



RAJASTHAN STATE MINES & MINERALS LIMITED

(A Government of Rajasthan Enterprise)

CIN : U14109RJ1949SGC00505

Board of Directors

As on 31.12.2014

Dr. Ashok Singhvi	Chairman
Shri Prem Singh Mehra	Director
Smt. Veenu Gupta	Director
Shri Sanjay Malhotra	Director
Shri D. S. Maru	Director
Shri H. V. Paliwal	Director
Shri P. P. Pareek	Director
Shri Bhanu Prakash Yeturu	Managing Director

Financial Advisor

Dr. T. R. Agarwal

Registered Office

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

Company Secretary

Shri Rajendr Rao

Tel.: 0141-2743734, 2743934

Fax: 0141-2743735

E-mail: rsmml@sancharnet.in

www.rsmm.com

Auditors

M/s. Om Agarwal & Company
Chartered Accountants, Jaipur

Bankers

IDBI Bank
ICICI Bank
State Bank of India
Punjab National Bank

Corporate Office

4, Meera Marg , Udaipur- 313004
Tel.: 0294-2428763-67
Fax: 0294-2428770, 2428739

INDEX

	Page No.
Notice	1
Directors' Report	6
Addendum to the Directors Report	13
Independent Auditors' Report	14
Balance Sheet	19
Statement of Profit & Loss	20
Cash Flow Statement	21
Schedules forming part of the Balance Sheet and Profit and Loss Account	22
Comments of CAG	57
Financial Statements of Subsidiary Companies	
(i) Rajasthan State Petroleum Corporation Ltd.	58
(ii) Barmer Lignite Mining Company Ltd.	78



NOTICE

NOTICE is hereby given that the 67th Annual General Meeting of the shareholders of the company will be held on Wednesday, 15th April 2015 at 3.00 P.M. at Registered office of the Company at C-89-90, Lal Kothi, Janpath, Jaipur – 302015 (Rajasthan) to transact the following business :-

Ordinary Business

1. To receive, consider and adopt the financial statements of the Company for the year ended 31st March, 2014, including Audited Balance Sheet as at 31st March 2014, the Statement of Profit and Loss for the year ended on that date, the Reports of the Board of Directors the Auditors' thereon.
2. To declare dividend for the financial year ended March 31, 2014.
3. To appoint a director in place of Shri D.S. Maru (DIN No.06778328) who retires by rotation at this Annual General Meeting and being eligible, offers himself for reappointment.
4. To fix the remuneration of the statutory auditors.

Special Business

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Section 161 and other applicable provisions of Companies Act, 2013, Rules made there under, Smt. Veenu Gupta (DIN: 02170999), who was appointed as an Additional Director by the Board with effect from 3rd February, 2014 to hold office up to the date of this Annual General Meeting, and in respect of whom the Company has received a notice in writing from a member signifying his intention to propose Smt. Veenu Gupta as a candidate for the office of a director of the Company, be and is hereby appointed as a director of the Company, whose period of office shall be liable to determination by retirement of directors by rotation."
6. To consider and if thought fit, to pass with or without modification(s), the following resolution as Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Section 161 and other applicable provisions of Companies Act, 2013, Rules made there under, Shri Sanjay Malhotra (DIN:00992744), who was appointed as an additional director by the Board with effect from 12th December, 2014 to hold office up to the date of this Annual General Meeting, and in respect of whom the Company has received a notice in writing from a member signifying his intention to propose Shri Sanjay Malhotra as a candidate for the office of a director of the Company, be and is hereby appointed as a director of the Company, whose period of office shall be liable to determination by retirement of directors by rotation."
7. To consider and if thought fit, to pass the following resolution, as an Ordinary Resolution:
"RESOLVED THAT pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification or re-enactment thereof), Shri H. V. Paliwal (DIN 03633208), who was appointed as a Director whose term expire at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act, 2013 signifying its intention to propose Shri H. V. Paliwal for appointment as Director of the Company, be and is hereby appointed as an Independent Director of the company for a term of 5 (Five) consecutive years, for a term up to 10th June, 2019."
8. To consider and if thought fit, to pass the following resolution, as an Ordinary Resolution:
"RESOLVED THAT pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification or re-enactment thereof), Shri Prem Prakash Pareek (DIN 00615296), who was appointed as a Director whose term

expire at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act, 2013 signifying its intention to propose Shri Prem Prakash Pareek for appointment as Director of the Company, be and is hereby appointed as an Independent Director of the company for a term of 5 (Five) consecutive years, for a term up to 10th June, 2019.”

9. To consider and if thought fit, to pass the following resolution, as an Ordinary Resolution:

“RESOLVED THAT pursuant to section 148 of the Companies Act 2013, the company hereby ratifies the remuneration of Rs.85000 plus taxes as applicable to be paid extra, travelling and out of pocket expenses to be reimbursed at actuals as per policy of the company payable to M/S R.K. Bhandari & CO., who are appointed as Cost Auditor to conduct the audit of cost records maintained by the company for the Financial Year 2014-15.”

By order of the Board
Rajasthan State Mines and Minerals Limited

(Rajendr Rao)
Company Secretary

Place: Udaipur

Date: 19/03/2015



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

Item No. 5:

Smt. Veenu Gupta (DIN: 02170999) was appointed as an Additional Director of the company with effect from 3rd February, 2014. As per the provisions of Section 161 of the Companies Act, 2013 read with Article 101 of the Article of Association of the company, Smt. Veenu Gupta continues to hold office as a Director until the conclusion of the ensuing Annual General Meeting. Pursuant to section 160 of the Companies Act, 2013, the company has received notice together with requisite deposit of rupees One Lakh from a member signifying his intention to propose Smt. Veenu Gupta as candidate for the office of Director of the company, liable to retire by rotation.

Smt. Veenu Gupta is a Principal Secretary, Department of Industries to the Government of Rajasthan.

The company has received an intimation from Smt. Veenu Gupta to the effect that she is not disqualified from being appointed as a Director in terms of Section 164(2) of the Companies Act, 2013 and has given her consent to act as a director of the company.

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

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

Item No. 6:

Shri Sanjay Malhotra (DIN: 02600247) was appointed as an Additional Director of the company with effect from 12th December, 2014. As per the provisions of Section 161 of the Companies Act, 2013 read with Article 101 of the Article of Association of the company, Shri Sanjay Malhotra continues to hold office as a Director until the conclusion of the ensuing Annual General Meeting. Pursuant to section 160 of the Companies Act, 2013, the company has received notice together with requisite deposit of rupees One Lakh from a member signifying his intention to propose Shri Sanjay Malhotra as candidate for the office of Director of the company, liable to retire by rotation.

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

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

Except, Shri Sanjay Malhotra to whom the resolution relates, and his relatives (to the extent of their shareholding interest in the company), none of the Directors and Key Managerial personnel of the company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item no.6.

Item No.7:

The Board of Directors had approved Shri H. V. Paliwal as an Additional Director of the Company with effect from 11th June, 2014. He worked as a Mining Expert in Hindustan Zinc Limited, Udaipur. Shri H.V. Paliwal (DIN: 03633208) is a Non Executive Independent Director of the company.

As per the provisions of Section 161 of the Companies Act, 2013 read with Article 101 of the Article of Association of the company, Shri H. V. Paliwal continues to hold office as a Director until the conclusion of the ensuing Annual General Meeting. The company has received notice in writing under the provisions of section 160 of the Companies Act, 2013, from a member along with a requisite deposit of Rupees 1(One) lakh proposing the candidature of Shri H.V. Paliwal for the office of Independent Director of the company, to be appointed as such under the provision of Section 149 of the Companies Act, 2013. The Company has received from Shri H.V. Paliwal his consent to act as a director of the company along with a declaration to the effect that he meets the criteria of Independence as provided

in Section 149 of the Companies Act, 2013 and an intimation to the effect that he is not disqualified from being appointed as a director in terms of Section 164(2) of the Companies Act, 2013.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, the resolution seeks the approval of the members for the appointment of Mr. H.V. Paliwal as an Independent Director for a term of five consecutive years up to 10th June, 2019 and he shall not be liable to retire by rotation.

In the opinion of the Board of Director, Shri H.V. Paliwal fulfils the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as an Independent Director of the company and is independent for the management.

The Board considers that his continued association would be of immense benefit to the company and it is desirable to continue to avail services of Shri H.V. Paliwal as an independent Director. Accordingly, the board recommends the resolution in relation to appointment of Shri H.V. Paliwal as an independent Director set out at Item No.7 of the notice, for the approval of the members of the company.

Except, Shri H.V. Paliwal to whom the resolution relates, and his relatives (to the extent of their shareholding interest in the company), none of the Directors and Key Managerial personnel of the company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item no.7.

Item No.8:

The Board of Directors had approved Shri Prem Prakash Pareek as an Additional Director of the Company with effect from 11th June, 2014. He is a Fellow Member of the Institute of Chartered Accountants of India (FCA) by profession. Shri Prem Prakash Pareek (DIN: 00615296) is a Non Executive Independent Director of the company.

As per the provisions of Section 161 of the Companies Act, 2013 read with Article 101 of the Article of Association of the company, Shri Prem Prakash Pareek continues to hold office as a Director until the conclusion of the ensuing Annual General Meeting. The company has received notice in writing under the provisions of section 160 of the Companies Act, 2013, from a member along with a requisite deposit of Rupees 1 lakh proposing the candidature of Shri Prem Prakash Pareek for the office of Independent Director of the company, to be appointed as such under the provision of Section 149 of the Companies Act, 2013. The Company has received from Shri Prem Prakash Pareek his consent to act as a director of the company along with a declaration to the effect that he meets the criteria of Independence as provided in Section 149 of the Companies Act, 2013 and an intimation to the effect that he is not disqualified from being appointed as a director in terms of Section 164(2) of the Companies Act, 2013.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, the resolution seeks the approval of the members for the appointment of Shri Prem Prakash Pareek as an Independent Director for a term of five consecutive years up to 10th June, 2019 and he shall not be liable to retire by rotation.

In the opinion of the Board of Director, Shri Prem Prakash Pareek fulfils the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as an Independent Director of the company and is independent for the management. The board considers that his continued association would be of immense benefit to the company and it is desirable to continue to avail services of Shri Prem Prakash Pareek as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Prem Prakash Pareek as an independent Director set out at Item No.8 of the notice, for the approval of the members of the company.

Except, Shri Prem Prakash Pareek to whom the resolution relates, and his relatives (to the extent of their shareholding interest in the company), none of the Directors and Key Managerial personnel of the company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item no.8.

Item No.9:

The Board, on the recommendation of the audit committee, has approved the appointment and remuneration of M/s R. K. Bhandari & Co., Cost Auditor to conduct the audit of the cost records of the company for the financial year ending 2014-15.

In accordance with the provisions of section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014,



Rajasthan State Mines & Minerals Limited

the remuneration of Rs. 85000/- plus service tax paid extra, travelling and out of pocket expenses to be reimbursed at actuals as per policy of the company payable to the Cost Auditors has to be ratified by the shareholders of the company. The consent of the members is sought for passing an Ordinary Resolution. The Board recommend the proposal for approval of the shareholder.

None of the directors/ Key managerial Personnel of the company, their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.9.

By order of the Board
Rajasthan State Mines and Minerals Limited

(Rajendr Rao)
Company Secretary

Place: Udaipur

Date: 19/03/2015

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTRE 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.
2. PROXIES IN ORDER TO BE EFFECTIVE SHOULD BE DULY STAMPED, COMPLETED AND SIGNED AND MUST BE DEPOSITED AT REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.

DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Shareholders,

Your Directors are pleased to present the 67th Annual Report on the business and operations of your company together with the Audited Statement of Accounts and Auditors' Report for the year ended on 31st March, 2014.

Financial Year 2013-14

Financial Outcome

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

	(₹ in lakhs)	
Profit before Tax	35200.18	42045.20
Provision for current tax	(11804.00)	(17670.00)
Tax adjustment of earlier years	1197.89	(3988.66)
Exceptional Items	(300.00)	19537.52
Deferred tax provisions	1805.00	1170.06
Net Profit after Tax	26099.07	41094.12
Add: Balance brought forward from the previous year	25.37	67.82
Balance available for Appropriation	26124.44	41161.94
Appropriations		
- General Reserve	21400.00	36600.00.00
- Proposed Dividend	3877.58	3877.58
- Tax on Proposed Dividend	775.32	658.99
Balance carried forward to next year	71.53	25.37

Growth Indicators

	(₹ in lakhs)	
Particulars	2013-14	2012-13
Total Revenue	103175.83	132796.74
Profit after tax	26099.07	41094.12
Net Worth	175044.37	153555.12
Basic and Diluted Earnings per Share (Rs.)	33.65	52.99
Output per Employee	58.26	73.29



Financial Resources

Capital Structure

Share Capital

Authorized and paid up share capital of the company during the financial year 2013-14 remain unchanged. The authorized capital of the company was Rs. 80.00 crores (Rupees Eighty Crores only) as on 31st March, 2014.

The paid up capital of the company as on 31st March, 2014 stood at 7,75,51,500 shares of Rs. 10/- each fully paid up, totalling to Rs. 77,55,15,000 (Rupees Seventy Seven Crores Fifty Five Lac Fifteen Thousands only).

Disinvestment

The Government of Rajasthan in its budget for financial year 2014-15 has announced disinvestment of 10-25% of equity of the company. In this respect a committee for implementation of the decision has been constituted at the level of State Government. Further action regarding appointment of the advisor/consultant is being taken as per the directives of the committee.

Dividend

In view of satisfactory performance of the company, your directors are pleased to recommend a dividend @ 50% of paid up share capital i.e. Rs. 5/- per share of the company for the financial year 2013-14.

Physical Performance

Strategic Business Unit & Profit Centre – Rock Phosphate

In the previous year 2013-14 the production of high grade ore (HGO) and Low Grade ore (LGO) was 4.61 Lac MT and 6.81 Lac MT respectively. The corresponding figures for the previous year were 6.95 Lac MT and 8.18 Lac MT respectively.

The total sale of Rock Phosphate during FY 2013-14 remained at 5.64 Lac MT witnessing a decline of 24% compared to the sale during FY 2012-13 which was 7.39 Lac MT, as a result the value of Rock phosphate sold during FY 2013-14 declined by 36% from ₹ 687.68 Crores to ₹ 436.91 Crores. The quantum of sale was low due to uncertain fertiliser market scenario on account of changes in government policies regarding subsidy, frequent fluctuations in exchange rates and uneven monsoon. unliquidated SSP, DAP stock. The company has signed an annual contract with GSFC for supply of 31.5% P2O5. The company has taken various measures like reduction in selling prices and sale

through e-auction to augment the sale, results of which are encouraging.

Strategic Business Unit & Profit Centre – Lignite

The production and sale of Lignite for the FY 2013-14 stood at 14.28 Lac MT against the quantity of 13.87 Lac MT during the financial year 2012-13.

Besides ongoing lignite mining projects; RSMML has been allocated some more lignite blocks by Ministry of Coal, Government of India. Pre-mining developmental activities for these lignite blocks like land acquisition, mining plan approval, environmental clearance, geo-technical studies, hydro-geological studies etc. are in progress.

New blocks, such as Gurah (West) in Bikaner, Shivkar and Sachcha-Sauda in Barmer are proposed to be developed to meet demand of fuel in power sector as well as for other industrial uses. Based on these blocks new lignite based pit head power plants have been proposed.

Strategic Business Unit & Profit Centre – Gypsum

The production and sale of gypsum stood at 22.46 Lac MT and 22.66 Lac MT respectively in the year 2013-14 as against 28.65 Lac MT and 28.54 Lac MT in the year 2012-13. The main reason for reduction of production and sale of gypsum was reluctance of land owners of gypsum bearing lands to enter into agreement with the company to allow excavation of gypsum. This necessitated re-mining in certain area resulting in lower production. The sale of gypsum was lower during 2013-14 as compared to 2012-13 mainly due to the shifting of major cement industries to alternative sources of gypsum like chemical and marine gypsum.

Strategic Business Unit & Profit Centre – Limestone

The production and sale of limestone in the year 2013-14 for Jaisalmer were 20.58 Lac MT and 19.86 Lac MT and Gotan were 2.21 Lac MT and 2.22 Lac MT respectively. The production and sale figures of previous year 2012-13 for Jaisalmer were 22.61 Lac MT and 22.17 Lac MT and for Gotan were 4.04 Lac MT and sales were 4.04 Lac MT. The quantum of sale of Limestone was low on account of the ever increasing railway freight which has resulted in increased landed cost of Jaisalmer limestone to the consuming steel plants, compared to the landed cost of imported limestone. Consequently, the steel plants are procuring SMS grade limestone from other countries.

Owing to exorbitant cost demanded by Forest department for land diversion, the company has decided to close Bhinmal Unit. The company has

already applied to surrender all the leases of mineral Fluorspar which are pending with State Government for sanction. The company is equally concerned about growth prospects and therefore, have applied for new mining leases/ PL in Jaisalmer District for SMS grade limestone.

A proposal for laying down Broad Gauge Railway line from Thaiyat Hameera to Sanu mines for smooth transportation of limestone to various steel plants is under way. The company has deposited a sum of Rs. 118.46 crores being 50% amount of the estimated cost of project to the Railways. Once this line is constructed, the dependence on road transportation of limestone will be reduced.

New Projects

5 MW Solar Power Plant

Your company has awarded the work for installation of 5 MW Solar Power plant at Bikaner to M/s Rays Power Experts Pvt. Limited. The cost of project is Rs 26.50 Crores. The proposed plant is scheduled to be commissioned in December 2014. Besides selling of power to Discom, renewable energy certificates and carbon credit revenue is also anticipated from this project.

Wind Power Project at Jaisalmer

Your company is already generating green energy from its wind energy farms having power generation capacity of 106.3 MW at Jaisalmer. The power to the tune of 1035 Lac units was supplied in 2013-14 to State Grid from these eco friendly projects besides contributing to reduction of CO2 emission to the extent of 1.25 Lac tonne per year.

Carbon Credit

Various wind power projects of the company have been registered with the CDM Executive Board of the United Nations Framework Convention on Climate Change (UNFCCC). These projects are green energy projects generating power without emitting CO2 in the atmosphere.

During the year, the company has earned 72196 CERs that from UNFCCC for wind power CDM project towards its contribution in sustainable development and to protect global warming through green energy generation.

Company has entered into long term agreement with M/s Swedish Energy Agency for sale of CERs for two CDM projects. The company has earned revenue of Rs 2.92 Crores by transferring CERs to M/s Swedish Energy Agency.

Desalination Project at Kasnau-Matasukh Lignite Mines, Nagaur

A desalination plant of 20 MLD which was set up at Nagaur in the year 2010-11 by M/s Nagaur Water Supply Company Pvt. Ltd (NWSCPL) on DBOOT basis to treat brackish water of Kasnau-Matasukh Lignite project is working satisfactorily. The plant has capacity to produce 13 MLD potable water for supplying to nearby villages in Nagaur district through PHED.

Geo-chemical mapping programme

As earlier reported, a tripartite agreement has been signed among the Government of Rajasthan (GoR), 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. Process for setting up chemical laboratory at Udaipur is in progress. The work of sampling and field work has been undertaken in the various districts of Rajasthan.

Deep-seated gypsum mining at Badwasi in Nagaur District

With the gradual depletion of surface deposits of Gypsum, the need for exploring alternate sources for consistent supply of Gypsum was felt. Hence, it was decided to explore the possibility of developing this deep seated Gypsum deposit at Badwasi, Nagaur and necessary steps are being taken for obtaining statutory clearances for this project.

Mokala Lignite Project, district Nagaur

Your Directors are pleased to inform that Lignite Block at Mokala has been allotted to RSMML by GOI. The company is in process of availing the statutory clearances viz. approval of mine plan from Coal ministry, EIA/EMP, RSPCB etc.

Subsidiary Companies

Barmer Lignite Mining Company Limited (BLMCL)

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

BLMCL has acquired 22347.85 bigas of private land for Jalipa Mining lease. Mining lease for the Jalipa Mining Block has been executed in favour of RSMML and the application for the transfer of same in favour of BLMCL



is under process. Commercial production has already been commenced from Kapurdi lignite mine. All eight units each having a capacity of 135 MW each are generating power at Bhadresh in district Barmer.

The Detailed Project Report (DPR) for diversion of NH 15 passing through Jalipa lease area prepared and submitted by PWD-NH Division to Ministry of Road Transport and Highways, New Delhi has been approved.

Rajasthan State Petroleum Corporation Limited (RSPCL)

Rajasthan State Petroleum Corporation Limited was formed as a wholly owned subsidiary of your company with the objective of conducting activities in the petroleum & natural gas sector. The Government of Rajasthan has approved the business line of oil refining, pipe line transport, gas retailing, city gas distribution, oil exploration, oil field support services for this company. The company has applied for allocation of a lignite block at Nagurda in Barmer-Sanchor basin for underground coal gasification to Ministry of Coal, New Delhi.

A joint venture agreement with GAIL Gas Ltd has been executed on 05/11/2012 for undertaking city gas distribution and other non-regulated business. A joint venture company viz. RSPCL-Gail Gas Limited has been incorporated with 50% equity participation of RSPCL. RSPCL-Gail Gas Limited has been allotted a land at Neemrana for installation of LNG station. Further project development activities are in progress.

Corporate Social Responsibility (CSR) Report

As a company policy, various aspects of socio-economic development on all areas surrounding mines of Barmer & Nagaur are being taken up regularly as a part of Corporate Social Responsibility. Company has provided and contributed funds through local village panchayats & district administration towards for sanitation health care and other infrastructure development.

Manpower

Human Resource Development & Training

Your company recognizes human resource as the most valuable resource and strive to provide a conducive and congenial environment along with facilities and opportunities for growth. Your company believes that the quality of human resource is the key driver of corporate success and accords priority for Human Resource Development with emphasis on improving skill, competence and knowledge through regular training and professional development

programmes. The manpower employed at the end of financial year 2013-14 was 1618 as against 1701 employees last year 2012-13.

Concern for Environment

The company is not only concerned with the increase in production but also equally concerned about the safety in mines and environment protection measures. The efforts made by the company in this regard were appreciated during the Safety & Environment Week organized by the different Department of Government of India and mines of SBU were accredited with the different awards in different categories.

RSMML has been following Safety Rules and Regulations and also Guidelines issue by Directorate of Mines Safety from time to time for all mines of RSMML so as to achieve for zero accident status in mines through safe working culture and adopting modern and scientific technology. Besides paying full attention towards mines safety measures, proper training for mines is also being conducted from time to time.

Industrial Relations

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

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

The information required under 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 is Nil.

Audit Committee

The Audit Committee of the company was reconstituted during the year. Presently it Dr. Ashok Singhvi, Director and Shri H.V. Paliwal & Shri P.P. Pareek as independent Directors are the members of the Audit Committee.

The roles and terms of reference, the authority and powers of the Committee are in conformity with the requirements under section 292A of Companies Act, 1956 (117 of Companies Act, 2013).

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. The Governor may from time to time appoint one of the Directors appointed under Article 99(i) as Chairman of the Board and one or more such Directors as Managing Director and/or Executive Director/s. According to Article 100 of the Articles of Association of the Company Governor appointed Shri Rajiv Mehrishi as Chairman in place of Shri C.S. Rajan who was appointed in place of Shri C.K. Mathew. According to Article 94(i) and 101 of the Articles of Association of the company, Smt. Veenu Gupta and Shri Alok and Shri D.S. Maru are appointed as Additional Directors of the Company. The Governor appointed Shri Subhash Chandra Garg, Principal Secretary Finance, Shri Mukesh Kumar Sharma and Dr Ashok Singhvi Principal Secretary Mines as Directors of the Company. Shri Ashok Bhandari was appointed as Managing Director in place of Shri Ajitabh Sharma and then Shri Vaibhav Galriya has been appointed in place of Shri Ashok Bhandari.

Further Shri PP Pareek and Shri HV Paliwal have been appointed as independent directors on the Board.

The Board places on record the valuable contribution made by the outgoing director in the growth of the company.

Auditors

The appointment of Statutory Auditors is made by the Comptroller & Auditor General of India, New Delhi. M/s Om Agrawal & Company, Chartered Accountants, Jaipur was appointed to audit Annual Accounts for the financial year 2013-14. Your Directors request you to authorize the Board of Directors to fix the remuneration of the auditors to be appointed by the Comptroller & Auditor General of India under Section 619 of the Companies Act, 1956 for the financial year 2014-15.

The Board of Directors of the company appointed M/s R.K. Bhandari & Company, Cost Accountants for cost audit of the company for the financial year 2013-14. The company has filed with the Ministry of Corporate Affairs (MCA), Government of India, the Cost Audit Report for 2012-13 related to Lignite & Wind Farm on 28.01.2014 and Compliance Report related to other units like Rock Phosphate, Gypsum & Limestone of the company for the financial year 2012-13 on 31.01.2014 as against the last date of filing on 31st December 2013.

Acknowledgment

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

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

For and on behalf of the Board

(Dr Ashok Singhvi
Chairman

Place : Jaipur
Dated: 02.01.2015



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 be the least cost producer in the segments in which it operates.

- Installation of energy efficient High pressure Grinding Rolls resulted in reduction of energy consumption at Industrial Beneficiation Plant.
- Energy audit 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. Energy audit has been carried out through Petroleum Conservation Research Association (PCRA).
- Installation of inverter results in less consumption of energy and saving in the energy.

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

- Investment proposal amounting to Rs. 20.00 lacs has been identified and being implemented for reduction of energy consumption.
- Luminaries like HPMV/Halogen Lamps etc. are being replaced with high efficiency lamps like HSPB/Metal Halide/ LED to save energy.
- Existing low efficiency motors are being replaced with high energy efficient motors and this will result in further saving in energy.

c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods;

- Cost saving achieved due to low cost power from wind mills, Jaisalmer.
- Reduction of energy consumption from 49 KWH

to 32 KWH/MT of LGO feed and consequent impact on the cost of production of Beneficiated Rock Phosphate.

- Higher power factor is maintained for achieving savings in the energy consumed from AWWNL and also getting handsome rebate per month in the electricity bills.

B. Technology Absorption

Research and Development (R&D)

1. Specific areas in which R&D carried out by the company.

R&D efforts in the following areas strengthened the company's operation through technology absorption, adaptations & innovation.

- (a) A research project has been awarded to MPUA&T, Udaipur for Rs. 11,62,500/- for three years to increase agronomic efficacy of secondary ore which is being produced as intermediate product and presently not used. The quantity is about 50 lakhs tonnes.
- (a) PROM Technology – Standardization of PROM is under progress. Company has an ambitious plan to adopt the villages in and around the mines of respective SBU for extension works of the PROM technology which in turn will save the subsidy burden by reducing the fertilizer requirement.
- (b) Converting the tailing rejects of IBP to direct application fertilizer as source of Magnesium in acidic soils. The results of trials under taken by Horticulture Research Station, Ooty are encouraging for three years. The Government of Tamilnadu has considered using the tailing as source of magnesium.
- (c) Productivity studies of HEMM at Jhamarkotra Mines.
- (d) Beneficiation of secondary rock-phosphate.
- (e) Development of appetite for use as semi precious stone.
- (f) Making the use of fine size limestone gitti produced at Jaisalmer.
- (g) Utilization of saline water encountered while mining of lignite in Kasnau – Matasukh mines. Desalination plant is installed and commissioned.

(h) Linking up the PROM technology with Biogas technology using lignite residues generated while handling the lignite. The work is being 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 Jatropha plants in company's leased area for bio-diesel production

c) Forms of customized products.

4. Expenditure on R&D

(i) Capital	₹ NIL
(ii) Recurring Lac	₹ 41.33
(iii) Total R&D expenditures as percentage of total turnover	0.043 %

C. Technology absorption, adaptation and innovation

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

a) Company has developed the low cost organic fertilizer "PROM"

b) 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 are furnished as under.

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



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:

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

For and on behalf of the Board

(Dr Ashok Singhvi)
Chairman

Place : Jaipur
Date: 02.01.2015

INDEPENDENT AUDITOR'S REPORT

To

The Members

Rajasthan State Mines & Minerals Limited

Report on Financial Statements

We have audited the accompanying financial statements of **Rajasthan State Mines & Minerals Limited** ("the Company") which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('the Act') read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of The Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Basis of Qualified Opinion

- (i) **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 under the head 'Claims against company not acknowledged as debt' overstated by ₹ 2.37 crores.**
- (ii) **The Contractor M/s National Construction Company has raised a claim based on the terms of contract between the Company and the Contractor, for Excess Wastage Handling Remuneration which has not been adequately provided for by the Company in its books of accounts. The claim 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.**



- (iii) We further report that had the observations made by us in sub para nos. (i) and (ii) above, been considered Reserves & Surplus would have been ₹ 1661.07 crores (as against ₹ 1683.25 crores as reported by the Company), Current Liabilities would have been ₹ 1236.43 crores (as against ₹ 1214.25 crores as reported by the Company), Contingent liabilities, under the head 'Claims against company not acknowledged as debt', would have been ₹ 420.22 crores (as against ₹ 442.40 crores as reported by the Company).

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ('the Order'), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the **Annexure** a statement on the matters specified in paragraphs 4 and 5 of the Order..
2. As required by section 227(3) of the Act, 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 account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement read with Significant Accounting Policies & Notes on Accounts as referred in Notes 1-44 comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
 - e) in accordance with the Notification No. GSR 829(E) 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 & Minerals Limited being a Government Company;
 - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For Om Agrawal & Co
Chartered Accountants
FRN: 000971C

Place: Jaipur
Date : 12.12.2014

(O.P. AGARWAL)
Partner
Membership No. 016603

THE ANNEXURE REFERRED TO IN OUR REPORT TO THE
MEMBERS OF RAJASTHAN STATE MINES & MINERALS LIMITED
(‘THE COMPANY’) FOR THE YEAR ENDED 31ST MARCH, 2014

As required by the Companies (Auditor’s Report) Order, 2003 issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956, we report that:

- i. In respect of fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.
 - (b) As explained to us, all the fixed assets have been physically verified by the management 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.
 - (c) In our opinion the Company has not disposed off any substantial/major part of fixed assets during the year and the going concern status of the Company is not affected.
- ii. In respect of its inventories:
 - (a) As explained to us, the inventory has been physically verified by the management at regular intervals during the year.
In our opinion, the frequency of verification is reasonable.
 - (b) In our opinion and according to the information and explanations given to us, the procedures followed by the management for physical verification of inventory are reasonable and adequate in relation to size of the Company and nature of its business.
 - (c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of inventory, the Company has maintained proper records of inventory. And discrepancies noted on physical verification between the physical stock and the books records were not material in relation to 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 no transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956. 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. Also, scope of Internal Audit need to be enlarged.
- viii. We are informed that cost records are under the process of preparation. Hence, we have not reviewed the books of account required to be maintained by the Company pursuant to the rules made by the Central Government of India, regarding the maintenance of cost records under clause (d) of subsection (1) of Section 209 of the Act. Considering the same, we are not able to give opinion on maintenance of cost records with a view to determine whether they are accurate or complete.
- 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, etc., 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, 2014 for a period of more than six months from the date they became payable:

S.No.	Nature of dues	Amount (₹ In lacs)
1.	Royalty payable to DMG including Dead Rent(Gypsum)	272.67
2.	Development Charges payable to DMG (Gypsum)	22.04
3.	Royalty payable to DMG (Jaisalmer)	177.51
4.	Premium Charges payable to DMG (Gypsum)	72.21
5.	M. R. Cess (Gypsum)	2.82
6.	Land Tax (wind mills, Banswara, Dungarpur, Gypsum)	273.99
7.	Dead Rent Payable to DMG(Limestone)	19.82
8.	Interest on late deposition of Royalty payable to DMG (Gypsum)	46.14
9.	Contribution to CPF	1.16
	Total	888.36

- (b) As at 31st March, 2014 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, etc. that have not been deposited (net of refund adjustments):

S.No.	Name of Statute	Amount (₹ in Lacs)	Forum where dispute is pending
1.	MP Sales Tax	6.22	Commissioner of Sales Tax, Chhattisgarh
2.	Rajasthan Sales Tax	78.23	Rajasthan Tax Board, Ajmer
3.	Entry Tax (net of deposit of Rs.381.78)	216.50	Dy. Commissioner (Appeal)
4.	Land Tax	94.67	RTB, Ajmer
	Total	395.62	

- x. The Company has neither accumulated losses as at 31st March, 2014 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. The Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the order are not applicable.
- xv. The Company has not given any guarantees, for loan taken by others from banks or financial institutions during the year.
- 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.
- 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 Om Agrawal & Co
Chartered Accountants
FRN: 000971C

Place: Jaipur
Date : 12.12.2014

(O.P. AGARWAL)
Partner
Membership No. 016603



BALANCE SHEET AS AT 31st MARCH, 2014

(Amt in ₹)

Particulars	Note No.	As at 31st March, 2014		As at 31st March, 2013	
I EQUITY AND LIABILITIES					
1 Shareholders' Funds					
(a) Share Capital	2	77,55,15,000		77,55,15,000	
(b) Reserves & Surplus	3	1683,25,35,108	1760,80,50,108	1468,79,17,793	1546,34,32,793
2 Non-Current Liabilities					
(a) Long-term Borrowings	4	-		-	
(b) Deferred tax Liabilities(Net)	5	48,73,86,820		66,78,86,626	
(c) Other Long term Liabilities	6	8,66,41,863		5,26,88,746	
(d) Long-term Provisions	7	35,36,80,383	92,77,09,066	43,46,22,076	115,51,97,448
3 Current Liabilities					
(a) Trade Payables	8	54,15,12,998		82,37,96,976	
(b) Other Current Liabilities	9	989,18,10,116		927,70,55,673	
(c) Short-term Provisions	10	170,91,78,522	1214,25,01,636	229,66,77,248	1239,75,29,897
TOTAL			3067,82,60,810		2901,61,60,138
II ASSETS					
1 Non-current assets					
(a) Fixed Assets					
(i) Tangible Assets	11	617,06,04,061		544,55,08,857	
(ii) Capital Work-in-Progress		3,70,52,713		56,90,777	
(b) Non-current Investments	12	31,91,68,249		1,28,45,004	
(c) Long-term loans and advances	13	264,11,76,585		189,96,28,330	
(e) Other non-current assets	14	29,32,99,116	946,13,00,724	29,05,42,566	765,42,15,534
2 Current Assets					
(a) Inventories	15	246,32,10,266		156,17,13,178	
(b) Trade Receivables	16	81,23,61,474		142,76,11,893	
(c) Cash and Bank Balances	17	924,40,98,328		936,56,05,931	
(d) Short term Loans and Advances	18	728,49,43,044		731,70,43,847	
(e) Other Current Assets	19	141,23,46,974	2121,69,60,086	168,99,69,755	2136,19,44,604
TOTAL			3067,82,60,810		2901,61,60,138

Significant Accounting Policies 1
Notes to Accounts 2-44

In terms of our report of even date

For Om Agarwal & Co.
Chartered Accountants
FRN: 000971C

(O. P. Agarwal)
Partner
Membership No. 016603

Place: Jaipur
Date: 12.12.2014

Dr Ashok Singhvi
Chairman

Dr T R Agrawal
Financial Advisor

For and on behalf of the Board
Bhanu Prakash Yeturu
Managing Director

Rajendr Rao
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

(Amt. in ₹)

Particulars	Note No.	2013-14	2012-13
INCOME			
I Revenue from operations	20	942,66,45,369	1246,69,40,757
II Other Income	21	89,09,37,427	81,27,33,336
III Total Revenue (I+II)		1031,75,82,796	1327,96,74,093
IV EXPENSES			
Purchase of Ore		81,57,660	69,58,70,994
Changes in inventories of finished goods & Others	22	-88,64,86,526	-84,80,64,224
Employee benefit expenses	23	139,83,27,856	131,15,90,018
Finance costs	24	6,48,08,691	7,65,84,433
Depreciation & Amortisation expense		51,77,90,724	56,99,02,336
Other Expenses	25	569,27,33,727	726,92,23,921
Total Expenses		679,53,32,132	907,51,07,478
V Profit before Prior Period Adjustments, Exceptional Items & Tax		352,22,50,664	420,45,66,615
Prior Period Adjustments (Net)	26	-22,32,508	-46,608
VI Profit before Exceptional Items & Tax		352,00,18,156	420,45,20,007
Exceptional items	27	-3,00,00,000	195,37,52,060
VIII Profit Before Tax		349,00,18,156	615,82,72,067
IX Tax expense:			
Current Tax		118,04,00,000	176,70,00,000
Tax of earlier years		-1197,88,965	39,88,66,435
Deferred Tax		-18,04,99,806	-11,70,06,014
X Profit for the year (VIII-IX)		260,99,06,927	410,94,11,646
XI Earning Per equity share			
Basic and Diluted	28	33.65	52.99
Face value Per equity share		10.00	10.00
Weighted Average Number of Equity Shares		77551500	77551500

Significant Accounting Policies

1

Notes to Accounts

2-44

In terms of our report of even date

Dr Ashok Singhvi
Chairman

For and on behalf of the Board
Bhanu Prakash Yeturu
Managing Director

For Om Agarwal & Co.
Chartered Accountants
FRN: 000971C

Dr T R Agrawal
Financial Advisor

Rajendr Rao
Company Secretary

(O. P. Agarwal)
Partner
Membership No. 016603

 Place: Jaipur
Date: 12.12.2014



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(Amt in ₹)

Particulars		Year Ended 31.03.2014		Year Ended 31.03.2013
A Cash Flow From Operating Activities				
Net Profit Before Tax & Exceptional Items		3490018156		6158272067
Adjustments For :				
Depreciation	522061287		569902336	
Miscellaneous Expenditure written off	2424228		2134265	
Miscellaneous Expenditure paid	(250000)		(835800)	
Reversal of dimunition in value of shares				
Interest received	(556333809)		(651343419)	
Dividend Income	(10000)		(10000)	
Interest expenditure	64721885		75965719	
Impaired/Obsolescence loss on assets	642351		958719	
Fixed and other Assets Written Off	1653808		28812	
Profit/Loss on sale of Fixed Assets (Net)	(6365730)	28544020	(2478440)	(5677808)
Operating Profit Before Working Capital Change		3518562176		6152594259
Change In Working Capital (Excluding Cash & Bank Balance)				
Inventories	(901497088)		(854309580)	
Trade receivables	615250419		283317517	
Loans & advances & other assets	(774353533)		984895803	
Trade payables, other liabilities and provisions	272950438	(787649764)	(2988893009)	(2574989269)
Cash Generated From Operation		2730912412		3577604990
Less: Direct Taxes Paid net of refund(including TDS)		(1747211043)		(1789425756)
Net Cashflow From Operating Activities		983701369		1788179234
B Cash Flow From Investing Activities				
Addition/Price revision in Fixed Assets	(850370684)		311332312	
Sale of Fixed and Other Assets	13519920		22649368	
Dividend Income	10000		10000	
Investments	(306323245)		0	
Interest Income	556333809		651343419	
Net Cash (Used) In/From Investing Activities		(586830200)		985335099
C Cash Flow From Financing Activities				
Payment/adjustment of Dividend	(387757500)		(310206000)	
Payment/adjustment of Corporate Dividend Tax	(65899387)		(50323168)	
Refund/Adjustment of Deferred Payment Credit	0		(5562500)	
Interest paid	(64721885)		(75965719)	

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

Contd ...

	Year Ended 31.03.2014		Year Ended 31.03.2013
Net Cash (Used) In/From Financing Activities	(518378772)		(442057387)
D Net Change In Cash & Cash Equivalents (A+B+C)	(121507603)		2331456946
E Cash & Cash Equivalents at beginning of the year	9365605931		7034148985
F Cash & Cash Equivalents at end of the year	9244098328		9365605931

Net Change In Cash & Cash Equivalent (F-E) (121507603) 2331456946

Notes:

₹

₹

- 1 Cash & Cash Equivalent held by the Company and not available for use by it. 1126428398 632218405
- 2 Cash Flow has been prepared under indirect method as set out in AS-3 issued by the Institute of Chartered Accountants of India.
- 3 Addition/Purchase of Fixed Assets includes movement of Capital Works in Progress & Capital Advances during the year.
- 4 Previous Year's figures have been recasted/regrouped, wherever necessary, to confirm to the current years' presentation.

In terms of our report of even date

For Om Agarwal & Co.
Chartered Accountants
FRN: 000971C

(O. P. Agarwal)
Partner
Membership No. 016603

Place: Jaipur
Date: 12.12.2014

Dr Ashok Singhvi
Chairman

Dr T R Agrawal
Financial Advisor

For and on behalf of the Board

Bhanu Prakash Yeturu
Managing Director

Rajendr Rao
Company Secretary



ACCOUNTING POLICIES

1 SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of the preparation of the Financial Statement :

The Financial Statements are prepared under the historical cost convention in accordance with the Generally Accepted Accounting Principles, Mandatory Accounting standard notified under Companies (Accounting Standards) Rules 2006 and relevant provisions of the Companies Act, 1956.

1.2 Valuation of Inventories, Stores & Spares:

(a) **Inventory :**

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

(b) **Stores & Spares :**

Stores and Spares are valued at their weighted average cost.

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

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

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

1.4 Obsolete spares, stores are taken at Nil value.

1.5 Fixed Assets & Depreciation

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

(b) Depreciation has been provided on written down value method at the rates prescribed in Schedule XIV to the Companies Act, 1956.

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

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

(e) 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.

(f) Depreciation on Tailing Dam has been provided for on written down value method considering the useful life of seven years based on technical estimation.

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

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

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

1.7 Retirement and other employee Benefits

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

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

- (c) Retirement benefit in the form of post retirement medical benefit is a defined contribution scheme in which employer is required to contribute annually 25% of the amount contributed by the employees.
- (d) Liability of leave encashment is accounted for on the basis of actuarial valuation.
- (e) Actuarial gains and losses are charged to statement of profit and loss .
- (f) Payments made under the Voluntary Retirement Scheme are charged to the statement of profit and loss as and when incurred.

1.8 Foreign Currency Transaction

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

1.9 Investments

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

1.10 Revenue Recognition

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

1.11 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.

1.12 Forest Plantation & Environment

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

1.13 Deferred Revenue Expenditure

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

1.14 Mine Closure Expenses

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



1.15 Grants -In –Aid

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

1.16 Segment Reporting

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

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

1.17 Earning per share

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

1.18 Provisions, Contingent Liabilities and Contingent Assets

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

1.19 Impairment of Assests

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

1.20 Intangible Assets

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

2 SHARE CAPITAL

(Amt In ₹)

Particulars	As at 31st March,2014	As at 31st March,2013
AUTHORISED 8,00,00,000 Equity Shares of ₹10/- each (Previous Year 8,00,00,000 Equity Shares of ₹ 10/- each)	80,00,00,000	80,00,00,000
ISSUED, SUBSCRIBED AND PAID-UP 7,75,51,500 Equity Shares of ₹10/- each fully paid-up (Previous year, 7,75,51,500 Equity Shares of ₹10/- each fully paid-up)	77,55,15,000	77,55,15,000
Total	77,55,15,000	77,55,15,000

2.1 Details of shares held by Shareholders holding more than 5% Shares

Particulars	As at 31st March,2014		As at 31st March,2013	
	No. of Shares	% held	No. of Shares	% held
Government of Rajasthan through Governor of Rajasthan	7,75,41,478	99.99	7,75,41,478	99.99

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

Particulars	As at 31st March,2014	As at 31st March,2013
Equity shares at the beginning of the year	7,75,51,500	7,75,51,500
Add: Issued during the year	0	0
Less : Shares cancelled on buy back during the year	0	0
Equity shares at the end of the year	7,75,51,500	7,75,51,500

2.3 Terms/right attached to equity shares

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



3 RESERVES & SURPLUS

(Amt In ₹)

Particulars			As at	As at
	31st March, 2014	31st March, 2013	31st March, 2014	2013
Capital Reserve			10,83,93,493	10,83,93,493
General Reserve				
As per last balance sheet	1457,69,87,799	1091,69,87,799		
Add: Transferred from surplus statement of Profit and Loss	214,00,00,000	366,00,00,000	1671,69,87,799	1457,69,87,799
Surplus in statement of Profit and Loss				
As per last balance sheet	25,36,501	67,81,742		
Add: Profit for the year	260,99,06,927	410,94,11,646		
	261,24,43,428	411,61,93,388		
Less: Appropriations				
Proposed Dividend on Equity Shares	38,77,57,500	38,77,57,500		
Tax on Dividend	7,75,32,112	6,58,99,387		
Transferred to General Reserves	214,00,00,000	366,00,00,000		
	260,52,89,612	411,36,56,887	71,53,816	25,36,501
Total			1683,25,35,108	1468,79,17,793

- 3 The dividend proposed by the Board of directors is subject to the approval in the ensuing Annual General Meeting, except in case of interim dividend. During the year ended 31st March 2014 the amount of per share final dividend recognised as distribution to equity shareholders was ₹ 5 per share (F. Y. 2012-13: ₹ 5 per share).

4 LONG TERM BORROWINGS

(Amt In ₹)

Particulars	As at	As at
	31st March, 2014	31st March, 2013
UNSECURED		
Deferred Payment Liabilities*	0	55,62,500
Less Transferred to other current liabilities (Refer Note No. 9)	0	55,62,500
Total	0	0

* Deferred Payment Liabilities is the amount payable in instalments to M/S Suzlon Energy limited for Commissioning of Wind farm.

5 DEFERRED TAX LIABILITIES (NET)

(Amt in ₹)

Particulars	As at 31st March,2014	As at 31st March,2013
Deferred Tax Liabilities		
Difference between book value of Depreciable Assets as per books of accounts and written down value for tax purposes	66,29,29,414	82,63,54,182
Deferred Revenue Expenditure	-	19,80,934
Sub total (A)	66,29,29,414	82,83,35,116
Deferred Tax Assets		
Provision for Doubtful Debts, Claims & Advances	2,87,38,264	2,07,48,735
Provision for Leave Encashment	9,51,70,283	8,74,03,376
Provision for Bonus	-	48,54,265
Deferred Revenue Expenditure	2,00,828	-
Others	5,14,33,219	4,74,42,114
Sub total (B)	17,55,42,594	16,04,48,490
Total (A-B)	48,73,86,820	66,78,86,626

6 OTHER LONG TERM LIABILITIES

(Amt in ₹)

Particulars	As at 31st March,2014	As at 31st March,2013
(a) Trade Payables		
(b) Other Payables	8,66,41,863	5,26,88,746
Total	8,66,41,863	5,26,88,746

7 LONG TERM PROVISIONS

(Amt in ₹)

Particulars	As at 31st March,2014	As at 31st March,2013
(a) Provision for employees benefits		
Provision for Leave Encashment	25,82,84,383	19,94,32,076
(b) Others		
Provision for Mine closure (Refer note no 25.3)	9,53,96,000	23,51,90,000
Total	35,36,80,383	43,46,22,076

- 7.1 As per the guidelines for preparation of Mine closure Plan issued by Ministry of Coal, Government of India, the company has made a provision for mine closure expenses of ₹ 953,96,000/ (Prev year ₹ 2351,90,000) so far. As per the guidelines the amount so provided is required to be deposited in Escrow account with a bank. The company is having sufficient funds to meet its obligation.



8 TRADE PAYABLES

(Amt in ₹)

Particulars	As at 31st March,2014	As at 31st March,2013
UNSECURED		
Due to Micro & Small Enterprises	1,21,84,923	22,33,808
Others	52,93,28,075	82,15,63,168
Total	54,15,12,998	82,37,96,976

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

(Amt in ₹)

Particulars	Amount 2013-14	Amount 2012-13
Delayed payments due - Principal	74,00,192	83,16,190
Interest due	3,98,925	5,17,447
Total interest paid on all delayed payments during the year under the provisions of the Act	-	-
Interest due on principal amounts paid beyond the due date during the year but without the interest amounts under this Act	3,98,925	5,17,447
Interest accrued but not due	-	-
Total Interest due but not paid	3,98,925	5,17,447

9. OTHER CURRENT LIABILITIES

(Amt in ₹)

Particulars	As at 31st March,2014	As at 31st March,2013
Current Maturity of Deferred Payment Liabilities (Refer note 4)	0	55,62,500
Unclaimed Dividend*	70,920	78,140
Security Deposits	21,76,52,199	14,33,02,266
Advances from customers & Others	39,24,95,456	32,71,78,096
Subsidiary Companies	727,33,86,630	722,28,78,179
Statutory Liabilities	73,70,08,138	59,32,64,565
Retention	28,82,50,420	31,72,70,931
Other Payables	98,29,46,353	66,75,20,996
Total	989,18,10,116	927,70,55,673

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

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

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

10. SHORT TERM PROVISIONS

(Amt in ₹)

Particulars	As at 31st March, 2014	As at 31st March, 2013
(a) Provision for employees benefits		
Leave encashment	2,17,10,565	5,77,12,308
Gratuity	4,17,78,345	1,83,08,053
(b) Others		
Proposed Dividend	38,77,57,500	38,77,57,500
Tax on Proposed Dividend	7,75,32,112	6,58,99,387
Income Tax	118,04,00,000	176,70,00,000
Total	170,91,78,522	229,66,77,248

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

(Amt in ₹)

Particulars	2013-14	2012-13
Employer's Contribution to Provident & Pension Funds	10,28,47,340	9,49,26,956

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

Defined Benefit Plan :

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



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

(Amt in ₹)

Particulars	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
	2013-14	2013-14	2012-13	2012-13
Present value of obligations at beginning of the year	907455484	NA	860207453	235905375
Current Service Cost	33801540	NA	32490179	11560420
Interest Cost	72596439	NA	68816596	18872430
Actuarial loss	53449970	NA	30666564	11184530
Benefits paid	-59539994	NA	-84725308	-20378371
Present value of obligations at end of the year*	1007763439	279994948*	907455484	257144384

*During the year company has taken policy from LIC of India Limited for funding its leave encashment liability.

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

(Amt in ₹)

Particulars	Leave Encashment (funded)	Gratuity Encashment (unfunded)	Gratuity (funded)	(funded)
	2013-14	2012-13	2013-14	2012-13
Fair value of plan assets at beginning of the year	-	-	889147431	758784423
Expected return on plan assets	12626222	-	84268064	81174440
Employer Contribution	293942022	-	52109593	133913876
Benefits paid	-	-	-59539994	-84725308
Fair value of plan assets at end of the year	306568244	-	965985094	889147431
Actual return on plan assets	12626222	-	84268064	81174440

*During the year company has taken policy from LIC of India Limited for funding its leave encashment liability.

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

(Amt in ₹)

Particulars	Leave Encashment (funded)	Leave Encashment (unfunded)	Gratuity (funded)	Gratuity (funded)
	2013-14	2012-13	2013-14	2012-13
Fair value of plan assets at end of the year	306568244	-	965985094	889147431
Present value of obligation at end of the year	279994948	-	1007763439	907455484
Liability/(assets) recognized in Balance Sheet	-26573296	-	41778345	-18308053

IV Expense recognized during the year

(Amt in ₹)

Particulars	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
	2013-14	2013-14	2012-13	2012-13
Current Service Cost	33801540	NA	32490179	11560420
Interest Cost	72596439	NA	68816596	18872430
Expected return on plan assets	-84268064	-12626222	-81174440	0
Actuarial loss	53449970	NA	30666564	11184530
Net Cost	75579885	NA	50798899	41617380

V Actuarial assumptions

Particulars	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
	2013-14	2013-14	2012-13	2012-13
Mortality Table (LIC)				
Discount rate (Per annum)	8.00%	8.00%	8.00%	8.00%
Expected rate of return on plan assets (per annum)	8.50%	8.50%	8.50%	NA
Rate of escalation in salary (per annum)	8.50%	8.50%	8.50%	8.50%

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

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

11. FIXED ASSETS

(Amt in ₹)

PARTICULARS	Total Cost as at 1.4.2013	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		Additions 2013-14	Deductions/ Adjustments	Total Cost as at 31.3.2014	for the year 2013-14	Deductions/ Adjustments	Upto 31.03.2014	As at 31.03.2014	As at 31.03.2013
TANGIBLE ASSETS									
Mining Land	210,35,45,878	122,98,00,299	0	333,33,46,177	3,97,32,278	0	6,78,82,132	326,54,64,045	207,53,96,024
Free Hold	3,76,24,133	0	0	3,76,24,133	0	0	0	3,76,24,133	3,76,24,133
Lease Hold	5,99,79,583	0	0	5,99,79,583	8,18,248	0	1,15,03,962	4,84,75,621	4,92,93,869
Buildings	43,30,02,859	66,18,879	-4,48,237	43,51,39,359	1,42,39,887	-3,085,172	22,11,16,650	21,40,22,709	22,30,40,924
Railway Rakes- Leased to Railways	24,78,86,511	0	0	24,78,86,511	28,77,337	0	23,00,78,463	1,78,08,048	2,06,85,385
Railway Sidings	84,54,151	0	0	84,54,151	80,990	0	79,52,901	5,01,250	5,82,240
Plant & Machinery	218,07,68,783	43,16,379	-7,667,536	217,74,17,626	8,37,06,860	-7,140,457	191,65,48,763	26,08,68,863	34,07,86,423
Power Plant	12,43,73,039	0	0	12,43,73,039	11,80,927	0	11,70,64,197	73,08,842	84,89,769
Wind Power Plant	531,19,97,334	0	0	531,19,97,334	34,86,25,834	0	315,43,26,734	215,76,70,600	250,62,96,434
Furniture & Fittings	3,61,93,969	5,85,417	-80,065	3,66,99,321	19,87,061	-60,124	2,81,79,848	85,19,473	99,41,058
Vehicles	5,93,87,804	16,40,798	-1,986,630	5,90,41,972	59,38,542	-1,985,355	4,24,42,486	1,65,99,486	2,08,98,505
Water Supply Plant & Pipeline	16,98,32,744	36,11,707	-2,038,675	17,14,05,776	48,87,191	-1,747,614	14,05,65,474	3,08,40,302	3,24,06,847
Dam	5,46,42,501	0	0	5,46,42,501	3,39,292	0	5,25,42,600	20,99,901	24,39,193
Office & Other Equipment	7,08,02,833	22,79,311	-3,485,496	6,95,96,648	46,75,647	-3,264,599	5,59,44,176	1,36,52,472	1,62,69,705
Electrical Equipment & Inst.	24,03,41,444	28,25,269	-16,540,574	22,66,26,139	58,65,830	-12,369,945	19,03,64,824	3,62,61,315	4,34,72,505
Road	12,46,50,992	0	0	12,46,50,992	27,57,811	0	7,22,52,596	5,23,98,396	5,51,56,207
Tailing Dam	4,73,25,639	0	0	4,73,25,639	1,88,093	0	4,69,73,234	3,52,405	5,40,498
Machinery in stores/at site								1,36,200	21,89,138
Total	1131,08,10,197	125,16,78,059	-36,281,355	1252,62,06,901	51,79,01,828	-29,653,266	635,57,39,040	617,06,04,061	544,55,08,857
Previous Year	1118,10,86,194	20,59,09,802	-76,185,799	1131,08,10,197	56,99,02,336	-54,173,978	586,74,90,478	545,50,67,156	584,02,50,949



Rajasthan State Mines & Minerals Limited

- 11.1 Free hold land includes ₹ 62,16,030/- (Prev Year ₹ 6216030/) located at Bhatt ji ki Bari,Udaipur given on conditional Lease of ₹ 1/- p.a. to American International Health Management Ltd.(AIHML) for 99 Years.
- 11.2 Depreciation for the year includes ₹ 1,11,104 (Prev. Year Nil) in respect of earlier years shown in prior period adjustment.
- 11.3 The cost of land includes ₹ 17,18,16,973/- (Prev Year ₹ 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 ₹ 164819566/ (Prev yea ₹ 164819566/-) so far.
- 11.4 The cost of land includes ₹ 1,52,70,872/- (Previous year ₹ 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 ₹ 5419044 /-(Previous year ₹ 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.
- 11.5 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 ₹ 2686924772/- (Prev Year ₹ 2686924772/-) 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 ₹ 2673106796 (Prev Year ₹ 267395406/-) has been paid to Land acquisition Officer for acquisition of land and ₹ 4348000/- (Prev Year ₹ 4348000/-) has been refunded back to JV Company. The mutation of land has been done in the favour of RSMML.Amount paid /payable towards land is ₹ 26912,87,921 /- (Prev Year ₹ 2691287921/). The Government of Rajasthan through its letter dated 14.09.2012 has not acceded transfer of ownership of land from RSMML to its JV Company (BLMCL). However the possession of the land along with the mining rights rest with BLMCL and therefore the economic benefit from the usage of land will not flow to RSMML. Further in view of Para 9 of Annexure to the 'Guidelines For Preparation of Mine Closure Plan' dated 27th August '2009 (Similar to the para 8.1 of the revised guidelines dated 7th January'2013), said land is to be reclaimed and can be surrendered to the State Government only after obtaining a mine closure certificate from coal controller to the effect that the protective reclamation and rehabilitation works in accordance with the approved mine closure plan/final mine closure plan have been carried out . Accordingly RSMML will neither get any economic benefit from the said land nor the control of it. In absence of both these factors the said land does not satisfy the qualifying criteria for recognition of asset as mentioned in Para 49 clause (a) of the 'Framework for the preparation and presentation financial statements' issued by the Institute of Chartered Accountants of India. Also company is not under any obligation to repay the amount received from BLMCL for the purchase of said land as the possession of land rests with it. Hence the deposit received from BLMCL is not a liability as defined in Para 49 clause (b) of the 'Framework for the preparation and presentation financial statements' issued by the Institute of Chartered Accountants of India. Accordingly company has not treated such amount as asset and liability in its financial statements. However, since the title of the land at Kapurdi mutated to RSMML same is shown at a nominal value of Re.1 in the Balance Sheet.



- 11.6 As per the terms of Joint Venture Agreement dated 27.12.2006 entered between Raj West Power Limited, Jaipur (RWPL) and Company, the Joint Venture Company has paid a sum of ₹ 709255470/ (Prev Year ₹ 709255470/-) 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 ₹ 6695824715 (Prev year ₹ 6671158603/-) has been paid to Land acquisition Officer for acquisition of land upto 31.03.2014. The progress of land acquisition and mutation in favour of company is in process . Since mutation of the entire land in favour of RSMML has not been done and also company has not received any directions about transfer of land to BLMCL , no accounting adjustments as per note 11.5 is being made.
- 11.7 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.
- 11.8 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.
- 11.9 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.
- 11.10 The Company has submitted a solvency security dated 25.02.2008 certificate to the Jodhpur Bench of Hon'ble High Court Rajasthan in favour of North Western Railway & other Railway Authorities Jodhpur on assets of the Company in a case bearing no.D.B.SAW no. 697/2008 filed by the Company against Railway relating to payment of punitive charges amounting to ₹ 7,60,57,373/- imposed on the Company.

12 NON CURRENT INVESTMENTS

(Amt in ₹)

Particulars	As at 31st March,2014	As at 31st March,2013	As at 31st March,2014	As at 31st March,2013
LONG TERM (OTHER THAN TRADE)				
A IN EQUITY INSTRUMENTS				
(a) Subsidiaries				
(i) 1,02,00,000 Equity Shares in Barmer Lignite Mining Company Limited of ₹ 10/- each fully paid-up)(Previous Year 1,02,00,000 Equity Shares)			1	1
(ii) 111,00,000 Equity Shares in Rajasthan State Petroleum Corporation Limited of ₹ 10/- each fully paid-up) (Previous Year 1,00,000 Equity Shares)			110,00,000	110,00,000
(b) Joint Sectors/assisted sectors				
Unquoted				
(i) 24500 Equity Shares in Rajasthan Rashtriya Chemicals & Fertilisers Limited Ltd. of ₹ 10/- Each Fully Paid up(Previous year 24500 shares) Less :Diminution in value	2,45,000 2,44,999	2,45,000 0	1	245000
(ii) 9,000 Equity Shares in Rajesh Mineral Inds. Ltd. of ₹ 100/- Each Fully Paid up (Previous year 9,000 shares) Less :Diminution in value	9,00,000 8,99,999	9,00,000 8,99,999	1	1
(iii) 10,000 Equity Shares in Mayur Inorganics Ltd. of ₹ 10/- Each Fully Paid-up (Previous year 10,000 shares)			1,00,000	1,00,000
(iv) 3,00,000 Equity Shares (including 1,50,000 Bonus in Ostwal Phoschem (India) Limited (formly Tedco Granite Limited) in Tedco Granite Limited ₹ 10/- Each Fully Paid up) (Previous year 3,00,000 shares of ₹ 10/- Each Fully Paid up)	15,00,000	15,00,000	15,00,000	15,00,000
Quoted				
(a) Under buy back arrangement				
(i) 1,43,000 Equity Shares In Mewar Marbles Ltd of ₹ 10/- Each Fully paid-up. Last quoted at ₹ 7/-Per Share at Mumbai Stock Exchange in 1996-97 (Previous year 1,43,000 shares) Less :Diminution in value	14,30,000 14,29,999	14,30,000 14,29,999	1	1
(ii) 3,00,000 Equity Shares in Nihon Nirman Ltd of ₹ 10/- each fully paid-up.last quoted at ₹ 2/-per share at Kolkata Stock Exchange in Aug.1997 (Previous year 3,00,000 shares) Less :Diminution in value	30,00,000 29,99,999	30,00,000 29,99,999	1	1
(b) Others				
(i) 1,72,500 Equity Shares In Nihon Nirman Ltd of ₹ 10/- each fully paid-up.last quoted at ₹ 2/-per share at Kolkata Stock Exchange in Aug.1997 (Previous year 1,72,500 shares) Less :Diminution in value	17,25,000 17,25,000	17,25,000 17,25,000		
(ii) Employees Leave Encashment Scheme - Life Insurance Corporation of India			30,65,68,244	
Total			3191,68,249	128,45,004 -



- 12.1 The Company has formed a joint venture company with Raj West Power Limited, Jaipur (RWPL) in the name of Barmer Lignite Mining Company Ltd. Jaipur (BLMCL). BLMCL will undertake the work of Lignite mining in Jallipa Kapuradi areas of Barmer District and supply the same to RWPL for its Lignite based pit head power plant. As per the terms of the agreement between RSMML & RWPL, RSMML shall have 51% shares in BLMCL and RWPL will hold the remaining 49% of the equity of the JV Company. BLMCL has allotted 1,02,00,000 shares (Previous year 1,02,00,000 shares) to the Company having face value of ₹10,20,00,000 till 31.03.2014(Previous year ₹10,20,00,000). These shares are shown as investment at a token value of ₹ 1/- in view of the opinion obtained from the Institute of the Chartered Accountants of India.
- 12.2 The Company has formed a joint venture company with RCF Ltd. Mumbai (RCFL), (A Govt. of India Enterprises) in the name of Rajasthan Rashtriya Chemical Fertilizers Limited(RRCFL) having registered office at Jaipur (Rajasthan) to establish a plant for manufacturing a chemical fertilizer namely, Di-Ammonia Phosphate (DAP) in Kapasan, Rajasthan. As per terms of agreement between RSMML & RCFL, equity of the proposed Joint Venture Company shall be shared by RSMML & RCFL in the ratio of 49:51. 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. The management of the company is process to declare it a defunct , hence investment in equity shares by the company are valued at ₹ 1.
- 12.3 The company has taken up the " Rajasthan State Mines & Minerals Limited - Employee Group Leave Encashment Scheme" (RSMML EGLES) from Life Insurance Corporation against the Leave Encashment Liability, a sum of ₹ 306568244/- (Previous Year Nil) have been invested under this scheme. The intention of holding this investment is of long term.

13. LONG TERM LOANS & ADVANCES :

(Amt in ₹)

Particulars	As at 31st March,2014	As at 31st March,2013
UNSECURED		
Capital Advances (Considered good)	126,31,62,797	83,25,46,424
Security Deposits (Considered good)	10,75,68,100	18,12,80,264
To Employees		
Considered Good	8,47,93,606	7,00,48,554
Considered Doubtful	56,206	56,206
	8,48,49,812	7,01,04,760
Less : Provision for Doubtful Loans & Advances	56,206	56,206
Subtotal	8,47,93,606	7,00,48,554
To Others		
Considered Good	17,89,36,257	18,08,74,887
Considered Doubtful	60,75,625	15,72,906
	18,50,11,882	18,24,47,793
Less : Provision for Doubtful Loans & Advances	60,75,625	15,72,906
Subtotal	17,89,36,257	18,08,74,887
Prepaid Expenses	27,69,841	8,08,410
Income-Tax Deposits	100,39,45,984	63,40,69,791
Total	26411,76,585	18996,28,330

14 OTHER NON CURRENT ASSETS

(Amt in ₹)

Particulars	As at 31st March,2014	As at 31st March,2013
Northern Western Railway		
Considered Good	-	9,444,740
Considered Doubtful	86,27,562	-
	86,27,562	9,444,740
Less: Provisions	86,27,562	-
Subtotal	-	9,444,740
Claims Recoverable (Including Duty Drawback Receivables)-Considered good	17,17,43,889	15,74,64,668
Interest accrued on FDRs/NSCs	1,79,38,872	1,78,32,815
Non Judicial Stamps in hand	3,625	13,385
Mine development expenditure	1057,46,995	1079,21,223
Less: Transferred to other current assets (Refer Note No 19)	21,34,265	21,34,265
Subtotal	10,36,12,730	10,57,86,958
Total	29,32,99,116	29,05,42,566

- 14.1 Claims recoverable includes an amount of ₹ 17,17,43,889/ (Prev. Year ₹ 15,74,64,668/-) recoverable from various contractors engaged in transportation and loading of limestone at Railway siding on account of punitive/penal/dead freight levied by the Railways on under loading/overloading of limestone. The contractors have filed Court cases against the company which are yet to be decided.

15 INVENTORIES

(Amt. in ₹)

Particulars	As at 31st March,2014	As at 31st March,2013
Finished Goods		
Rock Phosphate	161,20,77,173	108,86,48,683
Beneficiated Rock Phosphate	54,88,50,307	21,32,49,128
Rajphos	32,30,323	17,88,221
Gypsum	1,59,03,611	2,11,96,842
Lime Stone	5,26,74,412	2,16,97,009
Bio diesel and by products	3,30,583	-
Stores & Spare Parts	23,01,43,857	21,51,33,295
(Including in transit ₹ 1,70,380) (Previous year ₹ 7,17,652)		
Others		
CERs/VERs in hand	-	-
Total	246,32,10,266	156,17,13,178



- 15.1 The Company had used a small percentage of secondary ore of Rock Phosphate for beneficiation in its Industrial Beneficiation Plant on trial basis from time to time. The Secondary ore of Rock Phosphate is a very low grade mineral containing high silica and is being treated as waste material having no value. Since, the usability & economic viability of the secondary ore of Rock Phosphate for beneficiation is yet to be established, the same is being valued at zero as per the prevailing system of valuation of Rock Phosphate from the financial year 2008-09.
- 15.2 The Company was having 23594 CERs and 44098 VERs on 31/03/2014 (23594 CERs and 44098 VERs in hand on 31/03/2013) which have been treated as part of inventory and accordingly valued at Rs. Nil being lower of cost incurred for certification or net realisable value

16 TRADE RECEIVABLES (UNSECURED)

(Amt. in ₹)

Particulars	As at 31st March,2014	As at 31st March,2013
Over six months from the date these become due for payment		
i Considered good	13,70,67,632	10,42,73,392
ii Considered doubtful	6,03,62,267	4,99,87,024
Other debts considered good	67,52,93,842	132,33,38,501
	87,27,23,741	147,75,98,917
Less: Provision for doubtful debts	6,03,62,267	4,99,87,024
(Bad debts written off during the year Nil) (Prev. Year ₹ 3,44,03,808/-)		
Total	81,23,61,474	142,76,11,893

17 CASH & BANK BALANCES

(Amt. in ₹)

Particulars	As at 31st March,2014	As at 31st March,2013
(a) Cash and cash equivalents		
Balances with Banks		
in current accounts	83,91,21,386	162,82,66,603
in deposit accounts with original maturity less than three months	39,96,81,972	7,30,60,735
Cash on hand	3,24,121	4,94,686
Remittances in Transit	25,000	-
Balances with Treasury in P. D. Account	731,63,65,787	740,80,61,044
(b) Other bank balances		
Earmarked balances with banks	68,85,80,062	25,57,22,863
Total	924,40,98,328	936,56,05,931

- 17.1 In compliance of directives given by the competent courts in some cases of SBU-PC lignite ,bankers have retained a sum of ₹ 189,77,451/- (Prev. year ₹ 18977451/-) in the form of FDRs which are in lien with them to be used for the specified purposes.
- 17.2 Balances with banks includes unclaimed/unpaid dividend of ₹ 70920/- (Prev year ₹ 78140/-)
- 17.3 Earmarked balances with bank includes Fixed deposit of ₹ 425,93,009/ (Prev Year ₹ 75026168) with maturity of more than twelve months.

18 SHORT TERM LOANS & ADVANCES

(Amt. in ₹)

Particulars	As at 31st March,2014	As at 31st March,2013
UNSECURED		
To Subsidiaries	4,73,130	8,136
To Employees		
Considered good	2,06,21,153	72,10,762
Considered doubtful	1,27,505	1,27,505
Sub total	2,07,48,658	73,38,267
Less : Provision for Doubtful Loans & Advances	1,27,505	1,27,505
Sub total	2,06,21,153	72,10,762
To Others		
Considered good	726,08,16,530	730,24,86,059
Considered doubtful	42,14,393	42,14,393
	726,50,30,923	730,67,00,452
Less : Provision for Doubtful Loans & Advances	42,14,393	42,14,393
Sub total	726,08,16,530	730,24,86,059
Prepaid Expenses	30,32,231	73,38,890
Total	728,49,43,044	731,70,43,847

- 18.1 Short term loans & advances to others includes ₹ 669,58,24,715/- (Prev year ₹ 667,11,58,24,715) being amount paid to Land acquisition officer for acquisition of land at jalipa Village in state of Rajasthan. (refer note 11.6).
- 18.2 Short term loans & advances to others includes ₹ 39,30,26,729 /- (Previous year ₹ 21,56,50,028/-) being amount recoverable from PHED, Nagaur towards invoices raised by M/S Nagaur Water Supply Compnay Pvt Ltd for distribution of desalinated water.



19 OTHER CURRENT ASSETS

(Amt. in ₹)

Particulars	As at 31st March,2014	As at 31st March,2013
Income-Tax Deposits	135,45,99,800	162,44,75,985
Interest accrued on FDRs/NSCs	1,67,69,152	3,85,82,072
Claims Recoverable (Including Duty Drawback Receivables)		
-Considered good	45,70,811	9,67,778
-Considered doubtful	50,85,613	50,85,613
	96,56,424	60,53,391
Less Provision for doubtful claims	50,85,613	50,85,613
Sub total	45,70,811	9,67,778
Machinery held for sale	25,76,580	95,58,299
Current portion of unamortised Mine development expenses (Refer Note No 14)	21,34,265	21,34,265
Others	3,16,96,366	1,42,51,356
Total	141,23,46,974	168,99,69,755

20 REVENUE FROM OPERATIONS

(Amt. in ₹)

Particulars	2013-14	2012-13
Sale of -		
High Grade Rock Phosphate	346,20,14,365	583,06,38,231
Beneficiated Rock Phosphate	73,22,70,345	104,61,98,031
Rajphos	17,48,36,711	0
Lignite	210,58,28,239	207,94,97,937
Gypsum	134,09,28,317	167,31,65,817
Selenite	12,81,443	1,04,35,710
Lime Stone	118,08,45,876	130,07,71,254
Power	42,86,40,073	52,62,33,777
Total	942,66,45,369	1246,69,40,757

- 20.1 The selling prices of Rock phosphate and Cement grade Limestone and Gypsum are inclusive of Environment and Health Cess on mineral rights imposed by the State Government . The amount of cess whether included in selling prices or recovered separately is being treated a part of turnover of Company. An expenditure amounting to ₹ 617062662/- (Prev. Year ₹ 39,27,92,428/-) on this account has been shown under the head MR cess in mining and other operating expenses.
- 20.2.1 Lignite & Limestone are being supplied to Rajasthan Vidyut Utpadan Nigam Limited (RVUNL) as per the Fuel Supply Agreement (FSA) entered with party. The FSA was due for renewal w.e.f. 20 February, 2012. Pending renewal of FSA ,revenue on this account have been accounted for on the basis of prevailing rate as per existing FSA.
- 20.2.2 Lignite from Sonari pit is being supplied to RVUNL from November 2012. Issue for inclusion of Sonari pit in FSA & fixing of price is under consideration with RVUNL. As such, supply of lignite from Sonari pit have been accounted for on the basis of rate agreed by RVUNL on provisional basis as per their letter dated 23/09/2013. Necessary adjustments, if any, would be carried out on finalizing of FSA with RVUNL.

21 OTHER INCOME

(Amt. in ₹)

Particulars	2013-14	2012-13
Interest	55,63,33,809	65,13,43,419
Lease Rent on Railway Rakes	23,25,580	23,25,580
Dividend received on Long Term Investments	10,000	10,000
Carbon/Voluntary Emission Reduction (CER/VER)	2,92,48,044	2,80,61,921
Profit on Sale of Obsolete and Other Fixed Assets	64,20,637	24,78,440
Miscellaneous Receipts, Refunds, Forfeitures & Claims	11,83,68,164	12,51,08,134
Liability no longer required written back (including ₹ 16,99,41,000/- towards Provison for Mine closure written back)	17,75,07,045	21,13,713
Sundry Credit Balances written back	7,24,148	12,92,129
Total	89,09,37,427	81,27,33,336

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



22 CHANGE IN INVENTORIES OF FINISHED GOODS & OTHERS

(Amt. in ₹)

Particulars	2013-14	2012-13
OPENING STOCK		
a. Finished Goods		
Rock Phosphate	108,86,48,683	41,02,04,075
Beneficiated Rock Phosphate	21,32,49,128	5,36,56,903
Rajphos	17,88,221	95,537
Gypsum	2,11,96,842	1,26,54,150
Lime Stone	2,16,97,009	1,99,58,364
Bio diesel and by products	-	26,803
b. Others		
CERs/VERs in hand (Refer Note No. 15.2)	-	19,19,827
Total	134,65,79,883	49,85,15,659
CLOSING STOCK		
a. Finished Goods		
Rock Phosphate	161,20,77,173	108,86,48,683
Beneficiated Rock Phosphate	54,88,50,307	21,32,49,128
Rajphos	32,30,323	17,88,221
Gypsum	1,59,03,611	2,11,96,842
Lime Stone	5,26,74,412	2,16,97,009
Bio diesel and by products	3,30,583	-
b. Others		
CERs/VERs in hand (Refer Note No. 15.2)	-	-
Total	223,30,66,409	134,65,79,883
Increase/ Decrease	-88,64,86,526	-84,80,64,224

23 EMPLOYESS BENEFIT EXPENSES

(Amt. in ₹)

Particulars	2013-14	2012-13
Salaries & Wages	97,88,84,239	90,85,09,146
Contribution to Provident/Pension & Other Funds	18,34,26,224	15,15,72,769
Leave Encashment	8,70,86,410	8,47,07,463
Bonus/Additional Remuneration	1,42,46,030	1,42,81,449
Ex gratia to employees	-	88,07,383
Employees' Welfare	13,45,86,642	14,36,84,624
Employees' Social Security	98,311	27,184
Total	1398327856	1311590018

24 FINANCE COSTS

(Amt. in ₹)

Particulars	2013-14	2012-13
Interest expenses	6,47,21,885	7,59,65,719
Guarantee Commission	86,806	6,18,714
Total	6,48,08,691	7,65,84,433

25 OTHER EXPENSES

(Amt. in ₹)

Particulars	2013-14	2012-13
Mining and other operating expenses		
Stores consumed	62,49,69,253	73,39,15,618
Payment to Contractors :		
(i) For Removal of Overburden	60,73,80,069	35,86,29,303
(ii) For Raising, Transportation & Others	194,53,76,412	181,99,47,843
Freight Charges	6,94,448	9,43,887
Dewatering of Mines	5,77,130	88,18,794
Power Charges	14,88,14,669	14,89,02,343
Survey & Prospecting Charges	39,62,208	16,10,803
Royalty & Dead Rent	93,55,70,854	119,81,52,802
MR Cess	61,70,62,662	39,27,92,428
Land Tax	-	195,18,36,059
Provision for Mine Closure expenditure	3,01,47,000	8,36,54,000
Mine Development Expenses written off	23,04,065	21,34,265
Repairs to Buildings	60,84,933	38,94,827
Repairs to Plant	2,82,72,614	2,98,00,929
Repairs to Machinery	18,07,74,065	14,23,97,216
Crushing Plant Expenses	38,02,106	66,85,080
Repairs to Road	33,13,823	40,05,874
Research & Development	41,33,536	90,50,159
Sampling & Analysis	95,24,043	96,72,281
Laboratory Expenses	11,20,677	10,50,157
Compensation for Mineral	3,59,41,941	5,43,36,708
Afforestation Plantation & Environment	56,53,403	53,09,413
Rural Development Expenses	1,22,76,496	61,94,904
Selling and distribution expenses		
Cash Discounts/Rebate on Sales	-	10,24,747
Selling Expenses including commission	2,79,22,366	2,12,22,244
Packing Charges	2,68,39,549	1,44,63,756
Business Promotion Expenses	34,54,651	1,27,49,443



Particulars	2013-14	2012-13
Establishment & other Misc expenses		
Repairs to Others	1,11,93,222	99,89,594
Rent including Plot Rent	1,08,77,961	84,25,561
Rates & Taxes	67,12,589	2,93,00,599
Insurance	53,37,554	73,73,399
Travelling & Conveyance	5,37,50,409	5,29,64,003
Vehicle Up-keep	2,08,73,193	1,76,27,010
Payment to Auditors:		
(i) Audit Fees	4,38,204	4,48,298
(ii) Tax Audit Fees	1,12,360	1,12,360
(iii) For reimbursement of expenditure	3,49,119	3,61,294
General Charges	64,42,979	46,56,356
Postage, Telephone & Telegraphs	74,54,716	55,29,190
Printing & Stationery	42,11,135	47,72,166
Electricity & Water	59,08,998	54,54,269
Seminar, Training & Exhibition	20,38,305	5,92,629
Legal & Professional Charges	62,00,162	89,91,340
Advertisement & Publication	2,08,41,547	1,97,03,564
Bank Charges	96,037	1,10,399
Subscription	5,70,171	5,97,318
Entertainment	7,19,765	7,74,885
Board Meeting Expenses	85,293	1,83,485
Donation	21,60,00,000	3,97,77,218
Sundry debit balance written off	57	2,52,290
Provision for doubtful debts	1,03,75,243	42,68,137
Provision for doubtful advances	1,31,30,281	
Dimution in value of Share	2,44,999	
Consultancy Charges	1,56,75,977	50,64,987
Claims & Settlements	8,65,573	1,24,35,780
Computer Maintenance & Software Expenses	39,03,839	43,60,796
Obsolete and Other Fixed Assets written off	16,53,808	28,812
Impaired/Obsolescence loss on Fixed assets	6,42,351	9,58,719
Loss on sale/transfer of Obsolete and Other Fixed Assets	54,907	0
Obsolete Spares written off	0	9,13,580
Total	569,27,33,727	726,92,23,921

- 25.1 Land tax was being provided for on the basis of demand notices received from various assessing authorities. However, where the demand notices were not received, the liabilities were being provided as per the Company's own assessment. The Company had filed petition challenging the land tax assessment orders issued by assessing authorities of various lands for different financial years with appellate authorities and Rajasthan Tax Board. Some of the appeals filed by the Company have been referred back to assessing authorities for reconsideration of the assessments done or otherwise by appellate authorities. Though the assessing authorities had reassessed the demand in most of the cases and accordingly adjustments were made as per the revised assessment of land tax. The accounting adjustment for remaining assessments will be made on final outcome of other appeals/applications. The rate of land tax has been made zero w.e.f. 01.04.2013.
- 25.2 Revenue expenditure on Research & Development is charged to Statement of Profit & Loss in the year in which it is incurred. There is no capital expenditure incurred on Research & Development during the year.
- 25.3 In compliance to the Guideline dated 27/08/2009, as amended from time to time, by Ministry of Coal, Government of India, for preparation of Final Mine Closure plan, an amount of ₹ 3,01,47,000/- (Previous year ₹ 8,36,54,000/-) has been provided for in the financial year 2013-14 on this account. The expenses are provided on the basis of final closure plans prepared for various lignite mines of the company as on date. As per the above guidelines, the Coal controller shall issue directions for opening of escrow accounts after approval of mine closure plan. Pending approval of mine closure plan, the Escrow account is yet to be opened.
- 25.4 Stores consumed does not include consumption of Stores & spares of ₹ 10,60,45,455/- charged under various heads (Prev. Year ₹ 11,58,36,656/-).

26 PRIOR PERIOD ADJUSTMENTS

(Amt. in ₹)

Particulars	2013-14		2012-13	
	DEBIT	CREDIT	DEBIT	CREDIT
Interest.	1,120	73,93,090	-	2,22,389
Miscellaneous Receipt	1,52,49,266	89,74,405	-	-
Sale of Lignite	-	15,62,321	-	-
Liabrary expenses	5,194	-	-	-
Compensation for land	-	84,513	-	-
Salaries and Wages(Net)	-	-	2,97,249	-
Employees' Welfare	53,177	-	18,953	-
Enabling assets written off	41,59,459	-	-	6,39,635
Payment to raising & transporation contractor	2,56,507	53,403	5,82,534	-
Electricity & Water	24,981	-	-	-
Rent	12,000	-	-	64,620
Rates & Taxes	5,18,864	220	-	-
General charges	20,616	-	-	-
Computer maintenance	53,089	-	-	-
Royalty and dead rent	88,437	-	-	1,70,100
Mines development expenses write off	1,20,163	-	-	-
Bank Charges	-	-	-	65
Repairs to Machinery	-	-	1,81,280	-



Particulars	2013-14		2012-13	
	DEBIT	CREDIT	DEBIT	CREDIT
Repairs to Others	5,66,310	-	3,304	-
Repairs to Road	-	27,11,065	-	-
Legal & Professional Charges	-	2,669	-	-
Consultancy	15,27,000	-	-	-
Motor car upkeep	17,569	-	-	-
CSR expenditure	75,000	-	-	-
Travelling & Conveyance	3,04,548	-	48,988	-
Depreciation	1,11,104	-	-	-
Printing & stationary	15,548	-	-	-
Afforestation, Plantation & Environment	69,575	-	-	-
Postage, Telephone & Telegram	18,263	-	774	-
Insurance	-	2,53,596	9,135	-
Miscellaneous	-	-	1,200	-
	232,67,790	210,35,282	11,43,417	10,96,809
Net Debit		2232508		46608

27 EXCEPTIONAL ITEMS

(1) During the previous year 2012-13 various assessing authorities have reassessed the land tax of different years of various mines of the company. Consequent to reassessment the liability of land tax has been revised resulting into reversal of amount of land tax. The amount of land tax as so reversed amounting to ₹ 1,95,37,52,060/- has been considered as exceptional item in the financial year 2012-13.

(2) In line to the directives of the state Government the company has contributed an amount of ₹ 8,00,00,000/- as Company's share of contribution for construction of Guest house at Vashi, Mumbai for phase I & II out of which ₹ 3,00,00,000/ were contributed for phase I. The construction of phase I has been completed in December 2013 whereas the work of phase II is yet to be completed. The company neither got any direct benefit nor will own the asset, hence the amount of ₹ 3,00,00,000/ has been charged to revenue as an exceptional item in the financial year 2013-14.

28 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.

29. CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF

(Amt.in ₹)

S.No.	Particulars	As at 31st March, 2014	As at 31st March, 2013
i.	Claims against Company not acknowledged as debt	4423952892	4887725428
ii.	Estimated amount of contracts remaining to be executed on Capital Account	145,34,01,198	136,74,90,214
iii.	Disputed Income tax liability pending:		
	(a) Company in appeals	59,72,18,606	3,33,01,542
	(b) IT Department in appeals (As per information available with Company)	99,93,02,559	97,31,60,932
iv.	Guarantee given by banker on behalf of the Company for which counter guarantee provided by the Company	2,91,33,560	2,24,25,250
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 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 contractor 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. Besides interest on the amount claimed by various parties who have filed court cases against the Company, is not included as the same is not ascertainable .		

- 30 (i) The Company in its Board meeting held on 31/10/2011 decided to invest in equity of ₹ 5,00,00,000 in phased manner to its wholly owned subsidiary M/s Rajasthan Sate Petroleum Corporation limited against which a sum of ₹ 1,00,00,000 has been invested up to 31/03/2014.
- (ii) The Company has entered in to tripartie Memorandum of Undertanding with DMG and GSI for Geochemical Maping of Rajasthan. Under MOU all the cost of project (reestimated to ₹ 2600 Lac) will be borne by the RSMML and assets created with the above expenditure would be property of the company. The Company has already paid a sum of ₹ 5,45,00,000 (Previous year ₹ 5,45,00,000) as an advance to be adjusted against expenditure incurred by DMG for the project. The expenditures incurred on this account are being adjusted against advances. So far a sum of ₹ 146,43,154/- (Prev year ₹ 1,14,79,928/-) has been adjusted against above advance.
- 31 The Government of Rajasthan vide its notification dated 23/01/2009, had enhanced the rate of M. R. Cess on Rock phosphate from ₹ 35/-PMT to ₹ 500/-PMT with effect from 01.04.2008. Since the rate of M. R. Cess was enhanced retrospectively the Company has issued demand letters to its customers of Rock phosphate for payment of differential amount of M. R. Cess for the year 2008-09. Against such demand letters some of the customers have filed cases in Jodhpur and Jaipur benches of Hon'ble High Court, Rajasthan. The cases have been decided by the respective High Courts in their favour, against which the Govt. of Rajasthan,



being an aggrieved party in the cases, has filed appeal with Honble' supreme Court which has also been dismissed. Consequently company has requested State Government to refund back the amount of ₹ 46,26,89,600/- (Prev ₹ 46,26,89,600/-) paid by it being differential amount of MR Cess . The amount is yet to be received from the state Government. The necessary accounting adjustments would be made on receipt of the amount from Government of Rajasthan in accordance with AS-9.

32 Company is generating power from Wind Farm since August 2001 and part of the generated power is being adjusted in power bill of SBU PC Rock phosphate (Jhamarkotra Mines) towards captive use by Ajmer Vidyut Vitaran Nigam Ltd. (AVNL) while balance is being sold to AVNL. From February 2005, AVNL had stopped the adjustment of wind power in captive use without assigning any reason thereof. After long persuasion at various levels, AVNL 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 ₹ 115,08,126/- (Pev year ₹ 115,08,126/-). RSMML had objected the methodology of AVNL 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, AVNL has filed a writ in Hon'ble High Court of Rajasthan against the order but an amount of ₹ 80,63,696/-(Prev Year ₹ 80,63,696/-) has been refunded by AVNL during the year 2012-13.

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

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

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

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

As per terms of the agreement between the parties, in case of supply of lesser quantity of water than contractual quantity of water by NWSCPL for the reasons attributable to RSMML or PHED, water capacity charges were payable in full to the party, whereas in case of lesser supply of potable water for the reasons attributable to NWSCPL, lesser payment is payable to NWSCPL as per the terms of agreement.

Since the payment terms are almost similar in both the agreements, the company has been showing the amount of invoices raised by the NWSCPL as recoverable from PHED. Further, since the reasons for shortfall in supply of water attributable to which party, either NWSCPL or PHED is under dispute, the amount actually released to NWSCPL is lesser than the amount of the invoices raised by them. The necessary accounting adjustments would, however, be made once it is determined as to whether M/s NWSCPL or PHED is responsible for shortfall in the supply of potable water. As on 31.03.2014, a sum of ₹ 39,30,26,729/-(Prev Year ₹ 21,59,00,028/-) is recoverable from PHED.

35 The company had awarded a contract to M/s National Construction Company (NCC) for "Hiring of Heavy Earth Moving Equipment for Removal of Overburden and Raising of Saleable Lignite" from Matasukh Lignite Mines situated in Nagaur district for a period of seven years – from 16.01.2003 to 16.01.2010. During the course of execution of the contract, due to in-rush of water in the mining pit, the mining operations were affected. As such, based on the technical advice from the Experts and looking to instructions of DGMS some changes were made in the design parameters. The contractor before closure of the contract has raised a final claim of ₹ 73,09,89,440/- after adjustment of ₹ 14,00,24,771/-, given to them as an advance. The claim of the contractor was inclusive of ₹ 54,73,55,073/- towards remuneration for excess waste handling. The remaining claim amounts were towards diesel escalation, machinery and manpower idling charges, excess outside overburden dumping, excess de-watering charges, re-handling of overburden, reimbursement of service charges etc. Against the gross claim of ₹ 87,10,14,211/-, the company has accepted claims amounting to ₹ 19,94,63,600/-, including ₹ 19,25,71,780/- crore towards remuneration for excess waste handling charges. The contractor then has filed a court case in the year 2011-12 against the company, raising therein a claim of ₹ 9259,66,848/-, including interest after adjusting advance.

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

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

In compliance of the decision of the Hon'ble Supreme Court, EPFO vide its circular dated 05.05.2008 has conveyed for discontinuance of PF deduction on leave encashment with immediate effect and also stated that employer's share received by EPFO will be adjusted against future liabilities. Since this circular was not came to the notice of the company and its PF Trust till Office of the AG has pointed out during the course of regular audit of SBU-Limestone in the year 2013 and also during conducting supplementary audit of the Balance Sheet for the FY 2012-13, the company continued to deduct PF contribution on leave encashment paid to its employees and made contributions of equal amount to PF Trust of the company. However, when the company became aware of the fact, it immediately stopped to deduct PF on leave encashment. The amount so deducted and contributed from the year 2008 to September 2013 works out to ₹ 26137717/-(Prev Year ₹ 22484730/-) The necessary accounting adjustment would be made in the books of accounts as per the decision of the competent authority in this regard.

37 (i) Sh. Ajitabh Sharma from 01.04.2013 to 28.06.2013, Sh. Vikas S. Bhale from 28.06.2013 to 08.08.2013 and Sh.Ashok Bhandari from 08.08.2013 to 31.03.2014 Managing Director being key managerial personnel with whom transactions have taken place during the year.



a Details of remuneration of Managing Director is as under: -

(Amt.in ₹)

Particulars	2013-14	2012-13
Salary (including pension contribution & perquisite on accommodation provided)	12,26,464	14,73,615
Telephone/Car*		
Total	12,26,464	14,73,615
Amount adjusted in respect of accounts		
Rent (Net)	NIL	NIL

* Value of Telephone/Car used not ascertainable

(ii) Parties where control exists

- a Barmer Lignite Mining Company Limited (BLMCL) -Subsidiary Company
- b Rajasthan State Petroleum Corporation Limited(RSPCL)-Subsidiary Company

(iii) Transactions with Related parties

a Barmer Lignite Mining Company Limited :

(Amt. in ₹)

Nature of Transactions during the year	2013-14	2012-13
Expenses incurred	73,78,336	2,21,26,507
Interest earned on deposits	6,43,18,654	7,53,51,268

b Rajasthan State Petroleum Corporation Limited :

(Amt. in ₹)

Nature of Transactions during the year	2013-14	2012-13
Expenses incurred (including adv against equity share to RSPCL-Gail Gas Ltd.)	6,64,994	2,62,428
Received towards reimbursed of expenditure	2,00,000	3,59,406

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

(Amt. in ₹)

Particulars	2013-14	2012-13
Imported	0.00 (0.00%)	0.00 (0.00%)
Indigenous	731014708(100%)	849752174 (100 %)

39 No imported raw material was consumed during the year.

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

(Amt. in ₹)

Particulars	2013-14	2012-13
Earnings	2,92,48,044	2,80,61,921
Expenditure		
Spares	-	-
Other Matters	7,26,825	8,49,420



42 QUANTITATIVE DETAILS OF PRODUCTS AND OTHER DISCLOSURES

(i) Rock Phosphate, Beneficiated Rock Phosphate and Rajphos

(In MT)

Particulars	Rock Phosphate		Beneficiated Rock Phosphate		Rajphos	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Opening Stock	1470360	863915	58081	17095	1672	77
Production	1142121	1513036	220938	238334	76201	1595
Less: Moisture Qty.	-	-	-46133	-48060	-	-
Purchase	10752	238277	-	-	-	-
Transfer	28799	43873	-28799	-43873	-	-
Retrieval	-	3288	-	-	-	-
Sales	405740	635525	91369	115923	76026	-
Less: Moisture	-	-	-9281	-12014	-	-
Own consumption for Ben. Rock Phosphate Rajphos	603327	538426	-	-	-	-
Stock as per Books	1642965	1488438	121999	59587	1847	1672
Shortages	22347	18078	1933	1506	-	-
Closing Stock	1620618	1470360	120066	58081	1847	1672

(ii) Gypsum & Selenite:

(In MT)

Particulars	Gypsum		Selenite	
	2013-14	2012-13	2013-14	2012-13
Opening Stock	58516	47947	-	-
Production	2245121	2858364	876	7231
Sales	2265107	2846596	876	7231
Stock as per Books	38530	59715	-	-
Shortages/Retrieval	129	1199	-	-
Closing Stock	38401	58516	-	-

(iii) Lime Stone:

(In MT)

Particulars	2013-14		2012-13	
	Lime Stone	Sub Grade Lime Stone	Lime Stone	Sub Grade Lime Stone
Opening Stock	75793	144947	22548	130988
Production	1976688	302607	2275288	389905
Sales	1915033	291645	2246653	374253
Stock as per Books	137448	155909	51183	146640
Shortages/Retrieval	-7011	23435	-24610	1693
Closing Stock	144459	132474	75793	144947

(iv) Lignite:

(In MT)

Particulars	2013-14	2012-13
Opening Stock	-	-
Production	1427791	1387192
Sales	1427791	1387192
Stock as per Books	-	-
Shortages	-	-
Closing Stock	-	-

(v) Multimetal:

(In MT)

Particulars	2013-14	2012-13
Opening Stock	340	340
Production	-	-
Sales	-	-
Stock as per Books	340	340
Shortages	-	-
Closing Stock	340	340

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

(In Units)

Particulars	2013-14	2012-13
Generation	117338904	141931821
Sales	103494557	127215940
Own Consumption	12588031	13784889
Wheeling units	1258799	930992

(vii) Power: (3.8 MW DG Set)

(In Units)

Particulars	2013-14	2012-13
Generation	101040	221400
Own Consumption	57670	197390
Auxillary Consumption out of generatiom	43370	24010

Note: The plant is operated for 27 days only during the financial year (previous year 8 days), as and when required.



43 DISCLOSURE IN RESPECT OF AS - 20: EARNINGS PER SHARE:

(In MT)

Particulars	2013-14	2012-13
Numerator - Net Profit as per the Statement of Profit & Loss	2609906927	4109411646
Denominator – Weighted Average number of equity shares outstanding (Face Value of ₹ 10/- each)	77551500	77551500
Earning Per Share (Basic & Diluted)	33.65	52.99

44 MISCELLANEOUS:

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

In terms of our report of even date

For Om Agarwal & Co.
Chartered Accountants
FRN: 000971C

(O. P. Agarwal)
Partner
Membership No. 016603

Place: Jaipur
Date: 12.12.2014

Dr Ashok Singhvi
Chairman

Dr T R Agrawal
Financial Advisor

For and on behalf of the Board
Bhanu Prakash Yeturu
Managing Director

Rajendr Rao
Company Secretary

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

S. No.	Name of the Subsidiary Company		Barmer Lignite Mining Company Limited	Rajasthan State Petroleum Corporation Limited
1	Financial year of the Subsidiary ended on		31-Mar-14	31-Mar-14
2	The extent of the holding company's interest in the subsidiary at the end of the financial year i. Face Value ii. Number of Shares held iii. Extent of holding	₹ No. %	10.00 1,02,00,000 51.00%	10.00 11,00,000 100.00%
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 ii. Not dealt with in the accounts of the holding company	₹	Nil (38,38,728)	Nil (1,77,698)
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 ii. Not dealt with in the accounts of holding company	₹	Nil (2,76,00,388)	Nil (84,26,799)

Dr Ashok Singhvi
Chairman

Dr T R Agrawal
Financial Advisor

For and on behalf of the Board

Bhanu Prakash Yeturu
Managing Director

Rajendr Rao
Company Secretary

Place - Jaipur
Date - 12.12.2014



Rajasthan State Mines & Minerals Limited

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619 (4)
OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF RAJASTHAN STATE MINES & MINERALS
LIMITED, JAIPUR FOR THE YEAR ENDED 31ST MARCH, 2014**

The preparation of financial statements of Rajasthan State Mines & Minerals Limited, Udaipur for the year ended 31 March 2014 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 12 December, 2014.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 619 (3) (b) of the Companies Act, 1956 of the financial statements of Rajasthan State Mines & Minerals Limited, Udaipur for the year ended 31 March 2014. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comments upon or supplement to Statutory Auditors' report under section 619(4) of the Companies Act, 1956.

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

(S. Alok)
Accountant General (E&RSA)
Rajasthan, Jaipur

Place: Jaipur

Date: 05.02.2015

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



DIRECTORS' REPORT

To

The Shareholders,

Your directors take pleasure in presenting the sixth annual report along with the audited accounts of the Company for the year ended on 31st March, 2014.

1. Financial Performance

During the year your company has incurred net expenditure of ₹1,77,698/- towards routine establishment expenses. The net debit balance in the profit & loss account as on 31st March 2014 is ₹ 84,29,799/-.

2. Change in share capital

There is no change in composition of authorized share capital and paid up share capital in the financial year 2013-14.

3. Progress of the activities of the corporation

Your Company has incorporated a Joint Venture Company named RSPCL-GAIL Gas Ltd on 20.09.2013 with RSPCL and GAIL Gas Ltd. as its promoter companies. In terms of the Joint Venture Agreement, RSPCL has contributed ₹ 2.50 Lac towards initial equity contribution in the JVC.

The JVC has taken strategic decision to put up Mega CNG Station at Neemrana to cater CNG requirement for vehicular population plying between Delhi-Jaipur and Jaipur-Delhi highway. Two plots measuring approximately 2500 sq.mt. across NH-8 were identified after deliberation with RIICO office at Neemrana out of which one plot of land has been allotted by RIICO after deposition of a sum of ₹ 10.00 Crore which was released by RSPCL.

4. 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.

5. 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.

6. Composition of Directors

After transfer of Shri Sunil Arora, the then Chairman and Director of RSPCL, Shri CS Rajan held the position of the Chairman of the Company. Thereafter, Shri Subhash Chandra Garg was appointed as the Chairman of the Company. Subsequent to transfer of Shri Subhash Chandra Garg, presently Shri Prem Singh Mehra is the Chairman of RSPCL. During the year under report Shri Ashok Bhandari was nominated as Managing Director in place of Shri Ajitabh Sharma. After superannuation of Shri Ashok Bhandari, Shri Vaibhav Galriya was appointed as Managing Director. After transfer of Shri Vaibhav Galriya, Shri K.B. Gupta assumed the office. Presently, Shri Bhanu Prakash Yeturu is appointed as Managing Director in place of Shri K.B. Gupta w.e.f. 14th November, 2014.

Further RSMML has nominated Shri Mukesh Kumar Sharma in place of Shri Sudhansh Pant, Shri Alok in place of Shri Shailendra Agarwal and Shri Praveen Gupta in place of Shri Tanmay Kumar as the Directors of the company. After transfer of Shri Mukesh Kumar Sharma, Dr. Ashok Singhvi is appointed as Director in his place. Further, Shri Sanjay Malhotra is nominated as Director after transfer of Shri Alok.

Your Directors place on record their appreciation for the valuable services rendered by Shri Sunil Arora, Shri C.S. Rajan, Shri Subhash Chandra Garg, Shri Ajitabh Sharma, Shri Sudhansh Pant, Shri Shailendra Agarwal, Shri Tanmay Kumar, Shri Mukesh Kumar Sharma, Shri Alok, Shri Vaibhav Galriya and Shri K.B. Gupta during their tenure.

7. 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 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.

8. Auditors

M/s G.K. Mittal & Associates, 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 2013-14. Further, M/s J P MARS & Associates, Jaipur are appointed as the Statutory Auditors for the Financial Year 2014-15 by CAG.

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

9. 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.

10. 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.

11. Foreign Exchange Earnings and Outgo

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

12. 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.

13. 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

Prem Singh Mehra
Chairman

Place: Jaipur
Dated: 19.02.2015



COMPLIANCE CERTIFICATE

CIN : U23201RJ2008SGC026960

Nominal Capital : ₹ 35,00,00,000/-

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, 2014**. 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 on 22.08.2013 in respect of which meeting proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose. Company has not 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 **31.03.2013** was held on **20.09.2013** 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:
 - (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. Board of Directors of the Company is duly constituted. Mr. Praveen Gupta in place of Mr. Tanmay Kumar , Mr. Mukesh Kumar Sharma in place of Sudhanshu Pant and Mr. Alok in place of

- Mr. Shailendra Kumar Agarwal and Mr. Arjun Ram Choudhary were appointed as Nominee Director and further Mr. Shiv Kumar , Mr. Naresh Pal Gangwar and Mr. Govind Sharma Resigned from their post. Mr. Rajendra Rao Resigned from the post of Company Secretary during the financial year.
15. Mr. Ajitabh Sharma Resigned from the Post of Managing Director and Mr. Ashok Kumar Bhandari Appointed As Managing Director During the Financial Year.
 16. The Company has not appointed any sole selling agent during the financial year.
 17. The Company has got approval from Registrar of Companies for extension of time for holding Annual General Meeting. Company was not required to obtain any approval of the Central Government, Company Law Board, Regional Director, 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 issued Equity Shares 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 not 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.
 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: 11.12.2014



Annexure A

Registers as maintained by the Company

1. Register of Members	u/s150
2. Minute Book of Board Meetings	u/s193(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/s143
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, 2014

S.No.	Document/ Form	Under Section	Date of Document	Filed on	Whether Filed within time	Whether additional fee paid
1.	Form 23AC& 23ACA	220	31.03.2013	18.12.2013	NO	YES
2.	Form 20B	159	20.09.2013	28.01.2014	NO	YES
3.	Form 66	383A(1)	31.03.2013	30.11.2013	NO	YES
4.	Form 32	303(2)	16.09.2013	28.01.2014	NO	YES
5.	Form 32	303(2)	21.05.2013	28.01.2014	NO	YES
6.	Form 32	303(2)	12.08.2013	28.01.2014	NO	YES
7.	Form 32	303(2)	15.04.2013	28.01.2014	NO	YES
8.	Form 32	303(2)	12.08.2013	21.11.2013	NO	YES

For S.K. Joshi & Associates

Company Secretaries

Sanjay Kumar Joshi

Proprietor

C.P. No. 7342

Place: Jaipur

Dated: 11.12.2014

G.K. MITTAL & ASSOCIATES
CHARTERED ACCOUNTANTS

“SHREE DHAM”, 3rd Floor
R-20, Yudhishter Marg,
C-Scheme, Jaipur-302005
(O) 0141-4021474, 75
(M) 99822-03400

INDEPENDENT AUDITOR'S REPORT

To The Members of
Rajasthan State Petroleum Corporation Limited

1. Report on the Financial Statements :

We have audited the accompanying financial statements of Rajasthan State Petroleum Corporation Ltd (“the Company”), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements :

Management of the Company is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 (“the Act”) read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility :

Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

4. Opinion :

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.



- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) In the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

5. Report on Other Legal and Regulatory Requirements:

- 1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2. As required by section 227(3) of the Act, 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 account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
 - c) the Balance Sheet, Statement of Profit

and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from branches not visited by us;

- d) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
- e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For G.K. Mittal & Associates

Chartered Accountants
FRN 005842C

Jogendra Singh

Partner

Membership No. 079348

Place: Jaipur

Date : 19.02.2015

ANNEXURE REFERRED TO IN PARAGARAPH 5(I) OF OUR
REPORT OF EVEN DATE TO THE SHAREHOLDERS OF
RAJASTHAN STATE PETROLEUM CORPORATION LIMITED

- | | |
|---|---|
| <p>(i) (a) Since the company has not owned any fixed Assets till the end of the financial year under audit, therefore, our comments under this sub-clause as well as sub-clause b) and c) are not applicable.</p> | <p>(viii) As per section 209 (1) (d), company is required to maintain cost records but company has not commenced its business yet, therefore, has not maintained any cost records.</p> |
| <p>(ii) (a) The company has neither commenced its commercial operations nor purchased/hold any inventory during the year under audit, therefore, our comments under this sub-clause as well as sub-clause b) and c) are not applicable.</p> | <p>(ix) (a) Since the company is yet to commence its business activities; therefore, our comments under this sub-clause as well as sub-clause b) are not applicable. However, the company is generally regular with regard to payment of TDS.</p> |
| <p>(iii) The company has neither granted nor taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956, therefore, our comments under this sub-clause as well as sub-clause b), c) and d) are not applicable.</p> | <p>(x) The accumulated losses of the company have exceeded fifty percent of its net worth as at 31st March, 2014. The company has accumulated losses and net worth amounting to ₹ 84,29,799/- and ₹ 25,70,201/- respectively at the end of the financial year 2013-14. The company has loss of ₹ 1,77,698/- during the year, the accumulated losses at the end of previous financial year i.e. 2012-13 were ₹ 82,52,101/- .</p> |
| <p>(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. During our course of audit, no major weakness was noticed by us in the internal control system in vogue. However, in view of the fact that the company is yet to commence its commercial operations, our reporting about internal control in force at specific sphere viz. purchase of inventory, fixed assets and sale of goods is irrelevant.</p> | <p>(xi) As per the information and explanations given by the management to us and in view of our comments under para iii) supra, we are of the opinion that the company has not defaulted in repayment of dues to its financial institution or bank during the year under audit.</p> |
| <p>(v) Since the company has not commenced its business activities; therefore, our comments under this sub-clause as well as sub-clause b) are not applicable.</p> | <p>(xii) Since the company has not granted any loans or advances in the nature of loans, hence, we have no comments to offer under this clause.</p> |
| <p>(vi) In our opinion and according to the information given to us, in this financial year company has not accepted any public deposit attracting provisions of section 58A and 58AA of the Companies Act, 1956.</p> | <p>(xiii) As per the information and explanations given to us, no provision of any special statute including Chit Fund etc. is applicable to the Company. Since the Company is not a Nidhi / Mutual benefit fund / society, other provisions of CARO 2003 clause xiii (a), (b) (c) & (d) are not applicable.</p> |
| <p>(vii) As per the criteria prescribed by the order, the company is not required to have internal audit during the year under audit.</p> | <p>(xiv) As per the information and explanations given to us, the company is not dealing in Shares, Securities, Debentures or other</p> |



Rajasthan State Petroleum Corporation Limited

investments, therefore, our comments on maintenance of records of transactions for such contracts, is not applicable.

- (xv) As explained to us, the company has not given any guarantee in respect of loans taken by others to any bank or financial institutions, hence, our comments as regards terms and conditions of such guarantee are irrelevant.
- (xvi) As observed by us, the company has not accepted any term loan during the year under audit, therefore, our reporting about usage of the same is irrelevant.
- (xvii) As observed by us, the company has not accepted any short-term loan during the year under audit, therefore, our reporting about usage of the same is irrelevant.
- (xviii) Based on our examination of records and the information provided to us by the management, we report that the company has not made any further preferential allotment to parties covered in the register

maintained under section 301 of the Companies Act, 1956 during the year under audit. (Previous Year: 10,00,000 Equity Shares of ₹ 10 each were issued to its holding company M/s Rajasthan State Mines & Minerals Limited).

- (xix) Since no debentures have been issued by the company, therefore, the question of creation of security in this respect does not arise.
- (xx) Since no money has been raised by the company by means of public issue, hence, the question of disclosure of same in financial statements and verification of the same does not arise.
- (xxi) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the year under audit and even up to the date of our audit.

For G.K. Mittal & Associates

Chartered Accountants
FRN 005842C

Jogendra Singh

Partner

Membership No. 079348

Place: Jaipur

Date : 19.02.2015

BALANCE SHEET AS ON 31st MARCH, 2014

(Amt in ₹)

Particulars	Note No.	As at 31.03.2014	As at 31.03.2013
I. EQUITY AND LIABILITIES			
1 Shareholder's Fund			
(a) Share Capital	2	1,10,00,000	1,10,00,000
(b) Reserves & Surplus	3	-84,29,799	-82,52,101
2 Current Liabilities			
Other Current liabilities	4	4,82,125	13,754
TOTAL		30,52,326	27,61,653
II. ASSETS			
1 Non-Current Assets			
Investments	5	2,50,000	-
2 Current Assets			
Cash & Bank Balances	6	27,13,909	27,40,484
Other Current Assets	7	43,417	21,169
Short Term Loans & Advances	8	45,000	-
TOTAL		30,52,326	27,61,653

Significant Accounting Policies

1

Notes on Financial Statements

2-10

As per our attached report of even date

For G.K. MITTAL & ASSOCIATES

Chartered Accountants

FRN: 005842C

(Jogendra Singh)

Partner

Membership No. 079348

Place: Jaipur

Date: 19.02.2015

For and on behalf of the Board
Praveen Gupta

Director

Bhanu Prakash Yeturu

Managing Director



STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED

31st MARCH 2014

(Amt in ₹)

Particulars	Note No.	For the year 2013-14	For the year 2012-13
I. Revenue from operations		-	-
II. Other Income	9	1,95,673	21,169
III. Total Revenue (I+II)		1,95,673	21,169
IV. Expenses			
Other expenses	10	3,73,371	2,63,046
Total Expenses		3,73,371	2,63,046
V. Loss before tax (III-IV)		-1,77,698	-2,41,877
VI. Tax expense			
Current Tax		-	-
Deferred Tax		-	-
VII. Loss for the period (V-VI)		-1,77,698	-2,41,877
VIII. Earning per equity share			
Basic & Diluted		-0.16	-0.32
Face value for equity share		10.00	10.00
Weighted Average Number of Equity Shares		11,00,000	7,52,055

Significant Accounting Policies

1

Notes on Financial Statements

2-10

As per our attached report of even date

For G.K. MITTAL & ASSOCIATES

Chartered Accountants

FRN: 005842C

(Jogendra Singh)

Partner

Membership No. 079348

Place: Jaipur

Date: 19.02.2015

For and on behalf of the Board

Praveen Gupta

Director

Bhanu Prakash Yeturu

Managing Director

CASH FLOW STATEMENT FOR THE YEAR ENDING ON 31st MARCH 2014

(Amt in ₹)

PARTICULARS	Year ended 31.03.2014	Year ended 31.03.2013
Cash Flow From Operating Activities		
Net profit before tax	-1,77,698	-2,41,877
Adjustments	NIL	NIL
Interest	-1,95,673	-21,169
Operating profit before working capital changes	-3,73,371	-2,63,046
Working capital changes		
Other Current Assets	-47,680	-19,052
Other Payables	4,68,371	-96,360
Cash generated from operations	47,320	-3,78,458
Less: Direct tax paid	19,568	2,117
Net cashflow from operating activities (A)	27,752	-3,80,575
Cash Flow From Investing Activities		
Investment in 25000 shares of Rs.10/ each in RSPCL- GAIL Gas Ltd.	-2,50,000	0
Interest received	1,95,673	21,169
Cash Flow From Investing Activities (B)	-54,327	21,169
Cash Flow From Financing Activities		
Share Application Money	-	-
Cash Flow From Financing Activities (C)	-	-
Net Change in Cash & Cash Equivalents (A+B+C)	-26,575	-3,59,406
Cash & Cash Equivalents at the beginning	27,40,484	30,99,890
Cash & Cash Equivalents at the end	27,13,909	27,40,484

As per our attached report of even date

For G.K. MITTAL & ASSOCIATES

 Chartered Accountants
 FRN: 005842C

 (Jogendra S. Shekhawat)
 Partner
 Membership No. 079348

 Place: JAIPUR
 Date: 22.08.2013

For and on behalf of the Board

A.K. Kakroo
 Director

Ashok Bhandari
 Managing Director



NOTES FORMING PART OF THE ACCOUNTS AS AT 31st MARCH, 2014

NOTE NO. I SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

I. 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 results 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 to determine whether there is an impairment. The recoverable amount of such assets is estimated at the higher of its net selling price and its value in use. An impairment loss is recognized in the Statement of Profit & Loss whenever carrying amount of such assets exceeds its recoverable amount.

(e) Investments:

Long term investments are stated at cost. In case, there is a decline other than temporary in the value of the investment, a provision for the same has been made.

(f) Inventories:

Inventories are valued at lower of cost and realisable value. Cost is determined on the basis of weighted average. Obsolete and unserviceable stock is duly provided for wherever applicable.

(g) Foreign exchange Transactions:

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

Foreign currency designated assets, liabilities and capital commitments are re-stated at the year end rates. The exchange differences are adjusted to carrying cost of the fixed assets acquired outside India if they relate to fixed assets and to Statement of Profit & Loss in other cases.

(h) Borrowing Cost:

Borrowing Costs directly attributable to the acquisition and construction of qualifying assets are capitalized as a part of cost of such assets up to the date when such assets are ready for its intended use.

(i) Provisions and Contingent Liabilities:

Provisions are recognized for liabilities that can

be measured only by using a substantial degree of estimation, if

- 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) A present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation.
- b) A possible obligation, unless the probability of outflow of resources is remote.

(II) OTHER NOTES ON ACCOUNTS:

- (a) The project is under implementation and yet to commence commercial operations. In view of the Opinion issued by the Expert Advisory Committee, the statement of profit & Loss has been prepared as required by AS-26. Accordingly various expenses incurred during the current year have been charged to the Statement of Profit & Loss for the year.
- (b) The Company has invested ₹ 2,50,000 in RSPCL-GAIL Gas Limited for 25000 equity shares of ₹ 10/- each towards equity share application money.
- (c) The company has not received any intimation

from its suppliers whether they are registered under Micro, Small and Medium Enterprises Development Act, 2006. Hence, the disclosure relating to amount unpaid at the year-end together with interest paid/payable under this Act has not been disclosed separately.

- (d) As per AS-22, deferred tax should be recognized for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Therefore, no provision of deferred tax assets and liabilities is made as on 31 March, 2014 as there is no timing difference and project is yet to start its commercial production.

(e) Remuneration to Auditors:

Particulars	2013-14	2012-13
Audit Fees	₹ 7,865	₹ 5,618

- (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 provisions for all known liabilities are adequate and not in excess of what are required.
- (g) Contingent Liabilities provided for: Nil.
- (h) Related party Disclosure as per Accounting Standard 18:

List of Related Parties:

- (i) Parties where control exists
 - (a) Rajasthan State Mines and Minerals Limited- Holding Company.
 - (b) RSPCL-GAIL Gas Limited
- (ii) Related Party Transactions – The following transaction took place with related parties during the year:
 - (a) With RSMML – Holding Company

(Amt In ₹)

Nature of Transaction during the year	2013-14	2012-13
Refund towards reimbursement of expenditure	2,00,000	3,59,406
Expenses incurred & equity contribution in RSPCL -GAIL Gas Ltd. On behalf of RSPCL.	6,64,994	2,62,428

- (b) With RSPCL-GAIL Gas Ltd.

(Amt In ₹)

Nature of Transaction during the year	2013-14	2012-13
Share Application Money in RSPCL-GAIL Gas Limited	2,50,000	-



(i) **Earnings per Share (EPS):**

In determining earnings per share, the company considers the net profit after tax and includes the post tax effect of any extra-ordinary/ exceptional item. The number of shares in computing basic earnings per share is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises weighted average number of equity shares considered for deriving basic earnings per share, and also the weighted average number of equity shares that could have been issued on the conversion of all diluted potential equity shares. The diluted potential equity shares are adjusted for the proceeds receivable, had the shares been actually issued at fair value (i.e. the average market value of outstanding shares). A statement showing the computation of EPS is as under:

S. No.	Particulars	As at 31st March 2014	As at 31st March 2015
A	Net Profit/(Loss) after Tax (₹ In Lacs)	-1.78	-2.41
B	Weighted average number of equity share for Basic EPS (No. of shares in Lacs)	11.00	7.52
C	Basic earning/(Loss) per share (In ₹) (A/B)	-0.16	-0.32
D	Weighted average number of equity shares for Diluted EPS (No. of shares in Lacs)	11.00	7.52
E	Diluted earning/(Loss) per share (In ₹) (A/D)	-0.16	-0.32
F	Face Value of share (In ₹)	10.00	10.00

2. SHARE CAPITAL

(Amt In ₹)

Particulars	As at 31st March 2014	As at 31st March 2013
Authorised Share Capital		
3,50,00,000 Equity Shares of ₹ 10 each (Previous Year 3,50,00,000 Equity Shares of ₹ 10 each)	35,00,00,000	35,00,00,000
2. Issued, Subscribed & Paid up Share Capital		
11,00,000 Fully paid equity shares of ₹ 10/- each (Previous year 1,00,000 equity shares of ₹ 10/- each)	1,10,00,000	10,00,000
	1,10,00,000	10,00,000

2.1 The reconciliation of the number of shares outstanding is set out below-

(Amt In ₹)

Particulars	As at 31st March 2014	As at 31st March 2013
Equity Shares outstanding at the beginning of the year	11,00,000	1,00,000
Add: Issued during the year	-	10,00,000
Equity Shares outstanding at the end of the year	11,00,000	11,00,000

2.2 Shares held by Holding Company

Name of Holding Company	As at 31st March 2014		As at 31st March 2013	
	Amount (in ₹)	No. of Shares	Amount (in ₹)	No. of Shares
Rajasthan State Mines & Minerals Limited	1,10,00,000	11,00,000	10,00,000	1,00,000

2.3 The details of Shareholders holding more than 5% shares

Name of Shareholder	As at 31st March 2014		As at 31st March 2013	
	No of Shares	% held	No of Shares	% held
Rajasthan State Mines & Minerals Limited.	11,00,000	100	1,00,000	100

2.4 Terms/right attached to equity shares

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

3. RESERVES AND SURPLUS

(Amt In ₹)

Particulars	As at 31st March 2014	As at 31st March 2013
Debit balance of Statement of Profit and Loss		
As per last balance sheet	-82,52,101	-80,10,224
Add: Loss for the year	-1,77,698	-2,41,877
	-84,29,799	-82,52,101

4. OTHER CURRENT LIABILITIES

(Amt In ₹)

Particulars	As at 31st March 2014	As at 31st March 2013
Other Payables		
From Rajasthan State Mines & Minerals Limited (holding Company)	4,73,130	8,136
From others	8,995	5,618
	4,82,125	13,754

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



5. NON-CURRENT INVESTMENT

(Amt In ₹)

Particulars	As at 31st March 2014	As at 31st March 2013
Long Term (other than trade)		
Share Application Money for 25000 Shares of Rs. 10/- each in RSPCL-GAIL Gas Ltd.	2,50,000	-
	2,50,000	-

- 5.1 The Company has formed a joint venture company with GAIL Gas Ltd. in the name of RSPCL-GAIL Gas Limited on 20.09.2013. The Company will undertake the work of city gas distribution network in various cities of Rajasthan. Presently, the Company is promoted by RSPCL and GAIL Gas Ltd. equally by contributing 50% each in the equity share capital. RSPCL has contributed Rs. 2,50,000/- towards equity share application money in the Company.

6. CASH & CASH EQUIVALENTS

(Amt In ₹)

Particulars	As at 31st March 2014	As at 31st March 2013
(a) Cash and cash equivalents		
Balance with ICICI Bank in current account	40,484	2,40,484
(b) Other bank balances		
Short term bank deposits	26,73,425	25,00,000
	27,13,909	27,40,484

7. OTHER CURRENT ASSETS

(Amt In ₹)

Particulars	As at 31st March 2013	As at 31st March 2012
Interest Accrued on FDR	21,732	19,052
Income Tax Deposits (TDS on interest on FDR)	21,685	2,117
	43,417	21,169

8. SHORT TERM LOANS & ADVANCES

(Amt In ₹)

Particulars	As at 31st March 2014	As at 31st March 2013
RSPCL-GAIL Gas Limited	45,000	-
	45,000	-

9. OTHER INCOME

(Amt In ₹)

Particulars	As at 31st March 2014	As at 31st March 2013
Interest on FDR	1,95,673	21,169
	1,95,673	21,169

10. OTHER EXPENSES

(Amt In ₹)

Particulars	As at 31st March 2014	As at 31st March 2013
Legal & Professional Fees	41,750	22,500
Printing & Stationery	48,372	5,700
Travelling Expenses	85,020	57,766
Audit Fee	7,865	5,618
Postage & Telephone Expenses	9,381	9,288
Seminar, Conference & Exhibition	1,75,282	1,45,596
Repair, renewal & maintenance	4391	-
General Charges	1,310	16,578
	3,73,371	2,63,046

As per our attached report of even date

For and on behalf of the Board

A.K. Kakroo
 Director

Ashok Bhandari
 Managing Director

For G.K. MITTAL & ASSOCIATES

 Chartered Accountants
 FRN: 005842C

 (Jogendra S. Shekhawat)
 Partner
 Membership No. 079348

 Place: JAIPUR
 Date: 19.02.2015



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 PETROLUEM CORPORATION LIMITED, JAIPUR FOR THE YEAR ENDED 31st MARCH 2014.

The preparation of financial statements of Rajasthan State Petroleum Corporation Limited, Jaipur for the year ended 31 March 2014 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 19 February 2015.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 619 (3) (b) of the Companies Act, 1956 of the financial statements of Rajasthan State Mines & Minerals Limited, Udaipur for the year ended 31 March 2014. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comments upon or supplement to Statutory Auditors' report under section 619(4) of the Companies Act, 1956.

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

(S. Alok)
Accountant General
(Eco. & Rev. Sector Audit)
Rajasthan, Jaipur

Place : Jaipur
Date 11.03.2015

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



DIRECTORS' REPORT

DIRECTORS' REPORT

To the Shareholders,

Your directors take pleasure in presenting the 8th Annual Report along with the audited accounts of the Company for the year ended on 31st March 2014.

1. Financial Results

During the year, the Company has dispatched 3.75 Million Tonnes of lignite from its Kapurdi Block to Raj WestPower Limited (RWPL). As at March 31, 2014, the Gross Block and Capital Work-in-progress aggregates to Rs. 818.18 Crore. During the year, your Company has incurred a loss of Rs.5.41 Crore primarily due to provision of taxation on the amortization of land till date. The loss after tax for the year was calculated based on the adhoc interim transfer price of lignite and payment of proportionate reduced charges to the mine development operator which is subject to final transfer price and truing up.

2. Details and Status of the project and Operation

Your Company was incorporated on 19th January, 2007 as a Joint Venture Company between Rajasthan State Mines & Mineral Ltd. (RSMML), a Government of Rajasthan enterprise & Raj WestPower Ltd. (RWPL), a 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 MW) capacity Lignite Based Thermal Power Plant of RWPL.

During the year, Hon'ble RERC had determined the Adhoc Interim Transfer Price vide its orders dated April 04, 2013, June 28, 2013 and October 11, 2013 wherein the adhoc interim transfer price is inter-alia arrived at by considering 75% of the transfer price claimed by the Company in its petition during the year 2013-14

Your Company has appealed to Appellate Tribunal To Electricity (APTEL) against Rajasthan Electricity Regulatory Commission (RERC) Order dated 17.08.2011 wherein RERC had sought rebid of the Mine Developer cum Operator (MDO) appointed by

the Company citing certain deficiencies in the process of tendering. Pending disposal of case, the Company had engaged M/s. Engineers India Limited (EIL) for carrying out an International Competitive Bidding (ICB) Process. In the meantime, APTEL in its judgement dated 08.04.2013 had upheld the order of RERC for the conduct of competitive bidding for MDO appointment by the Company without any right of first refusal to RWPL or their consortium members. RWPL had filed a Civil Appeal before the Supreme Court on 01st August, 2013 along with the Company against the above order of APTEL. EIL has submitted the tender document for onward submission to RERC for its review and approval. The same has been submitted to RERC and is under consideration of RERC.

Government of Rajasthan has ordered for the transfer of Jalipa Mining Lease in favour of the Company which is likely to be executed during the current financial year.

Till August, 2014, an amount of approx. Rs.660 crore have been disbursed to the khatedars out of Rs.709 Crs. (approx.) paid to RSMML for payment to land losers towards acquisition of land for Jalipa lignite block, R&R and compensation towards structures.

The Detailed Project Report (DPR) for diversion of NH 15 prepared and submitted by PWD-NH Division to Ministry of Road Transport and Highways, New Delhi has been approved vide its order dated 21st July, 2014.

Your Company had awarded EPC contract for Lignite Handling System (LHS) of 5 MTPA capacity at Kapurdi lignite mines to FL Smidth, Chennai on 06.12.2011 at a project cost of Rs.94 Crores which has commissioned in March, 2014.

Your Company had also awarded EPC contract to M/s Triveni Engineering & Industries Limited on 19.09.2013 for 3.0 MLD Water Treatment Plant (WTP) at Kapurdi Lignite Mines valued at Rs.6.82 crores. The project is likely to be commissioned during the year.

In order to meet the growing requirement of the power plant, the Company had applied for the temporary enhancement of mining capacity of Kapurdi lignite mines from the present approved level of 3MTPA to 7MTPA to meet any shortfall due to delay in starting of Jalipa Lignite mines. The matter is

presently under consideration of MOEF.

Pending approval of increase in capacity from 3 to 7 MTPA, your Company had also applied to MOEF for increase in Mining capacity by 25% to 3.75 MTPA in accordance with MOEF Guidelines dated December 19, 2012, the approval of which was received on 24th December, 2013. Accordingly, the present mining capacity of Kapurdi Lignite Mine stands at 3.75 MTPA.

3. Dividend

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

5. Share Capital

There is no change in the Authorised and Paid up Capital of the Company during the year.

6. Financing

During the year, your Company has received Rs. 25.50 crore from its Promoter, 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. 95 crore towards Rupee Term Loan from Banks / Financial Institutions for financing the project related costs including interest during construction.

7. Directors

a) Composition

The Board comprises of 7 directors.

b) Retirement by Rotation

Mr. Sanjay Sagar and Mr. Pramod Menon, 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 in the Board

Mr. Alok was nominated by RSMML as Director in place of Mr. Shailendra Kumar Agarwal, Director with effect from 26th February, 2014.

Mr. Mukesh Kumar Sharma was nominated by RSMML as Director in place of Mr. Sudhansh Pant, Director with effect from 26th February, 2014.

Mr. C.S.Rajan was nominated by RSMML as Chairman and Director in place of Mr. Sunil Arora, Director with effect from 05th March, 2014.

Dr. Ashok Singhvi was nominated by RSMML as Director in place of Mr. Mukesh Kumar Sharma, Director with effect from 27th June, 2014.

Mr. Subhash Chandra Garg was nominated by RSMML as Chairman and Director in place of Mr. C.S. Rajan, Director with effect from 06th August, 2014.

Your Directors place on record their deep appreciation for the valuable services rendered by Mr. Shailendra Kumar Agarwal, Mr. Sudhansh Pant, Mr. Sunil Arora, Mr. MukeshKumar Sharma and Mr. C.S.Rajan during their tenures as Directors.

8. Composition of Audit Committee

As per the requirements of Section 177 of the Companies Act, 2013, an Audit Committee was constituted on 27th December, 2007 and was reconstituted from time to time and presently constitutes of the following members:

- 1) Dr. Ashok Singhvi, Chairman
- 2) Mr. Alok
- 3) Mr. Sanjay Sagar
- 4) Mr. Pramod Menon

The terms of reference of audit committee are in accordance with Section 177 of the Companies Act, 2013. Members of the Audit Committee met once 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:

- a) That in preparation of the annual accounts for the year ended 31st March, 2014, the applicable accounting standards have been followed along with proper explanation relating to material departure;
- b) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the



financial year and of the loss of the Company for that year under review;

- 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; and
- d) That 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 2013-14.

In accordance with the Order dated 24th January, 2012 issued by Ministry of Corporate Affairs (MCA) pursuant to Section 233B of the Companies Act, 1956, your Company is required to get its cost accounting records audited by a Cost Auditor and had accordingly appointed M/s. R.K. Bhandari & Co., Cost Accountants for this purpose for FY 2013-2014.

Your Company has appointed, subject to ratification of the remuneration payable to the cost auditor by the shareholders in the ensuing Annual General Meeting, M/s. R.K. Bhandari & Co., Cost Accountants to conduct the audit of the cost accounting records for FY 2014-2015.

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 is given as Annexure to the Director's 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

In terms of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, none of the employees of the Company was in receipt of remuneration in excess of the limits prescribed.

14. Corporate Social Responsibility

Your Company strongly believes that profitability must go hand in hand with a sense of responsibility towards all stakeholders and is committed towards improving the quality of life of communities around its area of operations.

The Company has its current operations across Barmer in Rajasthan and is being undertaken by the Company on its own.

The Board of Directors at their meeting held on 16th July, 2014, in terms of requirement of Section 135 of the Companies Act, 2013, has already constituted the Corporate Social Responsibility (CSR) Committee which presently comprises of Mr. Sanjay Sagar, Mr. Umesh Gupta and Mr. Alok as members of the said committee. The amount expended by the Company towards CSR during 2013-14 was Rs.0.64 crore.

15. 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 WestPower Limited.

For and on Behalf of the Board

S.C.Garg
Chairman

Place: Jaipur
Date : 02.09.2014

ANNEXURE TO THE DIRECTOR'S 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:

Installation of Capacitor Bank:

1. Capacitor banks have been installed. As a result of which power factor improved from 0.76 to 0.96.

Lignite Handling Plant:

Lignite Handling Plant (LHP) of 5 MTPA installed Capacity has been commissioned during the year. Transportation of lignite through LHP is resulting into saving of considerable amount of fuel (Diesel).

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

Mining activities are being carried out by Mine Developer cum Operator (MDO) and following actions are proposed to be taken:

Replacement of lower capacity pumps with higher capacity:

- At present total 19 nos pumps are used for dewatering purpose. There are set of submergible pumps and with common head horizontal pumps (with positive suction) of 160KW&75KW are connected. Net efficiency of pumps is getting reduced to approx. 65% due to this series connection of pumps.
- It is proposed to replace two-third of lower capacity series connected pumps with five nos higher capacity 415V, 225KW/250KW pumps with 75% efficiency maintaining same water flow(m³/hr).
- Presently, one number of 415V,225KW pump with negative suction is operating and its performance is very good.
- Two nos pump of 225KW with negative suction and two nos. of 250KW pump is proposed to be operational.
- There will be saving of Rs. 75.32 lacs/yr (@Rs.6.25/kwhx182.6x20x330days) after this modification.

Option	No of submergible pump and total KW load	No of horizontal pumps and KW load	Total water qty (m ³ /hr)	Specific power consumption (KW/m ³)
Present condition	12x30KW	5x160KW+2x75KW	1750	1310/1750=0.75
After modification	3x160+6x30=660KW 440V, 3-ph motor	5x200 = 1000KW 415V,3-ph motor	2600	1660/2600=0.64

Power saving for dewatering of 2600m³/hr = 1660(0.75-0.64)=182.6KW

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;

B. Technology Absorption

1.	Specific area in which R&D carried out by the Company	The studies in the field of slope stability are being carried out by MDO. Test results obtained from the study made by MBM Engineering College Jodhpur is being sent to our consultant Vattenfall Europe Mining AG for analysis.
2.	Benefits derived as a result of the above R&D	Result of above R&D will be helpful in reducing the ultimate slope angle of benches and in turn will result in reduction in land use, reduction of cost, recovery of maximum quantity of Geological Reserve and stability of ground in due course of time.



3.	Future plan of action	The study will be completed only when the mine reaches the maximum depth. Depending on the result of first phase of study future course of action will be decided.
4.	Expenditures	
a.	Capital	a. Rs 160000.00
b.	Recurring	b. Nil
c.	Total	c. Nil
d.	Total R&D expenditure as a percentage of turnover	d. 0%

C. Technology Absorption, Adoption and Innovation

1.	Efforts, in brief, made towards Technology absorption, adaptation and innovation.	The Mine is working with Conventional Shovel Dumper Combination Technology with Fuel Efficient Equipment
2.	Benefits derived as a result of the above efforts	This technology is Fuel Efficient and Cost Effective.
3.	In case of imported technology (imported during the last five years reckoned from the beginning of the financial year) following information may be furnished: a. Technology imported b. Year of import c. Has technology been fully absorbed d. If not fully absorbed, areas where this has not taken place, reasons thereof and future plans of action	This technology is not an imported technology.

AUDITORS' REPORT

TO THE MEMBERS OF BARMER LIGNITE MINING COMPANY LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Barmer Lignite Mining Company Limited, which comprise the Balance Sheet as at March 31, 2014, Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the Act) read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial

statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

EMPHASIS

Without qualifying our report, attention is drawn to:

- a) Note No.23(b)(iii) "Based on adhoc interim transfer price order, the Profit and Loss Statement of the Company reflect a Profit/(Loss) after Tax of Rs. (5.41) Crore for F.Y. 2013-14. However, as a regulated project with post tax ROE capped at 15.50% of the invested Equity, the PAT works out to about Rs.1.03 Crore. Accordingly, the reported loss for FY 2013-14 is not comparable with the regulatory returns pending the final determination of transfer price and MDO fees".
- b) Note No. 23(k)," the Comptroller and Auditor General of India (CAG) in its comments on the Audited Accounts for the F.Y. 2012-13 has observed that Fixed Assets of Rs. 351.46 crore does not includes Rs. 32.58 crore as mentioned above. Consequently, Fixed Assets (Intangibles), depreciation & Amortizations and Current Liabilities have been understated by Rs. 30.57 crore, Rs. 2.01 crore and Rs. 32.58 crore in FY. 2012-13. Based on above observation of CAG, corresponding amount of Fixed Assets (Intangibles), depreciation & amortizations and Current Liabilities have been understated by Rs. 29.47 crore, Rs. 1.10 crore and Rs. 32.58 crore in F.Y. 2013-14."
- c) Note No. 23(m), dealing with Interest on Subordinate Loans in which we would like to bring to the notice that the matter of interest on Subordinate Loan have been referred to GOR by the CAG and the outcome of which is awaited.



OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) In the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

- 1) As required by the Companies (Auditor's Report) Order, 2003, as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2) As required by section 227(3) of the Act, 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 account as required by law have been kept by the Company so far as appears from our examination of those books;
- c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ; and
- e) In terms of Government of India, Department of Company Affairs Notification No.GSR 829 (E) dated 21st October'2003, Government Companies are exempted from the applicability of section 274(1)(g) of the Companies Act, 1956 .
- f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

Place: Jaipur
Date: 02.09.2014

For Chatter & Chatter
Chartered Accountants

Rakesh Chatter
Partner
Membership No. 073831
FRN : 005376 C

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

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of audit, we state that:

- | | |
|--|--|
| <p>(i) In respect of its fixed asset</p> <p>(a) The Company has maintained proper records showing full particulars, including quantities details and situation of the fixed assets. The Company has capitalized its assets pertaining to Kapurdi Mining Block upto the date of commercial operation and all other capital assets relating to Jalipa Mining Block are shown as Capital Work in Process which has not been put to use.</p> <p>(b) The Fixed Assets were physically verified by the internal auditors/management in accordance with the regular programme of verification which, in our opinion is reasonable. According to the information and explanations given to us, no material discrepancies were noticed on such verification.</p> <p>(c) None of or part of fixed assets have been disposed off during the year.</p> <p>(ii) In respect of Inventory</p> <p>(a) As explained to us, inventories were physically verified during the year by the management at reasonable intervals.</p> <p>(b) In our opinion and according to the explanations given to us, the procedures for the physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the company and the nature of its business.</p> <p>(c) In our opinion and according to the explanations given to us, the company has maintained proper records of inventories and no discrepancies were noticed on physical verification.</p> <p>(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.</p> | <p>Accordingly, sub-clause (b), (c) and (d) are not applicable.</p> <p>(e) The company has taken unsecured subordinated loan from M/s Raj WestPower Limited amounting to Rs 25.50 crore during the year and the aggregate amount of which is Rs. 394.09 Crore outstanding as on the date of Balance Sheet, covered in the register maintained under section 301 of the Act.</p> <p>(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</p> <p>(g) The company has not repaid the principal/interest amount of the loan during the year, as according to explanation and information provided to us that same was not due for payment during the current year. Company has made provision for interest on subordinated loan received from M/s Raj WestPower Limited.</p> <p>(iv) There is adequate internal control commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed asset and sale of goods. During the course of our audit, we have not observed any major weakness in such internal control system.</p> <p>(v) (a) The particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section, if applicable; and</p> <p>(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.</p> <p>(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.</p> <p>(vii) In our opinion, the internal audit functions</p> |
|--|--|



- carried out during the year by a firm of chartered accountants appointed by the management have been commensurate with the size of the company and the nature of its business.
- (viii) The maintenance of cost records prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act, is made applicable in Lignite Mining business from the financial year 2012-13. We have broadly reviewed the cost records maintained and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determining whether they are accurate or complete.
- (ix) According to the information and explanations given to us and according to the books and records produced and examined by us, in our opinion:
- (a) The company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess and any other statutory dues with the appropriate authorities and no amount is outstanding for a period of more than six months from the date they became payable.
- (b) Details of dues of Sales Tax and Land Tax, which have not been deposited by the company as on March 31, 2014 on account of disputes, are given below:
- (x) The Company has accumulated losses of Rs. 0.75 crores at the end of the financial year. The Company has not incurred cash loss during the current financial year and in the previous financial year.
- (xi) In our opinion and according to the information and explanation given to us, the company has not defaulted in repayment of dues to a financial institution or bank.
- (xii) In our opinion and according to the information and explanation given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a Chit Fund / a Nidhi/ Mutual benefit fund Society/ Company. Therefore special statute applicable to chit fund is not applicable.
- (xiv) The company is not dealing or trading in shares, securities, debentures and other investments and hence it is not applicable.
- (xv) In our opinion and as per information and explanation provided to us the company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) In our opinion and according to the information and explanation given to us, the term loans have been applied by the company during the year for the purposes for which they were obtained, other than temporary deployment pending application.
- (xvii) During the year no funds has been raised on short-term basis.

Nature of Dues	Forum where Dispute is Pending	Period to which the amount relates	Amount Involved (Rs. Crores)
Rajasthan VAT	Divisional Appeal	2011-12	1.51
Land Tax	Supreme Court (Ref. made by Raj WestPower & others)	2011-12, 2012-13	3.59

- (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
FRN : 005376 C

Place: Jaipur
Date: 02.09.2014



BALANCE SHEET AS AT 31st MARCH, 2014

Particulars	Note	As at 31st March,2014 ₹ In crore	As at 31st March,2013 ₹ In crore
I EQUITY AND LIABILITIES			
(1) Shareholders' funds:			
(a) Share capital		20.00	20.00
(b) Reserves and surplus	1	(0.75)	4.66
		19.25	24.66
(2) Non-current liabilities:			
(a) Long-term borrowings	4	1,278.89	1,215.09
(b) Deferred tax liabilities (net)	23(o)(ii)	6.03	-
(c) Other long-term liabilities	5	170.94	132.72
		1,455.86	1,347.81
(3) Current Liabilities:			
(a) Trade payables	6	2.58	47.16
(b) Other current liabilities	7	100.23	49.31
(c) Short term Provisions	8	6.00	0.11
		108.81	96.58
TOTAL		1,583.92	1,469.05
II ASSETS			
(1) Non-current assets:			
(a) Fixed Assets			
(i) Tangible assets	9	109.24	4.99
(ii) Intangible assets		333.47	346.47

(iii) Capital work-in progress		339.34	284.71
(b) Non-current investments	10	0.00	0.00
(c) Long-term loans and advances	11	709.67	708.28
(d) Other non-current assets	12	24.73	19.19
(e) Deferred tax Assets	23(o)(ii)	-	0.41
		1,516.45	1,364.05
(2) Current assets:			
(a) Inventories	13	0.09	5.38
(b) Trade receivables	14	2.64	62.03
(c) Cash and bank balances	15	62.04	31.55
(d) Short-term loans and advances	16	1.95	6.04
(e) Other current assets	17	0.75	(0.00)
		67.47	105.00
TOTAL		1,583.92	1,469.05

Significant Accounting Policies 1

Notes forming Integral part of Financial Statements 2-23

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

For and on behalf of the Board of Directors

Rakesh Chatter
 Partner
 Membership No. 073831

Umesh Gupta
 Managing Director

S C Garg
 Chairman

Place: Jaipur
 Date: 02.09.2014

Nitesh Gangwal
 Company Secretary



PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014

Particulars	Note	For the year ended 31st March, 2014	For the year ended 31st March, 2013
		In crore	In crore
I Revenue from operations	18	428.73	403.99
II Other income	19	4.15	0.77
III Total Revenue (I+II)		432.88	404.76
IV Expenses:			
Cost of Lignite Mining	20	335.87	291.67
Increase / (Decrease) in Inventories		5.29	20.16
Finance costs	21	35.62	35.87
Depreciation and amortisation expenses		12.83	14.82
Other expenses	22	33.55	32.82
Total Expenses		423.16	395.34
V Profit before Prior Period Item and tax (III-IV)		9.72	9.42
VI Prior Period Item		0	.59
VII Profit / (Loss) Before tax (V-VI)		9.72	8.83
VIII Tax Expenses:			
Current tax	23(0)(1)	8.69	1.77
Deferred tax		6.44	1.30
		15.13	3.07
IX Profit /(Loss) for the year (V- VI)		(5.41)	5.76
X Earnings per share (₹)			
Basic & Diluted	23(p)	(2.71)	2.88
Significant Accounting Policies	1		
Notes forming Integral part of Financial Statements	2-23		

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

For and on behalf of the Board of Directors

Rakesh Chatter
Partner
Membership No. 073831

Umesh Gupta
Managing Director

S C Garg
Chairman

Place: Jaipur
Date: 02.09.2014

Nitesh Gangwal
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014

	For the year ended 31st March, 2014 ₹ In crore		For the year ended 31st March, 2013 ₹ In crore	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit before Tax		9.72		8.83
Adjusted for:				
Depreciation	12.83		14.82	
Interest Income	(4.15)		(0.77)	
Finance Costs	35.62		35.87	
		44.30		49.92
Operating profit before working capital changes		54.02		58.75
Adjustments for:				
Trade and other receivables	59.39		(24.69)	
Trade Payables including Advance received from customers	(10.22)		40.21	
Inventories	5.29		20.16	
Loans and advances	(3.87)		(6.76)	
		50.59		28.92
Cash generated from operations		104.61		87.67
Direct Taxes Paid (Net)		(2.05)		(1.77)
NET CASH FLOW FROM OPERATING ACTIVITIES		102.56		85.90
B. CASH FLOW FROM INVESTMENT ACTIVITIES				
Purchase of Fixed Assets including CWIP & Pre-Operative Expenses		(160.61)		(116.17)
Interest Received		3.66		0.77
NET CASH USED IN INVESTMENT ACTIVITIES		(156.95)		(115.40)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Borrowings		120.50		90.96
Finance cost paid		(35.62)		(35.87)
NET CASH FINANCING ACTIVITIES		84.88		55.09
NET INCREASE / DECREASE (-) IN CASH AND CASH EQUIVALENTS (A+B+C)		30.49		25.59
CASH AND CASH EQUIVALENTS - OPENING BALANCE		31.55		5.96
CASH AND CASH EQUIVALENTS - CLOSING BALANCE		62.04		31.55



Barmer Lignite Mining Company Limited

Note :

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

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

For and on behalf of the Board of Directors

Rakesh Chatter
Partner
Membership No. 073831

Umesh Gupta
Managing Director

S C Garg
Chairman

Place: Jaipur
Date: 02.09.2014

Nitesh Gangwal
Company Secretary

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE: - 1

Significant Accounting Policies

(a) General:

(i) The financial statements are prepared under the historical cost convention, on the accounting principles of a going concern.

(ii) Accounting Policies not specifically referred to otherwise are consistent and in consonance with the applicable accounting standards prescribed by the Companies (Accounting Standards) Rules, 2006 to the extent applicable.

(iii) All expenses and incomes to the extent ascertainable with reasonable certainty are accounted for on accrual basis. All taxes, duties and cess etc paid on purchases have been charged to the Profit and loss account except such taxes, duties and cess, which are subsequently recoverable with reasonable certainty from the taxing authorities.

In case of Service tax paid /payable on Lignite extraction charges and other Services, the same has been charged to Profit and Loss account after netting off the Excise duty payable on sale of Lignite. On account of the huge difference in Service tax paid on Lignite extraction cost and excise duty paid on sale of Lignite, the possibility of utilisation of CENVAT credit cannot be ascertained with reasonable certainty.

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

to accounting estimates is recognised prospectively.

(v) All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out in the revised Schedule VI to the Companies Act, 1956.

(b) Fixed Assets:

(i) Tangible Assets

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

In case of commissioned assets, work against deposits / works contracts where final settlement of bills with contractors is yet to be effected; capitalization is done on a provisional basis (as per technical certification) subject to necessary adjustments in the year of final settlement.

Expenditure incurred during construction period:

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

(ii) Intangible Assets:

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

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

Capital work-in-progress comprises of the



cost of fixed assets that are not yet ready for their intended use at the reporting date.

Cost of material consumed, erection charges thereon along with other related expenses incurred for the projects are shown as CWIP for capitalization.

Expenditure attributable to construction of fixed assets are identified and allocated on a systematic basis to the cost of the related asset.

Interest during construction and expenditure (net) allocated to construction are apportioned to CWIP on the basis of the closing balance of Specific asset or part of asset being capitalized. The balance, if any, left after such capitalization is kept as a separate item under the CWIP Schedule.

Claims for price variation / exchange rate variation in case of contracts are accounted for on acceptance/receipt of claims.

Any other expenditure which is not directly or indirectly attributable to the construction of the Project / construction of the Fixed Asset is charged off to profit and loss statement in the period in which they are incurred.

(d) Depreciation / Amortisation:

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

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

(e) Impairment of Assets:

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

use. An impairment loss is recognized in the profit & loss statement whenever carrying amount of such assets exceeds its recoverable amount.

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

(f) Employee related Benefits

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

(g) Revenue Recognition:

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

(h) Investments:

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

(i) Inventories:

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

(j) Borrowing Cost:

Borrowing Costs directly attributable to the acquisition and construction of qualifying assets are capitalized as part of cost of such asset up to the date when such assets are ready for its intended use. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. The borrowing cost eligible for capitalisation is being netted off against any

income arising on temporary investment of those borrowings. The capitalization of the borrowing costs shall cease when substantially all activities necessary to prepare the qualifying asset for its intended use are complete.

Other borrowing costs are charged to revenue.

(k) Taxation:

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

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

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

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

(l) Provision for Mine closure charges:

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

(m) Provisions and Contingent Liabilities:

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

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

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

Contingent liability is disclosed in the case of

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



NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE: 2 SHARE CAPITAL

Particulars	As at 31st March,2014 In crore	As at 31st March,2013 In crore
Authorised: 2,00,00,000 Equity Shares of Rs. 10 each (Previous year 2,00,00,000 equity shares of Rs.10 each)	20.00	20.00
Issued,Subscribed and paid-up: 2,00,00,000 Equity Shares of Rs. 10 each (Previous year 2,00,00,000 equity shares of Rs.10 each)	20.00	20.00
	<u>20.00</u>	<u>20.00</u>

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

Particulars	As at 31st March,2014 No. of Shares	As at 31st March,2013 No. of Shares
Shares outstanding at the beginning of the year	2,00,00, 000	2,00,00,000
Add: Fresh Issue of Shares	-	-
Shares outstanding at the end of the year	<u>2,00,00, 000</u>	<u>2,00,00,000</u>

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

Particulars	As at 31st March,2014 No. of Shares	As at 31st March,2013 No. of Shares
Rajasthan State Mines & Minerals Limited (Holding Company) - a Government of Rajasthan Enterprise	1,02,00, 000	1,02,00,000

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

Particulars	As at 31st March,2014 No. of Shares	As at 31st March,2013 No. of Shares
Rajasthan State Mines & Minerals Limited (Holding Company)	1,02,00,000	1,02,00,000
Raj West Power Limited (Joint Venture partner)	98,00,000	98,00,000

2.4 Terms & Rights attached to equity shares

a)	The Company has only one class of equity share having a par value of ₹10/- each. Each holder of equity shares is entitled to one vote per share.
b)	In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to the shareholding.

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

Particulars	As at 31st March,2014 No. of Shares	As at 31st March,2013 No. of Shares
Shares allotted as fully paid-up without payment received in cash	-	-

NOTE: 3 RESERVES AND SURPLUS

Particulars	As at 31st March,2014 ₹ In crore	As at 31st March,2013 ₹ In crore
Surplus :		
Balance as at the beginning of the year	4.66	(1.10)
Add: Net Profit for the current year	(5.41)	5.76
Balance as at the end of the year	<u>(0.75)</u>	<u>4.66</u>

NOTE: 4 LONG TERM BORROWINGS

Particulars	As at 31st March,2014 ₹ In crore	As at 31st March,2013 ₹ In crore
Secured Loans		
Rupee Term Loans:		
From Banks	884.80	846.50
Unsecured Loans		
Subordinate Debt from Related Parties		
Raj West Power Limited (RWPL)	394.09	368.59
	<u>1,278.89</u>	<u>1,215.09</u>



4.1 Details of Security :

Rupee Term Loan amounting to Rs. 941.50 crores is availed on which partial security has been created on 24th July, 2012. For balance creation of Security, the Company is awaiting approval from Govt./Govt. undertaking.

The stipulated security for the said facility is:

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

4.2 Terms of Repayment of Loan:

- (a) Outstanding amount of Rs.941.50 Crores as rupee term loan is repayable in 50 Structured Installments commencing from 30 September 2014 till 24 November 2026.
- (b) Outstanding amount of Rs. 394.09 Crores of subordinated debt is repayable after repayment of rupee term loan.

NOTE: 5 OTHER LONG TERM LIABILITIES

Particulars	As at 31st March,2014 ₹ In crore	As at 31st March,2013 ₹ In crore
Others :		
Interest on Subordinated Debt	170.94	132.72
	<u>170.94</u>	<u>132.72</u>

NOTE: 6 TRADE PAYABLES

Particulars	As at 31st March,2014 ₹ In crore	As at 31st March,2013 ₹ In crore
Secured Loans		
Trade Payables (refer note : 23 (v))	2.58	47.16
	<u>2.58</u>	<u>47.16</u>

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

NOTE: 7 OTHER CURRENT LIABILITIES

Particulars	As at 31st March,2014 ₹ In crore	As at 31st March,2013 ₹ In crore
Current maturities of long term loan	56.70	-
Payables - Projects	19.85	21.29
Other payables:		
Statutory Dues payable	4.13	9.91
Lignite Extraction charges payable	0.07	4.30
Mine closure Charges payable	15.29	10.86
Others payable	4.19	2.95
	<u>100.23</u>	<u>49.31</u>

(refer note : 23 (v))



NOTE: 8 SHORT TERM PROVISIONS

Particulars	As at 31st March,2014 ₹ In crore	As at 31st March,2013 ₹ In crore
Provisions for Tax (Net of advance tax and TDS ₹ 7.26 Crore (Previous year ₹ .Nil))	5.89	0
Others provisions	0.11	0.11
	<u>6.00</u>	<u>0.11</u>

NOTE : 9 FIXED ASSETS

Particulars	Gross Block			Depreciation / Amortisation			Net Block		
	As at 1st April, 2013	Additions	Deductions/ Adjustments	As at 31st March, 2014	Upto 31st March, 2013	For the year	Deductions/ Adjustments	As at 31st March, 2014	As at 31st March, 2013
(A) Tangibles									
Building	0.15	-	-	0.15	0.01	0.01	-	0.02	0.14
Plant & Equipment	5.27	-	-	5.27	0.50	0.28	-	0.78	4.77
Office Equipment	0.07	0.00	-	0.07	0.01	0.01	-	0.02	0.06
Furniture & Fixtures	0.02	0.01	-	0.03	0.00	0.00	-	0.00	0.02
Lignite Handling Plant (#)	-	104.11	-	104.11	-	0.06	-	0.06	-
Electrical Installation	-	0.49	-	0.49	-	0.00	-	0.00	-
Vehicles	-	-	-	-	-	-	-	-	-
TOTAL (A)	5.51	104.61	-	110.12	0.52	0.36	-	0.88	4.99
(B) Intangibles									
Surface Rights on Kapurdi Land	365.86	-	0.54 \$	365.32	22.57	12.36	-	34.93	343.28
Rights under the Implementation and JV Agreement	3.40	-	-	3.40	0.21	0.11	-	0.32	3.19
TOTAL (B)	369.26	-	0.54	368.72	22.78	12.47	-	35.25	346.47
TOTAL (A+B)	374.77	104.61	0.54	478.84	23.30	12.83	-	36.13	351.46
Previous Year	374.77	-	-	374.77	8.48	14.82	-	23.30	366.29

Lignite Handling Plan includes borrowing costs of ₹ 10.12 crore (Previous year NIL) capitalised during the year.

\$ Refund received from PHED department for shifting of Water Pipeline for Kapurdi Mines earlier capitalised.



NOTE: 9 contd....

CAPITAL WORK IN PROGRESS

Particulars	As at 31st March,2014 ₹ In crore	As at 31st March,2013 ₹ In crore
CAPITAL WORK IN PROGRESS		
Rights under the Implementation and Joint Venture Agreement	6.80	6.80
Plant and Machinery and Civil Works	98.45	53.28
	105.25	60.08
Less: Transferred to Fixed Assets	93.99	-
Total A	11.26	60.08
PRE-OPERATIVE EXPENDITURE DURING CONSTRUCTION PERIOD & TRIAL RUN		
Opening Balance	224.63	124.84
Manpower Cost	0.58	0.57
Mining Lease Expenses	0.46	0.00
Land Development Expenses	0.20	1.65
Legal and Professional Charges	0.11	0.01
Advertisement Expenses	-	0.01
Travelling Expenses	0.05	0.04
General Expenses	0.03	0.05
Office Rent	0.03	0.03
Labour Charges	0.30	0.25
Finance Charges	0.19	0.17
Interest During Construction Period (Income Tax Refund : Rs. 0.43 crore (Previous Year : Nil))	118.15	104.35
	344.73	231.97
Less: Interest Income earned (TDS: Rs.0.65 crore (Previous Year :Rs.0.73 crore))	6.53	7.34
Less: Amount Transferred to Fixed Assets	10.12	-
Total B	328.08	224.63
Total A+B	339.34	284.71

NOTE: 10 NON CURRENT INVESTMENTS

Particulars	As at 31st March,2014 ₹ In crore	As at 31st March,2013 ₹ In crore
Government and trust securities 6-Year National Savings Certificate ₹ 20,000 (Previous Year ₹ 20,000) (Pledged with Commercial Tax Department)	0.00	0.00
	<u>0.00</u>	<u>0.00</u>

NOTE: 11 LONG TERM LOANS AND ADVANCES

Particulars	As at 31st March,2014 ₹ In crore	As at 31st March,2013 ₹ In crore
Unsecured, considered good Capital Advances	708.74	708.28
Deposits with Government/Semi Government Authorities Deposited with DMGR : ₹ 30,000 (Previous Year : ₹ 20,000)	0.00	0.00
Minimum Alternate Tax Credit entitlement	0.93	
	<u>709.67</u>	<u>708.28</u>

NOTE: 12 NON CURRENT OTHER ASSETS

Particulars	As at 31st March,2014 ₹ In crore	As at 31st March,2013 ₹ In crore
Others :		
Interest accrued on NSC - ₹ 6,086 (Previous Year ₹ 4,177)	0.00	0.00
Interest Accrued on Advances (TDS ₹ 0.64 crore; Previous Year ₹ 0.71 Crore)	24.73	19.19
	<u>24.73</u>	<u>19.19</u>

NOTE: 13 INVENTORIES

Particulars	As at 31st March,2014 ₹ In crore	As at 31st March,2013 ₹ In crore
Finished Goods	0.09	5.38
	<u>0.09</u>	<u>5.38</u>



NOTE: 14 TRADE RECEIVABLES

Particulars	As at 31st March,2014 ₹ In crore	As at 31st March,2013 ₹ In crore
Unsecured, considered good	-	-
Outstanding for a period not exceeding six months from the due date	2.64	62.03
	<u>2.64</u>	<u>62.03</u>

NOTE: 15 CASH AND BANK BALANCES

Particulars	As at 31st March,2014 ₹ In crore	As at 31st March,2013 ₹ In crore
Cash and Cash Equivalent		
On Current accounts	1.82	0.54
Bank Deposit	60.22	31.01
	<u>62.04</u>	<u>31.55</u>

NOTE: 16 SHORT TERM LOANS AND ADVANCES

Particulars	As at 31st March,2014 ₹ In crore	As at 31st March,2013 ₹ In crore
Unsecured, considered good		
Sundry Deposits	1.93	1.16
Advance Tax and Tax Deducted at Source (Net of provision ₹ NIL crores Previous year ₹ 4.00 Crore)	-	0.75
Other Advances	0.02	4.13
	<u>1.95</u>	<u>6.04</u>

NOTE: 17 OTHER CURRENT ASSETS

Particulars	As at 31st March,2014 ₹ In crore	As at 31st March,2013 ₹ In crore
Prepaid Expenses - (Previous Year - ₹ 21,432)	0.27	0.00
Interest Accrued on Fixed Deposit	0.48	0.00
	<u>0.75</u>	<u>0.00</u>

NOTE: 18 REVENUE FROM OPERATIONS

Particulars	For the year ended 31st March,2014 ₹ In crore	For the year ended 31st March,2013 ₹ In crore
Sale of Lignite	526.63	497.26
Less: Excise Duty	28.09	26.47
	<u>498.54</u>	<u>470.79</u>
Less : Other Levies		
i) Royalty	25.72	24.37
ii) Clean Energy Cess	19.01	18.75
iii) VAT	25.08	23.68
	<u>428.73</u>	<u>403.99</u>

NOTE: 19 OTHER INCOME

Particulars	For the year ended 31st March,2014 ₹ In crore	For the year ended 31st March,2013 ₹ In crore
Interest income		
Fixed Deposits (TDS ₹ 0.41Crore Previous Year ₹ 0.08 Crore)	4.14	0.77
Miscellaneous Income	0.01	0.00
	<u>4.15</u>	<u>0.77</u>



NOTE: 20 COST OF LIGNITE MINING

Particulars	For the year ended 31st March,2014 ₹ In crore	For the year ended 31st March,2013 ₹ In crore
Lignite Extraction Cost	332.41	290.44
Mine Closure Charges (Refer note 23 (i))	4.43	5.56
Excise duty on Closing Stock	(0.63)	(2.75)
Royalty on Closing Stock	(0.34)	(1.58)
	<u>335.87</u>	<u>291.67</u>

NOTE: 21 FINANCE COSTS

Particulars	For the year ended 31st March,2014 ₹ In crore	For the year ended 31st March,2013 ₹ In crore
Interest expenses		
Subordinated Loan from RWPL	8.45	8.39
Interest on Loan from Bank	27.14	27.34
Interest other	0.00	0.05
Finance Charges	0.03	0.09
	<u>35.62</u>	<u>35.87</u>

NOTE: 22 OTHER EXPENSES

Particulars	For the year ended 31st March,2014 ₹ In crore	For the year ended 31st March,2013 ₹ In crore
Manpower cost	1.18	0.88
Rates and taxes	28.10	28.60
Insurance	0.02	0.02
Advertising Expenses	0.02	0.12
Sampling Expenses	0.75	0.74
Legal and professional charges	1.28	0.24
Audit Fees	0.02	0.01
Travelling and Conveyance	0.16	0.11
General expenses	2.02	2.10
	<u>33.55</u>	<u>32.82</u>

NOTE - 23**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013:**

- (a) The Company had produced 3.75 (Previous year 3.50) Million Ton Lignite from Kapurdi Mines during the year.
- (b) (i) The Company is engaged in the mining of lignite for exclusive supply to Raj WestPower Limited (RWPL) for power generation and the Transfer Price of Lignite to RWPL is determined by Rajasthan Electricity Regulatory Commission (RERC) as per extant guidelines. As per the prevailing regulation, the post tax ROE is 15.50% upto 2014.
- (ii) The Company has recognized Revenue on sale of Lignite on the basis of Adhoc Interim Transfer Price Orders of RERC dated April 04, 2013, June 28, 2013 and October 11, 2013 wherein the adhoc interim transfer price is inter-alia arrived at by considering 75% of the transfer price claimed by the Company in its petition during the year 2012-13. Based on these orders and in accordance with the views expressed by the Comptroller & Auditor General of India (CAG), the Company has booked the Lignite extraction charges payable to Mine Developer cum Operator (MDO) in the same proportion as approved in the Adhoc Interim Transfer Price Order. As and when the final RERC order determining the lignite transfer price is received, the impact of such finalized tariff, MDO charges payable and Truing up for relevant period will be provided in the books of account.
- (iii) Based on adhoc Interim transfer price order, the Profit and Loss Statement of the Company reflect a Profit/(Loss) after Tax of Rs (5.41) crores for FY 2013-14. However, as a regulated project with post tax ROE capped at 15.50% of invested Equity, the PAT works out to about Rs 1.03 crores. Accordingly, the reported loss for FY 2013-14 is not comparable with the regulatory returns pending final determination of transfer price and MDO fees.
- (c) Service tax paid /payable on Lignite extraction charges and other Services for Rs 14.70 crore (Previous Year Rs. 10.10 crore), has been charged to Profit and Loss account after netting off the Excise duty payable on sale of Lignite. The same has been charged to Profit and Loss account, on account of the huge difference in Service tax paid on Lignite extraction cost and excise duty paid on sale of Lignite which is in line with the accounting policy.
- (d) "Surface Rights on Kapurdi Land" are amortized on the basis of lignite actually extracted during the period with respect to the estimated quantity of extractable mineral reserves over the lease life. The Company has claimed income tax on this amortization while calculating the transfer price of lignite from RERC. To have a corresponding provision in the books, the Company has provided provision for tax on amortization in the books during the current year. Due to this the amount of income tax pertaining to previous years which has been recognized during the year is Rs. 7.67 crore.
- (e) RSMML has been allotted 51% equity shares in the Company without any consideration in cash towards Rights under Implementation and Joint Venture Agreement.
- (f) Contingent Liabilities and Commitments:
- i. Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) Rs. 4.60 crore (Previous Year Rs. 40.76 crore).
- ii. A demand for Rs. 2.48 Crores was raised by Commercial Taxes under Rajasthan Value Added Tax Act, 2003.
- (g) A demand for Rs. 2.11 crore for the each year 2011-12 and 2012-13 was raised by Sub-registrar Barmer towards Land Tax, which was provided in the books of accounts. Out of which, a sum of Rs. 3.59 crore is pending for payment. Land Tax has been abolished w.e.f. 01-04-2013 vide gazette notification dated 06th March'2013. The issue whether land tax / levy of land tax is ultra vires, is pending consideration before the Hon'ble Supreme Court of India.
- (h) As per Ministry of Environment and Forests (MOEF) approval dated 29th January 2008, the Company was required to make provision of at least Rs. 2.00 crore per annum towards CSR activities. In its order dated 24th December 2013 for enhanced Mining Capacity by 25% ie., from 3.00 to 3.75 MTPA, MOEF has stipulated the cost of CSR should be Rs.5/- per M.T. of Lignite extracted to be adjusted with annual inflation. Accordingly the company has made provision of Rs. 1.88 crores in its books towards CSR expenses for its Kapurdi Mining block for the year 2013-14.



- (l) During the year the Company has aligned the basis of estimating the Mine Closure Charges as per the revised Mining Plan (May 2013) approved by the Ministry of Coal. The approval of Mining plan was received in Jan'14 and the same has been submitted with RERC. Accordingly an amount of Rs. 4.43 crore (Rs. 6.15 crore during FY 12-13 and Rs. 4.71 crore for FY 11-12) has been provided in the books towards Mine closure obligation in the current year and the same will be deposited in an Escrow account with the Coal Controller.
- (j) The Company has paid a sum of Rs. 977.51 crore upto 31st March, 2014 (Previous year Rs. 977.51 crore) to Rajasthan State Mines & Minerals Limited (RSMML) towards the compensation for land acquisition of 17,323.05 bighas of Kapurdi Mining Land and 22,347.85 bighas of Jalipa Mining Land in accordance with the Order of Land Acquisition Officer. While the mutation process of Kapurdi Lignite Mining Land has been completed and land transferred in the name of RSMML, the process is underway for Jalipa Lignite Mining Land. RSMML has intimated that the transfer of land from RSMML to the Company has been rejected by Government of Rajasthan, even though the opinion of Advocate General states that the transfer of land from RSMML to the Company is contemplated within the provision of the Implementation Agreement and Joint Venture Agreement. JV partner has represented to Govt. of Rajasthan (GoR) for reconsideration of the issue and response is awaited. Till the issue attains finality and based on the present position taken by GoR, the cost paid towards the acquisition of Kapurdi land to RSMML is reflected as Surface Rights for Kapurdi Land.
- (k) The Company had received NOC for 2,172.03 bighas of government land from District Collector (Barmer) vide letter dated 12.01.2010 to be used by company for lignite mining in Kapurdi. Subsequently, District Collector (Barmer) has raised a claim by issuing a letter dated 31.07.2012, seeking for payment of Rs 32.58 crores towards government land against transfer of title on the government land admeasuring 2,172.03 bighas. The Company has not accepted the offer for acquiring of Land and conveyed to the RSMML to take up the matter with appropriate authority. However, the Comptroller and Auditor General of India (CAG) in its comments on the Audited Accounts for the F.Y. 2012-13 has observed that Fixed Assets of Rs. 351.46 crore does not includes Rs. 32.58 crore as mentioned above. Consequently, Fixed Assets (Intangibles), depreciation & Amortizations and Current Liabilities have been understated by Rs. 30.57 crore, Rs. 2.01 crore and Rs. 32.58 crore in FY. 2012-13. Based on above observation of CAG, corresponding amount of Fixed Assets (Intangibles), depreciation & Amortizations and Current Liabilities have been understated by Rs. 29.47 crore, Rs. 1.10 crore and Rs. 32.58 crore in F.Y. 2013-14.
- (l) During the year the company has recognised Rs. NIL crores (Previous year Rs 1.56 crores) towards Land Development Charges and Rs.0.74 crore (Previous year Rs 0.65 crore) being the amount payable to RSMML towards the proportionate amount of Salary and Wages of RSMML employees and office expenses for the period FY 2013-14. The above charge relates to Land development charges and the time spent by RSMML employees on the Company's project and the same has been charged to Capital Work in Progress (CWIP).
- (m) The Company has an outstanding subordinated debt of Rs.394.09 crore (Previous Year 368.59 crore) as on 31st March, 2014, availed @ 10% interest rate from RWPL to fund its project related requirements. The Company has recognised interest of Rs. 38.22 crore (Previous year Rs. 36.51 Crores) on subordinated debt for the period from 01st April, 2013 to 31st March, 2014. As required by Comptroller & Auditor General of India (CAG), the Company has obtained an Opinion on levy of interest on Subordinate Loan from Learned Advocate General, Rajasthan Jaipur who has also affirmed the provision for the same. However, the matter has been referred by CAG to the GoR and its final opinion is awaited. Till the issue is clarified/opined by Govt. of Rajasthan, no interest payout on Subordinate Debt shall be carried out.
- (n) The Government of Rajasthan vide its order dated 30th March, 2011 had stated that any interest gained by RSMML on the amount deposited with it by the Company towards land compensation to be paid for Jalipa and Kapurdi Mining Block (as a result of delayed payment) will be refunded to the Company. Accordingly, the Company has accounted for interest income of Rs. 6.43 crore (previous year Rs. 7.05 crore) on the basis of the ledger balance outstanding in the books of RSMML.

(0) Provision for Taxation and Deferred Tax :

(i) Provision for Taxation includes :

(₹ in Crore)

Particulars	As at 31st March,2014	As at 31st March,2013
Current Tax	1.95	1.77
Current Tax relating to Prior Years	7.67	-
MAT Credit entitlement	(0.93)	-
	8.69	1.77

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

(₹ in Crore)

Particulars	As at 31st March,2014	As at 31st March,2013
Preliminary Expenses Written Off	0.09	0.13
Carry Forward losses	-	-
Unabsorbed Depreciation	(21.43)	(2.52)
Disallowances u/s.43B	3.60	3.60
Deferred Tax Asset(Liability)	(6.03)	0.41

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

(₹ in Crore)

Particulars	For the Year Ended 31st March,2014	For the Year Ended 31st March,2013
Net profit (Loss) as attributable to equity shareholders (A) (₹ in crore)	(5.41)	5.76
Weighted Average Number of equity shares outstanding during the period (Face Value - ₹ 10 per share) (B)	2,00,00,000	2,00,00,000
Earnings Per Share (Basic and Diluted) (A/B) (In ₹)	(2.71)	2.88



- (q) 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.

(₹ in Crore)

Particulars	Current Year	Previous Year
1 Principal amount due and remaining unpaid	-	-
2 Interest due on (1) above and the unpaid interest	-	-
3 Interest paid on all delayed payments under the MSMED Act.	-	-
4 Payment made beyond the appointed day during the year	-	-
5 Interest due and payable for the period of delay other than (3) above	-	-
6 Interest accrued and remaining unpaid	-	-
7 Amount of further interest remaining due and payable in succeeding years	-	-

- (r) **Remuneration to Auditors (excluding service tax):**

(₹ in Crore)

Particulars	For the Year ended 31st March, 2014	For the Year ended 31st March, 2013
Audit Fees	0.01	0.01
Tax Audit fees ₹ 39,326/- (Previous Year ₹ 33,708/-)	0.00	0.00
For Other services ₹.50562/- (Previous Year ₹ 50562/-)	0.01	0.01

- (s) 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.
- (t) The Company has provided the provision for liability of works carried / supplies received pertaining to Financial Year 2013-14 till such invoices received by the company upto 30.04.2014.
- (u) There are no reportable segments as per Accounting Standard 17 prescribed by the Companies (Accounting Standards) Rules, 2006.
- (v) The Company has yet to receive balance confirmations in respect of certain payables, other payables and trade receivable. The Management does not expect any material difference affecting the current year's financial statements due to the same.

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

List of Related Parties:

Companies with significant influence:

- i) Raj West Power Limited (RWPL)
- ii) JSW Energy Limited (JSWEL)

ii) Related Party Transactions:

(₹ in Crore)

Nature of Transaction	Current Year	Previous Year
Transactions with RWPL		
Subordinated Loan (Unsecured Loan)	25.50	6.96
Interest on Subordinated Loan	38.22	36.51
Sale of Lignite (Net of Taxes)	428.73	403.99
Salary to deputed staff	0.98	0.76
Reimbursement of expenses related to land acquisition	0.58	0.33

Closing balance of related parties

(₹ in Crore)

Name of the related party	As at 31st March 2014	As at 31st March 2013
Raj WestPower Limited (RWPL)		
- Subordinated Debt	394.09	368.59
- Others	171.24	138.12
- Trade Receivable	2.64	62.03

Notes:

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

(iii) Key Managerial Personnel

Mr. Pramod Menon - Managing Director (from 19.07.2012 to 02.05.2013)

Mr. Umesh Narayan Gupta - Managing Director (from 03.05.2013 to till date)

There is no remuneration paid to key managerial person.

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

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

For and on behalf of the Board of Director

Rakesh Chatter
 Partner
 Membership No. 073831

Umesh Gupta
 Managing Director

S.C.Garg
 Chairman

Place: Jaipur
 Date: 02.09.2014

Nitesh Gangwal
 Company Secretary



Barmer Lignite Mining Company Limited
Barmer Lignite Mining Company 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 BARMER LIGNITE MINING COMPANY LIMITED, JAIPUR FOR THE YEAR ENDED 31ST MARCH, 2014

The preparation of financial statements of Barmer Lignite Mining Company Limited, Jaipur for the year ended 31 March 2014 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 02 September 2014.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 619 (3) (b) of the Companies Act, 1956 of the financial statements of Rajasthan State Mines & Minerals Limited, Udaipur for the year ended 31 March 2013. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comments upon or supplement to Statutory Auditors' report under section 619(4) of the Companies Act, 1956.

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

(S. Alok)

Accountant General (E&RSA)
Rajasthan, Jaipur

Place: Jaipur

Date: 14-11-2014

