

original

**MAHARASHTRA STATE MINING CORPORATION LIMITED**

CIN NO: U10100MH1973SGC017008

Plot No. 7, Ajni Chowk, Wardha Road, Nagpur - 440015

## Board Report

*To the Members,*

The Directors have pleasure in submitting their Annual Report of the Corporation together with the Audited Statements of Accounts for the year ended 31<sup>st</sup> of March, 2015.

### 1. Financial Results

The Corporation's financial performance for the year under review alongwith previous years figures are given hereunder:

Particulars	31/03/2015 (Rupees in '000)	31/03/2014 (Rupees in '000)
Profit/Loss before depreciation and amortization	20,06,949.28	6,87,04,376.88
Depreciation and amortization for the year	0.00	0.00
Net Profit/Loss after depreciation and amortization	20,06,949.28	6,87,04,376.88
Exceptional Items	0.00	0.00
Prior Period Income / Expenses	38,61,481.00	79,546.00
Profit before extraordinary items and tax	-18,54,531.72	6,87,83,922.88
Extraordinary Items	0.00	0.00
Profit before tax	-18,54,531.72	6,87,83,922.88
Income Tax earlier years	20,62,071.45	0.00
Current tax expense	8,52,250.00	2,08,99,494.00
Deferred tax expense	-1,40,426.00	8,92,434.00
Profit/Loss for the period from continuing operations	-33,61,427.17	4,69,91,994.88
Profit/Loss from discontinuing operations	0.00	0.00
Tax expense of discontinuing operations	0.00	0.00
Profit/Loss from discontinuing operations (after tax)	0.00	0.00
Profit/Loss transferred/adjusted to General Reserve	-33,61,427.17	46,991,994.88
Basic earnings per equity share	-16.26	227.36
Diluted earnings per equity share	-16.26	227.36

### 2. DIVIDEND

As per Article No. 91 of Articles of Association, declaration of Dividend requires prior approval of Governor of Maharashtra. In view of non-receipt of Hon'ble Governor's approval for the previous year's Dividend, the Board does not recommend any dividend for the Current year.

### 3. REVIEW OF BUSINESS OPERATIONS

Your Directors wish to present the details of Business operations done during the year under review:

- a. **Production and Sales:** The mineral production and sales during the year 2014-2015 as compared to those of the preceding year 2013-2014 were as under:

Minerals	Opening Stock (In MT)	Production (In MT)	Sales	
			(In MT)	(Rs. In lakh)
Sillimanite	81.17	275.360	221.000	4.53
P.Y.	(422)	(82)	(369)	(6.600)
Corundum	1.560	0.000	0.000	0.000
P.Y.	(2)	(0)	(0)	(0)
Pyrophyllite	438.820	1410.520	1215.000	8.77
	(419)	(1020)	(1000)	(5.39)
Fluorite (Graded)	6901.330	2946.43	0.000	0.000
	(5613)	(2462)	(1120)	(58.53)
Fluorite (Waste Dump)	0.000	0.000	0.000	0.000
	0	(25)	(25)	(0.43)
Dolomite (Graded)	5535.480	1064.03	1054.170	4.78
	(5611)	(957)	(1000)	(3.05)
Dolomite (Mineralised Waste)	0.000	0.000	0.000	0.000
	(0)	(0)	(0)	(0)
Lime stone	67.920	0.000	0.000	0.000
	(68)	(0)	(0)	(0)
Kyanite	10.590	0.000	0.000	0.000
	(10)	(0)	(0)	(0)
Iron Ore (Lumps)	6085.890	5218.340	6692.06	95.29
	(8146)	(5078)	(6783)	(96.92)
Iron Ore (Fines)	0.000	2840.000	2840.000	12.070
	(0)	(3144)	(3145)	(10.85)
<b>Total</b>	<b>19122.76</b>	<b>13574.680</b>	<b>12022.23</b>	<b>125.44</b>
	(20291)	(12768)	(13442)	(181.77)

Note: Figures mentioned in brackets are of Preceding Year i.e. F.Y. 2013-2014.

The mine-wise production and sale value of the minerals during the financial year 2014-15 are as under:

SR. No.	Name of Mine	Production (MT)	Sale (MT)	Sale Value (Rs.)
1.	Khursipar Iron Ore Mine	8058.340	9532.060	1,07,35,817/-
2.	Patgowari Dolomite Mine	1064.030	1054.170	4,78,377/-
3.	Pohara Sillimanite Mine	1685.880	1407.000	12,91,591/-
4.	Garhpendhri Mine (East)	---	29.000	38,280/-
5.	Nawargaon-Chowa Kyanite Mine	---	---	---
6.	Dongargaon Fluorite Mine	2946.430	---	---
7.	Phondaghat Silica Sand Mine	--	73,477.00	10,99,034/-

**b. ON GOING PROJECTS:**

**KHURSIPAR IRON ORE MINE:** - Due to low Fe content, the iron ore of Khursipar Iron Ore Mine could not get regular market. Efforts were made in this regard by way of floating tenders. During the current year MSMC sold 9532.060 M.T. iron ore to various consumers. The revenue generation by sale of iron ore during the year is about Rs. 1, 07, 35,817/-.

**DONGARGAON FLUORITE MINE:** - The production of fluorite ore during the year is about 2946.430 M.T. which is marginal more than that of last year. However, there was no sale of fluorite mineral for the current year.

**POHARA SILLIMANITE MINE:** - During the year the production of Sillimanite is 275.360 & that of Pyrophyllite is 1410.520. The revenue generation from the sale is Rs. 12, 91,591/-.

**PATGOWARI DOLOMITE MINE:** - The production of dolomite during the financial year 2014-15 is 1064.030 M.T. and the revenue generation by sale is Rs. 4, 78,377/-.

**GAURALA LIMESTONE MINE:** - Due to non-receipt of Environment and Forest Clearance the mine is non-operative during this financial year.

GARHPENDHRI SILLIMANITE MINE (EAST):- Due to non-availability of manpower and high stripping ratio, the manual mining operation becomes non-viable. Hence, the mining operations were totally closed. But Rs. 38,280/- was obtained from the sale of 29.00 M.T of Sillimanite lumps of the mine.

PHONDAGHAT SILICA SAND MINE: - This mine is run by M/s Chirag Sanditext Private Limited through sub-lease agreement w.e.f. 1999 to 2015. Revenue obtained from the mine is Rs.10, 99,034/-.

KADAVAL FELDSPAR MINE: - Since the mining area is covered under forest and as MSMC could not get 'No Objection Certificate' under Forest Conservation Act, the mine is non-operative.

MINERAL DEVELOPMENT FUND: - Your Corporation has been appointed as "Shell Agency" by the Government under State Mineral Policy 1999 to perform various functions as defined in the State Mineral Policy. Accordingly addendum to the "Primary Objectives" of Memorandum & Articles of Association has been incorporated to perform functions of Shell Agency. Government has enacted Maharashtra Mineral Development (Creation & Utilization) Fund Act and framed Rules there under for making special provision for its utilization towards mineral exploration and development of mining activities in the State, and for matters connected there with or incidental thereto.

This fund is to be utilized for carrying out on-going activities of Corporation as well as for working as Shell Agency and for providing infrastructure facilities like, road, water, electricity or for maintaining the ecological and environmental balance in the areas affected by mining. Your Corporation received an amount of Rs. 687.67 crores from Mineral Development Fund (MDF) upto financial year 2014-15, out of which Rs. 32.97 crores was allocated to Directorate of Geology and Mining and Rs.27.71 crores was allocated to MSMC which will be utilized for various on going projects specially development of Pohara Mine and new projects. Your Corporation has utilized an amount of Rs. 9.89 crores up to 31/03/2015.

MSMC Shell Agency has received amount of Rs. 460.52 Crore towards Mineral Development Fund for various district since from the period 1999-2000 to 2014-15. Government of Maharashtra has provided Administrative approvals for Rs.602.71 Crore for works out of which MSMC has distributed Rs. 363.77 crores to various districts up to 31/03/2015.

#### **4. MATERIAL CHANGES AND COMMITMENT AFFECTING THE FINANCIAL POSITION OF THE CORPORATION**

Ministry of Coal, Government of India had allotted four Coal blocks under 'Government Dispensation Scheme', but all the Coal blocks were deallocated by Hon'ble Supreme Court's Order & Ministry of Coal.

However, Agarzari Coal block got deallocated due to non-receipt of forest clearance in 2010. Warora Coal block got deallocated in January, 2015 due to non-achievement of mile stone. The other two Coal blocks were deallocated by Hon'ble Supreme Court's Order on 25<sup>th</sup> September, 2014. Due to deallocation of Warora and Adkoli coal block the Corporation is liable to refund Sweat Money which was received from the Joint Venture partners.

#### **5. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is not applicable to the Corporation.

#### **6. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE CORPORATION ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

Due to deallocation of coal blocks, the corporation is not receiving any interest on the balance amount of sweat money, which is due from JV Partner. Moreover the sweat money which is lying with us is also liable to refund. Interest income on sweat money was one of the main sources of income of the corporation. Also with the applicability of 6<sup>th</sup> Pay Commission, the operating and administrative expenses of the corporation have increased manifold due to which the profit of the corporation has been affected and in view of the above, the Corporation has decided not to make any expenses in CSR activities.

#### **7. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

There were no loans, guarantees or investments made by the Corporation under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

### 8. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

Contracts or arrangements made with related parties as defined under Section 188 of the Companies Act, 2013 are not applicable to Government Companies.

### 9. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING CORPORATION SECRETARY IN THEIR REPORTS

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

### 10. CORPORATION'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are not applicable to the corporation and hence the Company has not devised any policy relating to appointment of Directors, payment of Managerial remuneration, Directors qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013.

### 11. ANNUAL RETURN

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is furnished in Annexure 1 and attached to this Report

### 12. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

The Corporation had four Board meetings respectively on 25<sup>th</sup> June, 2014, 8<sup>th</sup> September, 2014, 9<sup>th</sup> October, 2014 and 30<sup>th</sup> January, 2015 during the financial year under review.

### 13. DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility Statement:

- a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

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

#### **14. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

The Corporation is having two Subsidiary Companies i.e. MSMC ADKOLI NATURAL RESOURCES LIMITED and MSMC WARORA COLLIERIES LIMITED.

The Corporation is also having Joint Venture i.e. MAHA TAMIL COLLIERIES LIMITED.

#### **15. DEPOSITS**

The Corporation has neither accepted nor renewed any deposits during the year under review.

#### **16. STATUTORY AUDITORS**

The Comptroller and Auditor General of India, New Delhi re-appointed M/s C.N. Patel & Co., Chartered Accountants, Nagpur as Statutory Auditors in accordance with Sec. 139(1) of the Companies Act, 2013.

#### **17. SHARES**

##### **a. BUY BACK OF SECURITIES**

The Corporation has not bought back any shares during the year under review.

##### **b. SWEAT EQUITY**

The Corporation has not issued any Sweat Equity shares during the year under review.

##### **c. BONUS SHARES**

No Bonus Shares were issued during the year under review.

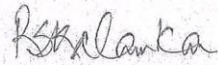
d. EMPLOYEES STOCK OPTION PLAN

The Corporation has not provided any Stock Option scheme to the employees.

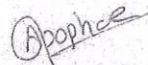
ACKNOWLEDGEMENTS

Your Directors are grateful to the Government of Maharashtra for its esteemed counsel, valued guidance and financial support and take this opportunity to thank all the workers and employees for the co-operation rendered by them during the year under report.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS



Shri. R.S. Kalamkar  
Managing Director



Shri. A.M. Pophare  
Director

Date:

Place: Nagpur





**INDEPENDENT AUDITOR'S REPORT**

To  
The Members of  
Maharashtra State Mining Corporation Limited.  
Nagpur

**Report on the Financial Statements**

1. We have audited the accompanying financial statements of Maharashtra State Mining Corporation Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, and the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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



auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

7. *Matter of Emphasis:*

a) *Balance Confirmation are not received towards the following amounts receivable from the Joint Venture Partners as at 31<sup>st</sup> March 2015:*

1. *Gupta Coal (India) Ltd.: Rs. 343.67 lacs (Towards Expenses made for Joint venture Company, to be recovered from them as per the JV agreement.)*
2. *Gupta Coal (India) Ltd. : Rs.560.11 lacs (Towards interest receivable on deferred Sweat money)*
3. *Sunil Hitech Energy Private Ltd. : Rs. 88.62 lacs (Towards interest receivable on deferred Sweat money)*

b) *During the year company has made provision for mine closure expenses of Rs. 166.65 lacs as required by Mines and Minerals (Development and Regulation) Act, 1957 and Mineral Conservation and Development Rules, 1988 as amended time to time. Company has made provision for mine closure expenses for the first time and total cost estimated for mine closure is written off over the remaining useful life of the mine. As per explanation given to us mine closure expenses are estimated on the basis of activity to be carried out at the time of final mine closure and these activities may differ from the activities mentioned in progressive mine closure plan.*

**Opinion**

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

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date;
- c) Cash flow for the year ended on that date.

**Report on other Legal and Regulatory Requirements**


9. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.



10. As required by section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
- c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified in Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 *except that disclosures as required as per AS-15 (Revised) on Employee Benefits and disclosure of amount of interest in JV companies as required by AS-28 are not made.*
- e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of section 164(2) of the Companies Act, 2013.
- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer note 24 to the financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For C.N. Patel & Co.  
Chartered Accountants  
(FRN: 112552W)

  
Amit Kurani  
Partner  
(Membership No.:111132)



Place: Nagpur  
Date:

1.4 AUG 2015

### Annexure to Independent Auditor's Report

Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our independent auditors report on the standalone Financial statement of evendate

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

- i. In respect of its Fixed Assets:-
  - a) The company has maintained fixed asset register but it do not contain complete quantitative details and situation particulars of fixed assets.
  - b) Fixed assets were not physically verified by the management any time during the year.
  - c) In our opinion and according to the information and explanations given to us, company has not disposed off any substantial part of its fixed assets during the year and the going concern status is not affected.
- ii. In respect of its Inventory:-
  - a) As explained to us, inventories have been physically verified during the year by the management at regular intervals. In our opinion, the frequency of verification is reasonable.
  - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
  - c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. The discrepancies noticed on physical verification of stocks were not material with regard to size and nature of operation of the company. Proper effects are given in the books of accounts for such discrepancies.
- iii. (a) The company has given loan to the company covered in the register maintained under Section 189 of the Companies Act, 2013.

Name of the Company	Nature of Loans & Advances	Loan during the year	Year end balances
Maha Tamil Collieries Ltd.	Interest Free Unsecured loan	Nil	Rs. 78,70,000/-

- (b) The loan is given interest free without stipulating repayment period.
  - (c) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not taken loans from companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, 2013.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of the inventory, fixed assets and sale of goods and services except that labour payments are made in cash and there is no system of salary/employee audit. No steps to correct these weaknesses in the internal controls have been noticed.



- v. In our opinion and according to the information and explanation given to us the company has not accepted any deposits from public.
- vi. The Central Government has prescribed for cost records to be maintained under clause (d) of sub-section (1) of section 148 of the Act, however company has not maintained the same.
- vii. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us no statutory dues are outstanding as on as on 31<sup>st</sup> of March, 2015 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are following amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.

Name of Statute	Nature of the dues	Amount	Amount Paid under protest	Period to which amount relates	Forum where pending
Income Tax	Income Tax demand as per Assessment Order.	585973.00	585973.00	F.Y. 2006-07	Company has gone in appeal to Assistant Commissioner of Income Tax against demand.
Income Tax	Income Tax demand as per Notice.	622220.00	----	F.Y. 2008-09	Company has applied for correction in TDS amount allowed by the department.
Income Tax	FBT demand as per notice	916456.00	----	F.Y. 2008-09	Appealed against the said notice.
Income Tax	Income Tax demand as per Notice.	16390.00		F.Y. 2010-11	Company has applied for correction in TDS amount allowed by the department.

- viii. The Company does not have any accumulated loss and has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.
- ix. The company have unsecured loan from Government of Maharashtra. Repayment is not made towards this loan in the absence of repayment condition in the sanction letter. The company do not have any other borrowings from financial institutions, bank or debenture holders.
- x. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.



- xi. Based on our audit procedures and on the information given by the management, we report that the company has not raised any term loans during the year and thus clause 4(xi) of the order is not applicable.
- xii. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31<sup>st</sup> March, 2015, we report that no funds raised on short-term basis have been used for long-term investment by the Company.

For C.N. Patel & Co.  
Chartered Accountants  
(FRN:112552W)



Amit Kurani  
Partner  
(Membership No.:111132)

Place: Nagpur

Date:

14 AUG 2015



Directions under Section 143(5) of the Companies Act, 2013.  
For the year ended 31<sup>st</sup> March, 2015

Sr.No	Query	Reply
1	If the Company has been selected for disinvestment, a complete status report in terms of valuation of Assets (including intangible assets and land) and Liabilities (including Committed & General Reserves) may be examined including the mode and present stage of disinvestment process."	Company is not selected for disinvestment.
2	Please report whether there are any cases of waiver/ write off of debts/loans/interest etc., if yes, the reasons there for and the amount involved.	As informed and verified by us, we have not observed any cases of waiver of debts/loans/interest etc.
3	Whether proper records are maintained for inventories lying with third parties & assets received as gift from Govt. or other authorities.	As per information given to us there are no inventories lying with third party.  Proper records of assets received from Govt. or other authorities are maintained.
4	A report on age-wise analysis of pending legal/ arbitration cases including the reasons of pendency and existence/ effectiveness of a monitoring mechanism for expenditure on all legal cases (foreign and local) may be given.	Details of pending legal/arbitration cases are as per Annexure-1. Age-wise bifurcation not provided to us.


Place : NAGPUR

Date :

14 AUG 2015



For C. N. Patel & Co.  
Chartered Accountants  
Firm Regn No.: 112552W

  
Amit Kurani  
Partner  
M.No.111132

Annexure-1: Details of Pending Legal/Arbitration cases

S.No.	Particulars	31.03.2015 (Rs. In Lacs)
1.	Claim by Employees for Salary & other benefits	Amount not ascertainable
2.	Claims under Arbitration award appealed by the company	672.00
3.	Manse Profit payable to Landlord	12.12
5.	Disputed Income Tax Liability	21.41





Sub Directions Section 143 (5) of the Companies Act, 2013  
For the year ended March,2015

Sr.No	Query	Reply
1	Whether the company has taken adequate measures to reduce the adverse affect on environment as per established norms and taken up adequate measures for the relief and rehabilitation of displaced people.	As per the information and representation given to us adequate measures are taken to reduce the adverse effect on environment as per established norms
2	Whether the Company had obtained the requisite statutory compliances that was required under mining and environmental rules and regulations?	As per the information and representation given to us requisite statutory compliances that was required under mining and environmental rules and regulations are obtained.
3	Whether overburden removal from mines and backfilling of mines are commensurate with the mining activity?	Activity of overburden removal from mines and backfilling of mines is not undertaken by the company.
4	Whether the company has disbanded and discontinued mines, if so, the payment of corresponding dead rent there against may be verified.	There are several discontinued mines towards which dead rent is paid by the company.
5	Whether the company's financial statement had properly accounted for the effect of Rehabilitation Activity and Mine Closure Plan?	Company has made provision of Rs. 166.65 lacs towards Mine Closure expenses.

For C. N. Patel & Co.  
Chartered Accountants  
Firm Regn No.: 112552W

Place :NAGPUR

Date : 14 AUG 2015



  
Amit Kurani  
Partner  
M.No.111132



MAHARASHTRA STATE MINING CORPORATION LIMITED

BALANCE SHEET AS ON 31<sup>ST</sup> MARCH 2015

Sr.No.	PARTICULARS	Note No.	31/03/2015		31/03/2014	
			Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs
<b>(I) EQUITY AND LIABILITIES</b>						
<b>1. Shareholder's funds</b>						
	(a) Share Capital	1	206.69		206.69	
	(b) Reserves and Surplus	2	5529.80		5563.42	
				5736.49		5770.10
<b>2. Share application money pending allotment</b>						
				0.00		0.00
<b>3. Non-current liabilities</b>						
	(a) Long-term borrowings	3	457.46		457.46	
	(b) Deferred Tax liabilities (Net)	4	32.08		46.16	
	(c) Other Long term liabilities	5	23.80		1889.95	
	(d) Long-term Provisions	6	245.29	758.63	26.62	2419.19
<b>4. Current Liabilities</b>						
	(a) Short term borrowings		0.00		0.00	
	(a) Trade payables		0.00		0.00	
	(c) Other current liabilities	7	23287.30		14449.52	
	(b) Short term provisions	8	16.38	23303.69	1329.68	15779.19
	<b>TOTAL (I)</b>			<b>29798.80</b>		<b>23968.49</b>
<b>(II) ASSETS</b>						
<b>5. Non-current assets</b>						
	(a) Fixed assets	9				
	(i) Tangible assets		2599.20		2645.30	
	(ii) Intangible assets		0.00		0.00	
	(iii) Capital work-in-progress		0.00		0.00	
	(iv) Intangible assets under development		0.00		0.00	
	(b) Non-current investments	10	5.28		5.28	
	(c) Deferred tax assets (net)		0.00		0.00	
	(d) Long-term loans and advances	11	3.30		332.03	
	(e) Other non-current assets		0.00	2607.78	0.00	2982.61
<b>6. Current assets</b>						
	(a) Current investments		0.00		0.00	
	(b) Inventories	12	428.19		379.86	
	(c) Trade receivables	13	78.82		113.57	
	(d) Cash and Cash Equivalents	14	6968.07		6586.40	
	(e) Short-term loans and advances	15	18902.85		13063.17	
	(f) Other current assets	16	813.09	27191.02	842.87	20985.88
	<b>TOTAL (II)</b>			<b>29798.80</b>		<b>23968.49</b>
	Significant Accounting Policies Followed by Company & Notes to Financial Statement	1 - 34		0.00		0.00


For and on behalf of the Board of Directors


As per our report of even date


For C. N. Patel & Co.


Chartered Accountants

(Firm Reg. No.:112552W)

  
Shri Gajanan C. Bokde  
Chief Accounts & Finance Officer

  
Shri A.M. Pophare  
Director

  
Shri R.S. Kalamkar  
Managing Director

  
Amit Kurani  
Partner

M. No. 111132

Nagpur

Date: 14 AUG 2015

22

MAHARASHTRA STATE MINING CORPORATION LIMITED

Statement Of Profit And Loss For The Period Ended 31<sup>st</sup> March 2015

Sr. No.	PARTICULARS	Note No.	31/03/2015		31/03/2014	
			Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs
1	Revenue from operations	17	137.67		206.86	
2	Other Income	18	656.62		1126.94	
3	<b>Total Revenue (1 + 2)</b>			<b>794.20</b>		<b>1333.80</b>
4	Expenses:					
	Cost of Materials Consumed	19	63.42		67.66	
	Purchases of Stock in Trade				0.00	
	Changes in inventories of finished goods, work in progress and Stock-in-trade	20	-47.58		54.79	
	Employee benefits expense	21	464.60		424.26	
	Finance Costs		-		0.26	
	Depreciation and amortization expense	22	48.81		39.86	
	Other expense	23	244.88		59.92	
	<b>Total Expense</b>			<b>774.13</b>		<b>646.76</b>
5	Profit before exceptional and extraordinary items and tax (3-4)			20.07		687.04
6	(Less) Prior Period Expenses			38.61		0.80
7	Profit before extraordinary items and tax (5-6)			-18.55		687.84
8	Extraordinary & Exceptional Items			0.00		0.00
9	Profit before tax (7-8)			-18.55		687.84
10	Tax expense:					
	(1) Income Tax Earlier Years		20.62		208.99	
	(2) Current tax		8.52			
	(3) Deferred tax		-14.07		8.92	
				15.07		217.92
11	Profit/(Loss) for the period from continuing			-33.61		469.92
12	Profit/(Loss) for the period from discontinuing operations			0.00		0.00
13	Tax expense of discontinuing operations			0.00		0.00
14	Profit/(Loss) from discontinuing operations (after tax) (XII-XIII)			0.00		0.00
15	Profit/(Loss) for the period (XI + XIV)			-33.61		469.92
16	Earnings per equity share:					
	(1) Basic			-16.26		227.36
	(2) Diluted					
	Significant Accounting Policies Followed by Company & Notes to Financial Statement					

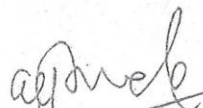
For and on behalf of the Board of Directors

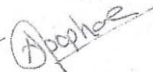
As per our report of even date

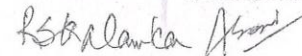
For C. N. Patel & Co.

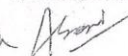
Chartered Accountants

(Firm Reg. No.:112552W)

  
Shri Gajanan C. Bokde  
Chief Accounts & Finance Officer

  
Shri A.M. Pophare  
Director

  
Shri R.S. Kalamkar  
Managing Director

  
Amit Kurani  
Partner

M. No. 111132

Nagpur

Date: 14 AUG 2015

23

# Maharashtra State Mining Corporation Ltd.

Notes to Financial Statements for the year ended 31st March 2015

<u>Note - 1 Share Capital</u>				
Particulars	As At 31st March 2015 (Rs. In Lakh)		As At 31st March 2014 (Rs. In Lakh)	
Authorised Share Capital 5,00,000 (31st March 2015) 5,00,000 Equity Shares of Rs. 100/- each	500.00		500.00	
Issued and Subscribed and Fully paid up Shares 2,06,687 (31st March 2015) 2,06,687 Equity Shares of Rs. 100/- each	206.69		206.69	
<b>Grand Total of Issued, Subscribed &amp; Fully Paid Up Equity Shares</b>	<b>206.69</b>		<b>206.69</b>	
a) Reconciliation of the shares outstanding at the beginning and at the end of the year				
	<b>As at March 31, 2015</b>		<b>As at March 31, 2014</b>	
<b>Equity Shares</b>	<b>No of Shares held</b>	<b>Rs. (In Lakh)</b>	<b>No of Shares held</b>	<b>Rs. (In Lakh)</b>
At the beginning of the period	206687	206.69	206687	206.69
Issued during the period	0	0.00	0	0.00
Outstanding at the end of the period	<b>206687</b>	<b>206.69</b>	<b>206687</b>	<b>206.69</b>
b) Share Holding more than 5% of the Ordinary Shares in the Company				
	<b>As at March 31, 2015</b>		<b>As at March 31, 2014</b>	
<b>Details of the Shareholders holding with voting rights</b>	<b>No of Shares held</b>	<b>Rs. (In Lakh)</b>	<b>No of Shares held</b>	<b>Rs. (In Lakh)</b>
Government of Maharashtra 100% (including 3 shares held by 3 nominees)	2,06,687	206.69	2,06,687	206.69
% of holding in the class of shares	100%		100%	
c) Rights, Preference and restrictions attached to equity shares the company has only one class of shares referred to as equity shares having a per value of Rs.100 per share. Each holder equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive the net assets of the Company. The distribution will be in proportion to the number of equity shares held by the share holders.				



## Maharashtra State Mining Corporation Ltd.

Notes to Financial Statements for the year ended 31st March 2015

Note - 2 Reserve & Surplus			
Particulars	As At 31st March 2015 (Rs. In Lakh)	As At 31st March 2014 (Rs. In Lakh)	
<b>A) Capital Reserves :</b>			
Capital Grant from Mineral Development Fund			
Opening Balance	1788.54	1794.54	
Add: Additions during the year	0.00	0.00	
Less: Utilized during the year (Pursuant to capital expenditure for Building at Mine)	0.00	6.00	
<b>Closing Balance (A)</b>	<b>1788.54</b>	<b>1788.54</b>	
<b>B) Surplus in Statement of Profit &amp; Loss Accounts</b>			
Opening Balance	3774.88	3198.23	
Add:- Profit for the year	-33.61	469.92	
Add/Less :- Appropriations	0.00	0.00	
Proposed Dividend (See Note 2.1)	0.00	91.80	
Corporate Dividend Tax (See Note 2.1)	0.00	14.93	
<b>Closing Balance (B)</b>	<b>3741.26</b>	<b>3774.88</b>	
Proposed Dividend on equity per share	0.00	0.00	
<b>C) Nominal Value of Assets received from Government</b>	<b>0.00</b>	<b>0.00</b>	
<b>Closing Balance of Nominal Value (C)</b>	<b>0.00</b>	<b>0.00</b>	
<b>Total Reserve &amp; Surplus (A + B + C)</b>	<b>5529.80</b>	<b>5563.42</b>	
2.1 Dividend is not proposed on previous year profit and thus there is no proposed dividend and Corporate dividend tax.			



## Maharashtra State Mining Corporation Ltd.

Notes to Financial Statements for the year ended 31st March 2015

Note - 3 Long term Borrowings		
Particulars	As At 31st March 2015 (Rs. in Lakh)	As At 31st March 2014 (Rs. in Lakh)
Unsecured Loan		
a) From Government of Maharashtra (Assistance for payment of salary/ wages/bonus / voluntary retirement) (See Note no. 3.1)	457.46	457.46
Total (a)	<u>457.46</u>	<u>457.46</u>
3.1 Terms of repayment and interest payable is not stipulated on the loan received from GOM. In the absence of any information regarding duration of the loan the same has been classified as Long Term Borrowings.		

Note - 4 Deffered Tax Liability (Net)		
Particulars	As At 31st March 2015 (Rs. in Lakh)	As At 31st March 2014. (Rs. in Lakh)
a) Deffered Tax Liability Related to Fixed Assets	49.74	46.74
b) Deffered Tax Assets Disallowances under the Income Tax Act	17.66	0.59
Total (ato b)	<u>32.08</u>	<u>46.16</u>

Note - 5 Other Long term Liabilities		
Particulars	As At 31st March 2015 (Rs. in Lakh)	As At 31st March 2014 (Rs. in Lakh)
a) Earnest Money Deposits From Contractors / Tenderers	6.70	6.80
b) Security Deposits From Contractors / Tenderers	17.10	17.15
c) Sweat Money From Sunil Hitech Engineers Ltd. (5.1)	0.00	1865.00
Total (a to c)	<u>23.80</u>	<u>1888.95</u>
5.1 Sweat money of the Sunil Hitech Energy Pvt. Ltd. has been re-classified as Short Term liability as JV agreement being terminated.		

## Maharashtra State Mining Corporation Ltd.

Notes to Financial Statements for the year ended 31st March 2015

Note - 6 Long Term Provisions		
Particulars	As At 31st March 2015 (Rs. In Lakh)	As At 31st March 2014 (Rs. In Lakh)
a) Provision for employees benefits:- Leave encashment unfunded	78.64	26.62
b) Other Provisions:- Provision for Mine Closure Expenses	166.65	0.00
<b>Total (a to b)</b>	<b>245.29</b>	<b>26.62</b>

Note - 7 Other Current Liabilities		
Particulars	As At 31st March 2015 (Rs. In Lakh)	As At 31st March 2014 (Rs. In Lakh)
a) Maharashtra Mineral Development Fund (Regular) (7.1)	18002.15	11039.06
b) Sweat Money		
Gupta Coal (India) Ltd. (7.2)	3122.58	3122.58
Sunil Hitech Engineers Ltd. (7.3)	1865.00	0.00
c) Advances Received from Customers	39.73	31.50
d) Others		
Statutory Remittances Payable	22.74	9.15
Earnest Money Deposit (From Contractors/Tenderers)	136.87	162.72
Security Deposits (From Contractors/Tenderers)	5.92	4.74
Other Payable (7.4)	92.31	79.77
<b>Total (a to d)</b>	<b>23287.30</b>	<b>14449.52</b>

7.1 Represents the amount received from Government of Maharashtra in the capacity of shell agency. This fund is earmarked for utilisation as per the government directives and till that date has been invested in fixed deposits.

7.2 Coal block under JV with Gupta Coal (India) Ltd. was de-allocated during the previous year and as per the decision of BOD this amount is due to be refunded after necessary deduction and approvals. However necessary decision is pending to be taken, same has been referred to GoM.

7.3 Coal block under JV with Sunil Hitech Engineers Ltd. Is de-allocated during the year and as per the decision of BOD this amount is due to be refunded after necessary deduction and approvals.

7.4 Other Payables includes provision for expenses, staff dues and amount refundable.

7.5 As per information available with the company, there are no suppliers covered under Micro, Small & Medium Enterprise Development Act, 2006. As a result, no interest provision/payment have been made by the company to such creditors if any and no disclosure thereof is made in these accounts.

## Maharashtra State Mining Corporation Ltd.

Notes to Financial Statements for the year ended 31st March 2015

### Note - 8 Short Term Provisions

Particulars	As At	As At
	31st March 2015 (Rs. In Lakh)	31st March 2014 (Rs. In Lakh)
a) Provision for employee benefits		
Leave Encashment Payable (unfunded)	0.00	3.29
b) Others:		
Provision for Taxation (8.1)	8.52	1318.52
Proposed Dividends	0.00	0.00
Dividend Tax Payable	0.00	0.00
Interest Payable to Government of Maharashtra on Government Loan	7.86	7.86
<b>Total (a to b)</b>	<b>16.38</b>	<b>1329.68</b>

8.1 Provision for Taxes of earlier years are adjusted as per the Income Tax returns filed, intimations received U/s 143(1) and Order U/s 143(3) passed by Income Tax Authority. These provisions are adjusted against the Advance Tax paid and resultant amount are shown as Income Tax expenses and Income Tax refund receivable.

### Note - 10 Non current Investments (Non Current Assets)

Particulars	As At	As At
	31st March 2015 (Rs. In Lakh)	31st March 2014 (Rs. In Lakh)
a) Trade Investments		
In Equity Shares-Joint Venture Company		
Unquoted, Fully paid up		
Mahatamil Collieries Ltd. (10.1)	1.30	1.30
(12997 (P.Y. 12997) Equity Shares of Rs.10/- each)		
b) Non Trade Investments		
i In Equity Shares		
Unquoted, Fully paid up		
Maharashtra Mineral Corporation Ltd. (10.4)	3.97	3.97
(3965 (P.Y. 3965) Equity Shares of Rs.100/- each)		
ii Kisan Vikas Patra (10.5)	0.02	0.02
<b>Total</b>	<b>5.28</b>	<b>5.28</b>
a) <u>Aggregate Value</u>		
i Unquoted Investment	5.26	5.26
ii Government Securities	0.02	0.02
<b>Total</b>	<b>5.28</b>	<b>5.28</b>

10.1 Company holds 26% equity shares in Mahatamil Collieries Ltd.. For this 26% stake in mining rights of Gare Pelma-II Coal Block has been assigned to this SPV company.

10.2 Company holds 51% cashless equity shares (No.5100) in MSMC Adkoli Natural Resources Ltd (A Joint Venture Company of MSMC and Sunil Hightech Engineers Ltd.) received towards consideration of mining rights of Adkoli Coal Block.

10.3 Company holds 51% cashless equity shares (No.5100) in MSMC Warora Collieries Ltd (A Joint Venture Company of MSMC and Gupta Coal (India) Ltd.) received towards consideration of mining rights of Warora Coal Block.

10.4 No provision has been made for loss of investment of Rs. 3,96,500/- in share of M/s. Maharashtra Mineral Corporation Ltd. The current book value which was assessed by the State Industrial Investment Corporation of Maharashtra Ltd. as negative.

10.5 Government securities (Kisan Vikas Patra) of the face value of Rs. 2000/- are assigned in favour of the Collector Rathnagiri and Sindhudurg. The proceed have not yet been received by Corporation.



**Maharashtra State Mining Corporation Ltd.**  
Notes to Financial Statements for the year ended 31st March 2015

**Note - 9 Fixed Assets**

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01.04.2014	Addition During the Year	Fixed Asset acquired from IMF / Sale Adjustment	Total as on 31.03.2015	As on 01.04.2014	For the Year	Written back during the year	Total as on 31.03.2015	Balance as on 31.03.2015	Balance as on 31.03.2014
Free Hold Land	7.06			7.06	0.00	0.00	0.00	0.00	7.06	7.06
Land	1938.23			1938.23	0.00	0.00	0.00	0.00	1938.23	1938.23
Plant & Machinery	37.31			37.31	29.04	5.05	0.00	34.09	3.22	8.27
Earth Moving equipment	30.16			30.16	30.16	0.00	0.00	30.16	0.00	0.00
Motor Vehicle	13.82		1.45	12.38	13.75	0.04	1.43	12.37	0.01	0.07
Furniture & Fixture	6.36	0.66		7.02	5.07	0.55	0.00	5.62	1.39	1.29
Office Equipment	12.77	0.47		13.24	7.08	5.09	0.00	12.16	1.08	5.69
Survey Instrument	3.72			3.72	2.19	0.91	0.00	3.10	0.62	1.53
Workshop equipment	0.44			0.44	0.44	0.01	0.00	0.44	0.00	0.01
Laboratory Equipment	0.49			0.49	0.48	0.01	0.00	0.49	0.00	0.01
Building	863.50			863.50	186.00	33.15	0.00	219.15	644.36	677.50
Well	2.28			2.28	0.86	1.19	0.00	2.05	0.23	1.42
Slab Curvert	0.62			0.62	0.39	0.22	0.00	0.60	0.01	0.23
Electrical Installation	3.44			3.44	1.56	0.63	0.00	2.19	1.25	1.89
Magazine Shed	0.50	0.17		0.67	0.21	0.04	0.00	0.25	0.42	0.29
Computer & Software	18.57	1.42		19.99	16.75	1.93	0.00	18.67	1.31	1.82
Cycle	0.02			0.02	0.02	0.00	0.00	0.02	0.00	0.00
<b>TOTAL</b>	<b>2939.29</b>	<b>2.72</b>	<b>1.45</b>	<b>2940.57</b>	<b>293.99</b>	<b>48.81</b>	<b>1.43</b>	<b>341.37</b>	<b>2599.20</b>	<b>2645.30</b>



## Maharashtra State Mining Corporation Ltd.

Notes to Financial Statements for the year ended 31st March 2015

Note - 11 Long Term Loans & Advances (Non Current Assets)		
Particulars	As At 31st March 2015 (Rs. In Lakh)	As At 31st March 2014 (Rs. In Lakh)
a) Capital Advances (11.1)	0.20	0.20
b) Loans and Advances to Related parties (11.2)	0.00	328.70
c) Security Deposits (11.3)	3.10	3.13
Total ( A to C)	<u>3.30</u>	<u>332.03</u>
<b>Sub Classification:-</b>		
Secured, Considered Goods	0.00	0.00
Unsecured, Considered Goods	3.30	332.03
Doubtful	0.00	0.00
Total	<u>3.30</u>	<u>332.03</u>
11.1 Amount of RS. 20,000/- is shown as an advance under non current assets without any adjustment. The said amount of Rs.20,000/- was paid for the purchase of 1 acre land at Dongargaon Mine. The said land is under possession of the MSMC. The adjustment can't be made due to pendency of sale deed. The matter is pending before SDO Warora for transfer of land in the name of MSMC.		
11.2 Interest free unsecured Loan is given to Mahatamil Collieries Ltd, Nagpur a joint venture company. During the year Rs. 2,50,00,000/- has been received back and balance amount is reclassified as current asset.		
11.3 Includes various security deposits given towards Electricity, Telephone, Rent, Etc.		

Note - 12 Inventories		
Particulars	As At 31st March 2015 (Rs. In Lakh)	As At 31st March 2014 (Rs. In Lakh)
a) Stores & Spare parts	4.01	3.93
b) Loose Tools (at cost)	2.62	1.94
c) Stock in Trade ( Minerals at various mines)	421.57	373.99
Total ( A to C)	<u>428.19</u>	<u>379.86</u>



**Maharashtra State Mining Corporation Ltd.**

Notes to Financial Statements for the year ended 31st March 2015

Note - 13 Trade Receivables			
Particulars		As At 31st March 2015 (Rs. In Lakh)	As At 31st March 2014 (Rs. In Lakh)
a)	<b>Outstanding exceeding for a period of Six Months</b>		
	Unsecured, Considered good (13.2 & 13.3)	64.47	41.92
	Unsecured, Considered doubtful	0.00	0.05
		<u>64.47</u>	<u>41.97</u>
	Provision for Doubtful Receivables	0.00	0.00
	<b>Total (A)</b>	<u>64.47</u>	<u>41.97</u>
b)	<b>Outstanding for a period of less than Six Months</b>		
	Unsecured Considered good (13.2 & 13.3)	14.35	71.60
	Unsecured, Considered doubtful		
		<u>14.35</u>	<u>71.60</u>
	Provision for Doubtful Receivables	0.00	0.00
	<b>Total (B)</b>	<u>14.35</u>	<u>71.60</u>
	<b>TOTAL (A + B)</b>	<u>78.82</u>	<u>113.57</u>
13.1 Trade receivables are subject to reconciliation and confirmation.			
13.2 Includes amount due from Shri Sai Metals Rs.48.06 lacs outstanding towards facilitation and supervision charges of Navargaon mine. Amount has been recognised on the basis of agreement entered with the party. But amount has not been recovered from the party due to dispute regarding mine being not operational. Company is trying to negotiate with the party and is hopeful for recover the due amount.			

Note - 14 Cash & Bank Balances			
Particulars		As At 31st March 2015 (Rs. In Lakh)	As At 31st March 2014 (Rs. In Lakh)
a)	<b>Cash and Cash Equivalents</b>		
	Cash in Hand	3.90	2.98
	<u>Balance with Banks</u>		
	In Current Accounts	41.00	63.43
b)	<b>Other Bank Balances</b>		
	In Fixed Deposit Accounts (FDR) (14.1 & 14.2)	6923.17	6519.99
	<b>TOTAL (A + B)</b>	<u>6968.07</u>	<u>6586.40</u>
14.1 Includes deposits amounting to Rs.13.46 lacs with maturity of more than 12 months.			
14.2 FDR amounting to Rs.565.94 lakh is pledged with the Bank for Bank Guarantee of Rs 511.45 Lakh given to MoC & IBM.			

## Maharashtra State Mining Corporation Ltd.

Notes to Financial Statements for the year ended 31st March 2015

Note - 15 Short Term Loans & Advances			
Particulars		As At 31st March 2015 (Rs. In Lakh)	As At 31st March 2014 (Rs. In Lakh)
a)	Maharashtra Mineral Development Fund (Regular)	18002.15	11039.06
b)	MSMC Shell Agency	40.00	0.00
c)	Loans and Advances to Related parties (15.1)	78.70	0.00
d)	Trade Advances (15.2)	369.80	356.68
e)	Loans & Advances to Employees	11.45	12.02
f)	Balance with Govt. Authorities		
	Refund & Balances with Income Tax	360.64	1615.15
	Advance to Sales Tax Appealate Authority	0.25	0.25
	Advance to P.F. Authority	1.32	1.34
	Profession Tax	0.00	0.00
	Deposit with Courts	8.53	8.53
	Deposit with Land Acquisition Officer	18.76	18.76
	Advance to Collector on Royalty A/c	11.26	11.39
<b>Total</b>		<b>18902.85</b>	<b>13063.17</b>
15.1	Interest free unsecured Loan is given to Mahatamil Collieries Ltd, Nagpur a joint venture company. During the year Rs. 2,50,00,000/- has been received back and balance amount is reclassified as current asset.		
15.2	Includes Rs. 343.67 lacs being expenses made on behalf of the JV Partner M/s. Gupta Coal (India) Ltd. Confirmation for this balance has not been received from the party. Company considers this balance as good and recoverable.		

Note - 16 Other Current Assets			
Particulars		As At 31st March 2015 (Rs. In Lakh)	As At 31st March 2014 (Rs. In Lakh)
a)	Interest Accrued on FDR	148.20	192.98
b)	Interest Receivable on Deffered Sweat Money (15.1)	648.73	648.73
c)	Prepaid Expenses	16.17	1.16
<b>Total ( A to C )</b>		<b>813.09</b>	<b>842.87</b>
16.1	Includes interest due on Deffered Sweat Money towards JV agreement for coal block from M/s. Gupta Coal (India) Ltd. Rs. 560.11 Lacs and from Sunil Hightech Energy Pvt. Ltd Rs.88.62 Lacs. Company has not received the confirmation regarding these outstanding balances but considers the same as good and recoverable.		

  
  
**32**

**Maharashtra State Mining Corporation Ltd.**

Notes to Financial Statements for the year ended 31st March 2015

1.15

Note - 17 Revenue from Operations		
Particulars	As At 31st March 2015 (Rs. In Lakh)	As At 31st March 2014 (Rs. In Lakh)
a) Sale of Minerals	125.44	181.77
b) Other Operating Revenue:		
Premium & Facilitation Charges	10.99	20.19
Forfeiture Amount	0.78	0.68
Liquidated Damages	0.36	4.21
<b>Total</b>	<b>137.57</b>	<b>206.86</b>

Note - 18 Other Income		
Particulars	As At 31st March 2015 (Rs. In Lakh)	As At 31st March 2014 (Rs. In Lakh)
a) Interest Income	627.09	1102.06
b) Rent Receipt	24.40	19.80
c) Excess Provision Written Back	0.01	1.84
d) Other Non Operating Income	4.27	3.24
e) Profit on Sale of Assets	0.86	0.00
<b>Total</b>	<b>656.62</b>	<b>1126.94</b>



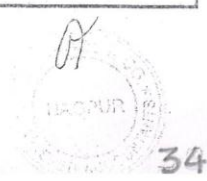
## Maharashtra State Mining Corporation Ltd.

Notes to Financial Statements for the year ended 31st March 2015

Note - 19 Ore Raising Expenses at Mines			
Particulars		As At 31st March 2015 (Rs. In Lakh)	As At 31st March 2014 (Rs. In Lakh)
a)	Power Fuel & Water Expenses	18.20	21.73
b)	Explosive , Drilling and Earth cutting	0.41	0.24
c)	Sampling & Processing Charges	0.96	1.78
d)	Repairs & Maintenance	3.98	4.62
d)	Rent	1.38	1.43
e)	Rates & Taxes	1.30	0.91
f)	Stores , Spares & Tool Consumed	0.63	0.75
g)	Travelling Expenses	0.52	0.40
	Insurance Premium	1.02	1.01
i)	Mining Lease Expenses	0.00	0.01
j)	Security Guard Expenses	0.11	1.73
k)	Mining Plan Preparation Expenses	1.49	1.76
l)	Royalty Expenses	17.83	17.62
m)	Dead Rent & Surface Rent	10.79	8.93
n)	Machinery Hiring Charges	1.76	1.76
o)	Janshree Bima Yojana (Premium)	0.17	0.18
p)	Stationery & Printing	0.43	0.37
q)	Bank Charges & Commission	0.05	0.00
r)	Other Expenses	1.38	2.43
s)	Environmental Expenss	1.01	0.00
Total ( A to Q )		63.42	67.66

Note - 20 Changes in Inventories of Stock in Trade			
Particulars		As At 31st March 2015 (Rs. In Lakh)	As At 31st March 2014 (Rs. In Lakh)
	Opening Stock of Mineral	373.99	428.77
	Less :- Closing Stock (20.1)	421.57	373.99
	Total	(47.58)	54.79

20.1 Stocks in trade are valued at cost or net realisable value whichever is lower.



**Maharashtra State Mining Corporation Ltd.**

Notes to Financial Statements for the year ended 31st March 2015

Note - 21 Employees Benefit Expenses		
Particulars	As At 31st March 2015 (Rs. In Lakh)	As At 31st March 2014 (Rs. In Lakh)
a) Salary & Bonus (Including remuneration of Managing Director)	381.98	346.41
b) Contributions to Provident and Other Funds	75.59	70.74
c) Staff Welfare Expenses	7.03	7.12
Total	<u>464.60</u>	<u>424.26</u>

Note - 22 Depreciation and Amortizing Expenses		
Particulars	As At 31st March 2015 (Rs. In Lakh)	As At 31st March 2014 (Rs. In Lakh)
a) Depreciation of Tangible Assets (As per Note 9)	48.81	39.86
b) Amortization of Tangible Assets	0.00	0.00
Total	<u>48.81</u>	<u>39.86</u>



**Maharashtra State Mining Corporation Ltd.**

Notes to Financial Statements for the year ended 31st March 2015

Note - 23 Other Expenses (Administrative)			
Particulars		As At 31st March 2015 (Rs. In Lakh)	As At 31st March 2014 (Rs. In Lakh)
a)	Travelling Expenses	5.07	4.29
b)	Repairs & Maintenance	1.98	1.82
c)	Petrol Oil & Lubricants	4.13	5.32
d)	Rates & Taxes	8.21	2.95
e)	Rent	0.00	1.71
f)	Office Building Maintenance	6.10	13.73
g)	Stationery & Printing	1.90	1.43
h)	Postage, Telegram & Telephone	2.98	3.20
	Legal & Professional Fees	2.05	2.22
j)	Surface & Dead Rent	0.59	1.21
k)	Electricity Charges	4.75	4.49
l)	Insurance Premium	0.51	0.58
m)	Advertisement	0.75	0.57
n)	Mining Lease Expenses	0.07	0.01
o)	Other Expenses	3.78	2.98
p)	Payment to Auditor		
i	For Audit Fees	0.56	0.56
ii	For Tax Audit	0.17	0.17
q)	Security Guard Expenses	11.19	12.67
r)	Bank charges	0.15	0.00
s)	Service Tax Expense	18.05	0.00
t)	Manpower Consulting Charges	5.25	0.00
u)	Mine Closure Expenses	166.65	0.00
Total (A to R)		244.88	59.92





**MAHARASHTRA STATE MINING CORPORATION LTD. NAGPUR**

**Note No. 24: Contingent Liabilities & Commitments:**

S.No.	Particulars	Rs. In lacs	
		31.03.2015	31.03.2014
a)	<b>Claims against the Company / Disputed Liabilities not acknowledged as debts</b>		
1.	Claim by Employees for Salary & other benefits	Amount not ascertainable	Amount not ascertainable
2.	Claims under Arbitration award appealed by the company	672.00	672.00
3.	Manse Profit payable to Landlord	12.12	12.12
4.	Interest on Government Loan	Interest rate not stipulated	Interest rate not stipulated
5.	Disputed Income Tax Liability (Amount already paid Rs.5.86 Lacs)	21.41	89.55
b)	<b>Guarantees:</b>		
1.	Guarantees issued by Company's Bankers on behalf of the Company	522.96	515.67
c)	<b>Commitments:</b>		
1.	Estimated amount of contracts remaining to be executed on capital accounts and not provided for during the year	Nil	Nil
2.	Uncalled liability on shares and other investment which are partly paid up during the year	Nil	Nil

**Note No. 25 Change in Accounting Policy:**

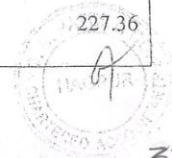
During the year under consideration, the company has changed its accounting policy on depreciation and amortization of fixed assets, in line with Schedule II of Companies Act, 2013. The change has resulted in increase in current year's depreciation by 31.24 lakhs. According to transition provisions contained in Part C, Schedule II of Companies Act, 2013 written down value of asset whose useful life is elapsed is charged off to expenses under depreciation head only.

**Note No. 26 Employee Benefit Expenses:**

- Provident fund is administered through regional provident fund commissioner,
- Group Gratuity Scheme is administered through a scheme with Life Insurance Corporation of India.
- Leave encashment payable at the time of retirement is charged to profit & loss account based on the assumption that such benefits are payable to all the employees at the end of accounting year.

**Note No 27: Earning Per Share:**

Basic Earning Per Share	Year Ended 31.03.2015	Year Ended 31.03.2014
Profit/(Loss) after Tax (Rs. In Lacs) from continuing operations	-	-
Number of Equity Shares (Outstanding at the end of the year)	2,06,687	2,06,687
Basic Earnings Rupees per Share	-16.26	227.36



Note No. 28: Related Party Disclosures:

Disclosures as required by the Accounting Standard 18 'Related Party Disclosures' are given below:

a) List of the related parties where control exists & Key Managerial persons:

Sr. No.	Name of the Related Party	Nature of Transactions	Transaction during the year		Outstanding as on year end	
			31.03.15	31.03.14	31.03.15	31.03.14
<b>Rs. In lacs.</b>						
<b>A Joint Venture Companies</b>						
1	Mahatamil Collieries Ltd.	Unsecured Loan received back	Nil	Nil	78.70	328.70
	Mahatamil Collieries Ltd.	Unsecured Loan O/s.	250.00	Nil	Nil	Nil
2	MSMC Adkoli Natural Resources Ltd.	Cash less Equity investment	Nil	Nil	Nil	Nil
3	MSMC Warora Collieries Ltd.	Cash less Equity investment	Nil	Nil	Nil	Nil
<b>B Key Managerial Persons &amp; Directors</b>						
1.	Dr. Mahendra Kalyankar (MD)	Remuneration	2.71	7.80	Nil	Nil
2.	Shri. Vikas Jain	-	-	-	-	-
3.	Shri. V.S. Sawakhande	-	-	-	-	-
4.	Shri Sanjay Ingale	-	-	-	-	-
5.	Shri. A.M. Pophare	-	-	-	-	-

Note No. 29: Interest in Joint Ventures:

Sr.No.	Name	Percentage of Ownership as on March 2015	Percentage of Ownership as on March 2014
1.	Mahatamil Collieries Ltd.	26%	26%
2.	MSMC Adkoli Natural Resources Ltd.	51% (Cash Less)	51% (Cash Less)
3.	MSMC Warora Collieries Ltd. (28.1)	51% (Cash Less)	51% (Cash Less)

28.1 Financial Statements of Joint Venture companies are not available.

28.2 All the 3 coal blocks allotted to the company were deallocated by Ministry of Coal. Company has entered into joint venture agreement with M/s. Gupta Coal (India) Ltd., M/s. Sunil Hi Tech Engineers Ltd. And Tamil Nadu Electricity Generation Company Ltd for exploration and production of coal from this block and formed the joint venture company MSMC Warora Collieries Ltd., MSMC Adkoli Natural Resources Ltd. And Mahatamil Collieries Ltd. Company hold 51% cash less equity in MSMC Warora Collieries Ltd., MSMC Adkoli Natural Resources Ltd and 26% Cash Equity in Mahatamil Collieries Ltd. Company has neither provided for any contingencies nor recognized any amount towards diminution in the value of the investments made in this company.

Note No. 30: Disclosure of particulars as per Accounting Standard 29:

Particulars of Provision	Opening Balance as on 01.04.2014	Provision	Provision Written back/used	Closing Balance as on 31.03.2015
Final Mine Closure Expenses	0.00	166.65	0.00	166.65
	(0.00)	(0.00)	(0.00)	(0.00)

In respect of provision for final mine closure expenses; cash outflow is expected at the time of closure of mines.

**Note No. 31: Additional information to statement of profit & loss:**

**Particulars in respect of opening stock, production, sales and closing stock.**

Minerals	Opening Stock (In MT)	Production (In MT)	Sales		Shortage/ Excess MT	Closing Stock as certified by Management (M.T)
			(In MT)	(Rs. in lakh)		
Sillimanite	81.170	275.360	221.000	4.530	(-) 1.72	133.810
	(422)	(82.14)	(369)	(6.60)	(-) (54.30)	(81.170)
Corundum	1.560	0.000	0.000	0.000	(-) 0.96	0.600
	(1.560)	(0)	(0)	(0)	(+) (0.00)	(1.560)
Pyrophyllite	438.820	1410.520	1215.000	8.770	(+) 0.29	634.630
	(419.10)	(1019.87)	(1000)	(5.39)	(-) (0.15)	(438.82)
Fluorite (Graded)	6901.330	2946.430	0.000	0.000	(-) 47.33	9800.430
	(5612.70)	(2461.72)	(1120.28)	(58.53)	(-) (52.81)	(6901.33)
Fluorite (Waste Dump)	0.000	0.000	0.000	0.000	0.000	0.000
	(-)	(25)	(25)	(0.43)	(-)	(-)
Dolomite (Graded)	5535.480	1064.030	1054.170	4.780	(-) 6.15	5539.190
	(5611.40)	(956.53)	(1000)	(3.05)	(-) (32.45)	(5535.48)
Dolomite (Mineralised Waste)	0.000	0.000	0.000	0.000	0.000	0.000
	(0)	(0)	(0)	(0)	(0)	(0)
Lime stone	67.920	0.000	0.000	0.000	0.000	67.920
	(67.92)	(0)	(0)	(0)	(0)	(67.92)
Kyanite	10.590	0.000	0.000	0.000	0.000	10.590
	(10.59)	(0)	(0)	(0)	(0)	(10.590)
Iron Ore (Lumps)	6085.89	5218.34	6692.060	95.290	(-) 1139.80	3472.37
	(8145.77)	(5078.21)	(6783.19)	(96.92)	(-) (354.90)	(6085.89)
Iron Ore (Fines)	0.000	2840.00	2840.000	12.070	0.000	0.000
	(0)	(3144.51)	(3144.51)	(10.85)	(0)	(0)
<b>Total</b>	<b>19122.76</b>	<b>13754.680</b>	<b>12022.230</b>	<b>125.440</b>	<b>(-) 1195.67</b>	<b>19659.540</b>
	<b>(20291.37)</b>	<b>(12767.98)</b>	<b>(13441.98)</b>	<b>(181.77)</b>	<b>(-) (494.61)</b>	<b>(19122.760)</b>

**Note No. 32: Disclosure regarding Shell Agency Operation:**

In pursuance of the Maharashtra Mineral Development (Creation and Utilisation) Fund Act 2000 company is appointed as shell agency for mineral development fund. As per Section 9 (i) of the said act the separate account for the amounts credited, withdrawn and spent from the fund during the year in the prescribed manner is to be maintained. A statement on utilization of fund and balance outstanding shown in **Form 'B'**.

Note No. 33: The balance of accounts under the head debtors and creditors are subject to confirmation.

Note No. 34: Figure of previous year have been rearranged, regrouped and recast whenever necessary to make it comparable with current year figures.



MAHARASHTRA STATE MINING CORPORATION LTD. NAGPUR

SIGNIFICANT ACCOUNTING POLICIES :

1) BASIS FOR PREPARATION OF FINANCIAL STATEMENTS:

These financial statements have been prepared to comply with Accounting Principles Generally accepted in India (Indian GAAP), the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 and the relevant provisions in the Companies Act, 2013.

The financial statements are prepared on accrual basis under the historical cost convention. The financial statements are presented in Indian rupees rounded off to the nearest rupees in lacs.

2) USE OF ESTIMATES:

The preparation of financial statements in conformity with Indian GAAP requires judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statement and the reported amount of revenues and expenses during the reported period. Difference between the actual results and estimates are recognized in the period in which the results are known /materialized.

3) REVENUE RECOGNITION :

- i) Sales are recognized when they are invoiced to customers on dispatch of Material.
- ii) Interest on Kisan Vikas Patra is recognized on cash basis.
- iii) Government grant recognized in the year in which it is actually received.
- iv) Interest on capital grant in aid and unutilized balance of Mineral Development Fund has been temporarily invested in fix deposits. Interest Income thereon has been considered as income of the Company.
- v) Income recognition towards Sweat money received from parties with whom joint venture agreement is done for coal mine exploration, production and sale of coal is deferred till the mines are operational.

4) FIXED ASSETS:

- i) Fixed Assets are stated at cost of acquisition less accumulated depreciation.
- ii) Fixed assets acquired from Government Grant are stated at nominal value and hence no depreciation is charged on such assets.

5) DEPRECIATION:

Depreciation for the year has been provided on W.D.V. method based on useful life of various assets as specified in Schedule II of the Companies Act 2013.

6) INVESTMENTS:

Investments are valued at cost of acquisition and market value is ignored.

7) INVENTORY VALUATION :

- a) Stores, spare parts and Loose tools are valued at cost.
- b) Stocks in trade are valued at cost or net realizable value whichever is lower, No value has been assigned to certain stock of minerals produce, which are substandard in quality and/or having no market value and sales of which is uncertain.

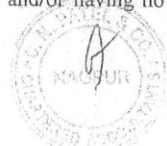
8) RETIREMENT BENEFIT:

a) Gratuity :

The Corporation has taken a Group Gratuity Policy from Life Insurance Corporation of India. Yearly premium paid to Life Insurance Corporation is charged off to Profit and Loss account.

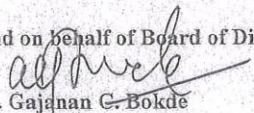
b) Provident Fund:

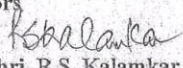
Provident Fund is administered through Regional Provident Fund Commissioner. Employer's share and Administrative cost paid towards the fund is charged to Profit and Loss Account.

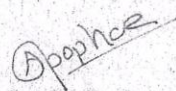


- c) **Leave Encashment**  
Provision for Leave Encashment benefit has been calculated at undiscounted rate considering all the employees are retiring on year end. During the year Company has changed the procedure for calculation of Leave Encashment provision due to which expenses has increased by Rs. 37,33,816/-.
- 9) **GOVERNMENT GRANTS :**
- a) Government Grants related to specific fixed assets are shown as a deduction from the gross value of the assets concerned and the said fixed assets are shown in the balance sheet at nominal value.
- b) Government grant received being capital in nature towards development of mining activities not utilized by the Corporation is shown under the head of Capital Reserve as Capital Grant from Maharashtra Mineral Development Fund.
- c) Interest received on balance MSMC share of Mineral Development Fund and Reserve Fund has been taken as income of the Company.
- 10) **MINE CLOSURE EXPENSES:**  
Progressive mine closure expenses are accounted for as and when expensed. Financial implication towards final mine closure plans under relevant acts and rules are technically estimated based on total availability of ore reserves of all mines. Total expenses towards mine closure expenses are charged off over the remaining life of the mines.
- 11) **ACCOUNTING OF TAXES ON INCOME :**  
Income Tax provision is made for current tax on the taxable income using the applicable tax rate & tax laws.
- 12) **DEFERRED TAX LIABILITY:**
- i. Deferred income tax is provided, using the liability method, on or timing differences at the Balance Sheet date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. .
- ii. Deferred Tax Assets & Liabilities are measures using the tax rates and tax laws that have been elected at the Balance Sheet date.
- 13) **CONTINGENT LIABILITIES :**
- a) Contingent Liabilities arising from claims, litigation, assessment, fines, penalties etc., are provided for when it is probable that a liability may be incurred and the amount can be reliably estimated.
- b) Un-provided liabilities are disclosed in accounts by way of notes.

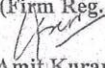
For and on behalf of Board of Directors

  
Shri. Gajanan C. Bokde  
CAFO

  
Shri. R.S. Kalamkar  
Managing Director

  
Shri. A.M. Pophare  
Director

As per our report of even date  
For C. N. Patel & Co.  
Chartered Accountants  
(Firm Reg. No.:112552W)

  
Amit Kurani  
Partner  
M. No. 111132  
Nagpur  
Date:

Place : Nagpur  
Date:

14 AUG 2015

14 AUG 2015



**FORM "B"**  
 [Sec. Rule 11]  
 Form for Maintaining Credits, Withdrawal And Expenditure of  
**MINERAL DEVELOPMENT FUND**

Financial Year	Credit	Withdrawals For			Total (3+4+5) (In Rs.)	Balance (In Rs.)	Signature	Remarks
		DGM	MSMC	District				
1	2	3	4	5	6	7	8	9
2013-14 Opening Balance	11,039.06	-	-	-	-	-		
Amount Recd From Govt Of Maharashtra	10,040.00	16,740,096.00	-	403,941,410.00	420,681,506.00	1,800,214,794.59		
Bank Charges	-	-	-	1,654.00	1,654.00	-		
Amount Deposited By MSMC	-	-	-	-	-	-		
Interest Recd During the Year	112,992,096.00	-	-	-	-	-		
<b>Total</b>	<b>113,013,175.06</b>	<b>16,740,096.00</b>	<b>-</b>	<b>403,943,064.00</b>	<b>420,683,160.00</b>	<b>1,800,214,794.59</b>		

