

**KARAM CHAND THAPAR & BROS. (COAL SALES) LIMITED**

**SCHEDULE - 23**

**NOTES TO ACCOUNTS**

**1. SIGNIFICANT ACCOUNTING POLICIES**

**(A) FIXED ASSETS**

Fixed Assets are stated at cost of acquisition and other related expenditure (except for certain revalued assets (basis of valuation indicated in Note 2 on Schedule 6) of Bharat Westfalia Division (BWD), taken over at book value on its amalgamation).

**(B) CAPITAL EXPENDITURE IN PROGRESS**

These are stated at cost relating to items in progress incurred during construction/installation.

**(C) DEPRECIATION**

Depreciation on Fixed Assets is charged on written down value method in the manner and at the rates as per Schedule - XIV of the Companies Act, 1956 (as amended during 1993 - 94) except as stated below :-

- (i) Value of Land (Mining Rights) is amortised in the ratio of quantity of minerals raised during the year to the estimated total deposits acquired.
- (ii) Value of Lease-hold Land in perpetuity is not amortised. Other leasehold land are amortised over the period of lease.
- (iii) Fixed Assets given on lease (other than items costing up to Rs.5000 each which are fully depreciated) are depreciated on straight line method over the related lease period.
- (iv) Depreciation on Fixed Assets of BWD is charged on straight line method at the rates as per Schedule XIV of the Companies Act, 1956. Depreciation on the incremental value added on revaluation is calculated on their respective revalued amounts at rates considered applicable by the valuers on straight line method and adjusted by way of transfer from Revaluation Reserve.

**(D) LEASING**

Expenses on / income from Lease rentals (as applicable), in respect of leases entered into prior to 1st April 2001, are accounted for on accrual basis as per relevant lease agreements. Assets acquired thereafter under Finance Lease are Capitalised at lower of their Fair Value and the Present Value of Minimum payments.

**KARAM CHAND THAPAR & BROS. (COAL SALES) LIMITED**

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**SCHEDULE - 23 (Continued)**

**(E) INVESTMENTS (Long Term)**

Investments are stated at cost. However, provisions / write downs are made in all cases where diminution in carrying amounts are not considered to be temporary in nature. Gains / Losses on disposal of investments are recognised as income / expenditure.

**(F) INVENTORIES**

- (i) Stores and spare parts and raw materials are valued at or below cost (for obsolescence etc.). The cost is determined in general under Weighted Average Cost formula. Spares for specific Machinery are amortised over the unexpired useful lives of the related machinery.
- (ii) Stock-in-trade of paper, stationery, starch etc. are valued at lower of cost and net realisable value. The cost is determined in general under FIFO formula.
- (iii) Works-in-Progress is valued at cost.

**(G) GRATUITY**

Premium payable under Group Gratuity Scheme of Life Insurance Corporation of India is recognised, except for BWD where gratuity is provided in the accounts based on actuarial valuation.

**(H) BORROWING COST**

Borrowing Cost that are attributable to the acquisition, construction or production of qualifying assets are capitalised as part of cost of such assets. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised as expenses in the period in which they are incurred.

**(I) REVENUE RECOGNITION**

- (i) The revenue from long term Contract(outcome of which cannot be estimated reliably) is recognised on the basis of work certified by the customers. The costs attributable to the stage of contract performance completed are identified and accounted for. The costs attributable to each contract are identified with reference to the period that commences with securing of the contract and closes with the completion of the warranty period under the contract.

Advances received from the customers in respect of contracts are disclosed in the accounts as liability and the amounts retained by the customers, as security deposit from the progressive payments, until the satisfaction of conditions specified in the contract for release of such amount, are recognised as receivables.

**KARAM CHAND THAPAR & BROS. (COAL SALES) LIMITED**

**SCHEDULE - 23 (Continued)**

The foreseeable losses in the Contract are generally covered under escalation clause of different items of costs provided in the agreement. Adequate provisions for foreseeable losses, if any, are made in the Accounts.

Arbitration / other claims are accounted for when admitted by customer.

- (ii) The revenue from loading and unloading (without considering retention money which are recognised once certainty of realisation are ensured) are recognised on the basis of tonnage shipped.
- (iii) Dividends / interest are recognised on the basis of declaration or accrual thereof.
- (iv) Other items of income / expenditure are recognised on accrual and prudent basis.

**(J) FOREIGN CURRENCY TRANSACTIONS**

Transaction in foreign currencies are accounted for at the rate of exchange prevalent on the date of transaction. Exchange fluctuation relating to import of Capital Assets are adjusted to the cost of such assets and in respect of stores and spares imported are considered in the profit and loss account.

Year end balances of foreign currency liabilities / receivables are translated at the year end rates. Resultant gains and losses are appropriately recognised as income / revenue charge.

**(K) TAXATION**

Income Tax expenses comprise Current Tax and Deferred Tax Charge. Current Tax is determined on the basis of Tax liability on the total income computed under the provisions of Income Tax Act, 1961. Deferred Tax is recognised on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax Assets are recognised only if there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets will be realised. Such assets would be reviewed as at each balance sheet date to re-assess realisability thereof.

**2. Sundry Creditors include :-**

- (a) Rs. 30 Crores received during 1998-99 from Tamil Nadu Electricity Board as adhoc payment in respect of Company's Coal handling contract for reasons indicated in note 13 below.
- (b) Rs. 3,77,780/- ( 2003 Rs. 3,79,680/- ), Rs.6,70,249/- (2003 Rs.6,73,693/- ) and Rs.2,85,800/- (2003 Rs. 2,85,800/-) being balance of amount payable to certain shareholders of the erstwhile Bharat Westfalia Limited, erstwhile United Collieries

**KARAM CHAND THAPAR & BROS. (COAL SALES) LIMITED**

**SCHEDULE - 23 (Continued)**

- Limited, and erstwhile Oriental Coal Company Limited respectively pursuant to the related schemes of amalgamation.
- (c) Rs. 1,16,00,672 (2003 Rs. 94,25,179/-) due to Subsidiary Company.
3. In the absence of ready availability of information relating to transactions with Small Scale Industrial Undertakings, if any, particulars of indebtedness to such undertakings could not be furnished.
4. Contingent liabilities :-
- a) Partly paid shares of Companies incorporated in Pakistan amounting to Rs. 23,360/- (2003 Rs. 23,360/-) at pre-devaluation parity.
- b) Certain claims against the Company not acknowledged as debts Rs. 2,20,87,581/- (2003 Rs. 2,48,93,120/- ) including
- i) Sales tax and interest thereon Rs. 21,52,374/- (2003 Rs.74,54,340/-)
- ii) Excise duty Rs.1,08,06,925/- (2003 Rs. 1,08,49,539/-).
- iii) Demand of Rs.2,25,677/- (2003 - Rs. 2,25,677/-) made by Employees State Insurance (ESI) authorities in respect of a division of the Company for which appeal has been preferred by the Company, as in the opinion of the management, ESI is not applicable to the Division.
- c) Taxation amounting Rs.6,99,20,677/- (2003 Rs.1,45,50,045/- ) for certain earlier years in respect of which the Company's appeals were decided in its favour. However, the Department has preferred appeals to higher appellate authorities.
5. There are outstanding guarantees given by Banks on behalf of the Company amounting to Rs. 83,44,55,531/- (2003 - Rs. 53,39,35,850/- ) which are covered by market value of shares and securities deposited by the Company (Note 9(b) below), charge over assets as recited in item (i) (b) on Schedule '3' and pledge of Fixed Deposit Receipts of the Company.
6. The Company has :-
- (i) given undertaking to certain Financial Institutions in connection with financial assistance granted by them to the Waterbase Ltd. (TWL) and JCT Limited (JCTL) for non-disposal of shares held by the company in TWL and JCTL so long as there are any monies due by the above mentioned Companies to the Financial Institutions without their prior written approval.

**KARAM CHAND THAPAR & BROS. (COAL SALES) LIMITED**

**SCHEDULE - 23 (Continued)**

- (ii) furnished guarantee upto a limit of Rs.7,20,00,000/- in connection with Letter of Credit facilities availed by TWL, for which TWL has given security deposit to the Company, 31st March, 2004 balance thereof being Rs.2,11,00,000/-.
7. Estimated value of contracts remaining to be executed on Capital Accounts (net of advance) Rs.6,70,000 /- (2003 Rs.6,70,000 /- ).
8. The year end accrued liability for Leave Encashment Benefits applicable to certain categories of employees has not been ascertained and accounted for.
9. Investments include book value of shares and securities to the extent of :-
- a) Rs. 1,37,876/- (2003 Rs.1,37,876/-) lodged/pledged as security deposits which has not been confirmed by the parties concerned.
- b) Rs.9,90,898/- (2003 Rs.9,90,898/-) lodged against bank guarantee issued in favour of the Company (Note 5 above).
10. (a) With regard to certain quoted investments with carrying value aggregating Rs. 8,56,99,548 as at 31st March, 2004 (31st March, 2003 Rs. 16,02,68,654/- ), the corresponding market value at the year end was Rs. 2,65,10,353/- (31st March, 2003 Rs. 6,82,99,770/-).
- (b) Carrying value of certain unquoted investments in subsidiary / other companies aggregating Rs. 8,30,62,870/- as at 31st March, 2004 (31st March, 2003 Rs. 8,30,13,170/-) had a corresponding aggregate break up value (computed on the basis of latest audited balance sheet / other available information) of Rs. 3,68,71,939/- (31st March, 2003 - Rs.3,01,30,337/-)
- (c) Against a total year - end shortfall of Rs. 10,53,80,126/- (31st March, 2003 Rs. 14,48,51,717/-) in market / break up value of quoted / unquoted investments, referred to in (a) and (b) above, a provision for diminution in value of investments Rs. 4,20,49,630/- (31st March, 2003 Rs. 4,20,49,630/-) has been considered adequate by the Management at this stage.
11. Information in accordance with requirements of revised Accounting Standard - 7 on 'Construction Contracts' issued by Institute of Chartered Accountants of India is given below to the extent practicable under circumstances described in Note (1) (I) (i) above.
- Rs.
- a) Contract revenue recognised for the year ended 31st March, 2004 86,37,03,906
- b) Aggregate amount of costs incurred and recognised profits (less recognised losses) for contracts in progress upto

**KARAM CHAND THAPAR & BROS. (COAL SALES) LIMITED**

**SCHEDULE - 23 (Continued)**

	31st March, 2004.	5,53,93,14,221
c)	Amount of customer advances outstanding for contracts in progress as at 31st March, 2004 (Refer Note 12 below)	1,07,23,923
d)	Amount of retentions due from customers for contact in progress as at 31st March, 2004	8,86,41,615
12.	Advances referred to in Note 11 (c) above Rs. 1,07,23,923/- (2003 Rs. 2,07,77,833/-) are secured by hypothecation of Plant and Machinery and Equipments and by Bank Guarantees.	
13.	Pending final reconciliation of accounts and settlement by Tamil Nadu Electricity Board, which is a lengthy process because of large volumes and multi angular reconciliations, the extent and the nature of adjustments, including those pertaining to an adhoc receipt as indicated in note 2(a) above are not ascertainable at this stage and will be released / reflected in the accounts in the year these are finalised / settled.	
14.	The Company is entitled to certain escalations in coal handling business which will be accounted for in the year in which these are admitted by the concerned authorities.	
15.	Particulars of Information in relation to the Company's interest in Joint Venture.	

a) Description of interest in Joint Venture.

Pursuant to a Joint Venture Agreement dated 15th July, 2002 [superseding earlier joint venture agreement dated 30th June 1999 between the Company, Mr. I. M. Thapar (IMT) and Mr. V. M. Thapar (VMT) ] entered into by the Company with IMT, VMT, Mr. L. M. Thapar (LMT) and Mr. G. Thapar (GT) (hereinafter collectively referred to as land owners), KCT & Bros Ltd and New Quest Corporation Private Ltd (NQCPL) (erstwhile Bilt Trading and Infrastructure Limited) with effect from 18th July, 2002), the Company would jointly with NQCPL develop and manage certain plots of land (belonging to the land owners) for mango plantation (the association of person formed in India for this purpose is named Royal Garden Mango Orchard i.e. RGMO) for a period of 10 years (unless terminated at any time after expiry of initial five years from date of signing of the agreement by any one party giving three months written notice to others). Half of the profit / loss from the aforesaid Joint venture would be shared equally between the Company and NQCPL in one part and the other half of the profit / loss would be shared equally between IMT, VMT, LMT and GT in other part. Expenses on the development and management of the land will be shared equally between the Company and

**KARAM CHAND THAPAR & BROS. (COAL SALES) LIMITED**

**SCHEDULE - 23 (Continued)**

NQCPL.

(b) (i) Company's Share of the assets, liabilities, income and expenditure relating to RGMO on 31st March 2004 (based on audited accounts of RGMO as on that date) were as follows:

		Total (As per Joint Venture's audited accounts) (Rs.)	Company's Share in RGMO (Rs.)
Fixed Assets (Net Block)	Current Year	1,11,376	55,688
	Previous Year	(1,49,531)	(74,765)
Work in Progress - Mango Plantation	Current Year	1,89,27,388	*
	Previous Year	(1,41,44,428)	
Current Assets, Loans and Advances			
Cash and Bank Balances	Current Year	32,368	16,184
	Previous Year	(64,872)	(32,426)
Loans and Advances	Current Year	4,28,785	**
	Previous Year	(1,83,909)	
Total	Current Year	1,94,99,917	
	Previous Year	(1,85,42,740)	
Current Liabilities	Current Year	34,097	17,049
	Previous Year	(36,598)	(18,299)
Income		Nil	Nil
Expenses		Nil	Nil
ii) Contingent Liabilities		Nil	Nil
iii) Capital Commitments		Nil	Nil

\* On completion of the Agreement term referred to in (a) above, possession of control of the plantation land and plantation thereon shall revert to the land owners and payments shall be made by or to the parties as per accounts taken on the date of termination.

\*\* Advance includes amount due from the Company and NQCPL Rs. 199392/- each.

16. Basic and Diluted Earnings Per Share

	2003-2004	2002-03
i) Weighted average number of Ordinary Shares outstanding during the year.	3,85,844	3,85,844
ii) Face Value of each Ordinary Share - Rs.	100	100
iii) Profit after Tax available for Ordinary Share holders - Rs.	50,86,91,737	48,42,04,281
iv) Basic and Diluted Earnings For Share [(iii) / (i)] - Rs.	1318.38	1254.92

**KARAM CHAND THAPAR & BROS. (COAL SALES) LIMITED**

**SCHEDULE - 23 (Continued)**

17. Expenses include amounts reimbursed / reimbursable by the Company.
18. Information given in accordance with requirements of Accounting Standard 17 on Segment Reporting issued by the Institute of Chartered Accountants of India :

18.1 The Company has Four Primary Business Segments Viz.

- Coal Trading - involving purchase of coal and its sale mainly to various related parties.  
(refer Note 20 below)
- Coal related services - involving income from all related services rendered on account of coal handling, loading, unloading etc. on behalf of various power generating units.
- Paper Trading - mainly involving purchase of paper from a related party (refer Note 20 below) and sale in the open market.
- Construction - involving long term construction of tunnels etc. for hydel projects.

\*Other segments whose individual revenue / results / assets from sale to external customers is less than 10 percent of total revenue / results / assets respectively of the Company.

\* Intersegment revenue being of insignificant value, no disclosure thereof is considered necessary.

18.2 Details of Segment Disclosures : 2003-2004 (Rupees)

	COAL TRADING	COAL RELATED SERVICES	PAPER TRADING	CONSTRU- CTION	OTHERS	TOTAL
a) Revenue-External						
This Year	427599775	680644479927985195890846046	222383131	3149458626		3149458626
Prev. Year	378790192	74857644398740980910228415281651421683302760140				378790192
b) Segment Results (Operating Profit / Loss) without considering cost of financing.]						
This Year	9107874	487827674	8121795-33819139	-8104524	463133680	463133680
Prev. Year	10121118	565534460	2214148-14464210	-15425150	547980366	547980366
Other Unallocated Income/Expense (Net)						
This Year						400812261
Prev. Year						392032929
Interest Expenses						
This Year						-45915811
Prev. Year						<del>-104950608</del>
Profit before Tax						818030130
This Year						818030130
Prev. Year						835062687

c) Depreciation and

**KARAM CHAND THAPAR & BROS. (COAL SALES) LIMITED**

**SCHEDULE - 23 (Continued)**

Amortisation							
This Year	106641	2623126	2397107	28747383	7665301	41539558	
Prev. Year	63499	2823213	2604521	33563713	8075753	47130699	
d) Segment Assets							
This Year	16810993	1808460672	2364097053	21999125	117278269	2500958764	
Prev. Year	12552029	2558897725	2805895253	51928658	104163540	3308131477	
Unallocated Assets							
This Year							<u>6118453600</u>
Prev. Year							<u>5642770178</u>
Total Assets							
This Year							8619412364
Prev. Year							8950901655
e) Segment Liability							
This Year	87759775	724571524	116443514	167311707	11862291	1107948811	
Prev. Year	68682585	711883786	12460870	2190076368	18351844	1113603285	
Unallocated Liability							
This Year							<u>1465851578</u>
Prev. Year							<u>2287158734</u>
Total Liability							
This Year							2573800389
Prev. Year							3400762019
f) Capital Expenditure							
This Year	280037	1223851	847462	2368995	2301517	7021862	
Prev. Year	40374	5570500	1016527	8495215	7038803	22161419	

18.3 The Company operates pre-dominantly within the geographical limits of India and accordingly secondary segments have not been considered.

19. Composition of year end deferred Tax Liability (Net) is shown below.

Tax Impact :	Deferred tax liability / (asset)	
	31st March 2004	31st March 2003
	Rs.	Rs.
Difference between carrying amount of fixed assets in the financial statements and income tax returns.	5127224	5699708
Accrued expenses deductible (for tax purpose) when paid	(3322775)	(3233652)
Net deferred Tax Liability	1804449	2466056

20. Related Party Disclosures in keeping with Accounting Standard 18 issued by the Institute of Chartered Accountants of India  
(a) List of Related Parties

**KARAM CHAND THAPAR & BROS. (COAL SALES) LIMITED**

**SCHEDULE - 23 (Continued)**

- i) Parties where control exists  
Subsidiaries
- Cynera Investments & Holdings Ltd.
- ii) Joint Venture/Ventures (Refer Note 15 on Schedule 23)
- Royal Garden Mango Orchard (Joint Venture)
  - New Quest Corporation Private Limited. (erstwhile Bilt Trading and Infrastructure Limited) (Joint Venturer)
  - Mr. I. M. Thapar (Joint Venturer)
  - Mr. V. M. Thapar (Joint Venturer)
  - Mr. L. M. Thapar (Joint Venturer)
  - Mr. G. Thapar (Joint Venturer)
- iii) Key Management Personnel (who are also joint ventures of the Company)
- Shri I. M. Thapar \* (Chairman & Managing Director)
  - Shri V. M. Thapar (Vice Chairman & Joint. Managing Director)
- \* also owns interest in the voting power of the Company giving control
- iv) Enterprises / entities over which key management personnel and / or their relatives are able to exercise significant influence
- Ballarpur Industries Ltd.
  - JCT Limited
  - India City Properties Ltd.
  - The Water Base Ltd.
  - KCT & Bros. Ltd.

(b) Transaction with related Parties.

Particulars	Related Parties			Amount in Rupees
	Referred in (a)(i) above Rs.	Referred in (a) (ii)above Rs.	Referred in (a)(iii) above Rs.	Referred in (a)(iv) above Rs.
i) <b>Income</b>				
Sale of Coal		Current Year		
375571660				
	Previous Year			317761199
Commission		Current Year		
6251723				
	Previous Year			2354287
Interest on Debenture		Current Year		
2448360				
	Previous Year			2448360

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**KARAM CHAND THAPAR & BROS. (COAL SALES) LIMITED**

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**SCHEDULE - 23 (Continued)**

Guarantee Commission	Current Year		
3711916			
	Previous Year		2572602
Interest on Security	Current Year		
900000			
Deposit	Previous Year		1266780

ii) **Expenditure**

Paper Purchase	Current Year		
866799245		Previous Year	
912575795			
Stevedoring Expenses	Current Year	3483665	
	Previous Year	6908370	
Rent & other Services	Current Year	34500	255600
7613832			
	Previous Year	60000	255600
			4620949
Interest Paid on	Current Year		
1944447			
Security Deposit	Previous Year		
1500210			
Remuneration	Current Year		92928484
	Previous Year	93698032	

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iii) **Finance & Investment for the year**

Contribution towards			
expenses of Joint	Current Year		694271
Venture	Previous Year	638502	
Recoveries from Joint	Current Year		—
Venturer	Previous Year	9131040	
Payable Settled	Current Year		
—			
	Previous Year		5257581

iv) **Outstandings (as at the year end)**

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**KARAM CHAND THAPAR & BROS. (COAL SALES) LIMITED**

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**SCHEDULE - 23 (Continued)**

Other Receivable 19530584		Current Year	
	Previous Year		12862759
Other Payable 53303451		Current Year	11600672
	Previous Year	9425179	88261361
			71186488
Investment in Joint Venture		Current Year	9644377
		Previous Year	8950106
Investment in 118522739 Equity Shares 118522739		Current Year	
		Previous Year	
Investment in 330000000 Preference Shares 330000000		Current Year	
		Previous Year	
+ Investment in 13741500 Debentures		Current Year	
13741500	Previous Year		
Security Deposit 15000000		Current Year	
	Previous Year		15000000
<b>v) Others</b>			
Dividend Paid 667980		Current Year	
	Previous Year		—
Dividend Received 1161400		Current Year	
	Previous Year		1161400
Guarantee Given 72000000		Current Year	
	Previous Year		72000000

21. Previous year's figures have been regrouped and rearranged wherever necessary.

**KARAM CHAND THAPAR & BROS. (COAL SALES) LIMITED**

**22. Information pursuant to the provision of paragraph 3 to 4 (D) of Part II of Schedule VI to the Companies Act, 1956.  
A. PARTICULARS IN RESPECT OF THE LICENSED AND INSTALLED CAPACITIES AND THE ACTUAL PRODUCTION**

	UNITS	LICENSED CAPACITY	
		CURRENT YEAR	PREVIOUS YEAR
MINING	(TONNES)	N.A.	N.A.
PRINTING	MILLION STANDARD IMPRESSION	18	18
STATIONERY (EXERCISE BOOKS AND REGISTERS)	GROSS	N.A.	N.A.
WASHING SOAP	KG	N.A.	N.A.
MINING CHAIN CONVEYOR INCLUDING ARMoured/FLEXIBLE CHAIN CONVEYORS	SET NOS.	12	12
STATIONERY MIDDLE CHAIN CONVEYORS	NOS.	22	22
FEEDER BREAKERS	NOS.	10	10
LONGWALL COAL MINING EQUIPMENT	NOS.	5	5
CHAIR LIFTS FOR MEN RIDING	NOS. SETS	5	5
COMPONENTS OF CHAIR LIFT SYSTEM	NOS.		
OTHER MINING EQUIPMENT :		N.A.	N.A.
TROUGH TYPE CONVEYORS	NOS.		
COMPONENTS OF TROUGH TYPE PF-OO-CONVEYORS	SETS. NOS.		
COMPONENTS OF STATIONERY MIDDLE CHAIN CONVEYORS	SETS. NOS.		
COMPONENTS OF FEEDER BREAKERS	SETS. NOS.		
COKE SIZER	SET		
COMPONENTS OF COKE SIZER	SETS. NOS.		
COMPONENTS OF MINE WINDER	NOS.		

- (a) THE COMPANY'S PRINTING UNIT AT NAGPUR PRINTED NUMEROUS ITEMS OF STATIONERY AND AS SUCH IT IS NOT PRACTICABLE TO GIVE THE REQUISITE INFORMATION IN RESPECT OF PRODUCTION, SALES, OPENING AND CLOSING STOCKS RELATING TO INDIVIDUAL ITEMS. IT IS ALSO NOT POSSIBLE TO INDICATE THE INSTALLED CAPACITY WITH ANY PRECISION.
- (b) THE COMPANY'S WESTFALIA DIVISION IS A COMPOSITE UNIT FOR THE MANUFACTURE OF CHAIN CONVEYORS AND OTHER MINING EQUIPMENTS AND AS SUCH NO SEPARATE INSTALLED CAPACITY COULD BE FURNISHED FOR OTHER MINING EQUIPMENT.

**KARAM CHAND THAPAR & BROS. (COAL SALES) LIMITED**

**SCHEDULE - 23 (Continued)**

INSTALLED CAPACITY		ACTUAL PRODUCTION	
CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
N.A.	N.A.	--	--
NOTE (a) BELOW	NOTE (a) BELOW	NOTE (a) BELOW	NOTE (a) BELOW
N.A.	N.A.	--	--
N.A.	N.A.	--	--
12	12	--	--
22	22	--	--
5	5	--	--
2	2	--	--
2	2	--	-
		4	
		98	
NOTE (b) BELOW	NOTE (b) BELOW	40	31
		264	9
		6445	8014
		--	12
		396	6
		17	17
		791	1172
		--	--
		--	--
		--	--
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**KARAM CHAND THAPAR & BROS. (COAL SALES) LIMITED**

**B. DETAILS OF RAW MATERIALS CONSUMED :**

PARTICULARS	UNITS
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**VIDARBHA PRINTERS**

PAPER	M.T.
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OTHER RAW MATERIALS

**BHARAT WESFALIA DIVISION**

STEEL PLATES, SECTION AND TUBES	M.T. F.T. NOS.
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FORGINGS	NOS.
CASTINGS	NOS.

GEAR BOX	KG.
CHAINS	NOS.

COUPLINGS	SETS
ELECTRICAL MOTORS	NOS.
& STARTERES	NOS.

HYDRAULIC POWER PACK & HYDRAULIC ROCK BREAKERS	NOS.
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SIDE DISCHARGE LOADER	NOS.
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OTHER MISCELLANEOUS COMPONENTS

GRAND TOTAL

**C. VALUE OF IMPORTED AND INDIGENOUS RAW MATERIALS, STORES AND SPARE PARTS CONSUMED AND THE PERCENTAGE OF IT TO THE TOTAL CONSUMPTION :**

		CURRENT YEAR	
		AMOUNT (RS.)	PERCENTAGE
a)	RAW MATERIAL :		
	IMPORTED	7,11,071	1.28%
	INDIGENOUS	5,47,99,119	98.72%
		5,55,10,190	100%
b)	SPARE PARTS & COMPONENTS :		
	IMPORTED	2,92,442	0.07%
	INDIGENOUS	44,33,93,803	99.93%
		44,36,86,245	100%

**KARAM CHAND THAPAR & BROS. (COAL SALES) LIMITED**

**SCHEDULE - 23 (Continued)**

CURRENT YEAR		PREVIOUS YEAR	
QUANTITY	VALUE	QUANTITY	VALUE
442	1,50,71,459	544	2,06,45,759
	<u>31,66,685</u>		<u>34,53,527</u>
	<u>1,82,38,144</u>		<u>2,40,99,286</u>
367.45		247.01	
10789.66		697.66	
206		108	
142.61	1,00,36,542	4.2	50,37,081
44728	25,00,398	31626	16,84,268
1822	10,90,489	1054	--
--	--	--	877353
--	--	--	--
24993	37,62,710	15914	22,68,757
--		--	--
104	13,42,346	70	9,80,939
161	56,45,936	78	20,06,029
--	--	--	--
	--		--
	1,28,93,625		44,30,501
	<u>3,72,72,046</u>		<u>1,72,84,928</u>
	<u>5,55,10,190</u>		<u>4,13,84,214</u>

PREVIOUS YEAR	
AMOUNT (RS.)	PERCENTAGE
3,45,937	0.83%
<u>4,10,38,277</u>	<u>99.17%</u>
<u>4,13,84,214</u>	<u>100%</u>
9,56,580	0.16%
<u>58,81,71,827</u>	<u>99.84%</u>
<u>58,91,28,407</u>	<u>100%</u>

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**KARAM CHAND THAPAR & BROS. (COAL SALES) LIMITED**

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**D. PARTICULARS IN RESPECT OF PURCHASES, SALES & STOCK OF FINISHED GOODS**

DESCRIPTION	UNITS	PURCHASE QUANTITY	VALUE(RS.)	SALES QUANTITY
<b>MANUFACTURING</b>				
CHAIR LIFTS FOR MEN RIDING	(THIS YEAR)	SET		4
	(PREVIOUS YEAR)	SET		--
COMPONENTS OF STATIONERY MIDDLE CHAIN CONVEYORS	(THIS YEAR)	SET		--
		NOS.		396
	(PREVIOUS YEAR)	SET NOS.		12 6
COMPONENTS OF FEEDER BREAKERS	(THIS YEAR)	SETS.		17
		NOS.		791
	(PREVIOUS YEAR)	SETS		17
		NOS.		1172
COMPONENTS OF CHAIR LIFT SYSTEM	(THIS YEAR)	NOS.		98
	(PREVIOUS YEAR)	NOS.		--
<b>OTHER MINING EQUIPMENT :</b>				
TROUGH TYPE CONVEYORS	(THIS YEAR)	NOS.		40
	(PREVIOUS YEAR)	NOS.		31
COMPONENTS OF TROUGH TYPE CONVEYORS PFOO-CONVEYORS	(THIS YEAR)	SETS		264
		NOS.		6445
	(PREVIOUS YEAR)	SETS		9
		NOS.		8014
PRODUCT SCRAP	(THIS YEAR)			
	(PREVIOUS YEAR)			
OTHERS	(THIS YEAR)	SET		--
		NO.		--
	(PREVIOUS YEAR)	NOS.		--
		SETS		--
				THIS YEAR
				PREVIOUS YEAR
<b>CONSTRUCTION RELATED ACTIVITIES - TICIL</b>				
CONCRETING	(THIS YEAR)	Cu.m.		126151.031
	(PREVIOUS YEAR)	Cu.m.		287011.780
EXCAVATION	(THIS YEAR)	Cu.m.		133273.464
	(PREVIOUS YEAR)	Cu.m.		140816.152
MISCELLANEOUS WORK	(THIS YEAR)			Not ascertainable
	(PREVIOUS YEAR)			Not ascertainable
				THIS YEAR
				PREVIOUS YEAR

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**KARAM CHAND THAPAR & BROS. (COAL SALES) LIMITED**

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**SCHEDULE - 23 (Continued)**

SALES VALUE (RS.)	OPENING STOCK QUANTITY	OPENING STOCK VALUE (RS.)	CLOSING STOCK QUANTITY	CLOSING STOCK VALUE(RS.)
2,72,65,024				
--				
10,93,970				
6,38,770				
68,12,458				
58,45,898				
4,97,600				
--				
1,86,91,520				
1,37,24,900				
60,06,084				
--				
--				
54,37,187				
2,00,327				
1,68,997				
--				
--				
25,800				
--				
<u>6,05,66,983</u>				
<u>2,58,41,552</u>				
32,11,73,613				
45,27,58,774				
4,91,96,297				
4,13,88,479				
49,33,33,996				
52,19,42,349				
<u>86,37,03,906</u>				
<u>1,01,60,89,602</u>				

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**KARAM CHAND THAPAR & BROS. (COAL SALES) LIMITED**

DESCRIPTION		UNITS	PURCHASE		SALES QUANTITY
			QUANTITY	VALUE(RS.)	
COAL & COKE	(This Year)	Tonnes	361103	41,16,05,192	361103
	(Previous Year)	Tonnes	307729	36,30,79,102	307729
PAPER	(This Year)	Reams	2419400	87,22,14,405	2448667
	(Previous Year)	Reams	2584578	93,78,15,370	2582562
STATIONERY	(This Year)	--		74,64,276	
	(Previous Year)	--		25,56,141	
ELECTRICALS	(This Year)	--		1,33,05,796	
	(Previous Year)	--		1,46,05,515	
MISCELLANEOUS	(This Year)	--		6,80,14,721	
	(Previous Year)	--		7,92,09,675	
		THIS YEAR		1,37,26,04,390	
		PREVIOUS YEAR		1,39,72,65,803	
LIQUOR	(This Year)	--		--	
	(Previous Year)	--		--	
MINING EQUIPMENTS & COMPONENTS (BOUGHT OUT ITEMS)	(This Year)	Sets Nos.	3 9635	3,96,32,786	3 9635
	(Previous Year)	Sets Nos.	40 6477	3,35,075	40 6477

**KARAM CHAND THAPAR & BROS. (COAL SALES) LIMITED**

**SCHEDULE - 23 (Continued)**

SALES VALUE (RS.)	OPENING STOCK QUANTITY	OPENING STOCK VALUE (RS.)	CLOSING STOCK QUANTITY	CLOSING STOCK VALUE(RS.)
40,74,29,302	--	--	--	--
36,27,94,548	--	--	--	--
91,09,07,653	163529	5,42,62,818	134262	4,60,30,445
97,51,58,690	161513	5,32,87,350	163529	5,42,62,818
3,49,26,948		4,38,274		2,63,408
3,85,47,975		28,86,603		4,38,274
1,51,28,123		8,98,083		10,52,213
1,63,60,888		6,70,844		8,98,083
6,97,97,102		20,86,297		16,70,196
8,07,43,457		14,19,711		20,86,297
<u>1,43,81,89,128</u>		<u>5,76,85,472</u>		<u>4,90,16,262</u>
<u>1,47,36,05,558</u>		<u>5,82,64,508</u>		<u>5,76,85,472</u>
--		1,713		1,713
--		2,178		1,713

4,19,58,267

9,33,950

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## KARAM CHAND THAPAR & BROS. (COAL SALES) LIMITED

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### SCHEDULE - 23 (Continued)

a. ITEMS OF STATIONERY, ELECTRICAL AND MISCELLANEOUS ARE NUMEROUS, NONE OF WHICH INDIVIDUALLY EXCEEDS 10% OF PURCHASE, STOCK AND TURNOVER.

b. INFORMATION IN RESPECT OF LICENSED / INSTALLED CAPACITY, ACTUAL PRODUCTION, OPENING AND CLOSING STOCK OF GOODS PRODUCED AND RAW MATERIAL CONSUMPTION OF TICIL DIVISION HAVE NOT BEEN FURNISHED AS IT IS ENGAGED IN CONTRACT JOB FOR EXCAVATION, CONCRETING ETC.

	THIS YEAR RS.	PREVIOUS YEAR RS.
(E) CIF VALUE OF IMPORTS :		
RAW MATERIALS AND COMPONENTS	2,55,70,779	3,65,000
	2,55,70,779	3,65,000
(F) EXPENDITURE IN FOREIGN CURRENCY		
TRAVELLING	16,06,964	6,18,350
	16,06,964	6,18,350
(G) PARTICULARS OF AMOUNTS REMITTED DURING THE YEAR IN FOREIGN CURRENCIES ON ACCOUNT OF DIVIDEND		
NO. OF SHAREHOLDERS : 1		
NO. OF SHARES HELD : 863		
NET AMOUNT REMITTED	25,890	23,301
	25,890	23,301
(H) EARNING IN FOREIGN CURRENCY		
AGENCY COMMISSION	9,74,913	11,06,658
(I) GROSS INCOME OF THE COMPANY FROM DIFFERENT SOURCES MADE DURING THE YEAR HAS BEEN SHOWN SEPARATELY IN THE PROFIT AND LOSS ACCOUNT		
(J) PREVIOUS YEAR'S FIGURES HAVE BEEN REARRANGED / REGROUPED WHERE NECESSARY.		

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**KARAM CHAND THAPAR & BROS. (COAL SALES) LIMITED**

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**SCHEDULE - 23 (Continued)****23. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE INFORMATION PURSUANT TO PART-IV OF SCHEDULE-VI TO THE COMPANIES ACT, 1956.****A. Registration Details**

Registration No.	11283
State Code	21
Balance Sheet Date	31st March, 2004

**B. Capital Raised during the year  
(Amount in Rs. Thousands)**

Public issue	Nil	Rights issue	Nil
Bonus issue	Nil	Private Placement	Nil

**C. Position of Mobilisation and Deployment  
of Funds (Amount in Rs.Thousands).**

Total Liabilities	8619412	Total Assets	8619412
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**Sources of Funds :**

Paid up Capital	38584
Reserve and Surplus	6007027
Secured Loans	191447
Unsecured Loans	37345

**Application of Funds :**

Net Fixed Assets	176789
Investments	558204
Net Current Assets (Represents Current- Assets, Loans and Advances Less Current Liabilities and Provisions)	5539410

**D. Performance of the Company  
(Amount in Rs. Thousands).**

Turnover (including Closing stock Rs. 51118)	3624635
Total Expenditure (including Opening Stock Rs.59979)	2806605
Profit before Tax	818030
Profit after Tax	508692
Earning per Share (Rs.)	1318.38
Dividend	30%

**KARAM CHAND THAPAR & BROS. (COAL SALES) LIMITED**

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**SCHEDULE - 23 (Continued)**

E. Generic Names of three Principal Products/  
Services of the Company

Product

Item Code No. (ITC Code)	480260.05
Product Description	COMPUTER STATIONERY

Item Code No. (ITC Code)	487420.02
Product Description	FEEDER BREAKERS

Other business activities of the Company, namely trading in Papers, Mining, Coal handling and distribution and Construction of tunnels, Powerhouses etc. in Hydro Projects are not covered by Indian Trade Classification.

Signatures to Schedules 1 to 23

On behalf of the Board of Directors

**I. M. THAPAR**  
Chairman & Managing Director

**V. M. THAPAR**  
Vice Chairman & Jt. Managing Director

**P. L. Agarwal**  
Director

**S. K. MAHAJAN**  
Vice President & Secretary

**KARAM CHAND THAPAR & BROS. (COAL SALES) LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2004**

	2003-04 Rs.	2002-03 Rs.
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Taxation	81,80,30,130	83,50,62,687
Add / (less) : Adjustments for :-		
Depreciation	3,63,40,666	4,71,30,699
Profit on Sale of Assets (Net)	(1,89,134)	(48,89,760)
Assets Written Off	11,506	822
Interest Expenses	4,59,15,811	10,49,50,608
Income from Investments and other interest	(39,02,95,136)	(37,83,18,093)
Unrealised foreign exchange gain / loss (net)	9,76,242	2,85,994
Operating Profit before working Capital Changes	51,07,90,085	60,42,22,957
Adjustments for :		
Inventories	2,64,16,363	(10,43,166)
Trade Receivable	1,23,21,05,469	(11,15,15,225)
Loans and Advances	5,46,80,086	4,68,44,138
Current Liabilities and Provision	(1,63,11,887)	(3,51,73,749)
Cash generated from operations	1,80,76,80,116	50,33,34,955
Income Tax Paid	(15,04,91,828)	(25,24,39,110)
<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>	<b>1,65,71,88,288</b>	<b>25,08,95,845</b>

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**KARAM CHAND THAPAR & BROS. (COAL SALES) LIMITED**

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**B) CASH FLOW FROM INVESTING ACTIVITIES**

Additions to Fixed Assets	(70,21,862)	(2,21,61,419)
Sale of Fixed Assets	39,37,264	71,88,444
Additions to Investments	(6,94,271)	(6,38,502)
Sale of Investments	750	1,16,31,040
Interest Received (Net of TDS)	36,42,21,175	49,48,58,005
Dividend received	12,88,021	11,74,773
NET CASH FROM INVESTING ACTIVITIES (B)	36,17,31,077	49,20,52,341

**C) CASH FLOW FROM FINANCING ACTIVITIES**

Proceeds from Long Term Borrowings / Deposits	4,92,381	31,09,360
Repayment of Long Term Borrowings / deposits	(13,20,322)	(90,67,103)
Proceeds from Short Term Borrowings	—	41,00,00,000
Repayment of Short Term Borrowings	(70,00,00,000)	(40,00,00,000)
Increase/(Decrease) in Bank Over Drafts	(19,08,61,495)	(30,32,11,103)
Interest Paid	(4,88,44,716)	(11,55,67,736)
Dividend Paid	(1,30,64,853)	(25,890)
NET CASH USED IN FINANCING ACTIVITIES (C)	(95,35,99,005)	41,47,62,472
Net increase / (Decrease) in Cash and Cash Equivalents during the years (A+B+C) (Refer Note 2 below)	1,06,53,20,360	32,81,85,714
Cash and Cash equivalents at the beginning of the year	4,00,92,31,521	3,68,10,45,807
Cash and Cash equivalents at the end of the year	5,07,45,51,881	4,00,92,31,521

**KARAM CHAND THAPAR & BROS. (COAL SALES) LIMITED**

**Notes :**

1. The above Cash Flow Statement has been prepared under the Indirect Method as set out in the Accounting Standard 3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.
2. Cash and Cash Equivalents represent Cash and Bank Balance (as per Schedule 8 to the audited accounts) after adjusting unrealised exchange gain / (loss) on Export Earning Foreign Currency Account of Rs. 285994 (opening) and Rs. 976243 (closing) for 2003-04 and Rs. 285994 (closing) for 2002-03.
3. Cash and Cash equivalents included fixed deposits Rs. 29310171 (2002-03 - Rs. 26037596) lodged as security deposit and Rs. 3096290786 (2002-03 - Rs. 2398608719) pledged against guarantees / loans.

	31st March, 2004 (Rs.)	31st March, 2003 (Rs.)
Cash in hand (including cheques / payorders in hand)	29,57,52,277	21,18,61,952
Balance with Banks	4,75,28,30,757	3,78,96,93,107
Others (Remittance in transit / postage and cash imprest)	2,59,68,847	76,76,462
	5,07,45,51,881	4,00,92,31,521

This is the Cash Flow Statement referred to in our report of even date.

**S. K. DEB**

Partner  
Membership No. 13390  
For and on behalf of  
PRICE WATERHOUSE  
Chartered Accountants

On behalf of the Board of Directors

**I. M. THAPAR**

Chairman & Managing Director

**S. K. MAHAJAN**

Vice President & Secretary

**V. M. THAPAR**

Vice Chairman & Jt. Managing Director

**P. L. Agarwal**

Director

Kolkata,  
25th August, 2004

**KARAM CHAND THAPAR & BROS. (COAL SALES) LIMITED**

**Statement regarding Subsidiary Company Pursuant to Section 212  
of the Companies Act, 1956**

- |    |  |  |
|----|--|--|
| 1. | Name of the Subsidiary   | Cynera Investments & Holdings Limited                |
| 2. | Holding Company's interest   | Holders of 8300887<br>Equity Shares of Rs. 10/- each |
| 3. | Net aggregate amount of<br>Subsidiary's Profit less losses and<br>not dealt within the Company's<br>accounts :-  |  |
|    | (i) For the Subsidiary's<br>financial year ended<br>31st March, 2004   | Rs.67,31,715 (Profit)                                |
|    | (ii) For the previous financial<br>years since it became subsidiary  | Rs.5,28,78,533 (Loss)                                |
| 4. | Net aggregate amount of<br>Subsidiary's Profit less losses<br>and dealt within the Company's<br>accounts :-  |  |
|    | (i) For the Subsidiary's<br>financial year ended<br>31st March, 2004   | NIL  |
|    | (ii) For the previous financial year<br>Since it became Subsidiary   | NIL  |
| 5. | As the financial year of the<br>Subsidiary Company coincide with<br>the financial year of the Holding<br>Company Section 212(5) of the<br>Companies Act, 1956 is not applicable. |  |

On behalf of the Board of Directors

**I. M. THAPAR**  
Chairman & Managing Director

**V. M. THAPAR**  
Vice Chairman & Jt. Managing Director

**P. L. Agarwal**  
Director

**S. K. MAHAJAN**  
Vice President & Secretary

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**KARAM CHAND THAPAR & BROS. (COAL SALES) LIMITED**

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**AUDITORS' CERTIFICATE**

The above Cash Flow Statement has been compiled from and is based on the audited accounts of Karam Chand Thapar & Bros. (Coal Sales) Limited for the year ended 31st March, 2002 reported upon by us on 21st August, 2002. According to the information and explanations given, the aforesaid Cash Flow Statement has been prepared in consonance with the requirements of the Accounting Standard 3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India and the reallocations required for the purpose are as made by the Company

**(S. K. DEB)**

Partner

For and on behalf of

Price Waterhouse

Chartered Accountants

Kolkata. August 21, 2002.

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**KARAM CHAND THAPAR & BROS. (COAL SALES) LIMITED**

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**PROXY**

I/We . . . . .  
of . . . . .  
being a member of KARAM CHAND THAPAR & BROS. (COAL SALES) LIMITED holding  
. . . . . Ordinary Shares  
hereby appoint . . . . .  
of . . . . .  
(or failing him/her . . . . .  
of . . . . . )  
as my / our proxy to vote for me / us and on my / our behalf at the Annual General Meeting of the Company  
to be held on Wednesday, the 29th September, 2004 at 12.30 P.M. at the Registered Office of the Company  
at 'Thapar House', 25, Brabourne Road, Kolkata-1 and at any adjournments thereof.

As witness my / our hand/s, this . . . . .  
day of . . . . . 2004.  
Signed by the said . . . . .  
in the presence of . . . . .

Revenue Stamp Rs.1/-
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1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16  
17 18 19 20 21 22 23 24 25 26  
27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45  
46 47 48 49 50 51 52 53 54 55 56 57 58 59 60  
61 62 63 64 65 66 67 68 69 70 71 72 73  
74 75 76 77 78 79 80 81 82 83 84 85 86 87 88  
89 90 91 92 93 94 95 96 97 98 99 100