



Contents

Board of Directors	1
Performance indicators at a glance	2
Notice	3
Directors' Report	5
Comments of C&AG and Management replies	17
Auditors' Report and Management replies	18
Balance sheet	24
Profit & Loss account	25
Cash flow statement	26
Schedules	28
Statement on subsidiary Company	54
Annual Report of Subsidiary Company	55

BANKERS:

State Bank of Hyderabad
Indian Bank
Canara Bank
State Bank of Patiala
Andhra Bank
Bank of Maharashtra

AUDITORS:

M/s. M. Anandam & Co.,
Chartered Accountants,
7 A, Surya Towers,
S.P. Road,
Secunderabad – 500 003.

Location of mining areas:

Khammam District

Yellandu
Rudrampur
Manuguru

Warangal District

Bhoopalpalli

Karimnagar District

Ramagundam (Godavarikhani)

Adilabad District

Srirampur
Mandamarri
Bellampalli

**BOARD OF DIRECTORS**

1. **Chairman & Managing Director**
Sri S.Narsing Rao (From 18.9.2006)
2. **Director (Operations)**
Sri J.V.Dattatreylu (From 1.10.2006)
3. **Director (Finance)**
Sri D.L.R.Prasad (From 16.7.2010)
Sri K.V. Ramana (From 21.4.2010 to 15.7.2010)
Sri E.V. Krishna Reddy (From 10.6.2006 to 20.4.2010)
4. **Director (Planning & Projects)**
Sri D.L.R.Prasad (From 1.10.2006)
5. **Director (Electrical & Mechanical)**
Sri I.V.N. Prasada Rao (From 19.3.2008)
6. **Director (Personnel, Administration & Welfare)**
Sri J.V.Dattatreylu (From 7.8.2010)
Sri K.V.Ramana (From 10.8.2009 to 6.8.2010)
Sri E.V.Krishna Reddy (From 20.6.2009 A.N to 10.8.2009)
Sri L.Shashidhar (From 5.7.2007 to 20.6.2009 F.N)
7. Sri D.C.Garg (From 21.9.2007)
Chairman-cum- Managing Director, Western Coalfields Ltd., Nagpur
8. Sri K.C.Samria (From 25.9.2007)
Director, Ministry of Coal, Govt. of India, New Delhi
9. Sri H.C.Agrawal (From 27.1.2010)
Director, Ministry of Coal, Govt. of India, New Delhi
Sri K.S.Kropha (From 26.4.2005 to 27.1.2010)
Joint Secretary, Ministry of Coal, Govt. of India, New Delhi
10. Sri G.Sudhir (From 28.7.2009)
Special Chief Secretary, Finance Dept., Govt. of A.P.
Sri I.Y.R. Krishna Rao (From 23.6.2006 to 28.7.2009)
Principal Secretary, Finance Dept., Govt. of A.P.
11. Sri Sutirtha Bhattacharya (From 16.1.2010)
Principal Secretary, Energy Dept., Govt. of A.P.
Sri A.K. Goel (From 14.7.2009 to 16.1.2010)
Special Chief Secretary, Energy Dept., Govt. of A.P.
Sri A.K. Goyal (From 11.10.2007 to 14.7.2009)
Special Chief Secretary, Energy Dept., Govt. of A.P.

Sri J. Rama Krishna
G.M (Corporate Affairs) & Company Secretary

Sri M.V.V. Subba Rao
Chief General Manager (Finance & Accounts)



Performance indicators at a Glance

Sl. No.	Indicators	Unit	2009-10	2008-09	2007-08	2006-07	2005-06
1.	Production						
	a) Open cast	(Lakh Tonnes)	384.56	324.59	279.58	258.31	234.27
	b) Underground	(Lakh Tonnes)	119.69	120.87	126.46	118.76	127.11
	c) Total	(Lakh Tonnes)	504.25	445.46	406.04	377.07	361.38
2.	Off-take	(Lakh Tonnes)	493.68	445.21	419.50	376.29	354.47
3.	Stock of Coal	(Lakh Tonnes)	12.25	1.63	1.48	12.18	14.13
4.	Output per Man Shift	(Tonnes)	2.73	2.42	2.10	1.91	1.74
5.	Manpower	(Nos.)	69043	70586	75573	82224	86025
6.	Net sales	(Rs. Lakhs)	685384	550040	449968	379055	362910
7.	Net profit before tax	(Rs. Lakhs)	39672	24832	29012	11720	33249
8.	Accumulated Profit/Loss	(Rs. Lakhs)	23095 (Profit)	14378 (Profit)	15151 (Profit)	11589 (Profit)	17642 (Profit)
9.	General Reserve	(Rs. Lakhs)	66040	56040	46040	40000	30000
10.	Equity Share Capital	(Rs. Lakhs)	173320	173320	173320	173320	173320
11.	Long-term Debt	(Rs. Lakhs)	46434	53067	66334	66334	66334
12.	Net worth	(Rs. Lakhs)	262455	243738	216258	211400	206392
13.	Capital employed	(Rs. Lakhs)	272286	302133	302028	253942	217571
14.	Contribution to Exchequer						
	- State Government	(Rs. Lakhs)	88622	79147	70164	58486	55818
	- Central Government	(Rs. Lakhs)	54051	39203	15139	20524	23226
15.	Earning per Share	(Rs.)	1.55	0.77	1.02	0.37	1.06
16.	Debt - Equity Ratio	(ratio)	0.27:1	0.31:1	0.38:1	0.38:1	0.38:1
17.	Capital turnover Ratio	(times)	2.52	1.82	1.49	1.49	1.67
18.	Cost of sales to sales	(percentage)	94.21	95.49	93.55	96.91	90.84
19.	Debtors as No. of months' sales	(months)	0.46	0.51	0.37	0.53	0.38



The Singareni Collieries Company Limited

(A Government Company)

Regd. office: Kothagudem Collieries (P.O) – 507 101, Khammam Dist., A.P.

NOTICE

Notice is hereby given to all the shareholders of The Singareni Collieries Company Limited that the 89th Annual General Meeting of the Company will be held on Tuesday the 28th day of September, 2010 at 4.00 p.m, at the Registered office, Head office building, Kothagudem Collieries (P.O) – 507 101, Khammam District, Andhra Pradesh, to transact the following business.

1. To consider and adopt the Directors' Report and the audited Annual Accounts for the financial year 2009-10.
2. To declare dividend @ 4% on the paid-up equity share capital for the financial year 2009-10.
- 3.(a) To appoint a Director in place of Sri G.Sudhir who retires by rotation in accordance with Section 256 of the Companies Act, 1956 and Article 93 of the Articles of Association of the Company and is eligible for re-election.
(b) i) To appoint a Director in place of Sri Sutirtha Bhattacharya who retires under Article 98 of the Articles of Association of the Company and is eligible for re-election.
ii) To appoint a Director in place of Sri H.C.Agrawal who retires under Article 98 of the Articles of Association of the Company and is eligible for re-election.
4. To fix the remuneration payable to M/s.M.Anandam & Co., Chartered Accountants, Secunderabad, Statutory Auditors who were re-appointed by the C&AG of India for the financial year 2010-11.

"Resolved that pursuant to the provisions of Section 224 (8) (aa) and other applicable provisions if any, of the Companies Act, 1956, the sanction be and is hereby accorded for payment of remuneration and reimbursement of T.A & out of pocket expenses as decided by the Board of Directors to M/s.M.Anandam & Co., Chartered Accountants, Secunderabad, Statutory Auditors in connection with the audit of accounts of the Company for the financial year 2010-11."

SPECIAL BUSINESS:

To consider and if thought fit to pass with or without modification the following resolutions as special resolutions.

5. Resolved that the sanction be and is hereby accorded for payment of remuneration to Sri I.V.N. Prasada Rao as Director (Electrical & Mechanical) on the Board of the Company for the period from 19.3.2010 to 30.9.2011 i.e., till the date of his retirement on superannuation on the existing terms & conditions laid before the meeting duly initialled by the Chairman for the purpose of identification.
6. Resolved that the sanction be and is hereby accorded for payment of remuneration to Sri J.V.Dattatreylu as Director (Operations) on the Board of the Company for a period of 2 years from 1.9.2010 on the existing terms & conditions laid before the meeting duly initialled by the Chairman for the purpose of identification.
7. Resolved that the sanction be and is hereby accorded for payment of remuneration to Sri D.L.R.Prasad as Director (Planning & Projects) on the Board of the Company for a period of 2 years from 1.10.2010 on the existing terms & conditions laid before the meeting duly initialled by the Chairman for the purpose of identification.

By order of the Board

(J. Rama Krishna)
G.M (Corporate Affairs) &
Company Secretary

Date: 2. 9. 2010
Place: Kothagudem.

Notes:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member.
2. The explanatory statements pursuant to section 173(2) of the Companies Act, 1956 in respect of the special business is enclosed.
3. The Register of members and Share transfer books of the Company will remain closed from 14.9.10 to 28.9.10 (both days inclusive).
4. The shareholders are requested to intimate any change in their address to the Registered office of the Company for sending all correspondence.



ANNEXURE TO NOTICE

Explanatory statements pursuant to Section 173 (2) of the Companies Act, 1956.

Resolution No. 5:

The Board in the meeting held on 29.3.2010 approved the extension of term of Sri I.V.N.Prasada Rao as Director (Electrical & Mechanical) from 19.3.2010 to 30.9.2011 i.e., till the date of his retirement on superannuation on the existing terms & conditions.

Copies of relevant office orders containing terms & conditions of extension are available for inspection at the Registered Office of the Company on any working day during office hours.

Approval of the shareholders is sought for payment of remuneration to Sri Prasada Rao from 19.3.2010 to 30.9.2011.

None of the Directors except Sri Prasada Rao is personally interested in the resolution proposed to be passed.

Resolution No. 6:

The term of Sri J.V.Dattatreyyulu as Director (Operations) was extended for a period of 2 years from 1.9.2010 on the existing terms & conditions.

Copies of relevant office orders containing terms & conditions of extension are available for inspection at the Registered Office of the Company on any working day during office hours.

Approval of the shareholders is sought for payment of remuneration to Sri J.V.Dattatreyyulu from 1.9.2010 to 31.8.2012.

None of the Directors except Sri Dattatreyyulu is personally interested in the resolution proposed to be passed.

Resolution No. 7:

The term of Sri D.L.R.Prasad as Director (P&P) was extended for a period of 2 years from 1.10.2010 on the existing terms & conditions.

Copies of relevant office orders containing terms & conditions of extension are available for inspection at the Registered Office of the Company on any working day during office hours.

Approval of the shareholders is sought for payment of remuneration to Sri D.L.R.Prasad from 1.10.2010 to 30.9.2012.

None of the Directors except Sri Prasad is personally interested in the resolution proposed to be passed.



Directors' Report

Dear Members,

Your Directors have great pleasure in presenting the 89th Annual Report and audited financial accounts of the Company for the year ended 31st March 2010.

HIGHLIGHTS OF PERFORMANCE:

During 2009-10 the Company has;

- surpassed the targets and achieved highest ever production & productivity by registering record growth rate of 13% over previous year;
- achieved highest ever dispatches & sales by registering growth rate of 11% and 22% respectively;
- achieved capacity utilisation of 106%;
- achieved lowest specific energy consumption in terms of KWh per tonne of coal since 1973-74;

The progress achieved by the Company can be seen from the following table;

Performance parameters	2009-10	2008-09	% variance over 2008-09
Production (in million tonnes)	50.42	44.55	13.20
Despatches (in million tonnes)	49.37	44.52	10.89
Gross sales (Rs. in crores)	7825.48	6396.09	22.35
Productivity (Output per manshift in tonnes)	2.73	2.42	12.81
Capacity utilisation (Coal) (Percentage)	106	96	10.42

OPERATIONAL RESULTS:

The financial performance of the Company for the year 2009-10 as compared to the previous year is as under;

(Rs. in crores)

Particulars	2009-10	2008-09
Gross revenue	8363.03	6867.08
Profit before interest, depreciation, provisions & tax	727.28	549.58
Less: Interest	12.11	21.19
Depreciation	300.93	249.20
Provisions (net)	17.53	25.43
Prior period adjustments (net)	4.78	1.61
Provision for taxation (net of deferred Tax incl. previous years)	123.92	117.08
Net profit after tax	268.01	132.83
Appropriations :		
Dividend	69.33	34.66
Tax on Dividend	11.51	5.89
Transfer to General Reserve	100.00	100.00

Dividend

Your Directors are pleased to recommend dividend @ 4% on the paid-up capital for the financial year 2009-10 for approval of shareholders in the ensuing Annual General meeting.

Share capital

There is no change in authorised and paid-up capital of the Company during the year under review and stood at Rs.1800 crores and Rs.1733.20 crores respectively as in the previous year.



Capital Expenditure

During the year under review amount spent on capital additions is Rs.888.67 crores as against Rs.592.70 crores incurred in the previous year.

Foreign exchange earnings and outgo

During 2009-10 the foreign exchange outgo was Rs.142.73 crores as against Rs.104.53 crores in the previous year, which is mainly due to import of equipment & spares, payment of consultancy charges etc. There were no foreign exchange earnings.

PRODUCTION PERFORMANCE:

Production from opencast & underground mines

The Company has achieved significant growth of 13% in coal production during the year under review over the previous year by producing 50.42 million tonnes. Open cast projects have contributed 38.45 million tonnes with a growth rate of 18% over previous year. Underground mines have contributed 11.97 million tonnes with a marginal decline by 1% over the previous year. Efforts are on to improve the overall performance of semi-mechanisation in UG mines. The technology-wise details of production achieved during the year under review against the targets as well as achievement in the previous year are as under;

Sl. No.	Technology	2009-10		2008-09 Actual	% variance over 2008-09
		Target	Actual		
1.	Underground				
	a) Hand section	3.17	3.02	4.05	-25.43
	b) Machine mining:				
	i. Road header	0.29	0.13	0.12	8.33
	ii. Longwall	0.90	0.90	0.77	16.88
	iii. Side Dump Loaders	4.44	4.42	4.08	8.33
	iv. Load Haul Dumpers	1.95	1.96	1.87	4.81
	v. Blasting Gallery	1.20	1.02	1.09	-6.42
	vi. Continuous miner	0.80	0.43	0.03	1333.33
	vii. Diesel LHD	0.05	-	-	-
	viii. Scrapper	-	0.09	0.09	-
	Total machine mining	9.63	8.95	8.05	11.18
	Total underground	12.80	11.97	12.10	-1.07
2.	Opencast	31.70	38.45	32.46	18.45
	Total	44.50	50.42	44.56	13.15

Overburden removal performance

Overburden removal of 247.05 million cubic metres was achieved in opencast projects during the year under review as against 184.64 million cubic metres achieved in the previous year registering a growth rate of 34%. The Company is outsourcing some portion of OB removal activity as per the laid down policy. The details of overburden removal by Company equipment and through outsourcing are as under;

Particulars	2009-10		2008-09 Actual	increase over 2008-09	
	Target	Actual		Absolute	Percentage
Company equipment	47.50	52.87	49.01	3.86	7.88
Outsourcing	122.50	194.18	135.63	58.55	43.17
Total	170.00	247.05	184.64	62.41	33.80

Utilisation of Capacity

During the year under review capacity utilisation was 106% as against 96% achieved in the previous year registering a growth rate of 10.42%.

Productivity in terms of out put per man shift:

During the year under review productivity in terms of output per man shift in underground mines & opencast projects and for the entire Company has improved as mentioned below;

(in tonnes)

Particulars	2009-10		2008-09 Actual	Variance over 2008-09	
	Target	Actual		Absolute	Percentage
Underground Mines					
- Hand section	0.65	0.63	0.68	-0.05	-7.35
- Machine mining	1.61	1.43	1.43	-	-
Total UG mines	1.18	1.08	1.05	0.03	2.86
Opencast projects	10.75	10.71	10.60	0.11	1.04
Overall					
- Mines	3.30	3.36	3.01	0.35	11.63
- Mines & Departments	2.62	2.73	2.42	0.31	12.80

Performance of HEMM:

The performance of Heavy Earth Moving Machinery in terms of availability and utilisation as against the previous year is indicated below;

HEMM	Numbers on roll		% Availability		% Utilisation with reference to			
	2009-10	2008-09			Scheduled shift hours		Machine available hours	
			2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
Draglines	2	2	79	76	50	53	63	70
Shovels	62	53	81	82	54	52	67	63
Dumpers	452	370	76	73	36	36	47	49
Dozers	82	78	70	72	31	31	44	43
Drills	47	42	78	79	29	24	37	31
Others	124	114	76	76	30	30	40	39
Total	769	659	76	75	35	35	46	47

MARKETING

Target and off-take of coal

During the year 2009-10 off-take of coal was 49.37 million tonnes against the target of 44.50 million tonnes. As per the New Coal Distribution Policy announced by the Ministry of Coal, Gol in 2008 customers drawing more than 4,200 tonnes per annum have to enter into FSA. Number of customers entered into FSAs with SCCL is 171. Apart from that, 2 power utilities, 55 cement units, 55 sponge iron units and 27 CPP customers have FSAs with SCCL. 92% of dispatches have been covered by FSAs and Joint sampling protocols. The number of customers registered with SCCL has gone up from 6,469 in 2008-09 to 6,850 in 2009-10. The details of sector-wise AAP target & off-take and colliery consumption during 2009-10 as compared to the previous year are as under.



(in million tonnes)

Sector	2009-10			2008-09		
	Target	Off-take	% Achieved	Target	Off-take	% Achieved
Power	30.21	36.19	120	30.43	32.04	105
Cement	6.73	6.64	99	4.60	5.36	117
Heavy Water Plant	0.50	0.52	104	0.50	0.54	108
Other Industries	6.94	5.92	85	5.89	6.45	110
Colliery Consumption	0.12	0.10	83	0.12	0.13	108
Total	44.50	49.37	111	41.54	44.52	107

Mode of despatches

Despatches through different modes (excluding colliery consumption) during 2009-10 as against previous year are as indicated below;

(in million tonnes)

Year	Rail (incl. RCR)	Road	Merry-go- round	Rope- way	Total
2009-10	29.50	8.50	10.75	0.52	49.27
2008-09	25.36	8.38	10.11	0.54	44.39
Absolute increase/ decrease	4.14	0.12	0.64	-0.02	4.88

Wagon loading performance

During the year 2009-10 daily average loading of 3,113/ 1,245 Four Wheeler Wagons/ Box wagons was done as against 2,679/ 1,071 FWW/ Box wagons in 2008-09.

Measures for improving quality

Measures for improving quality of coal like fortnight planning of seam-wise production, spot analysis at dispatch points, selective mining, washing lower/ inferior grade coal etc., were taken. Washeries established at Manuguru and Ramagundam on BOO basis started functioning. Establishment of washeries on BOO basis at Khairagura and Ramakrishnapur is in progress.

EXPLORATION ACTIVITIES:

74.57 million tonnes of reserves were proved during the year under review against 229 million tonnes proved in the previous year. Thus, the total proved reserves in Godavari Valley Coalfield have gone up from 9,384 million tonnes at the end of previous year to 9,459 million tonnes as on 31.3.2010. The coal extracted by the Company in the Godavari Valley Coalfield up to the year 2009-10 was about 931 million tonnes.

INDUSTRIAL ATMOSPHERE

During the year under review, the industrial relations have been congenial. There were 2 strikes and the impact on production is very meagre as under;

Particulars	Unit	2009-10	2008-09
Strikes	No.	2	2
Mandays lost	No.	1,430	23,065
Production lost	Tonne	4,893	19,072



EMPLOYEES' WELFARE MEASURES AND SOCIAL SECURITY SCHEMES

Welfare and social security to the employees are given due attention and various welfare activities viz., housing & sanitation, educational, recreational, medical facilities with super specialty services and social security schemes that were in vogue are being continued. The overall housing satisfaction as on 31.3.10 was 75% as against 72% at the end of previous year.

The Singareni Collieries Educational Society sponsored by the Company has been running 13 Schools at various areas, women's degree & junior college at Kothagudem and one Polytechnic college at Srirampur.

Tele radiology services have been commenced at Main Hospital and Radiology department is renovated. The cell constituted for monitoring diseases like hypertension, diabetes have conducted 22 counselling sessions.

Out of 36 underground mines manriding systems are in operation in 29 mines and under erection in 3 mines. In 4 mines manriding systems are not introduced since walking distance is less.

Employees are provided sports facilities & required infrastructure and also encouraged to participate in sports & games. Several events were conducted for sports & games which inter-alia include Coal India Inter Company weight lifting, power lifting, body building competitions and caroms tournament.

Corporate Social Responsibility

As a responsible corporate citizen, the Company is carrying out several CSR activities under a programme known as 'Surrounding Habitats Assistance Programme' the objective of which is to improve the quality of life, living standards by making the surrounding areas as better living places. 88 mobile medical camps covering 294 villages conducted by the Company have benefitted 7,927 persons living in remote places by way of medical consultation and investigation and medicines have been supplied free of cost. Financial support was extended for establishment of Engineering College by JNTU at Manthani, Karimnagar district which starts from the academic year 2010-11. An amount of Rs.5 crores was donated to Andhra Pradesh Chief Minister's Relief Fund for the exclusive purpose of construction of 2,500 houses and providing basic infrastructure for flood victims of Rajole Village in Mahboobnagar district. An amount of Rs.5 lakhs has been donated to National Foundation for communal harmony.

Activities of Singareni Seva Samithi

'Singareni Seva Samithi', a non-profit organisation established by the Company in 1998 has helped to a great extent for socio-economic development of coal belt region. During the year under review the Samithi extended training to 662 candidates in various vocational courses in association with Khadi Gramina Mahila Vidyalaya. Training was also imparted for the Project Affected Persons in various vocational courses in addition to the measures taken under R&R scheme. 266 PAPs were trained in Agarbathi & Rexine bag making, Volvo vehicles & Motor car driving. 68 candidates have established self employment units during the year under review. Out of 576 candidates trained for Army / Police recruitment rallies, 48 candidates were selected.

In the Yoga & Meditation camps conducted throughout areas 300 persons have participated.

An expenditure of Rs.183 crores was incurred on various social overheads during the year 2009-10 as against Rs.155 crores incurred in the previous year.



INFORMATION TECHNOLOGY & NETWORKING

Enterprise Resource Planning (ERP) package has been implemented and stabilized. Disaster recovery system is being established. First balance sheet under ERP regime was generated for the financial year 2008-09. Facility established in the Company to organise 'web casting' where web conference can be held from multiple locations subscribing to annual license. RG-I, II & III, SRP and Mandamarri areas are inter-connected by wireless. Video conference facilities are being extensively used for various review meetings. 2 important modules of hospital management system (OP registration & periodical medical examination) went on live during the year under report.

SAFETY STATUS

For the best efforts put in by the Management the number of fatal accidents and fatalities have been reduced and there was slight increase in serious accidents and injuries;

Year	Fatal		Serious		Injury rate per million tonne of production	
	No. of accidents	No. of persons involved	No. of accidents	No. of persons injured	Fatal	Serious
2009-10	13	16	424	428	0.32	8.49
2008-09	16	19	391	394	0.43	8.87

Mines rescue services

During the year under report, 76 persons were imparted initial training in rescue and recovery works.

Two mines rescue teams have participated in All India Mines Rescue competitions held in March, 2010 at Jamadoba and bagged 2nd and 3rd overall best performance prizes respectively and also won 7 other prizes.

HUMAN RESOURCE DEVELOPMENT

The HRD dept., strives continuously for improving the competencies of all Singarenians so that the Company can achieve the set goals and simultaneously enable the employees to lead healthy, peaceful, stress free and prosperous life. The activities taken up by the department include in-house and external management development programmes, maintaining libraries with relevant books & journals, organizing study tours, yoga & meditation camps, sports, games and cultural events, publishing in-house journals and bulletins & implementation of effective system of performance management. The Company has good in-house training centres at various areas as indicated below;

Sl. No.	Name of the centre	No. of centres
1.	Mines Vocational Training Centres	8
2.	Corporate training Centre, Kothagudem	1
3.	Technical Training Centre, Manuguru (for opencast technology)	1
4.	Underground mechanisation training Institute, at RG-II (for underground technology)	1
5.	Nargundkar Institute of Management, at RG-II (for executive training)	1

Number of executives & non-executives covered under in-house and outside training programmes are as under;

Sl. No.	Particulars of training programmes	2009-10		2008-09	
		Executives	Non-Executives	Executives	Non-Executives
1.	In-house	2,309	923	1,776	1,532
2.	Within the country	915	806	598	586
3.	Outside the country	43	19	54	12

The manpower of the Company was brought down from 70,586 as at the end of previous year to 69,043 by the end of the year under report. The Golden Handshake (VRS) scheme implemented during the year 2009-10 was availed by 327 employees.

MEASURES FOR CONSERVATION OF ENERGY

Measures for exploitation of renewable energy resources viz., installing solar water heaters in the MB/NC storied type quarters in place of electric geysers, fitting LED street lights in place of conventional electric street lights are being taken. Energy efficient electrical appliances mainly CFLs are being used in place of incandescent lamps. Installation of adequate number of capacitor banks has been taken up on individual feeders to reduce line losses.

During the year under review the specific energy consumption in KWH/tonne of coal production has come down by 10.27% over the previous year as mentioned below;

Description	2009-10		2008-09		% variance over 2008-09
	Target	Actual	Target	Actual	
Specific energy consumption in KWH/tonne	14.50	12.50	14.50	13.93	-10.27

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

After the trap of Continuous Miner equipment due to roof fall accident re-commissioning the equipment at VK-7 incline, Kothagudem has been done and successfully extracted coal from CMP-2 panel with Continuous Miner technology with yield pillar non-caving method on experimental basis for the first time in India. Continuous Miner technology was introduced in GDK-11 Incline also. Road Header with bolting attachments was introduced at Adriyala Longwall project. Less weight & maintenance free LED miner lamps were introduced. Glass fibre reinforced polymer (GRP) Roof Bolts have been indigenously developed as import substitutes.

CAPITAL PROJECTS AND SCHEMES

Projects/schemes under implementation

As at the end of March 2010, there are 25 mining projects, (14 opencast and 11 underground) under various stages of implementation with a sanctioned capital cost of Rs.3801.98 crores. The implementation of 14 projects is as per schedule and 3 projects are kept on hold. Non-availability of land for compensatory afforestation, delay in forest land diversion and environmental clearance are main constraints effecting timely commissioning of projects. Award of EPC contract for setting up of 20 MW captive power plant in place of 13.7 MW power house existing at Kothagudem is in process. The Management is taking all possible steps to reduce slippages in implementing the projects.



Projects approved/ cleared by the Company

The Board of Directors of the Company have approved / cleared the following projects during the year 2009-10:

Sl. No.	Name of the Project	Capacity per annum	Capital (Rs.crores)	Approved/ cleared on
1.	Shortwall mining in RKNT	0.54 MT	39.54	30.12.09
2.	RG OC-II Extn.	4.00 MT	418.97	30.12.09
3.	RKP OCP Phase-I	2.50 MT	209.78	29.3.10
4.	MNG OC-II Extn. Phase-II	3.00 MT	181.19	29.3.10

Project approved by Govt., of India

Name of the Project	Capacity per annum	Capital (Rs. crores)	Approved/ cleared on
RCE of Adriyala shaft project	2.81 MT	779.26	24.12.09

Projects completed during 2009-10

The following projects have been completed and completion reports were approved by the Board during 2009-10:

Sl. No.	Name of the Project	Capacity (m.t.p.a)	Completion cost (Rs.crores)	Approved on
1.	Dorli OCP-I	0.70	47.56	29.3.2010
2.	Koyagudem OCP-II	2.00	58.07	29.3.2010
3.	Manuguru OC-II extension	4.00	178.62	29.3.2010
4.	RG OC-III extension	4.00	178.62	29.3.2010
5.	Medapalli OC expansion	4.30	245.02	29.3.2010

Project derated and completed

Sl. No.	Name of the Project	Original capacity (m.t.p.a)	Derated capacity (m.t.p.a)	Completion cost (Rs.crores)	Approved on
1.	KTK-6 Incline	0.31	0.18	26.61	29.3.2010

STATUS OF POWER PROJECT:

Govt. of AP accorded investment approval to the DPR submitted by SCCL for 600 MW coal based Thermal Power Plant at Adilabad District of Andhra Pradesh with an investment of Rs.2,700 crores. However Govt. of AP has issued instructions on 11.8.2009 to initiate proposal to set up one more unit of 600 MW coal fired Thermal Power Plant in addition to already approved 600 MW Power Plant at Jaipur Mandal of Adilabad District.

Entire land required for the Power project has been acquired and environmental clearance has been obtained. Water allotment is made by Govt. of AP., NTPC was appointed as Consultant for preparation of specifications and tender documents. Power evacuation system is under discussion with APTRANSCO. PPA for 450 MW has been signed with APDISCOMS and the balance 150 MW would be utilized by SCCL for its own consumption.

PROTECTION OF ENVIRONMENT, ECOLOGY & BIO DIVERSITY:

SCCL is environmentally conscious, responsible and proactive. SCCL's initiatives in protection of environment starts from the exploration stage itself where preferences are given for mining coal in non-forest areas thereby reducing pressure on forest areas. SCCL is following triple point agenda for sustainable development;

- Excel in operations & technology
- Excel in environment management
- Respect to the social order



Pollution control measures like dust suppression at the source of generation at mines and units like coal handling plants, workshops etc., treatment of waste water, noise control and soil erosion control measures are being scrupulously followed.

GK OCP, Kothagudem has been awarded in recognition of practicing “cleaner production technologies and climate change mitigation measures” by AP Pollution Control Board on the occasion of World Environment Day celebrations on 5th June, 2009.

So far 16 Effluent Treatment Plants are in operation for removal of oil and grease in workshops. 7 Sewage Treatment Plants are functioning at different areas. WWF has organised 2-day field workshop on 19th & 20th February, 2010 at Kothagudem for Singareni Collieries High School teachers to impart practical learning experience on environment education. Nature clubs are working in all schools of the Company with the association of WWF.

Afforestation:

During the year 2009-10 SCCL has developed block and avenue plantations covering an area of 551 Ha., and plantation on overburden dumps covering an area of 211 Ha. In addition 1,00,469 numbers of seedlings were distributed for planting. In all 13,35,902 numbers of seedlings were planted as against 4,62,043 in the previous year.

RESEARCH & DEVELOPMENT

During the year under review, R&D activities were taken up in UG mines viz., extraction of coal underneath dwellings and PWD road, design of rhombus pillars for introduction of SDL in steeply inclined seams, simultaneous extraction by BG method in 3 seam and LHDs in 4 seam in Vakilpalli mine, parting stability between wide stall panels in 2 seam and 3 seam in RK 1A incline, induced caving of hanging roof in the Goaf and ventilation studies at RKNT; and in opencast projects viz., effect of dump on Godavari river and flood protection bund and slope stability etc. The activities benefited in expediting the new projects, improving safety, mine ventilation, production & productivity and health of workmen.

S&T projects:

3 S&T projects with the assistance of Govt. of India are ongoing and are under implementation at PKOC, Manuguru by Anna University for predicting slope failures using micro seismic technology. Investigation of cavability of over line strata for estimation of support capacity by CMRI, NIRM & ISM and stability of parting between coal pillar working in level contiguous seams during depillaring by CMRI.

Future plan of action

Deep opencast mining up to a depth of 400 metres and deep UG mining, introducing air cooling system in deep UG mines are some of the areas identified for undertaking in future.

During 2009-10 expenditure incurred on R & D was Rs.0.79 crores (previous year Rs.0.53 crores) which amounted to 0.01% of the total turnover.

Business expansion:

In order to expand and diversify the business area, a ‘Comprehensive Business Plan’ was got prepared by PWC. The Board of Directors approved the action plan for foraying into various allied and related business activities.



Board has also approved for establishment of 15,000 Tonnes/ annum capacity SME explosives manufacturing plant for meeting captive consumption.

INTERNAL AUDIT

The Internal Audit has advised recoveries to the tune of Rs.4.13 crores after conducting audit of different bills during the year under report against the recovery of Rs.2.06 crores advised in the previous year.

The status of compliance of Audit memos as on 31.3.10 when compared to the end of previous year is as under:

Period up to	Issued		Complied		Pending		% compliance No. of memos	Recovery percentage
	No. of memos	Value (Rs. lakhs)	No. of memos	Value (Rs. lakhs)	No. of memos	Value (Rs. lakhs)		
31.3.10	1914	287.16	1788	245.82	126	41.36	93.42	85.60
31.3.09	1755	258.82	1486	206.22	269	52.60	84.67	79.67

VIGILANCE

While 15 cases were pending at the beginning of the year under review, 144 cases were received during the year 2009-10. The Vigilance dept., has submitted reports in 131 cases and 28 cases were pending as on 31.3.10. Based on the reports submitted by the Vigilance department action was taken on 57 employees.

SUBSIDIARY

As on 31st March 2010, SCCL continues to hold Rs.1408.27 lakhs of equity amounting to 81.54% in A.P Heavy Machinery & Engineering Ltd., as at the end of previous year. During the year 2009-10 the Company has earned a net profit of Rs.409.61 lakhs as against Rs.131.03 lakhs earned in the previous year. A copy of audited accounts of the Company for the year 2009-10 are attached in compliance with the provisions of Section 212 of the Companies Act, 1956.

JOINT VENTURE COMPANY

NTPC-SCCL Global Ventures Private Limited a JV Company floated along with NTPC is exploring business model for mining Talaipalli coal block, Chhattisgarh.

PARTICULARS OF EMPLOYEES IN RECEIPT OF Rs.2 LAKHS PER MONTH OR Rs.24 LAKHS PER ANNUM

During the year 2009-10 none of the employees received remuneration in excess of the limits prescribed in Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended.

STATUTORY AUDITORS

For the financial year 2009-10, the Comptroller & Auditor General of India has re-appointed M/s M.Anandam & Co., Chartered Accountants, Secunderabad as Statutory Auditors of the Company under Section 619 (2) of the Companies Act, 1956.

AUDIT COMMITTEE

Audit committee of the Company consists 3 non-executive Directors viz., Sri G.Sudhir, Special Chief Secretary, Finance Dept., Govt. of A.P, Sri D.C. Garg, Chairman-cum-Managing Director, Western Coalfields Ltd., and Sri K.C. Samria, Director, Ministry of Coal, Govt. of India. The Board has concurred with the recommendations of the Committee given in its 2 meetings held during the year under report.



DIRECTORS

As per the orders of the Government of A.P the term of appointment of Sri S.Narsing Rao as C&MD of the Company is up to 17.9.2010.

The tenure of Sri I.V.N.Prasada Rao as Director (Electrical & Mechanical) was extended from 19.3.2010 to 30.9.2011 i.e., till the date of his retirement on superannuation.

The term of Sri J.V.Dattatreylu as Director (Operations) was extended from 1.9.2010 to 31.8.2012. The term of Sri D.L.R.Prasad as Director (P&P) was extended from 1.10.2010 to 30.9.2012.

Sri L.Sashidhar, ceased to be Director (PA&W) w.e.f., 21.6.09 on withdrawal of his services by the Govt. of A.P. Sri K.V. Ramana who has been appointed as Director (PA&W) for a period of 2 years w.e.f., 10.8.09 has relinquished his charge on 6.8.2010 on withdrawal of his services by Govt. of A.P. Sri J.V. Dattatreylu, Director (Operations) has been holding additional charge of the post of Director (P.A&W) w.e.f.,6.8.2010.

Sri E.V.Krishna Reddy ceased to be Director (Finance) w.e.f., 21.4.2010 on relinquishment of charge of the post by him. Sri K.V.Ramana held additional charge of the post of Director (Finance) up to 15.7.2010 and Sri D.L.R.Prasad, Director (P&P) has been holding additional charge of the post of Director (Finance) w.e.f.,16.7.2010.

Sri A. K. Goel, Spl. Chief Secretary, Energy dept., has been appointed as Director vice Sri A. K.Goyal w.e.f., 14.7.09 and later Sri Suthirtha Bhattacharya, Prl. Secretary, Energy dept., GoAP has been appointed as Director vice Sri A.K. Goel w.e.f., 16.1.10.

Sri G.Sudhir, Spl. Chief Secretary, Finance dept., has been appointed as Director vice Sri I.Y.R.Krishna Rao w.e.f., 28.7.09.

Sri H.C.Agrawal, Director, Ministry of Coal, Gol has been appointed as Director vice Sri K.S. Kropcha w.e.f., 27.1.10.

Sri Suthirtha Bhattacharya and Sri H.C.Agrawal retire under Article 98 of the Articles of Association of the Company and are eligible for re-election.

Sri G. Sudhir, Director retires by rotation in accordance with Sec.256 of the Companies Act, 1956 read with Article 93 of Articles of Association of the Company at the forthcoming Annual General Meeting and is eligible for re-election.

Your Directors wish to place on record their appreciation of the valuable guidance extended by Sri A.K.Goyal, Sri I.Y.R. Krishna Rao, Sri A.K.Goel, Sri K.S. Kropcha, Sri L.Sashidhar, Sri E.V.Krishna Reddy and Sri K.V.Ramana during their tenure as Directors of the Company.

During the year under report 5 Board meetings were held.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' responsibility statement, your Directors hereby confirm that-

- i) in the preparation of the annual accounts the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- ii) such accounting policies have been selected and applied them consistently and made judgments and estimates that are 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 2009-10 and of the profit of the Company for that period;



- iii) proper and sufficient care has been taken 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) annual accounts have been prepared on a going concern basis.

IMPLEMENTATION OF RIGHT TO INFORMATION ACT, 2005

Your Company has been implementing RTI Act. The details of number of applications received and disposed during the year under review vis-à-vis previous year are furnished hereunder;

Total number of applications during the year under RTI Act, 2005			
2009-10		2008-09	
Received	Disposed	Received	Disposed
205	175	119	105

ACKNOWLEDGEMENTS

Your Directors place on record their appreciation for the support and co-operation received from the Govt. of Andhra Pradesh, particularly Energy & Finance Departments and the Govt. of India particularly from the Ministries of Coal, Finance and Environment & Forests.

Your Directors convey their heartfelt thanks for the trust and support received from the valued customers, bankers & financial institutions and all stake holders of the Company. Your Directors gratefully acknowledge with appreciation the valuable guidance extended by the Statutory Auditors, the Comptroller & Auditor General of India, Ministry of Corporate Affairs and the Director General of Mines Safety.

Your Directors express their deep sense of gratitude for the dedicated and committed services of employees but for which the success achieved by the Company would have never been possible.

For and on behalf of the Board of Directors

Sd/-

(S. Narsing Rao)

Chairman & Managing Director

Date : 26.8.2010

Place : Hyderabad



The comments of the Comptroller & Auditor General of India under Section 619(4) of the Companies Act, 1956 will be sent as and when received.



AUDITORS' REPORT

Management reply on the audit observations (Under Section 217(3) of the Companies Act, 1956)

To
The Members of
The Singareni Collieries Company Limited

1. We have audited the attached Balance Sheet of The Singareni Collieries Company Limited, as at 31st March, 2010, the Profit & Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. --
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures 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 statement presentation. We believe that our audit provides a reasonable basis for our opinion. --
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said order. --
4. *Note No.26 of Notes on Account (Schedule I) - regarding the provision for liability for backfilling of final void of Rs.997 Crores, being based on technical assessment, we are unable to express our opinion on the adequacy and correctness of the aforesaid provision.* Govt. of India, Ministry of Coal issued guidelines to be implemented by Coal Mine owners with regard to Mine closure plan. MoEF while issuing environmental clearance for the projects has been stipulating that the depth of final void of an open cast mine should be reduced to 30/35/45 metres as the case may be from surface.

Since the reduction of depth of the final void can be done either by re-handling the OB of the external/ internal dumps or by dumping the OB produced from the adjacent/ relay projects, which involves additional expenditure, provision has been made considering the estimated depth of void to be back filled by re-handling the OB from external dumps in the related OC Projects upto 31.3.2010 by taking into account the current OB removal cost.

**AUDITORS' REPORT** (Contd..)**Management reply on the audit observations** (Contd..)
(Under Section 217(3) of the Companies Act, 1956)

5. Further to our Comments in the annexure referred to in paragraph 3 and 4 above, we report that;
- a) 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; --
- b) 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 such books; --
- c) The Balance Sheet, Profit and Loss account and Cash Flow Statement dealt with by this report are in agreement with the books of account; --
- d) In our opinion the Balance Sheet, Profit and Loss account and Cash Flow Statement dealt by this report comply with the accounting standards referred to in Section 211(3C) of the Companies Act, 1956; --
- e) Being a Government Company, Clause (g) of the Sub-Section (1) of Section 274 of the Companies Act, 1956 is not applicable. --
- f) 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 *subject to Para 4 above* give a true and fair view in conformity with the accounting principles generally accepted in India; --
- i) in the case of the Balance Sheet, of the State of Affairs of the company as at 31st March, 2010;
- ii) in the case of the Profit & Loss account, of the Profit of the Company for the year ended on that date; and
- iii) in the case of the Cash Flow statement, of the Cash Flows for the year ended on that date.

For M/s.M. Anandam & Co.,
Chartered Accountants
Sd/-
(S. Venkateswarlu)
Partner (M.No.22790)

For and on behalf of the Board
Sd/-
(S. Narsing Rao)
Chairman & Managing Director

Date : 19.7.2010
Place : Hyderabad

Date: 26.8.2010.
Place : Hyderabad.



ANNEXURE TO AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

Management reply on the audit observations

(Under Section 217(3) of the Companies Act, 1956)

- | | |
|--|---|
| i) a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. | This being a statement of fact calls for no comment separately. |
| b) According to the information and explanations given to us and as stated in notes to accounts, the company has a phased programme of verification of fixed assets that is reasonable having regard to the size of the company and the nature of its business. As per the phased programme, the management has carried out physical verification of fixed assets valuing more than Rs.50 lakhs during the year and discrepancies noted have been properly dealt with in the books of account. | This being a statement of fact calls for no comment separately. |
| c) The Company has not disposed off any substantial part of its fixed assets so as to affect its going concern status. | This being a statement of fact calls for no comment separately. |
| ii) a) The company has a perpetual inventory system in respect stocks of stores and spare parts except for coal which were verified as at the end of the year. The frequency of verification was, in our opinion, reasonable. | This being a statement of fact calls for no comment separately. |
| b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business. | This being a statement of fact calls for no comment separately. |
| c) The Company has maintained proper records of its inventories. As per the information available, discrepancies which are noticed between book stocks and physical stocks are not material. | This being a statement of fact calls for no comment separately. |
| iii) a) The Company has not granted loan/s to the parties covered in the register maintained under section 301 of the Companies Act, 1956. The Paragraphs 4 (iii) (b), (c) and (d) are not applicable to the Company | This being a statement of fact calls for no comment separately. |
| b) The Company has not taken any loan/s from the parties covered under section 301 of the Companies Act, 1956. The Paragraphs 4 (iii) (f) and (g) are not applicable to the Company. | This being a statement of fact calls for no comment separately. |
| iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory, fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas. | This being a statement of fact calls for no comment separately. |

ANNEXURE TO AUDITORS' REPORT (Contd..)

(Referred to in paragraph 3 of our report of even date)

- v) a) According to the information and explanations given to us, we are of the opinion that there are no transactions that need to be entered in the register maintained under section 301 of the Companies Act, 1956.
- b) In our opinion and according to the information and explanations given to us, no transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956.
- vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public. However, amounts recovered by the company under Family Benefit-cum-Insurance Scheme from employees is considered by the Company Law Board(C.L.B) as deposits covered under section 58A and 58AA of the Act and the rules framed there under. We are informed that the company's contention, of the said recoveries are not deposits u/s.58A and 58AA of the Companies Act,1956 has not been accepted by the C.L.B.
- vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii) As per the information given to us, the Central Government has not prescribed maintenance of cost records under section 209(1) (d) of the Companies Act, 1956.
- ix) a) According to the information and explanations given to us and the records of the company examined by us, the Company is regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, wealth-tax, service tax, sales tax, custom duty, cess and other statutory dues as applicable with the appropriate authorities and there were no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable subject to not depositing works contract tax amounting to Rs.12.81 Lakhs.
- b) According to the information and explanations given to us and records of the Company examined by us, the particulars of sales tax, income tax, customs duty, service tax and wealth tax, as at 31st March, 2010 which have not been deposited on account of dispute pending, are as under:

Management reply on the audit observations (Contd..)

(Under Section 217(3) of the Companies Act, 1956)

- This being a statement of fact calls for no comment separately.
- This being a statement of fact calls for no comment separately.
- FBIS fund is not a Public Deposit and the same is being stated in the notes to the accounts. The administration of fund has been entrusted to LIC of India w.e.f., 20.4.2010 and the fund with all its accruals shall vest in the members i.e., employees of SCCL.
- This being a statement of fact calls for no comment separately.
- This being a statement of fact calls for no comment separately.
- Works contract tax amounts to Rs.12.81 lakh is outstanding at company level over a period of 3 years and reconciliation is being done and necessary adjustments will be carried out on the outcome of reconciliation.
- This being a statement of fact calls for no comment separately.

**ANNEXURE TO AUDITORS' REPORT** (Contd..)

(Referred to in paragraph 3 of our report of even date)

Management reply on the audit observations (Contd..)

(Under Section 217(3) of the Companies Act, 1956)

Name of the Statute	Nature of the Dues	Amount not deposited (Rs. in lakhs)	Year	Forum where dispute is pending
APGST Act, 1957	Sales Tax	236.62	2000-01	STAT, HYD
		109.81	2001-02	
		27.54	2002-03	
		124.22	2003-04	ADC (Appeals), Warangal
		91.21	2004-05	STAT, HYD
APVAT ACT	VAT	142.96	2005-06	AC(CT) WGL
AP Electricity Duty Act & Rules, 1939	Electricity Duty	1646.40	April, 85 to March, 10	AP High Court
Entry Tax Act, 2001	Entry Tax	15.71	2003-04	AP High Court
Income Tax Act, 1961	Income Tax	35.65*	2006-07	CIT (Appeals), VJA
	Fringe Benefit Tax	162.98*	2005-06	
		148.66*	2006-07	

* Amounts not deposited due to stay granted by the Assessing Officer.

- x) The company has no accumulated losses and it has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year. This being a statement of fact calls for no comment separately.
- xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution, bank or debenture holders. This being a statement of fact calls for no comment separately.
- xii) The company has not granted Loans and advances on the basis of security by way of pledge of shares, debentures and other securities. This being a statement of fact calls for no comment separately.
- xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Accordingly the provisions of clause 4(xiii) if the Companies (Auditors' Report) Order, 2003 are not applicable to the Company. This being a statement of fact calls for no comment separately.
- xiv) In our opinion and according to the information and explanation given to us, the Company is not dealing in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company. This being a statement of fact calls for no comment separately.



ANNEXURE TO AUDITORS' REPORT (Contd..)

(Referred to in paragraph 3 of our report of even date)

- xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loan taken by others from banks or financial institutions. Accordingly, the provisions of clause 4(xv) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
- xvi) In our opinion and according to the information and explanation given to us, the term loans have been applied for the purpose for which they were raised other than amounts temporarily invested pending utilization of the funds for the intended use.
- xvii) In our opinion and according to the information and explanation 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 investments.
- xviii) The Company has not made any preferential allotment of shares during the year to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- xix) The Company has not issued any debentures during the year.
- xx) The Company has not raised any funds on public issue and hence disclosure on the end use of money raised by the public issue is not applicable to the Company.
- xxi) According to the information and explanations given to us, during the year fraud aggregating to Rs.68.825 Lakhs has been reported, as detailed here under, on the company;

Management reply on the audit observations (Contd..)

(Under Section 217(3) of the Companies Act, 1956)

- This being a statement of fact calls for no comment separately.
- This being a statement of fact calls for no comment separately.
- This being a statement of fact calls for no comment separately.
- This being a statement of fact calls for no comment separately.
- This being a statement of fact calls for no comment separately.
- This being a statement of fact calls for no comment separately.
- Vigilance department is conducting surprise inspections regularly to curb pilferages/ misappropriation of the property of the company.

Sl. No	Nature of the fraud	Amount involved (Rs. in lakhs)
1.	Award of contract for laying approach road for sand transportation in Bhupalapally	52.30
2.	Fake dependants seeking job/monthly monetary compensation/lumpsum payment	15.00
3.	Unauthorized drawal of timber by company employees and manipulation of casual labour man shifts by contractor at timber yard in Srirampur	1.08
4.	Withdrawal of ineligible field allowance by one security guard	0.015
5.	Pilferage/theft of ferrous and non-ferrous scrap by scrap dealers	0.25
6.	Pilferage of coal	0.180
	Total	68.825

1. Contract was cancelled and amount saved.
2. Stopped processing of the claims and disciplinary action against the concerned is under process.
3. Amount recovered.
4. Amount recovered.
5. Total quantity recovered.
6. Total quantity recovered and imposed penalty on the concerned.

According to the information and explanations given to us no fraud by the company has been reported during the year.

For M.Anandam & Co.,
Chartered Accountants
Sd/-

(S.Venkateswarlu)

Date: 19.7.2010 Partner (M.No. 22790)
Place: Hyderabad.

This being a statement of fact calls for no comment separately.

For and on behalf of the Board

Sd/-

(S. Narsing Rao)

Date: 26.8.2010 Chairman & Managing Director
Place: Hyderabad.



Balance Sheet as at 31st March 2010

(Rs. in Lakhs)

Particulars	Schedule reference	2009-10		2008-09	
SOURCES OF FUNDS					
1. Shareholders' Funds					
a) Share Capital	A		173319.81		173319.81
b) Reserves & Surplus	B		89135.53		70418.63
2. Reserve for future overburden removal			58864.04		41734.54
3. Secured Loans	C		46433.66		61882.06
Total			<u>367753.04</u>		<u>347355.04</u>
APPLICATION OF FUNDS					
1. Fixed Assets					
a) Gross Block	E1	625740.88		554197.07	
Less : Depreciation		<u>297938.67</u>		<u>281753.11</u>	
Net Block			327802.21		272443.96
b) Capital Works-in-progress	E2		37452.69		34682.61
2. Investments	F		1941.76		1942.01
3. Deferred Tax Asset (Net)			44350.58		10976.24
4. Advance action for overburden removal			49174.26		32303.48
5. Current Assets, Loans & Advances	G				
a) Current Assets					
i) Inventories		34831.46		26139.35	
ii) Sundry Debtors		29925.89		26874.22	
iii) Cash & Bank Balances		156997.80		160651.66	
iv) Other Current Assets		5188.46		5815.31	
b) Loans & Advances		<u>113579.70</u>		<u>80148.19</u>	
		340523.31		299628.73	
LESS :					
Current Liabilities & Provisions	D				
a) Current Liabilities		160273.61		192232.27	
b) Provisions		<u>273218.16</u>		<u>112389.72</u>	
		433491.77		304621.99	
Net Current Assets			(92968.46)		(4993.26)
6. Miscellaneous Expenditure (to the extent not written-off or adjusted)					
Significant Accounting Policies	H				
Notes on Accounts	I				
Total			<u>367753.04</u>		<u>347355.04</u>

Schedules referred to above form an integral part of the Balance Sheet.

Sd/- (J.Rama Krishna) G.M(C.A)& Company Secretary Date : 19.7.2010 Place : Hyderabad	Sd/- (M.V.V. Subba Rao) Chief General Manager (F & A) As per our report of even date For M/s.M.Anandam & Co. Chartered Accountants Sd/- (S.Venkateswarlu) Partner (M.No.22790)	For and on behalf of the Board Sd/- (D.L.R. Prasad) Director(Finance)	Sd/- (S. Narsing Rao) Chairman & Managing Director
--	--	--	--



Profit & Loss account for the year ended 31st March 2010

(Rs. in Lakhs)

Particulars	Schedule reference	2009-10	2008-09
INCOME			
Turnover of Coal (Gross)	1	782548.37	639608.57
Less: Statutory levies		95793.30	81620.76
Less: Transfer to Development		1371.52	7947.82
Turnover of Coal (Net)		685383.55	550039.99
Internal consumption of coal	2	1273.10	1539.21
Other Income	3	53755.04	47099.29
Increase/decrease in stock	4	8243.40	114.41
Total		<u>748655.09</u>	<u>598792.90</u>
EXPENDITURE			
Employees' Remuneration and other benefits	5	253738.23	239961.71
Consumption of Stores & Spares	6	152344.90	116347.39
Power & Fuel	7	22642.55	22070.05
Transportation Charges	8	15991.47	12066.79
Repairs & Maintenance	9	16230.17	16570.53
Social Amenities	10	20355.92	15631.80
Interest	11	1211.39	2119.47
Provisions and Write-offs	12	1753.07	2540.06
Other Expenses	13	10648.55	8063.74
Contractual Expenses	14	87867.90	53170.66
Depreciation	E1	30093.37	24919.64
Voluntary Retirement Compensation		3578.03	46129.90
Overburden adjustment		(79.47)	17740.06
Provision for back filling (Note No.26)		99700.00	-
Less: cost allocated to internal job works	15	7092.91	3371.23
Total		<u>708983.17</u>	<u>573960.57</u>
Profit for the year before prior period adjustments & taxation		39671.92	24832.33
Prior Period Adjustments (Net)	16	478.45	(160.83)
Provision for Tax - Current		45806.24	32047.00
- Deferred (Note No.14)		(33374.34)	(20665.42)
Fringe Benefit Tax		-	328.19
Income tax of earlier years		(39.57)	-
Profit after Taxation		26801.14	13283.39
Add: Profit brought forward from previous year		14378.38	15150.50
Profit available for appropriations		41179.52	28433.89
APPROPRIATIONS			
Less: Transfer to General Reserve		10000.00	10000.00
Less: Proposed dividend		6932.79	3466.40
Less: Corporate dividend Tax		1151.45	589.11
Balance carried to Balance Sheet		23095.28	14378.38
Basic and Diluted Earnings per Share (Rs.) (See Note No.13)		1.55	0.77
Significant Accounting Policies	H		
Notes on Accounts	I		

Schedules referred to above form an integral part of the Profit & Loss Account.

Sd/-
(J.Rama Krishna)
G.M(C.A)& Company Secretary
Date : 19.7.2010
Place : Hyderabad

Sd/-
(M.V.V. Subba Rao)
Chief General Manager (F & A)

As per our report of even date
For M/s.M.Anandam & Co.
Chartered Accountants

Date : 19.7.2010
Place : Hyderabad

Sd/-
(S.Venkateswarlu)
Partner (M.No.22790)

For and on behalf of the Board
Sd/- (D.L.R. Prasad) Director(Finance)
Sd/- (S. Narsing Rao) Chairman & Managing Director



Cash flow statement for the year ended 31st March, 2010

(Rs. in Lakhs)

Sl. No.	Particulars	2009-10		2008-09	
A	CASH FLOW FROM OPERATING ACTIVITIES				
	Profit before tax and prior period adjustments		39671.92		24832.33
	Adjustments for:				
	Depreciation	30093.37		24919.64	
	OBR Reserve	17129.50		25952.16	
	WDV of Assets written off	440.00		1591.09	
	Provisions written back	819.56		2450.80	
	Interest income on investments	(85.03)		(85.00)	
	Interest income on Deposits and others	(15662.01)		(17433.28)	
	Interest expense	1211.38		2119.47	
	VRS expenditure	3578.03		46129.90	
	Gain Exchange variation	(561.91)		(0.58)	
	Loss Exchange variation	-		741.56	
	Prior period adjustments	<u>(503.12)</u>		<u>(277.45)</u>	
			<u>36459.77</u>		<u>86108.31</u>
	Operating profit before working capital changes		76131.69		110940.64
	Adjustments towards changes in:				
	Inventories	(8692.11)		(2161.51)	
	Sundry Debtors	(3051.67)		(10340.29)	
	Other Current Assets	626.85		(3030.53)	
	Loans & Advances (Excl. Advance Tax & TDS)	1618.85		8869.71	
	Current Liabilities	(32216.31)		32865.16	
	Provisions for Gratuity, Leave Encashment & Superannuation benefit	17414.22		14856.96	
	Provisions for backfilling	99700.00		-	
	Tax paid including TDS	(41131.55)		(32896.85)	
	FBT paid	-		(328.19)	
	Overburden-Advance action	<u>(16870.78)</u>		<u>(8272.82)</u>	
			17397.50		(438.36)
	Cash flow before extraordinary items		93529.19		110502.27
	VRS payment		<u>(3578.03)</u>		<u>(27877.29)</u>
	Net Cash flow from operating activities (A)		89951.16		82624.98



Cash flow statement for the year ended 31st March, 2010 (contd..)

Sl. No.	Particulars	2009-10		2008-09	
B	CASH FLOW FROM INVESTING ACTIVITIES				
	Increase in fixed assets (including Work-in-progress)	(88637.02)		(63933.41)	
	Sale of Investments	0.25		-	
	Interest income	85.03		<u>85.00</u>	
	Cash flow from investing activities (B)		(88551.74)		(63848.41)
C	CASH FLOW FROM FINANCING ACTIVITIES				
	Decrease in Secured Loans	(15448.40)		(24388.68)	
	Interest on Deposits and others	15662.01		17433.28	
	Interest expense incl. Prior period Interest	(1211.38)		(2119.47)	
	Dividend paid	(3466.40)		(3466.40)	
	Corporate Dividend Tax	(589.11)		<u>(589.11)</u>	
	Cash flow from Financing activities (C)		(5053.28)		<u>(13130.38)</u>
D	Net increase in cash and cash equivalents (A+B+C)		(3653.86)		5646.19
E	Cash & cash equivalents at the beginning of the year		160651.66		<u>155005.47</u>
F	Cash & cash equivalents at the end of the year (D+E)		156997.80		160651.66

Schedules referred to above form an integral part of the Balance Sheet.

Sd/- (J.Rama Krishna) G.M(C.A)& Company Secretary Date : 19.7.2010 Place : Hyderabad	Sd/- (M.V.V. Subba Rao) Chief General Manager (F & A) As per our report of even date For M/s.M.Anandam & Co. Chartered Accountants Sd/- (S.Venkateswarlu) Partner (M.No.22790)	For and on behalf of the Board Sd/- (D.L.R. Prasad) Director(Finance)	Sd/- (S. Narsing Rao) Chairman & Managing Director
---	--	--	--



Schedule to Balance sheet as at 31st March 2010

SCHEDULE - A SHARE CAPITAL

(Rs. in Lakhs)

Particulars	2009-10	2008-09
1. AUTHORISED 180,00,00,000 Equity Shares of Rs.10/- each	<u>180000.00</u>	<u>180000.00</u>
2. ISSUED, SUBSCRIBED AND PAID-UP 173,31,98,119 Equity Shares of Rs.10/- each fully paid (includes 6,32,145 Equity Shares of Rs.10/- each allotted as bonus shares by capitalisation of general and capital reserves)	173319.81	173319.81
Total	173319.81	173319.81

SCHEDULE - B RESERVES & SURPLUS

(Rs. in Lakhs)

Particulars	2009-10		2008-09	
GENERAL RESERVE				
Opening balance	56040.25		46040.25	
Additions during the year	<u>10000.00</u>		<u>10000.00</u>	
		66040.25		56040.25
PROFIT & LOSS ACCOUNT				
Balance carried forward		23095.28		14378.38
Total		89135.53		70418.63

SCHEDULE - C SECURED LOANS

(Rs. in Lakhs)

Particulars	2009-10		2008-09	
A) FROM THE GOVERNMENT OF INDIA : (Secured by a first charge in favour of Govt. of India created by equitable mortgage on the entire immovable assets of the Company, except 300 Acres of free hold land required for employee welfare, and guaranteed by Govt. of A.P., as per the Tripartite agreement dated 19.10.2004) Funded interest (Moratorium up to 31.3.2007)	<u>46433.66</u>	46433.66	<u>53067.04</u>	53067.04
B) FROM BANKS :				
1. CASH CREDIT (Secured by first charge in favour of participating banks ranking pari-passu on the stocks & receivables and other Current Assets)		-		5408.49
2. SHORT TERM DEMAND LOAN Secured by pledge of Rs.Nil (Previous year Rs.80 crores SBH term deposits)		-		3406.53
Total		46433.66		61882.06



Schedule to Balance Sheet as at 31st March, 2010

**SCHEDULE - D
CURRENT LIABILITIES AND PROVISIONS**

(Rs. in Lakhs)

Particulars	2009-10	2008-09
A) CURRENT LIABILITIES :		
Sundry Creditors		
- Due to Micro, Small & Medium Enterprises (Note No.21)	15.94	11.47
- Due to Subsidiary (APHMEL)	454.75	386.58
- Others (net of advances against SIT)	66863.00	116881.39
Advances and Deposits	68543.00	54640.19
Unclaimed Dividend	0.37	0.34
Other liabilities	6365.90	5391.66
Provident Funds including Company's Contribution and administrative charges	2888.52	2720.03
Pension Recoveries	576.95	753.30
Bills accepted and due within a year		
Family Benefit-cum-Insurance Savings Scheme accumulation (including interest accrued)	3444.20	3371.25
Production linked bonus & Special incentive	11039.30	7983.13
Shortages, damages and others	<u>81.68</u>	<u>92.93</u>
	160273.61	192232.27
B) PROVISIONS :		
- Taxation	93177.67	53492.19
- Gratuity	53305.86	41861.01
- Leave encashment	15951.38	12955.00
- Proposed Dividend	6932.79	3466.40
- Tax on Corporate Dividend Tax	1151.45	589.11
- Backfilling	99700.00	-
- Diminution in value of Assets	26.01	26.01
- Superannuation benefit	<u>2973.00</u>	<u>-</u>
	273218.16	112389.72
Total	433491.77	304621.99

Schedule to Balance Sheet as at 31st March, 2010

SCHEDULE – E1
FIXED ASSETS

(Rs. in lakhs)

	Gross block				Depreciation				Net block	
	As at 31.3.2009	Additions during the year	Adjustments/ deductions during the year	As at 31.3.2010	Up to 31.3.2009	for the year	Adjustments/ deductions during the year	Up to 31.3.2010	As at 31.3.2010	As at 31.3.2009
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1. Lands (Note-3):										
i) Freehold	16585.31	6980.10	-	23565.41	326.96	-	-	326.96	23238.45	16258.36
ii) Leasehold	20636.23	8082.78	-	28719.01	5198.92	2523.87	-	7722.79	20996.22	15437.31
2. Buildings:										
i) Factory	8165.55	1274.39	-36.78	9403.16	2852.63	281.70	-24.79	3109.54	6293.62	5312.92
ii) Others	70198.67	4461.95	-8.21	74652.41	11713.45	1172.61	-55.50	12830.56	61821.85	58485.22
3. Railway sidings	3174.57	155.13	-	3329.70	1872.25	96.58	-	1968.83	1360.87	1302.32
4. Plant & Machinery	344290.30	56978.25	-13991.55	387277.00	211765.01	20216.47	-13651.86	218329.62	168947.38	132525.29
5. Furniture & Fixtures	1115.77	74.42	-2.64	1187.55	895.60	40.78	-2.64	933.74	253.81	220.17
6. Mine development	85074.62	7699.56	-401.90	92372.29	44532.85	5487.25	-388.05	49632.05	42740.24	40541.77
7. Vehicles	3239.78	376.40	-111.78	3504.40	2337.77	209.24	-65.92	2481.09	1023.31	902.01
8. Intangible Assets	1716.26	13.69	-	1729.95	257.67	345.82	-	603.49	1126.46	1458.58
Total	554197.07	86096.67	-14552.86	625740.88	281753.11	30374.32*	-14188.76	297938.67	327802.21	272443.96
Previous year's total	511758.40	59269.82	-16831.15	554197.07	273748.02	25234.43	-17229.34	281753.11	272443.96	

* Depreciation for the year includes capitalised depreciation of Rs.280.95 lakhs (Previous year Rs.314.79 lakhs).

Schedule to Balance Sheet as at 31st March, 2010

SCHEDULE – E2
CAPITAL WORKS-IN-PROGRESS

(Rs. in lakhs)

	Balance as at 31.3.2009	Additional expenditure during the year	Deletions/ adjustments during the year	Balance as at 31.3.2010
I. Buildings:				
a) Factory	368.58	1031.43	1274.39	125.62
b) Others	2819.38	4057.60	4461.95	2415.03
II. Railway sidings	96.03	1259.71	155.13	1200.61
III. Plant & Machinery (including in transit)	17457.96	60508.12	56978.25	20987.83
IV. Furniture & Fixtures	1.70	75.98	74.42	3.26
V. Mine development	13936.02	6383.75	7699.56	12620.21
VI. Vehicles	2.94	473.59	376.40	100.13
VII Intangible assets – ERP Software	-	13.69	13.69	-
Total	34682.61	73803.87	71033.79	37452.69

Previous year's total

34682.61

57171.87

60599.25

31255.23

71033.79

37452.69

Schedule to Balance Sheet as at 31st March, 2010

SCHEDULE - F

INVESTMENTS (Non-Trade)

(Rs. in lakhs)

Particulars	2009-10		2008-09	
LONG TERM (at cost)				
QUOTED :				
a) 14750 Shares of Rs.10/- each fully paid-up Lakshmi Porcelains Ltd.(not traded)	1.48		1.48	
Less : Provision for diminution in value	<u>1.48</u>		<u>1.48</u>	
b) 100 Nos. 8.50% APSFC-Non SLR Bonds (Series II/2008) of Rs. 10 lakhs each fully paid up. Aggregate market value - not available as on 31.3.10	<u>1000.00</u>		<u>1000.00</u>	
		1000.00		1000.00
UNQUOTED:				
a) 6 year National Savings Certificates (deposited with Government Department)	0.14		0.39	
b) 1,86,214 Shares of Rs.10/-each fully paid-up of the Singareni Collieries Co-operative Central Stores Ltd.	18.62		18.62	
c) 50,000 Equity Shares of Rs.10/- each fully paid-up of NTPC-SCCL Global Ventures Pvt. Ltd	5.00		5.00	
d) Investments in Subsidiary Company Andhra Pradesh Heavy Machinery & Engineering Limited				
i) 91,80,000 Equity Shares of Rs.10/- each fully paid up	918.00		918.00	
ii) 49,02,700 Equity Shares of Rs.10/- each fully paid up acquired for a nominal consideration of Re.1/- from APIDC Ltd.	—		—	
		941.76		942.01
Total		1941.76		1942.01



Schedule to Balance Sheet as at 31st March, 2010

SCHEDULE - G
CURRENT ASSETS, LOANS & ADVANCES

(Rs. in lakhs)

Particulars	2009-10		2008-09	
A) CURRENT ASSETS				
I. Inventories (As taken, certified and valued by the management)				
Stores and Spares	24786.61		22980.29	
Less: Provision for Slow/ Non-Moving Obsolete Stores	<u>2024.00</u>		<u>2432.85</u>	
	22762.61		20547.44	
Stores-in-transit & under inspection	2399.98		4166.44	
Stock of Coal	<u>9668.87</u>		<u>1425.47</u>	
		34831.46		26139.35
II. Sundry Debtors - Unsecured				
a) Outstanding for over 6 months		1180.16		3268.48
i) Considered good				
ii) Considered doubtful	3145.55		2734.55	
Less: Provision for doubtful debts	<u>3145.55</u>		<u>2734.55</u>	-
b) Other debts considered good		<u>28745.73</u>		<u>23605.74</u>
		29925.89		26874.22
III. Cash and Bank Balances				
i) Cash Balances :				
Cash and stamps on hand		9.73		9.85
Cheques and bank drafts on hand		-		0.25
ii) Bank balances with Scheduled Banks In Current Accounts		5488.07		3941.46
** In Deposit Account		<u>151500.00</u>		<u>156700.10</u>
** (Bank balances in Scheduled banks in deposit account includes;				
(i) FDRs worth Rs.Nil (Previous year Rs.80 crores) under pledge; and				
(ii) Rs.50 crores (Previous year Rs.160 crores) under lien as collateral security).				
		156997.80		160651.66
IV. Other Current Assets				
Interest accrued on Investments		5188.46		5815.31
B) LOANS & ADVANCES				
Unsecured considered good				
I. i) Advances recoverable in cash or in kind or for value to be received				
* Advances to Staff		2939.02		2603.01
Interest accrued on Loans, Advances and deposits		854.29		899.22
Advances against Purchases, Railway Sidings and others		1869.55		1863.15
Miscellaneous Advances		10527.81		11037.16
Advance Tax including TDS		89104.90		54054.54
Pre-paid expenses		17.51		287.72
Advances and Loans to Subsidiary Company- M/s.APHMEL(Note No.8)		601.79		756.14
ii) Deposits		<u>7664.83</u>		<u>8647.25</u>
Total		113579.70		80148.19
II. Unsecured - Considered Doubtful				
Advances against Purchases and others		184.67		268.73
Less: Provision		<u>184.67</u>		<u>268.73</u>
Total		340523.31		299628.73

Schedule to Balance Sheet as at 31st March, 2010

SCHEDULE - G (contd..)

CURRENT ASSETS, LOANS & ADVANCES

(Rs. in lakhs)

	Balance as on 31-3-2010	Maximum balance during 2009-10	Balance as on 31-3-2009	Maximum balance during 2008-09
* includes;				
a) Due from Directors	0.55	0.96	0.96	2.44
b) Due from officers of the Company	1.52	1.72	2.19	2.81

Schedule to Profit and Loss account for the year ended 31st March 2010

SCHEDULE : 01

TURNOVER OF COAL

(Rs. in lakhs)

Description	2009-10		2008-09	
Turnover of Coal (Gross)		782548.37		639608.57
Less: Statutory levies -				
Royalty	63387.35		54161.02	
Stowing excise duty	4926.55		4440.71	
CST on coal sales	3796.07		2929.72	
VAT on Coal sales	23683.33		20089.31	
		<u>95793.30</u>		<u>81620.76</u>
		686755.07		557987.81
Less: Transfer to development		1371.52		7947.82
Turnover of Coal (Net)		685383.55		550039.99

SCHEDULE : 02

INTERNAL CONSUMPTION OF COAL

(Rs. in lakhs)

Description	2009-10	2008-09
Coal consumed at Collieries	1273.10	1539.21
Total	1273.10	1539.21

SCHEDULE : 03

OTHER INCOME

(Rs. in lakhs)

Description	2009-10	2008-09
Consultancy services	176.93	127.11
Rents (TDS Rs.19.03 lakhs)	342.49	363.50
Electricity & fuel	2196.89	1032.18
Water charges	67.55	56.76
Sand stowing and protective works assistance/subsidy	4148.33	3422.57
Interest on investments(non-trade) Gross (TDS:Rs.12.78 lakhs)	85.03	85.00
Interest on Term Deposits (TDS Rs.1659.16 lakhs)	13820.62	16545.70
Interest on Sundry Debtors for Coal, Loans, Advances (TDS:Rs.120.71 lakhs)	1841.40	887.58
Surface coal transport charges recoveries	21951.25	16392.85
Rapid Loading & Crushing Charges	1599.84	1308.43
Pre-Weigh Bin Charges-Coal Customers	515.71	397.70
Guarantee & Sampling Charges-Coal Customers	688.23	575.73
Recovery of Engine shunting charges – Coal Customers	1467.09	-
Provisions and liabilities no longer required	819.56	2450.80
Gain on exchange variation	561.91	0.58
Miscellaneous receipts	3472.21	3452.80
Total	53755.04	47099.29



Schedule to Profit and Loss account for the year ended 31st March, 2010

SCHEDULE : 04

INCREASE/ DECREASE IN COAL STOCK

(Rs. in lakhs)

Description	2009-10	2008-09
Closing stock of Coal	9668.87	1425.47
Less : Opening stock of Coal	1425.47	1311.06
Total	8243.40	114.41

SCHEDULE : 05

EMPLOYEES REMUNERATION AND OTHER BENEFITS

(Rs. in lakhs)

Description	2009-10	2008-09
Gross wages:		
Salaries, wages and allowances	200846.68	183106.90
CMPF including administrative charges	21691.78	18885.01
Attendance bonus	10280.08	6808.76
Production linked bonus/performance linked reward	7952.00	7359.49
Gratuity	26452.78	36591.88
Superannuation benefit	2973.00	-
Workmen's compensation	69.76	77.34
Group insurance	194.80	204.76
Group personal accident insurance	1.33	1.74
C & MD & Directors' remuneration (Note No 12)	104.01	94.49
Life cover premia under gratuity scheme with LIC	454.86	406.56
	271021.08	253536.93
Less: Transferred to -		
Power & Fuel (Schedule - 7)	1084.88	865.90
Repairs & maintenance (Schedule - 9)	6348.03	5749.45
Social Amenities (Schedule - 10)	8198.81	5026.12
Mine Development	1651.13	1933.75
	17282.85	13575.22
Total	253738.23	239961.71

SCHEDULE : 06

CONSUMPTION OF STORES & SPARES

(Rs. in lakhs)

Description	2009-10	2008-09
Gross:		
Stores & Spares	130705.31	101436.59
Explosives	24523.14	18702.70
	155228.45	120139.29
Less: Transferred to -		
Power & Fuel (Schedule - 7)	184.16	289.22
Repairs & maintenance (Schedule - 9)	1723.60	874.48
Social Amenities (Schedule - 10)	218.56	243.03
Mine Development	757.23	2385.17
	2883.55	3791.90
Total	152344.90	116347.39

Schedule to Profit and Loss account for the year ended 31st March, 2010**SCHEDULE : 07****POWER & FUEL**

(Rs. in lakhs)

Description	2009-10	2008-09
Electricity purchased	19945.01	19078.82
Coal consumed	1273.10	1539.21
Salaries, wages and allowances(From Schedule-5)	1084.88	865.90
Stores(From Schedule-6)	184.16	289.22
Other expenses	155.40	296.90
Total	22642.55	22070.05

SCHEDULE : 08**TRANSPORTATION CHARGES**

(Rs. in lakhs)

Description	2009-10	2008-09
Coal Transport Charges	13320.65	9,828.64
Sand transport charges	2670.82	2,238.15
Total	15991.47	12,066.79

SCHEDULE : 09**REPAIRS & MAINTENANCE**

(Rs. in lakhs)

Description	2009-10	2008-09
Maintenance charges on railway sidings	243.45	230.28
Buildings - Wages (transfer from Schedule-5)	900.70	1470.67
- Stores (transfer from schedule-6)	352.72	59.24
- Other expenses	2099.78	3188.95
Plant & Machinery - Wages (transfer from Schedule-5)	5447.33	4278.78
- Stores (transfer from Schedule-6)	1370.88	815.24
- Other expenses	5815.31	6527.37
Total	16230.17	16570.53

SCHEDULE : 10**SOCIAL AMENITIES**

(Rs. in lakhs)

Description	2009-10	2008-09
Employees Welfare Expenses		
- Wages (transfer from Schedule-5)	8198.80	5026.12
- Stores (transfer from Schedule-6)	218.56	243.03
- Other expenses	7953.08	6781.86
Lumpsum/ Monthly Monetary Compensation for dependents	2071.71	1965.20
VRS/ Golden Hand Shake Monetary terminal payments/ Exgratia	10.00	6.00
Grants to Singareni Collieries Educational Society	1903.77	1609.59
Total	20355.92	15631.80

SCHEDULE : 11**INTEREST**

(Rs. in lakhs)

Description	2009-10	2008-09
Interest on cash credit	35.99	250.27
Interest on others	1175.40	1869.20
Total	1211.39	2119.47



Schedule to Profit and Loss account for the year ended 31st March, 2010

SCHEDULE : 12

PROVISIONS AND WRITE-OFFS

(Rs. in lakhs)

Description	2009-10	2008-09
Bad and doubtful debts written off	469.95	119.52
Provision for Obsolescence Stores	-	261.21
Provision for shortages & damages	1.77	89.49
Stores and spares written off	0.64	-
Advances written off	126.70	55.94
Assets written off	440.00	1591.10
Provision for doubtful debts/ advances	447.34	52.74
Provision for Others	77.19	-
Obsolete stores written off	189.48	370.06
For diminution in value of assets	-	-
Total	1,753.07	2540.06

SCHEDULE : 13

OTHER EXPENSES

(Rs. in lakhs)

Description	2009-10	2008-09
Rents	31.94	32.92
Insurance	42.05	55.20
Rates & Taxes	417.31	454.08
Travelling expenses	545.36	554.95
Postage, telegrams and telephones	305.66	286.57
Legal expenses	78.20	69.35
Wagon cancellation and demurrage charges	266.56	111.95
Bank charges and commission	267.03	143.72
CISF Salaries and wages	3029.92	2832.97
Directors' travelling expenses	19.38	34.26
Auditors' remuneration - Audit Fee	12.13	8.27
- Out of pocket expenses	1.16	2.99
- Other expenses-certifications/ services	3.16	0.94
- Tax audit	1.66	1.38
Advertisements	350.39	162.27
Research and development expenses	8.61	13.83
Other general expenses	1676.71	1539.67
Subscriptions to journals and periodicals	10.38	13.29
Printing and stationery	48.22	83.73
Exchange variation Loss/ Gain	-	741.56
Expenditure on internal shunting of wagons	2885.86	30.05
Computer maintenance and hire charges	25.56	19.01
Plantation expenditure	409.99	265.86
Service Charges for E-Booking of Coal	211.31	604.92
Total	10648.55	8063.74

Schedule to Profit and Loss account for the year ended 31st March, 2010**SCHEDULE : 14****CONTRACTUAL EXPENSES**

(Rs. in lakhs)

Description	2009-10	2008-09
Coal Offloading Expenditure	4433.75	-
OBR Offloading Expenditure	76535.43	47255.65
Hiring of HEMM, Weighbridge and Others	3762.43	3885.09
Others	3136.29	2029.92
Total	87867.90	53170.66

SCHEDULE : 15**COST ALLOCATED TO INTERNAL JOB WORKS (Central Workshop & Others)**

(Rs. in lakhs)

Description	2009-10	2008-09
Wages	1554.37	1338.11
Stores	4499.70	1664.85
Other Expenses	1038.84	368.27
Total	7092.91	3371.23

SCHEDULE : 16**PRIOR PERIOD ADJUSTMENTS (NET)**

(Rs. in lakhs)

Description	2009-10	2008-09
INCOME:		
Depreciation provided in the earlier years written back	24.67	473.59
Credits and adjustments pertaining to earlier years	208.85	153.42
Total (A)	233.52	627.01
EXPENDITURE :		
Salaries, wages, bonus, ex-gratia, company contribution to PF.W.C.	-	160.19
Consumption of stores and spares	-	21.15
Depreciation	-	35.31
Power and fuel	-	5.60
Maintenance charges etc., on railway sidings	-	45.75
Coal Sales Adjustment	-	169.47
Other miscellaneous expenditure	711.97	28.71
Total (B)	711.97	466.18
NET (A - B)	478.45	(160.83)

Schedule to Accounts as at 31st March, 2010

SCHEDULE – H
SIGNIFICANT ACCOUNTING POLICIES

I. ACCOUNTING CONVENTION:

Financial Statements are prepared on the basis of Historical Cost and on Accrual Basis following Going Concern concept. Accounting Standards and Generally Accepted Accounting Principles are followed except otherwise stated elsewhere.

II. SYSTEM OF ACCOUNTING:

Company follows Mercantile System of Accounting except, in the following cases:

- a. Interest on belated payment of coal dues and loans & advances to subsidiary company on realisation.
- b. Escalation in prices and duties for explosives, equipment and spares supplied on payment.
- c. Credit towards Powder factor is accounted as and when recovered from the suppliers of Explosives.
- d. Additional claims from contractors on Capital Works when claims are settled.
- e. Scrap on Realisation; and
- f. Insurance Claims on receipt.

III. INVENTORIES:

a) Coal

- i) Wherever variation (+/-) between volumetrically measured coal stocks (including Washery Products) and the book stocks at any particular storage location grade-wise is more than (+/-)5%, the volumetrically measured stock balances are adopted.
- ii) The quantities of closing stock of coal (including Washery Products) thus arrived at are valued after effecting a reduction of 5%, to provide for anticipated losses due to storage.
- iii) Closing Stock of Coal (including stock at power houses, Washeries, Coal-in-wagons, washed coal and Washery input fines) is valued at lower of cost and net realisable value.
- iv) Closing Stock of Washery Shale, Rejects and Reject Fines are not valued due to uncertain market and income is recognised on sale.
- v) Closing Stock of Coal at Manuguru Washery is arrived at reckoning ungraded and Nil Grade in 2:1 Ratio and ungraded coal is valued at lower of cost and net realisable value.
- vi) The cost is calculated by taking average cost of production per tonne. The cost of production is arrived at after excluding interest and other borrowing costs, selling and distribution costs and administrative overheads etc., to the extent not related to production of coal.
- vii) Cost of Washed Coal is calculated at Average Cost of Production of coal plus Washery Charges adjusted to standard yield.
- viii) The net realisable value of grade-wise coal (including Washed Coal and Washery input fines) is arrived at on the basis of selling price for each grade less rehandling charges wherever applicable.

b) Stores & Spares:

- i) Stores & Spares (including loose tools) are valued at Weighted Average cost.
- ii) Provision for slow, non-moving and obsolescence is made annually on review of stores and spares.
- iii) Stock of Stores issued to Mines/ Depts., wherever charged to consumption on issue, such stocks as at year end are taken credit for.

c) Coal issued for internal consumption is valued at grade-wise Selling Prices and exhibited as contra.

d) Stock of medicines, provisions, stationery and sand are not valued and are charged directly to consumption on receipt.



Schedule to Accounts as at 31st March, 2010
 Schedule-H: Significant Accounting Policies (contd...)

IV. PRE-PAID & PRIOR PERIOD ITEMS

Transactions are accounted under Pre-paid & Prior period items, only where the individual item exceeds Rs.5.00 lakhs in each case.

V. DEPRECIATION / AMORTISATION

1. Depreciation is provided on Straight Line Method in respect of 18 MW Power House at Ramagundam from inception and on additions to Fixed Assets from 1-4-1985. Depreciation on other Fixed Assets is provided on written down value method on the assets purchased before 1-4-1985.
2. Depreciation is provided at the rates specified in Schedule XIV of the Companies Act, 1956, except the following:
 - (a) Mine Development is amortised over a period of 21 years (i.e. corresponding to 4.75% SLM rate) or on the life of the Project, if it is lower.
 - (b) LHDs (14.28%), Jumbo Drills (13.33%) at CDF Panel and SDLs (25%) are depreciated on the basis of estimated life, which is lower than Schedule XIV, thus entailing higher depreciation charge.
3. Value of leasehold lands is amortised over a period of 10 years or over the lease period whichever is lower.
 - From the date of possession in case of fresh leases.
 - From the date of payment in case of renewal of leases.
4. Intangible Assets – ERP software will be amortised over a period of 5 years.

VI. OVERBURDEN REMOVAL (OBR)

- i. Expenditure on Overburden Removal is charged at Stripping Ratio of the Open Cast projects irrespective of the Ratio of Actual Removal during the year. Expenditure on OB Removal is booked in the natural heads. The variance between actual OB Removal expenditure and OB Removal charge as per Stripping Ratio is shown as OB Removal adjustment account. Interest Depreciation and Overheads on OB Removal are treated as period cost and not considered for arriving at OB Removal charge.
- ii. Stripping Ratio of the Open Cast Projects are to be generally reviewed starting from 2004-05, and thereafter 2009-10, 2014-15 and so on except those;
 - a) Projects that have not completed 5 years Revenue workings. Such projects will be taken up in the general review due after completion of 5 years.
 - b) In case of closure, reorganization, addition & deletion of coal/ Overburden Reserves etc., such review will be taken-up on occurrence.
- iii. Reserve for future Overburden Removal is restated at current year cost and difference is taken to profit and loss account. Advance Action for Overburden removal is valued at weighted average cost.

VII. REVENUE RECOGNITION

- a. Revenue in respect of Sale is recognized when the property in the goods with the significant risks and rewards of ownership are transferred to the buyer.
- b. Sales of coal are net of statutory dues and accepted deductions made by customers on account of quality of coal etc.,
- c. The revenue recognition is done where there is a reasonable certainty of collection. Revenue recognition is postponed in case of uncertainty only as assessed by management.

VIII. COMMISSIONING OF MINES / PROJECTS:

The Projects/Mines under development are brought to Revenue --

- i) either from the month following;



Schedule to Accounts as at 31st March, 2010
Schedule-H: Significant Accounting Policies (contd...)

- a) the achievement of 25% of the rated production, or
 - b) completion of two years after touching the coal
- OR
- ii) from the beginning of the year, wherein the value of production is more than the total related expenses of such developed project/ mine
- whichever is earlier.

IX. FIXED ASSETS:

1. Land:

- a. Freehold Lands include cost of acquisition, compensation, rehabilitation expenses and interest up to the date of taking possession.
- b. Leasehold Lands include cost of compensatory land, NPV, afforestation and deforestation expenditure with regard to acquisition of forest land.
- c. Payments made for Renewal of Leasehold lands are capitalized from the date of payment and in case of Fresh leases the expenditure is capitalized from the date of taking possession.

2. Railway sidings:

Complete track renewals and sleeper renewals on Railway Sidings are capitalised on completion of the work.

3. Mine Development:

- a. Expenditure incurred on Projects under Construction / Mines under Development till they are brought to revenue and Long wall / BG Projects up to the date of commissioning of the equipment are capitalised.
- b. Overheads are apportioned to Capital Works and Projects under construction till the project is brought to revenue.
- c. Sale of coal from Projects/Mines under construction is credited to Development Account at the Average Monthly Selling Price for the Area.
- d. Expenditure incurred on Prospecting Department including Drilling is apportioned based on average normal cost per metre drilled and treated as under:
 - i) Drilling done for production support and general prospecting is treated as Revenue Expenditure; and
 - ii) Drilling done for projects under construction is capitalised with the project cost.
- e. Residual Development Expenditure on Mines taken-up for reconstruction is treated as Development Expenditure of New Reconstruction Projects.

4. Plant & Machinery:

- a. Following items are classified as Capital;
 - i) PVC Armoured Cables of all sizes; and
 - ii) G.I. Pipes of 2" Dia and above.
- b. Expenditure on Rehabilitation of HEMM and other Major Plant and Machinery is treated as Capital expenditure if such expenditure increases the future benefit from the Asset beyond its previously assessed standard of performance.
- c. Equipment received for Projects under construction / Mines under development but not installed and commissioned by the end of the year is shown as Capital Works-in-Progress.



Schedule to Accounts as at 31st March, 2010
 Schedule-H: Significant Accounting Policies (contd...)

X. FOREIGN CURRENCY TRANSACTIONS:

- a. Monetary items related to foreign currency transactions remaining unsettled at the end of the year are reported at the exchange rate at the Balance Sheet date.
- b. Profit or Loss on account of exchange differences either on settlement or on restatement is recognised in the Profit and Loss Account.

XI. GOVERNMENT GRANTS:

- a. Subsidy/Grants received/ receivable on Capital Account are deducted from the cost of respective assets to which they relate.
- b. Grants from Government towards Revenue Expenditure for the year will be exhibited separately as other income in the Profit and Loss Account.

XII. INVESTMENTS:

Long term investments are carried at cost except for other than temporary diminution in value.

XIII. EMPLOYEE BENEFITS:

- 1.(a) Gratuity is a defined benefit scheme. The cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in full in Profit & Loss Account. The retirement benefit obligations recognised in the Balance Sheet represents the present value of the defined benefit obligations as reduced by the fair value of scheme assets.
 - (b) Leave encashment is provided based on actuarial valuation carried out at each balance sheet date.
2. Employer's contribution under Coal Mines Provident Fund Act and Superannuation Benefit are defined Contribution Plans and the expenditure on the above is charged to Profit & Loss Account.
3. Voluntary retirement compensation is expensed in the year of incurrence.

XIV. BORROWING COSTS:

Borrowing costs are capitalised and added to the value of qualifying assets where they are directly identified or at weighted average cost of borrowing if they are not directly identified.

XV. TAXES ON INCOME:

Deferred tax liabilities and assets are recognized at substantively enacted tax rates, 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 as required under AS-22-Accounting for Taxes on income.

XVI. PROVISIONS AND CONTINGENT LIABILITIES:

Provisions are recognized when the Company has a legal and constructive obligation as a result of a past event, for which it is probable that a cash outflow will be required and a reliable estimate can be made of the amount of the obligation. Contingent Liabilities are disclosed when the Company has possible obligation or a present obligation and it is not probable that a cash outflow will be required to settle the obligation.



Schedule to Balance Sheet as at 31st March, 2010

SCHEDULE – I
NOTES FORMING PART OF THE ACCOUNTS

(Rs. in lakhs)

SI.No.	Particulars	31.03.2010	31.03.2009
1.	Contingent liabilities:-		
	a) Un-availed Letters of Credit (Inland & Foreign) and Bank Guarantee.	7532.80	7903.04
	b) Claims against the Company not acknowledged as debts :		
	i) Suits filed by employees who have been terminated/ suspended and others pending at various stages at courts.	Not quantifiable	Not quantifiable
	ii) Demand from Divisional Forest Officer towards NPV for renewal of different mining leases – contested by the company.	791.00	791.00
	iii) Demand for Royalty on e-auction premium (Dec-07 to Jan-09) & VAT thereon	1755.90	1755.90
	iv) Workmen Compensation (cases contested – court)	41.19	43.93
	v) Motor Accident claims(cases contested – court)	155.84	377.48
	vi) Police Guard(excess man power billed disputed)	777.25	650.95
	vii) S C Railways(damages, demurrages etc. disputed)	106.31	261.66
	viii) Water Royalty(billed at Industrial rate disputed)	301.57	202.56
	ix) Vacant Land Tax (Levy contested)	1405.62	1405.62
	x) Other disputed claims & Legal cases etc.	1126.04	867.69
	xi) Service Tax demands were raised on OBR Contractors, by Service Tax Dept., for Explosives and HSD Oil issued by SCCL for OBR works executed by the contractors; SCCL issued letter of comfort in case the Liability of Service Tax devolves on the contractors the same will be reimbursed to the contractors. However, OBR contractors defending the case in consultation with SCCL.	9158.00	9158.00
	xii) Demand from Commercial Taxes Department which are disputed and pending at various stages viz., ADC, Warangal, STAT, Hyderabad and A.P. High Court.	1470.79	1375.60
	xiii) Demand from Income Tax Department which are disputed and pending at various stages viz., CIT (Appeals), Vijayawada and ITAT, Hyderabad.	1463.94	561.29
	c) Claims in respect of suits filed by the Pattadars for additional compensation for Acres: 8170 Guntas: 00½ (Previous year: Acres 7906, Guntas 07½) contested by the Company and pending in Courts.	Not quantifiable	Not quantifiable
	d) Profession Tax: Orders issued by Dept. of Revenue (CT-IV) of Govt. of A.P. vide Memo No.14897/CT.IV/2004, dt.23.01.2008 for collection of profession tax from NCWA employees at pre-revised rates from December, 2007 have been kept in abeyance till further orders of the Govt. of A.P.	Not quantifiable	Not quantifiable
	e) An amount of Rs.117.59 lakhs was released as advance during the year 2007-08 as against the pending bills being equivalent amount recovered in 2006-07 towards powder factor from IEL and recognized as income in Books, pending Arbitration proceedings.		
	f) An amount of Rs.183.64 lakhs towards insurance claim of burnt equipment settled in favour of SCCL is recognized as income for which appeal was filed by National Insurance Company for which SCCL has provided BG till disposal of case.		



Schedule to Balance Sheet as at 31st March, 2010
Schedule-I: Notes forming part of the Accounts (contd..)

		(Rs. in lakhs)	
		31.3.2010	31.3.2009
2.	Estimated value of contracts (net of advances) remaining to be executed on Capital Commitments.	46457.99	36191.77
3.	<p>Lands:</p> <p>a) Land measuring Acres: 1605, Guntas: 33½ (Previous year Acres 790 Guntas 35 ½) shown under Fixed Assets has not been registered in the name of the Company. Amount not quantifiable.</p> <p>b) Land measuring Acres 856, Guntas:13 (Previous year Acres: 122, Guntas: 30) is in Company's possession not reflected in Accounts since acquisition proceedings are not completed. Amount not quantifiable.</p> <p>c) Land measuring Acres 5-00 shown under Fixed Assets, for the land sold to Ramagundam Municipality since the matter pending with the District Collector for fixing the market value.</p> <p>d) Freehold lands include assigned lands</p>		
4.	<p>a) Income Tax Assessments for the Assessment Year 2008-09 & 2009-10 are pending.</p> <p>b) VAT assessments for Accounting Years 2005-06 to 2008-09 are pending. CST assessments for Accounting Years 2007-08 and 2008-2009 are pending</p>		
		(Rs. in lakhs)	
		31.3.2010	31.3.2009
5.	<p>Subsidy / Grants received/ receivable from Coal Controller are recognised on estimated basis.</p> <p>i) On capital account</p> <p>ii) On Revenue Account</p>	570.80 4315.78	573.81 3636.90
6.	Royalty on Closing Stock of Coal of 12.24 Lakh Tonnes (L.Ts) (Previous Year 1.63 Lakh Tonnes) will be transacted in Books on despatch of coal.	1422.88	217.05
7.	<p>Expenditure on OB Removal Adjustment includes:</p> <p>i) An amount of Rs.4068.43 lakhs being Advance action (Deferred Revenue) Expenditure unamortized as on 31.12.2009 on closure of RG OC-II Mine.</p> <p>ii) An amount of Rs.1041.40 lakhs Credit being withdrawal of excess charge in Previous Years on review of stripping ratio of OC mines due on 31.3.2010 as per Accounting Policy VI(ii).</p>		
		(Rs. in lakhs)	
Particulars		31.03.2010	31.03.2009
8.	Interest receivable from M/s APHMEL on loans & advances given by SCCL during the period 2000-01 to 2005-06 kept on memoranda books and not transacted in the books.	157.37	185.00



Schedule to Balance Sheet as at 31st March, 2010
 Schedule-I: Notes forming part of the Accounts (contd..)

9. Leave encashment provided based on Actuarial valuation.
 The following table indicates status of the Leave Encashment plan as required under AS 15 (revised).

(Rs. in lakhs)

Particulars	31.3.2010	31.3.2009
Changes in the present value of obligations		
Obligations at beginning of the year	12955.00	7823.86
Current Service cost	1683.50	704.15
Interest cost	1036.40	625.91
Actuarial(gain)/loss	276.48	3801.08
Benefits paid	0	0
Obligations at the end of the year, at present value	15951.38	12955.00
Change in Fair value plan assets		
Plans assets at beginning of the year, at fair value		
Expected return on plan assets		
Actuarial(gain)/loss		
Contributions		
Benefits paid		
	Unfunded	Unfunded
Fair value of plan assets at the end of the year	0	0
Reconciliation of present value of the obligation and the fair value of the plan assets.	0	0
Present value of the defined benefit obligations at the end of the year	15951.38	12955.00
Fair value of plan assets at the end of the year	0	0
Assets/(liability) recognized in the balance sheet	(-)15951.38	(-)12955.00
Expense Recognised in Profit & Loss Account:		
Current Service cost	1683.50	704.15
Interest cost	1036.40	625.91
Actuarial(gain)/loss	276.48	3801.08
Expected return on plan assets	0	0
Net Leave encashment cost	2996.38	5131.14
Assumptions		
Interest rate	8%	8%
Expected return on plan assets	0	0
Expected rate of salary increase	2.5%	2.5%



Schedule to Balance Sheet as at 31st March, 2010
Schedule-I: Notes forming part of the Accounts (contd..)

10. a) Gratuity Plan: Company has taken a policy with LIC for payment of Gratuity to all its employees through a "Group Gratuity Scheme". Effective from 1.4.2007 the company adopted the Accounting Standard (Revised) on employee's benefits.
The following table indicates status of the gratuity plan funded by LIC and as required under AS-15 (revised):

(Rs. in lakhs)

Particulars	31.3.2010	31.3.2009
Changes in the present value of obligations		
Obligations at beginning of the year	114221.29	93151.42
Current Service cost	2958.09	3634.08
Interest cost	9137.70	7452.11
Benefits paid	(-7170.17)	(-13651.56)
Actuarial(gain)/loss	21601.54	23635.24
Obligations at the end of the year, at present value	140748.45	114221.29
Change in Fair value plan assets		
Plans assets at beginning of the year, at fair value	85933.62	61016.22
Expected return on plan assets	8788.64	6568.96
Actuarial(gain)/loss	0	0
Contributions	15000.00	32000.00
Benefits paid	(-7170.17)	(-13651.56)
Fair value of plan assets at the end of the year	102552.09	85933.62
Reconciliation of present value of the obligation and the fair value of the plan assets.		
Present value of the defined benefit obligations at the end of the year	140748.45	114221.29
Fair value of plan assets at the end of the year	102552.09	85933.62
Assets/(liability) recognized in the balance sheet	(-38196.36)	(-28287.67)
Expense Recognised in Profit & Loss Account:		
Current Service cost	2958.09	3634.08
Interest cost	9137.70	7452.11
Expected return on plan assets	(-8788.64)	(-6568.96)
Actuarial(gain)/loss	21601.54	23635.24
Net gratuity cost	24908.69	28152.47
Assumptions		
Interest rate	8%	8%
Expected return on plan assets	9.6%	9.55%
Expected rate of salary increase	2.5%	2.5%

- b) In addition to the above Unfunded Gratuity Liability as per the Company of Rs.15109.50 Lakhs (P.Y. Rs.13573.35 Lakhs) is provided for.



Schedule to Balance Sheet as at 31st March, 2010
 Schedule-I: Notes forming part of the Accounts (contd..)

11. Related Party Transactions (AS-18):
 Related Parties:
 i) Subsidiary Company: Andhra Pradesh Heavy Machinery & Engineering Limited, Vijayawada. Disclosure of transactions with the subsidiary company is not required since both the companies are state controlled entities.
 ii) NTPC-SCCL Global ventures Private Limited, a Joint venture by SCCL and NTPC. During the year there are no transactions.
 iii) Whole time Directors of SCCL: Sri S. Narsing Rao, C & M.D., and other Directors: S/Sri J.V.Dattatreyyulu, D.L.R.Prasad, E.V.Krishna Reddy, I.V.N. Prasada Rao, K.V.Ramana.
 iv) Remuneration to whole time Directors including Chairman and Managing Director is disclosed in Note No.12.
 v) Advances due from whole time Directors are disclosed under Schedule G - Current Assets, Loans and Advances.

(Rs. in Lakhs)

Particulars		31.03.2010	31.03.2009
12.	Details of Remuneration of the Chairman & Managing Director and whole time Directors:		
	Salaries and allowances	91.21	80.92
	Contribution to PF & Pension	9.97	13.04
	Others	2.82	0.53
	Total	104.00	94.49
13.	Earnings Per share (AS-20): (Basic and Diluted)		
	a) Profit after Tax (Rs. in Lakhs)	26801.14	13283.39
	b) Number of Ordinary Equity Shares (fully paid-up) (Nos.)	1733198119	1733198119
	c) Earnings per share (a/b) (Rs.)	1.55	0.77

(Rs. in Lakhs)

		31.03.2010	31.03.2009
14.	Deferred Tax: In compliance with Accounting Standard (AS-22) relating to 'Accounting for Taxes on Income', the breakup of Deferred Tax Assets and liabilities are as under:		
	(A) Deferred tax asset:		
	Gratuity provision	18121.36	14228.56
	Other provisions	41283.58	5838.97
	VRS Amortisation	11262.93	15728.43
	Overburden Removal	3178.61	3205.62
	Total (A)	73846.48	39001.58
	(B) Deferred Tax Liability:		
	Depreciation	29495.90	28025.34
	Total (B)	29495.90	28025.34
	Deferred Tax Asset (A-B)	44350.58	10976.24
	Deferred tax (Net)	33374.34	20665.42



Schedule to Balance Sheet as at 31st March, 2010
Schedule-I: Notes forming part of the Accounts (contd..)

15.	The provisions of Section 58A of the Companies Act are not applicable to the F.B.I Scheme though the Company Law Board has communicated that the amount lying in the account is a deposit under the said Section.
16.	Physical Verification of all Fixed Assets with original value of Rs.3 Lakhs and above will be covered in block of 3 years commencing from 2009-2012 with the following periodicity: <ul style="list-style-type: none"> i) Fixed Assets with original value > Rs.50 Lakhs annually ii) Fixed Assets with original value > Rs.10 Lakhs and < Rs.50 Lakhs once in three years (2nd year) iii) Fixed Assets with original value > Rs.3 Lakhs and < Rs.10 Lakhs once in three years (3rd year) In respect of other assets the same are confirmed as available based on certification by the unit head.
17.	Capital Works-in-Progress includes Rs.4045.20 Lakhs was paid for Diversion of NTR Canal at JVR.OC at Sattupalli to Irrigation Department. The work to the extent of Funds provided by SCCL was completed. As the balance works to be carried out by the Dept. are pending, the Canal could not be diverted.
18.	Certain balances of Sundry Creditors, Sundry Debtors, Advances, Deposits are subject to confirmation, reconciliation and adjustments, if any.
19.	Major components and assemblies removed from the surveyed off equipment and used on other equipment are not assigned any value and hence not transacted in the books as per the consistent practice followed by the company.

		(Rs. in lakhs)	
		31.03.2010	31.03.2009
20.	Securities by way of deposits in the form of Fixed Deposit Receipts etc. received from the Contractors/Suppliers etc. are kept in the Company's custody and not accounted for.	2268.00	2070.89
21.	All Vendors were addressed letters to confirm status of MSMED as part of Balance Confirmation. 19 Vendors have confirmed the status as MSMED.	(Rs. in lakhs)	
S.No.	Particulars	2009-10	2008-09
a)	The principal amount remaining unpaid to any supplier as at the end of each accounting year	15.94	11.47
b)	The interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	0.31	Nil
c)	The amount of interest paid by the buyer in terms of Section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	Nil	Nil
d)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	Nil	Nil
e)	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	0.31	Nil



Schedule to Balance Sheet as at 31st March, 2010
 Schedule-I: Notes forming part of the Accounts (contd..)

	f)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006	Nil	Nil
--	----	--	-----	-----

22. Coal Mines Provident Fund Scheme is a defined Contribution Plan for which Rs.21691.78 Lakhs was contributed and charged off to Profit and Loss Account.
 Superannuation Benefit is a defined Contribution Plan for which an amount of Rs.2973.00 Lakhs was provided and charged off to Profit and Loss Account.

23. Consequent to handing over of 11 schools, 2 colleges and 1 Polytechnic to Singareni Collieries Educational Society, all running expenses of these institutions, after deduction of receivables of these institutions viz., Grant-in-Aid, Fee collections from students, recoveries from the employees towards amenities provided etc., are being met by the Company by way of Educational Grant. Further, infrastructure used by the Society is continued to be under the ownership of the Company for which no recovery is made from the Society.

24. The Company has formed a 50:50 Joint venture company under the name and style of NTPC-SCCL Global ventures Pvt. Ltd., on July 31st 2007 with NTPC Ltd to undertake various activities in coal and power sectors including acquisition of coal / lignite mine block development and operation of integrated coal based power plants and providing consultancy services.

Details of Interest of the Company in Joint Venture as per AS-27:

- i) Name of the Joint Venture entity : NTPC – SCCL Global Ventures Private Limited
- ii) Country of Incorporation : India
- iii) Principal Activities : Coal & Lignite mining & Setting up integrated power plants.
- iv) Ownership interest : 50%
- v) Original cost of Investment : Rs.5 lakhs
- vi) Aggregate amounts related to interest in Joint Venture entity --

The Company's interest in the afore mentioned jointly controlled entity's assets, liabilities income and expenditure audited are as under;

	(Rs. In lakhs)	
	31.3.2010	31.3.2009
Assets	5.00	5.00
Liabilities	5.00	5.00
Income	0.34	0.09
Expenditure	0.14	0.11
Profit after Tax	0.06	(-) 0.02
Cumulative Profit/Loss	(-) 0.69	(-) 0.75

25. Based upon assessment of the Area committees impaired assets not in working condition have been written-off, amounting to Rs.179.84 Lakhs (Previous Year: Rs.24.35 Lakhs.) (AS-28).



Schedule to Balance Sheet as at 31st March, 2010
Schedule-I: Notes forming part of the Accounts (contd..)

26. An amount of Rs.99700 Lakhs have been provided being the back filling liability of final void to the required depth as per EMP sanction from Government of India and in compliance of AS-29. The liability of back filling is arrived at Reckoning Back Filling Quantity in proportion of coal extracted and weighted average rate of Company on OB Removal during the year taking off-loading and Company operations in the same proportion.

27. Additional information pursuant to Paragraphs 3, 4C and 4D of the Part-II of the Schedule VI of Companies Act, 1956.

- a) Licensed Capacity: Not applicable.
- b) Installed Capacity: Coal: 476.78 Lakh Tonnes (L.Ts.) (Previous Year: 464.05 L.Ts.) as certified by the Management.
- c) Production: Coal 504.29 L.Ts. (Previous Year: 445.46 L.Ts.)
-Production includes production from capital mines 0.84L.Ts. (Previous year:7.85L.Ts.)

d) Turnover, closing stock and opening stock:

	2009-10		2008-09	
	Quantity (Tonnes)	Value (Rs. in Lakhs)	Quantity (Tonnes)	Value (Rs. in Lakhs)
*Turnover	49368017	688028.17	44520505	559527.02
(Adjustment)	(1926)		(-11480)	
Closing Stock	1225220	9668.87	162542	1425.47
Opening Stock	162542	1425.47	148463	1311.06

* Turnover includes capital sales 0.84 L.Ts. valuing Rs.1371.52 lakhs (Previous year 7.85 L.Ts. valuing Rs.7947.81 Lakhs) and colliery consumption 1.02 L.Ts. valuing Rs.1273.10 lakhs (Previous year 1.24 L.Ts. valuing Rs.1539.21 Lakhs)

e) CIF Value of Imports:

Particulars	(Rs. in Lakhs)	
	2009-10	2008-09
Components ,Stores & Spare Parts	7813.15	5330.52
Capital Goods	5442.91	4528.66

f) Expenditure in Foreign Currency:

Particulars	(Rs. in Lakhs)	
	2009-10	2008-09
Foreign Tours	20.50	47.28
Consultancy Payments	91.34	72.76
Others	1359.24	473.26



Schedule to Balance Sheet as at 31st March, 2010
Schedule-I: Notes forming part of the Accounts (contd..)

g) Consumption of Stores & Spares:

(Rs. in lakhs)

	2009-10		2008-09	
	Amount	% of total consumption	Amount	% of total consumption
Imported	3953.57	2.55	1411.71	1.18
Indigenous	151274.88	97.45	118727.58	98.82
Total	155228.45	100.00	120139.29	100.00

28. Previous year's figures, wherever necessary, have been re-grouped, recast, rearranged to conform with those of the current year.

Signatures to Schedules

Sd/-
(J.Rama Krishna)
G.M(C.A)& Company Secretary
Date : 19.7.2010
Place : Hyderabad

Sd/-
(M.V.V. Subba Rao)
Chief General Manager (F & A)

As per our report of even date
For M/s.M.Anandam & Co.
Chartered Accountants

Date : 19.7.2010
Place : Hyderabad

Sd/-
(S.Venkateswarlu)
Partner (M.No.22790)

For and on behalf of the Board
Sd/-
(D.L.R. Prasad) Director(Finance)
Sd/-
(S. Narsing Rao) Chairman & Managing Director

**SCHEDULE – J**

Expenditure on Social Overheads including Township Expenditure and Income compiled as desired by Department of Public Enterprises, Govt. of India.

(Rs in lakhs)

Particulars	2009-10		2008-09	
A. TOWNSHIP				
1. Repairs & Maintenance		3987.58		5290.00
2. Sanitation		775.65		803.84
3. Water Supply		2758.96		2339.34
4. Depreciation		<u>1816.15</u>		<u>1091.01</u>
		9338.34		9524.19
Less: Township Income	681.35		532.42	
Water Charges	<u>57.51</u>		<u>50.06</u>	
		<u>738.86</u>		<u>582.48</u>
Total (A)		<u>8599.48</u>		<u>8941.71</u>
B. OTHER SOCIAL OVERHEADS				
1. Medical Facilities		7530.58		4563.93
2. Expenditure on Social & Cultural activities, Clubs, Sports, Games etc.		87.89		135.37
3. Super Bazar		87.95		57.61
4. Schools & Colleges		<u>2023.56</u>		<u>1761.80</u>
Total (B)		<u>9729.98</u>		6518.71
Total (A) + (B)		18329.46		15460.42

NOTE: Expenditure relating to Township and Social Overheads included in the Profit & Loss Accounts under respective Primary Heads is given in the Schedule to the extent possible.

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

(As per Schedule VI, Part IV of the Companies Act, 1956)

I. Registration details

Registration No	000571	State Code: 01
Balance Sheet Date	31.03.2010	CIN No.: U10102AP1920SGC000571

II. Capital raised During the year (Amount in Rs. Lakhs)

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

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

Total Liabilities	Total Assets
367753.04	367753.04

Sources of Funds

Paid-up Capital	Reserves & Surplus
173319.81	89135.53
Secured Loans	Reserve for OBR
46433.66	58864.04

Application of Funds

Net Fixed Assets (incl.Cap.WIP)	Investments
365254.90	1941.76
Net Current Assets	Misc. Expenditure
-92968.46	Nil
Advance action for OBR	Deferred Tax Asset (Net)
49174.26	44350.58

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

Income	Total Expenditure
748093.17	708421.25
Profit Before Tax	Profit After Tax
39671.92	26801.14
Earnings per share (in Rs.)	Dividend rate (%)
1.55	4

V. Generic Names of Three Principal Products/ Services of Company (as per monetary terms)

Item Code No.(ITC Code)	270112.00
Product Description	BITUMINOUS COAL
Item Code No.(ITC Code)	--
Product Description	CONSULTANCY SERVICES



**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956
RELATING TO SUBSIDIARY COMPANIES**

Name of the Subsidiary	Andhra Pradesh Heavy Machinery & Engg. Ltd.
1. The financial year of the Subsidiary Company ended on	31 st March, 2010
2. Shares in the Subsidiary held by the Holding Company as at the above date	
(a) Number of Shares	1,40,82,700 Equity Shares out of 1,72,71,293 Shares of Rs.10/- each
(b) Extent of Holding	81.54 %
3. Net aggregate amount of profit/(loss) of the Subsidiary Company so far as they concern the members of the Holding Co. and	
(a) Not dealt within the Holding Company's account for the year ended 31st March, 2010	
(i) For the Subsidiary's financial year ended as aforesaid	Rs.334.00 lakhs
(ii) For the Previous financial years of the subsidiary since it became the Holding Company's Subsidiary	Rs.2095.64 lakhs
(b) Dealt within the Holding Company's account for the year ended 31 st March, 2010	
(i) For the subsidiary's financial Year ended as aforesaid	- Nil -
(ii) For the previous financial years of the Subsidiary since it became the Holding Company's Subsidiary	- Nil -
4. (a) Change in the interest of the Holding Company between the end of the last financial year of the Subsidiary and 31 st March, 2010.	- Nil -
(b) Material changes occurred between end of the financial year of the Subsidiary and the end of the Holding Company's financial year.	Not applicable

Sd/- (J.Rama Krishna) G.M(C.A)& Company Secretary	Sd/- (M.V.V. Subba Rao) Chief General Manager (F & A)	For and on behalf of the Board Sd/- (D.L.R.Prasad) Director(Finance)	Sd/- (S. Narsing Rao) Chairman & Managing Director
--	---	---	--

Date : 19.7.2010
Place : Hyderabad

ANDHRA PRADESH HEAVY MACHINERY & ENGINEERING LIMITED

(A subsidiary of The Singareni Collieries Company Limited)

33rd ANNUAL REPORT AND ACCOUNTS

2009 – 2010

(Pursuant to section 212 of the Companies Act, 1956)

CONTENTS

Board of Directors	56
Notice	57
Directors' Report	58
C&AG comments & Management replies	63
Auditors' Report & Management replies	64
Accounting Policies	70
Balance Sheet	71
Profit & Loss Account	72
Schedules	73

BOARD OF DIRECTORS

Sri J.V.Dattatreylu, Chairman	from	27-6-2008
Sri P.V.Satyanandam, Managing Director	from	1-1-2009
Sri Ambarish Nath Dave	from	4-8-2008
Sri K.L.Vasudeva Rao	up to	24-3-2010
Sri R.Krishnan	from	7-6-2010
Sri N.Sreenivasa Rao	from	5-2-2009
Sri K. Rajendra Prasad, APIDC Nominee	from	22-3-2008
Sri N.V.V.N.M. Murali Rao	from	25-9-2004
Sri Juvva Seshagiri Rao	from	24-9-2005
Sri Kuchipudi Srinivasa Rao	from	23-9-2006

**Company Secretary &
Finance Manager (IA)**

Sri V. Venkateswara Rao

BANKERS

State Bank of India
Vijayawada - 520 007

AUDITORS

M/s.CHOWDARY & RAO
Chartered Accountants
36-11-7, Santhi Nagar,
Mogalarajapuram,
Vijayawada - 520 010

PRODUCTION UNIT
20-2, Industrial Estate
VIJAYAWADA - 520 007

REGISTERED OFFICE

KONDAPALLI - 521 228
Krishna District

ADMINISTRATIVE OFFICE & FACTORY

KONDAPALLI - 521 228

ANDHRA PRADESH HEAVY MACHINERY & ENGINEERING LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT 33rd Annual General Meeting of the Members of the Company will be held on **Saturday, the 25th day of September, 2010 at 3.00 p.m.** at the Administrative Building-cum-Registered Office & Factory Premises, Kondapalli to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Profit & Loss Account of the Company for the year ended 31st March, 2010 and the Balance Sheet as on that date together with the Auditors Report, Comments of Comptroller and Auditor General of India along with the replies and report of Directors therein.
2. To appoint a Director in place of Sri R.Krishnan who retires by rotation and is eligible for re-election.
3. To appoint a Director in place of Sri K. Rajendra Prasad who retires by rotation and is eligible for re-election.
4. To appoint a Director in place of Sri N.V.V.N.M. Murali Rao, who retires by rotation and is eligible for re-election.
5. To fix the remuneration payable to the Statutory Auditors for the financial year 2010-11.

By order of the Board of Directors

Sd/-

(V.Venakateswara Rao)
Company Secretary &
Finance Manager (IA).

Registered Office:
Kondapalli – 521 228
Krishna District
Date:29.6.2010.

- Notes:**
1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS 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.**
 2. Proxies duly completed, signed and stamped with Re.1 revenue stamp should be deposited at the Company's Registered Office not less than 48 hours before the time of the aforesaid meeting.
 3. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their Representative to attend and vote on their behalf at the Meeting.
 4. The register of members and the share transfer books of the Company will remain closed from 18.9.2010 to 25.9.2010 (both days inclusive).
 5. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
 6. The members are requested to intimate any change in their address to the Registered Office of the Company for sending all correspondence.
 7. Members other than SCCL and APIDC can send nominations for election of one post of Director before 5.00 P.M. on 10.9.2010. Only those who have obtained Director Identification Number from Ministry of Corporate Affairs, Government of India are eligible for the post of Director. Any clarifications in this regard can be sought from the Company Secretary.

Directors' Report

To
The Members
A.P. Heavy Machinery & Engineering Limited
KONDAPALLI – 521 228

Gentlemen,

We have great pleasure in presenting to you, on behalf of the Board of Directors, the 33rd Annual Report of your Company together with the Audited Accounts for the financial year ended 31st March, 2010.

The Company recorded a Net Profit of Rs.409.61 lakhs during the current financial year i.e., 2009-10 as against Rs.131.03 lakhs during the previous year. With the patronization extended by SCCL through order as well as working capital support to execute the orders, the performance of the Company has been encouraging.

The Company achieved the production of Rs.5971.84 lakhs and the turnover Rs.5874.20 lakhs against the target of Rs.7000 lakhs, due to changes of delivery schedules as well as non-realization of supplies in time against the orders placed. There is decrease in the turnover to extent of Rs.235.92 lakhs for the year 2009-10 against the previous year turnover of Rs.6110.12 lakhs.

REVIEW OF FINANCIAL RESULTS & PRESENT SCENARIO

The summarized financial results are as under:

(Rupees in lakhs)

	2009-10	2008-09
Turnover of the Company	5874.20	6110.12
Gross Profit (+)/Loss (-) before interest and depreciation	736.32	551.62
Interest	97.21	55.75
Depreciation	20.00	19.16
Profit for the year before charging provisions	619.11	476.71
Net Profit for the year after charging prior period adjustments and provisions	715.79	385.94
Profit after deferred Tax	409.61	131.03

The net profit for the financial year under review is Rs.409.61 lakhs against a profit of Rs.131.03 lakhs of the previous year. The earning of profit by the Company was possible due to change in product mix and implementation of various cost reduction measures apart from enforcing work norms and discipline among work force.

FINANCIAL RECONSTRUCTION

SCCL continues to extend working capital support for orders placed by them on your Company.

FUTURE OUTLOOK

The Management is optimistic about the future of the company. The Company has been earning profits for the past eight years and the same trend is expected to continue in future.

Manufacture and fabrication of 1 X 90 KW, 1 X 125 KW, 2X110 KW and 2X125 KW Belt Conveyor drive heads including intermediate structures is under progress.

Manufacture and fabrication of 400 TPH Reciprocating feeders, 2 X 45KW, 200 TPH Armoured Chain Conveyors and Man Riding Chair Lift systems are under progress.

Repairs and overhauling works of AM50 Road Headers and Jumbo Drill machines are under progress.

Supply, fabrication, erection and commissioning of Pre-weigh Truck Loading system with gantry system for coal screening plant of SCCL is under progress.

Budgetary offers have been submitted for manufacture, supply, erection and commissioning of various capacity direct haulers, belt conveyor drive head units along with intermediate structures and rollers, Man Riding Systems of both rail car type and Chair Lift type, and elevated gantries to SCCL as well as other customers.

CONTRIBUTION TO EXCHEQUER

During the year under review, the Company contributed an amount of Rs.766.45 lakhs to Government by way of taxes and duties.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUT-GO

As required under section 217(1)(e) of the Companies Act, 1956 details relating to conservation of energy, technology absorption, foreign exchange earnings and out-go are given in the Annexure-I forming part of the Directors' Report.

Because of the steps taken for conservation of energy, it is observed that on load current consumption is increased by 1.01% compared to its earlier consumption in spite of decrease in the turnover by 3.86% over previous year.

		<u>2009-10</u>	<u>2008-09</u>
A) Units(KWH) Annual Consumption	:	973984	964226
B) Turnover(Rupees in lakhs)	:	5874.20	6110.12

DEPOSITS

During the year under review, the Company has not accepted any deposits within the meaning of section 58-A of the Companies Act, 1956 and (Acceptance of Deposits) Rules, 1975.

EMPLOYMENT

As on 31-5-2010 the total number of employees is 531. There are no employees covered by the Companies (Disclosure of Particulars in the Report of Directors) Rules, 1988 and the particulars of employees under section 217(2A) of the Companies Act, 1956.

INDUSTRIAL RELATIONS

During the year under review, the industrial relations were cordial and peaceful.

SAFETY

Continuous efforts are being made to ensure adherence to safety measures at work places and safety record consequently is quite satisfying.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of your Company state:

- i. that in the preparation of the annual accounts, the applicable accounting standards had been followed;
- ii. that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are 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 Net Profit of the Company for that period;
- iii. that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. that the directors had prepared the annual accounts on going concern basis.

BOARD OF DIRECTORS

The Singareni Collieries Company Limited has withdrawn its nomination of Sri K.L.Vasudeva Rao, Executive Director, BHEL, Hyderabad, who was retired from the service on 24.03.2010 on attaining the age of superannuation, as part-time Director of the Company with effect from 25-03-2010. Sri R. Krishnan, Executive Director, BHEL, Hyderabad has been appointed by SCCL as part-time Director of the Company with effect from 7-6-2010.

The Board of Directors place on record its appreciation of the services rendered to the Company by Sri K.L. Vasudeva Rao during his tenure as Director on the Board.

Sri R. Krishnan, Sri K. Rajendra Prasad and Sri N.V.V.N.M. Murali Rao are due to retire by rotation and are eligible for re-election in the coming 33rd Annual General Meeting.

AUDIT COMMITTEE

The Board of Directors constituted the Audit Committee in compliance with the provisions of section 292A of the Companies Act, 1956 to exercise powers and discharge functions as stipulated in that section. The Audit Committee consists of four Directors:

- | | | |
|-----------------------------|-----|---------------------------|
| 1. Sri K.L. Vasudeva Rao | ... | Chairman of the Committee |
| 2. Sri J.V. Dattatreya | ... | Member |
| 3. Sri P.V. Satyanandam, | ... | Member |
| 4. Sri Juvva Seshagiri Rao, | ... | Member |

Three Meetings of the Audit Committee were held in the financial year under review.

AUDITORS

In terms of Sec.619 (2) of the Companies Act, 1956 as amended vide the Companies (Amendment) Act, 2000, the Comptroller & Auditor General of India have appointed M/s.Chowdary & Rao, Chartered Accountants, Vijayawada as Statutory Auditors of the Company for the financial year 2009-10.

ACKNOWLEDGEMENTS

The Directors acknowledge with gratitude the co-operation and assistance extended by The Singareni Collieries Company Ltd.(Holding Company) and State Bank of India during the year under review. The Directors are also grateful to the valued customers viz., SCCL, BHEL, CPPL, NSC, WCL, NTPS, SCR, KEW, SGRRL, TATA and others for the trust & confidence reposed on APHMEL and for their continued patronage.

Your Directors gratefully acknowledge the valuable guidance extended by the Statutory Auditors and the Comptroller & Auditor General of India.

Your Directors also wish to express their appreciation to all the employees, union leaders and the shareholders for their support and co-operation.

For and on behalf of the Board	
Sd/-	Sd/-
(J.V. Dattatreya)	(P.V. Satyanandam)
Chairman	Managing Director

Registered Office:
Kondapalli-521 228
Krishna District.
Dated: 9.8.2010

Annexure – 1

Annexure to Directors' Report

Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988

Form – A

Form for disclosure of particulars with respect to conservation of energy

Sl. No.	Power & Fuel consumption	Current Year	Previous Year
1.	Electricity a. Purchased Unit (KWH) Total amount (Rs.) Rate/Unit (Rs.KWH) b. Own generation i. Through diesel generator Unit (KWH) Units per litre of diesel oil (KWH)Cost/Unit (Rs.) ii. Through steam turbine/generator Units Units per litre of fuel oil/gas Cost/Unit	 9,73,984 49,27,172 5.06 } Not applicable }	 9,64,226 49,69,006 5.15 } Not applicable }
2.	Coal Quantity (Tonnes) Total cost (Rs.) Average rate (Rs.)	} Not applicable }	} Not applicable }
3.	Furnace oil Quantity (K. Litres) Total amount (Rs.) Average rate (Rs.)	} Not applicable }	} Not applicable }
4.	Other/Internal generation Quantity Total cost (Rs.) Rate/Unit	} Not applicable }	} Not applicable }

FORM – B
FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION:

Research and Development (R&D):

1. **Specific areas in which R&D carried out by the Company:**
 1. Continuous efforts are being made for manufacture of BEML 10 Cu.m. Shovel Bucket top structure and BEML 10 Cu. M. shovel spares.
 2. Mini Man Riding Rail cars to use with underground district Man Riding System so as to facilitate to reduce the strain and stress on work force due to long distance to be walked for reaching working districts in underground apart from main Man Riding Systems in mines.
 3. Development and fabrication of heavy sections to use with gate belt conveyor for Dosco Road Header workings.
2. **Contributions of R&D:**
 R&D activities presently under consideration:
 1. Indigenous development as a import substitute for power operated segment transport trolley for CPPL tunnel.
 2. Modifications of wheel set assembly for different types of trolleys for CPPL & NSCL tunnels.
 3. Improvement in repairs of crusher rolls for Lump breakers.
 4. Overhauling and repairs of 4 X 800 Ton Powered Roof Supports for long wall project of SCCL by organizing residual cycle tests.
 5. It is under active consideration to take up Refurbishment / Reconditioning of winding engines of ECL & BCCL.
3. **Future plan of action:**
 Continuous R&D efforts are made to improve quality, reduce costs and achieve import substitution for the following equipment:
 - a) Jumbo Drills
 - b) Load Haul Dumpers (LHDs)
 - c) 2x200 KW Drive Heads
 - d) Powered Roof Support.
4. **Expenditure on R&D**
 Expenditure on R&D is not being separately quantified since it is continuous exercise merged in the design, manufacturing, quality control and service activity.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION.

The Company has developed critical spares viz. , Ranging Arms for Shearers in the country.

FOREIGN EXCHANGE EARNINGS AND OUT-GO

During the year under review, the out-go of Foreign Exchange amounts to **Rs.4,19,732/-** towards purchase of spare parts and components. There have been no foreign exchange earnings during the year under review.

For and on behalf of the Board
Sd/-
(J.V.Dattatreya)
Chairman
Sd/-
(P.V.Satyanandam)
Managing Director

Registered Office:
 KONDAPALLI-521 228,
 Krishna District.
 Dated : 9.8.2010.

Comments of the Comptroller and Auditor General of India under Section 619 (4) of the Companies Act, 1956 on the accounts of the Andhra Pradesh Heavy Machinery and Engineering Limited for the year ended 31 March 2010.

The preparation of financial statements of **Andhra Pradesh Heavy Machinery & Engineering Limited for the year ended 31 March 2010** in accordance with financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the Company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the Auditing and Assurance Standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 29.6.2010.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 619(3)(b) of the Companies Act, 1956 of the financial statements of **Andhra Pradesh Heavy Machinery & Engineering Limited** for the year ended 31 March 2010. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge, which would give rise to any comment upon or supplement to Statutory Auditors' report under Section 619(4) of the Companies Act, 1956.

For and on behalf of the
Comptroller & Auditor General of India

Date: 10-08-2010.
Place: Hyderabad

Sd/-
Accountant General (COMML.)

Auditors' report

Replies of the management

**To
The Members
Andhra Pradesh Heavy Machinery & Engineering Limited,**

- | | |
|--|---|
| <p>1) We have audited the attached Balance Sheet of ANDHRA PRADESH HEAVY MACHINERY & ENGINEERING LIMITED as at 31st March, 2010, the Profit and Loss Account and also the Cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.</p> | - |
| <p>2) We have conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures 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 statement presentation. We believe that our audit provides a reasonable basis for our opinion.</p> | - |
| <p>3) As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order 2004 (together the Order) issued by the Central Government of India in terms of sub-section (4A) of section 227 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 according to the information and explanations given to us, we set out in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable to the Company.</p> | - |
| <p>4) Further to our comments in the Annexure referred to in paragraph 3 above, we report that:</p> <ul style="list-style-type: none"> a. 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. b. In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of the books. c. The Balance Sheet, Profit & Loss Account and Cash flow Statement dealt with by this report are in agreement with the books of account; d. On the basis of the written representations received from the Directors as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2010 from being appointed as Director in terms of clause (g) of sub-section (1) of sec.274 of the Companies Act, 1956 on the said date; | - |

Auditors' Report (contd..)

Subject to above item (d) in our opinion, and to the best of our information and according to explanations given to us, the said accounts, read together with the Company's accounting policies and the Notes thereto, 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;

- i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2010;
- ii. in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
- iii. in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For M/s.Chowdary & Rao
Chartered Accountants

Sd/-

(A.R.S Krishna Rao)
Partner (M.No.27450)

Date : 29.6.2010
Place: Vijayawada.

Replies of the management (contd..)

For and on behalf of the Board

Sd/-

(P.V.Satyanandam)
Managing Director

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

REPLIES OF THE MANAGEMENT

- (i) In respect of its fixed assets; -
 - (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - (c) In our opinion and according to the information and explanations given to us, the Company has not disposed off substantial part of the fixed assets during the year.
- (ii) In respect of inventories; -
 - (a) As explained to us, the inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory. As explained to us, there was no material discrepancies noticed on physical verification of inventories as compared to the book records.
- (iii) The Company has not granted or taken any loan secured/ unsecured to/ from Companies, firms or parties covered in the register maintained under sec.301 of the Companies Act, 1956. Accordingly, clause (iii) of paragraph 4 of the companies (Auditor's Report) order, 2003 is not applicable to the company. -
- (iv) In our opinion, and according to the information and explanation given to us, there is an internal control system commensurate with the size of the Company and nature of its business for purchase of inventory and fixed assets and for the sale of goods and services. -
 During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.

ANNEXURE TO THE AUDITORS' REPORT (contd..)

(Referred to in paragraph 3 of our report of even date)

REPLIES OF THE MANAGEMENT (contd..)

- | | |
|---|---|
| (v) According to the information and explanations given to us, there are no contracts or arrangements referred to in section 301 of the Companies Act, 1956. Accordingly, the provisions of clause (v) of paragraph 4 of the Companies (Auditor's Report) order, 2003 are not applicable to the Company. | - |
| (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from public, and consequently, the directives issued by the Reserve Bank of India, the provisions of section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and rules framed thereunder with regard to the deposits accepted from the public are not applicable to the Company. | - |
| (vii) In our opinion, the Company has an internal audit system commensurate with the size and the nature of its business. | - |
| (viii) According to the information and explanations given to us, maintenance of cost records by the company is not required under the provisions of section 209 (1) (d) of the Companies Act, 1956 in respect of the business activities carried out by the company. | - |
| (ix) a) According to the records of the company and information and explanations given to us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, and Excise Duty, Cess and other material statutory dues applicable to it during the year. | - |

ANNEXURE TO THE AUDITORS' REPORT (contd..)

(Referred to in paragraph 3 of our report of even date)

b) According to the information and explanations given to us, the details of the dues of which have not been deposited on account of dispute are as follows:

Name of the statute	Nature of the dues	Amount of dispute (Rs. in lakhs)	Amounts of deposit (Rs. in lakhs)	period to which the amount relates	Forum where dispute is pending
Sales Tax	Sales Tax	4.59	2.75	1991-92	Appellate Tribunal
Sales Tax	Sales Tax	4.21	2.75	1994-95	-do-
Sales Tax (APGST)	Sales Tax (APGST)	138.49	34.62	2003-04	-do-
Sales tax (CST)	Sales tax (CST)	6.98	1.74	2003-04	-do-
Sales Tax (APGST)	Sales Tax (APGST)	273.98	68.49	2004-05	-do-
Sales tax (CST)	Sales tax (CST)	19.06	4.78	2004-05	-do-
Customs duty	Customs duty	To be ascertained	6.78	1988	CEGAT
ESI	ESI Contributions	107.72	0.00	1.1.97 to 28.2.02	High Court of AP
Total			121.91		

REPLIES OF THE MANAGEMENT (contd..)

- x) In our opinion, the company does not have any accumulated losses during the year under report. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year. -
- xi) Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to financial institutions and banks. -
- xii) According to the information and explanations given to us, the Company has not given any loans and advances on the basis of security by way of pledge of shares, debentures and other securities and hence the question of maintenance of adequate records for this purpose does not arise. -
- xiii) In our opinion and according to the information and explanations given to us, the Company is not a Chit fund or a Nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company. -

ANNEXURE TO THE AUDITORS' REPORT (contd..)

(Referred to in paragraph 3 of our report of even date)

REPLIES OF THE MANAGEMENT (contd..)

- | | |
|--|---|
| xiv) In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause (xiv) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company. | - |
| xv) In our opinion and according to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks or financial institutions. | - |
| xvi) In our opinion and according to the information and explanations given to us, the Company has not raised any term loans during the financial year 2009-10. | - |
| xvii) According to the information and explanations 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. No long term funds have been used to finance short term assets except permanent working capital. | - |
| xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956. | - |
| xix) The Company has not issued any debentures during the year, hence the question of Creation of security or charge in respect of debentures issued does not arise. | - |
| xx) The Company has not raised any money by way of public issue during the year, hence the question of disclosure and verification of end use of such money does not arise. | - |
| xxi) To the best of our knowledge and belief and according to the information and explanations given to us no fraud on or by the Company was noticed or reported during the year. | - |

For M/s.Chowdary & Rao
Chartered Accountants

Sd/-

(A.R.S Krishna Rao)
Partner (M.No.27450)

For and on behalf of the Board

Sd/-

(P.V.Satyanandam)
Managing Director

Date : 29.6.2010
Place: Vijayawada.

**STATEMENT ON ACCOUNTING POLICIES OF THE COMPANY FORMING
PART OF THE ACCOUNTS FOR THE YEAR ENDING 31ST MARCH, 2010.**

1. SYSTEM OF ACCOUNTING

The Company is following Mercantile system of accounting.

2. FIXED ASSETS & DEPRECIATION

Fixed assets are shown at cost less depreciation to date. Depreciation is provided on Straight Line Method as per revision of rates of depreciation prescribed in schedule XIV of the Companies Act, 1956. Depreciation is charged as per the old rates in respect of assets existing as on the date of notification i.e., 16-12-1993 and as per the new rates in respect of assets acquired subsequent to the date of notification.

3. INVENTORY VALUATION

- i) Stores & Spares are valued at cost on Weighted Average basis.
- ii) Finished goods and work-in-progress are valued at lower of cost or market value whichever is less.
- iii) Scrap is valued at market price.

4. SALES

Sales are being accounted for on dispatch of the goods unless the agreement for supply of goods explicitly specify otherwise.

5. TURNOVER

The sales are accounted exclusive of excise duty and other taxes.

6. INCOME & EXPENDITURE

All items of income & expenditure were recognized on accrual basis except -

- a) Insurance claims are considered in accounts on receipt basis.
- b) Stationary was accounted as expenditure in the year of purchase.

7. RETIREMENT BENEFITS

- i) Contribution to Provident Fund accounted on accrual basis.
- ii) Earned leave benefits are accounted on accrual basis.
- iii) The liability for gratuity to employees covered under the Group Gratuity Scheme with the Life Insurance Corporation of India. The company accounts its liability for future Gratuity benefit based on actuarial valuation, as at the Balance Sheet date, determined every year by LIC.

Balance Sheet as at 31.3.2010

	Schedule No.	As at 31.3.2010		As at 31.3.2009	
		Rs.	Rs.	Rs.	Rs.
SOURCES OF FUNDS:					
SHAREHOLDERS FUNDS:					
Share Capital	1	17,27,12,930		17,27,12,930	
Share Deposit		<u>5,310</u>	17,27,18,240	<u>5,310</u>	17,27,18,240
Reserves and surplus	2		4,80,31,252		70,69,778
LOAN FUNDS:					
Secured Loans	3	7,54,58,942		6,36,34,875	
Unsecured Loans	4	<u>2,20,82,958</u>	9,75,41,900	<u>3,65,14,780</u>	<u>10,01,49,655</u>
Total			<u>31,82,91,392</u>		<u>27,99,37,673</u>
APPLICATION OF FUNDS:					
FIXED ASSETS:					
Gross Block		15,45,18,466		15,34,42,990	
Less: Accumulated depreciation		<u>12,29,79,999</u>		<u>12,09,79,578</u>	
Net Block	5		3,15,38,467		3,24,63,412
Deferred Tax Asset			74,58,604		73,75,644
CURRENT ASSETS, LOANS AND ADVANCES					
Interest accrued but not due on deposits	6(i)	6,93,337		2,45,077	
Inventories	6(ii)	19,01,07,766		13,70,49,297	
Sundry debtors	6(iii)	20,92,98,090		15,24,44,290	
Cash & Bank Balances	6(iv)	53,07,508		9,66,98,628	
Loans & Advances	6(v)	<u>9,38,03,698</u>		<u>3,36,15,853</u>	
		49,92,10,399		42,00,53,145	
Less: Current Liabilities & Provisions					
Liabilities	7	15,67,08,460		12,77,79,351	
Provisions	7	<u>6,32,07,618</u>		<u>5,21,75,177</u>	
		21,99,16,078		17,99,54,528	
Net Current Assets			<u>27,92,94,321</u>		<u>24,00,98,617</u>
Total			<u>31,82,91,392</u>		<u>27,99,37,673</u>
Notes to Accounts	18				

Sd/- (V.Venkateswara Rao) Company Secretary	Sd/- (N.Chakravarthy) Chief (Finance & Accounts)	For and on behalf of the Board	
		Sd/- (J.V. Dattatreyyulu) Chairman	Sd/- (P.V.Satyanandam) Managing Director
Date: 29.6.2010, Place: Vijayawada	As per our report of even date For M/s.Chowdary & Rao Chartered Accountants		
Date: 29.6.2010, Place: Vijayawada.	Sd/- (A.R.S.Krishna Rao) Partner (M.No.27450)		

Profit & Loss account for the year ended 31.3.2010

	SCHEDULE No.	CURRENT YEAR 2009-10 Rs.	PREVIOUS YEAR 2008-09 Rs.
INCOME			
Gross sales		6,17,44,8667	64,00,92,679
Less: Excise duty		3,00,28,763	2,90,81,081
Sales	8	58,74,19,904	61,10,11,598
Other income	9	2,22,57,697	87,08,094
		<u>60,96,77,601</u>	<u>61,97,19,692</u>
EXPENDITURE			
Raw Materials Consumed(Net)	10	35,83,22,602	41,80,19,205
Payments and Benefits to Employees	11	11,59,04,527	12,34,35,857
Manufacturing, administrative and other expenses	12&13	6,65,68,847	3,13,60,278
Bad debts written off		34,98,851	-
Advances written off		31,89,499	-
Interest	14	97,20,567	55,75,264
Depreciation	5	20,00,421	19,15,701
Total expenditure		<u>55,92,05,314</u>	<u>58,03,06,305</u>
Less: Increase in stocks	15	1,14,38,598	82,58,053
		<u>54,77,66,716</u>	<u>57,20,48,252</u>
Profit before extraordinary items		6,19,10,885	4,76,71,440
Add: Provisions no longer req. withdrawn		11,51,452	-
Add: Provisions withdrawn		66,88,350	1,07,678
		<u>6,97,50,686</u>	<u>4,77,79,118</u>
Less: Provisions	16	-	1,02,98,405
		<u>6,97,50,686</u>	<u>3,74,80,713</u>
Add: Prior period adjustments (Net)	17	22,81,249	2,05,949
Net profit before tax		7,20,31,935	3,76,86,662
Less: Short/ excess prov. of tax of earlier years:			
Income Tax		4,53,421	9,11,497
Fringe Benefit Tax		-	-4,373
		<u>7,15,78,514</u>	<u>3,85,93,786</u>
Less: Provision for Current Income tax		3,07,00,000	1,02,00,000
- Fringe benefit tax		-	1,40,000
		<u>4,08,78,514</u>	<u>2,82,53,786</u>
Add/ less: Inc./ Dec. in Deferred tax asset		82,960	(-) 1,51,50,446
Profit after tax		4,09,61,474	1,31,03,340
Add: Profit as per last Balance sheet		70,69,778	16,24,319
Less: Gratuity transitional liability		-	44,09,243
Profit carried to Balance Sheet		4,80,31,252	70,69,778

		For and on behalf of the Board	
Sd/-	Sd/-	Sd/-	Sd/-
(V.Venkateswara Rao)	(N.Chakravarthy)	(J.V. Dattatreyyulu)	(P.V.Satyanandam)
Company Secretary	Chief (Finance & Accounts)	Chairman	Managing Director
Date: 29.6.2010,	As per our report of even date		
Place: Vijayawada	For M/s.Chowdary & Rao		
	Chartered Accountants		
	Sd/-		
Date: 29.6.2010,	(A.R.S.Krishna Rao)		
Place: Vijayawada.	Partner (M.No.27450)		

SCHEDULE No.1		
SHARE CAPITAL		
	CURRENT YEAR 2009-10 Rs.	PREVIOUS YEAR 2008-09 Rs.
AUTHORISED		
2,00,00,000 Equity Shares of Rs.10/- each	<u>20,00,00,000</u>	<u>20,00,00,000</u>
	<u>20,00,00,000</u>	<u>20,00,00,000</u>
ISSUED CAPITAL		
1,73,01,710 Equity Shares of Rs.10/- each	<u>17,30,17,100</u>	<u>17,30,17,100</u>
	<u>17,30,17,100</u>	<u>17,30,17,100</u>
SUBSCRIBED AND PAID-UP CAPITAL:		
Equity Shares of Rs.10 each fully paid-up and held by:		
1. Government of Andhra Pradesh:		
1,49,010 Shares	14,90,100	14,90,100
2. Andhra Pradesh Industrial Development Corporation Ltd.,		
10,00,000 Shares	1,00,00,000	1,00,00,000
3. Singareni Collieries Co., Ltd. (Holding Company) Shares		
1,40,82,700	14,08,27,000	14,08,27,000
4. Others: 20,39,583 Shares	2,03,95,830	2,03,95,830
Total	17,27,12,930	17,27,12,930
SCHEDULE No.2		
RESERVES & SURPLUS		
	CURRENT YEAR 2009-10 Rs.	PREVIOUS YEAR 2008-09 Rs.
O B	7069778	-
Profit during the year	4,09,61,474	70,69,778
Total	4,80,31,252	70,69,778
SCHEDULE No.3		
SECURED LOANS		
	CURRENT YEAR 2009-10 Rs.	PREVIOUS YEAR 2008-09 Rs.
1. Cash Credit(*) State Bank of India	7,54,58,942	6,36,34,875
Total	7,54,58,942	6,36,34,875
(*) Cash Credit and purchases of DDs from State Bank of India, Vijayawada, is secured by first charge on current assets and fixed assets of the company.		
SCHEDULE No.4		
UNSECURED LOANS		
	CURRENT YEAR 2009-10 Rs.	PREVIOUS YEAR 2008-09 Rs.
1. Interest free loan from M/s.SCCL	58,00,300	1,23,00,300
2. Interest bearing loan from M/s.SCCL	59,21,998	1,25,00,000
3. Interest accrued & due on SCCL Loan	3,60,660	1714480
4. Interest free loan from Govt., of A.P towards VRS	1,00,00,000	1,00,00,000
Total	2,20,82,958	3,65,14,780

SCHEDULE No.5
SCHEDULE OF FIXED ASSETS

Sl. No.	Description	Gross block			Depreciation			Net value		
		As on 1.4.2009 Rs.	Additions during the year Rs.	Adjustments Rs.	As on 31.3.2010 Rs.	During the year Rs.	Adjustments Rs.	Up to 31.3.2010 Rs.	As on 31.3.2010 Rs.	As on 31.3.2009 Rs.
1.	Land	42,51,720	-	-	42,51,720	-	-	-	42,51,720	42,51,720
2.	Roads & Buildings	3,47,79,680	3,98,307	-	3,51,77,987	9,75,487	-	2,46,36,577	1,05,41,410	1,11,18,590
3.	Plant & Machinery									
	a) Indigenous	6,27,01,283	2,31,948	-	6,29,33,231	5,43,310	-	5,18,93,955	1,10,39,276	1,13,50,638
	b) Imported	2,99,97,679	-	-	2,99,97,679	-	-	2,84,97,796	14,99,883	14,99,883
4.	Furniture & Fixtures	17,53,313	2,35,762	-	1,98,975	45,958	-	15,04,666	4,84,409	2,94,605
5.	Office equipment	15,41,322	1,25,178	-	16,66,500	41,021	-	8,10,938	8,55,562	7,71,405
6.	Vehicles	11,24,390	-	-	11,24,390	81,269	-	5,73,054	5,51,336	6,32,605
7.	Other fixed assets	1,72,93,603	84,281	-	1,73,77,884	3,13,376	-	1,50,63,013	23,14,871	25,43,966
	Total	15,34,42,990	10,75,476	-	15,45,18,466	20,00,421	-	12,29,79,999	3,15,38,467	3,24,63,412
	Previous year	15,16,33,015	58,31,104	40,20,129	15,34,42,990	19,15,701	37,45,428	12,09,79,578	3,24,63,412	2,88,23,710

SCHEDULE No.6 : CURRENT ASSETS LOANS AND ADVANCES

	CURRENT YEAR 2009-10 Rs.	PREVIOUS YEAR 2008-09 Rs.
i) Interest accrued but not due on deposits	6,93,337	2,45,077
Total (i)	6,93,337	2,45,077
ii) INVENTORIES		
Certified by the Management		
Raw materials	5,86,76,482	3,87,92,952
Bought out items	7,48,53,653	5,73,00,148
Stock items	53,37,140	53,50,753
Maintenance material	9,06,958	3,73,064
Gases	72,438	83,923
Paints	2,73,285	2,73,523
Electrodes	47,43,086	14,81,794
Spares	28,91,443	23,06,833
Tools	48,92,665	50,64,289
Scrap	35,84,804	19,10,635
Work-in-progress	4,27,97,991	3,09,22,882
Finished goods	-	21,10,680
	19,90,29,945	14,59,71,476
Less: Provision for non moving items & Finished goods	89,22,179	89,22,179
Total (ii)	19,01,07,766	13,70,49,297
iii) SUNDRY DEBTORS		
Unsecured		
1) Outstanding for a period exceeding six months		
Considered good	5,17,14,045	3,03,59,582
Considered doubtful	3,57,186	41,71,158
	5,20,71,231	3,45,30,740
Less: Provision	3,57,186	41,71,158
	5,17,14,045	3,03,59,582
2) Other debts considered good	15,75,84,045	12,20,84,708
Total (iii)	20,92,98,090	15,24,44,290
iv) CASH AND BANK BALANCES		
1) Cash on hand	52,008	94,760
2) Balances with Schedule banks		
- In current accounts	9,45,472	22,93,840
- In fixed deposits(\$)	43,10,028	9,43,10,028
Total (iv)	53,07,508	9,66,98,628
v) LOANS AND ADVANCES		
A) LOANS	--	--
B) ADVANCES (Recoverable in cash or kind or for value to be received)		
Advances for purchase of materials	3,25,61,890	46,77,209
Less: Provision for doubtful advances	-	38,12,593
	3,25,61,890	8,64,616
Advance to sales tax	1,15,12,833	1,15,12,833
Advances for civil and electrical works	1,60,366	1,60,366
Advances to staff	5,91,324	70,606
Advances for revenue expenses	6,446	5,197
Advances to others	62,64,797	57,12,058
Deposits with outside authorities	27,47,308	32,38,579
Prepaid expenses	3,59,721	8,87,768
Advance Income tax	3,34,25,000	80,00,000
Tax deducted at Source	46,94,259	27,17,703
Works cont. tax deducted at source	14,79,754	4,46,127
Total (v)	9,38,03,698	3,36,15,853
Grand total (i to v)	49,92,10,399	42,00,53,145

(\$)Pledged with State Bank of India towards Margin Money

SCHEDULE No.7 :

CURRENT LIABILITIES AND PROVISIONS

	CURRENT YEAR 2009-10 Rs.	PREVIOUS YEAR 2008-09 Rs.
A) CURRENT LIABILITIES		
Creditors for materials	3,33,76,304	2,65,73,235
Creditors for materials - MSME	1,04,85,624	-
Creditors for capital items	27,880	55,583
Creditors for contractors	12,31,774	13,05,371
Creditors for transportation	13,87,407	8,11,070
Advance from customers	4,38,32,548	2,55,14,841
Deposit from Suppliers and Contractors	46,80,076	81,33,690
Outstanding liability for expenses*	5,27,26,302	5,20,28,780
Other liabilities	89,25,141	1,33,21,377
Share deposit suspense (@)	11,954	11,954
Share deposit refundable	23,450	23,450
Total (A)	15,67,08,460	12,77,79,351
B) PROVISIONS		
For Customs Duty	6,78,518	8,91,755
For VTPS Deposit	5,30,765	5,30,765
For Warranty provision	47,92,808	47,92,808
For Current Tax	4,09,00,000	1,02,00,000
For Fringe Benefit Tax	81,907	1,40,000
For Earned Leave	1,42,72,593	1,38,87,573
For Gratuity	19,51,027	2,01,11,647
For Gratuity others	-	16,20,629
Total(B)	6,32,07,618	5,21,75,177
Grand Total (A+B)	21,99,16,078	17,99,54,528

(@) Represents the amount for which depositor-wise details are not available

(*) Includes Rs.2,90,32,439/- (previous year Rs.4,10,32,439) towards interest on SCCL (Holding Company) mobilisation advance.

SCHEDULE No.8

INCOME FROM SALE OF PRODUCTS AND SERVICES

	CURRENT YEAR 2009-10 Rs.		PREVIOUS YEAR 2008-09 Rs.	
Sale of Machinery / work done on outside orders		58,79,20,386		61,15,49,444
Less: Sales returns current year	-		1,50,346	
Sales returns earlier years	5,00,482	5,00,482	<u>3,87,500</u>	5,37,846
Total		58,74,19,904		61,10,11,598

**SCHEDULE No.9 :
OTHER INCOME**

	CURRENT YEAR 2009-10 Rs.	PREVIOUS YEAR 2008-09 Rs.
Packing, forwarding and freight charges	18,69,206	5,19,162
Sale of scrap	19,60,600	58,40,440
Interest on deposits (Fixed Deposits) *	5,39,733	3,83,942
Interest on deposits**	65,499	65,498
Sale of tender schedules	25,031	14,769
Rent received***	19,06,425	17,83,728
Miscellaneous receipts	14,98,354	81,381
Profit on sale of assets	-	19,174
Liabilities written back	1,43,92,849	-
Total	2,22,57,697	87,08,094

* An amount of Rs.NIL (Previous year Rs.50,812/-) included towards TDS

**An amount of Rs.6,185/-(Previous year Rs.12,740/-) included towards TDS

***An amount of Rs.3,16,819/-(Previous year Rs.4,61,301/-) included towards TDS

SCHEDULE No.10**RAW MATERIALS CONSUMED**

	CURRENT YEAR 2009-10 Rs.	PREVIOUS YEAR 2008-09 Rs.
Raw materials	26,91,23,725	26,88,20,656
Boughtout items	7,36,39,162	13,32,46,963
Stock items	78,59,174	73,96,652
Maintenance materials	5,27,025	2,38,692
Consumable materials	55,03,406	67,24,877
Tools	16,70,110	15,91,365
Total	35,83,22,602	41,80,19,205

SCHEDULE No.11**PAYMENTS AND BENEFITS TO EMPLOYEES**

	CURRENT YEAR 2009-10 Rs.	PREVIOUS YEAR 2008-09 Rs.
Salaries, wages and bonus	9,94,24,672	9,20,21,629
Employer's contribution towards:		
- Employees state insurance	44,733	7,43,080
- Provident fund	55,63,898	51,00,909
- Family pension scheme	34,61,590	34,32,622
- Group gratuity assurance scheme	-	1,65,51,506
- Deposit linked insurance scheme	7,07,079	2,06,206
Administrative charges on PF Trust	7,18,477	88,008
Death relief payments	1,55,000	30,000
Staff welfare expenses	47,93,507	46,11,516
Rent reimbursed to officers	9,86,308	6,50,381
Workmen compensation	49,263	-
Total	11,59,04,527	12,34,35,857

SCHEDULE No.12

MANUFACTURING, ADMINISTRATIVE & OTHER EXPENSES

	CURRENT YEAR 2009-10 Rs.	PREVIOUS YEAR 2008-09 Rs.
MANUFACTURING EXPENSES		
Sub-contracts	1,42,80,809	92,50,472
Electricity charges: Power	49,27,172	49,69,006
Patterns written off	1,20,657	1,22,547
ADMINISTRATIVE EXPENSES		
Directors' travelling	1,97,009	1,41,308
Directors' sitting fees	29,000	22,600
Directors' incidentals	4,350	3,450
Board meeting expenses	25,451	32,798
Annual general body meeting expenses	2,04,540	1,81,565
Printing and stationery	6,15,869	5,13,376
Postage and telegrams	1,28,277	91,295
Telephone and telex charges	2,47,985	1,68,916
Travelling and conveyance charges	15,98,342	12,35,004
Electricity charges - Lighting	1,05,561	42,677
General freight charges	54,96,873	46,59,281
Packing charges	-	135
Professional charges	4,26,205	10,160
Advertisement and publicity	2,56,998	2,37,284
Liasioning charges	24,70,739	-
Commission on scrap sales	14,517	-
Auditors remuneration : Audit fee	22,060	22,060
Tax audit	11,030	11,030
Others	12,133	18,572
OTHER EXPENSES		
Rent	73,632	73,632
Insurance	1,73,897	1,79,605
Repairs and maintenance: Buildings	8,11,507	3,05,678
Machinery	4,13,905	6,83,663
General	50,756	16,773
Maintenance charges	12,59,917	12,42,475
Vehicle maintenance	8,25,602	6,13,772
Loss on fixed assets	-	52,045
Assets written off	-	1,89,330
Bank charges and guarantee commission	8,86,266	9,13,116
VAT	17,64,902	12,65,305
Excise duty	1,63,32,393	37,729
Consultancy charges	92,608	29,046
Miscellaneous expenses (as per Schedule 13)	1,26,87,885	40,24,573
Total	6,65,68,847	3,13,60,278

SCHEDULE No.13

MISCELLANEOUS EXPENSES

	CURRENT YEAR 2009-10 Rs.	PREVIOUS YEAR 2008-09 Rs.
Conference, seminar & training	63,400	28,627
Rates and taxes	4,91,297	6,02,542
Sundry expenses	1,10,85,196	4,48,734
Books and periodicals	6,661	5,446
Legal expenses	1,81,962	72,000
General expenses-testing charges	33,090	50,955
Filing fee	1,984	10,146
Entertainment	1,90,685	91,696
Non moving items identified in current year and written off	-	27,035
Liquidated damages	4,55,660	25,19,819
Rework/Rectification expenses on sales	800	8,650
E-procurement transaction fee	4,069	22,888
Tender documents	12,231	19,340
Computer maint. charges	64,900	38,003
Computer software charges	2,800	2,496
Computer hire charges	93,150	-
Loss on exchange variation	-	15,796
Hire charges - Machinery	-	60,400
Total	1,26,87,885	40,24,573

SCHEDULE No.14

INTEREST

	CURRENT YEAR 2009-10 Rs.	PREVIOUS YEAR 2008-09 Rs.
Interest on cash credit with SBI	40,37,523	13,33,673
Interest on advances with SCCL	11,37,883	13,64,407
Interest on SCCL interest bearing loan	9,67,341	14,49,726
Interest-others	35,77,820	14,27,458
Total	97,20,567	55,75,264

SCHEDULE No.15

SCHEDULE FOR INCREASE/ DECREASE OF CLOSING STOCK OF FINISHED GOODS AND WORK-IN-PROGRESS

	CURRENT YEAR 2009-10 Rs.	PREVIOUS YEAR 2008-09 Rs.
Certified by Management:		
A) Opening stock of work-in-progress	3,09,22,882	1,98,15,040
Opening stock of finished goods	21,10,680	42,61,924
	3,30,33,562	2,40,76,964
B) Closing stock of work-in-progress	4,27,97,991	3,09,22,882
Closing stock of finished goods	-	21,10,680
	4,27,97,991	3,30,33,562
C) Increase in stock	97,64,429	89,56,598
Add/less: Increase/ decrease in scrap	16,74,169	6,98,545
Increase in stock	1,14,38,598	82,58,053

SCHEDULE No.16

PROVISIONS

	CURRENT YEAR 2009-10 Rs.	PREVIOUS YEAR 2008-09 Rs.
Bad and doubtful debts	-	25,45,787
Material advances	-	1,43,242
Non-moving items	-	67,17,621
Customs Duty	-	8,91,755
Total	-	1,02,98,405

SCHEDULE No.17

SCHEDULE OF INCOME AND EXPENDITURE PERTAINING TO EARLIER YEARS

	CURRENT YEAR 2009-10 Rs.	PREVIOUS YEAR 2008-09 Rs.
INCOME		
Interest on Service tax	-	2,02,432
Gratuity	22,81,249	3,517
	22,81,249	2,05,949
EXPENDITURE	-	-
Net income	22,81,249	2,05,949

SCHEDULE No.18

A. NOTES FORMING PART OF ACCOUNTS

1. Contingent Liabilities:

- a. Sales tax claim of Rs.4.59 lakhs and Rs.4.21 lakhs towards Orissa sales tax for the assessment year 1991-92 and 1994-95 respectively is pending against Rourkela Steel Plant works. The company has preferred appeals within stipulated time for both the years. An amount of Rs.5.50 lakhs(Rs.2.75 lakhs each for the assessment years 1991-92 and 1994-95) was paid to the Orissa Sales Tax authorities as per the order Nos.345(2),dt.21.2.2003, case No.II Ast-85 for the assessment year 1991-92 and 346(2),dt.21.02.2003 case No.II Ast-84 for the assessment year 1994-95). During the financial year 2009-10 the honourable Tribunal has passed orders in respect of assessment year 1992-93 duly allowing the company's appeal for Rs.3.78 lakhs and allowing the case in favour of Orissa Sales Tax department for Rs.0.41 lakh in respect of the assessment year 1993-94. The notices in respect of above orders are yet to be received from the Orissa Sales Tax department. No provision has been made in the books in respect of the above claims.
- b. Sales tax claim of Rs.145.47 lakhs (APGST & CST) and Rs.293.04 lakhs (APGST & CST) for the assessment year 2003-04 and 2004-05 respectively is pending. The company has preferred appeals within stipulated time for both the years. For the above Sales tax claim there is no provision available in the books. Further an amount of Rs.109.63 lakhs(Rs.36.36 lakhs and Rs.73.27 lakhs for the assessment years 2003-04 and 2004-05 respectively) was paid to the Sales tax authorities and was kept in advance sales tax account under the current assets.
- c. Income-tax assessments for the assessment year 2008-09 and 2009-10 are pending.

- d. Guarantees given by the bank on behalf of the Company for an amount of Rs.89.83 lakhs for which counter guarantees of even amount are given by the Company to the Bank (Previous year Rs.144.10 lakhs).
 - e. An amount of Rs.20.48 lakhs towards extra claims by contractors involved in legal suits (Previous year Rs.20.48 lakhs).
 - f. An amount of Rs.14.91 lakhs which has been claimed as Interest by certain suppliers against belated payments is not accounted in the books in view of the pending court cases. The total amount involved in the court cases is Rs.31.32 lakhs.
 - g. ESI authorities have raised a demand for Rs.107.72 lakhs towards contributions payable for the period from 1-1-1997 to 28-2-2002. The company has filed an appeal in Honourable Andhra Pradesh High Court. Arguments in the case were concluded during the year 2009-10 and the judgment was reserved. Pending disposal of the case no provision was made in the books.
 - h. Municipal Corporation, Vijayawada, has raised a demand for interest of Rs.5,48,625/- on the dues of rent of Rs.2,11,090/-. The Government of A.P. has waived Rs.1,02,010/- of rent dues vide G.O.Ms.No.201, dt.21.8.1997. The net rent due as on 30-9-2004 was Rs.1,07,060/-. The company has appealed for waiver of both the dues of rent and interest thereon. A provision has been made towards the rent dues. But pending disposal, no provision has been made towards the demand of interest of Rs.5,48,625/-.
2. The Company has filed suits against sub-contractors for recovery of 149.767 M.Ts of steel and 9.768 M.Ts of scrap for the materials drawn by them (Since completed) for executing VSP Sinter Plant order amounting to Rs.22.19 lakhs for which decrees were awarded in favour of the Company. Suits for recovery of 37.095 M.Ts steel and 2.625 M.Ts of scrap from the sub-contractors are pending in court of law.
 3. The Company has recognized in the books of accounts sale of 2 man riding systems amounting to Rs 4.5 crores to M/S Western Coalfields Ltd. (WCL) for which inspection report confirming the sale was issued by M/S WCL subsequent to balance sheet date.
 4. Bank Guarantees amounting to Rs.56.11 lakhs furnished by suppliers and contractors were held by the Company as on 31-03-2010 (previous year Rs.21.02 lakhs).
 5. Share deposit amount of Rs.5,310 (previous year Rs.5,310) from public towards share capital contribution. Shares to public could not be allotted because of legal implications.
 6. As per G.O.No.227, dt.30-11-1996 write off proposal for Government of A.P. shareholdings of Rs.14.90 lakhs was not carried out in the accounts since the Company requested the Government of A.P. for amended action.
 7. Gratuity Plan: Company has taken a policy with LIC for payment of gratuity to all its employees through a "Group Gratuity Scheme". Effective from 1.11.2000 the company adopted the Accounting Standard (Revised) on employees' benefits. The following table indicates status of the gratuity plan as required under AS15 (revised).

Particulars	For the year ended 31.3.2010 Rs.
Obligation at beginning of the year	8,73,56,905
Interest cost	69,88,552
Current service cost	24,05,104
Benefits settled	(19,32,229)
Actuarial (gain)/loss	(22,72,111)
Obligation at the end of the year, at fair value	9,25,46,221
Change in plan assets	
Plan assets at beginning of the year, at fair value	6,77,04,956
Expected return on plan assets	73,16,317
Contributions	1,75,06,150
Benefits paid	(19,32,229)
Actuarial gain/loss	NIL
Fair value of plan assets at the end of the year	9,05,95,194
Reconciliation of present value of the obligation and the fair value of the plan assets	
Fair value of plan assets at the end of the year	9,05,95,194
Present value of the defined benefit obligation at the end of the year	9,25,46,221
Assets/(liability) recognized in the balance sheet Gratuity cost for the year	
Service cost	24,05,104
Interest cost	69,88,552
Expected return on plan assets	(73,16,317)
Actuarial gain/loss	(1,94,772)
Net gratuity cost	19,51,027
Assumptions	
Interest rate	8.00%
Expected return on plan assets	9.30%
Expected rate of salary increase	10.00%

8. Materials valued Rs.38.94 lakhs are lying with outside parties for job works (previous year Rs.41.41 lakhs).

9. INCOME-TAX:

- a. Current Income-tax: Tax on income for the current period determined on the basis of taxable income computed in accordance with the provisions of the Income Tax Act,1961.
- b. The following Deferred Tax Assets are recognised to the extent that there is a reasonable certainty where assets can be realised in future. The assets are recognised by using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

	2009-10 Rs.	2008-09 Rs.
ASSETS		
Gratuity	-	30,76,607
Others	1,33,75,536	96,36,916
Total	1,33,75,536	1,30,13,523
LIABILITIES		
Difference in depreciation for accounting and tax purposes	55,60,579	56,37,879
Others	3,56,353	-
Total	59,16,932	56,37,879
Deferred Tax Asset(NET)	74,58,604	73,75,644

10. Segment reporting:

Segment information as required by the Accounting Standard 17 on "Segment Reporting" issued by The Institute of Chartered Accountants of India is not required to be disclosed as there is neither more than one business segment nor more than one geographical segment.

Related Party Transactions:

Holding Company: Singareni Collieries Company Limited, Kothagudem. Disclosure of transactions with the holding company is not required since both the companies are state controlled entities.

11. Confirmation of balances under sundry debtors, loans & advances has been asked for but not received from parties.

12. Earnings per shares(AS-20):

		2009-10 Rs.	2008-09 Rs.
A	Net profit after tax	4,09,61,474	1,31,03,340
B	Number of ordinary equity shares(Fully paid up)	1,72,71,293	1,72,71,293
C	Earnings per Share (a/b)	2.37	0.76

13. All figures are rounded off to the nearest rupee.

14. Previous year's figures, wherever necessary, have been re-grouped, recast and reclassified to confirm with those of the current year.

15. The Company has reviewed the carrying amounts of fixed assets based on internal valuation and found that none of the fixed assets suffered an impairment loss and hence no provision / write off of impaired assets in terms of AS – 28 issued by the Institute of Chartered Accountants of India is considered necessary during the year.

B. INFORMATION REQUIRED UNDER PARA 3, 4C AND 4D OF PART II OF SCHEDULE VI OF THE COMPANIES ACT, 1956

1. Information regarding turnover

Sl. No.	Sale of products/ services	Current year 2009-10		Previous year 2008-09	
		Quantity MTs.	Amount Rs.	Quantity MTs.	Amount Rs.
1.	Material handling equipment	8487.08	54,09,33,484	6953.28	51,67,49,347
2.	Repairs/ reconditioning	422.95	4,06,23,170	536.42	3,90,33,692
3.	Trading sales	171.39	58,63,250	1149.60	5,52,28,559
	Total	9081.42	58,74,19,904	8639.30	61,10,11,598

2. RAW MATERIALS CONSUMED FOR SALE OF PRODUCTS					
Sl. No.	Description	Current year 2009-10		Previous year 2008-09	
		Quantity MTs.	Amount Rs.	Quantity MTs.	Amount Rs.
1.	Raw materials	8291.27		6885.40	
	Direct		24,35,10,238		25,47,19,982
	Others		2,56,13,487		1,41,00,674
2.	Bought out Items		7,36,39,162		13,32,46,963
3.	Stock Items		78,59,174		73,96,652
4.	Maintenance Material		5,27,025		2,38,692
5.	Consumable Stores	55,03,406	67,24,877		
6.	Consumable Tools	16,70,110	15,91,365		
		35,83,22,602	41,80,19,205		
	Add/Less: Material included in work-in-progress & Finished goods.	-1,70,42,313	-59,02,886		
	Total	34,12,80,289	41,21,16,319		

3. OPENING AND CLOSING STOCK OF FINISHED GOODS									
Sl. No.	Name of the product	Opening stock balance				Closing stock balance			
		Current year 2009-10		Previous year 2008-09		Current year 2009-10		Previous year 2008-09	
		Quantity MTs.	Value Rs.	Quantity MTs.	Value Rs.	Quantity MTs.	Value Rs.	Quantity MTs.	Value Rs.
1.	Material Handling Equipment	20.00	21,10,680	20.00	22,31,190	-	-	20.00	21,10,680
2.	Job Orders	-	-	22.52	17,05,063	-	-	-	-
3.	Maintenance spares & overhauling equipment	-	-	10.00	3,25,671	-	-	-	-
	Total	20.00	21,10,680	52.52	42,61,924	-	-	20.00	21,10,680

4. PURCHASE OF RAW MATERIALS					
Sl. No.	Description	Current year 2009-10		Previous year 2008-09	
		Quantity MTs.	Amount Rs.	Quantity MTs.	Amount Rs.
1.	Steel	10517.24	25,65,80,452	5455.45	21,61,33,898
2.	Other Raw Materials		3,24,62,921		1,72,01,946
3.	Bought Out Items		9,14,67,567		13,29,76,142
4.	Stock Items		82,30,948		76,68,651
5.	Maintenance Material		24,64,979		16,36,258
6.	Consumable Stores		87,55,669		60,63,787
7.	Tools		14,99,391		21,45,729
8.	Spares		9,15,531		6,59,882
	Total		40,23,77,458		38,44,86,293

5. PARTICULARS REGARDING CAPACITY AND PRODUCTION *

(in MTs.)

SI No	Product group	Licensed capacity		Installed capacity		Actual production	
		Current year 2009-10	Previous year 2008-09	Current year 2009-10	Previous year 2008-09	Current year 2009-10	Previous year 2008-09
1.	Material Handling equipment	4710	4710	250	250	2375	2388
2.	Chemical, Pharmaceutical & Mini plant	2000 1000	2000 1000	0 1188	0 1188	0 0	0 0
3.	Textile Machinery	160	160	0	0	0	0
4.	Leather Processing machinery	500	500	312	312	0	0
5.	Size reduction equipment	2000	2000	1750	1750	0	0
6.	Job orders	0	0	0	0	262	448
7.	Air pollution equipment	3000	3000	0	0	0	0
8.	Road headers & tunneling equipment	8 Nos	8 Nos	0	0	0	0
9.	Maintenance spares & overhauling equip.	0	0	0	0	738	658
10.	Long wall roof support system	3 systems	3 systems	0	0	0	0

Note: 1. The Machinery & Equipment installed are of general purpose nature and capacities of the Machinery & Equipment are interchangeable.

2. Capacity is based on 2 shift basis.

3. Installed Capacity is arrived on the basis of Product Mix as per the Project Report.

* Being technical matter information given as provided by management.

6. DETAILS OF REMUNERATION TO MANAGING DIRECTOR

SI. No.	Description	Current year 2009-10 Rs.	Previous year 2008-09	
			Rs.	Rs.
			Sri B.Nagabhushan Rao 1.4.08 to 23.12.08	Sri P.V.Satyanandam 1.1.09 to 31.3.09
1.	Salary	NIL	NIL	NIL
2.	P F Employer Contribution	NIL	NIL	NIL
3.	House Rent	90,000	32,400	22,500
4.	Others	1,07,788	4,156	4,579
	Total	1,97,788	36,556	27,079

Note: Managing Director is on deputation from Holding Company SCCL the company is providing accommodation and other amenities.

7. THE VALUE OF IMPORTS ON CIF BASIS

- A) Spare parts and components Rs.4,19,732 (previous year Rs.15,326/-).
 B) Percentage of materials consumed.

Sl. No.	Description	Current year 2009-10		Previous year 2008-09	
		Percentage	Value (Rs.)	Percentage	Value (Rs.)
1.	Materials				
	Imported	-	-	-	-
	Indigenous	75.11	26,91,23,725	64.31	26,88,20,656
2.	Spare parts, Components and Others				
	Imported	-	-	0.01	15,326
	Indigenous	24.89	8,91,98,877	35.69	14,91,83,223
	Total		35,83,22,602		41,80,19,205

8. FOREIGN CURRENCY/ EXCHANGE TRANSACTIONS

- a) Expenditure in Foreign Currency :
 Royalty Rs.Nil (Previous Year Nil).
 Spare Parts & Components Rs.4,19,732/- (Previous Year Rs.15,326/-).
 ISO certification charges Rs.35,610/- (Previous Year Rs.Nil)
- b) Earnings Foreign Exchange Nil (Previous Year Nil).

CASH FLOW STATEMENT AS PER ACCOUNTING STANDARD-3

(Rs. in lakhs)

	Current year 2009-10		Previous year 2008-09	
A) CASH FLOW FROM OPERATING ACTIVITIES				
Net profit before tax and extraordinary items		619.11		476.71
Adjustment for depreciation	20.00		19.16	
Adjustment for interest paid	97.21		55.75	
Adjustment for interest received/other income	-	117.21	-	74.91
Operating Profit before working capital changes		736.32		551.63
Decrease in unsecured loan	-144.32		-121.46	
Increase/decrease in current assets and loans and advances	-1705.48		264.90	
(Increase)/Decrease in Deferred Tax Asset	-0.83		128.80	
Increase/Decrease(-) in current liabilities and provisions	399.62	-1451.02	181.41	453.65
Net Cash Flow from operations		-714.70		1005.28
Provisions withdrawn	78.40		1.08	
Earlier provisions	-4.54		9.07	
Provisions for taxation	-307.00		-102.00	
Provision for FBT	-		-1.40	
Provisions	-		-102.98	
Deferred Tax Asset(Net)	0.83		-151.50	
Transitional gratuity	-		-44.10	
Prior period adjustments	22.81	-209.50	2.06	-389.77
CASH FLOW FROM OPERATING ACTIVITIES (A)		-924.19		615.51
B) CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	-10.75		-58.30	
Capital work-in-progress	-		28.53	
Decrease of fixed assets	-		2.75	
Interest received/other income	-		-	
CASH FLOW FROM INVESTING ACTIVITIES (B)		-10.75		-27.02
C) CASH FLOW FROM FINANCING ACTIVITIES				
Increase/Decrease(-) in Loans from banks and institutions	118.24		371.92	
Interest paid	-97.21	21.04	-55.75	316.17
Net increase in Cash & Bank(A+B+C)		-913.91		904.66
Opening balance of cash and bank		966.98		62.33
Closing balance of cash and bank		53.07		966.98

ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1. Registration Details	
Registration No:	2071
State Code	1
Balance Sheet Date	31.3.2010
2. Capital Raised during the year:	
Public Issue	NIL
Rights Issue	NIL
Bonus Issue	NIL
Private Placement	NIL
3. Position of Mobilisation and Development of Funds: (Rupees in thousands)	
Total Liabilities	318291
Total Assets	318291
Source of Funds: (Rupees in thousands)	
Paid up Capital (Including share deposit)	172718
Reserves & Surplus	48031
Secured Loans	75459
Unsecured Loans	22083
Application of Funds: (Rupees in thousands)	
Net Fixed Assets	31538
Investments (DTA)	7459
Net Current Assets	279294
4. Performance of Company: (Rupees in thousands)	
Turnover	587420
Total Expenditure	515388
Profit before Tax	72032
Profit after Tax	40961
Earnings per Share	0.002
Dividend Rate	NIL
5. Generic Names of Principal Products, Services of the Company:	
Item code No.	Product Description
8428.00	Material Handling Equipment
8431.00	Maintenance Spares Overhauling Services
8430.00	Mining Equipment

(Signatures to Accounting Policies & Schedules 1 to 18)

		For and on behalf of the Board	
Sd/-	Sd/-	Sd/-	Sd/-
(V.Venkateswara Rao)	(N.Chakravarthy)	(J.V. Dattatreylu)	(P.V.Satyanandam)
Company Secretary	Chief (Finance & Accounts)	Chairman	Managing Director

Date: 29.6.2010,
Place: Vijayawada

As per our report of even date
For M/s.Chowdary & Rao
Chartered Accountants
Sd/-

Date: 29.6.2010,
Place: Vijayawada.

(A.R.S.Krishna Rao)
Partner (M.No.27450)