



Amit Goyal & Co.

CHARTERED ACCOUNTANTS

A-8, II Floor, Ganpati Enclave,
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INDEPENDENT AUDITOR'S REPORT Date.....

**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, 2016, 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.

We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India as specified under Section 143(10) of the Act. Those Standards require that we comply with the 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. 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.





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Opinion

Date.....

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 31st March, 2016 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, 2016 ("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:

(a) Report on General Directions:

- i) The Company has the mining lease for mining rights in the immovable properties comprising of land at Kapurdi and Jalipa lignite mining blocks for 39670.90 Bighas and does not have title deeds for the above mining land at Kapurdi and Jalipa. Also refer note 24(m) to the financial statements in this regard.
- ii) There are no cases of waiver/write-off of debts/loans/interest etc.
- iii) The company has not maintained any inventories lying with third parties. No assets have been received as gift from government or other authorities.

(b) Report on Company/Sector Specific Directions (sub directions)

1. The Company has taken adequate measures to reduce the adverse effect on environment as per established norms and taken up adequate measures for the relief and rehabilitation of displaced people.
2. The Company had obtained the requisite statutory compliances that were required under mining and environmental rules and regulations.
3. The overburden removal from mines and backfilling of mines are commensurate with the mining activity of the Company.
4. There are no cases of disband and discontinuation of mines during this period.
5. The Company's financial statements had properly accounted for the effect of Rehabilitation Activity and Mine Closure Plan.





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

Date.....

- (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 31st March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in Annexure (2) to this reporting; and
- (g) 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(i) 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: September 28, 2016



Annexure 1 to the Auditor's report

(Referred to in paragraph 1 of our report of even date under the heading "Report on Other Legal and Regulatory Requirements" to the members of Barmer Lignite Mining Company Limited on the Financial Statements as of and for the year ended March 31, 2016)

Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit and to the best of our knowledge and belief, we report that:

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

(b) All fixed assets have been physically verified by the management during the year and there is a regular programme of verification, intended to cover all the fixed assets of the Company over a period, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) The Company only has the mining lease for mining rights in the immovable properties comprising of land at Kapurdi and Jalipa amounting to Rs. ₹ 977.51 crores (39670.90 bighas) and does not have title deeds for the aforesaid land at Kapurdi and Jalipa. Also refer note 24 (m) to the financial statements in this regard.

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ("the Act"). Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Act are applicable and hence not commented upon.

(v) The Company has not accepted any deposits from the public.

(vi) 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.

(vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, value added tax, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute, are as follows:

Name of the Statute	Nature of dues	Period to which it relates	Amount (₹ 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) ₹ 5.00 crore paid under protest
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 (Recovered by department)	Financial Year 2010-11	0.97	Appellate Authority ₹ 0.97 crore paid under protest
Income Tax Act,1961	Income Tax and Interest	Financial Year 2012-13	13.04	Commissioner of Income Tax (Appeals) ₹ 1.96 crore paid under protest

(viii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions and banks. The Company did not have any borrowings by way of debentures or from government.

(ix) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the



management and on an overall examination of the balance sheet, we report that monies raised by the Company by way of term loans were applied for the purpose for which the loans were obtained, though idle/surplus funds amounting to ₹23.50 crores as at March 31, 2016, which were not required for immediate utilization and or are awaiting disbursement to the beneficiaries have been invested in fixed deposits with banks. No monies were raised, during the year, by the Company by way of initial public offer or further public offer (including debt instruments).

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.

(xiii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence not commented upon.

(xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.



(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For Amit Goyal & Co.,
Chartered Accountants
FRN - 003778C


Charan Gupta
Partner
M.No. 074450



Place: Jaipur
Date: 28.09.2016

ANNEXURE (2) TO THE AUDITORS' REPORT

(Referred to in paragraph 3(f) of our report of even date under the heading "Report on Other Legal and Regulatory Requirements" to the members of Barmer Lignite Mining Company Limited on the Financial Statements as of and for the year ended March 31, 2016)

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Barmer Lignite Mining Company Limited ("The Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The company's Management is responsible for establishing and maintaining internal financial controls over financial reporting criteria established by the company considering the essential components of internal controls stated in the guidance note on audit of internal financial controls over financial reporting issued by the institute of chartered accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and error, the accuracy and completeness of the accounting record, and the timely preparation of reliable financial information as required under the Companies Act, 2013 ("the Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with guidance note on audit of internal financial controls over financial reporting ("the Guidance Note") and the Standard on Auditing, issued by the Institute of Chartered Accountants of India and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the Institute of Chartered Accountants of India. Those standards and the guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.



Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance or records that, in reasonable details, accurately and fairly reflect the transactions and dispositions of the assets of the company, (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company, and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



Opinion

In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Amit Goyal & Co.,
Chartered Accountants
FRN - 003778C**


**Charan Gupta
Partner
M.No. 074450**



Place: Jaipur
Date: 28.09.2016

BARMER LIGNITE MINING COMPANY LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2016

Particulars	Note	As at	As at
		31st Mar, 2016	31st Mar, 2015
		₹ crore	₹ crore
I EQUITY AND LIABILITIES			
(1) Shareholders' funds:			
(a) Share capital	1	20.00	20.00
(b) Reserves and surplus	2	3.34	1.04
		23.34	21.04
(2) Non-current liabilities:			
(a) Long-term borrowings	3	1,540.14	1,493.64
(b) Deferred tax liabilities (net)	24(s)	14.66	11.69
(c) Other long-term liabilities	4	292.19	241.25
		1,846.99	1,746.58
(3) Current Liabilities:			
(a) Trade payables			
(i) Total Outstanding Dues of Micro Enterprises and Small Enterprises	5	-	-
(ii) Total Outstanding Dues of creditors other than Micro Enterprises and Small Enterprises		67.02	66.87
(b) Other current liabilities	6	174.25	88.84
(c) Short term Provisions	7	10.85	5.98
		252.12	161.69
TOTAL		2,122.45	1,929.31
II ASSETS			
(1) Non-current assets:			
(a) Fixed Assets			
(i) Tangible assets	8	110.85	105.81
(ii) Intangible assets		293.81	313.31
(iii) Capital work-in progress		1,276.93	455.58
(b) Non-current investments	9	0.00	0.00
(c) Long-term loans and advances	10	170.36	868.65
(d) Other non-current assets	11	29.95	29.41
		1,881.90	1,772.76
(2) Current assets:			
(a) Inventories	12	30.67	9.53
(b) Trade receivables	13	132.76	119.60
(c) Cash and bank balances	14	69.52	23.86
(d) Short-term loans and advances	15	6.94	3.04
(e) Other current assets	16	0.66	0.52
		240.55	156.55
TOTAL		2,122.45	1,929.31
Significant Accounting Policies	23		
Notes on Financial Statements	24		

Notes referred to herein forms an integral part of Financial Statements

As per our attached report of even date

For **Amit Goyal & Co.**

Chartered Accountants

FRN - 003778C

Charan Gupta

Partner

Membership No 074450



Place: Jaipur

Date: 28.09.2016

For and on behalf of Board of Directors

Umesh Gupta

Managing Director

(DIN No. 02221714)

Naypal

Nitesh Gangwal

Company Secretary

Aparna Arora

Chairperson

(DIN No 02360232)

Soni

Sanjay Soni

Chief Financial Officer

BARMER LIGNITE MINING COMPANY LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2016

Particulars	Note	For the year ended	For the year ended
		31st Mar, 2016	31st Mar, 2015
		₹ crore	₹ crore
I Income:			
Revenue from operations	17	860.08	926.95
Less: Excise Duty		52.68	56.85
		807.40	870.10
II Other income	18	2.98	3.77
III Total Revenue (I+II)		810.38	873.87
IV Expenses:			
Cost of Lignite Mining	19	668.55	716.67
(Increase) / Decrease in Inventories		(21.14)	(9.44)
Finance costs	20	43.80	46.22
Depreciation and amortisation expenses	21	25.30	24.90
Other expenses	22	79.80	83.18
Total Expenses		796.31	861.53
V Profit before exceptional items and tax (III-IV)		14.07	12.34
VI Prior Period items		-	-
VII Profit / (Loss) before tax (V-VI)		14.07	12.34
VII Tax Expenses:			
I			
Current tax		8.80	3.96
MAT Credit Adjustment/ (Entitlement)		-	0.93
Net Current Tax	24 (s)	8.80	4.89
Deferred tax		2.97	5.66
		11.77	10.55
IX Profit / (Loss) after tax for the year (VII- VIII)		2.30	1.79
X Earnings per equity share of face value of ₹ 10 each (In ₹)			
Basic & Diluted	24 (t)	1.15	0.89
Significant Accounting Policies	23		
Notes on Financial Statements	24		

Notes referred to herein forms an integral part of Financial Statements.

As per our report of even date attached

For Amit Goyal & Co.

Chartered Accountants

FRN/ 003778C

Charan Gupta
Partner
Membership No 074450



Place: Jaipur
Date: 28.09.2016

For and on behalf of the Board of Directors

Umesh Gupta
Managing Director
(DIN No. 02221714)

Aparna Arora
Chairperson
(DIN No 02360232)

Nitesh Gangwal
Company Secretary

Sanjay Soni
Chief Financial Officer

BARMER LIGNITE MINING COMPANY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	For the year ended 31st March, 2016		For the year ended 31st March, 2015	
	₹ crore		₹ crore	
A. CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before Tax		14.07		12.34
Adjustments for:				
Depreciation / Amortisation	25.30		24.90	
Interest Income	(2.99)		(3.77)	
Finance Costs	43.80		46.22	
		66.11		67.35
Operating profit before working capital changes		80.18		79.69
Adjustments for:				
Trade and other receivables	(13.16)		(116.95)	
Trade Payables	0.15		64.28	
Other Liabilities & Provisions	106.08		86.88	
Inventories	(21.14)		(9.44)	
Loans and advances	(4.40)		(5.09)	
		67.53		19.68
Cash generated from operations		147.71		99.37
Direct Taxes Paid (Net)		(3.91)		(4.90)
NET CASH GENERATED FROM OPERATIONS (a)		143.80		94.47
B. CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets including CWIP & Pre-Operative Expenses		(141.45)		(286.53)
Interest Income		2.81		4.24
Investment in Bank Deposits not considered as Cash & Cash Equivalents		(19.58)		(23.50)
NET CASH USED IN INVESTING ACTIVITIES (b)		(158.22)		(305.79)
C. CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from Borrowings		84.30		195.85
Finance Cost paid		(43.80)		(46.22)
NET CASH FROM FINANCING ACTIVITIES (c)		40.50		149.63
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (a+b+c)		26.08		(61.69)
CASH AND CASH EQUIVALENTS - OPENING BALANCE		0.27		61.96
CASH AND CASH EQUIVALENTS - CLOSING BALANCE		26.35		0.27

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 attached report of even date

For Amit Goyal & Co.
Chartered Accountants
FRN : 013779C

Charan Gupta
Partner
Membership No 074450



Place : Jaipur
Date : 28.09.2016

For and on behalf of Board of Directors

U-T P6
Umesh Gupta
Managing Director
(DIN No. 02221714)

Dayraj
Nitesh Gangwal
Company Secretary

d
Aparna Arora
Chairperson
(DIN No 02360232)

Ssoni
Sanjay Soni
Chief Financial Officer

BARMER LIGNITE MINING COMPANY LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE: 1 SHARE CAPITAL	As at 31st Mar,2016	As at 31st Mar,2015
Particulars	₹ crore	₹ crore
Authorised: 2,00,00,000 Equity Shares of Rs. 10 each (Previous year 2,00,00,000 equity shares of Rs.10 each)	20.00	20.00
Issued,Subscribed and paid-up: 2,00,00,000 Equity Shares of Rs. 10 each (Previous year 2,00,00,000 equity shares of Rs.10 each)	20.00	20.00
	20.00	20.00

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

Particulars	As at 31st Mar,2016	As at 31st Mar,2015
	No. of Shares	No. of Shares
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	20,000,000	20,000,000

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

Particulars	As at 31st Mar,2016	As at 31st Mar,2015
	No. of Shares	No. of Shares
Rajasthan State Mines & minerals Limited (Holding Company) - 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

Particulars	As at 31st Mar,2016	As at 31st Mar,2015
	No. of Shares	No. of Shares
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 Rs.10/- each. Each holder of equity shares is entitled to one vote per share.
- 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

NOTE: 2 RESERVES AND SURPLUS	As at 31st Mar,2016	As at 31st Mar,2015
Particulars	₹ crore	₹ crore
Surplus :		
Balance as at the beginning of the year	1.04	(0.75)
Add: Net Profit for the current year	2.30	1.79
Balance as at the end of the year	3.34	1.04



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BARMER LIGNITE MINING COMPANY LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE: 3 LONG TERM BORROWINGS Particulars	As at 31st Mar,2016 ₹ crore	As at 31st Mar,2015 ₹ crore
Secured Loans		
Rupee Term Loans:		
From Banks - Gross	1,124.80	1,076.35
(Less) Amount disclosed under the head (other current liabilities) (Note 6)	75.60	37.80
	1,049.20	1,038.55
Unsecured Loans		
Subordinate Debt from Related Parties Raj WestPower Limited (RWPL)	490.94	455.09
	1,540.14	1,493.64

3.1 Details of Security:

Rupee Term loan amounting to ₹ 1181.50 crores (Previous year ₹ 1095.25 crores) is availed from consortium of 6 banks, lead by PNB 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 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 ₹ 1124.80 Crores as rupee term loan is repayable in balance 47 Structured Installments which commenced from 31st December 2015 till 24th November 2027.
- b) Outstanding amount of ₹ 490.94 Crores (P.Y. ₹ 455.09 Crores) of subordinated debt is repayable after repayment of rupee term loan.

NOTE: 4 OTHER LONG TERM LIABILITIES Particulars	As at 31st Mar,2016 ₹ crore	As at 31st Mar,2015 ₹ crore
Others :		
Interest on Subordinated Debt	250.99	209.11
Mine Closure Charges payable (refer Note 23(I) & 24 (I))	41.20	32.14
	292.19	241.25

NOTE: 5 TRADE PAYABLES Particulars	As at 31st Mar,2016 ₹ crore	As at 31st Mar,2015 ₹ crore
Trade Payables (refer Note : 24 (v))		
(i) Total Outstanding Dues of Micro Enterprises and Small Enterprises	0.00	0.00
(ii) Total Outstanding Dues of creditors other than Micro Enterprises and Small Enterprises	67.02	66.87
	67.02	66.87

1) 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

NOTE: 6	As at	As at
OTHER CURRENT LIABILITIES	31st Mar,2016	31st Mar,2015
Particulars	₹ crore	₹ crore
Current maturities of long term loan (refer note 3)	75.60	37.80
Payables - Projects (refer note 24(v))	3.24	10.78
Other payables:		
Statutory Dues payable	66.27	25.67
Lignite Extraction charges payable	18.83	6.77
Others payable (refer note 24(v))	10.31	7.82
	174.25	88.84

NOTE: 7	As at	As at
SHORT TERM PROVISIONS	31st Mar,2016	31st Mar,2015
Particulars	₹ crore	₹ crore
Provision for Tax (Net of advance tax and TDS ₹ 15.15 Crores (Previous year ₹13.15 Crores))	10.74	5.87
Others provisions	0.11	0.11
	10.85	5.98



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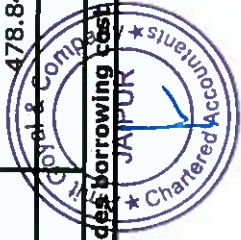
BARMER LIGNITE MINING COMPANY LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note : 8
FIXED ASSETS

Particulars	Gross Block (₹ crore)			Depreciation / Amortisation (₹ crore)			Net Block (₹ crore)	
	As at 1st April, 2015	Additions / Adjustments during the year	As at 31st March, 2016	Upto 31st March, 2015	For the year	Upto 31st March, 2016	As at 31st March, 2016	As at 31st March, 2015
(A) Tangible Assets								
Building	0.15	-	0.15	0.03	0.00	0.03	0.12	0.12
Plant & Equipment	5.27	-	5.27	0.97	0.19	1.16	4.11	4.30
Office Equipment	0.10	0.00	0.10	0.05	0.02	0.07	0.03	0.05
Furniture & Fixtures	0.07	0.00	0.07	0.01	0.01	0.02	0.05	0.06
Solar Pond	-	3.47	3.47	-	0.06	0.06	3.41	-
RO Plant	-	7.17	7.17	-	0.73	0.73	6.44	-
Lignite Handling Plant	104.74	(0.06)	104.68	4.04	4.46	8.50	96.18	100.70
Electrical Installation	0.49	-	0.49	0.05	0.05	0.10	0.39	0.44
Vehicles	0.15	-	0.15	0.01	0.02	0.03	0.12	0.14
TOTAL (A)	110.97	10.58	121.55	5.16	5.54	10.70	110.85	105.81
(B) Intangibles Assets								
Surface Rights on Kapurdi Land	365.79	0.26	366.05	55.37	19.58	74.95	291.10	310.42
Rights under the Implementation and JV Agreement	3.40	-	3.40	0.51	0.18	0.69	2.71	2.89
TOTAL (B)	369.19	0.26	369.45	55.88	19.76	75.64	293.81	313.31
TOTAL (A+B)	480.16	10.84	491.00	61.04	25.30	86.34	404.66	419.12
Previous Year	478.84	1.32	480.16	36.13	24.91	61.04	419.12	442.71
Capital Work in Progress							1,276.93	455.58

Note : Additions to RO Plant includes Borrowing cost of Rs. 0.55 crore (Previous Year Rs. Nil Crore) capitalised during the year.



BARMER LIGNITE MINING COMPANY LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE: 8 contd....

CAPITAL WORK IN PROGRESS

Particulars

CAPITAL WORK IN PROGRESS

Rights under the Implementation and Joint Venture Agreement
Plant and Machinery and Civil Works
CWIP-Surface Rights on Jalpa Land

Less: Transferred to Fixed Assets (Included in RO Plant)

Total A

PRE-OPERATIVE EXPENDITURE DURING CONSTRUCTION PERIOD & TRIAL RUN

Opening Balance
Manpower Cost
Mining Lease Expenses
Land Development Expenses
Legal and Professional Charges
Travelling Expenses
General Expenses
Office Rent
Labour Charges
Finance Charges
Interest During Construction Period

Less: Interest Income earned

(TDS: Rs.0.61 crore (Previous Year :Rs.0.67 crore))

Less: Amount Transferred to Surface Right of Kapurdi

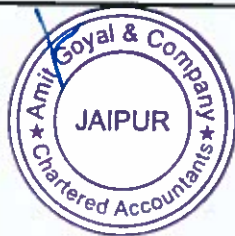
Less: Amount Reverse from Pre-Operative Expenses

Less: Amount Transferred to Fixed Assets

Total B

Total A+B

As at 31st Mar, 2016 ₹ crore	As at 31st Mar, 2015 ₹ crore
6.80	6.80
7.49	7.23
708.26	-
722.55	14.03
6.62	0.47
715.93	13.56
442.02	328.08
0.70	0.64
0.01	-
0.40	0.06
0.05	0.04
0.06	0.05
0.45	0.13
0.03	0.03
0.19	0.16
0.05	0.19
123.92	119.31
567.88	448.69
6.05	6.67
0.26	-
0.02	-
0.55	-
561.00	442.02
1,276.93	455.58



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BARMER LIGNITE MINING COMPANY LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

**NOTE: 9
NON CURRENT INVESTMENTS**

Particulars
Government and trust securities
6-Year National Savings Certificate Rs.20,000 (Previous Year Rs.20,000) (Pledged with Commercial Tax Department)

As at 31st Mar,2016 ₹ crore	As at 31st Mar,2015 ₹ crore
0.00	0.00
0.00	0.00

**NOTE: 10
LONG TERM LOANS AND ADVANCES**

Particulars
Unsecured, considered good
Capital Advances to Related Party - RSMML Non related Party
Deposits with Government/Semi Government Authorities Deposited with DMGR ₹ 40,000 (Previous Year : ₹ 30,000)

As at 31st Mar,2016 ₹ crore	As at 31st Mar,2015 ₹ crore
9.97	708.26
160.39	160.39
170.36	868.65
0.00	0.00
170.36	868.65

**NOTE: 11
NON CURRENT OTHER ASSETS**

Particulars
Others :
Interest accrued on NSC - Rs. 9,907 (Previous Year Rs. 7,995)
Interest Accrued on Advances

As at 31st Mar,2016 ₹ crore	As at 31st Mar,2015 ₹ crore
0.00	0.00
29.95	29.41
29.95	29.41

**NOTE: 12
INVENTORIES**

Particulars
Finished Goods (As taken, valued & certified by management as per accounting policy No. 23(i))

As at 31st Mar,2016 ₹ crore	As at 31st Mar,2015 ₹ crore
30.67	9.53
30.67	9.53

**NOTE: 13
TRADE RECEIVABLES**

Particulars
Unsecured, considered good
Outstanding for a period not exceeding six months from the due date

As at 31st Mar,2016 ₹ crore	As at 31st Mar,2015 ₹ crore
132.76	119.60
132.76	119.60



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BARMER LIGNITE MINING COMPANY LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

**NOTE: 14
CASH AND BANK BALANCES**

Particulars

Cash and Cash Equivalent

Balance with Banks -

In Current accounts

Bank Deposits with maturity less than 3 months

Other Bank Balances

Earmarked Balances with banks - Bank Deposit with maturity more than 3 months

Balance with banks held in Escrow Account For Mine Closure Fund

As at 31st Mar,2016 ₹ crore	As at 31st Mar,2015 ₹ crore
2.85	0.27
23.50	0.00
26.35	0.27
0.10	0.08
43.07	23.51
43.17	23.59
69.52	23.86

**NOTE: 15
SHORT TERM LOANS AND ADVANCES**

Particulars

Unsecured, considered good (Recoverable in cash or in kind for value to be received)

Deposits with Government/Semi Government Authorities

Other Advances

As at 31st Mar,2016 ₹ crore	As at 31st Mar,2015 ₹ crore
0.60	0.73
6.34	2.31
6.94	3.04

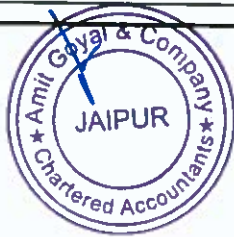
**NOTE: 16
OTHER CURRENT ASSETS**

Particulars

Prepaid Expenses

Interest Accrued on Deposits (TDS ₹ 0.04 Crore; Previous Year ₹ 0.03 Crore)

As at 31st Mar,2016 ₹ crore	As at 31st Mar,2015 ₹ crore
0.21	0.24
0.45	0.28
0.66	0.52



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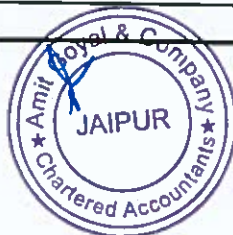
BARMER LIGNITE MINING COMPANY LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE: 17	For the year ended	For the year ended
REVENUE FROM OPERATIONS	31st March, 2016	31st March, 2015
Particulars	₹ crore	₹ crore
Sale of Product (Lignite)	1,128.90	1,096.10
Less : Excise Duty	52.68	56.85
	1,076.22	1,039.25
Less : Other Levies		
i) Royalty	48.44	52.21
ii) DMFT (refer note no 24 (r))	18.09	-
iii) NMET (refer note no 24 (r))	1.21	-
iv) Service Tax on DMFT and NMET	2.89	-
v) Clean Energy Cess	143.36	64.75
vi) VAT	54.83	52.19
	807.40	870.10

NOTE: 18	For the year ended	For the year ended
OTHER INCOME	31st March, 2016	31st March, 2015
Particulars	₹ crore	₹ crore
Interest on Fixed Deposits (TDS : ₹ 0.30 crore (Previous Year : ₹ 0.37 crore))	2.98	3.75
Miscellaneous Income (₹ 24,300, P.Y. ₹ 1,45,101)	0.00	0.02
	2.98	3.77

NOTE: 19	For the year ended	For the year ended
COST OF LIGNITE MINING	31st March, 2016	31st March, 2015
Particulars	₹ crore	₹ crore
Lignite Extraction Cost	668.55	716.67
	668.55	716.67

NOTE: 20	For the year ended	For the year ended
FINANCE COSTS	31st March, 2016	31st March, 2015
Particulars	₹ crore	₹ crore
Interest expenses		
- Subordinated Loan from RWPL	11.55	11.28
- Rupee Term Loan from Bank	32.15	34.77
- Others (₹ 88,797, P.Y. ₹ 18,655)	0.01	0.00
Other Borrowing Costs	0.09	0.17
	43.80	46.22



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BARMER LIGNITE MINING COMPANY LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE: 21 DEPRECIATION AND AMORTISATION EXPENSES	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Particulars	₹ crore	₹ crore
Depreciation on Tangible Assets	5.54	4.27
Amortisation on Intangible Assets	19.76	20.63
	25.30	24.90

NOTE: 22 OTHER EXPENSES	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Particulars	₹ crore	₹ crore
Manufacturing Expenses		
Mine Closure Charges (Refer note 23(l))	9.06	16.85
Excise duty on Closing Stock	7.20	2.10
Royalty, DMFT & NMET on Closing Stock	1.37	0.52
Service Tax on Closing Stock	0.28	-
Operation & Maintenance-RO Plant	0.39	-
(A)	18.30	19.47
Selling & Administrative Expenses		
Manpower cost	1.60	1.14
Rates and taxes	52.69	56.86
Insurance	0.10	0.13
Advertising Expenses	0.01	0.13
Sampling Expenses	0.60	0.68
Legal and professional charges	2.60	0.81
Audit Fees	0.02	0.02
Travelling and Conveyance	0.23	0.20
CSR Expenses (refer note 24(h))	0.21	0.12
General expenses	3.44	3.62
(B)	61.50	63.71
(A + B)	79.80	83.18



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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.

(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.



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(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.

(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



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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 an outflow of resources 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 2016:

- (a) The Company has produced 6.68 (Previous year 7 Million Ton) 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% up to FY 2016.
- (c) The Company has recognised revenue on sale of Lignite on the basis of Adhoc Interim transfer price order of RERC dated 25th January 2016 for FY 2015-16. 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 accounts.
- (d) Based on adhoc interim transfer price order, the Statement of Profit and Loss of the Company reflect a Profit/(Loss) after Tax of ₹ 2.30 {PY ₹1.79 crore} crore for FY 2015-16. 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 2015-16 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 ₹ 33.41 crore (Previous Year ₹ 28 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 ₹ 0.21 crore on CSR expenses during the year 2015-16. The necessary disclosure for same is as follows:

- (a) Gross amount required to be spent by the company during the year. – ₹ 20,58,323
(b) Amount spent during the year on: - ₹ 20,58,323

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	20,58,323	-	20,58,323



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(i) Contingent Liabilities and Capital Commitments:

- (i) Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) ₹ 1.18 crore (Previous Year ₹ 3.76 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 department 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 28th April, 2015. The Company has filed an appeal before Rajasthan Tax Board, Ajmer against this partial acceptance order. The case is under consideration by the Tax Board.
- (iv) The Company had received the income tax assessment order for the financial year 2011-12 with the tax demand of ₹ 13.28 crore. The Company had paid a sum of ₹ 5 crore under protest against this demand and has filed an appeal before CIT (Appeals) against this assessment order.
- (v) During the year 2015-16, Company has received the income tax assessment order for the financial year 2012-13 with the tax demand of ₹ 13.04 crore. The company has paid a sum of ₹ 1.96 crore under protest against this demand and has filed an appeal before CIT (Appeals) against this assessment order.
- (vi) The company had received an order from the 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.
- (vii) The 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 the Company to RSMML. RSMML has filed an appeal with CESTAT, Delhi against this order. The Company has paid an advance of ₹ 9.17 crore (7.5% of demand) to RSMML for filling of the appeal.
- (viii) 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, the Company will have to reimburse the RSMML for additional compensation. The amount is indeterminate as on date.
- (j) 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 06th March, 2013. The issue whether land tax/levy of land tax is ultra vires, is pending consideration before the Honb'le Supreme Court of India.



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- (k) As per Ministry of Environment, Forests and Climate Change (MoEFCC) approval dated 22nd September 2014, the Company is required to make provision of CSR activities of ₹ 5/- per MT of Lignite extracted which shall be adjusted with annual inflation. Accordingly, the Company has made provision of ₹ 3.34 crore in its books towards CSR expenses for its Kapurdi Mining block for the year 2015-16. The cumulative unutilised balance for CSR provision is ₹ 9.69 crore (Previous year ₹ 7.34 crores).
- (l) An amount of ₹ 9.06 crore has been provided in the books towards Mine closure obligation for the current 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. The amount lying in the Escrow Account shall be claimed in accordance with the Escrow Account Agreement executed.
- (m) The Company has paid a sum of ₹ 977.51 crore upto 31st March, 2016 (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 within 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 commissioning of commercial operation at Jalipa Mines is shown in CWIP.
- (n) 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 25th May, 2015.
- (o) During the year, the Company has recognised ₹ 0.07 crore (Previous year ₹ 0.06 crore) towards Land Development Charges and ₹ 0.69 crore (Previous year ₹ 0.63 crore) being the amount payable to RSMML towards the proportionate amount of Salary and Wages of RSMML employees and office expenses for the FY 2015-16. 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 accounted under Capital Work in Progress (CWIP).
- (p) The Company has an outstanding subordinated debt of ₹ 490.94 crore (Previous Year ₹ 455.09 crore) as on 31st March, 2016, availed @ 10% interest rate from RWPL to fund its project related requirements. The Company has recognised interest of ₹ 46.53 crore (Previous Year ₹ 42.41 crore) on subordinate debt for the period from 1st April 2015 to 31st March 2016. As required by the Comptroller and Auditor General of India (CAG), the Company has obtained an opinion on levy of interest on subordinate Loan from Learned Advocate General, Jaipur, Rajasthan, 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.
- (q) The Government of Rajasthan vide its order dated 30th 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 ₹ 6.40 crore (previous year ₹ 6.93 crore) on the basis of the ledger balance outstanding in the books of RSMML.



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- (r) Central Govt. had notified The Mines and Minerals (Development and Regulation) Amendment Act, 2015 on 26th March, 2015. The amendment inter-alia provides for contributions to District Mineral Foundation Trust (DMFT) and National Mineral Exploration Trust (NMET). NMET and DMFT are made effective from 12th January 2015 vide notification dated 14.08.2015 & notification dated 31.08.2016 respectively. Accordingly, the Company has made a provision towards DMFT and allied taxes thereon amounting to ₹ 23.27 crore, and for NMET and allied taxes thereon amounting to ₹ 1.55 crore during the FY 2015-16. DMFT, NMET and allied taxes thereon has been disclosed under Note no. 17 "Revenue from Operations".

(s) **Provision for Taxation and Deferred tax:**

- (i) Provision for taxation includes:

	(₹ in Crore)	
	Current Year	Previous year
Current Tax	8.80	3.96
Mat Credit Utilisation/(Entitlement)	-	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)
Difference between book balance and tax balance of fixed assets	15.91	12.95
Disallowances u/s.43B	(1.25)	(1.25)
Deferred Tax Liability	14.66	11.69

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

	Current Year	Previous year
Net profit/(Loss) as attributable to equity shareholders (A) (₹ in crore)	2.30	1.79
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)	1.15	0.89

- (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 2015-16 till such invoices received by the Company upto 20.04.2016.

- (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.	-	-



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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):

Particulars	₹ In crore)	
	For the Year ended 31st March, 2016	For the Year ended 31st March, 2015
Audit Fees ₹ 1,45,000 (Previous year ₹ 1,45,000)	0.01	0.01
Tax Audit fees ₹ 45,000 (Previous Year ₹ 35,000/-)	0.00	0.00
Limited Review Fees ₹ 45,000/- (Previous Year ₹ 45,000/-)	0.00	0.00
Other Services/ Certifications ₹ 15,000/- (Previous Year ₹ Nil)	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:

a) Raj WestPower Limited (RWPL)

b) JSW Energy Limited (JSWEL)

(ii) Related Party Transactions:

Nature of Transaction	₹ In Crore)	
	Current Year	Previous Year
Transactions with RWPL		
Subordinated Loan (Unsecured Loan)	35.85	61.00
Interest on Subordinated Loan	46.53	42.42
Sale of Lignite (net of taxes)	807.40	870.10
Salary to deputed staff	1.44	0.94
Reimbursement of expenses related to land acquisition	0.37	0.35



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(iii) Closing balance of related parties:

Name of the Related Party	(₹ In Crore)	
	As at 31st March, 2016	As at 31st March, 2015
Raj WestPower Limited (RWPL)		
- Subordinated Debt (Cr)	490.94	455.09
- Others(Cr)	253.21	209.52
- Trade Receivable(Dr)	132.76	119.59

Notes:

- Related party relationships have been identified by the management and relied upon by the auditor.
- 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. 074486



For and on behalf of the Board of Directors


Umesh Gupta
Managing Director
(DIN No. 02221714)


Aparna Arora
Chairperson
(DIN No. 02360232)

Place: Jaipur
Date: 28.09.2016


Nitesh Gangwal
Company Secretary


Sanjay Soni
Chief Financial Officer