



RAJASTHAN STATE MINES & MINERALS LIMITED

(A Government of Rajasthan Enterprise)

Board of Directors

as on 01.11.2011

Shri Sallauddin Ahmad	Chairman
Shri C. K. Mathew	Director
Shri Sunil Arora	Director
Dr. Govind Sharma	Director
Shri Naresh Pal Gangwar	Director
Shri A.C. Wadhawan	Director
Shri Ajitabh Sharma	Managing Director

Financial Advisor

Shri M.L. Tailor

Registered Office

C - 89 - 90, Janpath,
Lal Kothi Scheme, Jaipur-302015

Company Secretary

Shri P.K. Jain

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Auditors

M/s. P.C. Modi & Company

Chartered Accountants

Bankers

ICICI Bank

State Bank of India

Punjab National Bank

IDBI Bank

Corporate Office

4, Meera Marg, Udaipur- 313004

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NOTICE

NOTICE is hereby given that the 64th Annual General Meeting of the shareholders of the company will be held on Tuesday, 20th December, 2011 at 11.00 AM at the Committee Room No. 1, Secretariat, Jaipur (Rajasthan) to transact the following business :-

Ordinary Business

1. To receive, consider and adopt the Balance Sheet as on 31st March, 2011, Profit and Loss Account for the year ended on that date, the Auditors' Report thereon and the Report of the Board of Directors;
2. To appoint a Director in place of Shri Sunil Arora who retires by rotation under Article 103 of the Article of Association of the company and is eligible for reappointment;
3. To declare dividend for the financial year 2010-11;
4. To fix the remuneration of the statutory auditors.

By the Order of the Board
For Rajasthan State Mines and Minerals Limited

P.K. JAIN
Company Secretary

Place : Udaipur
Date : 16th November 2011

NOTES:

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE SHOULD BE DULY STAMPED, COMPLETED AND SIGNED AND MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

DIRECTORS' REPORT TO THE SHAREHOLDERS

Gentlemen,

Your Directors have pleasure in presenting the 64th Annual Report on the business and operations of your company together with the Audited Statement of Accounts, Auditors' Report for the year ended on 31st March, 2011.

Fiscal Year 2010-11

For the financial year ending March 2011, India logged yearly GDP growth rate of 8.5% just below the expected 8.6%, half a percentage point over the 8.0% growth achieved a year earlier. The drop in GDP was primarily on account of lower than expected performance in 'mining and quarrying', 'manufacturing', 'trade, hotels, transport, and communication' and 'financing, insurance, real estate & business services'.

The reporting year delivered record performance in terms of revenue earning and the profit as compared to previous year despite of reduction in the production of lignite. Your company could achieve higher profit due to efficient management and increase in turnover of minerals. Performance highlights during the reporting year are summarized below-

- The total revenue was Rs. 1136.46 Crores, over previous year's revenue of Rs. 956.03 Crores, registering 18.87% growth over the previous year.
- The Profit Before Tax (PBT) stood at Rs. 271.70 Crores as compared to previous year's level of Rs. 146.12 Crores which is 85.94% higher than the previous year.
- The company's Profit After Tax (PAT) is Rs. 188.54 Crores which is higher by 69.05% over the previous year's PAT of Rs. 111.53 Crores.
- Earnings per Share (EPS), which indicates return on shareholders' investment, stood at Rs. 24.31 per share as compared with previous year's earning of Rs 14.38 per share, registering growth of 69.05% over the previous year.
- The output per employee, which is one of the key indicators for human resource productivity, also stood at the level of Rs. 57.38 Lac per employee as compared to Rs. 48.99 Lac during the previous year.



Financial Outcome

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

(Rs. in lakhs)

Particulars	2010-11	2009-10
Profit after Interest but before Depreciation and Prior period Adjustments.	34492.49	20361.83
Depreciation & amortisation	(7209.11)	(5703.70)
Prior Period Adjustments	(113.86)	(46.52)
Profit Before Tax	27169.52	14611.61
Provision for Current Tax	(8000.00)	(2716.00)
Tax Adjustment of Earlier Years	103.94	856.68
Fringe Benefit Tax	-	-
Deferred Tax Provision	(419.64)	(1598.94)
Net Profit after tax	18853.82	11153.35
Add : Balance brought forward from the previous year	41.49	46.78
Balance available for Appropriation	18895.31	11200.13
Appropriations		
- General Reserve	17050.00	9350.00
- Proposed Dividend	1551.03	1551.03
- Tax on Proposed Dividend	251.61	257.61
Balance carried forward to Next Year	42.67	41.49

Growth Indicators

(Rs. in lakhs)

Particulars	2010-11	2009-10
Total Revenue	113646.27	95603.58
Cash Profit	34492.49	20361.83
Profit after tax	18853.82	11153.35
Net Worth	92453.78	75412.25
Basic and Diluted Earnings per Share (Rs.)	24.31	14.38
Output per Employee	57.38	48.99

Disinvestment

The Government of Rajasthan in its budget announcement for financial year 2010-2011 has announced disinvestment of 10% equity of the company. The Government of Rajasthan had constituted a committee for implementation of the decisions of disinvestment. Though a consultant was appointed to advise the company and GoR in disinvestment process, but looking to the depressed market scenario, the disinvestment process has been deferred for the time being.

Financial Resources

CAPITAL STRUCTURE

SHARE CAPITAL

The authorized and paid up share capital of the company during the financial year 2010-11 remain unchanged. The authorized capital of the company was Rs.80.00 Crores (Rupees Eighty Crores only) divided into 8,00,00,000 shares of Rs. 10/- each as on 31st March, 2011.

The paid up capital of the company as on 31.3.2011 stood 7,75,51,500 shares of Rs. 10/- each fully paid up, totalling Rs. 77,55,15,000 (Rupees Seventy Seven Crores Fifty Five Lac Fifteen Thousand only).

Dividend

The Board is pleased to recommend a dividend @20% of paid up share capital i.e. Rs. 2/- per share of the company for the financial year 2010-11.

Unclaimed dividend

Pursuant to Section 205A of the Companies Act, 1956, unclaimed dividend for the year 2003-2004 has been transferred to Investor Education & Protection Fund (IEPF) established by the Government pursuant to Section 205C of the Companies Act, 1956 during the financial year 2010-11.

Physical Performance

Strategic Business Unit & Profit Centre - Rock Phosphate

The total rock handling at the Jhamarkotra mines was 240.33 lac MT against the previous year's of 180.44 lac MT showing an increase of 33.19%. The contribution of departmental mining operations was 83.92 lac MT whereas contractual excavation of rock was 156.41 lac MT as against 81.23 MT and 99.21 MT respectively in the previous year.

During the financial year 2010-11, production of high-grade ore (HGO) and low grade ore (LGO) was 9.32 Lac MT and 8.59 Lac MT respectively. The corresponding figures for the previous year were 5.97 Lac MT of HGO and 7.81 Lac MT of LGO. The sale of Rock Phosphate stood at 12.57 lac MT during the financial year 2010-11 as against sale of 9.9 lac MT in the previous year. The turnover in rupees remained at Rs. 65800.71 Lac during the current financial year as against Rs. 51909.41 Lac during the previous year, registering a growth of 26.76% against the previous year.

Strategic Business Unit and Profit Centre – Gypsum

The production and sale of gypsum stood at 34.63 Lac MT and 34.04 Lac MT respectively in the year under report as against 30.05 Lac MT and 30.19 lac MT in the year 2009-10. The turnover of gypsum stood at Rs. 15784.79 Lacs as against Rs. 12093.51 Lacs registering a growth of 30.52% over the previous year. Likewise, the profit of the gypsum stood at Rs. 9618.82 Lacs as against Rs. 5894.20 Lacs in the previous year which is 63.19 % higher over the previous year. Two new mining leases namely Burasar and Larawala were obtained by the company during the year under report and these mines are likely to contribute towards production in the financial year 2011-12 and onwards.

The company has also applied for 18 new mining leases of gypsum and the same are in the process for approval.

Strategic Business Unit and Profit Centre – Limestone

Major limestone mines located at Jaisalmer and Gotan whereas fluorspar mining operations are located at Bhinmal. The steel grade limestone are produced at Jaisalmer and supplied to major steel plant in the country. Chemical and cement grade limestone are produced from the Gotan deposit.

The overall production of the limestone at both deposits has shown remarkable growth during the year under report. The production and sales of limestone at Jaisalmer stood at 25.75 Lac MT and 25.36 Lac MT for the year 2010-11, as against 20.78 Lac MT and 22.60 Lac MT respectively in the previous year registering 23.92% growth in production and 12.21% in sales over the previous year.

Production and sales of limestone from Gotan stood at 5.05 Lac MT as against 5.17 Lac MT for the financial year 2009-10 showing marginal decline of 2.32% over the previous year.

Production of limestone from departmental crushing and screening plant has also reported to 7.24 Lac MT as against 7.04 Lac MT in previous year.

The activities of Fluorspar mines, Bhinmal were recommenced during the year under report and production and sales of Fluorspar was stood at 564.90 MT.

The demand of the limestone from steel and cement manufactures have witnessed further increase in the year under report. SAIL, TISCO and Jindal Steel have increased their off take of limestone from Jaisalmer. It



is expected that market of limestone will further improve in year 2011-2012. The company has applied for nine new mining leases of limestone during the reporting year.

With the increasing demand of limestone a proposal for laying down rail line from Hameera to Sanu mines for smooth transportation of limestone to various steel plants is under consideration with the company.

Strategic Business Unit & Profit Centre-Lignite

Production and sale of lignite stood at 8.83 Lac MT which is lower than production and sales of previous year this was mainly on account of lower lifting of lignite by RVUNL and non-commencement of production at Matasukh mines, Nagaur. During the financial year 2010-11 total lifting by RVUNL was 7.08 Lac MT as compared to 7.60 Lac MT during previous year. The open market sale was 1.75 Lac MT as against 4.47 Lac MT during the previous year.

The production from Matasukh mines, Nagaur was stopped after closure of the mining contract. The fresh contract for mining at Matasukh has been awarded. The production is expected to be commenced in the year 2011-12.

The company is planning to commence production from mine blocks located at Gurah West, Bikaner and Sonari, Barmer during the current financial year. The mine plan of Gurah West has been already approved by the Ministry of Coal. The acquisition of land of Gurah West is in progress. The production from this mine is proposed to be supplied to 70 MW lignite based power plant to be set up by the bidders identified by RRVPNL. The mining plan and environment clearances of Sonari deposit have already been obtained. The mining lease has also been sanctioned. The award has been made for acquisition of the land of Sonari mines and taking possession of land is under progress.

Mine blocks namely Shiv Kurla Mahabar, Sachha Sauda in Barmer district have been allocated to the company. Obtaining necessary clearance / approvals of above blocks are in progress.

Non-Functional Units

Most of the assets of non-viable units viz. Rajasthan Fluorspar Project (RFP) at Dungarpur and Mahi Graphite Project at Banswara and Green Marble Project, Keshariyaji have already been auctioned and balance left-out assets have been transferred to Jhamarkotra Mines. Most of the mining leases of

these projects have been surrendered to the Government and the land at green marble mines has been handed over to Devasthan Department / Government.

Projects and New Ventures

Wind Power Project at Jaisalmer

Installed capacity of wind farms in Jaisalmer increased to 106.3 MW upto March 2010. The power to the tune of 1189.43 lacs units has been sold during the year 2010-2011 to distribution companies from these eco friendly projects besides contributing to reduction of Co₂ emission to the extent of 1,40,000 tonne per year. Looking to the good performance of wind farms, the company is planning to install another 10 MW Wind Farm during the financial year 2011-2012.

Carbon Credit

The company has earned 34209 CERs this year from UNFCCC towards its contribution in sustainable development and to protect global warming through green energy generation. These CERs were sold to M/s Rhoda Energy GHG, France and earned revenue of Rs. 2.82 crores. The verification work for issuance of CERs for other projects of the company is under progress and it is expected that additional CERs may be obtained in the next financial year.

Desalination Project at Kasnau-Matasukh Lignite Mines, Nagaur

M/s Nagaur Water Supply Company Pvt. Ltd (NWSCPL) set up a desalination plant on DBOOT basis, having an input raw water capacity of 20 Million liters /day with output of 13 Million liters /day of potable water. The production of potable water commenced on 22.05.2010 and this desalinated water is being supplied by RSMML to PHED for further distribution to 120 villages of Nagaur district. The desalination plant is running successfully for the last seventeen months.

Mining in Schedule Area

Company has applied for 11 nos. of M.L for manganese deposit in Kushalgarh Tehsil of Banswara district, out of which 8 nos. were approved by Govt. of Rajasthan and forwarded to the Central Government for its approval. P.L for one lease area of about 3000 hectares is also applied for Manganese. In the meantime, SAIL has shown its interest to become a joint venture partner with RSMML for manganese mining in Tribal Sub-plan (TSP) area. After few meetings with SAIL a joint venture agreement is under finalization which is expected to be executed shortly.

Potash

The company has taken initiative for exploring the possibility of mining Potash in Rajasthan. Potash deposits have been reported in Churu, Bikaner, Hanumangarh and Ganganagar Districts by GSI. The Government of Rajasthan has reserved 878 hectares area for RSMML to explore and exploit Potash mineral through Joint Venture Company. RSMML shall hold minimum 51% shareholding in the joint venture company. The process of identifying a suitable joint venture partner is underway.

Geo-chemical mapping programme

A tripartite agreement has been signed on 10.05.2010 among the 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. The work of sampling, field work and setting up chemical laboratory at Udaipur is in progress.

Deep-seated gypsum mining at Badwasi in Nagaur District

A preliminary work on the project is under progress for deep-seated gypsum mining at Badwasi in Nagaur District.

Joint Venture Projects

RBG Mineral Industries Limited

The company had earlier entered into a Memorandum of Understanding with M/s Binani Industries Ltd and M/s Gujarat Mineral Development Corporation Ltd, for setting up a multi metal project at Deri and Basantgarh. Pursuant to the above, a joint venture company namely RBG Mineral Industries Ltd (RBGMIL) was incorporated. As per the MOU and our commitments, an application for transfer of mining lease of Deri in favour of RBGMIL has already been submitted to Govt. of Rajasthan. Your company has engaged M/s IBM for valuing the assets of Deri mines. IBM has already submitted its report, which is under examination.

Di ammonium Phosphate (DAP) Project in Joint Venture with RCF

Rajasthan Rashtriya Chemicals and Fertilizers Limited (RRCFL) were incorporated with Rashtriya Chemicals and Fertilizers Limited (RCF) for setting up a facility to manufacture 850 TPD of Di-Ammonium Phosphate (DAP), at Kapasan in Chittorgarh district. RCF is having 51% shares, whereas RSMML is holding 49% of the

equity in this company. The project was conceived to meet the growing requirement of DAP in the country based on availability of raw materials like rock phosphate and sulphuric acid in the state.

As informed earlier, the investment decision to set up a DAP plant with RCFL, Mumbai was deferred due to non viability of the project on account of international pricing of DAP. The company is exploring the possibility for other project with RCFL like SSP sector or other chemical based project.

Subsidiary Companies

Barmer Lignite Mining Company Limited (BLMCL)

As reported earlier, M/s Barmer Lignite Mining Company Limited has been incorporated with the joint venture partner M/s Raj West Power Ltd (RWPL). Your company is holding 51% equity of the JV Company while balance is with RWPL. The object of the company is the development, operation and extraction of lignite from Jalipa and Kapurdi mines block for supplying it to 1080 MW power plant being set up by RWPL in Barmer under Fuel Supply Agreement. The company has acquired 22347.85 bigas of private land for Jalipa mining lease. Mine development activities at Kapurdi have been commenced. The commercial production from this mines is likely to be commenced during financial year 2011-2012.

The company has received in principle approval from Ministry of Road Transport and Highways (MORTH) for diversion of NH-15 on 24th September, 2009. The PWD (NH Division) Barmer has appointed consultant for the preparation of Pre-Feasibility Report for the project. After submission of the Pre-Feasibility Report by the consultant, detailed Project Report (DPR) will be prepared by State Public Works Department / or other agencies.

Rajasthan State Petroleum Corporation Limited (RSPCL)

As reported earlier, Rajasthan State Petroleum Corporation Limited has been formed as a wholly owned subsidiary of your company with the objective of conducting activities in the petroleum & natural gas sector. M/s Indian School of Petroleum and Energy, New Delhi was engaged for development of a business plan of the company and exploring possibilities of strategic alliance / partner for working in hydro carbon sector as a joint venture. M/s ISPE has already submitted the business plan of the



company. The Government of Rajasthan has already approved the business line of oil refining, pipe line transport, gas retailing, city gas distribution, oil exploration, oil field support services.

The Company is in process of finalization of Joint Venture agreement with GAIL & HPCL for "City Gas distribution Network in Rajasthan". For underground Coal gasification, the company has applied for allocation of a Block at Nagurda in Barmer- Sanchore Basin which has been recommended under Government dispensation route by Government of Rajasthan to ministry of coal, Government of India.

Foreign Exchange: Earnings and Outgo

The total foreign exchange earning was of Rs 315.53 Lac and outgo was Rs. 258.78 Lac towards stores and spares, travelling and other matters.

Research & Development, Technology Absorption and Conservation of Energy

The details of Research & Development, Technology Absorption and Conservation of Energy as required by Section 217(1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in the Annexure to the Directors' Report.

Corporate Social Responsibility (CSR) Report

RSM has always contributed generously towards rural development, education, health and other areas as a part of its Corporate Social Responsibility through contribution to Chief Minister Relief Fund. As a policy, your Company is committed to support the principles of Global Compact to act in a socially responsible way to contribute to national wealth and upholding its responsibility for the environment and promoting the well-being of customers, employees, shareholders and other stakeholders. Several initiatives in this direction have been taken.

Manpower

Human Resource Development & Training

Your company has continued to accord priority to Human Resource Development with emphasis on improving skill, competence and knowledge through regular training and professional development programmes. It has always been the policy of the company to provide safe working environment which promotes the business of the company and growth of its employees in an effective and long-term manner.

The manpower employed at the end of the financial year 2010-11 was 1879 as against 1866 employees last year. Besides above, during the year under report, 33 executives (probationer trainees) and 11 workmen were recruited.

Concern for Environment

The company has taken various steps and provided the fund for undertaking various environmental management measures including pollution control and waste minimisation. Your company believes in following the entire applicable environment related statutory laws and regulations. Regular water spraying at all points where dust is generated, installation of dust extraction and collection systems on drill machines, treatment of acidic water generated from beneficiation process are the measures taken for protection of environment. Periodical monitoring is done to keep the pollutants under control.

Industrial Relations

Industrial relations in all the divisions of the company continued to be cordial. The company continued its emphasis on resolving conflicts through amicable process and discussions. Industrial relations by and large in the mines and offices remained cordial during the year. Efforts were made to ensure strict compliance with the safety rules and procedures. Seminars on safety were organised to educate the worker and Safety week is also observed.

Disclosure under Section 217(2A) of the Companies Act, 1956

Pursuant to the provision of Section 217 (2A) of the Companies Act, 1956, read with the Companies' (Particulars of Employees) Rules, 1975, as amended from time to time, none of the employees of the Corporation was in receipt of remuneration of more than Rs. 60 lacs per annum or Rs.5,00,000/- per month.

Audit Committee

The Audit Committee of the company constitutes Shri Sunil Arora, Dr Govind Sharma and Shri A. C. Wadhawan.

The roles & terms of reference, the authority and the powers of the Committee are in conformity with the requirements under section 292A of the Companies Act, 1956.

Directors' Responsibility Statement

The Companies Act, 1956 requires the Board of Directors of the Company to prepare accounts for each financial year giving a true and fair view of the state of affairs of the company and the profit and loss of the company for that period. The directors to the best of their knowledge and explanation state that:

- (i) In preparing the annual accounts, the applicable accounting standards have been followed and there is no material departure from the Accounting Standards;
- (ii) The Accounting Policies adopted have been consistently applied and, wherever necessary, made judgements 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;
- (iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) The annual accounts have been prepared on a going concern basis.

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. In exercise of the same, GoR has appointed Shri Akhil Arora in place of Smt. Aparna Arora as Managing Director and further Shri Ajitabh Sharma was

appointed as Managing Director in place of Shri Akhil Arora.

The Board places on record its appreciation for the valuable contribution made by the outgoing Managing Directors in the growth of the company.

Auditors

The appointment of Statutory Auditors is made by the Comptroller and Auditor General of India, New Delhi. M/s P. C. Modi & Company, Chartered Accountants, Jaipur was appointed to audit the Annual Accounts for the financial year 2011-2012.

Your Directors request you to authorise the Board of Directors to fix the remuneration of the auditors as appointed by the Comptroller and Auditor General of India under Section 619 of the Companies Act, 1956.

Replies to remarks contained in the Auditor's Report on the Annual Accounts of the company for the financial year 2010-11 are annexed.

Acknowledgment

The Directors gratefully acknowledges and express their gratitude to State Government particularly Mines & Petroleum Department, Financial Institutions, Bankers, Contractors, Consultants and Vendors for the continued assistance, co-operation and encouragement they extended to the company. The Directors also thank Statutory Auditors for their co-operation and guidance.

Your Directors also wish to place on records their sincere thanks and appreciation for unstinting efforts put in by all the members of RSMM family towards ensuring all around operational performance and growth of the company. The company looks forward to their support and encouragement from time to time.

For and on behalf of the Board

(S. Ahmad)
Chairman

Place : Jaipur
Date 16.11.2011



ANNEXURE TO THE DIRECTORS' REPORT

Particulars pursuant to the provisions of Companies (Disclosure of particulars in the Report of Directors) Rules, 1988

A. Conservation of Energy

a) Energy Conservation Measures taken :

RSMML has already taken initiatives towards energy conservation. The company has exhibited tremendous concern for trimming its energy consumption so as to the least cost producer in the segments in which it operates.

- Installation of energy efficient High pressure Grinding Rolls in grinding circuit in Industrial Beneficiation Plant.
- After successfully testing the bio-diesel, company has installed, commissioned and operated 1 TPD Jetropha seeds based bio-diesel pilot plant and using the 10 BD bio-diesel in LCV and some of HEMM. So far RSMML has produced about 50,000 liters of bio diesel. The bio diesel project is being registered under CDM project.
- Energy audit has been carried out through Petroleum Conservation Research Association (PCRA). PCRA has submitted the report and suggested the energy conservation opportunities, which are being implemented.

b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:

- Investment proposal amounting to Rs. 30.00 lacs has been identified and being implemented for reduction of energy consumption.

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:

- 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.

- Cost saving achieved due to low cost power from wind mills, Jaisalmer.

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) PROM Technology – Standardization of PROM as fertilizer is under progress. Company has an ambitious plan to adopt the villages in and around the mines of respective SBU where PROM technology is proposed to be used as a substitute to fertilizer which in turn will save the subsidy burden by reducing the fertilizer requirement.
- b) Converting the tailing rejects of IBP, which contains magnesium, to direct application fertilizer for acidic soils. The results of trials under taken by Horticulture Research Station, Ooty are encouraging for two years. The project has been sponsored for third year.
- c) Mineral conservation by developing the use of waste 12-14% P_2O_5 tailing, into a product named Fused Ca-Mg phosphate (FCMP) by fusion process. In continuation to the green chemistry project, tailing was successfully utilized at lab scale to yield value added products like Epsom, gypsum, magnesium ammonium phosphate and other useful industrial products from the dolomite waste. An integrated solid-liquid-gas reactor (ISLGR-08) was designed and fabricated.
- d) Productivity studies of HEMM at Jhamarkotra Mines.
- e) Beneficiation of secondary rock-phosphate.
- f) Development of appetite for use as semi precious stone.

- g) Making the use of fine size limestone gitti produced at Jaisalmer.
 - h) Utilization of saline water encountered while mining of lignite in Kasnau – Matasukh mines. Desalination plant is installed and commissioned.
 - i) Linking up the PROM technology with Biogas technology using lignite residues generated while handling the lignite. The work is carried out at Maharana Pratap University of Agriculture & Technology, Udaipur.
2. Benefits derived as a result of the above R&D:
 - a) Strengthening of market share
 - b) Converting waste into useful product
 - c) Conservation of mineral.
 3. Future plan of action:
 - a) Energy efficient process
 - b) Massive plantation of Jetropha plants in company's leased area for bio-diesel production
 - c) Forms of customized products.
 4. Expenditure on R&D:

(i) Capital	Rs. NIL Lacs
(ii) Recurring	Rs. 3.46 Lac
(iii) Total R& D expenditures as percentage of total turnover	.003 %

- b) Company has developed the low cost organic fertilizer "PROM"
 - c) Two patents have been filed 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."
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. Dissemination of PROM technology will bring down the import of phosphoric fertilizers.
 3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished: Not applicable.

a) Technology imported.	Not applicable
b) Year of import	
c) Has technology been fully absorbed?	
d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action.	

C. Technology absorption, adaptation and innovation

1. Efforts, in brief, made towards technology absorption, adaptation and innovation:
 - a) Company is being operated 1 TPD bio-diesel pilot plant after successfully tested the use of bio-diesel.



ADDENDUM TO THE DIRECTORS' REPORT

(Under Section 217 of the Companies Act, 1956)

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

- (f) (i) The liability of few employees could not be provided for due to non-availability of desired details/records. It is also to mention that payment/provision would be made on the basis of outcome of legal proceedings/settlement of their claims. The company is making payment/settling the accounts of such employees once their claims are finalised/settled.
- (f) (ii) As in the opinion of the company, the development charges are not refundable, the company did not accept the demand and hence no liability on this account has been provided for. However, the company has shown the amount demanded in this account as contingent liability.
- (f) (iii) 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 Board sub-committee which were accepted by the Board of Director in its 382nd meeting held on 21st July, 2011. Accordingly in our opinion liabilities as in adequately been provided.
- (f) (iv) As explained at note no. 17 of part B (Schedule G of Balance Sheet) the Govt. of Rajasthan had increased the District Level Committee (DLC) rates of land by 15% effect from 09.03.2011. However the assessing authority has raised demand of land tax for the period from 1.4.2010 to 31.3.2011 which is not tenable. At the most demand can be raised from 09.03.2011 to 31.3.2011. Accordingly the company has provided proportionate liability of Rs. 164.19 lacs of land tax for the period 09.03.2011 to 31.03.2011.
- (f) (v) As clarified at S.No. 14 of Part B of Schedule 'G' under the heading "Notes on Accounts", the company is requesting its vendors to provide their status under the provisions of MSMED Act & on the basis of the information so received, the company is maintaining its records.

Annexure to the Auditors' Report

- i. (b) All the fixed Assets have physically verified by the management during the year. However, regarding the capital items in store of Rs. 1,12,750/- lying at Jaisalmer pertains to the E-RSMDC period and the unit is trying to trace the said item for disposal / adjustment of the same.
- ii. (a) The stock and stores as observed would be physically verified from the next financial year and onwards.
- iv The old outstanding balances of e-RSMDC period are small and are being dealt/adjusted/reconciled as per availability of details.
- xv The company for which guarantees were given has already been wound up. However, in case any liability arises on this account, the same shall be provided in the year in which demand is received.

For and on behalf of the Board

(S. Ahmad)
Chairman

Place : Jaipur
Date 16.11.2011

AUDITOR'S REPORT

To

The Members of

Rajasthan State Mines & Minerals Limited

1. We have audited the attached Balance Sheet of Rajasthan State Mines and Minerals Limited as at 31st March, 2011 and also the Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor Report) Order, 2003 issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956, we enclose in the annexure, a statement on the matters specified in the paragraph 4 & 5 of the said order.
4. Further to our comments in the annexure referred to above, we report that:-
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper books of accounts, as required by law, have been kept by the Company, so far as appears from our examination of those books;
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
 - d) In our opinion the Balance Sheet, Profit and Loss Account and Cash Flow Statement read with Significant Accounting Policies & Notes on Accounts as referred in Schedule- G compile with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - e) In accordance with the notification dated 21st October, 2003 issued by the Ministry of Finance- Department of Company Affairs the provisions of section 274(1) (g) of the Companies Act, 1956 regarding disqualification of directors are not applicable to Rajasthan State Mines and Minerals Limited being a Government Company.
 - f) We also report that:
 - (i) **The Company has not provided for incremental liability, if any, of pay and allowances of employees on the basis of recommendation of Fifth and Sixth Pay Commissions in respect of employees who had opted for the Voluntary Retirement Scheme prior to these recommendations coming into force.**
 - (ii) **The Development Charges on Gypsum and Limestone of ₹ 21.31 crores were refunded back 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 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.**



- (iii) **The Contractor M/s National Construction Company has raised a claim based on the terms of contract between the Company and M/s National Construction Company, for Excess Wastage Handling Remuneration which has not been adequately provided for by the Company in its books of accounts. The claim has been provided for at ₹ 19.25 crores in the financial year 2009-10 instead of ₹ 39.06 crores resulting into short provision 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 under the head 'Claims against company not acknowledged as debt' overstated by ₹ 19.81 crores.**
- (iv) **The Assessing Authority, Sub-Registrar, Udaipur has raised additional demand of ₹ 26.05 crores of Land Tax on Land at Rock Phosphate SBU & PC for the F.Y. 2010-11. The incremental land tax liability is provided for ₹ 1.64 crores as against the additional demand of ₹ 26.05 crores resulting into lessor provision of ₹ 24.41 crores. On account of this Net Profit has been overstated by ₹ 24.41 crores, Reserves and Surplus overstated by ₹ 24.41 crores, Current Liabilities understated by ₹ 24.41 crores and Contingent Liabilities under the head 'Claims against company not acknowledged as debt' overstated by ₹ 24.41 crores.**
- (v) **In view of inadequate information received by the Company from vendors, we are unable to report whether the Company has complied with the provisions of MSMED Act, 2006.**
- (vi) **We further report that, without considering sub para no. (i) and (v) of para (f) above where effect could not be ascertained, had the observations made by us in sub para nos. (ii), (iii) and (iv) of para (f) above, been considered Reserves & Surplus would have been ₹ 811.38 crores (as against ₹ 857.97 crores as reported by the Company), Current Liabilities would have been ₹ 1010.18 crores (as against ₹ 963.59 crores reported by the Company), Contingent liabilities, under the head 'Claims against company not acknowledged as debt', would have been ₹ 352.39 crores (as against ₹ 398.98 crores reported by the Company).**
- g) Subject to our comments in paragraph (f) above, in our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet, Profit & Loss Account and Cash Flow Statement read together with the Accounting Policies and other notes thereto, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- a) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
- b) In the case of Profit and Loss Account, of the Profit of the Company for the year ended on that date; and
- c) In the case of Cash Flow Statement, of the Cash Flow of the Company for the year ended on that date.

For P.C. Modi & Co
Chartered Accountants
FRN: 000239C

Place: Jaipur
Date: 31st October, 2011

Bharat Sonkhiya
Partner
Membership No. 403023

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 of our report of even date)

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All the fixed assets have been physically verified by the management during the year. There is a phased programme of physical verification of fixed assets by the management which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies between the book records and the physical inventory have been noticed in respect of the assets physically verified except a Capital Item in Store lying at Jaisalmer valued at Rs. 1,12,750/- of which no details were available with the Company.
- (c) Some of the fixed assets have been sold during the year, which do not amount to disposing off substantial part of the fixed assets of the Company.
- ii. (a) The management has conducted physical verification of inventory at reasonable intervals except as follows:-
 - i) Store Inventories at Lignite and Gypsum units.
 - ii) Stock of Rock Phosphate at B Block MGO (Rock Phosphate) at Jhamarkotra.
- (b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventory followed by the management were found reasonable and adequate in relation to the size of the Company and the nature of its business except few instances as mentioned above.
- (c) On the basis of our examination of records of inventory, in our opinion, the Company has maintained proper records of inventory and discrepancies noted on physical verification between the physical stocks and the books records were not material in relation to the operations of the Company and have been properly dealt with in the books of accounts.
- iii. We are informed that the Company has neither granted nor taken any loans, secured or unsecured, from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Accordingly, clauses iii (b), iii (c) and iii (d) of paragraph 4 of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods except in case of reconciliation of old outstanding balances appearing in the books of accounts of the Company relating to E-RSMDC and others. Further, on the basis of our examination and according to the information and explanations given to us, we have neither come across nor we have been informed of any instance of continuing failure to correct major weaknesses in the aforesaid internal control procedure.
- v. Based on the audit procedure applied by us and according to the information and explanations provided by the management, we are of the opinion that there are transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 and the same has complied with. Accordingly, Clause 4(v) (b) of the Order is not applicable to the Company.
- vi. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the Companies Act, 1956 and the rules framed there under.
- vii. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business. However, the system of Internal Audit needs to be strengthened in terms of timely completion and prompt remedial action.



- viii. The Central Government has not prescribed maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 for the mineral products of the Company. However, maintenance of cost records has been prescribed for generation of electricity from Wind Power and Diesel Generating Set. We have broadly reviewed the accounts and records maintained by the Company in respect of generation of electricity from Wind Power and Diesel Generating Set. We are of the opinion that prima facie the prescribed accounts and records have been maintained. We have not, however, made a detailed examination of the records with a view to determining whether they are accurate or complete.
- ix. (a) According to the information and explanations given to us and according to the books and records as produced and examined by us, the undisputed statutory dues in respect of the Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Royalty, Development Charges, Land Tax and Cess, to the extent applicable and required, have been regularly deposited by the Company during the year with the appropriate authorities except the following which are outstanding as at 31st March, 2011 for a period of more than six months from the date they became payable:

Nature of dues	Amount (Rs. In lacs)
Royalty payable to DMG including Dead Rent (Gypsum)	114.94
Royalty payable to DMG (Gypsum)	22.04
Contribution to CPF	1.16
Development Charges payable to DMG (Jaisalmer)	188.19
Royalty payable to DMG (Rock Phosphate)	1537.64
Premium Charges to DMG (Gypsum)	72.21
M. R. Cess (Gypsum)	3.01
Land Tax (Wind mills)*	138.95
Entry Tax	186.65
Total	2264.79

- * Note: i) **The amount represents provision made by the Company in respect of Land Tax vide notification dated 20th July, 2010 on land occupied by Company for Wind Farms. However, no legal notice/demand has been received in this regard.**
- ii) **The Company has not reconciled its accounts with the erstwhile RSMDC CPF trust since long. Outstanding amount, if any, in this regard, is not ascertainable due to lack of information and details.**
- (b) As at 31st March, 2011 according to the records of the Company, the following are the particulars of disputed dues on account of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Excise Duty, Royalty, Development Charges, Land Tax and Cess that have not been deposited (net of refund adjustments):

S.No.	Name of Statue	Amount (Rs. in Lacs)	Forum where dispute is pending
1.	MP Sales Tax	6.22	Commissioner of Sales Tax, Chhattisgarh
2.	Rajasthan Sales Tax	45.13	Rajasthan Tax Board, Ajmer
3.	Entry Tax	279.17	Dy. Commissioner (Appeal)
4.	Land Tax	1730.36	RTB, Ajmer
	Grand Total	2060.88	

- x. The Company has neither accumulated losses as at 31st March, 2011 nor has it incurred any cash losses during the financial year ended on that date or in the immediately preceding financial year.
- xi. During the year the Company has not taken any loans from financial institutions, banks or debenture holders. Therefore, the said clause is not applicable to the Company.
- xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. The provisions of any special statute applicable to Chit Fund and Nidhi/Mutual Benefit Fund/Securities as specified under clause (xiii) of paragraph 4 of the Order are not applicable to the Company.
- xiv. In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in securities.
- xv. The Company has given guarantees to RIICO/RFC for loans taken by Rajasthan Granite and Marble Ltd. Since the guarantee agreements have not been provided to us, we are unable to comment on the prejudice of the interest of the Company.
- xvi. During the year the Company did not obtain any term loan.
- xvii. According to the information and explanations given to us and on an overall examination of the Balance Sheet and Cash Flow Statement of the Company, we report that no funds raised on short-term basis have been used for long-term investment and no long-term funds have been used to finance short-term assets.
- xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.
- xix. The Company has not issued any debentures during the year.
- xx. The Company has not raised any money by public issue during the year.
- xxi. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For P.C. Modi & Co
Chartered Accountants
FRN: 000239C

Place: Jaipur
Date: 31st October, 2011

Bharat Sonkhiya
Partner
Membership No. 403023



BALANCE SHEET AS AT 31st MARCH, 2011

Schedule	As at 31st March, 2011		As at 31st March, 2010	
	Rs.	Rs.	Rs.	Rs.
SOURCES OF FUNDS				
SHAREHOLDERS' FUNDS				
Share Capital	77,55,15,000		77,55,15,000	
Reserves & Surplus	<u>857,96,47,948</u>	935,51,62,948	<u>687,45,30,864</u>	765,00,45,864
LOAN FUNDS				
Unsecured Loans	<u>3,26,71,500</u>	3,26,71,500	<u>4,88,66,000</u>	4,88,66,000
DEFERRED TAX LIABILITY		90,49,17,037		86,29,53,298
		<u>1029,27,51,485</u>		<u>856,18,65,162</u>
APPLICATION OF FUNDS				
FIXED ASSETS				
Gross Block (At cost)	924,86,08,857		914,65,39,298	
Less: Depreciation & Amortisation	<u>479,81,86,993</u>		<u>418,32,10,512</u>	
Net Block	445,04,21,864		496,33,28,786	
Add : Capital Work in Progress	6,03,13,327		325,54,512	
Add : Obsolete Machinery	68,11,533		78,91,289	
Add : Machinery in Stores/Site	<u>124,62,884</u>	453,00,09,608	<u>81,95,589</u>	501,19,70,176
INVESTMENTS		13,45,005		13,45,005
Current Assets, Loans & Advances				
A. Inventories	55,59,96,535		39,84,90,188	
B. Sundry Debtors	100,26,67,928		100,24,10,264	
C. Cash & Bank balances	576,73,01,882		369,83,66,563	
D. Other Current Assets	239,91,44,219		184,41,80,816	
E. Loans & Advances	<u>684,09,35,834</u>		<u>317,53,98,821</u>	
	<u>1656,60,46,398</u>		<u>1011,88,46,652</u>	
Less: Current Liabilities & Provisions				
A. Current Liabilities	963,58,50,543		603,88,27,825	
B. Provisions	<u>127,85,84,119</u>		<u>64,02,89,251</u>	
	<u>1091,44,34,662</u>		<u>667,91,17,076</u>	
NET CURRENT ASSETS		565,16,11,736		343,97,29,576
MISCELLANEOUS EXPENDITURE (To the extent not written off/Adjusted)				
Deferred Revenue Expenditure		10,97,85,136		10,88,20,405
Accounting Policies & Notes on Accounts'G'				
		<u>1029,27,51,485</u>		<u>856,18,65,162</u>

In terms of our report of even date

Dr. Govind Sharma
Director

For and on behalf of the Board
Ajitabh Sharma
Managing Director

For P.C. Modi & Co.
Chartered Accountants
FRN: 000239C

M.L. Tailor
Financial Advisor

P.K. Jain
Company Secretary

Bharat Sonkhiya
Partner
Membership No. 403023

Place: Jaipur
Date: 31st October, 2011

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011

	Schedule Rs.	2010-11 Rs.	2009-10 Rs.
INCOME			
Operational Revenue	'H'	1078,15,67,231	914,12,83,897
Increase/Decrease in Stock	'H 1'	11,45,42,138	4,74,19,614
Other Revenue	'I'	46,85,18,308	37,16,54,703
Total Income		<u>1136,46,27,677</u>	<u>956,03,58,214</u>
EXPENDITURE			
Purchase of Ore		1,62,38,151	1,26,16,356
Mining & Other Operating Expenses	'J'	737,47,63,994	704,18,59,388
Establishment & Financial Expenses	'J'	52,40,47,492	46,57,18,479
Obsolete and Other Fixed Assets written off		11,813	2,79,205
Impaired/Obsolescence loss on Machinery		3,16,192	36,78,733
Loss on sale/transfer of Obsolete and Other Fixed Assets		962	5,000
Loss on Sale of Spares		-	18,366
Total Expenditure		<u>791,53,78,604</u>	<u>752,41,75,527</u>
Profit before Depreciation, Prior Period Adjustments & Tax		344,92,49,073	203,61,82,687
Less: Depreciation & Amortization		72,09,11,165	57,03,69,714
Less: Prior Period Adjustments (Net)	'K'	113,86,320	46,51,844
Profit Before Tax		271,69,51,588	146,11,61,129
Less : Provision for Taxation			
Current Tax		80,00,00,000	27,16,00,000
Tax of earlier years		-1,03,93,819	-856,68,026
Deferred Tax		4,19,63,739	15,98,93,631
Net Profit After Tax		<u>188,53,81,668</u>	<u>111,53,35,524</u>
Add: Balance brought forward from previous year		41,49,572	46,77,718
Amount Available for Appropriation		<u>188,95,31,240</u>	<u>112,00,13,242</u>
APPROPRIATIONS :			
Proposed Dividend		15,51,03,000	15,51,03,000
Tax on Dividend		2,51,61,584	2,57,60,670
General Reserve		170,50,00,000	93,50,00,000
Balance Carried to Balance sheet		<u>42,66,656</u>	<u>41,49,572</u>
Basic and Diluted Earning Per Share (Face Value Rs10/- Each)	Rs	<u>24.31</u>	<u>14.38</u>
Weighted Average Number of Equity Shares		<u>77551500</u>	<u>77551500</u>
Accounting Policies & Notes on Accounts	'G'		

In terms of our report of even date

For P.C. Modi & Co.
Chartered Accountants
FRN: 000239C

Bharat Sonkhiya
Partner
Membership No. 403023

Place: Jaipur
Date: 31st October, 2011

Dr. Govind Sharma
Director

M.L. Tailor
Financial Advisor

For and on behalf of the Board
Ajitabh Sharma
Managing Director

P.K. Jain
Company Secretary



SCHEDULE 'A' SHARE CAPITAL

	As at 31 st March, 2011 Rs.	As at 31st March, 2010 Rs.
AUTHORISED		
8,00,00,000 Equity shares of Rs.10/- each (Previous Year 8,00,00,000 equity shares of Rs. 10/- each)	<u>80,00,00,000</u>	<u>80,00,00,000</u>
ISSUED, SUBSCRIBED AND PAID-UP		
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
Of the above		
I 19,09,371 Equity shares issued as fully paid-up for consideration other than cash.		
II 1,00,000 Equity Shares issued as fully paid-up Bonus Shares on Capitalisation of Reserves		
III 57,15,500 Equity shares issued as fully paid-up to shareholders of erstwhile RSMDC Ltd in pursuance of amalgamation with the company.		
	<u>77,55,15,000</u>	<u>77,55,15,000</u>

In terms of our report of even date

For P.C. Modi & Co.
Chartered Accountants
FRN: 000239C

Bharat Sonkhiya
Partner
Membership No. 403023

Place: Jaipur
Date: 31st October, 2011

Dr. Govind Sharma
Director

M.L. Tailor
Financial Advisor

For and on behalf of the Board

Ajitabh Sharma
Managing Director

P.K. Jain
Company Secretary

SCHEDULE 'B'
RESERVES & SURPLUS

	As at 31st March, 2011	As at 31st March, 2010	As at 31st March, 2011 Rs.	As at 31st March, 2010 Rs.
Capital Reserve	10,83,93,493	10,83,93,493	10,83,93,493	10,83,93,493
Debenture Redemption Reserve				
As per last balance sheet	-	6,19,04,600		
Less: Transferred to General Reserve	<u>-</u>	<u>6,19,04,600</u>	-	-
General Reserve				
As per last balance sheet	676,19,87,799	576,50,83,199		
Add: Transferred from Debenture Redemption Reserve		6,19,04,600		
Add: Transferred from Profit & Loss Account	<u>170,50,00,000</u>	<u>93,50,00,000</u>	846,69,87,799	676,19,87,799
Profit & Loss Account			42,66,656	41,49,572
			<u>857,96,47,948</u>	<u>687,45,30,864</u>

In terms of our report of even date

For P.C. Modi & Co.
Chartered Accountants
FRN: 000239C

Bharat Sonkhiya
Partner
Membership No. 403023

Place: Jaipur
Date: 31st October, 2011

Dr. Govind Sharma
Director

M.L. Tailor
Financial Advisor

For and on behalf of the Board
Ajitabh Sharma
Managing Director

P.K. Jain
Company Secretary



SCHEDULE 'C' LOAN FUNDS

	As at 31st March,2011 Rs.	As at 31st March,2010 Rs.
UNSECURED LOAN		
Long Term		
Deferred Payment Credit	3,26,71,500	4,88,66,000
	<u>3,26,71,500</u>	<u>4,88,66,000</u>

In terms of our report of even date

For P.C. Modi & Co.
Chartered Accountants
FRN: 000239C

Bharat Sonkhiya
Partner
Membership No. 403023

Place: Jaipur
Date: 31st October, 2011

Dr. Govind Sharma
Director

M.L. Tailor
Financial Advisor

For and on behalf of the Board
Ajitabh Sharma
Managing Director

P.K. Jain
Company Secretary

SCHEDULE 'D'
FIXED ASSETS

RAJASTHAN STATE MINES & MINERALS LIMITED

PARTICULARS	Total Cost as at 1.4.2010		GROSS BLOCK		DEPRECIATION			NET BLOCK			
	Rs.	As at 1.4.2010	Additions 2010-11	Deductions/ Adjustments Rs.	Total Cost as at 31.3.2011	Up To 31.3.2010	for the year 2010-11	Deductions/ Adjustments Rs.	Upto 31.03.2011	As at 31.03.2011	As at 31.03.2010
Mining Land	206599338	7814180	214413518	68012998	585862	57910137	10688723	203724795	138586340		
Free Hold	20362301	1899463	22261764	0			0	22261764	20362301		
Lease Hold	59979583	9925505	59979583	8229554	818720		9048274	50931309	51750029		
Buildings	324519402	247886511	334444907	175195323	9582209	4509544	184777532	149667375	149324079		
Railway Rakes- Leased to Railways		8454151	247886511	215467071			219976615	27909896	32419440		
Railway Sidings		8454151	8454151	7541628			7668560	785591	912523		
Plant & Machinery	2126857180	94760577	2175478170	1664632780	127728671	45025847	1747335604	428142566	462224400		
Power Plant	124373039		124373039	111067339	1850823		112918162	11454877	13305700		
Wind Power Plant	5311997334		5311997334	1383971706	546388364		1930360070	3381637264	3928025628		
Furniture & Fittings	29741600	4290852	33885406	18900012	2764127	147130	21517009	12368397	10841588		
Vehicles	40494703	1622000	41640232	29685583	3033934	554902	32164615	9475617	10809120		
Water Supply Plant & Pipeline	146825505	15616033	162441538	126092677	5044757		131137434	31304104	20732828		
Dam	54642501	4078107	54642501	50819644	531759		51351403	3291098	3822857		
Office & Other Equipment	59215425	10829854	62539090	42372994	4660303	608732	46424565	16114525	16842431		
Electrical Equipment & Inst.	221176337	116088749	230756725	173904806	9866254	1030305	182240755	48015970	47271531		
Road	116088749	47325639	116088749	61940835	2740279	657631	64023483	52065266	54147914		
Tailing Dam			47325639	45375562	678627		46054189	1271450	1950077		
Total	9146539298	150836571	9248608857	4183210512	720911165	105934684	4798186993	4450421864	4963328786		
Previous Year	7457109214	1830643390	9146539298	3745878195	570572140	133239823	4183210512				
								60313327	32554512		
								6811533	7891289		
								12462884	8195589		
								795,87,744	486,41,390		

1. Capital Work in progress
2. Obsolete Machinery
3. Machinery in stores/at site

Note : 1. Free hold land includes Rs. 62,16,030/- located at Bhatt ji ki Bari, Udaipur given on conditional Lease of Rs 1/- p.a. to American International Health Management Ltd. (AIHML) for 99 Years.

2. Electric installation includes Rs. 94,12,050/- (Gross) being 33 KVA power line at Nagaur which is not owned by the company.

3. Depreciation for the year includes Nil / (Prev. Year Rs. 202426/ in respect of earlier years.

In terms of our report of even date

For P.C. Modi & Co.
Chartered Accountants
FRN: 000239C

Bharat Sonkhiya
Partner
Membership No. 403023

Place: Jaipur
Date: 31st October, 2011

For and on behalf of the Board
Ajitabh Sharma
Managing Director

P.K. Jain
Company Secretary

Dr. Govind Sharma
Director

M.L. Tailor
Financial Advisor



SCHEDULE 'E' INVESTMENTS

	As at 31st March,2011	As at 31st March,2010	As at 31st March,2011 Rs.	As at 31st March,2010 Rs.
LONG TERM SHARES				
A SUBSIDIARY COMPANIES (Unquoted)				
(i) 1,02,00,000 Equity Shares in Barmer Lignite Mining Company Limited of Rs. 10/- each fully paid-up) (Previous Year 1,02,00,000 Equity Shares)			1	1
(ii) 1,00,000 Equity Shares in Rajasthan State Petroleum Corporation Limited of Rs. 10/- each fully paid-up) (Previous Year 1,00,000 Equity Shares)			10,00,000	10,00,000
B JOINT SECTOR/ASSISTED SECTOR				
a. Unquoted				
(i) 24500 Equity Shares in Rajasthan Rashtriya Chemicals & Fertilisers Limited Ltd. of Rs. 10/- Each Fully Paid up (Previous year 24500 shares)			2,45,000	2,45,000
(ii) 9,000 Equity Shares in Rajesh Mineral Inds. Ltd. of Rs. 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 Rs. 10/- Each Fully Paid-up (Previous year 10,000 shares)	<u>1,00,000</u>	<u>1,00,000</u>	<u>1,00,000</u>	<u>1,00,000</u>
(iv) 150000 Equity Shares in Tedco Granite Limited of Rs. 10/- Each Fully Paid up (Previous year 15,000 shares of Rs. 100 each)	15,00,000	15,00,000		
Less :Diminution in value	<u>14,99,999</u>	<u>14,99,999</u>	1	1

**SCHEDULE 'E' (Contd.)
INVESTMENTS**

	As at 31st March,2011 Rs.	As at 31st March,2010 Rs.	As at 31st March,2011 Rs.	As at 31st March,2010 Rs.
b.Quoted				
(a) Under buy back arrangement				
(i) 1,43,000 Equity Shares In Mewar Marbles Ltd of Rs. 10/- Each Fully paid-up. Last quoted at Rs.7/-Per Share at Mumbai Stock Exchange in 1996-97(Previous year 1,43,000 shares) Less :Diminution in value	14,30,000 <u>14,29,999</u>	14,30,000 <u>14,29,999</u>	 1	 1
(ii) 3,00,000 Equity Shares in Nihon Nirman Ltd of Rs 10/- each fully paid-up.last quoted at Rs. 2/-per share at Kolkata Stock Exchange in Aug.1997 (Previous year 3,00,000 shares) Less :Diminution in value	 <u>30,00,000</u> <u>29,99,999</u>	 <u>30,00,000</u> <u>29,99,999</u>	 1	 1
(b) Others				
1,72,500 Equity Shares In Nihon Nirman Ltd of Rs. 10/- each fully paid-up.last quoted at Rs.2/-per share at Kolkata Stock Exchange in Aug.1997 (Previous year 1,72,500 shares) Less :Diminution in value	 <u>17,25,000</u> <u>17,25,000</u>	 <u>17,25,000</u> <u>17,25,000</u>	 -	 -
	 <u>13,45,005</u>	 <u>13,45,005</u>	 -	 -

In terms of our report of even date

For P.C. Modi & Co.
Chartered Accountants
FRN: 000239C

Bharat Sonkhiya
Partner
Membership No. 403023

Place: Jaipur
Date: 31st October, 2011

Dr. Govind Sharma
Director

M.L. Tailor
Financial Advisor

For and on behalf of the Board

Ajitabh Sharma
Managing Director

P.K. Jain
Company Secretary



SCHEDULE 'F-1'
CURRENT ASSETS, LOANS & ADVANCES

	As at 31st March,2011 Rs.	As at 31st March,2010 Rs.
A INVENTORIES		
(AS VALUED AS MENTIONED IN ACCOUNTING POLICIES)		
Stores & Spare Parts (Including in transit Rs. 13.49 Lac) (Previous year Nil)	20,76,24,681	16,46,60,472
Rock Phosphate	26,00,29,565	17,43,49,846
Beneficiated Rock Phosphate	3,68,87,809	3,56,00,016
Rajphos	31,24,984	99,85,845
Gypsum	196,84,145	56,96,292
Lime Stone	279,35,557	75,70,742
Granite	2,07,922	2,15,025
Bio diesel and by products	5,01,872	4,11,950
	55,59,96,535	39,84,90,188
B SUNDRY DEBTORS (UNSECURED)		
Debts outstanding for a period exceeding six months :		
i Considered good	34,328	1,04,24,352
ii Considered doubtful	8,76,78,837	9,02,29,651
Other debts considered good	100,26,33,600	99,19,85,912
	109,03,46,765	109,26,39,915
Less: Provision for doubtful debts	8,76,78,837	9,02,29,651
	100,26,67,928	100,24,10,264
C CASH & BANK BALANCES		
Cash in hand	2,46,062	3,70,789
Remittances in Transit	1,55,00,000	5,00,00,000
Balances with Treasury in P. D. Account	223,06,14,449	269,20,73,292
Balances with Scheduled Banks		
i In Current Accounts(Including FFD) (Including Rs. 47.88 Lac (Prev Year Rs. 47.88 Lac) freezed by the Bank as per order of the Court)	321,40,76,723	75,08,05,141
ii In Fixed Deposit Receipts (Including Rs. 180.45 Lac (Prev. Yr Rs. 219.77 Lac) Pledged with Banks as Margin money)	29,14,86,132	20,12,90,420
Balances with Other Banks		
i In Current Accounts Barmer Central Cooperative Bank Limited (Maximum amount outstanding at any time during the year Rs. 15378516 /-) (Previous year Rs. 223,00,29,044/-)	153,78,516	38,26,921
	576,73,01,882	369,83,66,563

SCHEDULE 'F-1' (Contd.)
CURRENT ASSETS, LOANS & ADVANCES

	As at 31st March,2011 Rs.	As at 31st March,2010 Rs.
D. OTHER CURRENT ASSETS		
Security Deposits	8,21,58,048	5,72,61,613
Income-Tax Deposits including FBT	219,25,45,510	168,66,78,464
Interest accrued on FDRs/NSCs	2,28,70,524	1,18,09,621
Non Judicial Stamps in hand	13,385	13,26,873
Certified Emission Reduction(CER)/VER Credit Receivable	-	33,63,057
Claims Recoverable (Including Duty Drawback Receivables)		
-Considered good	10,15,56,752	8,37,41,188
-Considered doubtful	50,85,613	52,45,732
	10,66,42,365	8,89,86,920
Less Provision for doubtful claims	50,85,613	52,45,732
	10,15,56,752	8,37,41,188
	239,91,44,219	184,41,80,816
E. LOANS & ADVANCES		
Advance and other amount recoverable in cash or in kind or for value to be received (Including Rs. 16617.71 Lac towards Capital expenditure) (Prev. Year Rs. 27377.81 Lac)		
UNSECURED		
To Subsidiaries	69,64,286	23,33,840
To Others		
Considered good	672,02,43,611	305,68,23,647
Considered doubtful	57,87,299	43,70,053
	672,60,30,910	306,11,93,700
Less : Provision for Doubtful Loans & Advances	57,87,299	43,70,053
	672,02,43,611	305,68,23,647
To Employees		
Considered good	9,90,79,141	10,73,31,504
Considered doubtful	1,83,711	17,23,458
	9,92,62,852	10,90,54,962
Less : Provision for Doubtful Loans & Advances	1,83,711	17,23,458
	9,90,79,141	10,73,31,504
Prepaid Expenses	146,48,796	89,09,830
	684,09,35,834	317,53,98,821
	1656,60,46,398	1011,88,46,652

In terms of our report of even date

For P.C. Modi & Co.
Chartered Accountants
FRN: 000239C

Bharat Sonkhiya
Partner
Membership No. 403023

Place: Jaipur
Date: 31st October, 2011

Dr. Govind Sharma
Director

M.L. Tailor
Financial Advisor

For and on behalf of the Board
Ajitabh Sharma
Managing Director

P.K. Jain
Company Secretary



SCHEDULE 'F-2'
CURRENT LIABILITIES & PROVISIONS

	As at 31st March, 2011 Rs.	As at 31st March, 2010 Rs.
A CURRENT LIABILITIES		
Sundry Creditors		
i Outstanding dues of Micro and Small Enterprises	39,97,643	10,57,239
ii Outstanding dues of creditors other than Micro enterprises and Small Enterprises.	127,61,98,805	255,47,56,940
Subsidiary Companies	735,97,11,915	267,49,11,373
Other Current Liabilities (Including Book overdraft of Rs.Nil) (Prev. Year Rs 1690.36 Lac)	21,21,14,089	35,85,06,661
Security Deposits	7,69,24,034	7,76,56,915
Advance from Customers & Others	70,68,66,215	37,19,01,529
Investor Education and Protection Fund-Unclaimed Dividend	37,842	37,168
	963,58,50,543	603,88,27,825
B PROVISIONS		
Proposed Dividend	15,51,03,000	15,51,03,000
Tax on dividend	2,51,61,584	2,57,60,670
Leave Encashment	20,95,64,378	16,84,61,067
Gratuity	8,87,55,157	1,93,64,514
Taxation	80,00,00,000	27,16,00,000
	127,85,84,119	64,02,89,251
	1091,44,34,662	667,91,17,076

In terms of our report of even date

For P.C. Modi & Co.
Chartered Accountants
FRN: 000239C

Bharat Sonkhiya
Partner
Membership No. 403023

Place: Jaipur
Date: 31st October, 2011

Dr. Govind Sharma
Director

M.L. Tailor
Financial Advisor

For and on behalf of the Board
Ajitabh Sharma
Managing Director

P.K. Jain
Company Secretary

SCHEDULE 'G'

ACCOUNTING POLICIES & NOTES ON ACCOUNTS

A. ACCOUNTING POLICIES

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 and materially comply with the mandatory accounting standards issued by the Institute of Chartered Accountants of India.

2. Valuation of Inventories, Stores & Spares:

(a) Inventory:

The valuation of inventories is carried out on the principle of net realizable value or cost of production whichever is less.

(b) Stores & Spares:

Stores and Spares are valued at their weighted average cost.

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

4. (i) Obsolete spares, stores are taken at Nil value.

(ii) 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”.

5. Fixed Assets & Depreciation

5.1 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 commercial use of assets.

5.2 Depreciation has been provided on written down value method at the rates prescribed in Schedule XIV of the Companies Act, 1956.

5.3 Depreciation on High Grade Ore crushers at Jhamarkotra Mines has been provided for treating as a part of surface mining machinery.

5.4 Cost of leasehold land is amortized over the period of lease.

5.5 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.

5.6 Depreciation on Tailing Dam has been provided for on written down value method considering the useful life of seven Years based on technical estimation.

5.7 Assets costing up to Rs. 5,000/- each are fully depreciated in the year of purchase.

5.8 Depreciation on assets not owned by the company is amortized over a period of five years from the year of completion.

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



7. Retirement Benefits

- 7.1 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 Profit & Loss Account.
- 7.2 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.
- 7.3 Liability of leave encashment is accounted for on the basis of actuarial valuation.
- 7.4 Actuarial gains and losses are charged to profit and loss account.
- 7.5 Payments made under the Voluntary Retirement Scheme are charged to the Profit & Loss account as and when incurred.

8. Assets and Liabilities in foreign currency are translated at the rates prevailing at the close of the year.

9. Investments

- 9.1 Long term investments are valued at cost less provisions, if any, for diminutions, other than temporary, in the value of such investments.
- 9.2 Equity shares of Joint Sector/Assisted Sector are valued at token value of Re. 1/- except shares in Mayur Inorganics Ltd. and Rajasthan Rashtriya Chemicals & Fertilizers Limited, which have been valued at lower of cost and realizable value.
- 9.3 Equity shares of subsidiary company namely Barmer Lignite Mining Company Ltd. Jaipur have been valued on Re.1/- based on the opinion obtained from the Institute of Chartered Accountants of India, New Delhi.

10. Revenue Recognition

- 10.1 Revenue from the sale of goods and services rendered is recognized upon passage of title and rendering of services to the customers.
- 10.2 Income from emission reduction certificates (Voluntary Emission Reduction (VER) and/or Carbon Emission Reduction (CERs)) is recognized at the estimated realisable value on their confirmation by the concerned authorities.
- 10.3 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.

11. Taxation

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 there is reasonable certainty that sufficient future taxable income will be available.

12. Forest Plantation & Environment

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

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 Profit & Loss a/c in the same year.

14. 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 "Current Liabilities and Provisions" for future expenses.

15. 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 debtors. 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.

16. 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.

17. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized only when there is a present obligation as a result of past 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.



B. NOTES ON ACCOUNTS:

1. Contingent Liabilities not provided for in respect of:

(Rs. in Lacs)

S.No.	Particulars	As at 31st March, 2011	As at 31st March, 2010
i.	Claims against company not acknowledged as debt.	39898.68	35586.08
ii.	Estimated amount of contracts remaining to be executed on Capital Account Advance paid (Rs.16618.01 Lac) Previous year (Rs. 533.16 Lac)	24864.24	1665.10
iii.	Disputed Income tax liability pending:		
	a. Company in appeals Payment made (Rs. 106.85 Lac) (Previous year Rs. 2511.79 Lac)	106.85	2511.79
	b. IT Department in appeals (As per information available with company)	8453.42	5586.06
iv.	Guarantee given by bankers on behalf of the company for which counter guarantee provided by the company	180.45	200.14
v.	Claims of workmen pending adjudication and of those who have taken Voluntary Retirement amount unascertainable.		
vi.	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 VRS for Vth & VIth pay commission etc. is unascertainable		
vii.	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.		
viii.	Amount relating to environmental liabilities are unascertainable.		
ix.	Liabilities on account of Rider Agreements with contractors in which amounts are unascertainable.		
x.	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.		

- 2.a) The cost of land includes Rs. 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 Rs. 16,45,40,940/- so far.
- 2b) The cost of land includes Rs. 1,52,70,872/- (Previous year Rs. 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 Rs. 5419044 /-(Previous year Rs. 5419044 /-) . 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.

3. As royalty is chargeable / payable on the mineral taken out from mining areas, the company is not providing for any liabilities towards royalty chargeable / payable on the minerals lying in the mining areas.
4. As per Accounting Standard 15 "Employees Benefits", the disclosures of Employee benefits as defined in the Accounting Standard are given below:

Defined Contribution Plan

Contribution to Defined Contribution Plan, recognized as an expense for the year are as under:

	(Rs. In Lac)	
	2010-11	2009-10
Employer's Contribution to Provident Fund	837.05	908.06

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 any other reasons. During the year there was a deficiency to the tune of Rs.260.25 lacs which has been booked under the head of Welfare.

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.

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

	(Rs. In Lac)			
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
Particulars	2010-11	2010-11	2009-10	2009-10
Present value of obligations at beginning of the year	6187.76	1684.61	5384.66	1223.17
Current Service Cost	196.29	49.98	192.99	230.91
Interest Cost	495.02	134.77	430.77	97.85
Actuarial gain/loss	979.86	285.79	213.31	144.16
Benefits paid	-247.38	-59.51	-33.97	-11.48
Present value of obligations at end of the year	7611.55	2095.64	6187.76	1684.61



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

(Rs. In Lac)

Particulars	Gratuity (Funded) 2010-11	Gratuity (Funded) 2009-10
Fair value of plan assets at beginning of the year	5994.12	4035.17
Expected return on plan assets	587.33	445.39
Employer Contribution	389.93	1547.53
Benefits paid	-247.38	-33.97
Fair value of plan assets at year end	6724.00	5994.12
Actual return on plan assets	587.33	445.39

III. Reconciliation of fair value of assets and obligation:

(Rs. In Lac)

Particulars	Gratuity (Funded) As at 31st March 2010	Gratuity (Funded) As at 31st March 2009
Fair value of plan assets	6724.00	5994.12
Present value of obligation	7611.55	6187.76
Liability recognized in Balance sheet	887.55	193.64

IV. Expense recognized during the year

(Rs. In Lac)

Particulars	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
	2010-11	2010-11	2009-10	2009-10
Current Service Cost	196.29	49.98	193.00	230.91
Interest Cost	495.02	134.77	430.77	97.85
Expected return on plan assets	-587.33	-	-445.39	-
Actuarial (gain)/loss	979.86	285.79	213.31	144.16
Net Cost	1083.84	470.54	391.69	472.92

V. Actuarial assumption:

Particulars	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
	2010-11	2010-11	2009-10	2009-10
Mortality Table (LIC)				
Discount rate (Per annum)	8%	8%	8%	8%
Expected rate of return on plan assets (per annum)	7.5%	NA	7%	NA
Rate of escalation in salary (per annum)	7.5%	7.5%	7%	7%

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.

5. 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 Memorandum of Understanding 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 eRSMDC 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 RSMML is not yet firmed up and agreed by Joint Venture 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.

6. The company has formed a joint venture company with Raj West Power Limited, Jaipur (RWPL) namely 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 terms of 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 Rs. 1020.00 Lac till 31.03.2011 (Previous year Rs. 1020.00 Lac). These shares are shown as investment at a token value of Rs. 1/- in view of the opinion obtained from the Institute of the Chartered Accountants of India.
7. (a) 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 Rs. 26869.25 Lac 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 Rs. 26825.77 Lac has been paid to Land acquisition Officer for acquisition of land and Rs 43.48 Lac has been refunded back to JV Company. Though the possession of the land has been taken but the mutation of the land in favour of company is yet to be completed. After the mutation, the land shall be transferred in favour of BLMCL. As the company has acquired the land to be transferred in favour of the company and not to be used by RSMML, the same is not being shown as the fixed assets of RSMML.
- (b) 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 Rs. 46825.55 Lac 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 Land have been initiated and the amount of Rs. 19597.84 Lac has been paid to Land acquisition Officer for acquisition of land upto 31.03.2011. After the mutation of the land, the same shall be transferred in favour of BLMCL. As the company has acquired the land to be transferred in favour of the company and not to be used by RSMML, the same is not being shown as the fixed assets of RSMML.
- (c) In compliance of the award of the Government, an amount of Rs. 16193.99 Lacs has been paid to Land acquisition Officer for acquisition of land at Sonari. The land acquisition and mutation is in progress. Hence the same is not being shown fixed assets of the company.
8. From the year 2008-09, RSMML has been using 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 has not been valued and is being valued at zero as per the prevailing system of valuation of Rock phosphate.

9. Land tax has been provided for on the basis of demand notices received from various assessing authorities except as mentioned at note no 17. However, where the demand notices are not received, the liabilities are being provided as per the company's own assessment. The company has 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 .The accounting adjustment will be made on final outcome of such cases.
10. 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) from Swiss Registry , Switzerland for its wind mill projects, which are also tradable in the international market.
11. 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 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. Looking to the present market conditions, decision for commissioning of Plant has been deferred and hence the provisions of Accounting Standard -27"Financial Reporting of Interest in Joint Venture" Issued by the Institute of Chartered Accountants of India is not applicable to the company at present.
12. A court case had been filed by M/S Ace India Transport Pvt. Limited and in compliance of directives given by the competent courts, Bank had frozen a sum of Rs. 47.88 Lac . The frozen amount of Rs 47.88 Lac is lying in bank account of the company under the lien as per the order of the competent court.
13. 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". The company has received the requisite information only from few of its vendors based on above the requisite information is as under-

Particulars	Amount 2010-11	Amount 2009-10
Delayed payments due - Principal	Rs 35,61,789/-	Rs 1,40,78,534/-
Interest due	Rs 2,65,096	Rs 2,75,361/-
Total interest paid on all delayed payments during the year under the provisions of the Act -	Nil	Nil
Interest due on principal amounts paid beyond the due date during the year but without the interest amounts under this Act -	Rs 2,65,096/-	Rs 2,75,361/-
Interest accrued but not due	Nil	Nil
Total Interest Due but not paid	Rs 2,65,096/-	Rs 2,75,361/-

14. Revenue expenditure on Research & Development is charged to Profit & Loss A/c in the year in which it is incurred. There is no capital expenditure on Research & Development.
15. In compliance of Gazette notification dated 10th April 2003, Royalty on Rock Phosphate & Gypsum was being paid to DMG at rate declared by the Indian Bureau of Mines (IBM) on the month wise Bench mark price of these minerals. Since IBM is declaring the Bench mark prices after a gap of 6-7 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 letters. 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.

16. The Government of Rajasthan vide its notification dated 23rd January 2009, had enhanced the rate of M. R. Cess on Rock phosphate from Rs.35/- PMT to Rs. 500/-PMT w. e. f. 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 bench and Jaipur bench of Hon'ble High Court, Rajasthan. The cases are yet to be decided. As matter is sub-judice, 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. The amount in dispute is of Rs 4626.90 Lacs.
17. The Government of Rajasthan vide its notification dated 9th March 2011, had increased the District Level Committee(DLC) rates of land by 15% with effect from date of issue of order. Dy. Registrar (Udaipur) vide letter dated 23.03.2011 has raised additional demand note of Rs 2605.56 Lacs on the mining lease of Rock Phosphate. As per notification the revised DLC rate is applicable with effect from 09.03.2011 hence the company has provided proportionate liability of land tax from 09.03.2011 to 31.03.2011 amounting to Rs 164.19 lacs.
18. As per the System prevailed in the company, the Demand Drafts/Pay Orders towards Earnest Money were being kept till the award of the work/purchase order, were returned back in original. The company was having Demand Drafts/Pay Orders amounting to Rs. 2,78,11,073/-(Previous year Rs.107,48,240/-) in hand as on 31/03/2011.
19. The Mining operations at Matasukh Lignite mines of the company were suspended from January 08, due to collapse of few benches in the mining area because the mining pit was filled with the huge quantity of water. The rehabilitation & mining work in the mining area continued during the year. However, the mining work has been discontinued after 16.01.2010 as the contractual period of mining contractor has expired. The mining activities have already been recommenced in the financial year 2011-12.
20. (i) 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.
(ii) 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.
(iii) No provision for assets, stores and spares taken over from the Directorate of Mines & Geology, Rajasthan at Deri Mines in 1979-80 has been made as the value of the items in question was not intimated by DMG and accordingly no depreciation and consumption of stores, spares and tools have been charged/adjusted on such items during relevant years although put to use. The materials sold out of such stock of DMG have been credited to DMG account.
21. Advance to employees includes Rs. Nil (previous year Rs. Nil) with maximum balance of Rs. 0.16 Lac (Previous year Rs. 0.43 Lac) of directors.
22. The company's revenue in lieu of minimum guaranteed service charges in respect of marble mines at Kankroli unit up to the year 1987-88 has been considered to be waived by the Board of Directors, subject to approval of state government in earlier year. Income on account of minimum guaranteed service charges for the year 1988-89 amounting to Rs. 9.06 Lac as per recommendation of Nathani Committee shall be accounted for in the year of recovery. The recovery had been delayed as the mines have been taken over by the government and company does not have direct control on the recovery from these parties. The whole issue including recovery of service charges is pending for decision with Govt. of Rajasthan.
23. M/s A. P. Nirman Ltd. a raising contractor at Gotan Unit had given a bank guarantee of Rs. 10.00 Lac favoring



the company in lieu of security deposit. The said contractor fraudulently got the said bank guarantee released submitting a fake letter purporting it to be of the company. Company has lodged an FIR against the contractor and recognition of revenue in terms of penalty shall be made in the year of actual receipt.

24. R S M M L 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. (AVNVL) while balance is being sold to AVNVL. From February 2005, AVNVL had stopped the adjustment of wind power in captive use without assigning any reason thereof. After long persuasion at various levels, AVNVL 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 Rs.115.08 lacs . RSMML had objected the methodology of AVNVL 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 AVNVL has filed a writ in Hon'ble High Court of Rajasthan against the order and the amount has not been refunded by AVNVL as the matter is subjudice. The company has also filed an appeal against AVNVL with RERC for noncompliance of order of RERC. The appeal is yet to be disposed off.
25. The company has submitted a solvency security 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 Rs.7,60,57,373/- imposed on the company .
26. Claims recoverable includes an amount of Rs 1002.02 Lac 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 moved the case to courts and decision of which is pending.
27. The selling prices of Rock phosphate and Cement grade Limestone are inclusive of Environment and Health Cess on mineral rights imposed by the State Government while the cess is being recovered separately in case of Gypsum. The amount of cess whether included in selling prices or recovered separately is being treated a part of turnover of company. During the year sum of Rs.169.85 Lac are recovered on Gypsum from the customers on account of Environment and Health Cess. Simultaneously expenditure include Rs. 6005.50 Lac is the amount payable on account of Environment and Health Cess.
28. Hereto the company was amortizing the cost of freehold mining land on the basis of future benefit likely to be accrued i.e. the cost of free hold mining land amortised equally over the period of mining lease of 20 years. However from the current year onwards it has been decided to change the method of amortization on the freehold mining land based on minerals actually extracted during the year which is in accordance with the expert opinion from Institute of Chartered Accountants of India, New Delhi. Consequent upon the change in accounting policy an amount of Rs 579.10 Lac being amortization amount excess charged has been written back and shown separately in other revenue. Consequent upon the change profit of the company has been increased by Rs 664.52 Lac including the effect for the year 2010-11.

29. Related party disclosures

- (i) Shri Sanjay Malhotra from 01.04.2010 to 30.04.2010, Shri Akhil Arora from 03.05.2010 to 10.09.2010 and Smt. Aparna Arora from 10.09.2010 to 31.03.2011 Managing Director being key managerial personnel with whom transactions have taken place during the year. Details of transactions are disclosed under Note No. 34.6 of Schedule 'G' forming part of the Balance Sheet and Profit & Loss Account.
- (ii) Parties where control exists
Barmer Lignite Mining Company Limited (BLMCL) -Subsidiary Company
Rajasthan State Petroleum Corporation Limited(RSPCL)-Subsidiary Company
Rajasthan Rashtriya Chemicals & Fertilizers Limited(RRCFL)- Associate Company
- (iii) Transactions with Related parties

RAJASTHAN STATE MINES & MINERALS LIMITED
a. Barmer Lignite Mining Company Limited :

(Amt. in Rs.)

Nature of Transactions	BLMCL	
	2010-11	2009-10
Transactions during the year		
Expenses incurred	54,19,607/-	7,40,627/-
Received towards acquisition of land (net)	4,68,94,79,522/-	2,22,56,52,000/-
Received towards reimbursed of expenditure	740,627/-	7,13,729/-

b. Rajasthan State Petroleum Corporation Limited :

(Amt. in Rs.)

Nature of Transactions	RSPCL	
	2010-11	2009-10
Transactions during the year		
Expenses incurred	46,30,446/-	16,96,540/-

c. Rajasthan Rashtriya Chemicals & Fertilizers Limited :

(Amt. in Rs.)

Nature of Transactions	RRCFL	
	2010-11	2009-10
Transactions during the year		
Contribution	10,00,000/-	4,38,913/-

30. The major components of deferred tax assets and liabilities as on 31.03.2011 are as follows:

(Amt. in Rs.)

Components	As on 31/03/2011		As on 31/03/2010	
	Deferred Tax Assets	Deferred Tax Liabilities	Deferred Tax Assets	Deferred Tax Liabilities
Difference between book Value of Depreciable Assets as per books of accounts and written down value for tax purposes		1024844117		963775535
Provision for doubtful debts, claims & advances	32034720		33738647	
Provision for Leave Encashment	67993162		55958555	
Provision for Bonus	314617		234252	
Deferred Revenue Expenditure	2356019		4267319	
Others	17228562		6623464	
Total	119927080	1024844117	100822237	963775535
Net Deferred Tax Liability		904917037		862953298



31 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.

32. Miscellaneous:

- i. Balance of sundry creditors, debtors and loans and advances are taken subject to confirmation/reconciliation and resultant adjustment(s) thereof.
- ii. Previous year figures have been regrouped / rearranged / reclassified, wherever considered necessary to conform to the current year's classification.

33. Schedule 'A' to 'L' is annexed to and form part of Accounts as on 31st March 2011.

34. Other information pursuant to requirement of part II to Schedule VI of the Companies Act, 1956:

34.1. (i). Rock Phosphate, Beneficiated Rock Phosphate and Rajphos.

(In MT)

Particulars	Rock Phosphate		Beneficiated Rock Phosphate		Rajphos	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Opening Stock	328913	345286	12858	8429	8661	5557
Production	1791792	1378656	309413	324523	68955	82707
Less: Moisture Qty.			-63600	-73370		
Purchase	29424	33804				
Transfer	35167	51984	-35167	-51984		
Retrieval	27			4427		
Sales	944872	684558	237316	227960	74923	79600
Less: Moisture			-29714	-30206		
Own consumption for	664136	776519				
Ben. Rock Phosphate Rajphos						
Stock as per Books	576315	348653	15902	14271	2693	8664
Shortages	18218	19740	2339	1413		3
Closing Stock	558097	328913	13563	12858	2693	8661

(ii) Gypsum & Selenite:

(In MT)

Particulars	Gypsum		Selenite	
	2010-11	2009-10	2010-11	2009-10
Opening Stock	19262	34240	-	-
Purchases	1725	116	-	-
Production	3455970	2990506	6736	14598
Sales	3396980	3004937	6736	14598
Stock as per Books	79977	19925	-	-
Shortages/Retrieval	3324	663	-	-
Closing Stock	76653	19262	-	-

(iii) Lime Stone:

(In MT)

Particulars	Lime Stone	Sub Grade Lime Stone	Lime Stone	Sub Grade Lime Stone
	2010-11	2010-11	2009-10	2009-10
Opening Stock	3647	86728	171250	122525
Production	2660153	420100	2320786	274344
Sales	2631303	409678	2482855	294065
Stock as per Books	32497	97150	9181	102804
Shortages(Excess)	(24730)	48593	5534	16076
Closing Stock	57227	48557	3647	86728

(iv) Lignite:

(In MT)

Particulars	2010-11	2009-10
Opening Stock	-	-
Production	882537	1206808
Sales	882537	1206808
Stock as per Books	-	-
Shortages	-	-
Closing Stock	-	-

(v) Granite:

(In MT)

Particulars	2010-11			2009-10		
	Dressed Block in (CU. M)	Cobbles In Nos.	Khandas in Nos.	Dressed Block in (CU. M.)	Cobbles In Nos.	Khandas In Nos.
Opening Stock	-	369941	-	908	369941	50,268
Production	-	-	-	-	-	-
Sales	-	-	-	-	-	-
Stock as per Books	-	369941	-	-	369941	-
Written off	-	-	-	908	-	50268
Closing Stock	-	369941	-	-	369941	-

(vi) Fluorspar :

(In MT)

Particulars	2010-11	2009-10
Opening Stock	-	-
Production	565	64
Sales	565	64
Stock as per Books	-	-
Shortages	-	-
Closing Stock	-	-



(vii) Multimetal:

(In MT)

Particulars	2010-11	2009-10
Opening Stock	340	340
Production	-	-
Sales	-	-
Stock as per Books	340	340
Shortages	-	-
Closing Stock	340	340

(viii) Bentonite:

(In MT)

Particulars	2010-11	2009-10
Opening Stock	1008	1008
Production	-	-
Sales	-	-
Stock as per Books	1008	1008
Shortages	-	-
Closing Stock	1008	1008

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

(In Units)

Particulars	2010-11	2009-10
Generation	132630353	115251423
Sales	118942713	97875242
Own Consumption	12689344	15693997
Wheeling units	998296	1682184

(x) Power: (3.8 MW DG Set)

(In Units)

Particulars	2010-11	2009-10
Generation	546780	1160460
Own Consumption	456958	1036440
Auxiliary Consumption	89822	124020

Note: The plant is operated for 28 days only during the year 2010-11 (previous year 57 days), as and when required.

RAJASTHAN STATE MINES & MINERALS LIMITED

34.2 (i) Installed/Rated and Designed capacity of various Plants of SBU-PC Rock Phosphate (as intimated by the manufacturers) and production during the year are as under:

S. No.	Name of the Plant	Installed/Rated Capacity	Designed Capacity	Production (In Lac MT)	
				2010-11	2009-10
(a)	Crushing Plant (Old)	150 MT/Hr	N. A.	3.99	2.91
(b)	Crushing Plant (New)	132 MT/Hr	160 MT/Hrs	5.16	3.86
(c)	Main Process Plant	9.00 Lac MT p.a. (Through Put)	10.00 Lac MT p.a.	5.95 (Through Put) 2.46 (Output)	6.94 (Through Put) 2.51 (Output)

(ii) Installed/Rated capacity of crushing & screening plant of SBU-PC Limestone (as intimated by the manufacturer) and production during the year is as under:

Name of the Plant	Installed capacity (MT per hour)	2010-11 (In Lac MT)	2009-10 (In Lac MT)
Crushing & Screening Plant			
(a) R. O. M.	350	16.31	15.32
(b) Finished Product	140	7.24	7.04

(iii) Installed/Rated and Designed Capacity of various Power Plants :-
(As intimated by the Manufacturer) and Production during the year is as under:

S. No.	Name of the Plant	Installed/Rated Designed Capacity	Production (In Units)	
			2010-11	2009-10
1.	3.8 MW DG Set	3800 K W.	546780	1160460
2.	106.3 MW Wind Power Plants	106300 K W	132630353	115251423

(iv) Licensed /Installed Capacity of Gypsum grinding unit at Rawala:-

	Licensed Capacity		Installed Capacity		Production	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Gypsum	70 MT per Hour	70 MT per Hour	70 MT per Hour	70 MT per Hour	17602 MT	70128 MT

34.3 Analysis of Stores and Spares consumed is as under:-

	2010-11		2009-10	
	Rs. In Lac	Percentage	Rs. In Lac	Percentage
Imported	250.82	2.73	31.59	0.50
Indigenous	8938.07	97.27	6268.30	99.50



34.4 Imported raw material consumed during the year Nil.

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

(Rs. in Lacs)

Particulars	2010-11	2009-10
Earnings	315.53	51.64
Expenditure	-	-
Spares	250.82	31.59
Other Matters	7.96	8.18

34.6 Details of remuneration of the Chairman and Managing Director are as under:-

(Rs. in Lacs)

Particulars	2010-11	2009-10
Salary (including pension contribution & perquisite on accommodation provided)	5.13	16.14
Telephone/Car*	-	-
Total	5.13	16.14
Amount adjusted in respect of accounts	-	-
Rent (Net)	NIL	NIL

* Value of Telephone/Car used not ascertainable

35. Annexure 1 and 2 pursuant to AS 3 (Cash Flow Statement), & AS 17 (Segment Reporting) respectively issued by The Institute of Chartered Accountants of India and Annexure 3 as per requirement of part IV to Schedule VI of the Companies Act, 1956 are forming part of the Annual Accounts for the year 2010-11.

In terms of our report of even date

For P.C. Modi & Co.
Chartered Accountants
FRN: 000239C

Bharat Sonkhiya
Partner
Membership No. 403023

Place: Jaipur
Date: 31st October, 2011

Dr. Govind Sharma
Director

M.L. Tailor
Financial Advisor

For and on behalf of the Board
Ajitabh Sharma
Managing Director

P.K. Jain
Company Secretary

SCHEDULE 'H'
OPERATIONAL REVENUE

	2010-11 Rs.	2009-10 Rs.
High Grade Rock Phosphate	522,85,89,290	388,45,74,246
Beneficiated Rock Phosphate	122,95,90,629	117,80,25,543
Rajphos	12,18,91,100	12,83,41,099
Lignite	81,47,20,560	123,12,13,946
Gypsum	157,14,53,437	119,55,21,854
Selenite	70,26,104	138,28,651
Lime Stone	132,69,17,902	114,26,79,513
Power	47,96,54,875	36,68,76,505
Fluorspar	17,23,334	2,22,540
	1078,15,67,231	914,12,83,897

In terms of our report of even date

For P.C. Modi & Co.
Chartered Accountants
FRN: 000239C

Bharat Sonkhiya
Partner
Membership No. 403023

Place: Jaipur
Date: 31st October, 2011

Dr. Govind Sharma
Director

M.L. Tailor
Financial Advisor

For and on behalf of the Board
Ajitabh Sharma
Managing Director

P.K. Jain
Company Secretary



SCHEDULE 'H-1'
INCREASE/DECREASE IN STOCK

	2010-11 Rs.	2009-10 Rs.
CLOSING STOCK		
Rock Phosphate	26,00,29,565	17,43,49,846
Beneficiated Rock Phosphate	3,68,87,809	3,56,00,016
Rajphos	31,24,984	99,85,845
Gypsum	196,84,145	56,96,292
Lime Stone	279,35,557	75,70,742
Granite	2,07,922	2,15,025
Bio diesel and by products	5,01,872	411,950
	34,83,71,854	23,38,29,716
OPENING STOCK		
Rock Phosphate	17,43,49,846	10,18,72,631
Beneficiated Rock Phosphate	3,56,00,016	2,35,67,366
Rajphos	99,85,845	55,55,133
Gypsum	56,96,292	1,02,12,460
Lime Stone	75,70,742	4,05,46,585
Granite	2,15,025	46,19,593
Bio diesel and by products	4,11,950	35,514
Green Marble	-	820
	23,38,29,716	18,64,10,102
INCREASE/DECREASE	11,45,42,138	4,74,19,614

In terms of our report of even date

For **P.C. Modi & Co.**
Chartered Accountants
FRN: 000239C

Bharat Sonkhiya
Partner
Membership No. 403023

Place: Jaipur
Date: 31st October, 2011

Dr. Govind Sharma
Director

M.L. Tailor
Financial Advisor

For and on behalf of the Board
Ajitabh Sharma
Managing Director

P.K. Jain
Company Secretary

SCHEDULE 'I'
OTHER REVENUE

	2010-11 Rs.	2009-10 Rs.
Interest (Gross) (TDS Rs. 118.07 Lac) (Prev. Year Rs. 96.55 Lac)	26,75,66,769	20,97,40,584
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/VERs)	2,81,98,150	85,26,824
Excess provision for doubtful debts written back	25,50,814	2,28,518
Profit on Sale of Obsolete and Other Fixed Assets	56,81,079	32,31,740
Miscellaneous Receipts, Refunds, Forfeitures & Claims	9,21,59,933	12,84,29,542
Depreciation/Amortisation writtenback	5,79,10,137	-
Liability no longer required	109,37,939	182,44,901
Sundry Credit Balances written back	11,77,907	9,17,014
	46,85,18,308	37,16,54,703

In terms of our report of even date

For P.C. Modi & Co.
Chartered Accountants
FRN: 000239C

Bharat Sonkhiya
Partner
Membership No. 403023

Place: Jaipur
Date: 31st October, 2011

Dr. Govind Sharma
Director

M.L. Tailor
Financial Advisor

For and on behalf of the Board
Ajitabh Sharma
Managing Director

P.K. Jain
Company Secretary



SCHEDULE 'J'

MINING, OPERATIONAL, ESTABLISHMENT & FINANCIAL EXPENDITURE

	2010-11		2009-10	
	Mining & Other Operating Expenses	Establishment and Financial Expenses	Mining & Other Operating Expenses	Establishment and Financial Expenses
	Rs.	Rs.	Rs.	Rs.
Salaries & Wages	59,34,61,936	22,33,11,422	51,99,63,644	18,46,16,345
Contribution to Provident/Pension & Other Funds	14,61,93,195	4,81,59,451	9,68,36,179	3,66,46,320
Leave Encashment	5,73,55,499	3,31,81,084	4,98,66,892	210,80,257
Bonus/Additional Remuneration	1,14,78,152	38,91,522	1,16,38,046	38,79,942
Voluntary Retirement Payment written off	15,22,990	4,34,514	90,73,135	57,07,163
Employees' Welfare	9,57,89,836	4,54,06,701	9,68,47,985	1,79,21,359
Employees' Social Security	3,29,752	2,27,272	3,28,344	2,38,760
Stores consumed*	78,42,88,522	-	52,92,80,930	-
Payment to Contractors :				
For Removal of Overburden	34,63,61,002	-	48,39,43,527	-
For Raising, Transportation & Others	123,42,74,465	-	124,67,28,038	-
Freight Charges	10,55,845	-	8,32,101	-
Dewatering of Mines	49,23,412	-	12,35,46,112	-
Crushing Plant Expenses	56,80,303	-	100,29,394	-
Power Charges	10,00,10,701	-	11,09,43,403	-
Survey & Prospecting Charges	8,53,067	-	1,22,580	-
Royalty & Dead Rent	111,33,30,671	-	96,46,42,398	-
MR Cess	60,35,36,743	-	47,14,19,002	-
Premium Charges to DMG	-	-	54,06,723	-
Mine Development Exp written off	3,82,512	-	14,49,249	-
Repairs to Buildings	45,41,647	15,59,241	27,14,377	39,16,475
Repairs to Machinery	10,39,86,464	-	7,44,74,551	-
Repairs to Plant	3,13,77,458	-	3,07,27,050	-
Repairs to Road	17,38,186	-	19,44,644	-
Repairs to Others	52,06,257	22,48,505	66,78,000	16,48,634
Rent including Plot Rent	82,60,924	8,10,449	78,06,892	10,66,962
Rates & Taxes	39,92,744	18,42,272	33,47,581	28,27,171
Land Tax	191,97,11,321	18,71,420	208,10,50,209	16,89,170
Insurance	43,77,663	58,76,648	42,47,309	18,20,563
Travelling & Conveyance	2,83,41,346	1,29,45,289	1,88,10,604	1,01,70,891
Vehicle Up-keep	138,43,642	19,80,827	90,56,272	17,12,124
Payment to Auditors:				
Audit Fees	-	3,41,930	-	3,41,930
Tax Audit Fees	-	88,240	-	88,240
For reimbursement of expenditure	-	3,00,015	-	3,48,995
Interest:				
Debentures	-	-	-	21,59,061
Others including Banks	1,49,15,043	5,77,756	-	5,62,642
Bank Charges	23,939	1,56,178	5,444	4,01,858
Cash Discounts/Rebate on Sales	-	2,82,85,789	4,95,498	215,40,176

SCHEDULE 'J' (Contd.)

MINING, OPERATIONAL, ESTABLISHMENT & FINANCIAL EXPENDITURE

	2010-11		2009-10	
	Mining & Other Operating Expenses	Establishment and Financial Expenses	Mining & Other Operating Expenses	Establishment and Financial Expenses
	Rs.	Rs.	Rs.	Rs.
Guarantee Commission	-	1,04,179	-	70,860
Selling Expenses including commission	-	4,25,476	-	26,80,316
Packing Charges	1,20,83,144	1,46,38,590	1,32,07,231	1,67,03,424
Business Promotion Expenses	-	61,90,757	5,192	51,80,325
General Charges	12,10,729	14,15,791	8,12,737	13,25,218
Postage, Telephone & Telegraphs	13,80,168	40,74,602	13,80,205	46,86,824
Printing & Stationery	17,36,552	22,56,257	15,91,489	25,59,618
Electricity & Water	14,69,285	29,03,012	15,61,207	27,73,555
Seminar, Training & Exhibition	2,25,615	2,75,590	1,14,399	6,28,948
Legal & Professional Charges	8,85,916	56,55,573	5,11,879	102,72,988
Advertisement & Publication	4,96,095	1,40,27,520	10,39,869	1,94,52,478
Subscription	55,624	4,37,155	60,721	4,60,831
Entertainment	3,25,577	4,41,807	85,820	10,01,285
Board Meeting Expenses	-	75,771	-	78,043
Donation	-	3,12,55,980	-	5,12,84,990
Sundry debit balance written off	12,62,846	-	-	56,330
Laboratory Expenses	14,58,862	67,575	9,02,294	56,845
Consultancy Charges	13,60,988	3,979,642	1,23,876	64,100
Research & Development	3,46,000	-	4,80,000	3,25,229
Sampling & Analysis	1,53,95,737	3,971	1,48,53,354	1,82,826
Compensation for Mineral	3,16,22,808	-	167,47,786	-
Claims & Settlements	2,16,21,744	2,01,60,897	-	2,31,16,310
Computer Maintenance & Software Exp.	15,57,620	21,60,822	21,23,892	18,64,298
Rural Development Expenses	126,15,773	-	54,51,268	5,00,000
Afforestation Plantation & Environment	265,07,674	-	65,50,056	7,800
	737,47,63,994	52,40,47,492	704,18,59,388	46,57,18,479

* Does not include consumption of Stores & Spares Rs. 1346.00 Lac charged under various heads (Prev. year Rs. 1007.07 Lac)

In terms of our report of even date

For P.C. Modi & Co.
Chartered Accountants
FRN: 000239C

Bharat Sonkhiya
Partner
Membership No. 403023

Place: Jaipur
Date: 31st October, 2011

Dr. Govind Sharma
Director

M.L. Tailor
Financial Advisor

For and on behalf of the Board
Ajitabh Sharma
Managing Director

P.K. Jain
Company Secretary



SCHEDULE 'K'
PRIOR PERIOD ADJUSTMENT

	2010-11		2009-10	
	DEBIT	CREDIT	DEBIT	CREDIT
	Rs.	Rs.	Rs.	Rs.
Interest	-	105,600	-	-
Purchase of Ore	-	-	-	6,897
Increase/Decrease in stock	-	7,98,399		
Stores Consumed	-	-	2,730	-
Salaries and Wages(Net)	7,964	-	1,15,914	-
Employees' Welfare	-	-	74,732	-
Sale of Minerals/Power	-	-	23,54,560	-
Payment to Contractors	-	-	-	-
a Removal of Overburden	-	-	-	-
b For Raising, Transportation & others	1,80,869	42,23,260	68,84,802	-
Electricity & Water	-	-	-	10,463
Rent	15,000	-	-	-
Rates & Taxes	36,94,731	-	-	-
Repairs to Others	43,338	-	-	-
Legal & Professional Charges	-	5,387	-	-
Depreciation	-	6,60,211	2,02,426	-
Packing Charges	-	-	20,733	-
Seminar & Conference	-	3,89,081	-	-
Contribution to Provident and other fund	-	-	-	52,41,260
Postage, Telephone & Telegram	-	-	64	-
Sampling & Analysis	-	-	53,896	-
Royalty & Dead Rent	1,36,24,817	1,061	1,95,507	-
Miscellaneous	12,812	10,212	5,100	-
	175,79,531	61,93,211	99,10,464	52,58,620
Net Debit		1,13,86,320		46,51,844

In terms of our report of even date

For P.C. Modi & Co.
Chartered Accountants
FRN: 000239C

Bharat Sonkhiya
Partner
Membership No. 403023

Place: Jaipur
Date: 31st October, 2011

Dr. Govind Sharma
Director

M.L. Tailor
Financial Advisor

For and on behalf of the Board
Ajitabh Sharma
Managing Director

P.K. Jain
Company Secretary

SCHEDULE 'L'
MISCELLANEOUS EXPENDITURE
(TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)

	Opening Balance 01/04/2010 Rs.	Additions/ Adjustments During the Year Rs.	Written off During the Year Rs.	Closing Balance 31/03/2011 Rs.
Development Expenditure on Mines (Including Survey & Prospecting)	10,88,20,405	13,47,243	3,82,512	10,97,85,136
	10,88,20,405	13,47,243	3,82,512	1097,85,136
Previous Year	11,88,84,216	61,65,736	162,29,547	10,88,20,405

In terms of our report of even date

For P.C. Modi & Co.
Chartered Accountants
FRN: 000239C

Bharat Sonkhiya
Partner
Membership No. 403023

Place: Jaipur
Date: 31st October, 2011

Dr. Govind Sharma
Director

M.L. Tailor
Financial Advisor

For and on behalf of the Board

Ajitabh Sharma
Managing Director

P.K. Jain
Company Secretary



ANNEXURE - 1

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2011

	Year Ended 31.03.2011 (Rs)	Year Ended 31.03.2010 (Rs)
A. Cash Flow From Operating Activities		
Net Profit Before Tax	2716951588	1461161129
Adjustments For :		
Depreciation	662340817	570572140
Miscellaneous Expenditure written off	382512	16229547
Miscellaneous Expenditure paid during the year	(1347243)	(6165736)
Interest received	(267566769)	(209740584)
Dividend Income	(10000)	(10000)
Interest expenditure	15492799	2721703
Impaired/Obsolescence loss on assets	316192	3678733
Assets Written Off	11813	279205
Profit/Loss on sale of Fixed Assets (Net)	(5680117)	403940004
	(3226740)	374338268
Operating Profit Before Working Capital Change	3120891592	1835499397
Change In Working Capital (Excluding Cash & Bank Balance)		
Inventories	(157506347)	(51,536,091)
Sundry Debtors	(257664)	(277438905)
Other Current Assets	(49096357)	(7528874)
Loans and Advances	(3665537013)	(2580633844)
Trade and Other Payable	3707516672	(164880709)
	3862108261	944970547
Cash Generated From Operation	2956010883	2780469944
Less: Direct Taxes Paid net of refund(including TDS)	(767073227)	(242435582)
Net Cashflow From Operating Activities	2188937656	2538034362
B. Cash Flow From Investing Activities		
Addition/Price revision in Fixed Assets	(182862681)	(1859803849)
Sale of Fixed and Other Assets	7834544	4496325
Dividend Income	10000	10000
Interest Income	267566769	209740584
Net Cash (Used) In/From Investing Activities	92548632	(1645556940)

ANNEXURE - 1 (contd.)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2011

	Year Ended 31.03.2011 (Rs)	Year Ended 31.03.2010 (Rs)
C. Cash Flow From Financing Activities		
Payment of Dividend (155103000)	(155103000)	
Payment of Corporate Dividend Tax	(25760670)	(26359755)
Repayment of of Debentures	0	(61904600)
Refund/Adjustment of Deferred Payment Credit	(16194500)	(16194500)
Interest paid	(15492799)	(2721703)
Net Cash (Used) In/From Financing Activities	(212550969)	(262283558)
D.Net Change In Cash & Cash Equivalent(A+B+C)	2068935319	630193864
E. Cash & Cash Equivalent at beginning of the year	3698366563	3068172699
F. Cash & Cash Equivalent at end of the year	5767301882	3698366563

Net Change In Cash & Cash Equivalent (F-E) **2068935319** **630193864**

Notes: **Rs In lac** **Rs In lac**

- 1 Cash & Cash Equivalent held by the company and not available for use by it 28053.24 354.16
- 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 Purchase of Fixed Assets includes movement of Capital Works in Progress during the year.
- 4 Previous Year's figures have been recasted/regrouped, wherever necessary, to conform to the current years' presentation.

In terms of our report of even date

For P.C. Modi & Co.
Chartered Accountants
FRN: 000239C

Bharat Sonkhiya
Partner
Membership No. 403023

Place: Jaipur
Date: 31st October, 2011

Dr. Govind Sharma
Director

M.L. Tailor
Financial Advisor

For and on behalf of the Board
Ajitabh Sharma
Managing Director

P.K. Jain
Company Secretary

INFORMATION ABOUT BUSINESS SEGMENTS AS ON 31-03-2011

	Rock Phosphate	Rock Phosphate	Limestone	Limestone	Lignite	Lignite	Lignite	Gypsum	Gypsum	Captive Power Plant (D G set)	Captive Power Plant (D G set)	Wind farm	Wind farm	Other misc	Other misc	Eliminations	Eliminations	Consolidated Total	Consolidated Total
	2010-11	2009-10	2010-11	2010-11	2009-10	2010-11	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11
External Sales	6580071019	5190940888	1326917902	1422679513	8147203560	1231213946	1578479541	1209350505	1209350505	0	0	479654475	36826505	172334	222540	0	0	1078156731	9141283897
Inter-segment Sales	8977833	6362478	24160431	33079803	109141885	66580409	27148663	6691370	6691370	4529243	4723895	28198150	42950636	147241	1944673	0	0	279339373	216871069
Increase/Decrease in stock	8089470	9011865	20364815	-22973843	0	0	1987853	-8917194	-8917194	0	0	0	0	0	-799214	0	0	114542138	47419614
Unallocated corporate revenue	6749478322	5344676931	1371443148	1142783473	923862445	1290794355	1619616057	120724681	120724681	4529243	4723895	554976920	471895530	310545	1367999	-49120801	-49120801	1136642767	9560358214
Total Revenue	5207064033	4741655439	121337871	1028339888	657440831	1065235958	657734299	617683979	617683979	1185274	15355096	61544326	429770129	46049031	12850945	-49120801	-49120801	835143664	7843694302
Total Expenses	1542414289	603021492	160105277	114443585	272121614	234558497	961881758	589440702	589440702	-10826453	-10826453	-60466406	47725401	-42854086	-11482946	0	0	3013193013	1716663912
Other Unallocable Expenditure	1542414289	603021492	160105277	114443585	272121614	234558497	961881758	589440702	589440702	-10826453	-10826453	-60466406	47725401	-42854086	-11482946	0	0	2743830707	1468534676
Operating Profit	1856065333	1686678867	657056053	655333610	9727150626	3440913243	385514213	317199799	317199799	20969651	20969651	3434653880	4040892695	3745144	5738879	0	0	1608015151	10167726544
Interest & Financial Charges exp.																		-15492799	-2721703
Income taxes																		-83569920	-345825605
Profit from ordinary activities																		1896767988	119987368
Prior period adjustments																		-11386320	-4651844
Extraordinary item																		0	0
Payment Against LTA																		0	0
Net Profit																		1885381668	1153335524
OTHER INFORMATION																			
Segment assets	1856065333	1686678867	657056053	655333610	9727150626	3440913243	385514213	317199799	317199799	20969651	20969651	3434653880	4040892695	3745144	5738879	0	0	1608015151	10167726544
Unallocated corporate assets																		5127034636	5073254994
Total Assets	1856065333	1686678867	657056053	655333610	9727150626	3440913243	385514213	317199799	317199799	20969651	20969651	3434653880	4040892695	3745144	5738879	0	0	21207186147	15409402338
Segment liabilities	867080467	142532592	340099767	295685531	268430390	270115194	335423802	330695901	330695901	1371728	1371728	103315550	59772850	7436291	12381646	0	0	1923103447	2415401772
Unallocated corporate liabilities																		9928919782	5175534602
Total liabilities	867080467	142532592	340099767	295685531	268430390	270115194	335423802	330695901	330695901	1371728	1371728	103315550	59772850	7436291	12381646	0	0	11852023199	7590936374
Capital Expenditure	118497882	150568981	8602891	495230	5064355	18368879	29061970	9447198	9447198	0	0	164545000	0	0	0	0	0	16227098	1828125388
Unallocated corporate Capital Expenditure																		21635583	31678561
Total Capital expenditure	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	182862681	1859083849
Depreciation/Amortisation	138184752	147575011	517424	5538446	10891687	17397985	5021652	3943845	3943845	1850823	2149870	547971489	371307044	9427	6785	0	0	709103954	547918986
Unallocated corporate Depreciation																		11807211	22450728
Total Depreciation	138184752	147575011	517424	5538446	10891687	17397985	5021652	3943845	3943845	1850823	2149870	547971489	371307044	9427	6785	0	0	720911165	570369714
Non-cash expenses other than depreciation	297638	7412299	0	617485	0	1696499	382512	1189905	1189905	0	0	1183	0	1183	0	0	0	691963	10916278
Unallocated Non-cash expenses other than depreciation																		19516	9276207
Total	297638	7412299	0	617485	0	1696499	382512	1189905	1189905	0	0	1183	0	1183	0	0	0	711479	20192485

In terms of our report of even date

For and on behalf of the Board
Dr. Govind Sharma
 Director

Ajitabh Sharma
 Managing Director

For P.C. Modi & Co.
 Chartered Accountants
 FRN: 000239C

M.L. Tailor
 Financial Advisor

P.K. Jain
 Company Secretary

Bharat Sonkhiya
 Partner
 Membership No. 403023

Place: Jaipur
 Date: 31st October, 2011



ANNEXURE - 3

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration Details

Registration No.	T	-	5	0	5	-	1	0	1	2	8	State code	1	7										
CIN	U	1	4	1	0	9	R	J	1	9	4	7	S	G	C	0	0	5	0	5				
Balance Sheet Date	3			1			0			3			2			0			1			1		
	Date						Month						Year											

II Capital Raised during the Year

Public Issue							N	I	L	Right Issue								N	I	L
Bonus Issue										Private Placement										
							N	I	L									N	I	L

III Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	1	0	2	9	2	7	5	2	Total Assets	1	0	2	9	2	7	5	2
-------------------	---	---	---	---	---	---	---	---	--------------	---	---	---	---	---	---	---	---

Sources of Funds

Paid-up Capital			7	7	5	5	1	5	Reserves & Surplus			8	5	7	9	6	4	8
Share Application Money									Deferred Tax Liability			9	0	4	9	1	7	
Secured Loans			0	0	0	0	0	0	Unsecured Loans			3	2	6	7	2		

Application of Funds

Net Fixed Assets			4	5	3	0	0	1	0	Investments					1	3	4	5	
Net Current Assets			5	6	5	1	6	1	2	Misc. Expenditure			1	0	9	7	8	5	
Accumulated Losses																			
							N	I	L										

IV Performance of the Company (Amount in Rs. Thousands)

Turnover			1	2	5	0	0	8	5	Total Expenditure			8	5	1	0	3	6	1
Profit Before Tax	+	+	1	7	1	6	9	5	2	Profit After Tax	+	+	1	8	8	5	3	8	2
Earning Per Share in Rs.					2	4	.	3	1	Dividend Rate %			2	0					

V Generic Names of Three Principal Products/Services of The Company

Item Code No. (ITC Code)	2	5	1	0	2	0	.	0	1					
Product Description	R	O	C	K		P	H	O	S	P	H	A	T	E
Item Code No.(ITC Code)	2	5	2	0	1	0	.	0	1					
Product Description	G	Y	P	S	U	M								
Item Code No. (ITC Code)	2	5	2	1	0	0	.	0	1					
Product Description	L	I	M	E		S	T	O	N	E				

In terms of our report of even date

Dr. Govind Sharma
Director

For and on behalf of the Board
Ajitabh Sharma
Managing Director

For P.C. Modi & Co.
Chartered Accountants
FRN: 000239C

M.L. Tailor
Financial Advisor

P.K. Jain
Company Secretary

Bharat Sonkhiya
Partner
Membership No. 403023

Place: Jaipur
Date: 31st October, 2011



STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

Name of the Subsidiary		Barmer Lignite Mining Company Limited	Rajasthan State Petroleum Corporation Limited
1 Financial year of the Subsidiary ended on		31-Mar-11	31-Mar-11
2 The extent of the holding company's interest in the subsidiary at the end of the financial year			
i. Face Value	Rs.	10.00	10.00
ii. Number of Shares held	No	10200000	100000
iii. Extent of holding	%	51.00%	100.00%
3 The net aggregate amount of profit/loss of the subsidiary for the above financial year so far as they concern the members of the holding company			
i. Dealt with in the accounts of the holding company		Nil	Nil
ii. Not dealt with in the accounts of the holding company		(1359102)	(4630446)
4 The net aggregate amount of profit/loss of the subsidiary for the previous financial years since it became a subsidiary so far as they concern the members of the holding company			
i. Dealt with in the accounts of holding company		Nil	Nil
ii. Not dealt with in the accounts of holding company		(1152829)	(2338840)

Place: Jaipur
Date: 31st October, 2011

Dr. Govind Sharma
Director

M.L. Tailor
Financial Advisor

For and on behalf of the Board

Ajitabh Sharma
Managing Director

P.K. Jain
Company Secretary

COMMENTS OF CAG UNDER SECTION 619(4) OF THE COMPANIES ACT 1956

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

Accountant General (C.& R. Audit)
Rajasthan, Jaipur

Place :
Date :



Rajasthan State Petroleum Corporation Limited

FINANCIAL STATEMENTS

OF

RAJASTHAN STATE PETROLEUM CORPORATION LIMITED

(A Subsidiary Company of RSMML)

Rajasthan State Petroleum Corporation Limited

(A Subsidiary Company of RSMML)

KHANIJ BHAWAN, TILAK MARG, C-SCHEME, JAIPUR-302005

DIRECTORS' REPORT

To,

The Shareholders,

Your directors take pleasure in presenting the third annual report along with the audited accounts of the Company for the year ended on 31st March, 2011.

1. Financial Performance

During the year your company has incurred an expenditure of Rs. 46,30,446/- which is mainly on account of legal & professional charges & other establishment expenses. The net debit balance in the profit & loss account as on 31st March 2011 is Rs 69,69,286/-.

2. Change in Share Capital

Consequent upon the approval of members at the previous Annual General meeting of the company, the company had increased authorized capital from Rs 5.00 Crores to Rs 35.00 Crores.

3. Progress of the activities of the corporation

Company is in process of finalization of Joint Venture agreement with GAIL & HPCL for "City Gas distribution Network in Rajasthan". For underground Coal gasification, the company has applied for allocation of a Block for Nagurda in Barmer, Sanchoe Basin which has been recommended under Government dispensation route by Government of Rajasthan to ministry of coal Government of India.

4. Business plan

RSMML has awarded a work order to Indian School of Petroleum & Energy, New Delhi to develop a business plan and identification of joint venture in two phases for RSPCL. The party has submitted the report and further action in this regard is in progress.

5. Dividend

Since the Company has not commenced its commercial operations during the year under review, the company has not made any profits. Hence, the Directors do not recommend any dividend for the year under review.

6. Fixed Deposit

Your Company has not accepted any Fixed Deposits from the public and is therefore not required to furnish information as per Companies (Acceptance of Deposits) Rules, 1975.

7. The Composition of Directors

During the year under report Shri Akhil Arora was nominated as Managing Director in place of Smt. Aparna Arora and then Mr. Ajitabh Sharma has been nominated as Managing Director in place of Shri Akhil Arora w.e.f. 2nd September, 2011.

Further RSMML has nominated Shri S.K. Agrawal in place of Shri Chunni Lal Kayal as the Director of the company.

Your Directors place on record their appreciation for the valuable services rendered by Shri Akhil Arora, Smt. Aparna Arora and Shri Chunni Lal Kayal during their tenure.

8. Directors' Responsibility Statement

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed:

- a) That in preparation of the annual accounts, the applicable accounting standards have been followed.
- b) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so



Rajasthan State Petroleum Corporation Limited

as to give a true and fair view of the state of affairs of the Company at the end of the financial year.

- c) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) That the Directors have prepared the annual accounts for the year under review, on a going concern basis.

9. Auditors

M/s Maharwal & Associates, Chartered Accountants, Jaipur has been re-appointed as Auditors under Section 619 of the Companies Act, 1956, to audit the Company's Annual Accounts for the Financial Year 2011-12.

Your Directors request you to authorize the Board of Directors to fix the remuneration of the auditors as appointed by the CAG under Section 619 of the Companies Act, 1956.

10. Conservation of Energy and Technology Absorption

Since the Company has not commenced commercial operations, reports pertaining to conservation of energy and technology absorption are not applicable.

11. Secretarial Compliance Report

Pursuant to Section 383A of the Companies Act, 1956, a certificate from Company Secretary in whole time practice regarding status on compliance of the provisions of the Companies Act, 1956 by the Company is attached to the report.

12. Foreign Exchange Earnings and Outgo

There are no foreign exchange earnings or outgo during the year.

13. Particulars as per Section 217 (2A) of the Companies Act, 1956

None of the employees of the Company was in receipt of remuneration in excess of the limits specified under section 217 (2A) of the Companies Act, 1956.

14. 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

Sunil Arora
Chairman

Place: Jaipur
Date: 10.11.2011

COMPLIANCE CERTIFICATE

CIN : U23201RJ2008SGC026960

Nominal Capital : 350,000,000

To

The Members

RAJASTHAN STATE PETROLEUM CORPORATION LIMITED
C/O DIRECTORATE OF PETROLEUM,
KHANIJ BHAWAN, TILAK MARG, C-SCHEME
JAIPUR

I have examined the registers, records, books and papers of RAJASTHAN STATE PETROLEUM CORPORATION LIMITED (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum of Association of the Company for the financial year ended on 31st March, 2011. In my opinion and to the best of our information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made thereunder and all the entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
3. The Company being a public limited Company, comments are not required.
4. The Board of Directors duly met 3 times on 29.06.2010, 09.08.2010 and 06.12.2010 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose. Company has passed resolution by circular during the year.
5. The Company is not required to close its Register of Members during the financial year.
6. The Annual general Meeting for the financial year ended on 31.03.2010 was held on 28.12.2010 after giving due notice to the members of the Company and the resolution passed thereat were duly recorded in the Minute Book maintained for purpose.
7. No Extra Ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loans to its Directors or persons or firms or companies referred in the section 295 of the Act.
9. The Company has duly complied with the provisions of Sec.297 of the Act in respect of contracts specified in that section.
10. The Company has made necessary entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or Central Government.
12. The Company has not issued any duplicate Share Certificate during the financial year.
13. The Company has:



Rajasthan State Petroleum Corporation Limited

- (i) not made allotment of securities during the year under review. There is no share transfer during the year under review.
- (ii) not declared any dividend/ interim dividend during the financial year under review.
- (iii) not required to post warrants to any member of the Company as no dividend was declared during the financial year.
- (iv) not applicable being no amount is outstanding at the end of the year.
- (v) duly complied with the requirement of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was no appointment of additional Director and no appointment of alternate Director, Directors to fill casual vacancy and Mr. Abhay Kumar and Mr. Naresh Pal Gangwar were appointed as nominee director Mr. Shailendra Agarwal, Mr. Shreemat Pandey, and Mr. Akhil Arora were ceased as nominee director during the financial year.
15. The Company has appointed Ms. Aparna Arora as Managing Director during the Financial year.
16. The Company has not appointed any sole selling agent during the financial year.
17. The Company was not required to obtain any approval of the Central Government, Company Law Board, Regional Director, Registrar of Companies and/ or such authorities prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other firms/ companies to the Board of Directors pursuant to the provisions of the Act and rules made thereunder.
19. The Company has not issued any securities during the year.
20. There was no redemption of preference shares or debentures during the financial year.
21. The company has not bought back any shares during the financial year.
22. There was no transaction necessitating the Company to keep in abeyance the rights to dividend, right shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of section 58A during the financial year.
24. The Company has not made borrowing during the financial year in accordance to the provision of the Act.
25. The Company has not made loans and investments, or given guarantees or provided securities to persons in compliance with the provisions of the Act.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another state during the financial year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the financial year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to the name of the Company during the financial year under scrutiny.
29. The Company has altered the provisions of the Memorandum with respect to the Share Capital of the Company during the financial year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.

RAJASTHAN STATE MINES & MINERALS LIMITED

31. There was no prosecution initiated against or show cause notices received by the company and no fines or penalties or any other punishment was imposed on the company during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has not deducted contribution towards Provident Fund under Section 418 of the Act during the financial year.

For S.K. Joshi & Associates

Company Secretaries

Sanjay Kumar Joshi

Proprietor

C.P. No. 7342

Place: Jaipur
Dated: 13.10.2011



Rajasthan State Petroleum Corporation Limited
ANNEXURE A

Registers as maintained by the Company

1.	Register of Members	u/s 150
2.	Minute Book of Board Meetings	u/s 193(1)
3.	Minute Book of General Meetings	u/s 193(1), 196(1)
4.	Register of Contracts	u/s 301
5.	Register of Directors	u/s 303
6.	Register of Directors Shareholding	u/s 307
7.	Register of Charges	u/s 143
8.	Books of Accounts	u/s 209

ANNEXURE B

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Directors, Central Government or other authorities during the financial year ending on 31st March, 2011.

S.N	Document/Form	Under Section	Date of Document	Filed on	Whether Filed within time	Whether additional fee paid
1.	Form 23AC, 23ACA	220	31.03.2010	21.01.2011	YES	N.A.
2.	FORM20B	159	28.12.2010	03.02.2011	YES	N.A.
3.	Form 66 along with compliance certificate	383A(1)	31.03.2010	21.01.2011	YES	N.A.
4.	Form 32	303(2)	24.11.2009	27.09.2010	NO	YES
5.	Form 32	303(2)	09.06.2010	28.09.2010	NO	YES
6.	Form 32	303(2)	11.05.2010	28.09.2010	NO	YES
7.	Form 32	303(2)	17.08.2010	21.10.2010	NO	YES
8.	Form 32	303(2)	10.09.2010	17.11.2010	NO	YES
9.	Form 5	95	28.12.2010	10.02.2011	NO	YES
10.	Form 23	192	28.12.2010	10.02.2011	NO	YES

For S.K. Joshi & Associates

Company Secretaries

Sanjay Kumar Joshi
Proprietor

C.P. No. 7342

Place: Jaipur
Dated: 13.10.2011

MAHARWAL & ASSOCIATES
CHARTERED ACCOUNTANTS

B-23/24, CITY CENTER
S.C. Road, Jaipur
(0) 2372450 (M) 9828197927
(M) 9314538631

AUDITOR'S REPORT

To The Members of

Rajasthan State Petroleum Corporation Limited

1. We have audited the attached Balance Sheet, Profit & Loss Account and annexure thereto of Rajasthan State Petroleum Corporation Ltd, as at 31st March, 2011 and also Cash Flow Statement for the year ended on that date. These Financial Statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards that we plan and perform thereto obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principle used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub section (4A) of section 227 of the Companies Act, 1956, we enclose in the annexure, a statement on the matter specified in paragraph 4&5 of the said order.
4. Further to or comment in Annexure I referred to above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - ii. In our opinion, proper books of accounts as required by the law have been kept by the company so far as it appears from our examination of those books;
 - iii. The Balance Sheet and Cash Flow Statement dealt with by this report are in agreement with books of account;
 - iv. In our opinion, the Balance Sheet and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956;
 - v. As per the explanations given to us that it is being a Government Company, therefore the provisions of section 274(1)(g) of the Companies Act, 1956 are not applicable to it as per G.S.R. no. 829 (E) dated 21.09.2003 for the Companies Affair Department, Finance Ministry.
 - vi. In our opinion and to the best of our Information and according to the explanations give to us, the said account give the information required by the companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.



Rajasthan State Petroleum Corporation Limited

- a. In the case of the Balance Sheet of the state of the affairs of the company as at 31st March, 2011;
- b. In the case of Profit & Loss Account on the loss of the company for the year ended 31st March, 2011 and
- c. In the case of Cash Flow Statement, of the cash flow for the year ended on that date.

For Maharwal & Associates

Chartered Accountants
FRN 003989C

T. C. Kumawat
Partner
Membership No. 078029

Place: Jaipur

Date : 18.10.2011

ANNEXURE - I TO THE AUDITOR'S REPORT

(Statement referred to in paragraph-3 of our report of even date on the matters specified on paragraph 4 of the Statement on the Companies (Auditors Report) Order, 2003)

Referred to in paragraph 3 of our report of even date.

- (i) (a) The company has not kept any fixed Assets.
- (b) Above reference (i) (a) is not applicable.
- (c) Above reference (i) (a) is not applicable.
- (ii) (a) Company has not commenced the Business Operation, and there is no inventory as on the date of balance sheet.
- (b) Above reference (ii) (a) is not applicable.
- (c) Above reference (ii) (a) is not applicable.
- (iii) (a) The company has not taken any loans.
- (b) Above reference (iii) (a) is not applicable.
- (c) Above reference (iii) (a) is not applicable. As reported, Company has not accepted any loan.
- (d) Above reference (iii) (a) is not applicable.
- (iv) Company has not commenced the business activities, so this clause does not apply.
 - (a) According to the information and explanation given to us, we are of the opinion that the particulars of all contracts or agreements that need to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
 - (b) In our opinion and according to the information and explanation given to us, the transaction made in pursuance of contracts or agreement entered in the register maintained under section 301 of the Companies Act, 1956.
- (vi) In our opinion and according to the information given to us, in this financial year company has not accepted any public deposit, so section 58A and 58AA of the Companies Act, 1956 dose not apply.
- (vii) In our opinion, internal audit system is not compulsory for this company.
- (viii) As per section 209 (1) (d) company is required

to maintain cost records, but company has not commenced business, and has not maintained any cost record.

- (ix) (a) Company has not commenced the business activities so this clause dose not apply.
- (b) Above reference (ix) (a) is not applicable.
- (c) Above reference (ix) (a) is not applicable.
- (x) In our opinion, the company has not incurred cash losses during the financial year covered by our audit; no such accumulated losses are seen.
- (xi) In our opinion and according to the information and explanation given to us the company has not defaulted in repayment of dues to a financial institution and bank.
- (xii) In our opinion and according to the information and explanation given to us company has not granted any loan and advances against security of share, debentures and other securities.
- (xiii) In our opinion, the company is not a chit fund or a Nidhi/Mutual benefit Fund/Society therefore the provisions of clause 4 (xiii) of the companies (Auditor Report) order 2003 are not applicable to the company.
- (xiv) In our opinion, the company is not dealing or trading in share, security debentures and other investments. According to the provision of clause 4 (xiv) of the companies (Auditors Report) order 2003 are not applicable to the company.
- (xv) According to the information given to us, company has not given any guarantee for loans taken by other from Bank or financial institution.
- (xvi) In our opinion and according to the information and explanation given to us, that the company has not accepted the term loan.
- (xvii) According to the information and explanation given to us and on an overall



Rajasthan State Petroleum Corporation Limited

- examination of balance sheet of the company, we report that no funds raised on short term basis have been used for long term investment.
- (xviii) The company has not made any preferential allotment of shares, so clause (xviii) is not applicable.
- (xix) The company has not issued any debentures in this year so provision of clause (xix) is not applicable.
- (xx) The company has not raised any money through a public issue during the year.
- (xxi) Based upon the audit procedure performance for the purpose of reporting the true and fair view of the financial statements and information and explanation given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

For Maharwal & Associates

Chartered Accountants
FRN 003989C

T. C. Kumawat
Partner
Membership No. 078029

Place: Jaipur
Date : 18.10.2011

BALANCE SHEET AS AT 31st MARCH, 2011

	Schedule	As at 31 March 2011	As at 31 March, 2010
SOURCES OF FUNDS			
Shareholders Funds			
Share Capital	A	10,00,000	10,00,000
Total		10,00,000	10,00,000
APPLICATION OF FUNDS			
1. Fixed Assets			
a) Gross Block		-	-
b) Less: Depreciation		-	-
c) Net Block		-	-
2. Investments			
		-	-
3. Current Assets, Loans & Advances			
a) Loans and Advances		-	-
b) Cash and Bank Balances	B	10,00,000	10,00,000
Total		10,00,000	10,00,000
Less: Current Liabilities & Provisions	C	69,69,286	23,38,840
Net Current Assets (B-C)		-59,69,286	-13,38,840
Debit balance of Profit & Loss account	D	69,69,286	23,38,840
Total		10,00,000	10,00,000
Notes on Accounts	E		

As per our attached report of even date

For and on behalf of the Board

For MAHARWAL & ASSOCIATES

Chartered Accountants
FRN: 003989C
T.C. Kumawat (Partner)
Membership No. 078029
Place: Jaipur
Date: 18.10.2011

S.K. Agrawal
Director

Ajitabh Sharma
Managing Director

Rajendr Rao
Company Secretary



Rajasthan State Petroleum Corporation Limited

PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2011

	Schedule	For the year 2010-11	For the year 2009-10
INCOME			
Operational Revenue		-	-
Increase/Decrease in stock		-	-
Other Revenue		-	-
Total Income		0.00	0.00
EXPENDITURE			
	F		
Establishment & Other Expenses		46,30,446	16,96,540
Total Expenditure		46,30,446	16,96,540
Loss before prior period adjustments		-46,30,446	-16,96,540
Prior period adjustments	G	-	-6,42,300
Loss carried over to Balance sheet		-46,30,446	-23,38,840

As per our attached report of even date

For and on behalf of the Board

For MAHARWAL & ASSOCIATES

Chartered Accountants
FRN: 003989C
T.C. Kumawat (Partner)
Membership No. 078029
Place: Jaipur
Date: 18.10.2011

S.K. Agrawal
Director

Ajitabh Sharma
Managing Director

Rajendr Rao
Company Secretary

Schedules forming part of the Balance Sheet as at 31st March, 2011

	As at 31 st March 2011	As at 31 st March, 2010
SCHEDULE 'A' SHARE CAPITAL		
1. Authorised		
3,50,00,000 Equity Shares of Rs. 10 each		
(Previous Year 50,00,000 Equity Shares of Rs. 10 each)	<u>35,00,00,000</u>	<u>5,00,00,000</u>
2. Issued, Subscribed & Paid up		
1,00,000 equity shares of Rs. 10/- each Fully paid up	<u>10,00,000</u>	<u>10,00,000</u>
	<u>10,00,000</u>	<u>10,00,000</u>
SCHEDULE "B" CASH AND BANK BALANCES		
Balance with The Bank of Rajasthan Ltd., In Current Accounts	<u>10,00,000</u>	<u>10,00,000</u>
	<u>10,00,000</u>	<u>10,00,000</u>
SCHEDULE "C"		
CURRENT LIABILITIES & PROVISIONS		
Sundry Creditors (RSMML)	69,64,286	23,33,840
Provision for Audit Fee	5,000	5,000
	<u>69,69,286</u>	<u>23,38,840</u>
SCHEDULE "D"		
MISC EXPENDITURE		
Loss from Profit & Loss Account	23,38,840	0
Add Loss incurred during the year	46,30,446	23,38,840
	<u>69,69,286</u>	<u>23,38,840</u>



Rajasthan State Petroleum Corporation Limited

Schedules forming part of the Balance Sheet as at 31st March, 2011 (Contd.)

	As at 31 st March 2011	As at 31 st March, 2010
SCHEDULE - "F"		
ESTABLISHMENT & OTHER EXPENSES		
Legal & Professional Fees	30,79,055	16,65,500
Printing & Stationery	4,071	20,650
Travelling Expenses	1,10,351	4,950
Salary & Wages	5,49,894	-
Advertisement Expenses	8,08,505	-
Audit Fee	5,000	5,000
Postage & Telephone Expenses	4,403	-
Medical Aid & Welfare	7,107	-
Entertainment Expenses	5,660	440
Books, Periodicals & Library Exp.	56,400	-
	46,30,446	16,96,540
SCHEDULE "G"		
PRIOR PERIOD ADJUSTMENTS		
Audit fee	0.00	5,000
Professional Fees & Miscellaneous expenses	0.00	28,800
Legal Charges	0.00	6,08,500
	0.00	6,42,300

As per our attached report of even date

For and on behalf of the Board

For MAHARWAL & ASSOCIATES

Chartered Accountants
FRN: 003989C
T.C. Kumawat (Partner)
Membership No. 078029
Place: Jaipur
Date: 18.10.2011

S.K. Agrawal
Director

Ajitabh Sharma
Managing Director

Rajendr Rao
Company Secretary

**SCHEDULE FORMING PART OF THE ACCOUNTS
AS AT 31st MARCH, 2011
SCHEDULE 'F'**

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

1. Significant Accounting Policies

- (a) The financial statements are prepared under the historical cost convention, on the accounting principles of going concern and as per applicable accounting standards. 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 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 result could differ from these estimates. Any revision of accounting estimates is recognised 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 XIV of the Companies Act, 1956.

Depreciation on impaired assets related to a cash generating unit is provided by

adjusting the depreciation charge in the remaining periods so as to allocate the revised carrying amount of the assets over its remaining useful life.

(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 of 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 Profit & Loss Account 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 realisable value. Cost is determined on the basis of weighted average. Obsolete and unserviceable stock is duly provided for wherever applicable.

(g) Foreign exchange Transaction:

Transactions are recorded at the exchange rates prevailing on the date of the transaction.



Rajasthan State Petroleum Corporation Limited

Foreign currency designated assets, liabilities and capital commitments are 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 profit and loss accounts 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.

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

(c) 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 not to Micro, Small and Medium Enterprises Suppliers on accounts of principal and/or interest as at the close of the year.

(d) No provision of deferred tax assets and liabilities is made as on 31 March, 2011 as there is no timing difference and project is yet to start its commercial production.

(e) Remuneration to Auditors

	2010-11	2009-10
Audit fees (including Service tax)	Rs. 5000/-	Rs.5000/-

(f) 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 provision for all known liabilities is adequate and not in excess of what is required.

(g) Related party Disclosure as per Accounting Standard 18:

List of Related Parties:

- Parties where control exists
 - Rajasthan State Mines and Minerals Limited - Holding Company.

2. Notes to accounts

- Contingent Liabilities provided for Nil.

RAJASTHAN STATE MINES & MINERALS LIMITED

(ii) Related Party Transactions - Transaction with Related parties.

(Amount in Rs.)

Nature of Transaction	RSMML
Transactions during the year	
Establishment & Other Expenses	46,30,446/-

As per our attached report of even date

For MAHARWAL & ASSOCIATES

Chartered Accountants
FRN: 003989C
T.C. Kumawat (Partner)
Membership No. 078029
Place: Jaipur
Date: 18.10.2011

For and on behalf of the Board

S.K. Agrawal
Director

Ajitabh Sharma
Managing Director

Rajendr Rao
Company Secretary



Rajasthan State Petroleum Corporation Limited

CASH FLOW STATEMENT FOR THE YEAR ENDING ON 31st MARCH 2011

	Year ended 31 st March 2011	Year ended 31 st March 2010
A. CASH FLOW FROM OPERATING ACTIVITIES	NIL	NIL
B. CASH FLOW FROM INVESTING ACTIVITIES	NIL	NIL
C. CASH FLOW FROM FINANCING ACTIVITIES	NIL	NIL
Purchase of Investments	NIL	NIL
Issue of Shares	NIL	NIL
Proceeds from Borrowings		
NET CASH USED IN FINANCING ACTIVITIES	NIL	NIL
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT (A+B+C)	NIL	NIL
CASH AND CASH EQUIVALENTS- OPENING BALANCES	1000000	1000000
CASH AND CASH EQUIVALENTS- CLOSING BALANCES	1000000	1000000

As per our attached report of even date

For and on behalf of the Board

For MAHARWAL & ASSOCIATES

Chartered Accountants
FRN: 003989C
T.C. Kumawat (Partner)
Membership No. 078029
Place: Jaipur
Date: 18.10.2011

S.K. Agrawal
Director

Ajitabh Sharma
Managing Director

Rajendr Rao
Company Secretary

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration Details	
Registration No.	U2301 RJ2008SGC026960
State Code No.	17
Balance Sheet Date	31.03.2011
	(Rs. in 000)
II Capital raised during the year	NIL
III Position of mobilisation and deployment of funds	NIL
Total Liabilities	1000
Total Assets	1000
Sources of Funds	
Paid-up Capital & Share Application Money	1000
Reserves & Surplus	NIL
Secured Loans	NIL
Unsecured Loans	NIL
Deferred Tax Liability	NIL
Application of Funds	
Net Fixed Assets	
Investments	
Capital Work in Progress Pre Operative	
Net Current Assets	(5969.29)
Miscellaneous Expenditure	6969.29
IV Perform of the Company	
Turnover	NIL
Ref. Note 2(b) of Notes to Accounts	
Total Expenditure	
Profit/(Loss)Before Tax	(4630.45)
Profit(Loss) After Tax	(4630.45)
Earning per share in Rs.	NIL
Dividend Rate %	NIL
V Generic Name of principal product of the Company (as per monetary terms)	
Item Code No.	
Product Description	Petroleum

As per our attached report of even date

For and on behalf of the Board

S.K. Agrawal
Director

For MAHARWAL & ASSOCIATES

Chartered Accountants
FRN: 003989C
T.C. Kumawat (Partner)
Membership No. 078029
Place: Jaipur
Date: 18.10.2011

Ajitabh Sharma
Managing Director

Rajendr Rao
Company Secretary



Rajasthan State Petroleum Corporation Limited

COMMENTS OF CAG UNDER SECTION 619(4) OF THE COMPANIES ACT 1956

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619 (4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF RAJASTHAN STATE PETROLEUM CORPORATION LIMITED, JAIPUR FOR THE YEAR ENDED 31 MARCH 2011.

The preparation of financial statements of Rajasthan State Petroleum Corporation Limited, Jaipur for the year ended 31 March 2011 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 18.10.2011.

I, on behalf of the Comptroller and Auditor General of India, have decided not to review the report of the Statutory Auditors on the accounts of Rajasthan State Petroleum Corporation Limited, Jaipur for the year ended 31 March 2011 and as such have no comments to make under Section 619 (4) of the Companies Act, 1956.

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

H. K. Dharmadarshi
Accountant General (C.& R. Audit)
Rajasthan, Jaipur

Place : Jaipur
Date 18.11.2011



Barmer Lignite Mining Company Limited

**FINANCIAL STATEMENT
OF
BARMER LIGNITE MINING COMPANY LIMITED
(A subsidiary company of RSMML)**

Barmer Lignite Mining Company Limited

Fifth Annual Report

DIRECTORS' REPORT

To the Shareholders,

Your directors take pleasure in presenting the 5th Annual Report along with the audited accounts of the Company for the year ended on 31st March 2011.

1. Financial Results

The Company is yet to commence business operations. However, as per guidelines of Institute of Chartered Accountants of India, Profit & Loss Account has been prepared for the year ended March 31, 2011. The Company has incurred a loss of Rs. 26,64,906/- during financial year 2010-11 which is mainly on account of Operation Maintenance & Other Expenses, provision for taxation as also certain prior period expenses adjusted in the Profit & Loss Account for the year ended 31st March, 2011. The Company has incurred Rs.810,30,14,294/- towards Capital work in progress and pre-operative expenses upto 31st March, 2011.

2. Details and Status of the Project

Your Company was incorporated on 19th January, 2007 as a Joint Venture Company between Rajasthan State Mines & Minerals Ltd. (RSMML), a Government of Rajasthan enterprise & Raj West Power Ltd. (RWPL), a wholly owned subsidiary of JSW Energy Limited with equity participation of 51% and 49% respectively to develop lignite mines in two contiguous blocks viz Kapurdi and Jalipa in Barmer district of Rajasthan for supplying lignite to the mine-head located 1080 MW (8X135) capacity Lignite Based Thermal Power Plant of RWPL.

During the year, RSMML has also acquired 22347.85 bighas of Private (Khatadari) Land falling under the Jalipa Mining Lease Area pursuant to Government of Rajasthan Award dated 05th January, 2011 and Company has paid a sum of Rs. 709 Crores (approx) to RSMML for payment to land losers for the acquisition of the land, R&R and compensation towards structures. Jalipa Mining Area also covers 2087.15 bighas of Government Land.

Your Company has started mine development

activities in Kapurdi lignite mines and expected to commence its commercial operations during financial year 2011-12. Your company is pleased to inform you that it plans to reach to its full capacity within 1st year of commercial production from Kapurdi Mines.

Your Company has received mining lease approval from Government of Rajasthan for Kapurdi Mining Block on 22nd March, 2010 in favour of RSMML and the mining lease was executed between Government of Rajasthan and RSMML on 21st December, 2010. The process of the transfer of the mining lease in favour of Your Company from RSMML has been initiated and the application for the transfer of mining lease is being submitted with AME, DMG Barmer and the process is expected to be completed shortly.

Your Company has received in principle approval from Ministry of Road Transport and Highways (MORTH) for diversion of NH-15 on 24th September, 2009. The PWD (NH Division) Barmer has appointed consultant for the preparation of Pre-Feasibility Report for the project. After submission of the Pre-Feasibility Report by the consultant, detailed Project Report (DPR) will be prepared by State Public Works Department / or other agencies.

M/s Vattenfall Europe Mining Consultants, Germany having international stature in the field of lignite mining were engaged for DPR Preparation both for Kapurdi & Jalipa Lignite blocks. The Project Report prepared by M/s Vattenfall Europe Mining Consultants for Kapurdi and Jalipa for the entire mine life has been received by the Company.

3. Dividend

Your Company has not commenced commercial operations during the year under review and therefore the Company has not made any profits. Hence your Directors have not recommended any dividend for the year under review.

4. Fixed Deposits

Your Company has not accepted any Fixed Deposits from the public and is therefore not required to



Barmer Lignite Mining Company Limited

furnish information as per Companies (Acceptance of Deposits) Rules, 1975.

5. Share Capital

During the year, there is no change in the Authorised and Paid up Capital of the Company.

6. Financing

During the year, your Company has received Rs. 9,44,52,055/- from Joint Venture Partner RWPL towards Subordinate Debt as per Joint Venture Agreement and the proceeds were used to effect payment to various parties.

Your Company has also received Rs. 750,00,00,000/- from Banks/ Financial Institutions as Short Term Loan secured by Corporate Guarantee of JSW Energy Limited and the proceeds were used to effect payment to RSMML for further payment for land compensation for Jalipa Lignite Block and interest during construction.

7. Directors

a) Composition

The Board comprises of 7 Directors.

b) Retirement by Rotation

Mr. Sunil Arora and Mr. Lalit Kumar Gupta, Directors, retire by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment. The proposals regarding their re-appointment as Directors are placed for your approval.

c) Changes during the year

Mr. Tuhin Kumar Mukherjee has resigned as Director and Managing Director of the Company with effect from 27th December, 2010.

Mrs. Aparna Arora, Director has been nominated by RSMML in place of Mr. Akhil Arora, Director with effect from 10th March, 2011.

Mr. Sanjay Sagar, Director has been appointed as Managing Director with effect from 29th March, 2011 for a period of three years as nominee of Raj West Power Limited.

Mr. Pramod Menon, Director has been nominated by RWPL with effect from 29th March, 2011 as its nominee.

Your Directors place on record their deep appreciation for the valuable services rendered by Mr. Tuhin Kumar Mukherjee and Mr. Akhil Arora during their tenures as Directors.

8. Composition of Audit Committee

As per the requirements of Section 292A of the Companies Act, 1956, an Audit Committee was constituted on 27th December, 2007 and was reconstituted during the year and presently constitutes of the following members:

- 1) Dr. Govind Sharma
- 2) Mr. Naresh Pal Gangwar
- 3) Mr. Lalit Kumar Gupta
- 4) Mr. Sanjay Sagar

The terms of reference of audit committee is in accordance with Section 292A of the Companies Act, 1956. Members of the Audit Committee met twice during the year.

9. Directors' Responsibility Statement

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- a) In the preparation of the annual accounts for the year ended 31st March, 2011, the applicable accounting standards have been followed and there is no material departure from the same;
- 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;
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of

the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and

- d) The Directors have prepared the annual accounts for the year under review, on a going concern basis.

10. Auditors

The Statutory Auditors, M/s Chatter & Chatter, Chartered Accountants, Jaipur were appointed as Auditors under Section 619 of the Companies Act, 1956, to audit the company's Annual Accounts for the Financial Year 2010-11.

11. Particulars of Conservation of Energy and Technology Absorption etc.

The particulars relating to energy conservation and technology absorption, as required to be disclosed under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988 are not applicable since the Company has not commenced commercial operations.

12. Foreign Exchange Earnings and Outgo

There are no foreign exchange earnings or outgo during the year.

13. Particulars as per Section 217 (2A) of the Companies Act 1956

In terms of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended is not applicable since none of the employees of the Company was in receipt of remuneration in excess of the limits.

14. Acknowledgment

Your Directors wish to place on record their 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 Raj West Power Limited.

For and on Behalf of the Board

Place: Jaipur
Date : 20.04.2011

Sunil Arora
Chairman



Barmer Lignite Mining Company Limited

AUDITORS' REPORT

To,
The Members of,
Barmer Lignite Mining Company Limited,

We have audited the attached Balance Sheet of Barmer Lignite Mining Company Limited as at 31st March, 2011 and the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

1. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order 2004 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to above, we report that:
 - a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us;
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - e) Disclosure in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956 is not required for Government Companies as per Notification No. GSR 829(E) dated October 21, 2003 issued by the Department of Company Affairs;
 - f) We also report that:

That during the current year the company has provided during the year Rs. 3,19,32,823/- on the basis of Debit Note received from Raj West Power Limited for the expenses incurred by them on behalf of our company relating to the past 4 years [F.Y.-2006-07 Rs.11,18,590, F.Y.2007-08 Rs.1,53,91,117, F.Y. 2008-09 Rs.89,48,575 & F.Y. 2009-10 Rs.64,74,541] out of which Rs.7,31,629/- has been taken to profit & loss account and Rs.3,12,01,194/- has been taken to Capital work in progress and thus this year profit has been reduced by the Rs.7,31,629/- and the cash flow for the year has also been affected by the above amount which have been shown as addition in the fixed asset in the current year for the expenses incurred in the previous four years.

g) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read in conjunction with our comments in para (f) above, the Significant Accounting Policies, Notes on Accounts and other schedules, give the information as required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India:

- i. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
- ii. In the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- iii. In the case of the Cash Flow Statement, of the cash flow for the year ended on that date.

For Chatter & Chatter
Chartered Accountants

Rakesh Chatter
Partner
Membership No. 073831

Place: Jaipur
Date: 20.04.2011



Annexure to Auditor's Report

Barmer Lignite Mining Company Limited

Referred to in paragraph 1 of our Report of even Date

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

- (i) In respect of its fixed assets.
 - (a) The Company has no fixed assets as the Commercial operations have not yet started and all capital assets are taken as Capital Work in Process
 - (b) Physical Verification was not done as it were Not Applicable during the current year.
 - (c) None of or part of fixed assets have been disposed of during the year.
 - (ii) In respect of Inventories
 - (a) As the Company has not commenced commercial operation there is no inventory and thus physical verification of inventory was not applicable.
 - (b) The procedures of physical verification of inventory is not applicable.
 - (c) Not Applicable as no inventory present.
 - (iii) (a) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly, sub-clause (b),(c) and (d) are not applicable.
 - (e) The company has taken unsecured loans from M/s Raj West Power Limited of Rs.311,10,27,055/- out of which additional loan received during the year is of Rs.9,44,52,055/- covered in the register maintained under section 301 of the Act.
 - (f) The rate of interest and other terms and conditions of loans taken by the company, are not prima facie prejudicial to the interest of the company; and
 - (g) The company has not repaid the principal amount of the loan as stipulated and no provision of interest is made because condition of loan given by M/s Raj West Power Limited is pending for acceptance of lenders of the company. Interest on loan for this year has been shown as contingent liability.
- (iv) As the Company has not yet started commercial operation the adequate internal control system commensurate with the size of the company is yet to be done. Till now there are not enough internal control system in the company.
 - (v) (a) The particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section;
and
(b) The transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time;
 - (vi) The Company has not accepted deposits from the public during the year, so section 58A and 58AA of the Companies Act, 1956 does not apply.
 - (vii) No Internal Audit system has yet been devised by the company and as explained to us the company would appoint the internal auditor as soon as the Company goes into commercial operation.
 - (viii) The maintenance of cost records has been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act, is not applicable is Lignite Mining business and hence is not applicable to the Company which is engaged in Lignite Mining.
 - (ix) a) The company regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess and any other statutory dues with the appropriate authorities no amount is outstanding for a period of more than six

months from the date they became payable.

- b) According to the information and explanation given to us no undisputed amount is payable in case dues of income tax/sales tax/wealth tax/service tax/customs duty/ excise duty/cess.
- (x) This clause is not applicable to the company as the company has not yet completed 5 years.
- (xi) In our opinion and according to the information and explanation given to us, the company has not defaulted in repayment of dues to a financial institution or bank.
- (xii) In our opinion and according to the information and explanation given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a Chit Fund / a Nidhi/ Mutual benefit fund Society/Company. Therefore special statute applicable to chit fund are not applicable.
- (xiv) The company is not dealing or trading in shares, securities, debentures and other investments and hence it is not applicable.
- (xv) In our opinion and as per information and explanation provided to us the company has not given any guarantee for loans taken by others from bank or financial institutions.

Barmer Lignite Mining Company Limited

- (xvi) In our opinion and as per information and explanation provided to us the company has not accepted any term loan.
- (xvii) The funds raised on short-term basis have been used for Capital Advances paid for acquisition of land for mining. During the year Rs.650 crores has been raised on short-term basis from Banks out of which Rs. 468,25,54,750/- have been used for advance paid for acquisition of land which as explained to us is that short term loan would be repaid back from the long term loans which the company are pursuing and expect to get it soon.
- (xviii) During the year, the company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.
- (xix) During the year the company has not issued any Debentures, so provision of this clause is not applicable.
- (xx) The company has not raised any money through the public issue during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and information and explanation given to us, we have to report that no fraud on or by the company has been noticed or reported during the course of our audit.

For Chatter & Chatter
Chartered Accountants

Rakesh Chatter
Partner
Membership No. 073831

Place: Jaipur
Date: 20.04.2011



BALANCE SHEET AS AT 31ST MARCH, 2011

(Amount in Rs.)

	Schedule	As at 31st March, 2011	As at 31st March, 2010
SOURCES OF FUNDS			
1. Shareholders' Funds			
Share Capital	A	200,000,000	200,000,000
Reserve and Surplus	B	-	-
2. Loan Funds			
Unsecured Loans	C	9,611,027,055	3,016,575,000
Total		9,811,027,055	3,216,575,000
APPLICATION OF FUNDS			
1. Fixed Assets			
a) Gross Block		-	-
b) Less: Depreciation		-	-
c) Net Block		-	-
d) Capital Work In Progress and Pre - operative Expenditure during the construction period (Pending Allocation)	D	8,103,014,294	3,227,930,995
		8,103,014,294	3,227,930,995
2. Investments			
	E	20,000	-
3. Deferred Tax Asset			
		914,788	724,656
4. Current Assets, Loans & Advances			
a) Inventories	F	-	-
b) Other Current Assets	G	16,185,729	2,298
c) Cash and Bank Balances	H	1,774,594,256	3,665,542
d) Loans and Advances	I	24,950,457	15,337,392
		1,815,730,442	19,005,232
Less: Current Liabilities & Provisions			
a) Liabilities	J	108,759,846	33,315,063
b) Provisions	K	4,817,978	31,269
		113,577,824	33,346,332
Net Current Assets			
Profit & Loss Account			
Total		1,702,152,618	(14,341,100)
		4,925,355	2,260,449
		9,811,027,055	3,216,575,000
Significant Accounting Policies and Notes to Accounts forming part of the Financial Statements The above schedules form part of the Financial Statements	Q		

As per our attached report of even date
Chatter & Chatter
Chartered Accountants
FRN: 005376C

For and on behalf of the Board of Director

Rakesh Chatter
Partner
Membership No. 073831

Sunil Arora
Chairman

Sanjay Sagar
Managing Director

Nitesh Gangwal
Company Secretary

Place: Jaipur
Date : 20.04.2011

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDING 31st MARCH, 2011

(Amount in Rs.)

	Schedule	For the year ended 31st March, 2011	For the year ended 31st March, 2010
INCOME			
Income From Operations :			
Sale of Lignite	L	-	-
Income from other sources	M	675	-
Total Income		675	-
EXPENDITURE			
Extraction Cost of Lignite	N	-	-
Operation Maintenance and Other Expenses	O	2,791,582	99,731
Total Expenditure		2,791,582	99,731
Profit / (Loss) before prior period adjustments		(2,790,907)	(99,731)
Less: Prior Period Expenditure	P	731,629	2,885,374
Profit / (Loss) after prior period adjustments		(3,522,536)	(2,985,105)
Profit/(Loss) before Tax		(3,522,536)	(2,985,105)
Provision for Tax			
Current Income Tax		(667,498)	-
Deferred Tax (Net)		(190,132)	(724,656)
Profit/(Loss) after Tax		(2,664,906)	(2,260,449)
Profit /(Loss) brought Forward from earlier year		(2,260,449)	-
Balance Carried to Balance Sheet		(4,925,355)	(2,260,449)
Earning Per Share of face value of Rs. 10 each (EPS) - Basic & Diluted		(0.13)	(0.11)
Significant Accounting Policies and Notes to Accounts forming part of the Financial Statements	Q		
The above schedules form part of the Financial Statements			

As per our attached report of even date

Chatter & Chatter
Chartered Accountants
FRN: 005376C

Rakesh Chatter
Partner
Membership No. 073831

Place: Jaipur
Date : 20.04.2011

For and on behalf of the Board of Director

Sunil Arora
Chairman

Sanjay Sagar
Managing Director

Nitesh Gangwal
Company Secretary



CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2011

(Amount in Rs.)

	For the year ended 31st March, 2011	For the year ended 31st March, 2010
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax:	(3522536)	(2,985,105)
Adjusted for:		
Depreciation	0	0
Interest Income	(675)	0
Miscellaneous Expenditure Written Off	0	2,131,968
Loss on sale of fixed assets	0	0
Interest Expenditure	0	0
Exceptional Item - Sales Adjustments	0	0
Prior Period Adjustments	731629	753406
Sub Total	730954	2885374
Operating profit before working capital changes	(2791582)	(99,731)
Adjustments for:		
(Increase) / Decrease in Trade and other receivables	0	0
Increase / (Decrease) in Trade payable (including provisions)	7104502	146709
(Increase) / Decrease in Inventories	0	0
(Increase) / Decrease in Other Current Asset	(16,183,431)	0
(Increase) / Decrease in Loans and Advances	(2,149,653)	(15339690)
Cash generated from operations	(14,020,164)	(15292712)
Direct Taxes Paid (Net)	667498	0
NET CASH FLOW FROM OPERATING ACTIVITIES	(13352666)	(15292712)
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
Capital Work in Progress (Net of Creditors)	(4,802,687,938)	(2,240,566,835)
Loans and Advances	(7,463,412)	0
Interest Income	675	0
NET CASH USED IN INVESTMENT ACTIVITIES	(4,810,150,675)	(2,240,566,835)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Purchase of Investments	(20,000)	-
Proceeds from Borrowings	6,594,452,055	2,258,800,000
NET CASH USED IN FINANCING ACTIVITIES	6,594,432,055	2,258,800,000
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	1,770,928,714	2,940,453
CASH AND CASH EQUIVALENTS - OPENING BALANCES	3,665,542	725,089
CASH AND CASH EQUIVALENTS - CLOSING BALANCES	1,774,594,256	3,665,542

Note : The above cash flow statement has been prepared by using the indirect method as per accounting standard 3.

As per our attached report of even date

Chatter & Chatter

Chartered Accountants

FRN: 005376C

Rakesh Chatter

Partner

Membership No. 073831

Sunil Arora

Chairman

Nitesh Gangwal

Company Secretary

Sanjay Sagar

Managing Director

Place: Jaipur

Date : 20.04.2011

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2011

(Amount in Rs.)

	As at 31st March, 2011	As at 31st March, 2010
SCHEDULE ' A ' - SHARE CAPITAL		
1. Authorised		
2,00,00,000 (Previous Year 2,00,00,000) Equity Shares of Rs.10 each	200,000,000	200,000,000
2. Issued, Subscribed & Paid Up		
2,00,00,000 (Previous Year 2,00,00,000) Fully Paid Equity Shares of Rs.10 each of the above shares 1,02,00,000 (Previous Year 1,02,00,000) shares allotted as fully paid-up without payment being received in cash to RSMML as per IA & JV Agreement.	200,000,000	200,000,000
	<u>200,000,000</u>	<u>200,000,000</u>
SCHEDULE ' B ' - RESERVE AND SURPLUS		
Surplus as per Profit & Loss Account	-	-
	-	-
SCHEDULE ' C ' - UNSECURED LOANS		
Subordinated Debt (From Others) (Please refer note no. 2 (I) of Notes to Accounts)	3,111,027,055	3,016,575,000
Loan from Scheduled Banks / Financial Institutions (Rs. 6,50,00,00,000 (Previous Year Nil) Repayable within one year)	6,500,000,000	-
	<u>9,611,027,055</u>	<u>3,016,575,000</u>
SCHEDULE ' D ' - CAPITAL WORK IN PROGRESS PRE-OPERATIVE EXPENDITURE DURING THE CONSTRUCTION PERIOD (PENDING ALLOCATION)		
CAPITAL WORK IN PROGRESS		
Plant and Machinery & Civil Works		
Capital Advances	7,365,142,001	2,675,652,000
Plant and Machinery and Civil Works	55,886,269	-
Rights under the Implementation and Joint Venture Agreement	102,000,000	102,000,000
Sub Total A	<u>7,523,028,270</u>	<u>2,777,652,000</u>
PRE - OPERATIVE EXPENDITURE (PENDING ALLOCATION)		
Opening Balance	450,278,995	410,872,245
Salaries	957,681	-
Mining Lease Expenses	236,872	5,239,812
Land Development Expenses	2,244,129	-
Mining Plan Expenses	204,085	561,800
NH Diversion Expenses	500,000	-
Trenching Cost	1,919,879	632,773
LAO Expenses	1,519,552	361,841
Consulting Engineering	4,498,045	-
Electricity Connection Charges	1,656,000	-
Geo Technical Investigation (P)	561,563	-
Water Pipelines - Shifting	38,500,000	-
Geo Physical Logging & Drilling	-	31,225,958
EIA/EMP Expenses	-	1,733,385
Legal and Professional Charges	14,606,752	37,800
Advertising Expenses	2,085,630	340,986
Travelling Expenses	5,298,728	25,801
General Expenses	1,648,241	-
Office Rent	2,165,360	-



SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2011

(Amount in Rs.)

	As at 31st March, 2011	As at 31st March, 2010
Labour Charges	2,726,903	-
Finance Charges	9,375,500	-
Income Tax Expenses	5,425,914	-
Interest During Construction Period	49,910,698	-
Total	596,320,527	451,032,401
Less : Interest income earned (TDS Rs. 151747; Previous Year : Nil)	16,334,503	-
Less: Amount Transferred to Profit & Loss Account	-	753,406
Sub Total B	579,986,024	450,278,995
Total (A+B)	8,103,014,294	3,227,930,995
SCHEDULE 'E' - INVESTMENTS		
National Saving Certificates (pledged with commercial taxes department)	20,000	-
	20,000	-
SCHEDULE 'F' - INVENTORIES		
Lignite	-	-
	-	-
SCHEDULE 'G' - OTHER CURRENT ASSETS		
Interest Accrued on National Saving Certificates	675	-
Interest Accrued on Fixed Deposit	16,182,756	-
Prepaid Expenses	2,298	2,298
	16,185,729	2,298
SCHEDULE 'H' - CASH AND BANK BALANCES		
Balance with Scheduled Banks:		
In Current Accounts	24,594,256	3,665,542
In Fixed Deposits	1,750,000,000	-
	1,774,594,256	3,665,542
SCHEDULE 'I' - LOANS AND ADVANCES		
Unsecured, Considered Good		
VAT Input Credit (on Capital Goods)	7,463,412	-
Advances recoverable in cash or in kind or for value to be received (other than project)	15,306,123	15,306,123
Advance Tax and tax deducted at source	470,922	31,269
Royalty Advance with DMGR	1,700,000	-
Deposit with DMGR	10,000	-
	24,950,457	15,337,392
CURRENT LIABILITIES & PROVISIONS		
SCHEDULE 'J' - CURRENT LIABILITIES		
Project Capital Creditors (Other than to Micro, Small & Medium Enterprises)	105,594,984	33,199,623
Sundry Creditors (Other than to Micro, Small & Medium Enterprises)	3,164,862	115,440
* No amount due to be credited to Investor Education and Protection Fund	-	-
	108,759,846	33,315,063
SCHEDULE 'K' - Provisions		
Provisions for Income Tax	4,758,416	31,269
Provision for Audit Fees	59,562	-
	4,817,978	31,269

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2011

(Amount in Rs.)

	As at 31st March, 2011	As at 31st March, 2010
SCHEDULE ' L ' - SALE OF LIGNITE		
Lignite	-	-
	-	-
SCHEDULE ' M ' - INCOME FROM OTHER SOURCES		
Interest Income on National Saving Certificates	675	-
	<u>675</u>	<u>-</u>
SCHEDULE ' N ' - EXTRACTION COST OF LIGNITE	-	-
	-	-
SCHEDULE ' O ' - OPERATION MAINTENANCE & OTHER EXPENSES		
Rates & Taxes	12,055	11,458
Professional Fees	16,590	30,923
Audit Fees	66,180	55,150
Fees and Subscriptions	1,515,000	-
Miscellaneous Expenses	117,461	-
Office Expenses	311,047	-
Bank Charges	1,431	2,200
General Expenses	18,585	-
Advertising Expenses	733,233	-
	<u>2,791,582</u>	<u>99,731</u>
SCHEDULE ' P ' - PRIOR PERIOD EXPENDITURE		
Audit Fees	-	83,652
Bank Charges	3,290	8,165
Stamp Duty on Shares Issued	-	199,500
Rates & Taxes	104,934	52,402
Miscellaneous Expenses	114,569	-
Office Expenses	271,317	-
Interview & Recruitment Charges	47,602	-
Fees and Subscriptions	30,000	-
Guest House Expenses	159,917	-
Legal and Professional Fees	-	10,277
Coal Linkage Application Fees	-	500,000
Preliminary Expenses written off	-	2,131,968
Interest Income	-	(100,590)
	<u>731,629</u>	<u>2,885,374</u>



SCHEDULES FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH, 2011

SCHEDULE 'Q'

Significant accounting policies and notes to accounts

1. Significant Accounting Policies

(a) General :

The financial statements are prepared under the historical cost convention, on the accounting principles of a going concern and as per applicable accounting standards (AS). The Company follows mercantile system of accounting and recognises income and expenditure on accrual basis except those with significant uncertainties.

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of revenue and expenses for that year. Actual result could differ from these estimates. Any revision to accounting estimates is recognised prospectively.

(b) Fixed Assets :

Fixed assets are stated at cost of acquisition and any cost attributable for bringing the asset to its working condition for its intended use.

Expenditure incurred during construction period :

All direct & indirect expenses which are specifically attributable to the construction of the project will be included as a part of the cost of construction of the project and classified as Capital Work in Progress. The same will be apportioned to the respective fixed assets on completion of the construction / erection of the capital project/ fixed assets.

(c) Depreciation :

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

Cost of free hold mining land is amortised on the basis of future benefit likely to be accrued.

Depreciation on impaired assets related to a

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.

(d) Impairment of Assets :

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

(f) Inventories :

Inventories are valued at lower of cost and net realizable value. Cost is determined on the basis of weighted average. Obsolete, defective 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 stated at the year end rates. The exchange difference relating to long term monetary items so far as they relate to the Asset acquisition, are capitalized and added to / deducted from the cost of the assets. All other exchange differences are dealt with in profit & loss account.

(h) 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. The borrowing cost eligible for capitalisation is being netted off against any income arising on temporary investment of those borrowing.

(i) Retirement Benefits :

Company's contribution to Provident Fund and Family Pension Fund is charged to the Profit and loss account on accrual basis.

Gratuity Liability is charged to profit and loss account on the basis of actuarial valuation as at the year-end.

Leave encashment liability is charged to profit and loss account on the basis of actuarial valuation as at the year-end.

(j) Taxes on Income :

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

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

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

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

(k) Provisions and Contingent Liabilities :

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

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

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

Contingent liability is disclosed in the case of

- a) Present obligation arising from a past event, when it is not probable that a outflow of recourses 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.

(l) Preliminary & other expenses not attributable to the construction of the project:

Preliminary & other expenses which are not directly or indirectly attributable to the construction of the project are charged off to the Profit & Loss Account in the period in which they are incurred.

2. Notes to accounts :

- (a) **Acquisition of Kapurdi & Jalipa Mining Block:** Company has paid a sum of Rs. 736,51,31,522/- (upto Previous Year Rs. 267,56,52,000) to Rajasthan State Mines & Minerals Limited (RSMML) upto 31st March, 2011 towards the compensation for land acquisition of 17323.05 bighas of Kapurdi Mining Block and 22347.85 bighas of Jalipa Mining Land which in turn has been paid / will be paid as land compensation to the land owners. RSMML had also raised the demand of Rs. 241 Crores for the balance compensation to be paid for land acquisition vide its letter dated 30.03.2011 which has been paid by the Company to RSMML on 05th April, 2011. The above payment includes the balance payment to be paid in respect of Kapurdi Mining Land. Presently, the mutation process is under progress after which the land would be transferred in the name of RSMML and which would later on be transferred in the name of the Company.



Barmer Lignite Mining Company Limited

(b) **Prior Period Expenses** - During the year, Company has booked the prior period expenses of Rs. 731,629 to profit & loss account and Rs. 312,01,194 to Capital Work in Progress pertaining to the financial year 2006-07 to 2009-10 incurred by Raj West Power Limited, Joint Venture Partner on behalf of the Company after obtaining approval of the Board of Directors at its meeting held on 11th August, 2010.

(c) **Contingent Liabilities not provided for:** Cumulative Interest amounting to Rs. 60,28,42,655 (upto Previous Year Rs. 29,59,85,647) @ 10% p.a. on unsecured loan (in the form of subordinated debt) of Rs. 311,10,27,055 (upto Previous Year Rs. 301,65,75,000) has not been provided, since the same is subject to Senior Lender's approval.

(d) During the year, Government of Rajasthan vide its order dated 30th March, 2011 has ordered that if any interest is gained by Rajasthan State Mines & Minerals Limited on the amount of land compensation to be paid for Jalipa and Kapurdi Mining Block as a result of delayed payment, the interest so gained will be refunded to the Company (BLMCL). Accordingly, Company has booked the gross accrued interest of Rs. 148, 81,763 (previous year Rs. Nil) on the basis of the interest

statement of Punjab National Bank for M/S RSMML Lignite Project, Kapurdi A/c.

(e) The project is under implementation and yet to commence commercial operations. In view of the Opinion issued by the Expert Advisory Committee of the Institute of Chartered Accountants of India (ICAI) on 15.12.2009, a Profit & Loss Account has been prepared as required by Accounting Standard 26. Accordingly, the indirect expenses including start up costs incurred which are not attributable to the project during the previous years have been charged to Profit & Loss Account for the year.

During the current year, the company has provided Rs. 3,19,32,823/- on the basis of Debit Note received from Raj West Power Limited for the expenses incurred by them on behalf of the Company pertaining to the previous four financial years i.e. [F.Y.-2006-07 Rs.11,18,590, F.Y.2007-08 Rs.1,53,91,117, F.Y. 2008-09 Rs.89,48,575 & F.Y. 2009-10 Rs.64,74,541] out of which Rs.7,31,629 (previous year 28,85,374) has been taken to profit & loss account as a prior period expenses and Rs.3,12,01,194 has been taken to Capital Work in Progress and thus profit during the year has been reduced by Rs.7,31,629.

(f) **Deferred tax assets consists of timing differences on account of :**

	As at 31st March, 2011	As at 31st March, 2010
Preliminary Expenses Written Off	21,31,968	21,31,968
Carry Forward losses	6,21,968	-
Deferred Tax Assets/(Liability)	9,14,788	7,24,656

(g) **Earning Per Share (Basic & Diluted) :**

	For the year ended 31st March, 2011	For the year ended 31st March, 2010
Net Profit (Loss) as attributable to equity shareholders (A) (Rs.)	(26,64,906)	(22,60,449)
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
Earning Per Share (Basic and Diluted (A/B))	(0.13)	(0.11)

(h) Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) Rs. 241,01,04,785 (Previous Year Rs. Nil).

(i) Based on the information available with the Company regarding the status of the suppliers as defined under the Micro, Small and Medium Enterprises Development Act, 2006, there are no amounts due to Micro, Small and Medium Enterprises suppliers on

account of principal and/or interest as at the close of the year.

(j) Remuneration to Auditors :

Audit fees (including service tax)

31.03.2011	31.03.2010
Rs. 66,180	Rs. 55,150

(k) 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.

- (l) During the current year, the company has received Rs.9,44,52,055 (Previous Year Rs. 2,25,88,00,000) from joint venture partner RWPL towards Subordinate Debt as per the Joint Venture Agreement and the proceeds were used to effect payment to various parties to whom work orders have been awarded.

During the current year, the Company has also received Rs. 650,00,00,000 (previous year Rs. Nil) as Short Term Loan from Banks and Financial Institutions which is secured by Corporate Guarantee of JSW Energy Limited and the proceeds were used to effect payment to RSMML for further payment for

land compensation for Jalipa Lignite Block and interest during construction, which is proposed to be repaid from the drawal of Rupee Term Loan (termed as "Project Loan").

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

(n) **Related party Disclosure as per Accounting Standard 18:**

(i) List of Related Parties:

Parties where control exists

Raj West Power Limited (RWPL) – Joint Venture Partner

Parties where significant influence exists
JSW Energy Limited (JSWEL)

(ii) **Related Party Transactions:**

Transaction with Related parties

1. Transaction with Joint Venture Partner (Amount in Rupees)

Nature of Transaction	RWPL
Transaction during the year :	
Subordinated Loan (Unsecured Loan)	9,44,52,055 (225,88,00,000)

2. Transaction with Related Parties

(Amount in Rupees)

Nature of Transaction	JSWEL
Transactions during the year:	
Salary to Company Secretary	9,57,681 (NIL)

3. Closing balance of related parties

Name of the Related Party	As at 31st March, 2011	As at 31st March, 2010
Raj West Power Limited (RWPL)	311,10,27,055	301,65,75,000
JSW Energy Limited	9,57,681	Nil

Notes:

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

(iii) Key Managerial Personnel

Mr. Sanjay Sagar – Managing Director

(iv) There is no remuneration paid to key managerial person.

- (o) Previous Year's figures have been regrouped / rearranged wherever necessary to conform to the current year classification.

Signature to schedule A to Q

For and on behalf of the Board of Director

As per our attached report of even date

Chatter & Chatter
Chartered Accountants
FRN: 005376C

Rakesh Chatter
Partner
Membership No. 073831

Sunil Arora
Chairman

Sanjay Sagar
Managing Director

Nitesh Gangwal
Company Secretary

Place: Jaipur
Date : 20.04.2011



Barmer Lignite Mining Company Limited

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I	Registration Details	
	Registration No.	U14109RJ2007SGC023687
	State Code No.	17
	Balance Sheet Date	31.03.2011
		Amount in Rs. '000
II	Capital raised during the year	Nil
III	Position of mobilisation and deployment of funds	
	Total Liabilities	99, 24,605
	Total Assets	99, 24,605
	Sources of Funds	
	Paid-up Capital & Share Application Money	200,000
	Reserves & Surplus	Nil
	Secured Loans	Nil
	Unsecured Loans	96,11,027
	Deferred Tax Liability	Nil
	Application of Funds	
	Net Fixed Assets	Nil
	Investments	20
	Capital Work in Progress Pre Operative	81,03,014
	Net Current Assets	17,02,153
	Profit & Loss Account	4,925
	Miscellaneous Expenditure	Nil
	Deferred Tax Asset	915
IV	Performance of the Company	
	Turnover	1
	Total Expenditure	3,523
	Profit/(Loss) before tax	(3,522)
	Profit/(Loss) after tax	(2,665)
	Earnings per share (in Rs.)	(0.13)
	Dividend Rate %	Nil
V	Generic Name of principal product of the Company (as per monetary terms)	
	Item Code No.	27022000
	Product Description	Lignite

As per our attached report of even date
Chatter & Chatter
 Chartered Accountants
 FRN: 005376C

Rakesh Chatter
 Partner
 Membership No. 073831

Place: Jaipur
 Date : 20.04.2011

For and on behalf of the Board of Director

Sunil Arora
 Chairman

Sanjay Sagar
 Managing Director

Nitesh Gangwal
 Company Secretary

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF BARMER LIGNITE MINING COMPANY LIMITED, JAIPUR FOR THE YEAR ENDED 31 MARCH 2010.

CAG COMMENTS	MANAGEMENT REPLY
<p>The preparation of financial statements of Barmer Lignite Mining Company Limited, Jaipur for the year ended 31 March 2010 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 17.08.2010.</p> <p>I, on behalf of the Comptroller and Auditor General of India have conducted a supplementary audit under section 619(3) of the Companies Act ,1956 of the financial statements of Barmer Lignite Mining Company Limited, Jaipur for the year ended 31 March 2010. 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 619(4) of the Companies Act, 1956 which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related Audit Report.</p>	<p>No response required.</p>



<p>A. Comments of Financial Position</p> <p>Balance Sheet</p> <p>Current Liabilities and Provisions</p> <p>Current Liabilities Rs. 3.33 Crore (Schedule-F)</p>	
<p>The above is understated by Rs. 3.19 crore due to non provision of amount of debit note received (1.6.2010) from Rajwest Power Ltd. towards expenditure incurred during the period 2006-07 to 2009-10. This has resulted in understatement of Capital Work in Progress and pre operative expenditure during the construction period by Rs. 2.55 crore and loss for the year by Rs. 64.75 lakh.</p>	<p>The Mining project is under implementation and yet to commence commercial production. The profit & loss account is prepared only to reflect the expenditure which cannot be debited to pre-operative expenditure. The debit note relates to mining expenses which will form part of pre-operative expenditure pending allocation. As the debit note was received after the end of accounting year, the same has been accounted in current year i.e. 2010-11 and will be capitalised in the year when the commercial production of mine starts, alongwith the other pre-operative expenditure. Hence this does not have any impact on Profit & Loss account. The total amount of capital work in progress as at 31st March, 2010 is Rs. 322.79 Crores. The amount of Rs. 3.19 Crores (Rs. 2.24 Crore + Rs. 0.65 Crore) is approx 1% of the capital work in progress and is therefore may not be considered significant. In any case this has been accounted in current year i.e. FY 2010-11 before start of commercial production.</p>
<p style="text-align: center;">For and on behalf of the Comptroller and Auditor General of India</p> <p style="text-align: center;">Meenakshi Sharma Accountant General (C. & R. Audit) Rajasthan, Jaipur</p> <p>Place : Jaipur Date : 10.11.2010</p>	<p style="text-align: center;">For and on behalf of the Board</p> <p style="text-align: center;">Dr. Govind Sharma Director / Chairman of the Meeting</p> <p>Place : Jaipur Date : 26.11.2010</p>

