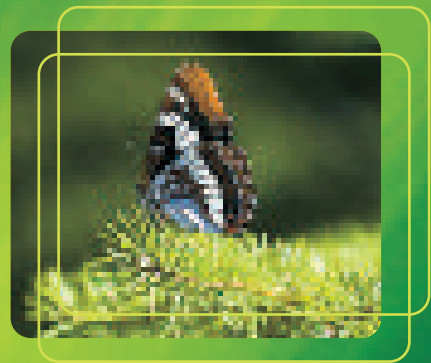


28<sup>th</sup>  
Annual Report  
2013-14



SOUTH EASTERN COALFIELDS LIMITED  
(A Mini Ratna PSU)



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## VISION & MISSION

### VISION

The vision of South Eastern Coalfields Limited (SECL) is to be leading energy supplier in the country, by adopting the best practices and leading technology from mine to market.

### Mission

The mission of South Eastern Coalfields Limited (SECL) is to produce and market the planned quantity of coal and coal products efficiently and economically with due regard to safety, conservation and quality.

**REFERENCE INFORMATION**

Corporate Identification Number (CIN)  
U10102CT1985GOI003161

**REGISTERED OFFICE**

South Eastern Coalfields Limited  
Seepat Road,  
Bilaspur (Chhattisgarh) - 495 006  
Phone No. 07752 246379-399  
Fax No. 07752 246451  
Website: www.secl.gov.in

**BANKERS**

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

**STATUTORY AUDITORS**

M/s. R. Gopal & Associates  
Chartered Accountants,  
New Shanti Nagar, Old Pipe Factory Road,  
Raipur (Chhattisgarh) - 492 004

**BRANCH AUDITORS**

M/s. M Raghunath & Co.  
Chartered Accountants  
6, Garstin Place,  
Ashoka Chambers,  
1st Floor, Room No. 1  
Kolkata (West Bengal) - 700 001

M/s. DE & Bose  
Chartered Accountants,  
8/2, Kiran Shankar Roy Road,  
2nd Floor, Room No.1,  
Kolkata (West Bengal) - 700 001

M/s. HEM Sandeep & Co.  
Chartered Accountants,  
B-18, Shubhalaya Pearl, Near-Nikhil, Phase-3  
Bwadiya Kala, Hoshangabad Road,  
Bhopal (Madhya Pradesh) - 462 026

**COST AUDITORS**

M/s. S. C. Mohanty & Associates  
511, Sahidnagar,  
Bhubaneswar (Odisha) - 751 007

M/s. ABK & Associates  
Jamuna Niwas, 1st Floor,  
32-A, Jai Bharat Society, Khar (West),  
Mumbai (Maharashtra) - 700 052

M/s. R. S. Tiwari & Co.  
A-3, Nehru Nagar,  
Bilaspur (Chhattisgarh) - 495 001

M/s. P A N Murty & Co.  
B-101, Sai Parisar,  
Srikant Verma Marg,  
Bilaspur (Chhattisgarh) - 495 001

**PRACTICING COMPANY SECRETARY**

M/s. AGR Reddy & Co.  
#202, Pavani Annexe,  
Road No.2, Banjara Hills  
Hyderabad (Andhra Pradesh) - 500 034



## **BOARD OF DIRECTORS**

### **BOARD OF DIRECTORS DURING (2013-14)**

#### **Chairman-Cum-Managing Director**

Shri N. Kumar (w.e.f. 01.11.2012)

#### **Functional Directors**

Shri A.R. Komawar, Director (Finance)  
(Up to 31.07.2013)

Shri P.K. Roy Chowdhury, Director (Tech) Oprn  
(Up to 30.11.2013)

Shri Anil Kumar Singh, Director (Personnel)  
(w.e.f. 23.11.2011)

Shri A. P. Panda, Director (Finance)  
(w.e.f. 01.08.2013)

Shri R. P. Thakur, Director (Tech) Oprn,  
(w.e.f. 01.12.2013)

#### **Part-time Official Directors**

Shri A.K. Bhalla, (w.e.f. 06.07.2010)  
Joint Secretary,  
Ministry of Coal, Govt. of India,  
New Delhi

Shri A. Chatterjee (w.e.f. 03.12.2012)  
Director (Finance), Coal India Limited  
Kolkata

#### **Part-time Non-Official Directors**

Dr. R. N. Trivedi, Former IAS (Up to 18.08.2013)

Shri H.S. Chahar, Former IAS (Up to 21.02.2014)

Shri Amitav Kothari, Practicing CA (Up to 21.02.2014)

Dr. Amalendu Sinha, Director, CIMFR (Up to 21.02.2014)

#### **Permanent Invitee**

Shri B. K. Joshi (w.e.f. 02.01.2012)  
Chief Operations Manager  
South East Central Railway (SECR)  
Bilaspur (CG)

### **BOARD OF DIRECTORS (AS ON 10.06.2014)**

#### **Chairman-Cum-Managing Director**

Shri N. Kumar

#### **Functional Directors**

Shri Anil Kumar Singh, Director (Personnel)

Shri A. P. Panda, Director (Finance)

Shri R. P. Thakur, Director (Tech) Oprn,

#### **Part-time Official Directors**

Shri A.K. Bhalla,  
Joint Secretary  
Ministry of Coal, Govt. of India,  
New Delhi

Shri A. Chatterjee, Director (Finance)  
Coal India Limited  
Kolkata

#### **Part-time Non-Official Directors**

NIL

#### **Permanent Invitee**

Shri B. K. Joshi  
Chief Operations Manager  
South East Central Railway (SECR)  
Bilaspur (CG)

#### **Company Secretary**

Shri S.M. Yunus

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 28<sup>th</sup> Annual General Meeting of the members of SOUTH EASTERN COALFIELDS LIMITED will be held **on Tuesday, the 10<sup>th</sup> June, 2014 at 11.30 a.m. at the Registered Office of the Company at Seepat Road, Bilaspur – 495 006 (Chhattisgarh)**, to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Financial Statements (Standalone & Consolidated) for the year 2013-14 together with the Statement containing salient features of financial statements of subsidiaries, Reports of the Board of Directors and Auditors' thereon and comments of the Comptroller & Auditor General of India.
2. To confirm the payment of two Interim dividend and declare final dividend on equity shares for the year 2013-14.
3. To appoint a Director in place of Shri A.K. Bhalla (DIN: 03151465), who retires by rotation in terms of Article 33(e) (iii) of the Articles of Association of the Company and is eligible for re-appointment.
4. To appoint a Director in place of Shri A. Chatterjee (DIN: 03042453), who retires by rotation in terms of Article 33(e) (iii) of the Articles of Association of the Company and is eligible for re-appointment.

### SPECIAL BUSINESS:

5. To ratify the remunerations of Cost Auditors appointed for conducting cost audit of the company for the year 2014-15 & 2015-16, as recommended by the Audit Committee and approved by the Board of Directors of SECL, by passing the following resolution with or without modification(s):

**“RESOLVED THAT** the remunerations of Cost Auditors for conducting cost audit of respective areas of SECL for the year 2014-15 & 2015-16, as recommended by the Audit Committee and approved by the Board of Directors of SECL at its 213<sup>th</sup> meeting held on 18.05.2013 (Item No. 213:4:8), be and are hereby ratified.”

*By order of the Board of Directors*  
**For South Eastern Coalfields Limited**

**Sd/-**  
(S.M. Yunus)  
Company Secretary

*Registered Office:*  
**Seepat Road,**  
**Bilaspur (CG) – 495 006**  
Date: 4<sup>th</sup> June, 2014



## NOTES

1. The Shareholders are requested to give their consent in writing or by electronic mode for calling the Annual General Meeting at a shorter notice pursuant to the provisions of the Section 101(1) of the Companies Act, 2013.
2. 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. THE PROXY FORM SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN FORTY-EIGHT HOURS (48 HRS.) BEFORE THE TIME OF COMMENCEMENT OF THE MEETING. BLANK PROXY FORM (FORM MGT-11) IS ATTACHED.
3. Corporate Member(s) are requested to send to the Registered Office of the Company, a duly certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorizing their representative to attend and vote at the Annual General Meeting.
4. Relevant Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of Special Business, as set out above is also annexed hereto.
5. All documents referred to in the notices and annexure thereto along with other mandatory registers/documents are open for inspection at the registered office of the Company on all working days during business hours, prior to the date of 28th Annual General Meeting.
6. Pursuant to the provisions of Section 171(1)(b) and 189(4) of the Companies Act, 2014, the registers required to be kept open for inspection at every Annual General Meeting of the company, shall accessible during the continuance of the meeting to any person having the right to attend the meeting.

### **Distribution:**

1. M/s. Coal India Limited, Kolkata.
2. Shri S. Narsing Rao, Chairman-cum-Managing Director, CIL, Kolkata.
3. Shri A. Chatterjee, Director (Finance), CIL, Kolkata.
4. Shri N. Kumar, CMD, SECL, Bilaspur.
5. Shri A. K. Bhalla, Chairman – Audit Committee of SECL Board.
6. M/s. R. Gopal & Associates, CA, Principal Statutory Auditors, Raipur.
7. M/s. S C Mohanty & Associates, Lead Cost Auditor, Bhubaneswar.
8. M/s AGR Reddy & Co., Practicing Company Secretaries, Hyderabad.
9. All Functional Directors of SECL.

## STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

### ITEM NO. 5

#### RATIFICATION OF THE REMUNERATIONS OF COST AUDITORS

The SECL Board at its 213<sup>th</sup> meeting held on 18.05.2013 (Item No. 213:4:8) had approved the Audit Committee Recommendations to appoint the Cost Audit Firms together with their Audit Fee, OPE & Service Tax for conducting cost audit of the company for the years 2013-14, 2014-15 and 2015-16.

Now, provisions of the new Companies Act, 2013 has been notified by Ministry of Corporate Affairs and are applicable to the company w.e.f. 01.04.2014. Section 148(3) of the Companies Act, 2013 provides that *“the audit under Section 148 sub-section (2) shall be conducted by a Cost Accountant in practice who shall be appointed by the Board on such remuneration as may be determined by the members in such manner as may be prescribed”*.

**Further, Rule 14 of the Companies (Audit and Auditors) Rules, 2014 reads as under:**

14. Remuneration of the Cost Auditor: For the purpose of sub-section (3) of section 148,-

*(a) In the case of companies which are required to constitute an audit committee –*

- i. the Board shall appoint an individual, who is a cost accountant in practice, or a firm of cost accountants in practice, as cost auditor on the recommendations of the Audit committee, which shall also recommend remuneration for such cost auditor;*
- ii. the remuneration recommended by the Audit Committee under (i) shall be considered and approved by the Board of Directors and ratified subsequently by the shareholders.*

In view of the above, the remuneration of Cost Auditors for conducting cost audit for the year 2014-15 & 2015-16, as recommended by the Audit Committee and approved by the Board of Directors of SECL are required to be ratified by Shareholders in a general meeting, by way of Special resolution as under:

**“RESOLVED THAT** the remunerations of Cost Auditors for conducting cost audit of respective areas of SECL for the year 2014-15 & 2015-16, as recommended by the Audit Committee and approved by the Board of Directors of SECL at its 213<sup>th</sup> meeting held on 18.05.2013 (Item No. 213:4:8), be and are hereby ratified.”

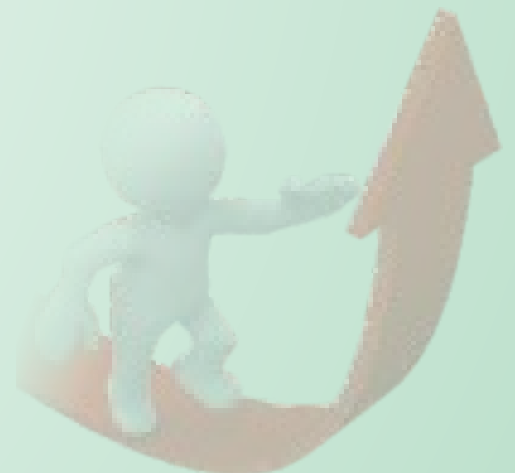
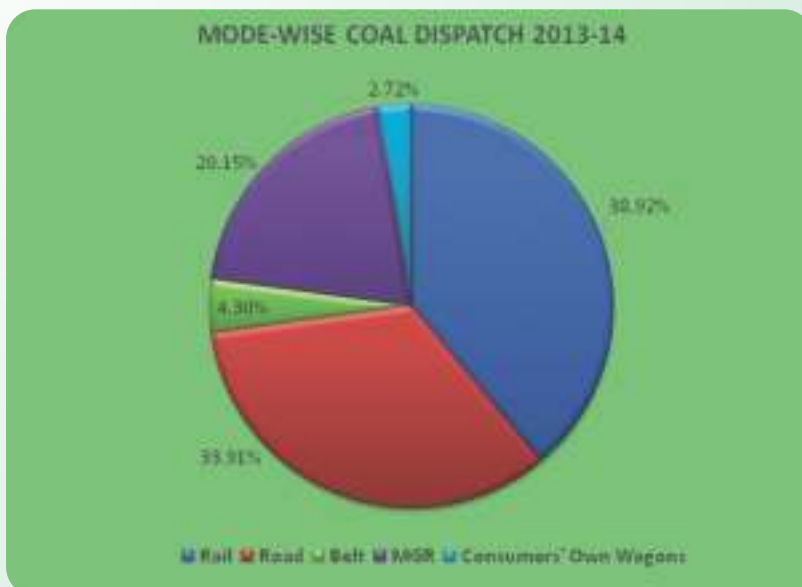
None of the director, manager, key managerial personnel, or their relatives are concerned or interested, financial or otherwise, in respect of the above resolution.

The SECL Board at its 223<sup>rd</sup> meeting held on 29.04.2014 (Item No. 223:4:27) has recommended the above resolution for your approval.



## THE YEAR AT A GLANCE

PARTICULARS	UNIT	2013-14	2012-13
Production of Raw Coal :			
i Coal Production from Opencast Mines	Million Tonnes	107.845	101.35
ii Coal Production from Underground Mines	Million Tonnes	16.416	16.87
<b>Total Coal Production</b>	Million Tonnes	124.261	118.22
Sale of Coal	₹ (in Crores)	22228.61	21408.13
Profit before tax (PBT)	₹ (in Crores)	7202.68	6290.37
Profit after tax (PAT)	₹ (in Crores)	4772.30	4299.03
Dividend	₹ (in Crores)	2863.38	2579.41
Dividend tax	₹ (in Crores)	486.63	427.27
Retained Profit	₹ (in Crores)	6442.68	5566.24
Net Fixed Asset	₹ (in Crores)	3384.87	3329.01
Net Worth	₹ (in Crores)	10047.98	8625.69
Long-term Loan	₹ (in Crores)	0.00	194.64
Capital Employed	₹ (in Crores)	15491.26	13501.01
Value Added	₹ (in Crores)	14721.70	14453.55
Average Manpower Employed during the year	Number	72314	74898
Value added per employee	₹ (in Crores)	0.20	0.19
Debt to Net Worth	Ratio	0.00	0.02
Return on Capital Employed	%	46.50	46.59
Face Value Per Share	₹	1000.00	1000.00
Dividend Per Share	₹	7960.46	7171.00
Book Value Per Share	₹	27934.33	23980.23
Earnings Per Share	₹	13267.45	11951.71





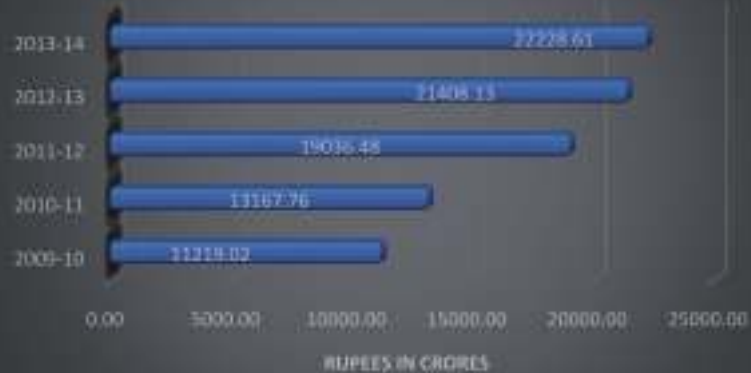
### SECTOR-WISE COAL DISPATCH 2013-14

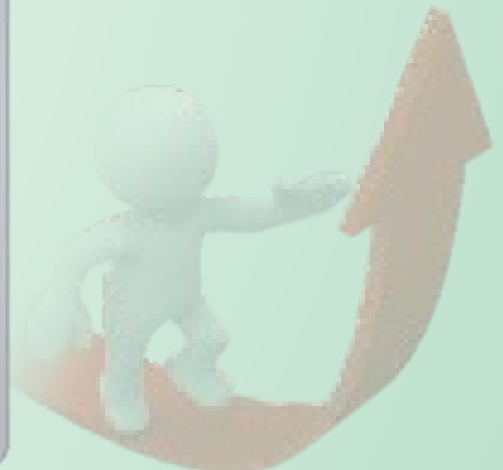
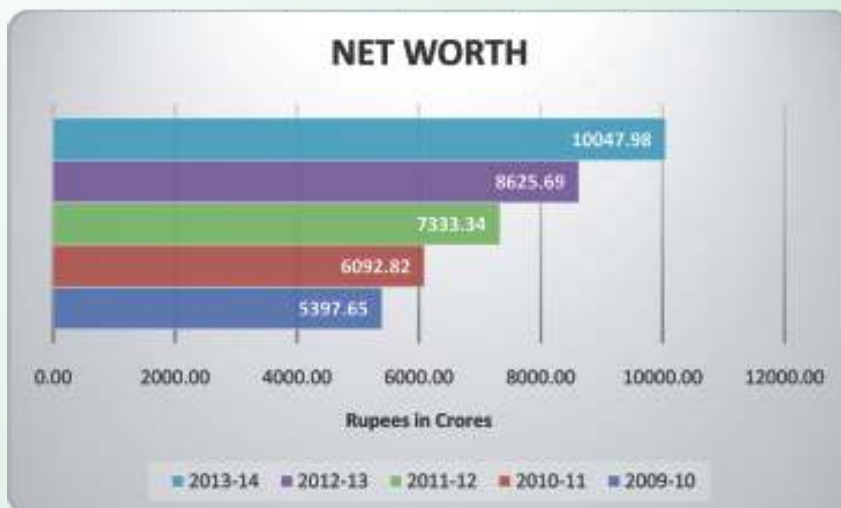


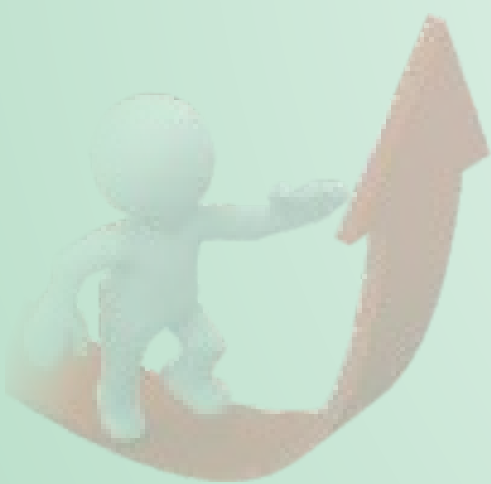
### MANPOWER

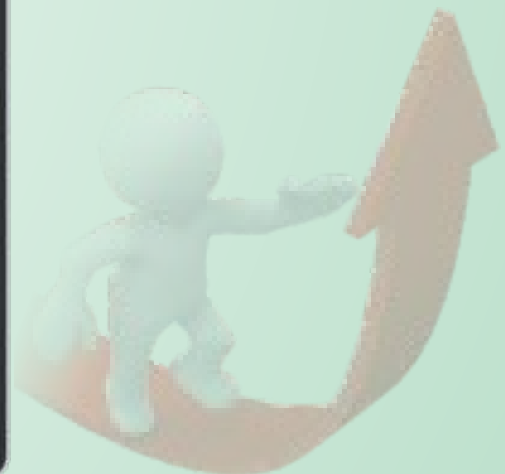
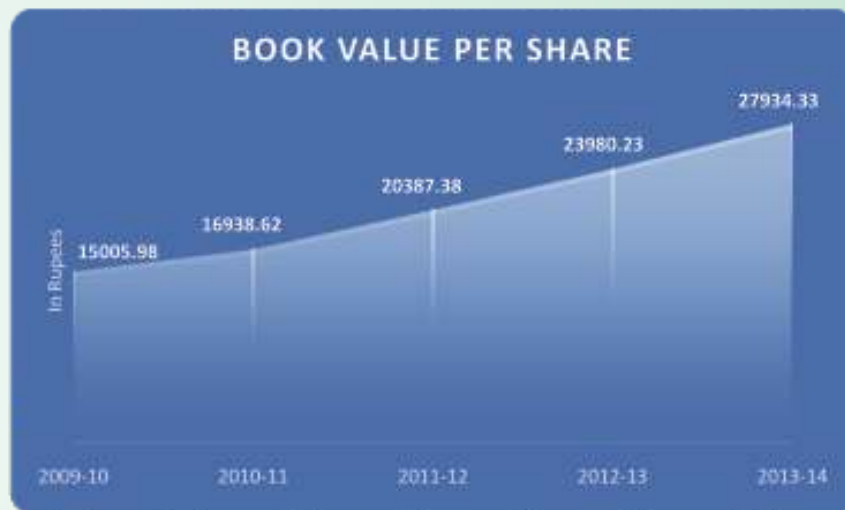


### GROSS SALES



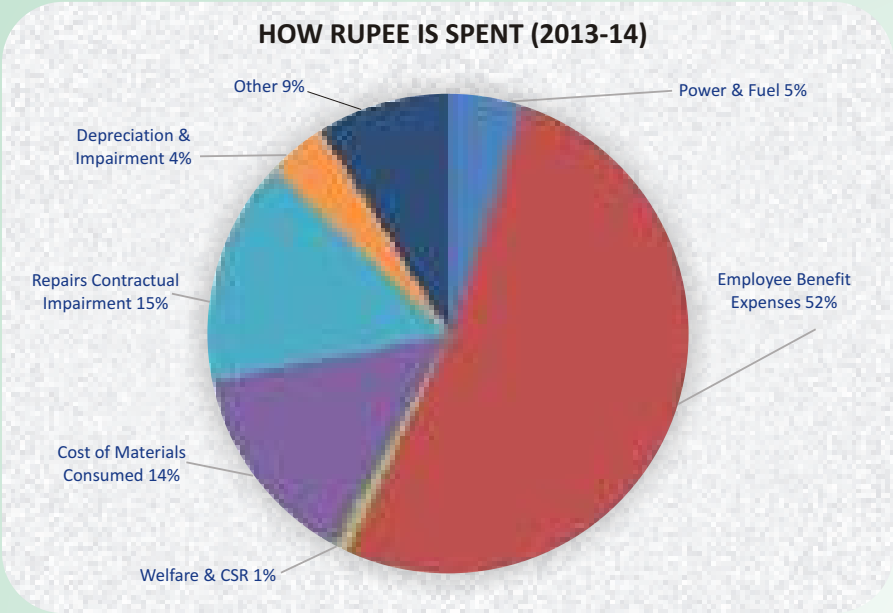








### HOW RUPEE IS SPENT (2013-14)



## Chairman's Statement



**D**ear shareholders,

It is a matter of immense satisfaction and pride for me to inform that despite operating in a turbulent economic environment, your company, SECL, has been able to exhibit operational excellence, maintain high standard of corporate governance and bring in outstanding business growth in the reporting fiscal year 2013-14. It is my privilege to share with you that your Company received 'Excellent' MoU Performance rating for the year 2012-13.

Your company has a dominant position in the Indian coal mining sector with an estimated geological coal reserves of 59,918.32 Million tonnes in its command area as on 01.04.2013, which is more than 20% of the total geological coal reserves in India.

Your company continues to be the single largest coal producer company of India, reaching yet another record production of 124.261 Million tonnes (up 5.11% from FY 12-13). The ramifications of the global economic slowdown continue to roil the economic fortunes of most of the major countries and the expected turnarounds have been slow to be apparent. In this capital-strained macroeconomic scenario mainly characterised by a mediocre growth outlook, we performed well, by most standards, registering the highest-ever turnover of ₹ 22,228.61 Crores (up 3.83% from FY 12-13). Even amidst the scenario of a weak rupee against dollar in the reporting fiscal, your company has achieved highest ever Net Profit before tax of ₹ 7,202.68 Crores (up 14.50% from FY 12-13).

In recognition of the outstanding achievement, your company has won the highest award for Corporate Performance for 2<sup>nd</sup> year in a row, at the 39<sup>th</sup> CIL Foundation Day Award ceremony. Being a steadfast entity towards Corporate Social Responsibility (CSR), your company has won the highest award for CSR Expenditure at the 39<sup>th</sup> CIL Foundation Day Award ceremony. It also gives me immense pleasure to inform you that during the year under report, your company has become an SA-8000 Certified company, with Social Accountability System of the company being in compliance with the requirements of 'SA 8000:2008 Standard' pertaining to the activity of 'Mining and Supply of Coal'.

The Directors' Report and the Audited Balance sheet of your Company for the year ended 31<sup>st</sup> March, 2014 have already been provided to all the shareholders of the Company. With your permission, I take them as read.



## The Economic scenario

The World Economic Outlook, April 2014 edition by International Monetary Fund (IMF) assesses that the global economic prospects have strengthened during the second half of 2013 and is expected to improve further in 2014–15, but the recovery in the economies will remain uneven. Activity in many emerging market economies has disappointed in a less favourable external financial environment, although they continue to contribute more than two-thirds of global growth.

Although, there was a noticeable recovery in the emerging market and developing economies during 2013, emerging market economies will have to weather turbulence and maintain high medium-term growth.

Looking ahead, global growth is projected to strengthen from 3% in 2013 to 3.6% in 2014 and 3.9 % in 2015. In advanced economies, growth is expected to increase to about 2¼% in 2014–15, an improvement of about 1 percentage point compared with 2013. In emerging market and developing economies, growth is projected to pick up gradually from 4.7 % in 2013 to about 5% in 2014 and 5¼% in 2015. Growth will be helped by stronger external demand from advanced economies, but tighter financial conditions may challenge domestic demand growth.

The global recovery is still fragile and India being a part of the global economy is not unaffected by what happened in the rest of the world and our economy too, despite improved prospects, remain fragile.

India's growth is expected to recover from 4.4% in 2013 to 5.4% in 2014, supported by slightly stronger global growth, improving export competitiveness, and implementation of recently approved investment projects. A pickup in exports in recent months and measures to curb gold imports have contributed to lowering the current account deficit. Policy measures to bolster capital flows have further helped reduce external vulnerabilities.



IMF's GDP Growth Forecasts  
(In Annualized quarterly % change)

In the current year 2014-15, the Asian Development Bank (ADB) has estimated growth at 5.5% while the RBI has estimated growth at 5.6 percent. Whatever may be the final growth, it will be below India's potential growth rate of 9% and getting back to that growth rate is the challenge that the country faces today.

## Global Coal Availability Scenario

Coal reserves are available in almost every country worldwide, with recoverable reserves in almost 80 countries. Although the biggest reserves are in the USA, Russia, China and India, coal is actively mined in more than 70 countries. Globally, the proven coal reserves have been estimated at around 860 Billion Tonnes and India accounts for 123 Billion Tonnes (as on 01.04.2013).

In a number of countries, coal is the only domestically available energy fuel and its use is motivated by both economic and energy security considerations. This is the case in countries and regions such as Europe, China and India, where coal reserves are much higher than oil or gas reserves. Most of the world's coal exports originate from countries which are considered to be politically stable – a characteristic which reduces the risks of supply interruptions.

After food, cloth & shelter, energy is one of the fundamentals of modern society.

## Coal for Electricity & Economic Growth

At present, coal meets around 30% of the global primary energy needs and generates 41% of the world's electricity. The International Energy Agency (IEA) estimates that global electricity demand could double by 2035 as more people get basic access to electricity around the world and household energy consumption grows in the developing world. During the same period, global steel demand is also likely to go up by around 60%, as a result of rapid urbanisation in Asia and the increase in steel consumption by the construction sector. All scenarios show that with growing energy demand around the world, coal continues to play an important role in the global energy mix through to 2035. Thus, coal has been, is and will continue to be a major source of energy for billions of people around the globe and contribute as major energy source to aid global efforts for expanding economic growth and eradicating poverty.

Coal is the backbone of world's electricity supply and a key component in production of steel and concrete, vital materials in building Sustainable societies

## India: Coal Scenario

With a proven coal reserves of 123 Billion Tonnes (as on 01.04.2013), India has the 4<sup>th</sup> largest coal reserves in the world. Out of the total reserves, nearly 88% are non-coking coal and balance are coking-coal. Coal accounts for 55% of primary energy needs and 68% of the electricity generation in the country. India ranks 3rd in coal producing countries and also ranks 3rd in coal importing countries, signifying huge indigenous demand of coal.

According to the Integrated Energy Policy prepared by the Planning Commission of India, even under a least coal usage scenario, coal will supply more than 40% of the primary commercial energy even in the year 2031-32. The power sector is the largest consumer of coal of about 70% followed by the Iron & Steel and Cement segments. The Working Group on Coal & Lignite for formulation of XII<sup>th</sup> Five-Year Plan has assessed a coal demand of 980.50 Mt in terminal year of XII<sup>th</sup> Five-Year Plan i.e. 2016-17 from the current demand of 787.03 Mt for 2014-15. Steel and Cement are the other major industries driving the demand for coal in the country.

## Overview of SECL Performance 2013-14

Your Company has been able to perform remarkably well during the year 2013-14. The Company had achieved highest ever coal production of 124.261 million tonnes of coal, 6.042 million tonnes more than the previous year registering a growth of 5.11%. Coal off-take of SECL during the period was 122.03 million tonnes, 0.04 million tonnes more than last year.

The Company had achieved an all-time high Gross Sales value of ₹ 22,228.61 Crores against the previous year's Gross Sales of ₹ 21,408.13 Crores, registering a growth of 3.83% over previous year. From the financial perspective, your company earned a Profit after tax (PAT) of ₹ 4,772.30 Crores for the year under review, registering a robust increase of 11.01% over previous year. The company has recommended a dividend of ₹ 7,960.46 per equity share on a face value of ₹ 1000.00 per share for the year.



SECL bagged highest award in Corporate Performance at CIL Foundation Day Award ceremony for highest coal production amongst all the subsidiaries of CIL.



The corresponding dividend during the previous year stood at ₹ 7,171.01 per equity share.

## Major Highlights of Company's Performance

The company's performance for the year under review under operational and financial parameters is summarized below:

### Operational Parameters:

- The Company yet again achieved a record production in the current year. The coal production during the year was 124.261 Million Tonnes (MT) registering a growth of 5.11% over the previous year.
- The Productivity in terms of Output per Manshift (OMS) – Overall of SECL has been 7.23 Te, up 7.59% from FY 2012-13.
- The Company yet again achieved an all-time high Gross Sales value of ₹ 22,228.61 Crores against the previous year's Gross Sales of ₹ 21,408.13 Crores, registering a growth of 3.83% over previous year. There is a continuous improvement in realization and the realization during the year was ₹ 22,945.20 Crores which is 103.22% of the current year's gross sales.
- Coal off-take of the company during the period was 122.03 million tonnes thus achieving the demand satisfaction of 98.02%.

SECL is the largest individual Coal producing company of India

### Financial Parameters:

- The Profit Before Tax (PBT) during the year was a record ₹ 7,202.68 Crores as against ₹ 6,290.37 Crores in the previous financial year 2012-13, registering an increase of 14.50%.
- The Profit After Tax (PAT) during the year was yet again a record ₹ 4772.30 Crores vis-à-vis ₹ 4299.03 Crores in the previous financial year 2012-13, registering an increase of 11.01%.
- Net worth of the Company has ascended from a level of ₹ 8625.69 Crores last year to ₹ 10047.98 Crores as on 31.03.2014 (up 16.49% from FY 12-13). The Profit after Tax to Net worth, a distinct measure of return to shareholders thus, works out to be a handsome 47.50% in 2013-14.
- In addition to the Interim dividend of ₹ 2837.00 per equity share declared in September, 2013 and a Special dividend of ₹ 3564.38 per equity share declared in December, 2013, ₹ 1559.08 per equity share has been proposed as Final dividend on paid up Equity Share Capital, thus a total dividend payment of ₹ 7960.46 per Equity Share amounting a total dividend pay-out of ₹ 2,863.38 Crores for the year 2013-14.

PBT surge by robust 14.50% and PAT by 11.01%

Net worth of the company increased by 16.49%

Highest ever dividend payout of ₹ 2863.38 Crores @ 796.05% (₹7960.46 per equity share)

- The Book value per share has soared to ₹ 27,934.33 from the level of ₹ 23980.23 in the previous year.
- As a MoU signing PSE with the Government of India, your company's performance during the year 2013-14 qualifies for "Excellent" rating.

Book value per share is very strong at ₹ 27934.33

### New Projects and Plans:

At present, there are 54 completed projects in SECL with rated capacity of 29.86 MT. There are 35 ongoing projects under implementation with rated capacity of 160.16 MT. Production from these projects during 2013-14 was 124.261 MT. Out of the 35 ongoing projects, 23 projects have contributed to coal production in 2013-14 and 12 projects are under various stages of implementation. To further augment the production and achieve the targeted production programme of SECL during the XII<sup>th</sup> Plan and beyond, 9 new projects are in the pipeline for approval.

Creating transport infrastructure and managing logistics to move coal from the point of origin to consumption units is a major challenge and requisite rail infrastructure and adequate road network for coal movement is a challenging task that would require fresh initiatives. Your company has taken a number of initiatives to facilitate faster, safer and cleaner evacuation of the coal produced.

- Rapid Loading System (RLS), very high capacity SILOs with Merry-go-round (MGR) are in operation at Gevra Expn OCP & Dipka Expn OCP and are planned in other mega OCPs. To enhance the coal dispatch, RLS (SILO) have been planned and approved in 03 projects viz. Gevra, Dipka & Kusmunda areas.
- Construction of a Coal Handling Plant (CHP) with In-pit Conveyor Belts System is under progress at Dipka Expansion OC to facilitate transportation of coal directly from the coal face to NTPC-Seepat and to other consumers.
- To cater the need of coal evacuation, network of Railway Sidings has been laid in different Areas of Korba and CIC Coalfields of SECL with a total 34 Nos. of Sidings including 17 Nos. in Korba Coalfields (84.90 MTY capacity) and 17 Nos. in Central India Coalfields (27.15 MTY capacity). Out of the 17 Nos. of Sidings in Korba Coalfields, 5 Nos. of Sidings are being used by Washery Operators, 1 No. RLS (SILO) at Gevra Project is dedicated for supplying coal to NTPC-Korba, 1 No. RLS at Dipka Project is dedicated for supplying coal to NTPC-Sipat and 2 Nos. of Sidings are being used for CSEB-Korba.
- Construction of a new Siding for RLS at Junadih Siding of Gevra Area is also under progress to further increase coal dispatch capacity of Siding.
- Construction of new wharf wall siding for Mahan-II OCP towards dispatch arrangement has been completed. In addition to the above, it has been proposed to construct a new siding for Jagannathpur Group of Mines (GOM) of Bhatgaon Area for which work order has been issued in favour of M/s. RITES Limited for "Feasibility Study and Reconnaissance Survey" for extension of Railway Track for Jagannathpur Group of Mines around Jagannathpur OCP at Bhatgaon Area. Accordingly, proposed alternative alignments submitted by M/s RITES Limited is under process for acceptance.
- Wharf Wall loading arrangement at Line No.3 of Kusmunda Siding has been completed and rake loading has been started from this siding. This has increased the dispatch capacity of Korba Coalfields from 81.90 MTY in 2012-13 to 84.90 MTY in this year.
- Similarly, to achieve 50 MTY in future in Kusmunda Area, Detailed Project Report (DPR) for "Techno Economic

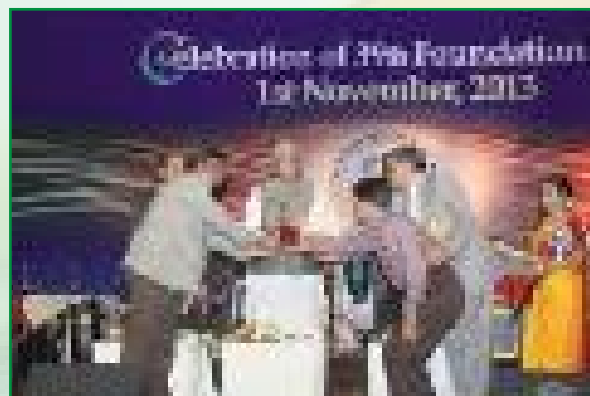


Feasibility & DPR/Final Location Survey for new Railways Siding at Kusmunda Area towards dispatch of coal from proposed washery” offloaded to M/s. RITES Limited is under approval from Railway. In-principle approval has been accorded by SECL Board for entering into MoU with M/s. IRCON International Limited for awarding the work of developing the Proposed Sidings and allied works, for connecting to the Rail Corridors (being developed by JV companies CERL and CEWRL).

- Likewise, for development of a new Railway Siding in Lakhanpur Coalfields of Bistrampur Area, the DPR for the work of “Construction of new Siding for Lakhanpur Coalfields of Bistrampur Area” has been obtained from the Railway and “Project Management Consultancy work” is to be awarded to M/s. RITES Ltd. Also, for construction of a new Siding for Batura OCP of Sohagpur Area, the Feasibility Report prepared by M/s. RITES Ltd., Nagpur is under process.
- In the same way, upgradation of the Junadih up line, Kusmunda old Siding i.e. line no. VII and Completed Track Repair (CTR) work of Burhar siding are being executed by South East Central Railway (SECR) under “Deposit Estimate Head”. Likewise, Completed Track Repair (CTR) work of Chirimiri Siding is also under execution by M/s. RITES Limited as per MoU between CIL and RITES.
- In addition to above, action has also been taken for major renewal and improvement of existing tracks/sidings viz. existing railway track of Kusmunda, Surkachhar, Kotma, Chirimiri and Robertson Siding. Also for uninterrupted coal transportation, construction of three nos. of Road Over-Bridge (ROB), one each at Dipka, Chirimiri, and Korba (Manikpur) Area have been proposed. The DPR of the proposed ROB at Dipka and Chirimiri Area is under process for approval whereas Feasibility study for ROB at Manikpur of Korba Area is under process.
- In terms of the Memorandum of Understanding ( MoU ) signed on 03.11.2012 between South Eastern Coalfields Limited, IRCON International Limited and the Government of Chhattisgarh for establishment of the two Railway Corridors viz., East Corridor and East-West Corridor, two subsidiary companies of SECL have been formed by incorporation under the Companies Act, 1956 viz., M/s. Chhattisgarh East Railway Limited and M/s. Chhattisgarh East-West Railway Limited. These companies are under developmental stage and the corridors once completed will cater to the evacuation of coal from Mand-Raigarh Coalfields and Korba-Gevra Coalfields of SECL and will be used both for freight and passenger traffic.

### **Corporate Social Responsibility (CSR)**

Your Company has always appreciated its responsibility towards society for sustainable development and inclusive growth. SECL has always strived to be in the forefront in various CSR initiatives over the past many years. The focus of company’s CSR initiatives is integrated development of community in the villages surrounding our establishments which are among the most backward tribal villages of India. SECL has initiated integrated development of villages to facilitate sustainable income generation through employment /self-employment by targeting education and skill development, besides providing healthcare and infrastructure facilities. Through this network of CSR activities, the company is



SECL bagged highest award in Corporate Social Responsibility at CIL Foundation Day Award ceremony for highest CSR expenditure amongst all the subsidiaries of CIL.

dedicated to play a key role in accomplishing the journey from poverty to prosperity in the villages of Chhattisgarh and Madhya Pradesh. The CSR activities are mentioned in detail in the Director's Report.

### **Corporate Governance**

Your Company is committed towards maintaining high standards of Corporate Governance. The company complies with the conditions of corporate governance as stipulated under the Companies Act as well as Listing Agreements. The Guidelines on Corporate Governance for CPSEs issued by Department of Public Enterprises (DPE), Ministry of Heavy Industries & Public Enterprises, Government of India, have been implemented to the maximum extent possible. A separate section on Corporate Governance forms part of the Director's Report.

I would like to inform that, DPE has finalized the grading of CPSEs on the basis of their Compliance with Guidelines on Corporate Governance for the year 2012-13 and SECL has been graded as “**Excellent**”.

### **Unqualified Audit Report**

Your company has maintained high standards of financial reporting system assisted by an effective internal control relevant to preparation and presentation of financial statements to give a true and fair view of the affairs of the company. This has helped the company to be in the regime of unqualified audit report year after year.

I would like to inform that the Statutory Auditors’ have given Unqualified Audit Report on the Accounts of the Company for the year ended 31<sup>st</sup> March, 2014. Further, no comment has been made by Comptroller & Auditor General of India (CAG) on the accounts of the company for the year ended 31<sup>st</sup> March, 2014.

### **Human Resource Management**

Your Company values its human capital the most and thus has taken several initiatives for continuous investment in training and development of its employees. In consonance with the Corporate Vision of being a ‘Leading Energy Supplier’, your Company facilitates the development of all-round competence of its people who ultimately put their persistent efforts towards accomplishment of organizational objectives and goal to reach the mission and vision. The company has taken several initiatives for an effective Human Resource Management namely:

- **Guru** – An Employee Suggestion Scheme.
- **Quality Circles**-across the company for continuous improvement in the business processes through high level employee involvement.
- **Shikhar**-Reward & Recognition.
- **K-Mining**- A Knowledge Sharing System across the company to manage scattered knowledge in the company.
- **Mentoring**- A new initiative for professional growth and development of new entrants especially Management Trainees to socialize and acclimatize with the company’s people, policies, programmes and procedures.
- **Assessment Centre & Development Centre** - For talent development of Senior Executives of the organization.
- **Competency Mapping of Supervisory Positions** - For Competency development of 16 Supervisory Positions of the company.
- **Harmony** – A Grievance Redressal System for speedy redressal of grievances of employees at all levels.

**Two Employee Surveys** has also been conducted to measure Employee Engagement Index and Trust Index.



## **Environment Management:**

Your company is conscious of its role in safeguarding the environment to maintain ecological balance with conservation of flora and fauna. The company has taken several steps to provide clean environment in and around coal mines with implementation of Environment Management Plans (EMP). Coal is being transported by closed conveyors and is loaded into wagons through Silos at mega mines.

More than 64 mobile water sprinklers have been deployed for dust suppression and about 38 KMs of the fixed water sprinklers are functioning in and around coal handling plants, coal stock yards and transportation roads for dust suppression. Moreover, 04 nos. of continuous Ambient Air Quality Monitoring System (AAQMS) have been installed in 04 OCPs of the company.

Further, as a part of multi-species plantation for bio-diversity conservation, the company has planted 5,12,850 saplings during the year 2013-14 thereby reaching the total no. of saplings planted till date over **2.69 Crores**. The company is also undertaking grass bedding /plantation on the Overburden slopes in order to ensure clean environment and minimize pollution besides top-soil management.

Respecting its responsibility towards environment, your company has voluntarily aligned its mining operations as per the requirement of International Environmental Management System (EMS) ISO-14001. ISO-14001 Certification in respect of 24 mines including 3 mega projects has been secured and Surveillance Audit is being routinely conducted.

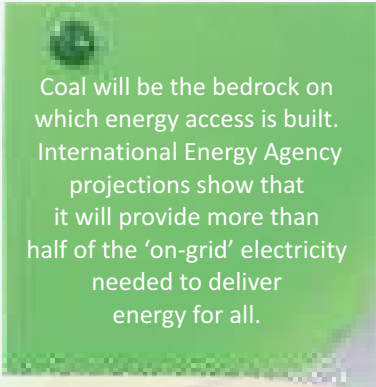
## **Future Outlook**

Coal, in addition to its direct role as an energy resource, plays a significant global role in sustainable development. Coal mining is a critical contributor to many economies. Coal directly provides more than seven million jobs worldwide and supports many more millions. Coal production is the key economic activity in many developing countries where it helps economies to grow stronger and address the challenges of poverty and development. Coal is also a key component of important industrial processes such as steel and cement manufacturing - both of which are central to building the essential infrastructure of growing economies.

In future, Clean coal technologies such as advanced coal-fired power generation and carbon capture and storage, can enable the world's coal resource to be used in line with environmental and climate objectives.

The XII<sup>th</sup> five year plan projects a coal demand of 980.50 Mt in the terminal year (2016-17) while the coal production is envisaged to reach 715.00 Mt in 2016-17, thereby leaving a gap of 265.50 Mt (27% of demand). This comprises of a gap of 35.50 Mt (53% of demand) of coking coal and 230.0 Mt (25% of demand) of thermal coal. This shortage will have to be met through import of coal. However, such a huge quantity of imported coal for blending may not be feasible as in the existing boilers, a maximum of 15% blending of imported coal is possible and hence, the only possible solution is to increase the production of domestic coal.

The Power Sector has emerged as the main consumer of coal for thermal power generation in India, the other significant uses being in steel production, cement manufacturing and as a liquid fuel. Other important users of coal include alumina refineries, paper manufacturers, chemical & pharmaceutical industries, etc. Coal demand across



Coal will be the bedrock on which energy access is built. International Energy Agency projections show that it will provide more than half of the 'on-grid' electricity needed to deliver energy for all.

the cement and sponge iron sectors is also expected to grow by a CAGR of more than 10% during the XII<sup>th</sup> Plan. The future demand of all non-power end use industries will be strongly related to infrastructure development, which has now become crucial to boost the economic growth of India.

During the year 2013-14, SECL has produced 124.261 Million Tonnes of Coal. SECL has set an ambitious target of coal production of 131.00 Million Tonnes in the year 2014-15. By the end of XII<sup>th</sup> plan (i.e. 2016-17), SECL is optimistic to outperform the coal production estimation of 145.00 Mt made by the Working Group on coal & lignite for XII<sup>th</sup> plan.

In SECL, with the modernization and introduction of new technology in the mines viz., Continuous Miner, Shortwall mining, Highwall Mining Technology, high capacity HEMM like 42 Cu.M Shovel and 240 Tonne Dumper, the production is certainly going to increase. Improvement in dispatches will also bring in better realization, higher turnover and more profit.

Every expansion and the accompanying opportunities come dovetailed with a renewed commitment to address concomitant concerns. On the basis of proven capabilities of team-SECL, I take this opportunity to assure all stakeholders that the company will continue to perform up to your expectations.

### ***Acknowledgement:***

To conclude, I acknowledge that all these achievements have been possible only due to inexorable and steadfast efforts made by the employees of the company and active support of Trade Unions.

I would like to express my earnest appreciation on behalf of the Board of Directors and the management of the company for the co-operation received from the Government of India, in particular the Ministry of Coal, Ministry of Environment & Forest, Ministry of Corporate Affairs, Department of Public Enterprises, State Governments of Chhattisgarh & Madhya Pradesh, various regulatory and statutory authorities from time to time.

I would further like to acknowledge the shareholders (Coal India Limited with its nominees) for their constant guidance and counsel and the opportunity given for company's continued growth and expansion and look forward to their continued support. I candidly thank all our customers and business associates for their continued support.

I am very hopeful that in the years to come, SECL will be at forefront to augment prosperity and development for the nation and its people.

Thanking you,

Sd/-  
(Nagendra Kumar)  
Chairman-cum-Managing Director  
DIN: 02624808



## Awards & Accolades



SECL bagged highest award in Corporate Performance at CIL Foundation Day Award ceremony for highest coal production amongst all the subsidiaries of CIL.



SECL bagged highest award in Corporate Social Responsibility at CIL Foundation Day Award ceremony for highest CSR expenditure amongst all the subsidiaries of CIL.



**निम्नलिखित क्षेत्रों में उत्कृष्ट प्रदर्शन के लिए**

**उत्कृष्ट प्रदर्शन के लिए प्रशंसा पत्र, 2013-14 के लिए उत्कृष्ट प्रदर्शन के लिए**

**उत्कृष्ट प्रदर्शन के लिए**

**उत्कृष्ट प्रदर्शन के लिए प्रशंसा पत्र, 2013-14 के लिए उत्कृष्ट प्रदर्शन के लिए**

**South Eastern Coalfields Limited**

**निम्नलिखित क्षेत्रों में**

**उत्कृष्ट प्रदर्शन के लिए प्रशंसा पत्र, 2013-14 के लिए उत्कृष्ट प्रदर्शन के लिए**

**उत्कृष्ट प्रदर्शन के लिए प्रशंसा पत्र, 2013-14 के लिए उत्कृष्ट प्रदर्शन के लिए**

**निम्नलिखित क्षेत्रों में**

**उत्कृष्ट प्रदर्शन के लिए प्रशंसा पत्र, 2013-14 के लिए उत्कृष्ट प्रदर्शन के लिए**

**उत्कृष्ट प्रदर्शन के लिए प्रशंसा पत्र, 2013-14 के लिए उत्कृष्ट प्रदर्शन के लिए**

**उत्कृष्ट प्रदर्शन के लिए प्रशंसा पत्र, 2013-14 के लिए उत्कृष्ट प्रदर्शन के लिए**



# NCQC 2013

27th NATIONAL CONVENTION ON QUALITY CONCEPTS

Theme: Encourage, Refine & Empower Through Quality Concepts  
Date: Transport Chapter

## Certificate

Presented to

*S. Ramasubramanian*

*South Eastern Coalfields Limited, Bilaspur*

*Excellent Award*

Quality Circle Forum of India

Date: 20th to 23rd December 2013

Venue: Techno India College of Technology

New Town, Near City, Bhubaneswar, INDIA - 751013

Roll No.  
IS-640

President

Executive Director





**SOUTH EASTERN COALFIELDS LIMITED**  
(A Subsidiary of Coal India Limited)

**OPERATIONAL STATISTICS**

For the Financial Year	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05
<b>1. PRODUCTION [RAW COAL][M.T.]</b>										
Under Ground	16.42	16.87	16.41	16.81	17.83	17.57	16.74	16.20	16.52	16.58
Open cast	107.84	101.35	97.43	95.90	90.18	83.58	77.05	72.30	66.50	61.97
<b>Total</b>	<b>124.26</b>	<b>118.22</b>	<b>113.84</b>	<b>112.71</b>	<b>108.01</b>	<b>101.15</b>	<b>93.79</b>	<b>88.50</b>	<b>83.02</b>	<b>78.55</b>
<b>2. Overburden Removal [M. Cum]</b>	<b>145.05</b>	<b>118.20</b>	<b>113.61</b>	<b>137.57</b>	<b>129.8</b>	<b>107.01</b>	<b>100.64</b>	<b>87.27</b>	<b>84.38</b>	<b>80.52</b>
<b>3. OFF TAKE [RAW COAL][M.T.]</b>										
Power	86.01	86.49	80.37	76.25	85.61	73.36	66.71	61.52	62.08	61.14
Cement	3.55	4.39	4.86	4.8	4.62	4.77	7.09	6.94	7.20	7.23
Domestic & Boiler Use	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.04	0.04
Others	32.45	31.09	29.9	27.95	15.64	24.87	21.17	17.69	11.88	10.39
<b>Total</b>	<b>122.03</b>	<b>121.99</b>	<b>115.15</b>	<b>109.02</b>	<b>105.89</b>	<b>103.02</b>	<b>94.99</b>	<b>86.17</b>	<b>81.199</b>	<b>78.8</b>
<b>PRODUCTIVITY:</b>										
<i>Output per manshift [OMS]</i>										
Under Ground [Tonnes]	1.35	1.37	1.30	1.32	1.33	1.26	1.19	1.14	1.12	1.11
Open cast [Tonnes]	21.45	19.26	19.32	20.22	18.89	15.76	14.30	13.38	12.76	12.27
Overall [Tonnes]	7.23	6.72	6.44	6.47	5.96	5.26	4.83	4.53	4.17	3.95
<b>MANPOWER</b>	<b>70910</b>	<b>73718</b>	<b>76078</b>	<b>78009</b>	<b>79781</b>	<b>81434</b>	<b>82782</b>	<b>84368</b>	<b>85871</b>	<b>86807</b>

## SOUTH EASTERN COALFIELDS LIMITED

(A Subsidiary of Coal India Limited)

OPERATIONAL STATISTICS : FINANCIAL POSITION

As per revised Schedule VI

₹ in Crores

For the Financial Year →	2013-14	2012-13	2011-12	2010-11
<b>A] What is owned</b>				
Gross Fixed Assets	7817.35	7445.79	7092.61	6729.61
Less Depreciation & Impairment	4432.48	4116.78	3850.47	3629.19
1) Net Fixed Assets	3384.87	3329.01	3242.14	3100.42
2) Capital Work-in-Progress	1445.67	1034.75	947.61	601.81
3) Non-Current Investment	123.22	246.32	369.49	492.65
4) Deferred Tax Asset	39.88	160.58	82.83	-
5) Long-term Loans and Advances	273.09	211.40	179.27	174.94
6) Other Non-Current Assets	56.22	56.72	50.73	57.23
7) Current Assets				
i. a) Inventory of coal coke etc.	565.61	445.55	572.54	624.63
b) Inventory of Stores and Spares etc.	262.91	238.49	224.31	206.93
c) Other Inventories	176.61	136.8	102.66	61.39
ii. Trade Receivables	1336.78	1350.29	464.28	255.33
iii. Cash and Bank Balance	10941.86	10280.65	8772.06	6698.54
iv. Current Investments	178.21	183.16	722.84	123.16
v. Short Term Loans & Advances	2164.11	1514.95	877.82	767.33
vi. Other Current assets	1269.04	1422.29	2279.69	1481.8
<b>Total Current Assets</b>	<b>16895.13</b>	<b>15572.18</b>	<b>14016.20</b>	<b>10219.11</b>
<b>8) Less: Current Liabilities &amp; Provisions</b>				
a) Short term Borrowings	-	-	-	-
b) Trade Payables	96.65	96.17	85.71	63.32
c) Other Current Liabilities	3026.1	3054.28	3593.81	2501.93
d) Short term Provisions	1665.99	2249.73	2538.17	1822.11
<b>Net Current Assets (7-8)</b>	<b>12106.39</b>	<b>10172.00</b>	<b>7798.51</b>	<b>5831.75</b>
<b>TOTAL (A)</b>	<b>17429.34</b>	<b>15210.78</b>	<b>12670.58</b>	<b>10258.80</b>
<b>B] What is Owed</b>				
a) Long term Borrowing	-	194.64	244.91	252.15
b) Deffered Tax Liability	-	-	-	6.69
c) Other Long term Liabilities	757.65	599.31	474.16	266.85
d) Long term Provisions	6623.71	5791.14	4618.17	3640.29
<b>TOTAL (B)</b>	<b>7381.36</b>	<b>6585.09</b>	<b>5337.24</b>	<b>4165.98</b>
<b>NET WORTH (A-B)</b>	<b>10047.98</b>	<b>8625.69</b>	<b>7333.34</b>	<b>6092.82</b>
<b>Represented by :</b>				
1) Equity Capital	359.70	359.7	359.70	359.70
2) Reserves	3245.6	2699.75	2205.26	1739.04
3) Profit/Loss	6442.68	5566.24	4768.38	3994.08
4) Misc. Expenditure (D/Liab.)	-	-	-	-
Net Worth (1 to 4)	<b>10047.98</b>	<b>8625.69</b>	<b>7333.34</b>	<b>6092.82</b>
Capital Employed	<b>15491.26</b>	<b>13501.01</b>	<b>11040.65</b>	<b>8932.17</b>



# SOUTH EASTERN COALFIELDS LIMITED

(A Subsidiary of Coal India Limited)

OPERATIONAL STATISTICS : INCOME AND EXPENDITURE STATEMENT

As per revised Schedule VI

₹ in Crores

For the Financial Year	→	2013-14	2012-13	2011-12	2010-11
<b>A] EARNED FROM</b>					
1) Gross Sales		22228.61	21408.13	19036.48	13167.61
Less: Statutaries Levies		5372.01	5119.74	4019.85	2510.05
<b>Net Sales</b>		<b>16856.60</b>	<b>16288.39</b>	<b>15016.63</b>	<b>10657.56</b>
2) Other Income (a to d)					
a) Interest on Deposits etc.		1096.95	1071.32	921.81	604.04
b) Subsidy for Sand Stowing & protective Works		16.35	5.74	0.87	4.67
c) Recovery of Transportation & Loading Cost		251.79	223.5	199.21	185.56
d) Other non-operating Income		372.56	59.13	54.10	63.78
<b>Total (A)</b>		<b>18594.25</b>	<b>17648.08</b>	<b>16192.62</b>	<b>11515.61</b>
<b>B] PAID TO/PROVIDED FOR</b>					
1) Employee Remuneration & Benefits (a to e)					
a) Salary,Wages,Allowances,Bonus etc.		4379.03	3987.71	3418.66	2649.35
b) Contribution to P.F. & Other funds		520.90	413.4	357.03	334.02
c) Gratuity		10.08	247.44	685.82	181.23
d) Leave Encashment		89.39	131.06	139.58	120.13
e) Others		881.25	930.94	726.32	605.29
2) Accretion/Decretion in Stock		(160.02)	94.29	13.65	-266.14
3) Welfare Expenses		94.23	128.14	83.97	103.89
4) Stores & Spares		1595.64	1328.73	1164.99	1134.33
5) Power & Fuel		539.26	506.11	445.43	402.62
6) Contractors (including Transportation & Repairs)		1752.35	1513.06	1201.19	1156.78
7) Finance Cost		6.40	8.15	22.78	31.37
8) Depreciation/Amortisation/impairment		429.33	428.48	442.74	381.65
9) Provisions & Write off		(85.82)	200.04	354.86	93.13
10) Overburden Removal Adjustment		714.83	870.08	662.73	307.63
11) Other Expenses		624.57	570.83	475.32	482.25
12) Prior Period Adj/Exceptional Items/Extraordinary Items		0.15	-0.75	-5.32	20.96
<b>Total (B)</b>		<b>11391.57</b>	<b>11357.71</b>	<b>10189.75</b>	<b>7738.49</b>
Profit for the year (A-B)		7202.68	6290.37	6002.87	3777.12
Tax on Profit		2430.38	1991.34	1904.19	1476.30
Dividend		2863.38	2579.41	2459.21	1380.53
Tax on Dividend		486.63	427.27	398.95	225.12
Transfer to General Reserve		477.23	429.90	409.87	230.09
Transfer to CSR Reserve		63.92	60.09	56.35	46.95
Transfer to Sustainable Development Reserve		4.70	4.50	-	-
Profit Carried to Balance Sheet		<b>876.44</b>	<b>797.86</b>	<b>774.30</b>	<b>418.13</b>
Accumulated Profit from Previous Years		5566.24	4768.38	3994.08	3575.95

## SOUTH EASTERN COALFIELDS LIMITED

(A Subsidiary of Coal India Limited)

### OPERATIONAL STATISTICS : IMPORTANT FINANCIAL RATIOS

₹ in Crores

For the Financial Year	→	2013-14	2012-13	2011-12	2010-11
<b>[A] Related to Assets &amp; Liabilities</b>					
(1) (i) No. of Equity Shares ₹ 1000 each		3597000	3597000	3597000	3597000
(ii) Shareholder's funds					
a) Equity		359.70	359.70	359.70	359.70
b) Reserves		3245.6	2699.75	2205.26	1739.04
c) Accumulated Profit/Loss		6442.68	5566.24	4768.38	3994.08
d) Misc. Expenditure (D/Liab.)		-	-	-	-
<b>Net Worth</b>					
(2) Long Term Borrowings		-	194.64	244.91	252.15
(3) Capital Employed		15491.26	13501.01	11040.65	8932.17
(4) (i) Net Fixed Assets		3384.87	3329.01	3242.14	3100.42
(ii) Current Assets		16895.13	15572.18	14016.2	10219.11
(iii) Current Liabilities		4788.74	5400.18	6217.69	4387.36
(5) (a) Sundry Debtors (Net)		1336.78	1350.29	464.28	255.33
(b) Cash & Bank		10941.86	10280.65	8772.06	6698.54
(6) Closing Stock of :-					
(a) Stores & Spares (Net)		262.91	238.49	224.31	206.93
(b) Coal, Coke etc. (Net)		565.61	445.55	572.54	624.63
(7) Average Stock of Stores & Spares (Net)		250.70	231.40	215.62	219.58
<b>[B] Related to Profit/Loss</b>					
(1) (a) Gross Margin		7638.41	6727.00	6468.39	4190.14
(b) Gross Profit		7209.08	6298.52	6025.65	3808.49
(c) Profit before Tax		7202.68	6290.37	6002.87	3777.12
(d) Net Profit (after Tax)		4772.3	4299.03	4098.68	2300.82
(e) Net Profit (after Tax & Dividend)		876.44	797.86	774.30	418.13
(2) (a) Gross Sales		22228.61	21408.13	19036.48	13167.61
(b) Net Sales (after levies)		16856.6	16288.39	15016.63	10657.56
(c) Sales Value of Production		17016.62	16194.10	15002.98	10923.70
(3) Cost of Sales (Sales - Profit)		9653.92	9998.02	9013.76	6880.44
(4) (a) Total Expenditure		11391.57	11357.71	10189.75	7738.49
(b) Salaries and Wages		5880.65	5710.55	5327.41	3890.02
(c) Stores and Spares		1595.64	1328.73	1164.99	1134.33
(d) Power and Fuel		539.26	506.11	445.43	402.62
(e) Finance cost & Depreciations		435.73	436.63	465.52	413.02
(5) Average Consumption of Stores & Spares per Month		132.97	110.73	97.08	94.53
(6) (a) Average manpower employed during the year		74898	74898	77044	78895
(b) Welfare Expenses		94.23	128.14	83.97	103.89
(c) Welfare Expenses per employee (₹ '000)		12.58	17.11	10.90	13.17
(7) (a) Value Added		14721.7	14453.55	13406.21	9120.61
(b) Value Added per employee		0.20	0.19	0.17	0.12



# SOUTH EASTERN COALFIELDS LIMITED

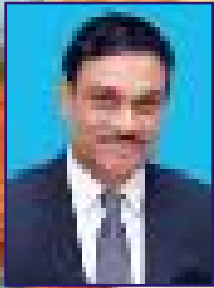
(A Subsidiary of Coal India Limited)

## OPERATIONAL STATISTICS : IMPORTANT FINANCIAL RELATIVE RATIOS

₹ in Crores

For the Financial Year	→	2013-14	2012-13	2011-12	2010-11
<b>[A] PROFITABILITY RATIOS</b>					
(1) <i>As % Net Sales</i>					
(a)	Gross Margin	45.31	41.30	43.07	39.32
(b)	Gross Profit	42.77	38.67	40.13	35.74
(c)	Net Profit	28.31	26.39	27.29	21.59
(2) <i>As % Total Expenditures</i>					
(a)	Salary & Wages	51.62	50.28	52.28	50.27
(b)	Stores and Spares	14.01	11.70	11.43	14.66
(c)	Power and Fuel	4.73	4.46	4.37	5.20
(d)	Interest & Depreciation	3.83	3.84	4.57	5.34
(3) <i>As % Capital Employed</i>					
(a)	Gross Margin	49.31	49.83	58.59	46.91
(b)	Gross Profit	46.54	46.65	54.58	42.64
(c)	Profit before Tax	30.81	31.84	37.12	25.76
(4)	Operating Ratio [(Sales - Profit)/Sales]	0.57	0.61	0.60	0.65
<b>[B] LIQUIDITY RATIOS</b>					
(1)	Current Ratio (Current Asset / Current Liability)	3.53	2.88	2.25	2.33
(2)	Quick Ratio (Quick Asset / Current Liability)	2.56	2.15	1.49	1.58
<b>[C] TURNOVER RATIOS</b>					
(1)	Capital Turnover Ratio (Net Sales/Capital Employed)	1.09	1.21	1.36	1.19
(2) <i>Sundry Debtors (Net) as No. of Months</i>					
(a)	Gross Sales	0.72	0.76	0.29	0.23
(b)	Net Sales	0.95	0.99	0.37	0.29
(3) <i>As Ratio of Net Sales</i>					
(a)	Sundry Debtors	0.08	0.08	0.03	0.02
(b)	Coal Stocks	0.03	0.03	0.04	0.06
(4) <i>Stock of Stores and Spares</i>					
(a)	Average Stock/Annual Consumption	0.16	0.17	0.19	0.19
(b)	Closing Stock in terms of No. of month Consumption	1.98	2.15	2.31	2.19
(5) <i>Stock of Coal, Coke, W/coal etc.</i>					
(a)	As a no. of month value of production	0.40	0.33	0.46	0.69
(b)	As a no. of months of cost of Sales	0.70	0.53	0.76	1.09
(c)	As a no. of months net sales	0.40	0.33	0.46	0.70
<b>[D] STRUCTURAL RATIOS</b>					
(1)	Debt : Equity	-	0.54	0.68	0.70
(2)	Debt : Net Worth	-	0.02	0.03	0.04
(3)	Net Worth : Equity	27.93	23.98	20.39	16.94
(4)	Net Fixed Assets : Net Worth	0.34	0.39	0.44	0.51
<b>[E] SHAREHOLDER'S INTEREST</b>					
(1)	Book Value Per Share [ ₹ ] (Net Worth / No. of Equity)	27934.33	23980.23	20387.38	16938.62
(2)	Dividend Per Share [ ₹ ]	7960.47	7171.00	6836.84	3838.00

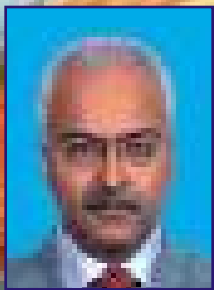
## DIRECTORS' PROFILE



### Shri Nagendra Kumar

Chairman-cum-Managing Director

Shri Nagendra Kumar (54 Years) took the additional charge of the Chairman-cum-Managing Director, South Eastern Coalfields Limited on 1st November, 2012 in addition to his existing charge of Director (Technical), Coal India Limited. In addition, he also holds the charge of the CMD of Coal India Africana Limitada and is a Member of the Board of Directors of CMPDIL, BCCL and International Coal Ventures (P) Limited. Shri Kumar is a Graduate in Mining Engineering (B. Tech–Mining) from Indian School of Mines, Dhanbad and a Member of the MGMI, IMMA and the Institution of Engineers (India). He joined the coal industry in 1980 and served in various capacities in different subsidiaries such as CCL and ECL till 2007. He has assumed the charge of Director (Technical) of Coal India Limited on 01.02.2012. He has spent most of his career in reviving difficult under-ground and opencast mines and has the experience of working with almost all kind of mechanization in under-ground and opencast. He was actively associated with indigenization of Long Wall Equipment and has presented a number of papers on its successful implementation.



### Shri Ajay Kumar Bhalla

Government Nominee Director

Shri Ajay Kumar Bhalla (53 years), Joint Secretary, Ministry of Coal, Government of India, joined as Part-Time Official Director on the Board of SECL on 6th July, 2010. Shri Bhalla is an IAS Officer of Assam and Meghalaya Cadre of 1984 Batch. He holds Masters Degree in Botany from University of Delhi, M. Phil (Social Sciences) from University of Punjab & MBA from University of Queensland, Brisbane, Australia. Prior to his current assignment as Joint Secretary, Ministry of Coal, Shri Bhalla was Principal Resident Commissioner, Government of Meghalaya. Shri Bhalla has wide experience spread across various Ministries and Departments of Government of India and he held various administrative posts in the State of Assam and Meghalaya including that of Commissioner & Secretary, Government of Meghalaya, Principal Secretary in Public Health Engineering Department, Industries Development, Soil & Water Conservation Department, Chairman of Board of Revenue. He also worked as Deputy Secretary/Director, Government of India, Department of Mines, Ministry of Steel & Mines, as well as worked as Director (Ports) & Joint Secretary (Ports) in the Department of Shipping, Government of India. He was Private Secretary to the Union Minister of State for Health & Family Welfare and Union Minister of State for External Affairs.



## Shri Abhijit Chatterjee

Government Nominee Director

Shri Abhijit Chatterjee, (59 years), a Chartered Accountant with rich and varied experience joined the SECL Board as Part-Time Official Director w.e.f. 03.12.2012, in addition to his existing charge of Director(Finance), CIL. Prior to his assuming the charge of Director (Finance), Coal India Limited on 01.11.2012, he was working as Director (Finance) in Central Coalfields Limited from 08.03.2010. Shri Chatterjee is also holding charge as Member in the Board of Directors of Eastern Coalfields Limited. Before his joining in CCL, he has worked with Bharat Earth Movers Ltd (BEML) in various capacities like General Manager, Chief General Manager and Executive Director (Finance).

He has rich experience in financial management of the company and has made significant contribution in BEML in areas of Treasury Management, Customs, Excise Duty, Service Tax, Insurance, Rail & Metro and Defence Product business marketing etc. On behalf of CCL, he has organized promotion of IPO floated by CIL. Shri Chatterjee is responsible for overall financial management and audit functions of all the Subsidiaries of Coal India Limited and in advising the Board on all financial matters. He also gives direction on the Corporate Governance framework of CIL. He has attended Senior Management course at MDI, Gurgaon and also undergone training at various Management Schools in Europe.



## Shri Anil Kumar Singh

Whole-Time Director

Shri Anil Kumar Singh (59 years) took over charge as Director (Personnel), SECL, on 23.11.2011. Shri Singh holds Bachelor Degree in Social Science and Master Degree in Social Science. Shri A.K. Singh has worked in various capacities such as Area Personnel Manager, Dy. CPM (IR) and General Manager (Personnel) in WCL and SECL. He has been an achiever all along his career and he was awarded "Best Personnel Executive Award" consecutively for 3 years in WCL for a specific contribution in the area of labour welfare activities. He has vast experience of more than 30 years in Personnel, IR, Legal, CSR etc. He was a member of the Delegation to China organized by IICM, Ranchi as part of their 'Advanced Management Programme'. Under his able guidance and leadership, SECL has been awarded the 'Highest Award for CSR Expenditure' by Coal India Limited on the occasion of Coal India Foundation Day Award Ceremony-2013 for its outstanding achievement in implementation of CSR initiatives. Shri A.K. Singh has been instrumental in initiating various Human Resource Management activities in SECL like Employee suggestion scheme, Mentorship, etc, which has resulted in 65% of employee Satisfaction Index and 80% Engagement Index, as has come up in various employee survey conducted by external agencies. Under his leadership, SECL was also awarded the 'Best HR Strategy in Line with Business Award' by The Employer Branding Institute (EBI) at Hyderabad. Shri Singh also holds the charge of Member on the Board of two subsidiaries of SECL, Chhattisgarh East Railway Ltd (CERL) and Chhattisgarh East-West Railway Ltd. (CEWRL).



## Shri Ambika Prasad Panda

Whole-Time Director

Shri Ambika Prasad Panda (47 years) assumed the charge of Director (Finance), SECL on 01.08.2013. Shri Panda is a Fellow member of the Institute of Cost Accountants of India (ICAI) and Post Graduate in Business Administration. He is a keen business analyst and a committed management professional. Prior to his present assignment, he worked in various capacities at Rashtriya Ispat Nigam Limited, Vishakhapatnam Steel Plant, Vishakhapatnam. During a carrier span of more than two decades, he could garner experience in the field of Financial Planning and Control, Accounts & Audit, Costing & Budgeting, Treasury and Forex Management, Commercial and Tax matters etc. The organization was immensely benefitted by his negotiation skills, co-ordination abilities and relationship management. His contribution in the areas of forex management, internal control, cost reductions, contract management, etc. have resulted in adding value to functional areas of the organization. In addition to his present assignment as Director (Finance), SECL, Shri Panda is also holding the charge of Chairman of the two subsidiaries of SECL viz. Chhattisgarh East Railway Limited (CERL) and Chhattisgarh East West Railway Limited (CEWRL).

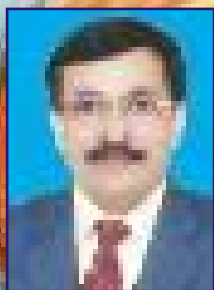


## Shri Ram Prabesh Thakur

Whole-Time Director

Shri Ram Prabesh Thakur (57 years) joined as Director (Technical) Operations, SECL, on 01.12.2013. Shri Thakur is a Graduate Mining Engineer from Indian School of Mines, Dhanbad, and holds MBA in Finance and Marketing from BIT, Mesra and also holds Post Graduate Diploma in Computer Applications from XISS, Ranchi. He started his career as a Junior Executive Trainee (Mining) in CCL in the year 1977. He has worked in different capacities in the fields as well as in corporate offices and finally relieved of from CCL as Chief General Manager (Operations-Coordination) in November, 2013. Shri Thakur has about 37 years of experience in the mining industry. Under his able guidance, SECL will see new heights in the field of production, productivity and profitability with top most priority on Safety, Infrastructure development and corporate social responsibility.

Shri Thakur also holds the position of Director on the Board of Chhattisgarh East Railway Ltd. (CERL) and Chhattisgarh East-West Railway Ltd. (CEWRL), Subsidiary Companies of SECL. He is also nominee director of SECL on the Board of Andhra Pradesh Heavy Machinery & Engineering Ltd., a subsidiary of The Singareni Collieries Co. Ltd.



## **Shri A.R. Komawar** (up to 31<sup>st</sup> July, 2013) Whole-Time Director

Shri A.R. Komawar (60 Years) Director (Finance), is a Chartered Accountant with rich and varied experience of over 35 years in corporate financial management in Coal Industry and he played a pivotal role in providing valuable inputs to the Board for taking various strategic decisions to enable the Company in achieving its goals. He was responsible for entire gamut of financial management of the Company including financial resource mobilization, optimum utilization of funds and budgetary controls and identifying and adopting emerging trends to achieve the desired corporate objectives and profitability norms. In addition, Shri Komawar also held the charge of Chairman of two subsidiaries of SECL, Chhattisgarh East Railway Ltd (CERL) and Chhattisgarh East-West Railway Ltd. (CEWRL). Shri Komawar relinquished the charges on 31<sup>st</sup> July, 2013 on attaining the age of superannuation.



## **Shri P.K. Roy Chowdhury** (up to 30<sup>th</sup> November, 2013) Whole-Time Director

Shri P.K. Roy Chowdhury (60 Years) joined as Director (Tech.) Operations on 01.12.2008 and relinquished the charge on 30.11.2013 on attaining the age of superannuation. Shri Chowdhury is a Graduate Mining Engineer with M.Tech. (Opencast Mines) from Indian School of Mines, Dhanbad and holds qualification of MBA in Human Resources from IGNOU. Shri Chowdhury has more than three decades of diversified and versatile professional experience in coal industry, spanning a wide range of functions including Marketing and Business development, Project execution, Operations & Planning and Strategic management. During his tenure as head of operations of SECL, Shri Chowdhury has initiated and facilitated strategic steps to fill the technology gaps.

In addition, Shri Chowdhury also held the charge as Member in the Board of two subsidiaries of SECL, Chhattisgarh East Railway Ltd (CERL) and Chhattisgarh East-West Railway Ltd. (CEWRL).



**Shri H.S. Chahar** (up to 21<sup>st</sup> February, 2014)  
Independent Director

Shri H.S. Chahar (65 years), joined as Part-Time Non-Official Director (Independent Director) on the Board of SECL on 22.02.2011 and relinquished the charge on 21.02.2014 on completion of his tenure. Shri Chahar is a Masters in Economics from Punjab University, Chandigarh. He is a retired IAS Officer of Orissa Cadre, superannuated in October, 2008. He has worked in various capacities at the State and Central Government like Secretary, Agriculture Department, Secretary, Transport & Commerce Department, Secretary, Housing and Urban Development Department, Secretary, Steels & Mines Department, Forest & Environment Department and Collector & District Magistrate, Sambalpur and Mayurbhanj Districts of Orissa besides various other administrative posts. Shri Chahar has wide ranging experience in both Development & Regulatory Administration at Central, State and District levels. He is also an Independent Director on the Board of Rashtriya Ispat Nigam Limited, Vishakapattanam.



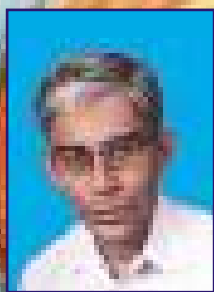
**Dr. R.N. Trivedi** (up to 18<sup>th</sup> August, 2013)  
Independent Director

Dr. R.N. Trivedi (65 years) joined as Part-Time Non-Official Director (Independent Director) on the Board of SECL on 07.10.2011 and relinquished the charge on 18.08.2013 on completion of his tenure on the Board of Coal India Limited. Dr. Trivedi holds a Bachelor's Degree in Technology from the Indian Institute of Technology, Kanpur and also holds a Master's Degree in Arts (Economics), a Doctorate in Economics and a Doctorate in Science (Agricultural Economics) from CSJM University, Kanpur. Dr. Trivedi joined the Indian Administrative Services in 1972 and in the course of his career has held various significant posts such as Collector of Farrukhabad, Lakhimpur Kheri and Lucknow, Principal Secretary to the Government of Uttar Pradesh and Director General Training, Government of Uttar Pradesh. Dr. Trivedi was also the Managing Director of certain public sector undertakings such as, Uttar Pradesh Financial Corporation, Uttar Pradesh State Industrial Development Corporation and Uttar Pradesh Co-operative Spinning Mills Federation. He was also an Independent Director on the Board of Coal India Limited, Kolkata and Frontier Springs, Kanpur.



## **Shri Amitav Kothari** (up to 21<sup>st</sup> February, 2014) Independent Director

Shri Amitav Kothari (61 years), a Practicing Chartered Accountant, Chairman & Managing Partner of Kothari & Company, Chartered Accountants, Kolkata, joined as Part Time Non Official Director (Independent Director) on the Board of SECL on 22.02.2011 and relinquished the charge on 21.02.2014 on completion of his tenure. Shri Kothari holds Masters Degree in Commerce, Bachelors Degree in Law and Fellowship of the Institute of Chartered Accountants of India and Fellow of the British Institute of Management (UK) and Life Member of the Indian Council of Arbitration. Shri Kothari has rich and varied experience spanning over 37 years in the field of Finance, Accounting, Taxation, Bank audit, especially in Banking and Financial Services, Tax Planning and Management, Corporate Laws and Foreign Collaboration etc. Shri Kothari is a Director on the Board of M/s. Maharaja Sree Umaid Mills Ltd, M/s. Kanoria Chemicals and Industries Ltd. and National Insurance Co. Ltd. Shri Kothari was honoured with many Awards & Recognition by various Institutions of national & international repute and he has authored more than 500 Articles. Shri Kothari has served as a Member of Editorial Board of 'The Chartered Accountant' the official journal of ICAI.



## **Dr. Amalendu Sinha** (up to 21<sup>st</sup> February, 2014) Independent Director

Dr. Amalendu Sinha (58 years), Director, Central Institute of Mining and Fuel Research (CIMFR), Dhanbad joined as Part-Time Non- Official Director (Independent Director) on the Board of SECL on 22.02.2011 and relinquished the charge on 21.02.2014 on completion of his tenure. Dr. Sinha holds Ph.D in Applied Geology from ISM Dhanbad, M.Sc. (Applied Geology) & M.Sc. (Tech) in Mineral Exploration. Dr. Sinha joined CMRI in 1977 as Scientist 'B' and gradually elevated to the position of Scientist 'G' by virtue of his keenness, devotion and dedication to Research & Development in the areas of Geo-mechanics and Mining Technology. Dr. Sinha has coordinated and guided a number of Research & Development Projects, in the field of mining technology, geo-environment, coal-bed methane, blasting and explosive and completed successfully a good number of consultancy projects sponsored by the Industry. Dr. Sinha has a large number of research papers published in the journals of repute in India and abroad and also holds few patents to his credit.



## Shri B. K. Joshi

Permanent invitee

Shri B. K. Joshi joined as permanent invitee on the Board of SECL on 02.01.2012. Shri Joshi is the Chief Operations Manager, South East Central Railway, Bilaspur, which is the highest loading zone amongst all the 17 zones of Indian Railway. He holds Masters Degree in English Literature, professional Diplomas in Social Work as well as in International Business. Shri Joshi has worked in various capacities such as Chief Freight Transportation Manager of South Eastern and East Coast Railway and also served as a faculty of Railway Staff College, Vadodara, which is the premier HRD Centre of Indian Railway. Prior to joining Indian Railway, Shri Joshi has served around five years in HRD field at Bokaro Steel Plant of Steel Authority of India Ltd. He has also served on the Board of Trustees of Kolkata Port Trust as well as Vishakhapatnam Port Trust. Shri Joshi has visited many Countries like Spain, Italy, Germany, Japan, etc. for attending seminars/exchange programmes in the field of Railway, Port Management and Logistics.



## Shri G. Janardhan

CHIEF VIGILANCE OFFICER

Shri G. Janardhan, an IPS officer of 1992 batch, took charge of Chief Vigilance Officer of SECL on 30.05.2011. He served as Superintendent of Police (SP) of Harda, Anuppur, Jabalpur and Ujjain Districts of Madhya Pradesh. He has also rendered services overseas in Kosovo, Yugoslavia on United Nations Peace Mission. He has been awarded many Police medals such as Durgam Seva Padak from Govt. of Madhya Pradesh and Internal Security Medal and President's Police Medal for Meritorious Services from Govt. of India. He is presently of the rank of Inspector General of Police (IGP).



## Our Management Team

S.NO	EIS	NAME (In Alphabetical Order)	DATE OF BIRTH	DESIGNATION	Discipline
1	90009572	Pawan Kumar Agrawal	02-MAY-56	Chief General Manager	Mining
2	90009556	Radhe Behari Shukla	04-AUG-55	Chief General Manager	Mining
3	90277567	Raj Kishore Manjhi	02-APR-58	Chief General Manager	Mining
4	90109240	A Mohamed Rafique	18-JUN-55	General Manager	Finance
5	90113689	A Surendra Babu	21-DEC-64	General Manager	Mining
6	90007048	Ajoy Dhar	12-AUG-57	General Manager	Mining
7	90072851	Arvind Kumar	01-JAN-61	General Manager	Mining
8	90176462	Arvind Kumar Singh	18-SEP-59	General Manager	Mining
9	90058710	Ashok Kumar Kinwar	01-JAN-55	General Manager	Personnel
10	90151200	Ashok Kumar Udeniya	25-APR-59	General Manager	Mining
11	90069857	Asit Kumar Pandey	07-JUN-59	General Manager	Mining
12	90026329	Asoke Kumar Goswami	01-AUG-57	General Manager	Mining
13	90176298	Baban Singh	14-NOV-61	General Manager	Mining
14	90132903	Bhagat Ram Patel	01-JAN-57	General Manager	Excv
15	90072869	Bhubaneshwar Pathak	02-OCT-54	General Manager	Mining
16	90092586	Binay Dayal	09-JAN-62	General Manager	Mining
17	90151952	Binay Kumar Mishra	01-FEB-59	General Manager	Mining
18	90159989	Binod Prasad Singh	20-JAN-64	General Manager	Mining
19	90177163	Bishweshwar Nath Singh	02-JAN-55	General Manager	Excv
20	90107244	Biswajit Choudhury	14-NOV-61	General Manager	Mining
21	90112459	Dendukuri Srinath	20-AUG-63	General Manager	Mining
22	90112855	Devi Prasad Tiwari	07-NOV-58	General Manager	Mining
23	90110883	Dinesh Dinkar Shrikhande	27-APR-57	General Manager	E&T
24	90182288	Dr. Gyanendra Kumar Sinha	26-SEP-55	Chief Of Medical Services	Medical
25	90020561	Dr.Ashok Sharma	03-JUL-54	Chief Of Medical Services	Medical
26	90020785	Dr.Mrs. Santosh Sharma	10-JUN-54	Chief Of Medical Services	Medical
27	90139742	Dr.Aryasomayajula Murali Mohan	25-NOV-55	Chief Of Medical Services	Medical
28	90111634	Dr.Ashok Madhaorao Ganjre	12-DEC-55	Chief Of Medical Services	Medical
29	90020736	Dr. Mrs. N Bajpai	11-APR-55	Chief Of Medical Services	Medical
30	90139759	Dr.U K Behra	22-APR-55	Chief Of Medical Services	Medical
31	90176264	Ghanshyam Singh	08-DEC-62	General Manager	Mining
32	90024357	Giridhar Gopal	03-JAN-55	General Manager	System
33	90207937	Iqbal Ahmed	29-SEP-55	General Manager	Geology
34	90175480	Jai Govind Singh	15-DEC-60	General Manager	Mining
35	90074337	Jai Narayan Singh	04-JUL-54	General Manager	Mining
36	90125725	Jai Prakash Dwivedi	15-JAN-66	General Manager	Mining

S. NO	EIS	NAME (In Alphabetical Order)	DATE OF BIRTH	DESIGNATION	Discipline
37	90177213	Jawahar Lall	05-OCT-55	General Manager	Excv
38	90088113	K K Parida	20-JUN-57	General Manager	Finance
39	90177049	Kamal Mukherjee	01-JUL-55	General Manager	Excv
40	90130717	Kelakathu Chacko John	01-OCT-54	General Manager	E&M
41	90066044	Kiranendra Nath	01-OCT-55	General Manager	Mining
42	90110743	Kosana Ravindra Reddy	07-JUN-56	General Manager	E&M
43	90093493	Krishna Kumar	30-MAY-59	General Manager	Civil
44	90154287	Krishna Kumar Gupta	02-MAY-61	General Manager	E&M
45	90130204	Krishna Kumar Shukla	02-FEB-60	General Manager	E&M
46	90084047	Kruttibas Samal	11-MAY-59	General Manager	Mining
47	90174293	Kuldip Prasad	15-APR-59	General Manager	Mining
48	90110107	L Varada Raju	16-MAY-55	General Manager	Personnel
49	90108978	Madan Mishra	31-DEC-55	General Manager	MM
50	90110131	Madan Bhalchandra Aparajit	16-JAN-55	General Manager	Personnel
51	90130725	Mahatam Prasad	02-JAN-56	General Manager	E&M
52	90186446	Manoj Kumar Agrawal	29-JUL-63	General Manager	Mining
53	90114315	N R Holkar	01-JUN-59	General Manager	Mining
54	90110735	Narendra Palsingh Rana	01-OCT-55	General Manager	E&M
55	90125253	Nileshwar Prasad Sahu	05-AUG-56	General Manager	Mining
56	90024589	Nitendra Narayan Roy	20-OCT-54	General Manager	IED
57	90151291	O P Singh	23-OCT-63	General Manager	Mining
58	90113036	Om Prakash Katare	05-AUG-58	General Manager	Mining
59	90088105	P K Sahoo	11-JAN-55	General Manager	Finance
60	90109265	Prabir Kumar Bose	13-SEP-54	General Manager	Finance
61	90027517	Pradip Kumar Poddar	10-JAN-61	General Manager	Mining
62	90185901	Prakash Chandra	15-NOV-64	General Manager	Mining
63	90087008	Prakash Chandra Das	01-NOV-57	General Manager	Excv
64	90109562	R Ulagnathan	01-JUN-56	General Manager	IED
65	90179078	R C Gupta	02-DEC-54	General Manager	E&M
66	90022260	R Lp Gupta	26-JUN-55	General Manager	S&M
67	90111360	R. K. Mishra	14-DEC-57	General Manager	MM
68	90018631	Rabindra Kumar Ghose	20-JUL-54	General Manager	Excv
69	90125402	Raghavendra Pratap Singh	07-DEC-63	General Manager	Mining
70	90151036	Raghu Nandan	30-JUN-56	General Manager	S&M
71	90085127	Raj Narayan Prasad	06-OCT-56	General Manager	E&M
72	90107350	Raja Sekhar Kotturi	01-AUG-59	General Manager	Excv
73	90165275	Rajendra Pd. Hajarika	18-MAR-56	General Manager	Mining
74	90110057	Rajendra Singh Chauhan	22-MAY-54	General Manager	Personnel



S.NO	EIS	NAME (In Alphabetical Order)	DATE OF BIRTH	DESIGNATION	Discipline
75	90176470	Rakesh Kumar	15-MAR-61	General Manager	Mining
76	90062506	Ram Prasad Mukhopadhyay	30-AUG-54	General Manager	Civil
77	90107871	Ram Shankar Mukaty	27-JUN-55	General Manager	Excv
78	90006313	Ramesh Behari Raizada	25-JUL-56	General Manager	Mining
79	90154816	Rameshwar Prasad	15-JAN-57	General Manager	Excv
80	90083403	Ranjan Prasad Sah	03-MAY-63	General Manager	Mining
81	90186453	Ravikesh Kumar Raju	28-JUL-64	General Manager	Mining
82	90009622	Ravindra Kumar Nigam	02-OCT-60	General Manager	Mining
83	90083981	S K Ranu	29-MAR-60	General Manager	Mining
84	90034737	Samir Kumar Bhaumik	16-FEB-55	General Manager	Excv
85	90266867	Sanjeev Kumar	17-AUG-62	General Manager	Personnel
86	90084039	Santosh Kumar Pal	15-SEP-63	General Manager	Mining
87	90134669	Satindra Kumar Sharma	17-DEC-55	General Manager	Civil
88	90128125	Satya Narain Kapri	01-JAN-65	General Manager	Mining
89	90107368	Satyanarayan Pd. Yadav	18-DEC-55	General Manager	Excv
90	90113960	Shankar Nagachari	22-FEB-66	General Manager	Mining
91	90132887	Sheo Sharma Dubey	10-DEC-59	General Manager	Excv
92	90165549	Sivaratri Chandramouli	01-MAR-57	General Manager	S&M
93	90111204	Smt. Banashri Nair	02-JUL-55	General Manager	Civil
94	90124074	Somesh Das	15-MAY-54	General Manager	Mining
95	90027939	Somnath Bakshi	17-NOV-59	General Manager	Mining
96	90125584	Subodh Shrivastava	13-SEP-58	General Manager	Mining
97	90175498	Subrata Sekhar Sinha	28-SEP-62	General Manager	Mining
98	90110578	Sunil Kumar Gupta	25-DEC-57	General Manager	E&M
99	90132796	Sunil Kumar Rai	26-DEC-56	General Manager	Excv
100	90025974	Swapan Kumar Neogi	15-AUG-57	General Manager	Mining
101	90122029	Uday Anant Kaole	08-JAN-67	General Manager	Mining
102	90193855	Uday Kumar Singh	05-FEB-59	General Manager	Mining
103	90112426	Uday Trymbak Kanzarkar	09-MAY-63	General Manager	Mining
104	90174335	Umesh Choudhary	09-FEB-60	General Manager	Mining
105	90022054	Vageesh Pathak	01-JAN-55	General Manager	MM
106	90173733	Venkata Satya Prasad Yeluri	10-JUN-56	General Manager	S&M
107	90007923	Vidya Sagar Ram	02-APR-55	General Manager	Mining
108	90107947	Vijay Kumar Jaitak	04-DEC-57	General Manager	Excv
109	90172107	Vijay Prakash Singh	22-OCT-59	General Manager	MM
110	90008996	Vinod Shanker Seth	30-JUN-56	General Manager	Mining
111	90110347	Y V Subba Rao	29-JUN-58	General Manager	Finance
112	90009499	Zahurul Haque Khan	04-JUN-56	General Manager	Mining

# AREA MAP OF S.E.C.L.





# DIRECTORS' REPORT

*Dear Members,*

On behalf of the Board of Directors of your Company, it gives me immense pleasure to present before you the **28<sup>th</sup> Annual Report** on the business and operations of South Eastern Coalfields Limited (SECL) and its Audited Statements of Accounts for the year ended **March 31, 2014**, together with the Auditors Report and Comments on the Accounts by the Comptroller & Auditor General (CAG) of India.

## 1.0 HIGHLIGHTS OF PERFORMANCE

The fiscal 2013-14 has been yet another year of sustained performance, success and growth for your Company, which excelled in its endeavours and scaled new heights. The significant milestones achieved by your Company during the year are:

- Highest ever Coal Production of 124.261 Million Tonnes (MT), registering a growth of 5.11% over the previous year.
- Highest ever Coal dispatch of 122.01 Million Tonnes.
- All time high Gross Sales value of ₹ 22,228.61 Crores, registering a growth of 3.83% over the previous year.
- Highest ever Profit Before Tax (PBT) of ₹ 7,202.68 Crores registering a growth of 14.50% over the previous year.
- Highest ever Dividend @ 796.05% (₹7960.46 per Equity Share) amounting to ₹2,863.38 Crores.
- Your Company received 'Excellent' MoU performance rating for the year 2012-13 with a score of 1.408.
- Your company received 'Excellent' rating for the year 2012-13 with a score of 94.88% for its compliance with the Guidelines on Corporate Governance for CPSEs.

These achievements reflect your Company's proven commitment towards sustained growth and performance excellence. Consistently driven by well-defined growth strategies, your company delivers and improves performance year-on-year basis. You will appreciate the fact that your company is imparting a major thrust to the growth of the energy sector and recording consistently excellent performance despite the challenge before the sector.

## 2.0 ORGANIZATION

The coal reserves of SECL are spread over two states, namely, Chhattisgarh (C.G) and Madhya Pradesh (M.P) and the Company is currently operating 86 mines with 52 mines situated in the state of Chhattisgarh and 34

mines situated in Madhya Pradesh. These 86 mines comprises of 64 Underground mines, 21 Opencast mines and 1 Mixed mine. The company also operates a Coal Carbonization Plant, namely, Dankuni Coal Complex (DCC) at Dankuni, Hooghly District in the state of West Bengal on lease basis from Coal India Limited.

For effective administrative control & operations, the mines have been grouped in three coalfields, namely, 'Central India Coalfields' (CIC), 'Korba Coalfields' and 'Mand-Raigarh Coalfields' with a total of 13 operating areas.

The Area-wise details of Underground, Opencast and Mixed mines of SECL as on 31<sup>st</sup> March, 2014 is as under:

(Figures represent No. of mines)

S.N.	Areas of SECL	Underground		Opencast		Mixed	
		CG	MP	CG	MP	CG	MP
<b>I.</b>	<b>CENTRAL INDIA COALFIELDS (CIC):</b>						
1	Sohagpur		6		2		
2	Johilla		7		1		
3	Jamuna & Kotma		7		2		
4	Hasdeo	4	8		1		
5	Chirimiri	6		1		1	
6	Baikunthpur	5					
7	Bisrampur	5		3			
8	Bhatgaon	5		3			
<b>A. Sub-total (CIC)</b>		25	28	7	6	1	
<b>II.</b>	<b>KORBA COALFIELDS:</b>						
9	Korba	10		2			
10	Kusmunda			1			
11	Gevra			1			
12	Dipka			1			
<b>B. Sub-total (Korba Coalfields)</b>		10		5			
<b>III.</b>	<b>MAND-RAIGARH COALFIELDS:</b>						
13	Raigarh	1		3			
<b>C. Sub-total (Mand-Raigarh Coalfields)</b>		1		3			
<b>TOTAL (A+B+C)</b>		36	28	15	6	1	0
<b>GRAND TOTAL</b>		<b>64</b>		<b>21</b>		<b>1</b>	



### 3.0 SUBSIDIARIES

Two (02) Subsidiary Companies of SECL with an Authorized Capital of ₹ 5.00 crores each have been formed by incorporation under the Companies Act, 1956 in the form of Joint Venture Companies, viz. Chhattisgarh East Railway Limited (CERL) and Chhattisgarh East-West Railway Limited (CEWRL) with equity shareholding pattern of the promoter entities in each of the Company as under:

Name of the Promoter entities	Shareholding Pattern
South Eastern Coalfields Limited (SECL)	64%
IRCON International Limited (IRCON)	26%
Chhattisgarh State Industrial Development Corporation Limited (CSIDCL, representing Govt. of Chhattisgarh)	10%

#### 3.1 Chhattisgarh East Railway Limited (CERL):

Chhattisgarh East Railway Limited (CERL) was incorporated on 12.03.2013 and its Certificate of Commencement of Business (CoB) was issued by the Registrar of Companies, Chhattisgarh on 02.05.2013. The East Rail Corridor has been given the status of a “Special Railway Project” on 17.12.2013 by the Ministry of Railways. This rail corridor will facilitate coal transport from Mand-Raigarh coalfields of SECL as well as cater to the passenger services.

A Project Execution Agreement has been signed between CERL and IRCON on 18.01.2014 to carry out the execution of the Project. The East Rail Corridor is expected to be completed in two phases:

Phase-I : Kharsia to Dharamjaygarh (0 to 74 KM)

Phase-II : Dharamjaygarh to Korba (approx 62 KM)

#### 3.2 Chhattisgarh East-West Railway Limited (CEWRL):

Chhattisgarh East-West Railway Limited (CEWRL) was incorporated on 25.03.2013 and its Certificate of Commencement of Business (CoB) was issued by the Registrar of Companies, Chhattisgarh on 02.05.2013. The East-West Rail Corridor i.e., Gevra Road – Pendra Road new line project (121.70 KM) has been given the status of a “Special Railway Project” on 17.12.2013 by the Ministry of Railways. This rail corridor will facilitate coal transport from Gevra coalfields of SECL as well as cater to the passenger services.

A Project Execution Agreement has been signed between CEWRL and IRCON on 05.04.2014 to carry out the execution of the Project.

## 4.0 PRODUCTION PERFORMANCE

### 4.1 Production of Coking Coal & Non-Coking Coal:

Production performance of SECL for the financial year 2013-14 as compared to the target and achievement of the previous year is given below: (Fig. in million tonnes)

Raw Coal Production	2013-14		2012-13	%age achievement against target	%age growth over previous year
	Target	Actual	Actual		
Coking Coal	0.160	0.125	0.157	78.13	-20.38
Non-Coking Coal	124.140	124.136	118.062	100.00	5.14
<b>Total</b>	<b>124.300</b>	<b>124.261</b>	<b>118.219</b>	<b>99.97</b>	<b>5.11</b>

**Note:**

1. Coal production from Kasmunda OC Mine had stopped from 03.02.2014 to 18.02.2014 for want of Environmental clearance for capacity enhancement.
2. Delay happened in starting of Saraipali OC & Jampali OC due to delay in Environmental clearance.

### 4.2 Production from Underground and Opencast Mines:

The production of Coal from Underground Mines and Opencast Mines during the year 2013-14 vis-à-vis 2012-13 is tabulated below: (Fig.in Million Tonnes)

Raw Coal Production	2013-14		2012-13	%age achievement against target	%age growth over previous year
	Target	Actual	Actual		
Underground Mines	17.200	16.416	16.869	95.44	-2.69
Opencast Mines	107.100	107.845	101.350	100.70	6.41
<b>Total</b>	<b>124.300</b>	<b>124.261</b>	<b>118.219</b>	<b>99.97</b>	<b>5.11</b>

### 4.3 Overburden Removal from Opencast Mines:

The Overburden removal from Opencast Mines during the year 2013-14 vis-à-vis 2012-13 is tabulated below: (Fig.in Million Cu. Mtrs.)

Parameter	2013-14		2012-13	%age achievement against target	%age growth over previous year
	Target	Actual	Actual		
Overburden Removal	161.200	145.054	118.202	89.98	22.72

### 4.4 Mechanized Underground Coal Production:

The Mechanized Coal Production from Underground Mines during the year 2013-14 was 16.28 Million Tonnes as compared to last year's 16.71 Million Tonnes.



#### 4.5 Productivity:

The productivity in terms of Output per Manshift (OMS) is given hereunder:

Productivity	2013-14		2012-13	%age achievement against target	%age growth over previous year
	AAP Target (in Te)	Actual (in Te)	Actual (in Te)		
Underground Mines	1.39	1.35	1.37	98.56	-1.46
Opencast Mines	22.90	21.45	19.26	84.10	11.37
Overall	7.29	7.23	6.72	92.18	7.59

#### 4.6 Coal Stock:

The Stock of Raw Coal as on 31<sup>st</sup> March, 2014 was 7.764 Million Tonnes.

### 5.0 FINANCIAL PERFORMANCE

#### 5.1 Factors contributing to Increase/Decrease in Profit:

The Company has earned a profit before tax in the year 2013-14 of ₹ 7202.68 Crores as against a profit of ₹ 6290.37 Crores in the previous year. The financial performance of the Company for the year 2013-14 vis-à-vis 2012-13 is furnished below:

(₹ in Crores)

S.N.	Particulars	Amount	Amount
1	<b>Profit Before Tax for the financial year 2012-13</b>		<b>6290.37</b>
2	<b>Factors contributing to decrease in Profit:</b>		
i	Increase in cost of material consumed of stores items due to increase in rates & composite production	266.91	
ii	Power Cost increased due to increase in Power consumption	33.15	
iii	Increase in Contractual expenses due to increase in Coal Transport, OB, Surface Miner Cost	178.68	
iv	Increase in Repairs expenses for HEMM & Other Equipments	60.61	
v	Increase in Underloading, Railway Siding Maintenance & other Miscellaneous expenses, net off Prior Period Income	54.64	
vi	Increase in Salary & Wages due to impact of DA, Yearly increments, PLRS (Bonus), OT, Other Welfare expenses	415.22	<b>1009.21</b>
3.	<b>Factors contributing to increase in Profit:</b>		
i	Increase in Sales due to increase in despatch & impact of price revision w.e.f. 27.05.2013 (₹ 338.40 Cr Approx.) & Increase in Crushing & SILO charges w.e.f. 18.12.2013 (₹ 49.60 Cr Approx) & Balance ₹ 180.21 Crores due to E-auction, Incentive & Grade-mix.	568.21	
ii	Increase in other income due to increase in interest from surplus fund, STC income & BG encashment	377.96	
iii	Increase in Profit due to write back of Provision, Reduction in Finance Cost & OBR adjustments	442.01	
iv	Decrease in Salary & Wages due to Less provision for Actuarial Gratuity & leave encashment, etc.	279.03	
v	Stock Liquidation	254.31	<b>1921.52</b>
4	<b>Profit Before Tax for the financial year 2013-14</b>		<b>7202.68</b>

## 5.2 Financial Results:

The working results for the year 2013-14 as compared to the previous year are given below:

(₹ in Crores)

Particulars	2013-14	2012-13
Gross Sales	22228.61	21408.13
Less : Levies	5372.01	5119.74
<b>Net Sales</b>	<b>16856.60</b>	<b>16288.39</b>
Less: Expenditure-Net of Income	9218.04	9562.14
<b>Gross Margin</b>	<b>7638.56</b>	<b>6726.25</b>
Less : Depreciation & Impairment	429.33	428.48
<b>Gross Profit</b>	<b>7209.23</b>	<b>6297.77</b>
Less : Interest & Financial Charges	6.40	8.15
<b>Profit before Extraordinary Items &amp; Tax</b>	<b>7202.83</b>	<b>6289.62</b>
Less :Extraordinary Items	0.00	0.00
Less: Prior Period Adjustments	0.15	(0.75)
<b>Profit Before Tax (PBT)</b>	<b>7202.68</b>	<b>6290.37</b>
Less: Provision for Taxation :		
a) Income Tax	2296.90	2108.65
b) Deferred Tax	120.70	(77.75)
Less : Adjustment of provision for Income Tax of earlier years	12.78	(39.56)
<b>Profit after Tax (PAT)</b>	<b>4772.30</b>	<b>4299.03</b>
Profit brought forward from previous year	5566.24	4768.38
<b>Distributable surplus</b>	<b>10338.54</b>	<b>9067.41</b>

Appropriations :	2013-14	2012-13
General Reserve	477.23	429.90
CSR Reserve	63.92	60.09
Sustainable Development Reserve	4.70	4.50
Interim Dividend	2302.58	1437.36
Final Dividend on Equity Share	560.80	1142.05
Tax on Dividend	486.63	427.27
<b>Total</b>	<b>3895.86</b>	<b>3501.17</b>
<b>Balance carried to Balance Sheet</b>	<b>6442.68</b>	<b>5566.24</b>



### 5.3 Dividend:

The Directors have recommended a final dividend of 155.91% (₹ 1559.08 per Equity Share) in addition to Interim dividend of 640.14% (₹ 6401.38 per Equity share) on 35,97,000 Equity Shares of ₹ 1000.00 (Rupees One thousand) each for the financial year ended 31<sup>st</sup> March, 2014, subject to approval at the forthcoming Annual General Meeting, thus making the total dividend of 796.05% (₹ 7960.46 per Equity Share) amounting to ₹ 2,863.38 Crores (Dividend Tax ₹ 486.63 Crores) for the year 2013-14.

Particulars	2013-14	2012-13
Rate of Dividend	796.05%	717.10%
Dividend per Share	₹ 7960.46	₹ 7171.01
Total Dividend	₹ 2863.38 Crores	₹ 2579.41 Crores
Dividend Tax	₹ 486.63 Crores	₹ 427.27 Crores

### 5.4 Capital Structure:

During the year under review, there was no change in the Authorized and Paid-up share capital of the company, which stood at ₹ 1,300.00 Crores and ₹ 359.70 Crores, respectively. The entire Paid-up share capital is held by Coal India Limited and its nominees.

### 5.5 Loan Fund:

#### Unsecured Loan:

(₹ in Crores)

Name of the Financial Institution	Balance of Loan as on 01.04.2013	Additional Loan availed during the year	Repayment of Loan during the year	Balance of Loan as on 31.03.2014
IBRD	127.83	-	127.83	0.00
JEXIM	113.88	-	113.88	0.00
<b>Total</b>	<b>241.71</b>	<b>-</b>	<b>241.71</b>	<b>0.00</b>

During the year under review, outstanding balance of loan as on 01.04.2013 has been fully repaid and hence balance of the loan from IBRD and JEXIM as on 31.03.2014 stood NIL.

### 6.0 SUNDRY DEBTORS

The position of Sundry Debtors (Gross), Debtor turnover and the Provision for doubtful debts as on 31<sup>st</sup> March, 2014 vis-a-vis 31<sup>st</sup> March, 2013 is as under:

Particulars	Unit	31.03.2014	31.03.2013
Sundry Debtors (Gross)	₹ in Crores	1579.35	1582.46
Debtor Turnover	No. of months	0.85	0.89
Provision for Doubtful debts	₹ in Crores	242.57	232.17

## 7.0 WORLD BANK ASSISTANCE

Two back-to-back loan agreements between Coal India Limited and SECL were signed on 19.03.1998 for procurement of equipment under Coal Sector Rehabilitation Project (CSR) financed by IBRD and JEXIM Bank and for implementation of Environmental & Social Mitigation Project (ESMP), a sub-component of CSR. The disbursement of loan was completed in December, 2003 and the loan utilized was to the extent of US \$ 5,36,19,259.86 and JEXIM Bank component of Japanese YEN 588,60,61,854.00

During the year under report, full repayment of the loan has been made and hence, the outstanding loan as on 31.03.2014 stood NIL.

## 8.0 CAPITAL EXPENDITURE

During the year under report, ₹ 956.21 Crores were invested as capital expenditure on the Projects under construction as well as on the existing Mines/Units for maintenance of production.

## 9.0 CONTRIBUTION TO THE GOVERNMENT EXCHEQUER

The company has contributed to the Exchequer a total of ₹ 8676.81 during the financial year 2013-14. During the year under report, the company has paid ₹ 5737.65 Crores to the exchequer both Central and State by way of Royalty, Sales Tax, Excise Duty, Cess, etc., as per details given below:

(₹ in Crores)

SN.	Mode of Contribution to Exchequer	2013-14	2012-13
A	<i>Royalty :</i>		
	- Chhattisgarh	1733.47	1624.16
	- Madhya Pradesh	454.63	492.99
	Total	2188.10	2117.15
B	<i>State -Sales Tax / VAT /Entry Tax/Commercial Tax :</i>		
	- Chhattisgarh	491.65	453.06
	- Madhya Pradesh	120.48	134.79
	- West Bengal	1.70	1.77
	Total	613.83	589.62
C	<i>Central Sales Tax :</i>		
	- Chhattisgarh	185.51	180.52
	- Madhya Pradesh	56.79	54.66
	- West Bengal	2.59	1.83
	Total	244.89	237.01
D	<i>Central Excise Duty :</i>		
	- Chhattisgarh	854.75	763.52
	- Madhya Pradesh	180.51	206.14
	- West Bengal	1.52	1.39
	Total	1036.78	971.05
E	<i>Cess/Other Taxes</i>	1654.05	1402.69
	<b>Grand Total</b>	<b>5737.65</b>	<b>5317.52</b>

Further, the Company has also paid Direct Corporate Tax of ₹ 2,939.16 Crores during the year, including the Dividend tax of ₹ 585.41 Crores.



## 10.0 COAL MARKETING

### 10.1 Demand Satisfaction:

The demand of coal during the year under report from various sectors was 124.50 Million Tonnes and the off-take against the demand was 122.03 Million Tonnes, thereby registering a growth of 0.03% over last year.

The demand satisfaction was 98.02%. However, it could have been even better had there been no constraint of availability of wagons. The details of the sector-wise demand and off-take are tabulated below:

(Fig. in Million Tonnes)

Sector	Demand		Off-take		Demand Satisfaction (%)	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Power	90.00	84.43	86.01	86.49	95.57	102.44
Fertilizer	0.73	0.76	0.87	0.68	119.18	89.47
Cement	4.50	5.15	3.55	4.39	78.89	85.24
Others	29.25	27.64	31.58	30.41	107.97	110.02
Colliery Consumption	0.02	0.02	0.02	0.02	100.00	100.00
<b>Total</b>	<b>124.50</b>	<b>118.00</b>	<b>122.03</b>	<b>121.99</b>	<b>98.02</b>	<b>103.38</b>

Note: AAP Target has been taken as Demand

### 10.2 Dispatches by Various Modes of Transport:

The dispatches of coal by various modes of transport during the year 2013-14 were 122.01 Million Tonnes as compared to 121.97 Million Tonnes during 2012-13, thereby registering a growth of 0.03%. Barring through "Road" mode dispatch, there have been positive growth in dispatches through all other modes. The details of the mode-wise target and dispatches are tabulated below:



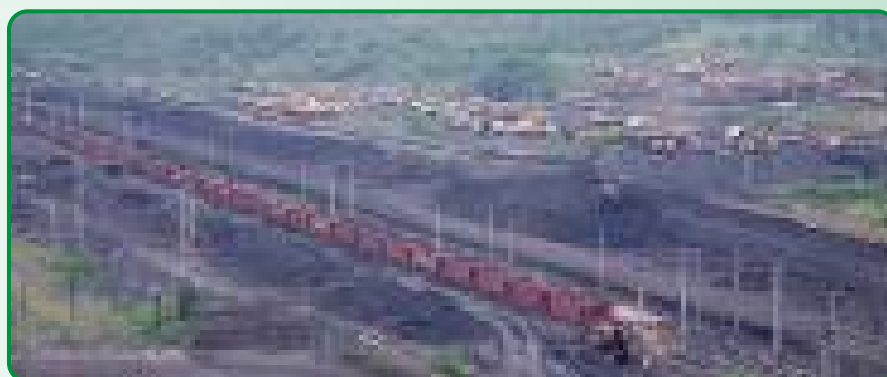
(Fig. in Million Tonnes)

Mode of Transport of Dispatch	2013-14		2012-13	%age achievement against target	%age growth over previous year
	Target	Actual	Actual		
Rail	48.69	47.49	45.55	97.54	4.26
Road	43.42	41.37	43.71	95.28	-5.35
Belt	4.70	5.25	5.08	111.70	3.35
MGR	23.89	24.58	24.33	102.89	1.03
Consumers' own Wagons	3.78	3.32	3.30	87.83	0.61
<b>Total</b>	<b>124.48</b>	<b>122.01</b>	<b>121.97</b>	<b>98.02</b>	<b>0.03</b>

The target by Rail & Road mode could not be achieved due to less value paid order booking by GSECL. Road mode includes dispatches through Washeries whereby washed coal is dispatched through rail.

### 10.3 Supply and Loading of Wagons:

The details regarding supply and loading of wagons during the year 2013-14 are given below. There was less offer in 2013-14 for clearing pending rakes of New Kusmunda and Gevra sidings of Korba field.



(Fig in Rakes/Day)

Supply & Loading of Wagons	2013-14	2012-13	Growth (%)
Daily Average Target	35.00	34.39	1.77
Daily Average Offer	34.34	32.78	4.76
Daily Average Supply	34.25	32.89	4.13
Daily Average Loading (Raw Coal)	34.25	32.89	4.13

### 10.4 New Coal Distribution Policy (NCDP):

The New Coal Distribution Policy (NCDP) was pronounced and circulated by Ministry of Coal, Government of India vide O.M. No. 23011/4/2007-CPD dated 18.10.2007. As per the NCDP, previous 'Linkage System' of distribution of coal has been replaced with the system of distribution of Coal through 'Fuel Supply Agreement' (FSA) as executed between Coal Companies and erstwhile valid linked consumers.



The details of FSAs entered between SECL and consumers are as under:

FSAs entered with consumers	FSAs existed/valid during the year		FSAs Renewed during the year		New FSAs entered during the year	
	Pre-NCDP	Post-NCDP	Pre-NCDP	Post-NCDP	Pre-NCDP	Post-NCDP
Power Sector	22	38	0	0	1*	27
Non-Power Sector	271	63	235	3	0	4

(\*) In case of Lanco Amarkantak Power Limited (300 MW unit-1), previously, FSA dated 25.06.2008 was signed in old model having 5 year tenure. The same was extended till signing of fresh FSA dated 18.09.2013 in post- NCDP LOA route model.

### 10.5 E-Marketing of Coal:

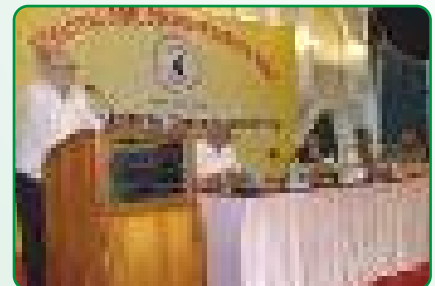
In accordance with the NCDP as approved by Ministry of Coal, Govt. of India, CIL communicated 'e-Auction Scheme 2007' (Spot e-auction) for sale of coal under this scheme to the extent of around 10% of the planned production. Forward e-Auction for consumers is also in vogue in SECL wherein coal distribution is aimed at providing access to coal for such consumers who wish to have an assured supply over a long period, say, one year.

SECL has successfully offered 223.31 Lakh Tonnes of coal for sale through e-auctions as against 151.79 Lakh Tonnes offered last year. Performance of the Spot e-Auction and Forward e-Auction during the period 2013-14, is as under:

Scheme	Offered Qty (Lakh tes)	Booked Qty (Lakh tes)	Gain over notified price (₹ in Crores)	% gain over notified price
Spot e-Auction	205.56	184.18	977.36	32.65
Forward e-Auction	17.75	12.14	58.45	35.38

### 10.6 Consumer Satisfaction:

The availability of imported coal and other alternative sources of coal and fuel is now a competitive reality. In this changed scenario, coal quality and consumer satisfaction has become all the more relevant than ever. The Company has adopted itself to the changed environment which is evident from the fact that there has not been any major complaint recorded against the total dispatch of 122.01 million tonnes. Thus, the Company maintained 100% consumer satisfaction during the year 2013-14.



In order to ensure complaint free status on quantity front also, the Company has taken action to install Electronic Weigh bridges at all the sidings due to which the Company has achieved 100% compliance in respect of installation of Weigh bridges at the sidings.

During the year under report, 122.00 Million Tonnes of weighed coal was dispatched out of the total dispatches of 122.01 Million Tonnes. Thus a growth of 0.033% in the dispatch of weighed coal was achieved whereas 100% sized coal was dispatched. The dispatch to power houses are covered under

3<sup>rd</sup> Party Sampling at loading end as per the provision of Fuel Supply Agreement (FSA) and all analysis is done with the help of Bomb Calorimeter to ascertain the GCV of coal being supplied to consumers. 100% sampled coal was dispatched to power houses covered under FSA.



For better customer satisfaction, a link was designed and hosted on SECL website for inviting suggestions. Over and above, in the month of May, 2013, all the major stakeholders including Power houses were requested in writing to send their valuable suggestions to develop a sound & transparent grievance redressal system. Subsequently, an interactive session was also organized to develop a mutually agreed customer satisfaction proforma in the month of November, 2013. The whole exercise was completed by December, 2013. This proforma is being incorporated in web-based Grievance Redressal System for the consumers.



SECL has adopted fully variable Gross Calorific Value (GCV) based system for grading and pricing of Non – Coking coals from existing Useful Heat Value (UHV) system w.e.f. January 1, 2012 as per Gazette Notification No. 2440 dated 30.12.2011 of Ministry of Coal and bills are raised and realized accordingly. The GCV based system for coal grading is an international practice for trading of coal which has been recommended for adoption by a number of high level committee including the Integrated Energy Policy Committee. This system ensures a high degree of consistency in quality of coal supplies and result in high consumer satisfaction. The determination of GCV is being ensured through Bomb Calorimeter in order to have optimum accuracy to gain the consumer confidence in this system. Further, this has also resulted into high degree of Consumer Satisfaction so far sampling and analysis is concerned as because the Bomb Calorimeter is automatic and results are being communicated by BCM directly once the Bomb Calorimeter is charged with sample.

## 10.7 Performance against MoU Target relating to Infrastructure Development:

The assigned MoU targets relating to Infrastructure Development has been achieved with “Excellent” performance ratings. The details of MoU performance parameters and its target vis-à-vis achievement for the year 2013-14 are given below:

S.No.	Performance Parameter	Unit	Target for Excellent Rating	Actual Performance	Achievement %
(i)	Renovation and up-gradation of Railway Sidings	Nos.	3	3	100%
(ii)	Strengthening of all-weather coal transportation road from mines to siding (25 Kms)	%	100	113	113%



## 11.0 PERFORMANCE OF MAJOR EQUIPMENT

### 11.1 Population and Performance of HEMMs:

#### (A) Performance of HEMM under CMPDIL Norms:

Availability and Utilization of HEMM as percentage of Central Mine Planning & Design Institute Limited (CMPDIL) norms during the year 2013-14, is shown under:

Name of HEMM	Population (in Nos.)		Availability (in %)			Utilization (in %)		
	2013-14	2012-13	Norms	2013-14	2012-13	Norms	2013-14	2012-13
Dragline	9	9	85	88	88	73	43	38
Shovel	72	72	80	78	77	58	52	51
Dumper	369	395	67	77	76	50	41	41
Dozer	173	178	70	72	74	45	29	27
Drill	115	125	78	88	86	40	26	25

Percentage availability of all the HEMMs in SECL except Shovels during the year 2013-14 is higher than the CMPDIL norms. Utilization of HEMM during the year 2013-14 was low mainly due to non-availability of land/restricted working area & shortage of Tyres for 240 Te Dumpers. However, the percentage utilization of Draglines, Shovels, Dozers & Drills are higher than last year. The percentage utilization of dumper is same as last year.

#### (B) Performance of HEMM under MARC:

Availability and utilization of HEMM under MARC against guaranteed availability during the year 2013-14 is shown as under:

Name of HEMM	Population (in Nos.)		Guaranteed Availability in MARC (in %)	Availability (in %)		Utilization (in %)	
	2013-14	2012-13		2013-14	2012-13	2013-14	2012-13
42.0 M <sup>3</sup> 495 HD Shovels	3	3	85	92	93	60	67
15.0 M <sup>3</sup> Rh120 (HS) Excavators	2	2	85	87	89	52	56
240 Te CAT793D Dumpers	22	22	85	96	95	32	49
850 HP D475A-5 Dozer	7	7	80	78	91	52	60
850 HP CAT D11T Dozer	2	2	80	93	81	43	35

Machines under operation





### (C) System Capacity Utilization:

The System Capacity of Opencast mines (including Contractual Capacity) assessed by CMPDIL as on 01.04.2013 was 241.16 Million Cu. Mtrs. The System Capacity Utilization of Opencast mines (inclusive of Contractual Coal production, OB Removal and Re-handling) for the year 2013-14 has been 88.33% as compared to 80.08% in the previous year. The System Capacity of Underground mines assessed by CMPDIL as on 01.04.2013 was 11.05 Million Cu. Mtrs. The System Capacity Utilization of Underground mines for the year 2013-14 has been 92.01% as compared to 95.61% in the previous year.

The Overall System Capacity as assessed by CMPDIL as on 01.04.2013 was 252.21 Million Cu. Mtrs against which the Overall System Capacity Utilization for the year 2013-14 has been 88.49% as compared to 80.52% in the previous year.

### Performance against MoU Target:

The MoU between SECL and CIL had set the target of System Capacity Utilization (Overall) at 82.00% for 'Excellent' rating and the company achieved the same by attaining the Overall System Capacity Utilization of 88.49%.

## 11.2 Coal Handling Plants (CHP):

The Company has a total of 35 Nos. of Coal Handling Plants which includes 15 Major CHPs and 20 Mini CHPs. The capacity and utilization of Major and Mini Coal Handling Plants (CHPs) during the year 2013-14 vis-à-vis 2012-13 are given below:

CHP	2013-14				2012-13			
	Nos.	Annual capacity (Mt)	Coal Handled (Mt)	Capacity Utilization (%)	Nos.	Annual capacity (Mt)	Coal Handled (Mt)	Capacity Utilization (%)
Major CHPs	15	65.05	66.58	102.35	16	55.05	79.92	145.18
Mini CHPs	20	4.60	3.31	71.96	22	5.00	4.43	88.60
<b>Total</b>	<b>35</b>	<b>69.65</b>	<b>69.89</b>	<b>100.34</b>	<b>38</b>	<b>60.05</b>	<b>84.35</b>	<b>140.47</b>

## 12.0 PLANNING & PROJECT MONITORING

### 12.1 Project formulation/Capital projects/Schemes:

#### A. Approval of Projects/Major Schemes during the year under review by SECL Board/CIL Board:

CIL Board has approved 2 nos. of Project Reports during the year 2013-14.

S.N.	Name of the Project	Capacity(Mty)	Capital Outlay (₹ Crs.)	Date of Sanction by	
				SECL Board	CIL Board
Approval of PR:					
1.	Kusmunda OC Exp. (15-50 MTy)	50.00	7612.33	----	03.08.2013
2.	Chhal OC (Seam-III)	6.00	610.630	----	16.12.2013

<b>B. Completion of Project</b>	:	<b>NIL</b>
<b>C. Projects Dropped/Closed/Frozen during the year</b>	:	<b>NIL</b>
<b>D. Commissioning of Projects during the year</b>	:	<b>NIL</b>

## 12.2 Project Monitoring and Status of Implementation:

In SECL, 114 major coal projects (80 Underground projects and 34 Opencast Projects) have been approved for a total ultimate capacity of 190.07 MTY with sanctioned capital of ₹ 18053.20 Crores (excluding pre-nationalized mines and dropped/shelved projects). Out of 114 projects, 35 projects (14 UG & 21 OC) are On-going Projects, 54 projects (42 UG & 12 OC) have been completed as on 31st March, 2014, 11 underground mines are Existing mines and 14 projects were dropped/shelved till date.



The following table exhibit investment-wise/technology-wise details of On-going projects and Completed and Existing mines under implementation as on 31st March, 2014.

Category	Total no.of Projects	Capacity (Mty)	Sanctioned Capital (₹ Crs)	Implementation Status of Projects			
				Completed Mine	Existing Mine	On-going Projects	
						On Sch.	Delayed
<b>A. On Investment basis :</b>							
i) ₹ 100 Crs.& above	14	145.21	15357.59	--	--	13	1
ii) ₹ 50 Crs. & above but less than ₹ 100 Crs	12	11.37	961.55	7	--	2	3
iii) ₹ 20 Crs & above but less than ₹ 50 Crs.	36	23.71	1364.45	21	--	9	6
iv) Less than ₹20 Crs.	38	9.78	369.61	26	11	1	--
<b>TOTAL</b>	<b>100</b>	<b>190.07*</b>	<b>18053.20</b>	<b>54</b>	<b>11</b>	<b>25</b>	<b>10</b>
* It includes 4.77 MTY capacity of 12 closed/exhausted mines and 60.39 MTY capacity of 13 projects which are under construction period.							
<b>B. On Technology basis :</b>							
i) Opencast	33	165.86	15576.83	12	--	17	4
ii) UG Project	67	24.21	2476.37	42	11	8	6
<b>TOTAL</b>	<b>100</b>	<b>190.07</b>	<b>18053.20</b>	<b>54</b>	<b>11</b>	<b>25</b>	<b>10</b>



### 12.3 Delayed Projects / Schemes:

#### i) Pinoura UG Aug:

Project delayed due to non-finalization of tender for Continuous Miner (CM) package. LOI for hiring of CM package has been issued on 21.12.2009. Contract agreement was signed on 08.05.2010, Coal production started from CM package in August, 2011. During the FY 2013-14, the project produced 0.46 MT including 0.285 MT through CM package against the rated production of 0.79 MT.

#### ii) Vindhya UG Aug:

Project delayed due to non-finalization of tender for CM package. Project completion could not be ascertained at this stage as production criteria can only be achieved after CM package deployment. CM package shall be deployed in mine after exhaustion of reserve of Pinoura UG. As per contract, CM package presently deployed at Pinoura UG shall be shifted to Vindhya UG.

#### iii) Mahan OC RPR:

Project is delayed due to delay in land acquisition. Disbursement of compensation is held up as villagers are asking employment beyond norms. Mahan OC RCE has been approved by SECL Board on 30.01.2013 and disbursement of compensation is under progress. During the FY 2013-14, the mine produced 63,115 Tes.

#### iv) Amera OC :

Project is delayed due to delay in acquisition and possession of land. Coal production started in March, 2011. During the FY 13-14, mine could produce 8,52,602 Te. Further delay was caused due to resistance from villagers in the construction of coal transportation road. Strengthening of alternate coal transportation road from Amera OCP to State Highway (6.0 Km) is under progress.

#### v) Rani Atari UG :

Project is delayed due to delay in construction of residential colony and EMP clearance. EMP for 0.48 MTy was obtained in May, 2010. About 6.962 Ha tenancy land of Rani Atari village has been notified u/s 9(i) of Land Acquisition Act on 08.08.2011 for construction of residential colony at Rani Atari. Physical possession of the land is yet to be obtained.

#### vi) Amadand OC :

Project has been delayed due to R&R and employment issues. Villagers are demanding employment beyond norms. Matter is sub-judice. Though the mine produced 11,49,985 Te in the FY 13-14, the completion of the project is pending due to non-fulfillment of project completion criteria.

#### vii) Khairaha UG :

Project is delayed due to delay in introduction of CM package. Coal production started in March, 2012. During the FY 13-14, the mine produced 1,06,600 Tes.

**viii) Mahan II OC :**

Project is delayed due to delay in construction of coal transportation road. Though the mine produced 1000000 Te in FY 2013-14, the completion of the project is pending due to non-fulfillment of all the project completion criteria.

**ix) Haldibari UG:**

Project is delayed due to delay in introduction of CM package and construction of approach road & CHP. Approval for introduction of CM package on hiring basis has been given by the SECL Board in October, 2013. The award of construction of CHP was also approved by SECL Board in March, 2013. Construction of CHP and approach road is under progress. During the FY 2013-14, the mine produced 1,51,757 Tes.

**x) Vijay West UG:**

Project is delayed due to delay in land acquisition, construction of CHP and introduction of CM package. Tendering for introduction of CM is under progress.

**12.4 Performance against MoU Target:**

The details of MoU performance parameters relating to Project Implementation Activities and its target vis-à-vis achievement for the year 2013-14 are given below:

Sl. No.	Performance Parameters	Unit	MoU Target for Excellent rating	Actual Achievement
1	Approval of Projects from Board	Nos.	2	2
2.1	Acquisition of land u/s 9(i) of CBA	Ha	500	1275.97
2.2	Possession of land	Ha	250	559.06
3	Capital expenditure (CAPEX)	₹ in Crores	850	956.21
4	Under Commissioning / completion of projects, Commissioning of Jampali OC & Commissioning of Ketki UG targeted to be completed by Jan`14 could not be achieved for delay in FC			
5	Preparation of Master Control Network (MCN) for the new projects costing more than ₹ 100 Crores or producing 2 Mt per annum	Month	Oct'13	Oct'13
6	Major Project Activities / Milestones (MOSPI monitored projects):			
6.1	Construction of Wharfwall siding at Kusmunda Expn OC	Month	Oct'13	Oct'13
6.2	Starting of Disbursement of compensation for land acquisition of Baroud Expn OC	Month	Oct'13	Oct'13
6.3	Registration for Stage-I FC of Pelma OC	Month	Jan'14	Feb'14
6.4	Commissioning of in-pit belt conveyor system at Dipka Expn OC & Commissioning of phase-I of 33 KV O/H line at Gevra Expn OC targeted to be completed by Jan'14 could not be achieved.			



### 13.0 EXPLORATION

During the year under report, the status of exploration is as follows:

- 151398.15 mtrs drilling was undertaken through CMPDIL in SECL/CIL blocks.
- Geological Reports for Bijari block, Porda block and Tulsi block 'B' were prepared thereby proving 134.64 Million Tonnes coal reserves.

### 14.0 RESEARCH & DEVELOPMENT

The Research & development activities in the Coal sector are undertaken through Science & Technology (S&T) activities administered through an Apex scientific body known as Standing Scientific Research Committee (SSRC). This high level committee is entrusted with the vital task of planning, programming, budgeting and overseeing the implementation of the S&T programs in Coal Sector. CMPDIL acts as nodal agency and co-ordinates S&T activities in Coal/lignite sectors. In addition to the above, R&D Board of Coal India Ltd. is also approving certain R&D projects/schemes for the Coal Sector. SECL also has a R&D Cell of its own, which is undertaking small R&D projects/Schemes.



#### 14.1 Specific Areas in which R&D is being carried out by the Company

Three R&D projects undertaken by SECL during the previous year continued during the year 2013-14:

1. Study of illumination requirement and preparation of an illumination plan for Kusmunda and Manikpur opencast projects."
2. Development of plan to control haul road traffic in Gevra, Dipka, and Kusmunda mines of SECL.
3. Computer based monitoring of safety management system to reduce incidences of underground coal mine disaster.



### 15.0 EMBRACING MODERNISATION & TECHNOLOGY ABSORPTION IN MINING

#### 15.1 Introduction of Surface Miner:

Surface Miners have been deployed on hiring basis for coal production at Gevra OC Expansion, Dipka OC Expansion projects, Kusmunda OC Expansion and Chhal OC. The total coal production from surface miners in the FY 2013-14 has been 71.827 Million Tonnes.



Mine wise coal production from surface miners is enumerated below:

(Fig. in Mt)

SN.	Mine	2013-14	2012-13
1	Gevra OC Expn	33.92	31.43
2	Dipka OC Expn	23.47	25.73
3	Kusmunda OC Expn	12.96	12.45
4	Chhal OC	1.47	1.52
	<b>Total</b>	<b>71.82</b>	<b>71.12</b>

## 15.2 Introduction of Continuous Miner:

The efforts of the Company to modernize its underground mining operations resulted in successful introduction of a Continuous Miner in NCPH mine of Chirimiri Area, Kurja-Sheetaldhara mine of Hasdeo Area, Pinoura UG mine of Johilla Area and a low capacity Continuous Miner at Rani Atari UG mine of Chirimiri Area. The total coal production from continuous miners in the FY 2013-14 has been 12,74,488 Tonnes. Mine wise coal production from continuous miners is enumerated below:



(Fig. in Tes)

SN.	Mine	2013-14	2012-13
1	NCPH CM, Chirimiri Area	400800	390130
2	Rani Atari LCCM, Chirimiri Area	169260	128145
3	Pinoura CM, Johilla Area	285400	204635
4	Kurja CM, Hasdeo Area	419028	551350
	<b>Total</b>	<b>1274488</b>	<b>1274260</b>

The Company has taken steps for introduction of Continuous Miner at other underground mines namely Churcha RO UG mine of Baikunthpur Area. LOI for introduction of CM package in this mine has already been issued. Three more projects, namely, Vijay West UG, Haldibari UG and Khairaha UG have been identified for introduction of Continuous Miner package.



### 15.3 Introduction of Highwall Mining Technology:

This method is a remotely operated system to extract coal from thin seams or coal from underlying coal seams in the highwall of an OC mine which has reached the final highwall position due to un-economic stripping ratio or due to surface constraints which limits further mining operation. Highwall Technology has been successfully commissioned in February, 2011 at Sharda mine of Sohagpur Area of SECL for the first time in Coal India Limited. At Sharda mine, this technology has produced 3,70,345 Te of coal during the FY 2013-14 as compared to 2,80,292 Tes during the FY 2012-13.



### 15.4 Introduction of Shortwall Technology :

This technology is being successfully operated at Balrampur mine of Bishrampur Area. During FY 2013-14, this technology produced 54,100 Te of coal as compared to 1,59,345 Tes during the FY 2012-13.



## 16.0 SAFETY & RESCUE

The Company believes that good safety performance is an integral part of efficient & profitable business management and is fully committed to total safety in all aspects of its operations. The Company attaches prime importance to safety of the employees which will not be compromised for any other considerations.

### 16.1 Safety Measures:

During the year under report, the following steps were taken to improve the safety standards in the mines of SECL:

1. Due care was taken for the safety of the men and machines working in the mines. All possible measures were being adopted for the safety in mines as well as the persons employed thereat with due consideration to the implementation of recommendations of various Committees on Safety & findings of the enquiries and deliberation of the same in the safety committee meeting & at pit top.
2. All the provisions of the Mines Act & Rules, Coal Mines Regulations, etc. and the Circulars issued thereunder in this regard were being complied with to ensure occupational safety for the employees/workers at their workplaces.
3. Safety Forums such as, Workmen Inspectors and Pit Safety Committee at Unit level, Safety Committee/Board at Area level, Bipartite and Tripartite Safety Committee at Area and Corporate level

have been activated with responsibility to enhance & ensure safety standards for the workers employed in mines.

4. All the recommendations/suggestions made by the Standing Committee on Safety in coal mines, National Safety Conference, Court of Inquiries, Safety Boards, Tripartite, Bipartite & Pit Safety Committees were implemented.
5. Back shift inspections were done by senior officers of concern mine as well as Area.
6. In addition to the Mine & Area Management, rigorous inspections of the mines were being done by Senior Management officials, ISO officials, Union Representatives & Pit Safety Committee to check & review safety status. Frequency of inspection has been increased for timely highlighting and rectification of deficiencies, malpractices & inadvertent mistakes performed, if any.
7. All the operational hazards and safe operating procedures with due consideration to statutory provisions laid therein were being made afresh well acquainted to all concerned through public address system at the starting of shifts at pit top to avoid any slackness in their compliance with a view to ensure occupational safety at their workplaces with a feeling of responsibility and fear of accountability.
8. All workers including contractor's workers were being re-trained at VTC and on job as per need to make them aware with the changing new technologies and method of workings with due consideration to the safety norms.
9. Thrust was given on publicity, propaganda & demonstration at pit top in addition to training at training centers & on the jobs on various practical aspects to generate a safe, effective & productive working environment in mines.
10. Awareness program were organized at each mine to pin-point the cause of accidents with a view to achieve zero accident potentiality. All persons were being made aware of Safe Operating Practices for activities performed in mines to avoid inadvertent unsafe act & practice.
11. All the accidents / incidents were enquired into by the Unit/Area & ISO officials and based on their findings corrective measures were taken and with the approval of competent authority the disciplinary action was taken against the persons found responsible for the accident. Also based on the findings of enquiry report, ISO circulars were issued for taking immediate corrective measures.
12. Awareness on scientific strata monitoring activities were developed amongst all concerned in addition to traditional practices to closely monitor the strata behavior in underground mines.
13. Resin bolting for roof support has been introduced in all watery mines. Further, efforts are being made for introduction of resin bolting in all underground mines.
14. Code of Safe Practices were framed for critical operations and implemented.



15. The protective appliances against the danger of fire, dust, noise, air pollution and visibility have been introduced in addition to normal protective safety appliances being supplied to the workers. This further helped in preventive control of safety hazards.
16. Guidelines issued time to time by CIL HQ for improvement in safety standards were also implemented.
17. Thrust was given on reduction of deployment in areas of high risk with regard to danger of roof and side falls through mechanization by introducing (i) Short-wall Mining to work under protective roof, (ii) Continuous Miner & (iii) High Wall Mining to reduce exposure of persons to risk areas.
18. Assessment of risks and their time bound management were given top priority. Safety Management Plan based on 'Risk Assessment' has been prepared for 38 mines so far by SIMTARS, Australia accredited trainers in association with mine management for time framed implementation of the same in each mine.
19. The major areas of risk were assessed for each mine and preventive actions were also provided to educate workers. DO's and DON'Ts with posters publicity and propaganda was adopted. All the accident affected persons were called before the Pit Safety Committee Meeting and the cause of accident as well as the mistake / defect in the system was analyzed to avoid such accidents. All the resources were made available at the worksite with its know-how to avert accidents in future.
20. Before monsoon, the high level review was done to assess the status of monsoon preparation with apprehended danger due to UG / surface waters and accordingly action plan was prepared for implementation & monitoring.
21. The rescue station / room etc. have been fully equipped with round the clock emergency services available for all mines in SECL.
22. Entry of private vehicles were being closely monitored / supervised.
23. All operators of HEMM & other machineries were trained afresh on safe operating issues. Recently, 107 Dumper operators have been trained through Simulator.
24. Safety drive was launched to create awareness among contractor's workers. In addition, a special safety drive has been conducted in all mines of SECL from 10.03.2014 to 20.03.2014 under the close observations of ISO, SECL on different issues.
25. Procurement of Sleep detection & Alert device for the Vehicle Drivers & Operators to avoid accident due to sleeping/fatigue is under process.

#### **15.1.1 Action taken by SECL to arrest accident due to fall of Roof/Sides:**

- Established Strata Control cell (Total 74 cells) including at each & every underground mine.
- Convergence Monitoring on main traveling Road ways at every UG mine.
- Strata Control Instrumentation in every working district.
- Efforts for Indicator Props at vulnerable places at every working district to apprehend roof weighting in advance to prevent un- eventualities.

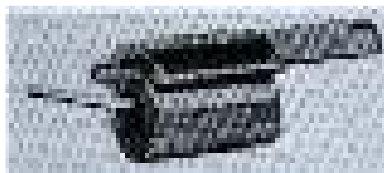
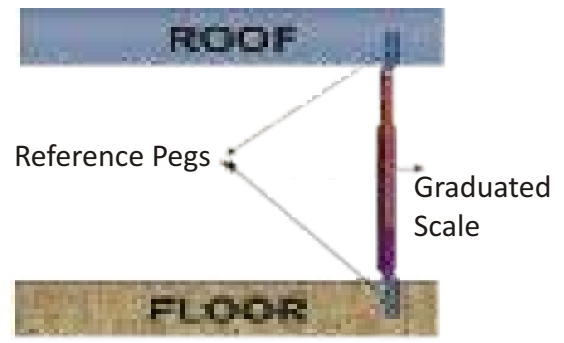


- Predictive Strata Control Monitoring at every depillaring workings.
- Efforts for common awareness to prevent human failures.
- Conducting special workshops on Roof management & Strata control at different mining area at regular intervals, educating mining engineers, supervisors & work force of operational level.
- Demonstration of Instrumentation at Area and Mine level.
- Mine wise follow up for instrumentation.
- Inspections for Strata Control Monitoring and instrumentation.
- Strata Control instruments being used in the company are as shown under:

Tell Tale



Telescopic  
Convergence  
Indicator



(STRESSMETER)

**Remote Convergence Indicator**

Extension rod



Strain gauge Rock Bolt

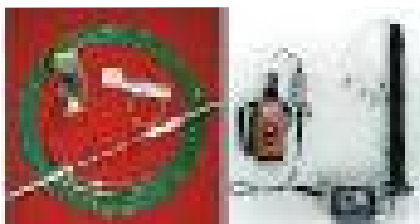
Spring

Multi Point Bore Hole/Sonic Extensometer

Brass pipe

Magnasonic extensometer

Rheostat



Load Cell

**15.2 Safety Training:**

1. To enhance and maintain the safety awareness among workers Safety Fortnights and special safety drives were observed in mines of SECL. Awareness and Safety talks in each shift were practiced on regular basis to develop a safety culture in accordance of “Code of Safe Practices” for various operations.
2. The initial training was imparted to all new entrants and refresher training was given to all employees as per statute. Thrust on training and retraining of Supervisors, Support Personnel, HEMM operators and contractor’s workers was maintained as a strategy to reduce accidents due to slackness in awareness in underground & opencast mines as well as at surface of mines.

**15.3 Accidents Statistics:**

The accidents statistics for the year under report are tabulated as under;

Particulars	2013-14	2012-13
Fatal Accidents	15	9
Fatalities	15	10
Serious Accidents	40	40
Serious Injuries	42	40
Fatality rate per MT output	0.121	0.084
Fatality rate per 3 lakh Manshift	0.260	0.171
Serious injury rate per MT output	0.338	0.338
Serious injury rate per 3 lakh Manshift	0.728	0.683

*Note: Figs. for the year 2013-14 are subject to reconciliation with DGMS.*

**15.4 Status of Rescue Services:**

The Company has active rescue trained personnel (Field Volunteers) as per statute to serve in rescue & recovery operations. Regular refresher trainings in rescue & recovery work were imparted to executives, supervisory staff & workers at the Mines Rescue Station (MRS), Manendragarh of Hasdeo Area and five other RRRTs of different Areas. Initial training of new persons of the mines were also imparted at the MRS, Manendragarh. During the year 2013-14, initial training was imparted to 33 persons at MRS, Manendragarh.

The Company is also maintaining five Rescue Rooms with Refresher Training facilities (RRRT), one each at Johilla, Sohagpur, Bistrampur, Baikunthpur and Kusmunda Areas, to impart refresher training. In addition, five Rescue Rooms one each at Chirimiri, Bhatgaon, Jamuna-Kotma, Raigarh and Korba are also in operation. The Rescue Station/ Rescue Rooms are situated within 35 Kms. of every underground mine as per statute to facilitate rescue & recovery work as early as possible.

Rescue Apparatus like Self Contained Breathing Apparatus, BG-174, BG-4, Reviving apparatus and Short Duration Breathing apparatus are maintained in the Company as per statute. Self-Contained Self Rescuers have also been provided for safe escape of persons in case of irrespirable atmosphere caused due to sudden irruption of noxious gases or outburst of fire in mines.



The services of the Mines Rescue Station, Manendragarh and other Rescue Units of SECL were utilized not only for mining related activities but also for the rescue activities involving the general public and properties. Rescue services of SECL performs other than rescue jobs such as Ventilation Pressure Quantity Survey, Inspection of mines and Training of mine personnel in firefighting, First Aid, Gas testing, use of Self Contained Self Rescuer & Mine Air Analysis on regular basis.

### 15.5 Performance against MoU Target:

The assigned MoU targets relating to safety has been achieved with “Excellent” performance ratings. The details of MoU performance parameters on safety and its target vis-à-vis achievement for the year 2013-14 are given below:

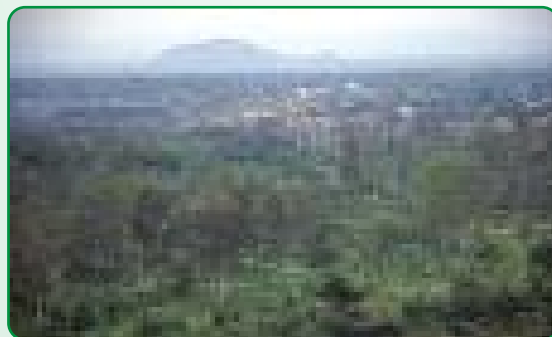
Sl.No.	Performance Parameters	MoU Target for Excellent rating	Actual Achievement
1	Preparation of Safety Management Plan	30 Nos.	38 Nos.
2	Installation of Mechanized Roof Drilling Machine	15 Nos.	21 Nos.
3	Preparation of Safety Management Plan	100 Nos.	107 Nos.
4	Installation of Gas Chromatograph (1 No.)	By January, 2014	Installed & commissioned on 23 <sup>rd</sup> January, 2014
5	Installation of Man Riding System	2 Nos.	2 Nos. (Singhali & Bagdewa)

### 16.0 ENVIRONMENTAL MANAGEMENT: CONSERVATION & SUSTAINABILITY

Clean environment for sustainable development is the prime concern of SECL and it is achieved by every employee's contribution and responsibility towards environmental performance. To achieve this objective, various participative initiatives are practiced and promoted. A three-tier system for environmental monitoring and audit is followed in compliance with the environmental protection statutes, from planning to production and mine closure.

SECL takes pride in having excellent track record in implementing the Environmental Management Plans (EMPs). At the time of project planning itself environmental measures are embedded as an integrated subsystem of Mine Management. Coal is transported by closed conveyors and is loaded into wagons through Silos at its mega mines namely Gevra & Dipka OC Projects. The same has been proposed for

Kusmunda OCP. Moreover, massive multi-species plantation for bio-diversity conservation, top soil management, rain water harvesting, introduction of new mining technologies like high wall mining, surface miner, etc., has been undertaken by SECL thereby voluntarily aligning its mining activities as per the requirements of International Environment Management System ISO-14001. Accordingly, a comprehensive EMP for each project is being prepared to safeguard the environment and ecology in the mining Areas.



ISO-14001 Certification in respect of 24 mines including 3 mega projects has been secured and Surveillance Audit is being routinely conducted.

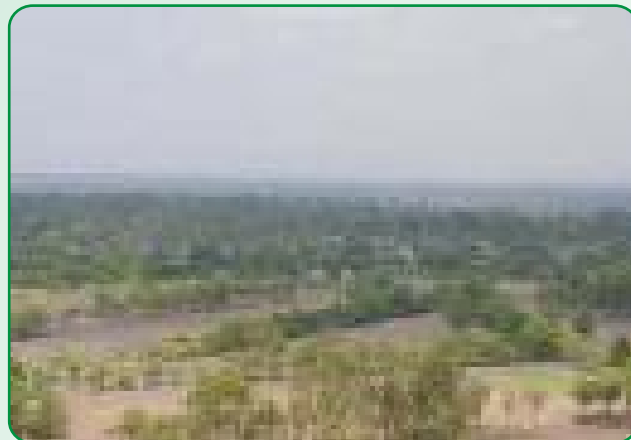
Considering the importance of clean air for all its stakeholders, SECL has undertaken several measures to mitigate the aspect of dust in its mining Areas. More than 64 mobile water sprinklers have been deployed for dust suppression. About 38 KMs of the fixed water sprinklers are functioning in and around coal handling plants, coal stock yards and transportation roads for dust suppression. In first phase, for constant monitoring of ambient air quality, 04 nos. of Continuous Ambient Air Quality Monitoring Systems (AAQMS) have been installed in four opencast projects of SECL.





### 16.1 Afforestation/ Plantation:

The Company has also taken steps to provide clean environment in and around Coal Mines and for this purpose road side plantation has been undertaken. The Company has also undertaken grass bedding / Plantations on overburden dump slopes to ensure clean environment and minimize pollution.



In order to minimise pollution and to ensure clean environment, the Company has planted **5,12,850** saplings during the year 2013-14 and the total no. of saplings planted as on date exceeds **2,69,12,850**. SECL entered into MoU with Chhattisgarh Rajya Van Vikas Nigam (CGRVVN) Limited, Raipur and Madhya Pradesh Rajya Van Vikas Nigam (MPRVVN) Limited, Bhopal for afforestation works for five years, i.e. from the year 2013-14 to 2017-18.

### 16.2 Functions/ Seminars for awareness of Environmental Conservation:

The Company, through its Environment Department organized functions to celebrate World Environment Week/ Day (5-7 June, 2013) at SECL Hqrs and other administrative Areas also. The function at Bilaspur was attended by FDs, HoDs, Officers and staffs. The Officials present administered the oath to ensure that *'the beauty of the planet Earth is not affected by our mining activities especially with regard to air, water, and other environmental attributes'*. In pursuance of the oath, Plantations & Environmental awareness programmes were held across the Company.

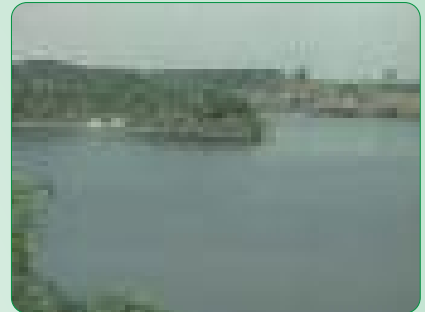
The company constantly sensitizes the decision makers/ project officials, exclusively as an aspect of compliance to the statutory provisions relating to the environment. Nodal Officers (Environment) and other Officers have attended quarterly meetings in order to ensure statutory compliances.



### 16.3 Water Conservation:

To conserve the scarce resource of water, SECL has undertaken water conservation and rain water harvesting in its mines and colonies. Company proactively implemented steps to augment the ground water levels by commissioning rain water harvesting schemes in 10 projects in the year under report. For treatment of mine effluent, SECL has commissioned sedimentation tanks /settling ponds in all opencast mines, which as water recharge basins.

To reduce the biological contamination of streams, SECL has commissioned six number of Domestic Effluent Treatment Plants (DETP) having a capacity of 8.63 MLD and covering a population of 48,900.



### 16.4 Energy Saving:

Energy saved is energy generated. Assessment of scope for energy savings is an Area which has been given due importance by the company in the year under report. Energy audit of 10 mines have been completed and measures to save energy will be implemented from 2013-14 considering practical needs. In line to implement the measures to save energy, installation of timers in street lighting in main colonies and office premises have been completed in a total 08 no. of projects.

### 16.5 Performance against the MoU Parameters:

The MoU 2013-14 between SECL and CIL had set the target of Establishing 3 Nos. of Continuous Air Monitoring Stations for 'Excellent' rating, which the company achieved by establishing 4 Nos. of the Continuous Air Monitoring Stations during the year under report.

## 17.0 ENVIRONMENTAL & FORESTRY CLEARANCES:

### 17.1 Environmental Clearance (EC):

The prime concern of Coal mining companies is that the Environmental Clearance should not be a constraint for achieving production targets. SECL takes advance action to ensure timely issuance of ECs for new/expansion projects. During the year 2013-14, the coal production target was set to 124.45 million tonnes for achieving excellent rating, towards which EMPs/consents to the tune of 152.487 million tonnes was available.

During the year under report, EMPs for 2 Expansion projects and 1 Greenfield project has been approved by Ministry of Environment & Forests (MoEF), Government of India. Enhanced availability of ECs acts as a bank and helps in achieving the set target in times when some projects underperform due to constraints like geological disturbances, land, IR etc. The Government of India in December, 2012 has facilitated procedures for securing fresh EC in existing projects under clause 7(ii) in Environmental Impact Assessment (EIA), 2006.

- Company availed benefits and could secure fresh EC for expansion of Gevra OC Project & Kusmunda OC Project.
- In addition, Environmental Clearance (EC) was secured for Jampali OC for 3.0 MTY.



## 17.2 Forestry Clearance:

During the year 2013-14, following Forestry Clearances have been obtained:

- i) Forestry clearance (Stage-II) has been accorded by MoEF, New Delhi for diversion of 126.372 Ha. of Forest Land for Kurja-Sheetaldhara U.G. vide no. F-N 8-71/2002-FC Dtd. 20.05.2013.
- ii) Forestry clearance (Stage-I) has been accorded by MoEF, New Delhi for diversion of 251.646 Ha. of Forest Land for Jampali O.C. in Raigarh Area of Chhattisgarh vide no. F-N 8-08/2013-FC Dtd. 18.12.2013.
- iii) Forestry clearance (Stage-II) has been accorded by MoEF, New Delhi for diversion of 4.96 Ha. of Forest Land for Kapildhara U.G. vide no. F-N 6-MPC-050/2005-BHO/2128, Dtd. 26.12.2013.
- iv) Forestry clearance (Stage-I) has been accorded by MoEF, New Delhi for diversion of 108.278 Ha. of Forest Land in Jamuna-Kotma Area in Anuppur, Distt of Madhya Pradesh vide no. F-N 8-146/2006-FC Dtd. 07.01.2014.

## 18.0 TELECOMMUNICATION

Telecommunication plays a vital role in today's business environment assisting in globalizing markets, reducing transactions costs, expanding productivity, and directly increasing economic well-being. The use of telecommunications in the production and marketing is ubiquitous. SECL appreciates the significance of telecommunications in today's scenario and its likely importance in the future and thus endeavor to align itself with requisite new technologies. Steps undertaken by the company during the year under report are as under:

- Integrated Vehicle Tracking System along with boom barrier, RFID, CCTV Weighbridge centering system and weighbridge integration has been implanted on trial run basis in 04 mines of SECL, namely Chhal OCM, Baraud OCM (Raigarh Area), Amgaon OCM & Mahan-II OCM (Bhatgaon Area), for a period of one year.
- Radio-frequency Identification (RFID) Technology based vehicle tracking access control system in under installation at Dipka Area (02 Nos.) & Ksumunda Area (01 No.) to provide an effective check for Entry/exit of transport vehicle in & out of the OCP.
- For monitoring of trucks engaged in internal coal transportation, GPS/GPRS based Vehicle Tracking System in under installation at Sohagpur Area (for 91 Tippers), J&K Area (for 65 Tippers) & Hasdeo Area (for 24 Tippers) for a period of one year.
- 05 nos. of new road weighbridges & 02 nos. In motion rail weighbridges shall be installed shortly & procurement of 44 nos. road weighbridges are under process for various areas of SECL.
- Latest state of art technology equipments /system like wireless infrared perimeter protection system, IP based Terrestrial Trunked Radio (TETRA) i.e. a multi-site Digital Radio Trunking System & IP based



Tele monitoring system are likely to be introduced in Bhatgaon & Hasdeo areas of SECL for effective safety & security of men and materials deployed in the mines.

- State of the art IP based server gateway architecture EPABX (Electronic Private Automatic Branch Exchange) comprising of 14 nos. Server & 61 Nos. survival Remote Gateways are likely to be installed at all SECL areas & Hqtr. by the mid of 2014.
- All the Closed User Group (CUG) mobile SIM users of SECL have been provided with GPRS for internet access over mobile. Moreover all the HODs have been provided with direct broadband connection at their Office/Residence to access internet for effective discharge of their day to day assignments as well as for up-gradation of knowledge in their field.

## 19.0 INFORMATION TECHNOLOGY

SECL has strived to put its best efforts with regard to adoption, deployment and integration of Information Technology (IT) in the organization, with special reference to its needs in order to establish the vital links across the company's many locations and varied workforce.

The Information Technology (IT) Committee of SECL Board provides the oversight and direction of the company's Information, Communications & Technology (ICT) progress. The IT infrastructure and services 'Implemented' in SECL and those 'Under Implementation' are mentioned below:

### 19.1 Implemented

#### ➤ Upgraded website of SECL

➤ On the eve of "SECL Sthapana Divas" ceremony on 1<sup>st</sup> November, 2013, the CMD, SECL Shri N. Kumar inaugurated, newly redesigned and upgraded website of SECL. Keeping in view the technological enhancements in web technology, the website has been redesigned as a dynamic database driven website with Web 2.0 features and web guidelines issued by the Department of Information Technology, Ministry of Communication & Information Technology. The newly developed website also provides Role based management for routine updations by various departments within the organization.

#### ➤ Online Recruitment System

SECL has been recruiting time to time through departmental test and interviews. In order to avoid human intervention to the maximum possible extent and upon advice from the Central Vigilance Commission (CVC) as well as from the Vigilance Department of SECL, Online Recruitment System has been adopted. With the help of CMPDIL, an Online Recruitment System has been successfully implemented which facilitates wider dissemination of information regarding open vacancies and to attract candidates and aid the recruitment process. Some of the benefits which has been derived from Online recruitment System are Reduced cost of hiring, Wider reach for candidates, Filtration tools, Confidentiality and Database build-up.

#### ➤ Online Annual Property Return System

Like other PSUs and Government organizations, it is essential for every executive in SECL to submit Annual Property Return by 31<sup>st</sup> January of every calendar year. Earlier, there was practice of submitting online property return manually. However, in order to submit the same efficiently and smoothly, it was felt essential to have an Online Property Return System. Recently, CVC and Vigilance Department have also given clear directive to provide Online Property Return in SECL at the earliest. SECL has also provided training to all its executives for operating the portal and submitting the aforesaid information online. The Online Property Return System has the benefits of wider reach for employees, simple and easy to use portal with data validation, confidentiality, database build-up, easy monitoring, availability of historical



data for reference and centralized data storage.

#### ➤ **Online Grievance Redressal System**

SECL has been supplying Coal to a number of firms/organizations and receive their grievances through Grievance Redressal System. However, to avoid other limitations and also to make the system free from human intervention, as well as for 24x7 access, Online Grievance System has been implemented. With this Online Grievance Redressal System, it has now become very easy for Coal Consumers to connect with concerned Sales and Quality Control Department in SECL resulting in speedy redressal of grievances for sales and quality related matters.



#### **19.2 Under Implementation:**

##### ➤ **Establishing MPLS-VPN Connectivity:**

MPLS-VPN is a family of methods for harnessing the power of Multiprotocol Label Switching (MPLS) to create Virtual Private Networks (VPNs which will provide the flexibility to transport and route several types of network traffic using the technologies of a MPLS backbone.

SECL has entered into a contract with Bharat Sanchar Nigam Limited (BSNL) for providing MPLS-VPN Connectivity at 24 locations in SECL for a period of four years. The network when completed will connect all Areas' Computer Centers with Hqtr. and similarly all Areas Regional Stores with Hqtr. SECL is looking for a highly secure, low-cost, high bandwidth, robust networking solution for internetworking between various subunits will immensely benefit from this cutting edge technology. The MPLS-VPN network provides a common infrastructure for carrying a wide range of services. Some of the most popular services include Multimedia Services, Intra Office Voice Calls, VoIP Traffic, Video Conferencing, High Speed Data Transfer, e-mail, ERP with Virtual Private Network access, Intranet, Extranet, Internet, Multicasting etc.



## **20.0 MANPOWER**

Your Company takes pride in its highly motivated and competent human resource that has contributed its best to bring the Company to its present elevated position. The Company has always believed that human resource is its most

important asset and continues to work for its development and realization of its potential. To achieve

growth and to foster motivational climate, several initiatives were undertaken in the HR Area during the year. The thrust on optimal utilization of manpower with focus on improvement in productivity continued.

The Manpower of SECL as on 31<sup>st</sup> March, 2014 is 70,910. Category-wise status is indicated below:

S.No.	Category	Manpower (in Nos.) as on	
		31.03.2014	31.03.2013
i.	Executives	3503	3524
ii.	Supervisory Staff	7509	7445
iii.	Highly skilled & skilled	35148	36450
iv.	Semi-skilled & unskilled	19735	20844
v.	Ministerial staff	2578	2933
vi.	Piece Rated	1823	2007
vii.	Trainee	614	515
	<b>TOTAL</b>	<b>70910</b>	<b>73718</b>

## 20.1 Employment of SC/ ST/ OBC: N/A

The policies and directives of the Central Government on recruitment and promotional schemes of Scheduled Castes/Scheduled Tribes and Other Backward Classes (OBC) are being strictly implemented by the Company. The manpower strength of SC/ST/OBC as on 31<sup>st</sup> March, 2014 vis-à-vis 31<sup>st</sup> March, 2013 is tabulated below:

Category	Manpower Strength (In Nos.)		% age to Total Manpower	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
SC	14226	14751	20.06%	20.01%
ST	15912	16741	22.44%	22.71%
OBC	13126	13564	18.51%	18.40%
OTHERS	27646	28662	38.99%	38.88%
<b>TOTAL</b>	<b>70910</b>	<b>73718</b>	<b>100.00%</b>	<b>100.00%</b>

## 20.2 Employment of Female:

Employment of Female (in Nos.) as on 31.03.2014 is detailed as under:

Executive	Monthly Rated	Daily Rated	Piece Rated	Company Trainee	Total
117	1086	2617	51	35	3906



### 20.3 Employment of Project Affected Persons, Compassionate employment & Fresh Recruitment:

Status of sanction of employment of Project Affected Persons, Compassionate Employment & Fresh recruitment during the year 2013-14 is as under:

Particulars		Nos.
Project Affected Persons		195
Compassionate Employment	Medical Unfit	37
	Death in Harness	429
	Fresh Recruitment	
	Mining Sirdar	02
	Staff Nurse	05
	Pharmacist	01
	Security Guard	33

**Other Information:** The recruitment for 700 Nos. of Mining Sirdar is under process.

### 20.4 Compensation:

Particulars	Nos.
Monetary Compensation	12
Cash Compensation & Live Roster	28

## 21.0 HUMAN RESOURCE DEVELOPMENT

Your Company, as part of its endeavour of being a learning organization, SECL has a policy of continuously investing in training and development of its employees. In consonance with the Corporate Vision of being a 'Leading Energy Supplier', the Company facilitates the development of all-round competence of its people.

Human Resource Development Department of SECL is actively playing a vital role in achieving organisational goals. It has four primary Training Institutes where various programmes are organized successfully.

- 1) Management Development Institute :Bilaspur
- 2) Central Excavation Training Institute :Gevra
- 3) Basic Engineering Training Institute : Korba
- 4) Regional Training Institute: Bistrampur

Apart from above, Vocational Training Centres are situated in all Areas where Statutory Training as per VT Rules and other need based special training programmes are also conducted.

### 21.1 Training Programmes for Executives:

HRD took initiative to organise and provide opportunities to different class of Executives in different training programmes at Area Training Centres/ MDI/ IICM & Outside training programmes. The total no. of executives who were provided training are as under:

S.No.	Category	6-days & above	1-day and above (including 6-days & above)
1	General	447	1337
2	OBC	63	198
3	SC	67	203
4	ST	33	79
	<b>TOTAL</b>	<b>610</b>	<b>1817</b>
	<b>* Participation of Women Executives (Included in Total)</b>	<b>19</b>	<b>60</b>

HRD Department of SECL has taken adequate steps to bring improvement in the quality of training to the executives at all level. Keeping this in mind, 'National Productivity Council', a professional body in the field of training was contacted for imparting quality training to SECL executives at MDI, Bilaspur. This helped SECL in two ways:

- a) More Executives could be imparted training.
- b) Training cost could be brought down substantially.

#### (A) NPC, Kolkata/Bhopal conducted following In-House programmes at MDI, Bilaspur

Sl. No.	Name of Programme	Name of Programme	No. of Executives benefitted
1	Developing Critical mass of Leaders through a system of career planning & development	6-days (5 Programmes conducted)	152
2	Analytical Thinking Problem Solving and Team Leadership	4-days (2 Programmes conducted)	63
3	Result Orientation Analytical Thinking Problem Solving and Team Leadership	4-days (2 Programmes conducted)	64
4	Interpersonal Effectiveness, Result Orientation and Team Leadership	4-days (1 Programme conducted)	41



## (B) Certified Course in Project Management

World Wide recognised Institute Centre for Excellence in Project Management Private Limited, Noida conducted two Certified Training programmes in Project Management at MDI, SECL, Bilaspur in which 61 executives of multidiscipline were trained.



### 21.2 Career Development Programmes:

With a view to develop necessary competency among potential employees for required categories in higher/supervisory levels following career development programmes were carried out:

- 1) Coaching Classes for Overmanship Examination.
- 2) Coaching Classes for Mining Sirdar Examination. Total 212 were benefited.
- 3) Coaching Classes for 2<sup>nd</sup> Class Examination. Total 55 were benefited.
- 4) Coaching Classes for the Non-Executive for Electrical Supervisory Examination. Total 11 were benefited.

### 21.3 Skill Development Programmes:

To enhance the skill of the employees, HRD Department arranged various Skill Development Programmes as indicated below, during the year under report:

- **Skill / Knowledge Updation on Strata Management**

The course was very useful for the Mine Managers for monitoring strata control measures in a scientific way to ensure efficacy of support system. During the training programme awareness relating to Strata Control was created amongst the participants who are associated with strata control.

- **Computer Training Programme in English and Hindi**

Computer training for Workers was conducted in Hindi & English to enhance/ update skill and knowledge. Computer Awareness Training programme “MS-Access” for Executives and Staff was also conducted at MDI, SECL, Bilaspur. Knowledge and Skill Up-gradation in Computer Hardware and Trouble Shooting was also conducted at MDI, for employees of SECL. In order to work in Hindi on Computer, a “Unicode Hindi Computer Training Programme” also conducted for Executives and Staffs at MDI, Bilaspur.

#### 21.4 Supervisory Development Programmes:

Training Programmes on Supervisory Development were conducted in each Area keeping in view to improve knowledge and skill of Supervisors (Mining, Electrical and Mechanical). During the training programme they were made aware about the legal status and obligations of supervisor in a mine. Role of Supervisors and Role of Others & Role of specialists like Surveyors for better working. 499 Nos. of Supervisors were benefited with these programmes.

#### 21.5 Special Training Programme:

Special training programme for upgradation of Knowledge & Skill and Technical Update for our Executives/ Supervisors and Workers have also been organized by HRD Department as under:

1. Women Empowerment and Development.
2. Training for SC/ST/OBC Reservation Policy. Total 35 participants benefited.
3. Special Workshop on Vigilance Awareness & Personality Development. Total 962 participants benefited.
4. Training Program for Contractors workers.
5. Refresher Course for Security Guards.
6. Planning for Retirement.
7. Seminar on “Underground Coal Mining, Scenario and need for Re-Engineering”.
8. Training on Right to Information Act-2005.
9. Orientation Course for Workmen Inspectors’ (Mining, Electrical and Mechanical). Total Mining-36, Electrical-38 and Mechanical-43 Supervisors were benefited.
10. Training for Pit Safety Committee Members.
11. Training programme for Electricians and Electric Helpers.
12. In CSR, 40 executives were trained at different training Institutes.
13. In SA 8000, 28 executives were trained at MDI, 570 employees & 228 contractor workers were trained in different areas of SECL.





### 21.6 Knowledge and Skill Upgradation of Doctors & Para Medical Staff:

Following Training Programmes were conducted for Medical Discipline to make them aware about the latest development in medical field:

1. CME for Doctors & Recent Advances in Medical Science. 22 participants were benefited.
2. Refresher Course for X-Ray Technician.
3. Refresher Course for Lab. Technician and Pharmacists. 18 participants were benefited.
4. Refresher Course for Staff Nurses. 27 participants were benefited.
5. Workshop on Awareness on “HIV/AIDS”. 26 participants were benefited.
6. Workshop on Diabetes Educators facilitation. 61 participants were benefited.

### 21.7 Training imparted to Women Employees:

Women employees participated and benefited in various training programmes at MDI, Bilaspur as under:

SN	Name of Training Programme	No. of Participants
1	Women Empowerment	32
2	Refresher course for Female Security Guards.	21
3	CME for Doctors	03
4	Employee Counselling Project	15
5	Unicode in Hindi Computer	24
6	Computer Hardware Training	09
7	Refresher Course for Staff Nurses	27
8	NPC Programmes	04
9	Workshop for Finance Executives	06
10	Rajbhasha Karyashala	02
11	Computer Training on MS Excess	02
12	Computer Training in English	07
13	Certified Training in Project Management	06
14	Refresher Course for Lab. Technician	02
15	SC/ST/OBC/PH Reservation Policy	04
16	Workshop on Awareness on HIV/AIDS	09
17	Workshop on Diabetic Education	03
18	Observation of International Women’s Day on 08.03.2014	160

A total of 60 Executives and 1133 Non-Executive Women employees were benefited by attending various training programmes conducted in SECL.

### 21.8 Performance against MoU Parameters:

HRD Department has achieved the target for Excellent rating for the assigned Performance parameters under MoU.

- The target was to impart training of at least 6-days to 520 Nos. of executives. The actual Nos. of Executives who has been imparted training for at least 6-days is 610.
- Besides above, 1207 Nos. of Executives were exposed to different Seminars/Workshops/ Training programmes.

Sl. No.	Training Programmes	Target (Nos.)	Achievement (Nos.)	%age Achievement
1	Certified Training in Project Management	60	73	122%
2	Certified Training in Contract Management	5	06	120%
3	Training on Environment, Forest Management, Land Acquisition.	5	06	120%
4	Certified Training in Risk Management	5	06	120%
5	Training for Medical Professionals on Occupational Health	25	29	116%
6	% actualization of Training Plan & Training days per employee per year:			
	a. Executives (6 days)	520	610	117%
	b. Non-Executives (6 days)	12150	12873	106%
7	Developing Critical mass of Leaders through a system of career planning & development	5	5	100%
8	% fulfilment of Training Plan for Multi skilling / Skilling / Skill up-gradation of Non-Executives	400	734	184%

### 22.0 HUMAN RESOURCE MANAGEMENT (HRM) INITIATIVES

SECL values its Human Resources the most and therefore your company has taken several new initiatives for an effective Human Resource Management. Various initiatives taken under HRM are as under:

- **Guru (Employee Suggestion Scheme):** SECL has implemented Employee Suggestion Scheme titled 'Guru', to generate ideas from employees for improving productivity, safety, quality, work-life, cost saving measures, etc. Idea Centers have been constituted at Unit Level where any employee can submit his/her idea/suggestion which gets registered to monitor the status of the suggestion/idea. Registered suggestions were scrutinized by the Area level Screening Committee and further by Technical Committee at SECL, HQ. The outstanding suggestions were rewarded by "Appreciation Certificates" by the Chief Guest on the occasion of 26th January, 2014 at Area level. During the year 2013-14, a total of 804 suggestions were received in the company.
- **Quality Circle:** Quality Circle initiative has been successfully implemented across the company for

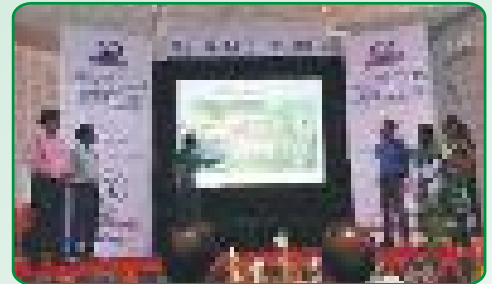


continuous improvement in the business process through employee involvement.

More than 150 registered Quality Circles are operating across all the areas of SECL. SECL is life member of “Quality Circle Forum of India” (QCFI) with Membership No. 094415100022.

There have been many success stories out of the quality circles related to various issues like equipment maintenance, productivity improvement, waste management, safety practices, etc. Area Level Quality Circle Competitions have been held in all the Areas to give motivation to the QCs.

The two winning teams of 1<sup>st</sup> Corporate level Quality Circle participated in the ‘Chapter Convention of Quality Circle Competition (CCQC-2013)’ held at Bhilai, Chhattisgarh and later in ‘27<sup>th</sup> National Convention of Quality Circle 2013’ at Kolkata held from 20<sup>th</sup> to 23<sup>rd</sup> December, 2013 wherein over 1100 teams with 6500 delegates from all over India participated. Both of the SECL teams made a remarkable achievement by winning in ‘Excellent’ category. On the similar lines, 2<sup>nd</sup> Corporate Level Quality Circle Competition was organized at Rabindra Bhavan, Vasant Vihar, SECL, Bilaspur on 1<sup>st</sup> March 2014. More than 30 teams from areas of SECL with completed projects presented their case studies. A souvenir was released on the occasion and the winning teams were awarded.



Quality Circles have emerged as a mechanism to develop and utilize the tremendous potential of people for improvement in processes and productivity.

- **Shikhar (Reward & Recognition):**

SECL believes in potential of the employees and rewarding the extra role behavior which they put towards the organizational success through a structured program. The company has implemented Employee Reward & Recognition Program titled ‘Shikhar’ to recognize superior performers. Benchmarking has been done for almost all key operations of the Company. The program



is organized at all Projects on a quarterly basis and at Areas & Corporate levels on Yearly basis.

- **K-Mining (Knowledge Mining):** K-Mining is part of a system to manage scattered knowledge in the company by integrating knowledge and information by conducting Best Practice Fair for continuous

learning and continuous improvement. The aim is to facilitate the flow of best processes and practices in the organization. It involves continuous Identification, Showcasing, Adoption, Integration and further improvement of business processes and practices in the value chain. 'Best Practice Fair- 2013' under Project K-Mining was organized as a Human Resource Management initiative for Knowledge sharing across the company. '2nd Best Practice Fair-2013' was organized on 18th December, 2013 at Management Development Institute, SECL, Bilaspur. More than 30 teams from areas of SECL presented Best Practices in their respective operational areas. A souvenir was also released on the occasion and the 12 Best Practices as adjudged by an eminent jury of internal experts were awarded by the Chief Guest, Shri Anil Kumar Singh, Director (Personnel), SECL.



- **Mentoring:** Mentoring programme has been undertaken as new initiative for the professional growth and development of new entrants especially Management Trainees and to socialize and acclimatize them with the company's people, policies, programmes and procedures. Mentor provides professional guidance, share practical knowledge, skills and supports the new entrants in locating and accessing resources and resource persons. The Mentoring programme for 1 year is to ensure integration of the new employee into the culture of the organization. 142 mentors were appointed for a total of 266 mentees during the year.
- **Assessment Centre & Development Centre:** Assessment Centre and Development Centre has been used for Talent Development of the Senior Executives of the organization. The company has partnered with Randstad India Limited for conducting Assessment & Development Centre for 200 Senior Executives (General Manager & Chief Managers) of SECL to identify their areas of strength and areas of improvement for further developing them in their area of improvement through a systematic training programme.
- **Competency Mapping of Supervisory Positions:** Supervisory Positions are very crucial in our organization for effective execution and timely completion of all planned activities. The company expect that people in supervisory positions need to possess high managerial and behavioral competencies like planning, teamwork, result orientation, interpersonal skill, etc. SECL has partnered with Randstad India Limited to provide Competency Development Plan and Competency Dictionary of 16 Supervisory Positions of the company.
- **Project - Know Your Business (KYB):** As an organizational culture building initiative, Project KYB was launched with an objective to impart business knowledge to all executives to align them with the Big Picture of CIL's business. The idea was based on the analysis of a sample data of Assessment Centre conducting during 2012-13, wherein executives were found lacking business awareness in general. We felt that the executives who understand the business environment will be more productive than who only know their area of work.
- **Harmony:** SECL has established Employee Grievance Redressal System titled 'Harmony' in the company for speedy redressal of grievances of employees at all level. Grievance Redressal Cells have been constituted at Unit/Project level where an employee can register his/her grievances which are being examined, redressed and communicated back in a time bound manner. We could redress 1520 nos. of grievances out of 1715 nos. of grievances received with a satisfaction of 89% during the year 2013-14.
- **Employee Surveys:** SECL conducted two surveys to measure Employee Engagement Index and Trust Index through reputed external agencies.
- Employee Engagement Survey was conducted by Shri Ram Centre for Industrial Relations, Human Resources, Economic and Social Development, New Delhi. The report of the survey is under process.



- A Trust Index Survey was conducted by Great Place to Work Institute, which has reported an overall trust index of 76% against 82% of India's Top 50 companies in the year 2013, as surveyed by them.

The findings of the above studies are being used to improve the internal processes of the organization.

### 22.1 Performance against MoU Parameters:

The details of MoU performance parameters relating to HRM and its target vis-à-vis achievement for the year 2013-14 are given below:

SL	HRM PERFORMANCE INDICATORS	Unit	Target for Excellent Rating	Actual Achievement
<b>A</b>	<b>COMPETENCY AND LEADERSHIP DEVELOPMENT</b> *Point 1 to 7 and 9 covered in HRD segment.			
8	Training Budget as % of employee cost	% of Employee Cost	0.10%	0.15%
10	% of senior level executives (HODs & GMs and above) covered in Assessment & Development Centre	No. (%)	108 (25%)	NIL. Work Awarded in Jan '14 & has Commenced in Feb '14.
<b>B</b>	<b>PERFORMANCE MANAGEMENT</b>			
11	To ensure implementation of Bell Curve Approach in PMS rating	Yes/No	Yes, Subject to approval by CIL	No Instruction received from CIL
12	Linkage of Developmental plan of Executives with Performance Management System	Yes/No	Yes, By Dec 2013	Yes (Dec '13)
13	Implementation of PRP linked to PMS	Yes/No	Yes, Subject to approval by CIL	Implemented
<b>C</b>	<b>RECRUITMENT, RETENTION &amp; TALENT MANAGEMENT</b>			
14	Manpower rationalization through Redeployment	Non Exe. Redeployed	100	607
		Executives Redeployed	50	54
15	Attrition as % of total employees	%	4%	3.64%
16	Presence of Mentorship Development Programme- Nos. of Mentors and Mentees	No. of Mentors	50	142
		No. of Mentees	250	266

17	Formulation / Implementation of systems for Management of Talent such as – Job rotation system, reward system, sponsoring Sr executives for advanced Management Programme, growth opportunities	Schemes/ Initiatives and Details	By Nov 13	Nov 13
<b>D</b>	<b>ENABLING CREATIVITY &amp; INNOVATION</b>			
18	No. of nominations/entries submitted for National Awards (PM Shram Awards, Vishwakarma Rashtriya Puraskar)	No. of Nominations/ Entries submitted for National Awards	2	2
19	Number of suggestions generated per employee per year	No. per employee (10 per 1000 employees)	740	804
20	% of Quality Circle projects completed against total Quality Circle projects undertaken in a year	% fulfillment	25%	31%
<b>E</b>	<b>EMPLOYEE RELATION AND WELFARE</b>			
21	Effectiveness of grievances settled vis-à-vis received during the year	% settlement	75%	89%
22	Tension, Medicare, Yoga classes to reduce stress where job is stressful, setting up of wellness center such as Gym etc.	No. of Programmes	25	27
23	Employee satisfaction survey (ESI) measure in % through External Agency/Employee Engagement Survey	Month	By Jan 2014	Work Awarded in Jan '14. Survey Completed
24	Formulation / Implementation of social security scheme	Yes/No	Yes	Implemented
25	No of structured meetings with employees 'representatives	No. of Meetings	2500	2509
<b>F</b>	<b>HR BRANDING &amp; EXCELLENCE</b>			
26	Participation in survey conducted by external agencies (Employer of Choice, Best Employer, Best place to Work)	Month	By Feb 2014	Survey Completed in Nov 2013.
	Review / Revisit / Re-engineering HR policy for meeting changing business priorities	Competency Mapping for Supervisory positions	By Feb 2014	Work Awarded in Jan '14. Commenced in Feb '14.
	Benchmarking projects undertaken in area of HR	Introduction of Employee Counseling for improving attendance performance of critical employees	By Jan 2014	Implemented in May 13



<b>F 26</b>	Organization Culture Building initiatives	Project Know Your Business: A Project to impart Business Knowledge to Executives through Courseware, Seminars, etc.	By Feb 2014	Project Know Your Business introduced in July 13
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### 23.0 WOMEN EMPOWERMENT THROUGH WIPS-SECL

Forum of Women in Public Sector (WIPS) was created under the aegis of Standing Conference of Public Enterprises (SCOPE) in the year 1990 having a Central Apex Forum in Delhi and four regional Forums in Mumbai (Western Region), Chennai (Southern Region), Kolkata (Eastern Region) and Delhi (Northern Region) respectively. The formation of WIPS represents the first ever initiative made by the single largest organized sector in focusing the issues related to advancement of women.

#### 23.1 WIPS-SECL:

SECL is a Corporate Life Member of WIPS. WIPS-SECL constitutes of 1893 members as on 31.12.2013. The women workforce of SECL has increased from 5.35% in 2012-13 to 5.51% in 2013-14 constituting 117 Executives and 3754 Non-executives. WIPS-SECL is committed towards Women empowerment in the company as well as in nearby rural areas. Ms. Kirti Tiwari, Sr. Manager (Civil), SECL has been elected unanimously as General Secretary, WIPS-APEX. Dr. Vijay Laxmi Dhan (Dy. CMO) & Ms. Namita Dixit (Sr. DEO) has been elected as EC member of WIPS Western Region.

#### 23.2 Training programs for Women empowerment:

Various Women empowerment Programs were organized for the development of female employees. Various programs for women empowerment and development were organized during the year and the Company actively supported and nominated its female employees for programs organized by the Forum of Women in Public Sector at the national level as well as at the regional level. The programs also include development of the females around SECL and nearby rural areas.

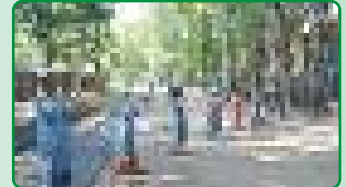


Training programs include in-house and out-house training. Various training programs were conducted like Personality development, Public speaking, Coalnet, use of Hindi in office work, PF and

Pension, etc. Information was also provided on Alcohol & Drug abuse, Education on AIDS, Malpractices of illegal moneylenders who try to lure through attractive saving schemes, Saving plans & tax benefits, Sexual harassment at workplace & Legal rights of female employees. Summer classes were also held for children like vedic maths, dance classes, yoga & aerobics class for females. WIPS-SECL also celebrated International Women's Day in all the 13 areas of SECL.

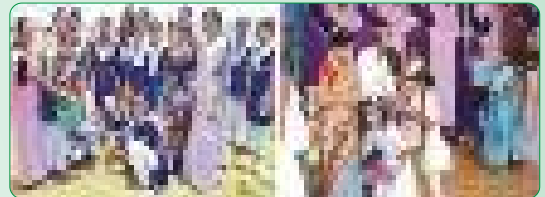
### 23.3 Gainful deployment:

Gainful deployment of grass root female employees from unskilled to semi-skilled jobs & support services has been undertaken by WIPS-SECL which visited Kumdanda and Korba area of SECL for motivating female employees. There are 100% women operated workshops in the company. With gainful deployment of women employees, number of shovel operators has increased.



### 23.4 Camps for Social & Environmental Cause:

Free medical camps like medical checkup, Osteoporosis detection camp, Diabetic & hypertensive detection camps, Family planning camp, anemia camp, breast & cervical cancer detection camp, for female employees and nearby villagers. Besides the above, WIPS is socially and environmentally active, and is engaged in activities like tree plantations in nearby villages and schools, visits to old-age homes, leprosy villages, distribution of books to female students thus benefiting a large number of people in adjoining areas, besides SECL employees.



### 23.5 WIPS Area's Best Activity Report Awards:

On International Women's Day Celebration at Bilaspur, WIPS Area's Best Activity Report Award was announced with the 1<sup>st</sup> Prize won by WIPS-Baikunthpur Area, 2<sup>nd</sup> Prize won by WIPS-Kumdanda Area and 3<sup>rd</sup> Prize by WIPS-Dipka Area.

## 24.0 INDUSTRIAL RELATIONS (IR):

SECL has laid down clear Industrial Relation policy providing for mechanism to discuss the various issues under bilateral forums for which a Code of Conduct' has been signed between the management of SECL and Unions affiliated to 5 Central Trade Unions, i.e. INTUC, HMS, BMS, AITUC & CITU. Under the aforesaid 'Code of Conduct' the following bipartite forums are functioning in SECL:

1. Steering Committee at Company level.
2. Welfare Board at Company Level.
3. Safety Board at Company Level.
4. Joint Consultative Committee at Area Level & Sub - Area Level.
5. Welfare Committee at Area level & Sub – Area Level.
6. Safety Committee at Area level & Sub – Area Level.



In addition to above, structured I.R Meetings at regular periodicity as per pre-drawn and circulated calendar are held with the following operating unions which are affiliated to 5 Central Trade Unions:



S.No.	Name of Union	Affiliated to
1	South Eastern Koyla Mazdoor Congress	INTUC
2	Akhil Bhartiya Koyla Mazdoor Sangh	BMS
3	Koyla Mazdoor Sabha	HMS
4	Koyla Shramik Sabha	CITU
5	Samyukt Koyla Mazdoor Sangh	AITUC

The periodicity of the above said structured meetings with the unions under IR system is as under:

Unit	Periodicity of Meeting
Sub Area Level	Monthly
Area Level	Bi-monthly
Company Level	Quarterly

The operating unions submit their agenda at Sub Area Level which is discussed in the monthly Sub Area Level meetings and unresolved issues, if any, arising out of such meetings are referred to Area where such unresolved issues received from various Sub Areas are discussed in Bi-monthly meetings at Area Level. Unresolved issues, if any, arising out of Bi-monthly IR meetings at Areas are referred to SECL Hqtrs. where such unresolved issues received from all Areas are discussed in IR Meetings held at Company Level on quarterly basis with each of the above said unions separately.

The various grievances/demands are discussed in IR meetings under IR system to avoid any industrial unrest. The daily feedback of industrial relation and Law and Order situation is being taken from the Areas.

With the introduction of above measures, harmonious Industrial Relations are being maintained resulting in cost reduction, increase in production, productivity, improvement in quality of work, industrial peace and overall improvement in the quality of life.

## 25.0 WELFARE ACTIVITIES:

Welfare Budget vis-à-vis expenditure incurred for maintenance upkeep of residential as well as for the welfare buildings such as schools, dispensaries, hospitals, workers institutes, clubs, including sanitation, water supply, roads etc. is as under:

### 25.1 Amenities provided:

Apart from the statutory welfare facilities, the Company provides housing, medical and other facilities for its employees and schooling facilities for the employees' children at all the Areas and Coalfields. The relevant information is indicated below:

1) **Housing:**

a)	No. of houses available as on 01.04.2013	60,765
b)	No. of houses completed during the year 2013-14	117
c)	Number of houses available as on 31.03.2014	60,882
d)	Percentage satisfaction as on 31.03.2014	85.6%
e)	No. of houses under construction as on 31.03.2014	599

2) **Water Supply:**

a)	Water supply to the population covered as on 01.04.2014	3,41,920
b)	Additional population covered during the year 2012-13	585
c)	Water supply to the population covered as on 31.03.2014	3,42,505

3) **Education:**

a)	School and Colleges	259
b)	Library	24
c)	School Bus	134

Library facilities have been provided to all the Areas, in which unique reference books of all streams are available for competitive examinations viz. IIT, AIEEE, PET, NDA, MBA, CAT, MAT, etc.

4) **Other Amenities:**

a)	Canteens (including 28 AC Canteen)	88
b)	Employees covered under Electronic clearing system of payment through Bank	100%
c)	Co-operative Credit Societies	04
d)	Co-operative stores	11

25.2 **Scholarships & Financial Assistance to Employees' wards:**

**Scholarship** under Coal India Scholarship Scheme are given to meritorious wards of employees from class 5<sup>th</sup> onwards. During the year 2013-14, a total amount of ₹ 69.15 Lakhs were distributed under this Scheme to a total no. of 3,617 students.

**Financial Assistance** is being given to the wards of employees pursuing professional education in Govt. Engineering College and Govt. Medical College to the extent of actual Tuition Fee and Hostel Charges only. During the year 2013-14, ₹ 40.74 Lakh have been distributed amongst 157 Engineering students and ₹ 09.58 lakh among 48 Medical students (MBBS).



**Cash reward** is also given @ ₹ 5,000 and ₹ 7,000 to the wards of employees securing 90% and above in Class 10<sup>th</sup> and 12<sup>th</sup> respectively. During the year, ₹ 9.65 Lakhs have been distributed among 193 students of Class 10<sup>th</sup> and ₹ 3.64 Lakhs to 52 students of Class 12<sup>th</sup>.

S.N	Particulars	No. of Beneficiaries	Amount (₹ in Lakhs)
1	<b>Coal India Scholarship</b>	3617	69.15
2	<b>Financial Assistance:</b>		
2.1	Engineering Students	157	40.74
2.2	Medical (MBBS) Students	34	09.58
3	<b>Cash Reward:</b>		
3.1	Class 10 <sup>th</sup>	193	09.65
3.2	Class 12 <sup>th</sup>	52	03.64
	<b>TOTAL</b>	<b>4053</b>	<b>132.76</b>

### 25.3 Health and Family Welfare Programme:

SECL accords a very high priority on providing adequate and modern medical services to its entire people. Well-equipped health centers have been established for catering to preventive and curative health.

The company's responsibility as a corporate citizen does extend to the National Health Programme by educating and motivating the employees and general public to adopt Small Family norms. The relevant information of health related facilities in SECL are as under:

S.N.	Facility	Nos.
a)	Hospitals	11
b)	Dispensaries	55
c)	Hospital beds	845
d)	Ambulances	131
e)	Mobile Dispensary (CSR)	14
f)	Medical Officer + Specialist	238
g)	Staff Nurse	332
h)	Pharmacist	111
i)	Lab. Technician	58
j)	X-Ray Technician	36

Further, in order to provide tertiary level medical treatment to the employees, a 200 bedded Multi Specialty Hospital constructed by the Company at Bilaspur had successfully been commissioned in October 2001, with the assistance of M/s. Apollo Hospitals Corporations Limited and License Agreement has been executed with Apollo Hospital Corporation Limited granting the right to maintain and operate the Hospital efficiently. In consideration of lease, not only the employees of the Company but also the employees of Coal India Limited and its Subsidiaries referred to this Hospital are getting treatment at concessional rates.

In its endeavor to achieve the desired result, the company organizes Family Planning Camps, in and around its Coalfields / Areas, besides organizing periodical Eye Camps and General health / medical camps.

Various Community development camps were organized during the year 2013-14 wherein 1,75,726 persons were benefited through 3,105 camps.

Particulars	2013-14	2012-13	Growth %
No. of Camps	3105	2988	3.92
Persons Benefitted	175726	160073	9.78

The Below Poverty Line (BPL) families are provided free OPD facilities in our hospitals and dispensaries. At CSR dispensaries, 50,988 persons attended for medical treatment during the year under report. Mobile Ambulances with ECG & Pathological facilities visit the peripheral villages daily, providing free treatment to the needy families on the spot. In 2841 village camps, 110859 beneficiaries were provided the medical treatment. 35 School health camps were also organized where 4209 beneficiaries were examined. Details of various Health Camps organized during 2013-14 are as under:

Name of the Camp	No. of Camps	No. of Beneficiaries
Village Camps	2841	110859
Eye Camps	6	498
Family Welfare Camps	15	959
Mother & Child Health Camps	5	511
Diagnostic Camps	15	3008
Health Awareness Camps	11	703
Senior Citizen Camps	2	44
Immunisation Camps	170	3583
School Health Camps	35	4209
HIV / AIDS Awareness Camps	5	364
<b>Total</b>	<b>3105</b>	<b>124738</b>



**SACHET**, an awareness programme on HIV / AIDS among migratory Labour was organized on World AIDS Day at Gevra Area in which 200 persons underwent voluntary HIV testing.

## 25.5 Sports:

SECL believes that sports today is an integral part of all round development of human personality and achieving excellence in sports has real bearing on national prestige and morale. Therefore, employees are encouraged to play and excel in sports. Your Company continues to extend support to the sportspersons under its fold by way of extensive assistance towards training and participation in tournaments within the country and overseas for deserving performers.



For all-round growth and personality development, Inter-area sports competitions are conducted every year for the employees, their wards and family members. The company also sponsors employees for Inter-company sports events at State/ National level.

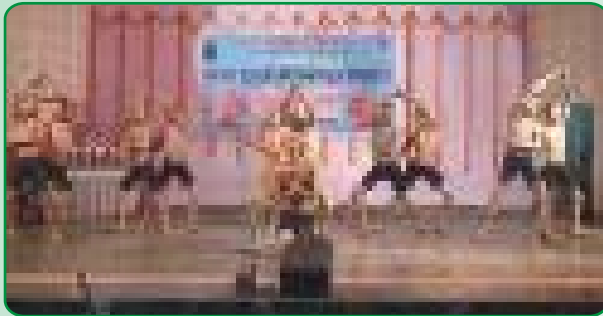


Further, 15 Gyms, 19 Stadiums and 57 Playgrounds are available for sports activities. Dronacharya Indoor Stadium, first of its kind in Chhattisgarh, is located in Gevra where the wards of the employees, PAPs, etc. are imparted training by Coach, in Lawn Tennis, Badminton, Carrom, Table Tennis etc. The wards trained in this Indoor Stadium are representing the Chhattisgarh State at the National Level.

## 25.6 Social/ Cultural Activities:

Your company acknowledges the importance of social and cultural activities in preparing a person for real life and strengthening their personal skills. The company strives to bring out talent in the employee community in all the possible forms whether its music, dance, theatre, literary skills, sketching or other fine art styles. In order to showcase these talents, various Cultural events are calendared throughout the year.





The company organizes various festivals to sensitize all towards the wide spectrum of beliefs which have harmoniously coexisted in India and spreading the message of peace and brotherhood which have transpired since ages through these festivals.



To enrich the employees and wards with various hobbies such as in theatre, dance, instrumental and vocal music, art etc. workshops and competitions are conducted which act as a platform for nurturing budding talent. The company facilities for recreational and cultural activities by providing with 78 Clubs/Institutions, 42 Parks and 28 Community Halls. During the year under report, SECL has successfully hosted the 25<sup>th</sup> Coal India Inter-Company Cultural Meet at Ravindra Bhawan, Bilaspur from 6<sup>th</sup> to 8<sup>th</sup> June, 2013.

## 26.0 CORPORATE SOCIAL RESPONSIBILITY

Your Company has always appreciated its social responsibility as a part of Corporate Governance philosophy. During the year 2013-14, ₹ 63.94 Crores were allocated under CSR as against ₹ 60.09 Crores during the year 2012-13. The total expenditure made by the company towards CSR activities during the year 2013-14 has been ₹ 43.91 Crores.

Our CSR policy aims at making CSR a key business process for sustainable development for the Society. We supplement the role of the Government in enhancing welfare measures of the society based on the immediate and long term social and environmental consequences of our activities. Engaging with our community and working towards their development is an integral part of our business. We are committed to sustainable development and inclusive growth in the surrounding areas of our mining Projects. This commitment is translated into action through a network of CSR Projects through which we are dedicated to play a pivotal role in the journey from poverty to prosperity of villages of Chhattisgarh and Madhya Pradesh and thus to bridge the rural-urban gap through a robust CSR Policy.

**26.1 Corporate Social Responsibility Policy:**

A policy on Corporate Social Responsibility has been formulated by Coal India Limited (CIL), the Holding Company, for implementation in CIL and its Subsidiaries. As per the policy, SECL undertakes various CSR initiatives in its operating State of Chhattisgarh and Madhya Pradesh with a focus on PAPs and poor & needy people in various villages around the Mining projects within a radius of 25 kms and beyond. The key areas of activities under CIL CSR Policy are as below:

- a) Developments of Village Infrastructure like roads, bridges, community buildings, market places, etc.
- b) Promoting education by developing educational infrastructure like school building, financial assistance for educational programme, etc.
- c) Healthcare programmes like conducting village health camps, special camps like eye camp, family planning camp, etc. and health awareness programmes, mobile medical vans
- d) Providing drinking and clean water by installing hand-pumps, bore-wells, deepening of ponds, etc.
- e) Tree plantation and water conservation
- f) Social Empowerment through capacity building
- g) Promoting Sports and Cultural activities
- h) Empowerment of women through self-employment
- i) Relief of victims of Natural Calamities
- j) Village adoption for integrated development

**26.2 Sources of Fund and Areas to be covered under CSR:**

The fund for the CSR is allocated based on 5% of the retained earnings of previous year subject to minimum of ₹ 5.00 per tonne of coal production of previous year. Out of the above, 80% is allocated for CSR activities to be carried out in the vicinity of Coalfield, within a radius of 25 KMs for every project and Areas including Headquarters and balance 20% is allocated for carrying out CSR activities by Subsidiary Companies in the State to which the Subsidiary Company belongs.



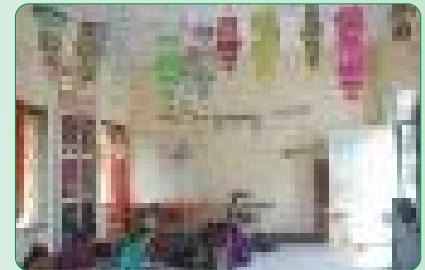
### 26.3 CSR Projects:

Major projects under CSR undertaken by SECL are as under:

#### I. Project SECL Yuva Swavalamban

A project on Self-Employment and Skill Development through Chhattisgarh Centre for Entrepreneurship Development (CGCED) for the youths around mining projects of SECL in 7 Districts of Chhattisgarh and 3 Districts of Madhya Pradesh.

- Baseline Survey was carried out in villages around SECL mining projects within a radius of 15 kms to identify potential trades and beneficiaries.
- 121 nos. of Entrepreneurship Awareness Camps (EACs) were conducted covering over 5700 youths to make them aware about entrepreneurship, market potential, success stories, etc.
- Thereafter, candidates were identified through interviews and were imparted trade training on the basis of baseline survey and EACs. A total of 64 training programs were conducted with 1920 beneficiaries covering trades like mobile repairing, home appliance repairing, fashion designing, retail marketing, computer hardware, etc.
- After completion of training, CGCED provided follow up support to candidates for their start up through counselling; tie up with banks for loans, formation of self-help groups, etc. Over 400 trainees have started their own micro enterprise or have got wage employment. Another 400+ youths have started micro enterprise after attending EACs.



#### II. Project Buniyad

- Project Buniyad focuses on the basic infrastructural development of the nearby villages around the Mining Projects and Offices of SECL. Buniyad primarily helps the nearby community by developing the infrastructure, connecting the villages with each other and market, providing basic amenities which would enhance the living conditions in the villages. Key achievements are as under:
- **Road Projects:** SECL spent around ₹ 26.72 crores in road projects including bridges/culverts at various villages in all operating Districts of CG and MP.
- **Other Village Infrastructure:** SECL has spent around ₹ 7.75 crores in developing village infrastructure by providing/constructing common facilities like community halls, bus stops, market places, etc.
- **Water Supply:** SECL has spent around ₹ 3.81 crore for arrangement of clean water supply in the nearby villages by installing/repairing hand-pumps, tube-wells, digging/ cleaning/ deepening of ponds, wells, water supply management works, etc.
- **Street Lighting at Bilaspur:** SECL has sanctioned ₹ 2.19 crores towards street lighting work from Nutan Chowk to Mopka at Bilaspur, Chhattisgarh.

#### III. Project Armaan

Project Armaan's prime focus is to improve the Educational standard of the nearby villages around mining projects and offices of SECL and encourage primary and higher education amongst the children of villages.

Armaan focuses not only on the infrastructural development of educational institutions in the rural area, but also to encourage the villagers to promote primary and higher education including female education. The Company has spent over ₹ 7.58 during 2013-14 for upliftment of educational standard of the villages



around mining areas by construction/up-gradation of school infrastructure, financial assistance, adoption of tribal students, etc. A scheme was launched to provide scholarship to students of rural Government Schools. Eligible students are toppers of Class V, VIII and X for their studies in Classes VI-VIII, IX-X and XI-XII respectively.

#### IV. Project Swastha Gram

The focus of Project Swastha Gram is to improve the health standard of the residents of nearby villages around mining projects and offices of SECL and encourage healthy and hygienic lifestyle. Swastha Gram focuses not only on the prevention of health problems in the rural area, but also to encourage the villagers to promote the importance of health and hygiene. SECL provides free medical treatment to BPL card holders at all its Hospitals and Dispensaries by means of diagnostic facilities, medicines, etc. Additionally, SECL has 14 nos. of dedicated mobile medical ambulances which visit the villages around mining projects of SECL to provide free medical diagnostic facilities and medicines to villagers. Periodic medical camps are being organized under CSR like diagnostic camps, eye camps, awareness camps, family planning camps, immunization camps, senior citizen camps, etc. SECL has provided healthcare facilities through dedicated OPD counters and mobile medical vans to over ₹ 1.79 lakh villagers during 2013-14.

**ICU at District Hospital, Ambikapur:** SECL has sanctioned ₹ 88 lakhs for construction of ICU at District Hospital, Amnikapur

#### V. Project Vasundhara

The focus of Project Vasundhara is to create awareness about the importance of sustained ecological balance and help in maintaining the environmental balance. In the current scenario when Global Warming, climatic imbalance, conservation of natural resources, etc. are the burning topics, SECL assumes its responsibility to act towards these issues considering the fact that Mining activities disturb the environment in many ways. Apart from CIL's environment policy, Project Vasundhara under the purview of CIL CSR Policy helps in creating awareness and work towards maintaining ecological balance.

The company has undertaken a project for plantation and maintenance of 71,000 trees at Amarkantak in association with MPRVVNL for a total cost of ₹ 1.86 crores.

#### 26.4 Baseline Survey:

SECL has conducted baseline survey in 677 villages within a radius of 15 kms of SECL projects in all the 10 operating Districts of Chhattisgarh and Madhya Pradesh. The Survey was conducted by Chhattisgarh Centre for Entrepreneurship Development (CGCED), a division of Centre for Entrepreneurship Development – Madhya Pradesh (CEDMAP), an autonomous body of Government of Madhya Pradesh. The survey has come out with inadequacies in infrastructure and educational & health facilities at these villages.

The baseline survey data has been shared with concerned District Collectors to develop a three to five year plan on convergence model for the underdeveloped areas identified through the baseline survey by pooling in resources available from Central/State Government Plans, resource to be dedicated by SECL under CSR, activities to be undertaken, milestones for completion of various activities, Joint Committees for monitoring of implementation of planned activities, etc.

Accordingly, decisions can be taken for CSR expenditure.

## 26.5 Performance against MoU Parameters:

The assigned MoU targets relating to CSR has been achieved with “Excellent” performance ratings. The details of MoU performance parameters on CSR and its target vis-à-vis achievement for the year 2013-14 are given below:

SL	Evaluation Criteria	Unit	Target	Achievement	
A	I	The degree of involvement of the employees and the top management in internalizing the CSR and Sustainability agenda within the organization			
	a	Nos.	4	4	
	b		30	57	
	c		100	102	
	II	<b>Impact of such involvement on products / services / processes and reduction in carbon foot print</b>			
	a.	List of Products/Services/Processes for reduction of carbon footprint:			
	i.	No. of Locations	3	4	
	ii	Nos.	5	8	
	iii		10	10	
B	<b>The efforts made and the success achieved in the engagement of key stakeholders thorough adoption of a good corporate communication strategy</b>				
	a	Yes/No	Yes	Yes	
	b	Nos.	10	14	
	c	Yes/No	Yes	Yes	
C	<b>The adoption of sustainability reporting and disclosure procedures and practices</b>				
	a	Yes/No	Yes	Yes	
	b	Duration	Quarterly	Yes	
D	<b>The degree of success in implementing the CSR and Sustainability projects they undertake during the year</b>				
	a.	No. of Youths	1000	1920	
	b	Date of Completion	Dec '13	Aug '13	
E	The expenditure incurred on CSR and Sustainability activities vis-à-vis the annual budgetary allocation of 1% of PAT of previous year amounting to ₹ 42.99 Crores		%	>75% (i.e. ₹ 32.24 Crores)	102.14% (₹ 43.91 Crores)
F	<b>The effectiveness of the two-tier organizational structure in the process of planning, implementing and monitoring the CSR activities</b>				
	a	Yes/No	Yes	Yes	
	b.	The Frequency of Meetings held by the:			
	i	No. of Meetings	4	5	
	ii		4	7	



## 27.0 IMPLEMENTATION OF OFFICIAL LANGUAGE (RAJBHASHA)

Your Company makes concerted efforts to spread and promote the Official Language (Rajbhasha Hindi). In pursuance of Official Language Policy / Act / Rules/ Orders of the Govt. of India, efforts are continuing towards increasing the use of Hindi in Official work. Some of the important steps taken in this regard during the year are as under:

- During the year under report, the company made special drive to promote Hindi in official work in Headquarters and Units. In this connection, Hindi Workshops were organized on quarterly basis at Management Development Institute (MDI), Bilaspur. 101 employees availed benefit from these workshops. The Hindi Workshops were especially focused towards usages of Hindi in day-to-day official correspondence using simple & colloquial words in writing.
- Hindi Unicode Computer Training Programs were also conducted at MDI to promote & facilitate the employees who were not conversant with usages of Rajbhasha. Under the said training programs, 168 employees were imparted training.
- During the year, all computers have been installed with MS-Unicode program/Hindi software to carry out office work in Hindi, easily & more effectively.
- The 'Rajbhasha Pakhwada' (14<sup>th</sup> September to 28<sup>th</sup> September) of the year witnessed enthusiastic participation of employees across by all cadre. During Rajbhasha Pakhawada, Hindi noting and drafting competition for executive, Hindi Essay, Hindi elocution, picture based Hindi story writing, Hindi Typing, Hindi quiz. Hindi letter-writing, Hindi antakshari, Open Rajbhasha slogan, Open Hindi story writing, Open Hindi Article competition etc. were organized to develop/promote/accelerate the use of simple official Hindi. A total no. of 12 different competition were held and 424 employees participated. In most of the competitions, the entries for employees were given in two segments i.e. of Hindi and Non-Hindi background. The winners in all the competitions were suitably rewarded. In addition to this, rest of the participants, who did not score for any prizes in any of the competitions were given Hindi books (glossary) to mark their participation as also to boost up their morale to discharge their maximum official work in Hindi.
- All Hindi Implementation Committee meetings, were held quarterly in the presence of Hindi Observer nominated by Ministry of Coal, to monitor and review the progress of the Hindi implementation programs at the Area/Headquarters level.
- A book titled "Koyala Ratna" is published by Rajbhasha Department at SECL HQ in every quarter. It has broadened its popularity by publishing colorful articles in the form of short stories, write-up, essay etc.



ranging in tastes from literature to health, meditation & many others. Apart from providing a literary arena to all sections of Coal society, in particular, this magazine also provides the details of all ongoing Hindi Implementation programs and publishes details of useful policies pertaining to employees in general.

## 28.0 VIGILANCE:

SECL Vigilance department is functioning in a fair and transparent manner as per the guidelines of CVC. During the year 2013-14, Vigilance Department made all possible efforts to check and prevent corruption at all levels in the Company. The main focus of Vigilance department during the year was to create awareness and sensitize the officials through various programmes to work within the ambit of rules and regulations of the Company. Through Regular and Surprise Inspections, system lapses and other irregularities were brought forward to the knowledge of Higher Management and necessary system improvement measures to prevent such irregularities were also suggested.

The main functions of the department are verification of the complaints received either directly or routed through CVC, Ministry, CBI, Coal India etc. and taking systemic improvement measures wherever required to pluck the loopholes and necessary punitive action by registering Regular Departmental Cases against the erring officials. Vigilance department through Periodic/regular and surprise inspections keep a watch on sensitive posts and wherever necessary, system improvement measures are being suggested to the Management to contain possibility of corruption. In the month of April 2013, all APRs (3500 approx) submitted by the executives for the year 2012 were scrutinized in a special drive after designing a check list. Many officers either submitted incomplete information and/or failed to comply the guidelines of the Company. The discrepancies have been got corrected. Explanation sought from 35 officers for inadequate and faulty information. To create awareness among the officials, Vigilance department is arranging in-house training programmes regularly for the executives working in the company.

### 28.1 Preventive Vigilance:

#### a) Organizing Vigilance Awareness Week - 2013:

Vigilance Awareness Week 2013 was observed in SECL from 28.10.2013 to 02.11.2013 as per the directives of CVC. Vigilance Awareness Workshops/ Customer's Meet were conducted at Dipka, Baikunthpur, Sohagpur Areas and SECL Hqrs., which were attended by the executives and service providers of all the Areas. In these workshops deliberations were made on the theme of CVC "Promoting Good Governance-Positive Contribution of Vigilance" for adopting fair and transparent means to restrict the corruption. The problems faced by the executives/customers/ contractors/service providers were noted and corrective steps were recommended. Debate, Essay, drawing and Slogan competitions were organized for school children, college students as well as among the employees of SECL at SECL Hqrs as well as at areas of SECL. For the first time Debate, Essay and Slogan competitions were organized at SECL HQ exclusively for the women employees on 30.10.2013. Awareness test consisting of 50 objective questions was also conducted for different categories of executives at SECL HQ and all Areas to create awareness about the rules and





regulations of the inter-disciplinary functions of the Company. A Souvenir titled “DISHA” containing CVC guidelines on disciplinary matters and tenders, articles related to irregularities observed during investigation and systemic improvement measures etc. were released by the dignitaries on the closing ceremony.

**b) Organizing Vigilance Training Programmes:**

12 Vigilance Awareness-cum-Personality Development Programmes of two days duration each were organized in phases from 20.05.2013 to 25.05.2013, 22.07.2013 to 27.07.2013, 23.09.2013 to 28.09.2013 and 27.01.2014 to 01.02.2014 in different areas. These programmes were attended by approximately 2000 executives of all the areas of the company. A professional expert was engaged besides retired officers of vigilance background along with officers of SECL Vigilance department.

A one day Vigilance Workshop on Good Governance and Departmental proceeding was organized on 23.11.2013 at Gevra area. The expert speaker of the workshop was CDI/CVC. The programme was attended by approximately 100 executives of Gevra and adjoining four areas of the company.

**c) System improvements undertaken:**

On the basis of periodic/surprise inspections, many system improvement measures were suggested to the Management for implementation. The following system improvements have been implemented as per vigilance advice.

- (i) By reducing threshold limits from ₹10 lakh to ₹ 2 lakh, most of the purchase tenders have been brought in the open competitive bidding. Following are the number of tenders with percentage reduction in value.

Nos. (Apr to Dec '12)	Nos. (Apr to Dec '13)	%age Reduction	Value (in ₹) (Apr to Dec '12)	Value (in ₹) (Apr to Dec '13)	%age Reduction
2182	857	60.72	101.25 Cr	21.40 Cr	78.86%

- (ii) Process documentation and other control measures for streamlining the accounting of coal transportation and dispatch were strengthened covering weighbridges, security set-up, etc.
- (iii) Procedure for negotiated contract of works upto ₹ 1.00 lakh, as per DOP, has been streamlined so as to make it fair and transparent and to be exercised in exception/emergency.
- (iv) Detailed guidelines were framed and circulated to reduce abnormal delay in processing the cases of PF loans and compassionate appointments to bring in transparency in such activities.
- (v) A system study was carried out to ascertain the modus-operandi of deployment and payment of security personnel by the DGR sponsored security agencies operating in SECL. Preliminary investigation has revealed some irregularities, which is under intensive examination. In one case of it is revealed that undue favour to security agency has been extended thereby causing loss of more than ₹ 1 crore. Detailed investigation is under progress.
- (vi) A system study was carried out in respect of underground contractual works, which revealed various irregularities in respect of deployment of contractual labour and execution of contractual work.

- (vii) A guidelines has been issued to all areas of SECL to issue appointment letters to dependent employees and grant of PF loans within a reasonable time frame in order to ensure transparency and discourage possible corrupt practices.
- (viii) During customer meet, the issue related to non-refund of EMD was raised by the stakeholders. Accordingly, a system study was carried out by this deptt., following which the management has streamlined and expedited refund of long pending EMD of approx. 45 crores. Further the agreement has been made with Axis Bank for automatic refund of EMD through their integrated banking solution.
- (ix) On the basis of vigilance investigations, Management has imposed banning/suspension of business relations with firms for submission of forged documents and supply of inferior quality materials to the Company.
- (x) **Stakeholders Meet:** In order to enhance the level of transparency in working, it was decided to hold Stakeholders Meet from time to time apart from such meet being organized during Vigilance Awareness Weeks on behest of CVC to know the problems faced by the stakeholders like customers/ contractors/ service providers etc. so as to take corrective steps. Recently, stakeholders meet was organized in the month of February/March-2014 at J&K Area, Bisrampur Area, DCC Kolkata, SECL (HQ) and Kusmunda Area.

## 28.2 Investigative Vigilance:

### a) Preliminary Investigation:

During the year 2013-14, 72 new complaints were taken up for verification along with 61 complaints carried forward from the previous years. Verification has been completed in 110 complaints. After preliminary verification and subsequent investigation, disciplinary action has been initiated wherever necessary.

During the year 16 fresh vigilance cases was registered and taken up for investigation besides 7 vigilance cases carried forward from the previous years. In respect of 6 vigilance cases, investigation has been completed.

### b) Oral Inquiries/Departmental Proceedings:

During the year under reference, total 5 Regular Departmental cases (major penalty–04 cases and minor penalty– 01 cases involving about 14 officials) were registered in addition to the 24 RDA cases for major penalty and 4RDA cases for Minor Penalty which were carried forward from the previous years. During the year, 15 cases have been finalized in which Major penalties were imposed on 11 officials and Minor penalties on 05 officials.

## 28.3 Steps taken to activate the Vigilance Machinery:

The vigilance department is headed by Chief Vigilance Officer with one Dy. General Manager (Vigilance) and other experienced Officers from various specialized disciplines like Mining, Materials Management, Excavation, Civil, Survey and Personnel. The activities of Vigilance department are mainly focused on preventive and participative vigilance and on enhancement of vigilance awareness among all stake holders. In the month of February/March-2014, stakeholders meet was organized at J&K Area, Bisrampur Area, DCC Kolkata, SECL(HQ) and Kusmunda Area. Vigilance department aims to maintain fair & transparent systems, management processes and corruption free governance. Vigilance department is also focused on suggesting



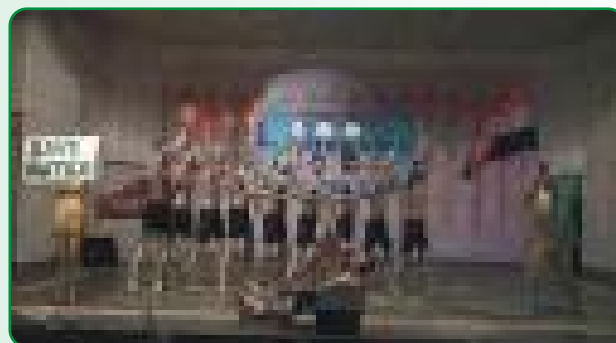
system improvement measures to control the menace of corruption and other malpractices in the Company.

### 29.0 SECURITY:

The company has been relentlessly striving to protect its properties and provide collective security to management, staff and employees with a view to accelerate production through industrial peace. Departmental security personnel of SECL, Central Industrial Security Force (CISF) and Ex-servicemen/Civilians deployed through Directorate General of Resettlement (DGR), Ministry of Defense sponsored security agencies deployed in all the projects and establishments of SECL have ensured no Illegal Mining of Coal in lease hold areas of SECL and minimized theft/pilferage of coal and Company's properties.



Contingents comprising of Departmental Security personnel including lady security guards, DGR guards displayed magnificent parade on the beats and patriotic tunes of Army Band on the eve of Independence Day-



2013 and Republic Day-2014, thereby demonstrating high morale, motivation and discipline. The Security Department of the company organized camp fire preceded by spell bound entertaining cultural programme with patriotic fervors which entertained and mesmerized the large audiences on the auspicious eve of Republic Day-2014.

### 30.0 PUBLIC RELATIONS

Public Relations (PR) adds value and goodwill among stakeholders by conveying open ended information to people and media with an insightful and organization oriented perspective. It is persistent endeavor of the company to focus on enhancing the image of organization through highlighting strengths and success of the company at all platforms.

The financial year started on a positive buzz in the media about the company achieving yet again the feat of highest coal producing subsidiary of coal India Limited. The overwhelming zeal and energy of this success percolated down to the enthusiastic miners who continued toiling hard, unheeded by creeping up summer.

May Day was a jubilant occasion to bestow our gratitude and honor for their sincere contribution in lighting up the dark corners of this nation. The event also included the 'Annual Employee Reward and Recognition scheme-Shikhar' award distribution ceremony.

The sustained efforts were enriched with world environment day celebrations where commitment towards green technology and sustainable development were echoed through various competitions in schools and mining areas. The cultural vibe and liveliness of SECL family was enlightened in the month of July when Coal India Inter-Company Cultural Competition was held in Ravindra Bhawan Auditorium, Bilaspur with hordes of cheers and chants.



The month of July bestowed the privilege and honour to welcome Minister of coal, GOI at our Sohagpur area. A very well participated and enthusiastically covered press meet was organized at area office during the visit. It was followed by another dignitary, the Coal Secretary, MOC, GOI, visiting SECL. The beaming media applauded our efforts when SECL declared financial assistance of ₹ 7,70,05,380.00, (Rupees Seven Crores Seventy Lakhs Five thousand Three hundred Eighty) with employees donating one day basic salary for the victims of Uttarakhand natural calamity.



The news of SECL becoming a SA-8000 certified company also flowed in high spirits across the news corners. The eventful journey continued with everyday coverage of *Rajbhasha pakhwada* in local dailies. That the company has bagged two major awards at CIL foundation day ceremony caught everyone's eyes. On 1st Nov, SECL marvelously commemorated the occasion of CIL foundation day and *Chhattisgarh Sthapna Diwas* with a Chhattisgarh folk music and dance programme. On the momentous occasion of SECL *Sthapna Diwas*, another cultural evening was organized at Vasant Vihar parade ground wherein performances by renowned artists delighted the festive gathering of audiences.

In the month of January, 2014, SECL put up a stall at *Chhattisgarh Vyapar mela* and fetched appreciation letter from CSBSI for commendable work. It was followed by spectacular Republic Day event where magnificent Jhanki's by all the SECL areas marched in tandem at Vasant Vihar ground, Bilaspur. SECL also participated through thematic Jhanki in Chhattisgarh State Republic Day Celebrations at capital Raipur as well as District Republic Day Parade at Bilaspur.

Media noticed the contribution of SECL in Chhattisgarh's development when Chhattisgarh East Railway Ltd., the subsidiary company of SECL signed a project execution agreement with IRCON International Ltd. for a Rail corridor project in North Chhattisgarh. Towards end of the financial year, Coal India Medical Conference (CIMECON-2014) was another event in which great interest was shown by print and digital media.

In addition to branding initiatives and news coverage, PR department of the company also publishes two in-house journals namely, *SECL Samachar*, a monthly corporate newsletter and *Pratibimb*, a quarterly magazine. These journals offer storyline coverage of CSR activities, various company events and programmes besides providing literary platform to SECL family.



### 31.0 MOU WITH TRANSPARENCY INTERNATIONAL AND INTEGRITY PACT

Your Company is one of the few institutions who have signed the Memorandum of Understanding with the Transparency International India. The body is the Indian Chapter of Berlin based “Transparency International”, a not-for-profit and non-governmental organization committed to curbing corruption in any form. Arising out of the MOU signed with the Transparency International India, the Integrity Pact has been implemented for tenders having estimated value of ₹ 2.00 Crores and above for purchase contracts and ₹ 1.00 Crores and above in respect of other contracts. Two Independent External Monitors (IEMs) have also been appointed to monitor the tenders covered under the Integrity Pact.

### 32.0 E-PROCUREMENT THROUGH NIC

In addition to MOU with Transparency International and signing of Integrity Pact, Company has shifted to e-procurement of goods during this year through Coal India’s own portal hosted by National Informatics Centre (NIC) an organ of department of Information Technology, Govt. of India. This portal will also be maintained by NIC. The shifting to e-procurement will ensure greater transparency in procurement of goods. Through this process not only the entire process will be visible to bidders, the system will also ensure efficient finalization of procurement cases with minimum human involvement. Action is already in process to shift entire procurement services and works too to the portal in coming year.

### 33.0 RIGHT TO INFORMATION (RTI)

Your Company has set an elaborate mechanism throughout the Organization to deal with the requests received under the Right to Information (RTI) Act, 2005. To assist and facilitate the citizen in obtaining information, detailed guidelines have been placed on SECL’s website, spelling out the procedure for securing access to information and filing of first appeals under the Act.

Proactive disclosures have also been made on SECL’s website in line with Section 4 (1) (b) of the Act, disseminating various categories of information so that citizens have minimum need to resort to the Act for the purpose of obtaining information.

SECL has set an elaborate mechanism throughout the organization to deal with the requests received under the Right to Information Act (RTI), 2005. In the year 2014, to make the process of providing information more effective, practical and within the stipulated period of time, it has been decided by the top management to decentralize the RTI activities to all the Area levels independently from the centralized system prevailed at SECL, HQ, Bilaspur. As per the directives of the Functional Directors at their 526<sup>th</sup> meeting held on 23.11.2013, the decentralization of dealing RTI applications at Area levels has been successfully implemented by deputing 15 CPIO’s and 15 Appellate Authorities. Hence, from 01.01.2014, each Area has its own CPIO and an Appellate Authority to deal with the RTI applications in a more transparent and systematic way.

The CPIOs and the other stakeholders involved are sensitised about their obligations under the Act through trainings and workshops. 01 no. RTI workshop was organized during the year 2013-14.

The statistics of Information asked under RTI and its disposal during the year 2013-14 is as under:

S.N.	Particulars	Nos.
1	No. of applications received during the year 2013-14	3221
2	No of applications disposed of during the year	2909
3	No. of application under process for reply as on 31.03.2014	312

### 34.0 ISO ACCREDITATION:

During the year 2013-14, SECL included underground mines also for Environmental Management System (EMS) certification. Three underground mines using latest mining technology - Continuous Miner and Shortwall were included in the EMS Certification programme for the year. During the year, six numbers of mines were recommended for ISO 14001:2004 Certification. The Certification will be issued by Certification International (UK) Limited, UK.

These mines are as under:

- |                  |                |
|------------------|----------------|
| 1. Laxman OCP    | 4. Singhali UG |
| 2. Dharam UG     | 5. Bagdeva UG  |
| 3. Dhelwadiah UG | 6. Rehar UG    |

Already three mega projects of SECL – Gevra OCP, Dipka OCP & Kusmunda OCP along with 15 other mines, as detailed below, have been certified for Environmental Management System (EMS) as per ISO 14001:2004:

- |              |                                   |
|--------------|-----------------------------------|
| 1. Kanchan   | 9. Manikpur                       |
| 2. Dhanputi  | 10. Sharda OC Highwall            |
| 3. Rajnagar  | 11. Amadand OC                    |
| 4. Chirimiri | 12. Kurja-Sheetaldhara-Kapildhara |
| 5. Amera     | 13. Rani Atari UG                 |
| 6. Dugga     | 14. Churha RO UG                  |
| 7. Chhal     | 15. Mahan-II OC                   |
| 8. Baroud    |                                   |

The following Central Hospitals of the Company had been accredited with ISO:9001:2008 Certification in the field of Management of Diagnostic, Curative, and Rehabilitative & Preventive Health Care Services.

1. Burhar Central Hospital, Sohagpur in the year 2007-08, valid up to 02.11.2015
2. Nehru Centenary Hospital, Gevra in year 2006-07, valid up to 02.11.2015
3. Central Hospital, Manendragarh, in the year 2010-11 valid up to 02.11.2015
4. Indira Vihar Health Centre, Bilaspur in the year 2010-11 valid up to 02.11.2015

The following Workshops of the Company had been accredited with ISO:9001:2008 and ISO:9001:2000 Certification respectively for implementation of Quality Management System in the activities of overall and repair of mining machinery and manufacture of related parts:

1. Central Excavation Workshop, Gevra Project, accredited in 2005-06 and renewed during 2011-12 with validity up to 18th August, 2014.
2. Regional Workshop, Bijuri, Hasdeo Area, accredited in 2005-06, and renewed during 2011-12 with validity up to 18th August, 2014.



3. Regional Workshop, Korea, Chirimiri Area accredited in 2005-06 and renewed during 2011-12 with validity up to 18th August, 2014.
4. Central Excavation Training Institute (CETI), Gevra Area accredited in 2009-10, and renewed during 2012-13 with validity up to 16th August, 2015.

### 35.0 AWARDS AND RECOGNITION:

Since its inception, SECL has always registered record breaking performances. This has been possible by the virtue of superior working culture and dedicated collective hard work of its employees. Consistent with the trend in preceding years, your Company and its Senior Management Officials have got various awards and recognitions. Various prestigious awards have been received in corporate capacity and in Individual capacity in the year 2013-14.

#### 35.1 Awards/ Recognitions in Corporate Capacity:

##### 1. SECL bags the highest award for Corporate Performance

SECL bagged **highest award in Corporate Performance** at the Award ceremony held on 39<sup>th</sup> Coal India Foundation day on 01.11.2013 for highest coal production amongst all the subsidiaries of CIL. The award was presented by Honb'le Shri Shriprakash Jaiswal, Coal Minister, GoI in presence of Secretary, MoC, Shri S. K. Srivastava and Chairman, CIL, Shri S. Narsing Rao. The award was received by Shri N. Kumar, CMD, SECL and his team.



##### 2. SECL bags the highest award for CSR Expenditure

SECL bagged **highest award** in the category of **CSR expenditure** at the Award ceremony held on 39<sup>th</sup> Coal India Foundation day on 01.11.2013 for highest expenditure on CSR amongst all subsidiary companies of CIL towards CSR activities undertaken in its operational areas. The award was presented by Honb'le Shri Shriprakash Jaiswal, Coal Minister, GoI in presence of Secretary, MoC, Shri S. K. Srivastava and Chairman, CIL, Shri S. Narsing Rao. The award was received by Shri N. Kumar, CMD, SECL and his team.



### 3. SECL bags Environment Award for Green Technology

SECL has been bestowed with 'Environment Award' by Madhya Pradesh Pollution Control Board (MPPCB) at the World Environment Day Celebration on 05.06.2013 at Indore, Madhya Pradesh as recognition and applause of the initiatives of Green technology/ Eco-friendly mining taken by the company for Sharda High Wall Mining.



### 4. SECL bags 2<sup>nd</sup> Best Enterprise Award

SECL bagged '2<sup>nd</sup> Best Enterprise Award' in the Miniratna & Others Category of PSUs at the WIPS (Women in Public Sector) Award of Excellence during the 24<sup>th</sup> National meet of Forum of Women in Public Sector held at Kolkata. The award was given by Former Speaker of Lok Sabha, Shri Somnath Chatterjee and in presence of Dr. U. D. Choubey, Director General of SCOPE (Standing Conference of Public Enterprises).



### 5. SECL gets SA 8000 Certification for its Social Accountability System

SECL has been conferred with SA 8000 Certification by CISE, Social Accountability System Certification Body accredited by SAAS (Social Accountability Accreditation Services) and promoter of the Network Lavoro Etico, in cooperation with the inspecting body QMS Certification Services Pvt. Ltd. certifying that the Social Accountability System of the company is in compliance with the requirements of the 'SA 8000:2008 Standard' pertaining to the activity of "Mining and Supply of Coal".





### 35.2 Awards/ Recognitions in Individual Capacity:

#### 1. Ms. Kirti Tiwari, Sr. Manager (Civil), SECL received the 'Leading Women in Energy Sector' Award

Ms. Kirti Tiwari, Sr. Manager (Civil), SECL, received the award for 'Leading Women in Energy Sector' at the 'Women Leaders in India Awards 2013' organized by iiGlobal on 16-17 April, 2013 at Taj Lands End, Mumbai rewarding excellence to fulfill a need to provide role models to young corporate and business women.

#### 2. SECL Personnel awarded First Prize in Bravery Awards category

A team of SECL personnel from Anjan Hill Mines consisting of Shri. D. C. Suwarnakar, Shri Ramandas Mahant & Shri Joginder Singh received the First prize in the category of Bravery awards at the Award ceremony held on 39th Coal India Foundation day on 01.11.2013 for their brave and excellent services rendered to the company.

#### 3. Shri T. Venkat Raman received prize for Outstanding Sportsperson

Shri T. Venkat Raman, Dipka Area, SECL received 3rd prize in the category of Outstanding Sportsperson of CIL at the Award ceremony held on 39th Coal India Foundation day on 01.11.2013.

### 35.3 Awards/ Achievements in Sports:

1. SECL Hockey Team emerged Winner of the CIL Hockey Tournament 2013-14.
2. SECL Table Tennis Team emerged Runner-up of the CIL Table Tennis Tournament 2013-14.
3. SECL Body Building Team emerged Runner-up of the CIL Body Building Tournament 2013-14.



## 36.0 INTERNAL AUDIT FUNCTIONS

There are 14 Audit Firms of Chartered/Cost Accountants registered with ICAI/ICWAI who have conducted Internal Audit in SECL for the year 2013-14 in 12 Areas of SECL in addition to audit of Company HQ, Central Stores & Central Workshop, Korba, Central E&M Workshop, Gevra, SECL Kolkata Office and Dankuni Coal Complex. The Internal Audit of Raigarh Area of SECL is conducted by Internal Audit Department of the company itself.

There are also 23 Audit Firms of Chartered/Cost Accountants appointed for the year 2013-14 for conducting Physical verification of Stores & Spares in all the Areas of SECL.

The suitable and corrective actions wherever necessary were taken based on the observations of the Internal Auditors. The Audit Committee of SECL has reviewed the Audit Report relating to internal control and other observations of the auditors.

The Internal Audit Department also co-ordinates the transaction audit as well as thematic audit such as study on 'Efficiency in Power Utilization', 'Coal & OB Transportation' and on the "function of Dankuni Coal Complex" conducted by Commercial Audit Team of C&AG, the reply of Audit Para's and its final settlement from time to time.

## 37.0 AUDITORS' REPORT & COMMENTS OF CAG

The Statutory Auditors' Report on the Accounts of the Company for the year ended 31st March, 2014 along with the Management's replies is placed elsewhere in the Annual Report. The comments by the Comptroller & Auditor General of India (CAG) under Section 619(4) of the Companies Act, 1956 on the accounts of the company for the year ended 31st March, 2014 are enclosed as **Annexure-VI**.

## 38.0 AUDIT OF NON-FINANCIAL PARAMETERS OF MoU

It has been mandated in the DPE guidelines that the Non-financial parameters of MoU 2013-14 are to be

clearly identifiable & clearly verifiable and an agency shall be entrusted to carry out the verification process. Non-Financial parameters encompass the parameters listed under Quality, HRM, Project Implementation, Adoption of Innovative Practices, CSR & Sustainable Development Activities, Sector specific & Enterprise specific parameters, etc.

Accordingly, the Statutory Auditors appointed by CAG for the year 2013-14 was engaged for such verification and audit of the performance against the MoU parameters. The Auditors' Report on the MoU Parameters is enclosed as **Annexure-V**.

### 39.0 RATING OF SECL VIS-À-VIS MoU TARGETS

Performance of SECL for the year 2012-13 has been rated by DPE as "Excellent" in terms of the MoU 2012-13. SECL has been awarded the MoU Composite Score of 1.408.

### 40.0 INFORMATION TO SHAREHOLDERS

Annual Accounts of South Eastern Coalfields Limited (SECL) and the related detailed information shall be available to the shareholders of the holding company and SECL. Any shareholder seeking any such information at any point of time, can inspect the same during business hours in a working day at the registered office of the company at Seepat Road, Bilaspur, Chhattisgarh.

### 41.0 COST AUDIT

Pursuant to the directions of the Central Government for audit of Cost Accounts, the proposal for appointment of 4 firms of Cost Accountants as Cost Auditors for auditing the cost accounts of your Company for the year ended 31st March, 2014 was approved by the Central Government and they have accordingly been appointed.

The particulars of Cost Auditors as required under Section 233(B) of the Companies Act, 1956 read with General Circular No. 15/2011 dated 11.04.2011 issued by the Ministry of Corporate Affairs, are given below:

- 1) M/s. S. C. Mohanty & Associates (FRN 00114)  
511, Sahidnagar, Bhubaneswar, Odisha – 751 007
- 2) M/s. ABK & Associates (FRN 000036)  
Jamuna Niwas, 1st Floor, 32-A, Jai Bharat Society, Khar (West), Mumbai – 700 052
- 3) M/s. R. S. Tiwari & Co. (FRN 000260)  
A-3, Nehru Nagar, Bilaspur (Chhattisgarh) – 495 001
- 4) M/s. P A N Murty & Co. (FRN 00245)  
B-101, Sai Parisar, Srikant Verma Marg, Bilaspur (Chhattisgarh) – 495 001

The Cost Audit Report for the year 2012-13 has been filed under XBRL mode for the first time within the due date of filing. The Cost Audit Report for the year 2013-14 is being finalized and will be filed as per the schedule.

### 42.0 PARTICULARS OF INFORMATION UNDER SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO COMPANY'S INTEREST IN SUBSIDIARY COMPANIES

The particulars of Information under Section 212 of the Companies Act, 1956 relating to company's interest in subsidiary companies has been provided as **Annexure-I** to this report. The Ministry of Corporate Affairs vide its Circular No. 2/2011 dtd. 08.02.2011, has granted general exemption under Section 212(8) of Companies Act, 1956 to companies from attaching the accounts of Subsidiary Companies with the Annual Report of the Company. However, companies are required to provide summarised financial information of the subsidiaries. Accordingly, SECL is providing a summary of financial information of its subsidiary companies in lieu of attaching the annual accounts of its subsidiary companies with the Annual Report for the year 2013-14. The annual



accounts of the Subsidiary Companies are available with the Company Secretary, SECL and are open for inspection by any shareholder at the Registered Office of the Company during working days. The summary of financial information of subsidiary companies for the financial year 2013-14 is enclosed as **Annexure I-A**.

#### **43.0 PARTICULARS OF INFORMATION UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREX EARNING & OUTGO**

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 earnings and Outgo is given in **Annexure-II** to this Report.

#### **44.0 PARTICULARS OF INFORMATION UNDER SECTION 217 (2A) OF THE COMPANIES ACT, 1956 REGARDING EMPLOYEES REMUNERATION**

Information as per Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended, is not applicable to your Company vide GSR 289(E) dated 31.03.2011 issued by Ministry of Corporate Affairs as no employee in the Company was drawing more than ₹ 5,00,000/- per month or ₹ 60,00,000/- per annum.

#### **45.0 BOARD OF DIRECTORS:**

**45.1** The Board of Directors of the Company as on 31.03.2014 are as under:

SL	Name	Designation	Category
1	Shri N. Kumar	Chairman	Whole Time Director / Functional Director as Chairman-cum-Managing Director
2	Shri Anil Kumar Singh	Member	Whole Time Director / Functional Director as Director (Personnel)
3	Shri A. P. Panda	Member	Whole Time Director / Functional Director as Director (Finance)
4	Shri R. P. Thakur	Member	Whole Time Director / Functional Director as Director (Technical) Operations
5	*	Member	Whole Time Director / Functional Director as Director (Technical) Project & Planning
6	Shri A.K. Bhalla	Member	Part Time Official Director/ Government Nominee Director
7	Shri Abhijit Chatterjee	Member	Part Time Official Director/ Government Nominee Director
8-11	**	Member	Part Time Non Official Director/ Independent Director
12	Shri B. K. Joshi	Permanent Invitee	Chief Operations Manager, South East Central Railway

**Notes:**

\* the position of Director (Technical) Project & Planning is vacant w.e.f. 29.02.2012.

\*\* the position of One Independent Director is vacant w.e.f. 18.08.2013 and position of three Independent Directors are vacant w.e.f. 21.02.2014.

**45.2** The following persons were appointed as Director during the year under report:

S.N.	Name of Director	Designation	Date of Appointment
1	Shri A. P. Panda	Director (Finance)	01.08.2013
2	Shri R. P. Thakur	Director (Technical) Operations	01.12.2013

**45.3** The following persons ceased to be Director during the year under report:

S.N.	Name of Director	Designation	Date of Cessation
1	Shri M. P. Dixit	CMD	31.07.2013
2	Shri A. R. Komawar	Director (Finance)	31.07.2013
3	Dr. R. N. Trivedi	Independent Director	18.08.2013
4	Shri P. K. Roy Chowdhury	Director (Technical) Operations	30.11.2013
5	Shri H. S. Chahar	Independent Director	21.02.2014
6	Shri Amitav Kothari	Independent Director	21.02.2014
7	Dr. Amalendu Sinha	Independent Director	21.02.2014

**46.0 BOARD MEETINGS**

Ten (10) Board Meetings were held during the Financial Year 2013-14 on 18.05.2013, 27.06.2013, 29.07.2013, 26.09.2013, 28.10.2013, 28.11.2013, 12.12.2013, 26.12.2013, 27.01.2014 and 20.02.2014 respectively.

**47.0 AUDIT COMMITTEE**

The constitution of the Audit Committee of Board of Directors in your Company dates back to the year 2002 and the committee is committed to good Corporate Governance with best discharge of its assigned duties. The Audit Committee was re-constituted on 26th September, 2007 with the induction of Independent Directors on the Board.

The Audit Committee has functioned during the year 2013-14 in terms of the provisions of Companies Act, 1956 and the Mandatory Corporate Governance Guidelines for CPSEs, with the following members & Invitees:



SL	Name	Designation	Category
1	Shri H.S. Chahar	Chairman	Part Time Non Official Director/ Independent Director
2	Shri Amitav Kothari	Member	Part Time Non Official Director/ Independent Director
3	Shri A.K. Bhalla	Member	Part Time Official Director/ Government Nominee Director
4*	Shri Abhijit Chatterjee	Member	Part Time Official Director/ Government Nominee Director
5*	Shri P. K. Roy Choudhury/ Shri R. P. Thakur	Permanent Invitee	Whole Time Director / Functional Director as Director (Technical) Operations
6*	Shri A.R. Komawar/ Shri A. P. Panda	Permanent Invitee	Whole Time Director / Functional Director as Director (Finance)

**\*Note:**

1. Shri Abhijit Chatterjee, Part Time Official Director, has joined Audit Committee as a Member w.e.f. 28.10.2013.
2. Shri A. R. Komawar, D(F), SECL relinquished the charge w.e.f. 31.07.2013 on superannuation and Shri A. P. Panda, D(F), SECL has joined w.e.f. 01.08.2013.
3. Shri P. K. Roy Chowdhury, D(T)O, SECL relinquished the charge w.e.f. 30.11.2013 on superannuation and Shri R. P. Thakur, D(T)O, SECL has joined w.e.f. 01.12.2013.

Consequent upon completion of tenure of Shri H. S. Chahar, Independent Director & Chairman of the Committee and Shri Amitav Kothari, Independent Director & Member of the Committee on 21.02.2014, the Audit Committee has been constituted with Shri A. K. Bhalla as Chairman and Shri A. Chatterjee, Shri A. K. Singh, Shri R. P. Thakur as Members, besides Shri A. P. Panda as Permanent Invitee. As soon as Independent Directors are appointed by the Ministry of Coal on the Board of SECL, the Audit Committee will be reconstituted immediately.

The Terms of Reference of the Audit Committee are in accordance with Section 292A of the Companies Act, 1956 and the Guidelines dated 14th May, 2010 on Corporate Governance of CPSEs issued by Department of Public Enterprises. The list of functions inter-alia includes the following:

- To hold discussion with Auditors periodically about:
  - Internal control systems compliance and adequacy thereof.
  - Scope of audit including observations of the Auditors.
  - Review of the quarterly, half yearly and annual financial statements before submission to the Board.
- To perform the following functions:
  - Overseeing the Company's financial reporting process and system for disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
  - Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to matters required to be included in the Directors Responsibility Statement, changes, if any, in accounting policies, major accounting entries, significant adjustments made, disclosure of related party transactions and qualifications in the Draft Audit Report.
  - Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.

- Carrying out any other function as mentioned in the terms of reference of the Audit Committee.

The Company Secretary is the Secretary to the Audit Committee.

The Audit Committee had Eight (8) meetings during the year under report.

#### **48.0 CORPORATE GOVERNANCE**

Your Company is committed towards maintaining high standards of Corporate Governance to ensure transparency and accountability at all levels protecting the interest of all the stakeholders. The company complies with the conditions of corporate governance as stipulated under the Companies Act as well as Listing Agreements.

Guidelines on Corporate Governance for CPSEs issued by Department of Public Enterprises (DPE), Ministry of Heavy Industries & Public Enterprises, Government of India, have been made mandatory from May, 2010 and SECL has implemented the same to the maximum extent possible

##### **48.1 Report on Corporate Governance:**

A "Report on Corporate Governance" for the year ended March 31, 2014, supported by a certificate from the Practicing Company Secretary confirming compliance of conditions, forms part of the Annual Report, and is attached to this report as **Annexure-III**.

##### **48.2 Management Discussion & Analysis Report:**

In terms of the Clause 7.5 of the Guidelines on Corporate Governance for CPSEs issued by DPE, a "Management Discussion and Analysis Report" on the operations and performance of the company for the year ended March 31, 2014, is attached to this report as **Annexure-IV**.

##### **48.3 Voluntary Compliance:**

Apart from the mandatory measures required to be implemented as a part of Corporate Governance, SECL has gone the extra mile in this regard for the benefit of the stakeholders by implementing the Whistle Blower Policy, Code of Business Conduct & Ethics for Board Members and Senior Management, MCA Voluntary Guidelines on Corporate Governance to the extent possible and the Secretarial Standards issued by the Institute of Company Secretaries of India to the extent possible.

##### **48.4 Grading on the basis of Compliance with Guidelines on Corporate Governance:**

In the month of November 2013, DPE has finalized the grading of CPSEs on the basis of their Compliance with Guidelines on Corporate Governance for the year 2012-13. SECL has been graded as "Excellent" with a score of 94.88%.

#### **49.0 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:

- i) That, in the preparation of the accounts for the financial year ended 31<sup>st</sup> March, 2014, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) That, the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review.
- iii) 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.



- iv) That, the Directors have prepared the Accounts for the financial year ended 31<sup>st</sup> March, 2014 on a 'Going Concern' basis.

## 50.0 STATUTORY DISCLOSURE BY DIRECTORS

Section 274(1) (g) of the Companies Act, 1956 is not applicable to the Government Companies. However, none of the Directors of your Company is disqualified as per provisions of Section 274(1) (g) of the Companies Act, 1956. Your Directors have made necessary disclosures as required under various provisions of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

## 51.0 ACKNOWLEDGEMENT

Your Directors acknowledge with deep sense of appreciation the co-operation received from the Government of India, in particular the Ministry of Coal, Ministry of Environment & Forest, Ministry of Corporate Affairs, Department of Public Enterprises, Coal India Limited, State Governments of Chhattisgarh & Madhya Pradesh, Regulatory and Statutory Authorities from time to time.

Your Directors also appreciate the contribution of consultants, expert agencies, contractors and vendors in the implementation of various projects of the company.

Your Directors also acknowledge the constructive suggestions received from the Statutory Auditors, Cost Auditors and Comptroller & Auditor General of India (CAG), and are grateful for their continued support and co-operation.

Your Directors would like to place on record its appreciation for the untiring efforts and steadfast contributions made by the employees at all levels that have made the continued achievement of an excellent performance possible.

## 52.0 ADDENDA

The following documents are annexed:

- 52.1 The particulars of Information under Section 212 of the Companies Act, 1956 relating to company's interest in subsidiary companies has been provided as **(Annexure-I)** to this report. The summary of financial information of subsidiary companies for the financial year 2013-14 is enclosed as **(Annexure I-A)**.
- 52.2 In pursuance to the provisions of Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, information in regard to the Conservation of Energy, Technology Absorption and Foreign Exchange Earning & Outgo is given in **(Annexure-II)** to this report.
- 52.3 A report on Corporate Governance **(Annexure-III)**.
- 52.4 Management Discussion and Analysis Report **(Annexure-IV)**.
- 52.5 Auditors' Report on the MoU Parameters **(Annexure-V)**.
- 52.6 Comments of the Comptroller & Auditor General (C&AG) of India under section 619(4) of the Companies Act, 1956 **(Annexure-VI)**.

For and on behalf of the Board of Directors of  
SOUTH EASTERN COALFIELDS LIMITED

Sd/-

(R. P. Thakur)  
Director(Technical)Operations  
DIN: 06764576

Sd/-

(N. Kumar)  
Chairman-cum-Managing Director  
DIN: 02624808

Place: New Delhi  
Dated: 26.05.2014

## Annexure-I

**STATEMENT PURSUANT TO SECTION 212(1)(e) OF COMPANIES ACT, 1956  
RELATING TO COMPANY'S INTEREST IN THE SUBSIDIARY COMPANY AS AT 31.03.2014**

Subsidiary	No. of Equity Shares held by South Eastern Coalfields Limited	No. of Equity Shares held by Others	Total paidup value( ₹ in Crores)	Pre Tax Profit for the year ended 31.03.2014 (₹ in Crores)	Profit (+) Loss (-) cumulative balance as on 31.03.2014 (after all appropriations) (₹ in Crores)
Chhattisgarh East Railway Limited (CERL)	32,000	18,000	0.05	(0.14)	(0.14)
Chhattisgarh East-West Railway Limited (CEWRL)	32,000	18,000	0.05	(0.14)	(0.14)
<b>TOTAL</b>	<b>64,000</b>	<b>36,000</b>	<b>0.10</b>	<b>(0.28)</b>	<b>(0.28)</b>

Sd/-  
(CS S. M. Yunus)  
Company Secretary

Sd/-  
(P. K. Sahoo)  
GM (Finance)

Sd/-  
(A. P. Panda)  
Director (Finance)  
DIN – 06664375

Sd/-  
(Nagendra Kumar)  
Chairman-cum-Managing Director  
DIN - 02624808

**FOR R. GOPAL & ASSOCIATES  
CHARTERED ACCOUNTANTS**

Sd/-  
[CA. S. AGARWAL]  
PARTNER  
M. NO. 058409  
Firm Regn. No. 000846C

Date: 26.05.2014  
Place: New Delhi



## Annexure-IA

### SUMMARY OF FINANCIAL INFORMATION OF SUBSIDIARY COMPANIES FOR THE FINANCIAL YEAR 2013-14

(₹ In Crores )

PARTICULARS	SUBSIDIARIES	
	CERL *	CEWRL **
Reporting Currency	INR	INR
Capital	0.05	0.05
Reserves	(0.14)	(0.14)
<b>TOTAL</b>	<b>(0.09)</b>	<b>(0.09)</b>
Current Investment	-	-
Non-Current Investment	-	-
Turnover	-	-
Profit before Taxation	(0.14)	(0.14)
Provision for Taxation	-	-
Profit after Taxation	(0.14)	(0.14)
Proposed Dividend	-	-

\* CERL - Chhattisgarh East Railway Limited

\*\* CEWRL - Chhattisgarh East-West Railway Limited

**Note:**

South Eastern Coalfields Ltd. holds 64% stake in both the Subsidiary Companies.

**INFORMATION UNDER SECTION 217(1) (e)****(Annexure-II)**

Information as per Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, and forming part of the Directors' Report for the year ended 31st March, 2014 is as under :

**A. CONSERVATION OF ENERGY****Conservation of energy:****a) Energy conservation measures taken:**

1. Regular monitoring of power consumption pattern of all the service connection points and addition of requisite capacitor banks to improve power factor and thereby reducing power Consumption.
2. Replacement of HPSV/HPMV/Metal Halide lamps with CFL lamps in street lights of Residential area of SECL.
3. Re-Organisation of pumping to avoid stage pumping by laying deliveries through bore Holes.
4. Monitoring of Load pattern and Demand Side Management of Supply points to control maximum demand.
5. Construction of Strata Bunkers in underground mines.
6. Power supply to UG mines by laying cables in bore holes to reduce power losses.

**b) Additional investment and proposals, if any, being implemented for reduction of consumption of energy:**

1. Installation of Energy efficient lights in underground mines as well as residential Areas.
2. Proposal for construction of strata Bunkers in UG mines.
3. Proposal for bore hole pumping and re-organization of power supply to reduce power Consumption.

**c) Impact of the measures taken to reduce Energy Consumption**

1. By improving power factor at various supply points, a bonus of ₹ 6.15 Crores has been earned during the year 2013-14.
2. Specific energy consumption in 2013-14 is 8.50 KWH/Te of Coal against 8.86 KWH/Te during 2012-13.



## FORM- A

Form of disclosure of particulars with respect to Conservation of energy:

### a. Power & Fuel Consumption:

SN	Particulars	2013-14	2012-13
<b>1</b>	<b>Electricity:</b>		
	Purchased unit (Lakhs KWH)	10565.32	10472.42
	Total amount (₹ In Crore)	701.86	680.67
	Rate/ Unit (₹/ KWH)	6.64	6.50
<b>2</b>	<b>Diesel:</b>		
	Quantity (Kilo Ltr.)	70809.53	69366.47
	Total Cost (₹ in Crore)	481.10	359.91
	Average Rate per Ltr. (₹/Ltr.)	67.94	51.89

### b. Consumption per unit of Production:

SN	Particulars	2013-14	2012-13
<b>1</b>	<b>Electricity:</b>		
	i) Specific consumption per tonne of coal production (KWH/Te)	8.50	8.72
	ii) Specific consumption per Cu.M. of composite production of coal and overburden ( KWH/M <sup>3</sup> )	3.00	5.32
<b>2</b>	<b>Diesel:</b>		
	i) Specific consumption per tonne of coal production ( Ltrs./Te)	0.57	0.59
	ii) Specific consumption per Cu.M. of composite production of coal and overburden (Ltr. /M <sup>3</sup> )	0.20	0.35

## FORM -B

Form for disclosure of particulars with respect to Research & Development and Technology Absorption

### B. RESEARCH & DEVELOPMENT (R&D)

#### 1. Specific areas in which Research and Development (R&D) is being carried out by the Company.

Three R&D activities were undertaken by the company during the year 2013-14:

- Study of illumination requirement and preparation of an illumination plan for Kusmunda and Manikpur opencast projects.”
- Development of plan to control haul road traffic in Gevra, Dipka, and Kusmunda mines of SECL.
- Computer based monitoring of safety management system to reduce incidences of underground coal mine disaster.
- Expenditure on Research & Development

(₹ in Crores)

(a) Capital	:	1.57
(b) Recurring	:	0.00
(c) Total	:	1.57
(d) Total R & D expenditure as a Percentage of total turnover	:	0.0071%

### C. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION :

- (a) Efforts made towards technology absorption in brief are as under:
- Shortwall Mining Technology:** This technology has been introduced successfully at Balrampur UG mine of Bisrampur Area for extraction of coal from developed pillars.
  - Continuous Miner (CM):** To modernize the Underground mining operation, Continuous Miner Technology is in operation at NCPH mine of Chirimiri area, Kurja-Sheetaldhara mine of Hasdeo Area and Pinoura mine of Johilla area.
  - Low Capacity Continuous Miner (LCCM):** LCCM has been introduced at Rani Atari UG mine of Chirimiri Area on hiring basis during the year 2008-09 for a production of 0.18 Mty.
  - Highwall Mining Technology:** This method is a remotely operated system to extract coal seams with seam thickness ranging from 0.9m to 1.5m or Coal from underlying seams in the Highwall of an opencast mine which has reached the final Highwall position due to uneconomic stripping ratio or due to surface constraints which limit further mining operations. At present, Highwall mining is operative at Sharda OC mine of Sohagpur area.
  - Surface Miner:** Surface Miners have been deployed on hiring basis for Coal production at Gevra OC Expansion, Dipka OC Expansion, Kusmunda OC Expansion & Chhal OC project.
- (b) Benefits derived as a result of the above efforts and with the implementation of these technologies, production and productivity will improve and Coal Seams which were earlier unworkable can be mined economically and safely.
- (c) In case of improved technology (imported during the last 5 years reckoned from the beginning of the financial year) the requisite information is given below:
- Technology imported : Nil
  - Year of Import : Nil
  - Has technology been fully absorbed : Nil
  - If not fully absorbed, areas where this has not taken place, reasons therefore and future plan and actions : Nil

### D. FOREIGN EXCHANGE EARNING & OUTGO

- Activities relating to export, initiatives to increase exports; development of new export markets for products & services and export plans. : Company is not engaged in exports.
- Total Foreign exchange used & earned
  - Total Foreign Exchange earned : NIL
  - Total Foreign exchange used : ₹ 167.37 Crores



## **Annexure-III**

### **REPORT ON CORPORATE GOVERNANCE**

The objective of Corporate Governance is to enhance and maximise shareholders' value and protect the interest of other stakeholders like customers, employees and society at large in order to build an environment of trust and confidence among all the constituents.

The Company has complied with all norms pursuant to Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) issued by Ministry of Heavy Industries and Public Enterprises, Department of Public Enterprises vide its Letter No. 18(8)/2005-GM dated May 14, 2010.

#### **1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:**

The Company's philosophy of Code of Corporate Governance is aimed at assisting the top management in the efficient conduct of its business and fulfilling its obligations towards the Government, its shareholders, employees and other stakeholders. In ensuring strict adherence to the Corporate Governance Code, the Company believes in monitoring its performance regularly with utmost Transparency, Integrity, Accountability, Confidentiality, Control and Social Responsibility.

The Company strongly believes in ethical way of conducting business and upholds its relationship with the society assuming its social responsibility of environmental safety and human welfare. For effective implementation of the Corporate Governance practices, the Company has a well-defined policy framework inter-alia consisting of the following:

- Code of Conduct for Directors and Senior Management Personnel;
- Integrity Pact to enhance transparency in business;
- Code of Conduct for prevention of Insider Trading by Coal India Limited(CIL);
- Conduct, Discipline and Appeal Rules for employees.

At SECL, Corporate governance is a journey for continual improvements in sustainable value. The company has undertaken several initiatives towards maintaining the highest standards.

#### **2.0 BOARD OF DIRECTORS:**

##### **2.1 Size of the Board:**

In terms of Articles of Association of the Company, strength of our Board shall not be less than 3 (three) Directors and more than 12 (twelve) Directors. These Directors may be Whole-Time Functional Directors or Part-Time Official Directors or Part-time Non-official (Independent) Directors.

##### **2.2 Composition of the Board :**

The Company's Board of Directors comprises a judicious mix of 11 (eleven) Directors as under:

- i. 5 (Five) Whole-Time Directors (Functional Directors) including the Chairman-cum-Managing Director;
- ii. 2 (two) Part-Time Official Directors (Government Nominees) of Government of India; and
- iii. 4 (four) Part-Time Non-Official Directors (Independent Directors) who are appointed by the Government of India, Ministry of Coal.

In addition to this, Government has nominated a representative from South East Central Railways (SECR) as a Permanent Invitee on the Board of the Company. The Directors bring to the Board wide range of experience and skills.

The composition of the Board of Directors as on 31st March, 2014 is given below:

SL.	Name	Designation	Category
1	Shri N. Kumar	Chairman	Whole Time Director / Functional Director as Chairman-cum- Managing Director
2	Shri Anil Kumar Singh	Member	Whole Time Director / Functional Director as Director (Personnel)
3	Shri A. P. Panda	Member	Whole Time Director / Functional Director as Director (Finance)
4	Shri R. P. Thakur	Member	Whole Time Director / Functional Director as Director (Technical) Operations
5	..... #	Member	Whole Time Director / Functional Director as Director (Technical) Project & Planning
6	Shri A.K. Bhalla	Member	Part Time Official Director/ Government Nominee Director
7	Shri Abhijit Chatterjee	Member	Part Time Official Director/ Government Nominee Director
8	..... @	Member	Part Time Non Official Director/ Independent Director
9	..... ^	Member	Part Time Non Official Director/ Independent Director
10	..... ^	Member	Part Time Non Official Director/ Independent Director
11	..... ^	Member	Part Time Non Official Director/ Independent Director
12	Shri B. K. Joshi	Permanent Invitee	Chief Operations Manager, South East Central Railway

# the position of Director (Technical) Project & Planning is vacant w.e.f. 29.02.2012.

@ the position of One Independent Director is vacant w.e.f. 18.08.2013.

^ the position of Three Independent Directors are vacant w.e.f. 21.02.2014.

### 2.3 Age Limit and Tenure of Directors:

The age limit for the Chairman-cum-Managing Director and other Whole Time Functional Directors is 60 (sixty) years. The Chairman-cum-Managing Director and other Whole-Time Functional Directors are appointed for a period of 5 (five) years from the date of taking over the charge or till the date of superannuation of the incumbent, or till further instructions from the Government of India, whichever event occurs earlier. Part time Official Directors (Government Nominees) retires from the Board on ceasing to be officials of the Ministry. Part Time Non-Official Directors (Independent Directors) are appointed by the Government of India usually for a period of 3 (three) years.



## 2.4 Directors appointed during the year:

Two (02) Directors were appointed on the Board of Directors of the company, which is detailed hereunder:

Name of Director	A. P. Panda	R. P. Thakur
<b>Brief Resume</b>	<p>Shri Panda is a Fellow member of the Institute of Cost Accountants of India (ICAI) and Post Graduate in Business Administration. He is a keen business analyst and a committed management professional.</p> <p>Prior to his present assignment, he worked in various capacities at Rashtriya Ispat Nigam Limited (RINL), Vishakhapatnam Steel Plant, Vishakhapatnam.</p>	<p>Shri Thakur is a Graduate Mining Engineer from Indian School of Mines, Dhanbad, and holds MBA in Finance and Marketing from BIT, Mesra, Ranchi and also did Post Graduate Diploma in Computer Applications from XISS, Ranchi. He started his career as a Junior Executive Trainee (Mining) in CCL in the year 1977. He has worked in different capacities in the coalfields as well as in corporate offices and finally relieved of from CCL as Chief General Manager (Operations-Coordination) in November 2013.</p>
<b>Nature of expertise in specific functional areas</b>	Expertise in the field of Financial Planning and Control, Accounts & Audit, Costing & Budgeting, Treasury and Forex Management, Commercial and Tax matters etc.	Expertise in the Mining technology, Marketing and Business development, Project execution, Operations & Planning and Strategic Management.
<b>Names of companies in which the person holds the Directorship and the membership of Committees of the Board</b>	<ol style="list-style-type: none"> <li>1. Chhattisgarh East Railway Limited (CERL) - Chairman</li> <li>2. Chhattisgarh East-West Railway Limited (CEWRL) - Chairman</li> </ol>	<ol style="list-style-type: none"> <li>1. Chhattisgarh East Railway Limited (CERL) - Director</li> <li>2. Chhattisgarh East-West Railway Limited (CEWRL) – Director</li> <li>3. Andhra Pradesh Heavy Machinery &amp; Engineering Ltd. (APHMEL) - Director</li> </ol>

## 3.0 BOARD MEETINGS:

The Board of Directors is the Apex Body which oversees the overall function of the Company. The Board procedures and all related applicable rules & regulations are complied with. Ten (10) Board Meetings were held during the Financial Year 2013–14 on 18.05.2013, 27.06.2013, 29.07.2013, 26.09.2013, 28.10.2013, 28.11.2013, 12.12.2013, 26.12.2013, 27.01.2014 and 20.02.2014 respectively. The maximum time gap between two Board Meetings was not more than two months.

Details of Meetings attended by Directors are tabulated below:

Sl. No	Directors	Board Meetings held during respective tenure of Directors	No. of Board Meetings attended	Number of Committee membership in the Company as on 31.03.2014		Directorship in other Companies as on 31.03.2014	Attendance of each Director at the last AGM
				As Chairman	As Member /Invitee		
<b>Functional Directors :</b>							
1	Shri N. Kumar Chairman-cum-Managing Director	10	10	-	-	04	Yes
2	Shri M. P. Dixit <sup>1</sup> Chairman-cum-Managing Director	-	-	-	-	-	No
3	Shri A. R. Komawar <sup>2</sup> Director (Finance)	03	03	-	-	-	Yes
4	Shri P. K. Roy Chowdhury <sup>3</sup> Director (Technical) (Operations)	07	06	-	-	-	Yes
5	Shri Anil Kumar Singh Director (Personnel)	10	09	-	03	02	Yes
6	Shri A. P. Panda <sup>4</sup> Director (Finance)	07	07	-	04	02	No
7	Shri R. P. Thakur <sup>5</sup> Director (Technical) (Operations)	03	03	01	03	03	No
<b>Part Time Official Directors :</b>							
1	Shri A.K. Bhalla, Joint Secretary (Coal), Govt. of India, Ministry of Coal	10	08		01	02	No
2	Shri A. Chatterjee, Director (Finance), Coal India Limited, Kolkata.	10	10	-	01	02	No
<b>Part Time Non-Official Directors</b>							
1	Dr. R. N. Trivedi <sup>6</sup> Former IAS Officer	03	03	-	-	-	No
2	Shri H. S. Chahar, <sup>7</sup> Former IAS Officer.	10	10	-	-	-	Yes
3	Shri Amitav Kothari, <sup>7</sup> Practicing CA, Kolkata	10	09	-	-	-	No
4	Dr. Amalendu Sinha, <sup>7</sup> Director, CIMFR, Dhanbad	10	05	-	-	-	No

Notes:

1. Shri M. P. Dixit (under suspension from 30.05.2010) ceased to be a Director w.e.f. 31.07.2013 upon expiry of tenure.
2. Shri A. R. Komawar, D(F), SECL relinquished the charge w.e.f. 31.07.2013 on superannuation.
3. Shri P. K. Roy Chowdhury, D(T)O, SECL relinquished the charge w.e.f. 30.11.2013 on superannuation.
4. Shri A. P. Panda, D(F), SECL has joined the Board as a Whole Time Director w.e.f. 01.08.2013.
5. Shri R. P. Thakur, D(T)O, SECL has joined the Board as a Whole Time Director w.e.f. 01.12.2013.



6. Dr. R. N. Trivedi, Independent Director/ Part-time Non-official Director ceased to be a Director on the Board of SECL w.e.f. 18.08.2013 upon completion of tenure on the Board of CIL.
7. Shri H. S. Chahar, Shri Amitav Kothari and Dr. Amalendu Sinha, Independent Directors/ Part time Non official Directors ceased to be Director on the Board of SECL w.e.f. 21.02.2014 upon completion of tenure on the Board of SECL.

None of the Directors of the Board is a member of more than 10 (ten) committees or Chairman of more than 5 (five) committees across all the companies in which he is a Director. All the Directors have made requisite disclosures regarding Directorship/ Committee position occupied by them in other Companies. A brief resume of the Directors who are being re-appointed at the forthcoming Annual General Meeting is given in the Notice of the Annual General Meeting.

#### **4.0 BOARD PROCEEDINGS:**

##### **4.1 Information placed before the Board of Directors:**

Board has complete access to any information within the Company. The information regularly supplied to Board includes:

- Annual operating plans, Capital and Revenue budgets & updates.
- Quarterly and Annual Financial results of the Company.
- Dividend declaration.
- Periodic Review of the Performance of the Company.
- Periodic Review of availability & utilization of Heavy Earth Moving Machines.
- Periodic Report on Compliance of applicable Laws.
- Annual Report, Directors' Report etc.
- Minutes of the meetings of Audit Committee and other committees of the Board.
- Award of large contracts/Agreements.
- Major investment, joint ventures etc.
- HR related issues & Safety / Security related matters.
- Disclosure of interest by Directors about Directorship and position occupied by them in other companies.
- Fatal or serious accidents etc.
- Show cause, demand, prosecution notices and penalty notices which are materially important.
- Other materially important information, including any non-compliance of any regulatory or statutory requirement.

##### **4.2 Process after the Board Meeting is held**

The Secretary of the Company as a part of the Governance process disseminate the outcome of the Board with necessary approvals and permissions/authorizations accorded to the Heads of the Divisions/Areas and there is a post meeting compliance mechanism by which the necessary follow-ups, review and reporting for actions taken/ pending on the approval so accorded by the Board/Committees are made.

## 5.0 Remuneration of Directors:

Your Company being a Government Company, the remuneration of the Whole-Time Functional Directors is decided by the Government of India. The Part-Time Non-Official (Independent) Directors are not paid any remuneration except sitting fees at the rate fixed by the Board within the ceiling fixed under the Companies Act, 1956 for attending each meeting of the Board or Committees thereof.

### 5.1 Details of remuneration of Functional Directors of the Company.

(Figure in ₹)

Sl. No.	Name	Designation	2013 – 14		Total
			Salary including employer's contribution of PF & FPF and Leave Encashment	Other Benefits (includes LTC, Medical Expenses etc.)	
1	Shri N. Kumar <sup>1</sup>	CMD	-	-	-
2	Dr. M. P. Dikshit <sup>2</sup>	CMD	565210.21	0.00	565210.21
3	Shri A.R. Komawar <sup>3</sup>	D(F)	717113.35	0.00	717113.35
4	Shri P.K. Roy Chowdhury <sup>4</sup>	D(T)O	1383234.54	103687.00	1486821.54
5	Shri Anil Kumar Singh	D(P)	2805532.58	792152.00	3597684.58
6	Shri A. P. Panda <sup>5</sup>	D(F)	1357929.80	0.00	1357929.80
7	Shri R. P. Thakur <sup>6</sup>	D(T)O	753384.00	0.00	753384.00
		<b>Total</b>	<b>7582404.48</b>	<b>895739.00</b>	<b>8478143.48</b>

#### Notes:

1. Shri N. Kumar, D(T), CIL assumed additional charge as CMD, SECL w.e.f. 01.11.2012 and the Salary was paid by CIL.
2. Shri M. P. Dixit (under suspension from 30.05.2010) ceased to be a Director w.e.f. 31.07.2013 upon expiry of tenure.
3. Shri A. R. Komawar, D(F), SECL relinquished the charge w.e.f. 31.07.2013 on superannuation.
4. Shri P. K. Roy Chowdhury, D(T)O, SECL relinquished the charge w.e.f. 30.11.2013 on superannuation.
5. Shri A. P. Panda, D(F), SECL has joined the Board as a Whole Time Director w.e.f. 01.08.2013.
6. Shri R. P. Thakur, D(T)O, SECL has joined the Board as a Whole Time Director w.e.f. 01.12.2013.

### 5.2 Payment of sitting fees to Part-Time Non-Official Directors during the year 2013–14, are given below:

(Figure in ₹)

Sl. No.	Name of the Part-Time Non Official Director	Sitting Fees paid for attending		Total
		Board Meeting	Committee Meeting	
1	Shri H.S. Chahar, Former IAS Officer	1,50,000.00	3,30,000.00	4,80,000.00
2	Dr. R.N. Trivedi, Former IAS Officer	45,000.00	1,20,000.00	1,65,000.00
3	Shri Amitav Kothari, Practicing CA Kolkata	1,35,000.00	2,70,000.00	4,05,000.00
4	Dr. Amalendu Sinha, Director, CIMFR, Dhanbad	75,000.00	1,35,000.00	2,10,000.00
	<b>TOTAL</b>	<b>4,05,000.00</b>	<b>8,55,000.00</b>	<b>12,60,000.00</b>



### 5.3 Part-Time Official Directors:

No remuneration is paid by the Company to Part-Time Official Directors.

## 6.0 COMMITTEES OF THE BOARD:

The Company has the following Five (5) Board level Committees:

1. Audit Committee
2. Project Sub-Committee
3. Information Technology (IT) Committee
4. Rehabilitation & Resettlement (R&R) Committee
5. Corporate Social Responsibility and Sustainability Review (CSR&SR) Committee\*

\*The Sustainable Development (SD) Committee of the Board was merged with the CSR Review Committee of the Board and the resultant committee was named as 'Corporate Social Responsibility and Sustainability Review (CSR&SR) Committee', at the 215th Board meeting held on 29.07.2013, in terms with the Guidelines on Corporate Social Responsibility and Sustainability for Central Public Sector Enterprises issued by DPE vide Office memorandum no.15 (7)/2012-DPE (GM)-GL-104 dated 12.04.2013.

### 6.1.1 AUDIT COMMITTEE:

The Terms of Reference of the Audit Committee are in accordance with Section 292A of the Companies Act, 1956 and the Guidelines dated 14th May, 2010 on Corporate Governance of CPSEs issued by Ministry of Heavy Industries and Public Enterprises, Department of Public Enterprises.

### 6.1.2 Scope of Audit Committee:

The list of functions inter-alia includes the following:

- To hold discussion with Auditors periodically about:
  - Internal control systems compliance and adequacy thereof.
  - Scope of audit including observations of the auditors.
  - Review of the quarterly, half yearly and annual financial statements before submission to the Board.
- To perform the following functions:
  - Overseeing the Company's financial reporting process and system for disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
  - Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to matters required to be included in the Directors Responsibility Statement, changes, if any, in accounting policies, major accounting entries, significant adjustments made, disclosure of related party transactions and qualifications in the draft audit report.
  - Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
  - Carrying out any other function as mentioned in the terms of reference of the Audit Committee. The Company Secretary is the Secretary to the Audit Committee.

**6.1.3 Constitution:**

The constitution of the Audit Committee of Board of Directors of the Company dates back to the year 2002 and the Audit Committee is committed to good Corporate Governance with best discharge of its assigned duties. The Audit Committee was re-constituted on 26<sup>th</sup> September, 2007 with the induction of Independent Directors on the Board.

**6.1.4 Composition:**

The Audit Committee has functioned during the year 2013-14 in terms of the provisions of Companies Act, 1956 and the Mandatory Corporate Governance Guidelines for CPSEs, with the following members & Invitees:

SL	Name	Designation	Category
1	Shri H.S. Chahar <sup>1</sup>	Chairman	Part Time Non Official Director/ Independent Director
2	Shri Amitav Kothari <sup>1</sup>	Member	Part Time Non Official Director/ Independent Director
3	Shri A.K. Bhalla	Member	Part Time Official Director/ Government Nominee Director
4	Shri Abhijit Chatterjee <sup>2</sup>	Member	Part Time Official Director/ Government Nominee Director
5	Shri P. K. Roy Choudhury <sup>3</sup>	Permanent Invitee	Whole Time Director / Functional Director as Director (Technical) Operations
6	Shri R. P. Thakur <sup>3</sup>	Permanent Invitee	Whole Time Director / Functional Director as Director (Technical) Operations
7	Shri A.R. Komawar <sup>4</sup>	Permanent Invitee	Whole Time Director / Functional Director as Director (Finance)
8	Shri A. P. Panda <sup>4</sup>	Permanent Invitee	Whole Time Director / Functional Director as Director (Finance)

**Notes:**

1. Shri H. S. Chahar and Shri Amitav Kothari Independent Directors/ Part-time Non-official Directors ceased to be members of Audit Committee w.e.f. 21.02.2014 upon completion of tenure on the Board of SECL.
2. Shri Abhijit Chatterjee, Part Time Official Director, joined Audit Committee as a Member w.e.f. 28.10.2013.
3. Shri P. K. Roy Chowdhury, D(T)O, SECL relinquished the charge w.e.f. 30.11.2013 on superannuation and Shri R. P. Thakur, assumed the charge of D(T)O, SECL w.e.f. 01.12.2013.
4. Shri A. R. Komawar, D(F), SECL relinquished the charge w.e.f. 31.07.2013 on superannuation and Shri A. P. Panda, assumed the charge of D(F), SECL w.e.f. 01.08.2013.



Consequent upon completion of tenure of Shri H. S. Chahar, Independent Director & Chairman of the Committee and Shri Amitav Kothari, Independent Director & Member of the Committee on 21.02.2014, the Audit Committee has been constituted as under:

SL	Name	Designation	Category
1	Shri A.K. Bhalla	Chairman	Part Time Official Director/ Government Nominee Director
2	Shri A. Chatterjee	Member	Part Time Official Director/ Government Nominee Director
3	Shri A. K. Singh	Member	Whole Time Director / Functional Director as Director (Personnel)
4	Shri R. P. Thakur	Member	Whole Time Director / Functional Director as Director (Technical) Operations
5	Shri A. P. Panda	Permanent Invitee	Whole Time Director / Functional Director as Director (Finance)

As soon as the Independent Directors are appointed by the Ministry of Coal on the Board of SECL, the Audit Committee will be reconstituted immediately.

#### 6.1.5 Meeting and Attendance:

Eight meetings were held during the year 2013–14 on (i) May 18, 2013, (ii) July 29, 2013, (iii) September 26, 2013, (iv) October 28, 2013, (v) November 28, 2013, (vi) December 26, 2013, (vii) January 27, 2014 and (viii) February 20, 2014. The details of Audit Committee meetings attended by members are as under:

SL	Members of Audit Committee	Meetings held during their tenure	Meetings attended
1	Shri H.S. Chahar, Former IAS Officer	08	08
2	Shri Amitav Kothari, Practicing CA.	08	08
3	Shri A.K. Bhalla, Joint Secretary (Coal), MOC	08	06

Shri. H.S. Chahar, Chairman of the Audit Committee, was present at the last Annual General Meeting (27<sup>th</sup> AGM) of the Company held on May 21, 2013.

#### 6.2 PROJECT SUB-COMMITTEE:

The present Project Sub-Committee consists of the following Members, who examine and make recommendations of investment in new/expansion projects and Feasibility Report of new projects:

SL	Name	Designation	Category
1	Shri R. P. Thakur*	Chairman	Whole Time Director / Functional Director as Director (Technical) Operations
2	Shri A. P. Panda*	Member	Whole Time Director / Functional Director as Director (Finance)

\*Shri A. R. Komawar, Former Director (Finance), SECL ceased to be member of the committee w.e.f. 31.07.2013 upon superannuation and Shri A. P. Panda, Director (Finance), SECL assumed the charge as Member of the committee w.e.f. 01.08.2013.

\*Shri P. K. Roy Chowdhury, Former Director (Technical) Operations, SECL ceased to be Chairman of the Committee w.e.f. 30.11.2013 upon superannuation and Shri R. P. Thakur, Director (Technical) Operations, SECL assumed the charge as Chairman of the committee w.e.f. 01.12.2013.

#### Meeting and Attendance:

Ten (10) meetings were held during the year 2013–14 on (i) April 12, 2013, (ii) July 15, 2013, (iii) August 29, 2013, (iv) September 13, 2013 (v) October 25, 2013, (vi) November 16, 2013, (vii) December 21, 2013, (viii) January 10, 2014, (ix) February 07, 2014 and (x) March 27, 2014. The details of Project Sub-Committee meetings attended by members are as under:

Sl.	Members of Project Sub-Committee	Meetings held during their tenure	Meetings attended
1	Shri P.K. Roy Choudhury (Former Chairman)	06	06
2	Shri A.R. Komawar (Former Member)	02	02
3	Shri A. P. Panda	08	08
4	Shri R. P. Thakur	04	04

### 6.3 INFORMATION TECHNOLOGY (IT) COMMITTEE:

The Information Technology Committee was formed at the 200th Meeting of the Board of Directors held on October 17th, 2011. The main purpose of IT Committee is to provide the Board with oversight and direction of the company's Information, Communications & Technology (ICT) progress. The Information Technology Committee functioned during the year 2013-14 with the following Members & Invitees:

SL	Name	Designation	Category
1	Shri Amitav Kothari <sup>1</sup>	Chairman	Part Time Non Official Director/ Independent Director
2	Shri H. S. Chahar <sup>1</sup>	Member	Part Time Non Official Director/ Independent Director
3	Dr. Amalendu Sinha <sup>1</sup>	Member	Part Time Non Official Director/ Independent Director



4	Dr. R. N. Trivedi <sup>1</sup>	Member	Part Time Non Official Director/ Independent Director
5	Shri P.K. Roy Choudhury <sup>2</sup>	Member	Whole Time Director / Functional Director as Director (Technical) Operations
6	Shri R. P. Thakur <sup>2</sup>	Member	Whole Time Director / Functional Director as Director (Technical) Operations
7	Shri Anil Kumar Singh	Member	Whole Time Director / Functional Director as Director (Personnel)
8	Shri A. R. Komawar <sup>3</sup>	Permanent Invitee	Whole Time Director / Functional Director as Director (Finance)
9	Shri A. P. Panda <sup>3</sup>	Permanent Invitee	Whole Time Director / Functional Director as Director (Finance)

**Notes:**

1. Shri H. S. Chahar, Shri Amitav Kothari and Dr. Amalendu Sinha, Independent Directors/ Part-time Non-official Directors ceased to be members of IT Committee w.e.f. 21.02.2014 upon completion of tenure on the Board of SECL. Dr. R. N. Trivedi ceased to be member of IT Committee w.e.f. 18.08.2013 upon completion of tenure on the Board of CIL.
2. Shri P. K. Roy Chowdhury, D(T)O, SECL relinquished the charge w.e.f. 30.11.2013 on superannuation and Shri R. P. Thakur, assumed the charge of D(T)O, SECL w.e.f. 01.12.2013.
3. Shri A. R. Komawar, D(F), SECL relinquished the charge w.e.f. 31.07.2013 on superannuation and Shri A. P. Panda, assumed the charge of D(F), SECL w.e.f. 01.08.2013.

**Meeting and Attendance:**

Five (5) meetings were held during the year 2013–14 on (i) May 18, 2013, (ii) June 27, 2013, (iii) October 28, 2013, (iv) January 27, 2014 and (v) February 20, 2014. The details of Information Technology Committee meetings attended by members are as under:

Sl.	Members of IT Committee	Meetings held during their tenure	Meetings attended
1	Shri Amitav Kothari <sup>1</sup>	05	05
2	Shri H. S. Chahar <sup>1</sup>	05	05
3	Dr. Amalendu Sinha <sup>1</sup>	05	04
4	Dr. R. N. Trivedi <sup>1</sup>	02	02
5	Shri P.K. Roy Choudhury <sup>2</sup>	03	03
6	Shri R. P. Thakur <sup>2</sup>	02	02
7	Shri Anil Kumar Singh	05	05

**6.4 REHABILITATION & RESETTLEMENT (R&R) COMMITTEE:**

The Rehabilitation & Resettlement (R&R) Committee was formed at the 202<sup>nd</sup> Meeting of the Board of Directors held on January 9th, 2012. The main purpose of the R&R Committee is to help the Board to deal more effectively with R&R issues of land compensation, employment to project affected people (PAP)s, resettlement of PAPs, etc. The R&R Committee functioned during the year 2013-14 with the following Members & Invitees:

SL	Name	Designation	Category
1	Dr. R. N. Trivedi <sup>1</sup>	Chairman	Part Time Non Official Director/ Independent Director
2	Shri H. S. Chahar <sup>1</sup>	Member	Part Time Non Official Director/ Independent Director
3	Shri P.K. Roy Choudhury <sup>2</sup>	Member	Whole Time Director / Functional Director as Director (Technical) Operations
4	Shri R. P. Thakur <sup>2</sup>	Member	Whole Time Director / Functional Director as Director (Technical) Operations
5	Shri Anil Kumar Singh	Member	Whole Time Director / Functional Director as Director (Personnel) Director

**Notes:**

1. Dr. R. N. Trivedi ceased to be member of R&R Committee w.e.f. 18.08.2013 upon completion of tenure on the Board of CIL. Shri H. S. Chahar, ceased to be members of R&R Committee w.e.f. 21.02.2014 upon completion of tenure on the Board of SECL.
2. Shri P. K. Roy Chowdhury, D(T)O, SECL relinquished the charge w.e.f. 30.11.2013 on superannuation and Shri R. P. Thakur, assumed the charge of D(T)O, SECL w.e.f. 01.12.2013.

**Meeting and Attendance:**

Three (3) meetings were held during the year 2013–14 on (i) May 17, 2013, (ii) June 27, 2013 and (iii) July 28, 2013. The details of Rehabilitation & Resettlement (R&R) Committee meetings attended by members are as

Sl.	Members of R&R Committee	Meetings held during their tenure	Meetings attended
1	Dr. R. N. Trivedi	03	03
2	Shri H. S. Chahar	03	03
3	Shri P.K. Roy Choudhury	03	02
4	Shri Anil Kumar Singh	03	03



## 6.5 CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY REVIEW (CSR & SR) COMMITTEE:

The Corporate Social Responsibility (CSR) Review Committee was formed at the 203<sup>rd</sup> Meeting of the Board of Directors held on February 3<sup>rd</sup>, 2012. The main function of CSR Review Committee is to provide the Board with oversight and direction of the company's responsibility towards the society at large.

The CSR Review Committee of the Board was merged with the Sustainable Development (SD) Committee and the resultant committee was named as 'Corporate Social Responsibility and Sustainability Review (CSR&SR) Committee', at the 215<sup>th</sup> Board meeting held on 29.07.2013, in terms with the Guidelines on Corporate Social Responsibility and Sustainability for Central Public Sector Enterprises issued by DPE vide Office memorandum no. 15 (7)/2012-DPE (GM)-GL-104 dated 12.04.2013.

The Corporate Social Responsibility and Sustainability Review (CSR&SR) Committee functioned during the year 2013-14 with the following Members & Invitees:

SL	Name	Designation	Category
1	Dr. R. N. Trivedi <sup>1</sup>	Chairman	Part Time Non Official Director/ Independent Director
2	Shri H. S. Chahar <sup>1</sup>	Member	Part Time Non Official Director/ Independent Director
3	Shri Amitav Kothari <sup>1</sup>	Member	Part Time Non Official Director/ Independent Director
4	Dr. Amalendu Sinha <sup>1</sup>	Member	Part Time Non Official Director/ Independent Director
5	Shri Anil Kumar Singh	Member	Whole Time Director / Functional Director as Director (Personnel)
6	Shri A. R. Komawar <sup>2</sup>	Permanent Invitee	Whole Time Director / Functional Director as Director (Finance)
7	Shri A. P. Panda <sup>2</sup>	Permanent Invitee	Whole Time Director / Functional Director as Director (Finance)

### Notes:

1. Dr. R. N. Trivedi ceased to be member of CSR & SR Committee w.e.f. 18.08.2013 upon completion of tenure on the Board of CIL. Shri H. S. Chahar acted as Chairman of the Committee for 11<sup>th</sup> & 12<sup>th</sup> meeting. Subsequently, Shri H. S. Chahar, Shri Amitav Kothari and Dr. Amalendu Sinha, Independent Directors/ Part-time Non-official Directors ceased to be members of CSR & SR Committee w.e.f. 21.02.2014 upon completion of tenure on the Board of SECL.
2. Shri A. R. Komawar, D(F), SECL relinquished the charge w.e.f. 31.07.2013 on superannuation and Shri A. P. Panda, assumed the charge of D(F), SECL w.e.f. 01.08.2013.

**Meeting and Attendance:**

Five (5) meetings were held during the year 2013–14 on (i) May 17, 2013 (ii) June 27, 2013 (iii) July 29, 2013 (iv) January 27, 2014 and (v) February 20, 2014. The details of Corporate Social Responsibility and Sustainability Review (CSR&SR) Committee meetings attended by members are as under:

Sl.	Members of CSR Review Committee	Meetings held during their tenure	Meetings attended
1	Dr. R. N. Trivedi	03	03
2	Shri H. S. Chahar	05	05
3	Shri Amitav Kothari	05	05
4	Dr. Amalendu Sinha	05	04
5	Shri Anil Kumar Singh	05	05

**6.6 SUSTAINABLE DEVELOPMENT (SD) COMMITTEE:**

The Sustainable Development (SD) Committee was formed at the 205<sup>th</sup> Meeting of the Board of Directors held on 16<sup>th</sup> May, 2012. The main objective of SD Committee is to approve the Sustainable Development Plan and oversee the Sustainable Development Performance as per the DPE Guidelines. The Sustainable Development (SD) Committee of the Board was merged with the CSR Review Committee of the Board and the resultant committee was named as 'Corporate Social Responsibility and Sustainability Review (CSR&SR) Committee', at the 215<sup>th</sup> Board meeting held on 29.07.2013, in terms with the Guidelines on Corporate Social Responsibility and Sustainability for Central Public Sector Enterprises issued by DPE vide Office memorandum no. 15 (7)/2012-DPE (GM)-GL-104 dated 12.04.2013.

The Sustainable Development (SD) Committee functioned during the year 2013-14 with the following Members:

SL	Name	Designation	Category
1	Dr. Amalendu Sinha	Chairman	Part Time Non Official Director/ Independent Director
2	Shri P.K. Roy Choudhury	Member	Whole Time Director / Functional Director as Director (Technical) Operations
3	Shri Anil Kumar Singh	Member	Whole Time Director / Functional Director as Director (Personnel)

**Meeting and Attendance:**

One (1) meeting was held during the year 2013–14 on May 17, 2013. The details of Sustainable Development (SD) Committee meeting attended by members are as under:

Sl.	Members of SD Committee	Meetings held during their tenure	Meetings attended
1	Dr. Amalendu Sinha	01	01
2	Shri P.K. Roy Choudhury	01	01
3	Shri Anil Kumar Singh	01	01



## 7.0 STATUTORY AUDITORS:

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

### Statutory Auditors

M/s. R. Gopal & Associates.  
Chartered Accountants,  
31/884, New Shanti Nagar, Old Pipe Factory Road,  
Raipur - 492 004, Chhattisgarh

### Branch Auditors

M/s. M Raghunath & Co.  
Chartered Accountants  
6, Garstin Place,  
Ashoka Chambers,  
1st Floor, Room No. 1  
Kolkata 700 001 WB

M/s. DE & Bose  
Chartered Accountants  
8/2, Kiran Shankar Roy Road,  
2nd Floor, Room No.1,  
Kolkata - 700 001 WB

M/s. HEM SANDEEP & Co.  
Chartered Accountants  
B-18, Shubhalaya Pearl  
Near-Nikhil, Phase-3  
Bwadiya Kala,  
Hoshangabad Road  
Bhopal – 462 026 MP

## 7.1 REMUNERATIONS OF STATUTORY AUDITORS:

Type of Audit	Remuneration	Remarks
Statutory audit for the year 2013-14	Total ₹ 15,58,594.00 i.e., ₹ 8,33,440.00 for Principal Auditors and ₹ 7,25,154.00 for Branch Auditors	Out of Pocket Expenses (OPE) subject to a maximum limit of ₹ 2,66,700.00 for Principal Auditors and ₹ 1,84,800.00 for Branch Auditors, and applicable Service Tax payable on fee & OPE, in addition to reimbursement / payment of travelling expenses on actual basis.
Review of interim financial statements for the Quarter Ending 30.06.2013, 30.09.2013 & 31.12.2013	Total ₹ 11,68,950.00 i.e., ₹ 6,25,080.00 for Principal Auditors and ₹ 5,43,870.00 for Branch Auditors	Out of Pocket Expenses (OPE) subject to a maximum limit of ₹ 3,98,870.00 for Principal Auditors and ₹ 2,77,200.00 for Branch Auditors, and applicable Service Tax payable on fee & OPE, in addition to reimbursement / payment of travelling expenses on actual basis.
Tax Audit for the year 2013-14	Total ₹ 2,48,750.00 i.e. ₹ 1,23,750.00 for Principal Auditors and ₹ 1,25,000.00 for Branch Auditors	Out of Pocket Expenses (OPE) subject to a maximum of ₹ 20,000.00 and applicable Service Tax payable thereon.
Audit of MoU parameters for the year 2013-14	₹ 2,03,439.00 for Principal Auditor	Out of Pocket Expenses (OPE) ₹ 65,100.00 and applicable Service Tax payable thereon.

**8.0 ANNUAL GENERAL MEETINGS (AGM):**

Details of Annual General Meeting (AGM) held during last 3 (three) financial years are as follows:

Details	Date	Time	Venue
27 <sup>th</sup> AGM 2012-13	21.05.2013	11.30 AM	At the Registered Office of the Company at Seepat Road, Bilaspur – 495006, CG.
26 <sup>th</sup> AGM 2011-12	24.05.2012	1.00 PM	
25 <sup>th</sup> AGM 2010-11	21.05.2011	11.00 AM	

No special resolutions were passed during the last three AGMs held. The Twenty-Eighth Annual General Meeting (28<sup>th</sup> AGM) of the Company is scheduled to be held on **10<sup>th</sup> June, 2014 at 11.30 AM** at the Registered Office of the Company at Seepat Road, Bilaspur – 495 006, CG.

No Extraordinary General Meeting of the Members was held during the year 2013-14.

**9.0 DISCLOSURE:**

- **Materially significant Related Party Transactions**

The Company has not entered into any materially significant related party transactions with the Directors or the Senior Management Personnel or their relatives for the year ended 31st March, 2014 that has potential conflicts with the interest of the Company.

- **Code of Business Conduct and Ethics:**

Pursuant to Clause 49 of the Listing agreement entered by CIL with Stock Exchanges, the 'Code of Business Conduct and Ethics for Board Members and Senior Management' of the Company has been laid down by the CIL Board and the same has been implemented in SECL. The said code has been circulated to all concerned and the same is also hosted on the website of the Company "www.secl.gov.in". The Board members and Senior Management Personnel of the Company have affirmed compliance with the provisions of the said Code of Conduct for the Financial Year ended 31<sup>st</sup> March, 2014. A declaration in this regard by Chairman-cum-Managing Director of the company is annexed to this report.

- **Integrity Pact:**

The Company has a Memorandum of Understanding (MoU) with Transparency International India (TII) for implementing an Integrity Pact Programme focused on enhancing transparency in its business transactions, contracts and procurement processes. Under the MoU, SECL is committed to implement the Integrity Pact in all its major procurement and work contract activities. Two Independent External Monitors, being persons of eminence nominated by TII in consultation with the Central Vigilance Commission (CVC), monitor the activities. The Integrity Pact has strengthened the established systems and procedures by creating trust and has the full support of the CVC.

- **CEO / CFO Certification:**

In terms of Clause 49 of the Listing Agreement entered by CIL with Stock Exchanges, the 'CEO/CFO Certification' in prescribed format has also been made applicable to subsidiary companies. The Chairman and the Director (Finance) of the Company have given the "CEO/CFO Certification" to the Board of Directors of the Company at its 224th Meeting held on 26.05.2014.



## 10.0 AUDIT QUALIFICATIONS:

It is always the Company's endeavour to present unqualified financial statement. Management reply to the Statutory Auditors' observations on the Accounts of the Company for the year ended 31st March 2013 are furnished as Annexure to the Directors' Report. Comments of the Comptroller & Auditor General of India under Section 619 (4) of the Companies Act, 1956, on the Accounts of the Company, for the Financial Year ended 31<sup>st</sup> March 2014 is also annexed to the Directors' Report.

## 11.0 TRAINING OF BOARD MEMBERS:

The Functional Directors are the functional heads of their respective functional areas by virtue of their possessing the requisite qualification and experience and are aware of the business model of the Company as well as the risk profile of the Company's business model. The newly appointed Directors of the Company are familiarized with the various aspects of the Company like Constitution, Vision & Mission Statement, core activities, board procedures, strategic directions, etc. by way of a detailed presentation. Information material like Code of Conduct and performance highlights, etc. are provided to supplement the above presentation. Periodic presentations are made at the Board and Committee Meetings to update them on all business-related issues and new initiatives undertaken by the Company.

The Directors are also nominated for training programs /seminars conducted by Standing Conference of Public Enterprises (SCOPE) and other government authorities. During the year, the Company nominated Independent Director, Shri Amitav Kothari for participating in "3<sup>rd</sup> Directors Conclave: Towards Value Adding Board" held on November 28–30, 2013 organized by International Management Institute (IMI), at Greater Noida in partnership with the Department of Public Enterprises, Ministry of Heavy Industries & Public Enterprises, Government of India.

## 12.0 MEANS OF COMMUNICATION:

### ■ Website

The Company's website [www.secl.gov.in](http://www.secl.gov.in) hosts all important information for investors and all other stakeholders. The Annual Report and Annual Financial Results of the Company are available on the website in a user-friendly and downloadable form

### ■ Official News Releases

The company communicates with the stakeholders by disseminating information by way of Official news releases in electronic and print media through Public Relations Department of the Company.

### ■ RTI

The Company has e-structured mechanism that supports The Right to Information Act, 2005. Detailed procedure for seeking information under RTI Act, 2005 is available on the SECL website [www.secl.gov.in](http://www.secl.gov.in).

## 13.0 WHISTLE BLOWER POLICY:

The "Coal India Whistle Blower Policy 2011" as approved by the Board of Directors of Coal India Limited has been implemented by the company. The policy is formulated to provide an opportunity to employees to report to the management instances of unethical behaviour, actual or suspected, fraud or violation of the company's code of conduct. The Whistle Blower Policy is available on the website of [www.secl.gov.in](http://www.secl.gov.in), in a user friendly and downloadable form.

## 14.0 COMPLIANCE WITH MANDATORY REQUIREMENTS OF DPE GUIDELINES ON CORPORATE GOVERNANCE:

In May, 2010, the Department of Public Enterprises has come out with Guidelines on Corporate Governance for Central Public Sector Enterprises which have replaced the Guidelines issued in 2007. The fresh guidelines of 2010 are now mandatory in nature.

The Company has complied with applicable rules and requirements of Regulatory Authorities and no penalties or strictures were imposed on the company. All returns / report were filed within the stipulated time with the Regulatory Authorities.

No Presidential Directives have been issued during the period 1<sup>st</sup> April, 2013 to 31<sup>st</sup> March, 2014 and during the last three years.

No items of expenditure have been debited in books of accounts, which are not for the purpose of business. No expenses, which are personal in nature, have been incurred for the Board of Directors and top management.

In compliance with Clause 8.2.1 of the Guidelines on Corporate Governance for CPSEs, certificate from Company Secretary in whole-time practice regarding compliance of conditions of Corporate Governance is annexed to this report.

\*\*\*\*\*



## Declaration

This is to confirm that the SECL has laid down a Code of Business Conduct and Ethics for all the Board Members and Senior Management of the SECL and the code is posted on the website of SECL. The Board Members and Senior Management have affirmed compliance with the said Code for the financial year ended 31<sup>st</sup> March, 2014.

For South Eastern Coalfields Limited

(N. Kumar)  
Chairman cum Managing Director



**CERTIFICATE ON CORPORATE GOVERNANCE**

The Director of  
 M/s South Eastern Coalfields Limited  
 Bangalore - 560006

I have examined the compliance of conditions of Corporate Governance by M/s South Eastern Coalfields Limited (the Company), for the financial year ended on March 31, 2014, as stipulated in Guidelines on Corporate Governance for Central Public Sector Enterprises (CGCEG) issued by the Government of India, Ministry of Coal & Mines, New Delhi, dated 29.03.2012, as amended dated June 3, 2012, in terms of Office Memorandum No. HR/2008-423 dated May 14, 2011 issued by Government of India, Ministry of Human Resource and Public Relations, Department of Public Enterprises.

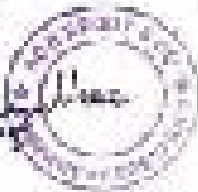
The compliance of conditions of Corporate Governance is the responsibility of the management. My examination is restricted to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of our information and understanding as the explanations given to me, I consider that the Company has complied with the conditions of Corporate Governance as stipulated in CGCEG mentioned Guidelines.

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

Asst. MCA Director  
 Company Secretary

*(Signature)*  
 M/s. S. Kumar Srinivasan  
 C.P. No. 1944  
 MCA 1944



Bangalore, May 3, 2014

AGR Media & Co.  
 Company Secretaries, P-114/2012, Tansen Avenue,  
 BANARAS ROAD, PUSAPPAHALI ROAD, 7th FLOOR, BANGALORE  
 Contact: 9846966007, 9846966008



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Coal is a combustible, sedimentary, organic rock, which is composed mainly of carbon, hydrogen and oxygen. It is formed from dead vegetation, which has been consolidated between other rock strata and altered by the combined effects of pressure and heat over millions of years to form coal seams. Coal is a fossil fuel and is abundantly available unlike oil or gas.

### Coal - An abundant energy source

According to the World Energy Council (WEC) and the BP Statistical Review of World Energy, there are 860 billion tonnes of proven coal reserves left, equivalent to around 118 years of global coal output. This means that there is enough coal to last around 118 years at current rates of production. In comparison to this, proven Oil and Gas reserves are equivalent to around 46 and 59 years, respectively at current production levels. Coal availability outlasts oil and gas combined.

### Coal – Source of Energy:

Almost half of the world's additional energy demand over the past ten years was provided by coal. All other fuels combined, including oil, natural gas, renewables and nuclear energy, accounted for the other half. In fact, over the last decade, coal has been the world's fastest growing energy source, driven by Asian demand and bounty of nature in the region.

Globally, Coal accounts for 30% of the global primary energy needs, whereas in India, it has a share of 55%. Coal is used in the production of 70% of the world's steel. In Power generation, share of Coal is 41% on global basis whereas in Indian context, it is about 68%.

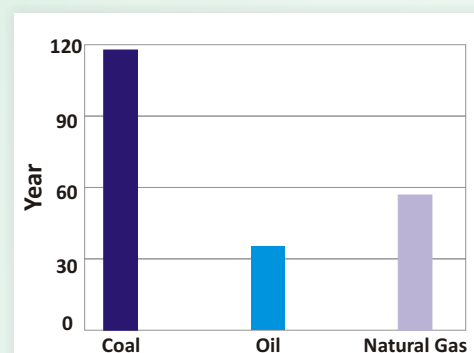
*(Sources: World Coal Association, 2013 Edition of the IEA Coal Information)*

### Coal - Key fuel for the future:

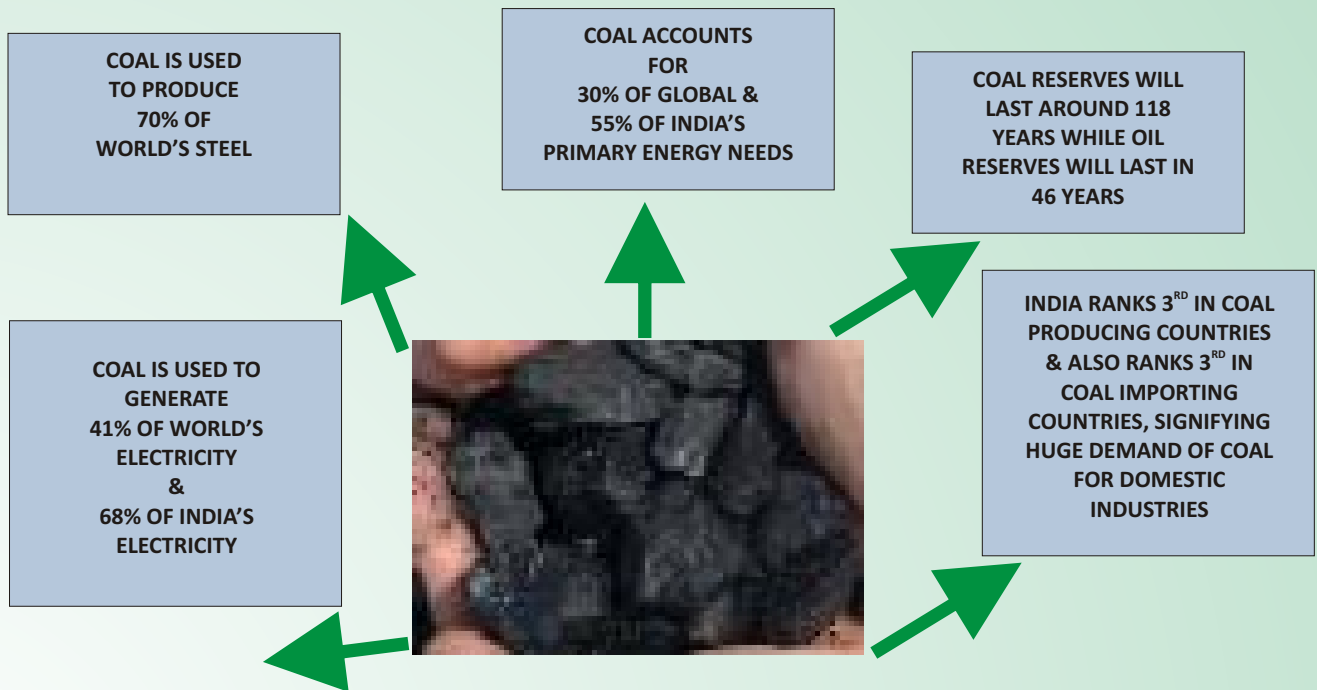
Fossil fuels will continue to dominate the Power sector, although their share of generation is expected to decline from 68% in 2011 to around 57% in 2035. Coal remains the largest source of generation, with strong growth in Non-OECD countries far outweighing reduction in OECD (Organisation for Economic Co-operation and Development) countries.

The International Energy Agency (IEA) estimates that global electricity demand could double by 2035 as more people get basic access to electricity around the world and household energy consumption grows in the developing world. During the same period, global steel demand is likely to go up by around 60%, as a result of rapid urbanisation in Asia and the increase in steel consumption by the construction sector. All scenarios show that with growing energy demand around the world, coal continues to play an important role in the global energy mix through to 2035.

*(Sources: World Coal Association, 2013 Edition of the IEA Coal Information, 2013 Edition of the BP Statistical Review of World Energy, World Energy Outlook 2013 factsheet)*



**COAL IS USED TO GENERATE  
OVER ONE-THIRD OF THE  
WORLD'S ELECTRICITY  
& OVER TWO-THIRD OF  
INDIA'S ELECTRICITY**



(Source: World Coal Association, World Steel Association, IEA)

## Coal – Indian Scenario:

Coal is an essential part of sustainable development of the Indian economy, because secure energy sources provide essential foundation for sustenance. Energy security for India is important both in the short as well as long run. In the short run, it can withstand the supply disruptions and price volatility, whereas in the long run, it means energy availability in sufficient quantities to meet the growing demand of the economy. As security in this regard cannot be separated from economics in terms of affordability, coal plays an important role encompassing all the elements of energy security in India. Coal offers excellent value and greater choice at affordable price to the consumers. Generation of electricity from coal fired thermal power plants at low cost provides immense benefits to the economy.

Coal mining in India has contributed significantly towards economic, social and community development. It not only contributes significantly to GDP, but also helps in providing the biggest source of income to the affected families in terms of employment, developing economic and social infrastructure such as transport, communication, healthcare, education, water etc. Coal provides more than half of India's energy, two-third of electricity, 90% of brick production, fuels nearly all steel and cement production, shares significant share of rail traffic and freight apart from contributing in a big way to national and State exchequers.

Coal accounts for around 68% of India's electricity generation. The Indian Power Sector is growing at the rate of 5% per annum & aiming at 7% for the next 7–8 years, which will result in massive increase in the demand of Coal from Power Sector alone apart from consumption growth in other sectors of industry like Steel, Cement, Fertilizer, etc.



India ranks 3<sup>rd</sup> amongst the coal producing countries in the world after China & USA. Coal being the most abundant fossil fuel in India till date, continues to be one of the most important source for meeting the domestic energy needs and will continue to be the mainstay of its future energy supply. A total of 2,98,914 Million Tonnes of geological resources of coal have so far been estimated in India, up to the maximum depth of 1200 meters.

#### A. INDUSTRY STRUCTURE AND DEVELOPMENT:

Currently, over 90% of the coal production in India is coming from government controlled mines and over 80% is coming from Coal India Limited and its wholly-owned subsidiaries. SECL is the biggest coal producing subsidiary of Coal India Limited, a Maharatna PSU and the biggest coal producing company of the world.

#### Coal Reserves in India:

The highlights of the inventory of Geological Resources of Indian Coal (as on 01.04.2013), prepared by the Geological Survey of India on the basis of resources estimated by CMPDI, MECL, GSI, SCCL, DGM (Maharashtra), DGM (Chhattisgarh) and some Private Entrepreneurs is given below:

1. A total of **2,98,914 Million Tonnes** of geological resources of coal have so far been estimated in India, up to the maximum depth of 1200 metres. Out of the total resources, the Gondwana coalfields account for 2,97,421 Mt (99.5%), while the Tertiary coalfields of Himalayan region contribute 1493 Mt (0.5%) of coal resources.

The type-wise and category-wise break-up is given below:

	Type of Coal	Proved (Mt)	Indicated (Mt)	Inferred(Mt)	Total (Mt)	% Share
1.	Coking Coal					
	Prime Coking	4614.35	698.71	0.00	5313.06	1.78%
	Medium Coking	13269.12	11892.64	1879.47	27041.23	9.05%
	Semi Coking	482.16	1003.29	221.68	1707.13	0.57%
	Sub-total of Coking:	18365.63	13594.64	2101.15	34061.42	11.40%
2.	Non-coking Coal	104222.19	128937.66	30200.15	263360.00	88.11%
3.	Tertiary coal	593.81	99.34	799.49	1492.64	0.50%
	<b>Total (All Types)</b>	<b>123181.63</b>	<b>142631.64</b>	<b>33100.79</b>	<b>298914.06</b>	<b>100.00%</b>
	% Share	41.21%	78.72%	11.07%	100.00%	-

2. The depth-wise and category-wise break-up of Indian coal resources is as under:

Depth Range (in Metres)	Proved (Mt)	Indicated (Mt)	Inferred(Mt)	Total (Mt)	% Share
0-300	95092.08	69936.15	10580.99	175609.22	58.75%
300-600	12045.38	58544.00	16384.62	86974.00	29.10%
0-600 (For Jharia only)	13760.73	451.69	0.00	14212.42	4.75%
600-1200	2283.44	13699.80	6135.18	22118.42	7.40%
<b>Total</b>	<b>123181.63</b>	<b>142631.64</b>	<b>33100.79</b>	<b>298914.06</b>	<b>100.00%</b>

3. The estimation of total resources of coal as on 01.04.2013, has increased by 5,417 Mt as compared to 01.04.2012 whereas 'Proved Reserves' has increased by 5,037 Mt, as shown in table below:

	Inventory as on	Proved (Mt)	Indicated (Mt)	Inferred(Mt)
<b>Total (Mt)</b>				
01.04.2013	123181.63	142631.64	33100.79	298914.06
01.04.2012	118144.82	142168.85	33183.48	293497.15

The increase in 'Proved Reserves' in Inventory of 01.04.2013 is mainly due to proving of coal resources in Talcher (1077 Mt), Rajmahal (992 Mt), Raniganj (971 Mt), IB Valley (659 Mt), Mand Raigarh (537 Mt), Singrauli (423 Mt), South Karanpura (294 Mt) and Hasdeo-Arand (230 Mt) coalfields.

4. From the above table, it is revealed that 298914.06 Million Tonnes of geological resources of coal have so far been estimated in India. Likewise, Geological Coal Reserves in SECL Command Area as on 01.04.2013 are 59,918.32 Million Tonnes.

### GEOLOGICAL COAL RESERVE IN SECL COMMAND AREA as on 01.04.2013 (In Million Tonnes)

#### I. MADHYA PRADESH:

SL.NO	COALFIELDS	Type of coal	DEPTH (M)	PROVED	INDICATED	INFERRED	TOTAL	
1	Johilla	Non-coking	0-300	185.08	104.09	32.83	322.00	
2	Umaria	Non-coking	0-300	177.70	3.59	0.00	181.29	
3	Sohagpur	A. Medium coking	0-300	184.57	211.38	2.01	397.96	
			300-600	62.09	866.78	90.54	1019.41	
			600-1200	0.00	81.94	21.70	103.64	
		<b>Sub-total (A)</b>		<b>0-1200</b>	<b>246.66</b>	<b>1160.10</b>	<b>114.25</b>	<b>1521.01</b>
		B. Non-coking	0-300	1503.63	2580.41	57.74	4141.78	
			300-600	1.27	1532.47	18.19	1551.93	
			600-1200	0.00	31.27	0.00	31.27	
<b>Sub-total (B)</b>		<b>0-1200</b>	<b>1504.90</b>	<b>4144.15</b>	<b>75.93</b>	<b>5724.98</b>		
<b>Total (A+B)</b>		<b>0-1200</b>	<b>1751.56</b>	<b>5304.25</b>	<b>190.18</b>	<b>7245.99</b>		
<b>TOTAL FOR MADHYA PRADESH (MP)</b>			<b>0-1200</b>	<b>2114.34</b>	<b>5411.93</b>	<b>223.01</b>	<b>7749.28</b>	



## II. CHHATTISGARH:

SL.NO	COALFIELDS	Type of coal	DEPTH (M)	PROVED	INDICATED	INFERRED	TOTAL
1	Sohagpur	Non-coking	0-300	94.30	10.08	0.00	104.38
2.	Sonhat	A. Semi-coking	0-300	70.77	16.45	0.00	87.22
			300-600	0.00	82.80	0.00	82.80
		<b>Sub-total (A)</b>	<b>0-600</b>	<b>70.77</b>	<b>99.25</b>	<b>0.00</b>	<b>170.02</b>
		B. Non-coking	0-300	101.00	936.39	0.00	1037.39
			300-600	27.72	859.37	1.89	888.98
			600-1200	0.00	568.85	0.00	568.85
		<b>Sub-total (B)</b>	<b>0-1200</b>	<b>128.72</b>	<b>2364.61</b>	<b>1.89</b>	<b>2495.22</b>
<b>Total (A+B)</b>	<b>0-1200</b>	<b>199.49</b>	<b>2463.86</b>	<b>1.89</b>	<b>2665.24</b>		
3	Jhilimili	Non-coking	0-300	228.20	38.90	0.00	267.10
4	Chirimiri	Non-coking	0-300	320.33	10.83	31.00	362.16
5	Bisrampur	Non-coking	0-300	1010.9	603.80	0.00	1614.70
6	East of Bisrampur	Non-coking	0-300	0.00	164.82	0.00	164.82
7	Lakhanpur	Non-coking	0-300	455.88	3.35	0.00	459.23
8	Hasdeo-Arand	Non-coking	0-300	1599.72	3599.34	256.37	5455.43
			300-600	0.00	66.06	7.33	73.39
		<b>Total</b>	<b>0-600</b>	<b>1599.72</b>	<b>3665.40</b>	<b>263.70</b>	<b>5528.82</b>
9	Panchbahini	Non-coking	0-300	0.00	11.00	0.00	11.00
10	Sendurgarh	Non-coking	0-300	152.89	126.32	0.00	279.21
11	Korba	Non-coking	0-300	5087.19	3644.3	99.91	8831.40
			300-600	563.95	2292.2	68.11	2924.26
		<b>Total</b>	<b>0-600</b>	<b>5651.14</b>	<b>5936.50</b>	<b>168.02</b>	<b>11755.66</b>
12	Mand-Raigarh	Non-coking	0-300	4588.37	12165.45	1974.87	18728.69
			300-600	427.53	5708.22	634.09	6769.84
			600-1200	0.00	610.40	0.00	610.40
		<b>Total</b>	<b>0-1200</b>	<b>5015.90</b>	<b>18484.07</b>	<b>2608.96</b>	<b>26108.93</b>
13	Tatapani-Ramkola	Non-coking	0-300	50.43	1094.17	24.85	1169.45
			300-600	0.00	1190.84	164.83	1375.67
			600-1200	0.00	302.67	0.00	302.67
		<b>Total</b>	<b>0-1200</b>	<b>50.43</b>	<b>2587.68</b>	<b>209.68</b>	<b>2847.79</b>
<b>TOTAL FOR CHHATTISGARH (CG)</b>			<b>0-1200</b>	<b>14779.18</b>	<b>34106.61</b>	<b>3283.25</b>	<b>52169.04</b>

I.	Coal Reserves in MP	0-1200	2114.34	5411.93	223.01	7749.28
II.	Coal Reserves in CG	0-1200	14779.18	34106.61	3283.25	52169.04
	<b>TOTAL Coal Reserves in SECL ( MP+CG)</b>		<b>16893.52</b>	<b>39518.54</b>	<b>3506.26</b>	<b>59918.32</b>

#### Coal Demand:

The 'Working Group on Coal & Lignite (WGCL) for formulation of the XII<sup>th</sup> Five Year Plan' has assessed an all India coal demand of 980.50 Million Tonnes for the terminal year of XII<sup>th</sup> plan (2016-17) under Scenario-II based on assessment of the concerned Ministry/ Expert Groups in the relevant fields, the realistic demands and corresponding likely production figures of the end products of the coal consuming sectors. The WGCL has projected an all India coal demand of 1203.88 Million tonnes for the terminal year of XII<sup>th</sup> plan (2016-17) under Scenario-I based on the inputs received from the users' agencies. The demand for the terminal year of XII<sup>th</sup> plan (2016-17), thus assessed by the WGCL envisages a Compounded Annualized Growth Rate (CAGR) of 7.1% over demand projected in the Annual plan of 2011-12 and a CAGR of 8.1% over the actual demand of 2010-11. The demand for the year 2014-15 is 787.03 Million Tonnes.

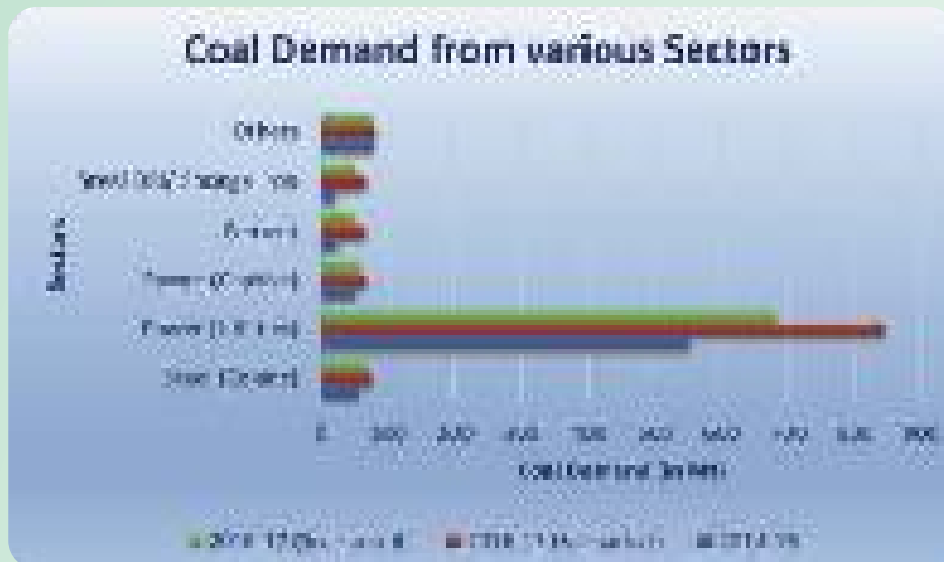
The Sector-wise break-up of all India coal demands are as under:

(Million Tonnes)

Sector	2014-15 (Current Year)	2016-17 (Ter. Yr. of XII Plan)	
		Scenario-I	Scenario-II
<b>Steel (Coking)</b>	<b>55.46</b>	<b>77.10</b>	<b>67.20</b>
<b>Non-Coking:</b>			
Power (Utilities)	551.60	842.00	682.08
Power (Captive)	50.00	68.47	56.36
Cement	26.12	67.01	47.31
Steel DRI/ Sponge Iron	23.85	67.50	50.33
Others	80.00	81.80	77.22
<b>Total Non-Coking</b>	<b>731.57</b>	<b>1126.78</b>	<b>913.30</b>
<b>Total</b>	<b>787.03</b>	<b>1203.88</b>	<b>980.50</b>

(Source: Report of the Working Group on Coal & Lignite for formulation of the XII<sup>th</sup> five year plan.)

The total coal demand from various sectors for SECL for the year 2014-15 is 130 Mt as per the Annual Action Plan. Coal demand/commitment assessed for SECL towards new consumers (excluding commitment towards existing consumers of 93.60 MT) based on Long Term coal Linkage already granted by SECL and LOA (Letter of Assurances) granted and being issued is 99.41 MT, 90.48% being Power Sector (Utility/IPP & CPP). The major share of this demand/commitment may materialize after XII<sup>th</sup> Plan depending upon commissioning of the Plants.



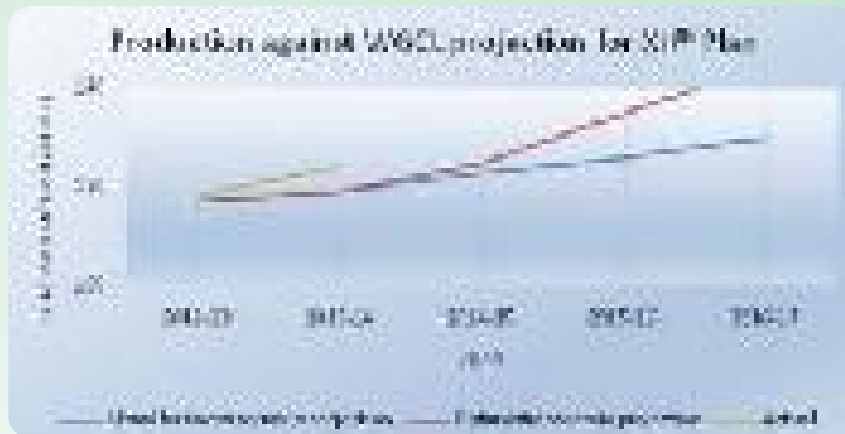
#### Coal Production:

The indigenous all India coal production assessed by the WGCL in the terminal year (2016-17) of XII<sup>th</sup> Plan is projected to be 715 Mt under Usual business scenario and up to 795 Mt under Optimistic scenario. The coal production from CIL during the terminal year of XII<sup>th</sup> Plan has been projected to be 556.40 Mt under Usual business scenario and up to 615.00 Mt under Optimistic scenario. The report of the WGCL has projected the coal production from SECL during the terminal year (2016-17) of XII<sup>th</sup> Plan to be 130.00 Mt under Usual business scenario and up to 145.00 Mt under Optimistic scenario.

The actual production by SECL against projections during the first two years of XII<sup>th</sup> Plan i.e. 2012-13 & 2013-14 as well as production projections for the remaining years of the XII<sup>th</sup> Plan i.e. 2014-15 to 2016-17 is given below:

(Fig. in Mt)

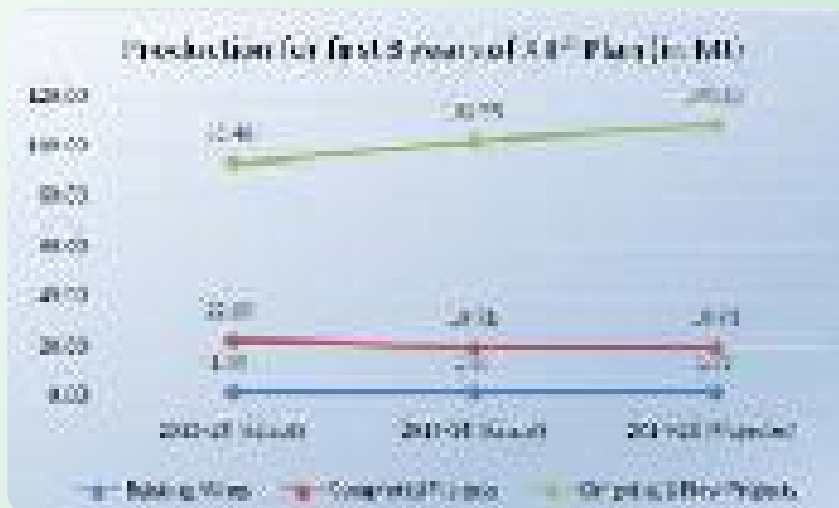
Projection of WGCL for XII <sup>th</sup> Five Year Plan					
Coal Production	2012-13	2013-14	2014-15	2015-16	2016-17
Usual business scenario projection	117.00	119.00	123.00	126.00	130.00
Optimistic scenario projection	117.00	119.00	125.00	135.00	145.00
Actual	118.22	124.26			



It can be seen from the above table that SECL has outperformed not only the 'Usual business scenario' projection but even the 'Optimistic scenario' projection of the WGCL during the first two financial years of the XII<sup>th</sup> five year Plan.

The actual production from existing mines, completed projects and on-going projects in SECL, for the first two years of XII<sup>th</sup> plan period and the projected production for the third year 2014-15 as per the Annual plan is given below: (Fig. in Mt)

Group	XII <sup>th</sup> Five Year Plan		
	2012-13 (Actual)	2013-14 (Actual)	2014-15 (Projected)
Existing Mines	1.88	1.80	1.85
Completed Projects	22.88	19.91	19.94
On-going & New Projects	93.46	102.55	109.21
<b>Total</b>	<b>118.22</b>	<b>124.26</b>	<b>131.00</b>





**Productivity:**

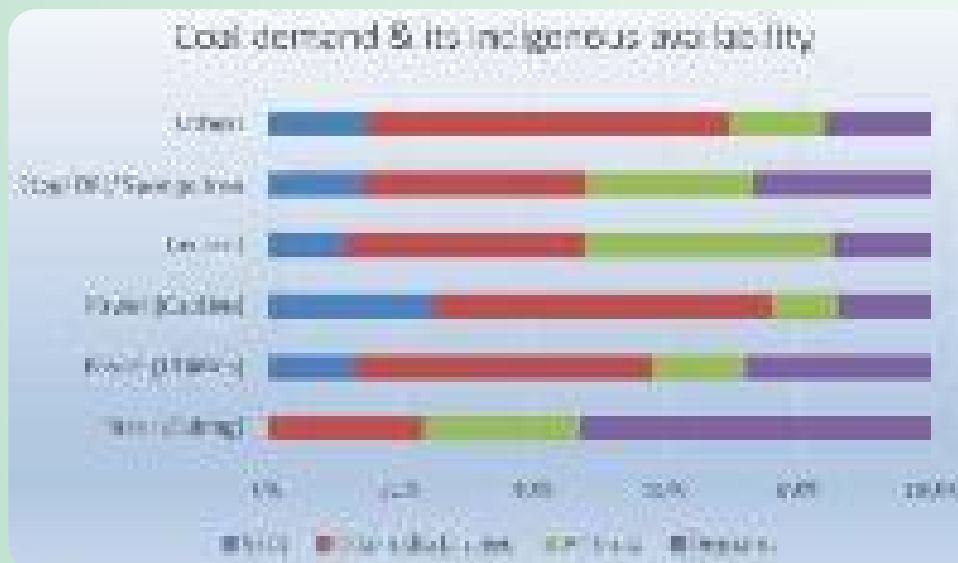
In SECL, the entire coal production from Open Cast Projects (OCs) is done contractually (except in Chirimiri OC and Kurasia OC) and Over Burden Removal (OBR) is done departmentally. In few projects, OBR has also been outsourced. The Output per Manshift (OMS) position of SECL is as below: **(Fig. in Tonne)**

Type	XI <sup>th</sup> Plan					XII <sup>th</sup> plan		
	2007-08 Actual	2008-09 Actual	2009-10 Actual	2010-2011 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 (Proj.)
UG	1.19	1.26	1.33	1.32	1.30	1.37	1.35	1.43
OC	14.30	15.76	18.89	20.22	19.31	19.11	21.45	20.99
<b>OVERALL</b>	<b>4.83</b>	<b>5.26</b>	<b>5.96</b>	<b>6.47</b>	<b>6.44</b>	<b>6.71</b>	<b>7.23</b>	<b>7.56</b>

**Coal Demand vis-à-vis Availability:**

The overall sector-wise demand and coal availability position for the terminal year (2016-17) of XII<sup>th</sup> five year plan, as assessed by the WGCL is as under:

Sector	Demand	Indigenous Availability in 2016-17 (Terminal Year of XII <sup>th</sup> Plan)		
		All India	Coal India Limited	SECL
Steel (Coking)	67.20	31.70	15.74	0.13
<b>Non-Coking:</b>				
Power (Utilities)	682.08	492.18	396.71	90.88
Power (Captive)	56.36	48.57	43.01	14.20
Cement	47.31	40.30	22.70	5.64
Steel DRI/ Sponge Iron	50.33	37.05	24.34	7.40
Others	77.22	65.20	53.90	11.75
<b>Total Non-Coking</b>	<b>913.30</b>	<b>683.30</b>	<b>540.66</b>	<b>129.87</b>
<b>Total</b>	<b>980.50</b>	<b>715.00</b>	<b>556.40</b>	<b>130.00</b>



[This Chart takes the total coal demand in country as 100% (violet) and then shows the percentage satisfaction of this demand by Indigenous sources (Green) comprising CIL (Red) & SECL (Blue). The portion in violet left over after total indigenous availability in Green is being met by Import.]

SECL is putting its best efforts to reduce the above gap between demand and Indigenous availability of coal by outperforming the projection made by WGCL for XII<sup>th</sup> plan.

**Coal off-take and dispatch:**

The actual sector-wise coal off-take of SECL and the projection for the year 2014-15 as envisaged is as under:

(Fig in Mt)

Sector	XI <sup>th</sup> Plan				XII <sup>th</sup> plan		
	2008-09 Actual	2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 (Proj.)
Power	73.24	74.20	76.25	80.37	86.49	86.01	98.50
Fertilizers	0.64	0.64	0.70	0.74	0.68	0.87	1.12
Cement	4.76	4.62	4.80	4.80	4.39	3.56	4.50
Others	24.35	26.39	27.25	29.22	30.41	31.57	28.86
Colliery consumption	0.03	0.02	0.02	0.02	0.02	0.02	0.02
<b>Total</b>	<b>103.02</b>	<b>105.87</b>	<b>109.02</b>	<b>115.15</b>	<b>121.99</b>	<b>122.03</b>	<b>133.00</b>





### Mode-wise Coal movement programme:

The actual sector-wise coal off-take of SECL and the projection for the year 2014-15 as envisaged in the MTA of XII<sup>th</sup> Plan is as under:

(Fig in Mt)

Mode of Transport	XI <sup>th</sup> Plan				XII <sup>th</sup> plan		
	2008-09 Actual	2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 (Projection)
Rail	43.14	40.55	40.46	44.36	45.55	47.49	54.48
Road	39.24	40.47	41.74	44.02	43.71	41.37	44.00
Belt	4.87	5.37	5.48	5.02	5.08	5.25	5.75
MGR	12.46	16.39	18.25	18.97	24.33	24.58	24.97
Own Wagons	3.28	3.09	3.07	2.70	3.30	3.32	3.78
Colliery consumption	0.03	0.02	0.02	0.02	0.02	0.02	0.02
<b>Total</b>	<b>103.02</b>	<b>105.89</b>	<b>109.02</b>	<b>115.09</b>	<b>121.99</b>	<b>122.03</b>	<b>133.00</b>



**B. SWOT ANALYSIS:**  
**(STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS)**



**Strengths** **S**

- Out of 2,98,914.06 Million Tonnes of geological estimate of coal in India, SECL Command Area has 59,918.32 Million Tonnes as on 01.04.2013 including the proven coal reserves at 16,893.52 Mt which is enough to last around 120 years at current rates of production.
- SECL has set the coal production target of 132.00 Million Tonnes in 2014-15 as per MoU. By the end of XIIth Plan (i.e. 2016-17), the planned production will reach 145.00 Million Tonnes registering a growth of 27.00% over previous plan period i.e. XI<sup>th</sup> Plan.
- SECL has highly mechanised mines with large capacity equipments/ Heavy earth moving machines (HEMMs) like 240 Tonne Dumpers, 42 Cubic Meter Shovels and 381mm Drill machines.
- SECL attains major production from its large Opencast mines which has several advantages over Underground mining in terms of higher extraction of resources, higher rate of production, extraction of thick seams at shallow cover, higher productivity, shorter gestation period, lesser specific capital investment, lower cost of production, better economies of scale, higher safety, etc.
- SECL has strong track record of continuous growth since inception, in terms of coal production, revenue & profitability.
- SECL has good work culture with skilled, experienced and dedicated work force of over 70,000 personnel.
- Mining Operations of SECL are spread across the coal mining region in the states of Madhya Pradesh and Chhattisgarh, serving many nearby major consumers.
- Financial soundness of the company is excellent with adequate Reserves & Surplus to meet the expansion plans.

**Weakness** **W**

- In India, coal mining industry is subject to extensive regulation by Central and State Governments on various matters including: air quality; water quality; employee health and safety; the protection and conservation of the environment (flora and fauna); land-use and its restoration after mining is completed.
- Coal mining projects have typically long gestation periods and lack standardised approach unlike manufacturing enterprises.
- Delay in Forest, Environmental and other clearances may adversely affect time schedules for opening and commissioning of new mines and associated investment plans.
- Greater dependence on opencast mining leads to land degradation and environmental pollution.
- Difficult geo-mining conditions in underground mines hinder adoption of new technologies.
- Geographically scattered remote location of the projects acts as deterrent in attracting and retaining talent, poses difficulty in transport and communication.



- Rise in wages due to wage revision without linkage to productivity and aging workforce is a major challenge to the company.

## Opportunities **O**

- Indian power sector is expected to grow at 7% p.a. over the next 7-8 years translating into huge demand of coal in the country for power generation and Power Plants in the country predominantly depend upon coal.
- Greater emphasis on coal quality and delivery conditions will result in better price and higher customer satisfaction.
- Joint venture companies formed in association with Chhattisgarh government and IRCON International Limited will result in development of new rail corridors for faster and cleaner evacuation of coal in line with expansion plans.
- Development of Coal Washeries for coal beneficiation based on the demand from consumers and favourable cost economies, may result in improvement of revenue.
- Creation of Special Purpose Vehicles (SPVs) for Underground Coal Gasification (UCG), exploration of Coal Bed Methane (CBM), forward integration towards Power generation, etc. may provide new room for expansion in operations.

## Threats **T**

- Delay in Land acquisition and any resentment among Project affected persons (PAPs) may hinder expansion plans.
- Rehabilitation & Resettlement issues on account of land acquisition may cause delay in commissioning of new projects as well as capacity enhancement of existing projects.
- Inadequate availability of railway wagons for coal transportation may affect planned evacuation.
- Majority of consumers are far away from coalfield areas which results in increase in rail freight, i.e. high landed cost to the consumers.
- Change in policies/regulations governing the sector can have adverse impact on coal mining industry and on the performance of the company.
- Coal mining by private companies in a big way may throw unexpected challenges to coal industry.

### C. PERFORMANCE:

Covered in the main report.

### D. OUTLOOK:

Company has bright prospects with a series of measures undertaken for continuous development and excellence through existing & new mining technologies, improvement in coal dispatch, development of coal transport infrastructure, new mining projects, etc.



**Coal mining Projects:**

Members may be aware that at present, there are 54 completed projects in SECL with rated capacity of 29.86 MT. There are 35 ongoing projects under implementation (as on March, 2014) with rated capacity of 160.16 MT. Production from these projects during 2013-14 was 124.261 MT. Out of the 35 ongoing projects, 23 projects have contributed to coal production in 2013-14 and 12 projects are under various stages of implementation. To augment the production and achieve the targeted production programme of SECL during the XII Plan and beyond, 9 new projects are in the pipeline for approval during the XII Plan Period.

Mand-Raigarh Coalfields in Raigarh Area spreads over an area of 3700 sq.km and have 4588.37 MT of coal reserve (Proved) upto 300 meter depth and 427.55 MT of coal reserve (proved) from 300-600 meter depth as on 01.04.2013 and has potential to produce huge quantity of power grade coal. Presently, only 3 mines having total capacity of 7.15 MT are in operation in this area.

**Coal Dispatch:**

Rapid Loading System (RLS), very high capacity SILOs with Merry-Go-Round (MGR) are in operation at Gevra Expn OC & Dipka Expn OC Projects and are planned in other mega projects such as Kusmunda Expansion OC. This system of efficient loading is also in compliance with Environmental stipulation. Moreover, various developmental activities with respect to constructions of new sidings are being taken up considering increase in production of coal in the near future.

To enhance the coal dispatch, Rapid Loading System (SILO) have been planned and approved in 03 projects viz., in Kusmunda, Gevra and Dipka Areas. Out of these, a RCC SILO system of capacity (4000 x 2) Te is under construction in Gevra Area.

**Coal transport infrastructure:**

Creating transport infrastructure and managing logistics to move coal from the point of origin to consumption units is a major challenge for sustainable development. Development of rail infrastructure and adequate road network for coal movement is a challenging task and would require fresh initiatives. Railways play a major role in timely evacuation of coal and commensurate infrastructure for faster movement has been persistently addressed by taking new initiatives.

**Railway Sidings:** To cater the need of coal evacuation, network of Sidings is laid in different Areas of Korba and CIC Coalfields of SECL and there are 34 Nos. Railway Sidings for dispatch of coal as detailed below:

	COALFIELD	NO. OF RAILWAY SIDINGS	CAPACITY (IN MTY)
1	Korba Coalfield	17	84.90
2	CIC Coalfield	17	27.15
	<b>TOTAL</b>	<b>34</b>	<b>112.05</b>



In Korba Coalfields, out of 17 Nos. of Siding having optimum capacity of 84.90 MTY, 5 Nos. of Siding having optimum capacity of 25 MTY are being used by Washery Operators, 1 No. Rapid Loading System (RLS) having optimum capacity of 8 MTY at Gevra Project is being used by NTPC, Korba, 1 No. RLS having optimum capacity of 8 MTY at Dipka Project is being used for NTPC, Seepat and 2 Nos. Siding of optimum capacity of 7.80 MTY is being used for CSEB Korba. Thus total [84.90 (-) 48.80] = 36.10 MTY optimum capacity siding is being used by SECL in Korba Coalfields.

Construction of new siding for Rapid Loading System at Junadih Siding of Gevra Area is also under progress which will further increase coal dispatch capacity of Siding at this Area.

Construction of new wharf wall siding for Mahan-II OCP towards dispatch arrangement has been completed. In addition to the above, it has been proposed to construct a new siding for Jagannathpur Group of Mines (GOM) of Bhatgaon Area. In this regard in stage-I, work order has been issued in favour of M/s. RITES Limited for the work of "Feasibility Study and Reconnaissance Survey" for extension of Railway Track for Jagannathpur Group of Mines around Jagannathpur OCP at Bhatgaon Area. Accordingly proposed alternative alignments submitted by M/s RITES Limited is under process for acceptance.

Wharf Wall loading arrangement at Line No.3 of Kusmunda Siding has been completed and rake loading has been started from this siding. This has increased the dispatch capacity of Korba Coalfields from 81.90 MTY in 2012-13 to 84.90 MTY in this year.

Similarly, to achieve 50 MTY in future in Kusmunda Area, Detailed Project Report for "Techno Economic Feasibility & Detailed Project Report/Final Location Survey for new Railways Siding at Kusmunda Area towards dispatch of coal from proposed washery" offloaded to M/S RITES Limited is under approval of Railway. In principle approval has been accorded by SECL Board for entering into MoU with M/S IRCON international Limited for awarding the work of developing the Proposed Sidings and allied works, for connecting to the Rail Corridors (being developed by JV companies CERL and CEWRL).

Likewise, for development of a new Railway Siding in Lakhanpur Coalfields of Bistrampur Area, the DPR for the work of "Construction of new Siding for Lakhanpur Coalfields of Bistrampur Area" has been obtained from the Railway and "Project Management Consultancy work" is in process and is to be awarded to M/s. RITES Ltd. Also, for construction of a new Siding for Batura OCP of Sohagpur Area, feasibility report prepared by M/s. RITES Ltd., Nagpur is under process.

In the same way upgradation of the Junadih up line, Kusmunda old Siding i.e. line no. VII and Completed Track Repair (CTR) work of Burhar siding are being executed by South East Central Railway (SECR) under "Deposit Estimate Head". Likewise, Completed Track Repair (CTR) work of Chirimiri Siding is also under execution by M/S RITES Limited as per MoU between CIL and RITES.

In addition to above, action has also been taken for major renewal and improvement of existing tracks/sidings viz. existing railway track of Kusmunda, Surkachhar, Kotma, Chirimiri, and Robertson Siding. Also for uninterrupted coal transportation, construction of three nos. of Road Over Bridge (ROB), one each at Dipka, Chirimiri, and Manikpur (Korba) Area have been proposed. The DPR of the proposed ROB at Dipka and Chirimiri Area is under process for approval whereas feasibility study for ROB at Manikpur of Korba Area is under process.

**Coal Handling Plants:** Construction of a Coal Handling Plant (CHP) with In-pit Conveyor Belts System is under progress at Dipka Expansion OC to facilitate the coal transportation directly from coal face to NTPC-Seepat as well as to other consumers.

**Rail Corridor Subsidiary Companies (CERL & CEWRL):** In terms of the Memorandum of Understanding ( MoU ) signed on 03.11.2012 between South Eastern Coalfields Limited (SECL), IRCON International Limited (IRCON) and the Government of Chhattisgarh, for establishment of the two Railway Corridors viz., East Corridor and East-West Corridor, Two (02) Subsidiary Companies of SECL have been formed by incorporation under the Companies Act, 1956 viz., M/s. Chhattisgarh East Railway Limited (CERL) incorporated on 12.03.2013 and M/s. Chhattisgarh East-West Railway Limited (CEWRL) incorporated on 25.03.2013 with an authorized capital of ₹ 5.00 Crores each. These are under developmental stage and the corridors once completed will cater to the evacuation of coal from Mand-Raigarh Coalfields and Korba-Gevra Coalfields of SECL and will be used both for freight and passenger traffic.

#### **E. RISKS AND CONCERNS:**

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

- Obtaining environmental clearance and forestry clearance.
- High cost of Rehabilitation & Resettlement (R&R).
- Allotment of Government land for R&R site and rehabilitation of Project affected persons (PAPs).
- Physical possession of land and finalization of employment issues of PAPs and demand of employment by PAPs beyond the prescribed norms often results in law & order problems and hindrance in coal production and despatch.
- Most of the new projects have been formulated with outsourcing option.
- Cartelization of contractors & long lead time to finalize a contract because of frivolous complaints raised by contractors, which cause delay.
- Long lead time to procure HEMMs and other E&M items.
- Acute shortage of trained Revenue personnel in L&R Discipline and protection of land boundaries.
- Non-availability of adequate railway infrastructure in the form of transportation capacity will adversely affect coal off-take.

#### **F. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The company has well established Internal Control systems and procedures commensurate with its size and nature of business with an approved and well laid down delegation of authority at various levels for ensuring appropriate authorization and approval of transactions. Policy in the form of Purchase Manual, Contract Management Manual, Civil Engineering Works Manual, defining the practices & procedures to be adopted for procurement and award of contracts are in place. The Internal audit is conducted by external firms of Chartered/Cost Accountants covering all the Offices/Areas/Units of operation and their reports are reviewed by the Audit Committee of SECL Board. Further, the accounts of the Company are subject to Comptroller & Auditor General of India (CAG) audit in addition to the propriety audit conducted by them.

#### **G. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

Covered in the main report.

#### **H. MATERIAL DEVELOPMENT 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.

**K. CAUTIONARY STATEMENT**

Statements in the 'Management Discussion & Analysis Report' and 'Directors' Report' describing the Company's objectives, projections and estimates, expectations and predictions, etc. may be "forward looking statements" and progressive within the meaning of applicable laws and regulations.

Forward looking statements contained herein are subject to certain risks and uncertainties that could cause actual results to defer materially from those reflected in the forward looking statements. Actual results may vary materially from those expressed or implied depending upon economic conditions, government policies and other incidental factors. Readers are cautioned not to place undue reliance on the Forward Looking Statements.

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## Annexure -V

**R.GOPAL & ASSOCIATES**  
Chartered Accountants

31/884, New Shanti Nagar  
Old Pipe Factory Road,  
Raipur (C.G.)-492004  
Mob.: 9425502860, 9329773011  
E-Mail : anil\_rgopal@rediffmail.com

To,  
The Chairman-cum-Managing Director,  
South Eastern Coalfields Limited  
Bilaspur (C.G.)

We have audited the attached Financial and Dynamic Parameters with respect to Memorandum of Understanding (MoU) for the Year 2013-14 in respect of South Eastern Coalfields Limited.

01. As per the information and explanation produced to us by the Company and subject to the comments as stated in para-2 hereunder, we report that:
- The achievement stated in attached performance evaluation sheet with respect to Financial and Dynamic Parameters are calculated in terms of DPE guidelines on MoU for the Year 2013-14 issued by Ministry of Heavy industries and Public enterprises.
  - The achievement stated against Financial and Dynamic Parameters are ratified in accordance with documentary evidence produced against respective parameters and are correct to the best of our knowledge.
  - For evaluation of Financial Parameters the points relating to financial Parameters of MoU 2013-14 given in Annexure-II have been considered.
02. South Eastern Coalfields Limited have informed us that certain activities were delayed and targets not achieved for the reasons which were beyond control of SECL (Force Majeure type situations). SECL has produced sufficient documentary evidences to establish their contention that in all such cases, the situation was beyond their control and in-spite of their best efforts and persuasion at all possible levels, SECL could not deliver on these parameters. Accordingly, SECL will request for offset before DPE at the time of evaluation under clause 1.6 of MoU Guidelines 2013-14, issued by DPE vide OM no.3 (12)/2012-DPE (MoU) dated 12.11.12.

These parameters along with reasons in brief, for non-achievement are as below:-

- Serial No. 1: Static/ Financial Parameters
  - (b) (ii) Net sales:- It would have been 'Excellent' category, had off-take not suffered for the reasons as mentioned under off-take parameter.
- Serial No. 5A: Project Implementation
  - (d) Commissioning/ Completion of Projects:
    - 'Commissioning of Jampali OC'- The parameter could not be achieved for the fact that there was delay in forestry clearance.
    - 'Commissioning of Ketki UG'- The parameter could not be achieved for the fact that there was delay in Stage-I forestry clearance.





**R.GOPAL & ASSOCIATES**  
Chartered Accountants

31/884, New Shanti Nagar  
Old Pipe Factory Road,  
Raipur (C.G.)-492004  
Mob.: 9425502860, 9329773011  
E-Mail : anil\_rgopal@rediffmail.com

- ii. Serial No. 7: Sector Specific Parameters-
- (a) Off-take: The off-take fell short of the target for the fact that GSECL has not taken coal as per their ACQ.
  - (b) Total coal production: The achievement was marginally below the 'Excellent' target for the reasons of non-starting/ closure of some of the mines on account of forestry issues but for which targets were already assigned in FY-2013-14.

For the calculation purpose of the raw score, an “Excellent” rating has been considered for these parameters.



For R.Gopal & Associates  
Chartered Accountants

Sd/-

Place: Bilaspur  
Date: 04.06.2014

CA. SANDEEP KUMAR SAWARIA  
PARTNER  
M.NO 061771  
(FIRM REGN. NO 000846C)



**CONFIDENTIAL**

Ref: 2013/00001/VI

ಅಧಿಕಾರವಿಲ್ಲದಿದ್ದರೆ ಟಿಪ್ಪಣಿ ಇರಿಸಿ ಸಹಿ ಮಾಡಿ ಕಳುಹಿಸಿ  
ಬಿಡಿ - 1 ಕೋಟಿ

ಇದನ್ನು ಕೈಗೆ ಪಡೆದ ಕೂಡಲೇ ಈ ಅಧಿಕಾರವಿಲ್ಲದಿದ್ದರೆ  
ಇದನ್ನು ಹಿಂತಿರುಗಿಸಿ

**OFFICE OF THE PRINCIPAL DIRECTOR OF  
COMMERCIAL AUDIT & EX-OFFICIO MEMBERS  
AUDIT BOARD - II, KOLKATA**

62, Park Street, 1st Fl., Acharya Jagadish Chandra Bose Hall,  
Kolkata-700 002

ತೆ. ಸಂಖ್ಯೆ: 2013/00001/VI/ಸಂ. 2013/14

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To  
The Chairman, Management Committee,  
South Eastern Coalfields Limited,  
Koraput Road,  
Bhilai - 751 005

**Sub: Certificate of the Chairman, Board of Audit & Accounts (C&AA) and of Section 44(2) of the Companies Act, 1956 in the Accounts of South Eastern Coalfields Limited for the year ended 31 March 2014.**

Re  
I received request for Certificate of the Companies & Auditors General of India under Section 44(2) of the Companies Act, 1956 in the Accounts of South Eastern Coalfields Limited for the year ended 31 March 2014.

The receipt of this letter may please be acknowledged.

Yours faithfully,

Dr. J. S. Jha,  
Date: 22.06.2014

Authorised Signatory  
  
Dr. J. S. Jha, Chairman, C&AA  
**PRINCIPAL DIRECTOR OF COMMERCIAL AUDIT  
& EX-OFFICIO MEMBERS, AUDIT BOARD - II  
KOLKATA**



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

The preparation of financial statements of South Eastern 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 229 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 26.03.2014.

I, on behalf of the Comptroller and Auditor General of India have conducted a supplementary audit under section 619(3) (b) of the Companies Act, 1956 of the financial statements of South Eastern 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

  
(Vachidhara Roy Choudhary)

Pr. Director of Commercial Audit &  
Ex-officio Member, Audit Board-II  
Kolkata

Kolkata  
Dated: 02.05.2014

**AUDITORS' REPORT  
AND   
FINANCIAL STATEMENTS  
WITH NOTES**





**R. Gopal & Associates**  
Chartered Accountants

31/884, New Shanti Nagar,  
Old Pipe Factory Road,  
Raipur (C.G.) 492004  
Mob. 9425502860, 932977301  
E-Mail: anil\_rgopal@rediffmail.com

## **AUDITORS' REPORT** **TO THE MEMBERS of SOUTH EASTERN COALFIELDS LTD**

### **1. Report on the Financial Statements**

We have audited the accompanying financial statements of "SOUTH EASTERN COALFIELDS LIMITED", which comprise the Balance Sheet as at March 31, 2014, and 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, which we have signed under reference to this report. These financial statements include the Accounts of 7 Areas, 2 Offices audited by us and 8 Areas, 1 Office and Dankuni Coal Complex audited by other Branch Auditors in accordance with the letter of appointment of Comptroller and Auditor General of India. The report on the accounts of the branch offices 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.

### **2. Management's Responsibility for the Financial Statements**

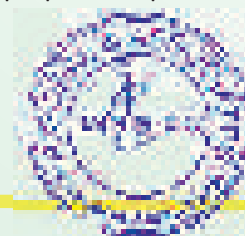
The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flow of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). 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. 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.



**R. Gopal & Associates**

Chartered Accountants

31/884, New Shanti Nagar,  
Old Pipe Factory Road,  
Raipur (C.G.) 492004  
Mob. 9425502860, 932977301  
E-Mail: anil\_rgopal@rediffmail.com

**4. Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the accompanying financial statements, 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:


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

**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 and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a 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,
  - 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;
  - 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 branches not visited by us;
  - 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 returns received from branches not visited by us;
  - In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards notified under the Companies Act, 1956.; and
  - In terms of Government of India, Department of Company Affairs Notification No. GSR 829(E) dated 21<sup>st</sup> October, 2003, Government Companies are exempted from the applicability of provisions of section 274(1)(g) of the Companies Act, 1956.
  - 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 had 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 R. GOPAL & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm registration No.:000846C

  
S. M. G. GOPAL  
PARTNER  
M. NO.058409

Place: NEW DELHI  
Date: 26<sup>th</sup> MAY, 2014



## ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 5.1 of our report of even date)

On the basis of checks carried out during the course of audit and as per information and explanations furnished to us and to the best of our knowledge and belief we report that:

Sl.	Auditor's Report	Management Reply
i. (a)	The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets. However, only quantitative records are maintained for assets taken over on nationalization.	This being a statement of fact calls for no comments
i.(b)	Fixed Assets have been physically verified by the management as per the policy of the Company which seems to be reasonable having regard to the size of the Company and the nature of its business. No material discrepancies have been noticed as confirmed by the Management.	This being a statement of fact calls for no comments
i. (c)	No substantial part of fixed assets has been disposed of during the year, which has bearing on the going concern assumption.	This being a statement of fact calls for no comments
ii(a)	Stock of Coal/Coke has been physically verified as on 31-03-2014 by a team of surveyors deputed by Coal India Ltd and physical verification of stores and spares has been carried out by the outside agencies during the year, which seems to be reasonable.	This being a statement of fact calls for no comments
ii(b)	In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.	This being a statement of fact calls for no comments
ii.(c)	The Company has maintained proper records of inventory. No material discrepancies were noticed on physical verification.	This being a statement of fact calls for no comments
iii.(a)	The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 except some of the surplus funds of the Company parked with the Holding Company where reasonable interest has	This being a statement of fact calls for no comments

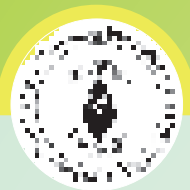
Sl.	Auditor's Report	Management Reply
	been paid. The terms and conditions of these advances are not prejudicial to the interest of the Company. In view of this, clause 4 (iii) (b) to (d) of the Order are not applicable.	
iii. (b)	The Company has not taken any loans, secured or unsecured, from Companies, firms or other parties covered under the register maintained u/s 301 of the Companies Act, 1956. In view of this, clause 4 (iii) (e) to (g) are not applicable.	This being a statement of fact calls for no comments
iv.	There is an adequate internal control system commensurate with the size of Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit no major weakness in internal control has been noticed.	This being a statement of fact calls for no comments
v.	There are no contracts and arrangements as referred to in section 301 of the Companies Act, 1956, particulars of which needs to be entered into a register maintained under section 301 of the said act. Accordingly clause 4(v) (b) of the Order is not applicable.	This being a statement of fact calls for no comments
vi.	The Company has not accepted any deposits from the public in terms of the directives issued by the Reserve Bank of India and the provisions of section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules 1975.	This being a statement of fact calls for no comments
vii.	Internal Audit of Systems & Transactions, Salary & Wages and Stores & Spares were carried out by Firms of Chartered Accountants/Cost Accountants. In our opinion, the existing internal audit system appears to be commensurate with the size and nature of business.	This being a statement of fact calls for no comments
viii	The maintenance of cost records has been prescribed by the Central Government under section 209(1)(d) of the Companies Act,1956 vide Notification dated 3rd June,2011 in respect of	This being a statement of fact calls for no comments



Sl.	Auditor's Report	Management Reply
	mining activities of the Company. We have checked the records and are prima facie of the opinion that the same are properly maintained.	
ix.(a)	The Company is regular in depositing undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess, Entry Tax and other statutory dues with the appropriate authorities. There were no undisputed arrears of statutory dues outstanding as on 31.03. 2014 for a period of more than six months from the date they became payable. The provisions of the Investor's Education and Protection fund and Employees State Insurance are not applicable to the Company.	This being a statement of fact calls for no comments
ix.(b)	The particulars of disputed statutory dues as on 31-03-2014 are as follows:	This being a statement of fact calls for no comments

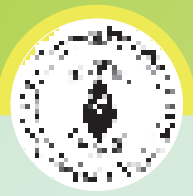
Name of the Area	Nature of the dues	Amount (Rs. in Crores)	Assessment Years	Forum where dispute is pending
<b>Chirimiri</b>	Entry Tax	<b>0.10</b>	1987-88,88-89, 98-99 to 02-03	CG Taxation Tribunal (Raipur)
	CST	<b>0.34</b>	2000-01 & 2001-02	High Court, Bilaspur
	Terminal Tax	<b>3.48</b>	2004-05 to 2013-14	High Court, Bilaspur
<b>Jamuna &amp; Kotma</b>	MP Sadak Vikas Kar	<b>20.20</b>	2005 to 2013-14	Hon'ble Supreme Court of India
	Terminal Tax	<b>18.00</b>	2005-06 to 2013-14	Hon'ble Supreme Court of India
	Entry Tax	<b>2.31</b>	1993-94 to 2010-11	Addl/ Dy. Commissioner of CT
	Central Sales Tax	<b>2.65</b>	1997 to 2009-10	Addl/ Dy. Commissioner of CT
	State Sales Tax /VAT	<b>0.23</b>	2006 to 2009-10	Addl/ Dy. Commissioner of CT
<b>JOHILLA</b>	MP Sadak Vikas Kar	<b>15.23</b>	2004-05 to 2013-14	Hon'ble Supreme Court of India

Name of the Area	Nature of the dues	Amount (Rs. in Crores)	Assessment Years	Forum where dispute is pending
	Terminal Tax	<b>11.03</b>	Sept, 04 to March, 2014	Hon'ble Supreme Court of 14 India
	Entry Tax	<b>6.02</b>	2003-04 to 2013-14	Addl/ Dy. Commissioner of CT
	Central Sales Tax	<b>0.39</b>	2003-04 to 2013-14	Addl/ Dy. Commissioner of CT
	State Sales Tax /VAT	<b>0.02</b>	2003-04 to 2013-14	Addl/ Dy. Commissioner of CT
<b>Sohagpur</b>	MP Sadal Vikas Kar	<b>24.25</b>	2004-05 to 2013-14	Hon'ble Supreme Court of India
	Terminal Tax	<b>55.51</b>	Sept, 04 to March, 14	Hon'ble Supreme Court of India
	Entry Tax	<b>5.33</b>	1997-98 to 2013-14	Addl/ Dy, Commissioner of CT
	Central Sales Tax	<b>1.77</b>	1997-98 to 2013-14	Addl/ Dy. Commissioner of CT
	State Sales Tax /VAT	<b>0.66</b>	1997-98 to 2013-14	Addl/ Dy. Commissioner of CT
<b>Hasdeo</b>	Entry Tax	<b>0.13</b>	1990-91, 95-96, 99-00,00-01,02-03, 04-05 to 13-14	CG Taxation Tribunal (Raipur)
	Sales Tax	<b>0.14</b>		CG Taxation Tribunal (Raipur)
	VAT	<b>0.15</b>		CG Taxation Tribunal (Raipur)
	Terminal Tax	<b>82.13</b>		High Court, MP
	Entry Tax	<b>6.52</b>		MP Appellate Tribunal
	CST	<b>9.40</b>		MP Appellate Tribunal/MP' High Court
	VAT	<b>2.49</b>		MP Appellate Tribunal
<b>Bisrampur</b>	Sales Tax	<b>1.22</b>	94-95,96-97 TO 98-99,01-02,02-03,05-06	Appellate Authority
	Property & other taxes	<b>1.09</b>	03-04 to 12-13	Appellate Authority
	Entry Tax	<b>1.87</b>	94-95 to 03-04	Appellate Authority



Name of the Area	Nature of the dues	Amount (Rs. in Crores)	Assessment Years	Forum where dispute is pending
Baikunthpur	Sales Tax	1.57	92-93,95-96,98-99, 00-01 To 03-04, 05-06,06-07 & 07-08 &2008-09 to 2012-13	Before different Authorities
	Entry Tax	1.44	92-93,95-96,98-99,00-01 To 03-04, 05-06,06-07 &07-08	Before different Authorities
Bhatgaon	Entry Tax	0.85	98-99,02-03,03-04	Appellate Authority
CWS-CS Korba	Entry Tax	0.06	2000-01	Tribunal, Raipur
	Entry Tax	0.13	2004-05	Tribunal, Raipur
Gevra	Entry Tax	53.51	1983-84,90-91 04-05	Tribunal, Raipur
	Central Sale Tax	1.20	1997-98	Tribunal, Raipur
	Central Sale Tax	0.49	1999-2000 & 2005-06	Tribunal, Raipur
	CGCT	0.01	1999-00	Tribunal, Raipur
Raigarh	Entry Tax	0.12	1999-2000	Tribunal, Raipur
	Entry Tax	0.14	2001-2002	ACCT, Raigarh
KORBA AREA	Entry Tax	0.34	1981-82	Tribunal, Raipur
	Entry Tax	0.02	1992-93	ACCT, Korba
	Entry Tax	0.03	2002-03	ACCT, Korba
	Entry Tax	0.15	2004-05	ACCT, Korba
	Sales Tax	0.02	1991-92	ACCT, Raipur
DCC	Excise duty	2.10	Sep-2000 to March, 2002	CESTAT (Tribunal) Kolkata
	Excise duty	7.14	Sep-1996 to March, 2000	High Court, Kolkatta
Kusmunda	Sales Tax	0.07	1994-95	Tribunal, Raipur
	Entry Tax	0.02	2001-02	Tribunal, Raipur
HQ (For Areas)	Service Tax	463.44	01.01.05 to 30.04.06, 01.10.04 to 30.11.09, 01.12.09 to 30.06.10, 01.07.10 to 31.03.11, 01.04.11 to 31.03.12	Commissioner [appeals] / CESTAT
	Excise	184.20	01.03.11 to 28.02.13	CESTAT/ Comm. CCE
<b>TOTAL</b>		<b>738.83</b>		

SI	Auditor's Report	Management Reply
x.	The Company does not have any accumulated losses at the end of financial year and has not incurred cash losses in the current financial year and in the immediately preceding financial year.	This being a statement of fact calls for no comments
xi.	The Company has not defaulted in repayment of dues to Financial Institutions or banks as at the Balance Sheet date.	This being a statement of fact calls for no comments
xii	The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.	This being a statement of fact calls for no comments
xiii.	The Company is not a Chit Fund or a Nidhi / Mutual Benefit Fund / Society.	This being a statement of fact calls for no comments
xiv.	The Company is not in the business of dealing or trading in shares, securities, debentures and other investments. The Company has investments in shares of its subsidiaries and in Mutual Funds only and has maintained proper records of transactions and contracts in respect thereof and timely entries have been made therein. The Company, in its own name, has held all these shares.	This being a statement of fact calls for no comments
xv	The Company has not given any guarantee for loans taken by others from Banks or Financial Institutions. Therefore the provisions of Clause (xv) are not applicable to the Company.	This being a statement of fact calls for no comments
xvi	No term loans have been availed during the year. Accordingly the provisions of clause 4 (xvi) of the Order are not applicable to the Company.	This being a statement of fact calls for no comments
xvii.	The funds raised on short term basis have not been used for long term investment.	This being a statement of fact calls for no comments
xviii.	During the year under audit the Company has not made any preferential allotment of shares.	This being a statement of fact calls for no comments
xix.	The Company has not issued any debentures during current or earlier year(s).	This being a statement of fact calls for no comments
xx.	The Company has not made any Initial Public Offering (IPO) of shares during the year.	This being a statement of fact calls for no comments



SI	Auditor's Report	Management Reply
xxi	No fraud, on or by the Company has been noticed or reported during the year.	This being a statement of fact calls for no comments

For R. GOPAL & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm registration No.:000846C

Place: NEW DELHI  
Date: 26<sup>th</sup> MAY,2014

Sd/-  
S. AGARWAL (CA)  
PARTNER  
M.No. 058409

**SOUTH EASTERN COALFIELDS LIMITED**  
[A Subsidiary of Coal India Limited]

**BALANCE SHEET**

As at 31st March, 2014

(₹ In Crores)

	Note No	As at 31.03.2014		As at 31.03.2013	
<b>I EQUITY AND LIABILITIES</b>					
<b>(1) Shareholders' Fund</b>					
a) Share Capital	1	359.70		359.70	
b) Reserves & Surplus	2	9,688.28		8,265.99	
c) Money Received against Share Warrants		-	10,047.98	-	8,625.69
<b>(2) Share Application money pending allotment</b>					
			-		-
<b>(3) Non-Current Liabilities</b>					
a) Long Term Borrowing	3	-		194.64	
b) Deferred Tax Liabilities (Net)		-		-	
c) Other Long Term Liabilities	4	757.65		599.31	
d) Long Term Provisions	5	6,623.71	7,381.36	5,791.14	6,585.09
<b>(4) Minority Interest</b>					
			-		-
<b>(5) Current Liabilities</b>					
a) Short Term Borrowings	6	-		-	
b) Trade Payables	7	96.65		96.17	
c) Other Current Liabilities	8	3,026.10		3,054.28	
d) Short Term Provisions	9	1,665.99	4,788.74	2,249.73	5,400.18
<b>Total</b>			<b>22,218.08</b>		<b>20,610.96</b>
<b>II ASSETS</b>					
<b>(1) Non-Current Assets</b>					
(a) Fixed Assets	10A				
i) Tangible Assets - Gross Block		7,287.48		6,974.68	
Less: Depreciation, Impairment & Provisions		4,131.81		3,827.37	
Net Carrying Value			3,155.67		3,147.31
ii) Intangible Assets - Gross Block	10A	529.87		471.11	

**SOUTH EASTERN COALFIELDS LIMITED**

[A Subsidiary of Coal India Limited]

(₹ In Crores)

**BALANCE SHEET (Contd.)**

As at 31st March, 2014

Non-Current Assets (contd ... )	Note No	As at 31.03.2014	As at 31.03.2013
Less: Depreciation, Impairment & Provisions		<u>300.67</u>	<u>289.41</u>
Net Carrying Value		229.20	181.70
iii) Capital Work-in-Progress	10B	843.28	568.92
iv) Intangible Assets under Development	10C	602.39	465.83
(b) Non-Current Investments	11	123.22	246.32
(c) Deferred Tax Assets (Net)		39.88	160.58
(d) Long Term Loans & Advances	12	273.09	211.40
(e) Other Non-Current Assets	13	56.22	56.72
<b>(2) Current Assets</b>			
(a) Current Investments	14	178.21	183.16
(b) Inventories	15	1,005.13	820.84
(c) Trade Receivables	16	1,336.78	1,350.29
(d) Cash & Bank Balance	17	10,941.86	10,280.65
(e) Short Term Loans & Advances	18	2,164.11	1,567.86
(f) Other Current Assets	19	<u>1,269.04</u>	<u>1,369.38</u>
<b>Total</b>		<b>22,218.08</b>	<b>20,610.96</b>
Significant Accounting Policies	33		
Additional Notes on Accounts	34		

The Notes referred to above form an integral part of Balance Sheet

**(CS S.M. YUNUS)**  
Company Secretary**(P.K.SAHOO)**  
GM (Finance)**(A.P. PANDA)**  
Director (Finance)  
DIN - 06664375**(NAGENDRA KUMAR)**  
Chairman-Cum-Managing Director  
DIN - 02624808As per our report annexed  
**FOR R. GOPAL & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
Firm Regn No. 000846C  
[CA, SOCIETY/AL]  
PARTNER

Membership NO.058409

Date: 26<sup>th</sup> MAY,2014  
Place: NEW DELHI

## SOUTH EASTERN COALFIELDS LIMITED

[A Subsidiary of Coal India Limited]

### STATEMENT OF PROFIT & LOSS

For the Year Ended 31st March, 2014

		(₹ In Crores)	
		For the Year ended 31.03.2014	For the Year ended 31.03.2013
	Note No		
<b><u>INCOME</u></b>			
Sale of Coal, Coke etc.	20	22,228.61	21,408.13
<b>Less:</b> Excise Duty		1,289.45	1,132.62
Other Levies		4,082.56	3,987.12
I Revenue From Operations		16,856.60	16,288.39
II Other Income	21	1,737.65	1,359.69
III Total Revenue (I + II)		<b>18,594.25</b>	<b>17,648.08</b>
<b><u>IV EXPENSES</u></b>			
Cost of Material Consumed	22	1,595.64	1,328.73
Purchase of Stock-in-trade			
Change in inventories of finished goods, work in progress and Stock in trade	23	(160.02)	94.29
Employee benefit expenses	24	5,880.65	5,742.32
Power & Fuel		539.26	506.11
Welfare Expenses	25	94.23	96.37
Repairs	26	189.96	129.35
Contractual Expenses	27	1,562.39	1,383.71
Finance Costs	28	6.40	8.15
Depreciation/ Amortization/ Impairment		429.33	428.48
Provisions	29	(85.82)	199.91
Write Offs	30	-	0.13
Overburden Removal Adjustment		714.83	870.08
Other Expenditure	31	624.57	570.83
<b>Total Expenses</b>		<b>11,391.42</b>	<b>11,358.46</b>
V <b>Profit before prior period, exceptional and extraordinary items and tax (III-IV)</b>		7,202.83	6,289.62
VI Prior Period Adjustment {Charges/ (Incomes)}	32	0.15	(0.75)
VII Exceptional Items		-	-
VIII <b>Profit before extraordinary items and tax (V-VI- VII)</b>		<b>7,202.68</b>	<b>6,290.37</b>

**SOUTH EASTERN COALFIELDS LIMITED**

[A Subsidiary of Coal India Limited]

**STATEMENT OF PROFIT & LOSS (Contd.)**

For the Year Ended 31st March, 2014

(₹ In Crores)

	Note No	For the Year ended 31.03.2014	For the Year ended 31.03.2013
IX Extra ordinary Items		-	-
X Profit before Tax (VIII-IX)		7,202.68	6,290.37
XI Less: Tax Expense			
- Current year		2,296.90	2,108.65
- Deferred Tax		120.70	(77.75)
- Earlier years		12.78	(39.56)
<b>XII Profit for the Year from continuing operations (X-XI)</b>		<b>4,772.30</b>	<b>4,299.03</b>
XIII Profit from discontinuing operations		-	-
XIV Tax expenses of discontinuing operations		-	-
XV Profit from discontinuing operations (after tax) (XIII-XIV)		-	-
<b>XVI Profit for the Year (XII-XV)</b>		<b>4,772.30</b>	<b>4,299.03</b>
<b>XVII Earning per equity share (in ₹ )</b> <b>(Face Value ofRs. 1000/- per share)</b>			
(1) Basic		13,267.45	11,951.71
(2) Diluted		13,267.45	11,951.71

Significant Accounting Policies 33

Additional Notes on Accounts 34

The Notes referred to above form an integral part of Statement of Profit &amp; Loss

**(CS S.M. YUNUS)**  
Company Secretary**(P.K.SAHOO)**  
GM (Finance)**(A.P. PANDA)**  
Director (Finance)  
DIN - 06664375**(NAGENDRA KUMAR)**  
Chairman-Cum-Managing Director  
DIN - 02624808As per our report annexed  
**FOR R. GOPAL & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
Firm Regn No. 000846CDate: 26<sup>th</sup> MAY,2014

Place: NEW DELHI

[CA, R. GOPAL & ASSOCIATES/AL]  
PARTNER  
Membership NO.058409

## SOUTH EASTERN COALFIELDS LIMITED

[A Subsidiary of Coal India Limited]

### THE CASH FLOW STATEMENT (INDIRECT METHOD)

For the Year ended 31st March, 20 14

(₹ In Crores)

#### FOR THE YEAR ENDED

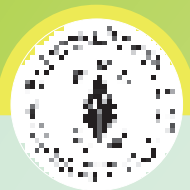
31st March, 2014      31st March, 2013

#### A. CASH FLOWS FROM OPERATING ACTIVITIES:

<b>Net Profit before tax</b>	<b>7202.68</b>	<b>6290.37</b>
<b>Adjustment for:</b>		
Depreciation & Impairment of Fixed Assets	429.48	427.73
Interest Income	(1049.82)	(1036.40)
Dividend from Mutual fund investments	(47.13)	(34.92)
Interest expense	2.95	4.52
OBR adjustment	714.83	870.08
Profit/Loss of sale of assets [net]	(2.20)	(1.41)
Provision for Capital WIP and P&M in Stores	0.58	3.17
Exchange Rate Fluctuation	13.58	(0.22)
<b>Operating profit before Current / Non Current Assets and Liabilities</b>	<b>7264.95</b>	<b>6522.92</b>
<b>Adjustments for:</b>		
Trade Receivable	13.51	(886.01)
Inventories	(184.29)	78.67
Short/Long term Loans / Advances & Other Current Assets	9.25	884.49
Short/Long term Liabilities and Provisions	232.53	204.08
Gratuity, leave encashments & Other Employees Benefit	159.21	(134.07)
<b>Cash generated from operations</b>	<b>7495.16</b>	<b>6670.08</b>
Income Tax paid / refund	(2882.05)	(2717.89)
Interest paid	(0.47)	(0.26)
<b>Net Cash Flow from Operating Activities (A)</b>	<b>4612.64</b>	<b>3951.93</b>

#### B. CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of Fixed Assets	(889.76)	(614.33)
Proceeds from sale of equipment	7.39	10.78
Proceeds/(Purchase) of Investments incl. Fixed Deposit and Mutual Funds	(135.06)	(490.06)
Interest received on Fixed Deposit	1021.80	938.37
Interest pertaining to Investments	34.04	44.49
Dividend from Mutual fund Investments	47.13	34.92
<b>Net cash flow from Investing Activities (B)</b>	<b>85.54</b>	<b>(75.83)</b>



## SOUTH EASTERN COALFIELDS LIMITED

[A Subsidiary of Coal India Limited]

### THE CASH FLOW STATEMENT (INDIRECT METHOD)

For the Year ended 31st March, 20 14

(₹ In Crores)

#### FOR THE YEAR ENDED

31st March, 2014      31st March, 2013

#### C. CASH FLOWS FROM FINANCING ACTIVITIES

Repayment of Borrowing	(267.56)	(47.23)
Interest & Finance cost pertaining to Financing Activities	(2.48)	(4.26)
Dividend paid	(3444.63)	(2984.73)
Dividend Tax paid	(585.41)	(484.20)
<b>Net cash used in Financing Activities</b>	<b>(4300.08)</b>	<b>(3520.42)</b>
<b>Net increase/ decrease in Cash &amp; Bank Balances (A+B+C)</b>	<b>398.10</b>	<b>355.68</b>
<b>Cash and cash equivalent (Opening Balance)</b>	<b>2148.94</b>	<b>1793.26</b>
<b>Cash and cash equivalent (Closing Balance)</b>	<b>2547.04</b>	<b>2148.94</b>

(All figures in bracket represent outflow)

**(CS S.M. YUNUS)**  
Company Secretary

**(P.K.SAHOO)**  
GM (Finance)

**(A.P. PANDA)**  
Director (Finance)  
DIN - 06664375

**(NAGENDRA KUMAR)**  
Chairman-Cum-Managing Director  
DIN - 02624808

Date: 26<sup>th</sup> MAY, 2014

Place: NEW DELHI

As per our report annexed  
**FOR R. GOPAL & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
Firm Regn No. 000846C

[CA. R. GOPAL]  
PARTNER  
Membership NO.058409

**SOUTH EASTERN COALFIELDS LIMITED**  
[A Subsidiary of Coal India Limited]

**NOTES TO BALANCE SHEET**

**NOTE -1**

<b>SHARE CAPITAL</b>	(₹ In Crores)	
	As at 31.03.2014	As at 31.03.2013
<b>Authorised</b>		
(i) 1,00,00,000 (1,00,00,000) Equity Shares of ₹ 1000/- each	1,000.00	1,000.00
(ii) 30,00,000 (30,00,000) 10% Cumulative Redeemable Preference Shares of ₹ 1000/- each (Redeemed in the year 2003-04 as per terms of earliest redemption)	300.00	300.00
	<b>1,300.00</b>	<b>1,300.00</b>
<b>Issued, Subscribed and Paid-up</b>		
(i) 35,97,000 (35,97,000) Equity Shares of ₹ 1000/- each	359.70	359.70
<b>TOTAL</b>	<b>359.70</b>	<b>359.70</b>

Note

1.1 Shares in the company held by each shareholder holding more than 5% Shares

<b>Name of Shareholder</b>	<b>No. of Shares Held ( Face value of ₹ 1000/-each)</b>	<b>% of Total Shares</b>
Coal India Limited and its Nominees		
As at 31.03.2013	3597000	100%
As at 31.03.2014	3597000	100%

1.2 During the year there is no change in the number of shares.



## SOUTH EASTERN COALFIELDS LIMITED

[A Subsidiary of Coal India Limited]

### NOTES TO BALANCE SHEET (CONTD .... )

#### NOTE -2

#### RESERVES & SURPLUS

	As at 31.03.2014	As at 31.03.2013
(₹ In Crores)		
<b>RESERVES:</b>		
<b>A) Capital Reserve</b>		
As per last Balance Sheet	0.01	0.01
Add: Addition during the year	-	-
Less: Adjustment during the year	-	-
<b>Total (A)</b>	<b>0.01</b>	<b>0.01</b>
<b>B) Capital Redemption Reserve</b>		
As per last Balance Sheet	300.00	300.00
Add: Addition during the year	-	-
Less: Adjustment during the year	-	-
<b>Total (B)</b>	<b>300.00</b>	<b>300.00</b>
<b>C) Reserve for Foreign Exchange Transactions</b>		
As per last Balance Sheet	-	-
Add: Addition during the year	-	-
Less: Adjustment during the year	-	-
<b>Total (C)</b>	<b>-</b>	<b>-</b>
<b>D) CSR Reserve</b>		
As per last Balance Sheet	142.23	128.77
Add: Addition during the year	63.92	60.09
Less: Transfer to General Reserve (utilisation)	43.91	46.63
<b>Total (D)</b>	<b>162.24</b>	<b>142.23</b>
<b>E) Sustainable Development Reserve</b>		
As per last Balance Sheet	0.56	-
Add: Addition during the year	4.70	4.50
Less: Transfer to General Reserve (utilisation)	0.63	3.94
<b>Total (E)</b>	<b>4.63</b>	<b>0.56</b>
<b>F) General Reserve</b>		
As per last Balance Sheet	2,256.95	1,776.48
Add: Transfer from surplus in Statement of Profit & Loss	477.23	429.90
Add: Transfer from CSR Reserve	43.91	46.63
Add: Transfer from Sustainable Development Reserve	0.63	3.94
<b>Total (F)</b>	<b>2,778.72</b>	<b>2,256.95</b>

## SOUTH EASTERN COALFIELDS LIMITED

[A Subsidiary of Coal India Limited]

## NOTES TO BALANCE SHEET (CONTD .... )

## NOTE - 2 (Contd.)

RESERVES & SURPLUS Contd ...	(₹ In Crores)	
	As at 31.03.2014	As at 31.03.2013
<b>G) Surplus in Statement of Profit &amp; Loss</b>		
As per last Balance Sheet	5,566.24	4,768.38
Profit after Tax during the year	4,772.30	4,299.03
<b>Profit available for appropriation</b>	<b>10,338.54</b>	<b>9,067.41</b>
<b>Appropriation</b>		
Reserve for Foreign Exchange Transaction	-	-
Transfer to General Reserve	477.23	429.90
Transfer to CSR Reserve	63.92	60.09
Transfer to Sustainable Development Reserve	4.70	4.50
Interim Dividend (₹6401.38 (₹3996.00) per share)	2,302.58	1,437.36
Proposed final Dividend (₹ 1559.08 (₹3175.00) per share)	560.80	1,142.05
Corporate Dividend Tax	486.63	427.27
<b>Total (G)</b>	<b>3,895.86</b>	<b>3,501.17</b>
	<b>6,442.68</b>	<b>5,566.24</b>
Miscellaneous Expenditure ( to the extent not written off)		
Preliminary Expenses		
Pre - Operational Expenses		
<b>TOTAL (A+B+C+D+E+F+G)</b>	<b>9,688.28</b>	<b>8,265.99</b>

**2.1 CSR Reserve**

The Company create a reserve equivalent to 5% of retained earnings of previous year subject to a minimum of ₹5/- per tonne of coal production of previous year, for meeting expenses relating to CSR activities in the states to which the Company belongs. A sum of of ₹63.92 Crores (₹60.09 Crores) is earmarked during the year for CSR Activities. The actual expenses incurred and accounted for ₹43.91 Crores (₹46.63 Crores) has been transferred to General Reserve from CSR Reserve as utilised.

**2.2 Sustainable Development Reserve**

Following the guidelines of Department of Public Enterprises, Ministry of Heavy Industries & Public Enterprises vide its office memorandum dated 23<sup>rd</sup> September, 2011 issued Guidelines on Sustainable Development for CPSEs, provides for creation of a fund at the rate of ₹0.50 crore plus 0.1% of profit after tax of the previous year exceeding noo crore. A Sustainable Development Reserve of ₹4.70 Crores (₹4.50 Crores) has been created during the year by way of appropriation of profits. The actual expenses incurred and accounted for during the year is ₹0.63 Crores (₹3.94 Crores) has been transferred to General Reserve from Sustainable Development Reserve as utilised.



**SOUTH EASTERN COALFIELDS LIMITED**  
[A Subsidiary of Coal India Limited]

**NOTES TO BALANCE SHEET (CONTD .... )**

**NOTE -3**

**LONG TERM BORROWING**

(₹ In Crores)

	As at 31.03.2014	As at 31.03.2013
<b>TERM LOAN</b>		
<b>IBRD</b>	-	105.22
<b>JBIC</b>	-	89.42
Loan From Coal India Limited	-	-
<b>TOTAL</b>	-	<b>194.64</b>
<b>CLASSIFICATION 1</b>		
Secured	-	-
Unsecured	-	194.64

**CLASSIFICATION 2**

**Loan Guaranteed by Directors & Others**

Particulars of Loan	Amount In ₹ Crores	Nature of Guarantee
	NIL	

**3.1 Amount outstanding in Foreign Currency:**

US Dollar (in Crores) : IBRD	-	1.92
Japanes Yen ( in Crores) : JBIC	-	152.92

3.2 There is no default in repayment of loans and interest.

3.3 Security :

**IBRD**-Guarantee Agreement dated March 19,1998 executed between India and IBRD.

**JBIC**- Guarantee executed by the President of India.

3.4 Repayment is in 30 instalments, to be made semi annually, starting May 15,2003 and ending on November 15, 2017. However, full pre-payment has been made during the year.

3.5 The Company acquired certain HEMM equipments & spares etc. out of foreign currency loan from IBRD and JBIC through Coal India Ltd. and guaranteed by the Govt. of India.

3.6 Reconciliation between Opening and Closing Balances:

(₹ in Crores)

**A) IBRD**

Opening Balance:	105.22	121.36
Less: Transfer to Current Liability	105.22	22.61
Add (Less): Impact of Exchange Rate Flactuation	-	6.47
Closing Balance:	-	105.22

**SOUTH EASTERN COALFIELDS LIMITED**  
[A Subsidiary of Coal India Limited]

**NOTES TO BALANCE SHEET (CONTD .... )**

**NOTE -3**

**LONG TERM BORROWING**

	(₹ In Crores)	
	As at 31.03.2014	As at 31.03.2013
<b>B) JBIC</b>		
Opening Balance:	89.42	123.55
Less: Transfer to Current Liability	89.42	24.46
Add(Less): Impact of Exchange Rate Flactuation	-	(9.67)
Closing Balance:	-	89.42

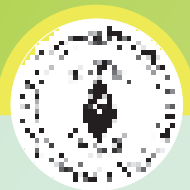
**NOTE -4**

**OTHER LONG TERM LIABILITIES**

	(₹ In Crores)	
	As at 31.03.2014	As at 31.03.2013
<b>Shifting &amp; Rehabilitation Fund</b>		
Opening Balance	-	-
Add: Interest on Investment of the fund	-	-
Add: Contribution Received	-	-
Less: Amount utilised	-	-
<b>Total</b>	-	-
Trade Payable	-	-
Security Deposits	340.25	283.62
Others	417.40	315.69
<b>Total</b>	<b>757.65</b>	<b>599.31</b>
<b>TOTAL</b>	<b>757.65</b>	<b>599.31</b>

**4.1 Others**

Others ₹417.40 Crores includes ₹412.91 Crores relating to amount realized from customers and employees on account of cases pending before various courts/ arbitration with Interest earned on bank deposits related to such liabilities.



**SOUTH EASTERN COALFIELDS LIMITED**  
[A Subsidiary of Coal India Limited]

**NOTES TO BALANCE SHEET (CONTD .... )**

**NOTE -5**

**LONG TERM PROVISIONS**

	As at 31.03.2014	As at 31.03.2013
		(₹ In Crores)
<b>For Employee Benefits</b>		
- Gratuity	-	-
- Leave Encashment	421.71	421.82
- Other Employee Benefits	215.38	171.15
For Foreign Exchange Transactions (Marked to Market)	-	-
OBR Adjustment Account	5,343.41	4,628.58
Mine Closure	643.21	569.59
For Others	-	-
<b>TOTAL</b>	<b>6,623.71</b>	<b>5,791.14</b>

**5.1 The Position of various provisions is given below:**

(₹ In Crores)

	Provisions	Opening Balance	Addition/ Write back during the year	Paid/ Adj during year	Closing Balance
		1.04.2013			31.03.2014
i	For Gratuity	-	-	-	-
ii	For Leave Encashment	421.82	-	0.11	421.71
iii	For Other Employee Benefits	171.15	44.23		215.38
iv	For OBR Adjustment Account	4,628.58	714.83	-	5,343.41
v	For Mine Closure Plan	569.59	73.62	-	643.21

**5.2 Provision for Other Employee Benefits**

Provision for Other Employee Benefits includes Pension and Superannuation fund @3.00 % & 6.84% respectively on basic & DA for executives, Defined Benefit Scheme in this respect is not yet formulated; therefore liability is taken based on contribution to be made. However, Post Superannuation Medical Benefits are taken as per actuarial valuation, which is also included under other Employee Benefits.

**5.3 Provision for Mine Closure**

- (a) Following the guidelines from Ministry of Coal, GOI for preparation of mine closure plan a provision is made in the accounts. Such provision is made as per CMPDIL's (a subsidiary of Coal India Ltd.) technical assessment wherever available. Otherwise the same is provided considering the cost at a standard rate of ₹6.00 lakh per

## SOUTH EASTERN COALFIELDS LIMITED

[A Subsidiary of Coal India Limited]

## NOTES TO BALANCE SHEET (CONTD .... )

## NOTE -5

hectare for OCP and ₹1.00 Lakh per hectare for UG mines as outlined in the aforesaid guidelines and the pro-rata yearly provision is further compounded by 5% from the year following which the same is started.

- (b) Provision for Mine Closure Plan ₹73.62 Crores (includes ₹ 37.12 Crores for Development Mines) has been provided during the year. As per the above guidelines, an amount equivalent to the provision made is to be deposited in an escrow account set up for this purpose. Escrow account has been opened for 84 Mines and ₹517.66 Crores has been deposited with Bank and interest earned there on ₹11.52 Crores.

## NOTE -6

## SHORT TERM BORROWING

	As at 31.03.2014	(₹ In Crores) As at 31.03.2013
<b>Loan from Bank</b>		
<b>Loans Repayable on Demand</b>		
Balance with Coal India Limited & other Subsidiaries of Coal India Limited	-	-
Overdraft against Pledge of Term Deposit	-	-
<b>Other Loans and Advances</b>		
Deferred Credits	-	-
<b>TOTAL</b>	-	-
<b>CLASSIFICATION 1</b>		
Secured	-	-
Unsecured	-	-
<b>CLASSIFICATION 2</b>		

## 6.1 Loan Guaranteed by Directors &amp; Others

Particulars of Loan	Amount In ₹ Crores	Nature of Guarantee
	NIL	

## 6.2 Amount outstanding in Foreign Currency : NIL

## 6.3 Cash Credit

The Company has executed a Joint Deed of Hypothecation in favour of the State Bank Consortium, which includes State Bank of India and 17 other Banks for the purpose of availing working capital facilities both fund based and non-fund based. As per the Consortium Agreement (Revised) dated: 18.08.2011, the Company agreed that the said facilities shall be collaterally secured by SECL by creating hypothecation charge over current assets comprising of Book Debts, Stocks of Raw Materials, Semi Finished and Finished goods, Stores and Spares not relating to Plant & Machinery (Consumable, Stores & Spares), both present and future jointly and severally in favour of said Banks for a sum of ₹165.00 Crores. There is no credit balance in the cash credit account.



## SOUTH EASTERN COALFIELDS LIMITED

[A Subsidiary of Coal India Limited]

### NOTES TO BALANCE SHEET (CONTD .... )

#### NOTE -7

TRADE PAYABLES	(₹ In Crores)	
	As at 31.03.2014	As at 31.03.2013
Sundry Creditors For Revenue Stores	96.65	96.17
<b>TOTAL</b>	<b>96.65</b>	<b>96.17</b>
Bifurcation of Sundry Creditors for Supplies between Micro, Small & Medium Enterprises and others:		
Note		
7.1 Micro, Small & Medium Enterprises	4.38	3.71
Others	92.27	92.46
<b>TOTAL</b>	<b>96.65</b>	<b>96.17</b>

#### NOTE - 8

OTHER CURRENT LIABILITIES	(₹ In Crores)	
	As at 31.03.2014	As at 31.03.2013
<b>Current Maturities of Long Term Borrowings</b>		
Term Loan From IBRD	-	22.61
Term Loan From JBIC	-	24.46
For Capital (including Stores)	20.68	20.30
<b>For Expenses:</b>		
Salary Wages & Allowances	369.00	340.85
Power & Fuel	61.55	59.87
Others	679.23	968.83
	<b>1,130.46</b>	<b>1,436.92</b>
<b>Statutory Dues:</b>		
Sales Tax / VAT	21.09	20.19
Provident Fund & Pension Fund	99.55	88.96
Central Excise Duty	0.17	0.82
Royalty & Cess on Coal	106.23	125.45
Stowing Excise Duty	21.65	21.13
Clean Energy Cess	108.26	105.74
Other Statutory Levies	83.17	233.08
Income Tax Deducted at Source	26.02	32.07
	<b>466.14</b>	<b>627.44</b>

## SOUTH EASTERN COALFIELDS LIMITED

[A Subsidiary of Coal India Limited]

### NOTES TO BALANCE SHEET (CONTD .... )

#### NOTE - 8 (Contd...)

OTHER CURRENT LIABILITIES (Contd...)	As at 31.03.2014	As at 31.03.2013
		(₹ In Crores)
<b>Others:</b>		
Security Deposit	114.84	104.92
Earnest Money	41.88	44.62
Advance & Deposit from Customers / Others	1,272.78	840.38
Current Account with Coal India Ltd.	-	-
	<b>1,429.50</b>	<b>989.92</b>
<b>TOTAL</b>	<b>3,026.10</b>	<b>3,054.28</b>
<b>8.1</b> Amount outstanding in foreign currency:		
US Dollar (in Crores) : <b>IBRD</b>	-	0.41
Japanes Yen (in crores): <b>JBIC</b>	-	41.84
<b>8.2</b> No unpaid dividend amount is due for payment to Investor Education & Protection Fund.		
<b>8.3</b> Reconciliation between Opening and Closing Balances :		(₹ In Crores )
<b>A) IBRD</b>		
Opening Balance:	22.61	18.87
Less: Repayment of Loan	144.38	21.00
Add (Less):Impact of Exchange Rate Flactuation	16.55	2.13
Add: Transfer from Non-Current	105.22	22.61
Closing Balance:	-	22.61
<b>B) JBIC</b>		
Opening Balance:	24.46	25.43
Less: Repayment of Loan	123.18	26.23
Add (Less):Impact of Exchange Rate Flactuation	9.30	0.80
Add: Transfer from Non-Current	89.42	24.46
Closing Balance:	-	24.46
<b>8.4</b> Advance & Deposit from Customers/ Others includes ₹15.48 Crores received from Devnara Coalfields Ltd. towards recoverable cost of exploration of Rajgamar Dip Side (Devnara coal block),which is allotted to the party, pending finalisation of survey etc.		
<b>8.5</b> Other Current Liabilities- Others includes ₹2.96 Crores on account of liability taken for Coal India Sports Promotion Association (CISP A) @ ₹0.25 per tonne of coal produced of previous year.		



**SOUTH EASTERN COALFIELDS LIMITED**  
[A Subsidiary of Coal India Limited]

**NOTES TO BALANCE SHEET (CONTD .... )**

**NOTE -9**

(₹ In Crores)

**SHORT TERM PROVISIONS**

	<b>As at 31.03.2014</b>	<b>As at 31.03.2013</b>
For Employee Benefits		
- Gratuity	72.55	115.71
- Leave Encashment	38.03	31.84
- Exgratia (PLRS)	214.40	190.31
- Performance Related Pay (PRP) (Net)	403.97	305.83
- Other Employee Benefits	206.84	215.75
For Proposed Dividend	560.80	1,142.05
For Corporate Dividend Tax	95.31	194.09
For Provision for Income Tax	-	-
Less: Advance Income Tax / Tax Deducted at Source	-	-
For Excise Duty on Closing Stock of Coal	73.59	53.43
For Others (Wealth Tax)	0.50	0.72
<b>TOTAL</b>	<b>1,665.99</b>	<b>2,249.73</b>

**9.1 The Position of various provisions is given below:**

Provisions	Opening Balance <b>01.04.2013</b>	Addition /Write Back during the year	Paid/Adj during the year	Closing Balance <b>31.03.2014</b>
i For Gratuity	115.71	10.08	53.24	72.55
ii For Leave Encashment	31.84	89.39	83.20	38.03
iii For PLRS	190.31	222.56	198.47	214.40
iv For PRP	305.83	91.76	(6.38)	403.97
v For Other Employee Benefits	215.75	178.81	187.72	206.84
vi For Proposed Dividend	1,142.05	560.80	1,142.05	560.80
vii For Interim Dividend	-	2,302.58	2,302.58	-
viii For Corporate Dividend Tax	194.09	486.63	585.41	95.31
ix For Excise Duty	53.43	20.16	-	73.59
x For Others (Wealth Tax)	0.72	-	0.22	0.50

**9.2 Performance Related Pay (PRP)**

An amount of ₹143.43 Crores has been paid till date as Recoverable advance against Performance Related Pay (PRP) adjusted against the Provision made for PRP.

**SOUTH EASTERN COALFIELDS LIMITED**  
[A Subsidiary of Coal India Limited]

**NOTES TO BALANCE SHEET ( CONTD .....)**

**NOTE-10 A**  
**FIXED ASSETS**

(₹ In Crores)

PARTICULARS	GROSS BLOCK			DEPRECIATION			IMPAIRMENT			CARRYING VALUE		
	As on 01.04.2013	Addition During the Year	Adj./Sale /transfer during the Year	As on 01.04.2013	Addition During the Year	Adj./Sale /transfer during the Year	As on 01.04.2013	Addition During the Year	Adj./Sale /transfer during the Year	Total Depreciation & Impairment Loss	As on 31.03.2014	As on 31.03.2013
<b>TANGIBLE ASSETS</b>												
<b>Land</b>												
(a) Freehold	9.35	1.44	0.00	10.79	0.00	0.00	0.00	0.00	0.00	0.00	10.79	9.35
(b) Leasehold	1095.58	81.62	0.00	1177.20	478.83	0.00	518.01	0.00	0.00	518.01	659.19	616.75
Buildings/Water supply/Roads and Culverts	924.26	13.64	(0.06)	937.84	308.36	20.22	328.52	0.15	0.00	328.67	609.17	615.75
Plant and Equipment	4734.64	282.15	(110.36)	4906.43	2875.47	344.03	3114.51	5.45	0.00	3119.96	1786.47	1853.72
Telecommunication equipment	30.82	28.85	-	59.67	26.75	1.74	28.49	0.00	0.00	28.49	31.18	4.07
Railway Sidings	68.95	15.50	0.00	84.45	44.05	3.48	47.53	0.00	0.00	47.53	36.92	24.90
Furniture & Fixtures / Office Tools & Equipments / Electrical Fittings/	28.28	1.94	(1.29)	28.93	26.20	1.40	22.28	0.00	0.00	22.28	6.65	2.08
Fire Arms	24.11	0.84	(0.08)	24.87	13.23	1.03	18.27	0.00	0.00	18.27	6.60	10.88
Vehicles	58.69	0.60	(1.98)	57.31	48.88	1.60	48.60	0.00	0.00	48.60	8.71	9.81
Aircraft	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Development	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Assets taken on Nationalisation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL</b>	<b>6974.67</b>	<b>426.58</b>	<b>(113.77)</b>	<b>7287.48</b>	<b>3821.77</b>	<b>412.68</b>	<b>4126.21</b>	<b>5.60</b>	<b>0.00</b>	<b>4131.81</b>	<b>3155.67</b>	<b>3147.30</b>
<b>TANGIBLE ASSETS</b>												
(AS on 31.03.2013)	<b>6613.64</b>	<b>490.53</b>	<b>(129.49)</b>	<b>6974.68</b>	<b>3528.90</b>	<b>413.60</b>	<b>3821.77</b>	<b>5.70</b>	<b>(0.10)</b>	<b>3827.37</b>	<b>3147.31</b>	<b>3079.04</b>
<b>INTANGIBLE ASSETS</b>												
Computer Software	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Development	392.39	39.60	(4.96)	427.03	208.98	13.63	217.60	40.99	(0.55)	258.02	169.01	142.42
Prospecting & Boring	78.72	24.91	(0.79)	102.84	32.21	3.99	35.48	7.23	(0.06)	42.65	60.19	39.28
<b>Total</b>	<b>471.11</b>	<b>64.51</b>	<b>(5.75)</b>	<b>529.87</b>	<b>241.19</b>	<b>17.62</b>	<b>253.08</b>	<b>48.22</b>	<b>(0.61)</b>	<b>300.67</b>	<b>229.20</b>	<b>181.70</b>
<b>INTANGIBLE ASSETS</b>												
(AS on 31.03.2013)	<b>478.97</b>	<b>28.69</b>	<b>(36.55)</b>	<b>471.11</b>	<b>245.51</b>	<b>13.99</b>	<b>241.19</b>	<b>70.36</b>	<b>(22.83)</b>	<b>289.41</b>	<b>181.70</b>	<b>163.10</b>

NOTE: 1. Leased out Assets to M/s Apollo Hospitals included under Buildings. Gross value- ₹ 31.32 Crores (Previous year ₹ 31.32 Crores) & accumulated depreciation- ₹ 8.11 Crores (Previous year ₹ 7.71 Crores)

2. Leased out Assets to M/s Aryan Coal Beneficiations Pvt. Ltd. value ₹ 8.02 Crores (₹ 8.02 Crores) and accumulated depreciation is ₹ 7.41 Crores (₹ 7.14 Crores).

**SOUTH EASTERN COALFIELDS LIMITED**  
[A Subsidiary of Coal India Limited]



**NOTE-10 B**  
**CAPITAL WORK IN PROGRESS**

(₹ In Crores)

PARTICULARS	COST			PROVISION			IMPAIRMENT LOSS			CARRYING VALUE	
	As on 01.04.2013	Addition During the Year	Adj/Sale /transfer during the Year	As on 31.03.2014	Addition During the Year	Adj/Sale /transfer during the Year	As on 31.03.2014	Addition During the Year	As on 31.03.2014	As on 31.03.2013	Total Provision & Impairment
<b>TANGIBLE ASSETS</b>											
Buildings/ Water supply / Roads and Culverts	27.86	61.85	(11.29)	78.42	0.00	0.00	1.08	0.00	0.00	77.34	26.78
Plant and Equipment	456.98	371.01	(159.22)	668.77	5.18	(4.95)	5.16	0.00	0.00	663.61	452.05
Railway Sidings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Development	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Others	74.82	94.76	(82.89)	86.69	0.00	0.00	0.04	0.00	0.00	86.65	74.78
<b>Total</b>	<b>559.66</b>	<b>527.62</b>	<b>(253.40)</b>	<b>833.88</b>	<b>5.18</b>	<b>(4.95)</b>	<b>6.28</b>	<b>0.00</b>	<b>0.00</b>	<b>827.60</b>	<b>553.61</b>
<b>TANGIBLE ASSETS</b>											
<b>(As on 31.03.2013)</b>	<b>550.12</b>	<b>488.36</b>	<b>(478.32)</b>	<b>559.66</b>	<b>5.52</b>	<b>(2.09)</b>	<b>6.05</b>	<b>0.00</b>	<b>0.00</b>	<b>553.61</b>	<b>547.50</b>
Surveyed Off Assets	15.34	5.53	(5.19)	15.68	0.00	(0.03)	0.00	0.00	0.00	15.68	15.31
<b>Surveyed Off Assets</b>											
<b>(AS on 31.03.2013)</b>	<b>14.80</b>	<b>6.33</b>	<b>(5.79)</b>	<b>15.34</b>	<b>0.03</b>	<b>0.00</b>	<b>0.03</b>	<b>0.00</b>	<b>0.00</b>	<b>15.31</b>	<b>14.80</b>
<b>Grand Total</b>	<b>575.00</b>	<b>533.15</b>	<b>(258.59)</b>	<b>849.56</b>	<b>5.18</b>	<b>(4.98)</b>	<b>6.28</b>	<b>0.00</b>	<b>0.00</b>	<b>843.28</b>	<b>568.92</b>
<b>Grand Total</b>											
<b>(As on 31.03.2013)</b>	<b>564.92</b>	<b>494.69</b>	<b>(484.61)</b>	<b>575.00</b>	<b>5.55</b>	<b>(2.09)</b>	<b>6.08</b>	<b>0.00</b>	<b>0.00</b>	<b>568.92</b>	<b>562.30</b>

## SOUTH EASTERN COALFIELDS LIMITED

[A Subsidiary of Coal India Limited]

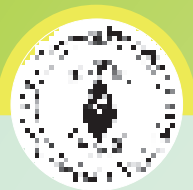
### NOTE-10 C INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ In Crores)

PARTICULARS	COST			PROVISION			IMPAIRMENT LOSS			CARRYING VALUE		
	As on 01.04.2013	Addition During the Year	Adj./Sale /transfer during the Year	As on 31.03.2014	As on 01.04.2013	Addition During the Year	Adj./Sale /transfer during the Year	As on 31.03.2014	As on 01.04.2013	Total Provision & Impairment	As on 31.03.2014	As on 31.03.2013
<b>INTANGIBLE ASSETS</b>												
Development	92.32	61.30	(33.42)	120.20	0.21	0.00	(0.01)	0.20	0.00	0.20	120.00	92.11
Prospecting and Boring	373.72	124.36	(15.69)	482.39	0.00	0.00	0.00	0.00	0.00	0.00	482.39	373.72
<b>Total</b>	466.04	185.66	(49.11)	602.59	0.21	0.00	(0.01)	0.20	0.00	0.20	602.39	465.83
<b>TANGIBLE ASSETS</b>												
(As on 31.03.2013)	<b>385.81</b>	<b>95.39</b>	<b>(15.16)</b>	<b>466.04</b>	<b>0.50</b>	<b>0.00</b>	<b>(0.29)</b>	<b>0.21</b>	<b>0.00</b>	<b>0.21</b>	<b>465.83</b>	<b>385.31</b>

Notes :-

- (a) On abolition of Coal Mines Welfare Organisation and Coal Mines Rescue Organisation (1985), the assets taken over at different Areas have been incorporated in the Accounts at a nominal value of ₹1.00 per asset, pending finalisation of purchase consideration for these assets which includes Hospital, Rescue Stations, Welfare Centers and others.
- (b) Title Deeds and/or Lease Deeds of Land and Buildings and Mining Rights are not available with the company as the transfer formalities from the Holding Company and its other Subsidiaries have not been completed and consequently some documents continue to be held in the name of the Holding Company and its other Subsidiaries. Land and other mining rights acquired under various notifications of Central/State Government have been taken as vested with the company without further lease agreement and are shown under the respective heads.
- (c) Lease hold lands acquired under all Rights/ Surface Rights, as per the provisions of the Coal Bearing Area (Acquisition and Development) Act, 1957 or the Mines and Minerals (Regulation and Development) Act, 1957 as the case may be, for carrying out opencast mining operations as well as underground mining operations and to build necessary infrastructure and involve payment of compensation to landowners for the land acquired. All rights / surface rights also include mining rights for which no extra payment is involved.
- (d) The fluctuations in foreign exchange rate have been accounted for under (a) Fixed Assets to the extent of ₹12.27Crores [(- ₹0.05 Crores] and (b) charged to Profit & Loss account, ₹13.58Crores [(-), ₹0.22 Crores] as Foreign exchange fluctuation in respect of borrowed fund.
- (e) Against the Plant & Machinery, which are lying in Stores and remain unremoved, a net provision to the extent of ₹0.23 Crores ₹3.43 Crores] is (-) withdrawn / made being equivalent to depreciation at the applicable rates each year.
- (f) Buildings and Building Work-in-progress include Roads and Culverts falling within the colliery and township, electrical fittings, water supply arrangements and sanitary fittings.
- (g) Physical verification of Fixed Assets like Land, Building, Railway Siding and other immovable assets are carried out once in every three years and of Movable Assets/Equipment costing more than ₹1.00Lakh in each case every year. Equipment/assets costing less than ₹1.00 Lakh in each case are verified once in every two years.
- (h) Certain items of inventory of stores such as Conveyor Belt, Power Cable etc. in stock at the end of the year have been treated as Capital Goods in Stores and shown under Schedule of Fixed Assets.
- (i) Expenditure incurred on behalf of the Company by the Central Mines Planning & Design Institute Ltd. (A subsidiary of Coal India Ltd.) on Planning, Designing, Exploration & Development and other Development expenditure incurred by the Company have been capitalised in respect of sanctioned projects. Expenditure relating to the projects yet to be sanctioned or construction yet to be taken up has been carried forward under 'Prospecting & Boring under construction'.
- (j) Other provisions for Capital WIP and surveyed off assets is made ₹0.35 Crore (-) ₹0.26Crore has been (-) withdrawn/ made during the year.



**SOUTH EASTERN COALFIELDS LIMITED**  
[A Subsidiary of Coal India Limited]

**NOTES TO BALANCE SHEET (CONTD .... )**

**NOTE - 10 [CONTD... ]**

**RECONCILIATION OF  
DEPRECIATION & IMPAIRMENT:**

Statement of Profit & Loss

Capitalisation

Prior Period Expenses

**TOTAL**

**As at  
31.03.2014**

429.33

0.21

0.15

**429.69**

(₹ In Crores)

**As at  
31.03.2013**

428.48

0.45

(0.75)

**428.18**

## SOUTH EASTERN COALFIELDS LIMITED

[A Subsidiary of Coal India Limited]

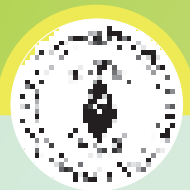
### NOTES TO BALANCE SHEET (CONTD .... )

#### NOTE -11

(₹ In Crores)

#### NON - CURRENT INVESTMENTS - (unquoted) at cost

	Number of shares/bonds current year/ (previous year)	Face value per share/bond ₹)	As at 31.03.2014	As at 31.03.2013
<b>Trade (Unquoted)</b>				
<b><u>8.5% Tax Free Special Bonds (Fully Paid up) :</u></b> (on securitisation of Sundry Debtors)				
<u>Major State-wise Break-up</u>				
Maharashtra	256340 ( 512680)	1,000.00	25.63	51.27
Madhya Pradesh	623800 (1247600)	1,000.00	62.38	124.76
Gujarat	351480 (702960)	1,000.00	35.15	70.29
Others -				
Consumer Co-operative Societies Ltd. Baikunthpur	250 (250)	10.00	-	-
<b>Non-trade (Unquoted) at cost</b>			-	-
<b>Equity Shares in Subsidiary Companies</b>				
Chhatisgarh East Railway Ltd	32000	10.00	0.03	-
Chhatisgarh East-West Railway Ltd	32000	10.00	0.03	-
<b>TOTAL</b>			<b>123.22</b>	<b>246.32</b>
Aggregate amount of Quoted Investment			NA	NA
Aggregate amount of Unquoted Investment			123.22	246.32
Fair Value of Quoted Investment			NA	NA
Provision Made for diminution in the value of Investment			NIL	NIL



**SOUTH EASTERN COALFIELDS LIMITED**  
[A Subsidiary of Coal India Limited]

**NOTES TO BALANCE SHEET (CONTD .... )**

**NOTE -12**

(₹ In Crores)

**LONG TERM LOANS & ADVANCES**

	<u>As at 31.03.2014</u>		<u>As at 31.03.2013</u>	
<b>Loans</b>				
Loan To Subsidiaries				
- Secured considered good	-		-	
- Unsecured considered good	-		-	
- Doubtful	-	-	-	-
Loan to employees				
For House Building				
- Secured considered good	15.18		17.49	
- Unsecured considered good	-		-	
- Doubtful	0.01		0.01	
	<u>15.19</u>		<u>17.50</u>	
Less: Provision for Doubtful Loans	0.01	15.18	0.01	17.49
For Motor Car and Other Conveyance				
- Secured considered good	0.06		0.15	
- Unsecured considered good	-		-	
- Doubtful	-		-	
	<u>0.06</u>		<u>0.15</u>	
Less: Provision for Doubtful Loans	-	0.06	-	0.15
For Others				
- Secured considered good	-		-	
- Unsecured considered good	-		-	
- Doubtful	0.09		0.10	
	<u>0.09</u>		<u>0.10</u>	
Less: Provision for Doubtful Loans	0.09	-	0.10	-
<b>Balance Carried Forward</b>		<b>15.24</b>		<b>17.64</b>

## SOUTH EASTERN COALFIELDS LIMITED

[A Subsidiary of Coal India Limited]

### NOTES TO BALANCE SHEET (CONTD .... )

#### NOTE - 12 (Contd.)

(₹ In Crores)

#### LONG TERM LOANS & ADVANCES (Contd ..)

	As at <u>31.03.2014</u>		As at <u>31.03.2013</u>	
<b>Balance brought Forward</b>	<b>15.24</b>		<b>17.64</b>	
<b>Advances</b>				
For Capital				
- Secured considered good	-		-	
- Unsecured considered good	123.39		69.03	
- Doubtful	0.53		0.53	
	123.92		69.56	
Less: Provision for Doubtful Advances	0.53	123.39	0.53	69.03
For Revenue				
- Secured considered good	-		-	
- Unsecured considered good	23.27		26.55	
- Doubtful	0.79		0.80	
	24.06		27.35	
Less: Provision for Doubtful Advances	0.79	23.27	0.80	26.55
Security Deposits				
- Secured considered good	-		-	
- Unsecured considered good	-		-	
- Doubtful	-		-	
	-		-	
Less: Provision for Doubtful deposits	-	-	-	-
Deposit for P&T, Electricity etc.				
- Secured considered good	-		-	
- Unsecured considered good	111.19		98.18	
- Doubtful	-		-	
	111.19		98.18	
Less: Provision for doubtful deposits	-	111.19	-	98.18
<b>TOTAL</b>	<b>273.09</b>		<b>211.40</b>	
<b>CLASSIFICATION</b>				
Secured	15.24		17.64	
Unsecured - Considered good	257.85		193.76	
- Considered doubtful	1.42		1.44	



**SOUTH EASTERN COALFIELDS LIMITED**  
[A Subsidiary of Coal India Limited]

**NOTES TO BALANCE SHEET (CONTD .... )**

**NOTE - 12 (Contd.)**

(₹ In Crores)

**LONG TERM LOANS & ADVANCES**  
(Contd ..)

Note:

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

12.2	Provisions	Opening balance	Addition during the year	Write back/ adj. during the year	Closing Balance
	Against Loan to employees for House Building	0.01	-	-	0.01
	Against Loan to employees for Others	0.10	-	0.01	0.09
	Against advances for Capital	0.53	-	-	0.53
	Against advances for Revenue	0.80	-	0.01	0.79
	<b>Total</b>	<b>1.44</b>	<b>-</b>	<b>0.02</b>	<b>1.42</b>

**SOUTH EASTERN COALFIELDS LIMITED**  
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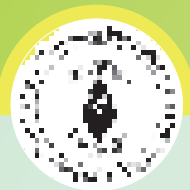
**NOTES TO BALANCE SHEET (CONTD .... )**

**NOTE -13**

(₹ In Crores)

**OTHER NON-CURRENT ASSETS**

		<u>As at 31.03.2014</u>		<u>As at 31.03.2013</u>
<b>Long Term Trade Receivable</b>				
- Secured considered goods	-		-	
- Unsecured considered goods	-		-	
- Doubtful	-		-	
		-		-
Less Provision for bad and doubtful trade receivables		-		-
<b>Exploratory Drilling Work</b>				
- Secured considered goods	-		-	
- Unsecured considered goods	-		-	
- Doubtful	-		-	
		-		-
Less: Provision for bad and doubtful		-		-
<b>Other Receivables</b>				
- Secured considered goods	-		-	
- Unsecured considered goods	56.22		56.72	
- Doubtful	6.47		6.47	
	62.69		63.19	
Less: Provision for bad & doubtful receivables	6.47	56.22	6.47	56.72
<b>TOTAL</b>		<b>56.22</b>		<b>56.72</b>
<b>CLASSIFICATION</b>				
Secured		-		-
Unsecured - Considered good		56.22		56.72
- Considered doubtful		6.47		6.47



**SOUTH EASTERN COALFIELDS LIMITED**  
[A Subsidiary of Coal India Limited]

**NOTES TO BALANCE SHEET (CONTD .... )**

**NOTE - 13 (Contd.)**

(₹ In Crores)

**OTHER NON-CURRENT ASSETS (Contd.)**

**Note:**

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

13.2 Other receivables amounting to ₹56.22 Crore (₹56.72 Crore) deposited under protest with tax authorities and others

13.3	Provisions	Opening balance	Addition during the year	Write back/ adj. during the year	Closing Balance
	Against other Receivables, considered adequate	6.47	-	-	6.47

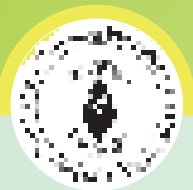
## SOUTH EASTERN COALFIELDS LIMITED

[A Subsidiary of Coal India Limited]

### NOTES TO BALANCE SHEET (CONTD .... )

#### NOTE -14

<b>CURRENT INVESTMENTS - (Unquoted) at Cost</b>		Number of shares/bonds current year/(previous year)	Face value per share/ bond ₹)	(₹ In Crores)	
				As at 31.03.2014	As at 31.03.2013
<b>Non-trade</b>					
A	Mutual Fund Investment				
	SBI Mutual Fund	249409.031 (598056.317)	1003.25 (1003.25)	25.02	60.00
	Canara Robeco Mutual Fund	39,813.33	1,005.50	4.00	-
	UTI Mutual Fund	225,845.22	1,019.45	23.03	-
	Union KBC Liquid Fund	30,006.66	1,000.65	3.00	-
	<b>Total (A)</b>			<b>55.05</b>	<b>60.00</b>
<b>Trade</b>					
B	8.5% Tax Free Special Bonds (Fully Paid up) : (on securitisation of Sundry Debtors)				
	State-wise Break-up				
	Maharashtra	256340 (256340)	1,000.00	25.63	25.63
	Madhya Pradesh	623800 (623800)	1,000.00	62.38	62.38
	Gujarat	351480 (351480)	1,000.00	35.15	35.15
	<b>Total(B)</b>			<b>123.16</b>	<b>123.16</b>
	<b>TOTAL (A+B)</b>			<b>178.21</b>	<b>183.16</b>
	Aggregate amount of Unquoted Investments			178.21	183.16
	Fair Value of Unquoted Investments			178.21	183.16
	Provision Made for diminution in the value of Investment			-	-



**SOUTH EASTERN COALFIELDS LIMITED**  
[A Subsidiary of Coal India Limited]

**NOTES TO BALANCE SHEET (CONTD .... )**

**NOTE -15**

(₹ In Crores)

**INVENTORIES**

(Valuation as per Accounting Policy No. 6 )

	<b>As at 31.03.2014</b>	<b>As at 31.03.2013</b>	
<b>A Stock of Coal, Coke etc. (Net)</b>			
Stock of Coal	564.50	444.07	
Coal under Development	1.11	1.48	
	<u>565.61</u>	<u>445.55</u>	
Less: Provision	-	-	445.55
<b>B Net Stock of Stores &amp; Spare (at cost)</b>			
Stock of Stores & Spare (at cost)	300.26	277.76	
Stores -in -transit	12.37	7.86	
	<u>312.63</u>	<u>285.62</u>	
Less: Provision	49.72	47.13	238.49
<b>C Net Stock of Workshop Jobs</b>			
Workshop Jobs:			
Work-in-progress and Finished Goods	166.34	126.53	
Less: Provision	-	-	126.53
<b>D Prospecting &amp; Boring / Development</b>			
Exp./Coal Blocks meant for Sale	10.27	10.27	
<b>TOTAL (A+B+C+D)</b>	<b>1,005.13</b>	<b>820.84</b>	

15.1 The Closing Stock of Stores at Central and Regional Stores has been considered in the Accounts as per balances appearing in Financial Ledger on progressive monthly weighted average method.

15.2 The Prospecting and Boring and development expenditure of ₹10.27 Crores (₹10.27 Crores) incurred on Datima (Bisrampur Area), Behraband (Hasdeo Area) and Baisi Block (Raigarh Area) and intended for sale to outside parties are shown under inventories. Rajgamar dip side (South of Phulkadih Nala) and Kesla North Block are also allotted to others. The sale proceeds of same are expected to be more than the cost.

15.3 Inventories have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.

15.4	Provisions	Opening balance	Addition during the year	Write back/ adj. during the year	Closing Balance
	Against Stock of Stores & Spares, considered adequate	47.13	2.59	-	49.72

## SOUTH EASTERN COALFIELDS LIMITED

[A Subsidiary of Coal India Limited]

### NOTES TO BALANCE SHEET (CONTD .... )

#### ANNEXURE TO NOTE - 15

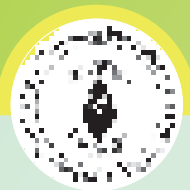
(Qty. in Lakh tonnes) (Value in ₹ Crores)

**Table: A**

#### Reconciliation of closing stock of Coal adopted in Account with Book stock as at the end of the year:

	Particulars	Overall Stock		Non-vendable Stock		Vendable Stock		Dankuni Coal Complex (Coal, Coal fines etc.)		Total	
		Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
1	A) Opening stock as on 01.04.13	55.30	431.64			55.30	431.64	0.39	13.91	55.69	445.55
	(B) Adjustment in Opening Stock										
	Total	55.30	431.64			55.30	431.64	0.39	13.91	55.69	445.55
2	Production during the year <sup>3</sup>	1242.61				1242.61				1242.61	
	Sub-Total (1+2)	1297.91				1297.91				1297.91	
3	Off- Take during the year:										
	(A) Outside Despatch	1218.23	16697.25			1218.23	16697.25		159.35	1218.23	16856.60
	(B) Coal feed to Washeries	0.00	0.00			0.00	0.00			0.00	0.00
	(C) Own Consumption <sup>1</sup>	2.04	46.67			2.04	46.67			2.04	46.67
	Sub-Total (3)	1220.27	16743.92			1220.27	16743.92		159.35	1220.27	16903.27
4	Derived Stock*	77.64	554.03			77.64	554.03	0.27	11.58	77.91	565.61
5	Measured Stock*	76.17	543.41			76.17	543.41	0.27	11.58	76.44	554.99
	Difference (4-5)	1.47	10.62			1.47	10.62			1.47	10.62
6	Break-up of Difference: -										
	(A) Excess within 5%	1.56	11.01			1.56	11.01			1.56	11.01
	(B) Shortage within 5%	0.09	0.39			0.09	0.39			0.09	0.39
	(C) Excess beyond 5%	0.00	0.00			0.00	0.00			0.00	0.00
	(D) Shortage beyond 5%	0.00	0.00			0.00	0.00			0.00	0.00
7	Closing stock in A/c (5-6A-6B)	<b>77.64</b>	<b>554.03</b>			<b>77.64</b>	<b>554.03</b>	<b>0.27</b>	<b>11.58</b>	<b>77.91</b>	<b>565.61</b>

\*includes 0.04 Lakh tonnes amounting ₹ 1.11 Crore in respect of Development Mine Vijay West at Chirimiri Area.



## SOUTH EASTERN COALFIELDS LIMITED

[A Subsidiary of Coal India Limited]

### NOTES TO BALANCE SHEET (CONTD .... )

#### ANNEXURE TO NOTE - 15 (Contd.)

Table: B

#### Summary of Closing Stock of Coal

(Qty. in Lakh tonnes) (Value in ₹ Crores)

Particulars	Raw Coal				Washed / Deshaled Coal				Dankuni Coal Complex (Coal, Coal fines etc.)		Total	
	Coking		Non-Coking		Coking		Non-Coking		Qty	Value	Qty	Value
	Qty	Value	Qty	Value	Qty	Value	Qty	Value				
Opening Stock			55.30	431.64					0.39	13.91	55.69	445.55
Less: Non-vendable Coal			0.00	0.00							0.00	0.00
Adjusted Opening Stock (Vendable)			0.00	0.00							0.00	0.00
Production <sup>3</sup>			1242.61								1242.61	0.00
Offtake*												
(A) Outside Despatch			1218.23	16856.60						159.35	1218.23	17015.95
(B) Coal feed to Washeries			0.00	0.00							0.00	0.00
(C) Own Consumption I			2.04	46.67							2.04	46.67
TOTAL			1220.27	16903.27					0.00	159.35	1220.27	17062.62
Closing Stock **			77.64	554.03					0.27	11.58	77.91	565.61
Less: Shortage			0.00	0.00							0.00	0.00
Closing Stock **			77.64	554.03					0.27	11.58	77.91	565.61

\* off take includes outside dispatch & own consumption.

\*\* Non-vendable Stock - Nil

#### Notes:

- 1 Own consumption includes 1.90 lakh Tonnes(4.05 lakh Tonnes) valuing ₹42.49 crore, being the coal transferred to Dankuni Coal Complex and 0.14 lakh Tonnes valuing ₹4.18 crore issued for other purpose.
- 2 Closing stock of coal at Dankuni Coal Complex includes raw coal 0.04lakh te valuing ₹1.76 Crores and Coal fines 0.23 lakh tonnes valuing ₹9.82 Crore out of Coal purchased 0.99 lakh te worth ₹45.97 Crores during the year from ECL and from coal transferred for own consumption for production of coal gas etc.
- 3 Production figures are derived from records of dispatches, internal consumption etc. and adjustment for Opening and Closing stock.

**SOUTH EASTERN COALFIELDS LIMITED**  
[A Subsidiary of Coal India Limited]

## NOTES TO BALANCE SHEET (CONTD .... )

### NOTE -16

(₹ In Crores)

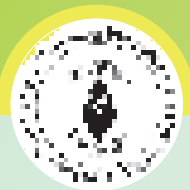
#### TRADE RECEIVABLE

	<b>As at</b>		<b>As at</b>	
	<b>31.03.2014</b>		<b>31.03.2013</b>	
Debts outstanding for a period exceeding six months from the due date				
- Secured Considered good	-		-	
- Unsecured Considered good	755.73		141.96	
- Doubtful	<u>242.57</u>		<u>232.17</u>	
	998.30		374.13	
Less: Provision for bad & doubtful trade receivables	<u>242.57</u>	755.73	<u>232.17</u>	141.96
Other Debts				
- Secured Considered good	235.39		60.77	
- Unsecured Considered good	345.66		1,147.56	
- Doubtful	<u>-</u>		<u>-</u>	
	581.05		1,208.33	
Less: Provision for bad & doubtful trade receivables	-	581.05	-	1,208.33
<b>TOTAL</b>	<u>          </u>	<b>1,336.78</b>	<u>          </u>	<b>1,350.29</b>
<b>CLASSIFICATION</b>				
Secured		235.39		60.77
Unsecured - Considered good		1,101.39		1,289.52
- Considered doubtful		242.57		232.17

#### Note:

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

- 16.2 Trade Receivables have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.
- 16.3 Trade Receivables are secured either by deposits or through Bank Guarantees to the extent available.



**SOUTH EASTERN COALFIELDS LIMITED**  
[A Subsidiary of Coal India Limited]

**NOTES TO BALANCE SHEET (CONTD .... )**

**NOTE -16**

(₹ In Crores)

**TRADE RECEIVABLE (Contd.)**

16.4	Provisions	Opening balance	Addition during the year	Write back/ adj. during the year	Closing Balance
	Provision for Bad & Doubtful Trade Receivables, considered adeauate.	232.17	10.40	-	242.57

16.5 Other Debts ₹755.73 Crores Includes ₹22 .38 Crores receivable from certain E-Auction customers on account of supplimentary bills raised for difference of Excise duty arising out consideration of Royalty & SED as a part of 'transation value' for Excise purpose.

16.6 Other Debts ₹755.73 Crores includes ₹45.24 Crore receivable from NTPC on account of Gross Calorific Valur (GCV) issues which has been withheld by them. The Govt of India advised for extrapolation of the results of the third party sampling / analysis during October-December 2013 to the supplies during the past period from October 2012 to September 2013. The third party sampling results are within the original grade of billing, However, final reconciliation / settelement with NTPC in this regard is pending.

**SOUTH EASTERN COALFIELDS LIMITED**  
[A Subsidiary of Coal India Limited]

**NOTES TO BALANCE SHEET (CONTD .... )**

**NOTE -17**

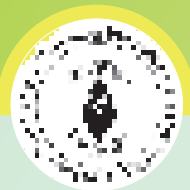
(₹ In Crores)

**CASH & BANK BALANCE**

	<u>As at 31.03.2014</u>	<u>As at 31.03.2013</u>
<b>Cash &amp; Cash Equivalent</b>		
Balances with Banks		
- In Deposit Accounts with maturity upto 3 months	2,145.00	1,890.00
- In Current Accounts	364.96	229.29
- In Cash Credit Accounts	36.47	28.12
In Account with Banks outside India	-	-
Remittance - in transit	-	-
Cheques, Drafts and Stamps on hand	-	0.95
Cash in hand	0.61	0.58
<b>Other Bank Balances</b>		
Balances with Banks		
- In Deposit Accounts with maturity more than 3 months	7,865.64	8,131.71
Deposit in Escrow account under Mine Closure Plan Scheme	529.18	-
<b>TOTAL</b>	<b>10,941.86</b>	<b>10,280.65</b>

Note:

- 17.1 Balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments are Nil.
- 17.2 No repatriation restrictions in respect of cash and bank balances of the Company.
- 17.3 No Bank deposits with more than 12 months maturity.
- 17.4 Balances with Banks includes ₹ 382.53 crores held by the company that are not freely available for use as being deposited in separate Bank accounts as per the direction of the Court for amounts recovered from the consumers for Terminal Tax & MPGAT Sadak Vikas, from suppliers on explosives bills and from employees for electricity charges.
- 17.5 Amount deposited in Escrow Account is also not freely available for use as being deposited under the Mine Closure Plan Scheme.
- 17.6 Cash & Bank balance
- |   |                  |                  |
|---|------------------|------------------|
| As per Cash Flow Statement  | 2,547.04         | 2148.94          |
| Bank balance in Deposit accounts with maturity more than 3 months | 8,394.82         | 8,131.71         |
| <b>Total</b>  | <b>10,941.86</b> | <b>10,280.65</b> |



**SOUTH EASTERN COALFIELDS LIMITED**  
[A Subsidiary of Coal India Limited]

**NOTES TO BALANCE SHEET (CONTD .... )**

**NOTE -18**

(₹ In Crores)

**SHORT TERM LOANS & ADVANCES**

	<u>As at 31.03.2014</u>		<u>As at 31.03.2013</u>	
<b>Advance</b> (Recoverable in cash or in kind or for value to be received)				
Advance to suppliers				
For Capital				
- Secured considered good	-		-	
- Unsecured considered good	-		-	
- Doubtful	-		-	
	<u>-</u>		<u>-</u>	
Less: Provision for Doubtful Advances	-	-	-	-
For Revenue				
- Secured considered good	-		-	
- Unsecured considered good	27.03		29.13	
- Doubtful	-		-	
	<u>27.03</u>		<u>29.13</u>	
Less: Provision for doubtful Advances	-	27.03	-	29.13
Advance payment of statutory dues				
Sales Tax				
- Secured considered good	-		-	
- Unsecured considered good	-		-	
- Doubtful	-		-	
	<u>-</u>		<u>-</u>	
Less: Provision for doubtful Advances	-	-	-	-
Cenvat credit receivable		68.22		52.91
Advance Income Tax / Tax Deducted at Source (Includes ₹ 1494.16 Crores (₹ 1066.95 Crores), deposited under Protest)	4,342.13		3,581.51	
Less: Provision for Income Tax	<u>2,296.90</u>	<u>2,045.23</u>	<u>2,108.65</u>	<u>1,472.86</u>
Others				
- Secured considered good	-		-	
- Unsecured considered good	-		-	
- Doubtful	-		-	
	<u>-</u>		<u>-</u>	
Less: Provision for doubtful Advances	-	-	-	-
Balancer carried forward	<u><b>2,140.48</b></u>		<u><b>1,554.90</b></u>	

**SOUTH EASTERN COALFIELDS LIMITED**  
[A Subsidiary of Coal India Limited]

**NOTES TO BALANCE SHEET (CONTD .... )**

**NOTE - 18 (Contd ... )**

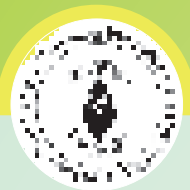
(₹ In Crores)

**SHORT TERM LOANS & ADVANCES -  
(Contd .)**

	As at 31.03.2014	As at 31.03.2013
Balance brought forward	2,140.48	1,554.90
Advance to Employees		
- Secured considered good	-	-
- Unsecured considered good	8.69	10.47
- Doubtful	-	-
	8.69	10.47
Less: Provision for doubtful Advances	-	-
	8.69	10.47
Current Account with Coal India Limited, other Subsidiaries of Coal India Limited	-	-
Current Account with Subsidiaries of SECL	2.26	-
Claims Receivables		
- Secured considered good	-	-
- Unsecured considered good	2.16	2.49
- Doubtful	-	-
	2.16	2.49
Less: Provision for doubtful claims	-	-
	2.16	2.49
Prepaid Expenses	10.52	-
<b>TOTAL</b>	<b>2,164.11</b>	<b>1,567.86</b>
<b>CLASSIFICATION</b>		
Secured	-	-
Unsecured - Considered good	2,164.11	1,567.86
- Considered doubtful	-	-

**Note:**

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



**SOUTH EASTERN COALFIELDS LIMITED**  
[A Subsidiary of Coal India Limited]

**NOTES TO BALANCE SHEET (CONTD .... )**

**NOTE - 18 (Contd ... )**

(₹ In Crores)

**SHORT TERM LOANS & ADVANCES -  
(Contd .)**

18.2	Provisions	Opening balance	Provision for the current year	Adj During the year	Closing Balance
	For Income Tax	2,108.65	2,296.90	2,108.65	2,296.90
	Against advances & claims	-	-	-	-

**18.3 Current accounts with Holding Company & Subsidiaries of Holding Company/ SECL**

- a The balances of the current account with the Subsidiaries and Holding Company are reconciled on regular intervals, and the same as on 31.03.2014 has been reconciled. Adjustment arising out of reconciliation are carried out continuously.
- b Transactions with the Holding Company and with its other Subsidiaries are accounted for on the basis of debit/credit memos.
- c Transactions with other Subsidiaries of the Holding Company/SECL are free of interest.

**SOUTH EASTERN COALFIELDS LIMITED**  
[A Subsidiary of Coal India Limited]

## NOTES TO BALANCE SHEET (CONTD .... )

### NOTE -19

(₹ In Crores)

#### OTHER CURRENT ASSETS

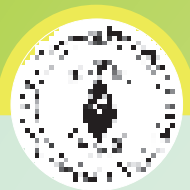
	As at 31.03.2014		As at 31.03.2013	
Interest Accrued				
- Investment	13.09		18.32	
- Deposit with Banks	415.73		416.52	
- Others	-	428.82	-	434.84
Ex Owner's Account		-		-
Other Advances	26.01		21.72	
Less: Provision	-	26.01	-	21.72
Deposits				
Deposit for Customs Duty, Port Charges etc.	-		-	
Deposit with Coal India Limited	515.39		829.59	
Deposit for Royalty, Cess & Sales Tax	-		-	
	515.39		829.59	
Less: Provision	-	515.39	-	829.59
Others	15.89		22.54	
Less: Provision	-	15.89	-	22.54
Amount Receivable from Govt of India for transactions on behalf of Ex-Coal Board	-		-	
Less: Provision	-	-	-	-
Other Receivables	284.30		60.69	
Less: Provision	1.37	282.93	-	60.69
<b>TOTAL</b>		<b>1,269.04</b>		<b>1,369.38</b>

**Note:**

19.1	Provisions	Opening balance	Addition during the year	Write back/ adj. during the year	Closing Balance
	Against Deposits & Other Receivables	-	1.37	-	1.37

19.2 Deposits/Current account balance with the Holding Company is reconciled on regular intervals, and the same as on 31.03.2014 has been reconciled. Adjustment arising out of reconciliation are carried out continuously.

19.3 Other Receivable Includes Net Assets ₹200.83 of Gratuity as per actuarial valuation of Gratuity liability (Refer Additional Note-34 Table 3 of para 1 (e)(2)).



## SOUTH EASTERN COALFIELDS LIMITED

[A Subsidiary of Coal India Limited]

### NOTES TO STATEMENT OF PROFIT & LOSS

#### NOTE -20

(₹ In Crores)

#### REVENUE FROM OPERATIONS

	For the Year ended 31.03.2014		For the Year ended 31.03.2013	
Sale of Coal, Coke etc.	22,228.61		21,408.13	
Less: Excise Duty	1,289.45	20,939.16	1,132.62	20,275.51
Less: Other Levies				
Royalty	2,164.73		2,094.40	
Cess on Coal	273.87		291.83	
Stowing Excise Duty	121.82		121.72	
Central Sales Tax	245.85		233.14	
Clean Energy Cess	609.12		608.63	
State Sales Tax/VAT	542.16		512.49	
Other Levies	125.01		124.91	
<b>Total Levies</b>		4,082.56		3,987.12
<b>Revenue From Operations (Net Sales)</b>		<b>16,856.60</b>		<b>16,288.39</b>

#### 20.1 Excise Duty

Excise duty ₹ 1289.45 Cores includes ₹15.56 Crores being levied on Recovery of Transportation Cost, shown in Note No. 21.

**SOUTH EASTERN COALFIELDS LIMITED**  
[A Subsidiary of Coal India Limited]

**NOTES TO STATEMENT OF PROFIT & LOSS ( CONTD .... )**

**NOTE- 21**

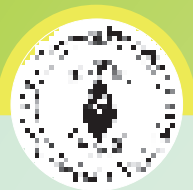
(₹ In Crores)

**OTHER INCOME**

	<u>For the Year ended</u> <u>31.03.2014</u>	<u>For the Year ended</u> <u>31.03.2013</u>
<b><u>Income From Long Term Investments</u></b>		
Dividend from Joint Ventures	-	-
Dividend from Subsidiaries	-	-
Interest from:		
Government Securities ( 8.5% Tax Free Special Bonds) (Trade)	18.34	28.79
<b><u>Income From Current Investments (Non-Trade)</u></b>		
Dividend from Mutual Fund Investments	47.13	34.92
Interest from:		
Government Securities ( 8.5% Tax Free Special Bonds) (Trade)	10.47	10.47
<b><u>Income From Others</u></b>		
Interest (Gross ):		
From Deposit with Banks	919.77	896.14
From Loans & Advances to Employees	0.77	0.92
From Income Tax Refunds	-	-
From Coal India	35.59	78.51
Others	64.88	21.57
Apex Charges	-	-
Subsidy for Sand Stowing & Protective Works	16.35	5.74
Profit on Sale of Assets	2.84	2.09
Recovery of Transportation cost	251.79	223.50
Gain on Foreign exchange Transactions	-	-
Exchange Rate Variance	-	-
Lease Rent	5.81	5.47
Liability Write Backs	323.26	23.94
Gurantee Fees from Subsidiaries	-	-
Exise Duty on Decrease in Stock	-	1.85
Other non-operating Income	40.65	25.78
<b>TOTAL</b>	<b>1,737.65</b>	<b>1,359.69</b>

**21.1 Recovery of Transportation cost**

Excise duty ₹ 15.56 Crores levied on the Recovery of Transportation cost is included in excise duty on sales ₹1289.45 Crores under Note 20.



## SOUTH EASTERN COALFIELDS LIMITED

[A Subsidiary of Coal India Limited]

### NOTES TO STATEMENT OF PROFIT & LOSS ( CONTD .... )

#### NOTE -22

(₹ In Crores)

#### COST OF MATERIAL CONSUMED

	For the Year ended <u>31.03.2014</u>	For the Year ended <u>31.03.2013</u>
Explosives	295.93	249.95
Timber	7.96	5.72
POL	509.09	391.81
HEMM Spares	182.47	145.10
Other Consumable Stores & Spares	600.19	536.15
<b>TOTAL</b>	<b>1,595.64</b>	<b>1,328.73</b>

**SOUTH EASTERN COALFIELDS LIMITED**  
[A Subsidiary of Coal India Limited]

**NOTES TO STATEMENT OF PROFIT & LOSS ( CONTD .... )**

**NOTE - 23**

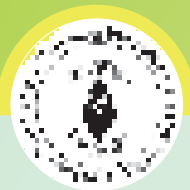
(₹ In Crores)

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

	<u>For the Year ended</u> <b>31.03.2014</b>		<u>For the Year ended</u> <b>31.03.2013</b>	
<b>A) Change in Inventory of Coal</b>				
Opening Stock of Coal	444.07		572.50	
Add: Adjustment of Opening Stock	0.22		-	
	<u>444.29</u>		<u>572.50</u>	
Less: Deterioration of Coal	-	444.29	-	572.50
<b>Less:</b>				
Closing Stock of Coal	564.50		444.07	
Less: Deterioration of Coal	-	564.50	-	444.07
<b>Total (A)</b>		<u><b>(120.21)</b></u>		<u><b>128.43</b></u>
<b>B) Change in Inventory of workshop</b>				
Opening Stock of Workshop made finished goods and WIP	126.53		93.57	
Less: Provision	-	126.53	1.18	92.39
<b>Less :</b>				
Closing Stock of Workshop made finished goods and WIP	166.34		126.53	
Less: Provision	-	166.34	-	126.53
<b>Total (B)</b>		<u><b>(39.81)</b></u>		<u><b>(34.14)</b></u>
<b>Change in Inventory of Stock in Trade ( A+B)</b>				
<b>{Decretion/(Accretion)}</b>		<b>(160.02)</b>		<b>94.29</b>

**23.1 Adjustment in Opening Stock:**

Stocks amounting to ₹0.22 Crores related to Khairaha Mine of Sohagpur Area, which is brought to revenue during the year.



## SOUTH EASTERN COALFIELDS LIMITED

[A Subsidiary of Coal India Limited]

### NOTES TO STATEMENT OF PROFIT & LOSS ( CONTD .... )

#### NOTE- 24

(₹ In Crores)

#### EMPLOYEE BENEFITS EXPENSES

	<u>For the Year ended</u> <u>31.03.2014</u>	<u>For the Year ended</u> <u>31.03.2013</u>
Salary, Wages, Allowances, Bonus etc.	4,379.03	3,987.71
Ex-gratia	222.56	217.44
Performance Related Pay (PRP)	91.76	91.95
Contribution to PF. & Other Funds	520.90	413.40
Gratuity	10.08	247.44
Leave Encashment	89.39	131.06
VRS	-	-
Workman Compensation	1.85	10.03
Medical Expenses	101.90	100.83
Grants to Schools & Institutions	37.18	34.01
Sports & Recreation	4.67	1.66
Canteen & Creche	0.13	0.11
Power (Township)	185.64	189.23
Hire Charges of Bus, Ambulance etc.	12.52	13.39
Other Employee Benefits	223.04	304.06
<b>TOTAL</b>	<b>5,880.65</b>	<b>5,742.32</b>

## SOUTH EASTERN COALFIELDS LIMITED

[A Subsidiary of Coal India Limited]

## NOTES TO STATEMENT OF PROFIT &amp; LOSS ( CONTD .... )

## NOTE - 25

(₹ In Crores)

## WELFARE EXPENSES

	For the Year ended 31.03.2014	For the Year ended 31.03.2013
Medical Expenses for Retired Employees	18.34	28.98
CSR Expenses	43.91	46.63
Sustainable Development Expenses	0.63	3.94
Environmental Expenses	21.08	8.13
Tree Plantation	9.14	5.32
Other Welfare Expenses	1.13	3.37
<b>TOTAL</b>	<b>94.23</b>	<b>96.37</b>

## NOTES TO STATEMENT OF PROFIT &amp; LOSS ( CONTD .... )

## NOTE - 26

(₹ In Crores)

## REPAIRS

	For the Year ended 31.03.2014	For the Year ended 31.03.2013
Building	20.47	14.15
Plant & Machinery	165.17	110.43
Others	4.32	4.77
<b>TOTAL</b>	<b>189.96</b>	<b>129.35</b>



## SOUTH EASTERN COALFIELDS LIMITED

[A Subsidiary of Coal India Limited]

### NOTES TO STATEMENT OF PROFIT & LOSS ( CONTD .... )

#### NOTE -27

(₹ In Crores)

#### CONTRACTUAL EXPENSES

	<u>For the Year ended 31.03.2014</u>	<u>For the Year ended 31.03.2013</u>
Transportation Charges:		
- Sand	-	-
- Coal	693.04	610.49
- Stores & Others etc.	0.06	0.18
Wagon Loading	40.62	36.88
Hiring of P&M	349.97	250.51
Other Contractual Work	478.70	485.65
<b>TOTAL</b>	<b>1,562.39</b>	<b>1,383.71</b>

### NOTES TO STATEMENT OF PROFIT & LOSS ( CONTD .... )

#### NOTE -28

(₹ In Crores)

#### FINANCE COSTS

	<u>For the Year ended 31.03.2014</u>	<u>For the Year ended 31.03.2013</u>
<b>Interest expenses</b>		
Deferred Payments	-	-
Bank Overdraft / Cash Credit	-	-
Interest on IBRD & JBIC Loan	2.48	4.26
CIL Fund Loan Interest	-	-
Interest to subsidiaries	-	-
Others	0.47	0.26
<b>Total (A)</b>	<b>2.95</b>	<b>4.52</b>
<b>Other Finance Cost</b>		
Guarantee Fees on (IBRD & JBIC) Loan	3.45	3.63
Other Expenses / Bank Charges	-	-
<b>Total (B)</b>	<b>3.45</b>	<b>3.63</b>
<b>TOTAL (A+B)</b>	<b>6.40</b>	<b>8.15</b>

## SOUTH EASTERN COALFIELDS LIMITED

[A Subsidiary of Coal India Limited]

## NOTES TO STATEMENT OF PROFIT &amp; LOSS ( CONTD .... )

## NOTE -29

(₹ In Crores)

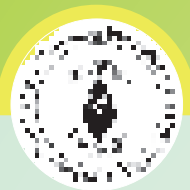
PROVISIONS	For the Year ended 31.03.2014	For the Year ended 31.03.2013
<b>(A) Provision made for</b>		
Doubtful debts	10.40	-
Doubtful advances & Claims	1.35	-
Foreign exchange Transaction	-	-
Stores & Spares	2.59	1.80
Mine Closure Expenses	24.98	170.41
Surveyed of Fixed Assets/Capital WIPIP&M in Stores	0.58	3.17
Others	-	43.18
<b>Total (A)</b>	<b>39.90</b>	<b>218.56</b>
<b>(B) Provision reversal</b>		
Doubtful debts	-	13.64
Doubtful advances & Claims	-	5.01
Foreign exchange Transaction	-	-
Stores & Spares	-	-
Reclamation of Land/Mine Closure Expenses	-	-
Surveyed of Fixed Assets/Capital WIPIP&M in Stores	-	-
Others (Trade Receivable Claims)	125.72	-
<b>Total (B)</b>	<b>125.72</b>	<b>18.65</b>
<b>TOTAL (A- B)</b>	<b>(85.82)</b>	<b>199.91</b>

## NOTES TO STATEMENT OF PROFIT &amp; LOSS ( CONTD .... )

## NOTE -30

(₹ In Crores)

WRITE OFF	For the Year ended 31.03.2014	For the Year ended 31.03.2013
Doubtful debts	-	-
Doubtful advances	-	-
Others	-	0.13
<b>TOTAL</b>	<b>-</b>	<b>0.13</b>



## SOUTH EASTERN COALFIELDS LIMITED

[A Subsidiary of Coal India Limited]

### NOTES TO STATEMENT OF PROFIT & LOSS ( CONTD .... )

#### NOTE -31

(₹ In Crores)

#### OTHER EXPENDITURE

	<u>For the Year ended</u> <u>31.03.2014</u>	<u>For the Year ended</u> <u>31.03.2013</u>
Travelling expenses		
- Domestic	28.19	28.36
- Foreign	0.07	-
Training Expenses	8.63	7.75
Telephone & Postage	6.32	5.10
Advertisement & Publicity	17.68	16.11
Freight Charges	27.75	32.85
Demurrage	39.07	15.17
Donation/Subscription	0.04	0.28
Security Expenses	55.37	54.18
Service Charges ofCIL	62.45	59.71
Hire Charges	29.66	27.74
CMPDI Expenses	42.99	35.63
Legal Expenses	6.01	2.41
Bank Charges	0.15	0.20
Guest House Expenses	1.85	1.60
Consultancy Charges	2.22	1.32
Under Loading Charges	98.42	95.16
Loss on Sale/Discard/Surveyed of Assets	0.64	0.68
Auditor's Remuneration & Expenses		
- For Audit Fees	0.16	0.16
- For Taxation Matters	0.06	0.03
- For Company Law Matters	-	-
- For Management Services	-	-
- For Other Services	0.17	0.14
- For Reimbursement of Expenses	0.12	0.11
Internal Audit Expenses etc ..	1.56	1.69
Cost Audit expenses	0.18	0.04
Rehabilitation Charges	72.89	73.09

## SOUTH EASTERN COALFIELDS LIMITED

[A Subsidiary of Coal India Limited]

## NOTES TO STATEMENT OF PROFIT &amp; LOSS ( CONTD .... )

## NOTE -31 (Contd.)

(₹ In Crores)

OTHER EXPENDITURE (Contd.)	For the Year ended 31.03.2014	For the Year ended 31.03.2013
Royalty & Cess	7.60	10.32
Central Excise Duty	23.25	-
Rent	0.77	0.63
Rates & Taxes	12.34	17.46
Insurance	0.16	0.12
Loss on Exchange Rate Variance	13.58	(0.22)
Lease Rent	-	-
Rescue/Safety Expenses	15.36	10.63
Dead Rent/Surface Rent	2.89	0.24
Siding Maintenance Charges	3.79	19.81
Land/Crops Compensation	5.69	5.52
Miscellaneous Expenses	36.49	46.81
<b>TOTAL</b>	<b>624.57</b>	<b>570.83</b>

**31.1 Rehabilitation Charges**

As per the decision of Ministry of Coal, an amount of ₹ 72.89 Crores (₹73.09 Crores) was debited to Rehabilitation expenses on the basis of debit memo received from CIL towards mobilisation of funds for implementation of action plan for shifting and rehabilitation, dealing with fire and stabilisation of unstable Areas at ECL and BCCL.



**SOUTH EASTERN COALFIELDS LIMITED**  
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**NOTES TO STATEMENT OF PROFIT & LOSS ( CONTD .... )**

**NOTE -32**

(₹ In Crores)

**PRIOR PERIOD ADJUSTMENTS**

	<u>For the Year ended</u> <u>31.03.2014</u>	<u>For the Year ended</u> <u>31.03.2013</u>
<b>(A) Expenditure</b>		
Sale of Coal & Coke	-	-
Stock of Coal & Coke	-	-
Other Income	-	-
Consumption of Stores & Spares	-	-
Employees Remuneration & Benefits	-	-
Power & Fuel	-	-
Welfare Expenses	-	-
Repairs	-	-
Contractual Expenses	-	-
Other Expenditure	-	-
Interest and other financial charges	-	-
Depreciation	0.15	-
<b>Total(A)</b>	<b>0.15</b>	-
<b>(B) Income</b>		
Sale of Coal & Coke	-	-
Stock of Coal & Coke	-	-
Other Income	-	-
Consumption of Stores & Spares	-	-
Employees Remuneration & Benefits	-	-
Power & Fuel	-	-
Welfare Expenses	-	-
Repairs	-	-
Contractual Expenses	-	-
Other Expenditure	-	-
Interest and other financial charges	-	-
Depreciation	-	0.75
<b>Total(B)</b>	-	<b>0.75</b>
<b>TOTAL ( A-B) {Charge/(Income)}</b>	<b>0.15</b>	<b>(0.75)</b>

**SOUTH EASTERN COALFIELDS LIMITED**  
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**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:**

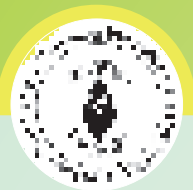
Plant & Machinery includes cost and expenses incurred for erection / installation and other attributable costs of bringing those assets to working conditions for their intended use.

**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:



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- 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 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 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 / substores / 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.

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6.3 Stock of stationery (other than lying at printing press), bricks, sand, medicine and scrap 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, photocopying machine, fax machine, 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 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.

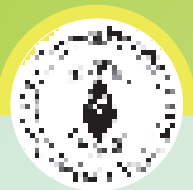
Depreciation on the assets added / disposed off during the year is provided on pro-rata basis with reference to the month of addition / disposal, except on those assets attracting 100% depreciation p.a. (SLM basis), which are fully depreciated in the year of their addition. Assets attracting 100% depreciation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



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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 recognized 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.

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- 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 recognized 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 recognized 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.



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The reported quantity of overburden as per record is considered in calculating the ratio for OBR accounting where the variance between reported quantity and measured quantity is within the lower of the two alternative permissible limits, as detailed hereunder:-

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

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.

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**Note-34 : ADDITIONAL NOTES ON ACCOUNTS**

**1. APPLICABILITY OF ACCOUNTING STANDARDS:**

**a) Significant Accounting Policy:**

Significant accounting policy (Note-33) has been suitably modified/ re-drafted over previous year, as found necessary to elucidate the accounting policies adopted by the Company.

**b) Impact due to changes in Accounting Policy (AS-5):**

Based on technically estimated useful life depreciation rates of the following assets were revised during the year:

Sl No.	Assets	Existing Depreciation Rate	Revised Depreciation Rate
1	Photo Copying Machine	10.55%	23.75%
2	Fax Machine	15.83%	31.67%
3	Mobile Phone	15.83%	31.67%
4	Digitally enhance Cordless Telephone	15.83%	31.67%
5	Computer (including Printer & Scanner)	16.21%	31.67%

Due to above changes in depreciation rates the profit for the year decreased by ₹ 0.10 Crores.

**c) Revenue Recognition (AS-9)**

(i) The revenue recognition has been made where there is a reasonable certainty of collection. Revenue recognition is postponed in case of uncertainty to the extent of uncertainty as assessed by the management.

(ii) Refund/ adjustment from Tax Authorities are accounted for on the basis of final assessment/settlement.

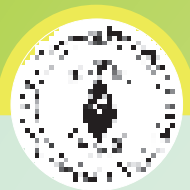
(iii) Recovery of the liquidated damages and penalties are accounted for on the basis of final settlement.

**d) Subsidy: (AS-12) (Refer Note No. 21)**

Subsidy received from Coal Controller Development Authority on account of infrastructural development have been adjusted against the relevant head of account of capital nature ₹ Nil and in case of revenue expenditure ₹ 15.44 Crores (₹ 5.74 Crores), the same is shown under the other income.

**e) Employee Benefits: Recognition and Measurement: (AS-15)**

(i) The year-end liability of certain other employee benefits like Gratuity, Earned Leave, Life Cover Scheme, Settlement Allowance, Group Personal Accident Insurance Scheme, Leave Travel Concession, Medical



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Benefits for Retired Executives, Compensation to dependents in case of mine accidental death are valued on actuarial basis. Total liability as on 31.03.2014 based on valuation made by the Actuary, details of which are mentioned below is ₹3434.97 Crores.

The Actuarial liability as on 31.03.2014

(₹ in Crores)

Head	Opening Actuarial Liability as on 01.04.13	Incremental Liability	Closing Actuarial Liability as on 31.03.2014
Gratuity	2874.85	-167.31	2707.54
Earned Leave	383.40	-0.45	382.95
Half Pay Leave	70.26	6.20	76.46
Life Cover Scheme	23.14	-4.53	18.61
Settlement Allowance Executives	0.70	-0.07	0.63
Settlement Allowance Non-Executives	64.88	-2.51	62.37
Group Personal Accident Insurance Scheme	0.28	-0.05	0.23
Leave Travel Concession	21.56	3.81	25.37
Medical Benefits	104.99	14.94	119.93
Compensation to dependents in case of mine accidental death	49.02	-8.14	40.88
<b>TOTAL</b>	<b>3593.08</b>	<b>-158.11</b>	<b>3434.97</b>

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**ACTUARIAL VALUATION OF GRATUITY LIABILITY AS AT 31.03.2014**  
**CERTIFICATE AS PER ACCOUNTING STANDARD 15 (Revised 2005)**

**(2) Gratuity: Actuarial Assumptions:**

The disclosure as per actuary's certificate for funded employee benefits for Gratuity is given below:

**Table 1: DISCLOSURE ITEM 120 (c)**

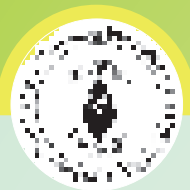
(₹ in Crores)

<b>Present Value of Obligations</b>	<b>As at 31.03.2014</b>	<b>As at 31.03.2013</b>
Present value of obligation at beginning of Period	2874.85	2627.65
Acquisition Adjustment	0.00	0.00
Interest Cost	233.10	201.25
Past Service Cost	0.00	0.00
Current Service Cost	121.34	124.97
Curtailment Cost	0.00	0.00
Settlement Cost	0.00	0.00
Benefits paid	264.99	224.25
Actuarial Gain / Loss on obligations	-256.76	145.23
Present Value of Obligations at End of Period	2707.54	2874.85

**Table 2: DISCLOSURE ITEM 120 (e)**

(₹ in Crores)

<b>Fair Value of Plan Assets</b>	<b>As at 31.03.2014</b>	<b>As at 31.03.2013</b>
Fair value of Plan Assets at beginning of Period	2819.76	2502.79
Acquisition Adjustment	0.00	0.00
Excepted Return on Plan Asset	239.68	200.23
Contributions	91.70	293.61
Benefits Paid	264.99	224.25
Actuarial Gain/Loss on Plan Asset	22.22	47.38
Fair value of Plan Asset	2908.37	2819.76



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**Table 3: DISCLOSURE ITEM 120 (f)**

(₹ in Crores)

<b>Funded Status</b>	<b>As at 31.03.2014</b>	<b>As at 31.03.2013</b>
Present Value of obligation at End of the Period	2707.54	2874.85
Fair value of Plan Assets at End of the Period	2908.37	2819.76
Funded Status	200.83	-55.09
Un-recognized Actuarial gain / Loss at end of the Period	0.00	0.00
Net Asset (Liability) Recognised in Balance sheet	200.83	-55.09

**Table 4: DISCLOSURE ITEM 120 (g)**

(₹ in Crores)

<b>Expenses Recognized in Statement of Profit &amp; loss</b>	<b>As at 31.03.2014</b>	<b>As at 31.03.2013</b>
Current Service Cost	121.34	124.97
Past Service Cost	0.00	0.00
Interest Cost	233.10	201.25
Expected Return on Plan asset	239.68	200.23
Curtailment Cost	0.00	0.00
Settlement Cost / Benefit paid	0.00	0.00
Actuarial Gain/loss Recognised in the period	-278.98	97.85
Expense Recognised in statement of Profit /loss	-164.22	223.84

**SOUTH EASTERN COALFIELDS LIMITED**  
[A Subsidiary of Coal India Limited]

**Table 5: DISCLOSURE ITEM 120 ( i)**

(₹ in Crores)

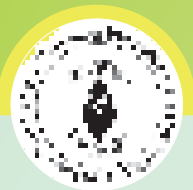
Actuarial Assumptions	As at 31.03.2014	As at 31.03.2013
Mortality table	IALM(2006-08) ULTIMATE	LICI 1994-1996
Superannuation age	60	60
Early retirement and disablement	10 per Thousand P.A. 6 above age 45 3 between age 29 and 45 1 below age 29	10 per Thousand P.A. 6 above age 45 3 between age 29 and 45 1 below age 29
Discount Rate	8.50%	8.00%
Inflation rate	6.25%	6.25%
Return on assets	8.50%	8.00%
Remaining working life	12 Years	11 Years
Formula used	Projected Unit Credit Method	Projected Unit Credit Method

During the year, the Mortality table has been changed and also the discount rate & return on assets is changed from 8.00% to 8.50% by the Actuary and due to this the impact is about ₹ 88.61 Crores.

**Table 6: DISCLOSURE ITEM 120 (p)**

(₹ in Crores)

Movements in the Liability Recognized in Balance Sheet	As at 31.03.2014	As at 31.03.2013
Opening Net Liability	55.09	124.86
Expenses as above	-164.22	223.84
Contributions	91.70	293.61
Closing Net Liability	-200.83	55.09
Closing Fund/Provision	2707.54	2874.85



**SOUTH EASTERN COALFIELDS LIMITED**  
[A Subsidiary of Coal India Limited]

**f) SEGMENT REPORTING (AS-17)**

The Company is primarily engaged in a single Segment business of production and sale of coal. The activities of production of coke and its bye-products at Dankuni Coal Complex being less than 10% of the total revenue and profit, there is no reportable primary segment identifiable in accordance with the Accounting Standard (AS-17) on Segment Reporting.

**g) RELATED PARTY DISCLOSURE (AS-18)**

In view of the exemption granted to State controlled enterprises as regards related party relationship with other State controlled enterprises and there being no transaction with other related enterprises & parties, no such disclosure under the Accounting Standard (AS-18) on Related Party Disclosures is required.

**h) LEASES (AS-19)**

**i) Appollo Hospital:**

The Company in terms of License Agreement dated 19<sup>th</sup> day of March 2001 executed with M/s Apollo Hospital Enterprises Ltd., Chennai has granted the latter a right to occupy and use the fully constructed main hospital building measuring 2,97,099.74 Sq.ft. (27611.50 Sqm) and the residential quarters measuring 55,333 Sq.ft. (5142.47 Sqm) together with superstructures on the land such as sub station building, sewerage treatment plant and pump house.

The License Agreement provides for a lease period of 30 years from the effective date of the commencement of the lease i.e November 2001.

The lease rental payable by the Apollo Hospital is accounted for as per the agreement. As per the agreement, the lease rental receivable from Apollo Hospital on the Balance Sheet date, for main hospital building is ₹4/- per Sq.ft. per month ( ₹ 4/- per Sq.ft per month) ₹1.43 Crores or 1/3rd of net profit arrived from the operation of this division of the hospital of the licensee, whichever is more and for residential quarters the rate is ₹2/- per Sq.ft. per month( ₹2/- per Sq.ft per month) ₹0.13 Crores. The lease rental paid by Apollo Hospital for the year ended on Balance Sheet date accounted for is ₹ 1.56 Crores ( ₹1.56 Crores) towards minimum rental.

Since the audited figures of Appollo Hospital for the year ended 31st March, 2014 is not finalized as on date, the profit sharing over and above the lease rent for the said period could not be accounted for.

The cost of the gross assets leased to Apollo Hospital Enterprises Ltd. furnished under the schedule of Fixed Assets is ₹31.32 Crores (₹31.32 Crores) accumulated depreciation as on Balance Sheet date is ₹ 8.25 Crores (₹7.71 Crores) ), the depreciation recognized in the Statement of Profit & Loss for the year is ₹ 0.54 Crore (₹0.54 Crore).

**SOUTH EASTERN COALFIELDS LIMITED**

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The future minimum lease payments in the aggregate during the year of lease are ₹26.49 Crores (₹28.05 Crores) for each of the following periods are as under:

(₹ in Crores)

	As at 31.03.2014	As at 31.03.2013
(i) Not later than one year	1.56	1.56
(ii) Later than one year and not later than five year	6.23	6.23
(iii) Later than five years and till the period of lease	18.70	20.26

No contingent rents are recognized as income in the Profit and Loss Account.

**ii) Railway Siding:**

The Company in terms of License Agreements dated 03.01.2007 -and 16.05.2008 executed with M/s Aryan Coal Benefications Pvt. Ltd., New Delhi has granted the later a right to use the fully constructed Railway Siding Junadih NO.3 at Gevra Area on lease for a period of 20 years with effect from 23.05.2006 and Railway Siding Junadih NO.4 at Gevra Area for a lease period of 20 years w.e.f. 23.08.1999.

The lease rental payable by M/s Aryan Coal Benefications Pvt. Ltd. is accounted for as per the agreement. As per the agreement, the lease rental receivable from M/s. Aryan Coal Benefications Pvt. Ltd for the year ended on Balance Sheet date, for Railway Siding Junadih No. 3 is ₹0.50 Crores and for Railway Siding junadih No.4 is ₹0.64 Crores.

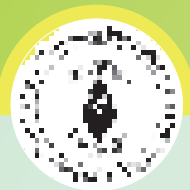
Leased out Assets to M/s. Aryan Coal Benefications Pvt. Ltd. value ₹8.02 Crores (₹8.02 Crores) and accumulated depreciation as on Balance Sheet date is ₹7.51 Crores (₹7.14 Crores), the depreciation recognized in the Statement of Profit & Loss for the year is ₹0.37 Crore (₹0.37 Crore).

The future minimum lease payments in the aggregate during the period of lease are ₹10.29 Crores (₹11.43 Crores) for each of the following year are as under:

(₹ in Crores)

	As at 31.03.2014	As at 31.03.2013
(I) Not later than one year	1.14	1.14
(II) Later than one year and not later than five year	4.55	4.55
(III) Later than five years and till the period of lease	4.60	5.74

No contingent rents are recognized as income in the Profit and Loss Account.



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### iii) DANKUNI COAL COMPLEX

The Company has taken on lease land, building and structures, plant and machinery of Dankuni Coal Complex from Coal India Limited from 01.04.1995, with absolute right to manufacture, sell its products including gas and bye products. The lease rent payable from 01.04.2011 onward to Coal India Ltd. is ₹1.00 per annum.

### i) EARNING PER SHARE (AS-20)

	For the Year ended 31.03.2014	For the Year ended 31.03.2013
(i) Profit after Tax (₹In Crore)	4772.30	4299.03
(ii) Profit attributable to Equity Shareholders (₹ In Crore)	4772.30	4299.03
(iii) No. of Equity Shares for Basic & diluted EPS	3597000	3597000
(iv) Nominal value of Equity share (₹)	1000.00	1000.00
(v) Basic & Diluted Earnings per Share (₹)	13267.45	11951.71

### j) ACCOUNTING FOR TAXES ON INCOME (AS-22)

i) Deferred Tax Assets and Liability are being offset as they relate to Taxes on income levied by the same governing taxation laws.

ii) Deferred Tax Asset / (Liability) as at 31<sup>st</sup> March 2014 and as at 31<sup>st</sup> March 2013 is given below:-

(₹ in Crores)

	As at 31.03.2014	As at 31.03.2013
<b>Deferred Tax Liability:</b>		
Related to Fixed Assets	<b>177.93</b>	<b>181.94</b>
<b>Deferred Tax Asset:</b>		
Provision for doubtful Debts, claims, etc.	195.64	233.30
Employee separation And retirement	45.91	91.16
Others	(23.74)	18.06
Total deferred tax Assets	217.81	342.52
<b>Net Deferred Tax Asset/(Deferred Tax Liability) :</b>	<b>39.88</b>	<b>160.58</b>

**SOUTH EASTERN COALFIELDS LIMITED**

[A Subsidiary of Coal India Limited]

**k) Impairment of Assets (AS-28)**

During the year, the impairment loss of assets of ₹ 0.61 Crores (₹0.69Crores) in respect of continuous loss making mines is debited to Statement of Profit & Loss.

**l) Contingent Liabilities, Commitments and Contingent Assets (AS-29)****a) Contingent Liabilities:**

- i) ₹1275.91 Crores towards Income Tax in respect of issues pending before the ITAT for the appeals filed by the Income Tax Department for the assessment years from 1998-99 to 2009-10 for which CIT (Appeals) granted relief to the Company on the assessment orders passed by the Assessing Officers.
- ii) ₹1200.86 Crore towards additional demand of Income Tax for the assessment years 1996-97 to 2011-12 on account of additions made under various grounds. The Company has filed appeals before the appellate authorities and pending. Against these demands ₹1494.16 Crores (including interest) has been deposited under protest.
- iii) ₹ 463.44 Crores towards Service Tax for Demand-cum-show cause notices issued by the Service Tax authorities on various issues.
- iv) ₹ 184.20 Crores toward Excise Duty for Demand-cum-show cause notices issued by the authorities on various issues.
- v) ₹91.19 Crores (₹53.60 Crores) has been demanded by the State Authorities in respect of Entry Tax / CST / Sales Tax/ Other for different Assessment Years, pending before Tribunal/High Court and ₹56.23 Crores has been deposited under protest.
- vi) ₹585.30 Crores (₹420.90Crores), Claims by contractors, employees (pending decision in Arbitration / Courts), Forest Department and for claims by Debtors.
- vii) Outstanding Letters of Credits as on Balance sheet date amounted to ₹118.96 Crores (₹26.62 Crore).
- viii) The Company has given Bank Guarantees of ₹1.25 Crore (₹1.10 Crore) for which there is a floating charge on Current Assets of the Company.

**b) Commitments:**

- i) The amount remaining to be executed on capital account not provided for is ₹706.16 Crores (₹ 552.76 Crores).
- ii) The amount remaining to be executed on revenue account not provided for is ₹1824.29 Crores (₹ 1641.59 Crores).

**c) Contingent Assets:**

- i) A sum of ₹ 10.16 Crores are kept in the Company's custody as Securities by way of deposits in the form of



## SOUTH EASTERN COALFIELDS LIMITED

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Fixed Deposit Receipt received from the suppliers, contractors etc .. Further, Bank Guarantees worth ₹1291.63 Crores have also been taken from Debtors as security for supply of coal and from suppliers & contractors for execution of works/supply etc. which have not been accounted for.

- ii) Certain forged / extra payments of TA Bills were found in Hasdeo Area. On detailed checking by the Internal Audit Department/ Vigilance Department the extra / irregular payment for the years 2005-06 to July 2012 of about ₹37.47 Lakh on account of TA Bills has been detected. Departmental action has already been initiated against the erring staff and the involved persons Le one Cashier and one Cost Assistant have been suspended. Based on this investigation payment of such forged TA bills is still under investigation.

### 2 (a). VALUE OF IMPORTS ON CIF BASIS:

(₹ in Crores)

Details	Current Year	Previous Year
Raw Material	NIL	NIL
Components, Stores & Spare parts	167.37	5.15
Capital Goods		

### 2 (b). TOTAL CONSUMPTION OF STORES (Refer Note No. 22)

(₹ in Crores)

Details	Current Year		Previous Year	
	Amount ₹ in Crores	% of Total Consumption	Amount ₹ in Crores	% of Total Consumption
Imported	14.39	0.90	0.88	0.07
Indigenous	1582.77	99.10	1327.85	99.93
Total	1597.16	100.00	1328.73	100.00

### 2 (c). EXPENDITURE INCURRED IN FOREIGN CURRENCY ON ACCOUNT OF

(₹ in Crores)

Details	Current Year	Previous Year
Traveling Expenses	0.07	0.00
Others	0.18	0.00

## SOUTH EASTERN COALFIELDS LIMITED

[A Subsidiary of Coal India Limited]

## 3. DIRECTORS' REMUNERATION:

(₹ in Crores)

For Whole Time Directors	Current Year	Previous Year
(i) Salary	0.70	0.77
(ii) Company's Contribution to Provident Fund, Other Funds	0.07	0.08
(iii) Medical Benefits	0.08	0.03
For Part Time Directors		
(iv) Sitting Fees	0.13	0.16

## 4. BALANCE CONFIRMATION

In absence of balance confirmation from some parties, the Sundry Debtors, Creditors, Loans & Advances and Deposits have been taken in the Accounts as per their book value.

## 5. USE OF ESTIMATE

In preparing the financial statements in conformity with accounting principles generally accepted in India, management is sometimes required to make estimates and assumptions that effect the reported amounts of assets and liabilities and the disclosures of contingent liability as at the date of financial statements and the amount of revenue and expenses during the reported period. Actual results may differ from those estimates. Any revision to such estimate is recognized in the period in which the same is determined.

## 6. PREVIOUS YEAR'S FIGURES

Previous Year's figures have been regrouped and rearranged wherever considered necessary. Figures in the parentheses relating to the notes/additional notes of Balance sheet and Statement of Profit & Loss correspond to 12 month period of the previous year.

Note 1 to 19 form part of the Balance Sheet as at 31<sup>st</sup> March, 2014 and note 20 to 32 forming part of Statement of Profit & Loss for the year ended on that date. Note-33 represents Significant Accounting Policies and Note-34 represents additional notes on the Accounts.

Signature to note 1 to 34.



(CS S.M. YUNUS)  
Company Secretary



(P.K.SAHOO)  
GM (Finance)



(A.P. PANDA)  
Director (Finance)  
DIN - 06664375



(NAGENDRA KUMAR)  
Chairman-Cum-Managing Director  
DIN - 02624808

As per our report annexed  
**FOR R. GOPAL & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
Firm Regn No. 000846C

Date: 26<sup>th</sup> MAY, 2014

Place: NEW DELHI



[CA. R. GOPAL]  
PARTNER

Membership NO.058409



**SOUTH EASTERN COALFIELDS LIMITED**  
[A Subsidiary of Coal India Limited]

**R. Gopal & Associates**  
Chartered Accountants

31/884, New Shanti Nagar,  
Old Pipe Factory Road,  
Raipur (C.G.) 492004  
Mob. 9425502860, 932977301  
E-Mail: anil\_rgopal@rediffmail.com

**AUDITORS' REPORT**  
**TO THE BOARD OF DIRECTORS OF SOUTH EASTERN COALFIELDS LTD.**

**1. Report on the Financial Statements**

We have audited the accompanying consolidated financial statements of SOUTH EASTERN COALFIELDS LIMITED (SECL) and its subsidiaries, which comprise the Consolidated Balance Sheet as at March 31, 2014, and the Consolidated Statement of Profit and Loss and the Consolidated 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 SECL (Holding Company), Chhattisgarh East Railway Ltd. (CERL) and Chhattisgarh East-West Railway Ltd. (CEWRL). The report on the accounts of the those subsidiaries 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.

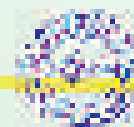
**2. Management's Responsibility for the Financial Statements**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by



**SOUTH EASTERN COALFIELDS LIMITED**  
[A Subsidiary of Coal India Limited]

**R. Gopal & Associates**

Chartered Accountants

31/884, New Shanti Nagar,  
Old Pipe Factory Road,  
Raipur (C.G.) 492004  
Mob. 9425502860, 932977301  
E-Mail: anil\_rgopal@rediffmail.com

management, as well as evaluating the overall presentation of the consolidated financial statements.

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

**4. Other Matter**

We did not audit the financial statements and other financial information of two subsidiaries, included in the Consolidated Financial Statements. These financial statements and other financial information which have been audited by other Auditors whose report have been furnished to us by the Management and our opinion is based solely on the reports of the other Auditors. These financial statements reflect total assets as at March 31, 2014 and total revenues and net cash flows for the year then ended as under:

(₹ in Crores)

SUBSIDIARIES	TOTAL ASSETS	TOTAL REVENUE	NET CASH FLOW
CHHATTISGARH EAST RAILWAY LIMITED (CERL)	2.05	-0.15	0.05
CHHATTISGARH EAST WEST RAILWAY LTD (CEWRL)	0.05	-0.13	0.05

**5. Opinion**

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- in the case of the Consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- in the case of the Consolidated Cash Flow Statement, of the Cash Flows for the year ended on that date.

For R. GOPAL & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm registration No.:000846C



S. G. G. G. G.  
PARTNER  
M. NO.058409

Place: NEW DELHI  
Date: 26<sup>th</sup> MAY, 2014



## SOUTH EASTERN COALFIELDS LIMITED

[A Subsidiary of Coal India Limited]

(₹ In Crores)

### CONSOLIDATED BALANCE SHEET As at 31<sup>st</sup> March, 2014

	Note No.	As at 31.03.2014		As at 31.03.2013	
<b>I EQUITY AND LIABILITIES</b>					
<b>(1) Shareholders' Fund</b>					
a) Share Capital	1	359.70		359.70	
b) Reserves & Surplus	2	9,688.04		8,265.99	
c) Money Received against Share Warrants		-	10,047.74	-	8,625.69
<b>(2) Share Application money pending allotment</b>			-		-
<b>(3) Non-Current Liabilities</b>					
a) Long Term Borrowing	3	-		194.64	
b) Deferred Tax Liabilities (Net)		-		-	
c) Other Long Term Liabilities	4	757.65		599.31	
d) Long Term Provisions	5	6,623.71	7,381.36	5,791.14	6,585.09
<b>(4) Minority Interest</b>			-		-
<b>(5) Current Liabilities</b>					
a) Short Term Borrowings	6	-		-	
b) Trade Payables	7	96.65		96.17	
c) Other Current Liabilities	8	3,026.12		3,054.28	
d) Short Term Provisions	9	1,665.99	4,788.76	2,249.73	5,400.18
<b>Total</b>			<b>22,217.86</b>		<b>20,610.96</b>
<b>II ASSETS</b>					
<b>1) Non-Current Assets</b>					
(a) Fixed Assets	10A				
i) Tangible Assets - Gross Block		7,287.48		6,974.68	
Less: Depreciation, Impairment & Provisions		4,131.81		3,827.37	
Net Carrying Value			3,155.67		3,147.31
ii) Intangible Assets - Gross Block	10A	529.87		471.11	
Less: Depreciation, Impairment & Provisions		300.67		289.41	
Net Carrying Value			229.20		181.70
iii) Capital Work-in-Progress	10B		843.28		568.92
iv) Intangible Assets under Development	10C		602.39		465.83

## SOUTH EASTERN COALFIELDS LIMITED

[A Subsidiary of Coal India Limited]

### CONSOLIDATED BALANCE SHEET Contd...

(₹ In Crores)

Non-Current Assets (contd ...)	Note No.	As at 31.03.2014	As at 31.03.2013
(b) Non-Current Investments	11	123.16	246.32
(c) Deferred Tax Assets (Net)		39.88	160.58
(d) Long Term Loans & Advances	12	275.09	211.40
(e) Other Non-Current Assets	13	56.22	56.72
<b>(2) Current Assets</b>			
(a) Current Investments	14	178.21	183.16
(b) Inventories	15	1,005.13	820.84
(c) Trade Receivables	16	1,336.78	1,350.29
(d) Cash & Bank Balance	17	10,941.96	10,280.65
(e) Short Term Loans & Advances	18	2,161.85	1,567.86
(f) Other Current Assets	19	1,269.04	1,369.38
<b>Total</b>		<b>22,217.86</b>	<b>20,610.96</b>


Significant Accounting Policies 33

Additional Notes on Accounts 34


The Notes referred to above form an integral part of Balance Sheet



**(CS S.M. YUNUS)**  
Company Secretary



**(P.K.SAHOO)**  
GM (Finance)



**(A.P. PANDA)**  
Director (Finance)  
DIN - 06664375



**(NAGENDRA KUMAR)**  
Chairman-Cum-Managing Director  
DIN - 02624808

As per our report annexed  
**FOR R. GOPAL & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
Firm Regn No. 000846C



[CA, FIRM/AL]  
PARTNER

Membership NO.058409

Date: 26<sup>th</sup> MAY, 2014  
Place: NEW DELHI



## SOUTH EASTERN COALFIELDS LIMITED

[A Subsidiary of Coal India Limited]

### CONSOLIDATED STATEMENT OF PROFIT & LOSS For the Year Ended 31<sup>st</sup> March, 2014

(₹ In Crores)

	Note No.	For the Year ended 31.03.2014	For the Year ended 31.03.2013
<b>INCOME</b>			
Sale of Coal, Coke etc.	20	22,228.61	21,408.13
<b>Less:</b> Excise Duty		1,289.45	1,132.62
Other Levies		4,082.56	3,987.12
I Revenue From Operations		16,856.60	16,288.39
II Other Income	21	1,737.65	1,359.69
<b>III Total Revenue (I+II)</b>		<b>18,594.25</b>	<b>17,648.08</b>
<b>IV EXPENSES</b>			
Cost of Material Consumed	22	1,595.64	1,328.73
Purchase of Stock-in-trade		-	-
Change in inventories of finished goods, work in progress and Stock in trade	23	(160.02)	94.29
Employee benefit expenses	24	5,880.67	5,742.32
Power & Fuel		539.26	506.11
Welfare Expenses	25	94.23	96.37
Repairs	26	189.96	129.35
Contractual Expenses	27	1,562.39	1,383.71.
Finance Costs	28	6.40	8.15
Depreciation/ Amortization/Impairment		429.33	428.48
Provisions	29	(85.82)	199.91
Write Offs	30	-	0.13
Overburden Removal Adjustment		714.83	870.08
Other Expenditure	31	624.83	570.83
<b>Total Expenses</b>		<b>11,391.70</b>	<b>11,358.46</b>
V <b>Profit before prior period, exceptional and extraordinary items and tax (III-IV)</b>		<b>7,202.55</b>	<b>6,289.62</b>
VI Prior Period Adjustment {Charges/(Incomes)}	32	0.15	(0.75)
VII Exceptional Items		-	-
VIII <b>Profit before extraordinary items and tax (V-VI-VII)</b>		<b>7,202.40</b>	<b>6,290.37</b>
IX Extraordinary Items			
X <b>Profit before Tax (VIII-IX)</b>		<b>7,202.40</b>	<b>6,290.37</b>

## SOUTH EASTERN COALFIELDS LIMITED

[A Subsidiary of Coal India Limited]

### CONSOLIDATED STATEMENT OF PROFIT & LOSS contd..

	Note No.	For the Year ended 31.03.2014	(₹ In Crores) For the Year ended 31.03.2013
X Profit before Tax (VIII-IX)		7,202.40	6,290.37
XI Less: Tax Expense			
- Current year		2,296.90	2,108.65
- Deferred Tax		120.70	(77.75)
- Earlier years		12.78	(39.56)
XII Profit for the Year from continuing operations (X-XI)		<b>4,772.02</b>	<b>4,299.03</b>
XIII Profit from discontinuing operations		-	-
XIV Tax expenses of discontinuing operations		-	-
XV Profit from discontinuing operations (after tax) (XIII-XIV)		-	-
XVI Profit for the Year before Adjustment for Minority Interest (XII-XV)		<b>4,772.02</b>	<b>4,299.03</b>
XVII Add: Share of (Profit) / Loss transferred (to) / from minority Interest		(0.04)	-
XVIII Profit for the Year After Adjustment for Minority Interest (XVI-XVII)		<b>4,772.06</b>	<b>4,299.03</b>
XIX Earning per equity share (in ₹) (Face Value of Rs.1000/- per share)			
(1) Basic		13,266.78	11,951.71
(2) Diluted		13,266.78	11,951.71
Significant Accounting Policies	33		
Additional Notes on Accounts	34		

The notes referred to above form an integral part of Profit & Loss Account.



(CS S.M. YUNUS)  
Company Secretary



(P.K.SAHOO)  
GM (Finance)



(A.P. PANDA)  
Director (Finance)  
DIN - 06664375



(NAGENDRA KUMAR)  
Chairman-Cum-Managing Director  
DIN - 02624808

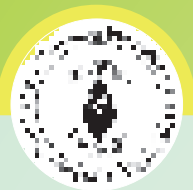
As per our report annexed  
**FOR R. GOPAL & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
Firm Regn No. 000846C

Date: 26<sup>th</sup> MAY, 2014  
Place: NEW DELHI



[CA. R. GOPAL]  
PARTNER

Membership NO.058409



## SOUTH EASTERN COALFIELDS LIMITED

[A Subsidiary of Coal India Limited]

### Consolidated Cash Flow Statement (Indirect Method) For the Year ended 31-03-2014

(₹ In Crores)

#### FOR THE YEAR ENDED

31.03.2014

31.03.2013

#### A. CASH FLOWS FROM OPERATING ACTIVITIES:

**Net Profit before tax** 7202.40 6290.37

#### Adjustment for:

Depreciation & Impairment of Fixed Assets 429.48 427.73

Interest Income (1049.82) (1036.40)

Dividend from Mutual fund investments (47.13) (34.92)

Interest expense 2.95 4.52

OBR adjustment 714.83 870.08

Profit/Loss of sale of assets [net] (2.20) (1.41)

Provision for Capital WIP and P&M in Stores 0.58 3.17

Exchange Rate Fluctuation 13.58 (0.22)

**Operating profit before Current / Non Current Assets and Liabilities** 7264.67 6522.92

#### Adjustments for:

Trade Receivable 13.51 (886.01)

Inventories (184.29) 78.67

Short/Long term Loans / Advances & Other Current Assets 9.51 884.49

Short/Long term Liabilities and Provisions 232.59 204.08

Gratuity, leave encashments & Other Employees Benefit 159.21 (134.07)

**Cash generated from operations** 7495.20 6670.08

Income Tax paid / refund (2882.05) (2717.89)

Interest paid (0.47) (0.26)

**Net Cash Flow from Operating Activities** 4612.08 3951.93

#### B. CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of fixed assets (889.76) (614.33)

Proceeds from sale of equipment 7.39 10.78

**SOUTH EASTERN COALFIELDS LIMITED**  
[A Subsidiary of Coal India Limited]

**Consolidated Cash Flow Statement (Indirect Method)**  
**For the Year ended 31-03-2014 (Contd...)**

(₹ In Crores)

**FOR THE YEAR ENDED**

**31.03.2014**                      **31.03.2013**

Proceeds/(Purchase) of Investments incl Fixed Deposit and Mutual Funds	(135.00)	(490.06)
Interest received on Fixed Deposit	1021.80	938.37
Interest pertaining to Investments	34.04	44.49
Dividend from Mutual fund Investments	47.13	34.92
<b>Net cash flow from Investing Activities</b>	<b>85.60</b>	<b>(75.83)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of Borrowings	(267.56)	(47.23)
Interest & Finance cost pertaining to Financing Activities	(2.48)	(4.26)
Dividend paid	(3444.63)	(2984.73)
Dividend Tax paid	(585.41)	(484.20)
<b>Net cash used in Financing Activities</b>	<b>(4300.08)</b>	<b>(3520.42)</b>
<b>Net Increase/ decrease in Cash &amp; Bank Balances (A+B+C)</b>	<b>398.20</b>	<b>355.68</b>
<b>Cash and cash equivalent (Opening Balance)</b>	<b>2148.94</b>	<b>1793.26</b>
<b>Cash and cash equivalent (Closing Balance)</b>	<b>2547.14</b>	<b>2148.94</b>

(All figures in bracket represent outflow)



**(CS S.M. YUNUS)**  
Company Secretary



**(P.K.SAHOO)**  
GM (Finance)



**(A.P. PANDA)**  
Director (Finance)  
DIN - 06664375



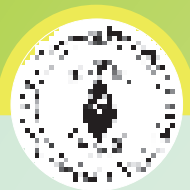
**(NAGENDRA KUMAR)**  
Chairman-Cum-Managing Director  
DIN - 02624808

As per our report annexed  
**FOR R. GOPAL & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
Firm Regn No. 000846C

  
[CA. R. GOPAL]  
PARTNER

Membership NO.058409

Date: 26<sup>th</sup> MAY, 2014  
Place: NEW DELHI



**SOUTH EASTERN COALFIELDS LIMITED**  
[A Subsidiary of Coal India Limited]

**NOTES TO CONSOLIDATED BALANCE SHEET**

(₹ In Crores)

**NOTE -1**

**SHARE CAPITAL**

	<u>As at 31.03.2014</u>	<u>As at 31.03.2013</u>
<b>Authorised</b>		
(i) 1,00,00,000 (1,00,00,000) Equity Shares of ₹ 1000/- each .	1,000.00	1,000.00
(ii) 30,00,000 (30,00,000) 10% Cumulative Redeemable Preference Shares of ₹ 1000/- each (Redeemed in the year 2003-04 as per terms of earliest redemption)	300.00	300.00
	<b>1,300.00</b>	<b>1,300.00</b>
<b>Issued, Subscribed and Paid-up</b>		
(i) 35,97,000 (35,97,000) Equity Shares of ₹ 1000/- each	359.70	359.70
<b>TOTAL</b>	<b>359.70</b>	<b>359.70</b>

**Note**

**1.1** Shares in the company held by each shareholder holding more than 5% Shares

Name of Shareholder	No. or Shares Held (Face value of ₹ 1000/- each)	% of Total Shares
Coal India Limited and its Nominees		
As at 31.03.2013	3597000	100%
As at 31.03.2014	3597000	100%

1.2 : During the year there is no change in the number of shares.

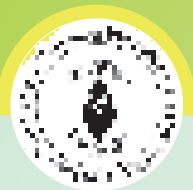
**SOUTH EASTERN COALFIELDS LIMITED**  
[A Subsidiary of Coal India Limited]

**NOTES TO CONSOLIDATED BALANCE SHEET (CONTD....)**

(₹ In Crores)

**NOTE - 2**

<b>RESERVES &amp; SURPLUS</b>	<b>As at 31.03.2014</b>	<b>As at 31.03.2013</b>
<b>RESERVES:</b>		
<b>A Capital Reserve</b>		
As per last Balance Sheet	0.01	0.01
<b>Add:</b> Addition during the year	-	-
<b>Less:</b> Adjustment During the year	-	-
<b>Total (A)</b>	0.01	0.01
<b>B Capital Redemption Reserve</b>		
As per last Balance Sheet	300.00	300.00
<b>Add:</b> Addition during the year	-	-
<b>Less:</b> Adjustment During the year	-	-
<b>Total (B)</b>	300.00	300.00
<b>C Reserve for Foreign Exchange Transactions</b>		
As per last Balance Sheet	-	-
<b>Add:</b> Addition during the year	-	-
<b>Less:</b> Adjustment During the year	-	-
<b>Total (C)</b>	-	-
<b>D CSR Reserve</b>		
As per last Balance Sheet	142.23	128.77
<b>Add:</b> Addition during the year	63.92	60.09
<b>Less:</b> Transfer to General Reserve (utilisation)	43.91	46.63
<b>Total (D)</b>	162.24	142.23
<b>E Sustainable Development Reserve</b>		
As per last Balance Sheet	0.56	-
<b>Add:</b> Addition during the year	4.70	4.50
<b>Less:</b> Transfer to General Reserve (utilisation)	0.63	3.94
<b>Total (E)</b>	4.63	0.56



## SOUTH EASTERN COALFIELDS LIMITED

[A Subsidiary of Coal India Limited]

### NOTES TO CONSOLIDATED BALANCE SHEET (CONTD....)

(₹ In Crores)

#### NOTE - 2

	As at 31.03.2014	As at 31.03.2013
<b>RESERVES &amp; SURPLUS Contd ...</b>		
<b>F General Reserve</b>		
As per last Balance Sheet	2,256.95	1,776.48
<b>Add:</b> Transfer from surplus in Statement of Profit & Loss	477.23	429.90
<b>Add:</b> Transfer from CSR Reserve	43.91	46.63
Transfer from Sustainable Development Reserve	0.63	3.94
<b>Total (F)</b>	<u>2,778.72</u>	<u>2,256.95</u>
<b>G Surplus in Statement of Profit &amp; Loss</b>		
As per last Balance Sheet	5,566.24	4,768.38
Profit after Tax during the year	4,772.06	4,299.03
<b>Profit available for appropriation</b>	<u>10,338.30</u>	<u>9,067.41</u>
<b>Appropriation</b>		
Reserve for Foreign Exchange Transaction	-	-
Transfer to General Reserve	477.23	429.90
Transfer to CSR Reserve	63.92	60.09
Transfer to Sustainable Development Reserve	4.70	4.50
Interim Dividend (₹6401.38 (₹3996.00) per share)	2,302.58	1,437.36
Proposed Dividend (₹1559.08)(₹ 3175.00 per share)	560.80	1,142.05
Corporate Dividend Tax	486.63	427.27
<b>Total (G)</b>	<u>3,895.86</u>	<u>3,501.17</u>
	<u>6,442.44</u>	<u>5,566.24</u>
Miscellaneous Expenditure (to the extent not written off)		
Preliminary Expenses	-	-
Pre - Operational Expenses	-	-
<b>TOTAL (A+B+C+D+E+F+G)</b>	<b>9,688.04</b>	<b>8,265.99</b>

## SOUTH EASTERN COALFIELDS LIMITED

[A Subsidiary of Coal India Limited]

## NOTES TO CONSOLIDATED BALANCE SHEET (CONTD....)

## RESERVE &amp; SURPLUS contd...

## 2.1 CSR RESERVE

The Company create a reserve equivalent to 5% of retained earnings of previous year subject to a minimum of ₹5/- per tonne of coal production of previous year, for meeting expenses related to CSR activities in states to which company belongs. A sum of ₹63.92 Crores (₹60.09 Crores) is earmarked during the year for CSR Activities. The actual expenses incurred and accounted for ₹43.91 Crores (₹46.63 Crores) has been transferred to General Reserve from CSR Reserve as utilised.

## 2.2 Sustainable Development Reserve

Following the Guidelines of department of Public Enterprises, Ministry of Heavy Industries & Public Enterprises vide its office memorandum dated 23<sup>rd</sup> September issued Guidelines on Sustainable Development for CPSEs, provides for creation of a fund at the rate of ₹0.50crore plus 0.1% of profit after tax of the previous year exceeding ₹100 crore. A Sustainable Development Reserve of ₹4.70 Crores (₹4.50 Crores) has been created during the year by way of appropriation of profits. The actual expenses incurred and accounted for during the year is ₹0.63 Crores (₹3.94 Crores) transferred to General Reserve from Sustainable Development Reserve as utilised.

## NOTE - 3

(₹ In Crores)

## LONG TERM BORROWING

## TERM LOAN

	As at 31.03.2014	As at 31.03.2013
IBRD	-	105.22
JBIC	-	89.42
Loan From Coal India Limited	-	-

## TOTAL

-	194.64
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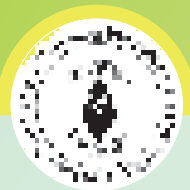
## CLASSIFICATION 1

Secured	-	-
Unsecured	-	194.64

## CLASSIFICATION 2

## Loan Guaranteed by Directors &amp; Others

Particulars of Loan	Amount In ₹ Crores	Nature of Guarantee
	NIL	-



**SOUTH EASTERN COALFIELDS LIMITED**  
[A Subsidiary of Coal India Limited]

**NOTES TO CONSOLIDATED BALANCE SHEET (CONTD....)**

(₹ In Crores)

**NOTE - 3**

**LONG TERM BORROWING (CONTD....)**

**As at**  
**31.03.2014**

**As at**  
**31.03.2013**

3.1 Amount outstanding in Foreign Currency:

US Dollar (in Crores) : IBRD	-	1.92
Japanes Yen (in Crores) : JBIC	-	152.92

3.2 There is no default in repayment of loans and interest.

3.3 Security :

**IBRD**-Guarantee Agreement dated March 19,1998 executed between India and IBRD.

**JBIC**- Guarantee executed by the President of India.

3.4 Repayment is in 30 instalments, to be made semi annually, starting May 15,2003 and ending on November 15, 2017. However, full pre-payment has been made during the year.

3.5 The Company acquired certain HEMM equipments & spares etc. out of foreign currency loan from IBRD and JBIC Bank through Coal India Ltd. and guaranteed by the Govt. of India.

3.6 Reconciliation between Opening and Closing Balances: (₹ in Crores)

**A) IBRD**

Opening Balance:	105.22	121.36
Less: Transfer to Current Liability	105.22	22.61
Add (Less): Impact of Exchange Rate Flactuation	-	6.47
Closing Balance:	-	105.22

**B) JBIC**

Opening Balance:	89.42	123.55
Less: Transfer to Current Liability	89.42	24.46
Add(Less): Impact of Exchange Rate Flactuation	-	(9.67)
Closing Balance:	-	89.42

**SOUTH EASTERN COALFIELDS LIMITED**  
[A Subsidiary of Coal India Limited]

**NOTES TO CONSOLIDATED BALANCE SHEET (CONTD ....)**  
**NOTE -4**

(₹ In Crores)

**OTHER LONG TERM LIABILITIES**

**SHIFTING & REHABILITATION FUND**

	<b>As at 31.03.2014</b>	<b>As at 31.03.2013</b>
Opening Balance	-	-
Add: Interest on Investment of the fund	-	-
Add: Contribution Received	-	-
Less: Amount utilised	-	-
	-	-
<b>Trade Payable</b>		
Security Deposits	340.25	283.62
Others	417.40	315.69
	<b>757.65</b>	<b>599.31</b>
<b>TOTAL</b>	<b>757.65</b>	<b>599.31</b>

**4.1 Others**

Others ₹417.40 Crores includes ₹412.91 Crores relating to amount realized from customers and employees on account of cases pending before various courts/ arbitration with interest earned on bank deposits related to such liabilities.



**SOUTH EASTERN COALFIELDS LIMITED**  
[A Subsidiary of Coal India Limited]

**NOTES TO CONSOLIDATED BALANCE SHEET ( CONTD ....)**

(₹ In Crores)

**NOTE - 5**

**LONG TERM PROVISIONS**

**For Employee Benefits**

	<u>As at 31.03.2014</u>	<u>As at 31.03.2013</u>
- Gratuity	-	-
- Leave Encashment	421.71	421.82
- Other Employee Benefits	215.38	171.15
For Foreign Exchange Transactions (Market to Market)	-	-
OBR Adjustment Account	5,343.41	4,628.58
Mine Closure	643.21	569.59
For Others	-	-
<b>TOTAL</b>	<b>6,623.71</b>	<b>5,791.141</b>

**5.1 The Position of various provisions is given below:**

(₹ in Crores)

	<b>Provisions</b>	<b>Opening Balance</b>	<b>Addition/ Write back during the year</b>	<b>Paid/ Adj during year</b>	<b>Closing Balance</b>
		<b>01.04.2013</b>			<b>31.03.2014</b>
i	For Gratuity	-	-	-	-
ii	For Leave Encashment	421.82	-	0.11	421.71
iii	For Other Employee Benefits	171.15	44.23		215.38
iv	For OBR Adjustment Account	4,628.58	714.83	-	5,343.41
v	For Mine Closure Plan	569.59	73.62	-	643.2.1

**5.2 Provision for Other Employee Benefits**

Provision for Other Employee Benefits includes Pension and Superannuation fund @ 3.00% & 6.84% respectively on basic DA for executives Defined Benefit Scheme in this respect is not yet formulated; therefore liability is taken based on contribution to be made. However, Post Superannuation Medical Benefits are taken as per actuarial valuation, which is also included under other Employees Benefits.

**SOUTH EASTERN COALFIELDS LIMITED**  
[A Subsidiary of Coal India Limited]

**NOTES TO CONSOLIDATED BALANCE SHEET ( CONTD ....)**

**NOTE - 5**

**LONG TERM PROVISIONS ( CONTD ....)**

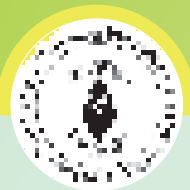
**5.3 Provision for Mine Closure**

- (a) Following the guidelines from Ministry of coal, GOI for preparations Provision for Mine Closure Plan is made in accounts. Such provision is made as per CMPDIL's (a subsidiary of Coal India Limited.) technical assessment wherever available. Otherwise the same is provided, considering the cost at a standard rate of 6.00 lakh per hectare for OCP and ₹ 1.00 lakh per hectare for UG mines outlined in the aforesaid guidelines and the pro-rata yearly provision is further compounded by 5% from th year following which the same is started.
- (b) Provision for Mine Closure Plan ₹73.62Crores (includes ₹37.12 Crores for Development Mines) has been provided during the year. As per the above guidelines, an amount equivalent to the provision made is to be deposited in an Escrow account set up for this purpose. Escrow Account has been opened for 84 Mines and ₹517.66 Crores has been deposited with Bank and interest earned there on ₹ 11.52 Crores.

(₹ In Crores)

**NOTE-6**

<b>SHORT TERM BORROWING</b>	<b>As at 31.03.2014</b>	<b>As at 31.03.2013</b>
<b>Loan from Bank</b>		
<b>Loans Repayable on Demand</b>		
Balance with Coal India Limited & other Subsidiaries of Coal India Limited	-	-
Overdraft against Pledge of Term Deposit	-	-
<b>Other Loans and Advances</b>		
Deferred Credits	-	-
<b>TOTAL</b>	-	-
<b>CLASSIFICATION 1</b>		
Secured	-	-
Unsecured	-	-



**SOUTH EASTERN COALFIELDS LIMITED**  
[A Subsidiary of Coal India Limited]

**NOTES TO CONSOLIDATED BALANCE SHEET ( CONTD ....)**

**NOTE - 6**

**SHORT TERM BORROWING (CONTD...)**

**CLASSIFICATION 2**

**6.1 Loan Guaranteed by Directors & Others**

Particulars of Loan	Amount in ₹ Crores	Nature of Guarantee
	NIL	-

**6.2 Amount outstanding In Foreign Currency: NIL**

**6.3 Cash Credit**

The Company has executed a Joint Deed of Hypothecation in favour of the State Bank Consortium, which includes State Bank of India and 17 other Banks for the purpose of availing working capital facilities both fund based and non-fund based. As per the Consortium Agreement (Revised) dated: 01.09.2008, the Company agreed that the said facilities shall be collaterally secured by SECL by creating hypothecation charge over current assets comprising of Book Debts, Stocks of Raw Materials, Semi Finished and Finished goods, Stores and Spares not relating to Plant & Machinery (Consumable, Stores & Spares), both present and future jointly and severally in favour of said Banks for a sum of ₹165.00 Crores. There is no credit balance in the cash credit account.

**NOTE-7**

(₹ In Crores)

**TRADE PAYABLES**

Sundry Creditors For Revenue Stores

As at  
31.03.2014

As at  
31.03.2013

96.65

96.17

**TOTAL**

**96.65**

**96.17**

Note:

**7.1 Bifurcation of Sundry Creditors for Supplies between Micro, Small & Medium Enterprises and others:**

Micro, Small & Medium Enterprises

4.38

3.71

Others

92.27

92.46

**Total**

**96.65**

**96.17**

**SOUTH EASTERN COALFIELDS LIMITED**  
[A Subsidiary of Coal India Limited]

**NOTES TO CONSOLIDATED BALANCE SHEET ( CONTD ....)**

(₹ In Crores)

**NOTE - 8**

**OTHER CURRENT LIABILITIES**

**Current Maturities of Long Term Borrowings**

	<u>As at 31.03.2014</u>	<u>As at 31.03.2013</u>
Term Loan From IBRD	-	22.61
Term Loan From JBIC	-	24.46
For Capital (including Stores)	20.68	20.30

**For Expenses:**

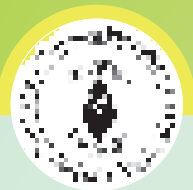
Salary Wages & Allowances	369.00	340.85
Power & Fuel	61.55	59.87
Others	679.25	968.83
	<b>1,130.48</b>	<b>1,436.92</b>

**Statutory Dues:**

Sales Tax / VAT	21.09	20.19
Provident Fund & Pension Fund	99.55	88.96
Central Excise Duty	0.17	0.82
Royalty & Cess on Coal	106.23	125.45
Stowing Excise Duty	21.65	21.13
Clean Energy Cess	108.26	105.74
Other Statutory Levies	83.17	233.08
Income Tax Deducted at Source	26.02	32.07
	<b>466.14</b>	<b>627.44</b>

**Others:**

Security Deposit	114.84	104.92
Earnest Money	41.88	44.62
Advance & Deposit from Customers / Others	1,272.78	840.38
Current Account with Coal India Ltd.	-	-
	<b>1,429.50</b>	<b>989.92</b>
<b>TOTAL</b>	<b>3,026.12</b>	<b>3,054.28</b>



**SOUTH EASTERN COALFIELDS LIMITED**  
[A Subsidiary of Coal India Limited]

**NOTES TO CONSOLIDATED BALANCE SHEET ( CONTD ....)**

(₹ In Crores)

**NOTE - 8**

**OTHER CURRENT LIABILITIES (CONTD...)**

8.1 Amount outstanding in foreign currency:

US Dollar (in Crores) : IBRD		0.41
Japanes Yen (in crores): JBIC		41.84

8.2 No unpaid dividend amount is due for payment to Investor Education & Protection Fund.

8.3 Reconciliation between Opening and Closing Balances:

(₹ In Crores)

A) IBRD

Opening Balance:	22.61	18.87
Less: Repayment of Loan	144.38	21.00
Add (Less): Impact of Exchange Rate Flactuation	16.55	2.13
Add: Transfer from Non-Current	105.22	22.61
Closing Balance:	-	22.61

B) JBIC

Opening Balance:	24.46	25.43
Less: Repayment of Loan	123.18	26.23
Add (Less): Impact of Exchange Rate Flactuation	9.30	0.80
Add: Transfer from Non-Current	89.42	24.46
Closing Balance:	-	24.46

8.4 Advance & Deposit from Customers/ Others includes ₹15.48 Crores received from Devnara Coalfields Ltd. towards recoverable cost of exploration of Rajgamar Dip Side (Devnara coal block), which is allotted to the party, pending finalisation of survey etc.

8.5 Other Current Liabilities- Others includes ₹2.96 Crores on account of liability taken for Coal India Sports Promotion Association (CISPA) @ ₹0.25per tonne of coal produced of previous year.

## SOUTH EASTERN COALFIELDS LIMITED

[A Subsidiary of Coal India Limited]

### NOTES TO CONSOLIDATED BALANCE SHEET ( CONTD ....)

(₹ In Crores)

#### NOTE-9

<b>SHORT TERM PROVISIONS</b>	<b>As at 31.03.2014</b>	<b>As at 31.03.2013</b>
For Employee Benefits		
- Gratuity	72.55	115.71
- Leave Encashment	38.03	31.84
- Exgratia (PLRS)	214.40	190.31
- Performance Related Pay (PRP)(Net)	403.97	305.83
- Other Employee Benefits	206.84	215.75
For Proposed Dividend	560.80	1,142.05
For Corporate Dividend Tax	95.31	194.09
For Provision for Income Tax	-	-
Less: Advance Income Tax/ Tax Deducted at Source	-                      -	-                      -
For Excise Duty on Closing Stock of Coal	73.59	53.43
For Others (Wealth Tax)	0.50	0.72
<b>TOTAL</b>	<b>1,665.99</b>	<b>2,249.73</b>

#### 9.1 The Position of various provisions is given below:

(₹ in Crores)

	Provisions	Opening Balance	Addition/ Write Back during the year	Paid/ Adj during the year	Closing Balance
		01.04.2013			31.03.2014
i	For Gratuity	115.71	10.08	53.24	72.55
ii	For Leave Encashment	31.84	89.39	83.20	38.03
iii	For PLRS	190.31	222.56	198.47	214.40
iv	For PRP	305.83	91.76	(6.38)	403.97
v	For Other Employee Benefits	215.75	178.81	187.72	206.84
vi	For Proposed Dividend	1,142.05	560.80	1,142.05	560.80
vii	For Interim Dividend	-	2,302.58	2,302.58	-
viii	For Corporate Dividend Tax	194.09	486.63	585.41	95.31
ix	For Excise Duty	53.43	20.16	-	73.59
x	For Others (Wealth Tax)	0.72	-	0.22	0.50

#### 9.2 Performance Related Pay (PRP)

An amount of ₹143.43 Crores has been paid till date as Recoverable advance against Performance Related Pay (PRP), adjusted against the Provision made for PRP.

# SOUTH EASTERN COALFIELDS LIMITED

[A Subsidiary of Coal India Limited]

## NOTES TO CONSOLIDATED BALANCE SHEET ( CONTD ....)

### NOTE-10 A FIXED ASSETS

(₹ In Crores)

PARTICULARS	GROSS BLOCK			DEPRECIATION			IMPAIRMENT			CARRYING VALUE	
	As on 01.04.2013	Addition During the Year	Adj./Sale /transfer during the Year	As on 31.03.2014	Addition During the Year	Adj./Sale /transfer during the Year	As on 01.04.2013	Addition During the Year	Adj./Sale /transfer during the Year	As on 31.03.2014	As on 31.03.2013
<b>TANGIBLE ASSETS</b>											
<b>Land</b>											
(a) Freehold	9.35	1.44	0.00	10.79	0.00	0.00	0.00	0.00	0.00	10.79	9.35
(b) Leasehold	1095.58	81.62	0.00	1177.20	478.83	39.18	518.01	0.00	0.00	659.19	616.75
Buildings/ Water supply/ Roads and Culverts	924.26	13.64	(0.06)	937.84	308.36	20.22	328.52	0.15	0.00	609.17	615.75
Plant and Equipment	4734.64	282.15	(110.36)	4906.43	2875.47	344.03	3114.51	5.45	0.00	1786.47	1853.72
Telecommunication equipment	30.82	28.85	-	59.67	26.75	1.74	28.49	0.00	0.00	31.18	4.07
Railway Sidings	68.95	15.50	0.00	84.45	44.05	3.48	47.53	0.00	0.00	36.92	24.90
Furniture & Fixtures / Office Tools & Equipments / Electrical Fittings/	28.28	1.94	(1.29)	28.93	26.20	1.40	22.28	0.00	0.00	6.65	2.08
Fire Arms	24.11	0.84	(0.08)	24.87	13.23	1.03	18.27	0.00	0.00	6.60	10.88
Vehicles	58.69	0.60	(1.98)	57.31	48.88	1.60	48.60	0.00	0.00	8.71	9.81
Aircraft	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Development	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Assets taken on Nationalisation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL</b>	<b>6974.67</b>	<b>426.58</b>	<b>(113.77)</b>	<b>7287.48</b>	<b>3821.77</b>	<b>412.68</b>	<b>4126.21</b>	<b>5.60</b>	<b>0.00</b>	<b>3155.67</b>	<b>3147.30</b>
<b>TANGIBLE ASSETS (AS on 31.03.2013)</b>	<b>6613.64</b>	<b>490.53</b>	<b>(129.49)</b>	<b>6974.68</b>	<b>3528.90</b>	<b>413.60</b>	<b>3821.77</b>	<b>5.70</b>	<b>(0.10)</b>	<b>3147.31</b>	<b>3079.04</b>
<b>INTANGIBLE ASSETS</b>											
Computer Software	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Development	392.39	39.60	(4.96)	427.03	208.98	13.63	217.60	40.99	(0.55)	169.01	142.42
Prospecting & Boring	78.72	24.91	(0.79)	102.84	32.21	3.99	35.48	7.23	(0.06)	60.19	39.28
<b>TOTAL</b>	<b>471.11</b>	<b>64.51</b>	<b>(5.75)</b>	<b>529.87</b>	<b>241.19</b>	<b>17.62</b>	<b>253.08</b>	<b>48.22</b>	<b>(0.61)</b>	<b>229.20</b>	<b>181.70</b>
<b>INTANGIBLE ASSETS (AS on 31.03.2013)</b>	<b>478.97</b>	<b>28.69</b>	<b>(36.55)</b>	<b>471.11</b>	<b>245.51</b>	<b>13.99</b>	<b>241.19</b>	<b>70.36</b>	<b>(22.83)</b>	<b>181.70</b>	<b>163.10</b>

NOTE: 1. Leased out Assets to M/s Apollo Hospitals included under Buildings. Gross value- ₹ 31.32 Crores (Previous year ₹ 31.32 Crores) & accumulated depreciation- ₹ 8.11 Crores (Previous year ₹ 7.71 Crores)

2. Leased out Assets to M/s Aryan Coal Beneficiations Pvt. Ltd. value ₹ 8.02 Crores (₹ 8.02 Crores) and accumulated depreciation is ₹ 7.14 Crores (₹ 7.14 Crores).



**SOUTH EASTERN COALFIELDS LIMITED**  
[A Subsidiary of Coal India Limited]

**NOTE-10 B**

**CAPITAL WORK - IN - PROGRESS**

(₹ In Crores)

PARTICULARS	COST			PROVISION			IMPAIRMENT LOSS			CARRYING VALUE			
	As on 01.04.2013	Addition During the Year	Adj./Sale /transfer during the Year	As on 31.03.2014	As on 01.04.2013	Addition During the Year	Adj./Sale /transfer during the Year	As on 31.03.2014	As on 01.04.2013	Addition During the Year	Adj./Sale /transfer during the Year	As on 31.03.2014	As on 31.03.2013
<b>TANGIBLE ASSETS</b>													
Buildings/Water supply Roads and Culverts	27.86	61.85	(11.29)	78.42	1.08	0.00	0.00	1.08	0.00	0.00	0.00	77.34	26.78
Plant and Equipment	456.98	371.01	(159.22)	668.77	4.93	5.18	(4.95)	5.16	0.00	0.00	0.00	663.61	452.05
Railway Sidings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Development	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Others	74.82	94.76	(82.89)	86.69	0.04	0.00	0.00	0.04	0.00	0.00	0.00	86.65	74.78
<b>TOTAL</b>	<b>559.66</b>	<b>527.62</b>	<b>(253.40)</b>	<b>833.88</b>	<b>6.05</b>	<b>5.18</b>	<b>(4.95)</b>	<b>6.28</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>827.60</b>	<b>553.61</b>
<b>TANGIBLE ASSETS</b>													
(As on 31.03.2013)	550.12	488.36	(478.32)	559.66	2.62	5.52	(2.09)	6.05	0.00	0.00	0.00	553.61	547.50
Surveyed Off Assets	15.34	5.53	(5.19)	15.68	0.03	0.00	(0.03)	0.00	0.00	0.00	0.00	15.68	15.31
Surveyed Off Assets (AS on 31.03.2013)	14.80	6.33	(5.79)	15.34	0.00	0.03	0.00	0.03	0.00	0.00	0.00	15.31	14.80
<b>Grand Total</b>	<b>575.00</b>	<b>533.15</b>	<b>(258.59)</b>	<b>849.56</b>	<b>6.08</b>	<b>5.18</b>	<b>(4.98)</b>	<b>6.28</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>843.28</b>	<b>568.92</b>
<b>Grand Total (As on 31.03.2013)</b>	<b>564.92</b>	<b>494.69</b>	<b>(484.61)</b>	<b>575.00</b>	<b>2.62</b>	<b>5.55</b>	<b>(2.09)</b>	<b>6.08</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>568.92</b>	<b>562.30</b>

## SOUTH EASTERN COALFIELDS LIMITED

[A Subsidiary of Coal India Limited]

### NOTE-10 C INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ In Crores)

PARTICULARS	COST			PROVISION			IMPAIRMENT LOSS			CARRYING VALUE		
	As on 01.04.2013	Addition During the Year	Adj/Sale /transfer during the Year	As on 31.03.2014	As on 01.04.2013	Addition During the Year	Adj/Sale /transfer during the Year	As on 01.04.2013	As on 31.03.2014	Total Provision & Impairment	As on 31.03.2014	As on 31.03.2013
<b>INTANGIBLE ASSETS</b>												
Development	92.32	61.30	(33.42)	120.20	0.21	0.00	(0.01)	0.20	0.00	0.20	120.00	92.11
Prospecting and Boring	373.72	124.36	(15.69)	482.39	0.00	0.00	0.00	0.00	0.00	0.00	482.39	373.72
<b>Total</b>	<b>466.04</b>	<b>185.66</b>	<b>(49.11)</b>	<b>602.59</b>	<b>0.21</b>	<b>0.00</b>	<b>(0.01)</b>	<b>0.20</b>	<b>0.00</b>	<b>0.20</b>	<b>602.39</b>	<b>465.83</b>
<b>INTANGIBLE ASSETS</b> (As on 31.03.2013)	<b>385.81</b>	<b>95.39</b>	<b>(15.16)</b>	<b>466.04</b>	<b>0.50</b>	<b>0.00</b>	<b>(0.29)</b>	<b>0.21</b>	<b>0.00</b>	<b>0.21</b>	<b>465.83</b>	<b>385.31</b>

Notes :-

- On abolition of Coal Mines Welfare Organisation and Coal Mines Rescue Organisation (1985), the assets taken over at different Areas have been incorporated in the Accounts at a nominal value of ₹1.00 per asset, pending finalisation of purchase consideration for these assets which includes Hospital, Rescue Stations, Welfare Centers and others.
- Title Deeds and/or Lease Deeds of Land and Buildings and Mining Rights are not available with the company as the transfer formalities from the Holding Company and its other Subsidiaries have not been completed and consequently some documents continue to be held in the name of the Holding Company and its other Subsidiaries. Land and other mining rights acquired under various notifications of Central/State Government have been taken as vested with the company without further lease agreement and are shown under the respective heads.
- Lease hold lands acquired under all Rights/ Surface Rights, as per the provisions of the Coal Bearing Area (Acquisition and Development) Act, 1957 or the Mines and Minerals (Regulation and Development) Act, 1957 as the case may be, for carrying out opencast mining operations as well as underground mining operations and to build necessary infrastructure and involve payment of compensation to landowners for the land acquired. All rights/ surface rights also include mining rights for which no extra payment is involved.
- The fluctuations in foreign exchange rate have been accounted for under (a) Fixed Assets to the extent of ₹12.27 Crores [(-) ₹0.05 Crores] and (b) charged to Profit & Loss account, ₹13.58 Crores [(-), ₹0.22 Crores] as Foreign exchange fluctuation in respect of borrowed fund.
- Against the Plant & Machinery, which are lying in Stores and remain unremoved, a net provision to the extent of ₹0.23 Crores (₹3.43 Crores) is (-) withdrawn / made being equivalent to depreciation at the applicable rates each year.
- Buildings and Building Work-in-progress include Roads and Culverts falling within the colliery and township, electrical fittings, water supply arrangements and sanitary fittings.
- Physical verification of Fixed Assets like Land, Building, Railway Siding and other immovable assets are carried out once in every three years and of Movable Assets/Equipment costing more than ₹1.00 Lakh in each case every year. Equipment/assets costing less than ₹1.00 Lakh in each case are verified once in every two years.
- Certain items of inventory of stores such as Conveyor Belt, Power Cable etc. in stock at the end of the year have been treated as Capital Goods in Stores and shown under Schedule of Fixed Assets.
- Expenditure incurred on behalf of the Company by the Central Mines Planning & Design Institute Ltd. (A subsidiary of Coal India Ltd.) on Planning, Designing, Exploration & Development and other Development expenditure incurred by the Company have been capitalised in respect of sanctioned projects. Expenditure relating to the projects yet to be sanctioned or construction yet to be taken up has been carried forward under 'Prospecting & Boring under construction'.
- Other provisions for Capital WIP and surveyed off assets is made ₹0.35 Crore (-) ₹0.26 Crore (-) withdrawn/ made during the year.



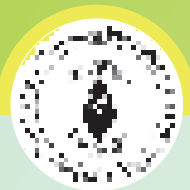
**SOUTH EASTERN COALFIELDS LIMITED**  
[A Subsidiary of Coal India Limited]

**NOTES TO CONSOLIDATED BALANCE SHEET ( CONTD ....)**

**NOTE - 10 [CONTD ...]**

(₹ In Crores)

	<u>As at 31.03.2014</u>	<u>As at 31.03.2013</u>
<b>RECONCILIATION OF DEPRECIATION &amp; IMPAIRMENT:</b>		
Statement of Profit & Loss	429.33	428.48
Capitalisation	0.21	0.45
Prior Period Expenses	0.15	(0.75)
<b>TOTAL</b>	<b>429.69</b>	<b>428.18</b>

**SOUTH EASTERN COALFIELDS LIMITED**

[A Subsidiary of Coal India Limited]

**NOTES TO CONSOLIDATED BALANCE SHEET ( CONTD ....)****NOTE -11**

(₹ In Crores)

**NON- CURRENT INVESTMENTS-  
(Unquoted) at Cost**Number of  
Shares/ bonds  
/Current Year/  
(previous year)Face value per  
share/bond  
(₹)As at  
31.03.2014As at  
31.03.2013**Trade (Unquoted)****8.5% Tax Free Special Bonds (Fully Paid up) :**

(on securitisation of Sundry Debtors)

**Major State-wise Break-up**

Maharashtra	256340 (512680)	1,000.00	25.63	51.27
Madhya Pradesh	623800 (1247600)	1,000.00	62.38	124.76
Gujarat	351480 (702960)	1,000.00	35.15	70.29
Others - Consumer Co-operative Societies Ltd. Baikunthpur	250 (250)	10.00	-	-

**Non-trade (Unquoted) at cost****Total:****123.16****246.32**

Aggregate amount of Quoted Investment

NA

NA

Aggregate amount of Unquoted Investment

123.16

246.32

Fair Value of Quoted Investment

NA

NA

Provision Made for diminution in the value of Investment

NIL

NIL

**SOUTH EASTERN COALFIELDS LIMITED**  
[A Subsidiary of Coal India Limited]

**NOTES TO CONSOLIDATED BALANCE SHEET ( CONTD ....)**

**NOTE -12**

(₹ In Crores)

**LONG TERM LOANS & ADVANCES**

		<u>As at 31.03.2014</u>		<u>As at 31.03.2013</u>
<b>Loans</b>				
Loan To Subsidiaries				
- Secured considered good	-		-	
- Unsecured considered good	-		-	
- Doubtful	-	-	-	-
Loan to employees				
For House Building				
- Secured considered good	15.18		17.49	
- Unsecured considered good	-		-	
- Doubtful	0.01		0.01	
	<u>15.19</u>		<u>17.50</u>	
Less: Provision for Doubtful Loans	0.01	15.18	0.01	17.49
For Motor Car and Other Conveyance				
- Secured considered good	0.06		0.15	
- Unsecured considered good	-		-	
- Doubtful	-		-	
	<u>0.06</u>		<u>0.15</u>	
Less: Provision for Doubtful Loans	-	0.06	-	0.15
For Others				
- Secured considered good	-		-	
- Unsecured considered good	-		-	
- Doubtful	0.09		0.10	
	<u>0.09</u>		<u>0.10</u>	
Less: Provision for Doubtful Loans	0.09		0.10	-
<b>Balance Carried forward</b>		<u>15.24</u>		<u>17.64</u>



**SOUTH EASTERN COALFIELDS LIMITED**  
[A Subsidiary of Coal India Limited]

**NOTES TO CONSOLIDATED BALANCE SHEET ( CONTD ....)**

**NOTE -12**

(₹ In Crores)

**LONG TERM LOANS & ADVANCES (Contd ..)**

		<u>As at 31.03.2014</u>		<u>As at 31.03.2013</u>
<b>Balance brought forward</b>		<b>15.24</b>		<b>17.64</b>
<b>Advances</b>				
For Capital				
- Secured considered good	-		-	
- Unsecured considered good	123.39		69.03	
- Doubtful	0.53		0.53	
	<u>123.92</u>		<u>69.56</u>	
Less: Provision for Doubtful Advances	0.53	123.39	0.53	69.03
For Revenue				
- Secured considered good	-		-	
- Unsecured considered good	23.27		26.55	
- Doubtful	0.79		0.80	
	<u>24.06</u>		<u>27.35</u>	
Less: Provision for Doubtful Advances	0.79	23.27	0.80	26.55
<b>Security Deposits</b>				
- Secured considered good	-		-	
- Unsecured considered goon	-		-	
- Doubtful	-		-	
	<u>-</u>		<u>-</u>	
Less: Provision for Doubtful deposits	-	-	-	-
<b>Balance carried forward</b>		<b>161.90</b>		<b>113.22</b>

**SOUTH EASTERN COALFIELDS LIMITED**  
[A Subsidiary of Coal India Limited]

**NOTES TO CONSOLIDATED BALANCE SHEET ( CONTD ....)**

**NOTE -12**

(₹ In Crores)

**LONG TERM LOANS & ADVANCES (Contd ..)**

	As at 31.03.2014	As at 31.03.2013
<b>Balance brought forward</b>	<b>161.90</b>	<b>113.22</b>
Deposit for P&T, Electricity etc	-	-
- Secured considered good		
- Unsecured considered good	113.19	98.18
- Doubtful	-	-
	113.19	98.18
Less: Provision for doubtful deposits	-	-
	113.19	98.18
<b>TOTAL</b>	<b>275.09</b>	<b>211.40</b>
<b>CLASSIFICATION</b>		
Secured	15.24	17.64
Unsecured- Considered good	259.85	193.76
- Considered doubtful	1.42	1.44

**Note:**

		CLOSING BALANCE		MAXIMUM AMOUNT DUE AT ANY TIME DURING	
		CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
12.1	Due by the Companies in which directors of the company is also a director/member	NIL	NIL	NIL	NIL
	Due by the parties in which the Director(s) of company is /are interested	NIL	NIL	NIL	NIL
12.2	Provisions	Opening Balance	Addition during the year	Write back/ Adj. during the year	Closing Balance
	Against Loan to employees for House Building	0.01	-	-	0.01
	Against Loan to Others	0.10	-	0.01	0.09
	Against advances for Capital	0.53	-	-	0.53
	Against advances for Revenue	0.80	-	0.01	0.79
	<b>Total</b>	1.44	-	0.02	1.42



**SOUTH EASTERN COALFIELDS LIMITED**  
[A Subsidiary of Coal India Limited]

**NOTES TO CONSOLIDATED BALANCE SHEET ( CONTD ....)**

**NOTE -13**

(₹ In Crores)

**OTHER NON-CURRENT ASSETS**

	<u>As at 31.03.2014</u>	<u>As at 31.03.2013</u>
<b>Long Term Trade Receivable</b>		
- Secured considered good	-	-
- Unsecured considered good	-	-
- Doubtful	-	-
	<hr/>	<hr/>
	-	-
Less Provision for bad and doubtful trade receivables	<hr/> - -	<hr/> - -
<b>Exploratory Drilling Work</b>		
- Secured considered good	-	-
- Unsecured considered good	-	-
- Doubtful	-	-
	<hr/>	<hr/>
	-	-
Less: Provision for bad and doubtful	<hr/> -	<hr/> -
<b>Other Receivables</b>		
- Secured considered good	-	-
- Unsecured considered good	56.22	56.72
- Doubtful	6.47	6.47
	<hr/>	<hr/>
	62.69	63.19
Less: Provision for bad & doubtful receivable	<hr/> 6.47	<hr/> 6.47
<b>TOTAL</b>	<b>56.22</b>	<b>56.72</b>
<b>CLASSIFICATION</b>		
Secured	-	-
Unsecured - Considered good	56.22	56.72
- Considered doubtful	6.47	6.47

**SOUTH EASTERN COALFIELDS LIMITED**  
[A Subsidiary of Coal India Limited]

**NOTES TO CONSOLIDATED BALANCE SHEET ( CONTD ....)**

**NOTE -13**

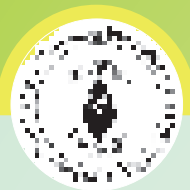
**OTHER NON-CURRENT ASSETS ( CONTD ....)**

**Note:**

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

13.2 Other receivables amounting to ₹56.22 Crore (₹56.72 Crore) deposited under protest with tax authorities and others.

13.3	Provisions	Opening Balance	Addition during the year	Write back/adj. during the year	Closing Balance
	Against other Receivables	6.47	-	-	6.47



## SOUTH EASTERN COALFIELDS LIMITED

[A Subsidiary of Coal India Limited]

### NOTES TO CONSOLIDATED BALANCE SHEET ( CONTD ....)

#### NOTE -14

(₹ In Crores)

#### CURRENT INVESTMENTS - (Unquoted) at Cost

	Number of Shares/ bonds Current Year/ (previous year)	Face value per share/bond (₹)	As at 31.03.2014	As at 31.03.2013
<b>Non-trade</b>				
<b>A Mutual Fund Investment</b>				
SBI Mutual Fund	249409.031 [598056.317]	1003.25 [1003.25]	25.02	60.00
Canara Robeco Mutual Fund	39,813.33	1,005.50	4.00	-
UTI Mutual Fund	225,845.22	1,019.45	23.03	-
Union KBC Liquid Fund	30,006.66	1,000.65	3.00	-
<b>Total (A)</b>			<b>55.05</b>	<b>60.00</b>
<b>Trade (Unquoted)</b>				
<b>B 8.5% Tax Free Special Bonds (Fully Paid up) :</b> (on securitisation of Sundry Debtors)				
<b>State-wise Break-up</b>				
Maharashtra	256340 (256340)	1,000.00	25.63	25.63
Madhya Pradesh	623800 (623800)	1,000.00	62.38	112.38
Gujarat	351480 (351480)	1,000.00	35.15	35.15
<b>Total (B)</b>			<b>123.16</b>	<b>123.16</b>
<b>TOTAL</b>			<b>178.21</b>	<b>183.16</b>
Aggregate amount of Unquoted Investments			178.21	183.16
Fair Value of Unquoted Investments			178.21	183.16
Provision Made for diminution in the value of Investment			NIL	NIL

**SOUTH EASTERN COALFIELDS LIMITED**  
[A Subsidiary of Coal India Limited]

**NOTES TO CONSOLIDATED BALANCE SHEET ( CONTD ....)**

**NOTE -15**

(₹ In Crores)

**INVENTORIES**

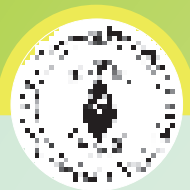
(Valuation as per Accounting Policy No. 6)

		<u>As at 31.03.2014</u>		<u>As at 31.03.2013</u>
<b>A Stock of Coal, Coke etc. (Net)</b>				
Stock of Coal	564.50		444.07	
Coal under Development	1.11		1.48	
	<u>565.61</u>		<u>445.55</u>	
Less: Provision	-	565.61	-	445.55
<b>B Net Stock of Stores &amp; Spare (at cost)</b>				
Stock of Stores & Spare (at cost)	300.26		277.76	
Stores -in -transit	12.37		7.86	
	<u>312.63</u>		<u>285.62</u>	
Less: Provision	49.72	262.91	47.13	238.49
<b>C Net Stock of Workshop jobs</b>				
Workshop Jobs:				
Work-in-progress and Finished Goods	166.34		126.53	
Less: Provision	-	166.34	-	126.53
<b>D Prospecting &amp; Boring / Development Exp./Coal</b>				
Blocks meant for Sale		10.27		10.27
<b>TOTAL (A+B+C+D)</b>		<b>1,005.13</b>		<b>820.84</b>

15.1 The Closing Stock of Stores at Central and Regional Stores has been considered in the Accounts as per balances appearing in Financial Ledger on progressive monthly weighted average method.

15.2 The Prospecting and Boring and development expenditure of ₹10.27 Crores (₹10.27 Crores) incurred on Datima (Bisrampur Area), Behraband (Hasdeo Area) and Baisi Block (Raigarh Area) and intended for sale to outside parties are shown under inventories. Rajgamar dip side (South of Phulkadih Nala) and Kesla North Block are also allotted to others. The sale proceeds of same are expected to be more than the cost.

15.3 Inventories have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.



**SOUTH EASTERN COALFIELDS LIMITED**  
[A Subsidiary of Coal India Limited]

**NOTES TO CONSOLIDATED BALANCE SHEET ( CONTD ....)**

**NOTE -15 contd...**

(₹ In Crores)

**INVENTORIES (CONTD...)**

15.4	Provisions	Opening Balance	Addition during the year	Write back/ adj. during the year	Closing Balance
	Against Stock of Stores & Spares, considered adequate.	47.13	2.59	-	49.72

**ANNEXURE TO NOTE - 15**

**Table:A**

(Qty. in Lakh tonnes) (Value in ₹ Crores)

Reconciliation of Closing Stock adopted in Accounts with Book stock as at the end of the year:

Particulars	Overall Stock		Non-vendable Stock		Vendable Stock		Dankuni Coal Complex (Coal, Coal)		Total	
	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
1 (A) Opening stock as on 01.04.13	55.30	431.64			55.30	431.64	0.39	13.91	55.69	445.55
(B) Adjustment in Opening Stock										
<b>Total</b>	55.30	431.64			55.30	431.64	0.39	13.91	55.69	445.55
2 Production during the year <sup>3</sup>	1242.61				1242.61				1242.61	
<b>Sub-Total (1+2)</b>	1297.91				1297.91				1297.91	
3 Off- Take for the year:										
(A) Outside Despatch	1218.23	16697.25			1218.23	16697.25		159.35	1218.23	16856.60
(B) Coal feed to Washeries										
(C) Own Consumption <sup>1</sup>	2.04	46.67			2.04	46.67			2.04	46.67
Sub-Total (3)	1220.27	16743.92			1220.27	16743.92		159.35	1220.27	16903.27
4 Derived Stock*	77.64	554.03			77.64	554.03	0.27	11.58	77.91	565.61
5 Measured Stock*	76.17	543.41			76.17	543.41	0.27	11.58	76.44	554.99
Difference (4-5)	1.47	10.62			1.47	10.62			1.47	10.62
6 Break-up of Difference:										
(A) Excess within 5%	1.56	11.01			1.56	11.01			1.56	11.01
(B) Shortage within 5%	0.09	0.39			0.09	0.39			0.09	0.39
(C) Excess beyond 5%	0.00	0.00			0.00	0.00			0.00	0.00
(D) Shortage beyond 5%	0.00	0.00			0.00	0.00			0.00	0.00
7 Closing stock in A/c (5- 6A+6B)	77.64	554.03			77.64	554.03	0.27	11.58	77.91	565.61

\* Includes 0.04 Lakh tonne amounting ₹ 1.11 Crore In respect of Development Mine Vijay West at Chirimiri Area .

**SOUTH EASTERN COALFIELDS LIMITED**  
[A Subsidiary of Coal India Limited]

## NOTES TO CONSOLIDATED BALANCE SHEET ( CONTD ....)

**Table:B**

### Summary of Closing Stock of Coal

(Qty. in Lakh tonnes) (Value in ₹ Crores)

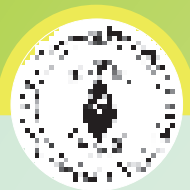
Particulars	Raw Coal				Washed / Deshaled Coal				Dankuni Coal Complex (Coal, Coal fines etc.)		Total	
	Coking		Non-Coking		Coking		Non-Coking		Qty.	Value	Qty.	Value
	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value				
Opening Stock			55.30	431.64					0.39	13.91	55.69	445.55
Less: Non-vendable Coal			0.00	0.00							0.00	0.00
Adjusted Opening Stock (Vendable)			0.00	0.00							0.00	0.00
Production <sup>3</sup>			1242.61								1242.61	
Offtake*												
(A) Outside Despatch			1218.23	16856.60						159.35	1218.23	17015.95
(B) Coal feed to Washeries												
(C) Own Consumption <sup>1</sup>			2.04	46.67							2.04	46.67
<b>TOTAL</b>			1220.27	16903.27					0.00	159.35	1220.27	17062.62
Closing Stock**			77.64	554.03					0.27	11.58	77.91	565.61
Less: Shortage			0.00	0.00							0.00	0.00
Closing Stock**			77.64	554.03					0.27	11.58	77.91	565.61

\* off take includes outside dispatch & own consumption .

\*\* Non-vendable Stock - Nil

### Notes:

- Own consumption includes 1.90 lakh Tonnes(4.05 lakh Tonnes) valuing ₹42.49 crore. being the coal transferred to Dankuni Coal Complex and 0.14 lakh Tonnes valuing , ₹4.18 crore issued for other purpose.
- Closing stock of coal at Dankuni Coal Complex includes raw coal 0.04 Lakh te valuing ₹1.76 Crores and coal fines 0.23 Lte valuing ₹9.82 Crores, out of coal purchased 0.99 lakh te worth ₹45.97 Crores during the year from ECL and from coal transferred for own consumption for production of coal gas.
- Production figures are derived from records of dispatches, internal consumption etc. and adjustment for Opening and Closing stock.



**SOUTH EASTERN COALFIELDS LIMITED**  
[A Subsidiary of Coal India Limited]

**NOTES TO CONSOLIDATED BALANCE SHEET ( CONTD ....)**

**NOTE -16**

(₹ In Crores)

**TRADE RECEIVABLE**

	<u>As at 31.03.2014</u>	<u>As at 31.03.2013</u>
Debts outstanding for a period exceeding six months from the due date		
- Secured Considered good		
-Unsecured Considered good	755.73	141.96
- Doubtful	<u>242.57</u>	<u>232.17</u>
	998.30	374.13
Less: Provision for bad & doubtful trade receivables	<u>242.57</u>	<u>232.17</u>
	755.73	141.96
Other Debts		
- Secured Considered good	235.39	60.77
-Unsecured Considered good	345.66	1,147.56
- Doubtful	<u>-</u>	<u>-</u>
	581.05	1,208.33
Less: Provision for bad & doubtful trade receivables	<u>-</u>	<u>-</u>
	581.05	1,208.33
<b>TOTAL</b>	<b><u>1,336.78</u></b>	<b><u>1,350.29</u></b>
<b>CLASSIFICATION</b>		
SECURED	235.39	60.77
Unsecured - Considered good	1,101.39	1,289.52
- Considered doubtful	242.57	232.17

## SOUTH EASTERN COALFIELDS LIMITED

[A Subsidiary of Coal India Limited]

## NOTES TO CONSOLIDATED BALANCE SHEET ( CONTD ....)

## NOTE -16 contd..

(₹ In Crores)

## TRADE RECEIVABLE (CONTD...)

## Note:

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

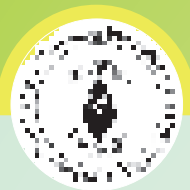
16.2 Trade Receivables have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.

16.3 Trade Receivables are secured either by deposits or through Bank Guarantees to the extent available.

16.4	Provisions	Opening Balance	Addition during the year	Write back/adj. during the year	Closing Balance
	Provision for Bad & Doubtful Trade Receivables, considered adequate.	232.17	10.40	-	242.57

16.5 Other Debts ₹755.73 Crores Includes ₹22.38 Crores receivable from certain E-Auction customers on account of supplementary bills raised for difference of Excise duty arising out consideration of Royalty & SED as a part of 'transaction value' for Excise purpose.

16.6 Other Debts ₹755.73 Crores includes ₹45.24 Crore receivable from NTPC on account of Gross Calorific Value (GCV) issues which has been withheld by them. The Govt of India advised for extrapolation of the results of the third party sampling / analysis during October-December 2013 to the supplies during the past period from October 2012 to September 2013. The third party sampling results are within the original grade of billing, However, final reconciliation / settlement with NTPC in this regard is pending.

**SOUTH EASTERN COALFIELDS LIMITED**

[A Subsidiary of Coal India Limited]

**NOTES TO CONSOLIDATED BALANCE SHEET ( CONTD ....)****NOTE -17**

(₹ In Crores)

**CASH & BANK BALANCE**

	<u>As at 31.03.2014</u>	<u>As at 31.03.2013</u>
<b>Cash &amp; Cash Equivalents</b>		
Balances with Banks		
- In Deposit Accounts with maturity upto 3 months	2,145.00	1,890.00
- In Current Accounts	365.06	229.29
- In Cash Credit Accounts	36.47	28.12
In Account with Banks outside India	-	-
Remittance - in transit	-	-
Cheques, Drafts and Stamps on hand	-	0.95
Cash in hand	0.61	0.58
<b>Other Bank Balances</b>		
Balances with Banks		
- In Deposit Accounts with maturity more than 3 months	7,865.64	8,131.71
Deposit in Escrow account under Mine Closure plan Scheme	529.18	
<b>TOTAL</b>	<b>10,941.96</b>	<b>10,280.65</b>
<b>Note:</b>		
17.1 Balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments are Nil.		
17.2 No repatriation restrictions in respect of cash and bank balances of the Company.		
17.3 No Bank deposits with more than 12 months maturity.		
17.4 Other Bank balances includes ₹382.53 crores held by the company that are not freely available for use as being deposited in separate Bank accounts as per the direction of the Court for amounts recovered from the consumers for Terminal Tax, from suppliers on explosives bills and from employees for electricity charges.		
17.5 Amount deposited in Escrow account is also not freely available for use as being deposited under the Mine Closure Plan Scheme.		
17.6 <u>Cash &amp; Bank balance</u>		
As per Cash Flow Statement	2,547.14	2,148.94
Bank balance in Deposit accounts with maturity more	8,394.82	8,131.71
<b>Total</b>	<b>10,941.96</b>	<b>10,280.65</b>

## SOUTH EASTERN COALFIELDS LIMITED

[A Subsidiary of Coal India Limited]

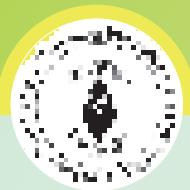
## NOTES TO CONSOLIDATED BALANCE SHEET ( CONTD ....)

## NOTE -18

(₹ In Crores)

## SHORT TERM LOANS &amp; ADVANCES

	As at 31.03.2014	As at 31.03.2013
<b>Advance</b>		
(Recoverable in cash or in kind or for value to be received)		
Advance to suppliers		
For Capital		
-Secured considered good	-	-
-Unsecured considered good	-	-
-Doubtful	-	-
	-	-
Less: Provision for Doubtful Advances	-	-
For Revenue		
-Secured considered good	-	-
-Unsecured considered good	27.03	29.13
-Doubtful	-	-
	27.03	29.13
Less: Provision for bad and doubtful Advances	-	29.13
Advance payment of statutory dues		
Sales Tax		
-Secured considered good	-	-
-Unsecured considered good	-	-
-Doubtful	-	-
	-	-
Less: Provision for bad and doubtful Advances	-	-
Cenvat credit receivable	68.22	52.91
<b>Balance carried forward</b>	<b>95.25</b>	<b>82.04</b>



## SOUTH EASTERN COALFIELDS LIMITED

[A Subsidiary of Coal India Limited]

### NOTES TO CONSOLIDATED BALANCE SHEET ( CONTD ....)

#### NOTE -18 (Contd)

(₹ In Crores)

#### SHORT TERM LOANS & ADVANCES- Contd

		As at 31.03.2014		As at 31.03.2013
<b>Balance brought forward</b>		<b>95.25</b>		<b>82.04</b>
Advance Income Tax / Tax Deducted at Source (Includes ₹ 1494.16 Crores (₹ 1066.95 Crores), deposited under Protest)	4,342.13		3,581.51	
Less: Provision for Income Tax	<u>2,296.90</u>	2,045.23	<u>2,108.65</u>	1,472.86
Others				
-Secured considered good	-		-	
-Unsecured considered good	-		-	
-Doubtful	-		-	
	<u>-</u>		<u>-</u>	
Less: Provision for bad and doubtful Advances	-		-	
Advance to Employees				
-Secured considered good	-		-	
-Unsecured considered good	8.69		10.47	
-Doubtful	-		-	
	<u>8.69</u>		<u>10.47</u>	
Less: Provision for bad and doubtful Advances	-	8.69	-	10.47
Current Account with Coal India Limited & other Subsidiaries of Coal India Limited		-		-
Current Account with Subsidiaries of SECL		-		-
Claims Receivables				
- Secured considered good	-		-	
- Unsecured considered good	2.16		2.49	
- Doubtful	-		-	
	<u>2.16</u>		<u>2.49</u>	
Less: Provision for bad and doubtful claims	-	2.16	-	2.49
<b>Balance carried forward</b>		<b>2151.33</b>		<b>1567.86</b>

## SOUTH EASTERN COALFIELDS LIMITED

[A Subsidiary of Coal India Limited]

### NOTES TO CONSOLIDATED BALANCE SHEET ( CONTD ....)

#### NOTE -18 (Contd)

(₹ In Crores)

#### SHORT TERM LOANS & ADVANCES- Contd

	As at 31.03.2014	As at 31.03.2013
<b>Balance brought forward</b>	2151.33	1567.86
Prepaid Expenses	10.52	-
<b>TOTAL</b>	<b>2,161.85</b>	<b>1,567.86</b>
<b>CLASSIFICATION</b>		
Secured	-	-
Unsecured - Considered good	2,161.85	1,567.86
- Considered doubtful	-	-

**Note:**

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

18.2	Provisions	Opening Balance	Provision for the Current Year	Adj. during the year	Closing Balance
		For Income Tax	2,108.65	2,296.90	2,108.65
	Against Advance and Claims	-	-	-	-

#### 18.3 Current accounts with Holding Company & Subsidiaries of Holding Company / SECL

- a The balances of the current account with the Subsidiaries and Holding Company are reconciled on regular intervals, and the same as on 31.03.2014 has been reconciled. Adjustment arising out of reconciliation are carried out continuously.
- b Transactions with the Holding Company and with its other Subsidiaries are accounted for on the basis of debit/credit memos.
- c Transactions with other Subsidiaries of the Holding Company /SECL are free of interest.



**SOUTH EASTERN COALFIELDS LIMITED**  
[A Subsidiary of Coal India Limited]

**NOTES TO CONSOLIDATED BALANCE SHEET ( CONTD ....)**

**NOTE -19**

(₹ In Crores)

**OTHER CURRENT ASSETS**

	<b>As at</b>		<b>As at</b>	
	<b>31.03.2014</b>		<b>31.03.2013</b>	
Interest Accrued				
- Investment	13.09		18.32	
- Deposit with Banks	415.73		416.52	
- Others	-	428.82	-	434.84
Ex Owner's Account	-		-	
Other Advances	26.01		21.72	
Less: Provision	-	26.01	-	21.72
Deposits				
Deposit for Customs Duty, Port Charges etc.	-		-	
Deposit with Coal India Limited	515.39		829.59	
Deposit for Royalty, Cess & Sales Tax	-		-	
	515.39		829.59	
Less: Provision	-	515.39	-	829.59
Others	15.89		22.54	
Less: Provision	-	15.89	-	22.54
Amount Receivable from Govt of India for transactions on behalf of Ex-Coal Board	-		-	
Less: Provision	-		-	
Other Receivables	284.30		60.69	
Less: Provision	1.37	282.93	-	60.69
<b>TOTAL</b>		<b>1,269.04</b>		<b>1,369.38</b>

**SOUTH EASTERN COALFIELDS LIMITED**  
[A Subsidiary of Coal India Limited]

## NOTES TO CONSOLIDATED BALANCE SHEET ( CONTD ....)

### NOTE -19 (Contd.)

#### OTHER CURRENT ASSETS (CONTD...)

19.1	Provisions	Opening Balance	Addition during the year	Write back/ Adj. during the year	Closing Balance
	Against Deposits & Other Receivables	-	1.37	-	1.37

19.2 Deposits /Current Account balance with the Holding Company is reconciled on regular intervals, and the same as on 31.03.2014 has been reconciled. Adjustment arising out of reconciliation are carried out.

19.3 Other Receivable includes Net Assets ₹200.83 of Gratuity as per actuarial valuation of Gratuity Liability (Refer Additional Note-34 table 3 of para I(e) (2)).

### NOTE - 20

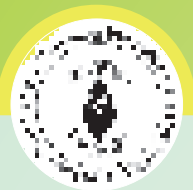
(₹ In Crores)

#### NOTES TO CONSOLIDATED STATEMENT OF PROFIT & LOSS

<b>REVENUE FROM OPERATIONS</b>	<b>For the Year Ended 31.03.2014</b>	<b>For the Year Ended 31.03.2013</b>
<b>Sale of Coal, Coke etc.</b>	22,228.61	21,408.13
<b>Less: Excise Duty</b>	1,289.45	1,132.62
<b>Less: Other Levies</b>		
Royalty	2,164.73	2,094.40
Cess on Coal	273.87	291.83
Stowing Excise Duty	121.82	121.72
Central Sales Tax	245.85	233.14
Clean Energy Cess	609.12	608.63
State Sales Tax/VAT	542.16	512.49
Other Levies	125.01	124.91
<b>Total Levies</b>	4,082.56	3,987.12
<b>Revenue From Operations (Net Sales)</b>	<b>16,856.60</b>	<b>16,288.39</b>

#### 20.1 -Excise Duty

Excise duty ₹ 1289.45 Cores includes ₹15.56 Crores being levied on the Recovery of Transportation Cost, shown in Note No. 21.

**SOUTH EASTERN COALFIELDS LIMITED**

[A Subsidiary of Coal India Limited]

**NOTES TO CONSOLIDATED STATEMENT OF PROFIT & LOSS (CONTD.)****NOTE -21**

(₹ In Crores)

**OTHER INCOME**

	<u>For the Year Ended 31.03.2014</u>	<u>For the Year Ended 31.03.2013</u>
--	--	--

**Income From Long Term Investments**

Dividend from Joint Ventures

Dividend from Subsidiaries

Interest from:

Government Securities ( 8.5% Tax Free

Special Bonds ) (Trade)

18.34

28.79

**Income From Current Investments (Non-Trade)**

Dividend from Mutual Fund Investments

47.13

34.92

Interest from:

Government Securities ( 8.5% Tax Free

Special Bonds ) (Trade)

10.47

10.47

**Income From Others**

Interest (Gross):

From Deposit with Banks

919.77

896.14

From Loans &amp; Advances to Employees

0.77

0.92

From Income Tax Refunds

-

-

From Coal India

35.59

78.51

Others

64.88

21.57

Apex Charges

-

-

Subsidy for Sand Stowing &amp; Protective Works

16.35

5.74

Profit on Sale of Assets

2.84

2.09

Recovery of Transportation cost

251.79

223.50

Gain on Foreign exchange Transactions

-

-

Exchange Rate Variance

-

-

Lease Rent

5.81

5.47

Liability Write Backs

323.26

23.94

Gurantee Fees from Subsidiaries

-

-

Exise Duty on Decrease in Stock

-

1.85

Other non-operating Income

40.65

25.78

**TOTAL****1,737.65****1,359.69****21.1 Recovery of Transportation Cost**

Excise duty ₹15.56 Crores levied on the Recovery Transportation Cost is included in excise duty on sales ₹1289.45 Crores under Note 20.

**SOUTH EASTERN COALFIELDS LIMITED**  
[A Subsidiary of Coal India Limited]

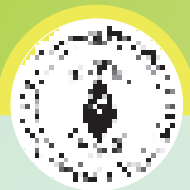
**NOTES TO CONSOLIDATED STATEMENT OF PROFIT & LOSS (CONTD.)**

**NOTE -22**

(₹ In Crores)

**COST OF MATERIAL CONSUMED**

	<b>For the Year Ended 31.03.2014</b>	<b>For the Year Ended 31.03.2013</b>
Explosives	295.93	249.95
Timber	7.96	5.72
POL	509.09	391.81
HEMM Spares	182.47	145.10
Other Consumable Stores & Spares	600.19	536.15
<b>TOTAL</b>	<b>1,595.64</b>	<b>1,328.73</b>



**SOUTH EASTERN COALFIELDS LIMITED**  
[A Subsidiary of Coal India Limited]

**NOTES TO CONSOLIDATED STATEMENT OF PROFIT & LOSS (CONTD.)**

**NOTE -23**

(₹ In Crores)

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

**A) Change in Inventory of Coal**

		<u>For the Year Ended 31.03.2014</u>	<u>For the Year Ended 31.03.2013</u>	
Opening Stock of Coal	444.07		572.50	
Add : Adjustment of Opening Stock	0.22		-	
	<u>444.29</u>		<u>572.50</u>	
Less: Deterioration of Coal	<u>-</u>	444.29	<u>-</u>	572.50
Less:				
Closing Stock of Coal	564.50		444.07	
Less: Deterioration of Coal	<u>-</u>	<u>564.50</u>	<u>-</u>	<u>444.07</u>
<b>Total (A)</b>		<b>(120.21)</b>		<b>128.43</b>

**B) Change in Inventory of workshop**

Opening Stock of Workshop made finished goods and WIP	126.53		93.57	
Less: Provision	<u>-</u>	126.53	<u>1.18</u>	92.39
Less:				
Closing Stock of Workshop made finished goods and WIP	166.34		126.53	
Less: Provision	<u>-</u>	<u>166.34</u>	<u>-</u>	<u>126.53</u>
<b>TOTAL(B)</b>		<b>(39.81)</b>		<b>(34.14)</b>

**Change in Inventory of Stock in Trade (A+B)  
{Decretion/(Accretion)}**

**(160.02)**

**94.29**

**23.1 Adjustment of Opening Stock:**

Stock amounting to ₹0.22crores related to Khairaha Mine of Sohagpur Area brought to revenue during the year.

## SOUTH EASTERN COALFIELDS LIMITED

[A Subsidiary of Coal India Limited]

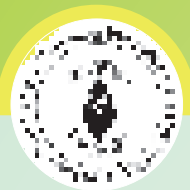
## NOTES TO CONSOLIDATED STATEMENT OF PROFIT &amp; LOSS (CONTD.)

NOTE -24

(₹ In Crores)

**EMPLOYEE BENEFIT EXPENSES**

	<b>For the Year Ended 31.03.2014</b>	<b>For the Year Ended 31.03.2013</b>
Salary, Wages, Allowances, Bonus etc.	4,379.05	3,987.71
Ex-gratia	222.56	217.44
Performance Related Pay (PRP)	91.76	91.95
Contribution to P.F. & Other Funds	520.90	413.40
Gratuity	10.08	247.44
Leave Encashment	89.39	131.06
VRS	-	-
Workman Compensation	1.85	10.03
Medical Expenses	101.90	100.83
Grants to Schools & Institutions	37.18	34.01
Sports & Recreation	4.67	1.66
Canteen & Creche	0.13	0.11
Power (Township)	185.64	189.23
Hire Charges of Bus, Ambulance etc.	12.52	13.39
Other Employee Benefits	223.04	304.06
<b>TOTAL</b>	<b>5,880.67</b>	<b>5,742.32</b>



**SOUTH EASTERN COALFIELDS LIMITED**  
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**NOTES TO CONSOLIDATED STATEMENT OF PROFIT & LOSS (CONTD.)**

**NOTE -25**

(₹ In Crores)

**WELFARE EXPENSES**

	<b>For the Year Ended 31.03.2014</b>	<b>For the Year Ended 31.03.2013</b>
Medical Expenses for retired employees	18.34	28.98
CSR Expenses	43.91	46.63
Sustainable Development Expenses	0.63	3.94
Environmental Expenses	21.08	8.13
Tree Plantation	9.14	5.32
Other Welfare Expenses	1.13	3.37
<b>TOTAL</b>	<b>94.23</b>	<b>96.37</b>

**NOTES TO CONSOLIDATED STATEMENT OF PROFIT & LOSS (CONTD.)**

**NOTE -26**

(₹ In Crores)

**REPAIRS**

	<b>For the Year Ended 31.03.2014</b>	<b>For the Year Ended 31.03.2013</b>
Building	20.47	14.15
Plant & Machinery	165.17	110.43
Others	4.32	4.77
<b>TOTAL</b>	<b>189.96</b>	<b>129.35</b>

**SOUTH EASTERN COALFIELDS LIMITED**  
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**NOTES TO CONSOLIDATED STATEMENT OF PROFIT & LOSS (CONTD.)**

**NOTE -27**

(₹ In Crores)

**CONTRACTUAL EXPENSES**

	<u>For the Year Ended 31.03.2014</u>	<u>For the Year Ended 31.03.2013</u>
Transportation Charges:		
- Sand	-	-
- Coal	693.04	610.49
- Stores & Others etc.	0.06	0.18
Wagon Loading	40.62	36.88
Hiring of P&M	349.97	250.51
Other Contractual Work	478.70	485.65
<b>TOTAL</b>	<b>1,562.39</b>	<b>1,383.71</b>

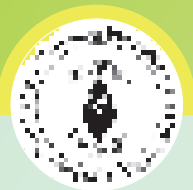
**NOTES TO CONSOLIDATED STATEMENT OF PROFIT & LOSS (CONTD.)**

**NOTE -28**

(₹ In Crores)

**FINANCE COSTS**

	<u>For the Year Ended 31.03.2014</u>	<u>For the Year Ended 31.03.2013</u>
<b>Interest expenses</b>		
Deferred Payments	-	-
Bank Overdraft / Cash Credit	-	-
Interest on IBRD & JBIC Loan	2.48	4.26
CIL Fund Loan Interest	-	-
Interest to subsidiaries	-	-
Others	0.47	0.26
<b>Total(A)</b>	<b>2.95</b>	<b>4.52</b>
<b>Other Finance Cost</b>		
Guarantee Fees on (IBRD & JBIC) Loan	3.45	3.63
Other Expenses / Bank Charges	-	-
<b>Total(B)</b>	<b>3.45</b>	<b>3.63</b>
<b>TOTAL (A+B)</b>	<b>6.40</b>	<b>8.15</b>



**SOUTH EASTERN COALFIELDS LIMITED**  
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**NOTES TO CONSOLIDATED STATEMENT OF PROFIT & LOSS (CONTD.)**

**NOTE -29**

(₹ In Crores)

**PROVISIONS**

	<u>For the Year Ended 31.03.2014</u>	<u>For the Year Ended 31.03.2013</u>
<b>(A) Provisions made for</b>		
Doubtful debts	10.40	-
Doubtful advances & Claims	1.35	-
Foreign exchange Transaction	-	-
Stores & Spares	2.59	1.80
Mine Closure Expenses	24.98	170.41
Surveyed of Fixed Assets/Capital WIP /P&M in Stores	0.58	3.17
Others	-	43.18
<b>Total (A)</b>	<b>39.90</b>	<b>218.56</b>
<b>(B) Provision reversal</b>		
Doubtful debts	-	13.64
Doubtful advances & Claims	-	5.01
Foreign exchange Transaction	-	-
Stores & Spares	-	-
Reclamation of Land/Mine Closure Expenses	-	-
Surveyed of Fixed Assets/Capital WIP /P&M in Stores	-	---
Others	125.72	-
<b>Total (B)</b>	<b>125.72</b>	<b>18.65</b>
<b>TOTAL(A· B)</b>	<b>(85.82)</b>	<b>199.91</b>

**SOUTH EASTERN COALFIELDS LIMITED**  
[A Subsidiary of Coal India Limited]

**NOTES TO CONSOLIDATED STATEMENT OF PROFIT & LOSS (CONTD.)**

**NOTE -30**

(₹ In Crores)

**WRITE OFF**

	<b>For the Year Ended 31.03.2014</b>	<b>For the Year Ended 31.03.2013</b>
Doubtful debts	-	-
Doubtful advances	-	-
Others		0.13
<b>TOTAL</b>	<b>-</b>	<b>0.13</b>



**SOUTH EASTERN COALFIELDS LIMITED**  
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**NOTES TO CONSOLIDATED STATEMENT OF PROFIT & LOSS (CONTD.)**

**NOTE -31**

(₹ In Crores)

**OTHER EXPENDITURE**

**For the Year**                      **For the Year**  
**Ended 31.03.2014**                      **Ended 31.03.2013**

Travelling expenses		
- Domestic	28.19	28.36
- Foreign	0.07	-
Training Expenses	8.63	7.75
Telephone & Postage	6.32	5.10
Advertisement & Publicity	17.68	16.11
Freight Charges	27.75	32.85
Demurrage	39.07	15.17
Donation/Subscription	0.04	0.28
Security Expenses	55.37	54.18
Service Charges of CIL	62.45	59.71
Hire Charges	29.68	27.74
CMPDI Expenses	42.99	35.63
Legal Expenses	6.01	2.41
Bank Charges	0.15	0.20
Guest House Expenses	1.85	1.60
Consultancy Charges	2.26	1.32
Under Loading Charges	98.42	95.16
Loss on Sale/Discard/Surveyed of Assets	0.64	0.68
Auditor's Remuneration & Expenses		
- For Audit Fees	0.16	0.16
- For Taxation Matters	0.06	0.03
- For Company Law Matters	-	-

## SOUTH EASTERN COALFIELDS LIMITED

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## NOTES TO CONSOLIDATED STATEMENT OF PROFIT &amp; LOSS (CONTD.)

## NOTE -31 (Contd)

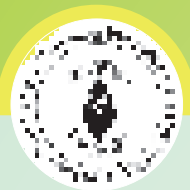
(₹ In Crores)

## OTHER EXPENDITURE (CONTD...)

	For the Year Ended 31.03.2014	For the Year Ended 31.03.2013
- For Management Services	-	-
- For Other Services	0.18	0.14
- For Reimbursement of Expenses	0.12	0.11
Internal Audit Expenses etc ..	1.56	1.69
Cost Audit expenses	0.18	0.04
Rehabilitation Charges (1)	72.89	73.09
Royalty & Cess	7.60	10.32
Central Excise Duty	23.25	-
Rent	0.77	0.63
Rates & Taxes	12.34	17.46
Insurance	0.16	0.12
Loss on Exchange Rate Variance	13.58	(0.22)
Lease Rent	-	-
Rescue/Safety Expenses	15.36	10.63
Dead Rent/Surface Rent	2.89	0.24
Siding Maintenance Charges	3.79	19.81
Land/Crops Compensation	5.69	5.52
Miscellaneous Expenses	36.68	46.81
<b>TOTAL</b>	<b>624.83</b>	<b>570.83</b>

## 31.1 Rehabilitation Charges

As per the decision of Ministry of Coal, an amount of ₹ 72.89 Crores (₹73.09 Crores) was debited to Rehabilitation expenses on the basis of debit memo received from CIL towards mobilisation of funds for implementation of action plan for shifting and rehabilitation, dealing with fire and stabilisation of unstable Areas at ECL and BCCL.



**SOUTH EASTERN COALFIELDS LIMITED**  
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**NOTES TO CONSOLIDATED STATEMENT OF PROFIT & LOSS (CONTD.)**

**NOTE -32**

(₹ In Crores)

**PRIOR PERIOD ADJUSTMENTS**

	<b>For the Year Ended 31.03.2014</b>	<b>For the Year Ended 31.03.2013</b>
<b>(A) Expenditure</b>		
Sale of Coal & Coke	-	-
Stock of Coal & Coke	-	-
Other Income	-	-
Consumption of Stores & Spares	-	-
Employees Remuneration & Benefits	-	-
Power & Fuel	-	-
Welfare Expenses	-	-
Repairs	-	-
Contractual Expenses	-	-
Other Expenditure	-	-
Interest and other financial charges	-	-
Depreciation	0.15	-
<b>Total (A)</b>	<b>0.15</b>	-
<b>(B) Income</b>		
Sale of Coal & Coke	-	-
Stock of Coal & Coke	-	-
Other Income	-	-
Consumption of Stores & Spares	-	-
Employees Remuneration & Benefits	-	-
Power & Fuel	-	-
Welfare Expenses	-	-
Repairs	-	-
Contractual Expenses	-	-
Other Expenditure	-	-
Interest and other financial charges	-	-
Depreciation	-	0.75
<b>Total (B)</b>	-	<b>0.75</b>
<b>TOTAL (A-B) {Charge/(Income)}</b>	<b>0.15</b>	<b>(0.75)</b>

**SOUTH EASTERN COALFIELDS LIMITED**  
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**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:**

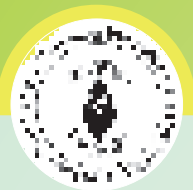
Plant & Machinery includes cost and expenses incurred for erection / installation and other attributable costs of bringing those assets to working conditions for their intended use.

**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:



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- 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 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 on net realisable value.

6.1.2 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 / substores / 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.

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6.3 Stock of stationery (other than lying at printing press), bricks, sand, medicine and scrap 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, photocopying machine, fax machine, 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 high volume samplers and respiratory dust are charged @5.15% and 33.33% respectively on the basis of their technically estimated life.

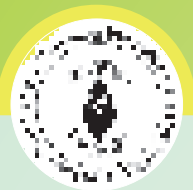
Further, depreciation on certain equipments /HEMM is charged over the technically estimated life at higher rates viz. 11.88%; 13.57% and 15.83% as applicable.

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.



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**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 recognized 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.

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**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 recognized 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 recognized 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.

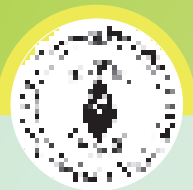
**15.0 Contingent Liability:**

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



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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 here under:-

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

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.

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### NOTE 34

## **CONSOLIDATED ADDITIONAL NOTES ON ACCOUNTS**

### **1. Basis of Preparation of Financial Statements**

- i. The Financial Statements of the subsidiaries used in the consolidation are drawn up to the same reporting date as that of the Parent Company, i.e. Year ending 31<sup>st</sup> March, 2014. However, accounts of subsidiaries have been prepared first time for the period from 12.03.13 to 31.03.14 in respect of M/s Chhattisgarh East Railway Limited (CERL) and from 25.03.13 to 31.03.2014 in respect of M/s. Chhattisgarh East-West Railway Limited (CEWRL).
- ii. The Financial Statements have been prepared under the historical cost convention and on the accrual basis of accounting. The accounts of the subsidiaries have been prepared in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India and on the basis of accounting principles generally accepted in India.

### **2. Principles of Consolidation and Financial Reporting:**

- i. The consolidated financial statements relate to South Eastern Coalfields Limited and proportionate stake in its two subsidiaries M/s Chhattisgarh East Railway Limited (CERL) and M/s. Chhattisgarh East-West Railway Limited (CEWRL).
- ii. The financial statements of the company and its subsidiary companies are combined on a line-by-line basis adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with Accounting Standard- 21 "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.
- iii. Significant Accounting Policies and Notes to these Consolidated Financial Statements are intended to serve as a means of informative disclosure and a guide for better understanding the consolidated position of the companies. Recognizing this purpose, the Company has disclosed only such Policies and Notes from individual financial statements, which fairly present the needed disclosure.
- iv. On incorporation of subsidiaries, in terms of Memorandum of Understanding (MOU) signed on 03.11.2012 between South Eastern Coalfields Limited (SECL), IRCON International Limited (IRCON) and the Government of Chhattisgarh (GoCG) for establishment of two Railway Corridors viz., East Corridor and East West Corridor, two (2) Subsidiary Companies of SECL have been Incorporated under the Companies Act,1956 viz., M/s Chhattisgarh East Railway Limited (CERL) and M/s. Chhattisgarh East-West Railway Limited (CEWRL) has deposited money/ transferred debits for capital and other expenditure.



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The position of investment and other current account as at 31.03.2014 is as under:

Name of Subsidiary	Stake in Subsidiary	Date of Incorporation	Address	Minority Interest as per Consolidated Accounts as on 31.03.2014
M/s Chhattisgarh East Railway Limited	64%	12.03.2013	Mahadeo Ghat Road, Raipura Chowk, Raipur-492013	₹0.00
M/s. Chhattisgarh East-West Railway Limited	64%	25.03.2013	Mahadeo Ghat Road, Raipura Chowk, Raipur-492013	₹0.00

All the subsidiaries are yet to start development activities, related expenditure has been consolidated.

### 3. APPLICABILITY OF ACCOUNTING STANDARDS:

#### a) Significant Accounting Policy:

Significant accounting policy (Note-33) has been suitably modified re-drafted over previous year, as found necessary to elucidate the accounting policies adopted by the Company.

#### b) Impact due to changes in Accounting Policy (AS-5):

Based on technically estimated useful life depreciation rates of the following assets were revised during the year:

SI No.	Assets	Existing Depreciation Rate	Revised Depreciation Rate
1	Photo Copying Machine	10.55%	23.75%
2	Fax Machine	15.83%	31.67%
3	Mobile Phone	15.83%	31.67%
4	Digitally enhance Cordless Telephone	15.83%	31.67%
5	Computer (including Printer & Scanner)	16.21%	31.67%

Due to above changes in depreciation rates the profit for the year decreased by ₹ 0.10 Crores.

**SOUTH EASTERN COALFIELDS LIMITED**  
[A Subsidiary of Coal India Limited]

**c) Revenue Recognition (AS-9)**

- (i) The revenue recognition has been made where there is a reasonable certainty of collection. Revenue recognition is postponed in case of uncertainty to the extent of uncertainty as assessed by the management.
- (ii) Refund / adjustment from Tax Authorities are accounted for on the basis of final assessment/ settlement.
- (iii) Recovery of the liquidated damages and penalties are accounted for on the basis of final settlement.

**d) Subsidy: (AS-12) (Refer Note No. 21)**

Subsidy received from Coal Controller Development Authority on account of infrastructural development have been adjusted against the relevant head of account of capital nature ₹ Nil and in case of revenue expenditure ₹ 15.44 Crores (₹ 5.74 Crores). the same is shown under the other income.

**e) Employee Benefits: Recognition and Measurement: (AS-15)**

- (i) The year-end liability of certain other employee benefits like Gratuity, Earned Leave, Life Cover Scheme, Settlement Allowance, Group Personal Accident Insurance Scheme, Leave Travel Concession, Medical Benefits for Retired Executives, Compensation to dependents in case of mine accidental death are valued on actuarial basis. Total liability as on 31.03.2014 based on valuation made by the Actuary, details of which are mentioned below is ₹3434.97 Crores.

The Actuarial liability as on 31.03.2014

(₹ In Crores)

Head	Opening Actuarial Liability as on 01.04.13	Incremental Liability	Closing Actuarial Liability as on 31.03.2014
Gratuity	2874.85	-167.31	2707.54
Earned Leave	383.40	-0.45	382.95
Half Pay Leave	70.26	6.20	76.46
Life Cover Scheme	23.14	-4.53	18.61
Settlement Allowance Executives	0.70	-0.07	0.63
Settlement Allowance Non-Executives	64.88	-2.51	62.37
Group Personal Accident Insurance Scheme	0.28	-0.05	0.23
Leave Travel Concession	21.56	3.81	25.37
Medical Benefits	104.99	14.94	119.93
Compensation to dependents in case of mine accidental death	49.02	-8.14	40.88
<b>TOTAL</b>	<b>3593.08</b>	<b>-158.11</b>	<b>3434.97</b>



**SOUTH EASTERN COALFIELDS LIMITED**  
[A Subsidiary of Coal India Limited]

**(2) Gratuity: Actuarial Assumptions:**

The disclosure as per actuary's certificate for funded employee benefits for Gratuity is given below:

**ACTUARIAL VALUATION OF GRATUITY LIABILITY AS AT 31.03.2014**  
**CERTIFICATE AS PER ACCOUNTING STANDARD 15 (Revised 2005)**

**Table 1: DISCLOSURE ITEM 120 (c)**

(₹ In Crores)

<b>Present Value of Obligations</b>	<b>As at 31.03.2014</b>	<b>As at 31.03.2013</b>
Present value of obligation at beginning of Year	2874.85	2627.65
Acquisition Adjustment	0.00	0.00
Interest Cost	233.10	201.25
Past Service Cost	0.00	0.00
Current Service Cost	121.34	124.97
Curtailment Cost	0.00	0.00
Settlement Cost	0.00	0.00
Benefits paid	264.99	224.25
Actuarial Gain / loss on obligations	-256.76	145.23
Present Value of Obligations at End of Year	2707.54	2874.85

**Table 2: DISCLOSURE ITEM 120 (e)**

(₹ In Crores)

<b>Fair Value of Plan Assets</b>	<b>As at 31.03.2014</b>	<b>As at 31.03.2013</b>
Fair value of Plan Assets at beginning of Year	2819.76	2502.79
Acquisition Adjustment	0.00	0.00
Excepted Return on Plan Asset	239.68	200.23
Contributions	91.70	293.61
Benefits Paid	264.99	224.25
Actuarial Gain /loss on Plan Asset	22.22	47.38
Fair value of Plan Asset	2908.37	2819.76

**SOUTH EASTERN COALFIELDS LIMITED**  
[A Subsidiary of Coal India Limited]

**Table 3: DISCLOSURE ITEM 120 (f)**

(₹ In Crores)

<b>Funded Status</b>	<b>As at 31.03.2014</b>	<b>As at 31.03.2013</b>
Present Value of obligation at End of the Year	2707.54	2874.85
Fair value of Plan Assets at End of the Year	2908.37	2819.76
Funded Status	200.83	-55.09
Un-recognized Actuarial gain / Loss at end of the Year	0.00	0.00
Net Asset (Liability) Recognised in Balance sheet	200.83	-55.09

**Table 4: DISCLOSURE ITEM 120 (g)**

(₹ In Crores)

<b>Expenses Recognized in Statement of Profit &amp; Loss</b>	<b>As at 31.03.2014</b>	<b>As at 31.03.2013</b>
Current Service Cost	121.34	124.97
Past Service Cost	0.00	0.00
Interest Cost	233.10	201.25
Expected Return on Plan asset	239.68	200.23
Curtailement Cost	0.00	0.00
Settlement Cost / Benefit paid	0.00	0.00
Actuarial Gain/loss Recognised in the Year	-278.98	97.85
Expense Recognised in statement of Profit /loss	-164.22	223.84



**SOUTH EASTERN COALFIELDS LIMITED**  
[A Subsidiary of Coal India Limited]

**Table 5: DISCLOSURE ITEM 120 ( i )**

(₹ In Crores)

Actuarial Assumptions	As at 31.03.2014	As at 31.03.2013
Mortality table	IALM (2006-08) ULTIMATE	LICI 1994-1996
Superannuation age	60	60
Early retirement and disablement	10 per Thousand P.A. 6 above age 45 3 between age 29 and 45 1 below age 29	10 per Thousand P.A. 6 above age 45 3 between age 29 and 45 1 below age 29
Discount Rate	8.50%	8.00%
Inflation rate	6.25%	6.25%
Return on assets	8.50%	8.00%
Remaining working life	12 Years	11 Years
Formula used	Projected Unit Credit Method	Projected Unit Credit Method

During the year, the Mortality table has been changed and also the discount rate & return on assets is changed from 8.00% to 8.50% by the Actuary and due to this the impact is about ₹ 88.61 Crores.

**Table 6: DISCLOSURE ITEM 120 ( p )**

(₹ In Crores)

Movements in the Liability Recognized in Balance Sheet	As at 31.03.2014	As at 31.03.2013
Opening Net Liability	55.09	124.86
Expenses as above	-164.22	223.84
Contributions	91.70	293.61
Closing Net Liability	-200.83	55.09
Closing Fund/Provision	2707.54	2874.85

**f) SEGMENT REPORTING (AS-17)**

The Company is primarily engaged in a single Segment business of production and sale of coal. The activities of production of coke and its bye-products at Dankuni Coal Complex being less than 10% of the total revenue and profit, there is no reportable primary segment identifiable in accordance with the Accounting Standard (AS-17) on Segment Reporting.

## SOUTH EASTERN COALFIELDS LIMITED

[A Subsidiary of Coal India Limited]

## g) RELATED PARTY DISCLOSURE (AS-18)

In view of the exemption granted to State controlled enterprises as regards related party relationship with other State controlled enterprises and there being no transaction with other related enterprises & parties, no such disclosure under the Accounting Standard (AS-18) on Related Party Disclosures is required.

## h) LEASES (AS-19)

## i) Apollo Hospital:

The Company in terms of License Agreement dated 19<sup>th</sup> day of March 2001 executed with M/s Apollo Hospital Enterprises Ltd., Chennai has granted the latter a right to occupy and use the fully constructed main hospital building measuring 2,97,099.74 Sq.ft. (27611.50 Sqm) and the residential quarters measuring 55,333 Sq.ft. (5142.47 Sqm) together with superstructures on the land such as sub station building, sewerage treatment plant and pump house.

The License Agreement provides for a lease period of 30 years from the effective date of the commencement of the lease i.e November 2001.

The lease rental payable by the Apollo Hospital is accounted for as per the agreement. As per the agreement the lease rental receivable from Apollo Hospital on the Balance Sheet date, for main hospital building is ₹4/- per Sq.ft. per month (₹ 4/- per Sq.ft per month) ₹ 1.43 Crores or 1/3<sup>rd</sup> of net profit arrived from the operation of this division of the hospital of the licensee, whichever is more and for residential quarters the rate is ₹2/- per Sq.ft. per month (₹2/- per Sq.ft per month) ₹0.13 Crores. The lease rental paid by Apollo Hospital for the year ended on Balance Sheet date accounted for is ₹ 1.56 Crores (₹1.56 Crores) towards minimum rental.

Since the audited figures of Appollo Hospital for the year ended 31<sup>st</sup> March,2014 is not finalized as on date, the profit sharing over and above the lease rent for the said period could not be accounted for.

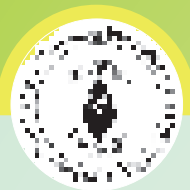
The cost of the gross assets leased to Apollo Hospital Enterprises Ltd. furnished under the schedule of Fixed Assets is ₹31.32 Crores (₹31.32 Crores) accumulated depreciation as on Balance Sheet date is ₹ 8.25 Crores (₹7.71 Crores) ), the depreciation recognized in the Statement of Profit & Loss for the year is ₹ 0.54 Crore (₹0.54 Crore).

The future minimum lease payments in the aggregate during the year of lease are ₹26.49 Crores (₹28.05 Crores) for each of the following periods are as under:

(₹ In Crores)

	As on 31.03.2014	As on 31.03.2013
(I) Not later than one year	1.56	1.56
(II) Later than one year and not later than five year	6.23	6.23
(III) Later than five years and till the period of lease	18.70	20.26

No contingent rents are recognized as income in the Profit and Loss Account.



**SOUTH EASTERN COALFIELDS LIMITED**  
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**ii) Railway Siding:**

The Company in terms of License Agreements dated 03.01.2007 and 16.05.2008 executed with M/s Aryan Coal Benefications Pvt. Ltd., New Delhi has granted the later a right to use the fully constructed Railway Siding Junadih NO.3 at Gevra Area- on lease for a period of 20 years with effect from 23.05.2006 and Railway Siding Junadih No.4 at Gevra Area for a lease period of 20 years w.e.f. 23.08.1999.

The lease rental payable by M/s Aryan Coal Benefications Pvt. Ltd. is accounted for as per the agreement. As per the agreement; the lease rental receivable from M/s Aryan Coal Benefications Pvt. Ltd for the year ended on Balance Sheet date, for Railway Siding Junadih No. 3 is ₹0.50 Crores and for Railway Siding Junadih No.4 is ₹0.64 Crores.

Leased out Assets to M/s Aryan Coal Benefications Pvt. Ltd. value ₹8.02 Crores (₹8.02 Crores) and accumulated depreciation as on Balance Sheet date is ₹7.51 Crores (₹7.14 Crores), the depreciation recognized in the Statement of Profit & Loss for the year is ₹0.37 Crore (₹0.37 Crore).

The future minimum lease payments in the aggregate during the period of lease are ₹10.29 Crores (₹11.43 Crores) for each of the following year are as under:

(₹ In Crores)

	As on 31.03.2014	As on 31.03.2013
(I) Not later than one year	1.14	1.14
(II) Later than one year and not later than five year	4.55	4.55
(III) Later than five years and till the period of lease	4.60	5.74

No contingent rents are recognized as income in the Profit and Loss Account.

**iii) DANKUNI COAL COMPLEX**

The Company has taken on lease land, building and structures, plant and machinery of Dankuni Coal Complex from Coal India Limited from 01.04.1995, with absolute right to manufacture, sell its products including gas and bye products. The lease rent payable from 01.04.2011 onward to Coal India Ltd. is ₹1.00 per annum.

**SOUTH EASTERN COALFIELDS LIMITED**  
[A Subsidiary of Coal India Limited]

**i) EARNING PER SHARE (AS-20)**

(₹ In Crores)

		<b>For the Year ended 31.03.2014</b>	<b>For the Year ended 31.03.2013</b>
(i)	Profit after Tax (₹In Crore)	4772.06	4299.03
(ii)	Profit attributable to Equity Shareholders (₹ In Crore)	4772.06	4299.03
(iii)	No. of Equity Shares for Basic & diluted EPS	3597000	3597000
(iv)	Nominal value of Equity share (₹)	1000.00	1000.00
(v)	Basic & Diluted Earnings per Share (₹)	13266.78	11951.71

**j) ACCOUNTING FOR TAXES ON INCOME(AS-22)**

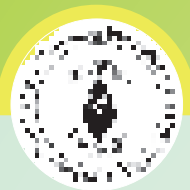
- i) Deferred Tax Assets and Liability are being offset as they relate to Taxes on income levied by the same governing taxation laws.
- ii) Deferred Tax Asset / (Liability) as at 31<sup>st</sup> March 2014 and as at 31<sup>st</sup> March 2013 is given below:-

(₹ In Crores)

	As at 31.03.2014	As at 31.03.2013
<b>Deferred Tax Liability:</b>		
Related to Fixed Assets	177.93	181.94
<b>Deferred Tax Asset:</b>		
Provision for doubtful Debts. claims. etc.	195.64	233.30
Employee separation and retirement	45.91	91.16
Others	(23.74)	18.06
Total deferred tax Assets	217.81	342.52
<b>Net Deferred Tax Asset/(Deferred Tax Liability) :</b>	<b>39.88</b>	<b>160.58</b>

**k) Impairment of Assets (AS-28)**

During the year, the impairment loss of assets of ₹ 0.61 Crores (₹0.69Crores) in respect of continuous loss making mines is debited to Statement of Profit & Loss.



**SOUTH EASTERN COALFIELDS LIMITED**  
[A Subsidiary of Coal India Limited]

**I) Contingent Liabilities, Commitments and Contingent Assets (AS-29)**

a) Contingent Liabilities:

- i) ₹1275.91 Crores towards Income Tax in respect of issues pending before the ITAT for the appeals filed by the Income Tax Department for the assessment years from 1998-99 to 2009-10 for which CIT (Appeals) granted relief to the Company on the assessment orders passed by the Assessing Officers.
- ii) ₹1200.86 Crores towards additional demand of Income Tax for the assessment years 1996-97 to 2011-12 on account of additions made under various grounds. The Company has filed appeals before the appellate authorities and pending. Against these demands ₹1494.16 Crores (including interest) has been deposited under protest.
- iii) ₹ 463.44 Crores towards Service Tax for Demand-cum-show cause notices issued by the Service Tax authorities on various issues.
- iv) ₹ 184.20 Crores toward Excise Duty for Demand-cum-show cause notices issued by the authorities on various issues.
- v) ₹91.19 Crores (₹53.60 Crores) has been demanded by the State Authorities in respect of Entry Tax / CST / Sales Tax/ Other for different Assessment Years, pending before Tribunal/High Court and ₹56.23 Crores has been deposited under protest.
- vi) ₹585.30 Crores (₹420.90 Crores), Claims by contractors, employees (pending decision in Arbitration / Courts), Forest Department and for claims by Debtors.
- vii) Outstanding Letters of Credits as on Balance sheet date amounted to ₹118.96 Crores (₹26.62 Crore).
- viii) The Company has given Bank Guarantees of ₹1.25 Crore (₹1.10 Crore) for which there is a floating charge on Current Assets of the Company.

b) Commitments:

- i) The amount remaining to be executed on capital account not provided for is ₹706.16 Crores (₹ 552.76 Crores).
- ii) The amount remaining to be executed on revenue account not provided for is 1824.29 Crores (₹ 1641.59 Crores).

c) Contingent Assets:

- i) A sum of ₹ 10.16 Crores are kept in the Company's custody as Securities by way of deposits in the form of Fixed Deposit Receipt received from the suppliers, contractors etc.. Further, Bank Guarantees worth ₹ 1291.63 Crores have also been taken from Debtors as security for supply of coal and from suppliers & contractors for execution of works/supply etc. which have not been accounted for.

**SOUTH EASTERN COALFIELDS LIMITED**

[A Subsidiary of Coal India Limited]

- ii) Certain forged / extra payments of TA Bills were found in Hasdeo Area. On detailed checking by the Internal Audit Department/ Vigilance Department the extra / irregular payment for the years 2005-06 to July 2012 of about ₹37.47 Lakh on account of TA Bills has been detected. Departmental action has already been initiated against the erring staff and the involved persons Le one Cashier and one Cost Assistant have been suspended. Based on this investigation payment of such forged TA bills is still under investigation.

**4 (a). VALUE OF IMPORTS ON CIF BASIS:**

(₹ In Crores)

Details	Current Year	Previous Year
Raw Material	NIL	NIL
Components, Stores & Spare Parts	167.37	5.15
Capital Goods		

**4 (b). TOTAL CONSUMPTION OF STORES (Refer Note No. 22)**

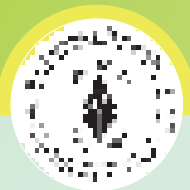
(₹ In Crores)

Details	Current Year		Previous Year	
	Amount ₹ in Crores	% of Total Consumption	Amount ₹ in Crores	% of Total Consumption
Imported	14.39	0.90	0.88	0.07
Indigenous	1582.77	99.10	1327.85	99.93
Total	1597.16	100.00	1328.73	100.00

**4 (c). EXPENDITURE INCURRED IN FOREIGN CURRENCY ON ACCOUNT OF:**

(₹ In Crores)

Details	Current Year	Previous Year
Traveling Expenses	0.07	0.00
Others	0.18	0.00



## SOUTH EASTERN COALFIELDS LIMITED

[A Subsidiary of Coal India Limited]

### 5. DIRECTORS' REMUNERATION:

(₹ In Crores)

For Whole Time Directors	Current Year	Previous year
(i) Salary	0.70	0.77
(ii) Company's Contribution to Provident Fund, Other Funds	0.07	0.08
(iii) Medical Benefits	0.08	0.03
For Part Time Directors		
(iv) Sitting Fees	0.13	0.16

### 6. BALANCE CONFIRMATION

In absence of balance confirmation from some parties, the Sundry Debtors, Creditors, Loans & Advances and Deposits have been taken in the Accounts as per their book value.

### 7. USE OF ESTIMATE

In preparing the financial statements in conformity with accounting principles generally accepted in India, management is sometimes required to make estimates and assumptions that effect the reported amounts of assets and liabilities and the disclosures of contingent liability as at the date of financial statements and the amount of revenue and expenses during the reported period. Actual results may differ from those estimates. Any revision to such estimate is recognized in the period in which the same is determined.

### 8. PREVIOUS YEAR'S FIGURES

Previous Year's figures have been regrouped and rearranged wherever considered necessary. Figures in the parentheses relating to the notes/additional notes of Balance sheet and Statement of Profit & Loss correspond to 12 month period of the previous year.

Note 1 to 19 form part of the Balance Sheet as at 31<sup>st</sup> March, 2014 and note 20 to 32 form part of Statement of Profit & Loss for the year ended on that date. Note-33 represents Significant Accounting Policies and Note-34 represents additional notes on the Accounts.

Signature to note 1 to 34.

**(CS S.M. YUNUS)**  
Company Secretary

**(P.K.SAHOO)**  
GM (Finance)

**(A.P. PANDA)**  
Director (Finance)  
DIN - 06664375

**(NAGENDRA KUMAR)**  
Chairman-Cum-Managing Director  
DIN - 02624808

As per our report annexed  
**FOR R. GOPAL & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
Firm Regn No. 000846C

[CA. R. GOPAL/AL]  
PARTNER

Membership NO.058409

Date: 26<sup>th</sup> MAY, 2014  
Place: NEW DELHI

**SOUTH EASTERN COALFIELDS LIMITED**  
[A Subsidiary of Coal India Limited]

**Part "A" : Subsidiaries**

(₹ In Crores)

Sl No	Particulars	Chhattisgarh East Railway Limited	Chhattisgarh East-West Railway Limited
1	Reporting Period	12.03.14 to 31.03.14	25.03.14 to 31.03.14
2	Reporting Currency	Rupees	Rupees
3	Share Capital	0.05	0.05
4	Reserves & Surplus	(0.14)	(0.14)
5	Total Assets	2.05	0.05
6	Total Liabilities	2.05	0.05
7	Investments	0.00	0.00
8	Turnover	0.00	0.00
9	Profit before Taxation	(0.14)	(0.14)
10	Provision for Taxation	0.00	0.00
11	Profit after Taxation	(0.14)	(0.14)
12	Proposed Dividend	0.00	0.00
13	% of Share holding	64%	64%



**(CS S.M. YUNUS)**  
Company Secretary



**(P.K.SAHOO)**  
GM (Finance)



**(A.P. PANDA)**  
Director (Finance)  
DIN - 06664375



**(NAGENDRA KUMAR)**  
Chairman-Cum-Managing Director  
DIN - 02624808

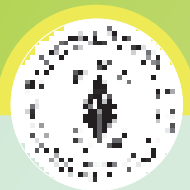
**FOR R. GOPAL & ASSOCIATES  
CHARTERED ACCOUNTANTS**



**[CA. S. AGARWAL]**  
PARTNER

Membership NO.058409  
Firm Regn. No. 000846C

Date: 26<sup>th</sup> MAY, 2014  
Place: NEW DELHI



**SOUTH EASTERN COALFIELDS LIMITED**  
[A Subsidiary of Coal India Limited]

Annexure-I

**STATEMENT PURSUANT TO SECTION 212(1)(e) OF COMPANIES ACT, 1956  
RELATING TO COMPANY'S INTEREST IN THE SUBSIDIARY COMPANY AS AT 31.03.2014**

Subsidiary	No. of Equity Shares held by South Eastern Coalfields Limited	No. of Equity Shares held by Others	Total paid-up value (₹ in Crores)	Pre Tax Profit for the year ended 31.03.2014 (₹ in Crores)	Profit (+) Loss (-) cumulative balance as on 31.03.2014 (after all appropriations) (₹ in Crores)
Chhattisgarh East Railway Limited (CERL)	32,000	18,000	0.05	(0.14)	(0.14)
Chhattisgarh East-West Railway Limited (CEWRL)	32,000	18,000	0.05	(0.14)	(0.14)
<b>TOTAL</b>	<b>64,000</b>	<b>36,000</b>	<b>0.10</b>	<b>(0.28)</b>	<b>(0.28)</b>

**(CS S.M. YUNUS)**  
Company Secretary

**(P.K.SAHOO)**  
GM (Finance)

**(A.P. PANDA)**  
Director (Finance)  
DIN - 06664375

**(NAGENDRA KUMAR)**  
Chairman-Cum-Managing Director  
DIN - 02624808

**FOR R. GOPAL & ASSOCIATES  
CHARTERED ACCOUNTANTS**

**[CA. S. AGARWAL]**  
PARTNER

Membership NO.058409  
Firm Regn. No. 000846C

Date: 26<sup>th</sup> MAY, 2014  
Place: NEW DELHI

**SOUTH EASTERN COALFIELDS LIMITED**  
[A Subsidiary of Coal India Limited]

Annexure-IA

**SUMMARY OF FINANCIAL INFORMATION OF SUBSIDIARY COMPANIES  
FOR THE FINANCIAL YEAR 2013-14**

(₹ In Crores)

PARTICULARS	SUBSIDIARIES	
	CERL*	CEWRL **
Reporting Currency	INR	INR
Capital	0.05	0.05
Reserves	(0.14)	(0.14)
<b>TOTAL</b>	<b>(0.09)</b>	<b>(0.09)</b>
Current Investment	-	-
Non-Current Investment	-	-
Turnover	-	-
Profit before Taxation	(0.14)	(0.14)
Provision for Taxation	-	-
Profit after Taxation	(0.14)	(0.14)
Proposed Dividend	-	-

\* CERL - Chhattisgarh East Railway Limited

\*\* CEWRL - Chhattisgarh East-West Railway Limited

**Note :-**

South Eastern Coalfields Ltd. holds 64% stake in both the Subsidiary Companies.



**SOUTH EASTERN COALFIELDS LIMITED**  
[A Subsidiary of Coal India Limited]

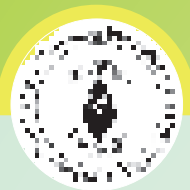
**Annexure- I to Clause 41**  
**Statement of Consolidated Unaudited/ Audited Results**  
**for the Quarter ended 31.03.2014, Quarter ended 31.12.2013,**  
**Quarter ended 31.03.2013, Year ended 31.03.2014, Year ended 31.03.2013.**

PART-I						
(₹ In Crores)						
Particulars	For the Quarter Ended 31.03.2014	For the Quarter Ended 31.12.2013	For the Quarter Ended 31.03.2013	For the Year Ended 31.03.2014	For the Year Ended 31.03.2013	
	Unaudited	Unaudited	Unaudited	Audited	Audited	
<b>1</b>	<b>Income From operations</b>					
	(a) Net Sales/ Income from Operations (Net of Excise Duty)	4626.16	4159.69	4343.43	16856.60	16288.39
	(b) Other Operating Income	-	-	-	-	-
	<b>Total income from operations (net)</b>	<b>4626.16</b>	<b>4159.69</b>	<b>4343.43</b>	<b>16856.60</b>	<b>16288.39</b>
<b>2</b>	<b>Expenses</b>					
	(a) Cost of Material Consumed	487.91	424.33	436.31	1595.64	1328.73
	(b) Changes in Inventories of Finished Goods Work-in-progress and stock-in-trade	(178.04)	(31.31)	(91.07)	(160.02)	94.29
	(c) Employees Benefit Expenses	1489.30	1449.04	1601.24	5880.67	5742.32
	(d) Depreciation & Impairment	105.37	98.49	115.17	429.33	428.48
	(e) Power & Fuel	136.41	142.09	128.16	539.26	506.11
	(f) Welfare Expenses	21.31	7.35	27.82	94.23	96.37
	(g) Repairs	63.97	48.23	41.73	189.96	129.35
	(h) Contractual Expenses	498.06	417.10	480.15	1562.39	1383.71
	(i) Other Expenditures	176.66	121.97	196.40	624.83	570.83
	(j) Overburden Removal / Adjustment	316.36	126.34	319.17	714.83	870.08

## SOUTH EASTERN COALFIELDS LIMITED

[A Subsidiary of Coal India Limited]

PART-I						
(₹ In Crores)						
Particulars	For the Quarter Ended 31.03.2014	For the Quarter Ended 31.12.2013	For the Quarter Ended 31.03.2013	For the Year Ended 31.03.2014	For the Year Ended 31.03.2013	
	Unaudited	Unaudited	Unaudited	Audited	Audited	
(k) Financial Charges / Commitment Charges	0.67	0.92	0.62	3.45	3.63	
(l) Provisions/Write off (net)	(7.36)	(27.43)	74.52	(85.82)	200.04	
<b>Total Expenses</b>	<b>3110.62</b>	<b>2777.12</b>	<b>3330.22</b>	<b>11388.75</b>	<b>11353.94</b>	
<b>3 Profit (Loss) from Operations before Other Income, Finance costs and Exceptional Items (1-2)</b>	<b>1515.54</b>	<b>1382.57</b>	<b>1013.21</b>	<b>5467.85</b>	<b>4934.45</b>	
4 Other Income	556.53	308.15	333.51	1737.65	1359.69	
<b>5 Profit / (Loss) from ordinary activities before finance costs and Exceptional Items(3+4)</b>	<b>2072.07</b>	<b>1690.72</b>	<b>1346.72</b>	<b>7205.50</b>	<b>6294.14</b>	
6 Finance Costs	0.30	1.20	-1.81	2.95	4.52	
<b>7 Profit / (Loss) from ordinary activities after finance cost but before Exceptional Items (5-6)</b>	<b>2071.77</b>	<b>1689.52</b>	<b>1348.53</b>	<b>7202.55</b>	<b>6289.62</b>	
8 Exceptional items	0.00	0.00	1.51	(0.15)	0.75	
<b>9 Profit (+) / Loss (-) from Ordinary Activities before tax (7+8)</b>	<b>2071.77</b>	<b>1689.52</b>	<b>1350.04</b>	<b>7202.40</b>	<b>6290.37</b>	
10 Tax Expenses	683.22	580.39	372.22	2430.38	1991.34	
<b>11 Net Profit / Loss from Ordinary Activities after tax (9-10)</b>	<b>1388.55</b>	<b>1109.13</b>	<b>977.82</b>	<b>4772.02</b>	<b>4299.03</b>	
12 Extraordinary Item	-	-	-	-	-	
<b>13 Net Profit (+) / Loss (-) for the period (11+12)</b>	<b>1388.55</b>	<b>1109.13</b>	<b>977.82</b>	<b>4772.02</b>	<b>4299.03</b>	



## SOUTH EASTERN COALFIELDS LIMITED

[A Subsidiary of Coal India Limited]

PART-I					
(₹ In Crores)					
Particulars	For the Quarter Ended 31.03.2014	For the Quarter Ended 31.12.2013	For the Quarter Ended 31.03.2013	For the Year Ended 31.03.2014	For the Year Ended 31.03.2013
	Unaudited	Unaudited	Unaudited	Audited	Audited
14	Share of Profit / (loss) of associates	-	-	-	-
15	Minority interest *	0.00	-	-	0.04
<b>16</b>	<b>Net Profit / (loss) after taxes, minority interest and share of profit / (loss) of associates (13+ 14+ 15)</b>	<b>1388.55</b>	<b>1109.13</b>	<b>977.82</b>	<b>4772.06</b>
17	Paid-up equity share capital (3597000 Equity shares of face value of ₹ 1000 per share fully paid up)	359.70	359.70	359.70	359.70
18	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year				9688.04
19.	Earning Per Share (EPS) i (before extraordinary items) (of ₹ /- each not annualised)				
	(a) Basic	3860.30	3083.49	2718.43	13266.78
	(b) Diluted EPS	3860.30	3083.49	2718.43	13266.78

**SOUTH EASTERN COALFIELDS LIMITED**  
[A Subsidiary of Coal India Limited]

**Annexure- I to Clause 41**  
**Statement of Consolidated Unaudited/ Audited Results**  
**for the Quarter ended 31.03.2014, Quarter ended 31.12.2013,**  
**Quarter ended 31.03.2013, Year ended 31.03.2014, Year ended 31.03.2013.**

PART-I		(₹ In Crores)				
Particulars	For the Quarter Ended 31.03.2014	For the Quarter Ended 31.12.2013	For the Quarter Ended 31.03.2013	For the Year Ended 31.03.2014	For the Year Ended 31.03.2013	
	Unaudited	Unaudited	Unaudited	Audited	Audited	
19. Earnings per share						
ii (after extraordinary items) (of ₹ /- each not annualised)						
(a) Basic	3860.30	3083.49	2718.43	13266.78	11951.71	
(b) Diluted EPS	3860.30	3083.49	2718.43	13266.78	11951.71	



**(CS S.M. YUNUS)**  
Company Secretary



**(P.K.SAHOO)**  
GM (Finance)



**(A.P. PANDA)**  
Director (Finance)  
DIN - 06664375



**(NAGENDRA KUMAR)**  
Chairman-Cum-Managing Director  
DIN - 02624808



**FOR R. GOPAL & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**



**[CA. S. AGARWAL]**  
PARTNER  
Membership NO.058409  
Firm Regn. No. 000846C

Date: 26<sup>th</sup> MAY, 2014  
Place: NEW DELHI



## SOUTH EASTERN COALFIELDS LIMITED

[A Subsidiary of Coal India Limited]

PART-II		(₹ In Crores)				
Particulars		For the Quarter Ended 31.03.2014	For the Quarter Ended 31.12.2013	For the Quarter Ended 31.03.2013	For the Year Ended 31.03.2014	For the Year Ended 31.03.2013
		Unaudited	Unaudited	Unaudited	Audited	Audited
<b>A</b>	<b>PARTICULARS OF SHAREHOLDING</b>					
1	Public Shareholding :					
	- No. of Shares	-	-	-	-	-
	- Percentage of shareholding	-	-	-	-	-
2	Promoters and promoter group Shareholding**					
	a) Pledged/ Encumbered					
	- No. of Shares	-	-	-	-	-
	- Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-	-
	- Percentage of Shares (as a % of the total share capital of the company)	-	-	-	-	-
	b) Non- Encumbered					
	- No. of Shares	3597000	3597000	3597000	3597000	3597000
	- Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	100.00	100.00	100.00	100.00	100.00
	- Percentage of Shares (as a % of the total share capital of the company)	100.00	100.00	100.00	100.00	100.00

**SOUTH EASTERN COALFIELDS LIMITED**  
[A Subsidiary of Coal India Limited]

	Particulars	For the Quarter Ended 31.03.2014
<b>B</b>	<b>INVESTOR COMPLAINTS</b>	
	Pending the beginning of the quarter	N.A.
	Received during the quarter	N.A.
	Disposed of during the quarter	N.A.
	Remain in unresolved at the end of the quarter	N.A.



**(CS S.M. YUNUS)**  
Company Secretary



**(P.K.SAHOO)**  
GM (Finance)



**(A.P. PANDA)**  
Director (Finance)  
DIN - 06664375



**(NAGENDRA KUMAR)**  
Chairman-Cum-Managing Director  
DIN - 02624808

**FOR R. GOPAL & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**



**[CA. S. AGARWAL]**  
PARTNER

Membership NO.058409  
Firm Regn. No. 000846C

Date: 26<sup>th</sup> MAY, 2014  
Place: NEW DELHI



**SOUTH EASTERN COALFIELDS LIMITED**  
[A Subsidiary of Coal India Limited]

**2 Annexure - IX OF CLAUSE 41**  
**Statement of Consolidated Assets and Liabilities**

(₹ In Crores)

PARTICULARS		As at 31.03.2014	As at 31.03.2013
<b>A</b>	<b>EQUITY AND LIABILITIES</b>		
1	Shareholders' Fund		
	a) Share Capital	359.70	359.70
	b) Reserves & Surplus	9688.04	8265.99
	c) Money received against share warrants	0.00	0.00
	<b>Sub-total-shareholders' funds</b>	<b>10047.74</b>	<b>8625.69</b>
2	Share application money pending allotment	-	-
3	Minority Interest	-	-
4	<b>Non-Current Liabilities</b>		
	a) Long Term Borrowing	0.00	194.64
	b) Deferred Tax Liabilities (Net)	-	-
	c) Other Long Term Liabilities	757.65	599.31
	d) Long Term Provisions	6623.71	5791.14
	<b>Sub-total-Non-current liabilities</b>	<b>7381.36</b>	<b>6585.09</b>
5	<b>Current Liabilities</b>		
	a) Short Term Borrowings	-	-
	b) Trade Payables	96.65	96.17
	c) Other Current Liabilities	3026.12	3054.28
	d) Short Term Provisions	1665.99	2249.73
	<b>Sub-total Current liabilities</b>	<b>4788.76</b>	<b>5400.18</b>
	<b>Total Equity and Liabilities</b>	<b>22217.86</b>	<b>20610.96</b>
<b>B</b>	<b>ASSETS</b>		
1	<b>Non-Current Assets</b>		
	(a) Fixed Assets	4830.54	4363.76
	(b) Goodwill on consolidation	-	-

**SOUTH EASTERN COALFIELDS LIMITED**  
[A Subsidiary of Coal India Limited]

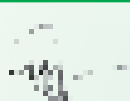
## 2 Annexure - IX OF CLAUSE 41 Statement of Consolidated Assets and Liabilities

(₹ In Crores)


PARTICULARS	As at 31.03.2014	As at 31.03.2013
(c) Non current investments	123.16	246.32
(d) Deferred Tax assets (net)	39.88	160.58
(e) Long term loans and advances	275.09	211.40
(f) Other non-current assets	56.22	56.72
<b>Sub-total Non-current assets</b>	<b>5324.89</b>	<b>5038.78</b>
<b>2 Current Assets</b>		
(a) Current Investments	178.21	183.16
(b) Inventories	1005.13	820.84
(c) Trade Receivables	1336.78	1350.29
(d) Cash & Bank Balance	10941.96	10280.65
(e) Short Term Loans & Advances	2161.85	1567.86
(f) Other Current Assets	1269.04	1369.38
<b>Sub-total Current asset</b>	<b>16892.97</b>	<b>15572.18</b>
<b>Total - Assets</b>	<b>22217.86</b>	<b>20610.96</b>



**(CS S.M. YUNUS)**  
Company Secretary



**(P.K.SAHOO)**  
GM (Finance)



**(A.P. PANDA)**  
Director (Finance)  
DIN - 06664375



**(NAGENDRA KUMAR)**  
Chairman-Cum-Managing Director  
DIN - 02624808

Date: 26<sup>th</sup> MAY, 2014  
Place: NEW DELHI



**FOR R. GOPAL & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**



**[CA. S AGARWAL]**  
PARTNER  
Membership NO.058409  
Firm Regn. No. 000846C



**SOUTH EASTERN COALFIELDS LIMITED**  
[A Subsidiary of Coal India Limited]

**ANNEXURE-II**

To,  
The Board of Directors,  
South Eastern Coalfields Limited.

**CEO AND CFO CERTIFICATION**

We, Nagendra Kumar, Chairman-cum- Managing Director and A.P. Panda, Director (Finance), responsible for the finance function certify that:

- We have reviewed Financial Statements and the Cash Flow Statements for the Year ended 31<sup>st</sup> March, 2014 and that to the best of our knowledge and belief:
  - These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- To the best of our knowledge and belief, no transactions entered into by the company during the year ended 31<sup>st</sup> March, 2014 are fraudulent, illegal or violative of the company's code of conduct.
- We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control system of the company pertaining to financial reporting and we have disclosed to the audit and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- We have indicated to the auditors and the Audit Committee that
  - there has not been any significant changes in internal control over financial reporting during the period under reference;
  - there has not been any significant changes in accounting policies during the Period; and
  - We are not aware of any instance of significant fraud with involvement therein of the management or an employee having a significant role in the company's internal control system over financial reporting.

Date: 26<sup>th</sup> MAY, 2014

**(A.P. PANDA)**  
Director (Finance)

**(NAGENDRA KUMAR)**  
Chairman-Cum-Managing Director









## SOUTH EASTERN COALFIELDS LIMITED

(A Mini Ratna PSU)

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