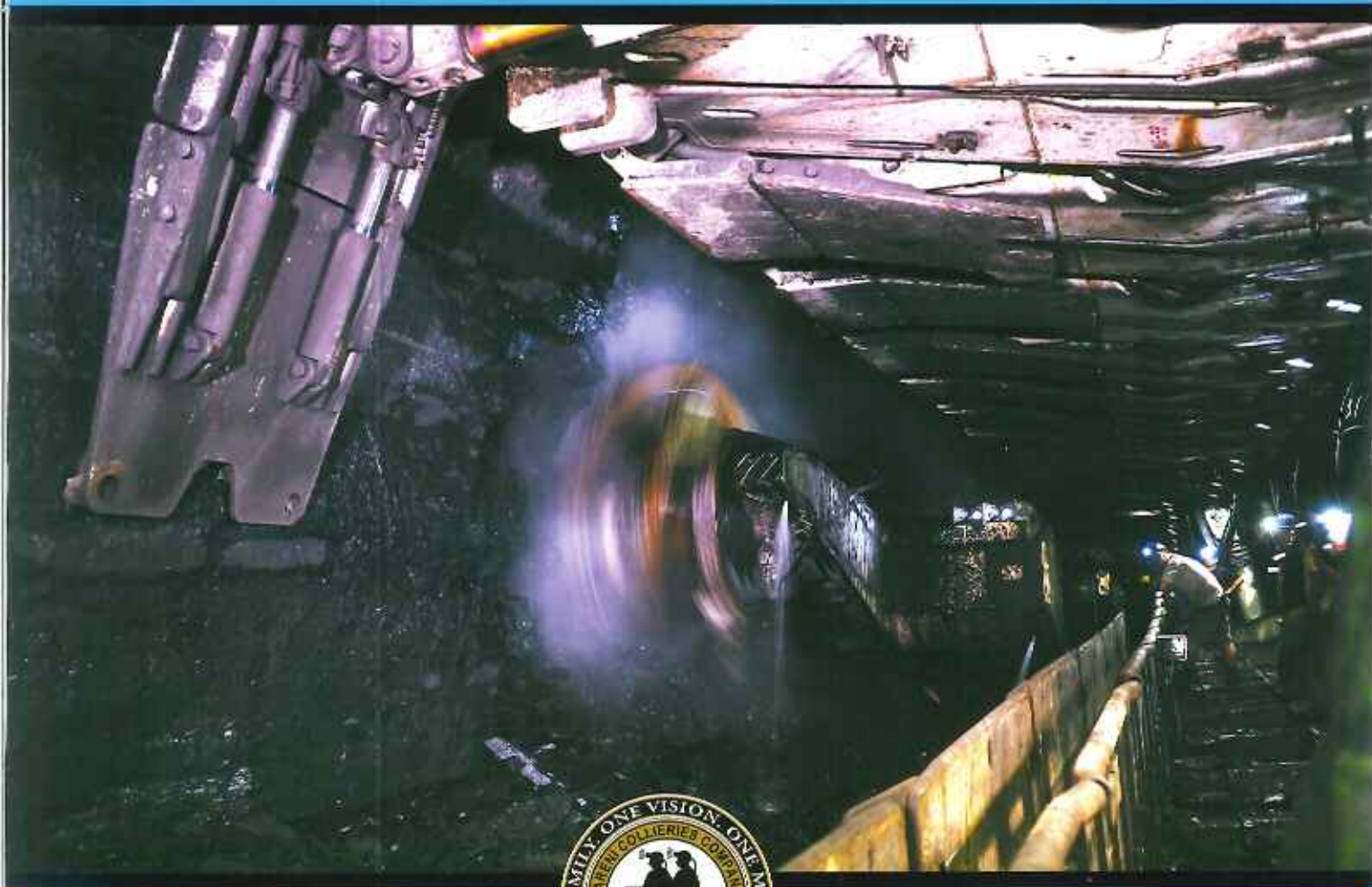


93rd
Annual Report & Accounts
2013-2014



The Singareni Collieries Company Limited

(A Government Company)



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 bench marks.
- * 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 frame work 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)

93rd ANNUAL REPORT AND ACCOUNTS 2013-14

CONTENTS

Performance indicators at a glance	1
Notice	2
Directors' Report	5
Comments of C&AG and Management replies	22
Auditors' Report and Management replies	23
Balance sheet	32
Statement of Profit & Loss	33
Cash flow statement	34
Notes	36
Statement on subsidiary Company	66
Annual Report of Subsidiary Company	67

BANKERS:

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

AUDITORS:

M/s.Vaithisvaran & Co.,
 Chartered Accountants,
 6-3-663/C, Officers Colony,
 Panjagutta, Beside MAA TV Building,
 Hyderabad - 500 034.

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)
2. **Director (Finance) & Chief Financial Officer**
Sri S.Vivekanand (From 3.9.2010)
3. **Director (Operations)**
Sri B. Ramesh Kumar (From 13.12.2012)
4. **Director (Personnel, Administration & Welfare)**
Sri S.Vivekanand (From 3.12.2014) (FAC)
Sri T.Vijaya Kumar (From 3.8.2011 to 2.12.2014)
5. **Director (Planning & Projects)**
Sri A.Manohar Rao (From 13.12.2012)
6. **Director (Electrical & Mechanical)**
Sri P.Ramesh Babu (From 1.3.2014)
Sri P.Viswanadha Raju (From 12.11.2011 to 28.2.2014)
7. **Sri A.K. Bhalla** (From 3.4.2013)
Joint Secretary, Ministry of Coal, Govt. of India, New Delhi
8. **Sri D.N.Prasad** (From 6.6.2013)
Advisor (Projects), Ministry of Coal, Govt. of India, New Delhi
Sri Anurag Kapil (From 21.5.2013 to 5.6.2013)
Dy.Secretary, Ministry of Coal, Govt. of India, New Delhi
9. **Sri D.C.Garg** (From 21.9.2007 to 17.6.2014)
Chairman-cum- Managing Director,
Western Coalfields Ltd., Nagpur
10. **Dr.Shailendra Kumar Joshi** (From 30.8.2014)
Principal Secretary, Energy Dept., Govt. of Telangana.
Sri Suresh Chanda (From 28.6.2014 to 29.8.2014)
Principal Secretary, Energy Dept., Govt. of Telangana.
Dr.Shailendra Kumar Joshi (From 19.4.2014 to 27.6.2014)
Special Chief Secretary, Energy Dept., erstwhile Govt. of A.P.
Sri Mrutunjay Sahoo (From 17.10.2012 to 31.3.2014)
Special Chief Secretary, Energy Dept., erstwhile Govt. of A.P.
11. **Sri K.Rama Krishna Rao** (From 28.6.2014)
Special Secretary (I F), Finance Dept., Govt. of Telangana.
Dr.P.V.Ramesh (From 3.12.2013 to 28.6.2014)
Principal Secretary (R&E), Finance Dept., erstwhile Govt. of A.P.
Sri V.Bhaskar (From 1.7.2011 to 19.9.2013)
Special Chief Secretary, Finance Dept., erstwhile Govt. of A.P.

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

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

Board of Directors

(As on 30.12.2014)



Sri Sutirtha Bhattacharya
Chairman & Managing Director



Sri S. Vivekanand
Director (Finance), CFO & Director
(PA&W)(FAC)



Sri B. Ramesh Kumar
Director (Operations)



Sri A. Manohar Rao
Director (P & P)



Sri P. Ramesh Babu
Director (E & M)



Dr. Shailendra Kumar Joshi
Director



Sri K. Rama Krishna Rao
Director



Sri A.K. Bhalla
Director

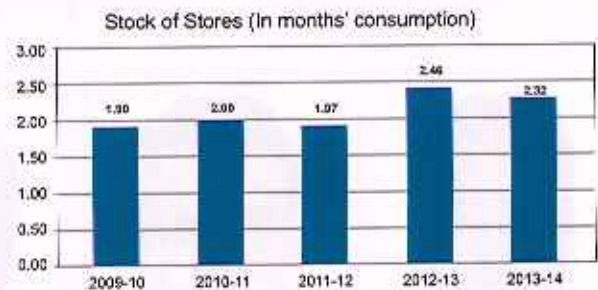
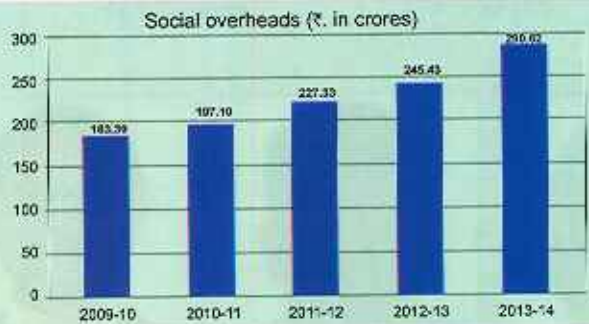
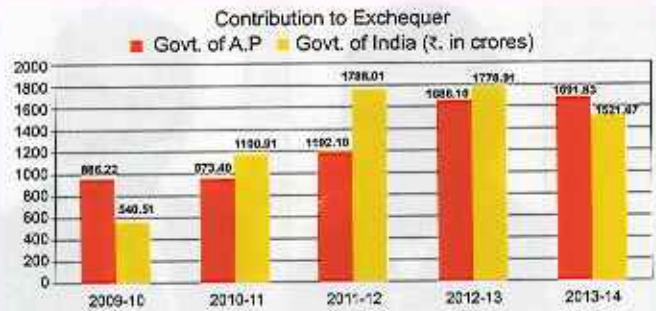
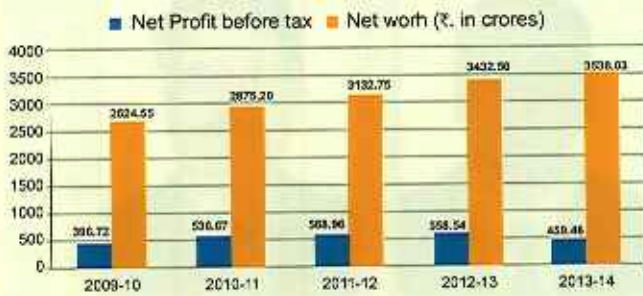
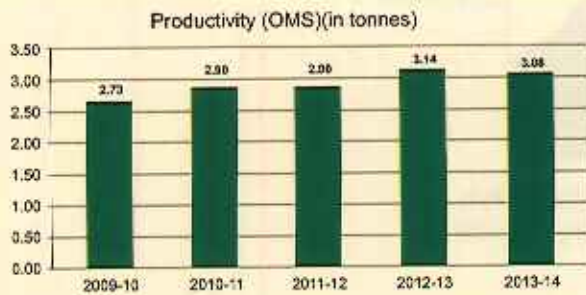
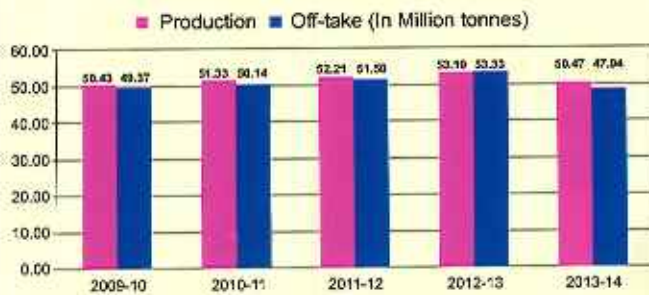


Sri D.N. Prasad
Director



Sri A. N. Sahay
Director

Graphs indicating important statistics





PERFORMANCE INDICATORS AT A GLANCE

S.No.	Indicators	Unit	2013-14	2012-13	2011-12	2010-11	2009-10
1.	Production:						
	a) Open cast	(Lakh Tonnes)	399.21	415.93	415.59	397.26	384.56
	b) Underground	(Lakh Tonnes)	105.48	115.97	106.52	116.07	119.69
	c) Total	(Lakh Tonnes)	504.69	531.90	522.11	513.33	504.25
2.	Off-take	(Lakh Tonnes)	479.41	533.34	515.04	501.44	493.68
3.	Stock of Coal	(Lakh Tonnes)	55.52	30.22	31.28	24.06	12.25
4.	Output per Man Shift	(Tonnes)	3.08	3.14	2.90	2.90	2.73
5.	Manpower	(Nos.)	61778	64600	66466	67615	69043
6.	Net sales	(₹ crore)	9782.03	10128.29	9238.04	8165.81	6853.84
7.	Profit before tax	(₹ crore)	459.46	558.54	568.96	536.67	396.72
8.	Profit after tax	(₹ crore)	418.74	401.14	358.27	351.37	268.01
9.	Accumulated Profit	(₹ crore)	744.43	738.90	539.15	381.60	230.95
10.	General Reserve	(₹ crore)	1060.40	960.40	860.40	760.40	660.40
11.	Equity Share Capital	(₹ crore)	1733.20	1733.20	1733.20	1733.20	1733.20
12.	Long-term Debt	(₹ crore)	2304.77	1028.48	616.61	331.67	464.34
13.	Net worth	(₹ crore)	3538.03	3432.50	3132.75	2875.20	2624.55
14.	Contribution to Exchequer:						
	- State Government	(₹ crore)	1691.83	1688.10	1182.10	973.40	886.22
	- Central Government	(₹ crore)	1521.67	1778.91	1788.01	1100.91	540.51
15.	Earning per Share	(₹)	2.42	2.31	2.07	2.03	1.55
16.	Debt - Equity Ratio	(ratio)	1.33:1	0.59:1	0.36:1	0.19:1	0.27:1
17.	Cost of sales to sales	(percentage)	95.30	94.49	93.84	93.43	94.21
18.	Debtors as No. of months' sales	(months)	0.87	1.13	0.85	0.47	0.46



93rd Annual Report & Accounts 2013-14

THE SINGARENI COLLIERIES COMPANY LIMITED

(A Government Company)

Regd. office: Kothagudem Collieries (P.O) - 507 101, Khammam Dist., Telangana State.
CIN: U10102AP1920SGC000571, Website: www.scclmines.com, email: cssccl@rediffmail.com

NOTICE

Notice is hereby given to all the shareholders of The Singareni Collieries Company Limited that the 93rd Annual General Meeting of the Company will be held on Tuesday, the 30th day of December, 2014 at 11.00 a.m. at the Registered office, Head office building, Kothagudem Collieries (P.O) - 507 101, Khammam District, Telangana, to transact the following business.

1. To consider and adopt the Directors' Report and the audited Annual Accounts for the financial year 2013-14.
2. To declare dividend @15% on the paid-up equity share capital for the financial year 2013-14.
3. To appoint Directors in place of Sri A.K.Bhalla and Sri D.N. Prasad who retire by rotation in accordance with Section 152 of the Companies Act, 2013 and Article 93 of the Articles of Association of the Company and are eligible for re-election
4. To appoint Directors in place of Sri A.N.Sahay, Sri K.Rama Krishna Rao and Dr.Shailendra Kumar Joshi who retire under Article 98 of the Articles of Association of the Company and are eligible for re-election
5. To fix the remuneration payable to Statutory Auditors appointed by the C&AG of India for the financial year 2014-15.

"Resolved that pursuant to the provisions of Section 142 and other applicable provisions if any, of the Companies Act, 2013, 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 appointed by the C&AG of India for the audit of accounts of the Company for the financial year 2014-15."

SPECIAL BUSINESS:

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

6. Resolved that pursuant to the provisions of Section 148 and other applicable provisions if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the sanction be and is hereby accorded for payment of remuneration and reimbursement of T.A & out of pocket expenses to M/s.M. Narasimha Murthy & Co., Cost Accountants appointed as Cost Auditors by the Board of Directors on 29.6.2014 for the audit of cost accounting records of the Company for the financial year 2014-15 as decided by the Board of Directors.

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

7. Resolved that the sanction be and is hereby accorded for payment of remuneration to Sri Sutirtha Bhattacharya as Chairman & Managing Director of the Company from 10.5.2014 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 S.Vivekanand as Director (Finance) of the Company for a period of one year from 31.8.2014 to 30.8.2015 on the existing 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 payment of remuneration to Sri T. Vijaya Kumar as Director (Personnel, Administration & Welfare) of the Company from 15.7.2014 on the existing terms & conditions laid before the meeting duly initialled by the Chairman for the purpose of identification.
10. Resolved that the sanction be and is hereby accorded for payment of remuneration to Sri P.Viswanadha Raju as Director (Electrical & Mechanical) of the Company for a period of 3 months & 17 days from 12.11.2013 to 28.2.2014 on the existing terms & conditions laid before the meeting duly initialled by the Chairman for the purpose of identification.
11. Resolved that the sanction be and is hereby accorded for payment of remuneration to Sri P.Ramesh Babu as Director (Electrical & Mechanical) of the Company for a period of 2 years from 1.3.2014 on the terms & conditions laid before the meeting duly initialled by the Chairman for the purpose of identification.



12. Resolved that pursuant to the provisions of section 180(1)(c) of the Companies Act, 2013 and other applicable provisions, if any, the sanction be and is hereby accorded for authorising the Board of Directors for making borrowings up to an amount of ₹ 5,000 crores over and above the paid up equity and free reserves of the Company at any point of time that is to say paid up equity plus reserves plus ₹ 5,000 crores.

By order of the Board
Sd/-

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

Date: 5.12.2014
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 102 of the Companies Act, 2013 in respect of the special business are annexed.
3. The Board of Directors in the meeting held on 22.8.2014 recommended dividend @15% on the paid up equity share capital for the financial year 2013-14. If approved the dividend will be paid to the shareholders as at the opening hours of 31.12.2014.
4. The Register of members and Share transfer books of the Company will remain closed from 24.12.2014 to 30.12.2014 (both days inclusive).
5. 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 102 of the Companies Act, 2013.

Resolution No.6:

On the recommendation of the Audit Committee, the Board of Directors vide Circular Resolution No.2/2014-15 dt.29.6.2014 appointed M/s.Narasimha Murthy & Co., Cost Accountants as Cost Auditors for the audit of cost accounting records of the Company for the financial year 2014-15 on the following terms & conditions.

- a) The fee for Cost Audit will be ₹ 2.50 lakhs.
- b) The travelling and out of pocket expenses will be restricted to 50% of the fee subject to production of documentary evidence.
- c) Service Tax etc., shall be paid as extra as applicable on furnishing the registration number with the appropriate authority.

Pursuant to the provisions of Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, approval of the shareholders is sought for payment of remuneration and reimbursement of T.A & out of pocket expenses to M/s.Narasimha Murthy & Co., for the financial year 2014-15 as decided by the Board of Directors.

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

Resolution No.7:

The Board in the meeting held on 19.7.2014 noted that the deputation term of Sri Sutirtha Bhattacharya as Chairman & Managing Director was extended by the erstwhile Govt. of A.P for a period up to 30.6.2014 on the existing terms & conditions of deputation subject to further orders, if any in the matter by the concerned State Govt., (i.e., Govt. of Telangana). The Board also noted that Sri Sutirtha Bhattacharya continues as Chairman & Managing Director even after 30.6.2014 on the existing terms & conditions till the Govt. of Telangana passes any order affecting his deputation as per the provisions of Section 79 of the A.P Reorganisation Act, 2014 and order No.6 dated 31.5.2014 issued by Dept. of Personnel & Training, Govt. of India.

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 Sutirtha Bhattacharya as Chairman & Managing Director for the said period.

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



Resolution No.8:

The Board in the meeting held on 19.7.2014 co-opted Sri S.Vivekanand as Director (Finance) for a further period of one year from 31.8.2014 to 30.8.2015 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 31.8.2014 to 30.8.2015.

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

Resolution No.9:

The Board in the meeting held on 19.7.2014 noted that the deputation term of Sri T.Vijaya Kumar as Director (P.A&W) was extended by the erstwhile Govt. of A.P for a period from 15.7.2013 to 14.7.2014 on the existing terms & conditions of deputation. The Board also noted that Sri T.Vijaya Kumar continues as Director (P.A&W) even after 14.7.2014 on the existing terms & conditions till the Govt. of Telangana passes any order affecting his deputation as per the provisions of Section 79 of the A.P Reorganisation Act, 2014 and order No.6 dated 31.5.2014 issued by Dept. of Personnel & Training, Govt. of India

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 Vijaya Kumar as Director (P.A&W) for the said period.

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

Resolution No.10:

The Board in the meeting held on 21.12.2013 co-opted Sri P.Viswanadha Raju as Director (Electrical & Mechanical) for a further period of 3 months & 17 days from 12.11.2013 to 28.2.2014 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 P.Viswanadha Raju from 12.11.2013 to 28.2.2014.

Resolution No.11:

The Board in the meeting held on 7.3.2014 co-opted Sri P.Ramesh Babu as Director (Electrical & Mechanical) for a period of 2 years from 1.3.2014 on the terms & conditions contained in Office order No.CRP/PER/C/025/398, dt.20.2.2014.

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 Ramesh Babu for a period of 2 years from 1.3.2014.

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

Resolution No.12:

The shareholders in the extraordinary General Meeting held on 5.2.2011 accorded sanction for enhancement of borrowing powers of the Board of Directors up to an amount of ₹ 5,000 crore over & above the paid up equity and free reserves of the Company. Consequent to the enactment of the Companies Act, 2013 in place of Companies Act, 1956, the said resolution of the shareholders is valid up to 11.9.2014 as per clarification issued by Ministry of Corporate Affairs vide circular No.4/2014 dt.25.3.2014.

Therefore Approval of the shareholders is sought afresh for authorization to the Board of Directors for borrowings pursuant to the provisions of section 180(1) (C) of the Companies Act, 2013 read with aforesaid clarification of Ministry of Corporate Affairs.

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



DIRECTORS' REPORT

Dear Members,

Your Directors are happy to present the 93rd Annual Report and audited financial statements of the Company for the year ended on 31st March 2014.

PERFORMANCE:

The performance achieved by the Company during the year under review can be seen from the following table;

Performance parameters	2013-14	2012-13	% variance over 2012-13
Production (in million tonnes)	50.47	53.19	-5.11
Despatches (in million tonnes)	47.89	53.35	-10.23
Gross sales (₹ in crore)	11927.57	12354.33	-3.45
Productivity (Output per manshift in tonnes)	3.08	3.14	-1.91
Capacity utilisation (Coal) (Percentage)	95	100	

OPERATIONAL RESULTS:

The financial performance of the Company for the year 2013-14 as compared to the previous year is as under; (₹ in crore)

Particulars	2013-14	2012-13
Gross revenue	12858.02	13030.66
Profit before interest, depreciation, provisions, tax & prior period adjustments	908.67	1013.49
Less: Interest	37.95	45.38
Depreciation	401.07	394.11
Provisions (net)	10.19	15.46
Prior period adjustments (net)	7.00	17.23
Provision for taxation (net of deferred Tax incl. previous years)	33.72	140.17
Net profit after tax	418.74	401.14
Appropriations:		
Dividend	259.98	86.66
Tax on Dividend	53.23	14.73
Transfer to General Reserve	100.00	100.00

Share capital:

There is no change in the authorised and paid-up capital of the Company during the year under report and it remained ₹ 1800 crore and ₹ 1733.20 crore respectively as in the previous year.

Change in the Shareholding of Govt. of AP in favour of Govt. of Telangana:

Consequent to bifurcation of the State of Andhra Pradesh and formation of State of Telangana, the 51% of share holding of Govt. of AP amounting to ₹ 885,59,91,390 has been changed in favour of Govt. of Telangana in terms of The AP Reorganisation Act, 2014 w.e.f. the appointed day i.e., 2nd June, 2014.



Dividend:

Your Directors are pleased to recommend dividend @15% on the paid-up capital for the financial year 2013-14 for approval of shareholders in the ensuing Annual General Meeting.

Coal prices:

The prices of G6 to G17 grade coal have been increased by 15% w.e.f., 12.9.2013.

Capital Expenditure:

During 2013-14 amount spent on capital additions is ₹ 2357.62 crore as against ₹ 2031.74 crore incurred in the previous year.

Foreign exchange earnings and outgo:

During 2013-14 the foreign exchange outgo was ₹ 136.40 crore as against ₹ 568.28 crore 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:

During the year under review the Company has achieved 50.47 million tonnes of production as against the target of 50.30 million tonnes. While production from open cast projects was 39.92 million tonnes, underground mines have produced 10.55 million tonnes. 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	2013-14		2012-13 Actual	% variance over 2012-13
		Target	Actual		
1.	Underground				
	a) Hand section	1.28	1.17	1.43	-18.18
	b) Machine mining:				
	i. Road header	0.12	0.08	0.16	-50.00
	ii. Longwall	0.77	0.13	0.29	-55.17
	iii. Highwall	0.50	0.19	0.28	-32.14
	iv. Side Dump Loaders	5.45	5.16	5.28	-2.27
	v. Load Haul Dumpers	1.97	2.01	2.18	-7.80
	vi. Short Wall	0.32	0.23	0.12	91.67
	vii. Blasting Gallery	0.77	0.60	1.21	-50.41
	viii. Continuous miner	0.82	0.98	0.66	48.48
	Total machine mining	10.72	9.38	10.17	-7.77
	Total underground	12.00	10.55	11.60	-9.05
2.	Opencast	38.30	39.92	41.59	-4.01
	Total	50.30	50.47	53.19	-5.11

Reasons for shortfall in production over previous year:

Production during the year under review was less by 5.11% over previous year and it is mainly due to -

- > delay in obtaining clearances for forest land diversion at RG.OC-II Extension Project, RKP.OC Project, MNG.OC Project and BPA.OC-II Extension Block B & D Project;



- > performance by the outsourced OB Removal agencies at KTK.OC & MNG.OC-II Extension Projects was not up to the mark and; land acquisition and R&R issues in SRP.OC Project also affected production performance.
- > delay in getting permission for blasting gallery method in GDK.11 mine, Vakilpalli mine and non-approval of GDK.10 Incline; non-commissioning of Longwall in Adriyala Project;
- > under performance of Highwall mining being executed by an outsourced agency at Medapalli OC Project;
- > shortage of sand due to early onset of monsoon and prolonged rains affecting semi mechanized Bord & Pillar panels with SDLs & LHDs etc.

Overburden removal performance:

During the year under review the company has achieved overburden removal of 168.77 million cubic metres in opencast projects as against 175.84 million cubic metres achieved in the previous year. The Company is outsourcing 70% of OB removal activity as per the laid down policy. The details of overburden removal by Company equipment and through outsourcing agencies are as under;

(in million Cu. Mtrs.)

Particulars	2013-14		2012-13 Actual	Variance over 2012-13	
	Target	Actual		Absolute	Percentage
Company equipment	58.92	64.33	60.82	3.51	5.77
Outsourcing	109.40	104.44	115.02	-10.58	-9.20
Total	168.32	168.77	175.84	-7.07	-4.02

Utilization of Capacity:

Capacity utilization achieved during the year under review was 95% as against 100% 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-à-vis previous year is as under;

(in tonnes)

Particulars	2013-14		2012-13 Actual	Variance over 2012-13	
	Target	Actual		Absolute	Percentage
Underground Mines					
- Hand section	0.65	0.63	0.61	0.02	3.27
- Machine mining	1.34	1.24	1.29	-0.05	-3.87
Total UG mines	1.20	1.12	1.13	-0.01	-0.88
Opencast projects	11.64	11.10	11.87	-0.77	-6.48
Overall					
- Mines	3.90	3.86	3.94	-0.08	-2.03
- Mines & Departments	3.11	3.08	3.14	-0.06	-1.91



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	
	2013-14	2012-13	% availability	% utilisation on SSH	2013-14	2012-13	2013-14	2012-13
Draglines	2	2	85	73	79	76	64	64
Shovels	64	67	80	60	79	81	51	53
Dumpers	474	453	67	50	78	70	36	39
Dozers	94	65	70	45	63	64	30	32
Drills	59	60	78	40	75	79	25	27
Others	135	135	-	-	68	71	25	28

Performance of Underground Mining Machinery

The performance of Underground Mining Machinery in terms of availability and utilisation as against the previous year is indicated below;

UGMM Equipment	Numbers on roll		SCCL Norms		% Availability		% Utilisation on Scheduled shift hours*	
	2013-14	2012-13	% availability	% utilisation w.r.t. SSH	2013-14	2012-13	2013-14	2012-13
Longwall	1	1	75	67	80	67	10(15)	19(28)
Shortwall	1	1	75	67	54	51	28(42)	30(45)
Continuous Miner	2	2	75	42	68	60	28(67)	17(41)
Road Header	11	10	83	42	82	71	7(17)	12(29)
Blasting Gallery	4	5	91	57	85	86	30(53)	32(55)
Load Hauler Dumper	32	38	91	57	81	81	29(51)	30(53)
Side Dump Loader	154	162	91	58	90	92	35(60)	35(61)

* Figures in () indicate % achievement of system utilization.

MARKETING:

Target and off-take of coal:

During the year 2013-14 the Company has achieved 47.94 million tonnes off-take of coal against the target of 52.00 million tonnes. As per the Coal Distribution Policy announced by the Ministry of Coal, GoI in 2008 customers drawing more than 4,200 tonnes per annum have to enter into FSA. Some complaints were received with regard to quality of coal from GDK.1 CHP and weighment related issues at Yellandu Area and the same were addressed. 92% of dispatches have been covered by FSAs and MoUs during 2013-14. The details of sector-wise AAP target & off-take and colliery consumption during the year 2013-14 as compared to the previous year are as under.

(in million tonnes)

Sector	2013-14			2012-13		
	Target	Off-take	% Achieved	Target	Off-take	% Achieved
Power	37.38	36.81	98	38.80	41.31	106
Cement	6.70	4.94	74	6.71	5.48	82
Heavy Water Plant	0.50	0.52	104	0.50	0.45	90
Other Industries	7.35	5.62	76	9.47	6.05	64
Colliery Consumption	0.07	0.05	71	0.12	0.06	50
Total	52.00	47.94	92	55.60	53.35	96



Mode of dispatches:

The details of dispatches through different modes (excluding colliery consumption) during the year 2013-14 as against previous year are as indicated below;

(in million tonnes)

Year	Rail (incl. RCR)	Road	Merry-go-round	Rope-way	Total
2013-14	29.64	10.01	7.72	0.52	47.89
2012-13	32.13	11.28	9.42	0.45	53.28
Absolute increase/ decrease	-2.49	-1.27	-1.70	0.07	-5.39

Wagon loading performance:

Daily average loading of 3,110/ 1,244 Four Wheeler Wagons/ Box wagons was done during the year 2013-14 as against 3,381/ 1,352 FWW/ Box wagons done in 2012-13.

Measures for improving quality:

Measures taken for improving quality of coal are as under;

- > Fortnight planning of Seam wise production projections by Mine Managers is being monitored by Area Quality Incharges.
- > Spot analysis at the dispatch points and monitoring of coal quality shift wise, day wise and rake wise is being implemented.
- > Stone and shale picking is being done at OCPs, CHPs and UG mines.
- > Regular interactions, meetings and negotiations with the customers are being conducted.
- > Steps for improving quality is being initiated based on Customer feedback.

EXPLORATION ACTIVITIES:

150.23 million tonnes of reserves were proved during the year under review, against 45.63 million tonnes proved in the previous year. With this the total proved reserves in Godavari Valley Coalfield have gone up to 10,073.54 million tonnes as on 31.3.2014. The coal extracted by the Company in the Godavari Valley Coalfield up to the year 2013-14 was about 1231 million tonnes.

The coal resources of Godavari Valley Coalfields (SCCL Coal Reserves) have been categorized under UNFC (United Nations Framework Classification) system and communicated to CMD, CMPDI and Ministry of Coal.

INDUSTRIAL RELATIONS:

During the year under review by and large the Industrial Relation scenario was peaceful except one strike and the details are as under;

Particulars	Unit	2013-14	2012-13
Strikes	No.	1	2
Mandays lost	No.	37,504	93,418
Production lost	Tonne	79,572	1,28,519



EMPLOYEES' WELFARE MEASURES AND SOCIAL SECURITY SCHEMES:

Welfare and social security to the employees are given due importance 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 31.3.14 was 83% as against 79% at the end of previous year.

Measures are being taken for improvement of medical facilities in all hospitals & dispensaries run by the Company. CT Scan was introduced at Kothagudem and Ramagundam hospitals. Sanjeevini Ambulances with advanced life supporting system have been introduced at Kothagudem, Ramagundam & Ramakrishnapur.

For supply of purified drinking water to the employees at offices, RO purification plants are being established. So far, 57 plants were established under phase-I and 101 plants are proposed to be commissioned under Phase-II.

The Singareni Collieries Educational Society sponsored by the Company has been running 9 Schools at various areas, women's degree & junior college at Kothagudem and one Polytechnic college at Srirampur. Post Graduation degree courses i.e., M.Sc. (Computer Science) & MBA have been introduced in Women's Degree College from the academic year 2013-14 with intake of 30 & 60 students. 5-day National Workshop on 'Capacity Building of Woman Managers - SPAM Workshop' was organised by women's College in the months of July & August with the sponsorship of UGC.

With the encouragement given by the SCCL, 23 Scouts & 14 Guides were selected for Raj Puraskar (Governor's Award) for the year 2013-14.

WWF, Hyderabad awarded Singareni Collieries High School, Kothagudem with 'Sensitive Rolling Cup' in environmental awareness for the year 2013-14.

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

For determining the medical fitness / unfitness, two-tier mechanism has been introduced under which there will be Appellate Medical Board over the existing Corporate Medical Board. Any employee aggrieved by the decision of Corporate Medical Board can make an appeal to the Appellate Medical Board. Out patient and indoor medical treatment facility has been extended to contractor's workers in Company's hospital / dispensaries free of cost.

Monthly Monitory Compensation which is payable to female dependents of NCWA employees and executives in lieu of dependant employment in case of death of employee due to mine accident, natural death or permanent disability has been enhanced from ₹ 6,000/- to ₹ 15,712.62 (minimum basic of category I of NCWA IX) and ₹ 9,000/- to ₹ 16,400/- (Minimum basic of E1 grade) respectively w.e.f. 1.5.2013.

Contributory Post-Retirement Medicare scheme is being implemented for retired executives and their spouses.

An expenditure of ₹ 291 crore was incurred on various social overheads during the year 2013-14 as against ₹ 245 crore incurred in the previous year.



Corporate Social Responsibility and activities through Singareni Seva Samithi:

Your Company has always been forerunner in taking up various activities for betterment of the society. The Company has taken up several 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. Apart from the activities under SHAPE, the Company has also taken up several activities through 'Singareni Seva Samithi', a non-profit organisation established in 1998. During the year under review the Samithi activities are as under;

About 4,253 students of primary schools of SCCL in all areas were screened under School Health Programme during the year. 4,988 school children in the institutions run by Singareni Collieries Educational Society and Government were extended treatment during the year to improve Haemoglobin. 13 Singareni Schools and 60 Government schools were covered in this programme.

Medical assistance was extended to 18 children identified with Epilepsy symptoms at Kothagudem area with the help of NIMS Doctors.

About 1,142 candidates have undergone training in Skill Development Programmes through Khadi Gramodyog Maha Vidyalay, Rajendranagar (KGMV) in different vocational trades like Electrician, Tailoring, Beautician, Fashion Designing etc.

258 candidates belonging to PAP were trained in Honeybee keeping and home made products with the help of NIRD through KGMV.

With the assistance of Sewa Samithi 193 self employment units were established at various areas during the year taking the total self units established so far to 1,604

100 girl students of ST home, Manuguru were adopted by the Company and extended free education.

Ancillary status was granted to 13 candidates short listed by the Company. They were also allotted plots to establish their Units at concessional lease basis. All these 13 candidates have got about ₹ 1.5 crore loans through commercial Banks under PMEGP scheme. They are likely to get about ₹ 50 lakhs subsidy on the loans through KGMV.

About 942 candidates were trained for Army/Police recruitment rallies during the year. Out of the above 282 candidates were selected.

Hosted Army Recruitment Rally at Kothagudem from 17.1.2014 to 25.1.2014 by providing all infrastructure and support as per the request of Army authorities. This has facilitated participation by more than 27,056 candidates aspiring for joining in Army.

A total of 28,032 patients covering 160 villages / hamlets were treated in 832 Mobile Medical Camps conducted during the year. Investigations were carried out and medicines have been supplied free of cost.

5 students were granted scholarship who secured 500 and above marks in SSC examination. About 200 special children were supported by SCCL.

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



Assistance for Medical treatment to PAPs:

- a) Super Specialists medical camps were organized for the benefit of 1500 PAPs with the help of Omega & NIMS hospitals. The camps were conducted for cancer preventive care and Kidney diseases preventive care at Mandamarri area.
- b) Screening camp was conducted for Cataract operations for PAPs of Mandamarri area.
- c) Singareni SPANDANA mobile hospital services for Tiryani mandal, Adilabad district are being continued.

AWARDING OF OUTSOURCING WORKS TO THE PDFs / PAFs

- > The Company has decided to award the outsourcing works to the Project Displaced Families/ Project Affected Families, mutually aided Cooperative Societies of Tribal formed by the Project Officer, ITDA.
- > Preference is being given in awarding the outsourcing works in the order of first Tribal PDFs/ PAFs, non-Tribal PDFs / PAFs and other Tribal of the Area.

CSR Committee of Board:

The Board of Directors of your Company have constituted Corporate Social Responsibility Committee with the following Directors pursuant to the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 which came into force from 1.4.2014.

- i) Advisor (Projects), Ministry of Coal
- ii) Director (Finance)
- iii) Director (Operations)
- iv) Director (PA&W)

Tribal Empowerment Policy;

The Board of Directors of your company in the meeting held on 14.5.2013 accorded approval for;

- a) implementing Tribal Empowerment Policy as per G.O.Ms.No.34 dated 28.4.2010 issued by Social Welfare department of erstwhile Govt. of A.P by providing employment to one member of each of Tribal Project Displaced Families from whom SCCL has acquired their dwelling units for the purpose of mining projects;
- b) recruiting 665 Scheduled Tribe candidates in unskilled/ skilled vacancies after identifying category/ cadre posts in scheduled areas by the Industrial Engineering department by giving Special Drive Notification as per the Recruitment Procedure in vogue which also increases the ST reservation satisfaction to 6% stipulated as per RoR.

Measures are being taken to implement the above proposal as approved by the Board of Directors.

INFORMATION TECHNOLOGY & NETWORKING:

The following measures were taken for using Information Technology in the operations of the Company.

- > Network connectivity (LAN & WAN) to 2 X 600 MW STPP, Jaipur, Srirampur was established.
- > Measures for improvement of security of SCCL's website and mail were taken. SCCL's website was designed with latest technology and launched by C&MD on 5.12.2013.



- > Software developed for Corporate Medical Board activities for Online Registration, Screening and generation of candidates list for Medical Board examination. Procurement of GPS based vehicle tracking system is in progress.
- > Measures for procurement of GPS based Vehicle tracking system for monitoring internal coal transportation, employees attendance capturing software biometric technology are in progress.
- > e-India 2013 has conferred on SCCL Certificate of Excellence in "ERP Implementation - Innovative Use of SAP-ERP System - OLTP Data".
- > In view of some difficulties being faced in e-Procurement system of Govt. of AP like poor vendor response, delays in customization by service provider etc., measures are being taken for having an exclusive e-Procurement portal for SCCL developed by National Informatics Centre.

SAFETY STATUS:

Your Company is putting all out efforts for improving the safety in mines. In spite of the measures, there is slight increase in the accidents and the 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
2013-14	11	12	315	321	0.24	6.36
2012-13	8	9	372	374	0.17	7.03

Mines rescue services:

Mines Rescue Services of SCCL have attended 9 Underground emergencies and 11 surface and outside emergencies.

The 44th All India Mines Rescue competitions were held from 22.12.2013 to 24.12.2013 at Dhansar, BCCL in which SCCL team secured overall 1st prize in addition to 8 prizes in other events.

HUMAN RESOURCE DEVELOPMENT:

The Company has good in-house training centres with facilities like Library, LCD projector, Computers and Internet at various areas as indicated below.

Sl. No.	Name of the centre	No. of centres
1.	Mines Vocational Training Centres (MVTC)	9
2.	Corporate training Centre (CTC), Kothagudem	1
3.	Technical Training Centre (TTC), Ramagundam (for opencast technology)	1
4.	Underground mechanisation training Institute (UMTI), RG-II (for underground technology)	1
5.	Nargundkar Institute of Management (NIM), 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	2013-14		2012-13	
		Executives	Non-Executives	Executives	Non-Executives
1.	In-house	716	185	1,582	338
2.	Within the country	543	181	528	152
3.	Outside the country	29	6	51	16

The manpower of the Company has come down from 64,600 as at the end of previous year to 61,778 by the end of the year under report.

One day work shop was conducted on 6.6.2013 on the topic "Blasting Gallery Method" under the aegis of DGMS at Hyderabad.

A concept of "IDEA SINGARENI" was introduced involving all the employees in the knowledge sharing and for bringing sense of ownership.

SCCL has signed an MoU with Indian Institute of Coal Management, Ranchi on 4th March, 2014 for having best training programmes to the executives and proposal for similar MoU with Indian School of Mines, Dhanbad is in process.

Quarterly HRD Bulletin and Top Management bi-monthly magazines are published for internal circulation.

MEASURES FOR CONSERVATION OF ENERGY:

The specific energy consumption in KWH/ tonne of coal production has slightly increased during the year under review by 3.84% over the previous year as mentioned below;

Description	2013-14		2012-13		% variance over 2012-13
	Target	Actual	Target	Actual	
Specific energy consumption in KWH / tonne	14.50	13.25	14.50	12.76	3.84

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

Highly mechanized longwall at Adriyala Longwall project with a rated capacity of 2.81 million tonnes is under construction and production is expected to come during 2014-15.

PROJECTS AND SCHEMES:

Projects/schemes under implementation:

As at the end of March 2014, there are 22 mining projects, (14 opencast and 8 underground) under various stages of implementation with a sanctioned capital cost of ₹ 5423.22 crores. The implementation of 8 projects is as per schedule, 14 projects are lagging behind schedule. The Management is taking all possible steps to reduce slippages in implementing the projects.



Project dropped by the Company:

The Board in the meeting held on 27.3.2014 accorded approval for dropping implementation of Abbapur Opencast Project, Belampalli Area since the approval for diversion of 165.92 Ha. of forest land required for this project has been declined by MoEF and it is proposed to annex this property to Bellampalli OC-II Extension Block B&D project for extraction at a later stage.

STATUS OF 2x600 MW POWER PROJECT:

Construction of 2x600 MW coal based Thermal Power Plant at Jaipur Mandal of Adilabad District of Telangana is in progress. The BTG works awarded on BHEL and Balance of Plant works awarded on McNally Bharat Ltd., & Consortium are in progress. Other packages like 1 TMC water supply from Godavari River near Shetpally village, Reservoir inside the plant are in progress. Awarding works for construction of residential quarters is in process. The 132 KV startup power line from Mandamarri and 400 KV evacuation lines to Gajwel are being carried out by TSTRANSCO and the works are in progress. The schedule of commission of STPP is October, 2015.

PROTECTION OF ENVIRONMENT, ECOLOGY & BIO DIVERSITY:

Reclamation of OB dumps is being done concurrent to mining operations. During 2013-14 plantation was done on OB dumps in 198 Ha., with 4,85,759 saplings, Block plantation in 538 Ha., with 6,41,800 saplings and avenue plantation in 13 KMs with 4,642 saplings. Thus the total area of plantation done during the year 2013-14 was 749 Ha. 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 to treat workshop effluents and domestic effluents respectively.

Fly ash bricks are being used in all construction works.

Plantation was done in 30 Ha. in the vicinity of proposed 2 X 600 MW STPP at Jaipur, Srirampur.

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, were being semi-mechanised by CIMFR and NIT Rourkela.
- Design of methods and supporting of Continuous Miner panel at VK-7 by CIMFR.
- Non-destructive testing of critical components of man riding systems.
- Periodical quality testing of permitted explosives and detonators.
- Subsidence prediction studies by Anna University under S&T project.

**In OC mines:**

- Processing OB for extracting sand.
- Periodical quality testing of OC explosives.
- Slope stability studies at GK OC and Tadicherla OCP by CIMFR.
- Testing suitability of SME explosives at Dorli as per DGMS permission.
- Stability analysis and design optimization of OB dumps and deep OC mines by CSIRO, Australia is under progress.
- Ground vibration studies at SRP OC.
- Water analysis for procuring suitable pumps.

Benefits derived as a result of the above R&D activities are improvement of mine ventilation, production, productivity and percentage extraction of coal. The studies have also facilitated obtaining DGMS permissions, smooth progress of implementation of Adriyala Long Wall Project, switching over to Caving method from Yield Pillar Non-caving method at VK-7 Incline. As some OC mines in the Company are proposed at greater depths, the scientific studies by CSIRO would help in suitable design of OC pit slopes and dump slopes.

Future plan of action:

- Slope stability studies for deep OC mines by CSIRO.
- Ventilation studies by in-house experts for critical on-going mines and new projects.
- Strata monitoring studies in UG mines.
- Formation of new Science & Technology projects in co-ordination with CIMFR, NIRM and other National institutions.
- Consultancy projects by National Scientific Institutions for clearance of DGMS permissions.
- To enter into MoU with Central Mechanical Engineering Research Institute / Central Mine Planning and Design Institute Ltd. / National Institute of Technology, Karnataka for R&D studies.

The expenditure incurred on R&D during the year under review is ₹ 3.51 crore as against ₹ 1.91 crore incurred in the previous year. The expenditure on R&D is 0.03% of turnover.

INTERNAL AUDIT:

The Internal Audit dept., has been conducting pre-audit, post-audit, system studies etc., under annual audit programme.

The Internal Audit dept., after conducting audit of different bills during the year under report disallowed an amount of ₹ 96.49 lakhs under pre-audit and advised for recovery of an amount of ₹ 55.79 lakhs against the amount of ₹ 114.37 lakhs disallowed under pre-audit and recovery of ₹ 54.70 lakhs under post audit in the previous year.

The status of compliance of Internal Audit memos as on 31.3.14 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)		
31.3.14	3037	520.44	2938	482.54	99	37.90	96.74	92.72
31.3.13	2743	464.72	2564	421.59	179	43.13	93.47	90.72



VIGILANCE:

During the year under review, while 20 cases were pending at the beginning, 154 cases were received during the year 2013-14. The Vigilance dept., has submitted reports in 147 cases and 27 cases were pending as on 31.3.14. Based on the reports submitted by the Vigilance department action was taken on 42 employees. The Vigilance Dept., has conducted 111 surprise checks and surveillance at CHPs, weigh bridges, check posts etc., 8 system studies on different subjects and 12 OB removal surveys. The Vigilance reports are being reviewed by the Board of Directors.

WHISTLE BLOWER MECHANISM:

The Board in the meeting held on 22.2.2013 accorded in principle approval for establishing 'Whistle Blower Mechanism' in the Company. The modalities and guidelines for implementation of the mechanism are being formulated for operationalising the mechanism.

SUBSIDIARY:

SCCL continues to hold ₹ 1408.27 lakhs of equity amounting to 81.54% in A.P Heavy Machinery & Engineering Ltd., as on 31st March 2014 as at the end of previous year. During the year 2013-14 the Company has earned a net profit of ₹ 1365 lakhs as against ₹ 776 lakhs earned in the previous year. A copy of audited accounts of the Company for the year 2013-14 are attached in compliance with the provisions of Section 212 of the Companies Act, 1956.

NEW BUSINESS INITIATIVES:

MoU with ONGC for co-operation in Underground Coal Gasification, Surface Coal Gasification 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 has been prepared.

MoU was signed on 24.8.2012 with MMTC Ltd., for formation of JV Company for development & operation of Gomia Coal Block in Jharkhand. 'Joint Business Group' was formed for finalizing modalities for formation of JV Company and discussions are going on.

The Company has awarded a contract for processing of OB for using in stowing and the processing plant is in operation at Bhoopalpalli. Similar works were awarded for 3 more plants at Bellampalli, Srirampur & Kothagudem.

JV COMPANY WITH NTPC:

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. Required manpower to JVC from NTPC & SCCL is being deputed.



JV with APMDC:

Govt., of AP directed APMDC to have Joint Venture with SCCL for exploration and mining of coal from Suliya-Belwar coal block in Madhya Pradesh. JV Company with APMDC named 'APMDC SCCL Suliya Coal Company Ltd.' was formed on 1.7.2013. Pre-mining activities were completed. Tender has been floated for selection of Mine Developer-cum-Operator.

CONTRACT MINING ACTIVITIES:

As per the direction of Govt., of AP, APGENCO entrusted to SCCL the task of development & coal mining in Tadicherla-I coal block, Bhoopalpalli. Pre-mining activities are completed. Floating of tender for selection of contractor for extraction of coal is under process.

The Consortium of Indu Projects Ltd., SCCL and Bucyrus has bagged MDO contract of Moonidih coal mine at Dhanbad, Jharkhand from BCCL. Indu Projects is a lead member. Agreement was signed by the Consortium partners with BCCL. Indu projects will take up mining operations as lead member. The DPR of the project has been prepared.

CONSULTANCY SERVICES:

During the year under report your Company has extended consultancy services to APGENCO, MMTC, SISCO, TATA Steel, JSPL, Indu Projects, NMDC, APMDC mainly in the fields of exploration, training, preparation of geological/ feasibility reports/ project reports, mining plans, pre-mining activities, preparation of NIT.

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 2013-14, the Comptroller & Auditor General of India has re-appointed M/s Vaithisvaran & 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, Your Company has been maintaining cost accounting records.

Cost Auditors:

On the recommendation of Audit Committee and Board of Directors in the meeting held on 29.6.2012 and with the approval of Govt., of India, M/s. Narasimha Murthy & Co., have been appointed as Cost Auditors of the Company for the financial year 2013-14.



AUDIT COMMITTEE:

Audit committee of the Company consists of all non-executive Directors viz., Sri A.K. Bhalla, Joint Secretary, Ministry of Coal, Govt. of India as Chairman, Sri K.Rama Krishna Rao, Special Secretary (I.F), Finance Dept., Govt. of Telangana, Dr.Shailendra Kumar Joshi, Prl. Secretary (FAC), Energy Dept., Govt. of Telangana, Sri A.N.Sahay, C-MD, Mahanadi Coalfields Ltd., and Sri D.N.Prasad, Advisor (Projects), Ministry of Coal, Govt. of India as members. 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 ₹ 3943 is lying in the "Unpaid Dividend Account for the Year 2006-07". 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.

DIRECTORS:

Erstwhile Govt., of AP appointed Sri Sutirtha Bhattacharya as C&MD of the Company for a period of 2 years from 10.5.2012. Further vide GO Rt.No.2254 dt.26.5.2014 of General Administration (Spl.-A) dept., erstwhile Govt., of AP extended period of deputation of Sri Sutirtha Bhattacharya as C&MD of the Company up to 30.6.2014 on the existing terms & conditions of deputation subject to further orders, if any by the Govt., of Telangana. As per section 79 of the A.P. Reorganization Act, 2014 and Order No.6 dt.31.5.14 issued in F.No.27/13/2013-SR(S) of Dept. of Personnel and Training, Gol, he continues in the post of C&MD even after 30.6.14 till the Govt. of Telangana passes any further order.

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 30.8.2015.

The term of Sri B.Ramesh Kumar as Director (Operations) is up to 12.6.2015.

The term of Sri T.Vijaya Kumar, IAS as Director (P.A&W) was up to 14.7.2014. As per section 79 of the A.P. Reorganization Act, 2014 and Order No.6 dt.31.5.14 issued in F.No.27/13/2013-SR(S) of Dept. of Personnel and Training, Gol, he continues in the post of Director (P.A&W) even after 14.7.14 till the Govt. of Telangana passes any further order.

Sri A.Manohar Rao is continuing as Director (Planning & Projects) and his appointment is for a period of 2 years w.e.f., 13.12.2012.

Sri A.K.Bhalla, Joint Secretary, Ministry of Coal, Govt. of India has been appointed as Director w.e.f., 3.4.2013 vice Sri Sharad Kumar Godke.

Sri Anurag Kapil, Dy. Secretary, Ministry of Coal, Govt. of India has been Director from 21.5.2013 to 5.6.2013 vice Sri Anil Kapoor. Sri D.N.Prasad, Advisor (Projects), Ministry of Coal, Govt. of India has been appointed as Director w.e.f., 6.6.2013 vice Sri Anurag Kapil.



Sri V.Bhaskar ceased to be a Director on the Board of SCCL w.e.f., 20.9.2013. Dr.P.V.Ramesh, Prl. Finance Secretary(R&E), Finance dept., of the erstwhile Govt. of A.P has been Director from 3.12.2013 to 28.6.2014 vice Sri V. Bhaskar. Later Sri K. Rama Krishna Rao, Special Secretary(I.F), Finance dept., Govt. of Telangana has been appointed as Director w.e.f., 28.6.2014 afternoon vice Dr. P. V.Ramesh.

Sri P.Viswanadha Raju ceased to be Director (Electrical & Mechanical) w.e.f., 1.3.2014 on attaining the age of superannuation. Sri P.Ramesh Babu has been appointed as Director (Electrical & Mechanical) for a period of 2 years w.e.f., 1.3.2014.

Sri Mrutunjay Sahoo ceased to be a Director on the Board of SCCL w.e.f., 1.4.2014. Dr. Shailendra Kumar Joshi, Special Chief Secretary (FAC), Energy dept., of the erstwhile Govt. of A.P has been Director from 19.4.2014 to 28.6.2014 vice Sri Mrutunjay Sahoo. Sri Suresh Chanda, Prl. Secretary, Energy dept., Govt. of Telangana has been appointed as Director w.e.f., 28.6.2014 afternoon vice Dr.Shailendra Kumar Joshi. Again Dr.Shailendra Kumar Joshi, Prl. Secretary (FAC), Energy dept., Govt. of Telangana has been appointed as Director vice Sri Suresh Chanda w.e.f., 28.8.2014.

Sri D.C.Garg, CMD, WCL ceased to be a Director on the Board of SCCL w.e.f., 17.6.2014 due to his untimely demise. Sri A.N.Sahay, CMD, Mahanadi Coalfields Ltd., has been appointed as Director by the Govt. of India w.e.f., 11.9.2014.

Sri A.K.Bhalla and Sri D.N. Prasad who retire by rotation in accordance with Section 152 of the Companies Act, 2013 and Article 93 of the Articles of Association of the Company and are eligible for re-election. Sri A.N.Sahay, Sri K.Rama Krishna Rao and Dr.Shailendra Kumar Joshi who retire under Article 98 of the Articles of Association of the Company and are eligible for re-election.

Your Directors wish to place on record their appreciation of the valuable services rendered by Sri Mrutunjay Sahoo, Sri V.Bhaskar, Dr.PV.Ramesh, Sri Suresh Chanda, Sri Anil Kapoor, Sri Anurag Kapil & Sri P.Viswanadha Raju.

Your Directors expressed deep condolence on the grievous untimely demise of Sri D.C.Garg who is an eminent technocrat of the coal industry in the country.

During the year under report 8 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 2013-14 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 guidance, support and co-operation received from the erstwhile 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 deep sense of gratitude for the confidence and support received from the valued customers, bankers & financial institutions and all stake holders of the Company. Your Directors express their gratefulness for the valuable guidance extended by the Statutory Auditors, Cost Auditors, the Comptroller & Auditor General of India, Ministry of Corporate Affairs and the Director General of Mines Safety.

Your Directors convey their heartfelt thanks and place on record the appreciation for the persistent efforts of employees but for which the performance achieved by the Company would have never been possible.

for and on behalf of the Board of Directors

Date : 12.11.2014
Place : Hyderabad

Sd/-
(Sutirtha Bhattacharya)
Chairman & Managing Director



Comment of the Comptroller and Auditor General of India Under Section 619(4) of the Companies Act, 1956 on the Accounts of the Singareni Collieries Company Limited, For the year ended 31 March 2014.

The preparation of financial statements of The Singareni Collieries Company Limited for the year ended 31 March 2014 in accordance with financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the Company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 is 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 22.8.2014.

I, on behalf of the Comptroller and Auditor General of India have conducted a supplementary audit under Section 619(3)(b) of the Companies Act, 1956 of the financial statements of The Singareni Collieries Company Limited for the year ended 31 March 2014. 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. Based on my supplementary audit, I would like to highlight the following significant matters under Section 619(4) of the Companies Act, 1956 which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related Audit Report.

Comments of the Comptroller and Auditor General of India under Section 619(4) of the Companies Act, 1956 on the accounts of The Singareni Collieries Company Limited, for the year ended 31 March, 2014.	Replies of the Management forming part of the Directors' Report to the Shareholders
<p>Balance Sheet Equity and Liabilities Non-Current liabilities Long-Term Provisions (Note-5) Over Burden Removal ₹ 4108.42 crore</p> <p>The Revised Cost Estimates (RCE) (Sept 2013) of Dorli OC-I project was approved with a revised stripping ratio of 7.42 with effect from 2013-14. Accordingly, the Over Burden Removal (OBR) cost chargeable for the year works out to ₹ 71.01 crore. However, the Company has adopted pre-revised stripping ratio of 8.03 for calculation of cost of OBR and charged off ₹ 76.40 crore. This has resulted in overstatement of provision for OB removal and understatement of profit by ₹ 5.39 crore.</p>	<p>Dorli OC-I Expansion Project (RCE - Sept., 2013) was approved on 19.4.2014 with additional reserves of 2.157 MTs of Coal and 5.885 M.Cum of Overburden and with a net additional capital requirement of ₹ 41.34 crore. Thus the stripping ratio of Dorli OC-I Expansion Project is worked out as 7.42 Cu.M/T after merger of additional reserves. The change in stripping ratio from 8.03 to 7.42 Cu.M/T is occasioned by addition of reserves and not by review of existing reserves of Dorli OC-I Project.</p> <p>As the Board has accorded approval for Expansion Project of Dorli OC-I on 19.04.2014, the effect shall be given earliest from 19.04.2014, which falls in Financial Year 2014-15.</p>
<p style="text-align: center;">for and on behalf of the Comptroller & Auditor General of India Sd/- (Lata Mallikarjuna) Accountant General (E&RSA)</p> <p>Date: 2.12.2014 Place: Hyderabad</p>	<p style="text-align: center;">for and on behalf of the Board Sd/- (Sutirtha Bhattacharya) Chairman & Managing Director</p> <p>Date: 2.12.2014. Place: Hyderabad</p>



Sri N. Sridhar, IAS, C&MD presenting dividend cheque for the year 2013-14 to Sri K. Chandrashekar Rao, Hon'ble Chief Minister

Hon'ble Chief Minister reviewing progress of 2x600 MW Thermal Power Plant under construction at Jaipur (V) in Adilabad district



Interaction with Australian delegation for possible co-operation in skills development to employees

Inauguration of R O Plant in a Mine premises at Manuguru





Park with musical fountain at Rudrapur

12x12 programme for Hb improvement to girl students



Paddy field adjacent to an opencast mine

Surface miner at Koyagudem opencast project





INDEPENDENT AUDITORS' REPORT

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

To
The Members of
The Singareni Collieries Company Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of **The Singareni Collieries Company Limited** ('the Company'), which comprise the Balance Sheet as at **31st March 2014**, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"), read with general circular 8/2014 dated April 4, 2014 issued by Ministry of Corporate Affairs. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



INDEPENDENT AUDITORS' REPORT (Contd..)

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion, and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2014;
 - (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - (c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

7. Without qualifying our opinion, we draw attention to:
- a. *Note 5.1 with regard to 'provision for backfilling' which states the need for making provision for backfilling, the requirement of technical estimation by professionals in mining and project planning field, earlier methodology for estimating the provision, change in estimate and its impact on the profit for the year and on long term provisions.*
 - b. *Note 12.1 with regard to 'Deferred Tax Assets' which states the impact of backfilling provision and mine closure plan on Deferred Tax Asset and estimated timing of realisation of the Deferred Tax asset.*

Report on Other Legal and Regulatory Requirements

8. As required by the Companies (Auditor's Report) Order, 2003 issued by the Government of India in terms of Section 227 (4A) of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
9. As required by section 227 (3) of the Act, 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 purposes of our audit;

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

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This is not an audit qualification. The auditors have drawn specific attention of the users of the financial statements on these matters, though they have been appropriately presented and disclosed in Financial Statements.

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

- | | |
|--|----|
| (b) in our opinion, proper books of account as required by law have been kept by the Company, so far as it appears from our examination of the books; | -- |
| (c) the Balance Sheet and 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 and Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, read with general circular 8/2014, dated April 4, 2014 issued by Ministry of Corporate Affairs. | -- |
| (e) Being a Government Company, Clause (g) of the sub section (1) of Section 274 of the Companies Act, 1956 is not applicable. | -- |

for M/s.Vaithisvaran & Co.,
Chartered Accountants
(Firm Registration Number: 04494S)

Sd/-
(S. Shankar Raman)
Partner (M. No. 209163)

Date : 22.8.2014
Place : Hyderabad

for and on behalf of the Board

Sd/-
(Sutirtha Bhattacharya)
Chairman & Managing Director

Date : 25.9.2014
Place : Hyderabad



ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in our report of even date)

As required by the Companies (Auditor's Report) Order, 2003 issued by the Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we report that:

- (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. This being a statement of fact calls for no comment separately.
- (b) 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. This being a statement of fact calls for no comment separately.
- (c) No material fixed assets were disposed during the year so as to affect the going concern assumption. This being a statement of fact calls for no comment separately.
- (ii) (a) The Company has conducted physical verification of its inventory during the year in a phased manner. In our opinion, having regard to the size of the company and nature of its business, the frequency of inventory verification process is reasonable and commensurate. This being a statement of fact calls for no comment separately.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of company and nature of its business. This being a statement of fact calls for no comment separately.
- (c) The company has maintained proper records of its inventories. The discrepancy noticed between book stocks and physical stocks have been properly dealt in books of account. This being a statement of fact calls for no comment separately.
- (iii) In our opinion and according to the information and explanations given to us, the Company has not taken/ granted any loans, secured or unsecured from/to Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. The paragraphs 4 (iii) (b), (c), (d), (f) and (g) of the order are not applicable to the company. This being a statement of fact calls for no comment separately.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and sale of goods, services. During the course of the audit, we have not observed any continuing failure to correct major weaknesses in such internal controls in these areas. This being a statement of fact calls for no comment separately.

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



**ANNEXURE TO THE INDEPENDENT
AUDITORS' REPORT (contd..)**

(Referred to in our report of even date)

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

- | | |
|---|--|
| <p>(v) To the best of our knowledge and belief and according to the information and explanations given to us, there are no contracts required to be entered in the register maintained in pursuance of section 301 of the Companies Act 1956. Further in our opinion, no transactions have been made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act 1956.</p> | <p>This being a statement of fact calls for no comment separately.</p> |
| <p>(vi) The Company has not accepted deposits from the public.</p> | <p>This being a statement of fact calls for no comment separately.</p> |
| <p>(vii) The Company has an internal audit system. The internal audit system in our opinion is adequate and commensurate with the size and nature of operations.</p> | <p>This being a statement of fact calls for no comment separately.</p> |
| <p>(viii) We have broadly reviewed the books of accounts 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 to determine whether they are complete.</p> | <p>This being a statement of fact calls for no comment separately.</p> |
| <p>(ix) (a) In respect of statutory and other dues, according to the information and explanations given to us, the Company has been generally regular in depositing undisputed statutory dues, including Employees Provident Fund, investor education and protection fund, income-tax, wealth-tax, Sales Tax, Service Tax, excise duty and other material statutory dues with the appropriate authorities during the period. There are no arrears of outstanding statutory dues as at 31st March 2014 for a period of more than six months from the date they became payable.</p> | <p>This being a statement of fact calls for no comment separately.</p> |
| <p>(b) According to information and explanation given to us and records of the company examined by us, the particulars of sales tax, income-tax act, excise duty, service tax, wealth tax, clean energy cess etc as at 31st March 2014 which have not been deposited on account of pending dispute are as below:</p> | |



**ANNEXURE TO THE INDEPENDENT
AUDITORS' REPORT** (contd..)
(Referred to in our report of even date)

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

Sl. No.	Name of the Statute	Nature of the dues	Amount not deposited (₹ in Lakh)	Financial Year / Period for which the demand pertains to	Forum where dispute is pending
1.	Clean Energy Cess	Clean Energy Cess on captive consumption of coal	5.09	February 2012 to November 2012 & Dec-12 to July-2013	Assistant Commissioner, Central Excise.
2.	Clean Energy Cess	Clean Energy Cess on captive consumption of coal	24.06	March 2011 to January 2012	Commissioner (Appeals), Central Excise.
3.	The Central Excise Act 1944	Refund order for Education Cess and Secondary & Higher Education Cess issued and later set aside	77.64	March 2011	Commissioner of Central Excise.
4.	The Central Excise Act 1944	Education Cess and Secondary & Higher Education Cess on Excise Duty on Coal	3401.03	April- 2011 to Feb- 2013	CESTAT Bangalore
5.	The Central Excise Act 1944	Education Cess and Secondary & Higher Education Cess on Excise Duty on Coal	239.99	March 2013	Commissioner, Central Excise
6.	The Central Excise Act 1944	Central Excise due to difference in quantity between Excise Returns and Clean Energy Cess Returns	82.69	March 2011/ Aug-2011 to January 2012	CESTAT Bangalore
7.	The Central Excise Act 1944	Central Excise due to difference in quantity between Excise Returns and Clean Energy Cess Returns	242.35	February 2012 to June- 2013	Commissioner Central Excise
8.	The Central Excise Act 1944	Central Excise Duty (with-held pending adjustment with credit notes)	6.11	January and February 2012	CESTAT Bangalore
9.	APGST Act, 1957	Sales Tax (on steel, Cement, HSD oil, Explosives etc to Contractors)	479.62	2000-01 to 2004-05	Sales Tax Appellate Tribunal
10.	APGST Act, 1957	Bonus received from coal customers - treated as sale consideration by department and contested by SCCL.	10.81	2001-02	Sales Tax Appellate Tribunal

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 THE INDEPENDENT
AUDITORS' REPORT (contd..)**
(Referred to in our report of even date)

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

Sl. No.	Name of the Statute	Nature of the dues	Amount not deposited (₹ in Lakh)	Financial Year / Period for which the demand pertains to	Forum where dispute is pending
11.	APGST Act, 1957	Adjustment of credit note issued to customer against APGST payable for August 2003	122.91	2003-04	AC(CT) Warangal, Andhra Pradesh
12.	AP VAT ACT, 2005	VAT on steel, Cement, Explosives issued to contractors	2.82	2005-06	AC(CT) Warangal, Andhra Pradesh
13.	APGST Act, 1957	Sales tax - interest on alleged delayed remittance of tax	43.74	2001-02	High Court of Andhra Pradesh
14.	Entry Tax Act	Additional tax demand on purchases made from outside A.P sales.	15.71	2003-04	High Court of Andhra Pradesh
15.	Entry Tax Act	Entry Tax	444.96	2007-08	High Court & Supreme Court
16.	Entry Tax Act	Entry Tax	7.51	2008-09	High Court & Supreme Court
17.	Entry Tax Act	AP tax on Entry of Motor vehicles into Local area Act, 1996 - tax demand on purchase of Dumpers, Dozers considering them as Motor vehicles.	8315.45	From 2009-10 to 2011-12	Supreme Court
18.	Life Tax on motor vehicles under AP Motor Vehicles Act.	Life Tax on Motor Vehicles treating Dumpers, Dozers considering them as Motor Vehicles.	209.46	Various years up to 2010-11	High Court of Andhra Pradesh
19.	Central Sales Tax Act, 1956	Central Sales Tax	43.89	2007-08	AC(CT) Warangal, Andhra Pradesh
20.	Andhra Pradesh Tax on Professions, Trades, Callings & Employments Act, 1987	Professional Tax arrears of professional tax recovery from employees and remittance to the department.	17644.03	1990-91 to 2012-13	Deputy. C.T.O., Kothagudem
21.	Income Tax Act 1961	Income Tax	971.67	2004-05, 2006-07, 2008-09 & 2009-10	ITAT, Hyderabad
22.	Income Tax Act 1961	Income Tax	41.45	2009-10	CIT (Appeals), Vijayawada
23.	Income Tax Act 1961	Fringe benefit Tax	112.47	2005-06 to 2007-08	ITAT, Hyderabad
24.	Finance Act 1994/ Central Excise Act 1944	Interest on Alleged availment of Cenvat Credit of Service Tax	1382.18	2005-06 to 2007-08	CESTAT, Bangalore.

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 THE INDEPENDENT
AUDITORS' REPORT** (contd..)

(Referred to in our report of even date)

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

- | | |
|---|--|
| <p>(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.</p> | <p>This being a statement of fact calls for no comment separately.</p> |
| <p>(xi) According to information and explanation given to us and records of the company examined by us, the company has not defaulted in repayment of dues to any financial institution, bank or debenture holders.</p> | <p>This being a statement of fact calls for no comment separately.</p> |
| <p>(xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures or other securities. Hence, provisions of clause 4(xii) of the Order are not applicable.</p> | <p>This being a statement of fact calls for no comment separately.</p> |
| <p>(xiii) The Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore the provisions of clause of 4(xiii) of the Order are not applicable to the Company.</p> | <p>This being a statement of fact calls for no comment separately.</p> |
| <p>(xiv) In our opinion and according to the information and explanations given to us, the Company is not trading or dealing in share, securities, debenture or other investments. Therefore provisions of clause 4(xiv) of the Order are not applicable.</p> | <p>This being a statement of fact calls for no comment separately.</p> |
| <p>(xv) According to the information and explanations given to us the Company has not given any guarantee for the loans taken by others from bank or financial institution. Hence provisions of clause 4(xv) of the Order are not applicable.</p> | <p>This being a statement of fact calls for no comment separately.</p> |
| <p>(xvi) The Company has applied term loans for the purposes for which the loans were obtained.</p> | <p>This being a statement of fact calls for no comment separately.</p> |
| <p>(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, and we report that funds raised on short term basis have, prima facie, not been used during the period for long term investment.</p> | <p>This being a statement of fact calls for no comment separately.</p> |
| <p>(xviii) The Company has not made preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of The Companies Act, 1956.</p> | <p>This being a statement of fact calls for no comment separately.</p> |
| <p>(xix) No debentures have been issued during the year hence provisions of clause 4(xix) of the Order are not applicable.</p> | <p>This being a statement of fact calls for no comment separately.</p> |

The Company has not raised any money by public issue of shares hence provision of clause 4(xx) of the Order is not applicable.



**ANNEXURE TO THE INDEPENDENT
AUDITORS' REPORT (contd..)**
(Referred to in our report of even date)

(xx) *To the best of our knowledge and belief, and according to the information and explanations given to us, during the year frauds aggregating to ₹ 142.91 Lakhs have been reported, as detailed hereunder, on the company.*

Sl. No	Nature of the fraud	Amount involved (₹ in lakhs)
1.	Pilferage / Diversion of coal	4.06
2.	Coal Theft	128.85
3.	Missing material at stores	10.00

The fraud in S.No.2 is reportedly under investigation by the company.

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

for M/s.Vaithisvaran & Co.,
Chartered Accountants
(Firm Registration Number: 04494S)

Sd/-
(S. Shankar Raman)
Partner (M. No. 209163)

Date: 22.8.2014
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: 25.9.2014
Place: Hyderabad



Balance Sheet as at 31st March, 2014

(₹ in crore)

Particulars	Note	2013-14		2012-13	
I. EQUITY AND LIABILITIES					
1. Shareholders' Funds					
a) Share Capital	1	1,733.20		1,733.20	
b) Reserves & Surplus	2	1,804.83		1,699.30	
			3,538.03		3,432.50
2. Non-current Liabilities					
(a) Long-term borrowings	3	2,304.77		1,028.48	
(b) Other long term liabilities	4	41.01		92.64	
(c) Long-term provisions	5	10,112.63		8,147.35	
			12,458.41		9,268.47
3. Current Liabilities					
(a) Short-term borrowings	6	21.55		40.21	
(b) Trade payables	7	438.93		594.45	
(c) Other current liabilities	8	2,190.73		2,041.86	
(d) Short-term provisions	9	1,116.24		646.13	
			3,767.45		3,322.65
Total			19,763.89		16,023.62
II. ASSETS					
1. Non-Current assets					
(a) Fixed Assets					
(i) Tangible Assets	10	3,399.81		3,274.70	
(ii) Intangible Assets	10	276.41		304.54	
(iii) Capital Work-in-Progress	10.1	3,396.22		1,603.42	
(iv) Intangible Assets under Development	10.2	574.02		538.94	
(b) Non-current Investments	11	1,830.83		1,022.80	
(c) Deferred tax assets (net)	12	3,200.31		2,491.31	
(d) Long-term loans and advances	13	731.83		885.13	
			13,409.43		10,120.84
2. Current Assets					
(a) Inventories	14	1,154.12		671.43	
(b) Trade Receivables	15	907.68		1,225.18	
(c) Cash and cash equivalents	16	3,663.70		3,262.40	
(d) Short-term loans and advances	17	254.07		359.30	
(e) Other current assets	18	374.89		384.47	
			6,354.46		5,902.78
Total			19,763.89		16,023.62
Significant Accounting Policies	33				
Additional Notes to Accounts	34				

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

for and on behalf of the Board

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

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

Sd/-
(S.Vivekanand)
Director(Finance)

Sd/-
(Sutirtha Bhattacharya)
Chairman & Managing Director

Date : 22.8.2014
Place : Hyderabad

As per our report of even date
for M/s.Vaithisvaran & Co., Chartered Accountants
(Firm Regn.No.004494S)

Date : 22.8.2014
Place : Hyderabad

Sd/-
(S.Shankar Raman)
Partner (M.No.209163)



Statement of Profit & Loss for the year ended 31st March, 2014

(₹ in crore)

Particulars	Note	2013-14	2012-13
INCOME			
Revenue from operations	19	9,893.35	10,231.75
Other Income	20	819.13	572.87
Total		10,712.48	10,804.62
EXPENSES			
Cost of Materials consumed	21	2,029.71	1,708.78
Changes in Inventories	22	(434.64)	(26.81)
Employee benefits expenses - Salaries and Wages	23	4,593.13	4,313.03
Employee benefits expenses - Staff Welfare Expenses	24	241.30	105.01
Power & Fuel	25	384.04	449.12
Repairs & Maintenance	26	94.32	94.98
Contractual Expenses	27	836.30	746.77
Finance Costs	28	37.95	45.38
Depreciation and Amortization expense	10	401.07	394.11
Provisions	29	1.50	5.58
Write offs	30	8.69	9.88
Other expenses	31	130.31	127.42
Overburden Adjustment		1,929.34	1,132.17
Provision for Back filling (Note No.5.1)		-	1,078.30
Provision for Mine Closure Activity (Note No.5.2)		-	62.36
Total		10,253.02	10,246.08
Profit before exceptional and extraordinary items and tax		459.46	558.54
Exceptional items (Net)	32	7.00	17.23
Profit before extraordinary items and tax		452.46	541.31
Extraordinary Items		--	-
Profit before tax		452.46	541.31
Tax expense:			
(1) Current tax		759.52	863.64
(2) Deferred tax		(708.99)	(718.01)
(3) Earlier years taxes		(16.81)	(5.46)
Profit for the year		418.74	401.14
Basic and Diluted Earnings per Share (₹) (Note No.34.7)		2.42	2.31
Significant Accounting Policies	33		
Additional Notes	34		

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

for and on behalf of the Board

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

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

Sd/-
(S.Vivekanand)
Director(Finance)

Sd/-
(Sutirtha Bhattacharya)
Chairman & Managing Director

Date : 22.8.2014
Place : Hyderabad

As per our report of even date
for M/s.Vaithisvaran & Co., Chartered Accountants
(Firm Regn.No.004494S)

Date : 22.8.2014
Place : Hyderabad

Sd/-
(S.Shankar Raman)
Partner (M.No.209163)



Cash flow statement for the year 2013 - 14

(₹ in crore)

Sl. No.	Particulars	2013-14		2012-13	
A.	CASH FLOW FROM OPERATING ACTIVITIES				
	Profit before Tax and Prior Period adjustments		459.46		558.54
	Adjustments For				
	Depreciation	401.07		394.11	
	Assets written off	7.93		6.25	
	Provisions Written back	(230.46)		(0.61)	
	Interest income on investments	(110.80)		(69.50)	
	Interest income on term Deposits	(369.05)		(369.01)	
	Long term provisions	1965.28		2226.60	
	Interest expense	37.95		45.38	
	Profit on sale of fixed assets	(0.00)		(0.30)	
	Foreign Exchange loss	2.04		0.07	
	Exceptional items (Net)	(1.32)		(17.56)	
			1702.64		2215.43
	Operating profit before working capital changes		2162.10		2773.97
	Adjustments towards changes in				
	Inventories	(482.69)		(95.46)	
	Trade Receivables	317.50		(422.58)	
	Other Current Assets	9.58		(46.30)	
	Short-term Loans and Advances	105.23		(50.89)	
	Long-term Loans and Advances	153.31		153.27	
	Trade payables	(155.52)		284.88	
	Other Long Term Liabilities	(51.63)		(190.68)	
	Other Current Liabilities	146.83		163.13	
	Short Term Provisions	495.12		108.16	
	Tax paid including TDS	(749.09)	(211.36)	(846.00)	(942.47)
	Net Cash flow from operating activities (A)		1950.74		1831.50



Cash flow statement for the year 2013 - 14 (contd..)

(₹ in crore)

Sl. No.	Particulars	2013-14		2012-13	
B	CASH FLOW FROM INVESTING ACTIVITIES				
	Increase in fixed assets (including Capital Work-in-progress)	(2339.78)		(2016.05)	
	Sale of Fixed Assets	0.00		0.30	
	Investment in equity of Joint Venture	(9.80)		-	
	Investment in Bonds	(800.00)		(1000.00)	
	Redemptions of Bonds	2.00		-	
	Interest Income on investments	110.80		69.50	
	Interest Income on term deposits	369.05		369.01	
	Cash flow from investing activities (B)		(2667.73)		(2577.24)
C	CASH FLOW FROM FINANCING ACTIVITIES				
	Long-term borrowings	1342.62		478.20	
	Repayment of Government of India Loan	(66.33)		(66.33)	
	Changes in Cash Credit	(18.66)		30.70	
	Interest expense	(37.95)		(45.38)	
	Dividend paid	(86.66)		(86.66)	
	Dividend Tax paid	(14.73)		(14.06)	
	Cash flow from Financing activities (C)		1118.29		296.47
D	Net increase in cash and cash equivalents (A+B+C)		401.30		(449.27)
E	Cash & cash equivalents at the beginning of the year		3262.40		3711.67
F	Cash & cash equivalents at the end of the year (D+E)		3663.70		3262.40

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

for and on behalf of the Board

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

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

Sd/-
(S.Vivekanand)
Director(Finance)

Sd/-
(Sutirtha Bhattacharya)
Chairman & Managing Director

Date : 22.8.2014
Place : Hyderabad

As per our report of even date
for M/s.Vaithisvaran & Co., Chartered Accountants
(Firm Regn.No.004494S)

Date : 22.8.2014
Place : Hyderabad

Sd/-
(S.Shankar Raman)
Partner (M.No.209163)



Notes to Balance sheet as at 31st March 2014

NOTE - 1 SHARE CAPITAL

(₹ in crore)

Particulars	2013-14	2012-13
AUTHORIZED		
180,00,00,000 Equity Shares of ₹ 10/- each	1,800.00	1,800.00
ISSUED, SUBSCRIBED AND PAID-UP		
173,31,98,119 Equity Shares of ₹ 10/- each fully paid (includes 6,32,145 Equity Shares of ₹ 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	2013-14		2012-13	
	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	2013-14		2012-13	
GENERAL RESERVE				
Opening balance	960.40		860.40	
Add: Transfer from Surplus	100.00		100.00	
Closing balance		1,060.40		960.40
SURPLUS				
Opening Balance	738.90		539.15	
Add : Net Profit for the Year	418.74		401.14	
Less: Proposed Dividend	259.98		86.66	
Less: Corporate Dividend Tax	53.23		14.73	
Less: Transfer to General Reserve	100.00		100.00	
Closing Balance		744.43		738.90
TOTAL		1,804.83		1,699.30

Notes to Balance sheet as at 31st March, 2014 (contd...)**NOTE - 3
LONG TERM BORROWINGS**

(₹ in crore)

Particulars	2013-14	2012-13
Term Loans		
Secured		
From Government of India		
(₹ 199.00 crore less current maturities of ₹ 66.33 crore)	132.67	199.00
From Power Finance Corporation (PFC)	2,172.10	829.48
Total	2,304.77	1,028.48

- 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 11th June, 2010.
- (ii) This is an interest free loan and repayable in three annual instalments of ₹ 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 ₹ 45.25 crore each from July, 2015. Interest on this loan is payable @12.25% p.a. on ₹ 602.48 crore and @12% p.a. on ₹ 1569.62 crore with three year reset option.

**NOTE - 4
OTHER LONG - TERM LIABILITIES**

(₹ in crore)

Particulars	2013-14		2012-13	
(a) Trade Payables		0.27		22.15
(b) Others				
Deposits from Coal Customers	0.06		-	
Deposits from Others	0.72		-	
Commitment Deposit from Coal Customers	-		38.84	
Deposits from Suppliers & Contractors	39.96		31.65	
		40.74		70.49
Total		41.01		92.64



Notes to Balance sheet as at 31st March, 2014 (contd...)

**NOTE - 5
LONG-TERM PROVISIONS**

(₹ in crore)

Particulars	2013-14		2012-13	
(a) Provision for Employee Benefits (Unfunded)				
Gratuity	1,224.39	1,746.91	1,073.91	1,481.69
Leave Encashment	368.91		341.85	
Monthly Monetary Compensation & Low Productive Employee Compensation	153.61		65.93	
(b) Others Provisions				
Overburden Removal (Net of Advance Action ₹ 281.09 crore, Previous Year ₹ 454.15 crore)	4,108.42		2,178.59	
Back Filling	4,136.60		4,258.42	
Mine Closure	120.70		228.65	
		8,365.72		6,665.66
Total		10,112.63		8,147.35

5.1 As per the stipulations in Environment Clearances (EC) the depth of final void in 8 opencast (OC) mines should be reduced to 30/35/40 metres from the surface as the case may be. Other OC projects are either on relay filling or no such stipulation in the EC.

The estimation of quantity of overburden (OB) required to backfill the final void, in order to comply with aforesaid stipulation requires technical estimation by professionals in mining and project planning fields. Services of in-house professionals having considerable experience in the field of mining, project planning, environment etc. were used to arrive at backfilling quantity and formation of final void.

Backfilling was not handled till date. However, in our opinion the cost of backfilling is more or less the same as cost of OB removal. Provision for backfilling is being made from financial year 2009-10 on the basis of coal produced during the year in the proportion final void (total quantity to be backfilled in cubic meters) bears to the mineable/ extractable coal reserves, at the SCCL weighted average rate of OB removal of own and outsourced operations. The provision thus made aggregates to ₹ 4,258.42 crore as at 31.3.2013.

Backfilling of final void is a post-production operation. The least cost option of backfilling of final void with outsourcing is considered in the current year as appropriate rate. The outsourcing rate is market determined on the basis of current OB removal contracts awarded. Thus, the accumulated and current year provision has been recast with outsourcing rate. On application of outsourcing rate on the opening quantity, the cumulative provision as on 31.3.2013 works out to ₹ 3542.26 crore against existing cumulative provision of ₹ 4,258.42 crore as on 31.03.2013 on weighted average rate. The cumulative provision required up to 31.03.2014 works out to ₹ 4,136.60 crore with outsourcing rate. Thus, an amount of ₹ 121.82 crore was withdrawn and credited to P&L Account as 'provision no longer required' under 'Other Income'. The impact of the above change is increase in profit by ₹ 1,928 crore in the year 2013-14 on account of 'Provision for Backfilling' and corresponding decrease in 'Backfilling Provision' under 'Long Term Provisions'.

5.2 As per guidelines of MoC @ ₹ 6 Lakh/ ₹1 Lakh per Hectare for OC & UG mines respectively prorated to balance life of the mines and with 5% annualized increase was provided from 2009-10 to 2012-13 amounting to ₹ 228.65 crore. However provisional Mine closure plans were re-submitted as per directions of standing committee on coal considering 2013-14 as first year and duly updating Mine Closure costs to WPI of 2013-14. Provision for and up to 2013-14 works out to ₹ 120.70 Crore, against ₹ 228.65 crore. Thus ₹ 107.95 Crore were no longer required, and hence withdrawn and credited to P/L Account.

As per the above guidelines, amount equivalent to the provision made is to be deposited in an ESCROW account set up for this purpose. The process for opening of ESCROW Account is initiated.

Notes to Balance sheet as at 31st March, 2014 (contd...)**NOTE - 6
SHORT-TERM BORROWINGS**

(₹ in crore)

Particulars	2013-14	2012-13
Secured :		
Loans payable on demand - from Bank		
Cash Credit	21.03	40.21
Special overdraft account	0.52	-
Total	21.55	40.21

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

**NOTE - 7
TRADE PAYABLES**

(₹ in crore)

Particulars	2013-14	2012-13
(a) Due to Micro, Small & Medium Enterprises	2.59	0.84
(b) Due to Subsidiary - Andhra Pradesh Heavy Machinery & Engineering Limited (APHMEL)	6.15	5.41
(c) Due to Others (includes Stores-in-Transit net of Advances)	430.19	588.20
Total	438.93	594.45

**NOTE - 8
OTHER CURRENT LIABILITIES**

(₹ in crore)

Particulars	2013-14		2012-13	
(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		42.16		15.79
(c) Unclaimed dividends (Refer Note No.16.2)		0.01		-
(d) Other payables				
(i) Salaries & Wages		242.64		230.97
(ii) Others				
- Recoveries from employees	112.08		98.82	
- Recoveries from Coal Customers (Statutory Dues)	176.76		174.50	
- Other payables including recoveries from Contractors	85.61		107.48	
- Deposits from Vendors	31.02		37.25	
- Advances from Coal Customers & Others	653.78		790.57	
- Deposits from Customers	376.21		327.34	
- Deposits from others	0.80		1.45	
- Overdraft in Current Account	1.41		2.54	
- Creditors for Capital Expenditure	401.92		188.82	
		1,839.59		1,728.77
Total		2,190.73		2,041.86



Notes to Balance sheet as at 31st March, 2014 (contd...)

NOTE - 9
SHORT-TERM PROVISIONS

(₹ in crore)

Particulars	2013-14		2012-13	
(a) Provision for employee benefits				
Gratuity (unfunded)	1.37		1.41	
Leave Encashment (unfunded)	73.32		55.58	
Monthly Monetary Compensation (unfunded)	28.00		14.00	
Superannuation Benefit (unfunded)	121.66		99.40	
Post Super Annuation Medical Benefit (unfunded)	102.86		40.40	
Performance Related Pay (net-off PLR/ Spl. Inc.)	67.95		64.35	
Performance Linked Bonus/ Performance Linked Reward	191.40		168.30	
Corporate Special Incentive	75.40		68.20	
		661.96		511.64
(b) Others				
Corporate Tax (Net of Advance Tax & TDS ₹ 2569.73 crore, Previous Year ₹ 2591.28 crore)	7.20		13.58	
Proposed Dividend	259.98		86.66	
Tax on Dividend	53.23		14.73	
Excise duty & Royalty on closing stock of coal (Royalty of ₹ 44.82 crore not included in previous year)	133.69		18.28	
Shale & Stone	0.18		1.24	
		454.28		134.49
Total		1,116.24		646.13

9.1. Performance Related Pay for the period 2007-08 to 2013-14 payable to Executives of the Company as part of Revised Pay Package, which was adopted by Company on par with Central Public Sector Units. The issue has been deliberated by Board and referred to Govt. of Andhra Pradesh.

Notes to Balance sheet as at 31st March, 2014 (contd...)
NOTE - 10
FIXED ASSETS
Tangible Assets

	(₹ in crore)											
	Gross block				Depreciation/ Amortisation				Provisions for diminution in value of assets		Net block	
	As at 31.3.2013 (1)	Additions during the year (2)	Adjustments/ deductions (3)	As at 31.3.2014 (4)	Up to 31.3.2013 (5)	for the year (6)	Adjustments/ deductions (7)	Up to 31.3.2014 (8)	As at 31.3.2013 (9)	As at 31.3.2014 (10)	As at 31.3.2014 (11)	As at 31.3.2013 (12)
1. Lands												
i) Freehold	433.09	110.04	-	543.13	3.27	-	-	3.27	-	-	539.86	429.82
ii) Leasehold	407.25	19.83	(0.01)	427.07	204.19	44.32	-	248.51	-	-	178.56	203.06
2. Buildings:												
i) Factory	107.68	16.67	0.11	124.46	37.58	3.82	(0.03)	41.37	-	-	83.09	70.10
ii) Others	821.60	32.26	(2.17)	851.69	160.99	13.53	(1.17)	173.35	-	-	678.34	660.61
3. Railway sidings	38.61	0.90	0.01	39.52	22.91	1.28	0.01	24.20	-	-	15.32	15.70
4. Plant & Equipment	4095.08	326.66	(112.17)	4309.57	2240.67	307.15	(106.51)	2441.31	0.52	1.23	1867.03	1853.89
5. Furniture & Fixtures	12.82	0.89	(0.03)	13.68	8.67	0.56	(0.02)	9.21	-	-	4.47	4.15
6. Vehicles	42.57	0.58	(1.94)	41.21	23.18	3.17	(1.91)	24.44	-	-	16.77	19.39
7. Office Equipment	47.27	3.52	(3.52)	47.27	29.29	5.09	(3.48)	30.90	-	-	16.37	17.98
TOTAL	6005.97	511.35	(119.72)	6397.60	2730.75	378.92	(113.11)	2996.56	0.52	1.23	3399.81	3274.70
Previous Year	5602.61	494.72	(91.36)	6005.97	2467.74	348.78	(85.77)	2730.75	0.55	0.52	3274.70	3134.32

Notes to Balance sheet as at 31st March, 2014 (contd...)

NOTE – 10 (contd...)
FIXED ASSETS
Intangible assets

	(₹ in crore)											
	Gross block			Depreciation/ Amortisation				Provisions for diminution in value of assets		Net block		
	As at 31.3.2013 (1)	Additions during the year (2)	Adjustments/ deductions (3)	As at 31.3.2014 (4)	Up to 31.3.2013 (5)	for the year (6)	Adjustments/ deductions (7)	Up to 31.3.2014 (8)	As at 31.3.2013 (9)	As at 31.3.2014 (10)	As at 31.3.2014 (11)	As at 31.3.2013 (12)
1. ERP - Software	17.59	-	-	17.59	16.41	0.94	-	17.35	-	-	0.24	1.18
2. Mine development	937.87	17.07	(0.47)	954.47	634.51	44.15	(0.36)	676.30	-	-	276.17	303.36
Total	955.46	17.07	(0.47)	972.06	650.92	45.09	(0.36)	695.65	-	-	276.41	304.54
Previous year	942.54	13.85	(0.93)	955.46	590.80	61.06	(0.94)	650.92	-	-	304.54	351.74
Total	6961.43	528.42	(120.19)	7369.66	3381.67	424.01	(113.47)	3692.21	0.52	1.23	3676.22	3579.24
Previous year	6545.15	508.57	(92.29)	6961.43	3058.54	409.84	(86.71)	3381.67	0.55	0.52	3579.24	3486.06

10 (i). Land measuring Acres:717, Guntas:12 ½ (Previous year Acres:717, Guntas:12 ½) shown under Fixed Assets has not been registered in the name of the Company.

10 (ii). 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 (iii). Freehold lands include assigned lands.

10 (iv). Buildings - Others include ₹ 3.10 crore (Previous year ₹ 3.00 crore) and Plant and Machinery include ₹ 1.16 crore (Previous year ₹ 10.88 crore) of grants receivable from Coal Conservation Development Advisory Committee.

10 (v). Depreciation for the year ₹ 424.01 crore includes - Capitalised Depreciation of ₹ 17.12 crore (Previous Year ₹ 15.73 crore).

Prior period depreciation of ₹ 5.82 crore (Previous Year Nil).

Revenue Charge: ₹ 401.07 crore (Previous Year ₹ 394.11 crore).

Total depreciation: ₹ 424.01 crore (Previous Year ₹ 409.84 crore).

Notes to Balance sheet as at 31st March, 2014 (contd...)**NOTE - 10.1**
CAPITAL WORKS-IN-PROGRESS

(₹ in crore)

	Balance as at 31.3.2013	Additional expenditure	Deletions / adjustments	Balance as at 31.3.2014
I. Lands	46.51	109.53	129.87	26.17
II. Buildings				
a) Factory	152.26	269.58	16.67	405.17
b) Others	31.38	32.60	32.26	31.72
III. Plant & Equipment (including in transit)	1510.78	1753.46	331.08	2933.16
IV. Furniture & Fixtures	0.45	0.44	0.89	-
V. Vehicles	-	0.58	0.58	-
Total	1741.38	2166.19	511.35	3396.22
Previous year's total	320.55	1777.59	494.72	1603.42

10.1 (i) Interest on borrowings from Power Finance Corporation for construction of STPP, capitalized for the year 2013-14 ₹ 145.67 crore (Previous year ₹ 52.78 crore). Interest Capitalized up to 31.03.2014 ₹ 213.37 crore.

NOTE - 10.2
INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in crore)

	Balance as at 31.3.2013	Additional expenditure during the year	Deletions/ adjustments during the year	Balance as at 31.3.2014
Development - Mines	400.98	191.43	18.39	574.02
Total	400.98	191.43	18.39	574.02
Previous year's total	298.64	254.15	13.85	538.94

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



Notes to Balance sheet as at 31st March, 2014 (contd...)

NOTE - 11

NON-CURRENT INVESTMENTS

(₹ in crore)

Particulars	2013-14		2012-13	
Non-Trade Investments				
(A) Investment in Equity instruments				
Quoted, fully paid-up Shares				
14,750 shares of Laxmi Porcelains Ltd of ₹ 10/- each	0.01		0.01	
Less: Provision for Diminution in the value of Investments	0.01	-	0.01	-
Unquoted, fully paid-up Shares				
Investments in Co-operative Societies				
1,86,214 shares of Singareni Collieries Co-operative Central Stores Ltd of ₹ 10/- each		0.19		0.19
Investment in Joint Venture				
i. 50,000 NTPC-SCCL Global Ventures Pvt. Ltd of ₹ 10/- each		0.05		0.05
ii. 98,00,000 APMDC-SCCL Suliyari Coal Co. Ltd., of ₹ 10/- each		9.80		-
Investment in Subsidiary				
(i) 91,80,000 Andhra Pradesh Heavy Machinery & Engineering Limited of ₹ 10/- each		9.18		9.18
(ii) 49,02,700 APHMEL of ₹ 10/- each for total consideration of ₹ 1/-		-		-
(B) Investments in debentures or bonds				
Quoted, fully paid-up				
i. 10,000 - 9.75% APPFC power Bonds (Series 2/2012) of ₹ 10 lakhs each.		1000.00		1000.00
ii. 80 - 8.50% APSFC-Non SLR Bonds (Series II/2008) of ₹ 10 lakhs each.		8.00		10.00
iii. 8,000 - 9.95% APCPDCL-Power Bonds (Series 1/2014) of ₹ 10 lakhs each.		800.00		-
(C) Investment Properties		3.61		3.38
Total		1830.83		1022.80

NOTE - 12

DEFERRED TAX ASSET (NET)

(₹ in crore)

Particulars	2013-14	2012-13
(A) Deferred tax asset:		
Back filling & Mine Closure plan	1447.05	1455.83
Gratuity	285.31	348.43
Other Employee Benefits	364.62	262.01
VRS Amortisation	0.01	6.75
Overburden Removal	1396.49	707.04
Total (A)	3493.48	2780.06
(B) Deferred Tax Liability:		
Depreciation	293.17	288.75
Total (B)	293.17	288.75
Deferred Tax Asset (A-B)	3200.31	2491.31

Notes to Balance sheet as at 31st March, 2014 (contd...)

12.1. The amount of Deferred Tax Asset of ₹ 3200.31 Crore (Previous year ₹ 2491.31 Crore) includes amount of ₹ 1447.05 Crore (previous year ₹ 1455.83 Crore) on account of provision for backfilling and mine closure plan. As per the current estimates, the amount of deferred tax asset (non-current) for backfilling and mine closure plan is realizable at the earliest after 8 to 9 years and so on, on commencement of Backfilling and Mine Closure activities at JK-5 OC, MOCP, GK OC. Similarly Long-term Provision for Backfilling & Mine Closure ₹ 4257.30 Crore (previous year ₹ 4487.07 Crore) will also crystallise simultaneously in the same time frame.

NOTE - 13**LONG-TERM LOANS AND ADVANCES**

(₹ in crore)

Particulars	2013-14		2012-13	
Unsecured, considered good				
a. Capital Advances		565.96		466.58
b. Security Deposits		114.26		103.36
Deposits with Life Insurance Corporation of India	-		266.91	
Deposits under Protest (VAT, CST, SERV.TAX,WCT, APGST, ENTRY TAX)	51.61		48.28	
		51.61		315.19
Total		731.83		885.13

13.1 Capital Advances include ₹ 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 ₹ 1.00 crore with United Insurance Company Limited which is pending for final assessment and settlement.

13.2 Other loans and advances include Advances to the Directors & Officers of the Company of ₹ 1,06,692/- (Previous Year ₹ 1,90,309/-). Current portion amounts to ₹ 91,237/- (Previous year ₹ 1,27,505/-).

NOTE - 14**INVENTORIES (As taken certified and valued by the management)**

(₹ in crore)

Particulars	2013-14		2012-13	
(i) Stores and spares	390.69		348.60	
(ii) Loose tools	1.54		2.14	
	392.23		350.74	
Less: Provision for obsolete, Non-moving stores & shortages and damages	24.38		24.35	
		367.85		326.39
(iii) Finished goods		739.98		314.17
(iv) Work-in-progress		1.14		1.00
(v) Stores in transit		45.15		29.87
Total		1154.12		671.43



Notes to Balance sheet as at 31st March, 2014 (contd...)

NOTE - 15
TRADE RECEIVABLES

(₹ in crore)

Particulars	2013-14		2012-13	
	Unsecured, considered good:			
i) Exceeding six months				
Coal (*)		168.94		0.94
ii) Not exceeding six months:				
(a) Coal	734.84		1,221.70	
(b) Services	3.90		2.54	
		738.74		1,224.24
Unsecured, considered doubtful	12.22		12.22	
Less: Provision for doubtful debts	12.22		12.22	
Total		907.68		1,225.18

(*) includes ₹ 35.40 crore, towards fuel surcharge on additional quantity of coal supplied to NTPC under arbitration.

NOTE - 16
CASH AND CASH EQUIVALENTS

(₹ in crore)

Particulars	2013-14		2012-13	
	(i) Cash on hand		0.12	
(ii) Balances with banks in Current and Deposit Accounts				
In Deposit Account	3,633.72		3,253.60	
In Current Account	29.85		8.71	
Unpaid dividend accounts	0.01		-	
		3,663.58		3,262.31
Total		3,663.70		3,262.40

16.1. Balance in Deposit Account includes deposits of ₹ 225 crore (Previous Year ₹ 430 crore) with maturity of more than 12 months.

16.2. Balance with Banks includes unclaimed dividend of ₹ 59,152.08 (Previous year ₹ 34,522.30).

(₹ in crore)

	2013-14	2012-13
16.3. 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.	22.59	23.80

Notes to Balance sheet as at 31st March, 2014 (contd...)
NOTE - 17
SHORT-TERM LOANS AND ADVANCES

(₹ in crore)

Particulars	2013-14		2012-13	
Loans & Advances:				
Unsecured, considered good:				
(a) Loans & Advances to Subsidiary Company (APHMEL)		-		3.50
(b) Advances to Staff (Refer Note - 13.2)		33.20		83.03
(c) Advances against Purchases & Services		94.63		134.79
Un-secured, considered Doubtful Advances against purchases & services	1.07		1.11	
Less: Provision for Bad & Doubtful Advances	1.07		1.11	
(d) Prepaid Expenses		1.23		0.18
(e) Cenvat & VAT Credit available		85.81		106.12
(f) Advance Fringe Benefit Tax		4.16		4.16
(g) Security Deposits		35.04		27.52
Total		254.07		359.30

NOTE - 18
OTHER CURRENT ASSETS

(₹ in crore)

Particulars	2013-14		2012-13	
Interest Accrued On Investments - Government Securities		35.57		24.05
Interest accrued on other Investments		217.62		262.20
Interest Accrued on Loans, Advances & Deposits		5.05		2.52
Other Receivables - considered good, stowing subsidy, rent, water, electricity etc.		116.65		95.70
Other receivables considered doubtful	9.75		9.19	
Less: Provision	9.75		9.19	
Total		374.89		384.47



Notes to Statement of Profit and Loss for the year ended 31st March 2014

NOTE - 19

REVENUE FROM OPERATIONS

(₹ in crore)

Particulars	2013-14		2012-13	
(a) Sale of Coal				
Turnover (Gross)		11,927.57		12,354.33
Less : Statutory Levies:				
Royalty	1,146.56		1,183.58	
Stowing excise duty	47.89		53.28	
Clean energy cess	238.97		265.68	
Excise Duty	684.83		689.20	
		2,118.25		2,191.74
		9,809.32		10,162.59
Less: Transfer to Development		27.29		34.30
Turnover (Net)		9,782.03		10,128.29
(b) Income from Services:				
Consultancy Services		9.34		5.98
(c) Other operating revenue:				
Penalty for Short lifting of Coal	0.75		2.28	
Subsidy received from CC&DAC for stowing, protective works etc.	76.40		69.34	
Bonus for Supply of Coal	24.83		25.86	
		101.98		97.48
Total		9,893.35		10,231.75

Notes to Statement of profit & Loss for the year ended 31st March, 2014 (contd...)**NOTE - 20**
OTHER INCOME

(₹ in crore)

Particulars	2013-14		2012-13	
(a) Interest Income				
Interest on Investment (Non-trade) Gross	110.80		69.50	
Interest on Term Deposits	369.05		369.01	
Interest on Sundry Debtors for Coal, Loans, Advances	42.48		49.53	
		522.33		488.04
(b) Other non-operating income (net of expenses directly attributable to such income)				
Rents	4.23		4.11	
Electricity & Fuel	21.75		26.41	
Water charges	0.65		0.71	
Provisions and Liabilities no longer required (Refer Note 5.1 & 5.2)	230.46		0.61	
Miscellaneous Receipts	39.71		52.99	
		296.80		84.83
Total		819.13		572.87

NOTE - 21
COST OF MATERIALS CONSUMED

(₹ in crore)

Particulars	2013-14		2012-13	
Stores & Spares	555.52		577.24	
Explosives	184.83		203.68	
Diesel & Oil	1,151.48		907.72	
Internal consumption of coal	8.83		8.70	
Others	129.05		11.44	
Total	2,029.71		1,708.78	

NOTE - 22
CHANGES IN INVENTORIES

(₹ in crore)

Particulars	2013-14		2012-13	
Closing Stock	739.98		314.17	
Add : Internal consumption of coal	8.83		8.70	
Less: Opening Stock	314.17		296.06	
Total	434.64		26.81	



Notes to Statement of profit & Loss for the year ended 31st March, 2014 (contd...)

NOTE - 23
EMPLOYEE BENEFITS EXPENSES - SALARIES AND WAGES

(₹ in crore)

Particulars	2013-14	2012-13
Salaries, Wages and Allowances	3,389.36	3,143.59
CMPF including administrative charges	375.77	354.36
Attendance Bonus	189.23	253.35
production linked bonus / Performance Linked Reward	217.60	199.32
Gratuity	326.50	320.94
Superannuation Pension and Post Retirement Medical Benefit	82.14	27.92
Workmen's Compensation, Group Insurance & Group Personal Accident Insurance	4.13	4.65
Directors' Remuneration (Refer Note 34.6)	1.57	1.29
Life cover premia under Gratuity Scheme with LIC	6.83	7.61
Total	4,593.13	4,313.03

NOTE - 24
EMPLOYEE BENEFITS EXPENSES - STAFF WELFARE EXPENSES

(₹ in crore)

Particulars	2013-14	2012-13
Social Amenities:		
Employee Welfare Expenses	79.83	54.42
Lumpsum/ Monthly Monetary Compensation for dependants	131.65	22.37
Grants to Singareni Collieries Educational Society	29.82	28.22
Total	241.30	105.01

NOTE - 25
POWER & FUEL

(₹ in crore)

Particulars	2013-14	2012-13
Electricity	383.40	448.38
Others	0.64	0.74
Total	384.04	449.12

Notes to Statement of profit & Loss for the year ended 31st March, 2014 (contd...)**NOTE - 26**
REPAIRS & MAINTENANCE

Particulars	(₹ in crore)	
	2013-14	2012-13
Railway sidings	3.12	2.74
Buildings	31.75	22.93
Plant & Machinery	59.45	69.31
Total	94.32	94.98

NOTE - 27
CONTRACTUAL EXPENSES

Particulars	(₹ in crore)	
	2013-14	2012-13
Coal Offloading	97.29	81.91
OBR Offloading	379.44	353.68
Transportation Charges	230.54	194.14
Hiring of Heavy Earth Moving Machinery (HEMM), Weighbridge and others	74.82	65.87
Others	54.21	51.17
Total	836.30	746.77

NOTE - 28
FINANCE COST

Particulars	(₹ in crore)	
	2013-14	2012-13
Interest expense:		
Interest on Cash Credit	0.02	0.04
Interest on Loans (Refer 10.1(i))	14.49	12.76
Interest on Others	23.44	32.58
Total	37.95	45.38

NOTE - 29
PROVISIONS

Particulars	(₹ in crore)	
	2013-14	2012-13
Obsolete Stores	0.01	3.17
Shortages & Damages	0.01	0.01
Doubtful Debts / Advances	0.58	1.34
Diminution in value of assets	0.90	-
Others	-	1.06
Total	1.50	5.58



Notes to Statement of profit & Loss for the year ended 31st March, 2014 (contd...)

**NOTE - 30
WRITE-OFFS**

(₹ in crore)

Particulars	2013-14	2012-13
Bad & Doubtful Debts	0.03	0.23
Stores & spares written-off	0.02	-
Advances	-	1.10
Assets	7.93	6.25
Obsolete Stores	0.71	2.30
Total	8.69	9.88

**NOTE - 31
OTHER EXPENSES**

(₹ in crore)

Particulars	2013-14		2012-13	
(a) Selling & Distribution		44.56		50.52
(b) Exchange Variation Loss		2.04		0.07
(c) Others:				
Rents	0.40		0.38	
Insurance	0.82		0.95	
Rates & Taxes	5.38		5.05	
Travelling Expenses	8.04		6.57	
Postage, Telegrams and Telephone	1.90		2.11	
Legal Expenses	1.38		1.71	
Bank Charges and Commission	1.04		1.16	
CISF Salaries and Wages	33.17		29.70	
Directors' Travelling Expenses	1.41		0.79	
Auditors' Remuneration:				
Audit Fee	0.10		0.10	
Tax Audit	0.03		0.03	
Out of Pocket Expenses	0.03		0.04	
Other Expenses	0.02		0.04	
Advertisements	4.65		4.78	
Research and Development Expenses	3.51		1.91	
Journals and Periodicals	0.14		0.12	
Printing and Stationary	0.41		0.33	
Voluntary Retirement Compensation	0.01		0.02	
Plantation Expenditure	5.83		5.51	
Other expenses	15.44		15.53	
		83.71		76.83
Total		130.31		127.42

Notes to Statement of profit & Loss for the year ended 31st March, 2014 (contd...)**NOTE - 32**
EXCEPTIONAL ITEMS

(₹ in crore)

Particulars	2013-14		2012-13	
Prior period income:				
Depreciation Provided in Earlier Years Written Back	0.14		0.33	
Credits & Adjustments pertaining to Earlier Years	0.48		0.07	
Income from Services	1.87		-	
		2.49		0.40
Prior period expenditure				
Salaries, Wages, Bonus, Exgratia etc	(2.70)		-	
Maintenance Charges etc., on Railway Sidings	(1.21)		-	
Interest	-		3.47	
Depreciation	5.82		-	
Other Expenses	7.58		14.16	
		9.49		17.63
Total		7.00		17.23



Notes to Accounts as at 31st March, 2014

NOTE - 33

SIGNIFICANT ACCOUNTING POLICIES

I. ACCOUNTING CONVENTION:

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

II. SYSTEM OF ACCOUNTING:

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

- a. 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, is valued at lower of cost and net realisable value.
Closing stock of washery by products viz., rejects, slurry and fines are valued at net realisable value (shale and stone at nil value)
- iv) 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.
- v) Cost of washed coal is calculated at average cost of production of coal as at (iv) above plus washery charges adjusted to standard yield, and by deducting NRV of by products from cost thus arrived.
- vi) The net realisable value of grade-wise coal (including washed coal, rejects, slurry and fines) is arrived at on the basis of selling price for each grade less Rehandling charges wherever applicable.

b) Stores & Spares:

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

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



Notes to Accounts as at 31st March, 2014 (contd.)
(NOTE - 33 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 ₹ 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 *Project life (limited to 21 years equivalent to 4.75% SLM rate) as estimated in the feasibility report and or latest estimate of Project life.*

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 Provision etc., such review will be taken-up on occurrence.
- iii. Provision 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 Accounts as at 31st March, 2014 (contd.)
(NOTE - 33 SIGNIFICANT ACCOUNTING POLICIES (contd.))

VIII. FIXED ASSETS:

1. Land:

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

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. 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.
- B. 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.
 - C. Overheads specifically incurred for the projects under construction will be capitalised.
 - D. Sale value of coal produced by Projects/Mines under construction is credited to Development Account at the Average Monthly Selling Price for the Area.



Notes to Accounts as at 31st March, 2014 (contd.)

(NOTE - 33 SIGNIFICANT ACCOUNTING POLICIES (contd.))

- E. 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.
- F. Residual Development Expenditure on Mines taken-up for reconstruction is treated as Development Expenditure of New Reconstruction Projects.

IX. 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.

X. 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 operating revenue in the statement of Profit and Loss.

XI. INVESTMENTS:

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

XII. 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 to dependants of deceased in mine accidents / medical unfit, etc., & Low Productive Employees and Post Superannuation Medical Benefit to executives is provided on Actuarial Valuation.
2. Employers contribution under Coal Mines Provident Fund Act and Executives Superannuation, Pension Benefits are defined Contribution Plans and the expenditure/ provision on the above is charged to statement of Profit & Loss.
3. Voluntary retirement compensation is expensed in the year of incurrence.

XIII. 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.

XIV. 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.

XV. 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 Accounts as at 31st March, 2014 (contd.)

NOTE - 34
ADDITIONAL NOTES

(₹ in crore)

SI.No.	Particulars	31.3.2014	31.3.2013
34.1	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)	0.98	0.92
iii)	Motor Accident claims(cases contested - court)	0.99	1.29
iv)	Police Guard(excess man power billed disputed)	4.75	4.75
v)	S C Railways(damages, demurrages etc. disputed)	1.10	1.14
vi)	Water Royalty(billed at Industrial rate disputed)	3.82	3.39
vii)	Vacant Land Tax (Levy contested)	16.06	16.06
viii)	Contractors & Suppliers	75.99	57.60
ix)	Disputed Electricity Bills for non segregation of light & fan loads from Industrial supply load.	61.87	63.34
x)	Other disputed claims & Legal cases etc.	4.81	10.15
xi)	<p>Service Tax demands raised on OBR contractors by Service Tax Department treating value of free issue explosives and HSD oil 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 goes against them.</p> <p>However, Larger Bench of CESTAT, New Delhi in the case of M/s. Bhayana Builders (P) Ltd., and others held that value of the goods and materials supplied free of cost of being neither monetary or non-monetary consideration and would be outside the taxable value or the gross amount charged to Service Tax.</p> <p>Further, in the appeal filed by M/s. SV Engg. Constructions, to whom comfort letter was given by SCCL, the Hyderabad Circuit Bench of CESTAT has given judgment in favour of M/s. SV Engg. Constructions. Favourable orders may be passed by the Hon'ble CESTAT in respect of appeals filed by other OB removal contractors of SCCL also. However, pending adjudication the service tax on the value of HSD & Explosives is considered as contingent liability.</p>	329.21	312.22
xii)	(a) Customs, Central Excise & Service Tax Department, issued Notice No. O.C.No. 650/2010, dt.22.9.2010, demanding interest payment of ₹ 13,82,17,534/- on alleged availment of Input Service Tax Credit on ineligible services of ₹ 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
	(b) Excise Duty demands on quantity disputes.	3.30	2.59
	(c) Education Cess and Sec. Higher Education Cess demand raised by Excise Department from March, 2011 to Feb,2013 contested by SCCL	35.32	34.79
	(d) Demand for Clean Energy Cess	0.42	0.28
xiii)	Tax Demands from Commercial Taxes Department (including entry tax) which are disputed by SCCL and pending before various appellate authorities for adjudication.	98.35	98.42
xiv)	Tax Demands from Income Tax Department which are disputed by SCCL and pending before various appellate authorities for adjudication.	53.06	35.93
xv)	Profession Tax: Dy.CTO, KGM has issued a Demand Notice as per G.O.No.14897/ CT-IV/ 2004 dt.23.2.2013 for arrears of professional tax recovery from NCWA employees for the years 1990-91 to 2012-13. As per above mentioned G.O., Govt. has rescinded the orders keeping in abeyance payment of Profession Tax by employees of SCCL retrospectively. Principal Secretary is requested vide Lr.No.CRP/PER/IR/654, dt.26.3.2013 to review the above G.O.	176.44	176.44
xvi)	Claims in respect of suits filed by the Pattadars for additional compensation for Acres:5796, Guntas:21¼ (Previous year: Acres 5600, Guntas. 28¼) contested by the Company and pending in Courts.	Not quantifiable	Not quantifiable



Notes to Accounts as at 31st March, 2014 (contd.) (N O T E - 34 ADDITIONAL NOTES (contd.))
(₹ in crore)

xvii)	An amount of ₹ 1.18 Crore has been charged to supplier M/s. Indian Explosives Limited towards deficiency in powder factor on explosives supplied, and recognised as income during 2006-07. The supplier has initiated arbitration proceedings challenging the above charges.
xviii)	M/s. Advanced Mining Technologies invoked Arbitration proceedings and made a total claim of ₹ 94.82 Crore against the company (excluding interest @18% p.a. and Arbitration costs) which includes credit taken against invoked Bank Guarantee of ₹ 5.50 Crore and Service Tax reimbursed by SCCL of ₹ 4.85 Crore during the year.
xix)	Contractors performing Over Burden Removal are eligible for Bonus in respect of the quantity of explosives and HSD oil saved by them during the course of the contract, to be set off against future excess consumption as per contractual terms. Further, these contractors can claim and en-cash such accrued Bonus at the end of every financial year at their option. The value of explosives and HSD oil saved and not en-cashed by contractors for set off against future excess consumption amounts to ₹ 19.04 Cr. (Previous year ₹ 2.84 Cr.) as on 31.3.2014, not provided in Books of Account.
xx)	Coal pilferage was reported at Bellampalli Area involving 12099 Tonnes, valued at ₹ 4.04 Crore. FIR was filed and Police Enquiry is in progress. The party made a conditional deposit of ₹ 4.37 Crore and the amount was kept under deposits. Pending enquiry issue was not dealt in the books.
	The contingent liability indicated above is excluding interest wherever applicable.

34.2 Capital Commitments:

(₹ in crore)

Sl.No.	Particulars	31.3.2014	31.3.2013
i)	a) Estimated value of capital commitment for 2x600 MW MPP Singareni Thermal Power Project, Jaipur, A.P.	2923.62	3828.79
	b) Estimated value of capital commitments of other contracts to be executed.	573.32	482.69
ii)	The balance value of Surrounding Habitats Assistance Programme (SHAPE) works to be executed.	17.82	18.09

34.3 Disclosures as per accounting standard AS:15 (Revised): Employee benefits

Defined Benefit Plans:

a) Gratuity and Leave Encashment Plan:

(₹ in crore)

Particulars	Gratuity		Leave Encashment	
	31.3.2014	31.3.2013	31.3.2014	31.3.2013
Changes in the present value of obligations				
Obligations at beginning of the year	2777.92	2497.54	389.85	336.35
Current Service cost	92.78	94.66	85.35	71.59
Interest cost	214.13	195.66	31.19	26.91
Benefits paid	-287.89	-173.70	-	-
Actuarial(gain)/loss	179.35	163.76	-72.48	-45.00
Obligations at the end of the year, at present value	2976.30	2777.92	433.91	389.85
Change in Fair value plan assets				
Plan assets at beginning of the year, at fair value	1704.01	1325.96	Unfunded	Unfunded
Expected return on plan assets	151.67	126.74		
Actuarial(gain)/loss	-	-		
Contributions	184.12	425.01		
Benefits paid	-287.89	-173.70		
Fair value of plan assets at the end of the year	1751.91	1704.01		



Notes to Accounts as at 31st March, 2014 (contd.) (NOTE - 34 ADDITIONAL NOTES (contd.))

34.3 Disclosures as per accounting standard AS:15 (Revised): Employee benefits (contd.) (₹ in crore)

Particulars	Gratuity		Leave Encashment	
	31.3.2014	31.3.2013	31.3.2014	31.3.2013
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.	2976.30	2777.92	433.91	389.85
Fair value of plan assets at the end of the year	1751.91	1704.01	-	-
Assets/(liability) recognized in the balance sheet	-1224.39	-1073.91	-433.91	-389.85
Expense Recognised in Statement of Profit & Loss:				
Current Service cost	92.78	94.66	85.35	71.59
Interest cost	214.13	195.66	31.19	26.91
Expected return on plan assets	-151.67	-126.74	-	-
Actuarial(gain)/loss	179.35	163.76	-72.48	-45.00
Net gratuity cost	334.60	327.34	44.06	53.50
Assumptions:				
Interest rate	8%	8%	8%	8%
Expected return on plan assets	9.40%	9.60%	-	-
Expected rate of salary increase	4%	4%	4%	4%

Gratuity obligation at beginning of the year includes ₹ 101.25 crore towards claims unsettled and ₹ 145.12 crore at the end of the year.

Defined Benefit Plans:

b) Contributory Post Retirement Medicare Scheme:

The actuarial liability (as certified by the Actuary) for Contributory Post Retirement Medicare Scheme for executives and their spouses amount to ₹ 102.86 crore as at 31.3.2014, as against provision of ₹ 40.40 crore up to 31.3.2013. The additional liability of ₹ 61.33 crore has been provided in Books of Account after considering the amount of ₹ 1.13 crore received from retired executives against the scheme.

c) Monthly Monetary Compensation to dependants of deceased in mine accidents/ medical unfit, etc., & Low productive employees are valued on actuarial basis and provided ₹ 130.10 crore during the year.

34.4 Defined contribution plan includes the following:

(₹ in crore)

S.No.	Particulars	31.3.2014	31.3.2013
i)	Coal Mines Provident Fund Scheme is a defined contribution plan and charged off to Statement of Profit & Loss.	375.77	354.36
ii)	Superannuation & Pension Benefit to the Executive Cadre employees was provided and charged off to Statement of Profit & Loss.	21.89	19.85

34.5 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.

Notes to Accounts as at 31st March, 2014 (contd.) (NOTE - 34 ADDITIONAL NOTES (contd.))

(₹ in crore)

iii)	APMDC-SCCL Suliyari Coal Company Ltd., a Joint Venture by SCCL and APMDC. During the year there are no operations.
iv)	Whole time Directors of SCCL: Sri Sutirtha Bhattacharya, C&MD and other Directors. S/Sri S. Vivekanand, B. Ramesh Kumar, T.Vijaya Kumar, P.Viswanadha Raju (up to 28.2.2014), A.Manohar Rao, P.Ramesh Babu (from 1.3.2014).
v)	Advances due from whole time Directors and Officers are disclosed under Note No.13 & 17.

34.6 Details of remuneration of the Chairman & Managing Director and whole time Directors

(₹ in crore)

	Particulars	31.3.2014	31.3.2013
i)	Salaries and allowances	1.35	1.15
ii)	Contribution to PF & Pension	0.12	0.09
iii)	Others	0.10	0.04
	Total	1.57	1.29

34.7 Earnings Per Share (AS-20): (Basic and Diluted)

i)	Profit after Tax (₹ in Crore)	418.74	401.14
ii)	Number of Ordinary Equity Shares (fully paid-up) (Nos.)	1733198119	1733198119
iii)	Earnings per share (i / ii) (₹)	2.42	2.31

34.8 Provisions**i) Long-Term Provision**

(₹ in crore)

Provided for	Opening Balance	Additions during the Year	Write back/Adj./ Paid during the Year	Closing Balance
Gratuity	1073.91	334.60	184.12	1224.39
Leave Encashment	341.85	27.06	-	368.91
Monthly Monetary Compensation & Low Productive Employee Compensation	65.93	87.68	-	153.61
Backfilling	4258.42	-	121.82	4136.60
Mine Closure	228.65	-	107.95	120.70
Overburden Removal	2178.59	1929.34	(0.49)	4108.42
Total	8147.35	2378.68	413.40	10112.63
ii) Short -Term Provisions				
Gratuity	1.41	-	0.04	1.37
Leave Encashment	55.58	86.15	68.41	73.32
MMC & LPE	14.00	42.42	28.42	28.00
Superannuation Fund	99.40	22.26	-	121.66
Post Superannuation Medical Benefit-Executives	40.40	61.33	(1.13)	102.86
Performance Related Pay - executives	64.35	3.60	-	67.95
PLB/PLR (Exgratia)	168.30	223.47	200.37	191.40
Corporate Special Incentive	68.20	78.85	71.65	75.40
Income Tax	13.58	759.52	765.90	7.20
Shale & Stone	1.24	-	1.06	0.18
Proposed Dividend - Final	86.66	259.98	86.66	259.98
Tax on proposed dividend	14.73	53.23	14.73	53.23
Royalty & Excise Duty on Closing Stock	18.28	115.41	-	133.69
Total	646.13	1706.22	1236.11	1116.24



Notes to Accounts as at 31st March, 2014 (contd.) (N O T E - 34 ADDITIONAL NOTES (contd.))

34.9 Changes in Significant Accounting Policies:

Changes in Significant Accounting Policies resulted in net decrease of profit by ₹ 52.28 crore.

Sl.No.	Existing	Revised	Remarks and financial impact
V	DEPRECIATION/ AMORTISATION:		
4	Intangible Assets		
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.	b. Mine Development is amortised over <i>Project life (limited to 21 years equivalent to 4.75% SLM rate) as estimated in the Feasibility Report and or latest estimate of Project Life.</i>	The policy is rephrased. Reasons for amortizing development (intangible assets) for more than 10 years "As estimated in FR and or latest estimate of Project Life" is brought into the policy as per requirement of AS-26 to be more explicit. There is no impact on profit due to this change in policy.
X.	GOVERNMENT GRANTS:		
b.	Grants from Government towards Revenue Expenditure for the year will be exhibited separately as other income in the Profit and Loss Account.	b. Grants from Government towards Revenue Expenditure for the year will be exhibited separately as "other operating revenue" in the Statement of Profit & Loss.	Grant from CCDAC towards subsidy on stowing and protective works is grouped under "other operating revenue" instead of other income. The same is brought out in the policy. There is no impact on profit due to this change in policy.
XII.	EMPLOYEE BENEFITS:		
1. c.	Termination benefits viz., Monthly Monetary Compensation & Low Productive Employees is provided on Actuarial Valuation.	1c. Termination benefits viz., Monthly Monetary Compensation to <i>dependants of deceased in mines accidents/medical unfit, etc.,</i> & Low Productive Employees <i>and Post Superannuation Medical Benefit to executives</i> is provided on Actuarial Valuation.	Contributory Post Retirement Medicare Scheme for Executives and their Spouses was approved by Board vide minute No.513:5:7, dated 10.6.2013, in line with CIL, as a Defined Benefit Plan. Hence Post Superannuation Medical Benefit moved from defined contribution plan XII (2) to defined benefit plan XII 1(c). Actuarial liability as at 31.03.2014 as per AS-15(Revised), works out to ₹ 102.86 Crore as certified by practicing actuary. Contributions @ 4% of Basic + DA as per Pay Structure from 01.01.2007 to 31.3.2013, including remittances made by retired executives during 2013-14 works out to ₹ 41.53 Crore, balance amount of ₹ 61.33 Crore (₹ 102.86-41.53) was provided in Books during 2013-14. The impact of the change is decrease in profit by ₹ 52.28 crore for 2013-14.
2.	Employers' 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	Employers' contribution under Coal Mines Provident Fund Act <i>and Executives</i> Superannuation, <i>Pension Benefits</i> are defined Contribution Plans and the expenditure/ provision on the above is charged to Statement of Profit & Loss.	

Notes to Accounts as at 31st March, 2014 (contd.) (NOTE - 34 ADDITIONAL NOTES (contd.))

34.10 Physical verification of all Fixed Assets:

Physical verification of all Fixed Assets with original value of ₹ 3 lakhs and above will be covered in block of 3 years. First block of 2009-2012 was completed and next block of 2012 -15 commenced from 2012-13.

- i) Fixed Assets with original value > ₹ 50 Lakh annually
- ii) Fixed Assets with original value > ₹ 10 Lakh and < ₹ 50 Lakh once in three years (2nd year of Block).
- iii) Fixed Assets with original value > ₹ 3 Lakh and < ₹ 10 Lakh once in three years (3rd year of Block).

In respect of (i) & (ii) the Assets were physically verified during 2013-14 and deviations accounted and in respect of other assets the same are confirmed as available based on certification by the unit head.

34.11 As required by Section 22 of the Micro Small and Medium Enterprises Development Act, 2006 (MSMED) the following information is disclosed on the basis of information available with the company.

(₹ in crore)		
Particulars	31.3.2014	31.3.2013
The principal amount remaining unpaid (But not due)	2.59	0.84
Interest due thereon (interest due and / or payable)	Nil	Nil

34.12.a 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; and Setting up integrated power plants
- iv) Ownership interest : 50%
- v) Original cost of Investment: ₹ 5 lakhs
- vi) Aggregate amounts related to interest in Joint Venture entity: The Company's interest in the afore mentioned entity's assets, liabilities income and expenditure are as under:

(₹ in crore)		
Particulars	31.3.2014 (Audited)	31.3.2013 (Audited)
Assets	0.0497	0.0475
Liabilities	0.0497	0.0475
Income	0.0043	0.0042
Expenditure	0.0011	0.0012
Profit before tax	0.0032	0.0030
Corporate Tax	(0.0013)	(0.0013)
Profit after tax	0.0019	0.0017
Cumulative Profit/Loss	(0.0012)	(0.0031)



Notes to Accounts as at 31st March, 2014 (contd.) (N O T E - 34 ADDITIONAL NOTES (contd.))

34.12.b The Company has formed a 51:49 Joint venture company under the name and style of APMDC-SCCL SULIYARI COAL COMPANY LIMITED, on July 1st 2013 with APMDC to carry on the business of Coal mining in Suliari Coal Block including acquisition of coal / lignite mine blocks in India and abroad development and operation of integrated coal based power plants, to generate power through Wind, Tidal and Solar sources and providing consultancy services. The future capital commitment is ₹ 158.98 crore.

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

- i) Name of the Joint Venture entity : APMDC - SCCL Suliari Coal Company Ltd.
- ii) Country of Incorporation : India
- iii) Principal Activities : Coal & Lignite mining; generating power through Wind, Tidal and Solar sources and Setting up integrated power plants
- iv) Ownership interest: 49%
- v) Original cost of Investment: ₹ 9.8 Crore
- vi) Aggregate amounts related to interest in Joint Venture entity: The Company's interest in the afore mentioned entity's assets, liabilities income and expenditure are as under:

(₹ in crore)

Particulars	31.3.2014 (Audited)
Assets	Accounts are yet to be finalised
Liabilities	
Income	
Expenditure	
Profit before tax	
Corporate Tax	
Profit after tax	
Cumulative Profit/Loss	

34.13 Consequent to handing over of 9 schools, 2 colleges and 1 Polytechnic to Singareni Collieries Educational Society, all running expenses of these institutions, after deduction of receivables from 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 continues to be under the ownership of the Company for which no recovery is made from the Society.

34.14 Turnover, closing stock and opening stock:

(₹ in crore)

Particulars	31.3.2014	31.3.2013
*Turnover	9809.32	10162.59
Closing stock	739.98	314.17
Opening Stock	314.17	296.06

* Turnover includes capital sales valuing ₹ 27.29 crore (Pre.Yr. ₹ 34.30 crore)

34.15 CIF Value of Imports:

(₹ in crore)

Particulars	31.3.2014	31.3.2013
Components, Stores & Spare Parts	61.47	82.00
Capital Goods	51.35	457.49



Notes to Accounts as at 31st March, 2014 (contd.) (NOTE - 34 ADDITIONAL NOTES (contd.))

34.16 Expenditure in Foreign Currency:

(₹ in crore)

Particulars	31.3.2014	31.3.2013
Foreign tours	0.62	0.85
Consultancy payments	2.34	0.94
Others	20.62	27.00

34.17 Consumption of Stores & Spares:

(₹ in crore)

Particulars	31.3.2014		31.3.2013	
	Amount	% of total consumption	Amount	% of total consumption
Imported	57.78	2.84	55.86	3.27
Indigenous	1970.56	97.16	1652.93	96.73
Total	2028.34	100.00	1708.78	100.00

34.18 Certain balances of trade payables are subject to confirmation, reconciliation and adjustments, if any.

34.19 Previous year's figures have been regrouped, reclassified wherever necessary to correspond with the current year's classification/disclosure.

Signatures to Notes

for and on behalf of the Board

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

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

Sd/-
(S.Vivekanand)
Director(Finance)

Sd/-
(Sutirtha Bhattacharya)
Chairman & Managing Director

Date : 22.8.2014
Place : Hyderabad

As per our report of even date
for M/s.Vaithisvaran & Co., Chartered Accountants
(Firm Regn.No.004494S)

Date : 22.8.2014
Place : Hyderabad

Sd/-
(S.Shankar Raman)
Partner (M.No.209163)

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

Name of the Subsidiary	Andhra Pradesh Heavy Machinery & Engg. Ltd.
1. The financial year of the Subsidiary Company ended on	31 st March, 2014
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 31 st March, 2014	
(i) For the Subsidiary's financial year ended as aforesaid	₹ 11.13 crore
(ii) For the Previous financial years of the subsidiary since it became the Holding Company's Subsidiary	₹ 48.31 crore
(b) Dealt within the Holding Company's account for the year ended 31 st March, 2014	
(i) For the subsidiary's financial Year ended as aforesaid	- Nil -
(ii) For the previous financial years of the Subsidiary since it became the Holding Company's Subsidiary	- Nil -
4. (a) Change in the interest of the Holding Company between the end of the last financial year of the Subsidiary and 31 st March, 2014.	- 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

for and on behalf of the Board

Sd/-
(J.Rama Krishna)
G.M (C.A)& Company SecretarySd/-
(M.Krishna Mohan)
General Manager (F & A)Sd/-
(S.Vivekanand)
Director(Finance)Sd/-
(Sutirtha Bhattacharya)
Chairman & Managing DirectorDate : 22.8.2014
Place : Hyderabad

ANDHRA PRADESH HEAVY MACHINERY & ENGINEERING LIMITED

(A subsidiary of The Singareni Collieries Company Limited)

37th ANNUAL REPORT AND ACCOUNTS 2013-14

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

CONTENTS

Board of Directors	68
Notice	69
Directors' Report	70
C&AG comments & Management replies	76
Auditors' Report & Management replies	78
Balance Sheet	84
Profit & Loss Account	85
Notes	86
Accounting Policies	98

BOARD OF DIRECTORS

Sri B.Ramesh Kumar	Chairman	from	11-06-2013
Sri S.Vivekanand	Chairman	up to	10-06-2013
Sri A.Govinda Rao	Managing Director	from	01-11-2013
Sri I.V.N. Prasad	Managing Director	up to	31-10-2013
Sri G. Rajender Reddy		from	26-05-2011
Sri R.P. Thakur		from	17-12-2013
Sri J.Sammaiah		from	30-10-2013
Smt. Anita Rajendra, IAS	APIDC Nominee	from	29-06-2013
Sri K. Rajendra Prasad	APIDC Nominee	from	03-10-2013
Sri Juvva Seshagiri Rao		from	24-09-2005
Sri Kuchipudi Srinivasa Rao		from	23-09-2006
Sri D. Krishnaiah Naidu		from	20-09-2013

Company Secretary & Senior Manager (IA)

Sri V.Venkateswara Rao

BANKERSState Bank of India
Vijayawada - 520 007**PRODUCTION UNIT**20-2, Industrial Estate
VIJAYAWADA - 520 007**AUDITORS**M/s. Rao & Narayan,
Chartered Accountants,
D.No.29-4-8,
Kodandaramireddy Street,
Governorpet,
Vijayawada - 520 002**REGISTERED OFFICE**
KONDAPALLI - 521 228
Krishna District**ADMINISTRATIVE OFFICE & FACTORY**
KONDAPALLI - 521 228

ANDHRA PRADESH HEAVY MACHINERY & ENGINEERING LIMITED

NOTICE

NOTICE IS HEREBY GIVEN TO ALL THE MEMBERS OF ANDHRA PRADESH HEAVY MACHINERY & ENGINEERING LIMITED THAT 37th Annual General Meeting of the Members of the Company will be held on Saturday the 27th day of September, 2014 at 3.00 p.m. at the Administrative Building - cum - Registered Office & Factory Premises, Kondapalli-521228, Krishna District, Andhra Pradesh 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, 2014 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 thereon.
2. To appoint a Director in place of Sri J. Sammaiah who retires by rotation and is eligible for re-election.
3. To appoint a Director in place of Sri Ram Prabesh Thakur who retires by rotation and is eligible for re-election.
4. To appoint a Director in place of Sri K. Rajendra Prasad who retires by rotation and is eligible for re-election.
5. To appoint a Director in place of Sri Juvva Seshagiri Rao who retires by rotation and is eligible for re-election.
6. To fix the remuneration payable to the Statutory Auditors for the financial year 2014-15.

By order of the Board of Directors

Registered Office:
Kondapalli - 521 228
Krishna District
Date: 11.8.2014.

Sd/-
(V.Venakateswara Rao)
Company Secretary &
Senior Manager (IA).

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. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. 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 20.09.2014 to 27.09.2014 (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 inform PAN Number, E-mail ID to record in the Register of Members and 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 before 5.00 P.M on 12.9.2014 for election of one post of Director who was elected by shareholders other than SCCL and APIDC. Only those who have obtained Director Identification Number from Ministry of Corporate Affairs, Government of India are eligible for the post of Director.

DIRECTORS' REPORT

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

Gentlemen,

Your Directors have pleasure in presenting the Thirty Seventh Annual Report of your company with the Audited Accounts for the financial year ended on 31st March 2014.

The Company recorded a Net Profit of ₹ 1364.93 Lakhs during the current financial year i.e 2013-14 as against ₹ 775.95 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 ₹ 9705.43 lakhs and turnover of ₹ 10102.03 lakhs against the targeted turnover of ₹ 10044.36 lakhs. There is increase in the turnover to an extent of ₹ 1895.11 lakhs in the year 2013-14 as against the previous year turnover of ₹ 8206.92 lakhs.

REVIEW OF FINANCIAL RESULTS & PRESENT SCENARIO

The summarized financial results are as under:

(₹ in lakhs)

	2013-14	2012-13
Turnover of the Company	10102.03	8206.92
Gross Profit (+)/ Loss (-) before interest and depreciation	2004.78	1228.11
Interest	12.81	91.11
Depreciation	20.49	20.17
Profit for the year before charging provisions	1971.48	1116.83
Net Profit for the year after charging prior period adjustments and provisions	1978.60	1139.71
Profit after Tax	1364.93	775.95

The net profit for the financial year under review is ₹ 1364.93 lakhs against the profit of ₹ 775.95 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.

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 Drive heads are continued. The Company expects increase in demand for Man riding systems from coal producing companies in India. Orders are expected for higher capacity i.e. 500 KW Conveyor Drive Heads.

Man Riding Car system with endless haulage of 150 HP Capacity has been designed and developed. GMT Trolleys for material transportation in underground mines have been designed and developed first time in India. These trolleys are ready for dispatch.

Efforts are being made to take up turnkey projects for coal handling systems and jobs in Railways.

CONTRIBUTION TO EXCHEQUER

During the year under review, the Company contributed an amount of ₹ 1785.94 lakhs to Government by way of taxes and duties compared to previous year amount of ₹ 1551.61 lakhs. The increase in contribution is mainly on account of increase in sales volume for the year 2013-14.

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 2.68% compared to its earlier consumption against an increase of 23.09% of production.

	2013-14	2012-13
A) Units(KWH) Annual Consumption :	1057800	1030240
B) Turnover (Rupees in lakhs) :	10102.03	8206.92

DEPOSITS

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

EMPLOYMENT

As on 31-5-2014 the total number of employees is 426. 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

Sri A. Govinda Rao, AGM, SCCL has been appointed as Director and nominated as Managing Director of the Company with effect from 1.11.2013 in place of Sri I.V.N. Prasad, due to his superannuation, by The Singareni Collieries Company Ltd. Further, The Singareni Collieries Company Ltd., had also appointed Sri J. Sammaiah, Chief Engineer, Dr. NTPPS, Ibrahimpatnam and Sri Ram Prabesh Thakur, Director (Technical)/(Operations), SECL, Bilaspur as part-time Directors of the Company with effect from 30.10.2013 and 17.12.2013 respectively. Sri K. Rajendra Prasad, DGM, APIDC, Hyderabad has been appointed as Part-time Director of the Company with effect from 3.10.2013 as nominated by APIDC.

The Board of Directors placed on record its appreciation of the services rendered to the Company by Sri I.V.N. Prasad as Managing Director during his tenure.

Sri J. Sammaiah, Sri Ram Prabesh Thakur, Sri K. Rajendra Prasad and Sri Juvva Seshagiri Rao are due to retire by rotation and are eligible for re-election in the ensuing 37th Annual General Meeting.

NUMBER OF MEETINGS OF THE BOARD:

The Board met 5 times during the year from 1.4.2013 to 31.3.2014, i.e. 29th June 2013, 17th August 2013, 3rd October 2013, 19th December 2013 & 25th March 2014.

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 three Directors:

- | | |
|--|-------------------------------|
| 1. Sri G. Rajender Reddy | ... CHAIRMAN of the Committee |
| 2. Sri A. Govinda Rao, Managing Director | ... MEMBER |
| 3. Sri Juvva Seshagiri Rao, | ... MEMBER |

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

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

The Board of Directors constituted the Corporate Social Responsibility (CSR) Committee in compliance with the provisions of section 135 of the Companies Act, 2013 to exercise powers and discharge functions as stipulated in the Act and Rules made there under.

The Committee consists of four Directors:

1. Sri A. Govinda Rao
2. Sri J. Sammaiah
3. Sri K. Rajendra Prasad
4. Sri K. Srinivasa Rao

INDEPENDENT DIRECTORS

As per the provisions of the Companies Act, 2013, which came into effect from 1.4.2014, the Company has to appoint Independent Directors. The Company will take necessary steps to appoint Independent Directors as per the provisions of the Companies Act within prescribed period of one year from the above effective date. All the existing Committees, which are required to be constituted with Independent Directors, will be reconstituted after appointment of Independent Directors.

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 Rao & Narayan, Chartered Accountants, Vijayawada as Statutory Auditors of the Company for the financial year 2013-14.

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, SECL, NTPS, SCR,SMS Infra , 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/-
(B. Ramesh Kumar)
Chairman

Sd/-
(A. Govinda Rao)
Managing Director

Registered Office:
KONDAPALLI-521 228
Krishna District.
Dated: 28.6.2014

ANNEXURE - 1
ANNEXURE TO DIRECTORS' REPORT

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

FORM - A
FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

SL.NO.	POWER & FUEL CONSUMPTION	CURRENT YEAR 2013-2014	PREVIOUS YEAR 2012-2013
1.	Electricity a. Purchased Unit (KWH) Total amount (₹) Rate/Unit (₹ KWH) b. Own generation i. Through diesel generator Unit (KWH) Units per litre of diesel oil (KWH) Cost/Unit (₹) ii. Through steam turbine/generator Units Units per litre of fuel oil/gas Cost/Unit	 10,57,800 1,22,25,534 11.56 } Not applicable	 10,30,240 95,21,906 9.24 } Not applicable
2.	Coal Quantity (Tonnes) Total cost (₹) Average rate (₹)	} Not applicable	} Not applicable
3.	Furnace oil Quantity (K. Litres) Total amount (₹) Average rate (₹)	} Not applicable	} Not applicable
4.	Other/Internal generation Quantity Total cost (₹) Rate/Unit (₹)	} Not applicable	} Not applicable



FORM - B

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION:

RESEARCH AND DEVELOPMENT (R&D):

1. Specific areas in which R&D carried out by the Company:

1. GMT Trolleys for material transportation in underground mines have been designed and developed first time in India.
2. Development of low height Man Riding System and Endless haulage type Man Riding System for mines.
3. Development of Mono Rail suspension type Man Riding System.

2. Contributions of R&D

R & D activities presently under consideration:

Development of GMT Trolleys and endless haulage type Man Riding System.

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) Development of Side Discharge Loader (SDL) for underground mine application.
- e) 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 is developing designs for manufacture of Side Discharge Loader (SDL) for Underground application.

FOREIGN EXCHANGE EARNINGS AND OUT-GO

During the year under review, the out go of Foreign Exchange amounts to ₹ 8,49,862/- towards purchase of material. There have been no foreign exchange earnings during the year under review.

For and on behalf of the board

Sd/-
(B. Ramesh Kumar)
Chairman

Sd/-
(A. Govinda Rao)
Managing Director

Registered Office:
KONDAPALLI - 521 228
Krishna District.
Date: 28.6.2014

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 2014

The preparation of financial statements of Andhra Pradesh Heavy Machinery & Engineering Limited for the year ended 31 March 2014 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the Management of the Company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 is 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 (revised) dated 31.7.2014.

I, on behalf of the Comptroller and Auditor General of India have conducted a supplementary audit under Section 619 (3)(b) of the Companies Act, 1956 of the financial statements of Andhra Pradesh Heavy Machinery & Engineering Limited for the year ended 31 March 2014. 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. Based on my supplementary audit, I would like to highlight the following significant matters under Section 619(4) of the Companies Act, 1956 which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related Audit Report.

for and on behalf of the
Comptroller and Auditor General of India

Sd/-
(Lata Mallikarjuna)
Accountant General (E & RSA)



Sl. No.	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 and Engineering Limited for the year ended 31 st March 2014.	Replies of the Management forming part of the Directors' report to the Members
1.	<p>Balance Sheet Assets Current Assets Trade Receivables (Note 12) ₹ 44.82 crore</p> <p>The above amount represents trade receivables which were shown as 'Secured, considered good' though there was no security available in respect of the same. Thus they are unsecured receivables. Depiction of unsecured receivables as secured is in contravention of Revised Schedule VI of the Company's Act, 1956.</p>	Audit comment is Noted.
2.	<p>Cash and Cash Equivalents (Note 13) ₹ 9.43 crore FDRs with SBI (Towards margin money) ₹ 8.72 crore</p> <p>This includes only ₹ 12 lakh held with banks towards margin money and the remaining amount represents amount held in banks as short term (less than 12 months) fixed deposits. As per the Guidance Note on Revised Schedule VI of the Companies Act, 1956 issued by the ICAI, balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments shall be disclosed separately. Thus, the amount of ₹ 8.60 crore (₹ 8.72 crore - ₹ 0.12 crore) should have been shown under Bank Balances and Margin money of ₹ 0.12 crore should have been shown separately. Non compliance with revised Schedule VI resulted in overstatement of FDRs with SBI (towards margin money) and understatement of balances with Banks by ₹ 8.60 crore.</p>	Audit comment is Noted.
Place: Hyderabad Date: 15.9.2014	for and on behalf of the Comptroller and Auditor General of India Sd/- (Lata Mallikarjuna) Accountant General (E & RSA)	for and on behalf of the Board Sd/- (A Govinda Rao) Managing Director Date: 19.9.2014

Revised Independent Auditors' Report

Replies of the management

To
The Members of Andhra Pradesh Heavy Machinery &
Engineering Limited

Report on the Financial Statements

1) We have audited the accompanying financial statements of **ANDHRA PRADESH HEAVY MACHINERY & ENGINEERING LIMITED** (the Company), which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2) The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3(c)) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3) Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4) An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Revised Independent Auditors' Report (contd.) Replies of the management (contd.)

5) We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

--

Opinion

6) In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

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- a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- b) In the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and;
- c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date

Report on Other Legal and Regulatory Requirements

- 7) i) As required by the Companies (Auditor's Report) Order, 2003 (the Order) issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order
- ii) As required by Section 227(3) of the Act, 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 those books.
 - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow

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Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3(c)) of section 211 of the Companies Act, 1956.

- e. On the basis of the written representations received from the Directors as on 31st March, 2014, taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2014, from being appointed as a Director in terms of Section 274(1)(g) of the Act.

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for M/s.Rao & Narayan
Chartered accountants

Sd/-
(P.V.Subba Rao)
Partner, (M.No. 09269)
F.R.N:3097S

for and on behalf of the Board

Sd/-
(A. Govinda Rao)
Managing Director

Date : 31.7.2014
Place: Vijayawada.



Annexure to the Independent Auditors' Report

(Referred to in paragraph 7 of our report of even date)

Replies of the management

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

Annexure to the independent Auditors' Report (contd..)
(Referred to in paragraph 7 of our report of even date)

Replies of the management (contd..)

- (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:

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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	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	1.1.1997 to 28.2.2002	High Court of AP
Central Excise	Roof Bolts case	122.21	0.00	January, 06 to March, 10	CESTAT, Bangalore
Service tax	E-1 sales (Business auxiliary services)	33.10	0.00	From 2004-05 to 2008-09	CCE Appeals, Guntur.
Provident Fund	PF dues to EPFO by the Sub-contracts	50.28	15.08	2005-06 to 2008-09	EPF Appellate Tribunal, New Delhi
	Total		136.99	-	-

Annexure to the independent Auditors' Report (contd..)

(Referred to in paragraph 7 of our report of even date)

**Replies of the
management (contd..)**

- | | | |
|--------|---|----|
| x. | In our opinion, the company does not have any accumulated losses during the year under report. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year. | -- |
| xi. | Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to financial institutions and banks. | -- |
| xii. | According to the information and explanations given to us, the Company has not given any loans and advances on the basis of security by way of pledge of shares, debentures and other securities and hence the question of maintenance of adequate records for this purpose does not arise. | -- |
| xiii) | In our opinion and according to the information and explanations given to us, the Company is not a Chit fund or a Nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the company. | -- |
| 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 2013-14. | -- |
| 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.Rao & Narayan
Chartered accountants

 Sd/-
(P.V.Subba Rao)
Partner, (M.No. 09269)
F.R.N:3097S

for and on behalf of the Board

 Sd/-
(A. Govinda Rao)
Managing Director

 Date : 31.7.2014
Place: Vijayawada.

Balance Sheet as at 31st March, 2014

Amount (₹)

Particulars	Notes No.	As At	
		31.03.2014	31.03.2013
EQUITY AND LIABILITIES			
SHARE HOLDERS FUNDS			
Share Capital	1.1	17,27,12,930	17,27,12,930
Reserves and Surplus	2	38,34,31,578	24,69,38,911
Share Application Money Pending Allotment		5,310	5,310
CURRENT LIABILITIES			
Short Term Borrowings	3	-	2,84,12,655
Trade Payables	4	8,12,94,465	14,34,40,734
Other Current Liabilities	5	7,86,81,502	5,90,39,242
Short Term Provisions	6	24,22,07,883	11,46,95,857
Total		95,83,33,668	76,52,45,639
ASSETS			
NON CURRENT ASSETS			
a) Fixed Assets:			
Tangible Assets	7	3,38,88,772	3,38,54,228
Capital Work-in-Progress	7	8,80,801	8,80,801
b) Deferred Tax Asset	8	2,42,73,430	1,06,40,263
c) Long Term loans and Advances	9	14,66,89,571	10,28,72,555
d) Other Non Current Assets	10	1,50,76,293	1,50,76,293
CURRENT ASSETS			
Inventories	11	19,35,46,015	30,26,69,296
Trade Receivables	12	44,81,72,012	29,70,85,211
Cash and Cash Equivalents	13	9,42,94,996	15,48,762
Short Term Loans and Advances	14	15,11,778	6,18,230
Total		95,83,33,668	76,52,45,639
Summary of significant accounting policies.	23		
Notes on Accounts	24		

for and on behalf of the Board

Sd/-
(V.Venkateswara Rao)
Company Secretary &
Senior Manager (I.A)

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

Sd/-
(B. Ramesh Kumar)
Chairman

Sd/-
(A. Govinda Rao)
Managing Director

Date : 28.6.2014
Place : Hyderabad

As per our report of even date
for M/s.Rao & Narayan, Chartered Accountants
(FRN: 3097S)

Date : 28.6.2014
Place : Hyderabad

Sd/-
(P.V.Subba Rao)
Partner (M.No.09269)

Profit & Loss account for the year ended 31.3.2014

Amount (₹)

Particulars	Refer Note No.	For the year ended	
		31.03.2014	31.03.2013
INCOME:			
Revenue from operations	15	101,02,03,176	82,06,91,980
Other Income	16	2,30,67,675	1,98,65,533
Total Revenue		103,32,70,851	84,05,57,513
EXPENSES:			
Cost of Material and Other Consumables	17	46,05,19,359	46,44,26,577
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	18	4,58,15,069	(2,22,29,150)
Employee Benefit Expenses	19	25,84,24,434	19,28,72,339
Finance Costs	20	24,57,693	1,01,83,299
Depreciation and Amortisation Expenses	7	20,48,903	20,16,742
Other Expenses	21	6,68,57,779	8,16,04,323
Total Expenses		83,61,23,237	72,88,74,130
Profit before exceptional and extraordinary items and tax		19,71,47,614	11,16,83,383
Exceptional Items: Add: Income	22	7,11,886	22,87,374
Profit before extraordinary items and tax		19,78,59,500	11,39,70,757
Tax Expenses:			
Less: Current Tax		7,50,00,000	3,43,00,000
Add/Less: Increase/ Decrease in deferred Tax		1,36,33,167	-20,76,214
PROFIT AFTER TAX		13,64,92,667	7,75,94,543
PROFIT FOR THE PERIOD		13,64,92,667	7,75,94,543
Earning per equity share			
Basic		7.90	4.49
Diluted		7.90	4.49

for and on behalf of the Board

Sd/-
(V.Venkateswara Rao)
Company Secretary &
Senior Manager (I.A)

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

Sd/-
(B. Ramesh Kumar)
Chairman

Sd/-
(A. Govinda Rao)
Managing Director

Date : 28.6.2014
Place : Hyderabad

As per our report of even date
for M/s.Rao & Narayan, Chartered Accountants
(FRN: 3097S)

Date : 28.6.2014
Place : Hyderabad

Sd/-
(P.V.Subba Rao)
Partner (M.No.09269)

Notes to Balance sheet as at 31st March 2014

NOTE - 1.1 SHARE CAPITAL

Amount (₹)

Particulars	As At	
	31.03.2014	31.03.2013
Authorised 2,00,00,000 Equity Shares of ₹ 10 each	20,00,00,000	20,00,00,000
Issued Equity Shares of ₹ 10/- each 1,73,01,710 shares issued	17,30,17,100	17,30,17,100
Subscribed and fully paid up of the above 1,72,71,293 Equity Shares of ₹ 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 ₹ 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:

Amount (₹)

Particulars	As At			
	31.03.2014		31.03.2013	
	Number of Shares	Amount (₹)	Number of Shares	Amount (₹)
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 (The Singareni Collieries Company Limited) is 1,40,82,700.

NOTE - 1.5

Details of shares held by each Shareholder holding more than 5 percent.

Particulars	As At			
	31.03.2014		31.03.2013	
	Number of Shares held	% of holding	Number of Shares held	% of holding
Equity Shares with voting rights: The 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

Particulars	Amount (₹)	
	As At	
	31.03.2014	31.03.2013
Surplus in the statement of Profit & Loss: Opening Balance	24,69,38,911	16,93,44,368
Add: Net profit for current year	13,64,92,667	7,75,94,543
Closing Balance	38,34,31,578	24,69,38,911

NOTE - 3
SHORT TERM BORROWINGS

Particulars	Amount (₹)	
	As At	
	31.03.2014	31.03.2013
Secured : Cash credit with SBI	-	2,84,12,655
Total	-	2,84,12,655

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 - 4
TRADE PAYABLES

Particulars	Amount (₹)	
	As At	
	31.03.2014	31.03.2013
SR.CRS. LIABILITIES FOR MATERIALS	3,39,28,214	2,95,57,965
SR.CRS. LIABILITIES FOR MSME	2,06,30,573	1,78,23,677
SUNDRY CREDITORS FOR CAP.ITEMS	1,16,192	3,39,032
SUNDRY CREDITORS FOR SUPPLS.&CONT	18,24,711	49,00,295
SR.CREDITORS FOR TRANSPORTATION	14,47,354	18,18,974
ADVANCE FROM CUSTOMERS	1,38,34,399	7,76,90,281
SECURITY DEPOSIT PAYABLE	89,45,210	1,03,91,018
EMD FROM CONTRACTORS	5,67,812	9,19,492
Total	8,12,94,465	14,34,40,734

NOTE - 5
OTHER CURRENT LIABILITIES

Particulars	Amount (₹)	
	As At	
	31.03.2014	31.03.2013
a) Employee benefits		
SALARIES PAYABLE	1,43,02,739	1,42,49,956
WAGES PAYABLE	2,91,445	1,58,199
FOR STAFF BENEFITS	6,07,737	8,58,962
STIPEND PAYABLE	1,18,948	1,32,794

NOTE - 5
OTHER CURRENT LIABILITIES (contd..)

Amount (₹)

Particulars	As At	
	31.03.2014	31.03.2013
b) Others		
LIC PREMIUM PAYABLE	5,46,837	5,33,857
PAYABLE TO TEMPLE	9,760	2,365
ESI PAYABLE	5,564	3,205
UNION FUND PAYABLE	2,749	1,992
ASSOCIATION FUND PAYABLE	3,120	3,560
PROFESSIONAL TAX PAYABLE	4,33,135	90,685
CYCLE SHED RENT PAYABLE	10,090	2,090
INCOMETAX PAYABLE-SALARIES	2,46,240	2,26,756
INCOMETAX PAYABLE-CONTRACTORS	6,93,579	8,00,179
APHMEL EPF TRUST	25,29,562	20,77,761
APHMEL GRATUITY TRUST	1,00,267	1,00,267
VAT PAYABLE	3,72,49,429	2,15,58,121
DRF PAYABLE	13,340	1,880
PAYABLE TO DISTRICT COURT	47,707	47,730
WORKS CONTRACT TAX	31,686	86,567
SERVICE TAX PAYABLE	736	334
PAYABLE TO RPF COMMISSIONER	3,39,453	3,70,623
HIRE VEHICLES PAYABLE	2,87,572	2,55,580
ESI PAYABLE - OTHERS	11,688	16,536
SHARE DEPOSIT REFUNDABLE	23,450	23,450
SHARE DEPOSIT SUSPENSE	11,954	11,954
GOVT.OF AP LOAN (VRS)	1,00,00,000	1,00,00,000
PRE-PAID WAY LEAVE INCOME	13,05,428	-
FOR OTHERS	94,57,287	74,23,839
Total	7,86,81,502	5,90,39,242

NOTE - 6
SHORT TERM PROVISIONS

Amount (₹)

Particulars	As At	
	31.03.2014	31.03.2013
a) Employees		
PROVISION FOR EARNED LEAVE	2,89,12,221	2,37,04,520
PROVISION FOR GRATUITY	5,86,88,327	1,94,89,592
PROVISION FOR SALARIES	81,15,592	-
b) Others		
PROVISION FOR TAX	14,16,00,000	6,66,00,000
PROVISION FOR SCRAP	-	10,000
PROVISION FOR WARRANTY LIABILITY	47,92,808	47,92,808
PROVISION FOR FRINGE BENEFIT TAX	81,907	81,907
PROVISION FOR CANTEEN UTENSILS	17,030	17,030
Total	24,22,07,883	11,46,95,857

NOTE - 7
Tangible Assets as per Companies Act, 1956

Fixed assets	Gross Block						Accumulated Depreciation				Net Block	
	Balance as at 1.4.2013 ₹	Additions ₹	Disposals ₹	Revaluations/Impairments)	Balance as at 31.3.2014 ₹	Balance as at 1.4.2013 ₹	Depreciation charge for the year ₹	Adjustment due to revaluations ₹	On disposals ₹	Balance as at 31.3.2014 ₹	Balance as at 1.4.2013 ₹	Net Block
A. Tangible Assets												
Land	42,51,720	-	-	-	42,51,720	-	-	-	-	-	42,51,720	42,51,720
Buildings	3,56,92,568	4,65,976	-	-	3,61,58,544	2,63,82,228	2,73,607	-	-	2,66,55,835	93,10,340	95,02,709
Plant & Equipment												
i) Indigenous	6,17,09,988	4,00,000	1,79,882	-	6,19,30,406	5,10,35,884	5,64,171	-	1,71,129	5,14,28,926	1,06,74,105	1,05,01,480
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	22,46,284	-	2,372	-	22,43,912	16,21,912	46,794	-	2,253	16,66,453	6,24,371	5,77,459
Vehicles	20,39,263	-	5,31,992	-	15,07,271	9,07,979	1,23,953	-	3,74,433	6,57,499	11,31,284	8,49,772
Office equipment	20,02,323	1,74,521	73,032	-	21,03,812	8,89,866	72,889	-	54,792	9,07,963	11,12,457	11,95,849
Others	2,13,21,842	12,64,070	1,33,991	-	2,24,51,921	1,60,71,774	9,67,489	-	97,242	1,69,42,021	52,50,068	55,09,900
Total (A)	15,92,61,667	23,04,567	9,20,969	-	16,06,45,265	12,54,07,439	20,48,903	-	6,99,849	12,67,56,493	3,38,54,228	3,38,88,772
B. Capital work in progress	8,80,801	-	-	-	8,80,801	-	-	-	-	-	8,80,801	8,80,801
Total (B)	8,80,801	-	-	-	8,80,801	-	-	-	-	-	8,80,801	8,80,801
C. Intangible assets under development	-	-	-	-	-	-	-	-	-	-	-	-
Total (C)	-	-	-	-	-	-	-	-	-	-	-	-

**NOTE - 8
DEFERRED TAX ASSET**

Amount (₹)

Particulars	As At	
	31.03.2014	31.03.2013
Deferred tax asset	2,42,73,430	1,06,40,263
Total	2,42,73,430	1,06,40,263

**NOTE - 9
Long Term loans and Advances**

Amount (₹)

Particulars	As At	
	31.03.2014	31.03.2013
Other advances: Secured considered good		
Material advances	26,42,692	34,29,702
Advance for rent	44,000	30,000
Adv. for local purchases	200	1,674
Advance for repairs & others	50	1,23,498
Advance for freight & demurrages	11,146	-
Deposit with central excise	28,615	46,819
Deposit with education cess	1,853	1,801
Dep. with S&H Edn. cess	1,861	1,116
EMD on outside orders	47,55,968	25,91,750
Dues recoverable from others	5,24,376	3,91,677
Cenvat Cr. recv. inputs	17,16,742	34,97,089
Edn. cess Cr. recv. inputs	30,454	71,665
Cenvat Cr. on S&H	10,631	31,206
Service tax Cr. recv. Inputs	5,96,881	8,34,713
Vat account	66,070	181
Advance income tax	12,45,25,000	8,35,25,000
Advance fringe benefit tax	1,03,000	1,03,000
Prepaid expenses	13,53,553	6,06,323
Prepaid insurance	5,04,193	5,39,334
Income tax deducted at source	64,61,969	40,41,628
Works cont. tax deducted at source	33,25,317	30,19,378
	14,67,04,571	10,28,87,555
Less: provisions		
EMD on outside orders	15,000	15,000
Total	14,66,89,571	10,28,72,555

NOTE - 10
OTHER NON- CURRENT ASSETS

Amount (₹)

Particulars	As At	
	31.03.2014	31.03.2013
a) Security Deposits		
Deposit with telephone dept.	82,997	82,997
Deposit with court	3,57,700	3,57,700
Deposit with APSEB	13,19,175	13,19,175
Deposit with IOL	7,000	7,000
Deposit with post office	2,000	2,000
Deposits	71,170	71,170
Deposit with customs duty	6,78,518	6,78,518
Security deposit	5,76,305	5,76,305
Sec. dep. with Commr. of Labour	9,000	9,000
	31,03,865	31,03,865
Less: Provisions		
Provision for customs duty	6,78,518	6,78,518
Provision for VTPS deposit	5,30,765	5,30,765
	18,94,582	18,94,582
b) Others		
Advance to sales tax	1,15,12,833	1,15,12,833
Advance to suppliers & Contrs.	1,60,366	1,60,366
PF paid under protest	15,08,512	15,08,512
Total	1,50,76,293	1,50,76,293

NOTE - 11
INVENTORIES

Amount (₹)

Particulars	As At	
	31.03.2014	31.03.2013
Valued at cost on weighted Average Basis		
Raw materials	5,34,87,036	12,94,59,553
Gases	43,731	1,61,475
Paints	9,52,050	4,74,931
Electrodes	16,31,007	20,06,264
Bought out items	8,26,02,634	7,18,41,300
Stock items	99,54,280	74,48,994
Tools	45,56,064	58,68,890
Spares	49,71,787	46,82,313
Maintenance material	14,77,481	14,49,708
Stock of scrap (Valued at Market price)	8,85,100	70,39,804
Work-in-progress (Valued at cost or market value whichever is less)	4,33,05,554	8,29,65,919
	20,38,66,722	31,33,99,151
Less: Provn. on non-moving items	94,98,060	94,98,060
Provn. on work-in-progress	8,22,647	8,22,647
Provn. of shortage of material	-	4,09,148
Total	19,35,46,015	30,26,69,296

NOTE - 12
TRADE RECEIVABLES

Amount (₹)

Particulars	As At	
	31.03.2014	31.03.2013
Trade Receivables Due from the date of payment: Less than six months, Secured considered good	39,42,92,766	23,20,74,729
Trade Receivables Due from the date of payment: More than six months, Secured considered good	5,38,79,246	6,50,10,482
Total	44,81,72,012	29,70,85,211

NOTE - 13
CASH AND CASH EQUIVALENTS

Amount (₹)

Particulars	As At	
	31.03.2014	31.03.2013
a) Bank balances		
Current account with HDFC	-	48,676
Current account with IDBI	50,000	-
SBI patamata	66,25,843	-
SBH Kothagudem	28,877	28,877
SBH BHPV Vizag	1,13,340	1,13,890
SBI, Bilaspur	10,750	10,750
b) Cash on hand	2,66,187	1,46,569
c) FDRs with SBI (Towards margin money)	8,72,00,000	12,00,000
Total	9,42,94,996	15,48,762

NOTE - 14
SHORT TERM LOANS & ADVANCES

Amount (₹)

Particulars	As At	
	31.03.2014	31.03.2013
Advance for expenses	11,139	3,320
Festival advance to staff	4,03,800	4,92,600
Advance to staff	-	12,800
Advance for travelling exp.	1,80,256	11,103
Dues recoverable from staff	134	3,241
Int. acc. but not due on loans & dep.	9,16,449	95,166
Total	15,11,778	6,18,230

NOTE - 15
INCOME FROM OPERATIONS

Amount (₹)

Particulars	For the year ended	
	31.03.2014	31.03.2013
Material handling equipment	92,83,40,488	77,68,59,861
Job orders	98,49,103	1,19,19,486
Spares	9,93,92,121	8,80,14,751
Maintenance and repairs/ reconditioning	8,36,00,945	3,71,14,848
	1,12,11,82,657	91,39,08,946
Less: Excise duty	11,09,79,481	9,32,16,966
Total	101,02,03,176	82,06,91,980

NOTE - 16
OTHER INCOME

Amount (₹)

Particulars	For the year ended			
	31.03.2014		31.03.2013	
INTEREST INCOME:				
Interest on FDRs	47,09,861		1,11,270	
Interest on security deposit	1,18,141		75,565	
Interest on income tax refund	41,102	48,69,104	3,32,178	5,19,013
Freight on sales	12,14,478		28,15,845	
Sale of scrap	1,30,64,760		1,14,43,986	
Rent received	21,28,800		19,80,264	
Sale of tender schedules	1,495		22,900	
Miscellaneous receipts	4,13,080		1,51,968	
Recovery of liquidated damages	10,72,313		26,33,380	
Profit on sale of vehicles	-		7,390	
Damages for use of company land	2,65,358		2,90,787	
Way leave charges	38,287	1,81,98,571	-	1,93,46,520
Total		2,30,67,675		1,98,65,533

**NOTE - 17
COST OF MATERIALS AND OTHER CONSUMABLES**

	2013-14							2012-13						
	Opening balance ₹	Purchases ₹	Total ₹	Consumption ₹	Others ₹	Closing balance ₹		Opening balance ₹	Purchases ₹	Total ₹	Consumption ₹	Provisions with-drawn ₹	Others ₹	Closing balance ₹
Raw materials	12,94,59,553	20,92,79,329	33,87,38,882	28,52,51,846	-	5,34,87,036		4,41,96,252	36,10,59,232	40,52,55,484	27,54,58,300	-	3,37,631	12,94,59,553
Gasses	1,61,475	11,38,261	12,99,736	12,56,005	-	43,731		83,123	10,15,815	10,98,938	9,37,463	-	-	1,61,475
Paints	4,74,931	20,58,753	25,33,684	15,81,634	-	9,52,050		4,68,362	11,23,846	15,92,208	11,17,277	-	-	4,74,931
Electrodes	20,06,264	58,11,173	78,17,437	61,66,430	-	16,31,007		33,99,182	51,80,051	85,79,233	65,72,969	-	-	20,06,264
Bought out items	7,18,41,300	15,84,01,911	23,02,43,211	14,73,45,683	2,94,894	8,26,02,634		7,56,39,913	16,33,48,300	23,89,88,213	16,69,62,112	-	1,84,801	7,18,41,300
Stock items	74,48,994	1,78,10,164	2,52,59,158	1,47,20,122	5,84,756	99,54,261		71,11,766	1,14,59,406	1,85,71,172	95,95,719	-	15,26,459	74,48,994
Tools	58,68,890	12,87,291	71,56,181	26,00,117	-	45,56,064		64,10,849	15,34,996	79,45,845	20,76,955	-	-	58,68,890
Sparees	46,82,313	18,51,775	65,34,088	-	15,62,302	49,71,787		33,06,646	25,75,136	58,81,782	-	-	11,99,469	46,82,313
Maintenance materials	14,49,708	35,52,793	50,02,501	15,77,522	19,47,499	14,77,460		12,22,257	47,05,688	59,27,945	17,05,762	-	27,72,455	14,49,708
Total	22,33,93,428	40,11,91,450	62,45,84,878	46,05,19,359	43,89,450	15,96,76,069		14,18,38,350	55,20,02,470	69,38,40,820	46,44,26,577	-	60,20,815	22,33,93,428

NOTE - 18
CHANGES IN INVENTORIES OF FINISHED GOODS
WORK-IN-PROGRESS AND STOCK-IN-TRADE

Amount (₹)

Particulars	For the year ended	
	31.03.2014	31.03.2013
A) Opening stock of work-in-progress	8,29,65,919	6,09,72,126
B) Closing stock of work-in-progress	4,33,05,554	8,29,65,919
C) Increase / Decrease in stock (A-B)	3,96,60,365	(2,19,93,793)
D) Opening stock of scrap	70,39,804	68,04,447
E) Closing stock of scrap	8,85,100	70,39,804
F) Increase/decrease in scrap	61,54,704	(2,35,357)
G) Increase / Decrease in stock (C+F)	4,58,15,069	(2,22,29,150)

NOTE - 19
EMPLOYEE BENEFIT EXPENSES

Amount (₹)

Particulars	For the year ended	
	31.03.2014	31.03.2013
Salaries	16,65,32,185	15,63,68,470
Arrears of salaries	81,15,592	-
Wages	23,41,333	19,67,563
Stipend	12,45,376	10,54,001
Bonus	1,15,157	1,30,137
Ex-gratia	16,85,918	17,37,527
Incentive	17,68,255	18,43,077
Remuneration to MD	26,98,551	19,77,280
Employees state insurance	1,09,674	93,352
Provident fund	1,12,44,756	1,05,27,848
Family pension fund	30,85,671	33,23,186
Group gratuity assurance scheme	4,91,98,735	43,82,575
Staff welfare expenses	34,38,794	29,96,879
Conveyance to staff	49,58,591	46,90,474
Medical expenses	1,05,831	54,735
DRF Co. Contribution	62,000	1,55,000
Inspn. Charges on PF trust	2,17,101	2,05,043
Employees dep. linked insurance	6,03,944	5,70,256
HRA to officials	6,60,476	6,03,296
Workmen compensation	1,995	11,640
HRA to MD	2,34,500	1,80,000
Total	25,84,24,434	19,28,72,339

**NOTE - 20
FINANCE COST**

Amount (₹)

Particulars	For the year ended	
	31.03.2014	31.03.2013
Interest on cash credit	1,42,353	47,34,999
Interest on SCCL mobilisation advances	10,94,963	43,37,238
Interest others	44,127	38,732
Bank charges	11,76,250	10,72,330
Total	24,57,693	1,01,83,299

**NOTE - 21
OTHER EXPENSES**

Amount (₹)

Particulars	For the year ended			
	31.03.2014		31.03.2013	
Sub-contracts		2,19,93,220		2,64,89,578
Repairs and maintenance:				
Repairs and maintenance-buildings	2,92,082		3,76,297	
Repairs and maintenance-machinery	20,60,916		1,48,23,504	
Repairs and maintenance-vehicles	74,999		54,732	
Repairs and maintenance-general	27,60,942	51,88,939	36,39,255	1,88,93,788
Travelling expenses:				
Travelling expenses-general	22,42,820		24,75,062	
Travelling expenses-transfer	3,07,847		-	
Travelling expenses-MD	2,32,081		1,58,368	
Travelling expenses-Directors	1,59,726	29,42,474	1,00,509	27,33,939
Freight:				
Freight on raw materials	1,00,547		87,902	
Freight on general materials	1,24,222		1,52,021	
Freight on outside orders	86,96,084	89,20,853	64,85,485	67,25,407
Vat account		17,76,734		19,23,062
Electricity charges		1,24,32,121		95,81,611
Printing & stationery		9,34,436		7,33,748
Advertisement & publicity		1,80,433		6,14,600
Liaisoning charges		9,06,745		4,23,597
Erection & commissioning charges		40,000		-
Designing & Engg.charges		8,989		-
Service charges		-		5,618
Petrol, oil, lubricants		4,15,434		3,34,429
Water charges		37,122		33,021
AGM expenses		2,05,486		2,01,514
Patterns written off		1,34,448		1,30,212
Rent		73,632		73,632
Postage & telegraph		2,04,585		1,88,925
Telephone & telex charges		10,32,385		8,58,905
Excise duty		1,04,361		10,61,157

NOTE - 21
OTHER EXPENSES (contd...)

Amount (₹)

Particulars	For the year ended	
	31.03.2014	31.03.2013
Loss on sale of fixed assests	51,559	-
Fixed assets written off	63,561	2,10,952
Board meeting expenses	51,619	39,677
Directors sitting fee	27,000	32,000
Packing & forwarding charges	-	2,000
Consultancy charges	13,07,500	57,500
Clearing charges	-	24,823
Conveyance charges	1,13,875	76,968
Commission on scrap sales	2,36,984	3,37,594
Directors incidentals	3,600	4,650
Insurance on fixed assets	2,76,472	2,33,007
Insurance - others	35,985	31,256
Insurance - transit	5,57,531	3,32,421
Audit fees	84,270	67,416
Professional charges	5,74,140	5,82,427
Legal expenses	10,410	38,126
Hospitality expenses	4,74,317	4,00,195
Books & periodicals	4,152	49,096
Subscription & membership	28,158	24,582
Conference, seminar & training	59,000	1,08,814
Staff recruitment expenses	-	26,919
ESI demurrages	691	-
Crane hire charges	9,000	10,080
Misc. Expenses	2,76,237	4,93,625
Liquidated damages	7,90,731	18,42,989
Rates & taxes	15,06,740	13,44,078
Licence & renewals	51,505	13,42,640
Testing charges	7,91,071	4,05,788
Filing fee	13,000	4,000
Hire vehicles	11,93,085	8,23,182
Hire charges-machinery	-	29,700
Computers maint. Charges	1,78,077	1,05,018
Tender schedules - purchase	59,337	19,690
Computer software charges	1,26,786	13,16,301
E-procurement transaction fees	74,095	-
shortage material written-off	2,94,894	-
Programmers hired charges	-	1,80,065
Total	6,68,57,779	8,16,04,323

NOTE - 22
Exceptional items

Amount (₹)

Particulars	For the year ended	
	31.03.2014	31.03.2013
INCOME		
Provisions withdrawn	4,09,148	-
Short/excess of earlier years tax	3,02,738	12,30,423
Exp./ income Per. to earlier years	-	24,88,397
	7,11,886	37,18,820
EXPENDITURE		
Provisions:		
Provn. on non-moving items	-	1,67,622
Provn. for EMD on outside orders	-	15,000
Provn. on work-in-progress	-	8,22,647
Provision on canteen utensils	-	17,030
Provision on shortage of material	-	4,09,148
	-	14,31,447
Total	7,11,886	22,87,374

Summary of Significant accounting policies - NOTE - 23
STATEMENT ON ACCOUNTING POLICIES OF THE COMPANY FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDING 31ST MARCH, 2014.
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

- Inventories are valued at cost on weighted average basis.
- Finished goods and work-in-progress are valued at lower of cost or market value whichever is less.
- 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 –

- Insurance claims are considered in accounts on receipt basis.
- Stationery was accounted as expenditure in the year of purchase.

7. RETIREMENT BENEFITS

- Contribution to Provident Fund accounted on accrual basis.
- Earned leave benefits are accounted on accrual basis.
- 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 - 24

A. NOTES FORMING PART OF ACCOUNTS

1. CONTINGENT LIABILITIES

- a) Sales tax claim of ₹ 4.59 lakhs and ₹ 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 ₹ 5.50 lakhs (₹ 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 ₹ 3.78 lakhs and allowing the case in favour of Orissa Sales Tax department for ₹ 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 ₹ 145.47 lakhs (APGST & CST) and ₹ 293.04 lakhs (APGST & CST) for the assessment year 2003-04 and 2004-05 respectively is pending. For the above Sales tax claim there is no provision available in the books. The company has preferred appeals within stipulated time for both the years before the Sales Tax Appellate Tribunal after payment of 25% of the disputed tax amounting to ₹ 109.63 lakhs (₹ 36.36 lakhs and ₹ 73.27 lakhs for the assessment years 2003-04 and 2004-05 respectively) in advance and the same was kept in advance sales tax account under the current assets.
- c) Income-tax assessments for the assessment year 2012-13 & 2013-14 are pending.
- d) Guarantees given by the bank on behalf of the Company for an amount of ₹ 140.88 lakhs for which counter guarantees of even amount are given by the Company to the Bank (Previous year ₹ 91.20 lakhs).
- e) An amount of ₹ 20.48 lakhs towards extra claims by contractors involved in legal suits (Previous year ₹ 20.48 lakhs).
- f) An amount of ₹ 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 ₹ 31.32 lakhs.
- g) ESI authorities have raised a demand for ₹ 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 ₹ 5,48,625/- on the dues of rent of ₹ 2,11,090/-. The Government of A.P. has waived ₹ 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 ₹ 1,07,060/-. The company has appealed for waiver of both the dues of rent and interest thereon. A Provision has been made towards the rent dues. But pending disposal, no provision has been made towards the demand of interest of ₹ 5,48,625/-
- i) Against the orders issued by Commissioner of Central Excise, Guntur, for payment of Excise Duty amounting to ₹ 1,49,30,949/- vide Order, dated 11.08.2010 and penalty for ₹ 1,00,00,000/-
 - (a) the company has paid under protest an amount of ₹ 1,27,10,074 for which no provision was made in the books of account.
 - (b) for balance tax of ₹ 22,20,875/- 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 vide Order dated 07.03.2012. Pending disposal of appeal no provision was made in the books of account for penalty.

(NOTES ON ACCOUNTS, NOTE - 24 contd...) (NOTES FORMING PART OF ACCOUNTS contd...)

- j) 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 ₹33,10,988/- 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), for which the Honourable CESTAT, Bangalore (₹ 32,39,672) and Commissioner of Appeals, Guntur(₹ 71,316), have given the stay orders dated 11.09.2012 and 30.01.2013 respectively. Pending disposal of the appeal no provision has been made in the books towards the disputed liability amounting ₹ 33,10,988/-.
- k) Provident Fund authorities have issued a demand for payment of ₹ 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. An amount of ₹ 15,08,512/- was paid under protest. No provision has been made for the disputed demand of ₹ 50,28,373/- in the books of account. The Tribunal vide orders dated 28.2.2013 has set aside the order issued by Regional Commissioner Provident Fund and the matter is reminded back for fresh determination.
- 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 ₹ 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.
 - An amount of ₹ 81,15,592/- was provided in the books towards 20% enhancement on salaries for the period from January 2014 to March 2014 towards wage revision, pending finalization of tripartite agreement.
 - Bank Guarantees amounting to ₹ 103.87 lakhs furnished by suppliers and contractors were held by the Company as on 31-03-2014 (previous year ₹ 104.14 lakhs).
 - Share deposit amount of ₹ 5,310 (previous year ₹ 5,310) from public towards share capital contribution. Shares to public could not be allotted because of legal implications.
 - As per G.O.No.227, dt.30-11-1996 write off proposal for Government of A.P. shareholdings of ₹ 14.90 lakhs was not carried out in the accounts since the Company requested the Government of A.P. for amended action.
 - 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 31.3.2014 ₹	For the year ended 31.3.2013 ₹
Obligation at beginning of the year	13,69,38,734	13,72,90,859
Interest cost	1,09,55,099	1,09,83,269
Current service cost	61,86,961	50,60,807
Benefits settled	(2,39,52,189)	(1,47,64,719)
Actuarial (gain) / loss	4,16,94,216	(16,31,482)
Obligation at the end of the year, at fair value	17,18,22,821	13,69,38,734
Change in plan assets		
Plan assets at beginning of the year, at fair value	11,74,49,142	10,71,83,842
Expected return on plan assets	96,37,541	1,00,30,019
Contributions	1,00,00,000	1,50,00,000
Benefits paid	(2,39,52,189)	(1,47,64,719)
Actuarial gain/loss	Nil	Nil
Fair value of plan assets at the end of the year	11,31,34,494	11,74,49,142
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	11,31,34,494	11,74,49,142
Present value of the defined benefit obligation at the end of the year	17,18,22,821	13,69,38,734

(NOTES ON ACCOUNTS, N O T E - 24 contd...) (NOTES FORMING PART OF ACCOUNTS contd...)

Assets/(liability) recognized in the balance sheet	For the year ended 31.3.2014 ₹	For the year ended 31.3.2013 ₹
Service cost	61,86,961	50,60,807
Interest cost	1,09,55,099	1,09,83,269
Expected return on plan assets	(96,37,541)	(1,00,30,019)
Actuarial gain/ loss	4,16,94,216	(16,31,482)
Net gratuity cost	4,91,98,735	43,82,575
Assumptions		
Discount rate	8.00%	8.00%
Expected return on plan assets	8.85%	9.40%
Expected rate of salary increase	7.00%	7.00%

8. Materials valued ₹ 41.36 lakhs are lying with outside parties for job works (previous year ₹ 62.35 lakhs).

9. 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.

	2013-14 ₹	2012-13 ₹
ASSETS		
Gratuity	1,59,64,990	14,22,146
Others	1,43,97,243	1,45,63,925
Total	3,03,62,233	1,59,86,071
LIABILITIES		
Difference in depreciation for accounting and tax purposes	60,88,803	53,45,808
Total	60,88,803	53,45,808
Deferred tax asset (NET)	2,42,73,430	1,06,40,263

10. Segment reporting:

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

Related Party Transactions:

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

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

12. Earnings per share(AS-20):

Particulars	2013-14 ₹	2012-13 ₹
A Net profit after tax	13,64,92,667	7,75,94,543
B Number of ordinary equity shares(Fully paid up)	1,72,71,293	1,72,71,293
C Earnings per Share (A/B)	7.90	4.49

(NOTES ON ACCOUNTS, NOTE - 24 contd...) (NOTES FORMING PART OF ACCOUNTS contd...)

13. All figures are rounded off to the nearest rupee.
14. Previous year's figures, wherever necessary, have been re-grouped, recast and reclassified to confirm with those of the current year.
15. The Company has reviewed the carrying amounts of fixed assets based on internal valuation and found that none of the fixed assets suffered an impairment loss and hence no provision / write off of impaired assets in terms of AS-28 issued by the Institute of Chartered Accountants of India is considered necessary during the year.
16. Current liabilities:
 Schedule(5): Interest free loan from Government of Andhra Pradesh ₹1,00,00,000/- vide G.O.Ms.No.201 dated: 21.8.1997 for implementing the Voluntary Retirement Scheme as a full and final settlement of the concessions to be given to the Company.

The Company has implemented the voluntary retirement scheme in the year 1997 and requested the Government of AP for Moratorium up to 31.03.2011 for repayment of the said interest free loan and the same is not repaid.

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 2013-14		Previous year 2012-13	
		Quantity Mts.	Amount (₹)	Quantity Mts.	Amount (₹)
1	Material Handling Equipment	6845.762	81,73,61,007	5847.71	68,36,42,895
2	Job orders	123.220	98,49,103	145.88	1,19,19,486
3	Spares	501.202	9,93,92,121	688.62	8,80,14,751
4	Repairs/ Reconditioning	603.846	8,36,00,945	418.46	3,71,14,848
	Total	8074.030	101,02,03,176	7100.67	82,06,91,980

2. RAW MATERIALS CONSUMED FOR SALE OF PRODUCTS

Sl. No.	Description	Current year 2013-14		Previous year 2012-13	
		Quantity Mts.	Amount (₹)	Quantity Mts.	Amount (₹)
1	Raw materials				
	Direct	6004.32	24,80,21,058	5363.53	23,54,73,618
	Others		3,72,30,788		3,99,84,682
2	Boughtout Items		14,73,45,683		16,69,62,112
3	Stock Items		1,47,20,122		95,95,719
4	Maintenance Material		15,77,522		17,05,782
5	Consumable Stores		90,24,069		86,27,709
6	Consumable Tools		26,00,117		20,76,955
			46,05,19,359		46,44,26,577
	Add/Less: Material included in work-in-progress & Finished goods.		2,88,06,482		2,08,15,801
	Total		48,93,25,841		44,36,10,776



(NOTES ON ACCOUNTS, N O T E - 24 contd...) (NOTES FORMING PART OF ACCOUNTS contd...)

3. PURCHASE OF RAW MATERIALS

Sl. No.	Description	Current year 2013-14		Previous year 2012-13	
		Quantity Mts.	Amount (₹)	Quantity Mts.	Amount (₹)
1	Steel	4662.87	18,89,91,268	7667.64	31,84,04,367
2	Other Raw Materials		2,02,88,061		4,26,54,865
3	Bought Out Items		15,84,01,911		16,33,48,300
4	Stock Items		1,78,10,164		1,14,59,406
5	Maintenance Material		35,52,793		47,05,688
6	Consumable Stores		90,08,187		73,19,712
7	Tools		12,87,291		15,34,996
8	Spares		18,51,775		25,75,136
	Total		40,11,91,450		55,20,02,470

4. PARTICULARS REGARDING CAPACITY AND PRODUCTION*

(in Mts.)

Sl. No.	Product group	Licensed capacity		Installed capacity		Actual production	
		Current year 2013-14	Previous year 2012-13	Current year 2013-14	Previous year 2012-13	Current year 2013-14	Previous year 2012-13
1	Material Handling Equipment	4710	4710	250	250	2271	2247
2	Chemical, Pharma- ceutical & Mini plant	2000 1000	2000 1000	0 1188	0 1188	0 0	0 0
3	Textile Machinery	160	160	0	0	0	0
4	Leather Processing Machinery	500	500	312	312	0	0
5	Size Reduction Equipment	2000	2000	1750	1750	0	0
6	Job Orders	0	0	0	0	123	146
7	Air Pollution Equipment	3000	3000	0	0	0	0
8	Road Headers & Tunneling Equipment	8 Nos	8 Nos	0	0	0	0
9	Maintenance Spares & over- hauling equipment	0	0	0	0	1106	1102
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.

4. The Company has received letter of intent only for Long wall Roof Support Systems.

* Being technical matter information given as provided by management.

(NOTES ON ACCOUNTS, N O T E - 24 contd...) (NOTES FORMING PART OF ACCOUNTS contd....)

5. DETAILS OF REMUNERATION TO MANAGING DIRECTOR

Sl. No.	Description	Current year 2013-14 (₹)		Previous year 2012-13 (₹)
		Sri I.V.N.Prasad 1.4.13 to 31.10.13	Sri A.Govinda Rao 1.11.13 to 31.3.14	
1.	Salary	17,04,038	8,02,477	17,96,897
2.	P F Employer contribution	94,738	70,965	1,54,750
3.	FPF Co., contribution	7,821	7,642	16,672
4.	Admn. Charges	6,154	4,716	8,961
5.	House Rent	1,15,500	1,10,000	1,80,000
6.	Others	52,884	53,494	38,203
	Total	19,81,135	10,49,294	21,95,483

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

6. THE VALUE OF IMPORTS ON CIF BASIS

A) Spare Parts and Components ₹ 8,49,862/- (Previous year: ₹ 7,18,862/-).

B) Percentage of Materials consumed.

Sl. No.	Description	Current year 2013-14		Previous year 2012-13	
		Percentage	Value (₹)	Percentage	Value (₹)
1	Materials				
	Imported	0.00	-	0.13	5,97,941
	Indigenous	61.94	28,52,51,846	59.18	27,48,60,359
2	Spare parts, components and others				
	Imported	0.09	4,24,931	0.14	6,34,138
	Indigenous	37.97	17,48,42,582	40.55	18,83,34,139
	Total		46,05,19,359		46,44,26,577

7. FOREIGN CURRENCY/ EXCHANGE TRANSACTIONS

a) Expenditure in Foreign Currency :

Royalty ₹ NIL (Previous Year: NIL)

Spare Parts and Components ₹ 8,49,862/- (Previous year: ₹ 7,18,862/-)

ISO Certification charges NIL (Previous Year: NIL)

b) Earnings Foreign Exchange NIL (Previous Year: NIL)

Cash Flow Statement As Per Accounting Standard-3

(₹ in lakhs)

Particulars	Current year 2013-14		Previous year 2012-13	
A) CASH FLOW FROM OPERATING ACTIVITIES				
Net profit before tax and extraordinary items		1971.48		1116.83
Adjustment for depreciation	20.49		20.17	
Adjustment for interest paid	24.58		101.83	
		45.07		122.00
Operating Profit before working capital changes		2016.54		1238.83
Increase(-)/decrease in long term loans and advances	-438.17		-72.10	
Increase(-)/decrease in other non-current assets	-		-3.01	
Increase/decrease in current assets	-428.57		-826.15	
(Increase)/Decrease in Deferred Tax Asset	136.33		-20.76	
Increase/decrease(-) in Trade payables	-621.46		532.63	
Increase/decrease in other current liabilities	196.42		15.19	
Increase/Decrease(-) in short term provisions	1275.12	119.67	-105.67	-479.86
Net Cash Flow from operations		2136.21		758.97
Exceptional items	7.12		37.19	
Provisions for taxation	-750.00		-343.00	
Provisions	-		-14.31	
Deferred Tax Asset(Net)	-136.33		20.76	
		-879.21		-299.36
CASH FLOW FROM OPERATING ACTIVITIES (A)		1257.00		459.61
B) CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	-23.05		-24.74	
Capital work-in-progress	-		3.67	
Decrease of fixed assets	2.21		2.13	
		-20.83		-18.94
CASH FLOW FROM INVESTING ACTIVITIES (B)		-20.83		-18.94
C) CASH FLOW FROM FINANCING ACTIVITIES				
Increase/Decrease(-) in Loans from banks and institutions	-284.13		-338.74	
Interest paid	-24.58	-308.70	-101.83	-440.57
Net increase in Cash & Bank(A+B+C)		927.46		0.10
Opening balance of cash and bank		15.49		15.39
Closing balance of cash and bank		942.95		15.49

**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	31.3.2014
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	958334
Total Assets	958334
Source of Funds:	(Rupees in thousands)
Paid up Capital	172718
(Including share deposit)	
Reserves & Surplus	383432
Secured Loans	-
Unsecured Loans	-
Application of Funds:	(Rupees in thousands)
Net Fixed Assets	33889
Capital work-in-progress	881
Investments(DTA)	24273
Net Current Assets	497107
Miscellaneous expenditure	NIL
4. Performance of Company:	(Rupees in thousands)
Turnover	1010203
Total Expenditure	812344
Profit Before Tax	197859
Profit After Tax	136493
Earnings per Share	7.90 (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 24)

Sd/-
(V.Venkateswara Rao)
Company Secretary &
Senior Manager (I.A)

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

Sd/-
(B. Ramesh Kumar)
Chairman

Sd/-
(A. Govinda Rao)
Managing Director

Date : 28.6.2014
Place : Hyderabad

As per our report of even date
for M/s.Rao & Narayan, Chartered Accountants
(FRN: 3097S)

Date : 28.6.2014
Place : Hyderabad

Sd/-
(P.V.Subba Rao)
Partner (M.No.09269)



CSR - Health camp
at Chopdi, R&R Centre in
Adilabad district

CSR - funding for
Govt. Degree College at
Manuguru



Telangana State formation day Celebrations at Ramagundam area



The Singareni Collieries Company Limited
(A Government Company)
Registered Office:
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