



# Amit Goyal & Co.

## CHARTERED ACCOUNTANTS

A-8, II Floor, Ganpati Enclave,  
Ajmer Road, JAIPUR - 302 006

Tel.No. : 2225036, 2225065

Fax : 0141-2223211

E-mail : amitgoyalnco@yahoo.com

Date.....

## INDEPENDENT AUDITOR'S REPORT

**To The Members,  
Barmer Lignite Mining Company Limited**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Barmer Lignite Mining Company Limited

("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, and financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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





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We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2015 and its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of The Companies Act, 2013, we give in the Annexure 1, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. Based on the verification of Records of the Company and based on Information and explanations given to us, we give below a report on Directions issued by the Comptroller and Auditor General of India in terms of Sec 143(5) of the Companies act, 2013 ....





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- (a) The Company has not been selected for divestment and hence reporting on this direction does not arise.
- (b) There are no cases of waiver/write-off of debts/loans/interest etc.
- (c) The company has not maintained any inventories lying with third parties. No assets have been received as gift from government and other authorities.
- (d) A report an age-wise analysis of pending legal/arbitration cases is given hereunder ( details as per annexure (a) to this report). We report that company has in place an adequate monitoring mechanism for tracking expenditure on such legal cases.

S. No.	Ageing of Pending Cases	No. of Cases	Amount Involved (Rs in Crs.)	Legal expenses (Rs in Crs.)	Reasons for Pendency/Present Position
1.	0-2 years	9	14.27	0.14	There are no significant delays in cases.
2.	Above 2 years	NIL	NIL	NIL	NIL

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.





**Amit Goyal & Co.**  
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(f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 24 to the financial statements.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Amit Goyal & Co.  
Chartered Accountants  
Firm Reg. No. 003778C

  
Charan Gupta  
Partner  
M. No. 074450  
Place: Jaipur  
Date: 10/09/2015



ANNEXURE 1 OF THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under the heading of "Report on other Legal and regulatory Requirements" of our report of even date)

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

1. (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
  
(b) The fixed assets have been verified by the management at reasonable intervals. The frequency of verification is considered reasonable, having regard to the size of the Company and nature of its fixed assets. No material discrepancies were noticed on such verification.
2. (a) The physical verification of inventory has been conducted at reasonable intervals by the management;  
  
(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.  
  
(c) The company has maintained proper records of inventory. As per the information and explanation given to us, discrepancies noticed on physical verification between the physical stocks and book records were not material.
3. The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act. Accordingly, the provisions of clause (iii) of the Order are not applicable to the company.



4. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the company and the nature of its business, for the payment of services and purchase of fixed assets and for the sale of goods. During the course of our audit, no major weaknesses have been noticed in the aforesaid internal control system.
5. No deposits with in the meaning of directives issued by RBI (Reserve Bank of India) and sections 73 to 76 or any other relevant provisions of the Companies Act,2013 and the rules framed there under have been accepted by the Company.
6. We have broadly reviewed the cost records maintained by the company pursuant to the order of Central Government under sub-section (1) of section 148 of the Companies Act and are of the opinion that, prima facie, the prescribed records have been made and maintained. We are, however, not required to make a detailed examination of records with a view to determine whether they are accurate or complete.
7. (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. No undisputed amounts payable in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.



(b) According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited on account of any dispute except those mentioned in the table below:

Name of the Statute	Nature of dues	Period to which it relates	Amount (Rs. In Crores)	Forum where dispute is pending
Income Tax Act, 1961	Income Tax and Interest	Financial Year 2011-12	13.28	Commissioner of Income Tax (Appeals)
Finance Act, 1994 (Service Tax)	Penalty	Financial Year 2011-12 & 2012-13	0.02	Commissioner (Appeals)
The Rajasthan Value Added Tax Act, 2003	Tax & Interest (deposited with department)	Financial Year 2010-11	0.97	Appellate Authority

(c) There is no amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act and rules made thereunder.

8. The company has no accumulated losses at 31<sup>st</sup> March, 2015 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
9. The company has not defaulted in repayment of dues to a financial institution or bank or debenture holders during the year.
10. According to the information and explanations given to us, and on the basis of our examination of the records of the company, the company has not given any guarantee for loans taken by others from bank or financial institutions.



**Amit Goyal & Company**  
**Chartered Accountants**

11. According to the information and explanations given to us, in our opinion, term loans availed by the company were, prima facie, applied by the company for the purpose for which they were obtained.
12. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

**For Amit Goyal & Co.**  
**Chartered Accountants**  
Firm Reg. No. 003778C



**Charan Gupta**  
**Partner**  
M. No. 074450  
Place: Jaipur  
Date: 10/09/2015





**BARMER LIGNITE MINING COMPANY LIMITED**

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

Particulars	Note No.	As at	As at
		31st March, 2015	31st March, 2014
		₹ crore	₹ crore
<b>I EQUITY AND LIABILITIES</b>			
(1) <b>Shareholders' funds:</b>			
(a) Share Capital	1	20.00	20.00
(b) Reserves and Surplus	2	1.04	(0.75)
		<b>21.04</b>	<b>19.25</b>
(2) <b>Non-current liabilities:</b>			
(a) Long-term Borrowings	3	1,493.64	1,278.89
(b) Deferred Tax Liabilities (Net)	24(s)	11.69	6.03
(c) Other long-term liabilities	4	241.25	186.22
		<b>1,746.58</b>	<b>1,471.14</b>
(3) <b>Current Liabilities:</b>			
(a) Trade payables	5	66.87	2.58
(b) Other current liabilities	6	88.84	84.95
(c) Short term Provisions	7	5.98	6.00
		<b>161.69</b>	<b>93.53</b>
<b>TOTAL</b>		<b>1,929.31</b>	<b>1,583.92</b>
<b>II ASSETS</b>			
(1) <b>Non-current assets:</b>			
(a) Fixed Assets	8		
(i) Tangible assets		105.81	109.24
(ii) Intangible assets		313.31	333.47
(iii) Capital work-in progress		455.58	339.34
(b) Non-current investments	9	0.00	0.00
(c) Long-term loans and advances	10	868.65	709.67
(d) Other non-current assets	11	29.41	24.73
		<b>1,772.76</b>	<b>1,516.45</b>
(2) <b>Current assets:</b>			
(a) Inventories	12	9.53	0.09
(b) Trade receivables	13	119.60	2.64
(c) Cash and bank balances	14	23.86	62.04
(d) Short-term loans and advances	15	3.04	1.95
(e) Other current assets	16	0.52	0.75
		<b>156.55</b>	<b>67.47</b>
<b>TOTAL</b>		<b>1,929.31</b>	<b>1,583.92</b>
<b>Significant Accounting Policies</b>	23		
<b>Notes on Financial Statements</b>	24		

The Notes referred to above forms an integral part of Financial Statements

As per our report of even date attached

**For Amit Goyal & Co.**  
Chartered Accountants  
FRNO. 003778C

**Charan Gupta**  
Partner  
Membership No 074450



**For and on behalf of the Board of Directors**

**Umesh Gupta**  
Managing Director  
(DIN No. 02221714)

**P.S. Mehra**  
Chairman  
(DIN No. 03305680)

Place: Jaipur  
Date: 10/09/2015

**Nitesh Gangwal**  
Company Secretary

**Rajat Kwatra**  
Chief Financial Officer

**BARMER LIGNITE MINING COMPANY LIMITED**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2015**

Particulars	Note No.	For the year ended 31st Mar, 2015	For the year ended 31st March, 2014
		₹ crore	₹ crore
I Revenue from operations	17	870.10	428.73
II Other income	18	3.77	4.15
<b>III Total Revenue (I+II)</b>		<b>873.87</b>	<b>432.88</b>
IV Expenses:			
Cost of Lignite Mining	19	716.67	332.41
(Increase) / Decrease in Inventories		(9.44)	5.29
Finance costs	20	46.22	35.62
Depreciation and amortisation expenses	21	24.90	12.83
Other expenses	22	83.18	37.01
<b>Total Expenses</b>		<b>861.53</b>	<b>423.16</b>
<b>V Profit before exceptional items and tax (III-IV)</b>		<b>12.34</b>	<b>9.72</b>
<b>VI Exceptional Items</b>		-	-
<b>VII Profit before tax (V-VI)</b>		<b>12.34</b>	<b>9.72</b>
<b>VIII Tax Expenses:</b>			
Current Tax		3.96	9.62
MAT Credit Adjustment/ (Entitlement)		0.93	(0.93)
Net Current Tax	24 (s)	4.89	8.69
Deferred Tax		5.66	6.44
		<b>10.55</b>	<b>15.13</b>
<b>IX Profit /(Loss) after tax for the year (VII- VIII)</b>		<b>1.79</b>	<b>(5.41)</b>
<b>X Earnings per equity share of face value of ₹ 10 each (In ₹)</b>			
Basic & Diluted	24 (t)	0.89	(2.71)
<b>Significant Accounting Policies</b>	23		
<b>Notes on Financial Statements</b>	24		

The Notes referred to above forms an integral part of Financial Statements  
As per our report of even date attached

**For Amit Goyal & Co.**  
Chartered Accountants  
FRNO. 003778C

**Charan Gupta**  
Partner  
Membership No 074450



Place: Jaipur  
Date: 10/09/2015

**For and on behalf of the Board of Directors**

**Umesh Gupta**  
Managing Director  
(DIN No. 02221714)

**Nitesh Sangwal**  
Company Secretary

**P.S. Mehra**  
Chairman  
(DIN No. 03305680)

**Rajat Kwatra**  
Chief Financial Officer

**BARMER LIGNITE MINING COMPANY LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015**

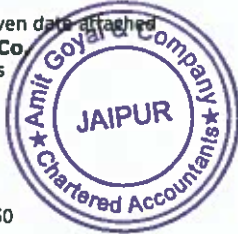
Particulars	For the year ended 31st March, 2015		For the year ended 31st March, 2014	
	₹ crore		₹ crore	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit before Tax		12.34		9.72
Adjustments for:				
Depreciation / Amortisation	24.90		12.83	
Interest Income	(3.77)		(4.15)	
Finance Costs	46.22		35.62	
		67.35		44.30
<b>Operating profit before working capital changes</b>		79.69		54.02
Adjustments for:				
Trade and other receivables	(116.95)		59.39	
Trade Payables	64.28		(44.58)	
Other Liabilities & Provisions	86.88		34.36	
Inventories	(9.44)		5.29	
Loans and advances	(5.09)		(4.80)	
		19.68		49.66
<b>Cash generated from operations</b>		99.37		103.68
Direct Taxes Paid (Net)		(4.90)		(1.12)
<b>NET CASH FLOW USED IN OPERATING ACTIVITIES (a)</b>		94.47		102.56
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets including CWIP & Pre-Operative Expenses		(286.53)		(160.61)
Interest Income		4.24		3.66
Investment in Bank Deposits not considered as Cash & Cash Equivalents		(23.50)		(0.08)
<b>NET CASH FLOW USED IN INVESTING ACTIVITIES (b)</b>		(305.79)		(157.03)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from Borrowings		195.85		120.50
Finance Cost paid		(46.22)		(35.62)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES (c)</b>		149.63		84.88
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (a+b+c)</b>		(61.69)		30.41
<b>CASH AND CASH EQUIVALENTS - OPENING BALANCE</b>		61.96		31.55
<b>CASH AND CASH EQUIVALENTS - CLOSING BALANCE</b>		0.27		61.96

**Note :**

- 1) The above cash flow statement has been prepared by using the indirect method as per Accounting Standard 3
- 2) Previous year's figures have been regrouped / rearranged wherever necessary to conform to current year's classification

As per our report of even date attached  
**For Amit Goyal & Co.**  
 Chartered Accountants  
 FRNO 009778C

**Charan Gupta**  
 Partner  
 Membership No 074450



Place : Jaipur  
 Date : 10/09/2015

**For and on behalf of the Board of Directors**

*U-T-86*

**Umesh Gupta**  
 Managing Director  
 (DIN No. 02221714)

*Nitish Gangwal*  
**Nitish Gangwal**  
 Company Secretary

*P.S. Mehra*

**P.S. Mehra**  
 Chairman  
 (DIN No. 03305680)

*Rajat Kwatra*  
**Rajat Kwatra**  
 Chief Financial Officer

**BARMER LIGNITE MINING COMPANY LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

<b>NOTE: 1</b>	<b>As at</b>	<b>As at</b>
<b>SHARE CAPITAL</b>	<b>31st March, 2015</b>	<b>31st March, 2014</b>
<b>Particulars</b>	<b>₹ crore</b>	<b>₹ crore</b>
Authorised: 20,000,000 Equity Shares of ₹ 10 each (Previous year 20,000,000 equity shares of ₹ 10 each)	20.00	20.00
Issued, Subscribed and paid-up: 20,000,000 Equity Shares of ₹ 10 each (Previous year 20,000,000 equity shares of ₹ 10 each)	20.00	20.00
	<b>20.00</b>	<b>20.00</b>

**1.1 The reconciliation of the number of shares outstanding at the beginning and at the end of the year**

<b>Particulars</b>	<b>As at</b>	<b>As at</b>
	<b>31st March, 2015</b>	<b>31st March, 2014</b>
	<b>No. of Shares</b>	<b>No. of Shares</b>
Shares outstanding at the beginning of the year	20,000,000	20,000,000
Add: Fresh Issue of Shares	-	-
Shares outstanding at the end of the year	<b>20,000,000</b>	<b>20,000,000</b>

**1.2 Details of aggregate shareholding by Holding Company, Subsidiary of Holding Company or Associate of Holding Company**

<b>Particulars</b>	<b>As at</b>	<b>As at</b>
	<b>31st March, 2015</b>	<b>31st March, 2014</b>
	<b>No. of Shares</b>	<b>No. of Shares</b>
Rajasthan State Mines & Minerals Limited (Holding Company) - RSMML - a Government of Rajasthan Enterprise	10,200,000	10,200,000

**1.3 Details of shareholders holding more than 5% of aggregate shares in the Company**

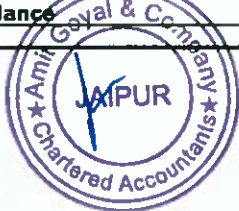
<b>Particulars</b>	<b>As at</b>	<b>As at</b>
	<b>31st March, 2015</b>	<b>31st March, 2014</b>
	<b>No. of Shares</b>	<b>No. of Shares</b>
Rajasthan State Mines & Minerals Limited (Holding Company)	10,200,000	10,200,000
Raj WestPower Limited (Joint Venture partner)	9,800,000	9,800,000

**1.4 Terms & Rights attached to equity shares**

- a) The Company has only one class of equity share having a par value of ₹ 10/- each. Each holder of equity shares is entitled to one vote per share and equal right for dividend.
- b) In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to the shareholding.
- c) No shares have been reserved for issue under options and contracts/commitments for the sale of shares/disinvestments as at balance sheet date.
- d) No securities convertible in to equity/preference shares have been issued by the Company during the year.

**1.5 No Bonus Shares and shares issued for consideration other than cash during the last five years by the Company.**

<b>NOTE: 2</b>	<b>As at</b>	<b>As at</b>
<b>RESERVES AND SURPLUS</b>	<b>31st March, 2015</b>	<b>31st March, 2014</b>
<b>Particulars</b>	<b>₹ crore</b>	<b>₹ crore</b>
Surplus : As per last financial statement	(0.75)	4.66
Add: Profit/ (Loss) for the year	1.79	(5.41)
<b>Closing Balance</b>	<b>1.04</b>	<b>(0.75)</b>



*over Rajat*

**BARMER LIGNITE MINING COMPANY LIMITED**

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

<b>NOTE: 3 LONG TERM BORROWINGS</b>	<b>As at 31st March,2015 ₹ crore</b>	<b>As at 31st March,2014 ₹ crore</b>
<b>Particulars</b>		
<b>Secured Loans</b>		
Rupee Term Loans:		
From Banks - Gross	1,076.35	941.50
(Less) Amount disclosed under the head (other current liabilities) (Note 6)	37.80	56.70
	<b>1,038.55</b>	<b>884.80</b>
<b>Unsecured Loans</b>		
Subordinate Debt from Related Parties		
Raj WestPower Limited (RWPL)	455.09	394.09
	<b>1,493.64</b>	<b>1,278.89</b>

**3.1 Details of Security:**

Rupee Term Loan amounting to ₹ 1095.25 crores (net of repayment) ( Previous year ₹ 941.50 crores) is availed on which partial security has been created on 24th July, 2012. For balance creation of Security, the Company is awaiting approval from Govt./Govt. undertaking.

The stipulated security for the said facility is:

- Hypothecation of movable assets;
- A first mortgage charge by way of mortgage on the immovable assets of the Project/Company as may be permitted by the Government;
- A first charge on all the Project's/ company's bank accounts including but not limited to the Trust & Retention Account(TRA);
- A first charge on the operating cash flows, commissions, revenues of whatever nature and wherever arising,present and future, intangibles, goodwill, uncalled capital, present and future;
- Assignment of all rights, titles and interests of the Company in, to and under all assets of the Project/Company and all project documents, contracts, insurance policies, permits/approvals etc. related to the lignite mine development to which the Company is a party, which can be legally assigned and as may be permissible by the Government;
- Assignment of mining lease/mining rights and other related rights as may be permissible under relevant laws/ allowed by the Government;
- Pledge of 51% equity shares of the Company.

**3.2 Terms of Repayment of Loan:**

a)Outstanding amount of ₹ 1076.35 Crores as rupee term loan is repayable in 49 Structured Installments commencing from 31st December 2015 till 24th November 2027.

b)Outstanding amount of ₹ 455.09 Crores ( P.Y. ₹ 394.09 Crores) of subordinated debt is repayable after repayment of rupee term loan.

<b>NOTE: 4 OTHER LONG TERM LIABILITIES</b>	<b>As at 31st March,2015 ₹ crore</b>	<b>As at 31st March,2014 ₹ crore</b>
<b>Particulars</b>		
Interest on Subordinated Debt	209.11	170.93
Mine Closure Charges payable (refer Note 23(l) & 24 (m))	32.14	15.29
	<b>241.25</b>	<b>186.22</b>

<b>NOTE: 5 TRADE PAYABLES</b>	<b>As at 31st March,2015 ₹ crore</b>	<b>As at 31st March,2014 ₹ crore</b>
<b>Particulars</b>		
Trade Payables (refer Note : 24 (v))	66.87	2.58
	<b>66.87</b>	<b>2.58</b>

Note : There are no amounts due to Micro, Small and Medium Enterprises suppliers on account of principal and/or interest on suppliers as defined under the Micro, Small and Medium Enterprises Development Act, 2006 .



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**BARMER LIGNITE MINING COMPANY LIMITED**

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

<b>NOTE: 6 OTHER CURRENT LIABILITIES</b>	<b>As at 31st March, 2015</b>	<b>As at 31st March, 2014</b>
<b>Particulars</b>	<b>₹ crore</b>	<b>₹ crore</b>
Current maturities of long term loan (refer Note 3)	37.80	56.70
Payables - Projects (refer Note : 24 (v))	10.78	19.86
<b>Other payables:</b>		
Statutory Dues payable	25.67	4.13
Lignite Extraction Charges payable	6.77	0.07
Others payable (refer Note : 24 (v))	7.82	4.19
	<b>88.84</b>	<b>84.95</b>

<b>NOTE: 7 SHORT TERM PROVISIONS</b>	<b>As at 31st March, 2015</b>	<b>As at 31st March, 2014</b>
<b>Particulars</b>	<b>₹ crore</b>	<b>₹ crore</b>
Provision for Tax {Net of Advance Tax, TDS and Mat Credit ₹ 12.17 Crores (Previous year ₹ 7.26 Crores)}	5.87	5.89
Other Provisions	0.11	0.11
	<b>5.98</b>	<b>6.00</b>



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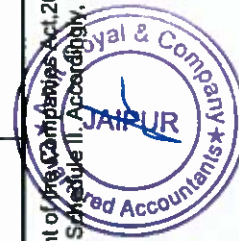
**BARMER LIGNITE MINING COMPANY LIMITED**

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

Note : 8  
**FIXED ASSETS**

Particulars	Gross Block ( ₹ Crore)				Depreciation/Amortisation ( ₹ Crore)			Net Block ( ₹ Crore)	
	As at 1st April, 2014	Additions / Adjustments during the year	Deductions/ Adjustments during the year	As at 31st Mar, 2015	Upto 31st March, 2014	For the year	Upto 31st March, 2015	As at 31st Mar, 2015	As at 31st Mar, 2014
<b>(A) Tangible Assets</b>									
Building	0.15	-	-	0.15	0.02	0.01	0.03	0.12	0.13
Plant & Equipment	5.27	-	-	5.27	0.78	0.19	0.97	4.30	4.49
Office Equipment	0.07	0.03	-	0.10	0.02	0.03	0.05	0.05	0.05
Furniture & Fixtures	0.03	0.04	-	0.07	0.00	0.01	0.01	0.06	0.03
Lignite Handling Plant	104.11	0.63	-	104.74	0.06	3.98	4.04	100.70	104.05
Electrical Installation	0.49	-	-	0.49	0.00	0.05	0.05	0.44	0.49
Vehicles	-	0.15	-	0.15	-	0.01	0.01	0.14	-
<b>TOTAL (A)</b>	<b>110.12</b>	<b>0.85</b>	<b>-</b>	<b>110.97</b>	<b>0.88</b>	<b>4.28</b>	<b>5.16</b>	<b>105.81</b>	<b>109.24</b>
<b>(B) Intangible Assets</b>									
Surface Rights on Kapurdi Land	365.32	0.47	-	365.79	34.93	20.44	55.37	310.42	330.39
Rights under the Implementation and JV Agreement	3.40	-	-	3.40	0.32	0.19	0.51	2.89	3.08
<b>TOTAL (B)</b>	<b>368.72</b>	<b>0.47</b>	<b>-</b>	<b>369.19</b>	<b>35.25</b>	<b>20.63</b>	<b>55.88</b>	<b>313.31</b>	<b>333.47</b>
<b>TOTAL (A+B)</b>	<b>478.84</b>	<b>1.32</b>	<b>-</b>	<b>480.16</b>	<b>36.13</b>	<b>24.91</b>	<b>61.04</b>	<b>419.12</b>	<b>442.71</b>
Previous Year	374.77	104.61	0.54	478.84	23.30	12.83	36.13	442.71	351.46
Capital Work in Progress								<b>455.58</b>	<b>339.34</b>

1. Consequent to the enactment of the Companies Act, 2013 and its applicability for accounting periods commencing from April 1, 2014, the Company has realigned useful life of tangible assets in accordance with the provisions of Part C of Schedule II. Accordingly, the depreciation for the current year is lower and profit for the year is higher by ₹ 1.56 crores.

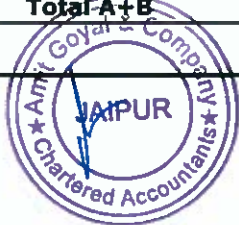


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**BARMER LIGNITE MINING COMPANY LIMITED**

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

<b>NOTE: 8 contd....</b>	<b>As at</b>	<b>As at</b>
<b>CAPITAL WORK IN PROGRESS</b>	<b>31st March, 2015</b>	<b>31st March, 2014</b>
<b>Particulars</b>	<b>₹ crore</b>	<b>₹ crore</b>
<b>CAPITAL WORK IN PROGRESS</b>		
Rights under the Implementation and Joint Venture Agreement	6.80	6.80
Plant and Machinery and Civil Works	7.23	98.45
	14.03	105.25
Less: Transferred to Fixed Assets (Included in Compensation for Mining Land).	0.47	93.99
<b>Total A</b>	<b>13.56</b>	<b>11.26</b>
<b>PRE-OPERATIVE EXPENDITURE DURING CONSTRUCTION PERIOD &amp; TRIAL RUN</b>		
Opening Balance	328.08	224.63
Manpower Cost	0.64	0.58
Mining Lease Expenses	-	0.46
Land Development Expenses	0.06	0.20
Legal and Professional Charges	0.04	0.11
Travelling Expenses	0.05	0.05
General Expenses	0.13	0.03
Office Rent	0.03	0.03
Labour Charges	0.16	0.30
Finance Charges	0.19	0.19
Interest During Construction Period	119.31	118.15
	448.69	344.73
Less: Interest Income earned (TDS: ₹ 0.67 crore (Previous Year : ₹ 0.65 crore))	6.67	6.53
Less: Amount Transferred to Fixed Assets	-	10.12
<b>Total B</b>	<b>442.02</b>	<b>328.08</b>
<b>Total A+B</b>	<b>455.58</b>	<b>339.34</b>



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**BARMER LIGNITE MINING COMPANY LIMITED**

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

<b>NOTE: 9 NON CURRENT INVESTMENTS</b>	<b>As at 31st March,2015</b>	<b>As at 31st March,2014</b>
<b>Particulars</b>	<b>₹ crore</b>	<b>₹ crore</b>
<b>Government and trust securities</b>		
6-Year National Savings Certificate ₹ 20,000 (Previous Year ₹ 20,000) (Pledged with Commercial Tax Department)	0.00	0.00
	<b>0.00</b>	<b>0.00</b>

<b>NOTE: 10 LONG TERM LOANS AND ADVANCES</b>	<b>As at 31st March,2015</b>	<b>As at 31st March,2014</b>
<b>Particulars</b>	<b>₹ crore</b>	<b>₹ crore</b>
<b>Unsecured, considered good</b>		
Capital Advances to		
Related Party - RSMML	708.26	708.25
Non related Party	160.39	0.49
	868.65	708.74
Deposits with Government/Semi Government Authorities		
Deposited with DMGR ₹ 30,000 ( Previous Year : ₹ 30,000)	0.00	0.00
Minimum Alternate Tax Credit entitlement	-	0.93
	<b>868.65</b>	<b>709.67</b>

<b>NOTE: 11 OTHER NON CURRENT ASSETS</b>	<b>As at 31st March,2015</b>	<b>As at 31st March,2014</b>
<b>Particulars</b>	<b>₹ crore</b>	<b>₹ crore</b>
<b>Unsecured, considered good</b>		
Interest Accrued on NSC - ₹ 7,995 (Previous Year ₹ 6,086 )	0.00	0.00
Interest Accrued on Advances	29.41	24.73
	<b>29.41</b>	<b>24.73</b>

<b>NOTE: 12 INVENTORIES</b>	<b>As at 31st March,2015</b>	<b>As at 31st March,2014</b>
<b>Particulars</b>	<b>₹ crore</b>	<b>₹ crore</b>
Finished Goods	9.53	0.09
(As taken, valued & certified by management as per accounting policy No. 23(i))		
	<b>9.53</b>	<b>0.09</b>

<b>NOTE: 13 TRADE RECEIVABLES</b>	<b>As at 31st March,2015</b>	<b>As at 31st March,2014</b>
<b>Particulars</b>	<b>₹ crore</b>	<b>₹ crore</b>
<b>Unsecured, considered good</b>		
(Outstanding for a period not exceeding six months from a Company in which Director of the Company is Director)	119.60	2.64
	<b>119.60</b>	<b>2.64</b>



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**BARMER LIGNITE MINING COMPANY LIMITED**

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

<b>NOTE: 14 CASH AND BANK BALANCES</b>	<b>As at 31st March,2015</b>	<b>As at 31st March,2014</b>
<b>Particulars</b>	<b>₹ crore</b>	<b>₹ crore</b>
<b>Cash and Cash Equivalent</b>		
Balance with Banks -		
In Current accounts	0.27	1.82
Bank Deposits with maturity less than 3 months	-	60.14
	0.27	61.96
<b>Other Bank Balances</b>		
Earmarked Balances with banks - Bank Deposit with maturity more than 3 months	0.08	0.08
Balance with banks held in Escrow Account For Mine Closure Fund	23.51	-
	23.59	0.08
	<b>23.86</b>	<b>62.04</b>

<b>NOTE: 15 SHORT TERM LOANS AND ADVANCES</b>	<b>As at 31st March,2015</b>	<b>As at 31st March,2014</b>
<b>Particulars</b>	<b>₹ crore</b>	<b>₹ crore</b>
<b>Unsecured, considered good (Recoverable in cash or in kind for value to be received)</b>		
Deposits with Government/Semi Government Authorities	0.73	1.93
Other Advances	2.31	0.02
	<b>3.04</b>	<b>1.95</b>

<b>NOTE: 16 OTHER CURRENT ASSETS</b>	<b>As at 31st March,2015</b>	<b>As at 31st March,2014</b>
<b>Particulars</b>	<b>₹ crore</b>	<b>₹ crore</b>
Prepaid Expenses	0.24	0.27
Interest Accrued on Deposits (TDS ₹ 0.03 Crore; Previous Year ₹ 0.05 Crore)	0.28	0.48
	<b>0.52</b>	<b>0.75</b>



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**BARMER LIGNITE MINING COMPANY LIMITED**

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

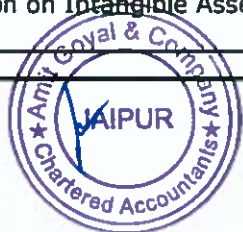
<b>NOTE: 17 REVENUE FROM OPERATIONS</b>	<b>For the year ended 31st March, 2015</b>	<b>For the year ended 31st March, 2014</b>
<b>Particulars</b>	<b>₹ crore</b>	<b>₹ crore</b>
Sale of Product (Lignite)	1,096.10	526.63
Less : Excise Duty	56.85	28.09
	<b>1,039.25</b>	<b>498.54</b>
Less : Other Levies		
i) Royalty	52.21	25.72
ii) Clean Energy Cess	64.75	19.01
iii) VAT	52.19	25.08
	<b>870.10</b>	<b>428.73</b>

<b>NOTE: 18 OTHER INCOME</b>	<b>For the year ended 31st March, 2015</b>	<b>For the year ended 31st March, 2014</b>
<b>Particulars</b>	<b>₹ crore</b>	<b>₹ crore</b>
Interest income on Fixed Deposits (TDS: ₹ 0.37 crore (Previous Year : ₹ 0.41 crore))	3.75	4.14
Miscellaneous Income	0.02	0.01
	<b>3.77</b>	<b>4.15</b>

<b>NOTE: 19 COST OF LIGNITE MINING</b>	<b>For the year ended 31st March, 2015</b>	<b>For the year ended 31st March, 2014</b>
<b>Particulars</b>	<b>₹ crore</b>	<b>₹ crore</b>
Lignite Extraction Cost	716.67	332.41
	<b>716.67</b>	<b>332.41</b>

<b>NOTE: 20 FINANCE COSTS</b>	<b>For the year ended 31st March, 2015</b>	<b>For the year ended 31st March, 2014</b>
<b>Particulars</b>	<b>₹ crore</b>	<b>₹ crore</b>
Interest expenses on		
Subordinated Loan from RWPL	11.28	8.45
Rupee Term Loan from Bank	34.77	27.14
Interest other (₹ 18,655 , P.Y. ₹ 39,477)	0.00	0.00
Other Borrowing Costs	0.17	0.03
	<b>46.22</b>	<b>35.62</b>

<b>NOTE: 21 DEPRECIATION AND AMORTISATION EXPENSES</b>	<b>For the year ended 31st March, 2015</b>	<b>For the year ended 31st March, 2014</b>
<b>Particulars</b>	<b>₹ crore</b>	<b>₹ crore</b>
Depreciation on Tangible Assets	4.27	0.36
Amortisation on Intangible Assets	20.63	12.47
	<b>24.90</b>	<b>12.83</b>



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**BARMER LIGNITE MINING COMPANY LIMITED**

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

<b>NOTE: 22 OTHER EXPENSES</b>	<b>For the year ended 31st March, 2015</b>	<b>For the year ended 31st March, 2014</b>
<b>Particulars</b>	<b>₹ crore</b>	<b>₹ crore</b>
<b>Manufacturing Expenses</b>		
Mine Closure Charges (Refer note 23(I))	16.85	4.43
Excise duty on Closing Stock	2.10	(0.63)
Royalty on Closing Stock	0.52	(0.34)
<b>(A)</b>	<b>19.47</b>	<b>3.46</b>
<b>Selling &amp; Administrative Expenses</b>		
Manpower cost	1.14	1.18
Rates and taxes	56.86	28.10
Insurance	0.13	0.02
Advertising Expenses	0.13	0.02
Sampling Expenses	0.68	0.75
Legal and professional charges	0.81	1.28
Audit Fees	0.02	0.02
Travelling and Conveyance	0.20	0.16
CSR Expenses (refer note 24(h))	0.12	-
General expenses	3.62	2.02
<b>(B)</b>	<b>63.71</b>	<b>33.55</b>
<b>(A+B)</b>	<b>83.18</b>	<b>37.01</b>



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## Barmer Lignite Mining Company Limited

### SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE: - 23

#### Significant Accounting Policies

##### (a) General:

- i) The financial statements are prepared under the historical cost convention, on the accounting principles of a going concern.
- ii) Accounting Policies not specifically referred to otherwise are consistent and in consonance with the applicable accounting standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- iii) All expenses and incomes to the extent ascertainable with reasonable certainty are accounted for on accrual basis. All taxes, duties and cess etc paid on purchases have been charged to the Statement of Profit and Loss except such taxes, duties and cess, which are subsequently recoverable with reasonable certainty from the taxing authorities.  
In case of Service tax paid /payable on Lignite extraction charges and other Services, the same has been charged to Statement of Profit and Loss after netting off the Excise duty payable on sale of Lignite. On account of the huge difference in Service tax on Lignite extraction cost and excise duty on sale of Lignite, the possibility of utilisation of balance CENVAT credit of service tax cannot be ascertained with reasonable certainty.
- iv) The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) in India sometimes requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of revenue and expenses for that year. Actual result could differ from these estimates. Any revision to such estimate is recognised in the period in which same is determined.
- v) All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and/or other criteria set out in the Schedule III to the Companies Act, 2013.

##### (b) Fixed Assets:

Fixed assets are stated at cost which includes all direct and indirect expenses up to the date of acquisition, installation and / or any cost attributable for bringing the asset to its working condition for its intended use, subsequent improvement less accumulated depreciation / amortization & impairment, if any.

In case of commissioned assets, work against deposits/work contracts where final settlement of bills with contractors is yet to be effected; capitalization is done on a provisional basis (as per technical certification) subject to necessary adjustments in the year of final settlement.

##### Expenditure incurred during construction period:

Apart from costs related directly to the construction of an asset, indirect expenses incurred up to the date of commencement of commercial production which are incidental and related to construction are capitalized as part of construction cost. Income, if any, earned during the construction period is deducted from the indirect costs.

##### (c) Capital Work-in-Progress (CWIP):

Capital work-in-progress comprises of the cost of fixed assets that are not yet ready for their intended use at the Balance Sheet date.



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Cost of material consumed, erection charges thereon along with other related expenses incurred for the projects are shown as CWIP for capitalization.

Expenditure attributable to construction of fixed assets are identified and allocated on a systematic basis to the cost of the related asset.

Interest during construction and expenditure (net) allocated to construction are apportioned to CWIP on the basis of the closing balance of Specific asset or part of asset being capitalized. The balance, if any, left after such capitalization is kept as a separate item under the CWIP Schedule.

Claims for price variation / exchange rate variation in case of contracts are accounted for on acceptance of claims.

Any other expenditure which is not directly or indirectly attributable to the construction of the Project / construction of the Fixed Asset is charged off to statement of profit and loss in the period in which they are incurred.

**(d) Depreciation / Amortisation:**

Depreciation on tangible assets is provided on straight line method based on useful life as per the provisions of part C of Schedule II of the Companies Act, 2013

Surface rights for Kapurdi Land and Rights under the implementation and Joint Venture Agreement are amortized on the basis of lignite actually extracted during the period with respect to the estimated quantity of extractable mineral reserves over the lease life.

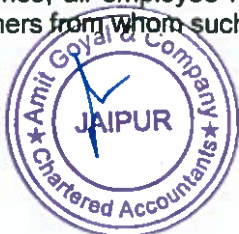
**(e) Impairment of Assets:**

In accordance with Accounting Standard 28 on "Impairment of Assets" prescribed by the Company (Accounting Standards) Rules, 2006, where there is an indication of impairment of the company's assets relating to cash generating units, the carrying amount of such assets are reviewed at each balance sheet date to determine whether there is an impairment. The recoverable amount of such assets is estimated as the higher of its net selling price and its value in use. An impairment loss is recognized in the Statement of Profit & Loss whenever carrying amount of such assets exceeds its recoverable amount.

Depreciation on impaired assets related to cash generating unit is provided by adjusting the depreciation charge in the remaining periods so as to allocate the revised carrying amount of the asset over its remaining useful life.

**(f) Employee related Benefits**

The provisions of Accounting Standard 15 are not applicable on the Company as the Company does not have any employee on its rolls. They are being deputed/assigned from Joint Venture Partners. Hence, all employee related benefits are being taken care of by the respective joint venture partners from whom such employees are deputed/assigned.



*Amit Goyal*

**(g) Revenue Recognition:**

Revenue from sale of goods and services rendered is recognised upon passage of title and rendering of services to the customers.

Sales are stated net of taxes and other levies. Interest income is recognised on time proportionate basis.

**(h) Investments:**

Long term investments are stated at cost. In case, there is a decline other than temporary in the value of the investment, a provision for same is made. Current investments are valued at lower of cost or fair value.

**(i) Inventories:**

Inventories are valued at lower of cost and net realizable value. Cost is determined on the basis of weighted average. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Obsolete, defective and unserviceable stock is duly provided for wherever applicable.

**(j) Borrowing Cost:**

Borrowing Costs directly attributable to the acquisition and construction of qualifying assets are capitalized as part of cost of such asset up to the date when such assets are ready for its intended use. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. The borrowing cost eligible for capitalisation is being netted off against any income arising on temporary investment of those borrowings. The capitalization of the borrowing costs shall cease when substantially all activities necessary to prepare the qualifying asset for its intended use are complete.

Other borrowing costs are charged to Statement of Profit and Loss.

**(k) Taxation:**

Income tax expenses comprise current tax (i.e. amount of tax for the year determined in accordance with the Income Tax Act, 1961) and deferred tax charges or credit (reflecting the tax effects of timing differences between accounting income and taxable income of the year).

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realised in future; however where there is unabsorbed depreciation or carry forward loss under taxation loss, deferred tax assets are recognized only if there is virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably / virtually certain, as the case may be, to be realized.

Tax credit is recognized in respect of Minimum Alternate Tax (MAT) paid in terms of Section 115JAA of the Income Tax Act, 1961 based on convincing evidence that the Company will pay normal income tax within the statutory time frame and the same is reviewed at each balance sheet date.



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**(l) Mine closure charges:**

Company provides for annual mine closure cost based on the Guidelines for preparation of Mine Closure Plan issued by the Ministry of Coal, Government of India as amended from time to time. The amount of mine closure charges as per approved Mine Closure Plan is being deposited with escrow account opened with Escrow Agent, Punjab National Bank.

**(m) Provisions and Contingent Liabilities:**

Provisions are recognized based on the best estimates of the expenditure required to settle the present obligation at the balance sheet date when

- a) The Company has a present obligation as a result of a past event;
- b) A probable outflow of resources is expected to settle the obligation and
- c) The amount of the obligation can be reliably estimated

Where some or all the expenditure required to settle a provision is expected to be reimbursed by another party, such reimbursement is recognized to the extent of provision or contingent liability as the case may be, only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in the case of

- a) Present obligation arising from a past event, when it is not probable that a outflow of recourses will be required to settle the obligation.
- b) A possible obligation arising from past event, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future event not within the control of the enterprise.



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NOTE: - 24

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015:**

- (a) The Company has produced 7 (Previous year 3.75) Million Ton Lignite from Kapurdi Mines during the year.
- (b) The Company is engaged in the mining of lignite for exclusive supply to Raj WestPower Limited (RWPL) for power generation and the transfer Price of Lignite to RWPL is determined by Rajasthan Electricity Regulatory Commission (RERC) as per extant guidelines. As per the prevailing regulation, the post tax ROE is 15.50% upto FY 2015.
- (c) The Company has recognised revenue on sale of Lignite on the basis of Adhoc Interim transfer price order of RERC dated 30<sup>th</sup> May, 2014 for FY 2014-15 on its petition filed during FY 2013-14. Based on this order and in accordance with the views expressed by the Comptroller & Auditor General of India (CAG), the Company has booked the Lignite Extraction charges payable to Mine Developer cum Operator (MDO) in the same proportion as approved in the Adhoc interim transfer price Order. As and when the final RERC order determining the lignite transfer price is received, the impact of such finalized tariff, MDO charges payable and Truing up for relevant period will be provided in the books of account.
- (d) Based on adhoc interim transfer price order, the Statement of Profit and Loss of the Company reflect a Profit/(Loss) after Tax of ₹ 1.79 {PY (5.41)} crore for FY 2014-15. However as a regulated project with post tax ROE capped at 15.50% of invested Equity, the PAT works out to about ₹ 1.03 crore. Accordingly the reported profit for FY 2014-15 is not comparable with the regulatory returns pending final determination of transfer price and MDO fees.
- (e) Service tax paid/payable on Lignite extraction charges and other services after netting off the excise duty payable on sale of Lignite, amounting to ₹ 28 crore (Previous Year ₹ 14.70 crore), has been charged to Statement of Profit and Loss. The same has been charged to Statement of Profit and Loss, on account of the huge difference in service tax on Lignite Extraction cost and excise duty on sale of lignite which is in line with the accounting policy. The same is shown as cenvat available in excise returns.
- (f) "Surface Rights on Kapurdi Land" are amortized on the basis of lignite actually extracted during the year with respect to the estimated quantity of extractable mineral reserves over the lease life. The Company has claimed income tax on this amortization while calculating the transfer price of lignite from RERC. To have a corresponding provision in the books, company has provided provision for tax on amortization in the books.
- (g) RSMML had been allotted 51% equity shares in the Company in earlier years without any consideration in cash towards Rights under Implementation and Joint Venture Agreement.
- (h) CSR Expenses

In accordance with the provision of Section 135 of Companies Act, 2013 the Company has incurred ₹ 0.12 crore on CSR expenses during the year 2014-15. The necessary disclosure for same is as follows:

- (a) Gross amount required to be spent by the company during the year. – ₹12,05,448  
(b) Amount spent during the year on: - ₹12,05,448

S.No	Particulars	In Cash	Yet to be paid in Cash	Total
(i)	Construction/acquisition of any asset	-	-	-
(ii)	On purposes other than (i) above	12,05,448	-	12,05,448



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(i) Consequent to the enactment of the Companies Act,2013 and its applicability for accounting periods commencing from April 1,2014, the company has realigned useful life of tangible assets in accordance with the provisions of Part C of Schedule II. Accordingly, the depreciation for the current year is lower and profit for the year is higher by ₹ 1.56 crores.

(j) Contingent Liabilities and Capital Commitments:

(i) Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) ₹ 3.76 crore (Previous Year ₹ 4.60 crore).

(ii) The Company had received NOC for 2,172.03 bighas of government land from District Collector (Barmer) vide letter dated 12.01.2010 to be used by company for lignite mining in Kapurdi. Subsequently, District Collector (Barmer) had raised a claim by issuing a letter dated 31.07.2012, seeking for payment of ₹ 32.58 crore towards government land against transfer of title on the government land admeasuring 2,172.03 bighas. The Company has not accepted the offer for acquiring of Land and has conveyed to the RSMML to take up the matter with appropriate authority.

(iii) A demand for ₹ 2.48 crore was raised by Commercial taxes under Rajasthan Value Added Tax Act, 2003 for the F.Y. 2010-11. The demand raised is inclusive of penalty and interest. Company has deposited ₹ 0.97 crore under protest with department. The company filed an appeal against the said order before appellate authority and appellate authority partially accepted the appeal and set aside the penalty amount imposed of ₹ 1.51 crores vide its order dated 28<sup>th</sup> April,2015. Company has filed an appeal before Rajasthan Tax Board, Ajmer against this partial acceptance order.

(iv) During the year, Company has received the income tax assessment order for the financial year 2011-12 with the tax demand of ₹ 13.28 crore. The company has paid a sum of ₹ 1 crore under protest against this demand and has filed an appeal before CIT (Appeals) against this assessment order.

(v) The company has received an order from the Asst. Commissioner of Central Excise for levy of penalty of ₹ 0.02 crore for availment of CENVAT credit on some input services during the period from June,2011 to Nov.,2012. The Company has not accepted this order and filed an appeal against the said order with Commissioner (Appeals), Central Excise.

(vi) Company have submitted an undertaking to indemnify RSMML from all possible tax and financial liabilities at all point of time for any liabilities arising out of Implementation Agreement (IA)/Joint Venture Agreement (JVA) that have already arisen or may arise in future following transfer of Kapurdi and Jalipa Mining Lease to the Company. RSMML has received a service tax adjudication order dated 30.04.2015 from Commissioner (Central Excise), Jaipur imposing service tax demand of ₹ 122.30 crore on compensation for mining land paid by company to RSMML. RSMML has filed an appeal with CESTAT, Delhi against this order. Company has reimbursed the appeal fees of 7.5% of demand to RSMML.

(vii) Few land owners have gone to court for claiming enhanced rate of compensation from RSMML for land acquired for mines project. In case of any enhancement of compensation by court and thereby payment by RSMML, Company will have to reimburse the RSMML for additional compensation. The amount is indeterminate as on date.

(viii) Company is in process of shifting of school from mines area to outside the mines area and future expenditure will be incurred over construction of school for community. Company has estimated approx. ₹ 0.50 Crs expenditure over it.



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- (k) A demand for ₹ 2.11 crore for each financial year 2011-12 and 2012-13 was raised by Sub-Registrar Barmer towards Land Tax and the same has been provided in the books of accounts. Out of which, a sum of ₹ 3.59 crore is pending for payment. Land tax has been abolished w.e.f. 01-04-2013 vide gazette notification dated 06<sup>th</sup> March, 2013. The issue whether land tax/levy of land tax is ultra vires, is pending consideration before the Hon'ble Supreme Court of India.
- (l) As per Ministry of Environment and Forests (MOEF) approval dated 29<sup>th</sup> January, 2008 the Company was required to make provision of at least Rs. 2.00 crore per annum towards CSR activities. In its order dated 24<sup>th</sup> December 2013 for enhanced Mining Capacity by 25% i.e. from 3.00 MTPA to 3.75 MTPA, MOEF has stipulated the cost of CSR should be ₹ 5/- per MT of Lignite extracted to be adjusted with annual inflation. In its order dated 22<sup>nd</sup> September 2014 for enhanced Mining Capacity from 3.75 MTPA to 7 MTPA, MOEF has stipulated the cost of CSR should be ₹ 5/- per MT of Lignite extracted to be adjusted with annual inflation. Accordingly the company has made provision of ₹ 3.50 crore in its books towards CSR expenses for its Kapurdi Mining block for the year 2014-15. The cumulative unutilised balance for CSR provision is ₹ 7.34 crore (Previous year ₹ 4.16 crores).
- (m) An amount of ₹ 8.22 crore has been provided in the books towards Mine closure obligation for the current year treating 2012-13 as 1st year and the same is deposited in an Escrow account with the Coal Controller for Kapurdi Lignite Mines. This is in accordance with mine closure plan approved by Ministry of Coal, Government of India. Coal Controller has raised an additional demand of ₹ 8.63 crores for deposit of mine closure charges treating 2011-12 as 1st year during current year for FY 2014-15. To give effect to it, the additional Mine closure charges obligation amount is provided in books and charged to statement of Profit & Loss. The amount lying in the Escrow Account shall be claimed in accordance with the Escrow Account Agreement executed.
- (n) The Company has paid a sum of ₹ 977.51 crore upto 31<sup>st</sup> March, 2015 (Previous Year ₹ 977.51 crore) to Rajasthan State Mines & Minerals Limited (RSMML) towards the compensation for land acquisition of 17,323.05 bighas of Kapurdi Mining Block and 22347.85 bighas of Jalipa Mining Block in accordance with the order of Land Acquisition Officer. While, the mutation process of Kapurdi Lignite Mining land has been completed and land has been transferred in the name of RSMML, the mutation process is underway for Jalipa Lignite Mining Land. RSMML has intimated that the transfer of land from RSMML to the Company has been rejected by Government of Rajasthan, even though the opinion of Advocate General states that the transfer of land from RSMML to the company is contemplated with in the provision of the Implementation Agreement and Joint Venture Agreement. JV partner has represented Government of Rajasthan for reconsideration of the issue and response is awaited. Till the issue attains finality and based on present position taken by GOR, the amount of ₹ 269.26 crore paid towards the acquisition of Kapurdi land to RSMML was reflected as Surface Rights for Kapurdi Land and the balance advance amount of ₹ 708.25 crores paid for compensation towards Jalipa land pending transfer of Jalipa Mining Lease is shown in Long Term Loans and Advances.
- (o) Pursuant to order of Govt. of Rajasthan, The mining lease for Jalipa mining block has been transferred from RSMML and registered in name of the company on 25<sup>th</sup> May, 2015.
- (p) During the year, the Company has recognised ₹ 0.06 crore (Previous year ₹ NIL crore) towards Land Development Charges and ₹ 0.63 crore (Previous year ₹ 0.74 crore) being the amount payable to RSMML towards the proportionate amount of Salary and Wages of RSMML employees and office expenses for the FY 2014-15. The above charge relates to Land development charges and the time spent by RSMML employees on the Company's Jalipa project and the same has been charged to Capital Work in Progress (CWIP).



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- (q) The Company has an outstanding subordinated debt of ₹ 455.09 crore (Previous Year ₹ 394.09 crore) as on 31<sup>st</sup> March, 2015, availed @ 10% interest rate from RWPL to fund its project related requirements. The Company has recognised interest of ₹ 42.41 crore (Previous Year ₹ 38.22 crore) on subordinate debt for the period from 1<sup>st</sup> April, 2014 to 31<sup>st</sup> March, 2015. As required by Comptroller and Auditor General of India (CAG) the company has obtained an opinion on levy of interest on subordinate Loan from Learned Advocate General, Rajasthan Jaipur who has also affirmed the provision for the same. However the matter has been referred by CAG to the GOR and its final opinion is awaited. Till the issue is clarified/ opined by Govt. of Rajasthan, no interest payout on Subordinated Debt shall be carried out.
- (r) The Government of Rajasthan vide its order dated 30<sup>th</sup> March, 2011 had stated that any interest gained by RSMML on the amount deposited with it by the Company towards land compensation to be paid for Jalipa and Kapurdi Mining Block (as a result of delayed payment/ non acceptance of compensation) will be refunded to the Company. Accordingly, the Company has accounted for interest income of ₹ 6.93 crore (previous year ₹ 6.53 crore) on the basis of the ledger balance outstanding in the books of RSMML.
- (s) **Provision for Taxation and Deferred tax:**

- (i) Provision for taxation includes:

	(₹ in Crore)	
	Current Year	Previous year
Current Tax	3.96	1.95
Current Tax relating to Prior years	-	7.67
Mat Credit Utilisation/(Entitlement)	0.93	(0.93)

- (ii) Deferred tax liability (net) primarily consists of timing differences on account of:

	(₹ in Crore)	
	Current Year	Previous year
Preliminary Expenses Written Off	(0.01)	(0.03)
Carry Forward losses	-	-
Difference between book balance and tax balance of fixed assets	12.95	7.28
Disallowances u/s.43B	(1.25)	(1.22)
Deferred Tax Liability	11.69	6.03

- (t) **Earnings Per Share (Basic & Diluted):**

	Current Year	Previous year
Net profit/(Loss) as attributable to equity shareholders (A) (₹ in crore)	1.79	(5.41)
Weighted Average Number of equity shares outstanding during the period (Face Value – ₹ 10 per share) (B)	2,00,00,000	2,00,00,000
Earnings Per Share in ₹ (Basic and Diluted) (A/B)	0.89	(2.71)

- (u) In the opinion of the Management, the Current Assets, Loans and Advances have a value on realisation in the ordinary course of business, at least equal to the amount at which they are stated in the Balance Sheet. The provision for all known liabilities is adequate and not in excess of what is required.
- (v) The Company has provided the provision for liability of works carried/supplies received pertaining to Financial year 2014-15 till such invoices received by the company upto 31.07.2015.



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- (w) Based on the information available with the Company regarding the status of the suppliers as defined under the Micro, Small and Medium Enterprises Development Act, 2006, there are no amounts due to Micro, Small and Medium Enterprises suppliers on account of principal and/or interest as at the close of the year.

Sr. No.	Particulars	(₹ In crore)	
		Current Year	Previous Year
1	Principal amount due and remaining unpaid	-	-
2	Interest due on (1) above and the unpaid interest	-	-
3	Interest paid on all delayed payments under the MSMED Act.	-	-
4	Payment made beyond the appointed day during the year	-	-
5	Interest due and payable for the period of delay other than (3) above	-	-
6	Interest accrued and remaining unpaid	-	-
7	Amount of further interest remaining due and payable in succeeding years	-	-

- (x) Remuneration to Auditors (excluding service tax):

	(₹ In crore)	
	For the Year ended 31st March, 2015	For the Year ended 31st March, 2014
Audit Fees ₹ 1,45,000 (Previous year ₹ 1,35,000)	0.01	0.01
Tax Audit fees ₹ 35,000 (Previous Year ₹ 35,000/-)	0.00	0.00
For Other services ₹ 45,000/- (Previous Year ₹ 45,000/-)	0.00	0.00

- (y) The company is primarily engaged in a single segment business of Production and sale of lignite. Hence, the company has only one reportable segment as per Accounting Standard 17 prescribed by the Companies (Accounting Standards) Rules, 2006.
- (z) The Company has yet to receive balance confirmations in respect of certain payables, other payables and trade receivable. The Management does not expect any material difference affecting the current year's financial statements due to the same.

**(aa) Related Party Disclosure as per Accounting Standard 18:**

**(i) List of Related Parties:**

**Companies with significant influence:**

- Raj WestPower Limited (RWPL)
- JSW Energy Limited (JSWEL)

**(ii) Related Party Transactions:**

Nature of Transaction	(₹ In Crore)	
	Current Year	Previous Year
<b>Transactions with RWPL</b>		
Subordinated Loan (Unsecured Loan)	61.00	25.50
Interest on Subordinated Loan	42.42	38.22
Sale of Lignite (net of taxes)	870.10	428.73
Salary to deputed staff	0.94	0.96
Reimbursement of expenses related to land acquisition	0.35	0.58



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(iii) Closing balance of related parties:

Name of the Related Party	(₹ In Crore)	
	As at 31st March, 2015	As at 31st March, 2014
Raj WestPower Limited (RWPL)		
- Subordinated Debt	455.09	394.09
- Others	209.52	171.24
- Trade Receivable	119.59	2.64

**Notes:**

- a) Related party relationships have been identified by the management and relied upon by the auditor.
- b) No disclosure is required in the financial statements of state controlled enterprises as regards related party relationships with other state-controlled enterprises and transactions with such enterprises. Accordingly transaction with RSMML has not been reported.

(iv) Key Managerial Personnel

Mr. Umesh Gupta - Managing Director (DIN : 02221714)  
Mr. Sanjay Sagar – Director (DIN: 00019489)  
Mr. Pramod Menon – Director (DIN: 01443287)

(ab) Previous year's figures have been regrouped / rearranged wherever necessary to conform to current year's classification.

As per our report of even date attached  
For Amit Goyal & Co.  
Chartered Accountants  
FRNo. 003778C

  
Charan Gupta  
Partner  
Membership No. 074450



Place: Jaipur  
Date: 10/09/2015

For and on behalf of the Board of Directors

  
Umesh Gupta  
Managing Director  
(DIN No. 02221714)

  
Nitesh Gangwal  
Company Secretary

  
P.S. Mehra  
Chairman  
(DIN No. 03305680)

  
Rajat Kwatra  
Chief Financial Officer