



Auditors' Report

Auditors' Report to the Shareholders

We had earlier given our report dated 8th September, 2012 on the Balance Sheet of **Barmer Lignite Mining Company Limited** as at 31st March, 2012 and the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto duly approved by the Board of Directors on 8th September, 2012.

Subsequent to the above report the said accounts of the Company have been revised by the management to give effect to major audit observations made by the Comptroller & Auditor General of India. The revised accounts have been approved by the Board of Directors on 13.12.2012. The impact of the revision has resulted in the decrease in loss for the year by Rs. 13.50 crores and other changes in the Financial Statement on account of the revision are reflected in note no. 24 (a) of Notes on accounts of the Financial Statements.

This report supersedes our earlier report dated 8th September, 2012 on the Financial Statement for the year ended on 31st March, 2012.

We have audited the attached Balance Sheet of **Barmer Lignite Mining Company Limited** as at 31st March, 2012 and the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order 2004 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.



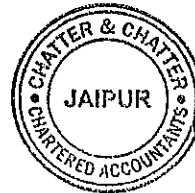
2. Further to our comments in the Annexure referred to above, we report that:

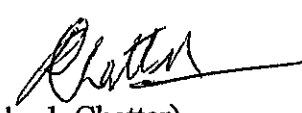
- a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us;
- c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- e) Disclosure in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956 is not required for Government Companies as per Notification No. GSR 829(E) dated October 21, 2003 issued by the Department of Company Affairs;
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read in conjunction with the Significant Accounting Policies, Notes on Accounts and other schedules, give the information as required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India:
 - i. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
 - ii. In the case of the Profit and Loss Account, of the loss for the year ended on that date; and
 - iii. In the case of the Cash Flow Statement, of the cash flow for the year ended on that date.

Place: Jaipur

Dated: 13-12-2012

For Chatter & Chatter
Chartered Accountants




(Rakesh Chatter)

Partner

M.No.073831

FRN: 005376C

Annexure to the Auditors' Report
(Referred to in paragraph 1 of our Report of even Date)

Based upon the information and explanations furnished to us and the books and records examined by us in the normal course of our audit, we report that to the best of our knowledge and belief:

(i) In respect of its fixed asset

(a) The Company has commenced its Commercial operations during the year and capitalized its assets pertaining to Kapurdi Mining Block upto the date of commercial operation and all other capital assets are shown as Capital Work in Process which has not been put to use. The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.

(b) The Fixed Assets were physically verified by the internal auditors/management in accordance with the regular programme of verification which, in our opinion is reasonable. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) None of or part of fixed assets have been disposed of during the year.

(ii) In respect of Inventory

(a) As explained to us, inventories were physically verified during the year by the management at reasonable intervals.

(b) In our opinion and according to the explanations given to us, the procedures for the physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the company and the nature of its business.

(c) In our opinion and according to the explanations given to us, the company has maintained proper records of inventories and no discrepancies were noticed on physical verification.



(iii) (a) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly, sub-clause (b), (c) and (d) are not applicable.

(e) The company has taken unsecured loans from M/s Raj WestPower Limited amounting to Rs.361.63 crores, out of which loan received during the year is of Rs. 50.53 crores covered in the register maintained under section 301 of the Act.

(f) The rate of interest and other terms and conditions of loans taken by the company, are not prima facie prejudicial to the interest of the company; and

(g) The company has not repaid the principal/interest amount of the loan during the year, as according to explanation and information provided to us that same was not due for payment during the current year. Company has made provision for interest on subordinated loan received from M/s Raj WestPower Limited.

(iv) During the year the Company has started commercial operation and hence internal auditors has been appointed by the Company with the approval of the Board of Directors. There is adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed asset and sale of goods. During the course of our audit, we have not observed any major weakness in such internal control system.

(v) (a) The particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section, if applicable; and

(b) The transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

(vi) The Company has not accepted deposits from the public during the year, so section 58A and 58AA of the Companies Act, 1956 does not apply.

(vii) In our opinion, the internal audit functions carried out during the year by a firm of chartered accountants appointed by the management have been commensurate with the size of the company and the nature of its business.

(viii) The maintenance of cost records has been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act, is not applicable in Lignite



Mining business and hence is not applicable to the Company which is engaged in Lignite Mining. However the same has been made applicable from the financial year 2012-13.

(ix) (a) The company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess and any other statutory dues with the appropriate authorities and no amount is outstanding for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us there is no undisputed amount payable in case dues of income tax/sales tax/wealth tax/service tax/ customs duty/ excise duty/cess etc except the amount of land tax demand of Rs.2.11 crores for the financial year 2011-2012, which is subjudice with the Honorable High Court, Jodhpur. However, The Company has deposited 30% of the land tax out of the above mentioned demand i.e. Rs.0.63 crore as per assessment of Sub-Registrar Office, Barmer in accordance with the directive of the Honorable High Court, Jodhpur.

(x) The Company's accumulated losses at the end of the financial year are Rs. 1.09 crore, which includes loss in the current year of Rs.-0.60 crore, which is less than 50 % of its net worth. The Company has not incurred any cash loss during the current year , however it had incurred cash loss of Rs.0.35 crore during the preceding year.

(xi) In our opinion and according to the information and explanation given to us, the company has not defaulted in repayment of dues to a financial institution or bank.

(xii) In our opinion and according to the information and explanation given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) The Company is not a Chit Fund / a Nidhi/ Mutual benefit fund Society/Company. Therefore special statute applicable to chit fund is not applicable.

(xiv) The company is not dealing or trading in shares, securities, debentures and other investments and hence it is not applicable.

(xv) In our opinion and as per information and explanation provided to us the company has not given any guarantee for loans taken by others from bank or financial institutions.

(xvi) As per information and explanation provided to us the company has obtained sanction of term loan for Rs. 1260.00 crores. The Company has availed Rs.762.50 crores



during the year under review and has been utilized for the purposes for which they were raised.

(xvii) The funds raised on short-term basis have been used for Capital Advances paid for acquisition of land for mining. During current year the company has raised Rs.100.00 crores (PY Rs. 650.00 Crores) on short-term basis from Banks. The said amount of Rs. 750.00 Crores has been repaid by the Company by availing long term loans. The short-term loan has been used for the acquisition of Mining land and the payment of interest during construction.

(xviii) During the year, the company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.

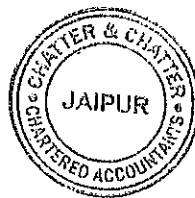
(xix) During the year the company has not issued any Debentures, so provision of this clause is not applicable.

(xx) The company has not raised any money through the public issue during the year.

(xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and information and explanation given to us, we have to report that no fraud on or by the company has been noticed or reported during the course of our audit.

Place: Jaipur

Dated : 13-12-2012



For Chatter & Chatter
Chartered Accountants


(Rakesh Chatter)

Partner
M.No.073831

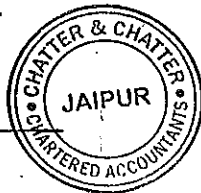
BARMER LIGNITE MINING COMPANY LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2012

Particulars	Note	As at	As at
		31st March, 2012	31st March, 2011
		In crore	
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds:			
(a) Share capital	2	20.00	20.00
(b) Reserves and surplus	3	(1.09)	(0.49)
		18.91	19.51
(2) Non-current liabilities:			
(a) Long-term borrowings	4	1,124.13	311.10
(b) Other long-term liabilities	5	96.21	-
		1,220.34	311.10
(3) Current Liabilities:			
(a) Short-term borrowings	6	-	650.00
(b) Trade payables	7	11.32	6.29
(c) Other current liabilities	8	43.05	4.59
(d) Short term Provisions	9	2.01	0.43
		56.38	661.31
TOTAL		1,295.63	991.92
II. ASSETS			
(1) Non-current assets:			
(a) Fixed Asssets			
(i) Tangible assets		5.29	-
(ii) Intangible assets	10	361.00	-
(iii) Capital work-in progress		132.03	73.79
(b) Non-current investments	11	0.00	0.00
(c) Long-term loans and advances	12	712.67	736.52
(d) Other non-current assets	13	0.00	0.00
(e) Deferred tax Assets		1.72	0.09
		1,212.71	810.40
(2) Current assets:			
(a) Inventories	14	25.54	-
(b) Trade receivables	15	37.34	-
(c) Cash and bank balances	16	5.96	177.46
(d) Short-term loans and advances	17	0.81	2.44
(e) Other current assets	18	13.27	1.62
		82.92	181.52
TOTAL		1,295.63	991.92
Significant Accounting Policies	1		
Notes forming Integral part of Financial Statements	2-24		

As per our attached report of even date
For Chatter & Chatter
 Chartered Accountants

Rakesh Chatter
Rakesh chatter
 Partner
 Membership No.: 73831



For and on behalf of Board of Directors

Pramod Menon
Pramod Menon
 Managing Director

Sunil Arora
Sunil Arora
 Chairman

Nitesh Gangwal
Nitesh Gangwal
 Company Secretary

Place: Jaipur
 Date: 13/12/12

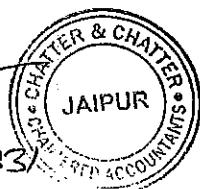
BARMER LIGNITE MINING COMPANY LIMITED

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	Note	For the year ended 31st March, 2012	For the year ended 31st March, 2011
		In crore	In crore
I Revenue from operations	19	163.43	-
II Other income	20	0.03	0.00
III Total Revenue (I+II)		163.46	0.00
IV Expenses:			
Cost of Lignite Mining	21	146.78	-
Increase / (Decrease) in Inventories		(25.54)	-
Finance costs	22	18.43	0.00
Depreciation and amortisation expenses		8.48	-
Other expenses	23	15.77	0.35
Total Expenses		163.92	0.35
V Profit / (Loss) before tax (III-IV)		(0.46)	(0.35)
VI Tax Expenses:			
Current tax		1.76	(0.07)
Deferred tax		(1.62)	(0.02)
		0.14	(0.09)
VII Profit / (Loss) for the year (V- VI)		(0.60)	(0.26)
VIII Earnings per share (Rs.)			
Basic		(0.30)	(0.13)
Diluted		(0.30)	(0.13)
Significant Accounting Policies	1		
Notes forming Integral part of Financial Statements	2-24		

As per our attached report of even date
For Chatter & Chatter
 Chartered Accountants

Rakesh Chatter
Rakesh Chatter
 Partner
 Membership No.: 7383



For and on behalf of Board of Directors

Pramod Menon
Pramod Menon
 Managing Director

Sunil Arora
Sunil Arora
 Chairman

Nitesh Gangwal
Nitesh Gangwal
 Company Secretary

Place: Jaipur
 Date: 13/12/12

BARMER LIGNITE MINING COMPANY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

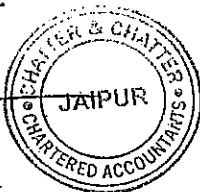
	For the year ended 31st March, 2012		For the year ended 31st March, 2011	
	In crore		In crore	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit before Tax		(0.46)		(0.35)
Adjusted for:				
Depreciation	8.49		-	
Interest Income	(0.03)		(0.00)	
Finance Costs	18.43		-	
Prior Period Adjustments	-		0.07	
		26.89		0.07
Operating profit before working capital changes		26.43		(0.28)
Adjustments for:				
Trade and other receivables	(37.34)		-	
Trade Payables including Advance received from customers	44.59		0.71	
Inventories	(25.54)		-	
Loans and advances	13.83		(2.58)	
		(4.45)		(1.87)
Cash generated from operations		21.97		(2.15)
Direct Taxes Paid (Net)		(1.30)		0.07
NET CASH FLOW FROM OPERATING ACTIVITIES		20.68		(2.08)
B. CASH FLOW FROM INVESTMENT ACTIVITIES				
Purchase of Fixed Assets including CWIP & Pre-Operative Expenses		(336.81)		(480.27)
Interest Income		0.03		0.00
NET CASH USED IN INVESTMENT ACTIVITIES		(336.78)		(480.27)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Purchase of Investments (Previous year Rs.20,000/-)		-		(0.00)
Proceeds from Borrowings		163.03		659.45
Finance Cost paid		(18.43)		-
NET CASH FINANCING ACTIVITIES		144.60		659.44
NET INCREASE / DECREASE (-) IN CASH AND CASH EQUIVALENTS (A+B+C)		(171.50)		177.09
CASH AND CASH EQUIVALENTS - OPENING BALANCE		177.46		0.37
CASH AND CASH EQUIVALENTS - CLOSING BALANCE		5.96		177.46

Note :

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

As per our attached report of even date
For **Chatter & Chatter**
Chartered Accountants

R Chatter
Rakesh Chatter
Partner
Membership No 073831



Pramod Menon
Pramod Menon
Managing Director

Sunil Arora
Sunil Arora
Chairman

Nitesh Gangwal
Nitesh Gangwal
Company Secretary

Place : Jaipur
Date : 13/12/12

Barmer Lignite Mining Company Limited

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE: - 1

Significant Accounting Policies

(a) General:

- i) The financial statements are prepared under the historical cost convention, on the accounting principles of a going concern.
- ii) Accounting Policies not specifically referred to otherwise are consistent and in consonance with the applicable accounting standards prescribed by the Companies (Accounting Standards) Rules, 2006 to the extent applicable.
- iii) All expenses and incomes to the extent ascertainable with reasonable certainty are accounted for on accrual basis. All taxes, duties and cess etc paid on purchases have been charged to the Profit and loss account except such taxes, duties and cess, which are subsequently recoverable with reasonable certainty from the taxing authorities.
In case of Service tax paid /payable on Lignite extraction charges and other Services, the same has been charged to Profit and Loss account after netting off the Excise duty payable on sale of Lignite. On account of the huge difference in Service tax paid on Lignite extraction cost and excise duty paid on sale of Lignite, the possibility of utilisation of CENVAT credit cannot be ascertained with reasonable certainty.
- iv) The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) 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 accounting estimates is recognised prospectively.
- v) All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out in the revised Schedule VI to the Companies Act, 1956.

(b) Fixed Assets:

(i) Tangible Assets

Fixed assets are stated at cost which includes all direct and indirect expenses up to the date of acquisition, installation and / or any cost attributable for bringing the asset to its working condition for its intended use.

Expenditure incurred during construction period:

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



(ii) Intangible Assets:

Surface Rights on Kapurdi Land and Rights under the implementation and Joint venture agreement are amortized on the basis of lignite actually extracted during the period with respect to the estimated quantity of extractable mineral reserves.

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

Capital work-in-progress comprises of the cost of fixed assets that are not yet ready for their intended use at the reporting 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 on the basis of the closing balance of Specific asset or part of asset being capitalized. The balance, if any, left after such capitalization is kept as a separate item under the CWIP Schedule.

Claims for price variation / exchange rate variation in case of contracts are accounted for on acceptance/receipt 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 profit and loss statement in the period in which they are incurred.

(d) Depreciation / Amortisation:

Depreciation is provided on Straight Line Method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.

Surface Rights on Kapurdi Land and Rights under the implementation and Joint venture agreement are amortized on the basis of lignite actually extracted during the period with respect to the estimated quantity of extractable mineral reserves.

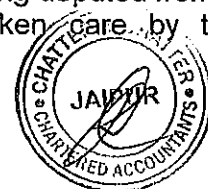
(e) Impairment of Assets:

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

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

(f) Employee related Benefits

The Company does not have any employee on its rolls and are being deputed from Joint Venture Partners. Hence, all employee related benefits are being taken care by the respective Companies from whom the employees are deputed.



(g) Revenue Recognition:

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

(h) Investments:

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

(i) Inventories:

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

(j) Borrowing Cost:

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

Other borrowing costs are charged to revenue.

(k) Taxation:

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

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

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

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



(l) Provision for Mine closure charges:

Company provides for annual mine closure cost based on the Guidelines for preparation of Mine closure plan issued by the Ministry of Coal, Government of India. An amount equal to the annual cost is to be deposited every year throughout the mine life compounded @ 5% annually.

(m) Provisions and Contingent Liabilities:

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

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

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

Contingent liability is disclosed in the case of

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



BARMER LIGNITE MINING COMPANY LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

**NOTE: 2
SHARE CAPITAL**

Particulars

Authorised:
2,00,00,000 Equity Shares of Rs. 10 each
(Previous year 2,00,00,000 equity shares of Rs.10 each)

Issued,Subscribed and paid-up:
2,00,00,000 Equity Shares of Rs. 10 each
(Previous year 2,00,00,000 equity shares of Rs.10 each)

As at 31st March,2012 In crore	As at 31st March,2011 In crore
20.00	20.00
20.00	20.00
20.00	20.00

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

Particulars

Shares outstanding at the beginning of the year

Add: Fresh Issue of Shares

Shares outstanding at the end of the year

As at 31st March,2012 No. of Shares	As at 31st March,2011 No. of Shares
2,00,00,000	2,00,00,000
-	-
2,00,00,000	2,00,00,000

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

Particulars

Rajasthan State Mines & minerals Limited (Holding Company)
- a Government of Rajasthan Enterprise

As at 31st March,2012 No. of Shares	As at 31st March,2011 No. of Shares
1,02,00,000	1,02,00,000

2.3 Details of shareholding more than 5% of aggregate shares in the Company

Particulars

Rajasthan State Mines & Minerals Limited (Holding Company)
Raj WestPower Limited (Joint Venture partner)

As at 31st March,2012 No. of Shares	As at 31st March,2011 No. of Shares
1,02,00,000	1,02,00,000
98,00,000	98,00,000

2.4 Terms & Rights attached to equity shares

a) The Company has only one class of equity share having a par value of Rs.10/- each. Each holder of equity shares is entitled to one vote per share.

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.

2.5 Aggregate number of Bonus Shares issued and shares issued for consideration other than cash during the last five years

Particulars

Shares allotted as fully paid-up without payment received in cash to RSMML as per IA & JV Agreement

As at 31st March,2012 No. of Shares	As at 31st March,2011 No. of Shares
1,02,00,000	1,02,00,000

**NOTE: 3
RESERVES AND SURPLUS**

Particulars

Surplus :
Balance as at the beginning of the year
Add: Net Loss for the current year
Balance as at the end of the year

As at 31st March,2012 In crore	As at 31st March,2011 In crore
(0.49)	(0.23)
(0.60)	(0.26)
(1.09)	(0.49)



BARMER LIGNITE MINING COMPANY LIMITED**NOTES FORMING PART OF FINANCIAL STATEMENTS****NOTE: 4****LONG TERM BORROWINGS****Particulars****Secured Loans**

Rupee Term Loans:

From Banks

Unsecured Loans

Subordinate Debt from Related Parties

Raj WestPower Limited (RWPL)

As at 31st March,2012 In crore	As at 31st March,2011 In crore
762.50	-
361.63	311.10
1,124.13	311.10

4.1 Details of Security:

Rupee Term Loan amounting to Rs. 762.50 crores is availed on which partial security has been created on 24th July, 2012. For balance creation of Security, the Company is awaiting approval from Govt./Govt. undertaing. The stipulated security for the said facility is:

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

4.2 Terms of Repayment of Loan:

a) Outstanding amount of Rs.762.50 Crores as rupee term loan is repayable in 50 Structured Installments commencing from 30 September 2014 till 24 November 2026

b) Outstanding amount of Rs. 361.63 Crores of subordinated debt is repayable after repayment of rupee term loan .

NOTE: 5**OTHER LONG TERM LIABILITIES****Others :**

Interest on Subordinated Debt

As at 31st March,2012 In crore	As at 31st March,2011 In crore
96.21	-
96.21	-



BARMER LIGNITE MINING COMPANY LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE: 6
SHORT TERM BORROWINGS
Particulars
Secured Loans
Rupee Term Loans:
From Banks

As at
31st March,2012
In crore
-
-

As at
31st March,2011
In crore
650.00
650.00

NOTE: 7
TRADE PAYABLES
Particulars
Trade Payables

As at
31st March,2012
In crore
11.32
11.32

As at
31st March,2011
In crore
6.29
6.29

- 1) There are no amounts due to Micro, Small and Medium Enterprises suppliers on account of principal and/or interest on suppliers as defined under the Micro, Small and Medium Enterprises Development Act, 2006 .
2) All balances are confirmed by the respective parties.

NOTE: 8
OTHER CURRENT LIABILITIES
Particulars
Payables - Projects
Other payables:
Statutory Dues payable
Lignite Extraction charges payable
Mine closure Charges payable
Others payable

As at
31st March,2012
In crore
6.75
11.58
19.05
4.71
0.96
43.05

As at
31st March,2011
In crore
3.72
0.87
-
-
-
4.59

- 1) All vendor balances, other than Statutory dues are confirmed by the respective parties.

NOTE: 9
SHORT TERM PROVISIONS
Particulars
Provison for Tax (Net of advance tax and TDS (Previous year Rs. 0.05 crore))
Others provsions

As at
31st March,2012
In crore
0.47
1.54
2.01

As at
31st March,2011
In crore
0.43
-
0.43



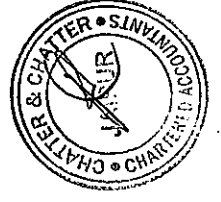
BARMER LIGNITE MINING COMPANY LIMITED

Note : 10
FIXED ASSETS

(In crore)

Particulars	Gross Block				Depreciation / Amortisation			Net Block	
	As at 1st April, 2011	Additions	Deductions/ Adjustments	As at 31st March, 2012	Upto 31st March, 2011	For the year	Deductions/ Adjustments	As at 31st March, 2012	As at 31st March, 2011
(A) Tangibles									
Building	-	0.15	-	0.15	-	0.00	-	0.00	-
Plant & Equipment	-	5.27	-	5.27	-	0.22	-	0.22	-
Office Equipment	-	0.07	-	0.07	-	0.00	-	0.00	-
Furniture & Fixtures	-	0.02	-	0.02	-	0.00	-	0.00	-
Vehicles	-	-	-	-	-	-	-	-	-
TOTAL	-	5.51	-	5.51	-	0.22	-	0.22	5.29
(B) Intangibles									
Surface Rights on Kapurdi Land Rights under the Implementation and JV Agreement	-	365.86	-	365.86	-	8.18	-	8.18	357.68
	-	3.40	-	3.40	-	0.08	-	0.08	3.32
TOTAL	-	369.26	-	369.26	-	8.26	-	8.26	361.00
TOTAL (A+B)	-	374.77	-	374.77	-	8.48	-	8.48	366.29
Previous Year	-	-	-	-	-	-	-	-	-

1. Surface rights on Kapurdi Land includes Borrowing costs of Rs. 74.81 crores (Previous year Rs. Nil) capitalised during the year (refer note 24(h)).



BARMER LIGNITE MINING COMPANY LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE: 10 contd....

CAPITAL WORK IN PROGRESS

Particulars

CAPITAL WORK IN PROGRESS

Rights under the Implementation and Joint Venture Agreement
Plant and Machinery and Civil Works

Less : Amount Transferred to Fixed Assets

Total A

PRE-OPERATIVE EXPENDITURE DURING CONSTRUCTION PERIOD & TRIAL RUN

Opening Balance

Manpower Cost

Mining Lease Expenses

Land Development Expenses

Mining Plan Expenses

NH Diversion Expenses

Trenching Cost

LAO Expenses

Consulting Engineering

Electricity Connection Charges

Geo Technical Investigation

Water Pipelines expenses

Legal and Professional Charges

Advertisement Expenses

Travelling Expenses

General Expenses

Office Rent

Labour Charges

Finance Charges

Income Tax Expenses

Interest During Construction Period

Less: Interest Income earned (including interest of 2009-10
Rs.0.48 Crores)

(TDS: Rs.1.29 crore (Previous Year :Rs.0.02 crore))

Less: Amount Transferred to Balance Sheet

Less: Amount Transferred to Profit & Loss Account

Total B

Total A+B

**As at
31st March,2012**

In crore

**As at
31st March,2011**

In crore

10.20

10.20

5.91

5.59

16.11

15.79

8.92

-

7.19

15.79

58.00

45.03

2.09

0.10

0.01

0.02

0.31

0.22

0.02

0.02

0.50

0.05

-

0.19

0.10

0.15

-

0.45

-

0.17

-

0.06

-

3.85

0.39

1.46

0.00

0.21

-

0.53

0.01

0.16

0.02

0.22

0.16

0.27

6.62

0.94

-

0.54

169.13

4.99

237.36

59.63

13.41

1.63

96.68

-

2.43

-

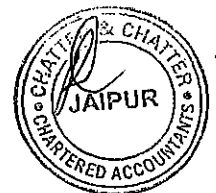
124.84

58.00

132.03

73.79

Interest during Construction includes Rs.73.84 crores and Finance Charges includes Rs. 0.97 crores pertaining to Kapurdi Mining Land.



BARMER LIGNITE MINING COMPANY LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE: 11 NON CURRENT INVESTMENTS	As at 31st March,2012	As at 31st March,2011
Particulars	In crore	In crore
Government and trust securities		
6-Year National Savings Certificate Rs.20,000 (Previous Year Rs.20,000) (Pledged with Commercial Tax Department)	0.00	0.00
	0.00	0.00

NOTE: 12 LONG TERM LOANS AND ADVANCES	As at 31st March,2012	As at 31st March,2011
Particulars	In crore	In crore
Unsecured, considered good		
Capital Advances	712.67	736.52
Deposits with Government/Semi Government Authorities Rs.20,000 (Previous Year Rs.10,000) - Pledged with DMGR	0.00	0.00
	712.67	736.52

NOTE: 13 NON CURRENT OTHER ASSETS	As at 31st March,2012	As at 31st March,2011
Particulars	In crore	In crore
Others :		
Interest accrued on NSC - Rs. 2,357 (Previous Year Rs. 675)	0.00	0.00
	0.00	0.00

NOTE: 14 INVENTORIES	As at 31st March,2012	As at 31st March,2011
Particulars	In crore	In crore
Finished Goods	25.54	-
	25.54	-

NOTE: 15 TRADE RECEIVABLES	As at 31st March,2012	As at 31st March,2011
Particulars	In crore	In crore
Unsecured, considered good		
Outstanding for a period not exceeding six months from the due date	37.34	-
	37.34	-

1) All vendor balances are confirmed by the respective parties.



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

NOTE: 16 CASH AND BANK BALANCES	As at 31st March, 2012	As at 31st March, 2011
Particulars	In crore	In crore
Cash and Cash Equivalent		
On Current accounts	0.41	2.46
Bank Deposit	5.55	175.00
	5.96	177.46

NOTE: 17 SHORT TERM LOANS AND ADVANCES	As at 31st March, 2012	As at 31st March, 2011
Particulars	In crore	In crore
Unsecured, considered good		
Sundry Deposits	0.53	0.17
VAT - Input Credit Receivable	-	0.74
Other Advances	0.28	1.53
	0.81	2.44

NOTE: 18 OTHER CURRENT ASSETS	As at 31st March, 2012	As at 31st March, 2011
Particulars	In crore	In crore
Prepaid Expenses - Rs. 33,613 (Previous Year -Nil)	0.00	-
Interest Accrued on Advances (TDS Rs.1.21 crore; Previous Year Rs.0.02 Crore)	12.92	1.62
Insurance Claim Receivable	0.35	-
	13.27	1.62



BARMER LIGNITE MINING COMPANY LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

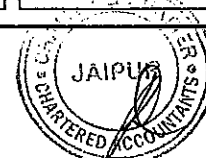
NOTE: 19	For the year ended	For the year ended
REVENUE FROM OPERATIONS	31st March, 2012	31st March, 2011
Particulars	In crore	In crore
Sale of Lignite	201.32	-
Less : Excise Duty	9.16	-
	192.16	-
Less : Other Levies		
i) Royalty	10.79	-
ii) Clean Energy Cess	8.35	-
iii) VAT	9.59	-
Revenue from Operation (Net Sales)	163.43	-

NOTE: 20	For the year ended	For the year ended
OTHER INCOME	31st March, 2012	31st March, 2011
Particulars	In crore	In crore
Interest income		
Fixed Deposits (TDS Rs.32,274/-Previous Year Rs.Nil/-)	0.03	0.00
	0.03	0.00

NOTE: 21	For the year ended	For the year ended
COST OF LIGNITE MINING	31st March, 2012	31st March, 2011
Particulars	In crore	In crore
Lignite Extraction Cost	136.74	-
Mine Closure Charges	4.71	-
Excise duty on Closing Stock	3.40	-
Royalty on Closing Stock	1.93	-
	146.78	-

NOTE: 22	For the year ended	For the year ended
FINANCE COSTS	31st March, 2012	31st March, 2011
Particulars	In crore	In crore
Interest expenses		
Subordinated Loan from RWPL	4.04	-
Interest on Loan from Bank	13.36	-
Interest other	0.06	-
Finance Charges (Previous year Rs.1,431/-)	0.97	0.00
	18.43	0.00

NOTE: 23	For the year ended	For the year ended
OTHER EXPENSES	31st March, 2012	31st March, 2011
Particulars	In crore	In crore
Manpower cost	0.36	-
Rates and taxes (Previous Year Rs.12,055/-)	11.28	0.00
Insurance	0.03	-
Advertising Expenses	0.02	0.07
Sampling Expenses	0.32	-
Legal and professional charges	2.63	0.15
Audit Fees	0.01	0.01
Travelling and Conveyance	0.09	-
General expenses	1.03	0.12
	15.77	0.35



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012:

- (a) The accounts of the Company for the year 2011-12 were originally adopted by the Board of Directors on 8th September, 2012. However the CAG auditors have made various observations. Subsequently, details were obtained on the observations and after detailed examination and analysis of the same, it was deemed expedient to revise the accounts for the year ended on 31st March 2012 to give effects of the major observations of CAG auditors. Due to revision of the accounts, following changes have been made in the Balance Sheet and Profit & Loss account of the original accounts of the Company:

(Amount in Crores)

Particulars	Note No.	Figures as per original account	Figures as per recast account	Increase (+) / Decrease (-)
Balance Sheet				
Reserve & Surplus	3	-14.59	-1.09	-13.50
Trade Payables	7	29.69	11.32	-18.37
Other current liabilities	8	45.50	43.05	-2.45
Short term provision	9	1.48	2.01	-0.53
Capital work-in-progress	10	131.73	132.03	0.30
Deferred tax assets	-	0.33	1.72	1.39
Inventories	14	27.99	25.54	-2.45
Short term loan & advance	17	7.32	0.81	-6.51
Other current assets	18	12.79	13.27	0.48
Profit & Loss accounts				
Cost of Lignite Mining	21	163.17	146.78	-16.39
Increase/(Decrease) in Inventories		-27.99	-25.54	2.45
Finance costs	22	18.37	18.43	0.06
Tax expense		-0.24	0.14	0.38

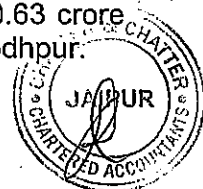
In addition accounting policies (Note No. 1(a)(iii), 1(b)(ii), 1(d)) and notes (24 (h) , (l) , (m) & (n)) to accounts have been modified and note no. 24 (i) has been added.

- (b) The Company commenced commercial operations of Kapurdi Lignite Mines on October 10, 2011 besides commencement of lignite supplies to Raj West Power Limited.
- (c) The Company has recognised Sales on the basis of Adhoc Interim Transfer Price Order for supply of lignite dated September 30, 2011 for Unit-1 and Unit-2 of RWPL and for Unit-3 and Unit-4 vide order dated October 21, 2011 of Rajasthan Electricity Regulatory Commission (RERC). The same is subject to adjustment as per final transfer price to be determined by RERC. Consequent to any such adjustment, the Company will have to revise Lignite extraction charges payable to Mine Developer cum Operator (MDO).

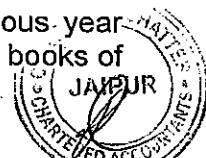
(d) Contingent Liabilities and Commitments:

Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) Rs. 90.11 crore (Previous Year Rs. 241.01 crore).

- (e) A demand for Rs. 2.11 crore was raised by Sub-registrar Barmer towards Land Tax for the year 2011-12 and the same has been provided in the books during the year. As per the directives of honourable High Court, Jodhpur an amount equivalent to 30% ie. Rs.0.63 crore has been deposited and an appeal has been filed with the honourable High Court, Jodhpur.



- (f) As per Ministry of Environment and Forests (MOEF) clearance, the Company needs to expend at least Rs. 2.00 crore per annum towards CSR activities. Accordingly the company has provided proportionate amount in its books for its Kapurdi Mining block from the date of Commencement of commercial operations.
- (g) An amount of Rs. 4.71 crore has been provided in the books towards Mine closure obligation for the current year and the same will be deposited in an Escrow account with the Coal Controller. This is in line with the guidelines for Mine Closure Plan issued by the Ministry of Coal, Government of India. The said funds to be deposited in the Escrow account shall be available for utilisation starting five years before the scheduled closure of Mining Operations. The Coal Controller may permit withdrawals (four years before mine closure date) from the Escrow account proportionate to the quantum of work carried out, as reimbursement. The withdrawn amount each year shall not exceed 20% of the total amount deposited in the Escrow account.
- (h) The Company has paid a sum of Rs. 977.51 crore upto 31st March, 2012 (upto Previous Year Rs. 736.51 crore) to Rajasthan State Mines & Minerals Limited (RSMML) towards the compensation for land acquisition of 17,323.05 bighas of Kapurdi Mining Block and 22347.85 bighas of Jalipa Mining Land which in turn has been paid as land compensation to the land owners. Presently, the mutation process of Kapurdi Lignite Mining Block has been completed and land has been transferred in the name of RSMML. RSMML has intimated that the transfer of land to the Company, pursuant to an opinion obtained by the Company from Advocate General on the transfer of land in accordance with the Implementation Agreement and Joint Venture Agreement, has been rejected by Government of Rajasthan. Accordingly, the cost paid towards the acquisition of Kapurdi land to RSMML is reflected as Surface Rights for Kapurdi Land and documentation for which is under process.
- (i) The Company had received NOC for 2,172.03 bighas of government land from District Collector (Barmer) vide letter dated 12.01.2010 to be used by company for lignite mining in Kapurdi. Subsequently, District Collector (Barmer) has raised a claim by issuing a letter dated 31.07.2012, seeking for payment of Rs 32.58 crores towards government land against transfer of title on the government land admeasuring 2,172.03 bighas. The Company has not accepted the offer/ claim, and is in the process of approaching appropriate government authorities against the claim raised.
- (j) During the year the company has recognised Rs. 2.21 crore (Previous year Rs 0.12 crore) being the amount payable to RSMML towards the proportionate amount of Salary and Wages of RSMML employees and office expenses for the period from FY 2006-07 to FY 2011-12. The above charge relates to the time spent by RSMML employees on the Company's project and the same has been charged to Capital Work in Progress (CWIP).
- (k) The Company has an outstanding subordinated debt of Rs.361.63 crore (Previous Year 311.10 crore) as on 31st March, 2012, availed @ 10% interest rate from RWPL to fund its project related requirements. The Company was not providing for interest on the aforementioned debt but was showing it as a contingent liability upto the previous year, as the same was not forming part of the original project costs approved by lenders. The revised project cost appraised by SBI Capital Market Limited based on which financial closure for the project was achieved, considers the interest on sub-ordinate debt as part of Project cost. Considering the above, the Company has recognised interest on subordinated debt for the period from 27th February, 2007 to 31st March, 2012, aggregating to Rs. 96.41 crore (Previous year Nil) during the current year.
- (l) The Government of Rajasthan vide its order dated 30th March, 2011 had stated that any interest gained by RSMML on the amount deposited with it by the Company towards land compensation to be paid for Jalipa and Kapurdi Mining Block (as a result of delayed payment) will be refunded to the Company. Accordingly, the Company has accounted for interest income of Rs. 12.61 crore (including Rs. 0.48 crore pertain to FY 2009-10) (previous year Rs.1.49 crore) on the basis of the bank statement / ledger balance outstanding in the books of RSMML.



(m) Deferred tax asset consists of timing differences on account of:

(Rs. in Crore)

	As at 31st March, 2012	As at 31st March, 2011
Preliminary Expenses Written Off	0.17	0.21
Carry Forward losses	-	0.06
Unabsorbed Depreciation	(1.07)	-
Disallowances u/s.43B	6.19	-
Deferred Tax Asset/(Liability)	1.72	0.09

(n) Earnings Per Share (Basic & Diluted):

	For the Year ended 31st March, 2012	For the Year ended 31st March, 2011
Net profit/(Loss) as attributable to equity shareholders (A) (Rs. in crore)	(0.60)	(0.26)
Weighted Average Number of equity shares outstanding during the period (Face Value – Rs. 10 per share) (B)	2,00,00,000	2,00,00,000
Earnings Per Share (Basic and Diluted) (A/B)	(0.30)	(0.13)

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

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

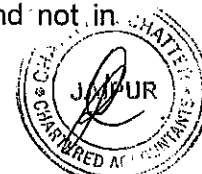
(p) Remuneration to Auditors (excluding service tax):

(in crore)

	For the Year ended 31st March, 2012	For the Year ended 31st March, 2011
Audit Fees	0.01	0.01
Tax Audit fees * (Rs. 30,000/-)	0.00*	-
For Other services Rs.45820/- (Previous Year Rs.6180/-)	0.00	0.00

* Rs. 20000/- for F.Y. 2011-12 and Rs. 10000/- for F.Y. 2010-11

(q) In the opinion of the Management, the Current Assets, Loans and Advances have a value on realisation in the ordinary course of business, at least equal to the amount at which they are stated in the Balance Sheet. The provision for all known liabilities is adequate and not in excess of what is required.



(r) There are no reportable segments as per Accounting Standard 17 prescribed by the Companies (Accounting Standards) Rules, 2006.

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

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

Companies with significant influence:

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

(II) **Related Party Transactions:**

Nature of Transaction	(In Crore)	
	Current Year	Previous Year
Transactions with RWPL		
Subordinated Loan (Unsecured Loan)	50.53	9.45
Interest on Subordinated Loan	96.41	-
Salary to deputed staff	0.09	-
Reimbursement of expenses related to land acquisition	0.71	3.52
Transactions with JSWEL		
Manpower Cost	0.08	0.10

Closing balance of related parties:

Name of the Related Party	(In crore)	
	As at 31st March, 2012	As at 31st March, 2011
Raj WestPower Limited (RWPL)		
- Subordinated Debt	361.63	311.10
- Others	100.53	3.52
JSW Energy Limited (JSWEL)	-	0.10

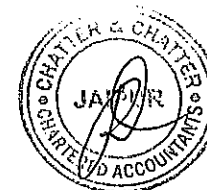
Notes:

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

(III) **Key Managerial Personnel**

Mr. Sanjay Sagar – Managing Director (up to 18.07.2012)
Mr. Pramod Menon – Managing Director (from 19.07.2012)

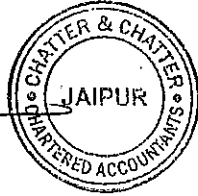
There is no remuneration paid to key managerial person.



(t) Previous year's figures have been regrouped / rearranged wherever necessary to conform to current year's classification.

For and on behalf of the Board of Directors

Sharma



Menon

Pramod Menon
Managing Director

Arora

Sunil Arora
Chairman

Gangwal

Nitesh Gangwal
Company Secretary

Place: Jaipur
Date: 13/12/12