



## RAJASTHAN STATE MINES & MINERALS LIMITED

(A Government of Rajasthan Enterprise)

CIN : U14109RJ1949SGC000505

### Board of Directors

Shri Om Prakash Meena	Chairman
Shri Umesh Kumar	Director
Shri Prem Singh Mehra	Director
Smt. Aparna Arora	Director
Shri D. S. Maru	Director
Shri H. V. Paliwal	Director
Shri P. P. Pareek	Director
Shri Bhanu Prakash Yeturu	Managing Director

### Financial Advisor

Shri Bhupesh Mathur (CFO)

### Company Secretary

Shri Rajendr Rao

### Auditors

M/s. Pramod & Associates  
Chartered Accountants, Jaipur

### Bankers

IDBI Bank  
ICICI Bank  
State Bank of India

### Registered Office

C-89-90, Janpath,  
Lal Kothi Scheme, Jaipur-302015  
Tel.: 0141-2743734, 2743934  
Fax: 0141-2743735  
E-mail: info.rsmml@rajasthan.gov.in  
www.rsmm.com

### Corporate Office

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Tel.: 0294-2428763-67  
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## NOTICE

NOTICE IS HEREBY GIVEN THAT THE 69<sup>TH</sup> ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF THE COMPANY WILL BE HELD ON THE WEDNESDAY, 30<sup>TH</sup> NOVEMBER 2016 AT 4:00 PM AT REGISTERED OFFICE OF THE COMPANY AT C-89-90, LAL KOTHI, JANPATH, JAIPUR – 302015 (RAJASTHAN) TO TRANSACT THE FOLLOWING BUSINESS :-

### ORDINARY BUSINESS:

- To receive, consider and adopt
  - The Audited Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2016, including the Reports of the Board of Directors and the Auditors' thereon; and
  - The Consolidated Audited Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2016, including the Report of the Auditors' thereon.
- To declare dividend for the financial year ended March 31, 2016.
- To appoint a director in place of Shri Devi Shankar Maru (DIN No. 06778328) who retires by rotation at this Annual General Meeting and being eligible for reappointment.
- To fix the remuneration of the statutory auditors.

### SPECIAL BUSINESS:

- To consider and if thought fit, to pass with or without modification(s), the following resolution as Ordinary Resolution:  
“RESOLVED THAT pursuant to the provisions of Section 161 and other applicable provisions of Companies Act, 2013, Rules made there under, Shri Umesh Kumar (DIN: 01733695), who was appointed as an additional director by the Board with effect from 29<sup>th</sup> September, 2016 to hold office up to the date of this Annual General Meeting, and in respect of whom the Company has received a notice in writing from a member signifying his intention to propose Shri Umesh Kumar as a candidate for the office of a director of the Company, be and is hereby appointed as a director of the Company, whose period of office shall be liable to determination by retirement of directors by rotation.”
- To consider and if thought fit, to pass with or without modification(s), the following resolution as Ordinary Resolution:  
“RESOLVED THAT pursuant to the provisions of Section 148 of the Companies Act, 2013 and the Rules framed thereunder, the payment of the remuneration of Rs. 85,000 (Rupees Eighty Five Thousand Only) plus Service Tax, if applicable, plus reimbursement of out of pocket expenses at actuals to M/s. R.K. Bhandari & CO. Jaipur who were appointed by the Board of Directors of the Company, as “Cost Auditors” to conduct the audit of the cost records

maintained by the Company for Financial Year ending March 31, 2017, be and is hereby ratified and approved”.

By order of the Board  
Rajasthan State Mines and Minerals Limited

Sd/-  
(Rajendr Rao)  
Company Secretary

Place: Udaipur

Date: 05<sup>th</sup> November, 2016

NOTES:

1. Relevant explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect of resolutions set out under item Nos. 5 and 6 is annexed hereto.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and a proxy need not be a Member of the Company.
3. Members/Proxies should bring the attendance slip at the time of meeting.
4. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 5:

Shri Umesh Kumar (DIN: 01733695) was appointed as an Additional Director of the company with effect from 29<sup>th</sup> September, 2016. As per the provisions of Section 161 of the Companies Act, 2013 read with Article 101 of the Article of Association of the company, Shri Umesh Kumar continues to hold office as a Director until the conclusion of the ensuing Annual General Meeting. Pursuant to section 160 of the Companies Act, 2013, the company has received notice together with requisite deposit of rupees One Lakh from a member signifying his intention to propose Shri Umesh Kumar as candidate for the office of Director of the company, liable to retire by rotation.

Shri Umesh Kumar, IAS is Additional Chief Secretary, Department of Industries to the Government of Rajasthan.

The company has received an intimation from Shri Umesh Kumar to the effect that he is not disqualified from being appointed as a Director in terms of Section 164(2) of the Companies Act, 2013 and has given his consent to act as a director of the company.

The Board recommends the appointment of Shri Umesh Kumar as a Director of the company, whose period of office is liable to determination by retirement of director by rotation for approval of the Members of the company.

Except, Shri Umesh Kumar to whom the resolution relates, and his relatives (to the extent of their shareholding interest in the company), none of the Directors and Key Managerial personnel of the company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item no.5.

Item No. 6:

The Board, on the recommendation of the audit committee, has approved the appointment and remuneration of M/s R. K. Bhandari & Co., Cost Auditors to conduct the audit of the cost records of the company for the financial year 2016-17.

In accordance with the provisions of section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration of Rs. 85000/- plus service tax paid extra, travelling and out of pocket expenses to be reimbursed at actuals as per policy of the company payable to the Cost Auditors has to be ratified by the shareholders of the company. The consent of the members is sought for passing an Ordinary Resolution. The Board recommend the proposal for approval of the shareholder.

None of the Directors/ Key managerial Personnel of the company, their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.6.

By order of the Board  
Rajasthan State Mines and Minerals Limited

Sd/-  
(Rajendr Rao)  
Company Secretary

Place: Udaipur

Date: 05<sup>th</sup> November, 2016

Brief Resume of Directors of the company, seeking re-appointment at the 69<sup>th</sup> AGM:

Name of Director	Shri Umesh Kumar, IAS	Shri Devi Shankar Maru
Director Identification Number (DIN)	01733695	06778328
Date of Birth	18.04.1958	06.06.1958
Nationality	Indian	Indian
Date of Appointment on Board	29.09.2016	28.11.2013
Qualification	IAS	BE (Mining)
Experience	33 Years	32 Years
List of directorship held in other companies	1. Rajasthan State Industrial Development & Investment Corporation Ltd. 2. Mahindra World City (Jaipur) Ltd. 3. PDCOR Ltd. 4. NCR Transport Corporation Ltd.	NIL
Membership/Chairmanship of Committee	NIL	CSR Committee - Member
Shareholding in RSMM Ltd.	NIL	NIL

## DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the 69<sup>th</sup> Annual Report on the business and operations of your company together with the Audited Statement of Accounts and Auditors' Report for the year ended on 31<sup>st</sup> March, 2016.

### 1. Financial Highlights:

The financial and operational performance of the Company is as under:-

#### a. Financial Outcome

The financial performance as compared to the previous financial year is depicted below-

(C In Lacs)

Particulars	2015-16	2014-15
Profit before Tax	20032.66	20544.24
Provision for current tax	(7250.00)	(6681.00)
Tax adjustment of earlier years	346.15	231.14
Deferred tax provisions	185.87	636.37
Net Profit after Tax	13314.68	14730.75
Add: Balance brought forward from the previous year	85.33	71.54
Balance available for Appropriation	13400.01	14802.29
Appropriations		
- General Reserve	8700.00	10050.00
- Proposed Dividend	3877.58	3877.58
- Tax on Proposed Dividend	789.38	789.38
Balance carried forward to next year	33.05	85.33

#### b. Growth Indicators

(C In Lacs)

Particulars	2015-16	2014-15
Total Revenue	103164.88	96750.35
Profit after tax	13314.68	14730.75
Net Worth	194013.74	185100.49
Basic and Diluted Earnings per Share (Rs.)	17.17	18.99

## 2. Operational Highlights:

### a. Strategic Business Unit & Profit

#### Centre – Rock Phosphate

In the year 2015-16 the production of High Grade Ore (HGO) and Low Grade Ore (LGO) was 4.42 Lac MT and 8.55 Lac MT respectively. The corresponding figures for the previous year were 4.83 Lac MT and 9.33 Lac MT respectively.

During the financial year 2015-16 the company took measures to address differential in prices of imported and RSMML Rockphosphate and introduced various incentives like Cash discount & bulk quantity rebate etc. These measures help the company in buying back the SSP manufacturing units, which traditionally constitute the company's primary market segment, to RSMML's fold. The sales gradually picked up during the preceding months improving the RSMML's market position. The total sale of Rock phosphate during financial year 2015-16 stood at 8.60 Lac MT witnessing a growth of 60% as compared to sale of 5.36 Lac MT made in financial year 2014-15.

Introduction of 30% P<sub>2</sub>O<sub>5</sub> crushed Rock-phosphate as a new product has not only resulted in mineral conservation but has also helped the company in improving its sales and arresting the increasing imports of Egyptian Rockphosphate, thereby saving country's valuable foreign exchange.

### b. Strategic Business Unit & Profit Centre – Lignite

The production and sale of Lignite for the FY 2015-16 stood at 9.72 Lac MT which is lower than the production and sale quantity of 14.05 Lac MT for the financial year 2014-15.

The company is having a long term agreement with Rajasthan Vidyut Utpadan Nigam limited (RVUNL) for supply of Lignite and thus the quantity for supply of lignite is dependent on the demand from RVUNL. During the financial year

2015-16 the thermal plant of RVUNL was not in operation which has resulted into lower demand of Lignite during the year.

Pre-mining developmental activities like land acquisition, approval of mining plan, environmental clearance, geo-technical studies, hydro-geological studies etc. are in progress in other Lignite Blocks like Gurah (West) in Bikaner, Shivkar and Sachcha-Sauda in Barmer allocated to the company. These blocks are proposed to be developed to meet demand of fuel in power sector as well as for other industrial uses. Based on these blocks new lignite based pit head power plants are likely to be commissioned.

### c. Strategic Business Unit & Profit Centre – Gypsum

The production and sale of Gypsum stood at 12.24 Lac MT and 11.95 Lac MT respectively in the year 2015-16 as against 18.53 Lac MT and 18.59 Lac MT produced and sold in the previous financial year 2014-15. Production and sale of Gypsum was lower because of increase in imported Gypsum, allotment of lease to private sectors, easy and economic availability of quality substitutes, high road freight and manufacturing of synthetic / chemical Gypsum at cement plants etc.

### d. Strategic Business Unit & Profit Centre – Limestone

The production and sale of limestone in the year 2015-16 for Jaisalmer were 23.66 Lac MT and 23.15 Lac MT as compared to previous figures of production and sale of 27.54 Lac MT and 25.02 Lac respectively. Production & sale of Limestone from Gotan mines in financial year 2015-16 was 3.09 Lac MT as against production & sale of 2.28 Lac MT in the year 2014-15.

The ever increasing railway freight has resulted in landed cost of Jaisalmer limestone to the consuming steel plants costlier in comparison

the imported limestone, which has resulted into lesser demand from customers and consequently production and sale of Limestone was lower.

The work of laying down Broad Gauge Railway line from Thaiyat Hameera to Sanu mines for smooth transportation of limestone to various steel plants is being carried out by Railways. The company has deposited a sum of Rs. 118.46 crores being 50% amount of the estimated cost of project with the Railways. The possession of Government land is being taken shortly from the Collector, Jaisalmer by the Railways, whereas acquisition of private land is in advance stage. It is expected that the Railway Line be completed by 31.03.2018. Once this line is constructed, the dependence on road transportation of limestone will be reduced and sale of SMS grade Limestone might improve considerably.

## 3. New Projects

### a. 5 MW Solar Power Plant

Your company has successfully installed 5MW solar power project near Gajner, Distt. Bikaner. Since commissioning of the plant, the units generated are being supplied to the state Grid & about 70.66 lacs unit were fed from this project to the state Grid during the financial year 2015-16.

### b. Wind Power Project at Jaisalmer

Your company is also generating green energy from its wind energy farms having power generation capacity of 106.3 MW at Jaisalmer and has supplied 964 Lac units to State Grid in financial year 2015-16 from these eco friendly project, besides significantly contributing to reduction of carbon dioxide emission.

### c. Carbon Credit

The company is earning CERs from UNFCCC for wind power CDM projects towards its contribution in sustainable development and to protect global warming through registered

green energy generation. The UNFCCC issued CERs for our three wind projects during the financial year 2015-16 and Your Company earned revenue of Rs. 2.37 Crore by sale of carbon credits to Swedish Government as per long term agreement.

### d. Desalination Project at Kasnau-Matasukh Lignite Mines, Nagaur

Your company had installed a Desalination Plant at Kasnau-Matasukh near Nagaur on DBOO basis having 20 MLD brackish water input & 13 MLD permeate output capacity. This plant was commissioned in May, 2010 and since then supplying potable water to PHED for further distribution to 120 villages of Nagaur district. Though, some issues with the DBOO contractor pertaining to inadequate quantities of treated water are cropped up which are being addressed by the Company and plant continues in operation.

### e. Geo-chemical mapping programme

As earlier reported, a tripartite agreement was signed on 10.05.2010 among Geological Survey of India (GSI), Directorate of Mines & Geology (DMG) and Rajasthan State Mines & Minerals Limited (RSMML) for geochemical mapping in 8 district of Rajasthan. Few stream sediment and soil samples were collected in Dungarpur, Banswara and Udaipur districts under RGMP. However, during the stipulated MoU period of 5 years, the desired progress could not be achieved due to delay in construction of laboratory and creation of analysis facilities by DMG, GoR. As such, as per decision of Mines Department, GoR, the MoU of RGMP has been terminated on 03.06.2015.

### f. Deep-seated gypsum mining at Badwasi in Nagaur District

With the gradual depletion of surface deposit of Gypsum, need for exploring alternate source for consistent supply of Gypsum was felt and it was

decided to explore the possibility of developing deep seated Gypsum deposit at Badwasi, Nagaur. Mine Plan of Badwasi Deep Seated Gypsum Mines has already been got approved. Public hearing has been successfully conducted and EIA / EMP studies have also been completed and submitted to the MoEF. It is expected that Environmental Clearance and consent to operate the mines would be obtained shortly. Once, the company gets the consent to operate, action for starting mining operation at Badwasi Deep Seated Gypsum Mines would be initiated along with acquisition of required land.

Further, for acquisition of land, a request has been made along with requisite documents to collector Nagaur and GoR.

#### 4. Capital Structure

Authorized and paid up share capital of the company during the financial year 2015-16 remain unchanged. The authorized capital of the company was Rs. 80.00 crores (Rupees Eighty Crores) as on 31<sup>st</sup> March, 2016.

#### 5. Disinvestment

The Government of Rajasthan in its budget for financial year 2014-15 has announced disinvestment of 10-25% of equity of the company. In this respect various committees for implementation of the decision have been constituted at the level of State Government. Further, Your Company has appointed to M/s SBI Capital Markets Limited as a consultant for forthcoming Initial Public Offer (IPO) of the company of disinvestment of equity of Government of Rajasthan.

#### 6. Dividend

In view of satisfactory performance of the company, your Directors are pleased to recommend a dividend @ 50% of paid up share capital i.e. Rs. 5/- per share of the company for the financial year 2015-16.

#### 7. Subsidiary Companies

##### a. Barmer Lignite Mining Company Limited (BLMCL)

M/s Barmer Lignite Mining Company Limited (BLMCL) was incorporated with 51% share holding of RSMML and remaining 49% equity with joint venture partner M/s Raj West Power Ltd (RWPL) for development, operation and extraction of lignite from Jalipa and Kapurdi mines block for supplying it to 1080 MW (8x135MW) power plant set up by RWPL in Barmer under Fuel Supply Agreement.

BLMCL has acquired 22347.85 bigas of private land for Jalipa Mines. Mining lease for Kapurdi Mines was transferred in favour of BLMCL in the year 2011-12, whereas mining lease for the Jalipa Mining Block has been transferred from RSMML to BLMCL on 25<sup>th</sup> May, 2015. Commercial production has already been commenced from Kapurdi lignite mine. All the eight power generation units each having a capacity of 135 MW each are generating power at Bhadresh in district Barmer.

The Detailed Project Report (DPR) for diversion of NH 15 passing through Jalipa lease area has been approved by Ministry of Road Transport and Highways, New Delhi. BLMCL has also deposited approx. Rs. 160 Crore as deposit work against the cost of NH diversion with PWD - NH Division. Further, land acquisition preliminary notification 3a has been issued by Ministry in January, 2015 and final has been issued by Ministry in February, 2016.

##### b. Rajasthan State Petroleum Corporation Limited (RSPCL)

Rajasthan State Petroleum Corporation Limited was formed as a wholly owned subsidiary of your company with the objective of conducting activities in the petroleum & natural gas sector. The Government of Rajasthan has approved the business line of oil refining, pipe line transport,

gas retailing, city gas distribution, oil exploration, oil field support services for this company. The company has applied for allocation of a lignite block at Nagurda in Barmer-Sanchor basin for underground coal gasification to Ministry of Coal, New Delhi.

A joint venture agreement with GAIL Gas Ltd has been executed on 05/11/2012 for undertaking city gas distribution and other non-regulated business. A Joint venture company viz. RSPCL-Gail Gas Limited has been incorporated with 50% equity participation of RSPCL. The name of Company has been changed to Rajasthan State Gas Limited. Rajasthan State Gas Limited has been allotted a land at Neemrana and Kookas for installation of Daughter Booster Station (DBS) with CNG dispensing units by RIICO. Further project development activities are in progress.

#### 8. Deposits

The Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act 2013 ("the Act") read with the Companies (Acceptance of Deposit) Rules, 2014 during the year under review.

#### 9. Material changes and commitments, if any, affecting the financial position of the company occurred between the end of the financial year to which this financial statements relate and the date of the report.

There are no material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate on the date of this report.

#### 10. Corporate Social Responsibility (CSR) Report

RSMML seriously believe that CSR is company's commitment to operate in economically, socially and environmentally sustainable manner. Social



upliftment of the poor and downtrodden class will remain as thrust area of RSMML's CSR activities, apart from creating wealth and adding value to other stakeholders, i.e. shareholders, suppliers and customers.

In accordance with requirements of The Companies Act 2013, the company has a Corporate Social Responsibility Committee comprising of a majority of Independent Directors. Shri Bhanu Prakash Yeturu, Managing Director is the Chairman of the Committee and Shri H.V. Paliwal and Shri D.S. Maru, Directors are the other members. The Committee has framed and recommended a CSR Policy to the Board for adoption. The CSR Policy may be accessed on the Company website link: <http://www.rsmm.com>.

The annual report on CSR Activities is provided as Annexure – A to the Directors' Report.

#### 11. Human Resource Development & Training

Your company recognizes human resource as the most valuable resource and strive to provide a conducive and congenial environment along with facilities and opportunities for growth. Your company believes that the quality of human resource is the key driver of corporate success and accords priority for Human Resource Development with emphasis on improving skill, competence and knowledge through regular training and professional development programmes. The manpower employed at the end of financial year 2015-16 was 1478 as against 1544 employees last year 2014-15.

#### 12. Industrial Relations

Industrial relations in all mines and offices of the company remained cordial during the year under report. The industrial relations in the company are based on principles of joint consultation and participating management. All major issues pertaining to workmen are resolved through amicable process and discussions.

**13. Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo**

Your company has already taken initiatives towards energy conservation. The company has exhibited tremendous concern for trimming its energy consumption so as to be the least cost producer in the segments in which it operates. There are no foreign exchange earnings during the year under review. However, the company has incurred foreign exchange expenditure for purchase of spare parts.

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in Annexure – B and is attached to this report.

**14. Internal Control Systems**

Adequate internal control systems commensurate with the nature of the Company's business and size and complexity of its operations are in place has been operating satisfactorily. Internal control systems comprising of policies and procedures are designed to ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedure, applicable laws and regulations and that all assets and resources are acquired economically, used efficiently and adequately protected.

**15. Statement concerning Development and Implementation of Risk Management Policy of the Company**

The Company does not have any Risk Management Policy as the elements of risk threatening the Company's existence are very minimal.

**16. Particulars of Loans, Guarantees or Investments made Under Section 186 of the Companies Act, 2013**

No Loans, Guarantees given or Investments made during the Financial Year 2015-16.

**17. Particulars of Contracts or Arrangements made with Related Parties**

There was no contract or arrangements made with related parties as defined under Section 188(1) of the Companies Act, 2013 during the year under review. Accordingly, disclosure of Related Party Transactions as required under section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable.

**18. Independent Directors Declaration**

The Company has received the necessary declaration from each Independent Director in accordance with Section 149(7) of the Companies Act, 2013, that he meets the criteria of independence as laid out in sub-section (6) of Section 149 of the Companies Act, 2013.

**19. Prevention of Sexual Harassment at Workplace**

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('Act') and Rules made there under, your Corporation has constituted Internal Complaints Committees (ICC). During the year 2015-16 no complaint was received by the Company.

**20. Audit Committee**

The Audit Committee of the company has reconstituted during the year due to the transfer of Smt. Veenu Gupta, Chairperson of the Audit Committee.

The Audit Committee comprising of three directors, Smt. Aparna Arora, Chairperson and Shri H.V. Paliwal & Shri P.P. Pareek as independent Directors are the members of the Audit Committee.

The role and terms of reference, the authority and powers of the Committee are in conformity with the requirements under section 177 of Companies Act, 2013.

**21. Directors**

Article 99(i) and 100 of the Articles of Association of the company empower the Governor of Rajasthan to appoint directors on the Board of the company. The Governor may from time to time appoint one of the Directors appointed under Article 99(i) as Chairman of the Board and one or more such Directors as Managing Director and/or Executive Director/s. According to Article 100 of the Articles of Association of the Company, Governor appointed Shri Deepak Upreti (DIN: 00960828) as Chairman in place of Dr Ashok Singhvi (DIN: 00135589).

Shri Sanjay Malhotra (DIN: 00992744) has resigned from the Board of Directors of the Company. The Board places on record the valuable contribution made by Shri Sanjay Malhotra in the growth of the company.

**22. Directors' Responsibility Statement**

Pursuant to Section 134(3)(c) of the Companies Act, 2013, the Directors state that:

a) in the preparation of the annual accounts, the

applicable accounting standards had been followed along with proper explanation relating to material departures;

- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis;
- e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**23. Number of Board Meetings conducted during the year under review**

The Company had conducted Two Board meetings during the financial year under review. The details are as under:

Date of Meeting	Name of the directors who attended meeting	Name of directors to whom leave of absence was granted
30.09.2015	Shri Deepak Upreti - Chairman Shri D. S. Maru - Director Sh. P. P. Pareek - Director Sh. H. V. Paliwal - Director Sh. Bhanu Prakash Yeturu – Managing Director	Sh. Sanjay Malhotra – Director Sh. Prem Singh Mehra – Director Smt. Veenu Gupta – Director
16.03.2016	Shri Deepak Upreti - Chairman Shri D. S. Maru - Director Sh. P. P. Pareek - Director Sh. Bhanu Prakash Yeturu – Managing Director	Sh. Prem Singh Mehtra – Director Shri H.V. Paliwal – Director Smt. Veenu Gupta - Director

#### 24. Extracts of annual return

The extract of annual return as required under section 92(3) of the Companies Act, 2013 in form MGT-9 is annexed herewith for your kind perusal and information (Annexure - C).

#### 25. Auditors

##### a. Statutory Audit

The appointment of Statutory Auditors is made by the Comptroller & Auditor General of India, New Delhi. M/s Pramod & Associates Chartered Accountants, Jaipur was appointed to audit Annual Accounts for the financial year 2015-16.

Your Directors request you to authorize the Board of Directors to fix the remuneration of the auditors to be appointed by the Comptroller & Auditor General of India under Section 139 of the Companies Act, 2013 for the financial year 2016-17.

##### b. Secretarial Audit

Pursuant to the provisions of section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company has appointed M/s S.K. Joshi & Associates, Practicing Company Secretaries for conducting secretarial audit of the company for the Financial Year 2015-16. The qualifications of auditors have been noted and shall be taken care of in next financial year. The Secretarial Audit Report issued by the aforesaid Secretarial Auditors is annexed herewith as Annexure - D.

##### c. Cost Audit

Pursuant to section 148 of Companies Act, 2013 read with Companies (Cost Record and Audit) Rules, 2014 as amended from time to time, your company has appointed M/s R.K. Bhandari & Company, Cost Accountants, Jaipur to carry out

audit of cost records for the financial year 2016-17. As required under Companies Act, 2013, members are requested to consider the ratification of the remuneration payable to M/s R.K. Bhandari & Company, Cost Accountants, Jaipur

#### 26. Significant and material orders passed by the regulators or courts or tribunals

There are no significant and material orders which were passed by the regulators or courts or tribunals during the financial year 2015-16 which impact the going concern status and company's operations in future;

#### 27. Explanation or Comments on Qualifications, Reservations or Adverse Remarks or Disclaimers made by the Auditors and the Practicing Company Secretary in their Reports

The qualifications, reservations or adverse remarks made by the either by the Auditors or by the Practicing Company Secretary are annexed.

#### 28. Acknowledgement

The Directors gratefully acknowledge and express their gratitude for valuable co-operation and continued support extended by the various Government Department, Financial Institutions, Bankers, Consultants and Customers. Your Directors also take this opportunity to thank CAG of India and Statutory Auditors for their co-operation and guidance.

Your company always holds the commitment and competence of its people in a very high esteem and considers it as one of its greatest strength. Your Directors place on record their sincere for all employees of the company for their contribution, co-operation and unstinted support towards the overall growth of the company.

For and on Behalf of the Board

Sd/-

(OM PRAKASH MEENA)

CHAIRMAN

DIN: 03306620

Place: Jaipur

Dated: 4<sup>th</sup> October, 2016

## ADDENDUM TO THE DIRECTORS' REPORT

(Under Section 134 of the Companies Act, 2013)

#### Clarifications on the remarks contained in the Auditors' Report are as under:

- (i) As in the opinion of the company, the development charges are not refundable, therefore the company did not accept the demand and accordingly no liability on this account has been provided for. However, the company has disclosed the amounts of demand as contingent liability.
- (ii) The company has provided liability for excess over burden handled by the contractor during the contract period of 7 years on the basis of recommendations of the sub-committee of the Board which were accepted by the Board of Directors in its 382<sup>nd</sup> meeting held on 21<sup>st</sup> July, 2011. Accordingly, in our opinion liability has adequately been provided.

For & on behalf of the Board

Sd/-

(OM PRAKASH MEENA)

CHAIRMAN

DIN: 03306620

Place: Jaipur

Date : 4<sup>th</sup> October, 2016

**ANNEXURE – A TO THE DIRECTORS' REPORT**

RSMML recognizes that its business activities have direct and indirect impact on the society. The Company strives to integrate its business values and operations in an ethical and transparent manner to demonstrate its commitment to sustainable development and to meet the interests of its stakeholders. The Company is committed to continuously improving its social responsibilities, environment and economic practices to make positive impact on the society.

In accordance with requirements of The Companies Act 2013, the company has a Corporate Social Responsibility Committee comprising of a majority of independent Directors. Shri Bhanu Prakash Yeturu is the Chairman of the Committee and Shri H.V. Paliwal and Shri D.S. Maru are the other members. The Committee framed and recommended a CSR Policy to the Board for adoption. The CSR Policy may be assessed on the Company website link: <http://www.rsmm.com>.

The 'headline' objective of the RSMML's CSR policy shall be to ensure that CSR activities are not performed in isolation but that it is skilfully and tied woven into the fabric of the company's business strategy for overall value creation for all stakeholders. RSMML believes that profitability must be complemented by a sense of responsibility towards all stakeholders with a view to make a material, visible and lasting difference to the lives of disadvantaged sections of the people, preferably in the immediate vicinity of the company's offices but at the same time ensure widespread distribution of its CSR activities befitting its status as a conscientious corporate citizen.

To meet out the objectives of the CSR policy of the company the projects proposed to be undertaken may be in the area of Education, Health care, Sustainable livelihood, Infrastructure development, espousing social causes and Environmental protection etc..

Your company is conscious of its duties towards the community and our country and the coming years shall witness your Company in several CSR areas.

**Financial details regarding CSR activities of the Company**

As per the Section 135 of the Companies Act, 2013 and Rules made there under, the Company is required to mandatorily spend at least two per cent of the average net profits of the Company made during the three immediately preceding three financial years, on prescribed CSR activities.

S.No.	Particular	Amount (D in Lacs)
1.	Average net profit of the Company for the last three financial years (2012-13 to 2014-15)	39009.04
2.	Prescribed CSR expenditure (2% of average net profits as above)	780.18
3.	Details of CSR expenditure during the financial year (2015-16)	
	Amount spent	214.18
	Amount unspent	566.00

The manner in which the amount was spent during the financial year is detailed as below-

CSR project or activity	Sector in which the project is covered	Location of the project/program	Amount outlay (budget) (Rs. in Lacs)	Amount spent on the projects	Cumulative expenditure upto the reporting period (Rs. in Lacs)	Amount spent: Direct or through implementing agency
West Zone Culture Centre	Community at large	Udaipur	11.00	11.00	11.00	Implementing Agency
Dispensary Block at Asha Dham Ashram	Health & Medical care	Udaipur	20.00	20.00	31.00	Implementing Agency
Maharana Bhupal Government Hospital	Health & Medical care	Udaipur	25.00	25.00	56.00	Implementing Agency
Maharana Acharya Sanskrit Mahavidyalya	Promoting education	Udaipur	1.75	1.75	57.75	Implementing Agency
Construction of Toilets in Schools of Nagaur Districts	Promoting education	Nagaur	60.00	60.00	117.75	Implementing Agency
Skill Development Centre at Jodhpur	Promoting education	Jodhpur	10.00	10.00	127.75	Implementing Agency
Development of Various basic facilities at Government Hospital, Nagaur	Health & Medical care	Nagaur	45.80	45.80	173.55	Implementing Agency
Building of Art Gallery in "TAKHMAN" organisation	Community at large	Udaipur	10.00	10.00	183.55	Implementing Agency
Sponsorship for Udaipur Lake Festival, Udaipur	Community at large	Udaipur	20.00	6.00	189.55	Implementing Agency
District Sports Officer	Promoting Sports	Udaipur	6.61	6.61	196.16	Implementing Agency
Limestone Unit, Jodhpur	Community at large	Jodhpur	18.02	18.02	214.18	Implementing Agency

The Company works with non-governmental origination, schools, other institutes & organisations.

There was a shortfall of Rs. 566.00 Lacs in the expenditure done on CSR activities with regard to the amount mandated as per law. The Company is in process of further identifying worthwhile avenues for CSR expenditure. The Company is committed to CSR and shall strive to at least spend the amount as provided in law in the next financial year.

Responsibility statement of the CSR Committee

The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

## ANNEXURE – B TO THE DIRECTORS' REPORT

Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

[Pursuant to Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

### A. Conservation of Energy

- a) Energy Conservation Measures taken :
- RSMML has been taking initiatives towards energy conservation. The company has exhibited concern for trimming its energy consumption so as to be the least cost producer in the segments in which it operates.
- Installation of energy efficient High pressure Grinding Rolls resulted in reduction of energy consumption at Industrial Beneficiation Plant.
  - Energy audit is being carried out regularly through in-house engineers in Industrial Beneficiation Plant at Jhamarkotra Mines.
  - Replacement of conventional controls with variable speed drive to reduce energy consumption in the plant.
- b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy;
- Luminaries like HPMV/Halogen Lamps etc. are being replaced with high efficiency lamps like HSPB/Metal Halide/LED to save energy.
  - Existing low efficiency motors are being replaced with high energy efficient motors resulting in saving of energy.
  - Installed roof top solar panels at Corporate Office of the Company as an effort to make building of Corporate

Office as eco-friendly building.

- c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods;
- Cost saving achieved due to low cost renewable energy from 106.46 wind power and solar power plant.
  - Reduction of energy consumption from 49 KWH to 32 KWH/MT of LGO feed and consequent impact on the cost of production of Beneficiated Rock Phosphate.
  - Higher power factor is maintained for achieving savings in the energy consumed from AVVNL and also getting handsome rebate per month in the electricity bills.

### B. Technology Absorption

Research and Development (R&D)

1. Specific areas in which R&D carried out by the company.
- R&D efforts in the following areas strengthened the company's operation through technology absorption, adaptations & innovation.
- (a) A research project has been awarded to MPUA&T, Udaipur for Rs. 11,62,500/- for three years to increase agronomic efficacy of secondary ore which is being produced as intermediate product and presently not used. The quantity is about 50 lakhs tonnes.
- (b) Productivity studies of HEMM at Jhamarkotra Mines.
- (c) Beneficiation of secondary rock-phosphate.
- (d) Utilization of saline water encountered

while mining of lignite in Kasnau – Matasukh mines. Desalination plant is installed and commissioned. Drinking water is being supplied to nearly 120 villages of Nagaur Distt. from Desalination plant.

2. Benefits derived as a result of the above R&D

- Strengthening of market share
- Converting waste into useful product
- Conservation of mineral.

3. Future plan of action

- Energy efficient process

4. Expenditure on R&D

- Capital Rs. NIL
- Recurring Rs. 14.90 Lac
- Total R&D expenditures as percentage of total turnover 0.02 %

**C. Technology absorption, adaptation and innovation**

1. Efforts, in brief, made towards technology absorption, adaptation and innovation:

- Commissioning of 5MW Solar Energy Plant based on Multi Crystalline Technology at Bikaner.
- Company has developed the low cost organic fertilizer “PROM”

c) Two patents have been filed and approved by the Company jointly with MLS University, Udaipur under the title i) “process for making slow release phosphate fertiliser.” ii) “An eco-friendly process for making EPSOM and Gypsum.”

d) Company has introduced 30% crushed Rockphosphate replacing 31.5% CRP, it has improved mineral conservation.

2. Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc.

• Above efforts helped in satisfying the consumer needs as well as business requirements by introducing new products.

3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information are furnished as under:

- Technology imported. -Nil
- Year of import -NA
- Has techno/logy been fully absorbed? -NA
- If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action. -NA

**D. Foreign Exchange Earnings and Outgo**

(Amount in C)

Particulars	2015-16	2014-15
Earnings	2,37,62,620	-
Expenditure	-	-
Spares	-	1,19,1947
Other Matters	7,95,531	-

**ANNEXURE - C TO THE DIRECTORS' REPORT**

Form No. MGT-9  
EXTRACT OF ANNUAL RETURN  
As on the financial year ended on 31.03.2016  
[Pursuant to section 92 (3) of the Companies Act, 2013 and rules 12(1) of the Companies (Management and Administration Rules, 2014)]

**I. REGISTRATION AND OTHER DETAILS:**

i) CIN.	U14109RJ1949SGC000505
ii) Registration Date	07/05/1947
iii) Name of the Company	Rajasthan State Mines Minerals Limited Ltd.
iv) Category / Sub Category of the Company	Company Limited by Shares / State Government Company
v) Address of the Registered office and contact details	C-89-90, Janpath Lal kothi Scheme, Jaipur-302015 Contact No-0141-2743734, 2743934
vi) Whether listed company Yes/ No	No
vii) Name, address and contact details of Registrar and transfer agent, if any	NA

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY : MINING**

S.No	Name & Description of main products / services	NIC Code of the Product /service	% to total turnover of the company
1.	Mining of Rock phosphate	14212	53.63
2.	Mining of Lignite	10201	17.08
3.	Mining of Limestone	14107	16.42
4.	Mining of Gypsum	14105	8.69
5.	Power-Wind farm	40108	3.92
6.	Power-Solar power plant	40106	0.26

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

S. NO.	Name and Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of shares Held	Applicable Section
1	Barmer Lignite Mining Company Ltd. Khaniz Bhawan, Tilak Marg, C-Scheme, Jaipur-302005	U14109RJ2007SGC023687	Subsidiary	51%	2(87)(ii)
2	Rajasthan State Petroleum Corporation Ltd. Khaniz Bhawan, Tilak Marg, C-Scheme, Jaipur-302005	U23201RJ2008SGC026960	Subsidiary	100%	2(87)(ii)

**IV. SHAREHOLDING PATTERN : (i) Category-wise Share Holding  
(Equity Share Capital Breakup as percentage of Total Equity)**

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/HUF									
b) Central Govt.									
c) State Govt.									
d) Bodies Corp.									
e) Banks/FI									
f) Any other									
Sub Total (A) (1)	-	77540478	77540478	99.986	-	77540478	77540478	99.986	NIL
(2) Foreign									
a) NRIs- Individual									
b) Other Individual									
c) Bodies Corp.									
d) Banks / FI									
e) Any other									
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	-	77540478	77540478	99.986	-	77540478	77540478	99.986	NIL
<b>B. Public Shareholding</b>									
1. Institutions									
(a) Mutual Funds/UTI									
(b) FI / Banks									
(c) Central Govt./ State Govt.									
(d) Venture capital funds									
(e) Insurance Companies									
(f) FIs									
(g) Foreign Venture Capital Investors									
(h) Any other (specify)									
Sub-Total (B)(1)	-	-	-	-	-	-	-	-	-
2. Non Institutions									
(a) Bodies Corporate									
(b) Individuals	-	11022	11022	0.014	-	11022	11022	0.014	NIL
(c) Any others									
Sub Total (B)(2)	-	11022	11022	0.014	-	11022	11022	0.014	NIL
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	11022	11022	0.014	-	11022	11022	0.014	NIL
Shares held by Custodians and against which Depository Receipts have been issued	-	-	-	-	-	-	-	-	-
Grand Total (A)+(B)+(C)	-	77551500	77551500	100.00	-	77551500	77551500	100.00	NIL

**(ii) Share Holding of Promoters**

Sl No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1.	Govt. of Rajasthan	77540478	99.986	NIL	77540478	99.986	NIL	NIL

(iii) Change in Promoters' Shareholding (specify if there is no change) - NIL -

There is no change in promoters' shareholding during the year under review.

(iv) Share Holding Pattern of Top Ten Shareholders - NIL -

(other than Directors, Promoters & Holders of GDRs & ADRs)

(v) Shareholding of Directors and Key Managerial Personnel: - NIL -

**V. INDEBTEDNESS:**

Indebtedness of the company including interest outstanding/ accrued - NIL -

but not due for payment

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

(Amount in C)

S No.	Name of Director/KMP	Designation	Remuneration
1.	Shri Bhanu Prakash Yeturu	Managing Director	1024052.00
2.	Shri Bhupesh Mathur (30-9-15 to 31-3-16)	Chief Financial Officer	753620.00
3.	Dr. T.R. Agarwal (1-4-15 to 12-8-15)	Chief Financial Officer	568152.00
4.	Shri Rajendr Rao	Company Secretary	1224763.00

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES: - NIL-**

For & on behalf of the Board

Sd/-  
(OM PRAKASH MEENA)  
CHAIRMAN  
DIN: 03306620

Place: Jaipur  
Date : 4<sup>th</sup> October, 2016

ANNEXURE – D

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members

RAJASTHAN STATE MINES AND MINERALS LIMITED

CIN: U14109RJ1949SGC000505

C-89-90, LALKOTHI,

JAIPUR, RAJASTHAN

302015

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by RAJASTHAN STATE MINES AND MINERALS LIMITED (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2016 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; (Not applicable to the Company during the Audit period being unlisted Company)
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; (Not applicable to the Company during the Audit period)
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not applicable to the Company during the Audit period)
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable to the Company during the Audit period being unlisted Company.

I have also examined compliance with the applicable clauses of:

(I) Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above *except constitution of Nomination and Remuneration committees and holding of Boards Meeting* as prescribed under section 173 of the Act.

I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws:

1. The Mines and Minerals (Development and Regulation) Act, 1957
2. Mines Act, 1952
3. Forest Conservation Act, 1980
4. Maternity Benefit (Mines) Rules, 1963
5. The Sexual Harassment Of Women At Workplace (Prevention, Prohibition And Redressal) Act, 2013

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through and while the dissenting members' views are captured and recorded as part of the minutes, if any.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, no specific event has taken place which has major bearing on the Company's affairs.

For S. K. Joshi & Associates  
Company Secretaries

Sd/-  
(SANJAY KUMAR JOSHI)

Place : Jaipur  
Date : 21.09.2016

Proprietor  
FCS N 6745  
C.P. No. 7342

This report is to be read in conjunction with our letter of even date which is marked as 'Annexure A' and forms an integral part of this report.

'Annexure A'

To,  
The Members  
RAJASTHAN STATE MINES AND MINERALS LIMITED  
CIN: U14109RJ1949SGC000505  
C-89-90, LAL KOTHI,  
JAIPUR, RAJASTHAN  
302015

Our report of even date is to be read along with this letter.

- (1) Maintenance of Secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these Secretarial Records based on our audit.
- (2) I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- (3) I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- (4) Where ever required, I have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.
- (5) The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of the Management. My examination was limited to the verification of procedures on test basis.
- (6) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the Efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For S. K. Joshi & Associates  
Company Secretaries

Sd/-  
(SANJAY KUMAR JOSHI)

Proprietor  
FCS N 6745  
C.P. No. 7342

Place : Jaipur  
Date : 21.09.2016

STANDALONE FINANCIAL STATEMENT 2015-16  
OF  
RAJASTHAN STATE MINES AND MINERALS LIMITED

## INDEPENDENT AUDITORS' REPORT

TO  
THE MEMBERS  
RAJASTHAN STATE MINES & MINERALS LIMITED  
Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of RAJASTHAN STATE MINES & MINERALS LIMITED ("the Company"), which comprises the Balance Sheet as at 31<sup>st</sup> March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting

estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

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

### Basis of Qualified Opinion

- (i) The Development Charges on Gypsum and Limestone of ₹ 21.31 crores were refunded by the government to the Company in the year 2006-07 as the levy of development charges was withdrawn since 1/04/2006. However, the said levy of ₹ 21.31 crores was recovered from the buyers while raising the bills/invoices. The Company had received certain claims from the buyers, as informed by the Company, amounting to ₹ 2.37 crores but the liability for the same has not been provided. The total impact is that the Reserves and Surplus has been overstated by a total of ₹ 2.37 crores, Current Liabilities understated by ₹ 2.37 crores and Contingent Liabilities overstated by ₹ 2.37 crores in the head 'Claims against company not acknowledged as debt'.
- (ii) As detailed in Note No. 34 of the standalone financial statement, The Contractor M/s National Construction Company had raised a claim based on the terms of contract between the Company and the Contractor, for Excess Wastage Handling Remuneration which has not been adequately provided for by the Company in its books of accounts. The claim had been provided for at ₹ 19.25 crores in the financial year 2009-10 instead of ₹ 39.06 crores resulting into short provisioning of ₹ 19.81 crores. The total impact is that Reserves and Surplus has been overstated by a total of ₹ 19.81 crores, Current Liabilities understated by ₹ 19.81 crores and Contingent Liabilities overstated by ₹ 19.81 crores in the head 'Claims against company not acknowledged as debt'.
- (iii) We further report that had the observations made by us in sub para nos. (i) and (ii) above been considered, Reserves & Surplus would have been ₹ 1848.19 crores (as against ₹ 1870.37 crores as reported by the Company), Current Liabilities would have been ₹ 1174.31 crores (as against ₹ 1152.13 crores as reported by the Company), Contingent liabilities, in the head 'Claims against company not acknowledged as debt', would have been ₹ 575.85 crores (as against ₹ 598.03 crores as reported by the Company).

### Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the basis of Qualified Opinion Paragraph, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2016, and its Profit and its Cash Flows for the year ended on that date.

### Emphasis of Matter

We draw attention to the following matters in the Notes to the financial statements:

- a) Note No 8.3 to the financial statement regarding effective date of applicability of the notification of District Mineral Foundation which was imposed with the retrospective effect dated 12.01.2015.

- b) Note no 8.4 to the financial statement regarding effective date of applicability of the notification of National Mineral Exploration Trust Rules 2015 which was imposed with the retrospective effect dated 12.01.2015.
- c) Note No: 19.2 to the financial statements regarding the Fuel Supply Agreement (FSA) entered into with Rajasthan Vidyut Utpadan Nigam Limited (RVUNL), that in the absence of renewed FSA, revenue has been accounted for on the basis of prevailing rates as defined in existing FSA.
- d) Note No: 30 to the financial statements regarding the non refund of the amount from the State government related to the retrospective increase in MR Cess rate and the final adjustment shall be made on the receipt of same.
- e) Note No: 33 to the financial statements regarding the dispute about the applicability of recovery clause when the Desalination Plant is operated on reduced capacity, which is pending for arbitration award.

Our opinion is not modified in respect of these matters.

#### 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 Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. The Controller and Auditors General of India has issued directions indicating the areas to be examined in terms of subsection (5) of section 143 of the Act, the compliance of which is set out "Annexure B".
3. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with



Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements- refer note 28.1 to the financial statements
- ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has no delay in transferring amounts, requirement to be transferred, to the Investor Education and Protection Fund by the Company.

For Pramod & Associates  
Chartered Accountants  
FRN : 001557C

Sd/-  
(Abhishek Dalmia)

Partner

Membership no.: 403936

Place: Jaipur

Date: 29.09.2016

### The Annexure A to Independent Auditors' Report

The Annexure A to Independent Auditors' Report as referred to in paragraph 1 of 'Report on Other Legal and Regulatory Requirements' of the section our report on even date

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information;
- (b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regards to size of the company and nature of its assets. As per Information given to us by the management, No material discrepancies were noticed on such physical verification.
- (c) The title/ lease deeds of the immovable properties are held in the name of the Company except cases of Leasehold Land of 38000 square feet having cost of C 9.62 Lacs, 199.62 Bigha land having cost of C 336.05 Lacs and 258.77 hectare land having value of C 190.99 Lacs, Free hold land of 4.775 hectare having value of C 97.95 Lacs and buildings having cost of C 254.37 Lacs, of which title/ lease deeds are pending for execution in the name of the Company.
- (ii) (a) As explained to us the inventories has been physically verified during the year by the management/outside agencies, the frequency of such verification is reasonable.
- (b) The discrepancies noticed on physicals verification of the inventory as compared to books records which has been properly dealt with in the books of accounts were not material.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms and limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore clause 3 (iii) of the Order are not applicable.
- (iv) According to the information and explanation given to us, the company has complied with the provision of section 185 and 186 of Act, with respect to the loans, investments, guarantees, and security made.
- (v) The Company has not accepted any deposits from the public within the meaning of section 73 to 76 or any other relevant provisions of the Act, and the rules framed there under.
- (vi) We are informed that cost records are under the process of preparation. Hence we have not reviewed the books of accounts required to be maintained by the Company pursuant to the rules made by the Central Government of India, regarding the maintenance of cost records under subsection (1) of Section 148 of the Companies Act, 2013. Considering the same, we are not able to give opinion on maintenance of cost records with a view to determine whether they are accurate or complete.
- (vii) (a) to the information and explanations given to us and on the basis of examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities except the following which are outstanding as at March 31, 2016 for a period of more than six months from the date they became payable.



Nature of Dues	Amount (C In Lacs)
Development Charges payable to DMG	22.05
Premium Charges payable to DMG	72.21
Royalty including Dead Rent payable to DMG	930.15
Interest on late deposition of Royalty Payable to DMG	34.77
MR Cess	2.98
Land Tax	3.80
Contribution to CPF	1.16
<b>TOTAL</b>	<b>1067.12</b>

- (b) According to the information and explanation given to us, there are no dues in respect of Income Tax, sales Tax/ VAT, duty of customs, Service Tax excise duty, custom duty, service tax, cess and any other material statutory dues which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following statutory dues have not been deposited by the Company on account of disputes:

Name of the Statute	Nature of the dues	Demand Amount (C in Lacs)	Amount deposited under protest (C in Lacs)	Period to which the amount relates	Forum where the dispute is pending
MP Sales Tax	Sales Tax	6.22	NIL	Prior to 2001	Commissioner of Sales Tax
Land Tax	Land Tax	94.67	NIL	2011 - 12	RTB Ajmer
<b>TOTAL</b>		<b>100.89</b>			

- (viii) In our opinion and according to the information and explanations given to us by the management, the Company has not defaulted in the repayment of dues to financial institutions, banks, Government and dues to debenture holders.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, Clause 3(ix) of the Order is not applicable.
- (x) Based on our audit procedure and as per the information and explanations given to us, no fraud by the Company or fraud on the Company by any person including its officers or employees has been noticed or reported during the year;
- (xi) The provisions of Section 197 read with Schedule V of the Act regarding managerial remuneration, are not applicable to the Company.

- (xii) According to the information and explanation given to us by the management, The Company is not a Nidhi Company, hence clause 3 (xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with sections 177 and 188 of the act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards;
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or Private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with him.
- (xvi) In our opinion the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Pramod & Associates  
Chartered Accountants  
FRN : 001557C

Sd/-  
Abhishek Dalmia  
Partner  
Membership no.: 403936

Place: Jaipur  
Date: 29.09.2016



## Annexure "B" to the Independent Auditors' Report

The Annexure B referred to in our Independent Auditor's Report to the members of the Company on the standalone financial statements for the year ended 31 March 2016, we report that:

### GENERAL DIRECTIONS ISSUED U/s 143(5) OF THE COMPANIES ACT, 2013 FOR THE FY 2015-16

- I Whether the Company has clear title/lease deeds for freehold and leasehold property respectively? If not, Please state the area of freehold and leasehold land for which title / lease deeds are not available?
- The title/ lease deeds of the immovable properties are held in the name of the Company except cases of Leasehold Land of 38000 square feet having cost of C 9.62 Lacs, 199.62 Bigha land having cost of C 336.05 Lacs and 258.77 hectare land having value of C 190.99 Lacs, Free hold land of 4.775 hectare having value of C 97.95 Lacs and buildings having cost of C 254.37 Lacs, of which title/ lease deeds are pending for execution in the name of the Company.
- II Waiver/Write Off of debts/loans/interests etc.
- There are no significant cases of waiver/write off of debts/loans/interest etc. As per the process of the Company any waiver/write off of debts/loans/interest etc is accounted only with the approval of Competent Authority.
- III Inventories lying with the third parties and assets received as gift from Government or other authorities.
- We are informed that no inventory of the Company is lying with third parties as at the end of the year. There are no assets received as gift from Government or other authorities

### SUB DIRECTIONS ISSUED U/s 143(5) OF THE COMPANIES ACT, 2013 FOR THE FY 2015-16

1. Whether the company has taken adequate measures to reduce the adverse effect on environment as per established norms and taken up adequate measures for the relief and rehabilitation of displaced people.
- According to the information and explanation given to us, the Company is taking adequate measures to reduce the adverse affect on environment as per the established norms and has taken up adequate measures for the relief and rehabilitation of displaced people. In case of Land acquisition, compensation is paid to land owners as per award of Land Acquisition Officer (LAO) which includes benefit of Relief and Rehabilitation.
2. Whether the company had obtained the requisite statutory compliances that was required under mining and environmental rules and regulations?
- According to the information and explanation given to us, the Company had obtained the requisite statutory compliance that was required under mining and environmental rules and regulations.
3. Whether overburden removal from mines and backfilling of mines are commensurate with the mining activity?
- According to the information and explanation given to us, the Company has undertaken mining activities as per approved mining plan which specifies removal of overburden and back-filling.

4. Whether the company has disbanded and discontinued mines, if so, the payment of corresponding dead rent there against may be verified.

According to the information and explanation given to us, the Dead rent is being paid/provided for disbanded/discontinued mines.

5. Whether the Company's financial statements had properly accounted for the effect of Rehabilitation Activity and Mine Closure Plan?

According to the information and explanation given to us, the Company's financial statements had properly accounted for the effects of Rehabilitation activity and Mine Closure Plan.

For Pramod & Associates  
Chartered Accountants  
FRN : 001557C

Sd/-  
(Abhishek Dalmia)  
Partner  
Membership no.: 403936

Place: Jaipur  
Date: 29.09.2016



## Annexure "C" to the Independent Auditor's Report

Annexure C to the Independent Auditor's Report as referred to in paragraph 3(f) of 'Report on Other Legal and Regulatory Requirements' section of our report on even date

We have audited the internal financial controls over financial reporting of RAJASTHAN STATE MINES & MINERALS LIMITED ("the Company") as of 31<sup>st</sup> March, 2016 in conjunction with our audit of the standalone 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 control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India" ("ICAI"). 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 company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditors' 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 the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, 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 control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's 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 control over financial reporting includes those policies and procedures that:

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 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
- 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 control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

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

For Pramod & Associates  
Chartered Accountants  
FRN : 001557C

Sd/-  
(Abhishek Dalmia)  
Partner  
Membership no.: 403936

Place: Jaipur  
Date: 29.09.2016

### BALANCE SHEET AS AT 31st MARCH, 2016

(Amt in C)

Particulars	Note No.	As at		As at	
		31st March, 2016		31st March, 2015	
<b>I EQUITY AND LIABILITIES</b>					
<b>1 Shareholders' Funds</b>					
(a) Share Capital	2	77,55,15,000		77,55,15,000	
(b) Reserves & Surplus	3	1870,36,87,085	1947,92,02,085	1783,89,14,485	1861,44,29,485
<b>2 Non-Current Liabilities</b>					
(a) Deferred tax Liabilities(Net)	4	40,51,62,401		42,37,49,711	
(b) Other Long term Liabilities	5	5,92,09,511		7,12,39,068	
(c) Long-term Provisions	6	39,14,07,124	85,57,79,036	43,66,53,807	93,16,42,586
<b>3 Current Liabilities</b>					
(a) Trade Payables	7	60,13,54,071		51,09,45,748	
(b) Other Current Liabilities	8	968,38,13,700		984,12,94,722	
(c) Short-term Provisions	9	123,61,72,185	1152,13,39,956	117,65,64,669	1152,88,05,139
<b>TOTAL</b>			<b>3185,63,21,077</b>		<b>3107,48,77,210</b>
<b>II ASSETS</b>					
<b>1 Non-current assets</b>					
(a) Fixed Assets					
(i) Tangible Assets	10	580,13,31,768		599,13,28,269	
(ii) Capital Work-in-Progress		12,20,345		13,39,75,501	
(b) Non-current Investments	11	47,63,34,065		44,78,38,771	
(c) Long-term loans and advances	12	266,71,85,457		253,01,87,872	
(d) Other non-current assets	13	28,96,92,938	923,57,64,573	30,05,26,231	940,38,56,644
<b>2 Current Assets</b>					
(a) Inventories	14	295,05,56,150		324,47,16,261	
(b) Trade Receivables	15	172,21,79,913		111,80,04,103	
(c) Cash and Bank Balances	16	946,87,31,922		901,51,27,233	
(d) Short term Loans and Advances	17	735,80,24,889		708,52,86,249	
(e) Other Current Assets	18	112,10,63,630	2262,05,56,504	120,78,86,720	2167,10,20,566
<b>TOTAL</b>			<b>3185,63,21,077</b>		<b>3107,48,77,210</b>

Significant Accounting Policies 1  
Notes to Accounts 2-46

In terms of our report of even date

For Pramod & Associates  
Chartered Accountants  
FRN: 001557C

Sd/  
(Abhishek Dalmia)  
Partner  
Membership No. 403936  
Place: Jaipur Date: 29.09.2016

For and on Behalf of the Board

Sd/-  
D.S.Maru  
Director  
DIN - 06778328  
Sd/-  
Bhanu Prakash Yeturu  
Managing Director  
DIN - 07032883  
Sd/-  
Bhupesh Mathur  
Chief Financial Officer  
Sd/-  
Rajendr Rao  
Co. Secretary

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

(Amt in C)

	Particulars	Note No.	2015-16	2014-15
	<b>INCOME</b>			
I	Revenue from operations	19	948,90,07,174	899,03,63,357
	Less : Excise Duty		3,20,66,254	4,54,39,970
			945,69,40,920	894,49,23,387
II	Other Income	20	85,95,46,708	73,01,44,172
III	Total Revenue (I+II)		1031,64,87,628	967,50,67,559
IV	<b>EXPENSES</b>			
	Purchase of Ore		19,70,94,585	1,18,73,389
	Changes in inventories of finished goods & Others	21	27,64,18,027	-79,79,64,720
	Employee benefit expenses	22	140,94,91,745	144,07,96,406
	Finance costs	23	6,99,83,190	7,90,23,921
	Depreciation & Amortisation expenses		41,76,80,286	49,17,48,535
	Other Expenses	24	585,80,71,867	633,52,57,650
	Total Expenses		822,87,39,700	756,07,35,181
V	Profit before Prior Period Adjustments, Exceptional Items & Tax		208,77,47,928	211,43,32,378
	Prior Period Adjustments (Net)	25	-11,81,68,524	5,99,08,040
VI	Profit before Exceptional Items & Tax		220,59,16,452	205,44,24,338
	Exceptional items	26	-20,26,50,000	-
VII	Profit Before Tax		200,32,66,452	205,44,24,338
VIII	Tax expense:			
	Current Tax		72,50,00,000	66,81,00,000
	Tax of earlier years		-346,14,641	-2,31,13,733
	Deferred Tax		-1,85,87,310	-6,36,37,109
IX	Profit for the year (VII-VIII)		133,14,68,403	147,30,75,180
X	Earning Per equity share	27		
	Basic and Diluted		17.17	18.99
	Face value Per equity share		10.00	10.00
	Weighted Average Number of Equity Shares		77551500	77551500

Significant Accounting Policies  
Notes to Accounts

1  
2-46

In terms of our report of even date

For Pramod & Associates  
Chartered Accountants  
FRN: 001557C

Sd/  
(Abhishek Dalmia)  
Partner  
Membership No. 403936  
Place: Jaipur Date: 29.09.2016

Sd/-  
D.S.Maru  
Director  
DIN - 06778328

Sd/-  
Bhupesh Mathur  
Chief Financial Officer

For and on Behalf of the Board

Sd/-  
Bhanu Prakash Yeturu  
Managing Director  
DIN - 07032883

Sd/-  
Rajendr Rao  
Co. Secretary



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

(Amt in C)

	Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015
A	Cash Flow From Operating Activities		
	Net Profit Before Tax & Exceptional Items	2003266452	2054424338
	Adjustments For :		
	Depreciation	451419089	491745553
	Miscellaneous Expenditure written off	27134266	2134265
	Miscellaneous Expenditure paid	(581912)	(767750)
	Interest received	(520540783)	(559277008)
	Dividend Income	(10000)	(10000)
	Interest expenditure	69792862	78859816
	Investments written off	1	-
	Impaired/Obsolescence loss on assets	671199	564876
	Fixed and other Assets Written Off	90274	1074047
	Loss on sale of Fixed Assets	16149	3364
	Profit on sale of Fixed Assets	(224658)	(6917401)
	Operating Profit Before Working Capital Change	27766487	7409762
	Change In Working Capital (Excluding Cash & Bank Balance)	2031032939	2061834100
	Inventories	294160111	(781505995)
	Trade receivables	(604175810)	(305642629)
	Loans & advances & other assets	(135228160)	364591755
	Trade payables, other liabilities and provisions	(121641423)	(35232059)
	Cash Generated From Operation	(566885282)	(757788928)
	Less: Direct Taxes Paid net of refund (including TDS)	1464147657	1304045172
	Net Cashflow From Operating Activities	(823579212)	(956598156)
	Net Cashflow From Operating Activities	640568445	347447016
B	Cash Flow From Investing Activities		
	Addition/Price revision in Fixed Assets	(142783065)	(471188924)
	Sale of Fixed and Other Assets	252486	8303758
	Dividend Income	10000	10000
	Investments	(28495295)	(128670522)
	Interest Income	520540783	559277008
	Net Cash (Used) In/From Investing Activities	349524909	(32268680)

(Amt in C )

Particulars	Year Ended 31.03.2016		Year Ended 31.03.2015	
C Cash Flow From Financing Activities				
Payment/adjustment of Dividend	(387757500)		(387757500)	
Payment/adjustment of Corporate Dividend Tax	(78938303)		(77532115)	
Interest paid	(69792862)		(78859816)	
Net Cash (Used) In/From Financing Activities		(536488665)		(544149431)
D Net Change In Cash & Cash Equivalents(A+B+C)		453604689		(228971095)
E Cash & Cash Equivalents at beginning of the year		9015127233		9244098328
F Cash & Cash Equivalents at end of the year		9468731922		9015127233

Net Change In Cash & Cash Equivalent (F-E) 453604689 (228971095)

- Notes: C C
- Cash & Cash Equivalent held by the Company and not available for use by it. 1300568362 1127912744
  - Cash Flow has been prepared under indirect method as set out in AS-3 issued by the Institute of Chartered Accountants of India.
  - Addition/Purchase of Fixed Assets includes movement of Capital Works in Progress & Capital Advances during the year.
  - Previous Year's figures have been recasted/regrouped, wherever necessary, to confirm to the current years' presentation.

In terms of our report of even date

For Pramod & Associates  
Chartered Accountants  
FRN: 001557C

Sd/  
(Abhishek Dalmia)  
Partner  
Membership No. 403936  
Place: Jaipur Date: 29.09.2016

For and on Behalf of the Board

Sd/- D.S.Maru Director DIN - 06778328	Sd/- Bhanu Prakash Yeturu Managing Director DIN - 07032883
Sd/- Bhupesh Mathur Chief Financial Officer	Sd/- Rajendr Rao Co. Secretary



## ACCOUNT POLICES

### 1 SIGNIFICANT ACCOUNTING POLICIES

#### 1.1 Basis of the preparation of the Financial Statement:

The Financial Statements are prepared under the historical cost convention in accordance with the Generally Accepted Accounting Principles, Mandatory Accounting standards as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014 and relevant provisions of the Companies Act, 2013.

#### 1.2 Valuation of Inventories, Stores & Spares:

- Inventory : "Inventories are valued on the principle of lower of cost or net realisable value. "
- Stores & Spares : Stores and Spares are valued at their weighted average cost.
- Certified Emission Reduction (CER) / Voluntary Emission Reduction Certificates (VERs) in hand : CER/VERs are valued at cost incurred for their certification or net realisable value whichever is lower.
- Reduction Emission Certificate ( REC ) : RECs are valued at cost incurred for their certification or net realisable value whichever is lower.

#### 1.3 Shortages found on physical verification of materials are being accounted for considering the nature of material and the volume of shortages.

#### 1.4 Obsolete spares, stores are taken at Nil value.

#### 1.5 Fixed Assets & Depreciation

- The value of "Gross Block" of fixed assets represents the cost of acquisition including taxes, duties, expenditure on installations, attributable to pre-operative expenses including borrowing cost and other identifiable direct expenses incurred up to the date of bringing the assets to its working condition for intended use .
- Depreciation is charged on WDV method based on the useful life of the assets as prescribed in Schedule II of the Companies Act 2013. Where ever there is no suitable life in Schedule II, the same shall be determined by technical assessment.
- Cost of leasehold land is amortized over the period of lease.
- Cost of freehold mining land remained unusable after excavation of minerals is amortized on the basis of minerals actually produced during the year to the total estimated mineable reserves reckoning from the year in which regular production is commenced.
- In respect of additions forming an integral part of existing assets, depreciation is charged over the remaining useful life of the original asset. In case any existing asset is already fully depreciated, such additions are fully depreciated in the year of addition.
- Assets costing up to C 5,000/- each are fully depreciated in the year of purchase/installation.
- Depreciation on assets not owned by the Company is amortized in the year of completion.

#### 1.6 Additional liability, if any, in respect of taxes and duties is accounted for when such liability is ascertained with reasonable certainty.

1.7 Retirement and other employee Benefits

- (a) Provident Fund & Pension Fund of the Regional Provident Fund Commissioner are a defined contribution schemes as per applicable rules/statute and contribution made to the Provident Fund Trust and Regional Provident Fund Commissioner respectively are charged to the statement of Profit and Loss.
- (b) Gratuity liability is defined benefit obligations and is provided for on the basis of actuarial valuation and is being funded every year through policy of L.I.C. of India.
- (c) Retirement benefit in the form of post retirement medical benefit is a defined contribution scheme in which employer is required to contribute annually 25% of the amount contributed by the employees.
- (d) Liability of leave encashment and sick leave is accounted for on the basis of actuarial valuation.
- (e) Actuarial gains and losses are charged to statement of profit and loss.
- (f) Payments made under the Voluntary Retirement Scheme are charged to the statement of profit and loss as and when incurred.

1.8 Foreign Currency Transactions:

- (a) Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction.
- (b) Monetary items in foreign currencies are translated at the year end rate. The difference between the rates prevailing on the date of settlement as also on the translation of monetary items at the end of the year is recognised as income or expenses as the case may be for the year."
- (c) Non monetary items denominated in foreign currency are reported at the exchange rate ruling on the date of transaction."

1.9 Investments

- (a) Current investments are valued at lower of cost or market/fair value.
- (b) Long term investments are valued at cost less provisions, if any, for diminutions, other than temporary, in the value of such investments.

1.10 Revenue Recognition

- (a) Revenue from the sale of goods and services rendered is recognized upon passage of title and rendering of services to the customers.
- (b) Insurance & other claims including liquidated damages/refunds etc. are accounted for on acceptance/actual receipt basis, if there is uncertainty in realization of such income.

1.11 Taxes on Income

Income tax expenses comprise of current tax & deferred tax charge or credit. Current tax is provided on the taxable income, by applying the prevailing rates and tax laws. The deferred tax for timing difference between the book and taxable profit for the year is accounted using tax rates and tax laws that have been enacted or substantively enacted at the Balance Sheet date.

Deferred Tax Assets arising from the timing difference are recognized to the extent that there is a reasonable certainty of the availability of sufficient future taxable income.

1.12 Forest Plantation & Environment

Expenditure on afforestation including payments made to forest department is written off in the year in which the same is incurred.

1.13 Deferred Revenue Expenditure

The expenditure incurred on survey, prospecting and development of mines are deferred, till the mining operation commences/ is abandoned. Once the mining operation starts, the same are being amortized over the period of five years in equal annual installments. In case the operation is abandoned in subsequent period unamortized portion of the deferred expenditure is charged to statement of profit & loss in the same year.

1.14 Mine Closure Expenses

Concurrent mine closure expenses are accounted for as and when incurred. Expenditure on Final mine closure plan of lignite are charged annually as revenue expenses in accordance with the Guidelines issued by the Ministry of Coal, Government of India in this respect, considering life of the mine and other relevant data as per technical estimations.

1.15 Grants -In -Aid

The Expenditure including capital expenditure incurred from the grant received is being adjusted against the amount of the grant so received. Unspent balances of Grants in aid are being carried forward to the subsequent years under the head "Other Current Liabilities/Non current liabilities(as the case may be) " for future expenses.

1.16 Segment Reporting

The accounting policies adopted for Segment Reporting are in line with the accounting policies of the Company with the following additional policy for Segment Reporting:

- (a) The Company has identified its business segments based on its products.
- (b) There are no geographical segments.
- (c) Inter segment transfers have been accounted for on the market price or the cost price whichever is lower, except in case of transfer of power generated from wind mills which have been valued at the rate equal to the amount being adjusted in power bills by Ajmer Vidhyut Vitaran Nigam Limited (AVVNL).
- (d) Income & Expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Income & Expenses, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been included under "unallocated corporate income/expenses".
- (e) Segment assets include all operating assets used by a segment and consists mainly of fixed assets, inventories, advances and trade receivables. Assets at the corporate level are not allocable to segments on a reasonable basis and thus, the same has not been allocated.

(f) Segment liabilities include all operating liabilities and consist of principal creditors and accrued liabilities.

1.17 Earning per share

Basic and diluted earning per share is calculated by dividing the profit for the year attributable to equity shareholders by the weighted average number of equity share outstanding during the year.

1.18 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made. Contingent liabilities is disclosed for (i) Possible obligation which will be confirmed only by future events not wholly within the control of the Company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of obligation cannot be made. Contingent assets are neither recognized nor disclosed in the financial statements.

1.19 Impairment of Assests

(a) The carrying amount of the fixed assets are reviewed at each Balance Sheet date. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised. An impairment loss is charged to the Statement of Profit and Loss in the year in which the asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

(b) Obsolete Equipment, Machinery and other fixed assets have been valued at lower of estimated realizable value or carrying cost in accordance of with AS-28-“Impairment of Assets”.

1.20 Intangible Assets

Intangible Assets are stated at cost of acquisition less accumulated amortization/depletion. Cost includes any directly attributable expenditure on making the asset ready for its intended use. Intangible assets, except mining rights, are amortized over their estimated useful lives on straight line basis.



2. SHARE CAPITAL

(Amt. in Rs.)

S.No.	PARTICULARS	As at 31 <sup>st</sup> March 2016	As at 31 <sup>st</sup> March 2015
1.	Authorised Share Capital 8,00,00,000 Equity Shares of Rs. 10 each (Previous 8,00,00,000 Year Equity Shares of Rs. 10 each )	80,00,00,000	80,00,00,000
2.	Issued, Subscribed & Paid up Share Capital 7,75,51,500 fully paid equity shares of Rs. 10/- each (Previous year 7,75,51,500 equity shares of Rs. 10/- each)	77,55,15,000	77,55,15,000
	Total	77,55,15,000	77,55,15,000

2.1 The details of Shareholders holding more than 5% shares

Name of Shareholder	As at 31 <sup>st</sup> March 2016		As at 31 <sup>st</sup> March 2015	
	No. of Shares	% held	No. of Shares	% held
Government of Rajasthan through Governor of Rajasthan	7,75,41,478	99.99	7,75,41,478	99.99

2.2 The Recincillation of the number of shares outstanding is set out below

PARTICULARS	As at 31 <sup>st</sup> March 2016	As at 31 <sup>st</sup> March 2015
Equity shares at the beginning of the year	7,75,51,500	7,75,51,500
Add: Issued during the year	-	-
Less : Shares cancelled on buy back during the year	-	-
Equity shares at the end of the year	7,75,51,500	7,75,51,500

2.3 Terms/right attached to equity shares-

The Company has one class of equity share having a par value of C 10 per share. Members of the Company holding equity share capital therein have a right to vote on every resolution placed before the Company and right to receive dividend. Each shareholder is eligible for one vote per share held.

3. RESERVES & SURPLUS

(Amt. in C)

Particulars	31st March, 2016	31st March, 2015	As at 31st March, 2,016	As at 31st March, 2,015
Capital Reserve			10,83,93,493	10,83,93,493
General Reserve				
As per last balance sheet	1772,19,87,799	1671,69,87,799		
Add: Transferred from surplus in statement of Profit and Loss	87,00,00,000	100,50,00,000	1859,19,87,799	1772,19,87,799
Surplus in statement of Profit and Loss				
As per last balance sheet	85,33,193	71,53,816		
Add: Profit for the year	133,14,68,403	147,30,75,180		
	134,00,01,596	148,02,28,996		
Less: Appropriations				
Proposed Dividend on Equity Shares	38,77,57,500	38,77,57,500		
Tax on Dividend	7,89,38,303	7,89,38,303		
Transferred to General Reserves	87,00,00,000	100,50,00,000		
	133,66,95,803	147,16,95,803	33,05,793	85,33,193
Total			1870,36,87,085	1783,89,14,485

3.1 The dividend proposed by the Board of directors is subject to the approval in the ensuing Annual General Meeting. During the year ended 31st March 2016 the amount of per share final dividend recognised as distribution to equity shareholders was C 5 per share (F. Y. 2014-15: C 5 per share).

4. DEFERRED TAX LIABILITIES (NET)

(Amt. in C)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Deferred Tax Liabilities		
Difference between book value of Depreciable Assets as per books of accounts and written down value for tax purposes	57,13,73,391	63,55,64,990
Sub total (A)	57,13,73,391	63,55,64,990
Deferred Tax Assets		
Provision for doubtful debts, claims & advances	3,36,49,161	3,42,01,239
Provision for Leave Encashment	12,52,38,221	12,16,02,709
Provision for Bonus	43,14,368	44,85,671
Deferred Revenue Expenditure	1,14,925	91,940
Others	28,94,315	5,14,33,720
Sub total (B)	16,62,10,990	21,18,15,279
Total (A-B)	40,51,62,401	42,37,49,711

5. OTHER LONG TERM LIABILITIES

(Amt. in C)

Particulars	As at 31st March, 2016	As at 31st March, 2015
(a) Trade Payable	-	-
(b) Other Payable	5,92,09,511	7,12,39,068
Total	5,92,09,511	7,12,39,068

6. LONG TERM PROVISION

(Amt. in C)

Particulars	As at 31st March, 2016	As at 31st March, 2015
(a) Provision for employees benefits		
Provision for Leave Encashment	27,71,39,304	26,24,21,712
Provision for Sick Leave	4,02,60,820	4,71,81,095
(b) Others		
Provision for Mine closure (Refer note no 6.1 & 24.3)	7,40,07,000	12,70,51,000
Total	39,14,07,124	43,66,53,807

6.1 As per the guidelines for preparation of Mine closure Plan issued by Ministry of Coal, Government of India, the company has made a total provision for mine closure expenses of C 7,40,07,000/- (Prev year C 12,70,51,000/-) so far. As per the approved mine closure plans of Soneri & Giral, an excess provision of C 8,58,40,000/- has been written back in the current financial year. During the current financial year an escrow account for Giral Mines has been opened and a sum of C 16,76,57,000/- has been deposited upto 31/03/2016. Opening of Escrow account for Soneri mines is in process. Mine Closure plan of Kasnau and Matasukh are yet to be approved. The company is having sufficient funds to meet its obligation towards mine closure expenses.

7. TRADE PAYABLE

(Amt. in C)

Particulars	As at 31st March, 2016	As at 31st March, 2015
UNSECURED		
Due to Micro & Small Enterprises	17,69,594	46,55,317
Others	59,95,84,477	50,62,90,431
Total	60,13,54,071	51,09,45,748

7.1 In compliance of the requirement under "The Micro, Small and Medium Enterprises Development Act, 2006" the Company has been making request to its vendors to provide their status under "The Micro, Small and Medium Enterprises Development Act, 2006". On the basis of the information received from various supplier/vendor the requisite information is as under-

(Amt. in C)

Particulars	Amount 2015-16	Amount 2014-15
Delayed payments due - Principal	17,69,594	46,55,317
Interest due	1,02,193	94,066
Total interest paid on all delayed payments during the year under the provisions of the Act	-	-
Interest due on principal amounts paid beyond the due date during the year but without the interest amounts under this Act	1,02,193	94,066
Interest accrued but not due	-	-
Total Interest due but not paid	1,02,193	94,066

**8. OTHER CURRENT LIABILITIES**

(Amt. in C)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Unclaimed Dividend*	1,47,775	93,305
Security Deposits	12,75,76,748	15,77,08,461
Advances from customers & Others	26,93,22,421	29,55,96,826
Subsidiary Companies	737,06,39,868	732,86,33,942
Statutory Liabilities	90,49,04,053	108,14,41,676
Retention	30,70,40,568	26,12,35,767
Other payables	70,41,82,267	71,65,84,745
Total	968,38,13,700	984,12,94,722

\* There is no amount due & outstanding as at balance sheet date to be transferred to Investor Education & Protection Fund.

8.1 As royalty is chargeable / payable on the mineral taken out from mining areas, the Company is not providing any liabilities towards royalty chargeable / payable on the minerals lying in the mining areas.

8.2 In compliance of Gazette notification dated 10th April 2003, Royalty on Rock Phosphate & Gypsum was being paid to DMG at prescribed rate on the monthly benchmark price declared by the Indian Bureau of Mines (IBM) of these minerals. Since IBM is declaring the bench mark prices after a gap of six-seven months which are effective retrospectively, there remains some difference in the amount of royalty collected and payable to DMG on Rock phosphate as per the IBM formula. The Company had issued demand letters in earlier years to its customers for Rock Phosphate for payment of differential royalty in the cases where amount of royalty recovered was short and the customers have filed cases in Jodhpur bench of Hon'ble High Court, Rajasthan, against such demand letter. The cases are yet to be decided. As matter is sub-judice, and assessment of Royalty for the period is also pending, the accounts of the customers would be settled and necessary accounting adjustment would be made as per the decision of the Hon'ble High Court, Rajasthan and on the basis of the outcome of the royalty assessment. Similar accounting treatment would be made in the cases where royalty was collected in excess.



8.3 The Government of India vide Gazette Notification dated 17.09.2015 has notified the Mines and Minerals (Contribution to District Mineral Foundation) Rules 2015 according to which every holder of mining lease or a prospecting licence-cum- mining lease, shall in addition to the royalty, pay to the District Mineral Foundation (DMF) of the district in which the mining operations are carried on an amount equal to 10% of royalty paid in terms of the Second Schedule to the Mines and Minerals (Development and Regulation) Act 1957 for mining leases granted on or after 12th January 2015 and 30% of royalty paid in terms of the First Schedule to the Mines and Minerals (Development and Regulation) Act 1957 in respect of mining lease granted before 12th January 2015. These Rules have been made effective retrospectively from 12.01.2015. Further, the Government of Rajasthan vide its notification dated 31.05.2016 has made contribution to DMF applicable to all the minerals and the Rules deemed to have come into force on the 12th January 2015. The matter of making contribution to DMF made effective retrospectively from 12.01.2015 is under litigation with Hon'ble Delhi High Court. The company has also sought legal opinion on the matter and according to the opinion received, the company should collect and deposit the contribution to DMF w.e.f. 31.05.2016 only because the DMF has been formed only on 31.05.2016 and not on 12.01.2015. It has further been opined that the collection of contribution and deposition in the DMF thereof for the period 12.01.2015 to 31.03.2016 should be kept in abeyance till the final decision of Hon'ble Delhi High Court is received. Accordingly, the company has shown the amount of Rs. 33.66 crore being contribution to DMF for the period 12.01.2015 to 31.03.2016 as contingent liabilities of the company as on 31.03.2016. The Company is, however, having sufficient funds to meet its obligation.

8.4 National Mineral Exploration Trust

The Central Government vide its Gazette Notification dated 14.08.2015 has notified National Mineral Exploration Trust Rules 2015. These Rules have been made effective from 12.01.2015. As per the said Rules, every holder of mining lease or a prospecting licence-cum- mining lease, in addition to the royalty pay to the National Mineral Exploration Trust (NMET) a sum equal to 2% of the royalty payable for the mineral in terms of Second schedule of the Mines & minerals (Development & Regulation) Act, 1957. Since these Rules have been made effective retrospectively w.e.f. 12.01.2015. In line with the stand taken in case of making contribution in DMF as per note 8.3 above, the company is of the opinion that payability of contribution in NMET, retrospectively does not arise. In view of above the company has shown the amount of contribution for the period 12.01.2015 to 13.08.2015 amounting to Rs. 96.35 lac as contingent liabilities of in the books of accounts as on 31.03.2016. However, liability of Rs. 114.18 Lac being contribution to NMET for the period 14.08.2015 to 31.03.2016 has been taken into account."

9. SHORT TERM PROVISION

(Amt. in C)

Particulars	As at 31st March, 2016	As at 31st March, 2015
(a) Provision for employees benefits		
Leave encashment	3,14,87,163	2,59,16,235
Sick Leave	1,29,89,219	1,58,52,631
(b) Others		
Proposed Dividend		38,77,57,500
Tax on Proposed Dividend	7,89,38,303	7,89,38,303
Income Tax	72,50,00,000	66,81,00,000
Total	123,61,72,185	117,65,64,669

9.1 As per Accounting Standard 15 "Employees Benefits", the disclosures of Employee benefits as defined in the Accounting Standard are given below:

(Amt. in C)

Particulars	Amount 2015-16	Amount 2014-15
Employer's Contribution to Provident & Pension Funds	10,74,24,520	10,44,02,905

9.2 The Company's Provident Fund is exempted under section 17 of Employees' Provident Fund Act, 1952. The conditions for grant of exemption stipulate that the employer shall make good deficiency, if any, incurred by the trust on account of difference in declared rate and income earned or other reasons.

**Defined Benefit Plan:**

The employees' gratuity fund scheme managed by a Trust (LIC) is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognized in the same manner as gratuity. Likewise obligation for sick leave is recognized as per actuarial valuation.



A. GRATUITY

I. Reconciliation of opening and closing balances of Defined Benefit Obligation

(Amt. in C)

Particulars	Gratuity (Funded) 2015-16	Gratuity (Funded) 2014-15	Gratuity (Funded) 2013-14	Gratuity (Funded) 2012-13	Gratuity (Funded) 2011-12
Present value of obligations at beginning of the year	101,62,16,950	100,77,63,439	90,74,55,484	86,02,07,453	76,11,55,308
Current Service Cost	3,60,24,132	3,65,57,203	3,38,01,540	3,24,90,179	2,90,11,238
Interest Cost	8,12,97,356	8,06,21,075	7,25,96,439	6,88,16,596	6,08,92,425
Actuarial loss	-63,62,142	-15,36,586	5,34,49,970	3,06,66,564	11,07,68,558
Benefits paid	-109,733,164	-107,188,181	-59,539,994	-84,725,308	-101,620,076
Present value of obligations at end of the year	101,74,43,132	101,62,16,950	100,77,63,439	90,74,55,484	86,02,07,453

II. Reconciliation of opening and closing balances of fair value of plan assets:

(Amt. in C)

Particulars	Gratuity (Funded) 2015-16	Gratuity (Funded) 2014-15	Gratuity (Funded) 2013-14	Gratuity (Funded) 2012-13	Gratuity (Funded) 2011-12
Fair value of plan assets at beginning of the year	102,75,24,432	96,59,85,094	88,91,47,431	75,87,84,423	67,24,00,151
Expected return on plan assets	8,82,74,722	9,03,97,645	8,42,68,064	8,11,74,440	7,02,37,953
Employer Contribution	2,91,54,751	7,83,29,874	5,21,09,593	13,39,13,876	11,77,66,395
Benefits paid	-10,97,33,164	-10,71,88,181	-5,95,39,994	-8,47,25,308	-10,16,20,076
Fair value of plan assets at end of the year	103,52,20,741	102,75,24,432	96,59,85,094	88,91,47,431	75,87,84,423
Actual return on plan assets	8,82,74,722	9,03,97,645	8,42,68,064	8,11,74,440	7,02,37,953

III. Reconciliation of fair value of assets and obligation:

(Amt. in C)

Particulars	Gratuity (Funded) 2015-16	Gratuity (Funded) 2014-15	Gratuity (Funded) 2013-14	Gratuity (Funded) 2012-13	Gratuity (Funded) 2011-12
Fair value of plan assets at end of the year	103,52,20,741	102,75,24,432	96,59,85,094	88,91,47,431	75,87,84,423
Present value of obligation at end of the year	101,74,43,132	101,62,16,950	100,77,63,439	90,74,55,484	86,02,07,453
Liability/(assets) recognized in Balance Sheet	-1,77,77,609	-1,13,07,482	4,17,78,345	1,83,08,053	10,14,23,030

IV. Expense recognized during the year

(Amt. in C)

Particulars	Gratuity (Funded) 2015-16	Gratuity (Funded) 2014-15	Gratuity (Funded) 2013-14	Gratuity (Funded) 2012-13	Gratuity (Funded) 2011-12
Current Service Cost	3,60,24,132	3,65,57,203	3,38,01,540	3,24,90,179	2,90,11,238
Interest Cost	8,12,97,356	8,06,21,075	7,25,96,439	6,88,16,596	6,08,92,425
Expected return on plan assets	-8,82,74,722	-9,03,97,645	-8,42,68,064	-8,11,74,440	-7,02,37,953
Actuarial loss/(gain)	-63,62,142	-15,36,586	5,34,49,970	3,06,66,564	11,07,68,558
Net Cost	2,26,84,624	2,52,44,047	7,55,79,885	5,07,98,899	13,04,34,268

V. Actuarial assumptions:

Particulars	Gratuity (Funded) 2015-16	Gratuity (Funded) 2014-15	Gratuity (Funded) 2013-14	Gratuity (Funded) 2012-13	Gratuity (Funded) 2011-12
Mortality Table (LIC)					
Discount rate (Per annum)	8.00%	8.00%	8.00%	8.00%	8.00%
Expected rate of return on plan assets (per annum)	8.50%	8.50%	8.50%	8.50%	8.50%
Rate of escalation in salary (per annum)	8.50%	8.50%	8.50%	8.50%	8.50%

B. LEAVE ENCASHMENT

I. Reconciliation of opening and closing balances of Defined Benefit Obligation

(Amt. in C)

Particulars	Leave Encashment (funded) 2015-16	Leave Encashment (funded) 2014-15	Leave Encashment (funded) 2013-14	Leave Encashment (Unfunded) 2012-13	Leave Encashment (Unfunded) 2011-12
Present value of obligations at beginning of the year	28,83,37,947	27,99,94,948	NA	23,59,05,375	20,95,64,378
Current Service Cost	4,42,78,813	4,41,35,420	NA	1,15,60,420	1,53,90,042
Interest Cost	2,30,67,036	2,23,99,596	NA	1,88,72,430	1,67,65,150
Actuarial loss	-4,70,57,329	-5,81,92,017	NA	1,11,84,530	2,05,88,183
Benefits paid	-	-	NA	-20,378,371	-26,402,378
Present value of obligations at end of the year	30,86,26,467	28,83,37,947	27,99,94,948	25,71,44,384	23,59,05,375

II. Reconciliation of opening and closing balances of fair value of plan assets:

(Amt. in C)

Particulars	Leave Encashment (funded) 2015-16	Leave Encashment (funded) 2014-15	Leave Encashment (funded) 2013-14	Leave Encashment (Unfunded) 2012-13	Leave Encashment (Unfunded) 2011-12
Fair value of plan assets at beginning of the year	33,52,38,766	30,65,68,244	-	NA	NA
Expected return on plan assets	2,84,95,295	2,80,94,359	1,26,26,222	NA	NA
Employer Contribution	-	5,76,163	29,39,42,022	NA	NA
Benefits paid	-	-	-	NA	NA
Fair value of plan assets at end of the year	36,37,34,061	33,52,38,766	30,65,68,244	NA	NA
Actual return on plan assets	2,84,95,295	2,80,94,359	1,26,26,222	NA	NA

III. Reconciliation of fair value of assets and obligation:

(Amt. in C)

Particulars	Leave Encashment (funded) 2015-16	Leave Encashment (funded) 2014-15	Leave Encashment (funded) 2013-14	Leave Encashment (Unfunded) 2012-13	Leave Encashment (Unfunded) 2011-12
Fair value of plan assets at end of the year	36,37,34,061	33,52,38,766	30,65,68,244	-	-
Present value of obligation at end of the year	30,86,26,467	28,83,37,947	27,99,94,948	25,71,44,384	23,59,05,375
Liability/(assets) recognized in Balance Sheet	-5,51,07,594	-4,69,00,819	-2,65,73,296	25,71,44,384	23,59,05,375

IV Expense recognized during the year

(Amt. in C)

Particulars	Leave Encashment (funded) 2015-16	Leave Encashment (funded) 2014-15	Leave Encashment (funded) 2013-14	Leave Encashment (Unfunded) 2012-13	Leave Encashment (Unfunded) 2011-12
Current Service Cost	4,42,78,813	4,41,35,420	NA	1,15,60,420	1,53,90,042
Interest Cost	2,30,67,036	2,23,99,596	NA	1,88,72,430	1,67,65,150
Expected return on plan assets	-2,84,95,295	-2,80,94,359	-12,626,222	-	-
Actuarial loss	-4,70,57,329	-5,81,92,017	NA	1,11,84,530	2,05,88,183
Net Cost	-82,06,775	-1,97,51,360	NA	4,16,17,380	5,27,43,375

V Actuarial assumptions:

Particulars	Leave Encashment (funded)	Leave Encashment (funded)	Leave Encashment (funded)	Leave Encashment (Unfunded)	Leave Encashment (Unfunded)
	2015-16	2014-15	2013-14	2012-13	2011-12
Mortality Table (LIC)					
Discount rate (Per annum)	8.00%	8.00%	8.00%	8.00%	8.00%
Expected rate of return on plan assets (per annum)	8.50%	8.50%	8.50%	NA	NA
Rate of escalation in salary (per annum)	8.50%	8.50%	8.50%	8.50%	8.50%

The estimates of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan assets management.

C. SICK LEAVE

I. Reconciliation of opening and closing balances of Defined Benefit Obligation

(Amt. in C)

Particulars	Sick Leave (Unfunded)	Sick Leave (Unfunded)	Sick Leave (Unfunded)	Sick Leave (Unfunded)	Sick Leave (Unfunded)
	2015-16	2014-15	2013-14	2012-13	2011-12
Present value of obligations at beginning of the year	6,30,33,726	6,05,00,849	NA	NA	NA
Current Service Cost	27,72,776	27,86,065	NA	NA	NA
Interest Cost	49,67,058	55,23,728	NA	NA	NA
Actuarial loss	-1,75,23,521	30,96,077	NA	NA	NA
Benefits paid	-	-88,72,993	NA	NA	NA
Present value of obligations at end of the year	5,32,50,039	6,30,33,726	6,05,00,849	NA	NA

II. Reconciliation of opening and closing balances of fair value of plan assets:

(Amt. in C)

Particulars	Sick Leave (Unfunded)	Sick Leave (Unfunded)	Sick Leave (Unfunded)	Sick Leave (Unfunded)	Sick Leave (Unfunded)
	2015-16	2014-15	2013-14	2012-13	2011-12
Fair value of plan assets at beginning of the year	NA	NA	NA	NA	NA
Expected return on plan assets	NA	NA	NA	NA	NA
Employer Contribution	NA	NA	NA	NA	NA
Benefits paid	NA	NA	NA	NA	NA
Fair value of plan assets at end of the year	NA	NA	NA	NA	NA
Actual return on plan assets	NA	NA	NA	NA	NA

III. Reconciliation of fair value of assets and obligation:

(Amt. in C)

Particulars	Sick Leave (Unfunded)	Sick Leave (Unfunded)	Sick Leave (Unfunded)	Sick Leave (Unfunded)	Sick Leave (Unfunded)
	2015-16	2014-15	2013-14	2012-13	2011-12
Fair value of plan assets at end of the year	NA	NA	NA	NA	NA
Present value of obligation at end of the year	5,32,50,039	6,30,33,726	6,05,00,849	NA	NA
Liability/(assets) recognized in Balance Sheet	5,32,50,039	6,30,33,726	6,05,00,849	NA	NA

IV Expense recognized during the year

(Amt. in C)

Particulars	Sick Leave (Unfunded)	Sick Leave (Unfunded)	Sick Leave (Unfunded)	Sick Leave (Unfunded)	Sick Leave (Unfunded)
	2015-16	2014-15	2013-14	2012-13	2011-12
Current Service Cost	27,72,776	27,86,065	NA	NA	NA
Interest Cost	49,67,058	55,23,728	NA	NA	NA
Expected return on plan assets	-	-	NA	NA	NA
Actuarial loss	-1,75,23,521	30,96,076	NA	NA	NA
Net Cost	-97,83,687	1,14,05,869	NA	NA	NA

V Actuarial assumptions:

Particulars	Sick Leave (Unfunded)	Sick Leave (Unfunded)	Sick Leave (Unfunded)	Sick Leave (Unfunded)	Sick Leave (Unfunded)
	2015-16	2014-15	2013-14	2012-13	2011-12
Mortality Table (LIC)					
Discount rate (Per annum)	7.88%	9.13%	NA	NA	NA
Expected rate of return on plan assets (per annum)	NA	NA	NA	NA	NA
Rate of escalation in salary (per annum)	8.50%	8.50%	NA	NA	NA



10. FIXED ASSETS

PARTICULARS	Total Cost as at 1.4.2015	GROSS BLOCK		DEPRECIATION		NET BLOCK				
		Additions 2015-16	Deductions/ Adjustments	Total Cost as at 31.3.2016	Up To 31.3.2015	for the year 2015-16	Deductions/ Adjustments	Up to 31.03.2016	As at 31.03.2016	As at 31.03.2015
TANGIBLE ASSETS										
Mining Land	333,98,85,523	-	-	333,98,85,523	11,40,97,060	3,24,51,291	-	14,65,48,351	319,33,37,172	3,22,5,788,463
Free Hold Land	3,76,24,133	-	-	3,76,24,133	0	0	-	0	3,76,24,133	37,62,4,133
Lease Hold Land	5,99,79,583	59,21,340	-	6,59,00,923	1,23,22,400	8,92,442	-	1,32,14,842	5,26,86,081	47,65,7,183
Buildings	43,71,16,110	6,97,34,772	-1,29,362	50,67,21,520	23,74,22,552	1,90,95,948	-1,14,892	25,64,03,608	25,03,17,912	1,99,693,558
Railway Rakes- Leased to Railways	24,78,86,511	-	-	24,78,86,511	23,54,92,186	0	-	23,54,92,186	1,23,94,325	12,39,4,325
Railway Sidings	84,54,151	-	-	84,54,151	80,34,964	0	-	80,34,964	4,19,187	4,19,187
Plant & Machinery	218,28,75,463	25,68,610	-4,74,77,551	213,79,66,522	197,33,00,750	4,08,09,101	-4,53,38,360	1,96,87,71,491	16,91,95,031	2,09,57,4,713
Power Plant	12,43,73,039	-	-	12,43,73,039	11,76,35,047	5,19,340	-	11,81,54,387	62,18,652	6,737,992
Wind Power Plant	531,19,97,334	-	-	531,19,97,334	341,95,99,406	23,26,45,856	-	365,22,45,262	165,97,52,072	1,892,397,928
Furniture & Fittings	3,64,46,383	5,35,762	-3,83,238	6,20,12,620	3,03,66,757	2,08,2,417	-3,77,729	3,20,71,445	45,17,462	6,079,626
Vehicles	6,17,74,138	9,78,210	-7,39,728	9,78,210	4,71,33,213	45,87,900	-7,39,383	5,09,81,730	1,10,30,890	14,640,925
Water Supply Plant & Pipeline	17,10,67,227	31,350	-3,16,632	17,07,81,945	14,52,17,647	40,84,456	-2,09,712	14,90,92,391	2,16,89,554	25,849,580
Dam	5,46,42,501	-	-	5,46,42,501	5,25,42,600	0	0	5,25,42,600	20,99,901	2,099,901
Office & Other Equipment	7,25,18,875	39,98,090	-10,74,166	7,54,42,799	6,41,76,726	46,25,587	-10,08,741	6,77,93,572	76,49,227	8,342,149
Electrical Equipment & Inst.	23,82,90,860	41,35,422	-4,37,544	24,19,88,738	20,45,29,137	87,96,170	-3,47,341	21,29,77,966	2,90,10,772	33,761,723
Road	12,16,77,136	13,01,30,000	-	25,18,07,136	113,039,964	27,893,520	-	14,09,33,484	11,08,73,652	8,637,172
Tailing Dam	4,73,25,639	4,48,88,000	-	9,22,13,639	46,973,234	38,767,174	-	8,67,40,408	54,73,231	352,405
Laboratory Equipments	53,63,319	1,06,360	-1,71,598	52,98,081	4,469,526	281,168	-1,62,779	45,87,915	7,10,166	893,793
Solar Power Plant	26,62,80,900	12,95,000	-	26,75,75,900	8,451,533	32,886,719	-	4,13,38,252	22,62,37,648	257,829,367
Machinery in stores/at site									94,701	5,54,146
Total	1,282,55,78,825	26,43,22,916	-5,07,39,819	1,303,91,61,922	683,48,04,702	45,14,19,089	-4,82,98,936	723,79,24,855	580,13,31,768	599,13,28,209
Previous Year	1,252,62,06,901	31,45,00,143	-1,51,28,219	1,282,55,78,825	635,57,39,040	43,78,58,163	-1,26,82,873	683,48,04,702	599,13,28,269	617,06,04,061

10.1 Depreciation For The Year Includes Rs. 3,37,38,803 (prev. Year Rs. 58,239/-) In Respect Of Earlier Years Shown In Prior Period Adjustment

- 10.2 Free hold land includes C 62,16,030/- (Prev Year C 62,16,030/-) located at Bhatt ji ki Bari, Udaipur given on conditional Lease of C 1/- p.a. to American International Health Management Ltd. (AIHML) for 99 Years.
- 10.3 The cost of mining land includes C 17,18,16,973/- (Prev Year C 17,18,16,973/-) deposited with the office of Collector, Nagaur for disbursement to the land owners in respect of acquisition of 7509 bighas of land for mining of Lignite at Nagaur vide Land Acquisition Award dated 19.09.2000 issued by Land Acquisition Officer (SDO, Nagaur). Out of the above deposited amount, the District Collector, Nagaur has disbursed an amount of C 16,48,20,814/- (Prev year C 16,48,20,184/-) so far.
- 10.4 In compliance of original award issued by Dy. Collector, Girwa, Udaipur bearing no. ACQ/2012/3999 dated 08/05/2015 for acquisition of mining land 48.29 hectare at Jhamarkotra, Dhamdhar, Parola and Mamadev villages at a compensation of C 23,51,21,125/-, cheques of C 16,50,60,407/- have been issued to villagers as advance. The land acquisition proceeding and mutation are in progress.
- 10.5 The cost of mining land includes C 1,52,70,872/- (Previous year C 1,52,70,872/-). The land acquired in compliance of original award issued by Dy. Collector, Girwa, Udaipur bearing no. ACQ/1/02/4953 - 55 dated 30.6.2004 and modifications thereof issued in the financial year 2006-07 for acquiring 56 hectare of land at Jhamarkotra, Lakkadwas, Sameta and Dhamdhar villages. Out of the total compensation, only 42 land owners took payment of C 54,19,044 /- (Previous year C 54,19,044 /-). The balance amount has been deposited with the court of Civil Judge Sr. Division Udaipur in the form of Fixed Deposit Receipts. The land acquisition proceeding and mutation are in progress.
- 10.6 "As per the terms of Joint Venture Agreement dated 27.12.2006 entered between Raj West Power Limited, Jaipur (RWPL) and Company, the Joint Venture Company has paid a sum of C 2,68,69,24,772/- (Prev Year C 2,68,69,24,772/-) to the Company for purchase/acquisition of Land for Mining of Lignite at Kapuradi villages in the state of Rajasthan. The proceedings for purchase/acquisition of Land have been initiated and the amount of C 2,67,32,41,796/- (Prev Year C 2,67,32,41,796/-) has been paid to Land acquisition Officer for acquisition of land and C 43,48,000/- (Prev Year C 43,48,000/-) has been refunded back to JV Company. The mutation of land has been done in the favour of RSMML. Amount paid /payable towards land is C 26,912,87,911 /- (Prev Year C 2,69,12,87,911 /-). The Government of Rajasthan through its letter dated 14.09.2012 has not acceded transfer of ownership of land from RSMML to its JV Company (BLMCL). However the possession of the land along with the mining rights rest with BLMCL and therefore the economic benefit from the usage of land will not flow to RSMML. Further in view of Para 9 of Annexure to the 'Guidelines For Preparation of Mine Closure Plan' dated 27th August '2009 (Similar to the para 8.1 of the revised guidelines dated 7th January '2013), said land is to be reclaimed and can be surrendered to the State Government only after obtaining a mine closure certificate from coal controller to the effect that the protective reclamation and rehabilitation works in accordance with the approved mine closure plan/final mine closure plan have been carried out.
- Accordingly RSMML will neither get any economic benefit from the said land nor the control of it. In absence of both these factors the said land does not satisfy the qualifying criteria for recognition of asset as mentioned in Para 49 clause (a) of the 'Framework for the preparation and presentation of financial statements' issued by the Institute of Chartered Accountants of India. Also Company is not under any obligation to repay the amount received from BLMCL for the



- purchase of said land as the possession of land rests with it. Hence the deposit received from BLMCL is not a liability as defined in Para 49 clause (b) of the 'Framework for the preparation and presentation of financial statements' issued by the Institute of Chartered Accountants of India. Accordingly Company has not treated such amount as asset and liability in its financial statements. However, since the title of the land at Kapurdi mutated to RSMML same is shown at a nominal value of Re. 1 in the Balance Sheet."
- 10.7 As per the terms of Joint Venture Agreement dated 27.12.2006 entered between Raj West Power Limited, Jaipur (RWPL) and Company, the Joint Venture Company has paid a sum of C 7,08,25,54,750/ (Prev Year C 7,08,25,54,750/-) to the Company for purchase/acquisition of Land for Mining of Lignite at Jalipa villages in the state of Rajasthan. The proceedings for purchase/acquisition of Mining Land have been initiated and the amount of C 6,70,34,58,808/- (Prev year C 6,69,67,94,195/-) has been paid to Land acquisition Officer for acquisition of land upto 31.03.2016. The progress of land acquisition and mutation in favour of Company is in process. Since mutation of the entire land in favour of RSMML has not been done and also Company has not received any directions about transfer of land to BLMCL, no accounting adjustments as per note 10.6 is being made. The mining lease has been transferred to BLMCL on 25.05.2015.
- 10.8 The cost of mining land includes C 45,49,10,512/- being value of 4215.75 Bigha of land capitalised upto 31.03.2016 at Gurah West as per award passed for acquisition of land. Out of 4215.75 Bigha, 4082.36 Bigha of land has already been acquired and remaining 133.39 Bigha of land valuing C 1,90,98,570/- is yet to be acquired and payment is to be made.
- 10.9 The cost of mining land includes C 78,14,55,176/- being value of 2823.85 Bigha of land capitalised during the year 2013-14 at Giral phase III as per award passed for acquisition of land. Out of 2823.85 Bigha, 2699.50 Bigha of land has already been acquired and remaining 124.35 Bigha of land valuing C 3,35,70,224/- is yet to be acquired and payment is to be made.
- 10.10 Various assets taken over by erstwhile RSMDC from RIMDC (now RIICO) on 31.10.1979 have not yet been registered in the name of the Company.
- 10.11 Various assets taken over by the Company from erstwhile RSMDC consequent upon its merger with the Company have not yet been registered in the name of the Company. The process of registration of such assets is in progress.
- 10.12 The Company has submitted a solvency security dated 25.02.2008 certificate to the Jodhpur Bench of Hon'ble High Court Rajasthan in favour of North Western Railway & other Railway Authorities Jodhpur on assets of the Company in a case bearing no. D.B.SAW no. 697/2008 filed by the Company against Railway relating to payment of punitive charges amounting to C 7,60,57,373/- imposed on the Company. As per directions of the Court the Company has deposited a sum of C 3,21,83,241/-.
- 10.13 Pursuant to the enactment of Companies Act 2013, the Company has applied the estimated useful life and residual value as specified in Schedule II. Accordingly, the unamortised carrying value is being depreciated / amortised over revised / remaining useful life. Further, where carrying value is less than specified residual value and estimated useful life is "NIL", carrying value as on 01.04.2014 is considered as the residual value. Besides, where the useful life of the assets as specified in schedule II is "NIL" but the carrying value is higher than the residual value as on 1.4.2014, such differences of Nil /- (Prev Year C 5,38,90,372) have been charged to the current year's profit.

11. NON CURRENT INVESTMENTS

(Amt in C)

Particulars	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
<b>LONG TERM (OTHER THAN TRADE)</b>				
<b>A</b>				
<b>IN EQUITY INSTRUMENTS</b>				
(a) Subsidiaries				
(i) 1,02,00,000 Equity Shares in Barmer Lignite Mining Company Limited of C 10/- each fully paid-up (Previous Year 1,02,00,000 Equity Shares)			1	1
(ii) 1,11,00,000 Equity Shares in Rajasthan State Petroleum Corporation Limited of C 10/- each fully paid-up (Previous Year 1,11,00,000 Equity Shares)			11,10,00,000	11,10,00,000
(b) Joint Sectors/assisted sectors				
Unquoted				
(i) 24500 Equity Shares in Rajasthan Rashtriya Chemicals & Fertilisers Limited Ltd. of C 10/- Each Fully Paid up (Previous year 24500 shares)	2,45,000	2,45,000		
Less :Diminution in value/written off	2,45,000	2,44,999	-	1
(ii) 9,000 Equity Shares in Rajesh Mineral Inds. Ltd Ltd. of C 100/- Each Fully Paid up (Previous year 9,000 shares)	9,00,000	9,00,000		
Less :Diminution in value	8,99,999	8,99,999	1	1
(iii) 10,000 Equity Shares in Mayur Inorganics Ltd. of C 10/- Each Fully Paid-up (Previous year 10,000 shares)			1,00,000	1,00,000
(iv) 3,00,000 Equity Shares (including 1,50,000 Bonus Shares in Ostwal Phoschem (India) Limited (formly Tedco Granite Limited)				
C10/- Each Fully Paid up) (Previous year 3,00,000 shares (including 1,50,000 Bonus shares) of C 10/- Each Fully Paid up)	15,00,000	15,00,000	15,00,000	15,00,000
Quoted				
(a) Under buy back arrangement				
(i) 1,43,000 Equity Shares In Mewar Marbles Ltd of C 10/- Each Fully paid-up. Last quoted at C 7/-Per Share at Mumbai Stock Exchange in 1996-97 (Previous year 1,43,000 shares)	14,30,000	14,30,000		
Less :Diminution in value	14,29,999	14,29,999	1	1
(ii) 3,00,000 Equity Shares in Nihon Nirman Ltd of C 10/- each fully paid-up.last quoted at C 2/-per share at Kolkata Stock Exchange in Aug.1997 (Previous year 3,00,000 shares)	30,00,000	30,00,000		
Less :Diminution in value	29,99,999	29,99,999	1	1
(b) Others				
1,72,500 Equity Shares In Nihon Nirman Ltd of C 10/- each fully paid-up.last quoted at C 2/-per share at Kolkata Stock Exchange in Aug.1997 (Previous year 1,72,500 shares)	17,25,000	17,25,000		
Less :Diminution in value	17,25,000	17,25,000	-	-
<b>B</b>				
<b>OTHER INVESTMENTS</b>				
Employees Leave Encashment Scheme - Life Insurance Corporation of India			36,37,34,061	33,52,38,766
<b>Total</b>			<b>47,63,34,065</b>	<b>44,78,38,771</b>

- 11.1 The Company has formed a joint venture company with Raj West Power Limited, Jaipur (RWPL) in the name of Barmer Lignite Mining Company Ltd. Jaipur (BLMCL). BLMCL will undertake the work of Lignite mining in Jallipa & Kapuradi areas of Barmer District and supply the same to RWPL for its Lignite based pit head power plant. As per the terms of the agreement between RSMML & RWPL, RSMML shall have 51% shares in BLMCL and RWPL will hold the remaining 49% of the equity of the JV Company. BLMCL has allotted 1,02,00,000 shares (Previous year 1,02,00,000 shares) to the Company having face value of C 10,20,00,000 till 31.03.2016 (Previous year C 10,20,00,000). These shares are shown as investment at a token vale of C 1/- in view of the opinion obtained from the Institute of the Chartered Accountants of India.
- 11.2 The Company has formed a joint venture company with RCF Ltd. Mumbai (RCFL), (A Govt. of India Enterprises) in the name of Rajasthan Rashtriya Chemical Fertilizers Limited (RRCFL) having registered office at Jaipur (Rajasthan) to establish a plant for manufacturing a chemical fertilizer namely, Di-Ammonia Phosphate (DAP) in Kapasan, Rajasthan. As per terms of agreement between RSMML & RCFL, equity of the proposed Joint Venture Company shall be shared by RSMML & RCFL in the ratio of 49:51. In response of application dated 28.09.2015 filed by the management of the Company, the Ministry of Corporate Affairs vide letter dated 27.11.2015 has struck off the name of the company in the register and Company has been dissolved. Accordingly the value of shares have been written off during the year.
- 11.3 The Company has taken up the "Rajasthan State Mines & Minerals Limited - Employee Group Leave Encashment Scheme" (RSMML EGLES) from Life Insurance Corporation against the Leave Encashment Liability. A sum of C 36,37,34,061/- (Previous Year C 33,52,38,766/-) has been invested under this scheme. The intention of holding this investment is of long term.

12. LONG TERM LOANS & ADVANCES

(Amt in C)

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>UNSECURED</b>		
Capital advances (Considered good)	119,21,40,000	120,38,14,750
Security Deposits (Considered good)	4,67,48,494	7,49,38,617
To Employees		
Considered good	7,84,32,627	8,53,19,516
Considered doubtful	56,206	56,206
	<u>7,84,88,833</u>	<u>8,53,75,722</u>
Less : Provision for Doubtful Loans & Advances	56,206	56,206
Subtotal	<u>7,84,32,627</u>	<u>8,53,19,516</u>
To Others		
Considered good	8,03,68,289	15,92,52,367
Considered Doubtful	15,72,906	60,75,625
Subtotal	<u>8,19,41,195</u>	<u>16,53,27,992</u>
Less : Provision for Doubtful Loans & Advances	15,72,906	60,75,625
Subtotal	<u>8,03,68,289</u>	<u>15,92,52,367</u>
Prepaid Expenses	1,41,79,383	23,02,545
Income-Tax Deposits	125,53,16,664	100,45,60,077
<b>Total</b>	<b>26671,85,457</b>	<b>25301,87,872</b>

13. OTHER NON CURRENT ASSETS

(Amt in C)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Northern Western Railway Considered Good	-	-
Considered Doubtful	86,27,562	8,627,562
	<u>86,27,562</u>	<u>86,27,562</u>
Less: Provisions	86,27,562	8,627,562
Subtotal	-	-
Claims Recoverable -Considered good	17,24,56,354	17,24,56,354
Subtotal	<u>17,24,56,354</u>	<u>17,24,56,354</u>
Interest accrued on FDRs/NSCs	3,94,04,830	2,58,20,035
Non Judicial Stamps in hand	3,625	3,625
Unamortised Expenditure		
Mine development expenditure	7,78,28,129	10,43,80,483
Less: Transferred to other current assets (Refer Note No 18)	-	21,34,266
Subtotal	<u>7,78,28,129</u>	<u>10,22,46,217</u>
Total	<u>28,96,92,938</u>	<u>30,05,26,231</u>

13.1 Claims recoverable includes An amount of C 17,24,56,354/ (Prev. Year C 17,24,56,354/-) recoverable from various contractors engaged in transportation and loading of limestone at Railway siding on account of punitive/penal/dead freight levied by the Railways on under loading/overloading of limestone. The contractors have filed Court cases against the company which are yet to be decided.

14. INVENTORIES

(Amt in C)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Finished Goods		
Rock Phosphate	201,61,01,667	205,79,74,705
Beneficiated Rock Phosphate	59,92,68,456	86,18,33,831
Rajphos	2,05,48,526	30,83,423
Gypsum	2,64,43,916	1,36,04,112
Lime Stone	9,20,60,830	9,43,45,351
Bio diesel and by products	1,89,707	1,89,707
Stores & Spare Parts	19,59,43,048	21,36,85,132
(Including in transit C 11,99,316/-) (Previous year Nil)		
Others		
CERs/VERs/RECs in hand	-	-
Total	<u>295,05,56,150</u>	<u>324,47,16,261</u>

14.1 The Company had used a small percentage of secondary ore of Rock Phosphate for beneficiation in its Industrial Beneficiation Plant on trial basis from time to time. The Secondary ore of Rock Phosphate is a very low grade mineral containing high silica and is being treated as waste material having no value. Since, the usability & economic viability of the secondary ore of Rock Phosphate for beneficiation is yet to be established, the same is being valued at zero as per the prevailing system of valuation of Rock Phosphate from the financial year 2008-09.

14.2 The Company was having 23594 CERs and 44098 VERs on 31.03.2016 (23594 CERs and 44098 VERs in hand on 31.03.2015) which have been treated as part of inventory and accordingly valued at Nil being lower of cost incurred for certification or net realisable value

14.3 The company was having 6274 REC on 31.03.2016 (525 REC on 31.03.2015) which have been treated as part of inventory and accordingly valued at Nil being lower of cost incurred for certification or net realisable value.

15. TRADE RECEIVABLES ( UNSECURED )

(Amt in C)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Over six months from the date these become due for payment		
i Considered good	56,59,65,166	20,08,50,293
ii Considered doubtful	6,89,81,516	6,60,74,030
Other debts considered good	115,62,14,747	91,71,53,810
	<u>179,11,61,429</u>	<u>118,40,78,133</u>
Less: Provision for doubtful debts (Bad debts written off during the year Nil) (Prev. Year Nil)	6,89,81,516	6,60,74,030
Total	<u>172,21,79,913</u>	<u>111,80,04,103</u>

16. CASH AND BANK BALANCES

(Amt in C)

Particulars	As at 31st March, 2016	As at 31st March, 2015
(a) Cash and cash equivalents		
Balances with Banks		
in current accounts	101,22,78,139	106,13,20,476
in deposit accounts	29,52,08,048	36,00,55,852
Cash on hand	2,07,404	2,34,767
Remittances in Transit	25,000	-
Balances with Treasury in P. D. Account	715,58,00,792	684,61,44,220
(b) Other bank balances		
Escrow account for Mine Closure fund	16,76,57,000	-
Earmarked balances with banks	83,75,55,539	74,73,71,918
Total	<u>946,87,31,922</u>	<u>901,51,27,233</u>

- 16.1 In compliance of directives given by the competent courts in some cases of SBU-PC lignite, bankers have retained a sum of C 2,19,24,056/- (Prev. year C 203,91,669/-) in the form of FDRs which are in lien with them to be used for the specified purposes.
- 16.2 Balances with banks includes unclaimed/unpaid dividend of C 1,47,775/- (Prev year C 93,305/-).
- 16.3 Earmarked balances with bank includes Fixed deposit of C 2,87,79,965/- (Prev Year C 4,95,98,293/-) with maturity of more than twelve months.
- 16.4 Cheques of C 17,20,52,319/- were issued to respective land acquisition officers for payment of land compensation. These land owners went to the courts of law against the compensation awarded. The cheques given to such land owners are submitted before the respective Courts in support of documentary evidence of making payment and have been marked as "Exhibit" in the case file. Matter being subjudice hence no adjustment on account of stale cheque liability provided in the books of accounts. These cheques shall be revalidated/cancelled as per the decision of the Courts.

#### 17. SHORT TERM LOANS AND ADVANCES

(Amt in C)

Particulars	As at 31st March, 2016	As at 31st March, 2015
UNSECURED		
To Subsidiaries	72,76,040	63,88,297
To Employees		
Considered good	2,69,07,784	2,61,59,280
Considered doubtful	1,27,505	1,27,505
Sub total	2,70,35,289	2,62,86,785
Less : Provision for Doubtful Loans & Advances	1,27,505	1,27,505
Sub total	2,69,07,784	2,61,59,280
To Others		
Considered good	731,85,96,482	704,97,42,409
Considered doubtful	45,06,040	45,06,040
	732,31,02,522	705,42,48,449
Less : Provision for Doubtful Loans & Advances	45,06,040	45,06,040
Sub total	731,85,96,482	704,97,42,409
Prepaid Expenses	52,44,583	29,96,263
Total	735,80,24,889	708,52,86,249

- 17.1 Short term loans & advances to others includes C 6,70,34,58,808/- (Prev year C 6,69,67,94,195/-) being amount paid to Land acquisition officer for acquisition of land at Jalipa Village in state of Rajasthan. (refer note 10.7).
- 17.2 Short term loans & advances to others includes C 10,31,12,181/- (Previous year C 15,07,60,098/-) being amount recoverable from PHED, Nagaur for distribution of desalinated water by M/S Nagaur Water Supply Company Pvt Ltd.



#### 18. OTHER CURRENT ASSETS

(Amt in C)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Income-Tax Deposits	109,26,34,862	115,32,97,596
Interest accrued on FDRs/NSCs	85,50,044	92,21,018
Claims Recoverable (Including Duty Drawback Receivables)		
-Considered good	53,560	20,59,503
-Considered doubtful	50,85,613	50,85,613
	51,39,173	71,45,116
Less Provision for doubtful claims	50,85,613	50,85,613
Sub total	53,560	20,59,503
Machinery held for sale	36,31,697	19,96,264
Others		
-Considered good	1,61,93,467	3,91,78,073
-Considered doubtful	82,72,081	82,72,081
	2,44,65,548	4,74,50,154
Less Provision for doubtful claims	82,72,081	82,72,081
Sub total	1,61,93,467	3,91,78,073
Current portion of unamortized Mine development expenses (Refer Note No 13)	-	21,34,266
Total	112,10,63,630	120,78,86,720

#### 19. REVENUE FROM OPERATIONS

(Amt in C)

Particulars	2015-16	2014-15
Sale of -		
High Grade Rock Phosphate	365,90,38,716	261,71,75,794
Low Grade Rock Phosphate-Tailing	28,88,243	31,93,927
Beneficiated Rock Phosphate	130,10,59,785	70,80,00,650
Rajphos	12,67,82,186	18,81,64,800
Lignite	162,03,40,855	227,18,43,103
Gypsum	81,78,32,144	121,21,47,739
Selenite	69,51,483	4,64,766
Lime Stone	155,80,22,642	153,06,63,943
Power-Wind Farm	37,17,00,648	45,62,99,513
-Solar Plant	2,43,90,472	24,09,122
Total	948,90,07,174	899,03,63,357

- 19.1 The selling prices of Rock phosphate and Cement grade Limestone and Gypsum are inclusive of Environment and Health Cess on mineral rights imposed by the State Government. The amount of cess whether included in selling prices or recovered separately is being treated a part of turnover of Company. An expenditure amounting to C 92,59,06,020/- (Prev. Year C 58,96,04,903/-) on this account has been shown under the head MR cess in mining and other operating expenses.

19.2 Lignite & Limestone are being supplied to Rajasthan Vidyut Utpadan Nigam Limited (RVUNL) as per the Fuel Supply Agreement (FSA) entered with party. The FSA was due for renewal w.e.f. 20 February, 2012. Pending renewal of FSA, revenue on this account have been accounted for on the basis of prevailing rate as per existing FSA.

Lignite from Sonari pit is being supplied to RVUNL from November 2012. Issue for inclusion of Sonari pit in FSA & fixing of price is under consideration with RVUNL. As such, supply of lignite from Sonari pit have been accounted for on the basis of minutes of meeting held on 01/10/2014 between Company and RVUNL.

Necessary adjustments, if any, would be carried out on finalizing of FSA with RVUNL.

## 20. OTHER INCOME

(Amt in C)

Particulars	2015-16	2014-15
Interest	52,05,40,783	55,92,77,008
Lease Rent on Railway Rakes	23,25,580	23,25,580
Dividend received on Long Term Investments	10,000	10,000
Carbon/Voluntary Emission Reduction (CER/VER)	2,37,62,620	-
Renewable Energy Certificate (REC)	20,85,978	-
Profit on Sale of Obsolete and Other Fixed Assets	2,24,658	27,33,525
Miscellaneous Receipts, Refunds, Forfeitures & Claims	21,14,53,426	13,12,54,336
Provision/Liability no longer required written back*	9,85,37,860	2,87,25,595
Sundry Credit Balances written back	6,05,803	58,18,128
<b>Total</b>	<b>85,95,46,708</b>	<b>73,01,44,172</b>

\* Includes Liability of Land tax written back C 17,86,370/- (Prev year C 2,52,32,830). Provision for doubtful debt written back C 3,23,790/ (Prev Year Nil), Provision for sick leave written back C 97,83,687/ (Prev Year Nil) & Provision for Mine Closure written back C 8,58,40,000/ (Prev Year Nil).

20.1 The Company is getting CERs from its wind mill projects and other projects registered with United Nations Framework Convention on Climate Change (UNFCCC) under Clean Development Mechanism (CDM) category which are tradable in the international market. The Company would be receiving CERs on regular basis from its existing registered and future projects in pipe line for registration. Similarly the Company has also started getting Voluntary Emission Reduction (VERs)

20.2 Renewable Energy Certificate (REC) mechanism is a market based instrument to promote the renewable energy and facilitate compliance of renewable purchase obligations (RPO). There are two categories of RECs viz solar REC & Non solar REC. The company has installed 5 MW solar power plant in Bikaner district and signed the PPA with DISCOM for sale of solar power under REC mechanism. Therefore, solar REC's are issued against the sale of power from the above plant. After fulfilling the eligibility requirement & the procedure for issuance of REC, the central agency i.e. NLDC issues the REC which are traded in the energy exchange.



## 21. CHANGES IN INVENTORIES OF FINISHED GOODS & OTHERS

(Amt in C)

Particulars	2015-16	2014-15
<b>OPENING STOCK</b>		
a. Finished Goods		
Rock Phosphate	205,79,74,705	161,20,77,173
Beneficiated Rock Phosphate	86,18,33,831	54,88,50,307
Rajphos	30,83,423	32,30,323
Gypsum	1,36,04,112	1,59,03,611
Lime Stone	9,43,45,351	5,26,74,412
Bio diesel and by products	1,89,707	3,30,583
b. Others		
CERs/VERs/REC in hand (Refer Note No. 14.2 & 14.3)	-	-
<b>Total</b>	<b>303,10,31,129</b>	<b>223,30,66,409</b>
<b>CLOSING STOCK</b>		
a. Finished Goods		
Rock Phosphate	201,61,01,667	205,79,74,705
Beneficiated Rock Phosphate	59,92,68,456	86,18,33,831
Rajphos	2,05,48,526	30,83,423
Gypsum	2,64,43,916	1,36,04,112
Lime Stone	9,20,60,830	9,43,45,351
Bio diesel and by products	1,89,707	1,89,707
b. Others		
CERs/VERs/REC in hand (Refer Note No. 14.2 & 14.3)	-	-
<b>Total</b>	<b>275,46,13,102</b>	<b>303,10,31,129</b>
<b>Increase/ Decrease</b>	<b>27,64,18,027</b>	<b>-79,79,64,720</b>

## 22. EMPLOYEES BENEFIT EXPENSES

(Amt in C)

Particulars	2015-16	2014-15
Salaries & Wages	101,27,76,194	101,64,42,621
Contribution to Provident/Pension & Other Funds	13,78,70,169	13,68,27,063
Leave Encashment	9,46,72,917	9,19,64,019
Provision for Sick leave	-	25,32,877
Bonus/Additional Remuneration	1,18,60,777	1,29,61,369
Employees' Welfare	15,19,88,721	18,00,10,249
Employees' Social Security	3,22,967	58,208
<b>Total</b>	<b>140,94,91,745</b>	<b>144,07,96,406</b>

23. FINANCE COST

(Amt in C)

Particulars	2015-16	2014-15
Interest expenses	6,97,92,862	7,88,59,816
Guarantee Commission	1,90,328	1,64,105
<b>Total</b>	<b>6,99,83,190</b>	<b>7,90,23,921</b>

24. OTHER EXPENSES

(Amt in C)

Particulars	2015-16	2014-15
Mining and other operating expenses		
Stores consumed	38,58,21,848	54,46,29,496
Payment to Contractors :		
(i) For Removal of Overburden	33,20,25,321	58,76,35,731
(ii) For Raising, Transportation & Others	189,22,86,087	190,85,78,925
Freight Charges	7,16,334	6,15,798
Dewatering of Mines	1,15,26,594	22,54,810
Power Charges	21,36,79,256	15,73,59,101
Survey & Prospecting Charges	3,54,22,682	32,85,025
Royalty & Dead Rent	128,25,47,044	91,62,91,543
Contribution to National Mineral Exploration Trust	1,14,18,900	-
<b>MR Cess</b>	<b>92,59,06,020</b>	<b>58,96,04,903</b>
Provision for Mine Closure expenditure	3,27,96,000	3,16,55,000
Mine Development Expenses written off	21,34,266	21,34,265
Repairs to Buildings	53,88,890	62,43,409
Repairs to Plant	3,84,17,090	4,21,79,864
Repairs to Machinery	18,41,08,239	17,54,39,758
Crushing Plant Expenses	42,85,381	77,23,084
Repairs to Road	20,12,255	70,72,070
Research & Development	14,90,495	58,36,392
Sampling & Analysis	45,83,255	63,75,326
Laboratory Expenses	10,04,323	11,21,061
Compensation for Mineral	7,71,21,729	10,38,41,325
Afforestation Plantation & Environment	47,54,364	49,96,618
Corporate Social responsibilities	2,14,18,028	1,76,00,000
<b>Rural Development Expenses</b>	<b>9,31,048</b>	<b>92,17,886</b>
Selling and distribution expenses		
Selling Expenses including commission	1,57,47,349	4,11,36,421
Packing Charges	1,81,92,188	2,58,90,131
Business Promotion Expenses	20,88,310	41,09,876



(Amt in C)

Particulars	2015-16	2014-15
Establishment & other Misc expenses		
Repairs to Others	1,66,47,351	1,25,11,977
Rent including Plot Rent	1,25,08,868	1,18,48,673
Rates & Taxes	1,89,83,594	85,19,509
Insurance	47,57,260	46,69,180
Travelling & Conveyance	5,42,91,830	5,86,81,819
Vehicle Up-keep	1,67,39,341	2,02,22,427
Payment to Auditors:		
(i) Audit Fees	6,32,000	5,80,416
(ii) Tax Audit Fees	1,72,500	2,27,180
(iii) For reimbursement of expenditure	5,54,268	5,07,305
General Charges	65,54,545	62,72,619
Postage, Telephone & Telegraphs	71,78,478	67,69,687
Printing & Stationery	48,20,695	37,05,517
Electricity & Water	75,57,863	57,15,413
Seminar, Training & Exhibition	11,27,992	6,40,386
Legal & Professional Charges	78,56,270	58,14,743
Advertisement & Publication	1,81,86,370	1,75,54,331
Bank Charges	87,275	84,038
Subscription	4,63,956	2,71,644
Entertainment	9,81,985	7,46,529
Board Meeting Expenses	90,222	78,494
Donation	14,00,00,000	90,00,00,000
Sundry debit balance written off	-	1,04,689
Provision for doubtful debts	29,07,486	57,11,763
Provision for doubtful advances	-	85,63,728
<b>Investment written off</b>	<b>1</b>	<b>-</b>
Consultancy Charges	1,18,44,149	50,65,774
Claims & Settlements	1,05,21,818	4,10,00,000
Computer Maintenance & Software Expenses	40,04,832	49,19,704
Obsolete and Other Fixed Assets written off	90,274	10,74,047
Impaired/Obsolescence loss on Fixed assets	6,71,199	5,64,876
Loss on sale/transfer of Obsolete and Other Fixed Assets	16,149	3,364
<b>Total</b>	<b>585,80,71,867</b>	<b>633,52,57,650</b>

24.1 Land tax was being provided for on the basis of demand notices received from various assessing authorities. However, where the demand notices were not received, the liabilities were being provided as per the Company's own assessment. The Company had filed petition challenging the land tax assessment orders issued by assessing authorities of various lands for different financial years with appellate authorities and Rajasthan Tax Board. Some of the appeals filed by the

Company have been referred back to assessing authorities for reconsideration of the assessments done or otherwise by appellate authorities. Though the assessing authorities had reassessed the demand in most of the cases and accordingly adjustments were made as per the revised assessment of land tax, the accounting adjustment for remaining assessments will be made on final outcome of other appeals/applications. The rate of land tax has been made zero w.e.f. 01.04.2013.

24.2 Revenue expenditure on Research & Development is charged to Statement of Profit & Loss in the year in which it is incurred. There is no capital expenditure incurred on Research & Development during the year.

24.3 In compliance to the Guidelines dated 27/08/2009, as amended from time to time, by Ministry of Coal, Government of India, for preparation of Final Mine Closure plan, an amount of C 3,27,96,000/- (Previous year C 3,16,55,000/-) has been provided for in the financial year 2015-16 on this account. The expenses are provided on the basis of final mine closure plans prepared for various lignite mines of the company as on date. As per the above guidelines, the Coal Controller shall issue directions for opening of escrow accounts after approval of mine closure plan. As per the directions of Coal Controller of Government of India, an escrow account has been opened for Giral Mines and a sum of C 16,76,57,000/- has been deposited. Approval of Mines Closure plan of Soneri has also been received during financial year 2015-16 and opening of escrow account is under process. Pending approval of mine closure plan for other mines, the escrow accounts are yet to be opened.

24.4 As per Section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) Committee has been formed by the company. Amount required to be spent by the Company on Corporate Social Responsibility (CSR) activities during the year was C 7,80,18,097/-. Revenue expenditure charged to Statement of Profit and Loss in respect of Corporate Social Responsibility (CSR) activities undertaken during the year is C 2,14,18,028/-. No Capital expenditure was incurred during the year in construction of capital assets under CSR projects.

24.5 Stores consumed does not include consumption of Stores & spares of C 9,81,42,961/- charged under various heads (Prev. Year C 10,09,15,400/).

## 25. PRIOR PERIOD ADJUSTMENTS

(Amt in C)

Particulars	2015-16		2014-15	
	DEBIT	CREDIT	DEBIT	CREDIT
Interest	-	16,79,339	12,797	23,50,269
Miscellaneous Receipt	-	0	-	1,90,444
MR Cess	-	13,17,75,155	-	-
Stores consumed	-	30,975	-	-
Salaries and Wages(Net)	-	20,511	-	-
Employees' Welfare	10,651	-	1,080	-
Excess PF contribution on leave encashment	-	1,87,53,017	-	-
Payment to raising & transportation contractor	1,646	-	17,42,999	-



NOTE: 25 Contd...

## PRIOR PERIOD ADJUSTMENTS

(Amt in C)

Particulars	2015-16		2014-15	
	DEBIT	CREDIT	DEBIT	CREDIT
Electricity & Water	-	-	16,387	-
Rent	-	38,742	-	-
Rates & Taxes	12,767	-	1,99,104	21,91,167
General charges	2,682	-	2,67,110	-
Royalty and dead rent	-	-	2,52,984	-
Bank Charges	-	-	138	770
Repairs to Others	16,720	-	-	-
Legal & professional Charfges	-	-	55,500	-
Consultancy	-	-	-	57,080
Motor car upkeep	-	-	89,393	-
Entry Tax	-	-	55,23,038	-
Travelling & Conveyance	-	4,29,184	1,35,444	-
Guarantee Commission	1,095	-	-	-
Depreciation	3,37,38,803	-	61,221	2,982
Provision of sick leave	-	-	6,05,00,849	-
Miscellaneous	30,035	-	-	-
ARP vendor	-	-	-	10,786
Bonus /Additional Remuneration	11,900	19,185	41,370	-
Audit fees	-	-	36,000	-
Travelling Expenses	-	-	-	40,000
Profit/Loss on sale of Machinery	-	-	-	41,83,876
Penalty /compensation	7,51,285	-	-	-
	3,45,77,584	15,27,46,108	6,89,35,414	90,27,374
Net Debit/Credit	11,81,68,524			5,99,08,040

25.1 Prior period adjustments includes a sum of C 3,37,38,803/- being depreciation in respect of tailing dam put into use with effect from 26/05/2013 based on the technical assement of the life.

25.2 Prior period adjustments includes a sum of C 13,17,75,155/- being MR Cess paid on purchase of Rockphosphate from Hindusthan Zinc Limited to be adjusted against MR Cess payable on sale of rockphosphate.

## 26. EXCEPTIONAL ITEMS

The Company being a leading mining company with a view to promote and undertake activities of industrial and mineral development in state for furtherance of its objectives has contributed a sum of C 20,26,50,000/- towards Resurgent Rajasthan.

**27. EARNING PER SHARE**

Basic and diluted earning per share is calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity share outstanding during the year. The Company has not issued the potential equity shares, and accordingly, basic and diluted earning per share is the same.

**28.1 CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF:**

(Amt in C)

S.No.	Particulars	As at 31st March, 2016	As at 31st March, 2015
i.	Claims against Company not acknowledged as debt	598,03,48,496	445,88,31,460
ii.	Disputed Income tax liability pending:		
	(a) Company in appeals	68,76,30,873	59,82,42,524
	(b) IT Department in appeals (As per information available with Company)	99,93,02,559	99,93,02,559
iii.	Guarantee given by banker on behalf of the Company for which counter guarantee provided by the Company	2,41,61,980	3,66,29,406
iv.	Claims of workmen pending adjudication and of those who have taken Voluntary Retirement amount unascertainable.		
v.	Additional Liabilities, if any, in respect of pending Sales Tax, Income Tax, Service Tax, Land Tax, Land & Building Tax, House Tax, Royalty, M. R. Cess, Development Charges, Dead Rent, Surface Rent and Rent of Office Building and diversion of Forest Area and other claims whatsoever and interest on such liabilities and on the various claims of the contractors ,incremental liability if any of pay and allowances of employees who opted for Vth & VIth pay commission etc. is unascertainable.		
vi.	Guarantee given by Company to RIICO/RFC in respect of debt and interest thereon recoverable from Rajasthan Granite and Marble Ltd. (Since Liquidated) amount unascertainable.		
vii.	Amount relating to environmental liabilities are unascertainable.		
viii.	Liabilities on account of Rider Agreements with contractor in which amounts are unascertainable.		
ix.	Liability for the claims on account of other court cases filed against Company in which claim amount cannot be ascertained is not included in the above. Besides interest on the amount claimed by various parties who have filed court cases against the Company, is not included as the same is not ascertainable .		

**28.2 CAPITAL COMMITMENT**

(Amt in C)

S.No.	Particulars	As at 31st March, 2016	As at 31st March, 2015
i.	Estimated amount of contracts remaining to be executed on Capital Account	7,38,75,045	15,03,49,398



28.3 As per the approved Mine Closure plan, prepared in accordance with the Ministry of Coal, GoI, in respect of Sonari & Giral lignite mines the company is required to deposit total sum of C 26952.75 lac during the period 2014-15 to 2042-43 and C 44710.55 lac during the period 2014-15 to 2031-32 in the escrow account with schedule bank. Similarly as per draft plan prepared for Kasnau & Matasukh the company is required to deposit total sum of C 14296.48 lac during the period of 24 years of mines. During the financial year 2015-16, the company has deposited a sum of C 16,76,57,000/- in the escrow account, opened for Giral mines.

The company has also made a provision of C 7.40 crore towards mines closure expenses upto the financial year 2015-16.

29. The Company has entered into tripartite Memorandum of Undertanding with DMG and GSI for Geochemical Mapping of Rajasthan. Under MOU all the cost of project ( reestimated to C 2600 Lac) was to be borne by the RSMML and assets created with the above expenditure were supposed to be property of the company. The Company has already paid a sum of C 5,45,00,000/- ( Previous year C 5,45,00,000/-) as an advance to be adjusted against expenditure incurred by DMG for the project. The expenditures incurred on this account were being adjusted against advances. The MOU has been terminated by Government of Rajasthan due to poor progress made in the project by Directorate of Mines & Geology. It has been agreed by the company that the laboratory building work which has already been taken up by PWD under deposit work shall be continued and the amount already paid for construction of building alongwith the remaining amount to be incurred for its completion of C 4,10,00,000/- has been charged to statement of Profit & Loss in financial year 2014-15. It has also been decided to carry out the sampling work of already collected samples, through RSMML and no further work shall be taken up under this program.

30. The Government of Rajasthan vide its notification dated 23/01/2009, had enhanced the rate of M. R. Cess on Rock phosphate from C 35/- PMT to C 500/- PMT with effect from 01.04.2008. Since the rate of M. R. Cess was enhanced retrospectively the Company has issued demand letters to its customers of Rock phosphate for payment of differential amount of M. R. Cess for the year 2008-09. Against such demand letters some of the customers have filed cases in Jodhpur and Jaipur benches of Hon'ble High Court, Rajasthan. The cases have been decided by the respective High Courts in their favour, against which the Govt. of Rajasthan, being an aggrieved party in the cases, has filed appeal with Honble' supreme Court which has also been dismissed. Consequently company has requested State Government to refund back the amount of C 46,26,89,600/- (Prev C46,26,89,600/-) paid by it being differential amount of MR Cess. The amount is yet to be received from the state Government. The necessary accounting adjustments would be made on receipt of the amount from Government of Rajasthan in accordance with AS-9.

31. Company is generating power from Wind Farm since August 2001 and part of the generated power is being adjusted in power bill of SBU PC Rock phosphate (Jhamarkotra Mines) towards captive use by Ajmer Vidyut Vitaran Nigam Ltd. (AVVNL) while balance is being sold to AVVNL. From February 2005, AVVNL had stopped the adjustment of wind power in captive use without assigning any reason thereof. After long persuasion at various levels, AVVNL informed in November, 2005 that they have revised power bills from 2002 on new methodology as per guidelines of their Audit team. The amount so adjusted and in dispute is C 1,15,08,126/- (Prev year C 1,15,08,126/-). RSMML had objected the methodology of AVVNL and filed petitions in this

matter with Rajasthan Electric Regulatory Commission (RERC) Jaipur which have been decided in favour of the Company. Further, the matter was referred to the Chairman, Central Tribunal wherein the case was decided in favour of the Company. However, AVVNL has filed three petitions in Hon'ble High Court of Rajasthan against the order, out of which two petition have been dismissed by the High Court while one is pending for decision. An amount of C 80,63,696/- (Prev Year C 80,63,696/-) has been refunded by AVVNL during the year 2012-13.

32. As per the Memorandum of Understanding (MOU) dated 04/05/1997, M/s Binani Industries Ltd. (Parent Company of BZL), erstwhile RSMDC (since then merged with RSMML), and M/S White Tiger Resource NL formed a Joint venture Company under the name and style R.B.W. Minerals Industries Limited was incorporated on 16/07/1997 to carry out prospecting work on base metal deposits and other allied activities in Rajasthan and Gujarat states including at the Deri Multi Metal Project of the Company.

It was also provided in the MOU that Joint venture Company would enter into an MOU with erstwhile RSMDC with a stipulation that erstwhile RSMDC would allow the Joint venture Company to carry out exploration work in mines and Joint Venture Company would reimburse the expenditure incurred on watch & ward, dead rent, other expenses for retaining the area. It was further, provided in the MOU that once the project is proved to be economically viable then Deri mines along with fixed assets would be transferred to the new company on mutually agreed valuation and terms & conditions after the permission of erstwhile RSMDC Board and State Govt. However, no such activities were started within the time specified in the MOU and thereafter. Subsequently, M/S White Tiger Resource NL has withdrawn itself from the Joint Venture and GMDC has become a new entrant in the project as per the terms of MOU dated 01/09/2001 executed between GMDC and of R.B.W. Minerals Industries Limited. Accordingly, the name of R.B.W. Minerals Industries Limited was changed to R.B.G. Minerals Industries Limited.

Though, the various activities are in progress at the project sight but no significant development has taken place. The transfer price of the assets of the company has been firmed up and agreed by Joint Venture Company. The Company has given 'No objection' to Director, Mines & Geology to transfer the lease of Deri mines to the Joint Venture Company M/s RBG Minerals but the lease is yet to be transferred.

Further the Board of M/s Binani Industries Limited and GMDC has appointed M/s PWC to resolve the matter regarding valuation of Ambaji mines of GMDC and to carry out new evaluation after removal of errors and flaws pointed out in earlier IBM report. Based on the outcome of it, necessary action would be taken by the company. Pending final decision on the issues, the Company is booking the expenses incurred on Deri mines in the books of accounts as per prudent accounting principles & policies.

33. The company had decided to set up a Desalination Plant at its Kasnau-Matasukh Lignite Mines for supplying potable water to PHED for distribution to 120 villages in Nagaur district, Rajasthan. Accordingly, the company had awarded the work to set up Desalination Plant to Doshian Ltd., Ahmedabad through its SPV, namely, Nagaur Water Supply Co. Pvt. Ltd. (NWSCPL) for supply of 13 MLD potable water on DBOOT basis, initially for a period of 15 years. The contractual rate was C 42.41 per KL with an annual escalation based on the formula given in the agreement with the party. The commercial operation of the plant was commenced on 22.05.2010. An agreement was



also executed by the company with PHED on 20.05.2014, effective from 22.05.2010 finalising the transfer price of desalination water and modalities of payment.

As per terms of the agreement between the parties, in case of supply of lesser quantity of water than contractual quantity of water by NWSCPL for the reasons attributable to RSMML or PHED as the case may be, water capacity charges were payable in full to the party, whereas in case of lesser supply of potable water for the reasons attributable to NWSCPL, lesser payment is payable to NWSCPL. The issue regarding applicability of recovery clause when plant is operated on reduced capacity and reasons of shortfall in quantity supplied by NWSCPL is whether attributable to NWSCPL or PHED could not be resolved completely along with various other issues. Therefore, the matter has been referred for arbitration. In the mean time, admissibility of remuneration of NWSCPL upto 31/03/2015 has been computed considering various other issues arose from time to time & without invoking recovery clause for shortfall in water quantity supplied, has been treated as amount payable to NWSCPL viz-a-viz amount recoverable from PHED. The necessary accounting adjustments would, however, be made as per decision of the arbitration in totality on the various issues referred to arbitrator. Accordingly, as on 31.03.2016, a sum of C 9,98,59,611/- (Prev Year C 15,07,60,098/-) is recoverable from PHED. Further NWSCPL has raised bills for a sum of C 95,21,68,241/- upto 31.03.2016 for supply of desalinated water against which company has paid a sum of C 76,49,47,371/-.

34. The company had awarded a contract to M/s National Construction Company (NCC) for "Hiring of Heavy Earth Moving Equipment for Removal of Overburden and Raising of Saleable Lignite" from Matasukh Lignite Mines situated in Nagaur district for a period of seven years – from 16.01.2003 to 16.01.2010. During the course of execution of the contract, due to in-rush of water in the mining pit, the mining operations were affected. As such, based on the technical advice from the Experts and looking to instructions of DGMS some changes were made in the design parameters.

The contractor before closure of the contract has raised a final claim of C 73,09,89,440/- after adjustment of C 14,00,24,771/-, given to them as an advance. The claim of the contractor was inclusive of C 54,73,55,073/- towards remuneration for excess waste handling. The remaining claim amounts were towards diesel escalation, machinery and manpower idling charges, excess outside overburden dumping, excess de-watering charges, re-handling of overburden, reimbursement of service charges etc. Against the gross claim of C 87,10,14,211/-, the company has accepted claims amounting to C 19,94,63,600/-, including C 19,25,71,780/- towards remuneration for excess waste handling charges. The contractor then has filed a court case in the year 2011-12 against the company, raising therein a claim of C 92,59,66,848/-, including interest after adjusting advance. The case is still pending for decision.

35. The Employees Provident Fund Organisation (EPFO) vide its communication No.Co-ord/3(4)2002/clarifications/2882 dated 16.05.2005 has directed that leave encashment paid on or after 01.10.1994 comes under the ambit of basic wages for payment of PF contributions in conformity with the judgement of various courts in the country. Later on, EPFO has clarified in its subsequent communication dated 09.09.2005 that recovery of PF contribution on leave encashment paid on or after 1st May, 2005 be enforced and action for recovery up to 30.04.2005 be kept in abeyance.

In compliance of the communications of EPFO, on or after 01.05.2005 the company had started deducting PF on leave encashment paid to its employees and equal amount was contributed to the

PF Trust of the company. Later on, the Hon'ble Supreme Court in the case of Manipal Academy of Higher Education vs Provident Fund Commissioner has decided that leave encashment is not a part of 'basic wages' under section 2(b) of the Employees Provident Fund & Miscellaneous Provisions Act, 1952 requiring pro-rata employers' contribution.

In compliance of the decision of the Hon'ble Supreme Court, EPFO vide its circular dated 05.05.2008 has conveyed for discontinuance of PF deduction on leave encashment with immediate effect and also stated that employer's share received by EPFO will be adjusted against future liabilities. Since this circular was not came to the notice of the company and its PF Trust till the Office of the AG has pointed out during the course of regular audit of SBU-Limestone in the year 2013 and also during conducting supplementary audit of the Balance Sheet for the FY 2012-13, the company continued to deduct PF contribution on leave encashment paid to its employees and made contributions of equal amount to PF Trust of the company. However, when the company became aware of the fact, it has stopped to deduct PF on leave encashment with effect from 01.10.2013.

The amount so deducted and contributed from the year 2008 to September 2013 works out to C 2,61,37,717/- (Prev Year C 2,61,37,717/-). On the matter of recovery of amount deposited in PF Trust as per the directives of Board legal opinion and also opinion from Finance Department, Government of Rajasthan is taken. Based on the opinions, so received, It was decided by the Company to recover /adjust the amount PF on leave encashment from its future liability. It was also decided to issue notices to ex-employees for recovery of amount so paid. The amount so recovered on this account upto 31/03/2016 is C 1,87,53,017/- has been considered as revenue.

36. M/s Suzlon Energy Limited (SEL) was awarded work for installation and Operation & Maintenance of Wind Power generating in Phase I & II commissioned on 10.04.2001 & 29.03.2002 respectively. As per the terms of the contract, the contractor is to give net minimum guaranteed generation (NMGG), failing which liquidated damages at agreed rates are required to be levied. Further the contractor is also required to provide Bank Guarantee (BG) of differential amount towards additional security. As per the correspondence exchanged between RSMML & party, M/s Suzlon Energy Limited has transferred powers to be generated from 2 WTGs of 2.1 MW & 2.25 MW generation capacity along with PPA to the company in lieu of the BG and liquidated damages of for both the phases.

Consequently, the bills of sale of power to DISCOM attributable to these two WTGs are being raised in the name of RSMML from the month of January 2016 and onwards. As per the agreement with the party, the revenue generation from these WTGS would be adjusted towards the shortfall units as compared to NMGG of the respective phases during the relevant block. If any shortfall still remains unadjusted, compensation for the same would be recovered from the party. On the other hand, if there remains any excess revenue generation after adjusting the shortfall of the respective phases, such revenue would be pass on to M/s Suzlon Energy Ltd. Accordingly the sales realization of the units generated from 2 WTGs is being kept in retention account to be adjusted against Liquidated damage at the end of block period of respective phases.

37. The company was allotted Sachcha Sauda, Lignite Block spread in 562.50 hectares in Nov 2006 by the Ministry of Coal, GoI for the purpose of open cast mining of Lignite. However, CAIRN India/ONGC has acquired some part of the land falling within the mining land for laying pipeline



and construction of road for monitoring, in the middle part and across the Sachcha Sauda Block, due to which the mining of Lignite would be affected adversely. As such to resolve the conflict and to enable to undertake the mining activities in the mining lease, the company has referred the matter to the Ministry of Coal, GoI vide its letter dated 19/20.06.2016, requesting to allow the company to undertake the work of underground Coal Gasification. The approval of the Ministry of Coal is still awaited.

38. The mining contractors of the company have been receiving demands for payment of service tax from the concerned authorities on the value of diesel supplied by company on free of cost basis and contractors are asking the company to pay the amount so demanded. The contractors being service provider are contesting the demand and cases are pending at various levels for decision. As the issue of applicability of service tax on the value of diesel supplied on free of cost basis is yet to be finalised at appropriate level and amount also cannot be quantified, no liability is being taken in its books on this account and shall be account for as and when any demand is arised.

39 (i) Sh.Bhanu Prakash Yeteru from 01.04.2015 to 31.03.2016 Managing Director being key managerial personnel with whom transactions have taken place during the year.

Details of remuneration of the Managing Director are as under: -

(Amt in C)

Particulars	2015-16	2014-15
Salary (including pension contribution & perquisite on accommodation provided)	10,36,979	12,27,135
Telephone/Car*		
Total	10,36,979	12,27,135
Amount adjusted in respect of accounts		
Rent (Net)	NIL	NIL

\* Value of Telephone/Car used not ascertainable

(ii) Parties where control exists  
a. Barmer Lignite Mining Company Limited :  
b. Rajasthan State Petroleum Corporation Limited (RSPCL)-Subsidiary Company

(iii) Transactions with Related parties  
a. Barmer Lignite Mining Company Limited :

(Amt in C)

Nature of Transactions during the year	2015-16	2014-15
Expenses incurred	7628645/-	6936233/-
Interest paid/payable	57589305/-	9100736/-

b. Rajasthan State Petroleum Corporation Limited :

(Amt in C)

Nature of Transactions during the year	2015-16	2014-15
Expenses incurred (including adv against equity Investment in Equity)	36,87,743/-	59,15,167/-
Received towards reimbursed of expenditure	28,00,000/-	10,00,00,000/-

40. Analysis of Stores and Spares consumed is as under:-

(Amt in C)

Particulars	2015-16	2014-15
Imported	-	1191947 (0.18%)
Indigenous	483964809 (100 %)	644357949 (99.82 %)

41. There is no raw material imported & consumed during the year .

42. Earning and expenditure in foreign currency (On accrual basis) are as under:-

(Amt in C)

Particulars	2015-16	2014-15
Earnings	2,37,62,620	-
Expenditure	-	1,19,19,47
Spares	-	-
Other Matters	7,95,531	-



43. INFORMATION ABOUT BUSINESS SEGMENTS AS ON 31/03/2016

	Rock Phosphate		Limestone		Lignite		Gypsum		Capitive Power Plant (DC Set)		Wind farm		Solar Power Plant		Other misc		Eliminations		Eliminations		Consolidated Total				
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16		
Revenue	589768930	351653171	1582629442	1530663945	1588276001	2224403132	824786227	1213613495	0	0	371700648	456289513	2409122	2409122	0	0	146040620	0	0	0	0	804025383	804025383		
Other Revenue	44843208	85347794	29246055	34388161	286872839	116598214	25484598	21250832	65715	246475	4011141	5518282	0	0	2085978	0	0	-4857136	-57631997	0	0	419796171	419796171		
Total Revenue	634612138	437000965	1817290497	1874552106	2175004840	3390385346	1079332493	1438622327	66278	2511225	4412255	50811235	0	0	2194576	0	0	-5248873	-63491997	0	0	1226023554	1226023554		
Total Expenses	9004603046	2513201103	1290407063	1357900736	1486850423	1424235636	722296472	58707050	338922	10673841	84836767	405240156	378606	341745	34460182	8451533	0	-57631997	-57631997	0	0	625133547	625133547		
Non-cash expenses other than depreciation	1220000992	108857882	287661092	207151324	382288017	518745711	125982752	646792537	-3252527	-820866	14088292	158799179	-378000	-341745	3013732	-6942411	0	0	0	0	0	0	342555012	342555012	
Operating Profit	1220000992	108857882	287661092	207151324	382288017	518745711	125982752	646792537	-3252527	-820866	14088292	158799179	-378000	-341745	3013732	-6942411	0	0	0	0	0	0	218447123	218447123	
Interest & Financial Charges exp.																							-7839810	-7839810	
Income taxes																							67179849	67179849	
Profit from prior period & exceptional items																							141594879	141594879	
Pre-period adjustments																							153823849	153823849	
Exceptional items																							18162624	18162624	
Net Profit	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	
OTHER INFORMATION																								1331468403	1331468403
Segment assets	3872389700	4089270016	2274248360	2248103272	12192279059	11762217578	5323456464	612170136	7032228	15339409	190684309	1951433418	2850860	2850860	23817538	257829267	0	0	0	0	0	0	2078037652	2078037652	
Segment liabilities	3872389700	4089270016	2274248360	2248103272	12192279059	11762217578	5323456464	612170136	7032228	15339409	190684309	1951433418	2850860	2850860	23817538	257829267	0	0	0	0	0	0	10823281443	10144567154	
Capital Expenditure	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	
Net cash expenses other than depreciation	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	
Net cash expenses other than depreciation	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	
Total	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	698728970	

Previous year's figures have been recasted/regrouped, Wherever Necessary, to confirm to the current years' presentation.

44. QUANTITATIVE DETAILS OF PRODUCTS AND OTHER DISCLOSURES

(i) Rock Phosphate, Beneficiated Rock Phosphate and Rajphos (In MT)

Particulars	Rock Phosphate		Beneficiated Rock Phosphate		Rajphos	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Opening Stock	2089666	1620618	176686	120066	1695	1847
Production	1296888	1415752	245022	220418	62698	78250
Less: Moisture Qty.			-51970	-45396		
Purchase	109597	15192				
Transfer	35883	23022	-35883	-23022		
Retrieval	232					
Sales	589280	355309	217351	102693	53139	78402
Less: Moisture			-21597	-10256		
Free Sample		293		300		
Own consumption for Ben. Rock Phosphate Rajphos	593873	596250				
Stock as per Books	2349113	2122732	138101	179329	11254	1695
Shortages	34331	33066	3233	2643	107	-
Closing Stock	2314782	2089666	134868	176686	11147	1695

(ii) Gypsum & Selenite: (In MT)

Particulars	Gypsum		Selenite	
	2015-16	2014-15	2015-16	2014-15
Opening Stock	31692	38401	-	-
Purchases			-	-
Production	1223904	1852916	3103	207
Sales	1195407	1859280	3103	207
Stock as per Books	60189	32037		
Shortages/(Retrieval)	(1303)	345		
Closing Stock	61492	31692	-	-

(iii) Lime Stone: (In MT)

Particulars	2015-16		2014-15	
	Lime Stone	Sub Grade Lime Stone	Lime Stone	Sub Grade Lime Stone
Opening Stock	365161	88375	144459	132474
Production	2191449	505452	2341831	600575
Sales	2215665	407651	2106931	623958
Stock as per Books	340945	186176	379358	109091
Shortages/(Retrieval)	15322	(5658)	14197	20716
Closing Stock	325623	191834	365161	88375



(iv) Lignite: (In MT)

Particulars	2015-16	2014-15
Opening Stock		-
Production	971567	1404632
Sales	971567	1404632
Stock as per Books		-
Shortages	-	-
Closing Stock	-	-

(v) Multimetal : (In MT)

Particulars	2015-16	2014-15
Opening Stock	340	340
Production	-	-
Sales	-	-
Stock as per Books	340	340
Shortages	-	-
Closing Stock	340	340

(vi) Power : (106.3 MW Wind Power Plant) (In Units)

Particulars	2015-16	2014-15
Generation	96372977	121166377
Sales	87721136	109239262
Own Consumption	7786657	10779823
Wheeling units	865184	1147292

(vii) Power: (3.8 MW DG Set) (In Units)

Particulars	2015-16	2014-15
Generation	28440	467880
Own Consumption	10110	416950
Auxillary Consumption out of generation	18330	50930

Note: The plant is operated for 10 days only during the financial year (Previous year 18 days), as and when required.

(viii) Solar Plant (In Units)

Particulars	2015-16	2014-15
Generation	7065741	782691
Sales	7065741	782691
Own Consumption	-	-
Wheeling units	-	-

44. Disclosure in respect of AS - 20: Earnings per Share:

(Amount in C)

	2015-16	2014-15
Numerator - Net Profit as per the Statement of Profit & Loss	1331468403	1473075180
Denominator - Weighted Average number of equity shares outstanding (Face Value of C 10/- each)	77551500	77551500
Earning Per Share (Basic & Diluted)	17.17	18.99

46. Miscellaneous:

- Previous years' figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.
- Normal Operating Cycle of Company's business has been determined in accordance with the requirement of Schedule III of the Companies Act, 2013.
- Assets and liabilities have been classified into Current and Non current using the above Normal Operating Cycle and applying other criteria prescribed in Schedule III of the Companies Act, 2013.
- Balance of trade payables, trade receivables and loans and advances are subject to confirmation/reconciliation and resultant adjustment(s) thereof.

In terms of our report of even date

For Pramod & Associates  
Chartered Accountants  
FRN: 001557C

Sd/-  
D.S.Maru  
Director  
DIN - 06778328

For and on Behalf of the Board

Sd/-  
Bhanu Prakash Yeturu  
Managing Director  
DIN - 07032883

Sd/-  
(Abhishek Dalmia)  
Partner  
Membership No. 403936

Sd/-  
Bhupesh Mathur  
Chief Financial Officer

Sd/-  
Rajendr Rao  
Co. Secretary

Place: Jaipur  
Date: 29.09.2016

Form AOC-1

Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014  
Statement containing salient features of the financial statement of subsidiaries

(Amount in C)

1. Name of the Subsidiary	Barmer Lignite Mining Company limited	Rajasthan State Petroleum Corporation Limited
2. Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01-04-2015 to 31-03-2016	01-04-2015 to 31-03-2016
3. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable	Not Applicable
4. Share Capital	20,00,00,000	11,10,00,000
5. Reserves & Surplus	3,33,40,792	-82,89,346
6. Total Assets	2122,44,38,760	10,99,96,765
7. Total Liabilities	2099,10,97,788	72,86,111
8. Investments	20,000	10,02,50,000
9. Turnover	860,08,14,919	-
10. Profit before taxation	14,07,56,021	1,84,723
11. Provision for taxation	11,77,39,960	-
12. Profit after taxation	2,30,16,062	1,84,723
13. Proposed Dividend	-	-
14. % of shareholding	51%	100%

For and on Behalf of the Board

Sd/-  
D.S.Maru  
Director  
DIN - 06778328

Sd/-  
Bhanu Prakash Yeturu  
Managing Director  
DIN - 07032883

Place: Jaipur  
Date: 29.09.2016

Sd/-  
Bhupesh Mathur  
Chief Financial Officer

Sd/-  
Rajendr Rao  
Co. Secretary

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143 (6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF RAJASTHAN STATE MINES AND MINERALS LIMITED FOR THE YEAR ENDED 31 MARCH, 2016.**

The preparation of financial statements of Rajasthan State Mines & Minerals Limited for the year ended 31<sup>st</sup> March, 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated 29 September, 2016.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143 (6) (a) of the Act of the financial statements of Rajasthan State Mines & Minerals Limited for the year ended 31<sup>st</sup> March, 2016. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the Act which have come to my attention which in my view are necessary for enabling a better understanding of the financial statements and the related Audit Report:

- A. Comments on Profitability  
Statement of Profit & Loss  
Prior Period Adjustment (Note No. 25) Rs. (-) 11.81 crore

This includes Rs. 9.83 crore towards credit of environments and health cess (Cess) adjusted by the company from Cess payable to Department of Mines & Geology by revision in returns under Rules 6 of Rajasthan Environment and Health Cess Rules, 2008 (Rules). The company paid the cess twice during the period of sale in 2010-13 and did not set off Cess already paid at the time of sale of the blended Rock Phosphate (already paid at the time of purchase of ore)

The adjusted amount was accounted for by debiting the claims recoverable and crediting the prior period adjustment account. The above set off was in violation of Rules notified in June 2008 which provided that excess payment of Cess by a lessee would be refunded on an application made within a period of one year from the date of such payment.

This has resulted into overstatement of Prior Period Income & Short-term Loan & Advance consequently, profit for the year is also overstated by Rs. 9.83 crore.

For and on the behalf of  
the Comptroller and Auditor General of India

Sd/-  
(S. Alok)  
Accountant General  
(Economic & Revenue Sector Auditor)  
Rajasthan, Jaipur

Place: Jaipur  
Dated: 28.11.2016



**Management Reply on C&AG Comments**

The matter was taken up with the Government in the year 2013-14 & the Finance Department vide its letter dated 18/07/2014 had already allowed RSMML to adjust/set off the amount of cess paid by HZL, provided RSMML has not recovered the amount of cess paid by it to HZL, from the customers.

In line with the clarifications given above, since RSMML has not recovered any additional amount towards Cess paid to HZL from its customers, the Company has adjusted the amount against the cess payable by it to the government instead of asking the refund from the government along with filing of revised returns.

On the issue of showing Prior Period Income & Short-term Loan & Advance with consequent of overstatement of profit, the accounting treatment done by company is as per Generally Accepted Accounting Principles (GAAP). As such there is no overstatement of Prior Period Income & Short-term Loan & Advance with consequent of overstatement of profit.

For & Behalf of  
Rajasthan State Mines & Minerals Limited

Sd/-  
Bhanu Prakash Yeturu  
(Managing Director)  
DIN - 07032883

Date: 29.11.2016  
Place: Udaipur

**CONSOLIDATED FINANCIAL STATEMENT 2015-16  
OF  
RAJASTHAN STATE MINES & MINERALS LIMITED**



**CONSOLIDATED INDEPENDENT AUDITORS REPORT**

TO

THE MEMBERS

RAJASTHAN STATE MINES & MINERALS LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of RAJASTHAN STATE MINES & MINERALS LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in the terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

The respective boards of directors of the companies included in the group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In

making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### Basis of Qualified Opinion

- (i) The Development Charges on Gypsum and Limestone of ₹ 21.31 crores were refunded by the government to the RSMML in the year 2006-07 as the levy of development charges was withdrawn since 1/04/2006. However, the said levy of ₹ 21.31 crores was recovered from the buyers while raising the bills/invoices. RSMML had received certain claims from the buyers, as informed by the RSMML, amounting to ₹ 2.37 crores but the liability for the same has not been provided. The total impact is that the Reserves and Surplus has been overstated by a total of ₹ 2.37 crores, Current Liabilities understated by ₹ 2.37 crores and Contingent Liabilities overstated by ₹ 2.37 crores in the head 'Claims against company not acknowledged as debt'.
- (ii) As detailed in Note No. 37 of the consolidated financial statement, The Contractor M/s National Construction Company had raised a claim based on the terms of contract between the RSMML and the Contractor, for Excess Wastage Handling Remuneration which has not been adequately provided for by the RSMML in its books of accounts. The claim had been provided for at ₹ 19.25 crores in the financial year 2009-10 instead of ₹ 39.06 crores resulting into short provisioning of ₹ 19.81 crores. The total impact is that Reserves and Surplus has been overstated by a total of ₹ 19.81 crores, Current Liabilities understated by ₹ 19.81 crores and Contingent Liabilities overstated by ₹ 19.81 crores in the head 'Claims against company not acknowledged as debt'.
- (iii) We further report that had the observations made by us in sub para nos. (i) and (ii) above been considered, Reserves & Surplus would have been ₹ 1859.26 crores (as against ₹ 1881.44 crores as reported by the group), Current Liabilities would have been ₹ 726.50 crores (as against ₹ 704.32 crores as reported by the Group), Contingent liabilities, in the head 'Claims against company not acknowledged as debt', would have been ₹ 609.95 crores (as against ₹ 632.13 crores as reported by the Group).

#### Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the basis of Qualified Opinion Paragraph, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at 31<sup>st</sup> March, 2016, and its consolidated profit and its consolidated cash flows for the year ended on that date.



#### Emphasis of Matter

We draw attention to the following matters in the Notes to the financial statements:

- a) Note No: 11.3 to the consolidated financial statement regarding effective date of applicability of the notification of District Mineral Foundation which was imposed with the retrospective effect dated 12.01.2015.
- b) Note No: 11.4 to the consolidated financial statement regarding effective date of applicability of the notification of National Mineral Exploration Trust rules 2015 which was imposed with the retrospective effect dated 12.01.2015.
- c) Note No: 22.2 to the consolidated financial statements regarding the Fuel Supply Agreement entered into with Rajasthan Vidyut Utpadan Nigam Limited (RVUNL), that in the absence of renewed FSA, revenue has been accounted for on the basis of prevailing rates as defined in existing FSA.
- d) Note No: 33 to the consolidated financial statements regarding the non refund of the amount from the State government related to the retrospective increase in MR Cess rate and the final adjustment shall be made on the receipt of same.
- e) Note No: 36 to the consolidated financial statements regarding the dispute about the applicability of recovery clause when the Desalination Plant is operated on reduced capacity, which is pending for arbitration award.
- f) Based on the report of the auditor of RSPCL, we draw attention that the RSPCL is required to appoint a full time Company Secretary as per provision of section 203 of the Companies Act 2013, however same has not appointed by the company.

Our opinion on the consolidated financial statements is not modified in respect of above matters.

#### Other Matters

- (a) We did not audit the financial statements/ financial information of two subsidiaries, whose financial statement/ financial information reflect total asset of ₹ 1385.27 crore as at 31<sup>st</sup> March 2016, total revenue of ₹ 810.40 crore and net cash flows amounting to ₹ 26.38 Crore for the year ended on that date, as considered in the consolidated financial statement. The consolidated financial statement also includes the group's net profit of ₹ 1.19 crore for the year ended 31<sup>st</sup> March 2016, whose financial statements/ financial information have not been audited by us. financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub section (3) & (11) of section 143 of the Act, in far it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

#### Report on Other Legal and Regulatory Requirements

1. The Controller and Auditors General of India has issued directions indicating the areas to be examined in terms of subsection (5) of section 143 of the Act, we give the report on the directions

issued by the Controller and Auditors General of India in term of section 143(5) of the Act in "Annexure A".

2. As required by Section 143 (3) of the Act, we report that:
- 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 of the aforesaid Consolidated financial statements;
  - In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as it appears from our examination of those books and the reports of the other auditors;
  - The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.;
  - In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, incorporated in India, none of the directors of the Group companies, its associate companies is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls of the Group, refer to our separate Report in "Annexure B".
  - 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:
    - The consolidated financial statements has disclosed the impact of pending litigations on its consolidated financial position of the group - refer note 31.1 to the consolidated financial statements
    - The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
    - There has no delay in transferring amounts, requirement to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies.

For Pramod & Associates  
Chartered Accountants  
FRN : 001557C

Sd/-  
(Abhishek Dalmia)  
Partner  
Membership no.: 403936

Place: Jaipur  
Date: 29.09.2016



## Annexure "A" to the Consolidated Independent Auditors' Report

The Annexure A referred to in our consolidated Independent Auditor's Report to the members of the Group on the consolidated financial statements for the year ended 31 March 2016, we report that:

### GENERAL DIRECTIONS ISSUED U/s 143(5) OF THE COMPANIES ACT, 2013 FOR THE FINANCIAL YEAR 2015-2016

- Whether the Company has clear title/lease deeds for freehold and leasehold property respectively? If not, Please state the area of freehold and leasehold land for which title / lease deeds are not available?  
  
The title/ lease deeds of the immovable properties are held in the name of the Company except cases of Leasehold Land of 38000 square feet having cost of C 9.62 Lacs, 199.62 Bigha land having cost of C 336.05 Lacs and 258.77 hectare land having value of C 190.99 lacs, Free hold land of 4.775 hectare having value of C 97.95 lacs and buildings having cost of C 254.37 Lacs, of which title/ lease deeds are pending for execution in the name of the holding company. In the BLMCL, mining lease for mining rights in the immovable properties comprising of land at Kapurdi and Jalipa amounting to C 97751.31 Lacs (39670.90 bighas) and does not have title deeds for the aforesaid land at Kapurdi and Jalipa. However title deed of Kapuradi land has been mutated in favour of RSMML, holding Company, while mutation of title deed of Jalipa land in favour of RSMML is in process.
- Waiver/Write Off of debts/loans/interests etc.  
  
There are no significant cases of waiver/write off of debts/loans/interest etc. As per the process of the Company any waiver/write off of debts/loans/interest etc is accounted only with the approval of Competent Authority.
- Inventories lying with the third parties and assets received as gift from Government or other authorities.  
  
We are informed that no inventory of the Group is lying with third parties as at the end of the year. There are no assets received as gift from Government or other authorities

### SUB DIRECTIONS ISSUED U/s 143(5) OF THE COMPANIES ACT, 2013 FOR THE FINANCIAL YEAR 2015-2016

- 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.  
  
According to the information and explanation given to us, RSMML and BLMCL is taking adequate measures to reduce the adverse affect on environment as per the established norms and has taken up adequate measures for the relief and rehabilitation of displaced people. In case of Land acquisition, compensation is paid to land owners as per award of Land Acquisition Officer (LAO) which includes benefit of Relief and Rehabilitation.
- Whether the company had obtained the requisite statutory compliances that was required under mining and environmental rules and regulations?  
  
According to the information and explanation given to us, RSMML and BLMCL had obtained the

requisite statutory compliance that was required under mining and environmental rules and regulations.

3. Whether overburden removal from mines and backfilling of mines are commensurate with the mining activity?

According to the information and explanation given to us, RSMML and BLMCL has undertaken mining activities as per approved mining plan which specifies removal of overburden and backfilling.

4. Whether the Company has disbanded and discontinued mines, if so, the payment of corresponding dead rent there against may be verified.

According to the information and explanation given to us, the Dead rent is being paid/provided for disbanded/discontinued mines by the RSMML and BLMCL.

5. Whether the company's financial statements had properly accounted for the effect of Rehabilitation Activity and Mine Closure Plan?

According to the information and explanation given to us, the RSMML and BLMCL financial statements had properly accounted for the effects of Rehabilitation activity and Mine Closure Plan.

For Pramod & Associates  
Chartered Accountants  
FRN : 001557C

Sd/-  
(Abhishek Dalmia)

Partner  
Membership no.: 403936

Place: Jaipur  
Date: 29.09.2016

### Annexure B to the Consolidated Independent Auditor's Report

Annexure B to the Consolidated Independent Auditor's Report as referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements' section of our report on even date

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016 We have audited the internal financial controls over financial reporting of RAJASTHAN STATE MINES & MINERALS LIMITED (hereinafter referred to as "the Holding Company" and its subsidiaries which are companies incorporated in India as on that date.

#### Management's Responsibility for Internal Financial Controls

The respective board of Directors of the Holding Company" and its subsidiaries which are companies incorporated in India, are 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 control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India" ("ICAI"). 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 the business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' 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 the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, 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 control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Company's 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 control over financial reporting includes those policies and procedures that:

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 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
- 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 control 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 holding Company, its subsidiary companies, which are companies incorporated in India have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on "the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

#### Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 2 subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For Pramod & Associates  
Chartered Accountants  
FRN : 001557C

Sd/-  
(Abhishek Dalmia)

Partner

Membership no.: 403936

Place: Jaipur  
Date: 29.09.2016



### CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2016

(Amt in C)

Particulars	Note No.	As at	
		31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
<b>I EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Funds</b>			
(a) Share Capital	3	77,55,15,000	77,55,15,000
(b) Reserves & Surplus	4	1881,44,01,633	1793,77,06,118
(c) Minority Interest	5	11,43,37,076	10,30,59,205
		1970,42,53,709	1881,62,80,323
<b>2 Non-Current Liabilities</b>			
(a) Long-term Borrowings	6	1540,14,27,055	1493,64,27,055
(a) Deferred tax Liabilities(Net)	7	55,18,49,655	54,06,89,469
(b) Other Long term Liabilities	8	256,91,16,308	216,23,65,338
(c) Long-term Provisions	9	80,33,79,901	75,80,02,461
		1932,57,72,919	1839,74,84,323
<b>3 Current Liabilities</b>			
(a) Trade Payables	10	127,15,61,293	117,96,86,310
(b) Other Current Liabilities	11	442,69,98,775	335,30,72,394
(c) Short-term Provisions	12	134,47,34,699	123,63,72,990
		704,32,94,767	576,91,31,695
<b>TOTAL</b>		<b>4607,33,21,395</b>	<b>4298,28,96,341</b>
<b>II ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	13	690,99,42,056	704,94,58,614
(ii) Intangible assets		293,80,52,703	313,30,74,225
(iii) Capital Work-in-Progress		1277,03,76,662	468,97,44,148
(b) Non-current Investments	14	46,56,04,064	43,71,08,770
(c) Long-term loans and advances	15	436,28,35,457	413,40,92,872
(d) Other non-current assets	16	30,14,02,898	30,05,81,607
		2774,82,13,840	1974,40,60,236
<b>2 Current Assets</b>			
(a) Inventories	17	325,73,00,738	334,00,14,377
(b) Trade Receivables	18	304,97,73,770	231,39,58,645
(c) Cash and Bank Balances	19	1017,27,60,159	925,94,63,239
(d) Short term Loans and Advances	20	71,95,94,928	711,46,42,456
(e) Other Current Assets	21	112,56,77,960	121,07,57,388
		1832,51,07,555	2323,88,36,105
<b>TOTAL</b>		<b>4607,33,21,395</b>	<b>4298,28,96,341</b>

Significant Accounting Policies 1-2  
Notes to Accounts 3-58

In terms of our report of even date

For Pramod & Associates  
Chartered Accountants  
FRN: 001557C

Sd/-  
(Abhishek Dalmia)  
Partner  
Membership No. 403936

Place: Jaipur; Date: 29.09.2016

For and on Behalf of the Board

Sd/-  
D.S.Maru  
Director  
DIN - 06778328

Sd/-  
Bhanu Prakash Yeturu  
Managing Director  
DIN - 07032883

Sd/-  
Bhupesh Mathur  
Chief Financial Officer

Sd/-  
Rajendr Rao  
Co. Secretary

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

(Amt in C)

	Particulars	Note No.	2015-16	2014-15
	<b>INCOME</b>			
I	Revenue from operations	22	1808,98,22,093	1825,99,36,857
	Less : Excise Duty		55,88,87,274	61,39,67,165
	Net Revenue From Operation		1753,09,34,819	1764,59,69,692
II	Other Income	23	88,96,47,537	76,80,20,092
III	<b>Total Revenue (I+II)</b>		1842,05,82,356	1841,39,89,784
	<b>EXPENSES</b>			
IV	Purchase of Ore		19,70,94,585	1,18,73,389
	Changes in inventories of finished goods & Others	24	6,49,71,555	-89,23,73,772
	Employee benefit expenses	25	140,94,91,745	144,07,96,406
	Finance costs	26	50,80,22,062	54,12,07,080
	Depreciation & Amortisation expenses		67,06,81,235	74,07,78,876
	Other Expenses	27	1334,16,32,502	1433,41,02,462
	<b>Total Expenses</b>		1619,18,93,684	1617,63,84,441
V	Profit before Prior Period Adjustments, Exceptional Items & Tax		222,86,88,673	223,76,05,343
	Prior Period Adjustments (Net)	28	-11,81,68,524	5,99,08,040
VI	Profit before Exceptional Items & Tax		234,68,57,197	217,76,97,303
	Exceptional items	29	-20,26,50,000	-
VII	Profit Before Tax		214,42,07,197	217,76,97,303
VIII	Tax expense:			
	Current Tax		81,29,92,463	70,76,49,274
	MAT Credit Adjustment/ (Entitlement)		-	93,00,831
	Tax of earlier years		-346,14,641	-2,31,13,733
	Deferred Tax		1,11,60,187	-70,21,806
IX	Profit for the year (VII-VIII)		135,46,69,188	149,08,82,737
X	Share of Minority in Profit/ (Loss)		1,12,77,870	87,47,395
XI	Profit/ (Loss) for the Group (X-XI)		134,33,91,318	148,21,35,342
XII	Earning Per equity share	30		
	Basic and Diluted		17.47	19.22
	Face value Per equity share		10.00	10.00
	Weighted Average Number of Equity Shares		77551500	77551500

Significant Accounting Policies 1-2  
Notes to Accounts 3-58

In terms of our report of even date

For Pramod & Associates

Chartered Accountants  
FRN: 001557C

Sd/-  
(Abhishek Dalmia)

Partner  
Membership No. 403936

Place: Jaipur; Date: 29.09.2016

For and on Behalf of the Board

Sd/- Sd/-

D.S.Maru Bhanu Prakash Yeturu

Director Managing Director

DIN - 06778328 DIN - 07032883

Sd/- Sd/-

Bhupesh Mathur Rajendr Rao  
Chief Financial Officer Co. Secretary



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

(Amt in C)

Particulars	Year Ended 31.03.2016		Year Ended 31.03.2015	
<b>A Cash Flow From Operating Activities</b>				
Net Profit Before Tax & Exceptional Items		2144207197		2177697303
Adjustments For :				
Depreciation	704420038		740775894	
Miscellaneous Expenditure written off	27134266		2134265	
Miscellaneous Expenditure paid	(581912)		(767750)	
Interest received	(550641612)		(597152928)	
Dividend Income	(10000)		(10000)	
Interest expenditure	506934317		539365260	
Investments written off	1		0	
Finance Cost	8,97,417		46,21,83,159	
Impaired/Obsolescence loss on assets	671199		564876	
Fixed and other Assets Written Off	90274		1074047	
Profit on sale of Fixed Assets	(208509)	688705479	(6914037)	1141252786
Operating Profit Before Working Capital Change		2832912676		3318950089
Change In Working Capital (Excluding Cash & Bank Balance)				
Inventories	82713639		(875915047)	
Trade receivables	(735815125)		(1475160780)	
Loans & advances & other assets	(177165436)		310867054	
Trade payables, other liabilities and provisions	941590863	111323941	1482434829	(557773944)
Cash Generated From Operation		2944236617		2761176145
Less: Direct Taxes Paid net of refund (including TDS)	(862841240)	(862841240)		(1005654090)
Net Cashflow From Operating Activities		2081395377		1755522055
<b>B Cash Flow From Investing Activities</b>				
Addition/Price revision in Fixed Assets	(1557260764)		(3336440185)	
Sale of Fixed and Other Assets	252486		8303758	
Dividend Income	10000		10000	
Investments	(28495295)		(228670522)	
Interest Income	548922654		601922449	
Net Cash (Used) In/From Investing Activities		(1036570919)		(2954874500)
<b>C Cash Flow From Financing Activities</b>				
Share Application Money	0		100000000	
Proceeds From Borrowings	843000000		1958500000	
Payment/adjustment of Dividend	(387757500)		(387757500)	
Payment/adjustment of Corporate Dividend Tax	(78938303)		(77532115)	
Interest paid	(507831734)		(1001548419)	
Net Cash (Used) In/From Financing Activities		(131527537)		591661966
<b>D Net Change In Cash &amp; Cash Equivalents (A+B+C)</b>		913296921		(607690481)
<b>E Cash &amp; Cash Equivalents at beginning of the year</b>		9259463239		9867153718
<b>F Cash &amp; Cash Equivalents at end of the year</b>		10172760159		9259463237

Net Change In Cash & Cash Equivalent (F-E) 913296921 (607690481)

Notes:	C	C
1 Cash & Cash Equivalent held by the Company and not available for use by it.	1496373527	1363762710
2 Cash Flow has been prepared under indirect method as set out in AS-3 issued by the Institute of Chartered Accountants of India.		
3 Addition/Purchase of Fixed Assets includes movement of Capital Works in Progress & Capital Advances during the year.		
4 Previous Year's figures have been recasted/regrouped, wherever necessary, to confirm to the current years' presentation.		

In terms of our report of even date

For Pramod & Associates  
Chartered Accountants  
FRN: 001557C

Sd/-  
(Abhishek Dalmia)  
Partner  
Membership No. 403936

Place: Jaipur  
Date: 29.09.2016

For and on Behalf of the Board

Sd/- D.S.Maru Director DIN - 06778328	Sd/- Bhanu Prakash Yeturu Managing Director DIN - 07032883
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Sd/- Bhupesh Mathur Chief Financial Officer	Sd/- Rajendr Rao Co. Secretary
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## Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

### 1 BASIS OF PREPARATION

#### 1.1 Basis of the preparation of the Financial Statement:

The Consolidated Financial Statement (CFS) related to parent company, Rajasthan State Mines & Minerals Limited (RSMML), its subsidiary companies, in the form of jointly controlled entities (collectively referred to as "the Group")

The Financial Statements are prepared under the historical cost convention in accordance with the Generally Accepted Accounting Principles, Mandatory Accounting standards as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014 and relevant provisions of the Companies Act, 2013.

#### 1.2 Principles of Consolidation

The CFS are Prepared, as far as possible, using uniform significant accounting policies for the like transaction and other events in similar circumstances and are presented to the extent possible, in the same manner as RSMML's separate financial statements.

The Financial Statements of RSMML and its subsidiaries have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, the inter group balance and inter group transactions and unrealised profits or losses resulting from intra group transactions are fully eliminated. The share of Minority Interest in the subsidiaries has been disclosed separately in CFS.

Figures pertaining to subsidiary companies have been reclassified, wherever necessary, to confirm to the parent company, RSMML's Financial Statements.

For certain items, RSMML, its subsidiaries have followed different accounting policies, However impact of the same is not material

#### 1.3 Companies Included in Consolidation

The CFS comprise the Audited Financial Statements of RSMML, its Subsidiaries for the year ended 31<sup>st</sup> March, 2016, Which are as under;

Name of the Company	Country of Incorporation	RSMML's Ownership Interest	
		31.03.2016	31.03.2015
(i) Subsidiaries			
Rajasthan State Petroleum Corporation Limited (RSPCL)	India	100%	100%
Barmer Lignite Mining Company Limited (BLMCL)	India	51%	51%

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 (a) Inventory:

Inventories are valued on the principle of lower of cost or net realisable value.

(b) Stores & Spares:

Stores and Spares are valued at their weighted average cost.

(c) Certified Emission Reduction (CER)/ Voluntary Emission Reduction Certificates (VERs) in hand:

CER/VERs are valued at cost incurred for their certification or net realisable value whichever is lower.

(d) Reduction Emission Certificate (REC)

RECs are valued at cost incurred for their certification or net realisable value whichever is lower.

2.2 Shortages found on physical verification of materials are being accounted for considering the nature of material and the volume of shortages.

2.3 Obsolete spares, stores are taken as Nil value.

2.4 Fixed Assets & Depreciation

(a) The value of "Gross Block" of fixed assets represents the cost of acquisition including taxes, duties, expenditure on installations, attributable to pre-operative expenses including borrowing cost and other identifiable direct expenses incurred up to the date of bringing the assets to its working condition for intended use.

(b) Depreciation is charged on WDV method based on the useful life of the assets as prescribed in Schedule II of the Companies Act 2013. Where ever there is no suitable life in Schedule II, the same shall be determined by technical assessment.

(c) Cost of leasehold land is amortized over the period of lease.

(d) Cost of freehold mining land remained unusable after excavation of minerals is amortized on the basis of minerals actually produced during the year to the total estimated mineable reserves reckoning from the year in which regular production is commenced.

(e) In respect of additions forming an integral part of existing assets, depreciation is charged over the remaining useful life of the original asset. In case any existing asset is already fully depreciated, such additions are fully depreciated in the year of addition.

(f) Assets costing up to C 5,000/- each are fully depreciated in the year of purchase/installation.

(g) Depreciation on assets not owned by the Company is amortized in the year of completion.

BLMCL & RSPCL

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

2.5 Additional liability, if any, in respect of taxes and duties is accounted for when such liability is ascertained with reasonable certainty.

2.6 Retirement and other employee Benefits

(a) Provident Fund & Pension Fund of the Regional Provident Fund Commissioner are a defined contribution schemes as per applicable rules/statute and contribution made to the Provident Fund Trust and Regional Provident Fund Commissioner respectively are charged to the statement of Profit and Loss.

(b) Gratuity liability is defined benefit obligations and is provided for on the basis of actuarial valuation and is being funded every year through policy of L.I.C. of India.

(c) Retirement benefit in the form of post retirement medical benefit is a defined contribution scheme in which employer is required to contribute annually 25% of the amount contributed by the employees.

(d) Liability of leave encashment and sick leave is accounted for on the basis of actuarial valuation.

(e) Actuarial gains and losses are charged to statement of profit and loss.

(f) Payments made under the Voluntary Retirement Scheme are charged to the statement of profit and loss as and when incurred.

BLMCL

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

2.7 Foreign Currency Transactions:

(a) Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction.

(b) Monetary items in foreign currencies are translated at the year end rate. The difference between the rates prevailing on the date of settlement as also on the translation of monetary items at the end of the year is recognised as income or expenses as the case may be for the year.

(c) Non monetary items denominated in foreign currency are reported at the exchange rate ruling on the date of transaction.

2.8 Investments

(a) Current investments are valued at lower of cost or market/fair value.

(b) Long term investments are valued at cost less provisions, if any, for diminutions, other than temporary, in the value of such investments.

2.9 Borrowing Cost

Borrowing Cost 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.

2.10 Revenue Recognition

- (a) Revenue from the sale of goods and services rendered is recognized upon passage of title and rendering of services to the customers.
- (b) Insurance & other claims including liquidated damages/refunds etc. are accounted for on acceptance/actual receipt basis, if there is uncertainty in realization of such income.

2.11 Taxes on Income

Income tax expenses comprise of current tax & deferred tax charge or credit. Current tax is provided on the taxable income, by applying the prevailing rates and tax laws. The deferred tax for timing difference between the book and taxable profit for the year is accounted using tax rates and tax laws that have been enacted or substantively enacted at the Balance Sheet date.

Deferred Tax Assets arising from the timing difference are recognized to the extent that there is a reasonable certainty of the availability of sufficient future taxable income.

2.12 Forest Plantation & Environment

Expenditure on afforestation including payments made to forest department is written off in the year in which the same is incurred.

2.13 Deferred Revenue Expenditure

The expenditure incurred on survey, prospecting and development of mines are deferred, till the mining operation commences/ is abandoned. Once the mining operation starts, the same are being amortized over the period of five years in equal annual installments. In case the operation is abandoned in subsequent period unamortized portion of the deferred expenditure is charged to statement of profit & loss in the same year.

2.14 Mine Closure Expenses

Concurrent mine closure expenses are accounted for as and when incurred. Expenditure on Final mine closure plan of lignite are charged annually as revenue expenses in accordance with the Guidelines issued by the Ministry of Coal, Government of India in this respect, considering life of the mine and other relevant data as per technical estimations.

2.15 Grants -In -Aid

The Expenditure including capital expenditure incurred from the grant received is being adjusted against the amount of the grant so received. Unspent balances of Grants in aid are being carried forward to the subsequent years under the head "Other Current Liabilities/Non current liabilities(as the case may be) " for future expenses.

2.16 Segment Reporting

The accounting policies adopted for Segment Reporting are in line with the accounting policies of the Company with the following additional policy for Segment Reporting:

- (a) The Company has identified its business segments based on its products.
- (b) There are no geographical segments.
- (c) Inter segment transfers have been accounted for on the market price or the cost price



whichever is lower, except in case of transfer of power generated from wind mills which have been valued at the rate equal to the amount being adjusted in power bills by Ajmer Vidhyut Vitaran Nigam Limited (AVVNL).

- (d) Income & Expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Income & Expenses, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been included under "unallocated corporate income/expenses".
- (e) Segment assets include all operating assets used by a segment and consists mainly of fixed assets, inventories, advances and trade receivables. Assets at the corporate level are not allocable to segments on a reasonable basis and thus, the same has not been allocated.
- (f) Segment liabilities include all operating liabilities and consist of principal creditors and accrued liabilities.

2.17 Earning per share

Basic and diluted earning per share is calculated by dividing the profit for the year attributable to equity shareholders by the weighted average number of equity share outstanding during the year.

2.18 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made. Contingent liabilities is disclosed for (i) Possible obligation which will be confirmed only by future events not wholly within the control of the Company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of obligation cannot be made. Contingent assets are neither recognized nor disclosed in the financial statements.

2.19 Impairment of Assests

- (a) The carrying amount of the fixed assets are reviewed at each Balance Sheet date. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised. An impairment loss is charged to the Statement of Profit and Loss in the year in which the asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.
- (b) Obsolete Equipment, Machinery and other fixed assets have been valued at lower of estimated realizable value or carrying cost in accordance of with AS-28-"Impairment of Assets".

2.20 Intangible Assets

Intangible Assets are stated at cost of acquisition less accumulated amortization/depletion. Cost includes any directly attributable expenditure on making the asset ready for its intended use. Intangible assets, except mining rights, are amortized over their estimated useful lives on straight line basis.

3. SHARE CAPITAL

(Amt. in C)

S.No.	Particular	As at 31 <sup>st</sup> March 2016	As at 31 <sup>st</sup> March 2015
1.	Authorised Share Capital 8,00,00,000 Equity Shares of Rs. 10/- each (Previous 8,00,00,000 Year Equity Shares of Rs. 10/- each )	80,00,00,000	80,00,00,000
2.	Issued, Subscribed & Paid up Share Capital 7,75,51,500 equity shares of Rs. 10/- each fully paid-up (Previous year 7,75,51,500 equity shares of Rs. 10/- each fully paid-up)	77,55,15,000	77,55,15,000
	Total	77,55,15,000	77,55,15,000

3.1 The details of Shareholders holding more than 5% shares

Name of Shareholder	As at 31 <sup>st</sup> March 2016		As at 31 <sup>st</sup> March 2015	
	No. of Shares	% held	No. of Shares	% held
Government of Rajasthan through Governor of Rajasthan	7,75,41,478	99.99	7,75,41,478	99.99

3.2 The Reconcillation of the number of shares outstanding is set out below

Particular	As at 31 <sup>st</sup> March 2016	As at 31 <sup>st</sup> March 2015
Equity shares at the beginning of the year	7,75,51,500	7,75,51,500
Add: Issued during the year	-	-
Less : Shares cancelled on buy back during the year	-	-
Equity shares at the end of the year	7,75,51,500	7,75,51,500

3.3 Terms/right attached to equity shares-

The Company has one class of equity share having a par value of C 10 per share. Members of the Company holding equity share capital therein have a right to vote on every resolution placed before the Company and right to receive dividend. Each shareholder is eligible for one vote per share held.



4. RESERVES & SURPLUS

(Amt. in C)

Particulars	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
Capital Reserve			21,03,93,492	21,03,93,492
General Reserve				
As per last balance sheet	1772,19,87,799	1671,69,87,799		
Add: Transferred from surplus in statement of Profit and Loss	87,00,00,000	100,50,00,000	1859,19,87,799	1772,19,87,799
Surplus in statement of Profit and Loss				
As per last balance sheet	53,24,827	(51,14,712)		
Add: Profit for the year	134,33,91,318	148,21,35,342		
	134,87,16,145	147,70,20,630		
Less: Appropriations				
Proposed Dividend on Equity Shares	38,77,57,500	38,77,57,500		
Tax on Dividend	7,89,38,303	7,89,38,303		
Transferred to General Reserves	87,00,00,000	100,50,00,000		
	133,66,95,803	147,16,95,803	1,20,20,342	53,24,827
Total			1881,44,01,633	1793,77,06,118

4.1 The dividend proposed by the Board of directors is subject to the approval in the ensuing Annual General Meeting. During the year ended 31<sup>st</sup> March 2016 the amount of per share final dividend recognised as distribution to equity shareholders was C 5 per share (F.Y. 2014-15: C 5 per share).

4.2 Capital Reserve includes amounted to C 101999999/- ( Previous Year C 101999999/-) due to consolidataion.

5. MINORITY INTEREST

(Amt. in C)

Particular	As at 31 <sup>st</sup> March 2016	As at 31 <sup>st</sup> March 2015
Share In Share Capital @ 49% of 20000000	9,80,00,000	9,80,00,000
Add: Share In Opening Profit and Loss Account	50,59,206	-36,88,190
Add: Share In Current Year Profit	1,12,77,870	87,47,395
Total	11,43,37,076	10,30,59,205

6. LONG TERM BORROWINGS

(Amt. in C)

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
Secured Loans		
Term Loans		
From Banks - Gross	1124,80,00,000	1076,35,00,000
Less: Amount disclosed under the head (other current liabilities) (Note No. 11)	75,60,00,000	378,000,000
Sub total (A)	1049,20,00,000	10,385,500,000
Unsecured Loans		
Subordinate Debt from Related Parties		
Raj WestPower Limited (RWPL)	490,94,27,055	455,09,27,055
Sub total (B)	490,94,27,055	455,09,27,055
Total (A+B)	1540,14,27,055	1493,64,27,055

With Respect to Loan taken by BLMCL

6.1 Details of Security:

Rupee Term Loan amounting to C 1181.50 crores ( Previous year C1095.25 crores) is availed from consortium of 6 banks, lead by PNB on which partial security has been created on 24th July, 2012. For balance creation of Security, the Company is awaiting approval from Govt./Govt. undertaking.

The stipulated security for the said facility is:

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

6.2 Terms of Repayment of Loan:

- Outstanding amount of C 1124.80 Crores as rupee term loan is repayable in balance 47 Structured Installments which commenced from 31st December 2015 till 24th November 2027.
- Outstanding amount of C 490.94 Crores (P.Y. C 455.09 Crores) of subordinated debt is repayable after repayment of rupee term loan.



7. DEFERRED TAX LIABILITIES (NET)

(Amt. in C)

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
Deferred Tax Liabilities		
Difference between book value of Depreciable Assets as per books of accounts and written down value for tax purposes	73,06,49,911	76,50,94,013
Sub total (A)	73,06,49,911	76,50,94,013
Deferred Tax Assets		
Provision for doubtful debts, claims & advances	3,36,49,161	3,42,01,239
Provision for Leave Encashment	12,52,38,221	12,16,02,709
Provision for Bonus	43,14,368	44,85,671
Deferred Revenue Expenditure	1,14,925	91,940
Others	1,54,83,581	6,40,22,986
Sub total (B)	17,88,00,256	22,44,04,545
Total (A-B)	55,18,49,655	54,06,89,469

8. OTHER LONG TERM LIABILITIES

(Amt. in C)

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
(a) Trade Payable	-	-
(b) Other Payable		
(i) Interest on Subordinated Debt	250,99,06,797	209,11,26,270
(ii) Others	5,92,09,511	7,12,39,068
Total	256,91,16,308	216,23,65,338

9. LONG TERM PROVISION

(Amt. in C)

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
(a) Provision for employees benefits		
Provision for Leave Encashment	27,71,39,304	26,24,21,712
Provision for Sick Leave	4,02,60,820	4,71,81,095
(b) Others		
Provision for Mine closure (Refer note no 9.1 & 27.3)	48,59,79,777	44,83,99,654
Total	80,33,79,901	75,80,02,461

With respect to RSMML

- As per the guidelines for preparation of Mine closure Plan issued by Ministry of Coal, Government of India, the company has made a total provision for mine closure expenses of C 7,40,07,000/- (Prev year C 12,70,51,000/-) so far. As per the approved mine closure plans of Soneri & Giral, an

excess provision of C 8,58,40,000/- has been written back in the current financial year. During the current financial year an escrow account for Giral mines has been opened and a sum of C16,76,57,000/- has been deposited upto 31/03/2016. Opening of Escrow account for Soneri mines is in process. Mine Closure plan of Kasnau and Matasukh are yet to be approved. The company is having sufficient funds to meet its obligation towards mine closure expenses.

With respect to BLMCL

9.2 As per the guidelines for preparation of Mine closure Plan issued by Ministry of Coal, Government of India, the company has made a provision for mine closure expenses of C 41,19,72,777/- (Prev year C 32,12,48,654/- ) so far. As per the guidelines the amount so provided is required to be deposited in Escrow account with a bank. The company is having sufficient funds to meet its obligation.

#### 7. TRADE PAYABLE

(Amt. in C)

Particulars	As at 31st March, 2016	As at 31st March, 2015
UNSECURED		
Due to Micro & Small Enterprises	17,69,594	46,55,317
Others	126,97,91,699	117,50,30,993
Total	127,15,61,293	117,96,86,310

10.1 In compliance of the requirement under "The Micro, Small and Medium Enterprises Development Act, 2006" the Company has been making request to its vendors to provide their status under "The Micro, Small and Medium Enterprises Development Act, 2006". On the basis of the information received from various supplier/vendor the requisite information is as under-

(Amt. in C)

Particulars	Amount 2015-16	Amount 2014-15
Delayed payments due - Principal	17,69,594	46,55,317
Interest due	1,02,193	94,066
Total interest paid on all delayed payments during the year under the provisions of the Act	-	-
Interest due on principal amounts paid beyond the due date during the year but without the interest amounts under this Act	1,02,193	94,066
Interest accrued but not due	-	-
Total Interest due but not paid	1,02,193	94,066

With respect to BLMCL & RSPCL

10.2 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.



#### 11. OTHER CURRENT LIABILITIES

(Amt. in C)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Unclaimed Dividend*	1,47,775	93,305
Current maturities of long term loan ( Refer Note No. 3B)	75,60,00,000	37,80,00,000
Security Deposits	12,75,76,748	15,77,08,461
Advances from customers & Others	26,93,22,421	29,55,96,826
Statutory Liabilities	156,75,36,980	133,81,00,113
Payables - Projects	2,47,17,803	6,36,07,244
Lignite Extraction Charges payable	18,83,10,090	6,76,34,223
Retention	30,70,40,568	26,12,35,767
Other Payable	118,63,46,390	79,10,96,455
Total	442,69,98,775	335,30,72,394

\* There is no amount due & outstanding as at balance sheet date to be transferred to Investor Education & Protection Fund.

With respect to RSMML

11.1 As royalty is chargeable / payable on the mineral taken out from mining areas, the Company is not providing any liabilities towards royalty chargeable / payable on the minerals lying in the mining areas.

11.2 In compliance of Gazette notification dated 10th April 2003, Royalty on Rock Phosphate & Gypsum was being paid to DMG at prescribed rate on the monthly benchmark price declared by the Indian Bureau of Mines (IBM) of these minerals. Since IBM is declaring the bench mark prices after a gap of six-seven months which are effective retrospectively, there remains some difference in the amount of royalty collected and payable to DMG on Rock phosphate as per the IBM formula. The Company had issued demand letters in earlier years to its customers for Rock Phosphate for payment of differential royalty in the cases where amount of royalty recovered was short and the customers have filed cases in Jodhpur bench of Hon'ble High Court, Rajasthan, against such demand letter. The cases are yet to be decided. As matter is sub-judice, and assessment of Royalty for the period is also pending, the accounts of the customers would be settled and necessary accounting adjustment would be made as per the decision of the Hon'ble High Court, Rajasthan and on the basis of the outcome of the royalty assessment. Similar accounting treatment would be made in the cases where royalty was collected in excess.

11.3 The Government of India vide Gazette Notification dated 17.09.2015 has notified the Mines and Minerals (Contribution to District Mineral Foundation) Rules 2015 according to which every holder of mining lease or a prospecting licence-cum- mining lease, shall in addition to the royalty, pay to the District Mineral Foundation(DMF) of the district in which the mining operations are carried on an amount equal to 10% of royalty paid in terms of the Second Schedule to the Mines and Minerals (Development and Regulation) Act 1957 for mining leases granted on or after 12th January 2015 and 30% of royalty paid in terms of the First Schedule to the Mines and Minerals (Development and Regulation) Act 1957 in respect of mining lease granted before 12th January

2015. These Rules have been made effective retrospectively from 12.01.2015. Further, the Government of Rajasthan vide its notification dated 31.05.2016 has made contribution to DMF applicable to all the minerals and the Rules deemed to have come into force on the 12th January 2015. The matter of making contribution to DMF made effective retrospectively from 12.01.2015 is under litigation with Hon'ble Delhi High Court. The company has also sought legal opinion on the matter and according to the opinion received, the company should collect and deposit the contribution to DMF w.e.f. 31.05.2016 only because the DMF has been formed only on 31.05.2016 and not on 12.01.2015. It has further been opined that the collection of contribution and deposition in the DMF thereof for the period 12.01.2015 to 31.03.2016 should be kept in abeyance till the final decision of Hon'ble Delhi High Court is received. Accordingly, the company has shown the amount of C 33.66 crore being contribution to DMF for the period 12.01.2015 to 31.03.2016 as contingent liabilities of the company as on 31.03.2016. The Company is, however, having sufficient funds to meet its obligation.

#### 11.4 National Mineral Exploration Trust

The Central Government vide its Gazette Notification dated 14.08.2015 has notified National Mineral Exploration Trust Rules 2015. These Rules have been made effective from 12.01.2015. As per the said Rules, every holder of mining lease or a prospecting licence-cum- mining lease, in addition to the royalty pay to the National Mineral Exploration Trust (NMET) a sum equal to 2% of the royalty payable for the mineral in terms of Second schedule of the Mines & minerals (Development & Regulation) Act, 1957. Since these Rules have been made effective retrospectively w.e.f. 12.01.2015. In line with the stand taken in case of making contribution in DMF as per note 8.3 above, the company is of the opinion that payability of contribution in NMET, retrospectively does not arise. In view of above the company has shown the amount of contribution for the period 12.01.2015 to 13.08.2015 amounting to C 96.35 lac as contingent liabilities of in the books of accounts as on 31.03.2016. However, liability of C 114.18 Lac being contribution to NMET for the period 14.08.2015 to 31.03.2016 has been taken into account.

#### 12. SHORT TERM PROVISIONS

(Amt. in C)

Particulars	As at 31st March, 2016	As at 31st March, 2015
(a) Provision for employees benefits		
Leave encashment	3,14,87,163	2,59,16,235
Sick Leave	1,29,89,219	1,58,52,631
(b) Others		
Proposed Dividend	38,77,57,500	38,77,57,500
Tax on Proposed Dividend	7,89,38,303	7,89,38,303
Other Provisions	11,35,085	11,35,085
Income Tax	83,24,27,429	72,67,73,236
Total	134,47,34,699	123,63,72,990

12.1 As per Accounting Standard 15 "Employees Benefits", the disclosures of Employee benefits as defined in the Accounting Standard are given below:

(Amt. in C)

Particulars	Amount 2015-16	Amount 2014-15
Employer's Contribution to Provident & Pension Funds	10,74,24,520	10,44,02,905

12.2 The Company's Provident Fund is exempted under section 17 of Employees' Provident Fund Act, 1952. The conditions for grant of exemption stipulate that the employer shall make good deficiency, if any, incurred by the trust on account of difference in declared rate and income earned or other reasons.

#### Defined Benefit Plan:

The employees' gratuity fund scheme managed by a Trust (LIC) is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognized in the same manner as gratuity. Likewise obligation for sick leave is recognized as per actuarial

#### A. GRATUITY

##### I. Reconciliation of opening and closing balances of Defined Benefit Obligation

(Amt. in C)

Particulars	Gratuity (Funded) 2015-16	Gratuity (Funded) 2014-15	Gratuity (Funded) 2013-14	Gratuity (Funded) 2012-13	Gratuity (Funded) 2011-12
Present value of obligations at beginning of the year	101,62,16,950	100,77,63,439	90,74,55,484	86,02,07,453	76,11,55,308
Current Service Cost	3,60,24,132	3,65,57,203	3,38,01,540	3,24,90,179	2,90,11,238
Interest Cost	8,12,97,356	8,06,21,075	7,25,96,439	6,88,16,596	6,08,92,425
Actuarial loss	-63,62,142	-15,36,586	5,34,49,970	3,06,66,564	11,07,68,558
Benefits paid	-109,733,164	-107,188,181	-59,539,994	-84,725,308	-101,620,076
Present value of obligations at end of the year	101,74,43,132	101,62,16,950	100,77,63,439	90,74,55,484	86,02,07,453

II. Reconciliation of opening and closing balances of fair value of plan assets:

(Amt. in C)

Particulars	Gratuity (Funded) 2015-16	Gratuity (Funded) 2014-15	Gratuity (Funded) 2013-14	Gratuity (Funded) 2012-13	Gratuity (Funded) 2011-12
Fair value of plan assets at beginning of the year	102,75,24,432	96,59,85,094	88,91,47,431	75,87,84,423	67,24,00,151
Expected return on plan assets	8,82,74,722	9,03,97,645	8,42,68,064	8,11,74,440	7,02,37,953
Employer Contribution	2,91,54,751	7,83,29,874	5,21,09,593	13,39,13,876	11,77,66,395
Benefits paid	-10,97,33,164	-10,71,88,181	-5,95,39,994	-8,47,25,308	-10,16,20,076
Fair value of plan assets at end of the year	103,52,20,741	102,75,24,432	96,59,85,094	88,91,47,431	75,87,84,423
Actual return on plan assets	8,82,74,722	9,03,97,645	8,42,68,064	8,11,74,440	7,02,37,953

III. Reconciliation of fair value of assets and obligation:

(Amt. in C)

Particulars	Gratuity (Funded) 2015-16	Gratuity (Funded) 2014-15	Gratuity (Funded) 2013-14	Gratuity (Funded) 2012-13	Gratuity (Funded) 2011-12
Fair value of plan assets at end of the year	103,52,20,741	102,75,24,432	96,59,85,094	88,91,47,431	75,87,84,423
Present value of obligation at end of the year	101,74,43,132	101,62,16,950	100,77,63,439	90,74,55,484	86,02,07,453
Liability/(assets) recognized in Balance Sheet	-1,77,77,609	-1,13,07,482	4,17,78,345	1,83,08,053	10,14,23,030

IV. Expense recognized during the year

(Amt. in C)

Particulars	Gratuity (Funded) 2015-16	Gratuity (Funded) 2014-15	Gratuity (Funded) 2013-14	Gratuity (Funded) 2012-13	Gratuity (Funded) 2011-12
Current Service Cost	3,60,24,132	3,65,57,203	3,38,01,540	3,24,90,179	2,90,11,238
Interest Cost	8,12,97,356	8,06,21,075	7,25,96,439	6,88,16,596	6,08,92,425
Expected return on plan assets	-8,82,74,722	-9,03,97,645	-8,42,68,064	-8,11,74,440	-7,02,37,953
Actuarial loss/(gain)	-63,62,142	-15,36,586	5,34,49,970	3,06,66,564	11,07,68,558
Net Cost	2,26,84,624	2,52,44,047	7,55,79,885	5,07,98,899	13,04,34,268



V. Actuarial assumptions:

Particulars	Gratuity (Funded) 2015-16	Gratuity (Funded) 2014-15	Gratuity (Funded) 2013-14	Gratuity (Funded) 2012-13	Gratuity (Funded) 2011-12
Mortality Table (LIC)					
Discount rate (Per annum)	8.00%	8.00%	8.00%	8.00%	8.00%
Expected rate of return on plan assets (per annum)	8.50%	8.50%	8.50%	8.50%	8.50%
Rate of escalation in salary (per annum)	8.50%	8.50%	8.50%	8.50%	8.50%

B. LEAVE ENASHMENT

I. Reconciliation of opening and closing balances of Defined Benefit Obligation

(Amt. in C)

Particulars	Leave Encashment (funded)	Leave Encashment (funded)	Leave Encashment (funded)	Leave Encashment (Unfunded)	Leave Encashment (Unfunded)
	2015-16	2014-15	2013-14	2012-13	2011-12
Present value of obligations at beginning of the year	28,83,37,947	27,99,94,948	NA	23,59,05,375	20,95,64,378
Current Service Cost	4,42,78,813	4,41,35,420	NA	1,15,60,420	1,53,90,042
Interest Cost	2,30,67,036	2,23,99,596	NA	1,88,72,430	1,67,65,150
Actuarial loss	-4,70,57,329	-5,81,92,017	NA	1,11,84,530	2,05,88,183
Benefits paid	-	-	NA	-20,378,371	-26,402,378
Present value of obligations at end of the year	30,86,26,467	28,83,37,947	27,99,94,948	25,71,44,384	23,59,05,375

II. Reconciliation of opening and closing balances of fair value of plan assets:

(Amt. in C)

Particulars	Leave Encashment (funded)	Leave Encashment (funded)	Leave Encashment (funded)	Leave Encashment (Unfunded)	Leave Encashment (Unfunded)
	2015-16	2014-15	2013-14	2012-13	2011-12
Fair value of plan assets at beginning of the year	33,52,38,766	30,65,68,244	-	NA	NA
Expected return on plan assets	2,84,95,295	2,80,94,359	1,26,26,222	NA	NA
Employer Contribution	-	5,76,163	29,39,42,022	NA	NA
Benefits paid	-	-	-	NA	NA
Fair value of plan assets at end of the year	36,37,34,061	33,52,38,766	30,65,68,244	NA	NA
Actual return on plan assets	2,84,95,295	2,80,94,359	1,26,26,222	NA	NA

III. Reconciliation of fair value of assets and obligation:

(Amt. in C)

Particulars	Leave Encashment (funded)	Leave Encashment (funded)	Leave Encashment (funded)	Leave Encashment (Unfunded)	Leave Encashment (Unfunded)
	2015-16	2014-15	2013-14	2012-13	2011-12
Fair value of plan assets at end of the year	36,37,34,061	33,52,38,766	30,65,68,244	-	-
Present value of obligation at end of the year	30,86,26,467	28,83,37,947	27,99,94,948	25,71,44,384	23,59,05,375
Liability/(assets) recognized in Balance Sheet	-5,51,07,594	-4,69,00,819	-2,65,73,296	25,71,44,384	23,59,05,375

IV Expense recognized during the year

(Amt. in C)

Particulars	Leave Encashment (funded)	Leave Encashment (funded)	Leave Encashment (funded)	Leave Encashment (Unfunded)	Leave Encashment (Unfunded)
	2015-16	2014-15	2013-14	2012-13	2011-12
Current Service Cost	4,42,78,813	4,41,35,420	NA	1,15,60,420	1,53,90,042
Interest Cost	2,30,67,036	2,23,99,596	NA	1,88,72,430	1,67,65,150
Expected return on plan assets	-2,84,95,295	-2,80,94,359	-12,626,222	-	-
Actuarial loss	-4,70,57,329	-5,81,92,017	NA	1,11,84,530	2,05,88,183
Net Cost	-82,06,775	-1,97,51,360	NA	4,16,17,380	5,27,43,375

V Actuarial assumptions:

Particulars	Leave Encashment (funded)	Leave Encashment (funded)	Leave Encashment (funded)	Leave Encashment (Unfunded)	Leave Encashment (Unfunded)
	2015-16	2014-15	2013-14	2012-13	2011-12
Mortality Table (LIC)					
Discount rate (Per annum)	8.00%	8.00%	8.00%	8.00%	8.00%
Expected rate of return on plan assets (per annum)	8.50%	8.50%	8.50%	NA	NA
Rate of escalation in salary (per annum)	8.50%	8.50%	8.50%	8.50%	8.50%

The estimates of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan assets management.

C. SICK LEAVE

I. Reconciliation of opening and closing balances of Defined Benefit Obligation

(Amt. in C)

Particulars	Sick Leave (Unfunded)	Sick Leave (Unfunded)	Sick Leave (Unfunded)	Sick Leave (Unfunded)	Sick Leave (Unfunded)
	2015-16	2014-15	2013-14	2012-13	2011-12
Present value of obligations at beginning of the year	6,30,33,726	6,05,00,849	NA	NA	NA
Current Service Cost	27,72,776	27,86,065	NA	NA	NA
Interest Cost	49,67,058	55,23,728	NA	NA	NA
Actuarial loss	-1,75,23,521	30,96,077	NA	NA	NA
Benefits paid	-	-88,72,993	NA	NA	NA
Present value of obligations at end of the year	5,32,50,039	6,30,33,726	6,05,00,849	NA	NA

II. Reconciliation of opening and closing balances of fair value of plan assets:

(Amt. in C)

Particulars	Sick Leave (Unfunded)	Sick Leave (Unfunded)	Sick Leave (Unfunded)	Sick Leave (Unfunded)	Sick Leave (Unfunded)
	2015-16	2014-15	2013-14	2012-13	2011-12
Fair value of plan assets at beginning of the year	NA	NA	NA	NA	NA
Expected return on plan assets	NA	NA	NA	NA	NA
Employer Contribution	NA	NA	NA	NA	NA
Benefits paid	NA	NA	NA	NA	NA
Fair value of plan assets at end of the year	NA	NA	NA	NA	NA
Actual return on plan assets	NA	NA	NA	NA	NA

III. Reconciliation of fair value of assets and obligation:

(Amt. in C)

Particulars	Sick Leave (Unfunded)	Sick Leave (Unfunded)	Sick Leave (Unfunded)	Sick Leave (Unfunded)	Sick Leave (Unfunded)
	2015-16	2014-15	2013-14	2012-13	2011-12
Fair value of plan assets at end of the year	NA	NA	NA	NA	NA
Present value of obligation at end of the year	5,32,50,039	6,30,33,726	6,05,00,849	NA	NA
Liability/(assets) recognized in Balance Sheet	5,32,50,039	6,30,33,726	6,05,00,849	NA	NA

IV Expense recognized during the year

(Amt. in C)

Particulars	Sick Leave (Unfunded)	Sick Leave (Unfunded)	Sick Leave (Unfunded)	Sick Leave (Unfunded)	Sick Leave (Unfunded)
	2015-16	2014-15	2013-14	2012-13	2011-12
Current Service Cost	27,72,776	27,86,065	NA	NA	NA
Interest Cost	49,67,058	55,23,728	NA	NA	NA
Expected return on plan assets	-	-	NA	NA	NA
Actuarial loss	-1,75,23,521	30,96,076	NA	NA	NA
Net Cost	-9,783,687	1,14,05,869	NA	NA	NA

V Actuarial assumptions:

Particulars	Sick Leave (Unfunded)	Sick Leave (Unfunded)	Sick Leave (Unfunded)	Sick Leave (Unfunded)	Sick Leave (Unfunded)
	2015-16	2014-15	2013-14	2012-13	2011-12
Mortality Table (LIC)					
Discount rate (Per annum)	7.88%	9.13%	NA	NA	NA
Expected rate of return on plan assets (per annum)	NA	NA	NA	NA	NA
Rate of escalation in salary (per annum)	8.50%	8.50%	NA	NA	NA



13. FIXED ASSETS

PARTICULARS	Total Cost as at 1.4.2015	GROSS BLOCK		Total Cost as at 31.3.2016	Up To 31.3.2015	for the year 2015-16	DEPRECIATION		Transitional Adjustments	NET BLOCK		
		Additions 2015-16	Deductions/ Adjustments				Deductions/ Adjustments	Upto 31.03.2016		As at 31.03.2016	As at 31.03.2015	
A- TANGIBLE ASSETS												
Mining Land	333,98,85,523	-	-	333,98,85,523	11,40,97,060	3,24,51,291	-	-	-	1,46,54,83,511	319,33,37,172	3,22,5,78,84,63
Free Hold Land	3,76,24,133	-	-	3,76,24,133	-	0	-	-	-	3,76,24,133	3,76,24,133	37,62,4,133
Lease Hold Land	5,99,79,583	59,21,340	-	6,59,00,923	1,23,22,400	8,92,442	-	-	-	1,32,14,842	5,26,86,081	47,65,7,183
Buildings	43,86,38,232	6,97,34,772	-1,29,382	50,82,43,622	23,75,96,369	1,91,43,914	-11,48,92	-	-	25,66,25,391	25,16,18,271	201,041,883
Railway Rakes- Leased to Railways	24,78,66,511	-	-	24,78,66,511	23,54,92,186	-	-	-	-	23,54,92,186	1,23,94,325	12,394,325
Railway Sidings	84,54,151	-	-	84,54,151	80,34,964	-	-	-	-	80,34,964	4,19,187	419,187
Plant & Machinery	223,56,00,802	25,68,610	-474,75,511	210,89,1,861	198,29,63,727	4,27,14,957	-453,38,380	-	-	198,03,40,324	21,03,51,537	232,637,075
Power Plant	12,43,73,039	-	-	12,43,73,039	11,76,35,047	5,19,340	-	-	-	11,81,54,387	62,18,652	6,737,992
Wind Power Plant	531,19,97,334	-	-	531,19,97,334	341,95,99,006	23,26,45,856	-	-	-	363,22,45,282	165,97,52,072	1,892,397,928
Furniture & Fittings	3,72,05,897	5,60,892	-3,93,238	3,73,73,521	3,04,76,632	21,54,194	-3,77,729	-	-	3,22,53,117	51,20,404	6,729,245
Vehicles	6,32,20,340	9,78,210	-7,39,728	6,34,58,822	4,72,62,133	47,59,588	-7,39,383	-	-	5,12,82,338	1,21,76,484	15,958,207
Water Supply Plant & Pipeline	17,10,67,227	31,350	-3,16,632	17,07,81,945	14,52,17,047	40,84,456	-2,09,712	-	-	14,90,92,391	2,16,89,554	25,849,580
Dam	5,46,42,501	-	-	5,46,42,501	5,25,42,600	0	-	-	-	5,25,42,600	2,099,901	2,099,901
Office & Other Equipment	7,35,85,482	40,39,408	-1,074,166	7,65,50,704	6,47,82,088	47,91,938	-10,08,741	-	-	6,85,65,285	79,85,419	8,803,374
Electrical Equipment & Inst.	24,31,00,000	41,35,422	-4,37,544	24,67,97,878	20,50,18,345	92,55,464	-3,47,341	-	-	21,39,26,468	3,28,71,470	38,081,715
Lignite Handling Plant	104,73,67,165	-	-	104,68,05,365	4,03,95,925	4,45,67,463	-	-	-	8,49,63,088	96,18,42,277	1,006,971,540
Road	12,16,77,136	13,01,30,000	-	25,18,07,136	113,039,984	27,893,320	-	-	-	14,09,33,484	11,08,73,652	8,637,172
Tailing Dam	4,73,25,639	4,48,88,000	-	9,22,13,639	46,973,234	39,767,174	-	-	-	8,67,40,408	54,73,231	352,405
Laboratory Equipments	53,63,319	1,06,390	-1,71,598	52,98,081	4,469,526	281,168	-1,62,779	-	-	45,87,915	7,10,166	893,793
Solar Power Plant	26,62,80,900	35,963,502	-	30,22,44,402	8,451,533	33,529,896	-	-	-	41,981,429	26,02,62,973	257,829,367
RO Plant	-	7,16,81,343	-	7,16,81,343	0	73,40,948	-	-	-	73,40,948	6,43,40,395	-
Machinery in stores/at site	-	-	-	-	0	0	-	-	-	-	94,701	5,54,146
Total A	1,393,52,74,974	37,07,39,179	-51,301,619	1,425,47,12,534	688,63,70,506	50,67,93,609	-48,298,936	-	-	734,48,65,179	690,99,42,056	704,94,58,614
(B) INTANGIBLE ASSETS												
Surface Rights on Kapardi Land	365,79,18,799	26,04,907	-	366,05,23,706	55,36,94,001	19,58,08,192	-	-	-	74,95,02,193	291,10,21,513	310,42,24,798
Rights under the Implementation and JV Agreement	3,39,96,600	-	-	3,39,96,600	51,47,173	18,18,237	-	-	-	68,65,410	2,70,31,190	2,88,49,427
TOTAL (B)	369,19,15,399	26,04,907	0	369,45,20,306	55,88,41,174	19,76,26,429	0	0	0	75,64,67,603	293,80,52,703	313,30,74,225
TOTAL (A+B)	1,762,71,90,373	37,33,44,086	-51,301,619	1,794,92,32,840	744,52,11,680	70,44,20,038	-48,298,936	-	-	810,13,32,782	984,79,94,759	10,18,25,32,839
Previous Year	17,31,46,75,421	327,643,171	(15,128,219)	17,62,71,90,373	6,71,17,115,677	686,885,504	(12,682,873)	-	-	53,890,372	7,44,52,11,680	10,182,532,839

13.1 Depreciation For The Year Includes Rs. 3,37,38,803 (prev. Year Rs. 58,239/-) In Respect Of Earlier Years Shown In Prior Period Adjustment

With respect to RSMML

- 13.2 Free hold land includes C 62,16,030/- (Prev Year C 62,16,030/) located at Bhatt ji ki Bari, Udaipur given on conditional Lease of C 1/- p.a. to American International Health Management Ltd. (AIHML) for 99 Years.
- 13.3 The cost of mining land includes C 17,18,16,973/- (Prev Year C 17,18,16,973/) deposited with the office of Collector, Nagaur for disbursement to the land owners in respect of acquisition of 7509 bighas of land for mining of Lignite at Nagaur vide Land Acquisition Award dated 19.09.2000 issued by Land Acquisition Officer (SDO, Nagaur). Out of the above deposited amount, the District Collector, Nagaur has disbursed an amount of C 16,48,20,814/- (Prev year C 16,48,20,184/-) so far.
- 13.4 In compliance of original award issued by Dy. Collector, Girwa, Udaipur bearing no. ACQ/2012/3999 dated 08/05/2015 for acquisition of mining land 48.29 hectare at Jhamarkotra, Dhamdhar, Parola and Mamadev villages at a compensation of C 23,51,21,125/-, cheques of C 16,50,60,407/- have been issued to villagers as advance. The land acquisition proceeding and mutation are in progress.
- 13.5 The cost of mining land includes C 1,52,70,872/- (Previous year C 1,52,70,872/-). The land acquired in compliance of original award issued by Dy. Collector, Girwa, Udaipur bearing no. ACQ/1/02/4953 - 55 dated 30.6.2004 and modifications thereof issued in the financial year 2006-07 for acquiring 56 hectare of land at Jhamarkotra, Lakkadwas, Sameta and Dhamdhar villages. Out of the total compensation, only 42 land owners took payment of C 54,19,044 /- (Previous year C 54,19,044 /-). The balance amount has been deposited with the court of Civil Judge Sr. Division Udaipur in the form of Fixed Deposit Receipts. The land acquisition proceeding and mutation are in progress.
- 13.6 As per the terms of Joint Venture Agreement dated 27.12.2006 entered between Raj West Power Limited, Jaipur (RWPL) and Company, the Joint Venture Company has paid a sum of C 2,68,69,24,772/- (Prev Year C 2,68,69,24,772/-) to the Company for purchase/acquisition of Land for Mining of Lignite at Kapuradi villages in the state of Rajasthan. The proceedings for purchase/acquisition of Land have been initiated and the amount of C 2,67,32,41,796/- (Prev Year C 2,67,32,41,796/-) has been paid to Land acquisition Officer for acquisition of land and C 43,48,000/- (Prev Year C 43,48,000/-) has been refunded back to JV Company.
- The mutation of land has been done in the favour of RSMML. Amount paid /payable towards land is C 26,912,87,911 /- (Prev Year C 2,69,12,87,911 /-). The Government of Rajasthan through its letter dated 14.09.2012 has not acceded transfer of ownership of land from RSMML to its JV Company (BLMCL). However the possession of the land along with the mining rights rest with BLMCL and therefore the economic benefit from the usage of land will not flow to RSMML. Further in view of Para 9 of Annexure to the 'Guidelines For Preparation of Mine Closure Plan' dated 27th August '2009 (Similar to the para 8.1 of the revised guidelines dated 7th January '2013), said land is to be reclaimed and can be surrendered to the State Government only after obtaining a mine closure certificate from coal controller to the effect that the protective reclamation and rehabilitation works in accordance with the approved mine closure plan/final mine closure plan have been carried out.
- Accordingly RSMML will neither get any economic benefit from the said land nor the control of it. In absence of both these factors the said land does not satisfy the qualifying criteria for recognition of asset as mentioned in Para 49 clause (a) of the 'Framework for the preparation and presentation of financial statements' issued by the Institute of Chartered Accountants of India.



- Also Company is not under any obligation to repay the amount received from BLMCL for the purchase of said land as the possession of land rests with it. Hence the deposit received from BLMCL is not a liability as defined in Para 49 clause (b) of the 'Framework for the preparation and presentation of financial statements' issued by the Institute of Chartered Accountants of India. Accordingly Company has not treated such amount as asset and liability in its financial statements. However, since the title of the land at Kapurdi mutated to RSMML same is shown at a nominal value of Re. 1 in the Balance Sheet.
- 13.7 As per the terms of Joint Venture Agreement dated 27.12.2006 entered between Raj West Power Limited, Jaipur (RWPL) and Company, the Joint Venture Company has paid a sum of C 7,08,25,54,750/ (Prev Year C 7,08,25,54,750/-) to the Company for purchase/acquisition of Land for Mining of Lignite at Jalipa villages in the state of Rajasthan. The proceedings for purchase/acquisition of Mining Land have been initiated and the amount of C 6,70,34,58,808/- (Prev year C 6,69,67,94,195/-) has been paid to Land acquisition Officer for acquisition of land upto 31.03.2016. The progress of land acquisition and mutation in favour of Company is in process. Since mutation of the entire land in favour of RSMML has not been done and also Company has not received any directions about transfer of land to BLMCL, no accounting adjustments as per note 10.6 is being made. The mining lease has been transferred to BLMCL on 25.05.2015.
- 13.8 The cost of mining land includes C 45,49,10,512/- being value of 4215.75 Bigha of land capitalised upto 31.03.2016 at Gurah West as per award passed for acquisition of land. Out of 4215.75 Bigha, 4082.36 Bigha of land has already been acquired and remaining 133.39 Bigha of land valuing C 1,90,98,570/- is yet to be acquired and payment is to be made.
- 13.9 The cost of mining land includes C 78,14,55,176/- being value of 2823.85 Bigha of land capitalised during the year 2013-14 at Giral phase III as per award passed for acquisition of land. Out of 2823.85 Bigha, 2699.50 Bigha of land has already been acquired and remaining 124.35 Bigha of land valuing C 3,35,70,224/- is yet to be acquired and payment is to be made.
- 13.10 Various assets taken over by erstwhile RSMDC from RIMDC (now RIICO) on 31.10.1979 have not yet been registered in the name of the Company.
- 13.11 Various assets taken over by the Company from erstwhile RSMDC consequent upon its merger with the Company have not yet been registered in the name of the Company. The process of registration of such assets is in progress.
- 13.12 The Company has submitted a solvency security dated 25.02.2008 certificate to the Jodhpur Bench of Hon'ble High Court Rajasthan in favour of North Western Railway & other Railway Authorities Jodhpur on assets of the Company in a case bearing no. D.B.SAW no. 697/2008 filed by the Company against Railway relating to payment of punitive charges amounting to C 7,60,57,373/- imposed on the Company. As per directions of the Court the Company has deposited a sum of C 3,21,83,241/-.
- 13.13 Pursuant to the enactment of Companies Act 2013, the Company has applied the estimated useful life and residual value as specified in Schedule II. Accordingly, the unamortised carrying value is being depreciated /amortised over revised/remaining useful life. Further, where carrying value is less than specified residual value and estimated useful life is "NIL", carrying value as on 1.4.2014 is considered as the residual value. Besides, where the useful life of the assets as specified in schedule II is "NIL" but the carrying value is higher than the residual value as on 1.4.2014, such differences of Nil /- (Prev Year C 5,38,90,372) have been charged to the current year's profit.

14. NON CURRENT INVESTMENTS

(Amt in C)

Particulars	As At 3/31/2016	As At 3/31/2015	As at 31st March, 2016	As at 31st March, 2015
<b>A IN EQUITY INSTRUMENTS</b>				
Unquoted				
(a) Joint Sectors/assisted sectors				
(i) 24500 Equity Shares in Rajasthan Rashtriya Chemicals & Fertilisers Limited Ltd. of C 10/- Each Fully Paid up (Previous year 24500 shares)	2,45,000	2,45,000		
Less :Diminution in value/written off	<u>2,45,000</u>	<u>2,44,999</u>	-	1
(ii) 9,000 Equity Shares in Rajesh Mineral Inds. Ltd Ltd. of C 100/- Each Fully Paid up (Previous year 9,000 shares)	9,00,000	9,00,000		
Less :Diminution in value	<u>8,99,999</u>	<u>8,99,999</u>	1	1
(iii) 10,000 Equity Shares in Mayur Inorganics Ltd. of C 10/- Each Fully Paid-up (Previous year 10,000 shares)			1,00,000	1,00,000
(iv) 3,00,000 Equity Shares (including 1,50,000 Bonus Shares in Ostwal Phoschem (India) Limited (formly Tedco Granite Limited) C 10/- Each Fully Paid up) (Previous year 3,00,000 shares (including 1,50,000 Bonus shares) of C 10/- Each Fully Paid up)	15,00,000	15,00,000	15,00,000	15,00,000
(v) 10025000 Shares in Rajasthan State Gas Limited (formerly known as RSPCL-GAIL Gas Limited) of Rs.10/- each fully paid up. (Previous Year 25000 Equity Shares)	10,02,50,000	10,02,50,000	10,02,50,000	10,02,50,000
Quoted				
(a) Under buy back arrangement				
(i) 1,43,000 Equity Shares In Mewar Marbles Ltd of C 10/- Each Fully paid-up. Last quoted at C 7/-Per Share at Mumbai Stock Exchange in 1996-97 (Previous year 1,43,000 shares)	14,30,000	14,30,000		
Less :Diminution in value	<u>14,29,999</u>	<u>14,29,999</u>	1	1
(ii) 3,00,000 Equity Shares in Nihon Nirman Ltd of C 10/- each fully paid-up.last quoted at C 2/-per share at Kolkata Stock Exchange in Aug.1997 (Previous year 3,00,000 shares)	30,00,000	30,00,000		
Less :Diminution in value	<u>29,99,999</u>	<u>29,99,999</u>	1	1
(b) Others				
1,72,500 Equity Shares In Nihon Nirman Ltd of C 10/- each fully paid-up.last quoted at C 2/-per share at Kolkata Stock Exchange in Aug.1997 (Previous year 1,72,500 shares)	17,25,000	17,25,000		
Less :Diminution in value	<u>17,25,000</u>	<u>17,25,000</u>	-	-
<b>B OTHER INVESTMENTS</b>				
Employees Leave Encashment Scheme - Life Insurance Corporation of India Government and trust securities			36,37,34,061	33,52,38,766
-6-Year National Savings Certificate (Pledged with Commercial Tax Department)			20,000	20,000
<b>Total</b>			<b>46,56,04,064</b>	<b>43,71,08,770</b>



With respect to RSMML

- 14.1 The Company has formed a joint venture company with Raj West Power Limited, Jaipur (RWPL) in the name of Barmer Lignite Mining Company Ltd. Jaipur (BLMCL). BLMCL will undertake the work of Lignite mining in Jallipa & Kapuradi areas of Barmer District and supply the same to RWPL for its Lignite based pit head power plant. As per the terms of the agreement between RSMML & RWPL, RSMML shall have 51% shares in BLMCL and RWPL will hold the remaining 49% of the equity of the JV Company. BLMCL has allotted 1,02,00,000 shares (Previous year 1,02,00,000 shares) to the Company having face value of C 10,20,00,000 till 31.03.2016 (Previous year C 10,20,00,000). These shares are shown as investment at a token vale of C 1/- in view of the opinion obtained from the Institute of the Chartered Accountants of India.
- 14.2 The Company has formed a joint venture company with RCF Ltd. Mumbai (RCFL), (A Govt. of India Enterprises) in the name of Rajasthan Rashtriya Chemical Fertilizers Limited (RRCFL) having registered office at Jaipur (Rajasthan) to establish a plant for manufacturing a chemical fertilizer namely, Di-Ammonia Phosphate (DAP) in Kapasan, Rajasthan. As per terms of agreement between RSMML & RCFL, equity of the proposed Joint Venture Company shall be shared by RSMML & RCFL in the ratio of 49:51. In response of application dated 28.09.2015 filed by the management of the Company, the Ministry of Corporate Affairs vide letter dated 27.11.2015 has struck off the name of the company in the register and Company has been dissolved. Accordingly the value of shares have been written off during the year.
- 14.3 The Company has taken up the "Rajasthan State Mines & Minerals Limited - Employee Group Leave Encashment Scheme" (RSMML EGLES) from Life Insurance Corporation against the Leave Encashment Liability. A sum of C 36,37,34,061/- (Previous Year C 33,52,38,766/-) has been invested under this scheme. The intention of holding this investment is of long term.

With respect to RSPCL

- 14.4 The Company has formed a joint venture company with GAIL Gas Ltd. in the name of RSPCL-GAIL Gas Limited on 20.09.2013. The Company will undertake the work of city gas distribution network in various cities of Rajasthan. Presently, the Company is promoted by RSPCL and GAIL Gas Ltd. equally by contributing 50% each in the equity share capital. RSPCL has contributed C 10,02,50,000/- towards equity share capital in the Company.

15. LONG TERM LOANS & ADVANCES

(Amt in C)

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>UNSECURED</b>		
Capital advances (Considered good)	288,77,50,000	280,76,89,750
Security Deposits (Considered good)	4,67,48,494	7,49,38,617
To Employees		
Considered good	7,84,32,627	8,53,19,516
Considered doubtful	56,206	56,206
	7,84,88,833	8,53,75,722
Less : Provision for Doubtful Loans & Advances	56,206	56,206
Subtotal	7,84,32,627	8,53,19,516
To Others		
Considered good	8,04,08,289	15,92,82,367
Considered Doubtful	15,72,906	60,75,625
Subtotal	8,19,81,195	16,53,57,992
Less : Provision for Doubtful Loans & Advances	15,72,906	60,75,625
Subtotal	8,04,08,289	15,92,82,367
Prepaid Expenses	1,41,79,383	23,02,545
Income-Tax Deposits	125,53,16,664	100,45,60,077
<b>Total</b>	<b>43628,35,457</b>	<b>41340,92,872</b>

16. OTHER NON CURRENT ASSETS

(Amt in C)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Northern Western Railway		
Considered Good	-	-
Considered Doubtful	86,27,562	8,627,562
	86,27,562	8,627,562
Less: Provisions	86,27,562	8,627,562
Subtotal	-	-
Claims Recoverable		
-Considered good	17,24,56,354	17,24,56,354
Subtotal	17,24,56,354	17,24,56,354
Interest accrued on FDRs/NSCs	3,94,14,737	2,58,28,030
Non Judicial Stamps in hand	3,625	3,625
Interest accrued on Advances	1,17,00,053	47,381
Unamortised Expenditure		
Mine development expenditure	7,78,28,129	10,43,80,483
Less: Transferred to other current assets (Refer Note No 21)	-	21,34,266
Subtotal	7,78,28,129	10,22,46,217
<b>Total</b>	<b>30,14,02,898</b>	<b>30,05,81,607</b>

With respect to RSMML

16.1 Claims recoverable includes an amount of C 17,24,56,354/ (Prev. Year C 17,24,56,354/-) recoverable from various contractors engaged in transportation and loading of limestone at Railway siding on account of punitive/penal/dead freight levied by the Railways on under loading/overloading of limestone. The contractors have filed Court cases against the company which are yet to be decided.

17. INVENTORIES

(Amt in C)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Finished Goods		
Rock Phosphate	201,61,01,667	205,79,74,705
Beneficiated Rock Phosphate	59,92,68,456	86,18,33,831
Rajphos	2,05,48,526	30,83,423
Gypsum	2,64,43,916	1,36,04,112
Lignite	30,67,44,588	9,52,98,116
Lime Stone	9,20,60,830	9,43,45,351
Bio diesel and by products	1,89,707	1,89,707
Stores & Spare Parts	19,59,43,048	21,36,85,132
(Including in transit C 11,99,316/-) (Previous year Nil)		
Others		
CERs/VERs/RECs in hand	-	-
<b>Total</b>	<b>325,73,00,738</b>	<b>334,00,14,377</b>

With respect to RSMML

17.1 The Company had used a small percentage of secondary ore of Rock Phosphate for beneficiation in its Industrial Beneficiation Plant on trial basis from time to time. The Secondary ore of Rock Phosphate is a very low grade mineral containing high silica and is being treated as waste material having no value. Since, the usability & economic viability of the secondary ore of Rock Phosphate for beneficiation is yet to be established, the same is being valued at zero as per the prevailing system of valuation of Rock Phosphate from the financial year 2008-09.

17.2 The Company was having 23594 CERs and 44098 VERs on 31.03.2016 (23594 CERs and 44098 VERs in hand on 31.03.2015) which have been treated as part of inventory and accordingly valued at Rs. Nil being lower of cost incurred for certification or net realisable value

17.3 The company was having 6274 REC on 31.03.2016 (525 REC on 31.03.2015) which have been treated as part of inventory and accordingly valued at NIL being lower of cost incurred for certification or net realisable value

18. TRADE RECEIVABLES ( UNSECURED )

(Amt in C)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Over six months from the date these become due for payment		
i Considered good	56,59,65,166	169,67,55,912
ii Considered doubtful	6,89,81,516	6,60,74,030
Other debts considered good	248,38,08,604	61,72,02,733
	<u>311,87,55,286</u>	<u>238,00,32,675</u>
Less: Provision for doubtful debts (Bad debts written off during the year Nil) (Prev. Year Nil)	6,89,81,516	6,60,74,030
Total	<u>304,97,73,770</u>	<u>231,39,58,645</u>

19. CASH AND BANK BALANCES

(Amt in C)

Particulars	As at 31st March, 2016	As at 31st March, 2015
(a) Cash and cash equivalents		
Balances with Banks		
in current accounts	104,65,66,769	106,69,34,912
in deposit accounts	53,32,92,524	36,29,27,456
Cash on hand	2,07,404	2,34,767
Remittances in Transit	25,000	-
Balances with Treasury in P. D. Account	715,58,00,792	684,61,44,220
(b) Other bank balances		
Escrow account for Mine Closure fund	59,83,27,192	23,50,39,966
Earmarked balances with banks	83,85,40,478	74,81,81,918
Total	<u>1017,27,60,159</u>	<u>925,94,63,239</u>

With respect to RSMML

19.1 In compliance of directives given by the competent courts in some cases of SBU-PC lignite, bankers have retained a sum of C 2,19,24,056/- (Prev. year C 203,91,669/-) in the form of FDRs which are in lien with them to be used for the specified purposes.

19.2 Balances with banks includes unclaimed/unpaid dividend of C 1,47,775/- (Prev year C 93,305/-)

19.3 Earmarked balances with bank includes Fixed deposit of C 2,87,79,965/- (Prev Year C 4,95,98,293/-) with maturity of more than twelve months.

19.4 Cheques of C 17,20,52,319/- were issued to respective land acquisition officers for payment of land compensation. These land owners went to the courts of law against the compensation awarded. The cheques given to such land owners are submitted before the respective Courts in support of documentary evidence of making payment and have been marked as "Exhibit" in the case file. Matter being subjudice hence no adjustment on account of stale cheque liability provided in the books of accounts. These cheques shall be revalidated/cancelled as per the decision of the Courts.

20. SHORT TERM LOANS AND ADVANCES

(Amt in C)

Particulars	As at 31st March, 2016	As at 31st March, 2015
UNSECURED		
To Employees		
Considered good	2,69,07,784	2,61,59,280
Considered doubtful	1,27,505	1,27,505
Sub total	<u>2,70,35,289</u>	<u>2,62,86,785</u>
Less : Provision for Doubtful Loans & Advances	1,27,505	1,27,505
Sub total	<u>2,69,07,784</u>	<u>2,61,59,280</u>
To Others		
Considered good	68,53,25,496	708,30,02,560
Considered doubtful	45,06,040	45,06,040
	<u>68,98,31,536</u>	<u>708,75,08,600</u>
Less : Provision for Doubtful Loans & Advances	45,06,040	45,06,040
Sub total	<u>68,53,25,496</u>	<u>708,30,02,560</u>
Prepaid Expenses	73,61,648	54,80,616
Total	<u>71,95,94,928</u>	<u>711,46,42,456</u>

With respect to RSMML

20.1 Short term loans & advances to others includes C 10,31,12,181 /- (Previous year C 15,07,60,098 /-) being amount recoverable from PHED, Nagaur for distribution of desalinated water by M/S Nagaur Water Supply Company Pvt Ltd.

21. OTHER CURRENT ASSETS

(Amt in C)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Income-Tax Deposits	109,27,02,504	115,33,41,480
Interest accrued on FDRs/NSCs	1,30,96,732	1,20,47,802
Claims Recoverable (Including Duty Drawback Receivables)		
-Considered good	53,560	20,59,503
-Considered doubtful	50,85,613	50,85,613
	51,39,173	71,45,116
Less Provision for doubtful claims	50,85,613	50,85,613
Sub total	53,560	20,59,503
Machinery held for sale	36,31,697	19,96,264
Others		
-Considered good	1,61,93,467	3,91,78,073
-Considered doubtful	82,72,081	82,72,081
	2,44,65,548	4,74,50,154
Less Provision for doubtful claims	82,72,081	82,72,081
Sub total	1,61,93,467	3,91,78,073
Current portion of unamortized Mine development expenses (Refer Note No 16)	-	21,34,266
<b>Total</b>	<b>112,56,77,960</b>	<b>121,07,57,388</b>

22. REVENUE FROM OPERATIONS

(Amt in C)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Sale of -		
High Grade Rock Phosphate	365,90,38,716	261,71,75,794
Low Grade Rock Phosphate-Tailing	28,88,243	31,93,927
Beneficiated Rock Phosphate	130,10,59,785	70,80,00,650
Rajphos	12,67,82,186	18,81,64,800
Lignite	1022,11,55,774	1154,14,16,603
Gypsum	81,78,32,144	121,21,47,739
Selenite	69,51,483	4,64,766
Lime Stone	155,80,22,642	153,06,63,943
Power-Wind Farm	37,17,00,648	45,62,99,513
-Solar Plant	2,43,90,472	24,09,122
<b>Total</b>	<b>1808,98,22,093</b>	<b>1825,99,36,857</b>

With respect to RSMML

22.1 The selling prices of Rock phosphate and Cement grade Limestone and Gypsum are inclusive of Environment and Health Cess on mineral rights imposed by the State Government. The amount of cess whether included in selling prices or recovered separately is being treated a part of turnover of Company. An expenditure amounting to C 92,59,06,020/- (Prev. Year C 58,96,04,903/-) on this

account has been shown under the head MR cess in mining and other operating expenses.

22.2 Lignite & Limestone are being supplied to Rajasthan Vidyut Utpadan Nigam Limited (RVUNL) as per the Fuel Supply Agreement (FSA) entered with party. The FSA was due for renewal w.e.f. 20 February, 2012. Pending renewal of FSA, revenue on this account have been accounted for on the basis of prevailing rate as per existing FSA.

Lignite from Sonari pit is being supplied to RVUNL from November 2012. Issue for inclusion of Sonari pit in FSA & fixing of price is under consideration with RVUNL. As such, supply of lignite from Sonari pit have been accounted for on the basis of minutes of meeting held on 01/10/2014 between Company & RVUNL.

Necessary adjustments, if any, would be carried out on finalizing of FSA with RVUNL.

23. OTHER INCOME

(Amt in C)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Interest	55,06,17,312	59,70,07,827
Lease Rent on Railway Rakes	23,25,580	23,25,580
Dividend received on Long Term Investments	10,000	10,000
Carbon/Voluntary Emission Reduction (CER/VER)	2,37,62,620	-
Renewable Energy Certificate (REC)	20,85,978	-
Profit on Sale of Obsolete and Other Fixed Assets	2,24,658	27,33,525
Miscellaneous Receipts, Refunds, Forfeitures & Claims	21,14,77,726	13,13,99,437
Provision/Liability no longer required written back*	9,85,37,860	2,87,25,595
Sundry Credit Balances written back	6,05,803	58,18,128
<b>Total</b>	<b>88,96,47,537</b>	<b>76,80,20,092</b>

\* Includes Liability of Land tax written back C 17,86,370/- (Prev year C 2,52,32,830). Provision for doubtful debt written back C 3,23,790/ (Prev Year Nil). Provision for sick leave written back C 97,83,687/ (Prev Year Nil) & Provision for Mine Closure written back C 8,58,40,000/ (Prev Year Nil)

With respect to RSMML

23.1 The Company is getting CERs from its wind mill projects and other projects registered with United Nations Framework Convention on Climate Change (UNFCCC) under Clean Development Mechanism (CDM) category which are tradable in the international market. The Company would be receiving CERs on regular basis from its existing registered and future projects in pipe line for registration. Similarly the Company has also started getting Voluntary Emission Reduction (VERs).

23.2 Renewable Energy Certificate (REC) mechanism is a market based instrument to promote the renewable energy and facilitate compliance of renewable purchase obligations (RPO). There are two categories of RECs viz solar REC & Non solar REC. The company has installed 5 MW solar power plant in Bikaner district and signed the PPA with DISCOM for sale of solar power under REC mechanism. Therefore, solar REC's are issued against the sale of power from the above plant. After fulfilling the eligibility requirement & the procedure for issuance of REC, the central agency i.e. NLDC issues the REC which are traded in the energy exchange.

24. CHANGES IN INVENTORIES OF FINISHED GOODS & OTHERS

(Amt in C)

Particulars	As at 31st March, 2016	As at 31st March, 2015
OPENING STOCK		
a. Finished Goods		
Rock Phosphate	205,79,74,705	161,20,77,173
Beneficiated Rock Phosphate	86,18,33,831	54,88,50,307
Rajphos	30,83,423	32,30,323
Gypsum	1,36,04,112	1,59,03,611
Lignite	9,52,98,116	8,89,064
Lime Stone	9,43,45,351	5,26,74,412
Bio diesel and by products	1,89,707	3,30,583
b. Others		
CERs/VERs/REC in hand (Refer Note No. 23.2 & 23.3)	-	-
Total	312,63,29,245	223,39,55,473
CLOSING STOCK		
a. Finished Goods		
Rock Phosphate	201,61,01,667	205,79,74,705
Beneficiated Rock Phosphate	59,92,68,456	86,18,33,831
Rajphos	2,05,48,526	30,83,423
Gypsum	2,64,43,916	1,36,04,112
Lignite	30,67,44,588	-
Lime Stone	9,20,60,830	18,96,43,467
Bio diesel and by products	1,89,707	1,89,707
b. Others		
CERs/VERs/REC in hand (Refer Note No. 23.2 & 23.3)	-	-
Total	306,13,57,690	312,63,29,245
Increase/ Decrease	6,49,71,555	-89,23,73,772

25. EMPLOYESS BENEFIT EXPENSES

(Amt in C)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Salaries & Wages	101,27,76,194	101,64,42,621
Contribution to Provident/Pension & Other Funds	13,78,70,169	13,68,27,063
Leave Encashment	9,46,72,917	9,19,64,019
Provision for Sick leave	-	25,32,877
Bonus/Additional Remuneration	1,18,60,777	1,29,61,369
Employees' Welfare	15,19,88,721	18,00,10,249
Employees' Social Security	3,22,967	58,208
Total	140,94,91,745	144,07,96,406

26. FINANCE COST

(Amt. in C)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Interest expenses	50,69,34,317	53,93,65,260
Guarantee Commission	1,90,328	1,64,105
Other Borrowing Cost	8,97,417	16,77,715
Total	50,80,22,062	54,12,07,080

27. OTHER EXPENSES

(Amt in C)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Mining and other operating expenses		
Stores consumed	38,58,21,848	54,46,29,496
Payment to Contractors :		
(i) For Removal of Overburden	33,20,25,321	58,76,35,731
(ii) For Raising, Transportation & Others	189,22,86,087	190,85,78,925
Freight Charges	7,16,334	6,15,798
Dewatering of Mines	1,15,26,594	22,54,810
Power Charges	21,36,79,256	15,73,59,101
Survey & Prospecting Charges	3,54,22,682	32,85,025
Excise duty on Closing Stock	7,20,17,775	2,10,11,408
Service Tax on Closing Stock	27,47,174	-
Operation & Maintenance-RO Plant	38,61,270	-
Royalty & Dead Rent	129,62,68,962	92,14,58,090
Contribution to National Mineral Exploration Trust	1,14,18,900	58,96,04,903
MR Cess	92,59,06,020	20,01,34,807
Provision for Mine Closure expenditure	12,34,20,123	21,34,265
Mine Development Expenses written off	21,34,266	62,43,409
Repairs to Buildings	53,88,890	4,21,79,864
Repairs to Plant	3,84,17,090	
Cost of Lignite Mining	668,55,47,432	716,67,19,274
Repairs to Machinery	18,41,08,239	17,54,39,758
Crushing Plant Expenses	42,85,381	77,23,084
Repairs to Road	20,12,255	70,72,070
Research & Development	14,90,495	58,36,392
Sampling & Analysis	1,06,29,057	1,31,47,384
Laboratory Expenses	10,04,323	11,21,061
Compensation for Mineral	7,71,21,729	10,38,41,325
Afforestation Plantation & Environment	47,54,364	49,96,618
Corporate Social responsibilities	2,34,76,351	1,88,05,448
Rural Development Expenses	9,31,048	92,17,886

(Amt in C)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Selling and distribution expenses		
Cash Discounts/Rebate on Sales		
Manpower cost	1,60,31,750	1,13,97,692
Selling Expenses including commission	1,57,47,349	4,11,36,421
Packing Charges	1,81,92,188	2,58,90,131
Business Promotion Expenses	20,88,310	41,09,876
Establishment & other Misc expenses		
Repairs to Others	1,66,47,351	1,25,11,977
Rent including Plot Rent	1,25,08,868	1,18,48,673
Rates & Taxes	54,58,66,011	57,71,21,584
Insurance	57,45,770	60,05,564
Travelling & Conveyance	5,66,30,318	6,07,16,345
Vehicle Up-keep	1,67,39,341	2,02,22,427
Payment to Auditors:		
(i) Audit Fees	8,08,453	10,38,498
(ii) Tax Audit Fees	1,72,500	-
(iii) For reimbursement of expenditure	5,54,268	5,07,305
General Charges	4,09,73,750	4,24,61,513
Postage, Telephone & Telegraphs	71,89,245	67,79,960
Printing & Stationery	48,23,270	37,08,100
Electricity & Water	75,57,863	57,15,413
Seminar, Training & Exhibition	11,27,992	8,53,870
Legal & Professional Charges	3,38,63,071	1,39,61,577
Advertisement & Publication	1,82,66,222	1,88,80,954
Bank Charges	87,275	84,038
Subscription	4,63,956	2,71,644
Entertainment	9,81,985	7,46,529
Board Meeting Expenses	90,222	78,494
Donation	14,00,00,000	90,00,00,000
Sundry debit balance written off	-	1,04,689
Provision for doubtful debts	29,07,486	1,42,75,491
Provision for doubtful advances	-	-
Investment written off	1	-
Consultancy Charges	1,18,44,149	50,65,774
Claims & Settlements	1,05,21,818	4,10,00,000
Computer Maintenance & Software Expenses	40,04,832	49,19,704
Obsolete and Other Fixed Assets written off	90,274	10,74,047
Impaired/Obsolescence loss on Fixed assets	6,71,199	5,64,876
Loss on sale/transfer of Obsolete and Other Fixed Assets	16,149	3,364
<b>Total</b>	<b>1334,16,32,502</b>	<b>1433,41,02,462</b>



With respect to RSMML

- 27.1 Land tax was being provided for on the basis of demand notices received from various assessing authorities. However, where the demand notices were not received, the liabilities were being provided as per the Company's own assessment. The Company had filed petition challenging the land tax assessment orders issued by assessing authorities of various lands for different financial years with appellate authorities and Rajasthan Tax Board. Some of the appeals filed by the Company have been referred back to assessing authorities for reconsideration of the assessments done or otherwise by appellate authorities. Though the assessing authorities had reassessed the demand in most of the cases and accordingly adjustments were made as per the revised assessment of land tax, the accounting adjustment for remaining assessments will be made on final outcome of other appeals/applications. The rate of land tax has been made zero w.e.f. 01.04.2013.
- 27.2 Revenue expenditure on Research & Development is charged to Statement of Profit & Loss in the year in which it is incurred. There is no capital expenditure incurred on Research & Development during the year.
- 27.3 In compliance to the Guidelines dated 27/08/2009, as amended from time to time, by Ministry of Coal, Government of India, for preparation of Final Mine Closure plan, an amount of C 3,27,96,000/- (Previous year C 3,16,55,000/-) has been provided for in the financial year 2015-16 on this account. The expenses are provided on the basis of final mine closure plans prepared for various lignite mines of the company as on date. As per the above guidelines, the Coal Controller shall issue directions for opening of escrow accounts after approval of mine closure plan. As per the directions of Coal Controller of Government of India, an escrow account has been opened for Giral Mines and a sum of C 16,76,57,000/- has been deposited. Approval of Mines Closure plan of Soneri has also been received during financial year 2015-16 and opening of escrow account is under process. Pending approval of mine closure plan for other mines, the escrow accounts are yet to be opened.
- 27.4 As per Section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) Committee has been formed by the company. Amount required to be spent by the Company on Corporate Social Responsibility (CSR) activities during the year was C 7,80,18,097/-. Revenue expenditure charged to Statement of Profit and Loss in respect of Corporate Social Responsibility (CSR) activities undertaken during the year is C 2,14,18,028/-. No Capital expenditure was incurred during the year in construction of capital assets under CSR projects.
- 27.5 Stores consumed does not include consumption of Stores & spares of C 9,81,42,961/- charged under various heads (Prev. Year C 10,09,15,400/-).

With respect to BLMCL

- (a) An amount of C 9.06 crore has been provided in the books towards Mine closure obligation for the current year and the same is deposited in an Escrow account with the Coal Controller for Kapurdi Lignite Mines. This is in accordance with mine closure plan approved by Ministry of Coal, Government of India. The amount lying in the Escrow Account shall be claimed in accordance with the Escrow Account Agreement executed.

(b) CSR Expenses

In accordance with the provision of Section 135 of Companies Act, 2013 the Company has incurred C 0.21 crore on CSR expenses during the year 2015-16. The necessary disclosure for same is as follows:

(a) Gross amount required to be spent by the company during the year: - C 20,58,323

(b) Amount spent during the year on: - C 20,58,323

S.No.	Particulars	In Cash	Yet to be paid in Cash	Total
(i)	Construction/acquisition of any asset	-	-	-
(ii)	On purposes other than (i) above	20,58,323	-	20,58,323

28. PRIOR PERIOD ADJUSTMENTS

(Amt in C)

Particulars	2015-16		2014-15	
	DEBIT	CREDIT	DEBIT	CREDIT
Interest	-	16,79,339	12,797	23,50,269
Miscellaneous Receipt	-	-	-	1,90,444
Excess Provision written Back	-	-	-	-
MR Cess	-	13,17,75,155	-	-
Stores consumed	-	30,975	-	-
Compensation for land	-	-	-	-
Salaries and Wages(Net)	-	20,511	-	-
Employees' Welfare	10,651	-	1,080	-
Excess PF contribution on Leave encashment	-	1,87,53,017	-	-
Enabling assets written off	-	-	-	-
Payment to raising & transportation contractor	1,646	-	17,42,999	-
Electricity & Water	-	-	16,387	-
Rent	-	-	-	-
Rates & Taxes	12,767	38,742	1,99,104	21,91,167
General charges	2,682	-	2,67,110	-
Computer maintenance	-	-	-	-
Royalty and dead rent	-	-	2,52,984	-
Mines development expenses write off	-	-	-	-
Bank Charges	-	-	138	770
Repairs to Others	16,720	-	-	-
Legal & Professional Charges	-	-	55,500	-
Consultancy	-	-	-	57,080
Motor car upkeep	-	-	89,393	-

NOTE: 28 Contd...

PRIOR PERIOD ADJUSTMENTS

(Amt in C)

Particulars	2015-16		2014-15	
	DEBIT	CREDIT	DEBIT	CREDIT
CSR expenditure	-	-	-	-
Entry Tax	-	-	55,23,038	-
Travelling & Conveyance	-	4,29,184	1,35,444	-
Guarantee Commission	1,095	-	-	-
Depreciation	3,37,38,803	-	61,221	2,982
Provision of sick leave	-	-	6,05,00,849	-
Miscellaneous	30,035	-	-	-
ARP vendor	-	-	-	10,786
Bonus /Additional Remuneration	11,900	19,185	41,370	-
Audit fees	-	-	36,000	-
Travelling Expenses	-	-	-	40,000
Profit/Loss on sale of Machinery	-	-	-	41,83,876
Penalty /compensation	7,51,285	-	-	-
	345,77,584	1527,46,108	689,35,414	90,27,374
Net Debit/Credit	11,81,68,524		5,99,08,040	

28.1 Prior period adjustments includes a sum of C 3,37,38,803/- being depreciation in respect of tailing dam put into use with effect from 26/05/2013 based on the technical assement of the life.

28.2 Prior period adjustments includes a sum of C 13,17,75,155/- being MR Cess paid on purchase of Rockphosphate from Hindusthan Zinc Limited to be adjusted against MR Cess payable on sale of rockphosphate.

29. EXCEPTIONAL ITEMS

The Company being a leading mining company with a view to promote and undertake activities of industrial and mineral development in state for furtherance of its objectives has contributed a sum of C 20,26,50,000/- towards Resurgent Rajasthan.

30. EARNING PER SHARE

Basic and diluted earning per share is calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity share outstanding during the year. The Company has not issued the potential equity shares, and accordingly, basic and diluted earning per share is the same.

31.1 Contingent Liabilities not provided for in respect of:

(Amt in C)

S.No.	Particulars	As at 31st March, 2016	As at 31st March, 2015
i.	Claims against Company not acknowledged as debt	632,12,86,990	478,46,53,960
ii.	Disputed Income tax liability pending: (a) Group in appeals (b) IT Department in appeals (As per information available with Company)	95,08,47,153 99,93,02,559	73,12,13,648 99,93,02,559
iii.	Guarantee given by banker on behalf of the Company for which counter guarantee provided by the Company	2,41,61,980	3,66,29,406
iv.	Claims of workmen pending adjudication and of those who have taken Voluntary Retirement amount unascertainable.		
v.	Additional Liabilities, if any, in respect of pending Sales Tax, Income Tax, Service Tax, Land Tax, Land & Building Tax, House Tax, Royalty, M. R. Cess, Development Charges, Dead Rent, Surface Rent and Rent of Office Building and diversion of Forest Area and other claims whatsoever and interest on such liabilities and on the various claims of the contractors ,incremental liability if any of pay and allowances of employees who opted for Vth & VIth pay commission etc. is unascertainable.		
vi.	Guarantee given by Company to RIICO/RFC in respect of debt and interest thereon recoverable from Rajasthan Granite and Marble Ltd. (Since Liquidated) amount unascertainable.		
vii.	Amount relating to environmental liabilities are unascertainable.		
viii.	Liabilities on account of Rider Agreements with contractor in which amounts are unascertainable.		
ix.	Liability for the claims on account of other court cases filed against Company in which claim amount cannot be ascertained is not included in the above. Besides interest on the amount claimed by various parties who have filed court cases against the Company, is not included as the same is not ascertainable .		

31.2 CAPITAL COMMITMENT

(Amt in C)

S.No.	Particulars	As at 31st March, 2016	As at 31st March, 2015
i.	Estimated amount of contracts remaining to be executed on Capital Account	8,56,75,045	140,68,48,121

31.3 As per the approved Mine Closure plan, prepared in accordance with the Ministry of Coal, GoI, in respect of Sonari & Giral lignite mines the company is required to deposit total sum of C 26952.75 lac during the period 2014-15 to 2042-43 and C 44710.55 lac during the period 2014-15 to 2031-32 in the escrow account with schedule bank. Similarly as per draft plan prepared for Kasnau & Matasukh the company is required to deposit total sum of C 14296.48 lac during the period of 24 years of mines. During the financial year 2015-16, the company has deposited a sum of C 16,76,57,000/- in the escrow account, opened for Giral mines.

The company has also made a provision of C 7.40 crore towards mines closure expenses upto the financial year 2015-16.



32. The Company has entered into tripartite Memorandum of Understanding with DMG and GSI for Geochemical Mapping of Rajasthan. Under MOU all the cost of project ( reestimated to C 2600 Lac) was to be borne by the RSMML and assets created with the above expenditure were supposed to be property of the company. The Company has already paid a sum of C 5,45,00,000/- ( Previous year C 5,45,00,000/- ) as an advance to be adjusted against expenditure incurred by DMG for the project. The expenditures incurred on this account were being adjusted against advances. The MOU has been terminated by Government of Rajasthan due to poor progress made in the project by Directorate of Mines & Geology. It has been agreed by the company that the laboratory building work which has already been taken up by PWD under deposit work shall be continued and the amount already paid for construction of building alongwith the remaining amount to be incurred for its completion of C 4,10,00,000/- has been charged to statement of Profit & Loss in financial year 2014-15. It has also been decided to carry out the sampling work of already collected samples, through RSMML and no further work shall be taken up under this program.
33. The Government of Rajasthan vide its notification dated 23/01/2009, had enhanced the rate of M. R. Cess on Rock phosphate from C 35/- PMT to C 500/-PMT with effect from 01.04.2008. Since the rate of M. R. Cess was enhanced retrospectively the Company has issued demand letters to its customers of Rock phosphate for payment of differential amount of M. R. Cess for the year 2008-09. Against such demand letters some of the customers have filed cases in Jodhpur and Jaipur benches of Hon'ble High Court, Rajasthan. The cases have been decided by the respective High Courts in their favour, against which the Govt. of Rajasthan, being an aggrieved party in the cases, has filed appeal with Honble' supreme Court which has also been dismissed. Consequently company has requested State Government to refund back the amount of C 46,26,89,600/- (Prev C 46,26,89,600/-) paid by it being differential amount of MR Cess. The amount is yet to be received from the state Government. The necessary accounting adjustments would be made on receipt of the amount from Government of Rajasthan in accordance with AS-9.
34. Company is generating power from Wind Farm since August 2001 and part of the generated power is being adjusted in power bill of SBU PC Rock phosphate (Jhamarkotra Mines) towards captive use by Ajmer Vidyut Vitaran Nigam Ltd. (AVVNL) while balance is being sold to AVVNL. From February 2005, AVVNL had stopped the adjustment of wind power in captive use without assigning any reason thereof. After long persuasion at various levels, AVVNL informed in November, 2005 that they have revised power bills from 2002 on new methodology as per guidelines of their Audit team. The amount so adjusted and in dispute is C 1,15,08,126/- (Prev year C 1,15,08,126/-). RSMML had objected the methodology of AVVNL and filed petitions in this matter with Rajasthan Electric Regulatory Commission (RERC) Jaipur which have been decided in favour of the Company. Further, the matter was referred to the Chairman, Central Tribunal wherein the case was decided in favour of the Company. However, AVVNL has filed three petitions in Hon'ble High Court of Rajasthan against the order, out of which two petition have been dismissed by the High Court while one is pending for decision. An amount of C 80,63,696/- (Prev Year C 80,63,696/-) has been refunded by AVVNL during the year 2012-13.
35. As per the Memorandum of Understanding (MOU) dated 04/05/1997, M/s Binani Industries Ltd. (Parent Company of BZL), erstwhile RSMDC (since then merged with RSMML), and M/S White Tiger Resource NL formed a Joint venture Company under the name and style R.B.W. Minerals

Industries Limited was incorporated on 16/07/1997 to carry out prospecting work on base metal deposits and other allied activities in Rajasthan and Gujarat states including at the Deri Multi Metal Project of the RSMML.

It was also provided in the MOU that Joint venture Company would enter into an MOU with erstwhile RSMDC with a stipulation that erstwhile RSMDC would allow the Joint venture Company to carry out exploration work in mines and Joint Venture Company would reimburse the expenditure incurred on watch & ward, dead rent, other expenses for retaining the area. It was further, provided in the MOU that once the project is proved to be economically viable then Deri mines along with fixed assets would be transferred to the new company on mutually agreed valuation and terms & conditions after the permission of erstwhile RSMDC Board and State Govt. However, no such activities were started within the time specified in the MOU and thereafter. Subsequently, M/S White Tiger Resource NL has withdrawn itself from the Joint Venture and GMDC has become a new entrant in the project as per the terms of MOU dated 01/09/2001 executed between GMDC and of R.B.W. Minerals Industries Limited. Accordingly, the name of R.B.W. Minerals Industries Limited was changed to R.B.G. Minerals Industries Limited.

Though, the various activities are in progress at the project sight but no significant development has taken place. The transfer price of the assets of the company has been firmed up and agreed by Joint Venture Company. The Company has given 'No objection' to Director, Mines & Geology to transfer the lease of Deri mines to the Joint Venture Company M/s RBG Minerals but the lease is yet to be transferred.

Further the Board of M/s Binani Industries Limited and GMDC has appointed M/s PWC to resolve the matter regarding valuation of Ambaji mines of GMDC and to carry out new evaluation after removal of errors and flaws pointed out in earlier IBM report. Based on the outcome of it, necessary action would be taken by the company. Pending final decision on the issues, the Company is booking the expenses incurred on Deri mines in the books of accounts as per prudent accounting principles & policies.

36. The company had decided to set up a Desalination Plant at its Kasnau-Matasukh Lignite Mines for supplying potable water to PHED for distribution to 120 villages in Nagaur district, Rajasthan. Accordingly, the company had awarded the work to set up Desalination Plant to Doshian Ltd., Ahmedabad through its SPV, namely, Nagaur Water Supply Co. Pvt. Ltd. (NWSCPL) for supply of 13 MLD potable water on DBOOT basis, initially for a period of 15 years. The contractual rate was C 42.41 per KL with an annual escalation based on the formula given in the agreement with the party. The commercial operation of the plant was commenced on 22.05.2010. An agreement was also executed by the company with PHED on 20.05.2014, effective from 22.05.2010 finalising the transfer price of desalination water and modalities of payment.

As per terms of the agreement between the parties, in case of supply of lesser quantity of water than contractual quantity of water by NWSCPL for the reasons attributable to RSMML or PHED as the case may be, water capacity charges were payable in full to the party, whereas in case of lesser supply of potable water for the reasons attributable to NWSCPL, lesser payment is payable to NWSCPL. The issue regarding applicability of recovery clause when plant is operated on reduced capacity and reasons of shortfall in quantity supplied by NWSPCL is whether attributable to NWSCPL or PHED could not be resolved completely along with various other issues. Therefore,



the matter has been referred for arbitration. In the mean time, admissibility of remuneration of NWSCPL upto 31/03/2015 has been computed considering various other issues arose from time to time & without invoking recovery clause for shortfall in water quantity supplied, has been treated as amount payable to NWSCPL viz-a-viz amount recoverable from PHED. The necessary accounting adjustments would, however, be made as per decision of the arbitration in totality on the various issues referred to arbitrator. Accordingly, as on 31.03.2016, a sum of C 9,98,59,611/- (Prev Year C 15,07,60,098/-) is recoverable from PHED. Further NWSPCL has raised bills for a sum of C 95,21,68,241/- upto 31.03.2016 for supply of desalinated water against which company has paid a sum of C 76,49,47,371/-.

37. The company had awarded a contract to M/s National Construction Company (NCC) for "Hiring of Heavy Earth Moving Equipment for Removal of Overburden and Raising of Saleable Lignite" from Matasukh Lignite Mines situated in Nagaur district for a period of seven years – from 16.01.2003 to 16.01.2010. During the course of execution of the contract, due to in-rush of water in the mining pit, the mining operations were affected. As such, based on the technical advice from the Experts and looking to instructions of DGMS some changes were made in the design parameters.

The contractor before closure of the contract has raised a final claim of C 73,09,89,440/- after adjustment of C 14,00,24,771/-, given to them as an advance. The claim of the contractor was inclusive of C 54,73,55,073/- towards remuneration for excess waste handling. The remaining claim amounts were towards diesel escalation, machinery and manpower idling charges, excess outside overburden dumping, excess de-watering charges, re-handling of overburden, reimbursement of service charges etc. Against the gross claim of C 87,10,14,211/-, the company has accepted claims amounting to C 19,94,63,600/-, including C 19,25,71,780/- towards remuneration for excess waste handling charges. The contractor then has filed a court case in the year 2011-12 against the company, raising therein a claim of C 92,59,66,848/-, including interest after adjusting advance. The case is still pending for decision.

38. The Employees Provident Fund Organisation (EPFO) vide its communication No.Co-ord/3(4)2002/clarifications/2882 dated 16.05.2005 has directed that leave encashment paid on or after 01.10.1994 comes under the ambit of basic wages for payment of PF contributions in conformity with the judgement of various courts in the country. Later on, EPFO has clarified in its subsequent communication dated 09.09.2005 that recovery of PF contribution on leave encashment paid on or after 1st May, 2005 be enforced and action for recovery up to 30.04.2005 be kept in abeyance.

In compliance of the communications of EPFO, on or after 01.05.2005 the company had started deducting PF on leave encashment paid to its employees and equal amount was contributed to the PF Trust of the company. Later on, the Hon'ble Supreme Court in the case of Manipal Academy of Higher Education vs Provident Fund Commissioner has decided that leave encashment is not a part of 'basic wages' under section 2(b) of the Employees Provident Fund & Miscellaneous Provisions Act, 1952 requiring pro-rata employers' contribution.

In compliance of the decision of the Hon'ble Supreme Court, EPFO vide its circular dated 05.05.2008 has conveyed for discontinuance of PF deduction on leave encashment with immediate effect and also stated that employer's share received by EPFO will be adjusted against future liabilities. Since this circular was not came to the notice of the company and its PF Trust till

the Office of the AG has pointed out during the course of regular audit of SBU-Limestone in the year 2013 and also during conducting supplementary audit of the Balance Sheet for the FY 2012-13, the company continued to deduct PF contribution on leave encashment paid to its employees and made contributions of equal amount to PF Trust of the company. However, when the company became aware of the fact, it has stopped to deduct PF on leave encashment with effect from 01.10.2013.

The amount so deducted and contributed from the year 2008 to September 2013 works out to C 2,61,37,717/- (Prev Year C 2,61,37,717/-) . On the matter of recovery of amount deposited in PF Trust as per the directives of Board legal opinion and also opinion from Finance Department , Government of Rajasthan is taken . Based on the opinions, so received, It was decided by the Company to recover /adjust the amount PF on leave encashment from its future liability. It was also decided to issue notices to ex -employees for recovery of amount so paid. The amount so recovered on this account upto 31/03/2016 is C 1,87,53,017/- has been considered as revenue.

39. M/s Suzlon Energy Limited (SEL) was awarded work for installation and Operation & Maintenance of Wind Power generating in Phase I & II commissioned on 10.04.2001 & 29.03.2002 respectively. As per the terms of the contract, the contractor is to give net minimum guaranteed generation (NMGG), failing which liquidated damages at agreed rates are required to be levied. Further the contractor is also required to provide Bank Guarantee (BG) of differential amount towards additional security. As per the correspondence exchanged between RSMML & party, M/s Suzlon Energy Limited has transferred powers to be generated from 2 WTGs of 2.1 MW & 2.25 MW generation capacity along with PPA to the company in lieu of the BG and liquidated damages of for both the phases. Consequently, the bills of sale of power to DISCOM attributable to these two WTGs are being raised in the name of RSMML from the month of January 2016 and onwards. As per the agreement with the party, the revenue generation from these WTGS would be adjusted towards the shortfall units as compared to NMGG of the respective phases during the relevant block. If any shortfall still remains unadjusted, compensation for the same would be recovered from the party . On the other hand, if there remains any excess revenue generation after adjusting the shortfall of the respective phases, such revenue would be pass on to M/s Suzlon Energy Ltd. Accordingly the sales realization of the units generated from 2 WTGs is being kept in retention account to be adjusted against Liquidated damage at the end of block period of respective phases.
40. The company was allotted Sachcha Sauda, Lignite Block spread in 562.50 hectares in Nov 2006 by the Ministry of Coal, GoI for the purpose of open cast mining of Lignite. However, CAIRN India/ONGC has acquired some part of the land falling within the mining land for laying pipeline and construction of road for monitoring, in the middle part and across the Sachcha Sauda Block, due to which the mining of Lignite would be affected adversely. As such to resolve the conflict and to enable to undertake the mining activities in the mining lease, the company has referred the matter to the Ministry of Coal, GoI vide its letter dated 19/20.06.2016, requesting to allow the company to undertake the work of underground Coal Gasification. The approval of the Ministry of Coal is still awaited.
41. The mining contractors of the company have been receiving demands for payment of service tax from the concerned authorities on the value of diesel supplied by company on free of cost basis and contractors are asking the company to pay the amount so demanded. The contractors being

service provider are contesting the demand and cases are pending at various levels for decision. As the issue of applicability of service tax on the value of diesel supplied on free of cost basis is yet to be finalised at appropriate level and amount also cannot be quantified, no liability is being taken in its books on this account and shall be account for as and when any demand is arised.

42. The Company is engaged in the mining of lignite for exclusive supply to Raj WestPower Limited (RWPL) for power generation and the transfer Price of Lignite to RWPL is determined by Rajasthan Electricity Regulatory Commission (RERC) as per extant guidelines. As per the prevailing regulation, the post tax ROE is 15.50% up to FY 2016
43. The Company has recognised revenue on sale of Lignite on the basis of Adhoc Interim transfer price order of RERC dated 25th January 2016 for FY 2015-16. Based on this order and in accordance with the views expressed by the Comptroller & Auditor General of India (CAG), the Company has booked the Lignite Extraction charges payable to Mine Developer cum Operator (MDO) in the same proportion as approved in the Adhoc interim transfer price Order. As and when the final RERC order determining the lignite transfer price is received, the impact of such finalized tariff, MDO charges payable and Truing up for relevant period will be provided in the books of accounts.
44. Based on adhoc interim transfer price order, the Statement of Profit and Loss of the Company reflect a Profit/(Loss) after Tax of C 2.30 {PY C1.79 crore} crore for FY 2015-16. However, as a regulated project with post tax ROE capped at 15.50% of invested Equity, the PAT works out to about C 1.03 crore. Accordingly, the reported profit for FY 2015-16 is not comparable with the regulatory returns pending final determination of transfer price and MDO fees.
45. Service tax paid/payable on Lignite extraction charges and other services after netting off the excise duty payable on sale of Lignite, amounting to C 33.41 crore (Previous Year C 28 crore), has been charged to Statement of Profit and Loss. The same has been charged to Statement of Profit and Loss, on account of the huge difference in service tax on Lignite Extraction cost and excise duty on sale of lignite which is in line with the accounting policy. The same is shown as cenvat available in excise returns
46. Surface Rights on Kapurdi Land" are amortized on the basis of lignite actually extracted during the year with respect to the estimated quantity of extractable mineral reserves over the lease life. The Company has claimed income tax on this amortization while calculating the transfer price of lignite from RERC. To have a corresponding provision in the books, company has provided provision for tax on amortization in the books.
47. A demand for C 2.11 crore for each financial year 2011-12 and 2012-13 was raised by Sub-Registrar, Barmer towards Land Tax and the same has been provided in the books of accounts. Out of which, a sum of C 3.59 crore is pending for payment. Land tax has been abolished w.e.f. 01-04-2013 vide gazette notification dated 06th March, 2013. The issue whether land tax/levy of land tax is ultra vires, is pending consideration before the Honb'le Supreme Court of India.
48. As per Ministry of Environment, Forests and Climate Change (MoEFCC) approval dated 22nd September 2014, the Company is required to make provision of CSR activities of C 5/- per MT of Lignite extracted which shall be adjusted with annual inflation. Accordingly, the Company has made provision of C 3.34 crore in its books towards CSR expenses for its Kapurdi Mining block for

the year 2015-16. The cumulative unutilised balance for CSR provision is C 9.69 crore (Previous year C 7.34 crores).

49. The project is under implementation and yet to commence commercial operations. In view of the Opinion issued by the Expert Advisory Committee, the statement of profit & Loss has been prepared as required by AS-26. Accordingly various expenses incurred during the current year have been charged to the Statement of Profit & Loss for the year.

50. The Company has invested C 10,00,00,000 in Rajasthan State Gas Limited (formerly known as RSPCL-GAIL Gas Limited) for 1,00,00,000 equity shares of C 10/- each in the financial year 2014-15.

51. (i) Shri Bhanu Prakash Yeteru from 01.04.2015 to 31.03.2016 Managing Director being key managerial personnel with whom transactions have taken place during the year.

Details of remuneration of the Managing Director are as under: -

(Amt in C)

Particulars	2015-16	2014-15
Salary (including pension contribution & perquisite on accommodation provided)	10,36,979	12,27,135
Telephone/Car*		
Total	10,36,979	12,27,135
Amount adjusted in respect of accounts		
Rent (Net)	NIL	NIL

\* VALUE OF TELEPHONE/CAR USED NOT ASCERTAINABLE

(ii) Parties where control exists

- Raj WestPower Limited (RWPL)
- JSW Energy Limited (JSWEL)
- Rajasthan State Gas Limited (formerly known as RSPCL-GAIL Gas Limited)

(iii) Transactions with Related parties

- With Raj WestPower Limited (RWPL)

(C in crore)

Nature of Transactions during the year	2015-16	2014-15
Subordinated Loan (Unsecured Loan)	35.85	61.00
Interest on Subordinated Loan	46.53	42.42
Sale of Lignite (net of taxes)	807.40	870.10
Salary to deputed staff	1.44	0.94
Reimbursement of expenses related to land acquisition	0.37	0.35

b. With Rajasthan State Gas Limited (formerly known as RSPCL-GAIL Gas Limited)

(Amt in C)

Nature of Transactions during the year	2015-16	2014-15
Share Application Money for 10000000 (One Crore) shares of Rs. 10/- each	-	10,00,00,000/-
Refund towards reimbursement of expenditure	56,66,688/-	28,50,000/-

52. Analysis of Stores and Spares consumed is as under:-

(Amt in C)

Particulars	2015-16	2014-15
Imported	-	11,91,947 (0.18%)
Indigenous	48,39,64,809 (100 %)	64,43,57,949 (99.82 %)

53. There is no raw material imported & consumed during the year .

54. Earning and expenditure in foreign currency (On accrual basis) are as under:-

(Amt in C)

Particulars	2015-16	2014-15
Earnings	2,37,62,620	-
Expenditure		
Spares	-	1,19,1947
Other Matters	7,95,531	-

55. INFORMATION ABOUT BUSINESS SEGMENTS AS ON 31/03/2016

	Rock Phosphate		Limestone		Lignite		Gypsum		Captive Power Plant (DC Set)		Wind farm		Other misc		Solar Power Plant		Eliminations		Eliminations		Consolidated Total			
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	
External Sales	508708601	351635171	153022624	153065343	962268500	1067744338	82156827	121261256	0	377700466	432496513	0	2438472	2409122	0	1753094818	1764908692	0	0	0	0	0	0	0
Inter-segment Sales	44843208	85564794	29249053	34388161	310786862	154250144	23484398	21250832	0	2644175	55167822	0	2085978	0	0	48134747	348253821	0	0	0	0	0	0	0
Other Revenue	5134612138	3602099965	1587268697	11081693562	9673004362	11081693562	1233863337	65715	0	48020559	564045335	237576	221960	2647450	2409122	46677156	84300060	0	0	0	0	0	0	0
Unallocated corporate revenue	3056030108	2315220103	129607605	9011821882	937453478	72294473	58707050	538622	1067841	34830767	403246156	33835	608005	3440182	8451533	57631967	1326162724	0	0	0	0	0	0	0
Total Revenue	122909092	108673862	287061082	207151284	961082910	1504240105	125968752	646792387	0	8209666	140086292	158799179	184723	386015	401211	0	3134893632	0	0	0	0	0	0	0
Other Unallocable Expenditure	122909092	108673862	287061082	207151284	961082910	1504240105	125968752	646792387	0	8209666	140086292	158799179	184723	386015	401211	0	3134893632	0	0	0	0	0	0	0
Operating Profit	122909092	108673862	287061082	207151284	961082910	1504240105	125968752	646792387	0	8209666	140086292	158799179	184723	386015	401211	0	3134893632	0	0	0	0	0	0	0
Interest & Financial Charges exp.																								
Income taxes																								
Profit from prior period & exceptional items																								
Prior period adjustments																								
Exceptional items																								
Net Profit																								
OTHER INFORMATION																								
Segment assets	387238700	408027010	274243854	2248193272	33017382408	2367687799	532454646	612170139	7034228	13339409	190884309	165143418	2850800	11177606	23817556	257829367	0	0	0	0	0	4161334100	3295371483	
Unallocated corporate assets																								
Total Assets	387238700	408027010	274243854	2248193272	33017382408	2367687799	532454646	612170139	7034228	13339409	190884309	165143418	2850800	11177606	23817556	257829367	0	0	0	0	0	4161334100	3295371483	
Segment liabilities	688072888	551535988	832670118	4201085524	21775979337	19675862133	540031961	338351356	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unallocated corporate liabilities																								
Total Liabilities	688072888	551535988	832670118	4201085524	21775979337	19675862133	540031961	338351356	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Capital Expenditure	5800274	32454613	4187104	123280	825240051	128606511	215716	883297	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unallocated corporate Capital Expenditure																								
Total Capital expenditure	5800274	32454613	4187104	123280	825240051	128606511	215716	883297	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Depreciation Amortisation	6296274	9620741	4078169	6923020	322831442	33301886	6987701	10799247	519340	570850	2347202	301147578	0	0	0	0	0	0	0	0	0	0	0	0
Unallocated corporate Depreciation																								
Total Depreciation	6296274	9620741	4078169	6923020	322831442	33301886	6987701	10799247	519340	570850	2347202	301147578	0	0	0	0	0	0	0	0	0	0	0	0
Non-cash expenses other than depreciation	688360	554214	28632	-	2146462	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated Non-cash expenses other than depreciation																								
Total	688360	554214	28632	-	2146462	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Previous year's figures have been recasted/regrouped, Wherever Necessary, to confirm to the current years' presentation.



56. QUANTITATIVE DETAILS OF PRODUCTS AND OTHER DISCLOSURES

(i) Rock Phosphate, Beneficiated Rock Phosphate and Rajphos

(In MT)

Particulars	Rock Phosphate		Beneficiated Rock Phosphate		Rajphos	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Opening Stock	2089666	1620618	176686	120066	1695	1847
Production	1296888	1415752	245022	220418	62698	78250
Less: Moisture Qty.			-51970	-45396		
Purchase	109597	15192				
Transfer	35883	23022	-35883	-23022		
Retrieval	232					
Sales	589280	355309	217351	102693	53139	78402
Less: Moisture			-21597	-10256		
Free Sample		293		300		
Own consumption for Ben. Rock Phosphate						
Rajphos	593873	596250				
Stock as per Books	2349113	2122732	138101	179329	11254	1695
Shortages	34331	33066	3233	2643	107	
Closing Stock	2314782	2089666	134868	176686	11147	1695

(ii) Gypsum & Selenite:

(In MT)

Particulars	Gypsum		Selenite	
	2015-16	2014-15	2015-16	2014-15
Opening Stock	31692	38401	-	-
Purchases			-	-
Production	1223904	1852916	3103	207
Sales	1195407	1859280	3103	207
Stock as per Books	60189	32037	-	-
Shortages/(Retrieval)	(1303)	345	-	-
Closing Stock	61492	31692	-	-

(iii) Lime Stone:

(In MT)

Particulars	2015-16		2014-15	
	Lime Stone	Sub Grade Lime Stone	Lime Stone	Sub Grade Lime Stone
Opening Stock	365161	88375	144459	132474
Production	2191449	505452	2341831	600575
Sales	2215665	407651	2106931	623958
Stock as per Books	340945	186176	379358	109091
Shortages/(Retrieval)	15322	(5658)	14197	-20716
Closing Stock	325623	191834	365161	88375

(iv) Lignite :

(In MT)

Particulars	2015-16	2014-15
Opening Stock	77890	821
Production	7650556	8404587
Sales	7534748	8327518
Stock as per Books	-	-
Shortages	-	-
Closing Stock	193698	77890

(v) Multimetal :

(In MT)

Particulars	2015-16	2014-15
Opening Stock	340	340
Production	-	-
Sales	-	-
Stock as per Books	340	340
Shortages	-	-
Closing Stock	340	340

(vi) Power : (106.3 MW Wind Power Plant)

(In Units)

Particulars	2015-16	2014-15
Generation	96372977	121166377
Sales	87721136	109239262
Own Consumption	7786657	10779823
Wheeling units	865184	1147292

(vii) Power: (3.8 MW DG Set)

(In Units)

Particulars	2015-16	2014-15
Generation	28440	467880
Own Consumption	10110	416950
Auxillary Consumption out of generation	18330	50930

Note: The plant is operated for 10 days only during the financial year (Previous year 18 days), as and when required.

(viii) Solar Plant

(In Units)

Particulars	2015-16	2014-15
Generation	7065741	782691
Sales	7065741	782691
Own Consumption		
Wheeling units		

57. Disclosure in respect of AS - 20: Earnings per Share:

(Amt in C)

	2015-16	2014-15
Numerator - Net Profit as per the Statement of Profit & Loss	1354669188	1490882737
Denominator - Weighted Average number of equity shares outstanding (Face Value of C 10/- each)	77551500	77551500
Earning Per Share (Basic & Diluted)	17.47	19.22

58. Miscellaneous:

- Previous years' figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.
- Normal Operating Cycle of Company's business has been determined in accordance with the requirement of Schedule III of the Companies Act, 2013.
- Assets and liabilities have been classified into Current and Non current using the above Normal Operating Cycle and applying other criteria prescribed in Schedule III of the Companies Act, 2013.
- Balance of trade payables, trade receivables and loans and advances are subject to confirmation/reconciliation and resultant adjustment(s) thereof.

In terms of our report of even date

For and on Behalf of the Board

For Pramod & Associates  
Chartered Accountants  
FRN: 001557C

Sd/-  
D.S.Maru  
Director  
DIN - 06778328

Sd/-  
Bhanu Prakash Yeturu  
Managing Director  
DIN - 07032883

Sd/-  
(Abhishek Dalmia)  
Partner  
Membership No. 403936

Sd/-  
Bhupesh Mathur  
Chief Financial Officer

Sd/-  
Rajendr Rao  
Co. Secretary

Place: Jaipur  
Date: 29.09.2016

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143 (6) (b) READ WITH SECTION 129 (4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF RAJASTHAN STATE MINES & MINERALS LIMITED FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016.**

The preparation of consolidated financial statements of Rajasthan State Mines & Minerals Limited for the year ended 31<sup>st</sup> March, 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 139(5) read with Section 129 (4) of the Act are responsible for expressing opinion on the financial statements under section 143 read with Section 129 (4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated 29 September, 2016.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143 (6) (a) read with Section 129 (4) of the Act of the consolidated financial statements of Rajasthan State Mines & Minerals Limited for the year ended 31<sup>st</sup> March, 2016. We conducted a supplementary audit of the financial statements of Rajasthan State Mines & Minerals Limited, Barmer Lignite Mining Company Limited and Rajasthan State Petroleum Corporation Limited for the year ended on that date. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

For and on the behalf of  
the Comptroller and Auditor General of India

(S. Alok)  
Accountant General  
(Economic & Revenue Sector Auditor)  
Rajasthan, Jaipur

Place: Jaipur  
Dated: 28.11.2016

**FINANCIAL STATEMENTS  
OF  
RAJASTHAN STATE PETROLEUM  
CORPORATION LIMITED  
(A Subsidiary Company of RSMML)**

qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013.

#### 11. Annual Return

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in Annexure 'A' and is attached to this Report.

#### 12. Number of Board Meetings Conducted during the year under review

The Company had conducted one Board meeting during the financial year under review.

The details are as under:

Date of Meeting	Name of the directors who attended meeting	Name of directors to whom leave of absence was granted
10.09.2015	Dr. Ashok Singhvi - Chairman Shri Praveen Gupta - Director Shri Bhanu Prakash Yeturu - Managing Director	Shri Prem Singh Mehra - Director

#### 13. Internal Financial Controls

The Company has in place adequate internal financial controls with reference to financial statements.

#### 14. Composition of Directors

Dr. Ashok Singhvi (DIN: 00135589) ceased to be the director of the Company. No other changes have taken place in the composition of directors.

#### 15. Declaration of Independent Directors

The provisions of Section 149 pertaining to the appointment of Independent Directors do not apply to your Company.

#### 16. Directors' Responsibility Statement

Pursuant to the requirement under section 134(3)(C) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures,
- the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the profit and loss of the company for the year ended on that date,
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for



safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities,

- the Directors have prepared the annual accounts for the year under review, on a going concern basis.
- the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

#### 17. Auditors

M/s JP Mars & Associates, Chartered Accountants, Jaipur are appointed as Auditors under Section 139 of the Companies Act, 2013, to audit the Company's Annual Accounts for the Financial Year 2016-17 by CAG.

Your Directors request you to authorize the Board of Directors to fix the remuneration of the auditors as would be appointed by the CAG under Section 139(5) of the Companies Act, 2013.

#### 18. Explanation or Comments on Qualifications, Reservations or Adverse Remarks or Disclaimers made by the Auditors and the Practicing Company Secretary in their Reports

There were no qualifications, reservations or adverse remarks made by the Auditors in their report. The provisions relating to submission of Secretarial Audit Report are not applicable to the Company.

#### 19. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Since the Company has not commenced commercial operations, reports pertaining to conservation of energy and technology absorption are not applicable. There are no foreign exchange earnings or outgo during the year.

#### 20. Statement concerning Development and Implementation of Risk Management Policy of the Company

The Company does not have any Risk Management Policy as the elements of risk threatening the Company's existence are very minimal.

#### 21. Deposits

Your Company has not accepted any Deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014.

#### 22. Particulars of employees

None of the employee has received remuneration exceeding the limit as stated in rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

#### 23. Shares

During the year under review, the Company has not issued any shares.

24. Acknowledgment

Your Directors express their grateful appreciation for the cooperation and assistance received from the Government of Rajasthan, various Government departments and authorities, banks, consultants, Rajasthan State Mines and Minerals Limited and Directorate of Petroleum, Government of Rajasthan.

For and on Behalf of the Board

Sd/-  
(Prem Singh Mehra)  
CHAIRMAN  
DIN: 03305680

Place : Jaipur

Dated : 29.09.2016



ANNEXURE –A TO THE DIRECTORS' REPORT

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2015

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS

I.	CIN	U23201RJ2008SGC026960
II.	Registration Date	10/07/2008
III.	Name of Company	Rajasthan State Petroleum Corporation Limited
IV.	Category/Sub-category of the & contact details	Company Limited by Shares / State Government Company
V.	Address of the Registered office & contact details	Khanij Bhawan, Tilak Marg, C-Scheme, Jaipur Phone : 0294-2428741, 2428763/64/65/66/67 Fax: 0294-2428770/2428769 e-mail : rspc.limited@gmail.com
VI.	Whether Listed company	No
VII.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

SL. No	Name & Description of main Products/services	NIC Code of the Product/service	% to total turnover of the company
1	Commercial activities have not been started yet		

III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

Sl No	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	Rajasthan State Mines and Minerals Ltd.C-89-90, Lal Kothi Scheme, Janpath, Jaipur	U14109RJ1949SGC000505	Holding	100	2(46)
2	Rajasthan State Gas Limited (formerly known as RSPCL-GAIL Gas Limited) Khanij Bhawan, Tilak Marg, C- Scheme, Jaipur	U11101RJ2013SGC043884	Joint Venture	50	2(6)

**IV SHAREHOLDING PATTERN (Equity Share Capital breakup as Percentage of Total Equity)**

**(i) Category-wise Share Holding**

Category of Shareholder	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR				NO. OF SHARES HELD AT THE END OF THE YEAR				% Change During The year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter and Promoter Group									
(1) INDIAN									
(a) Individual /HUF									
(b) Central Government									
(c) State Government(s)									
(d) Bodies Corporate	-	11100000	11100000	100	-	11100000	11100000	100	0.00
(e) Financial Institutions/ Banks									
(f) Any Others									
Sub-Total A(1):	-	11100000	11100000	100	-	11100000	11100000	100	0.00
(2) FOREIGN									
(a) Individuals (NRIs/Foreign Individuals)									
(b) Bodies Corporate									
(c) Institutions									
(d) Qualified Foreign Investor									
(e) Others									
Sub-Total A(2) :									
Total A=A(1)+A(2)	-	11100000	11100000	100	-	11100000	11100000	100	0.00
B. Public Shareholdings									
(1) Institutions									
(a) Mutual Funds /UTI									
(b) Financial Institutions/ Banks									
(c) Central Government									
(d) State Government(s)									
(e) Venture Capital Funds									
(f) Insurance Companies									
(g) Foreign Institutional Investors									
(h) Foreign Venture Capital Investors									
(i) Qualified Foreign Investor									
(j) Others									
Sub-Total B(1) :									



Category of Shareholder	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR				NO. OF SHARES HELD AT THE END OF THE YEAR				% Change During The year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Non Institutions									
(a) Bodies Corporates									
(b) Indian									
(c) Overseas									
(d) Individuals									
(i) Individual Shareholders Holding nominal share capital in excess of Rs 1 Lakhs									
(ii) Individual Shareholders Holding nominal share capital in excess of Rs 1 Lakhs									
(e) Others (Specify)									
Sub-Total (B) (2) :									
Total Public Shareholding (B)=(B) (1)+(B) (2)									
C. Shares held by Custodian for GDRs & ADRSs									
Grant Total (A+B+C)	-	11100000	11100000	100	-	11100000	11100000	100	0.00

**(ii) Share Holding of Promoters**

Sl. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Rajasthan State Mines and Minerals Limited	11100000	100	-	11100000	100	-	-
	Total	11100000	100	-	11100000	100	-	-

(iii)	Change in Promoters' Shareholding (specify if there is no change) There is no change in promoters' shareholding during the year under review.	- NIL -
(iv)	Share Holding Pattern of Top Ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)	- NIL -
(v)	Shareholding of Directors & Key Managerial Personnel	- NIL -
<b>V</b>	<b>INDEBTEDNESS -</b> Indebtedness of the Company including interest outstanding/accrued but not due for payment	- NIL -
<b>VI</b>	<b>REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL</b>	- NIL -
<b>VII</b>	<b>PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES</b>	- NIL -

For and on Behalf of the Board

Sd/-  
(Prem Singh Mehra)  
CHAIRMAN  
DIN: 03305680

Place: Jaipur  
Date: 29.09.2016



## INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF  
RAJASTHAN STATE PETROLEUM  
CORPORATION LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of RAJASTHAN STATE PETROLEUM CORPORATION LIMITED (the "Company"), which comprises the Balance Sheet as at 31<sup>st</sup> March, 2016, and the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its Statement of Profit & loss and its cash flows for the year ended on that date.

#### Emphasis of Matter

We draw attention of the management to the following observations without qualifying our opinion:

The company is requiring appointing a full time company secretary as per provision of Sec. 203 of the Companies Act, 2013. The company has not appointed any company secretary.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the "Annexure - I" a statement on the matters specified in paragraphs 3 and 4 of the Order.

As required under sub section (5) of Section 143 of the Act, in case of a Government company, we give in the Annexure - II a statement on the matters specified in the directions and sub - directions issued by Office of the Comptroller and Auditor General of India

2. As required by the 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 purpose of audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statement comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) Pursuant of notification no. f.no. 1/2/2014 CL V dated 5.06.2015 issued by MCA, GOI provision of sub section (2) of Section 164 of the Companies Act, 2013 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 III".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has no pending



litigation to be shown in its financial statements.

- ii. The Company is not required to make any provision for material foreseeable losses, as required under the applicable law or accounting standards, if any, on long term contracts and as at the year end, the

Company did not have any derivative contracts for which there were any material foreseeable losses.

- iii. There is no amount which is required to be transferred, to the Investor education and protection fund by the company.

For JP Mars and Associates  
Chartered Accountants  
Firm's Reg. No. 000699C

Sd/-  
(A. K. Khandelwal)  
Partner  
Membership No. 076294

Place: Jaipur  
Dated: 23<sup>rd</sup> Sept., 2016

### “Annexure I” to the Independent Auditors' Report

(Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2016)

Report on Companies (Auditor's Report) Order, 2016 ('the order') issued by the central Government in terms of Section 143(11) of the Companies Act, 2013 ('the Act') of Rajasthan State Petroleum Corporation Limited ('the Company')

- 1) The Company has no fixed assets hence the provisions of the said clause are not applicable to the company.
- 2) The Company has no inventory hence the provisions of the said clause are not applicable to the company.
- 3) The Company has not granted 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').
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, making investments, and providing guarantees and security, as applicable.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable to the Company.
- 6) According to the information & explanation given to us Central Government has not prescribed for the maintenance of Cost

Records under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.

- 7) a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities wherever it is applicable to the company. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2016 for a period of more than six months from the date on when they became payable.
- b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks, financial institutions, banks during the year. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.
- 9) Based upon the audit procedures



- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11) The Company is a government company, and the provisions of section 197 is not applicable to it. Therefore clause (xi) of the said Order is not applicable to the company.
- 12) The Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, during the year the company has not entered any transactions with the related parties with respect to section 177 and 188 of Companies Act,

performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.

2013 and if it would have entered any transactions with the related parties then the details would be disclosed in the Financial Statements as required by the applicable accounting standards.

- 14) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company.
- 15) Based upon the audit procedures performed and 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. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company.
- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For JP Mars and Associates  
Chartered Accountants  
Firm's Reg. No. 000699C

Sd/-  
(A. K. Khandelwal)  
Partner  
Membership No. 076294

Place: Jaipur  
Dated: 23<sup>rd</sup> Sept., 2016

### Annexure "II" to the Independent Auditors' Report

The Annexure II referred to in our Independent Auditor's Report to the members of the Company on the standalone financial statements for the year ended 31 March 2016, we report that:

**GENERAL DIRECTIONS ISSUED U/s 143(5) OF THE COMPANIES ACT, 2013 FOR THE FINANCIAL YEAR 2015-2016**

I Whether the Company has clear title/lease deeds for freehold and leasehold property respectively? If not, Please state the area of freehold and leasehold land for which title / lease deeds are not available?

Not Applicable

II Waiver/Write Off of debts/loans/interests etc.

There is no cases of waiver/write off of debts/loans in the year under audit.

III Inventories lying with the third parties and assets received as gift from Government or other authorities.

The company does not have any inventory hence this clause is not applicable to the company.

**SUB DIRECTIONS ISSUED U/s 143(5) OF THE COMPANIES ACT, 2013 FOR THE FINANCIAL YEAR 2015-2016**

1. Whether the company has taken adequate measures to reduce the adverse effect on

environment as per established norms and taken up adequate measures for the relief and rehabilitation of displaced people.

Not Applicable

2. Whether the company had obtained the requisite statutory compliances that was required under mining and environmental rules and regulations?

Not Applicable

3. Whether overburden removal from mines and backfilling of mines are commensurate with the mining activity?

Not Applicable

4. Whether the company has disbanded and discontinued mines, if so, the payment of corresponding dead rent there against may be verified.

Not Applicable

5. Whether the Company's financial statements had properly accounted for the effect of Rehabilitation Activity and Mine Closure Plan?

Not Applicable

For JP Mars and Associates  
Chartered Accountants  
Firm's Reg. No. 000699C

Sd/-  
(A. K. Khandelwal)  
Partner  
Membership No. 076294

Place: Jaipur  
Dated: 23<sup>rd</sup> Sept., 2016

### ANNEXURE 'III' to the Independent Auditors' Report

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

1. We have audited the internal financial controls over financial reporting of RAJASTHAN STATE PETROLEUM CORPORATION LIMITED as at 31 March 2016 in conjunction with our audit of the financial statements of the company for the year ended and as on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI'). 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 Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the act.

Auditor's Responsibility

3. 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 the Guidance Note and the

Standards on Auditing ('the Standards'), issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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.

4. 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 control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

6. 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 control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, 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**

7. 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 control 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**

8. In our opinion, to the best of our information and according to the explanation given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For JP Mars and Associates  
Chartered Accountants  
Firm's Reg. No. 000699C

Sd/-  
(A. K. Khandelwal)  
Partner  
Membership No. 076294

Place: Jaipur  
Dated: 23<sup>rd</sup> Sept., 2016



**RAJASTHAN STATE PETROLEUM CORPORATION LIMITED  
STANDALONE BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2016**

(Amt. In C)

	Particulars	Note No.	As at 31.03.2016	As at 31.03.2015
I.	<b>EQUITY AND LIABILITIES</b>			
1	Shareholder's Fund			
	(a) Share Capital	2	11,10,00,000	11,10,00,000
	(b) Reserves & Surplus	3	-82,89,346	-84,74,069
2	Current Liabilities			
	Other Current liabilities	4	72,86,111	64,01,275
	<b>TOTAL</b>		<b>10,99,96,765</b>	<b>10,89,27,206</b>
II.	<b>ASSETS</b>			
1	Non-Current Assets			
	Investments	5	10,02,50,000	10,02,50,000
2	Current Assets			
	Cash & Bank Balances	6	88,41,648	57,62,088
	Other Current Assets	7	91,932	67,228
	Short Term Loans & Advances	8	8,13,185	28,47,890
	<b>TOTAL</b>		<b>10,99,96,765</b>	<b>1089,27,206</b>

Significant Accounting Policies 1  
Notes on Financial Statements 2-10

As per our attached report of even date

For JP Mars and Associates  
Chartered Accountants  
FRN: 00699C

Sd/-  
(A.K. Khandelwal)  
Partner  
Membership No.: 076294

Place: Jaipur  
Date: 23.09.2016

For and on behalf of the Board

Sd/-  
(Bhanu Prakash Yeturu)  
Managing Director  
DIN: 07032883

Sd/-  
(Praveen Gupta)  
Director  
DIN: 03521006

**RAJASTHAN STATE PETROLEUM CORPORATION LIMITED**  
STANDALONE STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016

(Amt. In C)

	Particulars	Note No.	For the year 2015-16	For the year 2014-15
I.	Revenue from operations		-	-
II.	Other Income	9	2,37,576	2,21,990
III.	Total Revenue (I+II)		2,37,576	2,21,990
IV.	Expenses			
	Other expenses	10	52,853	2,66,260
	Total Expenses		52,853	2,66,260
V.	Profit / Loss before tax (III-IV)		1,84,723	-44,270
VI.	Tax expense			
	Current Tax		-	-
	Deferred Tax		-	-
VII.	Profit / Loss for the period (V-VI)		1,84,723	-44,270
VIII.	Earning per equity share			
	Basic & Diluted		0.02	-0.02
	Face value for equity share		10.00	10.00
	Weighted Average Number of Equity Shares		1,11,00,000	22,23,288

Significant Accounting Policies

1

Notes on Financial Statements

2-10

As per our attached report of even date

For JP Mars and Associates

For and on behalf of the Board

Chartered Accountants

FRN: 00699C

Sd/-

(A.K. Khandelwal)

Partner

Membership No.: 076294

Sd/-

(Bhanu Prakash Yeturu)

Managing Director

DIN: 07032883

Sd/-

(Praveen Gupta)

Director

DIN: 03521006

Place: Jaipur

Date: 23.09.2016



**RAJASTHAN STATE PETROLEUM CORPORATION LIMITED**  
STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016

(Amt. In C)

	PARTICULARS	Year ended 31.03.2016	Year ended 31.03.2015
A	Cash Flow From Operating Activities		
	Net profit before tax	1,84,723	-44,270
	Adjustments	NIL	NIL
	Interest	-2,37,576	-221,990
	Operating profit before working capital changes	-52,853	-2,66,260
	Working capital changes		
	Other Current Assets and Short Term Loans & Advances	20,33,759	-28,04,502
	Other Payables	8,84,836	59,19,150
	Cash generated from operations	28,65,742	2848,388
	Net cashflow from operating activities	28,65,742	28,48,388
B	Cash Flow From Investing Activities		
	Investment in 10000000 shares of Rs.10/ each in RSPCL- GAIL Gas Ltd.	-	-10,00,00,000
	Interest received (Net of TDS- Current Year- Rs. 23,758, Previous Year - Rs. 22,199)	2,13,818	1,99,791
	Cash Flow From Investing Activities	2,13,818	-9,98,00,209
C	Cash Flow From Financing Activities		
	Share Application Money	-	10,00,00,000
	Cash Flow From Financing Activities	-	10,00,00,000
D	Net Change in Cash & Cash Equivalents	30,79,560	30,48,179
E	Cash & Cash Equivalents at the beginning	57,62,088	27,13,909
F	Cash & Cash Equivalents at the end	88,41,648	57,62,088

Notes:

1 Cash & Cash Equivalent held by the Company and  
not available for use by it.

NIL

NIL

2 Cash Flow has been prepared under indirect method as set out in AS-3 issued by the Institute of Chartered  
Accountants of India.

As per our attached report of even date

For JP Mars and Associates

For and on behalf of the Board

Chartered Accountants

FRN: 00699C

Sd/-

(A.K. Khandelwal)

Partner

Membership No.: 076294

Sd/-

(Bhanu Prakash Yeturu)

Managing Director

DIN: 07032883

Sd/-

(Praveen Gupta)

Director

DIN: 03521006

Place: Jaipur

Date: 23.09.2016

**NOTE NO. – 1 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS**

**I. Significant Accounting Policies**

(a) The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014. The financial statements are prepared on an accrual basis and under the historical cost convention on the accounting principles of going concern. The Company follows mercantile system of accounting and recognizes income and expenditure on accrual basis except those with significant uncertainties.

The preparation of financial statements is in conformity with Generally Accepted Accounting Principles (GAAP) requires the management to make estimates and assumption 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 results could differ from these estimates. Any revision of accounting estimates is recognized prospectively.

(b) Fixed Assets

Fixed assets are recorded at historical cost which includes all direct and indirect expenses up to the date of acquisition and installation of the same.

(c) Depreciation

Depreciation is provided on Straight Line Method at the rates and in the manner specified in Schedule II to the Companies Act, 2013.

(d) Impairment of Assets

In accordance with AS 28 on “Impairment of Assets” issued by ICAI, 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 at the higher of its net selling price and its value in use. An impairment loss is recognized in the Statement of Profit & Loss whenever carrying amount of such assets exceeds its recoverable amount.

(e) 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 the same has been made.

(f) Inventories

Inventories are valued at lower of cost and realizable value. Cost is determined on the basis of weighted average. Obsolete and unserviceable stock is duly provided for wherever applicable.

(g) Foreign exchange Transactions

Transactions are recorded at the exchange rates prevailing on the date of the transaction. Foreign currency designated assets, liabilities and capital commitments are re-stated at the year end rates. The exchange differences are adjusted to carrying cost of the fixed assets acquired outside India if they relate to fixed assets and to Statement of Profit & Loss in other cases.



(h) Borrowing Cost

Borrowing Costs directly attributable to the acquisition and construction of qualifying assets are capitalized as a part of cost of such assets up to the date when such assets are ready for its intended use.

(i) Provisions and Contingent Liabilities

Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if

- The company has a present obligation as a result of a past event.
- A probable outflow of resources is expected to settle the obligation and.
- 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 an outflow of resources will be required to settle the obligation.
- A possible obligation, unless the probability of outflow of resources is remote.

**II Other Notes on Accounts**

(a) The project is under implementation and yet to commence commercial operations. In view of the Opinion issued by the Expert Advisory Committee, the statement of profit & Loss has been prepared as required by AS-26. Accordingly various expenses incurred during the current year have been charged to the Statement of Profit & Loss for the year.

(b) The company has not received any intimation from its suppliers whether they are registered under Micro, Small and Medium Enterprises Development Act, 2006. Hence, the disclosure relating to amount unpaid at the year-end together with interest paid/payable under this Act has not been disclosed separately.

(c) As per AS-22, deferred tax should be recognized for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Therefore, no provision of deferred tax assets and liabilities is made as on 31 March, 2016 as there is no timing difference and project is yet to start its commercial production.

(d) Remuneration to Auditors

Particulars	F.Y. 2015-16	F.Y. 2014-15
Audit fees	₹ 8,050/-	₹ 7,980/-

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

(f) Contingent Liabilities provided for: Nil.

(g) Related party Disclosure as per Accounting Standard 18:

List of Related Parties:

(i) Parties where control exists

(a) Rajasthan State Mines and Minerals Limited- Holding Company.

(b) Rajasthan State Gas Limited (formerly known as RSPCL-GAIL Gas Limited) - A Joint Venture Company of RSPCL and GAIL Gas Ltd.

(ii) Related Party Transactions – The following transaction took place with related parties during the year:

(a) With RSMML – Holding Company

(Amt. In C)

Nature of transaction during the year	2015-16	2014-15
Refund towards reimbursement of expenditure	--	--
Expenses incurred on behalf of RSPCL and advance to Rajasthan State Gas Limited (formerly known as RSPCL-GAIL Gas Limited) on behalf of RSPCL	36,87,743/-	59,15,167/-
Equity participation in RSPCL	--	10,00,00,000/-

(b) With Rajasthan State Gas Limited (formerly known as RSPCL-GAIL Gas Limited) - A Joint Venture Company of RSPCL and GAIL Gas Ltd.

(Amt. In C)

Nature of transaction during the year	2015-16	2014-15
Share Application Money for 10000000 (One Crore) shares of Rs. 10/- each	--	10,00,00,000/-
Refund towards reimbursement of expenditure	56,66,688/-	28,50,000/-

(iii) As per Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a company secretary in whole time employment is required to be appointed for a company having paid up share capital of Rs. 5.00 Crore or more. Since there are no commercial activities in RSPCL, a full time Company Secretary has not been appointed.

(iv) The name & time period of the officer remained Managing Director of the Company during the year 2015-16 is as under:

Name of Managing Director	Period
Shri Bhanu Prakash Yeturu	01.04.2015 to 31.03.2016

No remuneration has been paid to the Managing Director since he is on deputation in the Company and no transactions have been made.

(h) Earnings per Share (EPS):

In determining earnings per share, the company considers the net profit after tax and includes the post tax effect of any extra-ordinary/ exceptional item. The number of shares in computing basic earnings per share is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises weighted average number of equity shares considered for deriving basic earnings per share, and also the weighted average number of equity shares that could have been issued on the conversion of all diluted potential equity shares. The diluted potential equity shares are adjusted for the proceeds receivable, had the shares been actually issued at fair value (i.e. the average market value of outstanding shares). A statement showing the computation of EPS is as under:

S.No.	PARTICULARS	As at 31 <sup>st</sup> March 2016	As at 31 <sup>st</sup> March 2015
A	Net Profit / (Loss) after Tax (C in Lacs)	1.85	-0.44
B	Weighted average number of equity share for Basic EPS (No. of shares in Lacs)	111.00	22.23
C	Basic Earning / (Loss) per share (in C) (A/B)	0.02	-0.02
D	Weighted average number of equity shares for Diluted EPS (No. of shares in Lacs)	111.00	22.23
E	Diluted earning / (Loss) per share (in C) (A/D)	0.02	-0.02
F	Face value of share (in C)	10.00	10.00

## 2. SHARE CAPITAL

(Amt. In C)

S.No.	PARTICULARS	As at 31 <sup>st</sup> March 2016	As at 31 <sup>st</sup> March 2015
1.	Authorised Share Capital 3,50,00,000 Equity Shares of C 10 each (Previous 3,50,00,000 Year Equity Shares of C 10 each)	35,00,00,000	35,00,00,000
2.	Issued, Subscribed & Paid up Share Capital 1,11,00,000 fully paid equity shares of C 10/- each (Previous year 1,11,00,000 equity shares of C 10/- each)	11,10,00,000	11,10,00,000
		<u>11,10,00,000</u>	<u>11,10,00,000</u>

2.1 The reconciliation of the number of shares outstanding is set out below:

PARTICULARS	As at 31 <sup>st</sup> March 2016	As at 31 <sup>st</sup> March 2015
Equity Shares outstanding at the beginning of the year	1,11,00,000	11,00,000
Add: Issued during the year	--	1,00,00,000
Equity Shares outstanding at the end of the year	1,11,00,000	1,11,00,000

2.2 Shares held by Holding Company

Name of Holding Company	As at 31 <sup>st</sup> March 2016		As at 31 <sup>st</sup> March 2015	
	(Amt in C)	No. of Shares	(Amt in C)	No. of Shares
Rajasthan State Mines & Minerals Limited	11,10,00,000	1,11,00,000	11,10,00,000	1,11,00,000

2.3 The details of Shareholders holding more than 5% shares

Name of Shareholder	As at 31 <sup>st</sup> March 2016		As at 31 <sup>st</sup> March 2015	
	No. of Shares	% held	No. of Shares	% held
Rajasthan State Mines & Minerals Limited	1,11,00,000	100	1,11,00,000	100

2.4 Terms/right attached to equity shares

The Company has one class of equity share having a par value of C 10 per share. Members of the Company holding equity share capital therein have a right to vote on every resolution placed before the Company and right to receive dividend. Each shareholder is eligible for one vote per share held.

### 3. RESERVES AND SURPLUS

(Amt. in C)

PARTICULARS	As at 31 <sup>st</sup> March 2016	As at 31 <sup>st</sup> March 2015
Debit balance of Statement of Profit and Loss		
As per last balance sheet	-84,74,069	-84,29,799
Add: Profit / (Loss) for the year	1,84,723	-44,270
	-82,89,346	-84,74,069



### 4. OTHER CURRENT LIABILITIES

(Amt. in C)

PARTICULARS	As at 31 <sup>st</sup> March 2016	As at 31 <sup>st</sup> March 2015
Other Payables		
Rajasthan State Mines & Minerals Limited (Holding Company)	72,76,040	63,88,297
Others	10,071	12,978
	72,86,111	64,01,275

4.1 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 accounts of principal and/or interest as at the close of the year.

### 5. NON-CURRENT INVESTMENT

(Amt. in C)

PARTICULARS	As at 31 <sup>st</sup> March 2016	As at 31 <sup>st</sup> March 2015
Long Term (other than trade)		
A. In Equity Instruments		
(i) 10025000 Shares in Rajasthan State Gas Limited (formerly known as RSPCL-GAIL Gas Limited) of C 10/- each fully paid up. (Previous Year 25000 Equity Shares)	10,02,50,000	2,50,000
ii) Share Application Money for 10000000 shares of C 10/- each in RSPCL-GAIL Gas Limited) of C 10/- each fully paid up.	-	10,00,00,000
	10,02,50,000	10,02,50,000

5.1 The Company has formed a joint venture company with GAIL Gas Ltd. in the name of RSPCL-GAIL Gas Limited (now Rajasthan State Gas Limited) on 20.09.2013. The Company will undertake the work of city gas distribution network in various cities of Rajasthan. Presently, the Company is promoted by RSPCL and GAIL Gas Ltd. equally by contributing 50% each in the equity share capital. RSPCL has contributed C10,02,50,000/- towards equity share capital in the Company till date.

6. CASH & CASH EQUIVALENTS

(Amt. in C)

PARTICULARS	As at 31 <sup>st</sup> March 2016	As at 31 <sup>st</sup> March 2015
<b>(a) Cash and cash equivalents</b>		
Balance with ICICI Bank in current account	57,57,172	28,90,484
<b>(b) Other bank balances</b>		
Short term bank deposit	30,84,476	28,71,604
	<b>88,41,648</b>	<b>57,62,088</b>

7. OTHER CURRENT ASSETS

(Amt. in C)

PARTICULARS	As at 31 <sup>st</sup> March 2016	As at 31 <sup>st</sup> March 2015
Interest Accrued on FDR	24,290	23,344
Income Tax Deposits (TDS on interest on FDR)	67,642	43,884
	<b>91,932</b>	<b>67,228</b>

8. SHORT TERM LOANS & ADVANCES

(Amt. in C)

PARTICULARS	As at 31 <sup>st</sup> March 2016	As at 31 <sup>st</sup> March 2015
Rajasthan State Gas Limited (formerly known as RSPCL-GAIL Gas Limited)	8,13,185	28,16,429
Prepaid Expenses	-	31,461
	<b>8,13,185</b>	<b>28,47,890</b>

9. OTHER INCOME

(Amt. in C)

PARTICULARS	As at 31 <sup>st</sup> March 2016	As at 31 <sup>st</sup> March 2015
Interest on FDR	2,37,576	2,21,990
	<b>2,37,576</b>	<b>2,21,990</b>



10. OTHER EXPENSES

(Amt. in C)

PARTICULARS	As at 31 <sup>st</sup> March 2016	As at 31 <sup>st</sup> March 2015
Legal & Professional Fees	-	3,000
Printing & Stationery	2,575	2,583
Audit Fee	8,050	7,980
Postage & Telephone Expenses	10,767	10,273
Seminar, Conference & Exhibition	-	2,13,484
Repair, renewal & maintenance	31,461	28,940
	<b>52,853</b>	<b>2,66,260</b>

As per our attached report of even date

For JP Mars and Associates

Chartered Accountants

FRN: 00699C

For and on behalf of the Board

Sd/-  
(A.K. Khandelwal)  
Partner  
Membership No.: 076294

Sd/-  
(Bhanu Prakash Yeturu)  
Managing Director  
DIN: 07032883

Place: Jaipur  
Date: 23.09.2016

Sd/-  
(Praveen Gupta)  
Director  
DIN: 03521006

**Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries /associate companies/joint ventures

**Part "A": Subsidiaries**

Particulars	Details
Name of the subsidiary	<b>NIL</b>
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	
Share capital	
Reserves & surplus	
Total assets	
Total Liabilities	
Investments	
Turnover	
Profit before taxation	
Provision for taxation	
Profit after taxation	
Proposed Dividend	
% of shareholding	

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations: NIL
- Names of subsidiaries which have been liquidated or sold during the year: NIL



**Part "B": Joint Ventures**

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Joint Ventures

Name of Joint Venture	Rajasthan State Gas Limited (formerly known as RSPCL- GAIL Gas Limited)
1. Latest audited Balance Sheet Date	31.03.2016
2. Shares of Joint Venture held by the company on the year end	
No. of Shares	100 25000 shares
Amount of Investment in Joint Venture	Rs. 10,02,50,000/-
Extend of Holding (%)	50
3. Description of how there is significant influence	Holding more than 20% shares
4. Reason why the Joint Venture is not consolidated	Not Applicable
5. Net worth attributable to shareholding as per latest audited Balance Sheet (in Rs.)	(7,64,77,186)
6. Profit/Loss for the year	
i. Considered in Consolidation (in Rs.)	(1,61,25,691)
ii. Not Considered in Consolidation (in Rs.)	(1,61,25,691)

- Names of joint ventures which are yet to commence operations: NIL
- Names of joint ventures which have been liquidated or sold during the year: NIL

For and on behalf of the Board

Sd/-  
(Bhanu Prakash Yeturu)  
Managing Director  
DIN: 07032883

Sd/-  
(Praveen Gupta)  
Director  
DIN: 03521006

Place: Jaipur  
Date: 23.09.2016

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER  
SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL  
STATEMENTS OF RAJASTHAN STATE PETROLEUM CORPORATION LIMITED FOR THE  
YEAR ENDED 31 MARCH 2016.

The preparation of financial statements of Rajasthan State Petroleum Corporation Limited for the year ended 31 March 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on these financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 23 September 2016.

I, on behalf of the Comptroller and Auditor General of India, have conducted supplementary audit under section 143(6) of the Act of the financial statements of Rajasthan State Petroleum Corporation Limited for the year ended 31 March 2016. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

For and on the behalf of  
the Comptroller and Auditor General of India

Sd/-  
(S. Alok)  
Accountant General  
(Economic & Revenue Sector Audit)  
Rajasthan, Jaipur

Place:-Jaipur  
Date : 23-11-2016

FINANCIAL STATEMENTS  
OF  
BARMER LIGNITE MINING COMPANY LIMITED  
(A Subsidiary Company of RSMML)

requirement for furnishing of details of deposits which are not in compliance with Chapter V of the Act is not applicable.

**8. Material Changes and Commitments**

In terms of Section 134(3)(l) of the Companies Act, 2013, except as disclosed elsewhere in this report, no material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company and date of this report.

**9. Significant and Material Orders Passed by Regulators or Courts or Tribunal**

No orders have been passed by any Regulator or Court or Tribunal which can have impact on the going concern status and the Company's operations in future.

**10. Particulars of Loans, Guarantees, Investments And Securities**

There is no loan given, investments made, guarantees given and securities provided by the Company during the year.

**11. Particulars of Contracts or Arrangement with Related Parties**

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis and hence provisions of Section 188 of the Companies Act, 2013 are not applicable

All related party transactions which are in the ordinary course of business and on arm's length basis, of repetitive nature and proposed to be entered during the financial year are ordinarily placed before the Audit Committee and the Board for approval at the commencement of the financial year and also annexed to this report as Annexure A in Form AOC-2.

The details of transactions / contracts / arrangements entered by the Company with related parties are set out in the Notes to the Financial Statements.

**12. Disclosure Under Section 67(3) of The Companies Act, 2013**

During the year under review, there were no special resolution passed pursuant to the provisions of Section 67(3) of the Companies Act, 2013 and hence no information as required pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014 is furnished.

**13. Directors and Key Managerial Personnel**

During the year under review, Dr. Ashok Singhvi (DIN: 00135589) was nominated as Chairman of the Company in place of Mr. Prem Singh Mehra (DIN : 03305680) with effect from 14.09.2015. Mr. Prem Singh Mehra continued to act as Director.

Mr. Deepak Upreti (DIN : 00960828) was nominated as Chairman & Director of the Company in place of Dr. Ashok Singhvi (DIN : 00135589) with effect from 09<sup>th</sup> October, 2015.

During the year under review, the appointment of Ms. Sheila Sangwan (DIN: 01857875), Mr. S.S.Rao (DIN : 00150816) and Mr. Sunil Dutt Vyas (DIN : 00097529) as Independent Directors of the Company were approved by the Shareholders of the Company in the Annual General Meeting held on 18.12.2015 to hold office for five consecutive years up to 29th March 2020. The Company has



received declarations from the Independent Directors, under Section 149(6) of the Companies Act, 2013 confirming that they meet the criteria of independence as prescribed.

Mr. Sanjay Malhotra (DIN : 00992744) vacated the office of Director from the close of business on 31<sup>st</sup> December, 2015 pursuant to the provisions of Section 167(1)(b) of Companies Act, 2013 and the guidance note issued by ICSI.

Mr. Sanjay Malhotra (DIN: 00992744) was nominated by RSMML as Director with effect from 10<sup>th</sup> March, 2016

Mr. Umesh Gupta (DIN: 02221714) was nominated by RWPL for the re-appointment as Managing Director of the Company with effect from 03<sup>rd</sup> May, 2016 for a period of two years, subject to the approval of shareholders at the ensuing Annual General Meeting.

Mrs. Aparna Arora (DIN : 02360232) was nominated as Chairperson & Director of the Company in place of Mr. Deepak Upreti (DIN : 00960828) with effect from 26<sup>th</sup> August, 2016.

Mr. Rajat Kwatra, Chief Financial Officer ceased to be Key Managerial Personnel with effect from the close of business on 14<sup>th</sup> May, 2016 and Mr. Sanjay Soni was appointed as Chief Financial Officer & Key Managerial Personnel with effect from 15<sup>th</sup> May, 2016 in the Board Meeting held on 23<sup>rd</sup> September, 2016.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Sanjay Sagar (DIN: 00019489) and Mr. Pramod Menon (DIN : 01443287) retires by rotation at the ensuing AGM and being eligible offer themselves for reappointment.

Your Directors place on record the deep sense of appreciation for the valuable support and guidance extended by Dr. Ashok Singhvi (DIN: 00135589) and Mr. Deepak Upreti (DIN : 00960828) during their tenures as Directors of the Company.

Other than as disclosed above, there was no other change in the Key Managerial Personnel of the Company during the year.

**14. Disclosures related to Board, Committees and Policies**

a) Board Meetings

The Board of Directors met four times during the financial year ended March 31, 2016 in accordance with the provisions of the Companies Act, 2013 and rules made thereunder.

During the year under review, four Board meetings on August 5, 2015 (adjourned from 28<sup>th</sup> July, 2015), September 10, 2015, December 18, 2015 and March 09, 2016 were held.

S. No.	Name of the Director	Position	No. of Board Meetings attended
1.	Mr. Deepak Upreti*	Chairman	2
2.	Mr. Prem Singh Mehra **	Director	1
3.	Dr. Ashok Singhvi ***	Chairman	2
4.	Mr. Sanjay Malhotra ****	Director	-
5.	Mr. Bhanu Prakash Yeturu	Director	3
6.	Mr. Sanjay Sagar	Director	3
7.	Mr. Pramod Menon	Director	4
8.	Mr. Umesh Gupta	Director	4
9.	Ms. Sheila Sangwan	Independent Director	1
10.	Mr. S.S.Rao	Independent Director	3
11.	Mr. Sunil Dutt Vyas	Independent Director	4

\* Appointed as Director and Chairman w.e.f. 09.10.2015.

\*\* Appointed as Director and Chairman of the Company w.e.f. 23.09.2014 and ceased to be Chairman w.e.f. 14.09.2015 but continued as Director.

\*\*\* Appointed as Director of the Company w.e.f. 27.06.2014 and nominated as Chairman w.e.f. 14.09.2015 and ceased to be Director and Chairman w.e.f. 09.10.2015.

\*\*\*\* Ceased to be Director w.e.f. 31.12.2015 and again nominated as Director w.e.f. 10.03.2016

#### b) Committees and Policies

##### 1. Audit Committee

The Audit Committee of Directors was reconstituted pursuant to the provisions of Section 177 of the Companies Act, 2013. The composition of the Audit Committee is in conformity with the provisions of the said section. The Audit Committee presently comprises of:

1. Mr. S.S.Rao, Independent Director - Chairman
2. Mr. Bhanu Prakash Yeturu, Director – Member
3. Mr. Pramod Menon, Director – Member
4. Ms. Sheila Sangwan, Independent Director - Member
5. Mr. Sunil Dutt Vyas, Independent Director - Member

The scope and terms of reference of the Audit Committee have been amended in accordance with the Companies Act 2013.

During the year under review, the Board of Directors of the Company had accepted all the recommendations of the Committee.

During the year under review, two Audit Committee meetings on 05<sup>th</sup> August, 2015 (adjourned from July 28, 2015) and September 10, 2015 were held.



S. No.	Name of the Director	Position	Audit Committee Meetings attended
1.	Dr. Ashok Singhvi*	Member	2
2.	Mr. Pramod Menon	Member	2
3.	Mr. S. S. Rao**	Chairman	1
4.	Ms. Sheila Sangwan	Member	1
5.	Mr. Sunil Dutt Vyas	Member	2
6.	Mr. Bhanu Prakash Yeturu***	Member	-

\* Ceased to be Member w.e.f. 09.10.2015

\*\* Appointed as Chairman on 05.08.2015

\*\*\* Appointed as member w.e.f. 18.12.2015

\*\*\* Ceased to be Director w.e.f. 31.12.2015 and again nominated as Director w.e.f. 10.03.2016

##### 2. Nomination and Remuneration Committee

The Nomination and Remuneration Committee (NRC) of Directors was constituted by the Board of Directors of the Company in accordance with the requirements of Section 178 of the Act on 30<sup>th</sup> March, 2015.

The present composition of the committee is as under:

1. Mr. Bhanu Prakash Yeturu, Director – Chairman
2. Mr. Umesh Gupta, Managing Director - Member
3. Mr. S.S.Rao, Independent Director - Member
4. Mr. Sunil Dutt Vyas, Independent Director – Member

Your Company has devised the Nomination and Remuneration Policy of your Company. Ministry of Corporate Affairs vide its notification dated 05.06.2015 had modified the requirement of NRC for Government Company. Pursuant to which, the requirement of NRC is now applicable only with regard to the appointment of 'senior management' and other employees.

While recommending a candidate for appointment, the NRC shall assess the appointee against a range of criteria including qualification, age, experience, positive attributes, independence, relationships, diversity of gender, background, professional skills and personal qualities required to operate successfully in the position and has discretion to decide adequacy of such criteria for the concerned position. All candidates shall be assessed on the basis of merit, related skills and competencies. There should be no discrimination on the basis of religion, caste, creed or sex.

During the year under review, no meeting of NRC was held.

##### 3. Corporate Social Responsibility Committee

As per the provisions of Section 135 of the Act read with Companies (Corporate Social

Responsibility Policy) Rules, 2014, the Board of Directors has constituted a Corporate Social Responsibility (CSR) Committee. The present constitution of the Committee is as under:

1. Mr. Prem Singh Mehra, Director - Chairman
2. Mr. Bhanu Prakash Yeturu, Director - Member
3. Mr. Sanjay Sagar, Director - Member
4. Mr. Umesh Gupta, Director - Member
5. Mr. Sunil Dutt Vyas, Independent Director - Member

The Board of Directors of the Company has approved CSR Policy based on the recommendation of the CSR Committee. The Company has initiated activities in accordance with the said Policy.

The CSR Policy of the Company is available on the Company's web-site and can be accessed at link <http://www.blmcl.in>

During the year, the Company has spent Rs. 0.21 crore on CSR activities under the provisions of Companies Act 2013.

The Annual Report on CSR activities is annexed herewith marked as Annexure B.

During the year under review, one CSR Committee Meeting on March 09, 2016 was held.

S. No.	Name of the Director	Position	No. of CSR Committee Meeting attended
1.	Dr. Ashok Singhvi*	Chairman	-
2.	Mr. Sanjay Sagar	Member	1
3.	Mr. Umesh Gupta	Member	1
4.	Mr. Prem Singh Mehra**	Chairman	-
5.	Mr. Sanjay Malhotra***	Member	-
6.	Mr. Bhanu Prakash Yeturu****	Member	1
7.	Mr. Sunil Dutt Vyas	Member	1

\* Ceased to be Chairman w.e.f. 09.10.2015

\*\* Appointed as Chairman w.e.f. 18.12.2015

\*\*\* Ceased to be Member w.e.f. 31.12.2015

\*\*\*\* Appointed as member w.e.f. 09.03.2016

#### 4. Vigil Mechanism

The Board has, pursuant to the provisions of Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 framed "Vigil Mechanism Policy" (the "Policy")



Your Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior.

This policy has been framed with a view to provide a mechanism inter alia enabling Directors, employees of the Company to freely communicate their concerns about illegal or unethical practices and to report genuine concerns or grievance as also to report to the management concerns about unethical behavior, actual or suspected fraud.

Mr. Umesh Gupta, Managing Director, is designated as the Ethics Counselor.

The Vigil Mechanism may be accessed on the Company's website at the link : <http://www.blmcl.in>

#### 15. Annual Evaluation of Directors, Committee and Board

Ministry of Corporate Affairs vide its notification dated 05.06.2015 had modified the requirement of NRC for Government Company. Pursuant to which, the exemption has been granted to the Government Companies from requirement of Annual Evaluation of Directors, Committees and Board by the Nomination and Remuneration Committee.

#### 16. Internal Control Systems

An adequate internal control system commensurate with the nature of the Company's business and size and complexity of its operations are in place and is operating satisfactorily. Internal control systems comprising of policies and procedures are designed to ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedure, applicable laws and regulations and that all assets and resources are acquired economically, used efficiently and adequately protected.

#### 17. Directors' Responsibility Statement

Pursuant to the requirement under Section 134 (3) of the Companies Act, 2013 with respect to Directors' Responsibility Statement under Section 134(5), it is hereby confirmed:

- (a) that in preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- (c) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other Irregularities;
- (d) that the directors had prepared the annual accounts for the year under review, on a 'going concern' basis
- (e) that the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**18. Auditors and Auditors Reports**

**a. Statutory Auditors**

The observations made by the Statutory Auditors in their report for the financial year ended March 31, 2016 read with the explanatory notes therein are self-explanatory and therefore, donot call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013. The Auditors' Report does not contain any qualification, reservation or adverse remark.

M/s. Amit Goyal & Co., Chartered Accountants, the Auditors of the Company, had been appointed by Comptroller and Auditor General of India under Section 139 of the Companies Act, 2013 for the financial year 2015-16.

**b. Secretarial Auditor**

The Board had appointed M/s. P.Pincha& Associates, Company Secretaries as Secretarial Auditor of the Company for the Financial Year 2015-16. Secretarial Audit Report issued by M/s. P. Pincha & Associates, Company Secretaries in Form MR-3 for the financial year 2015-16 forms part to this report. The said report does not contain any observation or qualification requiring explanation or comments from the Board under Section 134(3) of the Companies Act, 2013 and is annexed as Annexure C.

**c. Cost Auditor**

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Notifications/Circulars issued by the Ministry of Corporate Affairs from time to time, your Board has appointed M/s. R.K. Bhandari & Co., Cost Accountants, as the cost auditors to conduct the cost audit of the Company for the Financial year 2016-17, subject to ratification of the remuneration payable to the cost auditor by the shareholders to be done in the ensuing Annual General Meeting.

The Cost audit for the financial year 2014-15 had been filed by the Company with Ministry of Corporate Affairs on 29.09.2015.

**19. Extract of Annual Return**

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, Extract of the Annual Return for the financial year ended 31<sup>st</sup> March 2016 made under the provisions of Section 92(3) of the Act is attached as Annexure D which forms part of this Report.

**20. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo**

The particulars as required under the provisions of Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 in respect of conservation of energy, technology absorption, foreign exchange earnings and outgo are as under:

**A Conservation of Energy**

**a) Energy Conservation Measures taken:**



**Installation of Capacitor Bank:**

- 6 nos of 90 KVAR Capacitor banks have been installed for the negative suction centrifugal pumps (250KW & 225KW). As a result of which power factor is maintained more than 0.90.

**Lignite Handling Plant:**

- Lignite handling plant has been commissioned and is operating satisfactorily and 6.56 MT lignite dispatched in FY2015-16.
- Earlier surface transportation of Lignite was being done by road, and there is a saving of 3780 KL diesel (@ 0.6 liter/MT) because of dispatch of lignite through LHS.

- b) Additional Investments and proposals, if any, being implemented for reduction of consumption of energy:

Mining activities are being carried out by Mine Developer cum Operator (MDO) and following actions are being taken or proposed to be taken:

Replacement of two stage pumping by negative suction single stage pumping

- Total 2 nos negative suction 6.6KV HT pumps( 600cum/hr, 150 meter head) are put into operation which resulted in power saving.
- There is saving of Rs. 0.04 crore/yr (@Rs.8.0/kwhx7x22x330days) after commissioning of these pumps.

**B - Technology Absorption:**

**a) 3 MLD RO Plant:**

- 3 MLD RO plant is commissioned successfully. Now this is under operation with zero discharge.
- Saline water of pit treated by above RO plant is being used in mining as a potable and plantation purposes.

**b)**

1. Specific area in which R&D carried out by the Company	The studies in the field of slope stability are being carried out by MDO. Test results obtained from the study made by MBM Engineering College Jodhpur is being sent to our consultant Vattenfall Europe Mining AG for analysis. Recommendation of above is awaited.
2. Benefits derived as a result of the above R&D	Result of above R&D will be helpful in reducing the ultimate slope angle of benches and in turn will result in reduction in land use, reduction of cost, recovery of maximum quantity of Geological Reserve and stability of ground in due course of time.

3. Future plan of action	The study will be completed only when the mine reaches the maximum depth. Depending on the result of first phase of study future course of action will be decided.
4. Expenditures	
a. Capital	a. Rs 0.02 Cr + Rs 10 Cr in RO plant and Rs. 1.2 Cr by MDO in pump.
b. Recurring	b. Nil
c. Total	c. Nil
d. Total R&D expenditure as a percentage of turnover	d. 0%
c) Technology Absorption, Adoption and Innovation	
1. Efforts, in brief, made towards Technology absorption, adaptation and innovation	The Mine is working with Conventional Shovel Dumper Combination Technology with Fuel Efficient Equipment
2. Benefits derived as a result of the above efforts	This technology is Fuel Efficient and Cost Effective.
3. In case of imported technology (imported during the last five years reckoned from the beginning of the financial year) following information may be furnished:	This technology is not an imported technology.
a. Technology imported	
b. Year of import	
c. Has technology been fully absorbed	
d. If not fully absorbed, areas where this has not taken place, reasons thereof and future plans of action	
C - Foreign Exchange earnings and outgo: There is no foreign exchange earnings and outgo during the year under review.	
<b>21. Environment &amp; Pollution Control</b>	
In order to protect the environment in and around the premises, following activities have been undertaken:	
a) To maintain ambient air quality, regular water sprinkling by 20 mobile water sprinklers is being done.	
b) Plantation activity in the periphery of mining lease area and on the overburden dumps are being done regularly.	
c) Lignite is being transported to the power plant by 4.5 km covered conveyor belt to avoid any dust emission.	



- d) 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. No adverse impact is observed.

**22. Particulars of Employees and Related Disclosures**

In terms of the provisions of Section 197(12) of the Companies Act, 2013, read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, none of the employees of the Company was in receipt of remuneration in excess of the limits prescribed. Hence, no information is required to be appended to this report in this regard.

Your Directors state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**23. Appreciation and Acknowledgements**

Your Directors would like to express their appreciation for the co-operation and assistance received from banks, financial institutions, vendors, customers and the shareholders. Your Directors take this opportunity to place on record their appreciation for the valuable contribution made by the employees and officers for the progress of the Company.

For and on behalf of the Board of Directors

Sd/-  
Aparna Arora  
Chairperson  
DIN - 02360232

Place : Jaipur  
Date : 28.09.2016

Annexure A

FORM NO. AOC - 2

(Pursuant to clause (h) of sub - section (3) of section 134 of the Act and Rule 8 (2) of the Companies (Accounts) Rules, 2014

Form for disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso there to

1. Details of contracts or arrangements or transactions not at arm's length basis: Not Applicable
2. Details of material contracts or arrangements or transactions at arm's length basis

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the Values, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
Rajasthan State Mines and Minerals Limited (Holding Company)	a) Salary to deputed staff	Joint Venture Agreement dated 27.12.2006 between RSMML and RWPL	As per JV Agreement (For details of transactions during the year Refer Note 24 (o) of Financial Statements) Circular resolution passed by the Board dated 11.05.2015	05.08.2015	Nil
	b) Reimbursement of expenses at actuals				
	c) Reimbursement of potential service tax liability				
	Interest income from land acquisition payment	Government of Rajasthan Order dated 30.03.2011	As per GoR Order (For details of transactions during the year Refer Note 24 (q) of Financial Statements)		



Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the Values, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
Raj West Power Limited  (Promoter Group Company)	Sale of Lignite (net of taxes)	As per RERC Order and FSA	(For details of transactions during the year Refer Note 24 (aa) of Financial Statements)	05.08.2015	Nil
	Long term loan -Sub ordinate debt	Subordinated Loan uptoRs. 520 Crore as per Board Approval			
	Subordinated Debt for Potential Service Tax liability	Undertaking for reimbursement to RSMML through BLMCL			
	Interest on subordinated loan	Interest payable on Sub ordinate loan uptoRs 520 cr @ 10%, at the rate as approved by the Board (The same is for accounting purposes and payment shall be subject to the			
	Reimbursement of expenses - Salary related and other expenses	Debit Notes / Credit Notes - At Actuals			

For and on behalf of the Board of Directors

Sd/-  
Aparna Arora  
Chairperson  
DIN - 02360232

Place : Jaipur  
Date : 28.09.2016

Annexure B

ANNUAL REPORT ON CSR ACTIVITIES PURSUANT TO COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014

(Rs. in crore)

1.	A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs and the Composition of CSR Committee	Refer Section : Corporate Social Responsibility in this Report
2.	The composition of CSR Committee	Refer Section : Corporate Social Responsibility in this Report
3.	Average Net Profit of the Company for last three financial years.	10.29
4.	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	0.21
5.	Details of CSR spent during the financial year :	
	(a) Total amount to be spent for the financial year;	0.21
	(b) Amount unspent, if any;	Nil
	(c) Manner in which the amount spent during the financial year are detailed below:	



Barmer Lignite Mining Company Limited

Rajasthan State Mines and Minerals Limited

1	2	3	4	5	6	7	8
Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or Programs was undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs Sub-heads : (1) Direct expenditure on projects or programs (2) Overheads;	Cumulative expenditure upto the reporting period	Amount spent Direct or through implementing agency
1.	Providing education facilities / support to Schools near to the Mining Lease Area of Kapurdi Lignite Mines and providing medical assistance and help to the locals.	Promoting education, skill development, livelihood, enhancements, etc- Promoting Social Development	Barmer - Rajasthan	0.21	0.21	0.21	Direct
6.	In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report.					N.A.	

Form No. : MR-3

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED ON 31<sup>st</sup> March, 2016

{Pursuant to section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014}

To  
The Members,  
Barmer Lignite Mining Company Limited  
Khanij Bhawan, Udyog Bhawan Campus,  
TilakMarg,C-Scheme,Jaipur- 302001

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Barmer Lignite Mining Company Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of Barmer Lignite Mining Company Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2016 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (Not applicable to the Company)
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; (Not applicable to the Company)

- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company)
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not applicable to the Company)
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company)
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company)
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company) &
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company)

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Stock Exchange(s). (Not applicable to the Company)

During the period under review the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

I further report that, having regard to the compliance system prevailing in the company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company

- (a) The Mines Act 1952, and Rules made thereunder and other related Acts and their respective Rules
- (b) RERC Regulations and Rules made thereunder

I further report that, during the year under review:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda are sent atleast seven days in advance, a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting member's views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the

size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, the Company has no instances of:

- (i) Public / Rights / Preferential issue of shares / debentures / sweat equity.
- (ii) Redemption / buy-back of securities.
- (iii) Merger / amalgamation / reconstruction etc.
- (iv) Foreign technical collaborations.

For P. Pincha & Associates  
Company Secretaries

Sd/-  
Pradeep Pincha  
Proprietor  
M. No.: FCS 5369  
C. P. No.:4426

Dated: 17<sup>th</sup> June, 2016  
Place: Jaipur

(This report is to be read with our letter of even date which is annexed as Annexure-A which forms an integral part of this report.)

To  
The Members,  
Barmer Lignite Mining Company Limited  
Khani jBhawan, Udyog Bhawan Campus,  
Tilak Marg, C-Scheme, Jaipur- 302001

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Where ever required, we have obtained the management representation about the compliance of laws, rules, and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For P. Pincha & Associates  
Company Secretaries

Sd/-  
Pradeep Pincha  
Proprietor  
M. No.: FCS 5369  
C. P. No.:4426

Dated: 17<sup>th</sup> June, 2016  
Place: Jaipur

Form No. MGT-9  
**EXTRACT OF ANNUAL RETURN**  
as on the financial year ended on 31<sup>st</sup> March 2015  
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS**

i)	CIN	U14109RJ2007SGC023687
ii)	Registration Date	19 <sup>th</sup> January 2007
iii)	Name of the Company	Barmer Lignite Mining Company Limited
iv)	Category / Sub-Category of the Company	Public Company / Limited by shares State Government Company
v)	Address of the Registered office and contact details	Khanij Bhawan, Udyog Bhawan Campus, Tilak Marg, C-Scheme, Jaipur- 302001 Tel: +91 -141-2369772 Fax: +91 -141-2369774
vi)	Whether listed company	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	N.A.

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company

S. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1.	Lignite Mining	2702	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

S. No.	Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1.	Rajasthan State Mines and Minerals Limited	U14109RJ1949 SGC000505	Holding	51.00	2 (46)



**IV. SHARE HOLDING PATTERN (Equity Share Capital breakup as Percentage of Total Equity)**

**(i) Category-wise Share Holding**

Category of Shareholder	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 31/03/2015				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2016				% Change During The year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter and Promoter Group</b>									
(1) INDIAN									
(a) Individual /HUF	-	5*	5*	-	5*	5*	-	-	
(b) Central Government									
(c) State Government(s)									
(d) Bodies Corporate	9799998	10199997	19999995	100	9799998	10199997	19999995	100	0.00
(e) Financial Institutions/ Banks									
(f) Others									
Sub-Total A(1):	9799998	10200002	20000000	100	9799998	10200002	20000000	100	0.00
(2) FOREIGN									
(a) Individuals (NRIs/Foreign Individuals)									
(b) Bodies Corporate									
(c) Institutions									
(d) Qualified Foreign Investor									
(e) Others									
Sub-Total A(2) :									
Total A=A(1)+A(2)	9799998	10200002	20000000	100	9799998	10200002	20000000	100	0.00
<b>B. Public Shareholdings</b>									
(1) INSTITUTIONS									
(a) Mutual Funds /UTI									
(b) Financial Institutions/ Banks									
(c) Central Government									
(d) State Government(s)									
(e) Venture Capital Funds									
(f) Insurance Companies									
(g) Foreign Institutional Investors									
(h) Foreign Venture Capital Investors									
(i) Qualified Foreign Investor									
(j) Others									
Sub-Total B(1) :									

Category of Shareholder	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 31/03/2015				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2016				% Change During The year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) NON-INSTITUTIONS									
(a) Bodies Corporate	0	0	0	0	0	0	0	0	0
(b) Individuals									
(i) Individuals holding nominal share capital upto Rs.1 lakh	0	0	0	0	0	0	0	0	0
(ii) Individuals holding nominal share capital in excess of Rs.1 lakh	0	0	0	0	0	0	0	0	0
(c) Others									
Clearing Members	0	0	0	0	0	0	0	0	0
Foreign Bodies	0	0	0	0	0	0	0	0	0.00
Foreign Nationals	0	0	0	0	0	0	0	0	0
Non Resident Indians	0	0	0	0	0	0	0	0	0
Trusts	0	0	0	0	0	0	0	0	0
(d) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total B(2) :	0	0	0	0	0	0	0	0	0
Total B=B(1)+B(2)	0	0	0	0	0	0	0	0	0.00
Total (A+B) :	9799998	10200002	20000000	100	9799998	10200002	20000000	100	0.00
(C) Shares held by custodians, against which Depository Receipts have been issued									
(1) Promoter and Promoter Group	0	0	0	0	0	0	0	0	0
(2) Public	0	0	0	0.00	0	0	0	0	0
GRAND TOTAL (A+B+C) :	9799998	10200002	20000000	100	9799998	10200002	20000000	100	0.00

\* Shares held by nominees of Rajasthan State Mines and Minerals Limited and Raj West Power Limited



(ii) Shareholding of Promoters

S.No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1.	Rajasthan State Mines and Minerals Limited	1,01,99,997	51.00	0.00	1,01,99,997	51.00	0.00	0.00
2.	Raj West Power Limited	97,99,998	49.00	49.00	97,99,998	49.00	49.00	0.00
3.	Mr. R.K. Zoshi*	1	0.00	0.00	1	0.00	0.00	0.00
4.	Mr. Reetesh Pokharna*	1	0.00	0.00	1	0.00	0.00	0.00
5.	Mr. Arun Singh*	1	0.00	0.00	1	0.00	0.00	0.00
6.	Mr. N.K. Jain**	1	0.00	0.00	1	0.00	0.00	0.00
7.	Mr. Umesh Gupta**	1	0.00	0.00	1	0.00	0.00	0.00
	TOTAL :	20000000	100.00	49.00	20000000	100.00	49.00	0.00

\* Shares held as nominees of Rajasthan State Mines and Minerals Limited

\*\* Shares held as nominees of Raj West Power Limited

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

S. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Rajasthan State Mines and Minerals Limited				
	At the beginning of the year	1,01,99,997	51.00	1,01,99,997	51.00
	Transfers during the year	-	-	-	-
	At the End of the year	1,01,99,997	51.00	1,01,99,997	51.00
2.	Raj WestPower Limited				
	At the beginning of the year	97,99,998	49.00	97,99,998	49.00
	Transfers during the year	-	-	-	-
	At the End of the year	97,99,998	49.00	97,99,998	49.00

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name	Shareholding at the beginning of the year (1.4.2015)			Cumulative Shareholding during the Year (1.4.2014 to 31.3.2016)			
		No. of shares	% of total shares of the Company	Date	Increase / Decrease in shareholding	Reason	No. of shares	% of total shares of the Company
-N.A.-								

(v) Shareholding of Directors and Key Managerial Personnel:

S. No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Umesh Gupta* Managing director At the beginning of the year	1	0.00	1	0.0
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	--	--	--	--
	At the End of the year	1	0.0	1	0.0

\* Shares held as nominee of Raj West Power Limited

Note : No other director and Key Managerial Personnel held any shares in the Company during the year under review.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	1076.35	455.09	-	1531.44
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	1076.35	455.09	-	1531.44
Change in Indebtedness during the financial year				
Addition	86.25	35.85		122.10
Reduction	(37.80)	(0.00)		(37.80)
Net Change	48.45	35.85		84.30
Indebtedness at the end of the financial year				
(i) Principal Amount	1124.80	490.94		1615.74
(ii) Interest due but not paid	-	-		-
(iii) Interest accrued but not due	-	-		-
Total (i+ii+iii)	1124.80	490.94		1615.74

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD Manager	Total
		Mr. Umesh Gupta*	
1.	Gross Salary		
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission	-	-
	- as % of profit	-	-
	- other, specify	-	-
5.	Employers Contn towards PF	-	-
	Total (A)	-	-
	Ceiling as per the Act		

\* NIL remuneration paid to MD, BLMCL



Sl. no.	Particulars of Remuneration	Name of Other Directors										Total Amount
		Mr. P.S. Mehra	Mr. Deepak Upreti	Mr. Sanjay Malhotra	Mr. B.P. Yeturu	Mr. Sanjay Sagar	Mr. Pramod Manon	Ms. Sheila Sangwan	Mr. S.S. Rao	Mr. S.D. Vyas		
1.	Independent Directors											
	• Fee for attending board / committee meetings	--	--	--	--	--	--	50,000	1,00,000	1,50,000	3,00,000	
	• Commission	--	--	--	--	--	--	--	--	--	--	
	• Others, please specify	--	--	--	--	--	--	--	--	--	--	
	Total (1)	--	--	--	--	--	--	50,000	1,00,000	1,50,000	3,00,000	
2.	Other Non-Executive Directors											
	• Fee for attending board/committee meetings	--	--	--	--	--	--	--	--	--	--	
	• Commission	--	--	--	--	--	--	--	--	--	--	
	• Others, please	--	--	--	--	--	--	--	--	--	--	
	Total (2)	--	--	--	--	--	--	--	--	--	--	
	Total (B)=(1+2)	--	--	--	--	--	--	50,000	1,00,000	1,50,000	3,00,000	
	Total Managerial Remuneration										3,00,000	
	Overall Ceiling as per the Act											

B. Remuneration to key Managerial personnel other than MD/MANAGER/WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel**			Total
				CFO# (Mr. Sanjay Soni)	
1.	Gross salary				
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5.	Employers Contn towards PF	-	-	-	-
	Total	-	-	-	-

\*\* There are no employees on its rolls. KMP's are deputed from Raj West Power Limited. Hence all employees' related benefits are taken care by the JV Partners from which they are assigned / deputed. @ Mr. RajatKwatra Ceased to be CFO of the Company with effect from the close of business on 14.05.2016. # Appointed as CFO of the Company w.e.f.15.05.2016.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of the Board of Directors

Sd/-  
Aparna Arora  
Chairperson  
DIN - 02360232

Place : Jaipur  
Date : 28.09.2016

INDEPENDENT AUDITOR'S REPORT

To The Members,

Barmer Lignite Mining Company Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Barmer Lignite Mining Company Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We

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

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2016 and its profit and its cash flows for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of The Companies Act, 2013, we give in the Annexure 1, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. Based on the verification of Records of the Company and based on Information and explanations given to us, we give below a report on Directions issued by the Comptroller and Auditor General of India in terms of Sec 143(5) of the Companies act, 2013:
  - (a) Report on General Directions
    - i) The Company has the mining lease for mining rights in the immovable properties comprising of land at Kapurdi and Jalipa lignite mining blocks for 39670.90 Bighas and does not have title deeds for the above mining land at Kapurdi and Jalipa. Also refer note 24(m) to the financial statements in this regard.
    - ii) There are no cases of waiver/write-off of debts/loans/interest etc.
    - ii) The company has not maintained any inventories lying with third parties. No assets have been received as gift from government or other authorities.
  - (b) Report on Company/Sector Specific Directions (sub directions)
    1. The Company has taken adequate measures to reduce the adverse effect on environment as per established norms and taken up adequate measures for the relief and rehabilitation of displaced people.
    2. The Company had obtained the requisite statutory compliances that were required under mining and environmental rules and regulations.
    3. The overburden removal from mines and backfilling of mines are commensurate with the mining activity of the Company.
    4. There are no cases of disband and discontinuation of mines during this period.
    5. The Company's financial statements had properly accounted for the effect of Rehabilitation Activity and Mine Closure Plan.
3. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.



- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in Annexure (2) to this reporting; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 24(i) to the financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Sd/-  
Charan Gupta  
Partner  
M.No. 074450

Place: Jaipur  
Date: 28.09.2016

### ANNEXURE 1 TO THE AUDITOR'S REPORT

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

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have been physically verified by the management during the year and there is a regular programme of verification, intended to cover all the fixed assets of the Company over a period, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The Company only has the mining lease forming rights in the immovable properties comprising of land at Kapurdi and Jalipa amounting to Rs. 977.51 crores (39670.90 bighas) and does not have title deeds for the aforesaid land at Kapurdi and Jalipa. Also refer note 24 (m) to the financial statements in this regard.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ("the Act"). Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Act are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits from the public.
- (vi) We have broadly reviewed the cost records maintained by the company pursuant to the order of Central Government under sub-section (1) of section 148 of the Companies Act and are of the opinion that, prima facie, the prescribed records have been made and maintained.
- We are, however, not required to make a detailed examination of records with a view to determine whether they are accurate or complete.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it.



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

Name of the Statute	Nature of dues	Period to which it relates	Amount (C In Crores)	Forum where dispute is pending
Income Tax Act, 1961	Income Tax and Interest	Financial Year 2011-12	13.28	Commissioner of Income Tax (Appeals) Rs. 5.00 crore paid under protest
Finance Act, 1994 (Service Tax)	Penalty	Financial Year 2011-12 & 2012-13	0.02	Commissioner (Appeals)
The Rajasthan Value Added Tax Act, 2003)	Tax & Interest (Recovered by department)	Financial Year 2010-11	0.97	Appellate Authority Rs. 0.97 crore paid under protest)
Income Tax Act, 1961	Income Tax and Interest	Financial Year 2012-13	13.04	Commissioner of Income Tax (Appeals) Rs. 1.96 crore paid under protest)

- (viii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions and banks. The Company did not have any borrowings by way of debentures or from government.
- (ix) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management and on an overall examination of the balance sheet, we report that monies raised by the Company by way of term loans were applied for the purpose for which the loans were obtained, though idle/surplus funds amounting to C 23.50 crores as at March 31, 2016, which were not required for immediate utilization and or are awaiting disbursement to the beneficiaries have been invested in fixed deposits with banks. No monies were raised, during the year, by the Company by way of initial public offer or further public offer (including debt instruments).
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the

management, we report that no fraud by the Company or on the Company by the officers and employees of the Company has been noticed or reported during the year.

- (xi) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- (xiii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence not commented upon.
- (xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

Sd/-  
Charan Gupta  
Partner  
M.No.074450

Place: Jaipur  
Date: 28.09.2016



## ANNEXURE (2) TO THE AUDITORS' REPORT

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

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

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

### Management's Responsibility for Internal Financial Controls

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

### Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance or records that, in reasonable details, accurately and fairly reflect the transactions and dispositions of the assets of the company.
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company, and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

#### Opinion

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

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

Sd/-  
Charan Gupta  
Partner  
M.No. 074450

Place: Jaipur  
Date: 28.09.2016



### BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2016

Particulars	Note	As at 31 <sup>st</sup> March, 2016 C crore	As at 31 <sup>st</sup> March, 2015 C crore
<b>I EQUITY AND LIABILITIES</b>			
(1) Shareholders' funds:			
(a) Share capital	1	20.00	20.00
(b) Reserves and surplus	2	3.34	1.04
		<u>23.34</u>	<u>21.04</u>
(2) Non-current liabilities:			
(a) Long-term borrowings	3	1,540.14	1,493.64
(b) Deferred tax liabilities (net)	24(s)	14.66	11.69
(c) Other long-term liabilities	4	292.19	241.25
(b) Long-term provisions		-	-
		<u>1,846.99</u>	<u>1,746.58</u>
(3) Current Liabilities:			
(a) Trade payables			
(i) Total Outstanding Dues of Micro Enterprises and Small Enterprises	5	-	-
(ii) Total Outstanding Dues of creditors other than Micro Enterprises and Small Enterprises		67.02	66.87
(b) Other current liabilities	6	174.25	88.84
(c) Short term Provisions	7	10.85	5.98
		<u>252.12</u>	<u>161.69</u>
<b>TOTAL</b>		<u>2,122.45</u>	<u>1,929.31</u>
<b>II ASSETS</b>			
(1) Non-current assets:			
(a) Fixed Assets			
(i) Tangible assets	8	110.85	105.81
(ii) Intangible assets		293.81	313.31
(iii) Capital work-in progress		1,276.93	455.58
(iv) Intangible assets under development	0	-	-
(b) Non-current investments	9	0.00	0.00
(c) Long-term loans and advances	10	170.36	868.65
(d) Other non-current assets	11	29.95	29.41
		<u>1,881.90</u>	<u>1,772.76</u>

Particulars	Note	As at 31 <sup>st</sup> March, 2016 C crore	As at 31 <sup>st</sup> March, 2015 C crore
(2) Current assets:			
(a) Inventories	12	30.67	9.53
(b) Trade receivables	13	132.76	119.60
(c) Cash and bank balances	14	69.52	23.86
(d) Short-term loans and advances	15	6.94	3.04
(e) Other current assets	16	0.66	0.52
		240.55	156.55
<b>TOTAL</b>		<b>2,122.45</b>	<b>1,929.31</b>
Significant Accounting Policies	23		
Notes on Financial Statements	24		

Notes referred to herein forms an integral part of Financial Statements

As per our attached report of even date

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

Sd/-  
Charan Gupta  
Partner  
Membership No 074450

Place: Jaipur  
Date: 28.09.2016

For and on behalf of Board of Directors

Sd/-  
Umesh Gupta  
Managing Director  
(DIN No. 02221714)

Sd/-  
Aparna Arora  
Chairperson  
(DIN No 02360232)

Sd/-  
Nitesh Gangwal  
Company Secretary

Sd/-  
Sanjay Soni  
Chief Financial Officer



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

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

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

Sd/-  
Charan Gupta  
Partner  
Membership No 074450

Place: Jaipur  
Date: 28.09.2016

For and on behalf of Board of Directors

Sd/-  
Umesh Gupta  
Managing Director  
(DIN No. 02221714)

Sd/-  
Aparna Arora  
Chairperson  
(DIN No 02360232)

Sd/-  
Nitesh Gangwal  
Company Secretary

Sd/-  
Sanjay Soni  
Chief Financial Officer

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

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



Note :

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

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

Sd/-  
Charan Gupta  
Partner  
Membership No 074450

Place: Jaipur  
Date: 28.09.2016

For and on behalf of Board of Directors

Sd/-  
Umesh Gupta  
Managing Director  
(DIN No. 02221714)

Sd/-  
Nitesh Gangwal  
Company Secretary

Sd/-  
Aparna Arora  
Chairperson  
(DIN No 02360232)

Sd/-  
Sanjay Soni  
Chief Financial Officer

NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE: 1 SHARE CAPITAL

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

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

Particulars	As at 31st March, 2016 C crore	As at 31st March, 2015 C crore
Shares outstanding at the beginning of the year	20,000,000	20,000,000
Add: Fresh Issue of Shares	-	-
Shares outstanding at the end of the year	20,000,000	20,000,000

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

Particulars	As at 31st March, 2016 No. of Shares	As at 31st March, 2015 No. of Shares
Rajasthan State Mines & minerals Limited (Holding Company) - a Government of Rajasthan Enterprise	10,200,000	10,200,000

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

Particulars	As at 31st March, 2016 No. of Shares	As at 31st March, 2015 No. of Shares
Rajasthan State Mines & Minerals Limited (Holding Company)	10,200,000	10,200,000
Raj WestPower Limited (Joint Venture partner)	9,800,000	9,800,000

1.4 Terms & Rights attached to equity shares

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



- b) In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to the shareholding.
- c) No shares have been reserved for issue under options and contracts/commitments for the sale of shares/ disinvestments as at balance sheet date.
- d) No securities convertible in to equity/preference shares have been issued by the Company during the year.

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

NOTE: 2 RESERVES AND SURPLUS

Particulars	As at 31st March, 2016 C crore	As at 31st March, 2015 C crore
Balance as at the beginning of the year	1.04	(0.75)
Add: Net Profit for the current year	2.30	1.79
Balance as at the end of the year	3.34	1.04

NOTE: 3 LONG TERM BORROWINGS

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

3.1 Details of Security:

Rupee Term Loan amounting to C 1181.50 crores ( Previous year C 1095.25 crores) is availed from consortium of 6 banks, lead by PNB on which partial security has been created on 24th July, 2012. For balance creation of Security, the Company is awaiting approval from Govt./Govt. undertaking.

The stipulated security for the said facility is:

- Hypothecation of movable assets.
- A first mortgage charge by way of mortgage on the immovable assets of the Project/Company as may be permitted by the Government;

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

### 3.2 Terms of Repayment of Loan:

- Outstanding amount of Rs. 1124.80 Crores as rupee term loan is repayable in balance 47 structured Installments which commenced from 31st December 2015 till 24th November 2027.
- Outstanding amount of Rs 490.94 Crores ( P.Y. Rs. 455.09 Crores) of subordinated debt is repayable after repayment of rupee term loan.

#### NOTE: 4 OTHER LONG TERM LIABILITIES

Particulars	As at 31st March, 2016 C crore	As at 31st March, 2015 C crore
Others :		
Interest on Subordinated Debt	250.99	209.11
Mine Closure Charges payable (refer Note 23(l) & 24 (l))	41.20	32.14
	<u>292.19</u>	<u>241.25</u>

#### NOTE: 5 TRADE PAYABLES

Particulars	As at 31st March, 2016 C crore	As at 31st March, 2015 C crore
Trade Payables (refer Note : 24 (v))		
(i) Total Outstanding Dues of Micro Enterprises and Small Enterprises	0.00	0.00
(ii) Total Outstanding Dues of creditors other than Micro Enterprises and Small Enterprises	67.02	66.87
	<u>67.02</u>	<u>66.87</u>

- 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.



#### NOTE: 6 OTHER CURRENT LIABILITIES

Particulars	As at 31st March, 2016 C crore	As at 31st March, 2015 C crore
Current maturities of long term loan (refer note 3)	75.60	37.80
Payables - Projects (refer note 24(v))	3.24	10.78
Other payables:		
Statutory Dues payable	66.27	25.67
Lignite Extraction charges payable	18.83	6.77
Others payable (refer note 24(v))	10.31	7.82
	<u>174.25</u>	<u>88.84</u>

#### NOTE: 7 SHORT TERM PROVISIONS

Particulars	As at 31st March, 2016 C crore	As at 31st March, 2015 C crore
Provision for Tax (Net of advance tax and TDS C 15.15 Crores (Previous year C 13.15 Crores)	10.74	5.87
Others provisions	0.11	0.11
	<u>10.85</u>	<u>5.98</u>

Note : 8 FIXED ASSETS

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

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



NOTE: 8 Contd...

CAPITAL WORK IN PROGRESS

Particulars	As at 31st March, 2016 C crore	As at 31st March, 2015 C crore
<b>CAPITAL WORK IN PROGRESS</b>		
Rights under the Implementation and Joint Venture Agreement	6.80	6.80
Plant and Machinery and Civil Works	7.49	7.23
CWIP-Surface Rights on Jalipa Land	708.26	-
	<u>722.55</u>	<u>14.03</u>
Less: Transferred to Fixed Assets (included in RO Plant)	6.62	0.47
<b>Total A</b>	<u>715.93</u>	<u>13.56</u>
<b>PRE-OPERATIVE EXPENDITURE DURING CONSTRUCTION PERIOD &amp; TRIAL RUN</b>		
Opening Balance	442.02	328.08
Manpower Cost	0.70	0.64
Mining Lease Expenses	0.01	-
Land Development Expenses	0.40	0.06
Legal and Professional Charges	0.05	0.04
Travelling Expenses	0.06	0.05
General Expenses	0.45	0.13
Office Rent	0.03	0.03
Labour Charges	0.19	0.16
Finance Charges	0.05	0.19
Interest During Construction Period	123.92	119.31
	<u>567.88</u>	<u>448.69</u>
Less: Interest Income earned (TDS: Rs.0.61 crore (Previous Year :Rs.0.67 crore))	6.05	6.67
Less: Amount Transferred to Surface Right of Kapurdi	0.26	-
Less: Amount Reverse from Pre-Operavtive Expenses	0.02	-
Less: Amount Transferred to Fixed Assets	0.55	-
<b>Total B</b>	<u>561.00</u>	<u>442.02</u>
<b>Total A+B</b>	<b>1,276.93</b>	<b>455.58</b>

NOTE: 9 NON CURRENT INVESTMENTS

Particulars	As at 31st March, 2016 C crore	As at 31st March, 2015 C 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
	<u>0.00</u>	<u>0.00</u>

NOTE: 10 LONG TERM LOANS AND ADVANCES

Particulars	As at 31st March, 2016 C crore	As at 31st March, 2015 C crore
Unsecured, considered good Capital Advances to Related Party - RSMML Non related Party	9.97 160.39	708.26 160.39
	<u>170.36</u>	<u>868.65</u>
Deposits with Government/Semi Government Authorities Deposited with DMGR Rs.40,000 ( Previous Year : Rs.30,000)	0.00	0.00
	<u>170.36</u>	<u>868.65</u>

NOTE: 11 NON CURRENT OTHER ASSETS

Particulars	As at 31st March, 2016 C crore	As at 31st March, 2015 C crore
Others : Interest accrued on NSC - Rs. 9,907 (Previous Year Rs. 7,995 ) Interest Accrued on Advances	0.00 29.95	0.00 29.41
	<u>29.95</u>	<u>29.41</u>

NOTE: 12 INVENTORIES

Particulars	As at 31st March, 2016 C crore	As at 31st March, 2015 C crore
Finished Goods (As taken, valued & certified by management as per accounting policy No. 23(i))	30.67	9.53
	<u>30.67</u>	<u>9.53</u>



NOTE: 13 TRADE RECEIVABLES

Particulars	As at 31st March, 2016 C crore	As at 31st March, 2015 C crore
Unsecured, considered good Outstanding for a period not exceeding six months from the due date	132.76	119.60
	<u>132.76</u>	<u>119.60</u>

NOTE: 14 CASH AND BANK BALANCES

Particulars	As at 31st March, 2016 C crore	As at 31st March, 2015 C crore
Cash and Cash Equivalent Balance with Banks - In Current accounts Bank Deposits with maturity less than 3 months	2.85 23.50	0.27 0.00
	<u>26.35</u>	<u>0.27</u>
Other Bank Balances Earmarked Balances with banks - Bank Deposit with maturity more than 3 months Balance with banks held in Escrow Account For Mine Closure Fund	0.10 43.07	0.08 23.51
	<u>43.17</u>	<u>23.59</u>
	<u>69.52</u>	<u>23.86</u>

NOTE: 15 SHORT TERM LOANS AND ADVANCES

Particulars	As at 31st March, 2016 C crore	As at 31st March, 2015 C crore
Unsecured, considered good (Recoverable in cash or in kind for value to be received) Deposits with Government/Semi Government Authorities Other Advances	0.60 6.34	0.73 2.31
	<u>6.94</u>	<u>3.04</u>

NOTE: 16 OTHER CURRENT ASSETS

Particulars	As at 31st March, 2016 C crore	As at 31st March, 2015 C crore
Prepaid Expenses	0.21	0.24
Interest Accrued on Deposits (TDS C 0.04 Crore; Previous Year C 0.03 Crore)	0.45	0.28
	-	-
	<u>0.66</u>	<u>0.52</u>

NOTE: 17 REVENUE FROM OPERATIONS

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

NOTE: 18 OTHER INCOME

Particulars	For the year ended 31st March, 2016 C crore	For the year ended 31st March, 2015 C crore
Interest on Fixed Deposits (TDS : C 0.30 crore (Previous Year C 0.37 Crore)	2.98	3.75
Miscellaneous Income (C 24,300, p.y. C 1,45,101)	-	0.02
	<u>2.98</u>	<u>3.77</u>



NOTE: 19 COST OF LIGNITE MINING

Particulars	For the year ended 31st March, 2016 C crore	For the year ended 31st March, 2015 C crore
Lignite Extraction Cost	668.55	716.67
	<u>668.55</u>	<u>716.67</u>

NOTE: 20 FINANCE COSTS

Particulars	For the year ended 31st March, 2016 C crore	For the year ended 31st March, 2015 C crore
Interest expenses		
- Subordinated Loan from RWPL	11.55	11.28
- Rupee Term Loan from Bank	32.15	34.77
- Others (C 88,797, P. Y. C 18,655)	0.01	-
Other Borrowing Costs	0.09	0.17
	<u>43.80</u>	<u>46.22</u>

NOTE: 21 DEPRECIATION AND AMORTISATION EXPENSES

Particulars	For the year ended 31st March, 2016 C crore	For the year ended 31st March, 2015 C crore
Depreciation on Tangible Assets	5.54	4.27
Amortisation on Intangible Assets	19.76	20.63
	<u>25.30</u>	<u>24.90</u>

NOTE: 22 OTHER EXPENSES

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



SIGNIFICANT ACCOUNTING POLICIES AND NOTES  
FORMING PART OF FINANCIAL STATEMENTS

NOTE: - 23 SIGNIFICANT ACCOUNTING POLICIES

(a) General:

- (i) The financial statements are prepared under the historical cost convention, on the accounting principles of a going concern.
- (ii) Accounting Policies not specifically referred to otherwise are consistent and in consonance with the applicable accounting standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- (iii) All expenses and incomes to the extent ascertainable with reasonable certainty are accounted for on accrual basis. All taxes, duties and cess etc paid on purchases have been charged to the Statement of Profit and Loss except such taxes, duties and cess, which are subsequently recoverable with reasonable certainty from the taxing authorities.

In case of Service tax paid /payable on Lignite extraction charges and other Services, the same has been charged to Statement of Profit and Loss after netting off the Excise duty payable on sale of Lignite. On account of the huge difference in Service tax on Lignite extraction cost and excise duty on sale of Lignite, the possibility of utilisation of balance CENVAT credit of service tax cannot be ascertained with reasonable certainty.

- (iv) The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) in India sometimes requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of revenue and expenses for that year. Actual result could differ from these estimates. Any revision to such estimate is recognised in the period in which same is determined.

- (v) All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and/or other criteria set out in the Schedule III to the Companies Act, 2013.

(b) Fixed Assets:

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

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

Expenditure incurred during construction period:

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

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

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

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

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

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

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

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

period in which they are incurred.

(d) Depreciation / Amortisation:

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

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

(e) Impairment of Assets:

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

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

(f) Employee related Benefits

The provisions of Accounting Standard 15 are not applicable on the Company as

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

(g) Revenue Recognition:

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

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

(h) Investments:

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

(i) Inventories:

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

(j) Borrowing Cost:

Borrowing Costs directly attributable to the acquisition and construction of qualifying assets are capitalized as part of cost of such asset up to the date when

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

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

(k) Taxation:

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

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

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

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

(l) Mine closure charges:

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

(m) Provisions and Contingent Liabilities:

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

- a) The Company has a present obligation as a result of a past event;

- b) A probable outflow of resources is expected to settle the obligation and

- c) The amount of the obligation can be reliably estimated

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

Contingent liability is disclosed in the case of

- a) Present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation.

- b) A possible obligation arising from past event, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future event not within the control of the enterprise.



NOTE: - 24

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016:

- (a) The Company has produced 6.68 (Previous year 7 Million Ton) Million Ton Lignite from Kapurdi Mines during the year.
- (b) The Company is engaged in the mining of lignite for exclusive supply to Raj WestPower Limited (RWPL) for power generation and the transfer Price of Lignite to RWPL is determined by Rajasthan Electricity Regulatory Commission (RERC) as per extant guidelines. As per the prevailing regulation, the post tax ROE is 15.50% up to FY 2016.
- (c) The Company has recognised revenue on sale of Lignite on the basis of Adhoc Interim transfer price order of RERC dated 25<sup>th</sup> January 2016 for FY 2015-16. Based on this order and in accordance with the views expressed by the Comptroller & Auditor General of India (CAG), the Company has booked the Lignite Extraction charges payable to Mine Developer cum Operator (MDO) in the same proportion as approved in the Adhoc interim transfer price Order. As and when the final RERC order determining the lignite transfer price is received, the impact of such finalized tariff, MDO charges payable and Truing up for relevant period will be provided in the books of accounts.
- (d) Based on adhoc interim transfer price order, the Statement of Profit and Loss of the Company reflect a Profit/(Loss) after Tax of C 2.30 (PY C 1.79 crore) crore for FY 2015-16. However, as a regulated project with post tax ROE capped at 15.50% of invested Equity, the PAT works out to about C 1.03 crore. Accordingly, the reported profit for FY 2015-16 is not comparable with the regulatory returns pending final determination of transfer price and MDO fees.
- (e) Service tax paid/payable on Lignite extraction charges and other services after netting off the excise duty payable on sale of Lignite, amounting to C 33.41 crore (Previous Year C 28 crore), has been charged to Statement of Profit and Loss. The same has been charged to Statement of Profit and Loss, on account of the huge difference in service tax on Lignite Extraction cost and excise duty on sale of lignite which is in line with the accounting policy. The same is shown as cenvat available in excise returns.
- (f) "Surface Rights on Kapurdi Land" are amortized on the basis of lignite actually extracted during the year with respect to the estimated quantity of extractable mineral reserves over the lease life. The Company has claimed income tax on this amortization while calculating the transfer price of lignite from RERC. To have a corresponding provision in the books, company has provided provision for tax on amortization in the books.
- (g) RSMML had been allotted 51% equity shares in the Company in earlier years without any consideration in cash towards Rights under Implementation and Joint Venture Agreement.
- (h) CSR Expenses  
In accordance with the provision of Section 135 of Companies Act, 2013 the Company has incurred C 0.21 crore on CSR expenses during the year 2015-16. The necessary disclosure for same is as follows:  
(a) Gross amount required to be spent by the company during the year. – C 20,58,323  
(b) Amount spent during the year on: - C 20,58,323

S.No.	Particulars	In Cash	Yet to be paid in Cash	Total
1.	Construction/acquisition of any asset	-	-	-
2.	On purposes other than (i) above	20,58,323	-	20,58,323

(i) Contingent Liabilities and Capital Commitments:

- (i) Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) C 1.18 crore (Previous Year C 3.76 crore).
- (ii) The Company had received NOC for 2,172.03 bighas of government land from District Collector (Barmer) vide letter dated 12.01.2010 to be used by company for lignite mining in Kapurdi. Subsequently, District Collector (Barmer) had raised a claim by issuing a letter dated 31.07.2012, seeking for payment of C 32.58 crore towards government land against transfer of title on the government land admeasuring 2,172.03 bighas. The Company has not accepted the offer for acquiring of Land and has conveyed to the RSMML to take up the matter with appropriate authority.
- (iii) A demand for C 2.48 crore was raised by Commercial taxes department under Rajasthan Value Added Tax Act, 2003 for the F.Y. 2010-11. The demand raised is inclusive of penalty and interest. Company has deposited C 0.97 crore under protest with department. The company filed an appeal against the said order before appellate authority and appellate authority partially accepted the appeal and set aside the penalty amount imposed of C 1.51 crores vide its order dated 28<sup>th</sup> April, 2015. The Company has filed an appeal before Rajasthan Tax Board, Ajmer against this partial acceptance order. The case is under consideration by the Tax Board.
- (iv) The Company had received the income tax assessment order for the financial year 2011-12 with the tax demand of C 13.28 crore. The Company had paid a sum of C 5 crore under protest against this demand and has filed an appeal before CIT (Appeals) against this assessment order.
- (v) During the year 2015-16, Company has received the income tax assessment order for the financial year 2012-13 with the tax demand of C 13.04 crore. The company has paid a sum of C 1.96 crore under protest against this demand and has filed an appeal before CIT (Appeals) against this assessment order.
- (vi) The company had received an order from the Commissioner of Central Excise for levy of penalty of C 0.02 crore for availment of CENVAT credit on some input services during the period from June, 2011 to Nov., 2012. The Company has not accepted this order and filed an appeal against the said order with Commissioner (Appeals), Central Excise.
- (vii) The Company have submitted an undertaking to indemnify RSMML from all possible tax and financial liabilities at all point of time for any liabilities arising out of Implementation Agreement (IA)/Joint Venture Agreement (JVA) that have already arisen or may arise in future following transfer of Kapurdi and Jalipa Mining Lease to the Company. RSMML has



received a service tax adjudication order dated 30.04.2015 from Commissioner (Central Excise), Jaipur imposing service tax demand of C 122.30 crore on compensation for mining land paid by the Company to RSMML. RSMML has filed an appeal with CESTAT, Delhi against this order. The Company has paid an advance of C 9.17 crore (7.5% of demand) to RSMML for filling of the appeal.

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

- (j) A demand for C 2.11 crore for each financial year 2011-12 and 2012-13 was raised by Sub-Registrar, Barmer towards Land Tax and the same has been provided in the books of accounts. Out of which, a sum of C 3.59 crore is pending for payment. Land tax has been abolished w.e.f. 01-04-2013 vide gazette notification dated 06<sup>th</sup> March, 2013. The issue whether land tax/levy of land tax is ultra vires, is pending consideration before the Hon'ble Supreme Court of India.
- (k) As per Ministry of Environment, Forests and Climate Change (MoEFCC) approval dated 22<sup>nd</sup> September 2014, the Company is required to make provision of CSR activities of C 5/- per MT of Lignite extracted which shall be adjusted with annual inflation. Accordingly, the Company has made provision of C 3.34 crore in its books towards CSR expenses for its Kapurdi Mining block for the year 2015-16. The cumulative unutilised balance for CSR provision is C 9.69 crore (Previous year C 7.34 crores).
- (l) An amount of C 9.06 crore has been provided in the books towards Mine closure obligation for the current year and the same is deposited in an Escrow account with the Coal Controller for Kapurdi Lignite Mines. This is in accordance with mine closure plan approved by Ministry of Coal, Government of India. The amount lying in the Escrow Account shall be claimed in accordance with the Escrow Account Agreement executed.
- (m) The Company has paid a sum of C 977.51 crore upto 31<sup>st</sup> March, 2016 (Previous Year C 977.51 crore) to Rajasthan State Mines & Minerals Limited (RSMML) towards the compensation for land acquisition of 17,323.05 bighas of Kapurdi Mining Block and 22347.85 bighas of Jalipa Mining Block in accordance with the order of Land Acquisition Officer. While, the mutation process of Kapurdi Lignite Mining land has been completed and land has been transferred in the name of RSMML, the mutation process is underway for Jalipa Lignite Mining Land. RSMML has intimated that the transfer of land from RSMML to the Company has been rejected by Government of Rajasthan, even though the opinion of Advocate General states that the transfer of land from RSMML to the company is contemplated within the provision of the Implementation Agreement and Joint Venture Agreement. JV partner has represented Government of Rajasthan for reconsideration of the issue and response is awaited. Till the issue attains finality and based on present position taken by GOR, the amount of C 269.26 crore paid towards the acquisition of Kapurdi land to RSMML was reflected as Surface Rights for Kapurdi Land and the balance advance amount of C 708.25 crores paid for compensation towards Jalipa land pending commissioning of commercial operation at Jalipa Mines is shown in CWIP.
- (n) Pursuant to order of Govt. of Rajasthan, the mining lease for Jalipa mining block has been transferred from RSMML and registered in name of the company on 25<sup>th</sup> May, 2015.
- (o) During the year, the Company has recognised C 0.07 crore (Previous year C 0.06 crore) towards Land Development Charges and C 0.69 crore (Previous year C 0.63 crore) being the amount payable to RSMML towards the proportionate amount of Salary and Wages of RSMML employees and office

expenses for the FY 2015-16. The above charge relates to Land development charges and the time spent by RSMML employees on the Company's Jalipa project and the same has been accounted under Capital Work in Progress (CWIP).

- (p) The Company has an outstanding subordinated debt of C 490.94 crore (Previous Year C 455.09 crore) as on 31<sup>st</sup> March, 2016, availed @ 10% interest rate from RWPL to fund its project related requirements. The Company has recognised interest of C 46.53 crore (Previous Year C 42.41 crore) on subordinate debt for the period from 1<sup>st</sup> April 2015 to 31<sup>st</sup> March 2016. As required by the Comptroller and Auditor General of India (CAG), the Company has obtained an opinion on levy of interest on subordinate Loan from Learned Advocate General, Jaipur, Rajasthan, who has also affirmed the provision for the same. However, the matter has been referred by CAG to the GOR and its final opinion is awaited. Till the issue is clarified/ opined by Govt. of Rajasthan, no interest payout on Subordinated Debt shall be carried out.
- (q) The Government of Rajasthan vide its order dated 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 C 6.40 crore (previous year C 6.93 crore) on the basis of the ledger balance outstanding in the books of RSMML.
- (r) Central Govt. had notified The Mines and Minerals (Development and Regulation) Amendment Act, 2015 on 26<sup>th</sup> March, 2015. The amendment inter-alia provides for contributions to District Mineral Foundation Trust (DMFT) and National Mineral Exploration Trust (NMET). NMET and DMFT are made effective from 12<sup>th</sup> January 2015 vide notification dated 14.08.2015 & notification dated 31.08.2016 respectively. Accordingly, the Company has made a provision towards DMFT and allied taxes thereon amounting to C 23.27 crore, and for NMET and allied taxes thereon amounting to C 1.55 crore during the FY 2015-16. DMFT, NMET and allied taxes thereon has been disclosed under Note no. 17 "Revenue from Operations".

(s) Provision for Taxation and Deferred tax:

- (i) Provision for taxation includes: (C in Crore)

	Current year	Previous year
Current Tax	8.80	3.96
Mat Credit Utilisation/ (Entitlement)	-	0.93
(ii) Deferred tax liability (net) primarily consists of timing differences on account of: (C in Crore)		
	Current year	Previous year
Preliminary Expenses Written Off	-	(0.01)
Difference between book balance and tax balance of fixed assets	15.91	12.95
Disallowances u/s.43B	(1.25)	(1.25)
Deferred Tax Liability	14.66	11.69



(t) Earning Per Share (Basic & Diluted:)

	Current	Previous year
Net profit/ (Loss) as attributable to equity shareholders (A) (C in crore)	2.30	1.79
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 in C (Basic and Diluted) (A/B)	1.15	0.89

- (u) In the opinion of the Management, the Current Assets, Loans and Advances have a value on realisation in the ordinary course of business, at least equal to the amount at which they are stated in the Balance Sheet. The provision for all known liabilities is adequate and not in excess of what is required.
- (v) The Company has provided the provision for liability of works carried/supplies received pertaining to Financial year 2015-16 till such invoices received by the Company upto 20.04.2016.
- (w) Based on the information available with the Company regarding the status of the supplier 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.

(C in Crore)

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

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

(C in Crore)

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

(y) The Company is primarily engaged in a single segment business of production and sale of lignite. Hence, the Company has only one reportable segment as per Accounting Standard 17 prescribed by the Companies (Accounting Standards) Rules, 2006.

(z) The Company has yet to receive balance confirmations in respect of certain payables, other payables and trade receivable. The Management does not expect any material difference affecting the current year's financial statements due to the same.

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

(i) List of Related Parties:

Companies with significant influence:

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

(ii) Related Party Transactions:

(C in Crore)

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

(iii) Closing Balance of related Parties

(C in Crore)

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

Notes:

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

(iv) Key Managerial Personnel

Mr. Umesh Gupta - Managing Director (DIN: 02221714)

Mr. Sanjay Sagar - Director (DIN: 00019489)

Mr. Pramod Menon - Director (DIN: 01443287)

- 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 and on behalf of Board of Directors

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

Sd/-  
Charan Gupta  
Partner  
Membership No 074450

Place: Jaipur  
Date: 28.09.2016

Sd/-  
Umesh Gupta  
Managing Director  
(DIN No. 02221714)

Sd/-  
Nitesh Gangwal  
Company Secretary

Sd/-  
Aparna Arora  
Chairperson  
(DIN No 02360232)

Sd/-  
Sanjay Soni  
Chief Financial Officer

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF BARMER LIGNITE MINING COMPANY LIMITED FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016.

The preparation of financial statements of Barmer Lignite Mining Company Limited for the year ended 31 March 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated 28 September 2016.

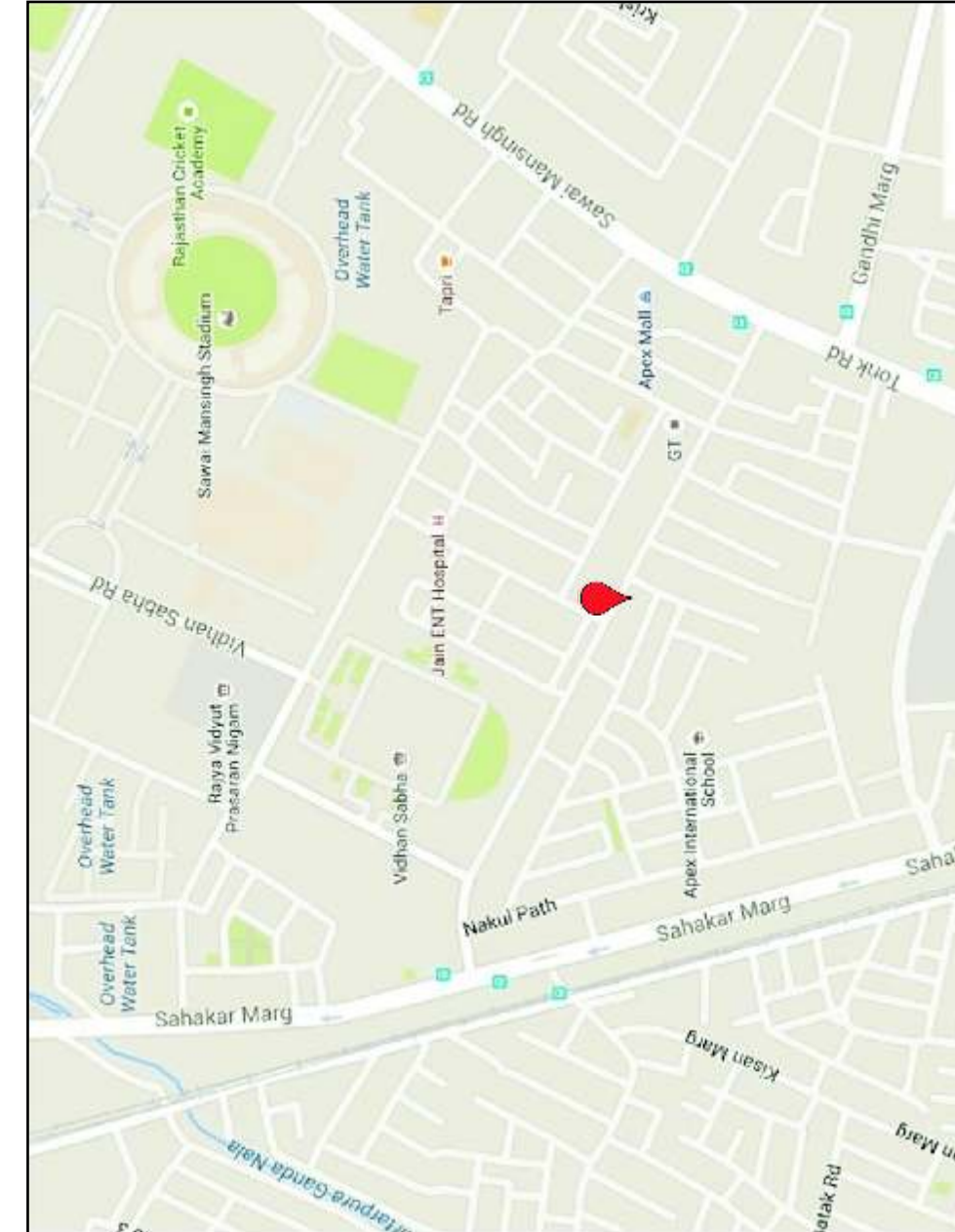
I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143 (6) (a) of the Act of the financial statements of Barmer Lignite Mining Company Limited for the year ended 31 March 2016. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

For and on the behalf of the Comptroller  
and Auditor General of India

Sd/-  
(S. Alok)  
Accountant General  
(Economic & Revenue Sector Audit)  
Rajasthan, Jaipur

Place: Jaipur  
Dated: 16.11.2016

Rajasthan State Mines & Minerals Limited



C-89-90, Lal Kothi Scheme  
Janpath, Jaipur  
Rajasthan State  
Mines & Minerals Limited

