



# Resurgere Mines & Minerals India Limited

24th  
ANNUAL REPORT

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## Corporate information

### Board of Directors

- Mr. Subhash Sharma – Chairman & Managing Director  
Mr. Amit Sharma – Whole-time Director  
Mr. Ashwin Shankar Iyer – Non Executive & Independent Director  
Mr. Nitin Sethi - Non Executive & Independent Director  
Mr. Ajay Sethi - Non Executive & Independent Director  
Mr. Alok Ambastha - Non Executive & Independent Director

### Chief Financial Officer

Mr. Harish Khetan

### Company Secretary

Mr. Rakesh Gupta

### Auditors

M/s Churiwala & Co., Chartered Accountants, Mumbai

### Bankers

Bank of India, State Bank of India, Union Bank of India, Barclays Bank Plc, IndusInd Bank, Axis Bank Ltd

### Registered Office

156, Maker Chamber – III,  
Nariman Point,  
Mumbai – 400 021, India  
Telephone: + 91 22 66582500  
Fax: + 91 22 66582511  
Email: [info@resurgere.in](mailto:info@resurgere.in)  
Website: [www.resurgere.in](http://www.resurgere.in)

### Registrar & Share Transfer Agent

Linkintime India Private Limited  
C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai – 400078  
Telephone: +91 22 25946970 – 78  
Fax: +91 22 2596 0328/29  
Email: [rnt.help@linkintime.co.in](mailto:rnt.help@linkintime.co.in)  
Website: [www.linkintime.co.in](http://www.linkintime.co.in)

### Important Communication to Members

Ministry of Corporate Affairs has announced green initiatives in the Corporate Governance and permitted companies to service notices / documents including Annual Report to the members of the Company on their registered email addresses. All those Shareholders who have not yet registered their email ids or holding shares in physical form are requested to register their email ids with NSDL / CDSL and / or our RTA at [rmmilgogreen@linkintime.co.in](mailto:rmmilgogreen@linkintime.co.in) along with your No. of shares and Folio No. / Client Id and DP Id



## Notice

NOTICE is hereby given that the twenty fourth Annual General Meeting of the Members of **Resurgere Mines & Minerals India Limited** will be held on Friday, 30<sup>th</sup> September 2011 at 11.30 a.m. at "GMS Banquet Hall" Sitladevi Complex, 1<sup>st</sup> Floor, D. N. Nagar, Opp. Indian Oil Nagar, on Link Road, Andheri (West), Mumbai – 400 053, to transact the following business: -

### **Ordinary Business**

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2011, Profit and Loss Account for the year ended on that date together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Ashwin Shanker Iyer, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Ajay Singh Sethi, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration and to pass the following resolution thereof:

### **Ordinary Resolution:**

**"RESOLVED THAT** M/s. Churiwala & Co., Chartered Accountants, Mumbai, be and is hereby re-appointed as the Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, on such remuneration, taxes and out of pocket expenses, as may be determined by the Board of Directors of the company in mutual consultation with the Auditors."

### **Special Business**

To consider and if thought fit, to pass with or without modification(s), the following resolutions:

5. Appointment of Director

### **As an Ordinary Resolution:**

**"RESOLVED THAT** pursuant to provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Alok Ambastha, who was appointed as an Additional Director of the Company and who holds office up to the date of the Annual General Meeting, pursuant to the provision of Section 260 of the Companies Act, 1956 and Article 176 of the Articles of Association of the Company, and in respect of whom the Company has received a notice from a member under Section 257 of the Companies Act, 1956, proposing his candidature, be and is hereby appointed as Director of the Company, liable to retire by rotation in terms of the provisions of the Articles of Association of the Company."

By Order of the Board of Directors

**Rakesh Gupta**  
Company Secretary

### **Registered Office:**

156, Maker Chamber - III,  
Nariman Point, Mumbai - 400021

Date: 12<sup>th</sup> August, 2011

### **Notes:-**

1. **A Member entitled to attend and vote at the Annual General Meeting (the meeting) is entitled to appoint a proxy to attend and vote on a poll, instead of himself and the proxy need not be a Member of the Company.**
2. The instrument appointing the proxy must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions / authority, as applicable.
3. The Register of Members and Share Transfer Books will remain closed from September 26, 2011 to September 30, 2011 (both days inclusive) for the purposes of Annual General Meeting.
4. The Register of Directors' Shareholding, maintained under Section 307 of the Companies Act, 1956, will be available for inspection by the members at the AGM.
5. The relative Explanatory Statement pursuant to section 173 of the Companies Act, 1956, in respect of the Special Business to be transacted at the meeting, is annexed hereto. The relevant details as required by Clause 49 of the Listing Agreements entered into with the Stock Exchanges, of persons seeking appointment / re-appointment as Directors are also annexed.
6. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company on all working days except Saturday between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting.
8. Members / proxies should bring duly-filled Attendance Slips sent along with this Notice to attend the meeting.

9. Members whose shareholding is in the electronic mode are requested to communicate change of address notifications and updations of bank account details to their respective depository participants.
10. Resurgere is concerned about the environment and utilizes natural resources in a sustainable way. We request you to update your e-mail address with your depository participant. This will help the Company send communications through e-mails. Your cooperation will help conserve paper and minimize the impact on the environment.
11. Members are requested to address all correspondences, to the Registrar and Share Transfer Agents, Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai – 400078, India.
12. Members are requested to send in their queries, if any, to the Company Secretary at the registered office of the Company, at least a week, prior to the date of the Annual General Meeting to facilitate clarifications during the meeting.
13. Members who hold shares in physical form can nominate a person, by filling necessary form with the share transfer agent, in respect of all the shares held by them singly or jointly. Members holding shares in the dematerialised form may contact the Depository Participant for recording nomination in respect of their shares.
14. The Company has designated an exclusive e-mail id cosec@resurgere.in to enable investors to register their complaints, if any.

**EXPLANATORY STATEMENT** as required by Section 173(2) of the Companies Act, 1956

**Item No. 5:**

The Board of Directors of the Company (“The Board”) in its meeting held on dated 29<sup>th</sup> January, 2011, had, pursuant to the provisions of Section 260 of the Companies Act, 1956 (“the Act”) and the Article 176 of the Articles of Association of the Company, appointed Mr. Alok Ambastha as Additional Director of the Company. Mr. Alok Ambastha hold office of Director up to the date of ensuing Annual General Meeting.

The Company has received a notice in writing from a member along with a deposit of ₹ 500/- proposing the candidature of Mr. Alok Ambastha, for the office of Director under provisions of Section 257 of the Act. Mr. Alok Ambastha shall be liable to retire by rotation.

Further details about Mr. Alok Ambastha are mentioned in the statement **on Details of Directors seeking Appointment /Re-appointment at the Annual General Meeting, which forms part of this notice.**

None of the Directors of the Company other than Mr. Alok Ambastha are interested or concerned in the resolution relating to their appointment.

The Board accordingly recommends the ordinary resolution set out at item No. 5 of the accompanying Notice for the approval of the Members.

By Order of the Board of Directors

**Rakesh Gupta**  
Company Secretary

**Registered Office:**

156, Maker Chamber - III,  
Nariman Point, Mumbai - 400021

Date: 12<sup>th</sup> August, 2011

**Details of Directors seeking Appointment /Re-appointment at the Annual General Meeting**

| Particulars / Name of the Director  | Mr. Ashwin Shankar Iyer  | Mr. Ajay Singh Sethi                           | Mr. Alok Ambastha  |
|---|--|--|--|
| <b>Date of Birth</b>  | January 16, 1978   | December 21, 1967                              | April 18, 1966   |
| <b>Nationality</b>  | Indian   | Indian   | Indian   |
| <b>Date of Appointment on Board</b>   | August 10, 2010  | August 10, 2010                                | 29 <sup>th</sup> January, 2011   |
| <b>Qualifications</b>   | BA, LLB (Hons) from National Law School Bangalore, LLM (Maritime Law) London       | M.Com, B.Com, PGD in Business Management       | Graduate from Bombay University<br>MBA from Alagappa University                |
| <b>Expertise in specific functional area</b>  | Wide experience in Legal, Iron Ore Shipping, International Trade, Arbitration etc. | Wide experience in Finance and administration. | Wide experience in Marketing, project work, risk management and administration |
| <b>Directorships held in other Public Companies (Excluding foreign companies and Section 25 Companies)</b>  | NIL  | Chromatic India Ltd.                           | NIL  |
| <b>Memberships / Chairmanships of committees of other public companies (includes only Audit Committee and Shareholders / Investors Grievance Committee)</b> | Chairmanship – 1<br>Membership – 1   | Chairmanship – 1<br>Membership - 3             | NIL  |
| <b>Number of Shares held in the Company</b>   | 187500   | 3000   | NIL  |



## Management Discussion and Analysis

### Forward-looking Statement:

This report contains forward-looking statements, which may be identified by their use of words like 'will', 'projects' or other words of similar meaning. All statements that address expectations or projections about the future, including, but not limited to statements about the company's strategy for growth, expenditure, and financial results, are forward-looking statements. Forward-looking statements are based on certain assumptions and expectation of future events. The Company cannot guarantee that these acceptations and expectation are accurate or will be realised. The company's actual results, performance or achievements could thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis on any sub statement developments, information or events.

### Indian economy:

Following a GDP slowdown that started in the second half of 2008-09 (6.7% in 2008-09), India's GDP rebounded to 7.4% in 2009-10 and 7.8% in 2010-11 owing to a timely economic stimulus that catalysed investment and consumption. The country's mining and manufacturing sectors grew 8.7 and 8.9 per cent respectively in 2009-10. Going ahead, India's GDP growth is estimated at **around 8%** to 8.5% in 2011-12, arising out of consumption, low debt exposure and growing infrastructure investment. (Source: *Economic Survey, 2010-11*)

### Mining overview:

India's GDP growth was catalysed by the mining industry; every rupee invested in the mining industry generated ₹ 2.4 of output (directly or indirectly) in the country's economy. Mining contributed about 2 per cent to the country's GDP (source: Central Statistical Organisation). The sector grew 8.7 per cent in 2009-10 compared with 1.6 per cent in 2008-09 (Source: *Economic Survey, 2010-11*).

Industrial production, as per the new series, registered a growth of 8.2 percent in 2010-11. And this is much better than the 5.3 percent growth clocked in 2009-10. Further, a good part of industrial growth in 2010-11 was driven by the manufacturing sector, which recorded a growth of 8.9 percent compared to a growth of 4.8 percent in 2009-10. The other two sectors, mining and manufacturing, however saw their performance going down in 2010-11 compared to 2009-10. Also India's iron-ore exports dipped to 90 million tons in 2010-2011 as compared to 120 million tons last year. (Source: *Ministry of Commerce, 2010-11*)

### Global iron ore industry:

Iron, the fourth most abundant rock and constituting about 5% of the earth's crust, is the world's most commonly used metal. Global iron ore deposits are estimated at 800 billion tonnes, containing more than 230 billion tons of iron. Iron ore is mined in more than 50 countries and the world's largest iron ore producing nations are Russia, Brazil, China, Australia, India and the US.

### Production:

As per the US Geological Survey (USGS), the global iron ore reserve base totalled 180,000 million tonnes of crude ore with an iron content of more than 87,000 million tonnes. Ukraine has the world's largest reserve base of 30,000 million tonnes followed by 25,000 million tonnes in Russia, 24,000 million tonnes in Australia and 23,000 million tonnes in China. Most of the world's high grade ores are located in Brazil and Australia. China has low grade ores but is still the world's largest iron ore producer.

### Global iron ore production and reserves (in million tonnes)

| Countries                    | Iron-ore Production |              | Reserves       |               |
|------------------------------|---------------------|--------------|----------------|---------------|
|                              | 2009                | 2010         | Crude Ore      | Iron content  |
| United States                | 27                  | 49           | 6,900          | 2,100         |
| Australia                    | 394                 | 420          | 24,000         | 15,000        |
| Brazil                       | 300                 | 370          | 29,000         | 16,000        |
| Canada                       | 32                  | 35           | 6,300          | 2,300         |
| China                        | 880                 | 900          | 23,000         | 7,200         |
| India                        | 245                 | 260          | 7,000          | 4,500         |
| Iran                         | 33                  | 33           | 2,500          | 1,400         |
| Kazakhstan                   | 22                  | 22           | 8,300          | 3,300         |
| Mauritania                   | 10                  | 11           | 1,100          | 700           |
| Mexico                       | 12                  | 12           | 700            | 400           |
| Russia                       | 92                  | 100          | 25,000         | 14,000        |
| South Africa                 | 55                  | 55           | 1,000          | 650           |
| Sweden                       | 18                  | 25           | 3,500          | 2,200         |
| Ukraine                      | 66                  | 72           | 30,000         | 9,000         |
| Venezuela                    | 15                  | 16           | 4,000          | 2,400         |
| Other Countries              | 43                  | 50           | 11,000         | 6,200         |
| <b>World total (rounded)</b> | <b>2,240</b>        | <b>2,400</b> | <b>180,000</b> | <b>87,000</b> |

(Source: U.S. Geological Survey, *Mineral Commodity Summaries*)

**Consumption:**

About 98 per cent of the world's iron ore is consumed in the production of pig iron, which is processed into steel. Iron ore is considered more integral to global growth than any other commodity because steel consumption is greater than the consumption of all other metals combined together. The iron ore which is not used to produce pig iron is used in a variety of other applications including the production of cement, pigments, agricultural products and specialty chemicals.

**Prices:**

Global iron ore prices have fallen sharply from the height they reached in the middle of 2008 and despite their strong recovery in 2009 and 2010, currently are still lying well below their Peaks. The iron ore spot prices of Indian origin that fell to US\$60 per tonne at some point in 2009, rose to almost record highs in the early 2010 to have settled now at about \$115-120 a tonne in end May for 63.5% Fe reference fines. The market is still volatile, depending on the demand emanating from China.

However, a significant change is expected. Traditionally, the big three global miners (BHP Billiton, Rio Tinto and Vale) used a benchmark system of annually negotiated prices with Chinese steel mills, as they did in other countries. The rise in prominence of China's spot market and the huge disparity between spot and contract prices resulted in a probable systemic overhaul resulting in quarterly prices as opposed to annual contracted prices. They have adopted different individual pricing systems, based on prior quarter steel price trends. With the kind of volatility witnessed in the steel market today, prior period steel prices may put iron ore prices completely out of sync with the current steel prices. The third quarter 2010 iron ore price increase is a case in point. This has happened at a time when the steel market witnessed a free fall with no clear signal that there will be revival later in the year.

**Global steel scenario:**

World steel market is undergoing a profound change. After the financial tsunami in third quarter of 2008, the global boom bust cycles have given way to pockets of growth in the BRIC countries. Crude steel output in 2011 is estimated to reach 1.329 billion tonnes up by 14.2% YoY from a recession hit low of 1.219 billion tonnes in 2009. But, Fluctuation in prices and low capacity utilization levels in the advanced economy reflect inherent weakness in demand side.

In China, the world's top producer and consumer of the metal accounting for about 45% share, crude steel output is estimated to rise by 10.1% YoY this year to 625 million tonnes, but with total capacity expected to reach 710 million by end 2010. Chinese government while taking stiff measures to cool economy and curb investments has also tried to clamp down steel production. But the results have not been encouraging so far as Chinese steel sector is saddled with huge over capacities, looming large a dark cloud over global steel scenario.

**Indian iron ore industry:**

India produced 212.6 million tonnes of iron ore in FY 2011 and exported 97.6 million tonnes. There are about 500 mines in the country, half of which are operational. These are held by about 80 companies. High-grade ores with 62-65 percent iron are produced mainly in the east and south. Low-grade ores with 50-60 percent iron are produced in the west and south. The steel industry is a big domestic user of iron ore. Many steel companies have captive mines.

India is the world's third-largest exporter after Australia and Brazil. Goa is India's biggest exporter. China is India's biggest buyer, with its proximity helping it secure ores with low freight costs. India sells the bulk of its iron ore via the spot market.

*(Source: Federation of Indian Mineral Industries, Industry Members & Ministry of Mines)*

**Outlook:**

In Budget 2011, the federal government hiked export duties on iron ore to 20 percent from 5 percent for fines and from 15 percent for lumps in a bid to cool domestic prices to help steel firms. Shipments from Karnataka, source of a quarter of India's annual exports, have been banned since July 2010 and exports have yet to resume despite a Supreme Court order allowing shipments from April 20. Port infrastructure is poor and vessels can wait up to seven days to load cargo. Indian prices generally follow the global market, dominated by Australian and Brazilian miners, with China buying on a spot basis for its low-grade ore needs. Slower exports could mean a surge in stocks of fines, complicating storage problems at mines. The Karnataka ban led to an estimated 15 million tonnes of unsold stocks of low-grade ore lying in the mines as of late July this year. The world's first iron ore futures debuted in India in January, 2011, but volumes have been muted as participation of foreign players is not allowed.

**Backward Integration:**

The Company envisages setting-up a greenfield 1.2 million tons pelletisation project with equivalent beneficiation facility proposed in Khed district of Maharashtra state wherein estimated project cost is ₹ 378 cr. Out of the total outlay, the company has already raised funds for the said projects from the issue of Global Depository Receipts amounting to ₹ 250 cr.



## Finance Review

### Accounting policy

The Company's financials were stated in line with the accrual system of accounting, recognizing income as it is earned irrespective of the time of receipt. The accounts of the company are prepared as per the accounting standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956. The financial performance as stated hereunder pertains to standalone results.

### Financial highlights 2010-11 Vis-à-vis 2009-10

There was a significant improvement in the Company's performance which is reflected by the following numbers:

- Net Sales increased by 12% from ₹ 526 cr in 2009-10 to ₹ 611 cr in 2010-11.
- EBIDTA decreased by 12 % from ₹ 59 cr in 2009-10 to ₹ 52 cr in 2010-11.
- PAT decreased by 85% from ₹ 27 cr in 2009-10 to ₹ 4 cr in 2010-11.
- Cash profit decreased by 22% from ₹ 41 cr in 2009-10 to ₹ 32 cr in 2010-11.
- EPS (diluted) decreased by 92 % from ₹ 0.32 (restated) in 2009-10 to ₹ 0.03 in 2010-11.

### Revenue analysis

Net sales increased 12% from ₹ 526 cr in 2009-10 to ₹ 611 cr in 2010-11 on account of increase in demand for iron ore in the domestic steel markets. Other income as a percentage of PAT was 61% and it increased by 8% from ₹2.6 cr in 2009-10 to ₹ 2.8 cr in 2010-11.

### Cost analysis

The total operating cash cost increased 21 % from ₹ 469 cr in 2009-10 to ₹ 568 cr in 2010-11 on account of increased crushing and extraction costs. The total operating cash cost as a proportion of net sales increased from 89% in 2009-10 to 93% in 2010-11. The following comprised major costs of the company during the year under review:

**Material consumed:** Material consumed surged from ₹ 459 cr in 2009-10 to ₹ 545 cr in 2010-11, an increase of 19 % on account of increase in production quantity and cost. The consumption of materials as a proportion of total operating cash cost is 96 % in 2010-11 as compared with 98% last year.

**Extraction charges:** The Company's extraction expenses as a proportion to total operating cash cost was constant at 13%.

**Crushing charges:** The Company's crushing charges is 15% of the total operating cash cost during the year, compared to 13% during 2009-10.

**Screening charges:** The Company's screening charges, as a proportion of the total operating cost increased to 8% in 2010-11 compared to 7% in 2009-10.

**Employee cost:** The Company's employee cost escalated by 21% from ₹ 2.6 cr in 2009-10 to ₹ 3.2 cr in 2010-11 on account of increase in salary and bonus, across the board.

**Administrative and selling expenses:** The Company's administrative and selling expenses as a proportion of the total operating cash cost increased from 2% in 2009-10 to 4% in 2010-11. This cost increase is mainly on account of internal road development at Nuagaon and Maharajpur mines followed by foreign exchange fluctuation loss.

### Capital employed

Shareholder's fund constitutes equity shares and reserves and surplus. The company's total capital employed in the business increased by 62% from ₹ 443 cr in 2009-10 to ₹ 720 cr in 2010-11,

**Share capital:** During the year the Company issued Global Depository Receipts (GDR) totaling 52,08,333 numbers GDR and each represented by six equity shares of ₹ 10/- each, thereby allotting 3,12,49,998 numbers of equity shares of the company @ ₹ 10/- each with premium of ₹ 80/- each. During the year, company has also converted 65,00,000 numbers Preferentially Convertible Share Warrants issued last year, into 65,00,000 equity shares of ₹ 10/- each with premium of ₹ 115/- per equity share thereby converting it into fully-paid equity shares of ₹ 10/- each. Subsequently during the year itself, the company has split the face value of each paid-up equity shares from ₹ 10/- each into ₹1/- each. Further, the company has issued 1,32,58,30,960 numbers of bonus equity shares in the ratio of 2:1 from out of the surplus of the Share Premium Account thus utilising ₹ 13,258.31 lacs from the said Account. As on 31<sup>st</sup> March, 2011, the company has ₹198.87 cr equity shares of ₹ 1/- each fully paid, totaling ₹ 198.87 cr. The promoters' holding in the Company stood at 28.07 % as on 31<sup>st</sup> March,2011.

**Net worth:** Net worth comprises of equity capital and reserves and surplus and unadjusted carried forward miscellaneous expenditure. Reserves and surplus constituted major portion of the shareholder's funds at 72% as on 31<sup>st</sup> March, 2011, compared to 90% as on 31<sup>st</sup> March, 2010. The return on average net worth is 1% compared to 7% as on 31<sup>st</sup> March, 2010.

**Reserves:** The Company's reserves and surplus registered an increase of 43% over the previous year, from ₹ 357 cr as at 31<sup>st</sup> March, 2010 to ₹ 510 cr as at 31<sup>st</sup> March, 2011. The increase was mainly on account of issue of GDR and conversion of share warrants into equity at premium including earnings retained in the business.



### Loan funds

The company's loan fund comprises secured and unsecured loans. The loan funds remained flat at ₹ 122 cr. The working capital loan constituted 64% of the loan funds as on March 31, 2010, as compared to 89% as on March 31, 2011. The company's has a debt-equity ratio of 0.31 in 2009-10 compared to 0.20 in 2010-11.

**Secured loans:** Secured loan comprises 98% of the total loan funds, of which 9% was term loan and 91% was working capital loan. Secured loans increased marginally by 4% from ₹ 115 cr as on 31<sup>st</sup> March, 2010 to ₹ 120 cr on 31<sup>st</sup> March, 2011.

**Unsecured loans:** This comprises 2% of the total loan funds which comprises of inter-corporate deposits. It decreased by 65% from ₹ 7 cr as on 31<sup>st</sup> March, 2010 to ₹ 3 cr on 31<sup>st</sup> March, 2011.

**Interest:** The Company's net interest charges increased by 48% from ₹ 8 cr in 2009-10 to ₹ 12 cr in 2010-11, owing to higher interest payment to banks, mainly on account of increased interest rates. The company has an interest cover of 3.5 (times) in 2010-11 as against 5.2 (times) in 2009-10. The company's average cost of debt stood flat at 14%.

### Gross block

The gross block of the company increased from ₹ 186 cr as on 31<sup>st</sup> March, 2010 to ₹ 223 cr as on 31<sup>st</sup> March, 2011. The investment was mainly made in procuring wagons under Wagon Investment Scheme. The net capital work in progress increased from ₹ 16 cr as on 31<sup>st</sup> March, 2010 to ₹ 161 cr as on 31<sup>st</sup> March, 2011, owing to the backward integration of setting up 1.2 million tonn pelletization and equivalent beneficiation plant envisaged.

### Depreciation

The Company adopted the straight line method of depreciation on its fixed assets as stipulated in Schedule XIV of the Companies Act, 1956 except for lesser useful life of assets as mentioned in the notes to accounts. Depreciation increased from ₹ 3 cr in 2009-10 to ₹ 19 cr in 2010-11, partly owing to lesser useful life and for more working of plant and machinery during the year.

### Investments

The investments stood almost flat at ₹ 19 cr as on 31<sup>st</sup> March, 2011.

### Net current assets

The company's net current assets increased 20% from ₹ 313 cr in 2009-10 to ₹ 376 cr in 2010-11 primarily due to increase in debtors and loans & advances. The current ratio stood at 1.91 in 2010-11 as against 2.48 in 2009-10.

### Liquidity ratio

|               | 2010-11 | 2009-10 | 2008-09 |
|---------------|---------|---------|---------|
| Current ratio | 1.91    | 2.48    | 2.29    |
| Quick ratio   | 1.80    | 2.20    | 2.09    |

### Inventory :

The Company's inventory decreased by 21% from ₹ 39 cr in 2009-10 to ₹ 31 cr in 2010-11. The inventory cycle decreased from 32 days during last year to 27 days during the year.

**Sundry debtors:** Increased sales enhanced debtors from ₹ 159 cr in 2009-10 to ₹ 302 cr in 2010-11. Out of the total, 92% of the debtors were less than six months old and considered good. The debtor turnover cycle increased from 105 days during last year to 172 days during the year.

**Cash and bank balances:** The Company's cash and bank balance decreased 70% from ₹ 13 cr in 2009-10 to ₹ 4 cr in 2010-11. The balance declined mainly because of liquidation of the term deposits and also less amount held in current accounts.

**Loans and advances:** Loans and advances constituted 37% of the gross current assets and it also increased by 37% from ₹ 145 cr in 2009-10 to ₹ 199 cr in 2010-11 owing to interest free loan advanced to its non-integral foreign subsidiary.

**Current liabilities and provisions:** The Company's current liabilities and provisions increased by 262% to ₹ 160 cr in 2009-10 as against ₹ 44 cr in 2009-10, owing to a 672% increase in sundry creditors.

### Taxation:

Total tax provision of ₹ 3 cr for 2010-11, decrease by 82% against last year's ₹ 17 cr culminating into effective tax rate of 41% and 39% respectively. The company also recognised deferred tax liabilities of ₹ 2 cr in 2010-11.

### Foreign exchange management:

The company earnings in foreign exchange is ₹ 1 cr year 2010-11. The expenditure in foreign currency stood at ₹ 9 cr in the year under review.

## Directors' Report

### Dear Shareowners,

Your Directors take great pleasure in presenting their report on the business and operations of the Company along with the 24<sup>th</sup> Annual Report to the Members with the audited financial statements for the year ended 31<sup>st</sup> March, 2011.

### Financial Results

The consolidated performance of the Company for the financial year 2010-11 is summarised below:

| Particulars                               | (₹ in Lacs) |            |
|---|-------------|------------|
|   | FY 2010-11  | FY 2009-10 |
| Total Income                              | 63,802.16   | 53,215.89  |
| Profit before Depreciation & Amortization | 3,331.34    | 5,157.93   |
| Less: Depreciation                        | 1,928.25    | 366.12     |
| Less: Amortization (Including Goodwill)   | 2,682.58    | 311.38     |
| Profit before tax                         | (1,279.49)  | 4,480.42   |
| Less: Provision for taxation              | 317.94      | 1,724.17   |
| Profit after tax                          | (1,597.43)  | 2,756.25   |
| Less: Prior Period Expense / (Income)     | 15.11       | (6.17)     |
| Less: Minority Interest                   | (1.80)      | -          |
| Profit available for appropriation        | (1,610.74)  | 2,762.42   |
| Appropriations:                           | -           | -          |
| Transfer to General Reserve               |             |            |
| Proposed Dividend                         |             |            |
| Tax on Dividend                           |             |            |
| Balance Carried forward to Balance Sheet  | (1,610.74)  | 2,762.42   |

### Review of Performance

In accordance with the requirements of the Listing Agreements, a consolidated Financial Statement of the Company is also included in this Annual Report comprising Warana Minerals Private Ltd. - a 100% subsidiary, Shri Warana Minerals (India) Private Ltd. - with 60% proportionate interest, Resurgere International FZE - a 100% non-integral foreign subsidiary and 70% proportionate interest in the jointly controlled entity i.e. Resurgere Coal India LLP which was incorporated only in Jan., 2011, therefore figures to this extent for the previous year is not comparable.

The total net sale has increased by ₹ 116.73 crore from ₹ 526.45 crore last year to ₹ 643.18 crore this year - an increase by 22.17%. The gross profit has decreased by ₹ 0.36 crore from ₹ 67.18 crore (12.75%) last year to ₹ 66.82 crores (10.40%) this year, decreased by 18.60%. The net loss after taxes, in the current year, is ₹ 15.97 crore as compared to net profit of ₹ 27.56 crore last year.

### Dividend:

To conserve the financial resources, no dividend has been recommended for the year under review and no amount are proposed to be transferred to reserves.

### Share Capital

During the year under review, the authorised share capital has been increased from ₹ 600,000,000 to ₹ 1,000,000,000 divided into 100,000,000 equity shares of ₹ 10/- each, (vide postal ballot notice dated May 28, 2010 of which results were declared on 7<sup>th</sup> July, 2010). It was further increased from ₹ 1,000,000,000 to ₹ 3,000,000,000 and sub-divided the equity share from the face value of ₹ 10/- each into the face value of ₹ 1/- each (vide postal ballot notice dated 27<sup>th</sup> July 2010 of which the results were declared on 6<sup>th</sup> September, 2010). The authorised share capital was further increased from ₹ 3,000,000,000 to ₹ 7,500,000,000 divided into 7,500,000,000 equity shares of ₹ 1/- each. (vide postal ballot notice dated 25<sup>th</sup> September, 2010 of which the results were declared on 2<sup>nd</sup> November, 2010)

#### a) Conversion of warrants into equity shares

In terms of the Special Resolution passed by the members of the Company by way of postal ballot, of which the result was declared on December 14, 2009, the company has allotted on January 30, 2010, 6500000 warrants, at the exercise price of ₹ 125/- per warrant (including a premium of ₹ 115/- per warrant) convertible into equal number of equity shares of ₹ 10/- each. The Board of Directors in their meeting held on 26<sup>th</sup> August, 2010, had converted the 6500000 warrants into equity shares of the Company.

#### b) Global Depository Receipts

On 25<sup>th</sup> June, 2010, under authority of Special Resolution passed by the members of the Company by way of postal ballot, of which the result was declared on December 14, 2009, the Company allotted 31,249,998 equity shares of ₹ 10/- each at a premium of ₹ 70/- per equity share



underlying which, 5,208,333 Global Depository Receipts (GDRs) were issued whereby each GDR represented six equity shares thereby raising a total USD 53.75 million. With effect from 28<sup>th</sup> June, 2010, the company's Global Depository Receipts (GDRs) were listed with Luxembourg Stock Exchange.

### c) Bonus Issue

In continuance company's tradition of rewarding shareholders, the Board of Directors of the Company ("the Board") at its meeting held on 27<sup>th</sup> July, 2010 had recommended issue of bonus shares in the ratio of 2:1 i.e. Two new fully paid up equity share of ₹ 1/- each (after sub-division) for every one fully paid up equity share of ₹ 1/- each, to the eligible members of the Company as on book closure which was fixed from 17<sup>th</sup> September, 2010 to 19<sup>th</sup> September, 2010.

### Subsidiary Companies

As on March 31, 2011, your company has six subsidiary companies, namely:

1. M/s Warana Minerals Private Limited
2. M/s Shri Warana Minerals (India) Private Limited
3. Resurgere International FZE
4. M/s Resurgere Sponge Iron Limited
5. M/s Resurgere Ferro Alloys Limited
6. M/s Resurgere Industries Limited

The above companies are wholly owned subsidiaries of the company except M/s Shri Warana Minerals (India) Private Limited, in which the company has 60% stake as on 31<sup>st</sup> March, 2011. M/s Resurgere Sponge Iron Limited and M/s Resurgere Ferro Alloys Limited were incorporated on 1<sup>st</sup> March, 2011 and M/s Resurgere Industries Limited was incorporated on 10<sup>th</sup> March, 2011. The Board of the respective companies (incorporated in March 2011) has decided to have their first financial year to end 31<sup>st</sup> March, 2012. The accounts of these subsidiaries have not been prepared for the financial year ending 31<sup>st</sup> March, 2011. In addition to the above, your company has one limited liability partnership namely "Resurgere Coal India LLP" with a 70% stake.

In accordance with the general circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept open for inspection at the Registered Office of the Company and that of the respective subsidiary companies. The Consolidated Financial Statements presented by the Company also includes the financial results of its subsidiary companies.

There was no material change in the nature of the business of the subsidiaries. As required under the listing agreements with the Stock Exchanges, a consolidated financial statement has been prepared in accordance with the Accounting Standards.

The statement pursuant to Section 212 of the Companies Act, 1956 containing the prescribed details of subsidiaries is attached to this report.

### Human Resource Development

Company encourages a culture that develops and empowers people, promotes team building and nurtures new ideas. The Company's recruitment practice ensures that suitable candidates with merit are recruited and provided with the right opportunities to grow within the organization. The percentage of employee turnover is almost nil in the Company.

### Environment and Social Concern

Your Company continues its efforts for the betterment of the environment and conservation of scarce natural resources.

### Depository System

Your Company's equity shares are available for dematerialization through National Securities Depository Limited and Central Depository Services (India) Limited. As of 31<sup>st</sup> March, 2011, 99.83% of the equity shares of your Company were held in demat form.

### Buy-back of Shares

During the financial year under review, Company has not announced any Buy-back of its shares.

### Corporate Governance Report and Management Discussion and Analysis Statement

A report on Corporate Governance is attached to this Report as also a Management Discussion and Analysis statement. The Chairman and Managing Director's declaration regarding compliance with Company's Code of Conduct for Directors and Senior Management personnel forms part of report on Corporate Governance. The certificate from the company's auditors confirming compliance of Corporate Governance norms as stipulated in Clause 49 of the listing agreement with the stock exchanges is included in this annual report.

**Directors**

Mr. Alok Ambastha was appointed as Additional Directors of the Company under Section 260 of the Companies Act, 1956 on 29<sup>th</sup> January, 2011. In terms of the provisions of Section 260 of the Companies Act, 1956, Mr. Alok Ambastha holds office up to the conclusion of the forthcoming Annual General Meeting (AGM) of the Company and is eligible for appointment. The Company has received notice from a member of the Company pursuant to section 257 of the Companies Act, 1956, proposing his candidature for the office of Director. Mr. Alok Ambastha shall be liable to retire by rotation. The Board recommends his appointment as Director.

Mr. Ashwin Shanker Iyer and Mr. Ajay Singh Sethi, Directors of the Company retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment. The Board recommends their re-appointment at the ensuing Annual General Meeting.

Mr. I. D. Agarwal and Mr. Burzin Somandy, Directors, resigned as the director with effect from 10<sup>th</sup> August, 2010. The Board places on record their gratitude and appreciation for the contribution of the said directors during their tenure as Director of the company.

**Auditors**

M/s. Churiwala & Co., Chartered Accountants, Mumbai, retires at the conclusion of the forthcoming AGM and is eligible for re-appointment. Members are requested to consider their re-appointment as Statutory Auditors of the Company from the conclusion of this AGM until the conclusion of next AGM of the Company, at a remuneration to be decided by the Board of Directors of the Company in consultation with the Auditors. The Company received confirmation from M/s Churiwala & Co., to the effect that their appointment if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such re-appointment within the meaning of Section 226 of the Companies Act, 1956. The Board recommends their re-appointment.

**Auditor's Report**

The Notes forming part of Accounts, which are specifically referred to by the auditors in their report are self-explanatory and therefore, do not call for any further comments.

**Internal Control System**

The Company's present Internal Control Systems are commensurate with its size. However, looking at the growth in the size of the Company and its operations it is strengthening these systems further. The Company places great emphasis on the maintenance of effective internal controls, both from the point of view of compliance with statutory requirements as well as supporting the smooth and efficient running of the business.

In an effort to improve the reliability and efficiency of business processes that have an impact on financial reporting, the company embarked on an Internal Control Systems project to standardize and properly document the major processes and associated key controls.

**Directors Responsibility Statement**

Pursuant to the requirements under Section 217 (2AA) of the Companies Act, 1956 ("Act"), as amended, with respect to Directors' Responsibility Statement, the Directors hereby confirm that:

- (i) in the preparation of Annual Accounts for the year ended 31<sup>st</sup> March, 2011, the applicable Accounting Standards read with requirements set out under Schedule VI to the Companies Act, 1956, have been followed and there are no material departures from the same;
- (ii) the Directors have selected such accounting policies in consultation with the statutory auditors and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2011, and of the profit and cash flow of the Company for the year ended 31<sup>st</sup> March, 2011;
- (iii) the Directors have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956. They confirm that there are adequate systems and controls for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) the Directors have prepared the Annual Accounts of the Company for the financial year ended 31<sup>st</sup> March, 2011 on a going concern basis.

**Transfer of unpaid /unclaimed amounts to Investor Education Protection Fund (IEPF)**

During the year there were no amounts which remained unpaid / unclaimed for a period of seven years and which were required to be transferred by the company to the Investor Education and Protection Fund established by the Central Government pursuant to Section 205C of the Companies Act, 1956.

**Shares in Suspense Account:**

No equity share of the Company was in suspense account as on 31<sup>st</sup> March, 2011.

**Fixed Deposits**

The Company had neither invited nor accepted any public deposits, during the year, under Section 58A of the Companies Act, 1956 and, as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the Balance Sheet.



### Particulars of Employees

In terms of the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of employees are set out in the Annexure to the Directors' Report. However, as per the provisions of Section 219 (1) (b) (iv) of the said Act, the Annual Report is being sent to all the members of the company and other entitled thereto excluding the aforesaid information. Any member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

### Conservation of Energy, Technology Absorption

The provisions of Section 217(1) (a) of the Companies Act, 1956, read with Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 regarding conservation of energy and technology absorption are not applicable to the Company.

However, the company has put into implementation effective measures to reduce energy consumption by purchasing and using energy efficient equipment. The company endeavors to use modern technology to carry out its operations.

### Foreign Exchange Earnings and Outgo

The company has not made any exports during the year, nevertheless it will always strive for and avail export opportunities based on economic considerations in future.

During the year under review, Company has made following transactions in Foreign Currency.

(₹ In Lacs)

| Particular                      | 2010-11 | 2009-10 |
|---------------------------------|---------|---------|
| Expenditure in Foreign Currency | 942.17  | 45.56   |
| Earning in Foreign Currency     | 129.63  | NIL     |

### Acknowledgement

The Directors of the Company take this opportunity to express their grateful sincere appreciation for the cooperation and support received from Company's Shareholders, Vendors, Financial Institutions, Bankers, Government of India, Department of Mines, State Governments, Regulatory Bodies, Customers, society and other business constituents during the year under review. Directors also take on record the appreciation for the contribution, commitment displayed and hard work of every employee of the Company resulting in successful performance during the year under review. The path to further growth is very exciting and your continued patronage would enable us to scale greater heights at a faster pace.

On Behalf of the Board of Directors,

**Mr. Subhash Sharma**

Chairman & Managing Director

**Mr. Amit Sharma**

Whole-time Director

Place: Mumbai

Date: 12<sup>th</sup> August, 2011



## Corporate Governance Report For The Financial Year Ended 31<sup>st</sup> March, 2011

The Securities and Exchange Board of India (SEBI) Regulates corporate governance practices of companies listed on the Indian Stock Exchanges. These regulations are notified under clause 49 of the Listing agreements of all the Stock Exchanges in India. Resurgere Mines & Minerals India Ltd., ("Resurgere" or "the Company") has established systems and procedures to comply with the provisions of Clause 49 of the Listing Agreement. This report is in compliance of Clause 49 of the Listing Agreement entered into with Stock Exchanges.

### I. Company's Philosophy on Corporate Governance

Corporate governance helps to serve corporate purposes by providing a framework within which stakeholders can pursue the objectives of the organization most effectively. Corporate governance signifies acceptance by management of the inalienable rights of shareholders as the true owners of the organization and of their own role as trustees on behalf of the shareholders.

By combining ethical values with business acumen, globalization with national interests and core business with emerging business, the company aims to be amongst the largest and most respected global organizations. The company will continue to focus its resources, strengths and strategies to achieve its vision of becoming a truly global leader in mining sector, while upholding the core values of excellence, integrity, responsibility, unity and understanding, which are fundamental to Resurgere.

The company has a strong legacy of fair, transparent and ethical governance practices. The Company has adopted a Code of Conduct for its employees, Non-Executive Directors, Executive Director (s) and the Managing Director. A copy of this Code of Conduct is available on the Company's website. The Company's corporate governance philosophy has been further strengthened through Code of Conduct for Prevention of Insider Trading.

The Company is in compliance with the requirements of the guidelines on corporate governance stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges. With the adoption of a Whistle Blower Policy, the company has moved ahead in its pursuit of excellence in corporate governance.

Corporate Social Responsibility (CSR): Social Welfare and Community development is at the core of Resurgere's CSR philosophy and this continues to be a priority in the management agenda.

The majority of our Board, (4 out of 6), consist of independent members. Further, we have Audit, Remuneration and Investor Grievance Committees, which comprise majority of independent directors.

Our corporate governance philosophy is based on the following principles:

- Satisfy the spirit of the law and not just the letter of the law. Corporate governance standards should go beyond the law.
- Be transparent and maintain a high degree of disclosure levels. When in doubts, disclose.
- Make a clear distinction between personal conveniences and corporate resources.
- Communicate externally, in a truthful manner, about how the Company is run internally.
- Comply with all the applicable laws.
- Management is the trustee of the shareholders' capital and not the owners.

Towards this end, all Directors and Senior Management are committed to the Company's Code of Conduct, the compliance to which is periodically reviewed.

### 2. Board of Directors

The company understands that good and quality governance is a powerful competitive differentiator and critical to economic and social progress. The "Board" being the trustee of the company, responsible for the establishment of cultural, ethical and accountable growth of the Company, is constituted with a high level of integrated, knowledgeable and committed professionals. The Board of the Company is independent in making its decision and also capable and committed to address conflict of interest and impress upon the functionaries of the company to focus on transparency, accountability, probity, integrity, equity and responsibility. The Composition of the Board as on 31<sup>st</sup> March, 2011 is given herein below:

- a) As on 31<sup>st</sup> March 2011, the Company's Board of Directors consists of six members, including the Executive Chairman. Of the six Directors, four (i.e. 67%) are Non Executive and Independent Directors. The Composition of the Board is in conformity with Clause 49 of the Listing Agreements entered into with the Stock Exchanges and exceeds the percentages prescribed in the said Agreements.
- b) None of the Directors on the Board are a Member of more than ten Committees or Chairman of more than five committees across all the Companies in which they are Directors. Necessary disclosures regarding Committee positions in other public companies as on 31<sup>st</sup> March 2011 have been made by the Directors.
- c) Dates of the Board meetings in the ensuing year are decided well in advance and communicated to the Directors. Additional Board meetings are held when deemed necessary by the Board.
- d) The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships / Memberships held by them in other companies are given herein below. Other directorship does not include alternate directorships, directorships of private limited companies, Section 25 companies and of

companies incorporated outside India. Chairmanships / Memberships of Board Committees include only Audit and Shareholders / Investors Grievance Committees.

| Name of the Director                                       | Category                   | Number of Board Meetings during the year 2010-11 |          | Attendance at the last AGM | Number of Directorships in other public companies | Number of Committee position held in other public companies |        |
|--|----------------------------|--|----------|----------------------------|---|---|--------|
|  |                            | Held   | Attended |                            |   | Chairman  | Member |
| Mr. Subhash Sharma<br>(Chairman & Managing Director & CEO) | Promoter, Executive        | 9  | 7        | Yes                        | 3   | NIL   | NIL    |
| Mr. Amit Sharma<br>(Whole-time Director)                   | Non Independent, Executive | 9  | 7        | Yes                        | 3   | NIL   | 2      |
| Mr. Nitin Sethi  | Independent, Non Executive | 9  | 9        | Yes                        | 4   | 2   | 2      |
| Mr. Ashwin Shanker Iyer #                                  | Independent, Non Executive | 5  | 5        | No                         | NIL   | 1   | 1      |
| Mr. Ajay Singh Sethi #                                     | Independent, Non Executive | 5  | 5        | Yes                        | 1   | 1   | 3      |
| Mr. Alok Ambastha \$                                       | Independent, Non Executive | N.A.   | N.A.     | N.A.                       | NIL   | NIL   | NIL    |
| Mr. I. D. Agarwal \$\$                                     | Independent, Non-Executive | 4  | 4        | N.A.                       | N.A.  | N.A.  | N.A.   |
| Mr. Burzin Somandy \$\$                                    | Independent, Non-Executive | 4  | 4        | N.A.                       | N.A.  | N.A.  | N.A.   |

# Appointed on 10<sup>th</sup> August, 2010, \$29<sup>th</sup> January, 2011, \$\$ Resigned on 10<sup>th</sup> August, 2010.

- e) Nine Board Meetings were held during the year and the duration between two meetings did not exceed four months. The dates on which the Board Meetings were held are as follows:

28<sup>th</sup> May, 2010, 25<sup>th</sup> June, 2010, 27<sup>th</sup> July, 2010, 5<sup>th</sup> August, 2010, 26<sup>th</sup> August, 2010, 17<sup>th</sup> September, 2010, 25<sup>th</sup> September, 2010, 3<sup>rd</sup> November, 2010 and 29<sup>th</sup> January, 2011.

- f) None of the Non-Executive Directors have any material pecuniary relationship or transactions with the Company.
- g) The Company has adopted the Code of Conduct for Executive and Non-Executive Directors, Senior Management Personnel and other executives of the Company. The Company has received confirmations from all the above regarding compliance of the Code during the year under review. The Code of Conduct is posted on the website of the Company.

### 3. Audit Committee

- (i) The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges read with section 292A of the Companies Act, 1956.
- (ii) The terms of reference of the Audit Committee are as under:
- Oversight of Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
  - Recommending to the Board, the appointment, reappointment and if required, the replacement or removal of the statutory auditor (s) and the fixation of audit fees.
  - Approval of payment to statutory auditors for other services rendered by the Statutory Auditors.
  - Reviewing with management the annual financial statements before submission to the Board for approval, focusing primarily on:
    - Matters required to be included in the Directors' Responsibilities Statement to be included in the Board's Report u/s 217 (2AA) of Companies Act, 1956.
    - Changes, if any, in accounting policies and practices, with reasons for the same.
    - Major accounting entries involving estimates based on the exercise of judgment of management.
    - Significant adjustments made in the financial statements arising out of audit findings.
    - Compliance with listing and other legal requirement relating to financial statements.
    - Disclosure of any related party transactions.
    - Qualifications in the draft audit report.

- e) Reviewing with Management, the quarterly financial statements before submission to Board for approval.
  - f) Reviewing with Management, the statement of uses / application of funds, raised through an issue (public issue, right issue, preferential issue etc.), the statement of funds utilised for purpose other than those stated in the offer document / prospectus / notice and monitoring agency report and making appropriate recommendations to the Board to take up steps in this matter.
  - g) Reviewing, with the Management, performance of Statutory and Internal auditors and adequacy of internal control systems
  - h) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
  - i) Discussion with internal auditors any significant findings and follow up there on.
  - j) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspicion of fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
  - k) Discussion with statutory auditor before audit commences, about the nature, and scope of audit as well as post audit discussion to ascertain any area of concern.
  - l) To look into the reasons for substantial defaults in the payments to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
  - m) Reviewing the functioning of Whistle Blower mechanism, in case the same is existing.
  - n) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
  - o) Carrying out any other function as is mentioned in the terms of reference of the Committee.
- (iii) The Audit Committee meetings are usually held at the Registered Office of the Company and are normally attended by the Chief Financial Officer, representatives of the Statutory Auditors and representatives of the Internal Auditors. The Company Secretary acts as the Secretary of the Audit Committee. The Chairman of the audit committee briefs the Board members about significant discussions at Audit Committee meetings. The committee relies on the expertise and knowledge of the management, the internal auditors and the independent statutory auditors in carrying out its oversight responsibilities.
- (iv) The previous Annual General Meeting of the Company was held on 30<sup>th</sup> September, 2010 and was attended by Mr. Ajay Singh Sethi, Chairman of the Audit Committee.
- (v) The Composition of the Audit Committee and particulars of meetings attended by the members of the Audit Committee are given below:

| Name                              | Category                   | Number of Meetings during the year 2010-11 |          |
|-----------------------------------|----------------------------|--|----------|
|                                   |                            | Held                                       | Attended |
| Mr. Ajay Singh Sethi - Chairman # | Independent, Non-Executive | 2  | 2        |
| Mr. Ashwin Shanker Iyer #         | Independent, Non-Executive | 2  | 2        |
| Mr. Nitin Sethi                   | Independent, Non-Executive | 4  | 4        |
| Mr. Amit Sharma                   | Whole-time Director        | 4  | 2        |
| Mr. I. D. Agarwal \$              | Independent, Non-Executive | 2  | 2        |
| Mr. Burzin Somandy \$             | Independent, Non-Executive | 2  | 2        |

# Appointed on 10<sup>th</sup> August, 2010, \$ Resigned on 10<sup>th</sup> August, 2010.

The Committee comprises of directors, all of whom are financially literate and have relevant finance and/or audit exposure. Mr. Ajay Singh Sethi is the financial expert. The quorum of the committee is two members or one third of its members, whichever is higher.

- (vi) Four Audit Committee Meetings were held during the year. The dates on which the said meetings were held are as follows:  
28<sup>th</sup> May, 2010, 5<sup>th</sup> August, 2010, 3<sup>rd</sup> November, 2010 and 29<sup>th</sup> January, 2011.  
The necessary quorum was present for all the meetings.

#### 4. Remuneration Committee

- (i) The Company has constituted a Remuneration Committee of Board of Directors. The Broad terms of reference of the Remuneration Committee are as under:
  - a) To approve the remuneration, service agreement, commission/incentive remuneration payable to the Managing Director, Whole-time Director (s).
  - b) To approve the commission payable to the Non-Executive Directors of the Company.
  - c) Such other matters as the Board may from time to time request the Remuneration Committee to examine and recommend / approve.



- (ii) As on 31<sup>st</sup> March, 2011, the Composition of the Remuneration Committee and the details of the meetings attended by the members of the Remuneration Committee are given below:

| Name                                 | Category                   | Number of Meetings during the year 2010-11 |          |
|--------------------------------------|----------------------------|--|----------|
|                                      |                            | Held                                       | Attended |
| Mr. Ashwin Shanker Iyer – Chairman # | Independent, Non-Executive | NIL  | NIL      |
| Mr. Amit Sharma                      | Whole-time Director        | 2  | 2        |
| Mr. Nitin Sethi                      | Independent, Non-Executive | 2  | 2        |
| Mr. Ajay Singh Sethi #               | Independent, Non-Executive | NIL  | NIL      |
| Mr. Burzin Somandy \$                | Independent, Non-Executive | 2  | 2        |
| Mr. I. D. Agarwal \$                 | Independent, Non-Executive | 2  | 2        |

# Appointed on 10<sup>th</sup> August, 2010, \$ Resigned on 10<sup>th</sup> August, 2010.

- (iii) Two Remuneration Committee Meetings were held during the year on 27<sup>th</sup> May, 2010 and 27<sup>th</sup> July, 2010.
- (iv) The Chairman of the Remuneration Committee, Mr. Ashwin Shanker Iyer, was not present at the last Annual General Meeting of the Company held on 30<sup>th</sup> September 2010.
- (v) Remuneration Policy:

The Company's remuneration policy is driven by the success and performance of the individual employee and the Company. Through its compensation programme, the Company endeavours to attract, retain, develop and motivate a high performance workforce. The Company follows a compensation mix of fixed pay, benefits and variable pay. The individual performance pay is determined by business performance.

The Company pays remuneration by way of salary, benefits, perquisites, amenities and allowances to its Managing Director and Executive Directors as per the service agreements entered by them and the Company.

During the year, the Company paid Sitting Fees per meeting to its Non-Executive Directors for attending meetings of the Board and meetings of Committees of the Board. The Company pays, Directors other than the Managing Director and the Whole-time Directors, a sitting fee of ₹ 20,000/- per Board and Committee meeting they attend. The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending meetings.

- (vi) Details of the Remuneration for the year ended 31<sup>st</sup> March 2011:

- a) Non-Executive Directors:

| Name                      | Sitting Fees (in ₹) | Commission (in ₹)* |
|---------------------------|---------------------|--------------------|
| Mr. Nitin Sethi           | 4,80,000.00         | 3,00,000.00        |
| Mr. Burzin Somandy \$     | 2,20,000.00         | 3,00,000.00        |
| Mr. I. D. Agarwal \$      | 2,00,000.00         | 3,00,000.00        |
| Mr. Ashwin Shanker Iyer # | 1,80,000.00         | N.A.               |
| Mr. Ajay Singh Sethi #    | 1,80,000.00         | N.A.               |

# Appointed on 10<sup>th</sup> August, 2010, \$ Resigned on 10<sup>th</sup> August, 2010.

\*The above commission is paid for the financial year ending 31<sup>st</sup> March, 2010 and for the financial year ending 31<sup>st</sup> March, 2011, no commission has been paid.

- b) Managing Director and Whole-time Directors:

| Name of Director and period of appointment  | Salary | Bonus | Leave Salary | Perquisites | Employer's Contribution to Provident Fund | (₹ in lacs) |
|---|--------|-------|--------------|-------------|---|-------------|
|   |        |       |              |             |   | Total       |
| <b>Mr. Subhash Sharma</b><br>Chairman, Managing Director & CEO<br>(w.e.f. 1 <sup>st</sup> April 2007 for a period of 5 years)   | 75.00  | --    | 4.31         | 18.00       | 6.49                                      | 103.81      |
| <b>Mr. Amit Sharma</b> - Whole-time Director<br>(w.e.f. 23 <sup>rd</sup> June 2009 for a period of 5 years – initial period of 3 years with the power to Board of Company to further extend for 2 years on expiry of 3 years) | 22.50  | --    | 1.29         | 0.40        | 2.07                                      | 26.26       |

The above figures do not include provisions for gratuity, for the Managing Director and Whole-time Director.

The Company does not have any Employee Stock Option Scheme.

Notice period for Managing Director is six months and for Whole-time Director is three months. Services may be terminated by either party giving the other party six / three months' notice or the Company paying six / three months' salary in lieu thereof.

(vii) Details of Shares of the Company held by the Directors as on 31<sup>st</sup> March 2011 are as follows:

| Name of the Director    | Number of Shares of ₹ 1/- each |
|-------------------------|--------------------------------|
| Mr. Subhash Sharma      | 20,08,69,390                   |
| Mr. Amit Sharma         | 54,10,800                      |
| Mr. Ashwin Shanker Iyer | 1,87,500                       |
| Mr. Ajay Singh Sethi    | 3,000                          |

## 5. Shareholders / Investor Grievance Committee

- (i) The Company has constituted a Shareholders / Investors Grievance Committee of Directors to look into the redressal of complaints of investors such as transfer or credit of shares, non receipts of dividend / notices / annual reports, etc.
- (ii) Four meetings of the Committee were held during the year 2010-11 which are as follows: 27<sup>th</sup> May, 2010, 5<sup>th</sup> August, 2010, 3<sup>rd</sup> November, 2010 and 29<sup>th</sup> January 2011.
- (iii) Mr. Rakesh Gupta, Company Secretary of the Company is Compliance Officer of the Company.
- (iv) The Composition of the Shareholders / Investors Grievance Committee and the details of the meetings attended by its members are given below:

| Name                                 | Category                   | Number of Meetings during the year 2010-11 |          |
|--------------------------------------|----------------------------|--|----------|
|                                      |                            | Held                                       | Attended |
| Mr. Ashwin Shanker Iyer – Chairman # | Independent, Non-Executive | 2  | 2        |
| Mr. Ajay Singh Sethi #               | Independent, Non-Executive | 2  | 2        |
| Mr. Nitin Sethi                      | Independent, Non-Executive | 4  | 4        |
| Mr. Amit Sharma                      | Whole-time Director        | 4  | 2        |
| Mr. I. D. Agarwal \$                 | Independent, Non-Executive | 2  | 2        |
| Mr. Burzin Somandy \$                | Independent, Non-Executive | 2  | 2        |

# Appointed on 10<sup>th</sup> August, 2010, \$ Resigned on 10<sup>th</sup> August, 2010.

(v) Name, designation and address of Compliance Officer:

Mr. Rakesh Gupta  
 Company Secretary and Compliance Officer  
 Resurgere Mines & Minerals India Limited  
 156, Maker Chamber – III,  
 Nariman Point, Mumbai – 400021  
 Email: cosec@resurgere.in  
 Tel: 022-66582500  
 Fax: 022-66582511

(vi) Details of investor Complaints received and redressed during the year

| Opening Balance | Received | Resolved | Closing Balance |
|-----------------|----------|----------|-----------------|
| 0               | 41       | 41       | 0               |

Pursuant to Section 205C of the Companies Act, 1956, the Company is not required to transfer any amount remaining unclaimed and unpaid for a period of 7 years from the due date to the Investor Education and Protection Fund (IEPF) set up by the Central Government.

## Other Committees

(i) **Management Committee**

A Management Committee was constituted by the Board of Directors on 4<sup>th</sup> October 2007 to decide on the matters as delegated by the Board. The Powers of this Committee includes allotment of Shares, Transfer of Shares, Corporate Governance Compliances, Bank Accounts opening and closing etc. As on 31<sup>st</sup> March 2011 the committee comprising Mr. Subhash Sharma (Managing Director), Mr. Amit Sharma (Whole-time Director), Mr. Ashwin Shanker Iyer (Independent, Non-Executive) and Mr. Nitin Sethi (Independent, Non-Executive). Two meetings of the Committee were held during the year on 9<sup>th</sup> April, 2010 and 25<sup>th</sup> February, 2011.

(ii) **GDR Committee**

A GDR Committee was constituted by the Board of Directors in its meeting held on 28<sup>th</sup> May, 2010 to decide on the matters relating to the GDR issue of the company. As on 31<sup>st</sup> March 2011 the committee comprising Mr. Subhash Sharma (Managing Director), Mr. Amit Sharma (Whole-time Director) and Mr. Nitin Sethi (Independent, Non-Executive). Five meetings of the Committee were held during the year on 28<sup>th</sup> May, 2010, 16<sup>th</sup> June, 2010, 21<sup>st</sup> June, 2010, 25<sup>th</sup> June, 2010 and 24<sup>th</sup> November, 2010.

**6. General Body Meetings**(i) **Annual General Meetings**

Details of the last three Annual General Meetings are given as follows:

| Financial year ended         | Date and Time  | Venue   | Special Resolution passed   |
|------------------------------|--|---|---|
| 31 <sup>st</sup> March, 2010 | Thursday, 30 <sup>th</sup> September, 2010 at 11.30 a.m. | “GMS Banquet Hall” Sitladevi Complex, 1st Floor, D. N. Nagar, Opp. Indian Oil Nagar, on Link Road, Andheri (West), Mumbai – 400 053 | - To confirm record date for warrant issue.<br>- Remuneration to Mr. Subhash Sharma, Chairman & Managing Director of the company.   |
| 31 <sup>st</sup> March 2009  | Wednesday, 30 <sup>th</sup> September 2009 at 11.30 a.m. | “GMS Banquet Hall” Sitladevi Complex, 1st Floor, D. N. Nagar, Opp. Indian Oil Nagar, on Link Road, Andheri (West), Mumbai – 400 053 | - Approval of appointment of Mr. P. Bishnoi as Whole-time Director.<br>- Approval of appointment of Mr. Amit Sharma as Whole-time Director.<br>- Payment of Commission to Non Executive Directors.<br>- Alteration of Articles of Association of the Company. |
| 31 <sup>st</sup> March 2008  | Wednesday, 16 <sup>th</sup> July 2008 at 11 a.m.         | Indian Merchant Chamber, 2 <sup>nd</sup> Floor, Kilachand Conference Room, Churchgate, Mumbai – 400021                              | NIL   |

(ii) **Extra Ordinary General Meeting**

No Extraordinary General Meeting of the Members was held during the year under review.

(iii) **Postal Ballot**

During the year, pursuant to the provisions of Section 192A of the Companies Act, 1956 read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2001, the notice of postal ballot along with self addressed pre-paid envelopes, were dispatched to all shareholders. Ms Nishi Jain, Practicing Company Secretary / Mr. R. N. Gupta, Practicing Company Secretary had been appointed as scrutinizer for conducting the Postal Ballots voting in a fair and transparent manner. Following are the resolutions as set out in the Postal Ballot Notice.

| Date of declaration of Result of Postal Ballot | Brief of Resolution   | Special / Ordinary Resolution | Percentage of votes in favour | Percentage of votes against | Percentage of Invalid votes |
|--|---|-------------------------------|-------------------------------|-----------------------------|-----------------------------|
| 07.07.2010                                     | Increase in Authorised Share Capital from ₹ Sixty crores to ₹ Hundred crores.                                   | Ordinary                      | 85.20%                        | 14.79%                      | 0.01%                       |
| 06.09.2010                                     | Increase in Authorised Share Capital from ₹ hundred crores to ₹ Three hundred crores.                           | Ordinary                      | 100.00%                       | 0.00%                       | 0.00%                       |
|  | Sub-division of equity shares from ₹ 10/- each to ₹ 1/- each.   | Ordinary                      | 100.00%                       | 0.00%                       | 0.00%                       |
|  | Alteration of Clause V of Memorandum of Association of the company  | Ordinary                      | 100.00%                       | 0.00%                       | 0.00%                       |
|  | To issue bonus shares.  | Ordinary                      | 100.00%                       | 0.00%                       | 0.00%                       |
| 02.11.2010                                     | Increase in Authorised Share Capital from ₹ Three hundred crores to ₹ Seven hundred fifty crores.               | Ordinary                      | 99.37%                        | 0.60%                       | 0.03%                       |
|  | Raising of additional long-term funds through further issuance of securities in the Company up to ₹ 500 crores. | Special                       | 99.28%                        | 0.62%                       | 0.10%                       |

The result of the Postal Ballot was available at the registered office and displayed on the website of the Company besides being communicated to the Stock Exchanges where the securities of the Company are listed.

The Company has followed the procedure as prescribed under Companies (Passing of the Resolution by Postal Ballot), Rules, 2001.

During the year under review, only one special resolution was passed through postal ballot. No further, special resolution is proposed to be conducted through postal ballot.

## 7. Disclosures

### (a) **Materially significant related party transactions that may have potential conflict with the interests of company at large.**

During the year 2010-11, there were no materially significant transactions with related parties i.e., directors, management, subsidiaries, or relatives conflicting with the Company's Interest at large. Attention of Members is drawn to the disclosures of transactions with related parties set out in the Notes on Accounts forming part of the Annual Report.

### (b) **Details of non-compliance by the company, penalties, strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.**

The Company has complied with all the requirements of regulatory authorities. No penalties were imposed on the Company by Stock Exchanges, SEBI or any other statutory authority on any matter related to capital market during the last three years.

### (c) **Whistle Blower Policy**

With a view to establish a mechanism for protecting the employees reporting unethical behavior, fraud etc., the Board of Directors has adopted a Whistle Blower Policy. During the year 2010-11, no personnel has been denied access to the Audit Committee.

### (d) **Code for prevention of Insider – Trading practices**

In compliance with the SEBI regulation on prevention of insider trading, the Company has instituted a comprehensive Code of Conduct for prevention of insider trading, for its Management and staff. The Code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of the Company, and cautioning them of the consequences of violations.

### (e) **The Company has fulfilled the following non-mandatory requirements as prescribed in Annexure ID to the Clause 49 of the Listing Agreement with the Stock Exchanges:**

- i) The Company has set up a Remuneration Committee details of which have been given earlier in this Report.
- ii) The Company has adopted a Whistle Blower Policy and has established the necessary mechanism for employees to report concerns about unethical behavior. No person has been denied access to the Audit Committee.

### (f) **Share Capital Audit**

A qualified practicing Company Secretary carried out share capital audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The Share Capital Audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

## 8. Means of Communications

The quarterly, half-yearly and annual results of the Company are regularly submitted to the stock exchanges in accordance with the listing agreement and are generally published in Free Press Journal and Nav Shakti. The results are also displayed on the Company's website at [www.resurgere.in](http://www.resurgere.in).

A management Discussion and Analysis statement is a part of the Company's Annual Report.

## 9. General Shareholders Information

### (i) **Annual General Meeting**

|       |   |
|-------|---|
| Date  | 30 <sup>th</sup> September 2011   |
| Time  | 11.30 am  |
| Venue | "GMS Banquet Hall" Sitladevi Complex, 1 <sup>st</sup> Floor, D. N. Nagar, Opp. Indian Oil Nagar, on Link Road, Andheri (West), Mumbai – 400 053 |

As required under Clause 49 (IV)(G)(i) of the Listing Agreement with the Stock Exchanges, particulars of the Directors seeking appointment / re-appointment at the forthcoming Annual General Meeting (AGM) are given in the Annexure to the Notice of the AGM to be held on 30<sup>th</sup> September 2011.

### (ii) **Financial Calendar**

|                           |   |
|---------------------------|---|
| Financial Calendar        | 1 <sup>st</sup> April to 31 <sup>st</sup> March |
| Annual General Meeting in | 30 <sup>th</sup> September 2011                 |
| Dividend Payment          | No dividend has been recommended.               |

### (iii) **Date of Book Closure / Record Date**

|                                    |  |
|------------------------------------|--|
| Date of Book Closure / Record Date | As mentioned in the Notice of Annual General Meeting to be held on 30 <sup>th</sup> September, 2011. |
|------------------------------------|--|

(iv) **Listing on Stock Exchange**

|  |   |
|--|---|
| The National Stock Exchange of India Ltd.<br>Exchange Plaza, Bandra Kurla Complex,<br>Bandra (East), Mumbai – 400051 | Bombay Stock Exchange Limited<br>Floor 25, P. J. Towers,<br>Dalal Street, Mumbai – 400001 |
| The Luxembourg Stock Exchange, Luxembourg.   |   |

(v) **Stock codes / Symbol**

|   |           |
|---|-----------|
| Bombay Stock Exchange Limited             | 533017    |
| The National Stock Exchange of India Ltd. | RESURGERE |

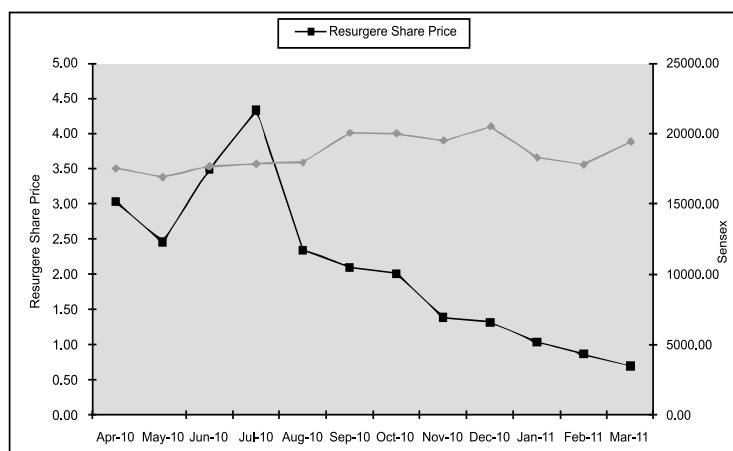
The Annual listing fees as applicable have been paid for the financial year 2011-12.

(vi) **Market Price Data**

High, Low (based on the closing prices) and number of shares traded during each month in the financial year 2010-11 on the National Stock Exchange of India Limited and the Bombay Stock Exchange Limited:

| Month  | National Stock Exchange of India Limited |         |                                  | Bombay Stock Exchange Limited |         |                                  | Total Volume<br>(NSE and BSE)<br>(Nos.) |
|--------|--|---------|----------------------------------|-------------------------------|---------|----------------------------------|---|
|        | High (₹)                                 | Low (₹) | Total Number of<br>Shares Traded | High (₹)                      | Low (₹) | Total Number of<br>Shares Traded |   |
| Apr-10 | 96.50                                    | 87.05   | 3316240                          | 96.60                         | 86.70   | 2872128                          | 6188368                                 |
| May-10 | 92.50                                    | 68.50   | 1608112                          | 92.30                         | 69.00   | 1126803                          | 2734915                                 |
| Jun-10 | 108.75                                   | 70.15   | 18185080                         | 108.95                        | 70.90   | 12353651                         | 30538731                                |
| Jul-10 | 155.00                                   | 103.90  | 39015111                         | 155.00                        | 104.35  | 31976671                         | 70991782                                |
| Aug-10 | 136.15                                   | 70.00   | 71043026                         | 136.30                        | 70.00   | 54958879                         | 126001905                               |
| Sep-10 | 82.00                                    | 2.05    | 209433644                        | 75.50                         | 2.10    | 92677271                         | 302110915                               |
| Oct-10 | 2.75                                     | 2.00    | 186197754                        | 2.64                          | 2.00    | 109712632                        | 295910386                               |
| Nov-10 | 2.10                                     | 1.30    | 150276185                        | 2.12                          | 1.31    | 148950755                        | 299226940                               |
| Dec-10 | 1.75                                     | 1.00    | 158188076                        | 1.70                          | 0.98    | 126030705                        | 284218781                               |
| Jan-11 | 1.45                                     | 1.00    | 75089116                         | 1.43                          | 1.00    | 61926842                         | 137015958                               |
| Feb-11 | 1.10                                     | 0.85    | 57379594                         | 1.08                          | 0.85    | 41577056                         | 98956650                                |
| Mar-11 | 0.90                                     | 0.70    | 44892423                         | 0.90                          | 0.70    | 49385489                         | 94277912                                |

Note: The equity shares were sub-divided from ₹ 10/- each to ₹ 1/- each and bonus shares allotted on 17<sup>th</sup> September, 2010.

(vii) **Performance of the share price of the Company in comparison to the BSE Sensex:**(viii) **Registrar and Transfer Agents:**

Link Intime India Private Limited, C-13, Pannalal Silk Mill Compound,  
L B S Marg, Bhandup (west)  
Mumbai - 400 078  
Telephone: +91 22 25946970 – 78  
Fax Number: +91 22 2596 0328/29  
Email: [rnt.help@linkintime.co.in](mailto:rnt.help@linkintime.co.in)  
Website: [linkintime.co.in](http://linkintime.co.in)

**(ix) Share Transfer System:**

99.83% of the shares of the Company are in electric form as on 31<sup>st</sup> March 2011. Transfer of these shares is done through the depositories with no involvement of the Company. As regards transfer of shares held in physical form, the transfer documents can be lodged with Registrar and Transfer Agent of the Company at the above given address. All valid requests for dematerialization of shares are processed and confirmation given to the depositories within 21 days.

Transfer of shares in physical form is normally processed within ten to fifteen days from the date of receipt if the documents are complete in all respects. The Management Committee of the Company is empowered to approve transfers.

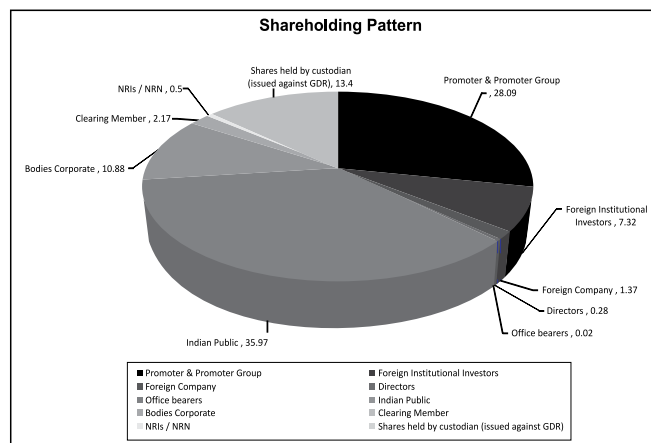
Pursuant to Clause 47 (c) of the Listing Agreement with the Stock Exchanges, on half yearly basis, certificates have been issued by a Company Secretary-in-Practice for due compliance of share transfer formalities by the Company. Further, share capital audit is done on a quarterly basis for reconciliation of the share capital of the Company.

**(x) Shareholding as on 31<sup>st</sup> March 2011:****a) Distribution of equity shareholding as on 31<sup>st</sup> March 2011:**

| Number of Shares   | Holding              | Percentage to Capital | Number of shareholders | Percentage to total accounts |
|--------------------|----------------------|-----------------------|------------------------|------------------------------|
| 1 – 500            | 3,801,275            | 0.19                  | 13,986                 | 16.38                        |
| 501 – 1000         | 11,039,509           | 0.56                  | 12,667                 | 14.83                        |
| 1001 – 2000        | 20,416,258           | 1.03                  | 12,546                 | 14.69                        |
| 2001 – 3000        | 32,778,948           | 1.65                  | 11,542                 | 13.52                        |
| 3001 – 4000        | 11,810,259           | 0.59                  | 3,193                  | 3.74                         |
| 4001 - 5000        | 24,160,506           | 1.21                  | 5,032                  | 5.89                         |
| 5001 – 10000       | 92,825,578           | 4.67                  | 12,339                 | 14.45                        |
| 10001 – above      | 1,791,914,107        | 90.10                 | 14,079                 | 16.50                        |
| <b>Grand Total</b> | <b>1,988,746,440</b> | <b>100.00</b>         | <b>85,384</b>          | <b>100.00</b>                |

**b) Categories of Equity Shareholders as on 31<sup>st</sup> March 2011:**

| Category                                      | Shareholders (Nos.) | Number of Shares     | Percentage    |
|---|---------------------|----------------------|---------------|
| Promoter & Promoter Group                     | 13                  | 558,628,717          | 28.09         |
| <b>Public Shareholding</b>                    |                     |                      |               |
| Foreign Institutional Investors               | 5                   | 145,525,458          | 7.32          |
| Foreign Company                               | 1                   | 27,300,000           | 1.37          |
| Directors                                     | 3                   | 5,590,500            | 0.28          |
| Office bearers                                | 13                  | 413,760              | 0.02          |
| Indian Public                                 | 83796               | 715,449,481          | 35.97         |
| Bodies Corporate                              | 900                 | 216,472,392          | 10.88         |
| Clearing Member                               | 281                 | 43,010,281           | 2.17          |
| NRIs / NRN                                    | 371                 | 9,981,411            | 0.50          |
| Shares held by custodian (issued against GDR) | 1                   | 266,374,440          | 13.40         |
| <b>Grand Total</b>                            | <b>85384</b>        | <b>1,988,746,440</b> | <b>100.00</b> |





(xi) **Dematerialization of Shares and liquidity:**

The Company's shares are available for trading on both the depositories in India viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Equity Shares of the Company representing 99.83% of the Company's share capital are dematerialised as on 31<sup>st</sup> March 2011.

The Company's Shares are regularly traded on the National Stock Exchange of India Limited and the Bombay Stock Exchange Limited, in electronic form.

Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is **INE774101023**.

(xii) **Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity:**

As on 31<sup>st</sup> March 2011, the Company have 1479858 outstanding GDRs representing 266374440 equity shares of ₹ 1/- each of the company.

There are no outstanding ADRs or any warrants or any other convertible instruments as on 31<sup>st</sup> March, 2011.

(xiii) **Mine Locations:**

(a) Iron Ore Mines:

- Nuagaon, Orissa
- Maharajpur, Orissa\*
- Satarda Mine, Maharashtra #

(b) Bauxite Mines:

- Yelwan Jugai, Maharashtra #
- Mahalmiriya, Maharashtra

(c) Soapstone Mine:

- Dhelana, Rajasthan

\*Revenue has been derived for the financial year 2010-11 but however, on the date of reporting the mine operations has been stopped.

# The Company yet to start the mining activities.

(xiv) **Address for correspondence:**

Resurgere Mines & Minerals India Limited

156, Maker Chamber – III,

Nariman Point, Mumbai – 400021

Telephone: 022 66582500

Fax: 022 66582511

Designated E-mail address for investor Services: [cosec@resurgere.in](mailto:cosec@resurgere.in)

Website: [www.resurgere.in](http://www.resurgere.in)



## Declaration by Managing Director

I, Subhash Sharma, Chairman & Managing Director of Resurgere Mines & Minerals India Limited, hereby confirm pursuant to Clause 49 (1) (D) of the listing agreement that:

The Board of Directors of Resurgere Mines & Minerals India Limited has laid down a code of conduct for all Board members and senior management of the Company. The said code of conduct has also been posted on the Company's website viz. [www.resurgere.in](http://www.resurgere.in). All the Board members and senior management personnel have affirmed their compliance with the said code of conduct for the year ended 31<sup>st</sup> March, 2011.

Mumbai, August, 12, 2011

**Subhash Sharma**  
Chairman & Managing Director

---

## Auditors' Certificate on Corporate Governance

To,  
The Members,  
**Resurgere Mines & Minerals India Limited**  
Mumbai.

We have examined the compliance of the conditions of Corporate Governance procedures implemented by Resurgere Mines & Minerals India Limited, for the year ended 31<sup>st</sup> March, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange in India.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion of the financial statement of the Company.

In our opinion and to the best of our information and according to the explanation given to us and the representations made by the directors and management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that based on the report given by the Registrar of the Company, to the Investor's Grievance Committee, as on 31<sup>st</sup> March, 2011 there were no valid investor grievance matters against the Company remaining unattended/ pending for more than 30 days.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency of effectiveness with which the management has conducted the affairs of the Company.

**For Churiwala & Co.**  
Chartered Accountants  
Firm No. 119223W

**Mahavir Jain**  
Partner  
M.No. 121275.

Place: Mumbai.  
Date: 12<sup>th</sup> August, 2011.





## Auditors' Report

To,

The Members,

**Resurgere Mines & Minerals India Limited.**

We have audited the attached Balance Sheet of **Resurgere Mines & Minerals India Limited** as at 31st March, 2011 and also the annexed Profit and Loss Account and 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.

1. We conducted our audit in accordance with 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 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditors Report) Order, 2003 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in the paragraphs 4 and 5 of the said Order.
3. 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 as it appears from our examination of such books.
  - c) The Balance Sheet, Profit & Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
  - d) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet, the Profit and Loss Account and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956.
  - e) On the basis of written representation received from the Directors as on 31st March, 2011 and taken approval by the Board, we report that none of the Directors is disqualified as on 31st March, 2011 from being appointed as Directors in terms of Clause (g) of Subsection (1) of Section 274 of the Companies Act, 1956.
  - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with other notes thereon give the information required by the Companies Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
    - i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011 and
    - ii) In the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date.
    - iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**For Churiwala & Co.**  
Chartered Accountants  
Firm No.: 119223 W

**Mahavir Jain**  
Partner  
Mem No : 121275

Place : Mumbai

Date : 30/05/2011



## Annexure To Auditors Report

Annexure referred to in Paragraph 2 of the Auditors Report to the members of **Resurgere Mines & Minerals India Limited** for the year ended 31<sup>st</sup> March 2011.

As required by the Companies (Auditors Report) Order, 2003 and amendments thereto and according to the information and explanations given to us during the course of the audit and on the basis of such checks of the books and records as were considered appropriate we report that:

- (i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b) As explained to us, all the assets have been physically verified by the management in accordance with a phased programme of verification, which in our opinion is reasonable, considering the size and the nature of business. The frequency of verification is reasonable and no material discrepancies have been noticed on such physical verification.
  - c) The Company has not disposed off any substantial part of its fixed assets during the year.
- (ii) a) As explained to us, the management has conducted physical verification of inventories during the year at reasonable intervals.
  - b) The procedures of physical verification of the inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c) The Company has maintained proper records of inventories and discrepancies noticed on physical verification of inventories as compared to book records were not material.
- (iii) a) The Company has given unsecured loans to three parties covered in the register maintained under Section 301 of the Companies Act 1956. Maximum amount outstanding during the year was ₹ 10,713.23Lac and year end balance was ₹10,201.80Lac.
  - b) In our opinion and according to the information and explanation given to us, the rate of interest and other terms and conditions on which loan was given are not prima facie prejudicial to the interest of the company.
  - c) As the loan is repayable on demand, clauses 4 (iii) (c) of the said Order is not applicable to the Company.
  - d) As the loan is repayable on demand, clauses 4 (iii) (d) of the said Order is not applicable to the Company.
  - e) The Company has not taken any unsecured loans from parties covered in the register maintained under section 301 of the Companies Act, 1956.
  - f) In view of our comments in para (iii) (e) above, clause 4(iii) (f) & (g) of the said order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system.
  - (v) a) Based on the audit procedures performed by us, we are of the opinion that particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
    - b) The transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the Public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We are informed by the management that the Central Government has not prescribed for maintenance of Cost Records under section 209(I) (d) of the Companies Act, 1956 for the products of the Company.
- (ix) a) Accordingly to the records of the Company, the undisputed statutory dues including Provident Fund, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, and Cess except Income Tax have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us, there are no undisputed amount payable in respect of such statutory dues, except Income Tax for Assessment year 08-09 ₹ 414.78 Lac, for Assessment year 09-10 ₹1022.16 Lac, and for Assessment year 10-11 ₹ 696.18 Lac and which have remained outstanding as at 31<sup>st</sup> March, 2011 for a period more than six months from the date they became payable.
 

There were no dues on account of Cess under section 441A of the act since the date from which the aforesaid Section comes into force has not yet been notified by the central Government.

  - b) According to the information and explanations given to us, the Company has no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited on account of disputes with the related authorities.

- (x) The Company has no accumulated losses at the end of the financial year and has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanation given to us the Company has not defaulted in repayment of its dues to banks and financial institutions except following:

The company has made defaults in repayment of Term loan from the Union Bank of India:

| Sr. No. | Default in Repayment of |                 | For the month | Date of payment |
|---------|-------------------------|-----------------|---------------|-----------------|
|         | Principal Amount        | Interest Amount |               |                 |
| 1       | 58,34,000               | 4,89,391        | June          | 11.08.2010      |
| 2       | 58,34,000               | -               | Nov           | 25.01.2011      |
| 3       | 58,34,000               | -               | Dec           | 28.02.2011      |
| 4       | 58,34,000               | 13,45,483       | Jan           | Not yet paid    |
| 5       | 58,34,000               | 12,02,029       | Feb           | Not yet paid    |
| 6       | 58,34,000               | 12,93,155       | Mar           | Not yet paid    |

- (xii) The Company has not granted any loans or advances on the basis of security by way of pledge of Shares, Debentures or Other Securities.
- (xiii) The provisions of any Special Statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund/ Societies are not applicable to the company.
- (xiv) According to the information and explanation given to us the company is not dealing or trading in shares, securities, debentures or other Investments.
- (xv) The Company has not given any guarantees for loans taken by others from banks and financial institutions.
- (xvi) The Company has applied all the amounts obtained as term loans during the year for the purpose they were obtained.
- (xvii) On an overall examination of the 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 Equity Shares during the year to parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debentures during the year
- (xx) During the year the Company has raised USD 53.75 million equivalent to ₹ 24,854.00 Lacs through the issue of Global Depository Receipts (GDRs) totaling 52,08,333 numbers GDR and each represented by 6 (Six) numbers equity shares of ₹ 10/- each aggregating 3,12,49,998 numbers of equity shares of the company and the GDRs were listed on the Luxembourg Stock Exchange.
- (xxi) On the basis of our examination and according to the information and explanation given to us, no fraud, on or by the Company, has been noticed or reported during the year.

**For Churiwala & Co.**  
Chartered Accountants  
Firm No.: 119223 W

**Mahavir Jain**  
Partner  
Mem No : 121275

Place : Mumbai  
Date : 30/05/2011

## Balance Sheet as at 31st March, 2011.

₹ in Lacs

| Particulars  | Schedules | As at<br>31.03.2011     | As at<br>31.03.2010     |
|--|-----------|-------------------------|-------------------------|
| <b>Sources of Funds :</b>                                      |           |                         |                         |
| <b>Shareholders' Funds</b>                                     |           |                         |                         |
| Share Capital  | A         | 19,887.46               | 2,854.16                |
| Share Warrants   | A1        | -                       | 2,122.50                |
| Reserves & Surplus   | B         | <u>50,953.54</u>        | <u>35,765.43</u>        |
|  |           | 70,841.00               | 40,742.09               |
| <b>Loan Funds</b>  |           |                         |                         |
| Secured Loans  | C         | 11,959.45               | 11,513.94               |
| Unsecured Loans  | D         | 250.00                  | 710.00                  |
| Deferred Tax Liabilities                                       |           | 1,138.79                | 985.60                  |
|  |           | <u><b>84,189.24</b></u> | <u><b>53,951.63</b></u> |
| <b>Applications of Funds :</b>                                 |           |                         |                         |
| <b>Fixed Assets</b>  |           |                         |                         |
|  | E         |                         |                         |
| Gross Block  |           | 22,257.93               | 18,619.93               |
| Less: Depreciation   |           | <u>2,369.01</u>         | <u>452.86</u>           |
| Net Block  |           | 19,888.92               | 18,167.07               |
| Capital Work In Progress (Including advances)                  |           | <u>16,057.21</u>        | <u>1,634.06</u>         |
|  |           | 35,946.13               | 19,801.13               |
| <b>Investments</b>   |           |                         |                         |
|  | F         | 1,965.93                | 1,921.44                |
| <b>Current Assets, Loans &amp; Advances</b>                    |           |                         |                         |
| Inventories  | G         | 3,102.06                | 3,986.17                |
| Sundry Debtors   | H         | 30,211.19               | 15,902.40               |
| Cash & Bank Balances   | I         | 427.84                  | 1,341.83                |
| Loans & Advances   | J         | <u>19,889.17</u>        | <u>14,519.18</u>        |
|  |           | 53,630.26               | 35,749.58               |
| <b>Less: Current Liabilities &amp; Provisions</b>              |           |                         |                         |
|  | K         |                         |                         |
| Current Liabilities  |           | 13,816.81               | 2,249.71                |
| Provisions   |           | <u>2,188.33</u>         | <u>2,167.46</u>         |
|  |           | 16,005.14               | 4,417.17                |
| <b>Net Current Assets</b>                                      |           |                         |                         |
|  |           | 37,625.12               | 31,332.41               |
| <b>Miscellaneous Expenditure</b>                               |           |                         |                         |
|  | L         | 8,652.06                | 896.65                  |
|  |           | <u><b>84,189.24</b></u> | <u><b>53,951.63</b></u> |
| <b>Significant Accounting Policies &amp; Notes to Accounts</b> |           |                         |                         |
|  | T         |                         |                         |

The schedules referred to above and notes to accounts form an integral part of the financial statements.

As per our Report of even date attached

For and on behalf of the Board

For Churiwala & Co.

Chartered Accountants

Firm No. 119223 W

Mahavir Jain

Partner

Mem. No. 121275

Managing Director

Director

Chief Financial Officer

Company Secretary

Place: Mumbai

Place: Mumbai

Date: 30/05/2011

Date: 30/05/2011

## Profit & Loss Account for the year ended 31st March, 2011.

₹ in Lacs

| Particulars  | Schedules | Year ended<br>31.03.11 | Year ended<br>31.03.10 |
|--|-----------|------------------------|------------------------|
| <b>Income</b>  |           |                        |                        |
| Income from Operations   | M         | 61,117.90              | 52,623.99              |
| Other Income   | N         | 278.45                 | 264.34                 |
| Increase / (Decrease) in Stocks                                    | O         | (795.09)               | 305.73                 |
|  |           | <b>60,601.26</b>       | <b>53,194.06</b>       |
| <b>Expenditure</b>   |           |                        |                        |
| Materials, Production and Operational Expenses                     | P         | 53,676.78              | 46,233.43              |
| Employee Costs   | Q         | 318.64                 | 263.74                 |
| Administration & Selling Expenses                                  | R         | 2,026.33               | 744.84                 |
| Financial Charges  | S         | 1,202.01               | 812.60                 |
| Depreciation & Amortization  | E & L     | 2,610.83               | 677.50                 |
|  |           | <b>59,834.59</b>       | <b>48,732.11</b>       |
| <b>Profit before Tax</b>   |           | 766.67                 | 4,461.95               |
| Provision for Tax - Income Tax                                     |           | 158.00                 | 800.00                 |
| - Deferred Tax Liabilities/(Assets)                                |           | 153.19                 | 761.69                 |
| - Tax of Earlier Years   |           | 1.35                   | 156.02                 |
|  |           | <b>312.54</b>          | <b>1,717.71</b>        |
| <b>Profit after Tax</b>  |           | 454.13                 | 2,744.24               |
| <b>Prior Period Items</b>  |           | 15.11                  | (6.17)                 |
| <b>Profit available for Appropriations</b>                         |           | <b>439.02</b>          | <b>2,750.41</b>        |
| <b>Appropriations</b>  |           |                        |                        |
| Surplus carried forward to Balance Sheet                           |           | <b>439.02</b>          | <b>2,750.41</b>        |
| <b>Basic Earnings per Share of face value of ₹ 1 each (in ₹)</b>   |           | 0.03                   | 9.64                   |
| <b>Diluted Earnings per Share of face value of ₹ 1 each (in ₹)</b> |           | 0.03                   | 9.10                   |
| <b>Significant Accounting Policies &amp; Notes to Accounts</b>     | T         |                        |                        |

The schedules referred to above and notes to accounts form an integral part of the financial statements.

As per our Report of even date attached

For and on behalf of the Board

For Churiwala & Co.

Chartered Accountants

Firm No. 119223 W

Mahavir Jain

Partner

Mem. No. 121275

Managing Director

Director

Chief Financial Officer

Company Secretary

Place: Mumbai

Date: 30/05/2011

Place: Mumbai

Date: 30/05/2011

## Cash Flow Statement for the year ended 31st March, 2011.

₹ in Lacs

| Particular   | Year ended<br>31.03.11 | Year ended<br>31.03.10 |
|--|------------------------|------------------------|
| <b>A) Cash Flow from Operating Activities</b>          |                        |                        |
| <b>Net Profit Before Tax and Extraordinary Items</b>   | <b>766.67</b>          | <b>4,461.95</b>        |
| Adjustment for:  |                        |                        |
| Depreciation & Amortization                            | 2,610.83               | 677.50                 |
| Dividends  | (0.39)                 | (17.27)                |
| Interest Income  | (574.43)               | (574.35)               |
| Interest Expenses                                      | 1,706.38               | 1,310.29               |
| Mine Development Activities                            | (8,437.98)             | (60.81)                |
| Loss on sale of Fixed Assets                           | 9.62                   | 0.25                   |
| (Profit)/Loss on sale of Investment                    | -                      | (8.69)                 |
| Direct Taxes Paid                                      | (148.38)               | (138.60)               |
| <b>Operating Profit before Extraordinary Items</b>     | <b>(4,067.68)</b>      | <b>5,650.27</b>        |
| Prior Period Items                                     | 15.11                  | (6.17)                 |
| <b>Operating Profit before Working Capital Change</b>  | <b>(4,082.79)</b>      | <b>5,656.44</b>        |
| Adjustment for:  |                        |                        |
| Trade and Other Receivables                            | (14,308.80)            | (2,960.59)             |
| Inventories  | 884.11                 | (1,395.52)             |
| Trade Payables   | 11,577.00              | (1,054.55)             |
| Loans and Advances                                     | (5,475.91)             | (3,028.19)             |
| <b>Net Cash used in Operating Activities (Total A)</b> | <b>(11,406.39)</b>     | <b>(2,782.42)</b>      |
| <b>B) Cash Flow from Investing Activities</b>          |                        |                        |
| Purchases of Fixed Assets                              | (3,668.22)             | (17,188.06)            |
| Capital Work in Progress                               | (14,423.16)            | 16,679.83              |
| Sale of Fixed Assets                                   | 8.89                   | -                      |
| Interest Income  | 574.43                 | 574.35                 |
| Dividends  | 0.39                   | 17.27                  |
| Sale of Investments                                    | -                      | 873.48                 |
| Purchase of Investments                                | (45.51)                | (172.46)               |
| <b>Net Cash used in Investing Activities (Total B)</b> | <b>(17,553.18)</b>     | <b>784.43</b>          |
| <b>C) Cash Flow from Financing Activities</b>          |                        |                        |
| Proceeds from Secured Loans (Net of Repayment)         | 445.51                 | 169.94                 |
| Proceeds from Unsecured Loans (Net of Repayment)       | (460.00)               | 410.00                 |
| Interest Paid  | (1,706.38)             | (1,310.29)             |
| Share Capital  | 3,775.00               | -                      |
| Share Warrant Money                                    | (2,122.50)             | 2,122.50               |
| Securities Premium Received                            | 29,256.18              | -                      |
| Share Issue Expenses                                   | (1,142.22)             | 0.60                   |
| <b>Net Cash from Financing Activities (Total C)</b>    | <b>28,045.59</b>       | <b>1,392.75</b>        |

## Cash Flow Statement for the year ended 31st March, 2011.

₹ in Lacs

| Particular  | Year ended<br>31.03.11 | Year ended<br>31.03.10 |
|---|------------------------|------------------------|
| Net Increase in Cash & Cash Equivalents (Total A+B+C) | (913.98)               | (605.23)               |
| Cash & Cash Equivalents (Opening Balance)             | <u>1,341.83</u>        | <u>1,947.06</u>        |
| <b>Cash &amp; Cash Equivalents (Closing Balance)</b>  | <b><u>427.85</u></b>   | <b><u>1,341.83</u></b> |

Note:

- 1 The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standards - 3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.
- 2 Previous year have been regrouped, reclassified and/or rearranges wherever necessary to compare with figure for the year.
- 3 Cash and Cash Equivalents at the end of the period/ year consists of Cash in Hand and Balances with Banks and are net of Short Terms Loans and Advances from Banks as follows

| Particular          | Year ended<br>31.03.11 | Year ended<br>31.03.10 |
|---------------------|------------------------|------------------------|
| Cash in Hand        | 40.88                  | 18.69                  |
| Balances with Banks | <u>386.97</u>          | <u>1,323.14</u>        |
|                     | <b><u>427.85</u></b>   | <b><u>1,341.83</u></b> |

As per our Report of even date attached

For and on behalf of the Board

**For Churiwala & Co.**  
Chartered Accountants  
**Firm No. 119223 W**

**Mahavir Jain**  
Partner  
**Mem. No. 121275**

Managing Director

Director

Chief Financial Officer

Company Secretary

Place: Mumbai  
Date: 30/05/2011

Place: Mumbai  
Date: 30/05/2011

## Schedules to the Balance Sheet as at 31st March, 2011.

₹ in Lacs

| Particulars  | As at<br>31.03.2011 | As at<br>31.03.2010 |
|--|---------------------|---------------------|
| <b>Schedule "A" : - Share Capital</b>  |                     |                     |
| <b>Authorised</b>  |                     |                     |
| 750,00,00,000 Equity Shares (Previous Year 6,00,00,000) of ₹1/- (Previous Year ₹10/-) each.  | 75,000.00           | 6,000.00            |
|  | <b>75,000.00</b>    | <b>6,000.00</b>     |
| <b>Issued, Subscribed &amp; Paid up</b>  |                     |                     |
| 198,87,46,440 (Previous Year 2,85,41,550) Equity Shares of ₹1/- (Previous Year ₹10/-) each.<br>[Out of the above 142,31,18,460 (Previous Year 97,28,750) Equity Shares of ₹1/- (Previous Year ₹10/-) each are allotted as fully paid up Bonus Shares by capitalization of Security Premium Account ] | 19,887.46           | 2,854.16            |
| <b>[See Notes B2,B3,&amp; B4 of Schedule "T"]</b>  | <b>19,887.46</b>    | <b>2,854.16</b>     |
| <b>Schedule "A1" : - Share Warrants</b>  |                     |                     |
| Share warrants   | -                   | 2,122.50            |
| <b>[See Note B 3 of Schedule "T"]</b>  | -                   | <b>2,122.50</b>     |
| <b>Schedule "B" : - Reserves &amp; Surplus</b>   |                     |                     |
| <u>Foreign Exchange Fluctuation Reserve</u>  |                     |                     |
| Opening Balance  | -                   | -                   |
| Add : Exchange fluctuation provided during the period  | (106.56)            | -                   |
| Closing Balance  | (106.56)            | -                   |
| <u>Securities Premium Account</u>  |                     |                     |
| Opening Balance  | 21,284.06           | 21,283.46           |
| Additions during the year  | 29,256.18           | -                   |
|  | 50,540.24           | 21,283.46           |
| Less : Share Issue Expenses and Bonus Issue  | 14,400.53           | (0.60)              |
| Closing Balance  | 36,139.71           | 21,284.06           |
| <b>[See Notes B2,B3,&amp; B4 of Schedule "T"]</b>  |                     |                     |
| <u>Profit and Loss Account</u>   |                     |                     |
| Opening Balance  | 14,481.37           | 11,730.96           |
| Profit for the year  | 439.02              | 2,750.41            |
| Closing Balance  | 14,920.39           | 14,481.37           |
|  | <b>50,953.54</b>    | <b>35,765.43</b>    |
| <b>Schedule "C" : - Secured Loans</b>  |                     |                     |
| <b>From Banks</b>  |                     |                     |
| Term Loan  | 1,120.27            | 3,597.45            |
| [Due within one year ₹700.08 Lacs (Previous year ₹1394.75 Lacs) ]  |                     |                     |
| Working Capital Facility   | 10,839.18           | 7,910.23            |
| <b>[See Note B10 of Schedule "T"]</b>  |                     |                     |
| Vehicle Loans  | -                   | 6.26                |
|  | <b>11,959.45</b>    | <b>11,513.94</b>    |
| <b>Schedule "D" : - Unsecured Loans</b>  |                     |                     |
| From Body Corporates   | 250.00              | 710.00              |
|  | <b>250.00</b>       | <b>710.00</b>       |



**Schedule "E"****Fixed Assets (At Cost Less Depreciation)**

₹ in Lacs

| Description              | Gross Block         |                   |              |                     | Depreciation       |                   |                 |                    | Net Block           |                     |
|--------------------------|---------------------|-------------------|--------------|---------------------|--------------------|-------------------|-----------------|--------------------|---------------------|---------------------|
|                          | As at<br>01.04.2010 | Additions         | Deductions   | As at<br>31.03.2011 | Upto<br>31.03.2010 | For the<br>period | Adjust<br>ments | Upto<br>31.03.2011 | As at<br>31.03.2011 | As at<br>31.03.2010 |
|                          |                     | During the period |              |                     |                    |                   |                 |                    |                     |                     |
| Plant and Machinery      | 18,261.09           | 3,656.67          | -            | 21,917.76           | 351.63             | 1,896.56          | -               | 2,248.19           | 19,669.57           | 17,909.46           |
| Electrical Installations | 9.53                | -                 | -            | 9.53                | 2.66               | 0.45              | -               | 3.11               | 6.42                | 6.87                |
| Furniture's & Fittings   | 47.59               | -                 | -            | 47.59               | 13.72              | 3.01              | -               | 16.73              | 30.86               | 33.87               |
| Office Equipments        | 41.49               | 1.85              | -            | 43.34               | 8.73               | 2.03              | -               | 10.76              | 32.58               | 32.77               |
| Motor Vehicles           | 242.25              | 9.43              | 30.21        | 221.47              | 66.91              | 22.88             | 11.70           | 78.09              | 143.38              | 175.34              |
| Computers                | 17.97               | 0.27              | -            | 18.24               | 9.21               | 2.92              | -               | 12.13              | 6.11                | 8.77                |
| <b>Total</b>             | <b>18,619.93</b>    | <b>3,668.22</b>   | <b>30.21</b> | <b>22,257.93</b>    | <b>452.86</b>      | <b>1,927.85</b>   | <b>11.70</b>    | <b>2,369.01</b>    | <b>19,888.92</b>    | <b>18,167.07</b>    |
| Previous Year            | 1,432.36            | 17,187.82         | 0.25         | 18,619.93           | 86.98              | 365.89            | 0.00            | 452.86             | 18,167.07           | 1,345.38            |

**Capital Work In Progress (Including advances)**

₹ in Lacs

| Description         | Gross CWIP          |                   |            |                     | Capitalization     |                      |                 |                    | Net CWIP            |                     |
|---------------------|---------------------|-------------------|------------|---------------------|--------------------|----------------------|-----------------|--------------------|---------------------|---------------------|
|                     | As at<br>01.04.2010 | Additions         | Deductions | As at<br>31.03.2011 | Upto<br>31.03.2010 | During the<br>period | Adjust<br>ments | Upto<br>31.03.2011 | As at<br>31.03.2011 | As at<br>31.03.2010 |
|                     |                     | During the period |            |                     |                    |                      |                 |                    |                     |                     |
| Plant and Machinery | 15,678.24           | 18,054.50         | -          | 33,732.74           | 14,044.19          | 3,631.34             | -               | 17,675.53          | 16,057.21           | 1,634.06            |
| <b>Total</b>        | <b>15,678.24</b>    | <b>18,054.50</b>  | <b>-</b>   | <b>33,732.74</b>    | <b>14,044.19</b>   | <b>3,631.34</b>      | <b>-</b>        | <b>17,675.53</b>   | <b>16,057.21</b>    | <b>1,634.06</b>     |
| Previous Year       | 19,465.89           | 651.53            | 4,439.18   | 15,678.24           | 1,152.01           | 12,892.18            | -               | 14,044.19          | 1,634.06            | 18,313.88           |

Note: Capital Work In Progress is abbreviated by CWIP

₹ in Lacs

| Particulars  | As at<br>31.03.2011 | As at<br>31.03.2010 |
|--|---------------------|---------------------|
| <b>Schedule "F" : Investments</b>  |                     |                     |
| <b>Long Term, Non - Trade</b>  |                     |                     |
| <b>Unquoted</b>  |                     |                     |
| The City Co-operative Bank Limited<br>[ 6,010 Equity Shares of ₹ 25 each, fully paid up (Previous Year 6,010 Equity Shares of ₹ 25 each fully paid ) ]   | 1.50                | 1.50                |
| <b>Long Term, Trade</b>  |                     |                     |
| <b>Unquoted</b>  |                     |                     |
| Investment in Subsidiary<br>Warna Minerals Private Limited<br>Equity Shares<br>[ 85,000 Shares (Previous Year 85,000 shares) of ₹ 10 each fully paid up ]  | 85.00               | 85.00               |
| 0% Redeemable Optionally Convertible Preference Shares<br>[ 1,213,000 Shares ( Previous Year 12,13,000 shares ) of ₹10/- each fully paid up with option to be further redeemed by 31st March, 2012.] | 1,819.50            | 1,819.50            |
| Resurgere International FZE<br>Equity Shares<br>[ 1 Equity Shares (Previous Year Nil) of AED 1,00,000/- each fully paid up ]   | 12.10               | -                   |
| Resurgere Coal India LLP   |                     |                     |

| Particulars   | As at<br>31.03.2011                                     | As at<br>31.03.2010                           |
|---|---|---|
| Capital Contribution<br>[ With 70% interest in Limited Liability Partnership ]<br>[Aggregate of Unquoted Investments at Book Value ₹ 1,925.10 Lacs (Previous Year ₹ 1,906 Lacs) ]   | 7.00  | -   |
| <b>Current Investments</b>  |   |   |
| <b>Quoted. Non - Trade</b>  |   |   |
| SBI Mutual Fund   |   |   |
| Magnum Insta Cash Fund - Daily Dividend Option<br>[ 70,706 units (Previous Year 67,286 units) ]<br>[ Market value ₹ 11.84 Lacs (Previous Year ₹ 11.27 Lacs) ]   | 11.84   | 11.27   |
| SBI PSU Fund<br>Short Term Fund - Institutional Scheme - Daily Dividend Option<br>[ 2,50,000 units (Previous Year NIL units) ]<br>[ Market value ₹ 24.60 Lacs (Previous Year ₹ Nil) ]   | 24.60   | -   |
| Birla Sun Life Mutual Fund<br>Dynamic Bond Fund - Retail Quarterly Dividend<br>[ 5,079 units (Previous Year 4910 units) ]<br>[ Market value ₹ 0.57 Lacs (Previous Year ₹ 0.54 Lacs) ]   | 0.56  | 0.54  |
| ICICI Prudential Mutual Fund<br>Flexible Income Plan - Daily Dividend Option<br>[ 3,625 units (Previous Year 3436 units) ]<br>[ Market value ₹ 3.83 Lacs (Previous Year ₹ 3.63 Lacs) ]<br>[ Aggregate of Quoted Current Investments at Book Value ₹ 40.84 Lacs (Previous Year ₹ 15.45 Lacs) and<br>Market Value ₹ 40.85 Lacs (Previous Year ₹ 15.45 Lacs) ] | 3.83  | 3.63  |
|   | <b><u>1,965.93</u></b>                                  | <b><u>1,921.44</u></b>                        |
| <b>Schedule "G" : - Inventories</b><br>[As taken, valued and certified by the Management]   |   |   |
| Raw Material  | 1,568.32  | 1,657.34                                      |
| Finished Goods  | 1,533.74  | 2,328.83                                      |
|   | <b><u>3,102.06</u></b>                                  | <b><u>3,986.17</u></b>                        |
| <b>Schedule "H" : - Sundry Debtors</b><br>[Unsecured, considered good]<br>For a period exceeding six months<br>Other Debts  | 2,284.07<br><u>27,927.12</u><br><b><u>30,211.19</u></b> | 29.97<br>15,872.43<br><b><u>15,902.40</u></b> |
| <b>Schedule "I" : - Cash &amp; Bank Balances</b>  |   |   |
| Cash in hand  | 40.88   | 18.69   |
| <u>Balances with Scheduled Banks</u>  |   |   |
| In Current Accounts   | 32.09   | 581.99  |
| In Term Deposit Accounts  | 354.87  | 741.15  |
|   | <b><u>427.84</u></b>                                    | <b><u>1,341.83</u></b>                        |

| Particulars   | As at<br>31.03.2011 | As at<br>31.03.2010 |
|---|---------------------|---------------------|
| <b>Schedule "J" : - Loans &amp; Advances</b>                        |                     |                     |
| [Unsecured, Considered good]  |                     |                     |
| Advance recoverable in cash or in kind or for value to be received. | 409.00              | 345.90              |
| Advances to Suppliers   | 1,534.48            | 3,478.92            |
| Advance to Subsidiary   | 10,201.80           | 25.56               |
| Inter - Corporate Deposits  | 1,813.16            | 4,124.47            |
| Deposits  | 5,930.73            | 6,544.33            |
|   | <u>19,889.17</u>    | <u>14,519.18</u>    |
| <b>Schedule "K" : - Current Liabilities &amp; Provisions</b>        |                     |                     |
| <b>(i) Current Liabilities</b>                                      |                     |                     |
| Sundry Creditors  | 13,431.68           | 1,738.35            |
| Other Liabilities   | 385.13              | 511.36              |
|   | <u>13,816.81</u>    | <u>2,249.71</u>     |
| <b>(ii) Provisions</b>  |                     |                     |
| Retirement Benefits   | 25.28               | 15.38               |
| Provision for Taxation (Net of Advance Tax)                         | 2,163.05            | 2,152.08            |
|   | <u>2,188.33</u>     | <u>2,167.46</u>     |
|   | <u>16,005.14</u>    | <u>4,417.17</u>     |
| <b>Schedule "L" : - Miscellaneous Expenditure</b>                   |                     |                     |
| <b>(To the extent not written - off or adjusted)</b>                |                     |                     |
| <b>(i) GDR Issue Expenses</b>                                       |                     |                     |
| Opening Balance   | -                   | -                   |
| Addition during the period  | 959.95              | -                   |
| Less: Written - off during the period                               | 959.95              | -                   |
|   | <u>-</u>            | <u>-</u>            |
| <b>(ii) Mine Development Expenses</b>                               |                     |                     |
| Opening Balance   | 896.65              | 1,147.22            |
| Addition during the period  | 8,437.98            | 60.81               |
| Less : Written - off during the year                                | 682.57              | 311.38              |
|   | <u>8,652.06</u>     | <u>896.65</u>       |
|   | <u>8,652.06</u>     | <u>896.65</u>       |

## Schedules to the Profit & Loss Account for the year ended 31st March, 2011.

₹ in Lacs

| Particulars  | Year ended<br>31.03.11 | Year ended<br>31.03.10 |
|--|------------------------|------------------------|
| <b>Schedule "M" : - Income from Operations</b>                         |                        |                        |
| <u>Sales</u>   |                        |                        |
| Local Sales  | 61,117.90              | 52,623.99              |
|  | <b>61,117.90</b>       | <b>52,623.99</b>       |
| <b>Schedule "N" : - Other Income</b>                                   |                        |                        |
| Dividends  | 0.39                   | 17.27                  |
| Foreign Exchange Fluctuation (Net)                                     | -                      | 14.50                  |
| Profit on sale of Mutual Fund  | -                      | 8.69                   |
| Other Income   | 278.06                 | 223.88                 |
| [Tax Deducted at Source ₹ 2.30 Lac (Previous Year ₹ 19.86 Lac)]        | <b>278.45</b>          | <b>264.34</b>          |
| <b>Schedule "O" : - Increase / (Decrease) in Stocks</b>                |                        |                        |
| <u>Finished Goods</u>  |                        |                        |
| Closing Stocks   | 1,533.74               | 2,328.83               |
| Less: Opening Stocks   | 2,328.83               | 2,023.10               |
|  | <b>(795.09)</b>        | <b>305.73</b>          |
| <b>Schedule "P" : - Materials, Production and Operational Expenses</b> |                        |                        |
| <u>Materials Consumed</u>  |                        |                        |
| Opening Stocks   | 1,657.34               | 567.54                 |
| Add: Purchases   | 17,916.66              | 15,725.14              |
|  | 19,574.00              | 16,292.68              |
| Less: Closing Stocks   | 1,568.32               | 1,657.34               |
|  | 18,005.68              | 14,635.34              |
| <u>Direct Expenses</u>   |                        |                        |
| Extraction Charges   | 7,126.40               | 5,872.66               |
| Labour Charges   | 131.45                 | 121.85                 |
| Screening Charges  | 4,757.08               | 3,305.25               |
| Crushing Charges   | 8,775.13               | 6,206.50               |
| Freight & Transportation Charges                                       | -                      | 7.65                   |
| Purchases of Ore for Sale  | 14,881.04              | 16,084.18              |
|  | <b>53,676.78</b>       | <b>46,233.43</b>       |
| <b>Schedule "Q" : - Employee Costs</b>                                 |                        |                        |
| Salaries & Bonus   | 158.73                 | 146.14                 |
| Contribution to Provident Fund and Other Funds                         | 16.71                  | 14.14                  |
| Directors' Remuneration  | 121.51                 | 89.05                  |
| Staff Welfare Expenses & Other Benefits                                | 21.69                  | 14.41                  |
|  | <b>318.64</b>          | <b>263.74</b>          |
| <b>Schedule "R" : - Administration &amp; Selling Expenses</b>          |                        |                        |
| Rent   | 12.13                  | 10.60                  |
| Traveling & Conveyance   | 109.74                 | 110.56                 |
| Communication Costs  | 32.39                  | 17.62                  |
| Repairs & Maintenance (Others)   | 7.84                   | 6.89                   |
| Professional Fees  | 76.64                  | 118.14                 |

| Particulars  | Year ended<br>31.03.11 | Year ended<br>31.03.10 |
|--|------------------------|------------------------|
| Auditors' Remuneration   | 16.55                  | 16.55                  |
| Foreign Exchange Fluctuation (Net)                                   | 196.18                 | -                      |
| Discount on Forward Exchange Contract                                | 46.25                  | 24.50                  |
| Transportation, Stevedoring, Wharfage, Handling & Other Expenses     | 52.01                  | 290.75                 |
| Advertisement & Sales Promotion Expenses                             | 76.99                  | 8.92                   |
| Directors Sitting Fees   | 12.60                  | 9.40                   |
| Road Development Expenses  | 1,114.03               | -                      |
| Balances Written - Off   | 37.79                  | 34.59                  |
| Preliminary Expenses Written Off                                     | -                      | 21.00                  |
| Loss on discard of Fixed Assets                                      | 9.62                   | 0.25                   |
| Insurance  | 13.30                  | 5.03                   |
| Miscellaneous Expenses   | 212.27                 | 70.05                  |
|  | <b>2,026.33</b>        | <b>744.84</b>          |
| <b>Schedule "S" : - Financial Charges</b>                            |                        |                        |
| Bank Charges   | 70.06                  | 76.66                  |
| Bank Interest  | 1,633.05               | 1,239.62               |
| Other Interest   | 73.33                  | 70.67                  |
|  | 1,776.44               | 1,386.95               |
| Less: Interest on Intercompany Deposits                              | 456.60                 | 482.63                 |
| Interest on Fixed Deposits   | 117.83                 | 91.72                  |
| [ Tax Deducted at Source ₹ 3.06 Lacs (Previous Year ₹ 80.69 Lacs ) ] |                        |                        |
|  | <b>1,202.01</b>        | <b>812.60</b>          |

**Schedule 'T'**
**Significant Accounting Policies and Notes on Accounts**
**A) Significant Accounting Policies**
**i. Basis of Preparation of Financial Statements :**

The financial statements are prepared under the historical cost convention, and in compliance with the Accounting Standards issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956. The Company follows mercantile system of accounting and recognizes income where there is virtual certainty of ultimate realization and expenditure, both on accrual basis and to the extent measurable. Accounting policies, unless specified otherwise, are as per generally accepted accounting principles.

**ii. Fixed Assets :**

Fixed Assets are stated at cost net of cenvat/value added tax, etc. and includes amounts added on revaluation, less accumulated depreciation and impairment loss, if any. All costs including financing costs till commencement of commercial production, if any, are capitalised.

**Expenditure During Project Implementation Period:**

All expenditure, including advances given during the project implementation period, is accumulated and disclosed as capital work-in-progress until the assets are ready for commercial use.

**iii. Impairment of Fixed Assets:**

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss, if any, is charged to the Profit and Loss Account in the year in which the asset is identified as impaired.

**iv. Depreciation :**

Depreciation on Fixed Assets (other than, wagons and screening & crushing machinery) is provided on 'Straight Line Method' in the manner and at the rates specified in Schedule XIV of the Companies Act, 1956. However, Machinery spares which can be used only in connection with an item of Fixed Assets and whose use is expected to be irregular are depreciated over its useful life. Also individual capital items of upto a value of ₹ 5,000/- added during the year has been fully depreciated. Depreciation on railway wagons has been provided at the rate of 10% per annum on straight line method commensurate to its ownership tenure as provided in the WIS agreement with the Indian Railways. The earlier estimates of useful life for screening and crushing machineries have undergone a change to 10 years, from the date of purchase, taking into account, inflation and obsolescence, necessitating reduced useful life.

**v. Investments :**

Investments that is intended to be held for more than a year from the date of acquisition are classified as long term investment and are carried at cost less any provision for permanent diminution in value. Investments other than long term investments being current investments are valued at cost or fair market value whichever is lower.

**vi. Inventories :**

Inventories are valued at weighted average cost or net realizable value, whichever is lower.

**vii. Borrowing Costs**

Interest and other borrowing costs on specific borrowing relating to qualifying assets are capitalised. Other interest and borrowing costs are charged to revenue.

**viii. Retirement Benefits :**

- a) Company's contribution to Provident Fund and other Funds for the year is accounted on accrual basis and charged to the Profit & Loss Account for the year.
- b) The liability of Gratuity is determined and provided for based on actuarial valuation made by an independent actuary as at the Balance Sheet date.

**ix. Miscellaneous Expenditure :**

Initial Mine Development Expenses:

In open pit mining operations, removal of initial overburden and other barren waste materials are necessary for economical extraction of ore. The process of mining overburden and waste materials is referred to as stripping. The management has decided to amortise such expense in 60 months from the date of incurrance of the expenditure at Maharajpur Mines.

Expenses on initial development at "Tatibha Mines" continue being amortised over a period of 5 years from the month in which the expenditure is incurred as estimated by the management.

#### Subsequent Mine Development Expense:

During the financial year the Company during the course of excavation activity at the Nuagaon mine situated in the State of Orissa has found soft ore (blue dust) in the said mine. Soft Ore has significantly lesser economic value and the company after considering all commercial implications has decided to discontinue excavation activity on the said site within the mine. The company has already started development of an alternate site immediately adjacent to its existing mine site. The management has decided to amortise the expense in 18 months from the date of incurrance of the expenditure.

#### x. Foreign Currency Transactions :

- a) The transactions in foreign currencies are stated at the rate of exchange prevailing on the date of transactions.
- b) The difference on account of fluctuation in the rate of exchange prevailing on the date of transaction and the date of realization is treated as revenue.
- c) Differences on translations of Current Assets and Current Liabilities remaining unsettled at the year-end are recognised in the Profit and Loss Account.
- d) The premium or discount in respect of forward exchange contract is amortised over the life of contract. The net gain or losses on account of any exchange difference, cancellation or renewal of such forward exchange contracts are recognised in the Profit & Loss Account in the reporting period.

#### xi. Revenue Recognition :

Revenue from sale of goods is recognised when significant risks and rewards of ownership are transferred to the customers. Sales are net of trade discounts and sales tax.

#### xii. Operating Leases :

Payments received under operating leases (net of any incentives received from the lessee) are offered as income in the profit and loss account on a straight-line basis over the period of the lease.

#### xiii. Accounting for Taxation on Income :

##### Current Taxes

Provision for current income-tax is recognised in accordance with the provisions of Indian Income- tax Act, 1961 and is made annually based on the tax liability after taking credit for tax allowances and exemptions.

##### Deferred Taxes

Deferred tax assets and liabilities are recognised for the future tax consequences attributable to timing differences that result between the profits offered for income taxes and the profits as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantially enacted at the balance sheet date. The effect of a change in tax rates on deferred tax and assets or liabilities are recognised in the period that includes the enactment date. Deferred tax Assets are recognised only to the extent there is reasonable certainty that the assets can be realised in the future. Deferred Tax Assets are reviewed as at each Balance Sheet date.

#### xiv. Treatment of Contingent Liabilities :

Contingent Liabilities in respect of show cause notices received are considered only when they are converted into demands. Payments in respect of such demands, if any, are shown as advances. Contingent Liabilities are disclosed by way of notes.

#### B) Notes on Accounts

- 1) Figures of the previous year have been reworked, regrouped, rearranged and reclassified, wherever necessary, to compare with the figures of the current year.
- 2) During the year the Company has raised USD 53.75 million equivalent to ₹ 24,854.00 Lacs through the issue of Global Depository Receipts (GDRs) totaling 52,08,333 numbers GDR and each represented by 6 (Six) numbers equity shares of ₹ 10/- each aggregating 3,12,49,998 numbers of equity shares of the company and the GDRs were listed on the Luxembourg Stock Exchange.
- 3) During previous year, company had issued 65,00,000 Preferentially Convertible Share Warrants (Exercise Price of ₹125/- each, including Security Premium of ₹115/- each) on preferential basis and application money of ₹ 32.65/- per warrants were received. During the current year, the balance amount of ₹ 92.35/- per warrant has been received subsequent to which the investors have exercised the option of converting it into 65,00,000 Equity Shares of ₹ 10/- each with premium of ₹ 115/- per equity share thereby converting it into fully-paid Equity Shares of ₹ 10/- each. No Preferentially Convertible Warrants were outstanding as on 31<sup>st</sup> March, 2011.
- 4) During the year the company has split the face value of each paid-up equity shares from ₹ 10/- each to ₹ 1/- each thus increasing the number of shares from 6,62,91,548 numbers equity shares to 66,29,15,480 numbers equity shares after the split. Further, the company has issued 1,32,58,30,960 numbers of bonus equity shares from out of the surplus of the Share Premium Account on 66,29,15,480 numbers of equity shares thus utilising ₹ 13,258.31 lacs from the said Account .

- 5) Out of the IPO proceeds of ₹ 12,015 Lacs received earlier, the company has, as per the object set out in the prospectus, utilised the proceeds fully at ₹ 12,015 Lacs (Previous Year ₹ 8,633 Lacs) towards advances/ acquisition of plant and machinery, mining assets, development of existing mining assets, working capital margin, pre-operative expenses, IPO expenses, general corporate purposes and others by the end of the year. Pending utilization, the balance funds of ₹ nil (Previous Year ₹ 3,382 Lacs) as on 31st March, 2011 has been temporarily invested in Bank Fixed Deposits, Mutual Funds, and ICD's.
- 6) Consequent upon estimation on useful life for screening and crushing machinery, as estimated by management, and on wagons procured under "WIS" Scheme and as mentioned under point no. A(iv), "Depreciation and Amortization" charged to Profit and Loss Account is higher by ₹ 87.00 Lacs (Previous Year ₹ 23 Lacs) and correspondingly Net Fixed Assets is also lower by ₹ 787.00 Lacs (Previous Year ₹ 5.23 Lacs).
- 7) Miscellaneous Expenditure as per Schedule "L", Depreciation & Amortization as per Schedule E and as per point no. A (ix) referred to above, also includes amounts which are more clearly mentioned in the table below. The table mentions respective mine location with its respective opening balance of the un-adjusted amount, if any, included under the head "Miscellaneous Expenditure", amount incurred during the year, amount written off and debited to Profit & Loss Account under the head "Depreciation & Amortisation" and the closing balance of the un-adjusted amount carried forward under the head "Miscellaneous Expenditure" in the Balance Sheet.

(Amount In ₹ Lacs)

(Figures in bracket denotes figures of previous year)

| Sr. No. | Nature of Expenditure         | Mine Location | Opening Balance                   | Addition During the Year        | Amount of Amortization           | Closing Balance                    |
|---------|-------------------------------|---------------|-----------------------------------|---------------------------------|----------------------------------|------------------------------------|
| 1       | Stripping                     | Maharajpur    | Nil<br>(Nil)                      | 5,625.30<br>(Nil)               | 137.87<br>(Nil)                  | 5,487.43<br>(Nil)                  |
| 2       | Initial Mine Development      | Tatiba        | 840.86<br>(1139.50)               | Nil<br>(Nil)                    | 298.64<br>(298.64)               | 542.22<br>(840.86)                 |
| 3       | Subsequent Overburden Removal | Nuagaon       | Nil<br>(Nil)                      | 2812.68<br>(Nil)                | 229.79<br>(Nil)                  | 2,582.89<br>(Nil)                  |
|         | <b>Total</b>                  |               | <b>840.86</b><br><b>(1139.50)</b> | <b>8,437.98</b><br><b>(Nil)</b> | <b>666.30</b><br><b>(298.64)</b> | <b>8,612.54</b><br><b>(840.86)</b> |

- 8) In the opinion of the Management, the Current Assets, Loans & Advances are approximately of the value stated and are realizable in the ordinary course of business. The provisions for all known liabilities are adequate.
- 9) Confirmation letters have been sent by the Company in respect of balances reflected under Sundry Debtors, Sundry Creditors and Loans and Advances. In view of confirmations having been received from only some of the parties, the balance under these heads have been shown as per books of accounts and are subject to reconciliation and adjustment, if any.
- 10) The names of the Micro, Small and Medium Enterprises suppliers defined under "The Micro Small and Medium Enterprises Development Act 2006" could not be identified, as the necessary evidence is not in the possession of the Company.
- 11) Secured Loans are as under:
- a) Term Loans :
- Secured by exclusive charge on the underlying plant & machineries. Collateral security by way of pledge of shares of the company owned by the director/s and lien on fixed deposit. The Loan is further secured by personal guarantee of one of the Director.
- b) Working Capital Loans:
- Secured by first pari-passu charge on the entire current assets of the company and lien on fixed deposits. Collateral security by way of mortgage of residential property and office premises belonging to a director and a partnership firm in which a director is partner respectively on pari-passu basis. Personal Guarantee of one of the directors, a relative of director and also Guarantee of a partnership firm in which director is partner.
- 12) Contingent liabilities not provided for :-
- a) Guarantee given by Bank on behalf of the Company ₹ Nil (Previous year ₹ Nil).
- b) Claims against the Company not acknowledged as debts ₹ 132.52 Lacs, including interest (Previous Year ₹ 127.19 Lacs).
- c) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹ 3973.51 Lacs (Previous Year ₹ 284.51 Lacs)



13) **Auditors Remuneration :**

(₹ in Lacs)

| <b>Particulars</b> | <b>2010-2011<br/>Amount</b> | <b>2009-2010<br/>Amount</b> |
|--------------------|-----------------------------|-----------------------------|
| Audit Fees         | 13.24                       | 13.24                       |
| Tax Audit Fees     | 3.31                        | 3.31                        |
| <b>Total</b>       | <b>16.55</b>                | <b>16.55</b>                |

14) A) **Directors' Remuneration :**

## (a) Remuneration to Executive Directors / Managing Director (Included under the head "Employee Cost")

(₹ in Lacs)

| <b>Particular</b>                                      | <b>2010- 2011</b> | <b>2009 – 2010</b> |
|--|-------------------|--------------------|
| Salaries   | 97.50             | 82.45              |
| Perquisites and allowances                             | 18.40             | 0.86               |
| Commission   | --                | --                 |
| Leave salary / Encashment                              | 5.61              | 4.49               |
| Contribution to Provident fund and Superannuation fund | 8.56              | 7.03               |
| Bonus  | --                | 1.25               |
| <b>Total</b>   | <b>130.07</b>     | <b>96.08</b>       |

## (b) Commission to Non-Executive Directors

| <b>Particular</b> | <b>2010- 2011</b> | <b>2009 – 2010</b> |
|-------------------|-------------------|--------------------|
| Commission *      | 9.00              | --                 |
| <b>Total</b>      | <b>9.00</b>       | <b>--</b>          |

\*Debited under the head "Prior Period Items".

Computation of net profit in accordance with Section 349 of the Companies Act, 1956:

| <b>Particular</b>  | <b>2010- 2011</b> | <b>2009- 2010</b> |
|--|-------------------|-------------------|
| Profit before taxation                                       | 766.80            | 4,461.95          |
| Add: Depreciation as per accounts                            | 1927.85           | 365.89            |
| Loss on sale / discarding of Fixed Assets                    | 9.62              | 0.25              |
| Investment provided for                                      | --                | --                |
| Managerial Remuneration                                      | --                | --                |
|  | 1937.47           | 366.13            |
| Less: Depreciation as per Section 350 of Companies Act, 1956 | 1140.85           | 360.65            |
| Premium on Investment in Preference Shares                   | --                | --                |
| Profit on buyback of Bonds / Redemption of Debentures        | --                | --                |
| Profit on sale of Fixed Assets                               | --                | --                |
| Profit on sale of Investments                                | --                | 8.69              |
|  | 1140.85           | 369.34            |
| Net Profit for the year as per Section 349                   | 1563.42           | 4458.74           |

Eligibility As Per Companies Act, 1956

| <b>Particular</b>  | <b>2010- 2011</b> | <b>2009 – 2010</b> |
|--|-------------------|--------------------|
| Commission to Independent Directors u/s 309<br>(calculated @ 1% of the Net Profit) | 15.63             | 44.59              |
| Remuneration to Directors u/s 198<br>(calculated @ 10% of the Net Profit)          | 156.34            |                    |
| Total Eligibility  | 171.97            | ---                |
| Total Actual Remuneration Paid   | 139.07            |                    |
| Remuneration Restricted to   | 139.07            | ---                |

## (c) Administration &amp; Selling Expenses included ₹ 12.60 lacs (Previous year ₹ 9.40 lacs) towards sitting fees paid to non-executive directors.

- B.) Professional fees includes ₹ 3.30 Lacs (Previous year ₹ Nil) paid to an independent director of the company.
- 15) a) Other Liabilities shown in Schedule "K" Includes ₹111.63 Lacs (Previous year ₹112.85 Lacs) being share application money refundable to an Overseas Corporate Body. Necessary approval for which is still awaited.
- b) Local Sales shown in Schedule "M" is net of sales tax of ₹ 3081.97 Lacs (Previous year ₹ 2638.02 Lacs)
- c) Foreign exchange fluctuation gain shown in Schedule "R" includes ₹1.23 Lacs (Previous year ₹ 14.53) being exchange gain on account of share application money refundable to an overseas body corporate.
- d) Insurance expenses shown in Schedule "R" includes ₹ 0.71 Lacs (Previous Year ₹Nil) towards key man insurance premium
- 16) During the year the company has incurred ₹ 1,114.03 lacs (Previous Year ₹Nil) towards internal road development within Nuagaon and Maharajpur mines and is included under the head "Administration & Selling Expenses".
- 17) Additional Information Pursuant to the provisions of Part II of the Schedule VI of the Companies Act 1956
- i) Quantitative Information:
- a) Installed Capacity N.A.
- b) Purchase/Production, Consumption/Sales/Stock :
- i) Opening Stock, Production/Purchases, Sales & Closing Stock of Finished Goods:-

(₹ in Lacs)

|               | Opening Stocks    |          | Production/<br>Purchases* |           | Sales             |           | Closing Stocks     |          |
|---------------|-------------------|----------|---------------------------|-----------|-------------------|-----------|--------------------|----------|
|               | Quantity<br>(Mts) | Amt      | Quantity<br>(Mts)         | Amt       | Quantity<br>(Mts) | Amt       | Quantity<br>(Mts)* | Amt      |
| Current Year  | 2,16,033          | 2,323.38 | 34,16,454                 | 14,881.04 | 34,96,729         | 61,117.90 | 1,35,759           | 1,533.74 |
| Previous Year | 3,48,581          | 2,023.10 | 30,53,991                 | 16,084.18 | 31,83,842         | 52,623.99 | 2,16,033           | 2,323.38 |

Above mentioned quantity and value includes :

- Purchase/Production includes trading purchases of 7,41,373.57 MTS of ₹ 14,881.04 Lacs (Previous Year 7,89,129.07 MTS ₹ 16,084.18 Lacs).
  - Sales include trading sales of 7,27,466.79 MTS ₹ 14,883.24 Lacs (Previous Year 9,87,276.61 MTS ₹17,704.96 Lacs).
  - \* net of shortage
- ii) Raw Materials consumed:-

(₹ in Lacs)

| Particulars    | Quantity<br>(Mts) | Value<br>Amount |
|----------------|-------------------|-----------------|
| Opening Stocks | 357100            | 1662.79         |
|                | (123000)          | (567.54)        |
| Purchases      | 5074580           | 17935.38        |
|                | (4379029)         | (15,736.51)     |
| Closing Stocks | 333762            | 1568.32         |
|                | (357100)          | (1,662.79)      |
| Consumption*   | 5097917           | 18029.85        |
|                | (4145229)         | (14,641.25)     |

\* including spoilage

- iii) Value of Imported and Indigenous Raw Materials consumed during the year.

(₹ in Lacs)

| Description | 2010 – 2011 |           | 2009 – 2010 |           |
|-------------|-------------|-----------|-------------|-----------|
|             | In %        | Amount    | In %        | Amount    |
| Imported    | —           | —         | —           | —         |
| Indigenous  | 100%        | 18,005.68 | 100%        | 14,635.34 |

## iv) Expenditure and Earnings in Foreign Exchange (₹ in Lacs)

| Particulars                         | 2010-2011<br>Amount | 2009-2010<br>Amount |
|-------------------------------------|---------------------|---------------------|
| (a) Expenditure in Foreign Exchange |                     |                     |
| Foreign Travelling Expenses         | 6.77                | 1.42                |
| Commission                          | Nil                 | Nil                 |
| Freight                             | Nil                 | Nil                 |
| Other expenses                      | 935.40              | 44.14               |
| (b) Earnings in Foreign Exchange    |                     |                     |
| Export Sales –(FOB)                 | Nil                 | Nil                 |
| Interest                            | 51.43               | Nil                 |
| Other receipts                      | 78.20               | Nil                 |

## v) CIF Value of Imports (₹ in Lacs)

| Particulars   | 2010-2011<br>Amount | 2009-2010<br>Amount |
|---------------|---------------------|---------------------|
| Capital Goods | Nil                 | Nil                 |

## 18) Disclosure as per AS 15 Revised

The principal assumptions used in the actuarial valuation of Gratuity are as follows.

| Particulars                             | 2010 - 2011 | 2009 - 2010 |
|---|-------------|-------------|
| Discount rate                           | 8.25%       | 8.00%       |
| Expected rate of return on assets       | 0.00%       | 0.00%       |
| Expected rate of future salary increase | 7.00%       | 7.00%       |

## Changes in present value of obligations (₹ In Lacs)

| Particulars                                    | 2010 - 2011 | 2009- 2010 |
|--|-------------|------------|
| Opening Balance of present value of obligation | 15.38       | 11.05      |
| Interest Cost                                  | 1.61        | 1.27       |
| Current Service Cost                           | 4.80        | 4.80       |
| Past Service Cost                              | 5.38        | 0.00       |
| Benefits paid                                  | 0.00        | 0.00       |
| Actuarial (gain)/loss on obligations           | (1.89)      | (1.74)     |
| Closing Balance of present value of obligation | 25.28       | 15.38      |

## Liability recognised in the Balance Sheet (₹ In Lacs)

| Particulars   | 2010 - 2011 | 2009 - 2010 |
|---|-------------|-------------|
| Opening Balance of present value of obligation                  | 15.38       | 15.38       |
| Fair Value of plan assets as at the end of the year             | 0.00        | 0.00        |
| Unfunded status   | 25.28       | 15.38       |
| Unrecognised Actuarial (Gain)/ loss                             | 0.00        | 0.00        |
| Closing Net (Assets)/ Liability recognised in the Balance Sheet | 25.28       | 15.38       |

## Expenses recognised in the Profit and Loss Account (₹ In Lacs)

| Particulars  | 2010 - 2011 | 2009 - 2010 |
|--|-------------|-------------|
| Current Service Cost                                     | 4.80        | 4.80        |
| Past Service Cost  | 5.38        | 1.27        |
| Interest Cost  | 1.61        | 0.00        |
| Expected return on plan assets                           | 0.00        | 0.00        |
| Net Actuarial (Gain)/ loss recognised during the year    | (1.89)      | (1.74)      |
| Excess provided in earlier year                          | 0.00        | 0.00        |
| Total Expenses recognised in the Profit and Loss account | 9.90        | 4.33        |

## 19) Earning Per Share

| Particular  | 2010- 2011    | 2009 – 2010 |
|---|---------------|-------------|
| <b>A</b> Weighted average number of Equity Shares of ₹ 10/- each                    |               |             |
| i Number of shares at the end of the year   | 198,87,46,440 | 2,85,41,550 |
| ii Weighted average number of Equity Shares outstanding during the year             | 169,18,90,290 | 2,85,41,550 |
| iii Weighted average number of Potential Equity Shares outstanding during the year  | 169,18,90,290 | 2,85,41,550 |
| iv Total number of Potential Equity share for calculating Diluted Earning Per Share | 169,99,32,755 | 3,02,39,550 |
| <b>B</b> Net Profit available for Equity shareholders (₹ In Lacs)                   | 439.02        | 2,750.41    |
| <b>C</b> Basic Earning Per Share (in ₹) {B/A (ii)}                                  | 0.03          | 9.64        |
| <b>D</b> Diluted Earning Per Share (in ₹) {B/A (iv)}                                | 0.03          | 9.10        |

## 20) Taxes on Income:

- Provision for Taxation for the year has been made in accordance with the provisions of the Income Tax Act, 1961
- The accumulated balance in Net Deferred Tax Liability comprises of:

(₹ in Lacs)

| Particulars   | Opening Balance<br>Deferred Tax Liability /<br>(Asset)<br>Amount | Current Year Change<br>Liability/ (Assets)<br>Amount | Closing Balance<br>Deferred Tax Liability /<br>(Asset)<br>Amount |
|---|--|--|--|
| Deferred Tax Liability / (Assets)                               |  |  |  |
| Depreciation  | 1143.80  | 128.43   | 1272.23  |
| Disallowance under Income Tax Act                               | —  | —  | —  |
| Provision for Gratuity  | (5.23)   | (2.98)   | (8.21)   |
| Pre-operative Expenses  | (189.16)   | 185.07   | (4.09)   |
| Miscellaneous Expenditure allowed<br>as deduction in Income Tax | 304.77   | 2502.39  | 2807.16  |
| Carry forward of Un-adjusted<br>Minimum Alternate Tax           | (268.58)   | (153.87)   | (422.45)   |
| Income Tax Loss carried forward                                 | 0.00   | (2505.85)  | (2505.85)  |
| <b>Deferred Tax Liability/(Assets)<br/>[Net]</b>                | <b>985.60</b>  | <b>153.19</b>  | <b>1138.79</b>   |

## 21) Segment Information:

- Primary (Business) Segment

In accordance with the requirements of Accounting Standard 17 “Segment Reporting” issued by the Institute of Chartered Accountants of India, the Company’s business constitutes only one reportable business segment being Mining & Trading of Ore and hence no separate disclosure to attributable Revenues, Profits, Assets, Liabilities, and Capital Employed are given.

- Secondary (Geographical Segment)

Secondary Segment Reporting is on the basis of geographical location of the customers. The operation of the Company comprises local sales and export sales. The management views the Indian Market and Export Market are distinct geographical segments. The following is the distribution of the Company’s sale by geographical markets.

(₹ in Lacs)

| Sales        | 2010 – 2011      | 2009 – 2010      |
|--------------|------------------|------------------|
| India        | 61,117.90        | 52,623.99        |
| Exports      | Nil              | Nil              |
| <b>Total</b> | <b>61,117.90</b> | <b>52,623.99</b> |

The following are the carrying amount of segment assets by geographical area in which the assets are located

(₹ In Lacs)

| Carrying amount of business segment | 2010 – 2011       | 2009 – 2010      |
|-------------------------------------|-------------------|------------------|
| India                               | 100,194.38        | 58,368.80        |
| Outside India*                      | Nil               | Nil              |
| <b>Total</b>                        | <b>100,194.38</b> | <b>58,368.80</b> |

\* Carrying amount of segment assets outside India represents receivables from Export Sales.

22) Related Party Disclosures:

i) For the year ended 31<sup>st</sup> March, 2011

(a) **Key Management Personnel**

|                           |          |
|---------------------------|----------|
| Mr. Subhash Sharma        | Director |
| Mr. Amit Sharma           | Director |
| Mr. I.D. Agarwal **       | Director |
| Mr. Burzin Somandy **     | Director |
| Mr. Nitin Sethi           | Director |
| Mr. Ashwin Shanker Iyer * | Director |
| Mr. Ajay Singh Sethi *    | Director |
| Mr. Alok Ambastha *       | Director |

\* Appointed during the year.

\*\* Resigned during the year

(b) **Associates**

|                                 |                  |
|---------------------------------|------------------|
| Exfin Shipping (India)          | Partnership Firm |
| Victory Sponge Private Limited  | Company          |
| Spear Petroleum Private Limited | Company          |
| Eminent Steel Private Limited   | Company          |
| Runwell Steel Private Limited   | Company          |

(c) **Subsidiary**

|  |                                    |
|--|------------------------------------|
| Warana Minerals Pvt. Ltd.              | Company                            |
| Shri Warana Minerals (India) Pvt. Ltd. | Company                            |
| Resurgere International FZE            | Company at U.A.E.                  |
| Resurgere Coal India                   | Limited Liability Partnership Firm |

(d) (₹ in Lacs)

| Nature of Transaction  | In relation to (a) above | In relation to (b) above | In relation to (c) above |
|------------------------|--------------------------|--------------------------|--------------------------|
| Rent                   | —<br>(—)                 | 1.20<br>(1.20)           | —<br>(—)                 |
| Directors Remuneration | 130.07<br>(96.08)        | —<br>(—)                 | —<br>(—)                 |
| Professional Fees      | 3.30<br>(—)              | —<br>(—)                 | —<br>(—)                 |
| Director Sitting Fees  | 12.60<br>(9.40)          | —<br>(—)                 | —<br>(—)                 |
| Commission paid        | 9.00<br>(—)              | —<br>(—)                 | —<br>(—)                 |
| Investment             | —<br>(—)                 | —<br>(—)                 | 19.10<br>(—)             |
| Loans Taken            | —<br>(—)                 | 36.75<br>(15.00)         | —<br>(—)                 |

|                          |        |          |          |
|--------------------------|--------|----------|----------|
| Loans Repayment          | ---    | 0.10     | ---      |
|                          | (—)    | (13.43)  | (—)      |
| Loan Granted             | ---    | 170.00   | 10628.54 |
|                          | (—)    | (—)      | (21.28)  |
| Loan Returned Back       | —      | 120.35   | 457.00   |
|                          | (—)    | (150.00) | (1.29)   |
| Advance Granted          | —      | 6.43     | 28.20    |
|                          | (2.25) | (1.29)   | (—)      |
| Advance Returned Back    | —      | 6.43     | 23.50    |
|                          | (2.25) | (1.29)   | (—)      |
| Interest on Loans Taken  | ---    | —        | ---      |
|                          | (—)    | (—)      | (—)      |
| Interest on Loans Given  | ---    | 15.58    | ---      |
|                          | (—)    | (25.68)  | (—)      |
| Sales                    | ---    | ---      | 15.63    |
|                          | (—)    | (—)      | (7.87)   |
| Realisation from debtors | ---    | ---      | 12.89    |
|                          | (—)    | (—)      | (6.00)   |

**Amount Outstanding as at 31<sup>st</sup> March, 2011**

| Nature of Transaction | In relation to (a) above | In relation to (b) above | In relation to (C) above |
|-----------------------|--------------------------|--------------------------|--------------------------|
| Current Liabilities   | 4.06<br>(3.62)           | 1.47<br>(1.57)           | ---                      |
| Current Assets        | ---                      | 124.31<br>(59.08)        | 10206.41<br>(27.43)      |
| Unsecured Loans       | ---                      | 36.75<br>(—)             | ---                      |
| Deposits Given        | ---                      | 202.68<br>(202.68)       | ---                      |
| Investments           | ---                      | ---                      | 1,923.60<br>(1,904.50)   |

Previous year figures are given in brackets.

- 23) The company has during the year purchased 2,53,778 (Previous year 15,59,049 ) units of Mutual Fund amounting to ₹25.39 Lacs (Previous year ₹ 172.46 Lacs) and out of the same redeemed Nil (Previous year 79,87,995 ) units amounting to ₹Nil (Previous year ₹ 873.50 Lacs ).

**Investment in Mutual Fund**

(₹in Lacs)

| Particulars                  | Purchase        |              | Redemption |        |
|------------------------------|-----------------|--------------|------------|--------|
|                              | Units           | Amount       | Units      | Amount |
| Birla Sun Life Mutual Fund   | 169             | 0.02         | —          | —      |
| ICICI Prudential Mutual Fund | 189             | 0.20         | —          | —      |
| SBI Mutual Fund              | 253420          | 25.17        | —          | —      |
| <b>Total</b>                 | <b>2,53,778</b> | <b>25.39</b> | —          | —      |

- 24) Loans and Advances includes interest free loans advanced to a newly constituted subsidiary of ₹ 10,171.54 Lacs (Previous Year ₹Nil) and the maximum amount outstanding during the year is ₹ 10,747.00 Lacs (Previous Year ₹ Nil).
- 25) Company had entered into agreement for raising and purchasing of Iron Ore from a mine situated at Tatibha in Jharkhand State with the leaseholder and subsequently the Company had to stop raising/mining activities on the said land since the same has been claimed back by the State Government of Jharkhand by way of a notification. The leaseholder has informed the company that he has already preferred an appeal by way of writ against the said notification which is pending in the High court. The Company is in the process of discussions/negotiations with the leaseholder for alternative mines and if the award of the said appeal filed by the leaseholder is delayed or is decided against the leaseholder upto which time the loss/damages including carry forward of the related un-adjusted mine development expenses, if any, to the Company on account of this will be accounted for on the outcome of the said appeal or the finalisation of negotiations with the leaseholder.



- 26) The annual accounts of the subsidiary companies and the related detailed information shall be made available to shareholders seeking such information at any point of time. The annual accounts of the subsidiary companies shall also be kept for inspection by any shareholders in the head office of the holding company and of the subsidiary companies concerned. The holding company shall furnish a hard copy of details of accounts of subsidiaries to any shareholder on demand.
- 27) Figures less than ₹ 500/- has been shown at actual wherever statutory required to be disclosed since figures have been rounded off to the nearest ₹ in Thousand.

**The schedules referred to above and notes to accounts form an integral part of the financial statements.**

**As per our Report of even date attached**

For Churiwala & Co.  
Chartered Accountants

For and on behalf of the Board

Mahavir Jain  
Partner  
Mem. No. 121275  
Firm No. 119223 W

Managing Director                      Director  
Chief Financial Officer                      Company Secretary

Place: Mumbai  
Date: May 30, 2011

Place: Mumbai  
Date: May 30, 2011

## Balance Sheet Abstract & Company's General Business Profile

### I. Registration Details

|                      |        |       |      |              |    |
|----------------------|--------|-------|------|--------------|----|
| Registration No. :   | 172412 |       |      | State Code : | 11 |
| Balance Sheet Date : | 31     | 03    | 2011 |              |    |
|                      | Date   | Month | Year |              |    |

### II. Capital raised during the year (₹ in lacs)

|  |           |   |           |
|--|-----------|---|-----------|
| Public Issue (inclusive of GDR & Security Premium) | 8,125.00  | Rights Issue  | Nil       |
| Bonus Issue  | 13,258.31 | Private Placement<br>(inclusive of Warrants & Security Premium) | 24,854.00 |

### III. Position of Mobilisation and Deployment of Funds (₹ in Lacs)

|                             |            |                          |            |
|-----------------------------|------------|--------------------------|------------|
| Total Liabilities           | 100,194.38 | Total Assets             | 100,194.38 |
| <b>Source of Funds</b>      |            |                          |            |
| Paid-up Capital             | 19,887.46  | Reserves and Surplus     | 50,953.54  |
| Share warrants              | Nil        | Secured Loans            | 11,959.45  |
| Unsecured Loans             | 250.00     | Deferred Tax Liabilities | 1,138.79   |
| Current Liabilities         | 16,005.14  |                          |            |
| <b>Application of Funds</b> |            |                          |            |
| Net Fixed Assets            | 35,946.13  | Investments              | 1,965.93   |
| Current Assets              | 53,630.26  | Misc. Expenditure        | 8,652.06   |
| Accumulated Losses          | Nil        |                          |            |

### IV. Performance of Company. (₹ in Lacs)

|                                       |           |                         |           |
|---------------------------------------|-----------|-------------------------|-----------|
| Net Turnover (including Other Income) | 60,601.26 | Total Expenditure       | 59,834.59 |
| Profit/(Loss) Before Tax              | 766.67    | Profit/(Loss) After Tax | 439.02    |
| Earning Per Share in (₹)              | 0.03      | Dividend Rate %         | Nil       |

### V. Generic Names of Three Principal Products/Services of Company (As Per Monetary Terms)

|                          |                |          |
|--------------------------|----------------|----------|
| Item Code No. (ITC Code) | 26011140       | 26060090 |
| Product Description      | Iron Ore Fines | Bauxite  |
| Item Code No. (ITC Code) | 26011110       |          |
| Product Description      | Iron Ore Lumps |          |

Signatories to Schedule "A" to "T"



## Statement Pursuant to Section 212 of the Companies Act, 1956, Relating to Subsidiary Company

| Name of the Subsidiary                       | Number of shares in the Subsidiary Company held by Resurgere Mines & Minerals India Limited at the financial year ending date |                   | The net aggregate of profits / (losses) of the Subsidiary Companies so far as they concern the members of Resurgere Mines & Minerals India Ltd. |   |   |   |
|--|---|-------------------|---|---|---|---|
|  |   |                   | For Current Financial year<br>(Amount in ₹ Lacs)  |   | For Previous Financial Years<br>(Amount in ₹ Lacs)  |   |
|  | Equity  | Extent of holding | Dealt with in the account of the Resurgere Mines & Minerals India Ltd for the year ended 31 <sup>st</sup> March, 2011                           | Not dealt with in the account of the Resurgere Mines & Minerals India Ltd for the year ended 31 <sup>st</sup> March, 2011 | Dealt with in the account of the Resurgere Mines & Minerals India Ltd for the year ended 31 <sup>st</sup> March, 2010 | Not dealt with in the account of the Resurgere Mines & Minerals India Ltd for the year ended 31 <sup>st</sup> March, 2010 |
| Warana Minerals Private Limited (WMPL)       | 85000 Equity Shares   | 100%              | 12.08   | N.A.  | 12.02   | N.A.  |
| Shri Warana Minerals (India) Private Limited | 27000 Equity Shares held by WMPL  | 60%               | NIL   | N.A.  | NIL   | N.A.  |
| Resurgere International FZE                  | 1 Equity Share  | 100%              | (4.50)  | N.A.  | N.A.  | N.A.  |

### Notes:

- The financial year of Resurgere Mines & Minerals India Limited and its subsidiary companies are ending on 31<sup>st</sup> March, 2011.
- Resurgere International FZE was formed on 27th July 2010 under the implementing regulations of RAK Free Trade Zone pursuant to the Emiri decree dated 1st May 2000 of H.H.Sheikhi Saqr Bin Mohammed Bin Salem Al Qassimi, the ruler of Ras Al Khaimah and The Federal Law No.8 of 1984 concerning the Commercial Companies of UAE together with its amendments therein.



## CONSOLIDATED AUDITORS' REPORT

Auditor's Report to the Board of Directors of Resurgere Mines & Minerals India Limited on the Consolidated Financial Statements of Resurgere Mines & Minerals India Limited, its subsidiaries and joint controlled entities.

We have audited the attached Consolidated Balance Sheet of Resurgere Mines & Minerals India Limited (hereinafter referred as "the Company"), the holding company, and its subsidiaries (hereinafter collectively referred to as "the Group") as at 31st March 2011, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date prepared in accordance with the accounting principles generally accepted in India.

1. These financial statements are the responsibility of the management of the Company. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with generally accepted auditing standards in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in 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 statements. We believe that our audit provides a reasonable basis for our opinion.
2. We did not audit the financial statements of the subsidiaries for the financial year ended on 31st March 2011, whose Financial Statements reflects total assets of ₹ 14,183.31 Lacs and total revenue of ₹ 3200.90 Lacs. These financial statements have been audited by other auditors and for the purpose of our examination we have placed reliance on their report.
3. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, "Consolidated Financial Statements" and Accounting Standard 27, "Financial Reporting of Interest in Joint Ventures" issued by the Institute of Chartered Accountants of India and notified by the Companies (Accounting Standards) Rules, 2006.
4. In our opinion and to the best of our information and according to the explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of Resurgere Mines & Minerals India Limited and its aforesaid subsidiaries, the said consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India;
  - a) In case of the consolidated Balance Sheet, of the consolidated state of affairs of the Group as at 31st March 2011;
  - b) In case of the consolidated Profit and Loss Account, of the consolidated results of operations of the Group for the year then ended; and
  - c) In case of the consolidated Cash Flow Statement, of the consolidated cash flows of the Group for the year ended on that date.

**For Churiwala & Co.**  
Chartered Accountants  
Firm No.: 119223 W

**Mahavir Jain**  
Partner  
Mem No : 121275

Place : Mumbai

Date : 30/05/2011

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011

₹ in Lacs

| Particulars  | Schedules | As at<br>31.03.2011 | As at<br>31.03.2010 |
|--|-----------|---------------------|---------------------|
| <b>Sources of Funds :</b>                                      |           |                     |                     |
| <b>Shareholders' Funds</b>                                     |           |                     |                     |
| Share Capital  | A         | 19,887.46           | 2,854.16            |
| Share warrants   | AI        | -                   | 2,122.50            |
| Reserves & Surplus   | B         | 49,032.05           | 35,893.70           |
|  |           | 68,919.51           | 40,870.36           |
| <b>Minority Interest</b>                                       |           | -                   | 1.80                |
| <b>Loan Funds</b>  |           |                     |                     |
| Secured Loans  | C         | 11,959.45           | 11,513.94           |
| Unsecured Loans  | D         | 358.40              | 815.00              |
| Deferred Tax Liabilities                                       |           | 1,138.79            | 985.60              |
|  |           | <b>82,376.15</b>    | <b>54,186.70</b>    |
| <b>Applications of Funds :</b>                                 |           |                     |                     |
| <b>Goodwill on Consolidation</b>                               |           |                     |                     |
|  |           | 78.24               | 76.50               |
| <b>Fixed Assets</b>  |           |                     |                     |
|  | E         |                     |                     |
| Gross Block  |           | 24,272.09           | 20,634.10           |
| Less: Depreciation   |           | 4,369.01            | 452.86              |
| Net Block  |           | 19,903.08           | 20,181.24           |
| Capital Work In Progress (Including advances)                  |           | 16,057.21           | 1,634.05            |
|  |           | 35,960.29           | 21,815.29           |
| <b>Investments</b>   | F         | 42.33               | 16.94               |
| <b>Current Assets, Loans &amp; Advances</b>                    |           |                     |                     |
| Inventories  | G         | 3,107.29            | 3,986.17            |
| Sundry Debtors   | H         | 30,765.92           | 15,905.33           |
| Cash & Bank Balances   | I         | 452.24              | 1,355.81            |
| Loans & Advances   | J         | 19,811.23           | 14,497.87           |
|  |           | 54,136.68           | 35,745.18           |
| Less: <b>Current Liabilities &amp; Provisions</b>              | K         |                     |                     |
| Current Liabilities  |           | 14,380.76           | 2,252.42            |
| Provisions   |           | 2,193.50            | 2,173.90            |
|  |           | 16,574.26           | 4,426.32            |
| <b>Net Current Assets</b>                                      |           | 37,562.42           | 31,318.86           |
| <b>Miscellaneous Expenditure</b>                               | L         | 8,732.87            | 959.11              |
|  |           | <b>82,376.15</b>    | <b>54,186.70</b>    |
| <b>Significant Accounting Policies &amp; Notes to Accounts</b> | T         |                     |                     |

The schedules referred to above and notes to accounts form an integral part of the financial statements.

As per our Report of even date attached

**For Churiwala & Co.**

Chartered Accountants  
Firm No. 119223 W

**Mahavir Jain**

Partner  
Mem. No. 121275

Place: Mumbai  
Date: 30/05/2011

**For and on behalf of the Board**

Managing Director

Chief Financial Officer

Place: Mumbai  
Date: 30/05/2011

Director

Company Secretary

## CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

₹ in Lacs

| Particulars   | Schedules | Current<br>Year ended<br>31.03.11 | Previous<br>Year ended<br>31.03.10 |
|---|-----------|-----------------------------------|------------------------------------|
| <b>Income</b>   |           |                                   |                                    |
| Income from Operations  | M         | 64,318.80                         | 52,645.82                          |
| Other Income  | N         | 278.45                            | 264.34                             |
| Increase / (Decrease) in Stocks                                     | O         | (795.09)                          | 305.73                             |
|   |           | <b>63,802.16</b>                  | <b>53,215.89</b>                   |
| <b>Expenditure</b>  |           |                                   |                                    |
| Materials, Production and Operational Expenses                      | P         | 56,846.62                         | 46,233.43                          |
| Employee Costs  | Q         | 320.17                            | 263.74                             |
| Administration & Selling Expenses                                   | R         | 2,100.85                          | 748.13                             |
| Financial Charges   | S         | 1,203.18                          | 812.67                             |
| Depreciation & Amortization   | E & L     | 4,610.83                          | 677.50                             |
|   |           | <b>65,081.65</b>                  | <b>48,735.47</b>                   |
| <b>Profit before Tax</b>  |           | (1,279.49)                        | 4,480.42                           |
| Provision for Tax- Income Tax                                       |           | 163.29                            | 806.45                             |
| - Deferred Tax Liabilities/(Assets)                                 |           | 153.19                            | 761.70                             |
| - Tax of Earlier Years  |           | 1.46                              | 156.02                             |
|   |           | <b>317.94</b>                     | <b>1,724.17</b>                    |
| <b>Profit after Tax</b>   |           | (1,597.43)                        | 2,756.25                           |
| <b>Prior Period Items</b>   |           | 15.11                             | (6.17)                             |
| <b>Minority Interest in loss</b>                                    |           | (1.80)                            | -                                  |
| <b>Profit available for Appropriations</b>                          |           | <b>(1,610.74)</b>                 | <b>2,762.42</b>                    |
| <b>Appropriations</b>   |           | -                                 | -                                  |
| Surplus carried forward to Balance Sheet                            |           | <b>(1,610.74)</b>                 | <b>2,762.42</b>                    |
| <b>Basic Earnings per Share of face value of ₹ 10 each (in ₹)</b>   |           | (0.10)                            | 9.68                               |
| <b>Diluted Earnings per Share of face value of ₹ 10 each (in ₹)</b> |           | (0.09)                            | 9.14                               |
| <b>Significant Accounting Policies &amp; Notes to Accounts</b>      | T         |                                   |                                    |

The schedules referred to above and notes to accounts form an integral part of the financial statements.

As per our Report of even date attached

**For Churiwala & Co.**

Chartered Accountants  
Firm No. 119223 W

**Mahavir Jain**

Partner  
Mem. No. 121275

Place: Mumbai

Date: 30/05/2011

**For and on behalf of the Board**

Managing Director

Chief Financial Officer

Place: Mumbai

Date: 30/05/2011

Director

Company Secretary

## Consolidated Cash Flow Statement for the year ended 31st March 2011

₹ in Lacs

| Particular  | Current<br>Year ended<br>31.03.11 | Previous<br>Year ended<br>31.03.10 |
|---|-----------------------------------|------------------------------------|
| <b>A) Cash Flow from Operating Activities</b>         |                                   |                                    |
| <b>Net Profit Before Tax and Extraordinary Items</b>  | (1,279.49)                        | 4,480.42                           |
| Adjustment for:                                       |                                   |                                    |
| Depreciation & Amortization                           | 4,610.83                          | 677.50                             |
| Dividends   | (0.79)                            | (17.27)                            |
| Interest Income                                       | (574.43)                          | (574.35)                           |
| Interest Expenses                                     | 1,706.38                          | 1,310.29                           |
| Mine Development Activities                           | (8,437.98)                        | (60.81)                            |
| Pre Operative Expenses                                | (1.80)                            | (5.23)                             |
| Loss on sale of Fixed Assets                          | 9.62                              | 0.25                               |
| (Profit)/Loss on sale of Investment                   | 0.40                              | (8.69)                             |
| Direct Taxes Paid                                     | (154.94)                          | (138.60)                           |
| <b>Operating Profit before Extraordinary Items</b>    | <b>(4,122.20)</b>                 | <b>5,663.51</b>                    |
| Prior Period Items                                    | 15.11                             | (6.17)                             |
| <b>Operating Profit before Working Capital Change</b> | <b>(4,137.31)</b>                 | <b>5,669.68</b>                    |
| Adjustment for:                                       |                                   |                                    |
| Trade and Other Receivables                           | (14,860.59)                       | (2,963.53)                         |
| Inventories   | 878.88                            | (1,395.53)                         |
| Trade Payables  | 12,138.25                         | (1,063.26)                         |
| Loans and Advances                                    | (5,421.78)                        | (3,012.06)                         |
| <b>Net Cash used in Operating Activities</b>          | <b>(11,402.55)</b>                | <b>(2,764.70)</b>                  |
| <b>(Total A)</b>                                      |                                   |                                    |
| <b>B) Cash Flow from Investing Activities</b>         |                                   |                                    |
| Purchases of Fixed Assets                             | (3,668.62)                        | (17,197.52)                        |
| Capital Work in Progress                              | (14,423.16)                       | 16,679.84                          |
| Sale of Fixed Assets                                  | 8.89                              | -                                  |
| Interest Income                                       | 574.43                            | 574.35                             |
| Dividends   | 0.79                              | 17.27                              |
| Sale of Investments                                   | -                                 | 873.48                             |
| Purchase of Investments                               | (25.79)                           | (172.46)                           |
| <b>Net Cash used in Investing Activities</b>          | <b>(17,533.46)</b>                | <b>774.96</b>                      |
| <b>(Total B)</b>                                      |                                   |                                    |

## Consolidated Cash Flow Statement for the year ended 31st March 2011

₹ in Lacs

| Particular   |                  | Current<br>Year ended<br>31.03.11 | Previous<br>Year ended<br>31.03.10 |
|--|------------------|-----------------------------------|------------------------------------|
| <b>C) Cash Flow from Financing Activities</b>        |                  |                                   |                                    |
| Proceeds from Secured Loans (Net of Repayment)       |                  | 445.51                            | 169.94                             |
| Proceeds from Unsecured Loans (Net of Repayment)     |                  | (456.60)                          | 410.00                             |
| Interest Paid  |                  | (1,706.38)                        | (1,310.29)                         |
| Miscellaneous Expenditure                            |                  | (16.55)                           | -                                  |
| Share Capital  |                  | 3,775.00                          | -                                  |
| Share Warrant Money                                  |                  | (2,122.50)                        | 2,122.50                           |
| Securities Premium Received                          |                  | 29,256.18                         | -                                  |
| Share Issue Expenses                                 |                  | (1,142.22)                        | 0.60                               |
| <b>Net Cash from Financing Activities</b>            | <b>(Total C)</b> | <b>28,032.44</b>                  | <b>1,392.75</b>                    |
| Net Increase in Cash & Cash Equivalents              | (Total A+B+C)    | (903.57)                          | (596.99)                           |
| Cash & Cash Equivalents (Opening Balance)            |                  | 1,355.81                          | 1,952.80                           |
| <b>Cash &amp; Cash Equivalents (Closing Balance)</b> |                  | <b>452.24</b>                     | <b>1,355.81</b>                    |

## Note:

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standards - 3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.
- Previous year's figures have been regrouped, reclassified and/or rearranges wherever necessary to compare with figure for the year.
- Cash and Cash Equivalents at the end of the period/ year consists of Cash in Hand and Balances with Banks and are net of Short Terms Loans and Advances from Banks as follows

| Particulars         | Current<br>Year ended<br>31.03.11 | Previous<br>Year ended<br>31.03.10 |
|---------------------|-----------------------------------|------------------------------------|
| Cash in Hand        | 45.61                             | 20.52                              |
| Balances with Banks | 406.63                            | 1,335.29                           |
|                     | <b>452.24</b>                     | <b>1,355.81</b>                    |

The schedules referred to above and notes to accounts form an integral part of the financial statements.

**As per our Report of even date attached**

**For Churiwala & Co.**  
Chartered Accountants  
Firm No. 119223 W  
**Mahavir Jain**  
Partner  
Mem. No. 121275

**For and on behalf of the Board**

|                         |                   |
|-------------------------|-------------------|
| Managing Director       | Director          |
| Chief Financial Officer | Company Secretary |

Place: Mumbai  
Date: 30/05/2011

Place: Mumbai  
Date: 30/05/2011

## Schedules to the Consolidated Balance Sheet as at 31st March, 2011

₹ in Lacs

| Particulars   | As at<br>31.03.2011 | As at<br>31.03.2010 |
|---|---------------------|---------------------|
| <b>Schedule "A" : - Share Capital</b>   |                     |                     |
| <b>Authorised</b>   |                     |                     |
| 750,00,00,000 Equity Shares (Previous Year 6,00,00,000) of ₹1/- (Previous Year ₹10/-) each.   | <b>75,000.00</b>    | 6,000.00            |
|   | <b>75,000.00</b>    | <b>6,000.00</b>     |
| <b>Issued, Subscribed &amp; Paid up</b>   |                     |                     |
| 1,98,87,46,440 (Previous Year 2,85,41,550 of ₹10/- each) Equity Shares of ₹1/- each fully paid up.<br>[Out of the above 142,31,18,460 (Previous Year 97,28,750) Equity Shares of ₹1/- (Previous Year ₹10/-) each are allotted as fully paid up Bonus Shares by capitalization of Security Premium Account ] | 19,887.46           | 2,854.16            |
|   | <b>19,887.46</b>    | <b>2,854.16</b>     |
| <b>Schedule "A1" : - Share Warrants</b>   |                     |                     |
| Share warrants  | -                   | 2,122.50            |
|   | -                   | <b>2,122.50</b>     |
| <b>Schedule "B" : - Reserves &amp; Surplus</b>  |                     |                     |
| <u>Foreign Exchange Fluctuation Reserve</u>   |                     |                     |
| Opening Balance   | -                   | -                   |
| Add : Exchange fluctuation provided during the period   | (106.56)            | -                   |
| Closing Balance   | (106.56)            | -                   |
| <u>Securities Premium Account</u>   |                     |                     |
| Opening Balance   | 21,280.32           | 21,279.72           |
| Additions during the year   | 29,256.18           | -                   |
|   | 50,536.50           | 21,279.72           |
| Less : Share Issue Expenses and Bonus Issue   | 14,400.53           | (0.60)              |
| Closing Balance   | 36,135.97           | 21,280.32           |
| <u>Capital Reserve</u>  |                     |                     |
| Opening Balance   | 120.00              | 120.00              |
| Additions during the year   | -                   | -                   |
| Closing Balance   | 120.00              | 120.00              |
| <u>Profit and Loss Account</u>  |                     |                     |
| Opening Balance   | 14,493.38           | 11,730.96           |
| Profit for the year   | (1,610.74)          | 2,762.42            |
| Closing Balance   | 12,882.64           | 14,493.38           |
|   | <b>49,032.05</b>    | <b>35,893.70</b>    |
| <b>Schedule "C" : - Secured Loans</b>   |                     |                     |
| <b>From Banks</b>   |                     |                     |
| Term Loan   | 1,120.27            | 3,597.45            |
| [Due within one year ₹700.08 Lacs (Previous year ₹1394.75 Lacs) ]   |                     |                     |
| Working Capital Facility  | 10,839.18           | 7,910.23            |
| Vehicle Loans   | -                   | 6.26                |
|   | <b>11,959.45</b>    | <b>11,513.94</b>    |
| <b>Schedule "D" : - Unsecured Loans</b>   |                     |                     |
| From Company under same Management  | 100.00              | 100.00              |
| From Directors  | 7.00                | 5.00                |
| From Inter-Corporate Deposits   | 251.40              | 710.00              |
|   | <b>358.40</b>       | <b>815.00</b>       |

## Schedules to the Consolidated Balance Sheet as at 31st March, 2011

### Schedule "E"

#### Fixed Assets (At Cost Less Depreciation)

₹ in Lacs

| Description                   | Gross Block         |                   |              |                     | Depreciation       |                   |              |                    | Net Block           |                     |
|-------------------------------|---------------------|-------------------|--------------|---------------------|--------------------|-------------------|--------------|--------------------|---------------------|---------------------|
|                               | As at<br>01.04.2010 | Additions         | Deductions   | As at<br>31.03.2011 | Upto<br>31.03.2010 | For the<br>period | Adjustments  | Upto<br>31.03.2011 | As at<br>31.03.2011 | As at<br>31.03.2010 |
|                               |                     | During the period |              |                     |                    |                   |              |                    |                     |                     |
| Goodwill                      | 2,000.00            | -                 | -            | 2,000.00            | -                  | 2,000.00          | -            | 2,000.00           | -                   | 2,000.00            |
| Land including<br>Development | 14.16               | -                 | -            | 14.16               | -                  | -                 | -            | -                  | 14.16               | 14.16               |
| Plant and Machinery           | 18,261.09           | 3,656.67          | -            | 21,917.76           | 351.63             | 1,896.56          | -            | 2,248.19           | 19,669.57           | 17,909.46           |
| Electrical Installations      | 9.53                | -                 | -            | 9.53                | 2.66               | 0.45              | -            | 3.11               | 6.42                | 6.87                |
| Furniture's & Fittings        | 47.59               | -                 | -            | 47.59               | 13.72              | 3.01              | -            | 16.73              | 30.86               | 33.87               |
| Office Equipments             | 41.49               | 1.85              | -            | 43.34               | 8.73               | 2.03              | -            | 10.76              | 32.58               | 32.77               |
| Motor Vehicles                | 242.25              | 9.43              | 30.21        | 221.47              | 66.91              | 22.88             | 11.70        | 78.09              | 143.38              | 175.34              |
| Computers                     | 17.97               | 0.27              | -            | 18.24               | 9.21               | 2.92              | -            | 12.13              | 6.11                | 8.77                |
| <b>Total</b>                  | <b>20,634.08</b>    | <b>3,668.22</b>   | <b>30.21</b> | <b>24,272.09</b>    | <b>452.86</b>      | <b>3,927.85</b>   | <b>11.70</b> | <b>4,369.01</b>    | <b>19,903.08</b>    | <b>20,181.24</b>    |
| Previous Year                 | 3,437.06            | 17,197.28         | 0.25         | 20,634.10           | 86.98              | 365.89            | 0.00         | 452.86             | 20,181.23           | 3,350.07            |

#### Capital Work In Progress (Including advances)

₹ in Lacs

| Description         | Gross CWIP          |                   |            |                     | Capitalization     |                      |             |                    | Net CWIP            |                     |
|---------------------|---------------------|-------------------|------------|---------------------|--------------------|----------------------|-------------|--------------------|---------------------|---------------------|
|                     | As at<br>01.04.2010 | Additions         | Deductions | As at<br>31.03.2011 | Upto<br>31.03.2010 | During the<br>period | Adjustments | Upto<br>31.03.2011 | As at<br>31.03.2011 | As at<br>31.03.2010 |
|                     |                     | During the period |            |                     |                    |                      |             |                    |                     |                     |
| Plant and Machinery | 15,678.24           | 18,054.50         | -          | 33,732.74           | 14,044.19          | 3,631.34             | -           | 17,675.53          | 16,057.21           | 1,634.05            |
| <b>Total</b>        | <b>15,678.24</b>    | <b>18,054.50</b>  | <b>-</b>   | <b>33,732.74</b>    | <b>14,044.19</b>   | <b>3,631.34</b>      | <b>-</b>    | <b>17,675.53</b>   | <b>16,057.21</b>    | <b>1,634.05</b>     |
| Previous Year       | 19,465.89           | 651.53            | 4,439.18   | 15,678.24           | 1,152.01           | 12,892.18            | -           | 14,044.19          | 1,634.06            | 18,313.88           |

Note: Capital Work In Progress is abbreviated by CWIP



## Schedules to the Consolidated Balance Sheet as at 31st March, 2011

₹ in Lacs

| Particulars   | As at<br>31.03.2011 | As at<br>31.03.2010 |
|---|---------------------|---------------------|
| <b>Schedule "F" : Investments</b>   |                     |                     |
| <b>Long Term, Non - Trade</b>   |                     |                     |
| <b>Unquoted</b>   |                     |                     |
| The City Co-operative Bank Limited<br>[ 6,010 Equity Shares of ₹ 25 each, fully paid up (Previous Year 6,010 Equity Shares of ₹25 each fully paid ) ]   | 1.50                | 1.50                |
| <b>Long Term, Trade</b>   |                     |                     |
| <b>Unquoted</b>   |                     |                     |
| [Aggregate of Unquoted Investments at Book Value ₹ 1.50 Lacs (Previous Year ₹ 1.50 Lacs) ]  | -                   | -                   |
| <b>Current Investments</b>  |                     |                     |
| <b>Quoted. Non - Trade</b>  |                     |                     |
| <u>SBI Mutual Fund</u>  |                     |                     |
| Magnum Insta Cash Fund - Daily Dividend Option<br>[ 70,706 units (Previous Year 67,286 units) ]<br>[ Market value ₹ 11.84 Lacs (Previous Year ₹ 11.27 Lacs) ]   | 11.84               | 11.27               |
| <u>SBI PSU Fund</u>   | 24.60               | -                   |
| Short Term Fund - Institutional Scheme - Daily Dividend Option<br>[ 2,50,000 units (Previous Year NIL units) ]<br>[ Market value ₹ 24.60 Lacs (Previous Year ₹ Nil) ]   |                     |                     |
| <u>Birla Sun Life Mutual Fund</u>   | 0.56                | 0.54                |
| Dynamic Bond Fund - Retail Quarterly Dividend<br>[ 5,079 units (Previous Year 4910 units) ]<br>[ Market value ₹ 0.57 Lacs (Previous Year ₹ 0.54 Lacs) ]   |                     |                     |
| <u>ICICI Prudential Mutual Fund</u>   | 3.83                | 3.63                |
| Flexible Income Plan - Daily Dividend Option<br>[ 3,625 units (Previous Year 3436 units) ]<br>[ Market value ₹ 3.83 Lacs (Previous Year ₹ 3.63 Lacs) ]<br>[ Aggregate of Quoted Current Investments at Book Value ₹ 40.84 Lacs (Previous Year ₹ 15.45 Lacs) and<br>Market Value ₹ 40.85 Lacs (Previous Year ₹ 15.45 Lacs) ] |                     |                     |
|   | <b>42.33</b>        | <b>16.94</b>        |
| <b>Schedule "G" : - Inventories</b>   |                     |                     |
| [As taken, valued and certified by the Management]  |                     |                     |
| Raw Material  | 1,568.32            | 1,657.34            |
| Work-In-Progress  | 5.23                | -                   |
| Finished Goods  | 1,533.74            | 2,328.83            |
|   | <b>3,107.29</b>     | <b>3,986.17</b>     |
| <b>Schedule "H" : - Sundry Debtors</b>  |                     |                     |
| [Unsecured, considered good]  |                     |                     |
| For a period exceeding six months   | 2,284.07            | 29.50               |
| Other Debts   | 28,481.85           | 15,875.83           |
|   | <b>30,765.92</b>    | <b>15,905.33</b>    |
| <b>Schedule "I" : - Cash &amp; Bank Balances</b>  |                     |                     |
| Cash in hand  | 45.61               | 20.52               |
| <u>Balances with Scheduled Banks</u>  |                     |                     |
| In Current Accounts   | 51.76               | 594.14              |
| In Term Deposit Accounts  | 354.87              | 741.15              |
|   | <b>452.24</b>       | <b>1,355.81</b>     |

## Schedules to the Consolidated Balance Sheet as at 31st March, 2011

₹ in Lacs

| Particulars   | As at<br>31.03.2011 | As at<br>31.03.2010 |
|---|---------------------|---------------------|
| <b>Schedule "J" : - Loans &amp; Advances</b>                        |                     |                     |
| [Unsecured, Considered good]  |                     |                     |
| Advance recoverable in cash or in kind or for value to be received. | 10,230.91           | 349.95              |
| Advances to Suppliers   | 1,834.48            | 3,478.92            |
| Inter - Corporate Deposits  | 1,813.16            | 4,124.47            |
| Deposits  | 5,932.68            | 6,544.53            |
|   | <b>19,811.23</b>    | <b>14,497.87</b>    |
| <b>Schedule "K" : - Current Liabilities &amp; Provisions</b>        |                     |                     |
| <b>(i) Current Liabilities</b>                                      |                     |                     |
| Sundry Creditors  | 13,992.36           | 1,740.78            |
| Other Liabilities   | 388.40              | 511.64              |
|   | <b>14,380.76</b>    | <b>2,252.42</b>     |
| <b>(ii) Provisions</b>  |                     |                     |
| Retirement Benefits   | 25.28               | 15.38               |
| Provision for Taxation (Net of Advance Tax)                         | 2,168.22            | 2,158.52            |
|   | <b>2,193.50</b>     | <b>2,173.90</b>     |
|   | <b>16,574.26</b>    | <b>4,426.32</b>     |
| <b>Schedule "L" : - Miscellaneous Expenditure</b>                   |                     |                     |
| <b>(To the extent not written - off or adjusted)</b>                |                     |                     |
| <b>(i) GDR Issue Expenses</b>                                       |                     |                     |
| Opening Balance   | -                   | -                   |
| Addition during the period  | 959.95              | -                   |
| Less: Written - off during the period                               | 959.95              | -                   |
|   | -                   | -                   |
| <b>(ii) Pre-operative Expenses</b>                                  |                     |                     |
| Opening Balance   | 62.46               | 57.23               |
| Addition during the period  | 1.80                | 5.23                |
| Less: Written - off during the period                               | -                   | -                   |
|   | <b>64.26</b>        | <b>62.46</b>        |
| <b>(iii) IPO Expenditure</b>  |                     |                     |
| Opening Balance   | -                   | -                   |
| Addition during the period  | 16.55               | -                   |
| Less: Written - off during the period                               | -                   | -                   |
|   | <b>16.55</b>        | -                   |
| <b>(iv) Mine Development Expenses</b>                               |                     |                     |
| Opening Balance   | 896.65              | 1,147.22            |
| Addition during the period  | 8,437.98            | 60.81               |
| Less : Written - off during the year                                | 682.57              | 311.38              |
|   | <b>8,652.06</b>     | <b>896.65</b>       |
|   | <b>8,732.87</b>     | <b>959.11</b>       |

## Schedules to the Consolidated Profit & Loss Account for the year ended 31st March, 2011

₹ in Lacs

| Particulars  | Current<br>Year ended<br>31.03.11 | Previous<br>Year ended<br>31.03.10 |
|--|-----------------------------------|------------------------------------|
| <b>Schedule "M" : - Income from Operations</b>                         |                                   |                                    |
| <u>Sales</u>   |                                   |                                    |
| Export Sales   | -                                 | -                                  |
| Local Sales  | 64,318.80                         | 52,645.82                          |
|  | <b>64,318.80</b>                  | <b>52,645.82</b>                   |
| <b>Schedule "N" : - Other Income</b>                                   |                                   |                                    |
| Dividends  | 0.39                              | 17.27                              |
| Foreign Exchange Fluctuation (Net)                                     | -                                 | 14.50                              |
| Profit on sale of Mutual Fund  | -                                 | 8.69                               |
| Other Income   | 278.06                            | 223.88                             |
| [Tax Deducted at Source ₹ 2.30 Lac (Previous Year ₹ 19.86 Lac)]        |                                   |                                    |
|  | <b>278.45</b>                     | <b>264.34</b>                      |
| <b>Schedule "O" : - Increase / (Decrease) in Stocks</b>                |                                   |                                    |
| <u>Finished Goods</u>  |                                   |                                    |
| Closing Stocks   | 1,533.74                          | 2,328.83                           |
| Less: Opening Stocks   | 2,328.83                          | 2,023.10                           |
|  | <b>(795.09)</b>                   | <b>305.73</b>                      |
| <b>Schedule "P" : - Materials, Production and Operational Expenses</b> |                                   |                                    |
| <u>Materials Consumed</u>  |                                   |                                    |
| Opening Stock of Raw Materials   | 1,657.34                          | 567.54                             |
| Add: Purchases   | 17,916.66                         | 15,725.14                          |
|  | <b>19,574.00</b>                  | <b>16,292.68</b>                   |
| Less: Closing Stock of Raw Materials                                   | 1,568.32                          | 1,657.34                           |
|  | 18,005.68                         | 14,635.34                          |
| Add: Opening Stock of Work-In-Progress                                 | -                                 | -                                  |
|  | 18,005.68                         | 14,635.34                          |
| Less: Closing Stock of Work-In-Progress                                | 5.23                              | -                                  |
|  | 18,000.45                         | 14,635.34                          |
| <u>Direct Expenses</u>   |                                   |                                    |
| Extraction Charges   | 7,131.63                          | 5,872.66                           |
| Labour Charges   | 131.45                            | 121.85                             |
| Screening Charges  | 4,757.08                          | 3,305.25                           |
| Crushing Charges   | 8,775.13                          | 6,206.50                           |
| Freight & Transportation Charges                                       | -                                 | 7.65                               |
| Purchases of Ore for Sale  | 18,050.88                         | 16,084.18                          |
|  | <b>56,846.62</b>                  | <b>46,233.43</b>                   |

## Schedules to the Consolidated Profit & Loss Account for the year ended 31st March, 2011

₹ in Lacs

| Particulars  | Current<br>Year ended<br>31.03.11 | Previous<br>Year ended<br>31.03.10 |
|--|-----------------------------------|------------------------------------|
| <b>Schedule "Q" : - Employee Costs</b>                               |                                   |                                    |
| Salaries & Bonus   | 160.11                            | 146.14                             |
| Contribution to Provident Fund and Other Funds                       | 16.71                             | 14.14                              |
| Directors' Remuneration  | 121.51                            | 89.05                              |
| Staff Welfare Expenses & Other Benefits                              | 21.84                             | 14.41                              |
|  | <b>320.17</b>                     | <b>263.74</b>                      |
| <b>Schedule "R" : - Administration &amp; Selling Expenses</b>        |                                   |                                    |
| Rent   | 14.94                             | 10.60                              |
| Traveling & Conveyance   | 111.04                            | 110.56                             |
| Communication Costs  | 32.39                             | 17.62                              |
| Repairs & Maintenance (Others)                                       | 7.84                              | 6.89                               |
| Professional Fees  | 82.93                             | 119.77                             |
| Auditors' Remuneration   | 17.46                             | 16.60                              |
| Foreign Exchange Fluctuation (Net)                                   | 250.75                            | -                                  |
| Discount on Forward Exchange Contract                                | 46.25                             | 24.50                              |
| Commission and Brokerage   | 1.37                              | 1.00                               |
| Transportation, Stevedoring, Wharfage, Handling & Other Expenses     | 54.91                             | 292.13                             |
| Advertisement & Sales Promotion Expenses                             | 76.99                             | 8.92                               |
| Road Development Charges   | 1,114.03                          | -                                  |
| Directors Sitting Fees   | 12.60                             | 9.40                               |
| Balances Written - Off   | 37.85                             | 34.59                              |
| Preliminary Expenses Written Off                                     | 2.78                              | 21.00                              |
| Loss on discard of Fixed Assets                                      | 9.62                              | 0.25                               |
| Insurance  | 13.30                             | 5.03                               |
| Miscellaneous Expenses   | 213.80                            | 69.28                              |
|  | <b>2,100.85</b>                   | <b>748.13</b>                      |
| <b>Schedule "S" : - Financial Charges</b>                            |                                   |                                    |
| Bank Charges   | 71.23                             | 76.73                              |
| Bank Interest  | 1,633.05                          | 1,239.62                           |
| Other Interest   | 73.33                             | 70.67                              |
|  | 1,777.61                          | 1,387.02                           |
| Less: Interest on Intercompany Deposits                              | 456.60                            | 482.63                             |
| Interest on Fixed Deposits   | 117.83                            | 91.72                              |
| [ Tax Deducted at Source ₹ 3.06 Lacs (Previous Year ₹ 80.69 Lacs ) ] |                                   |                                    |
|  | <b>1,203.18</b>                   | <b>812.67</b>                      |

## Schedules forming Part of the Consolidated Accounts for the year ended 31<sup>st</sup> March, 2011

### Schedule 'T'

#### Significant Accounting Policies and Notes to the Accounts

#### A) Significant Accounting Policies

##### i Basis of Consolidation:

The company's consolidated results are in accordance with Accounting Standard 21 on "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India (ICAI) and consists of Warana Minerals Private Ltd. - a 100% subsidiary, Shri Warana Minerals (India) Private Ltd. - with 60% proportionate interest, Resurgere International FZE - a 100% non-integral foreign subsidiary together comprises "Group" and 70% proportionate interest in the jointly controlled entity i.e. Resurgere Coal India LLP is a "JCE". As the JCE is incorporated in January - 2011 therefore comparable previous year figures are not applicable.

The financial statements of the Company and its subsidiaries has been combined on a line-by-line basis, except for JCE, where items have been considered on proportionate basis, by adding together the balances of like items of assets, liabilities, income and expenditure after fully eliminating the intra- group balances and intra-group transactions resulting in unrealised profit or loss.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.

Excess of cost of investments to the Company in the subsidiary over its corresponding portion of equity in the subsidiary on the date of its investment is recognised as Goodwill in the consolidated financial statements or is recognised as Capital Reserve in other cases.

##### ii Other Significant Accounting Policies:

These are set out in the notes to accounts under significant accounting policies for financial statements of respective companies – Resurgere Mines & Minerals India Limited, Warana Minerals Private Limited, Shri Warana Minerals (India) Private Limited, and Resurgere International FZE and jointly controlled entity (JCE) i.e. Resurgere Coal India LLP.

#### B) Notes to Accounts

1) Warana Minerals Private Limited, a wholly owned subsidiaries of the Company was one of the partner in erstwhile partnership firm i.e. Shri Warana Minerals with 60% interest and has been subsequently converted into Shri Warana Minerals (India) Pvt. Ltd. under Part IX of Companies Act, 1956 w.e.f. 16<sup>th</sup> February, 2009 with 60% equity share holding.

2) Companies considered in the consolidated financial statement are

##### Subsidiaries

| Name of the Company                       | Country of Incorporation | Proportion of Ownership Interest |                  |
|---|--------------------------|----------------------------------|------------------|
|   |                          | As on 31.03.2011                 | As on 31.03.2010 |
| a) Warana Minerals Private Limited        | India                    | 100                              | 100              |
| b) Shri Warana Minerals (India) Pvt. Ltd. | India                    | 60                               | 60               |
| c) Resurgere International FZE            | U.A.E.                   | 100                              | -                |
| d) Resurgere Coal India LLP               | India                    | 70                               | -                |

3) In respect of jointly controlled entities, the Company's share of assets, liabilities, income and expenditure of the joint venture company is as follows :

| Particulars                        | 2010-2011<br>Amount | 2009-2010<br>Amount |
|------------------------------------|---------------------|---------------------|
| (i) Assets                         |                     |                     |
| Long Term Assets                   | -                   | -                   |
| Current Assets                     | 11.14               | -                   |
| (ii) Liabilities                   |                     |                     |
| Loans (Secured & Unsecured)        | 1.40                | -                   |
| Current Liabilities and Provisions | 1.19                | -                   |
| Deferred Tax                       | -                   | -                   |
| (iii) Income                       | -                   | -                   |
| (iv) Expenses                      | 2.51                | -                   |

## 4) Contingent liabilities not provided for :-

- Guarantee given by Bank on behalf of the Company ₹ Nil (Previous year ₹ Nil).
- Claims against the Company not acknowledged as debts ₹ 132.52 Lacs, including interest (Previous Year ₹ 127.19 Lacs).
- Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹ 3973.51 Lacs (Previous Year ₹ 284.51 lacs)

5) a) **Auditors Remuneration**

(₹ in Lacs)

| Particulars    | 2010-2011<br>Amount | 2009 -2010<br>Amount |
|----------------|---------------------|----------------------|
| Audit Fees     | 13.98               | 13.29                |
| Tax Audit Fees | 3.46                | 3.31                 |
| <b>Total</b>   | <b>17.44</b>        | <b>16.60</b>         |

- b.) Preoperative expense includes ₹ 0.29 Lacs (Previous Year ₹ 0.29Lacs) paid to the auditor's of Subsidiary Companies.

6) **Earning Per Share**

| Particular  | 2010- 2011    | 2009 - 2010 |
|---|---------------|-------------|
| <b>A</b> Weighted average number of Equity Shares of ₹ 1/- (Previous Year of ₹ 10/-) each |               |             |
| i Number of shares at the end of the year   | 198,87,46,440 | 2,85,41,550 |
| ii Weighted average number of Equity Shares outstanding during the year                   | 169,18,90,290 | 2,85,41,550 |
| iii Weighted average number of Potential Equity Shares outstanding during the year        | 169,18,90,290 | 2,85,41,550 |
| iv Total number of Potential Equity share for calculating Diluted Earning Per Share       | 169,99,32,755 | 3,02,39,550 |
| <b>B</b> Net Profit after Tax available for Equity shareholders (₹ In Lacs)               | (1610.74)     | 2,762.42    |
| <b>C</b> Basic Earning Per Share (in ₹) {B/A (ii)}  | (0.10)        | 9.68        |
| <b>D.</b> Diluted Earning Per Share (in ₹) {B/A (iv)}                                     | (0.09)        | 9.14        |

7) **Taxes on Income:**

- Provision for Taxation for the year has been made in accordance with the provisions of the Income Tax Act, 1961
- The accumulated balance in Net Deferred Tax Liabilities comprises of:

(₹ in Lacs)

| Particulars   | Opening Balance<br>Deferred Tax<br>Liability / (Asset)<br>Amount | Current Year<br>Change Liability/<br>(Assets)<br>Amount | Closing Balance<br>Deferred Tax<br>Liability / (Asset)<br>Amount |
|---|--|---|--|
| Deferred Tax Liability / (Assets)                               |  |   |  |
| Depreciation  | 1143.80  | 128.43  | 1272.23  |
| Disallowance under Income Tax Act                               | —  | —   | —  |
| Provision for Gratuity  | (5.23)   | (2.98)  | (8.21)   |
| Pre-operative Expenses  | (189.16)   | 185.07  | (4.09)   |
| Miscellaneous Expenditure allowed as deduction in<br>Income Tax | 304.77   | 2502.39   | 2807.16  |
| Carry forward of Un-adjusted Minimum Alternate Tax              | (268.58)   | (153.87)  | (422.45)   |
| Income Tax Loss carried forward                                 | 0.00   | (2505.85)   | (2505.85)  |
| <b>Deferred Tax Liability/(Assets) [Net]</b>                    | <b>985.60</b>  | <b>153.19</b>   | <b>1138.79</b>   |

8) **Segment Information:**

- Primary (Business) Segment

In accordance with the requirements of Accounting Standard 17 "Segment Reporting" issued by the Institute of Chartered Accountants of India, the Company's business constitutes only one reportable business segment being Mining & Trading of Ore and hence no separate disclosure to attributable Revenues, Profits, Assets, Liabilities, and Capital Employed are given.

## b) Secondary (Geographical Segment)

Secondary Segment Reporting is on the basis of geographical location of the customer. The operation of the Company comprises local sales and export sales. The management views the Indian Market and Export Market are distinct geographical segments. The following is the distribution of the Company's sale by geographical markets.

(₹ in Lacs)

| Sales        | 2010 – 2011      | 2009 – 2010      |
|--------------|------------------|------------------|
| India        | 64,318.80        | 52,645.82        |
| Exports      | ---              | ---              |
| <b>Total</b> | <b>64,318.80</b> | <b>52,645.82</b> |

The following are the carrying amount of segment assets by geographical area in which the assets are located

(₹ In Lacs)

| Carrying amount of business segment | 2010 – 2011      | 2009 – 2010      |
|-------------------------------------|------------------|------------------|
| India                               | 98,950.41        | 58,613.02        |
| Outside India*                      | ---              | ---              |
| <b>Total</b>                        | <b>98,950.41</b> | <b>58,613.02</b> |

\* Carrying amount of segment assets outside India represents receivables from Export Sales.

9) **Related Party Disclosures:**

## i) For the year ended 31st March, 2011

(a) **Key Management Personnel**

|                           |          |
|---------------------------|----------|
| Mr. Subhash Sharma        | Director |
| Mr. Amit Sharma           | Director |
| Mr. I.D. Agarwal **       | Director |
| Mr. Burzin Somandy **     | Director |
| Mr. Nitin Sethi           | Director |
| Mr. Ashwin Shanker Iyer * | Director |
| Mr. Ajay Singh Sethi *    | Director |
| Mr. Alok Ambastha *       | Director |
| Mr. Jayant Patil          | Director |
| Mr. Shivkumar Sawant      | Director |

\* Appointed during the year.

\*\* Resigned during the year

(b) **Associates**

|                                 |                  |
|---------------------------------|------------------|
| Exfin Shipping (India)          | Partnership Firm |
| Victory Sponge Private Limited  | Company          |
| Spear Petroleum Private Limited | Company          |
| Eminent Steel Private Limited   | Company          |
| Runwell Steel Private Limited   | Company          |

## (c)

(₹ in Lacs)

| Nature of Transaction  | In relation to (a) above | In relation to (b) above |
|------------------------|--------------------------|--------------------------|
| Rent                   | ---                      | 3.00                     |
|                        | (---)                    | (1.20)                   |
| Directors Remuneration | 130.07                   | ---                      |
|                        | (96.08)                  | (---)                    |
| Professional Fees      | 3.30                     | ---                      |
|                        | (---)                    | (---)                    |
| Director Sitting Fees  | 12.60                    | ---                      |
|                        | (9.40)                   | (---)                    |
| Commission paid        | 9.00                     | ---                      |
|                        | (—)                      | (—)                      |

| Nature of Transaction    | In relation to (a) above | In relation to (b) above |
|--------------------------|--------------------------|--------------------------|
| Loans Taken              | 3.00<br>(2.50)           | 36.75<br>(15.00)         |
| Loans Repayment          | 1.00<br>(---)            | 0.10<br>(13.43)          |
| Loan Granted             | ---<br>(---)             | 170.00<br>(1.60)         |
| Loan Returned Back       | ---<br>(---)             | 120.35<br>(150.00)       |
| Advance Granted          | ---<br>(2.25)            | 6.43<br>(1.29)           |
| Advance Returned Back    | ---<br>(2.25)            | 6.43<br>(1.29)           |
| Interest on Loans Taken  | ---<br>(---)             | ---<br>(---)             |
| Interest on Loans Given  | ---<br>(---)             | 15.58<br>(25.68)         |
| Sales                    | ---<br>(---)             | 8.05<br>(---)            |
| Realisation from debtors | ---<br>(---)             | 8.05<br>(---)            |

| Nature of Transaction | In relation to (a) above | In relation to (b) above |
|-----------------------|--------------------------|--------------------------|
| Current Liabilities   | 4.06<br>(6.12)           | 3.27<br>(1.57)           |
| Current Assets        | ---<br>(---)             | 125.91<br>(60.69)        |
| Unsecured Loans       | 7.00<br>(2.50)           | 136.75<br>(100.00)       |
| Deposits Given        | ---<br>(---)             | 202.68<br>(202.68)       |
| Investments           | ---<br>(---)             | ---<br>(---)             |

Previous year figures are given in brackets.

- 10) Figures less than ₹ 500/- has been shown at actual wherever statutory required to be disclosed since figures have been rounded off to the nearest ₹ in Thousand.
- 11) Figures of the previous year have been regrouped, reclassified and / or rearranged wherever necessary to compare with the figures of the current year.

**The schedules referred to above and notes to accounts form an integral part of the financial statements.**

**As per our Report of even date attached**

**For Churiwala & Co.**  
Chartered Accountants  
Firm No. 119223 W  
**Mahavir Jain**  
Partner  
Mem. No. 121275

Place: Mumbai  
Date: 30/05/2011

**For and on behalf of the Board**

Managing Director

Chief Financial Officer

Place: Mumbai  
Date: 30/05/2011

Director

Company Secretary



## Balance Sheet Abstract & Company's General Business Profile

### I. Registration Details

|                      |        |       |              |    |
|----------------------|--------|-------|--------------|----|
| Registration No. :   | 172412 |       | State Code : | 11 |
| Balance Sheet Date : | 31     | 03    | 2011         |    |
|                      | Date   | Month | Year         |    |

### II. Capital raised during the year (₹ in lacs)

|  |           |   |           |
|--|-----------|---|-----------|
| Public Issue (inclusive of GDR & Security Premium) | 8,125.00  | Rights Issue  | Nil       |
| Bonus Issue  | 13,258.31 | Private Placement<br>(inclusive of Warrants & Security Premium) | 24,854.00 |

### III. Position of Mobilisation and Deployment of Funds (₹ in Lacs)

|                   |           |              |           |
|-------------------|-----------|--------------|-----------|
| Total Liabilities | 98,950.41 | Total Assets | 98,950.41 |
|-------------------|-----------|--------------|-----------|

#### Source of Funds

|                     |           |                          |        |
|---------------------|-----------|--------------------------|--------|
| Paid-up Capital     | 19,887.46 | Reserves and Surplus     | 49,032 |
| Share warrants      | Nil       | Secured Loans            | 11,959 |
| Unsecured Loans     | 358.40    | Deferred Tax Liabilities | 1,139  |
| Current Liabilities | 16,574.26 |                          |        |

#### Application of Funds

|                    |        |                           |       |
|--------------------|--------|---------------------------|-------|
| Net Fixed Assets   | 35,960 | Investments               | 42    |
| Current Assets     | 54,137 | Misc. Expenditure         | 8,733 |
| Accumulated Losses | Nil    | Goodwill on Consolidation | 78    |

### IV. Performance of Company. (₹ in Lacs)

|                                       |            |                         |            |
|---------------------------------------|------------|-------------------------|------------|
| Net Turnover (including Other Income) | 63,802.16  | Total Expenditure       | 65,081.65  |
| Profit/(Loss) Before Tax              | (1,279.49) | Profit/(Loss) After Tax | (1,610.74) |
| Earning Per Share in (₹)              | (0.10)     | Dividend Rate %         | Nil        |

### V. Generic Names of Three Principal Products/Services of Company (As Per Monetary Terms)

|                          |                |          |
|--------------------------|----------------|----------|
| Item Code No. (ITC Code) | 26011140       | 26060090 |
| Product Description      | Iron Ore Fines | Bauxite  |
| Item Code No. (ITC Code) | 26011110       |          |
| Product Description      | Iron Ore Lumps |          |

Signatories to Schedule "A" to "T"





# Resurgere Mines & Minerals India Limited

(Registered Office : 156, Maker Chamber – III, Nariman Point, Mumbai – 400021)

## Attendance Slip

Twenty Forth Annual General Meeting – September 30, 2011

(To be handed over at the entrance of the meeting hall)

I hereby record my presence at the TWENTY FORTH ANNUAL GENERAL MEETING of the Company on Friday, September 30, 2011 at 11.30 a.m. at “GMS Banquet Hall” Sitladevi Complex, 1<sup>st</sup> Floor, D. N. Nagar, Opp. Indian Oil Nagar, on Link Road, Andheri (West), Mumbai – 400 053.

Full name of the Member (in BLOCK LETTERS) \_\_\_\_\_

DP ID / Client ID / Folio No.: \_\_\_\_\_

No. of Shares held: \_\_\_\_\_

Full name of Proxy (in BLOCK LETTERS) \_\_\_\_\_

\_\_\_\_\_  
Member's / Proxy's Signature

----- CUT HERE -----



# Resurgere Mines & Minerals India Limited

(Registered Office : 156, Maker Chamber – III, Nariman Point, Mumbai – 400021)

## Proxy Form

DP ID / Client ID / Folio No.: \_\_\_\_\_

No. of Shares held: \_\_\_\_\_

I/We ..... of ..... in the district of ..... being a Member / Members of the above named Company hereby appoint ..... of ..... in the district ..... or failing him / her ..... of ..... in the district of ..... as my / our proxy to vote for me / us on my / our behalf at the TWENTY FORTH ANNUAL GENERAL MEETING of the Company to be held at “GMS Banquet Hall” Sitladevi Complex, 1<sup>st</sup> Floor, D. N. Nagar, Opp. Indian Oil Nagar, on Link Road, Andheri (West), Mumbai – 400 053 on Friday, September 30, 2011 and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2011

Signature \_\_\_\_\_

Affix  
Re. 1/-  
Revenue  
Stamp

**Note:** This proxy form duly completed and signed must be deposited at the registered office of the Company not later than 48 hours before the meeting.

## Book - Post

If undelivered, please return to:

**Resurgere Mines & Minerals India Limited**

156, Maker Chamber – III,  
Nariman Point, Mumbai – 400021