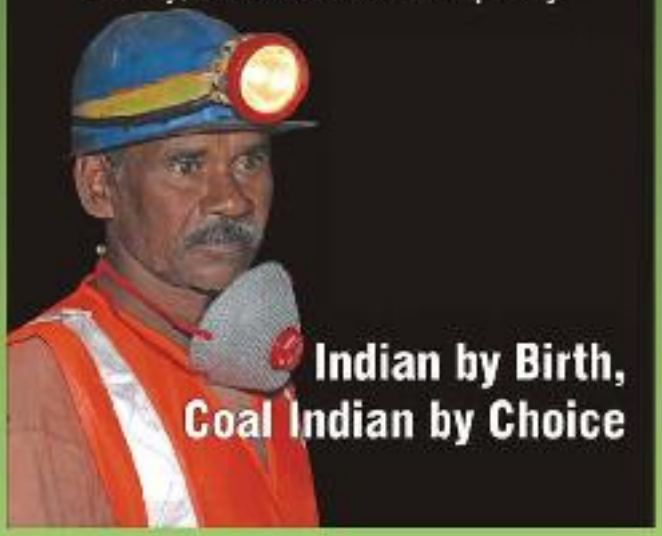
Your Company

VISION

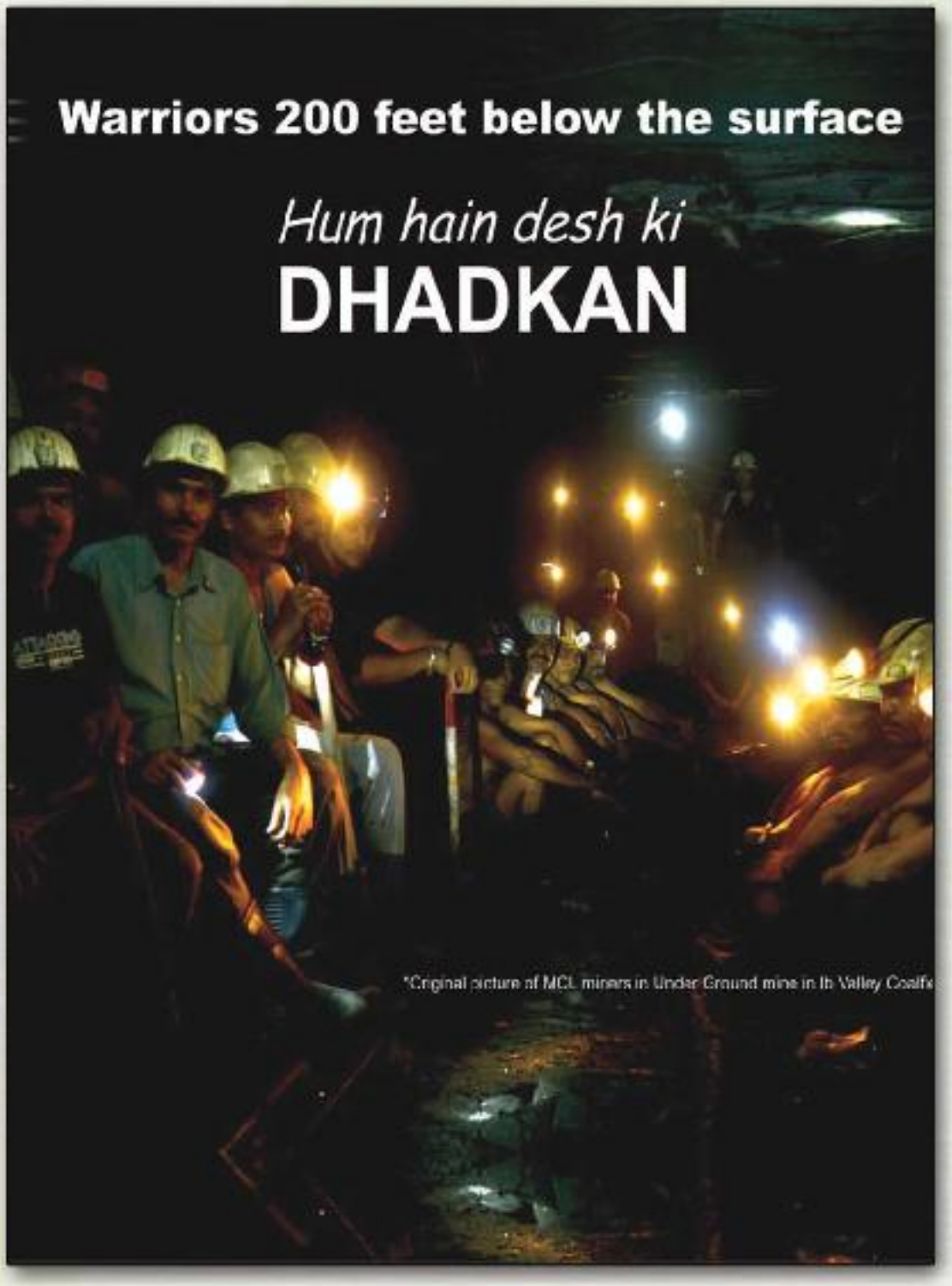
To be one of the leading energy suppliers in the world through best practices from mine to market.

MISSION

To produce and market the planned quantity of coal and coal products efficiently and economically in an eco-friendly manner with due regard to safety, conservation and quality.



- Born on April 3, 1992, as eighth subsidiary of 'Maharatna' Coal India Limited.
- Producing 110.440 million tonnes of coal during financial year 2013-14.
- Crowned as 2nd largest dry fuel producer & supplier in India.
- Operates 6 UG & 16 OC coal mines in Odisha.
- A socially-responsible guardian of over 22,000 strong people.


Warriors 200 feet below the surface
Hum hain desh ki
DHADKAN
*Original picture of MCL miners in Under Ground mine in Ib Valley Coalfi

FINANCIAL HIGHLIGHTS FOR LAST 5 YEARS

Particulars	Unit	2013-14	2012-13	2011-12	2010-11	2009-10
Production of coal	MT	110.440	107.89	103.12	100.28	104.08
Despatch of coal	MT	114.340	111.96	102.52	102.09	98.13
Sale of coal	Rs. Crore	13165.61	13190.42	12068.60	9249.75	7466.56
PBT	Rs. Crore	5429.08	6202.48	5463.69	4039.30	2950.58
PAT	Rs. Crore	3624.30	4212.44	3709.51	2609.32	1946.69
Interim Dividend	Rs. Crore	5983.16	1500.52	1006.56	400.02	500.00
Proposed Dividend	Rs. Crore	-	1028.93	1219.99	1170.00	669.00
Retained Earnings	Rs. Crore	3434.26	1209.03	1076.14	773.92	554.56
Net fixed Assets	Rs. Crore	2788.58	2212.52	2048.05	2019.19	1589.69
Net worth	Rs. Crore	5563.42	8939.12	7674.42	6548.14	5769.60
Long Term loans	Rs. Crore	9.14	96.60	119.42	124.13	150.79
Capital Employed	Rs. Crore	14248.04	16208.23	14211.30	11704.47	5305.38
Return on capital employed	%	25%	26%	26%	22%	37%
Value addition	Rs. Crore	9153.60	9206.31	8825.63	6945.30	5594.64
Face value per share	Rs.	1000.00	1000.00	1000.00	1000.00	1000.00
Book value per share	Rs.	29846.53	47956.42	41171.58	35129.34	30952.64
Dividend per share	Rs.	32098.34	13569.95	11944.95	8422.81	6271.43
Earning Per Share	Rs.	19443.58	22598.82	19900.71	13998.43	10443.57

MCL STANDALONE PERFORMANCE FOR THE YEAR 2013-14

Gross Margin/Gross Block (%)	1.04
Net Profit/Net Worth (%)	0.652
Gross Profit/Capital employed (%)	0.379
Gross margin (Rs. Crores)	5714.97
Net Sales (Rs. Crores)	9989.67
PBDIT/Total Employement (%)	0.257
Value added by Net Sales (%)	0.428
Reduction of cost of production (Rs./T) in real terms (%) (% of cost per tonne of 2012-13)	9.66 %

CONTENTS

Sl.No.		Page No.
1.	Management/Bankers/Auditors	1
2.	Notice	4
3.	Chairman's Statement	5
4.	Director's Report	11
5.	Report on Corporate Governance	70
6.	Management Discussion and Analysis Report	80
7.	Comments of the Comptroller & Auditor General of India	85
8.	Cost Audit Report	86
9.	Report on Performance against MoU Parameters	88
10.	Auditor's Report	105
11.	Management Reply to Auditor's Report	111
12.	Balance Sheet as at 31st March, 2014	121
13.	Profit & Loss Statement for the year ending 31st March, 2014	123
14.	Notes forming part of the Balance Sheet and Profit & Loss Statement	124
15.	Cash Flow Statement	180
16.	Consolidated Accounts of MCL and its Subsidiaries	182

Board of Directors

(As on 9th June, 2014)

Shri A.N. Sahay
Chairman-cum-Managing Director

FUNCTIONAL DIRECTORS

Shri A.K. Tiwari

Shri J.P. Singh

Shri P.C. Panigrahi

GOVERNMENT NOMINEE

Shri S.K. Singh

OFFICIAL PART-TIME DIRECTOR

Shri B.K. Saxena

PERMANENT INVITEE

Shri G.D. Brahma

PRESENT MANAGEMENT

(As on 09.06.2014)

CHAIRMAN-CUM-MANAGING DIRECTOR	:	Shri A. N. Sahay
FUNCTIONAL DIRECTORS	:	Shri A. K. Tiwari Director (Tech/Operation)
		Shri J.P. Singh Director (Tech/P&P)
		Shri P.C. Panigrahi Director (Personnel)
OFFICIAL PART-TIME DIRECTORS	:	Shri S. K. Singh Joint Secretary, Ministry of Coal, New Delhi.
		Shri B. K. Saxena, Director (Marketing), CIL, Kolkata
PERMANENT INVITEE	:	Shri G. D. Brahma COM, East Coast Railway, Bhubaneswar
CHIEF FINANCE OFFICER	:	Shri S. Kannan
COMPANY SECRETARY	:	Shri. A. K. Singh

MANAGEMENT DURING 2013-14

CHAIRMAN-CUM-MANAGING DIRECTOR	:	Shri A. N. Sahay
FUNCTIONAL DIRECTORS	:	Shri A. K. Singh Director (Tech/P&P) (Upto 17.06.2013)
		Shri A. K. Tiwari Director (Tech/Op)
		Shri K. Biswal Director(Finance) (Upto 09.12.2013)
		Shri J.P. Singh Director(Tech/P&P) (w.e.f. 01.06.2013)
		Shri P.C. Panigrahi Director (Personnel) (w.e.f. 30.07.2013)
OFFICIAL PART-TIME DIRECTORS	:	Shri S. K. Singh Joint Secretary, Ministry of Coal, New Delhi.
		Shri B. K. Saxena, Director (Marketing), CIL, Kolkata.
NON-OFFICIAL PART-TIME DIRECTORS	:	Dr. A.K. Rath (upto 27.04.2013)
		Shri M. B. Sridharan (upto 27.04.2013)
		Dr. Ashok Kumar (upto 22.02.2014)
		Shri Abdul Kalam (upto 22.02.2014)
PERMANENT INVITEE	:	Shri G. D. Brahma COM, East Coast Railway, Bhubaneswar.
CHIEF FINANCE OFFICER	:	Shri S. Kannan (w.e.f. 24.12.2013)
COMPANY SECRETARY	:	Shri. A. K. Singh

Bankers

State Bank of India,
UCO Bank,
Canara Bank,
Punjab National Bank,
United Bank of India,
Indian Overseas Bank,
Union Bank of India,
Bank of India,
ICICI Bank,
Andhra Bank,
Bank of Baroda,
AXIS Bank,
IDBI Bank,
HDFC Bank,
Central Bank of India,
Oriental Bank of Commerce,
Allahabad Bank,
Syndicate Bank,
Corporation Bank
Bank of Maharashtra

Statutory Auditors

M/s PAMS & Associates.
Chartered Accountants, Cuttack

Branch Auditors

M/s SCM Associates
Chartered Accountants, Bhubaneswar.

Cost Auditor

M/s Niran & Co.
Cost Accountants, Bhubaneswar.

Branch Cost Auditor

M/s Mani & Co.
Cost Accountants, Bhubaneswar.

Registered Office

At/Po. Jagruti Vihar, Burla,
Sambalpur- 768020, Odisha
Website : **www.mcl.gov.in**

NOTICE

TWENTY SECOND ANNUAL GENERAL MEETING

Notice is hereby given that the 22nd Annual General Meeting of Mahanadi Coalfields Limited will be held at 11.00 AM on Monday the 9th June, 2014 at Registered Office of the Company, At/Po- Jagruti Vihar, Burla, Sambalpur-768020, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Accounts for the year ended 31st March, 2014, Report of the Auditors thereon and Directors' Report.
2. To declare Dividend.
3. To appoint Directors in place of Shri Shailesh Ku. Singh, Director and Shri B.K.Saxena, Director who retire in terms of Article 34 e (iii) of the Articles of Association of the Company and are eligible for re-appointment.
4. To sanction remuneration, as decided by the Board, payable to M/s PAMS & Associates, Chartered Accountants, Cuttack, the Principal Auditor and M/s SCM Associates,Chartered Accountants, Bhubaneswar, the Branch Auditor who were appointed by the C&AG of India for the Financial Year, 2013-2014 by passing the following resolution :

"RESOLVED that pursuant to the provisions of Section 142(1) and other applicable provisions, if any of the Companies Act, 2013, the sanction be and is hereby accorded for payment of remuneration and reimbursement of T.A. & out of pocket expenses as decided by the Board of Directors to M/s PAMS & Associates, Chartered Accountants, Bhubaneswar, the Principal Auditor and M/s SCM Associates,Chartered Accountants, Bhubaneswar, the Branch Auditor in connection with the audit of Accounts of the Company for the financial year 2013-14."

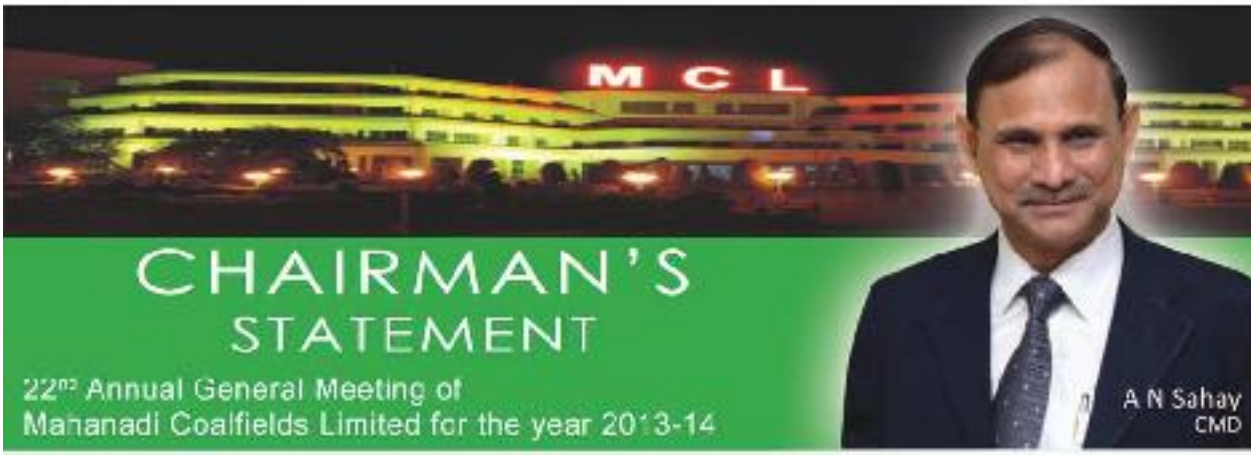
By order of the Board of Directors
For Mahanadi Coalfields Limited
Sd/-
(A.K.Singh)
Company Secretary

REGISTERED OFFICE :
Jagruti Vihar, Burla, Sambalpur – 768020

NOTE :

1) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.

2) The Shareholders are requested to give their consent for calling the Annual General Meeting at a shorter notice pursuant to the Provisions under Section 101(1) of the Companies Act, 2013.



Friends,

It gives me immense pleasure in welcoming you to the 22nd Annual General Meeting of Mahanadi Coalfields Limited. The Report of the Directors, Audited Accounts for the year 2013-14 combined with the Report of the Statutory Auditors and the Report and Review of the Comptroller & Auditor General of India are already circulated to you. With your permission, I would like to take them as read.

India is one of the fastest growing economy in the world. Coal continues to dominate the energy scene in 21st Century and contributes over 55% of India's total primary energy production. As the Nation counts on us as a coal producer, we are committed to play significant role in the development of Nation. We strive hard to achieve all round excellence in terms of production of coal, OB, productivity, despatch and all other physical parameters in the globally competitive environment through best practices from mine to market.

OVERVIEW OF MCL PERFORMANCE 2013-14

Your Company has been able to perform remarkably well during the year 2013-14. The fact that your Company has acquired much stronger growth momentum in the recent past makes this occasion very special. The Company had achieved a record coal production of 110.440 million tonnes of coal and registered a growth of 2.36% over the previous year. Coal off-take of MCL during the period was 114.34 million tonnes, which showed a growth of 2.13% as compared to last year. OB removal during the year was 96.03 M.Cum., which showed 6.27% growth over last year.

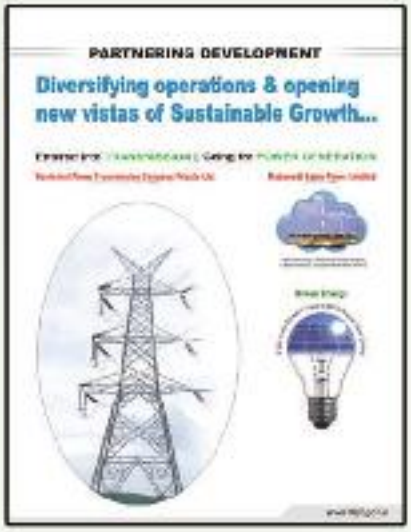
The economic slow down in the country has adversely affected the Indian economy. Your company had also been affected by the economic slow down. Your company has recorded Gross Sales of ₹ 13165.51 Crore and Profit after Tax of has been ₹ 3624.30 Crore for the year under review. Your company has recommended a special dividend of ₹ 32098.35 per equity share on a face value of ₹ 1000.00 per share for the year as compared to ₹ 13500.00 per equity share during previous year. The total outflow on account of dividend was ₹ 7000 Crore comprising ₹ 5983.16 Crore as dividend and ₹ 1016.84 Crore towards tax on dividend paid to CIL.

During the year under review, the productivity in terms of Output per Manshift (OMS) has improved. MCL has achieved 16.69 Te of OMS against 16.07 Te in the year 2012-13. It needs a special mention that there has been continuous improvement in coal sale realization and total realization during 2013-14 was ₹ 13284.43 Crore which works out to be 100.90% on current year's gross sales.

1. PROJECT PROFILE

There are 48 sanctioned mining projects in MCL. The ultimate production capacity of these sanctioned projects is 202.81 Mty. with a sanctioned capital outlay of ₹ 6147.33 Crore, out of which 33 projects have been completed with a capacity of 93.48. Mty and sanctioned capital outlay of ₹ 2642.17 Crore. Out of the 33 completed projects, 2 have been exhausted (Balanda OCP and Basundhara-East OCP). There are 15 on-going projects with a capital outlay of ₹ 3505.16 Crore with an ultimate capacity of 109.33 Mty. As a forward looking Company, MCL believes that its infrastructural base needs to be strengthened by setting up CHP/SILOs, RLS, Concrete Transport Roads and Railway Sidings etc.

2. DIVERSIFICATION



Diversification and expanding horizon of Business to maximise the gain and meet the challenges that lie ahead and to meet the expectation of all our stakeholders, necessitates transformation in our approach. Transformation at MCL is about institutionalising the competencies and capabilities of our Organization and people, expanding the breadth and efficiency of our businesses and to create value for all our stakeholders and to reinvent ourselves to harness the tremendous opportunities on our continuous path of value creation. Towards gainful utilization of coal deposit at Basundhara, Sundargarh, your Company has envisaged coal-based Thermal Power Plant of 1600 (2X800) MW with super-critical technology. Mahanadi Basin Power Limited (MBPL) formed for this purpose has achieved several milestones towards installation of power plant. EIA study has been completed and coal linkage has been in principle accepted by MoC. MoEF has already accorded terms of Reference (ToR) clearance to go ahead with power project. Water resources Department (WRD) of the Govt. of Odisha was approached for water allocation to the project. In the First phase of allocation, WRD has agreed to provide 25 cusec water to the proposed project & allocation of balance 25 cusec is under active consideration of WRD. The proposal of EMP is submitted to MoEF for hearing and Clearance. Final DPR of the project is being prepared by PFCC Ltd. MCL Board has already accorded “in principle” approval for 100% equity participation in MBPL. Long awaited 220 KW Power Transmission line from Budhipadar to Basundhara Area has become operational during the 2012-13 relieving the Area from power crisis. Now, Basundhara Area is getting un-interrupted power supply from Garjanbahal Sub-station.

Your Company ventured into Power Transmission Business in the State of Odisha for better utilisation of surplus fund along with development of infrastructure in the State of Odisha. Accordingly, a Joint Venture Company namely, Neelanchal Power Transmission Company Private Limited (NPTCPL) has been formed with Orissa Power Transmission Company Ltd.

Your Company is going to install 2MW Photovoltaic Solar Power Plant at Anand Vihar, Burla, Sambalpur in the first quarter of 2014-15 to mark its presence in renewable energy sector.

3. MANAGEMENT BY VALUE

Process innovations and new initiatives are its most critical success factors for any organisation. We at MCL have initiated many changes in business processes right from production to dispatch of coal. MCL pioneers in institution building and it stands apart among other Subsidiaries of CIL when it comes to deployment of surface miner or e-mode of tendering for procurement or other contracts. Your company is first in INDIA to introduce Auto refund of EMD for unsuccessful bidders/ suppliers on-line. Recognizing the fact that the delay in refund of Earnest Money Deposit(EMD), was adversely affecting the morale of the supplier/tenderer, a System driven refund mechanism has been launched in the month of October 2013. By this mechanism the EMDs to the tune of ₹ 65,68,214.00 (from 15th October, 2013 to 31st March 2014) have been refunded to the Suppliers/bidders' on auto-mode once they were declared as unsuccessful/rejected bidders.

3.1 Product and Service Quality

It has been a constant endeavour for MCL to ensure quality across its entire value chain so that customer satisfaction is maintained at all cost. Conventional mining methodologies are being strategically replaced by new technologies. As per decision taken by Coal India Limited for installation of washeries on Build, Operate & Maintain basis for economic washing of high ash coal, MCL has proposed to install 4 numbers of 10.0Mty Washeries each on Build-Operate & Maintain(BOM) basis viz, Hingula washery, Basundhara washery, Jagannath washery & IB Valley washery at Lakhanpur. This will enable us to supply quality coal to our esteemed consumers as per their requirement. Systemic change anticipated in handling and transportation of coal through CHPs and SILOs will ensure appropriate quantity of (-) 100mm coal at a faster rate of loading into rakes. Infrastructure for sampling and GCV determination of coal has been upgraded with procurement of 18 Auto Bomb Calorimeters.

In the year 2012-13, the company-wide Integrated Management System (IMS) of your Company was accredited with 9001:2008-Quality Management System, ISO 14001:2004-Environmental Management System and OHSAS 18001:2007-Occupational Health Management System which conformed to all the applicable international standards. These systems are in operation and contributing towards excellence.

3.2 Safety

'Safe Mining' is one of the core capabilities of your Company which has been attained through continuous practice of safety methods and techniques. Having a 'Zero Accident' target, your Company prepares, plans, and equips itself on a regular basis to ensure that the 'Zero Accident' target is best achieved and becomes the motivating force for the employees to be more productive. During F.Y. 2013-14, one case of fatal accident has been reported. The sharp decrease can be ascribed to sincere efforts on the part of the Company to achieve 'Zero Accident'. Our efforts in this direction inter-alia include making available proper safety equipment, training, R&D and strict monitoring of safety related compliances. Your Company strives hard to provide a safe work environment to all its employees and never compromises with safety standards in any mining operation.

Further, to overcome any un-anticipated happening during mining operation, your Company has fully equipped all its rescue stations and has deployed sufficient rescue trained workforce. Your Company firmly believes that safety and productivity cannot be separated and tries to strike a fine balance between production as well as safety at work place.

3.3 Corporate Governance

The year under report was another excellent year as far Corporate Governance is concerned. Implementation of DPE Guidelines has been relatively more wide spread and deep rooted compared to the previous year. All the Board Sub-committees that are assigned with specific roles have been performing at their best and providing necessary support to the Board. There has been marked change in the Board effectiveness due to fast decision making, auditing and reporting systems being in place. Your Board is focused towards long-term sustainability of the Company and towards that end is committed to provide ethical and responsible leadership to the maximum possible extent.

Believing that 'Good Governance' is the hallmark of successful Companies, MCL endeavours to incorporate best practices relating to Corporate Governance into its system.

3.4 Substainable Mining

Your Company strives hard to hold its public image as a "Green Champion" in the region. Needless to emphasize, MCL has become the first coal producing Company in India to come out with a Corporate Sustainability Report also known as Business Responsibility Report.

This year the company has published its second Sustainability report titled "Harnessing Resources Harnessing Progress". This report enabled by M/s Green Evangelist, Bangalore is as per the globally accepted GRI 3.1 guidelines and GRI's mining and metal sector supplement (MMSS), and confirms to the GRI requirement for the Application Level B.

The report covers data across more than 20 core parameters (covering Social, Environment, Economic, Human rights, labour, Society etc aspects) and clearly demonstrates MCL's strategic commitment to its stakeholders and how it intends focussing on environmental issues and social responsibility on its path of economic progress.

MCL's stronger commitment to Sustainable Development (SD) is transforming the firm's foundation that drives all its activities. DPE Guidelines on SD have been taken with utmost sincerity and some alarming issues are being addressed through rain water harvesting, energy conservation, solar power generation, intensive afforestation, reduction in carbon footprint due to adoption of eco friendly technology etc.

3.5 R&R

Your Company is committed to adequately compensate the project affected/displaced families for execution of its projects and has been making considerable efforts to improve their socio-economic status and is also committed for economic progress with social development which is amply reflected in its R&R Policy. Your Company follows R&R Policy of the State of Odisha and has provided 580 employments during 2013-14 and total 11445 numbers of employments have been provided since inception. Resettlement colonies have been set up with pucca roads, street lights, health centres, post offices, daily markets, schools, community centres, worshiping places etc. to ensure healthy community living. MCL provides OPD facility to all peripheral villagers in its existing hospitals/dispensaries at a nominal charge of ₹ 2.00 per patient.

The Company has also introduced new schemes like Co-operative societies for PAPs, higher compensation for resettlement, higher lump-sum amount / annuity scheme in lieu of employment etc.

3.6 CSR

Your Company, as a Corporate Citizen, is fully aware of its corporate social responsibilities and reaffirms the corporate motto of 'Growing with Surroundings' which goes in sync with the national agenda of 'Inclusive Growth'. Your Company believes that trustworthy relationship with the host communities leads to mutual development with greater satisfaction. MCL's impeccable track record as a socially responsible Company is once again well proven with range of CSR activities going multi-fold along with increasing budgetary allocation every year.

As a good corporate citizen, MCL is taking up different Socio-Economic Development works through its well defined CSR Policy introduced from the year 2010-11 to cover maximum nos. of beneficiaries of the poorest section of society. Since its inception, your Company has taken up various activities extending financial assistance for Water Supply Schemes, construction/repair of public utility roads, construction of community centre, check dams etc. through infrastructure development, social empowerment through Girls education, imparting training to weaker section and vocational training to un-employed youth/PAPS, render preventive health programme, village health programme, family welfare programme and medical facility to peripheral villages through mobile medical van on regular basis.

MCL emphasised on sensitisation capacity building through conducting regular training programme, Discussions, Seminars etc.

MCL has spent ₹ 111.48 Crore for the year 2013-14 towards CSR activities as per CIL and MCL's CSR Policy. This comes to 3.08% of the PAT of ₹ 3624.30 Crore of the company against mandatory requirement of 2% as per Statute.

SOME OF THE MAJOR CSR ACTIVITIES UNDER TAKEN IN 2013-14 ARE :

Establishment of a Medical College at Talcher i.e Mahanadi Institute Medical Science and Research with annual intake of 50 students and conversion of 115 bedded existing Hospital to 500 bedded Multi-specialty Hospital.

Construction of additional 2nd floor of Ladies Hostel, Veer Surendra Sai University of Technology, Burla at a cost of ₹ 1.69 Crore.

Water supply through mobile tanker during summer of 2013 to 291 peripheral villages & 18 Municipal wards at a cost of ₹ 5.89Crore.

Widening and strengthening of Balinga Taparia Road is in progress (from Chainage 2.24 Km to 7 Km- Phase I and from Chainage 7 Km to 15.70 Km-Phase II and from Chainage 15.70 Km to 24.20 Km Phase III) at a cost of ₹ 26.9132 Crore.

Construction of 150 seated Ladies Hostel for Sambalpur University at a cost of ₹ 4.79 Crore.

Rope way project from Nehru Park up to Gandhi Minar at Hirakud side of Dam at a cost of ₹ 5.00 Crore - through District Authority.

Construction of Stadium at Jharsuguda at a cost of ₹ 14.76 Crore and construction of Boundary wall along with sentry post of the Stadium at a cost of ₹ 1.76 Crore is in progress - through District Authority.

Improvement of Water supply System of Brajraj Nagar Town, Jharsuguda at a cost of ₹ 8.88 Crore- through District Authority.

Construction of Community Centre at Jharsuguda Town at cost of '₹ 7.20 Crore has been taken up through District authority.

Development works towards Sports, electricity, communication, drinking water, education, digging of ponds, Building for Community utility, plantation etc. at Kolabira, Laikerea, Kirmira, and Jharsuguda block of Jharsuguda District taken up at a cost ₹ 20.00 Crore through District Authority.

Construction of a New Bus Stand at Jharsuguda Town at a cost of ₹ 5.00 Crore through District authority.

Promotion of Hockey in Odisha in Partnership with IDCO as a part of CSR Sports Initiative of MCL at a cost of ₹ 6.00 Crore.

Providing financial support of ₹ 4.00 Crore to VSS Medical College & Hospital for procurement of a 64 Slice CT Scan Machine.

Financial assistance of ₹ 5.00 Crore to Chief Ministers Relief Fund, Uttarakhand for the rehabilitation activities in the flood affected area in the state of Uttarakhand.

5. EXPECTATION

We hope that the way we build around our resources and capabilities will certainly bring us more success in the years to come and by continuously doing so we can meet the expectation of our numerous stakeholders including the expectation of the Nation.

6. ACKNOWLEDGEMENT

I express my most sincere thanks to, all the shareholders of the Company, Ministry of Coal, Govt. of India, Coal India Limited, various Central Government Authorities, State Government Authorities, People's Representatives, Local Bodies, all Employees and their Unions, Our Valued Customers, Suppliers and Media for their timely support and co-operation.

Sambalpur
Date: 03.06.2014

(A. N. SAHAY)
Chairman-cum-Managing Director

DIRECTORS' REPORT

To
The Shareholders,
Mahanadi Coalfields Limited,

Dear Shareholders,

I have great pleasure in presenting on behalf of the Board of Directors, the 22nd Annual Report of your Company together with the Audited Accounts for the year ended 31st March, 2014 along with the report of the Statutory Auditors and the Comments of the Comptroller & Auditor General of India.

Your Company had excelled in almost all fronts. This was yet another successful year in terms of productivity, production of coal, OB and Despatch.

2. ORGANISATION

2.1 The coal reserve of Mahanadi Coalfields Limited is spread over two Coalfields viz., Talcher and IB Valley with Ten (10) operating Areas consisting of Six (6) Underground and Sixteen (16) Open Cast Projects. The operating Areas are as under:

A. Talcher Coalfields

i) Jagannath Area
ii) Bharatpur Area
iii) Hingula Area
iv) Lingaraj Area
v) Kaniha Area
vi) Talcher Area

B. IB Valley Coalfields

i) Lakhanpur Area
ii) IB Valley Area
iii) Basundhara-Garjanbahal Area
iv) Orient Area

2.2 Besides, MCL has formed three Subsidiary Companies and one Joint Venture Company in the recent past, namely :

i) MNH Shakti Limited
ii) MJSJ Coal Limited
iii) Mahanadi Basin Power Limited (SPV)
iv) Neelanchal Power Transmission Company Pvt. Limited. (JV)

3. PERFORMANCE HIGHLIGHTS

- The Company achieved a Gross Sales Value of ₹13165.51Crore against the previous year's Gross Sales of ₹13190.42 Crore.
- The coal production during the year was 110.440 Million Tonnes (MTe.) against previous year's production 107.890 MTe. Which registered an increase of 2.36% over the previous year.
- The productivity in terms of output per manshift (OMS) was 22.16 tonne in OC Mines which showed the growth of 3.84% as compared to previous year. OMS of underground mines was 0.84 tonne. The overall OMS of the financial year was 16.69 tonne as compared to 16.07 tonne in previous year indicating a growth of 3.86%.
- Due to lesser sale of coal through e-Auction, profit for the year has declined. The Profit Before Tax (PBT) during the year was ₹5429.08 Crore against previous year's PBT of ₹6202.48 Crore showing a negative growth of 12.47%.
- The Company has been consistent in payment of dividend since last nine years. Final dividend of ₹5983.16 Crore has been paid on Equity Share Capital, thereby registering a hike in dividend payout by ₹3453.71 Crore over the dividend paid for the previous year.

4. PRODUCTION PERFORMANCE

(a) Production performance of MCL for the financial year 2013-14 as compared to the target and achievement of the previous year is given below :

(Figs. in Mt.)

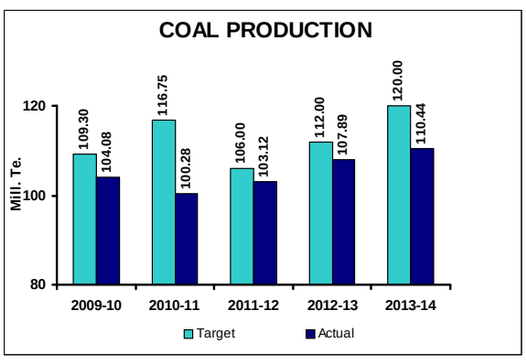
Production	2013-14		2012-13		%age against Target	%age Growth over Last Yr.
	Target	Actual	Target	Actual		
(I) Coal (MTe)						
Open-cast	118.00	109.01	109.55	106.22	92.4	2.63
Underground	2.00	1.43	2.45	1.68	71.6	-14.64
Total(OC+UG)	120.00	110.44	112.00	107.895	92.0	2.36
(ii) OBR (MM³)	109.75	96.028	105.00	90.361	87.5	6.27

(b) Production performance of MCL for last five years (incl. 2013-14) is appended below:

(i) Total Coal Production of MCL

(Figs. in Mt)

Production	2013-14		2012-13		%age against Target	%age Growth over Last Yr.
	Target	Actual	Target	Actual		
(I) Coal (MTe)						
Open-cast	118.00	109.01	109.55	106.22	92.4	2.63
Underground	2.00	1.43	2.45	1.68	71.6	-14.64
Total(OC+UG)	120.00	110.44	112.00	107.895	92.0	2.36
(ii) OBR (MM³)	109.75	96.028	105.00	90.361	87.5	6.27



(ii) Coal production by Surface Miner

(Figs. in Mt)

Financial Year	Production	Growth over last year Absolute	Growth over last year %age	%age share of coal Production by S. Miner of the Total Coal Prodn.
2009-10	50.52	6.32	14.3	48.5
2010-11	54.92	4.39	8.7	54.8
2011-12	59.13	4.21	7.7	57.3
2012-13	73.83	14.71	24.9	68.4
2013-14	86.46	12.63	17.1	78.3

(iii) OB Removal of MCL

(Figs. in MM³)

Financial Year	Exp. Target	Achieve-ment	Growth over last year Absolute	Growth over last year %age	%age Achieve-ment against Target
2009-10	86.00	66.07	14.22	27.43	76.8
2010-11	74.00	88.70	22.63	34.25	119.9
2011-12	100.00	85.67	-3.04	-3.42	85.7
2012-13	105.00	90.421	4.75	5.55	86.1
2013-14	109.75	96.03	5.61	6.20	87.5

Targetted Coal Production and OB removal could not be achieved due to land contrainst, R&R and Environment/Forestry clearance related issues. Coal production was restricted at Lakhanpur OCP due to non-availability of EC(from 15.0 MTY to 20.0 MTY). Production from Lajkura OCP was affected due to late receipt of consent to operate from SPCB, Bhubaneswar for enhanced capacity (3.0 MTY from 2.5 MTY production). Coal production of Bhubaneswari OCP was also affected due to delay in receipt of EC from 20.0 MTY to 25.0 MTY. Production at Rampur colliery was stopped w.e.f 27.06.2013 due to safety reasons, working face problems at Talcher Colliery and adverse geomining condition at Nandira Colliery. All the above factors had contributed to the negative growth of UG production. Target of OB removal not achieved, mainly, due to shortage of explosives in February / March, 2014 because of new Govt. guidelines, forestry clearance problem at Bharatpur OCP, delay in finalisation of OB contract of OB Lingaraj OCP, stoppage of OBR at Kulda OCP from 10.08.2013 to 09.11.2013 due to OB dump slide.

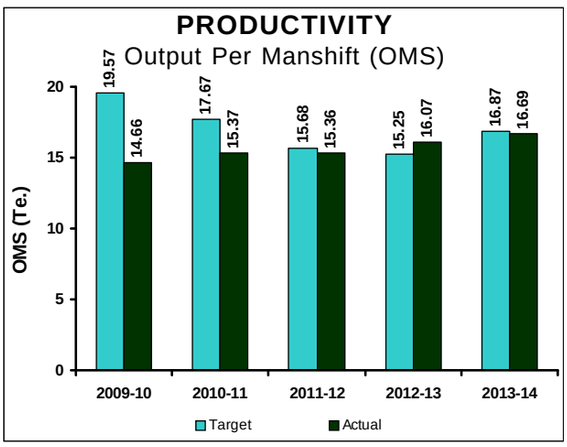
Overall growth of Coal production in 2013-14 over last year is 2.36% and that of OBR is 6.27%; however, UG coal production has (-)ve growth of 14.64% due to the above mentioned reasons.

5. PRODUCTIVITY

5.1 Your Company has also achieved productivity in terms of output per manshift (OMS) as given hereunder:

Fig.in Tonne/Manshift

Productivity (Te)	2013-14		2012-13		%age against Target	%age Growth over Last Yr.
	Target AAP	Actual	Target	Actual		
Open-cast	22.64	22.16	21.34	21.34	97.88	3.84
Underground	1.08	0.84	0.97	0.97	77.78	-13.40
Overall	16.87	16.69	16.07	16.07	98.93	3.86



5.2 The System Capacity utilization is 68.55% during 2013-14.

6. POPULATION AND PERFORMANCE OF HEMM

6.1 The details of availability and utilization of HEMM vis-à-vis target set by CMPDIL and achievement together with the fleet strength are given below:

i. *% Availability and Utilization achieved*

(figures in absolute)

Sl. No.	Equipment	Population as on 31.3.14	Population as on 31.3.13	% Availability April'13 to March'14	April'13 to March'14	CMPDIL Norm	April'13 to March'14	April'13 to March'14	CMPDIL Norm
1	Dragline	4	5	83	74	85	41	57	73
2	Shovel	87	79	71	75	80	35	37	58
3	Dumper	363	385	71	75	67	28	26	50
4	Dozer	116	118	64	67	70	27	27	45
5	Drill	94	94	87	86	78	23	31	40
	MCL Total	**664**	**681**						

ii. *Working Hours Achieved:*

Sl. No.	Equipment	Working Hours 2013-14	Working Hours 2012-13
1	Dragline	15762	19042
2	Shovel	205866	214990
3	Dumper	634669	665504
4	Dozer	208471	215920
5	Drill	91773	111173

iii.

(a) The availability of Shovel, Dumper and Dozer has decreased as compared to last year because the Shovels are very old, most of the new higher capacity BEML Shovels of model BE-1600 and Promtractor Dozers are underperforming since installation.

(b) The utilization have decreased in the case of Dragline, Shovel & Drill compared to last year are mainly due to non-availability of land in OCPs, lack of skilled personnel in operation and maintenance, restriction of working hours during summer and monsoon period.

iv. *Steps taken to improve the availabllity & utilization :*

1. Timely surveying off of major HEMMs and replacement procurement action against such surveyed off equipment.

2. Land acquisition, Law and Order problems are being taken up at various forums by MCL management.

3. To improve the technical skill specially for operating and maintaining new model equipment by conducting regular training programmes by OEMs.

4. Maintenance of Haul roads prior to monsoon period.

5. Special attention is being given to operator's comfort. New HEMMs which are being procured are fitted with Air-Conditioned cabins.

6. Incentive scheme has been introduced for higher productivity.

7. Daily production from HEMMs and their working hours are being closely monitored at Headquarters level.

8. Introduction of OITDS in Lingraj, Bharatpur and Balram OCPs.

9. Maintaining various float sub-assemblies like Engines, Transmissions etc in CWSs for replacement in exigency.

v. *Breakdown Status of HEMM:*

Equipment	Population		Breakdown>3 months	
	As on 31.03.14	As on 31.03.13	As on 31.03.14	As on 31.03.13
Dragline	4	5	0	0
Shovel	87	79	06	07
Dumper	363	385	64	40
Dozer	116	118	20	18
Drill	94	94	05	16
TOTAL	**664**	**681**	**95**	**81**

vi. *Equipment rehabilitated at Central Workshops:*

Area	Year	
	2013-14	2012-13
CWS-Talcher	01	00
CWS-Ib Valley	09	00
MCL Total	10	00

7. CAPACITY UTILIZATION *(OPEN CAST PROJECTS)*

Sl. No.	Description	Capacity (based on 1st April of the year) 2013-14	2013-14	Growth over Last year
1	Department Capacity (M.Cum)	94.41	96.25	-1.91%
2	System Capacity (M.Cum)	235.18	203.91	15.33%
3	Departmental Production (M.Cum)	55.013	56.732	-3.03%
4	Total Production (M.Cum)	161.47	155.77	3.66%
5	Departmental Capacity Utilization	58%	59%	-1.00%
6	System Capacity Utilization	68.66%	72.6%	-3.94%

8. POWER

8.1 **Talcher Coalfields** : Power is received at Nandira 3X20 MVA, 132/33 kV, Grid Sub-station through an 11 KM long 132 kV Double Circuit over-head transmission line from GRIDCO's Angul Sub-station, under the command area of Central Electricity Supply Utility of Orissa with Contract Demand of 31.0 MVA.

8.2 **IB Valley Coalfields**: Power is received at Jorabaga 3 X 20 MVA, 132 / 33 kV, Grid Sub-Station through a 19 KM long 132 kV Double Circuit over-head transmission line from GRIDCO's Budhipadar Sub-station, under the command area of Western Electricity Supply Company of Orissa (WESCO) Ltd. with a Contract Demand of 22.25 MVA.

8.3 **Basundhara Coalfields**: Basundhara Area is receiving power from Budipadar Sub-station under the command area of Western Electricity Supply Company of Orissa (WESCO) Ltd. at 220 kV with a Contract Demand of 5 MVA. One of the Transformer of the 3X20 MVA, 220/33 kV Sub-station at Basundhara was commissioned on 22/11/2012. The second Transformer is expected to be commissioned by August, 2014. The 220 kV Single Circuit Overhead Transmission Line connecting the Basundhara Sub-station from Budhipadar Sub-station (39 Km) of GRIDCO is erected and charged by M/s OPTCL (Orissa Power Transmission Corporation Ltd.) on deposit work basis.

8.4 Availability of Power

Items	2013-14	2012-13
Contract Demand (MVA)	59.650	59.65
Maximum Demand (MVA) (Highest in a month during FY)	58.44	56.21
Energy Consumed (Million kWh)	292.76	307.33
Specific Energy Consumed (kWh/Tonne)	2.65	2.85
Energy Bill paid (₹ in Crore)	169.10	168.17

9. POPULATION OF MAJOR UNDERGROUND EQUIPMENT OF MCL

9.1 The population of major underground equipment and their availability during the year as compared to previous year were as under:

Sl. No.	Name of the equipment	No. on roll		2013-14		2012-13	
		2013-14	2012-13	% avail.	% Util.	% avail.	% Util.
1	Winder	6	6	83.33	65.12	83.33	69.00
2	Haulage (Main)	29	29	93.10	25.35	93.10	69.00
3	SDL*	19	21	74.67	35.20	78.25	25.90
4	LHD*	29	32	64.78	65.12	73.22	45.68
5	Main Pump	52	49	80.77	65.12	93.88	69.00
6	Vent. Fan	12	13	91.67	65.12	100.00	69.00
7	Belt Conveyor	71	79	88.73	65.12	98.7	69.00
8	Transformer (Power)	79	84	79.75	65.12	97.6	69.00
9	Locomotive	5	5	100.00	65.12	80.0	69.00
10	Coal Drill	102	89	71.57	65.12	78.65	69.00
11	Mine Car	60	76	83.33	65.12	85.0	69.00

For the Year 2012-13

Actual UG Prodn. – 16. 78302 Lac Tonne
Target Prodn. – 24.500 Lac Tonne

For the Year 2013-14

Actual UG Prod$^{n.}$ – 14.32679 Lac Tonne
Target UG Prod$^{n.}$ – 22.000 Lac Tonne

The adopted formulae are as per CIL's norms :

$$\% \text{ Availability} = \frac{\text{Equipment available}}{\text{Equipment on Roll}} \times 100$$

$$\% \text{ Utilisation} = \frac{\text{Actual Production}}{\text{Target Production}} \times 100$$

$$*\% \text{ Availability} = \frac{H_w + H_i}{H_s} \times 100$$

Where,
H_W = Actual working hours/year
H_i = Idle hours/year
H_s = Shift hours/year

$$*\% \text{ Utilization} = \frac{H_w}{H_s} \times 100$$

Where,
H_W = Actual working hours/year
H_s = Shift hours/year

9.2 Number of Coal Handling Plants, Weighbridges and their functioning.

15.903 MT of Crushed Coal were despatched through CHP during 2013-2014 against 17.014 Million Tonnes of Crushed Coal during 2012-2013.

	2013-2014		2012-2013	
	Crushing Capacity in Mty	Coal despatched through CHP (MT)	Crushing Capacity in Mty	Coal despatched through CHP (MT)
Coal Handling Plants Feeder Breakers	41.50	15.903	41.50	17.014
% Utilization of Crushing Capacity of Plant		38.32%		41.00%

The decrease in crushed coal dispatch through CHP is on account of non-availability of crushed coal from surface miner.

9.2.1 The functional points of these CHPs are as follows:-

Major CHPs

Area	Location of CHP	Capacity (Mty)
Jagannath	Jagannath OCP	2.0
Bharatpur	Bharatpur OCP	3.5
	Total	**5.50**

9.2.2 Mini CHPs / Feeder Breakers

Area	Location of CHP	Capacity (Mty)
Jagannath	Jagannath OCP	4.0
	Ananta OCP	7.0
Hingula	Hingula OCP	2.0
	Balram OCP	4.0
Ib-Valley	Lajkura OCP	2.0
	Samaleswari OCP	5.0
Lakhanpur	Belpahar OCP	2.0
Lingaraj	Lingaraj OCP	7.0
Basundhara	Basundhara OCP	1.0
	Kulda OCP	2.0
	Total	**36.0**

The construction activities of CHP with SILO loading arrangement at Bharatpur siding and Ananta siding is in progress. Bharatpur CHP is expected to be commissioned by October, 2014. Tendering action for Coal Handling Plant with SILO loading arrangement at Lingaraj is in progress.

9.3 Details of Weighbridges

Sl. No.	Types of Weighbridges	2013-14	2012-13
1.	Road Weighbridges (Electronic)	113	77
2.	Rail Weighbridges (Electronic)	32	32
3.	% Weighment during the year (By Rail)	99.02	98.77
4.	% Weighment during the year (Overall Weighment)	99.37	99.25

The percentage of overall weighment of Coal despatched to consumers achieved during 2013-2014 is 99.37 % against 99.25% in 2012-2013 i.e. an increase of 0.121 % whereas total rail despatch weighment was 99.02% during 2013-14 compared to 98.77 % achieved during 2012-13 i.e. an increase of 0.25%.

In order to ensure 100% weighment, 40 numbers of 100T in-motion Road Weighbridges were ordered. All the 40 ordered weighbridges were received and 29 weighbridges were commissioned during 2013-14 and the balance 11 weighbridges are under different stages of installation. These weighbridges are equipped with RFID system.

- Installation of Solar PV project for sustainable development at MCL HQ during 2013-14 could not be completed due to Rocky terrain, which has to be levelled for making the site ready delayed the commencement of the project and now it is expected to be commissioned by the quarter ending September, 2014.

10. CAPITAL STRUCTURE

The Authorised Share Capital of the Company as on 31.3.2014 continued at ₹ 500.00 crore, divided into 2958200 Equity Shares of ₹1000/- each and 2041800 10% Cumulative Redeemable Preference Shares of ₹1000/- each.

The paid up Equity Share Capital of the Company as on 31.3.2014 stand uncharged at ₹186.40 crore. The entire Equity Share Capital are held by Coal India Limited (CIL) and its nominees.

11. FINANCIAL REVIEW

The Company has recorded the highest ever gross Sales Value of ₹13165.61 against ₹ 13190.42 crore of the previous year. The Profit before Tax (PBT) has also gone down to ₹5429.08 crore from ₹6202.48 crore in the previous year. Profit after Tax (PAT) for the year is ₹3624.30 crore. The financial results of 2013-14 as compared to 2012-13 are summarised below :

(₹ in Crores)

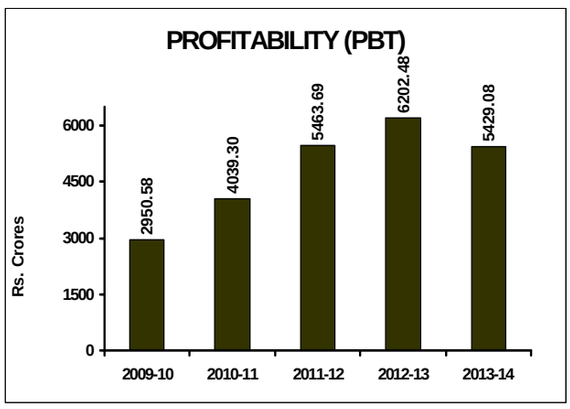
		2013-14	2012-13
Gross Profit (Before Depreciation and interest)		5713.15	6447.97
Less : Depreciation (Incl. Social Overhead depreciation)		269.18	240.52
Interest and Financial Charges		14.89	4.97
Net Profit before Tax		5429.08	6202.48
Less : Provision for Income Tax and deferred tax liability		1804.78	1990.04
Net Profit after Tax		3624.30	4212.44
Less :	Transfer to General Reserve	362.43	421.24
	Transfer to CSR Reserve	53.95	51.56
	Transfer to sustainable development	4.61	4.11
	Interim Dividend on Equity Shares	5983.16	1500.52
	Proposed Dividend on Equity Shares	--	1028.93
	Tax on Dividend	1016.84	418.29
Profit after above appropriation		**-3796.69**	**787.79**

11.1 Transfer to Reserve

An amount of ₹362.43 crore, being 10% of Profit after Tax for the year, has been transferred to General Reserve.

As per CSR policy of the Company, an amount of ₹53.95 Crore, has been transferred to CSR Reserve and an amount equivalent to actual expenditure (i.e ₹111.48 crore) incurred during the year has been transferred from CSR Reserve to General Reserve.

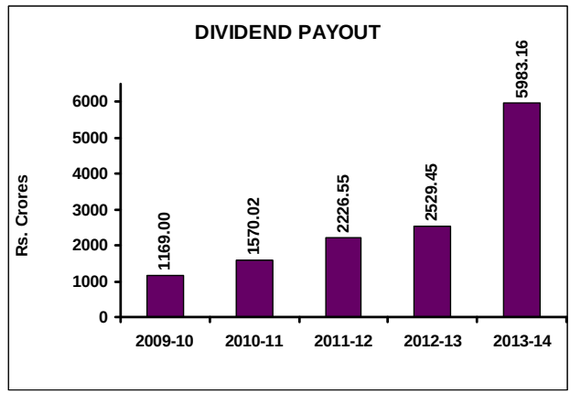
As per Sustainable Development Reserve policy of the Company, an amount of ₹4.61 Crore, has been transferred to Sustainable Development Reserve and an amount equivalent to actual expenditure (i.e. ₹0.11 crore) incurred during the year has been transferred from Sustainable Development Reserve to General Reserve.



11.2 Dividend

The Directors are pleased to recommend dividend of 3209.85% dividend (previous year 1357.00%) of the paid up Equity Share Capital as one time special for the year amounting to ₹5983.16 crore (interim dividend) for your approval.

The total outflow on account of dividend would be ₹7000.00 crore comprising ₹5983.16 crore as dividend and ₹1016.84 crore towards tax on dividend.



11.3 Unsecured Loans

The amount due to Coal India Limited (CIL) and M/s Liebherr France SA, France as on 31.03.2014 stands at ₹ 9.75 crore out of which loan ₹9.75 fully pertains to M/s Liebherr France SA for supply of four Hydraulic Shovels on deferred credit and unsecured loan pertains to IBRD and JBIC stands as on 31.03.2014 (net after repayments) is ₹Nil.

12. INVESTMENT

12.1 As per tripartite agreements with State Electricity Boards (SEB), in the year 2003-04 the Company had received 8.5% Tax Free Power Bonds (unquoted long term investment) of nominal value of ₹344.32 Crore against old outstanding dues as on 30th September, 2001 from three SEBs (MSEB, TNEB and WBPDCL). During the year, ₹22.71 Crore (Previous year ₹22.70 Crore) has been redeemed resulting in the balance investment of ₹45.40 Crore as on 31.3.2014.

12.2 Non current Investments in Equity Shares of MNH Shakti Limited, MJSJ Coal Limited and Mahanadi Basin Power Limited, subsidiaries of MCL, are ₹59.57 Crore, ₹57.06 Crore and ₹0.05 Crore respectively.

12.3 Non current Investment in 7.55% secured non-convertible IRFC tax free 2021 series

79 bonds, 8% secured non-convertible IRFC bonds,7.22% secured non-convertiable IRFC tax free bonds, 7.22% secured reedemable REC tax free bonds stood on 31.03.2014, at ₹200.00Crore, ₹108.75 Crore, ₹499.95 Crore and ₹150.00 Crore respectively.

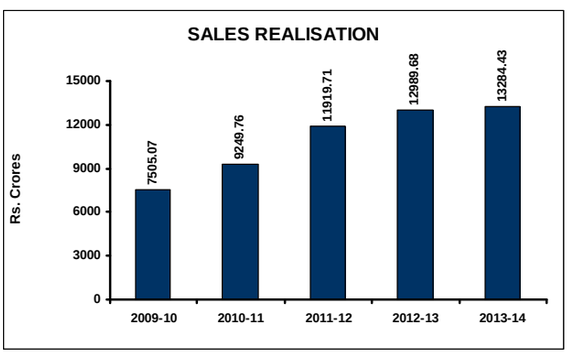
13. CAPITAL EXPENDITURE

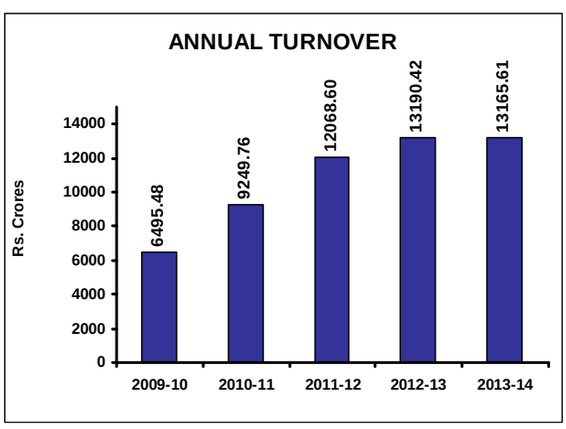
Total Capital Expenditure during the year was ₹876.84 crore against previous year's expenditure of ₹531.56 Crore.

14. SALES REALISATION

14.1 Gross sales of MCL during 2013-14 was ₹13165.61 Crore against ₹13190.42 Crore in 2012-13.

14.2 Total realization during 2013-14 was ₹13284.43 Crore which works out to be 100.90% on current year's gross sales.





15. PAYMENT TO EXCHEQUER

Your Company continued to be a major contributor to the Central and State Exchequer.

The payment made by the Company on account of Royalty, Sales Tax, Stowing Excise Duty and Entry Tax during the year as compared to the payments made during previous year are as follows:

(₹ in crore)

	2013-14	2012-13
Royalty	1330.30	1225.06
Sales Tax/Odisha VAT	499.22	520.40
Stowing Excise Duty	114.98	110.63
Entry Tax	62.19	71.95
Clean Energy Cess	578.15	602.04
Central Excise Duty	548.00	685.87
TOTAL	**3132.84**	**3215.95**

16. PROJECT FORMULATION/CAPITAL PROJECTS

16.1 Planning

MCL had planned to achieve 120.00 million tonne of coal during the financial year 2013-14. The capital outlay estimated for the year 2013-14 is ₹500.00 crore, major share of which will be utilized for land acquisition, development of infrastructures and procurement of Heavy Earth Moving Machineries (HEMM)

16.2 Research and development

The status of two R&D initiatives undertaken are as under (i) Installation of Solar PV project for sustainable development at MCL HQ: The installation work could not be finished in time as site is a rocky terrain which caused the delay in site preparation.(ii) Study of acidity of water at Bharatpur OCP and its treatment for Industrial/domestic use: The study was carried out by CMPDIL Ranchi and was submitted in January, 2014.

16.3 Innovative Practices

The following three innovative practices were undertaken in 2013-14 (i) Study for improvement of transportation system at MCL- The study was undertaken in both the coalfields and was completed in November, 2013.(ii) Digitization of maps of mining lease hold area of projects: The digitization of maps of four OCPs i.e Ananta OCP, Hingula OCP, Lingaraj OCP & Bhubaneswari OCP was completed during the year 2013-14. (iii) Digitization of Rail and Road Network of Talcher and Ib Coalfield (from trunk line to different sidings): Digitization of Rail and Road Network of both the coalfields was also completed during the year 2013-14.

16.4 Project Formulation

During the financial year 2013-14 following projects report were prepared by CMPDIL i) Gopalji- Kaniha Expansion OCP 30 Mty ii) Kulda Expansion OCP 15 Mty iii) Jagannath OCP Re-organisation 6 Mty iv) Samaleswari Expansion OCP 20 Mty v) Basundhara(W) Extension OCP 7 Mty. One Project Report i.e. Siarmal OCP approved in 156th MCL Board meeting held on 07.03.2014.

16.5 Project Implementation:

During 2013-14, Siarmal opencast project was approved by MCL Board in the meeting held on 07.03.2014 at MCL office Bhubaneswar. During 2013-14 two projects were completed i.e Samleswari OCP which was approved in the 155th Board meeting held on 05.02.2014 and Lajkura OCP which was approved in the 156th Board meeting held on 07.03.2014. The total land notified U/s 11 of CBA is 665.40 Ha and total land taken under possession is 341.456 Ha. The total capital expenditure of MCL during 2013-14 is ₹876.84 Crore against the target of ₹500.00 Crore resulting in an achievement of 175.37%. During 2013-14 work for Enterprise Risk Management was awarded by CIL for all the subsidiaries during the month of February, 2014. During 2013-14 there were 14 projects costing more than ₹100.00 Crs and producing more than 2.0 MT per year, Master Control Network has been completed in April, 2013.

The following major Project Activities / Milestones (MOSPI) projects were under taken and their performance during 2013-14 are as follows:

- Kulda Rehabilitation and Resettlement of village Bankibahal was not completed during 2013-14.
- Hingula OC: Notification U/S 11(1) for 665.41 Ha. land under CBA Act : Notification communicated to area on 17.04.2013.
- Bhubaneswari OCP Coal production of 18 Mty : Coal produced during 2013-14 is 24.447 MT.
- Kaniha Despatch of 2 Mty through MGR: Coal dispatched by MGR exceed 2 Mt in the month of October, 2013 achieving 2.333 Mt.
- Talbira OCP Completion of formalities for stage-I forestry clearance of MNH Sakti (JV) : Achieved during 2013-14 (Proposal forwarded to Addl. PCCF(Nodal) on 01.02.2014 Govt of Odisha, Bhubaneswar.
- Gopalprasad OCP: Completion of land notification 11(1) of CBA Act for 410.22 Ha land of Utkal-A block Published vide S.O No. 2314 dated 02.11.2013.
- Ananta OC: Stage-I Forestry clearance of 224.730 ha Forest land not achieved during 2013-14.
- Balaram OC: Development of R&R site for village Kalamchhuin not achieved during 2013-14.

The following major Project Activities / Milestones (MOSPI) of Ongoing projects were under taken and their performance during 2013-14 are as follows:

- Samaleswari OC : Submission of compliance of Stage-I forestry clearance proposal forwarded to MOEF, New Delhi on 29.11.2013. Stage-I clearance obtained vide F.No.8-147/1989-FC(Vol-III), 21.02.2014.
- Lingaraj OC Submission of application for EMP clearance for 20.00 Mty (Peak capacity) : Not achieved during 2013-14.
- Lajkura OC Expn: Stage-I forestry clearance for 147.56 Ha of forest land not achieved during 2013-14.
- Bharatpur OC: Stage-II Forestry clearance obtained on 07.02.2014.
- Belpahar OCP: Stage-II forestry clearance not achieved during 2013-14.
- %age of total coal production by Surface Miner: 78.29% of total coal production achieved by Surface Miner.
- Shifting of Naraharipur village in Bhubaneswari OCP: 93.82% shifted by February, 2014.
- Number of railway sidings renovated/up-graded: Work completed in 08 number of sidings of IB Valley Coalfields during the year 2013-14.
- Award of work for all weathered coal transportation road from mines to sidings: During the year 2013-14, 22.58 KM of Coal Transportation road in different project of Talcher Coalfields has been awarded.

16.6 Capital Projects/Schemes

There are 48 sanctioned mining projects in MCL. The ultimate production capacity of these sanctioned projects is 202.81 Mty. With a sanctioned capital outlay of ₹6147.33 Crore, out of which 33 have been completed with a capacity of 93.48 Mty and sanctioned capital outlay of ₹2642.17 Crore. Out of the 33 completed projects, 2 have been exhausted (Balanda OCP and Basundhara-East OCP). There are 15 on-going projects with a capital outlay of ₹3505.16 Crore with an ultimate capacity of 109.33 Mty.

16.7 Completed Projects: - 33 Numbers

Sl. No.	Name of the Project	Capacity (Mty)	Sanctioned Capital (₹ in Crore)	Completed in the year
1.	Ananta O/C	4.00	156.49	03/98
2.	Ananta O/C Expn. Ph-I	1.50	46.99	03/97
3.	Ananta O/C Expn. Ph-II	6.50	35.88	03/07
4.	Balanda O/C *(Exhausted)*	1.00	36.87	03/84
5.	Balaram O/C (previously Kalinga OCP)	8.00	345.96	03/00
6.	Bharatpur O/C	3.50	158.97 (RCE)	03/91
7.	Bharatpur O/C Expn Ph-I	1.50	48.02	03/98
8.	Chhendipada O/C	0.35	19.75	03/07
9	Hingula-II O/C	2.00	48.57	03/02
10.	Hingula –II O/C Expn. Ph-I	2.00	89.78	03/09
11.	Hingula –II O/C Expn. Ph-II	4.00	35.67	03/09
12.	Jagannath O/C / Jagannath Extn.	4.00	66.71/ 4.71	03/91
13.	Jagannath O/C Expn. Ph-II	2.00	4.95	03/08
14.	Lingaraj O/C	5.00	229.84	03/98
15.	Lingaraj O/C Expn Ph-I	5.00	98.89	03/07
16.	Lingaraj O/C Expn. Ph-II	3.00	2.18	03/08
17.	Nandira U/G (Augmentation)	0.33	17.95	03/95
18.	Belpahar O/C	2.00	131.31 (RCE)	03/94
19.	Belpahar O/C Expn. Ph-I	1.50	35.47	03/07
20.	Lajkura O/C	1.00	38.98 (RCE)	03/91
21.	Lakhanpur O/C	5.00	221.51	03/00
22.	Lajkura OCP Expn. Ph-I	1.50	60.77 (RCE)	03/13
23.	Lakhanpur O/C Expn.Ph-I	5.00	98.74	03/10
24.	Lakhanpur OCP Expn. Ph-II	5.00	116.54	03/11
25.	Lilari O/C	0.80	19.78	03/92
26.	Samaleswari O/C	3.00	126.85	03/96
27.	Samaleswari O/C Expn. Ph-I	1.00	28.69	03/07
28.	Samaleswari O/C Expn. Ph-II	1.00	13.38	03/07
29.	Samleswari O/C Expn. Ph-III	2.00	87.95	03/09
30.	Samleswari O/C Expn. Ph-IV	5.00	27.82	03/13
31.	Basundhara (E) O/C *(Exhausted)*	0.60	19.69	03/98
32.	Basundhara (West) O/C	2.40	176.55	03/07
33.	Basundhara (West) Expn. Ph-I	4.60	46.52	03/11
	TOTAL *(Excluding exhausted mines)*	**93.48**	**2642.17**	

16.8 On-going Projects:-15 Numbers

Sl. No.	Name of Projects	Capacity (Mty)	Capital (₹crores)	PR approval date
1	Ananta OCP Expn. Ph-III	3.00	207.28	31.08.2008
2	Bharatpur OCP Expn., Ph-II	6.00	95.87	29.03.2003
3	Bharatpur OCP Expn. Ph.-III	9.00	131.39	12.02.2007
4	Balram OCP Extension.	8.00*	172.08	22.12.2007
5	Bhubaneswari OCP	20.00	490.10	22.12.2007
6	Gopalprasad OCP,MJSJ Coal Ltd-JV company (60% share of MCL)	15.00	395.87	09.02.2008
7	Hingula-II OCPExpn. Ph-III	7.00	479.53	08.11.2008
8	Lingaraj OC Expn.Ph-III	3.00	52.25	06.02.2010
9	Jagannath U/G	0.67	80.75	15.10.2001
10	Kaniha OCP	10.00	457.77	22.12.2007
11	Natraj U/G	0.64	92.11	30.01.2001
12	Talcher (W) U/G	0.52	85.08	18.02.2002
13	Kulda OCP	10.00	302.96	12.01.2005
14	Talabira OCP, MNH Shakti Ltd-JV company (70% share of MCL)	20.00	447.72	29.03.2008
15	Belpahar O/C Expn. Ph-II	4.50	14.40	04.02.2011
	TOTAL *(Ongoing projects)*	**109.33**	**3505.16**	
	GRAND TOTAL*(Excluding exhausted mines)*	**202.81**	**6147.33**	

* *This is the extension of original Balram OC (8.00 Mty) project annexing additional area. Hence, there will be no additional capacity addition.*

16.9 Existing Old Underground Mines : - 06 Nos.

Sl. No.	Name of the Project	Cap in Mty as assessed by CMPDIL (MT/YR)	
		2012-13	2013-14
1.	Himgir Rampur Colliery	0.245	0.245
2.	Hirakhand Bundia Mine	0.612	0.551
3.	Orient Mine 1 & 2	0.490	0.490
4.	Orient Mine 3	0.612	0.643
5.	Orient Mine 4	0.061	0.061
6.	Talcher U/G	0.323	0.329

16.10 Future projects: - 04 Nos.

Sl. No.	Name of Projects	Ultimate Cap (Mty.)	Remarks
1.	Balaram Expn OCP	15.00	'In principal' approval of PR by MCL Board on 31.03.2012
2.	Integrated Lakhanpur-Belpahar-Lilari OCP	30.00	'In principal' approval of PR by MCL Board on 05.12.2012
3.	Garjanbahal OCP	10.00	'In principal' approval of PR by MCL Board on 05.12.2012
4.	Siarmal OCP	40.00	Approval of PR by 156th MCL Board on 07.03.2014.

16.11 The following Project Reports have been prepared during 2013-14 :

Sl. No.	Name of Projects	Capacity (Mty.)	Capital (₹ Crs.)	Remarks
1.	Gopalji-Kaniha Expansion-OCP	30.00	Departmental : 2545.97 Outsourcing : 1116.62	Project Report yet to be approved by MCL Board.
2.	Kulda Expansion OCP	15.00	Departmental : 500.59 Outsourcing : 289.03	Project Report yet to be approved by MCL Board.
3.	Jagannath OCP Re-organization	6.00	Departmental: 337.66 Outsourcing : 226.08	Project Report yet to be approved by MCL Board.
4.	Samaleswari Expansion OCP	20.00	Var-I(Departmental) : 4873.52 Var-II (Outsourcing) : 1115.21 Var-III(Partial OB outsourcing and rest OB & Coal departmental) : 1838.99	Project Report yet to be approved by MCL Board.
5.	Basundhara(W) Extension OCP	7.00	Var-I(Departmental): 479.15 Var-II (OB Outsourcing & Coal departmental) : 335.69	Project Report yet to be approved by MCL Board.

16.12 NON-MINING PROJECTS

Major Completed Non-Mining Projects in MCL:

Sl. No.	Name of the Project	Date of Approval	Sanctioned Capital (₹ Crs.)
1.	Central Workshop, Ib-Valley	11/8/89	13.32
2.	Power supply scheme Phase-I, Ib-Valley	22/8/91	33.35
3.	Regional Stores, Ib Valley	26/11/85	3.33
4.	Training (Excavation) Institute, Ib-Valley	13/7/89	5.25
5.	Water Supply scheme, Ib-Valley	19/7/91	4.83
6.	Central Hospital, Talcher	8/5/87	14.28
7.	Central Workshop, Talcher	25/3/89	17.83
8.	Integrated Telecommunication System, Talcher	26/4/91	2.90
9.	Integrated Telecommunication System, Ib-Valley	26/4/91	2.37
10.	Power supply scheme, Talcher, Phase-I	25/3/89	19.98
11.	Water supply scheme at Talcher, Phase-I	11/1/83	5.83
12.	Augmentation of Central Workshop, Talcher	22/3/00	21.37 (Incr.)
13.	Augmentation of workshop, Ib valley	22/3/00	10.66 (Incr.)
14.	Integrated Water Supply Scheme Phase-II for Talcher Coalfield	06/05/91	7.88
15.	Construction of Railway line linking Kalinga CPP to existing Jagannath Spur 3 & 4	13/11/98	11.18
16.	Construction of balance railway line work of Bharatpur CPP yard, South Balanda connection and remodelling of S. Balanda yard.	13/11/98	13.81
17.	Arterial Road for Ib valley and Talcher Coalfields(2Pr)	02/03/90	17.80 +19.90
18.	Widening & strengthening of road from Sundargarh to Dudka chhak of Basundhara area	22/02/99	31.33

Major Ongoing non-mining projects of MCL:

Sl. No.	Name of the Project	Capital (₹ Crs.)
1	Improvement & strengthening of Balinga-Himgir-Belpahar road.	42.32
2	Construction of 4- Lane 18 mts wide and 41.5 km long road at Talcher coal field.	251.35
3	Construction of 4 lane dedicated coal corridor from Bankibahal to Bhedabahal (on SH-10) in Sundargarh District.	385.00
4	Construction of diversion road from check post of Lingaraj OCP to NH-200 for a length of 2.30 Km with 01 fly over and 01 ROB.	136.00
5	Construction of ROB at the level crossing near Ghantpara Village at Talcher.	37.50
6	Widening of road from 2 lane to 4 lane from Bankibahal to Kanika Rly Sdg. 27km	162.00
7	All CT roads in B-G area inside mine premises leading to siding having life more than 5 yrs to be constructed with concrete.	22.96
8	All CT roads in Ib coalfield inside mine premises leading to siding having life more than 5 yrs to be constructed with concrete.	94.22
9	All CT roads in Talcher CF inside mine premises leading to siding having life more than 5 yrs to be constructed with concrete.	179.00
10	Construction of Bye Pass Rd from Lajkura Welcome Gate to Mine 3 Jn of 3.7 Km	35.56
11	Construction of concrete CT Road connecting Bundia Mine to NH 200 of 12.54 km	135.29
12	SILO loading arramgement at Ananta Spur Siding V & VI for 15Mty.	198.66
13	SILO loading arrangement at Lingaraj OCP for 16 Mty.	237.56
14	SILO loading arrangement at Kulda OCP for Basundhara washery (10Mty)	35.96
15	Rail Infrastructure project, Goaplpur Track.	469.68
16	Construction of 2nd railway siding at Hingir siding towards North direction.	12.66
17	Railway Siding work from Angul Station to Kalinga CPP.	99.00
18	Basundhara Washery (10.00 Mty) on B-O-M (Built-Operated-Maintained) basis.	165.79
19	Construction & commissioning of Jagannath washery(10.00 Mty) on B-O-M basis.	160.70
20	Construction & commissioning of IB Valley washery(10.00 Mty) on B-O-M basis.	181.00
21	Construction & commissioning of Hingula washery(10.00 Mty) on B-O-M basis.	181.00
22	Temp connectivity with existing Lingaraj OCP through NTPC siding at Talcher stn.	12.52
23	Auto signalling system between Talcher and Paradeep port.	63.23
24	Doubling of approach lines at Talcher by E.Co.Rly.	18.59
25	Development of BOCM 6 & 7 sidings at Lakhanpur area of MCL by SEC Railway.	27.16
	TOTAL	**3344.70**

16.13 **Foreign Collaboration :** Nil

16.14 **Modernisation and Technology Absorption**

a. Higher capacity HEMMs like 10 cum & 20 cum shovels, 100T & 170T dumpers, 770 HP dozers etc have been envisaged in the latest sanctioned Project Reports.

b. Continuous Miner is slated to be introduced in different UG projects of MCL. Tendering for its introduction in HBI mine is under process.

c. MCL is the trend-setter in introducing Blast-free technology of winning coal in opencast mine by Surface Miner. Now, it is envisaged to introduce Ripper Dozer to remove OB also.

d. MCL has undertaken Geo-technical studies for Caving Characteristics of Talcher Underground Mine & Environmental impact and impact on ground water of fly ash filling in Balanda opencast excavation.

e. SILO with Rapid Loading System is going to be introduced in all the major opencast projects of MCL.

f. Man-riding system has already been introduced in four underground mines at IB Valley coalfield and going to be introduced in other mines at Talcher coalfield also.

g. MCL has planned to construct four nos. of Washeries of 10.00 Mty capacity each, two in Talcher Coalfield, one in Ib Valley Coalfield and one in Basundhara sector of Ib Valley Coalfield. Constructions of these washeries are to be implemented on B-O-M (Built-Operated-Maintained) basis. Techno-Economic-Feasibility Reports for all these Washeries have been approved by MCL Board.

16.15 **Projects pending approval of Government : Nil**

16.16 Land Acquisition during 2013-14:

(Figures are in Hectares)

Area	Tenancy		Govt. non-Forest		Forest Land		Total Acqui-sition	Total Posse-ssion
	Acq.	Poss.	Acq.	Poss.	Acq.	Poss.		
Jagannath	0.000	31.000	0.000	0.000	0.000	8.000	0.000	39.000
Hingula	0.000	158.687	0.000	0.000	0.000	0.000	0.000	158.687
Bharatpur	370.843	0.000	159.425	0.000	68.498	0.000	598.766	0.000
Lingaraj	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Kaniha	0.000	80.830	0.000	0.000	0.000	0.000	0.000	80.830
Ib-Valley	0.000	0.250	0.000	25.317	0.000	0.000	0.000	25.567
Lakhanpur	0.000	31.162	0.000	0.000	0.000	5.265	0.000	36.427
B.G. Area	0.000	0.945	0.000	0.000	0.000	0.000	0.000	0.945
MNH Shakti Ltd.	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
MJSJ Coal Ltd.	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
TOTAL	**370.843**	**302.874**	**159.425**	**25.317**	**68.498**	**13.265**	**598.766**	**341.456**

16.17 Status of Washeries on Build, Operate and Maintain (BOM) Basis :

In terms of the decision taken by Coal India Limited for installation of washeries on Build, Operate & Maintain (BOM) basis for economic washing of high ash coal, MCL has planned to install 4 numbers of 10.00 Mty Washeries each on BOM basis viz, Hingula washery, Basundhara washery, Jagannath washery & IB Valley washery at Lakhanpur. The details are as under.

(A) Hingula Washery:

i) Qualification of bidders was done by CIL in November, 2010 on the basis of Common Centralized Request for Qualification (CCRFQ).

ii) Offers received against RFP Bid opened in October, 2012.

iii) Price Bid opened in September, 2013.

iv) Lowest Bidder was identified and approved by MCL Board in November, 2013.

v) Letter of Intimation to “Lowest Bidder” was given in December, 2013 for providing necessary assistance/support to MCL in obtaining Environmental & other statutory clearance.

vi) ToR for Hingula washery was issued by MOEF in January, 2014.

vii) Draft Contract Agreement prepared by CMPDI is being examined by MCL.

viii) As per the Bid, Letter of Award can be issued to the Lowest Bidder only after getting Environmental Clearance.

(B) Basundhara Washery:

i) 5 Bidders were qualified for Basundhara Washery in April, 2013.

ii) RFP Bid was issued in May, 2013.

iii) Techno-Commercial part of 3 offers received against the RFP Bid was opened in September, 2013.

iv) Price Bid was opened in March, 2014 financial evaluation of which is under progress.

v) Form-1 for Environmental Clearance was submitted to MOEF in November, 2013.

vi) EAC meeting for ToR is scheduled in March, 2014.

(C) Jagannath Washery:

i) 4 Bidders were qualified for Jagannath Washery in April, 2013.

ii) CMPDI has collected the samples of Raw Coal of Bhubaneswari OCP for conducting the washability test in January, 2014.

iii) Revised Conceptual Report incorporating fresh washability test of Raw Coal of linked mine is to be finalized after the physical possession of the proposed land for Washery.

iv) Comments on Draft RFP document in e-tender mode prepared by CMPDI were sent to CMPDI in February, 2014 for incorporation.

(D) IB Valley Washery at Lakhanpur

i) Qualification of bidders was done by CIL in November, 2010 on the basis of Common Centralized Request For Qualification (CCRFQ).

ii) CMPDI has already been requested to conduct a fresh washability test of samples of Raw Coal of linked mines of IbValley washery.

iii) Draft revised Conceptual Report will be finalized after conducting fresh washability test of the Raw coal of linked mines and after physical possession of land.

17. GEOLOGICAL EXPLORATION

Sl. No.	Particulars	2012-13 Actual	2013-14 Target	2013-14 Actual
1.	Total Drilling in CIL Blocks (in metre)	27800*	31000	11374.00

** Drilling in CIL Blocks could not be done as per target due non-availability of forestry clearance and priority drilling in some Non-CIL/ Captive Blocks.*

18. ENVIRONMENT MANAGEMENT

18.1 Sustainable Development(SD):

In line with New DPE guidelines effective from 1st April 2013 on "Corporate Social Responsibility and Sustainability for Central Public Sector Enterprises", MCL has undertaken the following projects as included in the MOU 2013-14.

18.1.1 Training/Workshop on SD

Eight (08) numbers of one day Seminars/ workshops were conducted in MCL during the year covering 248 numbers of executives for generating awareness among the employees towards the concept of Sustainable Development and how MCL can achieve the desired goal of SD. The programmes were conducted at (a) MTI, MCL, HQ, (b) MEETI, Talcher Coalfield and (c) BTI, Ib Valley Coalfield.

18.1.2 Products/Services/Processes for reduction of carbon footprint :

18.1.2.1 Reduction of Carbon foot print due to adoption of Eco-friendly Surface Miner

MCL produced 86.46 Mte coal through surface miner during 2013-14 out of the total coal production of 110.439 Mte, which amounts to 78.29% of coal production through eco-friendly surface miner. As coal production through surface miner totally eliminates drilling, blasting and crushing operations and also reduces on an average 4% ash, the resultant CO_2 reduction has been computed which comes to 10,00,82,540.8 kg or approximately 1,000 lakh kg.

18.1.2.2 Reduction of Carbon foot print due to Plantation:

In MCL as per verified records till now 47.9 lakh saplings have been planted. This does not account for the regeneration, which is a natural process. Reduction of Carbon dioxide due to one tree has been estimated as 15 to 25 kg/year and taking an averge estimation of 20 kg/tree/year the total reduction of CO_2 would be 958 lakh kg per year.

18.1.2.3 Reduction of Carbon foot print due to Installation of LED lamps

453 Nos of 90 Watt LED Street lights have been installed at MCL, Hq and Oreint Area. 60 nos of 45 Watt street lights have been installed at Jagannath Area. 5956 nos of 19 Watt LED tube lights have been installed at Jagannath Area, MCL, Hq and Orient Area. 500 nos 10 Watt LED tube lights have been installed at MCL, HQ. Total saving of 1,39,319 Units (KWH) and resulting reduction in carbon foot print of approximately 60 Lakh Kg.

18.1.2.4 Energy saver soft starter with induction motor of CHP & feeder breaker circuit, Adoption of power factor improvement measures.

Under the activity for power factor improvement measures, 2 x 300 KVAR

power capacitor was supplied during March'14 and its installation at substation in Orient Area shall be taken up in FY 2014-15.

Under the activity for Energy saver soft starter, 10 nos of VFD drive for motor at CHP of Balram OCP has been proposed. The proposal was approved in February, 2014 and Tendering has been done.

a) As a part of sustainable development under Energy Management head LED Lamps were procured at MCL HQ, Jagannath and Orient Area, i.e. 10/20 Watt tube light in place of 20/40 watt fluorescent tubes, 90 Watt LED street light in place of 150 Watt HPSV street light, 45 Watt LED street light in place of 70 watt HPSV street light.

b) Besides energy savings, power factor at load end has been improved, i.e. 0.75 to 0.9 in respect of tube light and 0.65 to 0.9 in respect of street light. Due to above measures total savings of Rs.774,951.00 was achieved during 2013-14 on account of reduction of 139,319 Kwh. Besides this, appropriate capacity power factor improvement capacitors banks were installed at 132/33 kV Jorabaga Sub-station and 132/33 kV Nandira Sub-station. This has led to improved power factor of 0.989 at 132 kV Nandira Sub-station during 2013-14.

18.1.2.5 Rain water harvesting

Three (03) nos. of projects were taken up : (1) Rain water Harvesting at orient area has been completed on 20.09.2013. (2) Rain water Harvesting at IB Valley Area has been completed on 20.03.2014. (3) Rain water Harvesting at CWS(X), Talcher has been completed on 25.10.2013

18.1.3 The efforts made and the success achieved in the engagement of key stakeholders through adoption of a good corporate communication strategy.

18.1.3.1 Total 27 meetings were held with consumers, vendors and villagers.

18.1.3.2 Feedback channels have been established with key stake holders (consumers, vendors and villagers, etc) regarding the performance of the company in social, economical and environmental sustainability and it has been updated in MCL's website on quarterly basis.

18.1.4 Publication of annual reports on CSR and sustainability for 2012-13.

MCL has become the first Coal producing company in India to come out with its first Corporate Sustainability Report also know as Business Responsibility Report in 2012-13. This year the company has published its second Sustainability report titled "Harnessing Resources Harnessing Progress". This report enabled by M/s Green Evangelist, Bangalore is as per the globally accepted GRI 3.1 guidelines and GRI's mining and metal sector supplement (MMSS), and confirms to the GRI requirement for the Application Level B.

The report covers data across more than 20 core parameters (covering Social, Environment , Economic, Human rights, labour, Society etc aspects) and clearly demonstrates MCL's strategic commitment to its stakeholders and how it intends focussing on environmental issues and social responsibility on its path of economic progress. MCL can now ably benchmark itself against global giants on the triple bottom line (people, planet, profit).

Through this report release, MCL has successfully followed the mandate of Department of Public Enterprise (DPE) to release a report of this nature by February 28, 2014. Henceforth, MCL will continue to publish such reports every year in line with international guidelines.

The annual reports on CSR and sustainability for 2012-13 has been published in February, 2014. The information in this regard is updated Quarterly on the Company website.

Statutory Compliance - Environmental Clearance (EC) :

- As per EIA Notification 2006 (Notified under Environment Protection Act, 1986) prior Environment Clearance (EC) from Central Government (Ministry of Environment and Forest or in short MoEF) is necessary for operating any mine or for expansion/ extension of any mine. Accordingly, MCL is regularly applying for EC for all the mines (new & Expn.).
- During the year 2013-14 EAC (Thermal & Coal Mining), MoEF considered the following proposals for TOR/EC and their outcome is shown in the table given below.

Sl. No.	Name of the Project	Status
1	Bhubaneswari OC Expn. (20 Mty to 25 Mty)	Application in Form-I and Prefeasibility Report Submitted to MoEF on 25/7/2013.EAC Meeting was held on 03/10/13 & 25/11/13 required compliance of different EC Conditions including Source Apportionment Study. Work order for the study placed to ARAI, Pune and Certified Report by RO, MoEF, BBSR was submitted. Further EAC Meeting held on 20.01.14 and recommended for grant of EC.**EC for 25 Mty was granted and uploaded on the MoEF web site on 19/02/2014.**
2	Lakhanpur OC Expn. (15 Mty to 18.75 Mty)	EAC Meeting held on 25/11/13 and on 20/01/14- mainly required compliance of EC Conditions and certification of the Compliance Report by Regional Office (RO) of MoEF, Bhubaneswar. After submission of compliance report on all the above issues including action programme, the Sub- Committee of EAC inspected the project on 23.02.14 regarding compliance of EC Conditions, where all the issues were discussed thread-bare, presentation made, mine site, plantation site, MDTP, ETP sites, proposed Railway siding site which will reduce transportation lead from 14 km to 3 km were shown to the Sub-Committee. Further EAC Meeting held on 28.02.14 and **recommended for grant of EC**. Minutes of Meeting uploaded on 20/03/2014, EC letter awaited.
3	Hingula OC Expn. (12 Mty to 15 Mty/20 Mty-Peak) (For starting mining in the expansion area.)	As recommended by EAC, Supplementary note submitted to MoEF on 17/01/2014 for grant of Phase-I EC, for Western Quarry not involving forest land. Due to urgency for entering in the expansion area, we approached MoEF for considering the proposal in EAC Meeting held in Feb. & March 2014 but the same was not placed in EAC meeting and has been placed in April 2014 meeting of EAC.
4	Samaleswari OC Expn. (11 Mty) (For starting mining in the expansion area.)	Present EC is available for 11 Mty from the existing 826.76 ha mine lease area. EAC recommended for Phase-II EC for Expansion area of 928.264 ha subject to submission of Stage-I FC of the forest land involved therein (21.866 ha) and also submission of third party health status evaluation report. Stage-I FC granted on 21.02.2014 and was sent to MoEF vide Letter no. 927 dt: 14.03.14 along with Health Status Report prepared by Govt. Medical College & Hospital, Burla.
5	Talabira-II&III (20 Mty/23 Mty-peak) (MNH Shakti)	Considered by EAC(T&C) held on 09/01/13. Addl. queries/ information desired were presented in EAC meeting held on 03.10.13.Further information sought was submitted vide letter dtd. 10.01.2014. EAC meeting held on 27.02.14. Addl. Point-wise clarification sought by EAC on the complaint received from NGO.
6	Balram OC Expn. (8 Mty to 20 Mty)	**EAC granted TOR** on 24/05/2013. EIA-EMP under preparation at CMPDIL. Baseline data generation completed on 25th Jan 2014.
7	Ananta OC Expn. (12 Mty to 15 Mty) (For entering in expansion area)	EAC recommended for grant of EC subject to submission of Stage-I FC and proof of legal credible action for violation of EIA Notification. Board resolution etc. sent to MoEF vide letter Dtd. 19.09.13 & letter Dtd.18.10.13.MoEF vide letter no.J-11015/397/2008-IA.II(M) dt: 30.01.2014 has closed & delisted the proposal from pending list, since the ATR from State Govt. is not received. Reply sent vide letter no. 4093 dt: 05.03.14 requesting to re-list, enclosing the letter of Director, Forest & Env. Dept, Env-cum-spl.secy, GOO, to Collector, Angul for taking action. Final EIA/EMP submitted on 29/10/2010.
8	Gopalprasad OCP (15 Mty) (MJSJ)	Appraisal by EAC in meetings held on 23/11/10,29/03/11,25/11/13,09/01/13& 5.11.2013. **Grant of EC recommended by EAC** subject to submission of Stage-I FC.
9	Lingaraj OC Expn.(13 Mty to 20 Mty)	TOR recommended on 24/01/2012. After preparation of Draft EIA/EMP as per TOR application for PH submitted at OSPCB on 29.10.13. PH was scheduled on 11th March 2014 but was postponed by OSPCB vide advertisement in newspaper dt:11.03.14. We have approached MoEF for extension of validity of TOR by one year i.e upto 20.03.15.PH likely to be held after general elections.
10	MBPL (2 x 800 MW)	EAC Meeting held on 25/03/2014. Minutes awaited.
11	Hingula Washery (10 MTPA)	Consideration by EAC held on 13/12/2013. **TOR Approved** vide letter dt: 31.01.14.Work order issued to M/S Richardson & Cruddas, Chennai on 5.3.14 for Baseline data generation. Work started from March 2014.
12	Basundhara Washery (10 MTPA)	Revised Form-I & PFR sent to CIL, N.Delhi vide letter dtd: 11/11/2013 for submission to MoEF. EACM held on 28/03/2014, EAC desired for some additional information and field visit. Work order issued to M/S ECOMEN Lab.Pvt. Lucknow on 5.3.14 for Baseline data generation. Work started from March 2014.

- Total EC capacity granted by MoEF for MCL projects is **175.99 MTPA**, however due to exhausting of reserve in the approved EC mining lease, evacuation problem at Basundhara- Garjanbahal area, pending FC etc. the effective EC capacity has reduced to **132 MTPA** for the FY 2014-15. Additional 44.75 MTPA incremental EC capacity has been recommended by EAC, however, due to non availability of FC, this capacity is not operational.

Statutory Compliance - Post-Clearance

- "Consent to operate" under Water & Air Acts has been obtained from State Pollution Control Board (SPCB) for all the operating mines in the year.

- "Authorisation" under Hazardous Wastes Rules has also been obtained from the SPCB by the operating opencast mines having excavation workshops (which generate used batteries, spent oil & grease) and oil & grease traps to recover oil & grease from waste water flowing out of washing ramps (which generate oily sludge). The used batteries and recovered oil & grease are auctioned to authorised re-processors through MSTC Ltd. after sufficient accumulation. Half-yearly return for batteries and annual return for other Hazardous Wastes were submitted to the SPCB as per the statute.

- An internal audit of environmental management was conducted by a team of 3 inter-discipline officers of MCL during the year 2013 with regard to each of the 23 operating mines.

- Annual Environmental Statements in form-V under Rule-14 of Environment Protection Rules were submitted to SPCB vide letter dt: 26.09.13. during the year for all the 23 operating mines.

- Half-yearly reports of compliance of the Environment clearance conditions with regard to all the operating mines having environmental clearance under EIA Notification were submitted to MoEF in the year and the officials from the regional office of the MoEF, Bhubaneswar visited the mines time to time for monitoring of compliance.

18.3 Measures Taken to Protect and Improve Environment.

18.3.1 Air Pollution Control Measures

- In keeping with the Company's concern for environment it has kept up the long standing practices to check air pollution with a good number of measures, some of which are highlighted here.

- Continuous enhancement in coal production through the environment friendly Surface Miner Technology (from 4.2% in 1999-2000 to 78.29% in 2013-14). During 2013-14, MCL produced 86.46 million tonne coal with Surface Miner Technology out of a total production of 110.439 million tonne (78.29%). This is a blast-less mining technology which eliminates the dust generating operations like drilling, blasting and crushing completely while sprinkling water at the same time. Apart from that, selective mining of coal and stone layers separately is done with the machine to reduce the ash content by about 4 to 5% resulting in less ash generation in power plant and reduction of green house gas as well. Reduction in ash consequently reduces volume of long distance transportation resulting in saving of energy required for such transportation, saving of diesel and forex, reduction of carbon foot print and so on. Fire and spontaneous heating in high wall as well as stocks also reduces to great extent as the blast induced cracks/fissures, which supply oxygen for exothermic chemical reaction, are not

developed due to use of surface miner for extraction of coal.

- Coal transportation is the major source of dust pollution but in MCL approximately 85% to 90% of coal transportation is through railways, which is the most eco-friendly, long-distance, high-speed inland mass transport system, wherein 3,800 te of coal is transported through a single rake, without generating any pollution, which would have been equivalent to 300 trucks each carrying approximately 13 te of coal and the level of pollution would have been un-imaginable.
- Number of rakes at Talcher coalfield has improved from 25 to 30 rakes/day last year to 35 to 40 rakes/day during this year, which is a very significant improvement. This resulted due to various majors implemented like Automatic Signalling System from Talcher to Paradeep Port, wherein 3 rakes can now be accommodated within two consecutive signals compared to only one rake for the earlier system, interconnection of sidings ensuring unidirectional movement of rakes etc.
- Due to construction of new siding at Lakhanpur Area along with construction of transportation road through Belpahar mine, transportation lead has reduced from 14 km to 2-3 km, resulting in significant reduction of air pollution.
- Rake loading facility is being enhanced, presently the coal is dispatched through 18 sidings and 3 MGR.
- To control air pollution in handling and despatch of coal, Silo loading system at Bharatpur (RLS) is in operation. Two SILO of 20 MTPA capacity are under construction at Bharatpur OCP (90% completed). 15 MTPA capacity SILO is under construction at Ananta OCP. Further SILO is proposed at Lingaraj, Jagannath, Hingula and Lakhanpur Sidings.
- Mobile Water Tankers of capacity 28 KL, 20KL, 12KL and 10KL are deployed on the haul road and surface road to control the dust pollution due to movement of vehicles.
- In all the Railway Siding there are fixed sprinklers as well as Mobile Water Tankers.
- In Coal Handling Plants there are Misters, Fixed Sprinklers and Mobile Water Tankers to control the dust pollution.
- A 41.65 km long concrete coal transport road corridor from Hingula OCP to Lingaraj OCP at the cost of 251.35 crore is under construction.
- Existing Coal Transporting Road for road sale trucks is in progress of shifting through mine reclaimed area from Bharatpur CHP to Jagannath CHP which will result in drastic reduction of dust pollution in at least 10 colonies and villages affected by the present CT road.
- After possession of forest land at Lingaraj Area, existing CT Road for Road Sale Trucks will be diverted from Lingaraj Check post to NH-200 for coal evacuation including flyover and ROB on the level crossing. (Length 2.3 Km., Value of work is 135.16 Crs.). This will result in significant reduction of dust pollution in the colonies and villages.
- Flyover at Dera Chhak in the CT Road (Length 2.025 km, Value 70 crore) at Talcher Coalfields will result in ease of traffic congestion and reduction in pollution.
- Construction of Road over bridge near Ghantapada village at the level crossing over the road from Handidua to Nalco Chhak. Value of work is 37.50 crore (length 710 m). This will also reduce air pollution in the area while giving convenience to the public.
- All Coal transportation roads inside mines premises of Talcher Coalfields having life

period more than 5 years are to be constructed with concrete road for which Work Order has been issued (Total Length 10.65 Km -2 lane & 11.05 Km-4 lane, Value of work 158.20 Crore)

- Construction of dedicated Coal Transport Road is under implementation at Ib Valley coalfield : (i) Lajkura to Mine No.3 (3.7 Km+ 1 Bridge) (ii) Bundia to NH 200 (12.54 Km-4 lane, 0.92 Km-2 Lane) (iii) All CT Road life >5 Yrs (8.754 Km-2 Lane/5.63 Km-4 Lane/0.659 Km-4 Mtr widening).Total Estimated Cost : 265.07 Crore.
- BG Area- (i) All CT Road life >5 Yrs (4.025 Km-2 Lane/0.475 Km- 4 Lane).Total Estimated Cost : ₹22.96 Cr. (ii) Widening of Road From 2 lane to 4 lane from Banki Bahal to Kanika Rly Siding- 27 km, Cost ₹162.87 Crores : DPR under preparation by EE, R&B Division, Sundergarh (iii). Separate Coal Corridor from BG Area to SH 10- 33 km, Cost ₹385 Crore : DPR under preparation by EE, R&B Division, Sundergarh (iv) Construction of Bye pass road at Ujjalpur 2.34 km, cost ₹12.71 crores DPR under preparation by PWD (v) Concreting of damaged road from Basundhara Chjeck Gate to Bankibahal Chhak- 2.54 km, cost ₹8 crores. These steps will significantly reduce the dust pollution at Basundhara-Garjanbahal Area.
- Similarly, Rail Infrastructure and new linkages are under construction involving approximately ₹800 crore which will further reduce the coal evacuation through road mode and will have significant impact on reducing dust pollution.
- Manual sweeping and collection of spillage and dust over coal transportation roads.
- Three number heavy-duty truck-mounted vacuum-operated mechanical road sweeper are in operation for sweeping and collection of coal spillage and dust over pucca coal transportation roads at Talcher Coalfield.
- All the drills are having dust extractor system and wet drilling system.
- Green belts are continued to be developed between residential areas and the mine including infrastructure.

18.3.2 Water Pollution Control Measures:

- Mine drainage water pumped out of the mine as well as the water flowing out from OB dumps are put into settling ponds before being discharged in order to settle the sediments and prevent silting of rivers and other water bodies. However due to scarcity of water for dust suppression, fire fighting, drinking water supply etc., there is no outside discharge of water. Mine voids also act as huge sedimentation ponds where TSS settle due to gravity and water becomes pure.
- Oil & Grease Traps (OGT) are also in place at the workshops of opencast mines in order to remove oil & grease as well as oily sludge from the waste water.
- Garland drains and catch drains are also provided around quarry boundary and OB dumps in order to arrest sediments and prevent silting of natural drainage.
- Sewage Treatment Plant (STP) have been provided in 7 townships to take care of the domestic sewage.
- Disused quarry voids act as natural water harvesting structure for recharge of ground water.
- Water Treatment Plants (WTP) are operational under integrated water supply schemes of Talcher, Ib-Valley, Belpahar and Basundhara. Small scale water filtration units for domestic supply are existing at Talcher and Orient Areas using under ground mine water and water from quarry water reservoirs.

18.3.3 Noise and Ground Vibration Control Measures:

- 78.29% of total coal is being produced through blast less environment friendly Surface Miner technology drastically reducing the noise and ground vibration compared to conventional mining which requires drilling, blasting and CHP operation for producing sized coal.
- Green belts have been developed between residential areas and the mines as well as infrastructures for reducing these pollution.
- Ear Muffs and Ear Plugs have been provided to workers exposed at high noise working places.
- Non-electric detonators were used where ever necessary for blasting resulting in less noise and ground vibration. Controlled blasting system is adopted to reduce noise and ground vibration.
- All HEMMs have been provided with adequate noise level reduction technologies.

18.3.4 Land Reclamation and Plantation.

- De-coaled void is used for backfilling the overburden material and after wards plantation is taken up as biological reclamation process.
- In keeping with the company's concern for environment, MCL has planted 47,90,000 saplings of mixed indigenous species over external dumps and backfilled internal dumps after adequate physical reclamation, as well as in vacant patches of other land and avenues, in the mines. Plantation since inception is 47.90 lakhs (TCF- 18.61 lakhs, IbVCF – 28.52 lakhs & HQ – 0.77 lakh)
- Additional plantations are also done in residential townships and office premises especially with fruit-bearing, flowering and medicinal plants and trees.
- This year no plantation could be made however grass carpeting over 26.0 Ha was made.
- Seven nos. of Sewage Treatment Plants (STP) have been provided for treatment of domestic effluent. The sludge generated is used as manures for plantations and gardens in the townships. The treated water flowing out of these STPs is reused for irrigation purposes.
- Monitoring of the land reclamation through remote sensing data generated by National Remote Sensing Agency is in progress for 14 Open Cast Mines (11 nos > 5 MM^3/Yr and 4 Nos < 5 MM^3/Yr capacity) in both Ib-Valley and Talcher Coalfields through CMPDIL the report generated is uploaded on the Company website.

18.3.5 Environmental Monitoring:

- Routine environmental monitoring of air, water and noise was carried out during the year through CMPDI laboratories, duly recognised by the Central Pollution Control Board (CPCB) at an estimated cost of ₹ 2.90 crore. Methodology, frequency, etc. were strictly maintained as per the guidelines laid down by CPCB.
- Results of monitoring were submitted to SPCB and MoEF as per the statute. Further the environment monitoring results are being uploaded on the company website on monthly basis.
- Automatic Weather Stations at Jagannath Area and Lakhanpur Area are in operation.

18.3.6 ISO Certification:

MCL as a corporate has been assessed and issued certificate of registration on Integrated Management System consisting

of ISO 9001:2008 (Conforming Quality Management System), ISO 14001:2004 (Conforming Environmental Management System) & OHSAS 18001:2007 (Conforming Occupational Health and Safety Management System) awarded by Governing Board of MS Certification Services Pvt. Limited and is valid till 10.04.2016.

18.3.7 Awards and Recognition (Environment)

This year also Bhubaneswari OCP & Samleswari OCP were individually awarded Silver Award in Metal & Mining Sector for outstanding achievement in Environment Management in the 14th Annual Greentech Environment Award 2014, held at Chandigarh.

19. SALES AND MARKETING PERFORMANCE

MCL has achieved an off-take of 114.347 MTe. during 2013-14 with a growth of 2.1% over last year, in spite of strike, bandh, cyclone during October, 2013 followed by flood and the restriction imposed by State Govt. on transportation of coal from Basundhara & Garjanbahal area to Kanika siding during day hours.

A consumer meeting was held on 14.06.2013 for inviting views/suggestiom from customers to make satisfaction proforma. On the same day i.e on 14.06.2013 a customer satisfaction proforma has been worked out jointly with customer.

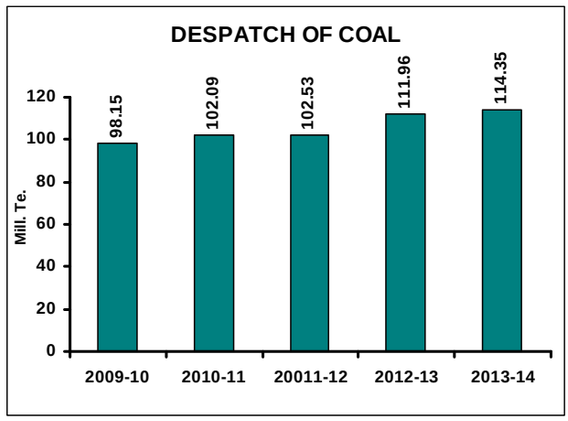
19.1 Demand and Off-take

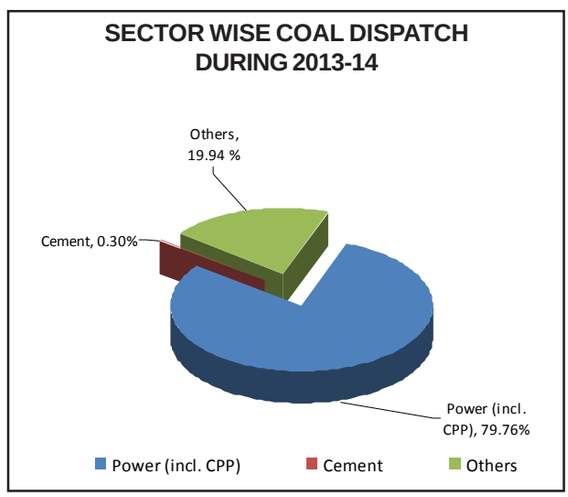
Off-take during 2013-14 was 114.347 MTe against the target of 123.30 MTe which was 92.7% of target and an absolute growth of 2.604 MTe over last year despatch.

The Sector-wise dispatch during 2013-14 are appended below :

(In Million Tonne)

Sector	2013-14			2012-13
	Target	Actual	%Achieved	Actual
Power (incl. CPP)	102.138	91.201	89.3	88.160
Cement	0.440	0.340	77.3	0.348
Others	20.722	22.806	101.1	23.451
Colly. Consumption	0	0.005	--	0.005
TOTAL	**123.300**	**114.347**	**92.7**	**111.964**



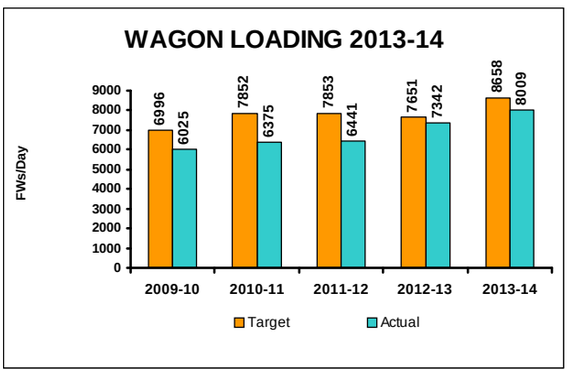


19.2 Wagon Loading

Daily average wagon loading during 2013-14 in MCL was 8009 FWW/Day against 7582 FWW/Day during 2012-13 with an absolute growth of 427 FWW /Day i.e. 5.6%. The Field-wise loading against target and supply is appended below:

(Figs. in FWW/Day)

Field	2013-14			2012-13
	Target	Supply	Loading	Actual
IB Valley	4174	3348	3348	3290
Talcher	4484	4661	4661	4292
TOTAL	**8658**	**8009**	**8009**	**7582**



19.3 e-Auction

During 2013-14, MCL had offered 24.893 MTe under Spot & Forward auction against which 20.266 Mil.te. was booked by different bidders registering a premium of ₹735.64 Crore over notified price.

19.4 Fuel Supply Agreement(FSA)

MCL has signed twenty four FSAs with various consumers during 2013-14.

20. COAL QUALITY IMPROVEMENT

Your Company has taken utmost care to improve the quality of coal being supplied to different Power Houses including other consumers as well as to fulfill the consumer satisfaction. During the year various measures for ensuring proper quality of coal despatch were intensified. This year MCL have achieved a record despatch of 114.34 Mt. against 111.96 Mt. as compared to the previous year. So far quality complaints are concerned, this year the number of complaints received is 53 (Fifty Three) against 17 (Seventeen) in the previous year.

The following steps are being taken by the Company to improve quality and consumer satisfaction.

(i) Frequent interactions with different consumers have been done to improve consumer satisfaction.

(a) Meeting of Regional Coal Consumer Council (RCCC) was held with various major coal consumers on 27.06.2013 at Bhubaneswar and on 26.12.2013 and 12.03.2014 at MCL HQ, Sambalpur.

(b) A consumer meeting was conducted on 14.06.2013 at MCL HQ, wherein suggestion/ feedback were taken from the consumers for the development of a Feedback format.

(ii) Consumers were encouraged for checking and supervising personally the coal loading Points/Sidings as well as Weighbridges and Coal Analysis Laboratories.

(iii) All sidings from where huge quantity of coal is despatched to major consumers and Core Sector industries, have been put directly under the supervision of the Nodal Officers who were specifically responsible for maintaining and ensuring proper quality, weighment and sizing of coal.

(iv) Whenever any complaint, whether major or minor in nature is received in the Department, the same is being enquired on the spot by officers of QC Department and the findings are informed to the consumer from whom complaint was received, within the optimum time communicated.

(v) All the railway sidings at area level are being constantly monitored by QC Department in respect of despatch of assured quality coal to all consumers.

(vi) Surprise inspections and analysis of coal from different sidings are being done regularly by teams of officials of QC

department to ensure proper quantity and quality of coal despatched.

(vii) Frequent inspections of Weighbridges and Laboratories are being done regularly by QC department. In case of any discrepancy or fault found in Laboratories, Weighbridges and Sidings during inspection, the same was communicated to the concerned CGM/ GM of the Area for information and taking corrective measures.

(viii) To develop awareness on quality from grass root level, Q.C. Deptt. has observed "QUALITY WEEK" from 24.02.14 to 02.03.14 in all Areas. All Area personnel had whole heartedly participated. The Final Day Celebration was held on 12.03.2014 at MCL HQ, which was graced by CMD, CVO, all Directors in presence of RCCC Memebrs. GM(QC), MCL & GM(S&M/QC),CIL Mktg. Divn., Kolkata also witnessed the Final Day Celebration.

(ix) Independent 3rd Party Sampling Agency was deployed from October, 2013 at all loading points to carry out sampling and analysis of coal being dispatched to MAHAGENCO, WBPDCL, SAIL (RSP,CPP-I), SPCL (RSP, CPP-II), APGENCO, TNEB, NTPC(Kanhia), TTPS, OPGC, NALCO, KPCL, NALCO (Dmj), NTPC (Simhadri) and Vedanta Aluminium Company Ltd, Sesa Sterlite Energy Ltd., Adani Power Ltd., RGTPP, etc.

(x) There are total ten coal analysis laboratories in different Areas like Ib Valley, Lakhanpur, Orient, Basundhara & Garjanbahal, Jagannath, Lingaraj, Bharatpur, Hingula, Talcher and Kaniha. All are well equipped with modern equipments like electronic Auto Bomb Calorimeter for determination of GCV of coal.

(xi) These equipments enable in determining the grade of coal despatched to different consumers within a period of two hours. This has helped for quick monitoring of the quality of coal available in the colliery stocks, sidings and the quality of coal being mined.

(xii) During this year also selective mining method of extraction of coal was being continued and accordingly surface miners were deployed at Lakhanpur OCP, Belpahar OCP, Lingaraj OCP, Bharatpur OCP, Balram OCP, Hingula OCP, Basundhara(W), Kulda OCP and Samleswari OCP.

(xiii) By using surface miner the rejects are being separated from the coal seam which helps to maintain the quality of coal.

(xiv) Electronic Rail Weighbridges with print out facility are available at all sidings. Apart from this, Company has provided stand-by weighbridges for achieving the target of 100 % weighment.

(xv) Proper care has been taken towards supply of -100 mm size coal to the consumers. For this, coal which has been dispatched by rail, belt & MGR was crushed by CHPs & FBs.

(xvi) For the purpose of transparency and to get active participation of consumers on quality, bound paged registers has been kept in all sidings/ loading points, in which the representatives of the consumers present at the time of loading, are free to write their comments/suggestions in respect of quality/sizing & other facilities.

(xvii) Out of total dispatch of 114.34 Mt. of coal, 99.37% of coal was weighed with electronic print out during 2013-14 against 99.25% of 111.96 Mt. coal during 2012-13.

(xviii) By adopting stringent sampling procedure in case of seam, stock, siding & tipper samples, during the period 2013-14, the Annual Coal Grade has been declared to the utmost satisfaction of the consumers.

(xix) The coal despatched covered under agreed sampling to Power sector in 2013-14 is 86.76 MT and percentage of which is 100%.

(xx) Sized coal despatched to Power sector by rail is 69.15 MT and its percentage is 100%.

(xxi) Despatch of coal to Power sector by rail weighed on Electrinic weighbridge is 68.46 MT which is 99.01%.

21. SAFETY AND RESCUE

'Safe Mining' is one of the core capabilities of your Company which has been attained through continuous practice of safety methods and techniques. Having a 'Zero Accident' target, your Company prepares, plans and equips itself on a regular basis so that the target is best achieved and becomes the motivating force for the employees to be more productive.

21.1 Accident Statistics

Sl. No.	Particulars	2013-14	2012-13
1.	No of fatal accidents	1	1
2.	No of fatality	1	1
3.	No of serious accidents	11	7
4.	No of serious injury	11	7
5.	**Rate of fatality**		
	Per million tonne output	0.009	0.009
	Per 3 lakh manshift	0.061	0.061
6.	**Rate of serious injury**		
	Per million tonne output	0.100	0.065
	Per 3 lakh manshift	0.675	0.426
7.	**Place-wise fatality**		
	UG	--	--
	OC	1	1
	AG	--	--

21.2 Steps taken for improving safety in MCL

- The provisions of Mines Act, Mines Rules, Coal Mines Regulations and other relevant statutes have been implemented to achieve superior standards of health and safety in our company. As a testimony, MCL has been accredited with OHSAS 18001:2007 certification.
- MOU target is fixed at beginning of every calendar year unit-wise and for the whole company to bring about improvement in safety standard in operations, maintenance and working conditions in the mines.
- Adequate material and monetary resources are provided for the smooth and efficient execution for achieving MOU targets.
- All the employees are provided with the safety gadgets such as helmets, safety foot wears, fluorescent jackets, ear muffs, goggles, gloves etc. to provide protection against conditions which may cause ill-health and injuries.
- Statutory personnel are appointed in sufficient numbers and deployed for supervision of workmen so as to ensure the safety of man, machine and mine.
- The recommendations of 11th safety conference, standing committee on safety in coal mines, CIL safety board, Company level safety committee, Area level safety committee and project level safety committees are religiously implemented.
- In addition to the statutory inspections by the Mine officials appointed under the provisions of Coal Mines Regulation, 1957, safety standards of the mines are also monitored by Workmen's Inspectors (appointed under Mine Rule, 1955), Safety Committee at mine level (constituted under Mine Rule, 1955), Area Level Tripartite safety committees and Company Level Tripartite safety committee.
- Joint consultations on safety matters are held with workmen representatives in Project level Safety Committees, Area Level Tripartite Safety Committees and Subsidiary Level Tripartite Safety Committee.
- Multi-level monitoring of the implementation of Statutory Rules, Regulations and Safety

Plans is done through Internal Safety Organization by Area Safety Officer at Area level and a full-fledged ISO department at Company headquarters level.

- Job related training and retraining are imparted to workmen, supervisors and executives to make them aware about the safety aspects and upgrade their skills at Group Vocational Training Centres and other training institutes established at convenient locations throughout the Company. Training in outside institutes is also imparted as per the requirement, for example to improve the skill of dumper operators, they have been imparted Simulator training at Northern Coalfields Limited, Singrauli.
- Regular medical examination of workmen and supervisors are conducted for detecting defects and diseases so that they can be treated in time
- Internal Safety Audit by teams of Internal Safety Organisation and by External competent agencies are carried out regularly for evaluating the safety system so that the crucial focus areas of each project may be ascertained for further improvement.
- Safety Fortnight and special safety drives are observed throughout the company to refresh and tune the whole system to the statutory requirements. On this occasion, trophies and shields are also distributed among the mining projects and workshops in different categories.
- Safety Management Plan of Lingaraj, Bharapur, Kaniha OCP, Talcher and Nandira have been prepared and reviewed by Management for the year 2013-14.
- Twelve Operators have been taken training through Simulator for the year 2013-14.
- Feasibility study and approval of report for installation of man-riding system done and work order issued.

21.3 New safety technology adopted.

(i) Surface Miner Technology, which is a blast free mining technology, completely eliminates the dust generating operations like drilling, blasting and crushing. It also does away with the hazards associated with blasting. In addition, the coal seams having inferior bands of carbonaceous matter can also be selectively mined with this machine to reduce the ash content resulting in less ash generation in power plants and reduction of green house gases. As such it is a safer, more environmental friendly and continuous production technology.

(ii) Introduction of riper dozer - another blast free technology for removal of OB - has also eliminated the dust generating operations like drilling and blasting which many times causes nuisance to the villagers.

(iii) Environmental Telemonitoring System constantly monitors the presence of and gives forewarning about the increasing concentration of noxious gases such as carbon monoxide, carbon dioxide, methane etc. in the environment of underground mine. Such systems have been installed in underground mines for continuous monitoring of the environmental conditions.

(iv) Long and arduous travelling in underground mines causes fatigue and lost of valuable working time. This may also lead to accident. To overcome this problem, man riding system has been installed in underground mines so that the workers are not tired and may give greater output.

(v) Machines such as SDLs and LHDs have been introduced to eliminate manual loading of coal in underground mines. This has reduced the number of persons in working districts for the same output which is a commendable achievement both from safety and production point of view.

(vi) Introduction of UDMs in underground mines have helped in eliminating manual drilling which is the most arduous job in underground mine. This technology has also reduced the exposure of workpersons in the green roof zone and has enhanced the drilling output.

(vii) Operator Independent Truck Dispatch System (OITDS) has been installed at Balram, Lingaraj & Bharatpur OCPs for better monitoring of movement of tippers and dumpers.

(viii) Introduction of Continuous Miners at ongoing Underground Projects at Talcher (West) mine & Natraj U/G mine of Talcher Area will be effective in eliminating blasting hazards and in reducing the exposure of work persons in the green roof zone.

(ix) Construction of 04 Washeries including SILOs & CHPs has been planned to supply better quality coal to Thermal Power Stations. Setting up of these SILOs and CHPs will reduce the vehicular traffic density and the associated hazards in mines.

21.4 Research and development

(i) Scientific study for determining the stability of high walls of Coal and OB benches and OB dumps for all OCPs of MCL is being conducted.

(ii) A R&D Project "Studies on Determination of Free Silica (á-Quartz) content in Air borne Respirable Dust (ARD) in Coal Mines & Preparation of Data Bank of free silica and Minerals present in Dust as well as in Coal" is in progress under the aegis of Coal India Limited in collaboration with the national premier research institute Central Institute of Mining and Fuel Research, Dhanbad under Council of Scientific and Industrial Research.

(iii) Non-destructive test of Coal handling plants, Rapid loading system, Overhead bunkers and Heavy earth moving machineries is carried out regularly by CMPDIL, Ranchi - a premier scientific agency of Coal India Limited.

(iv) Rock mass rating studies have been conducted by CMPDIL, Ranchi for designing suitable support system to stabilize the strata in underground mines.

21.5 Rescue

MCL has a well-equipped Mines Rescue Station, Orient Area in IB Valley Coalfields and a RRRT, Talcher Area in Talcher Coalfields to cater to the needs of emergencies in the mines of MCL. To further strengthen the rescue services, the following additional arrangements were made during 2013-14:

(i) 78 Nos. of DGMS approved Closed Circuit Positive Pressure Self Contained Breathing Apparatus & 04 Nos. of Testing machines were procured to strengthen our Mines Rescue Stations at Orient & Talcher.

(ii) 1202 Nos. of Self Contained Oxygen Type Self Rescuer of 60 minutes duration were procured for our Underground mines of Talcher & Orient Areas.

22. COMPUTERISATION

Coalnet

Various modules of Coalnet like Financial Information System (FIS), Personnel Information System (PIS), Payroll, Sales & Marketing, Production Information System, Equipment Monitoring System etc. are in use. Enhancements are being done regularly as per needs of the users. Coalnet software is under maintenance contract with M/s CMC Ltd.

MCL has already extended the activities up to Area & Project level like Bill payment status entry, Road sale and Rail sale billing, Online Material Management System (OMMS) at two Regional Stores, updation of employee

data, production details entry, land acquisition and rehabilitation details through Coalnet Server at HQ. Activities of MCL Bhubaneswar like financial accounting, payroll and personnel information system have been shifted to Central Coalnet Server. Financial accounting as well as Debtors accounting of MCL Kolkata have also been shifted to the central Coalnet server.

e-Procurement

e-tendering portal developed by NIC is in operation for Tender hosting, opening and evaluation for works and services, and procurement of goods for ECV more than 2 lakhs. Auto-refund of EMD has been implemented during 2013-14 for all tenders through e-Procurement portal.

e-Payment & e-Receipts

Payments and receipts are mostly done through e-mode.

Truck Despatch System

Installation and commissioning of GPS based Operator Independent Truck Dispatch System (OITDS) is complete in three Open Cast Projects of MCL namely, Balram, Lingaraj and Bharatpur OCPs. WPC license have been obtained and voice communication has been setup. The system is in operation.

MCL website

MCL's website www.mcl.gov.in is hosted and maintained by CMPDI, Ranchi. The website is being regularly restructured as per our need. Facilities for online registration of complaint and viewing bill payment status related to payment to contractors / suppliers, Online Recruitment, Coal Consumers' Complaint Redressal etc. are available on the website. RTI related information are also regularly updated in the website. The scanned copy of the APRs for the year 2012-13 has been uploaded in the website.

Email Accounts

In view of directive from Ministry of Home Affairs, Govt. of India, 400 email accounts have been taken from NIC for officers of HQ and Areas for making official correspondences.

Uploading of Tenders

All open tenders are uploaded on daily basis in the Govt portal www.tenders.gov.in by Systems department, in addition of e-procurement portal.

OMMS (Online Materials Management System)

OMMS in legacy system is operational at all the Regional Stores, and there is facility for getting online stock position of any item at any stores from anywhere in MCL. More than 95% of items have been codified as per standard codification scheme of CIL/ MCL.

Linking between BBSR, Kolkata

The Offices of MCL at Bhubaneswar, Kolkata are linked with MCL HQ at Sambalpur through 1 Mbps BSNL leased line. VPN connectivity is also established with HQ to enable user to connect to corporate LAN from any location to carry out day to day jobs on Coalnet.

Internet Leased Line

A 10 Mbps leased line based Internet facility from BSNL has been commissioned at HQ. Any user on corporate network can access Internet from any remote units of MCL. The same is being renewed for the year 2014-15.

Productivity Improvement Scheme Software

A software has been developed and implemented in Open Cast Projects of MCL for correct and timely payment of incentives as per Productivity Improvement Scheme approved by MCL Board, which is aimed

at boosting moral of operators and increase productivity. The same is being developed in three tier architecture for deployment on central Coalnet server.

Connectivity of Remaining Weighbridges

All the weighbridges (both Rail and Road) are being connected to the corporate network through radio links.

Redundant Data Communication Network

Work order has been placed for setting up MPLS / VSAT based redundant data communication network for connecting Area Offices / Project Offices / Weighbridges with HQ.

Installation of Serves at Central Data Centre and at Nodal Computer Centres

High-end IBM Servers have been installed at HQ and at three Nodal Areas of IB Valley, Basundhara and Jagannath. Basundhara Area has been chosen as Disaster Recovery Site. All legacy software and data have been ported on to the new IBM Servers. Oracle 11g DB and 11g AS (Web Logic) have been installed. The legacy software have been migrated to the new servers.

GPS/GPRS Based Vehicle Tracking System

Supply order has been placed for supply, installation, commissioning, implementation, training and comprehensive maintenance of (i) GPS/GPRS based Vehicle Tracking System on 1500 trucks/tippers used for coal production/internal transportation, (ii) RFID based Reader with Fixed IP Camera at 96 nos. of Road Weighbridges for capturing image of the vehicles and vehicle details along with weighment data, and (iii) CCTV Based Surveillance Systems at 22 nos. of Railway Siding for continuous video recording.

Future Plan / Other Ongoing Activities:

- **Email Messaging System**: MCL shall implement Email messaging system for providing email accounts to its employees. The Mail Server shall be integrated with Coalnet Server for sending email to Customers/Suppliers/Contractors about bill payment details, Delivery Order, refund etc through the Coalnet server.
- **Replacement of 349 PCs** – 349 nos. of old desktop PCs and associated peripherals shall be replaced by new PCs and peripherals.
- **Wi-Fi Network**– MCL has initiated action for establishing Wi-Fi network at Coporate Office and its Residential Area at Jagriti Vihar for extending the existing Local Area Network (LAN) for accessing Coalnet from various departments and accessing Internet from residence.
- **OMMS** module of Coalnet will be implemented at all the Regional Stores and two Central Workshops of MCL.
- **FIS** and other modules of Coalnet will be implemented at Areas in phases.
- **Payroll** of entire MCL shall be processed through the central Coalnet server.

23. TELECOMMUNICATION

a. Mobile CUG facility has been provided to all the executives of MCL serving at different units of the organization all over the state of Odisha. This has enabled 24X7 unlimited communications among 1800+ executives at minimum cost engaged in mining, Despatch, Engineering and other activities and thereby substantially reinforcing the communication infrastructure of MCL. Action has also been initiated to rope in other MCL executives posted outside Odisha, (a small fraction) and 140 JCC members under the

CUG out of140 JCC member, 60 JCC members have been provided with the CUG SIM. Providing CUG SIM to siding has also been initiated.

b. The IP based Wide Area Network (WAN) installed covering almost all the units of MCL, is being widely and successfully used for different activities like Finance, Sales, System etc. for online data communication, facilitating management for decision making in organization. Efforts have been taken for increasing the use of the network for more sophisticated purpose like ERP, various online activities etc.

c. WiMax Internet facility has been provided to all the road weighbridges of MCL being used for road sale to enable generation of e-transit pass for the truck to be dispatched.

d. For enhancing the internal communication facilities, 05 numbers EPBAX Exchanges for Lajkura, Nandira and Bhubhaneswari, Bhubaneswar office and Anand Vihar MCL HQ have been supplied and are under installation process.

e. Installation work of Camera Surveillance System is under process at Office Campus of MCL HQ, Jagrati Vihar to enhance the security of the corporate office. Initiative has been taken for installation of CCTV Surveillances system at Central Workshops, Central stores & Regional stores of all area of MCL. Initiative has also taken for installation of CCTV surveillance system for colony of Jagruti Vihar, MCL HQ keeping in view of the security of the colony.

f. Being an obscured place, for recreation of the employee at MCL HQs., one cable TV service with about 650 connections at the residence of staff and executives of MCL HQ, covering both Jagruti Vihar and Anand Vihar has been arranged and maintained by the Department.

g. Procurement of 30 line underground communication system is also under process for mine no. 4 of Orient Area by replacing the existing system.

h. VHF Sets (20 Handheld+2 Base stations) of Jagannath Area has been surveyed off and proposal for replacement has been initiated. Proposal for procurement of 20 new VHF sets for Kaniha Area has been approved and procurement is under process. Action has also been initiated for providing VHF Walkie Talkie communication at MCL HQ (JV & AV) to strengthen the security of these campuses.

i. Video conferencing system is being installed at MCL HQ for conferencing with all the subsidiaries of CIL, CIL HQ and Ministry of Coal, New Delhi.

24. DEVELOPMENT OF ANCILLARY INDUSTRIES

Your Company is committed to provide self employment opportunities to the local budding entrepreneurs through the process of ancillarisation and provide a sustainable business to them by apportioning a substantial share of revenue in the areas of Stores/Consumable/Repairing etc.

For the above cause, your Company has a full fledged Ancillary Development Cell which is committed for the following activities:

- Undertakes, allows and encourages all endeavours to explore and develop the potentialities of the small scale industries (SSI) in its operational jurisdiction within the state of Odisha.
- To improve the availability of spares, import substitution for meeting the growing demand of MCL, with the help of Directorate of Industries of the State and D.I.C's.

- A broad outlook to create scope of increased self-employment and thus self-dependency amidst the young population of the locality of State.
- Prosperity of General masses, in the state and elevation of this state in the industrial map of the nation, and adjusting the industrial products of the SSI Units of this state to reach the new dynamics of achieving the GLOBAL COMPETITIVE STANDARD.

The Ancillary Development Cell of MCL is committed to the overall development of small scale industries of the state of Odisha located within the operational jurisdiction of MCL, with a sole aim to provide increased scope of self employment opportunities to the skilled and un-skilled unemployed youth of the locality and thus self- dependence and prosperity of the general masses in the state.

Since inception of the Company, MCL has helped and developed SSI units of Odisha. SSI units were awarded proven / provisional ancillary status for various consumable spares / items and service related jobs directly linked to production processes involved in engineering and mining section of MCL.

Further in its continued efforts in keeping alive these ancillary units, MCL has been giving sustainable business to those ancillary units who are committed to quality supply of materials and maintaining prompt delivery schedules. After reviewing the performance of the ancillary units, their cases are considered for renewal of ancillary status. As on date, approximately 33 SSI units (ancillary units) have got extension of validity of ancillary status based on merit and actively participating in the procurement process of MCL and supplying various quality ancillarised spares to the user areas. Statuses of remaining 18 are expired and are at various stages of Revalidation for further period of 5 (five) years.

MCL has been continuously keeping track with the ancillary units and trying to redress their grievances from time to time by conducting interactive session / meeting.

In the year 2013-14, MCL had actively participated in the two Mega Events,

(i) Odisha MSME INTERNATIONAL TRADE FAIR – 2014 from 1st to 7th January 2014 at Bhubaneswar organized by MSME Department Govt. of Odisha, Deptt of Industries in association with National Small Industries Corporation (NSIC), Govt. of India.

(ii) National Level Vendor Development Program cum Industrial Exhibition & Buyer Seller meet, Enterprise Odisha from 20th to 23rd October 2013 at Cuttack organized by MSME – Development Institute, Govt. of India in association with MSME Department, Govt of Odisha ,CTCC and Orissa industries association . Spares of various equipments that have been identified were made open, for easier and simpler understanding of the MSEs. MSEs were invited for strengthening MCLs production process and get strengthen themselves economically. MCL was awarded with Certificate of Excellence in both the events.

Besides this MCL participated in seminars which help in strengthening the entrepreneurship in the state of Odisha.

(i) MSME Summit cum Expo organized by Indian Chamber of Commerce at Bhubaneswar on 26/07/2013

(ii) 27th Annual State Level Convention and seminar held at Bhubaneswar on 12th August 2013 by Orrisa Assembly of Small and Medium Enterprises (OASME).

Areas of Ancillarisation:

Consumable Stores, Furniture, Forest Products, Safety Items, Machinery Spare Parts, Castings, Services, Feeder Breaker / CHP Spares, Underground equipments spares, Pipe Fittings, Civil Items ,Electrical Items, Fire Fighting Equipments, Rolled steel Items, Printing Jobs, Cables, etc.

Purchase / Repair statistics of ancillary units (both proven and provisional) and SSI units inside and outside Odisha for the last three years is as below :

(Fig in crores)

Sl. No.	Financial Year	Purchases/Repair statistics		
		Ancillary	SSI inside & outside India	Total
1.	2011-12	5.24	10.16	15.40
2.	2012-13	4.36	19.36	23.72
3.	2013-14	2.82	19.72	22.54

A new policy for Micro and Small Enterprises (MSEs), MSEs Order 2012 issued by Secretary to Government of India, Ministry of Micro, Small and Medium Enterprises (MSME) vide DO 21(1)/2011-M.A dated April 25,2012 has been received. This policy has a time frame of 3 years starting from 2012-13 for implementation after which it will be mandatory.MCL had framed and implemented this policy along with existing ancillary policy. Policy entails about achieving 20% of the total annual purchases of the products or services produced or rendered by MSEs.

(i) Revenue Budget for the FY 2013-14 under head Other Stores excluding HEMM Spares and POL is ₹100.3 Crore.

(ii) Offtake from MSEs and Ancillary Firms in the FY 2013-14 is ₹22.54 Crore.

Offtake from MSEs is 22.47 % of the total allocated budget and is more than the stipulated required amount in line with Guideline of Ministry of MSME, MSEs Order 2012 i.e. 20%.It may be mentioned that MCL as a policy going for e-tendering above 2.00 lakh and is open to all including SSI units provided they meet eligibility criteria.

With implementation of this new Public Procurement Policy (PPP) along with existing Ancillary Policy, it is expected to increase the off-take from MSE's. New Procurement Policy for MSEs and Ancillary followed by MCL is available in MCL Portal under heading Ancillary and MSEs.

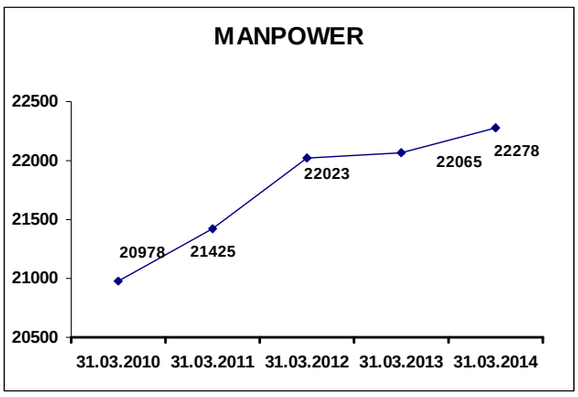
25. HUMAN RESOURCES MANAGEMENT (HRM)

Your Company is having the lowest manpower contingent, but by maintaining their motivation and competence at a higher level has helped the Company to remain in the 100 Million Club again for the 5th consecutive year. The high productivity of the employees has resulted in achieving 110.440 Million Tonnes of Coal production and 96.03 M.Cu.M of OB Removal in the financial year 2013-14.

Your company believes that its success is not attributable solely to its strong market position but to its human capital, that plays an equally important role. HRM of your company is well aligned with its long-term strategies, which culminates in attracting, nurturing, developing and retaining talents.

Out of the total manpower of 22,278 the strength of the executives is 1879 and non-executives is 20399. During the period, 85 persons joined by way of fresh recruitment, transfer, reinstatement, etc. and 161 persons were separated by way of retirement, transfer, ESS, resignation, death, etc. The main increase in manpower is on account of providing employment to the Project Affected Families as per the R&R Policies in vogue, Recruitment through campus selection and open recruitment of Management Trainees by CIL. The total

manpower strength of the Company stands at 22,278 as on 31.03.2014 against 22,065 as on 31.03.2013.



The HRM Performance under MOU 2013-14 is enumerated at Annexure-C of Report of Auditor on MOU Performance 2013-14.

25.1 Industrial Relations:

MCL being a major industrial establishment of Odisha, has maintained healthy cordial industrial relations with its workers' representatives for creating harmonious working environment in the organization. It has also maintained friendly relation with outside agencies and adjoining villagers of the mining vicinity.

Harmonious relation between management and employees is pivotal for achieving higher growth and as such, the company always emphasized on maintaining good industrial relations. This year too, MCL has been successful in maintaining the industrial relations harmoniously with the three tier IR system mechanism i.e. at Unit level, Area level and Corporate level. Depending upon the issues and delegation of power, the grievances/demands of employees were resolved at different levels of IR system.

Barring one strike held on 13.03.2014 by Coal Mines Officers Association of India on the issues of Performance Related Pay (PRP) and some other issues.

Industrial Relation remained peaceful. Apart from this, there were no strikes during the year 2013-14 reflecting the strong relationship between the Management and Trade Unions.

The efforts of all four operating Trade Unions were highly appreciable for maintaining high standards of Industrial Relations with the management.

25.2 Participative Management:

Employees' participation in decision making in day-to-day affairs as well as corporate planning up to a certain level with the management, paves the way for achieving corporate goal. MCL, your Company, knowing the values of participative management has adopted the principle since its inception.

Trade Union representatives are nominated by operating trade unions (covered under IR system) to represent in JCC and Welfare Board. In addition to the said bipartite forums, Tripartite Safety Committees at the Area as well as Corporate level are also functioning in which representatives nominated by operating Trade Unions are included. The above said bipartite and tripartite committees were actively involved in assisting the Management to take certain decisions and resolving problems.

MCL believes in developing work culture, amicable environment and solidarity among its employees not only through participative management but also by imbibing best practices such as employee engagement. Inter-Directorate cricket tournament was conducted in the last week of February 2014 which not only helped to relieve the monotony and stress of daily work by rejuvenating the employees but also helped in developing and recognizing leaders and the importance of team work.

MCL recognizes the importance of gender sensitivity and takes special care for protecting the interests of its women

employees and addressing issues / grievances raised by women employees. To promote the development and growth of women so that they will continue to make best use of opportunities, emerge more confident and contribute effectively to the process of inclusive growth, MCL has facilitated for networking, exchanging information and ideas through participation of its women employees in trainings and seminars in WIPS (Women in Public Sector) forum.

More than 300 meetings related to IR, Welfare, Safety, JCC etc. were held at Company level / Area level / Project level in 2013 – 14 wherein various matters regarding employee welfare, safety and employee grievances were discussed with the Union representatives and problems were amicably sorted out. In the course of such discussions, many new ideas and suggestions were also generated for improving work processes and for the betterment of day-to-day affairs of the organization.

In addition, meetings with Coal India Schedule Caste/Scheduled Tribe Employees' Association (CISTEA) were held at Area/HQ where the grievances of employees belonging to SC/ST communities were discussed and steps were initiated to resolve the grievances amicably.

One member of SC/ST Association has been included in the following forums at Unit/Area/HQ level, heralding a positive step towards participative management:-

i) House Allotment Committee

ii) Area Joint Consultative Committee

iii) Corporate Joint Consultative Committee

25.3 Training and Development

Training and Development is an integral part of your Company's Corporate Policy to deal with the development of existing Human Resources as well as to look ahead with clear perspective with special reference to technological advances and growth of manpower to fulfil the demand of production vis-à-vis technology.

To cope up with the task emerging from strategic plan, annual HRD plan is worked out every year to integrate HRD efforts in all the 3 in-house training centres i.e (Management Training Institute (MTI), Burla, Belpahar Training Institute (BTI), Belpahar, Lakhanpur Area, Mining, Engineering and Excavation Training Institute (MEETI), Talcher and 5 Vocational Training Centres (VTC) located in different Areas in following three segments.

i) Technical Training :

It is to provide necessary technical training to the employees working in mines directly or indirectly and also to update them with latest technology if any to be used in mining operation in near future so that capital and technology input to the project through capacity and new equipment or enrichment in the production process through particular systems in technology could provide appropriate return to the investment. In order to implement the above, employees are exposed through :

- **Basic Course**: Appropriate to technology, equipment and system
- **Refresher course**: Once in three years to those who have already gone through basic course or are already working in specific skill area. Refresher training is also conducted either on the site or in the training centres.

- **Specialized course**: In case of change in technology, in equipment configuration and capacity and improvement in the system of production.

ii) Management Training :

Executives at each level are provided need based training as per the Companies requirement form time to time i.e. entry to the higher level, In house training on various subject of Companies interest is imparted at the Management Training Institute, Burla. Also the executive are sent to various outside organisation like IICM, Ranchi , IIM, IITs, NIT and other renowned training centres in India and abroad for acquiring new skill and knowledge.

iii) Transformation Training :

Company on a regular basis besides imparting the regular statutory training courses takes interest in providing some specialized training to the employees with an outlook to the Company's future need and requirement as per the Company's Corporate plans to make the employees skilled enough to take on the future challenges and take the Company towards a new horizon of success.

Training Curriculum :

A) Executives Programme:-

- General Management Programme: For enhancing the Managerial Skill and performance of executives
- Functional Programme: For developing functional skills.
- Cross Functional Programme: For developing knowledge regarding function of other department.
- Computer Awareness Programme: For efficient and smooth functioning of all related official jobs.

B) Supervisors programme:-

- Supervisory Development Programme: For knowledge and skill up gradation.
- Safety Management for Supervisors: For creating awareness among the supervisors.
- Coaching classes : For carrier growth.
- Computer Awareness Programme: For efficient and smooth functioning of all related official jobs.

C) Workers Programme:

- Workers Development Programme: For Skill up-gradation of workers.
- HEMM training: Land oustees are selected for this training to be posted in different mine after proper training.
- Safety Awareness programme: To create safety awareness among workers regarding safety in mines.
- Computer Awareness Programme: To handle computer efficiently.

Training Details

In House Training details (MTI, BTI, MEETI, VTC)

Sl. No.	Employees	2012-13	2013-14
1.	Executive	944	1543
2.	Supervisor	657	941
3.	Worker	4838	4472
	Total	**6739**	**6956**

External Training details

Sl. No.	Employees	2012-13	2013-14
1.	Executive	874	832
2.	Supervisor	185	158
3.	Worker	62	92
	Total	**1121**	**1082**

Internship Training to Students of various Educational Institutes

Sl. No.	Employees	2012-13	2013-14
1.	Mining Engineering	102	50
2.	Mining Diploma	188	63
3.	BTech	111	52
4.	MBA	57	45
	Total	**486**	**210**

Post Diploma Practical Training (PDPT)

Sl. No.	Employees	2012-13	2013-14
1.	OSME, Keonjhar	22	10
2.	KIMET, Chhendipada	6	10
3.	PCIET, Angul	--	24
	Total	**28**	**44**

Training Imparted to MCL Board members

Year	No. of Training	Within India	Foreign
2012-13	10	10	--
2013-14	7	6	1

Specialised Training programs as per MOU Year 2013-14

Sl. No.	Type	Target	Executives Trained
1.	Project Management	60	60
2.	Contract Management	5	7
3.	Risk Management	5	9
4.	Environment Management	5	6
5.	AMP	2	4
6.	Foreign Training	0	1

25.4 Management Development Institute at Bhubaneswar

Out of its commitment to grow as a learning organisation, to create space for executive learning on continuous basis, and to develop Executives for the future Leadership positions in the Company, MCL has decided to set up a state-of-the-art Centre for Management Development in the State capital.

MCL is the only Subsidiary of Coal India Limited that has taken up such a large initiative to cater to the growing and emerging developmental needs of the executive population, within the coal sector .The upcoming facility at Tomando, Bhubaneswar aims at multifarious activities like Training and Development, R&D, consultancy, and General educational Programmes. Competency gaps arising out of introduction of new Technology, diversification of Business, and superannuation of executives can be replenished at a faster rate through structured HRD interventions for which the Institute is poised.

M/s NBCC - a Central Government Enterprise has been entrusted with the construction of the Institute complying the best of the green standards.

25.5 Recreational Activities

Keeping in view to induce team spirit and to develop sense of fellow feeling amongst the employees different recreational activities are being organised in the Company.

Different tournaments have been organised at the Area level and the selected players were deputed to participate in the CIL Inter Company tournaments. The MCL achievements in the CIL tournaments are praiseworthy, especially in 3rd Corporate Games Badminton tournament Miss K. T. Das was winner in doubles and runners-up in single Women's category. The MCL Team were group Runners-up in the All India Public Sector Golf Tournament which was organised by MCL at MCL Hqtrs, Sambalpur from 19th to 20th December 2013.

Run for Excellence was organised on the occasion of Coal India Foundation as well as Foundation Day of MCL. For social and economic development of down trodden

people of our society, MCL Mahila Mandal undertook lot of philanthropic works in and around MCL peripheral. Financial assistance has been extended to different registered organisation for undertaking recreational and social activities in their Area.

25.5.1 Education:

MCL has rendered Financial Assistance to the Educational Institutions running in and around collieries in the form of Grant-in-aid to 19 nos of privately managed Schools including NK Mahavidyalaya, Talcher. In order to have better educational facilities for our children, 09 DAV Public Schools are functioning in MCL. This includes a DAV Girls High School exclusively for Girls students. During the year 2013–14, ₹19,00,99,134/- (Revenue) was sanctioned for DAV Public Schools towards recurring expenditure and ₹49,24,080/- (60% of allocated amount) has been provided to Privately Managed Schools and to release the balance 40% relevant report have been asked from the Area. In addition to above 40% seats were reserved for Wage Board employee wards for admission into IGIT Sarang and OSME Keonjhar (Diploma Tech. Schools).

An amount of ₹7,49,32,773/- (Rupees Seven Crore Forty Nine Lakh Thirty Two Thousand Seven Hundred Seventy Three) was paid to the staff (both Teaching and non-Teaching) of MCL DAV Project Schools only towards payment of arrear arising out of implementation of 6th pay commission to for the period 01.01.2006 to 31.07.2009.

25.5.2 Scholarship of meritorious students

As per CIL Scholarship scheme employee wards have been awarded scholarship on merit basis. An amount of ₹21,11,940/- was provided on this head during 2013-14 to 1620 nos of meritorious students (all are employees' wards).

MCL had given financial assistance to employee wards towards cost of tuition fees and hostel rent for Technical and Medical Education. An amount of ₹9,28,760/- was disbursed under this head during 2013-14 to 44 Nos of employee wards.

26. OFFICIAL LANGUAGE

In order to implement the Official Language policy of Govt. of India in HQs. and Areas of MCL an Annual Programme/Calendar is prepared every year and programmes are conducted as per the schedule. Quarterly Rajbhasha Workshops and Official Language Implementation Committee meetings, Language Training Classes for both the sessions of the year, meetings of nominated Hindi Officers, organization of various competitions during Rajbhasha Fortnight, meetings of Town Official Language Implementation Committee, Sambalpur, CIL level Rajbhasha Seminar and Kavi Sammelan were held during the year.

Rajbhasha activities were organised through out the year as detailed below:

1. *Meetings of Official Language Implementation Committee :*

OLIC meetings were held on 19.06.2013, 14.09.2013, 07.12.2013 and 25.03.2014 presided by CMD, MCL wherein progress of Rajbhasha in Areas and HQs. were reviewed and important decisions were taken. In the Official Language Implementation Committee meetings held on 19.06.2013 and 14.09.2013 Dr. Prasanna Patshani, MP (Lok sabha)/Hon'ble member of Hindi Advisory Committee of Ministry of Coal and Observer nominated by Ministry of Coal for MCL was also present.

2. *Rajbhasha Workshop :*

Rajbhasha Workshops were organised on Ib Valley 15.04.2013, 17.04.2013 (MCL

HQs), 17.05.2013 (Jagannath), 23.05.2013 (Talcher), 09.07.2013 Orient, 31.07.2013 (Talcher Area), 08.08.2013 (HQs.), 30.09.2013 (Hingula Area), 16.12.2013 (MCL HQs), 26.12.2013 (Talcher Area), 30.12.2013 (Basundhara Area), and 16.01.2014 (HQs), Total 12 Rajbhasha Workshops were organised where in participants were imparted with the Rules and Regulations of Rajbhasha Policies and practiced Noting/ Drafting in Hindi. Total 470 Officers / Staff took part in the programmes.

3. *Meetings of Town Official Language Implementation Committee, Sambalpur* :

Town Official Language Implementation Committee meetings were organised on 21.06.2013 and 29.11.2013 which was chaired by CMD, MCL. Sambalpur Head and representatives of member offices were present in those meetings.

4. *Meetings of Nominated Hindi Officers:*

In order to expedite the implementation of OL Policy in MCL, meetings of nominated Hindi Officers were held on 17.04.2013.

5. *Training of Hindi Language :*

Training of Hindi Language and Examinations are conducted by HTS, Govt. of India. Total 275 (May, 2013 session-146 and November, 2013 session- 129)employees have passed the examinations of Hindi Teaching Scheme as detailed here with (May, 2013 session- Prabodh-38, Praveen-96, Pragya- 12, November, 2013 session- Prabodh-01, Praveen-41 Pragya-87).One time lump sum cash award have been given to them as per CIL Rules and Pragya passed candidates were awarded with one time cash incentive equivalent to their increment of one year in addition to the above as per the circular of MCL.

6. *Unicode supported Hindi Typing Training on computer :*

Programmes for Unicode supported Hindi Typing Training on computer were organised at MTI, MCL held on 08.08.2013 and 16.12.2013 wherein 50 and 54 employees were trained. Thus 104 employees were trained on Unicode supported Hindi typing training on computer during the year, 2013-14.

7. *All India Kavi Sammelan :*

On the occasion of Vigilance Awareness week celebration an all India Kavi Sammelan was organised at MCL HQs. on 30.10.2013.

8. *Rajbhasha Awards/Honours :*

Rajbhasha Seminars organised by various NGOs were participated by the executives and staff of MCL, wherein MCL and its executives were honoured with many Awards and Accolades, details of which are given below:

Awards received from Rajbhasha Vikash Sansthan, Derahadun in the Seminar at Madurai from 16-18 October, 2013.

- Rajbhasha Shree to CMD, MCL
- Rajbhasha Kirti to D(F), MCL
- Vishesh Rajbhasha Shree to D(P), MCL
- Vishesh Rajbhasha Kirti to Dy.GM (Rajbhasha)
- Rajbhasha Shilpi to Manager (Rajbhasha)
- Vishesh Rajbhasha Shilpi and vishesh Rajbhasha Vishishtata to Sri.Rajpal Yadav, Chief Manager (P), Orient area.
- Bharatendu Rajbhasha Sahitya Siromani Samman on the occassion of release of Sri Yadav's poetry book "Ek aur Dastak"
- Vishesh Rajbhasha Vishistata Award to Sri A.K. Thakur, Sr. Hindi Translator

- Viswamukti Rastriya Rajbhasha Samman 2013 to MCL on the occasion of seminar of viswamukti at Bhubaneswar from 18 to 20 Oct, 2013
- Vishesh Rajbhasha Samman to Sri U.N. Behera, Manager (Rajbhasha)

9. Hindi Diwas / Hindi Pakhwara :

On 14.9.2013 Hindi Day was celebrated at MCL HQs. and Areas. At HQs. the same was inaugurated by CMD, MCL.

Rajbhasha Fortnight was celebrated at MCL HQs. and Areas from 14th to 28th September, 2013. During the celebration various competitions like Hindi Essay writing, Debate, Noting and Drafting, and Hindi Typing on computer were organised This received an excellent response and a large number of employees took part in the celebration.

In addition to the above Quiz and Slogan competitions were organised for house wives of the employees and prizes were distributed on 30.09.2013 at MCL Auditorium.

10. Vishwa Hindi Diwas :

Vishwa Hindi Diwas was celebrated at MCL HQs. on 10.01.2014 inaugurated by Shri A.N. Sahay CMD, MCL. A workshop was also organised on the occasion. Dr V. Ramalaxmi, Lecture (Hindi), Women's collage Jharsuguda, Dr.C.P. Singh and Sri V.R.Nautiyal of CTB, New Delhi addressed the gathering attended by executives and staff of MCL HQs.

11. Purchase of Books :

As per Official Language Policy, total expenses made on purchase of books were ₹7, 22,296-out of which purchase of Hindi books was ₹4, 46,046/- which is more then 50% i.e. 61.75% of total.

12. Website of MCL :

Website of MCL has been made bilingual which is updated from time to time.

13. Translation Training :

A 21 days Translation Training Programme was organised at MCL, HQs from 06th to 30th January, 2014 courtesy of the Central Translation Bureau, New Delhi in which 24 employee of MCL trained. Dr. S. N. Singh, Director (CTB), New Delhi and Sri. P.C.Panigrahi, Director (Personnel) were present in the certificate distribution ceremony held on 30.01.2014.

27. LAND/R & R

Your Company is committed to help the Project affected/displaced families for execution of its projects and has been making efforts to improve the socio-economic status of Project Affected Families and also committed for progress with development which amply reflected in its R&R Policy. MCL follows the R&R Policy of the State of Odisha and has provided 580 employments during 2013-14 as compared to 680 employments during 2012-13 and total number of 11445 employments since inception. MCL has also opened a Grievance Cell i.e. Single Window System in each of its Coalfields to redress any grievances of the land oustees. Rehabilitation colonies have been set up with pucca roads, street lighting, health centres, post offices, daily markets, schools, community centres, worshiping places, etc. for the benefit of the land oustees. MCL provides OPD facility to all peripheral villagers in its existing hospitals/ dispensaries available in the Coalfields with free of cost or at a nominal charge of '2.00 per patient.

Your Company acquires land for expansion of mining activities by providing rehabilitation and resettlement to the affected villagers. During the year 2013-14 MCL has acquired 598.766 hectares of land.

28. CORPORATE SOCIAL RESPONSIBILITY

Large population of India are deprived of basic amenities giving ample scope to create lasting impacts and abundance of areas to improve the society. As a good corporate entity MCL is taking up different Socio-Economic Development works through its well defined CSR Policy introduced from the year 2010-11 to cover maximum nos. of beneficiaries of the poorest section of society. Since its inception the Company has taken up various activities extending financial assistance for Water Supply Schemes, construction/ repair of public utility roads, construction of community centre, check dams etc. through infrastructure development, social empowerment through Girls education, imparting training to weaker section and vocational training to un-employed youth/ PAPS, render preventive health programme, village health programme, family welfare programme and medical facility to peripheral villages through mobile medical van on regular basis.

Tata Institute of Social Sciences, Mumbai was engaged by MCL last year and they had conducted Base Line Survey in the peripheral villages of four district of MCL's operation areas to assess Socio-Economic aspects of project affected people and the draft report has been received. Final report is expected shortly.

Also CIL has deputed one Programme Manager of TISS, Mumbai to be stationed at MCL in order to comprehensive study through Base Line Survey in project affected areas to make it a continuous process.

MCL emphasised on sensitisation capacity building and advocacy issues within the organisation, especially those involved in the day to day operations of the core business, through conducting regular training programme, Discussions, Seminars etc.

MCL has allocated ₹53.94 Crore for the year 2013-14 @ ₹5/- per tonne of coal produced in the previous year towards CSR activities as per CIL and MCL's CSR policy. This comes to 1.28% of the PAT of ₹4212.44 Crore of the company.

MCL has taken ambitious steps to widen and broaden the CSR activities. The expenditure in the financial year 2013 – 14 is ₹111.48 Crore and the major activities are in progress.

- 08 number of seminars/workshop on Sustainable Development were held in MCL during 2013-14.
- 32 number of top management/executives (E8) were present in such meetings/ seminars/courses.
- 248 number of employees covered through such initiatives who were below E8 level.

Some of the major CSR activities under taken in 2013-14 are as under :

- Establishment of a Medical College at Talcher i. e Mahanadi Institute Medical Science and Research with annual intake of 50 students and conversion of 115 bedded existing Hospital to 500 bedded Multi-specialty Hospital at a project cost of ₹670.00 Crore.
- Construction of additional 2nd floor of Ladies Hostel, Veer Surendra Sai University of Technology, Burla at a cost of ₹1.69 Crore.
- Water supply through mobile tanker during summer of 2013 to 291 peripheral villages & 18 Municipal wards at a cost of ₹5.89 Crore.
- 260 nos. Health Camps for the villagers (includes General Health Awareness

camps, Diagnostic camps, Cancer Detection Camps, Family Welfare Programme, AIDS awareness camps & Routine Health camps) were conducted at an expenditure of ₹27.04 Lakh.

- Widening and strengthening of Balinga Taparia Road is in progress (from Chainage 2.24 Km to 7 Km- Phase I and from Chainage 7 Km to 15.70 Km-Phase II and from Chainage 15.70 Km to 24.20 Km Phase III) at a cost of ₹26.9132 Crore
- Construction of 150 seated Ladies Hostel for Sambalpur University at a cost of ₹4.79 Crore.
- Procurement of 18 sets of 20 MTR High Mast Tower Lights to provide in the adjacent villages to the coal transport road of B-G Area at a cost of ₹72.00 Lakh
- Piped drinking water supply to Nuapada, Gwalapara and Lamtibahal under Orient sub Are at a cost ₹39.70 Lakh
- Procurement of 25 no. of High Mast Ground Mounted Lighting tower for lighting the villages adjacent to Lakhanpur area/collieries under CSR at a cost of ₹100.00 Lakh
- Construction of Additional Class Rooms and Science Laboratory etc of Govt. Hindi High School, Sambalpur at a cost of ₹33.02 Lakh
- Construction of additional class rooms of School, Saraswati Sishu Mandir at Bandhabahal, Jharsuguda at a cost of ₹47.15 Lakh
- Strengthening of road from South Balanda Shiva Mandir to Karnapur via Gobara Village under CSR of Jagannath Area at a cost of ₹135.59 Lakh
- Construction of Boundary wall around proposed Medical College at Talcher under Jagannath Area at a cost of ₹90.00 Lakh.
- Procurement of 12 no's High Mast Lighting Tower 20 mtr high for peripheral lighting of different locality of Bharatpur Area at a cost of ₹48.00 Lakh
- Development of Sport Complex at Burla, Sambalpur at a cost of ₹25.00 Crore - through District Authority.
- Financial Assistance to SC/ST farmer under Deep Bore Well Scheme of Odisha Lift Irrigation Corporation amounting ₹25.00 Lakh - through District Authority.
- Rope way project from Nehru Park up to Gandhi Minar at Hirakud side of Dam at a cost of ₹5.00 Crore - through District Authority.
- Development of Human Temple at Sambalpur at a cost ₹15.00 Lakh - through District Authority.
- Completion of Balance work of Kalyan Mandap at Jharsuguda Town at a cost of ₹90.45 Lakh - through District Authority.
- Construction of one Multi-storied Hostel Building for Tribal Students in Lady Darwin College, Kudmulguma, Dist.-Malkangiri at a cost of ₹35.00 Lakh - through District Authority.
- Construction of Stadium at Jharsuguda at a cost of ₹14.76 Crore and construction of Boundary wall along with sentry post of the Stadium at a cost of ₹1.76 Crore is in progress - through District Authority.
- Improvement of Water supply System of Brajraj Nagar Town, Jharsuguda at a cost of ₹888.00 Lakh- through District Authority.
- Construction of Community Centre at Jharsuguda Town at cost of ₹7.20 Crore has been taken up through District authority.
- Development works towards Sports, electricity, communication, drinking water,

education ,digging of ponds, Building for Community utility ,plantation etc. at Kolabira, Laikerea, Kirmira and Jharsuguda block of Jharsuguda District taken up at a cost ₹20.00 Crore through District Authority

- Construction of a New Bus Stand at Jharsuguda Town at a cost of ₹5.00 Crore through District authority.
- Construction of Balbaspur LIP in Dhenkauda block of Sambalpur dist. at a cost of ₹9.05 Lakh through Executive Engineer, Odisha Lift Irrigation Corporation, Sambalpur Division .
- Widening of road from 2 lanes to 4 lanes from Bankibahal in BG Area of MCL to Kanika Railway siding at a cost of ₹162.00 . An amount of ₹ 4.68 Crore has been deposited to District authority for preparation of DPR as well as for land acquisition for the road.
- Construction of Examination Hall at Brajrajnagar College, Jharsuguda at a cost of ₹17.60 Lakh
- Promotion of Hockey in Odisha in Partnership with IDCO as a part of CSR Sports Initiative of MCL at cost of ₹6.00 Crore.
- Donation of one Modern Ultra Sound Machine for the Nabarangpur, District Hospital at a cost of ₹15.30 Lakh
- Providing 12 nos. 2.0 Tonne Split AC machine for Paediatric ward of VSS Medical College Burla at cost of ₹7.63 Lakh
- Providing One Pulse Ox meter (BPL) and one bed side ECG Machine three channel with reporting (BPL make) for Sub Divisional Hospital, Talcher at a cost of ₹ 0.90 Lakh
- Providing financial support of ₹4.00 Crore to VSS Medical College & Hospital for procurement of a 64 Slice CT Scan Machine.
- Donation of ₹ 2.56 Crore to Chief Ministers Relief Fund, Uttarakhand for the rehabilitation activities in the flood affected area in the state of Uttarakhand.
- Construction of Community Centres at different villages in Sundergarh district(Backward district) : 11 Nos. of community centres have been completed in the FY 2013-14 with an expenditure of ₹6,966,516.65 namely :

i) Kutubaga village, ii. Durubaga Village, iii. Sumara Village iv) Kaletpani Villagev) Tihuria Village vi) Kund Village vii) Sahaspur Village viii) Barpali Village ix) Parmanpur Village x) Balbaspur Village xi) Sardega R&R

- Construction of deep borewell around peripheral village : During the year 2013-14 twelve number of Bore well completed in different areas of MCL costing Rs.31.29 Lacs.

a) Two nos. deep borewell at BG Area at village Barpali & Manikeswari College ladies Hostel(₹479897.01)

b) 5 Nos. at Jagannath Area at Saharsahi, Schoolsahi, Mandirsahi, Ekdal and Naraharipur.

c) One borewell at SC/ST Girls School Ashram under Bharatpur Area costing ₹2.20 lacs.

d) Orient Area : 3 Nos. of Borewell at near Kalimandir, Sanjob, Madhuban Nagar costing ₹4.83 Lacs.

e) Hingula Area: One bore well at Gopal Prasad Hiltop near HOCP costing ₹3.31 lacs.

Expenditure incurred on CSR & Sustainability activities :

- ₹111.48 Crore expenditure has been made in the year 2013-14 against a target of ₹42.1244 Crore(1% of PAT of 2012-13).

There is a two tier organizational structure :

1. Board level Committee namely, CGSRMSD & CSR Sub-committee consisting two independent Directors and one Govt. nominee Director in addition to four functional directors as members. During the year, 2013-14 four meetings of CGSRMSD & CSR Sub-committee were held on 07.11.2013, 24.12.2013, 13.01.2014 and 04.02.2014.
2. Head Quarter level CSR Committee consisting of GM(Civil/CSR), GM(Finance), Chief of Medical Services under the Chairmanship of Director (Personnel). . During the year, 2013-14 four meetings of HQs level meting were held on 02.07.2013, 07.10.2013, 4.12.2013 and 22.02.2014.

28.1 Gender Budgeting

Out of its social responsiveness, MCL has always shown its sensitivity to Gender Specific issues within and beyond the Company and tried to address them through best possible efforts. Some of the examples are as below :-

- Maintaining a gender specific database of its workforce.
- Forming a Complaint Committee for redressing complaints lodged by woman employees.
- Allowing the Women in Public Sector (WIPS) wing/branch of MCL to function in an active manner with its members participating in seminars and conferences where exchange of ideas and problems take place.
- Construction of three numbers of 'Tribal Girls' Hostels as a part of CSR.
- Construction of a Ladies' Hostel for Veer Surendra Sai University of Technology (VSSUT), Burla as a part of Peripheral Development Scheme.
- Special award scheme for recognizing women for outstanding contribution in the field of CSR on May Day every year.
- Encouraging women employees to participate in the Industrial Relations meetings held between Management and Trade Unions for proper representation and addressing related issues.
- Granting Child Care Leaves(CCL) to eligible women executives.
- Relaxation of age bar for employment for female spouses of employees dying in mine accidents.
- Providing training to underprivileged women from surrounding communities on Tailoring/ Embroidery, Computer Literacy, Retailing of Grocery items etc. by "Mahila Mandal", operating both at Headquarters and Areas for enhancing earning capacity and employability. The social outfit is constituted of spouses of MCL's senior executives.

28.2 Public Relations

Keeping the external as well as internal public well-informed about the latest happenings is the core of Public Relations principles that your company follows. We have laid special emphasis on strengthening our reach to the internal as well as external publics by strategically planning mode of communication. We maintain a very healthy professional relationship with the print and electronic media by updating them about various developments/happenings in the company. We consider media as a force multiplier for various business-related, social and developmental initiatives the company is taking to fulfil the energy requirements of the country vis-à-vis contributing towards socio-economic upliftment of underprivileged society, particularly the peripheral population living in and around our Command Area.

We have organised media interactions with the top management at Headquarters as well as at project areas, besides ensuring media persons as a part of official functions/ celebrations. Time to time release of press notes from the company and regular interaction with media representatives has provided widespread coverage to the company's initiatives and successes.

To give the company its distinct identity and more vibrancy, a new company logo was launched this year with stress on green coal mining which the company is actively following.

Besides this, the company participated in various exhibitions held at Cuttack, Bhubaneswar and Banglore by setting-up of exhibits to showcase achievements. The company was also awarded by the organisers of the exhibition for setting-up the best exhibit. Timely release of special write-ups to the media on various issues also helped in managing image of the company. An annual issue of magazine 'Jagriti', a short film on 'Quality', Annual Training Calendar, pamphlets on CSR and environment and promotion of company's initiatives through release of goodwill advertisements remained the part of new initiatives besides new Diary-2014 and Calendar-2014 projecting arts & crafts of Odisha state. The Coffee Table book , another first in Coal India depicting the journey of coal from ancient mining to modern days and which then goes on to describe in details about the company titled "**Behind the Black"** was released this year.

Lately your company became first among Coal India and its subsidiaries to enter into the social media through **"facebook"** creating yet another public platform of interaction and sharing of information. The FB page **News at Mananadi Coalfields** is increasingly being popular among the general public as well as veterans and current employees of the company.

29. CAPITAL INVESTMENT ON SOCIAL AMENITIES

Details of Capital Investment on Social Amenities as on 31.03.2014 vis-à-vis 31.03.2013 is briefed here under :

(₹ in Crore)

Sl. No.	Particulars	Gross value of fixed Assets	
		As at 31.3.14	As at 31.3.13
1.	Buildings	333.11	317.51
2.	Plant and Machineries	70.49	68.99
3.	Furniture, fittings and equipment	8.18	7.57
4.	Vehicle	5.86	5.67
5.	Development	9.24	9.24
	Total	**426.88**	**408.98**

30. VIGILANCE ACTIVITIES AND ACHIEVEMENTS

The prime focus of the Vigilance Department of MCL has been on preventive Vigilance through the use of leveraging technology. The main thrust is to suggest systemic improvement in the identified vulnerable area of corruption in order to minimize the human interface in business transactions of the Company. During the current financial year, as a preventive, predictive and pre-emptive vigilance measures, frequent surprise inspections have been made under the guidance of CVO to identify the irregularities in various field operations as well as in due system and procedures. In addition, awareness on vigilance and anti-corruption issues amongst the employees also on the priority agenda which inter-alia includes newly inducted Management Trainees, Vendors, Students and common citizens through interactions/Seminar.

30.1 Preventive Vigilance:

(a) Inspections : During the financial year 2013-14, 31 surprise and routine inspections have been carried out. The major focus of such inspections has been on streamlining of system/procedure to bring in fairness and transparency in the field operations. Surprise Check of various field operations like diesel consumption, coal quality, security deployment, coal transportation, local purchase/ emergency purchase, public procurements had been done leading to various systemic improvements in the form of issue of circular instructions, guidelines and recommendations of punitive action wherever found necessary.

(b) Systemic Improvement : On the directives of CVC, New Delhi issued from time to time, preventive, predictive and pre-emptive vigilance has been the mainstay of the functioning of the Vigilance Department.

i) During June 2013, It was observed by Vigilance Department, that the TCR files forwarded by the Project areas for obtaining approval of the Competent Authorities at the MCL HQ were being delayed at HQ level leading to expiry of original bid validity period. Most often the tenders were being cancelled as the bidders do not agree for extension of original bid validity period. In such situation, the non-finalization of tender within the original bid validity period and cancellation of tender and re-tender was leading to cost overrun and time overrun. In view of the above, the specific directives were got issued to HODs to ensure that TCR files recommended by Area Authorities are cleared within a specific time period besides completion of procurement process within the original bid validity period.

ii) It has been observed by Vigilance Department that in several cases, closure of the contract is being inordinately delayed due to the shuttling of the files between the Area office and the Project office due to lack of provision in the existing DoP of the Project Officers for change in the value of the approved contracts. Due to this, the petty contractors are being harassed and deprived off getting their legal dues in time.

In this regard, CEO of the company was intimated for reconsideration of DoP of the Project Officers so as to include the powers to approve the change in value of contracts of contract/Purchase upto (± 10%) within the Delegation of Power of Project Officer.

As per the suggestion given by Vigilance Department, the FDs in its meet held in June 2013 enhanced the Delegation of Power(DoP) of Project Officers for approval of Revised Estimate (for both Capital works and Revenue works) within the variation of 10% of original value of the awarded contract (+ or -) as the case may be subject to provisions contained in the relevant manuals and guidelines of the Company. This particular amendment made in the DoP of the Project Officers shall be instrumental in the timely closure of the petty contracts.

iii) As per the complaints received frequently by Vigilance Department regarding corruption and favouritism in the departmental selection of Clerical Posts and also regarding leakage of Question Papers, a detailed study was conducted by the department. It was found that different criteria were being adopted in different Areas of MCL for departmental selection to various posts in Clerical Grade.

Hence as a Systemic Improvement measure vide this Office Noting No. 1554 dated 16.09.2013, the matter was taken up with the CEO of the Company to introduce uniform pattern/criteria in such selection procedure enforcing to all Areas

in order to eliminate the chances of corruption/favouritism in holding departmental selections for Clerical Grade.

iv) While reviewing the major contracts, it was observed that there was delay in commencing of the work for construction of Haul road at Bharatpur Project under Bharatpur Area, which was awarded in the month of May,2013. In this regard, CEO of the Company was intimated vide this department's Note Sheet No. 1958 dated 21.11.2013 to issue appropriate directives to the authorities concerned for timely execution and completion of the said work in order to avoid the cost overrun and time overrun. The necessary directives have since been issued by the CEO.

v) As per the directives issued by the Secretary(Coal), New Delhi relating to introduction of 3D Laser System/SURPAC with total station for the technology based measurement of the coal stock, a proposal suggesting for early procurement of the same had been forwarded to CEO of the Company vide this department's Note Sheet No. 1978 dated 21.11.2013 as a major Systemic Improvement Measures for the technology based coal stock measurement. The CEO has issued necessary directives to the concerned Director in this regard.

vi) In the present e-Procurement of MCL, a bidder may withdraw its bid on-line till the end of bid submission date. However, if a bidder wants to withdraw his bid after the end of bid submission date, he has to withdraw it off-line.

In a recent case of e-tender for catering services in Belpahar Training Institute, it was observed that the Tender Initiating Authority received two contrasting request from the same bidder after the end of bid submission date, the first one informing the authority about their withdrawal from the tender and the second one informing that the bidder had not withdrawn and the previous letter had been written fraudulently.

To avoid such scenario in future, CEO of the Company has intimated vide this department's Note Sheet No.1833 dated 04.11.2013 that necessary changes are required to be brought out in the present e-Procurement Module of MCL so that withdrawal of a bidder at any point of time is to be made only through e-mode/by application of DSC.

vii) For effective and timely implementation of PIS (Personnel Information System) Module alongwith sub-modules like PIS for Security Personnel, Contractual Workers, constitution of a "Task Force" was thought off. In this regard, CEO of the Company was suggested vide this office ref. No. MCL/ SBP/ VIG/[CMD Ref.]/2013/2041 dated 30.11.2013 for constituting a "Task Force" consisting of Apex Steering Team at HQ level, Area Co-ordination Team at HQ level and APMs, Area System Managers & MTs from Talcher Coalfields and IB Coalfields. The said "Task Force" shall function in consultation with the Vigilance Department for timely and effective implementation of the PIS Module. Once the above sub-modules are successfully operational, PIS module can be strengthened and can work as a very effective decision making tool for the overall personnel administration of the Company.

viii) During an investigation by Vigilance Department, it has come to the notice that in many of the Projects/Areas of MCL, there is no uniform policy for allotment of quarters resulting in regular complaints and discontentment amongst the employees. Non-adoption of transparent norms also gives opportunity to unscrupulous elements to take undue advantage besides putting outside pressures on the officials dealing with the matters. Further, outsiders such as contractors etc., who were allotted

quarters by the Areas/Projects long back, are still continuing in the quarters without any valid justification.

In this regard, CEO of the Company was intimated vide this department's note No. 268 dated 15.02.2014 for formulation of transparent and uniform policy for allotment of quarters.

ix) On the basis of the complaints received towards the eligibility criteria provided in the NIT for OB and coal removal, the management has been advised to re-visit the relevant clause in the NIT vide this office ref. No. 479 dated 26.03.2014, since, the NIT conditions were drafted long back in the year 2005. After vigilance intervention, the CEO of the company has constituted a committee to review the PQ criteria for NIT to be floated for outsourcing of Over Burden and Coal.

30.2 Punitive Vigilance :

During the year, 06 major and 04 minor penalty proceedings have been initiated against 17 employees. Enquiries in respect of 08 Major cases are in progress.

Particulars	Pending as on 31st March'13	New Additions during 2013-14	Disposal during 2013-14	Pending as on 31st March'13
Vigilance cases	12	08	08	12
Major penalty proceedings	12	02	07	07
Minor penalty proceedings	03	02	01	04

30.3 Rotation of Employees:

Company has a policy for rotating the employees, who are working in sensitive posts/departments. During the year, 104 employees had been transferred from sensitive to non-sensitive posts. This includes those officers whose names were figuring in the "Agreed List" and "List of Officers of Doubtful Integrity" for the year 2013.

30.4 CVC Matters:

During the year, 02 cases were sent to CVC for seeking 1st stage advice. In one case, CVC advised for imposition of caution to the officers involved in the case and in one case CVC advised to initiate major penalty proceedings to the officers involved in the case.

30.5 Parliament Questions:

14 Parliament Questions were replied during the year.

30.6 Right to Information Act:

17 RTI queries had been replied within the prescribed time limit.

30.7 Submission of Reports:

Monthly, Quarterly, Annual Reports had been sent to the Central Vigilance Commission, Ministry of Coal and Coal India Limited timely.

30.8 Vigilance Clearance:

During the year, vigilance clearance status in respect of 10429 employees including the officers at the level of Directors, Senior Executives and Non-executives had been furnished to the CIL/MOC/CVC with relation to promotion, probation, superannuation matters.

30.9 Transparency:

Tenders and contracts awarded were hoisted on MCL's website as per the Office Order circulated by Central Vigilance Commission, New Delhi vide No.13.03.2005 dated 16.03.2005.

30.10 Vigilance Awareness Week:

As per the directives received from the Central Vigilance Commission, New Delhi, Mahanadi Coalfields Limited observed Vigilance Awareness Week-2013 from 28th October to 2nd November in all its Areas

and Establishments. Following major activities during the above period is as under:

- In consonance with the theme for this year's Vigilance Awareness Week-2013, i.e. "Promoting Good Governance – Positive Contribution of Vigilance" a seminar was conducted in which a representative of Transparency International India, New Delhi participated.

- A Workshop on "Integrity Pact" was conducted on 30.10.2013 in which Shri S. K. Chatterjee, Independent External Monitor/ Ex-DGP Odisha Police for MCL participated. The Workshop was attended by Area General Managers, Staff Officers of various disciplines, General Managers/ HODs and employees/ officers of the Company besides important stake holders i.e. Contractors, Suppliers and other Bidders. The Interactive Session of the Workshop was instrumental in knowing the grass root level problems faced by the contractors/ suppliers/vendors. The IEM/ Functional Directors/CVO assured the stake holders for redressal of their grievances.

- During the week**,** Debate Competition was organized for Students from 06 Schools of Sambalpur District. The topic for the debate for the students of Class-VII & VIII was **"ETHICS AND MORAL EDUCATION – A TOOL TO FIGHT CORRUPTION"** and for Class-IX & X was **"VALUE BASED EDUCATION IS A NEED FOR THE COUNTRY TO CURB CORRUPTION"**. Prizes were distributed to the students to motivate them for their active participation.

- Besides, a number of Interactive Sessions with bidders, consumers, stake holders of E&M, Civil, TC, CMC and MM were conducted separately and problems/ grievances were addressed/ noted by respective departments for compliance keeping in mind the theme of **'Promoting good Governance'.**

- During the entire period of the Vigilance Awareness Week, two messages each in Oriya, English/Hindi were disseminated through BSNL among the MCL employees for the purpose of spreading awareness on various anticorruption themes.

- In order to further the attempt to sensitize one and all on the vigilance and anti-corruption measures, suitable banners were displayed at conspicuous public places in the premises of the Headquarters as well as Areas/Projects/Units.

30.11 Vigilance Bulletin:

On the occasion of Vigilance Awareness Week, 9th edition of Vigilance Bulletin-2013 of MCL was released keeping in view the need for enhancing the knowledge and awareness of employees on various circulars/guidelines/instructions of CVC, New Delhi. Copies of the Bulletin have been widely circulated within and outside the Company.

30.12 Major Achievements:

(i) Installation of In-motion Road Weighbridges with RFID to bring greater transparency in weighment of coal.

Recognizing that the coal transportation was being done with the "manual transit passes" and the weighment percentage was abysmally low with respect to coal transported from pit head to the stock/ siding/CHP. This was given a serious thought by the Vigilance Department based upon the suspicion that abnormally low percentage of coal weighment was being done to tinker with the daily production figures under the cover of manual transit

passes. Further, the payment to the transport contractors for the internal coal transportation was being made on the average tonnage on consistent basis. The matter was taken up with the CMD, MCL for installation of in-motion road Weigh Bridges for bringing transparency in the internal colliery transport.

As a consequence of sustained efforts and follow up by Vigilance Department, in order to ensure 100% coal weighment in a transparent manner, 40 nos. of In-Motion Road Weighbridges have been procured which has a provision for RFID to monitor the movement of tippers. Out of 40 Nos., 30 nos. of In-motion Road Weighbridges with RFID have been commissioned so far and 08 are commissioned but not stamped. Balance 02 nos. are under the stage of commissioning. Further, Coalnet connectivity to the IM Road Weighbridge is under progress. Out of 40 nos. of IM Road Weighbridges, 07 In-Motion Road Weighbridges have been provided with Coalnet connectivity so as to ensure real time transmission of coal weighment data to the Central Server in order to prevent any fudging of coal weighment records.

(ii) Online Auto-refund of Earnest Money Deposit (EMD) to unsuccessful bidders.

Recognizing the fact that the delay in refund of Earnest Money Deposit(EMD), which was adversely affecting the morale of the supplier/tenderer, repeated follow up action was taken by the Vigilance Department for devising a transparent mechanism of EMD refund from almost past one year. During July-August 2013, Surprise Inspections/follow up with the project Areas by CVO and his team, EMD of ₹ 88,78,821/- was refunded to the unsuccessful bidders which were lying since December 2009. Due to constant follow up by the Vigilance Department, the System driven refund mechanism got formally launched during the Observance of Vigilance Awareness Week-2013. By this mechanism the EMDs to the amount of ₹65,68,214.00 (from 15th Oct.2013 to 31st March 2014) has been refunded to the Suppliers/bidders' on auto-mode once they were declared as unsuccessful/rejected bidders.

(iii) On-line bill payment status on Coalnet:

For real time monitoring of contractual bills on "first come first serve basis" like date of receipt of bills in the user departments, date of forwarding it to the Finance Department and actual date of e-payment to the contractor which were not being fed in the "Coalnet" earlier has now been started after the Vigilance Department's initiative. This has resulted into reduction in number of complaints relating to the delay in payment of the contractual bills and so far the contractual bill of `1814.30 crore could be passed in a fair and transparent manner in a period of one year.

(iv) Operation of GPS based OITDS (Operator Independent Truck Despatch System) for ensuring transparency in departmental over burden production:

Consequent to the system study undertaken by the Vigilance Department for evaluating the functioning of the OITDS (Operator Independent Truck Despatch System) it was found that the system installed during the year 2010 with the total expenditure of ₹40.18 crore including 05 years AMC in three different projects was not operational. Recognizing the fact that the OITDS was meant for transparent mode of monitoring of departmental over burden removal, strong initiative was taken by the Vigilance Department during the month of November-December' 2012. Due to vigilance intervention, the OITDS function has been made fully operational on dynamic basis (i.e. system monitored departmental

OB production) in all the projects viz. Bharatpur, Balram and Lingaraj of Talcher Coalfields. As a consequence, HEMM utilization has gone up by 4%.

(v) Installation of "GPS based Vehicle Tracking System" in contractual water tankers engaged for supply of drinking water to peripheral villages.

The obstructions in the coal transportation during the peak summer season by the peripheral villages was yet another area where some IT intervention was required. These obstructions were due to lack of supply of adequate drinking water by the contractual mode, the cost of which was being borne out by the MCL. As a viable transparency measure, "GPS based vehicle tracking system" were used on contractual water tankers to track down and monitor their trips till destinations. This particular IT intervention was instrumental in ensuring the supply of adequate drinking water to the peripheral villages thus fulfilling a major Corporate Social Responsibility. Also it could result savings of ₹78.69 lakh in contractual payments in the first year of its implementation itself. Another possible outcome of this IT intervention was absolutely nil hindrances faced by the Contractual Coal Carrying Tippers by the peripheral villages for want of drinking water during peak summer.

(vi) GPS/GPRS based Vehicle Tracking System, RFID based Reader and CCTV.

The work has been awarded vide Supply Order No. MCL/SBP/MMD/SEC-V/R-75/12-13/GPS Tracking Syst/92 dated 28.03.2014 to M/s. Arya Omnitalk Wireless Solutions Pvt. Ltd, Maharastra for Supply, Installation, Commissioning, Implementation, Training and Comprehensive Maintenance of 1500 No. GPS/GPRs based Vehicle Tracking System on Trucks/Tippers and other accessories on Turnkey Basis alongwith RFID based reader fixed with IP Camera for Road Weighbridges and CCTV for railway siding. The scope of supply order also includes installation of compatible IT Hardware & Software. Installation and commissioning of GPS alongwith all the above IT measures & Geo-fencing will be taken up mine-wise.

(vii) Reduction of threshold value of the contract from ₹1.00 crore to ₹80.00 lakh and further to ₹50.00 lakh for successful implementation of IP:

Considering the need for the implementation of Integrity Pact for maintaining transparency in the public procurements, it was thought that the ABC analysis of high valued contracts is required to be done at the periodic intervals. As a result of such exercise, the threshold value for the contracts under Integrity Pact had been reduced from ₹1.00 crore to ₹80.00 lakh and further reduced to ₹50.00 lakh keeping in view the enhancement of Delegation of Powers of Area GMs with respect to execution of contractual works.

(viii) Award received by Vigilance Department.

i) CVO MCL has conferred with **"Vigilance Innovation Award"** on 19.08.2013 by Shri R. Srikumar, IPS, Vigilance Commissioner, Central Vigilance Commission, New Delhi on the occasion of 4th Anniversary Function of Vigilance Study Circle, Kolkata for effective implementation of Coalnet in MCL. In this function, Shri S. Majumdar, Sr. Manager(Mining), Vigilance Department, MCL also received the "Dedicated Service Award" for outstanding work in Vigilance.

ii) During January 2014, the positive contributions made by MCL Vigilance Department bagged the "**e-Governance Award"** in the category of **"Best Government to Business transactions**

initiatives" in e-Odisha Summit held at Bhubaneswar conducted by IT Department, Govt. of Odisha.

iii) During March 2014, MCL Vigilance Department had been bagged with the **"Vigilance Excellence Award-2013-14"** by Institute of Public Enterprise (IPE) at Hyderabad.

31. e-PROCUREMENT

The e-Procurement System of MCL which was started on 15.08.2009 has been running successfully and till date more than 5700 tenders have been finalised through this mode. MCL has been immensely benefited by implementing this web-based software solution. There has been significant reduction in cycle time in finalization of Tenders and there has been better transparency and convenience in tender evaluation process. The goodwill of the organization is enhanced due to better transparency and convenience to bidders. There are constant improvements in the system and efforts are being made to add new features. During this financial year a very innovative automated process of refund of EMD has been implemented w.e.f 15.10.2013. After implementation of this process once a bidder is rejected, the EMD is being refunded next day automatically. At present the Tenders valuing more than Rs 2.00 Lakhs and above are being finalised through e-Procurement mode. This includes procurement of Works, Goods and Services including multicurrency Global tenders.

Special Features of the MCL e-Procurement System

1. The evaluation of Technical part of the Tenders is done automatically by the portal software and human intervention in evaluation of Bid is minimised.

2. The evaluation is performed by the portal software based on the data provided by the Bidder in a structured and objective format. Bidders are required to upload minimal documents for participation in Tender.

3. Bidders are not required to submit any document off-line for evaluation of their Bid except in case of Bank Guarantees.

4. The business logic required for the evaluation of Tenders is incorporated in the portal software to validate the input data and to give appropriate alert messages.

5. The Bidder while submitting the Bid gets a feedback at each stage, as to whether the bid complies to the requirement of the Tender.

6. Only Lowest Bidder has to upload scanned copy of Original documents, in support of the information furnished by them (Bidder) online.

7. In order to automate the system of receipt and refund of EMD, an online system had been implemented through Electronic Fund Transfer/NEFT/RTGS mode for all the Tenders floated in MCL. For better automation in EMD management, the offline modes of receipt of EMD has been restricted to Bank Guarantees only and for an EMD amount of ₹5 lakh or more.

8. A facility has been created in the portal software so that the Bidders can upload all confirmatory documents in support of the Bid information furnished by them in online mode.

9. After submission of Bid the Bidder gets a feedback regarding their compliance with respect to the requirements of Tender.

10. Thus the Bidders are not required to visit MCL premises for securing any contract through any tender.

New Features planned for implementation during 2014-15

Post Award contract management of works/ supplies: A new module will be introduced to manage the activities after Award of Contract. The progress of execution of work till closure of contract and payment of bills etc will be monitored through this new module.

Statistics

Status as on 31.03.2013	
Date of Implementation of e-Procurement in MCL	15.08.2009
Total No. of Tenders Published	7584
Total Value of Tenders Published	Rs. 7351.96 Cr.
Total No. of Tenders Awarded	4169
Total Value of Tenders Awarded	Rs. 3575.74 Cr.
Average Cycle Time (Publish of NIT till decision of L-1)	27 days
Average Cycle Time (Publish of NIT till Award of Work)	69 days
LOWEST Cycle Time (Publish of NIT till decision of L-1)	15 days
LOWEST Cycle Time (Publish of NIT till Award of Work)	21 days
Maximum No. of Bidders participated in one tender	17

32. Integrated Management System(IMS)

Since its inception in 1992, MCL has been pursuing the prevalent techniques of managing input resources and productivity to increase its coal production capabilities, which has been the priority of Indian coal industry. With the desired production capabilities and routine resource management coming well under control, the thrust shifted towards creating suitable management systems to ensure sustained performance and crisis prevention during routine operations.

On other hand, to take care of its legal obligations towards Environment, MCL has also been using traditional methods of monitoring environmental impacts of its mining activities. Such methods were, however, unable to provide confidence and assurance that the company has sustained and continued ability to control the adverse Environmental Impacts of its mining and allied operations.

Since these traditional management techniques of resource/productivity management and environmental monitoring were not designed to address the present-day organizational needs, MCL was also experiencing the lack of a structured management system for ensuring the above improvements and sustainability in its operations.

In 1995, MCL decided to try the ISO 9000 quality management system in its central workshop at Talcher, which was certified in May, 1999 against the then ISO 9002:1994. Later, ISO 9001 was also implemented in Lingaraj opencast mining project and central workshop at Ib Valley. These units also attained ISO 9001 certifications in November, 2003 and February, 2004 respectively.

In 1994, MCL also decided to enhance its environmental and social capabilities under a World Bank assisted program of Coal India Limited. At the conclusion of this program, the World Bank advised Coal India Limited to systematize the capabilities achieved by the coalmining projects through this program by establishing a formal environmental management system (like ISO 14001) in the projects. Coal India Limited accepted this proposal in November 2000.

Between November, 2000 and March, 2004, MCL decided to pursue an integrated management system complying with both ISO 9001 and ISO 14001 in 5 of its opencast coalmining projects, viz, Samleswari, Kalinga (now renamed as Balram), Lakhanpur, Ananta, and Belpahar and ISO 14001 certifications in September 2008 under an Integrated Management System.

This was intended to

a. Eliminate duplication and costs of efforts in implementing two similar systems;

b. Resolve operational conflicts to ensure consistency of operations;

c. Eliminate ambiguity in roles to ensure smooth functioning of the integrated system;

d. Simplify procedures to meet requirements which may otherwise appear diverse and unrelated;

e. Pursue comprehensive professional competence of personnel for obtaining effectiveness of operations under both the systems; and

f. Apply a unified approach to meet the expectations of both customers (towards concerned product/service) and the society (towards minimizing adverse environmental impacts from own operations).

To make such integrated management system a company-wide approach, MCL decided in August, 2005 to reorganize all its isolated efforts in this direction, and make uniform and company-wide ISO 9001 and ISO 14001 compliant IMS separately for (a) its coalmining projects, (b) both central workshops, and (c) both central hospitals.

In the year 2011-12, 22 Units in MCL were accredited for Integrated Management System-IMS(ISO 9001:2008 & ISO 14001:2004) out of which 11 Units were recertified(MCL HQ, Lajkura, Samleswari, Basundhara(W), Lakhanpur, Belpahar, Lilari Ananta,, Jaganath, Lingaraj, Balaram OCP) & 11 Units got new certification(Mine No-1&2, Mine No-3, Mine No-4, HRC, HBI, Nandira Colliery, Talcher Colliery – UG Mines & Kulda , Bhubaneswari, Hingula, Bharatpur OCP). The Certification was done by MS Certification Services Pvt. Ltd, Kolkata through CMPDI, Ranchi.

In the year 2012-13, company-wide Integrated Management System(IMS) of MCL is accredited with ISO 9001:2008 – Quality Management System, ISO 14001:2004-Environmental Management System & OHSAS 18001:2007 – Occupational Health Management System which conforms to all the applicable international standards as follows.

ISO 9001 QMS	-	for managing customer focus and internal efficiency of the organization.
ISO 14001 EMS	-	for managing environmental concerns of the organization
OHSAS 18001 OHSMS	-	for managing occupational-health and safety concerns of organization

The Certification was done by MS Certification Services Pvt. Ltd, Kolkata through CMPDI, Ranchi.

FUTURE PLAN :- in 2014-15

In the year 2014-15, MCL is going to apply for accreditation for IMS with SA 8001:2008-Social Accountability Management System & ISO 50001:2011-Energy Management System for MCL as a whole which conforms to all the applicable international standards as follows

SA 8000 SAMS	–	for managing social accountability concerns of the organization
ISO 50001 EnMS	–	for managing rationalized consumption of all energy inputs in the organization

Purpose of the IMS

A) To install a comprehensive management system for systematic and simultaneous management of focuses towards Quality, Internal efficiency, Environment, Occupational Health & Safety, social accountability and energy performance of the company.

B) To eliminate duplication and costs of efforts through a unified approach and simplified procedures for implementing different management-system, which may otherwise appear diverse and unrelated.

C) To include a better work culture, ensuring consistency of operations and eliminating operational conflict through clarity defined roles, responsibility, accountabilities and authorities under a well networked management-system and healthy work environment.

D) To reduce wasteful and non-value-adding operations during routing functioning, thus resulting into direct savings on time, costs and resources during operations and indirect savings on environment and societal costs.

E) To enable to provide following confidence to all its interested Parties

i) Mining & Supply of Coal that can consistently meet the requirement of customer, regulatory bodies and society.

ii) Committed to its responsibilities towards environmental, Occupational health and safety, social and energy concern.

iii) Systematic approach for achieving continual improvement

iv) Compliance of all legal and other requirements

v) Thrust is on sustained and continual improvement, rather than on some short-term achievements.

33. AWARDS AND RECOGNITION

33.1 In recognition of notable contribution/ achievement in various fields of its activities, your Company has been conferred upon the following awards during 2013-14.

- Best Chief Executive Award by Geominetech to CMD, MCL.
- Rajbhasha Ratna Award by Bharatiya Bhasha Evam Sanskriti Kendra, New Delhi.
- First prize in Music & Instrumental category in All India Public Sector Cultural Meet 2013.
- 2nd Prize for Corporate Award on CSR Expenditure to MCL by CIL on 39th CIL Foundation Day.
- Corporate Performance Award for Highest Absolute Growth in Off-take in 2012-13 on 39th CIL Foundation day.
- Best Award in Mines & Minerals Sector to MCL at International Trade Fair organized by MSME & NSIC.
- Rajbhasha Shree Samman to CMD, MCL by Akhil Bharatiya Rajbhasha Sangosthi, Madurai.
- Viswamukti Rahtriya Rajbhasha Samman 2013 to MCL.
- Greentech Environment Award-2013 in Silver Category to Samaleswari OCP and Bhubaneswari OCP by GIF, New Delhi.

34. AUDITORS

34.1 Under Section 619 (2) of the Companies Act, 1956, the following Audit Firms were appointed as Statutory/Branch Auditors for the year 2013-14.

Statutory Auditors
M/s PAMS & Associates
Puri Ghat, Tala Telenga Bazaar,
CuttackOdisha-753009

Branch Auditors
M/s SCM Associates
98, Kharvel Nagar,
Keshari Talkies Complex,1st Floor,
BhubaneswarOdisha-751001

35. SUBSIDIARY/JV COMPANIES

a. MNH Shakti Limited one of the subsidiaries of MCL has been formed with MCL having 70% stake along with Neyveli Lignite Corporation and Hindalco holding the rest.

The coal production is targeted from Talabira OCP with an annual capacity of 20.00 Mty.

b. MJSJ Coal Limited another subsidiary of MCL has been formed with MCL having 60% stake along with JSW Steel, Jindal Thermal Power Limited, Jindal Stainless Steel and Shyam Metalics & Energy Limited holding the rest. The coal production is targeted from Gopalprasad OCP with an annual capacity of 15.00Mty.

c. Mahanadi Basin Power Limited a public limited Company has been formed on 02.12.2011 as an SPV with 100% share hold by MCL and it's nominees with power generation capacity of 2X800 MW through Pit Head power plant at Basundhara Coalfields.

d. Statement of the Holding Company's interest in the Subsidiary Companies namely the M/s MNH Shakti Limited, the M/s MJSJ Coal Limited and M/s Mahanadi Basin Power Limited is enclosed in accordance with Section 212.

35.1 The Company has also formed a joint venture Company namely, Neelanchal Power Transmission Company Pvt. Limited (NPTCPL) on 8th January, 2013 with an objective of carrying out power transmission business jointly with M/s OPTCL having an equity share holding pattern of 50:50 in the newly formed Company.

36. FIXED DEPOSITS

Your Company has not accepted any deposit from the Public during the year as defined under Section 58 A of the Companies Act, 1956 and the Rules made there under.

37. PARTICULARS OF INFORMATION U/S 217 OF THE COMPANIES ACT, 1956

The 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 earning and outgo is given in **Annexure-I** to this Report.

38. PARTICULARS OF EMPLOYEES

Particulars of employees as required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended are not given as your Company has not paid any remuneration attracting these provisions.

39. BOARD OF DIRECTORS

39.1 The following persons, continued to be the Directors during the year under report.

1. Shri A.N. Sahay - CMD
2. Shri A.K. Tiwari - Director (Technical/Op.)

39.2 The following person was appointed as Director during the year under report.

1. Shri J.P.Singh - Director (w.e.f. 01.06.2013)

   Shri P. C. Panigrahi - Director (w.e.f 30.07.2013)

39.3 The following person ceased to be Director during the year under report.

1. Shri A. Rath - Director (w.e.f. 27.04.2013)
2. Shri M. B. Sridharan - Director (w.e.f. 27.04.2013)
3. Shri A. K. Singh - Director (w.e.f. 17.06.2013)
4. Shri K. Biswal - Director (w.e.f 09.12.2013)
5. Shri A. Kalam - Director (w.e.f 22.02.2014)
6. Dr. A. Kumar - Director (w.e.f 22.02.2014)

40. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed:

1. That in the preparation of the Annual Accounts for the financial year ended 31st March, 2014, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
2. That the Directors have selected such Accounting Policies and applied them consistently and made judgements 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 the year under review;
3. That the Directors have taken proper and sufficient care for the maintenance of adequate Accounting Records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. That the Directors have prepared the Accounts for the financial year ended 31st March, 2014 on a 'going concern' basis.

41. CORPORATE GOVERNANCE

A Report on Corporate Governance is attached to this Report as **Annexure – II.**

42 MANAGEMENT DISCUSSION AND ANALYSIS REPORT

"Management Discussion and Analysis Report" is attached to this Report as **Annexure –III.**

43. C & A G COMMENTS

Comments of the Comptroller & Auditor General of India on the Accounts of the Company for the year ended 31st March, 2013 are placed at **Annexure-IV** to this report.

44. AUDIT COMMITTEE

The Committee has been reconstituted from 18th September, 2013 with the following members.

1. Shri Abdul Kalam - Director, MCL Board - Member
2. Dr. Ashok Kumar - Director, MCL Board - Member
3. Shri S. K. Singh - Director, MCL Board - Member
4. Director (Tech/Op) - Director, MCL Board - Member
5. Shri B. K. Saxena - Director, MCL Board - Member

44.1 The scope of work

1. Review of financial statement.
2. Periodical review of internal control system.
3. Review of Govt. Audit and Statutory Auditor's Report.
4. Review of operational performance vis-à-vis standard parameters.
5. Review of projects and other capital scheme.
6. Review of internal audit findings / observations.
7. Development of a commensurate and effective internal audit functions in MCL.
8. Special studies, investigation of any matter including issue referred to by the Board.

The Audit Committee has access to financial and other data/information of MCL. Observation made by the Committee is reported to MCL Board. The Committee can meet as often as desired but is expected to meet at least once in a Quarter.

45. COST RECORDS

Maintenance of Cost records for the Company, as per Section 209(1)(d) of the Companies Act, 1956 has been prescribed by the Central Government w.e.f. 01.04.2011. The Company produces only one product, i.e. Coal and has a continuous integrated system of recording, determining and reporting element-wise cost with break up of cost including overheads and reconciliation of cost report at regular interval.

46. PERFORMANCE AGAINST MoU PARAMETERS

46.1 The performance of MCL against MoU for 2013-14 signed between CMD, MCL and Chairman, CIL as per the Guidelines of Department of Public Enterprises (DPE), Ministry of Heavy Industries and Public Enterprises, Government of India, has been prepared and audited by the Statutory Auditors of the Company. The overall MoU rating of your Company for the year 2013-14 based on physical and financial performance is "**Very Good**".

47. SUBSIDIARY ACCOUNTS FOR THE SHAREHOLDERS OF THE CIL

Pursuant to General Circular No. 2/2011 dated 08.02.2011 of Ministry of Corporate Affairs, the Annual Accounts of MCL would be available at MCL Headquarters for inspection and providing relevant information to the shareholders of CIL on demand.

48. ACKNOWLEDGEMENTS

48.1 Your Directors express their sincere thanks to the Ministry of Coal and Coal India Limited for their valuable assistance, support and guidance. Your Directors also thank the various Ministries of the Central Government and the State Government of Odisha for their valuable support. The Directors are thankful to the sister organisations for the co-operation and assistance rendered by them.

48.2 Directors place on record their deep sense of appreciation for the co-operation extended by the Trade Unions and Officers' Association for the team spirit shown, valuable and sterling services rendered by the employees at all levels towards the achievement of the objectives of the Company and its all-round growth.

48.3 The Directors also thank the valued customers profusely for their continued support, patronage and encouragement without which the Company would not have emerged so strong.

48.4 The Directors also record their appreciation of the services rendered by the Auditors, the officers and staff of the Comptroller & Auditor General of India and Registrar of Companies, Odisha.

48.5 The Directors also extend their thanks to various important citizens of Sambalpur and those residing in the coalfield areas of Odisha for their co-operation from time to time.

49. ADDENDA

The following papers are annexed.

1. Information as required to be given in the Directors' Report under Section 217(1) (e) of the Companies Act, 1956.
2. Comments of the Comptroller & Auditor General of India under Section 619(4) of the Companies Act, 1956.
3. Addendum to the Directors' Report under Section 217(3) of the Companies Act, 1956.
4. Statement pursuant to Section 212 of the Companies Act, 1956 relating to Company's interest in Subsidiary Companies.
5. Pursuant to CIL directive, parameter-wise details of performance as per MoU for the year 2013-14.

Sd/-
(A.N. Sahay)
Chairman-cum-Managing Director

Sambalpur
Date: 03.06.2014

Shri Naveen Pattnaik, Hon'ble Chief Minister of Odisha, in the presence of Shri A. N. Sahay, CMD, MCL laying the foundation stone of a "150 bedded Girls Hostel at Sambalpur University" at an estimated cost of Rs. 4.79 Crore to be borne by MCL.

Shri Naveen Pattnaik, Hon'ble Chief Minister of Odisha, in the presence of Shri A. N. Sahay, CMD, MCL laying the foundation stone of "Integrated Water Supply & Distribution Scheme for Burla Town" at an estimated cost of Rs. 8.72 Crore to be borne by MCL.

Odisha

ANNEXURE - I

ANNEXURE TO DIRECTORS' REPORT

Information as required to be given in the Director's Report under Section 217 (1)(e) of the Company's Act ,1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earning and outgo.

I. (A). CONSERVATION OF ENERGY

(a) Adoption of Power factor improvements measures :

1. Electrical Energy

The highlights of this year's power position is furnished below with comparative statement:

i) Specific consumption of power (for Coal) during 2013-14 is 2.65 kWh/T in comparison to 2.85 kWh/T for 2012-13 i.e. % reduction of 7.02 %.

ii) Specific consumption of power (for Composite Production) (i.e. Coal + O.B Removal) during 2013-14 has decreased from 2.08 kWh/Cu.M during 2012-13 to 1.80 kWh/ Cu.M during 2013-14 i.e % reduction of 13.46%.

iii) As per the revised power tariff effective from 01/04/2013, power factor incentive for maintaining average power factor above 0.95 have been discontinued. Accordingly, the amount saved on this account during 2013-14 is NIL as against the saving of ₹141.23 Lakh during 2012-13.

INSTALLATION OF LED LAMPS

As part of sustainable development project under "Energy Management" head, LED lamps were procured and installed at MCL HQs, Jagannath Area and Orient Area. Under the project saving of electrical energy with out sacrificing the performance is envisaged. Area wise, unit wise break up of the LED lamps installed is tabulated below :

Sl.No.	ACTIVITY	Area/Unit	Qty.	Status
1.	Installation of 90 watt LED Street Light fixtures	MCL Hqs. Orient	350 Nos. 103 Nos.	Completed Completed
2.	Installation of 45 Watt LED Street Light Fixtures	Jagannath	60 Nos.	Completed
3.	Installation of LED Tube Light, 19 Watt	Jagannath MCL Hqs. Orient	2222 Nos. 2382 Nos. 1352 Nos.	Completed Completed Completed
4.	Installation of LED Tube Light, 10 Watt	MCL Hqs.	500 Nos.	Completed

Due to the above activity, a total saving of ₹7,74,951/- was achieved during the year 2013-14 on account of power saving of 139319 units.

Further 600 KVAR of (2 X 300 KVAR) power capacitors have been arranged for installation at Kali Nagar substation of Orient Area. The scheme for installation and commissioning of 10 numbers of VFD drive at Balram OCP CHP for replacing conventional starters has been approved and tendering action have been initiated.

2. Fuel & Lubricants

Following steps were taken for reduction of consumption of fuel & lubricants:

a. Periodical overhauling of Engines & regular checking of filters, hoses & tyres pressure.
b. Regular checking of self-starters and maintenance free batteries has been introduced.
c. Maintenance of haul roads.
d. Specific Diesel Consumption should be within the norms fixed by CMPDI.
e. Proper implementation of guidelines issued by IED for minimum HSD Consumption.

(b) Steps taken wherever feasible / possible for reduction in power consumption for effective conservation of energy.

i) To contain peak demand of power at a reduced level and to avail TOD (Time-of-the day) incentive as maximum as feasible, regular loads, such as, pumping etc. are being operated during off-peak hours.

ii) To reduce energy consumption by industrial pumps, steps have been taken, such as, maintenance effectiveness, optimization of delivery and suction sizes, use of floats, use of V.T pumps through bore-holes, deliveries and cables through bore-holes etc.

iii) Use of electronic chokes in tubelights and electronic regulators for fans instead of conventional chokes and regulators.

iv) Regular cleaning of filters of air conditioners and ensuring that air-conditioned space is properly closed

v) Avoiding lose connections and using proper size of fuses.

vi) Ensuring minimum cable losses with proper size of cables, i.e., of rated capacity.

vii) Maximum voltage near the load – In underground mine 3.3 kV / 550 V TSUs (Transwitch Units) have been placed so that sufficient voltage is made available to the loads / machineries for achieving better efficiency and rated output as well as prescribed life of the machineries.

viii) Optimum usage of transformer capacity thereby reducing transformer losses.

ix) Power factor close to 98% has been maintained by using power capacitors thereby reducing energy loss.

x) Minimum transmission loss has been ensured by using proper sizes of overhead conductors.

xi) Stage pumping / Intermediate pumping has been reduced to minimize energy loss.

xii) Ensuring exact size of electric motors in pumps.

xiii) Use of higher sizes / recommended sizes of delivery lines and suction in pumps and avoiding throttling.

xiv) Ensuring leakages in pipelines thereby improving pumping efficiency.

xv) Ensuring proper condition of bearings etc.

xvi) To contain maximum demand close to the contract demand, close monitoring during peak hours are exercised by controlling non-productive load, i.e., resorting to load-shedding, if necessary. Capacitors of appropriate specification are being used to enhance power factor for dual benefit of reduced maximum demand as well as availing incentives on higher power factor from the Distribution Companies of Electricity.

(c) Impact of measures of (a) for Energy Consumption and consequent impact on the parameters of production.

C. FOREIGN EXCHANGE EARNING and OUTGO

DESCRIPTION	2013-14	2012-13	% inc(+)/Dec(-) over previous year
Electrical Energy			
(i) Specific Consumption of Power (for Coal in kWh/ Tonnes	2.65	2.85	(-) 7.02 (F)
(ii) Specific Consumption of power (for composite production, i.e. Coal + O.B. removal) in KWh/Cu.M.	1.80	2.08	(-) 13.46 (F)
Fuel and Lubricants			
(i) Consumption of HSD, in ltrs/Cum of composite Production.	0.420	0.394	6.539
(ii) Consumption of Liquid lubricants, in Ltrs./Cum of composite Production.	0.017	0.015	14.4679
(iii) Consumption of HSD, in ltrs/Tonne of Coal Production	0.407	0.422	-3.448
(vi) Consumption of lubricants, in Ltrs./Tonne of Coal Production.	0.017	0.016	4.176
vii) Specific cost of POL, in ₹ / Tonne	29.320	23.320	25.729

(i) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products exports activities services and export plans : Company is not engaged in export activities.

(i) Foreign Exchange used and earned

DESCRIPTION	Current Year	Previous Year
(A) Foreign Exchange used :		
(i) CIFof imports		
a) Components, Stores and Spare parts	2.89	2.96
b) Capital goods	8.76	1.28
(ii) Travelling	0.02	0.03
(iii) Interest	1.25	2.05
(iv) Others	--	--
(B) Foreign Exchange earned	Nil	Nil

ANNEXURE-II

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY:

Corporate Governance as a business philosophy is being integrated more deeper in to the organisational system of Mahanadi Coalfields Limited (MCL) with an aim to ensure transparency, greater organisational justice and Corporate sustainability.

With the directives from the Central Government for complying with the Guidelines on Corporate Governance from 2010-11, the Guidelines have been re-looked with fresh perspective and due diligence.

Equity, justice, transparency, accountability etc. being touchstones of good governance have been accepted as core values to be practised to the best extent in every sphere of business activities pertaining to MCL.

BOARD OF DIRECTORS

In adherence to the principle of optimum combination of functional, nominee and independent directors on the Board, the Board of Directors of MCL is comprised of 06 (Six) Directors as on 31.03.2014 categorized as below.

a) 4 (four) Functional Directors including Chairman-cum-Managing Director.

b) 2 (two) Official part-time Directors (Nominee)

Besides, Chief Operation Manager, East Coast Railway, Bhubaneswar is also appointed as a Permanent Invitee to the Board.

The Board met nine (9) times during the year 2013-14 with attendance of Directors exceeding 88% on average and gap between two meetings remaining less than three months.

A table is prepared with details on composition of the Board, attendance of the Directors individually and number of Directorship in other Companies.

Name & Designation	Category	Board meetings		Directorships in other Companies	Membership in other Committee	
		Held during the tenure	Attended		Held during the tenure	Attended
Shri A. N. Sahay	Functional	9	9	NPTCPL	Nil	02
Shri A.K Singh	Functional	1	1	MNH Shakti Limited	01	03
Shri A. K. Tiwari	Functional	9	9	(i) MJSJ Coal Limited (ii) NPTCPL	01	04
Shri K. Biswal	Functional	6	6	(i) MNH Shakti Limited (ii) MJSJ Coal Limited (iii) MBPL (iv) NPTCPL	Nil	04

Name & Designation	Category	Board meetings		Directorships in other Companies	Membership in other Committee	
		Held during the tenure	Attended		Held during the tenure	Attended
Shri J.P. Singh	Functional	8	8	(i) MNH Shakti Limited (ii) MBPL	Nil	02
Dr. Ashok Kumar	Non-official part time	8	7	(i) Swarniya Real Estate Private Limited (ii) MNH Shakti Ltd.	01	02
Shri Abdul Kalam	Non-official part time	8	8	(i) NMDC Limited (ii) Mahanadi Basin Power Limited	01	02
Shri B. K. Saxena	Official part time	9	6	(i) Coal India Limited (ii)Northern Coalfields Ltd	Nil	02
Shri S. K. Singh	Govt. Nominee	9	5	Central Coalfields Limited	01	01
Shri P. C. Panigrahi	Functional	6	6	(i) Mahanadi Basin Power Limited. (ii) MNH Shakti Ltd.	Nil	03

Certain items of governance like the Half-yearly and Annual Accounts, Capital expenditure, Coal sale contracts, Manpower budgets, Statutory compliance reports etc. are reserved for Board's review and approval.

REMUNERATION OF DIRECTORS

(A) Whole time Directors

Name	Relationship with other Directors	Business relationship with the Company (if any)	REMUNERATION FOR THE YEAR 2013-14 All elements of remuneration package, i.e. Salary, Performance linked incentive Scheme, PF contribution, Pension etc. (₹)
Shri A. N. Sahay	Nil	CMD	26,87,505.67
Shri A. K. Singh	Nil	Director(Tech/P&P)	25,23,222.00
Shri A. K. Tiwari	Nil	Director(Tech/ OP.)	21,83,768.00
Shri Kulamani Biswal	Nil	Director(Finance)	15,56,336.17
Shri P. C. Panigrahi	Nil	Director(Personnel)	14,86,603.19
Shri J.P. Singh	Nil	Director(Tech/P&P)	18,46,989.06

B) Official Part- time Directors

No remuneration is paid to the official Part-time Directors by the Company.

C) Non Official Part- time Directors

No remuneration except Sitting Fee for attending the Board/Committee meetings is paid to the Non-official Part-time Directors.

D) Service Contracts, Notice Period, Severance Fees :

All the Functional Directors of the Company are appointed by the Hon'ble President of India. The appointment may be terminated by either side on 3 months notice or on payment of 3 months salary in lieu thereof.

COMMITTEES OF THE BOARD :

i. Audit Committee

MCL believes that a well comprised Audit Committee with proper autonomy and defined scope of work can be an efficient machinery for smooth conduct of business. The Committee meets at regular intervals and addresses the issues as early as possible. Meetings of the Audit Committee are also very structured with proper agenda and action taken reports put in place timely.

The Audit Committee has access to financial and other data/information of MCL. Observation made by the Committee is reported to MCL Board. The Committee meets as often as desired but is expected to meet at least once in a Quarter.

Scope of work :

a) Review of financial statement.
b) Periodical review of internal control system.
c) Review of Govt. Audit and Statutory Auditor's Report.
d) Review of operational performance vis-à-vis standard parameters.
e) Review of projects and other capital scheme.
f) Review of internal audit findings/observations.
g) Development of a commensurate and effective internal audit functions in MCL.
h) Special studies, investigation of any matter including issue referred to by the Board.

Composition and meeting details of the Audit Committee:

The Audit Committee met for nine times on 15.04.2013, 16.05.2013, 10.07.2013, 30.07.2013, 18.09.2013, 07.11.2013, 10.12.2013, 24.12.2013 and 05.02.2014 during the year and the details of Directors attending the meetings are given as under.

Sl.No.	Name	Status	No. of Meetings held during tenure	Attendance
1.	Shri M.B. Sridharan	Chairman	1	1
2.	Shri Abdul Kalam	Chairman	9	8
3.	Dr. A.K. Rath	Member	1	1
4.	Dr. Ashok Kumar	Member	9	8
5.	Shri S.K. Singh	Member	9	3
6.	Shri B.K. Saxena	Member	4	3
7.	Shri A.K.Singh	Member	2	2
8.	Shri A. K. Tiwari	Member	7	7

In Audit Committee meeting The Director(Finance)/CFO, Chief of Internal Audit, and Statutory Auditors are invited to clarify the matters relating to Finance, Accounts, Audit and Internal Control System.

In addition to the existing Audit Committee, following Sub-committees have been constituted in the 134th and 135th Board meeting during 2011-12, keeping in view, further strengthening of Company's strategic and technical decision making process, adherence to Corporate Governance in true letter and spirit, value addition through HR and urgency of R & R.

ii) Technical Sub-committee:

Scope of work :

Evaluation, appraisal and recommendation of projects for approval of MCL Board.

Composition and meeting details of the Sub-committee :

The Sub-committee met four times during the year, i.e. on 16.05.2013, 10.12.2013, 04.02.2014 and 07.03.2014 with attendance of members as under :

Sl.No.	Name	Status	No. of Meetings held during tenure	Attendance
1.	Shri A. N. Sahay	Chairman	4	4
2.	Shri A. K. Singh	Member	1	1
3.	Shri A. K. Tiwari	Member	4	4
4.	Shri K. Biswal	Member	1	1
5.	Shri J.P. Singh	Member	3	3
6.	Shri Abdul Kalam	Member	4	3
7.	Shri B. K. Saxena	Member	4	3

iii) Corporate Governance, Strategic, Risk Management and Sustainable Development and CSR Sub-committee(CGSRMSDCSR):

In compliance to the recent guidelines of DPE for constitution of Board level Committee for CSR and Sustainability for Central Public Sector Enterprises, **the Board in its 150th Board meeting held on Dt 11.07.2013** included CSR activities under the scope of Corporate Governance, Strategic & Risk Management and Sustainable Development (CGSRMSD) Sub-Committee of MCL Board and renamed the Sub-committee as "Corporate Governance, Strategic & Risk Management, Sustainable Development and CSR" (CGSRMSDCSR) Sub-committee.

Scope of work:

As regards to Corporate Governance :

a. Regular monitoring of Governance structure, principles and practices and recommending to the Board with regard to any change therein.

b. Review of charters, composition, annual calendar for meeting and performance of all the Sub-committees of the Board including this Sub-committee.

c. Reviewing the ethical performance of the Company and recommending measures for improvement.

As regards to Strategic Management :

a. Facilitating to the Board in the formulation of strategic vision/mission/goal and objectives for the future of the Company and operationalising them into actionable details.

b. Recommending to the Board with the Management, the strategic priorities to be fixed for the Company.

c. Recommending to the Board with the Management, the annual action plans of the Company in all the major areas of the business in measurable details and in consistent with strategic priorities.

d. Reviewing the progress in the achievement of the strategic goals of the Company

As regards to Risk Management :

a. To review the Company's risk management strategy, policy, procedures if any, in existence and recommend to the Board changes required thereto.

b. To define 'risk appetite' and 'risk tolerance' of the Company and monitor the Company's risk exposures.

c. To review the Management's actions with regard to identifying, assessing, managing and monitoring of Company's material risks.

d. To review the adequacy of risk management programs of the Company and recommend to the Board required changes, if any.

As regards to CSR :

To review the proposals which require approval of MCL Board under CSR as per delegation of power and recommended to put up before MCL Board for consideration.

Composition and meeting details of the Sub-committee :

The CGSRMSDCSR Sub-committee met four times during the year on 07.11.2013, 24.12.2012, 13.01.2014 and 04.02.2014 with attendance of members as under:

Sl.No.	Name	Status	No. of Meetings held during tenure	Attendance
1.	Shri A. N. Sahay	Chairman	4	3
2.	Shri A. K. Singh	Member	4	2
3.	Shri A. K. Tiwari	Member	4	4
4.	Shri K. Biswal	Member	1	1
5.	Shri J.P. Singh	Member	4	4
6.	Shri Abdul Kalam	Member	4	4
7.	Shri B. K. Saxena	Member	4	2

iv) Human Resource Management and Remuneration (HRMR) Sub-committee :

Scope of work:

As regards to Human Resource Management:

a) Recommending with the Management, to the Board strategic initiatives focused to address the HR issues.

b) Periodic reviewing with the management, of the existing Policies/Rules/ Regulations/Manuals/Guidelines related to recruitment, transfer, promotion, training and development, retention, deputation, succession, performance, reward system and recommending to the Board regarding change if any, required therein.

c) Recommending to the Board with the management any new HR focused policy.

d) Recommending to the Board on undergoing foreign training by the Board level and below Board level Executives and Supervisors if so, required.

e) Recommending with the management to the Board on the annual financial budgetary allocations towards training and development, employee welfare, public relations along with annual forecast and budget of manpower for the Company.

As regards to Remuneration:

a. Deciding on PRP in the line with directives to be received from CIL and the concerned Ministry.

b. Reviewing the incentive schemes if any, in vogue and recommending to the Board any change thereto.

c. Reviewing the Production Improvement Schemes if any, in vogue and recommending to the Board any change thereto.

Any other significant pecuniary benefit payable to employees or Board level Executives that require Committee's deliberation, decision and recommendation.

Composition and meeting details of the Sub-committee :

The HRMR Sub-committee met two times during this year on 10.07.2013 and 22.01.2014 with attendance of members as under:

Sl.No.	Name	Status	No. of Meetings held during tenure	Attendance
1.	Dr. Ashok Kumar	Chairman	2	2
2.	Shri Abdul Kalam	Member	1	1
3.	Shri A.K. Tiwari	Member	2	2
4.	Shri K. Biswal	Member	1	1
5.	Shri P.C. Panigrahi	Member	1	1

v) Sub-committee for Land oustee cases:

Scope of work:

To consider and approve all the cases of employment, cash compensation etc. as per existing norms of R&R Policy being followed by the Company

Composition and meeting details of the Sub-committees:

The Sub-committee for Land oustee cases met fifteen times during this year with attendance of members as under :

Sl.No.	Name	Status	No. of Meetings held during tenure	Attendance
1.	Shri A.N. Sahay	Chairman	13	13
2.	Shri A.K. Singh	Member	03	3
3.	Shri A.K. Tiwari	Member	13	12
4.	Shri K. Biswal	Member	09	06
5.	Shri J.P. Biswal	Member	10	09
6.	Shri P.C. Panigrahi	Member	09	09

STATUTORY AUDITORS

Under Section 619(2) of the Companies Act, 1956, the following Audit Firms were appointed as Statutory/Branch Auditors for the year 2013-14.

Statutory Auditors

M/s PAMS & Associates
Chartered Accountants
Purighat, Ring Road,
Tala Telenga Bazar, Cuttack
Odisha-753009.

Branch Auditors

M/s SCM Associates
98, Kharvel Nagar,
Keshari Talkies Complex,
1st Floor, Bhubaneswar
Odisha-751001

Type of Audit	Remuneration (₹)	Remarks
Statutory Audit for the year 2013-14	₹8,82,812.60 (₹5,31,250/- for Principal Auditors and ₹351562.60 for Branch Auditors)	Out of Pocket Expenses(OPE) is ₹2,82,500/- (₹1,70,000/- for Principal Auditors and ₹1,12,500/- for Branch Auditors) in addition to reimbursement/payment of travelling expenses on actual basis and applicable Service Tax payable thereon.
Tax Audit for the year 2013-14	₹1,42,000/-	Out of Pocket Expenses(OPE) ₹56,500/- and applicable Service Tax payable thereon.
Audit for consolidation	₹62,500/-	Out of Pocket Expenses(OPE) ₹20000/- and applicable Service Tax payable thereon.
Compliance with the conditions of Corporate Governance	₹50,000/-	Including Out of Pocket Expenses(OPE) and applicable Service Tax payable thereon.
Performance on MoU Parameters	₹2,12,500/-	Out of Pocket Expenses(OPE) at actual subject to ₹1,06,250/-

General Meetings of Shareholders:
Details of the General Meetings of the Shareholders held during last 3 years are as under:

Annual General Meeting :

Year	Date	Time	Location	Special Resolution, if any
2010-11	28.5.2011	11.00 AM	Mahanadi Coalfields Limited, Jagruti Vihar, Burla, Sambalpur	Nil
2011-12	24.05.2012	11.00 AM	Mahanadi Coalfields Limited, Jagruti Vihar, Burla, Sambalpur	Nil
2012-13	17.05.2013	11.00 AM	Mahanadi Coalfields Limited, Jagruti Vihar, Burla, Sambalpur	Nil

Extraordinary General Meeting : NIL

Code of business conduct and ethics for Board members and Senior Management Personnel in MCL.

The Board of Directors of the Company has adopted a Code of Conduct for Directors and Senior Management Personnel in its 94th meeting held on 29th March, 2008 at Kolkata and the same has been posted at Company's website www.mcl.gov.in.

Risk Management:

Due importance is given for risk identification, assessment and its control in different functional areas of the Company for an effective risk management process because of inherent risk, external and internal, necessary control measures are regularly taken. Acquisition of land, forest clearance, land oustee problems are some of the critical factors which are monitored continuously by the Management. Due importance is also given to the internal factors like preventive maintenance of machinery, security, industrial relations etc. for ensuring smooth operation of the Company. At an apex level, a separate Sub-committee of the Board has been formed in the year 2011-12 for reviewing the functioning of risk management mechanism at MCL.

Whistle Blower Policy:

Being a Govt. Company, the activities of the Company are open for audit by C&AG, Vigilance, CBI etc. However, despite the general application of CIL's Whistle Blower Policy, an adoptable version of the same for MCL is also being worked out.

Accounting Treatment:

The Financial Statements are prepared in accordance with the applicable mandatory Accounting Standards and relevant requirements under the Companies Act, 1956.

Means of Communication :

Operational and Financial Performance of the Company are published in Leading English Newspapers and also in local dailies. In addition to above, the financial results are displayed in the Company's Website.

Audit Qualifications :

It is always the Company's endeavour to present unqualified Financial Statements. Management Reply to the Statutory Auditors' observations on the Accounts of the Company for the year ended 31st March, 2014 are furnished as an Annexure to Directors' Report. Comments of the Comptroller & Auditor General of India under Section 619(4) of the Companies Act, 1956 on the Accounts of MCL for the year ended 31st March, 2014 is also enclosed.

Training of Board Members:

The Functional Directors, by virtue of their possessing the requisite expertise and experience in their respective functional areas, are aware of the business model of the Company as well as the risk profile of the Company's business. The Part-time Directors are fully aware of the Company's business model. But, having aimed at better familiarity with Corporate Governance practices, the Independent Directors are nominated for undergoing training programmes organised by Top Institutions. In the year 2013-14, nomination of one Independent Director to one such programme has been made. A suitable Training Policy for Directors in line with DPE Guidelines on Corporate Governance is also in place.

Compliance on Corporate Governcnace as per DPE Guidelines

Your Company has implemented the Guidelines issued by DPE as per OM No. DPE/14(38)/10-Fin Dated 28.06.2011 and a certificate has been given by CEO for compliance of DPE Guidelines.

Your Company has achieved an annual score of 87.36% in Corporate Governance for the year 2013-14 which entails Excellent grading.

CERTIFICATE OF COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

To
The Members of
Mahanadi Coalfields Limited.

We have examined the compliance of conditions of Corporate Governance by Mahanadi Coalfields Limited (hereinafter referred as "the Company") for the year ended on March 31, 2014, as stipulated in Department of Public Enterprises, Government of India (DPE) Guidelines on Corporate Governance.

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 statements of the Company.

In our opinion and to the best of our information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned DPE Guidelines.

We further state that such compliance is neither an assurance as to the future viability of the Company nor as to the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For PAMS & Associates.
Chartered Accountants

Place : Camp New Delhi
Date : 26.05.2014

Sd/-
(CA M.P. Mahapatra)
Partner
Membership No. 055113
Firm Registration No. 316079E(ICAI)

ANNEXURE-III

MAHANADI COALFIELDS LIMITED
MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A. INDUSTRY STRUCTURE AND DEVELOPMENT :

Coal-primary source of Energy:

Coal is the dominant, sustainable and reliable source of energy. Globally, use of coal for commercial energy has been going down since 1950, largely because of environmental considerations and availability of cheap oil and gas. However, in India the scenario is totally different. Here coal is likely to play a dominant role in power generation because of its abundant reserve and cheap availability coupled with limited oil reserve within the country.

Coal Reserve :

Coal accounts for 97% of the fossil resources in our country .The National Coal Inventory places the hard coal resources at 301.56 Billion Tonne (BT) upto 1200 meter depth in 67 different coalfields as on 01.04.2014, details are as below :

Sl. No.	STATE	No. OF CF	COAL RESERVE (BT)	% OF INDIA
1	JHARKHAND	12	80.71	26.76
2	ORISSA	02	75.07	24.89
3	CHHATISGARH	13	52.53	17.42
4	W.BENGAL	04	31.31	10.38
5	M.P	08	25.67	8.51
6	A.P	01	22.48	7.45
7	MAHARASTRA	05	10.98	3.64
8	U.P	01	1.061	0.35
9	BIHAR	01	0.16	0.05
10	NE STATE	20	1.59	0.53
	TOTAL	**67**	**301.56**	**100.00**

Orissa stands 2nd to Jharkhand in the reserve position in India .Total coal reserve of Orissa as on 1st April 2014 is estimated to be 75.07 Billion Tonnes which is around 24.89 % of the total National coal reserve. The two coalfields of Orissa, namely Talcher and Ib-valley coalfield are under its command area of MCL, Talcher being the largest coalfield (50.874 BT) and Ib-valley being the 4th largest (24.198BT) coalfield of India. Out of 75.07 Billion Tonnes of coal reserve, the proved coal reserve is 27.79 BT (37.01 %).

Talcher and Ib-valley coalfields of Orissa are the store house of huge thermal grade non-coking coal having most favourable quariability prospects. Demand of coal for thermal plants of existing and proposed ones of southern and western India is in a growing trend.

Coal Demand :

The Working Group for Coal & Lignite for formulation of XII Plan has assessed a coal demand of 980.50 at a Compounded Annualized Growth Rate (CAGR) of 7.09 in terminal year of XII Plan i.e. 2016-17. Demand for 2014-15 is 787.03 Mt. The detail is as given below :

Sector	2014-15	2016-17
Steel (Coking)	55.46	67.20
Power (U)	551.60	682.08
Power (Captive)	50.00	56.36
Cement	26.12	47.31
Steel DRI	23.85	50.33
Others	80.00	77.22
Total Non Coking	731.57	913.30
Total	**787.03**	**980.50**

Coal off-take and dispatch :

Off-take programme for CIL the year 2014-15 has been planned for 520.00 Mt out of which share of MCL is 132.00 Mt (25.38 %).

Sector-wise coal off-take of MCL for XI Plan 1st & 2nd year of XII Plan & Projection for 3rd year of XII Plan:

(Fig. in Mt.)

	XI Plan					XII Plan		
SECTOR	2007-08 Actual	2008-09 Actual	2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 BE
Power	68.09	70.47	70.88	74.73	77.11	88.16	78.223	105.37
Cement	0.19	0.17	0.26	0.27	0.23	0.348	0.340	0.68
Fertilizer	-	-	-	0.02	0.026	0.060	0.0367	0.06
Others	15.35	20.06	27.01	27.07	25.16	23.396	35.747	25.89
TOTAL	**83.63**	91.30	98.15	102.09	102.52	111.964	114.347	132.00

Mode-wise coal movement of MCL for XI Plan 1st & 2nd year of XII Plan & Projection for 3rd year of XII Plan :

(Fig. in Mt.)

	XI Plan					XII Plan		
SECTOR	2007-08 Actual	2008-09 Actual	2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 BE
Rail	51.68	54.18	55.84	59.24	60.310	68.727	72.2246	84.63
Road	12.16	18.68	23.35	25.12	25.623	25.219	24.506	28.00
MGR	18.59	17.08	17.37	16.11	14.797	16.191	15.745	17.50
Others	1.20	1.36	1.59	1.62	1.791	1.819	1.866	1.87
TOTAL	**83.63**	**91.30**	**98.15**	**102.09**	**102.521**	**111.959**	**114.342**	**132.00**

Coal Availability:

The indigenous all India coal production assessed in the terminal year of XII th plan is projected to be 715 Mt by working group of XII th plan, in the terminal year of XII th plan . The projection of coal production from CIL during the terminal year of XIIth plan of 556.40 Mt as per XII th Plan documents.

The actual coal production in the 1st & 2nd year of XII th plan period.i.e 2012-13, 2013-14 & production projection during the 3rd year of XII th Plan i.e 2014-15 from existing mines,completed projects and on-going projects in MCL, is given below :

(Fig. in Mt.)

	XI Plan				XII Plan		
SECTOR	**2008-09 Actual**	**2009-10 Actual**	**2010-11 Actual**	**2011-12 Actual**	**2012-13 Actual**	**2013-14 Actual**	**2014-15 BE**
Existing Mines	1.32	1.35	1.32	1.333	0.967	0.778	0.87
Completed Projects	64.85	71.19	73.27	66.645	67.344	59.988	70.105
Ongoing & new Projects	30.17	31.54	25.69	35.140	39.584	49.674	56.025
TOTAL	**96.34**	**104.08**	**100.28**	**103.118**	**107.895**	**110.440**	**127.00**

Productivity :

In MCL the major share of coal production from OCPs is done contractually and OBR is done departmentally. In few projects OBR has also been outsourced. The OMS position of MCL is as below :

TYPE	**2008-09 Actual**	**2009-10 Actual**	**2010-11 Actual**	**2011-12 Actual**	**2012-13 Actual**	**2013-14 Actual**	**2014-15 BE**
UG	1.25	1.29	1.25	1.24	0.97	0.84	0.78
OC	23.05	18.89	20.50	20.38	21.34	22.16	21.96
TOTAL	**96.34**	**14.66**	**15.37**	**15.36**	**16.07**	**16.69**	**16.51**

B. OPPORTUNITIES AND THREATS

Opportunities:

- Huge demand of coal in the country especially for power generation.
- Huge potentiality of coal mining in MCL
- Power Plants located in the northern India are also linked to MCL.
- To formulate a sound marketing strategy& Long term agreement with Consumers, Railways and Shippers**.**
- To set up washeries
- Diversification to power
- JV for coal gasification and coal to liquid (oil).

Threat :

- Coal amenable to opencast mining - requirement of more land.
- Land acquisition and consequent social displacement.
- Rehabilitation and resettlement issues.
- Proneness of opencast mining to Environmental pollution.
- Inadequacy of Railways in coal transportation.
- Majority of consumers are far away from coalfields i.e. increase in rail freight means high landed cost to the consumers.
- MOEF stipulation for use of 34% ash content coal (mostly available in MCL) by Power Houses beyond 1000 Kms.
- The Coastal based TPPs have option to use imported coal.
- Captive Mining – allotment of blocks to MCLs consumers, some Central PSUs and State PSUs, for power generation and coal mining by State Govt. companies for sale of coal in the market.

C. PERFORMANCE:

Covered in the main report.

D. OUT LOOK

Members may be aware that at present, there are 33 completed projects in MCL with rated capacity of 95.08 Mt, out of which 02 projects with rated capacity of 1.60 Mt have been exhausted during XI Plan period. There are 15 On-going projects under implementation (as on March 2014) with rated capacity of 109.33 Million tonne . Production from these On-going projects during 2013-14 is 49.675 Million tonne.

Basundhara Area (known as Gopalpur Tract) of Ib-valley coalfield has enough potentiality, but the only bottle neck is coal evacuation arrangement. Your company has planned and approved a 52 Km long railway line from Basundhara Area to Jharsuguda Rly station at capital investment of Rs 469.68 crores. Two MOUs have been signed between MCL and SE Rly for land acquisition and construction of the railway line. Land acquisition work is in progress and construction work has been started. The scheduled date of completion of the railway line is 36 months to be reckoned from 09.03.09.Now the project is delayed due to acquisition of forest land which is pending for want of NOC under FRA- 2006, and also construction of one major bridge over Ib river is under execution. An amount of Rs.271.53 Crs. has been paid to S.E.Rly, out of which Rs. 249.81 Crs has been utilised so far.

Similarly, in Talcher coalfield, construction of Kalinga-Angul link railway line is going on. Once this segment is completed, there will be unidirectional movement of empty rail rakes from Angul side and the loaded rakes will be evacuated through Talcher side. This will increase the rake movement capacity of Talcher coalfield by double.

To further increase the coal dispatch system, Rapid loading system (SILO) will be constructed in 10 projects including two JV projects.The details are as follows :

Sl.No.	Name of the related OC Project	Capacity	Sl.No.	Name of the related OC Project	Capacity
1.	Ananta OCP	15 Mty	6.	Kaniha OCP	10 Mty
2.	Lingaraj OCP	16 Mty	7.	Balaram OCP	8 Mty
3.	Bharatpur OCP	15 Mty	8.	Kulda OCP	10 Mty
4.	Bhubaneswari OCP	20 Mty	9.	MJSJ (Gopalprasad)	15 Mty
5.	Hingula OCP	15 Mty	10.	MNH Sakti (Talabira)	20 Mty

MCL is also planning to set up 04 no. of washeries of its own, 10.0 Mty capacity each, to cope up with the MoEF stipulation to dispatch coal below 34% ash at distant power houses. Out of these, two washeries will come up in Talcher coalfield, one in Ib Valley Coalfield and one in Basundhara Sector of Ib valley Coalfield. The Techno-economic feasibility Report of all these Washeries on BOM (Built-Operated-maintained) basis have been approved by MCL Board.

E. RISKS AND CONCERNS:

Mining is site specific and location of a mine can not be changed. Following risks and concerns are involved :

- Delay in obtaining forestry clearance and environmental clearance.
- High cost of Rehabilitation and resettlement
- Demand of employment beyond the prescribed norms resulting in frequent law and order problem and obstruction of mining and coal transportation operation.
- Long lead time to procure HEMMs and other E&M items.

F. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:
Covered in the Main Report.

G. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:
Covered in the Main Report.

H. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED :
Covered in the Main Report.

I. ENVIRONMENTAL PROTECTION AND CONSERVATION, TECHNOLOGICAL CONSERVATION, RENEWABLE ENERGY DEVELOPMENTS, FOREIGN EXCHANGE CONSERVATION :
Covered in the Main Report.

J. CORPORATE SOCIAL RESPONSIBILITY :
Covered in the Main Report.

ANNEXURE-IV

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

The preparation of financial statements of Mahanadi Coalfields Limited for the year ended 31 March 2014 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the Company. The statutory 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 26.5.2014.

I, on the behalf of the Comptroller and Auditor General of India have conducted a supplementary audit under Section 619(3) (b) of the Companies Act, 1956 of the financial statements of Mahanadi Coalfields Limited for the year ended 31 March 2014. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the Accounting Records. 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 Chaudhri)
Pr. Director of Commercial Audit &
Ex-officio Member, Audit Board-II
Kolkata

Kolkata
Dated : 04.06.2014

ANNEXURE-V

COST AUDIT REPORT

We, **Niran & Co, Cost Accountants** having been appointed as Cost Auditors under section 233(B) of the Companies Act, 1956 (1 of 1956) of **Mahanadi Coalfields Limited** having its registered office at Jagruti Vihar, Burla, Sambalpur, Odisha-768020., have audited the books of accounts prescribed under clause (d) of sub section (1) of Section 209 of the said Act, and other relevant records **for the financial year 2012-13** (from 1st April,2012 to 31st March, 2013) relating to **"Mineral Fuels (other than Petroleum) i.e Coal"** maintained by the Company and report, in addition to our observations and suggestions in para-2.

I. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of this audit.

II. In our opinion, Proper cost accounting records, as per Companies (Cost Audit Report), Rules 2011 prescribed under clause (d) of sub- section (1) of Section 209 of the Companies Act, 1956 have been maintained by the Company so as to give a true and fair view of the Cost of operation, Cost of Sales and Margin of the Product/ activity groups under reference.

III. 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 received from branched not visited by us];

IV. The Branch Auditor's Reports for six Areas and one Central Workshop of Talcher Coalfields forwarded to us have been appropriately dealt with while preparing our report;

V. In our opinion and to the best of our information said books and records give the information required by the Companies Act, 1956 in the manner so required.

VI. In our opinion, the said books and records are in conformity with the Cost Accounting Standards issued by the Institute of Cost Accountants of India; to the extent these are found to be relevant and applicable.

VII. In our Opinion, the Company has adequate system of Internal Audit of Cost Records which in our opinion is commensurate to its nature and size of the business.

VIII. Detailed unit-wise and product/activity-wise cost statements and schedules there to in respect of the Product groups/ activities under reference to the Company duly audited and certified by us are kept in the Company.

IX. As required under the provisions of the Companies (Cost Audit Report) rules, 2011, we have furnished performance Appraisal report, to the Company, on the prescribed form.

2. Observation and suggestions, if any, relevant to the Cost Audit.

a. Integration of Cost Accounting System with financial Accounting Computerized system in order to identifying the direct allocable costs.

b. MIS and Cost centre wise Cost statements as per the prescribed formats should be generated on half yearly basis followed by half yearly cost review meeting as the same will facilitate in comparison and decision making on variances.

c. Installation of meters for measuring power consumption in Cost centers to analyze the data for possibility of minimizing the power cost.

d. The reason wise analysis of idle Capacity, segregating such capacity to controllable and non controllable and financial impact of controllable costs may be determined by the management.

e. Follow up action on report of Energy audit should be taken up by the management to improve upon the system.

f. Inventory Management and Control system needs further improvement w.r.t Reconciliation of Stores Price Ledger & Financial ledger.

g. Derive the actual fixed cost and variable cost of the company for determining contribution, BEP in quantity and sales.

h. Proper codification needed to compare the actual cost.

Place : Bhubaneswar
Date : 18th September, 2013

F***or*** **NIRAN & CO.**
COST ACCOUNTANTS
FRN-000113

Sd/-

(Niranjan Mishra)
Partner –M/13060

ANNEXURE-VI

REPORT OF AUDITOR

We have verified relevant books / records / documents / statements of Audited Accounts of Mahanadi Coalfields Limited (MCL) for the year ended 31st March, 2014 and certify that the actual performance stated in attached Performance Evaluation Sheet with respect to static/ financial and dynamic parameters are calculated in terms of guidelines for MoU for the year 2013-14 issued by Ministry of Heavy Industries and Public Enterprises and are found to be correct.

For PAMS & Associates
Chartered Accountants

Date : 21.06.2014
Place : Burla

Sd/-
(CA Satyajit Mishra)
Partner
Membership No.057293
Firm Registration No.316079E(ICAI)

MEMORANDUM OF UNDERSTANDING : 2013-14

(Performance April to March 2014) without adjustment

	Evaluation Criteria	Unit	Weight (in %)	MoU / Target					Performance (April'13 to March'14)	Rank	Score
				Excellent 1	Very Good 2	Good 3	Fair 4	Poor 5			
1	**Static / Financial Parameters**										
	(a) Financial Indicators - Profit related ratios										
	(i) Gross Margin/Gross Block	Ratio	2.0	1.137	1.127	1.071	1.017	0.966	1.04	3.57	0.07
	(ii) Net Profit/Net Worth	Ratio	10.0	0.377	0.974	0.355	0.338	0.321	0.652	1.00	0.10
	(iii) Gross Profit/Capital Employed	Ratio	10.0	0.300	0.296	0.281	0.267	0.254	0.379	1.00	0.10
	(b) Financial indicators-size related										
	(i) Gross Margin	₹ Crs.	8.0	5993.93	5939.52	5642.54	5360.42	5092.40	5714.97	2.76	0.22
	(ii) Net Sales	₹ Crs.	4.0	10970.39	10944.94	10397.69	9877.81	9383.92	9989.67	3.78	0.15
	(c) Finacial Returns - Productivity related										
	(i) PBDIT/Total Employment	Ratio	7.0	0.229	0.227	0.216	0.205	0.195	0.257	1.00	0.07
	(ii) Added Value / Net Sales	Ratio	9.0	0.373	0.368	0.350	0.332	0.316	0.428	1.00	0.09
	Sub Total		**50.0**								**0.80**
2	**Dynamic Parameters**										
	(d) Quality & Customer Satisfaction		5.0								
	(i) Despatch covered under agreed sampling to power sector.	(%)	1.0	99.00	98.00	97.00	96.00	95.00	The coal despatched covered under agreed sampling to power sector in 2013-14 is 86.76 MT. The % of agreed sampling to power sector is 100%.	1.00	0.01
	(ii) Sized coal despatch to power sector by Rail	(%)	2.0	99.00	98.00	97.00	96.00	95.00	The quantity of sized coal despatched to power sector by rail excluding MGR during 2013-14 is 69.15 MT. The % of sized coal despatch to power sector by rail is 100%.	1.00	0.02
	(iii) Despatch of coal to power sector by rail weighed on electronic weighbridge	(%)	1.0	99.00	98.00	97.00	96.00	95.00	The quantity of coal despatched to power sector by rail during 2013-14 69.15 MT and quantity coal weighed on electronic weighbridge is 68.46 MT which is 99.01 %.	1.00	0.01

	Evaluation Criteria	Unit	Weight (in %)	MoU / Target Excellent 1	Very Good 2	Good 3	Fair 4	Poor 5	Performance (April'13 to March'14)	Rank	Score
	(iv) Inviting views/suggestion from customer to make satisfaction proforms.	Month	0.5	30.5.13	15.6.13	15.7.13	15.8.13	15.9.13	Inviting views/suggestion from customer to make satisfaction proforma done on 14/06/2013.	2.00	0.01
	(v) To workout customer satisfaction proforma jointly with customer.	Month	0.5	Dec'13	Jan'14	Feb'14	Mar'14		To workout customer satisfaction proforma jointly with customer prepared on 14/06/2013.	1.00	0.005
	Sub-Total										**0.055**
2	**Dynamic Parameters**										
	(f) Human Resource Management-HRM		5.0								
	(i) Human Resource Management-HRM		1.0	As per Annexure - C							0.0117
	(ii) Training in Project Management	No Executives	1.0	60	50	40	30	20	60.00	1.00	0.01
	(iii) Training in Contract Management	No Executives	1.0	5	4	3	2	1	7.00	1.00	0.01
	(iv) Training programme in environment forest management & land acquisition from reputed institute.	No Executives	1.0	5	4	3	2	1	6.00	1.00	0.01
	(v) Training in Risk Management	No Executives	1.0	5	4	3	2	1	9.00	1.00	0.01
	Sub-Total										**0.0517**
	(g & h) Adoption of Innovative Practices		5.0	As per Annexure - B							0.09
	(i & jh) Project Implementation		15.00								
	i1 Approval Project										
	(i) Approval of two projects by MCL Board	Month	1.0	Feb'14	15.03.14						
	a Approval of one (Siarmal projects) by MCL Board.	Month	1.0	Feb'14	15.03.14				Approval Siarmal opencast project by MCL Board held on 07/03/2014.	2.00	0.010
	b Approval of one projects by MCL Board	Month	1.0	Feb'14	15.03.14				Not achieved.	5.00	0.025

	Evaluation Criteria	Unit	Weight (in %)	MoU / Target					Performance (April'13 to March'14)	Rank	Score
				Excellent 1	Very Good 2	Good 3	Fair 4	Poor 5			
2	**Dynamic Parameters**										
	i2 Commissioning/completion of projects	Nos.	1.0	2					Two projects were completed i.e. Samleswari OCP with which was approved in the 155th Board meeting held on 05/02/2014 and Lajkura OCP which was approved by the Board of Directors of MCL on 156th Board meeting held on 07/03/2014.	1.00	0.010
	i3 LAND										
	(i) Notification u/s Sec 11 of CBA	Ha	2.0	500	475	451	429	407	Total land notified u/s 11 of CBA is 665.40 Ha	1.00	0.020
	(ii) Possession of Land	Ha	1.5	240	228	217	206	195	Total possession of land during 2013-14 is 341.456 Ha.	1.00	0.015
	(iii) Capital expenditure for projects	₹ Crs. Month	2.0	500	475	451	429	407	The capital expenditure during 2013-14 Rs.876.84 Crs.	1.00	0.020
	(iv) Award of work for Enterprise Risk Management (ERM)		1.0	Feb'14	15.03.14				Award of work for Enterprise Risk Management (ERM) during Feb'14.	1.00	0.010
	i4 Master Control Network										
	(i) Preparation of Master Control Network (MCN) for New Projects costing more than 100 crores or producing more than 2 mt per annum.	Month	1.0	Oct'13	Dec'13	Jan'14	Feb'14	15.03.14	There are 14 projects costing more than 100 crores or producing more than 2 Mtr. per annum whose Master Control Network has been completed on April 2013. The 14 projects are : 1) Ananta OCP Expn. Ph III, 2) Bharatpur OCP Expn.Ph-II, 3) Bharatpur OCP Expn.Ph-III, 4) Balram OCP Extension, 5) Bhubaneswar OCP, 6) Gopalprasad OCP, MJSJ, 7) Hingula-II OCP Expn. Ph-III, 8) Lingaraj OC Expn. Ph-III, 9) Kaniha OCP, 10) HBI (Augmentation) 11) Kulda OCP, 12) Talabira OCP. MNH -13) Behlpahar OC Expn. Ph-II, 14) Samleswari OC Expn. Ph IV	1.00	0.010

	Evaluation Criteria	Unit	Weight (in %)	MoU / Target					Performance (April'13 to March'14)	Rank	Score
				Excellent 1	Very Good 2	Good 3	Fair 4	Poor 5			
2	**Dynamic Parameters**										
i5	(a) Major Projects Activities / Milestones (MOSPI Projects)		1.5							1.00	0.010
	(i) Kulda : Rehabilitation and Resettlement of village Bankibahal	Month	0.1	Feb'14	15.03.14				Not achieved	5.00	0.005
	(ii) Hingula OC : Notification under U/S 11 (1) ha land under CBA Act.	Month	0.4	Feb'14	15.03.14				Notification communicated to area on 17/04/2013.	1.00	0.004
	(iii) Bhubaneswari : Coal production of 18 Mty.	% of production	0.4	100.00	95.00	90.00	85.00	80.00	Coal Production of Bhubaneswari OCP during 2013-14 is 24.447 MT.	1.00	0.004
	(iv) Kaniha: Despatch of~ 2 Mty through MGR.	Month	0.1	Feb'14	15.03.14				Coal dispatched by MGR exceed 2 Mt in the month of October 2013 achieving 2.333 Mt.	1.00	0.001
	(v) Talbira OCP:Completion of formalities for stage-I forestry clearance of MNH Sakti (JV)	Month	0.1	Feb'14	15.03.14				Achieved during 2013-14 (Proposal forwarded to Addl. PCCF(Nodal) on 01.02.2014 Govt of odisha Bhubaneswar.	1.00	0.001
	(vi) Gopalprasad OCP: Completion of land notification 11(1) of CBA Act for 410.22 ha land of Utkal-A block.	Month	0.2	Feb'14	15.03.14				Land notification 11(1) of CBA Act for 410.22 Ha land of Utkal-A block Published vide S.O No. 2314 dated 02.11.13.	1.00	0.002
	(vii) Ananta OC: Stage-I Forestry clearance of 224.730 ha Forest land.	Month	0.1	Feb'14	15.03.14				Not achieved.	5.00	0.005
	(viii) Balaram OC: Development of R&R site for village Kalamchhuin.	Month	0.1	Feb'14	15.03.14				Not achieved.	5.00	0.005

	Evaluation Criteria	Unit	Weight (in %)	MoU / Target					Performance (April'13 to March'14)	Rank	Score
				Excellent 1	Very Good 2	Good 3	Fair 4	Poor 5			
2	**Dynamic Parameters**										
	Major Projects Activities / Milestones (other ongoing projects)		2.5								
	(i) Samaleswari OC : Submission of compliance of Stage-I forestry clearance.	Month	0.1	Feb'14	15.03.14				Proposal forwarded to MOEF , New Delhi on 29.11.13. Stage-I clearance obtained vide F.No. 8-147/1989-FC (Vol-III), dated 21.02.14	1.00	0.001
	(ii) Lingaraj OC : Submission of application for EMP clearance for 20.00 Mty (Peak capacity)	Month	0.1	Feb'14	15.03.14				Not achieved	5.00	0.005
	(iii) Lajkura OC Expn: Stage-I forestry clearance for 147.56 Ha of forest land.	Month	0.1	Feb'14	15.03.14				Not achieved	5.00	0.005
	(iv) Bharatpur OC : Stage-II Forestry clearance	Month	0.1	Feb'14	15.03.14				Stage-II Forestry clearance obtained on 07.02.2014	1.00	0.001
	(v) Belpahar OCP: Stage-II forestry clearance	Month	0.1	Feb'14	15.03.14				Not achieved	5.00	0.005
	(vi) % of total coal production by Surface Miner	%	1.0	65	65	63.00	62.00	61.00	78.29% of total coal production achieved by Surface Miner.	1.00	0.010
	(vii) 50% Shifting of Naraharipur village in Bhubaneswari OCP.	Month	1.0	Feb'14	15.03.14				93.82 % shifted by February 2014.	1.00	0.01
	i6 Infrastructure Development		1.5								
	(i) Renovation/up-gradation Railway Sidings.	No	0.5	3.00	2.00	1.00			Work completed in 8 number of sidings of IB Valley Coalfields during the year 2013-14	1.00	0.005
	(ii) Award of work for All weathered Coal transportation Road from Mines to sidings.	Kms	0.5	15.00	14.00	13.00	12.00	11.00	During the year 2013-14 22.58 KM of Coal Transportation road in different project of Talcher Coalfields has been awarded.	1.00	0.005

	Evaluation Criteria	Unit	Weight (in %)	MoU / Target					Performance (April'13 to March'14)	Rank	Score
				Excellent 1	Very Good 2	Good 3	Fair 4	Poor 5			
2	**Dynamic Parameters**										
	(iii) In motion Weighbridge (installation/ upgradation/alteration)	Nos.	0.5	4.00	3.00	2.00	1.00		Installation of 29 weighbridges has been completed in both the coal fields.	1.00	0.005
	Sub Total										**0.199**
	(k) Corporate Social Responsibility (CSR) & Sustainability	--	8.00	As per Annexure - A							**0.10**
	(l) Sector Specific Parameters :		8.00	123.50	123.30	117.14	111.28	105.71	114.347	3.48	0.104
	(i) Off-take	Mt.	3.00	120.10	120.00	114.00	102.89	102.89	110.44	3.62	0.072
	(ii) Coal Production *	Mt.	2.00	2.10	2.00	1.90	1.71	1.71	1.43	5.00	0.050
	(iii) Underground production	Mt.	1.00	-5.2699	-4.2699	-3.2699	-2.2699	-1.2699	(+) 9.66%	5.00	0.050
	(iv) Reduction of cost of production (Rs/T) in real terms**	% of cost per Tonne (CPT) of 2012-13	1.00								
	(v) Introduction of GPS enabled road transportation.	No. of Mines	1.00	5.00	4.00	2.00	1.00	1.00	GPS based OITDS : This has been implemented at three OCPs namely Lingaraj, Bharatpur and Balram.	3.00	0.030
	Sub Total										**0.307**
	(m) Enterprise - Specific Parameters	4.00									
	(I) Man productivity (Output/Manshift)	Te/ Manshift	0.5	16.87	16.72	15.88	15.09	14.34	16.69	2.04	0.010
	(II) System Capacity Utilization	%	0.05	83.50	81.83	77.74	73.85	76.16	68.55	5.00	0.025
	(III) Safety										
	(i) Preparation of Safety Management Plan	Nos.	0.5	4.00	3.00	2.00	1.00		SMP of Five mines, i.e. Talcher Colliery, Nandira, Kaniha, Bharatpur, Lingaraj had been completed.	1.00	0.005
	(ii) Training through Simulators	Nos.	2.0	10.00	9.00	8.00	7.00	6.00	12 Dumper operators undertake training through simulators.	1.00	0.020
	(iii) Feasibility study and approval of report for installation of Man Riding system.		0.5	Yes				No	Feasibility study and approval of report for installation of Man Riding system done & work order issued.	1.00	0.005
	Sub Total										**0.065**
	Total Dynamic Parameter										**0.87**
	Grand Total										**1.67**

1. Non-compliance of Corporate Governance will also be penalised by way of negetive marking and the MoU Score will be increased in the following manner in accordance with DPE OM 18(8)/2005-GM, Dated 22nd June 2011.

Sl. No.	Annual Score	Grading	Penalty Marks	Difference in Score from "Excellent "Grade	Score achieved during 2013-14
1	85% and Above	Excellent	0	0	> 85%
2	75%-84%	Very Good	0	0	
3	60%-70%	Good	0.5	0.02	
4	50%-59%	Fair	0.5	0.02	
5	Below 50%	Poor	1.0	0.04	

2. CPSEs have to give a Certificate regarding Implementation of Guidelines issued by DPE as per OM No. DPE/14(38)/10-Fin Dated 28th june 2011 and also a certificate from their auditors/Chartered Accountant in practice. Non-compliance of DPE Guidelines determined on the basis of certificate submitted will be penalized upto 1 mark at the discretion of Task Force at the time of MoU Evaluation.(In other words, the MoU Ratings can be increased by 0.04) . For this parameter , a compliance certificate given by CEO regarding implementation of DPE guidelines.

ANNEXURE - A

TEMPLATE FOR CSR & SD ACTIVITIES

	Evaluation Criteria	Unit	Weight (in %)	Performance Rating					Performance (April'13 to March'14)	Rank	Score
				Excellent 1	Very Good 2	Good 3	Fair 4	Poor 5			
1	(i) The degree of involvement of the employees and the top management in internalising the CSR and Sustainability agenda within the organisation.										
	(a) The number of seminars/ workshops	Nos.	0.40	4.00	3.00	2.00	1.00	Nil	08 no. of seminar/workshop held	1.00	0.004
	(b) The presence of top management/ executives in such meetings/ seminars/courses.	Nos.	0.30	30.00	25.00	20.00	15.00	10.00	32 (EB Level)	1.00	0.003
	(c) The total number of employees covered through such initiatives, indicating also their levels / grades (below E8 level)	Nos.	0.30	100.00	90.00	80.00	70.00	60.00	248 (Below E8 level)	1.00	0.003
	Sub Total		**1.00**								**0.01**
	(ii) Impact of such involvements on products/ services/processes and reduction in carbon footprint.										
	(a) List of Products / services / processes for reduction of carbon footprint.										
	(i) Energy saver soft starter with induction motor of CHP & feeder breaker circuit.Adoption of power factor improvement measures.	Nos.	1.00	2.00	1.00						
	Energy saver soft starter with induction motor of CHP & feeder breaker circuit.	Nos.	0.50	2.00	1.00				Not achieved	5.00	0.025
	Adoption of power factor improvement measures.	Nos.	0.50	2.00	1.00				(a)As a part of Sustainable Development under energy management head LED lamps were procured at MCL HQ, Jagannath and Orient Ara i.e 10/20 watt tube light in	1.00	0.005

TEMPLATE FOR CSR & SD ACTIVITIES

	Evaluation Criteria	Unit	Weight (in %)	Performance Rating					Performance (April'13 to March'14)	Rank	Score
				Excellent 1	Very Good 2	Good 3	Fair 4	Poor 5			
									place of 20/40 watt fluorescent tubes,90 watt LED street light in place of 150 watt HPSV street light, 45 watt LED street light in place of 70 watt HPSV street light. (b) On account of this besides energy saving,power factor at load end has been improved. i.e 0.75 to 0.9 in respect of tube light and 0.65 to 0.9 in respect of street light. Due to above measures total savings of Rs.774951 was achieved during 13-14 on account of reduction of 139319 KWH. Besides this, appropriate capacity power factor improvement capacitor Banks were installed at 132/33 KV Jorabaga Sub-station and 132/33 KV Nandira Sub-station. This has lead to improved power factor of 0.989 at 132 KV Nandira Sub station during 2013-14.		
	(ii) Rain Water harvesting	No. of Projects Nos.	1.00	3.00					Three Rain Water harvesting i.e at Orient Area,IB valley Area and CWS(x),Talcher completed during 2013-14.	1.00	0.01
	Sub Total		**2.00**								**0.04**
2	The efforts made and the success achieved in the engagement of key stakeholders throgh adoption of a good corporate communication strategy.										
	(a) The number of meetings / consultations held with key stakeholders with - consumer - vendors - vilaagers	Nos.	0.50	5.00	4.00	3.00	2.00	1.00	27 meetings held with consumer, vendor & villagers.	1.00	0.005
	(b) Establishment of feedback channels from key stakeholders (with consumer, vendors, villagers	Yes/No	0.50	Yes				No	Feedback channels have been established with key stake holders (consumers, vendors and villagers,	1.00	0.005

TEMPLATE FOR CSR & SD ACTIVITIES

	Evaluation Criteria	Unit	Weight (in %)	Performance Rating					Performance (April'13 to March'14)	Rank	Score
				Excellent 1	Very Good 2	Good 3	Fair 4	Poor 5			
	etc.) regarding the performance of the company in social, economical and environmental sustainability.								etc.) regarding the performance of the company in social, economical and environmental sustainability.		
	Sub Total		**1.00**								**0.01**
3	The adoption of sustainability reporting and disclosure procedures and practices										
	(a) Publication of annual reports on CSR and sustainability for 12-13	Publication by	0.50	Feb-14	Mar-14			No	The annual reports on CSR and sustainability for 2012-13 has been published by February, 2014	1.00	0.005
	(b) Frequently updated display of information in this regard on the company's website	Duration	0.50	Quarterly	Half-yearly	Annually			The annual reports on CSR and sustainability for 2012-13 has been published by February 2014. The information in this regard is updated quarterly on the Company website.	1.00	0.005
	Sub Total		**1.00**								**0.01**
4	The degree of success in implementing the CSR and sustainability projects they undertake during the year.										
	(a) Construction of 10 nos. community centre at different villages in Sundargarh District (backward district)	No. of project	1.00	10.00	9.00	8.00	7.00	6.00	11 Nos. of community centres have been completed in the FY 2013-14 with an expenditure of Rs. 6,966,516.65 namely : i) Kutubaga village ii. Durubaga Village iii. Sumara Village iv) Kaletpani Villagev) Tihuria Village vi) Kund Village vii) Sahaspur Village viii) Barpali Village ix) Parmanpur Village x) Balbaspur Village xi) Sardega R&R	1.00	0.01
	(b) Construction of deep borewell around peripheral village.	No. of project	1.00	1.00	9.00	8.00	7.00	6.00	12 number of Bore well completed in different areas of MCL costing Rs.31.29 Lacs. a) Two nos. deep borewell at BG Area at village Barpali & Manikeswari College ladies Hostel (Rs. 479897.01) b) 5 Nos. at Jagannath Area at	1.00	0.01

TEMPLATE FOR CSR & SD ACTIVITIES

	Evaluation Criteria	Unit	Weight (in %)	Performance Rating					Performance (April'13 to March'14)	Rank	Score
				Excellent 1	Very Good 2	Good 3	Fair 4	Poor 5			
									Saharsahi,Schoolsahi,Mandirsahi,Ekdal and Naraharipur. c) One borewell at SC/ST Girls School Ashram under Bharatpur Area costing Rs. 2.20 lacs. d) Orient Area : 3 Nos. of Borewell at near Kalimandir, Sanjob, Madhuban Nagar costing Rs. 4.83 Lacs. e) Hingula Area: One bore well at Gopal Prasad Hiltop near HOCP costing Rs. 3.31 lacs.		
	Sub Total		**2.00**								**0.02**
5	The expenditure incurred on CSR and Sustainability activities (vis-à-vis the annual budgetary allocation @ 1% of PAT of 12-13)	% Utilization	0.50	> 80%	70-80%	60-70%	50-60%	40-50%	Rs. 111.49 Crore expenditure has been made in the year 2013-14 against a target of Rs. 42.1244 Crore(1% of PAT of 2012-13) achieving 264.67%.	1.00	0.005
6.	The effectiveness of the two-tier organisational culture in the process of planning, implementing and monitoring the CSR activities.										
	(a) The existence of the two tier organization structure with mandatory membership of an independent Director on the Board level committee.	Yes/No	0.20	Yes				No	Yes	1.00	0.002
	(b) (I) Board level committee meeting.	Nos.	0.15	4.00	3.00	2.00	1.00		Board level Committee namely, CGSRMSD & CSR Sub-committee consisting two independent Directors and one Govt. nominee Director in addition to four functional directors as members. During the year, 2013-14 four meetings of CGSRMSD & CSR Sub-committee were held on 07.11.2013, 24.12.2013, 13.01.2013 and 04.02.2014.	1.00	0.0015
	(ii) Group of officers headed by the nodal officers	Nos. of meeting	0.15	4.00	3.00	2.00	1.00	2.00	Head Quarter level CSR Committee consisting of GM(Civil/CSR), GM(Finance), Chief of Medical Services under the Chairmanship of Director (Personnel). . During the year, 2013-14 four meetings of HQs level meting were held on 02.07.2013, 07.10.2013, 4.12.2013 and 22.02.2014.	1.00	0.0015

ANNEXURE - B

R & D / ADOPTION OF INNOVATIVE PRACTICES PERFORMANCE TARGET SETTING CUM EVALUATION TEMPLATE FOR 2013-14

	Projects Choosen	Performance indicator	Weight (in %)	Target Value					Performance (April'13 to March'14)	Rank	Score
				Excellent 1	Very Good 2	Good 3	Fair 4	Poor 5			
	R & D										
2.1	Installation of Solar PV project for sustainable development at MCL HQ	Month	1.00	15.2.14	28.2.14	15.3.14	31.3.14		The installation work could not be finished in time as site is a rocky terrain which caused the delay in site preparation.	5.00	0.05
2.2	Study of acidity of water at Bharatpur OCP and its treatment for Industrial/domestic use.	Month	1.00	15.2.14	28.2.14	15.3.14	31.3.14		The study was carried out by CMPDIL Ranchi and was submitted in January 2014.	1.00	0.01
	Innovative Practices										
2.3	Study for improvement of transportation system at MCL.	Month	1.00	15.2.14	28.2.14	15.3.14	31.3.14		The study was undertaken in both the coalfields and was completed in November 2013.	1.00	0.01
2.4	Digitization of maps of mining lease hold area of projects.	Month	1.00	4.00	3.00	2.00	1.00		Ananta OCP,Hingula OCP, Lingaraj OCP & Bhubaneswari OCP was completed during the year 2013-14.	1.00	0.01
2.5	Digitization of Rail and Road Network of Talcher and Ib Coalfield. (From trunk line to different sidings)	Month	1.00	2.00	1.00				Digitization of Rail and Road Network of both the coalfields was also completed during the year 2013-14.	1.00	0.01
	Total score for this table		**5.00**								**0.09**

ANNEXURE - C

TEMPLATE FOR HRM PERFORMANCE EVALUATION UNDER MEMORANDUM OF UNDERTAKING (2013-14) - (Apr'13-Mar'14)

	HRM Performance Indicator	Measurement Unit	Narration	Weight (in %)	Target Value under five point scale					Actual	Rank	Score
					Excellent 1	Very Good 2	Good 3	Fair 4	Poor 5			
A	**Competency & Leadership Development, A1 Compulsory**											
1.	% actualization of Training days per employee per year	% fulfillment & Days/per employee per year	Executive	2	100%	95%	90%	85%	80%	--	--	--
			Trg. Days Per Exe		1.35	1.28	1.22	1.15	1.08	--	--	--
			Total Trg. Days		2.160	2052	1944	1836	1728	7612	1.00	0.02
			Trg. Day per Sup/	1	0.45	0.43	0.41	0.38	0.36	--	--	--
			Clrk/Tech	5	2160	2052	1944	1836	1728	5830	1.00	0.01
			Total Trg. Days		1.40	1.33	1.26	1.19	1.12	--	--	--
			Trg. Days Per Worker	2	21700	20615	19530	18445	17360	3915	1.00	0.02
			Total Trg. Days		100%	95%	90%	85%	80%	--	--	--
2.	Developing critical mass of leaders through a system of career planning & development	% fulfillment of planned leadership development programmes	% of Fulfillment Leaders to be developed	5	10	10	9	9	8	24	1.00	0.05
3.	Training budget as % of employee cost	% of employees cost	% of Employee cost		0.86	0.82	0.78	0.73	0.69	10.36	1.00	0.05
			Trg. Exp. in Rs. Cr.	5	9.50	9.03	8.55	8.08	7.60			
4.	% fulfillment of training plan for Multi-skilling / Skill Upgradation of non-executive.	%	%		100%	95%	90%	85%	80%	--	--	--
			Training Plans		14	13	12	10	8	14	--	--
			Employees' skill to be upgraded	5	75	71	68	64	60	182	--	--
			Training mandays		10980	10431	9882	9333	8784	17679	1.00	0.05
A2	**Optional (Out of below five, one is to be taken in the MOU)**											
5.	% of executives covered in 360 degree feedback system against plan.	%										
6.	% of Senior level executives (HoDs & GMs and above) covered in Assessment & Development Centre.	%										
7.	Training interventions in new/ advanced technology - % fulfillment of training plan in new technology	%										

	HRM Performance Indicator	Measurement Unit	Narration	Weight (in %)	Target Value under five point scale					Actual	Rank	Score	Sum of Score	Score after converting 100 to 1
					Excellent 1	Very Good 2	Good 3	Fair 4	Poor 5					
8	Inventions towards Industry - Academia Interface	Yes/No	Yes Interface-I Interface-II	5 2 3	100% 4.00 100	95% 4.00 95	90% 4.00 90	85% 3.00 85	80% 3.00 80	10.00 203	1.00 1.00	0.02 0.03		
9	% fulfillment of Plan for carrying out Competency Mapping of employees.	%												
	Total (A1 to A9)			**25**									**0.25**	**0.0025**
B	**Performance Management**													
10	To ensure implementation of Bell Curve Approach in PMS rating.	Yes/No		4	Yes				No	Yes				
11	Linkage of Developmental Plan of Executives with Performance Management System.	Yes/No	Yes : Subject to finalization of PMS by CIL	10 3	Yes				No	Yes				
12	Implementation of PRP linked to PMS.	Yes/No : details		3	Yes				No	Yes				
	Total (B10 to B12)			**10**							**1.00**	**0.01**	**0.1**	**0.0010**
C	**Recruitment, retention & talent management Manpower rationalization through**													
13	- Any other (Recruitment)	% to Employee strength	Through open advertisement Land Oustee appointment	5 3 2	0.25% 50 1.48% 300	0.23% 48 1.40% 285	0.22% 45 1.33% 270	0.21% 43 1.26% 255	0.20% 40 1.18% 240	0 752	5.00 1.00	0.15 0.02		
14	Attrition as % of total employees.	%	Less than		1.00%	1.50%	2.00%	2.50%	3.00%	48	1.00	0.05		
15	Presence of Mentorship Development Programme - Nos. of Mentors & Mentees.	Yes/No : Numbers	Mentors Mentors		220 12	330 11	440 11	550 10	660 10	60	1.00	0.05		

	HRM Performance Indicator	Measurement Unit	Narration	Weight (in %)	Target Value under five point scale					Actual	Rank	Score	Sum of Score	Score after converting 100 to 1
					Excellent 1	Very Good 2	Good 3	Fair 4	Poor 5					
16	Formulation / Implementation of systems for management of Talent such as - job rotation system, reward system, sponsorship Sr. executives for Advanced Management Programme, growth opportunities etc.	Schemes/ Initiatives & their details	a-Job Rotation	2	100	90	84	80	75	107	1.00	0.02		
			b-Reward System	2 5	30	27	25	24	23	78	1.00	0.02		
			c. Sr. Exe. for AMPS	1	2	1	--	--	--	4	1.00	0.01		
	Total (C13 to C16)			**20**										
D	**Enabling Creativity & Innovation**													
17	Nos. of Nominations/entries submitted for National Awards (PM Shram Awards, Vishwakarma Rashtriya Puraskar)	Nos. of nominations/ entries submitted for national awards	Total Nominations	7.5	4	3								
18	Number of suggestions generated per employee per year	Nos. per employee	Suggestions per Employee	7.5	0.009	0.008	0.007	0.006	0.005	208	1.00	0.075		
			Total Suggestions		200	175	150	125	100					
	Total (D17 to D18)			**15**										
	Total (A, B, C & D)			**70**									**0.47**	**0.0047**
19	Effectiveness of Grievance Redressal system - % of grievances settled vis-à-vis received during the year.	% settlement		4	60%	50%	45%	40%	35%	91%	1.00	0.04		
20	Pension, medicare, Yoga classes to reduce stress where the job is stressful, setting up of wellness centre such as Gym. etc.	Number of programs/ date of implementation of scheme	Pension & Medicare as per CIL Policies	1	Yes					Yes	1.00	0.01		
			Yoga Classes	4 2	5	4	3	2	1	5	1.00	0.02		
			Gym.	1	2	1	--			1	2.00	0.02		
21	Employee satisfaction survey - ESI measure in %	%	On random Sampling	4	60%	55%	50%	45%	40%	86.19%	1.00	0.04		

	HRM Performance Indicator	Measurement Unit	Narration	Weight (in %)	Target Value under five point scale					Actual	Rank	Score	Sum of Score	Score after converting 100 to 1
					Excellent 1	Very Good 2	Good 3	Fair 4	Poor 5					
22	Formulation & Implementation of social security scheme.	Yes/No	Social security scheme of CIL will be implemented	4.00	Yes					Yes				
23	Number of structured meetings with employees' representatives	Number of meetings		4.00	300	280	260	240	220	462	1.00	0.04		
	Total (E20 to E24)			**20.00**									**0.21**	**0.0021**
F	**HR Branding & Excellence - Indicate achievement in this field for initiatives such as :**													
24	Participation in survey conducted by external agencies (Employer of choice, Best employer, Best Place to Work etc.)	Details regarding the initiative to be given alongwith achievements	Participation in 02 Surveys	4.00	4.00	2.00	--	--	--	2.00	2.00	0.08		
	Review/ Revisit/ Re-engineer HR policy for meeting changing business piorities.			10										
	Benchmarking projects undertaken in area of HR.		On-Line Recruitment System	6.00	6.00	--	--	--	--	6.00	1.00	0.06		
	Organization Culture Building initiative													
	Total (F25)			**10**									**0.14**	**0.0014**
	Grand Total (A,B,C,D, E & F)			**100**									**1.170**	**0.0117**

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

For PAMS & Associates
Chartered Accountants

Sd/-
(A.N. Sahay)
Chairman-cum-Managing Director
Mahanadi Coalfields Limited

Sd/-
(S. Kannan)
Chief Finance Officer
Mahanadi Coalfields Limited

Sd/-
C.A. Satyajit Mishra
Partner
Membership No. 057293

INDEPENDENT AUDITORS' REPORT

To

THE MEMBERS OF
MAHANADI COALFIELDS LIMITED

1. Report on the Financial Statements

We have audited the accompanying financial statements of MAHANADI COALFIELDS LIMITED which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information. These financial statements include figures in respect of six mine areas and one central workshop of Talcher Field audited by Branch Auditors.

2. 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 notified under the Companies Act, 1956 ("the Act") 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. 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.

3. 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 on the effectiveness of the company'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.

4. Opinion

Subject to our separate report given in the annexure, we report that :

(a) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the Accounting Policies (Note No.33), and the Additional Notes on Accounts (Note No.34) give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;

ii. in the case of the statement of Profit and Loss, of the profit for the year ended on that date; and

iii. in the case of the cash flow statement, of the cash flows for the year ended on that date.

We have placed reliance on :

(a) The technical data submitted by the Management in respect of Advance Stripping, Coal Exposed, Average/ Standard Ratio, Current Ratio, Ratio Variance etc., in the matter of Over Burden Accounting including adjustment for variation between standard ratio and current ratio of OBR cost;

(b) The mine closure plan prepared by Central Mine Planning & Design Institute Limited (CMPDIL) and approved by the Management of the Company for the purpose of making provision towards Mine Closure expenses.

5. The Management's evaluation/ estimates, whether technical or otherwise for making the provision towards impairment of fixed assets.

5. Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003, as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure to statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books [and proper returns adequate for the purposes of our audit have been received from branched not visited by us];

c. The Branch Auditor's Report on the accounts of the branch offices, viz., six mine areas and one central workshop of Talcher Field, audited under section 228 by a person other than the company's auditor has been forwarded to us as required by clause (c)

of sub-section (3) of section 228 and have been dealt with in preparing our report in the manner considered necessary by us;

d. 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 [and with the audited returns received from branches not visited by us];

e. in our opinion, the Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this report 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; and

f. In terms of Government of India, Department of Company Affairs Notification No.GSR 829(E) dated 21st October,2003, Government Companies are exempted from the applicability of provisions of section 274(1)(g) of the Companies Act,1956;

g. 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.

For PAMS & Associates.
Chartered Accountants
Firm Registration No.316079E(ICAI)

Date : 26th May, 2014
Place : Camp New Delhi

Sd/-
(CA M.P. Mahapatra)
Partner
Membership No.055113

ANNEXURE TO THE AUDITORS' REPORT

The Annexure referred to in paragraph (5.1) of our report of even date to the members of MAHANADI COALFIELDS LIMITED for the year ended 31st March, 2014. We report that:

(i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) We are informed that the fixed assets of the Company have been physically verified by the Management during the year. As per information and explanations available, no material discrepancies have been observed on such verification. *In some of the areas the shortage / excess found during physical verification have remained unadjusted in the assets register.*

(c) According to the information and explanations provided to us, substantial part of fixed assets have not been disposed off during the year, which might affect the going concern concept.

(ii) (a) As explained to us, stocks of Coal have been physically verified by the Management at reasonable intervals and stock of stores and spare parts (excluding stock in transit and/or under inspection with suppliers / contractors) have been physically verified by the Management in accordance with the phased programme.

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management appear to be reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventory. The discrepancies between physical stocks and book records, arising out of physical verification, which were not material for the Company as a whole, have been properly dealt with in the books of account.

(iii) According to the information and explanations given to us:

(a) The Company has not granted any loan secured or unsecured to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Accordingly sub-clause (b),(c) & (d) of Paragraph 4(iii) of the Order regarding rate of interest, payment of principal and interest and overdue amount are not applicable.

(b) On the basis of the examination of record we notice that short term loan & both interest bearing and interest free are given to Coal India Limited, the holding company.

(c) The Company has not taken any loan secured or un-secured from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Accordingly sub-clause (f) & (g) of Paragraph 4(iii) of the Order regarding rate of interest, payment of principal and interest overdue amount are not applicable.

(iv) According to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and for the sale of

goods and services and we have not observed any continuing failure to correct major weaknesses in internal control system.

(v) (a) According to the information and explanations given to us, during the year under audit there have been no contracts or arrangements which need to be entered in the register maintained under section 301 of the Companies Act, 1956.

(b) In view of clause (v)(a) above, the clause (v)(b) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Company has not accepted deposits from the public. Hence the provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 are not applicable to the Company for reporting.

(vii) The Company has an internal audit system, which is commensurate with its size and nature of its business.

(viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011, prescribed by the Central Government under Section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determining whether they are accurate or complete.

(ix) (a) According to the records of the Company and information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, VAT, Wealth Tax, Customs Duty, Excise Duty and other Statutory dues as applicable, with the appropriate authorities during the year. There are no outstanding dues as of the last date of financial year for a period more than six months from the date they became payable.

(b) According to the records of the Company and the information and explanations given to us, details of disputed dues in respect of Income-Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess as at 31st March,2014, are given below :

	Total Amount (₹ in Crore)	**Name of the Forum where dispute is pending**
Orissa Sales Tax,	124.05	High Court, Tribunal and Commissionerate
Income Tax	1139.30	High Court, Tribunal and Commissionerate
Central Excise Duty	210.12	High Court, Tribunal and Commissionerate

(x) The Company has no accumulated losses at the end of the financial year and it has not incurred any cash losses during the financial year and in the immediately preceding financial year.

(xi) Based on our audit procedures and the information and explanations given by the Management, the Company has not defaulted in repayment of dues to any financial institution or bank. The Company has not issued debentures.

(xii) Based on our examination of documents and records, we are of the opinion that the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore the provision of paragraph 4 (xiii) of the Order is not applicable to the Company.

(xiv) According to the records of the Company, the Company is not dealing or trading in shares, securities, debentures and other investments. Therefore the provisions of Clause 4 (xiv) of the Order are not applicable to the Company.

(xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Therefore, the provisions of clause 4(xv) of the Order are not applicable to the Company.

(xvi) According to the records of the Company examined by us and the information and explanations given to us, the Company has not obtained any term loans during the year. Accordingly, paragraph 4(xvi) of the Order is not applicable.

(xvii) On an overall examination of the Balance Sheet of the Company and according to information and explanations given to us, the Company did not raise any funds on short term basis which have been used for long term investment. No long-term funds have been used to finance short-term assets.

(xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956 during the year.

(xix) The Company has not issued any debentures during the year and no amount is outstanding in respect of debentures at the balance sheet date. Accordingly, Paragraph 4(xix) of the Order is not applicable.

(xx) The Company has not raised any money through public issue as on the balance sheet date. Accordingly, Paragraph 4(xx) of the Order is not applicable.

a. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.

For PAMS & Associates
Chartered Accountants
Firm's registration number : 316079E

Place: Camp New Delhi
Date: 26.05.2014.

Sd/-
(CA. M P Mahapatra)
Partner
Membership number: 055113

MANAGEMENT REPLY TO AUDITORS' REPORT
ADDENDUM TO DIRECTORS' REPORT
(UNDER SECTION 227(2) AND 217(3) OF THE COMPANIES ACT, 1956)

AUDITORS' REPORT	MANAGEMENT'S REPLY
To **The Member of** **Mahanadi Coalfields Ltd.,** Jagruti Vihar, Burla, Sambalpur	
1. We have audited the accompanying financial statements of MAHANADI COALFIELDS LIMITED which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information. These financial statements include figures in respect of six mine areas and one central workshop of Talcher Field audited by Branch Auditors.	No Comment
2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") 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. 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.	No Comment
3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements	No Comment

AUDITORS' REPORT	MANAGEMENT'S REPLY
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 on the effectiveness of the company'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.	No Comment
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.	
4. (a) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the Accounting Policies (Note No.33), and the Additional Notes on Accounts (Note No.34) give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:	No Comment
i. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;	
ii. In the case of the statement of Profit and Loss, of the profit for the year ended on that date; and	
iii. In the case of the cash flow statement, of the cash flows for the year ended on that date.	
We have placed reliance on:	

AUDITORS' REPORT	MANAGEMENT'S REPLY
(a) The technical data submitted by the Management in respect of Advance Stripping, Coal Exposed, Average/ Standard Ratio, Current Ratio, Ratio Variance etc., in the matter of Over Burden Accounting including adjustment for variation between standard ratio and current ratio of OBR cost;	No Comment
(b) The mine closure plan prepared by Central Mine Planning & Design Institute Limited (CMPDIL) and approved by the Management of the Company for the purpose of making provision towards Mine Closure expenses.	No Comment
5. The Management's evaluation/ estimates, whether technical or otherwise for making the provision towards impairment of fixed assets.	No Comment
6. 1 As required by the Companies (Auditor's Report) Order, 2003, as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure to statement on the matters specified in paragraphs 4 and 5 of the Order.	No Comment
2. As required by section 227(3) of the Act, we report that:	No Comment
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;	No Comment
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 received from branched not visited by us];	No Comment
c. The Branch Auditor's Report on the accounts of the branch offices, viz., six mine areas and one central workshop of Talcher Field, audited under section 228 by a person other than the company's auditor has been forwarded to us as required by clause (c) of sub-section (3) of section 228 and have been dealt with in	No Comment

AUDITORS' REPORT	MANAGEMENT'S REPLY
preparing our report in the manner considered necessary by us;	
d. 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 [and with the audited returns received from branches not visited by us];	No Comment
e. in our opinion, the Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this report 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; and	No Comment
f. In terms of Government of India, Department of Company Affairs Notification No.GSR 829(E) dated 21st October,2003, Government Companies are exempted from the applicability of provisions of section 274(1)(g) of the Companies Act,1956;	No Comment
g. 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.	No Comment

For PAMS & Associates
Chartered Accountants

Sd/-
(M P Mahapatra)
Partner M. No. 05511
Firm's registration number: 316079E

Place: Camp New Delhi
Date: 26.05.2014.

ANNEXURE TO THE AUDITORS' REPORT

Statement referred to in Paragraph (5.1) of our report of even date to the members of M/s Mahanadi Coalfields Ltd. on the Accounts for the year ended 31st March, 2014

		AUDITORS' REPORT	MANAGEMENT'S REPLY
(i)	(a)	The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.	No Comment
	(b)	We are informed that the fixed assets of the Company have been physically verified by the Management during the year. As per information and explanations available, no material discrepancies have been observed on such verification. *In some of the areas the shortage / excess found during physical verification have remained unadjusted in the assets register.*	No Comment
	(c)	According to the information and explanations provided to us, substantial part of fixed assets have not been disposed off during the year, which might affect the going concern concept.	No Comment
(ii)	(a)	As explained to us, stocks of Coal have been physically verified by the Management at reasonable intervals and stock of stores and spare parts (excluding stock in transit and/or under inspection with suppliers / contractors) have been physically verified by the Management in accordance with the phased programme.	No Comment
	(b)	In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management appears to be reasonable and adequate in relation to the size of the Company and the nature of its business.	No Comment
	(c)	In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventory. The discrepancies between physical stocks and book records, arising out of physical verification, which were not material for the Company as a whole, have been properly dealt with in the Books of Account.	No Comment

AUDITORS' REPORT	MANAGEMENT'S REPLY
(iii) According to the information and explanations given to us :	
(a) The Company has not granted any loan secured or unsecured to Companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Accordingly Sub-clause (b), (c) and (d) of Paragraph 4(iii) of the Order regarding rate of interest, payment of principal and interest and overdue amount are not applicable.	No Comment
(b) On the basis of the examination of record we notice that short term loan and both interest bearing and interest free are given to Coal India Limited, the holding Company.	No Comment
(c) The Company has not taken any loan secured or un-secured from Companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Accordingly Sub-clause (f) and (g) of Paragraph 4(iii) of the Order regarding rate of interest, payment of principal and interest overdue amount are not applicable.	No Comment
(iv) According to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and for the sale of goods and services and we have not observed any continuing failure to correct major weaknesses in internal control system.	No Comment
(v) (a) According to the information and explanations given to us, during the year under audit there have been no contracts or arrangements which need to be entered in the register maintained under Section 301 of the Companies Act, 1956.	No Comment
(b) In view of clause (v) (a) above, the clause (v) (b) of the Order is not applicable.	No Comment
(vi) According to the information and explanations given to us, the Company has not accepted deposits from the public. Hence, the provisions of Section 58A, 58AA or any other relevant provisions of the	No Comment

AUDITORS' REPORT	MANAGEMENT'S REPLY
Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 are not applicable to the Company for reporting.	
(vii) The Company has an internal audit system, which is commensurate with its size and nature of its business.	No Comment
(viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011, prescribed by the Central Government under Section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determining whether they are accurate or complete.	No Comment
(ix) (a) According to the records of the Company and information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, VAT, Wealth Tax, Customs Duty, Excise Duty and other Statutory dues as applicable, with the appropriate authorities during the year. There are no outstanding dues as of the last date of financial year for a period more than six months from the date they became payable.	No Comment
(b) According to the records of the Company and the information and explanations given to us, details of disputed dues in respect of Income-Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess as at 31st March, 2014, are given below :	No Comment

Name of the Statute	Total Amount (₹ in Crore)	Name of the Forum where dispute is pending
Orissa Sales Tax	124.05	High Court, Tribunal and Commissionerate
Income Tax	1139.30	High Court, Tribunal and Commissionerate
Central Excise Duty	210.12	High Court, Tribunal and Commissionerate

AUDITORS' REPORT	MANAGEMENT'S REPLY
* The said amount has been deposited with Central Excise Department under Protest	
(x) The Company has no accumulated losses at the end of the financial year and it has not incurred any cash losses during the financial year and in the immediately preceding financial year.	No Comment
(xi) Based on our audit procedures and the information and explanations given by the Management, the Company has not defaulted in repayment of dues to any financial institution or bank. The Company has not issued debentures.	No Comment
(xii) Based on our examination of documents and records, we are of the opinion that the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.	No Comment
(xiii) In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund / society. Therefore the provision of paragraph 4 (xiii) of the Order is not applicable to the Company.	No Comment
(xiv) According to the records of the Company, the Company is not dealing or trading in shares, securities, debentures and other investments. Therefore the provisions of Clause 4 (xiv) of the Order are not applicable to the Company.	No Comment
(xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Therefore, the provisions of clause 4(xv) of the Order are not applicable to the Company.	No Comment
(xvi) According to the records of the Company examined by us and the information and explanations given to us, the Company has not obtained any term loans during the year. Accordingly, paragraph 4(xvi) of the Order is not applicable.	No Comment
(xvii) On an overall examination of the Balance Sheet of the Company and according to information and	No Comment

AUDITORS' REPORT	MANAGEMENT'S REPLY
explanations given to us, the Company did not raise any funds on short term basis which have been used for long term investment. No long-term funds have been used to finance short-term assets.	
(xviii) The Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under Section 301 of the Companies Act, 1956 during the year.	No Comment
(xix) The Company has not issued any debentures during the year and no amount is outstanding in respect of debentures at the balance sheet date. Accordingly, Paragraph 4(xix) of the Order is not applicable.	No Comment
(xx) The Company has not raised any money through public issue as on the balance sheet date. Accordingly, Paragraph 4(xx) of the Order is not applicable.	No Comment

For PAMS & Associates
Chartered Accountants

Sd/-
(M P Mahapatra)
Partner M. No. 05511
Firm's registration number: 316079E

Place: Camp New Delhi
Date: 26.05.2014.

Statement pursuant to Section 212 of the Companies Act, 1956 relating to Company's interest in Subsidiary Companies as at March 31, 2014.

Sl. No.	Particulars	MNH Shakti Limited	Name of the Subsidiary Company	
			MJSJ Coal Limited	Mahanadi Basin Power Limited
1.	The Financial year of the Subsidiary Companies ended on	31st March, 2014	31st March, 2014	31st March, 2014
2.	a) Number of shares held by Mahanadi Coalfields Limited in the Subsidiaries at the end of financial year of the Subsidiary Companies.**	5,95,70,000 Equity shares of face value of ₹10/- each fully paid-up	5,70,60,000 Equity shares of face value of ₹10/- each fully paid-up	50,000 Equity shares of face value of ₹10/- each fully paid-up
	b) Extent of interest of Holding Company at the end of the financial year of the Subsidiary Companies.	70%	60%	100%
3.	The net aggregate amount of the Subsidiary Companies Profit/Loss so far as it concerns the members of the Holding Company.			
	i) Not dealt with in the Holding Company's Accounts.			
	(a) For the financial year ended March 31, 2014.	--	--	--
	(b) For the previous financial years of the Subsidiary Companies since they became the Holding Company's Subsidiaries.	--	--	--
	ii) Dealt with in the holding Company's Accounts.			
	(a) For the financial year ended March 31, 2014.	--	--	--
	(b) For the previous financial years of the Subsidiary Companies since they became the holding Company's Subsidiaries.	--	--	--

** *In case of Mahanadi Basin Power Limited shares are held by Mahanadi Coalfields Limited and its' nominees.*

ANNUAL ACCOUNTS (STAND ALONE) OF MCL

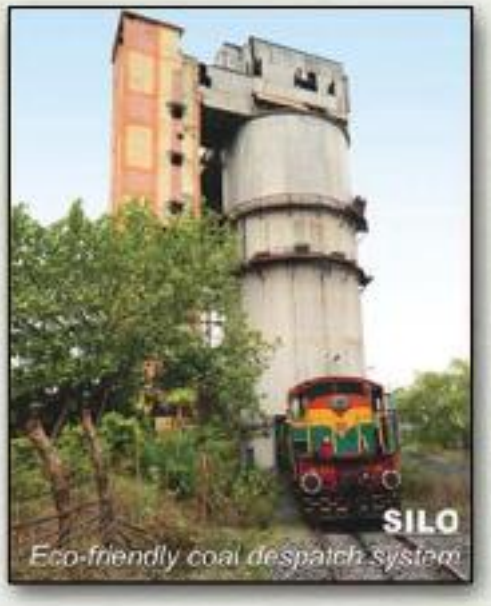
FOR THE YEAR

2013-14

DRAGLINE
A king of Open Cast mine

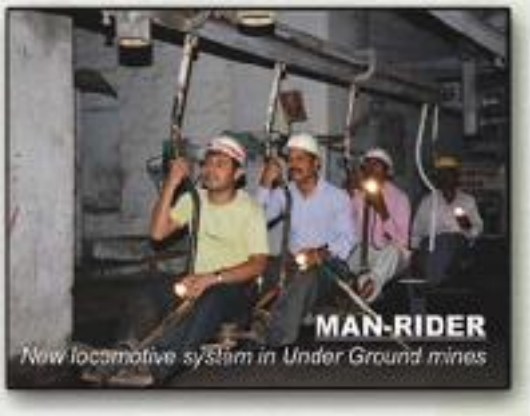
RIPPER DOZER
A new entrant in Open Cast Mine

DRILLER
The Blast Master in Open Cast Mine



SILO
Eco-friendly coal despatch system

SURFACE MINER
An environment-friendly coal miner



MAN-RIDER
New locomotive system in Under Ground mines

BALANCE SHEET AS AT 31ST MARCH, 2014

(₹ in Crore)

	NOTES		As at 31.03.2014		As at 31.03.2013
I. EQUITY AND LIABILITIES :					
1. Shareholder's Funds :					
(a) Share Capital	1	186.40		186.40	
(b) Reserves and Surplus	2	5377.02		8752.72	
			5563.42		8939.12
2. Non-Current Liabilities :					
(a) Long Term Borrowing	3	9.14		96.60	
(b) Deferred Tax Liability (Net)		28.08		60.68	
(c) Other Long Term Liabilities	4	54.34		41.49	
(d) Long Term Provisions	5	10607.11		9085.60	
			10698.67		9284.37
3. Minority Interest :					
4. Current Liabilities :					
(a) Short Term Borrowings	6	—		—	
(b) Trade Payables	7	280.29		257.42	
(c) Other Current Liabilities	8	2647.23		2386.70	
(d) Short Term Provisions	9	318.12		1458.71	
			3245.64		4102.83
Total			**19507.73**		**22326.32**
II. ASSETS :					
1. Non-Current Assets					
(a) Fixed Assets					
(i) Tangible Assets - Gross Block	10A	5140.30		4367.11	
Less : Depreciation, Impairment & Provisions		2442.21		2206.79	
Net Carrying Value			2698.09		2160.32
(ii) Intangible Assets - Gross Block	10A	284.89		246.88	
Less : Depreciation, Impairment & Provisions		194.40		194.68	
Net Carrying Value			90.49		52.20
(iii) Capital Work-in-Progress	10B		330.94		295.30
(iv) Intangible Assets under Development	10C		209.49		218.25
(b) Non-Current Investments	11		1098.07		1120.78
(c) Deferred Tax Assets (Net)			—		—
(d) Long Term Loans & Advances	12		375.55		380.93
(e) Other Non-Current Assets	13		—		—

BALANCE SHEET AS AT 31ST MARCH, 2014

(Contd....)

(₹ in Crore)

	NOTES		As at 31.03.2014		As at 31.03.2013
2. Current Assets					
(a) Current Investments	14	675.71		58.71	
(b) Inventories	15	522.52		571.53	
(c) Trade Receivables	16	298.39		430.91	
(d) Cash & Cash Equivalents	17	10367.57		13083.00	
(e) Short Term Loans & Advances	18	2174.55		3125.30	
(f) Other Current Assets	19	666.36		829.09	
			14705.10		18098.54
	Total		**19507.73**		**22326.32**
Significant Accounting Policies	33				
Additional Notes on Accounts	34				

The Notes referred to above form an integral part of Balance Sheet

For and on behalf of Board of Directors

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
(A.K. Singh)	**(S. Kannan)**	**(S.K. Paul)**	**(J.P. Singh)**	**(A.N. Sahay)**
Company Secretary	CFO	*General Manager (Finance)*	*Director (T)/(P&P)*	*Chairman-cum-Managing Director*

Date : 26.05.2014
Place : New Delhi

As per our report on even date
For **PAMS & Associates,**
Chartered Accountants
Sd/-
(CA M P Mahapatra)
Partner
(Membership No. 055113)

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING 31ST MARCH, 2014

(₹ in Crore)

	NOTES	FOR THE YEAR ENDED ON 31.03.2014	FOR THE YEAR ENDED ON 31.03.2013
INCOME :			
Sale of Coal	20	13165.61	13190.42
Less : Excise Duty		650.28	649.73
Other Levies		2525.66	2518.20
Revenue from Operations		9989.67	10022.49
Other income	21	2043.33	2070.72
Total Revenue		**12033.00**	**12093.21**
EXPENSE :			
Cost of Materials Consumed	22	626.35	555.75
Change in inventories of finished goods, work in progress and Stock in trade	23	36.54	90.25
Employee benefit expenses	24	1824.05	1711.67
Power & Fuel		119.37	116.11
Welfare Expenses	25	148.98	49.34
Repairs	26	93.58	86.21
Contractual Expenses	27	1638.48	1253.20
Finance Costs	28	14.89	4.97
Depreciation/Amortization/Impairment		269.18	240.52
Provisions	29	85.27	59.12
Write off	30	--	--
Overburden Removal Adjustment		1410.33	1435.65
Other Expenses	31	335.08	295.34
Total Expenses		**6602.10**	**5898.13**
Profit/(Loss) before extraordinary items, exceptional items and tax		**5430.90**	**6195.08**
Prior period Adjustment {Charges/(Incomes)}	32	(1.82)	(7.40)
Exceptional Items		--	--
Profit/(Loss) before extraordinary items and tax		**5429.08**	**6202.48**
Extraordinary items { charges / (incomes)}			
Profit/(Loss) before tax		**5429.08**	**6202.48**
Less : Tax Expenses			
--- Current year		1837.38	1964.72
--- Deferred Tax		(32.60)	25.32
--- Earlier years		--	--
Profit/(Loss) after tax		**3624.30**	**4212.44**
Basic and Diluted Earning per share (in ₹) (Face Value of ₹ 1000/- per share)		19443.58	22598.82
Significant Accounting Policies	33		
Additional Notes on Accounts	34		

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

For and on behalf of Board of Directors

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
A.K. Singh	**S. Kannan**	**S.K. Paul**	**J.P. Singh**	**A.N. Sahay**
Company Secretary	CFO	*General Manager (Finance)*	*Director (T)/(P&P)*	*Chairman-cum-Managing Director*

Date : 26.05.2014
Place : New Delhi

As per our report of even date
For **PAMS & Associates,**
Chartered Accountants
Sd/-
(CA M P Mahapatra)
Partner
Membership No. 055113

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2014

Note - 1

SHARE CAPITAL

(₹ in Crore)

		As at 31.03.2014	As at 31.03.2013
AUTHORISED			
(i)	2958200 Equity Shares of ₹1000/- each	295.82	295.82
(ii)	2041800 10% Cumulative Redeemable Preference Shares of ₹1000/- each (Redeemed on as per terms of earliest redemption)	204.18	204.18
		500.00	**500.00**
ISSUED, SUBSCRIBED AND PAID - UP			
1864009 Equity shares of ₹1000/- each fully paid-up in cash		186.40	186.40
		186.40	**186.40**

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 ₹1000 each)	% of total Shares
CIL and its Nominees	1864009	100%

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

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2014

Note - 2

RESERVES AND SURPLUS

(₹ in Crore)

	As at 31.03.2014	As at 31.03.2013
RESERVES :		
Capital Reserve :		
As per last Balance Sheet	--	--
Add : Addition during the period	--	--
Less : Adjustment during the period	--	--
	--	--
Capital Redemption Reserve		
As per last Balance Sheet	204.18	204.18
Add : Addition during the period	--	--
Less : Adjustment during the period	--	--
	204.18	204.18
Reserve for Foreign Exchange Transactions		
As per last Balance Sheet	--	--
Add : Addition during the period	--	--
Less : Adjustment during the period	--	--
	--	--
C.S.R. Reserve		
As per last Balance Sheet	79.46	53.46
Add : Addition during the period	53.95	51.56
Less : Transfer to General Reserve	111.48	25.56
	21.93	79.46
Sustainable Development Reserve		
As per last Balance Sheet	3.84	--
Add : Addition during the period	4.61	4.11
Less : Transfer to General Reserve	0.11	0.27
	8.34	3.84
General Reserve		
As per last Balance Sheet	2401.38	1954.31
Add : Transfer from Profit & Loss Statement	362.43	421.24
Add/Less : Adjustment during the period	111.59	25.83
	2875.40	2401.38
Surplus in Profit & Loss Statement		
As per last Balance Sheet	6063.86	5276.07
Profit/(Loss) after Tax during the period	3624.30	4212.44
Profit/(Loss) available for appropriation	9688.16	9488.51
Appropriation		
Reserve for Foreign Exchange Transaction	--	--
Transfer to General Reserve	362.43	421.24
Transfer to CSR Reserve	53.95	51.56
Interim Dividend (Special)	5983.16	1500.52
Proposed Dividend on Equity Shares	--	1028.93
Corporate Dividend Tax	1016.84	418.29
Transfer to Sustainable development reserve	4.61	4.11
	2267.17	6063.86
Miscellaneous Expenditure (to the extent not written off)		
Preliminary expenses	--	--
Pre-Operational Expenses	--	--
TOTAL	**5377.02**	**8752.72**

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2014

Note - 3

LONG TERM BORROWINGS

(₹ in Crore)

	As at 31.03.2014	As at 31.03.2013
Loan from Coal India Limited		
-- for IBRD	--	46.09
-- for JBIC	--	42.31
Export Development Corp., Canada	--	--
Liebherr France S.A. France	9.14	8.20
Loan from Coal India Limited	--	--
Total	9.14	96.60
CLASSIFICATION - 1		
Secured	--	--
Unsecured	9.14	96.60

CLASSIFICATION - 2

1. Loan Guaranteed by Directors & others

Particulars of Loan	₹in Crore	Nature of Guarantee
--	--	--

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2014

Note - 4

OTHER LONG TERM LIABILITIES

(₹ in Crore)

	As at 31.03.2014	As at 31.03.2013
Shifting & Rehabilitation Fund		
Opening Balance	--	--
Add : Interest from Investment of the fund	--	--
Add : Contribution Received	--	--
Less : Amount utilised	--	--
	--	--
Trade Payable	--	--
Security Deposits	27.86	16.02
Refund of Cess on Coal	26.48	25.47
TOTAL	**54.34**	**41.49**

Note - 5

LONG TERM PROVISIONS

(₹ in Crore)

	As at 31.03.2014	As at 31.03.2013
For Employee Benefits		
-- Gratuity	--	--
-- Leave Encashment	185.90	170.70
-- Other Employee Benefits	193.27	167.71
For Foreign Exchange Transactions (Marked to Market)	--	--
OBR Adjustment Account	9912.51	8502.18
Mine Closure Expenses	315.43	245.01
For Others	--	--
TOTAL	**10607.11**	**9085.60**

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2014

Note - 6

SHORT TERM BORROWINGS

(₹ in Crore)

	As at 31.03.2014	As at 31.03.2013
LOAN FROM BANK	**--**	**--**
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	₹in Crore	Nature of Guarantee
NIL	NIL	NIL

Note - 7

TRADE PAYABLE

(₹ in Crore)

	As at 31.03.2014	As at 31.03.2013
Sundry Creditors for Supplies		
For Revenue	280.29	257.42
TOTAL	**280.29**	**257.42**

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2014

Note - 8

OTHER CURRENT LIABILITIES

(₹ in Crore)

	As at 31.03.2014	As at 31.03.2013
Current Maturities of Long Term Borrowings		
Term Loan from IBRD from CIL	--	9.90
Term Loan from JBIC from CIL	--	11.58
Term Loan from Liebherr France S.A., France	0.61	0.52
Loan from Coal India Limited	--	--
Surplus Fund from Coal India Limited	--	--
Current Account with Subsidiaries	--	--
	0.61	22.00
Sundry Creditors for Capital (including stores)	550.45	382.62
For Expenses		
Salary Wages & Allowances	153.84	155.42
Power & Fuel	17.20	16.63
Others	79.00	58.47
	250.04	**230.52**
Statutory Dues		
Sales Tax	0.49	2.80
Sales Tax/VAT	2.50	3.42
Provident Fund & Pension Fund	7.33	6.35
Central Excise Duty	52.58	71.98
Royalty & Cess on Coal	52.04	119.52
Stowing Excise Duty	30.15	31.82
Clean Energy Cess	49.89	55.27
Other Statutory Levies	0.11	1.47
	195.09	**292.63**
Income Tax Deducted at Source	5.92	6.94
Security Deposit	63.87	61.41
Earnest Money	15.42	12.42
Advance & Deposit from customers/others	1505.98	1296.17
Interest Accrued and due on Borrowings	--	--
Interest Accrued but not due on Borrowings	--	--
Cess Equalisation Account	--	--
Current Account with IICM	--	--
Unpaid Dividend	--	--
Ex-Owner Account	--	--
Advance Deposit other Pre-Nationalisation	--	--
Gratuity	7.27	36.36
Other Liabilities	52.58	45.63
TOTAL	**2647.23**	**2386.70**

Note :

Loan repayment Liebherr France during 2014-15 74113.58 Euro (₹0.61 Crores)

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2014

Note - 9

SHORT TERM PROVISIONS

(₹ in Crore)

		As at 31.03.2014	As at 31.03.2013
For Employee Benefits			
--	Gratuity	--	--
--	Leave Encashment	18.73	18.09
--	PPLB	67.08	53.55
--	PRP	232.19	183.16
For Proposed Dividend		--	1028.93
For Corporate Dividend Tax		--	174.87
For Excise duty on Closing Stock of Coal		--	--
For Others (Wealth tax)		0.12	0.11
	TOTAL	**318.12**	**1458.71**

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2014

Note - 10A

FIXED ASSETS

(₹ in Crore)

PARTICULARS	GROSS BLOCK				DEPRECIATION				IMPAIRMENT LOSS/OTHER LOSS				Total Depreciation/ Impairment Loss/Other Loss	NET 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 31.03.14	As on 01.04.13	Addition during the year	Adj./Sales/ Transfer during the year	As on 31.03.14		As on 31.03.14	As on 31.03.13
TANGIBLE ASSETS :															
LAND :															
(a) Freehold	2.49	--	--	2.49	--	--	--	--	--	--	--	--	--	2.49	2.49
(b) Leasehold	1190.37	588.26	(0.48)	1778.15	313.30	63.54	--	376.84	--	--	--	--	376.84	1401.31	877.07
Building/Water Supply/ Road & Culverts	476.61	13.13	--	489.74	159.02	9.43	0.79	169.24	0.34	--	--	0.34	169.58	320.16	317.25
Plant & Machinery	2290.49	129.33	(36.20)	2383.62	1520.42	159.85	(39.90)	1640.37	3.90	--	10.94	14.84	1655.21	728.41	766.17
Furniture & Fittings/ Office Tools & Equipments /Electrical Fittings/Fire Arms	64.30	5.34	(0.24)	69.40	44.47	5.30	(0.17)	49.60	0.01	--	--	0.01	49.61	19.79	19.82
Railway Sidings	163.26	0.63	(0.01)	163.88	75.62	7.11	--	82.73	0.10	--	--	0.10	82.83	81.05	87.54
Vehicle	26.06	2.95	(0.89)	28.12	16.87	3.42	(0.91)	19.38	0.01	--	--	0.01	19.39	8.73	9.18
Telecommunication	13.82	20.97	--	34.79	4.64	1.50	6.33	12.47	--	--	--	--	12.47	22.32	9.18
Development including Roads & Culverts in Mining Area	139.71	50.40	--	190.11	67.72	3.54	4.65	75.91	0.37	--	--	0.37	76.28	113.83	71.62
TOTAL	**4367.11**	**811.01**	**(37.82)**	**5140.30**	**2202.06**	**253.69**	**(29.21)**	**2426.54**	**4.73**	**--**	**10.94**	**15.67**	**2442.21**	**2698.09**	**2160.32**
Previous Year Tangible Fixed Assets	4030.84	408.65	(72.38)	4367.11	2031.70	232.78	(62.42)	2202.06	4.75	--	(0.02)	4.73	2206.79	2160.32	1994.39
INTANGIBLE ASSETS															
Development	190.54	31.86	--	222.40	140.00	13.56	(5.14)	148.42	21.34	0.66	(10.94)	11.06	159.48	62.92	29.20
Software	2.67	--	--	2.67	2.67	--	--	2.67	--	--	--	--	2.67	--	--
Prospecting & Boring	53.67	6.14	0.01	59.82	30.65	1.89	(0.31)	32.23	0.02	--	--	0.02	32.25	27.57	23.00
TOTAL	**246.88**	**38.00**	**0.01**	**284.89**	**173.32**	**15.45**	**(5.45)**	**183.32**	**21.36**	**0.66**	**(10.94)**	**11.08**	**194.40**	**90.49**	**52.20**
G. TOTAL	**4613.99**	**849.01**	**(37.81)**	**5425.19**	**2375.38**	**269.14**	**(34.66)**	**2609.86**	**26.09**	**0.66**	**--**	**26.75**	**2636.61**	**2788.58**	**2212.52**
Previous Year Intangible Fixed Assets	244.89	3.36	(1.37)	246.88	170.23	9.19	(6.10)	173.32	21.00	0.36	--	21.36	194.68	52.20	53.66

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2014

Note - 10B

CAPITAL WORK-IN-PROGRESS

(₹ in Crore)

PARTICULARS	COST				PROVISION				IMPAIRMENT LOSS/OTHER LOSS				Total	NET 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 31.03.14	As on 01.04.13	Addition during the year	Adj./Sales/ Transfer during the year	As on 31.03.14	Depreciation/ Impairment Loss/Other Loss	As on 31.03.14	As on 31.03.13
TANGIBLE ASSETS :															
Building/Water Supply/ Road & Culverts	17.05	44.54	(9.75)	51.84	0.21	0.01	--	0.22	--	--	--	--	0.22	51.62	16.84
Plant & Machinery	244.62	185.63	(185.49)	244.76	10.67	0.95	(0.02)	11.60	--	--	--	--	11.60	233.16	233.95
Railway Sidings	35.83	0.63	(0.62)	35.84	--	--	--	--	--	--	--	--	--	35.84	35.83
Roads & Culverts in Mining Area	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Other	--	1.65	--	1.65	--	--	--	--	--	--	--	--	--	1.65	--
TOTAL	**297.50**	**232.45**	**(195.86)**	**334.09**	**10.88**	**0.96**	**(0.02)**	**11.82**	**--**	**--**	**--**	**--**	**11.82**	**322.27**	**286.62**
Previous Year Tangible Assets	204.37	161.84	(68.71)	297.50	10.05	0.89	(0.06)	10.88	--	--	--	--	10.88	286.62	194.32
Surveyed of Assets	21.69	2.53	(2.54)	21.68	13.01	1.10	(1.10)	13.01	--	--	--	--	13.01	8.67	8.68
Previous Year Surveyed of Assets	20.56	3.93	(2.80)	21.69	12.34	2.20	(1.53)	13.01	--	--	--	--	13.01	8.68	8.22
G. TOTAL	**319.19**	**234.98**	**(198.40)**	**355.77**	**23.89**	**2.06**	**(1.12)**	**24.83**	**--**	**--**	**--**	**--**	**24.83**	**330.94**	**295.30**
Previous Year GRAND TOTAL	**224.93**	**165.77**	**(71.51)**	**319.19**	**22.39**	**3.09**	**(1.59)**	**23.89**	**--**	**--**	**--**	**--**	**23.89**	**295.30**	**202.54**

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2014

Note - 10C

INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in Crore)

PARTICULARS	COST				PROVISION				IMPAIRMENT LOSS/OTHER LOSS				Total Provision/ Impairment Loss/Other Loss	NET 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 31.03.14	As on 01.04.13	Addition during the year	Adj./Sales/ Transfer during the year	As on 31.03.14		As on 31.03.14	As on 31.03.13
INTANGIBLE ASSETS :															
Development	114.18	16.76	(21.69)	109.25	--	--	--	--	--	--	--	--	--	109.25	114.18
Prospecting & Boring	104.07	2.61	(6.44)	100.24	--	--	--	--	--	--	--	--	--	100.24	104.07
TOTAL	**218.25**	**19.37**	**(28.13)**	**209.49**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**209.49**	**218.25**
Previous Year															
Intangible Assets	191.83	28.41	(1.99)	218.25	--	--	--	--	--	--	--	--	--	218.25	191.83

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2014

Note - 11

NON-CURRENT INVESTMENTS - QUOTED / UNQUOTED AT COST

	Number of shares/bonds/ securities current year	Face Value per share/bond/ security current year (₹)	As at 31.03.2014 (₹ in crore)	Number of shares/bonds/ security As at 31.03.2013	Face Value per share/bond security As at 31.03.2013 (₹)	As at 31.03.2013 (₹ in crore)
TRADE (UNQUOTED)						
8.5% Tax Free Special Bonds (Fully paid up)						
(on securitisation of Sundry Debtors)						
Major State-wise Break-up						
Up	--	--	--	--	--	--
Haryana	--	--	--	--	--	--
Maharashtra State Electricity Board	113860	1000	11.38	227720	1000	22.77
Madhya Pradesh	--	--	--	--	--	--
Gujarat	--	--	--	--	--	--
West Bengal State Electricity Board	113160	1000	11.31	226320	1000	22.63
Others	--	--	--	--	--	--
Equity Shares Subsidiaries Companies						
MNH Shakti Ltd.	59570000	10.00	59.57	59570000	10.00	59.57
MJSJ Coal Ltd.	57060000	10.00	57.06	57060000	10.00	57.06
MBPL	50000	10.00	0.05	50000	10.00	0.05
NON - TRADE (QUOTED)						
7.55% Secured Non - Convertible IRFC Tax						
free 2021 series 79 bonds	20000	100000	200.00	20000	100000	200.00
8% Secured Non - Convertible IRFC bonds Tax free	1087537	1000	108.75	1087537	1000	108.75
7.22% Secured Non convertible IRFC bond Tax free	4999	1000100	499.95	4999	1000100	499.95
7.22% Secured Redeemable REC bond Tax free	1500000	1000	150.00	1500000	1000	150.00
TOTAL			**1098.07**			**1120.78**
Aggregate of Quoted Investments			958.70			958.70
Aggregate of Unquoted Investments			139.37			162.02
Market Value of Quoted Investments			967.99			969.48

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2014

Note - 12

LONG TERM LOANS & ADVANCES

(₹ in Crore)

	As at 31.03.2014	As at 31.03.2013
ADVANCES		
For Capital		
-- Secured considered good	--	--
-- Unsecured considered good	336.47	339.96
-- Doubtful	0.61	0.71
	337.08	340.67
Less : Provision for Bad and doubtful advances	0.61	0.71
	336.47	339.96
For Revenue		
-- Secured considered good	--	--
-- Unsecured considered good	--	--
-- Doubtful	--	--
	--	--
Less : Provision for Bad and doubtful advances	--	--
Security Deposits		
-- Secured considered good	--	--
-- Unsecured considered good	--	--
-- Doubtful	--	--
	--	--
Less : Provision for Bad and doubtful advances	--	--
Deposit for P & T, Electricity etc.		
-- Secured considered good	--	--
-- Unsecured considered good	36.47	37.86
-- Doubtful	--	--
	36.47	37.86
Less : Provision for Bad and doubtful advances	--	--
	36.47	37.86
LOAN TO EMPLOYEES & OTHERS		
For House Building		
-- Secured considered good	2.55	3.04
-- Unsecured considered good	--	--
-- Doubtful	--	--
	2.55	3.04

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2014

Note - 12 (Continued....)

LONG TERM LOANS & ADVANCES

(₹ in Crore)

		As at 31.03.2014	As at 31.03.2013
For Motor Car and other Conveyance			
--	Secured considered good	0.06	0.07
--	Unsecured considered good	--	--
--	Doubtful	--	--
		0.06	0.07
For Others			
--	Secured considered good	--	--
--	Unsecured considered good	--	--
--	Doubtful	--	--
		--	--
Less : Provision for Bad and doubtful advances		--	--
		2.61	3.11
Loan to Subsidiaries			
--	Secured considered good	--	--
--	Unsecured considered good	--	--
--	Doubtful	--	--
		--	--
	TOTAL	**375.55**	**380.93**

Note :

	Closing Balance		Maximum Amount due at any Time	
	Current year	Previous Year	Current Year	Previous Year
Due by the Companies under the same management (With name of the Companies)	Nil	Nil	Nil	Nil
Due by the parties in which Director(s) of Company is/are interested	Nil	Nil	Nil	Nil

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2014

Note - 13

OTHER NON-CURRENT ASSETS

(₹ in Crore)

	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 advances	--	--
	--	--
Exploratory Drilling Work		
-- Secured considered good	--	--
-- Unsecured considered good	--	--
-- Doubtful	--	--
	--	--
Less : Provision for Bad and doubtful advances	--	--
	--	--
Other Receivables		
-- Secured considered good	--	--
-- Unsecured considered good	--	--
-- Doubtful	0.16	0.16
	0.16	0.16
Less : Provision for Bad and doubtful advances	0.16	0.16
	--	--
TOTAL	**--**	**--**

Note :

	Closing Balance		Maximum Amount due at any Time	
	Current year	Previous Year	Current Year	Previous Year
Due by the Companies under the same management (With name of the Companies)	Nil	Nil	Nil	Nil
Due by the parties in which Director(s) of Company is/are interested	Nil	Nil	Nil	Nil

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2014

Note - 14

CURRENT INVESTMENTS - QUOTED / UNQUOTED AT COST

	Number of shares/bonds/ securities current year	Face Value per share/bond/ security current year (₹)	As at 31.03.2014 (₹ in crore)	Number of shares/bonds/ securities previous year	Face Value per share/ bond/security previous Year (₹)	As at 31.03.2013 (₹ in crore)
NON-TRADE (QUOTED)						
Investment in Mutual Funds						
Canara Robeco Liquid Fund	29835.903	1005.50	3.00	89507.708	1005.50	9.00
SBI Premier Liquid Fund	2761026.663	1003.25	277.00	89708.448	1003.25	9.00
UTI Money Cash Fund	3658851.080	1019.45	373.00	89696.342	1003.39	9.00
LIC NOMURA MF Liquid Fund	--	--	--	8196721.311	10.98	9.00
TRADE (UNQUOTED)						
8.5% Tax Free Special Bonds (Fully Paid-up)	--	--	--	--	--	--
(on securitisation of Sundry Debtors)						
Maharashtra State Electricity Board	113860	1000.00	11.39	113860	1000.00	11.39
West Bengal State Electricity Board	113160	1000.00	11.32	113160	1000.00	11.32
TOTAL			**675.71**			**58.71**
Aggregate of Quoted Investments			653.00			36.00
Aggregate of Unquoted Investments			22.71			22.71
Market Value of Quoted Investments			661.84			41.45

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2014

Note - 15

INVENTORIES

(Valuation as per Significant Account Policy No. 6)

(₹ in Crore)

		As at 31.03.2014	As at 31.03.2013
	Stock of Coal	418.53	414.44
	Coal Stock under Development	--	45.94
	Less : Provision for deterioration	--	--
A.	**Stock of Coal (Net)**	**418.53**	**460.38**
	Stock of Stores & Spare Parts (at cost)	98.28	105.94
	Stores-in-transit	2.28	1.76
	Less : Provision for slow moving/obsolescence etc.	14.84	14.27
	Loss of Assets	0.23	0.23
	Less : Provision for Loss of Assets	0.23	0.23
B.	**Net Stock of Stores & Spare Parts (at cost)**	**85.72**	**93.43**
	Workshop Jobs		
	Work-in-Progress and Finished Goods	12.68	7.37
	Less : Provision for workshop jobs	--	--
C.	**Net stock of Workshop Jobs**	**12.68**	**7.37**
D.	**Press**		
	Work-in-Progress and Finished Goods	--	--
E.	**Stock of Medicines at Central Hospital**	**0.68**	**0.65**
F.	**Prospecting & Boring/Development Exp./ Coal Blocks meant for sale**	**4.91**	**9.70**
	Total (A to F)	**522.52**	**571.53**

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2014

ANNEXURE TO NOTE - 15

(Qty. in lakh Tonnes) (Value in ₹ Lakhs)

Reconcilliation of Closing Stock adopted in Account with Book Stock as at the end of the year

Table - A

		OVERALL STOCK		NON-VENDABLE STOCK		VENDABLE STOCK	
		Qty.	Value	Qty.	Value	Qty.	Value
1.	(A) Opening Stock as on 01.04.13	180.53	46037.89	--	--	180.53	46037.89
	(B) Adjustment in Opening Stock	--	--	--	--	--	--
2.	Production for the year	1104.39	996866.13	--	--	1104.39	996866.13
3.	Sub-Total (1+2)	1284.92	1042904.02	--	--	1284.92	1042904.02
4.	Off-Take for the year :						
	(a) Outside Despatch	1143.39	998966.86	--	--	1143.39	998966.86
	(b) Coal feed to Washeries	--	--	--	--	--	--
	(c) Own Consumption	0.05	132.30	--	--	0.05	132.30
	TOTAL (A)	1143.44	999099.16	--	--	1143.44	999099.16
5.	Derived Stock	141.48	43804.86	--	--	141.48	43804.86
6.	Measured Stock	140.18	41456.01	--	--	140.18	41456.01
7.	Difference (5-6)	1.30	2348.85	--	--	1.30	2348.85
8.	Break-up of Difference						
	(a) Excess within 5%	1.08	249.01	--	--	1.08	249.01
	(b) Shortage within 5%	1.12	645.72	--	--	1.12	645.72
	(c) Excess beyond 5%	--	--	--	--	--	--
	(d) Shortage beyond 5%	1.26	1952.14	--	--	1.26	1952.14
8.	Closing Stock adopted in A/c (6 - 8A + 8B)	140.22	41852.72	--	--	140.22	41852.72

Summary of Closing Stock of Coal

Table - B

	Raw Coal				Washed/Deshaled Coal				Other Products		Total	
	Coking		Non-Coking		Coking		Non-Coking					
	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
Opening Stock (Audited)	--	--	180.53	46037.89	--	--	--	--	--	--	180.53	46037.89
Less : Non-vendable Coal	--	--	--	--	--	--	--	--	--	--	--	--
Adjusted Opening Stock (Vendable)	--	--	--	--	--	--	--	--	--	--	--	--
Production	--	--	1104.39	996866.13	--	--	--	--	--	--	1104.39	996866.13
Offtake												
(a) Outside Despatch	--	--	1143.39	998966.86	--	--	--	--	--	--	1143.39	998966.86
(b) Coal feed to Washeries	--	--	--	--	--	--	--	--	--	--	--	--
(c) Own Consumption	--	--	0.05	132.30	--	--	--	--	--	--	0.05	132.30
Closing Stock	--	--	141.48	43804.86	--	--	--	--	--	--	141.48	43804.86
Less : Shortage	--	--	1.26	1952.14	--	--	--	--	--	--	1.26	1952.14
Closing Stock	--	--	140.22	41852.72	--	--	--	--	--	--	140.22	41852.72

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2014

Note - 16

TRADE RECEIVABLES

(₹ in Crore)

		As at 31.03.2014	As at 31.03.2013
Debts outstanding for a period exceeding six months from the due date			
--	Secured considered good	--	--
--	Unsecured considered good	30.27	42.11
--	Doubtful	34.72	21.02
		64.99	63.13
Less : Provision for Bad and doubtful debts		34.72	21.02
		30.27	42.11
Other Debts			
--	Secured considered good	--	--
--	Unsecured considered good	268.12	388.80
--	Doubtful	--	--
		268.12	388.80
Less : Provision for Bad and doubtful debts		--	--
		268.12	388.80
	TOTAL	**298.39**	**430.91**

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2014

Note - 17

CASH & BANK BALANCES

(₹ in Crore)

	As at 31.03.2014	As at 31.03.2013
Cash & Cash Equivalents		
Balances with Scheduled Banks		
-- SBI Dividend Account (unpaid/unclaimed divident account)	--	--
-- In Deposit Accounts with maturity upto 3 months	3386.00	3985.23
-- In Current Accounts	203.08	238.70
-- In Cash Credits Accounts	--	--
Balance with Non-Scheduled Banks	--	--
In Account with Banks outside India	--	--
Remittance - In transit	--	--
Cheques, Drafts and Stamps on hand	--	--
Cash in hand	0.05	0.05
Deposit with Scheduled Banks under Shifting and Rehabilitation Fund Scheme with maturity upto 3 months	--	--
Other Bank Balances		
Balances with Scheduled Banks		
-- In Deposit Accounts with maturity more than 3 months	6529.58	8859.02
Deposit with Scheduled Banks under Shifting and Rehabilitation Fund Scheme with maturity more than 3 months	--	--
Deposit in Escrow A/c with Scheduled Banks under Mine Closure Plan with maturity exceeding 3 months	248.86	--
Total	**10367.57**	**13083.00**
Maximum amount outstanding with Banks other than Scheduled Banks at any time during the year	Nil	Nil
Additional Note :		
1. Balance with scheduled banks to the extent held as margin money or security against the borrowings/others	185.86	185.24
2. Bank deposits more than 3 months includes deposits held for the period exceeding 12 months	250.29	1.33

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2014

Note - 18

SHORT TERM LOANS & ADVANCES

(₹ in Crore)

	As at 31.03.2014	As at 31.03.2013
ADVANCES		
(Recoverable in cash or in kind or for value to be received)		
ADVANCE TO SUPPLIERS & CONTRACTORS		
For Revenue		
-- Secured considered good	--	--
-- Unsecured considered good	273.28	156.15
-- Doubtful	2.28	2.26
	275.56	158.41
Less : Provision for Bad and doubtful advances	2.28	2.26
	273.28	156.15
ADVANCE PAYMENT OF STATUTORY DUES		
Sales Tax		
-- Secured considered good	--	--
-- Unsecured considered good	--	--
-- Doubtful	--	--
	--	--
Less : Provision for Bad and doubtful advances	--	--
	--	--
Advance Income Tax/Tax Deducted at Source	3209.66	2925.46
Less : Provision for Income Tax	1892.54	1987.64
	1317.12	937.82
Others		
-- Secured considered good	--	--
-- Unsecured considered good	39.68	42.98
-- Doubtful	--	--
	39.68	42.98
Less : Provision for Bad and doubtful advances	--	--
	39.68	42.98
TOTAL	**1356.80**	**980.80**
ADVANCE TO EMPLOYEES		
-- Secured considered good	--	--
-- Unsecured considered good	70.10	72.81
-- Doubtful	--	--
	70.10	72.81
Less : Provision for Bad and doubtful advances	--	--
	70.10	72.81

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2014

Note - 18 (Continued....)

SHORT TERM LOANS & ADVANCES

(₹ in Crore)

	As at 31.03.2014	As at 31.03.2013
Deposit with CIL	441.41	1757.00
Current Account with CIL & other Subsidiaries of CIL and MCL's Subsidiaries	19.91	140.92
LOAN ACCOUNT WITH SUBSIDIARIES		
-- Secured considered good	--	--
-- Unsecured considered good	--	--
-- Doubtful	--	--
	--	--
Less : Provision for Bad and doubtful advances	--	--
Claims Receivables		
-- Secured considered good	--	--
-- Unsecured considered good	0.03	0.03
-- Doubtful	--	--
	0.03	0.03
Less : Provision for Bad and doubtful claims	--	--
	0.03	0.03
Prepaid Expenses	13.02	17.59
	544.47	1988.35
TOTAL	**2174.55**	**3125.30**

Note :

	Closing Balance		Maximum Amount due at any Time during	
	Current year	Previous Year	Current Year	Previous Year
Due by the Companies under the same management				
-- MJSJ Coal Limited	3.74	1.32	3.74	14.91
-- MNH Shakti Limited	5.16	2.51	5.16	2.51
-- Mahanadi Basin Power Limited	10.81	8.05	10.81	8.05
Due by the parties in which Director(s) or Company is/are interested	Nil	Nil	Nil	Nil

2. Deposit with CIL includes ₹ 184.55 crore (previous year ₹ 350.29 crore) which is non-interest bearing.

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2014

Note - 19

OTHER CURRENT ASSETS

(₹ in Crore)

	As at 31.03.2014	As at 31.03.2013
Interest Accrued on		
-- Investments	42.43	34.18
-- Deposit with Banks	441.91	645.61
-- Others	2.68	1.57
Ex Owner's Account	--	--
Other Advances	--	--
Less : Provision for Bad and doubtful advances	--	--
	--	--
DEPOSITS		
Deposit for Customs Duty, Port Charges etc.	--	--
Deposit for Royalty, Cess & Sales Tax	156.66	146.64
Less : Provision for Bad and doubtful deposits	--	--
	156.66	146.64
Others	--	--
Less : Provision for Bad and doubtful for others	--	--
	--	--
Amount Receivable from Govt. of India for transactions on behalf of Ex-Coal Board	--	--
Other Receivables	22.68	1.09
Less : Provision for bad and doubtful receivables	--	--
	22.68	1.09
TOTAL	**666.36**	**829.09**

NOTES TO PROFIT & LOSS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2014

Note - 20

REVENUE FROM OPERATIONS

(₹ in Crore)

	For the Year ended 31.03.2014	For the Year ended 31.03.2013
GROSS SALES	13165.61	13190.42
Less : Excise Duty	650.28	649.73
Less : Other Levies		
Royalty	1290.85	1267.85
Cess on Coal	--	--
Stowing Excise Duty	114.38	111.96
Central Sales Tax	110.31	99.42
Clean Energy Cess	571.91	559.80
State Sales Tax / VAT	377.66	410.67
Orissa Entry Tax	60.55	68.50
TOTAL LEVIES	**3175.94**	**3167.93**
Revenue from Operations (NET SALES)	**9989.67**	**10022.49**

NOTES TO PROFIT & LOSS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2014

Note - 21

OTHER INCOME

(₹ in Crore)

	For the Year ended 31.03.2014	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)(Trade)	5.31	7.24
-- Non convertible IRFC/REC Tax Free Bonds 2021 series (Non-trade)	70.75	38.15
Income from Current Investments		
Dividend from Mutual Fund Investments	43.40	23.63
Interest from :		
-- Government Securities (8.5% Tax Free Special Bonds)(Trade)	--	--
-- 7.55% Non convertible IRFC Tax Free Bonds 2021 series (Non-trade)	--	--
Income from Others		
Interest :		
-- From Deposits with Banks	1190.35	1319.45
-- From Loans and Advances to Employees	0.08	0.09
-- From Income Tax Refunds	--	--
-- From CIL on Parking of Fund	96.72	143.37
-- Others	3.70	1.86
Apex Charges	--	--
Subsidy for Sand Stowing & Protective Works	0.88	0.55
Profit on Sale of Assets	16.04	0.74
Recovery of Transportation & Loading Cost	531.57	495.52
Gain on Foreign Exchange Transactions	--	0.09
Exchange Rate Variance	--	--
Lease Rent	4.05	6.15
Liability Write Backs	22.41	0.65
Guarantee Fees from Subsidiaries	--	--
Other Non-operating Income	58.07	33.23
Total	**2043.33**	**2070.72**

Note :

Profit on Sale of Assets includes ₹15.56 crores on sale of Geological Report of Meenakshi-B and dipside of Meenakshi Coal block.

NOTES TO PROFIT & LOSS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2014

Note - 22

COST OF MATERIALS CONSUMED

(₹ in Crore)

	For the Year ended 31.03.2014	For the Year ended 31.03.2013
Explosives	122.40	118.32
Timber	0.21	0.54
POL	324.73	252.30
HEMM Spares	111.86	107.56
Others Consumbales Stores & Spares	67.15	77.03
TOTAL	**626.35**	**555.75**

NOTES TO PROFIT & LOSS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2014

Note - 23

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

(₹ in Crore)

	For the Year ended 31.03.2014	For the Year ended 31.03.2013
Closing Stock of Coal	418.53	414.44
Less : Deterioration of Coal	--	--
Total (1)	**418.53**	**414.44**
Opening Stock of Coal	460.38	518.67
Less : Deterioration of Coal	--	6.61
Total (2)	**460.38**	**512.06**
(A) Change in Inventory of Closing Stock (2 - 1)	**41.85**	**97.62**
Closing Stock of Workshop made finished goods and WIP	12.68	7.37
Less : Provision	--	--
Total	**12.68**	**7.37**
Opening Stock of Workshop made finished goods and WIP	7.37	--
Less : Provision	--	--
Total	**7.37**	**--**
(B) Change in Inventory of Closing Stock of workshop	**(5.31)**	**(7.37)**
Press Closing job		
i. Finished Goods	--	--
ii. Work in Progress	--	--
Less : Press Opening Job		
i. Finished Goods	--	--
ii. Work in Progress	--	--
(C) Change in Inventory of Closing Stock of Press Jobs made finished goods and WIP	**--**	**--**
Closing Stock of Medicines (Central Hospital)	--	--
Less : Opening Stock of Medicines (Central Hospital)	--	--
(D) Change in Inventory of Stock of Medicines at Central Hospitals	**--**	**--**
Total Change in Inventory of Stock (A + B + C + D)	**36.54**	**90.25**

NOTES TO PROFIT & LOSS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2014

Note - 24

EMPLOYEE BENEFIT EXPENSES

(₹ in Crore)

	For the Year ended 31.03.2014	For the Year ended 31.03.2013
Salary, Wages, Allowances, Bonus & Benefits	1319.84	1204.59
Ex-Gratia	73.59	62.35
PRP	48.41	46.15
Contribution to P.F. & Other Funds	176.09	161.42
Gratuity	23.39	22.63
Leave Encashment	52.51	43.72
VRS	0.79	1.93
Workmen Compensation	(2.35)	0.58
Post retirement medical benefit for existing employees	(2.81)	35.24
Medical Expenses	32.23	30.84
Grants to Schools & Institutions	28.18	18.68
Sports & Recreation	4.17	0.79
Canteen & Creche	0.78	0.68
Power - Township	53.81	54.07
Hire Charges of Bus, Ambulance etc.	2.66	2.61
Other Employee Benefits	12.40	25.39
TOTAL	**1824.05**	**1711.67**

Note - 25

WELFARE EXPENSES

(₹ in Crore)

	For the Year ended 31.03.2014	For the Year ended 31.03.2013
Medical Expenses for Retired Employees	17.24	2.22
CSR Expenses	111.48	25.56
Sustainable Development Expenses	0.11	0.27
Environmental Expenses	13.37	13.94
Tree Plantation	0.59	0.78
Other Expenses	6.19	6.57
TOTAL	**148.98**	**49.34**

NOTES TO PROFIT & LOSS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2014

Note - 26

REPAIRS

(₹ in Crore)

	For the Year ended 31.03.2014	For the Year ended 31.03.2013
Building	61.72	52.38
Plant & Machinery	29.16	30.31
Others	2.70	3.52
TOTAL	**93.58**	**86.21**

Note - 27

CONTRACTUAL EXPENSES

(₹ in Crore)

	For the Year ended 31.03.2014	For the Year ended 31.03.2013
Transportation Charges :		
-- Sand	--	0.32
-- Coal & Coke	904.12	747.81
-- Stores & Others etc.	0.04	0.01
Wagon Loading	66.41	53.45
Hiring of Plant & Machinery	616.12	387.91
Other Contractual work	51.79	63.70
TOTAL	**1638.48**	**1253.20**

NOTES TO PROFIT & LOSS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2014

Note - 28

FINANCE COSTS

(₹ in Crore)

	For the Year ended 31.03.2014	For the Year ended 31.03.2013
Interest Expense		
Deferred Payments	0.09	0.09
Bank Overdraft/Cash Credit	--	--
Interest of IBRD & JBIC Loan	1.16	1.96
CIL Fund Loan Interest	--	--
Interest to Subsidiaries	--	--
Others	12.06	1.26
Total (A)	13.31	3.31
Other Borrowing Costs		
Guarantee Fees on (IBRD & JBIC) Loan	1.57	1.65
Other Expenses / Bank Charges	0.01	0.01
TOTAL (B)	**1.58**	**1.66**
TOTAL (A + B)	**14.89**	**4.97**

Note : Interest expense others includes ₹ 10.71 crores interest levies by Income Tax authority on regular assessment u/s 251/143(3) of I.T. Act 1961 for A.Y 2010-11 (F.Y. 2009-10), i.e. the difference between interest granted u/s 143(1) of Rs.18.07 crore and now allowed u/s 251/143(3) of ₹ 7.36 crore.

NOTES TO PROFIT & LOSS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2014

Note - 29

PROVISIONS

(₹ in Crore)

	For the Year ended 31.03.2014	For the Year ended 31.03.2013
(A) Provision Made for		
Doubtful debts	13.70	--
Doubtful Advances & Claims	--	--
Foreign Exchange Transaction	--	--
Stores & Spares	0.57	0.81
Reclamation of Land/Mine Closure Expenses	70.12	64.74
Surveyed off Fixed Assets / Capital WIP	0.96	1.56
Others	--	--
Total (A)	**85.35**	**67.11**
(B) Provision Written Back		
Doubtful debts	--	7.58
Doubtful Advances & Claims	0.08	0.39
Foreign Exchange Transaction	--	--
Stores & Spares	--	--
Reclamation of Land/Mine Closure Expenses	--	--
Surveyed off Fixed Assets / Capital WIP	--	--
Others / Loss of Assets	--	0.02
Total (B)	**0.08**	**7.99**
Total (A-B)	**85.27**	**59.12**

Note - 30

WRITE OFF

(₹ in Crore)

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

NOTES TO PROFIT & LOSS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2014

Note - 31

OTHER EXPENSES

(₹ in Crore)

	For the Year ended 31.03.2014	For the Year ended 31.03.2013
Travelling Expenses		
-- Domestic	14.10	14.07
-- Foreign	0.02	0.06
Training Expenses	9.10	8.27
Telephone & Postage	2.76	2.67
Advertisement & Publicity	3.70	4.26
Freight Charges	0.08	0.10
Demurrage	6.18	5.54
Donation/Subscription	0.01	0.09
Security Expenses	51.25	40.23
Service Charges of CIL	55.22	53.95
Hire Charges	27.74	23.72
CMPDI Expenses	22.88	26.56
Legal Expenses	0.98	1.07
Bank Charges	0.03	0.02
Guest House Expenses	2.34	2.05
Consultancy Charges	1.08	0.49
Under Loading Charges	10.41	10.99
Loss on Sale/Discard/Surveyed of Assets	0.54	0.06
Auditor's Remuneration and Expenses		
-- For Audit Fees	0.17	0.17
-- For Taxation Matters	--	--
-- For Company Law Matters	--	--
-- For Management Services	--	--
-- For Other Services	0.11	0.04
-- For Reimbursement of Expenses	0.17	0.13
Internal Audit Fees and Expenses	2.00	1.84
Rehabilitation Charges	68.61	67.18
Royalty & Cess	0.18	0.19
Central Excise Duty	(13.01)	(11.20)
Rent	2.51	0.15
Rates & Taxes	20.37	13.61
Insurance	0.41	0.40
Loss on Exchange Rate Variance	9.23	--
Lease Rent	--	--
Rescue/Safety Expenses	1.95	2.37
Dead Rent / Surface Rent	0.10	1.58
Siding Maintenance Charges	10.26	4.15
Land/Crops Compensation	0.03	0.04
Wealth Tax	0.12	0.11
Miscellaneous Expenses	23.45	20.38
Total	**335.08**	**295.34**

NOTES TO PROFIT & LOSS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2014

Note - 32

PRIOR PERIOD ADJUSTMENTS

(₹ in Crore)

		As at 31.03.2014	As at 31.03.2013
(A)	**Expenditure**		
	Sale of Coal	2.73	3.54
	Stock of Coal	--	--
	Other Income	--	--
	Consumption of Stores & Spares	--	--
	Employees Remuneration & Benefits	--	--
	Power & Fuel	--	--
	Welfare Expenses	--	--
	Repairs	--	--
	Contractual Expenses	--	--
	Other Expenditure	--	1.21
	Interest and other financial charges	--	--
	Depreciation	0.10	0.04
	Total (A)	**2.83**	**4.79**
(B)	**Income**		
	Sale of Coal	--	--
	Stock of Coal	--	--
	Other Income	--	12.19
	Consumption of Stores & Spares	--	--
	Employees Remuneration & Benefits	--	--
	Power & Fuel	--	--
	Welfare Expenses	--	--
	Repairs	--	--
	Contractual Expenses	--	--
	Other Expenditure	1.01	--
	Interest and other financial charges	--	--
	Depreciation	--	--
	Total (B)	**1.01**	**12.19**
	Total (A - B)	**1.82**	**(7.40)**

NOTE – 33

SIGNIFICANT ACCOUNTING POLICIES

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. However, when there is a decline, other than temporary, in the value of the long term investment, the carrying amount is reduced to recognize the decline.

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 and 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:-

	Permissible Limits of Variance	
Annual Quantum of OBR of the mine	**I**	**II**
	%	**Quantum (in M.Cu.M.)**
Less than 1 M.Cu.M.	+/-5%	0.03
Between 1 and 5 M.Cu.M.	+/-3%	0.20
More than 5 M.Cu.M.	+/-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 ₹0.10 Crore in each case, are treated as income / expenditure of current year.

NOTE - 34

ADDITIONAL NOTES ON ACCOUNTS

1.0 Mahanadi Coalfields Limited was incorporated on 3rd April, 1992 as a 100% Subsidiary of Coal India Limited (CIL) upon taking over of assets and liabilities of South Eastern Coalfields Limited in respect of mines in the State of Orissa.

2.0 **RESERVES AND SURPLUS**

2.1 General Reserve: ₹362.43 crore (as at 31st March, 2013 ₹ 421.24 crore) being 10% of profit after tax is transferred to General Reserve during the year .

2.2 The company has created CSR reserve of ₹53.95 crore being the amount @ ₹5 per tonne of proportionate coal production of the previous year and an amount of ₹111.48 crore being equivalent to actual expenses incurred is transferred from CSR reserve to General Reserve during the year.

2.3 The company has created a Sustainable Development Reserve for an amount of ₹4.61 crore being 0.1% of proportionate profit after tax of the previous year exceeding 100 crore plus ₹0.50 crore as per guidelines on sustainable development issued by Department of Public enterprises, Ministry of Heavy Industries & Public enterprises Govt. of India vide its office memorandum dt. 23rd September 2011. An amount equivalent to the expenditure incurred during the year of ₹0.11 crore has been transferred from Sustainable Development Reserve to General Reserve.

3.0 LONG TERM BORROWINGS (Note-3 and Note-8)

3.1 Unsecured loan was availed by Coal India Limited, guaranteed by Government of India, from World Bank to finance Coal Sector Rehabilitation Project (CSRP) based on back to back agreement between the Company and Coal India Limited. The loan outstanding as on 31.03.2014 (net after repayments) is ₹ Nil crore (as at 31.03.2013 ₹109.88 crore). The details of balance are as under :

Bank	Balance 01.04.13	Repayment during the year	Balance 31.03.14	Balance 01.04.13	Repayment during the year	Transaction Difference	Balance 31.03.14
	US $	US $	US $	₹ in crore	₹ in crore	₹ in crore	₹ in crore
IBRD	10217768.95	10217768.95	0.00	55.99	63.24	7.25	0.00
	JP Yen(¥)	JP Yen(¥)	JP Yen(¥)				
JBIC	921647821	921647821	0.00	53.89	58.29	4.40	0.00
Total				**109.88**	**121.53**	**11.65**	**0.00**

This includes amount repayable during the year 2014-15 - IBRD ₹Nil crore (Previous year ₹9.90 crore) and JBIC ₹ Nil crore (Previous year ₹11.58 crore)

3.2 Loans had been arranged through credit agreement with Banque Nationale De Paris and Natexis Banque for the purchase of 4 nos Hydrolic shovels from Leibherr, France.The loan outstanding as on 31.03.2014 (net after repayments) is ₹9.75 crore (As at 31.03.2013 ₹8.72 crore). The details of balance are as under :

Bank	Balance 01.04.13	Repayment during the year	Balance 31.03.14	Balance 01.04.13	Repayment during the year	Transaction Difference	Balance 31.03.14
	Euro	Euro	Euro	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Leibherr	1253192.28	74113.58	1179078.70	8.72	0.61	1.64	9.75
Total	**1253192.28**	**74113.58**	**1179078.70**	**8.72**	**0.61**	**1.64**	**9.75**

This includes amount repayable in the year 2014-15 ₹ 0.61 crore (previous year ₹0.52 crore.)

4.0 FIXED ASSETS – Note -10

4.1 The Company took over various Assets and Liabilities from Coal Mines Labour Welfare Organisation and Coal Mines Rescue Organisation for which no quantitative details are available. Adjustments, if any, will be made on finalisation of quantity and value thereof.

4.2 Lease hold land includes land acquired under Coal Bearing Areas (Acquisition and Development) Act, 1957 and Land Acquisition Act, 1894, Orissa Government Land Settlement Act 1962. Lease hold land acquired under Coal Bearing Areas (Acquisition and Development) Act, 1957 has been capitalized on the basis of notification transferring the ownership of land to the extent for which sanction / approval has been received. Land acquired under Land Acquisition Act, 1894, Orissa Government Land Settlement Act 1962 has been capitalized on the basis of possession certified by State Authorities.

4.3 Conveyance deed of land in favour of the company is pending for execution in most of the cases.

4.4 The carrying cost of the Fixed Assets acquired against World Bank aided projects and Deferred Credit has increased to the extent of ₹4.06 crore (for previous year ended on 31.03.2013 decreased by ₹0.13 crore) on account of exchange rate fluctuation in line with the accounting policy para 9.1 of Note -33.

4.5 In case of items of Plant & Machinery, which are kept in plant pending installation and at store for more than three years, provision equivalent to depreciation is made from the 4th year followed by action for formal write-off where necessary. If any such item of plant & machinery is put to use afterwards i.e., after provisions have already been made, depreciation charged in first year of use is depreciation for the year plus provision already made against the item with due accounting adjustments between depreciation & such provision. During the year ended on 31st March, 2014, an amount of ₹0.95 crore has been provided on this account and the cumulative provision stood at ₹11.60 crore. (Note-10B)

5.0 NON-CURRENT / CURRENT INVESTMENT (Note 11 & Note 14)

5.1 As per tripartite agreements with State Electricity Boards (SEB), in the year 2003-04 the Company had received 8.5% Tax Free Power Bonds (unquoted long term investment) of nominal value ₹344.32 crore against old outstanding dues as on 30th September, 2001 from three SEBs (MSEB, TNEB and WBPDCL).

The details of the unredeemed bonds are as under:

(₹ in crore)

Particulars of Bonds	Opening Balance as at 01.04.2013	Redeemed during the year	Closing Balance as at 31.03.2014
MSEB	34.16	11.39	22.77
WBPDCL	33.95	11.32	22.63
TOTAL	**68.11**	**22.71**	**45.40**

All bonds are backed by respective State Governments' guarantees.

Bonds having value of ₹22.71 crore which are due for redemption in the year 2014-15 have been shown under current investment (Note -14) and balance amount of ₹22.69 crore has been shown under non-current investment (Note-11).

5.2 Interest from Power Bonds amounting to ₹5.31 crore (for previous year ending on 31.03.2013 ₹7.24 crore) has been earned during the year ended on 31st March, 2014. (Note -21)

5.3 The Reserve Bank of India allowed partial trading of 8.5% Tax Free Power Bonds of State Electricity Boards (SEB).

6.0 INVENTORIES(Note 15)

6.1 Stores and spares

6.1.1 During the year ended, the shortage / excess reported in respect of physical verification of stores / spares have been adjusted in accounts. The cumulative provision as at 31.03.2014 stands at ₹0.88 crore (as at 31.03.2013 ₹0.86 crore).

6.1.2 Pending reconciliation of stores ledger with price ledger, the impact of shortage/ excess if any, on the accounts for the year remain unadjusted in some areas.

6.1.3 In respect of stores and spares obsolete / unserviceable items and items which have not moved for more than five years, a provision of 100 % & 50% respectively are made as per Accounting Policy Para.6.2.4 of Note-33). The cumulative provision as at 31.03.2014 stands at ₹13.96 crore (as at 31.03.2013 ₹13.41 crore). However, we have made necessary provision of 100% for unmoved items for more than 10 years in respect of three areas viz, Ib-valley, Lakhanpur and Jagannath in this year. The technical assessment of such unmoved stores in respect of the areas is in progress.

6.1.4 Valuation of stores and spares has been done on weighted average method as per accounting policy of the company (as mentioned in Para 6.2.2 of Note-33). The comparison of cost so arrived, with net realizable value is neither made nor adjusted in the account due to difficulty in ascertainment of net realizable value.

6.1.5 The Company is yet to carry out exercise for identification of unserviceable / obsolete stores and spares in some of the areas.

6.2. Coal Stock: (Note -15)

6.2.1 Internal survey measurement teams have physically verified closing stock of coal. In some areas the same has also been verified by outside teams. The Shortage/ surplus found on physical verification of coal stock within +/- 5% over book stock (mine/ colliery wise), is ignored pursuant to Accounting Policy (refer Para 6.1 of Note -33). The book stock of Talcher area is 150874.60 tonnes whereas the measured stock is 74196.40 tonnes. The book stocks of mine no 3 and HBM of orient area are 14506.32 tonnes and 175285.71 tonnes whereas the measured stocks of the said mines are 2132.80 tonnes and 137795.97 tonnes respectively. In those cases, since the difference is more than +/- 5% , measured stocks have been considered in accounts and shown in Annexure to Note -15.

7.0 CASH AND CASH EQUIVALENTS (Note -17)

Cash and Bank balance includes:

7.1 Fixed Deposit amounting to ₹66.74 crore and ₹111.31 crore have been placed under lien of State Bank India for issuing letter of comfort for issuance of Bank Guarantee in favour of President of India to fulfill the terms of allocation of blocks on behalf of subsidiary companies i.e. M/S MJSJ Coal Ltd and M/S MNH Shakti Ltd respectively.

7.2 ₹1.43 crore including accrued interest of ₹0.84 crore being special term deposit made out of money recovered through the Hon'ble District Court Sundargarh against defalcation of cash by an officer, which is under lien to the Court pending finalization of the case.

7.3 Fixed deposit includes ₹6.14 crore made against price difference recovered against explosive rate contracts in the year 2005-06, as per court order.

7.4 Fixed deposit includes ₹0.21 crore made against interim order of Hon'ble High Court for encashment of BG of M/s IRC Logistics Ltd.

7.5 Fixed deposit includes ₹0.03 crore made for issue of BG for obtaining license for captive mobile radio trunking service from Deptt of Telecommunication, Govt of India in connection with OITDS.

7.6 Deposits in Escrow Accounts for mine closure with Scheduled Banks with maturity exceeding 3 months for ₹248.86 crore made as per guidelines issued by Ministry of Coal, Government of India and after agreement with Coal Controller .

7.7 The balance of current accounts includes current linked termed deposits which are temporarily transferred from current account.

8.0 LOANS AND ADVANCES CURRENT / NON CURRENT OTHER ASSETS

8.1 Confirmations of balances of loans and advances have not been obtained in all the cases.

8.2 Deposit made with State Government amounting to ₹86.23 crore (as at 31.03.2013 ₹86.39 crore) for acquiring of land under LA Act 1894 is included in "Advances for Capital" in Note-12 which will be capitalized on possession given to the Company by State Authority.

9.0 OTHER LONG TERM LIABILITIES - NOTE-4

9.1 Cess on Coal includes principal of ₹8.40 crore (net of payments) and interest of ₹ 9.47 crore (net of payments) against receipts from Government of Orissa in the year 2005-06 as per directive of Hon'ble Supreme Court judgement dated 31.07.2001. The money is refundable to the customers. During the current year, the Company has provided interest of ₹1.01 crore (previous year ₹1.01 crore) calculated at the rate of 12% for the unpaid principal amount of the Cess liability. The total liability thus included therein becomes ₹26.48 crore (as at 31.03.2013 ₹25.47 crore) as at 31.03.2014. The Company has not identified the customers / parties to whom the refund is to be made. Finalisation of modalities for refunding the same to the customers / parties is yet to be done.

10.0 PROFIT AND LOSS STATEMENT

10.1 Provision of ₹0.95 crore during the year ended on 31.03.2014 (for previous year ended on 31.03.2013 ₹0.89 crore) against P &M in stores/ under erection / installation has been taken at the depreciation rate on P&M items from the 4th year of purchase/ acquisition as the case may be.

10.2 The company has provided a liability of ₹2.76 Crore towards Corpus of Coal India Sports Promotion Association (CISPA) for executing and conducting activities related to sports, recreation & culture of CIL and its subsidiaries as per decision of Board of Directors of CIL in its 296th meeting held on 25th March 2013.

10.3 The details of Over Burden Removal Adjustment are given below:

(₹ In crore)

	Current Year	Previous Year
Expenditure to be Charged to Coal	3466.09	3228.23
Less : Expenditure incurred	2055.76	1792.58
	1410.33	1435.65

10.4 Due to change in the rate of depreciation of photocopy machine, Fax machine, Mobile Phone, Digitally enhance cordless telephone, Computer (including printer & Scanner) the profit for the year has been decreased by ₹2.40 crore.

11.0 CONTINGENT LIABILITIES

11.1 The details of Contingent liability are given below :-

Particulars	As at 31.03.2014 (₹ In crore)	As at 31.03.2013 (₹ In crore)
Suits against the Company	142.76	158.18
Other Claims	1656.94	1484.26
Central Excise Duty	210.12	142.24
Income Tax	1139.30	729.49
Sales Tax	124.05	47.56
Road Tax	47.05	36.14
Letter of Comfort/Credit	178.08	179.53
TOTAL	**3498.30**	**2777.40**

11.2 Some claims are pending in Court for enhancement of compensation for land acquired from private parties and others in respect of which the amount is not ascertained.

11.3 Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) in relation to execution of works and purchase of machinery & equipment is ₹476.99 crore (as at 31.03.2013, ₹496.16 crore)

11.4 Estimated amount of contracts remaining to be executed on revenue account/ other commitments and not provided for is ₹3589.16 crore (as at 31.03.2013, ₹4255.70 crore)

11.5 Liability in some cases of land acquired under Coal Bearing Areas (Acquisition and Development) Act, 1957 could not be ascertained and sanctioned and hence not provided for.

11.6 Since the matter regarding charging of Central Excise Duty on Royalty and Stowing Excise duty is subjudice, further action regarding recovery of the same from customers will be taken up after Court decides the matter and depending on the outcome of the case. Pending disposal of the case ₹210.12 crore appears as contingent liability.

11.7 Pending reconciliation of the list of Dumpers with the Regional Transport Authorities and review of the old court cases filed by MCL against them, ₹47.05 crore appears as contingent liability. Review and reconciliation exercise is in process.

12.0 CHARGE ON CURRENT ASSETS (NOTE -15 AND NOTE -16)

A charge has been created for ₹165.00 crore on Book-debts and Inventories for securing working capital facility from CIL's Consortium Banks as per joint deed of hypothecation - dated 16.12.2003 and subsequent Company Board Resolution dated 23.08.2011.

13.0 RETIREMENT BENEFITS

13.1 Details of Actuarial liability /provision as on 31.03.2014

(₹ In crore)

Head	Opening Actuarial Liability/Provision as on 01.04.13	Incremental Liability/Provision for the year	Deposited/ Paid to MCL Group fund upto end of the year	Closing Actuarial Provision/Liability as on 31.03.14
Gratuity	22.84	23.41	62.63	-16.38
Earned Leave	151.15	14.07	--	165.22
Half Pay Leave	36.39	3.02	--	39.41
Life Cover Scheme	6.03	-1.00	--	5.03
Settlement Allowance-Executives	0.23	0.03	--	0.26
Settlement Allowance-Non-Executives	15.13	-0.45	--	14.68
Gross Personal Accident	0.13	-0.02	--	0.11
Leave Travel Concession	29.80	-0.82	--	28.98
Medical Benefits	41.09	13.68	--	54.77
Compensation to Dependants in case of mine accidental death	15.06	-2.39	--	12.67
Total	**317.85**	**49.53**	**62.63**	**304.75**

13.2.1 Contribution to Provident Fund and other fund (Note 24) of ₹176.09 crore includes ₹7.54 crore paid to Ex-NCDC employees which have been charged to Revenue on cash basis under Employees Benefit Expenses Note-24.

13.3 Pension management in respect of employees of the Company, is done by Coal Mines Provident Fund Authority (an independent body).

14 TRANSACTIONS RELATING TO HOLDING COMPANY

14.1 Service charges of CIL as per Note -31 amounting to ₹62.04 crore including service tax (for previous year ended on 31.03.2013 ₹60.62 crore) is levied by the Holding Company towards rendering various services like procurement, foreign contract, marketing and Corporate Service, based on agreement entered on 1st July, 1998 as per intimation from Holding company.

14.2 Training expenses (Note 31- Other expenditure) includes an amount to ₹5.52 crore (for previous year ended on 31.03.2013 ₹5.39 crore) levied by the Holding Company on account of payment to Indian Institute of Coal Management.

14.3 As per CIL Board resolution in its 214th meeting held on 12.2.2004, the Company has charged ₹68.61 crore (for previous year ended on 31.03.2013 ₹67.18 crore) on despatch of coal towards Rehabilitation Fund set up by Coal India Limited.

15 EXCHANGE RATE FLUCTUATION

15.1 Consequent upon fluctuation in the value of foreign currency loans, the rupee liability of the Company in respect of such loans has increased by ₹13.29 crore (as at 31.03.2013, decreased by ₹0.22 crore). This increase has been adjusted in the carrying cost of the fixed assets to the extent of increase of ₹4.06 crore (as at 31.03.2013 decrease by ₹0.13 crore) and the balance of ₹9.23 crore (as at 31.03.2013, gain for ₹0.09 crore-Gain on foreign exchange transactions - Note 21) has been shown as "Loss on Exchange Rate Variance" in Note -31.

16 COMPLIANCE OF ACCOUNTING STANDARDS:

16.1 **AS-12: Accounting for Government Grants:** The Company has recognized ₹0.88 crore (Note -21) (for previous year ended on 31.03.2013 ₹0.55 crore) as Income from Stowing and Protective Subsidy and ₹51.25 crore of CCDA grant has been deducted from Long term advance capital (Note -12) .

16.2 **AS-15 : Accounting for Employee Benefits:** The company has determined the liability for employee benefits as at 31.03.2014 in accordance with the revised AS-15 : Employee benefits issued by ICAI .

The following disclosures have been made in accordance with AS-15 (Revised) pertaining to gratuity (funded plan).

Table Showing Changes in Present Value of Obligations: *(₹ In crore)*

Particulars	As at 31/03/2014
Present Value of Obligation at Beginning of year	630.91
Acquisition Adjustment	0.00
Interest Cost	50.75
Past Service Cost	0.00
Current Service Cost	34.26
Curtailment cost	0.00
Settlement Cost	0.00
Benefits Paid	67.61
Actuarial gain/loss on Obligations	-5.60
Present Value of Obligation at end of Year	642.71

Table Showing Changes in Fair Value of Plan Assets: *(₹ In crore)*

Particulars	As at 31/03/2014
Fair Value of Plan Asset At Beginning of year	608.07
Acquisition Adjustment	0.00
Expected Return on Plan Asset	51.68
Contributions	62.63
Benefits Paid	67.61
Actuarial gain/loss on Plan Asset	4.32
Fair Value of Plan Asset at End of year	659.09

Table showing Funded Status *(₹ In crore)*

Particulars	As at 31/03/2014
Present Value of at end Year	642.71
Fair Value of Plan at end Year	659.09
Funded Status	16.38
Unrecognized actuarial gain/ at end of the year	0.00
Net Asset (Liability) Recognized in Balance Sheet	16.38

Table showing Expense Recognized in Statement of Profit/Loss: *(₹ In crore)*

Particulars	As at 31/03/2014
Current Service Cost	34.26
Past Service Cost	0.00
Interest Cost	50.75
Expected Return on Plan Asset	51.68
Curtailment cost	0.00
Settlement Cost	0.00
Actuarial gain/loss recognized in the year	-9.92
Expense Recognized in of Profit/Loss	23.41

Table showing Actuarial Assumptions

Particulars	As at 31/03/2014
Mortality Table	IALM (2006-08)
Superannuation Age	60
Early Retirement & Disablement	10 PER THOUSAND P.A.
	6 above age 45
	3 between 29 and 45
	1 below age 29
Discount Rate	8.50 %
Inflation Rate	6.25 %
Return on Asset	8.50 %
Remaining Working Life	13 Years
FORMULA USED	PROJECTED UNIT CREDIT METHOD

Movements in the Liability Recognized in Balance Sheet: *(₹ In crore)*

Particulars	As at 31/03/2014
Opening Net Liability	22.84
Expenses as above	23.41
Contributions	62.63
Closing Net Liability	-16.38
Closing Fund/Provision at end of Year	642.71

The following disclosures has been made in accordance with AS-15 (Revised) pertaining to leave encashment benefits (EL/HPL) (unfunded plan)

Table showing changes in present value of obligations: *(₹ In crore)*

Particulars	As at 31/03/2014
Present Value of Obligation at Beginning of year	187.54
Acquisition Adjustment	0.00
Interest Cost	15.50
Past Service Cost	0.00
Current Service Cost	48.97
Curtailment cost	0.00
Settlement Cost	0.00
Benefits Paid	10.43
Actuarial gain/loss on Obligations	-36.95
Present Value of Obligation at end of Year	204.63

Table showing Expense recognized statement of Profit/Loss: *(₹ In crore)*

Particulars	As at 31/03/2014
Current Service Cost	48.97
Past Service Cost	0.00
Interest Cost	15.50
Expected Return on Plan Asset	0.00
Curtailment cost	0.00
Settlement Cost	0.00
Actuarial gain/loss recognized in the year	-36.95
Expense Recognized in Statement of Profit/Loss	27.52

Table showing actuarial Assumptions: *(₹ In crore)*

Particulars	As at 31/03/2014
Mortality Table	IALM (2006-08)
Superannuation Age	60
Early Retirement & Disablement	10 PER THOUSAND P.A.
	6 above age 45
	3 between 29 and 45
	1 below age 29
Discount Rate	8.50 %
Inflation Rate	6.25 %
Return on Asset	N/A
Remaining Working Life	13 years
FORMULA USED	PROJECTED UNIT CREDIT METHOD

Movements in the Liability Recognized in Balance Sheet : *(₹ In crore)*

Particulars	As at 31/03/2014
Opening Net Liability	0.00
Expenses as above	27.52
Contributions	0.00
Closing Net Liability	27.52
Closing Fund/Provision at end of Year	204.63

Note as per Appendix B of AS 15(Revised 2005)

As the scheme is unfunded charges to Profit/Loss Account has been based on following assumptions:-

(1) Previous obligation was provided for at last accounting date.

(2) Benefit to exits has been paid to debit of above provision.

(3) Current obligation will be provided for at current accounting date.

16.3 AS-16: Borrowing Cost - There are no qualifying assets for which interest has been borne by the Company, as such no borrowing cost has been capitalized.

16.4 AS-17: Segment Reporting - The Company is primarily engaged in a single segment business of production and sale of coal. There is no reportable primary segment identifiable in accordance with AS-17.

16.5 AS -18 Related party disclosures : In view of exemption granted to state controlled enterprises as regards related party relationship with other state controlled enterprises and transactions with such enterprises, no disclosure under AS 18 is required.

16.6 AS-20: Earning per share - The basic earnings per share (EPS) is computed by dividing the net profit after tax for the year by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted EPS, net profit after tax for the year and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

The computation of EPS is set out below:

Particulars	**Current year ended on 31.03.2014**	**Previous year ended on 31.03.2013**
Profit after tax (₹ in crore)	3624.30	4212.44
Profit attributable to ordinary shareholders (₹ in crore)	3624.30	4212.44
No. of ordinary Shares for basic and diluted EPS (Nos.)	1864009	1864009
Nominal value of Ordinary Shares (₹)	1000	1000
Basic & Diluted Earning per ordinary Share (₹)	19443.58	22598.82

16.7 **AS-21: Investments in subsidiaries:**

The position of investment and other current accounts in the subsidiaries as at 31.03.2014 are as under:

Name of subsidiary	Stake in Subsidiary	Date of incorporation	Investment in equity shares (₹ in crore)	Balance in Current accounts (₹ in crore)
1) MNH Shakti Ltd.	70%	16.07.2008	59.57	5.16
2) MJSJ Coal Ltd.	60%	13.08.2008	57.06	3.74
3) Mahanadi Basin Power LImited	100%	02.12.2011	0.05	10.81
TOTAL			**116.68**	**19.71**

All the subsidiaries are in development stage.

16.8 **AS-27: Financial Reporting of Interests in Joint Ventures :**

On 8th January 2013 a joint venture company named Neelanchal Power transmission Company Pvt Limited was incorporated by virtue of a joint venture agreement between the company and Odisha Power Transmission Corporation Ltd. Upto 31.03.2014, the company has incurred ₹0.02 crore(for previous year ₹0.02 crore) for miscellaneous expenses incidental for incorporation and the same has been included in claim receivables (Note -18). There is no investment in the joint venture company upto 31.03.2014.

16.9 **AS-28: Impairment of assets:**

In coal industry, fixed assets are classified under Major heads viz. Land, Buildings, Plant and Machinery, Exploration Boring and Development, in case of land and building, there is universally upward trend in valuation. Unless there is damage to buildings, there is no need to make any provision. Similarly in case of plant and machinery, there is no downward trend in price as per RBI index, hence no impairment unless asset is obsolete or damaged . However impairment is considered for old machinery meant for exclusive use in loss making underground mines. In coal industry, only prospecting, boring and development expenses can be prima facie considered to have been impaired in continuous loss making mines , provided there is no clear indication for its revival in near future.

A provision for ₹0.66 crore (for previous year ending on 31.03.2013 ₹0.36 crore) has been made during the year against other fixed assets (with no alternative use value). Thus total cumulative provision for Impairment as at 31.03.2014 stands at ₹26.75 crore (as at 31.03.2013 ₹26.09 crore).

16.10 **Accounting Standard 29:**

16.10.1 As per guideline No 55011-01-2009–CPAM dt 27.08.2009 & subsequent guidelines dated 07.01.2013 issued by Ministry of Coal, Government of India, the company has made a provision during the current year for Mine Closure Expenses in respect for 22 mines based on mine closure plan prepared by Central Mine Planning & Design Institute Limited. In respect of three mines namely Bharatpur OCP, Belpahar OCP and Kulda OCP, liability has been calculated based on mine closure plan as approved by board earlier.

16.10.2 Provision for Mine Closure Expenses Note -5 includes ₹5.39 crore on account of provision taken towards stowing and stabilization of unstable workings of Deulbera colliery after adjusting current year expenditure ₹ Nil against a comprehensive scheme of ₹9.44 crore (Excluding departmental salary and wages for ₹18.21 crore). As the stabilization of unstable workings of Deulbera Colliery through sand stowing is being carried out by existing departmental manpower of Deulbera Colliery, salaries and wages for ₹18.21 crore being part of the scheme has not been provided for.

16.10.3 Details of movements in provision in accordance with AS 29 : *(₹ in crore)*

Sl. No.	Particulars	Opening Balance as at01.04.13	Provision/ addition during the Current Year	Paid/adjustment during the Current Year	Balance as at 31.03.2014
1.	Provision for Reclamation of Land	0.79	--	--	0.79
2.	OBR Adjustment	8502.18	1410.33	--	9912.51
3.	Provision for Taxation (including Wealth Tax)	1987.75	1837.50	(1933.59)	1892.66
4.	Provision for Dividend	1028.93	--	(1028.93)	--
5.	Mine Closure Plan	244.22	70.42	--	314.64
6.	Provision for Doubtful Debts	21.02	13.70	--	34.72
7.	Provision for Loan and Advance	2.97	--	(0.08)	2.89
8.	Provision for Capital Work-in-Progress	10.88	0.96	(0.02)	11.82
9.	Provision for Stores & Spares	14.27	0.57	--	14.84
10.	Provision for Loss of Assets	0.23	--	--	0.23

17. ACCOUNTING FOR TAXES ON INCOME

17.1 For the current year, the Income Tax provision has been taken at ₹1837.38 crore (Previous year ended on 31.03.2013 ₹1964.72 crore). In addition, ₹0.12 crore has been provided for current wealth tax.

17.2 As per requirement of Accounting standard-22, there is a net deferred tax liability of ₹28.08 crore as at 31.03.2014 (as at 31.03.2013 Liability ₹60.68 crore). The Deferred tax liability /assets comprises of tax effect of timing differences as detailed below:

	As on 31.03.2014 (₹in crore) (liability)	As on 31.03.2013 (₹in crore) (liability)
Deferred Tax Liability		
Excess of Net Block over written down value as per provisions of Income Tax Act, 1961	-14.84	20.64
Deferred Tax Asset		
Provision for Doubtful Debt	8.14	3.49
Provision for other Employee Benefits	--	--
Provision for Leave Encashment	56.41	51.02
Provision for Gratuity	1.87	11.79
Provision for Doubtful Advances	0.91	0.94
Disallowance u/s43B of I.T. Act	16.11	15.35
Provision of Reclamation of Land	23.83	--
Other Provision/Misc. items	-150.19	-122.63
Sub Total	-42.62	-40.04
Total	28.08	60.68
Net Defferred Tax Asset(-)/liability(+)	**28.08**	**60.68**

18.0 GENERAL

18.1 Confirmation of balances of Sundry Creditors., various advances and deposits received etc. has not been obtained in all cases.

18.2 The Company has not received any intimation from "suppliers." regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid / payable as required under the said Act have not been furnished.

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

19.0 OTHERS

A. Directors' Remuneration *(₹ in crore)*

	For the year ended 31.03.2014	For the year ended 31.03.2013
Salary	1.11	1.08
P.F.	0.12	0.10
Perquisites	0.02	0.02
Director's Sitting Fee	0.07	0.16
TOTAL	**1.32**	**1.36**

Note:

i. Perquisites do not include value/charges for house rent/electrical energy, which has been recovered as per rules of the Company and value of free medical facilities in Company hospitals/dispensary.

ii. The Chairman-cum-Managing Director and full time Directors. have the option to use the staff car for purposes other than official duty up to a ceiling of 750 Km per month, on payment at concessional rate, in accordance with the provisions of Government of India, Ministry of Finance, Bureau of Public Enterprises O.M. No.2 (18)/PC-64 dated 20.11.1964 as amended from time to time.

B. Imports *(₹ in crore)*

C.I.F. Value of imports	For the year ended 31.03.2014	For the year ended 31.03.2013
(i) Raw Materials	Nil	Nil
(ii) Components and Spare Parts	2.89	2.96
(iii) Capital Goods	8.76	1.28

C. Expenditure in Foreign Currency *(₹ in crore)*

	For the year ended 31.03.2014	For the year ended 31.03.2013
(i) Travelling	0.02	0.03
(ii) Commitment Charges	Nil	Nil
(iii) Interest	1.25	2.05
(iv) Others	Nil	Nil

D. Value of imported/indigenous Raw materials, Stores & Spares and components consumed:

Particulars	For Current Year ended 31.03.2014 Value (₹ in crore)	Percentage	For the Previous ended 31.03.2013 Value (₹ in crore)	Percentage
Imported	Nil	Nil	0.10	0.02
Indigenous	626.35	100.00	555.65	99.98
Total	**626.35**	**100.00**	**555.75**	**100.00**

20.0 APEX OFFICE AND INTEREST CHARGES TO HOLDING COMPANY

20.1 Apex office charges as levied by Holding Company has been allocated to revenue mines on the basis of coal production.

20.2 Interest on loans through Holding Company for procurement of specific assets has been accounted for as per terms of loan agreement and corresponding memos from them.

21.0 Revision of Schedule VI to the Companies Act 1956 (w.e.f. 01.04.2011)

Following the Gazette notification dated 30th March, 2011 the Schedule VI of the Companies Act 1956 dealing with the format of Balance Sheet has modified and a format for Statement of Profit & Loss is introduced.

The format as per revised Schedule VI has been applied while preparing this accounts. Following the new guidelines of the revised format inter-alia, the following segregation have been made in the Balance Sheet:-

Current Assets

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 month after the reporting date

It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reposting date.

Non-Current Assets

All assets other than current assets are Non- Current Assets

Current Liabilities

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

It is held primarily for the purpose of being traded

It is due to be settled within twelve month after the reporting date

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.

Non-Current Liabilities

All liabilities other than current liabilities are Non- Current Liabilities.

As there is no normal operating cycle, the same is considered to be 12 months year.

For and on behalf of Board of Directors

Sd/-	Sd/-	Sd/-
(A. K. Singh)	(S.Kannan)	(S K Paul)
Company Secretary	**CFO**	**General Manager(Finance)**

Sd/-	Sd/-
(J. P. Singh)	(A.N. Sahay)
Director(T)/(P&P)	**Chairman-Cum-Managing Director**

As per our report of even date
For & on behalf of
PAMS & ASSOCIATES
Chartered Accountants

Sd/-
(CA M P MAHAPATRA)
Partner
(Membership No.55113)

Place : New Delhi
Date : 26.05.2014

CASH FLOW STATEMENT FOR THE YEAR ended on 31.03.2014

		FOR THE YEAR ENDED ON 31.03.2014 (₹ in Crore)	FOR THE YEAR ENDED ON 31.03.2013 (₹ in Crore)
A.	**CASH FLOW FROM OPERATING ACTIVITIES**	**5429.08**	**6202.48**
	Net Profit before tax and extraordinary items		
	Adjustment for :		
	Depreciation & impairment	235.14	173.79
	Exchange Rate Fluctuation	9.23	(0.09)
	OBR Adjustment	1410.33	1435.65
	Interest / Dividend (Received)	(1406.53)	(1531.84)
	Inerest / Financial Charges (Paid)	14.89	4.97
	Provision against Debtors/Inventories/other CA/ Loans & Advances etc.	189.52	194.66
	Operating Profit before Working Capital Changes	**5881.66**	**6479.62**
	Adjustment for :		
	Changes in Inventories	48.44	85.03
	Changes in Trade Receivables	118.82	(200.74)
	Changes in Long Term/Non Current Loan & Advances/Assets	5.48	(93.08)
	Changes in Short Term/Current Loans and Advances/Assets	177.17	(470.40)
	Changes in Trade Payable/Current Liabilities/Long Term Liabilities	317.64	21.66
	Cash Generated from Operations	**6549.21**	**5822.09**
	Direct taxes paid	(3408.39)	(2622.64)
	Cash Flow before Extraordinary Items	**3140.82**	**3199.45**
	Extraordinary Items	--	--
	Net Cash from Operating Activities	**3140.82**	**3199.45**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of Fixed Assets	(839.02)	(458.94)
	Short Term Deposit with CIL	1315.59	(153.54)
	Miscellaneous Receipts	--	--
	Acquisition of Companies	--	--
	Purchase of New Investments (Current/Non-Current)	(594.29)	(678.25)
	Interest Received	1363.13	1508.21
	Dividend received from Mutual Funds Received (non-trade)	43.40	23.63
	Net Cash used in Investing Activities	**1288.81**	**241.11**

Contd....

CASH FLOW STATEMENT FOR THE YEAR ended on 31.03.2014

		FOR THE YEAR ENDED ON 31.03.2014 (₹ in Crore)	FOR THE YEAR ENDED ON 31.03.2013 (₹ in Crore)
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	World Bank Loans through CIL	(109.88)	(22.05)
	Deferred Credit Loan	1.03	(0.31)
	Exchange Rate Fluctuation	(9.23)	0.09
	Repayment of CIL Loan	--	--
	Redemption of preference share capital	--	--
	Interest and financial charges	(14.89)	(4.97)
	Dividend paid	(7012.09)	(2720.51)
	Net Cash used in Financing Activities	**(7145.06)**	**(2747.75)**
	Net increase in Cash and Cash Equivalents	**(2715.43)**	**692.81**
	Cash and cash equivalents as at beginning of the year	13083.00	12390.19
	Cash and Cash Equivalents as at end of the period	**10367.57**	**13083.00**

The aforesaid statement is prepared on indirect method

The figures of the previous year have been reclassified to confirm to current year classification.

Note : Cash & Cash Equivalents as amounting to ₹ 434.72 crore (as at 31.03.2013 ₹ 185.24 crore) (refer para 7.0 of Additional Notes on Accounts) are not available for use by the Company.

For and on behalf of Board of Directors

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
(A.K. Singh)	**(S. Kannan)**	**(S.K. Paul)**	**(J.P. Singh)**	**(A.N. Sahay)**
Company Secretary	CFO	*General Manager (Finance)*	*Director (T) (P&P)*	*Chairman-cum-Managing Director*

Date : 26.05.2014
Place : New Delhi

As per our report on even date
For **PAMS & Associates,**
Chartered Accountants
Sd/-
(CA M P Mahapatra)
Partner
(Membership No. 055113)

Annual Accounts (Consolidated)

MCL & its Subsidiaries

2013-14

Note : The Consolidated Accounts have been prepared according to the provisions of the Accounting Standard - 21 on 'Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India.

The Consolidated Accounts are presented here as an additional information to the users and are not mandatory as per the provisions of the Companies Act, 1956.

BALANCE SHEET AS AT 31ST MARCH, 2014

(₹ in Crore)

	NOTES		As at 31.03.2014		As at 31.03.2013
I. EQUITY AND LIABILITIES :					
1. Shareholder's Funds :					
(a) Share Capital	1	186.40		186.40	
(b) Reserves and Surplus	2	5375.49		8751.19	
			5561.89		8937.59
2. Non-Current Liabilities :					
(a) Long Term Borrowing	3	9.14		96.60	
(b) Deferred Tax Liability (Net)		28.08		60.68	
(c) Other Long Term Liabilities	4	54.34		41.49	
(d) Long Term Provisions	5	10607.11		9085.60	
			10698.67		9284.37
			63.60		63.60
3. Minority Interest :					
4. Current Liabilities :					
(a) Short Term Borrowings	6	--		--	
(b) Trade Payables	7	280.29		257.42	
(c) Other Current Liabilities	8	2647.36		2386.79	
(d) Short Term Provisions	9	318.35		1458.83	
			3246.00		4103.04
Total			**19570.16**		**22388.60**
II. ASSETS :					
1. Non-current Assets					
(a) Fixed Assets					
(i) Tangible Assets - Gross Block	10A	5211.94		4438.62	
Less : Depreciation, Impairment & Provisions		2447.36		2210.28	
Net Carrying Value			2764.58		2228.34
(ii) Intangible Assets - Gross Block	10A	284.89		246.88	
Less : Depreciation, Impairment & Provisions		194.40		194.68	
Net Carrying Value			90.49		52.20
(iii) Capital Work-in-Progress	10B		333.57		295.30
(iv) Intangible Assets under Development	10C		273.50		274.12
(b) Non-Current Investments	11		981.39		1004.10
(c) Deferred Tax Assets (Net)			--		--
(d) Long Term Loans & Advances	12		376.30		381.68
(e) Other Non-Current Assets	13		--		--

BALANCE SHEET AS AT 31ST MARCH, 2014

(Contd....)

(₹ in Crore)

	NOTES		As at 31.03.2014		As at 31.03.2013
2. Current Assets					
(a) Current Investments	14	675.71		58.71	
(b) Inventories	15	522.52		571.53	
(c) Trade Receivables	16	298.39		430.91	
(d) Cash & Cash Equivalents	17	10428.31		13145.14	
(e) Short Term Loans & Advances	18	2156.57		3115.16	
(f) Other Current Assets	19	668.83		831.41	
			14750.33		18152.86
	Total		**19570.16**		**22388.60**
Significant Accounting Policies	33				
Additional Notes on Accounts	34				

The Notes referred to above form an integral part of Balance Sheet

For and on behalf of Board of Directors

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
(A.K. Singh)	**(S. Kannan)**	**(S.K. Paul)**	**(J.P. Singh)**	**(A.N. Sahay)**
Company Secretary	CFO	*General Manager (Finance)*	*Director (T)/(P&P)*	*Chairman-cum-Managing Director*

Date : 26.05.2014
Place : New Delhi

As per our report on even date
For **PAMS & Associates,**
Chartered Accountants
Sd/-
(CA M P Mahapatra)
Partner
(Membership No. 055113)

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING 31ST MARCH, 2014

(₹ in Crore)

	NOTES	FOR THE YEAR ENDED ON 31.03.2014	FOR THE YEAR ENDED ON 31.03.2013
INCOME :			
Sale of Coal	20	13165.61	13190.42
Less : Excise Duty		650.28	649.73
Other Levies		2525.66	2518.20
Revenue from Operations		9989.67	10022.49
Other income	21	2043.33	2070.72
Total Revenue		**12033.00**	**12093.21**
EXPENSE :			
Cost of Materials Consumed	22	626.35	555.75
Change in inventories of finished goods, work in progress and Stock in trade	23	36.54	90.25
Employee benefit expenses	24	1824.05	1711.67
Power & Fuel		119.37	116.11
Welfare Expenses	25	148.98	49.34
Repairs	26	93.58	86.21
Contractual Expenses	27	1638.48	1253.20
Finance Costs	28	14.89	4.97
Depreciation/amortization/impairment		269.18	240.52
Provisions	29	85.27	59.12
Write off	30	--	--
Overburden Removal Adjustment		1410.33	1435.65
Other Expenses	31	335.08	295.34
Total Expenses		**6602.10**	**5898.13**
Profit/(Loss) before extraordinary items, exceptional items and tax		**5430.90**	**6195.08**
Prior period Adjustment {charges/(Incomes)}	32	1.82	(7.40)
Exceptional Items		--	--
Profit/(Loss) before extraordinary items and tax		**5429.08**	**6202.48**
Extraordinary items { charges / (incomes)}			
Profit/(Loss) before tax		**5429.08**	**6202.48**
Less : Tax Expenses			
--- Current year		1837.38	1964.72
--- Deferred Tax		-32.60	25.32
--- Earlier years		--	--
Profit/(Loss) after tax		**3624.30**	**4212.44**
Basic and Diluted Earning per share (in ₹) (Face Value of ₹ 1000/- per share)		19443.58	22598.82
Significant Accounting Policies	33		
Additional Notes on Accounts	34		

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

For and on behalf of Board of Directors

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
(A.K. Singh)	**(S. Kannan)**	**(S.K. Paul)**	**(J.P. Singh)**	**(A.N. Sahay)**
Company Secretary	CFO	*General Manager (Finance)*	*Director (T)/(P&P)*	*Chairman-cum-Managing Director*

Date : 26.05.2014
Place : New Delhi

As per our report on even date
For **PAMS & Associates,**
Chartered Accountants
Sd/-
(CA M P Mahapatra)
Partner
(Membership No. 055113)

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2014

Note - 1

SHARE CAPITAL

(₹ in Crore)

		As at 31.03.2014	As at 31.03.2013
AUTHORISED			
(i)	2958200 Equity Shares of ₹1000/- each	295.82	295.82
(ii)	2041800 10% Cumulative Redemable Preference shares of ₹1000/- each (Redeemed on as per terms of earliest redemption)	204.18	204.18
		500.00	**500.00**
ISSUED, SUBSCRIBED AND PAID - UP			
1864009 Equity shares of ₹1000/- each fully paid-up in cash		186.40	186.40
		186.40	**186.40**

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 ₹1000 each)	% of total Shares
CIL and its Nominees	1864009	100%

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

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2014

Note - 2

RESERVES AND SURPLUS

(₹ in Crore)

	As at 31.03.2014	As at 31.03.2013
RESERVES :		
Capital Reserve :		
As per last Balance Sheet	--	--
Add : Addition during the period	--	--
Less : Adjustment during the period	--	--
	--	--
Capital Redemption Reserve		
As per last Balance Sheet	204.18	204.18
Add : Addition during the period	--	--
Less : Adjustment during the period	--	--
	204.18	204.18
Reserve for Foreign Exchange Transactions		
As per last Balance Sheet	--	--
Add : Addition during the period	--	--
Less : Adjustment during the period	--	--
	--	--
C.S.R. Reserve		
As per last Balance Sheet	79.46	53.46
Add : Addition during the period	53.95	51.56
Less : Transfer to General Reserve	111.48	25.56
	21.93	79.46
Sustainable Development Reserve		
As per last Balance Sheet	3.84	--
Add : Addition during the period	4.61	4.11
Less : Transfer to General Reserve	0.11	0.27
	8.34	3.84
General Reserve		
As per last Balance Sheet	2401.38	1954.31
Add : Transfer from Profit & Loss Statement	362.43	421.24
Add/Less : Adjustment during the period	111.59	25.83
	2875.40	2401.38
Surplus in Profit & Loss Account		
As per last Balance Sheet	6063.86	5276.07
Profit/(Loss) after Tax during the period	3624.30	4212.44
Profit/(Loss) available for appropriation	9688.16	9488.51
Appropriation		
Reserve for Foreign Exchange Transaction	--	--
Transfer to General Reserve	362.43	421.24
Transfer to CSR Reserve	53.95	51.56
Interim Dividend (Special)	5983.16	1500.52
Proposed Dividend on Equity Shares	--	1028.93
Corporate Dividend Tax	1016.84	418.29
Transfer to Sustainable development reserve	4.61	4.11
	2267.17	6063.86
Miscellaneous Expenditure (to the extent not written off)		
Preliminary expenses	1.53	1.53
Pre-Operational Expenses	--	--
TOTAL	**5375.49**	**8751.19**

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2014

Note - 3

LONG TERM BORROWINGS

(₹ in Crore)

	As at 31.03.2014	As at 31.03.2013
Loan from Coal India Limited		
-- for IBRD	--	46.09
-- for JBIC	--	42.31
Export Development Corp., Canada	--	--
Liebherr France S.A. France	9.14	8.20
Loan from Coal India Limited	--	--
Total	9.14	96.60
CLASSIFICATION - 1		
Secured	--	--
Unsecured	9.14	96.60

CLASSIFICATION - 2

1. Loan Guaranteed by Directors & others

Particulars of Loan	₹in Crore	Nature of Guarantee
--	--	--

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2014

Note - 4

OTHER LONG TERM LIABILITIES

(₹ in Crore)

	As at 31.03.2014	As at 31.03.2013
Shifting & Rehabilitation Fund		
Opening Balance	--	--
Add : Interest from Investment of the fund	--	--
Add : Contribution Received	--	--
Less : Amount utilised	--	--
	--	--
Trade Payable	--	--
Security Deposits	27.86	16.02
Refund of Cess on Coal	26.48	25.47
TOTAL	**54.34**	**41.49**

Note - 5

LONG TERM PROVISIONS

(₹ in Crore)

	As at 31.03.2014	As at 31.03.2013
For Employee Benefits		
-- Gratuity	--	--
-- Leave Encashment	185.90	170.70
-- Other Employee Benefits	193.27	167.71
For Foreign Exchange Transactions (Marked to Market)	--	--
OBR Adjustment Account	9912.51	8502.18
Mine Closure Expenses	315.43	245.01
For Others	--	--
TOTAL	**10607.11**	**9085.60**

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2014

Note - 6

SHORT TERM BORROWINGS

(₹ in Crore)

	As at 31.03.2014	As at 31.03.2013
LOAN FROM BANK	**--**	**--**
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	₹in Crore	Nature of Guarantee
NIL	NIL	NIL

Note - 7

TRADE PAYABLE

(₹ in Crore)

	As at 31.03.2014	As at 31.03.2013
Sundry Creditors for Supplies		
For Revenue	280.29	257.42
TOTAL	**280.29**	**257.42**

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2014

Note - 8

OTHER CURRENT LIABILITIES

(₹ in Crore)

	As at 31.03.2014	As at 31.03.2013
Current Maturities of Long Term Borrowings		
Term Loan from IBRD from CIL	--	9.90
Term Loan from JBIC from CIL	--	11.58
Term Loan from Liebherr France S.A., France	0.61	0.52
Loan from Coal India Limited	--	--
Surplus Fund from Coal India Limited	--	--
Current Account with Subsidiaries	--	--
	0.61	22.00
Sundry Creditors for Capital (including stores)	550.45	382.62
For Expenses		
Salary Wages & Allowances	153.84	155.43
Power & Fuel	17.20	16.63
Others	79.08	58.49
	250.12	**230.55**
Statutory Dues		
Sales Tax	0.49	2.80
Sales Tax/VAT	2.50	3.42
Provident Fund & Pension Fund	7.33	6.35
Central Excise Duty	52.52	71.98
Royalty & Cess on Coal	52.04	119.52
Stowing Excise Duty	30.15	31.82
Clean Energy Cess	49.89	55.27
Other Statutory Levies	0.11	1.47
	195.09	**292.63**
Income Tax Deducted at Source	5.94	6.97
Security Deposit	63.87	61.41
Earnest Money	15.44	12.44
Advance & Deposit from customers/others	1505.98	1296.17
Interest Accrued and due on Borrowings	--	--
Interest Accrued but not due on Borrowings	--	--
Cess Equilisation Account	--	--
Current Account with IICM	--	--
Unpaid Dividend	--	--
Ex-Owner Account	--	--
Advance Deposit other Pre-Nationalisation	--	--
Gratuity	7.27	36.36
Other Liabilities	52.59	45.64
TOTAL	**2647.36**	**2386.79**

Note :

Loan repayment Liebherr France during 2014-15 74113.58 Euro (₹0.61 Crores)

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2014

Note - 9

SHORT TERM PROVISIONS

(₹ in Crore)

		As at 31.03.2014	As at 31.03.2013
For Employee Benefits			
--	Gratuity	--	--
--	Leave Encashment	18.73	18.09
--	PPLB	67.11	53.55
--	PRP	232.19	183.16
For Proposed Dividend		--	1028.93
For Corporate Dividend Tax		--	174.87
For Excise duty on Closing Stock of Coal		--	--
For Others (Wealth tax)		0.32	0.23
	TOTAL	**318.35**	**1458.83**

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2014

Note - 10A

FIXED ASSETS

(₹ in Crore)

PARTICULARS	GROSS BLOCK				DEPRECIATION				IMPAIRMENT LOSS/OTHER LOSS				Total Depreciation/ Impairment Loss/Other Loss	NET 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 31.03.14	As on 01.04.13	Addition during the year	Adj./Sales/ Transfer during the year	As on 31.03.14		As on 31.03.14	As on 31.03.13
TANGIBLE ASSETS :															
LAND :															
(a) Freehold	2.49	--	--	2.49	--	--	--	--	--	--	--	--	--	2.49	2.49
(b) Leasehold	1261.51	588.31	(0.48)	1849.34	316.68	65.18	--	381.86	--	--	--	--	381.86	1467.48	877.07
Building/Water Supply/ Road & Culverts	476.61	13.13	--	489.74	159.02	9.43	0.79	169.24	0.34	--	--	0.34	169.58	320.16	317.25
Plant & Machinery	2290.49	129.33	(36.20)	2383.62	1520.42	159.85	(39.90)	1640.37	3.90	--	10.94	14.84	1655.21	728.41	766.17
Furniture & Fittings/ Office Tools & Equipments /Electrical Fittings/Fire Arms	64.67	5.42	(0.24)	69.85	44.58	5.32	(0.17)	49.73	0.01	--	--	0.01	49.74	20.11	19.82
Railway Sidings	163.26	0.63	(0.01)	163.88	75.62	7.11	--	82.73	0.10	--	--	0.10	82.83	81.05	87.54
Vehicle	26.06	2.95	(0.89)	28.12	16.87	3.42	(0.91)	19.38	0.01	--	--	0.01	19.39	8.73	9.18
Telecommunication	13.82	20.97	--	34.79	4.64	1.50	6.33	12.47	--	--	--	--	12.47	22.32	9.18
Development including Roads & Culverts in Mining Area	139.71	50.40	--	190.11	67.72	3.54	4.65	75.91	0.37	--	--	0.37	76.28	113.83	71.62
TOTAL	**4438.62**	**811.14**	**(37.82)**	**5211.94**	**2205.55**	**255.35**	**(29.21)**	**2431.69**	**4.73**	**--**	**10.94**	**15.67**	**2447.36**	**2764.58**	**2160.32**
Previous Year Tangible Fixed Assets	4102.33	408.67	(72.38)	4438.62	2033.52	234.45	62.42	2205.55	4.75	--	(0.02)	4.73	2210.28	2160.32	1994.39
INTANGIBLE ASSETS															
Developments	190.54	31.86	--	222.40	140.00	13.56	(5.14)	148.42	21.34	0.66	(10.94)	11.06	159.48	62.92	29.20
Software	2.67	--	--	2.67	2.67	--	--	2.67	--	--	--	--	2.67	--	--
Prospecting & Boring	53.67	6.14	0.01	59.82	30.65	1.89	(0.31)	32.23	0.02	--	--	0.02	32.25	27.57	23.00
TOTAL	**246.88**	**38.00**	**0.01**	**284.89**	**173.32**	**15.45**	**(5.45)**	**183.32**	**21.36**	**0.66**	**(10.94)**	**11.08**	**194.40**	**90.49**	**52.20**
G. TOTAL	**4685.50**	**849.14**	**(37.81)**	**5496.83**	**2378.87**	**270.80**	**(34.66)**	**2615.01**	**26.09**	**0.66**	**--**	**26.75**	**2641.76**	**2855.07**	**2212.52**
Previous Year Intangible Fixed Assets	244.89	3.36	(1.37)	246.88	170.23	9.19	(6.10)	173.32	21.00	0.36	--	21.36	194.68	52.20	53.66

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2014

Note - 10B

CAPITAL WORK-IN-PROGRESS

(₹ in Crore)

PARTICULARS	COST				PROVISION				IMPAIRMENT LOSS/OTHER LOSS				Total Depreciation/ Impairment Loss/Other Loss	NET 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 31.03.14	As on 01.04.13	Addition during the year	Adj./Sales/ Transfer during the year	As on 31.03.14		As on 31.03.14	As on 31.03.13
TANGIBLE ASSETS :															
Building/Water Supply/ Road & Culverts	17.05	44.54	(9.75)	51.84	0.21	0.01	--	0.22	--	--	--	--	0.22	51.62	16.84
Plant & Machinery	244.62	185.63	(185.49)	244.76	10.67	0.95	(0.02)	11.60	--	--	--	--	11.60	233.16	233.95
Railway Sidings	35.83	3.26	(0.62)	38.47	--	--	--	--	--	--	--	--	--	38.47	35.83
Roads & Culverts in Mining Area	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Other	--	1.65	--	1.65	--	--	--	--	--	--	--	--	--	1.65	--
TOTAL	**297.50**	**235.08**	**(195.86)**	**336.72**	**10.88**	**0.96**	**(0.02)**	**11.82**	**--**	**--**	**--**	**--**	**11.82**	**324.90**	**286.62**
Previous Year Tangible Assets	204.37	161.84	(68.71)	297.50	10.05	0.89	(0.06)	10.88	--	--	--	--	10.88	286.62	194.32
Surveyed of Assets	21.69	2.53	(2.54)	21.68	13.01	1.10	(1.10)	13.01	--	--	--	--	13.01	8.67	8.68
Previous Year Surveyed of Assets	20.56	3.93	(2.80)	21.69	12.34	2.20	(1.53)	13.01	--	--	--	--	13.01	8.68	8.22
G. TOTAL	**319.19**	**237.61**	**(198.40)**	**358.40**	**23.89**	**2.06**	**(1.12)**	**24.83**	**--**	**--**	**--**	**--**	**24.83**	**333.57**	**295.30**
Previous Year GRAND TOTAL	**224.93**	**165.77**	**(71.51)**	**319.19**	**22.39**	**3.09**	**(1.59)**	**23.89**	**--**	**--**	**--**	**--**	**23.89**	**295.30**	**202.54**

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2014

Note - 10C

INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in Crore)

PARTICULARS	COST				PROVISION				IMPAIRMENT LOSS/OTHER LOSS				Total Depreciation/ Impairment Loss/Other Loss	NET 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 31.03.14	As on 01.04.13	Addition during the year	Adj./Sales/ Transfer during the year	As on 31.03.14		As on 31.03.14	As on 31.03.13
INTANGIBLE ASSETS :															
Development	143.41	24.90	(21.69)	146.62	--	--	--	--	--	--	--	--	--	146.62	114.18
Prospecting & Boring	130.71	2.61	(6.44)	126.88	--	--	--	--	--	--	--	--	--	126.88	104.07
TOTAL	**274.12**	**27.51**	**(28.13)**	**273.50**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**273.50**	**218.25**
Previous Year															
Intangible Assets	241.20	34.91	(1.99)	274.12	--	--	--	--	--	--	--	--	--	274.12	191.83

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2014

Note - 11

NON-CURRENT INVESTMENTS - QUOTED / UNQUOTED AT COST

	Number of shares/bonds/ securities current year	Face Value per share/bond/ security current year (₹)	As at 31.03.2014 (₹ in crore)	Number of shares/bonds/ security As at 31.03.2013	Face Value per share/bond security As at 31.03.2013 (₹)	As at 31.03.2013 (₹ in crore)
TRADE (UNQUOTED)						
8.5% Tax Free Special Bonds (Fully paid up)						
(on securitisation of Sundry Debtors)						
Major State-wise Break-up						
Up	--	--	--	--	--	--
Haryana	--	--	--	--	--	--
Maharashtra State Electricity Board	113860	1000	11.38	227720	1000	22.77
Madhya Pradesh	--	--	--	--	--	--
Gujarat	--	--	--	--	--	--
West Bengal State Electricity Board	113160	1000	11.31	226320	1000	22.63
Others	--	--	--	--	--	--
NON - TRADE (QUOTED)						
7.55% Secured Non - Convertible IRFC Tax free 2021 series 79 bonds	20000	100000	200.00	20000	100000	200.00
8% Secured Non - Convertible IRFC bonds Tax free	1087537	1000	108.75	1087537	1000	108.75
7.22% Secured Non convertible IRFC bond Tax free	4999	1000100	499.95	4999	1000100	499.95
7.22% Secured Redeemable REC bond Tax free	1500000	1000	150.00	1500000	1000	150.00
TOTAL			**981.39**			**1004.10**
Aggregate of Quoted Investments			958.70			958.70
Aggregate of Unquoted Investments			139.37			162.02
Market Value of Quoted Investments			967.99			969.48

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2014

Note - 12

LONG TERM LOANS & ADVANCES

(₹ in Crore)

	As at 31.03.2014	As at 31.03.2013
ADVANCES		
For Capital		
-- Secured considered good	--	--
-- Unsecured considered good	336.47	339.96
-- Doubtful	0.61	0.71
	337.08	340.67
Less : Provision for Bad and doubtful advances	0.61	0.71
	336.47	339.96
For Revenue		
-- Secured considered good	--	--
-- Unsecured considered good	--	--
-- Doubtful	--	--
	--	--
Less : Provision for Bad and doubtful advances	--	--
Security Deposits		
-- Secured considered good	--	--
-- Unsecured considered good	--	--
-- Doubtful	--	--
	--	--
Less : Provision for Bad and doubtful advances	--	--
Deposit for P & T, Electricity etc.		
-- Secured considered good	--	--
-- Unsecured considered good	37.22	38.61
-- Doubtful	--	--
	37.22	38.61
Less : Provision for Bad and doubtful advances	--	--
	37.22	38.61
LOAN TO EMPLOYEES & OTHERS		
For House Building		
-- Secured considered good	2.55	3.04
-- Unsecured considered good	--	--
-- Doubtful	--	--
	2.55	3.04

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2014

Note - 12 (Continued....)

LONG TERM LOANS & ADVANCES

(₹ in Crore)

		As at 31.03.2014	As at 31.03.2013
For Motor Car and other Conveyance			
--	Secured considered good	0.06	0.07
--	Unsecured considered good	--	--
--	Doubtful	--	--
		0.06	0.07
For Other			
--	Secured considered good	--	--
--	Unsecured considered good	--	--
--	Doubtful	--	--
		--	--
Less : Provision for Bad and doubtful advances		--	--
		2.61	3.11
Loan to Subsidiaries			
--	Secured considered good	--	--
--	Unsecured considered good	--	--
--	Doubtful	--	--
		--	--
	TOTAL	**376.30**	**381.68**

Note :

	Closing Balance		Maximum Amount due at any Time	
	Current year	Previous Year	Current Year	Previous Year
Due by the Companies under the same management (With name of the Companies)	Nil	Nil	Nil	Nil
Due by the parties in which Director(s) or Company is/are interested	Nil	Nil	Nil	Nil

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2014

Note - 13

OTHER NON-CURRENT ASSETS

(₹ in Crore)

	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 advances	--	--
	--	--
Exploratory Drilling Work		
-- Secured considered good	--	--
-- Unsecured considered good	--	--
-- Doubtful	--	--
	--	--
Less : Provision for Bad and doubtful advances	--	--
	--	--
Other Receivables		
-- Secured considered good	--	--
-- Unsecured considered good	--	--
-- Doubtful	0.16	0.16
	0.16	0.16
Less : Provision for Bad and doubtful advances	0.16	0.16
	--	--
TOTAL	**--**	**--**

Note :

	Closing Balance		Maximum Amount due at any Time	
	Current year	Previous Year	Current Year	Previous Year
Due by the Companies under the same management (With name of the Companies)	Nil	Nil	Nil	Nil
Due by the parties in which Director(s) or Company is/are interested	Nil	Nil	Nil	Nil

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2014

Note - 14

CURRENT INVESTMENTS - QUOTED / UNQUOTED AT COST

	Number of shares/bonds/ securities current year	Face Value per share/bond/ security current year (₹)	As at 31.03.2014 (₹ in crore)	Number of shares/bonds/ securities previous year	Face Value per share/bond security previous Year (₹)	As at 31.03.2013 (₹ in crore)
NON-TRADE (QUOTED)						
Investment in Mutual Funds						
Canara Robeco Liquid Fund	29835.903	1005.50	3.00	89507.708	1005.50	9.00
SBI Premier Liquid Fund	2761026.663	103.25	277.00	89708.448	100.25	9.00
UTI Money Cash Fund	3658851.080	1019.45	373.00	89696.342	1003.39	9.00
LIC NOMURA MF Liquid Fund	--	--	--	8196721.311	10.98	9.00
TRADE (UNQUOTED)						
8.5% Tax Free Special Bonds (Fully Paid-up)	--	--	--	--	--	--
(on securitisation of Sundry Debtors)						
Maharashtra State Electricity Board	113860	1000.00	11.39	113860	1000.00	11.39
West Bengal State Electricity Board	113160	1000.00	11.32	113160	1000.00	11.32
TOTAL			**675.71**			**58.71**
Aggregate of Quoted Investments			653.00			36.00
Aggregate of Unquoted Investments			22.71			22.71
Market Value of Quoted Investments			661.84			41.45

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2014

Note - 15

INVENTORIES

(₹ in Crore)

		As at 31.03.2014	As at 31.03.2013
	Stock of Coal	418.53	414.44
	Coal Stock under Development	--	45.94
	Less : Provision for deterioration	--	--
A.	**Stock of Coal (Net)**	**418.53**	**460.38**
	Stock of Stores & Spare Parts (at cost)	98.28	105.94
	Stores-in-transit	2.28	1.76
	Less : Provision for slow moving/obsolescence etc.	14.84	14.27
	Loss of Assets	0.23	0.23
	Less : Provision for Loss of Assets	0.23	0.23
B.	**Net Stock of Stores & Spare Parts (at cost)**	**85.72**	**93.43**
	Workshop Jobs		
	Work-in-Progress and Finished Goods	12.68	7.37
	Less : Provision for workshop jobs	--	--
C.	**Net stock of Workshop Jobs**	**12.68**	**7.37**
D.	**Press**		
	Work-in-Progress and Finished Goods	--	--
E.	**Stock of Medicines at Central Hospital**	**0.68**	**0.65**
F.	**Prospecting & Boring/Development Exp./ Coal Blocks meant for sale**	**4.91**	**9.70**
	Total (A to F)	**522.52**	**571.53**

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2014

ANNEXURE TO NOTE - 15

(Qty. in lakh Tonnes) (Value in ₹ Lakhs)

Reconcilliation of Closing Stock adopted in Account with Book Stock as at the end of the year

Table - A

		OVERALL STOCK		NON-VENDABLE STOCK		VENDABLE STOCK	
		Qty.	Value	Qty.	Value	Qty.	Value
1.	(A) Opening Stock as on 01.04.13	180.53	46037.89	--	--	180.53	46037.89
	(B) Adjustment in Opening Stock	--	--	--	--	--	--
2.	Production for the year	1104.39	996866.13	--	--	1104.39	996866.13
3.	Sub-Total (1+2)	1284.92	1042904.02	--	--	1284.92	1042904.02
4.	Off-Take for the year :						
	(a) Outside Despatch	1143.39	998966.86	--	--	1143.39	998966.86
	(b) Coal feed to Washeries	--	--	--	--	--	--
	(c) Own Consumption	0.05	132.30	--	--	0.05	132.30
	TOTAL (A)	1143.44	999099.16	--	--	1143.44	999099.16
5.	Derived Stock	141.48	43804.86	--	--	141.48	43804.86
6.	Measured Stock	140.18	41456.01	--	--	140.18	41456.01
7.	Difference (5-6)	1.30	2348.85	--	--	1.30	2348.85
8.	Break-up of Difference						
	(a) Excess within 5%	1.08	249.01	--	--	1.08	249.01
	(b) Shortage within 5%	1.12	645.72	--	--	1.12	645.72
	(c) Excess beyond 5%	--	--	--	--	--	--
	(d) Shortage beyond 5%	1.26	1952.14	--	--	1.26	1952.14
8.	Closing Stock adopted in A/c (6 - 8A + 8B)	140.22	41852.72	--	--	140.22	41852.72

Summary of Closing Stock of Coal

Table - B

	Raw Coal				Washed/Deshaled Coal				Other Products		Total	
	Coking		Non-Coking		Cocking		Non-Coking					
	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
Opening Stock (Audited)	--	--	180.53	46037.89	--	--	--	--	--	--	180.53	46037.89
Less : Non-vendable Coal	--	--	--	--	--	--	--	--	--	--	--	--
Adjusted Opening Stock (Vendable)	--	--	--	--	--	--	--	--	--	--	--	--
Production	--	--	1104.39	996866.13	--	--	--	--	--	--	1104.39	996866.13
Offtake												
(a) Outside Despatch	--	--	1143.39	998966.86	--	--	--	--	--	--	1143.39	998966.86
(b) Coal feed to Washeries	--	--	--	--	--	--	--	--	--	--	--	--
(c) Own Consumption	--	--	0.05	132.30	--	--	--	--	--	--	0.05	132.30
Closing Stock	--	--	141.48	43804.86	--	--	--	--	--	--	141.48	43804.86
Less : Shortage	--	--	1.26	1952.14	--	--	--	--	--	--	1.26	1952.14
Closing Stock	--	--	140.22	41852.72	--	--	--	--	--	--	140.22	41852.72

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2014

Note - 16

TRADE RECEIVABLES

(₹ in Crore)

		As at 31.03.2014	As at 31.03.2013
Debts outstanding for a period exceeding six months from the due date			
--	Secured considered good	--	--
--	Unsecured considered good	30.27	42.11
--	Doubtful	34.72	21.02
		64.99	63.13
Less : Provision for Bad and doubtful debts		34.72	21.02
		30.27	42.11
Other Debts			
--	Secured considered good	--	--
--	Unsecured considered good	268.12	388.80
--	Doubtful	--	--
		268.12	388.80
Less : Provision for Bad and doubtful debts		--	--
		268.12	388.80
	TOTAL	**298.39**	**430.91**

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2014

Note - 17

CASH & BANK BALANCES

(₹ in Crore)

	As at 31.03.2014	As at 31.03.2013
Cash & Cash Equivalents		
Balances with Scheduled Banks		
-- SBI Dividend Account (unpaid/unclaimed divident account)	--	--
-- In Deposit Account with maturity upto 3 months	3386.00	3985.30
-- In Current Accounts	226.56	261.62
-- In Cash Credits Accounts	--	--
Balance with Non-Scheduled Banks	--	--
In Account with Banks outside India	--	--
Remittance - In transit	--	--
Cheques, Drafts and Stamps on hand	--	--
Cash in hand	0.05	0.05
Deposit with Scheduled Banks under Shifting and Rehabilitation Fund Scheme with maturity upto 3 months	--	--
Other Bank Balance		
Balances with Scheduled Banks		
-- In Deposit Accounts with maturity more than 3 months	6566.84	8898.17
Deposit with Scheduled Banks under Shifting and Rehabilitation Fund Scheme with maturity more than 3 months	--	--
Deposit in Escrow A/c with Scheduled Banks under Mine Closure Plan with Maturity exceeding 3 months	248.86	--
Total	**10428.31**	**13145.14**
Maximum amount outstanding with Banks other than Scheduled Banks at any time during the year	Nil	Nil
Additional Note :		
1. Balance with scheduled banks to the extent held as margin money or security against the borrowings/others	185.86	185.24
2. Bank deposits more than 3 months includes deposits held for the period exceeding 12 months	250.29	1.33

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2014

Note - 18

SHORT TERM LOANS & ADVANCES

(₹ in Crore)

	As at 31.03.2014	As at 31.03.2013
ADVANCES		
(Recoverable in cash or in kind or for value to be received)		
ADVANCE TO SUPPLIERS & CONTRACTORS		
For Revenue		
-- Secured considered good	--	--
-- Unsecured considered good	273.28	156.15
-- Doubtful	2.28	2.26
	275.56	158.41
Less : Provision for Bad and doubtful advances	2.28	2.26
	273.28	156.15
ADVANCE PAYMENT OF STATUTORY DUES		
Sales Tax		
-- Secured considered good	--	--
-- Unsecured considered good	--	--
-- Doubtful	--	--
	--	--
Less : Provision for Bad and doubtful advances	--	--
	--	--
Advance Income Tax/Tax Deducted at Source	3210.71	2925.92
Less : Provision for Income Tax	1892.54	1987.64
	1318.17	938.28
Others		
-- Secured considered good	--	--
-- Unsecured considered good	39.70	42.98
-- Doubtful	--	--
	39.70	42.98
Less : Provision for Bad and doubtful advances	--	--
	39.70	42.98
TOTAL	**1357.87**	**981.26**
ADVANCE TO EMPLOYEES		
-- Secured considered good	--	--
-- Unsecured considered good	70.28	73.61
-- Doubtful	--	--
	70.28	73.61
Less : Provision for Bad and doubtful advances	--	--
	70.28	73.61

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2014

Note - 18 (Continued....)

SHORT TERM LOANS & ADVANCES

(₹ in Crore)

	As at 31.03.2014	As at 31.03.2013
Deposit with CIL	441.41	1757.00
Current Account with CIL & other Subsidiaries of CIL and MCL's Subsidiaries	0.20	129.04
LOAN ACCOUNT WITH SUBSIDIARIES		
-- Secured considered good	--	--
-- Unsecured considered good	--	--
-- Doubtful	--	--
	--	--
Less : Provision for Bad and doubtful advances	--	--
Claims Receivables		
-- Secured considered good	--	--
-- Unsecured considered good	0.51	0.51
-- Doubtful	--	--
	0.51	0.51
Less : Provision for Bad and doubtful claims	--	--
	0.51	0.51
Prepaid Expenses	13.02	17.59
	525.42	1977.75
TOTAL	**2156.57**	**3115.16**

Note :

	Closing Balance		Maximum Amount due at any Time during	
	Current year	Previous Year	Current Year	Previous Year
Due by the Companies under the same management				
-- MJSJ Coal Limited	3.74	1.32	3.74	14.91
-- MNH Shakti Limited	5.16	2.51	5.16	2.51
-- Mahanadi Basin Power Limited	10.81	8.05	10.81	8.05
Due by the parties in which Director(s) or Company is/are interested	Nil	Nil	Nil	Nil

2. Deposit with CIL includes ₹ 184.55 crore (previous year ₹ 350.29 crore) which is non-interest bearing.

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2014

Note - 19

OTHER CURRENT ASSETS

(₹ in Crore)

	As at 31.03.2014	As at 31.03.2013
Interest Accrued on		
-- Investments	42.43	34.18
-- Deposit with Banks	444.38	647.93
-- Others	2.68	1.57
Ex Owner's Account	--	--
Other Advances	--	--
Less : Provision for Bad and doubtful advances	--	--
	--	--
DEPOSITS		
Deposit for Customs Duty, Port Charges etc.	--	--
Deposit for Royalty, Cess & Sales Tax	156.66	146.64
Less : Provision for Bad and doubtful deposits	--	--
	156.66	146.64
Others	--	--
Less : Provision for Bad and doubtful for others	--	--
	--	--
Amount Receivable from Govt. of India for transactions on behalf of Ex-Coal Board	--	--
Other Receivables	22.68	1.09
Less : Provision for bad and doubtful receivables	--	--
	22.68	1.09
TOTAL	**668.83**	**831.41**

NOTES TO PROFIT & LOSS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2014

Note - 20

REVENUE FROM OPERATIONS

(₹ in Crore)

	For the Year ended 31.03.2014	For the Year ended 31.03.2013
GROSS SALES	13165.61	13190.42
Less : Excise Duty	650.28	649.73
Less : Other Levies		
Royalty	1290.85	1267.85
Cess on Coal	--	--
Stowing Excise Duty	114.38	111.96
Central Sales Tax	110.31	99.42
Clean Energy Cess	571.91	559.80
State Sales Tax / VAT	377.66	410.67
Orissa Entry Tax	60.55	68.50
TOTAL LEVIES	**3175.94**	**3167.93**
Revenue from Operations (NET SALES)	**9989.67**	**10022.49**

NOTES TO PROFIT & LOSS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2014

Note - 21

OTHER INCOME

(₹ in Crore)

	For the Year ended 31.03.2014	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)(Trade)	5.31	7.24
-- Non convertible IRFC/REC Tax Free Bonds 2021 series (Non-trade)	70.75	38.15
Income from Current Investments		
Dividend from Mutual Fund Investments	43.40	23.63
Interest from :		
-- Government Securities (8.5% Tax Free Special Bonds)(Trade)	--	--
-- 7.55% Non convertible IRFC Tax Free Bonds 2021 series (Non-trade)	--	--
Income from Others		
Interest :		
-- From Deposits with Banks	1190.35	1319.45
-- From Loans and Advances to Employees	0.08	0.09
-- From Income Tax Refunds	--	--
-- From CIL on Parking of Fund	96.72	143.37
-- Others	3.70	1.86
Apex Charges	--	--
Subsidy for Sand Stowing & Protective Works	0.88	0.55
Profit on Sale of Assets	16.04	0.74
Recovery of Transportation & Loading Cost	531.57	495.52
Gain on Foreign Exchange Transactions	--	0.09
Exchange Rate Variance	--	--
Lease Rent	4.05	6.15
Liability Write Backs	22.41	0.65
Guarantee Fees from Subsidiaries	--	--
Other Non-operating Income	58.07	33.23
Total	**2043.33**	**2070.72**

Note :

Profit on Sale of Assets includes ₹15.56 crores on sale of Geological Report of Meenakshi-B and dipside of Meenakshi Coal block.

NOTES TO PROFIT & LOSS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2014

Note - 22

COST OF MATERIALS CONSUMED

(₹ in Crore)

	For the Year ended 31.03.2014	For the Year ended 31.03.2013
Explosives	122.40	118.32
Timber	0.21	0.54
POL	324.73	252.30
HEMM Spares	111.86	107.56
Others Consumbales Stores & Spares	67.15	77.03
TOTAL	**626.35**	**555.75**

NOTES TO PROFIT & LOSS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2014

Note - 23

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

(₹ in Crore)

	For the Year ended 31.03.2014	For the Year ended 31.03.2013
Closing Stock of Coal	418.53	414.44
Less : Deterioration of Coal	--	--
Total (1)	**418.53**	**414.44**
Opening Stock of Coal	460.38	518.67
Less : Deterioration of Coal	--	6.61
Total (2)	**460.38**	**512.06**
(A) Change in Inventory of Closing Stock (2 - 1)	**41.85**	**97.62**
Closing Stock of Workshop made finished goods and WIP	12.68	7.37
Less : Provision	--	--
Total	**12.68**	**7.37**
Opening Stock of Workshop made finished goods and WIP	7.37	--
Less : Provision	--	--
Total	**7.37**	**--**
(B) Change in Inventory of Closing Stock of workshop	**(5.31)**	**(7.37)**
Press Closing job		
i. Finished Goods	--	--
ii. Work in Progress	--	--
Less : Press Opening Job		
i. Finished Goods	--	--
ii. Work in Progress	--	--
(C) Change in Inventory of Closing Stock of Press Jobs made finished goods and WIP	**--**	**--**
Closing Stock of Medicines (Central Hospital)	--	--
Less : Opening Stock of Medicines (Central Hospital)	--	--
(D) Change in Inventory of Stock of Medicines at Central Hospitals	**--**	**--**
Total Change in Inventory of Stock (A + B + C + D)	**36.54**	**90.25**

NOTES TO PROFIT & LOSS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2014

Note - 24

EMPLOYEE BENEFIT EXPENSES

(₹ in Crore)

	For the Year ended 31.03.2014	For the Year ended 31.03.2013
Salary, Wages, Allowances, Bonus & Benefits	1319.84	1204.59
Ex-Gratia	73.59	62.35
PRP	48.41	46.15
Contribution to P.F. & Other Funds	176.09	161.42
Gratuity	23.39	22.63
Leave Encashment	52.51	43.72
VRS	0.79	1.93
Workmen Compensation	(2.35)	0.58
Post retirement medical benefit for existing employees	(2.81)	35.24
Medical Expenses	32.23	30.84
Grants to School & Institutions	28.18	18.68
Sports & Recreation	4.17	0.79
Canteen & Creche	0.78	0.68
Power - Township	53.81	54.07
Hire Charges of Bus, Ambulance etc.	2.66	2.61
Other Employee Benefits	12.40	25.39
TOTAL	**1824.05**	**1711.67**

Note - 25

WELFARE EXPENSES

(₹ in Crore)

	For the Year ended 31.03.2014	For the Year ended 31.03.2013
Medical Expenses for Retired Employees	17.24	2.22
CSR Expenses	111.48	25.56
Sustainable Development Expenses	0.11	0.27
Environmental Expenses	13.37	13.94
Tree Plantation	0.59	0.78
Other Expenses	6.19	6.57
TOTAL	**148.98**	**49.34**

NOTES TO PROFIT & LOSS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2014

Note - 26

REPAIRS

(₹ in Crore)

	For the Year ended 31.03.2014	For the Year ended 31.03.2013
Building	61.72	52.38
Plant & Machinery	29.16	30.31
Others	2.70	3.52
TOTAL	**93.58**	**86.21**

Note - 27

CONTRACTUAL EXPENSES

(₹ in Crore)

	For the Year ended 31.03.2014	For the Year ended 31.03.2013
Transportation Charges :		
-- Sand	--	0.32
-- Coal & Coke	904.12	747.81
-- Stores & Others etc.	0.04	0.01
Wagon Loading	66.41	53.45
Hiring of Plant & Machinery	616.12	387.91
Other Contractual work	51.79	63.70
TOTAL	**1638.48**	**1253.20**

NOTES TO PROFIT & LOSS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2014

Note - 28

FINANCE COSTS

(₹ in Crore)

	For the Year ended 31.03.2014	For the Year ended 31.03.2013
Interest Expense		
Deferred Payments	0.09	0.09
Bank Overdraft/Cash Credit	--	--
Interest of IBRD & JBIC Loan	1.16	1.96
CIL Fund Loan Interest	--	--
Interest to Subsidiaries	--	--
Others	12.06	1.26
Total (A)	13.31	3.31
Other Borrowing Costs		
Guarantee Fees on (IBRD & JBIC) Loan	1.57	1.65
Other Expenses / Bank Charges	0.01	0.01
TOTAL (B)	**1.58**	**1.66**
TOTAL (A + B)	**14.89**	**4.97**

Note : Interest expense others includes ₹ 10.71 crores interest levies by Income Tax authority on regular assessment u/s 251/143(3) of I.T. Act 1961 for A.Y 2010-11 (F.Y. 2009-10), i.e. the difference between interest granted u/s 143(1) of Rs.18.07 crore and now allowed u/s 251/143(3) of ₹ 7.36 crore.

NOTES TO PROFIT & LOSS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2014

Note - 29

PROVISIONS

(₹ in Crore)

	For the Year ended 31.03.2014	For the Year ended 31.03.2013
(A) Provision Made for		
Doubtful debts	13.70	--
Doubtful Advances & Claims	--	--
Foreign Exchange Transaction	--	--
Stores & Spares	0.57	0.81
Reclamation of Land/Mine Closure Expenses	70.12	64.74
Surveyed off Fixed Assets / Capital WIP	0.96	1.56
Others	--	--
Total (A)	**85.35**	**67.11**
(B) Provision Written Back		
Doubtful debts	--	7.58
Doubtful Advances & Claims	0.08	0.39
Foreign Exchange Transaction	--	--
Stores & Spares	--	--
Reclamation of Land/Mine Closure Expenses	--	--
Surveyed off Fixed Assets / Capital WIP	--	--
Others / Loss of Assets	--	0.02
Total (B)	**0.08**	**7.99**
Total (A-B)	**85.27**	**59.12**

Note - 30

WRITE OFF

(₹ in Crore)

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

NOTES TO PROFIT & LOSS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2014

Note - 31

OTHER EXPENSES

(₹ in Crore)

	For the Year ended 31.03.2014	For the Year ended 31.03.2013
Travelling Expenses		
-- Domestic	14.10	14.07
-- Foreign	0.02	0.06
Training Expenses	9.10	8.27
Telephone & Postage	2.76	2.67
Advertisement & Publicity	3.70	4.26
Freight Charges	0.08	0.10
Demurrage	6.18	5.54
Donation/Subscription	0.01	0.09
Security Expenses	51.25	40.23
Service Charges of CIL	55.22	53.95
Hire Charges	27.74	23.72
CMPDI Expenses	22.88	26.56
Legal Expenses	0.98	1.07
Bank Charges	0.03	0.02
Guest House Expenses	2.34	2.05
Consultancy Charges	1.08	0.49
Under Loading Charges	10.41	10.99
Loss on Sale/Discard/Surveyed of Assets	0.54	0.06
Auditor's Remuneration and Expenses		
-- For Audit Fees	0.17	0.17
-- For Taxation Matters	--	--
-- For Company Law Matters	--	--
-- For Management Services	--	--
-- For Other Services	0.11	0.04
-- For Reimbursement of Expenses	0.17	0.13
Internal Audit Fees and Expenses	2.00	1.84
Rehabilitation Charges	68.61	67.18
Royalty & Cess	0.18	0.19
Central Excise Duty	(13.01)	(11.20)
Rent	2.51	0.15
Rates & Taxes	20.37	13.61
Insurance	0.41	0.40
Loss on Exchange Rate Variance	9.23	--
Lease Rent	--	--
Rescue/Safety Expenses	1.95	2.37
Dead Rent / Surface Rent	0.10	1.58
Siding Maintenance Charges	10.26	4.15
Land/Crops Compensation	0.03	0.04
Wealth Tax	0.12	0.11
Miscellaneous Expenses	23.45	20.38
Total	**335.08**	**295.34**

NOTES TO PROFIT & LOSS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2014

Note - 32

PRIOR PERIOD ADJUSTMENTS

(₹ in Crore)

		As at 31.03.2014	As at 31.03.2013
(A)	**Expenditure**		
	Sale of Coal	2.73	3.54
	Stock of Coal	–	–
	Other Income	–	–
	Consumption of Stores & Spares	–	–
	Employees Remuneration & Benefits	–	–
	Power & Fuel	–	–
	Welfare Expenses	–	–
	Repairs	–	–
	Contractual Expenses	–	–
	Other Expenditure	–	1.21
	Interest and other financial charges	–	–
	Depreciation	0.10	0.04
	Total (A)	**2.83**	**4.79**
(B)	**Income**		
	Sale of Coal	–	–
	Stock of Coal	–	–
	Other Income	–	12.19
	Consumption of Stores & Spares	–	–
	Employees Remuneration & Benefits	–	–
	Power & Fuel	–	–
	Welfare Expenses	–	–
	Repairs	–	–
	Contractual Expenses	–	–
	Other Expenditure	1.01	–
	Interest and other financial charges	–	–
	Depreciation	–	–
	Total (B)	**1.01**	**12.19**
	Total (A - B)	**1.82**	**(7.40)**

NOTE – 33

SIGNIFICANT ACCOUNTING POLICIES

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. However, when there is a decline, other than temporary, in the value of the long term investment, the carrying amount is reduced to recognize the decline.

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 and 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 :-

	Permissible Limits of Variance	
Annual Quantum of OBR of the mine	**I**	**II**
	%	**Quantum (in M.Cu.M.)**
Less than 1 M.Cu.M.	+/-5%	0.03
Between 1 and 5 M.Cu.M.	+/-3%	0.20
More than 5 M.Cu.M.	+/-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 ₹0.10 Crore in each case, are treated as income / expenditure of current year.

NOTE - 34

ADDITIONAL NOTES ON ACCOUNTS

1.0 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

a) The financial statements of MCL & its subsidiaries used in the consolidation are drawn up to the same reporting date as that of the parent group.

b) The financial statements have been prepared under the historical cost convention and on the accrual basis of accounting. The accounts of MCL & its subsidiaries have been prepared in accordance with the Accounting Standard issued by the Institute of Chartered Accountants of India and on the basis of accounting principles generally accepted in India.

2.0 PRINCIPLES OF CONSOLIDATION

2.1 The consolidated financial statements relate to Mahanadi Coalfields Limited and its subsidiaries – M/S MNH Shakti Limited, M/S MJSJ Coal Limited and Mahanadi Basin Power Limited. The financial statements of the MCL and its subsidiary companies are combined line by line basis adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating the intra-group transactions resulting in unrealized profits or losses in accordance with Accounting Standard-21 – 'Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India.

2.2 Significant accounting policies and notes to these consolidated financial statements are intended to serve as a means of informative disclosure and a guide to better understanding the consolidated position of the companies. Recognising the purpose, the group has disclosed only such policies and note from individual financial statements, which fairly present the needed disclosure Mahanadi Coalfields upon taking over of assets and liabilities of South Eastern Coalfields Limited in respect of mines in the State of Orissa.

3.0 LONG TERM BORROWINGS (Note-3 and Note-8)

3.1 Unsecured loan was availed by Coal India Limited, guaranteed by Government of India, from World Bank to finance Coal Sector Rehabilitation Project (CSRP) based on back to back agreement between the MCL and Coal India Limited. The loan outstanding as on 31.03.2014 (net after repayments) is ₹ Nil crore (as at 31.03.2013 ₹109.88 crore). The details of balance are as under :

Bank	Balance 01.04.13	Repayment during the year	Balance 31.03.14	Balance 01.04.13	Repayment during the year	Transaction Difference	Balance 31.03.14
	US $	US $	US $	₹ in crore	₹ in crore	₹ in crore	₹ in crore
IBRD	10217768.95	10217768.95	0.00	55.99	63.24	7.25	0.00
	JP Yen(¥)	JP Yen(¥)	JP Yen(¥)				
JBIC	921647821	921647821	0.00	53.89	58.29	4.40	0.00
Total				**109.88**	**121.53**	**11.65**	**0.00**

This includes amount repayable during the year 2014-15-IBRD ₹ Nil crore (Previous year ₹9.90 crore) and JBIC ₹Nil crore (Previous year ₹11.58 crore)

3.2 Loans had been arranged through credit agreement with Banque Nationale De Paris and Natexis Banque for the purchase of 4 nos Hydrolic shovels from Leibherr, France. The loan outstanding as on 31.03.2014 (net after repayments) is ₹9.75 crore (As at 31.03.2013 ₹8.72 crore). The details of balance are as under:

Balance Bank	Repayment 01.04.13	Balance during the year	Balance 31.03.14	Repayment 01.04.13	Transaction during the year	Balance Difference	31.03.14
	Euro	Euro	Euro	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Leibherr	1253192.28	74113.58	1179078.70	8.72	0.61	1.64	9.75
Total	**1253192.28**	**74113.58**	**1179078.70**	**8.72**	**0.61**	**1.64**	**9.75**

This includes amount repayable in the year 2014-15 ₹0.61 crore (previous year ₹0.52 crore.)

4.0 FIXED ASSETS – Note-10

4.1 The Company took over various Assets and Liabilities from Coal Mines Labour Welfare Organisation and Coal Mines Rescue Organisation for which no quantitative details are available. Adjustments, if any, will be made on finalisation of quantity and value thereof.

4.2 Lease hold land includes land acquired under Coal Bearing Areas (Acquisition and Development) Act, 1957 and Land Acquisition Act, 1894, Orissa Government Land Settlement Act 1962. Lease hold land acquired under Coal Bearing Areas (Acquisition and Development) Act, 1957 has been capitalized on the basis of notification transferring the ownership of land to the extent for which sanction / approval has been received. Land acquired under Land Acquisition Act, 1894, Orissa Government Land Settlement Act 1962 has been capitalized on the basis of possession certified by State Authorities.

4.3 Conveyance deed of land in favour of the group is pending for execution in most of the cases.

4.4 The carrying cost of the Fixed Assets acquired against World Bank aided projects and Deferred Credit has increased to the extent of ₹4.06 crore (for previous year ended on 31.03.2013 decreased by ₹0.13 crore) on account of exchange rate fluctuation in line with the accounting policy para 9.1 of Note -33.

4.5 In case of items of Plant & Machinery, which are kept in plant pending installation and at store for more than three years, provision equivalent to depreciation is made from the 4th year followed by action for formal write-off where necessary. If any such item of plant & machinery is put to use afterwards i.e., after provisions have already been made, depreciation charged in first year of use is depreciation for the year plus provision already made against the item with due accounting adjustments between depreciation & such provision. During the year ended on 31st March, 2014, an amount of ₹0.95 crore has been provided on this account and the cumulative provision stood at ₹11.60 crore (Note-10B)

5.0 NON-CURRENT / CURRENT INVESTMENT (Note 11 & Note 14)

5.1 As per tripartite agreements with State Electricity Boards (SEB), in the year 2003-04 the Group had received 8.5% Tax Free Power Bonds (unquoted long term investment) of nominal value ₹344.32 crore against old outstanding dues as on 30th September, 2001 from three SEBs (MSEB, TNEB and WBPDCL).

The details of the unredeemed bonds are as under: *(₹ in crore)*

Particulars of Bonds	Opening Balance as at 01.04.2013	Redeemed during the year	Closing Balance as at 31.03.2014
MSEB	34.16	11.39	22.77
WBPDCL	33.95	11.32	22.63
TOTAL	**68.11**	**22.71**	**45.40**

All bonds are backed by respective State Governments' guarantees.

Bonds having value of ₹22.71 crore which are due for redemption in the year 2014-15 have been shown under current investment (Note -14) and balance amount of ₹22.69 crore has been shown under non-current investment (Note-11).

5.2 Interest from Power Bonds amounting to ₹5.31 crore (for previous year ending on 31.03.2013 ₹7.24 crore) has been earned during the year ended on 31st March, 2014. (Note -21)

5.3 The Reserve Bank of India allowed partial trading of 8.5% Tax Free Power Bonds of State Electricity Boards (SEB).

6.0 INVENTORIES(Note 15)

6.1 Stores and spares

6.1.1 During the year ended, the shortage / excess reported in respect of physical verification of stores / spares have been adjusted in accounts. The cumulative provision as at 31.03.2014 stands at ₹0.88 crore (as at 31.03.2013 '0.86 crore).

6.1.2 Pending reconciliation of stores ledger with price ledger, the impact of shortage / excess if any, on the accounts for the year remain unadjusted in some areas.

6.1.3 In respect of stores and spares obsolete / unserviceable items and items which have not moved for more than five years, a provision of 100 % & 50% respectively are made as per Accounting Policy Para.6.2.4 of Note-33). The cumulative provision as at 31.03.2014 stands at ₹13.96 crore (as at 31.03.2013 ₹13.41 crore). However, we have made necessary provision of 100% for unmoved items for more than 10 years in respect of three areas viz, Ib-valley, Lakhanpur and Jagannath in this year. The technical assessment of such unmoved stores in respect of the areas is in progress.

6.1.4 Valuation of stores and spares has been done on weighted average method as per accounting policy of the group (as mentioned in Para 6.2.2 of Note-33). The

comparison of cost so arrived, with net realizable value is neither made nor adjusted in the account due to difficulty in ascertainment of net realizable value.

6.1.5 The Group is yet to carry out exercise for identification of unserviceable / obsolete stores and spares in some of the areas.

6.2. Coal Stock: (Note -15)

6.2.1 Internal survey measurement teams have physically verified closing stock of coal. In some areas the same has also been verified by outside teams. The Shortage/ surplus found on physical verification of coal stock within +/- 5% over book stock (mine/ colliery wise), is ignored pursuant to Accounting Policy (refer Para 6.1 of Note -33). The book stock of Talcher area is 150874.60 tonnes whereas the measured stock is 74196.40 tonnes. The book stocks of mine no 3 and HBM of orient area are 14506.32 tonnes and 175285.71 tonnes whereas the measured stocks of the said mines are 2132.80 tonnes and 137795.97 tonnes respectively. In those cases, since the difference is more than +/- 5% , measured stocks have been considered in accounts and shown in Annexure to Note -15.

7.0 CASH AND CASH EQUIVALENTS (Note -17)

Cash and Bank balance includes:

7.1 Fixed Deposit amounting to ₹66.74 crore and ₹111.31 crore have been placed under lien of State Bank India for issuing letter of comfort for issuance of Bank Guarantee in favour of President of India to fulfill the terms of allocation of blocks on behalf of subsidiary companies i.e. M/S MJSJ Coal Ltd and M/S MNH Shakti Ltd respectively.

7.2 ₹ 1.43 crore including accrued interest of ₹0.84 crore being special term deposit made out of money recovered through the Hon'ble District Court Sundargarh against defalcation of cash by an officer, which is under lien to the Court pending finalization of the case.

7.3 Fixed deposit includes ₹6.14 crore made against price difference recovered against explosive rate contracts in the year 2005-06, as per court order.

7.4 Fixed deposit includes ₹0.21 crore made against interim order of Hon'ble High Court for encashment of BG of M/s IRC Logistics Ltd.

7.5 Fixed deposit includes ₹0.03 crore made for issue of BG for obtaining license for captive mobile radio trunking service from Deptt of Telecommunication, Govt of India in connection with OITDS.

7.6 Deposits in Escrow Accounts for mine closure with Scheduled Banks with maturity exceeding 3 months for ₹248.86 crore made as per guidelines issued by Ministry of Coal, Government of India and after agreement with Coal Controller .

7.7 The balance of current accounts includes current linked termed deposits which are temporarily transferred from current account.

8.0 LOANS AND ADVANCES CURRENT / NON CURRENT OTHER ASSETS

8.1 Confirmations of balances of loans and advances have not been obtained in all the cases.

8.2 Deposit made with State Government amounting to ₹86.23 crore (as at 31.03.2013 ₹86.39 crore) for acquiring of land under LA Act 1894 is included in " Advances for Capital" in Note-12 which will be capitalized on possession given to the Group by State Authority.

9.0 OTHER LONG TERM LIABILITIES - NOTE-4

9.1 Cess on Coal includes principal of ₹8.40 crore (net of payments) and interest of ₹9.47 crore (net of payments) against receipts from Government of Orissa in the year 2005-06 as per directive of Hon'ble Supreme Court judgement dated 31.07.2001. The money is refundable to the customers. During the current year, the Group has provided interest of ₹1.01 crore (previous year ₹1.01 crore) calculated at the rate of 12% for the unpaid principal amount of the Cess liability. The total liability thus included therein becomes₹26.48 crore (as at 31.03.2013 ₹25.47 crore) as at 31.03.2014. The Group has not identified the customers / parties to whom the refund is to be made. Finalisation of modalities for refunding the same to the customers / parties is yet to be done.

10.0 PROFIT AND LOSS STATEMENT

10.1 Provision of ₹0.95 crore during the year ended on 31.03.2014 (for previous year ended on 31.03.2013 ₹0.89 crore) against P &M in stores/ under erection / installation has been taken at the depreciation rate on P&M items from the 4th year of purchase/ acquisition as the case may be.

10.2 The group has provided a liability of ₹2.76 Crore towards Corpus of Coal India Sports Promotion Association (CISPA) for executing and conducting activities related to sports, recreation & culture of CIL and its subsidiaries as per decision of Board of Directors of CIL in its 296th meeting held on 25th March 2013.

10.3 The details of Over Burden Removal Adjustment are given below:

(₹ In crore)

	Current Year	Previous Year
Expenditure to be Charged to Coal	3466.09	3228.23
Less : Expenditure incurred	2055.76	1792.58
	1410.33	1435.65

10.4 Due to change in the rate of depreciation of photocopy machine, Fax machine, Mobile Phone, Digitally enhance cordless telephone, Computer (including printer & Scanner) the profit for the year has been decreased by ₹2.40 crore.

11.0 CONTINGENT LIABILITIES

11.1 The details of Contingent liability are given below :-

Particulars	As at 31.03.2014 (₹ In crore)	As at 31.03.2013 (₹ In crore)
Suits against the Company	142.76	158.18
Other Claims	1656.94	1484.26
Central Excise Duty	210.12	142.24
Income Tax	1139.30	729.49
Sales Tax	124.05	47.56
Road Tax	47.05	36.14
Letter of Comfort/Credit	270.29	271.74
TOTAL	**3590.51**	**2869.61**

11.2 Some claims are pending in Court for enhancement of compensation for land acquired from private parties and others in respect of which the amount is not ascertained.

11.3 Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) in relation to execution of works and purchase of machinery & equipment is ₹476.99 crore (as at 31.03.2013, ₹496.16 crore)

11.4 Estimated amount of contracts remaining to be executed on revenue account/ other commitments and not provided for is ₹3589.16 crore (as at 31.03.2013, ₹4255.70 crore)

11.5 Liability in some cases of land acquired under Coal Bearing Areas (Acquisition and Development) Act, 1957 could not be ascertained and sanctioned and hence not provided for.

11.6 Since the matter regarding charging of Central Excise Duty on Royalty and Stowing Excise duty is subjudice, further action regarding recovery of the same from customers will be taken up after Court decides the matter and depending on the outcome of the case. Pending disposal of the case ₹ 210.12 crore appears as contingent liability.

11.7 Pending reconciliation of the list of Dumpers with the Regional Transport Authorities and review of the old court cases filed by MCL against them, ₹47.05 crore appears as contingent liasbility. Review and reconciliation exercise is in process.

12.0 CHARGE ON CURRENT ASSETS (NOTE-15 AND NOTE-16)

A charge has been created for ₹165.00 crore on Book-debts and Inventories for securing working capital facility from CIL's Consortium Banks as per joint deed of hypothecation - dated 16.12.2003 and subsequent Company Board Resolution dated 23.08.2011.

13.0 RETIREMENT BENEFITS

13.1 Details of Actuarial liability/provision as on 31.03.2014

(₹ In crore)

Head	Opening Actuarial Liability/Provision as on 01.04.13	Incremental Liability/Provision for the year	Deposited/ Paid to MCL Group fund upto end of the year	Closing Actuarial Provision/Liability as on 31.03.14
Gratuity	22.84	23.41	62.63	-16.38
Earned Leave	151.15	14.07	--	165.22
Half Pay Leave	36.39	3.02	--	39.41
Life Cover Scheme	6.03	-1.00	--	5.03
Settlement Allowance-Executives	0.23	0.03	--	0.26
Settlement Allowance-Non-Executives	15.13	-0.45	--	14.68
Gross Personal Accident	0.13	-0.02	--	0.11
Leave Travel Concession	29.80	-0.82	--	28.98
Medical Benefits	41.09	13.68	--	54.77
Compensation to Dependants in case of mine accidental death	15.06	-2.39	--	12.67
Total	**317.85**	**49.53**	**62.63**	**304.75**

13.2 Contribution to Provident Fund and other fund (Note 24) of ₹176.09 crore includes ₹7.54 crore paid to Ex-NCDC employees which have been charged to Revenue on cash basis under Employees Benefit Expenses Note-24.

13.3 Pension management in respect of employees of the Group, is done by Coal Mines Provident Fund Authority (an independent body).

14 TRANSACTIONS RELATING TO HOLDING GROUP

14.1 Service charges of CIL as per Note -31 amounting to₹ 62.04 crore including service tax (for previous year ended on 31.03.2013 ₹60.62 crore) is levied by the Holding Company towards rendering various services like procurement, foreign contract, marketing and Corporate Service, based on agreement entered on 1st July, 1998 as per intimation from Holding Company.

14.2 Training expenses (Note 31- Other expenditure) includes an amount to ₹5.52 crore (for previous year ended on 31.03.2013 ₹5.39 crore) levied by the Holding Company on account of payment to Indian Institute of Coal Management.

14.3 As per CIL Board resolution in its 214th meeting held on 12.2.2004, the Group has charged₹68.61 crore (for previous year ended on 31.03.2013 ₹67.18 crore) on despatch of coal towards Rehabilitation Fund set up by Coal India Limited.

15 EXCHANGE RATE FLUCTUATION

15.1 Consequent upon fluctuation in the value of foreign currency loans, the rupee liability of the Group in respect of such loans has increased by₹13.29 crore (as at 31.03.2013, decreased by ₹0.22 crore). This increase has been adjusted in the carrying cost of the fixed assets to the extent of increase of ₹4.06 crore (as at 31.03.2013 decrease by₹0.13 crore) and the balance of ₹9.23 crore (as at 31.03.2013, gain for ₹0.09 crore-Gain on foreign exchange transactions - Note 21) has been shown as "Loss on Exchange Rate Variance" in Note-31.

16 COMPLIANCE OF ACCOUNTING STANDARDS:

16.1 AS-12: Accounting for Government Grants: The Group has recognized ₹0.88 crore (Note -21) (for previous year ended on 31.03.2013 ₹0.55 crore) as Income from Stowing and Protective Subsidy and ₹ 51.25 crore of CCDA grant has been deducted from Long term advance capital (Note -12) .

16.2 AS-15 : Accounting for Employee Benefits: The group has determined the liability for employee benefits as at 31.03.2014 in accordance with the revised AS 15 – Employee benefits issued by ICAI .

The following disclosures have been made in accordance with AS-15 (Revised) pertaining to gratuity (funded plan).

Table Showing Changes in Present Value of Obligations: *(₹ in Crores)*

Particulars	As at 31/03/2014
Present Value of Obligation at Beginning of year	630.91
Acquisition Adjustment	0.00
Interest Cost	50.75
Past Service Cost	0.00
Current Service Cost	34.26
Curtailment cost	0.00
Settlement Cost	0.00
Benefits Paid	67.61
Actuarial gain/loss on Obligations	-5.60
Present Value of Obligation at end of Year	642.71

Table Showing Changes in Fair Value of Plan Assets: *(₹ in Crores)*

Particulars	As at 31/03/2014
Fair Value of Plan Asset At Beginning of year	608.07
Acquisition Adjustment	0.00
Expected Return on Plan Asset	51.68
Contributions	62.63
Benefits Paid	67.61
Actuarial gain/loss on Plan Asset	4.32
Fair Value of Plan Asset at End of year	659.09

Table Showing Funded Status: *(₹ in Crores)*

Particulars	As at 31/03/2014
Present Value of at end Year	642.71
Fair Value of Plan at end Year	659.09
Funded Status	16.38
Unrecognized actuarial gain/ at end of the year	0.00
Net Asset (Liability) Recognized in Balance Sheet	16.38

Table Showing Expense Recognised in Statement of Profit/Loss: *(₹ in Crores)*

Particulars	As at 31/03/2014
Current Service Cost	34.26
Past Service Cost	0.00
Interest Cost	50.75
Expected Return on Plan Asset	51.68
Curtailment cost	0.00
Settlement Cost	0.00
Actuarial gain/loss recognized in the year	-9.92
Expense Recognized in of Profit/Loss	23.41

Table Showing Acturial Assumptions: *(₹ in Crores)*

Particulars		As at 31/03/2014
Mortality Table	:	IALM (2006-08)
Superannuation Age	:	60
Early Retirement & Disablement	:	10 PER THOUSAND P.A.
	:	6 above age 45
	:	3 between 29 and 45
	:	1 below age 29
Discount Rate	:	8.50 %
Inflation Rate	:	6.25 %
Return on Asset	:	8.50 %
Remaining Working Life	:	13 Years
FORMULA USED	:	PROJECTED UNIT CREDIT METHOD

Movements in Liability Recognized in Balance Sheet: *(₹ in Crores)*

Particulars	As at 31/03/2014
Opening Net Liability	22.84
Expenses as above	23.41
Contributions	62.63
Closing Net Liability	-16.38
Closing Fund/Provision at end of Year	642.71

The following disclosures has been made in accordance with AS-15 (Revised) pertaining to leave encashment benefits (EL/ HPL) (unfunded plan)

Table Showing Changes in Present Value of Obligations: *(₹ in Crores)*

Particulars	As at 31/03/2014
Present Value of Obligation at Beginning of year	187.54
Acquisition Adjustment	0.00
Interest Cost	15.50
Past Service Cost	0.00
Current Service Cost	48.97
Curtailment cost	0.00
Settlement Cost	0.00
Benefits Paid	10.43
Actuarial gain/loss on Obligations	-36.95
Present Value of Obligation at end of Year	204.63

Table Showing Expenses Recognized in Statement of Profit/Loss: *(₹ in Crores)*

Particulars	As at 31/03/2014
Current Service Cost	48.97
Past Service Cost	0.00
Interest Cost	15.50
Expected Return on Plan Asset	0.00
Curtailment cost	0.00
Settlement Cost	0.00
Actuarial gain/loss recognized in the year	-36.95
Expense Recognized in Statement of Profit/Loss	27.52

Table Showing Acturial Assumptions: *(₹ in Crores)*

Particulars		As at 31/03/2014
Mortality Table	:	IALM (2006-08)
Superannuation Age	:	60
Early Retirement & Disablement	:	10 PER THOUSAND P.A.
	:	6 above age 45
	:	3 between 29 and 45
	:	1 below age 29
Discount Rate	:	8.50 %
Inflation Rate	:	6.25 %
Return on Asset	:	N/A
Remaining Working Life	:	13 years
FORMULA USED	:	PROJECTED UNIT CREDIT METHOD

Movements in Liability Recognized in Balance Sheet: *(₹ in Crores)*

Particulars	As at 31/03/2014
Opening Net Liability	0.00
Expenses as above	27.52
Contributions	0.00
Closing Net Liability	27.52
Closing Fund/Provision at end of Year	204.63

Note as per Appendix B of AS 15 (Revised 2005)

As the scheme is unfunded charges to Profit/Loss Account has been based on following assumptions:-

(1) Previous obligation was provided for at last accounting date.
(2) Benefit to exits has been paid to debit of above provision.
(3) Current obligation will be provided for at current accounting date.

16.3 AS-16: Borrowing Cost - There are no qualifying assets for which interest has been borne by the Group, as such no borrowing cost has been capitalized.

16.4 AS-17: Segment Reporting - The Group is primarily engaged in a single segment business of production and sale of coal. There is no reportable primary segment identifiable in accordance with AS-17.

16.5 AS -18 Related party disclosures : In view of exemption granted to state controlled enterprises as regards related party relationship with other state controlled enterprises and transactions with such enterprises, no disclosure under AS 18 is required.

16.6 AS-20: Earning per share - The basic earnings per share (EPS) is computed by dividing the net profit after tax for the year by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted EPS, net profit after tax for the year and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

The computation of EPS is set out below :

Particulars	Current year ended on 31.03.2014	Previous year ended on 31.03.2013
Profit after tax (₹ in crore)	3624.30	4212.44
Profit attributable to ordinary shareholders (₹ in crore)	3624.30	4212.44
No. of ordinary Shares for basic and diluted EPS (Nos.)	1864009	1864009
Nominal value of Ordinary Shares (₹)	1000	1000
Basic & Diluted Earning per ordinary Share (₹)	19443.58	22598.82

16.7 AS-21: Investments in subsidiaries: Consolidated Financial Statements have been prepared by the management in accordance with the requirement of Accounting Standard -21 – Consolidated Financial Statement issued by ICAI. The details of minority interest are given hereunder:

Name of subsidiary	Address	State of parent Company	Date of incorporation	Minority inerest as per consolidated Accounts as at 31.03.2014 (₹ in crore)
1) MNH Shakti Ltd.	Anand Vihar, Burla Sambalpur	70%	16.07.2008	25.53
2) MJSJ Coal Ltd.	House No.42, 1st floor Anand Nagar, Hakimpara, Angul	60%	13.08.2008	38.07
3) Mahanadi Basin Power LImited	Plot No. G-3 Mancheswar Railway Colony, Bhubaneswar	100%	02.12.2011	–
TOTAL				**63.60**

All the subsidiaries are in development stage.

16.8 AS -27: Financial Reporting of Interests in Joint Ventures: On 8th January 2013 a joint venture Company named Neelanchal Power transmission Company Pvt Limited was incorporated by virtue of a joint venture agreement between the group and Odisha Power Transmission Corporation Ltd. Upto 31.03.2014, the group has incurred ₹0.02 crore(for previous year ₹0.02 crore) for miscellaneous expenses incidental for incorporation and the same has been included in claim receivables (Note -18). There is no investment in the joint venture company upto 31.03.2014.

16.9 AS-28: Impairment of assets: In coal industry, fixed assets are classified under Major heads viz. Land , Buildings, Plant and Machinery, Exploration Boring and Development , In case of land and building , there is universally upward trend in valuation. Unless there is damage to buildings, there is no need to make any provision. Similarly in case of plant and machinery, there is no downward trend in price as per RBI index , hence no impairment unless asset is obsolete or damaged . However impairment is considered for old machinery meant for exclusive use in loss making underground mines. In coal industry, only prospecting , boring and development expenses can be prima facie considered to have been impaired in continuous loss making mines, provided there is no clear indication for its revival in near future.

A provision for ₹0.66 crore (for previous year ending on 31.03.2013 ₹0.36 crore) has been made during the year against other fixed assets (with no alternative use value). Thus total cumulative provision for Impairment as at 31.03.2014 stands at ₹26.75 crore (as at 31.03.2013 ₹26.09 crore).

16.10 **Accounting Standard 29:**

16.10.1 As per guideline No 55011-01-2009 –CPAM dt 27.08.2009 & subsequent guidelines dated 07.01.2013 issued by Ministry of Coal, Government of India, the Group has made a provision during the current year for Mine Closure Expenses in respect of all operating mines based on mine closure plan prepared by Central Mine Planning & Design Institute Limited.

16.10.2 Provision for Mine Closure Expenses Note-5 includes ₹5.39 crore on account of provision taken towards stowing and stabilization of unstable workings of Deulbera colliery after adjusting current year expenditure ‘ Nil against a comprehensive scheme of ₹9.44 crore (Excluding departmental salary and wages for ₹18.21 crore). As the stabilization of unstable workings of Deulbera Colliery through sand stowing is being carried out by existing departmental manpower of Deulbera Colliery, salaries and wages for ₹18.21 crore being part of the scheme has not been provided for.

16.10.3 Details of movements in provision in accordance with AS 29: (₹in crore)

Sl.No.	Particulars	Opening	Provision/ Balance as at01.04.13	Paid/adjustment addition during the Current Year	Balance during the Current Year	as at 31.03.2014
1.	Provision for Reclamation of Land		0.79	--	--	0.79
2.	OBR Adjustment		8502.18	1410.33	--	9912.51
3.	Provision for Taxation (including Wealth Tax)		1987.75	1837.50	(1932.59)	1892.66
4.	Provision for Dividend		1028.93	--	(1028.93)	--
5.	Mine Closure Plan		244.22	70.42	--	314.64
6.	Provision for Doubtful Debts		21.02	13.70	--	34.72
7.	Provision for Loan and Advances		2.97	--	(0.08)	2.89
8.	Provision for Capital Work-in-Progress		10.88	0.96	(0.02)	11.82
9.	Provision for Stores & Spares		14.27	0.57	--	14.84
10.	Provision for Loss of Assets		0.23	--	--	0.23

17. ACCOUNTING FOR TAXES ON INCOME

17.1 For the current year, the Income Tax provision has been taken at ₹1837.38 crore (Previous year ended on 31.03.2013 ₹1964.72 crore). In addition, ₹0.12 crore has been provided for current wealth tax.

17.2 As per requirement of Accounting standard -22, there is a net deferred tax liability of ₹28.08 crore as at 31.03.2014 (as at 31.03.2013 Liability ₹60.68 crore). The Deferred tax liability /assets comprises of tax effect of timing differences as detailed below:

	As on 31.03.2014 (₹in crore) (liability)	As on 31.03.2013 (₹in crore) (liability)
Deferred Tax Liability		
Excess of Net Block over written down value as per provisions of Income Tax Act, 1961	-14.84	20.64
Deferred Tax Asset		
Provision for Doubtful Debt	8.14	3.49
Provision for other Employee Benefits	--	--
Provision for Leave Encashment	56.41	51.02
Provision for Gratuity	1.87	11.79
Provision for Doubtful Advances	0.91	0.94
Disallowance u/s43B of I.T. Act	16.11	15.35
Provision of Reclamation of Land	23.83	--
Other Provision/Misc. items	-150.09	-122.63
Sub Total	-42.62	-40.04
Total	28.08	60.68
Net Defferred Tax Asset(-)/liability(+)	**28.08**	**60.68**

18.0 GENERAL

18.1 Confirmation of balances of Sundry Creditors., various advances and deposits received etc. has not been obtained in all cases.

18.2 The Group has not received any intimation from "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid / payable as required under the said Act have not been furnished.

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

19.0 OTHERS.

A. Directors' Remuneration *(₹ in crore)*

	For the year ended 31.03.2014	For the year ended 31.03.2013
Salary	1.11	1.08
P.F.	0.12	0.10
Perquisites	0.02	0.02
Director's Sitting Fee	0.07	0.16
TOTAL	**1.32**	**1.36**

Note:

i. Perquisites do not include value/charges for house rent/electrical energy, which has been recovered as per rules of the Group and value of free medical facilities in Group hospitals/dispensary.

ii. The Chairman-cum-Managing Director and full time Directors. have the option to use the staff car for purposes other than official duty up to a ceiling of 750 Km per month, on payment at concessional rate, in accordance with the provisions of Government of India, Ministry of Finance, Bureau of Public Enterprises O.M. No.2 (18)/PC-64 dated 20.11.1964 as amended from time to time.

B. Imports ***(₹ in crore)***

C.I.F. Value of imports	For the year ended 31.03.2014	For the year ended 31.03.2013
(i) Raw Materials	Nil	Nil
(ii) Components and Spare Parts	2.89	2.96
(iii) Capital Goods	8.76	1.28

C. Expenditure in Foreign Currency *(₹ in crore)*

	For the year ended 31.03.2014	For the year ended 31.03.2013
(i) Travelling	0.02	0.03
(ii) Commitment Charges	Nil	Nil
(iii) Interest	1.25	2.05
(iv) Others	Nil	Nil

D. Value of imported/indigenous Raw materials, Stores & Spares and components consumed:

Particulars	For Current Year ended 31.03.2014 Value (₹ in crore)	Percentage	For the Previous ended 31.03.2013 Value (₹ in crore)	Percentage
Imported	Nil	Nil	0.10	0.02
Indigenous	626.35	100.00	555.65	99.98
Total	**626.35**	**100.00**	**555.75**	**100.00**

20.0 APEX OFFICE AND INTEREST CHARGES TO HOLDING COMPANY

20.1 Apex office charges as levied by Holding Company has been allocated to revenue mines on the basis of coal production.

20.2 Interest on loans through Holding Company for procurement of specific assets has been accounted for as per terms of loan agreement and corresponding memos from them.

21.0 Revision of Schedule VI to the Companies Act 1956 (w.e.f. 01.04.2011)

Following the Gazette notification dated 30th March, 2011 the Schedule VI of the Companies Act 1956 dealing with the format of Balance Sheet has modified and a format for Statement of Profit & Loss is introduced.

The format as per revised Schedule VI has been applied while preparing this accounts. Following the new guidelines of the revised format inter-alia, the following segregation have been made in the Balance Sheet:-

Current Assets

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 month after the reporting date

It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reposting date.

Non-Current Assets

All assets other than current assets are Non- Current Assets

Current Liabilities

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

It is held primarily for the purpose of being traded

It is due to be settled within twelve month after the reporting date

The group 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.

Non-Current Liabilities

All liabilities other than current liabilities are Non- Current Liabilities.

As there is no normal operating cycle, the same is considered to be 12 months year.

For and on behalf of Board of Directors

Sd/-	Sd/-	Sd/-
(A. K. Singh)	(S.Kannan)	(S K Paul)
Company Secretary	**CFO**	**General Manager(Finance)**

Sd/-	Sd/-
(J. P. Singh)	(A.N. Sahay)
Director(T)/(P&P)	**Chairman-Cum-Managing Director**

As per our report of even date
For & on behalf of
PAMS & ASSOCIATES
Chartered Accountants

Sd/-
(CA M P MAHAPATRA)
Partner
(Membership No.55113)

Place : New Delhi
Date : 26.05.2014

CASH FLOW STATEMENT FOR THE YEAR ended on 31.03.2014

		FOR THE YEAR ENDED ON 31.03.2014 (₹ in Crore)	FOR THE YEAR ENDED ON 31.03.2013 (₹ in Crore)
A.	**CASH FLOW FROM OPERATING ACTIVITIES**	**5429.08**	**6202.48**
	Net Profit before tax and extraordinary items		
	Adjustment for :		
	Depreciation & impairment	236.80	175.46
	Exchange Rate Fluctuation	9.23	(0.09)
	OBR Adjustment	1410.33	1435.65
	Interest / Dividend (Received)	(1406.53)	(1531.84)
	Inerest / Financial Charges (Paid)	14.89	4.97
	Provision against Debtors/Inventories/other CA/ Loans & Advances etc.	189.63	194.63
	Operating Profit before Working Capital Changes	**5883.43**	**6481.26**
	Adjustment for :		
	Changes in Inventories	48.44	85.03
	Changes in Trade Receivables	118.82	(200.74)
	Changes in Long Term/Non Current Loan & Advances/Assets	5.48	(93.83)
	Changes in Short Term/Current Loans and Advances/Assets	185.45	(478.84)
	Changes in Trade Payable/Current Liabilities/Long Term Liabilities	317.68	21.62
	Cash Generated from Operations	**6559.30**	**5814.50**
	Direct taxes paid	(3408.98)	(2622.45)
	Cash Flow before Extraordinary Items	**3150.32**	**3192.05**
	Extraordinary Items	--	--
	Net Cash from Operating Activities	**3150.32**	**3192.05**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of Fixed Assets	(849.92)	(465.46)
	Short Term Deposit with CIL	1315.59	(153.54)
	Miscellaneous Receipts	--	--
	Acquisition of Companies	--	--
	Purchase of New Investments (Current/Non-Current)	(594.29)	(663.25)
	Interest Received	1363.13	1508.21
	Dividend received from Mutual Funds Received (non-trade)	43.40	23.63
	Net Cash used in Investing Activities	**1277.91**	**249.59**

Contd....

CASH FLOW STATEMENT FOR THE YEAR ended on 31.03.2014

		FOR THE YEAR ENDED ON 31.03.2014 (₹ in Crore)	FOR THE YEAR ENDED ON 31.03.2013 (₹ in Crore)
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	World Bank Loans through CIL	(109.88)	(22.05)
	Deferred Credit Loan	1.03	(0.31)
	Exchange Rate Fluctuation	(9.23)	0.09
	Repayment of CIL Loan	--	--
	Redemption of preference share capital	--	--
	Interest and financial charges	(14.89)	(4.97)
	Issue of Share Capital		10.00
	Dividend paid	(7012.09)	(2720.51)
	Net Cash used in Financing Activities	**(7145.06)**	**(2737.75)**
	Net increase in Cash and Cash Equivalents	**(2716.83)**	**703.89**
	Cash and cash equivalents as at beginning of the year	13145.14	12441.25
	Cash and Cash Equivalents as at end of the period	**10428.31**	**13145.14**

The aforesaid statement is prepared on indirect method

The figures of the previous year have been reclassified to confirm to current year classification.

Note : Cash & Cash Equivalents as amounting to ₹ 434.72 crore (as at 31.03.2013 ₹ 185.24 crore) (refer para 7.0 of Additional Notes on Accounts) are not available for use by the Company.

For and on behalf of Board of Directors

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
(A.K. Singh)	**(S. Kannan)**	**(S.K. Paul)**	**(J.P. Singh)**	**(A.N. Sahay)**
Company Secretary	CFO	*General Manager (Finance)*	*Director (T) (P&P)*	*Chairman-cum-Managing Director*

Date : 26.05.2014
Place : New Delhi

As per our report on even date
For **PAMS & Associates,**
Chartered Accountants
Sd/-
(CA M P Mahapatra)
Partner
(Membership No. 055113)

PARTNERING DEVELOPMENT

Odisha Sports Promotion & Development Company

(Through An SPV of MCL with *idco*)

A *Chak De* initiative

One of the key activities of OSPDC is promoting a franchise in Hockey India League.

Football players of peripheral village teams of MCL's B-G Area in Sundergarh pose for a photograph.

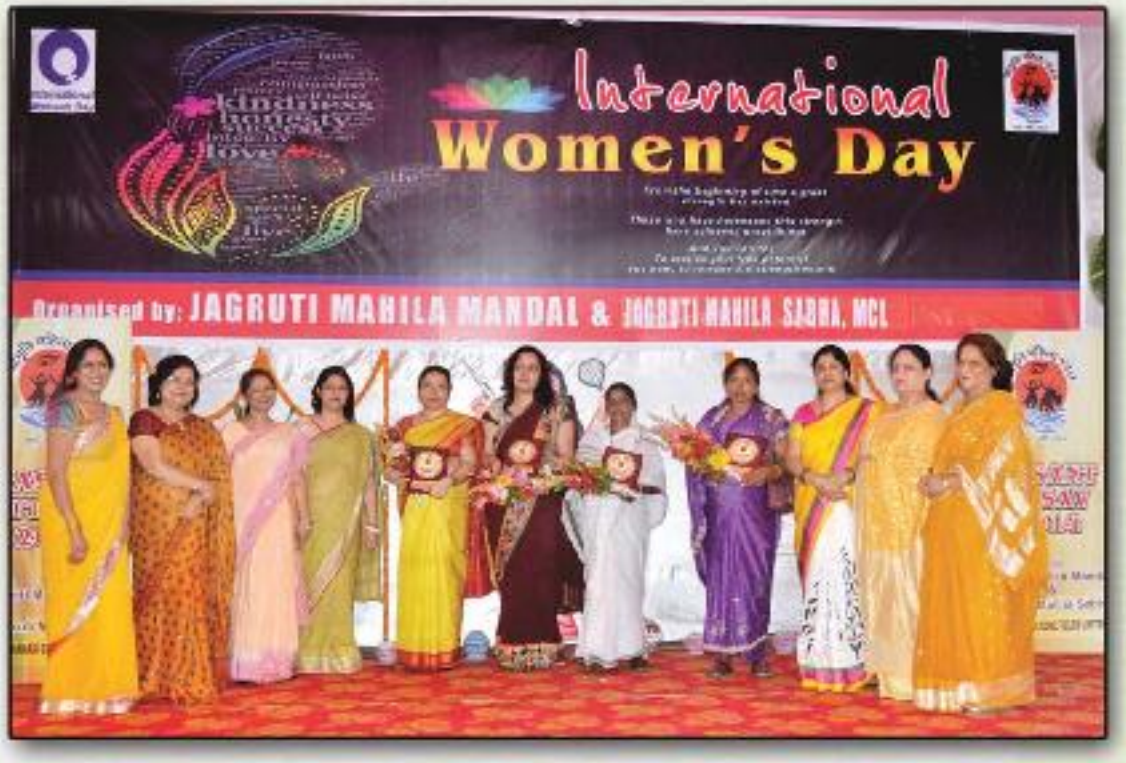
www.mcl.gov.in

An important cog in MCL's CSR wheel

Jagriti Mahila Mandal, a philanthropic and voluntary organisation of the wives of MCL employees, is an important cog in the Corporate Social Responsibility (CSR) wheel of the company.

The Jagriti Mahila Mandal of MCL Runs sewing centre for the poor

- Conducts computer training programmes for the weaker sections
- Educates the peripheral village women on hygiene and sanitation
- Provides essential commodities on regular basis to orphanages, old-age homes and leprosy colonies
- Undertakes medical camps in peripheral villages Provides study materials to needy children

A member of self-help group promoted by Jagriti Mahila Mandal presenting phenyl manufactured by them

Girls of a peripheral Durgapalli village have been enrolled in Ladli Pariyojana