee.
- (8) Basic Training of Security Guards to surplus loaders.

Details of training are given below :

During 1998-99 a total of 62 training programmes were conducted in MCL as compared to 58 in 1997-98. The number of employees trained during the year as compared to previous year is given below:

	<u>1998-99</u>	<u>1997-98</u>
Executives	400	126
Supervisors	419	172
Workers	494	431
Total	1313	729

27.2.2 Out-Company Nominations (within India)

In 1998-99, a total of 451 employees were nominated to various programmes conducted by different agencies (including IICM, Ranchi and other central training facilities of CIL) within India as compared to 330 in 1997-98.

	<u>1998-99</u>	<u>1997-98</u>
Executives	372	171
Supervisors	21	43
Workers	58	116
Total	451	330

27.2.3 Nominations to training programmes (Outside India)

There are 5 (five) cases of nomination to training programme abroad during the year as briefed hereunder :

	<u>1998-99</u>	<u>1997-98</u>
CMD/Director	2	—
Executives	3	3

27.2.4 Management Trainees & PDPTs

40 Post Diploma Practical Trainees (20 Mining, 10 Surveying and 10 E&M) were engaged in MCL as per recommendations of Board of Practical Training (Eastern Region), Calcutta during 1998-99 compared to 25 in 1997-98. 16 Management Trainees cleared their Probation Closure examination held at IICM, Ranchi in December, 1998.

27.2.5 Vocation Training of Students of Educational Institutions

During 1998-99 unpaid vocational training was imparted to 194 (against 214 in 1997-98) students of technical (Mining & Non-ming) disciplines of different educational institutions in India in partial fulfilment of their curriculum.

28. SCHEDULED CASTES & SCHEDULED TRIBES

- 28.1 Presidential directives identified as 372. Due to ban on outside recruitment backlog vacancies could not be filled up.

Percentage of SC/ST are as under :

Total employees as on 31.3.99	No. of		Percentage of	
	SC	ST	SC	ST
22973	3295	2194	14.30%	9.52%

29. PARTICIPATIVE MANAGEMENT

- 29.1 In MCL the following fora under Participative Management (Company level) have been functioning very effectively :

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

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

Besides the above Committees at Company level, other fora under Participative Management 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/Fore discuss and decide different aspects and issues relating to production, productivity, safety, welfare etc.

30. INDUSTRIAL RELATIONS

30.1 The Industrial Relations in the Company during the year 1998-99 was peaceful and cordial though there was a strike in the month of December, 1998 which was a part of nation-wide industrial strike called by the Left parties. The details of the strike vis-a-vis mandays loss and production loss are as given below :

- | | | |
|-----|------------------------------|--------------|
| (a) | No. of Strike during 1998-99 | — 1 (one) |
| (b) | Date of Strike | — 11.12.1998 |
| (c) | Loss of Production | |
| | (i) Coal | — 9,384 Te |
| | (ii) OB | — Nil |
| (d) | Mandays loss | — 5112 |

31. ABSENTEEISM

31.1 The Overall Absenteeism during the year was 17.49%. In order to reduce the Absenteeism among PR workers, which is still high in some mines, regular interactions with workers and Union representatives are being carried out.

32. EMPLOYEES WELFARE AND SOCIAL AMENITIES

The position of Welfare and Social Amenities like Housing, Water Supply, Medical, Education etc is as under :

32.1 Details of Social Amenities

Particulars	As at 31.3.99	As at 31.3.98
Houses	15527	14784
% of satisfaction (housing)	64.0	63.5
Water supply (filtered water generated)	8.34 MGD	8.30-MGD
Aided Schools/Institutions	35	31
Colleges	04	04
Co-operative Stores	09	09
ECCS	01	01
Bank Branches	14	14
Bank extension counters	12	12
Ambulances	38	38
Dispensaries	15	15
Hospital	06	06
Hospital Beds	364	364
Canteens	30	30

32.2 During 98-99 an amount of Rs. 46.60 crores was spent on Revenue Heads and Rs. 32.09 crores on Capital Heads against the amount of Rs. 44.12 crores (Revenue) Rs. 32.56 crores (Capital) spent during the previous year on employees welfare and social amenities.

32.3 Eye Camps

Your company conducted 788 eye operations during the year 1998-99 against the target of 750 in the eye camps organised by it.

32.4 Family Welfare

Your company conducted 3003 family planning operations during 1998-99 against 3204 operations of the preceding year.

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 Areas of MCL. At present the company

is having 12 numbers of play grounds, 02 numbers of stadia, 08 numbers of children parks, 13 numbers of officers' club, 14 numbers of workers' institute, 08 numbers 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 feelings among the employees to encourage the sportsmen. 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 Football Tournament 1998-99, CIL Inter-Company Cricket tournament and CIL Golf Tournament were organised at Jagannath Area and MCL HQ. respectively.

33 CAPITAL INVESTMENT ON SOCIAL AMENITIES

Details of Capital Investment on social amenities as on 31.3.99 vis-a-vis 31.3.98 is briefed hereunder :

(Rs. in Crores)

Sl. No.	Particulars	Gross value of Fixed Assets	
		As at 31.3.99	As at 31.3.98
1.	Buildings	243.71	215.20
2.	Plant & Machineries	44.95	42.77
3.	Furnitures, Fittings & Office Equipments	4.04	3.55
4.	Vehicles	3.13	3.05
5.	Development	6.92	6.10
TOTAL		302.75	270.67

34. HINDI IN OFFICIAL WORK

In order to accelerate the progressive use of Hindi as per directives/instructions received from Department of Official Language, Ministry of Home, Ministry of Coal, and Govt. of India, continued efforts were made towards promoting use of Hindi in the Company. As MCL falls in region "C" as per the Official Language Rules, 1976 compliance of the Official Language Policy is taken care of in all respect.

Rajbhasha Implementation Committee at Headquarters level and Area level are co-ordinating the progress of Hindi through regular review meetings.

Hindi Fortnight was celebrated from 14.9.98 to 25.9.98 marked by various competitions, workshops and functions, which attracted good participation by executives and non-executives, ladies and students. The winners of the various competitions and commendable performers were rewarded suitably. The concluding day ceremony of the Hindi Fortnight was celebrated in a big way. The members of Jagriti Vihar, Ladies Club and Anand Vihar participated in the cultural programme.

Correspondence and noting in Hindi have increased during the year compared to previous year.

MCL News (a monthly news magazine) and Pratibha (a quarterly literary house journal) are published in which articles, features & poems etc. appeared in Hindi, English and Oriya. Besides, all advertisements and news items released for publication in Hindi, regularly.

This year also the Company published the Annual Calendar in Hindi. It was based on sketches and slogans of safety awareness. A good number of Hindi books are also available in the library of Hindi Department.

35. AUDITORS

35.1 Under Section 619(2) of the Companies Act, 1956, the following Audit Firms were appointed as Statutory/Branch Auditors for the year 1998-99.

Statutory Auditors :

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

Branch Auditors :

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

35.2 The Government of India (Deptt. of Company affairs) will be approached for appointment of auditors for the year 1999-2000.

36. FIXED DEPOSITS

Your Company has not accepted any deposits from the Public, during the year as defined under Section 58 A of the Companies Act, 1956 and the rules made thereunder.

37. AWARDS

Best Environmental and Ecological Implementation Gold Award

It is a matter of great pleasure that Mahanadi Coalfields Limited has bagged the "Best Environmental and Ecological Implementation Gold Award" awarded by the International Greenland Society, Hyderabad, consequentially for third year i.e. 1998-99 which is regarded as the most prestigious and outstanding award given to Industrial Sector for the contribution made in the field of Environmental and Ecological Implementation.

Excellence Award

It is also a matter of great pleasure that Mahanadi Coalfields Limited has bagged the "Excellence Award" awarded by the Institute of Economic Studies, New Delhi for its excellent performance in Indian Industry.

Best Chief Executive Gold Award

Shri S. N. Sharma, Chairman-cum-Managing director was conferred with the "Best Chief Executive Gold Award" by the International Greenland Society, Hyderabad for his outstanding achievements.

Udyog Rattan Award

Shri S. N. Sharma, Chairman-cum-Managing Director was also conferred with the "Udyog Rattan Award" by the Institute of Economic Studies, New Delhi for his outstanding achievements made in the Coal Industry.

38. PARTICULARS OF INFORMATION U/S 217 OF THE COMPANIES ACT, 1956

The information in accordance with the provision of Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors)

Rules, 1988 regarding Conservation of Energy, Technology & Outgo is given in annexure-I to this Report.

39. PARTICULARS OF EMPLOYEES

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.

40. BOARD MEETINGS

Five Board Meetings were held during the year.

41. BOARD OF DIRECTORS

During the year under review, Shri S. N. Sharma, CMD, Shri G. K. Choudhary, Director (P), Shri Mayukha Sengupta, Director (F), Shri B. P. Singh, Director (T) and Shri B. N. Mishra, Director (T) continued.

Shri B. P. Singh, Director (Tech.) ceased to be the Director on MCL Board w.e.f. 25.2.1999. In place of Shri B. P. Singh, Shri B. N. Mishra, Director (Tech.) was appointed as Full Time Director w.e.f. 18.2.1999.

Shri A. Chatterjee, Director (Finance), CIL, Shri N. K. Sharma, Director (Tech.), CIL and Shri Premanand Das, Director, Ministry of Coal continued as part-time Directors on MCL Board during the year. Shri A. K. Sahay, CMD, BCCL continued as part-time Director upto 29.7.98.

42. ACKNOWLEDGEMENTS

42.1 Your Directors express their sincere thanks to the Ministry of Coal, and Coal India Limited for their valuable assistance, support and timely 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.

42.2 Directors place on record their deep sense of appreciation for the co-operation extended by the Trade Unions and Officers' Associations for the team spirit shown, valuable and sterling services rendered by the employees at all levels towards the achievement of the objectives of the Company and its all round growth.

- 42.3 The Directors also thank the valued customers profusely for their continued support, patronage and encouragement but for which the company would not have emerged so strong with such profit and healthy finance.
- 42.4 The Directors also record their appreciation of the services rendered by the Auditors and the Officers and staff of the Comptroller and Auditor General of India and the Company Law Board.
- 42.5 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.

43. 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.

Sd/-

(S. N. Sharma)

Chairman-cum-Managing Director

Sambalpur

Date : 11th September, 1999

ANNEXURE - I

ANNEXURE TO DIRECTOR'S REPORT

Information as required to be given in the Director's Report under section 217 (1) (e) of company's Act, 1956 read with the Company's (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earning and outgo.

A. CONSERVATION OF ENERGY

(a) Energy Conservation measures taken

Electrical Energy :

1. (a) Improvement in p.f. by installing Capacitor banks at Main sub station and distribution sub stations.
- (b) Steps were taken to rationalise the contract demand to avoid the underdrawal as well as overdrawal penalty.
- (c) Steps were taken to improve the load factor by rationalising the electrical load.
- (d) Steps were taken to avoid voltage drop and transmission losses in the system.
- (e) Steps have been taken for commissioning of the 132/33 KV substation at Ib-Valley coalfields which will result in reduction in the Energy bill to the tune of 1 crore per annum on account of maximum demand charges.
- (f) Segregation of Industrial and domestic load for availing the rebate on domestic consumption.
- (g) Introduction of energy saving luminaries.
- (h) Specification of transformers, and motors has been modified to make them energy efficient.
- (i) Steps have been taken for deploying pumps of higher efficiency with large size diameter of pipes i.e. 200 mm, 250 mm, instead of existing 150 mm pipes.
- (j) CMPDIL have been asked to prepare Energy Audit Report for Nandira and Talcher Colliery and steps will be taken accordingly to reduce the energy consumption.
- (k) Close watch is being kept on the Specific Energy Consumption (KWH/T) for different units/areas.

Fuel & Lubricants :

1. Maintenance of Self starters and Batteries in up to date condition to conserve POL and avoid idling of HEMM equipments.
2. Periodical overhaul and checking/maintenance of HEMM by replacement of filters etc. thus improving the efficiency of HEMM equipments.
3. Maintenance of Haul Road, Tyre Pressure etc. as per required norms for HEMM and continuous monitoring.
4. Checking and monitoring the issue of POL to HEMM to avoid pilferage and theft.
5. Recording and monitoring the performance of HEMM by hour meter Vis-a-vis POL consumed/issued to the HEMM.

(b) *Additional Investment & proposal, if any being implemented for reduction of consumption of energy :*

- (i) Organising workshop and seminars to concerned executives and Staff connected in the operation and maintenance of HEMM/and Electrical Plant & Equipments.
- (ii) Giving training to executives and Staffs in the Management Development Institute of MCL.
- (iii) Observing "Energy conservation Week" as per the directives of Govt. of India.
- (iv) Planning and implementation of energy saving technique in the field of Diesel and Electricity conservation programme of MCL.
- (v) After getting the Energy Audit Report from CMPDIL, investments decision shall be taken for energy saving measures.

(c) Impact of measures at (a) and (b) for reduction of Energy Consumption and consequent impact on the cost of production of goods :

	1998-99	1997-98	% increase/ decrease
Electrical Energy			
(i) Consumption of Energy/Tonne of Coal (KWH/Tonnes)	4.98	4.81	+ 3.53%
(ii) Consumption of Energy/Cu.Mtr. of composite production i.e. Coal + O.B. (KWH/Cu. Mtr. composite)	2.886	2.918	- 1.09%
Fuel & Lubricants			
(i) Consumption of HSD per Cu. Mtr. composite production excluding dragline production	0.69	0.75	- 8.00%
(ii) Consumption of Lubricants per Cu. Mtr. composite production (Ltr/Cu. Mtr) Liquid lubricant	0.03456	0.03207	+ 7.76%
(iii) Consumption of Lubricants per Cu. Mtr composite production (Kg/Cu. Mtr) (grease)	0.001819	0.001690	+ 7.63%

FORM - B

DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

A. RESEARCH AND DEVELOPMENT (R&D)

- | | |
|---|--|
| <p>1. Specific areas in which R&D was carried out by company.</p> | <p>The Company does not have its own Research and Development (R&D) set up. CMPDIL, a subsidiary of Coal India Ltd. (CIL) does the R&D work centrally for all the subsidiaries of CIL.</p> |
| <p>2. Benefits derived as a result of the Above R&D</p> | |
| <p>3. Further Plan of Action</p> | |
| <p>4. Expenditure on R&D</p> | |
| <p>(a) Capital</p> | |
| <p>(b) Recurring</p> | |
| <p>(c) Total</p> | |
| <p>(d) Total R&D expenditure as percentage of total turnover</p> | |

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

- | | |
|--|--------------|
| <p>1. Efforts in brief, made towards technology absorption, adaptation and innovation</p> | <p>: Nil</p> |
| <p>2. Benefits derived as a result of the above efforts</p> | <p>: Nil</p> |
| <p>3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year the requisite information given below :</p> | <p>: Nil</p> |
| <p>(a) Technology imported</p> | <p>: Nil</p> |
| <p>(b) Year of Import</p> | <p>: N/A</p> |
| <p>(c) Has technology been fully absorbed</p> | <p>: N/A</p> |
| <p>(d) If not fully absorbed, areas where this has not taken Place, reasons therefore and future plan and action</p> | |

C. FOREIGN EXCHANGE EARNING & OUTGO

- (i) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products export activities services and export plans. : Company is not enegaged in export activities
- (ii) Total foreign Exchange Used and earned

Sl. No.	Description	(Rs. in Lakhs)	
		Current Year	Previous Year
(a)	Foreign Exchange used		
(i)	CIF value of imports		
	(a) Raw Materials	Nil	Nil
	(b) Components, Stores & Spare parts	414.50	53.26
	(c) Capital goods	5832.25	Nil
(ii)	Legal expenses	44.74	Nil
(b)	Foreign Exchange earned	Not direct earning by the company.	

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL
OF INDIA UNDER SECTION 619 (4) OF
THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF
MAHANADI COALFIELDS LIMITED
FOR THE YEAR ENDED 31ST MARCH, 1999**

In view of the revisions made in the Accounts as a result of the observations made by the Comptroller & Auditor General of India as indicated in Para No. 4 of the Auditors' Report to the Shareholders and item No. 16 of the Notes forming part of Accounts (Schedule - P), there are no further comments to offer upon or supplement to Auditors' Report under Section 619 (4) of the Companies Act, 1956 on the Accounts of Mahanadi Coalfields Limited for the year ended 31st March, 1999.

Dated : Calcutta
the 10th September, 1999

Sd/-
(Arijit Ganguly)
Principal Director of Commercial Audit
and Ex-Officio Member, Audit Board-II
Calcutta

**REVIEW OF ACCOUNTS OF MAHANADI COALFIELDS LIMITED
FOR THE ENDED YEAR 31ST MARCH, 1999
BY THE COMPTROLLER AND 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' Report.

1. FINANCIAL POSITION

		<i>(Rs. in lakhs)</i>		
		<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>
LIABILITIES				
(a)	Paid up Capital	10000.09	18640.09	39058.09
	(i) Government	—	—	—
	(ii) Others (All shares are held by Coal India Limited Holding Company)	10000.09	18640.09	39058.09
(b)	Reserves & Surplus			
	(i) Free Reserve & Surplus	29760.08	59421.68	87936.30
	(ii) Share Premium Account	—	—	—
	(iii) Capital Reserve	236.19	192.52	757.43
(c)	Borrowings from :			
	(i) Coal India Ltd. Holding Company			
	(a) For Loans from IBRD & JEXIM	—	—	4261.43
	(b) For Other Loan	63869.90	34598.18	18458.79
	(ii) Financial Institution			
	(iii) Foreign Currency Loans (Credit) (Deferred Payment Liabilities)	1636.87	1374.45	4441.30
	(iv) Cash Credit			
	(v) Others			
	(vi) Interest Accrued and Due			
(d)	(i) Current Liabilities & Provisions (Excluding Provision for Gratuity)	46552.32	81652.51	98754.05
	(ii) Provision for Gratuity	2331.89	2418.50	2309.15
	TOTAL	<u>154387.34</u>	<u>198297.93</u>	<u>255976.54</u>

	<i>(Rs. in lakhs)</i>		
	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>
ASSETS :			
(e) Gross Block	127032.84	143543.70	172355.88
(f) Less : Cumulative Depreciation	47169.62	54423.40	63663.58
(g) Net Block	79863.22	89120.30	108692.30
(h) Capital Work-in-Progress	18781.41	23296.02	25034.00
(i) Investments	0.04	0.04	0.04
(j) Current Assets, Loans & Advances	53510.20	83678.39	120302.83
(k) Miscellaneous Expenditure not written off	2232.47	2203.18	1947.37
(l) Accumulated Losses	—	—	—
TOTAL	<u>154387.34</u>	<u>198297.93</u>	<u>255976.54</u>
(m) Working Capital [j–d(i) – c (vi)]	6957.88	2025.88	21548.78
(n) Capital Employed (g+m)	86821.10	91146.18	130241.08
(o) Net Worth [a + b (i) + b (ii) – k – l]	37527.70	75858.59	125047.02
(p) Net Worth per rupee of paid up capital (in Rs.)	3.75	4.07	3.20

2. WORKING RESULTS

The working results of the company during the last three years ended 31st March, 1999 are as under :

	<i>(Rs. in lakhs)</i>		
	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>
(i) Sales	112631.82	155287.35	155817.99
(ii) Less : Excise Duty	—	—	—
(iii) Net Sales	112631.82	155287.35	155817.99
(iv) Other or Miscellaneous Income	11186.29	13227.54	12490.86
(v) Profit/Loss before tax and prior period adjustments	33961.59	64904.89	59868.06
(vi) Prior Period Adjustments	1296.22	– 506.16	– 262.95
(vii) Profit before tax	32665.37	65411.05	60131.01
(viii) Tax Provisions	8300.00	22000.00	19500.00
(ix) Profit after tax	24365.37	43411.05	40631.01
(x) Proposed Dividend	10000.09	17364.42	16269.07

3. RATIO ANALYSIS

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

	<i>(In Percentages)</i>		
	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>
(A) Liquidity Ratio Current Ratio [j/(d(i) + c(vi))]	114.95	102.48	121.82
(B) Debt Equity Ratio Long Term debt to Equity [c(i) to c(v) excluding short term loan/s]	655.07	192.99	145.72
(C) Profitability Ratios :			
(a) Profit before tax to			
(i) Capital Employed	37.62	71.76	46.17
(ii) Net Worth	87.04	86.22	48.09
(iii) Sales	29.00	42.12	38.59
(b) Profit after tax to Equity	243.65	232.89	217.98
(c) Earning per share (in Rupees) (Profit after Tax/No. of Equity Share)	2436.52	2328.90	2178.86

4. SOURCES AND UTILISATION OF FUNDS

Funds amounting to Rs. 76889.50 crore from internal and external sources were generated and utilised during the year as per details given below :

	<i>(Rs. in lakhs)</i>
SOURCES OF FUNDS :	
(a) Funds from operations	
(i) Profit after tax	40631.01
(ii) Add : Depreciation	9240.18
(b) Increase in share capital	20418.00
(c) Increase in Over Burden Removal Reserve	5779.59
(d) Misc. Expenditure to the extent written off during the year (net)	255.81
(e) Increase in Reserve (Road Subsidy)	564.91
TOTAL	76889.50
APPLICATION OF FUNDS :	
(a) Additions to Fixed Assets & Capital Work-in-Progress	30550.16
(b) Increase in Working Capital (including Prov. for Gratuity)	19632.25
(c) Decrease in Borrowings	8811.11
(d) Proposed Dividend	16269.07
(e) Provision for Income Tax on Proposed Dividend	1626.91
TOTAL	76889.50

5. INVENTORY LEVELS

The inventory levels of stocks of stores and spares, raw materials, work-in-progress and coal and coke etc. at the end of 3 years ending 31st March, 1999 are as under :

	<i>(Rs. in lakhs)</i>		
	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>
(a) Stocks of Stores & Spares	6645.49	6613.19	7446.03
(b) Work-in-Progress	149.65	86.45	271.87
(c) (i) Stock of coal & coke etc.	4975.15	4222.00	7958.63
(ii) Provision for deterioration	497.49	422.20	795.49
(d) Stock of Raw materials	—	—	—
	<i>(In Month's)</i>		
	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>
(i) Stock of Stores & Spares to Consumption	4.99	4.08	4.21
(ii) Stock of coal & coke to Sales	0.53	0.33	0.61
(iii) Stock of WIP to Production	Nil	Nil	Nil
(iv) Stock of raw materials to consumption	Nil	Nil	Nil

6. SUNDRY DEBTORS

The Sundry Debtors vis-a-vis Sales in the last three years ending 31st March, 1999 are as follows :

<i>(Rs. in lakhs)</i>					
Year	Considered Good	Considered Doubtful	Total	Sales	%age of Debtors to Sales
31.03.1997	18102.89	5511.00	23613.89	112631.82	20.97
31.03.1998	23633.91	5865.00	29498.91	155287.35	19.00
31.03.1999	38651.33	5704.52	44355.85	155817.99	28.47

The age-wise break-up of Sundry Debtors as at the end of the year 1998-99 is as follows :

<i>(Rs. in lakhs)</i>				
Debtors outstanding for	Due from Govt. Deptt	Dues from PSUs/ Corporation/Board	Dues from Private Parties	Total
Less than 6 months	—	4530.50	— 254.72	4275.78
More than 6 months but less than 1 year	—	— 917.89	— 125.79	— 1043.68
More than 1 year but less than 3 years	—	15635.68	698.23	16333.91
Above 3 years	—	23558.14	1231.70	24789.84
TOTAL	—	42806.43	1549.42	44355.85

Dated : Calcutta
The 10th September, 1999

Sd/-
(Arijit Ganguly)
Principal Director of Commercial Audit
and Ex-Officio Member, Audit Board - II
CALCUTTA

BALANCE SHEET AS AT 31ST MARCH 1999

	SCHEDULE	CURRENT YEAR (Rs. in Lakhs)	PREVIOUS YEAR (Rs. in Lakhs)
SOURCES OF FUND			
Shareholders' Funds			
(a) Capital	A	39058.09	18640.09
(b) Share Application Money Pending Allotment	B	—	—
(c) Reserves & Surplus	C	88693.73	59614.20
Loan Funds			
(a) Secured	D (I)	4441.30	1374.45
(b) Unsecured	D (II)	22720.22	34598.18
GRAND TOTAL		154913.34	114226.92
APPLICATION OF FUND			
Fixed Assets			
(a) Gross Block	E	172355.88	143543.70
Less : Depreciation		63663.58	54423.40
Net Block		108692.30	89120.30
(b) Capital Work-in-Progress	F	25034.00	23296.02
TOTAL		133726.30	112416.32
Investments	G	0.04	0.04
Current Assets, Loans & Advances			
(a) Inventories	H	14871.29	10495.58
(b) Debtors	I	38651.33	23633.91
(c) Cash & Bank Balances	J	3532.69	4748.13
(d) Other Current Assets	K	371.80	275.35
(e) Loans and Advances	L	62875.72	44525.42
		120302.83	83678.39
Less : Current Liabilities & Provisions	M	101063.20	84071.01
Net Current Assets		19239.63	- 392.62
Misc. Expenditure to the extent not yet written off or adjusted	N	1947.37	2203.18
GRAND TOTAL		154913.34	114226.92
ACCOUNTING POLICIES	O		
NOTES ON ACCOUNTS	P		

The Schedules referred to above form integral part of Accounts.

Sd/-
(S. C. BEHERA)
COMPANY SECRETARY

Sd/-
(S. K. BASU)
CHIEF GENERAL MANAGER (F)

Sd/-
(MAYUKHA SENGUPTA)
DIRECTOR (FINANCE)

Sd/-
(S. N. SHARMA)
CHAIRMAN-CUM-MG. DIRECTOR

In terms of our report of even date
For K. L. Banerjee & Co.
Chartered Accountants
Sd/-
(Partha Dutta)
PARTNER

Date : 01.09.1999

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDING 31ST MARCH 1999

	SCHEDULE	CURRENT YEAR (Rs. in Lakhs)	PREVIOUS YEAR (Rs. in Lakhs)
INCOME			
Sales	1	155817.99	155287.35
Coal issued for other purpose	2	381.60	376.92
Accretion in Coal Stock	3	3420.33	- 645.04
Other Income	4	12490.86	13227.54
TOTAL INCOME		172110.78	168246.77
EXPENDITURE			
Internal Consumption of Coal	5	122.76	115.58
Consumption of Stores & Spare Parts	6	20837.37	19185.64
Power & Fuel	7	6731.41	6569.15
Employees Remuneration & Benefits	8	24443.99	22322.62
Contractual Expenses	9	16654.74	16732.98
Repairs (purchased)	10	4839.52	4465.55
Social Facilities	11	4631.53	4349.93
Other Expenditure	12	6339.51	6591.28
Overburden Removal Adjustment	13	5779.59	5351.40
Interest	14(a)	5396.17	4377.68
Financial Charges	14(B)	118.10	—
Depreciation	15	9939.62	8238.22
Provisions	16(A)	- 2.59	458.13
Write off	16 (B)	6411.00	4583.72
TOTAL EXPENDITURE		112242.72	103341.88
PROFIT FOR THE YEAR		59868.06	64904.89
Prior Period Adjustment	17	- 262.95	- 506.16
NET PROFIT BEFORE TAXATION		60131.01	65411.05
Provision for Income Tax		19500.00	22000.00
PROFIT AFTER TAX		40631.01	43411.05
Proposed Dividend			
(a) On Preference Shares		16.78	—
(b) On Equity Shares		16252.29	17364.42
Provision for IT on Proposed Dividend		1626.91	1736.44
PROFIT AFTER TAX AND PROPOSED DIVIDEND		22735.03	24310.19
TRANSFERRED TO GENERAL RESERVE		4063.11	4500.00
Retained Profit after transfer to General Reserve		18671.92	19810.19
Profit brought forward from previous year		43976.56	24166.37
BALANCE CARRIED TO BALANCE SHEET		62648.48	43976.56

ACCOUNTING POLICIES

O

NOTES ON ACCOUNTS

P

The Schedules referred to above form integral part of Accounts.

Sd/-
(S. C. BEHERA)
COMPANY SECRETARY

Sd/-
(S. K. BASU)
CHIEF GENERAL MANAGER (F)

Sd/-
(MAYUKHA SENGUPTA)
DIRECTOR (FINANCE)

Sd/-
(S. N. SHARMA)
CHAIRMAN-CUM-MG. DIRECTOR

In terms of our report of even date

For K. L. Banerjee & Co.

Chartered Accountants

Sd/-

(Partha Dutta)
PARTNER

Date : 01.09.1999

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details :

Registration No. : 15-03038 State Code : 15
 Balance Sheet Date : 31.03.99

II. Capital Raised during the Year (Amount Rs. in Lakhs)

Public Issue : Nil Right Issue : 20418
 Bonus Issue : Nil Private Placement : Nil

III. Position of Mobilisation and Deployment of Funds
 (Amount Rs. in Lakhs)

Total Liabilities : 255976.54 Total Assets : 255976.54
 Source of Fund Paid-up Capital : 39058.09 Reserve & Surplus : 88693.73
 Secured Loans : 4441.30 Unsecured Loans : 22720.22
 Application of Funds
 Net Fixed Assets : 133726.30 Investments : 0.04
 Net Current Assets : 19239.63 Misc. Expenditure : 1947.37
 Accumulated Losses : Nil

IV. Performance of Company (Amount Rs. in Lakhs)

Turnover (Net) : 155817.99 Total Expenditure : 95686.98
 Profit/Loss Before Tax : 60131.01 Profit/Loss After Tax : 40631.01
 Earning Per Share (Rs.) : 2178.86 Dividend Rate % : 87.19

V. Generic Name of the Principal Product of Company

Item Code No. : 270112.00
 Product Description : COAL

Sd/-
(S. C. BEHERA)
 COMPANY SECRETARY

Sd/-
(S. K. BASU)
 CHIEF GENERAL MANAGER (F)

Sd/-
(MAYUKHA SENGUPTA)
 DIRECTOR (FINANCE)

Sd/-
(S. N. SHARMA)
 CHAIRMAN-CUM-MG. DIRECTOR

In terms of our report of even date
For K. L. Banerjee & Co.
 Chartered Accountants
 Sd/-
(Partha Dutta)
 PARTNER

Date : 01.09.1999

SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 1999

SCHEDULE - A

SHARE CAPITAL

	CURRENT YEAR (Rs. in Lakhs)	PREVIOUS YEAR (Rs. in Lakhs)
Authorised		
(i) 2041800 10% Cumulative Redeemable Preference Shares of Rs. 1000 each (Previous Year — Nil)	20418.00	—
(ii) 2958200 Equity Shares of Rs. 1000 each (Previous Year - 5000000)	29582.00	50000.00
	50000.00	50000.00
Issued, Subscribed & paid up		
(i) 2041800 10% Cumulative Redeemable Preference Shares of Rs. 1000 each fully paid up (Previous Year - Nil)	20418.00	—
(ii) 1864009 Equity shares of Rs. 1000 each fully paid up in cash (Previous Year - 1864009)	18640.09	18640.09
TOTAL	39058.09	18640.09

NOTE : (i) Entire Share Capital is held by Holding Company — Coal India Ltd. and/or its nominees.
(ii) The Preference Shares have been issued on 29.03.99 redeemable in the year 2003-04 against conversion of loan.

SCHEDULE - B

AMOUNT RECEIVED AGAINST EQUITY PENDING ALLOTMENT

	CURRENT YEAR (Rs. in Lakhs)	PREVIOUS YEAR (Rs. in Lakhs)
Amount and/or consideration received from Coal India Limited against Equity Shares pending allotment	—	—
TOTAL	—	—

SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 1999**SCHEDULE - C
RESERVES AND SURPLUS**

	AS AT 01.04.98 (Rs. in Lakhs)	ADDITIONS DURING THE YEAR (Rs. in Lakhs)	DEDUCTION ADJUSTMENT DURING THE YEAR (Rs. in Lakhs)	AS AT 31.03.99 (Rs. in Lakhs)
A. 1. General Reserve Account	7475.49	4063.11		11538.60
2. Profit & Loss Account	43976.56	18671.92		62648.48
3. Other Reserves – Road Subsidy	192.52		564.91	757.43
SUB TOTAL (A)	51644.57	22735.03	564.91	74944.51
B. Accumulated Ratio Variance Reserve (OBR)	20767.76	3932.06	1129.52	25829.34
Less : Closing Advance Stripping	12798.13	11669.21	- 12387.22	12080.12
SUB TOTAL (B)	7969.63	- 7737.15	13516.74	13749.22
GRAND TOTAL	59614.20	14997.88	14081.65	88693.73

SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 1999

SCHEDULE - D (I)

SECURED LOANS

	CURRENT YEAR (Rs. in Lakhs)	PREVIOUS YEAR (Rs. in Lakhs)
Liability for Deferred Payment M/s Toyato Tsusho Corporation, Japan. (Secured by Hypothecation of Plant & Machinery)	4488.67	—
Less : Interest on Def. Payment	1347.10	—
	3141.57	—
Liability for Deferred Payment M/s Tevetmet Prem Export, Moscow. (Secured by Hypothecation of Plant & Machinery)	1299.73	1374.45
Less : Interest on Deb. Payment	—	—
	1299.73	1374.45
TOTAL	4441.30	1374.45

SCHEDULE - D (II)

UNSECURED LOANS

	CURRENT YEAR (Rs. in Lakhs)	PREVIOUS YEAR (Rs. in Lakhs)
Due to Coal India Limited, Holding Co.		
For Loans from IBRD & JEXIM	4261.43	—
For Other Loans	18458.79	34598.18
	22720.22	34598.18
TOTAL	22720.22	34598.18

SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 1999

SCHEDULE - E

ASSETS

(Rs. in Lakhs)

	GROSS BLOCK OF FIXED ASSETS				PROVIDED UPTO THE BEGINNING OF YEAR	DEPRECIATION		PROVIDED UPTO THE END OF THE YEAR	NET BLOCK	
	COST AS AT BEGINNING OF YEAR	ADDITIONS DURING THE YEAR	DELETION/ ADJUSTMENT DURING THE YEAR	COST AS AT CLOSING OF YEAR		FOR THE YEAR	WITHDRAWN/ ADJUSTMENT DURING THE YEAR		AS AT YEAR END (31.3.99)	AS AT YEAR END (31.3.98)
1. LAND										
(i) Free hold	394.62	—	-251.43	143.19	—	—	—	—	143.19	394.62
(ii) Lease hold	7211.23	371.24	250.00	7832.47	1360.92	363.71	-0.01	1724.62	6107.85	5850.31
2. BUILDINGS										
(i) Township	18347.28	2632.74	-7.86	20972.16	1700.02	333.45	-3.07	2030.40	18941.76	16647.26
(ii) Other than Township	6819.25	2259.03	-0.21	9078.07	990.29	293.04	2.17	1285.50	7792.57	5828.96
(iii) Roads & Culverts	3697.38	1398.33	-0.11	5095.60	569.82	310.39	-0.09	890.12	4215.48	3127.56
3. PLANT & MACHINERY	87189.12	20882.36	-1779.27	106292.21	43411.99	7819.33	-1587.87	49643.45	56648.76	43777.13
4. FURNITURE & FITTINGS & OFFICE EQUIPMENTS	1833.27	426.18	-32.05	2227.40	789.71	161.33	-36.71	914.33	1313.07	1043.56
5. RAILWAY SIDING	5078.76	1218.30	—	6297.06	997.46	257.12	-0.01	1254.57	5042.49	4081.30
6. VEHICLE	1700.97	402.30	-1.64	2101.63	913.90	172.86	-1.82	1084.94	1016.69	787.07
7. PROSPECTING & BORING	1986.15	—	28.58	2014.73	789.44	118.50	-17.67	890.27	1124.46	1196.71
8. DEVELOPMENT EXPENDITURE	9285.67	1328.09	-312.40	10301.36	2899.85	716.01	339.52	3955.38	6345.98	6385.82
GRAND TOTAL	143543.70	30918.57	-2106.39	172355.88	54423.40	10545.74	-1305.56	63663.58	108692.30	89120.30

SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 1999

SCHEDULE - E (Contd..) ALLOCATION OF DEPRECIATION

	CURRENT YEAR (Rs. in Lakhs)	PREVIOUS YEAR (Rs. in Lakhs)
(A) REVENUE :		
Social Overhead	598.38	661.18
Others	9939.62	8238.22
	10538.00	8899.40
Prior Period Adjustment	—	51.27
	10538.00	8950.67
(B) CAPITALISATION :	7.74	4.85
	10545.74	8955.52

RECONCILIATION OF DEPRECIATION FUND

	CURRENT YEAR (Rs. in Lakhs)	PREVIOUS YEAR (Rs. in Lakhs)
Opening Balance	54423.40	47169.62
Add : Deprn provided during the year	10545.74	8955.52
	64969.14	56125.14
Less : Net outflow of Fund :		
For Surveyed/Written off		
Assets	1308.47	1701.74
Less : Inflow of Fund – Inter Company	2.91	—
	1305.56	1701.74
Closing Balance	63663.58	54423.40

SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 1999**SCHEDULE - F****CAPITAL WORK IN PROGRESS***(Rs. in Lakhs)*

	UPTO THE BEGINING OF THE YEAR (01.04.98)	ADDITIONS DURING THE YEAR	TRANSFER/ ADJUSTMENT DURING THE YEAR	UPTO THE END OF YEAR (31.3.99)
1. BUILDING UNDER CONSTRUCTION				
(i) Township	2894.76	1923.78	- 1310.52	3508.02
(ii) Other than Township	1505.13	795.57	- 1681.43	619.27
(iii) Roads & Culverts (Mining Area)	330.51	1052.20	- 348.61	1034.10
2. PLANT & MACHINERY				
(i) Under erection/Installation	3824.35	4682.53	- 261.58	8245.30
(ii) In stores	1707.85	4098.19	- 4207.15	1598.89
(iii) In transit & awaiting Inspection	3596.14	115.94	- 3590.56	121.52
3. RAILWAY SIDING UNDER CONSTRUCTION	2143.00	609.32	- 1081.72	1670.60
4. P&B FOR DEV MINES	4439.17	622.37	- 20.34	5041.20
5. DEV EXP. OF NON-REV. MINES	2328.64	642.67	- 76.41	2894.90
6. CAPITAL GOODS IN STOCK	526.47	285.98	- 512.25	300.20
GRAND TOTAL	23296.02	14828.55	- 13090.57	25034.00

SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 1999

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
TOTAL	<u>0.04</u> -----	<u>0.04</u> -----

SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 1999

SCHEDULE - H

INVENTORIES

	<u>CURRENT YEAR</u> (Rs. in Lakhs)	<u>PREVIOUS YEAR</u> (Rs. in Lakhs)
(A) STOCK OF STORES & SPARES	7529.97	6827.43
<i>Less :</i>		
(i) Provision for obsolescence	451.45	373.88
(ii) Provision for Difference/Shortage	14.36	14.36
	465.81	388.24
SUB TOTAL	7064.16	6439.19
<i>Add :</i>		
In transit/Under Inspection	381.77	173.95
Discarded/Surveyed off Stock Adjustment	0.10	0.05
TOTAL (A)	7446.03	6613.19
(B) STOCK OF COAL		
1. Revenue Mines	7822.47	4222.00
2. Capital Mines	136.16	—
SUB TOTAL (1+2)	7958.63	4222.00
<i>Less : Provision for Deterioration</i>	795.49	422.20
Non-vendable Stock	3.75	—
Rehandling Charges	6.00	3.86
TOTAL (B)	7153.39	3795.94
As per Annexure H (I) & H(II)		
(C) WORKSHOP JOB		
Manufactured Items	—	3.71
Work in Progress	271.87	82.74
TOTAL (C)	271.87	86.45
(D) LOSS OF ASSETS	136.09	370.14
Less : Provision	136.09	370.14
TOTAL (D)	—	—
GRAND TOTAL (A + B + C + D)	14871.29	10495.58

SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 1999**PARTICULARS IN RESPECT OF COAL STOCK AS ON 31.3.99****SCHEDULE - H (Contd..)****ANNEXURE - H (I)**

	OVERALL STOCK		PROVISION FOR NON VENDABLE STOCK		VENDABLE STOCK	
	QUANTITY (L Te)	VALUE (L Rs.)	QUANTITY (L Te)	VALUE (L Rs.)	QUANTITY (L Te)	VALUE (L Rs.)
(A) RECONCILIATION OF BOOK STOCK AND MEASURED STOCK						
1. (a) Opening Stock as on 1.4.98 (As per Accounts)	23.74	4222.00			23.74	4222.00
(b) Stock at Bhadrak Stock Yard (Ex-RSO/Bhubaneswar, CIL)*	0.01	3.75	0.01	3.75		
2. Add Production for the year	435.11	159962.87			435.11	159962.87
3. Sub Total (1 + 2)	458.86	164188.62	0.01	3.75	458.85	164184.87
4. (A) Less Offtake for the year						
(i) Outside Despatch	417.49	155818.00			417.49	155818.00
(ii) Consumption for Boiler and Domestic Coal	0.62	381.60			0.62	381.60
TOTAL (4A)	418.11	156199.60	0.00	0.00	418.11	156199.60
4. (B) Handling Loss on Despatch to Paradeep stock yard	0.09	30.39			0.09	30.39
TOTAL (4A + 4B)	418.20	156229.99	0.00	0.00	418.20	156229.99
5. Derived Stock (3 – 4)	40.66	7958.63	0.01	3.75	40.65	7954.88
6. (a) Measured Stock	39.78	7781.79			39.78	7781.79
(b) Stock in Transit	0.17	36.43			0.17	36.43
(c) Stock at Bhadrak Stock Yard	0.01	3.75	0.01	3.75		
TOTAL (a + b + c)	39.96	7821.97	0.01	3.75	39.95	7818.22
7. Defference (5 – 6)	0.70	136.66	0.00	0.00	0.70	136.66
8. Break up of Difference :						
(A) Excess within 5%						
(B) Shortage within 5%	0.70	136.66			0.70	136.66
(C) Excess Beyond 5%						
(D) Shortage Beyond 5%						
9. Closing Stock adopted in Accounts (5 above)	40.66	7958.63	0.01	3.75	40.65	7954.88

Note : * Due to merger of RSO, Bhubaneswar Office, Coal India Limited with Mahanadi Coalfields Limited as on 01.04.98, the stock has been accounted for. The stock is being categorised as Non-Vendable against which full provision was made by CIL.

SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 1999**PARTICULARS IN RESPECT OF COAL STOCK AS ON 31.3.99****SCHEDULE - H (Contd..)****ANNEXURE - H (II)**

	QUANTITY (L Te)	VALUE (L Rs.)
(B) RECONCILIATION OF CLOSING STOCK ADOPTED IN ACCOUNTS WITH BOOKS STOCK AS AT THE END OF THE YEAR		
STOCK AS PER BOOKS	40.66	7958.63
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 Qty. not adjusted in book stock as well as accounts.	—	3.75
Less :		
Charge for Rehandling of Pithead Stock	—	6.00
Less :		
Provision made in the accounts to take care of future deterioration in coal stock.		795.49
STOCK AS PER ACCOUNTS AFTER ALL PROVISIONS	<u>40.66</u>	<u>7153.39</u>

SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 1999

SCHEDULE - I

DEBTORS

	<u>CURRENT YEAR (RS. IN LAKHS)</u>	<u>PREVIOUS YEAR (RS. IN LAKHS)</u>
Outstanding for over six months	40080.07	26551.43
Other debts	4275.78	2947.48
SUB TOTAL	<u>44355.85</u>	<u>29498.91</u>
Less : Provcision for Doubtful Debts	5704.52	5865.00
TOTAL	<u>38651.33</u>	<u>23633.91</u>
CLASSIFICATION		
1. Considered good and in respect of which the Company is fully secured	5484.00	1062.04
2. Considered good in respect of which the Company holds no security other than Debtors personal Security	33167.33	22571.87
3. Considered Doubtful	5704.52	5865.00
TOTAL	<u>44355.85</u>	<u>29498.91</u>

NOTE : Unsecured amount includes Rs.347.00 Lakhs (Previous year Rs. 256.79 Lakhs) covered by Bank Guarantees.

SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 1999

SCHEDULE - J

CASH & BANK BALANCES

	CURRENT YEAR (RS. IN LAKHS)	PREVIOUS YEAR (RS. IN LAKHS)
A. (i) Cash/Stamp in hand	6.66	5.09
(ii) Cheques/Demand Draft in hand	6.75	32.71
(iii) Cash balance with Imprest Holder	3.42	0.62
B. Remittance-in-Transit	—	584.19
C. Balance with Schedule Bank		
(i) Current Account	3036.92	2841.64
(ii) Deposit Account	478.94	1283.88
TOTAL	3532.69	4748.13

SCHEDULE - K

OTHER CURRENT ASSETS

	CURRENT YEAR (RS. IN LAKHS)	PREVIOUS YEAR (RS. IN LAKHS)
Claims Receivable :		
1. S & P Subsidy	24.64	33.55
2. Railways	107.85	222.28
3. Insurance Company	0.01	0.01
4. Fidelity	0.67	0.65
5. Interest on Bank Deposit	1.81	18.21
6. Royalty on Coal receivable from customers	216.84	—
7. Suspense — A/c Loss of cash	63.38	—
8. Others	19.98	0.65
TOTAL	435.18	275.35
Less : Provision for Loss of Cash	63.38	—
NET TOTAL	371.80	275.35

SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 1999**SCHEDULE - L
LOANS & ADVANCES**

	<u>CURRENT YEAR (RS. IN LAKHS)</u>	<u>PREVIOUS YEAR (RS. IN LAKHS)</u>
(A) Capital Advances:		
1. P&M Advance	3561.80	4121.61
2. Land Advance	2280.20	1585.95
TOTAL (A)	5842.00	5707.56
(B) Advance to Suppliers (Stores)	2062.42	1257.30
TOTAL (B)	2062.42	1257.30
(C) Advance to Contractors	1234.07	753.29
TOTAL (C)	1234.07	753.29
(D) Advance to Employees :		
1. House Building Advance	365.49	318.86
2. Motor Car Advance	305.77	274.05
3. Motor Cycle, Scooter Advance	0.17	0.95
4. Other Conveyance Advance	0.05	0.12
5. Pay Advance	94.95	7.24
6. Medical Advance	35.04	26.34
7. Local Purchase Advance	20.46	9.43
8. Misc. Advance	83.26	77.65
9. Travelling Advance	86.40	75.49
10. L T C Advance	16.37	11.56
11. Advance (Others)	110.70	250.88
12. Freight Advance	0.16	—
13. Study Advance/Self Development Loan	1.37	0.48
14. Other Receivables	172.66	38.02
TOTAL (D)	1292.85	1091.07

SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 1999**SCHEDULE - L (Contd..)****LOANS & ADVANCES**

	CURRENT YEAR (RS. IN LAKHS)	PREVIOUS YEAR (RS. IN LAKHS)
(E) Advance to Others :		
1. Advance to Co-operative Society	0.39	0.48
2. Port Trust Advance	21.60	21.60
3. Tax deducted at Source	3.99	3.19
4. Advance Income Tax	50236.12	30300.00
5. Advance Wealth Tax	13.27	9.58
6. (a) Advance Sales Tax	522.32	401.32
(b) Advance Royalty on Coal	62.24	—
7. ST deposit under protest	508.03	486.22
8. Advance to Subsidiary Co.	—	13.54
9. Advance Receivable from Govt.	0.82	0.84
10. Vehicle Tax Under Protest	6.00	—
11. Survey charges Receivable	—	10.50
12. Other receivable	76.41	220.27
TOTAL (E)	51451.19	31467.54
(F) Deposit :		
(i) With P & T Deptt.	4.80	4.75
(ii) With Elec. Boards	828.35	3393.41
(iii) With Others	32.27	530.92
TOTAL (F)	865.42	3929.08
(G) Prepaid Expenses	23.92	41.38
TOTAL (G)	23.92	41.38

SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 1999

SCHEDULE - L (Contd..)

LOANS & ADVANCES

	CURRENT YEAR (RS. IN LAKHS)	PREVIOUS YEAR (RS. IN LAKHS)
(H) Current Accounts with Subsidiaries of Holding Company :		
1. Coal India Ltd.	—	—
2. Bharat Coking Coal Ltd.	1.54	
3. Eastern Coalfields Ltd.	—	0.01
4. Central Coalfields Ltd.	0.02	—
5. Western Coalfields Ltd.	0.06	—
6. CMPDI Ltd.	1.34	9.68
7. South Eastern Coalfields Limited	1.16	290.17
8. Northern Coalfields Ltd.	121.39	—
	125.51	299.86
TOTAL (H)		
	62897.38	44547.08
GRAND TOTAL (A TO H)		
	62897.38	44547.08
Less : Provision for Doubtful Advances	21.66	21.66
	62875.72	44525.42
NET TOTAL		
	62875.72	44525.42
Classification :		
(a) Considered good in respect of which the Company is fully secured	1418.36	1390.93
(b) Considered good for which the company holds no security other than Parties Personal security	61457.36	43134.49
(c) Considered doubtful	21.66	21.66

- NOTE : 1. Amount due from an officer of the Company is Rs.0.50 lakhs (Previous Year Rs. 0.59 lakhs). Maximum amount due at any time during the year is Rs. 0.59 lakhs) Previous year Rs. 0.69 lakhs)
2. Amount due from Director of the Company is nil (Previous Year — Nil)

SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 1999

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	2547.69	762.82
For Stores	2872.48	2342.33
TOTAL (A)	5420.17	3105.15
B. Sundry Creditors for Expenses Contractual Expenses		
Capital	2038.43	5665.36
Revenue	1557.17	2023.79
Power & Fuel	763.81	750.61
TOTAL (B)	4359.41	8439.76
C. Employees Remuneration and Benefits		
Salaries, Wages, Allowance	5036.50	3558.69
Attendance Bonus	142.42	178.98
Exgratia	716.99	568.56
Unpaid Salaries & Wages	23.57	27.99
Gratuity	2309.15	2418.50
D L I	0.46	0.31
Workmen Compensation	0.18	1.65
TOTAL (C)	8229.27	6754.68

SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 1999

SCHEDULE - M (Contd.) CURRENT LIABILITIES AND PROVISIONS

	CURRENT YEAR (RS. IN LAKHS)	PREVIOUS YEAR (RS. IN LAKHS)
D. Other Expenses :		
Contractual Expenses	857.70	1134.37
Freight	30.02	39.08
Audit Fee & Expenses	3.24	2.95
Repair & Maintenance	352.19	116.14
Others	342.32	495.04
TOTAL (D)	1585.47	1787.58
E. Statutory Dues Sales Tax :		
Central	290.55	371.10
State	255.23	197.35
Royalty on Coal	1705.78	2157.60
Cess on Coal	3265.83	3265.83
Rescue Cess	0.15	0.15
R&W Cess	3.18	3.80
Other Cess	—	0.32
Stowing Excise Duty	359.88	421.99
Central Excise Duty	36.97	61.10
Provident Fund	187.07	257.60
Pension Fund	42.28	1976.48
Professional Tax	0.10	0.34
Income Tax :		
Employees	5.46	10.68
Contractors	23.81	13.55
Surface Rent & Dead Rent	0.31	0.31
Land Revenue	—	—
Other Statutory Dues	173.34	120.34
TOTAL (E)	6349.94	8858.54

SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 1999

SCHEDULE - M (Contd..)

CURRENT LIABILITIES AND PROVISIONS

	CURRENT YEAR (RS. IN LAKHS)	PREVIOUS YEAR (RS. IN LAKHS)
	-----	-----
F. Other Liabilities :		
(i) L. I. C. Premium (SSS)	1.03	0.57
(ii) C. D. Post Office	0.70	0.07
(iii) A. E. C. D. (Wages)	0.21	0.13
(iv) Prime Minister's Relief Fund	7.43	—
(v) Dues to Canteen	0.10	0.04
(vi) Dues to Co-operative Society	0.56	0.46
(vii) Benevolent Fund	5.60	5.10
(viii) Welfare Fund	2.50	0.29
(ix) Others	74.58	51.77
TOTAL (F)	92.71	58.43
	-----	-----
G. Advances and Deposits :		
Advance from Customers	993.56	1221.61
Deposits from Contractors & Others	2321.53	2090.70
TOTAL (G)	3315.09	3312.31
	-----	-----
H. Current Account Balance with CIL and sister Subsidiaries		
1. Coal India Limited	4001.67	2284.64
2. Bharat Coaking Coal Ltd.	—	0.01
3. Central Coalfields Ltd.	—	53.95
4. Western Coalfields Ltd.	—	2.07
5. Eastern Coalfields Ltd.	2.01	5.54
TOTAL (H)	4003.68	2346.21
	-----	-----
I. Total Current Liabilities (A to H)	33355.74	34662.66
	-----	-----
J. Provisions :		
(a) Taxation	51438.39	32043.93
(b) Proposed Dividend	16269.07	17364.42
TOTAL PROVISIONS	67707.46	49408.35
	-----	-----
GRAND TOTAL	101063.20	84071.01
	-----	-----

Note: Out of Sundry Creditors of Rs.9779.58 lakhs(A+B), total outstanding dues of small scale industrial undertakings are nil.

SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 1999

SCHEDULE - N

MISCELLANEOUS EXPENDITURE

(Rs. in Lakhs)

	AS AT 31.3.98	ADDITIONS DURING THE YEAR	DEDUCTION/ ADJUSTMENT DURING THE YEAR	AS AT 31.3.99
(To the extent not written off or Adjusted)				
1. HEMM Rehabilitation Expenses	1390.10	1017.39	-874.88	1532.61
2. Expenditure on Gratuity	781.00	0.40	-390.70	390.70
3. Preliminary Expenses	32.08	—	-8.02	24.06
GRAND TOTAL (1 + 2 + 3)	2203.18	1017.79	-1273.60	1947.37

**SCHEDULE TO PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDING 31.3.99**

SCHEDULE - 1

SALES

	CURRENT YEAR (Rs. in Lakhs)	PREVIOUS YEAR (Rs. in Lakhs)
QUANTITY (L Te)	417.49	432.16
(A) Gross Sales Value	194624.79	195448.77
Less: Surface Transportation Charges (Sch-4)	7837.05	8333.99
	186787.74	187114.78
Less : Statutory Levies :		
Royalty on Coal	21985.12	22758.62
Stowing excise Duty	1461.08	1512.61
Sales Tax :		
Central	4587.15	4680.20
State	2936.39	2876.00
	7523.54	7556.20
(B) Total Levies	30969.74	31827.43
(C) Basic Value (A-B)	155818.00	155287.35
Less : Transfer to Development	0.01	—
NET VALUE	155817.99	155287.35

SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING 31.3.99

SCHEDULE - 2

COAL ISSUED FOR OTHER PURPOSE

(Rs. in Lakhs)

	CURRENT YEAR			PREVIOUS YEAR		
	Colliery Consn.	Free issued to Emp.	Total	Colliery consn.	Free issued to Emp.	Total
QUANTITY (L. Te)	0.18	0.44	0.62	0.18	0.50	0.68
Value	146.33	258.84	405.17	137.36	261.34	398.70
Statutory Levies :						
Royalty on Coal	23.57	—	23.57	21.78	—	21.78
Total value	122.76	258.84	381.60	115.58	261.34	376.92

**SCHEDULE TO PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDING 31.3.99**

SCHEDULE - 3

ACCRETION/DECRETION IN STOCK

	CURRENT YEAR (Rs. in Lakhs)	PREVIOUS YEAR (Rs. in Lakhs)
	-----	-----
(A) Closing Stock		
Raw Coal	7958.63	4222.00
Less : Provision :		
Deterioration	795.49	422.20
Non-Vendable stock	3.75	—
Rehandling	6.00	3.86
	-----	-----
TOTAL (A)	7153.39	3795.94
	-----	-----
(B) Workshop Job :		
Work in Progress	271.87	61.71
Manufactured Items	—	3.71
	-----	-----
TOTAL (B)	271.87	65.42
	-----	-----
(C) TOTAL (A + B)	7425.26	3861.36
	-----	-----
(D) Opening Stock		
Raw Coal	4222.00	4975.15
Less : Provision :		
Deterioration	422.20	497.49
Rehandling	3.86	120.91
	-----	-----
TOTAL (D)	3795.94	4356.75
	-----	-----
(E) Workshop Job	65.42	149.65
	-----	-----
TOTAL (E)	65.42	149.65
	-----	-----
(F) TOTAL (D + E)	3861.36	4506.40
	-----	-----
TOTAL (C-F)	3563.90	-645.04
	-----	-----
Less : Transfer to Development	122.54	—
Other Adjustment	21.03	—
	-----	-----
Accretion/Decretion in Stock	3420.33	-645.04
	-----	-----

SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING 31.3.99

SCHEDULE - 4

OTHER INCOME

	CURRENT YEAR (Rs. in Lakhs)	PREVIOUS YEAR (Rs. in Lakhs)
Stowing Subsidy	49.43	57.49
Transportation Charges	7837.05	8333.99
Value of Workshop job done	3626.38	3626.06
Rent (Outsider)	20.45	25.39
Interest Received on		
1. Bank Deposits	42.53	68.95
2. Loans & Advances to Employees	37.07	41.89
3. Loans & Advances to Contractors & Others	3.90	5.91
Discount, Rebate & Allowances	38.01	9.25
Liquidated Damages/Penalty	21.26	119.13
Others :		
Tender Fee	21.54	19.52
Service Charges from Customers on joint sampling	15.16	15.58
Sale of Scrp	20.52	55.51
Reimbursement of Admn. Charges	197.16	170.80
Other Misc. receipts	562.42	679.99
SUB TOTAL	12492.88	13229.46
Less : Transfer to Development	2.02	1.92
TOTAL	12490.86	13227.54

SCHEDULE - 5

INTERNAL CONSUMPTION OF COAL

	CURRENT YEAR (Rs. in Lakhs)	PREVIOUS YEAR (Rs. in Lakhs)
QUANTITY (L/Te)	0.18	0.18
Gross Value	146.84	137.36
Less : Levies		
Royalty on Coal	24.08	21.78
NET VALUE	122.76	115.58

**SCHEDULE TO PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDING 31.3.99**

SCHEDULE - 6

CONSUMPTION OF STORES & SPARES

	CURRENT YEAR (Rs. in Lakhs)	PREVIOUS YEAR (Rs. in Lakhs)
	-----	-----
(A) Explosives	4261.15	4391.86
Timber	93.11	71.44
Petrol, Oil & Lub.	4066.09	3749.03
Other Stores & Spares :		
1. HEMM Spares	7669.65	6846.03
2. Consumption of POL Store & Spares for Cars & Jeeps	314.80	232.83
3. Consumption of POL Store & Spares for Ambu., & School Bus	27.56	24.02
4. Consumption of Store & Spares for Township Water supply & Social Facilities	11.98	14.10
5. Consumption of POL	2.23	1.31
6. Others	4776.52	4127.67
SUB TOTAL (A)	21223.09	19458.29
Less : Transfer to		
Social Facilities	48.43	39.43
Development	32.91	0.39
Other Expenditure	304.38	232.83
SUB TOTAL (B)	385.72	272.65
TOTAL (A-B)	20837.37	19185.64
	-----	-----

SCHEDULE - 7

POWER & FUEL

	CURRENT YEAR (Rs. in Lakhs)	PREVIOUS YEAR (Rs. in Lakhs)
	-----	-----
(A) Purchase of Electricity	6909.88	6797.67
SUB TOTAL (A)	6909.88	6797.67
Less : Transfer to		
Social Facilities	171.74	227.89
Development	6.73	0.63
SUB TOTAL (B)	178.47	228.52
TOTAL (A-B)	6731.41	6569.15
	-----	-----

SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING 31.3.99

SCHEDULE - 8

EMPLOYEES REMUNERATION AND BENEFITS

	CURRENT YEAR (Rs. in Lakhs)	PREVIOUS YEAR (Rs. in Lakhs)
(A) Salaries, Wages & Allowances :		
Piece Rated Wages	997.55	989.19
Time Rated Wages	11293.95	10534.03
Executives Salary	2717.26	1994.42
Leave Wages	808.73	701.48
Paid Holiday Wages	158.92	158.48
Leave Encashment	26.88	39.84
Nightshift Allowance	37.07	36.78
House Rent Allowance	84.60	87.83
Transport Subsidy	176.76	176.11
Incentive Bonus/Reward	4.50	13.83
Special Incentive	0.19	0.01
Other Allowances	11.01	8.14
TOTAL (A)	16317.42	14740.14
(B) Normal OT	2091.37	1887.61
Sunday OT	1275.82	1310.50
Fall Back Wages	1.20	1.56
Attendance Bonus	558.83	555.91
Exgratia	766.86	564.38
Provident Fund	2153.31	1963.59
Pension Fund	94.22	27.90
LLTC	790.10	661.81
RRF	53.52	69.61
Pension	192.18	169.93
Gratuity	779.18	860.88
Workmens' Compensation	20.74	16.71
DLI	12.25	9.84
Life Cover Scheme	15.55	16.13
Retirement Benefits	16.97	—
TOTAL (B)	8822.10	8116.36
TOTAL (A+B)	25139.52	22856.50
(C) Less : Transfer to		
Social Facilities	576.31	457.62
Development	119.22	76.26
TOTAL (C)	695.53	533.88
GRAND TOTAL (A+B-C)	24443.99	22322.62

SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING 31.3.99

SCHEDULE - 11 (Contd..)

SOCIAL FACILITIES

	CURRENT YEAR (Rs. in Lakhs)	PREVIOUS YEAR (Rs. in Lakhs)
(C) Cons. of Stores & Spares for SOH Services (Contra)	20.87	15.41
Maintenance of Vehicles :		
Stores & Spares for SOH Vehicles (Contra)	27.56	24.02
Repairs of SOH Vehicles (Contra)	9.83	10.06
Road Tax	0.11	1.12
Insurance	0.35	0.46
	<u>37.85</u>	<u>35.66</u>
Training Expenses	276.77	239.00
Depreciation	598.38	661.18
Community Development	493.40	531.31
Environment/Ecology/Improvement	156.64	183.36
Technical Assistance ESMP	80.24	26.13
Guest House Expenses	16.44	24.74
Others	179.18	166.92
	<u>1859.77</u>	<u>1883.71</u>
TOTAL (C)	1859.77	1883.71
	<u>4714.05</u>	<u>4440.99</u>
TOTAL (A+B+C)	4714.05	4440.99
(D) Less : Recoveries :		
House Rent	21.24	22.30
Hospital Charges	21.43	15.96
School Bus, Electricity & Water Charges	10.99	20.10
Guest House/Transit flat	0.20	0.18
	<u>53.86</u>	<u>58.54</u>
TOTAL (D)	53.86	58.54
(E) Less : Transfer to Development	28.66	32.52
	<u>4631.53</u>	<u>4349.93</u>
GRAND TOTAL (A+B+C-D-E)	4631.53	4349.93

**SCHEDULE TO PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDING 31.3.99**

SCHEDULE - 11

SOCIAL FACILITIES

	CURRENT YEAR (Rs. in Lakhs)	PREVIOUS YEAR (Rs. in Lakhs)
	-----	-----
(A) Salaries, Wages & Allowances (Contra)	576.31	457.62
Free issue of Coal to Employees/Gas	290.08	313.75
Medical Reimbursement	193.83	137.45
Medicine & Diet Expn.	233.14	204.14
Grant to Schools & Inst.	281.43	193.05
Sports, Rec. Grants	81.73	57.53
Canteen upkeep	2.66	2.45
Purchase of Water	75.71	46.33
Power (Contra)	171.75	227.89
	-----	-----
TOTABL (A)	1906.64	1604.21
	-----	-----
(B) Repair :		
Township Repair (Contra)	766.65	729.31
Repair of Hospital, School & Wel, Building (Contra)	176.97	182.17
Hospital Equip. (Contra)	4.02	5.59
	-----	-----
TOTABL (B)	947.64	917.07
	-----	-----

**SCHEDULE TO PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDING 31.3.99**

**SCHEDULE - 9
CONTRACTUAL EXPENSES**

	CURRENT YEAR (Rs. in Lakhs)	PREVIOUS YEAR (Rs. in Lakhs)
	-----	-----
Transportation Charges :		
Coal	13927.62	13176.06
Sand	93.97	64.33
Others	344.85	567.50
Hire Charges of HEMM	0.17	2.66
Other Contractual Works	2407.81	2953.28
	-----	-----
SUB TOTAL	16774.42	16763.83
Less : Transfer to Development	119.68	30.85
	-----	-----
TOTAL	16654.74	16732.98
	-----	-----

SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING 31.3.99

SCHEDULE - 10

REPAIRS

	CURRENT YEAR (Rs. in Lakhs)	PREVIOUS YEAR (Rs. in Lakhs)
	-----	-----
(A) Township :	766.65	729.31
Hospital, Educational & Other Welfare Buildings	176.97	182.17
Factory & Office Buildings	251.80	154.21
Plant & Machinery	904.62	912.37
Office Equip. & Furnitures	37.64	43.52
Hospital Equipment	4.02	5.59
Heavy Vehicles	43.29	41.86
Cars & Jeeps	145.74	123.26
Safety Item	0.38	—
SOH Vehicles	9.83	10.06
HEMM Rehab. Exp. written of	874.88	767.10
Workshop Job done	2587.80	2483.18
Siding Maint. Charges	151.07	78.88
	-----	-----
TOTAL (A)	5954.69	5531.51
	-----	-----
(B) Less : Transfer to		
Social Facilities	957.47	927.13
Other Expenses	144.08	123.26
Development	13.62	15.57
	-----	-----
TOTAL (B)	1115.17	1065.96
	-----	-----
TOTAL (A-B)	4839.52	4465.55
	-----	-----

**SCHEDULE TO PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDING 31.3.99**

**SCHEDULE - 12
OTHER EXPENDITURE**

	CURRENT YEAR (Rs. in Lakhs)		PREVIOUS YEAR (Rs. in Lakhs)	
	-----		-----	
(A) Travelling		323.44		306.40
Printing & Stationery		160.12		160.53
Books & Periodicals		8.62		5.77
Postage & Telephone		240.67		206.22
Bank Charges		18.81		17.07
Advertisement for :				
(i) Recruitment	—		0.26	
(ii) Tender	163.20		115.67	
(iii) Others	12.33		1.35	
(iv) Publicity	58.12	233.65	14.46	131.74
	-----	-----	-----	-----
Freight Charges		86.16		55.58
U. Loading Charges		680.99		769.87
Demurrage		11.00		10.03
Donation & Subscriptions		66.63		3.19
Security Expenses		541.15		454.47
Rescue & Safety		67.46		52.14
Expenses on Meeting		115.94		89.27
Expenses for Safety		0.34		—
Hire Charges :				
(i) Computer	35.88		66.18	
(ii) Others	199.49	235.37	117.10	183.28
	-----	-----	-----	-----
Maintenance of Cars & Jeeps :				
(i) P. O. L. & Spares (Contra)	304.38		232.83	
(ii) Repairs (Contra)	144.08		123.26	
(iii) Vehicle Tax	62.76		484.89	
(iv) Insurance	13.44	524.66	6.31	847.29
	-----	-----	-----	-----
TOTAL (A)		3315.01		3292.85
		-----		-----

SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING 31.3.99

SCHEDULE - 12 OTHER EXPENDITURE

	CURRENT YEAR (Rs. in Lakhs)	PREVIOUS YEAR (Rs. in Lakhs)
(B) Royalty & Cess	24.54	22.11
Insurance	10.66	1.85
Rent, Rates & Taxes	257.03	422.25
Auditors Remuneration :		
(i) Audit Fee	1.81	1.55
(ii) Tax Audit Fee	0.34	0.52
(iii) Out of Pocket Expenses	1.08	0.88
(iii) In other capacity	0.30	—
Internal Audit Fees & Expenses	20.45	11.84
Legal Expenses	87.59	56.14
Consultancy Fees & Expenses	86.06	49.52
Apex Office Expenses	2175.60	2108.60
Loss on Sale/Discard of Assets	36.51	328.39
Office Contingency	45.74	18.47
Prospecting & Boring	114.05	91.81
CSRP Technical Asstt.	160.40	—
Wealth Tax	4.00	0.21
Others	56.82	214.63
TOTAL (B)	3082.98	3328.77
TOTAL (A+B)	6397.99	6621.62
(C) Less : Transfer to Development	58.48	30.34
TOTAL (A+B-C)	6339.51	6591.28

**SCHEDULE TO PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDING 31.3.99****SCHEDULE - 13****OVERBURDEN REMOVAL ADJUSTMENT**

	CURRENT YEAR (Rs. in Lakhs)	PREVIOUS YEAR (Rs. in Lakhs)
	-----	-----
Expenditure Charged to Coal	13516.74	9492.64
Less:		
Expenditure incurred	7737.15	4141.24
TOTAL	5779.59	5351.40
	-----	-----

SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING 31.3.99

SCHEDULE - 14 (A)

INTEREST

	<u>CURRENT YEAR</u> (Rs. in Lakhs)	<u>PREVIOUS YEAR</u> (Rs. in Lakhs)
INTEREST :		
On dues to Coal India Ltd., Holding Co.		
For Loans from IBRD & JEXIM	67.22	—
For other Loans	5038.19	4228.11
	<u>5105.41</u>	<u>4228.11</u>
On deferred payment	261.11	1.09
Others	72.68	175.27
	<u>261.11</u>	<u>175.27</u>
SUB TOTAL	<u>5439.20</u>	<u>4404.47</u>
Less :		
Transfer to Development	43.03	26.79
	<u>43.03</u>	<u>26.79</u>
NET TOTAL	<u>5396.17</u>	<u>4377.68</u>

SCHEDULE - 14 (B)

FINANCIAL CHARGES

	<u>CURRENT YEAR</u> (Rs. in Lakhs)	<u>PREVIOUS YEAR</u> (Rs. in Lakhs)
INTEREST :		
(i) Commitment Charges (IBRD & JEXIM)	44.96	—
(ii) Guarantee Fees (IBRD & JEXIM)	73.14	—
	<u>44.96</u>	<u>—</u>
TOTAL	<u>118.10</u>	<u>—</u>

**SCHEDULE TO PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDING 31.3.99****SCHEDULE - 15****DEPRECIATION**

	CURRENT YEAR (Rs. in Lakhs)	PREVIOUS YEAR (Rs. in Lakhs)
	-----	-----
DEPRECIATION	10545.74	8955.52
Less: Transfer to		
(a) Social Overhead	598.38	661.18
(b) Prior Period	—	51.27
(c) Development	7.74	4.85
	-----	-----
NET TOTAL	9939.62	8238.22
	-----	-----

SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING 31.3.99

SCHEDULE - 16

	CURRENT YEAR (Rs. in Lakhs)		PREVIOUS YEAR (Rs. in Lakhs)
	-----		-----
(A) PROVISIONS:			
Doubtful Debts (New Provision)	4441.00		3180.00
Less: Earlier Provision no longer required	4603.00	-162.00	2826.00
	-----		-----
Obsolescence of Stores		77.57	82.47
Doubtful Advances		—	21.66
Loss of Assets		18.46	—
Loss of Cash		63.38	—
		-----	-----
TOTAL (A)		-2.59	458.13
		-----	-----
(B) WRITE OFFS			
Bad Debts Written Off		6402.98	4212.31
Assets Written Off		—	363.39
Preliminary Exp. written off		8.02	8.02
		-----	-----
TOTAL (B)		6411.00	4583.72
		-----	-----

**SCHEDULE TO PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDING 31.3.99**

SCHEDULE - 17

PRIOR PERIOD ADJUSTMENT

	CURRENT YEAR (Rs. in Lakhs)	PREVIOUS YEAR (Rs. in Lakhs)
	-----	-----
(A) DEBIT		
Employees remuneration & benefits	—	0.78
Depreciation	—	51.27
RATES & TAXES	-262.95	—
	-----	-----
TOTAL (A)	-262.95	52.05
	-----	-----
(B) CREDIT		
Sales	—	558.21
	-----	-----
TOTAL (B)	—	558.21
	-----	-----
NET TOTAL (A-B)	-262.95	-506.16
	-----	-----
(C) Transfer to Development	—	—
	-----	-----
GRAND TOTAL	-262.95	-506.16
	-----	-----

ACCOUNTING POLICY

SCHEDULE - "O"

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 and income including for mines/units under development are booked initially to the natural heads of accounts and then transferred to functional heads of accounts whenever necessary..

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

- (a) 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. RETIREMENT BENEFITS

3.1 Gratuity has been charged on Actuarial Valuation basis. The expenditure for gratuity accrued upto 31.3.95 as per Actuarial Valuation has been deferred and being 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 the current year's accounts.

3.2 Leave Encashment

The liability for Leave Encashment is provided on the basis on Actuarial Valuation.

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 stowing and protective works 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

- 5.1 LAND : Land includes cost of acquisition, compensation and rehabilitation expenses including expenses for compensatory afforestation incurred for concerned displaced persons.
- 5.2 BUILDING : Building includes roads and culverts situated in colliery and township as well as cost of electrical fittings, water supply arrangements and sanitary fittings.
- 5.3 PLANT & MACHINERY : Plant & Machinery includes cost and expenses incurred for erection/ installation and other attributable cost of bringing those assets to workings condition for their intended use.
- 5.4 RAILWAY SIDING : Payments made to Railway authorities are shown under Capital Work-in-progress. As and when Railway Siding is completed and brought to working condition for its intended use, the same is transferred to Railway Sidings under the head "Fixed Assets".
- 5.5 PROSPECTING & BORING : Prospecting & Boring Expenditure of Development Mines till it is brought to Revenue are shown in Capital-work-in-Progress.

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.

- 5.6 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 —
- (a) From the beginning of the financial year immediately after the year in which the unit achieves physical coal output of 25% of rated capacity as per approved project report, OR
- (b) From the Financial year in which the value of production is more than the total expenses whichever is earlier.
- 5.7 INSTALLATION EXPENSES: Installation expenses wherever done departmently are not capitalised.

6. DEPRECIATION

- 6.1 Depreciation is provided at the rates specified in Schedule XIV to the Companies Act, 1956 as ammended on straight line basis except that :
- (a) 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.
- (b) Depreciation on Assets added/deleted during the year is provided on pro-rata basis with reference to the month of addition/deletion.

6.2 Amortisation on land acquired under coal Bearing Area (Acquisition & Development) Act. 1957 has been charged on the basis of balance life of the project. Amortisation on other lease hold land has been charged equitably on the basis of lease period or life of the project whichever is less.

6.3 Development expenditure are amortised over a period of 20 years or the life of the project whichever is less, on the projects/mines being brought to Revenue Account.

7. INVENTORIES

7.1 Stock of Stores & Spare parts are valued at Weighted Average Cost. Workshop jobs including work in progress are valued at cost.

7.2 Book stock of Coal is taken as Closing Stock where the variance between the book stock and physically verified stock is upto +/- 5% and in case the variance is beyond +/- 5% the physical stock is taken as the closing stock.

Book stock at pardeep Port is taken after adjustment of handling loss realisable/recoverable from customer/handling agent.

7.3 Stock of coal is valued at "Cost or Market Price whichever is lower" after adjusting provision for deterioration @10% of the value of stock as at the close of the year. Estimated net transportation/rehandling charges are provided where ever required when stock is valued at market price. However rehandling charges in respect of transportation of coal by own fleet/mechanical device is not considered.

7.4 Stock of medicines and stationery are not considered for the purpose of inventory valuation, the expenses on these accounts are charged to Revenue.

7.5 Provision are made for obsolete/slow moving stock of stores where necessary.

8. PRIOR PERIOD ADJUSTMENT

8.1 Income and expenses pertaining to earlier years noticed after closing of accounts are treated as per principles laid down in respect of Prior Period Items in Accounting Standard-5 issued by the Institute of Chartered Accountants of India.

9. OVERBURDEN REMOVAL (OBR) EXPENSES

9.1 In opencast mines with rated capacity of one million tonnes and above, the cost of OBR is charged on average ratio (Coal:OB) evaluated at current working cost of removal of overburden at each mine with due adjustment for advance stripping and ratio variance account after the mines are brought to revenue.

The reported quantity of overburden is taken into account where the variance between reported quantity and measured quantity is within the permissible limits, as briefed hereunder, and in other cases measured quantity is considered.

Annual quantum of OBR on the Mine	Permissible limits of V ariance (whichever is less)	
	%age	Quantum (Mill. CUM)
Less than 1 Mil. CUM	(+/-) 5%	0.03
Between 1 & 5 Mil. CUM	(+/-) 3%	0.20
More than 5 Mil. CUM	(+/-) 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 on dues to Coal India Ltd., are accounted for a s per apportionmeent made and advised by Coal India Ltd., and allocated to the units on the basis of Gross Fixed Assets at the beginning of the year.

11. FOREIGN CURRENCY TRANSACTIONS

- 11.1 Transactions denominated in Foreign currency Loans outstanding at the end of the year are converted at the rates prevailing at the year end. While the difference in Exchange Rates for principal amount of loan meant for equipments is capitalised, the same on account of payment of interest is charged to Revenue.

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 no significant uncertainty exists regarding the amount of the consideration that will be derived from the goods.

Revenue arising from the use of the Company's resources by others are only recognised when no significant uncertainty as to ascertainment or realisability 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 incurred.

14. INVESTMENT

14.1 Investment are valued at cost.

15. OWN CONSUMPTION AND FREE ISSUE OF COAL

Coal issued to employees (free issue) and for boiler consumption are accounted for on the basis of norms fixed by the Management and is valued at relevant grade selling price and the same is exhibited in accounts as per contra.

16. BALANCE WITH COAL INDIA LIMITED (HOLDING COMPANY)

Amount due to Coal India Limited on account of loan after adjustment to equity from time to time is shown as unsecured loan. Amount due for Revenue nature transactions in Current Account is shown as Current Liabilities / Current Assets.

17. PROVIDENT FUND

The Company contributes to Provident Funds which are administered by Government or duly constituted and approved Trust.

SCHEDULE "P"**NOTES ON ACCOUNTS****1. CONTINGENT LIABILITIES**

Claims against the Company not acknowledged as debts :

(Rs. in Lakhs)

	<u>Current Year</u>	<u>Previous Year</u>
(a) Suits against the Company	140.99	123.69
(b) Sales Tax & Levies	1689.69	2003.69
(c) Road Tax for HEMM & others	838.83	222.48
(d) Interest on delayed payment of Advance Income Tax	623.79	623.79
	<u>3293.30</u>	<u>2973.65</u>

2. CAPITAL COMMITMENTS

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

(Rs. in Lakhs)

	<u>Current Year</u>	<u>Previous Year</u>
Capital Commitment	12746.99	8444.31

3. FIXED ASSETS

- 3.1 Land acquired under Coal Bearing Area (Acquisition and Development) Act, 1957 has been shown as "Land-Leasedhold" in Fixed Assets (Schedule-E).
- 3.2 The Assets and Liabilities taken over from CoalMines, Labour Welfare Organisation and Coal Mines Rescue Organisation have not been incorporated in the accounts pending determination of value thereof.
- 3.3 As decided by the management, the Regional Sales Office of Coal India Ltd., situated at Bhubaneswar has been taken over and merged with the Company for a purchase consideration of Rs.9.25 lakhs during the current year. Consequent to this, the Assets and Liabilities of Regional Sales Office, Bhubaneswar as on 31.03.98 as per audited accounts has been incorporated in the Books of the Company.
- 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 Capital Work-in-Progress in the Fixed Assets Schedule includes Plant & Machinery and Capital Goods in Stores, Plant & Machinery in transit, Prospecting & boaring and Development Expenditure for non revenue mines.
- 3.7 Development Expenditure: During the year interest amounting to Rs.43.03 lakhs has been capitalised on account of expenditure incurred on Projects under Development.

4. INVENTORIES

4.1 Stock of Stores & Spares

- (i) The closing stock of stores and spares 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 include loose tools also.
- (iii) Provision of Rs. 77.57 lakhs has been made during the year on account of stores unmoved for more than 5 years. The provision of Rs.451.45 lakhs as on 31.03.99 is considered adequate.

4.2 Stock of Coal

- (i) Closing stock of coal of all the projects of the Company has been physically verified. The Book Stock of coal has been taken as closing stock as per the policy of Coal India Limited as the variation between Book Stock and physically measured stock is within +/- 5%.

Book stock of Paradeep Port has been considered after adjustment of handling loss of 0.09 lakh tonnes valuing Rs.30.39 lakhs realised/realisable from the customers.

5. SUNDRY DEBTORS

- 5.1 Sundry Debtors includes Rs.1.52 lakhs of R.S.O., Bhubaneswar taken over from Coal India Ltd., during the year.

During the year debts amounting to Rs.6402.98 lakhs has been written off as bad debts after withdrawal of provision to the extent of Rs.4603.00 lakhs. Further provision of Rs.4441.00 lakhs has been made during the year and the total provision as on 31.03.99 amounting to Rs. 5704.52 lakhs (including Rs.1.52 lakhs a/c R.S.O., Bhubaneswar) is considered adequate.

6.(A) LOANS AND ADVANCES

- 6.A.1 Pending linking, certain credit balances in Current Assets and Debit Balances in Current Liability Accounts have been netted from Gross amounts.

6.A.2 Total provision of Rs.21.66 lakhs made up to 31.03.99 on account of doubtful advances is considered adequate.

6.(B) OTHER CURRENT ASSETS:

Other Current Assets include Rs.63.38 lakhs accounted for as "Suspense-A/c loss of Cash" money having been misappropriated by an officer of Basundhara Area of the Company who had since been dismissed as penalty for a different case. The money, since traced, is expected to be recovered as per preliminary enquiry by the Police on the basis of FIR lodged by the General Manager, Basundhara Area. Pending final outcome of the investigation as well as recovery of money, provision has been made for total amount of the loss.

7. SHARE CAPITAL

7.1 The Authorised Share Capital of the Company as on 01.04.98 has been reclassified during the year. The same have been divided into 2041800 10% Cumulative Redeemable Preference shares of Rs. 1000 each and 2958200 Equity shares of Rs.1000 each.

7.2 The aforesaid Preference shares amount of Rs.20418.00 lakhs have been issued to Coal India Ltd., on 29.03.99 by conversion of unsecured loan due to Coal India Limited.

8. RESERVES & SURPLUS:

An amount of Rs. 4063.11 lakhs being 10% of profit after tax for the year has been transferred to General Reserve.

9. SECURED LOAN/CASH CREDIT

9.1 The Company has purchased Shovels from Toyoto Tsusho corporation, Japan under deferred payment agreement against security by way of hypothecation of the equipments. Additional liability on account of adverse rate of exchange has been provided for Dragline purchased on deferred payment basis from M/s. Tevetmet Prem Export, Moscow. The balance amount due on 31.03.99 is Rs.4441.30 lakhs which is exclusive of interest payable on deferred payment has been shown as Secured Loan.

10. CURRENT LIABILITIES/PROVISIONS

A. Income Tax : During the year provision for Income tax has been made to the tune of Rs.21126.91 lakhs which includes Rs. 1626.91 lakhs on account of Income tax on proposed dividend.

B. Dividend:

(i) An amount of Rs.16.78 lakhs has been provided for dividend payable on 10% Cumulative Redeemable Preference shares issued on 29.03.99.

(ii) Provision has been made for Dividend on equity shares at the rate of 87.19% of the paid up Equity Share Capital for Rs.16252.29 lakhs which amounts to 40% of the profit after tax (PAT).

11. PROFIT & LOSS ACCOUNT:

(A) Overburden Removal Adjustment

- (i) Survey measurement of overburden removal during the year has been conducted at all the opencast mines. The reported quantity of overburden has been considered for Overburden Removal Adjustment, wherever done, as the variance between reported quantity and the measured quantity is within the permissible tolerance limits in respect of all the mines (refer Item No. 9 of Accounting Policy).
- (ii) OBR Accounting of South Balance OCP (of Jagannath Area) has been reviewed in view of limited life left for the mine, While Average Stripping Ratio has been revised from 3.42 to 4.31, Ratio Variance Reserve of the Project as on 31.03.98 amounting to Rs. 1916.84 lakhs has been charged as Overburden Removal Adjustment.

(B) Employees Remuneration & Benefits

Employees remuneration and benefits include provision for interim relief arrears to non-executives for April'98 and May'98 amounting to Rs.141.71 lakhs and for executives amounting to Rs.252.96 lakhs for the period from April'97 to August'98.

(C) Training Expenses

Contribution to IICM booked under the head "Training Expenses" in Schedule-11 amounting to Rs.217.56 lakhs for the year has been accounted for on the basis of advice from Coal India Limited.

(D) Apex Office Charges

Apex Office charges of Rs.2175.60 lakhs have been accounted for as per Item No.10.1 of Accounting Policy (Schedule-0)

(E) Gratuity

Liability for gratuity has been actuarially valued as on 31.03.99. Based on the certificate of actuary, incremental liability for the year amounting to Rs.388.48 lakhs have been provided in Accounts. Expenditure for gratuity accrued up to 31.03.95 has been spread over 5 years and accordingly 1/5th of the same i.e. Rs.390.70 lakhs (including 0.20 lakhs a/c R.S.O., Bhubaneswar) has been provided during the year as per decision of the Management (vide Item No. 3.1 of Accounting Policy- Schedule-0).

(F) Preliminary Expenses

An amount of Rs.8.02 lakhs has been written off during the year.

(G) Interest

No adjustment has been made in the Accounts for reduction in interest payable to CIL consequent on conversion of Loan to Preference Shares on 29.03.99 on which dividend @10% has been provided for 3 (three) days. Necessary adjustment will be made next year on the basis of advice from CIL.

(H) Service Tax

Provision made in the Accounts of 1997-98 for Service Tax on coal and sand transportation by contractors amounting to Rs.262.95 lakhs has been written back as no claim has been received till date and levy of such tax has since been withdrawn.

12. EFFECT OF CHANGES IN ACCOUNTING POLICY

- (i) Capital Advances were being shown as "Capital Work-in-Progress" (Schedule-F) up to the last year. The same has been shown as "Loans & Advances" (Schedule-L) for the sake of uniformity among all the subsidiaries/units of CIL. Due to this change amount of Fixed Assets and Current Assets have decreased / increased.
- (ii) Float engines and assemblies for HEMM issued during the year along with written down value of the same as on 31.03.98 capitalised in earlier years have been charged to Revenue. Due to this change, the profit of the year has decreased on Rs.588.50 lakhs as compared to previous year.
- (iii) The Company has reviewed the Bulk Density Factor (CUM/Te) of Loose and Compact coal of each grade/colliery during the year for the purpose of arriving at measured Stock of Coal in terms of tonne. consequent upon changes in the aforesaid factor the value of stock of coal as on 31.03.99 as well as profit for the year has increased by Rs.309.53 lakhs.

13. GENERAL

- (i) Reconciliation of transaction with the Holding Company and sister Subsidiaries has been made. Formal confirmation of balance is yet to be received.
- (ii) Confirmation of balances of Sundry Debtors, Sundry Creditors, various advances and deposits etc., have not been obtained in all the cases.

14. PREVIOUS YEAR'S FIGURES

Previous year's figures have been re-arranged/ re-grouped wherever necessary to make them comparable with those of current year.

15. OTHERS**(A) Directors' Remuneration:**

	<i>(Rs. in Lakhs)</i>	
	Current year	Previous Year
	-----	-----
Salary	7.05	6.25
PF	0.73	0.80
Perquisites	0.79	4.51
	-----	-----
Total	8.57	11.56
	-----	-----

Note:

- (i) Perquisites do not include value/charges for house rent/electrical energy which has been recovered as per rules of the Company and value of free medical facilities in Company hospitals/ dispensary.
- (ii) The Chairman-cum-managing Director and full time Directors have the option to use the staff car for purposes other than official duty upto a ceiling of 750 Kms per month, on payment at concessional rate, in accordance with the provisions of government of India, Ministry of Finance, Bureau of Public Enterprises O.M. No.2(18)/PC-64 dated. 20.11.1964 as amended from time to time.

(B) Capacity

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

(C) Imports

	Current year	Previous Year
	<u> </u>	<u> </u>
		<i>(Rs. in Lakhs)</i>
C. I. F. value of imports		
(i) Stores & Spares	414.50	53.26
(ii) Capital Goods	5832.25	—

(D) Expenditure in Foreign Currency

	Current year	Previous Year
	<u> </u>	<u> </u>
		<i>(Rs. in Lakhs)</i>
(i) Travelling	Nil	Nil
(ii) Legal Expenses	44.74	Nil

(E) Value of Imported/Indigenous Raw Materials, Stores & Spares consumed

	Current year	Previous Year
	<u> </u>	<u> </u>
(i) Raw Materials	Nil	Nil
(ii) Stores & Spares	Not Ascertainable	Not Ascertainable

(F) Statement of Opening Stock of Coal, Production, Offtake and Closing Stock as under :

	<u>Current Year</u>		<u>Previous Year</u>	
	Qty. (L. MT)	Value (L. Rs.)	Qty. (L. MT)	Value (L. Rs.)
Open Stock :				
(a) Rev. Mines	23.75	4225.75	33.44	4623.05
(b) Dev. Mines	—	—	1.41	352.10
Total	23.75	4225.75	34.85	4975.15
Production :				
(a) Rev. Mines	434.73	159826.70	421.73	154911.12
(b) Dev. Mines	0.38	136.17	—	—
Total	435.11	159962.87	421.73	154911.12
Sales :				
(a) Rev. Mines	417.49161	155817.99	432.16	155287.35
(b) Dev. Mines	0.00005	0.01	—	—
Total	417.49	155818.00	432.16	155287.35
Own Consumption (Rev.)	0.62	381.60	0.68	376.92
Handling Loss on despath to Paradeep (Rev.)	0.09	30.39	—	—
Closing Stock :				
(a) Rev. Mines	40.28	7822.47	23.74	4222.00
(b) Dev. Mines	0.38	136.16	—	—
Total	40.66	7958.63	23.74	4222.00

- Note :** (i) Opening and Closing Stock (Current Year) includes stock taken over from R.S.O., Bhubaneswar of CIL (quantity 0.01 lakh Te, value Rs. 3.75 lakhs).
- (ii) Opening and Closing Stock values are before adjustment of provision for shortage, deterioration and rehandling charges.
- (iii) Production figures are derived from records of despatches, internal consumption etc., and adjustment for Opening and Closing Stock.

16. EFFECT OF CHANGES IN ACCOUNTS DUE TO REVISION

The Accounts for the year 1998-99 together with Accounting Policies and Notes on Accounts approved by the Board of Directors on 29.07.99 and reported upon by Statutory Auditors on 30.07.99 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

Net Profit after prior period adjustment

Represented by :

246.26

Increase in :

Unsecured Loan

4261.43

Reserve & Surplus – Road Subsidy

565.00

4826.43

Fixed Assets – Net Block

670.50

Capital Work-in-Progress

540.00

Net Current Assets

3369.67

4580.17

246.17

Apart from above, Item No. 1, 6B, 8, 10-A, 10-B (ii), 11G, 11H & 12 (iii) of Notes on Accounts have been added/suitably revised. No change has been made in provision for Income Tax (Corporate) pending final assessment.

Sd/-
(S. C. BEHERA)
COMPANY SECRETARY

Sd/-
(S. K. BASU)
CHIEF GENERAL MANAGER (F)

Sd/-
(MAYUKHA SENGUPTA)
DIRECTOR (FINANCE)

Sd/-
(S. N. SHARMA)
CHAIRMAN-CUM-MG. DIRECTOR

In terms of our report of even date
For K. L. Banerjee & Co.
Chartered Accountants
Sd/-
(Partha Dutta)
PARTNER

Date : 01.09.1999

ADDENDUM TO DIRECTOR'S REPORT

(UNDER SECTION 227 (2) AND 217 (3) OF THE COMPANIES ACT, 1956)

AUDITOR'S REPORT

MANAGEMENT'S REPLY

To

The Members of
Mahanadi Coalfields Ltd.
Jagriti Vihar, Burla,
Sambalpur.

We have audited the attached Balance Sheet of Mahanadi Coalfields Limited as at 31. March, 1999 and annexed Profit & Loss Account for the year ended on that date annexed thereto 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, Talcher | |
| e) Hingula Area | |
| f) Lingaraj Area | |
| 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 :— | |

AUDITOR'S REPORT

- i) Profit for the year and miscellaneous expenses to the extent not written off (Schedule-N) has been overstated by Rs.390.70 lakhs due to deferment of expenditure on gratuity as required under Accounting Standard-15.
- ii) Profit for the year and miscellaneous expenses to the extent not written off (Schedule-N) has been overstated by Rs.1532.61 lakhs due to non-amortisation of full amount of HEMM Rehabilitation Expenses as required under Accounting Standard-10.
- iii) Profit for the year and the P&M in Stores has been overstated by Rs.84.90 lakhs due to non-provision of non-moving P&M items which are un-moved for a long period.
- iv) No provision have been made for the claim lodged during the year by the Deputy Director, Mines, Sambalpur circle, towards interest on delayed payment of Royalty for Rs.54.24 lakhs.
- v) Current liabilities and provision (Schedule-M) includes an amount of Rs.55.09 lakhs relating to Orient Area on account Sundry Creditors for goods as well as Rs.4.84 lakhs for other liabilities relating to HQRs remained, un-adjusted for a long time.
- vi) Advance paid to various parties for Store and Spares shown under the head inventories (Schedule-H) at HQ Area instead of loans and advances for Rs.7.02 lakhs remain unadjusted since long.
- 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

MANAGEMENT'S REPLY

Refer Item No. 3.1 of Accounting Policies (Schedule-O) read with Item No. 11(E) of Notes on Accounts (Schedule-P).

Refer Item No. 13 of Accounting Policies (Schedule-O). Not agreed with the views of the Auditor.

The non-moving Plant & Machinery under reference have not been discarded by the Management. However, provision has been made in Accounts for repairs wherever required.

The matter is under dispute and contested by the Comapny.

Noted for action

Noted for action.

This is being referred to CIL for a policy decision to deal such cases.

AUDITOR'S REPORT

- was brought under Revenue. No depreciation has been considered on this account.
- viii) Certain Credit balances in Current Assets and expenses as well as debit balances in liabilities and income have not been reconciled.
 - ix) Balance confirmation from Holding Company and Other Subsidiaries, Sundry Debtors, Loans and Advances, Deposits have not been obtained at the year end.
 - 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.
 - xi) Title/Lease Deeds of land and mining rights were not fully available for all the units for our verification.
 - xii) Float engines and assemblies for HEMM issued during the year along with the written down value of the same as on 31.03.99 capitalised in earlier years have been charged to Revenue. Due to this change, the profit of the year has been decreased by Rs.588.50 lakhs as compared to previous year.
 - xiii) Capital Work-in-progress (Schedule-F) includes Rs.79.32 lakhs relating to HQR Area which in our opinion should be charged to revenue as per Accounting Standard-10. As a result profit during the year as well as Capital Work-in-Progress are overstated by that amount.

MANAGEMENT'S REPLY

Reconciliation is being carried out and necessary adjustment will be made from time to time.

No Comments. However, reconciliation with Holding Company and Sister Subsidiaries is done on regular basis.

Refer to Item No. 3.2 of Notes on Accounts (Schedule-P).

Detail of land acquired / purchased is maintained indicating the reference of the demand note raised by the authorities and acquired and handed over to the Company. Detail of land vested on Nationalisation have however not been made available in most of the Areas.

This is a statement of facts. Refer Item No.12 (ii) of Notes on Accounts (Schedule-P).

The works are of capital nature and have been properly accounted for. The observation of the Auditor is not agreed to.

AUDITOR'S REPORT**MANAGEMENT'S REPLY**

Had the items No. 3(i), (ii), (iii), (iv) & (xiii) been provided for in the Financial Statement Profit the year ended 31st March'99 would have been reduced by Rs.2147.77 lakhs.

4. The statement of accounts together with the Notes thereon, approved by the Board of Directors in their Meeting held on 29.07.99 and reported thereon by us on 30.07.99 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.246.26 lakhs comprising of :

No comments.

(Rs. in Lakhs)

Decrease in

Net profit after prior period	246.26
adjustment	

Represented by:

Increase in

Unsecured Loan	4261.43	
Reserve & Surplus		
— Road Subsidy	565.00	
	—————	4826.43

Fixed Assets

Net Block	670.50	
Capital Work-in-progress	540.00	
Net current Assets	3369.67	
	—————	4580.17
		————— 246.26

Apart from above, Item No.1, 6B, 8, 10-A, 10-B(ii), 11 G, 11 H & 12 (iii) of Notes on accounts have been added/suitably revised. No change has been made in provision for Income Tax (Corporate) pending final assessment

AUDITOR'S REPORT

MANAGEMENT'S REPLY

- | | |
|--|--|
| <p>5. Attention is drawn on Note 6B of the Notes on Accounts in respect of misappropriation of cash of Basundhara Area for Rs. 63.38 lakhs. In our opinion the provision of the loss arising out of such misappropriation should be reflected under the head "Cash and Bank Balances" (Schedule-J) instead of "Other Current Assets" (Schedule-K), pending its recovery.</p> | <p>Not agreed with the views of the Auditor.</p> |
| <p>6. The Company has duly compiled with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 excepting as referred to para 3(i) and 3(ii) of this report.</p> | <p>No comments</p> |
| <p>7. Subject to the above comments referred to in paragraphs 2 and 3 above, we report that:</p> | |
| <p>(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.</p> | <p>No comments.</p> |
| <p>(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.</p> | <p>No comments.</p> |
| <p>(iii) The Balance Sheet and the Profit and Loss Account referred to in this report are in agreement with the books of account.</p> | <p>No comments.</p> |
| <p>(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.</p> | <p>No comments.</p> |

AUDITOR'S REPORT

MANAGEMENT'S REPLY

- (a) In so far as it relates to the Balance Sheet, of the State of affairs of the Company as at 31st March, 1999.
- (b) In so far as it relates to the Profit & Loss Accounts of the profit of Company for the year ended on that date.

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

Sd/-
(Partha Dutta)
Partner

Place: Calcutta

Dated : 01.09.1999

AUDITORS' REPORT TO THE MEMBERS

ANNEXURE TO THE AUDITOR'S REPORT

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

AUDITOR'S 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.	Noted for action.
2. None of the fixed assets of the Company have been 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 discrepancies 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 principles.	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 Companies Act, 1956, and/or from the companies under the same Management as defined under Section. 370 (IB) of the	No Comments.

AUDITOR'S REPORT

MANAGEMENT'S REPLY

said Act, other than unsecured loans from Coal India Ltd. The rate of interest and other terms & conditions are not prima facie prejudicial to the interest of the Company.

8. The Company has not granted loans 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 (1B) 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.

No Comments.

In case of loans 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.

10. In our opinion and according to information and explanations given to us, there is 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.

No Comments.

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 arrangement entered in the register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 50,000.00 or more in respect of each party.

No Comments.

12. As explained to us, the Company has a regular procedure for the determination of

Refer to the reply against Auditor's observation Item No.3 (iii) of main Report.

AUDITOR'S REPORT**MANAGEMENT'S REPLY**

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. 84.90 lakhs for non-moving P&M Stores.

- | | | |
|-----|--|--------------|
| 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 some Areas for the year ended 31st March, 1999 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 31st March, 1999, for a period of more than six months from the date they became payable. | No Comments. |
| 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 | No Comments. |

AUDITOR'S REPORT

MANAGEMENT'S REPLY

obligation or in accordance with generally accepted business practice.

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

Sd/-

(Partha Dutta)

PARTNER

CAMP : Calcutta

Dated : 4th Sept., 1998.