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## **PRESENT MANAGEMENT**

**As on 24th August, 2006**

**(i.e. on the date of the Fiftieth Annual General Meeting)**

### **CHAIRMAN-CUM-MANAGING DIRECTOR**

Shri R. P. Ritolia

### **FUNCTIONAL DIRECTORS**

Shri A. Kumar	:	Director(Personnel)
Dr. A. K. Sarkar	:	Director(Finance)
Shri M. M. Singh	:	Director (Tech./Oprn.)

### **DIRECTORS**

Shri Md. Salim Uddin	:	Director(P&IR), Coal India Limited, Kolkata.
Shri D. N. Prasad	:	Director (Tech.), Ministry of Coal, Govt. of India, New Delhi.
Shri Arun Kumar Singh, IAS	:	Secretary, Mines & Geology Deptt., Govt. of Jharkhand, Ranchi.
Shri R. S. Pandey, IRTS	:	Chief Operations Manager, East Central Railway, Hajipur(Bihar).

### **COMPANY SECRETARY**

**MANAGEMENT DURING 2005-2006**  
**As on 27th August, 2005**  
**(i.e. on the date of the Forty Ninth Annual General Meeting)**

**CHAIRMAN-CUM-MANAGING DIRECTOR**

Shri R. P. Ritolia

**FUNCTIONAL DIRECTORS**

Shri A. Kumar : Director(Personnel)  
Dr. A. K. Sarkar : Director(Finance)  
Shri M. M. Singh : Director (Tech./Oprn.)  
Shri B. K. Sinha : Director (Tech./P&P)

**DIRECTORS**

Shri Md. Salim Uddin : Director(P&IR),  
Coal India Limited,  
Kolkata.

Shri Harbhajan Singh, IAS : Joint Secretary & F.A.,  
Ministry of Coal,  
Govt. of India,  
New Delhi.

Shri Arun Kumar Singh, IAS : Secretary,  
Mines & Geology Deptt.,  
Govt. of Jharkhand,  
Ranchi.

Shri Ashok Gupta, IRTS : Chief Operations Manager,  
East Central Railway,  
Hajipur(Bihar).

**COMPANY SECRETARY**

Shri M.M. Gangopadhyay

## **BANKERS**

State Bank of India  
Punjab National Bank  
United Bank of India  
Union Bank of India  
Corporation Bank  
Indian Overseas Bank  
Canara Bank  
Bank of India  
Dena Bank  
UTI Bank Ltd.  
ICICI Bank Ltd.

## **STATUTORY AUDITORS**

**M/s Anand Rungta & Co.,**  
Chartered Accountants  
405, Capitol Tower-B  
Fraser Road, Patna.

## **BRANCH AUDITORS**

**M/s Sanjay Bajoria & Associates**  
Chartered Accountants

**M/s L. K. Saraf & Co.**  
Chartered Accountants

**M/s N. K. D. & Co.**  
Chartered Accountants

**M/s Anjali Jain & Associates**  
Chartered Accountants

## **REGISTERED OFFICE**

Darbhangha House  
Ranchi 834 001  
(Jharkhand)

## NOTICE

Ref. No. : Secy3(2)/50/2006/

Dated : 22.08.2006

### FIFTIETH ANNUAL GENERAL MEETING

Notice is hereby given to all Shareholders of Central Coalfields Limited that the fiftieth Annual General Meeting of the Company will be held on Thursday, the 24<sup>th</sup> day of August, 2006 at 10.30 A.M. at Ranchi to transact the following business:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2006 and Profit & Loss Account for the year ended on that date together with the Reports of the Statutory Auditors, Comptroller & Auditor General of India and the Board of Directors of the Company thereon.
2. Fixation of remuneration to Statutory Auditors/Branch Auditors of Central Coalfields Ltd. for the year 2006-07 in line with the approval accorded in the previous years, i.e.  
*"Rs.493500.00 plus reimbursement of out of pocket expenses as recommended by the Board of Directors, CCL at its 323rd meeting held on 11.03.2005 and approved in the 49<sup>th</sup> Annual General Meeting of the Company, held on 27.08.2005 u/s 224 sub-section 8 of Clause-AA of the Companies Act, 1956."*
3. To declare an amount of Rs.29140.00 lakh as dividend on Equity Shares for the financial year ended 31<sup>st</sup> March, 2006 as proposed by the Board at its 331<sup>st</sup> meeting held on 31<sup>st</sup> May, 2006.
4. To re-appoint Shri D. N. Prasad, Director (Technical), Ministry of Coal, Govt. of India, as a Part-time Director of the Company as per the provisions of Article 34(iii) of the Articles of Association of the Company.
5. To re-appoint Shri Md. Salim Uddin, Director(P&IR), Coal India Limited as a Part-time Director of the Company as per the provisions of Article 34(iii) of the Articles of Association of the Company.
6. To re-appoint Shri R. S. Pandey, Chief Operations Manager, East Central Railway, as a Part-time Director of the Company as per the provisions of Article 34(iii) of the Articles of Association of the Company.
7. To re-appoint Shri A. K. Singh, IAS, Secretary, Mines & Geology Department, Government of Jharkhand, as a Part-time Director of the Company as per the provisions of Article 34(iii) of the Articles of Association of the Company,

**SPECIAL BUSINESS :**

**1. Amendment of Object Clause of the Memorandum of Association (MOA) of CCL :**

To consider and if thought fit, to pass the following resolution with or without modification as a special Resolution :

RESOLVED THAT Sub-clauses 1(e), 1(f) & 1(g) in the Main Object Clause III of Memorandum & Articles of Association of CCL be amended so as to enable CCL to explore, produce, sell and distribute Coal Bed Methane Gas and byproducts as well as electricity and gas as recommended by the Board of Directors, CCL in its 329<sup>th</sup> meeting held on 31.01.2006, be and is hereby approved u/s 224 sub-section 8 of Clause-AA of the Companies Act, 1956.

By order of the Board of Directors  
Central Coalfields Limited

**(Dr. A. K. Sarkar)**  
*Director (Finance)*

*Note: A member entitled to attend and vote at the meeting is also entitled to appoint a proxy or proxies to attend and vote instead of himself and the proxy need not be a member of the Company.*

*Members are also requested to accord their consent for convening the meeting with a shorter notice.*

*Annexure : Explanatory Statement in respect of the Special Business as **Annexure-I.***

## ANNEXURE TO NOTICE

### (Explanatory Statement under Section 173 of the Companies Act, 1956)

CIL and its Subsidiaries have been contemplating for diversification of its business into the fields of Coal Bed Methane Gas, coal gasification and electric power generation.

The Board of Directors, CIL at its 222nd meeting held on 5th July, 2005 had approved the amendment to the Object Clause of CIL and its Coal Producing Subsidiaries. As per general principles governing the Delegation of Powers as communicated by MoC vide its letter No. 38011(2)/82-CA dated 22nd November, 1982, the powers in regard to amendment of Articles of Association etc. are reserved for Government. The proposal was accordingly sent to the Ministry of Coal for approval. The Ministry vide letter F. No. 13011/15/2004-CA II dated 12th December, 2005 have suggested that the proposal needs to be approved by the respective Board of Directors before examination in the Ministry.

The Company Secretary, CIL under cover of his letter No. CIL : XI(D) : 04120 : 1034 : 2005 dated 22.12.2005 had accordingly forwarded the proposal to CCL for obtaining approval of the Board of Directors, CCL.

In view of the above, the Board of Directors, CCL in its 329th meeting held on 31.01.2006 had approved the following resolutions :

*“Resolved that the following three Clauses be and are hereby inserted in Main Object Clause III as Sub-Clause 1(e), 1(f) & 1(g) of Memorandum & Articles of Association of CCL :*

- “1(e) To produce, process, store, distribute, sell, import, export or otherwise deal in gas and other byproducts arising from the coal gasification process in India and abroad and for this purpose, to install, operate and manage all necessary plants, mines, establishments and works,
- 1(f) To carry on in India and abroad all or any of the business of generation, purchase, production, manufacture, processing, import, development, storage, accumulation, transmission, distribution, sale, export or otherwise dealing in all aspects of electricity, (including products derived from or connected with any other forms of energy), including without limitation thermal (based on coal/gas), solar, hydro, wind, tidal, geo-thermal, biological and any other forms of energy through Conventional or Non-conventional Renewable energy sources, construction, operation and maintenance, renovation and modernization of power stations and projects, cables, wires, lines, accumulators, lamps and works and for that purpose, to promote, operate and carry on the business of coal washeries, liquefied natural gas for supply of fuel to power stations and also to undertake in India and abroad the business of other allied/ancillary industries including those for utilization of steam generated at power stations, coal ash and other byproducts and install, operate and manage all necessary plants, establishments and works,
- 1(g) To explore, produce, sell and distribute Coal Bed Methane Gas and its byproducts in India and abroad and for this purpose, to install, operate and manage all necessary plants, mines, establishments and works.”

Resolved further that the CMD, CCL be and is hereby authorized to convene an Extra-Ordinary General Meeting at a date and place convenient to the members for this purpose.

Resolved further that the Company Secretary, CCL be and is hereby authorized to take all further necessary action under the guidance of the CMD/D(F).

CIL approached the MoC, New Delhi vide letter No. CIL : XI(D) : 04027 : 2250 : 06 dated 12.04.06 for approving the proposed amendment to the Object Clause of the Memorandum of Association of its seven coal producing subsidiaries viz. ECL, BCCL, CCL, MCL, SECL, WCL and NCL. CIL has now forwarded letter No. 38012/2/2005-CA-II dated 01/08/2006 of the MoC, New Delhi, conveying Government's approval for amendment in the Object Clause of the Memorandum of Association of CIL's seven coal producing Subsidiaries with a directive to take necessary action in accordance with law under intimation to the Ministry.

None of the Directors is interested in the Resolution in any way.

For CENTRAL COALFIELDS LIMITED

(Dr. A. K. Sarkar)  
Director (Finance)



## **MEMBERS**

The Coal India Limited, Member  
(Through Chairman, CIL)  
10, Netaji Subhas Road,  
Kolkata-700 001.

### **Shri Shashi Kumar**

*Chairman*

Coal India Limited  
10, Netaji Subhas Road,  
Kolkata-700 001.

### **Shri R. P. Ritolia**

*Chairman-cum-Managing Director*

Central Coalfields Limited,  
Darbhanga House  
Ranchi-834 001.

### **Shri S. Bhattacharya**

*Director(Finance)*

Coal India Limited,  
10, Netaji Subhas Road,  
Kolkata-700 001.

## **STATUTORY AUDITORS**

**M/s Anand Rungta & Co.,**

405, Capitol Tower - B,  
Fraser Road,  
Patna (Bihar)

## OPERATIONAL STATISTICS

Year Ending 31st March	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
<b>1. (a) Production of Raw Coal : (Million Tonnes)</b>										
Underground	2.31	2.66	2.75	2.76	2.74	2.88	3.01	3.10	3.32	3.52
Opencast	38.20	34.73	34.58	34.22	31.07	28.87	29.39	29.08	29.75	28.66
<b>TOTAL</b>	<b>40.51</b>	<b>37.39</b>	<b>37.33</b>	<b>36.98</b>	<b>33.81</b>	<b>31.75</b>	<b>32.40</b>	<b>32.18</b>	<b>33.07</b>	<b>32.18</b>
<b>(b) Overburden Removal : (Million Cu.Mts.)</b>	49.97	46.68	48.10	46.64	46.41	47.55	46.54	46.53	42.99	42.91
<b>2. Off take (Raw Coal) (Million Tonnes)</b>										
Steel	5.49	5.82	5.44	5.10	4.80	5.04	4.94	7.37	8.34	8.29
Power	27.29	25.35	26.35	27.13	24.59	24.34	23.25	20.87	21.15	19.18
Cement	0.05	0.05	0.07	0.00	0.01	0.03	0.10	0.10	0.27	0.37
Fertilizer	0.60	0.60	0.90	0.93	1.02	0.81	0.67	0.50	0.73	0.66
Colliery Consumption	0.06	0.09	0.19	0.22	0.25	0.27	0.31	0.35	0.33	0.35
Others	5.37	3.98	3.15	3.42	2.60	2.72	3.30	3.00	2.61	2.79
<b>TOTAL</b>	<b>38.86</b>	<b>35.89</b>	<b>36.10</b>	<b>36.80</b>	<b>33.27</b>	<b>33.21</b>	<b>32.57</b>	<b>32.19</b>	<b>33.43</b>	<b>31.64</b>
<b>3. Average Manpower</b>	65538	68335	71100	73664	76405	79399	82955	86558	89886	92233
<b>4. Productivity :</b>										
(A) Average per Man per Year (Tonnes)	618.14	547.16	525.04	502.01	442.51	399.88	390.58	371.78	367.93	348.93
(B) Output per manshift (OMS) :										
(i) Underground (Tonnes)	0.43	0.47	0.47	0.46	0.44	0.42	0.40	0.39	0.39	0.41
(ii) Opencast (Tonnes)	4.12	3.75	3.75	3.68	3.23	3.16	3.05	2.86	2.70	2.64
(iii) Overall (Tonnes)	2.75	2.51	2.48	2.43	2.13	1.99	1.89	1.78	1.69	1.65
<b>5. Information — As per Cost Report :</b>										
(i) Earning per Manshift (Rs.)	781.13	774.22	659.51	605.87	584.02	533.63	453.39	388.72	359.55	319.79
(ii) Avg. Cost of Production of Net Saleable Coal (Rs. P.T.)	600.00	644.03	608.20	571.29	609.83	609.96	550.01	516.53	505.77	463.72
(iii) Avg. Sale Value of Production of net Saleable Coal (Rs. P.T.)	798.25	768.30	667.41	632.46	594.88	569.45	529.36	505.78	498.16	457.68

## FINANCIAL POSITION

(Rs. in lakh)

Year Ending 31st March	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
<b>(A) What is owned</b>										
Gross Fixed Assets	403692.50	381103.31	376939.05	370378.33	365463.55	359024.59	355097.66	336899.06	316223.23	270933.46
Less Depreciation	269641.86	246728.25	236702.28	221109.47	203999.50	188932.10	170036.06	153891.50	140600.98	124550.87
(1) Net Fixed Assets	134050.64	134375.06	140236.77	149268.86	161464.05	170092.49	185061.60	183007.56	175622.25	146382.59
(2) Capital Work -in -Prog	27174.13	43635.33	32321.85	21550.23	19430.11	18045.20	17434.79	23444.85	34812.38	55391.32
(3) Misc expenditure (others)	0.00	0.00	0.00	1680.16	2832.06	3812.46	3899.45	2081.14	2195.66	1509.54
(4) Investment	9423.02	9423.02	9423.02	0.02	0.02	0.02	0.02	0.02	0.02	0.0
(5) Deferred Tax Assets	16619.36	12972.16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(6) Current Assets:										
(i) (a) Inventory of coal, coke etc.	57881.77	44268.74	33505.73	25986.34	27151.21	22725.30	25041.85	24681.45	26071.80	25181.01
(b) Inventory of stores & Spares etc	13518.08	14517.65	14635.70	14870.14	15273.48	17501.63	16739.52	14362.52	14221.89	13415.98
(c) Other Inventories	184.70	1799.90	1942.71	1755.30	1592.21	1494.91	1531.55	1325.12	1350.25	1153.82
(ii) Sundry Debtors	61107.59	65984.02	64922.68	66868.30	62846.16	62982.85	82909.00	84470.52	91083.71	80458.65
(iii) Cash & Bank Balances	23482.02	18411.43	11155.59	16552.79	11906.16	7495.07	5341.97	4677.60	2437.72	4048.38
(iv) Loans & Advances (incl. Other C/Assets & Adj)	188181.52	79648.42	25372.79	20390.35	19608.77	21352.41	20952.85	22743.67	20005.93	15913.89
(v) O.B.R. Adjustments	0.00	0.00	0.00	5609.81	13756.29	16394.05	14552.04	11852.23	8660.09	10898.01
Total Current Assets (6)	344354.68	224630.16	151535.20	152033.03	152134.28	149946.22	167068.78	164113.11	163831.39	151069.74
(7) Less Current Liab & Prov. (Excl. intt Acct. but not Due)	309780.55	229529.00	147861.20	135481.78	185111.31	188904.93	140201.42	106342.17	100988.85	85938.25
Net Current Assets (6-7)	34574.13	-4898.84	3674.00	16551.25	-32977.03	-38958.71	26867.36	57770.94	62842.54	65131.49
<b>TOTAL (A)</b>	<b>221841.28</b>	<b>195506.73</b>	<b>185655.64</b>	<b>189050.52</b>	<b>150749.21</b>	<b>152991.46</b>	<b>233263.22</b>	<b>266304.51</b>	<b>275472.85</b>	<b>268414.96</b>
<b>(B) What is owed :</b>										
(1) Govt Loan/CIL	75727.44	90727.44	105727.44	131366.35	119472.01	105727.44	105727.44	110606.16	105727.44	100193.40
(2) Interest Accrued but not Due	0.00	0.00	172.99	224.51	305.30	430.17	79.18	82.52	186.00	7.04
(3) Intercorporate Loan	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(4) Term Loan (F.intt & Banks)	13866.32	15142.66	23980.09	35270.33	46748.90	51953.09	53153.98	53263.77	57672.22	51980.26
(5) Bonds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(6) Others	0.00	0.00	0.00	0.00	0.00	0.00	0.00	17971.48	13435.80	10079.20
<b>SUB TOTAL (1 TO 6)</b>	<b>89593.76</b>	<b>105870.10</b>	<b>129880.52</b>	<b>166861.19</b>	<b>166526.21</b>	<b>158110.70</b>	<b>158960.60</b>	<b>181923.93</b>	<b>177021.46</b>	<b>162259.90</b>
(7) Bank Borrowings (incl. Bank O.D. & Others)	0.00	0.00	0.00	0.00	498.63	2.28	133.36	193.60	1434.93	2677.16
<b>TOTAL (B)</b>	<b>89593.76</b>	<b>105870.10</b>	<b>129880.52</b>	<b>166861.19</b>	<b>167024.84</b>	<b>158112.98</b>	<b>159093.96</b>	<b>182117.53</b>	<b>178456.39</b>	<b>164937.06</b>
<b>Net Worth (A-B) 132247.52</b>	<b>89636.63</b>	<b>55775.12</b>	<b>22189.33</b>	<b>-16275.63</b>	<b>-5121.52</b>	<b>74169.26</b>	<b>84186.98</b>	<b>97016.46</b>	<b>103477.90</b>	
<b>Represented by</b>										
(1) Equity Capital (incl. pending allotment)	94000.00	94000.00	94000.00	94000.00	94000.00	94000.00	94000.00	94000.00	94000.00	94000.00
(2) Reserves	11650.00	0.00	0.00	0.00	0.00	0.00	47.94	1854.94	1854.94	3654.94
(3) Profit/Loss(+)/(-)	26597.52	-4363.37	-38224.88	-71810.67	-110275.63	-99121.52	-19878.68	-9562.09	5373.25	12140.56
(4) Misc Expenditure (D/Liab)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-2105.87	-4211.73	-6317.60
<b>Net Worth (1 to 4)</b>	<b>132247.52</b>	<b>89636.63</b>	<b>55775.12</b>	<b>22189.33</b>	<b>-16275.63</b>	<b>-5121.52</b>	<b>74169.26</b>	<b>84186.98</b>	<b>97016.46</b>	<b>103477.90</b>
<b>Capital Employed</b>	<b>178047.79</b>	<b>138899.24</b>	<b>153160.80</b>	<b>165595.62</b>	<b>128181.74</b>	<b>130703.63</b>	<b>211849.80</b>	<b>240696.00</b>	<b>238278.81</b>	<b>211507.06</b>

## INCOME AND EXPENDITURE STATEMENT

(Rs. in lakh)

Year Ending 31st March	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
<b>(A) Earned From</b>										
Gross Sales	451290.55	404373.49	348852.20	333440.55	274284.54	248870.12	239564.81	232567.75	235308.49	203517.53
Less Coal from Development Mines	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	91.65
Less Levies (Royalties, Cesses etc.)	60289.85	55161.80	53273.50	47888.28	38106.02	36914.32	36680.48	37464.96	39096.44	38339.25
(1) Net Sales	165086.63	391000.70	349211.69	295578.70	285552.27	236178.52	211955.80	202884.33	195102.79	196212.05
(2) Accretion/Depletion in Stock	13762.05	10910.82	5411.65	-287.16	4337.24	-1754.75	-637.36	-1940.54	1809.32	2289.64
(3) Coal Issued For Other Purposes (including washery)	102938.85	103702.98	91154.88	84847.93	77029.43	74566.22	77440.49	81590.11	86253.68	59011.87
(4) Other Revenue Receipts										
CMPDIL	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Others	26012.33	22139.49	24414.21	23038.90	20567.83	17981.14	14354.03	13812.38	13959.82	12014.41
(Aft. Trans & Other Recov & Contras)										
Coal Price Regulation Accounts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL(A) (1to 4)</b>	<b>533713.93</b>	<b>485964.98</b>	<b>416559.44</b>	<b>393151.94</b>	<b>338113.02</b>	<b>302748.41</b>	<b>294041.49</b>	<b>288564.74</b>	<b>298234.87</b>	<b>238402.55</b>
<b>(B) Paid to/Provided for</b>										
Employees' Remu & Benefits (Gross-Rev)	131185.86	170694.50	135013.00	115340.93	119016.49	146578.39	100658.70	91918.39	88548.83	79211.47
Less Trans to Oth Rev Heads	2487.61	2426.12	1964.16	1910.92	1858.60	2035.20	1068.03	789.84	964.93	1012.51
(1) Net S & Wages (Excl. V.R.S Payment)	128698.25	168268.38	133048.84	113430.01	117157.89	144543.19	99590.67	91128.55	87583.90	78198.96
(2) V.R.S Payment (Net of Grant Received)	3539.84	3577.20	5325.55	4266.18	5228.58	4637.81	1715.83	990.59	1346.91	857.68
(3) Social Overheads (incl. LLTC & Dom Coal)	11977.50	11645.39	11546.92	10654.60	11317.66	11339.12	10344.71	10931.40	11337.93	9287.70
Less : Social Overheads Dep & intt	743.29	817.77	891.25	977.49	1141.63	1043.95	1112.75	1395.64	1094.31	1211.45
Social Overheads (Excl. Dep & Int)	11234.21	10827.62	10655.67	9677.11	10176.03	10295.17	9231.96	9535.76	10243.62	8076.25
(4) Stores & Spares (Gross-Rev)	44107.38	42354.04	39346.21	35968.93	33662.30	31075.77	30123.72	28902.86	30128.00	26490.03
Less: Trans to oth. Rev. Heads	649.89	887.03	807.55	888.75	902.18	918.05	829.94	914.08	1011.28	863.72
Stores & Spares (Net)	43457.49	41467.01	38538.66	35080.18	32760.12	30157.72	29293.78	27988.78	29116.72	25626.31
(5) (i) Power & Fuel	21952.80	21151.64	20110.88	19798.73	19624.33	17845.40	15279.71	13636.39	12553.23	10777.20
(ii) Coal issued for other purposes (including washery)	104293.66	103242.22	87499.38	84008.54	75093.29	74019.06	74855.04	79134.72	84925.24	57690.31
(6) Contractors (trans. & Repairs)	37076.98	31927.87	28881.77	29917.18	26525.71	26072.63	25168.23	25312.58	23685.14	22063.16
(7) (a) Misc Expenses	24951.43	16255.91	12369.63	10092.16	12802.90	24624.41	8211.75	15666.10	12423.37	7056.73
(b) Provisions	9123.76	9515.44	2420.92	7332.38	11231.07	13206.97	7528.49	8475.26	7099.19	807.75
(8) Interest (incl. S/O P.P & Waiver)	9798.43	10961.70	11990.18	13289.77	15990.08	15407.24	15747.04	15614.26	15176.51	9110.91
(9) Depreciation (incl. S/O & P.p)	33197.78	19223.46	19200.59	20855.28	21173.94	22746.73	23443.82	20846.72	20661.83	17101.12
(10) O.B.R. Adjustment	2179.12	5921.83	12740.03	8146.48	2637.76	-1842.01	-2496.49	-3192.14	2237.97	-268.41
(11) Financial charges	235.99	265.83	440.29	680.59	873.11	932.25	339.23	0.00	0.00	0.00
(12) Prior Period Adj. (excl. int. & dep )	-12577.82	-422.58	-3701.39	-1887.61	-2330.22	-607.38	-1743.98	-1637.49	-251.45	2856.90
<b>TOTAL (B)</b>	<b>417215.92</b>	<b>442183.53</b>	<b>379521.00</b>	<b>354686.98</b>	<b>348944.59</b>	<b>382039.19</b>	<b>306165.08</b>	<b>303500.08</b>	<b>306802.18</b>	<b>239954.87</b>
Profit/Loss for the Year (A-B)	116498.01	43781.45	37038.44	38464.96	-10831.57	-79290.78	-12123.59	-14935.34	-8567.31	-1552.32
Investment Allowance Reserve	0.00	0.00	0.00	0.00	0.00	0.00	1807.00	0.00	1800.00	3525.00
Contingency Reserve Written back	0.00	0.00	0.00	0.00	0.00	47.94	0.00	0.00	0.00	0.00
Fringe Benefit Tax	752.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Provision for Income Tax	44566.10	22892.10	3452.65	0.00	-322.54	0.00	0.00	0.00	0.00	0.00
Provision for Deferred Tax	3647.20	7097.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Provision for I.Tax (Written Back)	1010.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Trans to General Reserve	11650.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dividend (Including Dividend Tax)	33226.90	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cumulative Profit/Loss b/f from Prev. Year	-4363.37	-32349.77	-71810.67	-110275.63	-99121.52	-19878.68	-9562.09	5373.25	12140.56	10167.88
<b>Cumulative Profit/Loss trans to Balance Sheet</b>	<b>26597.52</b>	<b>-4363.37</b>	<b>-38224.88</b>	<b>-71810.67</b>	<b>-110275.63</b>	<b>-99121.52</b>	<b>-19878.68</b>	<b>-9562.09</b>	<b>5373.25</b>	<b>12140.56</b>

# IMPORTANT FINANCIAL INFORMATION & RELATIVE RATIOS

## (A) FINANCIAL INFORMATION

	(Rs. in lakh)									
Year Ending 31st March	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
<b>(A) Related to Assets &amp; Liabilities :</b>										
(1) Shareholders' Fund :										
(a) Equity	94000.00	94000.00	94000.00	94000.00	94000.00	94000.00	94000.00	94000.00	94000.00	94000.00
(b) Reserve & Surplus	11650.00	0.00	0.00	0.00	0.00	0.00	47.94	1854.94	1854.94	3654.94
(c) Profit/Loss (+)/(-)	26597.52	-4363.37	-38224.88	-71810.67	-110275.63	-99121.52	-19878.68	-9562.09	5373.25	12140.56
(d) Deferred Liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-2105.87	-4211.73	-6317.60
<b>Net Worth 132247.52</b>	<b>89636.63</b>	<b>55775.12</b>	<b>22189.33</b>	<b>-16275.63</b>	<b>-5121.52</b>	<b>74169.26</b>	<b>84186.98</b>	<b>97016.46</b>	<b>103477.90</b>	
(2) Loan	89593.76	105870.10	129880.52	166861.19	166526.21	158110.70	158960.60	181923.93	177021.46	162259.90
(3) Capital Employed	17804.79	138899.24	153160.80	165595.62	128181.74	130703.63	211849.80	240696.00	238278.81	211507.06
(4) (i) Net Fixed Assets	134050.64	134375.06	140236.77	149268.86	161464.05	170092.49	185061.60	183007.56	175622.25	146382.59
(ii) Current Assets	344354.68	224630.16	151535.20	152033.03	152134.28	149946.22	167068.78	164113.11	163831.39	151069.74
(iii) Net Current Assets (WC)	34574.13	-4898.84	3674.00	16551.25	-32977.03	-38958.71	26867.36	57770.94	62842.54	65131.49
(5) Current Liabilities										
(Excl. intt. accrued & due)	309780.55	229529.00	147861.20	135481.78	185111.31	188904.93	140201.42	106342.17	100988.85	85938.25
(6) (a) Sundry Debtors (Net)	61106.59	65984.02	64922.68	66868.30	62846.16	62982.85	82909.00	84470.52	91083.71	80458.65
(b) Cash & Bank	23482.02	18411.43	11155.59	16552.79	11906.16	7495.07	5341.97	4677.60	2437.72	4048.38
(7) Closing Stock of :										
(a) Stores & Spares (Net)	13518.08	14517.65	14635.70	14870.14	15273.48	17501.63	16739.52	14362.52	14221.89	13415.98
(b) Coal & Cokes etc. (Net)	57881.77	44268.74	33505.73	25986.34	27151.21	22725.30	25041.85	24681.45	26071.80	25181.01
(c) Other Inventories (Net)	184.70	1799.90	1942.71	1755.30	1592.21	1494.91	1531.55	1325.12	1350.25	1153.82
(8) Average Stock of Stores & Spares (Net)	14017.87	14576.68	14752.92	15071.81	16387.56	17120.58	15551.02	14292.21	13818.94	12025.25
<b>(B) Related to Profit/Loss :</b>										
(1) (a) Gross Margin	159494.22	73966.61	68229.21	72610.01	26332.45	-41136.81	27067.27	21525.64	27271.03	24659.71
(b) Gross Profit	126296.44	54743.15	49028.62	51754.73	5158.51	-63883.54	3623.45	678.92	6609.20	7558.59
(c) Net Profit (Before Tax & Invest Allowance etc.)	116498.01	43781.45	37038.44	38464.96	-10831.57	-79290.78	-12123.59	-14935.34	-8567.31	-1552.32
(2) (a) Gross Sales	451290.55	40373.49	348852.20	333440.55	274284.54	248870.12	239564.81	232567.75	235308.49	203517.53
(b) Net Sales (after levies & Dev. etc.)	391000.70	349211.69	295578.70	285552.27	236178.52	211955.80	202884.33	195102.79	196212.05	165086.63
(c) Paid/Payable Amount of Royalty, Cess etc.	60289.85	55161.80	53273.50	47888.28	38106.02	36914.32	36680.48	37464.96	39096.44	38339.25
(d) Avg. net Sales Per Month	32583.39	29100.97	24631.56	23796.02	19681.54	17662.98	16907.03	16258.57	16351.00	13757.22
(3) Cost of Goods Sold (Sales-Profit)	274502.69	305430.24	258540.26	247087.31	247010.09	291246.58	215007.92	210038.13	204779.36	166638.95
(4) (a) Total Expenditure (Excl. Recov. & others)	417215.92	442183.53	379521.00	354686.98	348944.59	382039.19	306165.08	303500.08	306802.18	239954.87
(b) Salary & Wages (Gross Rev. only)	131185.86	170694.50	135013.00	115340.93	119016.49	146578.39	100658.70	91918.39	88548.83	79211.47
(c) Stores & Spares (Gross Rev. only)	44107.38	42354.04	39346.21	35968.93	33662.30	31075.77	30123.72	28902.86	30128.00	26490.03
(d) Power & Fuel	21952.80	21151.64	20110.88	19798.73	19624.33	17845.40	15279.71	13636.39	12553.23	10777.20
(e) Int. & Depreciations (Gross rev. only)	42996.21	30185.16	31190.77	34145.05	37164.02	38153.97	39190.86	36460.98	35838.34	26212.03
(5) Avg. consump. of Stores & Spares (Gross) per month	3675.62	3529.50	3278.85	2997.41	2805.19	2589.65	2510.31	2408.57	2510.67	2207.50
(6) (a) Avg. manpower employed during the year	65536	68335	71100	73664	76405	79399	82955	86558	89886	92233
(b) Social overhead (incl. LTC/LLTC)	11977.50	11645.39	11546.92	10654.60	11317.66	11339.12	10344.71	10931.40	11337.93	9287.70
(c) Social O.H. expnd./employees (Rs.'000)	18.28	17.04	16.24	14.46	14.81	14.28	12.47	12.63	12.61	10.07
(7) (a) Value Added	339809.50	298247.67	243701.16	231915.77	189864.35	163868.74	159347.83	153433.10	158466.78	132881.40
(b) Value Added per employee (Rs. '000)	518.51	436.45	342.76	314.83	248.50	206.39	192.09	177.26	176.30	144.07

## IMPORTANT FINANCIAL INFORMATION & RELATIVE RATIOS

### (B) FINANCIAL RATIOS/PERCENTAGES

Year Ending 31st March	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
<b>(A) PROFITABILITY RATIOS :</b>										
<b>(1) As % Net Sales :</b>										
(a) Gross Margin	40.79	21.18	23.08	25.43	11.15	-19.41	13.34	11.03	13.90	14.94
(b) Gross Profit	32.30	15.68	16.59	18.12	2.18	-30.14	1.79	0.35	3.37	4.58
(c) Net Profit	29.79	12.54	12.53	13.47	-4.59	-37.41	-5.98	-7.66	-4.37	-0.94
<b>(2) As % Total Expenditure</b>										
(a) Salaries & Wages (Gross Rev.)	31.44	38.60	35.57	32.52	34.11	38.37	32.88	30.29	28.86	33.01
(b) Stores & Spares (Gross-Rev.)	10.57	9.58	10.37	10.14	9.65	8.13	9.84	9.52	9.82	11.04
(c) Power & Fuel	5.26	4.78	5.30	5.58	5.62	4.67	4.99	4.49	4.09	4.49
(d) Interest & Depreciation (Gross-Rev.)	10.31	6.83	8.22	9.63	10.65	9.99	12.80	12.01	11.68	10.92
<b>(3) As % Capital Employed</b>										
(a) Gross Margin	89.58	53.25	44.55	43.85	20.54	-31.47	12.78	8.94	11.45	11.66
(b) Gross Profit	70.93	39.41	32.01	31.25	4.02	-48.88	1.71	0.28	2.77	3.57
(c) Net Profit	65.43	31.52	24.18	23.23	-8.45	-60.66	-5.72	-6.21	-3.60	-0.73
<b>(4) Operating Ratio (Sales-Profit/Sales)</b>										
	0.70	0.87	0.87	0.87	1.05	1.37	1.06	1.08	1.04	1.01
<b>(B) LIQUIDITY RATIOS :</b>										
<b>(1) Current Ratio (Current Asset/Current Liability)</b>										
	1.11	0.98	1.02	1.12	0.82	0.79	1.19	1.54	1.62	1.76
<b>(2) Quick Ratio (Quick Asset/Current Liability)</b>										
	0.27	0.37	0.51	0.62	0.40	0.37	0.63	0.84	0.93	0.98
<b>(3) Working Capital as % of</b>										
<b>(a) Capital Employed</b>										
	19.42	-3.53	2.40	9.99	-25.73	-29.81	12.68	24.00	26.37	30.79
<b>(b) Net Fixed Assets</b>										
	25.79	-3.65	2.62	11.09	-20.42	-22.90	14.52	31.57	35.78	44.49
<b>(C) TURNOVER RATIOS</b>										
<b>(1) Capital Turnover Ratio (Net Sales/Capital Employed)</b>										
	2.20	2.51	1.93	1.72	1.84	1.62	0.96	0.81	0.82	0.78
<b>(2) Working Capital Turnover Ratio (Net Sales/Working Capital)</b>										
	11.31	-71.28	80.45	17.25	-7.16	-5.44	7.55	3.38	3.12	2.53
<b>(3) Sundry Debtors as no. of months</b>										
<b>(a) Gross Sales</b>										
	1.62	1.96	2.23	2.41	2.75	3.04	4.15	4.36	4.64	4.74
<b>(b) Net Sales</b>										
	1.88	2.27	2.64	2.81	3.19	3.57	4.90	5.20	5.57	5.85
<b>(4) As Ratio of Net Sales</b>										
<b>(a) Sundry Debtors</b>										
	0.16	0.19	0.22	0.23	0.27	0.30	0.41	0.43	0.46	0.49
<b>(b) Coal Stocks</b>										
	0.15	0.13	0.11	0.09	0.11	0.11	0.12	0.13	0.13	0.15
<b>(5) Stock of Stores &amp; Spares</b>										
<b>(a) Avg. Stock/Annual Consumption</b>										
	0.32	0.34	0.37	0.42	0.49	0.55	0.52	0.49	0.46	0.45
<b>(b) Closing Stock as no. of months consp.</b>										
	3.68	4.11	4.46	4.96	5.44	6.76	6.67	5.96	5.66	6.08
<b>(D) STRUCTURAL RATIOS</b>										
<b>(1) Debt : Equity</b>										
	0.95	1.13	1.38	1.78	1.77	1.68	1.69	1.94	1.88	1.73
<b>(2) Debt : Net Worth</b>										
	0.68	1.18	2.33	7.52	-10.23	-30.87	2.14	2.16	1.82	1.57
<b>(3) Net Worth : Equity</b>										
	1.41	0.95	0.59	0.24	-0.17	-0.05	0.79	0.90	1.03	1.10
<b>(4) Net Fixed Assets : Net Worth</b>										
	1.01	1.50	2.51	6.73	-9.92	-33.21	2.50	2.17	1.81	1.41

## DIRECTORS' REPORT

To

**The Shareholders,**  
Central Coalfields Limited

Gentlemen,

I on behalf of the Board of Directors have great pleasure in presenting to you the 50th Annual Report of your Company along with the Audited Accounts for the year ended 31 March 2006. The Audited Statements of Accounts, report of the Statutory Auditors and Management's reply thereon as well as comments of the Comptroller & Auditor General of India on the audited Accounts are annexed to this report.

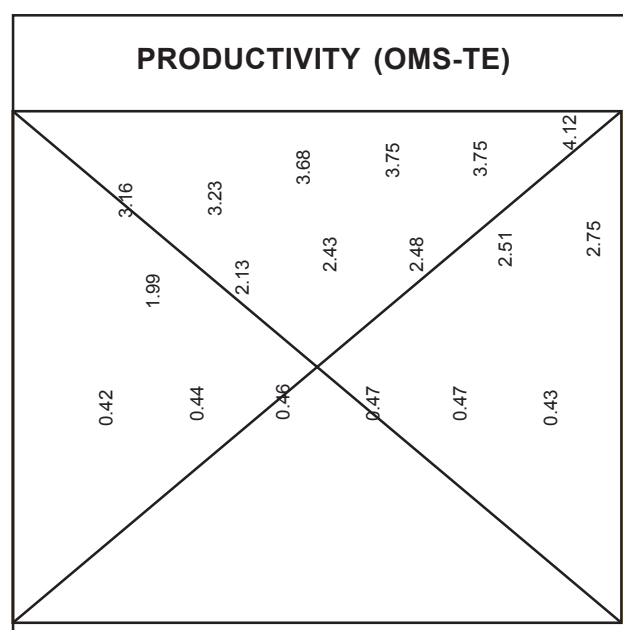
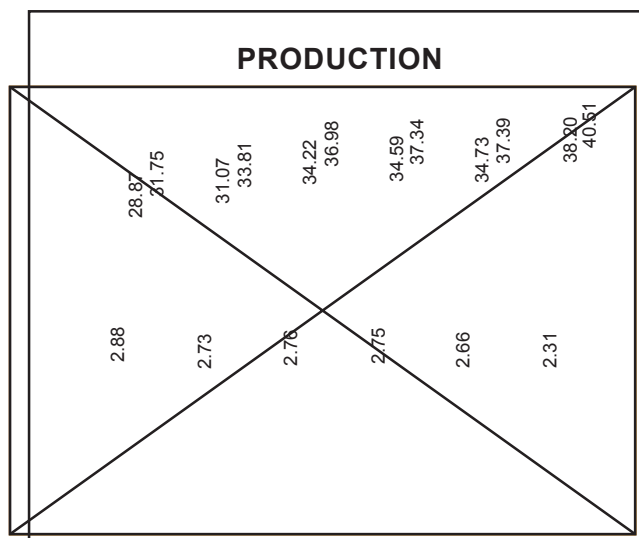
### 1. PRODUCTION

The table below shows the Production and Productivity Figures achieved by your Company during the year 2005-06 as compared to the targets for the year and actual of 2004-05.

Particulars	2005-06		2004-05 Actual	%age Growth over last year
	Target	Actual		
From OC(MT)	37.660	38.202	34.734	9.98
From UG(MT)	2.740	2.311	2.656	(-)12.99
<b>TOTAL(MT)</b>	<b>40.400</b>	<b>40.513</b>	<b>37.390</b>	<b>8.35</b>
<b>OBR(MM<sup>3</sup>)</b>	<b>52.560</b>	<b>49.972</b>	<b>46.684</b>	<b>7.04</b>
<b>Washed Coal (Coking)</b>				
Production(MT)	2.614	2.289	2.645	(-)13.46
Dispatch(MT)	—	2.213	2.576	(-)14.09
<b>Washed Coal (Non-Coking)</b>				
Production(MT)	6.740	6.558	5.757	13.91
Dispatch (MT)	—	6.622	5.854	13.12
<b>Productivity (OMS-Te)</b>				
OC	4.54	4.12	3.75	9.87
UG	0.52	0.43	0.47	(-)8.51
<b>OVERALL</b>	<b>3.00</b>	<b>2.75</b>	<b>2.51</b>	<b>9.56</b>

From the table above it would be seen that your Company has achieved better performance

in all aspects compared to previous year except for production of Coal from UG mines. This achievement has been possible in spite of chronic land and rehabilitation problem, delay in forest land clearance, stoppage of work by the villagers/ land losers, industrial strikes etc.



### 2. WASHERY PERFORMANCE

Your Company is in the business of washing Coking Coal as well as Non-Coking Coal. There are four Coking Coal Washeries and three

Washeries for washing / beneficiation of Non-Coking Coal.

The overall production from seven washeries of CCL has registered a positive growth of 5.3%. The Washeries have contributed Rs.363.70 Crore towards overall profit in the year 2005-06 compared to Rs.293.14 Crore in 2004-05.

### COKING COAL WASHERIES

The coking coal production during 2005-06 has been 22.89 lakh tonne against 26.44 lakh tonne during 2004-05. The shortfall has mainly been due to low production in Rajrappa O/C mine and reduction in the yield in all Coking Coal Washeries. However, Coking coal washeries have registered a profit of Rs 258.30 Crore against Rs.236.44 Crore during 2004-05.

Washery-wise production and yield for the year under reference vis-à-vis the last year are given below:

Washery	Prod'n. (in lakh tonnes)		Yield%	
	2005-06	2004-05	2005-06	2004-05
Kathara	5.37	5.78	45.30	45.70
Sawang	3.07	3.86	52.50	58.60
Rajrappa	8.37	10.92	48.00	51.10
Kedla	6.08	5.88	48.40	51.10
<b>Total</b>	<b>22.89</b>	<b>26.44</b>	<b>48.00</b>	<b>50.80</b>

### NON-COKING COAL WASHERIES :

The Non-Coking coal washeries have registered a positive growth of 13.9%. The overall yield of Non-Coking coal washeries increased to 80.9% against 79.9% achieved in the previous year. The overall utilization of Non-Coking coal washeries increased to 69.2% against 61.5% achieved during 2004-05. Non-Coking coal washeries have contributed a profit of Rs.105.40 Crore in 2005-06 compared to Rs.56.70 Crore in 2004-05.

Washery-wise production and yield for the year under reference vis-à-vis the last year are

given below:

Washery	Prod'n. (in lakh tonnes)		Yield%	
	2005-06	2004-05	2005-06	2004-05
Piparwar	52.66	44.56	81.80	80.80
Kargali	8.19	7.09	91.20	89.80
Gidi	4.73	5.92	61.30	65.40
<b>Total</b>	<b>65.58</b>	<b>57.57</b>	<b>80.90</b>	<b>79.90</b>

### 3. OFFTAKE

The total off take during 2005-06 was 38.618 million tonnes. Mode-wise details of off- take compared to that of the previous year are given below:

*(Fig. In Million Tonnes)*

Mode	2005-06	2004-05
Rail	21.456	19.480
Road	4.481	3.898
Internal Transfer	12.628	12.418
Colliery Consumption	0.000	0.094
<b>Total Off-Take</b>	<b>38.618</b>	<b>35.890</b>

Sector-wise dispatches of coal and its different by-products during the year 2005-06 are given below:

*(Figs. in Million Tonnes)*

Sector	Raw Coal	Clean Coal	Non-Coking washed coal	Washed coal power	Slurry	Rejects
STEEL	0	2.214	0	1.313	0	0
POWER	19.194	0	6.636	0.525	0	0.247
CEMENT	0.052	0	0	0	0	0
FERTILIZER	0.597	0	0	0	0	0
SPONGE IRON	0.720	0	0	0	0	0
OTHERS	5.374	0	0	0	0.394	0.001
<b>TOTAL</b>	<b>25937</b>	<b>2214</b>	<b>6636</b>	<b>1838</b>	<b>0.394</b>	<b>0.248</b>

### 4. COAL STOCK

The stock of Raw Coal as on 31.3.2006 stood at 82.68 Lakh Tonnes as against the book stock of 66.19 Lakh Tonnes as on 31.3.05. On the basis of measurement done by CIL Stock-Measurement-Team, the physical stock of Raw Coal of your Company during the year under report was within the limit of  $\pm 5\%$  of the Book Stock.



## 5. TURNOVER AND SALES REALIZATION

During the year under reference the Gross Sales Turnover of your company was Rs.4512.91 Crore. The sector wise position of debtors (gross) as on 31.03.06 is given below :

(Figs. in Crore)

SECTOR	31.03.2006	31.03.2005
POWER	742.45	
STEEL	210.64	209.18
OTHERS	9.51	7.30
<b>TOTAL</b>	<b>924.44</b>	<b>958.93</b>

## 6. POPULATION AND PERFORMANCE OF HEMM

The population of HEMM in Mechanized Opencast Mines of CCL as on 31.03.06 and 31.03.05 are given below:

HEMM	POPULATION AS ON	
	31 .03.06	31 .03.05
Shovel	113	106
Dumper	559	587
Dozer	159	169
Drill	136	162

The performances of HEMM in terms of Availability and Utilization percentage against CMPDIL norms during the year 2005-06 as against 2004-05 are given as under:

HEMM	% Availability			% Utilization		
	2005-06 Norms	2005-06 Actual	2004-05 Actual	2005-06 Norms	2005-06 Actual	2004-05 Actual
Shovel	80	75	72	58	49	43
Dumper	67	62	59	50	35	28
Dozer	70	56	56	45	28	25
Drill	78	71	68	40	31	21

## 7. SYSTEM CAPACITY UTILISATION

Total System Capacity For 2005-06 assessed as on 01.04.05 (MM <sup>3</sup> )	Total Production Achievement by Opencast Mines (2005-06)			% Capacity Utilisation	
	Coal (MT)	OBR (MM <sup>3</sup> )	Composite (MM <sup>3</sup> )	05-06	04-05

87.11      38.198      50.004      74.334      85.33      78.14

## 8. WAGON LOADING

The coalfield wise wagon loading position for the year 2005-06 is given below :

RAILWAY FIELDS	(FWW/Day)	
	2005-06	2004-05
South Karanpura	712	765
North Karanpura	2092	1828
Sub Total Karanpura	2804	2593
Jharia	430	377
Total E.C.RAILWAYS	3234	2970
Giridih	17	17
Total Eastern Railways	17	17
Adra	337	400
Total S.E. Railways	337	400
<b>TOTAL CCL</b>	<b>3588</b>	<b>3387</b>

## 9. SIZING AND CRUSHING OF COAL

There are 10 full-fledged CHP's having facilities of shale picking, coal crushing and loading of coal, into railway wagons. In these CHP's coal of (-) 1200 mm size is crushed to (-) 200 mm size. Extraneous materials, if any, found with coal are picked at the picking stations

Besides the above, there are 25 Feeder Breakers at different Projects for crushing of coal from (-)1200 mm to (-)200 mm size which include 2 new Feeder Breakers at Sayal and 1 Feeder Breaker at Saunda installed during 2005-06. At present, one additional Feeder Breaker is under installation at Jarangdih P.F no.1, B&K Area in order to ensure 100% crushing of coal for despatches.

During 2005-06, about 20.86 million tonne of coal was crushed through CHP's, FBs and surface miner which is 6.36% more than the previous year. The percentage utilization of crushing equipment was 82.51%. Almost 100% coal despatched to the power sector was sized.

## 10. PERFORMANCE OF WEIGH BRIDGES

It has been the endeavour of your Company to ensure 100% weighment of coal before despatch. With that end in view, 33 rail weighbridges, including 7 new rail weighbridges working as standby, were fully functional as on

31.03.06 at Ray, Macluskiganj, Jarangdih, RCM, Tarmi, Chainpur and N.R. siding respectively to weigh the coal dispatched by rail. The overall availability of rail weighbridges during 05-06 was 91%. The total percentage of coal weighed by rail weighbridge during this period was 98% as compared to 96.67% during 2004-05. One more new Rail weighbridge, at Gidi "W" is under installation.

For weighment of coal despatched by road, your Company has installed 76 road weighbridges, which include 61 electronic road weighbridges. The remaining 15 mechanical weighbridges are proposed to be converted into electronic road weighbridges during 06-07. In addition, 2 new electronic road weighbridges are under installation at Bachra Project in Piparwar Area for weighment of coal despatched by road.

## 11. CONSUMER SATISFACTION

The satisfaction of consumers in respect of quantity, quality and size of coal supplies is one of the prime objectives of your Company. CCL has an effective Quality Management Team with well-trained officials and adequate infrastructure like sampling arrangements, well-equipped coal analysis laboratory, etc. at Hqrs. and Areas. During the year under reference, effective measures were taken for achieving better "Consumer Satisfaction" through delivery of sized coal of proper quality and quantity. A "Quality Week" (16.1.2006 to 21.1.2006) was observed by your Company to increase quality consciousness even at the grass-root level with the objective of "TOTAL QUALITY ASSURANCE". Your Company has adopted the system of 3rd Party Sampling/ Joint Sample Analysis to ensure consumers' satisfaction. Almost 100% sized coal was dispatched to the consumers. Necessary measures have been taken to redress consumers' grievances.

## 12. POWER SUPPLY MANAGEMENT

CCL draws power from two sources, viz. DVC & JSEB, however, the main source of power supply is DVC having contract agreement for 107.8 MVA. For two Areas mainly, Kuju & Rajhara, CCL is drawing power from JSEB with contract agreement for 10.02 MVA. Besides above,

colonies, hospitals, etc. located at Ranchi are receiving power from JSEB with contract demand of 4.9 MVA. From DVC, CCL earned a power factor rebate to the tune of Rs.4,96,774/- during 2005-06 as against Rs. 4,46,880/- during 2004-05.

## Energy Conservation & Audit :

"Creating awareness is the key to conservation" and hence, all initiatives were undertaken to propagate the same message at all levels for conservation of Power, Petroleum Oil & Lubricant (POL ).

Like previous years, Seminars & Energy conservation meets were organized during the year 2005-06 to create improved awareness amongst the Engineers, Supervisors and Operating personnel. In-depth deliberation was held on energy conservation measures & techniques. Detailed discussions were also held regarding the difficulties in implementation of these techniques during Energy Conservation meet. The efforts towards Energy conservation have enabled your company to improve specific Energy consumption. The following table shows the specific consumption values for the year 2005-06, vis-a-vis 2004-05. The specific power consumption includes the service units of the areas, whereas consumption of POL is for only the opencast projects of the company:

Specific consumption		2005-2006	2004-2005
POWER	kWh/Tonne	12.680	13.590
	kWh/CuM	6.820	7.290
HSD	Ltrs./Tonne	1.350	1.440
	Ltrs./CuM	0.700	0.730
Lubricant	Ltrs./Tonne	0.085	0.086
	Ltrs./CuM	0.044	0.043

∇ The specific power consumption includes the service units of the Areas, whereas consumption of POL is only for the opencast projects of the Company.

Specific consumption per tonne is based on total coal production, whereas per cubic metre is based on composite output.

Reduction in specific consumption of HSD has been possible due to close monitoring of HSD consumption, equipment performance and subsequent implementation of the recommendations in major areas of your company.

The average power factor for the year 2005-06 is 0.92 compared to 0.91 in the year 2004-05. The company has earned a rebate of about Rs.4.97 Lacs owing to the improvement in power factor.

There has been an improvement in load factor during the financial year 2005-06 for DVC feeders, wherefrom about 81% power is fed to the company. The table, shown below, shows the improvement as well as achievement regarding Load Factor & Power Factor:

	2005-06	2004-05
Av. Contract Demand (MVA)	107.30	107.30
Av. Monthly supply hours	719.39	717.79
Av. Power Factor	0.92	0.91
Av. % Load Factor	61.81	56.15
Incentive for P.F. (in lac Rs.)	4.97	4.37

Energy Audit & Bench Marking in all the areas is being undertaken by CMPDI in a phased manner. The audit & Bench Marking carried out during the year 2005-06, is for Govindpur U/G mine of Kathra Area, Kuju U/G mine of Kuju Area & Sirka U/G mine of Argada Area.

### 13. COMMUNICATION ARRANGEMENT AND INFORMATION SYSTEM

#### Surface Communication

(A) **Land Line** : Your Company has 28 Electronic Exchanges having a capacity of about 3200 lines. In addition, 19 EPABX were provided during the financial year, having a capacity of 1976 lines, out of which 3 were replacement for the existing Electronic Exchanges. Overall present installed capacity is about 4800 lines.

#### (B) Radio Communication :

**VHF Communication:** The emergency communication in the Opencast Project and between AHQ and Project is through VHF based Walkie-talkie and Fixed/Mobile sets. Details of VHF sets are as under:-

a. Walkie-talkie sets	861
b. Repeater for repeater based Walkie-talkie net	15
c. Fixed/Mobile sets	209
d. Radio link to interconnect 2 EPABX	9 links

During the year 2005-06, 6 nos. of Radio links, 3 each for Hazaribagh and Kuju Areas, were added to link the AHQ with their Projects.

(C) **DMART** : Digital MART is the primary trunk media for communication, providing speech with Areas and data under information system. It is in its 6th year of operation.

(D) **COALNET (VSAT)** : The VSAT link, established in July'03, is in operation for speech and video conferencing. Speech with direct dialing facility to CIL HQ, Kolkata, MOC, New Delhi and all other Subsidiaries are in full operation and Video Conferencing with MOC and other Subsidiaries is held regularly. The data channel was received in October, 2004 and is interfaced to CCL LAN for operation of COALNET data.

(E) **SAT PHONE** : 2 Sat Phones were procured in 2005-06 for emergency communication purpose.

#### Underground Communication system:

7 nos. of U/G Mines are provided with Auto-cum-Manual system, in addition to point-to point Loud Hailer communication system in all U/G Mines. In the financial year 2005-06, 4 nos. of ACM were installed. The total number of U/G Mines provided with ACM is now 11.

### **Information System:**

Information system is established jointly by the E&T Deptt., CCL and IT Deptt. of CMPDI. Information system and its associated Website "cclprod.cmpdi.co.in" is maintained by E&T Deptt. The following information is available on Internet for authorized person :

1. Daily production report of CCL
2. Repair Status of HEMM at CWS, Barkakana
3. Stock position of major items at Central Stores.

### **14. SAFETY**

Being a key thrust area, safety is being given due attention consistently. The safety in mines as well as in allied operations like Washeries and Workshops has improved through a well planned safety awareness drive. Efforts in this regard have resulted in restricting the fatalities and serious injuries during the financial year under report.

Every accident is thoroughly enquired into and recommended measures to avoid recurrence of such accidents are circulated for discussion in Safety Committee meetings at unit, Area, Headquarter levels and in the Co-ordination Meetings of CGMs / GMs. To upgrade Safety awareness / skills, Basic, Refresher and Special training programmes on safety have been conducted throughout the year.

#### **Underground Mines :**

One of the major causes of fatal accidents in underground coal mines had been fall of roof and sides. Accordingly, thrust was given to the support of "Green Roof" with steel supports e.g. Steel cogs, Pit props, roof bolts, W-straps etc. Inspection of face equipment and their required maintenance were carried out. Check survey was done in all 11 mines having potential danger of inundation. The same has been done by CMPDIL in one Underground mine having potential danger of inundation from unapproachable water bodies. Emergency organisation plan in underground mines with marking of escape route was formulated and displayed at mine entrance to make all the workers aware of the same. Also mock rehearsal/ drill were done regularly to keep

the workers abreast with preparedness.

#### **Opencast mines :**

Training has been imparted regularly to HEMM operators/ Maintenance crew for the operation of fire fighting equipment. Traffic Rule in "Hindi" has been prepared and circulated to all areas of CCL. Safe code of practice for machines including HEMM in opencast mine was prepared in Hindi and circulated in all mines for implementation. Special drive for testing the preparedness of "Emergency organization to deal with fire in opencast mines/HEMMs" was made during the year.

#### **Annual Safety Week :**

Annual Safety Week was observed from 9th January to 15th January 2006. During the week, special emphasis was laid on wide publicity of safety rules, regulation and practices. Inspection of mines was carried out from 03.01.05 to 09.05.05 to select Model mines (one opencast and one underground) in each Area. Final day function was held at Kathara Area, Kathara on 07.05.06. The function was presided over by Shri M.M.Singh, D (T/Oprn), CCL and Shri K.K.Passi, Dy. Director General of Mines Safety (S.E. Zone), was the Chief Guest on the occasion.

Safety Week to enhance awareness for safe Production in Washeries, was observed from 06.03.2006 to 11.03.2006 wherein all the washeries participated actively.

#### **Safety Audit :**

The 6th Safety Audit for all operating underground mines and Open cast mines was conducted to appraise safety status / standard by a special team consisting of an Ex-Director (T), CCL and an Ex-Director of Mines Safety, DGMS. 7th Safety Audit for Underground mines was started but due to illness of one of the auditors it has been postponed and is expected to be resumed soon.

#### **Safety Training :**

Basic and Refresher Training programmes were organized in the VTCs and at Group

Vocational Training Centre at Area level to provide better training to workers. Moreover Training/Coaching was imparted to the potential candidates for Mining Sirdar, Overman etc. to enable them to acquire requisite statutory qualifications from DGMS.

#### Monsoon preparation :

Like previous years, before the onset of monsoon, strategies were chalked out to face Monsoon and to take necessary preventive action. Close liaison was maintained with DVC/State Authorities regarding release of water from Patratu, Tenughat and Konar dams and also with meteorological agencies.

#### Rescue :

Three Rescue Rooms at Sayal, Dhori & Kedla; Two Rescue Room cum Refresher Training (RRRT) Centres at Churi and Kathara and one Central Mines Rescue Station at Ramgarh, are functioning to cater to the needs of rescue services in CCL. In order to improve the preparedness of Rescue trained personnel, regular refresher training is imparted in mines and in the Rescue station. Zonal Rescue Competition was organized on 23rd January, 2006, at MRS, Ramgarh. The best performers were awarded with prizes at the Final Day Function.

Your Company participated in the All India Mines Rescue Competition for Coal Mines held from 23.02.06 to 25.02.06 at MRS, Dhansar in Bharat Coking Coalfield Limited and bagged the following prizes in the All India Rescue competition:

1. March Past : First Prize
2. Statutory Test : Second Prize

The coveted achievement of CCL Rescue Team is to be adjudged 2nd best team in All India Rescue competition.

#### General :

Internal Safety Organization, headed by General Manager (S&R), is maintaining close liaison with DGMS to enhance safety status in the mines. Tripartite Committee meeting on Safety is held at Area level with DGMS and Union Representatives for improvement of safety status in the mines.

19th Tripartite Safety Committee was held on 24.05.05 which was presided over by the CMD, CCL and was attended by all DGMS officials headed by the DDG and representatives of different Trade Unions. All Area CGM / GMs and HODs of CCL Hq., Ranchi were also present in the meeting.

#### Accident Statistics :

Accident Statistics pertaining to CCL mines for the year 2005-2006 vis-à-vis 2004 -2005 are given below :

	2005-06**	2004-05*
No. of fatal accidents	07	10
No. of fatalities	08	10
No. of Serious accidents	17	20
No. of Serious injuries	17	23

#### Place-wise classification of accident:

	2005-06**	2004-05*
<b>Fatal:</b>		
Underground	1(1)	4(4)
Opencast	3(3)	5(5)
Aboveground	3(4)	1(1)
<b>Total</b>	<b>7(8)</b>	<b>10(10)</b>
<b>Serious:</b>		
Underground	8(8)	10(13)
Opencast	7(7)	4(4)
Aboveground	2(2)	6(6)
<b>Total</b>	<b>17(17)</b>	<b>20(23)</b>

**Rate of Accident**

	2005-06**	2004-05*
<b>Overall</b>		
Fatalities/ M.T.	0.20	0.27
Fatalities/ 3 Lakh Manshifts	0.18	0.22
Serious injuries/MT	0.42	0.62
Serious injuries/3 lakh manshifts	0.39	0.50
<b>Underground</b>		
Fatalities/MT	0.87	1.88
Fatalities/3 Lakh Manshifts	0.11	0.26
Serious injuries/MT	1.73	4.89
Serious injuries/3 lakh manshifts	0.22	0.69
<b>Opencast</b>		
Fatalities/MT	0.16	0.14
Fatalities/3 Lakh Manshifts	0.23	0.19
Serious injuries/MT	0.18	0.29
Serious Injuries/3 Lakh Manshifts	0.27	0.37

**Causewise break-up of Fatal Accidents:**

Cause	2005-06**		2004-05*	
	Fatal	Serious	Fatal	Serious
Roof Fall	1(1)	2(2)	3(3)	2(4)
Side Fall	—	—	1(1)	1(1)
Rope Haulage	—	—	—	—
Explosive	—	—	—	—
Dumper	2(3)	5(5)	1(1)	3(3)
Truck	1(1)	—	1(1)	—
Other Machinery	2(2)	2(2)	3(3)	5(5)
Fall of Person	1(1)	2(2)	1(1)	4(4)
Fall of Object	—	—	—	—
Other Causes	—	6(6)	1(1)	5(6)
<b>TOTAL</b>	<b>7(8)</b>	<b>17(17)</b>	<b>11(11)</b>	<b>20(23)</b>

**N.B. :** Figures outside bracket indicate accidents whereas the same in the brackets denote fatalities and injuries.

\* Figures for 2004-05 & 2005-06 are yet to be reconciled with DGMS

\*\* Figures for 2005-06 do not include 14 fatalities at Central Saunda on 15.06.05.

**15. PERSONNEL MANAGEMENT AND INDUSTRIAL RELATIONS**

The manpower strength of the Company as on 31.03.2006 was 64,200 as against 66,871 on

31.03.2005. Category-wise break up of manpower strength as on 31.03.2006 vis-à-vis 31.03.2005 is given below:

Category	31.3.06	31.3.05
Executive	2549	2611
Supervisory Staff	4000	3997
Highly Skilled/Skilled	18038	18187
Semi skilled/Unskilled (TR)	22080	22679
Semi Skilled/Unskilled(PR)	11238	12292
Ministerial Staff	5726	5891
Others	569	1214
<b>Total</b>	<b>64200</b>	<b>66871</b>

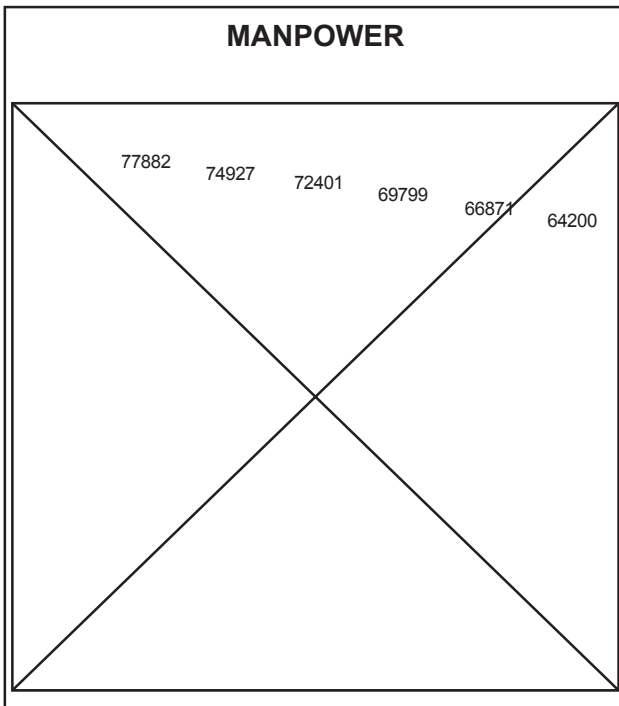
Hence, during the year 2005-06 the overall reduction in manpower was to the tune of 2,671. The number of employees in the Company reduced by 3,085 during the year under reference, whereas 414 employees were added to the existing Manpower. The aforesaid reduction and addition have been under the following heads :

**REDUCTION :**

Manpower Reduction under the head	No. of Employees
Retirement/Superannuation	1560
VRS(GHS)	792
Death	562
Termination/Dismissal	101
Resignation	03
Inter Company Transfer	59
Medically unfit	08
<b>Total Reduction</b>	<b>3,085</b>

**ADDITION :**

Manpower Addition under the head	No. of Employees
Appointment under 9.3.2	333
Appointment under 9.4.0	003
Appointment under Dependent of deceased Executives	002
Appointment under Land loser's scheme	005
Regularization of SFVRS(Stipendary)	020
Inter Company Transfer	048
Reinstatement	002
Fresh Recruitment	001
<b>Total</b>	<b>414</b>



At the beginning of the year 2005-06, 419 Cases relating to labour and industrial disputes were pending before different courts, authorities and tribunals. While 148 cases of labour and industrial disputes were added, 161 cases were disposed of during the year. Thus, 406 cases, in total, remained pending as on 31.03.06.

The Industrial Relations scenario was harmonious throughout the year (2005-06), barring a one day strike on 29.09.2005 called by CITU & AITUC Unions causing loss of coal production to the tune of 5000 tonnes. It is also noteworthy that on 15.06.05 a major accident occurred due to roof collapse followed by heavy influx of water at Bansgarha Incline of Central Saunda Colliery causing death of 14 employees. Although the dewatering of the mine and recovery of dead bodies took 15 days, the IR scenario and law & order in and around the mine area remained peaceful and was effectively managed by P&IR Department. The company made on-the spot payment of all terminal benefits to the dependents of deceased employees. Employment to one of the dependent was also offered then on the spot.

## 16. HUMAN RESOURCE DEVELOPMENT

The HRD wing of your Company has been conducting various in-company Training Programmes through its Training Centers in HQ

and different Areas. The thrust area has been to impart need-based training and retraining of employees for their better utilization.

The employees of the Company were also sent for need-based outside training. Functional Skill Development Programmes were conducted specially for all finance executives on the recent developments in the areas of financial management and taxation. In addition, special Training Programmes & Seminars were conducted on Rajbhasha, Women Empowerment and Art of Living. Details of training programmes are as under :

### Training Performance 2005-06

#### (A) IN COMPANY TRAINING :

Sl. No.	Name of the Institute	No. of Persons Trained			Total
		Executive	Supervisors	Workers	
1	Management Training Centre, Darbhanga House,Ranchi(MTC)	349	22	157	528
2	Bhurkunda Technical Training Institute, Bhurkunda(BTTI)	1	22	378	401
3	Central Excavation Training Institute, Barkakana(CETI)	—	25	260	285
4.	Security Training Institute, GNH, Ranchi (STI)	—	92	94	186
5	Institute of Occupational Medicine & Hygiene, GNH,Ranchi	14	22	21	57
<b>TOTAL</b>		<b>364</b>	<b>183</b>	<b>910</b>	<b>1457</b>

#### (B) TRAINING OUTSIDE COMPANY

Sl. No.	Type of Training	No. of Persons Trained			Total
		Exe.	Sup.	Workers	
I	External Training (India)	238	15	27	280
II	Foreign Training	2	—	—	2
III	IICM Training				
	(a) > 6 days	198	—	—	198
	(b) < 6 days	97	—	—	97
	(c) Workshop/seminar/entry level	267	—	—	267
	<b>Total IICM Training</b>	<b>562</b>	<b>—</b>	<b>—</b>	<b>562</b>
IV	P.D.P.T.	246 students from outside Mining Institutes completed their PDPT during the year.			

#### Note :

1. Out of the employees trained as mentioned at A above, 11 Executives, 17 Supervisors and 146 Workers belong to SC / ST.

2. In addition, on- the- job practical training / summer training was provided to 243 students coming from different Institutions/ Colleges doing MBA / BCA / BBA etc.

### 17. WELFARE MEASURES

Employees' welfare is another major thrust area of CCL. Your Company has been making concerted efforts to improve the quality of life at working places as well as at the living places of employees.

The achievements made by your Company in different areas of Welfare are detailed below :

1. **Housing** : As on 31.03.2006, the number of permanent houses stood at 59,455 serving manpower of 64,200.
2. **Water Supply** : Through operation of different Water Supply Schemes, 15.239 MGD water was supplied to 3.24 lakh beneficiaries. The water supply status during the year under reference is noted below :

Sl.No.	S c h e m e s	Total generation (in MGD)
(a)	Existing IWSS (12 Nos.)	8.763
(b)	Through 76 nos. of Pressure Filters	3.536
(c)	Through Deep Bore Holes	1.547
(d)	Through other arrangements	1.394
<b>TOTAL</b>		<b>15.240</b>

3. **Medical Facilities** : Efforts are continuously being made to improve the quality of the existing medical services in your Company. In CCL there are two Central Hospitals, 7 Regional Hospitals, 10 Colliery Hospitals, 63 dispensaries, 105 Ambulances and 294 doctors. In total, there are 892 beds in different Hospitals with a bed to employee ratio of 1:90. The Central Hospitals at Ranchi and Naisari are equipped with some of the latest medical facilities. During the year under reference, your Company has added values in service i.e. Endoscopy, 17-bedded critical Care Unit, Burn Unit etc.

A camp for physically handicapped was organized and 826 cases were examined and 476 appliances were distributed amongst 449 persons.

4. **Educational Facilities** : CCL provides financial Assistance, both of recurring and non-recurring nature, to different schools. The details of schools running in the command area of CCL as on 31.03.2006, are as under:

Sl.No.	Type of Schools	No. of Schools
1.	Central Schools fully financed	02
2.	Central School under civil sector	01
3.	DAV Schools (Fully financed by CCL)	07
4.	Schools based on non financial support from CCL :	
	i. DAV	08
	ii. Krishna Sudarshan Central School	02
	iii. Saraswati Shishu Mandir	01
5.	No. of Privately Managed Schools	47
<b>Total</b>		<b>68</b>

5. During 2005-06, a sum of Rs.4.38 crore was sanctioned towards Financial Assistance to various Educational Institutions and towards CIL Scholarship and 801 wards of employees were paid CIL Scholarship during the year. Moreover, CCL maintains and operates 92 School Buses for the benefit of children of the employees.

### 18. SPORTS & GAMES:

CCL encourages sports activities amongst its employees and conducts different tournaments and sports meets.

- (i) During 2005-06, CCL Athletic Team was declared overall champion during CIL competition held at SCCL (Andhra Pradesh) after the team secured 9 Gold, 5 Silver and 4 Bronze medals with 139 points.
- (ii) Group Championship for women has also been won by CCL during CIL Athletic Meet.
- (iii) Inter- Coal Hockey Tournament was organized by CCL at N.K. Area.
- (iv) Inter-Coal Carrom competition was also organized by CCL at Ranchi and CCL Carrom team was Runner up in the Singles and Doubles Championship.

### 19. COMMUNITY DEVELOPMENT INCLUDING TRIBAL WELFARE

The projects and collieries of CCL are located in Jharkhand State and are spread over



the districts of Ranchi, Hazaribagh, Bokaro, Giridih, Chatra and Palamu. The management of CCL is conscious about its corporate responsibility towards Community Development in the surrounding villages and localities. Since the initiation of Community Development in the year 1982-83, a large number of villages have been benefited by the company's C.D. activities.

The community development programme covers the components of Special Component Plan (SCP) and Tribal Sub Plan (TSP) besides C.D. component for the general.

There are sizeable number of SC/ST and other socio-economically challenged communities in the region in which CCL operates. Accordingly, the Company has all along been implementing the Tribal Sub Plan (TSP) and Special Component Plan (SCP). Moreover, the Community Development activities were directed towards economic empowerment of the above communities. For enhancing the standard of living of the people, particularly the Tribal and Scheduled Castes, following infrastructural facilities were provided in the localities surrounding CCL command Area :

1. Self Employment Scheme
2. Drinking Water supply
3. Education
4. Health Care
5. Rural Roads
6. Sports & Culture
7. Community Centre and Environment Protection Plan.

During the year 2005-06, thrust has been to address the problems of water scarcity in the villages surrounding CCL's units. Under Community Development, Rs.38.43 lakh have been spent for installation of hand pumps, digging and renovation of wells, development of ponds, laying of pipeline and supply of water to villages through tankers. About 80 villages have been the beneficiaries of the said activities. Development and maintenance of educational infrastructure have also been a thrust area and accordingly, construction / repair of buildings, boundary walls, toilets and supply of accessories for nearly 75 village schools were undertaken. The rural health programme under C.D. has been given special

attention and around 38 health camps have been organized for villagers. In the aggregate Rs.202.90 lakh has been spent under Community Development programme, Special Component Plan and Tribal Sub Plan during 2005-06, compared to Rs. 61.82 lakh during 2004-05.

## 20. CAPITAL EXPENDITURE ON SOCIAL OVERHEAD ITEMS UPTO 31.03.2006

Till 31-03-2006, the cumulative amount spent by your Company towards social overhead is Rs.313.79 Cr. Head wise details are tabulated below :

(Rs.in Cr.)

Sl.No.	Particulars	2005-06	2004-05
(i)	Building	233.09	229.44
(ii)	Plant & Machinery	51.07	50.45
(iii)	Furniture & Fittings	10.83	10.80
(iv)	Vehicles	7.83	7.90
(v)	Developments	10.97	10.93
<b>Total:</b>		<b>313.79</b>	<b>309.52</b>

## 21. FINANCIAL PERFORMANCE

- (i) The year 2005-06 has been a year of impressive Financial Performance. The net profit after tax has been Rs.748.27 Cr.after provision of Rs. 445.66 Cr.(Previous year Rs.228.92 Cr.) towards Income Tax. Such improvement has been possible mainly due to increase in Production, Productivity and Sales Turnover.

The financial results of your Company during 2005-06 as compared to 2004-05 are as under:

(Rs. in Cr.)

Sl.No.	Particulars	2005-06	2004-05
(i)	Gross profit before depreciation & Interest	1461.73	727.26
(ii)	Depreciation	189.77	180.55
(iii)	Interest	97.98	109.62
(iv)	Net Profit before prior period adjustment	1173.98	437.09
(v)	Adjustment pertaining to prior period(Dr.)	9.00	(-0.72)
(vi)	Net profit after prior period adjustment	1164.98	437.81
(vii)	(a) Provision for Income Tax	445.66	228.92
	(b) Fringe Benefit Tax	7.52	0.00
(viii)	Provision for Deferred Tax (Cr.)	36.47	70.97
(ix)	Net Profit after Tax	<b>748.27</b>	<b>279.86</b>

- (iii) The Board of Directors has recommended a maiden dividend of Rs.310/- per Equity Share on 94,00,000 Equity Shares of Rs.1,000/- each amounting to Rs. 291.40 crore for the financial year ended 31 March 2006.

## 22. CAPITAL EXPENDITURE

The capital expenditure during the year 2005-06 was Rs.335.02 Cr. compared to Rs. 263.49 Cr. in the previous year. The head-wise break up of capital expenditure during the year 2005-06 vis-à-vis 2004-05 is detailed below :

(Rs.in Cr.)

Sl.No.	Heads of expenditure	2005-06	2004-05
(i)	Land	184.35	1.67
(ii)	Buildings	3.43	4.33
(iii)	Plant & Machinery	92.15	73.37
(iv)	Furniture & Fittings	2.33	0.16
(v)	Railway Siding	0.00	1.99
(vi)	Vehicles	0.52	0.32
(vii)	Prospecting & Boring	0.00	19.19
(viii)	Other developments	11.19	11.53
(ix)	Capital work in Progress	41.05	150.93
<b>TOTAL</b>		<b>335.02</b>	<b>263.49</b>

## 23. CONTRIBUTION TO EXCHEQUER

During 2005-06, the contribution to the State / Central Exchequer has increased significantly. The details are summarized below:

(Rs. in Cr.)

Sl.No.	Particulars	2005-06	2004-05
(i)	Royalty on Coal	419.70	372.33
(ii)	Sales Tax	182.65	167.29
(iii)	S.E.D.	37.26	41.43
(iv)	Income Tax	437.77	406.20
(v)	Fringe Benefit Tax	5.02	0.00
<b>TOTAL</b>		<b>1082.40</b>	<b>987.25</b>

## 24. CAPITAL STRUCTURE

During the year under report, the Authorised Share Capital and the Paid-Up Share Capital of your Company remained unchanged viz. Rs.1100.00 Cr. and Rs.940.00 Cr. respectively.

## 25. LOAN

- (i) During the year, the company has repaid installments of IBRD & JBIC loan to the tune

of Rs.4.02 Cr. and Rs.5.19 Cr. respectively. Moreover, loan amount has reduced by Rs. 3.58 crore due to favorable foreign exchange rate fluctuation. Thus, the total outstanding loan amount has reduced to Rs.138.66 Cr. at the year-end against previous year's outstanding balance of Rs.151.43 crore.

- (ii) As against the Opening Balance of CIL loan amounting to Rs.907.27 Cr., Rs.150.00 Cr. has been repaid during the year, leaving a balance of Rs.757.27 Cr at the year end.

## 26. STATUS OF PROJECT IMPLEMENTATION

Till 31.3.2006, a total number of 55 mining projects (including five Advance Action Proposals with ultimate capacity of 46.38 MTY) and 26 non-mining projects, each costing Rs.2.00 Cr. and above were sanctioned. Out of these 54 Projects (34 mining & 20 non-mining) have already been completed. The remaining 16 mining projects (excluding 5 advance Action proposals) having an aggregate ultimate capacity of 8.56 million tonnes per annum, at a sanctioned capital cost of Rs.451.45 Cr. (with AAP) and six non-mining Projects at a sanctioned capital cost of Rs.113.42 Cr. (including DRD AAP) are at various stages of implementation. The category wise details of the projects are tabulated below:

Projects	Total No. of Projects (Incl. Compl. Proj.)	Capital Outlay (Rs. in Cr.)	Ultimate Capacity (MTY) (Coal)
<b>Above Rs. 100 Cr.</b>			
MINING	5	1561.79	16.75
NON-MINING	1	130.41	—
<b>Rs. 50 Cr. to Rs. 100 Cr.</b>			
MINING	3	213.71	4.75
NON-MINING	2	161.34	—
<b>Rs. 20 Cr. to Rs. 50 Cr.</b>			
MINING	7	244.09	5.85
NON-MINING	1	48.78	—
<b>Rs. 2 Cr. to Rs. 20 Cr.</b>			
MINING	40	574.14	19.03
NON-MINING	22	178.70	—
<b>TOTAL: MINING</b>	<b>55</b>	<b>2593.73</b>	<b>46.38</b>
<b>NON-MINING</b>	<b>26</b>	<b>519.23</b>	<b>—</b>
<b>GR. TOTAL</b>	<b>81</b>	<b>3112.96</b>	<b>46.38</b>

Details of 54 completed Projects are as under :

Projects	Number			Sanc. Capital (Rs. Cr.)			Ultimate Cap. (MTY) (Coal)
	Min.	Non-Min.	Total	Min.	Non-Min.	Total	
Above Rs. 100 Cr.	4	1	5	1450.90	130.41	1581.31	15.750
Rs. 50 Cr. to Rs. 100 Cr.	2	2	4	148.46	161.34	309.80	3.550
Rs. 20 Cr. to Rs. 50 Cr.	6	–	6	197.31	0.00	197.31	4.700
Rs. 2 Cr. to Rs. 20 Cr.	22	17	39	345.61	114.06	459.67	13.465
<b>Sub-Total</b>	<b>34</b>	<b>20</b>	<b>54</b>	<b>2142.28</b>	<b>405.81</b>	<b>2548.09</b>	<b>37.465</b>

The implementation status of 27 ongoing projects (including AAP) costing Rs.2 Cr. and above are as under:

Projects	Number			Sanc. Capital (Rs. Cr.)			Ultimate Capacity (MTY) (Coal)
	Min.	Non-Min.	Total	Min.	Non-Min.	Total	
Above Rs. 100 Cr.	1	–	1	110.89	–	110.89	1.00
Rs. 50 Cr. to Rs. 100 Cr.	1	–	1	65.25	–	65.25	1.20
Rs. 20 Cr. to Rs. 50 Cr.	1	1	2	46.78	48.78	95.56	0.80
Rs. 2 Cr. to Rs. 20 Cr.	18	5	23	228.53	64.64	249.97	5.56
<b>Sub-Total</b>	<b>21</b>	<b>6</b>	<b>27</b>	<b>451.45</b>	<b>113.42</b>	<b>564.87</b>	<b>8.56</b>

Out of 16 delayed projects, three are yet to start, namely: Hurilong UG, Purnadih OC, & Tisri UG. The remaining 13 projects are delayed due to:

- (a) Land Acquisition : 5
- (b) Adverse Geo-mining condition : 6
- (c) Change/Finalisation of Technology & others : 2 (Churi & Laiyo)

**Projects Envisaged to be commissioned during the Xth Plan Period (2002-2007)**

The following 7(seven) mining projects are envisaged to be commissioned during the Xth Plan period and the total capacity of these projects is 41.7 MTY. Out of these seven projects, Topa OCP (RO) is a sanctioned project and Ashok EPR was sanctioned during 2006-07 (on 13.4.06 by MoC). The rest of the projects are at various stages of

approval. The brief status of remaining seven Projects, is as follows:

Sl. No.	Name of Project	Capacity (in MTY)	Proposed Capital Outlay (in Rs. Cr.)	Approval from CCL/ CIL Board	Govt.'s approval/ Present Status
1.	Magadh OCP	12.00	469.78	Feb'03 – CIL Board	Approval from Govt. vide letter dated 19.07.06 from MoC. Project is under implementation.
2.	Ashok Expn. OCP	6.5	471.66 (Incremental)	June'03– CIL Board	Approval from Govt. vide letter dated 13.04.06 from MoC. Project is under implementation.
3.	Konar OCP	3.5	74.53	Apr'04 – CIL Board	Approved by CCL Board on 12.08.06 (As per revised delegation of power of CCL Board)
4.	Karo OC	3.5	96.53	Approved by CCL Board on 12.08.06 (As per revised DoP of CCL Board) on 19.07.05 with coal & OB both outsourcing.	Approved by CCL Board on 12.08.06 (As per revised DoP of CCL Board).
5.	Topa RO	1.2	65.25	–	Approved by CIL Board on 06.03.02. Project is under implementation.
6.	Amrapali OCP	12.00	517.62	Feb'03 – CIL Board (June'06)	PIB meeting held on 13.07.06. PIB recommends coal & OB both outsourcing option for implementation of the Project.
7.	North Urimari OCP	3.00	175.70	May'04 – CCL Board (Apr'06)	PIB meeting held on 13.07.06. PIB recommends coal & OB both outsourcing option for implementation of the Project.

With the commissioning of the above projects, your Company's production level is expected to be as follows:

*(Fig. in million tes.)*

GROUP	2005-06 (Actual)	Terminal Year of	
		BE (2005-06)	Xth Plan (2006-07)
Existing mines & Completed Projects	38.185	29.72	29.72
On Going Projects	2.325	3.03	3.03
New Projects/Future Projects	–	9.25	9.25
<b>TOTAL</b>	<b>40.51</b>	<b>42.00</b>	<b>42.00</b>

**27. ENVIRONMENT MANAGEMENT**

Environment Management is one of the thrust areas of the Company. Clearances for the four Xth plan projects viz. Magadh OCP (12 Mty), Amrapali OCP (12 Mty), Konar OCP (3.5 Mty) and North Urimari (3 Mty) have been obtained. Site clearance for Karo OCP (3.5 Mty), New Gidi 'C' OCP (0.6 Mty) and Tetariakhar OCP (0.6 Mty)

have also been obtained. The EMP for Karo OCP, Topa R.O. OCP (1.2 Mty) and Piparwar OCP (10.0 Mty) have been prepared and submitted to Jharkhand State Pollution Control Board for issue of No Objection Certificate. The NOC for New Gidi 'C' OCP from JSPCB has already been obtained.

The annual environmental statement for 2004-05 for all ongoing projects of CCL has been prepared and submitted to JSPCB. The quarterly monitoring of Air, Water and Noise quality is being done through CMPDIL and report of the analysis is submitted to the Chairman, JSPCB.

Implementation reports of all EMP approved projects for compliance of conditions required by MOEF were prepared and submitted to Regional Office, Bhubaneswar.

### **AFFORESTATION**

Besides the above bio-reclamation of reclaimed mines (OB dumps & plain land) is being done through the State Forest Department under the General Afforestation Scheme of CCL. The total area covered under Plantation is 190.59 Ha. and about 4,76,475 saplings have been planted during the year.

### **DIVERSION OF FOREST LAND**

CCL succeeded in obtaining final forestry clearance (Stage II) of Tapin North OCP (55.69 Ha) and Stage I clearance of NSD U/G Project (70.568 Ha). Following waiver of forest compensation could be obtained from MOEF:

- (i) Waiver of penal NPV in case of Rajrappa OCP which resulted in waiver of penal NPV of all regularization proposals of CCL. By virtue of the above waiver, CCL could save upto Rs.40 Crore approximately.
- (ii) Waiver of compensatory afforestation for forest land utilized before 25.10.1980 from MOEF of all proposals of CCL. By virtue of this, your Company could save upto Rs.15 Crore approximately.

The MOEF, GOI has accorded in-principle stage I clearance for 23 other projects for which necessary compliance has been made and compensation, as admissible, has been paid to

the Forest department. A total sum of Rs. 152 Crore has been deposited with the Forest department towards forest compensation of the above-mentioned projects.

CCL has already submitted proposals to the Forest Department and vigorous follow-up is being done for early release of the forest land in respect of five projects. The application for renewal under FC Act of already diverted forest land has also been submitted to the forest department for five projects.

### **28. LAND ACQUISITION STATUS**

The award for 37.09 acres of land has been declared under L.A. Act. The actions under Section 7/17 have been completed in respect of 6 proposals covering an area of 171.41 acres. Section 4/6 completed in respect of 7 proposals covering an area of 110.47 acres of land under the L.A. Act.

During the year 20 payment camps were held in different Areas for payment of compensation for land acquired under CBA (A&D) Act, 1957 and a total of Rs.144 lakh was paid. The authentication of ownership of 728 acres of land for Magadh OCP was completed.

Compensation was assessed and approved for 900.19 acres of land amounting to Rs.7.84 crore and 353 houses amounting to Rs.2.57 crore. A total of 16 employments to land losers have been given. In addition, 63 families were resettled from Tetariakhar OCP (51 families) and Ashoka OCP (12 families) which were required for mining operation during the year.

All land related data regarding acquisition, compensation, employment and resettlement was compiled from 1956 till date and a report has been prepared which will serve as ready reckoner on land matters.

### **29. RAILWAY SIDING**

#### **Existing Sidings :**

There are 26(twenty six) no. of full rake sidings under operation, having total daily loading capacity of 3770 (FWW).

**New Sidings under Construction:****(A) Piparwar Siding :**

The Piparwar Siding with 6x44 C 158 N Box capacity and a total length of 30.50 Km branching off from Mc-Cluskieganj Railway Station of East Central Railway is under construction at a total estimated cost of Rs. 185.00 crore ( approx. ).

**Status of Construction of Piparwar Siding :**

The formation work of 13.783 Km long siding & track linking of 11 Km. covered under Phase - I and a bridge over Damodar river have been completed. Track linking of 1.683 Km., electrification, signaling & telecommunication at Junction point are to be completed by Railway. Out of 16.5 Km under Ph-II, the formation work for 9.76 Km & track laying for 1 Km have been completed. The additional details of the siding are as under:

- (i) CCL has engaged M/s RITES Ltd. for completing the balance work of Ph-I & part of Ph-II of Piparwar Railway Siding. The work is under progress.
- (ii) Revised survey for balance work has been started by M/ s RITES Ltd. for verification of centerline alignment as advised by EC Railway, Hajipur.
- (iii) Revised alignment survey report including Plan & drawing will be submitted by M/s RITES Ltd. for obtaining further approval from EC Railway, Hajipur.

The Likely date of completion is 31.3.2009.

**(B) Dania Kedla Washery Siding :**

The Construction work has been awarded to Eastern Railway, which has procured permanent-way materials. But due to non-availability of forestland clearance, further construction has been delayed. The Permanent-way materials procured for this siding are being utilized at Rajrappa & Kathara sidings.

**(C) Tori Railway Siding for Tetariakhar O.C.P.**

An amount of Rs.3.47 crore has been deposited with East Central railway as per their

revised estimate for this work. The completion schedule has been revised due to cancellation, retendering and awarding of existing bridge extension work by EC Railway, Dhanbad. The work is in progress. It is expected that the work will be completed by December. 2006.

**(D) Construction of Tori-Shivpur-Hazaribagh Railway Line under CCDA**

The Tori-Shivpur-Hazaribagh new BG rail line of length 93.28 Km is under execution by EC Railway, Patna. The present estimated cost of this work is Rs.600.58 crore. It is being funded fully under CCDAC. Presently the work of land acquisition & forestry clearance is under process by EC Railway, Patna and Rs.148.14 crore has been deposited till date to EC Railway, Patna. The likely date of completion is 30.6.2010.

**30. GEOLOGICAL SERVICES****(A) Drilling**

A total of 1.428 lakh meters of drilling has been done during the financial year 2005-06 against the target of 1.20 lakh meters achieving a productivity level of 1984 per drill per month with 6 operating drills from two base drilling camps at Topa and Lapanga. Besides developmental drilling, the departmental drills have been engaged in drilling large diameter boreholes (6" to 10") for mining services, tubewells, and other mining services work.

**(B) Geological documentation**

During the year 2005-06, a total of 22 geological documents / notes and a few technical papers were prepared. Most of them are related to mining services and future mining activities for ascertaining the status of geo-mining condition of different coal bearing areas. Some of the important documents prepared are as under:

1. Geological details of all the mines of CCL pertaining to their total reserve, type of coal (metallurgical-coking and non-coking and thermal) and grade were compiled for onward transmission to Chief Economist.
2. Geological note on workability of seam VIIA in patch 'B' in Rajrappa OCP has been submitted.

3. A note on occurrence of Upper Karharbari coal seams in the Central Pit Sector of Giridih Coalfield.
4. Status of illegal mining submitted for onward transmission to Jharkhand Govt.
5. Suggestion on sources of Ground water and their development was prepared and submitted for onward transmission to CIL, Kolkata.
6. Status in respect of Coal blocks not required by CCL but required under CBA Act was submitted in response of review of Secretary Coal, MOC.
7. Mineable reserves in all the mines of CCL, as on 1.4.05, have been computed.
8. Documents on Coal Resources of Jharkhand.
9. Status of coal Captive mining, linkages & fuel supply agreement including transportation for CCL command area was submitted in response to Standing Committee on Coal & Steel.
10. A short geological note on seam VA in Kedla UG was prepared for opening a new incline.
11. Geological reserve in CCL command area updated as on 1.1.06 based on data supplied by GSI/CMPDIL HQ.
12. Comments on the closed / abandoned mines in CCL, prepared and submitted. These mines are to be handed over to State Govt. PSU's.
13. Status of Non CIL blocks within CCL command area as on 1.1.06 for meeting related to Parliamentary Committee regarding captive mines has been prepared.
14. Status of block in CCL command area for achieving production target in XI th & XII th plan prepared in connection with release of coal block to private parties / PSU's.
15. A list of 25 non-working mines prepared after obtaining related data and NOC from area and sent to Hon'ble Minister of Drinking water and sanitation, Govt. of Jharkhand.

### **(C) Computer**

Work on upgradation of data base in collaboration with CMPDI is in progress. Besides codification of coal seams occurrence in WBCF, Geological plans of different coalfields in various scales have been prepared. Moreover, lithologs and mining section of Central Saunda project, Barka Sayal Area has been prepared.

### **(D) Geophysics**

Geophysical logging of 1145 mts has been done for proving of lay and disposition of seams. Out of that, a total of 105 mts. logging has been done in ECL Areas and rest for CCL command areas.

### **(E) Hydrogeology**

A total of 85 deep boreholes have been drilled for meeting the requirement of potable water in different Areas. Besides, 2 large diameter dewatering boreholes have been drilled in Central Saunda for rescue operation.

### **(F) R&D Work**

The CIL R&D project entitled " Interactive Geo-mining and Hydrogeological models for augmentation of coking coal and ground water resources in WBCF" is in progress in collaboration with CMPDIL, IIT Kharagpur, Jadavpur University, Kolkata and MECL.

### **(G) Reserve**

As per Geological Survey of India, the total proved, indicated and inferred reserves of coal in CCL command area amount to 37.916 billion tonnes (up to a depth of 1200 mts) as on 1.1.2006.

The details of reserves are as under:

Coal	Proved	Indicated	Inferred	Total
Coking	6.423	8.784	1.660	16.867
Non Coking	10.706	7.138	3.205	21.049
<b>Total</b>	<b>17.129</b>	<b>15.922</b>	<b>4.865</b>	<b>37.916</b>

### 31. COMPUTERISATION & IT ENABLED SERVICES

Your company has embarked upon the following IT-enabled Projects/Services:

- (a) COALNET Project (Phase- I & II)
- (b) Online Material Management System
- (c) Publication of Tenders on Website of the Company.

#### COALNET PROJECT :

##### Phase-I (at subsidiary HQ) :

##### *CoalNet Software Implementation :*

All the modules of CoalNet Software have been ported, implemented and are at various stages of completion.

##### Communication :

Data Communication through VSAT to CIL has been made operational. Extension of VSAT port to CCL CoalNet Server for connectivity to CIL CoalNet Server has been established.

##### Phase —II (at Area Level) :

The pilot turn-key scheme for the pilot project including GNH & CCL, Kolkata Office and covering all aspects of Hardware, communication within Area (HQ, Regional Stores, Sale points) and subsidiary HQ had been vetted by IIT Kharagpur, the Principal Consultant for CoalNet Implementation was tendered and is currently under finalization.

For other two Regional Computer Centres namely RCC Jarangdih and RCC Mines Rescue Station, Naisarai, comprising eight geographically contiguous Areas, the scheme covering all aspects of Hardware, communication, software, infrastructure etc is presently under tendering process.

#### OMMS

Eight store sites namely, C/S Barkakana, R/S Piparwar, R/S NK, R/S Parej, R/S Kuju, R/S Giddi, R/S Kathara & R/S B&K have been made ready with required Hardware, software, infrastructure for implementation of OMMS under

Coal Net phase-II. The OMMS has been implemented and is operational at R/S Piparwar.

#### PUBLICATION OF TENDERS ON WEBSITE OF THE COMPANY.

All tender enquiries which are to be published in newspaper or which require circulation to all Areas of CCL as per extant guidelines of the company, are being published on the company website to bring in more participation/competition and transparency to the procurement process.

### 32. SECURITY MANAGEMENT

The Security Department of CCL keeps close liaison with the Police & District Administration for maintaining law and order in coalfield areas as well as to thwart incidences of illegal mining and pilferage of coal. Besides, a white paper on illegal mining in CCL has been prepared, an Action Plan has been drawn and being implemented accordingly. The Security Department is also coordinating the proposal for induction of 1200 CISF personnel in Piparwar Area and NK Area of CCL during the year 2006-07.

### 33. VIGILANCE ADMINISTRATION

The Vigilance Department is an integral organ of the Company, manned by 20 executives and 23 non-executives and headed by a Chief Vigilance Officer. This department has been rendering its services effectively in creating an environment conducive to achievement of organizational goals and objectives. A brief overview of important activities and achievements of the Vigilance Department on preventive, investigative and punitive fronts during the year 2005-06 is given below:

#### A. Preventive :

The preventive cell of the Vigilance Department carried out scrutiny of selected files, conducted surprise inspections and issued circulars with a view to plug loopholes and remove deficiencies in the system. Practical suggestions were also offered to the management for effecting changes in the systems and procedures so as to

make them foolproof. Besides, 56 surprise inspections were conducted by the Vigilance teams in various field units leading to institution of 25 vigilance cases.

#### **B. Investigative :**

Investigations into 43 cases were completed and reports submitted during the year based on which decision for initiation of major penalty proceedings as per provisions under the applicable Conduct Rules/Standing Orders was taken in 6 cases, minor penalty proceedings in 26 cases and administrative action in 12 cases.

#### **C. Punitive Actions :**

16 disciplinary proceedings arising out of Vigilance investigations were completed during the year resulting in imposition of major penalty in 8 cases involving 9 persons and minor penalty in 8 cases involving 23 persons.

In addition to above, 5 disciplinary proceedings arising out of vigilance investigations were partly completed during the year resulting in imposition of major penalty in 2 cases involving 3 persons and minor penalty in 3 cases involving 6 persons.

#### **Vigilance Awareness Week :**

In line with the Central Vigilance Commission's directive, Vigilance Awareness Week was observed from 7.11.2005 to 11.11.2005 with much fervour and enthusiasm in all units, Areas and Headquarters. The week started with taking of pledge by all the employees. Banners and posters containing thought-provoking slogans were displayed in all the units/offices. The Vigilance department ran a special campaign during the week to create awareness among the employees as well as the public. During the week, the Deptt. organized workshops on Preventive Vigilance in different Areas where Directors, CVO and senior officials participated. The CVO, CCL interacted with the officials of CCL and stress was given to implement the laid down procedures in award of different contracts. A one day workshop at IICM, Ranchi was organized on 10.11.2005 to discuss the changes in CDA Rules of CIL where CVO, CIL; CVO, CCL; Director

(Personnel), CCL and other officials from different Subsidiaries of CIL actively participated.

### **34. BOARD OF DIRECTORS**

During the year under reference your Directors held 6 (six) Board Meetings. Your Company had the following Directors on the Board as on 27 August 2005 i.e. the date of the 49th Annual General Meeting :

1. Shri R.P. Ritolia, CMD
2. Shri Md. Salimuddin, Director(P&IR),CIL
3. Shri Harbhajan Singh, IAS, Jt.Secy. F/A, MoC
4. Shri Ashok Gupta, IRTS, COM, E/C Rly.
5. Shri Arun Kr. Singh, IAS, Secretary Mines & Geology, Govt. of Jharkhand
6. Shri Ajay Kumar, Director(Personnel)
7. Shri A.K. Sarkar, Director(Finance)
8. Shri M.M. Singh, Director(Tech./Opr.)
9. Shri B.K. Sinha, Director(Tech./P&P)

After the previous AGM was held on 27th August 2005, Shri R.S. Pandey, COM, E.C. Rlys. has been appointed as a part-time Director of CCL vice Shri Ashok Gupta vide Letter No.21/30/91-ASO(Vol-II) dt. 30-9-2005 of MOC, New Delhi and Shri D. N. Prasad, Director (Technical), MoC, has been appointed as a part-time Director of CCL vice Shri Harbhajan Singh vide No. 21/2/98-ASO dt. 07-03-06 of MOC, New Delhi.

Your Company has the following eight Directors in the Board as on 24-08-2006 i.e. the date of the 50th Annual General Meeting :

1. Shri R.P. Ritolia, CMD
2. Shri Md. Salim Uddin, Director(P&IR),CIL
3. Shri D.N. Prasad, Dir.(Tech.), MoC
4. Shri R.S. Pandey, IRTS, COM, E/C Rly.
5. Shri Arun Kr. Singh, IAS, Secretary Mines & Geology, Govt. of Jharkhand
6. Shri Ajay Kumar, Director(Personnel)
7. Shri A.K. Sarkar, Director(Finance)
8. Shri M.M. Singh, Director(Tech./Opr.)



### 35. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies (Amendment) Act 2000, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (i) That in the preparation of the accounts for the financial year ended 31 March 2006, the uniform Accounting Policy approved by CIL, the Holding Company has been followed. The said uniform Accounting Policy has been drawn in compliance with the Accounting Standards issued by the ICAI subject to a few deviations from Accounting Standards which are not material in nature,
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were considered reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review,
- (iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities,
- (iv) That the Directors have prepared the annual accounts for the financial year ended 31 March 2006 on a 'going concern' basis.

### 36. AUDITORS OF THE COMPANY

Under Section 619(2) of the Companies Act, 1956 the following Chartered Accountants Firms were appointed by Company Law Board for auditing the Financial Accounts of your Company for the year 2005-06:

#### **Statutory Auditors :**

**M/S. ANAND RUNGTA & CO.**  
405, CAPITOL TOWER-B,  
FRASER ROAD, PATNA

#### **Branch Auditors :**

**M/s. SANJAY BAJORIA & ASSOCIATES**  
4 KUNJLAL STREET,  
UPPER BAZAR, RANCHI.

**M/s. L.K. SARAF & CO.**  
2ND FLOOR CHAUHAN MANSION,  
LALJI HIRJI ROAD, RANCHI

**M/s. ANJALI JAIN & ASSOCIATES**  
JAIN VILLA,  
NEAR GURUNANAK SCHOOL,  
P.P. COMPUND, RANCHI

**M/s. N.K.D. & CO.**  
1ST FLOOR, BANKA BHAWAN,  
J.J. ROAD, UPPER BAZAR, RANCHI.

The Department of Company Affairs (Company Law Board), Government of India, will be moved for the appointment of Statutory Auditor/Branch Auditors for the year 2006-07 under Section 619(2) of the Companies Act, 1956.

### 37. AUDIT COMMITTEE OF DIRECTORS

The Audit Committee of Directors is headed by the Director (T), Ministry of Coal, an independent Director & includes three other Directors.

During the year 2005-06, there have been two meetings of the Audit Committee of Directors where Annual Accounts for the year ending 31.3.06 and the important points raised by Statutory Auditors thereon were discussed. Moreover, the Audit Committee of Directors' also discussed, inter-alia, the issues of manpower budget of CCL, Project Report of upcoming mines, procurement of HEMMs and outsourcing of OB removal.

### 38. ACKNOWLEDGEMENT

Your Directors express their sincere thanks to the Government of India in general and Ministry of Coal and Coal India Limited in particular for their valuable guidance and unstinted support to your Company towards attainment of the objectives of the Company. Your Directors also thank the Govt. of Jharkhand and other State

Governments for their co-operation and valuable assistance extended to your Company. Your Directors convey their thanks to all the employees of the Company for their whole-hearted co-operation and devotion to duty.

Your Directors are fully confident that the employees of all ranks would continue to strive hard to improve the performance of the Company in the coming years. Your Directors also acknowledge, with thanks, the assistance and guidance rendered by the Statutory Auditors, Tax Auditors, the Comptroller & Auditor General of India and the Registrar of Companies, Bihar.

### 39. ADDENDA

The following papers are annexed hereto for your consideration:

- (i) Addendum to the Directors' Report pursuant to Section 217 of the Companies Act, 1956 giving:
  - (a) particulars of employees who were in receipt of remuneration Rs.24,00,000/- per annum/ Rs.2,00,000/- per month or more, if employed for the year or part thereof.

- (b) details of foreign exchange earning & outgo.
- (c) details about research and development activities of the Company.
- (ii) Comments of the Comptroller and Auditor General of India under section 619(4) of the Companies Act, 1956.
- (iii) Review of the Accounts of the Company for the year ended 31st March 2006 by the Comptroller & Auditor General of India.
- (iv) Addendum to the Director's Report under section 217(3) and 227(2) of the Company's Act, 1956 stating statutory Auditor's Report and Management's reply thereon.

*For & on behalf of the Board of Directors*

Sd/-  
**(R. P. Ritolia)**  
*Chairman-cum-Managing Director*

## ANNEXURES FORMING PART OF DIRECTORS' REPORT

### (For the Year Ended 31.3.2006)

#### *Annexure-I*

**INFORMATION AS PER SECTION 217 (2A) OF THE COMPANIES ACT, 1956  
READ WITH COMPANIES (PARTICULARS OF EMPLOYEES) RULES 1975 AS AMENDED**

#### LIST OF EMPLOYEES DRAWING RS. 24.00 LAKH OR MORE DURING THE YEAR 2005-06

Sl. No.	Name	Description	Remuneration during the year (Rs.)	Nature of Employment Permanent/ Temporary	Qualification	Experience (in Years)
Nil		NA	NA	NA	NA	NA

#### EMPLOYEES WHO ARE IN RECEIPT OF REMUNERATION AT A RATE WHICH IN THE AGGREGATE WERE NOT LESS THAN RS. 2.00 LAKH PER MONTH FOR PART OF THE YEAR 2005-06

Sl. No.	Name	Description	Remuneration during the year (Rs.)	Nature of Employment Permanent/ Temporary	Qualification	Experience (in Years)
Nil		NA	NA	NA	NA	NA

**Annexure-II****FOREIGN EXCHANGE EARNING & OUTGO**

- (i) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products, services and export plans.

Company is not engaged in export activities

- (ii) Total Foreign Exchange used and earned

*(Rs. in Lakh)*

<b>Sl. No.</b>	<b>Description</b>	<b>2005-06</b>	<b>2004-05</b>
<b>(A)</b>	<b>Foreign Exchange used</b>		
1.	CIF value of imports:		
	(a) Raw materials	0.00	0.00
	(b) Components, stores & spares	0.00	0.00
	(c) Capital goods	0.00	0.00
2.	Consultancy	0.00	0.00
3.	Interest	429.02	320.48
4.	Commitment charges	0.00	0.00
5.	Agency Commission	0.44	0.47
	<b>Total</b>	<b>429.46</b>	<b>320.95</b>

- (B) Foreign Exchange Earned**

**No earning by the Company**

**Annexure-III****FORM B****Form for disclosure of particulars with respect to absorption****RESEARCH AND DEVELOPMENT(R&D)**

1. Specific area in which R&D carried out by the Company,	The Company does not have its own Research & 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.
2. Benefits derived as a result of the above R&D	NA
3. Future plan of action	NA
4. Expenditure on R&D:	NA
(a) Capital	
(b) Recurring	
(c) Total	
Total R&D expenditure as a percentage of total turnover.	NA

**TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**

1. Efforts, in brief, made towards technology absorption, adaptation and innovation,	Nil
2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution, etc.	Nil
3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:	
(i) Technology imported	Nil
(ii) Year of import	Nil
(iii) Has technology been fully absorbed?	Nil
If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action.	Nil

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA  
UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956  
ON THE ACCOUNTS OF CENTRAL COALFIELDS LIMITED  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2006**

In view of the revisions made in the Accounts of the Company as a result of the observations made by the Comptroller & Auditor General of India as indicated in Para "A" of the Auditors' Report to the shareholders and item no.16 of the Notes on Accounts (Schedule - Q) there are no further comments to offer upon or supplement to the Auditors' Report under Section 619(4) of the Companies Act, 1956 on the Accounts of the Central Coalfields Limited for the year ended 31<sup>st</sup> March, 2006.

Sd/-

**(B. Mazumdar)**

Principal Director of Commercial Audit &  
Ex-Officio Member Audit Board-II  
Kolkata

Dated : 22nd August, 2006

Place : Kolkata

**MINUTES OF THE 50TH ANNUAL GENERAL MEETING OF  
CENTRAL COALFIELDS LIMITED HELD IN THE REGISTERED OFFICE  
AT DARBHANGA HOUSE, RANCHI ON 24TH AUGUST, 2006**

**PRESENT:**

1. **Shri R. P. Ritolia** .. Member & Chairman
2. **Shri R. Chakraborty** .. Representative of CIL, a Corporate Member, and Proxy of Shri Shashi Kumar, Member and Shri S. Bhattacharya, Member.

**SPECIAL INVITEE:**

**Dr. A. K. Sarkar**, Director (Finance), CCL.

**Shri R. P. Ritolia, Chairman-cum-Managing Director** took the Chair. Being informed about the receipt of consent for Shorter Notice from all the members of the Company as per Article 22 and about the presence of quorum pursuant to Article 24 of the Articles of Association of the Company, the Chairman welcomed **Shri R. Chakraborty**, representative of CIL, and called the meeting to order.

The Statement of Accounts for the year **2005-06**, Reports of Statutory Auditors' as well as of Comptroller & Auditor General of India thereon, Management's comments on those Reports, and Review of Accounts by the Comptroller & Auditor General of India alongwith Directors' Report to the members, as circulated, were taken as read.

**ORDINARY BUSINESS:**

**1. ADOPTION OF ACCOUNTS:**

Thereafter, **Shri R. P. Ritolia, Chairman** & Member of the Company proposed that the audited Balance Sheet as on **31<sup>st</sup> March, 2006** and Profit & Loss Account for the year ended **31<sup>st</sup> March, 2006**, Reports of Statutory Auditors' as well as of Comptroller & Auditor General of India thereon, Management's comments on those Reports, and Review of Accounts by the Comptroller & Auditor General of India alongwith Directors' Report be received and adopted. The motion was seconded by Shri R. Chakraborty and after detailed discussion the Accounts were adopted unanimously.

2. A proposal for fixation of remuneration to Statutory Auditors/Branch Auditors of the Company for the year 2006-07 in line with the approval accorded in the previous years was moved by the Chairman and was seconded by Shri R. Chakraborty. The resolution was adopted unanimously.
3. A proposal to declare an amount of Rs. 29140.00 lakh as dividend on Equity Shares for the financial year ended 31st March, 2006 as recommended by the Board at its 331st meeting held on 31st May, 2006, was moved by the Chairman and was seconded by Shri R. Chakraborty. The resolution was adopted unanimously.
4. A proposal as per the provisions of Article 34(iii) of the Articles of Association of the Company for re-appointment of **Shri D. N. Prasad**, Director (Technical), Ministry of Coal, Govt. of India, as a

Part-time Director of the Company was moved by the Chairman and seconded by Shri R. Chakraborty. The resolution was adopted unanimously.

5. A proposal as per the provisions of Article 34(iii) of the Articles of Association of the Company for re-appointment of **Shri Md. Salim Uddin, Director (P&IR), Coal India Limited**, as a Part-time Director of the Company was moved by the Chairman and seconded by Shri R. Chakraborty. The resolution was adopted unanimously.
6. A proposal as per the provisions of Article 34(iii) of the Articles of Association of the Company for re-appointment of **Shri R. S. Pandey, Chief Operations Manager, East Central Railway, Hajipur** as a Part-time Director of the Company was moved by the Chairman and seconded by Shri R. Chakraborty. The resolution was adopted unanimously.
7. A proposal as per the provisions of Article 34(iii) of the Articles of Association of the Company for re-appointment of **Shri A. K. Singh, IAS, Secretary, Mines & Geology Deptt., Govt. of Jharkhand**, as a Part-time Director of the Company was moved by the Chairman and seconded by Shri R. Chakraborty. The resolution was adopted unanimously.

#### **SPECIAL BUSINESS :**

After discussion, the following resolution was moved by the Chairman as a Special Resolution and was seconded by Shri R. Chakraborty. The resolution was adopted unanimously.

**RESOLVED THAT** Sub-clauses 1(e), 1(f) & 1(g) in the Main Object Clause III of Memorandum & Articles of Association of CCL be amended so as to enable CCL to explore, produce, sell and distribute Coal Bed Methane Gas and byproducts as well as electricity and gas as recommended by the Board of Directors, CCL in its 329th meeting held on 31.01.2006 be and is hereby approved u/s 224 sub-section 8 of Clause-AA of the Companies Act, 1956.

There being no other matter for discussion, the meeting ended with a vote of thanks to the Chair.

Sd/-  
**(R. P. Ritolia)**  
Chairman-cum-Managing Director



**BALANCE SHEET AS AT 31ST MARCH, 2006**

	Schedule	As at 31.3.2006 (Rs. in Lakh)		As at 31.3.2005 (Rs. in Lakh)	
<b>I. SOURCES OF FUNDS :</b>					
<b>1. Share Holders' Funds :</b>					
(a) Share Capital	A	94000.00	94000.00		
(b) Reserves & Surplus	C	38247.52	0.00		
		<u>132247.52</u>	<u>94000.00</u>		
<b>2. Loan Funds :</b>					
(a) Secured	D	0.00	0.00		
(b) Unsecured	E	89593.76	105870.10		
		<u>89593.76</u>	<u>105870.10</u>		
<b>TOTAL</b>		<b><u>221841.28</u></b>	<b><u>199870.10</u></b>		
<b>II. APPLICATIONS OF FUNDS :</b>					
<b>1. Fixed Assets :</b>					
(a) Gross Block	F	403692.50	381103.31		
Less : Depreciation		269641.86	246728.25		
Net Block		<u>134050.64</u>	<u>134375.06</u>		
(b) Capital Work in Progress (Net)	G	27174.13	43635.33		
		<u>161224.77</u>	<u>178010.39</u>		
<b>2. Investments</b>					
	H	9423.02	9423.02		
<b>3. Deferred Tax Assets</b>					
		16619.36	12972.16		
<b>4. Current Assets, Loans &amp; Advances :</b>					
(a) Inventories	I	71584.55	60586.29		
(b) Debtors	J	61106.59	65984.02		
(c) Cash & Bank Balances	K	23482.02	18411.43		
(d) Loans & Advances	L	176455.73	67965.43		
(e) Other Current Assets	M	11725.79	11682.99		
<b>Total Current Assets, Loans &amp; Advances</b>		<b><u>344354.68</u></b>	<b><u>224630.16</u></b>		
Less : Current Liabilities & Provisions	N	309780.55	229529.00		
Net Current Asset		34574.13	- 4898.84		
5. Profit & Loss Account		0.00	4363.37		
<b>TOTAL</b>		<b><u>221841.28</u></b>	<b><u>199870.10</u></b>		
SIGNIFICANT ACCOUNTING POLICY	P				
NOTES ON ACCOUNTS	Q				
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE	R				
CASH FLOW STATEMENT	S				
The schedules referred to above form an integral part of Accounts.					

Sd/-  
S. P. Samanta  
Chief Finance Manager

Sd/-  
Dr. A. K. Sarkar  
Director (Finance)

Sd/-  
R. P. Ritolia  
Chairman-cum-Managing Director

In terms of our report of even date  
For **M/s Anand Rungta & Co.**  
Chartered Accountants  
Sd/-  
**(S. K. Shashi)**  
Partner

Place : Camp : Kolkata  
Dated : 12th August, 2006

## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING 31ST MARCH, 2006

31.3.2005	Schedule	FOR THE YEAR ENDED 31.3.2006 (Rs. in Lakh)	FOR THE YEAR ENDED (Rs. in Lakh)
<b>INCOME :</b>			
Sales	1	391000.70	349211.69
Coal issued for other purposes	2(A)	102938.85	103702.98
Accretion/Decretion in stock	3	13762.05	10910.82
Other Income	4	26012.33	22139.49
<b>TOTAL INCOME</b>		<b>533713.93</b>	<b>485964.98</b>
<b>EXPENDITURE :</b>			
Colliery consumption	2(B)	104293.66	103242.22
Consumption of Stores & Spares	5	43457.49	41467.01
Employees Remuneration & Benefits	6	132292.09	171845.58
Social overhead	7	11977.50	11645.39
Power & Fuel	8	21952.80	21151.64
Repairs	9	12328.84	13436.80
Contractual Expenses	10	24748.14	18491.07
Miscellaneous Expenses	11	24951.43	16255.91
Overburden Removal Adjustment		2179.12	5921.83
<b>TOTAL EXPENDITURE</b>		<b>378181.07</b>	<b>403457.45</b>
<b>GROSS OPERATING PROFIT</b>			
Interest	12(A)	155532.86	82507.53
Financial Charges	12(B)	9798.43	10961.70
Depreciation		235.99	265.83
Provisions	13(A)	18977.01	18055.49
Write-Off	13(B)	9107.84	9515.44
		15.92	0.00
<b>PROFIT FOR THE YEAR</b>		<b>117397.67</b>	<b>43709.07</b>
Prior Period Adjustment (Debit)	14	899.66	-72.38
<b>PROFIT BEFORE TAX</b>		<b>116498.01</b>	<b>43781.45</b>
PROVISION FOR INCOME TAX		44566.10	22892.10
PROVISION FOR DEFERRED TAX		-3647.20	-7097.05
FRINGE BENEFIT TAX		752.02	0.00
<b>PROFIT AFTER TAX</b>		<b>74827.09</b>	<b>27986.40</b>
PROV. FOR I.T. FOR EARLIER YEAR (WRITE BACK)		1010.70	0.00
<b>APPROPRIATION</b>			
General Reserve		11650.00	0.00
Proposed Dividend		29140.00	0.00
Tax on Dividend		4086.90	0.00
PROFIT UPTO THE PREVIOUS YEAR		- 4363.37	- 32349.77
<b>BALANCE CARRIED TO BALANCE SHEET</b>		<b>26597.52</b>	<b>- 4363.37</b>

SIGNIFICANT ACCOUNTING POLICY	P
NOTES ON ACCOUNTS	Q
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE	R
CASH FLOW STATEMENT	S

The schedules referred to above form an Integral part of Accounts

Sd/-  
**S. P. Samanta**  
Chief Finance Manager

Sd/-  
**Dr. A. K. Sarkar**  
Director (Finance)

Sd/-  
**R. P. Ritolia**  
Chairman-cum-Managing Director

In terms of our report of even date  
For **M/s Anand Rungta & Co.**  
Chartered Accountants

Sd/-  
**(S. K. Shashi)**  
Partner

Place : Camp : Kolkata  
Dated : 12th August, 2006

## SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 2006

### Schedule - A SHARE CAPITAL

	As at 31.3.2006 (Rs. in Lakh)	As at 31.3.2005 (Rs. in Lakh)
<b>AUTHORISED :</b>		
110,00,000 Equity shares (Previous year 110,00,000) of Rs. 1000 each.	110000.00	110000.00
	<u>110000.00</u>	<u>110000.00</u>
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
9400000 Equity Shares (Previous year 9400000) of Rs. 1000 each fully paid in cash	94000.00	94000.00
	<u>94000.00</u>	<u>94000.00</u>
<b>Note : The entire share capital is held by Coal India Limited, Holding Company and its nominees.</b>		

### Schedule -C RESERVES AND SURPLUS

	As at 31.3.2006 (Rs. in Lakh)	As at 31.3.2005 (Rs. in Lakh)
<b>General Reserve :</b>		
Opening Balance	0.00	0.00
Add : Transfer from Profit & Loss A/c	11650.00	0.00
	<u>11650.00</u>	<u>0.00</u>
Profit & Loss A/c	26597.52	0.00
	<u>38247.52</u>	<u>0.00</u>
<b>TOTAL</b>	<b>38247.52</b>	<b>0.00</b>

## SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 2006

### Schedule - D

#### SECURED LOAN

	As at 31.3.2006 (Rs. in Lakh)	As at 31.3.2005 (Rs. in Lakh)
Term Loan from ICICI	0.00	0.00
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>

### Schedule - E

#### UNSECURED LOAN

		As at 31.3.2006 (Rs. in Lakh)		As at 31.3.2005 (Rs. in Lakh)
Loan from Holding Company	90727.44		105727.44	
Less Repayment	15000.00		15000.00	
	_____	75727.44	_____	90727.44
Foreign Loans : (Through CIL Holding Company)				
World Bank Loan (CSRP)				
IBRD	7191.66		7439.54	
JBIC (JEXIM)	6674.66		7703.12	
	_____	13866.32	_____	15142.66
<b>TOTAL</b>		<b>89593.76</b>		<b>105870.10</b>

## SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 2006

### Schedule - F FIXED ASSETS

(Rs. in Lakh)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost As at 1.4.2005	Addition During the Period	Adjustment for Disposal/Dis-carded of Fixed Assets	Total Cost As at 31.3.2006	Depre-ciation As at 1.4.2005	Depre-ciation For the Period	Adjust-ment For dispo-sal/Dis-carded/ P.P. etc.	Total Depre-ciation upto 31.3.2006	Net Block As at 31.3.2006	Net Block As at 31.3.2005
<b>(A) COMPLETED ASSETS :</b>										
LAND - Freehold & Lease hold	12984.58	18434.58	2972.31	34391.47	6363.52	14700.57	0.00	21064.09	13327.38	6621.06
<b>BUILDINGS</b>	34672.02	343.37	542.66	35558.05	19179.10	833.02	0.00	20012.12	15545.93	15492.92
ROAD AND CULVERTS	5119.08	169.64	303.57	5592.29	3349.02	259.33	0.00	3608.35	1983.94	1770.06
RAILWAY SIDINGS	8405.47	0.00	-1.54	8403.93	4469.33	319.94	0.00	4789.27	3614.66	3936.14
Plant & Machinery										
(a) HEMM	146174.44	8495.12	-11197.03	143472.53	103371.42	9629.62	-10337.68	102663.36	40809.17	42803.02
(b) Power Plant	9133.03	91.31	0.00	9224.34	5512.75	478.93	0.00	5991.68	3232.66	3620.28
(c) Others	72871.42	333.55	47.23	73252.20	51305.46	3857.73	-416.11	54747.08	18505.12	21565.96
<b>TELECOMMUNICATION</b>	1382.08	75.84	0.00	1457.92	989.42	58.31	0.00	1047.73	410.19	392.66
<b>ELECTRICAL INSTALLATION</b>	19666.53	219.61	78.80	19964.94	8377.16	629.98	0.00	9007.14	10957.80	11289.37
<b>FURNITURE AND OFFICE EQUIPMENT</b>	3574.70	232.78	-1.77	3805.71	2659.43	106.35	-1.42	2764.36	1041.35	915.27
<b>DEVELOPMENT :</b>										
(i) PROSPECTING & BORING	4708.60	0.00	0.00	4708.60	4045.76	64.42	0.00	4110.18	598.42	662.84
(ii) MINES DEVELOPMENT	57831.98	949.40	0.00	58781.38	34475.87	2666.35	0.00	37142.22	21639.16	23356.11
VEHICLES	3238.88	51.63	-43.68	3246.83	2620.95	104.92	-41.24	2684.63	562.20	617.93
FIRE ARMS	15.78	0.00	0.00	15.78	9.06	0.59	0.00	9.65	6.13	6.72
<b>TOTAL(A)</b>	<b>379778.59</b>	<b>29396.83</b>	<b>-7299.45</b>	<b>401875.97</b>	<b>246728.25</b>	<b>33710.06</b>	<b>-10796.45</b>	<b>269641.86</b>	<b>132234.11</b>	<b>133050.34</b>
<b>(B) DISCARDED/ SURVEYED OFF ASSETS HELD FOR DISPOSAL</b>										
	1324.72	577.40	-85.59	1816.53	0.00	0.00	0.00	0.00	1816.53	1324.72
<b>TOTAL (A+B)</b>	<b>381103.31</b>	<b>29974.23</b>	<b>-7385.04</b>	<b>403692.50</b>	<b>246728.25</b>	<b>33710.06</b>	<b>-10796.45</b>	<b>269641.86</b>	<b>134050.64</b>	<b>134375.06</b>
<b>PREVIOUS YEAR</b>	<b>376939.05</b>	<b>13192.63</b>	<b>-9028.37</b>	<b>381103.31</b>	<b>236702.28</b>	<b>20662.04</b>	<b>-10636.07</b>	<b>246728.25</b>	<b>134375.06</b>	

## NOTE 1 :

(Rs. in lakh)

	CURRENT YEAR	PREVIOUS YEAR
ALLOCATION OF DEPRECIATION :		
1. Profit and loss Account		
(a) 100% Deprn. on Coal Tub etc.	198.41	237.68
(b) 100% deprn. on Assets Costing below Rs. 5000.	3.28	0.83
(c) Others	18775.32	17816.98
Total (1)	18977.01	18055.49
2. Social overhead (Sch. 7)	743.29	817.77
3. Depreciation on Power (Sch. 8)	506.70	516.61
4. Prior Period depreciation (Sch.14)	13477.48	350.20
5. Depreciation capitalised	5.58	36.56
6. Impairment Depreciation	0.00	885.41
<b>TOTAL</b>	<b>33710.06</b>	<b>20662.04</b>

## NOTE 2 :

SOCIAL OVERHEAD ASSETS INCLUDED IN THE SCHEDULE ARE AS FOLLOWS :

(Rs. in lakh)

	As At 31.3. 2006	As AT 31.3.2005
1. Buildings		
(a) Residential	16811.96	16761.40
(b) Hospital	1220.06	1214.69
(c) School	964.16	953.16
(d) Crech	7.49	7.49
(e) Others	2068.75	2042.55
2. Roads & Culverts	1683.74	1678.56
3. Water Supply	1762.45	1747.73
4. Plant & Machinery		
(a) Hospital	0.00	0.00
(b) Canteen	0.00	0.00
(c) Others	3344.76	3297.40
5. Furniture & Office Equip.		
(a) Hospital	894.47	892.15
(b) Residential	0.00	0.00
(c) School	149.81	149.81
(d) Canteen	0.00	0.00
(e) Others	38.49	38.49
6. Vehicles		
(a) Hospital	310.63	317.30
(b) Others	472.27	472.27
<b>TOTAL</b>	<b>29729.04</b>	<b>29573.00</b>

## NOTE 3 :

(Rs. in lakh)

	CURRENT YEAR	PREVIOUS YEAR
RECONCILIATION OF DEPREN. FUND :		
Opening Balance	246728.25	236702.28
Add Deprn. provided during the year	33710.06	20662.04
Add Adjustment of Deprn. on CWIP	0.00	0.00
<b>TOTAL</b>	<b>280438.31</b>	<b>257364.32</b>
Less Net outflow fund for Surveyed/Written off Assets (including adjustments)	- 10796.45	-10636.07
Flow fund : Inter Company	0.00	0.00
Transfer to Deprn. Fund	0.00	0.00
<b>Closing Balance</b>	<b>269641.86</b>	<b>246728.25</b>

## SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 2006

### Schedule - G CAPITAL WORK IN PROGRESS

(Rs. in Lakh)

PARTICULARS	COST				PROVISION				NET ASSETS		
	Cost As at 14.2.2005	Addition During the Period	Adjustment for Disposal of Discarded Assets etc.	Transfer to completed Assets	Cost As At 31.3.2006	As On 14.2.2005	During the Period	Withdrawal/ Adjustment during the Year	Total As On 31.3.2006	Net Assets As on 31.3.2006	Net Assets As on 31.3.2005
Buildings	1161.48	350.66	-17.75	-562.40	931.99	337.18	83.90	-165.53	255.55	676.44	824.30
Roads & Culverts	562.98	430.76	-4.45	-303.57	685.72	10.95	0.00	0.00	10.95	674.77	552.03
Water Supply	936.43	0.00	-7.85	0.00	928.58	551.80	20.84	0.00	572.64	355.94	384.63
Railway Sidings	7515.11	31.25	-63.34	0.00	7483.02	1438.45	310.88	0.00	1749.33	5733.69	6076.66
Plant & Machinery and Capital Stores in Stores	1781.39	566.71	0.00	-685.75	1662.35	850.84	115.13	-169.06	796.91	865.44	930.55
Other Plant and Coal Handling											
Plant under Installation	1732.96	321.14	0.00	0.00	2054.10	82.64	93.55	0.00	176.19	1877.91	1650.32
Development :											
(i) Prospecting & Boring	5314.61	964.78	-66.49	0.00	6212.90	104.21	42.97	0.00	147.18	6065.72	5210.40
(ii) Mines Development	3262.51	1376.49	-1251.91	0.00	3387.09	0.00	0.00	0.00	0.00	3387.09	3262.51
(iii) Others	24941.47	63.19	-14297.68	-2972.31	7734.67	197.54	0.00	0.00	197.54	7537.13	24743.93
<b>TOTAL</b>	<b>47208.94</b>	<b>4104.98</b>	<b>-15709.47</b>	<b>-4524.03</b>	<b>31080.42</b>	<b>3573.61</b>	<b>667.27</b>	<b>-334.59</b>	<b>3906.29</b>	<b>27174.13</b>	<b>43635.33</b>
<b>PREVIOUS YEAR</b>	<b>34994.30</b>	<b>16613.03</b>	<b>-151.00</b>	<b>-4247.39</b>	<b>47208.94</b>	<b>2672.45</b>	<b>950.29</b>	<b>-49.13</b>	<b>3573.61</b>	<b>43635.33</b>	

**NOTE 1 :**

	As At 31.3.2006 (Rs. in Lakh)	As At 31.3.2005 (Rs. in Lakh)
SOCIAL OVERHEAD ASSETS INCLUDED IN THE SCHEDULE ARE AS FOLLOWS :		
(i) Buildings	514.68	254.04
(ii) Roads & Culverts	38.38	32.70
(iii) Water Supply	919.26	936.43
(iv) Others	177.38	156.23
<b>TOTAL</b>	<b>1649.70</b>	<b>1379.40</b>

**NOTE 2 :**

	FOR THE YEAR AMOUNT (Rs. in Lakh)	AS ON 31.3.06 AMOUNT (Rs. in Lakh)
<b>Break-up of Provision</b>		
(i) Provision for Unused Assets	289.71	2492.56
(ii) Provision for Loss of Assets	42.97	1413.73
<b>TOTAL</b>	<b>332.68</b>	<b>3906.29</b>

## SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 2006

### Schedule - H

#### INVESTMENTS (AT COST)

	AS AT 31.3.2006 (Rs. in Lakh)	AS AT 31.3.2005 (Rs. in Lakh)
<b>Long term Investments (Unquoted)</b>		
<b>(i) Bonds :</b>		
8.5% UP Tax Free Power Bonds	8090.00	8090.00
8.5% Haryana Tax Free Power Bonds	1333.00	1333.00
	9423.00	9423.00
<b>(ii) Others :</b>		
25 Fully paid "B" Class shares of Rs.100 each in N.C.D.C. Saunda Employees Consumer Co-operative Stores Limited at cost.	0.02	0.02
<b>TOTAL</b>	<b>9423.02</b>	<b>9423.02</b>

Note : Tax Free Power Bonds were allotted to the company by UPSEB and HSEB for Rs.8090 Lakh and Rs.1333 Lakh respectively towards partial settlement of its coal sale outstanding dues as per scheme for "one time settlement of SEB dues" approved by GOI.

### Schedule - I

#### INVENTORIES

	AS AT 31.3.2006 (Rs. in Lakh)	AS AT 31.3.2005 (Rs. in Lakh)
1. Stock of Stores and Spares	16599.15	16925.81
Less : Provision	3311.48	3036.71
Add	13287.67	13889.10
In- transit/under inspection	227.34	625.47
Stock Adjustment	3.07	3.08
	13518.08	14517.65
2. Stock of Coal		
Raw Coal		
Revenue Mines	39889.09	30810.07
Capital Mines	0.00	0.00
	39889.09	30810.07
Coke		
Soft Coke	0.69	0.69
Hard coke	67.77	69.17
	68.46	69.86
Washery Products		
Washed coal	3768.58	2677.32
Middlings/Slurry	14050.75	12601.39
	17819.33	15278.71
Magnetite	1.61	1.61
Coal tar and other By-products	103.28	103.28
	<b>57881.77</b>	<b>46263.53</b>
Less : Provision for deterioration : 10% on vendible Stock	0.00	1994.79
	57881.77	44268.74
3. Workshop Jobs :		
Manufactured items	108.75	1730.99
Less Provision	0.00	47.62
	108.75	1683.37
4. Press :		
Work in Progress/Finished goods	57.35	79.41
5. Medicines (Central Hospital)	18.60	37.12
<b>TOTAL</b>	<b>71584.55</b>	<b>60586.29</b>



## SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 2006

### Annexure To Schedule - I

[[Qty. in Lakh tones) (value in lakh Rs.]]

	OVERALL STOCK		NON VENDABLE STOCK		VENDABLE STOCK	
	Qty.	Value	Qty.	Value	Qty.	Value
1. (A) Opening Stock as on 01.04.05	67.41	30810.07	1.22	0.00	66.19	30810.07
2. Production for the year	405.13	387383.61	0.00	0.00	405.13	387383.61
<b>3. Sub-Total (1+2)</b>	<b>472.54</b>	<b>418193.68</b>	<b>1.22</b>	<b>0.00</b>	<b>471.32</b>	<b>418193.68</b>
4. Offtake for the year :						
(A) Outside Desp.	259.37	273536.88	0.00	0.00	259.37	273536.88
(B) Inter-Transfer	128.71	104166.84	0.00	0.00	128.71	104166.84
(C) Own consumption	0.56	600.87	0.00	0.00	0.56	600.87
Total (4)	388.64	378304.59	0.00	0.00	388.64	378304.59
5. Derived Stock	83.90	39889.09	1.22	0.00	82.68	39889.09
6. Measured Stock	83.04	39509.69	1.18	0.00	81.86	39509.69
7. Difference (5-6)	0.86	379.40	0.04	0.00	0.82	379.40
8. Break-up of Diff.						
(A) Excess within 5%	0.42	209.09	0.00	0.00	0.42	209.09
(B) Shortage within 5%	1.28	588.49	0.04	0.00	1.24	588.49
(C) Excess beyond 5%	0.00	0.00	0.00	0.00	0.00	0.00
(D) Shortage beyond 5%	0.00	0.00	0.00	0.00	0.00	0.00
9. Closing Stock adopted in A/c (6-8A+8B)	83.90	39889.09	1.22	0.00	82.68	39889.09

Reconciliation of Closing Stock adopted in Account with Book stock as at the end of the year.

Note : Closing stock of non-vendable coal includes 0.20 lakh tonnes mixed stock not physically measured by CIL Stock Measurement Team due to water logging.

	<b>Qty.</b>	<b>Value</b>
Stock as per Books	83.90	39889.09
Less : Non-vendable stock including Mixed stock and stock on fire for which provision equivalent to the value has been made in the A/C, but quantity not adjusted in Book Stock as well as in Accounts	1.22	0.00
Stock as per Accounts after all provisions	82.68	39889.09

## SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 2006

### Schedule - J

#### SUNDRY DEBTORS

	AS AT 31.3.2006 (Rs. in Lakh)	AS AT 31.3.2005 (Rs. in Lakh)
Debts Outstanding for a period exceeding six months	87829.33	81729.03
Other Debts	4615.26	14163.99
	92444.59	95893.02
Less : Provision for doubtful debts	31338.00	29909.00
<b>TOTAL</b>	<b>61106.59</b>	<b>65984.02</b>
Classification :		
Secured and considered good	0.00	0.00
Unsecured and Considered good	61106.59	65984.02
Unsecured and considered doubtful	31338.00	29909.00

### Schedule - K

#### CASH AND BANK

	AS AT 31.3.2006 (Rs. in Lakh)		AS AT 31.3.2005 (Rs. in Lakh)
Cash, Cheques and Drafts in hand (including Postal Orders and stamps in hand)	10957.25		4390.79
Remittance in transit	0.67		0.31
With scheduled Banks in :			
Current Account	12533.88	14030.55	
Less Provision	20.45	20.45	
	12513.43		14010.10
Deposit Account	10.29		9.85
With R.B.I. for exchange of Soiled Notes	0.38		0.38
<b>TOTAL</b>	<b>23482.02</b>		<b>18411.43</b>

**Note : Cash in hand includes :**

- (i) Soiled/Mutilated Notes of Rs.0.08 lakh (Previous year Rs. 0.69 lakh)
- (ii) Cheque/Drafts in hand etc. Rs.9443.75lakh (Previous year Rs. 4353.67 lakh)
- (iii) Stamps in hand Rs.1.34 lakh (Previous year Rs. 1.23 lakh)

## SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 2006

### Schedule - L

### LOANS & ADVANCES

	AS AT 31.3.2006 (Rs. in Lakh)	AS AT 31.3.2005 (Rs. in Lakh)
Advances recoverable in cash or in kind or for value to be received		
(i) Advance to suppliers :		
(a) For Capital items	452.03	385.13
(b) For other Stores	1244.43	955.25
	1696.46	1340.38
(ii) Advance to Contractors :		
(a) For Capital	840.66	810.66
(b) For others	3.73	3.73
	844.39	814.39
(iii) Advance to Employees :		
(a) For House Building	914.55	1060.15
(b) For Motor Car & other conveyance	15.88	24.49
(c) For others	418.28	432.81
	1348.71	1517.45
(iv) Deposits :		
(a) P & T, Electricity etc.	66.67	50.37
(b) Others	3385.11	2385.03
	3451.78	2435.40
(v) Amount due from Central/State Govt. :		
(a) Subsidy	235.29	69.78
(b) Sales Tax	600.91	749.92
	836.20	819.70
(vi) Advance payment of Statutory Dues :		
(a) Sales Tax & Royalty	6614.95	2734.69
(b) Others	77.65	279.05
(c) Advance Income Tax	84069.84	44378.84
(d) Tax Deducted at Source	1023.40	250.59
	91785.84	47643.17
(vii) Prepaid expenses	93.95	235.76
(viii) Current Account with Subsidiaries of holding Company :		
(i) E.C.L.	61.24	24.90
(ii) B.C.C.L.	463.07	577.62
(iii) W.C.L.	0.73	4.90
(iv) C.M.P.D.I.L.	150.45	147.86
(v) N.C. L.	8.07	3.63
(vi) S.E.C.L.	10.75	10.87
(vii) M.C.L.	16.78	17.05
	711.09	786.83
(ix) Surplus Fund with CIL (Holding Company)	75850.88	12538.82
	176619.30	68131.90
Less Provisions for doubtful Advances	163.57	166.47
<b>TOTAL</b>	<b>176455.73</b>	<b>67965.43</b>
<b>Classification :</b>		
(a) Considered good and in respect of which the company is fully secured	930.43	1084.64
(b) Considered good for which the company holds no security other than party's personal security	175525.30	66880.79
(c) Considered doubtful	163.57	166.47
Amount due by	Directors	Officers
During the year	0.00	0.00
Maximum amount due at any time	0.00	0.00

## SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 2006

### Schedule - M

#### OTHER CURRENT ASSETS

	AS AT 31.3.2006 (Rs. in Lakh)		AS AT 31.3.2005 (Rs. in Lakh)
(1) Claims receivables :			
(i) Railway	0.00		0.00
(ii) Insurance	0.70		0.70
(iii) Cess	10033.04		10033.04
(iv) Coal Controller	270.14		257.84
(v) Others	1418.59		1347.73
	11722.47		11639.31
(2) Other Receivables :			
(i) Employees	505.97		534.03
(ii) Others (Accrued Interest on Bonds)	0.00		0.00
	505.97		534.03
	12228.44		12173.34
Less Provision for Doubtful Claims receivables	502.65		490.35
<b>TOTAL</b>	<b>11725.79</b>		<b>11682.99</b>
<b>Classification :</b>			
(a) Considered good	11725.79		11682.99
(b) Considered doubtful	502.65		490.35

**SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 2006****Schedule - N****CURRENT LIABILITIES AND PROVISIONS**

		<b>AS AT 31.3.2006 (Rs. in Lakh)</b>	<b>AS AT 31.3.2005 (Rs. in Lakh)</b>
(A)	Current Liabilities :		
(i)	Sundry Creditors for goods (Small Scale Industry) :		
	(a) For Capital	0.00	0.09
	(b) For Revenue	60.31	38.87
		<u>60.31</u>	<u>38.96</u>
(ii)	Sundry Creditors for goods (Others) :		
	(a) For Capital	1260.91	2124.62
	(b) For Revenue	5221.93	5099.23
		<u>6482.84</u>	<u>7223.85</u>
(iii)	Expenses :		
	Employees remuneration	55807.25	75704.88
	Gratuity	43259.86	40179.72
	Attendance Bonus	1503.20	953.32
	PPLB/PPLR	2355.99	2317.93
	Unpaid Wages	530.77	460.82
	Leave Pay	5514.15	5125.64
	Power & Fuel	2580.07	1915.45
	Repairs	2183.70	1824.56
	Contractual Expenses :		
	Capital	7124.51	6114.50
	Revenue	11677.70	9259.50
		<u>18802.21</u>	<u>15374.00</u>
		132537.20	143856.32
(iv)	Statutory Dues :		
	Sales Tax - Central	516.32	447.72
	State	361.55	327.50
	Royalty	2.36	173.92
	Cess on Coal	11714.87	11714.87
	Stowing Excise Duty	857.78	780.23
	Tax deducted at source (I. Tax) :		
	Employees	26.71	24.18
	Contractors	8.07	1.95
	Govt. Grants (Environmental)	12.27	22.59
	Life Cover Scheme	203.16	197.11
	Provident Fund	5588.68	1730.63
		<u>19291.77</u>	<u>15420.70</u>
(v)	Current Account with CIL	-2763.33	-1053.60
(vi)	Interest Accrued but not Due	0.00	0.00
(vii)	Advances and Deposits from :		
	Customers	15200.01	9754.06
	Contractors & Others	20802.18	12957.52
		<u>36002.19</u>	<u>22711.58</u>
(viii)	Employees' Pension Contribution	302.78	372.13
(ix)	Accumulated Reserve for future OBR	32109.19	30404.85
	Less : Advance Stripping	16946.72	17421.50
		<u>15162.47</u>	<u>12983.35</u>
(x)	Other Liabilities		
	Capital (for Loss of Assets)	961.69	900.64
	Revenue	1057.53	730.32
		<u>2019.22</u>	<u>1630.96</u>
<b>TOTAL (A)</b>		<b>209095.45</b>	<b>203184.25</b>
(B)	Provisions for Income Tax	67458.20	26344.75
	Proposed Dividend (incl. Dividend Tax)	33226.90	0.00
<b>TOTAL (A+B)</b>		<b>309780.55</b>	<b>229529.00</b>

Note : (i) An amount of Rs. 41.51Lakh due to sundry creditors -SSI for a sum of Rs. 1 lakh or more is outstanding for a period exceeding 30 days (Annexure enclosed).

**SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 2006****Annexure to Schedule - N****THE NAMES OF THE SMALL SCALE INDUSTRIAL UNDERTAKINGS TO WHOM  
THE COMPANY OWE A SUM EXCEEDING Rs. 1 LAKH WHICH IS  
OUTSTANDING FOR MORE THAN 30 DAYS AS ON 31.03.2006**

<b>Sl.No.</b>	<b>Name of the Small Scale Industrial Undertakings</b>	<b>Amount (Rs. in Lakh)</b>
1.	M/s. Swarnarekha Enterprises	8.49
2.	M/s. I. S. A.Services	1.11
3.	M/s United Engineers	1.66
4.	M/s Sharma Engg. Works	2.84
5.	M/s Assam Cane Forest Produce	1.84
6.	M/s Bonang Cane Industries	2.37
7.	M/s Narayan Engg. Works	1.91
8.	M/s Hindustan Foundry & Engg.	9.77
9.	M/s R. J. Metal	6.83
10.	M/s Panchu Gopal Coomer & Sons	3.12
11.	M/s Udyogi Plastic Pvt. Ltd.	1.57
	<b>TOTAL</b>	<b>41.51</b>

## SCHEDULE TO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2006

### Schedule - 1

### SALES

	PRODUCTS						For the Year ended 31.3.06	For the Year ended 31.3.05
	Raw coal	Hard Coke	Soft Coke	Washed Coal	Washery Products	Bye-prod.	(Rs. in Lakh)	(Rs. in Lakh)
Quantity (in Lakh Tonne)	259.37	0.00	0.00	88.49	21.54	2.49		
Gross Sale Value (A)	273536.88	0.00	0.00	147697.99	29852.25	203.43	451290.55	404373.49
LESS : STATUTORY LEVIES								
(a) Royalty on coal							38490.79	36230.11
(b) Cess on coal								
(c) Stowing Excise Duty							3846.25	3425.77
(d) Sales Tax :								
(i) Central							13437.40	12246.56
(ii) State							4515.41	3259.36
Total Levies (B)							60289.85	55161.80
Basic Vaalue (A-B)							391000.70	349211.69
Less : Transfer to Development							0.00	0.00
NET VALUE							391000.70	349211.69
Previous yr. (Gross)	233201.15	89.59	0.00	142047.31	28735.29	300.15	404373.49	

## SCHEDULE TO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2006

### Schedule - 2(A)

#### COAL ISSUED FOR OTHER PURPOSES

Ended 31.3.06 31.3.05	Washed	Hard Coal	Boiler Coke	Free issue Cons.	For the year to Emp.	For the year Ended
					(Rs. in Lakh)	(Rs. in Lakh)
Quantity (in Lakh Tonne)	128.42	0.00	0.10	0.46		
Basic Value	89058.19	0.00	99.37	473.12	89630.68	90197.49
Add : STATUTORY LEVIES						
(a) Royalty on coal	12044.75	0.00	10.44	0.93	12056.12	12403.74
(b) Cess on coal	0.00	0.00	0.00	0.00	0.00	0.00
(c) Stowing Excise duty	1252.05	0.00	0.00	0.00	1252.05	1101.75
(d) Other Levies	0.00	0.00	0.00	0.00	0.00	0.00
Total Levies	13296.80	0.00	10.44	0.93	13308.17	13505.49
Gross Value	102354.99	0.00	109.81	474.05	102938.85	103702.98
Previous Year (Gross)	102813.31	0.00	138.53	751.14	103702.98	

### Schedule - 2 (B)

#### COLLIERY CONSUMPTION

	FOR THE YEAR ENDED 31.3.2006 (Rs. in Lakh)	FOR THE YEAR ENDED 31.3.2005 (Rs. in Lakh)
Hard Coke Making :		
Opening Stock	4.22	13.32
Add : Transferred to Hard Coke during the year	0.00	0.00
Less : Closing Stock	4.22	4.22
	0.00	9.10
Washeries :		
Opening Stock	3329.80	3603.75
Add : Transferred to Washeries during the year :	102354.99	102813.31
Less : Closing Stock	1517.95	3329.80
	104166.84	103087.26
Workshop Consumption	126.82	145.86
Free issue to Employees	474.05	751.14
	104767.71	103993.36
Less:		
Transferred to Social Overhead	474.05	751.14
	104293.66	103242.22

**Note :** Workshop consumption for the year includes value of coal received from BCCL amounting to Rs.17.01 Lakh (Quantity 135.47 MT) at CWS, Barkakana.



## SCHEDULE TO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2006

### Schedule - 3

### ACCRETION/DECRETION IN STOCK

	FOR THE YEAR ENDED 31.3.2006 (Rs. in Lakh)		FOR THE YEAR ENDED 31.3.2005 (Rs. in Lakh)	
1. Stock of Coal/Coke etc.				
A. Closing Stock				
(a) Raw Coal	39889.09		30810.07	
(b) Soft Coke	0.69		0.69	
(c) Hard Coke	67.77		69.17	
(d) Washed Coal	3768.58		2677.32	
(e) Middlings	14050.75		12601.39	
(f) Magnetite	1.61		1.61	
(g) Coal Tar	4.08		4.08	
(h) Other Bye-Products	99.20		99.20	
	57881.77		46263.53	
Less : Raw Coal at Washery	1517.95		3329.80	
Raw Coal at Coke Oven	4.22		4.22	
	1522.17		3334.02	
		56359.60		42929.51
Less : Provision for deterioration of coal value due to fire or longer period of stacking		0.00		1994.79
TOTAL (A)		56359.60		40934.72
B. Opening Stock				
(a) Raw Coal	30810.07		21556.00	
(b) Soft Coke	0.69		0.69	
(c) Hard Coke	69.17		151.72	
(d) Washed Coal	2677.32		2502.44	
(e) Middlings	12601.39		10971.01	
(f) Magnetite	1.61		1.61	
(g) Coal Tar	4.08		2.93	
(h) Other Bye-Products	99.20		99.20	
	46263.53		35285.60	
Less : Raw Coal at Washery	3329.80		3603.75	
Raw Coal at Coke Oven	4.22		13.32	
	3334.02		3617.07	
		42929.51		31668.53
Less : Provision for deterioration of coal value due to fire or longer period of stacking		1994.79		1779.87
TOTAL (B)		40934.72		29888.66
NET TOTAL (A-B) OF 1		15424.88		11046.06

## SCHEDULE TO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2006

### Schedule - 3 (Contd.)

#### ACCRETION/DECRETION IN STOCK

		FOR THE YEAR ENDED 31.3.2006 (Rs. in Lakh)	FOR THE YEAR ENDED 31.3.2005 (Rs. in Lakh)
2.	Workshop Job		
(a)	Workshop Closing Job		
	(i) Finished Goods	94.46	897.12
	(ii) Work in progress	14.29	833.87
		108.75	1730.99
(b)	Less : workshop Opening Job		
	(i) Finished Goods	897.12	1083.75
	(ii) Work in Progress	833.87	768.85
		1730.99	1852.60
	NET TOTAL (a-b) of 2	-1622.24	-121.61
3.	Press Job		
(a)	Press Closing Job		
	(i) Finished Goods	45.27	56.46
	(ii) Work in Progress	12.08	22.95
		57.35	79.41
(b)	Less : Press Opening Job		
	(i) Finished Goods	56.46	93.08
	(ii) Work in progress	22.95	14.23
		79.41	107.31
	NET TOTAL (a-b) of 3	-22.06	-27.90
4.	Medicine (Central Hospital)		
	Closing Stock	18.59	37.12
	Less : Opening Stock	37.12	22.85
		-18.53	14.27
	TOTAL OF 4	-18.53	14.27
<b>GRAND TOTAL OF 1+2+3+4</b>		<b>13762.05</b>	<b>10910.82</b>

## SCHEDULE TO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2006

### Schedule - 4

### OTHER INCOME

	FOR THE YEAR ENDED 31.3.2006 (Rs. in Lakh)	FOR THE YEAR ENDED 31.3.2005 (Rs. in Lakh)
Stowing Subsidy	236.51	188.57
Value of job done :		
Work Shop	8439.04	9080.32
Press	222.04	386.26
	8661.08	9466.58
Interest received :		
On Loans & Advances to Employees	81.60	77.95
On Bank Deposit	0.56	0.49
From Customers	0.00	8.96
On Tax Free Bonds	800.96	800.96
On Excess Payment of Corporate Tax	83.95	328.57
On Surplus Fund Parked with CIL	3443.80	1148.53
	4410.87	2365.46
Rent received from outsider	15.37	3.18
Recovery of transportation & Loading Cost	10319.97	8789.84
VRS Grants	0.00	0.00
Profit on sale of Surveyed off assets	107.43	140.68
Exchange Fluctuation (Net)	73.72	57.48
Tender Fees	35.59	22.11
Sale of Scrap	111.58	158.71
Liquidated Damages	379.69	156.88
Penalty	7.76	0.96
Water Charges	1.60	
1.61		
Others	1651.16	787.43
<b>TOTAL</b>	<b>26012.33</b>	
<b>22139.49</b>		

## SCHEDULE TO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2006

### Schedule -5

#### CONSUMPTION OF STORES AND SPARES

	FOR THE YEAR ENDED 31.3.2006 (Rs. in Lakh)	FOR THE YEAR ENDED 31.3.2005 (Rs. in Lakh)
Explosive	5718.42	5611.98
Timber	144.31	166.07
P.O.L.	18665.54	16542.00
Other Stores & Spares		
(a) HEMM	11688.19	11715.56
(b) Others	7890.92	8318.43
	19579.11	20033.99
<hr/>		
SUB TOTAL	44107.38	42354.04
<hr/>		
Less Transfer to		
(a) Social overhead	236.47	361.21
(b) Miscellaneous	348.54	454.67
(c) Power & Fuel	58.80	68.17
(d) Development	6.08	2.98
	649.89	887.03
<hr/>		
<b>TOTAL</b>	<b>43457.49</b>	
<b>41467.01</b>		

## SCHEDULE TO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2006

### Schedule - 6

### EMPLOYEE REMUNERATION AND BENEFITS

	FOR THE YEAR ENDED 31.3.2006 (Rs. in Lakh)	FOR THE YEAR ENDED 31.3.2005 (Rs. in Lakh)
Salaries & Wages	88000.58	81520.83
Provision for NCWA VII	0.00	47430.00
Overtime		
(a) Normal 1621.40	1747.98	
(b) Sunday/Holiday Production	5276.50	4200.08
(c) Sunday/Holiday Maintenance	1601.15	1469.28
	8499.05	7417.34
Incentives and other Perks	2.09	3.01
Leave encashment	2248.71	2336.91
Fallback wages	352.47	197.99
Contribution to PF **	10514.67	11276.43
C.M. Bonus	5452.05	3852.54
Ex-gratia		
(a) PPLB - Non Executive	2202.37	2269.46
(b) PPLB - Executive	68.97	62.02
	2271.34	2331.48
LTC/LLTC	1749.36	2671.53
Pension	1679.57	228.10
Gratuity 11081.60		9993.00
Workmen compensation	153.00	68.67
Deposit Link Insurance	56.43	47.62
Life cover Scheme	213.54	230.45
Voluntary Retirement Scheme	3593.84	3577.20
Sub Total	134779.70	174271.70
Less transfer to		
(a) Social Overhead	2365.67	2333.20
(b) Power & Fuel	71.18	62.42
(c) Development	50.76	30.50
	2487.61	2426.12
<b>TOTAL</b>	<b>132292.09</b>	<b>171845.58</b>

## SCHEDULE TO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2006

### Schedule -7

### SOCIAL OVERHEAD

	FOR THE YEAR ENDED 31.3.2006 (Rs. in Lakh)	FOR THE YEAR ENDED 31.3.2005 (Rs. in Lakh)
Salary, Wages & Allowances (From schedule - 6)	2365.67	2333.20
Free issue of coal to Employees	474.05	751.14
Medical facilities		
(a) Medical re-imburement		
(i) Within the Company	426.80	361.90
(ii) Outside the Company	250.49	288.63
	677.29	650.53
(b) Medicine	331.89	362.80
(c) Diet expenses	59.41	59.05
(d) Medical Grants	0.00	0.00
	1068.59	1072.38
Grants to		
(a) School & Institutions	378.11	315.51
(b) Sports Recreation	39.83	24.11
	417.94	339.62
Canteen upkeep	6.24	6.65
House Rent	914.78	662.37
Power (From Schedule 8)	1982.18	1897.84
Repairs & Maintenance (from Sch. 9)		
(a) Township	2043.04	1921.96
(b) Other Welfare Buildings	16.47	9.55
(c) Plant & Machinery	21.88	17.96
(d) Others	10.03	4.73
	2091.42	1954.20
Maintenance of vehicles		
(a) Petrol & Diesel (from Sch-5)	71.27	82.98
(b) Repairs (from Schedule-9)	17.89	12.89
(c) Road Tax	2.56	0.57
(d) Insurance	1.16	0.47
(e) Stores & Spares (from Sch-5)	27.87	41.36
	120.75	138.27
Consumption of Stores & Spares (from Sch-5)	137.33	236.87
Training Expenses		
(a) Within Company	60.82	75.11
(b) Outside Company	207.05	190.68
	267.87	265.79
Depreciation	743.29	817.77
Community Development	202.90	61.82
Environmental Expenditure		
(a) Tree Plantation	149.62	152.25
(b) Others	107.71	112.15
	257.33	264.40
Family Planning Expenses	5.75	3.85
Uniform/Stiching Charges	96.28	104.95
Hire Charges of Bus/ Ambulance/School Bus	5.76	2.10
Water Charges	68.66	206.09
Other Benefits	873.92	645.45
<b>SUB TOTAL</b>	<b>12100.71</b>	<b>11764.76</b>
Less : Recoveries:		
(a) House Rent	50.19	45.67
(b) Electricity	40.27	41.88
(c) Hospital Charges	19.47	24.04
(d) Water Charges	0.02	0.01
(e) School Bus	13.26	7.77
(f) Others	0.00	0.00
	123.21	119.37
<b>TOTAL</b>	<b>62 11977.50</b>	<b>11645.39</b>

## SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2006

### Schedule - 8

### POWER & FUEL

	FOR THE YEAR ENDED 31.3.2006 (Rs. in Lakh)	FOR THE YEAR ENDED 31.3.2005 (Rs. in Lakh)
Purchased	23272.07	22379.69
Power Generation		
Salaries, Wages & Allowances (From Sch-6)	71.18	62.42
Consumption of stores (From Sch-5)	58.80	68.17
Repairs (From Sch-9)	26.23	22.59
Depreciation	506.70	516.61
	662.91	669.79
<hr/>		
<b>SUB TOTAL</b>	<b>23934.98</b>	<b>23049.48</b>
<hr/>		
Less : Transferred to		
(a) Social Overhead	1982.18	1897.84
(b) Development	0.00	0.00
	1982.18	1897.84
<hr/>		
<b>TOTAL</b>	<b>21952.80</b>	<b>21151.64</b>
<hr/>		

## SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2006

### Schedule - 9

#### REPAIRS

	FOR THE YEAR ENDED 31.3.2006 (Rs. in Lakh)	FOR THE YEAR ENDED 31.3.2005 (Rs. in Lakh)
Factory & Office Building	286.02	315.72
Plant & Machinery		
(a) Outside Agency	3892.34	4243.18
(b) Workshop Job	7948.67	8661.09
	11841.01	12904.27
Office Equipment & Furniture	72.84	42.57
Vehicles	260.60	308.79
Others	2138.02	1993.09
Sub Total	14598.49	15564.44
Less : Transfer to		
Social overhead	2109.31	1967.09
Power & Fuel	26.23	22.59
Misc. Expenses	133.34	134.66
Development	0.77	3.30
	2269.65	2127.64
<b>TOTAL</b>	<b>12328.84</b>	<b>13436.80</b>

### Schedule - 10

#### CONTRACTUAL EXPENSES

	FOR THE YEAR ENDED 31.3.2006 (Rs. in Lakh)	FOR THE YEAR ENDED 31.3.2005 (Rs. in Lakh)
Transport Charges :		
Sand	189.70	133.85
Coal	17717.17	15117.96
Stores	0.49	0.30
	17907.36	15252.11
Wagon Loading	840.21	753.78
Other Contractual Works	6000.57	2485.18
<b>TOTAL</b>	<b>24748.14</b>	<b>18491.07</b>



## SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2006

### Schedule - 11

### MISCELLANEOUS EXPENSES

	FOR THE YEAR ENDED 31.3.2006 (Rs. in Lakh)	FOR THE YEAR ENDED 31.3.2005 (Rs. in Lakh)
Travelling :		
(a) In country	616.33	686.74
(b) Outside Country	0.00	1.51
	616.33	688.25
Printing & Stationery	200.93	212.71
Postage	25.33	38.58
Telephone	90.25	88.59
Advertisement & Publicity :		
(i) Advertisement for Tender	222.77	123.75
(ii) Publicity	10.52	17.13
Freight Charges	23.28	94.31
Demurrage	728.04	270.88
Donation	0.00	1.30
Subscriptions	0.00	0.00
Security Expenses	1870.35	1610.00
Hire charges :		
(a) Computer	222.24	312.59
(b) Others	656.98	529.72
	879.22	842.31
Maintenance of car & Jeeps :		
(i) Petrol & Diesel (From Sch-5)	226.24	309.62
(ii) Repairs (From Sch-9)	133.34	134.66
(iii) Stores & Spares (From Sch-5)	122.30	145.05
(iv) Road Tax	298.22	116.70
(v) Insurance	25.57	34.44
	805.67	740.47
Legal Expenses	102.34	42.35
Bank Charges	91.30	54.57
Guest House Expenses	15.44	21.78
Consultancy Charges	46.89	15.87
Underloading/Overloading Charges	2702.66	2224.16
Loss on Sale of Stores	2.90	0.03
Loss on sale of Assets	14.88	111.98

## SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2006

### Schedule - 11 (Contd.)

### MISCELLANEOUS EXPENSES

	FOR THE YEAR ENDED 31.3.2006 (Rs. in Lakh)	FOR THE YEAR ENDED 31.3.2005 (Rs. in Lakh)
Auditors remuneration :		
(a) Audit fees	5.54	5.44
(b) Travelling & out of pocket exp	2.47	2.47
	8.01	7.91
Internal Audit Expenses	29.47	41.08
Tax audit fee including out of pocket exp	0.76	0.72
Service Charges of CIL	2025.35	1870.00
Rehabilitation Charges	2317.26	2140.80
Impairment Loss	0.00	885.41
Mine Closure Expenses	221.14	287.90
Royalty & Cess	9.35	274.61
Rates & Taxes	16.06	16.17
Rent	48.51	35.07
Surface Rent	0.97	1.85
Dead Rent	10.08	0.55
Insurance	6.61	15.90
Land & Crop Compensation	8982.07	232.16
Siding Maintenance Charges	373.50	397.45
CMPDI Exp- Revenue	1025.88	2203.32
Wealth Tax	1.35	1.25
Others	1429.89	646.13
SUB TOTAL	24955.36	16257.30
Less : Recoveries :		
(a) Guest House	3.93	1.39
<b>TOTAL</b>	<b>24951.43</b>	<b>16255.91</b>

## SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2006

### Schedule - 12 (A)

#### INTEREST

	FOR THE YEAR ENDED 31.3.2006 (Rs. in Lakh)	FOR THE YEAR ENDED 31.3.2005 (Rs. in Lakh)
On Holding Company Loan	9299.56	10837.06
On World Bank Loan	429.02	320.48
On Term Loan	0.00	300.04
On Bank Overdraft & Cash Credit Account	0.00	0.00
On Others	69.85	78.60
	9798.43	11536.18
Less : Development	0.00	574.48
<b>TOTAL</b>	<b>9798.43</b>	<b>10961.70</b>

### Schedule - 12 (B)

#### FINANCIAL CHARGES

	FOR THE YEAR ENDED 31.3.2006 (Rs. in Lakh)	FOR THE YEAR ENDED 31.3.2005 (Rs. in Lakh)
<b>Commitment Charges (IBRD &amp; JBIC)</b>	0.00	-0.01
Guarantee Fees (IBRD & JBIC)	207.99	227.14
Swapping Charges for Foreign Loan	28.00	38.70
	235.99	265.83
<b>TOTAL</b>	<b>235.99</b>	<b>265.83</b>

## SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2006

### Schedule - 13 (A)

#### PROVISIONS

	FOR THE YEAR ENDED 31.3.2006 (Rs. in Lakh)	FOR THE YEAR ENDED 31.3.2005 (Rs. in Lakh)
PROVISIONS FOR:		
Doubtful debts	9011.73	9290.77
Less : Earlier Provision written back	244.47	943.23
	8767.26	8347.54
Doubtful Advances & Claims Receivables	13.12	59.93
Less : Earlier Provision written back	3.72	81.80
	9.40	-21.87
Loss/Obsolescence of Stores	227.14	239.49
Loss of assets	104.04	346.46
Less : Earlier Provision written back	0.00	0.00
	104.04	346.46
Unused Assets	0.00	603.82
<b>TOTAL</b>	<b>9107.84</b>	<b>9515.44</b>

### Schedule - 13 (B)

#### WRITE OFFS

	FOR THE YEAR ENDED 31.3.2006 (Rs. in Lakh)	FOR THE YEAR ENDED 31.3.2005 (Rs. in Lakh)
Bad Debts Written off	7354.18	375.54
Less : Provision released	7338.26	375.54
	15.92	0.00
<b>TOTAL</b>	<b>15.92</b>	<b>0.00</b>

## SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2006

### Schedule - 14

#### PRIOR PERIOD ADJUSTMENTS

	FOR THE YEAR ENDED 31.3.2006 (Rs. in Lakh)	FOR YEAR ENDED 31.3.2005 (Rs. in Lakh)
<b>DEBIT</b>		
Interest	4817.02	116.28
Depriciation	13477.48	350.20
Purchase repair	0.00	0.01
Underloading & Overloading	0.00	0.00
Contractors Payment	8.92	-14.98
Demurrage	0.00	1.42
Sales	0.00	3.77
Power & Fuel	307.25	-383.50
Misc. Expenses	98.37	4.06
<b>TOTAL (A)</b>	<b>18709.04</b>	<b>77.26</b>
<b>CREDIT</b>		
Salary & Wages	17097.78	115.07
Social Welfare Expenses	48.42	17.10
Purchase Repair	2.92	0.00
Consumption of Stores & Spare Parts	687.26	216.15
Loco siding charges	14.46	-169.35
Royalty & Cess	3.05	-293.48
Misc. Income	-44.51	264.15
<b>TOTAL (B)</b>	<b>17809.38</b>	<b>149.64</b>
<b>DEBIT (A-B)</b>	<b>899.66</b>	<b>-72.38</b>

## SCHEDULE - P

### SIGNIFICANT ACCOUNTING POLICY

#### 1.0 BASIS FOR PREPARATION OF FINANCIAL STATEMENT:

The Financial statements are prepared under the historical cost convention on accrual basis following going concern concept, in accordance with the requirements of the Companies Act, 1956 and in compliance with the Accounting Standards referred to in Section 211(3C) except as otherwise stated elsewhere.

#### 2.0 USE OF ESTIMATES:

The presentation of financial statements in conformity with the generally accepted Accounting Principles requires making estimate and assumption that affect the reported amount of Assets and Liabilities on the date of the financial statement and also the reported amount of revenues and expenses during the reporting period. Difference between the actual amount and the estimates are recognized in the period in which the results are known / materialised.

#### 3.0 REVENUES AND EXPENDITURES:

All Income and Expenditures having a material bearing on the financial statements are recognized on the accrual basis and provision is made for all known losses and liabilities except in the following cases:-

- 3.1 Liquidated damages, interest on delayed payment and escalation claims from customers are recognized on the basis of final settlement.
- 3.2 Insurances/Railway claims are accounted for on admission/final settlement.
- 3.3 Scraps are accounted for on realization.
- 3.4 Refund/ adjustment of Tax from Tax Authorities are accounted for on cash basis. Additional demand for Income Tax , Royalty, Cess, Sales Tax, Entry Tax etc. are accounted for after final order except as otherwise not recognized under AS-29. In appeals, payment made against additional demand are treated as Advance Claim.
- 3.5 Interest payable on account of income tax / sales tax as demanded by tax authorities are accounted for in the year of payment. Similarly, interest receivable, if any, are accounted for in the year of receipt.
- 3.6 Demands/Claims against the Company, which are not likely to materialise into actual liabilities, are regarded as Contingent liabilities.
- 3.7 Pending finalization of investigation, no adjustment is carried out in the books in respect of contingent nature of assets and liabilities.

#### 4.0 REVENUE RECOGNITION:

- 4.1 Revenue in respect of Coal Sale is recognised when the property in the goods with the risks and rewards of ownership are transferred to the buyer i.e. on the basis of D notes for dispatch by Rail and weighment cards in respect of road dispatches.
- 4.2 Sales of coal are net of Royalty, SED, CST/JST and accepted deductions made by customers on account of quality of coal shortage etc.

4.3 The revenue recognition is done where there is a reasonable certainty of collection. On the other hand revenue recognition is postponed in case of uncertainty as assessed by management.

4.4 Bonus claims on customers, as a result of Joint sampling, are accounted for in sales in the year of settlement irrespective of period of despatch.

#### **5.0 FIXED ASSETS:**

5.1 Land includes the cost of acquisition, compensation and cash rehabilitation expenses. Other expenditure incurred on acquisition of Land viz. resettlement cost, compensation in lieu of employment etc. are, however, treated as revenue expenditure.

5.2 Plant & Machinery include cost and expenses incurred for erection/ installation and other costs attributable to bring those assets, to working conditions for their intended use.

5.3 Capital Work-in-Progress includes the advances paid to acquire fixed assets and the cost of the assets not put to use during the year.

5.4 Gross Block as well as depreciation on surveyed off P&M, Vehicles etc. are taken out of Fixed Assets and provision for depreciation respectively and the residual value at 5% of Book value are transferred to "Surveyed off assets for disposal" and the same is separately shown in the Fixed Assets Schedule( Sch-F). In case of premature survey off of assets the difference between the WDV and residual value of 5% is charged to Profit & Loss Account, as loss on surveyed off assets.

5.5 Development Expenses net of income of the projects/ mines under development are booked to Development account and grouped under Capital Work-in-Progress till the projects/mines are brought to Revenue Account, except otherwise specially stated in the Project Report to determine the commercial readiness of the Project to yield production on a sustainable basis and completion of required development activity during the period of construction, projects and mines under development are brought to revenue:-

(a) From beginning of the financial year immediately after the year in which the Project achieves physical output of 25% of rated capacity as per approved project report, or

(b) 2 years of touching of coal or

(c) From the beginning of the financial year in which the value of production is more than total expenses,

Whichever event occurs first.

5.6 Prospecting & Boring and other Development Expenditure: The cost of exploration and other development expenditure incurred in one "Five Year" plan period will be kept in Capital Work-in-Progress till the end of subsequent two "Five Year" plan periods for formulation of projects before it is written off except in the case of Blocks identified for sale or proposed to be sold to outside agency and in such cases the expenditures will be kept under C.W.I.P. till finalization of sale.

#### **6. INVESTMENTS:**

Investments are stated at cost.

#### **7.0 INVENTORIES:**

7.1 Book stock of coal/coke is considered in the Accounts where the variance between book

stock and measured stock is up to +/- 5% and in cases where the variance is beyond +/-5% the measured stock is considered . Such stock are valued at Net Realisable Value or cost whichever is lower.

- 7.2 Slurry, middlings of washeries are valued at net realisable value.
- 7.3 Stock of stores & spare parts ( including loose tools) at Central & Area stores are valued at weighted average cost. The year end inventory of stores & spare parts lying at collieries/sub-stores/consuming centers, which have been initially charged off, are valued at issue price of Area stores. Work-shop jobs i.e. manufactured items in progress are valued at cost .
- 7.4 Provisions are made at the rate of 100% for unserviceable, damaged and obsolete stores and 50% for stores & spare parts not moved for 5 years excepting insurance items.
- 7.5 Stock of stationery ( other than lying at printing press), bricks, sand, medicine ( except at Central Hospitals), and scraps are not considered in inventory.

## **8.0 DEPRECIATION**

- 8.1 Depreciation on Fixed Assets is provided on straight line method at the rates and manner specified in Schedule-XIV of the Companies Act, 1956( as amended), except for telecommunication equipment. Depreciation on such equipment is charged at higher rates of either @ 15.83% or @ 10.55% based on technical assessment. Depreciation on assets added / disposed off during the year is provided with reference to the month of addition /disposal. Extra shift depreciation is provided where applicable.
- 8.2 Value of leasehold land is amortised over the lease period or the balance life of the project whichever is earlier.
- 8.3 Provision equivalent to the amount of depreciation is made against machinery/assets which could not be put to use for more than three years from the date of purchase/acquisition after three years i.e. from the fourth year prospectively.
- 8.4 Depreciation is charged prospectively over the residual life of assets in which the gain or loss arising due to exchange fluctuation rate added and/or deducted in the carrying amount of such assets.
- 8.5 Prospecting, Boring and Development expenditure are amortized over 20 years from the year when the Mine is brought under Revenue or over the working life of the Project whichever is lower.
- 8.6 Individual Assets costing Rs. 5000/-or less are entirely depreciated in the year of acquisition. Assets attracting 100% depreciation, other than items costing Rs. 5,000/- are taken out from the Accounts after expiry of two years following the year in which these are fully depreciated.

## **9. EFFECT OF EXCHANGE FLUCTUATION:**

Balances of dues from /to overseas parties at the end of the year are translated at the rate of exchange prevailing at year end date and the resultant net losses or net gains relating to revenue items are charged to P&L Accounts . Exchange fluctuation on foreign currency loans / liabilities attributable to the acquisition of fixed assets at the year end rate of exchange is included in the carrying amount of fixed assets.

## **10. BALANCE WITH COAL INDIA LIMITED( HOLDING COMPANY)**

Amount due to Coal India Limited on account of loan is shown as Unsecured Loan. Amount



due/receivable arising out of the transaction of revenue nature under Current Account is shown as Current Liabilities/Current Assets/ Short term deposit, as the case may be.

## 11. APEX OFFICE CHARGES AND INTEREST TO HOLDING COMPANY

- 11.1 Apex office charges by Holding Company is allocated to revenue mines on the basis of coal production.
- 11.2 Interest on loans from CIL is allocated to the units on the basis of Net Fixed Assets (excluding the Assets procured against specific loan) at the beginning of the year.
- 11.3 In terms of CIL's letter No. CGM(F)/126/07 dtd. 08.04.2004 an additional charge at the rate of Rs. 6/- per tonne of coal released towards rehabilitation fund for dealing with fire, shifting and stabilization of unstable areas has been accounted for on the basis of debit advice received from CIL.

## 12 OVERBURDEN REMOVAL(OBR) EXPENSES

- 12.1 For Opencast mines which have been brought to revenue and have rated capacity of 1 million tonnes or above, the cost of OBR is charged on technically evaluated average ratio( Coal: OB) at each mine with due adjustment for advance stripping and ratio variance account. The net balance of advance stripping and ratio variance at the end of the year is shown as cost of removal of Overburden.

The reported quantity of overburden is considered in the Accounts where the variance between reported quantity and measured quantity is within the permissible limits detailed here under:

<b>Annual Quantum of OBR of the mine</b>	<b>Permissible limits of variance (Whichever is less)</b>	
	<b>%age</b>	<b>Quantum (In Mill. Cu. Mtr.)</b>
Less than 1 Mill. C.um	+/-5%	0.03
Between 1 and 5 Mill. C.um	+/-3%	0.20
More than 5 Mill. C.um.	+/-2%	NIL

If the variance between reported quantity and measured quantity is more than the above permissible limit, measured quantity will be considered in the Accounts.

## 13. GENERAL:

- 13.1 Retirement Benefits: Provisions for /contribution to retirement benefit schemes are made as follows:
- Provident Fund on actual liability basis,
  - Gratuity based on Actuarial Valuation,
  - Leave Encashment Benefit on retirement on Actuarial Valuation Basis.
  - Superannuation/Pension scheme on the basis of actual liability.

- 13.2 Securities by way of deposit in the form of Fixed Deposit Receipts, National Saving Certificates, Bank Guarantee etc. received from the suppliers, contractors etc. are kept in Company's custody and are not accounted for.
- 13.3 Research and Development Expenditure of revenue nature are charged to various natural revenue head of accounts in the year the expenses are incurred. Expenses of capital nature are treated as fixed assets.
- 13.4 **Taxation:** Provision for Income Tax is made on the basis of estimated taxable income for the year. Deferred Tax is recognized , subject to consideration of prudence on timing differences, being the difference between taxable and accounting income/expenditure that originate in one period and are capable of reversal in one or more subsequent period(s).

## SCHEDULE - "Q"

### NOTES ON ACCOUNTS

#### 1. CONTINGENT LIABILITIES/CAPITAL COMMITMENT :

##### 1.1 Contingent Liability has not been provided in respect of:

- (a) Claims against the Company not acknowledged as debt amounting Rs.6619.05 lakh (previous year Rs. 4265.47 lakh)
- (b) Royalty and Cess amounting Rs.11819.39 lakh (previous year Rs. 11108.51 lakh), which the Company has been disputing and which have been referred to Court. An amount of Rs.3385.11 lakh ( previous year Rs. 2385.03 lakh),which has been paid to the District Mining Authorities under protest for admission of Appeals against various demands, have been accounted for under" Loans & Advance" (Schedule-L).
- (c) Sales Tax claim to the extent of Rs.15188.67 lakh (previous year Rs. 12105.99 lakh) has not been acknowledged as debts by the Company. An amount of Rs. 600.91 lakh ( previous year Rs. 749.92 lakh) paid to the Sales Tax Authorities under protest for admission of Appeals against various demands, have been accounted for under" Loans & Advance" (Schedule-L).
- (d) Claims by Bihar Government on certain lands under the Bihar Land Reform Act, 1956 and also the rent earned by the Company from such land against which the Company filed an appeal in the Court and is not ascertainable at present.
- (e) Certain disputes with employees not admitted as debt and are under adjudication or settlement, which are not ascertainable.
- (f) The income tax demand disputed by the Company under appeal is Rs.375.94 lakh (previous year Rs.375.94 lakh). Out of which an amount of Rs. 311.84 lakh (previous year Rs. 311.84 lakh), deposited under protest, has been included under "Loans & Advances" (Sch-L).
- (g) Un-expired letter of credit worth Rs. 38.36 lakh ( previous year-Rs.33.83 Lakh).

##### 1.2 Capital Commitment

Estimated value of contracts (net of advance), which remains to be executed on Capital Account and not provided for is Rs.8120.72 lakh (previous year Rs. 4116.07 lakh).

#### 2. UNSECURED LOANS

Loans from IBRD and JBIC on account of Coal Sector Rehabilitation Project forming part of Unsecured Loan ( Ref. Schedule-E), obtained through CIL are covered by guarantee of CIL and counter-guarantee by Govt. of India.

#### 3. FIXED ASSETS

- 3.1 Land consists of free/ lease hold land and land acquired under Coal Bearing Acquisition Act, 1957 the extent of which has not been classified in the Accounts.
- 3.2 Cost of Notified land is capitalized on physical /constructive possession basis and completion of assessment by the competent authority.
- 3.3 49519.47 Ha. Of land has been acquired under CBA(A&D) Act, 1957. Out of this approximately

13500 Ha. is tenancy land. Rest is forest and GMK land. Out of 13500 Ha. of tenancy land compensation has been assessed for 6130 Ha. For an amount of Rs. 35.93 crores. Out of this amount Rs. 21.84 crores has been paid. Rest amount is being paid by holding regular payment camp in different projects.

3.4 The Assets and Liabilities of two hospitals taken over from Coal Mines Labour Welfare Organization in 1981 have not been reflected in the accounts pending determination of values thereof.

3.5 The Assets and Liabilities of three Mines Rescue stations taken over during 1985-86 have not been reflected in the Accounts pending determination of values thereof.

3.6 Fixed Assets include certain tangible assets in respect of closed project during the year or in earlier year(s) and have not been adjusted in the accounts pending review regarding further use of these assets.

3.7 Provision has been made during the year for Rs. 61.07 lakh ( previous year- Rs.200.70 lakh) towards the value of CMPDIL Expenditures for Jhirki Project, Kathara. Total provision of Rs. 961.69 lakh as on 31.03.06 is considered adequate (Refer Sch-N)

3.8 Buildings include Electrical fittings, water supply arrangements, sanitary fittings and Roads & Culverts in Township.

#### **4. CAPITAL WORK-IN-PROGRESS**

4.1 For machinery/assets, which could not be put to use for more than three years from the date of purchase/acquisition, provision equivalent to depreciation w.e.f. the fourth year from the date of purchase/acquisition has been made amounting to Rs. 624.30 lakh ( previous year Rs. 554.69 lakh) during the year. Total provisions amounting to Rs.2492.56 lakh up to 31.3.06 after adjustment of Rs.334.59 lakh ( Previous year – Rs. 49.13 lakh ) being transferred to fixed assets is considered adequate ( refer Schedule-G).

4.2 Provision of Rs.42.97 lakh ( Previous year-Rs.346.47 lakh) has been made during the year towards expenditure on Prospecting & Boring at Jhirki Project of Kathara Area. Total provision amounting to Rs. 1413.73 lakh as on 31.03.2006 is considered adequate ( refer Schedule-G).

#### **5. INVENTORIES**

5.1 The difference on reconciliation of numerical ledger with price ledger for the purpose of these accounts have been reflected in the consumption of stores and spares parts to the extent such reconciliation is completed during the year.

5.2 Pursuant to the Accounting Policy as referred in para-7.4 of Sch-P, provision of Rs. 227.14 lakh ( previous year Rs. 239.49 lakh) has been made during the year for unserviceable/damaged/obsolete stores and also for Stores & Spares unmoved for 5 years. The provision of Rs. 3311.48 lakh (Previous year 3084.33 lakh) as on 31.03.2006 is considered adequate.

5.3 At Rajrappa Washery, the excess of 1483 tonnes of Middlings valued at Rs.9.81 lakh, which is beyond 5% over the book stock, has been adjusted in the accounts pursuant to the Accounting Policy as referred in para - 7.1 of Sch-P.

5.4 On conservative basis , the closing stock of Coking Slurry at Kathara Washery, Swang Washery, Kedla Washery and Middlings of Rajrappa Washery & Kargali Washery has been valued at last year's valuation rate although the current selling price is higher.

#### **6. SUNDRY DEBTORS**

6.1 A provision of Rs.9011.73 lakh ( previous year Rs. 9290.77 lakh) has been made during the year against disputed dues on the basis of fair estimate. The total provision of Rs. 31338.00 lakh ( after utilizing against Bad Debt written off Rs.7338.26 lakh & withdrawal of excess

provision no longer required Rs. 244.47 lakh during the year) as on 31.3.2006 is considered adequate.

6.2 Sundry Debtors balances are subject to confirmation by the parties.

## **7. LOANS & ADVANCES AND OTHER CURRENT ASSETS**

7.1 Pending final hearing by the Commissioner of Payments in respect of claims of Rs.51.94 lakh receivable on account of certain collieries of Dhori Group, transferred from Bharat Coking Coal Limited, no adjustment has been made in this account.

7.2 Sundry Debtors, Sundry Creditors, Other Current Liabilities, Advances, Stores in Transit and Claims Receivable include some old items pending reconciliation and adjustments to appropriate accounts.

7.3 Provision of Rs.13.12 lakh (previous year Rs. 59.93 lakh) has been made during the year towards long pending advances and claims. Total provision of Rs.666.22 lakh (after write back of the excess provision of Rs. 3.72 lakh which had been made in earlier years) up to 31.3.06 is considered adequate( Refer Sch-L&M).

## **8. CURRENT LIABILITIES & PROVISIONS**

8.1 Out of the total estimated provision as on 31.03.2005 for Rs. 64517.00 lakh, pursuant to the finalization of pay-revision ( NCWA-VII) for non-executives made earlier, excess provision for Rs. 15835.00 lakh has been written back to P&L Accounts following preparation of actual bills, thus making the total provision Rs.48682.00 lakh as on 31.03.2006. The amount of Rs. 15835.00 lakh has been arrived at after netting off the provision for Provident Fund.

8.2 By virtue of enactment of Cess and Other Taxes on Minerals (Validation) Act, 1992, the Company, in 1992-93, raised supplementary bills on customers up to 4th April, 1991 for Rs.10033.04 lakh on account of cess and sales tax thereon. The said amount has been included in statutory dues for cess and sales tax under the head "Current liabilities and Provisions"( Sch-N) with corresponding Debit in "Claims Receivable-Cess"( Sch-M) after transfer from Sundry Debtors.

In view of the judgment of Hon'ble High Court, Patna, Ranchi Bench in writ case No.CWJC 1280 of 1992(R) Cess is not payable. However, S.L.P. of Bihar Government is pending in Supreme Court against the Judgment.

8.3 As required under the provisions of the Interest on delayed payment to Small Scale and Ancillary Industrial Undertaking Act, 1992 amount payable to SSI includes interest of Rs. 0.97 lakh (Previous year 0.28 lakh).

## **9. PROFIT AND LOSS ACCOUNT**

9.1 The liability towards Incremental Gratuity for the year amounting to Rs.3080.14 lakh ( previous year Rs.4006.75 lakh) has been provided for on actuarial basis making a total provision of Rs.43259.86 lakh( Previous year Rs. 40179.72 lakh).

9.2 An amount of Rs. 388.51 lakh has been provided in the accounts during the year towards leave encashment (being the difference between total liability as on 31.03.06 amounting to Rs.5514.15 lakh and Rs. 5125.64 lakh as on 31.03.05).

9.3 Interest amounting to Rs.9299.56 lakh charged by the Holding Company (previous year Rs.10837.06 lakh) has been accounted for during the year.

9.4 Apex charges amounting to Rs.2025.35 Lakh ( previous year Rs. 1870.00 lakh) levied by the Holding Company @ Rs. 5 per tonne of coal produced towards rendering various services like procurement , marketing, Corporate Service etc. based on agreement entered into, have been accounted for.

9.5 IICM charge amounting to Rs. 202.54 lakh ( previous Year Rs. 187.00 lakh) levied by the

Holding Company @ Rs. 0.50 per tonne of coal produced, has been accounted for.

9.6 In terms of CIL's letter No. CGM(F)/126/07 dtd. 08.04.2004 an additional charge of Rs.2317.26 lakh ( Previous year Rs. 2140.80 lakh) levied by the Holding Company @ Rs. 6.00 per tonne of coal released during 2005-06 towards Rehabilitation fund for dealing with fire, shifting and stabilization of unstable areas have been accounted for.

## 10. GENERAL

10.1 The Mandatory Accounting Standard on Segment Reporting( AS-17) , related Party Transactions( AS-18), Leases ( AS-19), Discontinuing Operation( AS-24) , Interim Financial Report(AS-25) and Financial Reporting of Interest in Joint Ventures( AS-27) are not applicable to the Company.

10.2 After detailed technical assessment of required quantity of back filling and other corrective activities, provision equivalent to Rs.146.89 lakh ( Previous year Rs. 287.90 lakh) has been provided in the Accounts as the mines closure expenses in compliance with AS-29,.

10.3 Expenditure on Prospecting & Boring and Development in respect of mines making continuous loss was considered for impairment in the year 2004-05 in compliance with AS-28. Accordingly, the residual value of the assets was fully charged to P&L in compliance with the applicable Accounting Standard. No impairment loss has been debited to P&L Account during this year in the absence of any residual value.

10.4 The Bonds received on securitization of dues from State Electricity Boards, from the State Government of Utter Pradesh and Hariyana are treated as long time investment and is valued at cost.

10.5 In compliance with AS-22, Deferred Tax Assets has been recognized for Rs. 3647.20 lakh for the year 2005-06 making a total deferred tax asset for Rs. 16619.36 lakh as on 31.03.2006. The total deferred tax assets is Rs. 31316.42 lakh, capable to reversal in one or more subsequent period(s), consists of Doubtful debts , Gratuity and Leave encashment on actuarial basis, provision for Loans & Advances, Obsolescence of stores and carry forward of expenditures of VRS and P&B etc. Similarly, the deferred tax liability being the difference of WDV of fixed assets as per book and as per I.T. Rules is for Rs. 14697.05 lakh.

10.6 As per Significant Accounting Policy No. 12.1 in Opencast mine with a rated capacity of 1 Million Tonnes or above, OBR Accounting is to be done. However, it has not been followed in case of Amlo Project since inception i.e. last 20 years.

## 11. EFFECT OF EXCHANGE FLUCTUATION

11.1 Coal India Limited (Holding Company) has entered into Principal only Swap(POS) transaction which will entitle CIL to receive dollar at a fixed rate prevailing on the trade date, for repayment of IBRD loan falling due on different dates from 15.11.2005 to 15.05.2007. The loan amount covered under such Swap transaction has therefore been revalued at fixed rates prevailing on the trade dates. The balance amount of IBRD Loan( not covered under SWAP transaction) and the amount of JBIC(JEXIM) loan have been revalued at the spot USD/INR Rate and JPY/ INR rate respectively prevailing on 31.03.06. As a result, there is a favourable impact of Rs.358.11 lakh which have been accounted for as under:

	<i>(Rs. in lakh)</i>
	<b>Amount</b>
(a) Credited to Revenue	73.72
(b) Credited to carrying cost of Fixed Assets	284.39
<b>Total</b>	<b>358.11</b>

**11.2 Effect Due to Change in Accounting Policy :**

<i>Particulars</i>	<i>Previous Policy</i>	<i>Present Policy</i>	<i>Effect</i>
Provision for deterioration of stock of coal etc.	Provision @ 10% was considered where the stock of coal, coke etc. valued at NRV.	No provision is required	Profit increased by Rs. 2239.56 lakh
Valuation of WIP of CRS/RRS in respect of revenue items	Valuation was done & accounted.	No valuation & accounting is required	Profit decreased by Rs. 1205.00 lakh.

**12. DIRECTORS REMUNERATION***(Rs. in lakh)*

<b>Particulars</b>	<b>Chairman/Managing Director</b>		<b>Functional Directors</b>	
	<b>2005-06</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2004-05</b>
Salary & Allowances (including Gratuity & leave encashment).	5.58	10.98	20.03	15.49
Provident Fund	0.66	0.36	2.37	1.82
Perquisites	3.85	0.10	0.82	0.39

- Note :** (1) Perquisites do not include value/charges for furniture rent and electric energy and use of Company's car which have been recovered as per rules of the Company and value of free medical facilities in Company's hospitals.
- (2) Salary & Allowances and Provident Fund includes arrear impact arising out of pay revision.

**13. INFORMATION PURSUANT TO THE PROVISIONS OF PARAGRAPHS 4C AND 4D OF PART-II OF SCHEDULE VI TO THE COMPANIES ACT, 1956****(a) Licenced Capacity, Installed Capacity and Actual Production :***(Fig. in lakh tonne)*

<b>Class of Goods</b>	<b>Licenced Capacity</b>		<b>Installed Capacity</b>		<b>Actual Production</b>	
	<b>2005-06</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2004-05</b>
Coal	NA	NA	NA	NA	405.13	373.89
Washed Coal:						
(a) Coking	48.10	48.10	48.10	48.10	22.89	26.44
(b) Non Coking	86.40	86.40	86.40	86.40	*65.66	57.57
Middlings/Slurry (Coking)/Washed Coal						
Power	NA	NA	NA	NA	22.18	23.34
Hard Coke	NA	NA	NA	NA	0.00	0.00
Soft Coke	NA	NA	NA	NA	0.00	0.00
<b>Total</b>					<b>515.86</b>	<b>481.24</b>

- (i) Licenced Capacity registered with appropriate authorities. No industrial licence is required for production of these goods.
- (ii) Installed Capacity have been certified by Company's Technical Expert.
- (iii) Actual production is inclusive of quantities for development units.  
\*Includes 7567 MT of Middling despatched as washed coal by Kargali Washery.

**(b) Particulars in respect of Outside Despatch :**

Class of Goods	2005-06		2004-05	
	Quantity	Value	Quantity	Value
	<i>(Value Rs. in lakh) (Quantity tonnes in lakh)</i>			
Coal	259.37	273536.88	233.78	233201.15
Washed Coal				
(a) Coking	22.10	68037.17	25.76	75383.43
(b) Non-Coking	66.39	79660.82	58.49	66663.88
Middlings/Slurry/Washed Coal Power (including non-coking coal)	21.53*	29852.25	23.26	28735.29
Hard Coke	0.00	0.00	0.02	89.59
Soft Coke	0.00	0.00	0.00	0.00
Bye-Products	2.49	203.43	2.64	300.15
<b>Total</b>	<b>371.88</b>	<b>451290.55</b>	<b>343.95</b>	<b>404373.49</b>

\*Excluding 7567 MT of Middling dispatched as washed coal by Kargali Washery.

**(C) Particulars in respect of finished stocks :**

Class of Goods	2005-06		2004-05	
	Quantity	Value	Quantity	Value
	<i>(Value Rs. in lakh) (Quantity tonnes in lakh)</i>			
<b>(I) Opening Stock :</b>				
Coal	66.19	30810.07	50.81	21556.00
Washed Coal				
(a) Coking	1.86	2109.63	1.18	1574.14
(b) Non-Coking	1.15	567.69	2.07	928.30
Middlings/Slurry (coking)/Washed Coal Power	13.58	12601.39	12.54	10971.01
Hard Coke	0.02	69.17	0.04	151.72
Soft Coke	0.0004	0.69	0.0004	0.69
Bye-Products	0.06	103.28	0.06	102.13
Magnetite	0.003	1.61	0.003	1.61
<b>Total</b>	<b>82.8634</b>	<b>46263.53</b>	<b>66.7034</b>	<b>35285.60</b>



CENTRAL COALFIELDS LIMITED

Class of Goods	<i>(Value Rs. in lakh)</i> <i>(Quantity tonnes in lakh)</i>			
	2005-06		2004-05	
	Quantity	Value	Quantity	Value
<b>(II) Closing Stock</b>				
Coal	82.68	39889.09	66.19	30810.07
Washed Coal :				
(a) Coking	2.65	3544.62	1.86	2109.63
(b) Non-Coking	0.42	223.96	1.15	567.69
Middlings/Slurry/(coking)/Washed Coal Power	14.16	14050.75	13.58	12601.39
Hard Coke	0.02	67.77	0.02	69.17
Soft Coke	0.0004	0.69	0.0004	0.69
Bye-Products (Other than rejects)	0.06	103.28	0.06	103.28
Magnetite	0.003	1.61	0.003	1.61
<b>Total</b>	<b>99.9934</b>	<b>57881.77</b>	<b>82.8634</b>	<b>46263.53</b>

Washed Coal excludes contaminated coal of 83795 tonnes (Previous year 83795 tonnes).

**(d) Details of coal consumed in Washeries, Coke Ovens and Soft Coke Making :**

Class of Goods	<i>(Value Rs. in lakh)</i> <i>(Quantity tonnes in lakh)</i>			
	2005-06		2004-05	
	Quantity	Value	Quantity	Value
Washeries	128.71	104166.84	124.18	103087.26
Coke Oven	0.00	0.00	0.00	0.00
Soft Coke	0.00	0.00	0.00	0.00
<b>Total</b>	<b>128.71</b>	<b>104166.84</b>	<b>124.18</b>	<b>103087.26</b>

**(e) Value of imported and indigenous stores, spares parts and components consumed:**

	<i>(Rs. in lakh)</i>			
	2005-06	Per (%)	2004-05	Per. (%)
Imported	472.42	1.07	1794.04	4.24
Indigenous	43634.96	98.93	40560.00	95.76
<b>TOTAL</b>	<b>44107.38</b>	<b>100.00</b>	<b>42354.04</b>	<b>100.00</b>

**(f) CIF Value of Imports :**

	<i>(Rs. in lakh)</i>	
	2005-06	2004-05
Components & Spares Parts	739.00	1301.50
Capital Goods	0.00	0.00
<b>TOTAL</b>	<b>739.00</b>	<b>1301.50</b>

**(g) Expenditure incurred in Foreign Currency on account of (As per debit advice of Holding Company) :**

	<i>(Rs. in Lakh)</i>	
	<b>2005-06</b>	<b>2004-05</b>
(i) Interest	429.02	320.48
(ii) Commitment Charges	0.00	0.00
(iii) Agency Commission	0.44	0.47
(iv) Project Implementation Facilities	0.00	0.00
(v) Consultancy	0.00	0.00
<b>Total</b>	<b>429.46</b>	<b>320.95</b>

**14. EFFECT CONSEQUENT TO CHANGES IN THE AMENDED ACCOUNTS :**

The Accounts for the year 2005-06 with Notes on Accounts approved by the Board of Directors in its 331st meeting held on 31.05.2006 reported upon by Statutory Auditors on 05.06.2006 have been revised resulting in decrease in profit of Rs. 800.80 lakh in pursuance of audit memo 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 Accounts and Balance Sheet.

**1. Profit & Loss Account :**

Decrease in Net profit

***(Rs. in lakh)***

(–) 800.80

**Represented by**

(a) Increase in Employees Remuneration & Benefits	(–) 42.29	
(b) Decrease in OBR Adjustment	(+) 540.02	
(c) Increase in Power & Fuel	(–) 37.71	
(d) Increase in Contractual Exps.	(–) 20.22	
(e) Increase in Misc. Expenses	(–) 96.85	
(f) Increase in Depreciation	(–) 225.17	
(g) Increase in Prior Period adjustment	(–) 805.87	
(h) Decrease in Stock of Coal	(–) 112.71	
		(–) 800.80

**2. Balance Sheet :**

(a) Decrease in net Block	(–) 694.36	
(b) Decrease in Capital Work in Progress	(–) 21.03	
(c) Decrease in Current Liabilities & Provision	(+) 236.45	
(d) Decrease in current Assets, Loans & Advances	(–) 122.71	
(e) Decrease in I. Tax Provision	(–) 199.15	
		(–) 800.80

Due to above changes in Profit & Loss Account and Balance Sheet, Sch-3, Sch-6, Sch-8, Sch-10, Sch-11, Sch-14, depreciation and OBR Adjustment of the Profit & Loss Account and Sch-C, Sch-F, Sch-G, Sch-I, Sch-L, Sch-N, Sch-Q, Sch-R and Sch-S of the Balance Sheet have been modified/ corrected.

15. During the year various heads of account of Balance Sheet and Profit & Loss Account have been rearranged /regrouped and accordingly previous year's figures to the extent possible have been rearranged/ regrouped to make them comparable.
16. Figures have been expressed in "Lakh" and rounded off to the nearest thousand.

Sd/-  
**S. P. Samanta**  
Chief Finance Manager

Sd/-  
**Dr. A. K. Sarkar**  
Director (Finance)

Sd/-  
**R. P. Ritolia**  
Chairman-cum-Managing Director

In terms of our report of even date

For **M/s Anand Rungta & Co.**  
Chartered Accountants

Sd/-  
**(S. K. Shahi)**  
Partner

Place : Camp : Kolkata  
Dated : 12th August, 2006

**SCHEDULE - "R"****BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE****I. REGISTRATION DETAILS :**

Registration No.	: 581	State Code	: 34
Balance Sheet Date	: 31.03.2006	State	: Jharkhand

**II. CAPITAL RAISED DURING THE YEAR (Amount Rs. in lakh):**

Public Issue	: NIL	Right Issue	: NIL
Bonus Issue	: NIL	Private Placement	: NIL

**III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount Rs. in lakh) :**

Total Liabilities	: 531621.83	Total Assets	: 531621.83
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**Sources of Funds :**

Paid-up Capital	: 94000.00	Reserve & Surplus	: 38247.52
Secured Loan	: 0.00	Unsecured Loans	: 89593.76

**Application of Funds:**

Net Fixed Assets	: 161224.77	Investments	: 9423.02
Net Current Assets	: 34574.13	Misc. expenditure	: 0.00
Accumulated Loss	: 0.00	Deferred Tax Assets	: 16619.36

**IV. PERFORMANCE OF COMPANY (Amount Rs. in lakh) :**

Turnover (Net)	: 391000.70	Total Expenditure (Net)	: 417215.92
Profit/Loss before Tax	: 116498.01	Profit /Loss after Tax (Net)	: 74827.09
Earning per Share (Rs.)	: 1239.34	Dividend Rate %	: 31

**V. GENERIC NAMES OF PRINCIPAL PRODUCTS OF COMPANY :**

Item Code No. (ITC Code)	: 270112.00	Product Description	: BITUMINOUS COAL
Item Code No. (ITC Code)	: 270119.01	Product Description	: COKING COAL
Item Code No. (ITC Code)	: 270400.03	Product Description	: HARD COKE

Sd/-  
S. P. Samanta  
Chief Finance Manager

Sd/-  
Dr. A. K. Sarkar  
Director (Finance)

Sd/-  
R. P. Ritolia  
Chairman-cum-Managing Director

Signed for identification  
For **M/s Anand Rungta & Co.**  
Chartered Accountants  
Sd/-  
**(S. K. Shahi)**  
Partner

Place : Camp : Kolkata  
Dated : 12th August, 2006

**SCHEDULE - S****CASH FLOW STATEMENT (INDIRECT METHOD) FOR THE YEAR 2005-06**

(Rs. in Lakh)

	Current Year	Previous Year
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax and extraordinary items	117397.67	43709.07
Adjustment for :		
Depreciation	22913.61	10025.97
Deferred Tax	-3647.20	-7097.05
O.B.R. Adjustment	2179.12	5921.83
Interest on Investment (Tax Free Bonds)	-800.96	-800.96
Interest on Excess Payment of Corporate Tax	-83.95	-328.57
Interest on Surplus Fund Parked with CIL	-3443.80	-1148.53
Interest & Finance Charges	10034.42	11227.53
	<u>27151.24</u>	<u>17800.22</u>
Operating Profit before working Capital Changes	<b>144548.91</b>	<b>61509.29</b>
Adjustment for :		
Increase (-)/Decrease (+) in Loans & Advances	-108490.30	-55265.97
Increase (-)/Decrease (+) in Debtors	4877.43	-106.34
Increase (-)/Decrease (+) in Inventories	-10998.26	-10502.15
Increase (-)/Decrease (+) in Other Current Asset	-42.80	990.34
Decrease (-)/Increase (+) in Current Liabilities	48932.44	75572.98
	<u>-65721.49</u>	<u>9733.86</u>
Cash Flow before Extra Ordinary items	<b>78827.42</b>	<b>71243.15</b>
Prior Period Adjustment	-899.66	72.38
Cash Flow from Operating Activities	<b>77927.76</b>	<b>71315.53</b>
Tax Provision	-44747.13	-15795.05
<b>Net Cash Flow from Operating Activities</b>	<b>33180.63</b>	<b>55520.48</b>

**B CASH FLOW FROM INVESTING ACTIVITIES**

Purchased/Acquisition of Fixed Assets (Net of Adjustment)	-6127.99	-15477.74		
Interest on Excess Payment of Corporate Tax	83.95	328.57		
Interest on Surplus Fund Parked with CIL	3443.80	1148.53		
Interest on Investment (Tax Free Bonds)	800.96	800.96		
	<u>                    </u>	<u>                    </u>	-1799.28	<u>                    </u> -13199.68

**C CASH FLOW FROM FINANCING ACTIVITIES**

World Bank Loan through CIL	-358.11	-273.13		
Repayment of Secured Loans	0.00	-5000.00		
Repayment of EFIC Loan	0.00	-2636.03		
Repayment of World Bank Loan	-918.23	-928.27		
Repayment of CIL Loan	-15000.00	-15000.00		
Interest & Finance Charges	-10034.42	-11227.53		
	<u>                    </u>	<u>                    </u>	-26310.76	<u>                    </u> -35064.96

**Net Increase/Decrease in Cash and Cash Equivalent (A+B+C)** **5070.59** **7255.84**

Cash and Cash equivalent as on 01.04.2005 18411.43 11155.59

Cash and Cash equivalent as on 31.03.2006 23482.02 18411.43

**5070.59** **7255.84**

Sd/-  
**S. P. Samanta**  
Chief Finance Manager

Sd/-  
**Dr. A. K. Sarkar**  
Director (Finance)

Sd/-  
**R. P. Ritolia**  
Chairman-cum-Managing Director

In terms of our report of even date

For **M/s Anand Rungta & Co.**  
Chartered Accountants

Sd/-  
**(S. K. Shahi)**  
Partner

Place : Camp : Kolkata  
Dated : 12th August, 2006

## **ADDENDUM TO DIRECTORS' REPORT**

**(Under Section 217 (3) & 227 (2) of the Companies Act, 1956)**

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### **AUDITORS' REPORT**

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### **MANAGEMENT'S REPLY**

To

The Members,

We have audited the attached Balance Sheet of Central Coalfields Limited as at 31st March 2006 and also the Profit & Loss Account of the Company and Cash Flow statement for the year ended on that date, in which are incorporated the accounts of the Areas audited by respective Branch Auditors. The report of the Branch Auditors as submitted and forwarded to us have been considered by us in preparing this report. These financial statements are the responsibility of the management. Our responsibility is to express our opinion on these financial statements based on audit conducted by us as well as by the Branch Auditors for the respective area.

Except as disclosed in the following paragraph and Areas covered by respective Branch Auditors, we conducted our Audit in accordance with Auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An Audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation, we believe that our audit provides reasonable basis for our opinion.

- A. The statement of Accounting together with Notes thereon approved by the Board of Directors in their meeting held on 31st

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

May,2006 and reported thereon by us on 5th June,2006 have been revised and amended at Head office, including in respect of certain areas/ branches which were audited by the Branch Auditors to give effect to the observations of the Comptroller and Auditor General of India. Accordingly, the Balance Sheet as at 31st March, 2006 and Profit & Loss Account for the year ended on that date read together with Accounting Policy and Notes thereon have been amended as per Note No.16 of Schedule-Q and the impact of amendment of the accounts are summarised as follows:-

Decrease in Net Fixed Assets	-	Rs. 694.36 lakh.
Decrease in Capital W.I.P.	-	Rs. 21.03 lakh
Decrease in Current Assets	-	Rs. 122.71 lakh
Decrease in Current Liabilities & Provisions	-	Rs. 236.45 lakh
Decrease in net profit( before Tax) after adjustment of Prior Period Account	-	Rs.800.80 lakh
Decrease in net profit( after Tax) after adjustment of Prior Period Account	-	Rs.601.65 lakh

- B.1. As required by the Companies (Auditors' Report) Order, 2003 issued by the Government of India in term's of Section 227(4A) of the Companies Act, 1956, and on the basis of such checks of the books and records of the Company as we considered appropriate and as reported by the Branch Auditors and according to the information and explanations given to us, we annex hereto a statement on the matter specified in paragraphs 4 & 5 of the said order, to the extent applicable to the Company.
2. **Further to our comments in annexure referred to in paragraph 1 above and subject to our observations contained in paragraphs 3 to 10 to follow and consequent impact thereof on the profit, assets and liabilities for the items**



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**AUDITORS' REPORT**

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**MANAGEMENT'S REPLY**

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quantified in para nos. 3.4; 3.6(d); 4.1 and 4.8 and our inability to quantify the impact of Profit, assets and liabilities in the other paras in the absence of proper information/ explanation and record at the end of the Company as stated in appropriate part of those paragraphs read together with " Significant Accounting Policies" in Schedule-P and other Notes in " Notes on Accounts" in Schedule-Q we report that:

Had the observations made in paras quantified as above been considered the "Profit for the year" would have been Rs. 73342.83 lakh (as against the reported Rs.74827.09 Lakh), "Net Current Assets" would have been Rs.35717.51 Lakh (as against the reported Rs.34574.13 lakh), and Fixed Assets would have been Rs.158597.13 lakh (as against the reported Rs.161224.77 lakh).

- 2.1 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.
- 2.2 In our opinion, proper books of account, as required by law, have been kept by the Company so far as, appears from our examination of those books.
- 2.3 The said Balance Sheet and Profit & Loss Account are in agreement with the books of account.
- 2.4 In our opinion, the Balance Sheet and Profit & Loss Account have been prepared by the Company in compliance with the Accounting Standards referred to in Sub-Section 3(c) of Section 211 of the Companies Act, 1956 except for the deviations noted in para 9 of this report and in Schedule 'P' (Accounting Policies) and Schedule 'Q' (Notes on Accounts).
- 2.5 As explained to us and as per Notification No. GSR 829(E) issued by Department of Company Affairs the provisions of Section 89

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

274(1)(g) of the Companies Act, 1956 are not applicable to a Government Company.

2.6 In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India. Any new statutory or regulatory requirement or change in Govt. policy that could impair the financial stability or profitability of the entity.

(a) In the case of the Balance Sheet, of the State of affairs as on 31st March, 2006 and

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

(c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

### 3 FIXED ASSETS (SCHEDULE-F)

3.1 Amount of un-assessed tenancy land as well as unpaid amount of Rs. 14.09 crore in respect of assessed tenancy land have not been accounted for; resulting under capitalisation of land and its' impact on profit due to non-amortisation of land; as stated in Note No. 3.3 of Schedule-Q.

Moreover, Note No. 3.1 of Schedule-Q states about non classification and non ascertainment of certain lease hold/free hold land, as required under Schedule-VI, Part-I of the Companies Act, 1956. This led to under/over amortisation against land, under/over statement of written down value of land the quantum of which is not ascertainable.

3.2 Advance for land amounts to Rs. 6646.12 lakh; including Rs. 3247.74 lakh paid for Penal NPV, which has not been properly accounted for. Further payment of Rs.9175.92 lakh for compensatory

Ascertainment of quantum of Tenancy land as well as the claim is a continuous process and the existing system is being consistently followed.

This is under consideration and suitable action is being taken so that classification distinguishing leasehold and freehold is exhibited in the Balance Sheet.

The amount paid on protest towards penal NPV is subject to adjustment against the normal payment to DFA for obtaining mining right. Pending the final decision in this regard, the said amount has been carried forward and shown

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

afforestation & forest produce has been charged to revenue (including prior period) but stock of forest produce and realisations thereof; if any, has not been accounted for.

3.3 Capital Work-in-Progress includes both tangible and intangible assets including Advances and payments for Railway Siding Rs. 671.85 lakh that have been appearing since long. In absence of linking and information about present status, we are unable to verify the same.

3.4 A substantial part of "Development-prospecting and boring" expenses included in Capital Work-in-Progress recorded in the Head Quarter costing Rs. 9599.99 lakh which includes non-CIL block amounting to Rs 1785.49 Lakh .As non -CIL block is meant for sale and hence it should have been shown as a separate item under inventory schedule.

As per prudential norms , expenditure during development phase in respect of CIL and Non-CIL Blocks are carried forward till the project is formulated. Year end review is made for proper allocation of the deferred expenditure appearing in the Balance Sheet. In case of Non-CIL Blocks expenditure is carried forward till such time the Blocks are sold to outside parties.

3.5 No accounting has been made in respect of certain assets and liabilities of two hospitals taken over from Coal Mines Labour Welfare Organisation and three Mines Rescue Stations, the extent of which has not been ascertained (Note Nos. 3.4 and 3.5 of Schedule-Q).

3.6(a) Plant & Machinery sent for repair to Central Workshop from various areas include the WDV in the area pending decision of the Board/competent Authority for survey off. Implication of same on the Fixed Assets schedule, Current Assets and Depreciation is not ascertainable for want of necessary information.

under Loans & Advances.

As regards the accounting stock of forest produce etc. is concerned, the matter shall be examined.

Some facilities / assets do remain idle for some time due to technical or economical reason. However, year end review is made regarding the utility value of the facilities /assets. Idle assets no longer considered necessary are expensed.

As per prudential norms, expenditure during development phase in respect of CIL and Non-CIL Blocks are carried forward till the project is formulated. Year end review is made for proper allocation of the deferred expenditure appearing in the Balance Sheet. In case of Non-CIL Blocks expenditure is carried forward till such time the Blocks are sold to outside parties.

This is very old case dating back to 1981. Necessary accounting is difficult as the execution of formal transfer agreement is pending.

Accountal of surveyed off equipment is done based on competent approval and is also as per the accounting practice being consistently followed.

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

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| (b) Plant & Machinery pertaining to closed mines and other fixed assets which is not in use for considerable time continue to be shown under Fixed Assets schedule (Refer Note No. 3.6 in Schedule-Q); instead of showing it at lower of WDV and net realisable value.   | Tangible assets which have not lost its utility have been put for gainful utilization in adjacent mines/ projects . Other tangible / intangible assets which are considered infructuous are expensed after thorough review. |
| (c) Certain items of Fixed Assets and Stores and Spares stolen/dismantled in earlier years continue to figure in Fixed Assets or Inventory schedule, the total cumulative value of which is not ascertainable.   | Necessary provision and or write off action will be taken after review .  |
| (d) Profit for the year is overstated due to non-provision of Rs.842.15 lakh in respect of dropped / shelved / long pending projects for Fixed assets / capital Work in Progress/ Prospecting, Boring and Development Expenditure of different Area.   | Assessment of sunk cost is being made by the Committee constituted by CCL and the infructuous expenditure, if any, is charged to P&L Account wherever it is considered necessary  |
| <b>4 INVENTORIES (SCHEDULE-I)</b>  |   |
| 4.1 Due to change in accounting policy for valuing stock; the profit for the year is overstated (net) by Rs. 640.50 lakh (Refer para 11.2 of Schedule:Q and further non-valuation of WIP at Regional Repair shop, Jarandih (Kathara) by Rs.394.06 lakh).   | This was required to comply with the changes in Uniform Accounting Policy of CIL.   |
| 4.2 Shortage/surplus found on physical verification of coal, coke etc. within +/- 5% over book stock (colliery wise), is ignored pursuant to Accounting Policy (refer para 7.1 of Schedule-P). As a result, Net shortage within +/- 5% over book stock (colliery wise) weighing 1.26 lakh tonne Valued at Rs. 642.21 lakh remained unadjusted in the Books of Accounts. In our opinion this does not consider justifiability of not taking into account of measured stock. | This is as per the accounting policy of the Company being consistently followed .   |
| 4.3 Rejects in coal washeries, as per practice has not been considered for valuation. However, sale of rejects during the year amounting to Rs.195.61 lakh indicates under valuation of the inventory resulting in understatement of Profit to the extent of the value of physical quantity in stock.  | This is as per existing practice based on conservative approach and the same is being consistently followed.  |

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

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| <p>4.4(a) Valuation of stock of raw coal has been made at lower of cost and net realisable value. However, distribution of overhead for determining cost has been made on the basis of actual production (colliery-wise) during the year instead of Normal Capacity based on average production over a number of years under normal circumstances. Again, Net Realisable Value has been worked out without considering Demurrage and Under loading charges.</p> | <p>The Cost as well as NRV is determined as per Uniform Guidelines read with AS-2 and the same is being consistently followed.</p>  |
| <p>4.4(b) The value of 9884 MT very old Middling at Argada Area valued at Rs. 61.13 lakh and 6012 MT of very old Coke Breeze at Giridih Area valued at Rs. 99.20 Lakh, having no movement, getting deteriorated and soiled also continued to be valued at selling price. These old and unmoved items should have been valued at net realisable value. We are unable to comment on adequacy of provision.</p>  | <p>Stock valuation has been done as per the grade certified by the Coal Stock Measurement Team of CIL .</p>   |
| <p>4.5 The provision of Rs.227.14 lakh has been made during the year, in respect of non-moving stores and spares at Regional stores only (Refer para 7.4 on Schedule-P); but in absence of thorough technical review of the position of non-moving/obsolete / unserviceable stores and spares; we are unable to comment on the adequacy of the provision made in this respect.</p>  | <p>Provisions made against stock of obsolete and damaged stores is considered to be adequate by the management. There is well defined policy in this regard. The assessment of items which are obsolete and un-moved for more than five years is made by the external firms of accountants.</p>   |
| <p>4.6 Reconciliation of Numerical Ledgers are not completed upto 31.03.2006 with Priced Store Ledger and balances against some items of stores display negative balances since long at such places. Accordingly, impact of shortage / excess, if any; on the profit for the year remain unascertained.</p>   | <p>The discrepancies found on reconciliation of numerical ledger with Price stores ledger have been reflected in the consumption of stores and spare parts to the extent such reconciliation has been completed during the year. Reconciliation in some areas is under process and the same shall be completed in the following year.</p> |
| <p>4.7 No equipment has been declared as obsolete during the year. We are unable to comment on adequacy of provision for probable related obsolete spare parts.</p>   | <p>By efflux of time and due to change in technology, spares become obsolete. The obsolescence is determined through technical review and provision is made as per extant policy of the Company.</p>  |
| <p>4.8 Closing stock of Magnetite Rs. 1.61 lakh of Gore Mines closed in 1990-91(termed as dead stock) should have been valued at</p>  | <p>Noted for review. It is a dead stock and has remained un-moved for long period.</p>  |

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

Rs. NIL in the light of expected qualitative deterioration.

**5 SUNDRY DEBTORS (SCHEDULE-J)**

5.1 Confirmation of balances due from Sundry Debtors were not available for our verification.

System of taking confirmation from Debtors is not in vogue. However, Sundry debtors balances are reconciled at regular intervals.

5.2 Dues outstanding from Power Houses/ SEBs mostly for more than 3 years net of provision amounting to Rs. 41427.74 lakh, out of which Rs.9978.24 lakh are outstanding from two Power House within 3 years and realisation is either slow or not received. In case of one SEB final reconciliation for certain period is also pending. Part of the provision consists of provision made on estimates, past trend, interim award, etc. At this stage we are unable to express our opinion on the adequacy of provision and time taken for full realisation of these dues.

Outstanding dues from the Power houses have been continuing mainly because of the delay in the finalisation of award through dispute settlement mechanism. Vigorous efforts are being made to deal with the outstanding dues of BSEB and other SEBs.

5.3 In absence of year wise break up of unlinked debit balance of Rs.29.82 lakh due from cash sale parties, we are unable to express opinion on it's realisability or adjustability.

This is a case of negative balances in respect of advance deposit related to cash sale which shall be reviewed for necessary adjustments.

5.4 Company continued to deduct and deposit Professional Tax, even after its' withdrawal by Jharkhand Govt w.e.f. 17.12.04. In absence of proper information, we are unable to express our opinion on full quantum of liability on this account refundable to employees, coal customers, contractors etc; as well as amount receivable from Hazaribagh Mines Board.

Owing to delayed receipt of the Notification ordering to stop deduction w.e.f. 17.12.2004. CCL continued to deduct and deposit professional tax till 31.03.2005. All such refunds shall be made after Hazaribagh Mines Board refunds the amount to CCL.

**6 LOANS AND ADVANCES (SCHEDULE- L)  
OTHER CURRENT ASSETS  
(SCHEDULE-M)**

6.1 Confirmation in respect of various debit and credit balances of parties included in "Loans & Advances" and "Other Current Assets" were not available for our verification and as such we are unable to comment on its correctness and impact on the profit and other accounts.

System of taking confirmation from outside parties is not in vogue. However, balances with CIL and its other subsidiaries and major sundry debtors and other creditors are reconciled at regular intervals.

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

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| <p>6.2 "Loans and Advances" and " Other Current Assets" wherever details were made available shows old advances/receivables doubtful of recovery net of provision made at Rs. 28.29 lakh including very old claims and other old advances remaining unadjusted but excluding Rs. 51.94 lakh recoverable from Commissioner of Payment vide Note No. 7.1 in Schedule-Q, Rs.27.44 lakh recoverable from IICM against printing press bills of more than three years and cash loss balance amounting to Rs. 6.37 lakh during 1994-95 in Dhori area. Pending review, linking and upward revision of provision on these accounts; we are unable to comment on impact of the same on profit for the year.</p> | <p>Continuous review of the old carried forward amount is made for adjustment and realization . Necessary action is taken depending on the merit of individual case ,wherever considered necessary.</p>  |
| <p>6.3 There are some negative balances in different areas towards employee related advances (Motor car and House Building). These are attributed to pending transfer of loan accounts of transferred employees to the corresponding area or office of transfer and adjustment of accrued interest wherever charged. Aggregate implication of same on revenue, assets and liabilities could not be ascertained in the absence of necessary information.</p>   | <p>This is a statement of fact. The Company has taken steps to improve the internal accounting so as to obviate the problem arising out of the transfer of the employees.</p>  |
| <p>6.4 In certain cases, balances under Current Liabilities (Sch-N) and Loans &amp; advances (Sch-L) and Other Current assets (Schedule-M) have not been analysed / linked and adjusted (Refer para 7.2 on Schedule:Q). The extent to which such adjustments on analysis or linking of balances will affect the profit or other accounts could not be determined.</p>   | <p>The process of linking of old advances with corresponding liabilities is still continuing for further analysis and adjustment.</p>  |
| <p>6.5 A sum of Rs. 10033.04 lakh on account of Cess and Sales Tax thereon shown under " Other Current Assets" in Schedule-M should be set off against corresponding liability included in " Current Liabilities and Provisions" in Schedule-N after disposal of the S.L.P. pending with the Supreme Court (Refer Note No. 8.2 in Schedule-Q).</p>  | <p>The first part of the Auditor's Report is a statement of fact. Regarding 2nd Part, this is being shown consistently every year for separate identification under advances and deposits from customers, and the liabilities to the Government.</p> |

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

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| <p>6.6 Securities against House Building Loans and Loans for Vehicles could not be verified at the different areas as the Title Deeds for land and Hypothecation documents were not made available. Part of House Building advances in Ranchi H.Q. classified as fully secured in Schedule-L are observed to be unsecured as no equitable mortgage was created till 31.3.2006 the quantum of which though not significant, has not been ascertained.</p> <p>6.7 Advance deposit of Sales Tax includes Rs. 600.91 lakh being deposit of Sales Tax against cases under appeal, etc. Implication of same on Profit, asset and liability could not be ascertained.</p> <p>6.8 The claim for refund of Sales Tax amounting to Rs. 389.41 lakh relating to 1985-86 onwards is still pending and present position could not be ascertained.</p> <p>6.9 Deposit others includes Rs 3385.11 Lakh being deposit of Royalty/Cess against cases under appeal, etc. Implication of same on Profit, asset and liability could not be ascertained.</p> <p>7 CURRENT LIABILITIES AND PROVISION (SCHEDULE-N)</p> <p>7.1 In the absence of details, linking or reconciliation of various heads of accounts under Current Liabilities we are unable to verify the correctness of the different amount in the Schedule and comment on it's impact on the profit and other accounts. Confirmation of balances were also not available for our verification.</p> <p>7.2 The Company has not accounted for a sum of Rs. 214.21 lakh payable to BCCL, a subsidiary Company of Coal India limited, since 1990-91, relating to its Gore Mine Project. In the absence of information, the effect on Assets and Liabilities could not be ascertained.</p> | <p>These documents are the primary /necessary document against which loans are sanctioned. Loan are sanctioned only after the said documents are furnished.</p> <p>This amount pertains to disputed sales tax claims. The amount has been paid to the Tax Authority under protest. All the cases are sub-judice and there is no obligation as on the date of Balance Sheet. The amount has been shown as contingent liability.</p> <p>Legal action for realization of the claim is in progress. The amount is due from Government and cannot be considered bad.</p> <p>This is a case of disputed Royalty claim. The amount has been paid to authority under protest. All the cases are sub-judice and there is no obligation as on the date of Balance Sheet. The amount has been shown as contingent liability.</p> <p>Linking and reconciliation is under process. Action will be taken to get the details of un-explained balances appearing under these heads. The system of obtaining confirmation of balances is not in vogue.</p> <p>This is a very old case pertaining to the year 1986. Debit note of Rs. 307.36 lakh showing the transfer value of the assets and liabilities was sent by BCCL . Out of which stock of magnetite valued at Rs. 76.13 lakh and sundry debtors amounting to Rs. 138.08 lakh was not considered due to</p> |
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**AUDITORS' REPORT****MANAGEMENT'S REPLY**

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| <p>7.3 In the absence of confirmation and/or complete reconciliation of the balance payable/receivable from/to Coal India Limited, and its subsidiaries, we are unable to form an opinion at this stage about the correctness of the amount shown in the accounts and also comment on the impact on profit , assets and liabilities after such reconciliation.</p>   | <p>litigation about the stock and lack of details about debtors.</p> <p>Transactions between CIL and the Company are reconciled periodically and are accounted for after verification, acceptance and linking up.</p> |
| <p>7.4 Up-to-date status of assessment and appeal towards Sales Tax and position of non receipt of Sales Tax declaration forms and Royalty could not be verified in some of the areas in the absence of necessary documents or information with consequent inability on our part to comment on any additional liability incidental or contingent therefore lying un-provided/ undisclosed.</p>   | <p>Up-to-date status of assessment towards sales tax and royalty are available with concerned project/unit.</p>   |
| <p>7.5 Rs. 127.90 lakh recovered on account of Prime Minister's Relief Fund and National Defence Fund has not been deposited since long.</p>   | <p>This is a statement of fact and CCL will take necessary steps in consultation with JCC.</p>  |
| <p>7.6 In absence of Expert legal opinion / latest position of cases/ litigation against the company as referred in Note no. 1 of Schedule –Q , we are unable to express our opinion on additional liability, if any, which are required to be provided under AS-29 lying un-provided.</p>   | <p>The merit of individual case has been examined , expert legal opinion has been obtained and CCL has concluded that as on the date of Balance Sheet, no liabilities has been crystalised.</p>                       |
| <p>7.7 As referred in Note No.10.2 on schedule-Q : last year company had provided Rs.74.25 lakh for Mine Closure Expense on the basis of coal production; whereas in current year it provided Rs.146.89 lakh, as per technical assessment made by CMPDIL, in respect of six closed mines. However creation of provision every year to the extent of coal and OBR extracted during the year, representing the estimated liability on account of final mine closure expense should have been provided; although in</p> | <p>This is being done as per Uniform Accounting Policy of the Company.</p>  |

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

absence of details amount could not ascertained.

8 PROFIT & LOSS ACCOUNT:

8.1 The Company has made no adjustment in the Accounts for theft of goods amounting to Rs. 69.21 lakh.

Necessary action will be taken on completion of investigation.

8.2 The rated capacity of Karo open cast mine is 1.5 million tonnes and the mine has already been brought to revenue. But Over Burden Removal accounting has not been done for the same, as per accounting policy of the company ( Refer para 12.1 on Schedule:P).

As per Significant Accounting Policy No. 12.1 in Opencast mine with a rated capacity of 1 million tonnes or above, OBR Accounting is to be done. However, it has not been followed in case of Karo Open Cast.

8.3 We are unable to comment on the quantum of loss; if any; as extent of loss/ damage is yet to be assessed in respect of accidental inundation in Bansgarha Incline of Central Saunda colliery in June, 2005 at Barka-Sayal Area.

This is a statement of fact.

9 DEVIATION FROM ACCOUNTING STANDARDS:

9.1 Interest Income on delayed payment from Coal Customers and deduction of liquidated damages from suppliers have been accounted for on cash basis (contrary to AS-9)

It is accounted for only when certainty as to its realisability or collectability is ascertained( Reference Significant Accounting Policy- Sch-P- item No. 3.1)

9.2 Depreciation for the year pertaining to each class of land have not been disclosed in accounts (contrary to AS-6).

This is an issue related to disclosure as per Sch-VI of the Companies Act, 1956. Noted for necessary classification.

9.3 Machinery spares shown in Inventory instead of in Fixed Assets Schedule (Contrary to AS-2).

This is a statement of fact, calls for no comment.

9.4 Accounting Practice of Surveyed-off assets being shown at WDV and not at lower of net realisable value and W.D.V(contrary to AS-10).

This is a statement of fact. Item-wise determination of NRV is difficult as there is no ready market for many items of surveyed off assets.

9.5 Distribution of overhead for determination of cost of Coal Stock (contrary to AS-2).

Determination of the cost of coal stock is made as per Uniform Accounting Policy read with AS-2. This is being consistently followed.

9.6 Provision at depreciation rates instead of

Un-moved items of P&M have some wear and

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

- as per expert's opinion against certain items of "Capital Work in Progress" not used for three years prospectively from fourth year (contrary to AS-10) .
- 9.7 The Company has not given Related Party information as per A.S.- 18. Although, we have been informed that A.S.- 18 is not applicable to the company (refer Note No. 10.1 of Schedule Q).
- 9.8 The change in accounting policy of depreciation on project buildings, road and culverts to Schedule XIV rate from the Project life rate was made in the year 2003-2004 without effecting the change retrospectively. The un-amortised depreciation amount was also not adjusted to the remaining period of increased life, (Contrary to AS-6) (Amount not quantified).
- 10 GENERAL:**
- 10.1 We observed , as in the earlier years, that in the consolidated Central Ledger at the Headquarters a number of entries relating to different areas have been passed after completion of audit by the area auditors. The final position of Profit / Loss and Balance Sheet after such entries have not been certified by the respective Area Auditors.
- 10.2 Debit /Credit balances against various parties in Sundry Creditors/Loans & Advances have been deducted from gross aggregate of Sundry Creditors/loans & Advances instead of adding the debit/credit aggregate of respective accounts with Loans & Advances /Current Liabilities. The quantum of understatement of Sundry Creditors/ Loans and Advances and corresponding Loans and Advances/Current liabilities remain unascertainable for non-availability of detailed information from the Company.
- 10.3 Loss due to impairment of Assets as per AS-28 in respect of Captive Power Plant, at Kathara Area has not been accounted for and in absence of details, amount could not be ascertained.
- tear through efflux of time. The policy of charging depreciation is considered prudent.
- This is a statement of fact.
- This is a statement of fact , CCL proposes to comply with the observation of the auditor .
- This is a statement of fact. There are un-avoidable circumstances at the time of the merger of the Company's Accounts requiring some journal entries to be passed on, the impact of which are transferred to the Areas account.
- Linking up of the old balances of loans & advances with that of the Sundry Creditors and Liabilities is a continuous process. CCL has consistently followed the procedure so that netting up of the credit balance in Sundry Debtors and loans & Advances and debit balance in the Sundry Creditors and Loans & Advances is not done.
- The applicability of AS-28 in respect of Kathara CPP shall be reviewed and necessary accounting, if required, shall be made in the following year.

**AUDITORS' REPORT**

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**MANAGEMENT'S REPLY**

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10.4 In our opinion review of Project report of Rajrappa Project, which is more than 21 years old, is called for in view of current quantum of operation in the project and accumulation of OBR in the project, which amounted to Rs. 11218.61 lakh as on 31.03.2006, including Rs.1400.17 lakh added during the year 2005-06. We are unable to express our opinion on the reasonable quantum in absence of detailed review of the project by the management.

Noted, Action will be taken in the following year.

10.5 Due to non-availability / verification of following schedules in some Areas we are unable to comment about impact of the same on the accounts: Earnest Money, Security Deposit, Advance deposit from customers, Advance deposit from Others, Doubtful loans & Advances, Provision others, Claim Receivable others, Advance Adv. Payment.

Noted for necessary action.

For M/s Anand Rungta & Co.,

Chartered Accountants

**( S.K.Shahi )**

Partner

Place: Camp: Kolkata

Date:12th August,2006

## AUDITORS' REPORT TO THE MEMBERS

(As referred in paragraph-1 of our report of even date)

### AUDITORS' REPORT

### MANAGEMENT'S REPLY

1. In respect of its fixed assets :

- (a) The Company has generally maintained records to show particulars of fixed assets including quantitative details and location except in some area. However, in case of Giridih area no proper records has been maintained to show full particulars including quantitative details and situation of fixed assets. Similarly in the case of Ranchi office quantitative details of only the additions made to the fixed assets during the year is maintained while in respect of opening balances its' preparation is still in progress.
- (b) Physical verification of fixed assets have been conducted at reasonable interval except verification of surveyed off Assets. However no Physical verification of fixed assets conducted at Giridih area. Similarly in the case of Ranchi office physical verification has only been done on the additions made during the year to the fixed assets. Discrepancies observed during the course of physical verification, in other areas stated not to be material, have been adjusted.
- (c) In our opinion, the Company has not disposed off substantial part of fixed assets during the year, which would affect the going concern status of the Company.

The maintenance of fixed assets registers is as per requirement of Sch-VI of the Companies Act, 1956. However, in respect of Giridih Area and HQ, necessary corrective measures will be taken in the following year.

Physical verification is done at the time of survey off of the P&M as well as at the time of disposal auction. Regarding the physical verification of the asset and the reconciliation of the same with the fixed assets registers for the areas , where such verification has not been done, the point has been noted for necessary action.

This is a statement of fact, hence, calls for no comment.

2.1 **In respect of its inventories:**

- (a) Stock of coal, coke etc. has been physically verified by way of volumetric measurement with reference to contour map at each mine, by Coal Measurement Team of CIL at the year-end and by the CCL team at reasonable interval. The procedure of physical verification of coal, coke etc. appears to be reasonable and adequate in relation to the size of the Company and nature of its business.

This is a statement of fact, hence, calls for no comment.

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

(b) Physical verification of major part of stock of Stores and Spare parts of Regional Stores have been done by the management/ outside agencies at reasonable interval and /or at year-end. However there is no procedure for physical verification of stores at Giridih area. Again, no physical verification Report of stores and spares was received at North Karanpura area. The procedure of physical Verification appears to be inadequate and considering the size of the area and nature of its business, coverage and frequency of physical verification need to be increased and reviewed and efforts should be made to make meaningful use of verification reports.

(c) In our opinion, present system of SPL accounting which results into converting some non moving items into moving items and system of merging two items having high difference in prices in one code, etc. needs review for avoiding such stock mismatches.

(d) Discrepancies found on physical verification compared to the book records in respect of Coal, Coke etc. which were not material have not been dealt with in the accounts; keeping in view the Accounting Policy No.7.1 of Schedule-P as shortage/ surplus was within +/- 5% over book stock. We are unable to state that discrepancies observed during physical verification of stock of stores and spares have been properly dealt with in the books in view of details at para 2(b) above and our observations in para 4.6 of our report.

3(a) The Company has deposited surplus fund of Rs.75,850.88 lakh with its' holding Company Coal India Limited.

(b) As per information and explanations given to us, the holding company has allowed interest @ 5-5.5% on surplus fund parked with holding company. Considering the

The follow up is being taken on regular basis so as to improve the position with regard to up-dation, maintenance , reconciliation and verification of the stock of stores.The frequency of audit has also been enhanced over the years and the Internal Auditors have been submitting the report regularly.

The system shall be improved through the completion of NL/PL reconciliation.

Necessary action is being taken so as to bring required improvement in the existing system.

There is a Uniform Accounting Policy to deal with the case of discrepancy found on physical verification compared to book stock and it is being dealt in accordance with the Accounting Policy No. 7.1 of Sch-P.

This is a statement of fact. Hence, it calls for no comment.

This is a statement of fact. Hence, it calls for no comment.

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

relationship of holding company with its subsidiary company, we are unable to express our opinion.

- |  |  |
|--|--|
| (c) As per information and explanations given to us, the receipt of interest is regular and there is no programme prescribed for repayment of Principal amount.  | This is a statement of fact. Hence, it calls for no comment. |
| (d) The Company has taken loan from one party, M/s Coal India Limited, the holding company, amounting to Rs. 89593.76 lakh (including foreign loans through CIL).  | This is a statement of fact. Hence, it calls for no comment. |
| (e) As per information and explanations given to us, the holding company has charged interest @ 10.25% on loan amount. Considering the relationship of holding company with its subsidiary company, we are unable to express our opinion.  | This is a statement of fact. Hence, it calls for no comment. |
| (f) As per information and explanations given to us, there is no loan agreement prescribing repayment schedules and as such, we are unable to express any opinion on the payment of the principal and interest.  | This is a statement of fact. Hence, it calls for no comment. |
| 4. In our opinion, there are reasonable internal control system commensurate with the size of the company and nature of its business relating to purchase of inventory and fixed assets and for sale of goods and services subject to certain lapses, such as long time lag between receipt of materials and recording of liabilities and/or adjustment with the advances, non maintenance of proper records for unexecuted orders and non receipt of goods ,or non/delayed accountal of such cases for which payments were made etc. As per our test checks and as reported by the Branch Auditors there is no serious continuing failure to correct major weakness in internal control system. | This is a statement of fact. Hence, it calls for no comment. |
| 5 In respect of transactions covered under Section 301 of the Companies Act, 1956:   |  |
| (a) According to the information and explanation given to us, in our opinion the Company has entered particulars of  | This is a statement of fact. Hence, it calls for no comment. |

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

contracts or arrangements referred to in Section 301 of the Act in the register maintained under that Section.

(b) According to the information and explanation given to us, in our opinion transactions made in pursuance of such contracts or arrangements have been made at prices, which are reasonable having regard to the prevailing market prices at the relevant time.

6 The Company has not accepted deposits from the public within the meaning of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under.

7 The Company has an Internal Audit System. Reports of Internal Auditors pertaining to the financial year under audit were not available in some area for our or Branch auditors' reference. Further, the Coverage of Internal Audit is for the calendar year and not for whole Financial Year and in some Areas it was inadequate. The internal audit, in our opinion, leaves scope for improvement in widening scope and coverage of audit specially transaction audit to make it commensurate with the size and operations of the company, regular follow up actions and disposal of internal audit comments by the management.

8 As explained to us by the Management, the Central Government has not prescribed maintenance of Cost records under section 209(1)(d) of the Companies Act, 1956 for the products of the Company.

9(a) According to the information and explanations given by the Company, undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues are generally deposited regularly and no undisputed dues were outstanding as at 31st March, 2006 for a period of more than six months from the date of becoming payable, except an un-reconciled amount

This is a statement of fact. Hence, it calls for no comment.

This is a statement of fact. Hence, it calls for no comment.

Internal Auditors' Report to the extent received have been made available to the Auditors.

Outside audit firms have been appointed to improve/increase the coverage of internal audit system. System has been evolved to follow up on the observations of audit report regularly.

This is a statement of fact, Hence, it calls for no comment.

This is a statement of fact, Hence, it calls for no comment.



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

- of Rs.3.42 lacs which relates to Rajhara area in respect of Provident Fund pertaining to earlier years pending since long. As informed to us Investor Education and Protection Fund and Employees' State Insurance Act are not applicable to the Company.
- 9(b) According to the information and explanations given by the Company, there is no disputed dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise, Cess that have not been deposited on account of matters pending before appropriate authorities except the cases which are stated in Appendix - 1 to the report.
- 10 There is no accumulated loss of the Company at the end of the financial year and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
- 11 Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
- 12 The records and documents relating to loans and advances granted by the Company to the ex-army personnel for purchase of vehicle by way of pledge of the vehicles and Housing / Vehicle loans to employees were not made available to us, so we are unable to comment on the adequacy of documentation and records relating to such loans and advances.
- 13 In our opinion, the Company is not a chit fund or a Nidhi/Mutual benefit fund/society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- 14 The Company has not done any transactions for trading in Shares, securities, debentures and other investments. The Company has maintained
- In the case of disputed dues of sales tax, royalty, cess etc. advance payment is to be made to the authority for appeal. The same amount has been shown as Loans & Advances. Contingent Liabilities for the total amount disputed has been shown in the Notes on Accounts.
- This is a statement of fact. Hence, it calls for no comment.
- This is a statement of fact. Hence, it calls for no comment.
- There are well defined procedures which are required to be complied with before the approval/ release of Loans & advances granted to the employees. Adequate documentation is available with the Company.
- This is a statement of fact. Hence, it calls for no comment.
- This is a statement of fact. Hence, it calls for no comment.

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

- proper records of transactions and contracts in respect of power bonds allotted to the company by Power companies under tripartite agreement. All power bonds have been held by the Company in its own name.
- |    |   |  |
|----|---|--|
| 15 | The Company has not given guarantees for loans taken by others. However, charge has been created against the Current Assets of the Company amounting to Rs.15800.00 lakh in favour of State Bank of India and members of its consortium for a fund based loan of Rs.70000.00 lakh and Non Fund based loan of Rs.35000.00 lakh granted to Coal India Limited and its subsidiaries. | This is a statement of fact. Hence, it calls for no comment. |
| 16 | According to the information and explanation given to us and on an overall examination of the Balance Sheet of the Company, We are of the opinion that the term loans were applied for the purpose for which the loans were obtained.   | This is a statement of fact. Hence, it calls for no comment. |
| 17 | According to the information and explanation given to us and on an overall examination of the Balance Sheet of the Company, We report that no funds raised on short-term basis have been used for long-term investment by the Company.  | This is a statement of fact. Hence, it calls for no comment. |
| 18 | During the year the Company has not made any preferential allotment of shares.  | This is a statement of fact. Hence, it calls for no comment. |
| 19 | The Clauses 4(xix) & (xx) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.  | It calls for no comment.                                     |
| 20 | In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit, that causes the financial statements to be materially misstated.   | It calls for no comment.                                     |

For M/s Anand Rungta & Co.  
Chartered Accountants  
Sd/-  
**( S. K. Shahi )**  
**Partner**

Place: Camp: Kolkata

Date : 12th August, 2006

**DETAILS OF DISPUTED STATUTORY LIABILITIES AS ON 31.03.06**

Name of the Statute	Nature of Dues	Amount (Rs. Lakh)	Period to which relates	Where Dispute is pending
<b>1. Mines &amp; Mineral Act</b>				
Rajhara	Cess on coal	0.13	1980-81	Info. Not supplied by Branch auditor
	Cess on coal	1.32	1988-89	
	Cess on coal	0.75	1994-95	
	Cess on coal	0.14	1994-95	
<b>Total</b>		<b>2.34</b>		
Piparwar	Cess on coal	108.46	1991-92	Supreme Court
<b>Total</b>		<b>108.46</b>		
Kathara Area	Royalty	3.51	1985-86	Court of DHANBAD
	Royalty	44.17	1988-89	Court of DHANBAD
	Royalty	13.17	1989-90	Court of DHANBAD
	Royalty	14.50	1993-94	Court of DHANBAD
	Royalty	25.36	2001-02	Court of DHANBAD
	Royalty	0.03	1987-88	Court of DHANBAD
<b>Total</b>		<b>100.74</b>		
	Cess	0.07	1985-86	Court of DHANBAD
	Cess	0.57	1987-88	Court of DHANBAD
	Cess	79.10	1988-89	Court of DHANBAD
	Cess	0.30	1987-88	Court of DHANBAD
	Cess	2.58	1989-90	Court of DHANBAD
	Cess	4.91	1988-89	Court of DHANBAD
	Cess	2.64	1989-90	Court of DHANBAD
	Cess	0.27	1989-90	Court of DHANBAD
	Cess	0.24	1989-90	Court of DHANBAD
	Cess	638.54	1998-99	Court of DHANBAD
	Cess	4.46	2001-02	Court of DHANBAD
	Cess	6.51	1979-80	
	Cess	12.79	1986-87	
	Cess	2.08	1983-84	Info. not supplied by Branch Auditor
	Cess	9.48	1987-88	
<b>Total</b>		<b>764.54</b>		

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Name of the Statute	Nature of Dues	Amount (Rs. Lakh)	Period to which relates	Where Dispute is pending
Bokaro & Kargali Area	Royalty & Cess	161.76		Info. not supplied by Branch Auditor
<b>Total</b>		<b>161.76</b>		
Dhori	Royalty	595.83	Various Years	HC (Ranchi)
<b>Total</b>		<b>595.83</b>		
Barka Sayal	Royalty	27.38	1999-00	ADDL Collector (H'Bagh)
	Royalty	52.23	2002-03	ADDL Collector (H'Bagh)
	Royalty	23.03	1998-99	Certificate Officer (H'Bagh)
	Royalty	34.65	2002-03	ADDL Collector (H'Bagh)
	Royalty	2.13	1998-99	ADDL Collector (H'Bagh)
	Royalty	67.31	1999-00	ADDL Collector (H'Bagh)
	Royalty	7.35	1994.95	ADDL Collector (H'Bagh)
<b>Total</b>		<b>214.08</b>		
	Cess	960.27	1999-00	SC
	Cess	4.02	1998-99	Certificate Officer (H'Bagh)
	Cess	1.49	2003-04	Certificate Officer (H'Bagh)
	Cess	28.27	1998-99	Certificate Officer (H'Bagh)
	Cess	3.42	1987-88	ADDL Collector (H'Bagh)
<b>Total</b>		<b>997.47</b>		
Argada	Royalty	5.99	1995-96	Vatious Auth.
		1.63	1984-85	
		4.09	1992-93	
		25.41	2002-03	
		13.44	1999-00	
		52.98	1999-00	
		1.30	2002-03	
		16.36	1995-96	
		108.76	1996-97	
		1.99	2000-01	
		0.92	1997-98	
		0.14	1998-99	
		29.52		
		11.64		
		14.44		
<b>Total</b>		<b>288.61</b>		
		<b>108</b>		

Name of the Statute	Nature of Dues	Amount (Rs. Lakh)	Period to which relates	Where Dispute is pending
Kuju Area	Royalty & Cess	146.11	—	—
<b>Total</b>		<b>146.11</b>		
Girdih	Royalty & Cess	4267.05	—	Info. not supplied by Branch Auditor
<b>Total</b>		<b>4267.05</b>		
Rajrappa	Royalty & Cess	219.17	—	Info. not supplied by Branch Auditor
	Cess on Dom. Coll. Consumption	34.04		
<b>Total</b>		<b>253.21</b>		
North Kampura Area	Royalty & Cess	55.24	1990-91	Court of Cer. Off.
Dakra	Royalty & Cess	459.17	1994-95	Court of Cer. Off.
	Royalty & Cess	34.91	1991-92	Court of Cer. Off.
<b>Total</b>		<b>549.32</b>		
Head Office, Ranchi	Royalty	7.89		SC
	Royalty	477.85	—	—
	Royalty	4.66	1994-95	—
	Royalty	476.52	1998-99	—
	Royalty	26.96	1992-93	—
	Royalty	4.33	2001-02	—
	Royalty	595.38	1998-99	—
	Royalty	558.43	2003-04	—
	Royalty	690.62	—	—
	Royalty	4.39	—	—
<b>Total</b>		<b>2847.03</b>		
<b>2. Sales Tax Act</b>				
Rajhara	Info. Not supplied by Branch Auditor	41.32	1995-96	Info. not supplied by Branch Auditor
		5.69	1996-97	
		2.02	1998-99	
		0.79	1999-00	
		1.85	1996 to 2004	
<b>Total</b>		<b>51.67</b>		

Name of the Statute	Nature of Dues	Amount (Rs. Lakh)	Period to which relates	Where Dispute is pending
Piparwar	Info. Not supplied by Branch Auditor	6.39	1991-92	Appellate Tribunal
		60.21	1992-93	Appellate Tribunal
		697.85	1993-94	Appellate Tribunal
		453.78	1994-95	Appellate Tribunal
		1587.07	1995-96	Appellate Tribunal
		196.73	1996-97	Appellate Tribunal
		121.60	1997-98	Appellate Tribunal
		2045.84	1998-99	Appellate Tribunal
		490.21	1999-00	Appellate Tribunal
		199.47	2000-01	Appellate Tribunal
		694.32	2001-02	Appellate Tribunal
		550.02	2002-03	Appellate Tribunal
		750.99	2003-04	Appellate Tribunal
<b>Total</b>		<b>7854.48</b>		
Kathara Area	C.S.T./J.S.T.	14.20		Appellate Tribunal
	C.S.T./J.S.T.	35.99		Appellate Tribunal
	C.S.T./J.S.T.	49.95		Appellate Tribunal
	C.S.T./J.S.T.	6.63		JCCTAPP
	C.S.T./J.S.T.	217.47		JCCTAPP
<b>Total</b>		<b>324.24</b>		
CWS/CS	Demand	9.19	1997-98 to 2001-02	Management level
<b>Total</b>		<b>9.19</b>		
Dhori	CST/JST/BST	3.62	1988-89	S. T. Tribunal
		8.40	1988-89	S. T. Tribunal
		4.45	1990-91	S. T. Tribunal
		17.43	1991-92	S. T. Tribunal
		107.02	1992-93	S. T. Tribunal
		33.77	1993-94	S. T. Tribunal
		18.27	1994-95	S. T. Tribunal
		8.32	1995-96	S. T. Tribunal
		19.73	1996-97	S. T. Tribunal
		23.40	1997-98	S. T. Tribunal
		14.44	1998-99	S. T. Tribunal
		0.02	1985-86	S. T. Tribunal
		1.73	1999-00	S. T. Tribunal

Name of the Statute	Nature of Dues	Amount (Rs. Lakh)	Period to which relates	Where Dispute is pending
		12.38	1982-83	S. T. Tribunal
		0.04	Various Year	S. T. Tribunal
		0.20	Various Year	S. T. Tribunal
		8.74	Various Year	S. T. Tribunal
		4.05	Various Year	S. T. Tribunal
		3.42	Various Year	S. T. Tribunal
		2.97	Various Year	S. T. Tribunal
		1.20	Various Year	S. T. Tribunal
		213.11	Various Year	H. C. Ranchi
	BST	33.02		S. T. Tribunal
	Entry Tax	213.11		H. C. (Ranchi)
<b>Total</b>		<b>752.84</b>		
Barka Sayal	CST/JST	262.33	1990-00	C. T. Tribunal
	CST/JST	23.75	1992-97	HC (Ranchi)
	CST/JST	12.14	2001-02	C. T. Tribunal
	CST/JST	4.37	2001-05	HC (Ranchi)
	CST/JST	16.05	2005	JCCT (H'BAG)
	CST/JST	83.47	—	Tribunal Ranchi
	CST/JST	270.61	2000-02	JCCT (H'BAG)
	CST/JST	321.90	2004-06	JCCT (H'BAG)
	CST/JST	91.61	2004-05	Appellate Tribunal
	CST/JST	0.39	—	CERT OFF (H'BAG)
	CST/JST	32.80	—	—
<b>Total</b>		<b>1119.42</b>		
Hazaribagh	CST/JST	796.89		—
CST/JST	<b>Total</b>	<b>796.89</b>		
Argada Area	CST/BST/JST	0.80	1990-91	Various Auth.
		12.13	1991-92	Various Auth.
		4.77	1992-93	Various Auth.
		1.72	1993-94	Various Auth.
		0.50	1995-96	Various Auth.
		0.15	1996-97	Various Auth.
		0.46	1997-98	Various Auth.
		0.84	1998-99	Various Auth.
		0.85	1999-00	Various Auth.
		0.24	2000-01	Various Auth.
		4.66	1999-00	Various Auth.
		64.88	1999-00	Various Auth.

Name of the Statute	Nature of Dues	Amount (Rs. Lakh)	Period to which relates	Where Dispute is pending
		0.12	1990-91	JCCTH'bagh
		77.70	1992-93	JCCTH'bagh
		9.32	1993-94	JCCTH'bagh
		15.11	1994-95	JCCTH'bagh
		16.11	1995-96	JCCTH'bagh
		1.67	1996-97	JCCTH'bagh
		3.16	1997-98	JCCTH'bagh
		42.55	1998-99	JCCTH'bagh
		3.32	1999-00	JCCTH'bagh
		0.25	2000-01	JCCTH'bagh
		0.05	2001-02	JCCTH'bagh
		8.96	2002-03	JCCTH'bagh
		32.05	2003-04	JCCTH'bagh
		15.68	1988-89	Various Authorities
		92.76	1989-90	Various Authorities
		12.84	1990-91	Various Authorities
		4.42	1991-92	Various Authorities
		10.45	1992-93	Various Authorities
		37.84	1993-94	Various Authorities
		20.59	1994-95	Various Authorities
		2.05	1995-96	Various Authorities
		3.12	1996-97	Various Authorities
		0.02	1997-98	Various Authorities
		26.87	1997-98	Various Authorities
		0.03	1998-99	Various Authorities
		29.60	1998-99	Various Authorities
		71.70	1999-00	Various Authorities
		47.43	2001-02	Various Authorities
		3.35	2001-02	Various Authorities
		131.12	2002-03	Various Authorities
		0.17	2002-03	Various Authorities
		115.08	2003-04	Various Authorities
		13.09	1989-90	Various Authorities
		0.28	1996-97	Various Authorities
		0.28	2001-02	JCCTH'bagh
		0.17	2001-02	JCCTH'bagh
		0.37	2001-02	JCCTH'bagh
		0.10	2002-03	JCCTH'bagh
		2.27	2002-03	JCCTH'bagh
		3.65	2003-04	JCCTH'bagh
		0.54	2003-04	JCCTH'bagh
		32.27	Various Years	Various Authorities
		48.71	Various Years	Various Authorities
		90.93	Various Years	Various Authorities
		1.36	Various Years	Various Authorities
		29.01	Various Years	Various Authorities



Name of the Statute	Nature of Dues	Amount (Rs. Lakh)	Period to which relates	Where Dispute is pending
		7.37	Various Years	Various Authorities
		0.66	Various Years	Various Authorities
		32.47	Various Years	Various Authorities
		1.84	Various Years	Various Authorities
		31.66	Various Years	Various Authorities
		10.03	Various Years	Various Authorities
		14.39	Various Years	Various Authorities
		0.25	Various Years	Various Authorities
		207.56	Various Years	Various Authorities
<b>Total</b>		<b>1456.75</b>		
Kuju Area	CST/BST	682.77	—	—
<b>Total</b>		<b>682.77</b>		
Giridih	CST/BST	6.53	—	Info. not supplied by Branch Auditor
<b>Total</b>		<b>6.53</b>		
Washery Division	BST	2.11	1997-98	Tribunal
Kathara	BST	16.08	1998-99	Tribunal
	BST	36.97	1999-00	Tribunal
	JST	2.91	1991-92	Tribunal
	JST	2.69	1993-94	Tribunal
	JST	4.63	1994-95	Tribunal
	BST	0.78	1995-96	Tribunal
	BST	1.06	1996-97	Tribunal
	BST	1.12	1997-98	Tribunal
	BST	3.30	1998-99	Tribunal
	BST	0.15	2000-01	Tribunal
	BST	2.51	2000-01	Tribunal
	BST	0.37	2000-02	Tribunal
	CST	23.22	1994-95	Tribunal
	CST	0.24	1997-98	Tribunal
	CST	8.19	1998-99	Tribunal
	CST	0.68	1999-00	Tribunal
	CST	11.12	1991-92	Tribunal
	CST	5.94	1993-94	Tribunal
	CST	5.46	1994-95	Tribunal
	CST	11.73	1995-96	Tribunal
	CST	10.79	1996-97	Tribunal
	CST	4.48	1997-98	Tribunal
	CST	16.01	1998-99	Tribunal
	CST	0.83	1999-00	Tribunal
	CST	0.32	2000-01	Tribunal
	CST	0.88	2000-02	Tribunal
	CST	0.48	2000-01	Tribunal
<b>Total</b>		<b>175.05</b>		

Name of the Statute	Nature of Dues	Amount (Rs. Lakh)	Period to which relates	Where Dispute is pending
Rajrappa	JST	326.40	—	—
		<b>326.40</b>		
North Kampura Area	Sales Tax	55.73	1993-99	Lower Court
Dakra		225.30	1993-2001	Lower Court
		17.68	2001-02	Appellate Tribunal
		119.22	1993-99	Appellate Tribunal
<b>Total</b>		<b>417.93</b>		
Bokaro & Kargali Area	CST	445.54	—	—
<b>Total</b>		<b>445.54</b>		
<b>3. Electricity Duty</b>				
Kathara Area	E. D.	562.43		SC
		1.20		HC (Jharkhand)
<b>Total</b>		<b>563.63</b>		
CWS/CS	E. D.	6.33	1998-99 to 2002-03	Management level
	Delivery Penalty	116.99	—	—
<b>Total</b>		<b>123.32</b>		
Giridih	E. D.	1130.00	—	Info. not supplied by Branch Auditor
<b>Total</b>		<b>1130.00</b>		
Bokaro & Kargali Area	E. D.	501.15	—	Info. not supplied by Branch Auditor
<b>Total</b>		<b>501.15</b>		
Argada	E. D.	4.22	93-94 to 03-04	Case in Tribunal
		3.72	93-94 to 03-05	Case in Tribunal
		3.81	93-94 to 03-06	Case in Tribunal
		1.77	93-94 to 03-06	Case in Tribunal
		2.95	93-94 to 03-06	Case in Tribunal
		0.69	93-94 to 03-06	Case in Tribunal
		1.89	93-94 to 03-06	Case in Tribunal
		2.15	93-94 to 03-06	Case in Tribunal
		1.78	93-94 to 03-06	Case in Tribunal
		2.57	93-94 to 03-06	Case in Tribunal
		2.44	93-94 to 03-06	Case in Tribunal
		3.05	93-94 to 03-06	Case in Tribunal
		0.70	1998-99	JCCTH'bagh
		2.21	1999-00	JCCTH'bagh
		2.33	2000-01	JCCTH'bagh
		2.15	2001-02	JCCTH'bagh
		1.84	2002-03	JCCTH'bagh
		1.75	2003-04	JCCTH'bagh
		<b>114</b>		

Name of the Statute	Nature of Dues	Amount (Rs. Lakh)	Period to which relates	Where Dispute is pending
<b>4. Excise Duty</b>				
CWS/CS	Duty & Penalty	<u>1200.50</u>	1988-2001	Central Excise, Kolkata
<b>Total</b>		<b>1200.50</b>		
Argada Area	E. Duty	1.71	1999-2000	JCCT H'bagh
		3.78	2000-01	JCCT H'bagh
		7.01	2001-02	JCCT H'bagh
		7.44	2002-03	JCCT H'bagh
		7.51	2003-04	JCCT H'bagh
<b>5. Surface Rent</b>				
Dhori	Surface land rent	<u>154.92</u>		
<b>Total</b>		<b>154.92</b>		
Giridih	Surface land rent	<u>133.97</u>	—	Info. not supplied by Branch Auditor
<b>Total</b>		<b>133.97</b>		
<b>6. Workmen Compensation Act</b>				
Hazaribag	—	<u>44.69</u>	—	—
<b>Total</b>		<b>44.69</b>		
<b>7. Entry Tax</b>				
Kuju Area	Entry Tax	<u>73.17</u>	—	Info. not supplied by Branch Auditor
<b>Total</b>		<b>73.17</b>		
<b>8. Others</b>				
Giridih	—	<u>1.72</u>	—	—
<b>Total</b>		<b>1.72</b>		
Washery Division Kathara	Int. Charges	42.58	1998-06	Info. not supplied by Branch Auditor
	Claims of Raw Water Supply	<u>0.59</u>	1970-95	
<b>Total</b>		<b>43.17</b>		
Bokaro & Kargali Area		<u>15.16</u>	—	Info. not supplied by Branch Auditor
<b>Total</b>		<b>15.16</b>		