

The Singareni Collieries Company Limited
(A Government Company)



91st
Annual Report & Accounts
2011 - 2012





THE SINGARENI COLLIERIES COMPANY LIMITED (A Government Company)

Our Mission

- *To retain our strategic role of a premier Coal producing Company in the Country and excel in a competitive business environment.
- *To strive for self-reliance by optimum utilisation of existing resources and earn adequate returns on the capital employed.
- *To exploit the available mining blocks with maximum conservation and utmost safety by adopting suitable technologies and practices and constantly upgrading them against international benchmarks.
- *To supply reliable and qualitative coal in adequate quantities and strive to satisfy customers needs by constantly sharing their experience and customizing our product.
- *To emerge as a model employer and maintain harmonious industrial relations within the legal and social framework of the State.
- *To emerge as a responsible Company through good Corporate Governance, by laying emphasis on protection of environment & ecology and with due regard for corporate social obligations.

THE SINGARENI COLLIERIES COMPANY LIMITED

(A Government Company)

91st ANNUAL REPORT AND ACCOUNTS 2011 - 2012

CONTENTS

Performance indicators at a glance	1
Notice	2
Directors' Report	4
C&AG Report	16
Auditors' Report and Management replies	17
Balance sheet	24
Statement of Profit & Loss	25
Cash flow statement	26
Notes	28
Statement on Subsidiary Company	58
Annual Report of Subsidiary Company.....	59

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 Sutirtha Bhattacharya (From 10.5.2012 FN)
Sri Dinesh Kumar (FAC) (From 23.4.2012 to 9.5.2012)
Sri S.Narsing Rao (From 18.9.2006 to 23.4.2012 AN)
2. Director (Operations)
Sri J.V.Dattatreya (From 1.10.2006)
3. Director (Finance)
Sri S.Vivekanand (From 3.9.2010)
4. Director (Planning & Projects)
Sri B. Ramesh Kumar (From 13.6.2011 A.N)
Sri J.V.Dattatreya (full additional charge) (From 3.12.2010 to 13.6.2011 A.N)
5. Director (Electrical & Mechanical)
Sri P.Viswanadha Raju (From 12.11.2011)
Sri J.V.Dattatreya (full additional charge) (From 30.9.2011 to 12.11.2011)
Sri I.V.N. Prasada Rao (From 19.3.2008 to 30.9.2011)
6. Director (Personnel, Administration & Welfare)
Sri T.Vijaya Kumar (From 3.8.2011 A.N)
Sri S.Vivekanand (full additional charge) (From 1.12.2010 to 3.8.2011 A.N)
7. Sri D.C.Garg (From 21.9.2007)
Chairman-cum- Managing Director, Western Coalfields Ltd, Nagpur
8. Sri Anil Kapoor (From 28.7.2011)
Director(Finance), Ministry of Coal, Govt. of India, New Delhi
Sri K.C.Samria (From 25.9.2007 to 2.6.2011)
Director, Ministry of Coal, Govt. of India, New Delhi
9. Sri Sharad Kumar Ghodke (From 3.6.2011 to 29.6.2012)
Director, Ministry of Coal, Govt. of India, New Delhi
Sri H.C.Agrawal (From 27.1.2010 to 30.4.2011)
Director, Ministry of Coal, Govt. of India, New Delhi
10. Sri V.Bhaskar (From 1.7.2011)
Principal Secretary, Finance Dept., Govt. of A.P.
Sri G.Sudhir (From 28.7.2009 to 30.6.2011)
Special Chief Secretary, Finance Dept., Govt. of A.P.
11. Sri Dinesh Kumar (From 16.8.2011)
Principal Secretary, Energy Dept., Govt. of A.P.
Sri Sutirtha Bhattacharya (From 16.1.2010 to 16.8.2011)
Principal Secretary, Energy Dept., Govt. of A.P.

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

Sri M. Krishna Mohan
General Manager (Finance & Accounts)

Board of Directors

(As on 29-9-2012)



Sri Sutirtha Bhattacharya
Chairman & Managing Director



Sri J.V. Dattatreylu
Director (Operations)



Sri S. Vivekanand
Director (Finance)



Sri B. Ramesh Kumar
Director
(Planning & Projects)



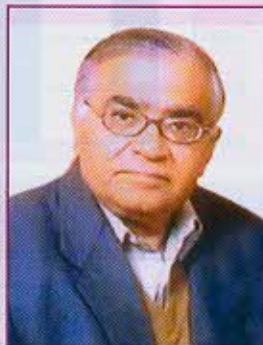
Sri T. Vijaya Kumar
Director (P.A & W)



Sri P. Viswanadha Raju
Director
(Electrical & Mechanical)



Sri D.C. Garg
Director



Sri Anil Kapoor
Director

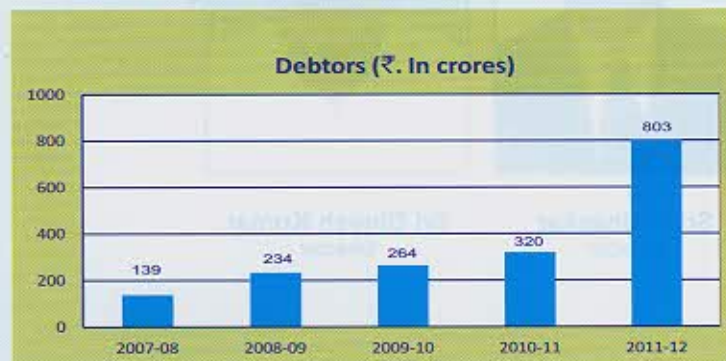
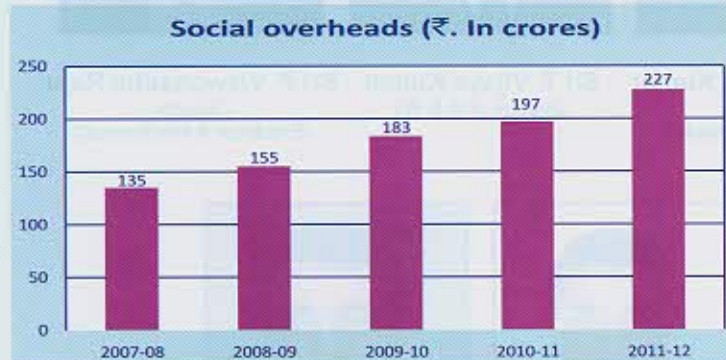
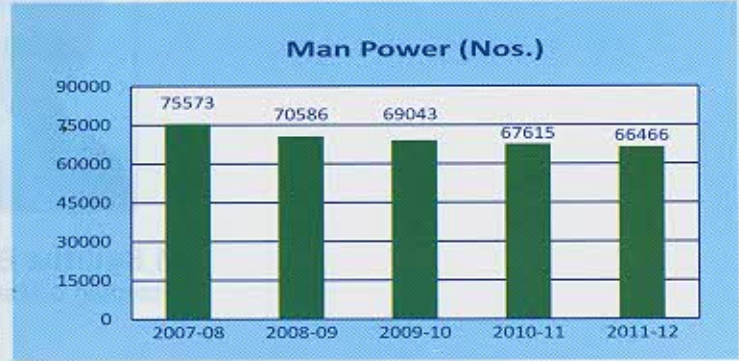
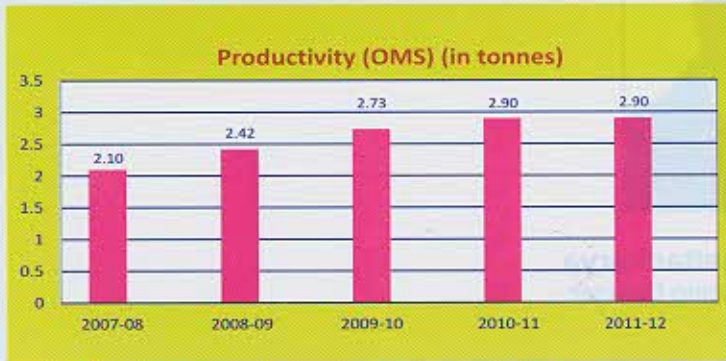
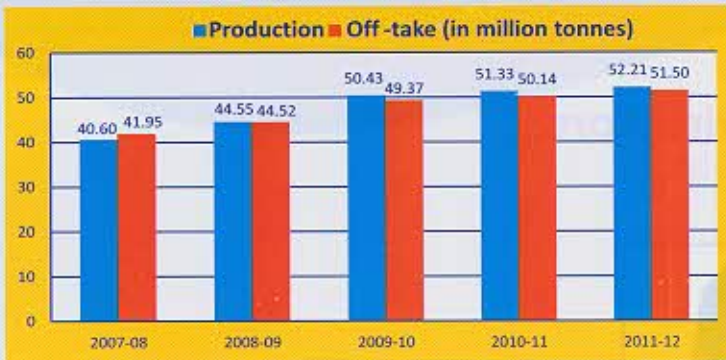


Sri V. Bhaskar
Director



Sri Dinesh Kumar
Director

Graphs indicating important statistics



PERFORMANCE INDICATORS AT A GLANCE

Sl. No.	Indicators	Unit	2011-12	2010-11	2009-10	2008-09	2007-08
1.	Production:						
	a) Open cast	(Lakh Tonnes)	415.59	397.26	384.56	324.59	279.58
	b) Underground	(Lakh Tonnes)	106.52	116.07	119.69	120.87	126.46
	c) Total	(Lakh Tonnes)	522.11	513.33	504.25	445.46	406.04
2.	Off-take	(Lakh Tonnes)	515.04	501.44	493.68	445.21	419.50
3.	Stock of Coal	(Lakh Tonnes)	31.34	24.06	12.25	1.63	1.48
4.	Output per Man Shift	(Tonnes)	2.90	2.90	2.73	2.42	2.10
5.	Manpower	(Nos.)	66466	67615	69043	70586	75573
6.	Net sales	(₹. crore)	9238.04	8165.81	6853.84	5500.40	4499.68
7.	Profit before tax	(₹. crore)	568.96	536.67	396.72	248.32	290.12
8.	Profit after tax	(₹. crore)	358.27	351.37	268.01	132.83	176.17
9.	Accumulated Profit	(₹. crore)	539.15	381.60	230.95	143.78	151.51
10.	General Reserve	(₹. crore)	860.40	760.40	660.40	560.40	460.40
11.	Equity Share Capital	(₹. crore)	1733.20	1733.20	1733.20	1733.20	1733.20
12.	Long-term Debt	(₹. crore)	616.61	331.67	464.34	530.67	663.34
13.	Net worth	(₹. crore)	3132.75	2875.20	2624.55	2437.38	2162.58
14.	Contribution to Exchequer:						
	- State Government	(₹. crore)	1192.10	973.40	886.22	791.47	701.64
	- Central Government	(₹. crore)	1788.01	1100.91	540.51	392.03	151.39
15.	Earning per Share	(₹.)	2.07	2.03	1.55	0.77	1.02
16.	Debt - Equity Ratio	(ratio)	0.36:1	0.19:1	0.27:1	0.31:1	0.38:1
17.	Cost of sales to sales	(percentage)	96.12	95.70	94.21	95.49	93.55
18.	Debtors as No. of months' sales	(months)	1.04	0.47	0.46	0.51	0.37

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 91st Annual General Meeting of the Company will be held on Saturday, the 29th day of September 2012 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 2011-12.
2. To declare dividend @5% on the paid-up equity share capital for the financial year 2011-12.
3. To appoint a Director in place of Sri V.Bhaskar 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.
4. To fix the remuneration payable to Statutory Auditors who are yet to be appointed by the C&AG of India for the financial year 2012-13.

"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 Statutory Auditors to be appointed by the C&AG of India for the audit of accounts of the Company for the financial year 2012-13."

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 Sutirtha Bhattacharya as Chairman & Managing Director of the Company for the period from 10.5.2012 to 9.5.2014 on the 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 S. Narsing Rao as Chairman & Managing Director of the Company for the period from 18.9.2011 to 23.4.2012 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 S. Vivekanand as Director (Finance) on the Board of the Company for a period of one year from 1.9.2012 to 30.8.2013 on the existing terms & conditions laid before the meeting duly initialled by the Chairman for the purpose of identification.
8. Resolved that the sanction be and is hereby accorded for payment of remuneration to Sri P. Viswanadha Raju as Director (Electrical & Mechanical) on the Board of the Company for a period of 2 years from 12.11.2011 to 11.11.2013 on the terms & conditions laid before the meeting duly initialled by the Chairman for the purpose of identification.
9. Resolved that the sanction be and is hereby accorded for the Tripartite Agreement between the Govt. of India, Govt. of Andhra Pradesh and the SCCL during the XII Plan period laid before the meeting duly initialled by the Chairman for the purpose of identification.

Further resolved that the C&MD is hereby authorized to carryout modifications in the agreement if any suggested by the Government(s) and execute the same along with Director(Finance) on behalf of the Company by affixing Common seal of the Company.

By order of the Board

Sd/-

(J. Rama Krishna)

G.M (Corporate Affairs) &
Company Secretary

Date: 3.9.2012

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 15.9.12 to 29.9.12 (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:

Govt., of AP vide G.O. Rt. No.81 dt.9.5.2012 of General Administration (Special-A) department appointed Sri Sutirtha Bhattacharya as Chairman & Managing Director of the Company for a period of 2 years from 10.5.2012 on the terms & conditions contained in G.O. Rt. No.2024 dt.7.5.2012 of General Administration (Special-A) department of GoAP.

Copies of relevant orders containing terms & conditions of appointment 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 Sutirtha Bhattacharya from 10.5.2012 to 9.5.2014.

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

Resolution No. 6:

Govt., of AP vide G.O Rt.No.4217 dt.19.9.11 of General Administration (Special-A) Dept., extended the term of Sri S.Narsing Rao as Chairman & Managing Director of the Company from 18.9.2011 to 17.9.2012. However he has been relieved as C&M.D of the Company on 23.4.2012 (AN) vide G.O. Rt. No.1771 dt.23.4.2012 of General Administration (Special-A) department of GoAP.

Copies of relevant 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 Narsing Rao from 18.9.2011 to 23.4.2012.

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

Resolution No. 7:

The Board in the meeting held on 24.7.2012 co-opted Sri S.Vivekanand as Director (Finance) for a further period of one year from 1.9.2012 to 30.8.2013 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 S.Vivekanand from 1.9.2012 to 30.8.2013.

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

Resolution No. 8:

The Board in the meeting held on 6.2.2012 co-opted Sri P. Viswanadha Raju as Director (Electrical & Mechanical) for a period of 2 years from 12.11.2011 on the terms & conditions contained in office order No.CRP/PER/C/025/2520 dt.12.11.2011.

Copies of relevant office orders containing terms & conditions of appointment 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 Viswanadha Raju from 12.11.2011 to 11.11.2013.

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

Resolution No. 9:

The earlier Tripartite Agreement between the Govt. of India, Govt. of Andhra Pradesh and the SCCL entered on 11.6.2010 covering XI Plan period was valid up to 31.3.2012. The Board of Directors in the meeting held on 6.2.2012 approved the fresh Tripartite Agreement to be entered between the Govt. of India, Govt. of Andhra Pradesh and the SCCL covering XII Plan period (2012-17) and authorised C&MD to carryout modifications in the draft agreement if any suggested by the Government(s) and to execute the same along with Director (Finance) on behalf of the Company by affixing the common seal of the Company.

A copy of the agreement is available for inspection at the Registered Office of the Company on any working day during office hours.

Approval of the shareholders is sought for the agreement.

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

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure to present the 91st Annual Report and audited financial accounts of the Company for the year ended on 31st March 2012.

HIGHLIGHTS OF PERFORMANCE:

During 2011-12 the Company has;

- exceeded the target of production for the 10th consecutive year;
- achieved highest ever dispatches & sales;
- registered growth in net profit;

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

Performance parameters	2011-12	2010-11	% variance over 2010-11
Production (in million tonnes)	52.21	51.33	1.71
Despatches (in million tonnes)	51.50	50.14	2.71
Gross sales (₹ in crores)	10859.44	9219.94	17.78
Productivity (Output per manshift in tonnes)	2.90	2.90	-
Capacity utilisation (Coal) (Percentage)	103	104	-0.96

OPERATIONAL RESULTS:

The financial performance of the Company for the year 2011-12 as compared to the previous year is as under;

(₹ in crores)

Particulars	2011-12	2010-11
Gross revenue	11437.95	9513.41
Profit before interest, depreciation, provisions, tax & prior period adjustments	1022.59	950.95
Less: Interest	34.46	26.78
Depreciation	358.44	353.54
Provisions (net)	60.72	33.96
Prior period adjustments (net)	6.02	(-)5.37
Provision for taxation (net of deferred Tax incl. previous years)	204.68	190.67
Net profit after tax	358.27	351.37
Appropriations :		
Dividend	86.66	86.66
Tax on Dividend	14.06	14.06
Transfer to General Reserve	100.00	100.00

Share capital:

During the year under report there is no change in the authorised and paid-up capital of the Company which was ₹.1800 crores and ₹.1733.20 crores respectively as in the previous year.

Dividend:

Your Directors are pleased to recommend dividend @5% on the paid-up capital for the financial year 2011-12 for approval of shareholders in the ensuing Annual General meeting.

Coal prices:

In exercise of the powers conferred under sub sections (1) and (2) of section 18 of the Mines & Minerals (Development & Regulation) Act, 1957 read with Rule-3 of the Colliery Control Rules, 2004, the Ministry of Coal in supersession of its notification dt.16.6.1994 has issued notification on 30.12.2011 prescribing switching over from existing Useful Heat Value based system of grading and pricing of non-coking coal produced in the country to fully variable Gross Calorific Value based system on and from 1.1.2012. It further stated that determination of GCV shall be carried out in accordance with procedure laid down in IS 1350 (Part-II) 1970 dt: April, 1971 or any subsequent revision thereof. In compliance with the aforesaid notification of MoC, SCCL has switched over to GCV based grading system w.e.f., 00-00 hours of 1st January 2012 without any complaints from customers. In the GCV based system the existing 7 grades in UHV system have been bifurcated into 17 grades with 300 GCV bandwidth in line with the notification issued by Coal India Ltd., in this regard.

Capital Expenditure:

During 2011-12 amount spent on capital additions is ₹.620.23 crores as against ₹.644.30 crores incurred in the previous year.

Foreign exchange earnings and outgo:

During 2011-12 the foreign exchange outgo was ₹.157.98 crores as against ₹.95.54 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 surpassed the production target for the tenth consecutive year and achieved 52.21 million tonnes of production during the year under review against the target of 51 million tonnes. The growth rate in production over previous year is 1.71%. While production from open cast projects was 41.57 million tonnes with a growth rate of 4.71% over previous year, Underground mines have produced 10.64 million tonnes with a marginal decline by 8.51% over the previous year. 35 days long strike from 13th September 2011 to 17th October 2011 has adversely affected production from 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;

(in million tonnes)

Sl. No.	Technology	2011-12		2010-11 Actual	% variance over 2010-11
		Target	Actual		
1.	Underground				
	a) Hand section	1.47	1.61	2.10	-23.33
	b) Machine mining:				
	i. Road header	0.30	0.13	0.15	-13.33
	ii. Longwall	0.50	0.29	0.53	-45.28
	iii. Highwall	-	0.16	0.02	700.00
	iv. Side Dump Loaders	5.95	4.82	5.06	-4.94
	v. Load Haul Dumpers	1.78	1.76	1.97	-10.66
	vi. Blasting Gallery	1.50	1.21	0.90	34.44
	vii. Continuous miner	0.80	0.63	0.85	-25.88
	viii. Scrapper	-	0.03	0.05	-40.00
	ix. Short wall	0.20	-	-	-
	Total machine mining	11.03	9.03	9.53	-5.25
	Total underground	12.50	10.64	11.63	-8.51
2.	Opencast	38.50	41.57	39.70	4.71
	Total	51.00	52.21	51.33	1.71

Overburden removal performance:

During the year under review overburden removal of 209.74 million cubic metres was achieved in opencast projects as against 216.96 million cubic metres achieved in the previous year. 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;

(in million Cu. Mtrs.)

Particulars	2011-12		2010-11	increase over 2010-11	
	Target	Actual	Actual	Absolute	Percentage
Company equipment	66.32	70.69	64.78	5.91	8.36
Outsourcing	184.95	139.05	152.18	-13.13	-8.63
Total	251.27	209.74	216.96	-7.22	-3.33

Reasons for shortfall in OB removal by outsourcing:

- Abbapur OCP could not be grounded during the year 2011-12 due to delay in forest land diversion.
- Land acquisition/ forest land diversion problem in SRP OC-II, RG OC-II extn., and BPA OC-II extn.
- 35 days strike has also affected adversely.

Utilisation of Capacity:

Capacity utilization achieved during the year under review was 103% as against 104% achieved in the previous year.

Productivity in terms of out put per man shift:

Productivity in terms of output per man shift in underground mines & opencast projects and for the entire Company for the year under review vis-a-vis previous year is as under;

(in tonnes)

Particulars	2011-12		2010-11	Variance over 2010-11	
	Target	Actual	Actual	Absolute	Percentage
Underground Mines					
- Hand section	0.65	0.60	0.61	-0.01	-1.64
- Machine mining	1.35	1.29	1.33	-0.04	-3.01
Total UG mines	1.20	1.10	1.09	0.01	0.92
Opencast projects	13.01	13.26	12.08	1.18	9.77
Overall					
- Mines	3.80	3.94	3.58	0.36	10.06
- Mines & Departments	2.87	2.90	2.90	-	-

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		CMPDI Norms		% Availability		% Utilisation on Scheduled shift hours	
	2011-12	2010-11	% availability	% utilisation on SSH	2011-12	2010-11	2011-12	2010-11
Draglines	2	2	85	73	83	79	60	55
Shovels	65	67	80	60	84	82	54	52
Dumpers	426	452	67	50	76	81	39	34
Dozers	71	79	70	45	67	69	28	29
Drills	57	50	78	40	79	77	25	26
Others	133	122	-	-	76	77	26	25
Total	754	772	-	-	76	79	37	34

MARKETING:**Target and off-take of coal:**

Off-take of coal achieved during the year 2011-12 was 51.50 million tonnes against the target of 52.90 million tonnes. As per the Coal Distribution Policy announced by the Ministry of Coal, Govt in 2008 customers drawing more than 4,200 tonnes per annum have to enter into FSA. 93% of dispatches have been covered by FSAs and MoUs. The number of customers registered with SCCL has gone up from 7,205 in 2010-11 to 7,698 in 2011-12. The details of sector-wise AAP target & off-take and colliery consumption during 2011-12 as compared to the previous year are as under.

(in million tonnes)

Sector	2011-12			2010-11		
	Target	Off-take	% Achieved	Target	Off-take	% Achieved
Power	36.70	39.53	108	31.90	36.05	113
Cement	6.71	5.13	76	6.13	6.66	109
Heavy Water Plant	0.50	0.41	82	0.50	0.53	106
Other Industries	8.87	6.32	71	8.40	6.81	81
Colliery Consumption	0.12	0.11	92	0.12	0.09	75
Total	52.90	51.50	97	47.05	50.14	107

Mode of despatches:

Despatches through different modes (excluding colliery consumption) during 2011-12 as against previous year are as indicated below;

(in million tonnes)

Year	Rail (incl. RCR)	Road	Merry-go-round	Rope-way	Total
2011-12	30.29	10.39	10.30	0.41	51.39
2010-11	30.34	9.50	9.68	0.53	50.05
Absolute increase/ decrease	-0.05	0.89	0.62	-0.12	1.34

Wagon loading performance:

During the year 2011-12 daily average loading of 3,175/ 1,270 Four Wheeler Wagons/ Box wagons was done as against 3,217/ 1,287 FWW/ Box wagons in 2010-11.

Measures for improving quality:**Measures taken for improving quality of coal are as under;**

- fortnight planning of seam-wise production;
- spot analysis at dispatch points, shift-wise, day-wise & rake-wise monitoring of coal quality;
- washing of lower/ inferior grade coal. 2 Washeries established at Manuguru and Ramagundam on BOO basis are working satisfactorily for washing coal to reduce the ash content. Erection of washeries on BOO basis at Ramakrishnapur and JVR OC is in progress;
- stone/ shale picking at mines & CHPs;
- regular interaction with the customers and steps for improving quality are being initiated based on their feedback;
- Submission of Annual Coal Gradation in new GCV system in February 2012 and approval of grades declared by Coal Controller, Kolkata;

EXPLORATION ACTIVITIES:

390.24 million tonnes of reserves were proved during the year under review against 51.66 million tonnes proved in the previous year. Thus, the total proved reserves in Godavari Valley Coalfield have gone up to 9,877.68 million tonnes as on 31.3.2012. The coal extracted by the Company in the Godavari Valley Coalfield up to the year 2011-12 was about 1035 million tonnes.

INDUSTRIAL RELATIONS:

Pursuant to the call given by Telangana Political Joint Action Committee which was supported by all major trade unions, all areas of the Company went on strike from 13th September 2011 to 17th October 2011. During the year under review there were 5 strikes and the details are as under;

Particulars	Unit	2011-12	2010-11
Strikes	No.	5	2
Mandays lost	No.	16,28,931	1,68,760
Production lost	Tonne	40,11,353	4,22,984

The National Coal Wage Agreement IX which is effective from 1.7.2011 for a period of five years was signed on 31.1.2012 and revised wages are being paid from the month of March 2012.

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 31.3.12 was 77% as against 76% at the end of previous year.

The Singareni Collieries Educational Society sponsored by the Company has been running 10 Schools at various areas, women's degree & junior college at Kothagudem and one Polytechnic college at Srirampur. Mining Diploma course in Polytechnic and Post Graduation degree course in Commerce in Women's Degree College have been introduced from the academic year 2011-12.

Employees are provided sports facilities & required infrastructure and also encouraged to participate in sports & games.

An expenditure of ₹.227 crores was incurred on various social overheads during the year 2011-12 as against ₹.197 crores incurred in the previous year.

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. About 3,009 students of primary schools of SCCL in all areas were screened under School Health Programme during the year, 9,337 school children in the institutions run by Singareni Collieries Educational Society and Government were extended treatment during the year to improve Haemoglobin. 277 candidates of SRP, MM & BPA areas were screened & counselled for establishment of ancillary units out of whom 14 candidates were finally selected for establishment of units with the assistance of APKVIB with Gram Tarang, Hyderabad.

At the initiation of the Company, Army Recruitment Rally was conducted at Kothagudem wherein 21,000 candidates from 10 Telangana districts participated. Out of 828 candidates trained by Singareni Seva Samithi, 75 candidates were selected. 777 Mobile medical camps covering 80 villages conducted by the Company have benefitted 29,988 persons living in remote places by way of medical consultation & investigation and medicines have been supplied free of cost. SCCL has extended financial support for establishment of Engineering College by JNTU at Manthani, Karimnagar district. The college started functioning from the academic year 2011-12. About 2,500 illiterate spouses have undergone literacy training during the year taking the total beneficiaries so far to 30,022. 19 students were granted scholarship who secured 500 and above marks in SSC examination.

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 betterment of people of coal belt area. During the year under review the Samithi extended training to 651 candidates in various vocational courses in association with Khadi Gramina Mahila Vidyalaya. 749 candidates were trained in various trades. 231 Project Affected Persons were trained in various trades. In the Yoga & Meditation camps conducted throughout areas 300 persons have participated.

INFORMATION TECHNOLOGY & NETWORKING

Enterprise Resource Planning (ERP) package has been implemented and stabilized in Sales, Materials management, Finance & Payroll modules. Measures are also being taking to introduce other modules of ERP.

SAFETY STATUS

Your Company is putting best efforts for improving the safety in mines. Accident status is as under;

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
2011-12	11	12	322	323	0.23	6.19
2010-11	10	11	283	293	0.21	5.71

Mines rescue services:

Participated in All India Mines Rescue competitions held at Talcher from 24th to 26th February, 2012 and bagged best performance prizes.

HUMAN RESOURCE DEVELOPMENT:

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, Ramagundam (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	2011-12		2010-11	
		Executives	Non-Executives	Executives	Non-Executives
1.	In-house	1,017	775	1,431	900
2.	Within the country	464	171	966	971
3.	Outside the country	44	-	52	6

The manpower of the Company has come down from 67,615 as at the end of previous year to 66,522 by the end of the year under report.

MEASURES FOR CONSERVATION OF ENERGY:

Energy conservation measures like fitting energy efficient LED street lights and Solar water heating system wherever possible are being taken.

The specific energy consumption in KWH/ tonne of coal production has slightly come down during the year under review by 2.29% over the previous year as mentioned below;

Description	2011-12		2010-11		% variance over 2010-11
	Target	Actual	Target	Actual	
Specific energy consumption in KWH/tonne	14.50	12.38	14.50	12.67	-2.29

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

- High wall mining meant for extraction of residual coal in the final high wall of deep opencast mine has been initially introduced at RG OC-II during the month of January 2011 and it is shifted to Medapalli OCP during January, 2012.
- Overburden processing plant has been established at Bhupalpalli on 21.12.2011 for processing OB to make it suitable for stowing in underground mines. As this has been successful, measures are being taken to establish 3 more plants at Kothagudem, Srirampur and Bellampalli. This is first of its kind in India.

PROJECTS AND SCHEMES:

Projects/schemes under implementation:

As at the end of March 2012, there are 24 mining projects, (14 opencast and 10 underground) under various stages of implementation with a sanctioned capital cost of ₹.4574.41 crores. The implementation of 10 projects is as per schedule. Non-availability of land for compensatory afforestation, delay in forest land diversion and environmental clearance are main constraints effecting timely commissioning of projects. 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 2011-12:

Sl.No.	Name of the Project	Capacity per annum	Capital (₹ crores)	Approved/ cleared on
1.	JVR OC-II	4.00	447.06	4.7.11
2.	Kasipet 2 incline	0.47	60.18	4.7.11
3.	RCE of Indaram OCP	1.20	162.78	4.7.11
4.	RCE of KTK OC Sector-I	1.25	91.50	6.2.12

STATUS OF 2X600 MW POWER PROJECT:

Construction of 2x600 MW coal based Thermal Power Plant at Jaipur Mandal of Adilabad District of Andhra Pradesh with an investment of ₹.5,685 crores is in progress. Entire land required for the Power project has been acquired and environmental clearance has been obtained. Consent for Establishment for the power project has been received from AP Pollution Control Board. NoC has been obtained from Airports Authority of India. Water allotment is made by Govt. of AP. The Board of Directors in the meeting held on 12.9.2011 accorded approval for placing order on BHEL for procurement of BTG package. Notification of Award issued to BHEL with zero date of commencement w.e.f., 11.11.2011. NTPC has been appointed as Consultant for pre & post-award consultancy services. Financial closure is achieved for the project. Loan agreement with Power Finance Corporation was signed on 11.10.2011. PPA has been signed with APTRANSCO for sale of 1,050 MW to APDISCOMS and the balance 150 MW would be utilized by SCCL for its own consumption. Tender inviting bids for Balance of Plant package for 2X600 MW STPP through International Competitive Bidding was floated on 16.12.2011. Other works like ground leveling are in progress. Consultancy work for preparation of DPR for railway siding is awarded. Contract for one TMC water supply scheme from Godavari-Shetpally source has been awarded and work is in progress.

For Power evacuation system the proposal for laying 164 Kms., of 400 KV Quad Moose DC line from Power Plant to Gajwel 400 KV substation has been approved by the Board of APTRANSCO and the same was sent to APERC for consent. Tender document is in preparation in APTRANSCO.

PROTECTION OF ENVIRONMENT, ECOLOGY & BIO DIVERSITY:

An Environmental Policy has been evolved and approved by the Board of Directors which reads as under;

"To be a role model in protection of environment for sustainable development; SCCL is committed to implement the best global practices in all its operations through prevention/mitigation of pollution, proper disposal/recycling of wastes and bringing awareness among all the stake holders for continual improvement in environmental performance."

Reclamation of OB dumps is being done concurrent to mining operations. During 2011 plantation was done on OB dumps in 304 Ha., with 7,43,982 saplings, Block plantation in 544 Ha., with 6,97,004 saplings and avenue plantation in 10.5 KMs with 2,355 saplings. The Company has banned usage of plastic carry bags & other plastic materials in all the mining areas, offices, clubs, guesthouses etc.

20 Nos., of Effluent Treatment Plants and 7 Nos., of Sewage Treatment Plants are functioning at different areas.

RESEARCH & DEVELOPMENT:

During the year under review, R&D activities taken up are as under;

In UG mines:

- Strata monitoring studies in Longwall/ shortwall panels, Continuous Miner panel, BG panels, semi-mechanised panels.
- Support design in Continuous Miner panel and depillaring panels.
- Non-destructive testing of critical components of man riding systems.
- Subsidence prediction studies.

In OC mines:

- High resolution seismic studies for prediction of slope failures in dump slopes.
- Stability analysis and design optimization of OB dumps and deep OC mines in association with CSIRO, Australia.

Benefits derived as a result of the above R&D activities are improvement of mine ventilation, production, productivity and percentage extraction of coal.

Future plan of action:

- Conducting strata monitoring studies in UG mines, ventilation studies for critical on-going mines and new projects, formation of S&T projects in co-ordination with CIMFR, NIRM and other National Institutions.
- During 2011-12 expenditure incurred on R & D was ₹.1.68 crores (previous year ₹ 2.18 crores) which amounted to 0.03% of the total turnover.

INTERNAL AUDIT:

The Internal Audit dept., has advised recoveries to the tune of ₹.0.77 crores after conducting audit of different bills during the year under report against the recovery of ₹.1.44 crores advised in the previous year.

The status of compliance of Internal Audit memos as on 31.3.12 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 (₹ lakhs)	No. of memos	Value (₹ lakhs)	No. of memos	Value (₹ lakhs)		
31.3.12	2502	410.05	2161	344.99	341	65.06	86.37	84.13
31.3.11	2162	333.35	1804	262.56	358	70.79	83.44	78.76

VIGILANCE

While 87 cases were pending at the beginning of the year under review, 217 cases were received during the year 2011-12. The Vigilance dept., has submitted reports in 272 cases and 32 cases were pending as on 31.3.12. Based on the reports submitted by the Vigilance department action was taken on 81 employees. The Vigilance reports are being reviewed by the Board of Directors.

SUBSIDIARY

As on 31st March 2012, SCCL continues to hold ₹.1408.27 lakhs of equity amounting to 81.54% in A.P Heavy Machinery & Engineering Ltd., as at the end of previous year. The Board of Directors of your Company have approved for extension of MoU existing with APHMEL from 1.4.2012 to 31.3.2015 with a ceiling limit on order support up to ₹. 100 crores. The MoU facilitates placing purchase orders on APHMEL on previously bench marked prices with price escalation based on RBI indices. During the year 2011-12 the Company has earned a net profit of ₹.719 lakhs as against ₹.494 lakhs earned in the previous year. A copy of audited accounts of the Company for the year 2011-12 are attached in compliance with the provisions of Section 212 of the Companies Act, 1956.

JOINT VENTURE COMPANY

NTPC has agreed for awarding the contract for development & operation of Talaipalli coal block, Chhattisgarh to NTPC-SCCL Global Ventures Private Limited, a JV Company floated along with NTPC. Business model for the same is under finalisation.

CONTRACT MINING ACTIVITIES:

As per the direction of Govt., of AP, APGENCO entrusted to SCCL the task of development & coal mining in Tadicherla-coal block, Bhoopalpalli. Pre-mining activities are nearing completion.

Govt., of AP directed APMDC to have Joint Venture with SCCL for exploration and mining of coal from Suliyari-Belwar coal block in Madhya Pradesh. Business model for the same is being finalised with APMDC. Pre-mining activities are in progress.

CONSULTANCY SERVICES:

During the year under report your Company has extended consultancy services to Damodar Valley Corporation, NMDC, APMDC, NTPC, BCCL mainly in the fields of exploration, training, preparation of geological/feasibility reports/ mining plans.

MMTC Ltd approached SCCL to partner with them in UG coal mining of a coal block named Gomia. Preliminary discussions are going on.

NEW BUSINESS INITIATIVES:

MoU with ONGC for co-operation in Underground Coal Gassification, Surface Coal Gassification and Coal Bed Methane has been extended for five years. An IGCC Power Plant is being planned by ONGC for which Techno-Economic Feasibility report is under preparation.

An agreement has been reached with Heavy Water Board, Mumbai to partner in the captive power plant at Manuguru in augmenting the plant capacity from the existing 50 MW to 150 MW.

PARTICULARS OF EMPLOYEES IN RECEIPT OF ₹.5 LAKHS PER MONTH OR ₹.60 LAKHS PER ANNUM:

During the year under review 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 2011-12, 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.

COST ACCOUNTING RECORDS:

As per the Company's (Cost Accounting Records) Rules, 2011 issued by Ministry of Corporate Affairs, maintenance of cost accounting records has been made mandatory for certain companies and SCCL is falling within the purview of the said Rules. Your Company has taken necessary steps for complying with the Rules.

AUDIT COMMITTEE:

Audit committee of the Company consists of all non-executive Directors (numbering 5) viz., Sri V. Bhaskar, Principal Finance Secretary, Finance Dept., Govt. of A.P, Sri Dinesh Kumar, Principal Secretary, Energy Dept., GoAP, Sri D.C. Garg, Chairman-cum-Managing Director, Western Coalfields Ltd., and Sri Anil Kapoor, Director(Finance), 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.

UNPAID DIVIDEND:

An amount of ₹.8177.00 is lying in the "Unpaid Dividend Account for the Year 2004-05". The amount becomes due for credit to Investor Education and Protection Fund and the same will be remitted to the Fund within the due date as per the provisions of the Companies Act, 1956.

DIRECTORS:

Govt., of AP appointed Sri Sutirtha Bhattacharya as C&MD of the Company for a period of 2 years from 10.5.2012. 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 was up to 17.9.2012. On his appointment as CMD, Coal India Limited he relinquished the charge of the post on 23.4.2012(AN) and Sri Dinesh Kumar, Principal Secretary, Energy dept., held the charge of the post of C&MD from 23.4.2012(AN) to 10.5.2012.

Sri J.V.Dattatreyyulu is continuing as Director (Operations).

Sri S. Vivekanand, IRAS who has been appointed as Director (Finance) for a period of 2 years w.e.f.3.9.2010 is continuing and his term is extended up to 30.8.2013.

Sri B.Ramesh Kumar, who has been appointed as Director (Planning & Projects) for a period of 2 years w.e.f., 13.6.2011 is continuing.

Sri T.Vijaya Kumar, IAS who has been appointed as Director (P.A&W) for a period of 2 years w.e.f.,3.8.2011 is continuing.

Sri P.Viswanadharaju, GM(E&M) has been appointed as Director (Electrical&Mechanical) for a period of 2 years w.e.f.,12.11.2011.

Sri V.Bhaskar, Prl. Finance Secretary, Finance dept., Govt. of A.P has been appointed as Director w.e.f.,1.7.2011.

Sri Dinesh Kumar, Prl. Secretary, Energy dept., Govt. of A.P has been appointed as Director w.e.f. 16.8.2011.

Sri D.C.Garg, C-MD, WCL is continuing as Director.

Sri Anil Kapoor, Director (Finance), Ministry of Coal, Govt. of India has been appointed as Director w.e.f., 28.7.2011.

Sri Sharad Kumar Ghodke, Director, Ministry of Coal, Govt. of India ceased to be a Director w.e.f., 30.6.2012.

Sri V.Bhaskar, 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 services rendered by Sri S. Narsing Rao during his tenure as Chairman & Managing Director of the Company and Sri Sharad Kumar Ghodke as Director.

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-

- in the preparation of the annual accounts the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- 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 2011-12 and of the profit of the Company for that period;
- 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;
- Annual accounts have been prepared on a going concern basis.

ACKNOWLEDGEMENTS :

Your Directors thankfully acknowledge 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 express their heartfelt thanks for the confidence and support received from the valued customers, bankers & financial institutions and all stake holders of the Company. Your Directors convey their gratefulness for 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 and appreciation 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/-

(Sutirtha Bhattacharya)

Chairman & Managing Director

Date : 29.8.2012
Place : Hyderabad

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF SINGARENI COLLIERIES COMPANY LIMITED FOR THE YEAR ENDED 31 MARCH 2012.

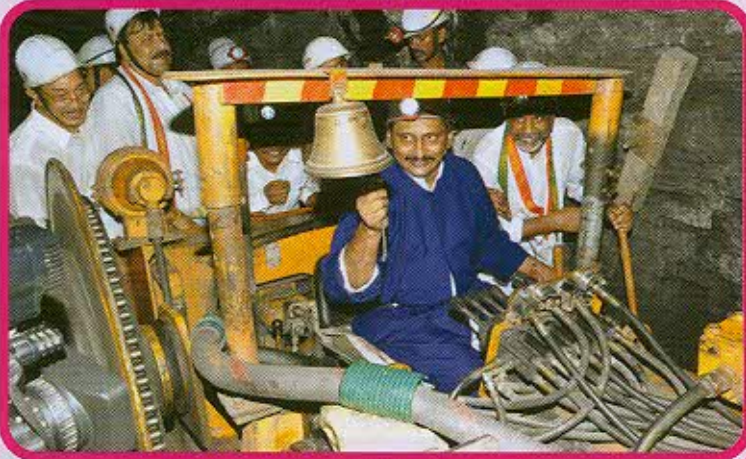
The preparation of financial statements of Singareni Collieries Company Limited for the year ended 31 March 2012 in accordance with financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the Company. The statutory auditors appointed by the Comptroller 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 24.7.2012.

I, on the 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 Singareni Collieries Company Limited for the year ended 31 March 2012. 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 and Auditor General of India
Sd/-
(K.R.Sriram)
Pr. Accountant General (ERSA), Andhra Pradesh

Date: 31.8.2012

Place: Hyderabad.



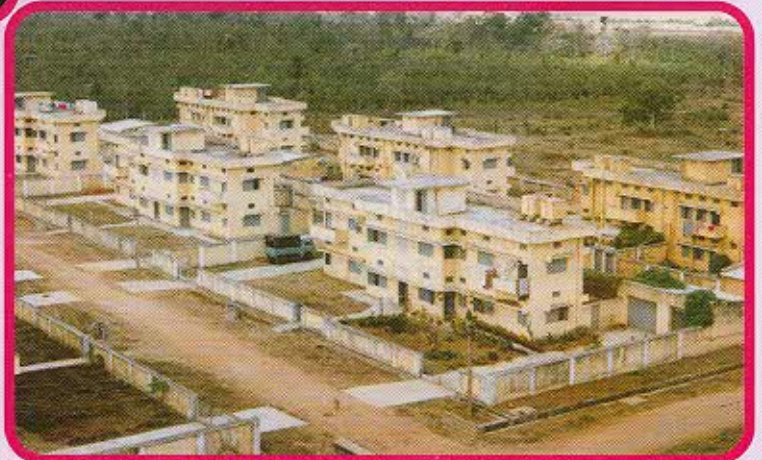
**Hon'ble Chief Minister of AP
Sri N.Kiran Kumar Reddy
inspecting the Safety Features of
Side Discharge Loader in
Prakasham Khani-1 incline at Manuguru area.**

Exploratory drilling to enhance coal resource base



**A Panaromic view of green environment at
residential colony at Godavarikhani**

An integrated township of employees





Sri Sutirtha Bhattacharya, IAS, C & MD, SCCL & Smt. Vijayalaxmi Joshi, IAS, CMD, MMTC exchanging MoU at New Delhi for Development and Operation of 'Gomia' Coal block

Sri Sutirtha Bhattacharya, IAS, C & MD, SCCL & Sri B.P.Rao, CMD BHEL entering into BTG Contract Agreement at Hyderabad for setting up of 2x600 MW STPP at Jaipur, Adilabad Dist.



Sri Suresh, CGM (Marketing), SCCL & Sri T. Prabhakar Rao, Director (Coal & Logistics), APGENCO signing Fuel Supply Agreement.



Sri B. Ramesh Kumar, Director (P&P) exchanging MoU with ONGC delegates in New Delhi for development of clean energy resources.



AUDITORS' REPORT

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, 2012, Statement of Profit & Loss 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.5 of Long term provisions include provision for backfilling of final void of Rs.3180.12 Crore read with Note No. 33.12 (i) of Additional Notes which includes charge to current year's profit of Rs.1192.12 Crore respectively being based on technical assessment, we are unable to express our opinion on the adequacy and correctness of the aforesaid provision.

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

Ministry of Environment & Forests while issuing Environmental clearance for the project has been stipulating that the depth of final void in an opencast mine should be reduced to 30 / 35 / 40 meters' as the case may be from the surface. This can be done either by re-handling Overburden (OB) from external/ internal dumps or by dumping OB from the adjacent / relay projects. In case of relay projects, the back filling of void is done at the time of OB removal and no provision is separately required. In case of other projects provision has been made up to 31.3.12 for Rs.3180.12 crore (including provision of Rs.1988 crore made up to previous year) considering the estimated depth of void to be filled by re-handling OB from external/ internal dumps at weighted average OB removal rate of Company for the year considering off-loading and Company operations in the same proportion.

In view of the above, provision is made as per the best estimate.

AUDITORS' REPORT (Contd..)

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, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion the Balance Sheet, Statement of Profit and Loss 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 read together with the Significant Accounting Policies and notes thereon 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, 2012;
 - ii. in the case of the Statement of Profit & Loss, 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
(Registration No.000125S)
Sd/-
(M.V.Ranganath)
Partner (M.No.028031)

Date : 24.7.2012
Place : Hyderabad

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

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For and on behalf of the Board
Sd/-
(Sutirtha Bhattacharya)
Chairman & Managing Director

Date : 27.8.2012
Place : Hyderabad

ANNEXURE TO AUDITORS' REPORT

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

- i.
 - a. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b. According to the information and explanations given to us, 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, during the year, the management has carried out physical verification of fixed assets and discrepancies noted have been properly dealt with in the books of account.
 - c. The Company has not disposed off any substantial part of its fixed assets so as to affect its going concern status.
- ii.
 - a. The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - 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.
 - 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 adjusted in the books of account.
- 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.
 - 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.
- 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.

Management reply on the audit observations

(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.

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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.
- vii. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii. We have broadly reviewed the books of account maintained by the company pursuant to the Order made by the Central Government for the maintenance of Cost Records under Section 209 (1) (d) of the Companies Act, 1956, and are of the opinion that prima facie the prescribed accounts and records have been maintained. We have not however, made a detailed examination of the records with the view of determine whether they are complete.
- 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.
- 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, wealth tax and cess etc, as at 31st March, 2012 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.

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.

ANNEXURE TO AUDITORS' REPORT (Contd.)

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

Name of the Statute	Nature of the Dues	Amount not deposited (₹. in lakh)	Financial Year	Forum where dispute is pending
APGST Act, 1957	Sales tax	614.65	2000-01 to 2004-05	Sales Tax Appellate Tribunal
AP VAT, ACT, 2005	VAT	2.82	2005-06	Sales Tax Appellate Tribunal
APGST Act, 1957	Sales tax	43.74	2001-02	High Court of Andhra Pradesh
APGST Act, 1957	Sales tax	54.20	2004-05	High Court of Andhra Pradesh
AP Electricity Duty Act & Rules, 1939	Electricity Duty	1921.17	April'85 to March'12	High Court of Andhra Pradesh
Entry Tax Act, 2001	Entry Tax	15.71	2003-04	High Court of Andhra Pradesh
Entry Tax Act, 2001	Entry Tax	598.54	2007-08 & 2008-09	High Court of Andhra Pradesh
Entry Tax Act, 2001	Entry Tax	8315.45	From 2009-10 to 2011-12	AC(CT) Warangal, Andhra Pradesh
Entry Tax Act, 2001	Entry Tax	209.46	Various years upto 2010-11	High Court of Andhra Pradesh
Central Sales Tax Act, 1956	Central Sales Tax	43.91	2007-08	ADC (CT), Warangal, Andhra Pradesh
Finance Act 1994/Central Excise Act, 1944	Interest on alleged availment of Cenvat Credit of Service Tax	1382.18	2006-07 to 2008-09	CESTAT, Bangalore
Income-tax Act, 1961	Income-tax	282.58	2007-08 & 2008-09	CIT (Appeals), Vijayawada
Income-tax Act, 1961	Fringe Benefit Tax	112.47	From 2005-06 to 2007-08	CIT (Appeals), Vijayawada
Irrigation & CAD Department	Cess Charges (Royalty)	202.56	From 2003-04 to 2007-08	Irrigation & CAD Department

- 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.

Management reply on the audit observations (Contd.)

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

The appeals pending at various stages are being contested by the Company with the help of professional firms wherever necessary for an early and favourable settlement.

ANNEXURE TO AUDITORS' REPORT (Contd..)

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

- | | |
|---|---|
| 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) of 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. |
| 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. | This being a statement of fact calls for no comment separately. |
| 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. | This being a statement of fact calls for no comment separately. |
| 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. | This being a statement of fact calls for no comment separately. |
| 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. | This being a statement of fact calls for no comment separately. |
| xix. The Company has not issued any debentures during the year. | This being a statement of fact calls for no comment separately. |
| 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. | This being a statement of fact calls for no comment separately. |
| xxi. According to the information and explanations given to us, during the year fraud aggregating to Rs.126.45 Lakh has been reported, as detailed here under, on the company; | This being a statement of fact calls for no comment separately. |

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.

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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)

Sl. No	Nature of the fraud	Amount involved (₹ in lakh)
1.	Pilferage of coal	3.17
2.	Pilferage/theft of ferrous & non ferrous scrap/diesel	3.57
3.	Illegal storage of cement bags by the civil contractor	0.05
4.	Fake dependents seeking job/monthly monetary compensation lump sum amount	50.00
5.	Diversion of coal by firms	19.33
6.	Monthly Monetary Compensation Fraudulently Claimed	2.64
7.	Fake birth certificates submitted by two employees intend to get benefit of additional service.	46.00
8.	Employees worked over and above the sanctioned duration.	0.45
9.	Non-advise for recovery of contractors' vehicle repairs by Auto Workshop.	0.96
10.	Other frauds by employees	0.28

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

For M/s.M. Anandam & Co.,
Chartered Accountants
(Registration No. 000125S)
Sd/-
(M.V.Ranganath)
Partner (M.No.028031)

Date : 24.7.2012
Place : Hyderabad

Management reply on the audit observations (Contd..)

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

Vigilance department is conducting surprise inspections regularly to curb pilferages/ misappropriation of the property of the company.

For and on behalf of the Board
Sd/-
(Sutirtha Bhattacharya)
Chairman & Managing Director

Date : 27.8.2012
Place : Hyderabad

Balance Sheet as at 31st March 2012

(₹ in Crore)

Particulars	Note	2011-2012		2010-2011	
I. EQUITY AND LIABILITIES					
1. Shareholders' Funds					
a) Share Capital	1	1,733.20		1,733.20	
b) Reserves & Surplus	2	1,399.55	3,132.75	1,142.00	2,875.20
2. Non-current Liabilities					
(a) Long-term borrowings	3	616.61		331.67	
(b) Other long term liabilities	4	283.31		285.64	
(c) Long-term provisions	5	5,673.10	6,573.02	3,432.32	4,049.63
3. Current Liabilities					
(a) Short-term borrowings	6	9.51		523.40	
(b) Trade payables	7	318.53		252.98	
(c) Other current liabilities	8	1,886.46		1,252.17	
(d) Short-term provisions	9	756.63		632.77	
			2,971.13		2,661.32
Total			12,676.90		9,586.15
II. ASSETS					
1. Non-Current assets					
(a) Fixed Assets	10				
(i) Tangible Assets		3,134.31		3,147.32	
(ii) Intangible Assets		351.75		391.50	
(iii) Capital Work-in-Progress	10.1	320.55		146.97	
(iv) Intangible Assets under Development	10.2	298.64		212.83	
(b) Non-current Investments	11	23.13		23.20	
(c) Deferred tax assets (net)	11.1	1,773.30		1,031.05	
(d) Long-term loans and advances	12	1,038.40	6,940.08	831.24	5,784.11
2. Current Assets					
(a) Inventories	13	575.97		473.53	
(b) Trade Receivables	14	802.59		320.48	
(c) Cash and cash equivalents	15	3,711.67		2,758.46	
(d) Short-term loans and advances	16	549.40		204.17	
(e) Other current assets	17	97.19		45.40	
			5,736.82		3,802.04
Total			12,676.90		9,586.15
Significant Accounting Policies	32				
Additional Notes	33				

Notes referred to above form an integral part of the Financial Statements

Sd/- (J.Rama Krishna) G.M(C.A)& Company Secretary	Sd/- (M.Krishna Mohan) General Manager (F & A)	Sd/- (S.Vivekanand) Director (Finance)	For and on behalf of the Board Sd/- (Sutirtha Bhattacharya) Chairman & Managing Director
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Date : 24.7.2012
Place : Hyderabad

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

Date : 24.7.2012
Place : Hyderabad

Sd/-
(M.V.Ranganath)
Partner (M.No.28031)

Statement of Profit & Loss for the year ended 31st March 2012

(₹ in Crore)

Particulars	Note	2011 - 12	2010 - 11
INCOME			
Revenue from operations	18	9,316.44	8,215.16
Other Income	19	500.11	244.12
Total		9,816.55	8,459.28
EXPENSES			
Cost of Materials consumed	20	1,634.92	1,541.05
Changes in Inventories	21	(98.31)	(101.06)
Employee benefits expenses - Salaries and Wages	22	4,063.60	2,966.23
Employee benefits expenses - Staff Welfare Expenses	24	96.26	207.68
Power & Fuel	23	249.90	241.05
Repairs & Maintenance	25	78.10	69.71
Contractual Expenses	26	918.99	934.94
Finance Costs	27	34.46	26.78
Depreciation and Amortization expense	10	358.44	353.54
Provisions	28	3.84	1.06
Write offs	29	56.88	32.90
Other expenses	30	102.68	107.98
Voluntary Retirement Compensation		0.01	0.02
Overburden Adjustment		496.31	442.83
Provision for Back filling (Note No.33.12.i)		1,192.12	991.00
Provision for Mine Closure Activity (Note No.33.12.ii)		59.39	106.90
Total		9,247.59	7,922.61
Profit before exceptional and extraordinary items and tax		568.96	536.67
Exceptional items (Net)	31	6.02	(5.37)
Profit before extraordinary items and tax		562.94	542.04
Tax expense:			
(1) Current tax		972.86	786.60
(2) Deferred tax		(742.25)	(587.55)
(3) Earlier years taxes		(25.93)	(8.38)
Profit for the year		358.27	351.37
Basic and Diluted Earnings per Share (Rs.) (Note No.33.6)		2.07	2.03
Significant Accounting Policies	32		
Additional Notes	33		

Notes referred to above form an integral part of the Financial Statements

Sd/- (J.Rama Krishna) G.M(C.A)& Company Secretary	Sd/- (M.Krishna Mohan) General Manager (F & A)	Sd/- (S.Vivekanand) Director (Finance)	For and on behalf of the Board Sd/- (Sutirtha Bhattacharya) Chairman & Managing Director
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Date : 24.7.2012
Place : Hyderabad

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

Date : 24.7.2012
Place : Hyderabad

Sd/-
(M.V.Ranganath)
Partner (M.No.28031)

Cash flow statement for the year ended 31st March, 2012

(₹ in Crore)

Sl. No.	Particulars	2011-12		2010-11	
A	CASH FLOW FROM OPERATING ACTIVITIES				
	Profit before Tax and Prior Period adjustments		568.96		536.67
	Adjustments For				
	Depreciation	358.44		354.12	
	Assets written off	43.95		27.58	
	Provisions Written back	(43.53)		(5.84)	
	Interest income on investments	(0.85)		(0.85)	
	Interest income on Deposits and Others	(394.72)		(162.52)	
	Interest expense	34.47		26.78	
	Foreign Exchange loss	2.66		1.03	
	Exceptional items (Net)	(7.32)		5.21	
			(6.90)		245.51
	Operating profit before working capital changes		562.06		782.18
	Adjustments towards changes in				
	Inventories	(102.44)		(125.23)	
	Trade Receivables, Loans & Advances and				
	Other Current Assets	(1086.29)		(805.39)	
	Short term and Long term Provisions	2464.60		1974.43	
	Trade payables and Current and Long term liabilities	697.51		239.80	
	Taxes paid including TDS	(1006.02)		(758.48)	
			967.36		525.13
	Net Cash flow from operating activities (A)		1529.42		1307.31
B	CASH FLOW FROM INVESTING ACTIVITIES				
	Increase in fixed assets				
	(including Capital Work-in-progress)	(607.65)		(631.65)	
	Interest Income	0.85		0.85	
	Interest Income on Deposits and Others	394.72		162.52	
	Cash flow from investing activities (B)		(212.08)		(468.28)

Cash flow statement for the year ended 31st March, 2012 (contd..)

(₹ in Crore)

Sl. No.	Particulars	2011-12		2010-11	
C	CASH FLOW FROM FINANCING ACTIVITIES				
	Long-term borrowings	351.28		0.00	
	Repayment of Government of India Loan	(66.33)		(66.33)	
	Demand Loan from banks	-		495.00	
	Repayment of Demand loan	(495.00)		-	
	Changes in Cash Credit	(18.89)		28.40	
	Interest expense	(34.47)		(26.78)	
	Dividend paid	(86.66)		(69.33)	
	Dividend Tax paid	(14.06)		(11.51)	
	Cash flow from Financing activities (C)		(364.13)		349.45
D	Net increase in cash and cash equivalents (A+B+C)		953.21		1188.48
E	Cash & cash equivalents at the beginning of the year		2758.46		1569.98
F	Cash & cash equivalents at the end of the year (D+E)		3711.67		2758.46

Notes referred to above form an integral part of the Financial Statements

For and on behalf of the Board

Sd/-	Sd/-	Sd/-	Sd/-
(J.Rama Krishna)	(M.Krishna Mohan)	(S.Vivekanand)	(Sutirtha Bhattacharya)
G.M(C.A)& Company Secretary	General Manager (F & A)	Director (Finance)	Chairman & Managing Director

Date : 24.7.2012
Place : Hyderabad

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

Date : 24.7.2012
Place : Hyderabad

Sd/-
(M.V.Ranganath)
Partner (M.No.28031)

Notes to Financial Statements as at 31st March 2012

NOTE - 1

SHARE CAPITAL

(₹ in Crore)

Particulars	2011 - 12	2010 - 11
AUTHORIZED 180,00,00,000 Equity Shares of Rs.10/ each	1,800.00	1,800.00
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)	1,733.20	1,733.20
TOTAL	1,733.20	1,733.20

NOTE - 1.1

The Details of Shareholders holding more than 5%:

Name of the Shareholder	2011 - 12		2010 - 11	
	No. of Shares	% Held	No. of Shares	% Held
Government of Andhra Pradesh	88,55,99,147	51.0962	88,55,99,147	51.0962
Government of India	84,75,60,000	48.9015	84,75,60,000	48.9015

NOTE - 2

RESERVES & SURPLUS

(₹ in crore)

Particulars	2011 - 12		2010 - 11	
GENERAL RESERVE				
Opening balance	760.40		660.40	
Add: Transfer from Surplus	100.00		100.00	
Closing balance		860.40		760.40
SURPLUS				
Opening Balance	381.60		230.95	
Add : Net Profit for the Year	358.27		351.37	
Less: Proposed Dividend	86.66		86.66	
Less: Corporate Dividend Tax	14.06		14.06	
Less: Transfer to General Reserve	100.00		100.00	
Closing Balance		539.15		381.60
TOTAL		1,399.55		1,142.00

Notes to Financial Statements as at 31st March 2012 (contd.)

NOTE - 3

LONG TERM BORROWINGS

(₹ in crore)

Particulars	2011 - 12	2010 - 11
Term Loans		
Secured		
From Government of India	265.34	331.67
From Power Finance Corporation (PFC)	351.27	0.00
TOTAL	616.61	331.67

- 3.1 (i) Loan from Government of India is secured by a first charge created by equitable mortgage on the entire immovable assets of the Company, except 300 acres of free hold land required for employee welfare. This loan is also guaranteed by Govt. of Andhra Pradesh as per Tripartite agreement dated 19th October, 2004.
- (ii) This loan is interest free loan and repayable in five annual instalments of Rs.66.33 Crore each.
- 3.2 (i) Loan from Power Finance Corporation is secured by an exclusive first charge by hypothecation of all movable fixed assets (including movable equipment, equipment spares, tools and accessories, fuel stock, spares and materials) at project site, present and future with the prescribed coverage ratio (presently 1.1 times) and an exclusive second charge by way of mortgage on all immovable fixed assets, present and future. Further the PFC shall have an exclusive first charge on the project assets movable and immovable on repayment of Govt. of India loan as explained in Note 3.1.
- (ii) This Loan is repayable in forty eight equal quarterly instalments of Rs.7.32 Crore each from July, 2015. Interest on this loan is payable at 11% p.a (with three year reset option).

NOTE - 4

OTHER LONG - TERM LIABILITIES

(₹ in crore)

Particulars	2011 - 12	2010 - 11
(a) Trade Payables	27.70	22.76
(b) Others		
Deposits from Coal Customers	177.63	174.45
Deposits from Others	1.43	1.58
Commitment Deposit from Coal Customers	38.84	38.84
Deposits from Suppliers & Contractors	37.71	48.01
	255.61	262.88
TOTAL	283.31	285.64

(₹ in crore)

	2011 - 12	2010 - 11
4.1 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.	25.05	26.80

Notes to Financial Statements as at 31st March 2012 (contd.)

NOTE - 5

LONG-TERM PROVISIONS

(₹ in crore)

Particulars	2011 - 12		2010 - 11	
(a) Provision for Employee Benefits (Unfunded)				
Gratuity	1,171.59		503.29	
Leave Encashment	309.35		196.94	
Monthly Monetary Compensation & Low Productive Employee Compensation	60.53	1,541.47	97.96	798.19
(b) Others				
Overburden Removal Provision (Net of Advance Action Rs.568.01 Crore, Previous Year Rs.480.18 Crore)	785.22		539.23	
Back Filling (Note-33.12)	3,180.12		1,988.00	
Mine Closure (Note-33.12)	166.29		106.90	
		4,131.63		2,634.13
TOTAL		5,673.10		3,432.32

NOTE - 6

SHORT-TERM BORROWINGS

(₹ in crore)

Particulars	2011 - 12	2010 - 11
Loans payable on demand - from Banks		
Secured :		
Cash Credit	9.51	28.40
Demand Loans	0.00	495.00
TOTAL	9.51	523.40

6.1 Cash Credit - Secured by first charge in favour of participating banks ranking pari-passu on the stocks & receivables and other Current Assets.

6.2 Demand loans - Secured by pledge of Special Term Deposit Receipts Rs.Nil (Previous year Rs.550 Crore).

NOTE - 7

TRADE PAYABLES

(₹ in crore)

Particulars	2011 - 12	2010 - 11
(a) Due to Micro, Small & Medium Enterprises	0.92	2.04
(b) Due to Subsidiary - Andhra Pradesh Heavy Machinery & Engineering Limited (APHMEL)	7.61	9.74
(c) Due to Others (net of Advances against Stores-in-Transit)	310.00	241.20
TOTAL	318.53	252.98

Notes to Financial Statements as at 31st March 2012 (contd.)

NOTE - 8

OTHER CURRENT LIABILITIES

(₹ in crore)

Particulars	2011 - 12	2010 - 11
(a) Current maturities of long-term debt (Government of India Loan) Refer Note No.3.1 (i)	66.33	66.33
(b) Interest accrued but not due on borrowings	0.00	0.84
(c) Unclaimed dividends	-	-
(d) Other payables		
(i) Salary Wages (including NCWA-IX Provision for current year)	593.87	159.41
(ii) Others		
- Recoveries from employees	98.17	82.08
- Recoveries from Coal Customers (Statutory Dues)	140.08	110.23
- Recoveries from Contractors	75.43	81.24
- Deposits from Vendors	36.94	15.55
- Advances from Coal Customers & Others	826.31	722.74
- Overdraft in Current Account	3.71	4.30
- Creditors for Capital Expenditure	45.62	9.45
	1,226.26	1,025.59
TOTAL	1,886.46	1,252.17

(₹ in crore)

	2011 - 12	2010 - 11
8.1 Recoveries from Coal Customers does not include Royalty on Closing Stock of Coal of 30.37 Lakh Tonnes (Previous Year 24.06 Lakh Tonnes) which will be transacted in Books on despatch of coal as per consistent practice.	35.97	28.31

Notes to Financial Statements as at 31st March 2012 (contd.)

NOTE - 9

SHORT-TERM PROVISIONS

(₹ in crore)

Particulars	2011 - 12		2010 - 11	
(a) Provision for employee benefits				
Gratuity (unfunded)	1.41		211.31	
Leave Encashment (unfunded)	27.54		28.70	
Monthly Monetary Compensation (unfunded)	14.00		13.88	
Superannuation Benefit	79.28		41.35	
Post Super Annuation Medical Benefit	32.23		24.18	
Performance Related Pay	56.50		0	
Performance Linked Bonus/ Performance Linked Reward	137.67		96.00	
Corporate Special Incentive	57.25		56.00	
		405.88		471.40
(b) Others				
Corporate Tax (Net of Advance Tax & TDS Rs.2201.10 Crore. Previous Year Rs.1526.42 Crore)	1.39		60.47	
Proposed Dividend	86.66		86.66	
Tax on Dividend	14.06		14.06	
Shale & Stone	0.99		0.18	
Overburden Removal Provision	247.65		0.00	
		350.75		161.37
TOTAL		756.63		632.77

9.1 Performance Related Pay for the period 2007-08 to 2011-12 payable to Executives of the Company as part of Revised Pay Package, which was adopted by Company on par with CPSUs. The issue has been deliberated by Board and referred to Govt. of Andhra Pradesh.

Notes to the financial statements as at 31st March, 2012

NOTE - 10

FIXED ASSETS
Tangible Assets

	(₹. in Crore)											
	Gross block				Depreciation/ amortisation				Provisions for diminution in value of assets		Net block	
	As at 31.3.2011	Additions during the year	Adjustments/ deductions	As at 31.3.2012	Up to 31.3.2011	for the year	Adjustments/ deductions	Up to 31.3.2012	As at 31.3.2011	As at 31.3.2012	As at 31.3.2011	As at 31.3.2012
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	
1. Lands												
i) Freehold	324.06	56.32	2.53	382.91	3.27	-	-	3.27	-	-	379.64	320.79
ii) Leasehold	363.73	11.64	(2.53)	372.84	110.80	36.33	(1.27)	145.86	-	-	226.98	252.93
2. Buildings:												
i) Factory	93.88	5.36	(3.63)	95.61	31.23	3.21	(1.21)	33.23	-	-	62.38	62.65
ii) Others	781.77	30.80	(5.72)	806.85	138.09	12.86	(1.87)	149.08	0.03	0.03	657.74	643.65
3. Railway sidings	36.99	0.25	-	37.24	20.48	1.21	-	21.69	-	-	15.55	16.51
4. Plant & Equipment	3823.63	216.18	(233.57)	3806.24	2005.86	248.32	(195.89)	2058.29	0.61	0.52	1747.43	1817.16
5. Furniture & Fixtures	10.87	1.99	(0.61)	12.25	8.43	0.44	(0.61)	8.26	-	-	3.99	2.44
6. Vehicles	33.70	13.15	(4.15)	42.70	23.68	2.93	(4.30)	22.31	-	-	20.39	10.02
7. Office Equipment	44.17	4.27	(2.47)	45.97	22.99	5.12	(2.36)	25.75	-	-	20.21	21.17
Total	5512.80	339.96	(250.15)	5602.61	2364.83	310.42	(207.51)	2467.74	0.64	0.55	3134.31	3147.32
Previous year	5311.47	635.41	(434.08)	5512.80	2475.90	301.43	(412.50)	2364.83	0.26	0.64	3147.32	2835.31

Notes to the financial statements as at 31st March, 2012

NOTE - 10 (Contd.)**FIXED ASSETS**
Tangible Assets

	(₹ in Crore)											
	Gross block				Depreciation/ amortisation				Provisions for diminution in value of assets		Net block	
	As at 31.3.2011	Additions during the year	Adjustments/ deductions	As at 31.3.2012	Up to 31.3.2011	for the year	Adjustments/ deductions	Up to 31.3.2012	As at 31.3.2011	As at 31.3.2012	As at 31.3.2011	As at 31.3.2012
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	
1. ERP - Software	17.30	-	-	17.30	9.49	3.46	-	12.95	-	-	4.35	7.81
2. Mine development	906.25	20.19	(1.20)	925.24	522.56	57.20	(1.91)	577.85	-	-	347.40	383.69
Total	923.55	20.19	(1.20)	942.54	532.05	60.66	(1.91)	590.80	-	-	351.75	391.50
Previous year	941.02	23.12	(40.59)	923.55	502.35	64.94	(35.24)	532.05	-	-	391.50	438.67
Total	6436.35	360.15	(251.35)	6545.15	2896.88	371.08	(209.42)	3058.54	0.64	0.55	3486.06	3538.82
Previous year	6252.49	658.53	(474.67)	6436.35	2978.25	366.37	(447.74)	2896.88	0.26	0.64	3538.82	3273.98

10 (i). Claims in respect of suits filed by the Pattadars for additional compensation for Acres:8326, Guntas:21¼ (Previous year: Acres 7777, Guntas .05) contested by the Company and pending in Courts. Amount not quantifiable

10(ii). Land measuring Acres:717, Guntas:12½ (Previous year Acres 790 Guntas 15½) shown under Fixed Assets has not been registered in the name of the Company. Amount not quantifiable.

10(iii). Land measuring Acres: 63, Guntas:18 (Previous year Acres: 63, Guntas: 18) is in Company's possession not reflected in Accounts since acquisition proceedings are not completed.

10(iv). Land measuring Acres: 5.00 shown under Fixed Assets, for the land handed over to Ramagundam Municipality since the matter pending with the District Collector for fixing the market value.

10(v). Freehold lands include assigned lands.

10(vi). Buildings - Others include Rs.6.27 Crore (Previous year Rs.0.48 Crore) grants against Roads receivable from Coal Conservation Development Advisory Committee.

10(vii). Depreciation for the year Rs.371.09 Crore includes - Capitalised Depreciation of Rs.12.18 Crore (Previous Year Rs.12.26 Crore)

- Internal Job works: Rs.0.47 Crore (Previous Year Rs.0.58 Crore)

- Revenue Charge: Rs.358.44 Crore (Previous Year Rs.353.54 crore)

Notes to the financial statements as at 31st March, 2012

NOTE - 10.1

CAPITAL WORKS-IN-PROGRESS

(₹ in Crore)

	Balance as at 31.3.2011	Additional expenditure	Deletions/ adjustments	Balance as at 31.3.2012
I. Lands	2.02	72.05	67.96	6.11
II. Buildings				
a) Factory	1.29	39.58	5.36	35.51
b) Others	24.12	20.32	30.80	13.64
III. Plant & Equipment (including in transit)	119.53	365.91	220.70	264.74
IV. Furniture & Fixtures	0.01	1.99	1.99	0.01
V. Vehicles	0.00	13.69	13.15	0.54
Total	146.97	513.54	339.96	320.55
Previous year's total	248.32	534.55	635.90	146.97

- 10.1 (i) Plant & Equipment - includes Road Header imported from WIRTH GmbH, Germany in Oct, 2009 pending DGMS approval. Value Rs.15.89 Crore (Previous year Rs.15.89 Crore)

NOTE - 10.2

INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in Crore)

	Balance as at 31.3.2011	Additional expenditure during the year	Deletions/ adjustments during the year	Balance as at 31.3.2012
Mine Development	212.83	106.69	20.88	298.64
Total	212.83	106.69	20.88	298.64
Previous year's total	126.20	109.75	23.12	212.83

- 10.2 (i) Mine Development - includes Rs.40.45 Crore paid to Irrigation Department for diversion of NTR canal at JVR OC, Sattupalli (Previous Year Rs.40.45 Crore).

Notes to the financial statements as at 31st March, 2012

NOTE - 11

NON-CURRENT INVESTMENTS

(₹ in crore)

Particulars	2011 - 12		2010 - 11	
Non-Trade Investments				
(A) Investment in Equity instruments				
Quoted, fully paid-up Shares				
14750 Laxmi Porcelains Ltd of Rs.10/- each	0.01		0.01	
Less: Provision for Diminution in the value of Investments	0.01	0.00	0.01	0.00
Unquoted, fully paid-up Shares				
Investments in Co-operative Societies				
1,86,214 Singareni Collieries Co-operative Central Stores Ltd of Rs.10/- each		0.19		0.19
Investment in Joint Venture				
50,000 NTPC-SCCL Global Ventures Pvt. Ltd of Rs.10/- each		0.05		0.05
Investment in Subsidiary				
(i) 91,80,000 Andhra Pradesh Heavy Machinery & Engineering Limited of Rs.10/- each		9.18		9.18
(ii) 49,02,700 APHMEL of Rs.10/- each for total consideration of Re.1/-		0.00		0.00
(B) Investments in debentures or bonds				
Quoted, fully paid-up				
100 - 8.50% APSFC-Non SLR Bonds (Series II/2008) of Rs.10 lakhs each.		10.00		10.00
(C) Investment Properties		3.71		3.78
TOTAL		23.13		23.20

NOTE - 11.1

DEFERRED TAX ASSET (NET)

(₹ in crore)

Particulars	2011 - 12	2010 - 11
(A) Deferred tax asset:		
Back filling & Mine Closure plan	1085.74	695.87
Gratuity	378.67	235.46
Other Employee Benefits	226.90	151.94
VRS Amortisation	31.85	66.83
Overburden Removal	335.05	178.16
Total (A)	<u>2058.21</u>	<u>1328.26</u>
(B) Deferred Tax Liability:		
Depreciation	284.91	297.21
Total (B)	<u>284.91</u>	<u>297.21</u>
Deferred Tax Asset (A-B)	1773.30	1031.05

Notes to the financial statements as at 31st March, 2012

NOTE - 12

LONG-TERM LOANS AND ADVANCES

(₹ in Crore)

Particulars	2011 - 12		2010 - 11	
Unsecured, considered good				
a. Capital Advances		451.07		61.60
b. Security Deposits		140.41		86.13
c. Other loans and advances				
Deposits with Life Insurance Corporation of India	406.56		660.71	
Deposits under Protest (VAT, CST, SERV. TAX, WCT, APGST, ENTRY TAX)	40.36		22.80	
		446.92		683.51
TOTAL		1,038.40		831.24

12.1 Capital Advances include Rs.3.87 Crore paid towards 15000 Cu.Metres Axial Ventilation Fan from M/s. Talleres Zitron Spain which was damaged in transit and sent back to Morley, UK for repairs. Claim preferred for Rs.1.00 Crore with United Insurance Company Limited which is pending for final assessment and settlement.

12.2 Other loans and advances include Advances to the Officers of the Company of Rs.45,477/- (Previous Year Rs.81,858/-). There are no advances to the Directors of the Company.

NOTE - 13

INVENTORIES (As taken certified and valued by the management)

(₹ in crore)

Particulars	2011 - 12		2010 - 11	
(i) Stores and spares	266.85		254.98	
(ii) Loose tools	1.75		1.58	
	268.60		256.56	
Less: Provision for obsolete, Non-moving stores & shortages and damages	21.18		19.04	
		247.42		237.52
(iii) Finished goods		296.06		197.75
(iv) Work-in-progress		0.16		0.69
(v) Stores in transit		32.33		37.57
TOTAL		575.97		473.53

Notes to the financial statements as at 31st March, 2012

NOTE - 14**TRADE RECEIVABLES**

(₹ in crore)

Particulars	2011 - 12		2010 - 11	
Unsecured, considered good:				
Exceeding six months				
Coal	1.09	1.09	0.07	0.07
Others:				
(a) Coal	800.97	801.50	319.73	320.41
(b) Services	0.53		0.68	
Unsecured, considered doubtful	12.31		22.14	
Less: Provision for doubtful debts	12.31	0.00	22.14	0.00
TOTAL		802.59		320.48

NOTE - 15**CASH AND CASH EQUIVALENTS**

(₹ in crore)

Particulars	2011 - 12		2010 - 11	
(i) Cash on hand		0.08		0.08
(ii) Balances with banks in Current and Deposit Accounts				
In Deposit Account	3,661.68	3,711.59	2,707.23	2,758.38
In Current Account	49.91		51.15	
TOTAL		3,711.67		2,758.46

15.1. (i) Balance in Deposit Account includes deposits of Rs.1605 Crore (Previous Year ₹.1205 Crore) with maturity of more than 12 months.

(ii) Balance in deposit account includes Rs.Nil (Previous Year ₹.550 Crore) under pledge for demand loans from banks.

15.2. Balance with Banks includes unclaimed dividend of Rs.42,698.80 (Previous year ₹.39,546.26)

Notes to the financial statements as at 31st March, 2012

NOTE - 16**SHORT-TERM LOANS AND ADVANCES**

(₹ in crore)

Particulars	2011 - 12		2010 - 11	
Unsecured, considered good				
Loans & Advances:				
(a) Loans & Advances to Subsidiary Company (APHMEL)		3.00		0.07
(b) Advances to Staff		183.36		24.70
(c) Interest Accrued on Loans, Advances & Deposits		2.16		1.82
(d) Interest accrued on other Investments		238.82		81.99
(e) Advances against Purchases & Services		68.30		71.81
Considered Doubtful Advances against purchases & services	0.68		0.67	
Less: Provision for Bad & Doubtful Advances	0.68		0.67	
(f) Prepaid Expenses		0.81		0.36
(g) Cenvat & VAT Credit available		27.43		10.04
(h) Advance Fringe Benefit Tax		4.16		4.16
Security Deposits		21.36		9.22
TOTAL		549.40		204.17

16.1 Other loans and advances include Advances to the Officers of the Company of Rs.36,381/- (Previous Year ₹.36,381/-). There are no Advances to the Directors of the Company.

NOTE - 17**OTHER CURRENT ASSETS**

(₹ in crore)

Particulars	2011 - 12		2010-11	
Interest Accrued on Investments - Government Securities		0.01		0.01
Other Receivables - CCDAC, Sand stowing subsidy, Rent, Water, Electricity		97.18		45.39
Other receivables considered doubtful	8.36		9.93	
Less: Provision for bad and doubtful	8.36		9.93	
TOTAL		97.19		45.40

Notes to the Financial Statements for the year ended 31st March, 2012,

NOTE - 18**REVENUE FROM OPERATIONS**

(₹ in crore)

Particulars	2011 - 12		2010 - 11	
(a) Sale of Coal				
Turnover (Gross)		10,859.44		9,219.94
Less : Statutory Levies				
Royalty	769.06		723.29	
Stowing excise duty	51.37		50.04	
Clean energy cess	257.17		190.44	
Excise Duty	514.40		47.79	
		1,592.00		1,011.56
		9,267.44		8,208.38
Less: Transfer to Development		29.40		42.57
Turnover (Net)		9,238.04		8,165.81
(b) Income from Services:				
Consultancy Services (TDS Rs.0.42 Crore. Previous Year Rs.0.19 Crore)		5.09		2.61
(c) Other operating revenue:				
Penalty for Short lifting of Coal	4.57		6.41	
Sand Stowing Assistance/Subsidy	63.45		35.65	
Bonus for Supply of Coal	5.29		4.68	
		73.31		46.74
TOTAL		9,316.44		8,215.16

Notes to the financial statements for the year ended 31st March, 2012

NOTE - 19**OTHER INCOME**

(₹ in crore)

Particulars	2011 - 12		2010 - 11	
(a) Interest Income				
Interest on Investment (Non-trade) Gross	0.85		0.85	
Interest on Term Deposits (TDS Rs.33.65 Crore. Previous Year Rs.12.81 Crore)	329.35		125.55	
Interest on Sundry Debtors for Coal, Loans, Advances (TDS Rs.1.23 Crore. Previous Year Rs.0.53 Crore)	65.37		36.96	
		395.57		163.36
(b) Other non-operating income (net of expenses directly attributable to such income):				
Rents (TDS Rs.0.28 Crore. Previous Year Rs.0.09 Crore)	3.92		3.77	
Electricity & Fuel	15.37		15.28	
Water charges	0.72		0.74	
Provisions and Liabilities no longer required	43.53		5.84	
Miscellaneous Receipts	41.00		55.13	
		104.54		80.76
TOTAL		500.11		244.12

NOTE - 20**COST OF MATERIALS CONSUMED**

(₹ in crore)

Particulars	2011 - 12	2010 - 11
(i) Stores & Spares	504.37	468.74
(ii) Explosives	223.95	226.06
(iii) Petrol & Oil	895.34	830.38
(iv) Others	11.26	15.87
TOTAL	1,634.92	1,541.05

NOTE - 21**CHANGES IN INVENTORIES**

(₹ in crore)

Particulars	2011 - 12	2010 - 11
Closing Stock	296.06	197.75
Less: Opening Stock	197.75	96.69
TOTAL	98.31	101.06

Notes to the financial statements for the year ended 31st March, 2012

NOTE - 22**EMPLOYEE BENEFITS EXPENSES - SALARIES AND WAGES**

(₹ in crore)

Particulars	2011 - 12	2010 - 11
Salaries, Wages and Allowances	2,812.01	2,137.77
CMPF including administrative charges	255.27	236.16
Attendance Bonus	106.31	101.64
Production Linked Bonus/Performance Linked Reward	180.20	124.53
Gratuity	653.07	319.44
Superannuation Benefit	45.71	35.64
Workmen's Compensation, Group Insurance & Group Personal Accident Insurance	3.60	4.01
Directors' Remuneration	1.13	0.99
Life cover premia under Gratuity Scheme with LIC	6.30	6.05
TOTAL	4,063.60	2,966.23

NOTE - 23**POWER & FUEL**

(₹.in crore)

Particulars	2011 - 12	2010 - 11
Electricity	248.10	239.27
Others	1.80	1.78
TOTAL	249.90	241.05

NOTE - 24**EMPLOYEE BENEFITS EXPENSES - STAFF WELFARE EXPENSES**

(₹ in crore)

Particulars	2011 - 12	2010 - 11
Social Amenities:		
Employee Welfare Expenses	63.28	50.14
Lumpsum/ Monthly Monetary Compensation for dependants	4.95	132.50
VRS/ Golden Hand Shake Monetary terminal payments / exgratia	0.15	0.12
Grants to Singareni Collieries Educational Society	27.88	24.92
TOTAL	96.26	207.68

Notes to the financial statements for the year ended 31st March, 2012

NOTE - 25**REPAIRS & MAINTENANCE**

(₹ in crore)

Particulars	2011 - 12	2010 - 11
Railway sidings	2.93	3.19
Buildings	22.88	18.58
Plant & Machinery	52.29	47.94
TOTAL	78.10	69.71

NOTE - 26**CONTRACTUAL EXPENSES**

(₹ in crore)

Particulars	2011 - 12	2010 - 11
Coal Offloading	81.41	74.15
OBR Offloading	549.03	599.43
Transportation Charges	184.02	170.15
Hiring of Heavy Earth Moving Machinery (HEMM), Weighbridge	52.83	38.67
Others	51.70	52.54
TOTAL	918.99	934.94

NOTE - 27**FINANCE COST**

(₹ in crore)

Particulars	2011 - 12	2010 - 11
Interest expense		
Interest on Cash Credit	0.21	0.18
Interest on Others	6.16	25.76
Interest on Loans	28.09	0.84
TOTAL	34.46	26.78

NOTE - 28**PROVISIONS**

(₹ in crore)

Particulars	2011 - 12	2010 - 11
Obsolete Stores	2.04	0.00
Shortages & Damages	0.09	0.00
Doubtful Debts / Advances	0.90	0.63
Diminution in Value of Assets	0.00	0.43
Others	0.81	0.00
TOTAL	3.84	1.06

Notes to the financial statements for the year ended 31st March, 2012

NOTE - 29**WRITE-OFFS**

(₹ in crore)

Particulars	2011 - 12	2010 - 11
Bad & Doubtful Debts	12.21	0.01
Advances	0.09	0.11
Assets	43.95	27.58
Obsolete Stores	0.63	5.20
TOTAL	56.88	32.90

NOTE - 30**OTHER EXPENSES**

(₹ in crore)

Particulars	2011 - 12	2010 - 11
(a) Selling & Distribution	33.73	37.56
(b) Exchange Variation Loss	2.66	1.03
(c) Others:		
Rents	0.53	1.08
Rates & Taxes	4.98	4.43
Insurance	0.51	0.44
Travelling Expenses	4.05	5.38
Postage, Telegrams and Telephone	2.05	2.63
Legal Expenses	1.22	0.96
Bank Charges and Commission	1.56	1.71
CISF Salaries and Wages	24.21	25.65
Directors' Travelling Expenses	0.21	0.17
Auditors' Remuneration:		
Audit Fee	0.10	0.11
Out of Pocket Expenses	0.02	0.03
Other Expenses- Certifications / services	0.00	0.00
Tax Audit	0.02	0.02
Advertisements	2.49	0.63
Research and Development Expenses	1.68	2.18
Other Expenses	15.24	16.17
Journals and Periodicals	0.11	0.10
Printing and Stationary	0.31	0.33
Computer Maintenance and Hire Charges	0.80	0.34
Plantation Expenditure	6.20	7.02
	66.29	69.38
TOTAL	102.68	107.98

Notes to the financial statements for the year ended 31st March, 2012

NOTE - 31**EXCEPTIONAL ITEMS (Net)**

(₹ in crore)

Particulars	2011 - 12		2010 - 11	
INCOME:				
Depreciation Provided in Earlier Years Written Back	1.30		0.16	
Credits & Adjustments pertaining to Earlier Years	0.12		3.75	
Income from Services	0.32		-	
		1.74		3.91
EXPENDITURE				
Maintenance Charges etc., on Railway Sidings	(0.12)		0.21	
Welfare Expenses	0.06		-	
Other Expenses	7.82		(1.68)	
		7.76		(1.47)
TOTAL		6.02		(5.37)

Notes to the financial statements for the year ended 31st March, 2012

NOTE - 32

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.

Revised Schedule VI has become effective from 1st April, 2011 for the preparation of financial statements. This has impacted the disclosure and presentations made in the financial statements. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification / disclosure.

II. SYSTEM OF ACCOUNTING:

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

- a. Penalty for short lifting of coal, 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, rejects, slurry and washery input fines) is valued at lower of cost and net realisable value.
- iv) Closing stock of reject fines and washery shale are not valued due to uncertain market and income is recognised on sale.
- v) 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.
- vi) Cost of washed coal is calculated at average cost of production of coal plus washery charges adjusted to standard yield.
- vii) The net realisable value of grade-wise coal (including washed coal, washery input fines, rejects and washery slurry) 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) Stock of medicines, provisions, stationery and sand are not valued and are charged directly to consumption on receipt.

Notes to the financial statements as at 31st March, 2012

NOTE-32: 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: LHDs (14.28%), Jumbo Drills (13.33%) at CDF Panel and SDLs (25%) and Self Contained Self Rescuers (10%) 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 -
 - a) ERP software was amortised over a period of 5 years.
 - b) 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.

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.

Notes to the financial statements as at 31st March, 2012

NOTE-32: SIGNIFICANT ACCOUNTING POLICIES (contd..)

VIII. COMMISSIONING OF MINES / PROJECTS:

The Projects/Mines under development are brought to Revenue -

- i) either from the month following;
 - 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. Plant & Equipment:

- 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.

4. 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 specifically incurred for the projects under construction will be capitalised.
- 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.

Notes to the financial statements as at 31st March, 2012

NOTE-32: 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.
 - (c) Termination benefits viz., Monthly Monetary Compensation & Low Productive Employees is provided on Actuarial valuation.
2. Employer's contribution under Coal Mines Provident Fund Act, Superannuation Benefit and Post Superannuation Medical 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, 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.

Notes to the financial statements as at 31st March,2012

NOTE - 33
ADDITIONAL NOTES

(₹ in Crore)

Sl.No.	Particulars	31.3.2012	31.3.2011
33.1	Contingent liabilities: Claims against the Company not acknowledged as debts :		
i)	Demand from Divisional Forest Officer towards NPV for renewal of different mining leases - contested by the company.	7.91	7.91
ii)	Workmen Compensation (cases contested - court)	0.79	0.55
iii)	Motor Accident claims(cases contested - court)	1.59	1.70
iv)	Police Guard(excess man power billed disputed)	4.75	6.52
v)	S C Railways(damages, demurrages etc. disputed)	0.99	1.05
vi)	Water Royalty(billed at Industrial rate disputed)	3.05	3.24
vii)	Vacant Land Tax (Levy contested)	16.06	16.06
viii)	Contractors & Suppliers	33.17	30.06
ix)	Disputed Electricity Bills for non segregation of Light & Fan loads	54.01	0
x)	Other disputed claims & Legal cases etc.	7.58	18.50
xi)	Service Tax demands were raised on OBR contractors by Service Tax Department treating value of explosives and HSD oil issued by SCCL free of cost for use in the execution of OBR works considering value of these materials as additional consideration to them. The demands of Service Tax Department have been contested by the Service Providers. Pending adjudication of disputed demands, SCCL issued letter of comfort to the contractors with commitment to reimburse Service Tax, interest and penalty thereon in case the verdict of the competent court goes against the contractors and consequently they discharge Tax liability.	256.43	254.63
xii)	Customs, Central Excise & Service Tax Department, issued Notice No. O.C.No.650/2010, dated 22.09.2010, demanding Interest payment of Rs.13,82,17,534/- on alleged availment of Input Service Tax Credit on ineligible services of Rs.52,62,75,583/- (from 2006-07 to 2008-09), though the same was not utilized by SCCL. Appeal is filed before CESTAT Bangalore and the same is pending adjudication.	13.82	13.82
xiii)	Tax Demands from Commercial Taxes Department (including entry tax) which are disputed by SCCL and pending before various appellate authorities for adjudication.	106.17	22.16
xiv)	Tax Demands from Income Tax Department which are disputed by SCCL and pending before various appellate authorities for adjudication.	26.30	20.12
xv)	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
xvi)	An amount of Rs.1.18 Crore 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.		
xvii)	An amount of Rs.1.84 Crore towards insurance claim of burnt equipment settled in favour of SCCL is recognized as income during the year for which appeal was filed by National Insurance Company for which SCCL has provided BG till disposal of case.		

Notes to the financial statements as at 31st March, 2012

NOTE - 33 ADDITIONAL NOTES (Contd....)

(₹ in Crore)

Particulars		31.03.2012	31.03.2011
33.2	i) a) Estimated value of contracts remaining to be executed on Capital Commitments.	541.06	502.91
	b) Estimated value of capital commitment for 2x600 MW Singareni Thermal Power Project, Jaipur.	4072.00	-
	ii) The balance value of SHAPE works sanctioned and remained unexecuted.	8.55	8.20

33.3 Gratuity and Leave Encashment Plan: Disclosures as per Accounting Standard AS:15 (Revised): Employee benefits.

PARTICULARS	* Gratuity		Leave Encashment	
	(₹.in crore)		(₹.in crore)	
	31.3.2012	31.3.2011	31.3.2012	31.3.2011
Changes in the present value of obligations				
Obligations at beginning of the year	*1834.11	*1558.58	224.24	159.51
Current Service cost	78.12	62.73	48.08	37.73
Interest cost	141.21	112.60	17.94	12.76
Benefits paid	(-110.65)	(-152.56)	0	0
Actuarial(gain)/loss	554.76	252.76	46.09	14.24
Obligations at the end of the year, at present value	*2497.54	*1834.11	336.35	224.24
Change in Fair value plan assets				
Plans assets at beginning of the year, at fair value	1120.82	1025.52	} Unfunded	} Unfunded
Expected return on plan assets	105.79	102.86		
Actuarial(gain)/ loss	0	0		
Contributions	210.01	145.00		
Benefits paid	(-110.65)	(-152.56)		
Fair value of plan assets at the end of the year	1325.96	1120.82		
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	2497.54	1834.11	336.35	224.24
Fair value of plan assets at the end of the year	1325.96	1120.82	0	0
Assets/(liability) recognized in the balance sheet	(-1171.58)	(-713.29)	(-336.35)	(-224.24)
Expense Recognised in Profit & Loss Account:				
Current Service cost	78.12	62.73	48.08	37.73
Interest cost	141.21	112.60	17.94	12.76
Expected return on plan assets	(-105.79)	-102.86	0	0
Actuarial(gain)/loss	554.76	252.76	46.09	14.24
Net gratuity cost	668.30	325.23	112.11	64.73
Assumptions:				
Interest rate	8%	8%	8%	8%
Expected return on plan assets	9.60%	9.60%	0	0
Expected rate of salary increase	4%	4%	4%	4%

* Includes Rs.68.96 Crore towards claims unsettled at the beginning of the year and Rs.51.81 Crore at the end of the year.

Notes to the financial statements as at 31st March, 2012

NOTE - 33 ADDITIONAL NOTES (Contd....)

33.4 Defined Contribution Plan includes the following: (₹. in crore)

		31.3.2012	31.3.2011
i)	Coal Mines Provident Fund Scheme is a defined Contribution Plan, and charged off to Profit and Loss Account.	255.27	237.74
ii)	Superannuation Benefit to the Executive cadre employees was provided and charged off to Profit and Loss Account.	37.72	11.62
iii)	Post Superannuation Medical Benefit to the Executive Cadre employees was provided and charged off to Profit and Loss Account.	7.99	24.02

33.5 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 operations.
- iii) Whole time Directors of SCCL: Sri S. Narsing Rao, C & M.D., and other Directors: S/Sri J.V. Dattatreyyulu, I.V.N. Prasada Rao (upto 30.9.2011), S. Vivekanand, B. Ramesh Kumar (from 13.6.2011), T.Vijaya Kumar (from 3.8.2011), P.Viswanadha Raju (from 12.11.2011).
- iv) Advances due from whole time Directors are disclosed under Note No.12 & 16.

33.6 Earnings Per share (AS-20): (Basic and Diluted)

		31.3.2012	31.3.2011
i)	Profit after Tax (Rs. in Crore)	358.27	351.37
ii)	Number of Ordinary Equity Shares (fully paid-up) (Nos.)	1733198119	1733198119
iii)	Earnings per share (i / ii) (Rs.)	2.07	2.03

Notes to the financial statements as at 31st March, 2012

NOTE - 33 ADDITIONAL NOTES (Contd....)

33.7 Changes in Accounting Policies resulted in increase of profit by ₹.3.62 Crore.

Existing	Revised	Remarks and financial impact
III. INVENTORIES:		
a) 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.	iii) Closing stock of coal (including stock at power houses, washeries, coal-in-wagons, washed coal, rejects, slurry and washery input fines) is valued at lower of cost and net realisable value.	In view of change at III) a) (iv)
a) iv) Closing stock of washery shale, rejects and reject fines are not valued due to uncertain market and income is recognised on sale.	Closing stock of reject fines and washery shale are not valued due to uncertain market and income is recognised on sale.	The prices for rejects and washery slurry have been notified and considered for inventory valuation as there is continuous movement in the product. Rejects and washery slurry are valued at Rs.3.62 crores with corresponding increase in profit for the year.
a) 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.	Deleted	Consequent on adoption of GCV grades w.e.f. 8.1.2012 in place of UHV grades ungraded coal falls under G17 grades and valued as such. Since nil grade is not included in G17. There is no financial impact.
a) 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	viii) The net realisable value of grade-wise coal (including washed coal, washery input fines, rejects and washery slurry) is arrived at on the basis of selling price for each grade less Rehandling charges wherever applicable	Since washery rejects and slurry is valued at notified prices as indicated at III) a) (iv).
c) Coal issued for internal consumption is valued at grade-wise selling prices and exhibited as contra.	Deleted	As per revised Schedule-VI disclosure not required. No impact on Profit & Loss Account as it is a contra entry.

Notes to the financial statements as at 31st March, 2012

NOTE - 33 ADDITIONAL NOTES (Contd....)

33.8 Physical Verification of all Fixed Assets with original value of Rs.3 Lakhs and above will be covered in a block of 3 years commencing from 2009-10 with the following periodicity:

- 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 i.e., 2010-11).
- iii) Fixed Assets with original value > Rs.3 Lakhs and < Rs.10 Lakhs once in three years (3rd year i.e., 2011-12).

In respect of (i) and (iii) the Assets were physically verified during 2011-12 and deviations accounted and in respect of others assets the same are confirmed as available based on certification by the unit head.

33.9 All Vendors were addressed letters to confirm status of MSMED as part of Balance Confirmation. 77 Vendors have confirmed the status as MSMED.

(₹.in crore)

		31.3.2012	31.3.2011
i)	The principal amount remaining unpaid to any supplier as at the end of each accounting year	0.92	0.10
ii)	The interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	0.0057	0.01
iii)	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
iv)	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
v)	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	0.02	0.02
vi)	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

33.10 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;

Notes to the financial statements as at 31st March, 2012

NOTE - 33 ADDITIONAL NOTES (Contd....)

(₹.in crore)

	31.3.2012	31.3.2011
Assets	0.0500	0.0500
Liabilities	0.0500	0.0500
Income	0.0036	0.0027
Expenditure	0.0012	0.0011
Profit before tax	0.0024	0.0016
Corporate Tax	(-)0.0011	(-)0.0008
Profit after tax	0.0013	0.0008
Cumulative Profit/Loss	(-)0.0048	(-)0.0061

33.11 Consequent to handing over of 10 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.

33.12 i) An amount of Rs.1192.12 Crore (Previous Year Rs.991.00 Crore) has 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 by 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. Besides, updating the provision made in earlier years to current prices.

ii) An amount of Rs.59.39 Crore (Previous year: Rs.106.90 Crore) for Mine Closure Activities like technological and biological reclamation, fencing etc., as per guidelines of MoC @ Rs.6 lakhs/ Rs.1 lakh per Hectare for OC & UG mines respectively prorated to balance life of the mines and with 5% annualized increase from 2009-10. The above methodology is as per the guidelines issued by MoC, vide letter dt.27.08.2009.

(₹. in crore)

	31.3.2012	31.3.2011
33.13 Turnover, closing stock and opening stock:		
*Turnover	9267.44	7901.04
Closing stock	296.06	197.75
Opening Stock	197.75	96.69

* Turnover includes capital sales valuing Rs.29.40 Crore (Previous year valuing Rs.42.57 Crore)

33.14 CIF Value of Imports: (₹. in crore)

Particulars	31.3.2012	31.3.2011
Components ,Stores & Spare Parts	49.48	40.81
Capital Goods	84.32	30.10

Notes to the financial statements as at 31st March, 2012

NOTE - 33 ADDITIONAL NOTES (Contd....)

33.15 Expenditure in Foreign Currency: (₹. in crore)

Particulars	31.3.2012	31.3.2011
Foreign Tours	0.36	0.38
Consultancy Payments	2.21	0.30
Others	21.61	23.96

33.16 Consumption of Stores & Spares: (₹.in crore)

Particulars	31.3.2012		31.3.2011	
	Amount	% of total consumption	Amount	% of total consumption
Imported	49.96	3.06	21.35	1.39
Indigenous	1584.96	96.94	1519.70	98.61
Total	1634.92	100.00	1541.05	100.00

33.17 The revised Schedule VI has become effective from 1st April, 2011 for the preparation of financial statements. This has impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped, reclassified wherever necessary to correspond with the current year's classification/disclosure.

Signatures to Notes

Sd/-
(J.Rama Krishna)
G.M(C.A)& Company Secretary

Sd/-
(M.Krishna Mohan)
General Manager (F & A)

For and on behalf of the Board
Sd/-
(S.Vivekanand)
Director (Finance)

Sd/-
(Sutirtha Bhattacharya)
Chairman & Managing Director

Date : 24.7.2012
Place : Hyderabad

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

Date : 24.7.2012
Place : Hyderabad

Sd/-
(M.V.Ranganath)
Partner (M.No.28031)

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	31.03.2012	CIN No.: U10102AP1920SGC000571

II. Capital raised during the year (Amount in ₹ Crore)

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

III. Position of Mobilisation and Deployment of Funds (Amount in ₹ Crore)

	Total Liabilities	Total Assets
	12676.90	12676.90
Sources of Funds	Paid-up Capital	Reserves & Surplus
	1733.20	1399.55
	Non-current liabilities	Current liabilities
	6573.02	2971.13
Application of Funds	Net Current Assets	
	6940.08	
	Current Assets	
	5736.82	

IV. Performance of Company (Amount in ₹ Crore)

Income	Total Expenditure
9816.55	9247.59
Profit Before Tax	Profit After Tax
568.96	358.27
Earnings per share (in ₹.)	Dividend rate (%)
2.07	5

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	31st March, 2012
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 ₹.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, 2012	
(i) For the Subsidiary's financial year ended as aforesaid	₹.5.87 crore
(ii) For the Previous financial years of the subsidiary since it became the Holding Company's Subsidiary	₹.30.85 crore
(b) Dealt within the Holding Company's account for the year ended 31st March, 2012	
(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 31st March, 2012.	- 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.Krishna Mohan) General Manager (F & A)	For and on behalf of the Board Sd/- (S.Vivekanand) Director (Finance)	Sd/- (Sutirtha Bhattacharya) Chairman & Managing Director
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Date : 24.7.2012

Place : Hyderabad

ANDHRA PRADESH HEAVY MACHINERY & ENGINEERING LIMITED

(A subsidiary of The Singareni Collieries Company Limited)

35th ANNUAL REPORT AND ACCOUNTS 2011 - 12

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

CONTENTS

Board of Directors	60
Notice	61
Directors' Report	62
C&AG comments	67
Auditors' Report & Management replies	68
Balance Sheet	74
Profit & Loss Account	75
Notes	76

BOARD OF DIRECTORS

Sri J.V. Dattatreyyulu	Chairman	from	27-06-2008
Sri I.V.N. Prasad	Managing Director	from	09-10-2010
Sri S. Vivekanand		from	03-08-2012
Sri N. Sreenivasa Rao		upto	02-07-2012
Sri G. Rajender Reddy		from	26-05-2011
Sri R. Krishnan		upto	03-05-2012
Sri R.K. Wanchoo		from	15-05-2012
Sri K. Rajendra Prasad	APIDIC Nominee	from	22-03-2008
Sri N.V.V.N.M. Murali Rao		from	25-09-2004
Sri Juvva Seshagiri Rao		from	24-09-2005
Sri Kuchipudi Srinivasa Rao		from	23-09-2006

Company Secretary & Finance Manager (IA)

Sri V. Venkateswara Rao

Registered Office

KONDAPALLI - 521 228
Krishna District

Administrative Office & Factory

KONDAPALLI - 521 228

Production Unit

20-2, Industrial Estate
VIJAYAWADA - 520 007

BANKERS

State Bank of India
Vijayawada - 520 007

AUDITORS

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

ANDHRA PRADESH HEAVY MACHINERY & ENGINEERING LIMITED
NOTICE

NOTICE IS HEREBY GIVEN TO ALL THE MEMBERS OF ANDHRA PRADESH HEAVY MACHINERY & ENGINEERING LIMITED THAT 35th Annual General Meeting of the Members of the Company will be held on Wednesday the 26th day of September, 2012 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 Balance Sheet of the Company for the year ended 31st March, 2012 and the Profit & Loss Account 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 K. Rajendra Prasad who retires by rotation and is eligible for re-election.
3. To appoint a Director in place of Sri Kuchipudi Srinivasa Rao, who retires by rotation and is eligible for re-election.
4. To fix the remuneration payable to the Statutory Auditors for the financial year 2012-13.

By order of the Board of Directors
Sd/-
(V.Venakateswara Rao)
Company Secretary &
Finance Manager (IA).

Registered Office:
Kondapalli - 521 228
Krishna District
Date: 18.7.2012.

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 19-09-2012 to 26-09-2012 (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 11-09-2012. 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,

Your Directors have pleasure in presenting the Thirty Fifth Annual Report of your company with the Audited Accounts for the financial year ended on 31st March 2012.

The Company recorded a Net Profit of Rs.719.40 Lakhs during the current financial year i.e 2011-12 as against Rs.493.73 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 production of Rs.7577.93 lakhs and turnover of Rs.7370.08 lakhs against the targeted turnover of Rs.7594.00 lakhs. There is increase in the turnover to an extent of Rs.1303.31 lakhs in the year 2011-12 as against the previous year turnover of Rs.6066.77 lakhs.

REVIEW OF FINANCIAL RESULTS & PRESENT SCENARIO

The summarized financial results are as under:

	(₹ in lakhs)	
	2011-12	2010-11
Turnover of the Company	7370.08	6066.77
Gross Profit (+)/ Loss (-) before interest and depreciation	1051.25	950.26
Interest	83.20	108.24
Depreciation	22.29	19.79
Profit for the year before charging provisions	945.76	822.23
Net Profit for the year after charging prior period adjustments and provisions	1053.37	790.18
Profit after deferred Tax	719.40	493.73

The net profit for the financial year under review is Rs.719.40 lakhs against the profit of Rs.493.73 lakhs of the previous year. The earning of profit by the Company was possible due to improved production planning, increased sales volume 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 making efforts constantly for development and diversification. It is optimistic about positive results for the efforts being put in.

Marketing efforts are being strengthened through publication of brochures and interaction with customers. Vigorous campaign by way of discussions, power point presentations is organized with various prospective customers.

Manufacture and fabrication of Belt Conveyor Drive Heads of various capacities, Armoured Chain Conveyors and Men transport systems are continued and expansion in these lines is under progress. Repairs and overhauling works of AM50 Road Headers and Jumbo Drill machines are continued.

CONTRIBUTION TO EXCHEQUER

During the year under review, the Company contributed an amount of Rs.1589.49 lakhs to Government by way of taxes and duties compared to previous year amount of Rs.1214.71 lakhs. The increase in contribution is mainly on account of increase in sales volume for the year 2011-12.

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 power consumption increased only by 9.97% compared to its earlier consumption against an increase of 25.45% of production.

	2011-12	2010-11
A) Units(KWH) Annual Consumption :	1078599	980803
B) Turnover(Rupees in lakhs) :	7370.08	6066.77

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 30-6-2012 the total number of employees is 496. 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 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 have 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 (SCCL) has withdrawn the nomination of Sri R.Krishnan, Executive Director, BHEL, Hyderabad with effect from 3.5.2012. Sri R.K.Wanchoo, Executive Director, BHEL, Hyderabad has been appointed as part time Director on the Board of APHMEL by the Singareni Collieries Company Limited with effect from 15.5.2012. Sri Nistala Sreenivasa Rao, who was nominated by SCCL, has resigned as part-time Director with effect from 2.7.2012.

SCCL has appointed Sri S. Vivekanand, IRAS, Director (Finance), SCCL, with effect from 3.8.2012 as part-time Director of the Company in the place of Sri Nistala Sreenivasa Rao.

The Board of Directors placed on record its appreciation of the services rendered to the Company by Sri R. Krishnan and Sri Nistala Sreenivasa Rao as Directors during their tenure.

Sri K. Rajendra Prasad and Sri Kuchipudi Srinivasa Rao are due to retire by rotation and are eligible for re-election in the ensuing 35th 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 R. Krishnan	...	CHAIRMAN of the Committee
2.	Sri J.V. Dattatreylu	...	MEMBER
3.	Sri I.V.N. Prasad, Managing Director	...	MEMBER
4.	Sri Juvva Seshagiri Rao,	...	MEMBER

Two 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 2011-12.

ACKNOWLEDGEMENTS

Your Directors acknowledge with appreciation the co-operation and support extended by The Singareni Collieries Company Ltd.(Holding Company) and State Bank of India during the year under review. Your Directors are also grateful to the valued customers viz., SCCL, BHEL, CPPL, NSC, WCL, NTPS, SCR, KEW, SGRRL, TATA and others for the reliance & assurance 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 thank all the Employees of your company for their service, which enabled your company to achieve excellent results and performance during the year and also wish to express their appreciation to union leaders and the shareholders for their support and co-operation.

For and on behalf of the Board	
Sd/-	Sd/-
(J.V. Dattatreylu)	(I.V.N. Prasad)
Chairman	Managing Director

Registered Office:
KONDAPALLI-521 228
Krishna District.
Date: 9.8.2012

ANNEXURE - I

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)	10,78,599	9,80,803
	Total amount (₹)	64,38,241	59,64,167
	Rate/Unit (₹ KWH)	5.97	6.08
	b. Own generation		
	i. Through diesel generator Unit (KWH)		
	Units per litre of diesel oil (KWH)		
	Cost/Unit (₹)	Not applicable	Not applicable
	ii. Through steam turbine/generator Units		
	Units per litre of fuel oil/gas		
	Cost/Unit		
2.	Coal		
	Quantity (Tonnes)		
	Total cost (₹)	Not applicable	Not applicable
	Average rate (₹)		
3.	Furnace oil		
	Quantity (K. Litres)		
	Total amount (₹)	Not applicable	Not applicable
	Average rate (₹)		
4.	Other/Internal generation		
	Quantity		
	Total cost (₹)	Not applicable	Not applicable
	Rate/Unit		

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. Efforts are continued for manufacture of different capacity Shovel Buckets.
2. Development of low height Man Riding System and Endless hauler type Man Riding System for mines.
3. Development of Mono Rail suspension type Man Riding System.
4. Development and fabrication of heavy sections for use with Belt Conveyor for DOSCO Road Header.

2. Contributions of R&D:

1. Development of Dosco Road header Cradle frame.
2. Development of Adaptor to replace AM-65 Cutter head to AM-50.
3. Development of Pit Bottom Buffers.

3. Future plan of action:

- a) Continuous R&D efforts to improve quality, reduce costs and manufacture import substitutes.
- b) Manufacture/Overhaul of AM50 Road Header and Jumbo Drills.
- c) Manufacture higher capacity Belt conveyor drive heads and Chain Conveyors.
- 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.21,47,389/- 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/-	Sd/-
(J.V. Dattatreyyulu)	(I.V.N. Prasad)
Chairman	Managing Director

Registered Office:
KONDAPALLI-521 228
Krishna District.
Date: 9.8.2012

Comments of the Comptroller and Auditor General of India under Section 619 (4) of the Companies Act, 1956 on the accounts of Andhra Pradesh Heavy Machinery & Engineering Limited for the year ended 31 March 2012.

The preparation of financial statements of **Andhra Pradesh Heavy machinery & Engineering Limited for the year ended 31 March 2012** 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, Review 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 18.7.2012.

I, on the behalf of the Comptroller and Auditor General of India, have decided not to review the report of the Statutory Auditors on the accounts of Andhra Pradesh Heavy Machinery & Engineering Limited for the year ended 31 March 2012 and as such, have no comments to make under Section 619(4) of the Companies Act, 1956.

Date: 07-08-2012,
Place: Hyderabad.

For and on behalf of the
Comptroller & Auditor General of India
Sd/-
(K.R. Sriram)
Principal Accountant General (E&RSA)

AUDITORS' REPORT

REPLIES OF THE MANAGEMENT

To
The Members
Andhra Pradesh Heavy Machinery &
Engineering Limited,

- 1) We have audited the attached Balance Sheet of **ANDHRA PRADESH HEAVY MACHINERY & ENGINEERING LIMITED** as at 31st March, 2012, 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.
- 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.
- 3) As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order 2004 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.
- 4) Further to our comments in the Annexure referred to in paragraph 3 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 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;

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AUDITORS' REPORT (contd..)

- d. On the basis of the written representations received from the Directors as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 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; Subject to item 2 and 3 to Notes forming part of accounts, 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 2012;
- 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
Firm Reg.No:000656S
Sd/-
(A.R.S Krishna Rao)
Partner (M.No.27450)

Date : 18.7.2012
Place: Vijayawada.

REPLIES OF THE MANAGEMENT (contd..)

For and on behalf of the Board
Sd/-
(I.V.N.Prasad)
Managing Director

ANNEXURE TO THE AUDITORS' REPORT

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

- (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.

REPLIES OF THE MANAGEMENT

ANNEXURE TO THE AUDITORS' REPORT (contd..)
REPLIES OF THE MANAGEMENT (contd..)

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

- (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.
- (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, the company has maintained cost records 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.
- 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:

ANNEXURE TO THE AUDITORS' REPORT (contd..)

REPLIES OF THE MANAGEMENT (contd..)

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

Name of the statute	Nature of the dues	Amount of dispute (₹ in lakhs)	Amounts of deposit (₹ 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
Central Excise	Roof Bolts case	149.31	127.10	From 2006 January to March, 2010	CESTAT, Bangalore
Service tax	E-1 sales (Business aux. services)	33.10	0.00	From 2004-05 to 08-09	CCE Appeals, Guntur
Provident Fund	PF dues to EPFO by the Sub-contracts	50.28	15.08	2005-06 - 2008-09	EPF Appellate Tribunal New Delhi
	Total		264.09	-	-

- x) 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)

- 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 2011-12.
- 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
Firm Reg.No:000656S
Sd/-
(A.R.S Krishna Rao)
Partner (M.No.27450)

REPLIES OF THE MANAGEMENT (contd..)

For and on behalf of the Board
Sd/-
(I.V.N.Prasad)
Managing Director

Date : 18.7.2012
Place: Vijayawada.

BALANCE SHEET AS AT 31.3.2012

Amount (₹)

PARTICULARS	NOTES	AS AT 31.03.2012	AS AT 31.03.2011
EQUITY AND LIABILITIES			
SHARE HOLDERS FUNDS			
Share Capital	1.1	17,27,12,930	17,27,12,930
Reserves and Surplus	2	16,93,44,368	9,74,04,184
Share Application Money Pending Allotment		5,310	5,310
NON CURRENT LIABILITIES			
Long Term Borrowings	3	1,00,00,000	1,00,00,000
CURRENT LIABILITIES			
Short Term Borrowings	4	6,22,86,722	9,12,32,094
Trade Payables	5	9,01,77,497	7,91,54,347
Other Current Liabilities	6	4,75,19,821	4,74,70,443
Short Term Provisions	7	12,52,62,752	12,28,90,856
TOTAL		67,73,09,400	62,08,70,164
ASSETS			
NON CURRENT ASSETS			
a) Fixed Assets			
Tangible Assets	8	3,36,10,036	3,39,38,769
Capital Work-in-Progress	8	12,48,136	8,80,801
b) Deferred Tax Asset	9	1,27,16,477	1,38,13,426
c) Long Term loans and Advances	10	10,71,75,317	8,54,44,591
d) Other Non Current Assets	11	32,62,920	14,25,260
CURRENT ASSETS			
Inventories	12	20,02,84,486	20,29,79,554
Trade Receivables	13	31,71,54,045	27,63,66,387
Cash and Cash Equivalents	14	15,39,154	45,91,668
Short Term Loans and Advances	15	3,18,829	14,29,708
TOTAL		67,73,09,400	62,08,70,164
Summary of significant accounting policies.	24		
Notes on Accounts	25		

Sd/- (V.Venkateswara Rao) Company Secretary & FM(I.A)	Sd/- (N.Chakravarthy) Chief (Finance & Accounts)	For and on behalf of the Board Sd/- (J.V. Dattatreyyulu) Chairman	Sd/- (I.V.N.Prasad) Managing Director
Date: 18.7.2012, Place: Kondapalli		As per our report of even date For M/s.Chowdary & Rao Chartered Accountants (FRN: 000656S) Sd/- (A.R.S.Krishna Rao) Partner (M.No.27450)	
Date: 18.7.2012, Place: Vijayawada.			

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.3.2012

Amount (₹)

PARTICULARS	REFER NOTE NO.	31.03.2012	31.03.2011
Revenue from operations	16	73,70,08,087	60,66,77,385
Other Income	17	2,24,22,604	1,08,09,718
Total Revenue		75,94,30,691	61,74,87,103
Expenses			
Cost of Material and Other Consumables	18	39,57,32,186	31,33,88,747
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	19	(2,11,28,931)	(2,64,847)
Employee Benefit Expenses	20	18,80,03,866	15,94,81,100
Finance Costs	21	93,37,534	1,19,53,528
Depreciation and Amortisation Expenses	8	22,29,039	19,81,488
Other Expenses	22	9,06,80,648	4,87,24,556
Total Expenses		66,48,54,342	53,52,64,572
Profit before exceptional and extraordinary items and tax		9,45,76,349	8,22,22,531
Exceptional Items: Income/Expenditure(-)	23	1,07,60,784	-32,04,421
Profit before extraordinary items and tax		10,53,37,133	7,90,18,110
Tax Expenses:			
Less: Current Tax		3,23,00,000	3,60,00,000
Add/Less: Increase/Decrease(-) Deferred Tax		(10,96,949)	63,54,822
PROFIT AFTER TAX		7,19,40,184	4,93,72,932
PROFIT FOR THE PERIOD		7,19,40,184	4,93,72,932
Earning per equity share			
Basic		4.17	2.86
Diluted		4.17	2.86

Sd/-
(V.Venkateswara Rao)
Company Secretary & FM(I.A)
Date: 18.7.2012,
Place: Kondapalli

Sd/-
(N.Chakravarthy)
Chief (Finance & Accounts)

For and on behalf of the Board
Sd/-
(J.V. Dattatreyyulu)
Chairman
Sd/-
(I.V.N.Prasad)
Managing Director

Date: 18.7.2012,
Place: Vijayawada.

As per our report of even date
For M/s.Chowdary & Rao
Chartered Accountants
(FRN: 000656S)
Sd/-
(A.R.S.Krishna Rao)
Partner (M.No.27450)

NOTE - 1.1**SHARE CAPITAL**

Particulars	Amount (₹.)	
	As at 31.3.2012	As at 31.3.2011
Authorised 2,00,00,000 Equity Shares of Rs.10 each	20,00,00,000	20,00,00,000
Issued Equity Shares of Rs.10/- each 1,73,01,713 shares issued	17,30,17,100	17,30,17,100
Subscribed and fully paid up 1,72,71,293 Equity Shares of Rs. 10/- each fully paid up	17,27,12,930	17,27,12,930
Total	17,27,12,930	17,27,12,930

NOTE - 1.2

The company has only one class of shares referred to as equity shares having par value Rs.10/-.

Each holder is entitled to one vote per share. In event of liquidation of the company, the holders of equity shares will be entitled to receive remaining of assets of the company, after distribution of preferential amount.

NOTE - 1.3**RECONCILIATION OF EACH CLASS OF SHARE**

Particulars	Amount (₹.)			
	As at			
	31.03.2012		31.03.2011	
	Number of Shares	Amount (Rs)	Number of Shares	Amount (Rs)
Shares outstanding at the beginning of the year	1,72,71,293	17,27,12,930	1,72,71,293	17,27,12,930
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	1,72,71,293	17,27,12,930	1,72,71,293	17,27,12,930

NOTE - 1.4

Equity Shares held by its holding company or its ultimate holding company (Singareni Collieries Company Limited) is 14082700.

NOTE - 1.5**DETAILS OF SHARES HELD BY EACH SHAREHOLDER HOLDING MORE THAN 5%.**

Amount (₹.)

Particulars	As at			
	31.03.2012		31.03.2011	
	Number of Shares held	% of holding	Number of Shares held	% of holding
Equity Shares with voting rights:				
Singareni Collieries Company Limited	1,40,82,700	81.54	1,40,82,700	81.54
APIDC	10,00,000	5.79	10,00,000	5.79

NOTE - 2**RESERVES & SURPLUS**

Amount (₹.)

Particulars	As at 31.03.2012	As at 31.03.2011
Surplus in the statement of Profit & Loss: Opening Balance	9,74,04,184	4,80,31,252
Add: Net profit for current year	7,19,40,184	4,93,72,932
Closing Balance	16,93,44,368	9,74,04,184
Total	16,93,44,368	9,74,04,184

NOTE - 3**LONG TERM BORROWINGS**

Amount (₹.)

Particulars	As at 31.03.2012	As at 31.03.2011
Unsecured:		
Interest free loan from Government of Andhra Pradesh	1,00,00,000	1,00,00,000
Total	1,00,00,000	1,00,00,000

NOTE - 4**SHORT TERM BORROWINGS**

Amount (₹.)

Particulars	As at 31.03.2012	As at 31.03.2011
Secured : Cash credit with SBI	6,22,86,722	9,12,32,094
Total	6,22,86,722	9,12,32,094

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.

NOTE - 5**TRADE PAYABLES**

Particulars	Amount (₹.)	
	As at 31.03.2012	As at 31.03.2011
Sr. Crs. liabilities for materials	1,65,08,399	3,86,27,765
Sr. Crs. liabilities for MSME	1,61,69,785	1,17,97,663
Sundry creditors for cap. items	7,18,598	6,24,782
Sundry creditors for suppl. & cont	47,68,501	40,84,265
Sr. creditors for transportation	8,92,398	15,31,846
Advance from customers	4,29,45,733	1,43,89,798
Security deposit payable	76,65,211	74,48,856
EMD from contractors	5,08,872	6,49,372
Total	9,01,77,497	7,91,54,347

NOTE - 6**OTHER CURRENT LIABILITIES**

Particulars	Amount (₹.)	
	As at 31.03.2012	As at 31.03.2011
a) Employee benefits		
Salaries payable	1,28,39,554	18,27,652
Wages payable	1,34,664	1,31,586
For staff benefits	12,43,972	3,38,290
Stipend payable	1,14,452	83,418
b) Others		
PF payable	-	1,527
LIC premium payable	4,89,980	3,94,503
Payable to temple	2,655	2,825
ESI payable	2,791	47,910
Union fund payable	2,466	2,592
Association fund payable	4,040	2,100
Professional tax payable	98,575	73,040
Cycle shed rent payable	1,970	2,010
Income tax payable-salaries	1,88,078	70,294
Income tax payable-contractors	4,66,198	4,43,132
APHMEL EPF Trust	23,01,376	13,45,760
APHMEL Gratuity Trust	1,00,267	1,00,267
VAT payable	1,31,45,435	1,01,85,661
DRF payable	71,848	2,312
Payable to District Court	32,661	35,197
Works contract tax	99,723	1,32,505
Service tax payable	24,307	5,46,578
Payable to RPF commissioner	3,86,490	3,34,263
Hire vehicles payable	2,27,302	2,23,708
ESI payable - others	20,813	-
Share deposit refundable	23,450	23,450
Share deposit suspense	11,954	11,954
For others	1,54,84,800	3,11,07,910
Total	4,75,19,821	4,74,70,443

NOTE - 7

SHORT TERM PROVISIONS

Particulars	Amount (₹.)	
	As at 31.03.2012	As at 31.03.2011
a) Employees		
Provision for earned leave	2,19,71,020	1,50,84,851
Provision for gratuity	3,01,07,017	2,56,97,290
Provision for salaries	-	1,05,34,000
b) Others		
Provision for tax	6,83,00,000	6,67,00,000
Provision for scrap	10,000	-
Provision for warranty liability	47,92,808	47,92,808
Provision for fringe benefit tax	81,907	81,907
Total	12,52,62,752	12,28,90,856

NOTE - 8

TANGIBLE ASSETS AS PER COMPANIES ACT, 1956

(Amount ₹.)

Fixed assets	Gross block						Accumulated depreciation					Gross block	
	Balance As at 1.4.2011 (1)	Additions (disposals) (2)	Acquired through business combinations (3)	Revaluations/ (impairments) (4)	Balance As at 31.3.2012 (5)	Balance Up to 1.4.2011 charge for the year (6)	Depreciation charge for the year (7)	Adjustment due to revaluations (8)	on disposals (9)	Balance As at 31.3.2012 (10)	Balance As at 1.4.2011 (11)	Balance As at 31.3.2012 (12)	
A. Tangible Assets													
Land	42,51,720	-	-	-	42,51,720	-	-	-	-	-	42,51,720	42,51,720	
Buildings	3,56,66,102	-	-	-	3,56,66,102	2,53,95,622	6,69,022	-	-	2,60,64,644	1,02,70,490	96,01,458	
Plant & Equipment													
i) Indigenous	6,36,85,482	24,519	-	-	6,37,10,001	5,18,79,726	5,97,102	-	-	5,24,76,828	1,18,05,756	1,12,33,173	
ii) Imported	2,99,97,679	-	-	-	2,99,97,679	2,84,97,796	-	-	-	2,84,97,796	14,99,883	14,99,883	
Furniture & Fixtures	20,18,687	32,344	-	-	20,51,031	15,35,764	44,108	-	-	15,79,892	4,82,903	4,71,139	
Vehicles	11,24,390	9,81,290	-	-	21,05,680	6,54,323	1,42,311	-	-	7,96,634	4,70,067	13,09,046	
Office equipment	16,21,866	2,19,149	-	-	18,41,015	8,14,018	87,813	-	-	9,01,831	8,07,848	9,39,184	
Others	1,98,16,761	6,43,004	-	-	2,04,59,765	1,54,66,649	6,88,683	-	-	1,61,55,332	43,50,112	43,04,433	
Total (A)	15,81,82,687	19,00,306	-	-	16,00,82,993	12,42,43,918	22,29,039	-	-	12,64,72,957	3,39,38,769	3,36,10,036	
B. Capital work in progress	8,80,801	3,67,335	-	-	12,48,136	-	-	-	-	-	8,80,801	12,48,136	
Total (B)	8,80,801	3,67,335	-	-	12,48,136	-	-	-	-	-	8,80,801	12,48,136	
Intangible assets under development	-	-	-	-	-	-	-	-	-	-	-	-	
Total (C)	-	-	-	-	-	-	-	-	-	-	-	-	

NOTE - 9

DEFERRED TAX ASSET

Amount (₹.)

Particulars	As at 31.03.2012	As at 31.03.2011
Deferred tax asset	1,27,16,477	1,38,13,426
Total	1,27,16,477	1,38,13,426

NOTE - 10

LONG TERM LOANS AND ADVANCES

Amount (₹.)

Particulars	As at 31.03.2012	As at 31.03.2011
Other advances: Secured considered good		
Material advances	75,81,158	19,83,643
Advance sales tax	1,15,12,833	1,15,12,833
Advance for rent	30,000	30,000
Adv. for FR. & demurrages	-	78,522
Deposit with central excise	41,478	1,18,317
Deposit with education cess	3,063	3,426
Dep. with S&H edn. cess	3,803	1,984
EMD on outside orders	1,73,300	35,000
Dues recoverable from others	4,20,937	2,32,357
Cenvat cr. recv. inputs	16,82,107	12,12,411
Edn. cess cr. recv. inputs	33,273	24,805
Cenvat cr. On S&H	11,949	7,765
Service tax cr. recv. inputs	2,62,292	3,47,388
Vat account	3,050	77,413
Advance income tax	7,69,24,998	6,34,24,998
Advance fringe benefit tax	1,03,000	1,03,000
Prepaid expenses	8,37,419	7,76,767
Prepaid insurance	4,43,999	2,69,507
Income tax deducted at source	41,66,873	38,85,980
Works cont. tax deducted at source	29,39,785	13,18,475
Total	10,71,75,317	8,54,44,591

NOTE - 11

OTHER NON- CURRENT ASSETS

Particulars	Amount (₹.)	
	As at 31.03.2012	As at 31.03.2011
a) Security Deposits		
Deposit with telephone dept.	82,997	81,997
Deposit with court	3,57,700	514
Deposit with APSEB	11,04,175	11,04,175
Deposit with IOL	7,000	7,000
Deposit with post office	2,000	2,000
Deposits	21,170	50,208
Deposit with customs duty	6,78,518	6,78,518
Security deposit	5,40,765	5,40,765
Sec. dep. with Commr. of Labour	9,000	9,000
	28,03,325	24,74,177
Less: PROVISIONS		
Provision for customs duty	6,78,518	6,78,518
Provision for VTPS deposit	5,30,765	5,30,765
	15,94,042	12,64,894
B) Others		
Advance to suppliers & contrs.	1,60,366	1,60,366
PF paid under protest	15,08,512	-
Total	32,62,920	14,25,260

NOTE - 12

INVENTORIES

Particulars	Amount (₹.)	
	As at 31.03.2012	As at 31.03.2011
Valued at cost on weighted Average Basis		
Raw materials	4,41,96,252	8,37,08,920
Gases	83,123	81,672
Paints	4,68,362	5,08,933
Electrodes	33,99,182	36,94,966
Bought out items	7,56,39,913	6,84,05,171
Stock items	71,11,766	53,64,392
Tools	64,10,849	50,62,352
Spares	33,06,646	27,00,647
Maintenance material	12,22,257	7,58,263
Stock of scrap (Valued at market price)	68,04,447	64,61,049
Work-in-progress (Valued at cost or market value which ever is less)	6,09,72,126	4,01,86,593
	20,96,14,925	21,69,32,958
Less: Provn. On non-moving items	93,30,439	1,39,53,404
Total	20,02,84,486	20,29,79,554

NOTE - 13

TRADE RECEIVABLES

Particulars	Amount (₹.)	
	As at 31.03.2012	As at 31.03.2011
Trade Receivables Due from the date of payment Less than six months, Secured considered good	27,37,26,325	22,55,18,743
Trade Receivables Due from the date of payment More than six months, Secured considered good	4,34,27,720	5,12,04,830
Less: Provision for Doubtful Debts	-	3,57,186
	4,34,27,720	5,08,47,644
Total	31,71,54,045	27,63,66,387

NOTE - 14

CASH AND CASH EQUIVALENTS

Particulars	Amount (₹.)	
	As at 31.03.2012	As at 31.03.2011
a) Bank balances		
Current account with HDFC	48,676	48,676
SBH Kothagudem	28,877	28,877
SBH BHPV Vizag	1,14,615	1,15,165
SBI, BILASPUR	10,750	10,750
b) Cash on hand	1,36,236	78,172
c) FDRs with SBI(Towards margin money)	12,00,000	43,10,028
Total	15,39,154	45,91,668

NOTE - 15

SHORT TERM LOANS AND ADVANCES

Particulars	Amount (₹.)	
	As at 31.03.2012	As at 31.03.2011
Advance for expenses	48,024	308
Festival advance to staff	1,27,000	2,77,600
Advance for travelling exp.	74,818	14,067
Dues recoverable from staff	115	12,480
Int. acc. but not due on loans & dep.	68,872	11,25,253
Total	3,18,829	14,29,708

NOTE - 16

INCOME FROM OPERATIONS

Particulars	Amount (₹.)	
	For the year ended	
	31.03.2012	31.03.2011
Material handling equipment	71,16,84,898	53,98,10,623
Job orders	1,42,79,340	1,27,05,145
Spares	5,92,49,955	4,93,53,736
Maintenance and repairs/ reconditioning	2,59,95,852	5,73,60,753
	81,12,10,045	65,92,30,257
Less: Excise duty	7,42,01,958	5,25,52,872
Total	73,70,08,087	60,66,77,385

NOTE - 17

OTHER INCOME

Particulars	Amount (₹.)	
	For the year ended	
	31.03.2012	31.03.2011
INTEREST INCOME		
Interest on FDRs	2,58,220	5,39,530
Interest on security deposit	65,890	65,793
Interest on income tax refund		2,76,937
Freight on sales	47,48,322	27,61,272
Sale of scrap	1,20,03,248	24,48,187
Rent received	18,17,417	18,22,008
Sale of tender schedules	1,654	678
Miscellaneous receipts	25,357	44,397
Recovery of liquidated damages	32,04,680	22,76,169
Liabilities written back	-	4,31,704
Damages for use of company land	2,97,816	1,43,043
	2,20,98,494	99,27,458
Total	2,24,22,604	1,08,09,718

NOTE - 18

COST OF MATERIALS AND OTHER CONSUMABLES

	2011-12						2010-11						
	Opening balance ₹.	Purchases ₹.	Total ₹.	Consumption ₹.	Provisions withdrawn ₹.	Others ₹.	Closing balance ₹.	Opening balance ₹.	Purchases ₹.	Total ₹.	Consumption ₹.	Others ₹.	Closing balance ₹.
Raw materials	8,37,08,920	19,20,11,733	27,57,20,653	22,90,69,094	23,88,213	67,094	4,41,96,252	5,86,76,482	20,21,78,234	26,08,54,716	17,70,74,319	71,477	8,37,08,920
Gases	81,672	7,38,985	8,20,657	7,37,534	-	-	83,123	72,438	6,62,927	7,35,365	6,52,037	1,656	81,672
Paints	5,08,933	8,10,038	13,18,971	8,50,501	-	108	4,68,362	2,73,285	7,21,651	9,94,936	4,85,654	349	5,08,933
Electrodes	36,94,966	37,73,474	74,68,440	40,69,258	-	-	33,99,182	47,43,086	30,76,802	78,19,888	41,08,150	16,772	36,94,966
Bought out items	6,84,05,171	16,15,52,112	22,99,57,283	15,19,56,406	22,34,753	1,26,211	7,56,39,913	7,48,63,653	11,88,51,364	19,37,05,017	12,46,19,299	6,80,547	6,84,05,171
Stock items	53,64,392	87,29,174	1,40,93,566	64,14,970	-	5,66,830	71,11,766	53,37,140	48,44,635	1,01,81,775	44,18,543	3,98,840	53,64,392
Tools	50,62,352	33,98,123	84,60,475	20,49,626	-	-	64,10,849	48,92,665	15,81,863	64,74,528	14,06,006	6,170	50,62,352
Spare parts	27,00,647	13,99,015	40,99,662	-	-	7,93,016	33,06,646	28,91,443	10,04,114	38,95,557	-	11,94,910	27,00,647
Maintenance materials	7,58,263	28,31,220	35,89,483	5,84,797	-	17,82,429	12,22,257	9,06,958	24,66,468	33,73,426	6,24,739	19,90,424	7,58,263
Total	17,02,85,316	37,52,43,874	54,55,29,190	39,57,32,186	46,22,966	33,35,688	14,18,38,350	15,26,47,150	33,63,88,058	48,80,35,208	31,33,88,747	43,61,145	17,02,85,316

NOTE - 19**CHANGES IN INVENTORIES OF FINISHED GOODS
WORK-IN-PROGRESS AND STOCK-IN-TRADE**

Particulars	Amount (₹.)	
	For the year ended	
	31.03.2012	31.03.2011
A) Opening stock of work-in-progress	4,01,86,593	4,27,97,991
B) Closing stock of work-in-progress	6,09,72,126	4,01,86,593
C) Increase in stock (A-B)	(2,07,85,533)	26,11,398
D) Opening stock of scrap	64,61,049	35,84,804
E) Closing stock of scrap	68,04,447	64,61,049
F) Increase in scrap	(3,43,398)	(28,76,245)
G) Increase in stock (C+F)	(2,11,28,931)	(2,64,847)

NOTE - 20**EMPLOYEE BENEFIT EXPENSES**

Particulars	Amount (₹.)	
	For the year ended	
	31.03.2012	31.03.2011
Salaries	14,45,83,809	10,08,45,237
Arrears of salaries	-	1,05,34,000
Wages	19,22,615	13,18,903
Stipend	9,89,348	6,93,457
Bonus	1,33,306	1,35,826
Ex-gratia	17,32,282	16,14,203
Remuneration to MD	22,67,160	-
Employees state insurance	6,13,193	16,67,049
Provident fund	1,00,38,929	61,47,285
Family pension fund	29,80,883	34,31,425
Group gratuity assurance scheme	1,44,21,815	2,47,29,921
Staff welfare expenses	21,66,129	25,49,591
Conveyance to staff	43,67,926	37,18,316
Medical expenses	47,857	61,157
DRF Co. contribution	2,17,000	93,000
Inspn. charges on PF trust	2,04,204	1,43,660
Employees dep. linked insurance	5,68,165	3,99,316
HRA to officials	4,09,110	9,93,760
Workmen compensation	1,60,135	2,34,189
HRA to MD	1,80,000	1,70,805
Total	18,80,03,866	15,94,81,100

NOTE - 21

FINANCE COST

Amount (₹.)

Particulars	For the year ended	
	31.03.2012	31.03.2011
Interest on cash credit	77,64,371	64,44,974
Interest on sccl interest bearing loan	-	3,12,777
Interest on sccl mobilisation advances	5,43,201	21,57,970
Interest others	12,423	19,08,105
Bank charges	10,17,539	11,29,702
Total	93,37,534	1,19,53,528

NOTE - 22

OTHER EXPENSES

Amount (₹.)

Particulars	For the year ended	
	31.03.2012	31.03.2011
Sub-contracts	4,46,90,661	2,03,93,729
Repairs and maintenance		
Repairs and maintenance-buildings	1,68,603	2,14,896
Repairs and maintenance-machinery	86,71,366	14,58,588
Repairs and maintenance-vehicles	43,819	49,970
Repairs and maintenance-general	26,79,076	19,52,490
Travelling expenses	1,15,62,864	36,75,944
Travelling expenses-general	24,92,468	14,69,946
Travelling expenses-transfer	2,18,881	1,15,329
Travelling expenses-MD	3,09,078	37,620
Travelling expenses-Directors	1,73,645	1,33,740
Freight	31,94,072	17,56,635
Freight on raw materials	1,31,160	1,31,003
Freight on general materials	1,20,390	99,146
Freight on outside orders	57,51,216	46,25,607
VAT account	60,02,766	48,55,756
Electricity charges	13,90,379	24,39,923
Printing & stationery	64,38,241	59,64,167
Advertisement & publicity	9,85,536	3,90,180
Erection & commissioning charges	5,22,511	2,77,808
Service charges	71,000	-
Petrol, oil, lubricants	-	8,000
Water charges	3,07,441	2,82,401
AGM expenses	37,420	37,080
Patterns written off	2,02,106	2,03,015
	1,22,678	1,24,656

NOTE - 22

OTHER EXPENSES (contd...)

Amount (₹.)

Particulars	For the year ended	
	31.03.2012	31.03.2011
Rent	73,632	73,632
Postage & telegraph	1,43,875	1,27,802
Telephone & telex charges	2,78,870	2,64,856
Excise duty	81,626	6,15,290
Loss due to theft	10,000	-
Fixed assets written off	-	39,238
Board meeting expenses	22,698	22,443
Directors sitting fee	29,000	27,000
Packing & forwarding charges	1,565	2,748
Consultancy charges	1,301	50,000
Liaisoning charges	-	17,38,344
Conveyance charges	74,051	71,605
Commission on scrap sales	2,41,173	1,10,270
Directors incidentals	4,350	5,750
Insurance on fixed assets	1,41,905	1,41,343
Insurance - others	16,518	16,369
Insurance - transit	3,35,276	22,138
Audit fees	44,944	49,635
Professional charges	5,52,335	5,11,070
Legal expenses	32,600	1,05,215
Hospitality expenses	3,95,615	2,54,128
Books & periodicals	11,262	54,438
Subscription & membership	27,068	6,570
Conference, seminar & training	96,740	9,195
Staff recruitment expenses	-	2,89,690
ESI demurrages	24	-
Crane hire charges	3,474	2,000
Exhibition expenses	20,559	-
Misc. Expenses	3,86,273	2,55,283
Liquidated damages	49,84,317	20,96,583
Rates & taxes	6,11,273	2,62,296
Licence & renewals	1,12,836	61,438
Testing charges	2,98,813	2,22,037
Filing fee	4,900	3,620
Hire vehicles	7,42,787	5,47,478
Computers maint. Charges	1,13,167	1,45,398
Tender schedules - purchase	-	1,200
Computer software charges	32,621	15,084
Rework/ rectn. expenses on sales	2,69,199	-
Non moving stores written off	46,22,966	-
Computer hire charges	49,935	18,165
Loss on exchange variation	-	1,524
Programmers hired charges	2,83,424	74,387
Total	9,06,80,648	4,87,24,556

NOTE - 23**EXCEPTIONAL ITEMS**

Particulars	Amount (₹.)	
	For the year ended	
	31.03.2012	31.03.2011
Provisions withdrawn	49,80,152	-
Short/ excess of earlier years tax	33,02,662	18,26,804
Provisions	-	-50,31,225
Exp./ income per. to earlier years	23,77,910	-
Income tax refund	1,00,060	-
Total	1,07,60,784	(32,04,421)

Summary of Significant accounting policies - NOTE - 24**STATEMENT ON ACCOUNTING POLICIES OF THE COMPANY FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDING 31ST MARCH, 2012.****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) Inventories except (ii) & (iii) below 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 which are considered in accounts on receipt basis.
- b) Stationery 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.

NOTES ON ACCOUNTS, NOTE - 25

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 for 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 Hon'ble 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 2010-11 and 2011-12 are pending.
- d) Guarantees given by the bank on behalf of the Company for an amount of Rs.95.30 lakhs for which counter guarantees of even amount are given by the Company to the Bank (Previous year Rs.91.20 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 Hon'ble Andhra Pradesh High Court. Arguments in the case were concluded during the year 2009-10 and the Hon'ble High Court redirected the case back to Hon'ble Employees Insurance Court for fresh disposal on merits in accordance with Law. Pending disposal of the case no provision was made in the books.
- h) Municipal Corporation, Vijayawada, had 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. 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. i. Against the orders issued by CEST, Guntur, towards payment of Excise Duty on roof bolts amounting to Rs.1,49,30,964 and towards penalty for Rs.1,00,00,000/-.
 - (a) the company has paid under protest an amount of Rs.1,27,10,074 for which no provision was made in the books of account.
 - (b) for balance tax of Rs.22,80,890/- the company has filed an appeal with CESTAT, Bangalore, for which no provision was made in the books of account.
 - (c) the company has filed an appeal and stay petition against penalty imposed before CESTAT, Bangalore for which stay was granted. Pending disposal of appeal no provision was made in the books of account for penalty.
- ii. The company had received order from Assistant Commissioner Central Excise and Service Tax, Vijayawada levying tax towards non payment of Service Tax on E-1 sales amounting to Rs.33,10,948/- which was subsequently dropped by the Additional Commissioner Central Excise and Service Tax, Guntur. The department had preferred an appeal against the said order with Commissioner (Appeals), Guntur. Orders have been issued by Commissioner (Appeals), Guntur in favour of the Department and the company has filed an appeal before the Hon'ble CESTAT against the orders issued by the Commissioner(Appeals). Pending disposal of the appeal no provision has been made in the books towards the disputed liability amounting to Rs.33,10,948/-.
3. Provident Fund authorities have issued a demand for payment of Rs.50,28,373/- towards the Provident Fund payable in respect of employees engaged by the sub-contractor. The company has filed an appeal in Hon'ble EPF Appellate Tribunal, New Delhi. The Tribunal has issued stay vide their order dated 16.06.2011. Towards Rs.15,08,512/- paid under protest no provisions was made in the books of account.
4. 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.
5. Bank Guarantees amounting to Rs.113.98 lakhs furnished by suppliers and contractors were held by the Company as on 31-03-2012 (previous year Rs.90.13 lakhs).
6. 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.
7. 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.
8. 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 AS-15 (revised).

Particulars	For the year ended 31.03.2012	For the year ended 31.03.2011
Obligation at beginning of the year	12,24,92,387	9,25,46,221
Interest cost	97,99,391	74,03,698
Current service cost	45,37,545	27,97,467
Benefits settled	(83,89,815)	(30,68,620)
Actuarial (gain)/loss	88,51,351	2,28,13,621
Obligation at the end of the year, at fair value	13,72,90,859	12,24,92,387
Change in plan assets		
Plan assets at beginning of the year, at fair value	9,67,95,097	9,05,95,194
Expected return on plan assets	87,66,472	82,84,865
Contributions	1,00,12,088	9,83,658
Benefits paid	(83,89,815)	(30,68,620)
Actuarial gain/loss	NIL	NIL
Fair value of plan assets at the end of the year	10,71,83,842	9,67,95,097
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	10,71,83,842	9,67,95,097
Present value of the defined benefit obligation at the end of the year	13,72,90,859	12,24,92,387
Assets/(liability) recognized in the balance sheet		
Gratuity cost for the year		
Service cost	45,37,545	27,97,467
Interest cost	97,99,391	74,03,698
Expected return on plan assets	(87,66,472)	(82,84,865)
Actuarial gain/loss	88,51,351	2,28,13,621
Net gratuity cost	1,44,21,815	2,47,29,921
Assumptions		
Discount rate	8.00%	8.00%
Expected return on plan assets	9.30%	9.30%
Expected rate of salary increase	7.00%	7.00%

9. Materials valued Rs.39.51 lakhs are lying with outside parties for job works (previous year Rs.40.58 lakhs).

10. INCOME-TAX

- 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.
- 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.

ASSETS	2011-12 ₹.	2010-11 ₹.
Gratuity	47,90,927	84,05,700
Others	1,38,05,016	1,18,06,876
TOTAL	1,85,95,943	2,02,12,576
LIABILITIES		
Difference in depreciation for accounting and tax purposes	58,79,466	59,00,067
Others	0	4,99,083
TOTAL	58,79,466	63,99,150
DEFERRED TAX ASSET(NET)	1,27,16,477	1,38,13,426

11. 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.

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

13. Earnings per shares (AS-20):

	2011-12 Rs.	2010-11 Rs.
A Net profit after tax	7,19,40,184	4,93,72,932
B Number of ordinary equity shares(Fully paid up)	1,72,71,293	1,72,71,293
C Earnings per Share (a/b)	4.17	2.86

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

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

16. 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 5 OF PART II OF SCHEDULE VI OF THE COMPANIES ACT, 1956**1. INFORMATION REGARDING TURNOVER:**

Sl. No.	Sale of products / services	Current year 2011-12		Previous year 2010-11	
		QTY. MTs.	AMOUNT ₹.	QTY. MTs.	AMOUNT ₹.
1	Material Handling Equipment	6133.87	64,31,65,125	5625.52	49,18,66,486
2	Job orders	190.18	1,42,79,340	230.90	1,27,05,145
3	Spares	160.15	5,35,67,770	130.29	4,47,45,001
4	Repairs/ Reconditioning	262.97	2,59,95,852	230.90	5,73,60,753
	TOTAL	6747.17	73,70,08,087	6217.61	60,66,77,385

2. RAW MATERIALS CONSUMED FOR SALE OF PRODUCTS

Sl. No.	Sale of products / services	Current year 2011-12		Previous year 2010-11	
		Quantity MTs.	AMOUNT ₹.	Quantity MTs.	AMOUNT ₹.
1	Raw materials				
	Direct	5936.87	19,94,78,451	5032.63	14,94,64,818
	Others		2,95,90,643		2,76,09,501
2	Boughtout Items		15,19,56,406		12,46,19,299
3	Stock Items		64,14,970		44,18,543
4	Maintenance Material		5,84,797		6,24,739
5	Consumable Stores		56,57,293		52,45,841
6	Consumable Tools		20,49,626		14,06,006
			39,57,32,186		31,33,88,747
	Add/Less: Material included in work-in-progress & Finished goods.		1,04,82,197		72,52,961
	Total		38,52,49,989		32,06,41,708

3. PURCHASE OF RAW MATERIALS

Sl. No.	Sale of products / services	Current year 2011-12		Previous year 2010-11	
		Quantity MTs.	AMOUNT ₹.	Quantity MTs.	AMOUNT ₹.
1	Steel	4256.28	16,21,32,341	5460.20	18,01,19,044
2	Other Raw Materials		2,98,79,392		2,20,59,190
3	Bought Out Items		16,15,52,112		11,88,51,364
4	Stock Items		87,29,173		48,44,635
5	Maintenance Material		28,31,220		24,66,468
6	Consumable Stores		53,22,497		44,61,380
7	Tools		33,98,123		15,81,863
8	Spares		13,99,016		10,04,114
	TOTAL		37,52,43,874		33,53,88,058

4. PARTICULARS REGARDING CAPACITY AND PRODUCTION *

(in MTs.)

Sl No	PRODUCT GROUP	Licensed capacity		Installed capacity		Actual production	
		Current year 2011-12	Previous year 2010-11	Current year 2011-12	Previous year 2010-11	Current year 2011-12	Previous year 2010-11
1	Material Handling Equipment	4710	4710	250	250	2167	2461
2	Chemical, Pharma-ceutical & Mini plant	2000	2000	0	0	00	00
3	Textile Machinery	1000	1000	1188	1188	0	0
4	Leather Processing Machinery	160	160	0	0	0	0
5	Leather Processing Machinery	500	500	312	312	0	0
6	Size Reduction Equipment	2000	2000	1750	1750	0	0
7	Job Orders	0	0	0	0	190	248
8	Air Pollution Equipment	3000	3000	0	0	0	0
9	Road Headers & Tunneling Equipment	8 Nos	8 Nos	0	0	0	0
10	Maintenance Spares & over handling equipment	0	0	0	0	1142	497
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

5. DETAILS OF REMUNERATION TO MANAGING DIRECTOR

Sl. No.	Description	Current year 2011-12 ₹	Previous year 2010-11	
			Sri P.V. Satyanandam 1.4.10 to 9.10.10 ₹	Sri I.V.N. Prasad 9.10.10 to 31.3.11 ₹
1.	Salary	20,76,901	NIL	NIL
2.	P F Employer contribution	1,62,029	NIL	NIL
3.	FPF Co., contribution	17,457	NIL	NIL
4.	Admn. Charges	10,773	NIL	NIL
5.	House Rent	1,80,000	82,500	88,305
6.	Others	55,421	66,404	16,577
	Total	25,02,581	1,48,904	1,04,882

Note: Managing Director is on deputation from Holding Company SCCL.

6. THE VALUE OF IMPORTS ON CIF BASIS

A) Raw materials, Spare Parts and Components ₹.21,47,389/- (Previous year: ₹.25,14,803/-).

B) Percentage of Materials consumed.

Sl. No.	Description	Current year 2011-12		Previous year 2010-11	
		Percentage	Value (₹.)	Percentage	Value (₹.)
1	Materials				
	Imported	0.32	12,73,875	-	-
	Indigenous	57.57	22,77,95,219	56.50	17,70,74,319
2	Spare parts, components and others				
	Imported	0.01	51,908	0.70	22,05,051
	Indigenous	42.10	16,66,11,184	42.80	13,41,09,377
	Total		39,57,32,186		31,33,88,747

7. FOREIGN CURRENCY/ EXCHANGE TRANSACTIONS

- a) Expenditure in Foreign Currency :
- Royalty ₹.NIL (Previous Year ₹.NIL)
 - ISO Certification charges ₹. Nil (Previous Year: ₹.50,000/-)
- b) Earnings Foreign Exchange ₹.NIL (Previous Year ₹.NIL)

CASH FLOW STATEMENT AS PER ACCOUNTING STANDARD-3

(₹. in lakhs)

	Current year 2011-12		Previous year 2010-11	
A) CASH FLOW FROM OPERATING ACTIVITIES				
Net profit before tax and extraordinary items		945.76		822.23
Adjustment for depreciation	22.29		19.81	
Adjustment for interest paid	93.38		108.24	
		115.67		128.05
Operating Profit before working capital changes		1061.43		950.28
Decrease/Increase in Long term borrowings	0.00		-120.83	
Increase(-)/decrease in long term loans and advances	-217.31		51.62	
Increase(-)/decrease in other non current assets	-18.38		2.58	
Increase/decrease in current assets	-369.82		-803.72	
(Increase)/Decrease in Deferred Tax Asset	-10.97		-63.55	
Increase/decrease(-) in Trade payables	110.23		-158.67	
Increase/decrease in other current liabilities	0.49		-142.16	
Increase/Decrease(-) in short term provisions	23.72	-482.03	608.93	-625.80
Net Cash Flow from operations		579.40		324.48
Exceptionals items	107.61		0.00	
Earlier provisions	0.00		18.27	
Provisions for taxation	-323.00		-360.00	
Provisions	0.00		-50.31	
Deferred Tax Asset(Net)	10.97		63.55	
		-204.42		-328.49
CASH FLOW FROM OPERATING ACTIVITIES (A)		374.98		-4.01
B) CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	-19.00		-44.21	
Capital work-in-progress	-3.67		-8.81	
Decrease of fixed assets	0.00		0.39	
		-22.68		-
52.63		-22.68		-52.63
C) CASH FLOW FROM FINANCING ACTIVITIES				
Increase/Decrease(-) in Loans from banks and institutions	-289.45		157.73	
Interest paid	-93.38	-382.83	-108.24	49.49
Net increase in Cash & Bank(A+B+C)		-30.53		-7.15
Opening balance of cash and bank		45.92		53.08
Closing balance of cash and bank		15.39		45.92

**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	31.3.2012

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	677309
Total Assets	677309
Source of Funds:	(Rupees in thousands)
Paid up Capital (Including share deposit)	172713
Reserves & Surplus	169344
Secured Loans	62287
Unsecured Loans	10000
Application of Funds:	(Rupees in thousands)
Net Fixed Assets	33610
Capital work-in-progress	1248
Investments(DTA)	12716
Net Current Assets	366775
Miscellaneous expenditure	NIL
4. Performance of Company:	(Rupees in thousands)
Turnover	737008
Total Expenditure	631671
Profit Before Tax	105337
Profit After Tax	71940
Earnings per Share	4.17 (in rupees)
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 & Notes 1 to 25)

Sd/-
(V.Venkateswara Rao)
Company Secretary & FM(I.A.)
Date: 18.7.2012,
Place: Kondapalli

Sd/-
(N.Chakravarthy)
Chief (Finance & Accounts)

For and on behalf of the Board
Sd/-
(J.V. Dattatreyyulu)
Chairman
Sd/-
(I.V.N.Prasad)
Managing Director

As per our report of even date
For M/s.Chowdary & Rao
Chartered Accountants
(FRN: 000656S)

Date: 18.7.2012,
Place: Vijayawada.

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



Celebration of Bathukamma Festival in Singareni colonies



Eco-park at KK-2 colony, Mandamarri



The Singareni Collieries Company Limited
(A Government Company)

Registered Office:
Kothagudem Collieries (PO)- 507 101
Khammam District
Andhra Pradesh, India
www.scclmines.com

