



**INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF BARMER LIGNITE MINING COMPANY LIMITED**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the Financial Statements of **BARMER LIGNITE MINING COMPANY LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in





forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

S.No.	Key Audit Matter	Auditor's Response
1.	<p>Recognition of Revenue of sale of Lignite and expenses of extraction of lignite on the basis of Adhoc Interim transfer Price of Lignite :</p> <p>The company has recognized revenue from sale of lignite on the basis of Adhoc Interim Transfer Price awarded by Rajasthan Electricity Regulatory Commission (RERC) pending determination of the final transfer price. Accordingly the company has booked the Lignite Extraction Charges payable to Mine Developer &amp; Operator (MDO) in the same proportion as approved in the Adhoc Interim Transfer Price awarded by RERC.</p>	<p>We have verified &amp; analyzed the accounting policy for recognition of revenue from sale of lignite as well as lignite extraction charges payable in the same proportion as mentioned in RERC order [Refer note no. 28(c)] which is being consistently followed by the company</p>

#### **Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other Information comprises the information included in the Board's report, but does not include the financial statements and our auditor's report thereon. The Board's report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.





### **Responsibility of Management for 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, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:





- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with





them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **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 of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure-1 statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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 including Other Comprehensive Income, Statement of changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (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) Being Government Company pursuant to notification no. GSR 463 (E) dated 05/06/2015 issued by Ministry of Corporate Affairs, the provisions of section 164(2) of the Act are not applicable to the Company.
  - (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".





- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, we report that being a Government company, the provision of aforesaid section is not applicable.
- (h) 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 28(1) 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 was no amount which was required to be transferred to the Investor Education and Protection Fund by the Company.
3. As required under the directions and sub directions issued by the Comptroller and Auditor General of India in terms of sub section (5) of section 143 of the Companies Act, 2013 and on the basis of such checks of the books and records of the said Company as we considered appropriate and according to the information and explanation given to us, we are enclosing our report in "Annexure-3".

Place: Jaipur  
Date: November 19, 2019



For Ghiya & Co.  
Chartered Accountants  
(FRN: 001088C)

Shubham Gupta  
Partner  
(M. No. 420734)

## ANNEXURE "1" TO THE INDEPENDENT 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, 2019)

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 has only the mining lease forming rights in the immovable properties comprising of land at Kapurdi and Jalipa amounting to ₹ 977.51 crores (39670.90 bighas) and does not have title deeds for the aforesaid land at Kapurdi and Jalipa. Also refer **note 28(t)** 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 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. Accordingly, the clause (v) of the Order is not applicable to the Company and hence not commented upon.
- (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, 2013 and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have however, not made a detailed examination of cost records with a view to determine whether they are accurate or complete.
- (vii) (a) The Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, customs duty,



excise duty, goods and service tax (GST), value added tax, cess and other statutory dues applicable to it with appropriate authorities.

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, goods and service tax (GST), cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) According to the records of the Company, the dues outstanding of income-tax, sales-tax, goods and service 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	₹ In Crores	Forum where dispute is pending
Income Tax Act, 1961	Income Tax and Interest	Financial Year 2011-12	5.33	Commissioner of Income Tax (Appeals)-Jaipur
Income Tax Act, 1961	Penalty	Financial Year 2011-12	3.74	Commissioner of Income Tax (Appeals)-Jaipur
Income Tax Act, 1961	Income Tax and Interest	Financial Year 2012-13	9.74	Commissioner of Income Tax (Appeals)-Jaipur
Income Tax Act, 1961	Income Tax and Interest	Financial Year 2013-14	1.06	Commissioner of Income Tax (Appeals)-Jaipur
Income Tax Act, 1961	Income Tax and Interest	Financial Year 2015-16	14.99	Commissioner of Income Tax (Appeals)-Jaipur
Income Tax Act, 1961	TDS and Interest	Financial Year 2010-11	0.06	Commissioner of Income Tax (Appeals)-Jaipur
Income Tax Act, 1961	TDS and Interest	Financial Year 2011-12	0.02	Commissioner of Income Tax (Appeals)-Jaipur
The Rajasthan Value Added Tax Act, 2003	Tax & Interest (Recovered by department)	Financial Year 2010-11	0.97	Appellate Authority (Rajasthan Tax Board)
Central Excise Act, 1944	Clean Environment Cess (CE) Interest and Penalty	June-2017	5.45	CESTAT, New Delhi.
Central Excise Act, 1944	Interest & Penalty	Financial Year 2011-12 to 2012-13	2.89	Matter is pending for admission before the Hon'ble Rajasthan High Court.

(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 loans or borrowings to financial institutions and banks. The Company did not have any borrowings from Government and by way of debentures.





- (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. 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) Section 197 is not applicable to Govt. Companies hence not commented upon.
- (xii) In our opinion, the Company is not a Nidhi company. Therefore, the clause 3(xii) of the Order is 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, Company is not required to be registered under the Section 45-IA of the Reserve Bank of India Act, 1934.

**For Ghiya & Co.**  
**Chartered Accountants**  
**(FRN: 001088C)**

**Place: Jaipur**  
**Date: November 19, 2019**



*Agupta*

**Shubham Gupta**  
**Partner**  
**(M. No. 420734)**

## **ANNEXURE “2” TO THE INDEPENDENT AUDITOR’S REPORT**

(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Barmer Lignite Mining Company Limited of even date)

### **Report on the Internal Financial Controls under Clause (i) of sub-section 3 of section 143 of the Company’s Act, 2013**

We have audited the internal financial controls over financial reporting of **Barmer Lignite Mining Company Limited** (“The Company”) as of March 31, 2019 in conjunction with our audit of the Ind AS 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 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. 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 as specified 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 judgement, 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.

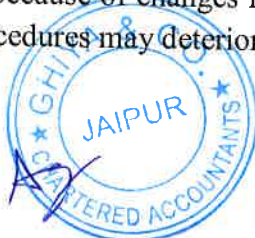
### **Meaning of Internal Financial Controls Over Financial Reporting**

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 effectiveness as at March 31, 2019, based on the internal 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.

For Ghiya & Co.  
Chartered Accountants  
(FRN: 001088C)

Place: Jaipur  
Date: November 19, 2019



Shubham Gupta  
Partner  
(M. No. 420734)

## **ANNEXURE “3” TO THE INDEPENDENT AUDITOR’S REPORT**

(Referred to in paragraph 3 under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Barmer Lignite Mining Company Limited of even date)

**Report on the direction and sub-direction issued by C&AG of India under section 143(5) of the Companies Act, 2013**

<b>S.No</b>	<b>General Directions</b>	<b>Action taken by the Company</b>	<b>Impact on Accounts and Financials</b>
1	Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	As per information and explanations given to us, all the Transactions are being accounted through Tally ERP Accounting Software by the company and no accounting transactions are outside IT system.  Further Internal Audit of the accounts is being carried by External Auditors on quarterly basis.	No Impact
2	Whether there is any restructuring of an existing loan or cases of waiver/ write off of debts/loans/interest etc. made by a lender to the Company due to the Company’s inability to repay the loan? If yes, the financial impact may be stated.	As per information and explanations given to us, there are no cases of restructuring of any existing loan and waiver/write-off of debts/loans/interest etc. of any lender to the Company during the year.	No Impact
3	Whether funds received/receivable for specific schemes from Central/ State agencies were properly accounted for/ utilized as per its terms and conditions? List the cases of deviation.	As per information and explanations given to us, there are no funds received/receivable for specific schemes from Central/State agencies by the company during the year.	No Impact



**Company/Sector specific directions**

1	Whether 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.	<p>As per information and explanations given to us, Company is following the Environment Management Plan and taking adequate measures to reduce the adverse impact on environment. A MoEF&amp;CC recognized outside agency is deputed to monitor the air quality weekly once and noise level every month at 4 locations within the mining lease and 4 locations within 10 Km radius of the mining lease area. Compliance reports of the stipulated conditions of Environment Clearance issued by MoEF&amp;CC and consent issued by Rajasthan State Pollution Control Board are being submitted regularly as per schedule to all concerned agencies. Status of the compliance is being inspected and verified by the officer of MoEF&amp;CC and RSPCB time to time. Lignite is being transported from mine to the customer by covered conveyer system to restrict environmental pollution to minimum levels. To evaluate the impact of mining on the land use of surrounding area of 10km radius, "Land use/Land cover change study" was conducted by Regional Remote Sensing Centre (West), ISRO, Dept. of Space, Govt. of India.</p> <p>No adverse impact is observed in their report. Further, to evaluate the impact of mining on the fauna of mining area and surrounding area of 10km radius, "Faunal Study in respect of EIA/EMP of Kapurdi-Jalipa" was conducted by Zoological Survey of India. No adverse impact is observed in their report. No Displacement/Rehabilitation have taken place during financial year 2018 -2019</p>	No Impact  (It may be noted that we are not a technical expert on these matters.)
2	Whether the Company had obtained the requisite statutory compliances that was required under mining and environmental rules and regulations.	As per information and explanations given to us, the Company had obtained all the requisite statutory compliances required under mining and environmental rules and regulations.	No Impact



3	Whether overburden removal from mines and back-filing of mines are commensurate with the mining activity?	As per information and explanations given to us, Overburden removal from mines and back filing of mines are commensurate with the mining activity and as per mining closure plan approved by Ministry of Coal (MoC).	No Impact
4	Whether the Company has disbanded and discontinued mines, if so, the payment of corresponding dead rent there against may be verified.	As per information and explanations given to us, the Company has not disbanded nor discontinued any of its mines during the year.	No Impact
5	Whether the company's financial statements had properly accounted for the effect of Rehabilitation Activity and Mine Closure Plan?	As per information and explanations given to us, the expenditure on Rehabilitation Activity and for Mine Closure is properly accounted for in the books of account of the Company and in Company's Financial Statements, as per the policy adopted by the Company for the same.	Impact of the same, where ever applicable, has been appropriately considered, dealt and disclosed in the financial statements

For Ghiya & Co.  
Chartered Accountants  
(FRN: 001088C)



*Shubham Gupta*

**Shubham Gupta**  
Partner  
(M. No. 420734)

Place: Jaipur  
Date: November 19, 2019

**BARMER LIGNITE MINING COMPANY LIMITED**  
Balance Sheet as at March 31, 2019

(₹ Crore)

Particulars		Note No.	As at March 31, 2019	As at March 31, 2018
<b>A</b>	<b>ASSETS</b>			
1	<b>Non-current assets</b>			
	(a) Property, plant and equipment	5	95.55	100.87
	(b) Capital work-in-progress	6	18.42	0.29
	(c) Other Intangible assets	7	2,034.08	2,079.12
	(d) Intangible assets under development	8	-	-
	(e) Financial assets			
	(i) Other financial assets	9	43.19	38.20
	(f) Deferred tax assets (net)		7.06	15.17
	(g) Other non-current assets	10	40.47	21.71
	<b>Total Non - Current Assets</b>		<b>2,238.77</b>	<b>2,255.36</b>
2	<b>Current assets</b>			
	(a) Inventories	11	48.51	55.23
	(b) Financial Assets			
	(i) Trade receivables	12	166.60	85.13
	(ii) Cash and cash equivalents	13	3.18	3.94
	(iii) Bank Balances other than (ii) above	14	126.32	98.76
	(iv) Other financial assets	9	196.06	0.30
	(c) Other current assets	10	5.72	25.03
	<b>Total Current Assets</b>		<b>546.39</b>	<b>268.39</b>
	<b>Total Assets</b>		<b>2,785.16</b>	<b>2,523.75</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>			
1	<b>Equity</b>			
	(a) Equity share capital	15 (A)	20.00	20.00
	(b) Other equity	15 (B)	(0.34)	(71.87)
	<b>Total Equity</b>		<b>19.66</b>	<b>(51.87)</b>
	<b>LIABILITIES</b>			
2	<b>Non-current liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	16	1,624.70	1,651.53
	(ii) Other financial liabilities	17	327.18	654.15
	<b>Total Non - Current Liabilities</b>		<b>1,951.88</b>	<b>2,305.68</b>
3	<b>Current liabilities</b>			
	(a) Financial Liabilities			
	(i) Trade payables			
	(a) Total outstanding dues of micro, small & medium enterprises	18	0.07	-
	(b) Total outstanding dues of creditor other than micro, small & medium enterprises		71.01	103.50
	(ii) Other financial liabilities	17	562.01	24.92
	(b) Other current liabilities	19	76.34	89.82
	(c) Provisions	20	42.31	35.00
	(d) Current tax liabilities (Net)	21	61.88	16.70
	<b>Total Current Liabilities</b>		<b>813.62</b>	<b>269.94</b>
	<b>Total Equity and Liabilities</b>		<b>2,785.16</b>	<b>2,523.75</b>
	See accompanying notes to the financial statements	(1 to 4 & 28 to 40)		

As per our attached report of even date

For Ghiya & Co.

Chartered Accountants

Firm Registration No - 001088C

*Shubham Gupta*  
Shubham Gupta

Partner

Membership No - 420734

Place: Jaipur

Date : 19th November, 2019



For and on behalf of the Board of Directors

*Umesh Gupta*  
Umesh Gupta  
Managing Director  
(DIN 02221714)

*Nitesh Gangwal*  
Nitesh Gangwal  
Company Secretary

*Dinesh Kumar*  
Dinesh Kumar  
Chairman  
(DIN 00254801)

*Sanjay Soni*  
Sanjay Soni  
Chief Financial Officer



**BARMER LIGNITE MINING COMPANY LIMITED**  
Statement of Profit and Loss for the year ended March 31, 2019

(₹ Crore)

Particulars		Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
I	Revenue from operations	22	1,284.24	804.11
II	Other Income	23	13.84	5.12
III	<b>Total Income (I + II)</b>		<b>1,298.08</b>	<b>809.23</b>
IV	<b>EXPENSES</b>			
	(a) Cost of lignite mining	24	846.83	677.63
	(b) (Increase) / Decrease in inventories		6.71	(22.64)
	(c) Employee benefits expense	25	3.03	1.99
	(d) Finance costs	26	191.67	108.06
	(e) Depreciation and amortisation expense	5 & 7	50.49	32.21
	(f) Excise duty expense		-	12.61
	(g) Other expenses	27	67.48	58.53
	<b>Total expenses</b>		<b>1,166.21</b>	<b>868.39</b>
V	<b>Profit/(loss) before tax</b>		<b>131.87</b>	<b>(59.16)</b>
VI	<b>Tax expense</b>			
	(1) Current tax		52.23	-
	(2) Deferred tax		8.11	(13.62)
	<b>Total tax expense</b>		<b>60.34</b>	<b>(13.62)</b>
VII	<b>Profit/(loss) for the year</b>		<b>71.53</b>	<b>(45.54)</b>
VIII	<b>Other comprehensive income</b>			
	(i) Items that will not be reclassified to profit or loss		-	-
	(ii) Items that may be reclassified to profit or loss		-	-
	<b>Total comprehensive income for the year</b>		<b>71.53</b>	<b>(45.54)</b>
IX	<b>Earnings per equity share of face value of ₹ 10 each</b>			
	Basic (₹)		<b>35.77</b>	<b>(22.77)</b>
	Diluted (₹)		<b>35.77</b>	<b>(22.77)</b>
	<b>See accompanying notes to the financial statements</b>	(1 to 4 & 28 to 40)		

As per our attached report of even date

**For Ghiya & Co.**

**Chartered Accountants**

Firm Registration No - 001088C

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


  
**Shubham Gupta**

Partner

Membership No - 420734



  
**Umesh Gupta**  
Managing Director  
(DIN 02221714)

  
**Dinesh Kumar**  
Chairman  
(DIN 00254801)

Place: Jaipur

Date : 19th November, 2019

  
**Nitesh Gangwal**  
Company Secretary

  
**Sanjay Soni**  
Chief Financial Officer

**BARMER LIGNITE MINING COMPANY LIMITED**  
Statement of Cash Flows for the year ended March 31, 2019

(₹ Crore)

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit/ (Loss) before Tax		131.87		(59.16)
Adjusted for:				
Depreciation and amortisation expense	50.49		32.21	
Interest income	(13.84)		(5.12)	
Finance costs	191.67		108.06	
<b>Operating profit before working capital changes</b>		<b>228.32</b>		<b>135.15</b>
		<b>360.19</b>		<b>75.99</b>
<b>Adjustments for:</b>				
Trade and other receivables	(81.47)		(13.62)	
Trade payables	(32.43)		16.92	
Other liabilities & provisions	153.19		123.37	
Inventories	6.71		(22.64)	
Loans and advances	(180.05)		(28.15)	
<b>Cash generated from operations</b>		<b>(134.05)</b>		<b>75.88</b>
		<b>226.14</b>		<b>151.87</b>
Direct Taxes Paid including TDS (Net)		(7.05)		(0.92)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>		<b>219.09</b>		<b>150.95</b>
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of Property, plant and equipment including CWIP, capital advances and pre-operative expenses		(21.72)		(83.52)
Interest Income		11.91		5.21
Investment in Bank Deposits not considered as Cash & cash equivalents		(27.55)		(42.80)
<b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>		<b>(37.36)</b>		<b>(121.11)</b>
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from Borrowings		33.21		1,145.59
Repayment of Borrowings		(24.03)		(1,063.46)
Finance costs		(191.67)		(108.06)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<b>(182.49)</b>		<b>(25.93)</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (I+II+III)</b>		<b>(0.76)</b>		<b>3.91</b>
<b>CASH AND CASH EQUIVALENTS - AT THE BEGINNING OF THE YEAR</b>		<b>3.94</b>		<b>0.03</b>
<b>CASH AND CASH EQUIVALENTS - AT THE END OF THE YEAR</b> (Refer Note 13)		<b>3.18</b>		<b>3.94</b>
See accompanying notes to the financial statements (1 to 4 & 28 to 40)				

**Note :**

- The above statement of cash flows has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7)
- Previous year's figures have been re-grouped / re-arranged wherever necessary to conform to current year's classification.

As per our attached report of even date

**For Ghiya & Co.**

**Chartered Accountants**

Firm Registration No - 001088C


  
**Shubham Gupta**  
Partner  
Membership No - 420734



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

  
**Umesh Gupta**  
Managing Director  
(DIN 02221714)

  
**Dinesh Kumar**  
Chairman  
(DIN 00254801)

  
**Nitesh Gangwal**  
Company Secretary

  
**Sanjay Soni**  
Chief Financial Officer

Place : Jaipur

Date : 19th November, 2019

**BARMER LIGNITE MINING COMPANY LIMITED**

**Statement of Changes in Equity for the year ended March 31, 2019**

**A. EQUITY SHARE CAPITAL**

(₹ Crore)

Particulars	Total
Balance at April 1, 2017	20.00
Changes in equity share capital during the year	-
<b>Balance as at March 31, 2018</b>	<b>20.00</b>
Changes in equity share capital during the year	-
<b>Balance at March 31, 2019</b>	<b>20.00</b>

**B. OTHER EQUITY**

(₹ Crore)

Particulars	Reserves and Surplus	Total Other Equity
	Retained earnings	
Balance at April 1, 2017	(26.33)	(26.33)
Profit/(Loss) for the year	(45.54)	(45.54)
Other comprehensive income for the year	-	-
<b>Total Comprehensive Income for the year</b>	<b>(45.54)</b>	<b>(45.54)</b>
<b>Balance at March 31, 2018</b>	<b>(71.87)</b>	<b>(71.87)</b>

(₹ Crore)

Particulars	Reserves and Surplus	Total Other Equity
	Retained earnings	
Balance at April 1, 2018	(71.87)	(71.87)
Profit/(Loss) for the year	71.53	71.53
Other comprehensive income for the year	-	-
<b>Total Comprehensive Income for the year</b>	<b>71.53</b>	<b>71.53</b>
<b>Balance at March 31, 2019</b>	<b>(0.34)</b>	<b>(0.34)</b>

See accompanying notes to the financial statements (1 to 4 & 28 to 40)

As per our attached report of even date

**For Ghiya & Co.**

**Chartered Accountants**

Firm Registration No - 001088C

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

  
**Shubham Gupta**  
Partner  
Membership No - 420734



  
**Umesh Gupta**  
Managing Director  
(DIN 02221714)

  
**Dinesh Kumar**  
Chairman  
(DIN 00254801)

Place: Jaipur  
Date : 19th November, 2019

  
**Nitesh Gangwal**  
Company Secretary

  
**Sanjay Soni**  
Chief Financial Officer

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

### **NOTE: (1) General information:**

The Financial Statements comprise of Balance Sheet, Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows together with the notes thereon of Barmer Lignite Mining Company Limited (BLMCL) for the year ended March 31, 2019.

The Company is a public limited company incorporated and domiciled in India under the provisions of the Companies Act applicable in India. It is a Joint Venture between Rajasthan State Mines and Minerals Limited (RSMML) holding 51% shares and JSW Energy (Barmer) Limited (JSWEBL) (formerly known as Raj WestPower Limited) holding 49% shares. The Corporate office of the Company is located at Office No 2 & 3, 7th Floor, Man Upasana Plaza, C-44 Sardar Patel Marg, C-Scheme Jaipur - 302001.

The Company is primarily engaged in the business of Mining and Sale of Lignite to JSW Energy (Barmer) Limited for generation and Sale of power.

### **NOTE: (2) Basis of Preparation and Statement of Compliance:**

The financial statements have been prepared in accordance with Ind ASs notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

The financial statements are prepared under the historical cost convention, on the accounting principles of a going concern. All assets and liabilities have been classified as current or non-current in accordance with the operating cycle criteria set out in Ind AS 1 and Schedule III to the Companies Act, 2013.

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.

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.

The preparation of financial statements is in conformity with generally accepted accounting principles (IGAAP) 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 the same is determined.



The financial statements are presented in Indian Rupees ('INR') and all values are rounded to the nearest crore, except otherwise indicated.

**NOTE: (3) Significant Accounting Policies:**

**3.1 Property, Plant and Equipment (PPE):**

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation/amortisation and accumulated impairment losses. Freehold or Leasehold land is stated at historical cost.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Where an obligation (legal or constructive) exists to dismantle or remove an asset or restore a site to its former condition at the end of its useful life, the present value of the estimated cost of dismantling, removing or restoring the site is capitalized along with the cost of acquisition or construction upon completion and a corresponding liability is recognized.

Cost of regular comprehensive maintenance work (such as major overhaul) are capitalized as a separate component if they satisfy the recognition criteria, otherwise charge to the Statement of Profit and Loss during the reporting period in which they are incurred.

**3.2 Other Intangible Assets:**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Intangible assets with indefinite useful lives are carried at cost less accumulated impairment losses.

**3.3 Derecognition of intangible assets:**

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an



intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the Statement of profit and loss when the asset is derecognised.

### 3.4 Depreciation & Amortisation:

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method as per the provisions of Part C of Schedule II of the Companies Act, 2013 based on useful life and residual value specified therein. The residual values are not more than 5% of the original cost of the asset. Asset's residual value and useful life are reviewed and adjusted if appropriate at the end of each reporting period.

Surface rights for Kapurdi and Jalipa 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.

Intangible Assets comprising of Mine Closure charges recognized in compliance of Ind AS are amortised on the basis of lignite actually extracted during the period with respect to the estimated quantity of extractable mineral reserves over the lease life of respective mines.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter period amongst the lease term and their useful lives.

Estimated useful lives of the assets are as follows:

Class of assets	Mining
	Useful life in Years
Buildings	30
Plant and Machinery	25
Furniture and fixtures	10
Vehicles	08
Office equipment	03

The useful life are determined based on technical evaluation done by the management / expert which are higher than those specified by Schedule II of the Companies Act, 2013 in order to reflect to the actual usages of the Assets.



### **3.5 Capital Work-in-progress/ intangible assets under development and Pre-Operative Expenses during Construction Period:**

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

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/ intangible assets under development 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/Intangible assets under development 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.

### **3.6 Impairment of tangible and intangible assets other than goodwill: -**

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest category of cash-generating unit for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.



If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in The Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

### **3.7 Borrowing costs:**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, till the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the Statement of Profit and Loss of the period in which they are incurred.

### **3.8 Cash and cash equivalents:**

Cash and cash equivalent in the balance sheet comprises of cash at banks and on hand and demand deposits with an original maturity of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

### **3.9 Inventories:**

Inventories of Lignite are valued at cost or net realizable value whichever is lower. Cost of inventories includes cost of mining and other cost incurred for the mining and in bringing the inventory to their present location and condition and applicable statutory levies net of under recovered levies charged to the Statement of Profit and Loss excluding borrowing cost. Costs are assigned on the basis of FIFO method. Net realizable value is the estimated selling price in the ordinary course of business less the necessary estimated cost of completion and estimated cost necessary to make the sale.

### **3.10 Revenue recognition:**

#### **(a) Sale of Lignite:**

Revenue is recognised to the extent that it is probable that economic benefit will flow to





the Company and that the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. Amount disclosed as revenue are exclusive of GST and net of returns, trade allowances, rebate and amount collected on behalf of third party.

Sales are recognised when the lignite is delivered to JSW Energy (Barmer) Limited. Revenue from sales is based since FY 2011-12 itself on ad-hoc transfer price awarded by Rajasthan Electricity Regulatory Commission (RERC) pending award for final transfer price and supplementary invoice for variation in GCV.

No element of financing is deemed present as the sales are made with a credit of 30 days which is consistent with market practice.

**(b) Interest income:**

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

**3.11 Taxation:**

Income tax comprises of current and deferred tax. Income tax expense is recognized in the Statement of Profit and Loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

**(a) Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

**(b) Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.



The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income-tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the Statement of Profit and Loss. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income-tax during the specified period.

Deferred tax assets and liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets relate to the same taxable entity and same taxation authority.

#### **Current and deferred tax for the year**

Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in Equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in Equity respectively.

#### **3.12 Earnings per share:**

Basic earnings per share is computed by dividing the profit/(loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/(loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.



### **3.13 Provisions, Contingencies and commitments:**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A disclosure for contingent liabilities is made when there is

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- (b) a present obligation that arises from past events but is not recognized because:
  - (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - (ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each reporting period.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract.

### **3.14 Financial instruments:**

Financial assets and financial liabilities are recognized when a Company entity becomes a party to the contractual provisions of the instruments.



Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss or FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through FVTPL are recognised immediately in the Statement of Profit and Loss.

### **Financial Assets**

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets other than trade receivables are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through the Statement of Profit and Loss. Financial assets carried at fair value through the Statement of Profit and Loss are initially recognised at fair value, and transaction costs are expensed in the Statement of Profit and Loss.

Financial assets, other than equity instruments, are subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both:

- (a) the entity's business model for managing the financial assets and
- (b) the contractual cash flow characteristics of the financial asset.

### **Classification of financial assets**

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.



### **Effective interest method**

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

### **Impairment of financial assets**

The Company recognises a loss allowance for Expected Credit Losses (ECL) on financial assets that are measured at amortised cost and at FVOCI. The credit loss is difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. This is assessed on an individual or collective basis after considering all reasonable and supportable including that which is forward-looking.

The Company trade receivables or contract revenue receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall, being simplified approach for recognition of impairment loss allowance.

Under simplified approach, the Company does not track changes in credit risk. Rather it recognizes impairment loss allowance based on the lifetime ECL at each reporting date right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables.

The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The impairment losses and reversals are recognised in the Statement of Profit and Loss. For equity instruments and financial assets measured at FVTPL, there is no requirement for impairment testing.

### **Derecognition of financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues



to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

For financial assets other than trade receivables, the Company recognises 12-month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. If, in a subsequent period, credit quality of the instrument improves such that there is no longer significant increase in credit risks since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12 months ECL.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

### **3.15 Financial liabilities and equity instruments:**

#### **Classification as debt or equity**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

#### **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.



Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

### **Financial liabilities**

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

### **Financial liabilities at FVTPL**

Financial liabilities are classified as FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the company documented risk management or investment strategy, and information about the Companying is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on measurement recognised in profit or loss. The net gain or loss recognised in profit or



loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognised in profit or loss.

#### **Financial liabilities subsequently measured at amortised cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

#### **Derecognition of financial liabilities**

The Company derecognises financial liabilities when, and only when, the Company obligations are discharged, cancelled or have expired. An exchange between a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.





### Reclassification of financial assets and liabilities

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in the business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassifications and how they are accounted for:

Original Classification	Revised Classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in the Statement of Profit and Loss.
FVTPL	Amortised cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new gross carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new gross carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognised in OCI is reclassified to Statement of Profit and Loss at the reclassification date.



For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

### **3.16 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 in escrow account opened with Escrow Agent, Punjab National Bank.

Mine Closure charges recognized in compliance of Ind AS are amortised on the basis of lignite actually extracted during the period with respect to the estimated quantity of extractable mineral reserves over the lease life of respective mines.

### **3.17 Employee related Benefits:**

The provisions of Ind AS 19 on Employee Benefits 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.

### **3.18 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.



**NOTE: 4 Use of Estimates, Assumptions and Judgements:**

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures including the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require an adjustment to the carrying amount of assets or liabilities in future periods. Difference between actual results and estimates are recognised in the periods in which the results are known / materialise. The Company has based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

**4.1 Taxes:**

The Company provides for tax considering the applicable tax regulations and based on reasonable estimates. Management periodically evaluates positions taken in the tax returns giving due considerations to tax laws and establishes provisions in the event if required as a result of differing interpretation or due to retrospective amendments, if any. The recognition of deferred tax assets is based on availability of sufficient taxable profits in the Company against which such assets can be utilized. MAT (Minimum Alternate Tax) is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax and will be able to utilize such credit during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the Statement of Profit and Loss and is included in Deferred Tax Assets. The Company reviews the same at each balance sheet date and if required, writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will be able to absorb such credit during the specified period.

**4.2 Useful life of Property, Plant and Equipment:**

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

**4.3 Impairment of Non-financial assets:**

Non-financial assets are reviewed for impairment, whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

**4.4 Provision for decommissioning:**

In measuring the provision for decommissioning, the Company uses technical estimates to determine the expected cost to dismantle and remove the infrastructure equipment



BARMER LIGNITE MINING COMPANY LIMITED  
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

from the site and the expected timing of these costs. Discount rates are determined based on the risk adjusted rate of a similar period as the liability.

**4.5 Provisions and Contingent Liabilities:**

Provisions and Contingent Liabilities are reviewed at each balance sheet date and adjusted to reflect the current best estimates.



**BARMER LIGNITE MINING COMPANY LIMITED**

Notes to the financial statements for the year ended March 31, 2019

Note No. 05 - Property, plant and equipment

(₹ Crore)

Particulars	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
<b>I. Gross carrying value</b>						
Balance as at April 1, 2018	0.13	111.76	0.03	0.06	0.11	112.09
Additions	0.21	0.01	0.02	0.00	-	0.24
Other - Disposal/Adjustments	-	(0.11)	-	-	-	(0.11)
<b>Balance as at March 31, 2019</b>	<b>0.34</b>	<b>111.66</b>	<b>0.05</b>	<b>0.06</b>	<b>0.11</b>	<b>112.22</b>
<b>II. Accumulated depreciation and impairment</b>						
Balance as at April 1, 2018	0.01	11.14	0.03	0.01	0.03	11.22
Depreciation expense for the year	0.01	5.41	0.00	0.01	0.02	5.45
<b>Balance as at March 31, 2019</b>	<b>0.02</b>	<b>16.55</b>	<b>0.03</b>	<b>0.02</b>	<b>0.05</b>	<b>16.67</b>
<b>III. Net carrying value (I-II)</b>						
<b>Balance as on March 31, 2019</b>	<b>0.32</b>	<b>95.11</b>	<b>0.02</b>	<b>0.04</b>	<b>0.06</b>	<b>95.55</b>

(₹ Crore)

Particulars	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
<b>I. Gross carrying value</b>						
Balance as at April 1, 2017	0.13	112.38	0.03	0.06	0.11	112.72
Additions	-	-	-	-	-	-
Other - Disposal/Adjustments	-	(0.62)	-	-	-	(0.62)
<b>Balance as at March 31, 2018</b>	<b>0.13</b>	<b>111.76</b>	<b>0.03</b>	<b>0.06</b>	<b>0.11</b>	<b>112.09</b>
<b>II. Accumulated depreciation and impairment</b>						
Balance as at April 1, 2017	0.00	5.58	0.02	0.01	0.02	5.62
Depreciation expense for the year	0.01	5.56	0.01	0.01	0.02	5.60
<b>Balance as at March 31, 2018</b>	<b>0.01</b>	<b>11.14</b>	<b>0.03</b>	<b>0.02</b>	<b>0.03</b>	<b>11.22</b>
<b>III. Net carrying value (I-II)</b>						
<b>Balance As at March 31, 2018</b>	<b>0.12</b>	<b>100.62</b>	<b>0.00</b>	<b>0.04</b>	<b>0.08</b>	<b>100.87</b>



## BARMER LIGNITE MINING COMPANY LIMITED

Notes to the financial statements for the year ended March 31, 2019

Note No. 06 - Capital work in progress

(₹ Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Plant and Equipment and Civil Works</b>		
Plant and Equipment and Civil Works	18.07	0.29
<b>TOTAL (A)</b>	<b>18.07</b>	<b>0.29</b>
<b>PRE-OPERATIVE EXPENDITURE</b>		
Opening balance	0.00	-
Land Development Expenses	0.02	0.00
Finance Charges	0.10	-
Interest During Construction Period	0.23	-
<b>TOTAL (B)</b>	<b>0.35</b>	<b>0.00</b>
<b>TOTAL (A+B)</b>	<b>18.42</b>	<b>0.29</b>



**BARMER LIGNITE MINING COMPANY LIMITED**

Notes to the financial statements for the year ended March 31, 2019

**Note No. 07 - Other Intangible Assets**

(₹ Crore)

Particulars	Rights under Implementation and JV Agreement- Kapurdi	Surface Rights- Kapurdi	Other Intangible- Kapurdi	Rights under Implementation and JV Agreement- Jalpa	Surface Rights- Jalpa	Other Intangible- Jalpa	Total
<b>I. Intangible Assets</b>							
<b>Gross Carrying Value</b>							
Balance as at April 1, 2018	2.70	291.18	92.57	6.80	1,641.65	92.75	2,127.65
Additions	-	-	-	-	-	-	-
Other - Disposal/Adjustments	-	-	-	-	-	-	-
<b>Balance as at March 31, 2019</b>	<b>2.70</b>	<b>291.18</b>	<b>92.57</b>	<b>6.80</b>	<b>1,641.65</b>	<b>92.75</b>	<b>2,127.65</b>
<b>II. Accumulated amortisation and impairment</b>							
Balance as at April 1, 2018	0.33	36.21	9.93	0.01	1.94	0.11	48.53
Amortisation expense for the year	0.12	13.22	4.28	0.11	25.85	1.46	45.04
Other adjustments	-	-	-	-	-	-	-
<b>Balance as at March 31, 2019</b>	<b>0.45</b>	<b>49.43</b>	<b>14.21</b>	<b>0.12</b>	<b>27.79</b>	<b>1.57</b>	<b>93.57</b>
<b>III. Net Carrying Value (I-II)</b>							
<b>Balance as at Mar 31, 2019</b>	<b>2.25</b>	<b>241.75</b>	<b>78.36</b>	<b>6.68</b>	<b>1,613.86</b>	<b>91.18</b>	<b>2,034.08</b>

(₹ Crore)

Particulars	Rights under Implementation and JV Agreement- Kapurdi	Surface Rights- Kapurdi	Other Intangible- Kapurdi	Rights under Implementation and JV Agreement- Jalpa	Surface Rights- Jalpa	Other Intangible- Jalpa	Total
<b>I. Intangible Assets</b>							
<b>Gross Carrying Value</b>							
Balance as at April 1, 2017	2.70	291.17	92.57	-	-	-	386.44
Additions	-	0.01	-	6.80	1,641.65	92.75	1,741.21
Other - Disposal/Adjustments	-	-	-	-	-	-	-
<b>Balance as at March 31, 2018</b>	<b>2.70</b>	<b>291.18</b>	<b>92.57</b>	<b>6.80</b>	<b>1,641.65</b>	<b>92.75</b>	<b>2,127.65</b>
<b>II. Accumulated amortisation and impairment</b>							
Balance as at April 1, 2017	0.16	17.80	3.96	-	-	-	21.92
Amortisation expense for the year	0.17	18.41	5.97	0.01	1.94	0.11	26.61
<b>Balance as at March 31, 2018</b>	<b>0.33</b>	<b>36.21</b>	<b>9.93</b>	<b>0.01</b>	<b>1.94</b>	<b>0.11</b>	<b>48.53</b>
<b>III. Net Carrying Value (I-II)</b>							
<b>Balance as at March 31, 2018</b>	<b>2.37</b>	<b>254.97</b>	<b>82.64</b>	<b>6.79</b>	<b>1,639.71</b>	<b>92.64</b>	<b>2,079.12</b>



**BARMER LIGNITE MINING COMPANY LIMITED**

Notes to the financial statements for the year ended March 31, 2019

**Note No. 08 - Intangible assets under development**

(₹ Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Rights under the Implementation and Joint Venture Agreement	-	6.80
Surface Rights of Jalipa Land	-	708.26
CWIP-NH Diversion Expenses	-	159.90
Mine Closure Charges	-	12.55
	-	887.50
<b>Less: Transferred to Other intangible assets</b>	-	887.50
<b>TOTAL (A)</b>	-	-
<b>PRE-OPERATIVE EXPENDITURE DURING CONSTRUCTION PERIOD &amp; TRIAL RUN</b>	-	<b>682.31</b>
Manpower Cost	-	0.45
Land Development Expenses	-	0.01
Legal and Professional Charges	-	0.07
General Expenses	-	0.01
Office Rent	-	0.01
Labour Charges	-	0.06
Finance Charges	-	1.88
Finance Charges (Ind AS) Jalipa	-	1.49
Interest During Construction Period	-	77.79
	-	<b>764.07</b>
<b>Less: Interest Income earned</b>	-	3.13
<b>Less: Amount Transferred to Other intangible assets</b>	-	760.94
<b>TOTAL (B)</b>	-	-
<b>TOTAL (A+B)</b>	-	-





**BARMER LIGNITE MINING COMPANY LIMITED**

Notes to the financial statements for the year ended March 31, 2019

Note No. 09 - Other Financial Assets (Current/Non-Current)

(₹ Crore)

Particulars	As at March 31, 2019			As at March 31, 2018		
	Current	Non-Current	Total	Current	Non-Current	Total
<b>a) Security Deposits</b>						
(i) Government/Semi-Government Authorities	-	0.28	0.28	-	0.28	0.28
<b>TOTAL (A)</b>	-	<b>0.28</b>	<b>0.28</b>	-	<b>0.28</b>	<b>0.28</b>
<b>b) Interest Receivable</b>						
(i) Interest accrued on deposits, loans and advances	2.22	42.79	45.01	0.30	37.92	38.22
<b>TOTAL (B)</b>	<b>2.22</b>	<b>42.79</b>	<b>45.01</b>	<b>0.30</b>	<b>37.92</b>	<b>38.22</b>
<b>c) Other Bank Balances</b>						
<b>In Deposit Accounts</b>						
(i) Maturity period more than 12 months	-	0.12	0.12	-	-	-
<b>d) Other Receivable</b>						
(i) Others (Unbilled Receivables) Refer Note no 28 ( c)	193.84	-	193.84	-	-	-
<b>TOTAL (C+D)</b>	<b>193.84</b>	<b>0.12</b>	<b>193.96</b>	-	-	-
<b>TOTAL (A+B+C+D)</b>	<b>196.06</b>	<b>43.19</b>	<b>239.25</b>	<b>0.30</b>	<b>38.20</b>	<b>38.50</b>

Note No. 10 - Other Non-Current and Current Assets

(₹ Crore)

Particulars	As at March 31, 2019			As at March 31, 2018		
	Current	Non-Current	Total	Current	Non-Current	Total
(a) Capital Advances	-	28.19	28.19	-	9.97	9.97
(b) Prepayments	1.43	1.71	3.14	1.98	2.18	4.16
(c) Balances with government authorities	4.29	-	4.29	23.05	-	23.05
(d) Payment under Protest for Income Tax	-	9.60	9.60	-	8.59	8.59
(e) Payment under Protest for VAT	-	0.97	0.97	-	0.97	0.97
<b>TOTAL</b>	<b>5.72</b>	<b>40.47</b>	<b>46.19</b>	<b>25.03</b>	<b>21.71</b>	<b>46.74</b>



## BARMER LIGNITE MINING COMPANY LIMITED

Notes to the financial statements for the year ended March 31, 2019

### Note No. 11 - Inventories

(₹ Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Finished goods</b>		
Lignite	48.51	55.23
<b>Total Inventories at the lower of cost and net realisable value</b>	<b>48.51</b>	<b>55.23</b>
Refer Note No 3.9 of Notes on Significant Accounting Policies and notes on Financial Statements		



**BARMER LIGNITE MINING COMPANY LIMITED**

**Notes to the financial statements for the year ended March 31, 2019**

**Note No. 12 - Trade receivables**

(₹ Crore)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Current	Non Current	Current	Non Current
<b>Trade receivables</b>				
- Unsecured, considered good	166.60	-	85.13	-
<b>TOTAL</b>	<b>166.60</b>	<b>-</b>	<b>85.13</b>	<b>-</b>

Note:- All customer balances are confirmed by the respective parties.



## BARMER LIGNITE MINING COMPANY LIMITED

Notes to the financial statements for the year ended March 31, 2019

### Note No. 13 - Cash and cash equivalents

(₹ Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Cash and bank balances</b>		
(a) Balances with banks		
(i) In Current accounts	3.18	3.51
(ii) In Deposit accounts	-	0.43
(b) Cash in hand	-	-
<b>TOTAL</b>	<b>3.18</b>	<b>3.94</b>

### Note No. 14 - Bank balances other than Cash and cash equivalents

(₹ Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Bank balances other than Cash and cash equivalents</b>		
(a) Balances with Banks		
In Deposit Account	32.99	25.36
(b) Earmarked balances in deposit account with banks		
Escrow Accounts for deposits of Mine closure charges	93.33	73.40
<b>TOTAL</b>	<b>126.32</b>	<b>98.76</b>



**BARMER LIGNITE MINING COMPANY LIMITED**

Notes to the financial statements for the year ended March 31, 2019

**Note No. 15 (A) Equity Share Capital**

(₹ Crore)

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of shares	Amount	No. of shares	Amount
<b>Authorised:</b> Equity shares of ₹ 10/- each	2,00,00,000	20.00	2,00,00,000	20.00
<b>Issued, Subscribed and Fully Paid:</b> Equity shares of ₹ 10/- each	2,00,00,000	20.00	2,00,00,000	20.00
<b>Total</b>	<b>2,00,00,000</b>	<b>20.00</b>	<b>2,00,00,000</b>	<b>20.00</b>

**(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the year.**

Particulars	Opening Balance April 1, 2018	Fresh Issue	Closing Balance
Equity Shares No of Shares	2,00,00,000	-	2,00,00,000

**(ii) Details of Aggregate shareholding by Holding Company, Subsidiary of Holding Company or Associate of Holding Company**

Particulars	As at March 31, 2019		As at March 31, 2018	
	No of Shares	% of Holding	No of Shares	% of Holding
Rajasthan State Mines and Minerals Limited (Holding Company) - A Government of Rajasthan Enterprise	1,02,00,000		1,02,00,000	

**(iii) Details of Aggregate shareholder holding more than 5% of aggregate shares in the Company**

Particulars	As at March 31, 2019		As at March 31, 2018	
	No of Shares	% of Holding	No of Shares	% of Holding
Rajasthan State Mines and Minerals Limited (Holding Company)	1,02,00,000	51%	1,02,00,000	51%
JSW Energy (Barmer) Limited (Joint Venture Partner)	98,00,000	49%	98,00,000	49%

**(iv) Terms & Rights attached to equity shares**

- 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.
- 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.
- No shares have been reserved for issue under options and contracts/commitments for the sale of shares/ disinvestments as at balance sheet date.
- No securities convertible in to equity/preference shares have been issued by the Company during the year.
- No Bonus Shares and shares for consideration other than cash issued during the last five years by the Company.



**BARMER LIGNITE MINING COMPANY LIMITED**

Notes to the financial statements for the year ended March 31, 2019

Note No. - 15 (B) : Other equity

(₹ Crore)

Particulars	Reserves and Surplus			Items of other comprehensive Income	Total Other Equity
	General reserve	Equity settled share based payment reserve	Retained earnings	Actuarial Gain / (Loss) on defined liabilities/ (assets)	
<b>Balance at April 1, 2017</b>	-	-	(26.33)	-	(26.33)
Profit for the year	-	-	(45.54)	-	(45.54)
Other comprehensive income				-	-
<b>Total comprehensive Income for the year</b>	-	-	<b>(45.54)</b>	-	<b>(45.54)</b>
Share based payments		-	-	-	-
<b>Balance as at March 31, 2018</b>	-	-	<b>(71.87)</b>	-	<b>(71.87)</b>
Profit for the year	-	-	71.53	-	71.53
Other comprehensive Income	-	-	-	-	-
<b>Total comprehensive Income for the year</b>	-	-	<b>71.53</b>	-	<b>71.53</b>
Share based payments	-	-	-	-	-
<b>Balance as at March 31, 2019</b>	-	-	<b>(0.34)</b>	-	<b>(0.34)</b>



**BARMER LIGNITE MINING COMPANY LIMITED**

Notes to the financial statements for the year ended March 31, 2019

**Note No. 16 - Non Current Borrowings**

(₹ Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Measured at amortised cost</b>		
<b>A. Secured Borrowings:</b>		
Term Loans		
(i) From banks	990.96	982.03
(ii) From financial institutions	126.01	125.76
Less - Amount disclosed under the head (other financial liabilities) (Refer Note 17)	59.91	23.90
<b>Total Secured Borrowings (A)</b>	<b>1,057.06</b>	<b>1,083.89</b>
<b>B. Unsecured Borrowings:</b>		
Loans from related parties		
Subordinated Debt from JSW Energy (Barmer) Limited	567.64	567.64
<b>Total Unsecured Borrowings (B)</b>	<b>567.64</b>	<b>567.64</b>
<b>TOTAL (A+B)</b>	<b>1,624.70</b>	<b>1,651.53</b>

**16.1 Details of Security:**

(i) Rupee Term Loan amounting to ₹ 1157.73 crores (Previous year ₹ 1124.03 crores) is availed from consortium of banks, lead by PNB. The loan is secured by first pari-passu charge over :

(ii) All movable assets of the Company in relation to the Kapurdi and Jalipa Mines (Project), including without limitation, plant and machinery, machinery spares, tools and accessories, fixtures, furniture, vehicles and other movable assets, whether installed and/or fastened to earth, shall hereafter from time to time during the continuance of the security of the Facility be brought into or upon be stored or be in or all the Company's premises, warehouses, stockyards and godowns or those of the agent, affiliates, associates or representatives or at various worksites or wherever else the same may be held by any party including those movable assets of the Company in relation to the Project.

(iii) All the rights, title, interest, claim and benefit of the Company in the Project assets and Project documents, clearances, contracts permits/approvals both present and future, which can be legally assigned and as may be permissible by the Government, including without limitation the receivables, book debts, operating cash flows, cash in hand, commissions and revenues of whatsoever nature and wherever arising.

(iv) All intangibles of the Company pertaining to the Project, including but not limited to goodwill and intellectual property rights, present and future.

(v) All monies receivable pertaining to the Project (whether evidences as book debts or otherwise) due and to become due to the Borrower at any time under contracts deeds or documents or under law and any revenues of whatsoever nature and wherever arising, present and future.

a. The uncalled equity capital of the Company, present and future.

b. All bank accounts in relation to the Project, including without limitation, the Trust and Retention Account.

c. All Insurance Contracts and/or Insurance Proceeds in relation to the Project.

d. Pledge of equity shares aggregating to 49% of the equity share capital of the Company held by JSW Energy (Barmer) Limited

**16.2 Terms of Repayment of Term Loan:**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>From Banks :</b>		
2 - 3 Years	143.17	117.14
4 - 5 Years	156.19	156.19
6 - 10 Years	369.40	375.21
Above 10 Years	272.43	314.64
<b>Total Borrowings from Banks</b>	<b>941.19</b>	<b>963.18</b>
<b>From Financial Institutions :</b>		
2 - 3 Years	22.00	18.00
4 - 5 Years	24.00	24.00
6 - 10 Years	60.00	60.00
Above 10 Years	12.01	20.56
<b>Total Borrowings from Financial Institutions</b>	<b>118.01</b>	<b>122.56</b>

a) Outstanding amount (including Current Maturity of Long Term Loan) of ₹ 1,119.26 Crores (Previous Year ₹ 1109.77 crores) as rupee term loan is repayable in 83 quarterly Structured Installments which commenced from 30th September 2017 till 31st March 2038 out of which 7 installments of ₹ 38.47 Crore is due upto 31st March, 2019 which is paid.

b) Outstanding amount of ₹ 567.64 Crores (Previous Year ₹ 567.64 Crores) of subordinated debt from JSW Energy (Barmer) Limited is repayable after repayment of rupee term loan.

c) Interest rate on Rupee Term Loan is 10.00% p.a. as on 31.03.2019

**16.3** Rupee Term Loan is after netting off balance of unamortised upfront fees of ₹ 2.29 Crore paid in the financial year 2018-19, kept as deferred payment to comply with requirement of Ind AS and is amortised on effective interest rate method.



**BARMER LIGNITE MINING COMPANY LIMITED**

Notes to the financial statements for the year ended March 31, 2019

**Note No. 17 - Other Financial Liabilities**

(₹ Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Other Financial Liabilities Measured at Amortised Cost</b>		
<b>(a) Non-Current</b>		
(i) Liabilities for Interest on Subordinated Loan from JSW Energy (Barmer) Limited	-	347.81
(ii) Liability for Mine Closure Charges	327.18	306.34
<b>TOTAL (A)</b>	<b>327.18</b>	<b>654.15</b>
<b>(b) Current</b>		
(i) Current maturities of long-term debt	59.91	23.90
(ii) Liabilities for Interest on Subordinated Loan from JSW Energy (Barmer) Limited	378.90	-
(iii) Security Deposits	0.11	0.13
(iv) Creditors for other liabilities		
(1) Creditors for capital supplies/services	12.72	0.79
(2) Retention money	3.05	0.10
(3) Others payables for unbilled expenses	107.32	-
<b>TOTAL (B)</b>	<b>562.01</b>	<b>24.91</b>
<b>TOTAL (A+B)</b>	<b>889.19</b>	<b>679.07</b>





**BARMER LIGNITE MINING COMPANY LIMITED**

Notes to the financial statements for the year ended March 31, 2019

**Note No. 18 - Trade Payables**

(₹ Crore)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Current	Non-Current	Current	Non-Current
(a) Total outstanding dues of micro, small & medium enterprises	0.07	-	-	-
(b) Total outstanding dues of creditor other than micro, small & medium enterprises	71.01	-	103.50	-
<b>TOTAL</b>	<b>71.08</b>	<b>-</b>	<b>103.50</b>	<b>-</b>

**Note No. 19 - Other Liabilities**

(₹ Crore)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Current	Non-Current	Current	Non-Current
(a) Statutory Dues Payables	43.58	-	52.94	-
(b) Lignite Extraction charges payable	32.76	-	36.88	-
<b>TOTAL</b>	<b>76.34</b>	<b>-</b>	<b>89.82</b>	<b>-</b>

**Note No. 20 - Provisions**

(₹ Crore)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Current	Non Current	Current	Non Current
(a) Misc. Provisions	23.52	-	20.14	-
(b) Provision for CSR	18.79	-	14.86	-
<b>TOTAL</b>	<b>42.31</b>	<b>-</b>	<b>35.00</b>	<b>-</b>



**BARMER LIGNITE MINING COMPANY LIMITED**

**Notes to the financial statements for the year ended March 31, 2019**

**Note No. 21 - Current Tax Liabilities**

(₹ Crore)

<b>Particulars</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
Provision for Income tax [Net of Advance Tax and Tax Deducted at Source amounting to ₹ 30.45 crore ( PY ₹ 19.31 crore)]	61.88	16.70
<b>TOTAL</b>	<b>61.88</b>	<b>16.70</b>



**BARMER LIGNITE MINING COMPANY LIMITED**

Notes to the financial statements for the year ended March 31, 2019

**Note No. 22 - Revenue from Operations**

(₹ Crore)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from sale of lignite	1,487.83	1,169.90
Less : Goods and Service Tax	58.84	32.31
	<b>1,428.99</b>	<b>1,137.59</b>
Less : Other Levies		
i) Royalty	65.42	47.49
ii) DMFT	19.63	14.25
iii) NMET	1.31	0.95
iv) Service Tax on Royalty, DMFT and NMET	-	2.29
v) GST on Royalty, DMFT and NMET	15.54	8.54
vi) Clean Environment Cess	-	59.13
vii) GST Compensation Cess	236.69	185.33
viii) VAT	-	15.50
Unbilled Revenue-Refer Note no 28 ( c)	193.84	-
<b>TOTAL</b>	<b>1,284.24</b>	<b>804.11</b>

**Note No. 23 - Other Income**

(₹ Crore)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>(a) Interest Income</b>		
Interest on Fixed Deposit	12.48	5.11
<b>TOTAL (A)</b>	<b>12.48</b>	<b>5.11</b>
<b>(b) Other Income</b>		
Insurance claim	0.33	-
Interest on Income tax refund	1.01	-
Others- miscellaneous income	0.02	0.01
<b>TOTAL (B)</b>	<b>1.36</b>	<b>0.01</b>
<b>TOTAL (A+B)</b>	<b>13.84</b>	<b>5.12</b>



## BARMER LIGNITE MINING COMPANY LIMITED

Notes to the financial statements for the year ended March 31, 2019

### Note No. 24 - Cost of Lignite Mining

(₹ Crore)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Lignite Extraction Charges	846.83	677.63
<b>TOTAL</b>	<b>846.83</b>	<b>677.63</b>

### Note No. 25 - Employee Benefits Expenses

(₹ Crore)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Salaries and wages	3.03	1.99
<b>TOTAL</b>	<b>3.03</b>	<b>1.99</b>

### Note No. 26 - Finance Costs

(₹ Crore)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>(A) Interest expenses</b>		
(i) Interest on rupee term loan	109.59	60.43
(ii) Interest on loans from related party	56.76	30.31
(iii) Other interest expense	21.01	16.26
<b>TOTAL (A)</b>	<b>187.36</b>	<b>107.00</b>
<b>(B) Other borrowing cost</b>		
(i) Finance charges	4.31	1.06
<b>TOTAL (B)</b>	<b>4.31</b>	<b>1.06</b>
<b>TOTAL (A+B)</b>	<b>191.67</b>	<b>108.06</b>



## BARMER LIGNITE MINING COMPANY LIMITED

Notes to the financial statements for the year ended March 31, 2019

### Note No. 27 - Other Expenses

(₹ Crore)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Operation & Maintenance of RO Plant	2.27	0.37
(b) Rates and taxes	58.84	44.93
(c) Insurance charges	0.00	0.06
(d) Payment to Auditors		
(i) As Auditors	0.03	0.02
(ii) For Taxation matters	0.01	0.01
(iii) Auditors out-of-pocket expenses	0.00	0.00
(e) Legal and other professional charges	2.14	1.34
(f) Advertisement, Promotion & Selling Expenses	0.01	0.04
(g) Travelling Expenses	0.19	0.18
(h) Corporate social responsibility expenses (under Companies Act, 2013)	-	0.23
(i) Other general expenses	3.99	11.35
<b>TOTAL</b>	<b>67.48</b>	<b>58.53</b>



**NOTE: 28 Other Notes on Financials Statements:**

(a) The Company has produced 4.50 Million Ton (Previous Year 6.16 Million Ton) Lignite from Kapurdi Mines and 1.35 Million Ton (Previous Year 0.11 Million Ton) from Jalipa Mines during the year.

(b) The Company is engaged in the mining of lignite for exclusive supply to JSW Energy (Barmer) Limited (JSWEBL) for power generation and the transfer Price of Lignite to JSWEBL is determined by Hon'ble Rajasthan Electricity Regulatory Commission (RERC) as per extant regulations. As per the RERC Regulations prevailing for FY 2018-19, the post-tax return on equity is 15.50%.

(c) During the year company has recognised revenue on sale of Lignite for FY 2018-19 from Kapurdi and Jalipa Mines on the basis of Adhoc Interim transfer price order of RERC dated 10<sup>th</sup> May 2018 and 26<sup>th</sup> September, 2018. The Company has accordingly accounted for the impact of these orders in the accounts for FY 2018-19. In accordance with these orders and the views expressed by the office of 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 orders. As and when the final RERC order determining the lignite transfer price is received, the impact of such finalized tariff/Revenue receivables, MDO charges payable and Truing up for relevant period will be provided in the books of accounts.

Hon'ble APTEL has passed orders dated 05.12.2018 & dated 17.05.2019. Consequently, RERC has passed an order dated 24.06.2019 for increase in the interim transfer price of lignite to 85% from 70% for FY 2017-18. Accordingly, in the FY 2018-19, Company has recognized ₹193.84 crore (excluding applicable taxes and duties) as unbilled revenue & correspondingly booked the Lignite Extraction charges amounting to ₹109.17 crore (including taxes) as unbilled expenses in the same proportion as approved in the Adhoc interim transfer price order for the period from 01.04.2017 to 31.03.2018.

This amount will be subject to adjustment after final consequential order is passed by Hon'ble APTEL / RERC.

(d) Based on adhoc interim transfer price order, the Statement of Profit and Loss of the Company reflect a Profit/(Loss) after Tax of ₹ 71.53 crore {Previous Year ₹ (45.54) crore} for FY 2018-2019. However, as a regulated project with post tax ROE is capped at 15.50% of invested Equity, the PAT works out to about ₹ 3.10 crore



(Previous Year ₹ 1.89 crore), Accordingly, the reported profit for FY 2018-19 is not comparable with the regulatory returns pending final determination of transfer price and MDO charges by regulator.

(e) GST paid/payable during the year on Lignite extraction charges and other services after netting off the GST payable on sale of Lignite and miscellaneous supply, amounting to ₹ 81.02 crore (Previous Year ₹ 60.78 crore), has been charged to Statement of Profit and Loss. The same has been charged to Statement of Profit and Loss, on account of difference in GST on Lignite Extraction cost and GST on sale of lignite which is in line with the accounting policy.

(f) Surface Rights for Kapurdi and Jalipa 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) Mine Closure Charges (Other Intangible Assets)-The Company had recognised liability for Mine Closure Charges in respect of Kapurdi mines and Jalipa mines 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 which requires mine closure charges should be worked out for the total life of mines as per approved mining plan. Accordingly, the Company had worked out total estimated cost towards mine closure charges to be deposited/payable for Kapurdi mines amounting to ₹ 208.96 crore for the total mining life of 31 years and for the Jalipa mines amounting to ₹ 302.27 crore for total mining life of 55 years.

As per above, the Company is depositing ₹ 6.74 crore starting from FY 2011-12 for Kapurdi mines and ₹ 5.50 crore starting from FY 2016-17 for Jalipa mines in respective Escrow accounts. Thereafter the same is being compounded by 5% annually through out the life of respective mines.

As per the provision of Ind AS 16 ( Property, Plant and Equipment), the Company had recognised Intangible Assets and correspondingly financial liability for mine closure charges amounting to ₹ 118.71 crore based on mine lease period of 31 years (Previous Year ₹ 118.71 crore) for Kapurdi Mines on discounting rate of 8.83% (based on bond rate of GOI with adjustment of appropriate spread) and ₹ 92.75 crore (Previous Year ₹ 92.75 crore) for Jalipa Mines on discounting rate of 8.45%.(based on bond rate of GOI with adjustment of appropriate spread) on balance mine lease period of 27 years.

This Intangible asset has been amortised on the basis of actual lignite extracted in the relevant period and the quantity of lignite to be extracted during the balance lease period of respective mines. During the current financial year ₹ 4.28 crore (Previous Year ₹ 5.97 crore) for Kapurdi mines and ₹ 1.46 crore (Previous Year ₹



0.11 crore) for Jalipa mines has been routed through Statement of Profit and Loss Account.

(h) 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.

(i) Corporate Social Responsibility (CSR)

In accordance with the provision of Section 135 of Companies Act, 2013, the Company has incurred ₹ NIL (Previous Year ₹ 0.23 crore) on CSR expenses during the year 2018-19. The necessary disclosure for same is as follows

(a) Gross amount required to be spent by the Company during the year. – ₹ NIL

(b) Amount spent during the year: - ₹ NIL

(₹ in crore)

Particulars	In Cash	Yet to be paid in Cash	Total
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	-	-	-

(j) The Company has considered the provision for liability of works carried/supplies received pertaining to financial year 2018-19 till such invoices received by the Company upto April 30, 2019.

(k) Commitments

(₹ In crore)

Particulars	As at March 31,2019	As at March 31,2018
Commitments to contribute funds for the acquisition of property, plant and equipment etc.	123.78	0.56

(l) Contingent liabilities

(₹ In crore)

Particulars	As at March 31,2019	As at March 31,2018
(i) 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.	32.58	32.58





BARMER LIGNITE MINING COMPANY LIMITED  
 NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

<p>(ii) 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. The Company had deposited ₹ 0.97 crore under protest with department. The Company had 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 presently under consideration of the Rajasthan Tax Board.</p>	<p>0.97</p>	<p>0.97</p>
<p>(iii) During the year, the Company has received the Penalty order amounting to ₹ 3.74 crore for the financial year 2011-12 for certain disallowances/additions made by the Income Tax Department. Company has filed an Appeal against the penalty order with Commissioner of Income Tax (Appeals) – II on 30th April, 2019.</p>	<p>3.74</p>	<p>-</p>
<p>(iv) The Company had received an order from the Asst. Commissioner of Income Tax (TDS), Jaipur for FY 2010-11 on account of non-deduction of TDS ₹ 0.03 crore and Interest ₹ 0.03 crore thereon. The Company had filed an appeal against the above demand before Commissioner of Income Tax (Appeals) – III on 27<sup>th</sup> April, 2018. The matter is presently under consideration of CIT(Appeal-III), Jaipur. Against the same, Company had paid ₹ 0.01 crore under protest.</p>	<p>0.06</p>	<p>0.06</p>
<p>(v) During the year, the Company has received an order from the Dy. Commissioner of Income Tax (TDS), Jaipur for FY 2011-12 on account of non-deduction of TDS of ₹ 0.01 crore and Interest of ₹ 0.01 crore thereon for certain expenses in the nature of reimbursements. The Company has filed an appeal before Commissioner of Income Tax (Appeals) – III on 11<sup>th</sup> April, 2019. The matter is presently under consideration of CIT(Appeal-III), Jaipur. Against the same, company has paid of ₹ 31,152 under protest.</p>	<p>0.02</p>	<p>-</p>
<p>(vi) 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</p>	<p>-</p>	<p>122.30</p>



<p>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 before CESTAT, Delhi against this order. The Company has paid an advance of ₹ 9.17 crore (7.5% of demand) to RSMML for filing of the appeal. The matter has been decided in the favour of RSMML by CESTAT, Delhi vide order dated 21.08.2019.</p>		
<p>(vii) During the year RSMML has received a service tax adjudication order dated 31.05.2018 from Asst. Commissioner CCGST Division-H Jaipur imposing service tax demand of ₹ 0.40 crore and Penalty of ₹ 0.40 crore for providing of various services to BLMCL like Auxiliary Services and Renting of immovable property etc. RSMML has filed an appeal before Commissioner (Appeal), CGST against this order. The Company has paid an advance of ₹ 0.03 crore (7.5% of demand) to RSMML for filing of the appeal. The matter is presently under consideration of Commissioner (Appeals).</p>	0.80	0.80
<p>(viii) The Company has received an order from the Commissioner of Central Excise, Alwar for levy of excise duty of ₹ 67.28 crore and Penalty of ₹ 67.28 Crore and the levy of interest at the prescribed rate in the matter of the differential price between petitioned price and approved adhoc transfer price for sale of lignite as determined by RERC for the period from Oct-2011 to Mar-2016. The Company had not accepted this order and filed an appeal against the said order before CESTAT, Delhi. The Company has paid the basic excise duty amounting to ₹ 67.28 Crore by debiting the PLA for this period. After various hearings the matter has been decided in favour of company by CESTAT, New Delhi vide order dated 12<sup>th</sup> September, 2018. Further Commissioner of Central Excise and Service Tax filed an appeal before Hon'ble Supreme Court against the CESTAT order, the same has been dismissed by Hon'ble Supreme Court vide order dated 04<sup>th</sup> July, 2019 considering that the appeal was devoid of any merits.</p>	-	90.69



BARMER LIGNITE MINING COMPANY LIMITED  
 NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

<p>(ix) The Company has received an order from the Commissioner of Central Excise, Alwar for levy of basic excise duty of ₹ 2.65 crore and Interest of ₹ 0.24 crore and Penalty of ₹ 2.65 Crore for Late Service Tax Credit reversal for the period Mar-12 to Dec-12 The Company has not accepted this order and filed an appeal against the said order before CESTAT, Delhi. The Company had already reversed the CENVAT credit of service tax amounting to ₹ 2.65 Crore by debiting the PLA. During the year the matter has been decided in favour of company by CESTAT, New Delhi vide order dated 7<sup>th</sup> February, 2019. Further department has gone to the Hon'ble Rajasthan High Court, Jaipur against the said order, the matter is pending for admission before the Hon'ble High Court.</p>	<p>2.89</p>	<p>2.89</p>
<p>(x) During the year, the Company has received an order from the Office of the Principal Commissioner, CGST, Jaipur for levy of demand towards Clean Environment Cess (CEC) of ₹ 2.41 crore and Interest of ₹ 0.63 crore and Penalty of ₹ 2.41 Crore on Closing Stock of Lignite as on 30.06.2017. The Company has not accepted this order since GST Compensation Cess in the GST regime has been paid on such closing stock cleared in the month of July-17 and under the Clean Environment Cess Rules, the payment of CEC was on the dispatch of the lignite and not on the production of lignite. Company has filed an appeal against the said order before CESTAT, New Delhi. The matter is presently under consideration of CESTAT New Delhi</p>	<p>5.45</p>	<p>-</p>
<p>(xi) As per the Implementation Agreement, the Sale price for the lignite by the Company to JSW Energy (Barmer) Limited (JSWEBL) has to be approved by RERC. The Company is filing petitions for determination of transfer price of lignite for every year since FY 2011-12 onward. Pending determination of final transfer price, RERC has allowed only adhoc/ Interim Transfer price from FY 2011-12 to current FY 2018-19. Correspondingly, the Company is paying proportionate reduced lignite extraction cost to the MDO. The difference between lignite extraction charges per ton of lignite payable to MDO as per Agreement dated 28.12.2010 and actual lignite extraction charges paid/provided on proportionate basis is ₹ 1351.40 crore for the period from FY 2011-12 to FY 2017-18. For FY 2018-19 the difference</p>	<p>1492.69</p>	<p>1351.40</p>



between extraction cost of lignite as per Agreement and actual amount paid as per RERC Order is ₹ 141.29 crores. As this payment is contingent upon approval of final transfer price of lignite by RERC, which will also result into higher revenue recognition and correspondingly will also result into higher / equal liability to the MDO. Accordingly, the Company has not provided liability on account of aforesaid extraction cost to MDO in the books.		
(xii) 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 unascertainable as on date.	-	-
(xiii) Disputed demands for Income tax and Interest thereon for various assessment years against which appeals are pending for disposal before various authorities.	5.09	-

(m) The Company had received the income tax assessment order for the financial year 2011-12 with the tax demand of ₹ 13.28 crore vide order dated 24<sup>th</sup> July, 2015. The Company had paid a sum of ₹ 5.20 crore under protest against this demand and had filed an appeal before CIT (Appeals) against this assessment order. CIT Appeal has passed order dated 29<sup>th</sup> March, 2017 in which appeal was partly allowed and accordingly the demand was reduced to ₹ 9.82 Crore. Against this Company had filed an appeal before ITAT on 13<sup>th</sup> June, 2017 for remaining demand. ITAT has passed the order dated 12<sup>th</sup> October, 2017 wherein ITAT has considered most of the grounds of appeal including mine closure charges, amortisation of mining rights etc. and few issues were remanded back to the assessing officer for statistical purposes. ITAT has not considered the grounds of CSR Expenses and Interest receipts on CWIP of our appeal. The Company had accordingly filed Income Tax Appeal before Hon'ble Rajasthan High Court, Jaipur on 12<sup>th</sup> February, 2018. Hon'ble Rajasthan High Court in its order dated 24<sup>th</sup> July 2018 read with order dated 8<sup>th</sup> August, 2018 has considered both the grounds in favour of the Company. Matters which were remanded back to the department by ITAT has been disallowed by department vide order dated 24<sup>th</sup> October, 2018. Against the said order Company had filed an appeal before CIT (Appeals-II) on 27<sup>th</sup> November, 2018 and presently said appeal is under consideration of CIT (Appeals-II).

(n) The Company had received the income tax assessment order for the financial year 2012-13 with the tax demand of ₹ 13.04 crore vide order dated 05<sup>th</sup> March, 2016. The Company had paid a sum of ₹ 2.61 crore under protest against this demand and had filed an appeal before CIT (Appeals) against this assessment order. Thereafter CIT Appeal had passed order in which appeal was partly allowed



and accordingly the demand was reduced to ₹ 10.49 crore. Against the order of CIT(A), the Company had filed an appeal before ITAT on 7<sup>th</sup> June, 2018. ITAT had passed the order dated 14<sup>th</sup> February, 2019 wherein ITAT has considered most of the grounds of appeal including mine closure charges, amortisation of mining rights etc. and other issues were remanded back to the assessing officer for statistical purposes.

The remanded back matter has been again disallowed by the Assessing officer against which Company has filed an appeal before CIT (Appeals-II) on 22<sup>nd</sup> June, 2019. This appeal is under consideration of CIT (Appeals-II).

(o) The Company had received the income tax assessment order for the financial year 2013-14 with the tax demand of ₹ 3.89 crore vide order dated 24<sup>th</sup> November, 2016. The company had paid a sum of ₹ 0.78 crore under protest against this demand and had filed an appeal before CIT (Appeals) against this assessment order. CIT (Appeal) had passed order in which appeal was partly allowed and accordingly the demand was reduced to ₹ 2.38 crore. Against the order of CIT(A), the Company had filed an appeal before ITAT on 7<sup>th</sup> June, 2018. ITAT had passed the order dated 14<sup>th</sup> February, 2019 wherein ITAT has considered most of the grounds of appeal including mine closure charges, amortisation of mining rights etc. and other issues were remanded back to the Assessing officer for statistical purposes.

The remanded back matters have been disallowed by the Assessing officer against which Company has filed an appeal before CIT (Appeals-II) on 22<sup>nd</sup> June, 2019. This appeal is under consideration of CIT (Appeals-II).

(p) During the year Company has received the income tax assessment order dated 13<sup>th</sup> November, 2018 for the financial year 2015-16 with the tax demand of ₹ 12.02 crore. The company has paid a sum of ₹ 1.00 crore under protest against this demand and has filed an appeal before CIT (Appeals) against this assessment order on 17<sup>th</sup> December, 2018. This appeal is under consideration of CIT (Appeals-II).

(q) 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-virus, is pending for consideration before the Honb'le Supreme Court of India. The Company has also filed an Intervention Application before Honb'le Supreme Court of India on 20<sup>th</sup> February, 2018.

(r) As per Ministry of Environment, Forests and Climate Change (MoEFCC) approval dated 22<sup>nd</sup> September 2014 for Kapurdi Lignite Mines, the Company is required to make provision of CSR activities @ ₹ 5/- per MT of Lignite extracted which shall be adjusted with annual inflation. Accordingly, the Company has made provision of ₹ 2.25 crore (PY ₹ 3.08 crore) in its books towards CSR expenses for



its Kapurdi mines for the year 2018-19. The cumulative unutilised balance for CSR provision for Kapurdi mines is ₹ 14.54 crore (PY ₹ 13.61 crores).

(s) As per Ministry of Environment, Forests and Climate Change (MoEFCC) approval dated 29<sup>th</sup> April 2010 for Jalipa Lignite Mines, the Company is required to make provision of CSR activities @ ₹ 5/- per MT of Lignite extracted or ₹ 3.0 Crore per annum whichever is more, which shall be adjusted with annual inflation. Accordingly, the Company has made provision of ₹ 3.00 crore (PY ₹ 1.25 crore) in its books towards CSR expenses for its Jalipa mines for the year 2018-19. The unutilised balance for CSR provision for Jalipa mines is ₹ 4.25 crore (PY ₹ 1.25 crore).

(t) The Company has paid a sum of ₹ 977.51 crore upto 31st March, 2019 (Previous year ₹ 977.51 crore) to Rajasthan State Mines and 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 and Jalipa Lignite Mining land has been completed and land has been transferred in the name of RSMML. RSMML has intimated that the transfer of land from RSMML to the Company has been rejected by Government of Rajasthan (GoR), 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 amount of ₹ 708.25 crores paid for compensation towards Jalipa land to RSMML is reflected as Surface Rights for Jalipa land.

(u) The Company has an outstanding subordinated debt of ₹ 567.64 crore (Previous Year ₹ 567.64 crore) as on 31st March, 2019, availed @ 10% interest rate from JSWBL to fund its project related requirements. The Company has recognised interest of ₹ 56.76 crore (Previous Year ₹ 56.59 crore) on subordinate debt for the period from 1st April 2018 to 31st March 2019. 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, Rajasthan, who has also affirmed the provision for the same.

CAG has referred the matter to the Finance Department, GoR being a financial matter. Finance Department GoR has clarified vide its letter dated 31.05.2017 that since there is no direct equity holding of State Government in the JV Company, comments of Finance Department is not required. CAG has further asked the Finance Department, GoR to examine the issue based on the specific points raised by them and give its specific reply in the matter. Finance Department, GoR has referred the same to Mines Department, GoR being the administrative department of the Company. Mines Department in its detailed reply dated 25<sup>th</sup> Sep, 2018 has clarified the position and affirmed that the decisions taken by the Company is in the



spirit of Implementation Agreement / Joint Venture Agreement and as per the decisions taken by the Steering Committee in its meeting held on 06.07.2011 chaired by Chief Secretary, GoR.

Even after receipt of the detailed reply from Mines Department, CAG had insisted for the reply from Finance Department. Considering the reply of Mines Department and the decisions taken by the Government at its various levels including the Steering Committee decision taken by Chief Secretary, GoR, Finance Department vide its detailed point wise reply dated 20.02.2019 had clarified that the decisions taken by Company is within the spirits of all the Agreements and this would amount to reduction in power tariff considerably and which will be beneficial to the public at large. Hence, CAG was requested to drop its observations.

As per the commitment of the Company, the payment of interest on subordinated loan was not made till it is finally opined by GoR. Now since Finance Department and Mines Department of Government of Rajasthan has expressed / clarified its views, the Company has made the adhoc payment of interest of ₹ 20 crore to JSW Energy (Barmer) Limited during the Financial Year 2018-19.

(v) 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 ₹ 5.41 crore (Previous year ₹ 4.88 crore) on the basis of the ledger balance outstanding in the books of RSMML.

(w) Government of Rajasthan vide its notification dated 31<sup>st</sup> May, 2016 had notified the Levy of contribution towards District Mineral Foundation Trust (DMFT) @ 30% of Royalty with retrospective effect from 12.01.2015. Accordingly, the Company had deposited ₹ 20.36 crore as DMFT levy for the period from 12.01.2015 to 30.05.2016 in the financial year 2016-17 itself.

The Federation of Indian Mineral Industries & ors. had challenged the levy from retrospective effect before Hon'ble Supreme Court.

The Hon'ble Supreme Court vide its order dated 13th October, 2017 has decided that contributions to the DMF are required to be made by the holder of a mining lease or a prospecting licence-cum-mining lease in the case of coal, lignite and sand for stowing with effect from 20<sup>th</sup> October, 2015 when the rates were prescribed by the Central Government or with effect from the date on which the DMF was established by the State Government by a notification, whichever is later.

Accordingly, the Company had considered the aforesaid contribution of ₹ 20.36 crore as an advance deposit towards DMFT, which has been adjusted against liability of the same. As per extant RERC Regulations the same has to be refunded to JSW Energy (Barmer) Limited and thus a liability for this amount has been accounted for in favour of JSW Energy (Barmer) Limited and the same is awaiting



confirmation from concerned department of the State Government to refund the same. This however has no impact on the profit/loss of the Company during the current financial year.

**Note: -29 Financial Instruments: Classifications and Fair Value Measurement**

This note provides information about how the Company determines fair values of various financial assets and financial liabilities (which are measured at fair value through profit or loss).

<b>Financial Assets/ Financial Liabilities Fair value hierarchy</b>	<b>Valuation technique(s) and key input(s)</b>
Level 1	Quoted bid prices in an active market.
Level 2	Discounted cash flow at a discount rate that reflects the issuer's current borrowing rate at the end of the reporting period.
Level 3	Income approach – in this approach, the discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of these investees





**Fair value of financial assets and financial liabilities**

The management consider that the carrying amounts of current financial assets and financial liabilities recognised in the financial statements approximate their fair values.

(₹ in crore)		
As at March 31,2019	Carrying amount	Fair value
<b>Financial assets</b>		
<b>Financial assets carried at amortised cost</b>		
<b>Non-Current Assets</b>		
Security deposits	0.28	0.28
Interest accrued on deposits, loans and advances	42.79	42.79
Others Financial Assets	0.12	0.12
<b>Current Assets</b>		
Trade receivables	166.60	166.60
Interest accrued on deposits, loans and advances	2.22	2.22
Cash and cash equivalents	3.18	3.18
Bank balances other than Cash and Cash equivalents	126.32	126.32
Others Financial Assets	193.84	193.84
<b>Total Financial assets</b>	<b>535.35</b>	<b>535.35</b>
<b>Financial liabilities</b>		
<b>Financial Liabilities carried at amortised cost</b>		
<b>Non-current liabilities</b>		
Borrowings	1,624.70	1,624.70
Other long term liabilities	327.18	327.18
<b>Current liabilities</b>		
Trade Payables	71.08	71.08
Creditors Capex	15.77	15.77
Other financial liabilities	546.24	546.24
<b>Total Financial liabilities</b>	<b>2,584.97</b>	<b>2,584.97</b>

(₹ in crore)		
As at March 31,2018	Carrying amount	Fair value
<b>Financial assets</b>		
<b>Financial assets carried at amortised cost</b>		
<b>Non-Current Assets</b>		
Security deposits	0.28	0.28
Interest accrued on deposits, loans and advances	37.92	37.92
<b>Current Assets</b>		
Trade receivables	85.13	85.13
Interest accrued on deposits, loans and advances	0.30	0.30
Cash and cash equivalents	3.94	3.94
Bank balances other than Cash and cash equivalents	98.76	98.76
<b>Total Financial assets</b>	<b>226.33</b>	<b>226.33</b>



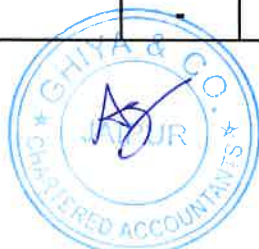
<b>Financial liabilities</b>		
<b>Financial Liabilities carried at amortised cost</b>		
<b>Non-current liabilities</b>		
Borrowings	1,651.53	1,651.53
Other long term liabilities	654.15	654.15
<b>Current liabilities</b>		
Trade Payables	103.50	103.50
Creditors Capex	1.02	1.02
Other financial liabilities	23.90	23.90
<b>Total Financial liabilities</b>	<b>2,434.10</b>	<b>2,434.10</b>

### Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(₹ in crore)

Particulars	< 1 year	1-5 years	> 5 years	Total
<b><u>Non-Current financial liabilities</u></b>				
Long term borrowings	-	345.36	1279.34	1624.70
Other long-term liabilities	-	-	327.18	327.18
<b>Total Non-Current financial Liabilities</b>	<b>-</b>	<b>345.36</b>	<b>1,606.52</b>	<b>1,951.88</b>
<b><u>Current financial Liabilities</u></b>				
Trade and other payables and acceptances:	71.08	-	-	71.08
<b>Total Current financial Liabilities</b>	<b>71.08</b>	<b>-</b>	<b>-</b>	<b>71.08</b>
<b><u>Other current financial liabilities</u></b>				
Current maturities of long-term debt	59.91	-	-	59.91
Other Financial Liability	486.33	-	-	486.33
Creditors Capex	15.77	-	-	15.77
<b>Total other current financial liabilities</b>	<b>562.01</b>	<b>-</b>	<b>-</b>	<b>562.01</b>
<b>Total Financial Liabilities</b>	<b>633.09</b>	<b>345.36</b>	<b>1,606.52</b>	<b>2,584.97</b>
<b><u>Assets</u></b>				
<b><u>Non-Current Assets</u></b>				
Other Financial assets	-	0.12	-	0.12
Interest accrued on deposits, loans and advances	-	42.79	-	42.79
Security deposits	-	-	0.28	0.28
<b>Total Non-current Assets</b>	<b>-</b>	<b>42.91</b>	<b>0.28</b>	<b>43.19</b>



<b>Current assets</b>				
Other Financial assets	193.84	-	-	193.84
Trade receivables	166.60	-	-	166.60
Cash and cash equivalents	3.18	-	-	3.18
Bank Balances other than above	126.32	-	-	126.32
Interest accrued on deposits, loans and advances	2.22	-	-	2.22
<b>Total current assets</b>	<b>492.16</b>	<b>-</b>	<b>-</b>	<b>492.16</b>
<b>Total Financial Assets</b>	<b>492.16</b>	<b>42.91</b>	<b>0.28</b>	<b>535.35</b>

### **Gearing ratio**

The gearing ratio at end of the reporting period is as follows:

<b>Particulars</b>	<b>(₹ in crore)</b>	
	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
Debt *	1,684.62	1,675.43
Cash and cash equivalents	3.18	3.94
Net debt	<b>1,681.44</b>	<b>1,671.49</b>
Total equity	19.66	(51.87)
Net debt to equity ratio	<b>85.53</b>	<b>(32.22)</b>

\*Debt is defined as long-term and short-term borrowings (excluding derivative and contingent consideration).

### **NOTE: 30 Related party disclosure**

The related parties where control and significant influence exists are Parents and associates respectively. Key Managerial personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director whether executive or otherwise.

#### **(A) List of Related Parties**

<b>I</b>	<b>Enterprises over which key management personnel and relatives of such personnel exercise significant influence for the year ended March 31, 2019.</b>
1	Rajasthan State Mines and Minerals Limited (RSMML)
2	JSW Energy (Barmer) Limited (JSWEBL) (formerly known as Raj WestPower Limited)
3	JSW Energy Limited (JSWEL)
<b>II</b>	<b>Key Managerial Personnel</b>
1	Mrs. Aparna Arora – Director (till 09 <sup>th</sup> Jan, 2019)
2	Mr. Sudarsan Sethi – Director (from 09 <sup>th</sup> Jan, 2019)
3	Mr. Sanjay Malhotra – Director (till 14 <sup>th</sup> Jan, 2019)
4	Mr. Naresh Pal Gangwar – Director (from 14 <sup>th</sup> Jan 2019)
5	Ms. Manju Rajpal – Director
6	Mr. Bhanu Prakash Yeturu – Director (till 28 <sup>th</sup> Jun, 2018)
7	Mr. Bhawani Singh Detha – Director (from 31 <sup>st</sup> Aug, 2018)



BARMER LIGNITE MINING COMPANY LIMITED  
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

8	Mr. Jyoti Kumar Agarwal – Director
9	Mr. Prashant Jain – Director (till 03 <sup>rd</sup> May 2018)
10	Mr. Sharad Mahendra – Director (from 03 <sup>rd</sup> May,2018)
11	Mr. Umesh Narain Gupta – Managing Director
12	Ms. Sheila Sangwan – Independent Director
13	Mr. Sattiraju Seshagiri Rao – Independent Director
14	Mr. Sunil Dutt Vyas – Independent Director
15	Mr. Nitesh Gangwal – Company Secretary
16	Mr. Sanjay Soni – Chief Financial Officer
<b>III</b>	<b>Relative of Key Managerial Personnel – NA</b>
<b>IV</b>	<b>Subsidiaries of Associates and Joint Ventures – NA</b>
<b>V</b>	<b>Post-Employment Benefit Plans – NA</b>

**(B) Transactions with Related Parties for the year ended March 31, 2019 and March 31, 2018**

(₹ In crore)

S. No	Particulars	Current Year	Previous Year
<b>1</b>	<b>Sale of Lignite (Net of Taxes)</b>		
	JSW Energy (Barmer) Limited	1284.24	804.11
<b>2</b>	<b>Reimbursement booked/Paid to</b>		
	JSW Energy (Barmer) Limited	2.42	1.89
	Rajasthan State Mines and Minerals Limited	0.92	0.78
<b>3</b>	<b>Subordinate Loan taken</b>		
	JSW Energy (Barmer) Limited	-	21.20
<b>4</b>	<b>Interest on Subordinate Loan taken</b>		
	JSW Energy (Barmer) Limited	56.76	56.59
<b>5</b>	<b>Payment of Interest on subordinate loan</b>		
	JSW Energy (Barmer) Limited	20.00	-
<b>6</b>	<b>Capital Advance Paid / (Refund)</b>		
	Rajasthan State Mines and Minerals Limited	0.03	-
<b>7</b>	<b>Interest Received</b>		
	Rajasthan State Mines and Minerals Limited	5.41	4.88
<b>8</b>	<b>Director Sitting Fees (Excluding Taxes)</b>		
	Ms. Sheila Sangwan – Independent Director	0.01	0.01
	Mr. Sunil Dutt Vyas – Independent Director	0.01	0.01
	Mr. Sattiraju Seshagiri Rao - Independent Director	0.01	0.01

Note: - The transactions are within limits approved by Audit Committee.

**(C) – Closing Balances with Related Parties**

(₹ In crore)

S.No	Particulars	As at March 31,2019	As at March 31,2018
<b>1</b>	<b>Trade (Payables) / Receivables</b>		
	JSW Energy (Barmer) Limited	166.60	85.13
<b>2</b>	<b>Reimbursement booked/payable to</b>		
	JSW Energy (Barmer) Limited	0.67	0.48
	Rajasthan State Mines and Minerals Limited	1.70	0.78



BARMER LIGNITE MINING COMPANY LIMITED  
 NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

<b>3</b>	<b>Subordinate Loan taken</b>		
	JSW Energy (Barmer) Limited	567.64	567.64
<b>4</b>	<b>Interest on subordinate loan taken</b>		
	JSW Energy (Barmer) Limited	378.90	347.81
<b>5</b>	<b>Capital Advance paid / (Refund)</b>		
	Rajasthan State Mines and Minerals Limited	10.00	9.97
<b>6</b>	<b>Interest Receivable</b>		
	Rajasthan State Mines and Minerals Limited	42.79	37.92

**NOTE: 31 Payment to Auditors (excluding GST)**

Particulars	(₹ In crore)	
	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Audit Fees ₹ 2,25,000 (Previous year ₹ 2,10,000)	0.02	0.02
Tax Audit Fees ₹ 50,000 (Previous Year ₹ 50,000/- )	0.01	0.01
Other certification Fees ₹ 17,700/- (Previous Year ₹ 25,000 )	0.00	0.00
Reimbursement of expenses ₹ 27,955/- (Previous Year ₹ 40,706 )	0.00	0.00

**NOTE: 32 Events after the reporting period:**

In respect of the financial year ending March 31, 2019, no events are required to be reported which occurred after the reporting date except reported elsewhere.

**NOTE: 33 Approval of financial statements:**

The financial statements were approved by the Board of Directors on 19<sup>th</sup> November, 2019

**NOTE: 34 Disclosure under Micro, Small and Medium Enterprises Development Act:**

The details of amounts outstanding to Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the Company are as under:

S No	Particulars	(₹ In crore)	
		As at March 31,2019	As at March 31,2018
1	Principal amount outstanding	0.07	-
2	Principal amount due and remaining unpaid	-	-
3	Interest due on (2) above and the unpaid interest	-	-



BARMER LIGNITE MINING COMPANY LIMITED  
 NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

4	Interest paid on all delayed payments under the MSMED Act.	-	-
5	Payment made beyond the appointed day during the year	-	-
6	Interest due and payable for the period of delay other than (4) above	-	-
7	Interest accrued and remaining unpaid	-	-
8	Amount of further interest remaining due and payable in succeeding years	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

**NOTE: 35 Market risk:**

The Company operates in a regulated environment. The fair value of future cash flows of transfer price of lignite will depend upon the approval of Capital cost and transfer price by the Rajasthan Electricity Regulatory Commission (RERC). Further, as the Company supplies its 100% lignite production to JSWBL under long term Fuel Supply Agreement (FSA) which in turn supplies the power to Rajasthan Discoms under long term Power Purchase Agreement (PPA). The future cash flow of the Company on account of revenue on sale of lignite will depends upon the power requirement of Rajasthan Discoms.

**NOTE: - 36 Trade Receivables: -**

The average credit period on sales of lignite is 30 days.

Trade receivables balance as at March 31, 2019 of ₹ 166.60 crore (as at March 31, 2018 of ₹ 85.13 crore)

Trade receivables is disclosed below in the aged analysis and during the reporting period, the Company has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are considered recoverable.

**Age of receivables: -**

Particulars	₹ In crore)	
	As at March 31,2019	As at March 31,2018
Within the credit period (30 days)	166.60	85.13
1-30 days past due	-	-
31-60 days past due	-	-
61-90 days past due	-	-
<b>Total</b>	<b>166.60</b>	<b>85.13</b>



**NOTE: 37 Tax balances:**

**a) Deferred Tax:**

The following is the analysis of deferred tax assets/(liabilities) presented in the balance sheet:

(₹ In crore)		
Particulars	As at March 31,2019	As at March 31,2018
Deferred Tax Assets (DTA)	87.04	96.10
Deferred Tax Liabilities (DTL)	(79.98)	(80.93)
<b>Net DTA/(DTL)</b>	<b>7.06</b>	<b>15.17</b>

**b) Income Tax:**

The income tax expense can be reconciled to the accounting profit as follows:

(₹ In crore)		
Particulars	For the year ended March 31,2019	For the year ended March 31,2018
Profit before tax	131.87	(59.16)
Enacted tax rate (%)	34.94	34.94
<b>Computed Expected tax expenses</b>	<b>46.08</b>	<b>(20.67)</b>
Tax impact of non deductible expenses	14.26	7.24
Tax impact of prior year	-	(0.19)
<b>Income Tax Expenses</b>	<b>60.34</b>	<b>(13.62)</b>

**NOTE: 38 Operating segment:**

The Managing Director of the Company is Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators, however only for one segment viz. "Sale of Lignite". Hence, the Company does not have any reportable Segments as per Ind AS 108 "Operating Segments".

**NOTE: 39 Earnings per share (EPS):**

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.



The following reflects the income and share data used in the basic and diluted EPS computations: (₹ in crore)

Particulars	March 31,2019	March 31,2018
Profit attributable to equity holders of the parent: Continuing operations	71.53	(45.54)
<b>Profit attributable to equity holders of the parent for basic earnings</b>	<b>71.53</b>	<b>(45.54)</b>
Weighted average number of Equity shares for basic EPS	2,00,00,000	2,00,00,000
<b>Weighted average number of Equity shares adjusted for the effect of dilution</b>	<b>2,00,00,000</b>	<b>2,00,00,000</b>
Earnings per equity share of face value of ₹ 10 each.	<b>35.77</b>	<b>(22.77)</b>

**NOTE: 40**

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 Ghiya & Co.**  
**Chartered Accountants**  
 Firm Registration Number-001088C

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

  
**Shubham Gupta**  
 Partner  
 Membership No. 420734



  
**Umesh Gupta**  
 Managing Director  
 (DIN 02221714)

  
**Dinesh Kumar**  
 Chairman  
 (DIN 00254801)

Place: Jaipur  
 Date: 19<sup>th</sup> November, 2019

  
**Nitesh Gangwal**  
 Company Secretary

  
**Sanjay Soni**  
 Chief Financial Officer