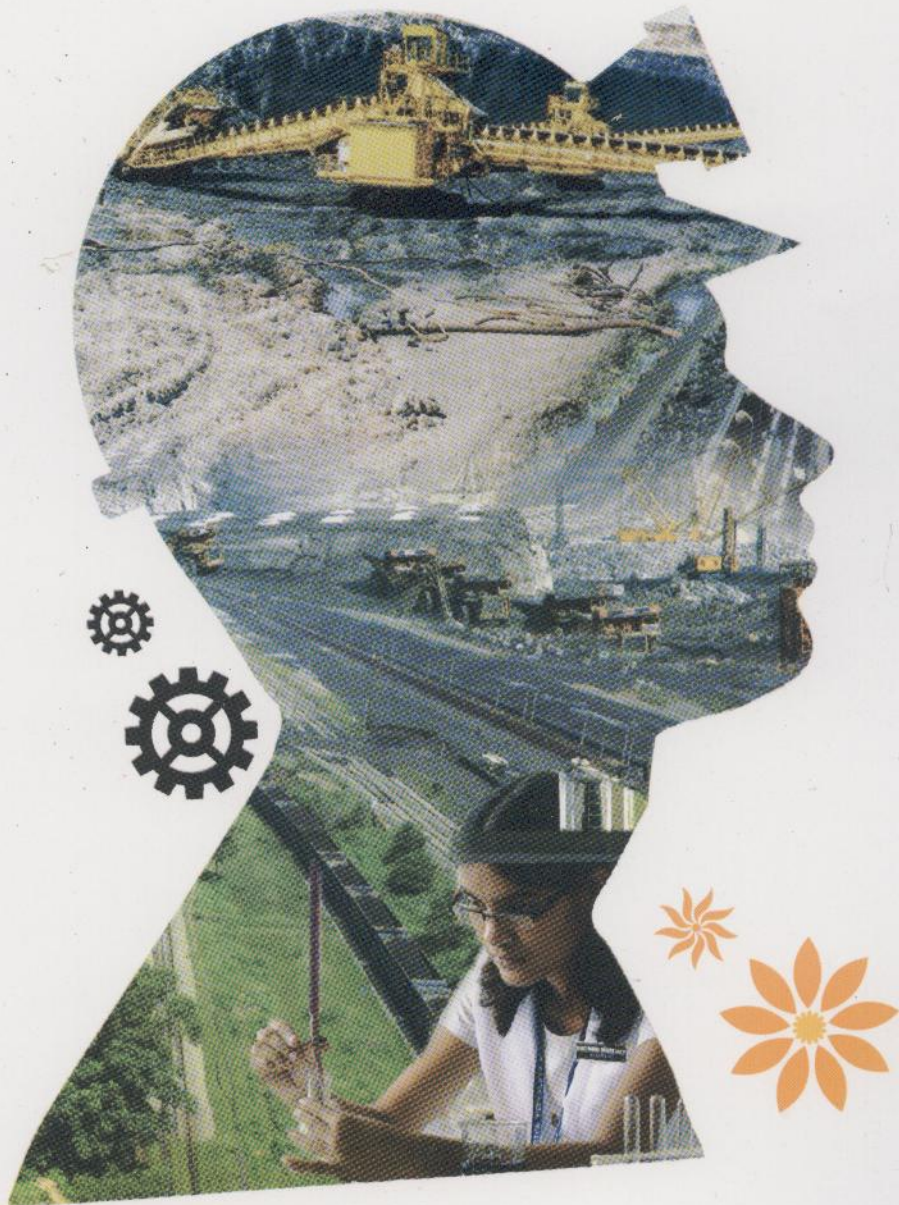


NORTHERN COALFIELDS LIMITED

A Miniratna Company



2013-14
Annual Report & Accounts

Co-creating value
for the nation

C O N T E N T S

	Page Nos.
1. Vision & Mission of NCL	1
2. Board of Directors	2
3. Bankers & Auditors	4
4. Notice	5
5. Graphs	6
6. Important Financial Information and Operational Statistics	8
7. Chairman's Statement	11
8. Directors' Report	12
9. Performance against MOU Parameters - Annexure-II	55
10. Certificate of Compliance of Corporate Governance Guidelines	62
11. Balance Sheet as at 31st March, 2014	63
12. Statement of Profit & Loss Account for the year ended 31st March, 2014	64
13. Cash flow statement for the year ended 31st March, 2014	65
14. Statement of Standalone results for the Year ended 31st March, 2014	66
15. Annexure-IX of Clause 41 of the Listing Agreement	68
16. Notes (1 to 19) to Balance Sheet	69
17. Notes (20 to 32) to Profit & Loss Account	93
18. (a) Significant Accounting Policy (Notes-33)	102
(b) Additional Notes on Accounts (Notes - 34)	107
19. Addendum to the Directors' Report	
(a) Auditor's Report and Management's Replies	115
(b) Comments of the Comptroller and Auditor General of India under section 619 (4) of the Companies Act, 1956.	128

Board of Directors



Ms. Shantilata Sahu

Chairman-cum-Managing Director (Addl. Charge)/Director (Personnel)

PART-TIME OFFICIAL DIRECTORS



Vivek Bharadwaj



B. K. Saxena

PART-TIME NON OFFICIAL DIRECTOR



A. K. Gupta



S. J. Sibal

PERMANENT INVITEES



N. N. Misra



Deepak Nath



C. P. Rai

FUNCTIONAL DIRECTORS



Niranjn Das
Director (Tech/P&P)



A. D. Mathur
Director (Tech/Oprns.)



A. K. Pandey
Director (Fin.)

Vision

To emerge from the position of domestic leader to leading global player in the energy sector by adopting best practices from mine to market with due care to environmental and social sustenance.

Mission

To produce planned quantity of coal efficiently and economically in an eco-friendly manner with due regard to **Safety, Conservation and Quality**.

Board of Directors

(As on 09.06.2014)

Chairman-cum-Managing Director

Ms. Shantilata Sahu
(Addl. charge)

Functional Director

Ms. Shantilata Sahu	-	Personnel
Shri N. Das	-	Technical
Shri A.D. Mathur	-	Technical
Shri A.K.Pandey	-	Finance

Part-time Official Directors

Shri Vivek Bharadwaj	-	Joint Secretary, Ministry of Coal, New Delhi.
Shri B.K.Saxena	-	Director (Marketing), CIL.

Part-time Non Official Directors

Shri Surinder Jit Sibal	-	Director
Shri A.K.Gupta	-	Director

Permanent Invitees

Shri N.N.Misra	-	Director (Oprns), NTPC Ltd., New Delhi.
Shri Deepak Nath	-	Chief Operations Manager, East Central Railways, Hazipur.
Shri C.P.Rai	-	Addl. Principal Chief Conservator of Forest (LM), Govt. of Madhya Pradesh, Bhopal.

GM (PA)/Company Secretary

Shri D. H. Lalwani

Board of Directors

(During the year 2013-14)

Chairman-cum-Managing Director

- Ms. Shantilata Sahu (Addl. Charge) - (w.e.f. 20.09.2013)
- Shri T.K.Lahiry (Addl. Charge) - (up to 19.09.2013)
- Shri Vinay Kumar Singh - (on long leave, ceased w.e.f. 01.08.2013)

Functional Directors

- Ms. Shantilata Sahu - Personnel (Whole Year)
- Shri N. Das - Technical (Whole Year)
- Shri A.D. Mathur - Technical (Whole Year)
- Shri A.K.Pandey - Finance (Whole Year)

Part-time Official Directors

- Shri D.N.Prasad - Advisor Projects, New Delhi (upto 02.04.2013)
- Dr.M.R.Anand - Economic Advisor, MOC, New Delhi (from 3.4.2013 to 23.12.2013)
- Shri Vivek Bharadwaj - Joint Secretary, Ministry of Coal, New Delhi (w.e.f. 24.12.2013)
- Shri B. K.Saxena - Director (Marketing), Coal India Ltd., Kolkata (Whole Year)

Part-time Non-Official Directors

- Dr. B. B. Goel - Director (up to 26.04.2013)
- Dr. Sheela Bhide - Director (up to 02.08.2013)
- Shri S. R. Upadhyay - Director (up to 17.02.2014)
- Shri Surinder Jit Sibal - Director (Whole Year)
- Shri A.K.Gupta - Director (Whole Year)

Permanent Invitees

- Shri N.N. Misra - Director (Operations), NTPC Ltd., New Delhi (Whole Year)
- Shri Deepak Nath - Chief Operations Manager, East Central Railways, Hazipur, Bihar. (Whole year)
- Shri C.P.Rai - Addl. Principal Chief Conservator of Forest (LM), Govt. of MP, Bhopal (w.e.f. 19.09.2013)

GM (PA)/Company Secretary

- Shri D. H. Lalwani

Bankers & Auditors

BANKERS

Bank of Maharashtra, Kolkata
Andhra Bank, Kolkata
UCO Bank, Kolkata
United Bank of India, Kolkata
Corporation Bank, Kolkata
Allahabad Bank, Morwa
Union Bank of India, Morwa
Oriental Bank of Commerce, Kolkata
I D B I Bank, Kolkata
Canara Bank, Kolkata
Bank of India, Kolkata
Bank of Baroda, Kolkata
Punjab National Bank, Kolkata
Syndicate Bank, Singrauli
ICICI Bank, Kolkata
State Bank of India, Morwa
Axis Bank, Singrauli

STATUTORY AUDITORS

M/s. Prakash & Santosh,
Chartered Accountants,
Kanpur (U.P.)

BRANCH AUDITORS

M/s. B. C. P. Jain & Co.
Chartered Accountants,
Bhopal (M.P.)

M/s. S. K. Lulla & Co.,
Chartered Accountants,
Gwalior (M.P.)

REGISTERED OFFICE

P. O. Singrauli Colliery
Distt. Singrauli (M.P.) – 486 889

To,

- 1 M/s. Coal India Ltd., Member, NCL, Coal Bhawan, 10 N.S. Road, Kolkata.
2. Shri S. Narsing Rao, Chairman, Coal India Ltd., Member, 10, N.S. Road, Kolkata.
3. Shri T.K. Lahiry, Member, NCL, Koyla Nagar Township, PO. BCCL Township, Dhanbad, Jharkhand, India.
4. Shri A. Chatterjee, Coal India Ltd., Member, 10, N.S. Road, Kolkata.
5. Ms. Shantilata Sahu, Chairman-cum-Mananging/D(P), NCL Singrauli.
6. All Directors/Permanent Invitees, NCL Board/Chairman, Audit Committee, NCL.
7. M/s Prakash & Santosh, Chartered Accountants, Statutory Auditors, NCL, Ronald Complex, Flat No. 8, Upper Floor, West Cott Building, 37/17, The Mall, Kanpur – 208 001 (UP)

NOTICE

TWENTY NINTH ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty Ninth Annual General Meeting of the Members of Northern Coalfields Limited will be held at **11.30 A.M. on Tuesday, the 17th June, 2014 at the Registered Office of the Company at Singrauli Colliery, Distt. Singrauli (M.P.)** to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 2014 and Profit & Loss Account for the year ended 31st March, 2014 together with the Directors' Report and Reports of the Statutory Auditors & Comptroller and Auditor General of India thereon.
2. To declare Dividend.
3. To appoint a Director in place of Shri Vivek Bharadwaj, who retires in terms of Article 33(e)(iii) of the Articles of Association of the Company and is eligible for re-appointment.
4. To appoint a Director in place of Shri B. K. Saxena, who retires in terms of Article 33(e)(iii) of the Articles of Association of the Company and is eligible for re-appointment.

By Order of the Board of Directors

Sd/-

Company Secretary

Registered Office :

P.O.Singrauli Colliery,
Distt. Singrauli (M.P.) - 486 889.

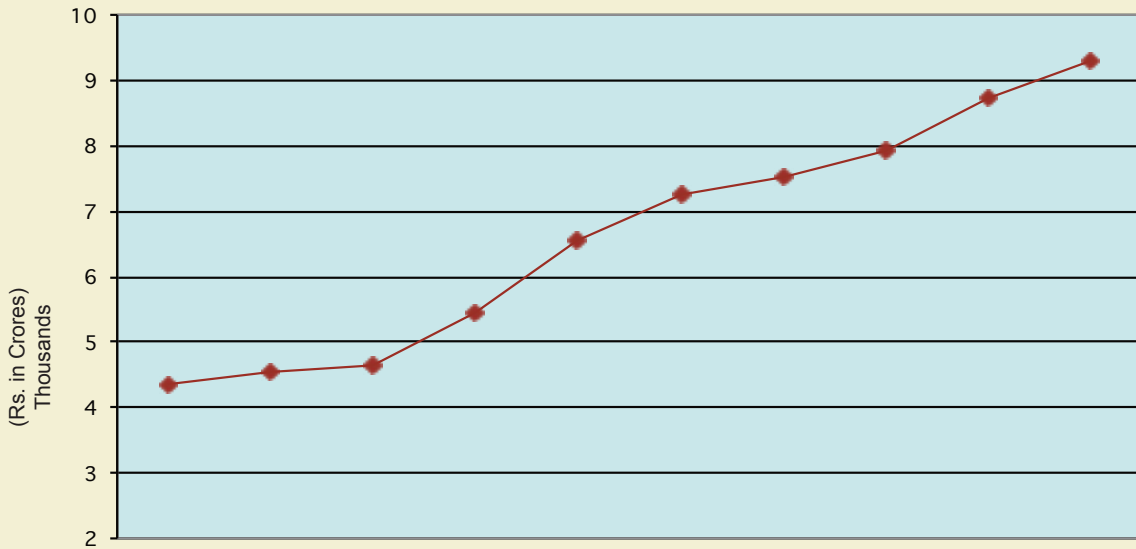
Note:

1. A member entitled to attend and vote at the meeting is also entitled to appoint a proxy or proxies to attend and vote instead of himself/herself and proxy need not be a member of the Company. In order to be effective, the Proxy form duly completed should be deposited at the registered office of the Company not less than forty-eight hours before the scheduled time of the Annual General Meeting.
2. Members are also requested to accord their consent for convening the meeting at a shorter Notice under section 101 of the Companies Act, 2013.

Copy to:

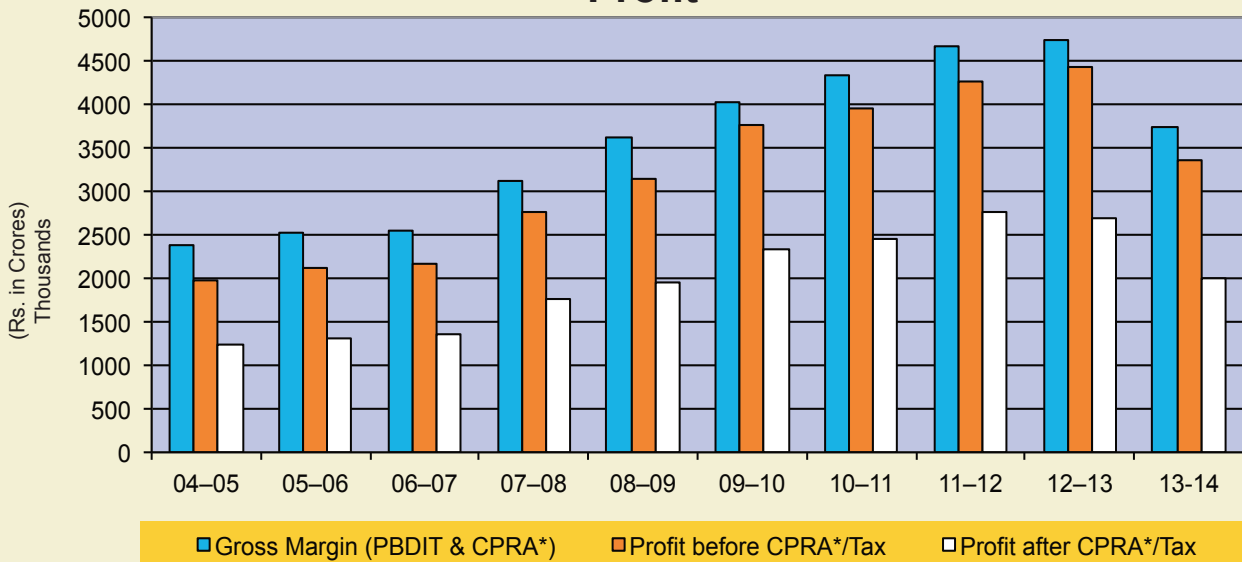
- 1 Company Secretary, Coal India Ltd., Coal Bhawan, 10 N.S. Road, Kolkata 700 001.
- 2 GM(Fin)/Inch., NCL, Singrauli.

Turnover



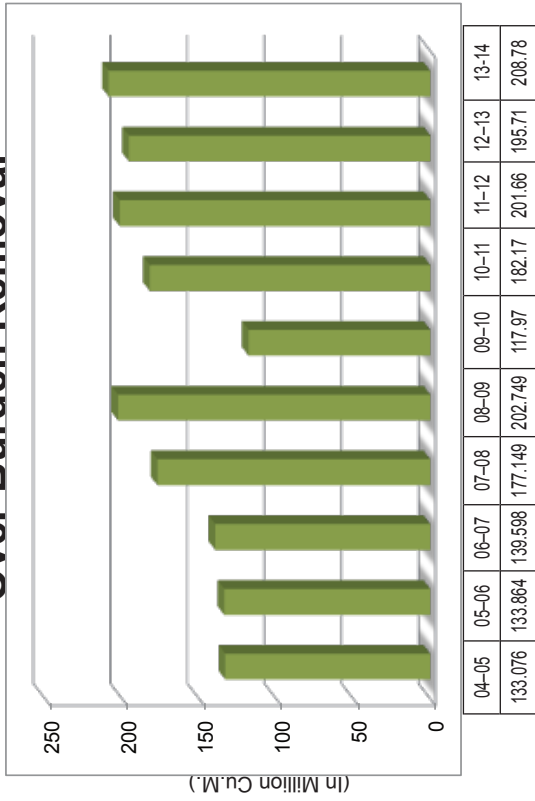
04-05	05-06	06-07	07-08	08-09	09-10	10-11	11-12	12-13	13-14
4357.38	4546.86	4630.84	5455.21	6551.94	7264.84	7516.03	7916.52	8731.71	9303.88

Profit

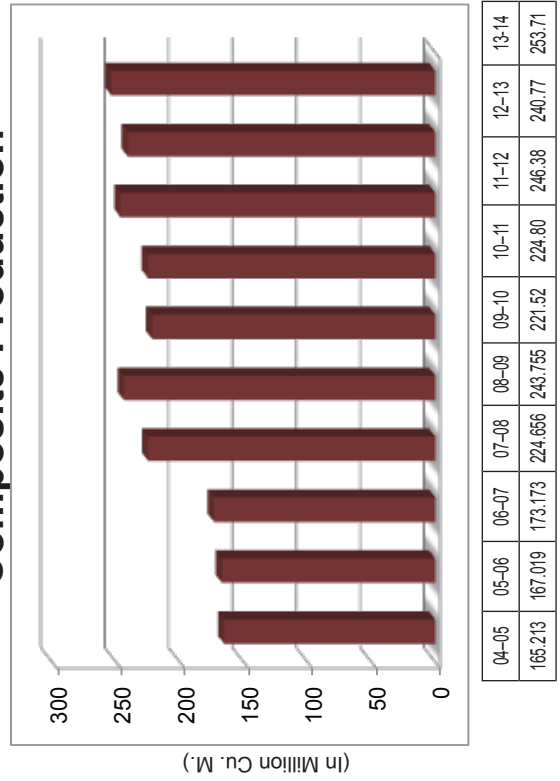


	04-05	05-06	06-07	07-08	08-09	09-10	10-11	11-12	12-13	13-14
Gross Margin (PBDIT & CPRA*)	2380.82	2512.96	2555.11	3121.64	3612.04	4033.11	4329.97	4665.89	4735.35	3731.85
Profit before CPRA*/Tax	1976.04	2116.26	2177.61	2763.75	3131.01	3766.30	3956.36	4265.67	4420.58	3355.71
Profit after CPRA*/Tax	1235.97	1300.98	1366.48	1771.66	1960.93	2325.09	2445.45	2770.09	2682.13	2008.02

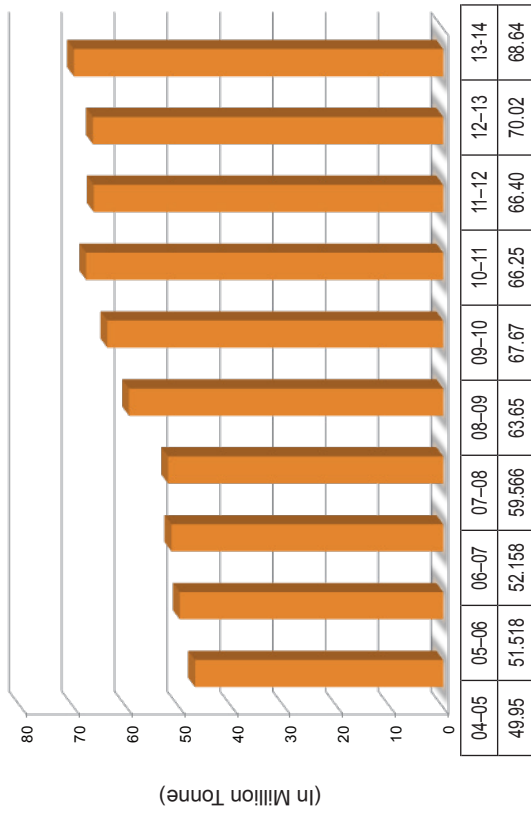
Over Burden Removal



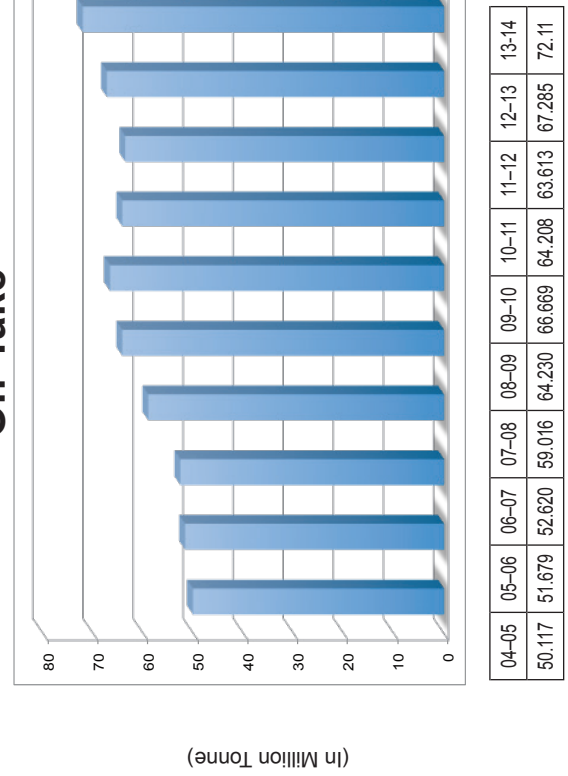
Composite Production



Coal Production



Off-Take



IMPORTANT FINANCIAL INFORMATION

(Rs. in Crores)

Year	2013-14	2012-13	2011-12	2010-11	2009-10	2008-2009	2007-2008	2006-2007	2005-2006	2004-2005
(A) RELATED TO ASSETS & LIABILITIES:										
(1) Shareholders' funds										
(a) Equity	177.67	177.67	177.67	177.67	177.67	177.67	177.67	177.67	177.67	177.67
(b) Reserves & Surplus	9076.42	9568.40	8756.62	7918.21	7179.61	6483.20	5898.79	5382.68	4547.59	3839.98
(c) Less: Misc. Exp. not W/O	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net Worth	9254.09	9746.07	8934.29	8036.83	7327.81	6660.87	6076.46	5560.36	4725.26	4017.66
(2) Redeemable Pref. Shares	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(3) Loan	0.00	612.83	735.30	739.50	789.97	963.80	815.04	887.70	977.98	1067.83
(4) Capital Employed	13345.32	13499.54	12038.45	8455.51	7880.77	7366.30	6616.08	6363.82	5684.33	5133.77
(5) (i) Net Fixed Assets	2257.86	2135.06	2192.70	2164.14	2204.42	1914.37	1832.27	1897.30	1949.20	2170.94
(ii) Current Assets	13572.84	14211.13	12596.38	12182.38	10473.42	9277.42	7585.25	6459.63	5390.53	3993.76
(iii) Net Current Assets(W/Capital)	11087.46	11364.48	9845.75	6291.37	5676.34	5451.93	4783.80	4466.52	3735.13	2962.82
(6) Current Liabilities	2485.38	2846.65	2750.63	5891.00	4797.08	3825.49	2801.45	1993.11	1655.40	1030.94
(7) (a) Sundry Debtors (Net)	955.94	1738.21	425.70	99.40	123.00	73.73	51.83	50.53	108.91	94.90
(b) Cash & Bank Balances	7443.79	8432.77	8738.30	8626.36	6949.63	5506.02	3959.23	3095.74	2428.74	863.45
(8) Closing Stock of:										
(a) Stores & Spares (Net)	408.47	369.05	336.84	294.14	320.26	300.47	204.31	182.35	166.70	157.96
(b) Coal (Net)	484.64	629.32	391.10	199.81	75.05	46.30	75.65	39.52	56.60	60.22
(c) Other inventories (Net)	0.08	0.02	0.03	0.00	12.24	12.58	17.78	3.84	1.26	4.08
(9) Av. Stock of Stores&Spares (Net)	388.76	352.95	315.49	307.20	310.37	252.39	193.33	174.53	162.33	168.64
(B) RELATED TO PROFIT/LOSS										
(1) (a) Gross Margin	3731.85	4735.37	4665.89	4329.97	4033.11	3612.05	3121.64	2555.11	2512.95	2380.81
Less: Depreciation	360.69	294.53	378.09	349.84	239.23	433.32	314.84	327.94	349.67	363.92
(b) Gross Profit	3371.16	4440.84	4287.80	3980.13	3793.88	3178.73	2806.80	2227.17	2163.28	2016.90
Less: Interest & Financial Charges	15.45	20.26	22.13	23.77	27.59	47.71	43.05	49.56	47.03	40.86
(c) Net Profit before Tax	3355.71	4420.58	4265.67	3956.36	3766.30	3131.01	2763.75	2177.61	2116.26	1976.03
(2) Provision for Income Tax	1347.69	1738.45	1495.58	1510.92	1441.20	1170.09	992.09	811.12	815.28	740.06
Profit after Tax	2008.02	2682.13	2770.09	2445.45	2325.10	1960.93	1771.66	1366.49	1300.98	1235.97
(2) (a) Gross Sales	12419.62	11616.11	10176.94	8972.50	8415.61	7617.93	6388.79	5408.79	5315.09	5103.98
(b) Net Sales(after levies & Dev. etc)	9303.88	8731.71	7916.52	7516.03	7264.84	6551.94	5455.21	4630.84	4546.86	4357.38
(c) Average Net Sales per month	775.32	727.64	659.71	626.34	605.40	546.00	454.60	385.90	378.91	363.11
(3) Cost of Good Sold (Sales - PBT)	5948.17	4311.13	3650.85	3559.66	3498.54	3420.93	2691.46	2453.23	2430.61	2381.34
(4) (a) Total expenditure	7154.05	5565.82	4866.76	4585.01	4374.20	4225.41	3373.28	2994.07	2785.75	2677.11
(b) Sal. & Wages(Gross; Rev. only)	1701.51	1599.87	1397.23	1050.41	970.11	1105.20	631.05	526.04	455.25	511.01
(c) Stores & Spares(Gross;Rev.only)	1590.52	1379.16	1270.46	1242.09	1167.28	1208.70	1114.13	1050.98	904.44	740.58
(d) Power & Fuel(Gross;Rev.only)	310.56	295.44	266.75	254.64	229.28	226.47	234.66	234.20	230.08	234.27
(e) Interest(Gross;Rev.only)	15.45	20.26	22.13	23.77	27.59	47.71	43.05	49.56	47.03	40.86
(f) Depreciation(Gross;Rev.only)	360.69	294.53	378.09	349.84	239.23	433.32	314.84	327.94	349.67	363.92
(5) Av. Cons. of Stores & Spares/month	132.54	114.93	105.87	103.51	97.27	100.72	92.84	87.58	75.37	61.71
Gross Margin (PBDIT) (Rs. Crs.)	3731.85	4735.37	4665.89	4329.97	4033.11	3612.05	3121.64	2555.11	2512.95	2380.81
Profit before Tax (Rs. Crs.)	3355.71	4420.58	4265.67	3956.36	3766.30	3131.01	2763.75	2177.61	2116.26	1976.03
Profit after Tax (Rs. Crs.)	2008.01	2682.13	2770.09	2445.45	2325.10	1960.93	1771.66	1366.49	1300.98	1235.97

Note: From the year 2011-12 onwards figures are derived on the basis of Revised Schedule VI of the Companies Act, 1956.

IMPORTANT FINANCIAL RATIOS/PERCENTAGES

Year		2013-14	2012-13	2011-12	2010-11	2009-10	2008-2009	2007-2008	2006-2007	2005-2006	2004-2005
(A) PROFITABILITY RATIOS											
(1)	As % Net Sales										
	(a) Gross Margin	40.11	54.23	58.94	57.61	55.52	55.13	57.22	55.18	55.27	54.64
	(b) Gross profit	36.23	50.86	54.16	52.96	52.22	48.52	51.45	48.09	47.58	46.29
	(c) Net Profit	36.07	50.63	53.88	52.64	51.84	47.79	50.66	47.02	46.54	45.35
(2)	As % Total Expenditure										
	(a) Sal & Wages (Gross; Revenue)	23.78	28.74	28.71	22.91	22.18	26.16	18.71	17.57	16.34	19.09
	(b) Stores & Spares(Gross; Revenue)	22.23	24.78	26.10	27.09	26.69	28.61	33.03	35.10	32.47	27.66
	(c) Power & Fuel(Gross;Revenue)	4.34	5.31	5.48	5.55	5.24	5.36	6.96	7.82	8.26	8.75
	(d) Interest(Gross; Revenue)	0.22	0.36	0.45	0.52	0.63	1.13	1.28	1.66	1.69	1.53
	(e) Depreciation(Gross; Revenue)	5.04	5.29	7.77	7.63	5.47	10.26	9.33	10.95	12.55	13.59
(3)	As % Capital Employed										
	(a) Gross Margin	27.96	35.08	38.76	51.21	51.18	49.03	47.18	40.15	44.21	46.38
	(b) Gross profit	25.26	32.90	35.62	47.07	48.14	43.15	42.42	35.00	38.06	39.29
	(c) Net Profit	25.15	32.75	35.43	46.79	47.79	42.50	41.77	34.22	37.23	38.49
(4)	Operating Ratio [(Sales-Profit)/Sales]	0.64	0.49	0.46	0.47	0.48	0.52	0.49	0.53	0.53	0.55
(B) LIQUIDITY RATIOS											
(1)	Current Ratio (Current Assets/Current Liabilities)	5.46	4.99	4.58	2.07	2.18	2.43	2.71	3.24	3.26	3.87
(2)	Quick Ratio (Quick Assets/Current Liabilities)	5.10	4.64	4.31	1.98	2.10	2.33	2.60	3.13	3.12	3.66
(3)	Working Capital as % of										
	(a) Capital Employed	83.08	84.18	81.79	74.41	72.03	74.01	72.31	70.19	65.71	57.71
	(b) Net Fixed Assets	491.06	532.28	449.02	290.71	257.50	284.79	261.09	235.41	191.62	136.48
(C) TURNOVER RATIOS											
(1)	Capital Turnover Ratio (Net Sales/Capital Employed)	0.70	0.65	0.66	0.89	0.92	0.89	0.82	0.73	0.80	0.85
(2)	Working Capital Turnover Ratio (Net Sales/Working Capital)	0.84	0.77	0.80	1.19	1.28	1.20	1.14	1.04	1.22	1.47
(3)	Sundry Debtors as no.of months										
	(a) Gross Sales	1.56	1.80	0.50	0.13	0.18	0.12	0.10	0.11	0.25	0.22
	(b) Net Sales	2.08	2.39	0.65	0.16	0.20	0.14	0.11	0.13	0.29	0.26
(4)	As Ratio of Net Sales										
	(a) Sundry Debtors	0.17	0.20	0.05	0.01	0.02	0.01	0.01	0.01	0.02	0.02
	(b) Coal Stocks	0.05	0.07	0.05	0.03	0.01	0.01	0.01	0.01	0.01	0.01
(5)	Stock of Stores & Spares										
	(a) Av. Stock/Annual Consumption	0.28	0.26	0.25	0.25	0.27	0.21	0.17	0.17	0.18	0.23
	(b) Closing Stock as no. of months con.	3.41	3.21	3.18	2.84	3.29	2.98	2.20	2.08	2.21	2.56
(D) STRUCTURAL RATIOS											
(1)	Debt : Equity	0.00	3.45	4.14	4.16	4.45	5.42	4.59	5.00	5.50	6.01
(2)	Debt : Networth	0.00	0.06	0.08	0.09	0.11	0.14	0.13	0.16	0.21	0.27
(3)	Networth : Equity	52.09	54.85	50.29	45.23	41.24	37.49	34.20	31.30	26.60	22.61
(4)	Net Fixed Assets : Networth	0.24	0.22	0.25	0.27	0.30	0.29	0.30	0.34	0.41	0.54
(E) SHAREHOLDER'S INTEREST											
(1)	Earnings Per Share (Rs.) (N.P. after tax & Pref.Div/No. of Equity)	11301.79	15095.90	15590.96	13763.78	13086.39	11036.72	9971.49	7691.02	7322.35	6465.64
(2)	Book Value per Share (Rs.) (Networth/No. of Equity)	52085.03	54854.05	50285.09	45233.90	41243.28	37489.55	34200.28	31295.48	26595.29	22612.66
(3)	Dividend Per Share (Rs.)	12026.83	9057.55	9354.56	8258.27	7851.83	6622.03	5982.90	3076.41	2928.90	2586.30

OPERATIONAL STATISTICS

Year		2013-14	2012-13	2011-12	2010-11	2009-10	2008-2009	2007-2008	2006-2007	2005-2006	2004-2005
A.	Operational Statistics:										
(1)	(a) Total Coal Production (Lakh Tes)	686.39	700.21	664.01	662.53	676.70	636.50	595.66	521.58	515.18	499.50
	(b) Revenue Coal Prodn.(Lakh Tes)	686.39	700.21	664.01	662.53	676.70	636.50	595.66	521.58	515.18	499.50
	(c) Total O.B. Removal(L. CuM)	2087.87	1957.06	2016.64	1822.16	1779.76	2027.49	1771.49	1395.88	1338.64	1330.76
	(d) Revenue O.B. Removal(L. CuM)	2087.87	1957.06	2016.64	1822.16	1779.76	2027.49	1771.49	1395.88	1338.64	1330.76
(2)	Raw Coal Despatch (Lakh Tes):										
	Power	672.07	645.48	613.47	642.31	642.31	612.83	567.25	514.78	508.62	490.41
	Cement	1.55	1.70	0.12	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Others	47.49	25.67	18.48	20.29	20.29	25.16	19.11	11.42	8.17	10.76
	Total	721.11	672.85	632.07	662.60	662.60	637.99	586.36	526.20	516.79	501.17
(3)	Manpower:										
	As on 1st April	16073	16329	16209	16373	16450	16697	16726	16914	17174	17292
	As on 31st March	16741	16073	16329	16209	16373	16450	16697	16726	16914	17174
	Average	16407	16201	16269	16291	16412	16574	16712	16820	17044	17233
(4)	Productivity:										
	(a) Average per man per year (Tes)	4183.52	4322.02	4081.44	4066.85	4123.20	3840.35	3564.27	3100.95	3022.65	2898.51
	(b) Output per Manshift (Tes)	13.78	13.65	13.55	13.52	13.19	14.58	13.81	10.97	10.60	10.24
B.	Related to Cost Sheet:										
(1)	Earning per Manshift (Rs.)	3026.36	2816.71	2323.99	2038.97	1786.44	2065.80	1203.42	1004.55	837.99	931.68
(2)	Av. Cost of Production of Net Saleable Coal (Rs. per Te.)	878.37	802.13	719.21	639.07	593.91	629.45	537.07	550.83	514.09	492.05
(3)	Av. Sale Value of Net Saleable Coal produced (Rs. per Te.)	1305.63	1253.76	1193.76	1130.18	1059.48	1005.47	904.20	872.59	865.55	854.56

Chairman's Statement

Dear Shareholders,



On behalf of the Board of Directors of Northern Coalfields Limited (NCL) and on my behalf, I welcome you to the 29th Annual General Meeting of NCL and present before you the Annual Report of your Company for the Financial Year 2013-14.

Your Company produced 68.64 Million Tonnes of Coal during the year 2013-14 which is 1.97% below the actual production during the previous year. The actual coal production during the year 2013-14 was lower than previous year mainly because of closure of 3 mines namely Krishnashila, Bina and Block'B' w.e.f. 8.2.14, 21.2.14 and 25.2.14 respectively due to reaching Coal Production upto EC capacity level; delay in commissioning of Draglines, delay in commencement of OB Removal work by HOE Agencies, non supply of

spares of Shovels and short supply of explosives, amongst others.

On the Financial front, Profit Before Tax (PBT) of your Company during 2013-14 was Rs.3355.71 crores registering a decrease of 24.09% over PBT of Rs.4420.58 crores during the year 2012-13, mainly on account of additional provision of Rs.650.69 crores being made for doubtful debts pending completion of re-conciliation/settlement with NTPC.

Your Company has paid interim dividend of Rs. 2136.84 crores (total) during the Financial Year 2013-14 which is to be treated as final dividend. The dividend paid for the year 2013-14, works out to 1202.68% of the paid-up Equity Share Capital of NCL.

Off-take of coal during the year 2013-14 was 72.11 MT against the previous year's off-take of 67.29 MT registering a growth of 7.17%.

Your Company followed the concept of workers participation in management and maintained cordial industrial relations. Your Company also paid due attention on employees welfare and social amenities. Corporate Social Responsibility (CSR) activities undertaken by your Company during the year included construction of roads, water supply, community hall, skill development, healthcare, education.

Your Company has complied with the conditions of Corporate Governance as stipulated in the Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) issued by the Department of Public Enterprises, Government of India. As required under the said guidelines a separate section on Corporate Governance has been added in the Directors' Report and a Compliance Certificate obtained from the Statutory Auditors has been annexed to the Directors' Report.

For the year 2014-15, your Company has been assigned a target of 77.50 MT for coal production and 78.50 MT for off-take. We have also focused our attention on liquidation of coal stocks so as to maximize sales realization and in turn achieve better financial results.

I am confident that with sustained efforts of all concerned, NCL will grow at desired pace in the Financial Year 2014-15 and years ahead.

I also take this opportunity to convey our sincere thanks to the Government of India, Ministry of Coal, Coal India Limited and all Stakeholders for the trust reposed on us and opportunity given for further growth.

Sd/-

(SHANTILATA SAHU)

Chairman-cum-Managing Director

Northern Coalfields Limited

DIRECTORS' REPORT

To

THE MEMBERS/SHAREHOLDERS,

Northern Coalfields Limited,

On behalf of the Board of Directors, I have great pleasure in presenting the 29th Annual Report of Northern Coalfields Limited (NCL) together with the Audited Accounts for the Financial Year ended 31st March, 2014.

PERFORMANCE HIGHLIGHTS OF THE YEAR

The highlights of performance for the year 2013-14 are as under :

- NCL has achieved coal production of 68.64 million tonnes during the year 2013-14 which is 1.97 percent lower than actual production of 70.02 million tonnes during the year 2012-13. The Over Burden Removal of 208.78 million Cu.m. during the year was 6.67% higher than OB Removal of 195.71 million Cu.m during the year 2012-13.
- Offtake at 72.11 million tonnes during the year 2013-14 registered a growth of 7.17 percent over the Offtake of 67.29 million tonnes during the year 2012-13.
- Record turnover of Rs.9303.88 crores during the year 2013-14 is 6.55 percent higher than last year's turnover of Rs.8731.71 crores.
- NCL recorded Profit before Tax (PBT) of Rs.3355.71 crores during the year 2013-14, and has registered a decrease of 24.09 percent over previous year's PBT of Rs.4420.58 crores. Profit after Tax (PAT) was Rs.2008.02 crores compared to previous year's PAT of Rs.2682.13 crores.
- Dividend for the year 2013-14 being 1202.68% of paid up equity share capital, amounts to Rs.2136.84 crores against 905.76% of paid up equity share capital amounting to Rs.1609.28 crores for the year 2012-13.

- Earning per Share (EPS) during the year 2013-14 was Rs.11,301.79 against EPS of Rs.15095.90 of previous year.
- Efforts for greening the environment and pollution control continued during the year. During 2013-14, 4.20 lakh saplings have been planted. The total saplings planted upto 31st March, 2014 reached 221.43 lakhs.
- NCL continued to practice the Worker's participation in management, as a result industrial relations remained healthy and harmonious.
- Employees' welfare, community development and human resource development continued to be focus areas.

1.0 FINANCIAL REVIEW

- 1.1 The Company has achieved a turnover of Rs. 9303.88 crores during the year 2013-14 against Rs. 8731.71 crores during the year 2012-13 recording a growth of 6.55%. The financial results for the year 2013-14, as compared to previous year, are given in the following table :

	(Rs. in crore)	
Description	2013-14	2012-13
Gross Margin	3731.85	4735.37
Less: Depreciation	360.69	294.53
Gross Profit	3371.16	4440.84
Less: Interest & other financial charges	15.45	20.26
Profit before Tax	3355.71	4420.58
Less: Provision for Tax	1347.69	1738.45
Profit after Tax	2008.02	2682.13
Less: Transfer to CSR Reserve	38.42	40.16
Transfer to General Reserve	3.08	3.17
Dividend on Equity Share Capital	200.80	268.21
Provision for Tax on Distributable Profit	2136.84	1609.28
Provision for Sustainable Development Reserve	363.16	261.07
Surplus carried to Balance Sheet	(734.28)	500.24

1.2 Share Capital

1.2.1 The Authorized Share Capital of the Company as on 31st March, 2014 remained at Rs.1,400.00 crores comprising of 40,00,000, 10% Cumulative Preference Shares of Rs.1000/- each and 1,00,00,000 Equity Shares of Rs.1000/- each. The paid-up share capital as on 31st March, 2014, remained at Rs.177.67 crores comprising of 17,76,728 equity shares of Rs.1000/- each.

1.3 TRANSFER TO RESERVE

1.3.1 An amount of Rs.200.80 crores, equivalent to 10% of Profit after Tax, has been transferred to General Reserve.

1.3.2 An amount of Rs.38.42 crores has been transferred to Corporate Social Responsibility Reserve, equivalent to 5% of retained earnings of the previous year, subject to minimum of Rs. 5/- per tonne of coal production of the Previous Year.

1.3.3 An amount of Rs.3.08 crores has been transferred to Sustainable Development Reserve, equivalent to Rs.50 lakh plus 0.1% of profit after tax of previous year exceeding Rs.100 crores.

1.4 DIVIDEND

1.4.1 The interim dividend already paid amounting to Rs.2136.84 crores, will be treated as final dividend on the equity share capital for the year 2013-14. The dividend paid amounting to Rs.2136.84 crores (previous year Rs.1609.28 crores) work out to 1202.68% of the paid-up equity share capital (previous year 905.76%) i.e. Rs.12026.83 per share against Rs. 9057.55 in previous year. The dividend distribution tax paid amounting to Rs.363.16 Crores (previous year Rs.261.07 Crores).

1.5 BORROWINGS

1.5.1 The Company has not taken any loan from CIL, Government or any Financial Institution during the year.

1.6 ASSISTANCE UNDER COAL SECTOR REHABILITATION PROJECT (CSR).

1.6.1 The Company had received a loan of USD 142.165 million from International Bank for Reconstruction and Development (IBRD) i.e. World Bank and Yen equivalent of USD 142.165 million from Japan Bank for International Co-operation (JBIC) for financing the CSR. The total disbursement under CSR was Rs.1234 crores (USD 279.06 million).

1.7 DISCHARGE OF LIABILITY TOWARDS LOANS AND DEFERRED PAYMENT

1.7.1 During the year, IBRD loan amounting to Rs.355.19 Crores (57.39 million USD) and JBIC Loan amounting to Rs.322.72 Crores (6117.86 Million Japanese Yen) has been repaid out of which IBRD Loan amounting to Rs.294.96 crores (47.24 million USD) and JBIC Loan amounting to Rs.288.31 crores (4557.24 million Japanese Yen) has been prepaid to settle the full loan amount.

1.8 CAPITAL EXPENDITURE

1.8.1 During the year 2013-14, NCL has made a capital expenditure of Rs.301.76 crores against the budget of Rs.800.00 crores. The expenditure has been mainly on acquisition/ addition of HEMM, other Plant & Machinery and on Buildings etc.

1.9 Sales Realisation

1.9.1 The status of billing and sales realization for the year 2013-14 as compared to previous year is given below:

Year	Billing (Rs. in crore)	Realisation including receipt against dues of earlier years (Rs. in crore)	% Realisation against billing
2013-14	11928.45	10163.47	85.20
2012-13	14315.42	12705.80	88.75

Note : In the report of 2012-13 opening balance was not taken into account while representing billed figure. This has been amended in current year.

1.10 Coal Sales Outstanding Dues

1.10.1 The position of coal sales dues outstanding as on 31.03.2014 as compared to 31.03.2013 is given hereunder:

(Rs. in crore)		
Consumer	As on 31.3.2014	As on 31.3.2013
UPRVUNL	30.66	167.03
NTPC	1532.94	1525.29
Others	46.02	48.95
Total	1609.62	1741.27

1.10.2 Outstanding dues are mainly due to non-payment of dues by NTPC for the period 24/10/2012 to 30/09/2013. The dues are expected to be settled shortly.

1.10.3 With regard to interest on delayed payment of coal sales dues against coal supplied to UPRVUNL, Hon'ble Umpire passed an award directing UPRVUNL to pay Rs.132.67 crores to NCL against which an appeal was made by UPRVUNL before Secretary (Law), Ministry of Law & Justice, Government of India. The said appeal was rejected by Secretary (Law) in the month of June, 2006.

1.10.4 Subsequently, UPRVUNL preferred to file a Petition before Hon'ble High Court of Allahabad, Lucknow Bench against (i) Office Order issued by Ministry of Coal, Government of India regarding appointment of Umpires, (ii) Award passed by Umpire for payment of Rs.322.96 crores by UPRVUNL to subsidiary companies of Coal India Ltd.; towards interest on delayed payment of coal bills which included NCL's share of Rs.132.67 crores and (iii) Order passed by Secretary (Law), rejecting the appeal filed by UPRVUNL against award of umpire.

1.10.5 A short counter affidavit challenging the maintainability of the Writ Petition has been filed before Hon'ble High Court of Allahabad Bench. The matter is still pending before the Hon'ble High Court.

1.11 Securitisation Of Coal Sales Dues

1.11.1 In the report for the year ended 31st March, 2004, it was informed that under the Scheme for One Time Settlement of SEBs' dues to Central Public Sector Undertakings (CPSUs) introduced by the Central Govt., 8.5% tax free bonds of the State Government for an amount of Rs.114.56 crores were issued by Reserve Bank of India against the outstanding dues of UPSEB / UPRVUNL as on 30.09.2001. Out of Rs.114.56 crores, Rs.91.65 crores (16 Nos. of Bonds @ Rs.5.73 crores) have been redeemed upto 31.3.2014.

1.12 Payment To Central/State Exchequer

1.12.1 Information in regard to contribution made by the Company towards the Central and State Exchequer is furnished hereunder:

Particulars	2013-14			2012-13		
	MP	UP	Total	MP	UP	Total
Royalty	895.50	266.13	1,161.63	854.99	236.98	1,091.97
Central & State Sales Tax	174.27	202.69	376.96	180.60	174.63	355.23
Clean Energy Cess	225.59	168.06	393.65	177.59	139.06	316.65
Excise Duty	218.82	203.75	422.57	281.28	222.91	504.19
Sales Tax on works and scraps	4.92	6.00	10.92	3.78	2.85	6.63
Entry Tax	5.62	32.69	38.31	6.40	29.54	35.94
Service Tax	7.27	3.16	10.43	4.09	1.79	5.88
Stowing Excise Duty	52.86	19.42	72.28	49.63	17.09	66.72
SSDA Cess	0.00	13.15	13.15	-	13.24	13.24
Property Tax	1.76	0.00	1.76	1.76	-	1.76
Forest Cess	14.76	39.77	54.53	26.22	28.37	54.59
Professional Tax	2.22	0.00	2.22	2.33	-	2.33
MPGATSVVA	215.88	0.00	215.88	288.35	-	288.35
Total	1819.47	954.82	2774.29	1,877.02	866.46	2,743.48

1.12.2 The Company has paid an amount of Rs.1700.63 crores towards corporate advance income tax (including TDS) and Rs.462.00 crores towards dividend tax during 2013-14, as against Rs.1639.01 crores and Rs.269.63 crores respectively, paid during 2012-13.

1.12.3 Earning per share (EPS) during the year 2013-14 came down to Rs.11301.79 from Rs.15095.90 of previous year.

2.0 PRODUCTION PERFORMANCE

2.1 Production Performance for the year 2013-14 against target and in comparison with previous year is given below :

		2013-14			2012-13 Actual	% growth over Previous year
		Target	Actual	% achvt.		
Coal (Mill.Tes)	Dept.	72.20	68.64	95.01	70.02	-1.97
Coal Offtake (Mill.Tes)		73.50	72.11	98.12	67.29	7.18
Over Burden Removal (Mill.Cum)	Dept.	106.84	79.47	74.38	83.98	-5.37
	Out-sourcing	152.86	129.31	84.59	111.72	15.74
	Total	259.70	208.78	80.39	195.71	6.67
Composite Prodn (Mill.Cum.)	Total	305.77	253.71	82.97	240.77	5.37

2.1.1 Three mines namely Bina, Krishnashila and Block-B achieved (in Feb'14 itself) Coal production of 6.0 MT, 4.0 MT and 4.375 MT respectively as per existing EC capacity. Thereafter, these three mines were closed w.e.f 21st Feb, 2014, 8th Feb, 2014 and 25th Feb, 2014 respectively awaiting enhanced EC clearance. The stoppage of coal production from these three mines after the above stated dates, lead to shortfall of 2.50 MT .

2.1.2 One dragline scheduled to be commissioned in April, 2012 at Amlohri was delayed and not commissioned by March, 2014 . Second dragline scheduled to be commissioned in April, 2013 at Krishnashila was delayed and not commissioned by March, 2014. Third dragline scheduled to be commissioned in January, 2014 at Amlohri itself was also delayed and not commissioned by March, 2014.

Such a huge period of lag in commissioning schedule of all the upcoming three draglines in NCL has affected not only the OB removal programme but coal production as well.

2.1.3 The main reasons for less achievement of Coal Production and OB Removal by Departmental means are as follows:

As per NCL Board approval of HEMM based on PR/RPR/survey off norms, following equipment are urgently required:-

	Re-quired (nos.) as per PR/RPR/NCL Board approval	Total capacity (Cum/Tes)	Ex-isting nos. On 1st April '2014	Ex-isting Capacity (Cum/Tes)	Short-age in Capacity (Cum/Tes)	Short-age in nos	Remarks
Dragline	22	484	17	383	101	4	Shortage based on 24 Cum equipment capacity
Shovel	104	999.7	70	706.6	293.1	29	Shortage based on 10 Cum equipment capacity
Dumper	771	71245	446	44650	26595	266	Shortage based on 100 Tes equipment capacity

2.1.4 The shortage of these equipment are the biggest hurdle in existing production capacity. At present two nos. of draglines are under erection and commissioning at Amlohri and Krishnashila respectively. 18 nos of Shovels are under process of tendering. 36 nos. of 100 Tes capacity Dumpers and 22 nos. of 190 Tes capacity Dumpers are also under the process of tendering.

2.1.5 The availability of Shovels had been badly affected due to non supply of spares of Shovels. M/s Vulcan, Gujrat and M/s Rajesh Engg , Raipur were the main Suppliers for Shovel spares - some of which are listed below:

Dipper Handle, Final Drive Gear,
Final Drive Pinion, Lower Roller assembly,
Drive Tumbler, Shaft and Pinion,
and various types of Gears etc.

2.1.6 Since M/s Vulcan, Gujrat had been banned and M/s Rajesh Engg. Raipur were unable to supply the spares as per Supply

Order, so the performance of Shovels had become very poor and it affected the production programme of OB Removal and Coal as well.

2.1.7 One BE-1600 Shovel at Khadia was under breakdown due to fire in the machine since 25th March'13. The shovel was under MARC with M/s. BEML and its work for rehabilitation/maintenance was not yet started by March'14.

2.1.8 The delay of 4 months in start of work by HOE agency at Khadia project (LOA issued on 8.2.2013 and work started on 3.6.2013) was one of the reasons for less coal exposure which has caused shortfall in Coal production during 2013-14.

2.1.9 The delay of start of work of OB Removal by HOE agency(M/s Sainik Mining Ltd.) at Dudhichua Project and its poor performance is one of the reason for shortfall in coal production . The OB removal by M/s Sainik Mining Ltd. , HOE agency at Dudhichua Project has achieved 4.15 Mill. Cum (i.e 60.0%) against its target of 6.92 Mill. Cum for the year 2013-14.

2.1.10 Even another HOE agency namely M/s JP-ASD-Dholu(JV) at Dudhichua itself lagged its target by 2.25 Mill. Cum (achievement was 12.37 Mill. Cum against target of 14.70 Mill. Cum) causing shortfall in coal production.

2.1.11 The OB removal (achieved) by HOE agency at Nigahi was 11.73 Mill. Cum (i.e 58.65 % only) against its target of 20.00 Mill. Cum for the period April'13- March'14. The poor performance of HOE agency, M/s Saumya Mining Ltd. at Nigahi Project has badly affected the OB Removal and Coal Production programme as well.

2.1.12 The short supply of explosives due to transportation constraint of raw material in the month of Feb'14 (supply was 75% against requirement) affected the OB removal and Coal Production programme as well.

2.1.13 Accumulated stock and less Coal handling capacity lead to less Coal production (compared to last year) at Jayant.

2.2 Production Programme for the year 2014-15

2.2.1 The company has finalized a Programme for Coal Production of 77.50 Mill. Tes. and OB Removal of 218.0 Mill. Cum for the year 2014-15. Out of this OB removal by departmental means has been planned for 80.0 Mill. Cum and 138.00 Mill. Cum by HOE means /outsourcing.

2.3. Productivity

2.3.1 The productivity in terms of Output per Man shift(OMS) for the year 2013-14 has been 13.78 tonnes with a growth of 0.95% in comparison to last year OMS which was 13.65 tes.

3.0 POPULATION AND PERFORMANCE OF HEAVY EARTH MOVING MACHINES (HEMM)

3.0.1 The population of major HEMM for the last five years is given below:

Sl. no.	HEMM	2009-10 (As on 31.03.10)	2010-11 (As on 31.03.11)	2011-12 (As on 31.03.12)	2012-13 (As on 31.03.13)	2013-14 (As on 31.03.14)
1	Dragline	19	19	19	19	17
2	Shovel	103	105	96	94	85
3	Dumper	570	569	558	515	446
4	Dozer	157	157	136	138	130
5	Drill	130	130	91	122	136
6	Decrease of Shovels & D/L in Number*	0	0	7	9	18 & 2
	% decrease in digging	0	0	-6.8%	-8.7%	-17.48% & -11.76%
7	Decrease in Dumper in Number*	0	1	12	55	124
	% decrease in Transportation	0	-0.18%	-2.11%	-9.65%	-21.75%

* Taking base as on 31.03.2010

3.1 Percentage Capacity Utilization for NCL

3.1.0 It can be seen from the table below that the downward trend in % Mine Capacity Utilization, % Capacity Utilization of Shovel-Dumper system has been reversed in the year 2013-14 and it is also in increasing trend in the year 2013-14.

3.1.1 % Capacity Utilization of Dragline system is in decreasing trend because of breakdown of 3 nos. Draglines, repair activities have been undertaken for Draglines and it is expected that the % Capacity Utilization of Dragline system shall increase in the year 2014-15.

(% Capacity Utilisation Figures)

Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
Dragline system	79.56	76.68	67.67	66.14	65.41
Mine Capacity Utilization	77.31	73.90	67.29	67.71	68.47
Shovel Dumper System	76.31	72.72	67.13	68.40	69.89

3.2 Performance of HEMM

Sl. No.	Equipment	% Achievement of availability against standard		% Achievement of Utilization against standard	
		2013-14	2012-13	2013-14	2012-13
1	Dragline	92.36	84.62	92.28	84.44
2	Shovel	79.30	81.15	62.72	70.21
3	Dumper	92.52	94.60	68.32	70.88
4	Dozer	99.47	92.66	49.53	49.14
5	Drill	111.64	102.43	33.39	36.51

3.2.1 There is positive growth in percentage availability in case of Dragline, Dozer and Drill in the period April 2013 to March 2014 compared to same period last year. Availability of Shovel and Dumper has suffered due to ageing. P&H Shovels faced some problems in getting critical spare parts also. Action has been taken for replacement of equipment which has crossed their rated life both in terms of years and hours. With these actions,

availability of Shovel and Dumper is expected to increase in next year.

3.2.2 There is increase in percentage utilization of Dragline and Dozer in the period April 2013 to March 2014 compared to same period last year.

3.2.3 20 nos. surveyed off Excavators and 82 nos. surveyed off Dumpers having total annual excavation capacity of 19.08 Million Cum are working at NCL. Replacement action has been taken at company level and for higher capacity Dozers and Wheel Dozers at CIL level.

3.3 Rehabilitation Details Of HEMM (2013-14)

3.3.1 The following rehabilitation works were completed during the year 2013-14.

1.	120T Dumpers	-	10 nos.
2.	85T Dumpers	-	02 nos.
3.	P&H 1900 Shovel	-	01 no.
	Total	-	13 nos.

3.4 Central Workshop, Jayant (CWS)

3.4.1 Central Workshop, Jayant caters to the need of highly sophisticated heavy Earth Moving Machineries of diversified origin having wide variety of technologies by way of ready float assemblies of overhaul engines, transmissions, wheel motors, electrical motors, generators, transformers and magnetorque assembly. Also repair of mechanical assemblies by shafting/deshafting, reclamation by welding/manufacturing which includes import substitution, Heat treatment etc. are undertaken by CWS/Jayant.

3.4.2 **General output from CWS, Jayant in last four years is as follows:**

Year	Engine		Transmission		Wheel Motor		Dipper Handle
	Over-hauled	Re-paired	Over-hauled	Re-paired	Complete	Armature	
10-11	205	29	200	10	80	46	9
11-12	194	30	172	11	74	27	11
12-13	167	35	135	13	74	45	17
13-14	146	37	104	34	74	36	19

3.5 Repairing jobs of complicated nature were undertaken and following major sub-assembly of P&H 1900 AL Shovel were got ready as float during the year 2013-14.

3.5.1 Magnetorque Assembly of P&H shovel

Sl. no	Equpt model	Description	Ready float
1	P&H 1900AL shovel	Magnetorque-4 seg.	02 nos
2	P&H 1900AL shovel	Magnetorque-5 seg.	01 nos

3.5.2 Dipper Handle assemblies

Dipper Handle Assemblies repaired during the year 2013-14 as compared to last year are given below. Special type Jigs & Fixtures were required for repairing of this heavy item. Through repairing of this assembly, CWS, Jayant could meet the requirement of projects.

Sl. no	Equpt.	Description	Target 2013-14	Delivered/ Ready 2013-14	Delivered 2012-13
1	P&H 1900AL Shovel	Dipper handle	15 nos.	18 nos.	17 nos.
2	BE Shovel	Dipper handle	-	1 nos.	-

3.6 Innovative Jobs Carried Out By Project Personnel To Minimize The Downtime Of Equipment.

3.6.1 Sri V.S.Chandel, Sr. Officer(Excv), Nigahi Project has been awarded 3rd prize on Coal India Foundation day 2013 held on 01.11.2013 at Kolkata for his technical innovation on Bucket Trip Motor modification of Marriion 182M AC shovel.

3.6.2 Sri J.C Panda, GM(F),NCL has also been awarded for Individual Excellence and outstanding contribution on Coal India Foundation Day 2013 held on 01.11.2013 at Kolkata.

3.6.3 A three day National Seminar on “Dragline Mining: Prospects & Challenges” was

organized in which dignified dignitaries from India and abroad participated from both the fields academician and professional.

3.6.4 The warranty of repaired Dipper Handle has been increased to the level of 5000 working hours and 04 Nos repaired dipper handles covered under this warranty are already working satisfactorily in projects.

3.6.5 In response to guidelines issued by CVO NCL, the BOQ for repairing of different nature of activities in Dumpers has been standardized for all the projects of NCL. Moreover, the process for the finalization of BOQ of other equipments is in progress.

3.6.6 List of OEM/OPM of all models of the equipment has been finalized and circulated to the projects for implementation.

3.6.7 The list of same and similar activities of repairing of different nature of jobs have been standardized and circulated to the projects. Projects have been asked to adhere to it.

3.8 Help rendered to other subsidiaries of CIL

3.8.1 The following repaired subassemblies were delivered to other Subsidiaries of CIL :

A. MCL

SI No	Description	Qty
1	CP generator of P&H 1900 Shovel	1 No.

B. BCCL

SI No	Description	Qty
1	Synch. Motor of 24/96 Drag line	1 No.
2	Swing motor of BE Shovel	1 No.

C. SECL

SI No	Description	Qty
1	Propel motor of Marriian Shovel	1 No.

D. CCL

SL No	Description	Qty
1	Propel motor of Marrian shovel	2 nos.
2	Armature of exciter Generator of EGK 4.6/5	7 nos.
3	Armature of Crowd motor of EKG 4.6/5	10 nos.
4	Armature of Crowd Generator of EKG 4.6/5	4 nos.
5	Armature of Propel motor of EKG 4.6/5	2 nos.
6	Propel Motor of EKG 4.6/5	1 no.
7	Armature of Swing Generator of EKG 4.6/5	2 nos.
8	Swing Generator of EKG 4.6/5	1 no.
9	Injectors of NT 855 Engine	30 nos.
10	Injectors of KTA 38C Engine	48 nos.

E. WCL

SL No	Description	Qty
1	Synch. Motor of 24/96 Drag line	1 no.

F. ECL

SL No	Description	Qty
1	KTA 38C(85T) Engine Sl.no 25243711 & 25188866	2 nos.
2	HD-785-2 TM Transmission Assly (TM & TC)	2 nos.

3.9 Capacity Utilisation

3.9.1 The capacity utilization during the year under report as compared to previous year is given below :

Description	2013-14	2012-13
Capacity in M.cum.	193.57	200.82
Production in M.cum.	132.53	138.17
Capacity Utilization (%)	68.46	68.80

4.0 SALES AND MARKETING**4.0.0 Performance**

4.0.1 The off-take vis-à-vis the target and Annual Contracted Quantity (ACQ) for the year 2013-14 in comparison to the previous year is furnished below :

2012-14 (in Mill Tes)			2012-13 (in Mill Tes) Actual	% Achievement of Target	% mat. of linkage/ ACQ	% Growth over previous year
Target	Link- age/ ACQ	Actual				
73.5	76.36	72.11	67.29	98.11	94.43	7.17

4.0.2 Power Sector continued to remain the main consumers for NCL, accounting for more than 93% of the total dispatches. Information in respect of coal supplies to major consumers of power sector is given below :

Consumer	20113-14 (in Mill Tes)		Mat. of linkage/ ACQ(%)	2012-13 (in Mill Tes)	Growth over previous year (%)
	Link- age/ ACQ	Actual			
NTPC	40.91	41.53	101.50	41.47	(+)0.14
UPRVUNL	14.64	12.83	87.61	11.96	(+)7.23
Total Power Sector	70.41	67.21	95.45	64.55	(+)4.12

4.1 Supply of Deshaled coal from Bina Deshaling Plant

4.1.1 Against the target of 3.75 Mill Tes, Bina Deshaling Plant dispatched 3.78 Mill Tes to Rajghat, Hissar, Kota, Suratgarh, Singrauli, Vindhyachal, Rihand, Obra, Anpara. Paricha, Jhajjar and Arawali Thermal Power Stations during 2013-14 as compared to 3.96 Mill Tes during 2012-13, thus registering a fall in supplies of deshaled coal to the extent of 5%.

4.2 Spot e-Auction Scheme

4.2.1 Spot e-Auction scheme was formulated under the provision of New Coal Distribution Policy (NCDP) circulated by the Ministry of Coal during Nov.'07. For procurement of coal under the said scheme, buyers are to bid for the desired quantity at prices above the "Floor Price". CIL notified that w.e.f. Jan'12, "Floor Price" of coal with GCV upto 5500 Kcal/Kg is to be fixed at 20% above notified price and for coal with GCV above 5500 Kcal/Kg "Floor Price" will be same as notified price.

4.2.2 Quantity booked along with financial gain under the above scheme during 2013-14 is as under :

Scheme	Period	Quantity Booked	Financial gain above notified price (approx.)
e-auction scheme (Spot) (Coal by Road)	April'13 to March'14	17.78 Lakh Tes	Rs. 157.56 Crores
e-auction scheme (Spot) (Coal by Rail)	April'13 to March'14	32.02 Lakh Tes	Rs. 257.38 Crores
e-auction scheme (Spot) (Reject by Road)	April'13 to March'14	2.60 Lakh Tes	Rs. 0.93 Crores
Total		52.40 Lakh Tes	Rs. 415.87 Crores

4.3 Sector-wise and Mode-wise Offtake.

4.3.1 The sector-wise and Mode-wise offtake of coal during the year 2013-14, in comparison to 2012-13 is given below :

(Fig in Mill Tes)

Sector/Mode	2013-14	2012-13
Sector-wise Offtake		
Power(excluding (CPP))	67.21	64.55**
Cement	0.15	0.17
Others	4.75	2.57**
Total	72.11	67.29
Mode-Wise Offtake		
Rail	25.74	22.47
MGR	35.08	34.71
Road(External)	7.29	5.89
Road(internal)*	4.00	4.22
Total	72.11	67.29

* Raw coal transported by road to Bina Deshaling Plant has been considered as 'Road (Internal)'.

** Figures of 2012-13 with regard to Power Sector and MGR Mode have been revised in view of typographical error in the data reported last year.

4.4 Wagon Loading

4.4.1 Information in regard to average wagon loading through I/R rakes against target and as compared to previous year is placed below :

2013-14(Box/Day)		2012-13 (Box/day) Actual	Achievement of Target (%)	Variance from last year (%)
Target	Actual			
1239	1227	1101	99.03	11.44

4.5 Coal Price Revision

4.5.1 Coal prices were revised during on 27th May, 2014.

5.0 QUALITY CONTROL

5.0.1 Sampling Arrangement

The arrangement of joint sampling and analysis prevailed for the first half of 2013-14, Third Party Sampling and Analysis started since 1st October, 2013 for the coal supplies to NTPC, Anpara, Obra and Paricha TPSs of UPRVUNL, Kota and Suratgarh Power Station of RRVUNL, Rajghat of IPGCL, Hissar TPS of HPGCL at loading end. The Third Party Sampling arrangement is governed by terms and conditions of Fuel Supply Agreement (FSA) signed between different power stations and NCL. Presently Power Houses viz., UPRVUNL, Kota TPS, Suratgarh TPS, Hissar TPS and Rajghat TPS are signing the Third Party Analysis reports. But power houses of NTPC are selectively signing the Third Party Analysis Reports even after witnessing Third Party sample collection and analysis at Loading End.

5.1 Sizing of Coal

5.1.1 The entire dispatch of coal during the year 2013-14 was made after proper sizing as detailed below :

Means of sizing of coal	2013-14 (in %age)	2012-13 (in %age)
Through CHP/Feeder Breaker	84.05	83.50
Through Dozer	15.95	16.50
Total	100	100

5.2 Weighment of coal

5.2.1 During 2013-14 almost 100% coal supplies have been weighed on electronic weighbridges to the full satisfaction of consumers.

5.3 Quality complaints and action taken thereon

5.3.1 During 2013-14 approx. 46 nos. of complaints were received from power houses. The nature of complaints were primarily on account of oversized/uncrushed coal supplied to the power houses in rakes loaded from wharfwall sidings at Krishnashila, Dudhichua (Jayant) and Spur Siding (Block 'B'). Details of complaints received during the last three years are given below :

Year	Nature of complaints (Fig. in nos.)			
	Oversized Coal	Poor Quality	Foreign Materials	Total
2011-12	56	10	1	67
2012-13	40	33	Nil	73
2013-14	32	14	0	46

5.3.2 Coal was loaded at Spur Siding (Block B) after passing through an Interim CHP and Dozer crushing. Krishnashila Project is having two Feeder Breakers for sizing the coal. However, in order to ensure maximum sizing and crushing, manual labourers were also deployed. Loading at Dudhichua Wharfwall (Jayant Project) is made by pay loaders after crushing the coal by means of dozer. Adequate measures were taken at these projects while loading Railway rakes so as to ensure proper sizing and quality of coal, free from stone/shale and extraneous materials. However, since sizing through Dozer crushing and manual breaking is not fully effective, it was difficult to achieve sizing to the full satisfaction of the consumers particularly when loading from the above sidings was done round the clock including nights shifts to maximize coal supplies.

6.0 STOCK OF COAL

6.0.1 The Measured stock of raw coal as on 31.03.2014 was 6.07 Million Tes, equivalent to 31 days of coal production in terms of average daily target for 2013-14. The stock of raw coal as on 31.03.2013 was 9.58 Mill Tes.

6.1 Stock of stores and spares.

6.1.1 Information in regard to inventory of stores and spares as on 31.3.2014 as compared to 31.3.2013 is tabulated as under :

Sl.No.	Description	As on 31.3.2014	As on 31.3.2013
(i)	Value of Inventory (Rs. in crores).	452.13 Crores	412.46 Crores
(ii)	Inventory in terms of months' consumption.	3.4 Months	3.21 months

6.1.2 The percentage increase in inventory over last year was 9.6%.

6.2 Disposal of Scrap

6.2.1 In the year 2013-14 the disposal of scrap was of value of Rs.26.00 Crores. In the year 2013-14, NCL have finalized sale of scrap value of Rs.14.697 Crores.

6.2.2 Compared to realization of cash against scrap sale value of 2012-13 of Rs.14.15 Crores, the cash realized in 2013-14 was Rs.10.77 Crores which was 31.38% decrease over the previous year.

6.2.3 In the year 2013-14 the Burnt oil disposed-off was 1851.70 KL in comparison to previous year's Burnt oil disposal of 1787.50 KL.

7.0 SAFETY

7.0.1 The accidents statistics for the year 2013-14 as compared to previous year is furnished below.

Sl. No.	Particulars	2013-2014	2012-2013
1	No. of fatal accidents	8	3
2	No. of fatalities	8	3
3	No. of serious accidents	14	13
4	No. of serious injuries	14	13
5	Fatality rate per MT output	0.117	0.043
6	Fatality rate per 3 lakh manshifts	0.569	0.229
7	Fatality rate per 1000 persons employed	0.477	0.186
8	Serious injury rate per MT output	0.204	0.186
9	Serious injury rate per 3 lakh manshifts	0.996	0.991
10	Serious injury rate per 1000 persons employed	0.835	0.807
11	Fatality rate per MM ³ output	0.032	0.012
12	Serious injury rate per MM ³ output	0.055	0.053

7.1 Safety Measures & Training

7.1.1 Measures taken for improvement in safety standard in Mines of NCL.

1. Statutory Rules and Regulations implemented religiously and strenuous efforts have been made for achieving highest standards of safety.
2. Simulator for 100 Te. Dumper and 85 Te. Dumper was installed on 28.11.2012 in CETI and 280 Nos. Operators are trained in the year 2013.
3. Company level Tripartite Safety Committee Meeting consisting of DGMS Officials, Trade Unions and Management held on 17.06.2013 and Project level Tripartite Safety Committee Meeting held at Amlohri, Nigahi, Dudhichua, Bina, Kakri, Jayant, Block-B and Khadia Projects on 11.09.13, 12.09.13, 13.09.13, 14.09.13, 20.11.13, 21.11.13, 22.11.13 and 23.11.13 respectively.
4. Task force has been constituted consisting of trade union senior officials and CGM(S&R) separately for mine inspection every month surprisingly.
5. Multi-level monitoring of the implementation of the Safety Plans through Internal Safety Organization at Company level and also at Area level.
6. Continuous education, training and retraining of the employees with the Modern Training Aid/Electronic Media/ Spot training and lectures at MTK office.
7. Code of practice for Electrical shut down procedure and for working at Electric Pole/Over Head Line has been prepared and circulated.
8. Workshop on the Risk Management was conducted in all Projects.

9. Special drive to implement seat belt wearing by Dumper Operators has been conducted in all the projects.
10. Back shift inspection by Senior Officers have been implemented.
11. Safe Operating Procedure has been enforced in all the Projects to reduce dumpers accident.
12. Monitoring of Dragline Dumps:-
 - (i) Measurement of corridors of Dragline OB dump (Dragline sitting level and coal roof of Turra seam level) by Area and HQ Team.
 - (ii) Scheme for Development of guidelines for safe Dragline Dump Profile under varying Geo-Engineering condition in opencast coal mines of NCL for implementation has been conducted by BIT Mesra, Ranchi under R&D Programme of CIL.
13. Inter Area First-Aid Competition was held at Krishnashila Project on 19.01.2014.
14. National Seminar on Dragline: Prospects & Challenges has been conducted at NCL Singrauli from 6th to 8th December, 2013.

7.2 Annual Mines Safety Week

- 7.2.1 Annual Mines Safety Week 2013 was celebrated from 27th January 2014 to 02nd February 2014. During Safety Week Special Safety Drive is conducted on different subjects.

7.3 Management Assessment of the Company's Outlook for the Future and to Identify Important Risk that the Company may face in Future.

- 7.3.1 NCL Board in its 178th meeting held on 18th June, 2013 has approved Risk Management policy of NCL. Accordingly, NCL has constituted Risk Management Cell for Risk Identification, Assessment and its Mitigation.

For laying down procedures of Risk Management and Mitigation Procedures, CIL has engaged a consultant "M/s. Ernst & Young LLP Kolkata, West Bengal" vide ref No.CIL/CP Risk Assessment/14/132 dt. 19.02.2014 and given contract for Preparation of Risk Assessment and its Mitigation Procedure in Coal India Limited and all of its subsidiary companies separately. The important risks to be identified by the Risk Management Cell as per the procedures laid by the consultant will be informed accordingly.

8.0 PROJECT PLANNING AND DEVELOPMENT.

8.1 Completed Projects:

8.1.1 There are fourteen completed coal mining projects in NCL: In addition there are three completed OBR Augmentation Schemes and Seven Non-Mining completed projects costing Rs 5 Crores and above. The details of above projects are given below :

S.N	Name of the Project	Capacity (Mty)	Sanctioned Capital (Cr.)	Sch. dt. of Completion	Actual date of Completion
MINING					
1	Bina	4.50	168.64	3/87	3/88
2	Jayant	10.00	375.04	3/91	3/90
3	Amlohri	4.00	527.11	3/93	3/93
4	Kakri	2.50	137.80	3/91	3/93
5	Dudhichua Phase-I (Merged with Dch Expn. 10Mtpa)	5.00	289.68	3/93	3/93
6	Jhingurda	3.00	63.11	3/87	3/87
7	Gorbi (Closed)	1.00	7.70	3/76	3/76
8	Gorbi-B (Closed)	0.60	19.18	3/90	3/90
9	Gorbi Expn. (Merged with Gorbi) - Closed	1.50	19.26	3/89	3/89
10	Nigahi Phase-I (Merged with Nigahi Phase-II 10Mtpa)	4.20	648.04	3/95	3/95
11	Khadia	4.00	588.75	3/94	3/97
12	Dudhichua Expn. OC (RCE)	10.00	1281.39 #	3/04	3/04

13	Nigahi Expansion, OC	10.00	1846.49 #	3/04	3/04
14	Kakri Coal Aug. Scheme, OC	0.50	48.79	3/04	3/06
OBR AUGMENTATION SCHEMES					
1	Jayant OBR Scheme		41.26	3/96	3/96
2	Jhingurda OBR Scheme		42.98	3/96	3/96
3	Bina OBR Scheme		48.28	3/01	3/00
NON-MINING					
1	Central Workshop		68.72	03/02	3/02
2	Integrated Water Supply Scheme		18.87	3/89	3/89
3	Nehru Shatabdi Chikitsalaya		19.91	4/97	8/02
4	Communication Scheme		5.04	4/96	3/96
5	Water Supply Scheme Phase-I&II		9.28	4/99	06/98 & 04/99
6	Bina Deshaling Plant		16.69	8/97	08/97
7	132 KV SS Madhauri(RCE)		5.43	03/01	03/01

Including the sanctioned capital of Nigahi Phase-I (4.2 Mtpa) and Dudhichua Phase-I (5.00 mtpa).

8.2. On-going Projects and Schemes.

8.2.1 Bina Extension Open Cast Project (6 Mtpa) has been completed on schedule during the year 2013-14 with capital investment of Rs 67.53 Crores. There are five mining projects costing Rs 100 Crores and above under implementation as mentioned below :

S.N.	Name of the Project	Capacity (Mty)	Sanctioned Capital (Cr.)	Sch. dt. of Completion	Act. dt. of Completion
MINING					
1	Krishnashila OCP	4.00	741.62	3/2013	3/2014
2	Amlohri OCP(4 to 10Mty)	6.00	1143.54	3/2016	3/2016
3	Block-B OCP	3.50	535.10	3/2015	3/2015
4	Nigahi Expn (10 to 15Mty)	5.00	259.40	3/2012	3/2016
5	Khadia Expansion(4 to 10Mty))	6.00	1131.28	3/2018	3/2018

8.3. Future Programme & New Projects :

8.3.1 Five numbers of new/expansion Open Cast Projects (OCPs) have been identified during XII Five Year Plan.

1. Dudhichua Expansion OCP (10.0 to 15.0 Mtpa)
2. Jayant Expansion OCP (10.0 to 15.0 Mtpa)
3. Semaria OCP (2.00 Mtpa)
4. Bina-Kakri Amalgamation OCP (10.0 Mtpa)
5. Block-B Expansion OCP (3.5 to 6.00 Mtpa)

8.3.2 The status of approval of these projects and their Forest Clearance (FC) and Environment Clearance (EC) is given below:

1. Dudhichua Expansion OCP (10.0 to 15.0 Mtpa) :

Expansion Project Report has been approved by NCL Board in July,2008 with outsourcing option with a capital outlay of Rs 326.57 Crores. Project is yet to be implemented as FC & EC for incremental project are required to be obtained.

2. Jayant Expansion OCP (10.0 to 15.0 Mtpa) :

Expansion Project Report (EPR) was recommended by NCL Board for final approval on 07.06.2008. FC & EC for incremental project are yet to be obtained. In the meantime, EPR is being revised by CMPDI for 20 Mtpa capacity excluding forest land as per guidelines of MoEF.

3. Semaria OCP (2.00 Mtpa) :

It is a green field project which was accorded In-Principle approval by NCL Board in May, 2011 for capital outlay of Rs 141.49 Crores. Land required for the project has been notified and vested with NCL under CBA (A&D) Act, 1957. FC & EC are to be obtained.

4. Bina-Kakri Amalgamation OCP (10.0 Mtpa) :

Bina-Kakri Amalgamation OCP (10 Mtpa) has been approved In-Principle by NCL Board with initial capital outlay of Rs 1291.98 Crores. Notification of 180 Ha additional land under Sec 7 of CBA (A&D) Act, 1957 has been done and notification under Sec 9 is under process. EC & FC are required to be obtained.

5. Block-B Expansion OCP (8.00 Mtpa) :

Project Report is under finalisation by CMPDIL.

8.4 EXPLORATION & DRILLING

The drilling for geological exploration is done through CMPDI, RI-VI.

(in Meters)

	2012-13	2013-14		2014-15
	Actual	Target	Actual	Target (Proposed)
CMPDI	21204	30850	0	19000
MECL	32734	40000	21048	37000

8.5 Status Report for the Work of Excavation/ Removal of Overburden by Hiring of Equipment in NCL as on 31.03.2014 is as under :

Sl. No.	Project	Estimated Quantity (MBCM)	Period (Years)	Contract awarded to	Date of Commencement	Scheduled date of completion	Remarks
1	Khadia OCP	22.30	3	M/s BGR Mining & Infra Pvt. Ltd., Nellore (AP).	01.03.2011	29.02.2016	-
2	Bina Extension	45.369	3	M/s Montecarlo Ltd., Ahmedabad	17.01.2011	16.01.2014	Provisional Time Extension granted upto 07.06.14
3	Block-B	64.43	5	M/s National Construction Co., Bhuj-Kutch (Gujarat)	01.06.2010	31.05.2015	-
4	Dudhichua	49.00	3.25	M/s JP-ASD-DHOLU (JV), Ahmedabad	03.12.2010	02.03.2014	Provisional Time Extension granted upto 15.04.14
5	Nigahi	54.00	3	M/s Saumya Mining Ltd., Kolkata	20.02.2011	19.02.2014	Provisional Time Extension granted upto 30.09.14
6	Jayant West	105.00	7	M/s Sainik Mining & Allied Services Ltd., New Delhi	03.06.2012	02.06.2019	-
7	Krishnashila	59.36	5	M/s Montecarlo Ltd., Ahmedabad	21.01.2013	20.01.2018	-
8	Dudhichua West	33.50	5	M/s Sainik Mining & Allied Services Ltd., New Delhi	25.01.2013	24.01.2018	-
9	Jhingurda	19.41	3	M/s AMR-Saisudhir (JV), Hyderabad	21.07.2013	20.07.2016	-
10	Khadia New	59.2806 7.26(Re-handling)	5	M/s Montecarlo Ltd., Ahmedabad	03.06.2013	02.06.2018	-
11	Amlohri New	100.00	5	M/s Sadbhav Engineering Ltd., Ahmedabad	14.07.2013	13.07.2018	-
12	Kakri New	12.91	3	M/s Rungta Projects Ltd., Anpara, Sonbhadra (UP)	27.10.2013	26.10.2016	-

9.0 ENVIRONMENTAL PROTECTION

9.1 Management of NCL's Economic, Environmental, Energy and Social Concerns:

9.1.0 NCL has well defined and documented manual, policy, procedures and guidelines for Sustainable Development under its Integrated Management System (IMS) complying with international standards of ISO 9001, ISO 14001, OHSAS 18001 and SA 8000.

9.2 NCL's Corporate Management Policy

9.2.1 We have voluntarily chosen to implement a comprehensive system for simultaneous management of our economic, environmental, and social concerns as a part of our business agenda.

9.2.2 NCL is committed to:

1. Assured quality of our coal supplies.
2. Optimum utilization of available resources.
3. Continual improvement in the management and performance of our system.
4. Ensuring prevention of pollution, injury and ill health due to our work activities.
5. Comply with all applicable legislations and other subscribed obligations.
6. Respect all ILO and other international charters on social and labour issues.
7. Promoting importance of the concept of sustainable development.
8. Ensure that this policy is effectively implemented, maintained. and communicated.
9. Review this policy regularly to ensure its continual improvement and relevance.
10. Make this policy accessible in a comprehensible form to all personnel engaged for NCL in any manner.

11. Make this policy publicly available in an effective form and manner to all interested parties, upon request.

9.2.3 NCL's Energy Management Policy

We are committed to continually improve the energy performance of all our process and systems. So, we ensure that :

1. Adequate information and resources always remain available to achieve our energy objectives and targets ;
2. We always comply with all our energy related obligations, whether legal or otherwise subscribed ; and
3. We always promote the purchase of energy efficient products, services, and designs.

9.2.4 NCL's ISMS Policy

We are committed to protect all our information assets from all threats, whether internal or external, intentional or unintentional. So, we ensure that :

1. Our information is accessible only to authorized users whenever they require it ;
2. Our information remains accurate and complete throughout the concerned processing ;
3. Our information remains protected from modification by unauthorized persons ;
4. Our information security complies to all legal and contractual obligations ;
5. Our information is evaluated and managed in view of the frameworks of our business and strategic risks ;
6. Our information and process-continuity are safeguarded even during interruptions or failures of our communication systems.

9.3 Environmental Conservation Measures:

9.3.1 Forest /Ecological Mitigative Measures :

Forest clearances (FCs) have been accorded to the NCL projects by the Govt of India, MoEF/ the concerned State Governments (of UP and MP). Till 31.03.2014, total 8,018.006 hectares forest land has been granted forest clearances, out of which, total 7,668.500 hectares Forest Land has been handed over to the NCL Projects by the concerned State Forest Departments. During 2013-14, total 227 ha. forest lands (142 ha. for Khadia Project and 85 ha. for Block-B Project) have been handed over by the MP Forest Department.

- 9.3.1.1 These clearances stipulate certain conditions to be complied with by the user agency. These conditions basically relate to payment of Net Present Value (NPV), compensatory afforestation (CA), reclamation of mined out areas, creation of safety zones around mining areas, meeting fuelwood needs of labourers and employees engaged in mining activities etc. The basic objectives of these conditions are to ameliorate/mitigate the impacts on forests and its various ecosystem attributes (wildlife, flora, fauna, bio-diversity etc.) resulting from coal mining activities. Brief details of various forest/ecological mitigative measures undertaken by the NCL projects are given below:

9.3.2 Compensatory Afforestation

The compensatory afforestation is the afforestation done in lieu of the diverted forest lands for coal mining and other purposes. Earlier, compensatory afforestation was done over equivalent area of non-forest land. There is a special provision for Central Government/Central Government Undertaking projects. According to that compensatory afforestation is to be raised on degraded forest lands twice the area of forest land being diverted. The State Forest Departments are to identify "blank"

or “degraded” forest land for compensatory afforestation and the user agency has to deposit the amount for compensatory afforestation with the concerned State Forest Departments.

In lieu of the diverted forest lands, total 4,323.869 hectares non-forest lands have been purchased by the NCL and handed over to the concerned State Forest Departments for compensatory afforestation along with the required costs of compensatory afforestation. Besides this, total 3,951.492 hectares degraded forest lands have been identified by the concerned State Forest Departments for the purpose of compensatory afforestation and the NCL has paid Rs. 4791.967 lakhs for compensatory afforestation over these lands.

9.3.3 Net Present Value (NPV) :

NCL has paid total Rs. 9,799.722 lakhs towards Net Present Value (NPV) as per the stipulated condition of forest clearances.

9.3.4 (Biological) Reclamation of Mined Out Areas :

After Over Burden Dumps, which are made by back filling of mined out areas, after having achieved the planned heights, are technically reclaimed by means of retaining walls, terraces/steps etc. Afterwards, biological reclamation works are carried out through plantations of suitable local species.

During the year 2013-14, 96.65 ha. OB dumps areas have been biologically reclaimed by planting 3.38 lakhs plant saplings. Till 31.03.2014, total 3169.86 ha. have been biologically reclaimed by planting total 138.56 lakhs plant saplings.

9.3.5 Creation of Safety Zones :

Safety Zones consisting of dense tree covers have been created around mine boundaries. Besides this, NCL has paid the costs of afforestation over degraded

forest lands to the extent of one and half times the Safety Zone areas.

9.3.6 Social Afforestation :

NCL has undertaken extensive afforestation in residential colonies, road sides etc. This has resulted into development of extensive green cover all around, which helps in checking air, water and noise pollution. During the year 2013-14, total 81,825 plant saplings have been planted under social afforestation programme. Till 31.03.2014, total 82.87 lakh plant saplings have been planted under social afforestation programme.

9.3.7 Till 31.03.2014, total 221.43 lakhs plant saplings have been planted for biological reclamation and social afforestation programme.

9.4 Pollution Control Measures

9.4.1 Air Pollution Control Measures

- (i) Automatic sprinklers have been installed at coal receiving pits and are actuated through sensors. Fixed sprinklers have been installed at coal bunkers, transfer points and loading points and are operated through control valves.
- (ii) Dust cyclones are provided at the bottom of receiving pit of the crusher house.
- (iii) All the Coal Handling Plants (CHPs) are fully enclosed to reduce coal dust emission outside CHP.
- (iv) Drills are provided with dust extractors.
- (v) Approach roads to mines and service roads are provided with black topping to reduce dust generation.
- (vi) Mobile water sprinklers are deployed for dust suppression on haul roads on continuous basis.
- (vii) Thick green belts; tall plants with broader leaves have been provided as curtain at mine boundary to arrest air

borne dust. The total numbers of trees planted till 2013-14 is 2.21 crores.

- (viii) Non-active Over Burden (OB) dumps are provided with vegetative cover to prevent dust emission under OB Dump reclamation plans.
- (ix) Dust proof cabins have been provided for operators in Heavy Earth Moving Machines (HEMM). Dust masks have been provided to employees exposed to dust.
- (x) Fire hydrants system has been installed for CHPs and coal dumps.
- (xi) Moist coal is loaded to Merry Go Round (MGR) through Rapid Loading System.
- (xii) Routine maintenance and periodic overhauling of HEMM are done to reduce gaseous emission.
- (xiii) Regular ambient air quality monitoring is being done to monitor the air quality and corrective actions are being taken in case of any adverse report.

9.4.2 Water pollution control measures

Water pollution control has been done through Silt Arrestors, 10 Effluent Treatment Plants (ETPs) for effluent generated from Mine, Workshops, CHPs and 8 Domestic Sewage Treatment Plants (DSTPs) for colony sewage of working mines are in operation.

(a) Effluent Treatment Plants :

Integrated Effluent treatment Plants have been designed for treatment of discharge from mine, workshop and CHP. The plants contain oil and grease recovery system through traps, removal of suspended solids through clarifiers after chemical dosing at flush mixer, sludge drying beds, pipeline and pumping arrangements. Clean treated water is re-used for water sprinkling on haul roads, sprinklers and industrial purposes.

(b) Construction of new ETPs :

Two more ETPs are proposed to be constructed as detailed below :

- (i) Scheme of ETP construction for Krishnashila Project, prepared by CMPDIL, Ranchi has been approved by NCL. It is in the process of tendering.
- (ii) Scheme of ETP construction for Block-B Project prepared by CMPDIL, Ranchi has been approved by NCL. It is in the process of tendering.

(c) Domestic Sewage Treatment Plants (DSTPs) :

Eight Domestic Sewage Treatment Plants have been constructed in townships with activated sludge process. The plants contain aeration units for oxidation, clarifiers for removal of suspended solids, sludge drying beds, grit removal facilities, sewer lines, manholes, pump houses, control room, etc. Treated water is re-used in horticulture/ agriculture and construction activities. Dried sludge, valuable manure is used in agriculture.

(d) Construction of new STPs :

One more STP is proposed to be constructed as detailed below:

- (i) Final scheme for construction of STP for Block-B Project, prepared by CMPDI, Ranchi, is in the process of approval.

(e) Silt Arrestor :

Substantial amount of silt is carried along with the run off water. Catch drains with silt arrestors are provided in mine areas and are cleaned at regular intervals. Check dams and siltation ponds are provided to arrest silt flowing to the water course. Gabions (loose stones packed in

wire crates) with filter pad at toe of the active dumps and across water course, protect against escape of silt into the water body.

(f) Oil recovery :

Floating oil, recovered from Oil and Grease traps is collected in drums which are stored in a raised paved area having drains to collect back spillages. Used Oil collected during maintenance of vehicles and HEMM are collected and stored in lid tight leak proof drums. Authorization from State Pollution Control Board is duly taken for each individual Project for storage of used oil which is hazardous waste (Cat. 5.1). This used oil is disposed by e-auction through authorized recyclers.

(g) Disposal of Hazardous solid waste containing oil :

This comes under hazardous Waste Category 5.2. Authorization from State Pollution Control Board is duly taken and these wastes are stored in specifically constructed sheds and disposed off through authorized Common Treatment Storage & Disposal Site, available in the State.

9.4.3 Noise Pollution Control Measures

- i. Blasting operations are carried out between 13:00 to 14:00 hours only i.e. during change of shifts.
- ii. Ear-muffs and ear-plugs are provided to employees wherever required.
- iii. Curtain plantations have been provided in and around colonies and along mine boundaries.
- iv. Routine maintenance of all equipment.

9.5 IMPACT OF ABOVE MEASURES ON POLLUTION :

Air Pollution Control Measures and Water Pollution Control Measures have been adopted to maintain air and water

quality within permissible limit as per guidelines stipulated by State Pollution Control Boards (SPCBs) and Ministry of Environment & Forest (MOEF), statutes and legislation applicable to coal mines. Noise Pollution Control Measures have been adopted to maintain noise level within permissible limit. The results of monitoring have been found within permissible limits.

9.6 Environment Clearances

All the Open cast Projects are operating with Environmental Clearance from Ministry of Environment & Forest, New Delhi. The consent for Air and Water is also taken from the Pollution Control Boards.

10.0 ISO ACCREDITATION

10.0.1 Integrated Management System certificates :

NCL is having an Integrated Management System Certification as follows :

“Your company continues to hold the latest version of ISO 9001 :2008 , ISO 14001:2004 , OHSAS 18001: 2007 and SA 8000:2008 Certifications for whole company in respect of the following activities;

Mining and Supply of Coal including related field support, corporate Management services, and provision of diagnostic, curative, rehabilitative and preventive health care services.”

These Certifications indicate NCL’s commitment to Quality, Environment, Occupational Health, Safety and Social Accountability at par with Global Standards.

11.0 HUMAN RESOURCE DEVELOPMENT & INDUSTRIAL RELATIONS

11.1 Manpower

11.1 Manpower strength of the company (excluding apprentices under the Apprentices Act, 1961) as on 31st March, 2014 was 16741 against 16073 as on 31st March, 2013. The breakup of manpower strength is given below :

(Fig. in Nos.)

Sl.No.	Particulars	As on 31.3.2014	As on 31.3.2013
1	Executives	1771	1832
2	Supervisors	1667	2105
3	Clerical Staff	1057	1098
4	Highly Skilled/Skilled	8235	7814
5	Semi Skilled/Unskilled	4011	3224
Total		16741	16073

11.2 Human Resource Development

11.2.1 The training and skill development part of NCL employees looked after by Central Excavation Training Institute (CETI) is as under :

- Providing learning opportunities to the employees to narrow down performance gaps.
- To develop training/ reference materials and to arrange special programmes on new equipment for all level of employees.

11.2.2 NCL has a Central Excavation Training Institute (CETI) at Singrauli and nine Vocational Training Centers (VTCs) in different projects. Need based training is provided to Workmen, Operators, Supervisors and front line Managers. The major training programmes conducted centrally at CETI are as under :

- Basic courses for HEMM (Dumper, Shovel, Drill, Pay loader and Dozer) Operators, technicians and unskilled workers.
- Refresher courses for HEMM (Dumper, Shovel and Dozer) Operators and technicians.
- 'Original Equipment Manufacturers' Programmes on technology upgradation.
- Supervisory Development Programmes.
- Technical development programmes for executives.
- Basic Computer Learning courses for executives, supervisors and other staff.
- Workers' Development Programmes including Leadership Development Programmes.

- Structured Training Programme for Mining, Excavation and E&M Supervisors.
- Training Programmes for Safety Committee Members and Workmen's Inspectors.
- Dumper simulator 85T/100T at CETI is an upgraded tool of training for Dumper operators (Basic & Refresher both).
- Training Programmes on "Preparatory Programme for Retiring Executives".
- Training Programmes on "Literacy Drive".

11.2.3 CETI organized 49 Workshops and Seminars during the year 2013-14 for middle and senior level management groups and staff focusing on contemporary issues. The statutory training requirements are met by VTCs.

11.2.4 Information about the persons who underwent different training programmes during the year 2013-14 as compared to the year 2012-13 is given hereunder :

Sl. No.	Particulars	2013-14	2012-13
i)	Number of persons trained through Vocational Training Programmes at VTC.	18198	15746
ii)	Number of persons trained at CETI :		
	(a) Regular training programmes	2576	1928
	(b) Workshops & Seminars	2169	2666
	(c) Technical Training (Out Side)/OEM	170	98
TOTAL		4915	4692
iii)	Number of persons trained through outside company Programme in India.		
	a) General / Advanced Management courses	125	357
	b) Techno-managerial courses	190	190
TOTAL		315	547
iv)	Number of persons trained abroad :		
	a) General / Advanced Management courses	NIL	NIL
	b) Techno-managerial courses	NIL	1
TOTAL		NIL	1

11.3 Reservation for Scheduled Castes (SCs)/Scheduled Tribes (STs) and other Backward Classes (OBC) in recruitment and promotion.

(i) Recruitment :

The Presidential Directives in the matter of recruitment of Scheduled Castes (SCs), Scheduled Tribes (STs) and Other Backward Castes (OBCs) have been implemented in NCL.

(ii) Promotion :

A total of 186 candidates belonging to SC community and 70 candidates belonging to ST community were promoted during 2013-14.

The representation of SC and ST candidates in total manpower is as under :

As on	Total Man-power	SC Candidates Number in %		ST Candidates Number in %	
		Number	%	Number	%
31.03.2014	16741	2669	15.94%	1269	7.58%
31.03.2013	16073	2631	16.37%	1106	6.88%

11.4 Appointment of Land Oustees.

11.4.1 During the financial year 32 Land Losers were appointed.

11.5 Workers' Participation in Management

11.5.1 The worker's participation in management in NCL is encouraged at all levels and is operative to every possible extent. There is system of bipartite dialogue to discuss and address not only the grievances but also the issue pertaining to the entire Management of the Mine.

11.5.2 The meeting of Joint Consultative Committees (JCC) takes place at regular intervals at Project/Unit level as well as Corporate Level. Further meeting of Safety Committee, Welfare Board, Medical Advisory Board, House Allotment Committee, Canteen Committee etc. are also held regularly. In all above forums the Trade Union Representatives do actively participate and contribute.

11.6 Industrial Relations

11.6.1 Industrial Relations in our Company continue to be highly cordial and harmonious. The participative way of functioning of management facilitates settling the disputes/grievances amicably through discussions, which in turn has resulted in maintaining over all healthy ethos of relations in Northern Coalfields Limited. However, few instances of Industrial Relation disturbances during 2013-14 are as under.

Sl. No.	Particulars	2013-14	2012-13
1.	No. of Strikes -		
	a) Complete	0	0
	b) Partial	1	4
2.	Law & Order disturbances -		
	a) Relay Hunger strike	2	NIL
	b) Dharna/Demonstration	8	13
	c) Assault	NIL	NIL
	d) Rowdism	NIL	NIL
	e) Gherao	2	NIL
	f) Obstruction	2	2
	g) Non Co-operation activities	NIL	NIL
3.	Man-days Lost	1478	5912
4.	Loss of Production -		
	Coal (Tonne)	7000	73500
	O.B. (Cu.M.)	11000	505260

12.0 EMPLOYEES WELFARE AND SOCIAL AMENITIES.

12.0.1 In NCL proper emphasis is given on employee welfare and efforts are made for improvement in welfare and social amenities like Housing, Water supply, Medical, Education, Recreational facilities etc.

12.1 Housing & Township

12.1.0 The total number of standard houses as on 31.3.2014 are 16649. However, taking into account the 1241 Non-standard houses also, the total number of houses is 17890. Excluding 1110 houses allotted to different agencies, balance available houses are 16780, which provides 100% housing satisfaction to the employees of NCL.

12.2 Water Supply.

12.2.1 The entire population of 83900 has been covered under the water supply arrangements upto 31.03.2014. In regard to availability of water, there is 100% satisfaction to the employees in the company.

12.3 Educational Facilities.

12.3.1 The company has established 7 DAV Public Schools, 2 Kendriya Vidyalaya and 01 Delhi Public School in its command area. Other Schools in this area are also supplementing the education facilities and given infrastructural support from NCL. An amount of Rs.2202.45 lakhs was incurred towards financial support to the Schools of NCL for student strength of 13,593. An amount of Rs.30 lakhs was given towards the Higher Technical Fee reimbursement to the wards of Wage Board employees of NCL.

12.4 Medical Services

12.4.1 With the aim of achieving a healthy work force by keeping the executives and staff, their dependent family members in healthy state, physically, mentally, socially and occupationally, free from diseases through preventive, curative, qualitative and community health approach, Medical discipline of NCL has developed from secondary to a tertiary care centre with the help of its excellent infrastructure.

12.4.2 Presently, NCL is having three hospitals with bed strength of 200 as indicated below:

(i) Nehru Shatabdi Chikitsalaya (NSC)	-	150 beds
(ii) Singrauli Hospital	-	35 beds
(iii) Bina Hospital	-	15 beds

12.4.3. *Nehru Shatabdi Chikitsalaya (NSC)*

NSC is functioning as Referral and Specialized Hospital with Secondary care in most of the disciplines and Tertiary care in a few of the fields like Nephrology, Cardiology(Non- Invasive), Diagnostic

Upper GI Endoscopy, Diabetology, Paediatric ICU and Laparoscopy. NCL has achieved milestone in the field of Radiology such as MRI, CT scan, Ultrasonography, Mammography etc. In the field of Nephrology, provision of Haemodialysis, CAPD are in vogue. Department of Emergency Medicine has been made a separate unit to cater the need of Emergency patients round the clock, not only for the employees and their dependents, but for the people living in the catchment area of NCL. In the field of Cardiology, newer modalities of investigation have been added, such as TMT, Echocardiography, Continuous Ambulatory Holter, Monitoring of Cardiac Patients. Apart from the above, patients requiring the facility of Obstetrics and Gynaecology, Paediatrics, Orthopaedics, Dental, Eye, ENT, Surgery are also handled. Patients from all the Projects of NCL and NTPC Hospitals, Hindalco hospital, Renusagar power, District Hospital Waidhan and Obra Thermal Power Plant are being referred to this Hospital for treatment and investigations.

12.4.4 *Central Diabetic Clinic*

Due to increasing incidence of Diabetes, Central Diabetic Clinic has been established in NSC and Central hospital Singrauli where patients are treated and counselled exclusively for diabetes, with stress to foot care, Kidney and eye care etc. Since diet control is very important for sugar patients, the patients are advised and counselled for a controlled diet by a qualified Dietician. In addition to that, Speciality Clinic for respiratory disease, Kidney disease are also held on specific days at NSC.

12.4.5 *Project Dispensaries*

Beside the above Hospitals, each Project is having one Dispensary (In total 10 dispensaries with Dudhichua having two) to cater the need of the employee and their dependent family members.

- 12.4.6 NCL is organising various camps, free of cost for the poor and weaker sections of the society living around the nearby villages who cannot afford the costlier treatment. Details of the camps i.e.(IOL) Eye camp (7 camps, 444 operations), Deafness reduction camp (1 camp, 30 operations), Family Planning camp (12 camps, 312 operations), Cancer detection camp (1 camp, 171 Beneficiary), Hypertension detection camp (2 camps, 479 beneficiaries), Diabetes detection camp (2 camps, 304 beneficiaries), Life style Modification camp (2 camps, 267 beneficiaries), Filariasis camp (2 camps, 24 operations), Plastic surgery camp (1 camp, 22 operations), Urology camp (1 camp, 31 operated), Pediatric Health camp (4 camps, 858 beneficiaries), Camp for Heart Disease (1 camp, 171 beneficiaries), Laproscopic camp (1 camp, 7 operations). The camps were organised throughout the year. In some of these camps renowned Surgeons and Physicians, Experts from the pioneer Institutions of India like IMS, BHU. Max Heart, New Delhi, Apollo hospital, New Delhi and Asian institute of Medical Sciences, Faridabad etc. were invited to perform Surgeries and Consultations as well as to give lectures. Mobile Dispensary from Singrauli Hospital made 71 visits and number of patients attended its services were 3271. Other than these, various awareness camps were organised throughout the year like HIV-AIDS awareness camp, Nutrition of pregnant ladies, promotion of Breast feeding, Awareness and prevention of heart disease, Diabetes, Cancer, backache etc. All were done under corporate social Responsibility (CSR).
- 12.4.7 Company as a corporate citizen spent a sum of Rs.9,56,492,20 only towards providing free treatment to 128 patients who are under privileged, needy and people living below poverty line.
- 12.4.8 Number of major operations 2106 and minor operations 651 have been carried out in NCL successfully for various diseases during the year under review by our skilled and expert Surgeons.
- 12.4.9 Initial Medical examination (IME), Master Health Check-up and Periodical Medical Examination (PME) are being done regularly for all the employees of the company as per recommendation of 10th Safety Committee to prevent life style diseases and to take timely action for the diseases so detected. Against the target of 4178 PME, achievement of NCL was 4165, which is 99.69% of the target. NCL has also undertaken a unique programme for medical examination of Contractual Worker free of cost at work site. This year a team of Doctors and Paramedical staff visited all the Mines under NCL and examined 3477 Contractual Workers of 30 years age and above and some of them were referred to NSC for specialist's opinion, investigation and treatment.
- 12.4.10 Every project Dispensary is running its own CSR Dispensary where patients of poor socio economic status as well as project affected peoples are given free consultation with medicines.
- 12.4.11 NSC, Jayant has organised a Pneumoconiosis workshop on CIL Level on 22/03/2014.
- 12.4.12 NSC, Jayant is also organising conferences of Para Medical Staffs every year and in 2013-14 different Conferences of Lab Technicians, Pharmacist and Nurses were organised on CIL level.
- 12.4.13 Regularly CME's are organised in NSC, Jayant in which experts of different discipline of medical field from reputed hospitals of India are invited to deliver the lecture on various latest topics of medical interest.
- 12.4.14 Inter-Area First-Aid competition was held in Krishnashila Project, NCL in the month of January 2014.

12.5 SOCIAL ACTIVITIES

12.5.1 Sports & Games.

Adequate infrastructure has been developed in the company for promoting

games and sports. There are four stadium one each at Bina, Jayant, Nigahi and Singrauli with necessary gym equipment for physical fitness of employees. NCL has been conducting 13 different inter project sports and cultural competitions. Various sports camps are also organized for Football, Cricket, Kabaddi, Volleyball etc. Some invitation Competitions has also been organized in which National and International level sportsmen participate.

12.5.2 Recreational Facilities

NCL has adequate recreational facilities for its employees and their family members. Each Project has their own Officer's Club and Worker's Institute, well-equipped with furniture, utensils, indoor sports material etc. and matching grant is also provided.

12.6 Socio-economic contribution

12.6.1 The company had already developed six rehabilitation sites viz. 3 in UP State (Rehta, Ambedkar Nagar and Jawahar Nagar), 3 in MP State (Chandrapur, Nandgaon and Jaitpur) and one more new site is approved for development for resettlement of Project Affected Persons (PAPs) with necessary civic amenities linked with Block-B Project.

During the year, 3 pattas were issued and 32 families were paid cash in lieu of plot @ of Rs 1 Lakh to each family. Upto 31st March, 2014 total no. of pattas issued were 2009 and cash in lieu of plot was paid in 1192 cases. Total number of families rehabilitated is 3201 out of 4032 and 2852 families are shifted upto 31st March 2014.

12.6.2. To impart greater responsibility towards social and economic upliftment of the displaced, package concept for offer of employment is evolved and practiced since 2008-09 in NCL. In this system 2 or more land oustees, who are not eligible for offer of employment due to less than 2 acres of land holding may come together and make a package for offer of an employment to one of them or one of their

nominee. This has enhanced the chance of getting employment against land and also enhanced the coherence among the land oustees as well as helping in solving the R&R issues.

12.6.3 In 2013-14, total 32 employments have been given out of which 27 employment is offered under package deal concept in which 92 land oustees added their share of land to make those 27 packages for offer of employment.

12.6.4 Compensation of Land and House Payment

During the year, compensation of 37.63 Ha. of tenancy land and compensation against 3 cases of houses, amounting to a total of Rs.2.30 Crores has been disbursed.

12.7 Mahila Mandal

12.7.1 Mahila Mandal is a social organization of ladies of NCL and actively participates in the fields of social work. It has been conducting Adult Education Classes. and providing books as a measure to provide basic education to nearby villagers. It has also shown concern in the area of women health by conducting anemia detection camp and has also distributed fruits and created awareness about the importance of proper diet among the women residing in nearby villages.

12.8 Family Welfare

12.8.1 During the year under review 637 (502 TT & 135 Cu-T insertions) operations were conducted successfully under the family Welfare Programme of NCL covering entitled and non-entitled patients of NCL and nearby areas.

13.0 RAJBHASA IMPLEMENTATION (OFFICIAL LANGUAGE POLICY)

13.1 As per the Annual Programme 2013-14 issued by the Government of India, Ministry of Home Affairs, Rajbhasa Deptt., Govt of India, for 100% implementation of Rajbhasa Rules and Regulation of

- Rajbhasa Policy among the Officers/Workers of NCL, emphasis was given on sustainable and maximum use of Hindi by employees in the official work which resulted in progressive and significant improvement in Rajbhasa Implementation.
- 13.2 For carrying out the official work in Hindi smoothly, during the year 2013-14, 04 Rajbhasa Workshops were organized as per the target, which resulted in growth in correspondence. During the year against the target, 4 meetings of Rajbhasa Implementation Committee were organized.
- 13.3 The implementation action was taken on the Minutes of Meeting of Hindi Advisory Committee, Ministry of Coal held on 3.9.2013, which yielded desired results. In high level meetings of the Company such as meetings of Joint Consultative Committee, Welfare Board and Trade Unions, the proceedings were held in Hindi and minutes of the meetings were also issued in Hindi.
- 13.4 The 1st meeting of newly constituted Town Rajbhasa Implementation Committee, chaired by Ms. Shantilata Sahu,, Chairman-cum-Managing Director, NCL was held on 19.12.2013 and appropriate action on the minutes of meeting circulated in Hindi was taken. Correspondence with the State Govt. and Central Government was done in hindi. Hindi training programmes were organized in CETI and the material related to training were distributed among the trainees in Hindi.
- 13.5 In the meeting organized by General Manager (MP/IR/Rajbhasa), Coal India Ltd. on 24.2.2014, the progress of Rajbhasa Implementation in the Company was checked and found to be satisfactory. Rajbhasa Inspection Committee, inspected all the Projects/Units and gave suggestions for improving implementation of the policy.
- 13.6 Emphasis was laid to ensure 100% implementation of Section 3(3) and Rule-5 and 11 of Rajbhasa Act, 1963. Executives/Workers having skill of working in Hindi were advised in person by Director (Personnel), NCL to ensure carrying out of 100% official work in Hindi and arrangements were made for monitoring of the same.
- 13.7 All 1053 computers in the company were provided with the facility through UNI Code to do the work in Hindi.
- 13.8 Keeping with tradition, 'Rajbhasa Pakhwara' was organised in the month of September, 2013. During the Rajbhasa Pakhwara various competitions were organized in which winners were awarded in cash and consolation prize were distributed among all the participants. 18 Employees were rewarded with Cash prize for their best contribution in the field of Hindi.
- 13.9 During the Pakhwara All India Kavi Sammelan was orgained in which motivational poems in Hindi were recited. Company Library was enriched with the books of eminent writers and poets and 86.89% (target – 50%) of the total budget was incurred on purchase of Hindi Books.
- 13.10 Amlohri Project and Bina Project were given 1st and 2nd Rajbhasa Shield respectively, under the Late Shanker Dayal Sharma Memorial Prize Scheme for the best work done in Hindi for the year 2012-13 and on conclusion of Rajbhasa Pakhwara, September, 2013, appreciation letters for 2013-14 were issued.
- 13.11 In the Rajbhasa Sangosti organized by Bhartiya Rajbhasa Vikas Sansthan, Dehradun from 16-18 October, 2013 at Madhurai (Tamilnadu), for best work performance in Hindi in Company Ms. Shantilata Sahu, Chairman-cum-Managing Director was honoured with "Rajbhasa Shree Samman", Shri Laxman Singh Verma, Dy.Manager(Sectt/Rajbhasa), was honoured with Vishesh Rajbhasa Vishishtata Samman and a Memento and Shri Awatar Singh, Dy.Manager (Pers/IR) was hounered with a Memento.

13.12 In the Rajbhasa Sangosti organized by Rajbhasa Sansthan from 8-10 October, 2013 at Nainital (Uttarakhand), Shri Dinesh Temburne, Sr. Officer (Rajbhasa), Shri Babulal Ram, Sr. Officer (Sectt/Rajbhasa), Bina, Shri Chitragad Singh, Sr. Translator (Rajbhasa), Shri Kameshwar Prasad Viswakarma, Sr. Clerk (Rajbhasa), HQ and Shri G.L. Prasad, Office Superintendent, Jhingurda Project participated. NCL was awarded 'Office Deep Shield' by Rajbhasa Sansthan.

13.13 Rajbhasa Sangosthi orgained by Bhartiya Rajbhasa Parisad, New Delhi from 12-14 November, 2013 at Jagannath Puri (Odissa), in which Shri Baliram Singh, Sr. Officer (Sectt/Rajbhasa) and Shri Ashok Kumar Tiwari, Sr. Translator (Rajbhasa) participated.

13.14 During the year under "Aaj ke Shabd" sufficient words in English and Hindi and "thoughts of the day" were also written daily on the Board to develop awareness amongst the executives and workers to work in Hindi.

14.0 ACTIVITIES OF VIGILANCE DEPARTMENT

14.1 Vigilance Set-up :

14.1.1 The Vigilance set –up at Northern Coalfields Limited is headed by a Chief Vigilance Officer, a Director level officer appointed by the Government of India. Nine executives belonging to different disciplines assist the CVO in carrying out the activities of the Vigilance Department. Three Senior Personal Assistants and two Clerks are also posted in the Vigilance department.

14.1.2 Corruption prone areas have been the focus of attention. Any preventive or punitive action in these areas is bound to have a demonstrative as well as multiplier effect on the entire organization.

14.2 Observance of Vigilance Awareness Week 2013

14.2.1 As per the directives of Central vigilance Commission vide circular no. 013/VGL/082

dated 25/09/2013, Vigilance Awareness week was observed in Northern Coalfields Limited from 28.10.2013 to 02.11.2013. Ms. Shantilata Sahu, CMD, NCL, administered pledge to the executives and staff at Singrauli on 28.10.13 at 11.00 AM signaling the beginning of the observance of Vigilance Awareness Week, 2013. Ms Shantilata Sahu, CMD, NCL read out the message of His Excellency President of India, Shri Pranab Mukherjee on the occasion. The message of Hon'ble Vice President of India, Shri Hamid Ansari was read out by Shri N.Das Director (T/P&P), NCL. The message of Shri Manmohan Singh, Prime Minister of India was conveyed to the assembled employees by Shri A.D.Mathur, Director (T/Op) NCL. The message of Smt. Sushma Swaraj, Leader of opposition was conveyed to the assembled employees by Shri A.K.Pandey, Director (F), NCL. Shri G.P.Agarwal, GM (E&M) VIG, NCL conveyed the message of the Central Vigilance Commission to the executives and employees. In a similar fashion, the observance of Vigilance Awareness week 2013 commenced with the administration of pledge and reading out the messages of Dignitaries at different projects of NCL. This year the theme of observing Vigilance Awareness Week was "Promoting Good Governness – Positive Contribution of Vigilance"

14.2.2 As always, the endeavor of NCL / Vigilance, this year too, during Vigilance Awareness week main focus was to involve employees from the top of the hierarchy to the grass root level of the organization and to spread the message of the need to fight corruption. Newly joined officers and children of Schools in NCL were involved to express their thoughts and views on issues like honesty, integrity and the need to fight and expose the corrupt. This move was inspired by the thought to sow the seeds of truthfulness in the nation builders of tomorrow. The children were asked to draw and paint their feelings on the topics "Corruption – Cancer of the society".

Children were also asked to express their thoughts on the topic “Good governance through transparency” by organizing an essay competition. A dance, drama/ skits was also organized for school going children on the topic of “Corruption, a devil”. On the afternoon of 29/10/2013 at CETI, Singrauli a Seminar was organized on the topic of “e-procurement and purchase manual” in which 138 executives of NCL participated.

14.2.3 On 30.10.13 in the first half Skit/ dance/drama/competition was organized for school children at Officers’ Club, Singrauli on the topic “Corruption, a devil”. On 30.10.13 at 10.30 AM Consumer’s conclave was organized in the Conference Hall of NCL HQ, for the consumers drawing coal from NCL where various consumers exchanged their ideas and grievances with NCL. On 31.10.13 in first half at CETI a debate competition of Management Trainees/Sr. officers was organized on the topic of “Corruption is an individual phenomenon and not a collective phenomenon”.

14.2.4 On 02.11.13, Concluding Day ceremony was organized at Nigahi Project where Shri K.P.Venkateshwar Rao, IPS, DIG/ CVO, NCL, Shri N.Das, Director (T/P&P) NCL, Shri A.D.Mathur, Director (T/O) NCL, Shri A.K..Pandey, Director (F) and Shri A.K.Jain, CCF were present. The Hon’ ble District Judge, Singrauli, Shri S.N.Khare, was present as Chief Guest. The proceedings of the function were started with a welcome song presented by the school children. Shri S.N.Sinha, CGM, Nigahi welcomed the guests and expressed his views on good governess in all the departments of NCL.

- (a) A Vigilance magazine of NCL-2013 “NIRBHAYA” was released by Shri S.N.Khare, Hon’ble District Judge, Singrauli on the occasion.
- (b) Vigilance Excellence Award 2013 was announced. It was given to e- procurement cell of NCL for their

tremendous work. The members of the cell are as follows:-

1. Shri B.Gangadhar, Chief Manager(System) – In charge of the cell
 2. Shri Shishir Dutta, Sr. Manager (Exc)
 3. Shri Rishi Kumar Singh, Sr.Manager (C)
 4. Shri Shivesh Pandey, Asstt. Manager (E&M)
 5. Shri Swapneel Pipaliya, MT(MM)
- (c) Appreciation certificates were given to following General Managers along with their team for their exemplary work to bring clarity in working:
- (i) Many complaints were being received in the Vigilance Department regarding different pre-qualification requirement in the form of “Similar nature of work” for same of work in different projects. To eliminate the root cause of the problem, HODs of respective departments were asked to prepare a list of works being undertaken at different Projects/Units frequently and to prepare standardized definition for similar nature of work to bring about uniformity in ‘ PQR/Experience criterion / Similar nature of work ’ for all the Projects for all purchase repair/ works contact jobs.
 - (ii) GM(E&M), GM(Exc) and GM(C) NCL prepared the list with standardized definition of similar nature of work for implementation uniformly for all contractual works. GM(Civil) and his team have compiled internal circulars related to Civil Department and the circulars have been uploaded in the NCL’s website.
 - (iii) General Manager (Sales & Marketing) along with his team made efforts for increasing coal sale by e-auction and increasing the revenue generation through e- auction route.

14.2.5 An exhibition of the drawing and paintings made by the school children on the issues related to honesty, corruption etc. was held at the same venue. The message conveyed through these paintings was crystal clear – “Corruption and Corrupt must be dealt on zero tolerance terms”. The creative outpouring of the children on canvas struck an instantaneous chord with the Chief Guest, executives, staff and others.

14.2.6 Shri N.Das, Director (T/P&P) NCL, Shri A.D.Mathur, Director (T/O) NCL, Shri A.K.Pandey, Director (F) and Shri A.K.Jain, CCF had expressed their views on awareness regarding rules regulations, manuals etc of the company and emphasised on good governess adoption of I.T. in tendering, e-procurement and others areas.

14.2.7 Shri K.P.Venkateshwar Rao, CVO, NCL had expressed his view on Promoting good governance and positive contribution of vigilance. Good governance has few dimensions like the rule of law, accountability and absence of violence, governance effectiveness, quality and control of corruption. Over all governance means functioning of public sectors by actual delivery needed services. CPUs have a major share of procurement from various government/Private agencies, which is vulnerable to corruption. It can be reduced through, understanding complaints, rules and simplifying the same, reducing human discretion, fairness in action, facilitating promotion of ethical culture & initiating punishment to the deviants. Vigilance helps in disciplining, protecting honest performers, increasing fairness, promoting ethical culture and reforming system etc. During last one year, NCL Vigilance has done the following :

- ❑ Improvements were suggested regarding procedure of purchase-repair works carried out by different departments.

- ❑ Best practices such as adoption of SURPAC for volume calculation has been suggested by vigilance.
- ❑ CTE type inspection was carried out at Block B and has been suggested that construction of CHP and railway siding be given top priority to reduce transportation of coal by road.
- ❑ A uniform tender document for all tenders other than Civil, Purchase and Contract Cell (for which manual exists) has been recommended by vigilance.
- ❑ Online vigilance complaint package and recruitment package has been hoisted at NCL Website.
- ❑ IBS as an ERP has been re- activated.
- ❑ OITDS in four projects speed up.
- ❑ GPS based vehicle tracking system for coal transportation along RFID, boom barrier, camera for snap shots and integration with weighbridge system is being done to prevent coal pilferage.
- ❑ Around 550 CCTVs to be installed at all vital points in all projects of NCL.
- ❑ e- procurement Cell has been established at NCL and first e-tender through e-procurement has been floated on 21.10.2013 by NCL.
- ❑ Liquidation of coal stock by increasing e- auction, on vigilance initiative last financial year 1.07 MT, which comes to 3.13% of total production has been e-auctioned leading to revenue of Rs.318.64 crores and during the financial year 2013-14, around 2.46 MT of coal has been e-auctioned which comes to 7.3 % of total production leading to a revenue of Rs.628 crores.
- ❑ NCL vigilance is actively working in the areas like training also to increase the core competency of public sector managers, a blue print for General Management Programme for the senior, middle and junior level executives have been formulated.

Two batches have been trained at Administrative Staff College of India, Hyderabad.

- ❑ He had expressed that the experience has shown that increased transparency, competition and introduction of technology driven systems leads to decline in the level of corruption.
- ❑ The Chief Guest Hon'ble District Judge, Singrauli Shri S.N.Khare had expressed his views on corruption free society. He emphasized on need of hour that official work should be done timely as delay in doing work is a root of corruption. He had said that all government employees should work honestly.

14.2.8 The various activities carried out by NCL during the Vigilance Awareness Week were widely covered by the local Press/Media.

14.3 Preventive Vigilance :

14.3.1 Systems Improvement undertaken :

1. ANNUAL PROPERTY RETURN, ONLINE VIGILANCE COMPLAINT AND ONLINE RECRUITMENT has been uploaded on NCL's website. Further, APRs are being filed on line on CIL's web site for the year 2013 mandatorily.
2. On advisory of Vigilance Department, an Office Order regarding release of EMD to unsuccessful bidders before issue of award of work vide no. NCL/D(F)/2013/20 dated 24.07.2013 has been issued.
3. FD 445/12 adopted recommendation of CVO vide letter no. NCL/SGR/VIG/GM/13/862 dt.24/26.07.2013 regarding purchase/repair works carried out by different Departments, project wise- uniform tender document.
4. A directive has been issued vide order no. NCL/D (T/P&P)/F-61/13/978 dated 13.08.2013 on the directive of Vigilance Department regarding

finalising tender within stipulated time & trial orders should not be considered for proveness as per the standard NIT of the company.

5. A directive was issued after CTE type inspection of OITDS implementation vide letter no. NCL/VIG/OITDS/13/945 dated 08.08.2013.
6. Circular no. NCL/SGR/D(T/P&P)/F-28/1013 dt. 12.09.2013 issued by D(T/P&P) on monsoon work.
7. A directive has been issued vide order no. NCL/SGR/D (T/P&P)/F-28/1009 dated 16.09.2013 on the directive of Vigilance Department with regard to "Tender for supply of printed stationary and inclusion of provision of tender acceptance by post in NITs (all types)".
8. A preventive circular arising out of CTE of Nigahi CHP Ph. II has been issued vide no. NCL/Vig/CVC/NGH CHP/13/1779 dt. 26.12.13.
9. E-procurement - NIC has been entrusted the job of e-procurement. In March 2013, initial introduction of the system has also been provided.

First trial of e-procurement tender has been floated on 21.10.2013 after the launch of LIVE E-procurement portal by CIL on 17.10.2013. Pilot project is of E&M section (procurement of Vacuum circuit breakers). Work awarded on 18.02.2014.

NCL is the 1st coal company to do so.

As on date total 13 nos. of tenders have been floated on e-procurement portal amounting a sum of Rs.160,33,21,268/-. Eight more case files are under final stage of publishing on e-procurement portal.

A letter dated 13.02.2014 has been circulated to all projects for discontinuing existing mode of procurement and switching over to e-procurement mode from 01.04.2014.

10. For GPS system and RFID, Tender for GPS based vehicle tracking system for coal transportation along with RFID system, boom barrier, camera for snapshot and integration with existing weighbridge system on turnkey basis. The work awarded on 16th Jan 14. Delivery of equipment for trial run was 10 weeks from the 10th day of placement of work order i.e.15.04.2014 and commissioning date is within 06 weeks after the receipt of equipment i.e. 31.05.2014.

GPS device installed in two vehicles for testing and optimization of the system. Commissioning expected by 30.04.2014. Expected date of full implementation is after the trial run of 03 months.

11. CCTV's - Projects have installed 21 nos of CCTV's at weighbridges. The complete action plan for installation of CCTV at all the strategic locations at projects has been finalized by NCL, headquarters.
12. On recommendation of Vigilance Department two Office Orders by CMD/ NCL have been issued vide Office Order No. NCL/CMD/Vig/2014/2172 dt. 25/26.02.14 and Order No. NCL/ CMD/Vig/ 2014/2173 dt. 25/26.02.14 regarding procurement of fire safety items.

14.4 Extent of IT usage and e-governance :

1. Vide notice no.NCL/SGR/sales/08/2334 dt.06.03.09 the extant procedure regarding refunds through RTGS/CBS to linked consumers/ e-auction buyers was circulated. Despite being located in remote area, NCL has introduced e-payment in a big way.
2. NCL website has been linked to CVC website for ensuring easy access to CVC instructions relating to different matters.
3. A link called CVO's corner has been introduced in NCL website.

4. E-publication of "NIRBHAYA", a compendium on Vigilance matter has been done, wherein guidelines issued in the year was in addition to CVC guidelines and case study based on major Vigilance cases.
5. An Interactive Session was held by the Secretary(Coal) with CMDs and CVOs of Coal India Ltd. and its subsidiaries, NLC and CMPFO on 20.01.2014 to review the functioning of vigilance set up and steps taken to implement IT initiatives.
6. Vigilance Excellence Award 2013 was given to e- procurement cell of NCL consisting of 5 Executives for their tremendous work. Appreciation certificate were given to GM(E&M), GM(Exc) and GM(C) NCL along with their team for their exemplary work to bring clarity in definition of similar nature of work for NITS and e-auction respectively
7. Vigilance Department of NCL scrutinized 450 Annual Property Returns up to March 2014. Non recordable warning were issued to 39 executives.

14.5 Agreed List & ODI List : Agreed list and ODI list have been prepared.

14.6 Rotation of executives from sensitive posts : Officers working on the sensitive posts are being transferred regularly.

14.7 No. of executives transferred from sensitive posts : 118

14.8 Surveillance and Detection :

14.8.1. No. of cases added for investigation during the period of report

Opening balance of cases as on 01.04.13	: 62
No. of cases added during the period for investigation	: 19
Disposed during the period	: 73

14.8.2. No. of cases under departmental inquiry during the period of report

No. of cases under Departmental Inquiry	: 12
Disposed during the period	: 08

14.8.3. Inspections: A total no. of 82 surprise inspection/regular inspections were made during the period in question.

14.9. Punitive Vigilance :

Charge-sheets issued	Penalty imposed								
	Minor Penalty Proceedings (under Rule 31)	Major Penalty Proceedings (under Rule 29)	Dismissal/Removal	Reduction to lower rank	Reduction to lower stage in pay	Post-ponement/with holding of increment	Withholding of promotion	Censure	Others (caution, Warning etc.)
42	01	01*	NIL	NIL	03	NIL	39	NIL	15

* One executive named Shri Mintu Dubey, Sr. Mgr. (M), has been dismissed in a CBI trap case. He has been sentenced by CBI Court, Jabalpur and dismissed from service by the Chairman, CIL vide order no. CIL/C5A(iv)/MD/VD10/2384 dtd. 12.08.13.

14.9.1 No. of officials suspended : NIL

14.9.2 Online Registration of complaints:

Online complaints can be lodged through the website of NCL, i.e. www.ncl.gov.in.

14.10 Training Courses conducted in vigilance awareness:

Sl. No	Name of Programme	Date	No of participants (Executives)	No of participants (Non-executives)	Total
01.	CDA Rules	04.04.13	36	--	36
02.	Standing Orders	04.04.13	--	25	--
03.	Standing Orders	11.04.13	--	14	14
04.	Standing Orders	18.04.13	--	29	29
05.	CDA Rules	25.04.13	30	--	30
06.	Standing Orders	26.04.13	--	15	15
07.	CDA Rules	09.05.13	24	--	24
08.	Standing Orders	10.05.13	--	26	26

09.	Standing Orders	16.05.13	--	26	26
10.	Seminar on Annual Property Returns	04.07.13	22	2	24
11.	RTI Act 2005	08.07.13 to 09.07.13	42	--	42
12.	Vigilance Awareness Programme	15.07.13	40	--	40
13.	Standing Orders	22.07.13	--	--	24
14.	Programme on e-procurement	05.08.13	30	--	30
15.	Workshop on proposed NIT for hiring of equipment and other related jobs	23.08.13	33	--	33
16.	Standing Orders	08.09.13	--	25	25
17.	CDA Rules	19.09.13	25	--	25
18.	Standing Orders	20.09.13	--	28	28
19.	Buyer Seller Meet	21.10.13	21	46	67
20.	Procurement Procedure and Purchase Manual	29.10.13	138	--	138
21.	Standing Orders	18.10.13	--	19	19
22.	Seminar on e-procurement	13.11.13	55	41	96
23.	CDA Rules	04.12.13	20	--	20
Total			516	256	836

14.11 A training course called General Management Programme for two weeks was organized at Administrative Staff College of India, Hyderabad. This course started from 29th April 2013 in which 25 senior executives of NCL and 14 senior executives of BCCL (total – 39 executives)

had participated. Hon'ble Vigilance Commissioner Shri R. Sri Kumar, IPS, participated in the General Management Programme on 6th May' 2013 at ASCI, Hyderabad and took a one day interactive session with the participants. Chairman, Coal India Limited also addressed the participants on 06th May' 2013. Training of Trainer at ASCI was also organized for 09 executives of NCL.

14.12 Other IT initiatives undertaken in NCL are :

14.12.1 CoalNet

A proposal for administrative approval of CoalNet implementation in two phases has been approved by the FD's of NCL on 31.12.2013.

In 1st phase payroll, Finance and PIS will be implemented and award of work is expected by June '14, as this requires customization for NCL and its implementation at NCL headquarters is expected by end of December 2014.

In 2nd phase extension of facilities for data entry and report generation, etc for Finance, Payroll and PIS Module to all the projects. Implementation of MM, maintenance, Sales and production modules of CoalNet at Main data Centre (at NCL Hq) and provide all facilities at projects/units and Near Data Centre at Nigahi project is expected by end of December 2015.

14.12.2 Tender for GPS based vehicle tracking system for coal transportation along with RFID system, boom barrier, camera for snapshot and integration with existing weighbridge system on turnkey basis and is expected to be installed in all projects of NCL by June 2014.

15.0 COMPUTERIZATION

15.1 In NCL, a steady progress has been achieved in the field of computerization. The functional areas of Payroll, Cash Accounting, Personnel Information System and Mine Planning & Surveying have been

computerized. Materials Management, Maintenance Management, Production. Sales and MIS Modules of Integrated Business Solution (IBS), an ERP package, have been implemented in NCL Hqrs. and all projects except Block-B and Krishnashila Projects. Operator Independent Truck Despatch System (OITDS) is functional at Jayant Project.

15.2 F.O. based Local Area Network (LAN) is functional at Hqtrs. and all projects. All the LANs of project are connected with LAN at HQ through F.O. cable. Maintain Internet through NIC, Bhopal and NCL Website updation including re-structuring of NCL Website.

15.3 Implementation of Operator Independent Truck Dispatch System (OITDS) is in final stage of completion at Amlohri, Nigahi, Dudhichua & Khadia Projects.

15.4 Implementation of Biometric Based Attendance Recording System at NCL HQ.

15.5 Implementation of Online Vigilance Complaint System, Online Recruitment System and Online Annual Property Return.

15.6 Conversion of Financial Accounting Package from COBOL to Oracle.

15.7 E-Procurement

15.8 Future Programme

15.8.1 Replacement of Operator Independent Truck Dispatch System (OITDS) at Jayant Project.

15.8.2 Implementation of Coalnet covering Finance Module, Materials Module, Maintenance Module, Sales Module, Production Module, Personnel Information System & Payroll.

15.8.3 Implementation of Document Digitization & Document Management System.

15.8.4 Integration of Weighbridges with Integrated Business Solution (IBS).

15.8.5 e-Services

15.8.6 Implementation of Hospital Management Information System.

16.0 COMMUNICATION FACILITIES

16.1 Efficient telecommunication network has been developed in the projects and NCL HQ to provide the communication facilities right from the corporate office to the Pit office.

16.2 Wide Area Network (WAN) through OFC has been established from NCL HQ to projects and within the projects to provide voice and high speed data communication facility for IBS.

16.3 10 Mbps high speed internet connectivity has been established at NCL HQ for Internet and e-mail facility.

16.4 New IP based telephone exchanges have been installed in all projects/units of NCL. Facility for close user group numbering scheme has been established for voice communication between subscribers of HQ/projects/units. This has improved telecommunication between HQ and projects/units.

16.5 Mobile communication facility of BSNL under Closed User Group (CUG) scheme has been provided to all the executive and emergency / essential staff of NCL.

16.6 The improvements made during the year 2013-14 are given below :

Work order for G.P.S based vehicle tracking system along with RFID system and integration with weighbridge system has been placed for all the mines of NCL. Testing for the trial run has started.

17.0 CORPORATE SOCIAL RESPONSIBILITY

17.1 Following Corporate Social Responsibility activities have been undertaken in NCL during the year 2013-14 :

In the financial year 2013-14, NCL has undertaken CSR activities in areas of

roads, water supply, community halls, skill development, healthcare, education etc. with a total expenditure of Rs.3972 Lakhs (Rupees Thirty Nine Crores and seventy two lakhs only). The broad heads and expenditure under those heads are as follows :

- (1) Roads – NCL has done construction/ carpeting /widening of 25 kms of roads approximately in the year 2013-14 with a total cost of Rs. 1241.61 Lakhs.
- (2) Water Supply- NCL has installed 100 hand pumps in different villages around its operating area with a total cost of Rs.73.90 Lakhs.
- (3) Skill Development- NCL has imparted different types of training/ skill development programmes for employment generation through qualified trainers to the unemployed youths of the nearby villages with a total cost of Rs.27.19 Lakhs and total number of beneficiaries are 830.
- (4) Community Halls- NCL has constructed 4 community halls in Birkunia, Piparkhad village, Ward No. 9 (Singrauli) and Mudwani village. The total cost of constructing these community halls is Rs.94.61 Lakhs.
- (5) Health Camps- Besides healthcare facilities provided to poor villagers in different project dispensaries, NCL has organized health camps like family planning camp, cancer detection camp, urology camp, diabetes detection camp, eye camp in different projects, Central Hospital and Nehru Shatabdi Chikitsalaya Jayant. The expenditure incurred by NCL Hospitals and dispensaries in these camps is Rs.14.80 Lakhs and total number of beneficiaries in health camps are 7460.
- (6) NCL has contributed Rs.2000.00 Lakhs to Uttarakhand Chief Minister's Relief Fund for rehabilitation and re-

- construction of areas affected in the devastating flood of June 2013.
- 17.2 NCL has started a new project on Co-operative based poultry farming for nearby villagers in association with District Administration. The total project total cost for installation of 100 poultry units is Rs.125.00 Lakhs and an amount of Rs.12.50 Lakhs has been released as 1st installment to District Administration, Singrauli for this project.
- 17.3 Apart from these major heads, NCL has contributed to the Society in the field of education, sports, culture, etc.
- 18.0 SUSTAINABLE DEVELOPMENT/MOU ACTIVITY OF NCL DURING 2013-14**
- 18.1 Sustainable development and CSR Committee of NCL has been re-constituted by NCL Board comprising of two part time non-official Directors and two Functional Directors.
- 18.2 The Forest Research Institute, Dehradun carried out Ecological Restoration Study including assessment of site conditions and analysis of result of plantation work carried out during previous years in Jhingurda project of NCL.
- 18.3 A three year project for Eco-Restoration work and Bio Diversity Development in 10 hectares of degraded land (5 hectares each at Krishnashila and Nigahi Projects of NCL) has been taken up by the Forest Research Institute, Dehradun.
- 18.4 A study on ill health of employees in coalfield areas of NCL, due to presence of mercury in water has been done jointly by Environment and Medical Departments of NCL. The presence of Mercury in drinking water is below threshold limit of 0.001 mg/l.
- 18.5 (a) Under Rain Water harvesting, Nigahi Project has constructed a big sump to collect rain water and surplus water from mine discharge. This would help in ground water replenishment and to meet industrial water demand of the project.
- (b) Jayant project has constructed water harvesting pits in service and welfare buildings at Jayant.
- 18.6 One RGF Plant has been renovated and commissioned at Block B Project to convert mine water into potable water.
- 19.0 STATUTORY INFORMATION**
- 19.1 Information in regard to Energy Conservation, Technology Absorption and Foreign Exchange Earning & Outgo
- 19.1.1 Information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo is given in Annexure-I to this report.
- 19.2 PARTICULARS OF EMPLOYEES**
- 19.2.1 There was no employee of the Company who received remuneration in excess of the limit prescribed U/s 217(2A) of the Companies Act, 1956 read with Companies' (Particulars of Employees) Rules, 1975, as amended.
- 20.0 AUDITORS' REPORT**
- 20.1 Replies of the Management on the observations made in the report of the Statutory Auditors and comments of the Comptroller and Auditor General of India (CAG), as required under section 217(3) of the Companies Act, 1956 are given in the Addendum forming part of this Report.
- 21.0 AUDITORS**
- 21.1 The Statutory and Branch Auditors appointed by the Comptroller and Auditor General (CAG) of India for the year 2013-14 vide letter No.CA.V/COY/CENTRAL GOVT. NCFL (3)/ 163 dated 30.07.2013 under section 619 (2) of the Companies Act, 1956 along with remuneration as fixed by the Board in exercise of powers conferred by the Company in 17th Annual

General Meeting held on 23rd September, 2002, pursuant to provisions of section 224(8) of the Companies Act, 1956 is given hereunder :

Name of the Audit Firm	Status	Audit Fee Recommended	TA & Out of pocket expenses	Reimbursement of Service Tax
M/s. Prakash & Santosh, Chartered Accountants, Kanpur (U.P.).	Main Auditor	Rs.4,92,188.00	At actual subject to the limit of Rs.1,57,500.00	At actual.
M/s. B.C.P. Jain & Co., Chartered Accountants, Bhopal (M.P.).	Branch Auditor	Rs.1,80,469.00	At actual subject to the limit of Rs.57,750.00	-do-
M/s. S.K.Lulla & Co., Chartered Accountants, Gwalior (M.P.).	Branch Auditor	Rs.1,80,469.00	At actual subject to the limit of Rs.57,750.00	-do-

22.0 CORPORATE GOVERNANCE

22.1 Board of Directors

- (i) Ms. Shantilata Sahu, Director (Personnel), NCL has been assigned additional Charge of Chairman-cum-Managing Director, NCL from 20.09.2013.
- (ii) Shri T.K.Lahiry, held additional charge of Chairman-cum-Managing Director, NCL from 20.12.2012 to 19.09.2013.
- (iii) Shri Vinay Kumar Singh, who was on long leave, ceased to be CMD, NCL w.e.f. 1.8.2013.
- (iv) Ms. Shantilata Sahu, Shri N. Das, Shri A. D. Mathur and Shri A. K. Pandey continued to be Director (Personnel), Director (Tech/P&P), Director (Tech/Operation) and Director (Finance) respectively during the year.

(v) Shri D. N. Prasad, Director, Ministry of Coal, New Delhi, ceased to be Part Time Official Director, NCL Board w.e.f 03.04.2013.

(vi) Dr.M.R.Anand, Economic Advisor, Ministry of Coal, New Delhi ceased to be Part-time Official Director, NCL Board w.e.f 24.12.2013.

(vii) Shri Vivek Bharadwaj, Joint Secretary, Ministry of Coal, New Delhi was appointed as Part-time Official Director on NCL Board w.e.f. 24.12.2013

(viii) Dr. B.B. Goel, ceased to be Part-time Non-official Director, NCL Board w.e.f 27.04.2013.

(ix) Dr. Sheela Bhide, ceased to be Part-time Non-official Director, NCL Board w.e.f 03.08.2013.

(x) Shri S.R. Upadhyay, ceased to be Part-time Non-official Director, NCL Board w.e.f 18.02.2014.

(xi) Shri B.K.Saxena, Director (Marketing), CIL continued to be Part Time Official Director, NCL Board during the year.

(xii) Shri Surendra Jit Sibal and Shri A.K.Gupta , continued to be Part-time Non Official Directors , NCL Board during the year.

(xiii) Shri N.N.Misra and Shri Deepak Nath, continued to be Permanent Invitees, NCL Board, during the year.

(xiv) Shri C.P.Rai, Additional Principal Chief Conservator of Forest (LM), Govt. of MP was appointed as Permanent Invitee on NCL Board w.e.f. 19.09.2013.

22.2 Board Meetings

22.2.1 During the year 9 (Nine) Meetings of the Board of Directors of NCL were held.

22.2.2 Attendance of Directors and Permanent Invitees in Board Meetings :

BOARD MEETING NO. AND DATE									
Name of Directors	176 11.4.13	177 18.5.13	178 18.6.13	179 29.7.13	180 10.9.13	181 30.10.13	182 27.12.13	183 3.2.13	184 28.3.14
Shri T.K.Lahiry, CMD (Additional Charge)	P	P	P	P	P	Up to 19.12.2013			
Ms. Shantilata Sahu, D(P), (Addl. Charge of CMD, NCL w.e.f. 20.09.2013)	P	P	P	P	P	P	P	P	P
Shri N. Das, D(T/P&P)	P	P	P	P	P	P	P	P	P
Shri A.D. Mathur, D(T/O)	P	P	P	P	P	P	P	P	P
Shri A.K.Pandey, D(F)	P	P	P	P	P	P	P	P	P
PART TIME OFFICIAL DIRECTORS									
Dr. M.R. Anand	P		P	NP	NP	NP	Up to 23.12.2013		
Shri Vivek Bharadwaj	Appointed w.e.f. 24.12.2013						NP	NP	NP
Shri B.K. Saxena	P	P	NP	P	P	P	P	P	P
PART TIME NON OFFICIAL DIRECTORS / INDEPENDENT DIRECTORS									
Dr. B.B. Goel	P	Up to 26.04.2013							
Dr. Sheela Bhide	P	P	P	P	Up to 02.08.2013				
Shri S.R. Upadhyay	P	P	P	P	NP	P	P	P	Up to 17.02.2013
Shri Surindar Jit Sibal	P	P	NP	P	P	P	P	P	P
Shri A.K.Gupta	P	P	P	P	P	P	P	NP	P
PERMANENT INVITEES									
Shri N. N. Misra	NP	P	NP	NP	NP	NP	P	NP	P
Shri Deepak Nath	NP	P	P	P	NP	NP	P	P	P
Shri C.P.Rai	Appointed w.e.f. 19.09.2013					NP	NP	NP	NP

P = Present, NP = Not Present

22.2.3 Attendance of Directors in Annual General Meeting.

In the 28th Annual General Meeting of Members of NCL held on 25th May, 2013, Chairman-cum-Managing Director, Director (Personnel), Director (Technical/P&P), Director (Technical/Operations) and Director (Finance), were present.

22.3 Audit Committee

22.3.1 In pursuance of the guidelines of Corporate Governance for Central Public Sector Enterprises received from Department of Public Enterprises issued vide Office Memorandum No. 18(8)/2005-GM dated 14th May'2010, Board of Directors of NCL in its 176th Meeting held on 11th April'2013 at Singrauli vide item No. 176/C-5 reconstituted the Audit Committee as under :

- (1) Dr. Sheela Bhide, Part Time Non-Official Director - Chairperson
- (2) Dr. B.B. Goel, Part Time Non-Official Director, NCL - Member
- (3) Shri A.K. Gupta, Part Time Non-Official Director, NCL - Member
- (4) Dr. M.R. Anand, Government Director - Member

22.3.2 The Board of Directors of NCL in its 180th Meeting held on 10th September'2013 at Singrauli vide item No. 180/C-2 reconstituted the Audit Committee as under :

- (1) Shri S.R. Upadhyay, Part Time Non-Official Director, NCL - Chairman
- (2) Sri S.J. Sibal, Part Time Non-Official Director, NCL - Member
- (3) Shri A.K. Gupta, Part Time Non-Official Director, NCL - Member
- (4) Dr. M.R. Anand, Government Director - Member
- (5) Shri B.K. Saxena, Functional Director of CIL/Director, NCL - Member

22.3.3 The Board of Directors of NCL in its 182nd Meeting held on 27th November'2013 at New Delhi vide item No. 182/C-15 reconstituted the Audit Committee as under :

- | | | | |
|-----|--|---|----------|
| (1) | Shri S.R.Upadhyay, Part Time
Non-Official Director, NCL | - | Chairman |
| (2) | Sri S.J.Sibal, Part Time
Non-Official Director, NCL | - | Member |
| (3) | Shri A.K.Gupta, Part Time
Non-Official Director, NCL | - | Member |
| (4) | Shri Vivek Bhardwaj, Part
Time Official Director, NCL | - | Member |
| (5) | Shri B.K.Saxena, Functional
Director of CIL/Director, NCL | - | Member |

22.3.4 Besides, Director (Personnel), Director (Tech/P&P), Director (Tech/Op) and Director (Finance), NCL, attend and participate in the meetings of the Audit Committee as Invitees.

22.4 Role of Audit Committee :

The role of the Audit Committee shall include the following:

- (a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- (b) Recommending to the Board the fixation of Audit fees.
- (c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- (d) Reviewing the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - (i) Matters required to be included in the Directors' Responsibility statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act'1956.
 - (ii) Changes, if any, in accounting policies and practices and

reasons for the same;

- (iii) Major accounting, entries involving estimates based on the exercise of judgment by management;
 - (iv) Significant adjustments made in the financial statements arising out of audit findings;
 - (v) Compliance with legal requirements relating to financial statements;
 - (vi) Disclosure of any related party transactions; and
 - (vii) Qualifications in the draft audit report.
- (e) Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
 - (f) Reviewing with the management, performance of internal auditors and adequacy of the internal control systems.
 - (g) Reviewing the adequacy of the Internal Audit functions, if any including the structure of Internal Audit Department, staffing and seniority of the official heading the Department reporting structure, coverage and frequency of Internal Audit.
 - (h) Discussion with internal auditors and / or auditors any significant finding and follow up there on.
 - (i) Reviewing the findings of any internal investigation by the internal Auditors/ Auditors/Agencies into matter where there is suspected fraud or irregularity or a failure of Internal Control Systems of a material nature and reporting the matters to the Board.
 - (j) Discussion with Statutory Auditors before the audit committee, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.

- (k) To look into the reasons for substantial defaults in the payment to the depositors, shareholders (in case of Non- payment or declared dividends) and creditors.
- (l) To review the functioning of the Whistle Blower Mechanism.
- (m) To review the follow up action on the audit observations of the C&AG Audit.
- (n) To review the follow up action taken on the recommendations of Committee on Public Undertakings (COPU) of the Parliament.
- (o) Provide an open avenue of communication between the independent Auditor, Internal Auditor and the Board of Directors.
- (p) Review all related party transactions in the company. For this purpose the Audit Committee may designate a member who shall be responsible for reviewing related party transactions.
- (q) Review with the independent Auditor, the co-ordination of audit efforts to assure completeness of coverage, reduction of redundant efforts, and the effective use of all audit resources.
- (r) Consider and review the following

with the independent Auditor and the Management :

- (i) The adequacy of Internal controls including computerized information system controls and security , and
- (ii) Related findings and recommendations of the independent Auditor and Internal Auditor, together with the management responses.
- (s) Consider and review the following with the management, internal Auditors and independent Auditor:
 - (i) Significant finding during the year, including the status of previous audit recommendations.
 - (ii) Any difficulties encountered during audit work including any restriction on the scope of activities or access to required information.
- (t) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

22.5 During the Financial Year 2013-14, 8 (eight) meetings of Audit Committee were held and attendance of the Chairperson and Members were as under:-

Audit Committee Meeting held on	Name					
	Dr Sheela Bhide, Chairperson	Dr. B. B. Goel, Member	Shri A. K. Gupta, Member	Dr. M. R. Anand, Member		
10.4.2013	P	P	P	P (Special Invitee)		
17.5.2013	P	Ceased w.e.f. 27.4.13	P	P		
17-06-2013	P		P	NP		
28-07-2013	P		P	NP		
	Sri S. R. Upadhyay, Chairman	Shri Vivek Bhardwaj, Member	Sri B. K. Saxena, Member	Shri M. R. Anand, Member	Shri S. J. Sibal, Member	Sri A. K. Gupta, Member
30-10-2013	P	Appointed w.e.f. 24.12.2013	P	P	P	P
27-12-2013	P	P (Invitee)	P	Up to 23.12.2013	P	P
03-02-2014	P	NP	P		P	NP
27-03-2014	Upto 17.2.2014	NP	P		P	P*

P-Present NP-Not Present

* The Audit Committee Meeting held on 27.03.2014 was chaired by Shri A.K.Gupta.

22.6 Training of Board Members

22.6.1 Shri S. R. Upadhayay, Part-time Non Official Director, NCL Board attended 2nd Directors' Conclave: Towards Value Adding Board at Bangalore during 27-29 June, 2013.

22.6.2 Shri Niranjana Das, Director (Tech/P&P) attended 3rd Directors' Conclave: Towards Value Adding Board at Greater NOIDA at 28-30 November, 2013.

22.6.3 Shri A.D. Mathur, Director (Tech/Oprn.) attended Seminar on 'Dragline Mining: Prospects & Challenges at Singrauli during 06-08 December, 2013.

22.6.4 Shri Niranjana Das, Director (Tech/P&P) attended Seminar on 'Dragline Mining: Prospects & Challenges at Singrauli during 06-08 December, 2013.

22.6.5 Shri S.R. Upadhayay, Part-time Non Official Director, NCL Board attended Seminar on 'Dragline Mining: Prospects & Challenges at Singrauli during 06-08 December, 2013.

22.6.6 Shri A.D. Mathur, Director (Tech/Oprn) and Shri A. K. Pandey, Director (Fin), NCL attended Hi-Impact Leadership- Blue Print for Success at Mumbai during 18-20 December, 2013.

22.7 Directors' Responsibility Statement

22.7.1 Pursuant to section 217 (2AA) of the Companies Act, 1956, it is hereby confirmed :

- i) that in the preparation of the Annual Accounts for the Financial Year ended 31st March, 2014, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) that the Directors had selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the

Company at the end of the Financial Year and of the profit or loss of the Company for that period;

- iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) that the Directors had prepared the Annual Accounts for the Financial Year ended 31st March, 2014, on a going concern basis.

23.0 PERFORMANCE AGAINST MOU PARAMETERS

23.1 The Memorandum of Understanding (MOU) between CMD, NCL and Chairman, CIL for the year 2013-14 was signed on 24th March, 2013 as per guidelines of Department of Public Enterprises (DPE), Ministry of Heavy Industries and Public Enterprises, Government of India.

23.2 The performance of NCL during 2013-14 against MOU 2013-14 parameters has been audited by Statutory Auditors of NCL. Parameter-wise details of performance are enclosed as Annexure-II. The overall MOU grading of NCL for 2013-14 is very good with composite score of 2.34.

24.0 AWARDS

24.1 NCL was awarded with "Best Coal Sector Organisation/ Company of the year" in 7th Enertia Award 2013 held at New Delhi on 22.11.2013.

25.0 AVAILABILITY OF ANNUAL ACCOUNTS OF NCL AT HEADQUARTERS OF THE COMPANY.

25.1 The Annual Accounts of Northern Coalfields Limited for the year 2013-14 will be available at the Headquarters of NCL at Singrauli (MP) for providing information to the Shareholders of Coal India Limited on demand.

26.0 ACKNOWLEDGEMENT

26.1 The Board of Directors place on record their deep gratitude for the continued support and valuable guidance received from Ministry of Coal and Coal India Ltd. The Directors also acknowledge with thanks the co-operation and help extended by different wings of Govt. of India particularly Ministry of Environment & Forest and Ministry of Finance, as well as from Planning Commission, Director General of Mines Safety, Comptroller & Auditor General of India, Chairman and Members of Audit Board, Statutory Auditors, Registrar of Companies, State Governments of MP and UP and Local Administrative Authorities.

26.2 The Directors are also thankful to the valued customers particularly NTPC and

UPRVUNL and Bankers, Contractors and Suppliers for the valuable assistance and help received from them.

26.3 The Directors wish to place on record their appreciation for the commitment, devotion and hard work put in by the employees at all levels.

For and on behalf of the Board of Directors

Sd/-

(Ms. Shantilata Sahu)

Chairman-cum-Managing Director

Date : 9th June, 2014

Place: Singrauli

ANNEXURE- I TO DIRECTOR'S REPORT

Information in accordance with the provisions of section 217(1)(e) of the Companies Act. 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo.

A) CONSERVATION OF ENERGY

1.0 Steps taken for conservation of Energy during the year 2013-2014.

a) *Electrical Energy.*

- i) NCL has earned a bonus of Rs.1.77 crore both from MPPKVVCL and UPPCL points of supply put together towards power factor and load factor rebate during the year 2013-14.
- ii) The following energy conservation measures were taken in 2013-14:-
 1. Additional Compact Fluorescent lamps and other energy efficient lamps have been installed at many projects such as Amlohri (1520 Nos CFL), Dudhichua (200 Nos 11W CFL), Jhingurda (7500W MH, 2472W CFL), Block-B (268 Nos. 11W CFL) and Krishnashila (80 Nos. 4X24W CFL) Projects of NCL, etc.
 2. Additional Time switches have been installed for streetlights in CHP, Mines and residential Areas at many Projects such as Block –B (04 Nos.), Dudhichua (14 Nos.) and Jhingurda (01 No) Projects of NCL, etc.
 3. Additional Energy meter and PF meters have been installed at many projects such as Amlohri (24 Nos.), Dudhichua (27 Nos.), Kakri (15 Nos.) Projects of NCL, etc.
 4. Additional Power Capacitor Bank has been installed at many projects such as Amlohri (2350KVAR), Dudhichua (1200KVAR) and Block-B (400KVAR) Projects of NCL, etc for improvement of power factor.
 5. Solar Photo-voltaic Power plant and Solar water heating system has been introduced at CETI/NCL, HQ.

b) *Fuel & Lubricants*

- i) Strict compliance of approved comprehensive guidelines for monitoring of diesel consumption in all projects of NCL.
- ii) The actual diesel consumption of mines is being compared with the benchmark data of CMPDI on monthly basis for monitoring purpose.

2.0 Fresh/Additional Investment and Proposals implemented for reduction of consumption of energy during the Year 2013-14.

(Excluding the expenditure incurred during Financial Year 2013-14 to repair/maintain the energy conservation measures/investment made till 31st March 2013)

(a)	Use of energy efficient lamp (SVL) for street and flood lighting, and use of CFL.	Rs.22.00 Lakhs
(b)	Installation of energy meter, P.F. meter in mines and townships.	Rs 4.71 Lakhs
(c)	Time switches for streetlights in CHP, Mines and residential areas and others	Rs 9.67 Lakhs
(d)	Installation of Additional Power Capacitor Bank	Rs.31.05 Lakhs
(e)	Installation of Solar Panel and Solar water heating system	Rs.9.12 Lakhs
Total:		Rs.76.55 Lakhs

Achievements :

NCL has earned a bonus of Rs.1.77 crore both from MPPKVCL and UPPCL points of supply put together towards power factor and load factor rebate during year 2013-14.

(c) Impact of measures taken at (a) and (b) for reduction of energy consumption and consequent impact on the cost of production of goods.

SL No.	Description	2013-14	2012-13	% increase/decrease
A.	Electrical Energy:			
(i)	Consumption of energy /Tonne of coal production (KWH/Tonne)	5.30	5.36	(-) 1.11
(ii)	Consumption of energy per cu.m. of composite production i.e. coal plus OB& R.H.(KWH/Cu.m.composite)	2.70	2.68	(+) 0.74
B.	Fuel & Lubricant:			
(i)	Consumption of HSD per Cu.m. of composite production excluding dragline production (Ltr/cu.m.)	1.14	1.13	(+) 0.88
(ii)	Consumption of Lubricant per Cu.m. of composite production (Ltr/cu.m.)	0.039	0.040	(-)2.50

(B) TECHNOLOGY ABSORPTION : Form 'B' is enclosed**(C) FOREIGN EXCHANGE EARNING & OUTGO :**

- (i) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans.

Company is not engaged in export activities.

- (ii) Total Foreign Exchange used and earned.

(Rs. in Crores)

		Current Year	Previous Year
(A)	Foreign Exchange earned	NIL	NIL
(B)	Foreign Exchange used		
(i)	C.I.F. Value of Imports		
	(a) Raw materials	NIL	NIL
	(b) Components, Stores & Spare Parts	126.80	115.34
	(c) Capital Goods	1.83	36.60
(ii)	Repayment of JBIC Loan	322.72	68.72
(iii)	Repayment of IBRD Loan	355.19	51.67
(iv)	Travelling Expenses	0.08	0.12
(v)	Interest/Commitment/Agency charges etc. of IBRD/JBIC	8.33	10.96
Total		814.95	283.41

FORM 'B'**Disclosure of Particulars with respect to Technology Absorption****RESEARCH & DEVELOPMENT (R&D)**

1	Specific areas in which R&D carried out by Company.	<p>i. A site specific study on distance between toe of Shovel Dumper Dump and Dragline Dump with consideration of Safety & Economical Design of both Shovel-Dumper Dump & Dragline Dump by BIT, Mesra Ranchi (3 yr. project). Activity during 2013-14: Study of Geo-engineering Parameters and completion of Draft Report of study.</p> <p>ii. Optimization of Blasting in Dragline Benches.</p> <p>iii. Conversion of Mine Water to Potable Water in one mine of NCL.</p> <p>iv. Ecological Restoration Study by IFRI.</p> <p>v. Study of ill-health of employees due to presence of Mercury in water and measures to control it.</p>
2	Benefits derived as a result of the above R&D	<p>i. Interim Report submitted on 11/02/2014. a) Volume of external dump will be reduced. b) Overall stability of shovel-dumper dump and dragline dump will increase.</p> <p>ii. Report Submitted. a) After implementation of study report it will result in reduction of intensity of ground vibration. b) Fragmentation of blast materials will be improved resulting in productivity improvement.</p> <p>iii. Under Process. a) Availability of potable water will increase</p> <p>iv. Work completed by IFRI, Dehradun. a) It will provide a roadmap for ecological restoration in the region</p> <p>v. No trace of mercury in drinking water was found.</p>
3	Further Plan of Action :	<p>(a) A site specific study on distance between toe of Shovel-Dumper Dump & Dragline Dump with consideration of Safety & Economical Design of both Shovel-Dumper Dump & Dragline Dump in all 6 Dragline Mines of NCL by BIT, Mesra, Ranchi. (3 year Project). Activity during 2014-15: Completion of Study & Submission of Draft Report.</p> <p>(b) Development of in-line cylinder block boring machine for Engines at CWS, Jayant</p> <p>(c) Software Development to analyze and view equipment wise daily production and maintenance data of Major HEMMs.</p> <p>(d) Award of Work for Benchmarking of Diesel/Power Consumption by an Independent Agency such as Bureau of Energy Efficiency (BEE) Tata Energy Research Institute (TERI), CMPDIL etc.</p>
4	Expenditure on R&D: (a) Capital (b) Recurring (c) Total (d) Total R&D expenditure as percentage of total turnover.	<p>Activity (i) Record maintained at CIL level.</p> <p>Activity (ii) Rs.48,49,450/- (50% Advance paid).</p> <p>Activity(iii) Rs.2,59,179.91</p> <p>Activity(iv) Rs.6.00 lakhs</p> <p>Activity(v) Rs.47,192/-</p>

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1.	Efforts in brief, made towards technology absorption, adaptation and innovation :	<ul style="list-style-type: none"> i) OITDS is being installed at Nigahi, Dudhichua, Amlohri and Khadia OCPs. iii) Procurement of 'Surface Miner' in NCL: Tender has already been floated and pre-bid meeting has also been done. Re-tendering is under process. iv) Installation of CCTV in all roads, weigh bridges and other important locations in mines. v) Training of Dumper Operators (85Te and 100Te Dumper) on Simulator.
2	Benefits derived as a result of the above efforts	<ul style="list-style-type: none"> i) Installation under process. It will facilitate monitoring of operation and maintenance of HEMM in a better way resulting in optimum utilization of men and machinery. ii) Trial being done at Block-'B' project and after successful completion of trial, it will be implemented in other projects also. It will help to prevent any chance of theft or pilferage of coal. iii) Procurement under process. iv) Installation under progress. It will enhance the safety and security of the installation. v) It will result in skill up-gradation of Dumper operators.
3	In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) the requisite information given below:-	N I L
	(a) Technology imported:	N I L
	(b) Year of Import:	N I L
	(c) Has technology been fully absorbed:	N I L
	(d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plan and actions:	N I L

ANNEXURE : II

NORTHERN COALFIELDS LIMITED, SINGRAULI
AUDITED PERFORMANCE OF NCL AGAINST MOU 2013-14

Sl. No.	Evaluation Criteria	Unit	Weight (in %)	MoU Target					Actual 2013-14	Raw Score	Com-posit Score	Means of Verification
				Excellent	Very Good	Good	Fair	Poor				
				1	2	3	4	5				
1	Static / Financial Parameters											
	Financial Indicators - Profit related ratios											
	(i) Gross Margin / Gross Block		2	0.5548	0.5499	0.5224	0.4963	0.4715	0.6537	1.00	0.020	
	(ii) Net Profit / Net Worth		10	0.2661	0.2637	0.2505	0.2380	0.2261	0.2170	5.00	0.500	Audited Annual Accounts
	(iii) Gross Profit / Capital Employed		10	0.2349	0.2895	0.2750	0.2613	0.2462	0.3023	1.00	0.100	
(b)	Financial Indicators - Size related											
	(i) Gross Margin	Rs. Cts.	8	4688.24	4646.72	4414.38	4183.66	3983.98	4394.38	3.09	0.247	
	(ii) Net Sales		4	916628	9140.06	8683.06	8248.90	7836.46	9303.88	1.00	0.040	Audited Annual Accounts
(c)	Financial Returns- Productivity related											
	(i) PBDIT / Total Employment		7	0.2728	0.2704	0.2569	0.2440	0.2318	0.2625	2.58	0.181	
	(ii) Added Value / Net Sales		9	0.3518	0.3469	0.3296	0.3131	0.2974	0.3289	3.04	0.274	Audited Annual Accounts
	Sub Total		50									
2	Dynamic Parameters											
(d)(e)	Quality / Customer Satisfaction		5									
	(i) Despatch covered under agreed sampling to power sector		2	99.00	98.00	97.00	96.00	95.00	100.00	1.00	0.020	Sales & Marketing
	(ii) Sized coal Despatch to power sector by Rail	%	1	99.00	98.00	97.00	96.00	95.00	100.00	1.00	0.010	Annual Report & Accounts
	(iii) Weighed on Electronic Weighbridge before Despatch		1	99.00	98.00	97.00	96.00	95.00	100.00	1.00	0.010	
	(iv) Inviting suggestions from customer for developing "Customer Satisfaction" Proforma	Month	0.5	01 Jun '13	15 Jun '13	30 Jun'13	15 Jul'13	31 Jul'13	31 May'13	1.00	0.005	Sales & Marketing
(f)	To work out Customer Satisfaction Proforma jointly with Customers		0.5	Dec'13	Jan'14	Feb'14	15 Mar'14	-	Oct'13	1.00	0.005	Sales & Marketing
	Human Resource Management (HRM)		5									
	(i) Certified Training in Project Management	Nos. of Executives	1	60	50	40	30	20	58	1.20	0.012	HRD Records
	(ii) Certified Training in Contract Management		1	6	5	4	3	2	11	1.00	0.010	
	(iii) Formal Training in Environment & Forest Management and Land Acquisition		1	10	9	8	7	6	13	1.00	0.010	
(iv) Formal Risk Management Training to Senior Management Personnel		1	10	9	8	7	6	25	1.00	0.010		
(g & h)	Human Resource Management (HRM)		1	As per Enclosure 01						1.04	0.0104	HRD Records
	R&D & Adoption of Innovative Practices		5									
	(i) A site specific study on distance between the Shovel-Dumper/Dump & Dragline Dump with consideration of Safety & Economical Design of both Shovel-Dumper Dump & Dragline Dump by BIT, Mesa, Ranchi (3 yr. Project) Activity during 2013-14 : Study of Geo-engineering Parameters & Completion of Draft Report of Study.	Month	1	Feb'14	15 Mar'14	-	-	-	Feb'14	1.00	0.010	Study Report
	(ii) Optimisation of Blasting in Dragline Benches.		1	Feb'14	15 Mar'14	-	-	-	Feb'14	1.00	0.010	Study Report
	(iii) Conversion of Mine Water to Potable Water in one mine of NCL		1	Feb'14	15 Mar'14	-	-	-	10 Mar'14	1.33	0.013	Environment Dept
(iv) Ecological Restoration Study by IFRI		1	Feb'14	15 Mar'14	-	-	-	Feb'14	1.00	0.010	Study Report	
(v) Study of fit-health of employees due to presence of Mercury in water & measures to control it		1	Feb'14	15 Mar'14	-	-	-	Feb'14	1.00	0.010	Study Report	

Sl. No.	Evaluation Criteria	Unit	Weight (in %)	MoU Target					Actual 2013-14	Raw Score	Com-posit Score	Means of Verifi-cation
				Excellent	Very Good	Good	Fair	Poor				
i	PROJECT IMPLEMENTATION & INFRASTRUCTURE DEVELOPMENT		12.5	1	2	3	4	5				
11	Capacity Enhancement		3									
	(i) Deployment of Surface Miners in mines	Nos.	0.5	4	3	2	1	-	5.00	0.025	-	
	(ii) Coal Production by Surface Miners	MT	0.5	0.66	0.55	0.44	0.33	0.22	5.00	0.025	-	
	(iii) Commissioning/Completion of Bina Extension (6 MTPA)	Nos.	2	15 Mar'14	-	-	-	-	1.00	0.020	Board's Approval	
12	Land		0.5									
	(i) Acquisition of 400 Ha land (Notification u/s 7 of CBA (A&D) Act 1957	Month	0.25	Jan'14	Feb'14	15 Mar'14	-	-	5.00	0.0125	MoC Notification	
	(ii) Possession of 235 Ha Land		0.25	Jan'14	Feb'14	15 Mar'14	-	-	1.00	0.0025	R&R, Forest	
13	Capital Expenditure	Rs.Crs.	2	800	700	600	500	400	5.00	0.100	Finance	
14	Master Control Network (MCN)		1									
	(i) Preparation of MCN for the new Projects costing more than Rs.100Crs. Or producing more than 2 MTPA.		1	Oct'13	Dec'13	Jan'14	Feb'14	15 Mar'14	1.00	0.010	Board's Approval	
15	Milestones		4.5									
	(i) Erection & Commissioning of Dragline at Amlohri Exp.	Month	0.75	Dec'13	Jan'14	Feb'14	15 Mar'14	-	5.00	0.0375	-	
	(ii) Commissioning of CHP (6 MTPA) at Amlohri Exp.		0.5	14 Feb'14	28 Feb'14	15 Mar'14	-	-	1.00	0.005	E&M	
	(iii) Commissioning of 05 nos. 100T Dumpers at Kheada		0.5	14 Feb'14	28 Feb'14	15 Mar'14	-	-	3.00	0.015	Commissioning Report	
	(iv) Tendering for Construction of CHP (6 MTPA incremental) at Khadia Exp.		0.5	14 Feb'14	28 Feb'14	15 Mar'14	-	-	1.00	0.005	NIT	
	(v) Erection & Commissioning of Dragline at Krishnashila	Month	0.75	Aug'13	Sep'13	Oct'13	Nov'13	Dec'13	5.00	0.0375	-	
	(vi) Completion of 40% Construction work of CHP at Krishnashila Project		0.5	01 Mar'14	15 Mar'14	-	-	-	5.00	0.025	E&M Report	
	(vii) Preparation of NIT & Tendering for construction of CHP (6 MTPA incremental) at Nigahi Project		0.5	15 Feb'14	28 Feb'14	-	-	-	1.00	0.005	NIT	
	(viii) Preparation of DPR for Public Railway Line Link for Amlohri-Nigahi		0.5	15 Feb'14	15 Mar'14	-	-	-	1.00	0.005	IRCON's Commu-nication	
16	Infrastructure Development		1.5									
	(i) Construction of Road	Kms.	0.5	10	8	6	4	2	1.00	0.005	Civil	
	(ii) Strengthening of all Weathered Coal Transportation Roads from Mines to Slings in different Projects		0.5	3	2	1	-	-	1.00	0.005	Civil	
	(iii) Installation of 110 nos. Mast Lights in CHP, Yield, mining areas, colony & active areas of Campus for safety	Month	0.5	Feb'14	15 Mar'14	-	-	-	5.00	0.025	-	
17	Corporate Social Responsibility & Sustainability		8									
18	The degree of involvement of the employees & the top management in internalising the CSR & sustainability agenda within the organization		1									
(a)	Number of Seminars/workshops to be organised	Nos.	0.4	4	3	2	1	-	1.00	0.004	CSR Records	
(b)	The presence of Top management/Executives in such Workshops/Seminars		0.3	5	4	3	2	1	1.00	0.003	CSR Records	
(c)	Total number of employees covered through Workshops/Seminars		0.3	100	90	80	70	60	1.00	0.003	CSR Records	

Sl. No.	Evaluation Criteria	Unit	Weight (in %)	MoU Target						Actual 2013-14	Raw Score	Com-posit Score	Means of Verifi-cation
				Excellent	Very Good	Good	Fair	Poor					
	1(ii) Impact of such involvement on products/processes & reduction in carbon footprints.		2	1	2	3	4	5					
(a)	Installation of Solar Panel in one building	Month	0.5	Feb'14	15 Mar'14	-	-	-	-	5.00	0.025	-	
(b)	Installation of alternate water heating arrangement through Solar Energy in HQ/Guest House Buildings		0.5	Feb'14	15 Mar'14	-	-	-	-	5.00	0.025	-	
(c)	Replacement of all incandescent lamps by CFL		0.5	Feb'14	15 Mar'14	-	-	-	Jan'14	1.00	0.005	E&M	
(d)	Construction of 04 nos. Rain Water Harvesting Facilities		0.5	Feb'14	15 Mar'14	-	-	-	13	1.00	0.005	Civil	
2	Efforts made & success achieved in the engagement of key stake holders through adoption of good corporate communication strategy		1										
(a)	Meetings with Vendors, Consumers and PAFs/ Village Representatives	Nos.	1	5	4	3	2	1	5	1.00	0.010	Minutes	
3	Adoption of Sustainability Reporting and disclosure procedures & practices		1										
(a)	Publication of Annual Report with CSR & Sustainability Report for 2012-13	Month	1	Feb'14	15 Mar'14	-	-	-	May'13	1.00	0.010	AR 2012-13	
4	The degree of success in implementing the CSR & Sustainability Projects undertaken during the year		2										
(a)	CSR - Infrastructure Development in adopted Villages of a backward district [SINGRAUL(MP)] : Construction of Roads etc. (Details in Enclosure-2)	Rs.Cs.	1	7.00	5.00	3.00	1.00	-	7.20	1.00	0.010	Civil	
(b)	SD - Water Management : Construction of 02 nos. Ponds & Installation of 100 nos. Hand Pumps in near by villages (Details in Enclosure-2)		1	1.00	0.80	0.60	0.40	0.20	1.04	1.00	0.010	Civil	
5	Expenditure incurred on CSR & Sustainability activities (vis-à-vis the annual budgetary allocation)		0.5										
(a)	Total CSR & Sustainability Expenditure - Budgetary Allocation is % of PAT of 2012-13	% Utilisation	0.25	> 75	60-75	45-60	30-45	15-30	148	1.00	0.0025	Annual Report & Accounts	
(b)	CSR & Sustainability Expenditure on 02 Chosen Projects		0.25	> 75	60-75	45-60	30-45	15-30	103	1.00	0.0025	CSR Records	
6	The effectiveness of the two tier organisational structure in the process of planning, implementation and monitoring of the CSR activities		0.5										
(a)	Existence of the two tier organisational structure with mandatory membership of an Independent Director on the Board level Committee		0.2	YES	-	-	-	NO	YES	1.00	0.002	Board's Decision	
(b)	Meetings of Board Level & Below Board Level Committees	Nos.	0.2	5	4	3	2	1	5	1.00	0.002	Minutes of Meeting	
(c)	Decisions taken by the two tier structures in planning, implementation & monitoring of CSR activities		0.1	4	3	2	1	-	5	1.00	0.001		
3	Sector Specific Parameters:		6										
(i)	Coal Production(commensurate with AAP Target 2013-14)	Mt.	3	72.40	72.20	68.59	65.16	61.90	68.64	2.986	0.090	Annual Report & Accounts	
(ii)	Off-take (commensurate with AAP Target 2013-14)		3	73.70	73.50	69.83	66.33	63.02	72.11	2.379	0.071		
4	Enterprise - Specific Parameters		8.5										
a	Degradation & Afforestation of Land		1.5										
(i)	Identification & Reclamation of 10ha of Degraded land & Bio-Diversity Development	Month	0.5	Feb'14	15 Mar'14	-	-	-	Feb'14	1.00	0.005	WO & Payment	
(ii)	AFFORESTATION : Tree Plantation	Lakh. Trees	1	3.0	2.9	2.8	2.7	2.6	4.20	1.00	0.010	Forest	

Sl. No.	Evaluation Criteria	Unit	Weight (in %)	MoU Target					Actual 2013-14	Raw Score	Com-posit Score	Means of Verifi-cation
				Excellent 1	Very Good 2	Good 3	Fair 4	Poor 5				
b	Reduction in Cost of Production (Rs./T)	% of CPT	1	1.625	0.625	0.500	0.400	0.300	-	5.00	0.050	Finance
c	Man productivity (Output /Manshift) (commensurate to corresponding production target)	Tel/Man shift	1	14.15	14.00	13.30	12.64	12.00	13.78	2.314	0.023	Finance
d	System Capacity Utilisation	%age	1	68.00	66.64	63.31	60.14	57.14	68.46	1.00	0.010	Annual Report & Accounts
e	Introduction of GPS based Truck Monitoring System for Safety & Security of Mines (Digital Mapping, Wireless Connectivity, Accessories & Software installation)	Nos. of Mines	1	5	4	3	2	1	-	5.00	0.050	-
f	Safety		2									
	(i) Preparation of Safety Management Plan for mines	Nos.	1	5	4	3	2	1	5	1.00	0.010	Report
	(ii) Training of Dumper Operators on Simulator	Nos.	1	35	30	25	20	15	455	1.00	0.010	Attendance
g	Preparation of Risk Management Plan	Month	1	Feb'14	15.Mar'14	-	-	-	Oct'13	1.00	0.010	Board's Approval
Sub Total			50									
GRAND TOTAL			100								2.3415	

Overall Grade VERY GOOD

NOTE -1: Non-compliance of Corporate Governance will be penalized by way of negative marking & as specified in DPE's OM No.3(12)/2012-DPE (MoU) dt. 10th Jan' 2013.

NOTE-2: Certificate regarding implementation of Guidelines issued by DPE as per OM No. DPE/14(38)/10-Fin dated 28th June 2011 is required from Auditors.

Non-Compliance of DPE's Guidelines determined on the basis of Certificate will be penalised upto 1 mark (score may increased by 0.04) which is at the discretion of Task Force at the time of evaluation.

NOTE-4: For achieving Offtake Target, average 20.2 rakes/day availability is to be ensured from Indian Railways.

NORTHERN COALFIELDS LIMITED, SINGRAULI
HRM PERFORMANCE EVALUATION UNDER MOU : 2013-14

Sl.	HRM - PERFORMANCE INDICATORS	Unit	Weight (in %)	MoU Target					Actual Performance 2013-14	Raw Score	Composit Score
				Excel- lent	Very Good	Good	Fair	Poor			
A	Competency & Leadership Development										
1(a)	%age actualisation of Training Plan	%age fulfillment	10	90	80	70	60	50	237.140	1.00	0.10
1(b)	Training Days per employee per year	days/ employee	10	2.5	2.0	1.5	1.0	0.5	3.648	1.00	0.10
2	Training Budget as %age of employee cost	%age of employee cost	10	0.3	0.2	0.1	0.050	0.025	0.278	1.22	0.12
3	%age fulfillment of Training Plan for Multi-Skilling/ Skill upgradation of Non-Executives	%age fulfillment	10	90	80	70	60	50	134.30	1.00	0.10
4	Interventions towards Industry - Academia Interface	No of Programmes	5	1	-	-	-	-	1	1.00	0.05
B	Performance Management										
5	Implementation of PRP linked to PMS	Yes/No	5	Yes	-	-	-	No	Yes	1.00	0.05
C	Recruitment, Retention & Talent Management										
6	Manpower Rationalisation through Redeployment (Redeployment %age)	%age of manpower	5	0.5	0.4	0.3	0.2	0.1	0.53	1.00	0.05
7	Attrition as %age of total employees	%age	5	0.1	0.2	0.3	0.4	0.5	0.1279	1.279	0.06
8	Presence of Mentorship Programme	Yes/No.	5	Yes	-	-	-	No	Yes	1.00	0.05
9	Formulation/ Implementation of systems for management of Talents, growth opportunities etc.										
(a)	Certified Training in Occupational Health & Safety Management for Medical Professionals	No. of Executives	5	5	4	3	2	1	5	1.00	0.05
D	Enabling creativity & Innovation										
10	Nos. of Nominations/ entries submitted for National Awards	No. of entries.	10	1	-	-	-	-	1	1.00	0.10
E	Employee Relations & Welfare										
11	Effectiveness of Grievance Redressal System - %age of grievances settled vis-à-vis received during the year.	% age Settlement	5	50	40	30	20	10	87.67	1.00	0.05

Sl.	HRM - PERFORMANCE INDICATORS	Unit	Weight (in %)	MoU Target					Actual Performance 2013-14	Raw Score	Composit Score
				Excellent	Very Good	Good	Fair	Poor			
12	Setting up of wellness centre such as Gym etc.	No. of Centres	5	1	2	3	4	5	1	1.00	0.05
13	Implementation of Group Gratuity Scheme	Yes/No.	5	Yes	-	-	-	No	Yes	1.00	0.05
14	Number of structured meetings with employees' representatives.	No. of Meetings	5	5	4	3	2	1	19	1.00	0.05
	Grand Total		100								1.036

NB: Total score out of 100 awarded on HRM to CPSE will be converted into score out of 1 in MoU on pro-rata basis.

The Total Composit Score is = 1.036 out of 100

The Composit Score out of 100 converted to 1 is = 0.01036

As per Annual & Accounts 2013-14 of NCL

Manpower of NCL as on 01.04.2013 16,073

Manpower of NCL as on 31.03.2014 16,741

Avg. Manpower of NCL 2013-14 16,407

Training Expense of NCL 2013-14

Rs. 4.73 Crs.

Employee Cost

Rs. 1,701.51 Crs.

Training Expense as %age of Employee Cost

0.28



Dated : 26-05-2014

To

The Board of Directors,
Northern Coalfields Limited,
Singrauli

Dear Sir,

Sub : Audit of MoU Parameter for the year 2013-2014

With reference to your letter no. NCL/SGR/IED/MOU/14/168 dated 24-05-2014 regarding our appointment for audit of MOU Parameters, we report that:-

1. The achievement stated in attached Performance Evaluation Sheet with respect to Static/ Financial, Dynamic, Sector Specific and Enterprise Specific Parameters are calculated in terms of guidelines for MOU for the year 2013-14 issued by Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises vide office memorandum No.3(12)/2012-DPE(MOU) dated 12-11-2012.
2. The achievement stated against Static/ Financial, Dynamic, Sector Specific and Enterprise Specific Parameters are rectified from means of verification stated in respective parameters and found correct to the best of our knowledge.
3. Guidelines issued by DPE on Corporate Governance are complied with by the Company.
4. As informed to us that guidelines issued by DPE are implemented by the Company.

For PRAKASH & SANTOSH
Chartered Accountants
(Firm Reg. No. 000454C)
Sd/-
(CA VIKAS DEEPT)
Partner
M. No. : 077343

Date : 26th May, 2014
Place : Singrauli

Head Office : 'Rolland Complex' Flat No. 8, Upper Floor, Westcott Building, 37/17, The Mall, Kanpur – 208 001
Phones: 3012035, 3912995 **Email:** pra_sant@rediffmail.com; gopalgkmishra@gmail.com

Branches : MORADABAD, ORAI, SAMBHAL, DELHI



To,

The Members,
M/s Northern Coalfields Limited
Singrauli

CERTIFICATE

1. We have examined the compliance of conditions of Corporate Governance by Northern Coalfields Limited for the year ended 31st March, 2014 although Clause 49 of the Listing Agreement is not applicable to the Company.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.
3. In our opinion and to best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance except the following condition :

The Company has not complied with the condition of 50% independent Directors in the Board during the period under consideration.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For PRAKASH & SANTOSH

Sd/-

(CA S. K. Gupta)

Partner

Membership No. 016304

ICAI Firm Reg. No. 00454C

Place : Singrauli

Date : 26th April, 2014

Head Office : 'Rolland Complex' Flat No. 8, Upper Floor, Westcott Building, 37/17, The Mall, Kanpur – 208 001
Phones: 2303565, 3912995, **Fax:** 0512-3012035, **Email:** prakashsantoshca@gmail.com

Branches : MORADABAD, ORAI, SAMBHAL, DELHI

BALANCE SHEET AS AT 31ST MARCH, 2014

(Rs. in crore)

	Note	As at 31-03-2014	As at 31-03-2013
I EQUITY AND LIABILITIES			
(1) Shareholders' Fund			
(a) Share Capital	1	177.67	177.67
(b) Reserves & Surplus	2	9,076.42	9,568.40
		9,254.09	9,746.07
(2) Non-Current Liabilities			
(a) Long Term Borrowing	3	-	493.13
(b) Deferred Tax Liabilities (Net)		-	-
(c) Other Long Term Liabilities	4	132.00	142.81
(d) Long Term Provisions	5	5,061.17	4,160.71
		5,193.17	4,796.65
(3) Current Liabilities			
(a) Short Term Borrowing	6	-	-
(b) Trade Payables	7	90.23	118.29
(c) Other Current Liabilities	8	2,113.83	1,663.49
(d) Short Term Provisions	9	281.32	960.41
		2,485.38	2,742.19
Total		16,932.64	17,284.91
II ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets - Gross Block	10A	6,578.23	6,512.35
Less : Depreciation, Impairment & Provisions		4,401.30	4,465.21
Net carrying Value		2,176.93	2,047.14
(ii) Intangible Assets - Gross Block	10A	143.88	349.29
Less : Depreciation, Impairment & Provisions		62.95	261.37
Net carrying Value		80.93	87.92
(iii) Capital Work-in-Progress	10B	583.80	729.35
(iv) Intangible Assets under Development	10C	89.86	79.68
(b) Non-Current Investment	11	11.45	22.91
(c) Deferred Tax Assets (Net)*		342.01	37.57
(d) Long Term Loans & Advances	12	74.82	69.21
(e) Other Non-Current Assets	13	-	-
(2) Current Assets			
(a) Current Investments	14	11.46	11.46
(b) Inventories	15	893.19	998.39
(c) Trade Receivables	16	955.94	1,738.21
(d) Cash & Bank balance	17	7,443.79	8,432.77
(e) Short Term Loans & Advances	18	113.90	65.39
(f) Other Current Assets	19	4,154.56	2,964.91
		13,572.84	14,211.13
Total		16,932.64	17,284.91
Significant Accounting Policies	33		
Additional Notes on Accounts	34		
The Notes referred to above form an integral part of Balance Sheet			
*Refer Note - 34 (3) (iv).			

Sd/-
(D.H.Lalwani)
Company Secretary

Sd/-
(K.S.Rajashakar)
General Manager (Finance)

Sd/-
(A.K. Pandey)
Director (Finance)

Sd/-
(Shantilata Sahu)
Chairman-Cum Managing Director

In terms of our separate report of even date
For Prakash & Santosh
Chartered Accountants
Firm Regn. No. 000454C

Sd/-
(CA. Santosh Gupta)

Partner
M. No.- 016304

Dated : 24.05.2014
Place : Singrauli

STATEMENT OF PROFIT & LOSS

For the Year ended 31st March, 2014

(Rs. Crores)

INCOME	Note	For the Year ended 31.03.2014	For the Year ended 31.03.2013
Sale of Coal, coke etc.	20	12,419.62	11,616.11
Less: Excise Duty		(661.31)	(628.22)
Other Levies		(2,454.43)	(2,256.18)
Revenue from Operations		9,303.88	8,731.71
Other Income	21	1,205.88	1,254.69
Total Revenue		10,509.76	9,986.40
EXPENSES			
Cost of Material Consumed	22	1,590.52	1,379.16
Change in inventories of finished goods work in progress and Stock in trade	23	144.68	(238.22)
Employee benefit expenses	24	1,701.51	1,599.87
Power & Fuel		241.28	232.35
Welfare Expenses	25	62.56	39.89
Repairs	26	192.69	166.00
Contractual Expenses	27	1,040.33	830.01
Finance Costs	28	15.45	20.26
Depreciation/amortization/Impairment		360.69	294.53
Provisions	29	774.34	(51.36)
Write off	30	-	0.73
Overburden Removal Adjustment		761.16	999.55
Other Expenditure	31	257.00	299.25
Total Expenses		7,142.21	5,572.02
Profit before prior period, exceptional and extraordinary items and tax		3,367.55	4,414.38
Prior Period Adjustment { charges/ (Incomes) }	32	11.84	(6.20)
Exceptional Items		-	-
Profit before extraordinary items and tax		3,355.71	4,420.58
Extraordinary Items { charges/ (Incomes) }		-	-
Profit before Tax		3,355.71	4,420.58
Less : Tax Expenses			
- Current year		1,649.70	1,726.00
- Deffered Tax		(304.44)	79.12
- Earlier years		2.43	(66.67)
Profit after Tax		2,008.02	2,682.13
Earnings per Equity share (in Rs.)			
(Face Value of Rs. 1000/- per share)			
- Basic		11,301.79	15,095.90
- Diluted		11,301.79	15,095.90
Significant Accounting Policies	33		
Additional Notes on Accounts	34		

The Notes referred to above, form an integral part of The Statement of Profit & Loss Account.

Sd/-
(D.H.Lalwani)
Company Secretary

Sd/-
(K.S.Rajashakar)
General Manager (Finance)

Sd/-
(A.K. Pandey)
Director (Finance)

Sd/-
(Shantilata Sahu)
Chairman-Cum Managing Director

In terms of our separate report of even date
For Prakash & Santosh
Chartered Accountants
Firm Regn. No. 000454C
Sd/-

(CA. Santosh Gupta)
Partner
M. No.- 016304

Dated : 24.05.2014
Place : Singrauli

Cash Flow Statement (Indirect Method)

(Rs. in Crores)

		For the year ended March 31,	
		2014	2013
I. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before taxation and extraordinary item		3,355.71	4,420.58
Adjustments for :			
Depreciation on Fixed Assets		360.69	300.03
Interest Income		(952.03)	(1,050.51)
Loss/ Profit on sale of F/Assets		2.12	1.00
Provisions and Write-off		774.34	(50.63)
Overburden Removal Expenditure Adjustment		761.16	999.55
Adjustment for Foreign Exchange fluctuation		9.27	(0.20)
Interest & Financial Expenses		15.45	20.26
Operating Profit before Working Capital Changes		4,326.71	4,640.08
Adjustment for :			
Receivables		131.66	(1,215.87)
Inventories		104.95	(270.60)
Current and Non Current Assets (Other than Fixed Assets)		(1,203.96)	(177.29)
Current & Non-Current Liabilities		583.77	39.35
Cash Generated from Operations		3,943.13	3,015.67
Income taxes Paid :			
Income tax Paid		(1,700.63)	(1,639.01)
Refund / Paid/ Adj. of Corporate tax of Earlier Years		0.10	(175.41)
Net Cash Flow from Operating Activities (A)		2,242.60	1,201.25
II. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets		(301.76)	(444.38)
Proceeds From Sale of Equipments		4.85	4.22
Redemption of Power Bonds		11.46	11.45
Interest pertaining to Investing Activities		955.35	994.26
Bank Deposit		448.93	464.91
Net Cash used in Investing Activities (B)		1,118.83	1030.46
III. CASH FLOW FROM FINANCING ACTIVITIES			
Repayment/ Increase of Unsecured Loans		(677.91)	(120.39)
Interest pertaining to Financing Activities		(15.45)	(20.26)
Dividend Paid (Including tax on Dividend)		(3,208.12)	(1,931.68)
Net Cash used in Financing Activities (C)		(3,901.48)	(2,072.33)
Net Increase in Cash and Cash Equivalents (A)+(B)+(C)		(540.05)	159.38
Cash and Cash Equivalents (Opening Balance)		560.45	401.07
Cash and Cash Equivalents (Closing balance)		20.40	560.45
Component of Cash and Cash Equivalent:			
Cash and Cheque in hand		0.02	0.02
Balance with Scheduled Banks:			
Current Account		20.38	275.43
Term Deposits		-	285.00
Cash and Cash Equivalents (Closing balance)		20.40	560.45

Sd/-
(D.H.Lalwani)
Company Secretary

Sd/-
(K.S.Rajashakar)
General Manager (Finance)

Sd/-
(A.K. Pandey)
Director (Finance)

Sd/-
(Shantilata Sahu)
Chairman-Cum Managing Director

As per our report annexed
For Prakash & Santosh
Chartered Accountants
Firm Regn. No. 000454C
Sd/-

(CA. Santosh Gupta)
Partner
M. No.- 016304

Dated : 24.05.2014
Place : Singrauli

Statement of Standalone Unaudited Results For The Period Ended 31st March, 2014

Part-I

(Rs. in Crores)

Particulars		3 months ended (31/03/2014)	Preceding 3 months ended (31/12/2013)	Corresponding 3 months ended (31/03/2013)	Year to date for the period ended (31/03/2014)	Year to date for the pe- riod ended (31/03/2013)	
		Audited	Unaudited	Audited	Audited	Audited	
1.	Income from operations						
	(a)	Net Sales / Income from operations (Net of Excise Duty)	2,635.41	2,466.98	2,688.77	9,303.88	8,731.71
	(b)	Other operating income	-	-	-	-	-
		Total Income from Operations (Net)	2,635.41	2,466.98	2,688.77	9,303.88	8,731.71
2.	Expenses						
	(a)	Cost of material consumed	512.42	359	460.26	1,590.52	1,379.16
	(b)	Purchase of Stock-in-trade	-	-	-	-	-
	(c)	Change in inventories of Finished goods, work-in-progress & stock-in-trade	(37.66)	50.68	(216.09)	144.68	(238.22)
	(d)	Employees Benefits Expenses	466.13	412.05	462.93	1,701.51	1,599.87
	(e)	Depreciation & amortisation expenses	85.92	65.09	44.54	360.69	294.53
	(f)	Power & Fuel	62.31	62.40	65.00	241.28	232.35
	(g)	Welfare expenses	18.43	7.63	24.60	62.56	39.89
	(h)	Repairs	52.57	59.71	63.46	192.69	166.00
	(i)	Contractual Expenses	287.95	315.53	252.01	1,040.33	830.01
	(j)	Overburden removal adjustment	433.71	194.03	659.41	761.16	999.55
	(f)	Other Expenses	779.04	99.31	158.90	1,031.34	259.62
		Total Expenses	2,660.82	1,625.43	1,975.02	7,126.76	5,562.76
3.	Profit/ (Loss) from operations before other income, Finance Costs and Exceptional items (1-2)		(25.41)	841.55	713.75	2,177.12	3,168.95
4.	Other income		292.89	312.17	317.55	1,205.88	1,254.69
5.	Profit/ (Loss) from Ordinary activities before Finance cost & Exceptional items (3+4)		267.48	1,153.72	1,031.30	3,383.00	4,423.64
6.	Finance Cost		0.88	5.38	1.55	15.45	9.26
7.	Profit/ (Loss) from Ordinary activities after Fi- nance cost but before Exceptional items (5+6)		266.60	1,148.34	1,029.75	3,367.55	4,414.38
8.	Exceptional Items (Prior period Adjustment)		(8.51)	2.00	5.92	(11.84)	6.20
9.	Profit/ Loss from Ordinary Activities before tax (7+8)		258.09	1,150.34	1,035.67	3,355.71	4,420.58
10.	Tax Expense		233.06	386.89	530.35	1,347.69	1,738.45
11.	Net Profit/ Loss from Ordinary Activities after tax (9-10)		25.03	763.45	505.32	2,008.02	2,682.13
12.	Extraordinary Items (net of tax expenses)		-	-	-	-	-
13.	Net Profit/ (Loss) for the Period (11-12)		25.03	763.45	505.32	2,008.02	2,682.13
14.	Paid-up Equity Share capital (Face Value of Rs. 1000)		177.67	177.67	177.67	177.67	177.67
15.	Reserve excluding revaluation reserves as per balance sheet of previous accounting year		-	-	-	-	-
16.	i	Earnings per Share (before extraordinary items)					
	a)	Basic	140.88	4,296.94	2,844.12	11,301.79	15,095.90
	b)	Diluted	140.88	4,296.94	2,844.12	11,301.79	15,095.90
16.	ii	Earnings per Share (after extraordinary items)					
	a)	Basic	140.88	4,296.94	2,844.12	11,301.79	15,095.90
	b)	Diluted	140.88	4,296.94	2,844.12	11,301.79	15,095.90

Select Information For The Period Ended 31.03.2014

Part-II

(Rs. in Crores)

Particulars	3 months ended (31/03/2014)	Preceding 3 months ended (31/12/2013)	Corresponding 3 months ended (31/03/2013)	Year to date for the period ended (31/03/2014)	Year to date for the pe- riod ended (31/03/2013)
	Audited	Unaudited	Audited	Audited	Audited
A. Particulars of Shareholding					
1. Public Shareholding					
– Number of Shares	NIL	NIL	NIL	NIL	NIL
– Percentage of shareholding					
2. Promoters and promoter group Shareholding**					
a) Pledged/Encumbered					
– No. of Shares	NIL	NIL	NIL	NIL	NIL
– Percentage of Shareholding (as a % of the total shareholding of promoter and promoter group)					
– Percentage of shares (as a % of the total share capital of the company)					
b) Non-Encumbered					
– No. of Shares	1776728	1776728	1776728	1776728	1776728
– Percentage of shareholding (as a % of the total shareholding of promoter and promoter group)	100%	100%	100%	100%	100%
– Percentage of shares (as a % of the total share capital of the company)	100%	100%	100%	100%	100%

Sd/-
(D.H.Lalwani)
Company Secretary

Sd/-
(K.S.Rajashekar)
General Manager (Finance)

Sd/-
(A.K. Pandey)
Director (Finance)

Sd/-
(Shantilata Sahu)
Chairman-Cum Managing Director

In terms of our separate report of even date
For Prakash & Santosh
Chartered Accountants
Firm Regn. No. 000454C
Sd/-
(CA. Santosh Gupta)
Partner
M. No.- 016304

Dated : 24.05.2014
Place : Singrauli

Annexure-IX of Clause 41 of the Listing Agreement

Standalone/ Consolidates Statement of Assets & Liabilities

(Rs. in Crores)

<u>Particulars</u>	<u>As at 31/03/2014</u>	<u>As at 31/03/2013</u>
A EQUITY AND LIABILITIES		
(1) Shareholders' Fund		
(a) Share Capital	177.67	177.67
(b) Reserves & Surplus	9,076.42	9,568.40
Sub-total Shareholder's Fund	9,254.09	9,746.07
(2) Non-Current Liabilities		
(a) Long Term Borrowing	-	493.13
(b) Deferred Tax Liabilities (Net)	-	-
(c) Other Long Term Liabilities	132.00	142.81
(d) Long Term Provisions	5,061.17	4,160.71
Sub-total Non-current Liabilities	5,193.17	4,796.65
(3) Current Liabilities		
(a) Short Term Borrowing	-	-
(b) Trade Payables	90.23	118.29
(c) Other Current Liabilities	2,113.83	1,663.49
(d) Short Term Provisions	281.32	960.41
Sub-total Current Liabilities	2,485.38	2742.19
Total Equity & Liabilities	16,932.64	17,284.91
B ASSETS		
(1) Non-Current Assets		
(a) Fixed Assets	2,931.52	2,944.09
(b) Non-Current Investment	11.45	22.91
(c) Deferred Tax Assets (Net)	342.01	37.57
(d) Long Term Loans & Advances	74.82	69.21
(e) Other Non-Current Assets	-	-
Sub-Total Non-Current Assets	3,359.80	3,073.78
(2) Current Assets		
(a) Current Investments	11.46	11.46
(b) Inventories	893.19	998.39
(c) Trade Receivables	955.94	1,738.21
(d) Cash & Bank balance	7,443.79	8,432.77
(e) Short Term Loans & Advances	113.90	65.39
(f) Other Current Assets	4,154.56	2,964.91
Sub-total Current Assets	13,572.84	14,211.13
Total Assets	16,932.64	17,284.91

NOTES TO BALANCE SHEET

Note - 1

SHARE CAPITAL

	As at 31-03-2014	(Rs. in Crores) As at 31-03-2013
<u>AUTHORISED</u>		
(i) 40,00,000 Cumulative 10% Redeemable Preference shares of Rs. 1000/- each	400.00	400.00
(ii) 100,00,000 Equity Shares of Rs.1000/- each	1,000.00	1,000.00
	1,400.00	1,400.00
<u>ISSUED, SUBSCRIBED AND PAID-UP</u>		
17,76,728 Equity shares of Rs. 1000/- each fully paid-up	177.67	177.67
	177.67	177.67

Note 1: Shares in the company held by each shareholder holding more than 5% Shares

Name of Shareholder	No. of Shares Held (Face value of Rs. 1000 each)	% of Total Shares
COAL INDIA LIMITED	1776728	100%

Note 2 : During the period there is no change in the number of shares.

NOTES TO BALANCE SHEET

Note - 2
RESERVES & SURPLUS

	As at 31-03-2014	(Rs. in Crores) As at 31-03-2013
RESERVES :		
Capital Reserve		
As per last Balance Sheet	-	-
Add: Addition during the year	-	-
Less: Adjustment During the year	-	-
	-	-
Capital Redemption Reserve		
As per last Balance Sheet	400.00	400.00
Add: Addition during the year	-	-
Less: Adjustment During the year	-	-
	400.00	400.00
Corporate Social Responsibility Reserve		
As per last Balance Sheet	107.57	85.05
Add: Addition during the year*	38.42	40.16
Less: Transfer to General Reserve	39.72	17.64
	106.27	107.57
Sustainable Development Reserve		
As per last Balance Sheet	3.17	-
Add: Addition during the year**	3.08	3.17
Less: Transfer to General Reserve	0.35	-
	5.90	3.17
General Reserve		
As per last Balance Sheet	2,457.49	2,171.64
Add: Transfer from Profit & Loss Account***	200.80	268.21
Add: Adjustment during the year	40.07	17.64
	2,698.36	2,457.49
Surplus in Profit & Loss Account		
As per last Balance Sheet	6,600.17	6,099.93
Add: Profit after Tax during the year	2,008.02	2,682.13
Profit & Loss Available for appropriation	8,608.19	8,782.06
Appropriations:-		
Transfer to General Reserve	(200.80)	(268.21)
Transfer to CSR Reserve	(38.42)	(40.16)
Transfer to Sustainable Development Reserve	(3.08)	(3.17)
Interim Dividend	(2,136.84)	(1,000.00)
Proposed Dividend on Equity Shares	-	(609.28)
Corporate Dividend Tax	(363.16)	(261.07)
	5,865.89	6,600.17
Miscellaneous Expenditure		
(To the extent not written off)		
Preliminary expenses	-	-
Pre-Operational Expenses	-	-
	-	-
Total	9,076.42	9,568.40

* Corporate Social Responsibility (CSR) Reserve is created equivalent to 5% of retained earnings of the previous year, subject to minimum of Rs. 5/- per tonne of coal production of the Previous Year after adjustment of actual expenses incurred on such activity. Accordingly, total provision of Rs. 38.42 crores for the year ended 31st March, 2014 (Prev. Year Rs. 40.16 crores) has been transferred.

** As per advise of CIL & based on guidelines on Sustainable Development on CPSEs, reserve for Rs. 3.08 crores for the year ended 31st March, 2014 (Prev. year Rs. 3.17 Crores) has been made in respect of Sustainable Development.

*** An amount of Rs. 200.80 crores (Prev. yr. Rs. 268.21 crores) being 10% of the profit after tax has been transferred to General Reserve.

NOTES TO BALANCE SHEET

Note - 3

LONG TERM BORROWING

(Rs. Crores)

	As at 31-03-2014	As at 31-03-2013
Term Loan		
(Through CIL, Holding Company)		
IBRD-\$ Nil (P/Year \$ 4.73 crores)	-	258.87
JBIC - JPY Nil (P/year JPY 400.66 crores)	-	234.26
Loan From Coal India Limited	-	-
TOTAL	-	493.13

CLASSIFICATION 1

Secured	-	-
Unsecured	-	493.13

CLASSIFICATION 2

Loan Guaranteed by Directors & others

Particulars of Loan	Nature of Guarantee	As At 31.03.2014	As At 31.03.2013
Loan from IBRD	Guaranteed by Govt. of India, Counter Guaranteed by Coal India Ltd.	-	258.87
Loan from JBIC	-do-	-	234.26

Reconciliation of Term Loan (IBRD/ JBIC)

	As At 31-03-2014	As At 31-03-2013
Opening Balance of Loan	612.83	735.30
Repayment of Loan	(677.91)	(120.39)
Foreign Exchange Rate Fluctuation	65.08	((2.08)
Closing Balance of Loan	-	612.83

Current maturities of Long term borrowings shown under note-8 for Rs. Nil (Prev. Yr. Rs. 55.61 crores) and Rs. Nil (Prev. Yr. Rs. 64.09 crores) in respect of IBRD & JBIC is also guaranteed by Govt. of India. and counter guaranteed by Coal india Ltd.

*Refer Note-34, Additional Notes on Accounts, Point 2.

Repayment Schedule :

IBRD : Repayments is in 30 installments, to be made semi-annually, starting 15th May, 2003 and ending on 15th November, 2017, but the loan has been prepaid in full on 6th December, 2013 as per decision of CIL Board.

JBIC : Repayments is in 30 installments, to be made semi-annually, starting 15th February, 2003 and ending on 15th August, 2017, but the loan has been prepaid in full on 5th November, 2013 as per decision of CIL Board.

NOTES TO BALANCE SHEET

Note - 4

OTHER LONG TERM LIABILITIES

	As at 31-03-2014	<i>(Rs. in Crores)</i> As at 31-03-2013
Trade Payable - Deferred Credits	-	-
Earnest Money/ Security Deposit	132.00	142.81
Others	-	-
Total	132.00	142.81
CLASSIFICATION		
Secured	-	-
Unsecured	132.00	142.81

Note - 5

LONG TERM PROVISIONS

	As at 31-03-2014	<i>(Rs. in Crores)</i> As at 31-03-2013
For Employee Benefits		
- Gratuity*	-	-
- Leave Encashment	195.54	177.35
- Other Employee Benefits	109.84	104.46
OBR Adjustment Account**	4,428.11	3,666.95
Mine Closure Expense***	327.56	211.83
For Others****	0.12	0.12
TOTAL	5,061.17	4,160.71

*Refer Note-19 of "OTHER CURRENT ASSETS".

**Survey Measurement of overburden removed during the year has been conducted at all the projects. The measured quantity of overburden has been considered for Overburden Removal Adjustment after considering the variance between reported quantity and the measured quantity in respect of all the projects. (Refer Note 33- Accounting Policy 16.0).

An amount of Rs. 761.16 Crores has been debited to Profit & Loss Account (Previous year Rs. 999.55 Crores) on account of variance in Current Ratio (O.B. : Coal) with standard ratio (O.B. : Coal), by giving corresponding effect to this extent in Long term provisions.

***In accordance with guidelines issued by Ministry of Coal on 27th August, 2009 & subsequent guidelines, Mine Closure Plan has been prepared by CMPDIL and approved by NCL Board for the Projects Jhingurda, Block B, Bina, Krishanshilla, Jayant, Khadia, Amlohri, Dudhichua, Kakri and Nigahi Project, on account of water quality management, air quality management, waste management, top soil management of coal rejects from washeries, infrastructure, disposal of mining machinery and safety & security. Based on the approved Mine Closure Plan, provision has been made in the accounts for Rs. 304.56 crores upto 31.03.2014 & an amount of Rs. 253.92 crores (including Interest received Rs. 8.10 crores) has been deposited in an escrow account set up for this purpose. The mine closure plans of Jhingurda & K'shilla Projects has been approved by the Board on 27.03.2014 & opening of Escrow Account for these projects is under process.

In respect of Gorbi Project (Closed mine), an amount of Rs. 23.00 Crores (Previous year Rs. 23.00 Crores) has been provided as per the technical estimate received from CMPDIL towards mine closure expenses.

Based on the above, provision of Rs. 115.73 Crores (including interest received Rs. 8.10 crores from Escrow Account)(Previous year Rs. 40.62 Crores) has been made during the year ended 31.03.2014. (Refer Note-29).

****A provision of Rs. 0.12 Crores (Previous period Rs. 0.12 Crores) had been made against loss on theft/damage of Fixed Assets.

NOTES TO BALANCE SHEET

Note - 6

SHORT TERM BORROWING

	<u>As at 31-03-2014</u>	<i>(Rs. in Crores)</i> <u>As at 31-03-2013</u>
LOAN FROM BANKS		
Loans Repayable on Demand		
Balance with Coal India Limited & other Subsidiaries of Coal India Limited	-	-
Overdraft against Pledge of Term Deposit	-	-
Other Loans and Advances		
Deferred Credits	-	-
Total :	-	-
CLASSIFICATION 1		
Secured	-	-
Unsecured	-	-
CLASSIFICATION 2		
Loan Guaranteed by Directors & others		

Particulars of Loan	Amount in Rs. crores	Nature of Guarantee

Note - 7

TRADE PAYABLES

	<u>As at 31-03-2014</u>	<i>(Rs. in Crores)</i> <u>As at 31-03-2013</u>
Sundry Creditors For Supplies		
For Revenue Stores	90.23	118.29
	90.23	118.29

NOTES TO BALANCE SHEET

Note - 8

OTHER CURRENT LIABILITIES

	As at 31-03-2014	(Rs. in Crores) As at 31-03-2013
Current Maturities of Long Term Borrowings*		
Term Loan From IBRD - \$ Nil (P/year \$ 1.01 cr)	-	55.61
Term Loan From JBIC JPY Nil (P/year JPY 109.60 cr)	-	64.09
Loan From Coal India Limited	-	-
Surplus Funds from Coal India Limited Current Account with Subsidiaries	-	-
	<u>-</u>	<u>119.70</u>
For Capital (including stores)	39.78	62.56
FOR EXPENSES :		
Salary Wages & Allowances	235.02	194.50
Power & Fuel	32.89	33.27
Others	323.73	253.61
	<u>591.64</u>	<u>481.38</u>
STATUTORY DUES :		
Sales Tax/ VAT	10.26	16.21
Provident Fund & Pension Fund	44.82	57.16
Central Excise Duty	23.97	17.03
Royalty & Cess on Coal	88.25	65.12
Stowing Excise Duty	20.15	19.97
Clean Energy Cess	33.19	66.28
Income Tax Deducted at Source	30.73	44.27
Other Statutory Levies	291.87	222.60
	<u>543.24</u>	<u>508.64</u>
OTHERS :		
Security Deposit	75.41	41.68
Earnest Money	19.80	26.74
Advance & Deposit from customers / others	840.51	421.09
Interest Accrued and due on Borrowings	-	-
Interest Accrued but not due on Borrowings	-	-
Other Liabilities -		
-Expenses for Coal India Sports Promotion Association	1.75	-
-Unutilised Govt. Grant **	1.70	1.70
-Income received in advance	-	-
	<u>939.17</u>	<u>491.21</u>
TOTAL	<u>2,113.83</u>	<u>1,663.49</u>

* Refer Note-3 Long term Borrowing.

** Out of the total grants received in earlier years from Govt. of India, Ministry of Coal, the balance of unutilised Govt. Grants is lying for more than 3 years.

NOTES TO BALANCE SHEET

Note- 9

SHORT TERM PROVISIONS

	As at 31-03-2014	<i>(Rs. in Crores)</i> As at 31-03-2013
For Employee Benefits		
- Gratuity		
- Leave encashment	18.50	17.45
- Ex-gratia/ PPLB	48.60	40.82
- PRP*	162.28	118.13
- Other Employee benefits (Actuary)	-	
For Proposed Dividend	-	609.28
For Corporate Dividend Tax	-	98.84
For Excise duty on Closing Stock of Coal	51.44	74.89
For Income Tax	1,649.70	1,726.00
Less: Advance Income Tax/Tax deducted at source	1,649.70	1,726.00
	-	-
Others		
-Wealth Tax **	0.50	1.00
TOTAL	281.32	960.41

* The total liability of Rs. 227.91 crores since 2007-08 upto 31.03.2014 has been netted-off with Rs. 65.63 crores (i.e.75% amount of PRP for the year 2007-08 to 2010-11) paid to the Employees (Executives) as Recoverable Advance. Provision of Rs. 39.69 Crores (Previous year Rs. 48.48 Crores) has been made for the year ended 31.03.2014 in respect of PRP to the Employees (Executives) as per the advice of Coal India Ltd.(refer Note-24).

** In the opinion of the management, provision made for Wealth Tax during the year Rs. 0.50 Crore (Prev. year Rs. 1.00 Crores) is considered adequate.

NOTES TO BALANCE SHEET

Note- 10A

FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION			IMPAIRMENT LOSS			CARRYING VALUE	
	As on 01.04.13	Addition during the year	Adj./Sales/Transfer during the year	As on 31.03.14	As on 01.04.13	Addition during the year	Adj./Sales/Transfer during the year	As on 01.04.13	Addition during the year	Adj./Sales/Transfer during the year	As on 31.03.14	As on 31.03.13
												TOTAL
Tangible Assets												
Land:												
(a) Freehold	0.04			0.04	-			-			0.04	0.04
(b) Leasehold*	204.82	7.43		212.25	69.81	10.53	0.53	80.87			131.38	135.01
Building/Water Supply/Road & Culverts	540.70	0.83		541.53	186.58	11.14	(0.38)	197.34			344.19	354.12
Plant & Equipment**	5,558.47	493.84	(423.36)	5,628.95	4,039.05	326.03	(402.46)	3,962.62			1,666.33	1,519.42
Office Equipment	19.36	0.20	0.09	19.65	17.43	0.42	0.31	18.16			1.49	1.93
Telecommunication	24.11	0.13	(0.10)	24.14	22.02	0.32	(0.09)	22.25			1.89	2.09
Railway Sidings	25.33			25.33	23.40	0.06	-	23.46			1.87	1.93
Furniture & fittings/ Office Tools & Equipment/ Electric Fitting/ Fire Arms	41.82	1.46	(1.94)	41.34	28.33	1.65	(1.82)	28.16			13.18	13.49
Vehicle	33.62	0.29	(0.84)	33.07	26.05	1.50	(0.86)	26.69			6.38	7.57
Development	64.08	0.69	(12.84)	51.93	52.54	2.05	(12.84)	41.75			10.18	11.54
(Road & Culvert Mine)	-			-	-			-			-	-
TOTAL (A)	6,512.35	504.87	(438.99)	6,578.23	4,465.21	353.70	(417.61)	4,401.30			2,176.93	2,047.14
Tangible assets as on 31.03.2013	6,495.49	248.17	(231.31)	6,512.35	4,402.47	282.73	(219.99)	4,465.21			2,047.14	2,093.02
Intangible Assets												
Software	-	-	-	-	-	-	-	-			-	-
Development	348.39		(204.95)	143.44	260.77	6.97	(204.95)	62.79			80.65	87.62
Prospecting & Boring	0.90	-	(0.46)	0.44	0.60	0.02	(0.46)	0.16			0.28	0.30
TOTAL (B)	349.29	-	(205.41)	143.88	261.37	6.99	(205.41)	62.95			80.93	87.92
Grand Total (A+B)	6,861.64	504.87	(644.40)	6,722.11	4,726.58	360.69	(623.02)	4,464.25			2,257.86	2,135.06
Intangible assets as on 31.03.2013	354.89	5.53	(11.13)	349.29	255.21	17.29	(11.13)	261.37			87.92	99.68

* 3262.9 hectare govt. land, 7668.00 hectare forest land & 5826.97 hectare land acquired under Coal Bearing Area (Acquisition & Development) Act, 1957 has been shown as "Leasehold land"

* Leasehold Land include Rs. 81.59 Lakhs of Gorbi (Closed Mine) on which depreciation of Rs. 81.59 Lakhs had already been provided.

** Amount capitalised due to loss on exchange rate variance as on 31.03.2014 Rs. 55.81 crores (previous year gain Rs. 1.88 crores).

NOTES TO BALANCE SHEET

Note - 10B

CAPITAL WORK-IN-PROGRESS

(Rs. in Crores)

PARTICULARS	COST			PROVISION			IMPAIRMENT LOSS			CARRYING VALUE	
	As on 01.04.13	Addition during the year	Adj./ Sales/ Transfer during the year	As on 01.04.13	Addi- tion during the year	Adj./ Sales/ Transfer during the year	As on 01.04.13	Addi- tion during the year	Adj./ Sales/ Transfer during the year	As on 31.03.14	As on 31.03.13
Tangible Assets											
Building/Water Sup- ply/Road & Culverts	13.25	1.47		0.61	0.58	-	1.19	-	-	13.53	12.64
Plant & Equipment**	689.76	(163.90)		0.25	0.02	(0.05)	0.22	-	-	525.64	689.51
Railway Sidings	-	5.08		-	-	-	-	-	-	5.08	-
Mine Development & Prospecting & Boring	0.13	(0.13)		-	-	-	-	-	-	-	0.13
Others	0.08	-		-	-	-	-	-	-	0.08	0.08
TOTAL	703.22	(157.48)		0.86	0.60	(0.05)	1.41	-	-	544.33	702.36
Tangible assets as on 31.03.2013	514.33	418.46	(229.57)	0.45	0.61	(0.20)	0.86	-	-	702.36	513.88
Surveyed off Assets	42.14	21.29	(6.96)	15.15	3.18	(1.33)	17.00	-	-	39.47	26.99
Surveyed off Assets as on 31.03.2013	35.64	11.49	(4.99)	15.15	-	-	15.15	-	-	26.99	20.49
Grand Total	745.36	(136.19)	(6.96)	16.01	3.78	(1.38)	18.41	-	-	583.80	729.35
Grand Total as on 31.03.2013	549.97	429.95	(234.56)	15.60	0.61	(0.20)	16.01	-	-	729.35	534.37

Assets (Capital WIP), which could not be put to use for more than 3 years from the date of purchase /acquisition /construction, a provision, equivalent to depreciation from the fourth year and onwards has been made. Total provision amounting to Rs. 1.41 crores (Prev. Yr. Rs. 0.86 crores) made upto 31.03.2014 as disclosed is considered adequate.

NOTES TO BALANCE SHEET

Note - 10C

INTANGIBLE ASSET UNDER DEVELOPMENT

(Rs. in Crores)

PARTICULARS	COST			PROVISION			IMPAIRMENT LOSS			CARRYING VALUE	
	As on 01.04.13	Addition during the year	Adj./ Sales/ Transfer during the year	As on 01.04.13	Addition during the year	Adj./ Sales/ Transfer during the year	As on 01.04.13	Addition during the year	Adj./ Sales/ Transfer during the year	As on 31.03.14	As on 31.03.13
Intangible Assets											
Development	1.05	(0.52)	-	0.53	-	-	-	-	-	0.53	1.05
Prospecting & Boring	78.63	10.70	-	89.33	-	-	-	-	-	89.33	78.63
TOTAL	79.68	10.18	-	89.86	-	-	-	-	-	89.86	79.68
Intangible Assets as on 31.03.2013	80.16	2.22	(2.70)	79.68	-	-	-	-	-	79.68	80.16

NOTES TO BALANCE SHEET

Note - 11

NON - CURRENT INVESTMENTS

Unquoted at Cost

(Rs. in Crores)

	Number of shares/bonds/ securities as on 31.03.2014 / (31.03.2013)	Face value per shares/bonds/ security (in Rs.)	As at 31-03-2014	As at 31-03-2013
TRADE				
8.5% Tax Free Special Bonds (Fully Paid up) :				
(on securitisation of Sundry Debtors)				
Major State-wise Break-up				
UP	02/(04)	57,280,000.00	11.45	22.91
Haryana	-	-	-	-
Maharashtra	-	-	-	-
Madhya Pradesh	-	-	-	-
Gujarat	-	-	-	-
West Bengal	-	-	-	-
Others	-	-	-	-
Equity Shares in Joint Venture Companies	-	-	-	-
Equity Shares in Subsidiaries Companies	-	-	-	-
Others (in Co-operative Shares)	-	-	-	-
Total :			11.45	22.91
Aggregate amount of Quoted Investment			-	-
Aggregate amount of Unquoted Investment			11.45	22.91
Market Value of Quoted Investment			-	-
Provision made for diminution in the value of Investment			-	-

NOTES TO BALANCE SHEET

Note - 12

LONG TERM LOANS & ADVANCES

(Rs. in Crores)

	As at 31-03-2014	As at 31-03-2013
LOANS ADVANCES		
For Capital		
- Secured considered good	-	-
- Unsecured considered good	4.38	1.57
- Doubtful	0.24	0.43
	4.62	2.00
Less : Provision for Doubtful Loans and Advances**	0.24	0.43
Sub Total	4.38	1.57
For Revenue		
- Secured considered good	-	-
- Unsecured considered good	-	-
- Doubtful	-	-
	-	-
Less : Provision for Doubtful Loans and Advances**	-	-
Sub Total	-	-
Security Deposits (For Electricity)		
- Secured considered good	-	-
- Unsecured considered good	35.26	30.09
- Doubtful	-	-
	35.26	30.09
Less : Provision for Doubtful Loans and Advances**	-	-
Sub Total	35.26	30.09
Deposit with Courts, etc.		
- Secured considered good	-	-
- Unsecured considered good*	17.47	17.47
- Doubtful	0.52	0.40
	17.99	17.87
Less : Provision for Doubtful Loans and Advances**	0.52	0.40
Sub Total	17.47	17.47
LOAN TO EMPLOYEES		
For House Building		
- Secured considered good	17.64	19.96
- Unsecured considered good	-	-
- Doubtful	-	-
	17.64	19.96

NOTES TO BALANCE SHEET

Note - 12 (Contd..)

LONG TERM LOANS & ADVANCES

(Rs. in Crores)

	As at 31-03-2014	As at 31-03-2013
For Motor Car and Other Conveyance		
- Secured considered good	0.07	0.12
- Unsecured considered good	-	-
- Doubtful	-	-
Sub Total	0.07	0.12
For Others		
- Secured considered good	-	-
- Unsecured considered good	-	-
- Doubtful	-	-
	-	-
Less : Provision for Doubtful Loans and Advances**	-	-
Sub Total	-	-
Loan To Subsidiaries		
- Secured considered good	-	-
- Unsecured considered good	-	-
- Doubtful	-	-
Sub Total	-	-
TOTAL	74.82	69.21
Classification:		
Secured	17.71	20.08
Unsecured - Considered Good	57.11	49.13
- Considered Doubtful	0.76	0.83

Note

	CLOSING BALANCE		MAXIMUM AMOUNT DUE AT ANY TIME DURING	
	CURRENT PERIOD	PREVIOUS PERIOD	CURRENT PERIOD	PREVIOUS PERIOD
Due by the Companies in which directors of the company is also a director/ member	-	-	-	-
Due by the parties in which the Director(s) of company is /are interested	-	-	-	-

* Singrauli Municipal Authority has claimed Terminal tax of Rs. 152.08 crores (Prev. year Rs. 126.45 crores) against which an amount of Rs. 16.36 Crores (Prev. year Rs. 16.36 crores) has been deposited under protest. The matter is pending before Hon'ble Supreme Court. However, the claim of Rs. 152.08 Crores has been shown as Contingent Liability.

** Total Provision of Rs. 0.76 crores (as on 31.03.2013 Rs. 0.83 crores), as on 31.03.2014 on account of Doubtful Loans & Advances is considered adequate.

NOTES TO BALANCE SHEET

Note - 13

OTHER NON-CURRENT ASSETS

(Rs. in Crores)

	As at 31-03-2014	As at 31-03-2013
Long Term Trade Receivable		
- Secured considered good	-	-
- Unsecured considered good	-	-
- Doubtful	-	-
	-	-
Less: Provision for bad and doubtful trade receivables	-	-
	-	-
Exploratory Drilling Work	-	-
Less: Provision for bad & doubtful receivables	-	-
	-	-
Other Receivables		
- Secured considered good	-	-
- Unsecured considered good	-	-
- Doubtful	-	-
	-	-
Less: Provision for bad & doubtful receivables	-	-
	-	-
TOTAL	-	-

Note

	CLOSING BALANCE		MAXIMUM AMOUNT DUE AT ANY TIME	
	CURRENT PERIOD	PREVIOUS PERIOD	CURRENT PERIOD	PREVIOUS PERIOD
Due by the Companies in which directors of the company is also a director/ member	-	-	-	-
Due by the parties in which the Director(s) of company is /are interested	-	-	-	-

NOTE TO BALANCE SHEET AS AT 31ST MARCH, 2012

Note – 14

CURRENT INVESTMENTS — UNQUOTED AT COST

(Rs. in Crores)

	Number of shares/bonds/ securities as on 31.03.2014/ (31.03.2013)	Face Value per share/ bonds/ security (in Rs.)	Market Value/ NAV per share/ bonds/security/ as on 31.03.2014/ (31.03.2013) (in Rs.)	As at 31.03.2014	As at 31.03.2013
NON – TRADE					
Mutual Fund Investment (with name of mutual fund)	—	—	—	—	—
TRADE					
8.5% Tax Free Special Bonds (Fully Paid up) (on securitisation of Sundry Debtors)					
Major State-wise Break-up					
UP	02 (02)	57,280,000	57,280,000	11.46	11.46
Total				11.46	11.46
Aggregate amount of Quoted Investment				—	—
Aggregate amount of Unquoted Investment				11.46	11.46
Market Value of Quoted Investment				—	—
Provision made for diminution in the value of Investment				—	—

NOTES TO BALANCE SHEET

Note - 15

INVENTORIES

(Valuation as per Accounting Policy No. 6)

	As at 31-03-2014	(Rs. in Crores) As at 31-03-2013
Finished Goods-		
Stock of Coal*	484.64	629.32
Coal under development	-	-
	<u>484.64</u>	<u>629.32</u>
Less : Provision	-	-
A Stock of Coal (Net)	484.64	629.32
Stock of Stores & Spare Parts	413.10	340.70
Stores -in -transit	39.03	71.76
	<u>452.13</u>	<u>412.46</u>
Less : Provision**	43.66	43.41
B Net Stock of Stores & Spare Parts	408.47	369.05
C Workshop Jobs :		
Work-in-progress and Finished Goods		
Less : Provision		
Net Stock of Workshop Jobs	<u>-</u>	<u>-</u>
D Press :		
Work-in-Progress and Finished Goods	-	-
E Stock of Medicine at Central Hospital	0.08	0.02
F Prospecting & Boring/ Development Exp./ Coal blocks meant for sale	-	-
Total (A to F)	<u>893.19</u>	<u>998.39</u>

* Stocks of coal are valued separately for each mine at cost or average net realizable value (prevailing as on 31.03.2014) whichever is lower. Net realisable value of stock of coal at the year end has been arrived at on the basis of average net realisable value for the quarter ended on 31.03.2014.

** A total provision of Rs. 43.66 Crores (As at 31.03.2013 Rs. 43.41 Crores) made for stores and spares which includes for unmoved stores & spares Rs. 22.48 Crores (As at 31.03.2013 Rs. 20.35 Crores) for more than 5 years and Rs. 20.03 Crores (As at 31.03.2013 Rs. 19.59 Crores) for obsolete/ damaged/unserviceable items of stores, Stores-in-transit - Nil (As at 31.03.2013 Rs. 1.81 Crores) and Rs. 1.15 crores (As at 31.03.2013 Rs. 1.66 Crores) on account of shortage of stores upto 31.03.2014, made in accordance with Accounting Policy of the company, is considered adequate.

NOTES TO BALANCE SHEET

ANNEXURE TO NOTE - 15

(Qty in lakh tonnes) (Value in crore Rs.)

Table-A
Reconciliation of closing stock adopted in
Account with Book stock as at the end of the year :

	OVERALL STOCK		NON-VENDABLE STOCK		VENDABLE STOCK	
	Qty.	Value	Qty.	Value	Qty.	Value
1. (A) Opening stock as on 01.04.13	95.79	629.32	-	-	95.79	629.32
(B) Adjustment in Opening Stock						
2. Production for the year	686.39	8,954.19	-	-	686.39	8,954.19
3. Sub-Total (1+2)	782.18	9,583.51	-	-	782.18	9,583.51
4. Off- Take for the year :						
(A) Outside Despatch	681.13	8,744.36	-	-	681.13	8,744.36
(B) Coal feed to Washeries	39.98	354.51	-	-	39.98	354.51
(C) Own Consumption	-	-	-	-	-	-
TOTAL(A)	721.11	9,098.87	-	-	721.11	9,098.87
5. Derived Stock	61.07	484.64	-	-	61.07	484.64
6. Measured Stock	60.23	477.97	-	-	60.23	477.97
7. Difference (5-6)	0.84	6.67	-	-	0.84	6.67
8. Break-up of Difference:						
(A) Excess within 5%	-	-	-	-	-	-
(B) Shortage within 5%	0.84	6.67	-	-	0.84	6.67
(C) Excess beyond 5%	-	-	-	-	-	-
(D) Shortage beyond 5%	-	-	-	-	-	-
9. Closing stock adopted in A/c	61.07	484.64	-	-	61.07	484.64

Table-B
Summary of Closing Stock of Coal

	Raw Coal				Washed / Deshaled Coal				Other		Total	
	Coking		Non-Coking		Coking		Non-Coking		Rejects		Qty	Value
	Qty	Value	Qty	Value	Qty	Value	Qty	Value	Qty	Value		
Opening Stock (Audited)	-	-	95.79	629.32	-	-	-	-	-	-	95.79	629.32
Less: Non-vendable Coal	-	-	-	-	-	-	-	-	-	-	-	-
Adjusted Opening Stock (Vendable)	-	-	95.79	629.32	-	-	-	-	-	-	95.79	629.32
Production	-	-	686.39	8,954.19	-	-	-	-	-	-	686.39	8,954.19
Offtake*												
(A) Outside Despatch	-	-	(681.13)	(8,744.36)	-	-	(37.78)	(541.26)	(2.79)	(18.26)	(721.70)	(9,303.88)
(B) Coal feed to Washeries	-	-	(39.98)	(354.51)	-	-	39.98	354.51	-	-	-	-
(C) Own Consumption	-	-	-	-	-	-	-	-	-	-	-	-
Closing Stock **	-	-	61.07	484.64	-	-	2.20	-	-	-	63.27	484.64
Less: Shortage	-	-	-	-	-	-	2.20	-	-	-	2.20	-
Closing Stock **	-	-	61.07	484.64	-	-	-	-	-	-	61.07	484.64

* Offtake includes outside despatch, Coal feed to washeries & own consumption.

** Excluding non-vendable Stock

NOTES TO BALANCE SHEET

Note - 16

TRADE RECEIVABLE

	As at 31-03-2014	<i>(Rs. in Crores)</i> As at 31-03-2013
Debts outstanding for a period exceeding six months from the due date		
- Secured considered good	-	-
- Unsecured considered good	781.99	-
- Doubtful	653.68	3.07
	1,435.67	3.07
Less : Provision for bad & doubtful trade receivable*	653.68	3.07
	781.99	-
 Other Debts		
- Secured considered good	-	-
- Unsecured considered good	173.95	1,738.21
- Doubtful	-	-
	173.95	1,738.21
Less : Provision for bad & doubtful trade receivable*	-	-
	173.95	1,738.21
 Total	955.94	1,738.21
 Classification:		
Secured	-	-
Unsecured - Considered Good	955.94	1,738.21
- Considered Doubtful	653.68	3.07

Note :

	CLOSING BALANCE		MAXIMUM AMOUNT DUE AT ANY TIME DURING	
	CURRENT PERIOD	PREVIOUS PERIOD	CURRENT PERIOD	PREVIOUS PERIOD
Due by the Companies in which directors of the company is also a director/ member				
- Coal India Limited, the holding company	0.00	0.08	0.08	0.08
Due by the parties in which the Director(s) of company is /are interested	-	-	-	-

NOTES TO BALANCE SHEET

Note - 16

TRADE RECEIVABLE (Contd.)

*PROVISION TOWARDS DEEMED LOWERING OF GRADE

With the introduction of Gross Calorific value (GCV) system of grading of coal w.e.f. 1st January 2012, supply of coal to NTPC was billed at declared grade of coal corresponding to the GCV range of the coal supplied. With effect from October 2012 NTPC released payment based on GCV determined unilaterally at the receiving end, contrary to the provision of Fuel Supply Agreement which stipulates that the GCV is to be determined at the loading end by joint collection, preparation, testing and analysis of the coal being supplied.

As a result an amount of Rs. 1426.03 Crore (Basic bill value Rs. 1380.12 crore and incentive for Rs. 2012-13 Rs. 45.91 crore) was unilaterally withheld by NTPC for the period October, 2012 to September, 2013 from the bills of the Company in respect of supply of coal, which was against the provision of FSA. The issue was taken up with the Ministry of Power through the Ministry of Coal for resolution which resulted in incorporation of a provision for third party sample collection, preparation, testing and analysis at the point of loading in the FSA. Such third party sampling/analysis was implemented from October 2013.

For an appropriate resolution of the issue, the Govt. of India advised for extrapolation of the result of the third party sampling/analysis during October – December 2013 to the supplies during the past period from October 2012 to September 2013. On the basis of this settlement formula an amount of Rs. 650.69 crore (Basic bill value Rs. 631.12 crore and incentive for Rs. 2012-13 Rs. 19.57 crore) has been provided in the Accounts for the year 2013-14. However, the above value reduction arising out of deemed lowering of grade is yet to be finally settled with NTPC and final impact, if any, on realization of balance Rs. 775.34 crore (Rs. 1426.03 crore – Rs. 650.69 crore) dues from NTPC can be ascertained only upon completion of such settlement/ reconciliation with NTPC.

**It includes a sum of Rs. 6.66 crores recoverable from e-auction customers on account of the supplementary bills raised for recovering the excise element on royalty and stowing excise duty paid under protest by the Company for the period 1.03.2011 to 28.2.2013. The recoveries from the customers in some of the cases are stayed by the courts. Further, the issue as to the royalty to be a part of the transaction value is pending before the larger bench of the Supreme Court. The Company has challenged the chargeability of the excise duty on royalty and stowing excise duty before the CESTAT, New Delhi and the case is pending for hearing/ decision.

Total provision of Rs. 653.68 Crores for Bad & Doubtful Debts is considered adequate (As at 31.03.2013 Rs. 3.07 Crores), after written back of Rs. 0.08 crores.

NOTES TO BALANCE SHEET

Note - 17

CASH & BANK BALANCE

	<u>As at 31-03-2014</u>	<u>(Rs. in Crores) As at 31-03-2013</u>
Cash & Cash Equivalents		
Balances with Scheduled Banks		
- In Deposit Accounts with maturity upto 3 months	-	285.00
- In Current Accounts*	20.38	275.43
- In Cash Credit Accounts	-	-
Balances with Non - Scheduled Banks	-	-
Remittance - in transit	-	-
Cheques, Drafts and Stamps on hand	-	-
Cash in hand	0.02	0.02
Other Bank Balances		
Balances with Scheduled Banks		
- In Deposit Accounts with maturity between 3-12 months**	7,169.47	7,872.32
- In Deposit maturing in more than 12 months	-	-
Term Deposit with Scheduled Banks under Escrow Account with maturity more than 12 months	253.92	-
Total	<u>7,443.79</u>	<u>8,432.77</u>
Maximum amount outstanding with Banks other than Scheduled Banks at any time during the year	-	-

Note:

- * Includes Rs. 13.69 crores (Rs. 19.21 crores as on 31.03.2013) in sweep account with Banks.
- ** Deposit with Banks includes fixed deposit of Rs. 1.65 cr (Rs. 1.42 crores as on 31.03.2013) pledged with Bank as margin money for B. G. Interest accrued thereon is Rs. 0.18 crores (Prev. year Rs. 0.09 crores).
- ** Deposits with Bank also includes Rs. 7.34 crores (Rs. 6.76 crores as on 31.03.2013) deposited to Hon'ble District Court, Singrauli (Waidhan) vide order dated 24.07.2011 till the decision of execution case no 15/2010 (M/s Alind v/s NCL), which was subsequently paid to M/s Alind on 21.04.2014 as per order of Hon'ble District Court, Waidhan (Rs. 7.70 crores including interest thereon) and Rs. 4.47 Crores (Prev. year Rs. 4.13 crores) as per the order of Hon'ble High Court, Kolkata, has been kept in separate interest bearing account. Interest accrued on these deposit are Rs. 0.40 Crores & Rs. 0.10 Crores respectively.

NOTES TO BALANCE SHEET

Note - 18

SHORT TERM LOANS & ADVANCES

(Rs. in Crores)

	<u>As at 31-03-2014</u>	<u>As at 31-03-2013</u>
LOANS		
ADVANCE		
(Recoverable in cash or in kind or for value to be received)		
ADVANCE TO SUPPLIERS		
For Revenue		
- Secured considered good	-	-
- Unsecured considered good	5.03	4.94
- Doubtful	1.24	1.07
	6.27	6.01
Less : Provision for Bad & Doubtful Advances*	1.24	1.07
Sub total	5.03	4.94
ADVANCE PAYMENT OF STATUTORY DUES		
Excise Duty		
- Secured considered good	-	-
- Unsecured considered good	20.68	23.64
- Doubtful	-	-
	20.68	23.64
Less : Provision for Bad & Doubtful Advances*	-	-
Sub total	20.68	23.64
Advance Income Tax / Tax Deducted at Source	1,728.84	1,756.74
Less : Provision for Income Tax	1,649.70	1,726.00
Sub total	79.14	30.74
Others		
- Secured considered good	-	-
- Unsecured considered good	0.02	0.02
- Doubtful	-	-
	0.02	0.02
Less : Provision for Bad & Doubtful Advances*	-	-
Sub total	0.02	0.02
ADVANCE TO EMPLOYEES		
- Secured considered good	-	-
- Unsecured considered good	1.91	1.64
- Doubtful	-	0.00
	1.91	1.64
Less : Provision for Bad & Doubtful Advances*	-	0.00
Sub total	1.91	1.64
Current Account with Coal India Limited (Holding Co.) & other Subsidiaries of Coal India Limited	1.59	2.13
Sub total	1.59	2.13

Continued...

NOTES TO BALANCE SHEET

Note - 18

SHORT TERM LOANS & ADVANCES

(Rs. in Crores)

	As at 31-03-2014	As at 31-03-2013
Claims Receivables		
- Secured considered good	-	-
- Unsecured considered good	5.42	2.03
- Doubtful	3.10	3.05
	8.52	5.08
Less : Provision for Bad & Doubtful Advances*	3.10	3.05
Sub total	5.42	2.03
Prepaid Expenses	0.11	0.25
TOTAL	113.90	65.39
Classification:		
Secured	-	-
Unsecured - Considered Good	113.90	65.39
- Considered Doubtful	4.34	4.12

Note:

	CLOSING BALANCE		MAXIMUM AMOUNT DUE AT ANY TIME DURING	
	CURRENT PERIOD	PREVIOUS YEAR	CURRENT PERIOD	PREVIOUS YEAR
Due by the Companies in which directors of the company is also a director/ member				
Coal India Limited (Holding Co.)& other Subsidiaries of Coal India Limited	1.59	2.13	1.59	67.22
Due by the parties in which the Director(s) of company is /are interested	-	-	-	-

* Total Provision of Rs. 4.34 crores as on 31.03.2014 (as on 31.03.2013 Rs. 4.12 crores) on account of Doubtful Loans & Advances is considered adequate.

NOTES TO BALANCE SHEET

Note -19

OTHER CURRENT ASSETS

	As at 31-03-2014	(Rs. in Crores) As at 31-03-2013
Interest Accrued		
- Investment	0.97	1.70
- Deposit with Banks	404.42	407.01
- Others	-	-
Sub Total	405.39	408.71
Ex Owner's Account	-	-
Other Advances		
- Secured considered good	-	-
- Unsecured considered good@	31.99	18.04
- Doubtful	7.48	0.55
	39.47	18.59
Less: Provision for Bad & Doubtful Advances\$	7.48	0.55
Sub Total	31.99	18.04
DEPOSITS		
Deposit for Customs Duty, Port Charges etc.	-	-
Deposit with Coal India Limited*	2,495.47	2,186.72
Deposit for Royalty, Cess & Sales Tax	-	-
Less: Provision	-	-
Sub Total	2,495.47	2,186.72
Others (Deposit under Protest)**		
- Secured considered good	-	-
- Unsecured considered good	1,133.85	290.70
- Doubtful	0.09	2.07
	1,133.94	292.77
Less: Provision for Doubtful Deposits\$	0.09	2.07
Sub Total	1,133.85	290.70
Amount Receivable against Progressive Mine Closure Plan	3.15	-
Other Receivables		
VAT & CENVAT Receivable	121.67	89.66
Rent & Electricity Receivable	2.94	2.64
	124.61	92.30
Less: Provision for Doubtful Recievable\$	39.90	31.56
Sub Total	84.71	60.74
TOTAL	4,154.56	2,964.91
Classification:		
Secured	-	-
Unsecured - Considered Good	4,154.56	2,964.91
- Considered Doubtful	47.47	34.18

...continued

NOTES TO BALANCE SHEET

Note -19

OTHER CURRENT ASSETS

...continued

- @ Of the total actuarial liability of Rs. 618.37 crores and outstanding gratuity liability of Rs. 3.06 crores has been net-off with Rs. 645.94 crores deposited with LIC (Rs. 635.15 crores as on 31.03.2013) which includes interest amounting to Rs. 58.30 crores (Prev. yr. Rs. 44.62 crore) @ 9.30% pa. & insurance expenses of Rs. 1.61 crores has been accounted for on accrual basis for the period ended on 31.03.2014.
- * Includes Rs. 508.52 crores (Prev. year Rs. 965.22 crores) being funds given to CIL on which no Interest has been considered, as these funds were transferred by CIL to ECL for specific purpose as Interest free advance.
- ** Commercial Tax Department of M.P. and UP has raised a demand of Rs. 741.39 Crores (As at 31.03.2013 Rs. 474.65 Crores) till 31.03.2014 for Sales Tax & Entry Tax, against which appeal has been filed and Rs. 120.23 Crores (As at 31.03.2013 Rs. 94.65 Crores) has been deposited under protest. However, the claim of Rs. 741.39 Crores has been shown as Contingent Liability.
- ** Singrauli Municipal Authority has claimed licence and composite fees for construction of building of Rs. 9.87 Crores during 1999-2000 against which an amount of Rs. 6.00 Crores has been deposited under protest in 2002-03. The matter is pending before Hon'ble Supreme Court. However, the claim of Rs. 9.87 Crores has been shown as Contingent Liability.
- ** Govt. of Madhya Pradesh has claimed Land Revenue Premium for an amount of Rs. 117.05 Crores against which an amount of Rs. 3.00 Crores has been deposited under protest to Hon'ble High Court Jabalpur during the year 2004-05. However, the claim of Rs. 117.05 Crores has been shown as Contingent Liability. The matter is pending before the Hon'ble High Court, Jabalpur.
- ** Commissioner of Income tax, Jabalpur has demanded Rs. 13.12 crores against adhoc provision of NCWA VII during A/Y 2002-03 & 2003-04 & on account of interest income on parking of surplus fund with CIL for A/Y 2002-03 against which an amount of Rs. 13.12 crore has been deposited with Income tax department under protest as the matter is pending before Hon'ble High Court, Jabalpur. Furthermore, Assistant Commissioner of Income Tax, Jabalpur raised a demand for Assessment Year 2010-11 Rs. 1018.65 crores at the time of assessment under section 143(3) by disallowing various expenses and For Assessment Year 2010-11 raised a demand of Rs. 990.76 crores under section 250 after giving appeal effect of CIT(A) against which an amount of Rs. 990.76 crores has been deposited with Income Tax deptt. under protest as the matter is pending before Income Tax Appellate Tribunal, Jabalpur.
- \$ Total Provision of Rs. 47.47 crores as on 31.03.2014 (as on 31.03.2013 Rs. 34.18 crores) on account of Doubtful Loans & Advances is considered adequate.

NOTES TO STATEMENT OF PROFIT & LOSS

Note- 20

REVENUE FROM OPERATIONS

(Rs. in Crores)

	For the Year ended 31.03.2014	For the Year ended 31.03.2013
Sales of Coal*	12,419.62	11,616.11
Less: Excise Duty	661.31	628.22
Less : Other Levies		
Royalty	1,184.37	1,081.89
Cess on Coal	13.25	13.16
Stowing Excise Duty	72.11	67.29
Central Sales Tax	106.48	98.79
Clean Energy Cess	361.97	336.43
State Sales Tax/ VAT	302.99	273.06
Others Levies	413.26	385.56
TOTAL LEVIES	3,115.74	2,884.40
Revenue From Operations (NET SALES)	9,303.88	8,731.71

* Includes Incentive from customers of Rs. 134.76 crores (Prev. year Rs. 206.85 crores) for the year ending 31.03.2014

NOTES TO STATEMENT OF PROFIT & LOSS

Note - 21

OTHER INCOME

	For the Year ended 31.03.2014	(Rs. in crores) For the Year ended 31.03.2013
Income From Long Term Investments		
Dividend from Joint Ventures	-	-
Interest from:		
Government Securities (8.5% Tax Free Special Bonds)*	1.71	2.68
Income From Current Investments		
Dividend from Mutual Fund Investments	-	-
Interest from:		
Government Securities (8.5% Tax Free Special Bonds)*	0.97	0.97
Income From Others		
Interest (Gross)		
(TDS Rs. 95.63 Crores, Previous year Rs. 103.91 Crores)		
From Deposit with Banks	832.49	929.65
From Loans and Advances to Employees	0.55	0.72
From Income Tax Refunds	0.18	-
From Parking of Surplus Fund with Coal India Ltd	113.78	114.28
Others	2.35	2.21
Subsidy for Sand Stowing & Protective Works	-	-
Recovery of Transportation & Loading Cost	194.46	157.89
Profit on Sale of Assets	-	-
Gain on Foreign exchange Transactions	-	-
Exchange Rate Variance	-	-
Lease Rent	3.09	2.20
Liability write back**	2.71	-
Other Non Operating Income	53.59	44.09
TOTAL	1,205.88	1,254.69

* In terms of the Scheme of Securitisation, one-time settlement against past dues of UPSEB as on 30.09.2001 has been made by executing an agreement. Accordingly 8.5% Tax Free Govt. of U.P. Special Bond amounting to Rs. 114.56 Crores have been issued which are to be redeemed over a period of 15 years in 20 equal six monthly installments commencing from 01.10.2006. Interest on these bonds is receivable semi-annually.

** Interest Received from LIC on Gratuity Fund - Rs. 56.69 crores (after adjustment of insurance expenses)(Prev. year - Rs. 41.89 Crores) & Gratuity Expenses - Rs. 53.98 Crores (Prev. year - Rs. 91.69 Crores)(Refer to Note 24).

NOTES TO STATEMENT OF PROFIT & LOSS

Note - 22

COST OF MATERIAL CONSUMED

(Rs. in crores)

	<u>For the Year ended 31.03.2014</u>	<u>For the Year ended 31.03.2013</u>
Explosives	353.21	311.96
Timber	-	-
P O L	717.37	571.11
HEMM Spares*	386.53	368.96
Other Consumable Stores & Spares	133.41	127.13
TOTAL	<u>1,590.52</u>	<u>1,379.16</u>

* Refer Note-34, Additional Notes on Accounts point - 2.

NOTES TO STATEMENT OF PROFIT & LOSS

Note - 23

CHANGE IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE

(Rs. in crores)

	<u>For the Year ended 31.03.2014</u>	<u>For the Year ended 31.03.2013</u>
FINISHED GOODS		
Opening Stock of Coal	629.32	391.10
Add: Adjustment of opening stock		
Less: Deterioration of Coal	-	-
	629.32	391.10
Less: Closing Stock of Coal	484.64	629.32
Less: Deterioration of Coal/Coke	-	-
	484.64	629.32
A) Change in Inventory of Coal	144.68	(238.22)
Opening Stock of Workshop made finished goods and WIP	-	-
Less: Provision	-	-
	-	-
	-	-
Less: Closing Stock of Workshop made finished goods and WIP	-	-
Less: Provision	-	-
	-	-
	-	-
B) Change in Inventory of workshop	-	-
Change in Inventory of Stock in trade (A+B)	144.68	(238.22)
{Decretion / [Accretion]}	144.68	(238.22)

NOTES TO STATEMENT OF PROFIT & LOSS

Note - 24

EMPLOYEE BENEFIT EXPENSES

(Rs. in crores)

	For the Year ended 31.03.2014	For the Year ended 31.03.2013
Salary, Wages, Allowances & Benefits	1,247.28	1,072.20
Ex-gratia*	53.22	51.93
PRP**	36.69	48.48
Contribution to P.F. & Other Funds	159.86	150.42
Gratuity***	-	49.80
Leave Encashment	53.65	45.36
VRS	-	-
Workmen Compensation	0.29	0.25
Medical Expenses	21.70	22.44
Grants to Schools & Institutions	21.92	7.25
Sports & Recreation#	3.53	1.71
Canteen & Creche	0.84	0.83
Power - Township	69.30	63.09
Hire Charges of Bus, Ambulance etc.	4.99	3.82
Other Employee Benefits	25.24	82.29
TOTAL	1,701.51	1,599.87

* Rs. 53.22 Crores (Previous year Rs. 51.93 Crores) provision has been made during the year ended 31.03.2014 in respect of Ex-gratia to the Employees (Non-Executives) on the basis of Ex-gratia declared for the year 2012-13.

** Refer Note no. 09

*** Interest Received from LIC on Gratuity Fund - Rs. 56.69 crores (after adjustment of insurance expenses)(Prev. year - Rs. 41.89 Crores) & Gratuity Expenses - Rs. 53.98 Crores (Prev. year - Rs. 91.69 Crores)(Refer to Note 21).

Includes an amount of Rs. 1.75 crores (Prev. year - NIL) towards contribution to Coal India Sports Promotion Association (CISPA) @ Rs. 0.25/- per tonne of coal produced in the previous year, as decided in 296th CIL Board Meeting.

Note – 25

WELFARE EXPENSES

(Rs. in crores)

	For the Year ended 31.03.2014	For the Year ended 31.03.2013
Medical Expenses for Retired Employees	9.73	10.38
CSR Expenses*	39.72	17.64
Sustainable Development Expenses	0.35	-
Environmental Expenses	6.75	4.89
Tree Plantation	3.97	4.95
Other Welfare Expenses	2.04	2.03
TOTAL	62.56	39.89

* Includes an amount of Rs. 20 Crores being donation to Uttarakhand Chief Minister's Relief Fund, Dehradun during the year ended 31.03.2014

NOTES TO STATEMENT OF PROFIT & LOSS**Note - 26****REPAIRS**

(Rs. in crores)

	For the Year ended 31.03.2014	For the Year ended 31.03.2013
Building	60.80	40.88
Plant & Machinery	126.45	120.19
Others	5.44	4.93
TOTAL	192.69	166.00

Note - 27**CONTRACTUAL EXPENSES**

(Rs. in crores)

	For the Year ended 31.03.2014	For the Year ended 31.03.2013
Transportation Charges :		
- Sand	-	-
- Coal & Coke	96.15	85.53
- Stores & Others etc.	-	-
Wagon Loading	-	-
Hiring of P&M	875.04	680.93
Other Contractual Work	69.14	63.55
TOTAL	1,040.33	830.01

NOTES TO STATEMENT OF PROFIT & LOSS

Note - 28

FINANCE COSTS

(Rs. in crores)

	For the Year ended 31.03.2014	For the Year ended 31.03.2013
INTEREST EXPENSES		
Deferred Payments	-	-
Bank Overdraft / Cash Credit	-	-
Interest on IBRD & JBIC Loan *	4.97	10.94
CIL Fund Loan Interest	-	-
Others	0.25	0.06
TOTAL(A)	5.22	11.00
OTHER BORROWING COST		
Guarantee Fees on (IBRD & JBIC) Loan	8.74	9.20
Other Expenses / Bank Charges**	1.49	0.06
TOTAL(B)	10.23	9.26
TOTAL (A+B)	15.45	20.26

* Includes Net exchange loss on foreign currency borrowings to the extent considered as an adjustment to interest cost Rs. 2.06 Crores (Previous Year Rs. 4.15 crores)

** Includes Rs. 1.44 crore (Previous Year - Nil) in respect of Prepayment Charges of JBIC Loan.

NOTES TO STATEMENT OF PROFIT & LOSS

Note - 29

PROVISIONS

(Rs. in crores)

	For the Year ended 31.03.2014	For the Year ended 31.03.2013
(A) PROVISION MADE FOR		
Doubtful debts	650.69	-
Doubtful advances & Claims	15.53	7.33
Foreign exchange Transaction	-	-
Stores & Spares	1.33	1.01
Reclamation of Land/ Mine Closure Expenses*	110.02	67.98
Surveyed of Fixed Assets/Capital WIP	3.78	0.61
Others	-	-
TOTAL (A)	781.35	76.93
(B) PROVISION WRITTEN BACK		
Doubtful debts	0.08	97.37
Doubtful advances & Claims	2.08	2.52
Foreign exchange Transaction	-	-
Stores & Spares	1.08	0.83
Reclamation of Land/ Mine Closure Expenses*	2.39	27.36
Surveyed of Fixed Assets/Capital WIP	1.38	0.21
Others	-	-
TOTAL (B)	7.01	128.29
TOTAL (A-B)	774.34	(51.36)

Note - 30

WRITE OFF

(Rs. in crores)

	For the Year ended 31.03.2014	For the Year ended 31.03.2013
Doubtful debts	-	0.73
Doubtful advances	-	-
Others	-	-
TOTAL	-	0.73

NOTES TO STATEMENT OF PROFIT & LOSS

Note - 31

OTHER EXPENDITURE

(Rs. in crores)

	For the Year ended 31.03.2014	For the Year ended 31.03.2013
Travelling expenses		
- Domestic	10.22	10.41
- Foreign	0.08	0.12
Training Expenses*	4.73	4.15
Telephone & Postage	4.77	4.18
Advertisement & Publicity	4.79	3.82
Freight Charges	0.28	0.78
Demurrage	0.06	-
Donation/ Subscription	-	-
Security Expenses	19.99	20.07
Service Charges of CIL**	34.32	35.01
Hire Charges	14.14	12.05
CMPDI Expenses	28.69	21.46
Legal Expenses	0.46	0.58
Bank Charges	0.05	0.05
Guest House Expenses	0.69	0.50
Consultancy Charges	0.81	0.03
Under Loading Charges	10.35	12.23
Loss on Sale/Discard/Surveyed of Assets	2.12	1.00
Auditor's Remuneration & Expenses		
- For Audit Fees	0.08	0.10
- For Taxation Matters	0.01	0.01
- For Company Law Matters	-	-
- For Management Services	-	-
- For Other Services	0.09	0.09
- For Reimbursement of Expenses	0.08	0.09
- For Cost Audit	0.05	0.05
Internal Audit & Other Management Expenses	0.79	0.88
Rehabilitation Charges***	43.27	40.35
Royalty & Cess on Coal	71.31	71.42
Central Excise Duty	(22.24)	33.18
Rent	-	0.01
Rates & Taxes	7.48	7.08
Wealth Tax	(0.05)	1.00
Insurance	0.47	0.73
Loss on Exchange Rate Variance	-	-
R & D Expenses	0.24	-
Lease Rent	0.19	-
Rescue/Safety Expenses	8.04	7.85
Dead Rent/Surface Rent	-	-
Siding Maintenance charges	-	-
Land/Crops Compensation	-	-
Misc. Expenses	10.64	9.97
TOTAL	257.00	299.25

* As per advice received from Coal India Limited, Holding Company, training expenses @ Rs. 0.50 per tonne of production during the year ended on 31.03.2014 amounting to Rs. 3.43 Crores (Previous year Rs. 3.50 Crores), towards contribution to Indian Institute of Coal Management (IICM) has been included in Training Expenses.

** As per advice received from Coal India Limited, Holding Company, the service charges @ Rs. 5/- per tonne of production of Coal has been charged.

*** As per advice received from Coal India Limited, Holding Company, the rehabilitation charges @ Rs. 6/- per tonne of dispatch has been charged.

NOTES TO STATEMENT OF PROFIT & LOSS

Note - 32

PRIOR PERIOD ADJUSTMENTS

(Rs. in crores)

	<u>For the Year ended 31.03.2014</u>	<u>For the Year ended 31.03.2013</u>
(A) Charges		
Consumption of Stores & Spares	1.91	(2.86)
Employees Remuneration & Benefits	3.74	1.21
Power & Fuel	8.27	-
Welfare Expenses	(0.65)	-
Repairs	-	(0.12)
Contractual Expenses	-	-
Other Expenditure	(1.89)	(11.08)
Interest and other financial charges	0.89	-
Depreciation	-	5.50
	12.27	(7.35)
(B) Income		
Sale of Coal & Coke	0.43	-
Stock of Coal & Coke	-	-
Other Income	-	(1.15)
	0.43	(1.15)
TOTAL (A-B)	11.84	(6.20)

NOTE – 33**SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2014 AND STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED ON THAT DATE****1.0 ACCOUNTING CONVENTION**

Financial statements are prepared under the historical cost convention and on accrual basis of accounting and going concern concept, in accordance with the generally accepted accounting principles in India and the relevant provisions of the Companies Act, 1956 including accounting standards notified there under, except otherwise stated.

2.0 SUBSIDIES/ GRANTS FROM GOVERNMENT

2.1 Subsidies / Grants on capital account are deducted from the cost of respective assets to which they relate. The unspent amount at the Balance Sheet date, if any, is shown as current liabilities.

2.2 Subsidies / Grants on revenue account are credited to Statement of Profit & Loss under the head- Other Income and the relevant expenses are debited to the respective heads. The unspent amount at the Balance Sheet date, if any, is shown as current liabilities.

3.0 FIXED ASSETS**3.1 Land**

Value of land includes cost of acquisition and cash rehabilitation expenses and resettlement cost incurred for concerned displaced persons. Other expenditure incurred on acquisition of land viz. compensation in lieu of employment etc. are, however, treated as revenue expenditure.

3.2 Plant & Machinery

Plant & Machinery includes cost and expenses incurred for erection / installation

and other attributable costs of bringing those assets to working conditions for their intended use.

3.3 Railway Siding

Pending commissioning, payments made to the railway authorities for construction of railway sidings are shown in Note 12 – “Long Term Loans & Advances” under Advances for Capital.

3.4 Development

Expenses net of income of the projects / mines under development are booked to Development Account and grouped under Capital Work-in-Progress till the projects / mines are brought to revenue account. Except otherwise specifically stated in the project report to determine the commercial readiness of the project to yield production on a sustainable basis and completion of required development activity during the period of constructions, projects and mines under development are brought to revenue considering the following criteria:

- (a) From beginning of the financial year immediately after the year in which the project achieves physical output of 25% of rated capacity as per approved project report, or
- (b) 2 years of touching of coal, or
- (c) From the beginning of the financial year in which the value of production is more than total expenses,
- Whichever event occurs first.

4.0 PROSPECTING & BORING AND OTHER DEVELOPMENT EXPENDITURE

The cost of exploration and other development expenditure incurred in one "Five year" plan period will be kept in Capital work-in-progress till the end of subsequent two "Five year" plan periods for formulation of projects, before it is written-off, except in the case of Blocks identified for sale or proposed to be sold to outside agency which will be kept in inventory till finalisation of sale.

5.0 INVESTMENTS

Current investments are valued at the lower of cost and fair value as at the Balance Sheet date.

Investments in mutual fund are considered as current investments.

Non-Current investments are valued at cost.

6.0 INVENTORIES

6.1 Book stock of coal / coke is considered in the accounts where the variance between book stock and measured stock is upto +/- 5% and in cases where the variance is beyond +/- 5% the measured stock is considered. Such stock are valued at net realisable value or cost whichever is lower.

6.1.1 Coal & coke fines are valued at lower of cost or net realisable value.

6.1.2 Slurry (coking & semi-coking), middling of washeries and by products are valued at net realisable value.

6.2 Stores & Spares

6.2.1 The closing stock of stores and spare parts has been considered in the accounts as per balances appearing in priced stores ledger of the Central Stores and as per physically verified stores lying at the collieries/units.

6.2.2 Stock of stores & spare parts at central & area stores are valued at cost calculated

on the basis of weighted average method. The year-end inventory of stores & spare parts lying at collieries / sub-stores / drilling camps/ consuming centres, initially charged off, are valued at issue price of Area Stores, Cost / estimated cost. Workshop jobs including work-in-progress are valued at cost.

6.2.3 Stores & spare parts include loose tools.

6.2.4 Provisions are made at the rate of 100% for unserviceable, damaged and obsolete stores and at the rate of 50% for stores & spares not moved for 5 years.

6.3 Stock of stationery (other than lying at printing press), bricks, sand, medicine (except at Central Hospitals), aircraft spares and scraps are not considered in inventory.

7.0 DEPRECIATION

7.1. Depreciation on fixed assets is provided on straight line method at the rates and manner specified in Schedule XIV of the Companies Act, 1956 (as amended) except for telecommunication equipment and photocopying machine, Fax Machines, Mobile Phones, Digitally enhance cordless telephone & Computer (including printer & scanner), which are charged at higher rates on the basis of their technically estimated life, as follows :

Telecommunication equipment:-15.83% p.a. and 10.55% p.a.

Photocopying machine: - 23.75%p.a.

Fax Machine: 31.67% p.a.

Mobile Phone: 31.67% p.a.

Digitally enhance cordless telephone: 31.67% p.a.

Computer (including printer & scanner): 31.67% p.a.

Depreciation on Earth Science Museum and high volume samplers and respiratory dust are charged @5.15% and 33.33% respectively on the basis of their technically estimated life.

Further, depreciation on certain equipments /HEMM is charged over the technically estimated life at higher rates viz. 11.88%; 13.57% and 15.83% as applicable.

Depreciation on SDL and LHD (equipments) are charged @19% p.a. and @15.83% p.a. respectively on the basis of technical estimation.

Depreciation on the assets added / disposed off during the year is provided on pro-rata basis with reference to the month of addition / disposal, except on those assets attracting 100% depreciation p.a. (SLM basis), which are fully depreciated in the year of their addition. Assets attracting 100% depreciation are taken out from the Assets after expiry of two years following the year in which these are fully depreciated.

7.2 Value of land acquired under Coal Bearing Area (Acquisition & Development) Act, 1957 is amortised on the basis of the balance life of the project. Value of leasehold land is amortised on the basis of lease period or balance life of the project whichever is earlier.

7.3 Prospecting, Boring and Development expenditure are amortised from the year when the mine is brought under revenue in 20 years or working life of the project whichever is less.

8.0 IMPAIRMENT OF ASSET

Impairment loss is recognised wherever the carrying amount of an asset is in excess of its recoverable amount and the same is recognized as an expense in the statement of profit and loss and carrying amount of the asset is reduced to its recoverable amount.

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased.

9.0 FOREIGN CURRENCY TRANSACTIONS

9.1 Balance of foreign currency transactions is translated at the rates prevailing on the Balance Sheet date and the corresponding effect is given in the respective accounts. Transactions completed during the period are adjusted on actual basis.

9.2 Transactions covered by cross currency swap options contracts to be settled on future dates are recognised at the rates prevailing on the Balance Sheet date, of the underlying foreign currency. Effects arising out of such contracts are taken into accounts on the date of settlement.

10.0 RETIREMENT BENEFITS/ OTHER EMPLOYEE BENEFITS

(a) **Defined contributions plans:** The company has defined contribution plans for payment of Provident Fund and Pension Fund benefits to its employees. Such Provident Fund and Pension Fund are maintained and operated by the Coal Mines Provident Fund (CMPF) Authorities. As per the rules of these schemes, the company is required to contribute a specified percentage of pay roll cost to the CMPF Authorities to fund the benefits.

(b) **Defined benefits plans:** The liability on the Balance Sheet date on account of gratuity and leave encashment is provided for on actuarial valuation basis by applying projected unit credit method. [Further the company has created a Trust with respect to establishment of Funded Group Gratuity (cash accumulation) Scheme through Life Insurance Corporation of India. Contribution is made to the said fund based on the actuarial valuation.]**

(c) **Other employee benefits:** Further liability on the Balance Sheet date of certain other employee benefits viz. benefits on account of LTA/ LTC; Life Cover Scheme, Group Personal Accident Insurance Scheme, Settlement Allowance, Retired

Executive Medical Benefit Scheme and compensation to dependants of deceased in mines accidents etc. are also valued on actuarial basis by applying projected unit credit method.

11.0 RECOGNITION OF INCOME AND EXPENDITURE

Income and Expenditure are generally recognised on accrual basis and provision is made for all known liabilities.

11.1 Sales

- (a) Revenue in respect of sales is recognised when the property in the goods with the risks and rewards of ownership are transferred to the buyer.
- (b) Sale of coal are net of statutory dues and accepted deduction made by customer on account of quality of coal.
- (c) The revenue recognition is done where there is reasonable certainty of collection. On the other hand, revenue recognition is postponed in case of uncertainty as assessed by management.

11.2 Dividend

Dividend income is recognised when right to receive is established.

12.0 BORROWING COSTS

Borrowing Cost directly attributable to the acquisition or construction of qualifying assets is capitalised. Other borrowing costs are recognised as expenses in the period in which they are incurred.

13.0 TAXATION

Provision of current income tax is made in accordance with the Income Tax Act., 1961. Deferred tax liabilities and assets are recognised at substantively enacted tax rates, subject to the consideration of prudence, on timing difference, being the difference between taxable income and accounting income that originate in one

period and are capable of reversal in one or more subsequent period.

14.0 PROVISION

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to present value and are determined based on best estimate required to settle the obligation at the balance sheet date.

15.0 CONTINGENT LIABILITY

Contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefit will be required to settle the obligations or reliable estimate of the amount of the obligations can not be made.

Contingent liabilities are not provided for in the accounts and are disclosed by way of Notes.

16.0 OVERBURDEN REMOVAL (OBR) EXPENSES

In open cast mines with rated capacity of one million tonnes per annum and above, cost of OBR is charged on technically evaluated average ratio (COAL:OB) at each mine with due adjustment for advance stripping and ratio-variance account after the mines are brought to revenue. Net of balances of advance stripping and ratio variance at the Balance Sheet date is shown as cost of removal of OB under the head Non - Current Assets/ Long Term Provisions as the case may be.

The reported quantity of overburden as per record is considered in calculating the ratio for OBR accounting where the

variance between reported quantity and measured quantity is within the lower of the two alternative permissible limits, as detailed hereunder:-

Annual Quantum of OBR Of the Mine	Permissible limits of variance	
	I	II
	%	Quantum (in Mill.Cu. Mtr.)
Less than 1 Mill. CUM	+/- 5%	0.03
Between 1 and 5 Mill. CUM	+/- 3%	0.20
More than 5 Mill. CUM	+/- 2%	Nil

However, where the variance is beyond the permissible limits as above, the measured quantity is considered.

17.0 PRIOR PERIOD ADJUSTMENTS AND PREPAID EXPENSES

Income / expenditures relating to prior period and prepaid expenses, which do not exceed Rs. 0.10 crore in each case, are treated as income /expenditure of current year.

NOTE – 34**ADDITIONAL NOTES ON ACCOUNTS FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2014 & STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE****1. BACKGROUND**

Assets & Liabilities of Singrauli Division of Central Coalfields Ltd. (CCL) as on 01.04.1986 have been transferred to Northern Coalfields Ltd., pursuant to the directives issued by Govt. of India, Ministry of Energy, Deptt. of Coal vide letter no. 38011-1/83_CA dtd. 01.11.1985 by way of bifurcation from CCL.

2. BORROWINGS

International Bank for Reconstruction and Development (IBRD) and Japan Bank of International Co-operation (JBIC) (erstwhile Export and Import Bank of Japan) had sanctioned a loan of USD 142.165 million and Yen equivalent to USD 142.165 million respectively to the company to finance Coal Sector Rehabilitation Project (CSR) of the company, in the year 1998-99. Five projects of the company i.e. Jayant, Dudhichua, Nigahi, Bina and Jhingurda were covered under the scheme. The long-term/short term liability of IBRD/JBIC has been increased by Rs. 65.08 Crores (Previous year decreased by Rs. 2.08 Crores) due to fluctuation in foreign exchange rate (Refer Note-3 & 8). Out of the said amount of Rs. 65.08 Crores (Previous year Rs. 2.08 Crores), Rs. 9.27 Crores (Previous year Rs. 0.20 Crores credited) has been debited to Stores Consumption (Note 22) and Rs. 55.81 Crores (Previous year Rs. 1.88 Crores credited) has been debited to Fixed Assets (Note 10A). During the year, IBRD loan amounting to Rs. 355.19 Crores (57.39 million USD) and JBIC Loan amounting to Rs. 322.72 Crores (6117.86 Million Japanese Yen) has been repaid out of which IBRD Loan amounting to Rs.

294.96 crores (47.24 million USD) and JBIC Loan amounting to Rs. 288.31 crores (4557.24 million Japanese Yen) has been prepaid to settle the full loan amount (Refer Note-3 & Note 8).

3. COMPLIANCE WITH OTHER ACCOUNTING STANDARDS

I. **AS-15 – “Accounting for Retirement Benefits”**: The Company has adopted AS 15 (Revised) – Employee benefits with effect from 1st April, 2007, as under.

- (1) **Short-term employee benefits**: The Company recognizes the undiscounted amount of short-term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.
- (2) **Post-employment benefits**: The Company operates defined contribution plans pertaining to Coal Mines Provident Fund schemes for all employees.
- (3) **Other long-term employee benefits**: Entitlements to annual leave and sick leave are recognized when they accrue to employees. Sick Leave can only be availed during service period while annual leave can either be availed or encashed subject to leave rules of the Company. The Company determines the liability for such accumulated leaves using the Projected Accrued Benefits Method with actuarial valuations being carried out at each Balance Sheet date.
- (4) **Terminal benefits** : VRS benefits are recognized in the books in the year of occurrence.

DETAILS OF GRATUITY, LEAVE ENCASHMENT AND OTHER EMPLOYEE BENEFITS :

(Rs. In Crores)

PARTICULARS	GRATUITY (FUNDED)	LEAVE ENCASHMENT (UNFUNDED)	OTHER EMPLOYEE BENEFIT (UNFUNDED)
Actuarial Valuation as on 31.03.2014	618.37	214.04	109.84
Actuarial Valuation as on 31.03.2013	617.95	194.80	104.46
Net Incremental Liability for Current year	0.42	19.24	5.38

- Other Employee Benefit includes LLTC/ LTA, Life Cover, Settlement Allowance & Accidental Insurance, Fatal Mine Accidental Benefit and Post-Retirement Medical Benefit.

The following disclosures are made in accordance with **AS-15 (Revised)** pertaining to the **Gratuity (Funded Plan)**:

Table 1: Disclosure Item 120 (c)**Table Showing Changes in Present Value of Obligations:**

(Rs. In Crores)

Particulars	As at 31.03.2014	As at 31.03.2013
Present Value of Obligation at Beginning of year	617.95	570.43
Interest Cost	50.25	43.87
Current Service Cost	31.48	29.69
Benefits Paid	53.55	44.17
Actuarial gain/loss on Obligations	(27.76)	18.13
Present Value of Obligation at end of Year	618.37	617.95

Table 2: Disclosure Item 120 (e)**Table Showing Changes in Fair Value of Plan Assets:**

(Rs. In Crores)

Particulars	As at 31.03.2014	As at 31.03.2013
Fair Value of Plan Asset at Beginning of year	635.15	350.00
Acquisition Adjustment	NIL	NIL
Expected Return on Plan Asset	53.99	28.00
Contributions	7.66	287.43
Benefits Paid	53.55	44.17
Actuarial gain/ loss on Plan Asset	2.70	13.89
Fair Value of Plan Asset at End of year	645.94	635.15

Table 3: Disclosure Item 120 (f)**Table showing Funded Status**

(Rs. In Crores)

Particulars	As at 31.03.2014	As at 31.03.2013
Present Value of Obligation at end year	618.37	617.94
Fair Value of Plan Asset at end year	645.94	635.15
Funded Status	27.57	17.20
Unrecognized actuarial gain/ loss at end of the year	NIL	NIL
Net Asset (Liability) Recognized in Balance Sheet	27.57	17.20

Table 4: Disclosure Item 120 (g)**Table showing Expense Recognised in Statement of Profit and Loss :**

(Rs. In Crores)

Particulars	As at 31.03.2014	As at 31.03.2013
Current Service Cost	31.48	29.69
Past Service Cost	NIL	NIL
Interest Cost	50.25	43.87
Expected Return on Plan Asset	53.99	28.00
Curtailment Cost	NIL	NIL
Settlement Cost	NIL	NIL
Actuarial gain/loss recognized in the year	(30.45)	4.24
Expense Recognized in Statement of Profit/Loss	(2.71)	49.80

Table 5: Disclosure Item 120 (l)**Table showing Actuarial Assumptions**

Particulars	As at 31.03.2014	As at 31.03.2013
Mortality Table	IALM (2006-08) ULT	LICI 1994-1996
Superannuation Age	60	60
Early Retirement & Disablement	10 PER THOUSAND P.A.	10 PER THOUSAND P.A.
	6 above age 45	6 above age 45
	3 between 29 and 45	3 between 29 and 45
	1 below age 29	1 below age 29
Discount Rate	8.50	8.00
Inflation Rate	6.25	6.25
Return on Asset	8.50	8.00
Remaining Working Life	12	11
FORMULA USED	PROJECTED UNIT CREDIT METHOD	PROJECTED UNIT CREDIT METHOD

Table 6: Disclosure Item 120 (o)**Movements in the Liability Recognised in Balance Sheet***(Rs. In Crores)*

Particulars	As at 31.03.2014	As at 31.03.2013
Opening Net Liability	(17.20)	220.43
Expenses as above	(2.71)	49.80
Contributions	7.66	287.43
Closing Net Liability	(27.57)	(17.20)
Closing Fund/Provision at end of Year	618.37	617.95

The following disclosures are made in accordance with **AS-15 (Revised)** pertaining to the **Leave Encashment Benefit (EL/HPL) (Unfunded Plan)** :

Table 1: Disclosure Item 120 (c)**Table Showing Changes in Present Value of Obligations***(Rs. In Crores)*

Particulars	As at 31.03.2014	As at 31.03.2013
Present Value of Obligation at Beginning of year	194.80	182.71
Interest Cost	15.10	13.29
Current Service Cost	30.05	26.60
Benefits Paid	34.42	33.27
Actuarial gain/loss on Obligations	8.51	5.48
Present Value of Obligation at end of Year	214.04	194.80

Table 2: Disclosure Item 120 (g)**Table showing Expense Recognised in Statement of Profit/Loss***(Rs. In Crores)*

Particulars	As at 31.03.2014	As at 31.03.2013
Current Service Cost	30.05	26.60
Interest Cost	15.10	13.29
Actuarial gain/loss recognized in the year	8.51	5.48
Expense Recognized in Statement of Profit/Loss	53.66	45.36

Table 3: Disclosure Item 120 (l):**Table showing Actuarial Assumptions**

Particulars	As at 31.03.2014	As at 31.03.2013
Mortality Table	IALM (2006-08) ULT.	LICI 1994-1996
Superannuation Age	60	60
Early Retirement & Disablement	10 PER THOUSAND P.A	10 PER THOUSAND P.A.
	6 above age 45	6 above age 45
	3 between 29 and 45	3 between 29 and 45
	1 below age 29	1 below age 29
Discount Rate	8.50	8.00
Inflation Rate	6.25	6.25
Return on Asset	-	-
Remaining Working Life	12	11
FORMULA USED	PROJECTED UNIT CREDIT METHOD	PROJECTED UNIT CREDIT METHOD

Table 4: Disclosure Item 120 (o)**Movements in the Liability Recognised in Balance Sheet***(Rs. In Crores)*

Particulars	As at 31.03.2014	As at 31.03.2013
Expenses as above	53.66	45.36
Closing Net Liability	53.66	45.36
Closing Fund/Provision at end of Year	214.04	194.80

II. **AS-17 – “Segment Reporting”:** The Company is primarily engaged in a single segment business of production and sale of Coal. There is no other reportable primary segment identifiable in accordance with AS-17.

III. **AS-18 – “Related Party Disclosure”:** In view of the exemption granted to state controlled enterprises as regards related party relationship with other state controlled enterprises and transactions with such enterprises; no disclosure under the AS-18 is required.

Directors’ Remuneration:*(Rs. In Crores)*

Particulars	Chairman-cum- Managing Director		Functional Directors		Part time Non Official Directors	
	31.3.2014	31.3.2013	31.3.2014	31.3.2013	31.3.2014	31.3.2013
Salary & Allowance	0.07	0.21	0.86	0.62	-	-
PRP	-	0.08	-	0.16	-	-
Provident Fund	0.01	0.02	0.09	0.05	-	-
Perquisites	-	-	0.07	-	-	-
Retirement Benefits	-	-	-	0.10	-	-
Sitting fees	-	-	-	-	0.10	0.08

IV. **AS-22 – “Accounting for Taxes on Income”:** The details of deferred tax asset and liabilities are as under -

(Rs. In Crores)

Deferred Tax Liability	As on 31.03.2014	As on 31.03.2013
Related to Fixed Assets	108.46	154.10
Related to Development Expenses	61.51	58.17
Total	169.97	212.27

Deferred Tax Assets	As on 31.03.2014	As on 31.03.2013
Related to Disallowances under I.T Act 1961	186.83	153.66
Related to Provision for current assets/loans & advances/fixed assets/others	325.15	96.18
Total	511.98	249.84
Deferred tax Assets/ Liabilities (Net)	342.01	37.57

V. **AS-28 – “Impairment of Assets”:** In the opinion of the management, there are no external circumstances indicating impairment loss of cash generating units.

VI. **AS-29 – “Provisions, Contingent Liabilities and Contingent Assets”:** The position of the various Provisions as on 31.03.2014 is given below.

(Rs. In Crores)

Provisions	Opening Balance as on 01.04.2013	Addition during the period	Write back/ Adj. /Pymt. During the period	Closing Balance as on 31.03.2014
For Proposed/Interim-Dividend	609.28	2,136.84	(2,746.12)	-
For Corporate Dividend Tax	98.84	363.16	(98.84)	363.16
For Gratuity	617.95	53.98	(53.56)	618.37
For Leave Encashment	194.80	53.65	(34.41)	214.04
For Other Employee Benefits	104.46	25.24	(19.86)	109.84
For Income Tax	-	1,649.70	(1,649.70)	-
Wealth Tax	1.00	0.50	(1.00)	0.50
PPLB (Ex gratia)	40.82	53.22	(45.44)	48.60
Performance Related Pay	118.13	39.69	4.46	162.28
Excise Duty on Closing Stock of Coal	74.89	-	(23.45)	51.44
OBR Adjustment Account	3,666.95	761.16	-	4,428.11
Mine Closure Expense	211.83	110.02	5.71	327.56
Bad & Doubtful debts	3.07	650.69	(0.08)	653.68
Provision for Doubtful Advances & Other current/ non current assets	39.12	15.53	(2.08)	52.57
CWIP	0.86	0.60	(0.05)	1.41
Surveyed off F/Assets	15.15	3.18	(1.33)	17.00
Other Provisions-Fixed Assets	0.12	-	-	0.12
Stock of Store & Spares	43.41	1.33	(1.08)	43.66

Contingent Liabilities and Commitments (to the extent not provided for)

- (i) Estimated amount of contract remaining to be executed on Capital account and not provided for amounting to Rs. 622.22 Crores (Previous year Rs. 416.14 Crores) and on Revenue account and not provided for amounting to Rs. 2153.56 Crores (Previous year Rs. 1437.21 Crores)

- (ii) Claims against the Company not acknowledged as debts as under.

(Rs. In Crores)

Particulars	As on 31.03.2014	As on 31.03.2013
Sales Tax & Entry Tax	737.92	474.65
Local Body Tax	164.81	138.72
Land Revenue	117.05	117.05
Contractual Works	72.69	81.86
Income Tax and FBT	2022.54	1017.25
Claim of UPCCL (UPSEB)	2.07	2.07
Claim of UPRVUNL for Incentives	24.05	24.05
MPGATSVA & Sales Tax thereon*	40.34	53.68
Service Tax, Interest and Penalty.	2.78	2.76
Others**	9.43	9.80
Total	3193.68	1921.89

* MPGATSVA on sale of Coal has not been collected from M/s. Hindalco Industries Ltd. And M/s. Renusagar Power Company Ltd. after the stay obtained by the respective parties from Hon'ble Supreme Court. The amount not collected on this account amounts to Rs. 40.34 Crores upto 31.03.2014 has been shown as Contingent Liability.

** Includes SSADA Cess on sale of Coal has not been collected from a few parties after the stay obtained by the respective parties from Hon'ble High court, Allahabad. The amount not collected on this account amounts to Rs. 2.99 Crores upto 31.03.2014 (As at 31.03.2013 Rs. 2.99 Crores) has been shown as Contingent Liability.

5. GENERAL

- (A) The Company has executed collateral security by creating hypothecation charge over its present and future current assets comprising of Book Debts, Stock of Raw Materials, Semi Finished and Finished Goods, Stores & Spares not relating to Plant & Machinery (Consumable Store & Spares) for a sum of Rs. 165.00 Crores (Previous year Rs. 165.00 Crores) for working capital facility drawn and to be drawn by Coal India Ltd., from the State Bank of India Consortium Banks.

(B) A sum of Rs. 5.11 crores (as on 31.03.2013 Rs. 4.82 crores) are kept in the Company's custody as Securities by way of deposits in the form of Fixed Deposit Receipt and National Savings Certificate received from the suppliers, contractors etc.

Further, Bank Guarantees worth Rs. 295.52 crores (as on 31.03.2013 Rs. 911.19 crores) have also taken from suppliers & contractors on account of execution of works/ supply etc. which have not been accounted for.

(C) Micro and small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined based on the information available with the Company and the required disclosures are given below :

(Rs. in Crores)

		As on 31.03.14	As On 31.03.13
(a)	Principal amount remaining unpaid	0.49	0.97
(b)	Interest due thereon	-	-
(c)	Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
(d)	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	-	-
(e)	Interest accrued and remaining unpaid	-	-
(f)	Further Interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise	-	-

(D) All current assets including loans and advances have realizable value in the ordinary course of business at least equal to the amount at which they are stated. Further adequate provision has also been made in respect of all known liabilities.

(E) Letters of confirmation of Account Balance have been sent to all the creditors/ suppliers/ Sundry Debtors/ Advances/ Deposits on balances appeared in our books as on 31.03.2014.

(F) Basic Criteria for identifying the Current/ Non Current Assets/Liabilities :

1. An asset has been classified as current when it satisfies any of the following criteria:

- It is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is expected to be realized within twelve months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle liability for at least twelve months after the reporting date.

All other assets have been classified as non-current.

2. An operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. Where the normal operating cycle cannot be identified, it is assumed to have duration of 12 months.

3. A liability has been classified as current when it satisfies any of the following criteria :

- It is expected to be settled in the company's normal operating cycle;

- b) It is held primarily for the purpose of being traded;
- c) It is due to be settled within twelve months after the reporting date; or
- d) The company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities have been classified as non-current

- (G) **USE OF ESTIMATES** : In preparing the financial statements in conformity with accounting principles generally accepted in India, management is sometimes required to make estimates & assumptions that effect the reported amount of assets and liabilities and the disclosures of contingent liability as at the date of financial statements and the amount of revenue and expenses during the reported period. Actual results may differ from those estimates. Any revision to such estimate is recognized in the period in which the same is determined.
- (H) Interest received on Income Tax Refunds are accounted for as & when refund orders are received from Income Tax Department.
- (I) Roads and Culverts situated in the residential / official areas are classified under “Buildings” and those in mining areas are classified under “Mines Development”.
- (J) Buildings include cost of electrical fittings, water supply arrangements and sanitary fittings.

- (K) Departmental expenses are not capitalized on Fixed Assets except in cases of dragline and high capacity shovel on consideration of its materiality.
- (L) Gross block as well as depreciation on surveyed off assets are taken out of fixed assets and provision for depreciation respectively and residual value at 5% of Book Value are transferred to “Surveyed off Assets”. The residual value and the estimated net realizable value, whichever is lower, is separately shown in Capital Work-in-Progress.
- (M) Computer Software are recognized at cost and shown as Intangible Assets in Fixed Assets Schedule and amortized in 3 years from the year in which it is put to use.
- (N) The difference in exchange rates on account of principle amount of loan is capitalized except where the assets surveyed – off due to damage / fire which are charged to revenue .The difference in exchange rates on account of payment of interest is charged to revenue.

(O) Capacity & Production:

(i)	Licensed Capacity	Not applicable
(ii)	Installed Capacity	Could not be assessed due to diversity.
(iii)	Production of Coal.	686.39 Lakh tonnes during year ended 31.03.2014 (Previous year 700.21 Lakh tonnes).
(iv)	Production of deshaled Coal. (Included in (iii) above)	37.78 Lakh tonnes during year ended 31.03.2014 (Previous year 39.57 Lakh tonnes).

(P) Earning in Foreign Exchange:

(Rs. In Crores)

Current period	Previous period
NIL	NIL

(Q) Expenditure in Foreign Currency:*(Rs. In Crores)*

S. No.	Particulars	For the year ended 31.03.2014	For the year ended 31.03.2013
i)	C.I.F. Value of Imports:		
	Raw materials		
	Components, Stores & Spare Parts	126.80	115.34
	Capital Goods	1.83	36.60
ii)	Repayment of JBIC Loan	322.72	68.72
iii)	Repayment of IBRD Loan	355.19	51.67
iv)	Travelling Expenses	0.08	0.12
vi)	Interest/Commitment/Agency charges etc. of IBRD/JBIC	8.33	10.96

(R) Impact on Profit due to change in Accounting Policy

During the year based on technically estimated useful life depreciation rates of

the following assets were revised

Sl.	Assets	Existing Dep. Rate	Revised Dep. Rate
1	Photocopying Machine	10.55%	23.75%
2	Fax Machine	15.83%	31.67%
3	Mobile Phone	15.83%	31.67%
4	Digitally enhance cordless telephone	15.83%	31.67%
5	Computer (incl. printer & scanner)	16.21%	31.67%

Due to above changes in depreciation rates, the profit for the year decreased by Rs. 0.22 Crores.

(S) PREVIOUS YEAR'S FIGURES

Previous year's figures have been re-arranged/ re-grouped wherever considered necessary to make them comparable with those of current year.

Sd/-
(D.H.Lalwani)
Company Secretary

Sd/-
(K.S.Rajashekar)
General Manager (Finance)

Sd/-
(A.K.Paney)
Director (Finance)

Sd/-
(Shantilata Sahu)
Chairman-cum-Managing Director

In terms of our separate report of even date

For **Prakash & Santosh**
Chartered Accountants
Firm Regn. No. 000454C

Sd/-
(CA. Santosh Gupta)
Partner
M. No. – 016304

**ADDENDUM TO DIRECTORS' REPORT
(UNDER SECTION 217(3) OF THE COMPANIES ACT)
AUDITORS' REPORT**

AUDITOR'S REPORT

MANAGEMENT'S REPLY

To

The Members of
Northern Coalfields Limited,
Singrauli–M.P.

Report on the Financial Statements

We have audited the accompanying financial statements of Northern Coalfields Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information in which are incorporated the accounts of 6 Projects/ Units audited by respective Branch Auditors and 6 Projects/Units audited by us. The reports of the Branch Auditors, as submitted, have been appropriately dealt with by us in preparing this report. Our opinion, in so far as it relates to the amounts included in financial statements, in respect of Projects/Units audited by Branch Auditors, is based solely on their reports.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the general circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S REPORT

MANAGEMENT'S REPLY

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion of the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Report on Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2003 as amended by the Companies (Auditors' Report) (Amendment) Order, 2004 issued by the Government of India in terms of Sub-section (4A) of Section 227 of the Companies Act, 1956, and on the basis of our examination of books and records of the company and test checks as we considered appropriate and according to

AUDITOR'S REPORT**MANAGEMENT'S REPLY**

the information and explanations given to us, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said order.

2. Further without qualifying our opinion, we draw your attention to in paragraph 1 and read with other notes thereon we report that:

I. NON CURRENT ASSETS (FIXED ASSETS)

During the year a provision equivalent to depreciation of Rs. 0.55 Crores has been made in respect of assets (Capital WIP) which could not be put to use for more than 3 years from the date of purchase/acquisition/construction. We are unable to comment on the adequacy or otherwise of such provision (Refer foot note No.10 B).

Assets (Capital WIP), which could not be put to use for more than 3 years from the date of purchase /acquisition /construction, a provision, equivalent to depreciation from the fourth year and onwards has been made (Refer footnote of Note - 10B of Balance Sheet).

II. CURRENT AND NON CURRENT ASSETS (OTHER THAN FIXED ASSETS)

A). Loans & Advances and Other Current and Non-Current Assets:

Provision of Rs. 52.57 crores have been made for Loans & Advances and Other Current Assets as on 31st March, 2014. We are unable to comment upon the adequacy or otherwise of such provision. (Refer Note No. 3 (vi) of Additional Notes on Accounts - Note 34).

(Refer Foot Note of Note No. 12, 18, 19 of Balance Sheet)

B). Inventories :

- a) Provision of Rs. 22.48 Crores has been made in respect of stores and spare parts, unmoved for 5 years upto 31.03.2014. We are unable to comment on the adequacy or otherwise of such provision (Refer foot note No. 15).

Provisions are made at the rate of 100% for unserviceable, damaged and obsolete stores and at the rate of 50% for stores & spares not moved for 5 years (as per Accounting Policy Note- 33 Para no. 6.2.4).

AUDITOR'S REPORT**MANAGEMENT'S REPLY**

- b) Provision of Rs.20.03 Crores has been made in respect of obsolete/damaged/unserviceable stores and spare parts upto 31.03.2014. We are unable to comment on the adequacy or otherwise of such provision (Refer foot note No.15).

Provisions are made at the rate of 100% for unserviceable, damaged and obsolete stores and at the rate of 50% for stores & spares not moved for 5 years (As per Accounting Policy Note- 33 Para no. 6.2.4).

C). Trade Receivables :

- a). Provision of Rs. 650.69 Crores has been estimated and made during the year against debts of Rs. 1426.03 Crores, due for a period exceeding six months from NTPC on account of GCV analysis/ grade slippage in respect of sale effected during the period from October, 2012 to September, 2013. For remaining amount of Rs. 775.34 Crores, the matter is under process of reconciliation with them (Refer foot note No.16).

This is a statement of fact, calls for no comments separately

III. LIABILITIES & PROVISIONS :

Provision of Rs. 304.56 Crores has been made for Mine Closure Expenses pursuant to Guidelines issued by Ministry of Coal up to 31.03.2014. We are unable to comment on adequacy or otherwise of such provision.(Refer foot note No.4 on Accounts – Note 4).

In accordance with guidelines issued by Ministry of Coal on 27th August, 2009 & subsequent guidelines, Mine Closure Plan has been prepared by CMPDIL and approved by NCL Board for the Projects Jhingurda, Block B, Bina, Krishanshilla, Jayant, Khadia, Amlohri, Dudhichua, Kakri and Nigahi Project . Based on the approved Mine Closure Plan, provision has been made in the accounts for Rs. 304.56 crores upto 31.03.2014. (Refer foot note of Note - 5 of Balance Sheet)

IV. PROFIT & LOSS STATEMENT :

We have relied upon technical data submitted by the management in respect of Advance Stripping, Coal Exposed, Over Burden Removal (OBR), Current and Average Ratio etc. in the matter of OBR accounting including adjustments for substantial variation between Standard Ratio and Current Ratio of OBR. Since OBR

Overburden Removal (OBR)Adjustment are accounted for as per the accounting policy as disclosed under Note 33- Accounting Policy 16.0

AUDITOR'S REPORT**MANAGEMENT'S REPLY**

calculation is a technical assessment, we are unable to express our opinion on adequacy or correctness of the same (Refer Note. No. 4) .

V. ACCOUNTING POLICIES

During the year Accounting Policy of the company as regards rates of depreciation on certain fixed assets items has been changed and due to this depreciation for the year is overstated and profit for year and fixed assets are understated to the tune of Rs. Rs.0.22 Crores. (Refer note no.4 (R) of Additional Notes on Accounts – Note 34.)

This is a statement of fact, calls for no comments separately

VI. GENERAL

Balances in Trade Receivables / creditors /suppliers /advances / deposits are subject to confirmation/ reconciliation and subsequent adjustments, if any. However management has sent letters to sundry creditors/debtors but in few cases confirmations have been received from them.

Letters of confirmation of Balance have been sent to creditors/ suppliers/ Sundry Debtors on balances appeared in our books.

3. As required by section 227(3) of the Act and subjects to our remarks in paragraph 2 above read together with "Significant Accounting Policies"- Note 33 and "Additional Notes on Accounts"-Note 34, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been

AUDITOR'S REPORT**MANAGEMENT'S REPLY**

received from the offices not visited by us;

- c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 except otherwise stated in Significant Accounting Policies (Note 33) and Additional Notes on Accounts (Note 34).
- e) Since the Central Government has not issued any notification as to the rate at which the Cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

OPINION :

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 March 31, 2014;

AUDITOR'S REPORT

MANAGEMENT'S REPLY

- b) In the case of the Statement of Profit and Loss , of the profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flow for the year ended on that date.

Thanking you

Yours Faithfully

FOR PRAKASH & SANTOSH
Chartered Accountants

Sd/-

(CA Santosh Gupta)

Partner

Membership No. 016304

ICAI Firm Reg. No.000454C

Place: Singrauli

Date: 24th May, 2014

Sd/-

(Shantilata Sahu)

Chairman-cum-Managing Director

ANNEXURE TO AUDITOR'S REPORT

Referred to in Paragraph 'Report on Legal and Regulatory Requirements' of our report of even date in respect of Northern Coalfields Limited as at 31st March, 2014

AUDITOR'S REPORT	MANAGEMENT'S REPLY
<p>(i) (a) The company has maintained proper records showing full particulars including quantitative details and location of Fixed Assets in general. However, in the cases of furniture and fixtures, light fittings and office equipments, the same have not been specifically linked up with the Fixed Assets Register.</p> <p>(b) As explained to us, the physical verification of all items of fixed assets except overhead lines and underground cables have been carried out by the firms of Chartered Accountants/Cost Accountants during the year. In our opinion, the frequency of verifications of these assets is reasonable in relation to the size and operations of the company. No material discrepancies have been noticed by the management on such verification.</p> <p>(c) The company has not disposed off substantial part of fixed assets during the year, which would affect the going concern assumption of the Company.</p>	<p>This is a statement of fact, calls for no comments separately.</p> <p>This is a statement of fact, calls for no comments separately.</p> <p>This is a statement of fact, calls for no comments separately.</p>
<p>(ii) (a) The management has, at regular interval, conducted the physical verification of stock of coal. The physical verification of stock of coal has also been conducted at the end of the year by a team appointed by Coal India Ltd.. Physical verification of stores and spares has been conducted during the year by the firms of Chartered Accountants appointed for the purpose. In our opinion, the</p>	<p>This is a statement of fact, calls for no comments separately.</p>

AUDITOR'S REPORT**MANAGEMENT'S REPLY**

frequency of such physical verification is reasonable.

- | | | |
|-------|--|---|
| (b) | The procedures of physical verification of inventory followed by the management are in general reasonable and adequate in relation to the size of the company and nature of its business. | This is a statement of fact, calls for no comments separately. |
| (c) | The Company is maintaining proper records of Inventory. No material discrepancy was noticed on physical verification of closing stock of coal. The discrepancies noticed on physical verification of stores and spares have been adjusted and provided for in the accounts pending further scrutiny/enquiry. | This is a statement of fact, calls for no comments separately. |
| (iii) | (a) As informed to us, the Company has neither granted nor taken any secured or unsecured loans to /from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act 1956. | This is a statement of fact, calls for no comments separately. |
| | (b) As the Company has neither granted nor taken any loan and as such clauses (b) to clause (g) are not applicable to the Company. | This is a statement of fact, calls for no comments separately. |
| (iv) | In our opinion the Internal Control System with regard to purchase of inventory and fixed assets and for sale of coal needs to be strengthened to make it commensurate with the size of the Company and nature of its business in view of the following : | |
| a) | Time lag in adjustment of advances after receipt of material, non-linking of advances with corresponding liability, thereby resulting in accumulation of unadjusted advances and liabilities. | As a policy and practice, on receipt of materials DRR are prepared and advances are adjusted/ liabilities are created wherever necessary. |
| b) | Obtaining of periodic confirmation/ reconciliation of outstanding balances appearing under Current and Non Current Assets and Current and Non Current Liabilities. | Letters of confirmation of Outstanding Balance have been sent to the creditors/ suppliers/ Sundry Debtors appeared in our books. |

AUDITOR'S REPORT	MANAGEMENT'S REPLY
<p>c) Internal Control on purchases made by the Holding Company on behalf of the Company could not be commented upon by us in the absence of any detailed information of the same.</p>	<p>The Purchases are made by the Holding Company on behalf of the company as per the purchases manual after observing the laid down policies/ guidelines/circulars etc. issued by the CIL and government.</p>
<p>d) Follow up of advances to suppliers.</p> <p>As per our test checks and as reported by the Branch Auditors, we have not observed any continuing failure to correct major weaknesses in the internal control system during the course of our audit.</p>	<p>No Comments</p>
<p>(v) As informed to us and according to the information and explanations given to us, there are no transactions in pursuance of contract or arrangements entered in the register maintained under section 301 of the Companies Act 1956. Accordingly, Clause 4(V)(b) of the order is not applicable.</p>	<p>This is a statement of fact, calls for no comments separately.</p>
<p>(vi) The Company has not accepted any deposits from Public within the meaning of section 58A and 58AA or any other relevant provisions of the Act and rules framed there under.</p>	<p>This is a statement of fact, calls for no comments separately.</p>
<p>(vii) The Company has an internal audit system. In our opinion and as also reported by Branch Auditors, scope and frequency of Audit and timely submission of reports and compliance thereof needs to be strengthened and improved to make it effective for timely action by the management.</p>	<p>From 01.04.2011 Internal Auditors have been appointed for continuous audit for the whole financial year with submission of monthly reports.</p>
<p>(viii) We have broadly reviewed the books of account maintained by the company in respect of products where, pursuant to the rules made by the Central Government, the maintenance of cost records has been prescribed under section 209(1)(d) of the Companies Act, 1956 and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not</p>	<p>No Comments</p>

AUDITOR'S REPORT

MANAGEMENT'S REPLY

made a detailed examination of such records with a view to determine whether they are accurate or complete.

- (ix) (a) According to the information and explanation given to us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom duty, Excise Duty, Cess and any other statutory dues as applicable to the Company with the appropriate authorities. As informed to us, the provision of Employees State Insurance Act is not applicable to the Company. Further as per information and explanations given to us, no undisputed amount payable in respect of the aforesaid dues were outstanding as at 31st March, 2014 for a period of more than six months from the date they became payable.
- (b) According to information and explanations given to us, the following dues in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom duty, Excise Duty/Cess have not been deposited on account of dispute :

This is a statement of fact, calls for no comments separately.

This is a statement of fact, calls for no comments separately.

(Rs. in Crores)

Name of the Statute	Nature of the Dues	Amount	Period to which the amount Relates	Forum where dispute is pending
Finance Act, 1994	Interest and Penalty on Service Tax	2.78	01.01.2005 to 29.02.2008	CESTAT, New Delhi
MPGATSVA	MPGAT & Sales Tax Thereon	40.34	30.09.2005 to 31.03.2012	Supreme Court of India
Central Sales Tax Act/MP VAT Act/UP VAT Act/ UP MP Entry Tax Act	Central Sales Tax/ Sate VAT	630.75	For various years	At various forums
		107.17	For various years	At various forums
Income Tax Act, 1961		13.12	For	CIT (Appeals) Jabalpur
		990.77	A.Y.2002-03	
		1018.65	A.Y.2010-11	
		2022.54	A.Y.2011-12	

AUDITOR'S REPORT	MANAGEMENT'S REPLY
(x). The Company has no accumulated losses as at 31st March, 2014 and has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.	This is a statement of fact, calls for no comments separately.
(xi). As per the information and explanations given to us, the Company has not defaulted in repayment of debt dues to the financial institutions or banks or debenture holders.	This is a statement of fact, calls for no comments separately.
(xii). We have been informed that the Company has not granted any loans and advances on the basis of any security by way of pledge of shares, debentures and other securities during the year.	This is a statement of fact, calls for no comments separately.
(xiii). The Company is not a Chit Fund or a Nidhi/ Mutual Benefit Fund/Society.	This is a statement of fact, calls for no comments separately.
(xiv). The Company is not dealing or trading in shares, securities, debentures and other investments.	This is a statement of fact, calls for no comments separately.
(xv). According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. However, a charge has been created against the Current Assets comprising of book debts, stock of raw materials, semi-finished and finished goods, stores & spares not relating to plant & machinery (consumables, stores & spares) of the Company amounting to Rs. 165.00 Crores in favour of State Bank of India and members of its consortium.	This is a statement of fact, calls for no comments separately.
(xvi). The company has not taken any term loan during the year.	This is a statement of fact, calls for no comments separately.
(xvii). According to the information and explanations given to us and on the basis of an overall examination of Balance Sheet of the Company, we report that Company has not raised any short-term funds and used it for long-term investments during the year.	This is a statement of fact, calls for no comments separately.
(xviii). During the year, the Company has not made any preferential allotment of shares	This is a statement of fact, calls for no comments separately.

AUDITOR'S REPORT

MANAGEMENT'S REPLY

to parties and companies covered in the register maintained under section 301 of the Companies Act.

- | | |
|---|--|
| (xix) The Company has not issued any debentures during the period covered by our report. | This is a statement of fact, calls for no comments separately. |
| (xx). The Company has not raised any money by way of Public Issue. | This is a statement of fact, calls for no comments separately. |
| (xxi). Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management. | This is a statement of fact, calls for no comments separately. |

Thanking you

Yours Faithfully

For **Prakash & Santosh**
Chartered Accountants
ICAI Firm Reg. No.000454C

Sd/-
(CA. Santosh Gupta)

Partner
Membership No. 016304
ICAI Firm Reg. No. 000454C

Sd/-
(Shantilata Sahu)
Chairman-cum-Managing Director

Date: 24th May, 2014

Place: Singrauli

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL
OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT,
1956 ON THE ACCOUNTS OF NORTHERN COALFIELDS LTD.
FOR THE YEAR ENDED
31 MARCH 2014**

The preparation of financial statements of Northern Coalfields Limited for the year ended 31st March 2014 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under section 227 of the Companies Act, 1956 based on independent audit in accordance with the standards on auditing prescribed by their professional body the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 24.05.2014.

I, on behalf of the Comptroller and Auditor General of India have conducted a supplementary audit under section 619(3) (b) of the Companies Act, 1956 of the financial statements of Northern Coalfields Limited for the year ended 31st March 2014. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors report under section 619(4) of the Companies Act, 1956.

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

Sd/-

(Yashodhara Ray Chaudhury)

Pr. Director of Commercial Audit &

Ex-officio Member, Audit Board-II

Kolkata

Kolkata,

Dated : 03.06.2014



Northern Coalfields Limited

PO : Singrauli Colliery

Dist. : Singrauli - 486 889 (MP)



www.ncl.nic.in