

94th Annual Report & Accounts 2014-2015









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 & practices and constantly upgrading them against international benchmarks.
-  To supply reliable and qualitative coal in adequate quantities and strive to satisfy customers needs by constantly sharing their experience and customizing our product.
-  To emerge as a model employer and maintain harmonious industrial relations within the legal and social framework of the State.
-  To emerge as a responsible Company through good Corporate Governance, by laying emphasis on protection of environment & ecology and with due regard for corporate social obligations.



THE SINGARENI COLLIERIES COMPANY LIMITED

(A Government Company)

94th ANNUAL REPORT AND ACCOUNTS 2014-15

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BANKERS:

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

STATUTORY AUDITORS:

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

SECRETARIAL AUDITOR:

Sri K.V.Chalama Reddy,
 Company Secretary,
 Flat No.301, Madhava Apts., Hill Colony,
 Khairatabad, Hyderabad – 500 004.

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 N. Sridhar (From 1.1.2015 FN)
Sri Sutirtha Bhattacharya (From 10.5.2012 FN to 31.12.2014)
2. Director (Operations)
Sri B. Ramesh Kumar (From 13.12.2012)
3. Director (Planning & Projects)
Sri A.Manohar Rao (From 13.12.2012)
4. Director (Electrical & Mechanical)
Sri P.Ramesh Babu (From 1.3.2014)
5. Director (Finance) & CFO
Sri J.Pavitran Kumar (From 4.6.2015)
Sri A.Manohar Rao (FAC) (From 20.3.2015 to 3.6.2015)
Sri S.Vivekanand (From 3.9.2010 to 20.3.2015)
6. Director (Personnel, Administration & Welfare)
Sri J.Pavitran Kumar (FAC) (From 6.7.2015)
Sri B. Ramesh Kumar (FAC) (From 20.3.2015 to 5.7.2015)
Sri S.Vivekanand (FAC) (From 3.12.2014 to 20.3.2015)
Sri T.Vijaya Kumar (From 3.8.2011 to 2.12.2014)
7. **Sri D.N.Prasad** (From 14.10.2015)
Adviser(Projects), Ministry of Coal, Govt. of India, New Delhi
Sri Peeyush Kumar (From 20.4.2015 to 13.10.2015)
Director (Technical), Ministry of Coal, Govt. of India, New Delhi
Sri A.K. Bhalla (From 3.4.2013 to 19.4.2015)
Joint Secretary, Ministry of Coal, Govt. of India, New Delhi
8. **Sri Syed Ashraf** (From 14.10.2015)
Dy, Secretary, Ministry of Coal, Govt. of India, New Delhi
Sri Jagdish Kumar (From 20.4.2015 to 13.10.2015)
Dy, Secretary, Ministry of Coal, Govt. of India, New Delhi
Sri D.N.Prasad (From 6.6.2013 to 19.4.2015)
Adviser (Projects), Ministry of Coal, Govt. of India, New Delhi
9. **Sri R.R. Mishra,** (From 7.12.2015)
Chairman-cum- Managing Director, Western Coalfields Ltd., Nagpur
Sri A.N.Sahay (From 11.9.2014 to 31.10.2015)
Chairman-cum- Managing Director, Mahanadi Coalfields Ltd., Sambalpur
Sri D.C.Garg (From 21.9.2007 to 17.6.2014)
Chairman-cum- Managing Director, Western Coalfields Ltd., Nagpur
10. **Sri Arvind Kumar** (From 30.1.2015)
Principal Secretary, Energy Dept., Govt. of Telangana.
Dr.Shailendra Kumar Joshi (From 30.8.2014 to 29.1.2015)
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.
11. **Sri K.Rama Krishna Rao** (From 28.6.2014)
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 J. Rama Krishna

G.M (Corporate Affairs) & Company Secretary

Sri M. Krishna Mohan

General Manager (Finance & Accounts)

Board of Directors (As on 12.12.2015)



Sri N. Sridhar
Chairman & Managing Director



Sri B. Ramesh Kumar
Director (Operations)



Sri A. Manohar Rao
Director (P&P)



Sri P. Ramesh Babu
Director (E&M)



Sri J. Pavitrana Kumar
Director (Finance) & CFO/(PA&W)



Sri Arvind Kumar
Director



Sri K. Rama Krishna Rao
Director



Sri D.N. Prasad
Director

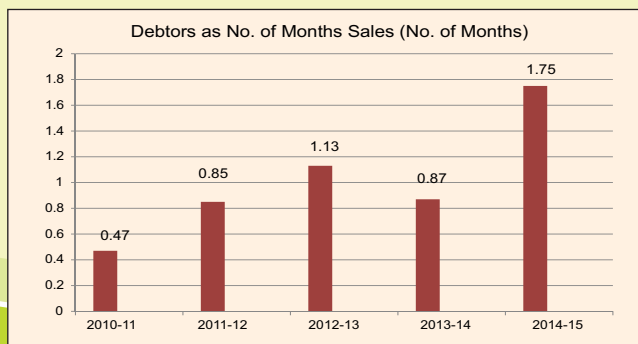
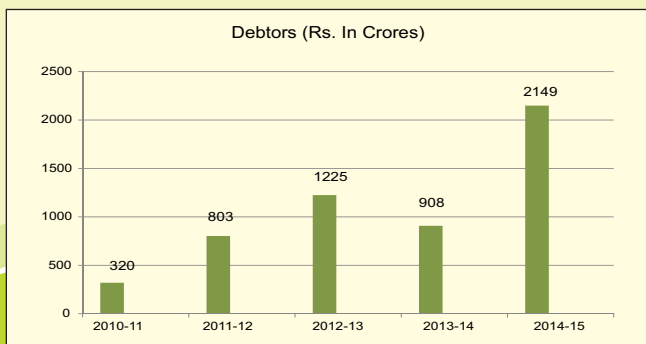
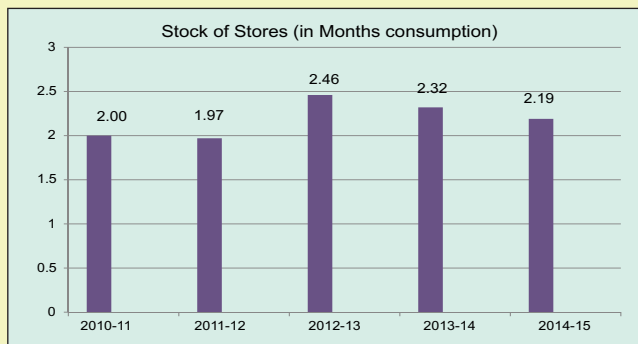
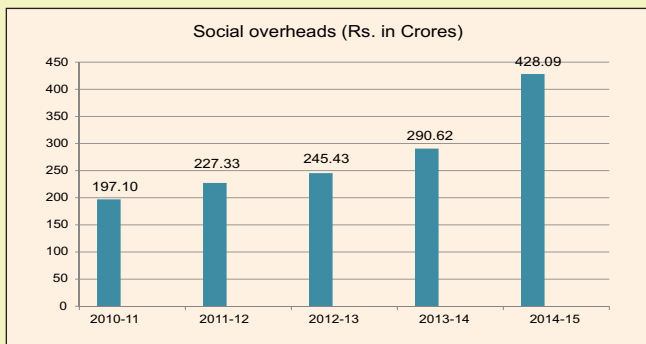
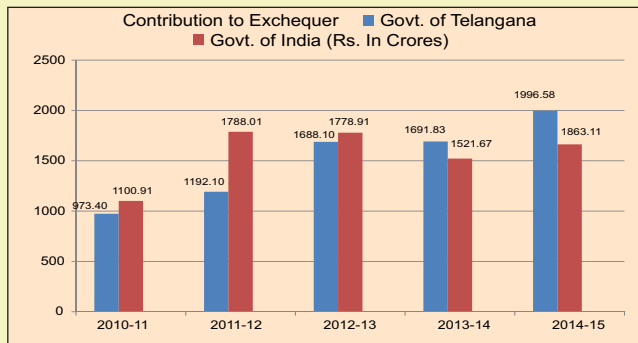
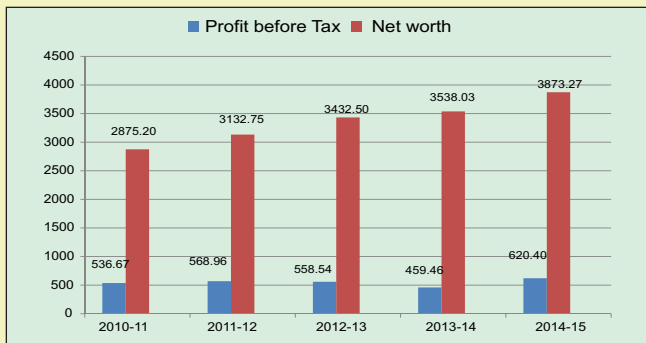
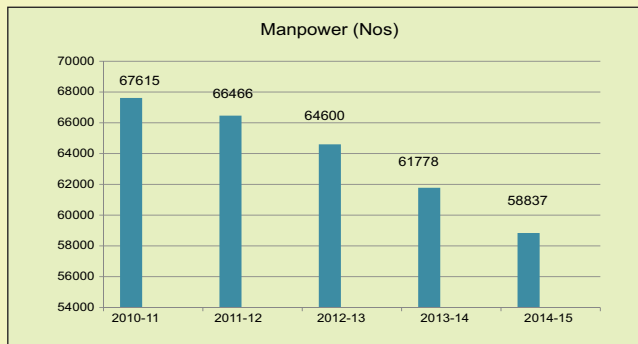
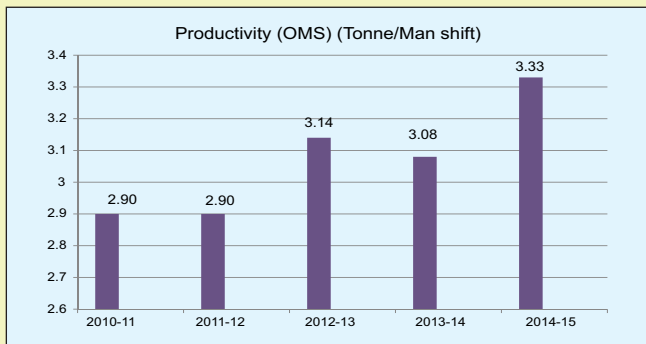
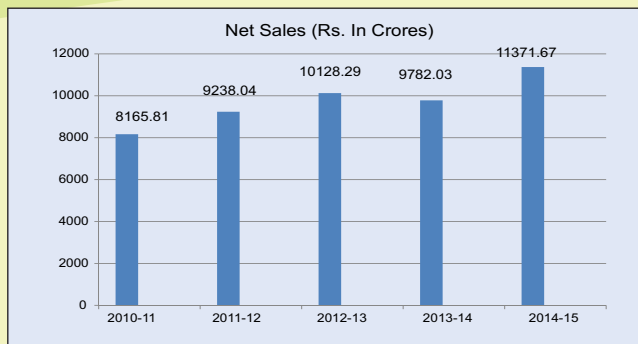
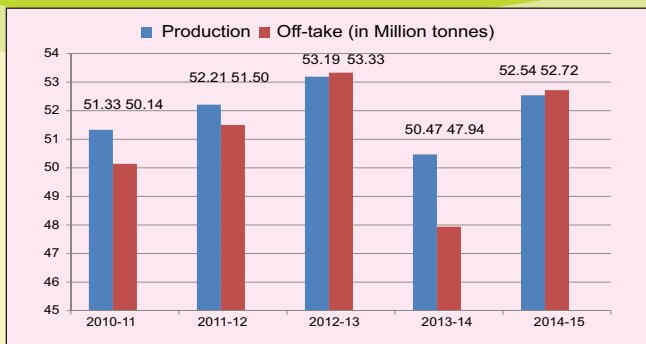


Sri R.R. Mishra
Director



Sri Syed Ashraf
Director

Graphs indicating important Statistics





PERFORMANCE INDICATORS AT A GLANCE

Sl. No.	Indicators	Unit	2014-15	2013-14	2012-13	2011-12	2010-11
1.	Production:						
	a) Open cast	(Lakh Tonnes)	423.33	399.21	415.93	415.59	397.26
	b) Underground	(Lakh Tonnes)	102.03	105.48	115.97	106.52	116.07
	c) Total	(Lakh Tonnes)	525.36	504.69	531.90	522.11	513.33
2.	Off-take	(Lakh Tonnes)	527.18	479.41	533.34	515.04	501.44
3.	Stock of Coal	(Lakh Tonnes)	53.66	55.52	30.22	31.28	24.06
4.	Output per Man Shift	(Tonnes)	3.33	3.08	3.14	2.90	2.90
5.	Manpower	(Nos.)	58837	61778	64600	66466	67615
6.	Net sales	(Rs. crore)	11371.67	9782.03	10128.29	9238.04	8165.81
7.	Profit before tax	(Rs. crore)	620.40	459.46	558.54	568.96	536.67
8.	Profit after tax	(Rs. crore)	490.44	418.74	401.14	358.27	351.37
9.	Accumulated Profit	(Rs. crore)	979.67	744.43	738.90	539.15	381.60
10.	General Reserve	(Rs. crore)	1160.40	1060.40	960.40	860.40	760.40
11.	Equity Share Capital	(Rs. crore)	1733.20	1733.20	1733.20	1733.20	1733.20
12.	Long-term Debt	(Rs. crore)	3545.59	2304.77	1028.48	616.61	331.67
13.	Net worth	(Rs. crore)	3873.27	3538.03	3432.50	3132.75	2875.20
14.	Contribution to Exchequer:						
	- State Government	(Rs. crore)	1996.58	1691.83	1688.10	1182.10	973.40
	- Central Government	(Rs. crore)	1863.11	1521.67	1778.91	1788.01	1100.91
15.	Earning per Share	(Rs.)	2.83	2.42	2.31	2.07	2.03
16.	Debt - Equity Ratio	(ratio)	2.05:1	1.33:1	0.59:1	0.36:1	0.19:1
17.	Cost of sales to sales	(percentage)	94.54	95.30	94.49	93.84	93.43
18.	Debtors as No. of months' sales	(months)	1.75	0.87	1.13	0.85	0.47



THE SINGARENI COLLIERIES COMPANY LIMITED

(A Government Company)

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

CIN: U10102TG1920SGC000571,

Website: www.scclmines.com, email: csscl@rediffmail.com

NOTICE

Notice is hereby given to all the shareholders of The Singareni Collieries Company Limited that the 94th Annual General Meeting of the Company will be held on Saturday, the 12th day of December, 2015 at 4.00 p.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 Board's Report and the audited Annual Accounts for the financial year 2014-15.
2. To declare dividend @7.5% on the paid-up equity share capital for the financial year 2014-15.
3. To appoint Director in place of Sri K.Rama Krishna Rao 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 is eligible for re-election.
4. To appoint Directors in place of Sri Arvind Kumar, Sri D.N.Prasad and Sri Syed Ashraf 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 2015-16.

"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 2015-16."

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.Narasimha Murthy & Co., Cost Accountants appointed as Cost Auditors by the Board of Directors on 13.5.2015 for the audit of cost accounting records of the Company for the financial year 2015-16 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 N. Sridhar as Chairman & Managing Director of the Company for a period of 2 years from 1.1.2015 on the 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 J. Pavitrn Kumar as Director (Finance) of the Company for a period of 2 years from 4.6.2015 on the terms & conditions laid before the meeting duly initialled by the Chairman for the purpose of identification.
9. Resolved that the sanction be and is hereby accorded for payment of remuneration to Sri B. Ramesh Kumar as Director (Operations) of the Company for a period of one year from 13.6.2015 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 A. Manohar Rao as Director (Planning & Projects) of the Company for a period of 2 years from 13.12.2014 on the existing terms & conditions laid before the meeting duly initialled by the Chairman for the purpose of identification.

By order of the Board

Sd/-

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

Date: 18.11.2015,
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 22.8.2015 recommended dividend @7.5% on the paid up equity share capital for the financial year 2014-15. If approved the dividend will be paid to the shareholders as at the opening hours of 13.12.2015.
4. The Register of members and Share transfer books of the Company will remain closed from 6.12.2015 to 12.12.2015 (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 in the meeting held on 13.5.2015 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 2015-16 on the following terms & conditions.

- a) The fee for Cost Audit will be Rs.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 2015-16 as decided by the Board of Directors.

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

Resolution No.7:

In exercise of the powers conferred under the Tripartite Agreement and the provisions of Articles of Association of the Company, Govt. of Telangana, issued orders in GO Rt. No.53 dt.31.12.2014 of Energy (HR.A1) Dept., appointing Sri N.Sridhar, IAS, as Chairman & Managing Director of The Singareni Collieries Company Limited on the terms and conditions contained in G.O. Rt. No. 1467 dt.30.12.2014 of General Administration (SC-A) department for a period of 2 years from 1.1.2015. The Board in the meeting held on 31.1.2015 noted the appointment of Sri Sridhar.

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 N.Sridhar as Chairman & Managing Director for the said period.

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

Resolution No.8:

The Board in the meeting held on 22.8.2015 co-opted Sri J.Pavitran Kumar, IRS, Dy. Director of Income Tax (Inv), Unit-II(1), Hyderabad as Director (Finance). He has been deputed to SCCL vide Order No.73 of 2015 of F.No.A-29011/ PF/080DD/2015-Ad.VI, dt.28.5.2015 of Under Secretary to the Govt. of India, Ministry of Finance, Department of Revenue, Central Board of Direct Taxes. His appointment is for a period of 2 years from 4.6.2015.



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 Pavitran Kumar as Director (Finance) for the said period.

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

Resolution No.9:

The Board in the meeting held on 22.8.2015 co-opted Sri B. Ramesh Kumar as Director (Operations) of the Company for a period of one year from 13.6.2015 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 B. Ramesh Kumar from 13.6.2015 to 12.6.2016.

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

Resolution No.10:

The Board in the meeting held on 13.12.2014 co-opted Sri A. Manohar Rao as Director (Planning & Projects) of the Company for a further period of 2 years from 13.12.2014 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 A. Manohar Rao from 13.12.2014 to 12.12.2016.

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



BOARD'S REPORT

Dear Members,

Your Board of Directors are pleased to present the 94th Annual Report and audited financial statements of the Company for the year ended on 31st March 2015.

PERFORMANCE:

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

Performance parameters	2014-15	2013-14	% variance over 2013-14
Production (in million tonnes)	52.54	50.47	4.10
Despatches (in million tonnes)	52.67	47.89	9.98
Gross sales (Rs. in crore)	14078.86	11927.57	18.04
Productivity (Output per manshift in tonnes)	3.33	3.08	8.12
Capacity utilisation (Coal) (Percentage)	95	95	-

OPERATIONAL RESULTS:

The financial performance of the Company (Standalone basis) for the year 2014-15 as compared to the previous year is as under;

(Rs. in crore)

Particulars	2014-15	2013-14
Gross revenue	14821.42	12858.02
Profit before interest, depreciation, provisions, tax & prior period adjustments	1925.17	908.67
Less: Interest	39.11	37.95
Depreciation	924.90	401.07
Provisions (net)	340.76	10.19
Prior period adjustments (net)	0.96	7.00
Provision for taxation (net of deferred Tax incl. previous years)	129.00	33.72
Net profit after tax	490.44	418.74
Appropriations:		
Dividend	129.99	259.98
Tax on Dividend	26.46	53.23
Transfer to General Reserve	100.00	100.00

Share capital:

During the year under report there is no change in the authorised and paid-up capital of the Company and it remained Rs.1800 crore and Rs.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 erstwhile State of Andhra Pradesh and formation of State of Telangana, the 51% of share holding of erstwhile Govt. of AP amounting to Rs.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 @7.5% on the paid-up capital for the financial year 2014-15 for approval of Shareholders in the ensuing Annual General Meeting.

Capital Expenditure:

During 2014-15 amount spent on capital additions is Rs.2904.23 crore as against Rs.2357.62 crore incurred in the previous year.

Foreign exchange earnings and outgo:

During 2014-15 the foreign exchange outgo was Rs.63.05 crore as against Rs.136.40 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:

The Company has achieved 52.54 million tonnes of production during the year under review as against the target of 55.00 million tonnes. Out of this, open cast projects have produced 42.34 million tonnes and underground mines have produced 10.20 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	2014-15		2013-14 Actual	% variance over 2013-14
		Target	Actual		
1.	Underground				
	a) Hand section	0.60	0.73	1.17	-37.61
	b) Machine mining:				
	i. Road header	0.30	0.12	0.08	50.00
	ii. Longwall	2.87	0.80	0.13	515.38
	iii. High wall	0.50	0.31	0.19	63.16
	iv. Side Dump Loaders	6.04	5.02	5.16	-2.71
	v. Load Haul Dumpers	2.28	1.80	2.01	-10.45
	vi. Short Wall	0.30	0.33	0.23	43.48
	vii. Blasting Gallery	0.83	0.41	0.60	-31.67
	viii. Continuous miner	0.85	0.68	0.98	-30.61
	Total machine mining	13.97	9.47	9.38	0.96
	Total underground	14.57	10.20	10.55	-3.32
2.	Opencast	40.43	42.34	39.92	6.06
	Total	55.00	52.54	50.47	4.10



Reasons for shortfall in production against the target:

Production during the year under review was less by 4.47% over the target which is mainly due to delay in commissioning of Adriyala Long wall project, pre-mature closure of Blasting Gallery panels and shortage of sand for stowing in semi-mechanised mines, non commissioning of new mines because of land acquisition and R&R problems, strike by OB contractors' labour.

Overburden removal performance:

The company has achieved overburden removal of 262.82 million cubic metres in opencast projects during the year under review as against 168.77 million cubic metres achieved in the previous year. The details of overburden removal by Company equipment and through outsourcing agencies are as under;

(in million Cu. Mtrs.)

Particulars	2014-15		2013-14	Variance over 2013-14	
	Target	Actual	Actual	Absolute	Percentage
Company equipment	68.00	63.97	64.33	-0.36	-0.56
Outsourcing	195.00	198.85	104.44	94.41	90.40
Total	263.00	262.82	168.77	94.05	55.73

Utilization of Capacity:

Capacity utilization achieved during the year under review was 95% as against 95% 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	2014-15		2013-14	Variance over 2013-14	
	Target	Actual	Actual	Absolute	Percentage
Underground Mines					
- Hand section	0.55	0.52	0.63	-0.11	-17.5
- Machine mining	1.29	1.21	1.24	-0.03	-2.4
Total UG mines	1.20	1.10	1.12	-0.02	-1.8
Opencast projects	13.10	12.18	11.10	1.08	9.7
Overall					
- Mines	4.23	4.21	3.86	0.35	9.1
- Mines & Departments	3.35	3.33	3.08	0.25	8.1



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	
	2014-15	2013-14	% availability	% utilisation on SSH	2014-15	2013-14	2014-15	2013-14
Draglines	2	2	85	73	72	79	61 (84)	64(88)
Shovels	63	64	80	60	78	79	53 (88)	51 (85)
Dumpers	475	474	67	50	76	78	37 (74)	36 (72)
Dozers	105	94	70	45	66	63	28 (62)	30 (67)
Drills	59	59	78	40	75	75	26 (65)	25 (63)
Others	144	135	-	-	71	68	26	25
Total	848	828			74	75	35	35

Note: Figures shown in () indicate % achievement of CMPDIL norms.

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;

HEMM	Numbers on roll		SCCL Norms		% Availability		% Utilisation on Scheduled shift hours	
	2014-15	2013-14	% availability	% utilisation on SSH	2014-15	2013-14	2014-15	2013-14
Longwall	2	1	75	67	58	80	21 (31)	10 (15)
Shortwall	1	1	75	67	44	54	39 (58)	28 (42)
Continuous Miner	2	2	75	42	56	68	20 (49)	28 (67)
Road Header	11	11	83	42	73	82	10 (24)	7 (17)
Blasting Gallery Load Hauler	3	4	91	57	73	85	27 (47)	30 (53)
Dumper	33	32	91	57	81	81	34 (59)	29 (51)
Side Dump Loader	155	154	91	58	92	90	33 (56)	35 (60)

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

MARKETING:

Target and off-take of coal:

During the year 2014-15 the Company has achieved 52.73 million tonnes off-take of coal against the target of 52.85 million tonnes. Certain complaints were received with regard to quality of coal from



GDK.1 CHP and weighment related issues at Yellandu and Bellampalli Areas and the same were addressed. The details of sector-wise AAP target & off-take and colliery consumption during the year 2014-15 as compared to the previous year are as under.

(in million tonnes)

Sector	2014-15			2013-14		
	Target	Off-take	% Achieved	Target	Off-take	% Achieved
Power	32.23	41.61	129	37.38	36.81	98
Cement	8.71	4.64	53	6.70	4.94	74
Heavy Water Plant	0.60	0.55	92	0.50	0.52	104
Other Industries	11.23	5.87	52	7.35	5.62	76
Colliery Consumption	0.08	0.06	75	0.07	0.05	71
Total	52.85	52.73	100	52.00	47.94	92

Mode of dispatches:

The details of dispatches through different modes (excluding colliery consumption) during the year 2014-15 as against previous year are as indicated below;

(in million tonnes)

Year	Rail (incl. RCR)	Road	Merry-go-round	Rope-way	Total
2014-15	34.15	10.39	7.58	0.55	52.67
2013-14	29.64	10.01	7.72	0.52	47.89
Absolute increase/ decrease	4.51	0.38	-0.14	0.03	4.78

Wagon loading performance:

Daily average loading of 3,564/ 1,426 Four Wheeler Wagons/ Box wagons was done during the year 2014-15 as against 3,110/ 1,244 FWW/ Box wagons done in 2013-14.

Measures for improving quality:

Measures taken for improving quality of coal are as under;

- 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 at OCPs, CHPs and UG mines is being carried out.
- Regular interactions, meetings and negotiations with the customers are being conducted.
- Steps for improving quality is being initiated based on Customer feedback.
- Washery at Ramakrishnapur has been commissioned and it started washing operations.



EXPLORATION ACTIVITIES:

89.86 million tonnes of reserves were proved during the year under review, against 150.23 million tonnes proved in the previous year. With this the total proved reserves in Godavari Valley Coalfield have gone up to 10,163.4 million tonnes as on 31.3.2015. The coal extracted by the Company in the Godavari Valley Coalfield up to the year 2014-15 was about 1283.54 million tonnes.

INDUSTRIAL RELATIONS:

The year 2014-15 is second Strike Free year since 2007-08. This was possible with the co-operation of the recognized Union. The details of strikes during the previous year 2013-14 are as under;

Particulars	Unit	2014-15	2013-14
Strikes	No.	-	1
Mandays lost	No.	-	37,504
Production lost	Tonne	-	79,572

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 31.3.2015 was 88% as against 83% at the end of previous year.

Measures are being taken for improvement of medical facilities in all hospitals & dispensaries run by the Company. For supply of purified drinking water to the employees at offices, RO purification plants are being established. So far, 125 plants were established under phase-I & II.

The Singareni Collieries Educational Society sponsored by the Company has been running 9 Schools at various areas, women's PG, degree & junior college at Kothagudem and one Polytechnic college at Srirampur. Apart from curriculum and academic activities encouragement is also being given for NCC, Scouts & Guides movement, various arts like drawing, music etc. Several students studying in the schools were selected for Governor/ Rashtrapathi awards in the Scouts & Guides and in other competitions. 2-day National Seminar on 'Inclusive growth, Poverty eradication and economic development in India' was organised by women's College in the month of November, 2014 with the sponsorship of UGC.

Women's Degree College has secured 'A' grade accreditation from NAAC from the academic year 2014-15 which is valid for 5 years.

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

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

The Board has approved for enhancement of lumpsum amount from Rs. 5 Lakhs to Rs. 12.5 Lakhs payable to the NCWA ex-employees/spouse/dependent in lieu of dependent employment/monthly monetary compensation.



Social Overheads:

An expenditure of Rs.428.09 crore was incurred on various social overheads during the year 2014-15 as against Rs. 291 crore incurred in the previous year.

Grant of Telangana Increment:

In token of appreciation of the role played by the employees in the Telangana movement and formation of Telangana State, Honourable Chief Minister of Telangana has announced a Special Telangana increment to all employees. In line with the same, the company has been paying Telangana increment to all Executive and NCWA Cadre employees from the month of August, 2014.

Multi Departmental team meetings:

The programme known as “touching every employee and sensitizing every employee” was conducted by constituting Multi Departmental Teams (MDT) at all areas. MDT meetings were conducted in all the Mines & Departments throughout the Company highlighting the importance of achieving production and productivity at faster phase and vision of the Company for the coming 5 years to cater to the demand of the Coal for the power Generation in the Telangana State.

Corporate Social Responsibility and activities through Singareni Seva Samithi:

The Company has formulated CSR Policy and taken up several CSR activities. The Company has also taken up several CSR activities through 'Singareni Seva Samithi', a non-profit organisation established in 1998. During the year under review the Samithi activities are as under;

About 1,293 students of primary schools of SCCL in all areas were screened under School Health Programme. 2,406 school children in the institutions run by Singareni Collieries Educational Society and Government were extended treatment to improve Haemoglobin.

About 1,452 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.

541 candidates belonging to PAP were trained in different vocational courses.

With the assistance of Sewa Samithi 424 self employment units were established at various areas during the year taking the total self units established so far to 2,028.

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

About 200 Special children were supported by the Company, who are associated with Manochaitanya, Godavarikhani, Satya Sai Deaf & Dumb School, Manuguru and Manovikas Special School, Mandamarri.

About 469 candidates were trained for Army/Police recruitment rallies during the year. Out of the above 111 candidates were selected.

Hosted Army Recruitment Rally at Kothagudem by providing infrastructure and support facilitating participation of 27,000 youth from Telangana State.

A total of 23,054 patients covering 70 villages / hamlets were treated in 703 Mobile Medical Camps conducted during the year. Investigations were carried out and medicines have been supplied free of cost.

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



CSR Committee of Board:

Corporate Social Responsibility Committee of Board constituted under the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 consists following members.

- i) Chairman-cum- Managing Director, MCL-Chairman
- ii) Director (Finance) -Member
- iii) Director (Operations) -Member
- iv) Director (PA&W) -Member

Annual Report on CSR activities of the Company for the financial year 2014-15 as required under Rule-8 of Companies (CSR Policy) Rules, 2014 is given in Annexure-I.

INFORMATION TECHNOLOGY & NETWORKING:

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

- Installation of blade servers and storage at Disaster Recovery site at Kothagudem.
- In order to reduce consumption of paper e-Notice board is developed in web Hyderabad portal and various circulars issued by Personnel dept., are posted in the e-Notice board.
- Established GPS/GPRS based Surveillance system with BOOM Barriers, RFID Technology and CC cameras for monitoring internal coal transportation trucks from JVR-OCP, Sattupalli to RCHP, Kothagudem. It is planned to implement the same Technology throughout the Company.
- Order is placed for up gradation & development of new modules of Hospital Management Software under latest technology platform. It is likely to be in operation from October, 2015.
- Implemented Web based file management system in Corporate and Kothagudem area. It will be extended to other areas in 2015-16.

SAFETY STATUS:

Your Company is putting all out efforts for improving the safety in mines. The details of accidents and the status are 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
2014-15	7	7	272	272	0.13	5.18
2013-14	11	12	315	321	0.24	6.36

Mines rescue services:

Mines Rescue Services of SCCL have attended 8 Underground emergencies and 11 surface and outside emergencies.



The 45th All India Mines Rescue competitions were held from 16.1.2015 to 18.1.2015 at Ramgarh, CCL in which SCCL team have shown outstanding performance and bagged 13 prizes including overall 1st prize, overall 3rd prize, Best Captain and Best Member.

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	2014-15		2013-14	
		Executives	Non-Executives	Executives	Non-Executives
1.	In-house	427	30	716	185
2.	Within the country	613	129	543	181
3.	Outside the country	14	7	29	6

The Company has signed MoU with Indian Institute of Coal Management, Ranchi and Indian School of Mines, Dhanbad, for providing best training programs for the Executives.

Two Workshops were conducted on Environment issues at Mandamarri and RG. I Area, in the month of August, 2014.

The manpower of the company has come down from 61,778 as at the end of the previous year to 58,837 by the end of the year under report.

MEASURES FOR CONSERVATION OF ENERGY:

The specific energy consumption in KWH/ tonne of coal production has come down during the year under review by 3.09% over the previous year as mentioned below;

Description	2014-15		2013-14		% variance over 2013-14
	Target	Actual	Target	Actual	
Specific energy consumption in KWH/tonne	14.50	12.84	14.50	13.25	-3.09



- Web based application developed to monitor energy meter readings and power consumption to generate various reports for parameters analysis and energy audit.
- LED lamps are being installed for street lighting.
- Use of CFL lamps is being encouraged in the quarters by the employees.
- Energy efficient equipment is being used in the offices, establishments, mines etc.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

Highly mechanized longwall at Adriyala Longwall project with a rated capacity of 2.81 million tonnes has started for extracting deep seated coal. Coal production started from 15th October, 2015 and performance assessment test is yet to be fulfilled. The technology was imported in the year 2011.

PROJECTS AND SCHEMES:

Projects/schemes under implementation:

As at the end of March 2015, there are 21 mining projects, (13 opencast and 8 underground) under various stages of implementation with a sanctioned capital cost of Rs.5801.18 crore. The implementation of 3 projects is as per schedule, 18 projects are lagging behind schedule. The Management is taking all possible steps to reduce slippages in implementing the projects.

Projects approved by the Company:

The Board of Directors of the Company have approved the following projects during the year 2014-15:

Sl. No.	Name of the Project	Capacity per annum (MTPA)	Capital (Rs. crore)	Approved on
1.	RCE of JK-5 OC	2.500	131.20	19.4.2014
2.	RCE of Dorli OCP-I Expn.	2.000	41.34	19.4.2014
3.	Khairagura OC Expn. Marginal Scheme	2.500	133.56	26.3.2015
4.	PVK-5 Incline Marginal scheme	0.825	114.70	26.3.2015

Projects approved by the Govt. of India:

Sl. No.	Name of the Project	Capacity per annum (MTPA)	Capital (Rs. crore)	Approved on
1.	2nd RCE of Adriyala Shaft project	2.817	1228.39	27.8.2014

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 and Balance of Plant works are in progress. Other packages like 1 TMC water supply from Godavari River near Shetpally village, Reservoir inside the plant and 2 TMC water supply scheme from Pranahita river near Devulawada are in progress. Railway siding for facilitating transportation of coal is likely to be delayed. Therefore road works for alternate coal transportation



arrangements are in progress. Contracts for construction of residential quarters have been awarded. The 132 KV startup power line from Mandamarri has been commissioned and 400 KV evacuation line from project site to Gajwel is being carried out by TSTRANSCO and the work is in advanced stage of construction.

The schedule of commission of STPP Unit 1 & 2 are expected in January & March, 2016 respectively.

Setting up of 3rd Unit of 1x600 MW Power Plant:

In order to fully utilize the balance land and other common infrastructure facilities available at 2x600 MW STPP, Jaipur, the Board of Directors in the meeting held on 31.1.2015 recommended the DPR for expansion of 2x600 MW STPP by adding additional 3rd unit of 1x600 MW Power Plant (stage - II) as brown field expansion at a cost of Rs.3,570 crore to the Govt. of Telangana for approval. The Govt. of Telangana has communicated its approval for the same vide its letter dt. 25.2.2015. Sri K. Chandra Sekhar Rao, Honorable Chief Minister of Telangana laid the Foundation Stone for 1x600 MW additional 3rd Unit (Stage – II) on 3.3.2015. Obtaining Statutory approvals such as NoC for Chimney/Stack height clearance from Airports Authority of India, Environmental clearance from MoEF & CC are under process.

Up gradation of Explosive plant:

The Company is proposing to expand the capacity of Site Mixed Slurry (SMS) Explosive plants at Ramagundam from the existing 10,000 Tonnes to 40,000 Tonnes and Manuguru plant from 5,000 Tonnes to 20,000 Tonnes by converting to Site Mixed Emulsion (SME) technology which is considered to be a 4th generation technology and the works are in progress.

PROTECTION OF ENVIRONMENT, ECOLOGY & BIO DIVERSITY:

Reclamation of OB dumps is being done concurrent to mining operations. During 2014-15 plantation was done on OB dumps in 237 Ha., with 6,10,018 saplings, Block plantation in 399.5 Ha., with 4,18,379 saplings and avenue plantation in 2 KMs with 242 saplings. Thus the total area of plantation done during the year 2014-15 was 638.5 Ha. The Company has banned usage of plastic carry bags & other plastic material in all the mining areas, offices, clubs, guesthouses etc. Overburden is being processed for stowing in underground mines.

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.

RESEARCH & DEVELOPMENT:

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

In UG mines:

- Strata monitoring studies in Longwall/ shortwall panel, Continuous Miner panel, BG panel, semi-mechanised panels.
- Design of methods and supporting of Continuous Miner panel at VK-7 & GDK 11 Inclines.
- Non-destructive testing of critical components of man riding systems, Steel structures of CHPs.
- Periodical quality testing of permitted explosives and accessories.
- Subsidence prediction studies by Anna University under S&T project.



In OC mines:

- Processing OB for extracting sand for stowing in UG Mines.
- Periodical quality testing of OC explosives & accessories.
- Slope stability studies at Dorli OCP 2.
- 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, which is under progress.

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 operation 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:

- S & T Project on experimentation of Hydraulic Mining Technology (HMT) for extraction of steeply inclined seams in KTK – 5 Inc, BHPL area.
- To create R & D web site for access to R & D reports.
- To take up Bottom Ash stowing on large scale.
- Replacement of Aluminum blades with FRP blades for 3.0 m Dia Main Mechanical Ventilators in all the mines for energy saving after successful trials at KTK – 8 Incline.
- Strata control and ventilation studies for deep shaft blocks (600 m depth).
- Extensive use of TIVAR brand pipes in place of GI pipes both in the bore hole as well as in underground for stowing to increase the life of the pipes, reducing the breakdowns to minimum after successful trials at GDK – 1 & 3 Incline.
- Introduction of Self Advanced Goaf Edge Supports (SAGES) as goaf line supports in depillaring panels to prevent the over riding of roof fall in the goaf in to the active working places resulting in improving the safety of the persons working near goaf edge.

The expenditure incurred on R&D during the year under review is Rs.1.57 crore as against Rs.3.51 crore incurred in the previous year. The expenditure on R&D is 0.01% 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 Rs.128.56 lakh under pre-audit and advised for recovery of an amount of Rs.112.46 lakh against the amount of Rs.96.49 lakh disallowed under pre-audit and recovery of Rs.55.79 lakh under post audit in the previous year.



The status of compliance of Internal Audit memos as on 31.3.2015 when compared to the end of previous year is as under:

Period up to	Issued		Complied		Pending		% compliance No. of memos	Recovery percentage
	No. of memos	Value (Rs. lakh)	No. of memos	Value (Rs. lakh)	No. of memos	Value (Rs. lakh)		
31.3.15	3439	632.90	3336	600.18	103	32.72	97.01	94.83
31.3.14	3037	520.44	2938	482.54	99	37.90	96.74	92.72

VIGILANCE:

During the year under review, while 27 cases were pending at the beginning, 167 cases were received during the year 2014-15. The Vigilance dept., has submitted reports in 165 cases and 29 cases were pending as on 31.3.2015. Based on the reports submitted by the Vigilance department action was taken on 38 employees. The Vigilance Dept., has conducted 101 surprise checks and surveillance at CHPs, weigh bridges, check posts etc., 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.

Implementation of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.

The Company has established procedures for dealing with the complaints under the above Act. During the year under report the complaints received under the Act are Nil.

SUBSIDIARY:

SCCL continues to hold Rs.1408.27 lakh of equity amounting to 81.54% in A.P Heavy Machinery & Engineering Ltd., as on 31st March 2015 as at the end of previous year. During the year 2014-15 the Company has earned a net profit of Rs.250.42 lakh as against Rs.1365 lakh earned in the previous year.

Related party transactions:

Related party transactions during the year under report are given in Form AOC-2 as Annexure-II.

NEW BUSINESS INITIATIVES:

Naini Coal Block:

The Company has been allocated Naini Coal Block located at Talcher Coal Fields, Angul Dist., of Odisha, by Govt., of India through allotment process to Govt., Companies. The Block is having Geological reserves of 495.00 Million Tonnes, out of which 180.00 Million Tonnes are proved.

Acquisition of Coal Assets abroad:

Notification for EOI was uploaded in SCCL web site and published in Foreign Journals for acquisition of Coal Assets abroad. Bids received from different countries, i.e., Indonesia, Australia, Botswana, Mazambique, Namibia, USA etc are under evaluation.



J V Company with NTPC:

NTPC had earlier 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. However, the allotment of the aforesaid Coal Block to NTPC was cancelled by the Hon'ble Supreme Court vide its Judgment dt.24.9.2014, which was only a business opportunity to the JV Company. Therefore, the Board of Directors have approved for voluntary winding up of NTPC – SCCL Global Ventures Private Limited, as there is no future to the Company.

JV Company with APMDC:

Pursuant to the directions of erstwhile Govt., of AP Joint Venture Company named as 'APMDC SCCL Suliyari Coal Company Ltd.' was formed on 1.7.2013 along with APMDC for exploration and mining of coal from Suliyari-Belwar coal block in Madhya Pradesh. The equity participation was in the ratio of 51:49 between APMDC and SCCL. However, in pursuance of the AP Reorganization Act, 2014, the APMDC has been bifurcated into APMDC and TMDC. Further, Suliyari-Belwar coal block is one of the Coal Blocks cancelled by the Hon'ble Supreme Court vide its judgement dt. 24.9.2014. The promoters will decide further course of action.

CONTRACT MINING ACTIVITIES:

As per the direction of erstwhile Govt., of AP, APGENCO entrusted to SCCL the task of development & coal mining in Tadicherla-I coal block, Bhoopalpalli. Pre-mining activities were completed. This Coal block is one of the Coal Blocks cancelled by the Hon'ble Supreme Court vide its order dt.24.9.2014. In the meantime pursuant to AP Re-organization Act, 2014, APGENCO has been bifurcated and TSGENCO has been allotted this coal block by the Govt. of India through allotment process. The proposal for entering into Coal Mining Service Agreement with TSGENCO is in 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.

STATUTORY AUDITORS:

For the financial year 2014-15, the Comptroller & Auditor General of India has re-appointed M/s Vaithisvaran & Co., Chartered Accountants, Secunderabad as Statutory Auditors of the Company under Section 139 of the Companies Act, 2013.

SECRETARIAL AUDITOR:

For the financial year 2014-15, the Board of Directors of the Company have appointed Sri K.V. Chalama Reddy, Company Secretary in practice, Hyderabad as Secretarial Auditor of the Company under Section 204 (1) of the Companies Act, 2013.

The Secretarial Audit Report vis-à-vis replies of the Management for the remarks of Secretarial Auditor is given as Annexure-III.

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 29.6.2014 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 2014-15.

INTERNAL AUDITOR:

The Board of Directors have appointed Sri Ch.Vara Prasad, General Manager (F&A) (Internal Audit) as Internal Auditor of the Company under Section 138 of The Companies Act, 2013.

CHIEF FINANCIAL OFFICER:

The Board has appointed Director (Finance) as Chief Financial Officer of the Company under Section 203 of The Companies Act, 2013.

AUDIT COMMITTEE:

Audit committee of the Company consists of all non-executive Directors. Sri A.N.Sahay, C-MD, Mahanadi Coalfields Ltd., who was Chairman of Audit Committee ceased to be a Director and also as Chairman of Audit Committee w.e.f., 1.11.2015 consequent to his retirement as C-MD, MCL on attaining the age of superannuation. Sri Arvind Kumar, Secretary Energy Dept., Govt. of Telangana, Sri K.Rama Krishna Rao, Secretary (I.F), Finance Dept., Govt. of Telangana, Sri D.N.Prasad, Adviser (Projects), Ministry of Coal, Govt. of India and Sri Syed Ashraf, Dy. Secretary, Ministry of Coal, Govt. of India are Members. The Board has concurred with the recommendations of the Committee given in its 5 meetings held during the year under report.

UNPAID DIVIDEND:

An amount of Rs.3,951.80 ps. is lying in the "Unpaid Dividend Account for the Year 2007-08". The amount will be remitted to the Investor Education and Protection Fund within the due date as per the provisions of the Companies Act, 2013.

DIRECTORS:

Govt., of Telangana appointed Sri N. Sridhar, IAS as C&MD of the Company for a period of 2 years from 1.1.2015 vide GO Rt. No.53 dt.31.12.2014 of Energy (HR.A1) Dept. vice Sri Sutirtha Bhattacharya, IAS

Sri J. Pavitrnan Kumar, IRS has been appointed as Director (Finance) of the Company from 4.6.2015. Sri S. Vivekanand, IRAS ceased to be Director (Finance) on the Board of SCCL w.e.f., 23.3.2015 on his resignation. Sri A. Manohar Rao, Director (Planning & Projects) held the Full Additional Charge of the post of Director (Finance) from 20.3.2015 to 4.6.2015.

Sri A.Manohar Rao, is continuing as Director (Planning & Projects) and his appointment is for a period of 2 years w.e.f., 13.12.2014.

Sri T.Vijaya Kumar, IAS ceased to be Director (P.A&W) on the Board of SCCL w.e.f., 2.12.2014 on with drawal of his services from the Company by the Govt., of Telangana.

Sri Arvind Kumar, IAS, Secretary to Govt., Energy department has been appointed as Director on the Board of the Company w.e.f., 30.1.2015 vice Dr. Shailendra Kumar Joshi.



Dr. Shailendra Kumar Joshi, Principal Secretary, 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 Peeyush Kumar, Director (Technical), Ministry of Coal, Govt. of India has been Director on the Board of the Company from 20.4.2015 to 13.10.2015 vice Sri A.K.Bhalla, Joint Secretary, Ministry of Coal, Govt. of India. Sri D.N.Prasad, Adviser (Projects), Ministry of Coal, Govt. of India has been appointed as Director vice Sri Peeyush Kumar w.e.f.,14.10.2015.

Sri Jagdish Kumar, Dy. Secretary, Ministry of Coal, Govt. of India has been Director on the Board of SCCL from 20.4.2015 to 13.10.2015 vice Sri D.N.Prasad, Advisor, (Projects) Ministry of Coal, Govt. of India. Sri Syed Ashraf, Dy. Secretary, Ministry of Coal, Govt. of India has been appointed as Director vice Sri Jagdish Kumar w.e.f.,14.10.2015.

Sri K. Rama Krishna Rao, 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.Ramesh Babu has been appointed as Director (Electrical & Mechanical) for a period of 2 years w.e.f.,1.3.2014.

The term of Sri B.Ramesh Kumar as Director (Operations) has been extended for a period of one year from 13.6.2015.

Sri D.C.Garg, C-MD, 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, C-MD, Mahanadi Coalfields Ltd., has been appointment as Director from in place of Sri D.C. Garg on 11.09.2014 and he also ceased to be Director on 31.10.2015.

Sri K. Rama Krishna Rao who retires by rotation in accordance with Section 152 of the Companies Act, 2013 and Article 93 of the Articles of Association of the Company and is eligible for re-election. Sri Arvind Kumar, Sri D.N.Prasad and Sri Syed Ashraf 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 Sutiirtha Bhattacharya, Dr.Shailendra Kumar Joshi, Sri A.K. Bhalla, Sri Suresh Chanda, Dr.PV.Ramesh, Sri T. Vijaya Kumar, Sri S. Vivekanand, Sri Peeyush Kumar & Sri Jagdish Kumar and Late D.C. Garg.

During the year under report 10 Board meetings were held.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 134 of the Companies Act, 2013, with respect to Directors' responsibility statement, your Board of Directors hereby confirm that-

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- ii. they have 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 profit of the Company for that period;



- iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. they have prepared the annual accounts on a going concern basis;
- v. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Extract of Annual Return:

Extract of Annual Return in Form MGT-9 is given as Annexure-IV.

ACKNOWLEDGEMENTS:

Your Directors gratefully acknowledge the guidance, support and co-operation received from the Govt. of Telangana, particularly Energy & Finance Departments and the Govt. of India particularly from the Ministries of Coal, Finance and Environment & Forests.

Your Directors place on record their thankfulness for the confidence and support received from the valued customers, bankers & financial institutions and all stake holders of the Company. Your Directors convey their heartfelt thanks for the valuable guidance extended by the Statutory Auditors, Cost Auditors, Secretarial Auditor, the Comptroller & Auditor General of India, Ministry of Corporate Affairs and the Director General of Mines Safety.

Your Directors express their deep sense of gratitude and 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 : 10.11.2015,
Place : Hyderabad

Sd/-
(N. Sridhar)
Chairman & Managing Director



REPORT ON CSR ACTIVITIES FOR THE YEAR 2014-15

1. A BRIEF OUTLINES OF THE COMPANY'S CSR POLICY INCLUDING OVERVIEW OF PROJECTS OR PROGRAMMES PROPOSED TO BE UNDERTAKEN AND A REFERENCE TO THE WEB-LINK TO THE CSR POLICY AND PROJECTS OR PROGRAMMES

The Board of Directors in the meeting held on 31-01-2015 approved the CSR Policy on the recommendation of CSR Committee of Board. The policy has been placed in Company's Website and its Weblink is – www.scclmines.com >csr>csr policy.

SALIENT FEATURES OF CSR POLICY

OBJECTIVE:

The main objective of CSR Policy is to integrate CSR and Sustainability as a key business process for achieving triple-bottom line impact as mentioned below;

1. SCCL recognizes that pursuit of sustainable development is an integral part of growing its business, creating value for its stakeholders and in building a responsible future through ethical business practices and governance.
2. SCCL supports practical measures and policies that will help to protect and improve the environment.
3. SCCL adopts a responsible approach towards communities and aim for sustainable development without creating dependency.

Major Thrust Areas:

Major thrust areas are identified to have long term benefits to the Society which are as under;

- Basic Services (Drinking Water supply, Sanitation etc.)
- Health
- Education
- Livelihood and Local Economic Development
- Interventions for marginalized communities such as SCs and STs
- Other related activities

Geographical area to be covered:

A substantial portion of CSR Budget i.e., to the extent of 80% shall be spent on CSR activities in all the four districts of Telangana State viz., Khammam, Warangal, Karimnagar and Adilabad where the coal fields are located and 20% may be spent outside the aforesaid four districts of Telangana State.

Implementation:

- A major portion of the CSR activities should be undertaken in project mode. Every project shall be time framed.
- Identified CSR activities are to be implemented / carried out by the Company itself or by other agencies as prescribed in the provisions of the Companies Act, 2013 and the Rules made there under.



2. Composition of CSR Committee.

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules – 2014 CSR Committee of Board was constituted with following Directors;

- 1) Sri. Animesh Nandan Sahay -- Chairman.
- 2) Sri. B. Ramesh Kumar -- Member
- 3) Sri. J. Pavitrana Kumar -- Member

3. Average Net profit of the Company for the last three financial years

Year	Net profit calculated in accordance with Section 198 of the Companies Act, 2013 (Rupees in crore)
2011-12	562.94
2012-13	541.31
2013-14	452.46
Total	1556.71
Average Net profit	518.90

4. Prescribed CSR Expenditure (two per cent of the amount as in item No. 3 above)

2% of the Average Net Profit for the preceding three years -- Rs.10.38 crore.

5. Details of CSR spent during the financial year

- a) Total amount to be spent for the financial year 2014-15 as per CSR Budget approved by the Board -- Rs.15.56 crore
- b) Amount unspent if any -- Rs.11.71 crore
- c) Manner in which the amount spent during the financial year is detailed below :-



(in Rupees)

Sl. No	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	A m o u n t spent on the projects or programs Sub-heads: 1) Direct expenditure on projects or programs. 2) Over-heads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1	2	3	4	5	6	7	8
1	Providing R.O Plant at Kasthuri Bai Gandhi Vidyalayam for supply of safe drinking water	Schedule VII (i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation Swach Bharat Kosh set up by the Central Government for the promotion of sanitation and making available safe drinking water.	1) Local Area. 2) Jangedu Village, Bhupalapalli Mandal, Warangal Dist, Telangana state	1,10,000	--	--	--
2	Supply of safe drinking water to surrounding Villages of Coal Fields through hired water tankers	Schedule VII (i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation Swach Bharat Kosh set up by the Central Government for the promotion of sanitation and making available safe drinking water.	1) Local Area. 2) BHPL Area, Warangal Dist, Telangana state	2,13,000	2,13,000	2,13,000	Direct



1	2	3	4	5	6	7	8
3	Drilling of bore wells for safe drinking water supply in the surrounding villages of Coal Fields	Schedule VII (i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation Swach Bharat Kosh set up by the Central Government for the promotion of sanitation and making available safe drinking water.	1) Local Area. 2) RG-I Area, Godavarikhani, Karimnagar Dist, Telangana state	2,74,000	1,55,184	1,55,184	Direct
4	Drilling of bore wells for safe drinking water supply in the surrounding villages of Coal Fields	Schedule VII (i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation Swach Bharat Kosh set up by the Central Government for the promotion of sanitation and making available safe drinking water.	1) Local Area. 2) Jangoan village near RG-I Area, Godavarikhani, Karimnagar Dist, Telangana state	2,71,000	--	--	--
5	Safe Drinking Water supply in the surrounding villages of Coal Fields	Schedule VII (i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation Swach Bharat Kosh set up by the Central Government for the promotion of sanitation and making available safe drinking water.	1) Local Area. 2) Sundilla village, RG-I Area, Godavarikhani, Karimnagar Dist, Telangana state	2,71,000	1,54,297	1,54,297	Direct



1	2	3	4	5	6	7	8
6	Special Drive for sanitation in Mandamarri Municipality to prevent Dengue for promoting sanitation	Schedule VII (i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation Swach Bharat Kosh set up by the Central Government for the promotion of sanitation and making available safe drinking water.	1) Local Area. 2) Mandamarri, Adilabad Dist. Telangana State.	25,00,000	25,00,000	25,00,000	Mandamarri, Municipality, Adilabad Dist.
7	Drilling Bore Wells for supply of safe drinking water to surrounding villages of Coal Belt Area	Schedule VII (i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation Swach Bharat Kosh set up by the Central Government for the promotion of sanitation and making available safe drinking water.	1) Local Area. 2) Near KOCP, Yellandu, Khammam District, Telangana state	13,95,000	--	--	--
8	Providing two RO plants for surrounding villages for supply of safe drinking water supply to surrounding villages of Coal Belt Area	Schedule VII (i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation Swach Bharat Kosh set up by the Central Government for the promotion of sanitation and making available safe drinking water.	1) Local Area. 2) Near RG-III area, Godavarikhani, Karimnagar Dist, Telangana state	10,30,000	--	--	--



1	2	3	4	5	6	7	8
9	Drilling of Bore Wells for supply of safe drinking water to surrounding villages of Coal Belt Area	Schedule VII (i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation Swach Bharat Kosh set up by the Central Government for the promotion of sanitation and making available safe drinking water.	1) Local Area. 2) Near GKOCP & JVR OCP, Khammam District, Telangana state	27,75,000	--	--	--
10	Drilling of Bore Wells for supply of safe drinking water to surrounding villages of Coal Belt Area	Schedule VII (i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation Swach Bharat Kosh set up by the Central Government for the promotion of sanitation and making available safe drinking water.	1) Local Area. 2) Bellampalli, Adilabad District, Telangana state	49,000	--	--	--
11	Drilling of Bore Wells for supply of safe drinking water to surrounding villages of Coal Belt Area	Schedule VII (i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation Swach Bharat Kosh set up by the Central Government for the promotion of sanitation and making available safe drinking water.	1) Local Area. 2) Near RG-III Area, Karimnagar Dist, Telangana state	14,50,000	--	--	--



1	2	3	4	5	6	7	8
12	Safe Drinking Water supply to surrounding villages of Singareni Coal Belt Area	Schedule VII (i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation Swach Bharat Kosh set up by the Central Government for the promotion of sanitation and making available safe drinking water.	1) Local Area. 2) Guttedarpalli & Singapur villages near Srirampur Area, Adilabad Dist, Telangana state	10,25,285	--	--	--
13	Drilling of Bore Well for supply of safe drinking water to surrounding villages of Coal Belt Area	Schedule VII (i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation Swach Bharat Kosh set up by the Central Government for the promotion of sanitation and making available safe drinking water.	1) Local Area. 2) Mandamarri, Adilabad District, Telangana state	1,00,000	--	--	--
14	Safe Drinking Water supply to surrounding villages of Singareni Coal Belt Area	Schedule VII (i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation Swach Bharat Kosh set up by the Central Government for the promotion of sanitation and making available safe drinking water.	1) Local Area. 2) Near Bhupalpalli Area, Warangal District, Telangana state	7,50,000	--	--	--



1	2	3	4	5	6	7	8
15	Drinking Water supply, construction of Toilets, School Buildings in the nearby villages of Coal fields (Laying of Water Supply lines to GL tanks, Sulabh Toilets and School building)	<p>Schedule VII (i)&(ii) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation Swach Bharat Kosh set up by the Central Government for the promotion of sanitation and making available safe drinking water.</p> <p>Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;</p>	<p>1) Local Area. 2) Venkatraopalli Gram Panchayat, RG-II Area, Godavarikhani, Karimnagar Dist, Telangana state</p>	2,55,000	2,24,586	2,24,586	Direct
16	Supply of Play Kits to the schools functioning under 'NAVANATE MAVA SADA' for promoting Education.	<p>Schedule-VII (ii): Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;</p>	<p>1) Local Area. 2) Adilabad Dist, Telangana State</p>	29,12,000	29,12,000	29,12,000	District Administration, Adilabad Dist.



1	2	3	4	5	6	7	8
17	Employment enhancing Vocational Schemes for the un-employed youth and Women Folk in the surrounding areas of the Singareni Coal Fields	Schedule-VII (ii): Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;	1) Local Area. 2) Adilabad Dist, Warangal Dist, Karimnagar Dist & Khammam Dist, Telangana State.	63,66,537	63,66,537	63,66,537	Direct - through *Singareni Seva Samithi
* Note :- Singareni Seva Samithi is a Society set-up by SCCL under Andhra Pradesh Public Societies Act for carrying out CSR activities.							
18	Providing infrastructure to JNTU-Hyderabad for establishing Engineering College in the coal belt area for promoting education	Schedule-VII (ii): Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;	1) Local Area. 2) Godavarikhani, Karimnagar Dist. Telangana State.	7,40,00,000	--	--	JNTU-H (Jawaharlal Technological University, Hyderabad)
19	Financial assistance for conducting Youth Sports and Cultural competitions for rural areas for promoting rural sports	Schedule-VII (vii): Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;	1) Local Area. 2) Adilabad Dist. Telangana State.	5,00,000	5,00,000	5,00,000	District Administration, Adilabad Dist.



1	2	3	4	5	6	7	8
20	Financial assistance for organising 1 st Annual Telangana State Level Police Sports & Games Meet for promoting rural sports	Schedule-VII (vii): Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;	1) Local Area. 2) Adilabad District, Telangana State.	10,00,000	10,00,000	10,00,000	District Administration, Adilabad Dist
21	Providing infrastructure in the neighbouring villages of coal fields	Schedule-VII (x): Rural Development Projects	1) Local Area. 2) Kudurupalli and other villages near BHPL Area, Warangal Dist, Telangana state	3,00,000	52,785	52,785	Direct
22	Laying C.C Road for providing infrastructure in the neighbouring areas of coal fields	Schedule-VII (x): Rural Development Projects	1) Local Area. 2) Penchikalpet village, near RG-II Area, Godavarikhani, Karimnagar Dist, Telangana state	1,85,000	1,17,173	1,17,173	Direct
23	Providing infrastructure in surrounding villages of coal fields	Schedule-VII (x): Rural Development Projects	1) Local Area. 2) Manuguru Area, Khammam Dist, Telangana state	8,94,500	2,61,433	2,61,433	Direct
24	Providing infrastructure in surrounding villages of coal fields	Schedule-VII (x): Rural Development Projects	1) Local Area. 2) RG-III Area Godavarikhani, Karimnagar Dist. Telangana State	90,000	--	--	--
25	Providing Infrastructure in the nearby villages of Coal Fields	Schedule-VII (x): Rural Development Projects	1) Local Area. 2) Near RG-I Area, Godavarikhani, Karimnagar Dist, Telangana state	1,10,000	27,000	27,000	Direct



1	2	3	4	5	6	7	8
26	Providing Infrastructure in the nearby villages of Coal Fields	Schedule-VII (x): Rural Development Projects	1) Local Area. 2) Near Bellampalli Area, Adilabad Dist, Telangana state	69,000	--	--	--
27	Providing infrastructure in the surrounding Areas of Singareni Coal Belt (under erstwhile Surrounding Habitat Assistance Programme)	Schedule-VII (x): Rural Development Projects	1) Local Area. 2) Adilabad Dist, Warangal Dist, Karimnagar Dist & Khammam Dist, Telangana State.	2,40,28,000	2,40,28,000	2,40,28,000	Through District Administration of Khammam, Warangal, Karimnagar & Adilabad Dist.
28	Providing way side bus shelters as part of providing infrastructure in the surrounding Areas of Singareni Coal Belt	Schedule-VII (x): Rural Development Projects	1) Local Area. 2) Bhupalpally Assembly Constituency, Warangal Dist, Telangana state	1,50,00,000	--	--	--
29	Providing way side bus shelters as part of providing infrastructure in the surrounding Areas of Singareni Coal Belt	Schedule-VII (x): Rural Development Projects	1) Local Area. 2) Kothapusa palli Village, Near Yellandu Area, Khammam Dist, Telangana state	42,00,000	--	--	--
30	Laying of CC Road as part of providing infrastructure in the surrounding Areas of Singareni Coal Belt	Schedule-VII (x): Rural Development Projects	1) Local Area 2) Lingapur Village near Godavarikhani, Karimnagar Dist. Telangana State	45,45,000	--	--	--
			Total	14,66,68,322	3,85,11,995	3,85,11,995	--



6. **In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.**

The approval of the CSR Budget, 2014-15 was obtained from the Board at the fag end of Financial year i.e., on 26-03-2015. Therefore, most of the approvals for taking up works / activities under CSR were given by the Competent Authority during April-June, 2015 against the Budget of 2014-15. As such, though the total approvals were given for an amount of Rs. 14.66 crore, an amount of Rs. 3.85 crore could only be spent for the works sanctioned during 2014-15 and the balance amount will be carried forward to the ensuing Financial Year 2015-16.

7. **A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.**

We hereby declare that implementation and monitoring of CSR policy are in compliance with CSR objectives and policy of the Company.

Sd/-
(N. Sridhar)
Chairman & Managing Director

Sd/-
(A.N.Sahay)
Chairman, CSR Committee



Annexure-II

Form No: AOC-2

[Pursuant to Clause (h) of sub-Section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/ arrangements entered into by the Company with related parties referred to in sub-Section (1) of Section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

- Name of the related party and nature of relationship:
Andhra Pradesh Heavy Machinery & Engineering Limited - Subsidiary Company.
- Details of contracts, value, duration of the contract from 01.04.14 to 31.03.15 at arms length basis;

Date of contract/ order	Description of contract/ order	Nature & duration of contract	Net Value	Manner of determination of price
02.04.2014	Reconditioning of Elecon Crusher Roll	01.04.2015	512000.00	Proprietary
22.04.2014	VFD DRIVE UNIT FC302	31.12.2014	1795600.00	Open
06.06.2014	1400BW TROLLEY	31.03.2015	80000.00	Proprietary
23.06.2014	BOTTOM PIN	15.03.2015	52500.00	Proprietary
26.06.2014	Repair of Hoist drum&100HP hauler g/box	15.06.2015	414800.00	Proprietary
16.07.2014	PRESSURE RELIEF VALVE DIR. OP.	05.07.2015	12900.00	Open
28.07.2014	Repairs of 125KW Gear Box	31.01.2015	103500.00	Proprietary
28.07.2014	Cost of Spares	31.01.2015	271393.00	Proprietary
04.08.2014	80 DAFC FLUID COUPLING	20.07.2015	401800.00	Proprietary
25.08.2014	PINION SHAFT 16T	31.03.2015	101780.00	Proprietary
25.08.2014	BUSHING	31.03.2015	42000.00	Proprietary
26.08.2014	80 DAFC FLUID COUPLING	31.07.2015	401800.00	Proprietary
12.09.2014	DISC SPRING TIE ROD FOR MAN RIDING	30.06.2015	41040.00	Proprietary
19.09.2014	DIPPER DOOR ASSEMBLY	10.11.2015	1960000.00	Proprietary
23.09.2014	GEAR BOX, 20:1 FOR 1X125KW DRIVE UNIT	15.05.2015	2431016.00	Proprietary
27.09.2014	Supply&Instlln of OS Trip Device-VKP	20.07.2015	100000.00	Proprietary
27.09.2014	Supply&Instlln of OS Trip Device-7LEP	20.07.2015	100000.00	Proprietary
02.09.2014	56.25CFT COAL TUBS LOW HEIGHT COMPLETE	31.01.2016	1899450.00	Open
02.09.2014	56.25CFT COAL TUBS LOW HEIGHT COMPLETE	31.01.2016	7597800.00	Open
02.09.2014	56.25CFT COAL TUBS LOW HEIGHT COMPLETE	31.01.2016	3798900.00	Open
02.09.2014	56.25CFT COAL TUBS LOW HEIGHT COMPLETE	31.01.2016	949725.00	Open
02.09.2014	56.25CFT COAL TUBS LOW HEIGHT COMPLETE	31.01.2016	379890.00	Open
02.09.2014	56.25CFT COAL TUBS LOW HEIGHT COMPLETE	31.01.2016	2659230.00	Open
02.09.2014	56.25CFT COAL TUBS LOW HEIGHT COMPLETE	31.01.2016	1899450.00	Open
02.09.2014	67.5 CFT COAL TUB COMPLETE	31.01.2016	1959450.00	Open
02.09.2014	67.5 CFT COAL TUB COMPLETE	31.01.2016	1959450.00	Open
02.09.2014	67.5 CFT COAL TUB COMPLETE	31.01.2016	3918900.00	Open
02.09.2014	67.5 CFT COAL TUB COMPLETE	31.01.2016	3918900.00	Open
02.09.2014	67.5 CFT COAL TUB COMPLETE	31.01.2016	5878350.00	Open
02.09.2014	67.5 CFT COAL TUB COMPLETE	31.01.2016	2743230.00	Open



02.09.2014	67.5 CFT COAL TUB COMPLETE	31.01.2016	587835.00	Open
01.10.2014	Rep/Overhauling to Hyd. Motor of manriding	by 31.03.15	708748.00	Proprietary
14.10.2014	CONVEYOR FRAME COMPLETE	Immediate	593778.00	Proprietary
10.11.2014	GEAR BOX, 20:1 FOR 1X125KW DRIVE UNIT	15.05.15	1215508.00	Proprietary
21.11.2014	BACK PLATE FOR 400TPH RECIPRO FEEDER	Del. in 8 Months	868000.00	Proprietary
21.11.2014	CONNECTING ROD	Del. in 8 Months	15405.00	Proprietary
21.11.2014	ECCENTRIC HUB	Del. in 8 Months	18052.00	Proprietary
21.11.2014	ROLLER SHAFT ASSEMBLY	Del. in 8 Months	24000.00	Proprietary
21.11.2014	PIN TRAY TO CONNECTING ROD	Del. in 8 Months	12260.00	Proprietary
21.11.2014	ECCENTRIC PIN	Del. in 8 Months	14800.00	Proprietary
21.11.2014	M10364/1/4 COUPLING	Del. in 8 Months	18720.00	Proprietary
21.11.2014	BACK PLATE FOR 400TPH RECIPRO FEEDER	Del. in 8 Months	31000.00	Proprietary
09.12.2014	CONVEYOR DRIVE RIGHT	30.06.15	576798.00	Proprietary
09.12.2014	CONVEYOR DRIVE LEFT	30.06.15	576798.00	Proprietary
31.12.2014	TOOTH POINT	22.09.15	347500.00	Open
12.01.2015	TRACTION GEAR ASSY R/H	30.07.15	1163661.00	Proprietary
12.01.2015	TRACTION GEAR ASSY L/H	30.07.15	1163661.00	Proprietary
14.01.2015	REPAIRS TO AM-50 CUTTER MOTOR	05.08.15	159690.00	Open
05.02.2015	OVER SPEED TRIPPING DEVICE	31.08.15	900000.00	Proprietary
14.02.2015	Providing emergency brake to 150 hp hauler	31.05.15	626900.00	Proprietary
18.02.2015	1000MM WIDTH BELT STRUCTURE WITH BOLT	31.05.15	2776000.00	Proprietary
18.02.2015	1000MM WIDTH BELT STRUCTURE WITH BOLT	15.06.15	2776000.00	Proprietary
20.02.2015	Commissioning of Manriding system-11Inc.	31.08.15	1600000.00	Proprietary
20.02.2015	NDT charges for load bearing members	31.08.15	60000.00	Proprietary
20.02.2015	Piping & Accessories for Power Pack	31.08.15	40000.00	Proprietary
18.03.2015	DRIVE DRUM ASSY	24.09.15	772000.00	Proprietary
18.03.2015	DRIVE DRUM ASSY	24.09.15	670000.00	Proprietary
20.03.2015	Modfn & arrangement of thruster brake	31.07.15	325000.00	Proprietary
24.03.2015	Supply of balance items for 510 Manriding	31.12.15	7275000.00	Proprietary
24.03.2015	Super. of Installation, Commissioning	31.12.15	1650000.00	Proprietary
13.02.2015	RECIPROCATING FEEDERS	30.04.16	1764800.00	Open
13.02.2015	DBL CRKD REC FDR400TPH 1400MM 15HP COMPL	30.04.16	2647200.00	Open
21.06.14	Spares for BEML 10 Cu shovel	2 Years RC	326000	Open
18.12.2014	Spares for HEC 10 Cu.m. Shovels	RC for 2 Yrs.	800000.00	Open
12.01.2015	Spares for APHMEL man riding	RC for 2 Yrs.	3600000.00	Proprietary
12.02.2015	Spares for PCH 10 Cu.m. Shovels	RC for 2 Yrs.	4075000.00	Open
	Total value		89164968.00	

3. Details of contracts, value, duration of the contract from 01.04.14 to 31.03.15 not at arms length basis;

Date of contract/order	Description of contract/order	Nature & duration of contract	Net Value	Manner of determination of price
07.04.2014	GEAR BOX, 20:1 FOR 1X125KW DRIVE UNIT	15.03.2015	1203950.00	Nomination
29.04.2014	Assembling of hoist int pinion shaft	04.06.2014	128388.00	Nomination
30.05.2014	Assembling of Hoist Drum & Hoist Gear	31.12.2014	456000.00	Nomination
01.08.2014	Rep Front Idlers of BEML 10Cu.m Shovels	31.03.2015	360000.00	Nomination
02.08.2014	Repairs to Takeup Wheels	31.03.2015	456000.00	Nomination



09.08.2014	Repair of 2nos Links of EX1200 Excavator	31.12.2014	78000.00	Nomination
09.08.2014	Repair of Arm assembly of ZX 450 Excavator	31.12.2014	46000.00	Nomination
18.08.2014	Repair of arm assembly of 300CK shovel	24.11.2014	155740.00	Nomination
18.08.2014	Repair of arm assy of CK300 shovel	24.11.2014	155740.00	Nomination
18.08.2014	Assembling of hoist drum shaft int gear	30.04.2015	456000.00	Nomination
21.08.2014	Rep to Dipper Handle-HEC 10Cu.m Shovel	31.03.2015	750000.00	Nomination
22.08.2014	Repair of 6.8M back hoe boom assy	29.11.2014	255700.00	Nomination
23.08.2014	Repair of arm assy of L&T PC450 shovel	29.11.2014	46000.00	Nomination
24.08.2014	Repairing of Crusher Roll 500TPH Elecon	23.08.2015	760385.00	Nomination
05.09.2014	Repair of PC 450 Shovel Bucket	15.03.2015	418995.60	Nomination
29.09.2014	MAN RIDING CHAIR CAR SYSTEM	30.11.2014	3500000.00	Nomination
31.10.2014	REP. BUCKET 6.5CUM TELCON EX1200	10.02.15	660743.00	Nomination
31.10.2014	REP. BUCKET ASSY FOR PC450 SHOVEL	10.02.15	418995.60	Nomination
10.11.2014	Repairs to 500 TPH Crusher Drum	16.02.15	385091.00	Nomination
16.01.2015	Strengthening of HEC Shovel Bucket	05.05.15	309760.00	Nomination, MOU
18.02.2015	1000MM WIDTH BELT STRUCTURE WITH BOLT	31.05.15	8883200.00	Nomination, MOU
16.03.2015	Repairing of Removed Crusher Roll of Dor	20.07.15	1248000.00	Nomination
27.03.2015	Repairing of 200ss IR Crusher Gear box.	30.06.15	348665.00	Nomination
27.03.2015	Outsourcing the repairs to stick assy	30.06.15	155740.00	Nomination
27.03.2015	Repair of dipper handles of HEC shovel	09.07.15	787500.00	Nomination
28.03.2015	Replacement of 130HP DC motor armature	10.07.15	360000.00	Nomination
30.03.2015	42"/1000mm RETURN ROLLER W BRACKET	10.10.15	2137500.00	Nomination, MOU
30.03.2015	40" TOP SINGLE ROLLER	10.10.15	4819500.00	Nomination, MOU
30.03.2015	48" RETURN ROLLER	10.10.15	541600.00	Nomination, MOU
30.03.2015	48" TOP SINGLE ROLLER	10.10.15	1680000.00	Nomination, MOU
30.03.2015	Repair of boom assy of 300CK shovel	09.07.15	289000.00	Nomination
30.03.2015	Recon of BEML Idler wheels	09.04.16	480000.00	Nomination
30.03.2015	Recon of P&H Idler wheels	09.04.16	240000.00	Nomination
30.03.2015	Recon of HEC Idler wheels	09.04.16	480000.00	Nomination
30.03.2015	Recon of HEC roller	09.04.16	1520000.00	Nomination
31.03.2015	1000MM WIDTH BELT STRUCTURE WITH BOLT	30.06.15	2776000.00	Nomination, MOU
31.03.2015	42"/1000mm RETURN ROLLER W BRACKET	31.07.15	171000.00	Nomination, MOU
31.03.2015	48" TOP SINGLE ROLLER	31.07.15	126000.00	Nomination, MOU
31.03.2015	48" RETURN ROLLER	31.07.15	67700.00	Nomination, MOU
31.03.2015	56" TOP SINGLE ROLLER	31.07.15	461040.00	Nomination, MOU
31.03.2015	56" RETURN ROLLER W BRACKET	31.07.15	338900.00	Nomination, MOU
31.03.2015	CUTTER TRANSMISSION	21.10.15	2285055.00	Nomination, MOU
31.03.2015	1200MM WIDTH BELT STRUCTURE WITH BOLT	21.07.15	6472000.00	Nomination, MOU
31.03.2015	1000MM WIDTH BELT STRUCTURE WITH BOLT	21.12.15	11104000.00	Nomination, MOU
31.03.2015	Repairs to Boom of ZX450 Shovel	21.07.15	298000.00	Nomination
06.12.2014	Replacement of wornout bushes	21.07.15	249900.00	Nomination
21.01.2015	1000MM WIDTH BELT STRUCTURE WITH BOLT	20.01.16	2776000.00	Nomination
21.01.2015	1200MM WIDTH BELT STRUCTURE WITH BOLT	20.01.16	6472000.00	Nomination
21.01.2015	36" TOP ROLLERS SET WITH FRAME	20.01.16	218025.00	Nomination
21.01.2015	42" TOP IDLERS SET WITH FRAME	20.01.16	1404400.00	Nomination
21.01.2015	48" TOP IDLERS SET WITH FRAME	20.01.16	3188400.00	Nomination
21.01.2015	40" TOP SINGLE ROLLER	20.01.16	963900.00	Nomination



21.01.2015	48" TOP SINGLE ROLLER	20.01.16	1680000.00	Nomination
21.01.2015	56" TOP SINGLE ROLLER	20.01.16	960500.00	Nomination
21.01.2015	42"/1000mm RETURN ROLLER W BRACKET	20.01.16	570000.00	Nomination
21.01.2015	48" RETURN ROLLER W BRACKET	20.01.16	622380.00	Nomination
21.01.2015	40" RETURN ROLLER W O BRACKET	20.01.16	243030.00	Nomination
21.01.2015	36" TOP SINGLE ROLLER	20.01.16	107500.00	Nomination
21.01.2015	48" TOP IDLERS SET WITH FRAME	20.01.16	430434.00	Nomination
01.05.14	Special Roof bolts	1 year RC	27250000.00	Nomination
05.09.14	Reconditioning of Shovel , Dragline Buckets	2 Years RC	75000000	Nomination
	Total value		181208357.20	

4. Date of approval of Board for all above transactions : 13.12.2014
5. Amount paid as advance : Nil
6. Date on which the special resolution was passed in general meeting as required under first proviso to Section 188 : Not applicable
7. Justification for above contracts / orders :

APHMEL is a subsidiary company of SCCL and entered into a Memorandum of Understanding for giving purchase order support. The MoU contains the mechanism for determination of price, formulae for price variation and methodology for ascertaining the reasonability of price.

Date: 10.11.2015

Sd/-
Chairman & Managing Director



Management replies to the observations of Secretarial Auditor in his report for the year 2014-15

Secretarial Auditor's Report (Pursuant to Section 204(1) of the Companies Act, 2013 and the Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)	Management reply on the audit observations (Under Section 134(3)(f)(ii) of the Companies Act, 2013)
The Members, The Singareni Collieries Company Limited., Kothagudem.	
I have conducted Secretarial Audit pursuant to Section 204 of the Companies Act 2013, on the compliance of applicable Statutory Provisions and the adherence to good corporate practices by The Singareni Collieries Company Limited., (hereinafter called as "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.	---
1. Based on our verification of the books, papers, minutes books, forms, returns filed and other records maintained by the Company and also the information and according to the examinations carried out by me and explanations furnished and representations made to me by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has during the audit period covering the Financial Year ended on 31st March, 2015 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.	---
2. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015 ("Audit Period") according to the provisions of:	---
i. The Companies Act, 2013 (the Act) and the rules made thereunder;	---
ii. The depositories Act, 1996 and regulations made thereunder - <i>Not applicable during the audit period.</i>	---
iii. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings - <i>Not Applicable during the audit period.</i>	---



Secretarial Auditor's Report (Contd...) (Pursuant to Section 204(1) of the Companies Act, 2013 and the Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)	Management reply on the audit observations (Under Section 134(3)(f)(ii) of the Companies Act, 2013)
iv. The Securities Contracts (Regulation) Act, 1956 and rules made thereunder : <i>Not applicable being the unlisted Company.</i>	---
v. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): <i>Not applicable being the unlisted Company.</i>	---
vi. The Company is into the business of mining and sale of coal and also power generation. Accordingly, the following Major Industry specific Acts and Rules are applicable to the Company, in view of the Management:	---
a. Mines Act, 1952 and Rules & regulations made thereunder.	---
b. Coal Mines Provident Fund & Miscellaneous Provisions Act, 1948.	---
c. The Environment (Protection) Act, 1986.	---
d. The Forest (Conservation) Act, 1980.	---
e. Mines and Minerals (Development & Regulation) Act, 1957 and Rules & Regulations made there under.	---
f. Cess and other Taxes on Minerals (Validation) Act, 1992.	---
g. The Coal Mines (Nationalization) Act, 1973.	---
h. Coal Mines Pension Scheme, 1998.	---
i. Land Acquisition Act, 1894.	---
j. Essential Services Maintenance Act, 1971	---
k. Mines and Minerals Act 1957 and Rules & regulations made there under.	---
l. Explosive Substance Act, 1908 and Rules & regulations made there under.	---
m. The Coal Bearing Areas Act, 1957.	---
n. National Minerals Policy, 1993.	---
o. Coal Mines Conservation and Development Act, 1974 and Rules & regulations made there under.	---
p. The Explosives Act, 1884 and Rules and notifications made thereunder.	---
q. The Electricity Act, 2003 and Rules, regulations made thereunder.	---
vii. Secretarial Standards issued by The Institute of Company Secretaries of India were not considered in the Audit, as the same were not notified during the period considered for Audit.	---



Secretarial Auditor's Report (Contd...) (Pursuant to Section 204(1) of the Companies Act, 2013 and the Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)	Management reply on the audit observations (contd...) (Under Section 134(3)(f)(ii) of the Companies Act, 2013)
During the period under review, the Company has generally complied with the provisions of the applicable Acts, Rules, Regulations, and Guidelines etc., as mentioned above except to the extent as mentioned below:	---
a. The Company has not appointed requisite number of Independent Directors as prescribed under the provisions of Sub-section (4) of Section 149 of the Companies Act, 2013. Consequently, the Company could not comply with in respect of formulation of code for Independent Directors, conducting of separate meetings of Independent directors, evaluation mechanism for performance of Independent directors by Board of Directors of the Company as prescribed under Sub-section (8) of Section 149 of the Companies Act, 2013 read with Schedule IV of the Companies Act, 2013.	<p>The aforesaid provisions were apprised to the Board in the 524th meeting held on 27.9.2014 and with the approval of the Board a letter dated 20.2.2015 was sent to Secretary, Energy dept., from C&MD, SCCL requesting the Govt. of Telangana to take suitable decision with regard to appointment of three Independent Directors and one Woman Director on the Board of SCCL before 31.3.2015 and recommend the same to the Govt. of India for concurrence. The non-compliances in this regard were again apprised to the Board in the meeting held on 22.8.2015.</p> <p>Further, vide Notification No.GSR 163 (E), dt. 5th June, 2015 of Ministry of Corporate Affairs, Govt. of India, the responsibility for appointment of Independent Directors on the Board of Govt. Companies was shifted from Board of Directors of the Company to Ministry or Department of the Central / State Government as the case may be. This was also apprised to the State Govt. Reply is awaited from the Govt.</p>
b. The Company has Audit Committee without Independent directors as prescribed under the provisions of Section 177 of the Companies Act, 2013.	Same as replied to 2 (vii) (a) above. However, Independent Directors will be nominated to the Audit Committee after their appointment by the State Govt.
c. The Company has constituted Corporate Social Responsibility (C S R) Committee without Independent director as prescribed under the provisions of Section 135 of the Companies Act, 2013.	Same as replied to 2 (vii) (a) above. However, Independent Directors will be nominated to the CSR Committee after their appointment by the State Govt.
d. The Company has not appointed a Woman Director as prescribed under the provisions of Section 149 of the Companies Act, 2013.	Same as replied to 2 (vii) (a) above.
e. The Company has not constituted Nomination and Remuneration Committee as prescribed under the provisions of Section 178 of the Companies Act, 2013.	The Nomination and Remuneration Committee will be constituted after appointment of Independent Directors by the State Govt.



<p align="center">Secretarial Auditor's Report (Contd...) (Pursuant to Section 204(1) of the Companies Act, 2013 and the Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)</p>	<p align="center">Management reply on the audit observations (contd...) (Under Section 134(3)(f)(ii) of the Companies Act, 2013)</p>
<p><i>f. The Company has not established vigil mechanism as prescribed under the provisions of Section 177(9) of the Companies Act, 2013.</i></p>	<p>The Board in the meeting held on 22.2.2013 approved in principle for establishment of vigil mechanism (Whistle Blower Mechanism) in SCCL on the lines of CIL. To operationalise the system, the Board directed the management to examine the practices followed in CIL and bring the same to the Board. A Committee of SCCL visited CIL to know their practices in this regard and submitted report on 4.2.2014 and the Vigil Mechanism will be implemented after submitting to Board.</p>
<p><i>g. The production of coal has exceeded the Environment Clearance capacity sanctioned by Ministry of Environment and Forest, Government of India in respect of 4 opencast mines & one Under Ground mine. Apart from this, 6 Under Ground mines are operating with 1993-94 base level production and require Environment Clearance at the time of mining lease renewal/ exceeding 1993-94 base level production.</i></p>	<p>Applications were submitted to MoEF & CC for seeking EC for the following mines.</p> <ul style="list-style-type: none"> • Increase in production more than the sanctioned EC capacity. <ul style="list-style-type: none"> i. JVR.OC-1 Expansion, Kothagudem area. ii. Koyagudem OC-II, Yellandu area. iii. RG OC-I Expansion, Ramagundam-III area. iv. Dorli OC – I, Bellampalli area. v. Kasipet – 1 Inc., Mandamarri area. • Mines operating with 1993 – 94 base level production and require EC at the time of renewal of mining lease/ exceeding 1993-94 base level production <ul style="list-style-type: none"> i. GDK. 1&3, Ramagundam - I area ii. GDK. 2&2A, Ramagundam - I area iii. GDK. 5, Ramagundam - I area iv. GDK. 7LEP, Ramagundam - II area v. RK.8, Srirampur area vi. VK – 7, Kothagudem area <p>Applications submitted for revised EC were de-listed by MoEF & CC on account of violation under Sections 15/16 of Environment (Protection) Act, 1986 vide MoEF letter dt.17th December, 2013. MoEF & CC has also advised the State Govt. for initiation of credible action by invoking provisions of Section 19 of Environment (Protection) Act, 1986 vide MoEF letter dt.16th December, 2013. Proposals are pending at MoEF & CC for want of submission of evidence of initiating the credible action by the State Govt. SCCL submitted several representations to MoEF & CC through Ministry of Coal, GoI and State Government to consider the proposals of SCCL without resorting to the legal action since the additional production was taken only to meet the Coal demand from Power Projects in the larger interest of the Nation.</p>



Secretarial Auditor's Report (Contd...) (Pursuant to Section 204(1) of the Companies Act, 2013 and the Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)	Management reply on the audit observations (contd...) (Under Section 134(3)(f)(ii) of the Companies Act, 2013)
	<p>SCCL has written a letter to the Secretary, MoC, Govt. of India on 2.4.2015 for expediting EC for expansion proposals which have been de-listed by MoEF & CC for want of credible action on account of violation under Environment (Protection) Act, 1986 i.e., increase in production beyond sanctioned EC capacity. It has been brought out in the letter that the EC for expansion proposals pending at MoEF & CC is essential for achieving the annual target of 60.03 MT set for the year 2015-16.</p> <p>The matter of issue of Environmental Clearances for the coal mining projects involving violation of Environmental (Protection) Act, 1986 was discussed in the meeting held between the Hon'ble Minister of State for MoEF&CC and Hon'ble Minister of State for Coal in the MoEF&CC on 10.7.2015. It was opined that a combined note from MoC and MoEF&CC to be moved for taking suitable decision in the cabinet meeting for consideration of the violation cases with retrospective effect. The proceedings of the meeting are yet to be communicated by MoEF&CC. Accordingly action will be initiated by SCCL as per the outcome of the meeting.</p>
3. I, further report that:	
<p>a. <i>The Board of Directors of the Company is constituted with executive and non-executive directors without requisite number of independent directors and a woman director as stated elsewhere in the report. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act except in respect of independent directors and a woman director.</i></p>	As replied in 2(vii)(a)&(d)



Secretarial Auditor's Report (Contd...) (Pursuant to Section 204(1) of the Companies Act, 2013 and the Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)	Management reply on the audit observations (contd...) (Under Section 134(3)(f)(ii) of the Companies Act, 2013)
b. Adequate Notice is given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least 7 days in advance. There is adequate system for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting. Majority decision is carried through and there were no instances of dissenting members in the Board of Directors.	---
4. I, further report that there exist adequate systems and processes in the Company that commensurate with the size and operations of the Company to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.	---
5. I, further report that during the audit period,	
a. The Company has obtained sanction from the Govt., of Telangana for setting up of additional 3 rd Unit of 600 MW Thermal Power Plant at a capital cost of Rs. 3570.20 crores at Jaipur Mandal, Adilabad district where setting up of 2X600 MW Singareni Thermal Power Plant is in construction.	This being a statement of fact calls for no comment.
b. The Board of directors of the Company has approved for voluntary winding up of Joint venture Company with NTPC Limited, namely NTPC-SCCL Global Ventures Pvt. Ltd., since the company has no business opportunity.	This being a statement of fact calls for no comment.
c. The Company has been allotted NAINI COAL BLOCK having coal reserves of 495 million tonnes located in Talcher Coal field in Angul district of Odisha State by the Govt. of India under the allotment process.	This being a statement of fact calls for no comment.
<p style="text-align: center;">Sd/- (K.V.Chalama Reddy) Practising Company secretary M.No.13951, C. P. No. 5451</p> <p>Date: 22.8.2015, Place: Hyderabad.</p>	<p style="text-align: center;">for and on behalf of the Board</p> <p style="text-align: center;">Sd/- (N. Sridhar) Chairman & Managing Director</p> <p>Date: 10.10.2015, Place : Hyderabad.</p>



'Annexure-A'

To,
The Members
The Singareni Collieries Company Limited,
Kothagudem.

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Sd/-

(K.V.Chalama Reddy)
Practising Company secretary
M.No.13951, C. P.No.5451

Place: Hyderabad
Date: 22.08.2015



FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on financial year ended on 31.03.2015
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the
Company (Management & Administration) Rules, 2014.

I REGISTRATION & OTHER DETAILS:

i	CIN	U10102TG1920SGC000571
ii	Registration Date	23.12.1920
iii	Name of the Company	The Singareni Collieries Company Limited
iv	Category / Sub-category of the Company	Mining & Consultancy
v	Address of the Registered office & contact details	The Singareni Collieries Company Limited Registered Office, Kothagudem Collieries- 507 101, Khammam Dist., Telangana.
vi	Whether listed company	No
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	NA

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

Coal Mining

All the business activities contributing 10% or more of the total turnover of the company shall be stated

SL. No.	Name & Description of main products/services	NIC Code of the Product/ service	% to total turnover of the company
1.	Bituminous Coal	270112.00	100.00

III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES:

Sl. No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1.	Andhra Pradesh Heavy Machinery & Engineering Limited	U29219AP1976SGC002071	Subsidiary	81.54	2(87)(ii)
2.	NTPC-SCCL Global Ventures Pvt. Ltd.	U40101DL2007PTC166472	Associate	50.00	2(6)
3.	APMDC SCCL Suliyari Coal Co. Ltd.	U10300TG2013SGC088684	Associate	49.00	2(6)



IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Total Shares	
	De-mat	Physical	Total	% of Total change	De-mat	Physical	Total	% Total Shares		
A. Promoters										
(1) Indian										
a) Individual/HUF		37252	37252	0.0021		37252	37252	0.0021		
b) Central Govt. or State Govt.		1733159147	1733159147	99.9977		1733159147	1733159147	99.9977	-	-
c) Bodies Corporates										
d) Bank/FI										
e) Any other										
Sub Total : (A) (1)		1733196399	1733196399	99.9999		1733796399	1733196399	99.9999		
(2) Foreign										
a) NRI Individuals										
b) Other Individuals		1720	1720	0.0001		1720	1720	0.0001		
c) Bodies Corp.										
d) Banks/FI										
e) Any other										
Sub Total (A) (2)										
Total Shareholding of Promoter (A)=(A)(1)+(A)(2)		1733198119	1733198119	100.00		1733198119	173398119	100.00		
B. Public Shareholding										
(1) Institutions										
a) Mutual Funds										
b) Banks/FI										
c) Cenntal govt										
d) State Govt.										
e) Venture Capital Fund										


IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Total Shares	
	De-mat	Physical	Total	% of Total change	De-mat	Physical	Total	% Total Shares		
f) Insurance Companies										
g) FIIS										
h) Foreign Venture Capital Funds										
i) Others (specify)										
Sub Total (B)(1):										
(2) Non Institutions										
a) Bodies corporates										
i) Indian										
ii) Overseas										
b) Individuals										
i) Individual shareholders holding nominal share capital upto Rs.1 lakh										
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakh										
c) Others (specify)										
Sub Total (B)(2):										
Total Public Shareholding (B)=(B)(1)+(B)(2)										
C. Shares held by Custodian for GDRs & ADRs										
Grand Total (A+B+C)										



(ii) SHARE HOLDING OF PROMOTERS

Sl. No.	Share holders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of Company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of Company	% of shares pledged encumbered to total shares	
1	Govt. of Telangana	885599147	51.0962	Nil	885599147	51.0962	Nil	-
2	Govt. of India	847560000	48.9015	Nil	847560000	48.9015	Nil	-
	Total	1733159147	99.9977	-	1733159147	99.9977	-	-

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (specify if there is no change)

Sl. No.		Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise increase / decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus / sweat equity etc)	- No change -			
	At the end of the year				

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the end of the Year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	17885	0.0010	17885	0.0010
	Date wise increase / decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus / sweat equity etc)	- No change -			
	At the end of the year (or on the date of separation, if separated during the year)	17885	0.0010	17885	0.0010



(v) Shareholding of Directors & KMP

Sl. No.	For Each of the Directors & KMP	Shareholding at the end of the Year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	11	-	11	-
	Date wise increase / decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus / sweat equity etc)	- No change -			
	At the end of the year	11	-	11	-

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2392.65	-	-	2392.65
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	42.16	-	-	42.16
Total (i+ii+iii)	2434.81	-	-	2434.81
Change in Indebtedness during the financial year				
Additions	1344.57	-	-	1344.57
Reduction	75.42	-	-	75.42
Net Change	1269.15	-	-	1269.15
Indebtedness at the end of the financial year				
i) Principal Amount	3624.40	-	-	3624.40
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	79.57	-	-	79.57
Total (i+ii+iii)	3703.97	-	-	3703.97



VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager:

Sl. No.	Particulars of remuneration	Name of MD/WTD/Manager							Total amount (Rs)
		Suthirtha Bhattacharya C&MD (Till 31.12.2014)	N.Sridhar, C&MD (From 1.1.2015)	T. Vijaya Kumar, Director (PA&W) (Till 2.12.2014)	S. Vivekanand, Director (Finance) (Till 22.3.2015)	B Ramesh Kumar, Director (Operations)	A. Manohar Rao, Director (P&P)	P. Ramesh Babu, Director (E&M)	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the IT Act, 1961	1498460	376860	848166	1680549	2941036	2871070	2482870	12699011
	(b) Value of perquisites u/s 17(2) of IT Act, 1961	27450	453	83238	164749	260523	255980	222311	1014704
	(c) Profits in lieu of salary u/s 17(3) Income Tax Act, 1961	-	-	-	-	-	-	-	-
2	Stock Option	-	-	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-	-	-
4	Commission as % of profit others, specify	-	-	-	-	-	-	-	-
5	Others, please specify	-	-	-	-	-	-	-	-
	TOTAL (A)	1525910	377313	931404	1845298	3201559	3127050	2705181	13713715
	Ceiling as per the Act (Rs. in Crore)	23.23 (5% of PBT)	7.74 (5% of PBT)	6.19 (1% of PBT)	6.19 (1% of PBT)	6.19 (1% of PBT)	6.19 (1% of PBT)	6.19 (1% of PBT)	68.14 (11% of PBT)

B. Remuneration to other Directors: Nil

Sl. No.	Particulars of Remuneration	Name of the Directors	Total Amount
1	Independent Directors		
	(a) Fee for attending board committee meetings		
	(b) Commission		
	(c) Others, please specify		
	Total (1)		
2	Other Non Executive Directors		
	(a) Fee for attending board committee meetings		
	(b) Commission		
	(c) Others, please specify.		
	Total (2)		
	Total (B)=(1+2)		
	Total Managerial Remuneration		
	Overall ceiling as per the Act.		

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

SI. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	-	2316156	-	2316156
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	191970	-	191970
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961.	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	2508126	-	2508126

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: Nil

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/NCLT/ Court)	Appeal made if any (give details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

Date: 10.11.2015

Sd/-
Chairman & Managing Director



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THE SINGARENI COLLIERIES COMPANY LIMITED FOR THE YEAR ENDED 31 MARCH 2015.

The preparation of consolidated financial statements of The Singareni Collieries Company Limited for the year ended 31 March 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the Company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(5) read with section 129(4) of the Act is responsible for expressing opinion on the financial statements under Section 143 read with section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 22.8.2015.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) read with section 129(4) of the Act of the consolidated financial statements of The Singareni Collieries Company Limited for the year ended 31 March 2015. We conducted a supplementary audit of the financial statements of Andhra Pradesh Heavy Machinery and Engineering Limited, Subsidiary, but did not conduct supplementary audit of the financial statements of Joint Ventures NTPC-SCCL Global Ventures Private Limited and APMDC-SCCL Suliyari Coal Company Limited ended on that date. 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 143(6)(b) read with section 129(4) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the consolidated financial statements and the related audit report.

Comments of the Comptroller & Auditor General of India under section 143 (6)(b) read with Section 129 (4) of the Companies Act, 2013 on the consolidated financial statements of The Singareni Collieries Company Limited, Kothagudem for the year ended 31st March, 2015.

Replies of the Management forming part of the Board's Report to the Shareholders

A. Comments on Consolidated Profitability:

1. Profit & Loss Statement

Expenses Over Burden Adjustment: Rs.(-)399.77 Crore

Medapalli OC Expansion Project of Ramagundam Area-I

Medapalli OC Expansion Project of Ramagundam Area-I was approved in July 2007 with total extractable reserves of 47.32 MT, OB of 263.77 M cum and stripping ratio of 5.57. The project was brought to revenue account in 2008-09 and stripping ratio of 5.41 was adopted after adjusting the coal and OB produced up to 2007-08.

As per the policy of the Company, the stripping ratio of the project was revised in 2014-15. As per the review, the extractable reserves remained same but there was reduction of 7.08 M cum in total quantity of OB to be removed and the revised stripping ratio to be adopted, works out to 5.25.

The Company has erroneously ignored the adjustment to be made in the production during construction period and stripping ratio of 5.66 was adopted for accounting of Over Burden Removal Adjustment. This has resulted in overstatement of OB Removal Adjustment and understatement of profit by Rs.95.95 Crore.

To even out the undue variations in booking of OBR Adjustment Provision, the review of Stripping Ratios at five years interval was brought out as Company's Accounting Policy in the financial year 2004-05 and the same was disclosed vide Note-33 VI (ii).

The revised stripping ratio of a project is arrived as ratio between sum of OB Removed and estimated OB to be removed to sum of coal extracted and estimated available coal reserves as on review date i.e., 31.3.2014.



<p>Comments of the Comptroller & Auditor General of India under section 143 (6)(b) read with Section 129 (4) of the Companies Act, 2013 on the consolidated financial statements of The Singareni Collieries Company Limited, Kothagudem for the year ended 31st March, 2015. (contd.)</p>	<p>Replies of the Management forming part of the Board's Report to the Shareholders (contd.)</p>
<p>2. Profit & Loss Statement Expenses: Over Burden Adjustment: Rs.(-)399.77 Crore RG OC-II Expansion Project: The Mineable reserves of coal in RG OC-II Extension project was projected as 107.46 MT and the OB quantity estimated was 830.69 M.cum with a stripping ratio of 7.73. The project was brought to revenue account in 2009-10 with a stripping ratio of 7.83 after adjusting the coal and OB removed before the project was brought to revenue account. As per the accounting policy of the Company the stripping ratio were revised in 2014-15 and the revised quantity of coal and OB were 105.78 MT and 891.70 M cum respectively. After adjusting the Coal and OB removed prior to bringing the project to revenue account, the quantity of Coal and OB to be removed, works out to 103.28 MT and 882.91 M cum respectively with a stripping ratio of 8.55. However, the Company erroneously ignored the adjustment to be made to the Stripping Ratio for the Coal and OB extracted prior to bringing the project to revenue account and adopted a wrong stripping ratio of 8.43. This has resulted in understatement of overburden removal adjustment and overstatement of profit by Rs.12.24 Crore.</p>	<p>Same methodology is being consistently followed since adoption of the Company's Accounting Policy i.e., 2004-05. As such, the coal extracted till the date of review i.e., 31.3.2014, is considered to arrive at revised stripping ratio, which includes coal produced during construction period also. Accordingly, the OBR adjustment provision was made and has no impact on profitability.</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: 12.11.2015 Place: Hyderabad</p>	<p style="text-align: center;">for and on behalf of the Board Sd/- (N.Sridhar) Chairman & Managing Director</p> <p>Date:14.11.2015. Place: Hyderabad</p>



Presenting dividend cheque to Sri K. Chandrasekhar Rao Hon'ble Chief Minister by Sri N. Sridhar I.A.S. C&MD, SCCL

Honoring the Best workmen by Chairman & M.D



Quality Health care with modern facilities

Singareni Thermal Power Project, Jaipur Mandal, Adilabad Dist.,



Initiatives for
empowering women



Educare Initiatives
for younger generations

Grooming our
culture and heritage



Mobile medical camps in
surrounding habitats
and R&R Centers



**INDEPENDENT AUDITORS' REPORT
on standalone Financial Statements**

**Management reply on the audit observations
(Under Section 134 (3) of the Companies Act, 2013)**

**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 2015**, the Statement of Profit and Loss, the 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 Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.



INDEPENDENT AUDITORS' REPORT (contd..) on standalone Financial Statements

Management reply on the audit observations (contd..) (Under Section 134 (3) of the Companies Act, 2013)

4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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.

5. An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

7. 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 2015;



INDEPENDENT AUDITORS' REPORT (contd..) on standalone Financial Statements

Management reply on the audit observations (contd..) (Under Section 134 (3) of the Companies Act, 2013)

- (b) in the case of the Profit and Loss Account, of the **Profit** for the period 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

8. Without qualifying our opinion, we draw attention:

- a. **Note 5.2 with regard to provision for backfilling wherein the need for making provision for backfilling, requiring technical estimation by professionals in mining and project planning field, have been stated.**
- b. **Note 12.1 with regard to Deferred Taxes states the impact of backfilling provision and mine closure plan on Deferred Tax Asset and estimated timing of realisation of the Deferred Tax asset.**

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.

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2015 issued by the Government of India in terms of Section 143 (11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the said Order.

10. As required by section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (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 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;

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INDEPENDENT AUDITORS' REPORT (contd..) on standalone Financial Statements
Management reply on the audit observations (contd..) (Under Section 134 (3) of the Companies Act, 2013)

- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. ----
- (e) Being a government company, section 164(2) of the Act is not applicable as per G.S.R. 463(E) dated June 05, 2015. ----
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us. ----
- i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 34.1 (Contingent Liabilities) to the financial statements; ----
- ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. ----
- iii) We did not observe delays in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company. ----

11. As required by section 143 (5) of the Act and as per direction of Comptroller and Auditor General of India, we report that:

- a) The company has not been selected for disinvestment, hence status report in terms of valuation of assets and liabilities, mode and present stage of disinvestment etc., are not applicable; ----
- b) Cases for waiver/write off of debts/ loans/ interest etc., and reasons there for and the amount involved: ----

Sl. No	Party Name	Amount (Rs. in lakhs)	Reasons for Write Off
1.	National Geographic Research Institute	25.54	Amount of Rs.43.01 Lakhs was paid to NGRI during 2010-11 for


INDEPENDENT AUDITORS' REPORT (contd..) on standalone Financial Statements
Management reply on the audit observations (contd..) (Under Section 134 (3) of the Companies Act, 2013)

Sl. No	Party Name	Amount (Rs. in lakhs)	Reasons for Write Off
	(NGRI)		conducting 3D seismic survey. The Survey was dropped subsequently. Of this Rs.25.54 Lakhs has become infructuous and written off.

c) As informed to us there are no inventories lying with third parties and as informed to us there are no gifts received from government or other authorities.

d) i) Age wise analysis of pending legal/arbitration cases including reasons for pendency is as below:

Sl. No.	Ageing (year of litigation)	Number of cases Pending with legal / arbitration authorities*	Reason
1	2015	109	Under hearing
2	2012 to 2014	948	Under hearing
3	2007 to 2011	901	Under hearing
4	Before 2007	797	Under hearing

* Does not include tax disputes and other Government department proceedings.

ii) There exists monitoring mechanism for expenditure on all legal cases (foreign and local) and the same is effective in our opinion.

for M/s.Vaithisvaran & Co.,
Chartered Accountants
(Firm Registration Number: 04494S)
Sd/-
(S. Shankar Raman)
Partner (M. No. 209163)

for and on behalf of the Board
Sd/-
(N. Sridhar)
Chairman & Managing Director

Date : 22.8.2015
Place : Hyderabad

Date : 5.11.2015
Place : Hyderabad



ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT on standalone Financial Statements	Management reply on the audit observations (Under Section 134 (3) of the Companies Act, 2013)
(Referred to in our report of even date)	
As required by the Companies (Auditor's Report) Order, 2015 issued by the Government of India in terms of Section 143 (11) of the Companies Act, 2013, 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.
(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 granted any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.	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	This being a statement of fact calls for no comment separately.



ANNEXURE TO THE INDEPENDENT (contd..) AUDITORS' REPORT on standalone Financial Statements

(Referred to in our report of even date)

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.

(v) The Company has not accepted deposits.

Management reply on the audit observations(contd..)
(Under Section 134 (3) of the Companies Act, 2013)

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

(vi) 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 148(1) of the Companies Act, 2013 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.

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

(vii)(a) In respect of undisputed statutory dues including Employees Provident Fund, employee state insurance, Income-tax, sales tax, wealth tax, Service Tax, duty of customs, duty of Excise, value added tax, cess and any other statutory dues with appropriate authorities, according to the information and explanations given to us, the Company has been generally regular in depositing with the appropriate authorities during the period. According to information and explanation given to us and records of the company examined by us there are no arrears of outstanding statutory dues as at 31st March 2015 for a period of more than six months from the date they became payable.

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

(b) According to information and explanation given to us and records of the company examined by us, the particulars in respect of Income-tax or sales tax or wealth tax or Service Tax or duty of customs or duty of Excise or value added tax or cess and any other statutory dues that have not been deposited with the appropriate authorities on account of pending dispute are as below as at 31st March 2015:



AN ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT on standalone Financial Statements (Contd..) (Referred to in our report of even date)						Management reply on the audit obser- vations (Contd..) (Under Section 134 (3) of the Compa- nies Act, 2013)
Sl. No.	Name of Statute	Nature of Dues	Amount not deposited (in Rs. lakhs)	Period for which the demand pertains to	Forum where the dispute is pending	
1.	Clean Energy Cess	Clean Energy Cess on Captive Consumption of coal	5.09	Feb. 12 to Nov., 2012 & Dec., 2012 to July, 2013	Assistant Commissioner, Central Excise.	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.
2.	Clean Energy Cess	Clean Energy Cess on captive consumption of coal	24.06	March, 2011 to Jan., 2012	Commissioner (Appeals), Central Excise	
3.	Clean Energy Cess	Clean Energy Cess on captive consmptn.of coal	13.68	July, 2010 to Feb., 2011	CESTAT, Bangalore	
4.	The Central Excise Act 1944	EC & SHE Claim	53.42	March, 2011	CESTAT, Bangalore	
5.	The Central Excise Act 1944	Refund order for Education Cess and Secondary & Higher Education Cess issued and later set aside	77.64	March, 2011 to Jan., 2012	The Commissioner of Central Excise	
6.	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	
7.	The Central Excise Act 1944	Education Cess and Secondary & Higher Education Cess on Excise Duty on Coal	239.99	March, 2013	CESTAT, Bangalore	
8.	The Central Excise Act 1944	Central Excise due to diff. in quantity between Excise Returns and Clean Energy Cess Returns	82.69	Mar., 2011/ Aug., 2011 to Jan, 2012	CESTAT, Bangalore	



AN ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT on standalone Financial Statements (Contd..) (Referred to in our report of even date)						Management reply on the audit obser- vations (Contd..) (Under Section 134 (3) of the Compa- nies Act, 2013)
Sl. No.	Name of Statute	Nature of Dues	Amount not deposited (in Rs. lakhs)	Period for which the demand pertains to	Forum where the dispute is pending	
9.	The Central Excise Act 1944	Central Excise due to difference in quantity between Excise Returns and Clean Energy Cess Returns	242.35	Feb., 2012 to June, 2013	Commissioner Central Excise	
10.	The Central Excise Act 1944	Central Excise Duty (with-held pending adj. with credit notes)	5.05	Jan. & Feb., 2012	CESTAT, Bangalore	
11.	The Central Excise Act 1944	Non-payment of CEC on Captive Consumption	3.68	August 2013 to February 2014	CESTAT, Bangalore	
12.	The Central Excise Act 1944	Quantity Variance	97.24	July 2013 to December 2013	CESTAT, Bangalore.	
13.	APGST Act, 1957	Sales Tax (on steel, Cement, HSD oil, Explosives etc to Contractors)	479.62	Financial years 2000-01 to 2004-05	Sales Tax Appellate Tribunal	
14.	APGST Act, 1957	Bonus received from Coal Customer treated as sale consideration by dept., and contested by SCCL	10.81	Financial Year 2001-02	Sales Tax Appellate Tribunal	
15.	APGST Act, 1957	Adjustment of credit note issued to customer against APGST payable for August 2003	122.91	Financial Year 2003-04	AC (CT) Warangal, Andhra Pradesh	
						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.



AN ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT on standalone Financial Statements (Contd..) (Referred to in our report of even date)						Management reply on the audit obser- vations (Contd..) (Under Section 134 (3) of the Compa- nies Act, 2013)
Sl. No.	Name of Statute	Nature of Dues	Amount not deposited (in Rs. lakhs)	Period for which the demand pertains to	Forum where the dispute is pending	
16.	AP VAT ACT, 2005	VAT on Steel, Cement, Explosives issued to contractors	2.82	Financial Year 2005-06	AC (CT) Warangal, Andhra Pradesh	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.
17.	APGST Act, 1957	Sales tax interest on alleged delayed remittance of tax	43.74	Financial Year 2001-02	High Court of Andhra Pradesh	
18.	Entry Tax Act	additional tax demand on purchases made from outside AP sales	15.71	Financial Year 2003-04	High Court of Andhra Pradesh	
19.	Life Tax On Motor Vehicles Under A.P. 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	
20.	Central Sales Tax Act, 1956	Central Sales Tax	43.89	Financial year 2007-08	AC (CT) Warangal, Andhra Pradesh	
21.	Andhra Pradesh Tax on Profes- sions, trades , callings & Employ- ments Act, 1987	Professional Tax arrears of professional tax recovery from employees and remittance to the Department	17644.03	Financial Year 1990 - 91 to 2012 - 13	Deputy. C.T.O Kothagudem	
22.	Income Tax Act, 1961	Income Tax	414.92	Financial Yrs. 2007-08 & 2009-10	ITAT, Hyderabad	



AN ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT on standalone Financial Statements (Contd..) (Referred to in our report of even date)						Management reply on the audit obser- vations (Contd..) (Under Section 134 (3) of the Compa- nies Act, 2013)
Sl. No.	Name of Statute	Nature of Dues	Amount not deposited (in Rs. lakhs)	Period for which the demand pertains to	Forum where the dispute is pending	
23.	Income Tax Act, 1961	Income Tax	408.91	Financial Year 2011-12 2012 - 13	CIT (Appeals), Vijayawada	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.
24.	Income Tax Act, 1961	Fringe benefit Tax	110.54	Financial Years 2006-07 to 2008-09	ITAT, Hyderabad	
25.	Finance Act, 1994 / Central Excise Act, 1944	Interest on alleged availment of CENVAT Credit of Service Tax	1382.18	Financial Years 2006 - 07 to 2008 - 09	CESTAT, Bangalore.	
26.	CESTAT	Service Tax	5.35	Financial Years 2012 - 13 to 2013 - 14	CESTAT, Bangalore.	
27.	Entry Tax Act	Entry Tax	259.70	2007 - 08	High Court & Supreme Court	
28.	Entry Tax Act	Entry Tax	3.96	2008 - 09	High Court & Supreme Court	
29.	Entry Tax Act	AP Tax on Entry of Motor vehicles into Local Area Act, 1996 - Tax Demand on purchase of Dumpers, Dozers considering them motor vehicles	4675.51	From 2009 - 10 to 2011 - 12	Supreme Court	
		Total	30079.98			
(c) We did not observe delays in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.						



**AN ANNEXURE TO THE INDEPENDENT
AUDITORS' REPORT
on standalone Financial Statements (Contd..)**
(Referred to in our report of even date)

**Management reply
on the audit observations (Contd..)**
(Under Section 134 (3) of the Companies
Act, 2013)

- (viii) The company does not have accumulated losses and it has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year. This being a statement of fact calls for no comment separately.
- (ix) 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. This being a statement of fact calls for no comment separately.
- (x) 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. This being a statement of fact calls for no comment separately.
- (xi) The Company has applied term loans for the purposes for which the loans were obtained. This being a statement of fact calls for no comment separately.
- (xii) ***To the best of our knowledge and belief, and according to the information and explanations given to us, during the year frauds aggregating to Rs.0.98 Lakhs have been reported, as detailed hereunder, on the company.***

Sl.No	Nature of the fraud	Amount involved (Rs. in lakhs)
1.	Pilferage of coal	0.78
2.	Pilferage of material	0.20

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

for and on behalf of the Board
Sd/-
(N. Sridhar)
Chairman & Managing Director

Date : 5.11.2015
Place : Hyderabad

Date : 22.8.2015
Place : Hyderabad



INDEPENDENT AUDITORS' REPORT
on Consolidated Financial Statements

Management reply on the audit observations(Under
Section 134 (3) of the Companies Act, 2013)

To
The Members of The Singareni Collieries
Company Limited

Report on the Consolidated Financial
Statements

1. We have audited the accompanying consolidated financial statements of **The Singareni Collieries Company Limited** ('the Holding Company') and its subsidiaries (the holding company and its subsidiaries together referred to as "the group"), its associates and jointly controlled entities, comprising of the consolidated Balance Sheet as at **31st March 2015**, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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Management's Responsibility for the Financial
Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the group including its Associates and jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the group and of its Associates and jointly controlled entities are responsible for maintaining adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that

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INDEPENDENT AUDITORS' REPORT (contd..) on Consolidated Financial Statements

were operating effectively for ensuring the accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparing the consolidated financial statements by the directors of the holding company, as aforesaid.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and the Rules made there under.
4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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.
5. An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding

Management reply on the audit observations (contd..) (Under Section 134 (3) of the Companies Act, 2013)

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INDEPENDENT AUDITORS' REPORT (contd..) **on Consolidated Financial Statements**

Management reply on the audit observations (contd..) (Under Section 134 (3) of the Companies Act, 2013)

Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

- 6. We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in sub-paragraph (a) of the other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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Opinion

- 7. In our opinion, and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at 31st March 2015 and their consolidated profit and their consolidated cash flow for the year ended on that date.

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Emphasis of Matter

- 8. Without qualifying our opinion, we draw attention to:

- a. ***Note 5.2 with regard to provision for backfilling wherein the need for making provision for backfilling, requiring technical estimation by professionals in mining and project planning field have been stated.***
- b. ***Note 12.1 with regard to Deferred Taxes states the impact of backfilling provision and mine closure plan on Deferred Tax Asset and estimated timing of realisation of the Deferred Tax asset.***
- c. ***Note 34.16(h) with regard to not including the financials of the Joint Venture APMDC-SCCL Suliyari Coal Company Limited, in the consolidated financials of the group***

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.



INDEPENDENT AUDITORS' REPORT (contd..) **on Consolidated Financial Statements**

Management reply on the audit observations (contd..) (Under Section 134 (3) of the Companies Act, 2013)

Other Matters

9. Other Matters.

a. We did not audit the financial statement of the one subsidiary and one jointly controlled entity, whose financial statements / financial information reflect total assets of Rs.80.74 crores as at 31st March 2015, total revenue of Rs.76.79 crores and net cash flow amounting to Rs.(3.89) crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit/loss of Rs.1.46 crores for the year ended 31st March, 2015, as considered in the consolidated financial statements, in respect of one subsidiary and one jointly controlled entity associates, whose financial statements/ financial information have not been audited by us. These financial statements/ financial information have been audited by other auditors whose report have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in terms of sub-sections (3), (5) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.

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Our opinion on the consolidated financial statements, and our report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/ financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2015 issued by the Government of India in terms of Section 143 (11) of the Act, based on the comments in the auditor's report of the



INDEPENDENT AUDITORS' REPORT (contd..) **on Consolidated Financial Statements**

Management reply on the audit observations (contd..) (Under Section 134 (3) of the Companies Act, 2013)

holding company, subsidiary companies, associate companies and jointly controlled enterprises incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable:

- | | |
|---|-----|
| 11. As required by section 143 (3) of the Act, based on the comments in the auditor's report of the holding company, subsidiary companies, associate companies and jointly controlled enterprises incorporated in India, we report that; | -- |
| (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit of aforesaid consolidated financial statements; | -- |
| (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company, so far as it appears from our examination of those books and the reports of other auditors; | -- |
| (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of consolidated financial statements; | -- |
| (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014; | -- |
| (e) The group companies and its jointly controlled entities, being government companies, section 164(2) of the Act is not applicable as per G.S.R. 463(E) dated June 05, 2015. | --- |



INDEPENDENT AUDITORS' REPORT (contd..) **Management reply on the audit observations** (contd..)
on Consolidated Financial Statements (Under Section 134 (3) of the Companies Act, 2013)

- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the comments in the auditor's report of the holding company, subsidiary companies, associate companies and jointly controlled enterprises incorporated in India;
- i) The consolidated financials has disclosed the impact of pending litigations on the financial position of the holding company and its subsidiary—Refer Note 34.1 (Contingent Liabilities) to the consolidated financial statements;
- ii) The group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii) We did not observe delays in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the holding company or its subsidiaries.
12. Based on the comments in the auditor's report of the holding company, subsidiary companies, associate companies and jointly controlled enterprises incorporated in India to the extent they have such reporting requirement under section 143 (5) of the Act as per direction of Comptroller and Auditor General of India, we report that in respect of the group;
- a) The holding company or its subsidiary have not been selected for disinvestment, hence status report in terms of valuation of assets and liabilities, mode and present stage of disinvestment etc are not applicable;
- b) Cases for waiver/ write-off of debts/ loans/ interest etc., in the group and reasons there for and the amount involved:

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INDEPENDENT AUDITORS' REPORT (contd..) **Management reply on the audit observations** (contd..)
 on Consolidated Financial Statements (Under Section 134 (3) of the Companies Act, 2013)

Sl. No.	Party Name	Amount (Rs. in lakhs)	Reasons for Write Off
1.	National Geographic Research Institute (NGRI)	25.54	Amount of Rs.43.01 lakhs was paid to NGRI during 2010-11 for conducting 3D seismic survey. The Survey was dropped subsequently. Of this Rs.25.54 lakhs has become infructuous and written off.

- c) Proper records are maintained for inventories lying with third parties and as informed to us there are no gifts received from government or other authorities; --
- d) i) Age wise analysis of pending legal/arbitration cases including reasons for pendency for the holding company is as below; --

Sl. No.	Ageing (year of litigation)	Number of cases Pending with legal / arbitration authorities*	Reason
1	2015	109	Under hearing
2	2012 to 2014	948	Under hearing
3	2007 to 2011	901	Under hearing
4	Before 2007	797	Under hearing

* Does not include tax disputes and other government department proceedings.

Information with regard to subsidiary company has not been furnished in their audit report.

- ii) There exists monitoring mechanism for expenditure on all legal cases (foreign and local) and the same is effective in our opinion, in the case of holding company. Information with regard to subsidiary company has not been furnished in their audit report.

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

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

Date : 22.8.2015
Place : Hyderabad

for and on behalf of the Board
Sd/-
(N. Sridhar)
Chairman & Managing Director

Date : 5.11.2015
Place : Hyderabad



**ANNEXURE TO THE INDEPENDENT
AUDITORS' REPORT on Consolidated
Financial Statements**

(Referred to in our report of even date)

As required by the Companies (Auditor's Report) Order, 2015 issued by the Government of India in terms of Section 143 (11) of the Companies Act, 2013, and based on the comments in the auditor's report of the group and its associate companies and jointly controlled enterprises incorporated in India, we report in respect of the group that;

- | | | |
|-------|--|---|
| (i) | In respect of its fixed assets; | |
| (a) | The group 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 group 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. |
| (ii) | (a) The group has conducted physical verification of its inventory during the year in a phased manner. In our opinion, having regard to the size of the companies and nature of its businesses, 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 group are reasonable and adequate in relation to the size of companies and nature of its businesses. | This being a statement of fact calls for no comment separately. |
| (c) | The group 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 companies have not granted any loans, secured or unsecured to Companies, firms or other parties covered in the register | This being a statement of fact calls for no comment separately. |

Management reply on the audit observations
(Under Section 134 (3) of the Companies Act, 2013)



**ANNEXURE TO THE INDEPENDENT
AUDITORS' REPORT on Consolidated
Financial Statements**

(Referred to in our report of even date)

maintained under section 189 of the Companies Act, 2013.

- (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 companies and the nature of its businesses 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.
- (v) The group has not accepted deposits.
- (vi) We have broadly reviewed the books of accounts maintained by the companies pursuant to the order made by the Central Government for the maintenance of Cost Records under section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie the prescribed accounts and records have been maintained by the companies. We have not however, made a detailed examination of the records with the view to determine whether they are complete.
- (vii)
- (a) In respect of undisputed statutory dues including Employees Provident Fund, employee state insurance, Income-tax, sales tax, wealth tax, Service Tax, duty of customs, duty of Excise, value added tax, cess and any other statutory dues with appropriate authorities, according to the information and explanations given to us, the group has been generally regular in depositing with the appropriate authorities during the period. According to information and explanation given to us and records of the companies examined by us there are no arrears of outstanding statutory dues as at 31st March 2015 for a period of more than six months from the date they became payable.

Management reply on the audit observations
(Under Section 134 (3) of the Companies Act, 2013)

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

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

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

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



**ANNEXURE TO THE INDEPENDENT
AUDITORS' REPORT on Consolidated
Financial Statements**

(Referred to in our report of even date)

Management reply on the audit observations
(Under Section 134 (3) of the Companies Act,
2013)

- (b) According to information and explanation given to us and records of the companies examined by us, the particulars in respect of Income-tax or sales tax or wealth tax or Service Tax or duty of customs or duty of Excise or value added tax or cess and any other statutory dues that have not been deposited with the appropriate authorities on account of pending dispute are as below as at 31st March 2015:

In respect of The Singareni Collieries Company Limited (holding company)

Sl. No.	Name of Statute	Nature of Dues	Amount not deposited (in Rs. lakhs)	Period for which the demand pertains to	Forum where the dispute is pending
1.	Clean Energy Cess	Clean Energy Cess on captive consumption of coal	5.09	Feb., 2012 to Nov., 2012 & Dec., 2012, July, 2013	Assistant Commissioner, Central Excise.
2.	Clean Energy Cess	Clean Energy Cess on captive consumption of coal	24.06	March, 2011 to Jan., 2012	Commissioner (Appeals), Central Excise
3.	Clean Energy Cess	Clean Energy Cess on captive consumption of coal	13.68	July, 2010 to Feb., 2011	CESTAT, Bangalore
4.	The Central Excise Act 1944	EC & SHE Claim	53.42	March, 2011	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.



AN ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT on Consolidated Financial Statements (Contd..) (Referred to in our report of even date)						Management reply on the audit obser- vations (Contd..) (Under Section 134 (3) of the Compa- nies Act, 2013)
Sl. No.	Name of Statute	Nature of Dues	Amount not deposited (in Rs. lakhs)	Period for which the demand pertains to	Forum where the dispute is pending	
5.	The Central Excise Act 1944	Refund order for Education Cess and Secondary & Higher Education Cess issued and later set aside	77.64	March, 2011 to Jan., 2012	The Commissioner of Central Excise	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.
6.	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	
7.	The Central Excise Act 1944	Education Cess and Secondary & Higher Education Cess on Excise Duty on Coal	239.99	March, 2013	CESTAT Bangalore	
8.	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 Jan., 2012	CESTAT, Bangalore	
9.	The Central Excise Act 1944	Central Excise due to difference in quantity between Excise Returns and Clean Energy Cess Returns	242.35	Feb, 2012 to June, 2013	Commissioner, Central Excise	
10.	The Central Excise Act 1944	Central Excise Duty (with-held pending adj. with credit notes)	5.05	Jan. & Feb., 2012	CESTAT, Bangalore	



AN ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT on Consolidated Financial Statements (Contd..) (Referred to in our report of even date)						Management reply on the audit obser- vations (Contd..) (Under Section 134 (3) of the Compa- nies Act, 2013)
Sl. No.	Name of Statute	Nature of Dues	Amount not deposited (in Rs. lakhs)	Period for which the demand pertains to	Forum where the dispute is pending	
11.	The Central Excise Act 1944	Non-payment of CEC on Captive Consumption	3.68	August 2013 to February 2014	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.
12.	The Central Excise Act 1944	Quantity Variance	97.24	July 2013 to December 2013	CESTAT, Bangalore	
13.	APGST Act, 1957	Sales Tax (on steel, Cement, HSD oil, Explosives etc., to Contractors)	479.62	Financial years 2000-01 to 2004-05	Sales Tax Appellate Tribunal	
14.	APGST Act, 1957	Bonus received from Coal Customers - treated as sale consideration by department and contested by SCCL	10.81	Financial Year 2001-02	Sales Tax Appellate Tribunal	
15.	APGST Act, 1957	Adjustment of credit note issued to customer against APGST payable for August 2003	122.91	Financial Year 2003-04	AC (CT) Warangal, Andhra Pradesh	
16.	AP VAT ACT, 2005	VAT on Steel, Cement, Explosives issued to contractors	2.82	Financial Year 2005-06	AC (CT) Warangal, Andhra Pradesh	
17.	APGST Act, 1957	Sales tax interest on alleged delayed remittance of tax	43.74	Financial Year 2001-02	High Court of Andhra Pradesh	



AN ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT on Consolidated Financial Statements (Contd..) (Referred to in our report of even date)						Management reply on the audit obser- vations (Contd..) (Under Section 134 (3) of the Compa- nies Act, 2013)
Sl. No.	Name of Statute	Nature of Dues	Amount not deposited (in Rs. lakhs)	Period for which the demand pertains to	Forum where the dispute is pending	
18.	Entry Tax Act	Additional tax demand on purchases made from outside AP sales	15.71	Financial Year 2003-04	High Court of Andhra Pradesh	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.
19.	Life Tax On Motor Vehicles Under A.P. 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	
20.	Central Sales Tax Act, 1956	Central Sales Tax	43.89	Financial Year 2007-08	AC (CT) Warangal, Andhra Pradesh	
21.	Andhra Pradesh Tax on Professions, Trades, Callings and Employ - ments Act, 1987	Professional Tax arrears of profes - sional tax reco - very from employees and remittance to the Department	17644.03	Financial Year 1990-91 to 2012-13	Deputy. C.T.O, Kothagudem	
22.	Income Tax Act 1961	Income Tax	414.92	Financial Years 2007-08 & 2009-10	ITAT, Hyderabad	
23.	Income Tax Act 1961	Income Tax	408.91	Financial Year 2011-12 & 2012-13	CIT (Appeals), Vijayawada	
24.	Income Tax Act 1961	Fringe benefit Tax	110.54	Financial Years 2006-07 to 2008-09	ITAT, Hyderabad	



AN ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT on Consolidated Financial Statements (Contd..) (Referred to in our report of even date)						Management reply on the audit obser- ventions (Contd..) (Under Section 134 (3) of the Compa- nies Act, 2013)
Sl. No.	Name of Statute	Nature of Dues	Amount not deposited (in Rs. lakhs)	Period for which the demand pertains to	Forum where the dispute is pending	
25.	Finance Act 1994 / Central Excise Act 1944	Interest on alleged availment of CENVAT Credit of Service Tax	1382.18	Financial Years 2006-07 to 2008-09	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.
26.	CESTAT	Service Tax	5.35	Financial Years 2012-13 to 2013-14	CESTAT, Bangalore.	
27.	Entry Tax Act	Entry Tax	259.70	2007-08	High Court & Supreme Court	
28	Entry Tax Act	Entry Tax	3.96	2008-09	High Court & Supreme Court	
29.	Entry Tax Act.	AP Tax on Entry of Motor vehicles into Local Area Act, 1996 - Tax Demand on purchase of Dumpers, Dozers considering them motor vehicles	4675.51	From 2009-10 to 2011-12	Supreme Court	
		Total	30079.98			



ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT on Consolidated Financial Statements (Referred to in our report of even date)						Management reply on the audit obser- vations (Contd..) (Under Section 134 (3) of the Compa- nies Act, 2013)
In respect of Andhra Pradesh Heavy Machinery and Engineering Limited (Subsidiary Company)						
Sl. No.	Name of Statute	Nature of Dues	Amount not deposited (in Rs. lakhs)	Period for which the demand pertains to	Forum where the dispute is pending	
1.	Sales Tax	Sales Tax	1.84	1991-92	Appellate Tribunal	
2.	Sales Tax	Sales Tax	1.46	1994-95	- do -	
3.	Sales Tax (APGST)	Sales Tax (APGST)	103.87	2003-04	- do -	
4.	Sales Tax (CST)	Sales Tax (CST)	5.24	2003-04	- do -	
5.	Sales Tax (APGST)	Sales Tax (APGST)	205.49	2004-05	- do -	
6.	Sales Tax (CST)	Sales Tax (CST)	14.28	2004-05	- do -	
7.	Customs Duty	Customs Duty	Liability not ascertained	1988	CEGAT	
8.	ESI	ESI Contributions	131.91	1/1/97 to 28/02/2002	"Company preferred to appeal before Hon'ble High Court on the order of the EI Court"	
9.	Central Excise	Roof Bolts Case	122.21	01/2006 to 03/2010	CESTAT Bangalore	
10.	Service Tax	E-1 sales (Business Auxiliary Services)	33.04	2004-09	EPF CCE Appeals, Guntur	
11.	Provident Fund	PF dues to EPFO by the Sub-contracts	35.2	2005-09	EPF Appellate Tribunal, New Delhi	
12.	Sales Tax Works Contract Tax	WCT	33.89	2010-11	Appellate Dy. commissioner -VJA	



ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT on Consolidated Financial Statements (Referred to in our report of even date)						Management reply on the audit obser- vations (Contd..) (Under Section 134 (3) of the Compa- nies Act, 2013)									
Sl. No.	Name of Statute	Nature of Dues	Amount not deposited (in Rs. lakhs)	Period for which the demand pertains to	Forum where the dispute is pending										
13.	Sales Tax (CST)	CST	7.12	2009-10	- do -										
14.	Sales Tax	CST	2.62	2010-11	- do -										
15.	Service Tax	Service Tax	1.47	2010-11 to 2013-14	- do -										
	Total		699.64												
<p>(c) We did not observe delays in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the group.</p> <p>(viii) The group does not have 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>(ix) According to information and explanation given to us and records of the group examined by us, the group has not defaulted in repayment of dues to any financial institution, bank or debenture holders.</p> <p>(x) According to the information and explanations given to us the group has not given any guarantee for the loans taken by others from bank or financial institution.</p> <p>(xi) The group has applied term loans for the purposes for which the loans were obtained.</p> <p>(xii) To the best of our knowledge and belief, and according to the information and explanations given to us, during the year frauds aggregating to Rs.0.98 Lakhs have been reported, as detailed hereunder, on the holding company.</p>						<p>This being a statement of fact calls for no comment separately.</p> <p>This being a statement of fact calls for no comment separately.</p> <p>This being a statement of fact calls for no comment separately.</p> <p>Vigilance department is conducting surprise inspections regularly to curb pilferages/ misappropriation of the property of the company.</p>									
<table border="1"> <thead> <tr> <th>Sl.No</th> <th>Nature of the fraud</th> <th>Amount involved (Rs. in lakhs)</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Pilferage of coal</td> <td>0.78</td> </tr> <tr> <td>2.</td> <td>Pilferage of material</td> <td>0.20</td> </tr> </tbody> </table>						Sl.No	Nature of the fraud	Amount involved (Rs. in lakhs)	1.	Pilferage of coal	0.78	2.	Pilferage of material	0.20	
Sl.No	Nature of the fraud	Amount involved (Rs. in lakhs)													
1.	Pilferage of coal	0.78													
2.	Pilferage of material	0.20													
<p>According to the information and explanation provided to us no fraud by group has been reported during the year.</p> <p>for M/s.Vaithisvaran & Co., Chartered Accountants (Firm Registration Number: 04494S) Sd/- (S. Shankar Raman) Partner (M. No. 209163)</p> <p>Date : 22.8.2015 Place : Hyderabad</p>						<p>for and on behalf of the Board Sd/- (N. Sridhar) Chairman & Managing Director Date : 5.11.2015 Place : Hyderabad</p>									

**BALANCE SHEET AS AT 31ST MARCH, 2015**

(Rs. in crore)

Particulars	Note	2014-2015		2013-2014	
I. EQUITY AND LIABILITIES					
1. Shareholders' Funds					
a) Share Capital	1	1,733.20		1,733.20	
b) Reserves & Surplus	2	2,140.07		1,804.83	
			3,873.27		3,538.03
2. Non-current Liabilities					
(a) Long-term borrowings	3	3,545.59		2,304.77	
(b) Other long term liabilities	4	38.21		41.01	
(c) Long-term provisions	5	10,920.08		10,112.63	
			14,503.88		12,458.41
3. Current Liabilities					
(a) Short-term borrowings	6	12.47		21.55	
(b) Trade payables	7	518.95		438.93	
(c) Other current liabilities	8	2,501.69		2,190.73	
(d) Short-term provisions	9	1018.73		1,116.24	
			4,051.84		3,767.45
Total			22,428.99		19,763.89
II. ASSETS					
1. Non-Current assets					
(a) Fixed Assets					
(i) Tangible Assets	10	3,517.12		3,399.81	
(ii) Intangible Assets	10	654.19		276.41	
(iii) Capital Work-in-Progress	10.1	5,290.26		3,396.22	
(iv) Intangible Assets under Development	10.2	142.71		574.02	
(b) Non-current Investments	11	1,818.77		1,821.03	
(c) Deferred tax assets (net)	12	3,861.26		3,200.31	
(d) Long-term loans and advances	13	659.28		731.83	
			15,943.59		13,399.63
2. Current Assets					
(a) Inventories	14	1,137.19		1,154.12	
(b) Trade Receivables	15	2,149.35		907.68	
(c) Cash and Bank balances	16	2,549.02		3,663.70	
(d) Short-term loans and advances	17	320.62		263.87	
(e) Other current assets	18	329.22		374.89	
			6,485.40		6,364.26
Total			22,428.99		19,763.89
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/-	Sd/-	Sd/-	Sd/-		
(J.Rama Krishna)	(M.Krishna Mohan)	(J.Pavitraran Kumar)	(N.Sridhar)		
G.M (C.A)& Company Secretary	General Manager (F&A)	Director(Finance)&CFO	Chairman & Managing Director		
Date : 22.8.2015	As per our report of even date				
Place : Hyderabad	For M/s.Vaithisvaran & Co., Chartered Accountants				
	(Firm Regn.No.004494S)				
	Sd/-				
	(S.Shankar Raman)				
	Partner (M.No.209163)				
Date : 22.8.2015					
Place : Hyderabad					



Statement of Profit & Loss for the year ended 31st March, 2015

(Rs. in crore)

Particulars	Note	2014-2015	2013-2014
INCOME			
Revenue from operations	19	11,478.27	9,893.35
Other Income	20	635.96	819.13
Total		12,114.23	10,712.48
EXPENSES			
Cost of Materials consumed	21	2,294.17	2,029.71
Changes in Inventories	22	26.47	(434.64)
Employee benefits expenses - Salaries and Wages	23	4,825.38	4,593.13
Employee benefits expenses - Staff Welfare Expenses	24	137.48	234.49
Power & Fuel	25	443.63	384.04
Repairs & Maintenance	26	135.42	94.32
Contractual Expenses	27	1,363.02	836.30
Finance Costs	28	39.11	37.95
Depreciation and Amortization expense	10	924.90	401.07
Provisions	29	332.36	1.50
Write offs	30	8.40	8.69
Other expenses	31	174.88	137.12
Overburden Adjustment		(399.77)	1,929.34
Provision for Back filling (Note No.5.2)		1,058.40	—
Provision for Mine Closure Activity (Note No.5.3)		129.98	—
Total		11,493.83	10,253.02
Profit before exceptional and extraordinary items and tax		620.40	459.46
Exceptional items (Net)	32	0.96	7.00
Profit before extraordinary items and tax		619.44	452.46
Extraordinary Items		—	—
Profit before tax		619.44	452.46
Tax expense:			
(1) Current tax		813.26	759.52
(2) Deferred tax		(660.95)	(708.99)
(3) Earlier years taxes		(23.31)	(16.81)
Profit for the year		490.44	418.74
Basic and Diluted Earnings per Share (Rs.) (Note No.34.6)		2.83	2.42
Significant Accounting Policies	33		
Additional Notes	34		

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

Sd/- (J.Rama Krishna) G.M (C.A)& Company Secretary Date : 22.8.2015 Place : Hyderabad	Sd/- (M.Krishna Mohan) General Manager (F&A) Date : 22.8.2015 Place : Hyderabad	Sd/- (J.Pavitran Kumar) Director(Finance)&CFO As per our report of even date For M/s.Vaithisvaran & Co., Chartered Accountants (Firm Regn.No.004494S) Sd/- (S.Shankar Raman) Partner (M.No.209163)	for and on behalf of the Board Sd/- (N.Sridhar) Chairman & Managing Director
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CASH FLOW STATEMENT FOR THE YEAR 2014-15

(Rs. in crore)

Sl. No.	Particulars	2014-2015		2013-2014	
A.	CASH FLOW FROM OPERATING ACTIVITIES				
	Profit before Tax and Prior Period adjustments		620.40		459.46
	Adjustments For				
	Depreciation	924.90		401.07	
	Assets written off	7.07		7.93	
	Provisions Written back	(7.51)		(230.46)	
	Interest income on investments	(177.80)		(110.80)	
	Interest income on term Deposits	(308.96)		(369.05)	
	Long term provisions	807.45		1965.28	
	Interest expense	39.11		37.95	
	Foreign Exchange Gain/ Loss	(25.10)		2.04	
	Exceptional items (Net)	(0.96)		(1.32)	
			1258.20		1702.64
	Operating profit before working capital changes		1878.60		2162.10
	Adjustments towards changes in				
	Inventories	16.94		(482.69)	
	Trade Receivables	(1241.67)		317.50	
	Other Current Assets	45.67		9.58	
	Short-term Loans and Advances	(56.76)		105.23	
	Long-term Loans and Advances	72.54		153.31	
	Trade payables	80.02		(155.52)	
	Other Long Term Liabilities	(2.80)		(51.63)	
	Other Current Liabilities	336.05		146.83	
	Short Term Provisions	36.22		495.12	
	Tax paid including TDS	(759.42)	(1473.21)	(749.09)	(211.36)
	Net Cash flow from operating activities (A)		405.39		1950.74



Cash flow statement for the year 2014-15 (contd..)				(Rs. in crore)	
Sl. No.	Particulars	2014-2015		2013-2014	
B	CASH FLOW FROM INVESTING ACTIVITIES				
	Increase in fixed assets (including Capital Work-in-progress)	(2889.51)		(2339.78)	
	Investment in equity of Joint Venture	—		(9.80)	
	Investment in Bonds	—		(800.00)	
	Redemptions of Bonds	2.00		2.00	
	Interest Income on investments	177.80		110.80	
	Interest Income on term deposits	308.96		369.05	
	Cash flow from investing activities (B)		(2400.75)		(2667.73)
C	CASH FLOW FROM FINANCING ACTIVITIES				
	Long-term borrowings	1307.16		1342.62	
	Repayment of Government of India Loan	(66.33)		(66.33)	
	Changes in Cash Credit	(9.08)		(18.66)	
	Interest expense	(39.11)		(37.95)	
	Dividend paid	(259.98)		(86.66)	
	Dividend Tax paid	(51.98)		(14.73)	
	Cash flow from Financing activities (C)		880.68		1118.29
D	Net increase in cash and Bank Balances (A+B+C)		(1114.68)		401.30
E	Cash & Bank Balances at the beginning of the year		3663.70		3262.40
F	Cash & Bank Balances at the end of the year (D+E)		2549.02		3663.70
Notes referred to above form an integral part of the Financial Statements					
Sd/- (J.Rama Krishna) G.M (C.A)& Company Secretary Date : 22.8.2015 Place : Hyderabad		Sd/- (M.Krishna Mohan) General Manager (F&A) As per our report of even date For M/s.Vaithisvaran & Co., Chartered Accountants (Firm Regn.No.004494S) Sd/- (S.Shankar Raman) Partner (M.No.209163)		for and on behalf of the Board Sd/- (N.Sridhar) Chairman & Managing Director	



Notes to Balance sheet as at 31st March 2015

NOTE – 1 SHARE CAPITAL

(Rs. in crore)

Particulars	2014-2015	2013-2014
AUTHORIZED 180,00,00,000 Equity Shares of Rs.10/ each	1,800.00	1,800.00
ISSUED, SUBSCRIBED AND PAID-UP 173,31,98,119 Equity Shares of Rs.10/- each fully paid (includes 6,32,145 Equity Shares of Rs.10/- each allotted as bonus shares by capitalisation of general and capital reserves)	1,733.20	1,733.20
Total	1,733.20	1,733.20

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

NOTE – 1.1 The details of Shareholders holding more than 5%:

Name of the Shareholder	2014-2015		2013-2014	
	No. of Shares	% Held	No. of Shares	% Held
Government of Telangana	88,55,99,147	51.0962	-	-
Government of Andhra Pradesh	-	-	88,55,99,147	51.0962
Government of India	84,75,60,000	48.9015	84,75,60,000	48.9015

NOTE – 1.2 Reconciliation of Equity Shares:

Particulars	2014-2015		2013-2014	
	No. of Shares	Amount (Rs. in crore)	No. of Shares	Amount (Rs. in crore)
Shares outstanding at the beginning of the year	173,31,98,119	1,733.20	173,31,98,119	1,733.20
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	173,31,98,119	1,733.20	173,31,98,119	1,733.20

Notes to Balance sheet as at 31st March, 2015 (contd...)

NOTE - 2

RESERVES & SURPLUS

(Rs. in crore)

Particulars	2014-2015		2013-2014	
GENERAL RESERVE				
Opening balance	1,060.40		960.40	
Add : Transfer from Surplus	100.00		100.00	
Closing balance		1,160.40		1,060.40
SURPLUS				
Opening Balance	744.43		738.90	
Add : Net Profit for the Year	490.44		418.74	
Less : Proposed Dividend on Equity shares (@Rs.0.75 per share)	129.99		259.98	
Less: Corporate Dividend Tax	25.21		53.23	
Less: Transfer to General Reserve	100.00		100.00	
Closing Balance		979.67		744.43
Total		2,140.07		1,804.83

NOTE - 3

LONG TERM BORROWINGS

(Rs. in crore)

Particulars	2014-2015	2013-2014
Term Loans		
Secured		
From Government of India (Rs.132.67 crore less current maturities of Rs.66.33 crore)	66.33	132.67
From Power Finance Corporation (PFC)	3,479.26	2,172.10
Total	3,545.59	2,304.77

- 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.
- (ii) This loan is interest free loan and repayable in two annual instalments of Rs.66.33 Crore each.
- 3.2 (i) Loan from Power Finance Corporation is secured by an exclusive first charge by way of hypothecation of all movable assets excluding current assets namely stocks of Raw materials, semi-finished and finished goods, Stores and Spares not relating to Plant and Machinery (consumables Stores and Spares), Bills receivable and Book debts, present and future with the prescribed coverage ratio (presently 1.1 times). An exclusive second charge by way of mortgage on all immovable assets, except Govt. acquired private lands and Govt. assigned lands present and future. An exclusive second charge by way of deed of charge on all immovable assets present and future. Further the PFC shall have an exclusive first charge on the project assets, movable (by way of hypothecation) and immovable (by way of mortgage) on complete repayment of Govt. of India loan as explained in Note 3.1.
- (ii) This Loan is repayable in forty eight equal quarterly instalments of Rs.72.48 Crore each from October, 2016. Interest on this loan is payable @12.25% p.a. on Rs.154.18 Crore and @12% p.a. on Rs.3325.08 Crore with three year reset option.

Notes to Balance sheet as at 31st March, 2015 (contd...)**NOTE - 4****OTHER LONG - TERM LIABILITIES**

(Rs. in crore)

Particulars	2014-2015		2013-2014	
(a) Trade Payables		0.25		0.27
(b) Others				
Deposits from Coal Customers	-		0.06	
Deposits from Others	0.20		0.72	
Deposits from Suppliers & Contractors	37.76		39.96	
		37.96		40.74
Total		38.21		41.01

NOTE - 5**LONG-TERM PROVISIONS**

(Rs. in crore)

Particulars	2014-2015		2013-2014	
(a) Provision for Employee Benefits (Note 34.2)				
Gratuity (to the extent unfunded)	1,170.17		1,224.39	
Leave Encashment (unfunded)	448.18		368.91	
Monthly Monetary Compensation & Low Productive Employee Compensation (unfunded)	150.46		153.61	
		1,768.81		1,746.91
(b) Others				
Overburden Removal Adjustment Net of Advance Action Rs.365.71 crore (Previous Year Rs.281.09 crore)	3,705.57		4,108.42	
Back Filling	5,194.99		4,136.60	
Mine Closure	250.71		120.70	
		9,151.27		8,365.72
Total		10,920.08	10,112.63	

5.1 In respect of all open cast (OC) mines, overburden removal (OBR) adjustment is made as per accounting policy VI in Note 33. During the year stripping ratio was reviewed and revised in respect of 8 OC mines out of 11 eligible OC mines. The review and revision in stripping ratio has resulted in withdrawal of Rs.98.22 Crore credit in OBR Adjustment hitherto charged to revenue in earlier years. Stripping ratio was not reviewed in respect of balance 3 eligible mines as these mines are under review for reorganization and necessary adjustments will be carried out in the year of review.

The carrying amount of OBR Adjustment in respect of these mines is as below:

Sl. No	Mine	Carrying amount of OBR Adjustment / (Advance Action)
1.	SRP – OC I	(Rs. 150.11) crore
2.	SRP – OC II	Rs. 214.54 crore
3.	Koyagudem OC – II	Rs.1,013.76 crore



Notes to Balance sheet as at 31st March, 2015 (contd...)

5.2 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 concept or no such stipulation in the EC.

The estimation of quantity of over burden (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 is not handled till date. However, in our opinion the cost of backfilling is more or less same as the cost for OB removal. Provision is being made from financial year 2009-10 on the basis of coal produced during the year in proportion of 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 outsourced operations.

5.3 The provision for Mine Closure Plan (MCP) is made on the basis of guidelines of Ministry of Coal (MoC) dated 7th January 2013. Mine closure plan has been submitted for 16 OC and 21 UG mines for approval of MoC against 17 OC and 31 UG Mines. Approvals are received in respect of 10 OC and 14 UG mines.

The provision made on the basis of guidelines is subject to approval of mine closure plan in respect of balance mines. During the year Rs.15.61 Crore was deposited in designated account in respect of 20 mines.

Cumulative MCP provision as at 31.03.2015 of Rs.250.71 Crore includes accrued interest of Rs.0.03 Crore earned on such deposit.

NOTE - 6

SHORT-TERM BORROWINGS

(Rs. in crore)

Particulars	2014-2015	2013-2014
Secured :		
Loans payable on demand - from Banks		
Cash Credit	12.12	21.03
Special overdraft account	0.35	0.52
Total	12.47	21.55

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

NOTE - 7

TRADE PAYABLES

(Rs. in crore)

Particulars	2014-2015	2013-2014
(a) Due to Micro, Small & Medium Enterprises	4.37	2.59
(b) Due to Subsidiary - Andhra Pradesh Heavy Machinery & Engineering Limited (APHMEL)	7.96	6.15
(c) Due to Others (includes Stores-in-Transit net of Advances)	506.62	430.19
Total	518.95	438.93



Notes to Balance sheet as at 31 st March, 2015 (contd...)			
NOTE - 8			
OTHER CURRENT LIABILITIES		(Rs. in crore)	
Particulars	2014-2015		2013-2014
(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		79.57	42.16
(c) Unclaimed dividends (Refer Note No.16.1)		0.01	0.01
(d) Other payables			
(i) Salaries & Wages		241.84	242.64
(ii) Others			
Statutory Dues	367.75		270.14
Deposits from Vendors	73.41		31.02
Advances from Coal & Other Customers	492.56		653.78
Deposits from Coal Customers	416.92		376.21
Overdraft in Current Account	21.02		1.41
Creditors for Capital Expenditure	576.53		401.92
Other Liabilities	165.75		105.11
	2,113.94		1,839.59
Total		2,501.69	2,190.73
NOTE - 9			
SHORT-TERM PROVISIONS		(Rs. in crore)	
Particulars	2014-2015		2013-2014
(a) Provision for employee benefits			
Gratuity (unfunded)	1.34		1.37
Leave Encashment (unfunded)	82.04		73.32
Monthly Monetary Compensation (unfunded)	32.00		28.00
Superannuation Benefit (unfunded)	145.19		121.66
Post Superannuation Medical Benefit (unfunded)	106.77		102.86
Performance Related Pay (Net-off PLR/ Spl. Inc.)	79.29		67.95
Performance Linked Reward	229.65		191.40
Corporate Special Incentive	98.00		75.40
		774.28	661.96
(b) Others			
Income Tax (Net of prepaid taxes)	37.74		7.20
Proposed Dividend	129.99		259.98
Tax on Dividend	26.46		53.23
Provision for CSR Expenditure	10.38		-
Excise duty on closing stock of coal (Refer Note 9.2)	39.70		133.69
Shale & Stone	0.18		0.18
		244.45	454.28
Total		1018.73	1,116.24
9.1. Performance Related Pay for the period 2007-08 to 2014-15 payable to Executives of the Company as part of Revised Pay Package, which was adopted and provided by Company on par with other Central Public Sector Units, is pending approval from designated authority.			
9.2. Royalty on Closing Stock of Coal not transacted in the Books Rs.106.77 crore (Previous year Rs.96.21 crore transacted in the Books).			



Notes to Balance sheet as at 31st March, 2015 (contd...)

NOTE – 10
FIXED ASSETS
Tangible Assets

(Rs. in crore)

	Gross block			Depreciation / amortisation			Provisions for diminution in value of assets		Net block			
	As at 31.3.2014 (1)	Additions during the year (2)	Adjustments / deductions (3)	As at 31.3.2015 (4)	Up to 31.3.2014 (5)	for the year (6)	Adjustments deductions (7)	Up to 31.3.2015 (8)	As at 31.3.2014 (9)	As at 31.3.2015 (10)	As at 31.3.2014 (11)	As at 31.3.2015 (12)
1. Lands												
i) Freehold	543.13	13.03	(0.67)	555.49	3.27	-	-	3.27	-	-	552.22	539.86
ii) Leasehold	427.07	9.24	0.67	436.98	248.51	38.19	-	286.70	-	-	150.28	178.56
2. Buildings :												
i) Factory	124.46	24.67	(6.13)	143.00	41.37	4.75	(0.75)	45.37	-	-	97.63	83.09
ii) Others	851.69	19.43	(164.72)	706.40	173.35	18.55	(23.86)	168.04	-	-	538.36	678.34
3. Roads	-	2.25	170.10	172.35	-	97.88	24.14	122.02	-	-	50.33	-
4. Railway sidings	39.52	0.03	-	39.55	24.20	4.07	-	28.27	-	-	11.28	15.32
5. Plant & Equipment	4355.85	858.42	(110.36)	5103.91	2471.54	639.44	(106.45)	3004.53	1.23	0.34	2099.04	1883.08
6. Furniture & Fixtures	13.68	0.58	(0.06)	14.20	9.21	1.24	(0.06)	10.39	-	-	3.81	4.47
7. Vehicles	41.21	1.01	(1.07)	41.15	24.44	4.06	(1.07)	27.43	-	-	13.72	16.77
8. Office Equipment	0.99	0.27	(0.06)	1.20	0.67	0.17	(0.09)	0.75	-	-	0.45	0.32
Total	6397.60	928.93	(112.30)	7214.23	2996.56	808.35	(108.14)	3696.77	1.23	0.34	3517.12	3399.81
Previous year	6005.97	511.35	(119.72)	6397.60	2730.75	378.92	(113.11)	2996.56	0.52	1.23	3399.81	3274.70

Notes to Balance sheet as at 31st March, 2015 (contd....)

NOTE – 10 (Contd....)

FIXED ASSETS
Intangible assets

(Rs. in crore)

	Gross block			Depreciation / amortisation				Provisions for diminution in value of assets		Net block		
	As at 31.3.2014	Additions during the year	Adjustments / deductions	As at 31.3.2015	Up to 31.3.2014	for the year	Adjustments deductions	Up to 31.3.2015	As at 31.3.2014	As at 31.3.2015	As at 31.3.2014	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
1. ERP - Software	17.59	-	-	17.59	17.35	0.07	-	17.42	-	-	0.17	0.24
2. Mine development	954.47	509.43	0.30	1464.20	678.30	131.88	-	810.18	-	-	654.02	276.17
Total	972.06	509.43	0.30	1481.79	695.65	131.95	-	827.60	-	-	654.19	276.41
Previous year	955.46	17.07	(0.47)	972.06	650.92	45.09	(0.36)	695.65	-	-	276.41	304.54
Total	7369.66	1438.36	(112.00)	8696.02	3692.21	940.30	(108.14)	4524.37	1.23	0.34	4171.31	3676.22
Previous year	6961.43	528.42	(120.19)	7369.66	3381.67	424.01	(113.47)	3692.21	0.52	1.23	3676.22	3579.24

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). Roads include Rs.17.14 Crore (Previous year Rs.3.10 Crore) and Plant and Machinery include Rs.1.62 Crore (Previous Year Rs.1.16 Crore) of grants receivable from Coal Conservation Development Advisory Committee.

10(v). Depreciation for the year Rs.940.30 Crore includes - Capitalised Depreciation of Rs. 15.40 Crore (Previous Year Rs. 17.12 Crore)

- Revenue Charge: Rs.924.90 Crore (Previous Year Rs.406.89 Crore)

10(vi) On adoption of useful life as per Schedule-II of Companies Act 2013, the book value of Rs.192.09 Crore on account of life exhausted assets had been charged to Profit & Loss account.



Notes to Balance sheet as at 31 st March, 2015 (contd...)				
NOTE – 10.1				
CAPITAL WORKS-IN-PROGRESS				(Rs. in crore)
	Balance as at 31.3.2014	Additional expenditure	Deletions/ adjustments	Balance as at 31.3.2015
I. Lands	26.17	145.54	22.27	149.44
II. Buildings				
a) Factory	405.17	218.67	24.67	599.17
b) Others	31.72	37.38	21.68	47.42
III. Plant & Equipment (including in transit)	2933.16	2419.40	858.93	4493.63
IV. Furniture & Fixtures	-	1.18	0.58	0.60
V. Vehicles	-	1.01	1.01	-
Total	3396.22	2823.18	929.14	5290.26
Previous year's total	1741.38	2166.19	511.35	3396.22
10.1(i) Interest on borrowings from Power Finance Corporation for construction of STPP, capitalized for the year 2014-15 Rs.319.05 crore (Previous year Rs.145.67 crore). Interest Capitalized up to 31.03.2015 Rs.532.42 crore.				
NOTE – 10.2				
INTANGIBLE ASSETS UNDER DEVELOPMENT				(Rs. in crore)
	Balance as at 31.3.2014	Additional expenditure during the year	Deletions/ adjustments during the year	Balance as at 31.3.2015
Development – Mines	574.02	81.05	512.36	142.71
Total	574.02	81.05	512.36	142.71
Previous year's total	400.98	191.43	18.39	574.02
NOTE - 11				
NON-CURRENT INVESTMENTS				(Rs. in crore)
Particulars	2014-2015		2013-2014	
Non-Trade Investments				
(A) Investment in Equity instruments				
Quoted, fully paid-up Shares				
14,750 shares of Laxmi Porcelains Ltd of Rs.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 Rs.10/- each		0.19		0.19
Investment in Joint Venture				
i. 50,000 NTPC-SCCL Global Ventures Pvt. Ltd of Rs.10/- each		0.05		0.05
ii. 4,900 APMDC-SCCL Suliyari Coal Co. Ltd., of Rs.10/- each		-		-
Investment in Subsidiary				
(i) 91,80,000 Andhra Pradesh Heavy Machinery & Engineering Limited of Rs.10/- each		9.18		9.18
(ii) 49,02,700 APHMEL of Rs.10/- each for total consideration of Re.1/-		-		-



Notes to Balance sheet as at 31 st March, 2015 (contd...)			
NOTE - 11			
NON-CURRENT INVESTMENTS			(Rs. in crore)
Particulars	2014-2015		2013-2014
(B) Investments in debentures or bonds			
Quoted, fully paid-up			
i. 10,000 - 9.75% APPFC power Bonds (Series 2/2012) of Rs.10 lakhs each.		1,000.00	1000.00
ii. 60 - 8.50% APSFC-Non SLR Bonds (Series II/2008) of Rs.10 lakhs each.		6.00	8.00
iii. 8,000 - 9.95% APCPDCL-Power Bonds (Series 1/2014) of Rs.10 lakhs each.		800.00	800.00
(C) Investment Properties		3.35	3.61
Total		1,818.77	1821.03
NOTE - 12			
DEFERRED TAX ASSET (NET)			(Rs. in crore)
Particulars	2014-2015		2013-2014
(A) Deferred tax asset:			
Back filling & Mine Closure plan		1851.00	1447.05
Gratuity		329.76	285.31
Other Employee Benefits		584.05	364.62
VRS Amortisation		0.01	0.01
Overburden Removal		1260.61	1396.49
Total (A)		4025.43	3493.48
(B) Deferred Tax Liability:			
Fixed Assets- Excess of Net Book value over Written down value as per provisions of Income Tax Act		164.17	293.17
Total (B)		164.17	293.17
Net deferred Tax Asset (A-B)		3861.26	3200.31
12.1. The amount of Net Deferred Tax Asset of Rs.3861.26 Crore (Previous year Rs.3200.31Crore) includes amount of Rs.1851.00 Crore (previous year Rs.1447.05 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 realisable at the earliest after 8 to 9 years and so on, on commencement of Backfilling and Mine Closure activities at JK-5 OC, MOCP, GKOC etc. Similarly Long-term Provision for Backfilling & Mine Closure Rs.5445.70 Crore (previous year Rs.4257.30 Crore) will also crystallise simultaneously in the same time frame.			
NOTE - 13			
LONG-TERM LOANS AND ADVANCES			(Rs. in crore)
Particulars	2014-2015		2013-2014
Unsecured, considered good			
Capital Advances		472.63	565.96
Security Deposits		121.70	114.26
Deposits under Protest (VAT, CST, Service Tax, WCT, APGST, Entry Tax)	64.95		51.61
		64.95	51.61
Total		659.28	731.83



Notes to Balance sheet as at 31st March, 2015 (contd...)

13.1 Other loans and advances include Advances to the Directors & Officers of the Company of Rs.9,405/- (Previous Year Rs.1,06,692/-). Current portion amounts to Rs.9,405/- (Previous year Rs.91,237/-).

NOTE - 14
INVENTORIES

(Rs. in crore)

Particulars	2014-2015		2013-2014	
(i) Stores and spares	416.96		390.69	
(ii) Loose tools	1.75		1.54	
	418.71		392.23	
Less: Provision for obsolete, Non-moving stores & shortages and damages	18.80		24.38	
		399.91		367.85
(iii) Finished goods		701.40		739.98
(iv) Work-in-progress		0.53		1.14
(v) Stores in transit		35.35		45.15
Total		1,137.19		1154.12

NOTE - 15
TRADE RECEIVABLES

(Rs. in

crore)

Particulars	2014-2015		2013-2014	
Unsecured, considered good:				
i) Exceeding six months				
Coal	51.24		168.94	
		51.24		168.94
ii) Not exceeding six months:				
(a) Coal	2,095.05		734.84	
(b) Services	3.06		3.90	
		2,098.11		738.74
Unsecured, considered doubtful	343.42		12.22	
Less: Provision for doubtful debts	343.42		12.22	
Total		2,149.35		907.68

Notes to Balance sheet as at 31st March, 2015 (contd...)**NOTE - 16****CASH AND BANK BALANCES**

(Rs. in crore)

Particulars	2014-2015		2013-2014	
Cash and Cash Equivalent				
Cash on hand		0.14		0.12
Balances with banks in Current and Deposit Accounts				
In Deposit Account (Maturity < 3 Months)	460.59		833.72	
In Current Account	17.64		29.85	
Unpaid dividend accounts	0.01		0.01	
		478.24		863.58
Other Bank Balances				
In Deposit Account (Maturity > 3 Months)	2055.00		2800.00	
Deposit under Mine Closure Plan scheme	15.64		-	
		2070.64		2800.00
Total		2,549.02		3,663.70

16.1. Balance with Banks includes unclaimed dividend of Rs.87,890.80 (Previous year Rs.59,152.08).

16.2. Deposit against Mine Closure Plan Scheme is more than 12 months maturity.

(Rs. in crore)

Particulars	2014-2015	2013-2014
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.	23.62	22.59

NOTE - 17**SHORT-TERM LOANS AND ADVANCES**

(Rs. in crore)

Particulars	2014-2015		2013-2014	
Loans & Advances:				
Unsecured, considered good:				
Advances to Staff (Refer Note – 13.1)		50.42		33.20
Advances against Purchases, Services & others		131.57		104.43
Considered Doubtful Adv. Against purchases & services	0.69		1.07	
Less: Provision for Bad & Doubtful Advances	0.69		1.07	
Prepaid Expenses		1.20		1.23
CENVAT & VAT Credit available		104.17		85.81
Advance Fringe Benefit Tax		4.16		4.16
Security Deposits		29.10		35.04
Total		320.62		263.87

Notes to Balance sheet as at 31st March, 2015 (contd...)**NOTE - 18****OTHER CURRENT ASSETS**

(Rs. in crore)

Particulars	2014-2015		2013-2014	
Interest Accrued on Investments - Government Securities		60.21		35.57
Interest accrued on Deposits with Banks		108.82		217.62
Interest Accrued on Loans & Advances		5.60		5.05
Other Receivables - considered good, stowing subsidy, rent, water, electricity etc.		154.59		116.65
Other receivables considered doubtful	10.08		9.75	
Less: Provision	10.08		9.75	
Total		329.22		374.89

Notes to Statement of Profit & Loss for the year ended 31st March 2015**NOTE - 19****REVENUE FROM OPERATIONS**

(Rs. in crore)

Particulars	2014-2015		2013-2014	
(a) Sale of Coal				
Turnover (Gross)		14,078.86		11,927.57
Less : Statutory Levies:				
Royalty	1,341.06		1,146.56	
Stowing excise duty	52.66		47.89	
Clean energy cess	508.02		238.97	
Excise Duty	792.81		684.83	
		2,694.55		2,118.25
		11,384.31		9,809.32
Less: Transfer to Development		12.64		27.29
Turnover (Net)		11,371.67		9,782.03
(b) Income from Services:				
Consultancy Services		4.12		9.34
(c) Other operating revenue:				
Penalty for Short lifting of Coal	-		0.75	
Subsidy received from CC&DAC for stowing, protective works etc.	72.68		76.40	
Bonus for Supply of Coal	29.80		24.83	
		102.48		101.98
Total		11,478.27		9,893.35

Notes to statement of Profit & Loss for the year ended 31st March, 2015 (contd...)**NOTE - 20****OTHER INCOME**

(Rs. in crore)

Particulars	2014-2015		2013-2014	
	(a) Interest Income			
Interest on Investment (Non-trade) Gross	177.80		110.80	
Interest on Term Deposits	308.96		369.05	
Interest on Sundry Debtors for Coal, Loans, Advances to others	39.09		42.48	
		525.85		522.33
(b) Other non-operating income (net of expenses directly attributable to such income)				
Rents	5.08		4.23	
Electricity & Fuel	22.17		21.75	
Water charges	0.70		0.65	
Provisions and Liabilities no longer required	7.51		230.46	
Gain on Exchange variation	25.11		-	
Miscellaneous Receipts	49.54		39.71	
		110.11		296.80
Total		635.96		819.13

NOTE - 21**COST OF MATERIALS CONSUMED**

(Rs. in crore)

Particulars	2014-2015		2013-2014	
	Stores & Spares	587.32		555.52
Explosives	300.00		184.83	
Petrol, Oil and Lubricants (POL)	1,476.67		1,151.48	
Internal consumption of coal	12.11		8.83	
Others	(81.93)		129.05	
Total		2,294.17		2,029.71

NOTE - 22**CHANGES IN INVENTORIES**

(Rs. in crore)

Particulars	2014-2015		2013-2014	
	Opening Stock	739.98		314.17
Less: Internal consumption of coal	12.11		8.83	
Less: Closing Stock	701.40		739.98	
Total		26.47		-434.64

Notes to statement of Profit & Loss for the year ended 31st March, 2015 (contd...)**NOTE - 23****EMPLOYEE BENEFITS EXPENSES - SALARIES AND WAGES**

(Rs. in crore)

Particulars	2014-2015	2013-2014
Salaries, Wages and Allowances	3,610.78	3,389.36
CMPF including administrative charges	389.12	375.77
Attendance Bonus	184.17	189.23
Performance Linked Reward	276.27	217.60
Gratuity	326.03	326.50
Superannuation Benefit	26.71	82.14
Workmen's Compensation, Group Insurance & Group Personal Accident Insurance	3.98	4.13
Directors' Remuneration (Refer Note 34.5)	1.57	1.57
Life cover premia under Gratuity Scheme with LIC	6.75	6.83
Total	4,825.38	4,593.13

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

(Rs. in crore)

Particulars	2014-2015	2013-2014
Social Amenities:		
Employee Welfare Expenses	67.87	73.02
Lumpsum / Monthly Monetary Compensation for dependants	31.81	131.65
Grants to Singareni Collieries Educational Society	37.80	29.82
Total	137.48	234.49

NOTE - 25**POWER & FUEL**

(Rs. in crore)

Particulars	2014-2015	2013-2014
Electricity	443.63	383.40
Others	-	0.64
Total	443.63	384.04

NOTE - 26**REPAIRS & MAINTENANCE**

(Rs. in crore)

Particulars	2014-2015	2013-2014
Railway sidings	3.43	3.12
Buildings	37.65	31.75
Plant & Machinery	94.34	59.45
Total	135.42	94.32

Notes to statement of Profit & Loss for the year ended 31st March, 2015 (contd...)**NOTE - 27****CONTRACTUAL EXPENSES**

(Rs. in crore)

Particulars	2014-2015	2013-2014
Coal Offloading	84.02	97.29
OBR Offloading	856.94	379.44
Transportation Charges	281.57	230.54
Hiring of Heavy Earth Moving Machinery (HEMM), Weighbridge and others	74.30	74.82
Others	66.19	54.21
Total	1,363.02	836.30

NOTE - 28**FINANCE COST**

(Rs. in crore)

Particulars	2014-2015	2013-2014
Interest expense:		
Interest on Cash Credit	0.01	0.02
Interest on Loans (Refer 10.1(i))	0.14	14.49
Interest on Others	38.96	23.44
Total	39.11	37.95

NOTE - 29**PROVISIONS**

(Rs. in crore)

Particulars	2014-2015	2013-2014
Obsolete Stores	-	0.01
Shortages & Damages	-	0.01
Doubtful Debts / Advances	331.53	0.58
Diminution in value of assets	0.21	0.90
Others	0.62	-
Total	332.36	1.50

NOTE - 30**WRITE-OFFS**

(Rs. in crore)

Particulars	2014-2015	2013-2014
Bad & Doubtful Debts	-	0.03
Stores & spares	-	0.02
Advances	0.26	-
Assets	7.07	7.93
Obsolete Stores	1.07	0.71
Total	8.40	8.69

Notes to statement of Profit & Loss for the year ended 31st March, 2015 (contd...)**NOTE - 31****OTHER EXPENSES**

(Rs. in crore)

Particulars	2014-2015		2013-2014	
(a) Selling & Distribution		57.53		44.56
(b) Gain/ Loss on Exchange Rate variance		0.01		2.04
(c) CSR Expense Provision		10.38		-
(d) Others:				
Rents	1.44		0.40	
Insurance	0.74		0.82	
Rates & Taxes	5.42		5.38	
Travelling Expenses	9.05		8.04	
Postage, Telegrams and Telephone	2.68		1.90	
Legal Expenses	2.60		1.38	
Bank Charges and Commission	1.49		1.04	
CISF Salaries and Wages	36.00		33.17	
Directors' Travelling Expenses	0.81		1.41	
Auditors' Remuneration:				
Audit Fee	0.13		0.10	
Tax Audit	0.00		0.03	
Out of Pocket Expenses	0.04		0.03	
Advertisements	4.79		4.65	
Research and Development Expenses	1.57		3.51	
Journals and Periodicals	0.17		0.14	
Printing and Stationary	0.44		0.41	
Voluntary Retirement Compensation	0.00		0.01	
Plantation Expenditure	7.18		5.83	
Other expenses	32.41		22.27	
		106.96		90.52
Total		174.88		137.12

31.1 CSR Activities have been identified and Budgets allocated. Expenses will be incurred in due course.

NOTE - 32**EXCEPTIONAL ITEMS**

(Rs. in crore)

Particulars	2014-2015		2013-2014	
Prior period income:				
Depreciation Provided in Earlier Years Written Back	0.01		0.14	
Credits & Adjustments pertaining to Earlier Years	—		0.48	
Other Income	(2.35)		1.87	
		(2.34)		2.49
Prior period expenditure				
Salaries, Wages, Bonus, Exgratia etc.	-		(2.70)	
Maintenance Charges etc., on Railway Sidings	-		(1.21)	
Depreciation	-		5.82	
Other Expenses	(1.38)		7.58	
		(1.38)		9.49
Total		0.96		7.00



Notes to Accounts as at 31st March, 2015

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, **on termination of contracts**, interest on belated payment of coal dues 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, **other than subsidiary**.
 - 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 **of power utilities and mark up/ cost plus price wherever applicable less rehandling charges**.
 - 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, 2015 (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 Rs.5.00 lakhs in each case.

V. DEPRECIATION / AMORTISATION:

1. Depreciation is provided on Straight Line Method in respect of 18 MW Power House at Ramagundam from inception and on additions to Fixed Assets from 1.4.1985. Depreciation on other Fixed Assets is provided on written down value method on the assets purchased before 1.4.1985.

2. Depreciation is provided at the *lives* specified in **Schedule-II of the Companies Act, 2013**, except the following:

LHDs (**7 Years**) and Jumbo Drills (**7.5 Years**) at CDF Panel, SDLs (**4 Years**), Self Contained Self Rescuers (**10 Years**), **35T Dumpers (6 Years)**, **Hydraulic Shovels upto 5 CU.M (7 Years)**, **Blast Hole Drills <160mm (7 Years)**, **Coal Tubs (1 Year)**, **Winding Ropes (1 Year)**, **Safety Lamps (1 Year)**, **Stowing Pipes (1 Year)**, and **Assets whose actual cost does not exceed Rs.5000/- (1 Year)** are depreciated on the basis of estimated life, which is lower than **specified in Schedule-II**.

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 as estimated in the feasibility report/ latest estimate of Project life **not exceeding 10 years**.

VI. OVERBURDEN REMOVAL (OBR):

i. Expenditure on Overburden Removal is charged at Stripping Ratio of the Open Cast projects irrespective of the Ratio of Actual Removal during the year. Expenditure on OB Removal is booked in the natural heads. The variance between actual OB Removal expenditure and OB Removal charge as per Stripping Ratio is shown as OB Removal adjustment account. Interest, Depreciation and Overheads on OB Removal are treated as period cost and not considered for arriving at OB Removal charge.

ii. Stripping Ratio of the Open Cast Projects are to be generally reviewed starting from 2004-05 and thereafter 2009-10, 2014-15 and so on except those;

- a) Projects that have not completed 5 years Revenue workings. Such projects will be taken up in the general review due after completion of 5 years.
- b) In case of closure, reorganization, addition & deletion of coal/ Overburden 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.



Notes to Accounts as at 31st March, 2015 (NOTE-33 SIGNIFICANT ACCOUNTING POLICIES (contd..))

- b. Sales of coal are net of statutory dues and accepted deductions made by customers on account of quality of coal etc.
- c. The revenue recognition is done where there is a reasonable certainty of collection. Revenue recognition is postponed in case of uncertainty only as assessed by management.

VIII. 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.

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



Notes to Accounts as at 31st March, 2015 (NOTE-33 SIGNIFICANT ACCOUNTING POLICIES (contd..))

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,2015 (contd...)

NOTE – 34
ADDITIONAL NOTES

(Rs. in crore)

S.No	Particulars	31.3.2015	31.3.2014
34.1	a) Contingent liabilities and commitments:		
	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)	1.09	0.98
	iii) Motor Accident claims(cases contested – court)	0.59	0.99
	iv) Police Guard(excess man power billed disputed)	4.75	4.75
	v) S C Railways(damages, demurrages etc. disputed)	1.18	1.10
	vi) Water Royalty(billed at Industrial rate disputed)	4.15	3.82
	vii) Vacant Land Tax (Levy contested)	16.06	16.06
	viii) Contractors & Suppliers	166.85	173.37
	ix) Other disputed claims & Legal cases etc.	3.04	4.81
	x) Service Tax demands raised on OBR contractors by Service Tax Department treating value of free issue of 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. 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. 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.	337.64	329.21
	xi) (a) Customs, Central Excise & Service Tax Department, issued Notice No.O.C.No.650/2010, dated 22.09.2010, demanding Interest payment of Rs.13,82,17,534/- on alleged availment of Input Service Tax Credit on ineligible services of Rs.52,62,75,583/- (from 2006-07 to 2008-09), though the same was not utilized by SCCL. Appeal is filed before CESTAT Bangalore and the same is pending adjudication.	13.82	13.82

Notes to Accounts as at 31st March, 2015 (contd...) Note-34 Additional Notes (contd...)

S.No	Particulars	31.3.2015	31.3.2014
	(b) Excise Duty demands on quantity disputes.	4.27	3.30
	(c) Education Cess and Sec. Higher Education Cess demand raised by Excise Department from March, 2011 to March, 2015 contested by SCCL	37.72	35.32
	(d) Demand for Clean Energy Cess	0.47	0.42
xii)	Tax Demands from Commercial Taxes Department (including entry tax) which are disputed by SCCL and pending before various appellate authorities for adjudication.	9.29	98.35
xiii)	Tax Demands from Income Tax Department which are disputed by SCCL and pending before various appellate authorities for adjudication.	56.77	53.06
xiv)	Service Tax demand on TDS Component on import Services for the period October, 2012 to March, 2014 raised by the Service Tax Department was disputed and pending before CESTAT for adjudication.	0.05	-
xv)	Profession Tax: Dy. C.T.O., KGM has issued a Demand Notice as per G.O. No. 14897/CT-IV/2004, Dt. 23.02.2013 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.	176.44	176.44
xvi)	Claims in respect of suits filed by the Pattadars for additional compensation for Acres: 3688, Guntas: 23 (Previous year: Acres 5796, Guntas 21¼) contested by the Company and pending in Courts.	Not quantifiable	Not quantifiable
xvii)	An amount of Rs.10.66 crore has been charged to M/s.B.G.R. Mining & Infra Pvt. Ltd., towards lead variation charges and recognised as income during the year 2012-13. As against recovered amount of Rs.10.66 crore, an amount of Rs.5.81 crore was released during the year 2013-14 keeping the Bank Guarantees for an amount of Rs.7.65 crore as collateral security. A case has been filed by the contractor before the Hon'ble Principal Dist. Judge, Khammam challenging the above recovery.		
xviii)	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, which is 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 Rs.11.38 crore (Previous year Rs.19.04 crore) as on 31.3.2015, not provided in Books of Account.		
xix)	Coal pilferage was reported in financial year 2013-14 involving 12099 Tonnes, valued at Rs.4.04 crore. The party made a conditional deposit of Rs.4.37 crore and the amount is kept under deposits. Pending enquiry issue is not dealt in the books.		
The contingent liabilities indicated above are excluding interest wherever applicable.			

Notes to Accounts as at 31st March, 2015 (contd...) Note-34 Additional Notes (contd...)

34.1 b) Capital Commitments:		(Rs.in crore)			
Particulars		31.3.2015		31.3.2014	
i) a)	Estimated value of capital commitment for 2x600 MW MPP Singareni Thermal Power Project, Jaipur, Telangana State.	1828.71		2923.62	
	b) Estimated value of capital commitments of other contracts to be executed.	697.11		573.32	
ii)	The balance value of Surrounding Habitats Assistance Programme (SHAPE) works to be executed.	15.61		17.82	
34.2 Disclosures as per accounting standard AS:15 (Revised):					
Employee benefits Defined Benefit Plans:					
a) Gratuity and Leave Encashment Plan:		(Rs.in crore)			
Particulars		Gratuity		Leave encashment	
		31.3.2015	31.3.2014	31.3.2015	31.3.2014
Changes in the present value of obligations					
Obligations at beginning of the year		2976.30	2777.92	433.91	389.85
Current Service cost		83.22	92.78	76.39	85.35
Interest cost		226.49	214.13	34.71	31.19
Benefits paid		(326.47)	(287.89)	-	-
Actuarial(gain)/loss		201.18	179.35	(24.83)	(72.48)
Obligations at the end of the year, at present value		3160.72	2976.30	520.18	433.91
Change in Fair value plan assets					
Plans assets at beginning of the year, at fair value		1751.91	1704.01	Unfunded	Unfunded
Expected return on plan assets		180.08	151.67		
Actuarial(gain)/loss		-	-		
Contributions		385.03	184.12		
Benefits paid		(326.47)	(287.89)		
Fair value of plan assets at the end of the year		1990.55	1751.91		
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.		3160.72	2976.30	520.18	433.91
Fair value of plan assets at the end of the year		1990.55	1751.91	-	-
Assets/(liability) recognized in the balance sheet		(1170.17)	(1224.39)	(520.18)	(433.91)
Expense Recognised in Statement of Profit & Loss:					
Current Service cost		83.22	92.78	76.39	85.35
Interest cost		226.49	214.13	34.71	31.19
Expected return on plan assets		(180.08)	(151.67)	-	-
Actuarial(gain)/loss		201.18	179.35	(24.83)	(72.48)
Net gratuity cost		330.81	334.60	86.27	44.06
Assumptions:					
Interest rate		8%	8%	8%	8%
Expected return on plan assets		9.50%	9.40%	-	-
Expected rate of salary increase		6%	4%	6%	4%

Notes to Accounts as at 31st March, 2015 (contd...) Note-34 Additional Notes (contd...)

	<p>Gratuity obligation at beginning of the year includes Rs.145.12 crore towards claims unsettled and Rs.125.70 crore at the end of the year.</p>		
b)	<p>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 Rs.106.77 crore as at 31.3.2015, as against provision of Rs.102.86 crore upto 31.3.2014. An amount of Rs.6.26 crore is charged to Revenue includes Rs.2.35 crore paid under the Scheme.</p>		
c)	<p>Monthly Monetary Compensation to dependants of deceased in mines accidents/ medical unfit, etc., & Low Productive Employees are valued on actuarial basis and actuarial liability as at 31.3.2015 is Rs.182.46 crore (Previous Year Rs.181.61 crore). An amount of Rs.31.14 crore charged against Revenue includes Rs.30.29 crore paid under the Scheme.</p>		
34.3	Defined contribution plan includes the following:	(Rs. in crore)	
		31.3.2015	31.3.2014
	i) Coal Mines Provident Fund Scheme is a defined contribution plan and charged off to Statement of Profit & Loss.	389.12	375.77
	ii) Superannuation & Pension Benefit to the Executive Cadre employees was provided and charged off to Statement of Profit & Loss.	23.10	21.89
34.4	<p>Related Party Transactions (AS-18): Related Parties:</p>		
	<p>i) Subsidiary Company: Andhra Pradesh Heavy Machinery & Engineering Limited, Vijayawada: On the recommendation of Audit Committee in the meeting dt.28.10.2014 ratified/ approved certain transactions.</p>		
	<p>ii) NTPC-SCCL Global Ventures Private Limited, a Joint Venture by SCCL and NTPC: Consequent to the cancellation of allotment of 214 Coal Blocks including Thalaipalli Coal Block by the Hon'ble Supreme Court vide its judgement dated 24.09.2014, the SCCL Board in the meeting held on 26.12.2014 decided for Voluntary winding up of NTPC-SCCL GVPL.</p>		
	<p>iii) APMDC-SCCL Suliyari Coal Company Ltd., a Joint Venture by SCCL and APMDC: During the year there are no operations. The Joint Venture was formed for exploration of coal in Suliyari Coal Block. Hon'ble Supreme Court vide its judgement dated 25.8.2014 has cancelled this Coal Blocks allocation.</p>		
	<p>iv) Whole time Directors of SCCL: S/Sri N. Sridhar, C&MD (from 1.1.2015), Sutirtha Bhattacharya, C&MD (upto 31.12.2014) and other Directors: S/Sri S Vivekanand, Director (Finance) (upto 20.03.2015) and Director (P,A&W)(FAC)(from 2.12.2014 to 20.03.2015), B. Ramesh Kumar, Director (Operations) and Director (P,A&W) (FAC) (from 20.3.2015) T. Vijaya Kumar, Director (P,A&W) (upto 2.12.2014), A. Manohar Rao, Director (Planning & Projects) and Director (Finance) (FAC) (from 20.3.2015), P. Ramesh Babu, Director (Electrical & Mechanical).</p>		
	<p>v) Advances due from whole time Directors and Officers are disclosed under Note No.13&17.</p>		
34.5	<p>Details of remuneration of the Chairman & Managing Director and whole-time Directors</p>		
		(Rs.in crore)	
	Particulars	31.3.2015	31.3.2014
	i) Salaries and allowances	1.32	1.35
	ii) Contribution to PF & Pension	0.13	0.12
	iii) Others	0.12	0.10
	Total	1.57	1.57

Notes to Accounts as at 31st March, 2015 (contd...) Note-34 Additional Notes (contd...)

34.6 Earnings Per Share (AS-20): (Basic and Diluted)		(Rs.in crore)			
Particulars		31.3.2015	31.3.2014		
i) Profit after Tax (Rs. in Crore)		490.44	418.74		
ii) Number of Ordinary Equity Shares (fully paid-up) (Nos.)		1733198119	1733198119		
iii) Earnings per share (i / ii) (Rs.)		2.83	2.42		
34.7 Provisions:		(Rs.in crore)			
Provided for	Opening Balance	Additions during the Year	Written back/ Adj./Paid during the Year	Closing Balance	
Long-Term:					
Gratuity	1224.39	330.81	385.03	1170.17	
Leave Encashment	368.91	79.27	-	448.18	
Monthly Monetary Compensation & Low Productive Employee Compensation	153.61	0.85	4.00	150.46	
Backfilling	4136.60	1058.39	-	5194.99	
Mine Closure	120.70	130.01	-	250.71	
Overburden Removal	4108.42	-	402.85	3705.57	
Total	10112.63	1599.33	791.88	10920.08	
Short -Term:					
Gratuity	1.37	-	0.03	1.34	
Leave Encashment	73.32	81.94	73.22	82.04	
MMC & LPE	28.00	34.29	30.29	32.00	
Superannuation Fund	121.66	23.53	-	145.19	
Post Superannuation Medical Benefit-Executives	102.86	6.26	2.35	106.77	
Performance Related Pay - Executives	67.95	11.34	-	79.29	
PLB/ PLR (Exgratia)	191.40	281.40	243.15	229.65	
Corporate Special Incentive	75.40	106.00	83.40	98.00	
Income Tax	7.20	813.26	782.72	37.74	
Proposed Dividend - Final	259.98	129.99	259.98	129.99	
Tax on proposed dividend	53.23	25.21	51.98	26.46	
Provision for CSR expenditure	-	10.38	-	10.38	
Excise Duty on Closing Stock	133.69	39.70	133.69	39.70	
Shale & Stone	0.18	-	-	0.18	
Total	1116.24	1563.30	1660.81	1018.73	

Notes to Accounts as at 31st March, 2015 (N O T E – 34 ADDITIONAL NOTES (Contd....))**34.8 Changes in Significant Accounting Policies:**

Sl. No.	Existing	Revised	Remarks and financial impact
II	<p>SYSTEM OF ACCOUNTING:</p> <p>Company follows Mercantile System of Accounting except, in the following cases:</p> <p>a) Penalty for short lifting of coal, interest on belated payment of coal dues and loans & advances to subsidiary company on realisation.</p> <p>d) Additional claims from contractors on Capital Works when claims are settled,</p>	<p>a) Penalty for short lifting of coal, on termination of contracts, interest on belated payment of coal dues on realisation.</p> <p>d) Additional claims from contractors on Capital Works when claims are settled other than subsidiary.</p>	<p>Practice being followed has been stated as Policy in respect of penalty on termination of contracts. Interest on loans & advances to subsidiary company has been removed to attain uniformity in accounting policies among holding and subsidiary company as per requirement of consolidation of financial statements.</p> <p>No financial impact on current year profit due to above changes.</p> <p>Policy has been changed to attain uniformity in accounting policies among holding and subsidiary company as per requirement of consolidation of financial statements.</p> <p>No financial impact on current year profit due to above changes.</p>
III	<p>INVENTORIES:</p> <p>a) Coal</p> <p>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.</p>	<p>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 of power utilities and mark up/ cost plus price wherever applicable less rehandling charges</p>	<p>No financial impact in respect of inclusion of selling price of power utilities. Practice being followed has been stated as Policy.</p> <p>Increase in profit by Rs.19.67 Crore due to considering mark up/ cost plus price where ever applicable in arriving at Net Realisable Value.</p>

Notes to Accounts as at 31st March, 2015 (N O T E – 34 ADDITIONAL NOTES (Contd....))

Sl. No.	Existing	Revised	Remarks and financial impact
V.	<p>DEPRECIATION/ AMORTISATION:</p> <p>2. Depreciation is provided at the rates specified in Schedule XIV of the Companies Act, 1956, except the following:</p> <p>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.</p> <p>4. Intangible Assets –</p> <p>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.</p>	<p>2. Depreciation is provided at the lives specified in Schedule-II of the Companies Act, 2013, except the following:</p> <p>LHDs (7 Years) and Jumbo Drills (7.5 Years) at CDF Panel, SDLs (4 Years), Self Contained Self Rescuers (10 Years), 35T Dumpers (6 Years), Hydraulic Shovels upto 5 CU.M (7 Years), Blast Hole Drills <160mm (7 Years), Coal Tubs (1 Year), Winding Ropes (1 Year), Safety Lamps (1 Year), Stowing Pipes (1 Year), and Assets whose actual cost does not exceed Rs.5000/- (1 Year) are depreciated on the basis of estimated life, which is lower than specified in Schedule-II.</p> <p>4. Intangible Assets –</p> <p>b) Mine Development is amortised over Project life as estimated in the feasibility report/ latest estimate of Project life not exceeding 10 years.</p>	<p>Life is indicated in years instead of rate in respect of LHDs, Jumbo Drills, SDLs and Self Contained Self Rescuers. No financial impact due to change.</p> <p>In respect of 35T Dumpers, Hydraulic Shovels upto 5 CU.M and Blast Hole Drills <160mm life as per approved survey off norms is adopted.</p> <p>In respect of other assets the lives are specifically disclosed as the rates adopted in earlier years is different than lives specified in Schedule-II of Companies Act, 2013. No impact on current year profit</p> <p>Mine Development being an intangible asset amortisation is covered under AS-26 wherein there is a rebuttable presumption that useful life does not exceed 10 years, hence changed.</p>



Notes to Accounts as at 31st March, 2015 (N O T E – 34 ADDITIONAL NOTES (Contd....))

34.9 Physical verification of all Fixed Assets: Physical verification of all Fixed Assets with original value of Rs.3 lakh 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 > Rs.50 Lakh annually.
- ii) Fixed Assets with original value > Rs.10 Lakh and < Rs.50 Lakh once in three years (2nd year of Block).
- iii) Fixed Assets with original value > Rs.3 Lakh and < Rs.10 Lakh once in three years (3rd year of Block).

In respect of (i) & (iii) the Assets were physically verified during 2014-15 and deviations accounted and in respect of other assets the same are confirmed as available based on certification by the unit head.

34.10. 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.

Particulars	(Rs. in crore)	
	31.3.2015	31.3.2014
The principal amount remaining unpaid (But not due)	4.37	2.59
Interest due thereon (interest due and / or payable)	Nil	Nil

34.11.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: Rs.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.

(Rs. in crore)

Particulars	31.3.2015 (Audited)	31.3.2014 (Audited)
Assets	0.0508	0.0497
Liabilities	0.0508	0.0497
Income	0.0044	0.0043
Expenditure	0.0015	0.0011
Profit before tax	0.0029	0.0032
Corporate Tax	(0.0014)	(0.0013)
Profit after tax	0.0015	0.0019
Cumulative Profit/Loss	0.003	(0.0012)



Notes to Accounts as at 31st March, 2015 (N O T E – 34 ADDITIONAL NOTES (Contd....))

34.11.(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 Suliyari 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 Rs.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 Suliyari 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: Rs.49,000 & Rs.9,79,51,000/- paid towards Share application.
- 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 not disclosed as the entities financials are not finalised yet.

34.12 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 is continued to be under the ownership of the Company for which no recovery is made from the Society.

34.13 Turnover, closing stock and opening stock: (Rs. in crore)

Particulars	31.3.2015	31.3.2014
*Turnover	11384.30	9809.32
Closing stock	701.40	739.98
Opening Stock	739.98	314.17

* Turnover includes capital sales valuing Rs.12.64 crore (Pre.Yr. Rs. 27.29 crore)

34.14 CIF Value of Imports: (Rs. in crore)

Particulars	31.3.2015	31.3.2014
Components ,Stores & Spare Parts	38.53	61.47
Capital Goods	2.41	51.35

34.15 Expenditure in Foreign Currency: (Rs. in crore)

Particulars	31.3.2015	31.3.2014
Foreign tours	0.18	0.62
Consultancy payments	0.56	2.34
Others	21.37	20.62



Notes to Accounts as at 31st March, 2015 (N O T E – 34 ADDITIONAL NOTES (Contd....))

34.16 Consumption of Stores & Spares:

(Rs. in crore)

Particulars	31.3.2015		31.3.2014	
	Amount	% of total consumption	Amount	% of total consumption
Imported	51.46	2.24	57.78	2.84
Indigenous	2242.71	97.76	1970.56	97.16
Total	2294.17	100.00	2028.34	100.00

34.17 Certain balances of trade receivables, trade payables, advances, deposits are subject to confirmation, reconciliation and adjustments, if any.

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

Signatures to Notes

Sd/-	Sd/-	for and on behalf of the Board	
(J.Rama Krishna)	(M.Krishna Mohan)	Sd/-	Sd/-
G.M (C.A)& Company Secretary	General Manager (F&A)	Director(Finance)&CFO	Chairman & Managing Director

Date : 22.8.2015,
Place : Hyderabad.

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

Date : 22.8.2015
Place : Hyderabad

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



FORM AOC-1

[Pursuant to first proviso to sub-section (3) of section 129 read with rule of 5 of Companies (Accounts) Rules, 2014]

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts Rs. in Crore)

1.	Name of the subsidiary	Andhra Pradesh Heavy Machinery & Engineering Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	NA
4.	Share capital	17.27
5.	Reserves & surplus	40.85
6.	Total assets	80.70
7.	Total Liabilities	80.70
8.	Investments	—
9.	Turnover	74.30
10.	Profit before taxation	4.40
11.	Provision for taxation	1.89
12.	Profit after taxation	2.51
13.	Proposed Dividend	—
14.	% of shareholding	81.54%

Sd/- (J.Rama Krishna) G.M (C.A)& Company Secretary Date : 22.8.2015, Place : Hyderabad.	Sd/- (M.Krishna Mohan) General Manager (F&A)	Sd/- (J.Pavitrn Kumar) Director(Finance)&CFO	Sd/- (N.Sridhar) Chairman & Managing Director
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for and on behalf of the Board



Part “B”: Associated and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures;

1.	Name of Associates/ Joint Ventures	NTPC – SCCL Global Ventures Private Limited	APMDC - SCCL Suliyari Coal Company Limited
2.	Latest audited Balance Sheet Date	31.03.2015	—
3.	Shares of Associate/ Joint Ventures held by the company on the year end.		
	No.	50000	4900
	Amount of Investment in Associates/ Joint Ventures (Rs. in Crore)	0.05	0.0049
	Extent of Holding %	50%	49%
4.	Description of how there is significant influence	By virtue of shareholding	By virtue of shareholding
5.	Reason why the associate/ joint venture is not consolidated	NA	Financial statements are not made available
6.	Net worth attributable to Shareholding as per latest audited Balance Sheet (Rs. in Crore)	0.05	—
7.	Profit/ Loss for the year		
	i) Considered in Consolidation (Rs. in Crore)	0.0015	0.00
	ii) Not considered in Consolidation	—	—

Sd/-
(J.Rama Krishna)
G.M (C.A)& Company Secretary
Date : 22.8.2015,
Place : Hyderabad.

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

for and on behalf of the Board
Sd/-
(J.Pavitran Kumar) Director(Finance)&CFO
Sd/-
(N.Sridhar) Chairman & Managing Director



Balance Sheet as at 31st March, 2015 (Consolidated)

(Rs. in crore)

Particulars	Note	2014-2015	
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
a) Share Capital	1	1,733.20	
b) Reserves & Surplus	2	2,181.24	3,914.44
2. Minority interest			8.02
3. Non-current Liabilities			
(a) Long-term borrowings	3	3,545.59	
(b) Other long term liabilities	4	38.32	
(c) Long-term provisions	5	10,927.44	14,511.35
4. Current Liabilities			
(a) Short-term borrowings	6	13.85	
(b) Trade payables	7	516.15	
(c) Other current liabilities	8	2,506.87	
(d) Short-term provisions	9	1,020.58	4,057.45
Total			22,491.26
II. ASSETS			
1. Non-Current assets			
(a) Fixed Assets			
(i) Tangible Assets	10	3,507.73	
(ii) Intangible Assets	10	654.19	
(iii) Capital Work-in-Progress	10.1	5,287.84	
(iv) Intangible Assets under Development	10.2	142.71	
(b) Non-current Investments	11	1,809.54	
(c) Deferred tax assets (net)	12	3,864.41	
(d) Long-term loans and advances	13	660.77	15,927.19
2. Goodwill on Consolidation			14.95
3. Current Assets			
(a) Inventories	14	1,151.33	
(b) Trade Receivables	15	2,191.86	
(c) Cash and Bank balances	16	2,554.61	
(d) Short-term loans and advances	17	322.09	
(e) Other current assets	18	329.23	6,549.12
Total			22,491.26
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) GM (C.A)& Company Secretary	Sd/- (M.Krishna Mohan) General Manager (F&A)	Sd/- (J.Pavitran Kumar) Director(Finance)&CFO	Sd/- (N.Sridhar) Chairman & Managing Director
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Date : 22.8.2015
Place : Hyderabad

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

Date : 22.8.2015
Place : Hyderabad

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



Statement of Profit & Loss for the year ended 31st March, 2015 (Consolidated)

(Rs. in crore)

Particulars	Note	2014-2015
INCOME		
Revenue from operations	19	11,523.25
Other Income	20	638.45
Total		12,161.70
EXPENSES:		
Cost of Materials consumed	21	2,307.35
Changes in Inventories	22	26.90
Employee benefits expenses - Salaries and Wages	23	4,847.85
Employee benefits expenses - Staff Welfare Expenses	24	138.30
Power & Fuel	25	444.53
Repairs & Maintenance	26	135.96
Contractual Expenses	27	1,364.60
Finance Costs	28	39.37
Depreciation and Amortization expense	10	926.31
Provisions	29	333.11
Write offs	30	8.40
Other expenses	31	177.01
Overburden Adjustment		-399.77
Provision for Back filling (Note No.5.2)		1,058.40
Provision for Mine Closure Activity (Note No.5.3)		129.98
Total		11,538.30
Profit before exceptional and extraordinary items and tax		623.40
Exceptional items (Net)	32	0.28
Profit before extraordinary items and tax		623.12
Profit before tax		623.12
Tax expense:		
(1) Current tax		816.01
(2) Deferred tax		-661.67
(3) Earlier years taxes		-23.45
Profit for the year		492.23
Less: Share of Minority		-0.33
Profit for the Group		491.90
Basic and Diluted Earnings per Share (Rs.) (Note No.34.6)		2.84
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) GM (C.A)& Company Secretary	Sd/- (M.Krishna Mohan) General Manager (F&A)	Sd/- (J.Pavitrn Kumar) Director(Finance)&CFO	Sd/- (N.Sridhar) Chairman & Managing Director
--	--	--	---

Date : 22.8.2015
Place : Hyderabad

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

Date : 22.8.2015
Place : Hyderabad

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



Cash flow statement for the year 2014-15 (Consolidated)

(Rs. in crore)

Sl. No.	Particulars	2014-2015	
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit before Tax and Prior Period adjustments		623.40
	Adjustments For		
	Depreciation	926.32	
	Assets written off	7.08	
	Provisions Written back	(7.51)	
	Interest income on investments	(177.80)	
	Interest income on term Deposits	(309.93)	
	Long term provisions	806.94	
	Interest expense	39.36	
	Foreign Exchange Loss	(25.10)	
	Exceptional items (Net)	(0.28)	
			1,259.08
	Operating profit before working capital changes		1,882.48
	Adjustments towards changes in		
	Inventories	21.79	
	Trade Receivables	(1,257.57)	
	Other Current Assets	45.74	
	Short-term Loans and Advances	(58.04)	
	Long-term Loans and Advances	72.54	
	Trade payables	87.76	
	Other Long Term Liabilities	(2.97)	
	Other Current Liabilities	333.19	
	Short Term Provisions	36.27	
	Tax paid including TDS	(762.03)	(1,483.32)
	Net Cash flow from operating activities (A)		399.16



Cash flow statement for the year 2014-15 (Consolidated) (contd..)

(Rs. in crore)

Sl. No.	Particulars	2014-2015	
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Increase in fixed assets (including Capital Work-in-progress)	(2,889.26)	
	Investment in equity of Joint Venture	0.05	
	Redemptions of Bonds	2.00	
	Interest Income on investments	177.80	
	Interest Income on term deposits	309.93	
	Cash flow from investing activities (B)		(2,399.48)
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Long-term borrowings	1307.16	
	Repayment of Government of India Loan	(66.33)	
	Changes in Cash Credit	(7.70)	
	Interest expense	(39.36)	
	Dividend paid	(259.98)	
	Dividend Tax paid	(51.98)	
	Cash flow from Financing activities (C)		881.81
D	Net increase in cash and Bank balances (A+B+C)		(1,118.51)
E	Cash & Bank balances at the beginning of the year		3,673.13
F	Cash & Bank balances at the end of the year (D+E)		2,554.62

Note referred to above form an integral part of the Financial Statements.

for and on behalf of the Board

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

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

Sd/-
(J.Pavitrana Kumar)
Director(Finance)&CFO

Sd/-
(N.Sridhar)
Chairman & Managing Director

Date : 22.8.2015
Place : Hyderabad

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

Date : 22.8.2015
Place : Hyderabad

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



Notes to Balance sheet as at 31st March 2015 (Consolidated)

NOTE – 1

SHARE CAPITAL

(Rs. in crore)

Particulars	2014-2015
AUTHORIZED 180,00,00,000 Equity Shares of Rs.10/ each	1,800.00
ISSUED, SUBSCRIBED AND PAID-UP 173,31,98,119 Equity Shares of Rs.10/- each fully paid (includes 6,32,145 Equity Shares of Rs.10/- each allotted as bonus shares by capitalisation of general and capital reserves)	1,733.20
Total	1,733.20

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

NOTE – 1.1

The details of Shareholders holding more than 5%:

Name of the Shareholder	2014-2015	
	No. of Shares	% Held
Government of Telangana	88,55,99,147	51.0962
Government of India	84,75,60,000	48.9015

NOTE – 1.2

Reconciliation of Equity Shares:

Particulars	2014-2015	
	No. of Shares	Amount (Rs. in crore)
Shares outstanding at the beginning of the year	173,31,98,119	1,733.20
Shares issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	173,31,98,119	1,733.20

Notes to Balance sheet as at 31st March 2015 (Consolidated) (contd..)
NOTE - 2
RESERVES & SURPLUS

(Rs. in crore)

Particulars	2014-2015	
GENERAL RESERVE		
Opening balance	1,060.40	
Add: Transfer from Surplus	100.00	
Closing balance		1,160.40
SURPLUS		
Opening Balance	784.14	
Add : Net Profit for the Year	491.90	
Less: Proposed Dividend on Equity shares (@Rs.0.75 per share)	129.99	
Less: Corporate Dividend Tax	25.21	
Less: Transfer to General Reserve	100.00	
Closing Balance		1,020.84
Total		2,181.24

NOTE - 3
LONG TERM BORROWINGS

(Rs. in crore)

Particulars	2014-2015
Term Loans	
Secured	
From Government of India	
(Rs.132.67 crore less current maturities of 66.33 crore)	66.33
From Power Finance Corporation (PFC)	3,479.26
Total	3,545.59

- 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.
- (ii) This loan is interest free loan and repayable in two annual instalments of Rs.66.33 crore each.
- 3.2 (i) Loan from Power Finance Corporation is secured by an exclusive first charge by way of hypothecation of all movable assets excluding current assets namely stocks of Raw materials, semi-finished and finished goods, Stores and Spares not relating to Plant and Machinery (consumables Stores and Spares), Bills receivable and Book debts, present and future with the prescribed coverage ratio (presently 1.1 times). An exclusive second charge by way of mortgage on all immovable assets, except Govt. acquired private lands and Govt. assigned lands present and future. An exclusive second charge by way of deed of charge on all immovable assets present and future. Further the PFC shall have an exclusive first charge on the project assets, movable (by way of hypothecation) and immovable (by way of mortgage) on complete repayment of Govt. of India loan as explained in Note 3.1.
- (ii) This Loan is repayable in forty eight equal quarterly instalments of Rs.72.48 crore each from October, 2016. Interest on this loan is payable @12.25% p.a. on Rs.154.18 crore and @12% p.a. on Rs.3325.08 crore with three year reset option.

Notes to Balance sheet as at 31st March 2015 (Consolidated) (contd..)**NOTE - 4****OTHER LONG - TERM LIABILITIES**

(Rs. in crore)

Particulars	2014-2015	
(a) Trade Payables		0.25
(b) Others		
Deposits from Coal Customers	-	
Deposits from Others	0.20	
Deposits from Suppliers & Contractors	37.87	
		38.07
Total		38.32

NOTE - 5**LONG-TERM PROVISIONS**

(Rs. in crore)

Particulars	2014-2015	
(a) Provision for Employee Benefits (Note 34.2)		
Gratuity (to the extent unfunded)	1,176.04	
Leave Encashment (unfunded)	449.67	
Monthly Monetary Compensation & Low Productive Employee Compensation (unfunded)	150.46	
		1,776.17
(b) Others		
Overburden Removal Adjustment		
Net of Advance Action Rs.365.71 crore (Previous Year Rs.281.09 crore)	3,705.57	
Back Filling	5,194.99	
Mine Closure	250.71	
		9,151.27
Total		10,927.44

5.1 In respect of all open cast (OC) mines, overburden removal (OBR) adjustment is made as per accounting policy VI in Note 33. During the year stripping ratio was reviewed and revised in respect of 8 OC mines out of 11 eligible OC mines. The review and revision in stripping ratio has resulted in withdrawal of Rs.98.22 crore credit in OBR Adjustment hitherto charged to revenue in earlier years. Stripping ratio was not reviewed in respect of balance 3 eligible mines as these mines are under review for reorganization and necessary adjustments will be carried out in the year of review.

The carrying amount of OBR Adjustment in respect of these mines is as below:

Sl. No	Mine	Carrying amount of OBR Adjustment / (Advance Action)
1.	SRP – OC I	(Rs.150.11) crore
2.	SRP – OC II	Rs.214.54 crore
3.	Koyagudem OC – II	Rs.1,013.76 crore



Notes to Balance sheet as at 31st March 2015 (Consolidated) (contd..)

- 5.2 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 concept or no such stipulation in the EC.

The estimation of quantity of over burden (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 is not handled till date. However, in our opinion the cost of backfilling is more or less same as the cost for OB removal. Provision is being made from financial year 2009-10 on the basis of coal produced during the year in proportion of 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 outsourced operations.

- 5.3 The provision for Mine Closure Plan (MCP) is made on the basis of guidelines of Ministry of Coal (MoC) dated 7th January 2013. Mine closure plan has been submitted for 16 OC and 21 UG mines for approval of MoC against 17 OC and 31 UG Mines. Approvals are received in respect 10 OC and 14 UG mines.

The provision made on the basis of guidelines is subject to approval of mine closure plan in respect of balance mines. During the year Rs.15.61 crore was deposited in designated account in respect of 20 mines.

Cumulative MCP provision as at 31.03.2015 of Rs.250.71 crore includes accrued interest of Rs.0.03 crore earned on such deposit.

NOTE - 6

SHORT-TERM BORROWINGS

(Rs. in crore)

Particulars	2014-2015
Secured :	
Loans payable on demand - from Banks	
Cash Credit	13.50
Special overdraft account	0.35
Total	13.85

- 6.1 Cash Credit and Special Overdraft Account - Secured by first charge in favour of participating banks ranking pari-passu on the stocks & receivables and other Current Assets.
- 6.2 Cash credit limit from State Bank of India, Vijayawada is secured by first charge on current assets and fixed assets of the subsidiary company.

NOTE - 7

TRADE PAYABLES

(Rs. in crore)

Particulars	2014-2015
Due to Micro, Small & Medium Enterprises	5.03
Due to Others (includes Stores-in-Transit net of Advances)	511.12
Total	516.15

Notes to Balance sheet as at 31st March 2015 (Consolidated) (contd..)**NOTE - 8****OTHER CURRENT LIABILITIES**

(Rs. in crore)

Particulars	2014-2015	
(a) Current maturities of long-term debt (Government of India Loan) Refer Note No.3.1 (i)		66.33
(b) Interest accrued but not due on borrowings		79.57
(c) Unclaimed dividends (Refer Note No.16.1)		0.01
(d) Other payables		
(i) Salaries & Wages		243.85
(ii) Others		
Statutory Dues	368.49	
Deposits from Vendors	72.47	
Advances from Coal & Other Customers	492.56	
Deposits from Coal Customers	416.92	
Overdraft in Current Account	21.02	
Creditors for Capital Expenditure	576.63	
Other Liabilities	169.02	2,117.11
Total		2,506.87

8.1 Interest free loan from Government of Andhra Pradesh Rs.1.00 crore vide G.O.Ms.No.201, dt.21.08.1997 for implementing the Voluntary Retirement Scheme as a full and final settlement of the concessions was given to the Subsidiary Company. The Subsidiary Company has implemented the voluntary retirement scheme in the year 1997 and schedule for repayment of loan was deferred till 2010-11 for revival of the company vide Lr.No.23600/IFR/2002-03, dt.13.09.2003. Further request is made to extend schedule for repayment of loan.

NOTE - 9**SHORT-TERM PROVISIONS**

(Rs. in crore)

Particulars	2014-2015	
(a) Provision for employee benefits		
Gratuity (unfunded)	1.34	
Leave Encashment (unfunded)	83.13	
Monthly Monetary Compensation (unfunded)	32.00	
Superannuation Benefit (unfunded)	145.19	
Post Superannuation Medical Benefit (unfunded)	106.77	
Performance Related Pay (Net-off PLR/ Spl. Incentive)	79.29	
Performance Linked Reward	229.65	
Corporate Special Incentive	98.00	775.37
(b) Others		
Income Tax (Net of prepaid taxes)	37.35	
Proposed Dividend	129.99	
Tax on Dividend	26.46	
Provision for CSR Expenditure	10.66	
Excise duty on closing stock of coal (Refer Note 9.2)	39.70	
Shale & Stone (Shortages, damages & other total)	0.18	
Provision for warranty on sales	0.87	245.21
Total		1,020.58

9.1. Performance Related Pay for the period 2007-08 to 2014-15 payable to Executives of the Company as part of Revised Pay Package, which was adopted and provided by Company on par with other Central Public Sector Units, is pending approval from designated authority.

9.2. Royalty on Closing Stock of Coal not transacted in the Books Rs.106.77 crore (Previous year Rs.96.21 crore transacted in the Books).



Notes to Balance sheet as at 31st March, 2015 (contd....)

NOTE – 10
FIXED ASSETS
Tangible Assets

(Rs. in crore)

	Gross block			Depreciation / amortisation			Provisions for diminution in value of assets		Net block		
	As at 31.3.2014	Additions during the year	Adjustments / deductions	As at 31.3.2015	Up to 31.3.2014	for the year	Adjustments / deductions	Up to 31.3.2015	As at 31.3.2014	As at 31.3.2015	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1. Lands											
i) Freehold	543.56	13.03	(0.67)	555.92	3.27	-	-	3.27	-	-	552.65
ii) Leasehold	427.07	9.24	0.67	436.98	248.51	38.19	-	286.70	-	-	150.28
2. Buildings :											
i) Factory	128.08	24.67	(6.13)	146.62	44.04	5.17	-0.75	48.46	-	-	98.16
ii) Others	851.69	19.43	(164.72)	706.40	173.35	18.55	-23.86	168.04	-	-	538.36
3. Roads	-	2.25	170.10	172.35	-	97.88	24.14	122.02	-	-	50.33
4. Railway sidings	39.52	0.03	-	39.55	24.20	4.07	-	28.27	-	-	11.28
5. Plant & Equipment	4354.95	858.55	(110.39)	5103.11	2480.77	640.05	-106.47	3014.35	1.23	0.34	2088.42
6. Furniture & Fixtures	13.94	0.58	(0.06)	14.46	9.41	1.26	-0.06	10.61	-	-	3.85
7. Vehicles	41.36	1.01	(1.07)	41.30	24.51	4.08	-1.07	27.52	-	-	13.78
8. Office Equipment	1.95	0.33	(0.09)	2.19	1.18	0.51	-0.12	1.57	-	-	0.62
Total	6402.12	929.12	(112.36)	7218.88	3009.24	809.76	-108.19	3710.81	1.23	0.34	3507.73



Notes to Balance sheet as at 31 st March, 2015 (contd...)											
NOTE – 10 (Contd...)											
FIXED ASSETS											
Intangible assets											
(Rs. in crore)											
	Gross block			Depreciation / amortisation				Provision for diminution in value of assets		Net block	
	As at 31.3.2014	Additions during the year	Adjustments / deductions	As at 31.3.2015	Up to 31.3.2014	for the year	Up to 31.3.2015	Adjustments / deductions	As at 31.3.2014	As at 31.3.2015	As at 31.3.2015
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1. ERP - Software	17.59	-	-	17.59	17.35	0.07	-	17.42	-	-	0.17
2. Mine development	954.47	509.43	0.30	1464.20	678.30	131.88	-	810.18	-	-	654.02
Total	972.06	509.43	0.30	1481.79	695.65	131.95	-	827.60	-	-	654.19
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).	Roads include Rs.17.14 crore (Previous year Rs.3.10 crore) and Plant and Machinery include Rs.1.62 crore (Previous Year Rs.1.16 crore) of grants receivable from Coal Conservation Development Advisory Committee.										
10(v).	Depreciation for the year Rs.940.30 Crore includes - Capitalised Depreciation of Rs. 15.40 crore (Previous Year Rs. 17.12 crore) - Revenue Charge: Rs.924.90 crore (Previous Year Rs.406.89 crore)										
10(vi)	On adoption of useful life as per Schedule-II of Companies Act 2013, the book value of Rs.193.15 crore on account of life exhausted assets had been charged to Profit & Loss account.										



Notes to Balance sheet as at 31 st March 2015 (Consolidated) (contd..)				
NOTE – 10.1				
CAPITAL WORKS-IN-PROGRESS				(Rs. in crore)
	Balance as at 31.3.2014	Additional expenditure	Deletions/ adjustments	Balance as at 31.3.2015
I. Lands	26.17	145.54	22.27	149.44
II. Buildings				
a) Factory	405.17	218.67	24.67	599.17
b) Others	31.72	37.38	21.68	47.42
III. Plant & Equipment (including in transit)	2933.25	2416.98	859.02	4491.21
IV. Furniture & Fixtures	-	1.18	0.58	0.60
V. Vehicles	-	1.01	1.01	-
Total	3396.31	2820.76	929.23	5287.84
10.1(i) Interest on borrowings from Power Finance Corporation for construction of STPP, capitalized for the year 2014-15 Rs.319.05 crore (Previous year Rs.145.67 crore). Interest Capitalized up to 31.03.2015 Rs.532.42 crore.				
NOTE – 10.2				
INTANGIBLE ASSETS UNDER DEVELOPMENT				(Rs. in crore)
	Balance as at 31.3.2014	Additional expenditure during the year	Deletions/ adjustments during the year	Balance as at 31.3.2015
Development – Mines	574.02	81.05	512.36	142.71
Total	574.02	81.05	512.36	142.71
NOTE - 11				
NON-CURRENT INVESTMENTS				(Rs. in crore)
Particulars			2014-2015	
Non-Trade Investments				
(A) Investment in Equity instruments				
Quoted, fully paid-up Shares				
14,750 shares of Laxmi Porcelains Ltd of Rs.10/- each			0.01	
Less: Provision for Diminution in the value of Investments			0.01	-
Unquoted, fully paid-up Shares				
Investments in Co-operative Societies				
1,86,214 Singareni Collieries Co-operative Central Stores Ltd of Rs.10/- each				0.19
(B) Investments in debentures or bonds				
Quoted, fully paid-up				
10,000 - 9.75% APPFC Power Bonds (Series 2/2012) of Rs.10 lakh each				1,000.00
60 – 8.5% APSFC – Non SLR Bonds (Series II/2008) of Rs.10 lakh each				6.00
8,000 – 9.95% APCPDCL Power Bonds (Series-1/2014) of Rs.10 lakh each				800.00
(C) Investment properties				
				3.35
Total				1,809.54

Notes to Balance sheet as at 31st March 2015 (Consolidated) (contd..)

NOTE – 12

DEFERRED TAX ASSET (NET)

(Rs. in crore)

Particulars	2014-2015
(A) Deferred tax asset:	
Back filling & Mine Closure plan	1851.00
Gratuity	333.14
Other Employee Benefits	584.05
VRS Amortisation	0.01
Overburden Removal	1260.61
Total (A)	4028.81
(B) Deferred Tax Liability:	
Fixed Assets- Excess of Net Book value over Written down value as per provisions of Income Tax Act	164.40
Total (B)	164.40
Net deferred Tax Asset (A-B)	3864.41

12.1. The amount of Net Deferred Tax Asset of Rs.3861.26 crore (Previous year Rs.3200.31crore) includes amount of Rs.1851.00 crore (previous year Rs.1447.05 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 realisable at the earliest after 8 to 9 years and so on, on commencement of Backfilling and Mine Closure activities at JK-5 OC, MOCP, GKOC etc. Similarly Long-term Provision for Backfilling & Mine Closure Rs.5445.70 crore (previous year Rs.4257.30 crore) will also crystallise simultaneously in the same time frame.

NOTE - 13

LONG-TERM LOANS AND ADVANCES

(Rs. in crore)

Particulars	2014-2015
Unsecured, considered good	
Capital Advances	472.63
Security Deposits	121.85
Deposits under Protest (VAT, CST, Service Tax, WCT, APGST, Entry Tax)	66.29
	66.29
Total	660.77

13.1 Other loans and advances include Advances to the Directors & Officers of the Company of Rs. 9,405/- (Previous Year Rs.1,06,692/-). Current portion amounts to Rs.9,405/- (Previous year Rs.91,237/-).

NOTE - 14

INVENTORIES

(Rs. in crore)

Particulars	2014-2015
Stores and spares	428.26
Loose tools	1.75
	430.01
Less:Provision for obsolete, Non-moving stores & shortages and damages	20.17
	409.84
Finished goods	705.30
Work-in-progress	0.53
Stores in transit	35.66
Total	1,151.33

Notes to Balance sheet as at 31st March 2015 (Consolidated) (contd..)

NOTE - 15

TRADE RECEIVABLES

(Rs. in crore)

Particulars	2014-2015	
Unsecured, considered good:		
Exceeding six months		
Coal	65.84	65.84
Not exceeding six months:		
(a) Coal	2,122.96	2,126.02
(b) Services	3.06	
Unsecured, considered doubtful	343.42	
Less: Provision for doubtful debts	343.42	
Total		2,191.86

NOTE - 16

CASH AND BANK BALANCES

(Rs. in crore)

Particulars	2014-2015	
Cash and Cash Equivalent		
Cash on hand		0.16
Balances with banks in Current and Deposit Accounts		
In Deposit Account (Maturity < 3 Months)	465.84	483.56
In Current Account	17.71	
Unpaid dividend accounts	0.01	
Other Bank Balances		
In Deposit Account (Maturity > 3 Months)	2055.00	2070.89
Deposit under Mine Closure Plan scheme	15.64	
Margin money deposit with SBI	0.25	
Total		2,554.61

16.1. Balance with Banks includes unclaimed dividend of Rs.87,890.80 (Previous year Rs.59,152.08).

16.2. Deposit against Mine Closure Plan Scheme is more than 12 months maturity.

(Rs. in crore)

Particulars	2014-2015
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.	23.62

Notes to Balance sheet as at 31st March 2015 (Consolidated) (contd..)**NOTE - 17****SHORT-TERM LOANS AND ADVANCES**

(Rs. in crore)

Particulars	2014-2015	
Loans & Advances:		
Unsecured, considered good:		
Advances to Staff (Refer Note – 13.1)		50.47
Advances against Purchases, Services & others		132.21
Considered Doubtful Adv. Against purchases & services	0.76	
Less: Provision for Bad & Doubtful Advances	0.76	
Prepaid Expenses		1.38
CENVAT & VAT Credit available		104.77
Advance Fringe Benefit Tax		4.16
Security Deposits		29.10
Total		322.09

NOTE - 18**OTHER CURRENT ASSETS**

(Rs. in crore)

Particulars	2014-2015	
Interest Accrued on Investments - Government Securities		60.21
Interest accrued on Deposits with Banks		108.82
Interest Accrued on Loans & Advances		5.61
Other Receivables - considered good, stowing subsidy, rent, water, electricity etc.		154.59
Other receivables considered doubtful	10.08	
Less: Provision	10.08	
Total		329.23



Notes to Statement of Profit & Loss for the year ended 31st March 2015 (Consolidated)

NOTE - 19

REVENUE FROM OPERATIONS

(Rs. in crore)

Particulars	2014-2015	
a) Sale of Coal		
Turnover (Gross)		14,132.88
Less : Statutory Levies:		
Royalty	1,341.06	
Stowing excise duty	52.66	
Clean energy cess	508.02	
Excise Duty	800.62	
		2,702.36
Less: Transfer to Development		11,430.52
Turnover (Net)		12.64
		11,417.88
b) Income from Services:		
Consultancy Services		2.89
c) Other operating revenue:		
Penalty for Short lifting of Coal	-	
Subsidy received from CC&DAC for stowing, protective works etc.	72.68	
Bonus for Supply of Coal	29.80	
		102.48
Total		11,523.25

NOTE - 20

OTHER INCOME

(Rs. in crore)

Particulars	2014-2015	
a) Interest Income		
Interest on Investment (Non-trade) Gross	177.80	
Interest on Term Deposits	309.69	
Interest on Sundry Debtors for Coal, Loans, Advances to others	39.33	
		526.82
(b) Other non-operating income (net of expenses directly attributable to such income)		
Rents	5.35	
Electricity & Fuel	22.17	
Water charges	0.70	
Provisions and Liabilities no longer required	7.81	
Gain on Exchange variation	25.11	
Miscellaneous Receipts	50.49	
		111.63
Total		638.45



Notes to statement of Profit & Loss for the year ended 31st March 2015 (Consolidated) (contd..)

NOTE – 21**COST OF MATERIALS CONSUMED**

(Rs. In crore)

Particulars	2014-2015
Stores & Spares	599.42
Explosives	300.00
Petrol, Oil and Lubricants (POL)	1,476.72
Internal consumption of coal	12.11
Others	(80.90)
Total	2307.35

NOTE - 22**CHANGES IN INVENTORIES**

(Rs. in crore)

Particulars	2014-2015
Opening Stock	744.31
Less: Internal consumption of coal	12.11
Less: Closing Stock	705.30
Total	26.90

NOTE - 23**EMPLOYEE BENEFITS EXPENSES - SALARIES AND WAGES**

(Rs. in crore)

Particulars	2014-2015
Salaries, Wages and Allowances	3,629.57
Provident fund including administrative charges	391.00
Attendance Bonus	184.47
Performance Linked Reward	276.27
Gratuity	327.53
Superannuation Benefit	26.71
Workmen's Compensation, Group Insurance & Group Personal Accident Insurance	3.98
Directors' Remuneration (Refer Note 34.5)	1.57
Life cover premia under Gratuity Scheme with LIC	6.75
Total	4,847.85

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

(Rs. in crore)

Particulars	2014-2015
Social Amenities:	
Employee Welfare Expenses	68.69
Lumpsum/ Monthly Monetary Compensation for dependants	31.81
Grants to Singareni Collieries Educational Society	37.80
Total	138.30

NOTE - 25**POWER & FUEL**

(Rs. in crore)

Particulars	2014-2015
Electricity	444.53
Others	-
Total	444.53



Notes to statement of Profit & Loss for the year ended 31st March 2015 (Consolidated) (contd..)

NOTE - 26**REPAIRS & MAINTENANCE**

(Rs. in crore)

Particulars	2014-2015
Railway sidings	3.43
Buildings	37.67
Plant & Machinery	94.86
Total	135.96

NOTE - 27**CONTRACTUAL EXPENSES**

(Rs. in crore)

Particulars	2014-2015
Coal Offloading	84.02
OBR Offloading	856.94
Transportation Charges	281.57
Hiring of Heavy Earth Moving Machinery (HEMM), Weighbridge and others	74.49
Others	67.58
Total	1,364.60

NOTE - 28**FINANCE COST**

(Rs. in crore)

Particulars	2014-2015
Interest expense:	
Interest on Cash Credit	0.05
Interest on Loans (Refer 10.1(i))	0.14
Interest on Others	39.18
Total	39.37

NOTE - 29**PROVISIONS**

(Rs. in crore)

Particulars	2014-2015
Doubtful Debts / Advances	331.55
Diminution in value of assets	0.22
Others	1.34
Total	333.11

NOTE - 30**WRITE-OFFS**

(Rs. in crore)

Particulars	2014-2015
Bad & Doubtful Debts	-
Stores & spares	-
Advances	0.26
Assets	7.07
Obsolete Stores	1.07
Total	8.40



Notes to statement of Profit & Loss for the year ended 31st March 2015 (Consolidated) (contd..)

NOTE - 31**OTHER EXPENSES**

(Rs. in crore)

Particulars	2014-2015	
(a) Selling & Distribution		57.53
(b) Gain/ Loss on Exchange Rate variance		0.01
(c) CSR Expense Provision		10.66
(d) Others:		
Rents	1.44	
Insurance	0.79	
Rates & Taxes	5.52	
Travelling Expenses	9.23	
Postage, Telegrams and Telephone	2.80	
Legal Expenses	2.60	
Bank Charges and Commission	1.49	
CISF Salaries and Wages	36.00	
Directors' Travelling Expenses	0.85	
Auditors' Remuneration:		
Audit Fee	0.14	
Out of Pocket Expenses	0.04	
Advertisements	4.79	
Research and Development Expenses	1.57	
Journals and Periodicals	0.17	
Printing and Stationary	0.44	
Plantation Expenditure	7.18	
Other expenses	33.76	
		108.81
Total		177.01

31.1 CSR Activities have been identified and Budgets allocated. Expenses will be incurred in due course.

NOTE - 32**EXCEPTIONAL ITEMS**

(Rs. In crore)

Particulars	2014-2015	
Prior period income:		
Depreciation Provided in Earlier Years Written Back	0.01	
Credits & Adjustments pertaining to Earlier Years	1.02	
Other Income	(2.35)	
		(1.32)
Prior period expenditure		
Salaries, Wages, Bonus, Exgratia etc.		
Maintenance Charges etc., on Railway Sidings		
Depreciation		
Other Expenses	(1.04)	
		(1.04)
Total		0.28



Notes to Accounts as at 31st March, 2015

NOTE – 33

SIGNIFICANT ACCOUNTING POLICIES (Consolidated)

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. The financial statements have been prepared in line with the requirements of Companies Act, 2013 as introduced by the Ministry of Corporate Affairs from financial year ended on 31st March, 2015.

II. SYSTEM OF ACCOUNTING:

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

- a. Penalty for short lifting of coal, **on termination of contracts**, interest on belated payment of coal dues 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, **other than subsidiary**.
- 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.



Notes to Accounts as at 31st March 2015 (Consolidated) (contd..) Significant Accounting Policies (Consolidated (contd.))

- 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 **of power utilities and mark up/ cost plus price wherever applicable less rehandling charges.**

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.

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

IV. PRE-PAID & PRIOR PERIOD ITEMS:

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

V. DEPRECIATION / AMORTISATION:

1. Depreciation is provided on Straight Line Method in respect of 18 MW Power House at Ramagundam from inception and on additions to Fixed Assets from 1.4.1985. Depreciation on other Fixed Assets is provided on written down value method on the assets purchased before 1.4.1985.
2. Depreciation is provided at the **lives** specified in **Schedule-II of the Companies Act, 2013**, except the following:

LHDs (**7 Years**) and Jumbo Drills (**7.5 Years**) at CDF Panel, SDLs (**4 Years**), Self Contained Self Rescuers (**10 Years**), **35T Dumpers (6 Years)**, **Hydraulic Shovels upto 5 CU.M (7 Years)**, **Blast Hole Drills <160mm (7 Years)**, **Coal Tubs (1 Year)**, **Winding Ropes (1 Year)**, **Safety Lamps (1 Year)**, **Stowing Pipes (1 Year)**, and **Assets whose actual cost does not exceed Rs.5000/- (1 Year)** are depreciated on the basis of estimated life, which is lower than **specified in Schedule-II.**
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 as estimated in the feasibility report/latest estimate of Project life **not exceeding 10 years.**



Notes to Accounts as at 31st March 2015 (Consolidated) (contd..) Significant Accounting Policies (Consolidated (contd.))

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.

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.



Notes to Accounts as at 31st March 2015 (Consolidated) (contd..) Significant Accounting Policies (Consolidated (contd.))

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.

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.



Notes to Accounts as at 31st March 2015 (Consolidated) (contd..) Significant Accounting Policies (Consolidated (contd.))

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.

XVI. PROVISIONS, WARRANTIES:

The Subsidiary Company provides warranty cost at 1% of the revenue progressively as and when it recognizes the revenue and maintain the same through the warranty period.

Notes to Accounts as at 31st March 2015 (Consolidated) (contd..)

NOTE – 34
ADDITIONAL NOTES (Consolidated)

(Rs. in crore)

S.No	Particulars	31.3.2015
34.1	a) Contingent liabilities and commitments: 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
	ii) Workmen Compensation (cases contested – court)	1.09
	iii) Motor Accident claims(cases contested – court)	0.61
	iv) Police Guard(excess man power billed disputed)	4.75
	v) S C Railways(damages, demurrages etc. disputed)	1.18
	vi) Water Royalty(billed at Industrial rate disputed)	4.15
	vii) Vacant Land Tax (Levy contested)	16.06
	viii) Contractors & Suppliers	167.38
	ix) Other disputed claims & Legal cases etc.	4.92
	x) 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. 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. 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.	337.64
	xi) (a) Customs, Central Excise & Service Tax Department, issued Notice No.O.C.No.650/2010, dated 22.09.2010, demanding Interest payment of Rs.13,82,17,534/- on alleged avilment of Input Service Tax Credit on ineligible services of Rs.52,62,75,583/- (from 2006-07 to 2008-09), though the same was not utilized by SCCL. Appeal is filed before CESTAT Bangalore and the same is pending adjudication.	13.82
	(b) Excise Duty demands on quantity disputes.	5.49
	(c) Education Cess and Sec. Higher Education Cess demand raised by Excise Department from March,2011 to March, 2015 contested.	37.72
	(d) Demand for Clean Energy Cess	0.47

Notes to Accounts as at 31st March 2015 (Consolidated) (contd..) Note 34 - Additional Notes (Consolidated) (contd..)

xii) Tax Demands from Commercial Taxes Department (including entry tax) which are disputed and pending before various appellate authorities for adjudication.	14.20
xiii) Tax Demands from Income Tax Department which are disputed and pending before various appellate authorities for adjudication.	56.77
xiv) Service Tax demand on TDS Component on import Services for the period October, 2012 to March, 2014 and others raised by the Service Tax Department was disputed and pending before CESTAT for adjudication.	0.40
xv) Profession Tax: Dy. C.T.O., KGM has issued a Demand Notice as per G.O. No. 14897/CT-IV/2004, Dt.23.02.2013 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.	176.44
xvi) Claims in respect of suits filed by the Pattadars for additional compensation for Acres: 3688, Guntas: 23 (Previous year: Acres 5796, Guntas 21¼) contested by the Company and pending in Courts.	Not quantifiable
xvii) An amount of Rs.10.66 crore has been charged to M/s.B.G.R. Mining & Infra Pvt. Ltd., towards lead variation charges and recognised as income during the year 2012-13. As against recovered amount of Rs.10.66 crore, an amount of Rs.5.81 crore was released during the year 2013-14 keeping the Bank Guarantees for an amount of Rs.7.65 crore as collateral security. A case has been filed by the contractor before the Hon'ble Principal Dist. Judge, Khammam challenging the above recovery.	
xviii) 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, which is 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 Rs.11.38 crore (Previous year Rs.19.04 crore) as on 31.3.2015, not provided in Books of Account.	
xix) Coal pilferage was reported in financial year 2013-14 involving 12099 Tonnes, valued at Rs.4.04 crore. The party made a conditional deposit of Rs.4.37 crore and the amount is kept under deposits. Pending enquiry issue is not dealt in the books.	
xx) Guarantees: Guarantees given by the Bank on behalf of the subsidiary company for an amount of Rs.3.60 crore for which counter guarantees of even amount are given by the subsidiary company to the bank (Previous year Rs.1.41 crore).	

The contingent liabilities indicated above are excluding interest wherever applicable.

34.1 b) Capital Commitments:	(Rs.in crore)
Particulars	31.3.2015
i) a) Estimated value of capital commitment for 2x600 MW MPP Singareni Thermal Power Project, Jaipur, Telangana State.	1828.71
b) Estimated value of capital commitments of other contracts to be executed.	697.31
ii) The balance value of Surrounding Habitats Assistance Programme (SHAPE) works to be executed.	15.61

Notes to Accounts as at 31st March 2015 (Consolidated) (contd..) Note 34 - Additional Notes (Consolidated) (contd..)

34.2	Disclosures as per accounting standard AS:15 (Revised): Employee benefits		
	Defined Benefit Plans:		
	a) Gratuity and Leave Encashment Plan:	(Rs.in crore)	
	Particulars	Gratuity 31.3.2015	Leave En- cashment 31.3.2015
	Changes in the present value of obligations		
	Obligations at beginning of the year	2993.48	436.80
	Current Service cost	84.22	76.49
	Interest cost	227.86	34.94
	Benefits paid	(329.24)	(0.91)
	Actuarial(gain)/loss	201.30	(24.57)
	Obligations at the end of the year, at present value	3177.62	522.75
	Change in Fair value plan assets		
	Plans assets at beginning of the year, at fair value	1763.22	Unfunded
	Expected return on plan assets	181.06	
	Actuarial(gain)/loss	-	
	Contributions	386.53	
	Benefits paid	(329.24)	
	Fair value of plan assets at the end of the year	2001.57	
	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.	3177.62	522.75
	Fair value of plan assets at the end of the year	2001.58	-
	Assets/(liability) recognized in the balance sheet	(1176.04)	(522.75)
	Expense Recognised in Statement of Profit & Loss:		
	Current Service cost	84.22	76.49
	Interest cost	227.86	34.94
	Expected return on plan assets	(181.06)	-
	Actuarial(gain)/loss	201.30	(24.57)
	Net gratuity cost	332.32	86.86
	Assumptions:		
	Interest rate	8%	8%
	Expected return on plan assets	9.50%	-
	Expected rate of salary increase	6%	6%

In respect of subsidiary company expected return on plan assets is 9%.



Notes to Accounts as at 31st March 2015 (Consolidated) (contd..) Note 34 - Additional Notes (Consolidated) (contd..)

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 Rs.106.77 crore as at 31.3.2015, as against provision of Rs.102.86 crore upto 31.3.2014. An amount of Rs.6.26 crore is charged to Revenue includes Rs.2.35 crore paid under 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 actuarial liability as at 31.3.2015 is Rs.182.46 crore (Previous Year Rs.181.61 crore). An amount of Rs.31.14 crore charged against Revenue includes Rs.30.29 crore paid under the Scheme.

34.3 Defined contribution plan includes the following: (Rs. in crore)

		31.3.2015
i)	Provident Fund Scheme is a defined contribution plan and charged off to Statement of Profit & Loss.	391.00
ii)	Superannuation & Pension Benefit to the Executive Cadre employees was provided and charged off to Statement of Profit & Loss.	23.10

34.4 Related Party Transactions (AS-18):

Related Parties:

- i) Subsidiary Company: Andhra Pradesh Heavy Machinery & Engineering Limited, Vijayawada: On the recommendation of Audit Committee in the meeting dt.28.10.2014 ratified/ approved certain transactions.
- ii) NTPC-SCCL Global Ventures Private Limited, a Joint Venture by SCCL and NTPC: Consequent to the cancellation of allotment of 214 Coal Blocks including Thalaipalli Coal Block by the Hon'ble Supreme Court vide its judgement dated 24.9.2014, the SCCL Board in the meeting held on 26.12.2014 decided for Voluntary winding up of NTPC-SCCL GVPL.
- iii) APMDC-SCCL Suliyari Coal Company Ltd., a Joint Venture by SCCL and APMDC:
During the year there are no operations. The Joint Venture was formed for exploration of coal in Suliyari Coal Block. Hon'ble Supreme Court vide its judgement dated 25.8.2014 has cancelled this Coal Blocks allocation.
- iv) Advances due from whole time Directors and Officers are disclosed under Note No.13 & 17.

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

(Rs.in crore)

		31.3.2015
i)	Salaries and allowances	1.56
ii)	Contribution to PF & Pension	0.20
iii)	Others	0.13
	Total	1.89

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

i)	Profit after Tax (Rs. in Crore)	491.90
ii)	Number of Ordinary Equity Shares (fully paid-up) (Nos.)	1733198119
iii)	Earnings per share (i / ii) (Rs.)	2.84

Notes to Accounts as at 31st March 2015 (Consolidated) (contd..) Note 34 - Additional Notes (Consolidated) (contd..)**34.7 Provisions:**

(Rs.in crore)

Provided for	Opening Balance	Additions during the Year	Written back/ Adj./Paid during the Year	Closing Balance
Long-Term:				
Gratuity	1230.26	332.31	386.53	1176.04
Leave Encashment	370.91	79.27	0.51	449.67
Monthly Monetary Compensation & Low Productive Employee Compensation	153.61	0.85	4.00	150.46
Backfilling	4136.60	1058.39	-	5194.99
Mine Closure	120.70	130.01	-	250.71
Overburden Removal	4108.42	-	402.85	3705.57
Total	10120.50	1600.83	793.89	10927.44
Short -Term:				
Gratuity	1.37	-	0.03	1.34
Leave Encashment	74.21	82.54	73.62	83.13
MMC & LPE	28.00	34.29	30.29	32.00
Superannuation Fund	121.66	23.53	-	145.19
Post Superannuation Medical Benefit-Executives	102.86	6.26	2.35	106.77
Performance Related Pay - Executives	67.95	11.34	-	79.29
PLB/ PLR (Exgratia)	191.40	281.40	243.15	229.65
Corporate Special Incentive	75.40	106.00	83.40	98.00
Income Tax	8.26	813.03	783.94	37.35
Proposed Dividend - Final	259.98	129.99	259.98	129.99
Tax on proposed dividend	53.23	25.21	51.98	26.46
Provision for CSR expenditure	-	10.66	-	10.66
Excise Duty on Closing Stock	133.69	39.70	133.69	39.70
Shale & Stone	0.18	-	-	0.18
Warranty provision	0.48	1.19	0.80	0.87
Total	1118.67	1565.14	1663.23	1020.58

Notes to Accounts as at 31st March 2015 (Consolidated) (contd..) Note 34 - Additional Notes (Consolidated) (contd..)**34.8 Changes in Significant Accounting Policies:**

Sl. No.	Existing	Revised	Remarks and financial impact
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	a. Penalty for short lifting of coal, on termination of contracts , interest on belated payment of coal dues on realisation.	Practice being followed has been stated as Policy in respect of penalty on termination of contracts. Interest on loans & advances to subsidiary company has been removed to attain uniformity in accounting policies among holding and subsidiary company as per requirement of consolidation of financial statements. No financial impact on current year profit due to above changes.
d)	Additional claims from contractors on Capital Works when claims are settled.	d. Additional claims from contractors on Capital Works when claims are settled, other than subsidiary .	Policy has been changed to attain uniformity in accounting policies among holding and subsidiary company as per requirement of consolidation of financial statements. No financial impact on current year profit due to above changes.
III	INVENTORIES: a) Coal 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.	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 of power utilities and mark up/ cost plus price wherever applicable less rehandling charges.	No financial impact in respect of inclusion of selling price of power utilities. Practice being followed has been stated as Policy. Increase in profit by Rs.19.67 Crore due to considering mark up/ cost plus price where ever applicable in arriving at Net Realisable Value.

Notes to Accounts as at 31st March 2015 (Consolidated) (contd..) Note 34 - Additional Notes (Consolidated) (contd..)

Sl. No.	Existing	Revised	Remarks and financial impact
V	DEPRECIATION / AMORTISATION:		
2.	<p>Depreciation is provided at the rates specified in Schedule XIV of the Companies Act, 1956, except the following:</p> <p>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.</p>	<p>2. Depreciation is provided at the lives specified in Schedule-II of the Companies Act, 2013, except the following:</p> <p>LHDs (7 Years) and Jumbo Drills (7.5 Years) at CDF Panel, SDLs (4 Years), Self Contained Self Rescuers (10 Years), 35T Dumpers (6 Years), Hydraulic Shovels upto 5 CU.M (7 Years), Blast Hole Drills <160mm (7 Years), Coal Tubs (1 Year), Winding Ropes (1 Year), Safety Lamps (1 Year), Stowing Pipes (1 Year), and Assets whose actual cost does not exceed Rs.5000/- (1 Year) are depreciated on the basis of estimated life, which is lower than specified in Schedule-II.</p>	<p>Life is indicated in years instead of rate in respect of LHDs, Jumbo Drills, SDLs and Self Contained Self Rescuers. No financial impact due to change.</p> <p>In respect of 35 T Dumpers, Hydraulic Shovels upto 5 CU.M and Blast Hole Drills <160mm life as per approved survey off norms is adopted.</p> <p>In respect of other assets the lives are specifically disclosed as the rates adopted in earlier years is different than lives specified in Schedule-II of Companies Act, 2013. No impact on current year profit.</p>
4.	<p>Intangible Assets –</p> <p>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.</p>	<p>4. Intangible Assets –</p> <p>b) Mine Development is amortised over Project life as estimated in the feasibility report/ latest estimate of Project life not exceeding 10 years.</p>	<p>Mine Development being an intangible asset amortisation is covered under AS-26 wherein there is a rebuttable presumption that useful life does not exceed 10 years, hence changed.</p>



Notes to Accounts as at 31st March 2015 (Consolidated) (contd..) Note 34 - Additional Notes (Consolidated) (contd..)

34.9 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. (Rs. in crore)

Particulars	31.3.2015
The principal amount remaining unpaid (But not due)	5.03
Interest due thereon (interest due and / or payable)	Nil

34.10.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: Rs.5 lakhs

34.10.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 Suliyari 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 Rs.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 Suliyari 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: Rs.49,000 & Rs.9,79,51,000/- paid towards Share application

34.11 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.

34.12 CIF Value of Imports: (Rs. in crore)

Particulars	31.3.2015
Components ,Stores & Spare Parts	38.98
Capital Goods	2.41



Notes to Accounts as at 31st March 2015 (Consolidated) (contd..) Note 34 - Additional Notes (Consolidated) (contd..)

34.13 Expenditure in Foreign Currency: (Rs. in crore)

Particulars	31.3.2015
Foreign tours	0.18
Consultancy payments	0.56
Others	21.37

34.14 Consumption of Stores & Spares (Rs. in crore)

Particulars	31.3.2015	
	Amount	% of total consumption
Imported	51.90	2.25
Indigenous	2255.45	97.75
Total	2307.35	100.00

34.15 Certain balances of trade receivables, trade payables, advances, deposits are subject to confirmation, reconciliation and adjustments, if any.

34.16 Basis of Preparation of Consolidation of Financial Statements.

- a) As far as possible, the consolidated Financial Statements are prepared using uniform Accounting Policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate Financial Statements.
- b) Significant Accounting Policies and Notes to these Consolidated Financial Statements are intended to serve as a means of informative disclosure and a guide for better understanding the consolidated position of the companies. Recognizing this purpose the Company has disclosed only such Policies and Notes from Individual financial statements, which fairly present the needed disclosure.
- c) As the consolidated financial statements are presented for the first occasion, comparative figures for the previous period are not presented.
- d) The consolidated financial statements relate to The Singareni Collieries Company Limited and its Subsidiary company namely, Andhra Pradesh Heavy Machinery & Engineering Limited (APHMEL), Joint Ventures NTPC-SCCL Global Ventures Private Limited, (a Joint Venture by SCCL and NTPC), APMDC-SCCL Suliyari Coal Company Limited (a Joint Venture by SCCL and APMDC).
- e) The financial statements of the company and its subsidiary company are combined on a line-by-line basis adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with Accounting Standard-21 - "Consolidated Financial Statements" as notified by the Companies Act, 2013.
- f) Shares in the Subsidiary i.e., APHMEL held by the Holding Company as at 31.03.2015 is 1,40,82,700 Equity Shares out of 1,72,71,293 Shares of Rs.10/- each and extent of holding is 81.54%. The excess of the purchase consideration paid over the parents portion of equity has been attributed as goodwill, details are given below:

Notes to Accounts as at 31st March 2015 (Consolidated) (contd..) Note 34 - Additional Notes (Consolidated) (contd..)

Sl. No.	Date of investment	No. of Shares	Book value of investment (Rs. in crore)	Cost of Investment (Rs. in crore)	Capital profit (Rs. in crore)	Goodwill (Rs. in crore) (d-e+f)
(a)	(b)	(c)	(d)	(e)	(f)	(g)
1.	Up to 1997-98	601300	0.60	0.60	--	--
2.	20.06.1998	4902700	4.90	0.00	(14.16)	9.26
3.	22.12.2000	8578700	8.58	8.58	(5.69)	5.69
		14082700	14.08	9.18	(19.85)	14.95

- g) Interest in Joint Ventures have been accounted by using the proportionate consolidation method as per AS-27 - "Financial Reporting of Interest in Joint Venture". Whereby the company's share of each asset, liability of a jointly controlled entity has been considered. Such accounting has been carried out considering the latest available audited / un-audited financial statements as on 31.3.2015.
- h) Joint Venture with, APMDC-SCCL Suliyari Coal Company Limited was not consolidated as the Financial Statements are not made available.

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/-
(J.Pavitrana Kumar)
Director(Finance)&CFO

Sd/-
(N.Sridhar)
Chairman & Managing Director

Date : 22.8.2015
Place : Hyderabad

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

Date : 22.8.2015
Place : Hyderabad

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

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The Singareni Collieries Company Limited

(A Government Company)

Registered Office: Kothagudem Collieries (PO) - 507 101.

Khammam District, Telangana, India.

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