



**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 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), statement of Changes in Equity and Statement of Cash Flows for the year 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, 2021, 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.

**Emphasis of Matter**

We draw attention to Note No. 38, which describes the management's assessment of the impact of the outbreak of COVID-19 on the business operations of the entity. Management believes that no adjustment are required in the financial statements as it does not impact





the current financial year, however in view of various preventive measures taken and highly uncertain economic environment, a definitive assessment of the impact on the subsequent period is highly dependent upon circumstances as they evolve.

Our opinion is not modified in respect of this matter.

### 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:

Sr. 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 in accordance with the RERC order for the year and views expressed by the office of Comptroller &amp; Auditor General of India (CAG) which is being consistently followed by the company. [Refer note no. 27(c)]</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



# SHAMBHU GUPTA AND CO.

Chartered Accountants



D-25, INDRAPURI COLONY,  
LALKOTHI, JAIPUR ,302015  
Email: guptasl@hotmail.com  
Tele : 9829092375

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 27(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: 25.02.2022**

**UDIN: 22073962ADQVFN4263**

**For Shambhu Gupta & Co.  
Chartered Accountants**

**(FRN:007234C)**



**Shambhu Lal Gupta**

**Partner**

**(M. No. 073962)**

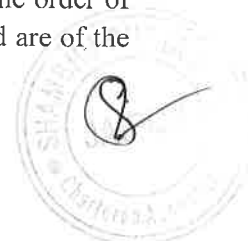


## ANNEXURE "1" TO THE INDEPENDENT AUDITOR'S REPORT

(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, 2021)

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 for mining 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 27(r)** 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, GST Compensation 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), GST Compensation 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, GST Compensation cess, 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 (Gross Demand)	Forum where dispute is pending
The Rajasthan Value Added Tax Act,2003	VAT & Interest (Recovered by department)	Financial Year 2010-11	0.97	Appellate Authority (Rajasthan Tax Board, Ajmer)
Commissioner(CGST and Central Excise)	Demand of Service tax on Royalty, DMFT, NMET and Interest	April-2016 to June 2017	23.47	Hon'ble CESTAT New Delhi
Commissioner(CGST and Central Excise)	Grant of GST Refund under the Transitional Provision of GST Act,2017 (incl. Interest)	October 2011 to June-2017	132.40	Hon'ble CESTAT New Delhi
Income Tax Act,1961	Income Tax and Interest	Financial Year 2011-12	4.91	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	Income Tax and Interest	Financial Year 2016-17	13.80	Commissioner of Income Tax (Appeals)-Jaipur
Income Tax Act,1961	Income Tax and Interest	Financial Year 2017-18	0.03	Commissioner of Income Tax (Appeals)-Jaipur
Income Tax Act,1961	TDS and Interest	Financial Year 2010-11	0.05	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
Income Tax Act,1961	Interest on non-deduction of TDS	Financial Year 2012-13	0.003	Commissioner of Income Tax (Appeals)-Jaipur
Income Tax Act,1961	Interest on non-deduction of TDS	Financial Year 2013-14	0.02	Commissioner of Income Tax (Appeals)-Jaipur
Income Tax Act,1961	Interest on non-deduction of TDS	Financial Year 2014-15	0.003	Commissioner of Income Tax (Appeals)-Jaipur
Income Tax Act,1961	Interest on non-deduction of TDS	Financial Year 2015-16	0.004	Commissioner of Income Tax (Appeals)-Jaipur
Income Tax Act,1961	Interest on non-deduction of TDS	Financial Year 2016-17	0.003	Commissioner of Income Tax (Appeals)-Jaipur

(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 Government 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 Shambhu Gupta & Co.**  
**Chartered Accountants**  
**(FRN: 007234C)**

**Place: Jaipur**

**Date: 25.02.2022**

**UDIN: 22073962ADQVFN4263**



**Shambhu Lal Gupta**  
**Partner**  
**(M. No. 073962)**

## **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, 2021 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, 2021, 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 Shambhu Gupta & Co.**  
**Chartered Accountants**  
**(FRN:007234C)**

**Place: Jaipur**  
**Date: 25.02.2022**  
**UDIN: 22073962ADQVFN4263**

  
**Shambhu Lal Gupta**  
**Partner**  
**(M. No. 073962)**

## **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>Sr. 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	<p>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>	<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 dated 11<sup>th</sup> July 2016. 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 dated 3<sup>rd</sup> May 2017. No Displacement/Rehabilitation have taken place during financial year 2020-2021.</p>	<p>No Impact (It may be noted that we are not a technical expert on these matters.)</p>
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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 rule 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

**Place: Jaipur**

**Date: 25.02.2022**

**UDIN: 22073962ADQVFN4263**

**For Shambhu Gupta & Co.  
Chartered Accountants  
(FRN:007234C)**



**Shambhu Lal Gupta  
Partner  
(M. No. 073962)**

**BARMER LIGNITE MINING COMPANY LIMITED**  
Balance Sheet as at March 31, 2021

₹ crore

Particulars		Note No	As at March 31, 2021	As at March 31, 2020
<b>A</b>	<b>ASSETS</b>			
1	<b>Non-current assets</b>			
	(a) Property, plant and equipment	5	217.46	117.88
	(b) Capital work-in-progress	6	1.49	89.09
	(c) Intangible assets	7	1,947.72	1,998.02
	(d) Financial assets			
	(i) Other financial assets	8	52.76	48.66
	(e) Deferred tax assets (net)		6.84	6.21
	(f) Other non-current assets	9	30.17	30.80
	<b>Total Non - Current Assets</b>		<b>2,256.44</b>	<b>2,290.67</b>
2	<b>Current Assets</b>			
	(a) Inventories	10	35.95	52.72
	(b) Financial Assets			
	(i) Trade receivables	11	242.68	305.67
	(ii) Cash and cash equivalents	12	0.10	0.71
	(iii) Bank balances other than (ii) above	13	164.86	147.02
	(iv) Others financial assets	8	7.41	5.18
	(c) Other current assets	9	4.46	1.85
	<b>Total Current Assets</b>		<b>455.46</b>	<b>513.15</b>
	<b>Total Assets</b>		<b>2,711.90</b>	<b>2,803.82</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>			
1	<b>EQUITY</b>			
	(a) Equity share capital	14 (A)	20.00	20.00
	(b) Other equity	14 (B)	41.02	1.68
	<b>Total Equity</b>		<b>61.02</b>	<b>21.68</b>
	<b>LIABILITIES</b>			
2	<b>Non-current liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	15	1,510.55	1,595.42
	(ii) Other financial liabilities	16	501.07	348.48
	<b>Total Non - Current Liabilities</b>		<b>2,011.62</b>	<b>1,943.90</b>
3	<b>Current liabilities</b>			
	(a) Financial Liabilities			
	(i) Trade payables			
	(a) Total outstanding dues of micro, small & medium enterprises		0.14	0.16
	(b) Total outstanding dues of creditor other than micro, small & medium enterprises	17	253.19	117.11
	(ii) Other financial liabilities	16	234.34	441.31
	(b) Other current liabilities	18	66.07	79.18
	(c) Provisions	19	28.41	154.89
	(d) Income tax liabilities (Net)	20	57.11	45.59
	<b>Total Current Liabilities</b>		<b>639.26</b>	<b>838.24</b>
	<b>Total Equity and Liabilities</b>		<b>2,711.90</b>	<b>2,803.82</b>

See accompanying notes to the financial statements

As per our attached report of even date  
For **Shambhu Gupta & Co.**  
Chartered Accountants  
Firm Registration No - 007234C

*Shambhu*  
**Shambhu Lal Gupta**  
Partner  
Membership No - 073962



Place: Jaipur  
Date: 25/02/2022

For and on behalf of the Board of Directors

*Lalit Kumar Gupta*  
**Lalit Kumar Gupta**  
Managing Director  
[DIN 03359060]

*Nitesh Gangwal*  
**Nitesh Gangwal**  
Company Secretary

*Subodh*  
**Dr. Subodh Agarwal**  
Chairman  
[DIN 06940604]

*Sanjay*  
**Sanjay Soni**  
Chief Financial Officer



**BARMER LIGNITE MINING COMPANY LIMITED**  
Statement of Profit and Loss for the year ended March 31, 2021

₹ crore

Particulars		Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
I	Revenue from operations	21	1,228.85	891.46
II	Other income	22	14.69	16.22
III	<b>Total Income</b>		<b>1,243.54</b>	<b>907.68</b>
IV	<b>EXPENSES</b>			
	(a) Cost of lignite mining	23	788.43	544.51
	(b) (Increase) / Decrease in inventories		16.77	(4.21)
	(c) Employee benefits expense	24	3.62	3.19
	(d) Finance costs	25	185.71	190.47
	(e) Depreciation and amortisation expense	5 & 7	59.87	44.33
	(f) Other expenses	26	121.10	112.56
	<b>Total expenses</b>		<b>1,175.50</b>	<b>890.85</b>
V	<b>Profit before tax</b>		<b>68.04</b>	<b>16.83</b>
VI	<b>Tax expense</b>			
	-Current tax		29.33	13.97
	-Deferred tax		(0.63)	0.84
	<b>Total tax expense</b>		<b>28.70</b>	<b>14.81</b>
VII	<b>Profit for the year</b>		<b>39.34</b>	<b>2.02</b>
VIII	<b>Other comprehensive income</b>			
	(i) Items that will not be reclassified to profit or loss		-	-
	(ii) Items that will be reclassified to profit or loss		-	-
IX	<b>Total comprehensive income for the year</b>		<b>39.34</b>	<b>2.02</b>
X	<b>Earnings per equity share of face value of ₹ 10 each</b>			
	Basic (₹)		19.67	1.01
	Diluted (₹)		19.67	1.01

See accompanying notes to the financial statements

As per our attached report of even date

For Shambhu Gupta & Co.

Chartered Accountants

Firm Registration No - 007234C

  
Shambhu Lal Gupta

Partner

Membership No - 073962



Place: Jaipur

Date: 25/02/2022

For and on behalf of the Board of Directors

Lalit Kumar Gupta  
Managing Director  
[DIN 03359060]

Dr. Subodh Agarwal  
Chairman  
[DIN 06940604]



Nitesh Gangwal  
Company Secretary



Sanjay Soni  
Chief Financial Officer

**BARMER LIGNITE MINING COMPANY LIMITED**  
Statement of Cash Flows for the year ended March 31, 2021

₹ crore

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
<b>I. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit before Tax		68.04		16.83
Adjusted for:				
Depreciation and amortisation expense	59.87		44.33	
Interest income	(14.69)		(16.22)	
Finance costs	185.71		190.47	
		230.89		218.58
<b>Operating profit before working capital changes</b>		<b>298.93</b>		<b>235.41</b>
Adjustments for:				
Increase/(Decrease) in Trade and other receivables	62.99		(139.07)	
Increase/(Decrease) in Trade and Other payables	136.06		46.19	
Increase/(Decrease) in Other liabilities & provisions	(174.32)		1.99	
(Increase)/Decrease in Inventories	16.77		(4.21)	
(Increase)/Decrease Loans and advances	(4.82)		194.46	
		36.68		99.36
<b>Cash generated from operations</b>		<b>335.61</b>		<b>334.77</b>
Direct taxes paid including TDS (Net)		(17.80)		(30.26)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>		<b>317.81</b>		<b>304.51</b>
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of Property, plant and equipment including CWIP, capital advances and pre-operative expenses		(15.81)		(98.15)
Interest Income		11.20		9.60
Investment in Bank Deposits other than Cash & cash equivalents		(17.85)		(20.71)
<b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>		<b>(22.46)</b>		<b>(109.26)</b>
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from Long term Borrowings-Banks/FIs		0.00		26.77
Repayment of Long term Borrowings-Banks/Fis		(70.37)		(44.81)
Finance costs		(225.59)		(179.68)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<b>(295.96)</b>		<b>(197.72)</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (I+II+III)</b>		<b>(0.61)</b>		<b>(2.47)</b>
<b>CASH AND CASH EQUIVALENTS - AT THE BEGINNING OF THE YEAR</b> (Refer Note 12)		<b>0.71</b>		<b>3.18</b>
<b>CASH AND CASH EQUIVALENTS - AT THE END OF THE YEAR</b> (Refer Note 12)		<b>0.10</b>		<b>0.71</b>

**Notes :**

1. The above statement of cash flows has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.

2. Previous year's figures have been re-grouped / re-arranged wherever necessary to conform to current year's classification.

See accompanying notes to the financial statements

As per our attached report of even date

**For Shambhu Gupta & Co.**

**Chartered Accountants**

Firm Registration No - 007234C


  
**Shambhu Lal Gupta**  
Partner  
Membership No - 073962




Place : Jaipur  
Date : 25/02/2022

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

  
**Lalit Kumar Gupta**  
Managing Director  
[DIN 03359060]

  
**Dr. Subodh Agarwal**  
Chairman  
[DIN 06940604]

  
**Nitesh Gangwal**  
Company Secretary

  
**Sanjay Soni**  
Chief Financial Officer

**BARMER LIGNITE MINING COMPANY LIMITED**

**Statement of Changes in Equity for the year ended March 31, 2021**

**A. EQUITY SHARE CAPITAL**

₹ crore

Particulars	Total
Balance at April 1, 2019	20.00
Changes in equity share capital during the year	-
<b>Balance as at March 31, 2020</b>	<b>20.00</b>
Changes in equity share capital during the year	-
<b>Balance at March 31, 2021</b>	<b>20.00</b>

**B. OTHER EQUITY**

₹ crore

Particulars	Reserves and Surplus	Total Other Equity
	Retained earnings	
Balance at April 1, 2019	(0.34)	(0.34)
Profit for the year	2.02	2.02
Other comprehensive income	-	-
<b>Total Comprehensive Income for the year ended March 31, 2020</b>	<b>2.02</b>	<b>2.02</b>
<b>Balance at March 31, 2020</b>	<b>1.68</b>	<b>1.68</b>


₹ crore

Particulars	Reserves and Surplus	Total Other Equity
	Retained earnings	
Balance at April 1, 2020	1.68	1.68
Profit for the year	39.34	39.34
Other comprehensive income	-	-
<b>Total Comprehensive Income for the year ended March 31, 2021</b>	<b>39.34</b>	<b>39.34</b>
<b>Balance at March 31, 2021</b>	<b>41.02</b>	<b>41.02</b>

See accompanying notes to the financial statements


As per our attached report of even date  
For Shambhu Gupta & Co.  
Chartered Accountants  
Firm Registration No - 007234C

For and on behalf of the Board of Directors

  
Shambhu Lal Gupta  
Partner  
Membership No - 073962



  
Lalit Kumar Gupta  
Managing Director  
[DIN 03359060]

  
Dr. Subodh Agarwal  
Chairman  
[DIN 06940604]

Place: Jaipur  
Date: 25/02/2022

  
Nitesh Gangwal  
Company Secretary

  
Sanjay Soni  
Chief Financial Officer

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

### **Note No. 1 - General information:**

The Company is a public company domiciled in India and is incorporated 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) holding 49% shares. The Corporate office of the Company is located at Office No 2 & 3, 7<sup>th</sup> Floor, Man Upasana Plaza, C-44 Sardar Patel Marg, C-Scheme Jaipur, Rajasthan - 302001.

The Company is primarily engaged in the mining of lignite for exclusive supply of Lignite to JSWEBL for generation and sale of power.

### **Note No. 2.1 - Statement of Compliance:**

The Financial Statements of the Company which comprises the Balance Sheet as at 31<sup>st</sup> March, 2021, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended 31<sup>st</sup> March, 2021, and a summary of the significant accounting policies have been prepared in accordance with Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, the provisions of the Companies Act, 2013 ("the Act") to the extent notified and other accounting principles generally accepted in India.

### **Note No. 2.2 - Basis of preparation and presentation of Financial Statements**

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 off to the nearest crore, except otherwise indicated.



**Note No. 3 - Significant Accounting Policies:**

**3.1 Property, plant and equipment's (PPEs):**

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 (MCC) 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	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 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 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 First in first out (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 sales returns, trade allowances, rebate and amount collected on behalf of third party.

Royalty, Contribution to District Mineral Foundation Trust (DMFT) and Contribution to National Mineral Exploration Trust (NMET) along with applicable GST on these items under reverse charge mechanism are liability of the company. Since the recoveries of these taxes flows to the company on its own accounts, revenue includes these taxes.

Sales are recognised when the lignite is delivered to JSW Energy (Barmer) Limited. Revenue from supply of Lignite is based on ad-hoc transfer price awarded by Rajasthan Electricity Regulatory Commission (RERC) since FY 2011-2012 itself and same is pending award for final transfer price.

Supplementary invoice/credit note are issued for any variation in actual Gross calorific value (GCV) as against GCV approved by the RERC.

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.

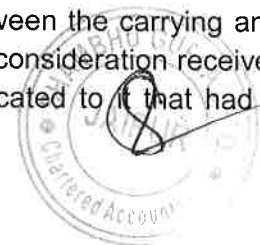
### **Derecognition of financial assets**

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 deposits 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 the respective escrow account opened with Escrow Agent, Punjab National Bank for each mines.

Mine Closure charges are recognized in compliance of Ind AS 16 (Property, Plant and Equipment). Accordingly, the Company had recognised Intangible Assets and correspondingly financial liability for mine closure charges. Mine Closure charges 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.

The value of the provision is progressively increased over time as Finance expense recognized for each year.

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

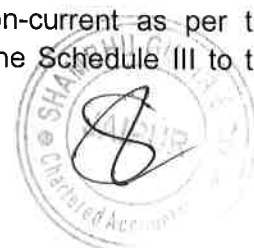
The provisions of Ind AS 19 on Employee Benefits are not applicable on the Company as the Company does not have any employee on its rolls. They are being deputed/assigned from Joint venture partners. Hence, all employee related benefits are being taken care of by the respective joint venture partners 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.

### **3.19 General**

- (i) In case of Goods and Service Tax (GST) paid /payable on Lignite extraction charges and other supplies, the same has been charged to Statement of Profit and Loss after netting off the GST payable on sale of Lignite due to inverted duty structure. On account of the huge difference in GST on Lignite extraction cost and GST on sale of Lignite, the possibility of utilisation of balance credit of GST cannot be ascertained with reasonable certainty.
- (ii) All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and/or other criteria set out in the Schedule III to the Companies Act, 2013.



**Note No. 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 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, 2021

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 01, 2020	0.34	141.69	0.05	0.06	0.11	142.26
Additions	-	109.13	0.01	-	-	109.14
Disposal/Other adjustments	-	-	-	-	-	-
<b>Balance as at March 31, 2021</b>	<b>0.34</b>	<b>250.82</b>	<b>0.06</b>	<b>0.06</b>	<b>0.11</b>	<b>251.40</b>
<b>II. Accumulated depreciation</b>						
Balance as at April 01, 2020	0.03	24.21	0.04	0.03	0.07	24.38
Depreciation expense for the year ended March 31, 2021	0.01	9.52	0.01	0.01	0.02	9.57
<b>Balance as at March 31, 2021</b>	<b>0.04</b>	<b>33.73</b>	<b>0.05</b>	<b>0.04</b>	<b>0.09</b>	<b>33.94</b>
<b>III. Net carrying value as at March 31, 2021</b>	<b>0.30</b>	<b>217.09</b>	<b>0.01</b>	<b>0.02</b>	<b>0.03</b>	<b>217.46</b>

₹ crore						
Particulars	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
<b>I. Gross carrying value</b>						
Balance as at April 01, 2019	0.34	111.66	0.05	0.06	0.11	112.22
Additions	-	30.03	-	-	-	30.03
Disposal/Other adjustments	-	0.00	-	-	-	0.00
<b>Balance as at March 31, 2020</b>	<b>0.34</b>	<b>141.69</b>	<b>0.05</b>	<b>0.06</b>	<b>0.11</b>	<b>142.25</b>
<b>II. Accumulated depreciation</b>						
Balance as at April 01, 2019	0.02	16.55	0.03	0.02	0.05	16.67
Depreciation expense for the year ended March 31, 2020	0.01	7.66	0.01	0.01	0.01	7.70
<b>Balance as at March 31, 2020</b>	<b>0.03</b>	<b>24.21</b>	<b>0.04</b>	<b>0.03</b>	<b>0.06</b>	<b>24.37</b>
<b>III. Net carrying value as at March 31, 2020</b>	<b>0.31</b>	<b>117.48</b>	<b>0.01</b>	<b>0.03</b>	<b>0.05</b>	<b>117.88</b>



## BARMER LIGNITE MINING COMPANY LIMITED

Notes to the financial statements for the year ended March 31, 2021

Note No. 06 - Capital work in progress

₹ crore

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Plant and Equipment and Civil Works</b>		
Plant and Equipment and Civil Works	102.87	115.07
Less:- Amount transferred to property, plant and equipment	(102.87)	(29.47)
<b>TOTAL (A)</b>	-	<b>85.60</b>
<b>PRE-OPERATIVE EXPENDITURE</b>		
<b>Opening balance</b>	3.49	0.35
Finance Charges	-	0.12
Interest During Construction Period	4.18	3.57
Less:- Amount transferred to Property, Plant and Equipment	(6.18)	(0.55)
<b>TOTAL (B)</b>	<b>1.49</b>	<b>3.49</b>
<b>TOTAL (A+B)</b>	<b>1.49</b>	<b>89.09</b>



**BARMER LIGNITE MINING COMPANY LIMITED**

Notes to the financial statements for the year ended March 31, 2021

Note No. 07 - Intangible Assets

							₹ crore
Particulars	Rights under Implementation and JV Agreement- Kapurdi	Surface Rights- Kapurdi	Other Intangible- Kapurdi	Rights under Implementation and JV Agreement- Jalipa	Surface Rights- Jalipa	Other Intangible- Jalipa	Total
<b>I. Intangible Assets</b>							
<b>Gross Carrying Value</b>							
Balance as at April 01, 2020	2.70	291.75	92.57	6.80	1,641.65	92.75	2,128.22
Additions	-	-	-	-	-	-	-
Disposal/Other adjustments	-	-	-	-	-	-	-
<b>Balance as at March 31, 2021</b>	<b>2.70</b>	<b>291.75</b>	<b>92.57</b>	<b>6.80</b>	<b>1,641.65</b>	<b>92.75</b>	<b>2,128.22</b>
<b>II. Accumulated amortisation</b>							
Balance as at April 01, 2020	0.57	61.88	18.24	0.19	46.68	2.64	130.20
Amortisation expense for the year ended March 31, 2021	0.12	12.45	4.03	0.13	31.77	1.80	50.30
Other adjustments	-	-	-	-	-	-	-
<b>Balance as at March 31, 2021</b>	<b>0.69</b>	<b>74.33</b>	<b>22.27</b>	<b>0.32</b>	<b>78.45</b>	<b>4.44</b>	<b>180.50</b>
<b>III. Net carrying value as at March 31, 2021</b>	<b>2.01</b>	<b>217.42</b>	<b>70.30</b>	<b>6.48</b>	<b>1,563.20</b>	<b>88.31</b>	<b>1,947.72</b>

							₹ crore
Particulars	Rights under Implementation and JV Agreement- Kapurdi	Surface Rights- Kapurdi	Other Intangible- Kapurdi	Rights under Implementation and JV Agreement- Jalipa	Surface Rights- Jalipa	Other Intangible- Jalipa	Total
<b>I. Intangible Assets</b>							
<b>Gross Carrying Value</b>							
Balance as at April 01, 2019	2.70	291.18	92.57	6.80	1,641.65	92.75	2,127.65
Additions	-	0.57	-	-	-	-	0.57
Disposal/Other adjustments	-	-	-	-	-	-	-
<b>Balance as at March 31, 2020</b>	<b>2.70</b>	<b>291.75</b>	<b>92.57</b>	<b>6.80</b>	<b>1,641.65</b>	<b>92.75</b>	<b>2,128.22</b>
<b>II. Accumulated amortisation</b>							
Balance as at April 01, 2019	0.46	49.42	14.21	0.12	27.79	1.57	93.57
Amortisation expense for the year ended March 31, 2020	0.11	12.45	4.03	0.08	18.89	1.07	36.63
Other adjustments	-	-	-	-	-	-	-
<b>Balance as at March 31, 2020</b>	<b>0.57</b>	<b>61.88</b>	<b>18.24</b>	<b>0.19</b>	<b>46.68</b>	<b>2.64</b>	<b>130.20</b>
<b>III. Net carrying value as at March 31, 2020</b>	<b>2.13</b>	<b>229.87</b>	<b>74.33</b>	<b>6.61</b>	<b>1,594.97</b>	<b>90.11</b>	<b>1,998.02</b>



**BARMER LIGNITE MINING COMPANY LIMITED**

Notes to the financial statements for the year ended March 31, 2021

**Note No. 08 - Other Financial Assets**

₹ crore

Particulars	As at March 31, 2021			As at March 31, 2020		
	Current	Non- Current	Total	Current	Non- Current	Total
<b>Unsecured, considered good</b>						
<b>a) Security Deposits</b>						
(i) Government/Semi-Government Authorities	-	0.28	0.28	-	0.28	0.28
<b>b) Interest Receivable</b>						
(i) Interest accrued on deposits	2.79	52.34	55.13	3.26	48.38	51.64
<b>c) Other Bank Balances</b>						
<b>In Deposit Accounts</b>						
(i) Earmarked balances in deposit account Maturity period more than 12 months	-	0.14	0.14	-	-	-
<b>d) Other Receivables</b>						
(i) Others	4.62	-	4.62	1.92	-	1.92
<b>TOTAL</b>	<b>7.41</b>	<b>52.76</b>	<b>60.17</b>	<b>5.18</b>	<b>48.66</b>	<b>53.84</b>

**Note No. 9 - Other non-current and current assets**

₹ crore

Particulars	As at March 31, 2021			As at March 31, 2020		
	Current	Non- Current	Total	Current	Non- Current	Total
<b>Unsecured, considered good</b>						
(a) Capital Advances	-	17.07	17.07	-	17.07	17.07
(b) Prepayments	1.38	0.41	1.79	1.23	1.04	2.27
(c) Balances with government authorities	3.08	-	3.08	0.62	-	0.62
(d) Payment under Protest for Income Tax	-	11.72	11.72	-	11.72	11.72
(e) Payment under Protest for VAT	-	0.97	0.97	-	0.97	0.97
<b>TOTAL</b>	<b>4.46</b>	<b>30.17</b>	<b>34.63</b>	<b>1.85</b>	<b>30.80</b>	<b>32.65</b>



## BARMER LIGNITE MINING COMPANY LIMITED

Notes to the financial statements for the year ended March 31, 2021

### Note No. 10 - Inventories

Particulars	₹ crore	
	As at March 31, 2021	As at March 31, 2020
<b>Finished goods</b>		
Lignite	35.95	52.72
<b>Total</b>	<b>35.95</b>	<b>52.72</b>
1. Basis of Valuation - Refer Note No 3.9		





## BARMER LIGNITE MINING COMPANY LIMITED

Notes to the financial statements for the year ended March 31, 2021

### Note No. 11 - Trade receivables

₹ crore

Particulars	As at March 31, 2021		As at March 31, 2020	
	Current	Non Current	Current	Non Current
Trade receivables				
- Unsecured, considered good	242.68	-	305.67	-
<b>TOTAL</b>	<b>242.68</b>	<b>-</b>	<b>305.67</b>	<b>-</b>

Note:- Customer balances are confirmed by the respective parties.



## BARMER LIGNITE MINING COMPANY LIMITED

Notes to the financial statements for the year ended March 31, 2021

### Note No. 12 - Cash and cash equivalents

	₹ crore	
Particulars	As at March 31, 2021	As at March 31, 2020
<b>Cash and bank balances</b>		
(a) Balances with banks		
(i) In Current accounts	0.10	0.71
(b) Cash in hand <sup>1</sup>	-	0.00
<b>TOTAL</b>	<b>0.10</b>	<b>0.71</b>
1) Cash in hand is ₹ 50,000 in the previous financial year		

### Note No. 13 - Bank balances other than Cash and cash equivalents

	₹ crore	
Particulars	As at March 31, 2021	As at March 31, 2020
<b>Bank balances other than Cash and cash equivalents</b>		
(a) Earmarked balances with banks		
(i) Bank Balance in Mine Closure Escrow Account	36.93	-
(b) Earmarked balances in deposit account with banks		
(i) Deposit for Debt Service Reserve Account (DSRA)	48.60	41.64
(ii) Deposit in Mine Closure Escrow Account	79.33	105.26
(iii) In Deposit Accounts - Others	-	0.12
<b>TOTAL</b>	<b>164.86</b>	<b>147.02</b>



**BARMER LIGNITE MINING COMPANY LIMITED**

Notes to the financial statements for the year ended March 31, 2021

**Note No. 14 (A) Equity Share Capital**

₹ crore

Particulars	As at March 31, 2021		As at March 31, 2020	
	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>
<b>(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the year.</b>				
Particulars	Opening Balance at April 1, 2020	Fresh Issue	Closing Balance as at March, 31 2021	
Equity Shares No of Shares	2,00,00,000	0.00	2,00,00,000	
<b>(ii) Details of Aggregate shareholding by Holding Company, Subsidiary of Holding Company or Associate of Holding Company</b>				
Particulars	As at March 31, 2021		As at March 31, 2020	
	No of Shares		No of Shares	
Rajasthan State Mines and Minerals Limited (Holding Company) - A Government of Rajasthan Enterprise	1,02,00,000		1,02,00,000	
<b>(iii) Details of Aggregate shareholder holding more than 5% of aggregate shares in the Company</b>				
Particulars	As at March 31, 2021		As at March 31, 2020	
	No of Shares	% of Holding	No of Shares	% of Holding
Rajasthan State Mines and Minerals Limited (Holding Company)	1,02,00,000	0.51	1,02,00,000	0.51
JSW Energy (Barmer) Limited (Joint Venture Partner)	98,00,000	0.49	98,00,000	0.49
<b>(iv) Terms &amp; Rights attached to equity shares</b>				
a) The Company has only one class of equity share having a par value of ₹ 10/- each. Each holder of equity shares is entitled to one vote per share.				
b) In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to the shareholding.				
c) No shares have been reserved for issue under options and contracts/commitments for the sale of shares/ disinvestments as at balance sheet date.				
d) No securities convertible in to equity/preference shares have been issued by the Company during the year.				
<b>(v) No Bonus Shares and shares for consideration other than cash issued during the last five years by the Company.</b>				



## BARMER LIGNITE MINING COMPANY LIMITED

Notes to the financial statements for the year ended March 31, 2021

Note No. - 14 (B) : Other equity

Particulars	Reserves and Surplus			Total Other Equity
	General reserve	Equity Settled Share based payment reserve	Retained earnings	
<b>Balance at April 1, 2019</b>	-	-	(0.34)	(0.34)
Profit for the year ended March 31, 2020	-	-	2.02	2.02
Other comprehensive income				-
<b>Total comprehensive income for the year ended March 31, 2020</b>	-	-	<b>2.02</b>	<b>2.02</b>
Share based payments	-		-	-
<b>Balance as at March 31, 2020</b>	-	-	<b>1.68</b>	<b>1.68</b>
Profit for the year ended March 31, 2021	-		39.34	39.34
Other comprehensive income			-	-
<b>Total comprehensive income for the year ended March 31, 2021</b>			<b>39.34</b>	<b>39.34</b>
Share based payments	-		-	-
<b>Balance as at March 31, 2021</b>	-	-	<b>41.02</b>	<b>41.02</b>

₹ crore



**BARMER LIGNITE MINING COMPANY LIMITED**

Notes to the financial statements for the year ended March 31, 2021

**Note No. 15 - Borrowings**

₹ crore

Particulars	As at March 31, 2021		As at March 31, 2020	
	Current	Non Current	Current	Non Current
<b>Measured at amortised cost</b>				
<b>A. Secured Borrowings:</b>				
Term Loans				
(i) From banks	74.29	836.11	61.83	909.99
(ii) From financial institutions	11.50	107.85	9.50	119.35
	<b>85.79</b>	<b>943.96</b>	<b>71.33</b>	<b>1,029.34</b>
Less: Unamortised borrowing cost	0.13	1.05	0.18	1.56
Less - Current maturities of long term debt ( included in other financial liabilities-Refer Note No. 16)	85.66	-	71.15	-
<b>Total Secured Borrowings (A)</b>	-	<b>942.91</b>	-	<b>1,027.78</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>1,510.55</b>	-	<b>1,595.42</b>

**15.1 Details of Loan Security:**

(i) Rupee Term Loan amounting to ₹ 1184.50 crores (Previous year ₹ 1184.50 crores) is availed from consortium of banks, lead by Punjab National Bank. The loan is secured by :

- (a) A first pari passu charge by way of hypothecation of movable assets of the project;
- (b) A first pari passu charge by way of mortgage on the immovable assets of the project (to be created as may be permissible under relevant laws and allowed by the government);
- (c) A first pari passu charge on all project's bank accounts including but not limited to the Trust and Retention (TRA) opened in a designated bank, where all cash inflows from the project shall be deposited and all proceeds shall be utilized in a manner and priority to be decided by the lenders. The appointment of the TRA agent for operating the above account shall be subject to the approval of the lenders;
- (d) A first pari passu charge on the operating cash flows, commissions, revenues of whatever nature and wherever arising, present and future, intangibles, goodwill, uncalled capital, present and future;
- (e) Assignment by way of security in favour of the lenders of all rights, titles and interests of the Company in, to and under all assets of the project and all project documents, contracts, insurance policies, permits/approvals etc. related to the lignite mine development to which the Company is a party, which can be legally assigned and as may be permissible by the government;
- (f) Assignment of mining lease/mining rights and other related rights (to be created as may be permissible under relevant laws and allowed by the government); and
- (g) Pledge of 49% equity shares of the Company held by the JSW Energy (Barmer) Limited.

**15.2 Terms of Repayment of Term Loan:**

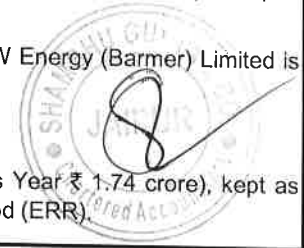
Particulars	As at March 31, 2021	As at March 31, 2020
<b>From Banks :</b>		
2 - 3 Years	156.19	152.94
4 - 5 Years	156.19	156.19
6 - 10 Years	345.07	363.84
Above 10 Years	178.66	237.02
<b>Total Borrowings from Banks</b>	<b>836.11</b>	<b>909.99</b>
<b>From Financial Institutions :</b>		
2 - 3 Years	24.00	23.50
4 - 5 Years	24.00	24.00
6 - 10 Years	59.85	60.00
Above 10 Years	0.00	11.85
<b>Total Borrowings from Financial Institutions</b>	<b>107.85</b>	<b>119.35</b>

a) Outstanding amount (including Current Maturity of Long Term Loan) of ₹ 1,029.75 crores (Previous Year ₹ 1,100.67 crores) as rupee term loan is repayable in 73 structured quarterly installments from June 2020 to June 2038.

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 31.03.2021

**15.3** Rupee Term Loan is after netting off balance of unamortised upfront fees of ₹ 1.19 crore (Previous Year ₹ 1.74 crore), kept as deferred payment to comply with requirement of Ind AS-23 and is amortised on effective interest rate method (ERR).



## BARMER LIGNITE MINING COMPANY LIMITED

Notes to the financial statements for the year ended March 31, 2021

### Note No. 16 - Other Financial Liabilities

₹ crore

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Other Financial Liabilities Measured at Amortised Cost</b>		
<b>(a) Non-Current</b>		
(i) Liabilities for Accrued Interest on Subordinated Loan from JSW Energy (Barmer) Limited	151.18	-
(i) Liability for Mine Closure Charges	349.89	348.48
<b>TOTAL (A)</b>	<b>501.07</b>	<b>348.48</b>
<b>(b) Current</b>		
(i) Current maturities of long-term debt	85.66	71.15
(ii) Liabilities for Accrued Interest on Subordinated Loan from JSW Energy (Barmer) Limited	135.00	352.59
(iii) Interest accrued but not due on borrowings	0.06	9.67
(iv) Security Deposits	0.12	0.12
(v) Creditors for other liabilities		
(1) Creditors for capital supplies/services	13.46	5.25
(2) Retention money	0.04	2.53
<b>TOTAL (B)</b>	<b>234.34</b>	<b>441.31</b>
<b>TOTAL (A+B)</b>	<b>735.41</b>	<b>789.79</b>



## BARMER LIGNITE MINING COMPANY LIMITED

Notes to the financial statements for the year ended March 31, 2021

### Note No. 17 - Trade Payables

₹ crore

Particulars	As at March 31, 2021		As at March 31, 2020	
	Current	Non- Current	Current	Non- Current
(a) Total outstanding dues of micro, small & medium enterprises	0.14	-	0.16	-
(b) Total outstanding dues of creditor other than micro, small & medium enterprises	253.19	-	117.11	-
<b>TOTAL</b>	<b>253.33</b>	<b>-</b>	<b>117.27</b>	<b>-</b>

### Note No. 18 - Other Liabilities

₹ crore

Particulars	As at March 31, 2021		As at March 31, 2020	
	Current	Non- Current	Current	Non- Current
(a) Statutory Dues Payables	35.43	-	33.01	-
(b) Lignite Extraction charges payable	30.64	-	46.17	-
<b>TOTAL</b>	<b>66.07</b>	<b>-</b>	<b>79.18</b>	<b>-</b>

### Note No. 19 - Provisions

₹ crore

Particulars	As at March 31, 2021		As at March 31, 2020	
	Current	Non Current	Current	Non Current
(a) Miscellaneous Provisions	0.32	-	131.73	-
(b) Provision for Corporate Environment Responsibility (CER)	28.09	-	23.16	-
<b>TOTAL</b>	<b>28.41</b>	<b>-</b>	<b>154.89</b>	<b>-</b>



**BARMER LIGNITE MINING COMPANY LIMITED**

Notes to the financial statements for the year ended March 31, 2021

**Note No. 20 - Current Tax Liabilities**

Particulars	₹ crore	
	As at March 31, 2021	As at March 31, 2020
Provision for Income tax [Net of Advance Tax and Tax Deducted at Source amounting to ₹ 79.38 crore (PY ₹ 60.61 crore)]	57.11	45.59
<b>TOTAL</b>	<b>57.11</b>	<b>45.59</b>





**BARMER LIGNITE MINING COMPANY LIMITED**

Notes to the financial statements for the year ended March 31, 2021

**Note No. 21 - Revenue from Operations**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(i) Revenue from sale of lignite	1,445.53	1,182.16
(ii) Royalty	70.93	68.85
(iii) Contribution to District Mineral Foundation Trust (DMFT)	21.28	20.66
(iv) Contribution to National Mineral Exploration Trust (NMET)	1.42	1.38
Less : Goods and Service Tax	63.79	61.92
Less : GST Compensation Cess	246.52	212.10
Revenue adjustment towards truing up Refer Note no 27 (f)	-	(107.56)
<b>Revenue net of taxes</b>	<b>1,228.85</b>	<b>891.46</b>

₹ crore

**Note No. 22 - Other Income**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>(a) Interest Income</b>		
(i) Interest on Bank deposits	11.41	16.13
<b>TOTAL (A)</b>	<b>11.41</b>	<b>16.13</b>
<b>(b) Other Income</b>		
(i) Interest on Refund of Pre-Deposit of Service Tax/ Goods and Service Tax	2.70	-
(ii) Interest on Income tax refund	0.57	0.08
(iii) Miscellaneous income	0.01	0.01
<b>TOTAL (B)</b>	<b>3.28</b>	<b>0.09</b>
<b>TOTAL (A+B)</b>	<b>14.69</b>	<b>16.22</b>

₹ crore



**BARMER LIGNITE MINING COMPANY LIMITED**

Notes to the financial statements for the year ended March 31, 2021

**Note No. 23 - Cost of Lignite Mining**

₹ crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Lignite Extraction Charges	788.43	544.51
<b>TOTAL</b>	<b>788.43</b>	<b>544.51</b>

**Note No. 24 - Employee Benefits Expenses**

₹ crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Salaries and wages	3.60	3.17
(b) Director sitting fees	0.02	0.02
<b>TOTAL</b>	<b>3.62</b>	<b>3.19</b>

**Note No. 25 - Finance Costs**

₹ crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>(A) Interest expenses</b>		
(i) Interest on rupee term loan	105.41	111.50
(ii) Interest on loans from related party	56.76	56.76
(iii) Other interest expense	22.27	21.86
<b>TOTAL (A)</b>	<b>184.44</b>	<b>190.12</b>
<b>(B) Other borrowing cost</b>		
(i) Finance charges	1.27	0.35
<b>TOTAL (B)</b>	<b>1.27</b>	<b>0.35</b>
<b>TOTAL (A+B)</b>	<b>185.71</b>	<b>190.47</b>



**BARMER LIGNITE MINING COMPANY LIMITED**

Notes to the financial statements for the year ended March 31, 2021

**Note No. 26 - Other Expenses**

₹ crore		
Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Operation & Maintenance of RO Plants	3.30	2.25
(b) Rates and taxes <sup>1</sup>	0.00	0.22
(c) Insurance charges	0.26	0.39
(d) Auditor's Remuneration		
(i) For Statutory Audits	0.03	0.03
(ii) For Taxation matters	0.01	0.00
(iii) Out-of-pocket expenses	-	0.01
(e) Legal and other professional charges	1.31	3.64
(f) Advertisement expenses <sup>2</sup>	0.00	0.42
(g) Travelling expenses	0.10	0.12
(h) Corporate social responsibility expenses (under Companies Act,2013)	0.60	0.54
(i) Royalty expenses	69.55	70.09
(j) Contribution to District Mineral Foundation Trust (DMFT)	20.86	21.03
(k) Contribution to National Mineral Exploration Trust (NMET)	1.39	1.40
(l) GST under reverse charge on Royalty, DMFT and NMET	16.85	16.36
(m) Other general expenses	6.84	(3.94)
<b>TOTAL</b>	<b>121.10</b>	<b>112.56</b>
1) Rates and taxes is less than ₹ 50,000 in current year.		
2) Advertisement expenses is less than ₹ 50,000 in current year.		



**Note No. 27 - Other Notes on Financials Statements:**

(a) The Company has produced 4.50 Million Ton (Previous Year 4.50 Million Ton) & Dispatched 4.65 Million Ton (Previous Year 4.39 Million ton) Lignite from Kapurdi Mines and produced 1.52 Million Ton (Previous Year 0.91 Million Ton) & Dispatched 1.52 Million Ton (Previous Year 0.91 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. The transfer price of Lignite to JSWEBL is determined by Hon'ble Rajasthan Electricity Regulatory Commission (RERC) as per extant regulations. As per the regulations prevailing for financial year 2020-21, the post-tax return on equity is 15.00% per annum (Previous Year 15.00%).

(c) During the year, the Company has recognised revenue on Sale of Lignite for financial year 2020-21 from Kapurdi and Jalipa mines on the basis of Interim Tariff order of RERC dated 23<sup>rd</sup> April, 2020 wherein RERC has extended the same tariff to JSWEBL comprising off the same variable cost as was approved for the financial year 2019-20. In accordance with this order 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 tariff orders for financial year 2019-20. As and when the final RERC order determining the lignite transfer price is received, the impact of such finalized Transfer price/Revenue receivables, MDO charges payable and necessary impact of truing up for the relevant period will be provided in the books of accounts.

(d) As a regulated project the return on equity is capped at 15.00% (post-tax) of invested equity, accordingly the profit after tax works out to ₹ 3.00 crore (Previous Year ₹ 3.00 crore). However, based on adhoc interim transfer price order, the statement of profit and loss of the company for the year ended 31<sup>st</sup> March 21 reflects a profit after tax of ₹ 39.34 crore (Previous Year ₹ 2.02 crore). The Regulator is in the process of determination of final transfer price for supply of lignite to JSWEBL and necessary impact for any truing up towards lignite extraction charges and other costs will be considered in the year in which regulator (RERC) determines the final transfer price.

(e) GST Input Tax Credit availed during the year on Lignite extraction charges and other various supply/services after netting off the GST payable on Sale of Lignite and Miscellaneous supply/services, amounting to ₹ 76.34 crore (Previous Year ₹ 78.03 crore), has been charged to Statement of Profit and Loss due to inverted duty structure. The same has been charged on account of difference in GST applicable on Lignite Extraction Charges and GST payable on sale of lignite which is in line with the accounting policy as mentioned in 3.19(i).

(f) The Company had received the refund of duty under the transitional provision of GST Act, 2017 vide order dated 4<sup>th</sup> September, 2019 for the period from October-2011 to June-2017 amounting to ₹ 107.56 crore in the Financial Year 2019-20 which was deposited under protest on differential price between petitioned transfer price and actual billing price for supply of lignite for the period under consideration. Subsequently the Commissioner, Central Excise, Jaipur had asked the adjudicating authority to file an appeal before the Commissioner (Appeals), Jaipur and take the requisite steps to recover the refund granted



as the adjudicating authority has not examined the issue of unjust enrichment while granting such refund vide order dated 4<sup>th</sup> September, 2019. Against the said refund order, department has filed an appeal before Commissioner (Appeals) on 24<sup>th</sup> October, 2019.

During the year, the Company has received order from the Office of Commissioner (Appeals), Jaipur dated 29<sup>th</sup> January, 2021, wherein the appeal filed by the adjudicating authority was allowed and it was held that the refund claim of ₹ 107.56 crore is hit by the clause of unjust enrichment and that the same is liable to be recovered from the Company. Against the said order, the Company has filed the appeal before Hon'ble CESTAT, New Delhi on 4<sup>th</sup> June, 2021, and the same is pending for consideration before Hon'ble CESTAT, New Delhi.

Further, Principal Commissioner, CGST and Central Excise Commissionerate, Jaipur has issued Show Cause cum Demand Notice (SCN) dated 17<sup>th</sup> August, 2021 for the recovery of ₹ 107.56 crores alongwith applicable interest. Against this SCN, Company has submitted reply dated 13<sup>th</sup> September, 2021 wherein it was mentioned that the Company has filed an appeal before Hon'ble CESTAT, New Delhi for the said matter, accordingly it was requested to keep the proceedings in abeyance till final disposal of the appeal by Hon'ble CESTAT, New Delhi. Based on our submission the Principal Commissioner, Jaipur vide letter 14<sup>th</sup> September, 2021 has transferred the SCN proceedings dated 17<sup>th</sup> August, 2021 to Call Book till the final outcome of the appeal filed before Hon'ble CESTAT, New Delhi.

As per RERC regulation and extant guidelines, this received refund amount is payable to JSWBL. Accordingly, Company had reduced this amount from Revenue under the true up provision and correspondingly from Lignite Extraction Charges of equivalent proportion in the year of refund received. Based on the outcome of the appeal filed if the company required to refund back the above amount to the department in such case the same will be adjusted from the existing amount payable to JSW Energy (Barmer) Limited.

(g) Surface Rights for Kapurdi and Jalipa mines 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 amount while filing the petition for determination of transfer price for supply of lignite before RERC. In order to have a corresponding provision against the adhoc revenue recognized in the books, the Company has made provision for Income Tax on amortization of Surface Right of respective Mines in the books.

(h) Mine Closure Charges (Other Intangible Assets) - The Company had recognised initial liability for Mine Closure Charges in respect of Kapurdi 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



BARMER LIGNITE MINING COMPANY LIMITED  
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021

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 (Previous Year ₹ 118.71 crore) based on mine lease period of 31 years 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 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 ₹ 3.81 crore (Previous Year ₹ 4.03 crore) for Kapurdi mines and ₹ 1.80 crore (Previous Year ₹ 1.07 crore) for Jalipa mines has been charged in the Statement of Profit and Loss Account under the head depreciation and amortisation (Note No. 7 - Intangible Assets).

During the year, the Company has withdrawn ₹ 20.33 crores from Escrow account of Kapurdi Lignite Mines as per the directions of the office of Coal Controller of India vide its order dated 20<sup>th</sup> April, 2020.

As per RERC regulation and extant guidelines, the above amount was part of transfer price and same was recovered from JSW Energy (Barmer) Limited. Therefore, Company has made the liability to refund this amount to JSW Energy (Barmer) Limited.

(i) 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.

(j) Corporate Social Responsibility (CSR)

In accordance with the provision of Section 135 of Companies Act, 2013, the Company has incurred ₹ 0.60 crore (Previous Year ₹ 0.54) on CSR expenses during the year 2020-21. The necessary disclosure for same is as follows

- (a) Gross amount required to be spent by the Company during the year. - ₹ 0.60 crore  
(b) Amount spent during the year: - ₹ 0.60 crore

Particulars	(₹ in crore)		
	In Cash	Yet to be paid in Cash	Total
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	0.60	-	0.60

(k) The Company has considered the provision for liability of works carried/supplies received pertaining to financial year 2020-21 till such invoices received by the Company up to April 30, 2021.



BARMER LIGNITE MINING COMPANY LIMITED  
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021

(I) Contingent liabilities

Particulars	(₹ in crore)	
	As at March 31,2021	As at March 31,2020
<p>(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 Mines. 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 vide its letter dated 26<sup>th</sup> August, 2013.</p>	32.58	32.58
<p>(ii) A demand for ₹ 2.48 crore was raised by Commercial Taxes Department, Jaipur under Rajasthan Value Added Tax Act, 2003 for the F.Y. 2010-11 vide order dated 23<sup>rd</sup> April, 2014 on wrong avilment of ITC on Mining equipments. The demand raised was inclusive of penalty and interest thereon. The Company had deposited ₹ 0.97 crore under protest with the department and filed an appeal against the said order before appellate authority. Appellate authority partially accepted the appeal and set aside the penalty amount imposed of ₹ 1.51 crores vide its order dated 28<sup>th</sup> April, 2015. Department has filed an appeal before Rajasthan Tax Board, Ajmer against the partially accepted order. The Company has also filed an appeal before Rajasthan Tax Board, Ajmer against this partial accepted order dated 28<sup>th</sup> April, 2015.</p> <p>Rajasthan Tax Board, Ajmer has dismissed the appeal filed by the Company and the department vide order dated 07<sup>th</sup> December, 2021.</p> <p>Against this order, Company has filed rectification application under Section 57 of Rajasthan Value Added Tax (RVAT) Act, 2003 before Rajasthan Tax Board, Ajmer. Presently the rectification application is under consideration of the Rajasthan Tax Board, Ajmer.</p>	0.97	0.97
<p>(iii) RSMML had received a service tax adjudication order dated 30<sup>th</sup> April, 2015 from Commissioner (Central Excise), Jaipur for imposing service tax demand of ₹ 122.30 crore plus applicable interest and</p>	427.58	



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<p>penalty on transaction relating to compensation for mining land and others paid by the Company to RSMML. RSMML had filed an appeal before Hon'ble CESTAT, New Delhi against this order.</p> <p>The Joint Venture Company submitted an undertaking to indemnify RSMML from all possible tax and financial liabilities at all point of time for any liabilities arising out of Implementation Agreement (IA)/Joint Venture Agreement (JVA) that have already arisen or may arise in future following transfer of Kapurdi and Jalipa Mining Lease to the Company. Accordingly, the Company has paid an advance of ₹ 9.17 crore (7.5% of total demand) to RSMML for filling of the appeal.</p> <p>The matter has been decided in the favour of RSMML by Hon'ble CESTAT, New Delhi vide order dated 21<sup>st</sup> August, 2019. Against the order of Hon'ble CESTAT, New Delhi department has filed a Civil Appeal before Hon'ble Supreme Court on 15<sup>th</sup> June, 2020 (Diary No.: 12881/2020 and the same is presently under consideration of Hon'ble Supreme Court.</p>		
<p>(iv) The Company has received order dated 05<sup>th</sup> July, 2021 from Commissioner (CGST &amp; Central Excise Commissionerate), Jaipur for imposing service tax demand of ₹ 14.21 crore plus applicable interest and penalty towards Service Tax demand on Royalty, DMFT and NMET. The Company had already discharged the Service Tax liability on these components under Reverse Charge Mechanism (RCM). The Company has filed an appeal before Hon'ble CESTAT, New Delhi on 29<sup>th</sup> September, 2021 against this order. The matter is presently under consideration of Hon'ble CESTAT, New Delhi.</p>	23.47	-
<p>(v) During the year, the Company has received order from the Office of Commissioner (Appeals) dated 29<sup>th</sup> January, 2021, wherein the appeal filed by the adjudicating authority was allowed and it was held that the refund claim of ₹ 107.56 cr. (i.e. the refund of duty under the transitional provision of GST Act for the period from October-2011 to June-2017 amounting to ₹ 107.56 crore which was deposited under protest on differential price between petitioned price and actual billing price for the period under consideration) is covered by the clause of unjust enrichment and that the same is liable to be recovered from the Company.</p>	132.40	-





<p>Against the said order, the Company has filed an appeal before Hon'ble CESTAT, New Delhi on 4<sup>th</sup> June, 2021 and the same is pending for consideration before Hon'ble CESTAT, New Delhi.</p> <p>Further, the Principal Commissioner, CGST and Central Excise Commissionerate, Jaipur has issued Show Cause cum Demand Notice (SCN) on 17<sup>th</sup> August, 2021 for the recovery of ₹ 107.56 crores alongwith applicable interest. Against this SCN, Company has submitted reply dated 13<sup>th</sup> September, 2021 wherein it was mentioned that the Company has filed an appeal before Hon'ble CESTAT, New Delhi for the said matter, accordingly it was requested to keep the proceedings in abeyance till final disposal of the appeal by Hon'ble CESTAT, New Delhi. Based on our submission the Principal Commissioner vide letter 14<sup>th</sup> September, 2021 has transferred the SCN proceedings dated 17<sup>th</sup> August, 2021 to Call Book till the final outcome of the appeal filed before Hon'ble CESTAT, New Delhi.</p> <p>As per RERC regulation and extant guidelines, this received refund amount is payable to JSWBL. Accordingly, Company had reduced this amount from Revenue under the true up provision and correspondingly from Lignite Extraction Charges of equivalent proportion in the year of refund received. (Refer Note No. - 22 and 27(f)) and correspondingly from Lignite Extraction Charges of equivalent proportion.</p> <p>Based on the outcome of the appeal filed if the company required to refund back the above amount to the department in such case the same will be adjusted from the existing amount payable to JSW Energy (Barmer) Limited.</p>		
<p>(vi) The Company had received the Penalty order dated 31<sup>st</sup> March, 2019 wherein a demand of ₹ 3.74 crore was raised for the financial year 2011-12 for certain disallowances/additions made by the Income Tax Department. Company had filed an Appeal against the penalty order before Commissioner of Income Tax (Appeals) - II on 30<sup>th</sup> April, 2019. The matter is presently under consideration of Commissioner of Income Tax (Appeals) - II.</p>	3.74	3.74



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(vii) Disputed demands for Income tax and Interest thereon for various assessment years against which appeals are pending for disposal before various authorities.	24.03	8.90
(viii) The Company had received an order from the Asst. Commissioner of Income Tax (TDS), Jaipur for financial year 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 order before Commissioner of Income Tax (Appeals) - III on 27 <sup>th</sup> April, 2018. The matter is presently under consideration of CIT (Appeals) - III, Jaipur. Against the same, Company had deposited ₹ 0.01 crore under protest for filing of appeal.	0.06	0.06
(ix) The Company had 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 against the above order before Commissioner of Income Tax (Appeals) - III, Jaipur on 11 <sup>th</sup> April, 2019. The matter is presently under consideration of CIT(Appeals) - III, Jaipur. Against the same, company has deposited ₹ 31,152 under protest for filing of appeal.	0.02	0.02
(x) During the year, the Company had received an order from the Jt. Commissioner of Income Tax (OSD) (TDS), Jaipur for FY 2012-13 on account of interest for non-deduction of TDS amounting ₹ 29,170 for certain expenses in the nature of reimbursements. The Company has filed an appeal against the above order before Commissioner of Income Tax (Appeals) - III on 09 <sup>th</sup> June, 2020. The matter is presently under consideration of CIT(Appeals) - III, Jaipur. Against the same, Company has deposited ₹ 5,834 under protest for filing of appeal.	0.003	0.003
(xi) During the year, the Company has received an order from the Dy. Commissioner of Income Tax (TDS), Jaipur for FY 2013-14 on account of interest for non-deduction of TDS amounting ₹ 2,27,261 for certain expenses in the nature of reimbursements. The Company has filed an appeal against the above order before Commissioner of Income Tax (Appeals) - III on 23 <sup>rd</sup> April 2021. The matter is presently under	0.02	-



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consideration of CIT(Appeals) - III, Jaipur. Against the same, Company has deposited ₹ 45,453 under protest.		
(xii) The Company has received an order from the Dy. Commissioner of Income Tax (TDS), Jaipur for FY 2014-15 on account of interest for non-deduction of TDS amounting ₹ 29,794 for certain expenses in the nature of reimbursements. The Company has filed an appeal against the above order before the first appellate authority on 15 <sup>th</sup> January, 2022. The matter is presently under consideration of first appellate authority, Jaipur. Against the same, Company has deposited ₹ 5,959 under protest.	0.003	-
(xiii) The Company has received an order from the Dy. Commissioner of Income Tax (TDS), Jaipur for FY 2015-16 on account of interest for non-deduction of TDS amounting ₹ 41,419 for certain expenses in the nature of reimbursements. The Company has filed an appeal against the above order before the first appellate authority on 15 <sup>th</sup> January, 2022. The matter is presently under consideration of first appellate authority, Jaipur. Against the same, Company has deposited ₹ 8,284 under protest.	0.004	-
(xiv) The Company has received an order from the Dy. Commissioner of Income Tax (TDS), Jaipur for FY 2016-17 on account of interest for non-deduction of TDS amounting ₹ 34,696 for certain expenses in the nature of reimbursements. The Company has filed an appeal against the above order before the first appellate authority on 15 <sup>th</sup> January, 2022. The matter is presently under consideration of first appellate authority, Jaipur. Against the same, Company has deposited ₹ 6,939 under protest.	0.003	-
(xv) As per the clause number 3.5(viii) of the Implementation Agreement (IA) dated 20 <sup>th</sup> June, 2006, As a part of the Tariff Determination process, the RERC shall assess the transfer price of the Lignite to be supplied by the BLMCL to JSWEBL. In case the Regulatory Authority revise the transfer price the cost of Extraction shall be adjusted accordingly. The Transfer price for supply of the lignite by the Company to JSWEBL has to be approved by RERC. The Company is filing petitions for determination of transfer price for supply of lignite for every year since FY 2011-12 onwards. Pending determination of final transfer	1850.94	1629.58



<p>price, RERC has allowed only adhoc/ Interim Transfer price from FY 2011-12 to current FY 2020-21. Correspondingly, the Company is paying proportionate reduced lignite extraction cost to the MDO.</p> <p>The difference between the Lignite Extraction Charges per ton of lignite payable to MDO as per Agreement dated 28<sup>th</sup> December, 2010 and Actual Lignite Extraction Charges paid/provided on proportionate basis is ₹ 1629.58 crore (approx.) for the period from FY 2011-12 to FY 2019-20. For the FY 2020-21 the difference between extraction cost of lignite as per Agreement and actual amount paid as per RERC Order dated 23<sup>rd</sup> April, 2020 is ₹ 221.37 crores. As this liability is Contingent upon approval of final transfer price for supply 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.</p> <p>Company will recognise the Additional Revenue amounting to ₹ 2262.51 crore (approx.) along with applicable taxes as per prevailing rates from JSWEBL once the transfer price determined/approved by the RERC. Accordingly, ₹ 2262.51 crore (approx.) is considered as Contingent Assets from which Contingent liability amounting to ₹ 1850.94 crore (approx.) will be settled/paid.</p>		
<p>(xvi) Government of Rajasthan (GoR) has again introduced Land Tax from financial year 2019-2020 vide notification dated 19<sup>th</sup> November, 2019 under the provisions of the Rajasthan Finance Act 2006 ("Act"), accordingly office of the sub-registrar Barmer has issued public notice dated 14<sup>th</sup> February, 2020, published in Rajasthan Patrika, Barmer Edition on 16<sup>th</sup> February, 2020 pertaining to provisional assessment of land tax on the lands of Jalipa &amp; Kapurdi Mines, Barmer for the year 2019-2020, payable by RSMML. Against this public notice, Company has informed to RSMML to file a detailed objection to sub registrar Barmer that said levy is not applicable to the Kapurdi and Jalipa Mining lands, as it has been acquired under the Land Acquisition Act, 1960 for public purposes. Further appeal for levy of land tax of earlier year's is also pending before Hon'ble Supreme Court on similar</p>	7.21	7.21



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<p>grounds.</p> <p>However, if Hon'ble Supreme Court confirms the said levy, in such case the same would be claimed/recovered from JSWEBL under the clause no. 8 of Change in Law of Fuel Supply Agreement (FSA) dated 19<sup>th</sup> January, 2011.</p>		
<p>(xvii) Govt. of Rajasthan (GoR) has revised the rate for levy of Land Tax for the financial year 2020-21 and onwards vide notification dated 30<sup>th</sup> March, 2020. Accordingly, the liability of land tax for FY 2020-21 comes out to Rs 21.30 crore.</p> <p>Further appeal for levy of land tax of earlier year's is also pending before Hon'ble Supreme Court on similar grounds.</p> <p>However, if Hon'ble Supreme Court confirms the said levy for earlier years, in such case the same would be claimed/recovered from JSWEBL under the clause no. 8 of Change in Law of Fuel Supply Agreement (FSA) dated 19<sup>th</sup> January, 2011.</p>	21.30	-
<p>(xviii) 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.</p>	-	-

(m) Commitments

Particulars	(₹ in crore)	
	As at March 31,2021	As at March 31,2020
Commitments to contribute funds for the acquisition of property, plant and equipment etc.	0.08	26.06

**(n) Matters related to Income Tax for Financial Year 2011-12 to Financial Year 2017-18**

(i) 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 (Appeals) has passed order dated 29<sup>th</sup> March, 2017 in which appeal was partly allowed. Against this order, the Company had filed an appeal before Hon'ble ITAT, Jaipur Bench on 13<sup>th</sup> June, 2017 for remaining demand. Hon'ble ITAT, Jaipur Bench has passed the order dated 12<sup>th</sup> October, 2017.



2017 wherein Hon'ble ITAT, Jaipur Bench has allowed ground relating to allowability of mine closure charges and the ground relating to allowability of amortisation on surface rights and mining rights was remanded back to the assessing officer for statistical purposes. Grounds relating to allowability CSR Expenses under MOEF (renamed as Corporate Environment Responsibility) and Interest Income earned on escrow account credited to CWIP were disallowed by ITAT, Jaipur Bench. Against the said disallowances, the Company had filed an 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 had considered both the grounds in favour of the Company. Further, departmental appeal for the allowability of Mine Closure Charges was also dismissed by Hon'ble High Court vide its order dated 17<sup>th</sup> April, 2018.

Against the order of Hon'ble High Court dated 24<sup>th</sup> July, 2018 read with order dated 8<sup>th</sup> August, 2018, the department has filed a Special Leave Petition (SLP) before Hon'ble Hon'ble Supreme Court on 28<sup>th</sup> February, 2019 (Diary No.: 7790/2019) (i.e. for CSR expenses under MOEF and Interest earned on escrow accounts credited to CWIP), and the same is presently under consideration of Hon'ble Supreme Court.

Matter relating to allowability of Amortisation on Surface Rights and mining rights which were remanded back to the assessing officer by Hon'ble ITAT, Jaipur Bench for statistical purpose, has been again disallowed by assessing officer vide order dated 24<sup>th</sup> October, 2018. Against the same, Company had filed an appeal before CIT (Appeals)-II, Jaipur on 27<sup>th</sup> November, 2018 and presently said appeal is under consideration of CIT (Appeals)-II, Jaipur.

(ii) 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 5<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. CIT (Appeals) has passed order dated 23<sup>rd</sup> March, 2018 in which appeal was partly allowed. Against this order, the Company had filed an appeal before Hon'ble ITAT, Jaipur Bench on 7<sup>th</sup> June, 2018 for remaining demand. Hon'ble ITAT, Jaipur Bench had passed the order dated 14<sup>th</sup> February, 2019 wherein Hon'ble ITAT, Jaipur Bench has allowed the grounds relating to allowability of mine closure charges, allowability CSR Expenses under MOEF (renamed as CER) and Interest Income earned on escrow account credited to CWIP. The ground relating to allowability of amortisation of surface rights and mining rights were remanded back to the assessing officer for statistical purposes.

Against the order of ITAT, department has filed an appeal before Hon'ble Rajasthan High Court. Hon'ble Rajasthan High Court in its order dated 14<sup>th</sup> October, 2019 has dismissed department's appeal and has allowed all the grounds in favour of the Company on the basis of its order dated 24<sup>th</sup> July, 2018 read with order 08<sup>th</sup> August, 2018 in the Company's case for AY 2012-13. Against the order of Hon'ble High Court dated 14<sup>th</sup> October, 2019, department has filed a Special Leave Petition (SLP) before Hon'ble Supreme Court on 16<sup>th</sup> June, 2020 (Diary No.: 12980/2020) (i.e. for Mine Closure Charges, Interest earned on escrow accounts credited to CWIP and CSR Expenses under MOEF) during the year and the same is presently under consideration of Hon'ble Supreme Court.



Matter relating to allowability of amortisation of Surface Rights and mining rights which was remanded back to the assessing officer by ITAT, Jaipur Bench for statistical purpose, has been again disallowed by the Assessing officer vide order dated 21<sup>st</sup> May, 2019. Against the same. Company has filed an appeal before CIT (Appeals)-II on 22<sup>nd</sup> June, 2019 and presently said appeal is under consideration of CIT (Appeals)-II, Jaipur.

(iii) 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 dated 23<sup>rd</sup> March, 2018 in which appeal was partly allowed. Against the order of CIT(A), the Company had filed an appeal before ITAT, Jaipur Bench on 7<sup>th</sup> June, 2018 for remaining demand. ITAT, Jaipur Bench had passed the order dated 14<sup>th</sup> February, 2019 wherein ITAT, Jaipur Bench has considered most of the grounds of appeal including mine closure charges, allowability CSR Expenses under MOEF (renamed as CER) and Interest Income earned on escrow account credited to CWIP. The ground relating to allowability of amortisation of surface rights and mining rights were remanded back to the assessing officer for statistical purposes.

Against the order of ITAT, department has filed an appeal before Hon'ble Rajasthan High Court. Hon'ble Rajasthan High Court in its order dated 14<sup>th</sup> October, 2019 has dismissed department's appeal and has allowed all the grounds in favour of the Company on the basis of its order dated 24<sup>th</sup> July, 2018 read with order 08<sup>th</sup> August, 2018 in the Company's own case for AY 2012-13.

Against the order of Hon'ble High Court dated 14<sup>th</sup> October, 2019, department has filed a Special Leave Petition (SLP) before Hon'ble Supreme Court on 19<sup>th</sup> June, 2020 (Diary No. 13189/2020). (i.e. for Mine Closure Charges, Interest earned on escrow accounts credited to CWIP and CSR Expenses under MOEF) during the year and the same is presently under consideration of Hon'ble Supreme Court.

Matter relating to allowability of amortisation of Surface Rights and mining rights were remanded back to the assessing officer by ITAT, Jaipur Bench for statistical purpose, however the same has again been disallowed by the Assessing officer vide order dated 21<sup>st</sup> May, 2019. Against the same, which Company has filed an appeal before CIT (Appeals)-II on 22<sup>nd</sup> June, 2019 and presently said appeal is under consideration of CIT (Appeals)-II, Jaipur.

(iv) The Company had 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, on the grounds which were allowed in favour of the Company for the earlier years by ITAT/High Court. The Company has paid a sum of ₹ 1.00 crore under protest against this demand and has filed an appeal before CIT (Appeals)-II, Jaipur against this assessment order on 17<sup>th</sup> December, 2018 and presently said appeal is under consideration of CIT (Appeals)-II, Jaipur.

(v) The Company has received the income tax assessment order dated 3<sup>rd</sup> December, 2019 for the financial year 2016-17 with the tax demand of ₹ 10.58 crore, on the grounds which



were allowed in favour of the Company for the earlier years by ITAT/High Court. The Company has paid a sum of ₹ 2.12 crore under protest against this demand and has filed an appeal before CIT (Appeals)-II, Jaipur against this assessment order on 25<sup>th</sup> December, 2019 and presently said appeal is under consideration of CIT (Appeals)-II, Jaipur.

(vi) The Company has received the income tax assessment order dated 23<sup>rd</sup> April, 2021 for the financial year 2017-18 with the tax demand of ₹ 0.028 crore on the grounds which were allowed in favour of the Company for the earlier years by ITAT/High Court. Company has filed an appeal before CIT (Appeals)-II, Jaipur against this assessment order on 22<sup>nd</sup> May, 2021 and presently said appeal is under consideration of CIT (Appeals)-II, Jaipur.

(o) 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. Company had deposited 30% of the demand for the year 2011-12 (i.e. ₹ 0.63 crore) pursuant to the directions of Hon'ble High Court, Jodhpur vide its order dated 14<sup>th</sup> March, 2012, and ₹ 3.59 crore (₹ 4.22 - ₹ 0.63) is still pending for payment. The writ petition filed by the Company against the said levy was dismissed by Hon'ble High Court, Jodhpur vide its order dated 9<sup>th</sup> November, 2012. Levy of land tax has been abolished w.e.f. 01<sup>st</sup> April, 2013 vide gazette notification dated 6<sup>th</sup> March, 2013. The issue whether levy of land tax is ultra-virus, is pending for consideration before the Hon'ble Supreme Court of India. The Company had also filed an Intervention Application before Hon'ble Supreme Court of India on 20<sup>th</sup> February, 2018 which is under consideration.

(p) 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 Corporate Social Responsibility (CSR) @ ₹ 5/- per MT of Lignite extracted which shall be adjusted with annual inflation.

MoEFCC vide order dated 01<sup>st</sup> May, 2018 has renamed the activities to be done under CSR to Corporate Environment Responsibility (CER).

Accordingly, the Company has made provision of ₹ 2.44 crore (Previous Year ₹ 2.43 crore) in its books towards CER expenses for its Kapurdi mines for the year 2020-21. The cumulative unutilised balance for CER provision for Kapurdi mines is ₹ 17.85 crore (Previous Year ₹ 15.91 crores).

(q) 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.

MoEFCC vide order dated 01<sup>st</sup> May, 2018 has renamed the activities to be done under Corporate Social Responsibility (CSR) to Corporate Environment Responsibility (CER).

Accordingly, the Company has made provision of ₹ 3.00 crore (Previous Year ₹ 3.00 crore) in its books towards CER expenses for its Jalipa mines for the year 2020-21. The unutilised balance for CER provision for Jalipa mines is ₹ 10.25 crore (Previous Year ₹ 7.25 crore).

(r) The Company has paid a sum of ₹ 977.51 crore upto 31<sup>st</sup> March, 2021 (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 22,347.85 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.

(s) The Company has an outstanding subordinated debt of ₹ 567.64 crore (Previous Year ₹ 567.64 crore) as on 31<sup>st</sup> March, 2021, availed @ 10% interest rate from JSWELB to fund its project related requirements. The Company has recognised interest of ₹ 56.76 crore (Previous Year ₹ 56.76 crore) on subordinate debt for the period from 1<sup>st</sup> April 2020 to 31<sup>st</sup> March 2021.

During the year Company has made the payment of interest of ₹ 118.92 crore (Previous Year ₹ 77.39 crore) to JSW Energy (Barmer) Limited. Outstanding accumulated accrued Interest payable on subordinated debt taken from JSWELB is ₹ 286.18 crore (Previous Year ₹ 352.59 crore) as on 31<sup>st</sup> March, 2021.

(t) Terms of sanction of Rupee Term Loan inter-alia include creation of charge over mining land and assignment of mining lease, as may be permitted by the Government of Rajasthan (within 2 months from the date of such approval).

(u) 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 ₹ 4.28 crore (Previous year ₹ 6.21 crore) during the financial year 2020-21 on the basis of the ledger balance outstanding in the books of RSMML.

(v) 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 plus allied taxes (Service tax, Excise duty & VAT) amounting to ₹ 5.82 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 13<sup>th</sup> 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, in the financial year 2017-18, 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 ₹ 20.36 crore plus allied taxes (Service tax, Excise duty & VAT) has been accounted for in favour of JSW Energy (Barmer) Limited and confirmation from concerned department of the State Government is awaited to refund the same.

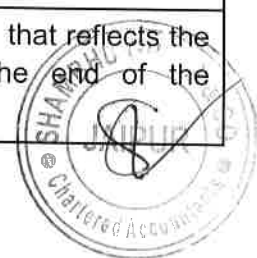
(w) The Rajasthan Cabinet vide its Order dated 21<sup>st</sup> September 2016 directed to take necessary action for bifurcation of Jalipa and Kapurdi Mining Blocks so that excess coal from Jalipa and Kapurdi Blocks could be used by Giral Lignite Power Limited (a State PSU and wholly owned subsidiary of Rajasthan Rajya Vidyut Utpadan Nigam Limited) or for any other power project. The Energy Department circulated an agenda item on utilization of excess lignite reserves of Kapurdi-Jalipa mines and supply of lignite to Giral Lignite Power Limited. The agenda was discussed in the Company's Board Meeting dated 23<sup>rd</sup> February 2017, and a committee comprising of MD, RSMML and MD, BLMCL was formed to explore the possibility of the utilization of excess lignite reserves of Kapurdi-Jalipa Lignite Mines by bifurcating the mines or otherwise and they may engage the experts as per requirement.

The Board in its meeting held on 19<sup>th</sup> November, 2019 had noted that MD, BLMCL after detailed discussions with MD, RSMML had informed Principal Secretary, Energy vide its letter dated 7<sup>th</sup> March, 2018 that the excess lignite of Kapurdi and Jalipa Mines may be used for expansion project of JSWEBL if it was approved by the Government, Giral Power Project or any other project as it will bring down the cost of lignite due to the fact that fixed cost had already been incurred and increase in production will result in distribution of fixed cost. Further, the bifurcation of the mines will certainly increase the quantum of un-utilised reserves which will be a national wastage and was therefore, not appropriate. The Board also noted that the minutes of the Committee of MD, RSMML and MD, BLMCL has not been prepared and hence the same may be done now and to be placed before the Board. Hence, the matter is presently under consideration of the Company's Board.

**Note No. 28 - 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).

Financial Assets/ Financial Liabilities Fair value hierarchy	Valuation technique(s) and key input(s)
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.



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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
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**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 31,2021	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	52.34	52.34
Others Financial Assets	0.14	0.14
<b>Current Assets</b>		
Trade receivables	242.68	242.68
Interest accrued on deposits, loans and advances	2.79	2.79
Cash and cash equivalents	0.10	0.10
Bank balances other than Cash and Cash equivalents	164.86	164.86
Other Financial Assets	4.61	4.61
<b>Total Financial assets</b>	<b>467.80</b>	<b>467.80</b>
<b>Financial liabilities</b>		
<b>Financial Liabilities carried at amortised cost</b>		
<b>Non-current liabilities</b>		
Borrowings	1,510.55	1,510.55
Other long term liabilities	501.07	501.07
<b>Current liabilities</b>		
Trade Payables	253.33	253.33
Creditors Capex	13.46	13.46
Other financial liabilities	220.88	220.88
<b>Total Financial liabilities</b>	<b>2,499.29</b>	<b>2,499.29</b>

(₹ in crore)

As at March 31,2020	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	48.38	48.38
Others Financial Assets	-	-
<b>Current Assets</b>		
Trade receivables	305.67	305.67
Interest accrued on deposits, loans and advances	3.26	3.26
Cash and cash equivalents	0.71	0.71



BARMER LIGNITE MINING COMPANY LIMITED  
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Bank balances other than Cash and Cash equivalents	147.02	147.02
Others Financial Assets	1.92	1.92
<b>Total Financial assets</b>	<b>507.24</b>	<b>507.24</b>
<b>Financial liabilities</b>		
<b>Financial Liabilities carried at amortised cost</b>		
<b>Non-current liabilities</b>		
Borrowings	1595.42	1595.42
Other long term liabilities	348.48	348.48
<b>Current liabilities</b>		
Trade Payables	117.26	117.26
Creditors Capex	7.78	7.78
Other financial liabilities	433.53	433.53
<b>Total Financial liabilities</b>	<b>2,502.47</b>	<b>2,502.47</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	-	360.38	1,150.17	1,510.55
Other long-term liabilities	-	-	501.07	501.07
<b>Total Non-Current financial Liabilities</b>	-	<b>360.38</b>	<b>1,651.24</b>	<b>2,011.62</b>
<b><u>Current financial Liabilities</u></b>				
Trade and other payables and acceptances:	253.33	-	-	253.33
<b>Total Current financial Liabilities</b>	<b>253.33</b>	-	-	<b>253.33</b>
<b>Other current financial liabilities</b>				
Current maturities of long-term debt	85.66	-	-	85.66
Other Financial Liability	135.22	-	-	135.22
Creditors Capex	13.46	-	-	13.46
<b>Total other current financial liabilities</b>	<b>234.34</b>	-	-	<b>234.34</b>
<b>Total Financial Liabilities</b>	<b>487.67</b>	<b>360.38</b>	<b>1,651.24</b>	<b>2,499.29</b>
<b><u>Assets</u></b>				
<b><u>Non Current Assets</u></b>				
Interest accrued on deposits, loans and advances	-	52.34	-	52.34
Other Financial assets	-	0.14	-	0.14
Security deposits	-	-	0.28	0.28
<b>Total Non-current Assets</b>	-	<b>52.48</b>	<b>0.28</b>	<b>52.76</b>



BARMER LIGNITE MINING COMPANY LIMITED  
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021

<b>Current Assets</b>				
Trade receivables	242.68	-	-	242.68
Cash and cash equivalents	0.10	-	-	0.10
Bank Balances other than above	164.86	-	-	164.86
Interest accrued on deposits, loans and advances	2.79	-	-	2.79
Other Financial assets	4.61	-	-	4.61
<b>Total current assets</b>	<b>415.04</b>	<b>-</b>	<b>-</b>	<b>415.04</b>
<b>Total Financial Assets</b>	<b>415.04</b>	<b>52.48</b>	<b>0.28</b>	<b>467.80</b>

**Gearing ratio**

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

Particulars	(₹ in crore)	
	As at March 31, 2021	As at March 31, 2020
Debt *	1,596.21	1,666.57
Cash and cash equivalents	0.10	0.71
Net debt	<b>1,596.11</b>	<b>1,665.86</b>
Total equity	61.25	21.68
Net debt to equity ratio	<b>26.06</b>	<b>76.84</b>

\*Debt is defined as long-term and short-term borrowings.

**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 Hon'ble Rajasthan Electricity Regulatory Commission (RERC). Further, as the Company supplies its 100% lignite production to JSWEL 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 No. 29 - 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 Enterprises over which key management personnel and relatives of such personnel exercise significant influence for the year ended March 31, 2021.</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 Key Managerial Personnel (KMP)</b>					
S.No.	Key Managerial Personnel	Position	Start date	End date	
1	Mr. Kunji Lal Meena	Chairman	01.04.2020	08.09.2020	
2	Dr. Subodh Agarwal	Chairman	08.09.2020	07.01.2021	
3	Mr. Ajitabh Sharma	Chairman	07.01.2021	31.03.2021	
4	Mr. Ajitabh Sharma	Director	01.04.2020	06.01.2021	
5	Mr. Dinesh Kumar	Director	07.01.2021	31.03.2021	
6	Mr. Hemant Kumar Gera	Director	01.04.2020	17.08.2020	
7	Mr. T. Ravinkanth	Director	17.08.2020	07.01.2021	
8	Dr. Prithvi Raj	Director	07.01.2021	31.03.2021	
9	Mr. Umesh Gupta	Managing Director	01.04.2020	05.10.2020	
10	Mr. Umesh Gupta	Director	06.10.2020	31.03.2021	
11	Mr. Jyoti Kumar Agarwal	Director	01.04.2020	04.09.2020	
12	Mr. Prashant Jain	Director	04.09.2020	31.03.2021	
13	Mr. Lalit Kumar Gupta	Managing Director	05.10.2020	31.03.2021	
14	Mr. Sattiraju Seshagiri Rao	Independent Director	28.10.2020	31.03.2021	
15	Mr. Sunil Dutt Vyas	Independent Director	28.10.2020	31.03.2021	
16	Ms. Rupa Devi Singh	Independent Director	11.06.2020	31.03.2021	
17	Mr. Sharad Mahendra	Director	10.06.2020	31.03.2021	
18	Mr. Veeresh Devaramani	Director	17.06.2020	05.10.2020	
19	Mr. Somnath Mishra	Director	01.04.2020	08.09.2020	
20	Mr. Vikas Sitaramji Bhale	Director	08.09.2020	31.03.2021	
21	Mr. Nitesh Gangwal	Company Secretary	01.04.2020	31.03.2021	
22	Mr. Sanjay Soni	Chief Financial Officer	01.04.2020	31.03.2021	
<b>III Relative of Key Managerial Personnel - NA</b>					
<b>IV Subsidiaries of Associates and Joint Ventures - NA</b>					
<b>V Post-Employment Benefit Plans - NA</b>					



**(B) Transactions with Related Parties for the year ended March 31, 2021 and March 31, 2020**

(₹ in crore)			
S. No	Particulars	Current Year	Previous Year
<b>1</b>	<b>Sale of Lignite</b>		
	JSW Energy (Barmer) Limited	1539.16	1254.93
<b>2</b>	<b>Reimbursement booked/Paid to</b>		
	JSW Energy (Barmer) Limited	2.38	3.50
	Rajasthan State Mines and Minerals Limited	1.53	1.19
<b>3</b>	<b>Interest on Subordinate Loan taken</b>		
	JSW Energy (Barmer) Limited	56.76	56.76
<b>4</b>	<b>Interest payment on Subordinate Loan</b>		
	JSW Energy (Barmer) Limited	118.92	77.39
<b>5</b>	<b>Interest Income</b>		
	Rajasthan State Mines and Minerals Limited	4.28	6.21
<b>6</b>	<b>Director Sitting Fees (Excluding Taxes)</b>		
	Ms. Rupa Devi - Independent Director	0.01	-
	Ms. Sheila Sangwan - Independent Director	-	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 the Audit Committee.

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

(₹ in crore)			
S.No	Particulars	As at March 31,2021	As at March 31,2020
<b>1</b>	<b>Trade Receivable</b>		
	JSW Energy (Barmer) Limited	242.68	305.67
<b>2</b>	<b>Trade/Other Payable</b>		
	JSW Energy (Barmer) Limited	153.47	0.62
	Rajasthan State Mines and Minerals Limited	4.40	2.89
<b>3</b>	<b>Subordinate Loan</b>		
	JSW Energy (Barmer) Limited	567.64	567.64
<b>4</b>	<b>Interest payable on subordinate loan</b>		
	JSW Energy (Barmer) Limited	286.18	352.59
<b>5</b>	<b>Capital Advance</b>		
	Rajasthan State Mines and Minerals Limited	10.00	10.00
<b>6</b>	<b>Interest Receivable</b>		
	Rajasthan State Mines and Minerals Limited	52.34	48.38
<b>7</b>	<b>Other Receivable</b>		
	Rajasthan State Mines and Minerals Limited	2.70	-



**Note No. 30 - Payment to Auditors (excluding GST)**

Particulars	(₹ In crore)	
	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Audit Fees ₹ 2,40,000 (Previous year ₹ 2,40,000)	0.02	0.02
Tax Audit Fees ₹ 50,000 (Previous Year ₹ 50,000/- )	0.01	0.01
Other certification Fees ₹ 14,750 (Previous Year ₹ 29,618 )	0.00	0.00
Reimbursement of expenses ₹ 14,278 (Previous Year ₹ 93,142 )	0.00	0.01

**Note No. 31 - Events after the reporting period:**

In respect of the financial year ending March 31, 2021, no events are required to be reported which occurred after the reporting date except reported elsewhere.

**Note No. 32 - Approval of financial statements:**

The financial statements were approved by the Board of Directors on 25<sup>th</sup> February, 2022.

**Note No. 33 - 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 31,2021	As at March 31,2020
1	Principal amount outstanding	0.14	0.16
2	Principal amount due and remaining unpaid	-	-
3	Interest due on (2) above and the unpaid interest	-	-
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 No. 34 - Trade Receivables:**

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

Trade receivables balance as at March 31, 2021 of ₹ 242.68 crore (as at March 31, 2020 of ₹ 305.67 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 31,2021	As at March 31,2020
Within the credit period (30 days)	124.50	105.93
1-30 days past due	107.99	107.35
31-60 days past due	10.19	92.39
61-90 days past due	-	-
<b>Total</b>	<b>242.68</b>	<b>305.67</b>

**Note No. 35 - Tax balances:**

**a) Deferred Tax:**

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

Particulars	(₹ in crore)	
	As at March 31,2021	As at March 31,2020
Deferred Tax Assets (DTA)	65.10	63.94
Deferred Tax Liabilities (DTL)	(58.26)	(57.73)
<b>Net DTA/(DTL)</b>	<b>6.84</b>	<b>6.21</b>

**b) Income Tax:**

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

Particulars	(₹ in crore)	
	For the year ended March 31,2021	For the year ended March 31,2020
Profit before tax	68.04	16.83
Enacted tax rate (%)	25.17	25.17
<b>Computed Expected tax expenses</b>	<b>17.12</b>	<b>4.23</b>
Tax impact of non-deductible expenses	11.55	8.05
Tax effect due to lower rate of tax applicable to certain component of rate difference including earlier period	0.03	2.53
<b>Income Tax Expenses</b>	<b>28.70</b>	<b>14.81</b>



**Note No. 36 - 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 No. 37 - 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.

The following reflects the income and share data used in the basic and diluted EPS computations:

(₹ in crore)

Particulars	March 31,2021	March 31,2020
Profit attributable to equity holders of the parent:		
Continuing operations	39.34	2.02
<b>Profit attributable to equity holders of the parent for basic earnings</b>	<b>39.34</b>	<b>2.02</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 (In ₹ per share).	<b>19.67</b>	<b>1.01</b>

**Note No. 38 - Impact of COVID-19:**

The Company has continued its operations during lockdown due to outbreak of COVID-19 for supply of Lignite to JSW Energy (Barmer) Limited (JSWEBL).

The Company supplies lignite exclusively to JSWEBL as per the Fuel Supply Agreement and there is no impact on demand of Lignite from JSWEBL because power generation of JSWEBL is not affected due to COVID-19 as it has long term PPA with Rajasthan Government and electricity generation is considered as one of the essential services by the Government.

Based on initial assessment, the Management does not expect any medium to long-term impact on the business of the Company. The Company has evaluated the possible effects on the carrying amounts of property, plant and equipment, goodwill, inventory, loans, receivables and debt covenants basis the internal and external sources of information and determined, exercising reasonable estimates and judgements, that the carrying amounts of these assets are recoverable. Having regard to above, and the Company's liquidity position, there is no uncertainty in meeting financial obligations over the foreseeable future.



**Note No. 39**

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

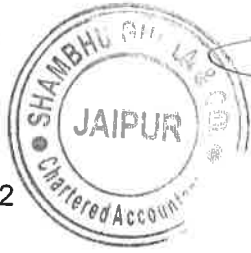
As per our report of even date attached.

**For Shambhu Gupta & Co.**  
**Chartered Accountants**  
Firm Registration Number - 007234C

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



**Shambhu Lal Gupta**  
Partner  
Membership No. 073962



**Lalit Kumar Gupta**  
Managing Director  
[DIN: 03359060]



**Dr. Subodh Agarwal**  
Chairman  
[DIN: 06940604]

Place: Jaipur  
Date: 25/02/2022



**Nitesh Gangwal**  
Company Secretary



**Sanjay Soni**  
Chief Financial Officer