



# RAJASTHAN STATE MINES & MINERALS LIMITED

(A Government of Rajasthan Enterprise)

## Board of Directors

as on 01.12.2010

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

### Financial Advisor

Shri M.L. Tailor

### Registered Office

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

### Company Secretary

Shri P.K. Jain

Tel.: 0141-2743734,2743934

Fax: 0141-2743735

E-mail : rsmml@sancharnet.in

www.rsmm.com

### Auditors

M/s. P.C. Modi & Company  
Chartered Accountants

### Bankers

ICICI Bank  
State Bank of India  
Punjab National Bank  
IDBI Bank

### Corporate Office

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

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## NOTICE

NOTICE is hereby given that the 63<sup>rd</sup> Annual General Meeting of the shareholders of the company will be held on Tuesday, 28th December, 2010 at 10.30 AM at the Committee Room No. 1, Secretariat, Jaipur (Rajasthan) to transact the following business :-

### Ordinary Business

1. To receive, consider and adopt the Balance Sheet as on 31st March, 2010, Profit and Loss Account for the year ended on that date, the Auditors' Report thereon and the Report of the Board of Directors.
2. To appoint a Director in place of Shri A.C. Wadhawan who retires by rotation under Article 103 of the Article of Association of the company and is eligible for reappointment.
3. To declare dividend for the financial year 2009-10.
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 an Ordinary Resolution:

RESOLVED that Shri Naresh Pal Gangwar, who was appointed as an Additional Director pursuant to Article 101 of the Articles of Association of the company and section 260 of the Companies Act, 1956 and who holds office upto the date of this Annual General Meeting being eligible and offering himself for appointment and in respect of whom the company has received a notice in writing under Section 257 of the Companies Act, 1956, from a member proposing his candidature for the office of the director, be and is hereby appointed as a Director of the company liable to retire by rotation.

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

**P.K. JAIN**  
Company Secretary

Place : Udaipur  
Date : December 6th, 2010

**NOTES:**

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

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

**Item No. 5**

Shri Naresh Pal Gangwar is presently working as Secretary (Energy) to the Government of Rajasthan, Department of Agriculture; notice has been received from one of the shareholders as required under section 257 of the Companies Act, 1956 proposing him as a candidate for the office of director.

The Director seeking appointment / re-appointment may be deemed to be concerned or interested in the respective resolution concerning their appointment / re-appointment.

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

**P.K. JAIN**  
Company Secretary

Place : Udaipur  
Date : December 6th, 2010



## DIRECTORS' REPORT TO THE SHAREHOLDERS

Gentlemen,

Your Directors have pleasure in presenting the 63<sup>rd</sup> Annual Report on the business and operations of your company together with the Audited Statement of Accounts, Auditors' Report and Review of the Accounts by the Comptroller and Auditor General of India for the year ended on 31st March, 2010.

### Financial Year 2009-10

Despite of the continued recession in the developed world, the Indian- economy has posted remarkable recovery and registered a growth of 7.4 per cent in 2009-10, with 8.6 per cent year-on-year (y-o-y) growth in its fourth quarter.

The growth is driven by robust performance of the manufacturing sector on the back of government and consumer spending. Economic activities which showed significant growth rates in 2009-10 over the corresponding period last year were mining and quarrying manufacturing, electricity, gas and water supply, construction trade, hotels, transport and communications, financing, insurance, real estate and business services sectors.

Your company consolidated its activities and emphasis was given on development of the Rock Phosphate mines at Jhamarkotra and new lease in the gypsum area. The reporting year has witnessed marginally decline in revenue as against the previous year due to lower production of rock phosphate and

exhaustion of reserves of gypsum in the old mining leases which was partly offset due to increase in the production of limestone and lignite. Some of the performance highlights during the year are-

- The total revenue was to Rs. 956.03 Crores, over previous year's revenue of Rs. 972.35 Crores.
- The Profit Before Tax (PBT) stood at Rs. 146.12 Crores as compared to previous year's level of Rs. 177.89 Crores. Substantial enhancement of Government levies in the form of Land tax, MR Cess in previous year and emphasis on development of mines in Jhamarkotra in the year under report were the reasons for lower turnover and income in the financial year 2009-10.
- The company's Profit After Tax (PAT) is Rs. 111.53 Crores which is lower by 7.58% over the previous year's PAT of Rs. 120.68 Crores.
- Earning per Share (EPS), which indicates return on shareholders' investment, stood at Rs. 14.38 per share as compared with previous year's earning of Rs 15.56 per share.
- The output per employee, which is one of the key indicators for human resource productivity, also stood at the level of Rs. 48.99 Lac per employee as compared to Rs. 50.90 Lac during the previous year.

## Financial Outcome

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

	(Rs. in lakhs)	
<b>Particulars</b>	<b>2009-10</b>	<b>2008-09</b>
Profit after Interest but before Depreciation and Prior period Adjustments.	20361.83	23298.56
Depreciation & amortisation	(5703.70)	(5536.98)
Prior Period Adjustments	(46.52)	27.78
Profit Before Tax	14611.61	17789.36
Provision for Current Tax	(2716.00)	(4252.00)
Tax Adjustment of Earlier Years	856.68	(44.73)
Fringe Benefit Tax	-	(68.66)
Deferred Tax Provision	(1598.94)	(1356.42)
<b>Net Profit after tax</b>	<b>11153.35</b>	<b>12067.55</b>
Add : Balance brought forward from the previous year	46.78	93.86
Balance available for Appropriation	<b>11200.13</b>	<b>12161.41</b>
Appropriations		
- General Reserve	9350.00	10300.00
- Proposed Dividend	1551.03	1551.03
- Tax on Proposed Dividend	257.61	263.60
Balance carried forward to Next Year	41.49	46.78

## Growth Indicators

	(Rs. in lakhs)	
<b>Particulars</b>	<b>2009-10</b>	<b>2008-09</b>
Total Revenue	95603.58	97234.68
Cash Profit	20361.83	23298.56
Profit after tax	11153.35	12067.55
Net Worth	75412.25	65966.90
Basic and Diluted Earnings per Share (Rs.)	14.38	15.56
Output per Employee	48.99	50.90

## Disinvestment

The Government of Rajasthan in its budget announcement for financial year 2010-11 has announced disinvestment of 10% equity of the company. The Government of Rajasthan has already constituted a committee for implementation of decisions of disinvestment. The consultant has been appointed to advise the company and GoR to advise in disinvestment process.



## Financial Resources

### CAPITAL STRUCTURE

#### SHARE CAPITAL

There was no change in the authorized and paid up share capital of the company during the financial year 2009-10. The authorized capital of the company was Rs.80.00 Crores (Rupees Eighty Crores only) as on 31st March, 2010.

The paid up capital of the company as on 31.3.2010 was 7,75,51,500 shares of Rs. 10/- each fully paid up, totalling Rs. 77,55,15,000 (Rupees Seventy Seven Crores Fifty Five Lac Fifteen Thousand only).

#### Dividend

The Board is pleased to recommend a dividend @ 20% of paid up share capital i.e. Rs. 2/- per share of the company for the financial year 2009-10.

#### Unclaimed dividend

Pursuant to Section 205A of the Companies Act, 1956, unclaimed dividend for the year 2002-03 has been transferred to Investor Education & Protection Fund (IEPF) established by the Government pursuant to Section 205C of the Companies Act, 1956 during the financial year 2009-10.

## Physical Performance

### Strategic Business Unit & Profit Centre - Rock Phosphate

The total rock handling at the Jhamarkotra mines was 180.44 lac MT against the previous year's of 171.14 lac MT showing an increase of 5.43%. The contribution of departmental mining operations was 81.23 lac MT whereas contractual excavation of rock was 99.21 lac MT.

During the financial year 2009-10, production of high-grade ore (HGO) and low grade ore (LGO) was 5.97 Lac MT and 7.81 Lac MT respectively. The corresponding figures for the previous year were 7.05 Lac MT of HGO and 7.97 Lac MT of LGO. The sale of Rock Phosphate stood at 9.9 lac MT during the financial year 2009-10 as against sale of 12.56 lac MT in the previous year.

The performance of the SBU – Rock Phosphate was adversely affected due to non acquisition / non settlement on land issues relating to private land owners and water logging in E block, higher water level in CDE pit.

### Strategic Business Unit and Profit Centre – Gypsum

The production and sale of gypsum stood at 30.05 Lac MT and 30.19 Lac MT respectively in the year under report as against 33.74 Lac MT and 34.09 lac MT in the year 2008-09. The production and sale of gypsum for the year 2009-10 remained lower as compared to previous year due to limited balance reserves left in the old mining leases. Six new mining leases were obtained by the company during the year under report and most of the new mining leases granted, is likely to contribute towards production in the financial year 2010-11 and onwards.

The company has applied 25 new mining leases of gypsum in Bikaner, Hanumangarh, Ganganagar and Jaisalmer districts during the year 2009-10.

### Strategic Business Unit and Profit Centre – Limestone

This strategic business unit has major limestone mines located at Jaisalmer and Gotan and fluorspar mining operations are located at Bhinmal. The steel grade limestone are produced at Jaisalmer and supplied to major steel plant in the country. Chemical and cement grade limestone are produced from the Gotan deposit. The overall production of the limestone at both deposits has shown remarkable growth during the year under report. The production and sales of limestone at Jaisalmer for the financial year stood at 20.78 lac MT and 22.60 Lac tons as against 20.21 lac MT and 20.31 Lac MT respectively for the year 2008-09, registering 2.82% growth in production and 11.28% in sales over the previous year. Similarly, production and sales of limestone from Gotan stood at 5.17 lac MT as against 4.77 lac MT for the financial year 2008-09 showing 8.38% growth over the previous year. Production of limestone from departmental crushing and screening plant has also reported to 7.04 lac MT as against 5.85 lac MT in previous year. The activities of fluorspar mines, Bhinmal most of the part during the year under report remained suspended. The mining of the fluorspar were resumed in the month of March 2010

After recovery of recession in the market, the demand of the limestone from steel and cement manufactures have witnessed increase in the year under report. SAIL, TISCO and Jindal Steel have increased their off take of limestone from Jaisalmer. There was also increasing trend seen in the cement industry. The company has applied six new mining leases in Jaisalmer district.

Railway authorities has already announced in the budget 2010-11 for the survey for broad gauge line from Hameera to Sanu mines for smooth transportation of limestone to various steel plants.

### Strategic Business Unit & Profit Centre-Lignite

The production from the Giral mines achieved nearly its full production capacity of 12.00 lac MT. Production and sale of lignite stood at 12.07 lac MT which is marginally higher than production and sales of 2008-09. During the financial year 2009-10 total lifting by RVUNL was 7.59 lac MT as compared to 4.51 lac MT during previous year. As the total production of Giral is restricted to 10.00 lac MT per year, the lifting by mercantile sale was restricted to 2.40 lac MT as compared to 5.47 lac MT in previous year.

The production from Matasukh mines, Nagaur was restarted from 27th April, 2009 after, restoration of benches which were collapsed on 23rd January, 2008. The production of lignite was despatched to major cement plant and Rajwest Power Limited. The production was stopped after expiry of the mining contract on 16th January, 2010. The efforts are being made to operate these mines either in joint sector or through award of composite contract of mining as well as de-watering in the current fiscal.

The company is working on commencement of production from mine blocks located at Gurah West, Bikaner and Sonari, Barmer. The mine plan of Gurah has been already approved by the Ministry of Coal. The terms of reference for environment clearances have been issued by MOEF and expected to get clearances of environment in the current financial year. The action for land acquisition is in progress. The mining plan and environment clearances of Sonari deposit have already been obtained. The mining lease has already been sanctioned. The award has been made for acquisition of the land in Jalipa and Soneri mines and taking possession of land is under progress.

Besides above mine blocks namely Shiv Kurla Mahabar, Sachha Sauda in Barmer district have allocated to the company. Obtaining necessary clearances / approval of these blocks is in progress.

### Non-Functional Units

As earlier reported, most of the assets of non-viable units viz. Rajasthan Fluorspar Project (RFP) at Dungarpur and Mahi Graphite Project at Banswara and Green Marble Project, Keshariyaji have already been auctioned and balance left-out the assets has

been transferred to Jhamarkotra Mines. Most of the mining leases of these projects have been surrendered to the Government and the lands were handed over to Devasthan Department/ Government.

### Projects and New Ventures

#### Wind Power Project at Jaisalmer

Installed capacity of wind farms in Jaisalmer increased to 106.3 MW up to March 2010. The power to the tune of 1665 lacs units is being supplied annually to State Grid from these eco friendly projects besides contributing to reduction of Co<sub>2</sub> to emission to the extent of 1,40,000 tonne per year.

The wind farm project of 31.5 MW capacities consisting of 15 number of wind turbines generators of 2100 KW has been successfully commissioned during the year. The Power Purchase Agreement has also been signed with JVNL for this additional capacity installed.

#### Carbon Credit

The following projects of the company have been approved & registered under the category of Clean Development Mechanism (CDM) of United Nations Frame Work Convention of climate change (UNFCCC), Bonn, Germany:

- (i) 14.8 MW wind farm project at Jaisalmer (Phase I, II & III) CDM.
- (ii) Use of Roller Press Technology in Low Grade Ore (LGO) Beneficiation Plant for power saving CDM.
- (iii) 22.5 MW wind farm project (Phase IV & V) CDM.

During the year one more project having capacity of 15 MW wind farm project (Phase VI) CDM has been approved by UNFCCC.

Your company is getting Carbon Emission Reduction (CER) certificates and voluntary carbon units (VCUs) for various projects which contribute to the foreign exchange reserves of the country.

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

As earlier reported, M/s Nagaur Water Supply Company Pvt. Ltd (NWSGPL) has now commissioned the 20 MLD desalination plant to convert the brackish water resource into potable drinking water for supplying to nearby villages in Nagaur District through Public Health Engineering Department (PHED). With





the operation of this plant, the high salinity water of confined aquifer shall be treated to produce 13 MLD potable water suitable for human usage. The water produced by the plant shall be distributed in Jayal Block of Nagaur district through PHED. The necessary infrastructure for distribution of potable water shall be created by the PHED. The commercial operations of the plant has now started on 22.05.2010 subsequent to PHED confirmation to take 7.13 MLD potable water against this PHED is presently taking 3-4 MLD treated water from the plant. For the compliance of the pollution control measures, six Solar Bunds have been created as per the design and drawings approved by the RSPCB. The clearance from RSPCB for disposal of reject water has been obtained.

#### **Mining in Schedule Area**

The Government of Rajasthan in Budget announcement for the financial year 2010-11 has given additional responsibility to the company for exploration & exploitation of major mineral in four tribal districts of Rajasthan under public private partnership for generation of local employment and overall development of economy of these districts. Accordingly, the company has applied 11 areas of manganese ore for mining leases in the Banswara District. Joint survey for revenue details is under progress. The mining leases for other minerals in the above area are under active consideration.

#### **Secondary Ore in Rock Phosphate**

The company has taken a pilot project of secondary rock phosphate which is being recovered as sub-grade mineral from overburden. Substantial quantity of this mineral was also generated from G block. Secondary ore has average grade from 11 to 13%  $P_2O_5$ . Study is being made to use/beneficiate this ore for commercial use so as to optimize the usage & mineral resources. Presently up to 5% is being used with the other ore for beneficiation.

#### **Potash**

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

#### **Geo-chemical mapping programme**

A tripartite agreement has been signed on 10.05.2010 among the Geological Survey of India (GSI), Directorate of Mines & Geology (DMG) and Rajasthan State Mines & Minerals Limited (RSMML) for geochemical mapping in 8 district of Rajasthan. The work of sampling, field work and setting up chemical laboratory at Udaipur is in progress.

#### **Deep-seated gypsum mining at Badwasi in Nagaur District**

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

#### **Joint Venture Projects**

##### **RBG Mineral Industries Limited**

Your company had earlier entered into a Memorandum of Understanding with M/s Binani Industries Ltd. and M/s Gujrat Mineral Development Corporation for setting up a multi-metal project at Deri and Basantgarh. Pursuant to above a joint venture company namely RBG Mineral Industries Limited (RBGMIL) was incorporated. As per MOU and our commitments, an application for transfer of mining lease for Deri in favour of RBGMIL have already been submitted to Government of Rajasthan. Your company has engaged M/s IBM for valuing of assets of Deri Mines. The IBM has already submitted the draft report. The final report is expected in the current fiscal year.

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

Rajasthan Rashtriya Chemicals and Fertilizers Limited (RRCFL) were incorporated with Rashtriya Chemicals and Fertilizers Limited (RCFL) for setting up a facility to manufacture 850 TPD of Di-Ammonium Phosphate (DAP), at Kapasan in Chittorgarh district. RCFL is having 51% shares, whereas RSMML is holding 49% of the equity in this company. The project was conceived to meet the growing requirement of DAP in the country based on availability of raw materials like rock phosphate and sulphuric acid in the state.

Projects & Development India Limited (PDIL), Noida, was engaged as a consultant for preparing a Bankable Definitive Feasibility Report (DFR) to facilitate the sponsors for taking an investment decision for the project. The bankable DFR submitted in June 2008 revealed that the proposed DAP project is

not viable on present international price of DAP and it was decided to defer the investment decision for the time being.

### Subsidiary Companies

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

As reported earlier, M/s Barmer Lignite Mining Company Limited has been incorporated with the joint venture partner M/s Raj West Power Ltd (RWPL). Your company is holding 51% equity of the JV Company while balance is with RWPL. The object of the company is the development, operation and extraction of lignite from Jalipa and Kapurdi mines block for supplying it to 1080 MW power plant being set up by RWPL in Barmer under Fuel Supply Agreement. The mine plans of Kapurdi and land acquisition of Jalipa still in process. Land acquisition of Jalipa is still in process. A Fuel Supply Agreement has been entered into with RWPL for supply of fuel for 30 years.

Mineral Exploration Corporation has been entrusted with the exploration work of converting probable category reserves into proved category reserves in the northern blocks of Jalipa. Final report of exploration and geo physical logging is awaited. Environment clearance of Kapurdi and Jalipa blocks has already been received. The initial surveys for diversion of NH-15 have been completed and possession of Kapurdi block land is underway. Approval for the diversion of National Highways is also expected shortly.

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

As reported earlier, Rajasthan State Petroleum Corporation Limited has been formed as a wholly owned subsidiary of your company with the objective of conducting activities in the petroleum & natural gas sector. M/s Indian School of Petroleum and Energy, New Delhi was engaged for development of a business plan of the company and exploring possibilities of strategic alliance / partner for working in hydro carbon sector as a joint venture. M/s ISPE has already submitted the business plan of the company. The Government of Rajasthan has already approved the business line of oil refining, pipe line transport, gas retailing, city gas distribution, oil exploration, oil field support services. RSPCL has invited the Expression of Interest for strategic tie up for underground coal gasification and city gas distribution network.

### Foreign Exchange: Earnings and Outgo

The total foreign exchange earning was of Rs 51.64 Lac and outgo was Rs. 39.77 Lac towards stores and spares, travelling and other matters.

### Research & Development, Technology Absorption and Conservation of Energy

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

### Corporate Social Responsibility (CSR) Report

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

### Manpower

#### Human Resource Development & Training

Your Company believes that its human resource is its greatest wealth. Therefore, it is the Endeavour of your Company to nurture and develop this wealth. Human Resource Development continued to accord priority with emphasis on improving skill, competence and knowledge through regular training and professional development programmes.

It has always been the policy of the company to provide safe working environment which promotes the business of the company and growth of its employees in an effective and long-term manner.

The manpower employed (excluding probationer trainees) at the end of the financial year 2009-10 was 1866 as against 1855 employees last year. Besides above, during the year under report, 16 executive (probationer trainees) and 15 workmen were recruited.

### Concern for Environment

The company has taken various steps and provided



the fund for undertaking various environmental management measures including pollution control and waste minimisation. Your company believes in follow the entire applicable environment related statutory laws and regulations.

Regular water spraying at all points where dust is generated, installation of dust extraction and collection systems on drill machines, treatment of acidic water generated from beneficiation process are the measures taken for protection of environment. Periodical monitoring is done to keep the pollutants under control. Jhamarkotra Rock Phosphate Mines won excellence award in the field of "Mines Environment and Mineral Conservation" for three consecutive years from 2006-08. During "Mines Environment and Mineral Conservation Week-2009" first prize in Community Development and second prize in "Waste Dumps Management and Reclamation" was won by Jhamarkotra Mines. Nine awards for good reclamation of mined-out land and other categories were won by SBU – PC Gypsum during the 20th Mines Environment Week 2009-10. Giral lignite mines was honoured with the first prize in the field of mining plans and records under 22 mines safety weeks 2009 organised by Mines Safety Association, Ajmer Region.

### **Industrial Relations**

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

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

Pursuant to the provision of Section 217 (2A) of the Companies Act, 1956, read with the Companies' (Particulars of Employees) Rules, 1975, as amended from time to time, none of the employees of the Corporation was in receipt of remuneration of more than Rs.24 lacs per annum or Rs.2,00,000/- per month.

### **Audit Committee**

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

The roles & terms of reference, the authority and the

powers of the Committee are in conformity with the requirements under section 292A of the Companies Act, 1956.

### **Directors' Responsibility Statement**

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

- (i) In preparing the annual accounts, the applicable accounting standards have been followed and there is no material departure from the Accounting Standards;
- (ii) The Accounting Policies adopted have been consistently applied and, wherever necessary, made judgements and estimates, that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the company for the year under review;
- (iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) The annual accounts have been prepared on a going concern basis.

### **Directors**

Article 99(i) and 100 of the Articles of Association of the company empower the Governor of Rajasthan to appoint directors on the Board of the company. In exercise of the same, GoR has appointed Shri S. Ahmad in place of Shri T. Srinivasan as Chairman and Shri Akhil Arora in place of Shri Sanjay Malhotra as the Managing Director of the company. Shri Naresh Pal Gangwar, Secretary Energy in place of Shri Shreemat Pandey has been appointed as an Additional Director to hold the office till the date of ensuing Annual General Meeting. Mrs. Aparna Arora was appointed as Managing Director in place of Mr. Akhil Arora w.e.f. 10.09.2010.

The company have received notice under section 257 of the Companies Act, 1956 from a member proposing the candidature of Shri Naresh Pal Gangwar. Necessary resolutions are being placed before the share holders

for their approval. The Board recommends the resolution pertaining to appointment of Director for approval of the members.

The Board places on record the valuable contribution made by the outgoing directors 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 P. C. Modi & Company, Chartered Accountants, Jaipur was appointed to audit Annual Accounts for the financial year 2009-10.

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

### **Thanks**

Your Directors place on record their gratitude to State Government particularly Mines & Petroleum Department, Financial Institutions, Bankers, Contractors, Consultants, and Vendors for the continued assistance, co-operation and encouragement they extended to the company. The Directors also thank CAG of India, Chairman and Members of Audit Board, Statutory Auditors for their co-operation and guidance.

Your Directors also wish to place on records their sincere thanks and appreciation for unstinting efforts put in by all the members of RSMML family towards ensuring all around operational performance and growth of the company.

**For and on behalf of the Board**

**S. Ahmad**  
Chairman

Place : Jaipur  
Date 01.12.2010



## ANNEXURE TO THE DIRECTORS' REPORT

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

### A. Conservation of Energy

#### a) Energy Conservation Measures taken :

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

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

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

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

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

- Reduction of energy consumption from 49 KWH to 32 KWH / MT of LGO feed and consequent impact on the cost of production of Beneficiated Rock Phosphate.

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

### B. Technology Absorption

#### Research and development (R&D)

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

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

- a) PROM Technology – Standardization of PROM is under progress. Company has an ambitious plan to adopt the villages in and around the mines of respective SBU where 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 two years. The project has been sponsored for third year.
- c) Mineral conservation by developing the use of waste 12-14%  $P_2O_5$  tailing, into a product named Fused Ca-Mg phosphate (FCMP) by fusion process. In continuation to the green chemistry project, tailing was successfully utilized at lab scale to yield value added products like Epsom, gypsum, magnesium ammonium phosphate and other useful industrial products from the dolomite waste. An integrated solid - liquid - gas reactor (ISLGR-08) was designed and fabricated.
- d) Productivity studies of HEMM at Jhamarkotra Mines.
- e) Beneficiation of secondary rock-phosphate.
- f) Development of appetite for use as semi precious stone.
- g) Making the use of fine size limestone gitti produced at Jaisalmer.

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

(i) Capital	Rs. NIL
(ii) Recurring	Rs. 8.05 Lac
(iii) Total R& D expenditures as percentage of total turnover	.01 %

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

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

- a) Company is being operated 1 TPD bio-diesel pilot plant after successfully tested the use of bio-diesel.
- b) Company has developed the low cost organic fertilizer "PROM"
- c) Two patents have been filed by the Company jointly with MLS University, Udaipur under the title: i) "process for making slow release phosphate fertiliser." ii) "An eco-friendly process for making EPSOM and Gypsum."
- 2. Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc.
  - Above efforts helped in satisfying the consumer needs as well as business requirements by introducing new products. Dissemination of PROM technology will bring down the import of phosphoric fertilizers.
- 3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished: Not applicable.
  - a) Technology imported.
  - b) Year of import
  - c) Has technology been fully absorbed?
  - d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action.

] Not applicable



## ADDENDUM TO THE DIRECTORS' REPORT

(Under Section 217 of the Companies Act, 1956)

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

- (f) (i) The liability of few employees could not be provided for due to non-availability of desired details/records. It is also to mention that payment/provision would be made on the basis of outcome of legal proceedings/settlement of their claims. The company is making payment/settling the accounts of such employees once their claims are finalised/settled.
- (f) (ii) As in the opinion of the company, the development charges are not refundable, the company did not accept the demand and hence no liability on this account has been provided for. However, the company has shown the amount demanded in this account as contingent liability.
- (f) (iii) The company has provided liability for excess over burden handled by the contractor during the contract period of 7 years on the basis of recommendations given by a committee consisting of senior officers of the company from various disciplines to work out the liability of contractor.
- (f) (iv) As clarified at S.No. 14 of Part B of Schedule 'G' under the heading "Notes on Accounts", the company is requesting its vendors to provide their status under the provisions of MSMED Act & on the basis of the information so received, the company is maintaining its records.

### Annexure to the Auditors' Report

- i. (a) The Fixed Assets records are being maintained properly. However, efforts will be made to maintain/update these records at smaller units.
- ix.(a) Reconciliation with the CPF Trust of erstwhile RSMDC is under progress and necessary accounting treatment would be given after the finalisation of the same.
- xv The company for which guarantees were given has already been wound up. However, in case any liability arises on this account, the same shall be provided in the year in which demand is received.

For and on behalf of the Board

**S. Ahmad**  
Chairman

Place : Jaipur  
Date 01.12.2010

## AUDITOR'S REPORT

To

The Members of

Rajasthan State Mines and Minerals Limited

We have audited the attached Balance Sheet of Rajasthan State Mines and Minerals Limited as at 31<sup>st</sup> March 2010 and also the Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

1. As required by the Companies (Auditor Report) Order, 2003 issued by the Company Law Board in terms of section 227(4A) of the Companies Act, 1956, we enclose in the annexure, a statement on the matters specified in the paragraph 4 & 5 of the said order.
2. Further to our comments in the annexure referred to above, we report that:-
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion, proper books of accounts, as required by law, have been kept by the Company, so far as appears from our examination of those books;
  - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
  - d) In our opinion the Balance Sheet, Profit and Loss Account and Cash Flow Statements dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
  - e) In accordance with the notification dated 21<sup>st</sup> October, 2003 issued by the Ministry of Finance- Department of Company Affairs the provisions of section 274(1) (g) of the Companies Act, 1956 regarding disqualification of directors are not applicable to Rajasthan State Mines and Minerals Limited being a Government Company.
  - f) We also report that:
    - (i) **The Company has not provided for incremental liability, if any, of pay and allowances of employees on the basis of recommendation of Fifth and Sixth Pay Commissions in respect of employees who had opted for the Voluntary Retirement Scheme prior to these recommendations coming into force.**
    - (ii) **The Development Charges on Gypsum and Limestone of Rs.21.31 crores were refunded back 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 Rs. 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 Rs. 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 Rs.2.37 crores, current liabilities understated by Rs.2.37 crores and contingent liabilities overstated by Rs.2.37 crores.**





- (iii) **The Contractor M/s National Construction Company has raised a claim, based on the terms of contract between the Company and M/s National Construction Company, for Excess Wastage Handling Remuneration which has not been adequately provided for by the Company in its books of accounts. The claim is provided for at Rs. 19.25 crores instead of Rs. 39.06 crores resulting into short provision of Rs. 19.81 crores. Therefore, the Net Profit to the extent of Rs. 19.81 crores is overstated and to this extent the expenses for the year have not been shown. The total impact is that Net Profit has been overstated by Rs. 19.81 crores, Reserves and Surplus overstated by a total of Rs. 19.81 crores, Current Liabilities understated by Rs. 19.81 crores and Contingent Liabilities under the head 'Claims against company not acknowledged as debt' overstated by Rs. 19.81 crores.**
- (iv) **In view of inadequate records maintained by the Company, we are unable to report whether the Company has complied with the provisions of MSMED Act, 2006,**
- (v) **We further report that, without considering sub para no. (i) and (iv) of para (f) above where effect could not be ascertained, had the observations made by us in sub para nos. (ii) and (iii) of para (f) above, been considered Reserves & Surplus would have been Rs. 665.27 crores (as against Rs. 687.45 crores as reported by the Company), Current Liabilities would have been Rs. 626.06 crores (as against Rs. 603.88 crores reported by the Company), Contingent Liabilities, under the head 'Claims against company not acknowledged as debt', would have been Rs. 333.68 crores (as against Rs. 355.86 crores reported by the Company)**
- g) Subject to our comments in paragraph (f) above, in our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet, Profit & Loss Account and Cash Flow Statement read together with the Accounting Policies and other notes thereto, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- a) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March 2010;
- b) In the case of Profit and Loss Account, of the Profit of the Company for the year ended on that date; and
- c) In the case of Cash Flow Statement, of the Cash Flow of the Company for the year ended on that date.

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

Place: Jaipur  
Date: 19th November, 2010

**Bharat Sonkhiya**  
Partner  
Membership No. 403023

## ANNEXURE TO THE AUDITORS' REPORT

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

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



- viii. The Central Government has not prescribed maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 for the mineral products of the Company. However, maintenance of cost records has been prescribed for generation of electricity from Wind Power and Diesel Generating Set. We have broadly reviewed the accounts and records maintained by the Company in respect of generation of electricity from Wind Power and Diesel Generating Set. We are of the opinion that prima facie the prescribed accounts and records have been maintained. We have not, however, made a detailed examination of the records with a view to determining whether they are accurate or complete.
- ix. (a) According to the information and explanations given to us and according to the books and records as produced and examined by us, the undisputed statutory dues in respect of the provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, royalty, development charges, land tax and cess, to the extent applicable and required, have been regularly deposited by the Company during the year with the appropriate authorities except the following which are outstanding as at 31st March, 2010 for a period of more than six months from the date they became payable:

<b>Nature of dues</b>	<b>Amount (Rs. In lacs )</b>
Royalty payable to DMG (Gypsum)	115.19
Development Charge payable to DMG (Gypsum)	52.41
Contribution to CPF	1.16
Development Charges payable to DMG (Jaisalmer)	9.50
Royalty payable to DMG (Jaisalmer)	18.84
Royalty payable to DMG (Rock Phosphate)	589.70
Premium Charges payable to DMG (Gypsum)	215.52
M. R. Cess (Gypsum)	3.01
Land Tax (Wind mills)*	103.60
<b>Total</b>	<b>1108.93</b>

- \* Note: i) **The amount represents provision made by the Company in respect of Land Tax vide notification dated 8th July, 2009 on land occupied by Company for Wind Farms. However, no legal notice/demand has been received in this regard.**
- ii) **The Company has not reconciled its accounts with the erstwhile RSMDC CPF trust since long. Outstanding amount, if any, in this regard, is not ascertainable due to lack of information and details.**
- (b) As at 31<sup>st</sup> March, 2010 according to the records of the Company, the following are the particulars of disputed dues on account of sales tax, income tax, customs duty, wealth tax, excise duty, royalty, development charges, land tax and cess that have not been deposited (net of refund adjustments):

S.No.	Name of Statue	Amount (Rs. in Lacs)	Forum where dispute is pending
1.	MP Sales Tax	6.22	Commissioner of Sales Tax
2.	Rajasthan Sales Tax	45.13	Deputy Commissioner Appeals, Udaipur
3.	Entry Tax	254.33	Hon'ble Supreme Court
4.	Land Tax	104,50.26	RTB, Ajmer
	<b>Grand Total</b>	<b>10755.94</b>	

- x. The Company has neither accumulated losses as at 31st March, 2010 nor has it incurred any cash losses during the financial year ended on that date or in the immediately preceding financial year.
- xi. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of its dues to any financial institution, bank or to debenture holders during the year.
- xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. The provisions of any special statute applicable to Chit Fund and Nidhi/Mutual Benefit Fund/Securities as specified under clause (xiii) of paragraph 4 of the Order are not applicable to the Company.
- xiv. In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in securities.
- xv. The Company has given guarantees to RIICO/RFC for loans taken by Rajasthan Granite and Marble Ltd. Since the guarantee agreements have not been provided to us, we are unable to comment on the prejudice of the interest of the Company.
- xvi. During the year the Company did not obtain any term loan.
- xvii. According to the information and explanations given to us and on an overall examination of the Balance Sheet and Cash Flow Statement of the Company, we report that no funds raised on short-term basis have been used for long-term investment and no long-term funds have been used to finance short-term assets.
- xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.
- xix. The Company has not issued any debentures during the year. Proper securities have been created in respect of debentures issued in earlier years.
- xx. The Company has not raised any money by public issue during the year.
- xxi. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

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

Place: Jaipur  
Date: 19th November, 2010

**Bharat Sonkhiya**  
Partner  
Membership No. 403023



## BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2010

	Schedule	As at 31st March, 2010		As at 31st March, 2009	
		Rs.	Rs.	Rs.	Rs.
<b>SOURCES OF FUNDS</b>					
<b>SHAREHOLDERS' FUNDS</b>					
Share Capital	'A'	77,55,15,000		77,55,15,000	
Reserves & Surplus	'B'	687,45,30,864	765,00,45,864	594,00,59,010	671,55,74,010
<b>LOAN FUNDS</b>					
Secured Loans	'C'	-		6,19,04,600	
Unsecured Loans		4,88,66,000	4,88,66,000	6,50,60,500	12,69,65,100
DEFERRED TAX LIABILITY			86,29,53,298		70,30,59,667
			<b>856,18,65,162</b>		<b>754,55,98,777</b>
<b>APPLICATION OF FUNDS</b>					
<b>FIXED ASSETS</b>					
Gross Block (At cost)	'D'	914,65,39,298		745,71,09,214	
Less: Depreciation & Amortisation		418,32,10,512		374,58,78,195	
Net Block		<b>496,33,28,786</b>		<b>371,12,31,019</b>	
Add : Capital Work in Progress		325,54,512		59,80,855	
Add : Obsolete Machinery		78,91,289		51,45,329	
Add : Machinery in Stores/Site		81,95,589	501,19,70,176	56,08,787	372,79,65,990
<b>INVESTMENTS</b>	'E'		13,45,005		13,45,005
<b>Current Assets, Loans &amp; Advances</b>					
A. Inventories	'F-1'	39,84,90,188		34,69,54,097	
B. Sundry Debtors		100,24,10,264		72,49,71,359	
C. Cash & Bank balances		369,83,66,563		306,81,72,699	
D. Other Current Assets		176,10,04,625		189,81,56,386	
E. Loans & Advances		325,85,75,012		67,79,41,168	
		<b>1011,88,46,652</b>		<b>671,61,95,709</b>	
<b>Less: Current Liabilities &amp; Provisions</b>					
A. Current Liabilities	'F-2'	603,88,27,825		210,20,37,668	
B. Provisions		64,02,89,251		91,67,54,475	
		<b>667,91,17,076</b>		<b>301,87,92,143</b>	
NET CURRENT ASSETS			343,97,29,576		369,74,03,566
<b>MISCELLANEOUS EXPENDITURE</b> (To the extent not written off/Adjusted)					
Deferred Revenue Expenditure	'L'		10,88,20,405		11,88,84,216
<b>Accounting Policies &amp; Notes on Accounts 'G'</b>					
			<b>856,18,65,162</b>		<b>754,55,98,777</b>

In terms of our report of even date

**Govind Sharma**  
Director

For and on behalf of the Board  
**Aparna Arora**  
Managing Director

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

**M.L. Tailor**  
Financial Advisor

**P.K. Jain**  
Company Secretary

**Bharat Sonkhiya**  
Partner  
Membership No. 403023

Place: Jaipur  
Date: 19th November, 2010

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2010

	Schedule Rs.	2009-10 Rs.	2008-09 Rs.
Operational Revenue	'H'	914,12,83,897	944,14,84,397
Increase/Decrease in Stock	'H 1'	4,74,19,614	-3,08,68,552
Other Revenue	'I'	37,16,54,703	31,28,52,501
<b>Total Income</b>		<b>956,03,58,214</b>	<b>972,34,68,346</b>
<b>EXPENDITURE</b>			
Purchase of Ore		1,26,16,356	1,76,34,815
Mining & Other Operating Expenses	'J'	704,18,59,388	691,00,47,157
Establishment & Financial Expenses	'J'	46,57,18,479	45,51,10,659
Provision for Doubtful Loans & Advances		-	53,68,023
Obsolete and Other Fixed Assets written off		279,205	400,842
Impaired/Obsolescence loss on Machinery		36,78,733	48,67,479
Loss on sale/transfer of Obsolete and Other Fixed Assets		5,000	183,683
Loss on Sale of Spares		18,366	-
<b>Total Expenditure</b>		<b>752,41,75,527</b>	<b>739,36,12,658</b>
<b>Profit before Depreciation, Prior Period Adjustments &amp; Tax</b>		<b>203,61,82,687</b>	<b>232,98,55,688</b>
Less: Depreciation & Amortization		57,03,69,714	55,36,97,652
Prior Period Adjustments (Net)		-46,51,844	27,77,516
<b>Profit Before Tax</b>		<b>146,11,61,129</b>	<b>177,89,35,552</b>
<b>Less : Provision for Taxation</b>			
Current Tax		27,16,00,000	42,52,00,000
Tax of earlier years		-8,56,68,026	44,72,604
Fringe Benefit Tax		-	68,66,073
Deferred Tax		15,98,93,631	13,56,42,347
<b>Net Profit After Tax</b>		<b>111,53,35,524</b>	<b>120,67,54,528</b>
Add: Balance brought forward from previous year		46,77,718	93,85,945
<b>Amount Available for Appropriation</b>		<b>112,00,13,242</b>	<b>121,61,40,473</b>
<b>APPROPRIATIONS :</b>			
Proposed Dividend		15,51,03,000	15,51,03,000
Tax on Dividend		2,57,60,670	2,63,59,755
General Reserve		93,50,00,000	103,00,00,000
<b>Balance Carried to Balance sheet</b>		<b>41,49,572</b>	<b>46,77,718</b>
<b>Basic and Diluted Earning Per Share (Face Value Rs10/- Each)</b>		<b>14.38</b>	<b>15.56</b>
<b>Weighted Average Number of Equity Shares</b>		<b>77551500</b>	<b>77551500</b>
<b>Accounting Policies &amp; Notes on Accounts</b>	'G'		

In terms of our report of even date

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

**Bharat Sonkhiya**  
Partner  
Membership No. 403023

Place: Jaipur  
Date: 19th November, 2010

**Govind Sharma**  
Director

**M.L. Tailor**  
Financial Advisor

For and on behalf of the Board  
**Aparna Arora**  
Managing Director

**P.K. Jain**  
Company Secretary



## SCHEDULE 'A' SHARE CAPITAL

	As at 31 <sup>st</sup> March, 2010 Rs.	As at 31st March, 2009 Rs.
<b>AUTHORISED</b>		
8,00,00,000 Equity shares of Rs.10/- each (Previous Year 8,00,00,000 equity shares of Rs. 10/- each)	<u>80,00,00,000</u>	<u>80,00,00,000</u>
<b>ISSUED, SUBSCRIBED AND PAID-UP</b>		
7,75,51,500 Equity Shares of Rs.10/- each fully paid-up (Previous year, 7,75,51,500 Equity shares of Rs.10/- each fully paid-up)	77,55,15,000	77,55,15,000
<b>Of the above</b>		
I 19,09,371 Equity shares issued as fully paid-up for consideration other than cash.		
II 1,00,000 Equity Shares issued as fully paid-up Bonus Shares on Capitalisation of Reserves		
III 57,15,500 Equity shares issued as fully paid-up to shareholders of erstwhile RSMDC Ltd in pursuance of amalgamation with the company.		
	<u>77,55,15,000</u>	<u>77,55,15,000</u>

In terms of our report of even date

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

**Bharat Sonkhiya**  
Partner  
Membership No. 403023

Place: Jaipur  
Date: 19th November, 2010

**Govind Sharma**  
Director

**M.L. Tailor**  
Financial Advisor

For and on behalf of the Board  
**Aparna Arora**  
Managing Director

**P.K. Jain**  
Company Secretary

**SCHEDULE 'B'**  
**RESERVES & SURPLUS**

	As at 31st March,2010	As at 31st March,2009	As at 31st March,2010 Rs.	As at 31st March,2009 Rs.
<b>Capital Reserve</b>	10,83,93,493	10,83,93,493	108,393,493	108,393,493
<b>Debenture Redemption Reserve</b>				
As per last balance sheet	<u>6,19,04,600</u>	<u>12,38,09,400</u>		
Less: Transferred to General Reserve	<u>6,19,04,600</u>	<u>619,04,800</u>	-	6,19,04,600
<b>General Reserve</b>				
As per last balance sheet	576,50,83,199	467,3178399		
Add Transferred from Debenture Redemption Reserve	6,19,04,600	619,04,800		
Add Transferred from Profit & Loss Account	<u>93,50,00,000</u>	<u>1030000,000</u>	676,19,87,799	576,50,83,199
<b>Profit &amp; Loss Account</b>	-	-	<u>41,49,572</u>	<u>46,77,718</u>
			<b><u>6874530864</u></b>	<b><u>5940059010</u></b>

In terms of our report of even date

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

**Bharat Sonkhiya**  
Partner  
Membership No. 403023

Place: Jaipur  
Date: 19th November, 2010

**Govind Sharma**  
Director

**M.L. Tailor**  
Financial Advisor

For and on behalf of the Board

**Aparna Arora**  
Managing Director

**P.K. Jain**  
Company Secretary





## SCHEDULE 'C' LOAN FUNDS

	As at 31st March, 2010 Rs.	As at 31st March, 2009 Rs.
<b>SECURED LOANS</b>		
<b>Debentures</b>		
(a) 200 Nos. (11 % ) Non Convertible Debentures (Series AA-I ) of Rs. 10.00 Lakhs each Fully Paid up (Redeemable at par by proportional reduction in face value in six equal annual installments from 1st September, 2004)	-	3,33,33,000
(b) 200 Nos. (10.50 % ) Non Convertible Debentures (Series AA-II ) of Rs. 10.00 Lakhs each Fully Paid up ( Redeemable at par by proportional reduction in face value in seven equal annual installments from 17th, December, 2003)	-	2,85,71,600
i) Debentures referred in (a) above are privately placed with Banks & FI's and are secured by Mortgage/Charge in favour of Trustees  on lease hold rights of the plot of land situated at Barabagh, Jaisalmer, the Wind electric Generator installed therein, the movable parts of the Wind Electric Generator with all accessories installed thereon, one 85T dumper and one bulldozer of the company.		
ii) Debentures referred in (b ) above are privately placed with Banks & FI's and are secured by Mortgage/Charges in favour of trustees on lease  hold rights of the plot of land situated at village Barabagh, Jaisalmer, Wind electric generator installed therein, movable parts of the wind electric generator with all accessories installed thereon and 181 BOXN Wagons as per RDSO specification WD-09-BOXN-94 of the company.		
	-	<b>619,04,600</b>
<b>UNSECURED LOAN</b>		
<b>Long Term</b>		
Deferred Payment Credit	4,88,66,000	6,50,60,500
	<b>4,88,66,000</b>	<b>6,50,60,500</b>
	<b>4,88,66,000</b>	<b>12,69,65,100</b>

In terms of our report of even date

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

**Bharat Sonkhiya**  
Partner  
Membership No. 403023

Place: Jaipur  
Date: 19th November, 2010

**Govind Sharma**  
Director

**M.L. Tailor**  
Financial Advisor

For and on behalf of the Board

**Aparna Arora**  
Managing Director

**P.K. Jain**  
Company Secretary





## SCHEDULE 'E' INVESTMENTS

	As at 31st March,2010	As at 31st March,2009	As at 31st March,2010 Rs.	As at 31st March,2009 Rs.
<b>LONG TERM</b>				
<b>SHARES</b>				
<b>A SUBSIDIARY COMPANIES (Unquoted)</b>				
(i) 1,02,00,000 Equity Shares in Barmer Lignite Mining Company Limited of Rs. 10/- each fully paid-up) (Previous Year 1,02,00,000 Equity Shares)			1	1
(ii) 1,00,000 Equity Shares in Rajasthan State Petroleum Corporation Limited of Rs. 10/- each fully paid-up) (Previous Year 1,00,000 Equity Shares)			10,00,000	10,00,000
<b>B JOINT SECTOR/ASSISTED SECTOR</b>				
<b>a. Unquoted</b>				
(i) 24500 Equity Shares in Rajasthan Rashtriya Chemicals & Fertilisers Limited Ltd. of Rs. 10/- Each Fully Paid up (Previous year 24500 shares)			2,45,000	245,000
(ii) 9,000 Equity Shares in Rajesh Mineral Inds. Ltd. of Rs. 100/- Each Fully Paid up (Previous year 9,000 shares)	9,00,000	9,00,000		
Less :Diminution in value	<u>8,99,999</u>	<u>8,99,999</u>	1	1
(iii) 10,000 Equity Shares in Mayur Inorganics Ltd. of Rs. 10/- Each Fully Paid-up (Previous year 10,000 shares)	<u>1,00,000</u>	<u>1,00,000</u>	<u>1,00,000</u>	<u>1,00,000</u>
(iv) 15000 Equity Shares in Tedco Granite Limited of Rs. 100/- Each Fully Paid up (Previous year 15,000 shares)	15,00,000	15,00,000		
Less :Diminution in value	<u>14,99,999</u>	<u>14,99,999</u>	1	1





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

	As at 31st March,2010 Rs.	As at 31st March,2009 Rs.
<b>A INVENTORIES (AS TAKEN &amp; CERTIFIED BY THE MANAGEMENT ) AND VALUED AS MENTIONED IN ACCOUNTING POLICIES)</b>		
Stores & Spare Parts (Including in transit Nil ) (Previous year Rs.11.08 Lac)	16,46,60,472	16,05,43,995
Rock Phosphate	17,43,49,846	10,18,72,631
Beneficiated Rock Phosphate	3,56,00,016	2,35,67,366
Rajphos	99,85,845	55,55,133
Gypsum	56,96,292	1,02,12,460
Lime Stone	75,70,742	4,05,46,585
Granite	2,15,025	46,19,593
Bio diesel and by products	4,11,950	35,514
Green Marble	-	820
	<u>39,84,90,188</u>	<u>34,69,54,097</u>
<b>B SUNDRY DEBTORS ( UNSECURED )</b>		
Debts outstanding for a period exceeding six months :		
i Considered good	1,04,24,352	5,29,84,667
ii Considered doubtful	9,02,29,651	9,04,58,169
Other debts considered good	99,19,85,912	67,19,86,692
	<u>1092639915</u>	<u>81,54,29,528</u>
Less: Provision for doubtful debts	9,02,29,651	9,04,58,169
	<u>1002410264</u>	<u>72,49,71,359</u>
<b>C CASH &amp; BANK BALANCES</b>		
Cash in hand	3,70,789	2,64,729
Remittances in Transit	5,00,00,000	25,000
Balances with Treasury in P. D. Account	269,20,73,292	197,74,35,950
Balances with Scheduled Banks		
i In Current Accounts(Including FFD) (Including Rs. 47.88 Lac (Prev Year Rs 47.88 Lac) freezed by the Bank as per order of the Court)	75,08,05,141	43,98,07,487
ii In Fixed Deposit Receipts (Including Rs 219.77 Lac (Prev. Yr Rs 401.05 Lac) Pledged with Bank as Margin money)	20,12,90,420	19,02,60,489
<b>Balances with Other Banks</b>		
i In Current Accounts		
Barmer Central Cooperative Bank Limited (Maximum amount outstanding at any time during the year Rs. 223,00,29,044/-) (Previous year Rs 45,00,00,500/)	38,26,921	43,53,79,044
ii In Fixed Deposit Receipts The Udaipur Central Cooperative Bank Limited (Maximum amount outstanding at any time during the year Rs 2,50,00,000/-) (Previous year Rs 2,50,00,000/)	-	2,50,00,000
	<u>369,83,66,563</u>	<u>306,81,72,699</u>

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

	As at 31st March, 2010 Rs.	As at 31st March, 2009 Rs.
<b>D. OTHER CURRENT ASSETS</b>		
Security Deposits	5,72,61,613	5,69,32,069
Income-Tax Deposits including FBT	168,66,78,464	183,13,59,099
Interest accrued on FDRs/NSCs	118,09,621	79,73,348
Non Judicial Stamps in hand	13,26,873	13,26,873
Certified Emission Reduction(CER)/VER Credit Receivable	33,63,057	-
Claims Recoverable (Including Duty Drawback Receivables)		
- Considered good	5,64,997	5,64,997
-Considered doubtful	52,45,732	52,45,732
	<b>58,10,729</b>	<b>58,10,729</b>
Less Provision for doubtful claims	52,45,732	52,45,732
	<b>5,64,997</b>	<b>5,64,997</b>
	<b>1761004625</b>	<b>189,81,56,386</b>
<b>E. LOANS &amp; ADVANCES</b>		
Advance and other amount recoverable in cash or in kind or for value to be received (Including Rs. 27377.81 Lac towards Capital expenditure) (Prev. Year Rs. 617.48 Lac)		
<b>UNSECURED</b>		
<b>To Subsidiaries</b>	23,33,840	6,37,300
<b>To Others</b>		
Considered good	313,99,99,838	56,10,88,902
Considered doubtful	43,70,053	43,70,053
	<b>3144369891</b>	<b>56,54,58,955</b>
Less : Provision for Doubtful Loans & Advances	43,70,053	43,70,053
	<b>3139999838</b>	<b>56,10,88,902</b>
<b>To Employees</b>		
Considered good	10,73,31,504	11,05,95,848
Considered doubtful	17,23,458	17,23,458
	<b>10,90,54,962</b>	<b>11,23,19,306</b>
Less : Provision for Doubtful Loans & Advances	17,23,458	17,23,458
	<b>10,73,31,504</b>	<b>11,05,95,848</b>
Prepaid Expenses	89,09,830	56,19,118
	<b>3258575012</b>	<b>67,79,41,168</b>
	<b>10118846652</b>	<b>671,61,95,709</b>

In terms of our report of even date

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

**Bharat Sonkhiya**  
Partner  
Membership No. 403023

Place: Jaipur  
Date: 19th November, 2010

**Govind Sharma**  
Director

**M.L. Tailor**  
Financial Advisor

For and on behalf of the Board  
**Aparna Arora**  
Managing Director

**P.K. Jain**  
Company Secretary



**SCHEDULE 'F-2'**  
**CURRENT LIABILITIES & PROVISIONS**

	As at 31st March, 2010 Rs.	As at 31st March, 2009 Rs.
<b>A CURRENT LIABILITIES</b>		
Sundry Creditors		
i Outstanding dues of Micro and Small Enterprises	10,57,239	1,15,770
ii Outstanding dues of creditors other than Micro enterprises and Small Enterprises.	25,54,75,694	98,17,92,206
Subsidiary Companies	26,74,91,13,73	44,92,86,271
Other Current Liabilities (Including Book overdraft of Rs. 1690.36 Lac) ( Prev. Year Rs. 29.58 Lac)	35,85,06,661	17,13,44,005
Security Deposits	7,76,56,915	8,13,25,120
Advance from Customers & Others	37,19,01,529	41,69,69,406
Interest Accrued but not due	-	11,74,261
Investor Education and Protection Fund-Unclaimed Dividend	37,168	30,629
	<b><u>60,388,27,825</u></b>	<b><u>210,20,37,668</u></b>
<b>B PROVISIONS</b>		
Proposed Dividend	15,51,03,000	15,51,03,000
Tax on proposed dividend	2,57,60,670	2,63,59,755
Leave Encashment	16,84,61,067	12,23,17,129
Gratuity	1,93,64,514	14,01,90,348
Taxation	27,16,00,000	47,27,84,243
	<b><u>64,02,89,251</u></b>	<b><u>91,67,54,475</u></b>
	<b><u>66,79,11,70,76</u></b>	<b><u>301,87,92,143</u></b>

In terms of our report of even date

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

**Bharat Sonkhiya**  
Partner  
Membership No. 403023

Place: Jaipur  
Date: 19th November, 2010

**Govind Sharma**  
Director

**M.L. Tailor**  
Financial Advisor

For and on behalf of the Board  
**Aparna Arora**  
Managing Director

**P.K. Jain**  
Company Secretary

**SCHEDULE 'G'**

**ACCOUNTING POLICIES & NOTES ON ACCOUNTS**

**A. ACCOUNTING POLICIES**

**1. Basis of the preparation of the Financial Statement:**

The Financial Statements are prepared under the historical cost convention in accordance with the Generally Accepted Accounting Principles and materially comply with the mandatory accounting standards issued by the Institute of Chartered Accountants of India.

**2. Valuation of Inventories, stores & spares:**

**(a) Inventory:**

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

**(b) Stores & Spares:**

Stores and Spares are valued at their weighted average cost.

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

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

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

**5. Fixed Assets & Depreciation**

5.1 The value of "Gross Block" of fixed assets represents the cost of acquisition including taxes, duties, expenditure on installations, attributable to pre-operative expenses including borrowing cost and other identifiable direct expenses incurred up to the date of commercial use of assets.

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

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

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

5.5 Cost of freehold mining land is amortized on the basis of future benefit likely to be accrued.

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

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

5.8 Depreciation on the engine received from BEML under “recon” exchange has been charged for the useful life of two years based on technical estimation on Straight Line Method.

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

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

**7. Retirement Benefits**

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





- 7.2 Gratuity liability is defined benefit obligations and is provided for on the basis of actuarial valuation and is being funded every year through Policy of L.I.C of India.
- 7.3 Liability of leave encashment is accounted for on the basis of actuarial valuation.
- 7.4 Actuarial gains and losses are charged to profit and loss account.
- 7.5 Payments made under the Voluntary Retirement Scheme are charged to the Profit & Loss account as and when incurred.

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

#### 9. Investments

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

#### 10. Revenue Recognition

- 10.1 Revenue from the sale of goods and services rendered is recognized upon passage of title and rendering of services to the customers.
- 10.2 Income from emission reduction certificates (Voluntary Emission Reduction (VER) and/or Carbon Emission Reduction (CERs)) is recognized at the estimated realisable value on their confirmation by the concerned authorities.
- 10.3 Insurance & other claims including liquidated damages/refunds etc. are accounted for on acceptance/actual receipt basis, if there is uncertainty in realization of such income.

#### 11. Taxation

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

Deferred Tax Assets arising from the timing difference are recognized to the extent there is reasonable certainty that sufficient future taxable income will be available.

#### 12. Forest Plantation & Environment

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

#### 13. Deferred Revenue Expenditure

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

#### 14. Grants -In -Aid

The Expenditure including capital expenditure incurred from the grant received is being adjusted against the amount of the grant so received. Unspent balances of Grants in aid are being carried forward to the subsequent years under the head "Current Liabilities and Provisions" for future expenses.

**15. Segment Reporting**

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

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

**16. Earning per share**

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

**17. Provisions, Contingent Liabilities and Contingent Assets**

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



## B. NOTES ON ACCOUNTS:

### 1. Contingent Liabilities not provided for in respect of:

S.No.	Particulars	As at 31st March, 2010	As at 31st March, 2009
i.	Claims against company not acknowledged as debt.	35586.08	27713.18
ii.	Estimated amount of contracts remaining to be executed on Capital Account Advance paid (Rs.533.16 Lac ) Previous year (Rs. 553.48 Lac)	1665.10	2539.77
iii.	a. Disputed Income tax liability pending:	2511.79	7543.87
	b. Company in appeals Payment made (Rs.2511.79 Lac) (Previous year Rs. 7543.87 Lac) IT Department in appeals (As per information available with company)	5586.06	4173.54
iv.	Guarantee given by bankers on behalf of the company for which counter guarantee provided by the company	200.14	188.98
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, interest on such liabilities ,incremental liability if any of pay and allowances of employees who opted for VRS for Vth & VIth pay commission etc. is unascertainable		
vii.	Guarantee given by Company to RIICO/RFC in respect of debt and interest thereon recoverable from Rajasthan Granite and Marble Ltd.(Since Liquidated ) amount unascertainable.		
viii.	Amount relating to environmental liabilities are unascertainable.		
ix.	Liabilities on account of Rider Agreements with contractors in which amounts are unascertainable.		
x.	Liability for the claims on account of other court cases filed against company in which claim amount cannot be ascertained is not included in above.		

- 2.a) The cost of land includes Rs. 17,18,16,973/- deposited with the office of Collector, Nagaur for disbursement to the land owners in respect of acquisition of 7509 bighas of land for mining of Lignite at Nagaur vide Land Acquisition Award dated 19.09.2000 issued by Land Acquisition Officer (SDO, Nagaur). Out of the above deposited amount, the District Collector, Nagaur has disbursed an amount of Rs.16,45,40,390/- so far.
- 2b) The cost of land includes Rs. 1,52,70,872/- (Previous year Rs. 1,52,70,872/-). The land acquired in compliance of original award issued by Dy. Collector, Girwa, Udaipur bearing no. ACQ/1/02/4953 – 55 dated 30.6.2004 and modifications thereof issued in the financial year 2006-07 for acquiring 56 hectare of land at Jhamarkotra, Lakkadwas, Sameta and Dhamdhar villages. Out of the total compensation, only 42 land owners took payment of Rs. 5419044 /-(Previous year Rs. 5419044 /- ) . The balance amount has been deposited with the court of Civil Judge Sr. Division Udaipur in the form of Fixed Deposit Receipts. The land acquisition proceeding and mutation are in progress.

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

**Defined Contribution Plan**

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

	(Rs. In Lac)	
	2009-10	2008-09
Employer's Contribution to Provident Fund	908.06	518.80

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, in the interest rate declared by the trust vis-à-vis statutory rate.

**Defined Benefit Plan:**

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

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

	(Rs. In Lac)			
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
<b>Particulars</b>	<b>2009-10</b>	<b>2009-10</b>	<b>2008-09</b>	<b>2008-09</b>
Present value of obligations at beginning of the year	5384.66	1223.17	3793.74	1005.61*
Current Service Cost	192.99	230.91	149.07	-173.96
Interest Cost	430.77	97.85	303.50	80.45
Actuarial gain/loss	213.31	144.16	1407.77	381.85
Benefits paid	-33.97	-11.48	-269.42	-70.78
Present value of obligations at end of the year	6187.76	1684.61	5384.66	1223.17

\*Note:- The Present value of obligations at beginning of the year for 2008-09 on account of Leave Encashment (Unfunded) does not include Rs. 487.21 Lac being the Present value of obligations at beginning of the year Encashment of Sick leaves, as the encashment of Sick leaves has been discontinued.



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

(Rs. In Lac)

Particulars	Gratuity (Funded) 2009-10	Gratuity (Funded) 2008-09
Fair value of plan assets at beginning of the year	4035.17	3784.24
Expected return on plan assets	445.39	361.78
Actuarial gain/loss	0.00	0.00
Employer Contribution	1547.53	158.57
Benefits paid	-33.97	-269.42
Fair value of plan assets at year end	5994.12	4035.17
Actual return on plan assets	445.39	361.78

## III. Reconciliation of fair value of assets and obligation:

(Rs. In Lac)

Particulars	Gratuity (Funded) As at 31st March 2010	Gratuity (Funded) As at 31st March 2009
Fair value of plan assets	5994.12	4035.17
Present value of obligation	6187.76	5384.66
Liability recognized in Balance sheet	193.64	1349.49

## IV. Expense recognized during the year

(Rs. In Lac)

Particulars	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
	2009-10	2009-10	2008-09	2008-09
Current Service Cost	193.00	230.91	149.07	-173.96
Interest Cost	430.77	97.85	303.50	80.45
Expected return on plan assets	-445.39	-	361.78	-
Actuarial (gain)/loss	213.31	144.16	1407.77	381.85
Net Cost	391.69	472.92	1498.56	288.34

## V. Actuarial assumption:

Particulars	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
	2009-10	2009-10	2008-09	2008-09
Mortality Table (LIC)				
Discount rate (Per annum)	8%	8%	8%	8%
Expected rate of return on plan assets (per annum)	7%	NA	7%	NA
Rate of escalation in salary (per annum)	7%	7%	7%	7%

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

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

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

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

Though the various activities are in progress at the project sight but no significant development has taken place. The transfer price of the assets of the RSMML is not yet firmed up and agreed by Joint Venture Company.

Pending final decision on the issues, the company is booking the expenses incurred on Deri mines in the books of accounts as per prudent accounting principles & policies.

6. The company has formed a joint venture company with Raj West Power Limited, Jaipur (RWPL) namely Barmer Lignite Mining Company Ltd. Jaipur (BLMCL). BLMCL will undertake the work of Lignite mining in Jallipa Kapurdi areas of Barmer District and supply the same to RWPL for its Lignite based pit head power plant. As per terms of agreement between RSMML & RWPL, RSMML shall have 51% shares in BLMCL and RWPL will hold the remaining 49% of the equity of the JV Company. BLMCL has allotted 1,02,00,000 shares (Previous year 1,02,00,000 shares ) to the company having face value of Rs. 1020.00 Lac till 31.03.2010 (Previous year Rs. 1020.00 Lac). The shares are shown as investment at a token vale of Rs. 1/- in view of the opinion obtained from the Institute of the Chartered Accountants of India.
7. As per the terms of Joint Venture Agreement dated 27.12.2006 entered between Raj West Power Limited, Jaipur (RWPL) and company, the Joint Venture Company has paid a sum of Rs. 26800.00 Lac to the company for purchase/acquisition of Land for Mining of Lignite at Jallipa Kapurdi villages in the state of Rajasthan. The proceedings for purchase/acquisition of Land have been initiated and the amount of Rs 26756.51 Lac has been paid to Land acquisition Officer for acquisition of land and Rs 43.48 Lac has been refunded back to JV company. Though the possession of the land has been taken but the mutation of the land in favour of company is yet to be completed. After the mutation of the land, the land shall be transferred in favour of BLMCL. As the company has acquired the land to be transferred in favour of the company and not to be used by RSMML, the same is not being shown as the fixed assets of RSMML.
8. M/s Suzlon Energy Limited has installed VIII phase of wind mills having capacity of 31.5 MW in the year 2009-10 on the land leased in its favour. The leased land then has been sub leased in favour of the company on 19.08.2010.
9. From the year 2008-09, RSMML has been using a small percentage of Secondary ore of Rock phosphate for beneficiation in its Industrial Beneficiation Plant on trial basis from time to time. The Secondary ore of Rock



phosphate is a very low grade mineral containing high Silica and is being treated as waste material having no value. Since the usability & economic viability of the Secondary ore of Rock phosphate for beneficiation is yet to be established, the same has not been valued and is being valued at zero as per the prevailing system of valuation of Rock phosphate.

10. Land tax has been provided for on the basis of demand notices received from various assessing authorities. However, where the demand notices are not received, the liabilities is being provided as per the company's own assessment.
11. 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 from the financial year 2009-10 for its wind mill projects, which are also tradable in the international market.
12. The company has formed a joint venture company with RCF Ltd. Mumbai (RCFL), (A Govt. of India Enterprises) in the name of Rajasthan Rashtriya Chemical Fertilizers Limited having registered office at Jaipur (Rajasthan) to establish a plant for manufacturing a chemical fertilizer namely, Di-Ammonia Phosphate (DAP) in Kapasan, Rajasthan. As per terms of agreement between RSMML & RCFL, equity of the proposed Joint Venture Company shall be shared by RSMML & RCFL in the ratio of 49:51. Looking to the present market conditions, decision for commissioning of Plant has been deferred and hence the provisions of Accounting Standard -27 "Financial Reporting of Interest in Joint Venture" Issued by the Institute of Chartered Accountants of India is not applicable to the company at present.
13. A court case had been filed by M/S Ace India Transport Pvt. Limited and in compliance of directives given by the competent courts, Bank had frozen a sum of Rs. 47.88 Lac. The frozen amount of Rs 47.88 Lac is lying in bank account of the company under the lien as per the order of the competent court.
14. In compliance of the requirement under "The Micro, Small and Medium Enterprises Development Act, 2006" the company has been making request to its vendors to provide their status under "The Micro, Small and Medium Enterprises Development Act, 2006". The company has received the requisite information only from few of its vendors based on above the requisite information is as under-

Particulars	Amount 2009-10	Amount 2008-09
Delayed payments due - Principal	Rs 14078534/-	Rs 275361/-
Interest due	Rs 11809/-	Rs 765/-
Total interest paid on all delayed payments during the year under the provisions of the Act -	Nil	Nil
Interest due on principal amounts paid beyond the due date during the year but without the interest amounts under this Act -	Rs 275361/-	Rs 765/-
Interest accrued but not due	Nil	Nil
Total Interest Due but not paid	Rs 275361/	Rs 765/

15. Revenue expenditure on Research & Development is charged to Profit & Loss A/c in the year in which it is incurred. There is no capital expenditure on Research & Development.
16. In compliance of Gazette notification dated 10th April 2003, Royalty on Rock Phosphate & Gypsum was being paid to DMG at rate declared by the Indian Bureau of Mines on the month wise Bench mark price (notional value) plus 20% premium thereon (i.e. IBM formula). The system of adding 20% on the benchmark price has been abolished w.e.f. 10/12/2009. Since IBM is declaring the Bench mark prices after a gap of 6-7 months which are effective retrospectively, there remains some difference in the amount of royalty collected and

payable to DMG on Rock phosphate as per the IBM formula. The company had issued demand letters in earlier years to its customers for Rock Phosphate for payment of differential royalty in the cases where amount of royalty recovered was short and the customers have filed cases in Jodhpur bench of Hon'ble High Court, Rajasthan, against such demand letters. The cases are yet to be decided. As matter is sub-judice, and assessment of Royalty for the period is also pending, the accounts of the customers would be settled and necessary accounting adjustment would be made as per the decision of the Hon'ble High Court, Rajasthan and on the basis of the outcome of the royalty assessment.

17. The Government of Rajasthan vide its notification dated 23rd Jan 2009, has enhanced the rate of M. R. Cess on Rock phosphate from Rs.35/- PMT to Rs. 500/-PMT w. e. f. from 01.04.2008. Since the rate of M. R. Cess was enhanced retrospectively the company has issued demand letters to its customers of Rock phosphate for payment of differential amount of M. R. Cess for the year 2008-09. Against such demand letters some of the customers have filed cases in Jodhpur bench and Jaipur bench of Hon'ble High Court, Rajasthan. The cases are yet to be decided. As matter is sub-judice, the accounts of the customers would be settled and necessary accounting adjustment would be made as per the decision of the Hon'ble High Court, Rajasthan.
18. As per the System in place in the company, the Demand Drafts/Pay Orders towards Earnest Money are being kept till the award of the work/purchase order, to be returned back in original. The company was having Demand Drafts/Pay Orders amounting to Rs.107,48,240/-(Previous year Rs. 16167340/-) in hand as on 31/03/2010.
19. The Mining operations at Matasukh Lignite mines of the company are suspended from January, 08, due to collapse of few benches in the mining area because the mining pit was filled with the huge quantity of water. The rehabilitation & mining work in the mining area continued during the year. However, the mining work has been discontinued after 16.01.2010 as the contractual period of mining contractor has expired. The mining activities are likely to recommence in the financial year 2010-11.
20.
  - (i) Various assets taken over by erstwhile RSMDC from RIMDC (now RIICO) on 31.10.1979 have not yet been registered in the name of the company.
  - (ii) Various assets taken over by the company from erstwhile RSMDC consequent upon its merger with the company have not yet been registered in the name of the company. The process of registration of such assets is in progress.
  - (iii) No provision for assets, stores and spares taken over from the Directorate of Mines & Geology, Rajasthan at Deri Mines in 1979-80 has been made as the value of the items in question was not intimated by DMG and accordingly no depreciation and consumption of stores, spares and tools have been charged/adjusted on such items during relevant years although put to use. The materials sold out of such stock of DMG have been credited to DMG account.
21. Advance to employees includes Rs. Nil (previous year Rs. Nil) with maximum balance of Rs. 0.43 Lac (Previous year Rs. 0.97 Lac) of directors.
22. The company's revenue in lieu of minimum guaranteed service charges in respect of marble mines at Kankroli unit up to the year 1987-88 has been considered to be waived by the Board of Directors, subject to approval of state government in earlier year. Income on account of minimum guaranteed service charges for the year 1988-89 amounting to Rs. 9.06 Lac as per recommendation of Nathani Committee shall be accounted for in the year of recovery. The recovery had been delayed as the mines have been taken over by the government and company does not have direct control on the recovery from these parties. The whole issue including recovery of service charges is pending for decision with Govt. of Rajasthan.
23. M/s A. P. Nirman, Ltd. a raising contractor at Gotan Unit had given a bank guarantee of Rs. 10.00 Lac favoring the company in lieu of security deposit. The said contractor fraudulently got the said bank guarantee released submitting a fake letter purporting it to be of the company. Company has lodged an FIR against the contractor and recognition of revenue in terms of penalty shall be made in the year of actual receipt.





24. R S M M L is generating power from Wind Farm since August 2001 and part of the generated power is being adjusted in power bill of SBU PC Rock phosphate (Jhamarkotra Mines) towards captive use by Ajmer Vidyut Vitaran Nigam Ltd. (AVVNL) while balance is being sold to AVVNL. From February 2005, AVVNL had stopped the adjustment of wind power in captive use without assigning any reason thereof. After long persuasion at various levels, AVVNL informed in November 2005 that they have revised power bills from 2002 on new methodology as per guidelines of their Audit team. The amount so adjusted and in dispute is Rs.115.08 lacs . RSMML had objected the methodology of AVVNL and filed petitions in this matter with Rajasthan Electric Regulatory Commission (RERC) Jaipur which have been decided in favour of the company. Further the matter was referred to the Chairman, Central Tribunal wherein the case was decided in favour of the company. However AVVNL has filed a writ in Hon'ble High Court of Rajasthan against the order and the amount has not been refunded by AVVNL as the matter is subjudice. The company has also filed an appeal against AVVNL with RERC for noncompliance of order of RERC.
25. The company has submitted a solvency security certificate to the Jodhpur Bench of Hon'ble High Court Rajasthan in favour of North Western Railway & other Railway Authorities Jodhpur on assets of the company in a case bearing no.D.B.SAW no. 697/2008 filed by the company against Railway relating to payment of punitive charges amounting to Rs.7,60,57,373/- imposed on the company .
26. As per the accounting policy no.5.5 the company is to amortise the cost of free hold mining land on the basis of future benefit likely to be accrued .Accordingly the cost of free hold mining land at Nagaur acquired for mining of Lignite valuing Rs.18,98,59,223/- is being amortised equally over the period of mining lease of 20 years.

However as per the assurance given to Comptroller & Auditor General of India, the company has referred the matter to the Institute of Chartered Accountants of India, New Delhi (ICAI), seeking expert opinion as to where the value of land is to be amortised as per the method adopted by the company or to amortise the same on the basis of yearly quantity of Lignite mined vis-à-vis estimated reserves of Lignite. The company has followed the existing method in year 2009-10, pending receipt of the opinion from ICAI.

27. The sale value of Rock phosphate, Gypsum and Limestone include Rs. 15,41,78,346/- recovered from the customers on account of Environment and Health Cess on mineral rights imposed by the state Government. Simultaneously expenditure include Rs. 47,14,18,997/- being the amount payable on account of Environment and Health Cess.
28. Hitherto company is amortizing the cost of Voluntary Retirement Scheme of employees to the Profit & Loss account over a period of three years in equal annual installments . From the current year company has decided to charge the expenses on Voluntary Retirement Scheme of employees to the profit & loss account in the year in which they incurred in compliance to the revised Accounting Standard 15. As a result of change the past unamortized expenses amounting to Rs. 72.28 Lac on account of Voluntary Retirement Scheme of employees is charged to the profit & loss account in the current year. Had there been no such change then the profit of the company would be increased by Rs.72.28 Lac.

## 29. Related party disclosures

- (i) Shri Akhil Arora from 01.04.2009 to 24.08.2009, Sh. Sanjay Malhotra from 24.08.2009 to 31.03.2010 Managing Director being key managerial personnel with whom transactions have taken place during the year. Details of transactions are disclosed under Note No. 34.6 of Schedule 'G' forming part of the Balance Sheet and Profit & Loss Account.
- (ii) Parties where control exists  
Barmer Lignite Mining Company Limited (BLMCL) -Subsidiary Company  
Rajasthan State Petroleum Corporation Limited(RSPCL)-Subsidiary Company  
Rajasthan Rashtriya Chemicals & Fertilizers Limited(RRCFL)- Associate Company
- (iii) Transactions with Related parties

**a. Barmer Lignite Mining Company Limited :**

(Amt. in Rs.)

Nature of Transactions	BLMCL	
	2009-10	2008-09
<b>Transactions during the year</b>		
Investment in Equity Shares		
Expenses incurred towards		
- Preliminary expenses		
- Others	7,40,627/-	7,13,729/-
Received towards acquisition of land (net)	2,22,56,52,000/-	45,00,00,000/-
Received towards reimbursed of expenditure	7,13,729/-	

**b. Rajasthan State Petroleum Corporation Limited :**

(Amt. in Rs.)

Nature of Transactions	RSPCL	
	2009-10	2008-09
<b>Transactions during the year</b>		
Investment in Equity Shares		10,00,000/-
Expenses incurred towards		
- Preliminary expenses	-	6,37,300/-
- Others	16,96,540/-	-

**c. Rajasthan Rashtriya Chemicals & Fertilizers Limited :**

(Amt. in Rs.)

Nature of Transactions	RRCFL	
	2009-10	2008-09
<b>Transactions during the year</b>		
Investment in Equity Shares		2,45,000/-
Expenses incurred towards		
- Preliminary expenses		
- Others	-	63,699/-
Contribution	4,38,913/-	

30. The major components of deferred tax assets and liabilities as on 31.03.2010 are as follows:

(Amt. in Rs.)

Components	As on 31/03/2010		As on 31/03/2009	
	Deferred Tax Assets	Deferred Tax Liabilities	Deferred Tax Assets	Deferred Tax Liabilities
Difference between book Value of Depreciable Assets as per books of accounts and written down value for tax purposes		963775535		840311143
Provision for doubtful debts, claims & advances	33738647		34600941	
Provision for Leave Encashment	55958555		41575592	
Provision for Bonus	234252		5218539	
Provision for Gratuity	0		47650699	
Deferred Revenue Expenditure	4267319		2768353	
Others	6623464		5437352	
<b>Total</b>	<b>100822237</b>	<b>963775535</b>	<b>137251476</b>	<b>840311143</b>
<b>Net Deferred Tax Liability</b>		<b>862953298</b>		<b>703059667</b>



### 31 Earning per share

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

### 32. Miscellaneous:

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

33. Schedule 'A' to 'L' is annexed to and form part of Accounts as on 31st March 2010

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

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

(In MT)

Particulars	Rock Phosphate		Beneficiated Rock Phosphate		Rajphos	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
Opening Stock	345286	536376	8429	14699	5557	2360
Production	1378656	1502657	324523	360592	82707	98031
Less: Moisture Qty.			-73370	-80948		
Purchase	33804	40800				
Transfer	-51984	-49489	-51984	-49489		
Retrieval			4427			
Sales						
Less: Moisture	684558	889649	227960	272152	79600	94834
			-30206	-37334		
Own consumption for Ben. Rock Phosphate Rajphos	776519	874389				
Samples				1		
Stock as per Books	348653	365284	14271	10035	8664	5557
Shortages	19740	19998	1413	1606	3	-
Closing Stock	328913	345286	12858	8429	8661	5557

#### (ii) Gypsum & Selenite:

(In MT)

Particulars	Gypsum		Selenite	
	2009-10	2008-09	2009-10	2008-09
Opening Stock	34240	60147	-	-
Purchases	116	33	-	-
Production	2990506	3358673	14598	15465
Sales	3004937	3393551	14598	15465
Stock as per Books	19925	25302	-	-
Shortages/Retrieval	663	8938	-	-
Closing Stock	19262	34240	-	-

**(iii) Lime Stone:**

(In MT)

Particulars	Lime Stone	Sub Grade Lime Stone	Lime Stone	Sub Grade Lime Stone
	2009-10	2009-10	2008-09	2008-09
Opening Stock	171250	122525	215692	102942
Production	2320786	274344	2274929	222807
Sales	2482855	294065	2306973	200987
Stock as per Books	9181	102804	183649	124762
Shortages(-Excess)	5534	16076	12398	2237
Closing Stock	3647	86728	171250	122525

**(iv) Lignite:**

(In MT)

Particulars	2009-10	2008-09
Opening Stock	-	-
Production	1206808	998545
Sales	1206808	998545
Stock as per Books	-	-
Shortages	-	-
Closing Stock	-	-

**(v) Green Marble:**

(In MT)

Particulars	Crack Block		Lumperts	
	2009-10	2008-09	2009-10	2008-09
Opening Stock	155	155	4029	4029
Production				
Sale				
Written off	155	-	4029	-
Closing Stock	-	155	-	4029

**(vi) Granite:**

(In MT)

Particulars	2009-10			2008-09		
	Dressed Block in (CU. M)	Cobbles In Nos.	Khandas in Nos.	Dressed Block in (CU. M.)	Cobbles In Nos.	Khandas In Nos.
Opening Stock	908	369941	50268	908	380057	50,268
Production						
Sales					10116	
Stock as per Books	-	369941	-	908	369941	50,268
Written off	908		50268	-		-
Closing Stock	-	369941	-	908	369941	50,268



**(vii) Granite Tiles :**

(In MT)

Particulars	2009-10	2008-09
Opening Stock	-	5323
Production	-	-
Sales	-	-
Own consumption	-	5323
Stock as per Books	-	-
Shortages	-	-
Closing Stock	-	-

Note: The Quantity of Granite Tiles is excluding of 352 Sq. ft. (previous year 478.50 sq.ft.) polished Granite slabs.

**(viii) Fluorspar ;**

(In MT)

Particulars	2009-10	2008-09
Opening Stock	-	-
Production	64	-
Sales	64	-
Stock as per Books	-	-
Shortages	-	-
Closing Stock	-	-

**(ix) Multimetal:**

(In MT)

Particulars	2009-10	2008-09
Opening Stock	340	340
Production	-	-
Sales	-	-
Stock as per Books	340	340
Shortages	-	-
Closing Stock	340	340

**(x) Bentonite:**

(In MT)

Particulars	2009-10	2008-09
Opening Stock	1008	2,687
Production	-	-
Sales	-	-
Stock as per Books	1008	2,687
Shortages	-	1,679
Closing Stock	1008	1008

**(xi) Power: (106.3 MW Wind Power Plant)**

(In MT)

Particulars	2009-10	2008-09
Generation	115251423	101532253
Sales	97875242	83648637
Own Consumption	15693997	16095257
Wheeling units	1682184	1788359

**(xii) Power: (3.8 MW DG Set)**

(In MT)

Particulars	2009-10	2008-09
Generation	1160460	288540
Own Consumption	1036440	215180
Auxiliary Consumption	124020	73360

Note: The plant is operated for 57 days only during the year 2009-10(previous year 16 days), as and when required.

34.2 (i) Installed/Rated and Designed capacity of various Plants of **Phosphate Division** (as intimated by the manufacturer) and production during the year are as under:

S. No.	Name of the Plant	Installed/Rated Capacity	Designed Capacity	Production (In Lac MT)	
				2009-10	2008-09
(a)	Crushing Plant (Old)	150 MT/Hr	N. A.	2.91	3.84
(b)	Crushing Plant (New)	132 MT/Hr	160 MT/Hrs	3.86	4.55
(c)	Main Process Plant	9.00 Lac MT p.a. (Through Put)	10.00 Lac MT p.a.	6.94 (Through Put) 2.51 (Output)	7.76 (Through Put) 2.80 (Output)

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

Name of the Plant	Installed capacity (MT per hour)	2009-10 (In Lac MT)	2008-09 (In Lac MT)
Crushing & Screening Plant			
(a) R. O. M.	350	15.32	13.42
(b) Finished Product	140	7.04	5.86



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

S. No.	Name of the Plant	Installed/Rated Designed Capacity	Production (In Units)	
			2009-10	2008-09
1.	3.8 MW DG Set	3800 K W.	1160460	288540
2.	106.3 MW Wind Power Plants	74800 K W (74.8 MW up to 30.03.2010) (106.30 MW from 31.03.2010)	115251423	101532253

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

	Licensed Capacity		Installed Capacity		Production	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
Gypsum	70 MT per Hour	70 MT per Hour	70 MT per Hour	70 MT per Hour	70128 MT	92549 MT

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

	In Rs. Lac		Percentage	
	2009-10	2008-09	2009-10	2008-09
Imported	31.59	0.50	2.61	0.04
Indigenous	6268.30	99.50	6612.12	99.96

34.4 Imported raw material consumed during the year Nil.

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

(Rs. in Lacs)

Particulars	2009-10	2008-09
Earnings	51.64	20.18
Expenditure		
Spares	31.59	18.59
Travelling	-	1.27
Other Matters	8.18	2.09

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

(Rs. in Lacs)

<b>Particulars</b>	<b>2009-10</b>	<b>2008-09</b>
Salary (including pension contribution & perquisite on accommodation provided)	16.14	5.60
Telephone/Car*	-	-
Total	16.14	5.60
Amount adjusted in respect of accounts		
Rent (Net)	NIL	NIL

\* Value of Telephone/Car used not ascertainable

35. Annexure 1 and 2 pursuant to AS 3 (Cash Flow Statement), & AS 17 (Segment Reporting) respectively issued by The Institute of Chartered Accountants of India and Annexure 3 as per requirement of part IV to Schedule VI of the Companies Act, 1956 are forming part of the Annual Accounts for the year 2009-10.

In terms of our report of even date

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

**Bharat Sonkhiya**  
Partner  
Membership No. 403023

Place: Jaipur  
Date: 19th November, 2010

**Govind Sharma**  
Director

**M.L. Tailor**  
Financial Advisor

For and on behalf of the Board  
**Aparna Arora**  
Managing Director

**P.K. Jain**  
Company Secretary





**SCHEDULE 'H'**  
**OPERATIONAL REVENUE**

	<b>2009-10 Rs</b>	<b>2008-09 Rs</b>
High Grade Rock Phosphate	3884574246	441,11,16,08
Beneficiated Rock Phosphate	1178025543	121,61,17,944
Rajphos	12,83,41,099	14,02,47,618
Lignite	1231213946	124,23,10,968
Gypsum	1195521854	113,56,78,865
Selenite	1,38,28,651	147,22,684
Lime Stone	1142679513	97,06,34,809
Power	36,68,76,505	31,06,41,025
Fluorspar	2,22,540	-
Granite	-	14,400
	<b><u>9141283897</u></b>	<b><u>944,14,84,397</u></b>

In terms of our report of even date

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

**Bharat Sonkhiya**  
Partner  
Membership No. 403023

Place: Jaipur  
Date: 19th November, 2010

**Govind Sharma**  
Director

**M.L. Tailor**  
Financial Advisor

**For and on behalf of the Board**

**Aparna Arora**  
Managing Director

**P.K. Jain**  
Company Secretary

**SCHEDULE 'H-1'**  
**INCREASE/DECREASE IN STOCK**

	2009-10 Rs.	2008-09 Rs.
<b>CLOSING STOCK</b>		
Rock Phosphate	17,43,49,846	10,18,72,631
Beneficiated Rock Phosphate	3,56,00,016	2,35,67,366
Rajphos	99,85,845	55,55,133
Gypsum	56,96,292	102,12,460
Lime Stone	75,70,742	4,05,46,585
Granite	2,15,025	46,19,593
Bio diesel and by products	4,11,950	35,514
Green Marble	-	820
	<b>23,38,29,716</b>	<b>18,64,10,102</b>
<b>OPENING STOCK</b>		
Rock Phosphate	10,18,72,631	13,77,19,065
Beneficiated Rock Phosphate	2,35,67,366	2,96,29,005
Rajphos	55,55,133	23,58,113
Gypsum	1,02,12,460	1,83,00,382
Lime Stone	4,05,46,585	2,45,04,534
Granite	46,19,593	47,31,964
Bio diesel and by products	35,514	34,771
Green Marble	820	820
	<b>18,64,10,102</b>	<b>21,72,78,654</b>
<b>INCREASE/DECREASE</b>	<b>4,74,19,614</b>	<b>-3,08,68,552</b>

In terms of our report of even date

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

**Bharat Sonkhiya**  
Partner  
Membership No. 403023

Place: Jaipur  
Date: 19th November, 2010

**Govind Sharma**  
Director

**M.L. Tailor**  
Financial Advisor

For and on behalf of the Board  
**Aparna Arora**  
Managing Director

**P.K. Jain**  
Company Secretary



**SCHEDULE 'I'**  
**OTHER REVENUE**

	<b>2009-10 Rs.</b>	<b>2008-09 Rs.</b>
Interest (Gross) ( TDS Rs. 96.55 Lac) (Prev. Year Rs. 202.95 Lac)	20,97,40,584	25,56,66,349
Lease Rent on Railway Rakes	23,25,580	23,25,580
Dividend Received on Long Term Investments	10,000	10,000
Carbon/Voluntary Emission Reduction (CER/VERs)	85,26,824	-
Exchange Rate Difference	-	20,18,249
Recovery against bad debts written off earlier	-	17,01,955
Excess provision for doubtful debts written back	2,28,518	2,87,845
Profit on Sale of Obsolete and Other Fixed Assets	32,31,740	40,71,158
Miscellaneous Receipts, Refunds, Forfeitures & Claims	12,84,29,542	4,62,50,700
Liability no longer required	1,82,44,901	4,96,424
Sundry Credit Balances written back	9,17,014	24,241
	<b>37,16,54,703</b>	<b>31,28,52,501</b>

In terms of our report of even date

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

**Bharat Sonkhiya**  
Partner  
Membership No. 403023

Place: Jaipur  
Date: 19th November, 2010

**Govind Sharma**  
Director

**M.L. Tailor**  
Financial Advisor

**For and on behalf of the Board**

**Aparna Arora**  
Managing Director

**P.K. Jain**  
Company Secretary

**SCHEDULE 'J'**
**MINING, OPERATIONAL, ESTABLISHMENT & FINANCIAL EXPENDITURE**

	2009-10		2008-09	
	Mining & Other Operating Expenses	Establishment and Financial Expenses	Mining & Other Operating Expenses	Establishment and Financial Expenses
	Rs.	Rs.	Rs.	Rs.
Salaries & Wages	51,99,63,644	18,46,16,345	51,31,80,997	18,50,63,931
Contribution to Provident/Pension & Other Funds	9,68,36,179	3,66,46,320	15,38,32,895	5,50,40,716
Leave Encashment	4,98,66,892	2,10,80,257	1,38,38,212	229,60,768
Bonus/Additional Remuneration	1,16,38,046	38,79,942	1,66,38,993	55,74,885
Voluntary Retirement Payment written off	90,73,135	57,07,163	51,54,454	37,29,517
Employees' Welfare	9,68,47,985	1,79,21,359	9,30,57,971	1,50,56,030
Employees' Social Security	3,28,344	2,38,760	2,97,576	1,87,840
Stores consumed*	52,92,80,930	-	53,84,93,873	-
Payment to Contractors :				
For Removal of Overburden	48,39,43,527	-	28,85,66,713	-
For Raising, Transportation & Others	124,67,28,038	-	125,20,58,069	-
Freight Charges	8,32,101	-	7,86,209	-
Dewatering of Mines	12,35,46,112	-	1,26,55,293	-
Crushing Plant Expenses	1,00,29,394	-	79,50,362	-
Power Charges	11,09,43,403	-	8,29,86,092	-
Survey & Prospecting Charges	122,580	-	84,510	-
Royalty & Dead Rent	96,46,42,398	-	101,46,42,324	-
MR Cess	47,14,19,002	-	60,31,23,096	-
Premium Charges to DMG	54,06,723	-	71,60,716	-
Mine Development Exp written off	14,49,249	-	- 14,49,250	-
Compensation for sale of Rock Phosphate	-	-	9,83,22,430	-
Repairs to Buildings	27,14,377	39,16,475	28,46,497	16,57,297
Repairs to Machinery	7,44,74,551	-	9,47,36,654	-
Repairs to Plant	3,07,27,050	-	3,97,69,750	-
Repairs to Road	19,44,644	-	19,31,597	-
Repairs to Others	66,78,000	16,48,634	45,17,998	17,98,714
Rent including Plot Rent	78,06,892	10,66,962	78,36,460	4,68,743
Rates & Taxes	33,47,581	28,27,171	34,91,580	19,64,330
Land Tax	208,10,50,209	16,89,170	193,70,29,773	30,84,600
Insurance	42,47,309	18,20,563	31,04,708	4,94,582
Travelling & Conveyance	1,88,10,604	1,01,70,891	2,09,00,452	1,15,86,367
Vehicle Up-keep	90,56,272	17,12,124	111,93,350	19,20,225
Payment to Auditors:				
Audit Fees	-	3,41,930	-	3,86,874
(including Nil for prev year) (Prv. Yr Rs. 0.45 Lac )				
Tax Audit Fees	-	88,240	-	1,10,712
(including Nil for prev year) (Prv. Yr Rs. 0.22 Lac )				
For reimbursement of expenditure	-	3,48,995	-	3,04,077
Interest:				
Debentures	-	21,59,061	-	1,03,18,784
Others including Banks	-	5,62,642	-	70,14,126
Bank Charges	5,444	4,01,858	3,682	3,66,485



**SCHEDULE 'J' (Contd.)**

**MINING, OPERATIONAL, ESTABLISHMENT & FINANCIAL EXPENDITURE**

	2009-10		2008-09	
	Mining & Other Operating Expenses	Establishment and Financial Expenses	Mining & Other Operating Expenses	Establishment and Financial Expenses
	Rs.	Rs.	Rs.	Rs.
Cash Discounts/Rebate on Sales	4,95,498	2,15,40,176	3,77,432	22,02,333
Guarantee Commission	-	70,860	-	27,540
Selling Expenses including commission		26,80,316	60,348	25,92,809
Packing Charges	1,32,07,231	1,67,03,424	1,84,85,877	2,06,72,577
Business Promotion Expenses	5,192	51,80,325	34,703	8,49,828
General Charges	8,12,737	13,25,218	7,73,294	9,94,328
Postage, Telephone & Telegraphs	13,80,205	46,86,824	12,82,422	47,01,535
Printing & Stationery	15,91,489	25,59,618	18,18,311	23,82,509
Electricity & Water	15,61,207	27,73,555	28,22,565	25,32,589
Seminar, Training & Exhibition	1,14,399	6,28,948	1,47,566	2,43,533
Legal & Professional Charges	5,11,879	102,72,988	1,26,020	76,66,270
Advertisement & Publication	10,39,869	1,94,52,478	3,12,324	2,00,71,388
Subscription	60,721	4,60,831	60,809	4,65,757
Entertainment	85,820	10,01,285	59,887	8,92,874
Board Meeting Expenses	-	78,043	-	83,884
Donation	-	5,12,84,990	-	5,01,12,500
Sundry debit balance written off	-	56,330	3,500	36,993
Laboratory Expenses	9,02,294	56,845	5,16,706	36,798
Consultancy Charges	1,23,876	64,100	5,24,953	577,895
Research & Development	4,80,000	3,25,229	4,57,875	54,41,605
Sampling & Analysis	1,48,53,354	1,82,826	1,84,30,341	2,61,980
Compensation for Mineral Claims & Settlements	1,67,47,786	-	127,07,572	-
Computer Maintenance & Software Exp.	-	23,116,310	-	8,48,547
Rural Development Expenses	21,23,892	18,64,298	18,62,825	21,02,196
Afforestation Plantation & Environment	54,51,268	5,00,000	1,11,45,749	2,14,838
	65,50,056	7,800	63,93,542	7,950
	704,18,59,388	46,57,18,479	691,00,47,157	45,51,10,659

\* Does not include consumption of Stores & Spares Rs. 1007,07 Lac charged under various heads (Prev. year Rs. 1229.79 Lac)

In terms of our report of even date

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

**Bharat Sonkhiya**  
Partner  
Membership No. 403023

Place: Jaipur  
Date: 19th November, 2010

**Govind Sharma**  
Director

**M.L. Tailor**  
Financial Advisor

For and on behalf of the Board  
**Aparna Arora**  
Managing Director

**P.K. Jain**  
Company Secretary

**SCHEDULE 'K'**  
**PRIOR PERIOD ADJUSTMENT**

	2009-10		2008-09	
	DEBIT	CREDIT	DEBIT	CREDIT
	Rs.	Rs.	Rs.	Rs.
Interest	-	-	2,36,999	-
Purchase of Ore	-	6,897	-	-
Miscellaneous Receipt	-	-	-	13,74,548
Stores Consumed	2,730	-	6,82,983	-
Salaries and Wages(Net)	1,15,914	-	6,895	19,200
Employees' Welfare	74,732	-	2,82,045	-
Lease Money form Railway Wagon	-	-	-	-
Sale of Minerals/Power	23,54,560	-	70,802	-
Payment to Contractors:	-	-	-	-
a) Removal of Overburden	-	-	-	-
b) For Raising, Transportation & others	68,84,802	-	-	52,273
Electricity & Water	-	10,463	-	24,83,700
Rent	-	-	-	3,34,526
Rates & Taxes	-	-	2,13,125	-
Compensation for minerals	-	-	-	39,927
Bank Charges	-	-	-	-
Repairs to Machinery	-	-	21,850	78,767
Repairs to Others	-	-	7,178	-
Repairs to Road	-	-	47,352	-
Travelling & Conveyance	-	-	3,903	-
Depreciation	202,426	-	26,293	-
Packing Charges	20,733	-	-	-
Consultancy	-	-	6,000	-
Contribution to Provident and other fund	-	5,241,260	-	-
Postage, Telephone & Telegram	64	-	-	-
Sampling & Analysis	53,896	-	-	-
Royalty & Dead Rent	1,95,507	-	-	-
Miscellaneous	5,100	-	-	-
	<b>99,10,464</b>	<b>52,58,620</b>	<b>16,05,425</b>	<b>43,82,941</b>
<b>Net Debit/Credit</b>	<b>4651844</b>		<b>27,77,516</b>	

In terms of our report of even date

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

**Bharat Sonkhiya**  
Partner  
Membership No. 403023

Place: Jaipur  
Date: 19th November, 2010

**Govind Sharma**  
Director

**M.L. Tailor**  
Financial Advisor

For and on behalf of the Board  
**Aparna Arora**  
Managing Director

**P.K. Jain**  
Company Secretary



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

	Opening Balance 01/04/2009	Additions/ Adjustments During the Year	Written off	Closing Balance 31/03/2010
	Rs.	Rs.	Rs.	Rs.
Development Expenditure on Mines (Including Survey & Prospecting)	10,91,93,089	10,76,565	14,49,249	10,88,20,405
Payment under employee VRS Scheme	96,91,127	50,89,171	147,80,298	-
	<b>11,88,84,216</b>	<b>61,65,736</b>	<b>162,29,547</b>	<b>1088,20,405</b>
Previous Year	<b>11,33,33,121</b>	<b>158,84,316</b>	<b>103,33,221</b>	<b>11,88,84,216</b>

In terms of our report of even date

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

**Bharat Sonkhiya**  
Partner  
Membership No. 403023

Place: Jaipur  
Date: 19th November, 2010

**Govind Sharma**  
Director

**M.L. Tailor**  
Financial Advisor

For and on behalf of the Board  
**Aparna Arora**  
Managing Director

**P.K. Jain**  
Company Secretary

ANNEXURE - 1

CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2010

	Year Ended 31.03.2010 (Rs)	Year Ended 31.03.2009 (Rs)
<b>A Cash Flow From Operating Activities</b>		
Net Profit Before Tax	1461161129	1778935552
<b>Adjustments For :</b>		
Depreciation	570572140	553723945
Miscellaneous Expenditure written off	16229547	10333221
Miscellaneous Expenditure paid during the year	(6165736)	(15884316)
Interest received	(209740584)	(255666349)
Dividend Income	(10000)	(10000)
Interest expenditure	2721703	17332910
Impaired/Obsolescence loss on assets	3678733	4867479
Assets Written Off	279205	400842
Profit/Loss on sale of Fixed Assets (Net)	(3226740)	374338268
	(3887475)	311210257
<b>Operating Profit Before Working Capital Change</b>	<b>1835499397</b>	<b>2090145809</b>
<b>Change In Working Capital (Excluding Cash &amp; Bank Balance)</b>		
Inventories	(51536091)	36078370
Sundry Debtors	(277438905)	(65667794)
Other Current Assets	(7528874)	34892059
Loans and Advances	(2580633844)	(99875516)
Trade and Other Payable	3862108261	944970547
	945869351	851296470
<b>Cash Generated From Operation</b>	<b>2780469944</b>	<b>2941442279</b>
Less: Direct Taxes Paid net of refund(including TDS)	(242435582)	(1123206705)
Net Cashflow From Operating Activities	2538034362	1818235574
<b>B Cash Flow From Investing Activities</b>		
Addition/Price revision in Fixed Assets	(1859803849)	(941434639)
Sale of Fixed and Other Assets	4496325	11883101
Dividend Income	10000	10000
Investment in Share	0	(1245000)
Interest Income	209740584	255666349
Net Cash (Used) In/From Investing Activities	(1645556940)	(675120189)









### SCHEDULE - 3

## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

#### I Registration Details

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

#### II Capital Raised during the Year

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

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

Total Liabilities											8	5	6	1	8	6	5	Total Assets											8	5	6	1	8	6	5
-------------------	--	--	--	--	--	--	--	--	--	--	---	---	---	---	---	---	---	--------------	--	--	--	--	--	--	--	--	--	--	---	---	---	---	---	---	---

##### Sources of Funds

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

##### Application of Funds

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

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

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

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

Item Code No. (ITC Code)	2	5	1	0	2	0	.	0	1	R	O	C	K	P	H	O	S	P	H	A	T	E
Product Description																						
Item Code No. (ITC Code)	2	7	0	2	2	0	.	0	0	L	I	G	N	I	T	E						
Product Description																						
Item Code No. (ITC Code)	2	5	2	0	1	0	.	0	1	G	Y	P	S	U	M							
Product Description																						

In terms of our report of even date

**Govind Sharma**  
Director

**M.L. Tailor**  
Financial Advisor

For and on behalf of the Board

**Aparna Arora**  
Managing Director

**P.K. Jain**  
Company Secretary

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

**Bharat Sonkhiya**  
Partner  
Membership No. 403023

Place: Jaipur  
Date: 19th November, 2010

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956**

Name of the Subsidiary			<b>Barmer Lignite Mining Company Limited</b>	<b>Rajasthan State Petroleum Corporation Limited</b>
1	Financial year of the Subsidiary ended on		31-Mar-10	31-Mar-10
2	The extent of the holding company's interest in the subsidiary at the end of the financial year			
	i. Face Value	Rs.	10.00	10.00
	ii. Number of Shares held	No	10200000	100000
	iii. Shareholding percent	%	51.00%	100.00%
3	The net aggregate amount of profit/loss so far as they concern the members of the company,			
	i. Dealt with in the accounts of the company for the financial year ended 31st March, 2010		Nil	Nil
	ii. Not dealt with in the accounts of the company for the financial year ended 31st March, 2010		Nil	Nil
4	The net aggregate amount of profit/loss so far as they concerns the members of the company			
	i. Dealt with in the accounts of the company for the previous financial years since it became a subsidiary		Nil	Nil
	ii. Not dealt with in the accounts of the company for the previous financial years since it became a subsidiary		Nil	Nil

**Govind Sharma**  
Director

**M.L. Tailor**  
Financial Advisor

For and on behalf of the Board

**Aparna Arora**  
Managing Director

**P.K. Jain**  
Company Secretary



## 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 MINES AND MINERALS LIMITED, UDAIPUR FOR THE YEAR ENDED 31 MARCH 2010.

The preparation of financial statements of Rajasthan State Mines and Minerals Limited, Udaipur for the year ended 31 March 2010 in accordance with the financial reporting framework 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 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 19-11-2020.

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 and Minerals Limited, Udaipur for the year ended 31 March 2010. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personal 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**

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

Place : Jaipur  
Date 23.12.2010





Rajasthan State Petroleum Corporation Limited

**FINANCIAL STATEMENTS**

**OF**

**RAJASTHAN STATE PETROLEUM CORPORATION LIMITED**

**(A Subsidiary Company of RSMML)**

## Rajasthan State Petroleum Corporation Limited

(A Subsidiary Company of RSMML)

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

### DIRECTORS' REPORT

To,

The Shareholders,

Your directors take pleasure in presenting the second annual report along with the audited accounts of the Company for the year ended on 31st March, 2010.

#### 1. Financial Results

The company is yet to commence Commercial Results however Profit & Loss account has been prepared as per the guideline of Institute of Chartered Accountants of India. A loss of Rs. 23,38,840/- has been incurred on account of establishment and other expenses and certain prior period expenses adjusted in the Profit & Loss Account for the year 2009-10.

#### 2. Business Plan

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

#### 3. Dividend

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

#### 4. 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.

#### 5. Progress of the activities of the corporation

Your directors have invited Expression of Interest for "City Gas distribution Network" for underground Coal

gasification in the state.

#### 6. The Composition of Directors

During the year under report, RSMML has nominated Shri Sunil Arora in place of Shri C. S. Rajan as Chairman and Director of the company. Further RSMML has nominated Shri Naresh Pal Gangwar in place of Shri Shreemat Pandey, Shri Abhay Kumar in place of Shri Rajat Kumar Mishra as Directors of the company.

Shri Sanjay Malhotra has been nominated as Managing Director in place of Shri Akhil Arora and then Mrs Aparna Arora has been nominated as Managing Director in place of Shri Akhil Arora w.e.f. 10 September, 2010.

Your Director places on record their appreciation for the valuable services rendered by Shri C.S. Rajan, Shri Shreemat Pandey, Shri Rajat Kumar Mishra, Shri Akhil Arora and Shri Sanja Malhotra 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





## Rajasthan State Petroleum Corporation Limited

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 Maharwal & Associates, Chartered Accountants, Jaipur has been re-appointed as Auditors under Section 619 of the Companies Act, 1956, to audit the Company's Annual Accounts for the Financial Year 2010-11.

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

### 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 383 (A), the secretarial compliance report from the practicing Company Secretary is annexed.

### 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

**Sunil Arora**  
Chairman

Place: Jaipur  
Date: 06.12.2010

## COMPLIANCE CERTIFICATE

CIN : U23201RJ2008SGC026960

Nominal Capital : 5 CRORES

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, 2010. 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 4 (FOUR) times 23.09.2009, 31.12.2009, 11.02.2010 and 29.03.2010 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose. However, No resolution was passed by circular during the year.
5. The Company is not required to close its Register of Members or Debenture holders in accordance to Section 154 of the Companies Act, 1956 during the financial year.
6. The Annual general Meeting for the financial year ended on 31.03.2009 was held on 23.09.2009 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.



## Rajasthan State Petroleum Corporation Limited

13. The Company has:
- (i) not made allotment of securities during the year under review. Company has delivered all the certificates on lodgment thereof for transfer/transmission in accordance with the provisions of the Act.
  - (ii) not declared any dividend / interim dividend during the financial year under review.
  - (iii) not required to post warrants to any member of the Company as no dividend was declared during the financial year.
  - (iv) not applicable being no amount is outstanding at the end of the year.
  - (v) duly complied with the requirement of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was appointment of additional Director and no appointment of alternate Director and Directors to fill casual vacancy during the financial year. Company has appointed a Company Secretary in a board meeting held during the year.
15. The Company has not appointed any Managing Director/Whole Time Director or Manager during the Financial year.
16. The Company has not appointed any sole selling agent during the financial year.
17. The Company was not required to obtain any approval of the Central Government, Company Law Board, Regional Director, Registrar of Companies and / or such authorities prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act and rules made thereunder.
19. The Company has not issued any securities during the year
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures 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 any borrowing during the financial year.
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.

**RAJASTHAN STATE MINES & MINERALS LIMITED**

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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 any 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: 01.12.2010



Rajasthan State Petroleum Corporation Limited

## ANNEXURE A

### Registers as maintained by the Company

1.	Register of Members	u/s 150
2.	Minute Book of Board Meetings	u/s 193(1)
3.	Minute Book of General Meetings	u/s 193(1), 196(1)
4.	Register of Contracts	u/s 301
5.	Register of Directors	u/s 303
6.	Register of Directors Shareholding	u/s 307
T	Register of Charges	u/s 143
8.	Register of Investments	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, 2010.

S.No.	Document/Form	Under Section	Date of Document	Filed on	Whether Filed within time	Whether additional fee paid
1.	Form 23 AC, 23 ACA	220	31.03.2009	22.10.2009	Yes	N.A.
2.	Form 20 B	159	23.09.2009	22.11.2009	Yes	N.A.
3.	Form 66	383 A (1)	31.03.2009	22.10.2009	Yes	N.A.
4.	Form 23	192	02.09.2009	16.09.2009	Yes	N.A.
5.	Form 32	303 (2)	02.09.2009	16.09.2009	Yes	N.A.
6.	Form 32	303 (2)	12.09.2008	27.08.2009	No	Yes
7.	Form 32	303 (2)	14.01.2010	27.02.2010	Yes	N.A.
8.	Form 32	303 (2)	24.11.2009	07.01.2010	No	Yes
9.	Form 32	303 (2)	29.10.2009	07.01.2010	No	Yes
10.	Form 32	303 (2)	24.04.2009	28.07.2009	No	Yes
11.	Form 32	303 (2)	23.12.2008	28.07.2009	No	Yes
12.	Form 32	303 (2)	23.09.2009	22.10.2009	Yes	N.A.

For S.K. Joshi & Associates

Company Secretaries

Sanjay Kumar Joshi  
Proprietor

C.P. No. 7342

Place: Jaipur  
Dated: 01.12.2010

MAHARWAL & ASSOCIATES  
CHARTERED ACCOUNTANTS

B-23124, CITY CENTER  
S.C. Road, Jaipur  
(0) 2372450 (M) 9828197927  
(M) 9314538631

## AUDITOR'S REPORT

To The Members of

Rajasthan State Petroleum Corporation Limited

1. We have audited the attached Balance Sheet, Profit & Loss Account and annexure thereto of Rajasthan State Petroleum Corporation Ltd, as at 31st March, 2010 and also Cash Flow Statement for the year ended on that date. These Financial Statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards that we plan and perform thereto obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principle used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub section (4A) of section 227 of the Companies Act, 1956, we enclose in the annexure, a statement on the matter specified in paragraph 4&5 of the said order.
4. Further to or comment in Annexure I referred to above, we report that:
  - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - ii. In our opinion, proper books of accounts as required by the law have been kept by the company so far as it appears from our examination of those books;
  - iii. The Balance Sheet and Cash Flow Statement dealt with by this report are in agreement with books of account;
  - iv. In our opinion, the Balance Sheet and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956;
  - v. As per the explanations given to us that it is being a Government Company, therefore the provisions of section 274(1)(g) of the Companies Act, 1956 are not applicable to it as per G.S.R. no. 829 (E) dated 21.19.2003 for the Companies Affair Department, Finance Ministry.
  - vi. In our opinion and to the best of our Information and according to the explanations give to us, the said account give the information required by the companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
    - a. In the case of the Balance Sheet of the state of the affairs of the company as at 31st March, 2010,



**Rajasthan State Petroleum Corporation Limited**

b. In the case of Profit & Loss Account on the loss of the company for the year ended 31st March 2010 and

c. In the case of Cash Flow Statement, of the cash flow for the year ended on that date.

**For Maharwal & Associates**

Chartered Accountants

**T. C. Kumawat**

Partner

Membership No. 078029

FRN 003989C

Place: Jaipur

Date : 06.12.2010

## ANNEXURE - I TO THE AUDITOR'S REPORT

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

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

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

1956 dose not apply.

- (vii) In our opinion, internal audit system is not compulsory for this company.
- (viii) As per section 209 (1) (d) company is required to maintain cost records, but company has not commenced business, and has not maintained any cost record.
- (ix) (a) Company has not commenced the business activities so this clause dose not apply.
- (b) Above reference (ix) (a) is not applicable.
- (c) Above reference (ix) (a) is not applicable.
- (x) In our opinion, the company has not incurred cash losses during the financial year covered by our audit; no such accumulated losses are seen.
- (xi) In our opinion and according to the information and explanation given to us the company has not defaulted in repayment of dues to a financial institution and bank.
- (xii) In our opinion and according to the information and explanation given to us company has not granted any loan and advances against security of share, debentures and other securities.
- (xiii) In our opinion, the company is not a chit fund or a Nidhi/Mutual benefit Fund/Society therefore the provisions of clause 4 (xiii) of the companies (Auditor Report) order 2003 are not applicable to the company.
- (xiv) In our opinion, the company is not dealing or trading in share, security debentures and other investments. According to the provision of clause 4 (xiv) of the companies (Auditors Report) order 2003 are not applicable to the company.
- (xv) According to the information given to us,





## Rajasthan State Petroleum Corporation Limited

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

## For Maharwal & Associates

Chartered Accountants

**T. C. Kumawat**

Partner

Membership No. 078029

FRN 003989C

Place: Jaipur

Date : 06.12.2010

## BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2010

	Schedule	As at 31 March 2010	As at 31 March, 2009
<b>SOURCES OF FUNDS</b>			
Shareholders Funds			
Share Capital	A	10,00,000	10,00,000
<b>Total</b>		<b>10,00,000</b>	<b>10,00,000</b>
<b>APPLICATION OF FUNDS</b>			
1. Fixed Assets			
a) Gross Block		-	-
b) Less: Depreciation		-	-
c) Net Block		-	-
2. Investments		-	-
3. Current Assets, Loans & Advances			
a) Loans and Advances			
b) Cash and Bank Balances	B	10,00,000	10,00,000
<b>Total</b>		<b>10,00,000</b>	<b>10,00,000</b>
Less: Current Liabilities & Provisions			
a) Liabilities	C	23,33,840	6,37,300
b) Other liabilities		5,000	5,000
<b>Total</b>		<b>23,38,840</b>	<b>6,42,300</b>
Net Current Assets (B-C)		(13,38,840)	3,57,700
4. Debit balance of Profit & Loss account	D	23,38,840	6,42,300
<b>Total</b>		<b>10,00,000</b>	<b>10,00,000</b>
Notes on Accounts	E		

As per our attached report of even date

For and on behalf of the Board

**Chunnilal Kayal**  
Director

**Aparna Arora**  
Managing Director

**Rajendr Rao**  
Secretary

**For MAHARWAL & ASSOCIATES**  
Chartered Accountants

T.C. Kumawat  
Membership No. 078029  
FRN: 003989C

Place: Jaipur  
Date: 06.12.2010



Rajasthan State Petroleum Corporation Limited

## PROFIT & LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2010

		For the year	For the year
INCOME	Schedule	2009-10	2008-09
Operational Revenue		-	-
Increase/Decrease in stock		-	-
Other Revenue		-	-
<b>Total Income</b>		<u>-</u>	<u>-</u>
<b>EXPENDITURE</b>			
Establishment & Other Expenses	"F"	16,96,540.00	-
<b>Total Expenditure</b>		<u>16,96,540.00</u>	<u>-</u>
Loss before prior period adjustments		16,96,540.00	-
Add: Prior period adjustments	"G"	6,42,300.00	-
<b>Loss after Prior period Adjustment</b>		<u>23,38,840.00</u>	<u>-</u>

As per our attached report of even date

For and on behalf of the Board

**Chunnilal Kayal**  
Director

**Aparna Arora**  
Managing Director

**Rajendr Rao**  
Secretary

**For MAHARWAL & ASSOCIATES**  
Chartered Accountants

T.C. Kumawat  
Membership No. 078029  
FRN: 003989C

Place: Jaipur  
Date: 06.12.2010

## Schedules forming part of the Balance Sheet as at 31<sup>st</sup> March, 2010

	As at 31 March 2010	As at 31st March, 2009
<b>SCHEDULE 'A' SHARE CAPITAL</b>		
1. Authorised		
50,00,000 Equity Shares of Rs. 10 each	5,00,00,000	5,00,00,000
2. Issued, Subscribed & Paid up		
1,00,000 Fully paid equity shares of Rs. 10/- each	10,00,000	10,00,000
<b>SCHEDULE 'B' CASH AND BANK</b>		
Balance with The Bank of Rajasthan Ltd., In Current Accounts	10,00,000	10,00,000
	<b>10,00,000</b>	<b>10,00,000</b>
<b>SCHEDULE 'C'</b>		
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		
Sundry Creditors (RSMML)	23,33,840	6,37,300
Provision for Audit Fee	5,000	5,000
	<b>23,38,840</b>	<b>6,42,300</b>
<b>SCHEDULE 'D'</b>		
<b>MISC EXPENDITURE</b>		
Loss from Profit & Loss Account	23,38,840	NIL
Statement of Preliminary Expenses		
Expenditure for incorporation of RSPCL filling fee for registration of Co. RS.358000\ - Stamp duty Rs.250500\ -	NIL	6,08,500
Professional fees & miscellaneous expenses	NIL	28,800
Audit Fee	NIL	5,000
	<b>23,38,840</b>	<b>6,42,300</b>



Rajasthan State Petroleum Corporation Limited

Schedules forming part of the Balance Sheet as at 31<sup>st</sup> March, 2010 (Contd.)

	2009-10	2008-09
<b>SCHEDULE – "F"</b>		
<b>ESTABLISHMENT AND OTHER EXPENDITURE</b>		
Audit Fee	5,000.00	-
Entertainment Expenses	440.00	-
Legal & Professional Fees	16,65,500.00	-
Printing & Stationery	20,650.00	-
Travelling Expenses	4,950.00	-
	<b>16,96,540.00</b>	-
<b>SCHEDULE – "G"</b>		
<b>PRIOR PERIOD ADJUSTMENTS</b>		
Audit fee	5,000.00	-
Professional Fees & Miscellaneous expenses	28,800.00	-
Legal Charges	6,08,500.00	-
	<b>6,42,300.00</b>	-

\* 'No. amount due to be credited to investor Education and Protecting Fund

As per our attached report of even date

For and on behalf of the Board

**Chunnilal Kayal**  
Director

**Aparna Arora**  
Managing Director

**Rajendr Rao**  
Secretary

**For MAHARWAL & ASSOCIATES**  
Chartered Accountants

T.C. Kumawat  
Membership No. 078029  
FRN: 003989C

Place: Jaipur  
Date: 06.12.2010

**SCHEDULE FORMING PART OF THE ACCOUNTS  
AS AT 31<sup>st</sup> MARCH, 2010  
SCHEDULE 'E'**

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS**

**1. Significant Accounting Policies**

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

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

- (b) Fixed Assets

Fixed assets are recorded at historical cost which includes all direct and indirect expenses up to the date of acquisition and installation of the same.

- (c) Depreciation

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

Depreciation on impaired assets related to a cash generating unit is provided by adjusting the depreciation charge in the remaining periods so as to allocate the

revised carrying amount of the assets over its remaining useful life.

- (d) Impairment of Assets:

In accordance with AS 28 on "Impairment of Assets" issued by ICAI, where there is an indication of impairment of the company's assets relating to cash generating units, the carrying amount of such assets are reviewed at each balance sheet date of determine whether there is an impairment. The recoverable amount of such assets is estimated at the higher of its net selling price and its value in use. An impairment loss is recognized in the Profit & Loss Account whenever carrying amount of such assets exceeds its recoverable amount.

- (e) Investments:

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

- (f) Inventories:

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

- (g) Foreign exchange Transaction:

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

Foreign currency designated assets, liabilities and capital commitments are stated at the year end rates. The exchange differences are adjusted to carrying cost of



## Rajasthan State Petroleum Corporation Limited

the fixed assets acquired outside India if they relate to fixed assets and to profit and loss accounts in other cases.

(h) **Borrowing Cost:**

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

(i) **Provisions and Contingent Liabilities:**

Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if

- 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 a outflow of resources will be required to settle the obligation.
- b) A possible obligation, unless the probability of outflow of resources is remote.

## 2. Notes to accounts

- (a) Contingent Liabilities not provided for: Nil.
- (b) The project is under implementation and yet to commence commercial operations. In view of the Opinion issued by the Expert

Advisory Committee of the ICAI on 15.12.2009 a profit & Loss Account has been prepared as required by AS-26. Accordingly, the starts up costs of the nature of incorporation expenses incurred during the current year have been charged to Profit & Loss Account for the year. Also the incorporation expenses debited to Preliminary Expenses during the year 2008-09 have been rectified in the current year as prior period adjustments in accordance with AS-5.

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

- (d) No provision of deferred tax assets and liabilities is made as on 31 March, 2010 as there is no timing difference and project is yet to start its commercial production.

(e) **Remuneration to Auditors**

	2009-10	2008-09
Audit fees	Rs. 5000/-	Rs.5000/-

(including Service tax)

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

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

**List of Related Parties:**

- (i) Parties where control exists
  - (a) Rajasthan State Mines and Minerals Limited- Holding Company.

**RAJASTHAN STATE MINES & MINERALS LIMITED**

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(ii) Related Party Transactions Transaction with Relates parties.

(Amount in Rs.)

<b>Nature of Transaction</b>	<b>RSMML</b>
Transactions during the year	
Establishment & Other Expenses	16,96,540

As per our attached report of even date

For and on behalf of the Board

**Chunnilal Kayal**  
Director

**Aparna Arora**  
Managing Director

**Rajendr Rao**  
Secretary

**For MAHARWAL & ASSOCIATES**  
Chartered Accountants

T.C. Kumawat  
Membership No. 078029  
FRN: 003989C

Place: Jaipur  
Date: 06.12.2010





Rajasthan State Petroleum Corporation Limited

## CASH FLOW STATEMENT FOR THE YEAR ENDING ON 31<sup>st</sup> MARCH 2010

	Year ended 31st march 2010
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>	NIL
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>	
Capital Work in progress net of Creditors	
Prospective Expenses to be capitalised	NIL
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>NIL</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>	
Purchase of Investments	NIL
Issue of Shares	NIL
Proceeds from Borrowings	
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>NIL</b>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT (A+B+C)	NIL
<b>CASH AND CASH EQUIVALENTS- OPENING BALANCES</b>	<b>1000000</b>
<b>CASH AND CASH EQUIVALENTS- CLOSING BALANCES</b>	<b>1000000</b>

As per our attached report of even date

For and on behalf of the Board

**Chunnilal Kayal**  
Director

**Aparna Arora**  
Managing Director

**Rajendr Rao**  
Secretary

**For MAHARWAL & ASSOCIATES**  
Chartered Accountants

T.C. Kumawat  
Membership No. 078029  
FRN: 003989C

Place: Jaipur  
Date: 06.12.2010

## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

<b>Registration Details</b>	
Registration No.	U2301 RJ2008SGC026960
State Code No.	17
Balance Sheet Date	31.03.2010
	Amount in Rs. '000
<b>II Capital raised during the year</b>	<b>1000</b>
<b>III Position of mobilisation and deployment of funds</b>	
Total Liabilities	1000
Total Assets	1000
<b>Sources of Funds</b>	
Paid-up Capital & Share Application Money	1000
Reserves & Surplus	NIL
Secured Loans	NIL
Unsecured Loans	NIL
Deferred Tax Liability	NIL
<b>Application of Funds</b>	
Net Fixed Assets	NIL
Investments	NIL
Capital Work in Progress Pre Operative	NIL
Net Current Assets	(1338.84)
Miscellaneous Expenditure	2338.84
<b>IV Perform of the Company</b>	
Turnover	NIL
Ref. Note 2(b) of Notes to Accounts	
Total Expenditure	
Profit/(Loss)Before Tax	(2338.84)
Profit(Loss) After Tax	(2338.84)
Earning per share in Rs.	NIL
Dividend Rate %	NIL
<b>V Generic Name of principal product of the Company (as per monetary terms)</b>	
Item Code No.	
Product Description	Petroleum

As per our attached report of even date

For and on behalf of the Board

**Chunnilal Kayal**  
Director

**Aparna Arora**  
Managing Director

**Rajendr Rao**  
Secretary

**For MAHARWAL & ASSOCIATES**  
Chartered Accountants

T.C. Kumawat  
Membership No. 078029  
FRN: 003989C

Place: Jaipur  
Date: 06.12.2010



**Rajasthan State Petroleum Corporation Limited**

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

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619 (4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF RAJASTHAN STATE PETROLEUM CORPORATION LIMITED, JAIPUR FOR THE YEAR ENDED 31 MARCH 2010.**

The preparation of financial statements of Rajasthan State Petroleum Corporation Limited, Jaipur for the year ended 31 March 2010 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India 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 06-12-2020.

I, on behalf of the Comptroller and Auditor General of India, have decided not to the report as the Statutory Auditors on the accounts of Rajasthan State Petroleum Corporation Limited, Jaipur for the year ended 31 March 2010 and as such I have no Comments to make under section 619 (4) of the Companies Act, 1956.

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

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

Place : Jaipur  
Date 13.12.2010





Barmer Lignite Mining Company Limited

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

## Barmer Lignite Mining Company Limited

### Fourth Annual Report

### DIRECTORS' REPORT

To the Shareholders,

Your directors take pleasure in presenting the 4th annual report along with the audited accounts of the Company for the year ended on 31<sup>st</sup> March 2010.

#### 1. Financial Results

The Company is yet to commence business operations, However, as per guidelines of institute of chartered Accountants of India, profit & loss account has been prepared for the year ended March 31, 2010. The company has incurred a loss of Rs. 22,60,449/- which is mainly on account of operation maintenance & other expenses, provision for taxation as also certain prior period expenses/income adjusted in the profit & loss account for the year ended 31st March, 2010. The Company has incurred Rs.322,79,30,995/- towards capital work in progress and pre operative expenses upto 31st March, 2010.

#### 2. Details and Status of the Project

Your company was incorporated on 19th January, 2007 as a Joint Venture Company between Rajasthan State Mines & Minerals Ltd. (RSMML), a Government of Rajasthan enterprise & Raj West power Ltd. (RWPL) a wholly owned subsidiary of JSW Energy Limited with equity participation of 51% and 49% respectively to develop lignite mines in two contiguous blocks viz Kapurdi and Jallipa in Barmer district of Rajasthan for supplying lignite to the mine-head located 1080 MW (8x135) capacity Lignite based Thermal Power Plant of RWPL.

Your company has obtained approval for revised mining plan from Ministry of Coal for Kapurdi Mining Block on 11th February, 2010 consequent to modification in mining lease area due to overlapping of activity by Cairn Energy India Limited.

Your Company has received the approval from Ministry of Environment and Forest (MoEF) for Jallipa Mining Block (6 MTPA) on 29th April, 2010 and also revised Environment Clearance (EC) for Kapurdi Mining Block on 20th May, 2010.

Your company has acquired 17323.05 bighas of Private (Khatedari) Land falling under the Kapurdi Mining Lease Area pursuant to Government of Rajasthan Award dated 14th September, 2009 and paid a sum of Rs. 268 Crores (approx) to RSMML for payment to land losers for the acquisition of the land, R&R and compensation towards structures. Kapurdi Mining Area also covers 2461.55 bighas of Government Land, Out of which RSMML has already receive NOC for 2173.05 bighas of land, the rest being under subjudice.

Your company has received mining lease approval from Government of Rajasthan for Kapurdi Mining Block on 22nd March, 2010 in favour of RSMML was also given interim permission by GoR to commence project setting & developmental activities including making of haul roads.

Your company has received in principle approval from Ministry of Road Transport and Highways (MORTH) for diversion of NH - 15 on 24th September, 2009. Detailed project Report (DPR) preparation by State Public Works Department / or other agencies would be taken up shortly.

Your Company has initiated the process of land acquisition of 24435 bighas of Jallipa Lignite Block under Land Acquisition Act, 1894 ('the act') and necessary notification under section 6 was issued on 12th December, 2008 and thereafter under section 9 on 9th November, 2009.

M/s. Vattenfall Europe Mining Consultants, Germany having international stature in the field of lignite mining were engaged for DPR Preparation both for Kapurdi & Jallipa Lignite blocks. The Project Report for Kapurdi covering first seven years of lignite production programme with commencement year 2010-11 has been submitted.

#### 3. Dividend

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



## Barmer Lignite Mining Company Limited

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

During the year, there is no change in the authorised and paid up capital of the company .

### 6. Financing

During the year, your company has received Rs. 225.88 Cores from joint venture partner RWPL towards subordinate debt as per joint venture agreement and the proceeds were used to effect payment to various parties including payment of land compensation for Kapurdi Ming Block.

### 7. Directors

#### a) Composition

The Board comprises of 7 directors.

#### b) Retirement by Rotation

Mr. Govind Sharma and Mr. Sanjay Sagar, Directors, retire by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for reappointment. The proposals regarding their reappointment as Directors are placed for your approval.

#### c) Changes during the year

Mr Sanjay Malhotra, Director has been nominated by RSMML in place of Mr. Akhil Arora, Director as its nominee with effect from 2<sup>nd</sup> September, 2009.

Mr. Sanjay Sagar, Director has been nominated by RWPL in place of Mr. S.S. Rao, Director as its nominee with effect from 19th November , 2009.

Mr. Sunil Arora, Chairman and Director has been nominated by RSMML in place of Mr. C.S. Rajan, Chairman and Director as its nominee with effect from 24th November 2009.

Mr. Tuhin Kumar Mukherjee has been re-appointed as mining director with effect from 15th February 2010 for a period of three years as nominee of Raj WestPower Limited.

Mr. Naresh Pal Gangwar and Mr. Akhil Arora, Director has been nominated by RSMML in place of Mr. Shreemat Pandey and Mr. Sanjay Malhotra, Directors respectively with effect from 11th May, 2010 as its nominees.

Mr. Lalit Kumar Gupta, Director have been nominated by RWPL in place of Mr. Upinder Singh, Director respectively with effect from June 15, 2010 as its nominee.

Your Directors place on record their deep appreciation for the valuable services rendered by Mr. Akhil Arora, Mr. S.S. Rao, Mr. C.S. Rajan, Mr. Shreemat Pandey and Mr. Sanjay Malhotra, Mr. Upinder Singh during their tenures as Directors.

### 8. Composition of Audit Committee

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

- 1) Mr. Akhil Arora
- 2) Mr. Lalit Kumar Gupta
- 3) Mr. Sanjay Sagar

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

### 9. Directors' Responsibility Statement

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

- a) In the preparation of the annual accounts for the year ended 31st March 2010, the applicable accounting standards have been followed and there is no material

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

#### **10. Auditors**

The Statutory Auditors M/s Vinod Singhal & Company, 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 2009-10.

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

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

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

#### **12. Foreign Exchange Earnings and Outgo**

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

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

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

#### **14. Acknowledgment**

Your Directors wish to place on record their appreciation for the cooperation and assistance received from the Government of Rajasthan, various Government departments and authorities, banks, consultants, Rajasthan State Mines and Minerals Limited and Raj West Power Limited.

**For and on Behalf of the Board**

Place: Jaipur  
Date : 17.08.2010

**Sunil Arora**  
Chairman





Barmer Lignite Mining Company Limited

## AUDITORS' REPORT

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

1. We have audited the attached Balance Sheet and annexures thereto of Barmer Lignite Mining Company Limited, as at 31<sup>st</sup> March, 2010 and also annexed Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those standard require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraph 4 & 5 of the said order.
4. Further to our comments in Annexure referred to above, we report that:
  - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - ii. In our opinion, proper books of accounts as required by law have been kept by the company so far as it appears from our examination of those books;
  - iii. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
  - iv. In our opinion, the Balance Sheet Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956;
  - v. As per the explanations given to us that it is a Government Company, therefore the provisions of section 274(1)(g) of the Companies Act, 1956 are not applicable to it as per G.S.R. no. 829 (E) dated 21.10.2003 of the Companies Affair Department, Finance Ministry.
  - vi. In our opinion and to the best of our information and according to the explanations give to us, the said account give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
    - a. in the case of Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2010.
    - b. in the case of the profit and loss account of the loss for the year ended on that date and
    - C. in the case of Cash Flow Statement, of the cash flow for the year ended on that date.

**For Vinod Singhal & Co.**  
Chartered Accountants

**Vinod Kumar Singhal**  
Partner  
Membership No. 074391

Place: Jaipur  
Date: 17.08.2010

**Annexure to Auditor's Report****Barmer Lignite Mining Company Limited****Referred to in paragraph 3 of our report of even date.**

- (i) In respect of its fixed assets.
  - (a) The company has no any Fixed Assets.
  - (b) Above reference (i) (a) is not Applicable.
  - (c) Above reference (i) (a) is not Applicable.
- (ii) In respect of Inventories
  - (a) Company has not Commenced its Business operation, and there is no inventory as on the date of balance sheet.
  - (b) Above reference (i) (a) is not Applicable.
  - (c) Above reference (i) (a) is not Applicable.
- (iii) (a) As informed, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the registered maintained under section 301 of the companies Act, 1956. Accordingly, sub-clause (b), (c) and (d) are not applicable.
  - (b) The company has taken unsecured loan from M/s Raj West Power Limited of Rs. 3016575000/- covered in the register maintained under section 301 of the companies Act, 1956.
  - (C) In our opinion, the rate of interest and other terms and conditions of such loan are not prima facie prejudicial to the interest of the company.
  - (d) The party has not repaid the principal amount of loan as stipulated and no provision of interest is made because condition of loan given by M/s Raj West Power Limited is pending for acceptance of senior lenders of the company. Interest loan for this year has been shown as Contingencies liabilities. As Reported, Company has not accepted any other loan.
- (iv) Company has not commenced the Business activities, so this clause does not apply.
- (v) According to the information and explanations provided by the management there were no transactions during the year pursuant to the contracts or arrangements referred to in section 301 of the act. Accordingly, sub-clause (b) is not applicable.
- (vi) In our opinion and according to the information and explanation given to us, to us, in the financial year Company has not accepted any public deposit, so section 58 A and 58 AA of Companies Act, 1956, does not apply.
- (vii) In our opinion, internal audit system is not compulsory for this Company.
- (viii) As per section 209(1)(d) the company is required to maintain cost records, since the company has not commenced the business, has not maintained any cost records.
- (ix) a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employee state insurance, income tax, sales tax, wealth tax, service tax, excise duty, custom duty, cess and other material statutory dues to the extent application to it.
  - b) According to the information and explanation given to us no undisputed amount payable in respect of provident fund, investor education and protection fund, employee state insurance, Income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues were outstanding, at the year end, for period of more than six months from the date they become payable.
  - c) According to the records of the Company, no dues of sales tax, investor education and protection fund, income tax, custom duty, wealth tax, excise duty and cess on account of any dispute.
- (x) In our opinion, the Company has incurred cash losses of Rs. 99,731/- during the financial year covered by the audit and it has not incurred cash losses in the immediately proceeding 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 and Bank.



### **Barmer Lignite Mining Company Limited**

- (xii) In our opinion and accordance to the information and explanation given to us Company has not granted any Loan and Advances against security of shares, debentures and other securities.
- (xiii) In our opinion, the company is not a Chit Fund/a Nidhi/Mutual benefits fund/Society. Therefore the provision of clause 4(xiii) of the Companies (Auditor Report) Order, 2003 are not applicable to the company.
- (xiv) In our opinion, the company is not dealing or trading in Shares, Securities, Debentures and other Investment. According to the provision of clause 4(xiv) of the Companies (Auditor Report) Order, 2003 are not applicable to the company.
- (xv) In our opinion and according to the information given to us, company has not given any guarantee for loan taken by other bank or financial institution.
- (xvi) In our opinion and according to the information given to us that company has not accepted any term loan.
- (xvii) According to the information and explanation given to us and on an overall examination of Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The company has not made any preferential allotment of shares, so clause (xviii) is not applicable.
- (xix) The company has not issued any Debentures in this year so provision of clause (xix) is not applicable.
- (XX) The company has not raised any money through a public issue during the year.
- (xxi) Based upon the audit Procedure performed for the purpose of reporting the true and fair view of the financial statements and information and explanation given by the management, we have report that no fraud on or by the company has been noticed or reported during the course of our audit.

**For Vinod Singhal & Co.,**  
Chartered Accountants

**Vinod Kumar Singhal**  
Partner  
Membership No. 074391

Place : Jaipur  
Date : 17.08.2010

## BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2010

(Amount in Rs.)

	Schedule	As at 31st March,2010	As at 1st March,2009
<b>SOURCES OF FUNDS</b>			
<b>1. Shareholders' Funds</b>			
Share Capital	A	200,000,000	200,000,000
Share Application Money		-	-
<b>2. Loan Funds</b>			
Unsecured Loans	B	3,016,575,000	757,775,000
<b>TOTAL</b>		<b>3,216,575,000</b>	<b>957,775,000</b>
<b>APPLICATION OF FUNDS</b>			
<b>1. Fixed Assets</b>			
a) Gross block		-	-
b) Less : Depreciation		-	-
c) Net Block		-	-
d) Capital work in Progress and Pre-operative Expenditure during the construction period (Pending Allocation)		3,227,930,995	963,054,586
	C	<b>3,227,930,995</b>	<b>963,054,586</b>
<b>2. Investments</b>		-	-
<b>3. Deferred tax asset</b>		724,656	-
<b>4. Current Assets, Loans &amp; Advances</b>			
a) Cash and Bank Balance	D	3,665,542	725,089
b) Loans and Advances	E	15,308,421	-
		<b>18,973,963</b>	<b>725,089</b>
<b>Less current liabilities &amp; Provisions</b>			
a) Liabilities	F	33,315,063	8,136,643
b) Provisions	G	-	-
		<b>33,315,063</b>	<b>8,136,643</b>
<b>Net Current Assets</b>		(14,341,100)	(7,411,554)
<b>5. Miscellaneous</b>			
Preliminary Expenses	H	-	2,131,968
		-	<b>2,131,968</b>
<b>6. Profit &amp; Loss Account</b>		2260449	-
<b>TOTAL</b>		<b>3,216,575,000</b>	<b>957,775,000</b>
Significant according Policies and Notes To Accounts. The above schedules form part of the Financial Statements			

As per our attached report of even date

For and on behalf of the Board of Director

**Vinod Kumar Singhal**  
Partner  
Membership No. 074391  
FRN: 005826C

**Sunil Arora**  
Chairman

**Tuhin Kumar Mukherjee**  
Managing Director

**Nitesh Gangwal**  
Company Secretary

Place: Jaipur  
Date : 17.08.2010



Barmer Lignite Mining Company Limited

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDING 31<sup>st</sup> MARCH, 2010

(Amount in Rs.)

	Schedule	For the year ended 31st March, 2010	For the year ended 31st March, 2009
<b>INCOME</b>			
Income From Operations :			
Sale of Lignite	I	-	-
Income from other sources	J	-	-
<b>Total Income</b>		-	-
<b>EXPENDITURE</b>			
Extraction cost of Lignite	K	-	-
Operation Maintenance & Other Expenses	L	99,731	-
<b>Total Expenditure</b>		<b>99,731</b>	
<b>Loss before prior period adjustment</b>		99,731	
Add Prior Period Adjustments	M	2,885,374	-
Profit(Loss) before Tax		<b>2,985,105</b>	-
Provision for Tax		(2,985,105)	
Current Income Tax		-	-
Deferred Tax (Net)		(724,656)	-
<b>Profit (Loss) after Tax</b>		<b>(2,260,449)</b>	-
<b>Balance Carried to Balance sheet</b>		<b>(2,260,449)</b>	-
Basic Earning Per Share (EPS) (Basic and diluted)		(0.11)	
Significant Accounting Policies and Notes to Accounts forming part of the Financial Statements	N		
The above schedules form part of the Financial Statements			

As per our attached report of even date

**Vinod Kumar Singhal**  
Partner  
Membership No. 074391  
FRN: 005826C

Place: Jaipur  
Date : 17.08.2010

For and on behalf of the Board of Director

**Sunil Arora**  
Chairman

**Tuhin Kumar Mukherjee**  
Managing Director

**Nitesh Gangwal**  
Company Secretary

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2010

(Amount in Rs.)

	For the year ended 31st March, 2010	For the year ended 31st March, 2009
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax and extra-ordinary items :	(2985105)	0
Adjusted for		
Depreciation		
Interest Income	0	0
Miscellaneous Expenditure written off	2,131,968	0
Loss on sale of fixed assets		
Interest Expenditure		
Exceptional Item - Sale Adjustments	753406	
Prior Period Adjustments	2885374	0
Operating profit before working capital charges	(99731)	0
<b>Adjustments for :</b>		
Trade and other receivables	0	
Trade payable	115440	
Inventories	0	
<b>Cash generated from operations</b>	<b>15709</b>	<b>0</b>
Direct Taxes Paid (Net)	0	0
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>15709</b>	
<b>B. CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Capital work in Progress (Net of Creditors)	(2,240,566,835)	(499,443,361)
Loans and Advances	(15,308,421)	-
<b>NET CASH USED IN INVESTMENT ACTIVITIES</b>	<b>(2,225,875,256)</b>	<b>(499,443,361)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Purchase of investments		
Proceeds from Borrowings	2,258,800,000	498,000,000
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>2,258,800,000</b>	<b>498,000,000</b>
 <b>NET INCREASED (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	 <b>2,940,453</b>	 <b>(1,443,361)</b>
 <b>CASH AND CASH EQUIVALENTS - OPENING BALANCE</b>	 <b>725,089</b>	 <b>2,168,450</b>
 <b>CASH AND CASH EQUIVALENTS - CLOSING BALANCES</b>	 <b>3,665,542</b>	 <b>725,089</b>

Note :

- The above cash flow statement has been prepared by using the indirect method as per Accounting Statement. 3

As per our attached report of even date

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

**Vinod Kumar Singhal**  
Partner  
Membership No. 074391  
FRN: 005826C

**Sunil Arora**  
Chairman

**Tuhin Kumar Mukherjee**  
Managing Director

**Nitesh Gangwal**  
Company Secretary

Place: Jaipur  
Date : 17.08.2010



SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2010

(Amount in Rs.)

	As at 31st March, 2010	As at 31st March, 2009
<b>SCHEDULE 'A' - SHARE CAPITAL</b>		
<b>1. Authorized</b>		
2,00,00,000 (Previous Year 2,00,00,000) Equity Share of Rs. 10each	200,000,000	200,000,000
<b>2. Issued , Subscribed &amp; Paid Up</b>		
2,00,00,000 (Previous Year 2,00,00,000) Fully Paid Equity Shares of Rs. 10 each of the above shares 1,02,00,000 shares allotted as fully paid-up without payment being received in cash	200,000,000	200,000,000
<b>SCHEDULE 'B'- UNSECURED LOANS</b>		
Subordinated Debt (From Others) (Please refer note no. 2 (m) of Notes to Accounts)	3,016,575,000	757,775,000
<b>SCHEDULE 'C' - CAPITAL WORK IN PROGRESS PRE OPERATIVE EXPENDITURE DURING THE CONSTRUCTION PERIOD (PENDING ALLOCATION)</b>		
<b>CAPITAL WORK IN PROGRESS</b>		
<b>Plant and Machinery &amp; Civil Works</b>		
Capital Advances	2,675,652,000	450,182,341
Rights under the implementation and Joint Venture Agreement	102,000,000	102,000,000
Sub Total A	2,777,652,000	552,182,341
<b>PRE-OPERATIVE EXPENDITURE (PENDING ALLOCATION)</b>		
<b>Opening Balance</b>	410,872,245	360,312,878
Geo Physical Logging & Drilling	31,225,958	24,979,084
Shape Stability Report Expenses	-	477,020
Digitization of images	-	738,400
Zoological Report expenses	-	250,000
EIA/EMP Expenses	1,733,385	30,000
NH Diversion Expenses	-	1,500,000
Mining Lease Expenses	5,239,812	-
Fuel Charge- Coal Linkage	-	5,00,000
Mining Plan Expenses	5,61,800	-
Trenching Expenses	6,32,773	-
Legal Professional Charges	37,800	49,366
Rates & Taxes	-	284
Advertisement & Publication	340,986	2,132,927
Travelling Expenses	25,801	45,542
LAO Expenses	361,841	-
Income Tax (08-09)	-	31,094
Fringe Benefit Tax (08-09)	-	175
Interest & Finance Charges	-	19,495,610
Audit Fees	-	33,090
General Expenses	-	397,365
Total	451,032,401	41,097,2835
Less : Interest on Fixed Deposit (TDS Rs /-)	-	100,590
Less : Amount transferred to Profit and Loss account	753,406	-
Sub Total B	450,278,995	41,087,245
TOTAL A+ B	3,227,930,995	963,054,586
<b>SCHEDULE 'D' - CASH AND BANK BALANCE</b>		
<b>Balance with scheduled banks</b>		
In Current accounts	3,665,542	725,089
	3,665,542	725,089

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2010**

(Amount in Rs.)

	As at 31st March, 2010	As at 31st March, 2009
<b>SCHEDULE 'E' - LOANS AND ADVANCES</b>		
Unsecured considered Good		
Advances recoverable in cash or in kind or for value to be received	15,308,421	-
	<b>15,308,421</b>	-
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>SCHEDULE 'F' CURRENT LIABILITIES</b>		
Project capital Creditors	33,199,623	8,136,643
(Other than to Micro, small Medium Scale Industries		
Sundry Creditors (Other than to Micro, Small Medium Scale Industries)	115,440	-
*No amount due to be credited in investor Education and Protection Fund		
	<b>33,315,063</b>	8,136,643
<b>SCHEDULE 'G' Provisions</b>		
Provisions for FBT net of advance tax	-	-
Provisions for income Tax net of Advance Tax & TDS Receivable	-	-
<b>SCHEDULE 'H' MISCELLANEOUS EXPENDITURE</b>		
Preliminary Expenses	-	2,131,968
<b>SCHEDULE 'I' SALE OF LIGNITE</b>		
Lignite	-	-
<b>SCHEDULE 'J' OTHER INCOME</b>		
Income from Other Sources	-	-
<b>SCHEDULE 'K' - EXTRACTION COST OF LIGNITE</b>		
South West Mining Limited	-	-
<b>SCHEDULE 'L' OPERATION MAINTENANCE &amp; OTHER EXPENSES</b>		
Audit Fee	55,150.00	-
ROC Fees	5,500.00	-
Depository Charge	5,558.00	-
Professional fees	30,923.00	-
Bank Charges	2,200.00	-
Income Tax (08-09)	400.00	-
	<b>99,731.00</b>	-
<b>SCHEDULE 'M' PRIOR PERIOD ADJUSTMENTS</b>		
Audit Fee	83,652.00	-
Bank Charges	8,165.00	-
ROC Fees	15,280.00	-
Stamp Duty on share issue	1,99,500.00	-
Rates and Taxes	5,853.00	-
Income Tax	31,094.00	-
Fringe Benefit Tax	175.00	-
Legal and Professional Fees	10,277.00	-
Coal Linkage Application fees	5,00,000.00	-
Preliminary expenses written off	2,131,968.00	-
Interest Income	(100590.00)	-
	<b>2,885,374.00</b>	-





## SCHEDULES FORMING PART OF THE ACCOUNTS AS AT 31<sup>st</sup> MARCH, 2010

### SCHEDULE 'N'

#### Significant accounting policies and notes to accounts

#### 1. Significant Accounting Policies

##### (a) General :

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

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

##### (b) Fixed Assets :

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

##### **Expenditure incurred during construction period :**

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

##### (c) Depreciation :

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

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

##### (d) Impairment of Assets :

In accordance with AS 28 on "Impairment of Assets" issued by ICAI , where there is an indication of impairment of the company's assets relating to cash s generating units, the carrying amount of such assets are reviewed at each balance sheet data 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 and loss account whenever carrying amount such assets exceeds its recoverable amount.

##### (e) Investments :

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

##### (f) Inventories :

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

##### (g) Foreign Exchange Transactions :

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

transaction. Foreign currency designated assets, liabilities and capital commitments are stated at the year end rates. The exchange differences are adjusted to carrying cost of the fixed assets acquired outside India if they relate to fixed assets and to profit and loss accounts in other cases.

**(h) Borrowing Cost :**

Borrowing Costs (including exchange difference) 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 for its intended use.

**(i) Retirement Benefits :**

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

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

Leave encashment liability is charged to profit and loss account on the basis of actuarial valuation as at the year-end. There is no impact of the same on the current year.

**(j) Taxes on Income :**

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

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

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however there are expenditure charged off during the year which has been written off for accounting purposes and the charged incurred in the current year but is allowable for tax purposes over a period of time. In this case, the assets representing that expenditure would have a balance only for

tax purposes but not for accounting purposes. 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 realised.

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

**(k) Provisions and Contingent Liabilities :**

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

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

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



## Barmer Lignite Mining Company Limited

### 2. Notes to accounts :

(a) **Acquisition of Kapurdi Mining Block :** Company has paid a lump sum of Rs. 268,00,00,000/- (Rupees Two Hundred Sixty Eight Crores Only) to Rajasthan State Mines & Minerals Limited (RSMML) towards the compensation for land acquisition of 17323.05 bighas of Kapurdi Mining Block as per award issued by Land Acquisition Officer vide its order dated 14th September, 2009 who has in turn paid the compensation to the land owners. Presently, the mutation process is under progress after which the land would be transferred in the name of RSMML. and which would later be transferred in the name of the Company.

(b) **Mining Plan and EIA/EMP Expenses :** During the year, Company has booked the expenses of Rs. 15,84,276/- pertaining to the financial year 2008-09 towards mining plan and EIA/EMP expenses.

(c) **Geophysical Logging and Drilling Expenses :** During the year, Company has received the grant of mining lease for Kapurdi Mining Block on 22nd March, 2010 with the prior condition of reimbursement of expenses borne by Directorate of Mines and Geology, Rajasthan (DMGR) of Rs. 3,12,32,983/- as indicated by DMGR in its recommendation for grant of mining lease to RSMML. by Government of Rajasthan, Accordingly, the Drilling expenses have been booked.

(d) **Contingent Liabilities not provided for :** Cumulative interest amounting to Rs. 29,59,85,647/- (up to Previous Year Rs. 9,62,51,599) @ 10% p.a. on unsecured loan (in the form of subordinated debt) of Rs. 3,01,65,75,000 (Previous Year Rs. 75,77,75,000) has not been provided, since the same is subject to Lender's

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

	<b>MARCH 31, 2010</b>
Preliminary Expenses Written Off	21,31,968
Deferred Tax Assets (Liability)	7,24,656

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

	<b>MARCH 31, 2010</b>
Net Profit (Loss) as attributable to equity shareholders (A) (Rs.)	(22,60,449)
Weighted Average Number of equity shares outstanding during the period (Face Value - Rs. 10 per share (B)	2,00,00,000
Earning Per Share (Basic and Diluted (A/B)	(0.11)

approval.

(e) Ministry of Environment & Forests (MOEF) vide granting Environment Clearance dated 10th December, 2008 for Kapurdi Mining Block has imposed the specific condition no. (xxi) of making a provision for at least 2 crores / annum recurring expenditure in consultation with local communities towards CSR Activities. The Company has not made any provision for the same since the commercial operation has not started and mining lease has not been executed with Government of Rajasthan during the year 2009-10.

(f) The project is under implementation and yet to commence commercial operations. In view of the Opinion issued by the Expert Advisory Committee of the Institute of Chartered Accountants of India (ICAI) on 15.12.2009, a Profit & Loss Account has been prepared as required by AS-26. Accordingly, the indirect expenses including starts up costs incurred which are not attributable to the project during the previous years have been charged to Profit & Loss Account for the year as a prior period expense. Also the incorporation expenses in the nature of Preliminary expenses carried forward as miscellaneous expenditure not written off in the Balance Sheet during the year 2006-2007 has been rectified in the current year and charged to Profit and Loss Account as prior period expenses in accordance with AS-5. The impact of Prior period adjustment is Rs. 28,85,374/- (Previous year NIL) during the year, which has been reflected in Profit & Loss Account. Further such expenses incurred during the current year has also been charged to Profit & Loss Account.

- (i) Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) Nil (Previous Year Rs. 16,20,000).
- (j) Based on the information available with the Company regarding the status of the suppliers as defined under the Micro, Small and Medium Enterprises Development Act, 2006, there are not amounts due to Micro, Small and Medium Enterprises suppliers on account of principal and/or interest as at the close of the year
- (k) Remuneration to Auditors :  
Audit fees (including service tax)  
**31.03.2010**                      **31.03.2009**  
Rs. 5,150                              Rs. 33,090
- (l) 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
- (m) During the current year, the company has received Rs. 2,25,88,00,000 (Previous Year Rs. 49,80,00,000) from joint venture partner RWPL towards Subordinate Debt as per the Joint Venture agreement and the proceeds were used to effect payment to various parties to whom work orders have been awarded.
- (n) Related party Disclosure as per Accounting Standard 18  
(i) List of Related Parties :  
Parties where control exists  
Raj West Power Limited (RWPL)- Joint Venture Partner  
(ii) Related Party Transactions  
Transaction with related parties

1. Transaction with Joint Venture Partner		(Amount in Rupees)
Nature of Transaction		RWPL
Transaction during the period		2,25,88,00,000
Subordinated Loan (Unsecured Loan)		(49,80,00,000)

2. Closing balance of related parties :

(Amount in Rupees)		
Name of the Related Party	31,03,2010	31.03.2010
Raj.West Power Limited (RWPL)	3,01,65,75,000	75,77,75,000

**Notes:**

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

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

As per our attached report of even date

**Vinod Kumar Singhal**  
Partner  
Membership No. 074391  
FRN: 005826C

Place: Jaipur

For and on behalf of the Board of Director

**Sunil Arora**  
Chairman

**Tuhin Kumar Mukherjee**  
Managing Director

**Nitesh Gangwal**  
Company Secretary



Barmer Lignite Mining Company Limited

## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

<b>1.</b>	<b>Registration details</b>	
	Registration No.	<b>U14109RJ2007SGC02368</b>
	State Code No.	<b>17</b>
	Balance Sheet Date	<b>31.03.2010</b>
		<b>Amount in Rs. '000</b>
<b>II</b>	<b>Capital raised during the year</b>	NIL
<b>III</b>	<b>Position of mobilisation and deployment of funds</b>	
	Total Liabilities	32,49,890
	Total Assets	32,49.890
	<b>Sources of Funds</b>	
	Paid-up Capital & Share Application Money	2,00,000
	Reserves and Surplus	NIL
	Secured Loans	NIL
	Unsecured Loans	30,16,575
	Deferred Tax Liability	NIL
	<b>Application of Funds</b>	
	Net Fixed Assets	NIL
	Investments	NIL
	Capital work in Progress Pre Operative	32,27,931
	Net Current Assets	(14,341)
	Profit & Loss Account	2,260
	Miscellaneous Expenditure	NIL
	Deferred Tax Asset	725
<b>IV</b>	<b>Performance of the company</b>	
	Turnover	Nil
	Total Expenditure	2,985
	Profit/(Loss) before tax	(2,985)
	Profit (Loss) After tax	(2,260)
	Earnings per share (In Rs.)	(0.11)
	Dividend Rate %	NIL
<b>V</b>	<b>Generic Name of principal product of the Company (as per monetary terms)</b>	
	Item code No.	
	Product Description	Lignite

As per our attached report of even date

For and on behalf of the Board of Director

**Vinod Kumar Singhal**  
Partner  
Membership No. 074391  
FRN: 005826C

**Sunil Arora**  
Chairman

**Tuhin Kumar Mukherjee**  
Managing Director

**Nitesh Gangwal**  
Company Secretary

Place: Jaipur

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

<b>CAG COMMENTS</b>	<b>MANAGEMENT REPLY</b>
<p>The preparation of financial statements of Barmer Lignite Mining Company Limited, Jaipur for the year ended 31 March 2010 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 17.08.2010.</p> <p>I, on behalf of the Comptroller and Auditor General of India have conducted a supplementary audit under section 619(3) of the Companies Act ,1956 of the financial statements of Barmer Lignite Mining Company Limited, Jaipur for the year ended 31 March 2010. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under section 619(4) of the Companies Act, 1956 which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related Audit Report.</p>	<p>No response required.</p>



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

