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Shah Gupta & Co.

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To the Members of JSW Natural Resources India Limited

Report on the standalone financial statements

We have audited the accompanying standalone financial statements of JSW Natural Resources India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's responsibility for the standalone financial statements

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

Auditors' responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

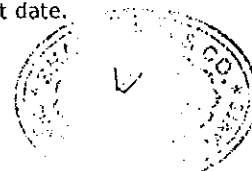
We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its loss and its cash flows for the year ended on that date.



Emphasis of Matter

We draw attention to the following Notes to the Financial Statements

Notes no. 16 (h) & 16 (i) regarding the project activities at Kulti-Sitarampur Coal Block being put on hold due to cancellation of the allotment of the said Coal Block. However, in view of the new Policy of GoI on allocation of Coal Blocks and Coal linkages from Coal India Ltd, the Company is hopeful of establishing fresh coal linkages with support of Gov. of West Bengal. The management estimates development and pre-operative expenses amounting to Rs. 99.83 crores incurred up to 31-03-2014 as recoverable from WBMTDC. Accordingly, the decline in value investment and impairment of assets as per AS 13 and AS 28 is not considered necessary by the Management. The financial statements of the Company have been prepared on a going concern basis for the reasons stated in the Notes 16 (h) and 16 (i).

Our opinion is not modified in respect of this matter.

Report on other legal and regulatory requirements

1. The Companies (Auditors' Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) The aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) The going concern matter described under the Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
 - (f) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (g) With respect to the adequacy of the Internal financial controls over financial reporting the Company and operative effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - (h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed impact of the pending litigation on its financial position in its financial statements (Refer Note 16 (n) to the Financial Statements);
 - ii. The Company did not have any outstanding long-term contracts including derivative contracts as at March 31, 2016 for which there were any material foreseeable losses; and
 - iii. The Company is not required to transfer any amount to the Investor Education and Protection Fund by the Company.

For **SHAH GUPTA & CO.,**
Chartered Accountants
Firm Registration No.: 109574W

Vipul K Choksi
Partner
M. No.37606

Place: Kolkata
Date : April 29 , 2016

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) As the Company does not have inventory, the Clause (ii) of paragraph 3 of the Order is not applicable to the Company.
- (iii) According to the information and explanations provided by the management, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act. Accordingly, sub-clause (a), (b) and (c) are not applicable.
- (iv) The Company has not made any investments, advances or loans during the year. Accordingly, clause (iv) of paragraph 3 of the Order is not applicable.
- (v) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Act.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues which were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.

(b) According to the records of the Company, there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess which have not been deposited on account of any dispute.
- (viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, clause (viii) of paragraph 3 of the Order is not applicable.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, clause (ix) of paragraph 3 of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) The Company has not paid managerial remuneration during the year. Accordingly, clause (xi) of paragraph 3 of the Order is not applicable.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, clause (xii) of paragraph 3 of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **SHAH GUPTA & CO**
Chartered Accountants
FRN - 109574W

Vipul K. Choksi
Vipul K. Choksi
Partner
M. No. 37606
Place: Kolkata
Date : April 29, 2016



Annexure - B TO THE INDEPENDENT AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of JSW Natural Resources India Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

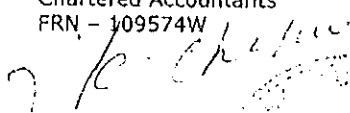
Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **SHAH GUPTA & CO**

Chartered Accountants

FRN - 109574W

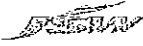
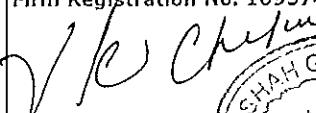
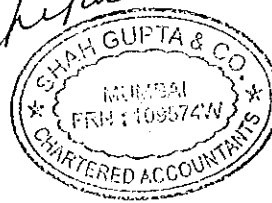
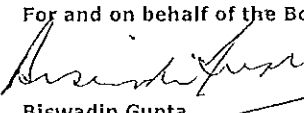
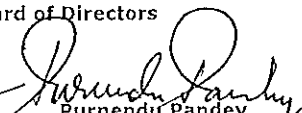
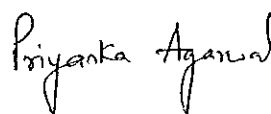


Vipul K. Choksi

Partner

M. No.37606

Place: Kolkata

Date : April 29, 2016

<div>  JSW NATURAL RESOURCES INDIA LIMITED BALANCE SHEET AS AT 31ST MARCH, 2016 </div>				
(In Rupees)				
	Particulars	Note No	As at 31.03.2016	As at 31.03.2015
I.	EQUITY AND LIABILITIES			
(1)	Shareholders' Funds			
(a)	Share Capital	2	10659,50,000	10647,00,000
(b)	Reserves and Surplus	3	(360,49,128)	(322,59,486)
			10299,00,872	10324,40,514
(2)	Current Liabilities			
(a)	Short-Term Borrowings	4	-	3,580
(b)	Other Current Liabilities	5	3,33,926	94,57,125
			3,33,926	94,60,705
	TOTAL		10302,34,798	10419,01,219
II	ASSETS			
(1)	Non-Current Assets			
(a)	Fixed Assets	6		
(i)	Tangible assets		1655,03,916	1658,49,401
(ii)	Intangible assets		28,702	76,194
			1655,32,618	1659,25,595
(b)	Long-Term Loans and Advances	7	8361,36,515	8480,29,711
			10016,69,133	10139,55,306
(2)	Current Assets			
(a)	Cash and Bank Balances	8	17,68,016	10,54,429
(b)	Short-Term Loans and Advances	9	7,28,835	8,35,273
(c)	Other Current Assets	10	260,68,814	260,56,211
			285,65,665	279,45,913
	TOTAL		10302,34,798	10419,01,219
	Significant Accounting Policies & Other Notes	1 & 16		
The notes referred to herein form an integral part of financial statements				
As per our attached report of even Date				
For Shah Gupta & Co. Chartered Accountants Firm Registration No. 109574W   Vipul K. Choksi Partner M. No. 37606			For and on behalf of the Board of Directors  Biswadip Gupta Director  Purnendu Pandey Whole-time Director  Priyanka Agarwal Company Secretary	
Place : Kolkata Date: 29/04/2016			 Saraswati Dadhich Chief Financial Officer Place : Kolkata Date: 29/04/2016	

JSW NATURAL RESOURCES INDIA LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

(In Rupees)

	Particulars	Note No.	For the Year Ended 31.03.2016	For the Year Ended 31.03.2015
I.	Other Income	11	10,159	7,071
II.	Total Revenue		10,159	7,071
III.	Expenses:			
	Depreciation and Amortization Expense	12	1,44,948	1,51,595
	Depreciation on transition to schedule II of the Companies Act, 2013 on tangible fixed asset with NIL remaining useful life	13		86,323
	Other Expenses	14	36,51,753	214,24,518
	Total Expenses		37,96,701	216,62,437
IV.	Profit / (Loss) Before Tax (II- III)		(37,86,542)	(216,55,365)
V.	Tax Expenses:			
	(1) Current Tax		3,102	-
VI.	Profit / (Loss) After Tax		(37,89,644)	(216,55,365)
VII.	Earnings Per Equity Share [Nominal Value per Share of Rs 10 Each] Basic & Diluted	16 (e)	(0.072)	(0.205)
	Significant Accounting Policies & Other Notes	1 & 16		

The notes referred to herein form an integral part of financial statements
As per our attached report of even Date

For Shah Gupta & Co.
Chartered Accountants
Firm Registration No. 109574W

Vipul K. Choksi
Partner
M. No. 37606



Place : Kolkata
Date: 29/04/2016


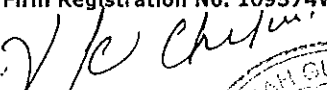
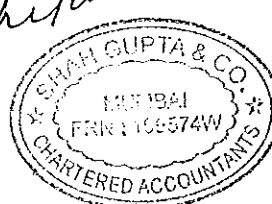
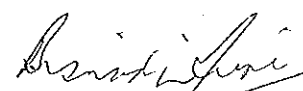
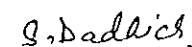
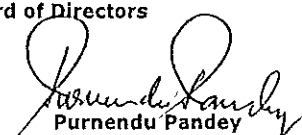
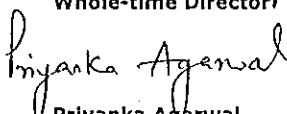
For and on behalf of the Board of Directors

Biswadip Gupta
Director

S. Dadhich
Saraswati Dadhich
Chief Financial Officer
Place : Kolkata
Date: 29/04/2016

Purnendu Pandey
Whole-time Director

Priyanka Agarwal
Priyanka Agarwal
Company Secretary

<div>  JSW NATURAL RESOURCES INDIA LIMITED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016 (In Rupees) </div>		
Particulars	For the Year Ended 31.03.2016	For the Year Ended 31.03.2015
CASH FLOW FROM OPERATING ACTIVITIES:		
Profit / (Loss) before tax	(37,89,644)	(216,55,365)
Adjustment for:		
Depreciation	1,44,948	1,51,595
Share Issue Expense	27,880	-
Profit on sale of Mutual Fund	-	-
Profit on sale of Fixed Assets	-	-
Operating Profit Before Working Capital Changes	(36,16,816)	(215,03,770)
Adjustments for:		
(Increase)/Decrease in Short-Term Loans & Advances	98,660	(304)
(Increase)/Decrease in Other Current Assets	(12,603)	(255,96,417)
(Increase)/Decrease in Long-Term Loans & Advances	118,93,194	(164,15,483)
Increase/(Decrease) in Current Liabilities	(91,23,199)	(121,30,929)
Cash flow before taxation	(7,60,763)	(756,46,903)
Direct Taxes (Paid) / Refund During the Year	7,778	(2,884)
NET CASH GENERATED FROM OPERATING ACTIVITIES	(7,52,985)	(756,49,787)
CASH FLOW FROM INVESTING ACTIVITIES:		
(Purchase)/Sale of Fixed Assets and Capital Advances	2,48,034	367,28,130
(Purchase)/Sale of Current Investments	-	-
NET CASH USED IN INVESTING ACTIVITIES	2,48,034	367,28,130
CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Issue of Equity Shares (Net of Share Issue Expenses)	12,22,120	144,50,000
Proceeds/(Repayment) from/of Short-Term Borrowings	(3,580)	3,580
NET CASH GENERATED FROM FINANCING ACTIVITIES	12,18,540	144,53,580
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	7,13,588	(244,68,077)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	(229,45,571)	15,22,505
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	(222,31,984)	(229,45,571)
Add: Margin Money for Bank Guarantee	240,00,000	240,00,000
CASH AND BANK BALANCE (As per Note 8)	17,68,016	10,54,429
As per our attached report of even date		
For Shah Gupta & Co. Chartered Accountants Firm Registration No. 109574W   Vipul K. Choksi Partner M. No. 37606 Place : Kolkata Date: 29/04/2016	For and on behalf of the Board of Directors  Biswadip Gupta Director  Saraswati Dadhich Chief Financial Officer Place : Kolkata Date: 29/04/2016	
	 Purnendu Pandey Whole-time Director  Priyanka Agarwal Company Secretary	

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JSW NATURAL RESOURCES INDIA LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	(In Rupees)	
	As at 31.03.2016	As at 31.03.2015
Note 2		
Share Capital		
Authorised :		
115,000,000 (Previous Year 115,000,000) Equity Shares of Rs.10 Each	11500,00,000	11500,00,000
	11500,00,000	11500,00,000
Issued, Subscribed & Paid Up Capital		
106,595,000 (Previous Year 106,470,000) Equity Shares of Rs.10 Each Fully Paid Up	10659,50,000	10647,00,000
	10659,50,000	10647,00,000

a. Reconciliation of the Shares Outstanding at the Beginning and year ended

Equity Shares	31.03.2016		31.03.2015	
	No of shares	Rs.	No of shares	Rs.
Shares outstanding at the Beginning of the Year	1064,70,000	10647,00,000	1050,25,000	10502,50,000
Issued During the year	1,25,000	12,50,000	14,45,000	144,50,000
Shares outstanding at the end of the year	1065,95,000	10659,50,000	1064,70,000	10647,00,000

b. Terms / Rights attached to Equity shares

The Company has only one class of Equity shares having par value of Rs. 10 per share. Each holder of Equity Shares is entitled to one vote per Share.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the shareholder.

c. Shares held by Holding Company

Particulars	31.03.2016		31.03.2015	
	No of shares	Rs.	No of shares	Rs.
JSW Bengal Steel Ltd (the holding company, including shares held by nominee shareholders)	1065,95,000	10659,50,000	1064,70,000	10647,00,000
	1065,95,000	10659,50,000	1064,70,000	10647,00,000

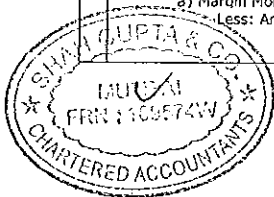
d. Disclosure of Shareholders holding more than 5% of the aggregate shares in the company

Particulars	31.03.2016		31.03.2015	
	No of shares	% of holding	No of shares	% of holding
JSW Bengal Steel Ltd (the holding company, including shares held by nominee shareholders)	1065,95,000	100%	1064,70,000	100%

Particulars	(In Rupees)	
	As at 31.03.2016	As at 31.03.2015
Note 3		
Reserves and Surplus		
(a) Surplus/(Deficit) In the Statement of Profit and Loss		
Balance at the beginning of the Year	(322,59,486)	(106,04,121)
Add: Profit/(Loss) for the year	(37,89,644)	(216,55,365)
Balance at the end of the year	(360,49,128)	(322,59,486)
Note 4		
Short-Term Borrowings (Unsecured)		
Loans and Advances from related parties [Refer Note 16 (d)]	-	3,580
		3,580
Note 5		
Other Current Liabilities		
Statutory Dues	10,318	35,352
Other Payables [Refer Note 16 (f)]	3,23,608	94,21,773
	3,33,926	94,57,125

JSW NATURAL RESOURCES INDIA LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	(In Rupees)	
	As at 31.03.2016	As at 31.03.2015
Note 7		
Long-Term Loans and Advances		
[Unsecured, considered good]		
Capital Advances	879,12,700	879,12,701
Security Deposits [Refer note 16 (h)]	187,50,000	187,50,000
Expenditure Incurred on behalf of WBMDTC [Refer Note 16 (l)]	7294,73,815	7412,34,116
Prepaid expenses	-	1,32,894
	8361,36,515	8480,29,711
Note 8		
Cash and Bank Balances		
Cash & Cash Equivalents		
a) Balances with banks In Current Accounts	17,68,016	10,33,916
b) Cash in hand	-	20,513
Other Bank Balances [Refer note 10]		
a) Margin Money Deposit	-	247,00,000
Less: Amount disclosed under other assets	-	(247,00,000)
	17,68,016	10,54,429





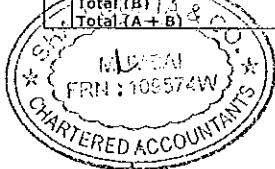
JSW NATURAL RESOURCES INDIA LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 6
FIXED ASSETS

Particulars	Gross Block (at cost)			Depreciation / Amortisation			(In Rupees)	
	Balance as at 01.04.2015	Additions	Deductions / Other Adjustments	Balance as at 31.03.2016	Depreciation for the period	Deductions / Other Adjustments	Balance as at 31.03.2016	Balance as at 31.03.2015
Tangible Assets								
Land								
Freehold Land	1654,07,394	-		1654,07,394	-	-	1654,07,394	1654,07,393
Plant and Equipment								
Computers	5,05,097	-	-	5,05,097	50,686	-	85,577	1,36,263
Electrical Installation	2,10,045	-	2,10,045	0	21,483	72,298	-	1,59,230
AC & Refrigerators	74,784	-	74,784	0	7,753	26,763	-	55,774
Furniture & Fixtures								
Interior Decoration	1,17,945	-	1,00,716	17,229	11,746	38,453	10,266	84,275
Office Equipment								
	14,700	-	-	14,700	5,788	-	14,021	6,467
Total (A)	1663,29,965	-	3,85,545	1659,44,420	97,456	1,37,514	1655,03,916	1658,49,402
Previous Year	-	-	-	1663,29,965	-	-	1658,49,403	-
Intangible Assets								
Software	2,37,457	-	-	2,37,457	47,492	-	2,08,756	76,194
Total (B)	2,37,457	-	-	2,37,457	47,492	-	2,08,756	76,194
Previous Year	-	-	-	2,37,457	-	-	1,61,264	-
Total (A + B)	1665,67,422	-	3,85,545	1661,81,877	1,44,948	1,37,514	1655,32,618	1659,25,596
Previous Year (Total)	-	-	-	1665,67,422	-	-	1659,25,596	-
						Total	1655,32,618	1659,25,596



Note 9		
Short-Term Loans & Advances		
[Unsecured, considered good]		
Loans and advances to other than related parties:		
Tax Deducted at Source (Net)	7,28,835	7,36,613
Prepaid expenses	-	98,660
	7,28,835	8,35,273
Note 10		
Other Current Assets		
Interest Accrued on Fixed Deposits	20,68,814	13,56,211
Amount held as margin money deposits [Refer note 8]	240,00,000	247,00,000
	260,68,814	260,56,211
Note 11		
Other Income		
Interest Income	10,159	7,071
	10,159	7,071
Note 12		
Depreciation and Amortisation Expense		
Depreciation on Tangible Assets	97,456	1,04,104
Depreciation on Intangible Assets	47,492	47,491
	1,44,948	1,51,595
Note 13		
Depreciation on transition to schedule II of the Companies Act, 2013 on tangible fixed asset with NIL remaining useful life		
	-	86,323
	-	86,323
Note 14		
Other Expenses		
Technical consultancy charges	27,880	-
Sitting fee-Director	1,19,358	-
Auditor Remuneration [Refer Note 16 (c) 1]	87,079	77,809
Rates and taxes	2,500	2,500
Palsara mine development expenses	-	196,79,060
Bank charges	15,39,134	13,93,996
Salary	35,32,662	23,67,815
Rent-others	37,200	51,200
Legal & Professional Fees	2,76,493	1,00,852
Telephone expense	-	10,000
Recruitment expenses	-	20,338
Travelling expenses	-	10,163
Loss on Sale of FA	1,90,535	-
Repairs and Maintenance-others	50,347	-
Less: Interest income on margin money deposit against BG	(22,11,435)	(22,89,215)
	36,51,753	214,24,518
Note 15		
Capital Work in Progress		
Plant and Machinery and Civil Works		
Opening Balance: (Development of Palsara Mines)	-	104,20,000
Less: Transfer to other expenses	-	(104,20,000)
Total (A)	-	-
Pre-Operative Expenses		
Opening balance	-	135,92,296
Less: Opening balance transfer to WBMDTCL	-	(135,92,296)
Total (B)	(0)	-
Total (A + B)	(0)	-



JSW NATURAL RESOURCES INDIA LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 16

Other Notes to Accounts

a. Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs.209,428,065/- (Previous Year Rs.209,428,735/-)

b. Segment Reporting

The Company's activities during the year revolve around exploring possibilities of resourcing long-term coal linkages for the proposed Integrated Steel Plant of its Holding Company at Salboni, West Bengal. Considering the nature of Company's business or operations, there are no separate reportable segments (business and/or geographical) in accordance with the requirements of Accounting Standard 17 - 'Segment Reporting', issued by the Institute of Chartered Accountants of India.

c. Auditors' Remuneration:

Statutory audit fees
Out of pocket expenses

Total:

(In Rupees)	
As at	As at
31.03.2016	31.03.2015
75,000	75,000
2,809	2,809
77,809	77,809

d. Related Party Disclosures as per Accounting Standard 18 (AS - 18)

(1) List of Related Parties:

i) Holding Company:
JSW Bengal Steel Limited

ii) Enterprise over which Key Management Personnel and relatives of such persons Exercise Significant Influence:
JSW Natural Resources Bengal Ltd

iii) Key managerial Personnel
Purnendu Pandey (Whole time Director)
Saraswati Dadhich (Chief Financial Officer)
Nitu Goel Dubey (Company Secretary)

(2) Transactions with Related Parties:

i) Share capital Issued
JSW Bengal Steel Ltd

ii) Repayment of Advances
JSW Bengal Steel Ltd

iii) Advance Received
JSW Bengal Steel Limited

(3) Closing Balances:-

i) Advances Payable
JSW Bengal Steel Ltd

ii) Share capital
JSW Bengal Steel Ltd

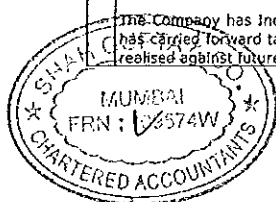
(In Rupees)	
As at	As at
31.03.2016	31.03.2015
12,50,000	144,50,000
12,50,000	144,50,000
35,45,472	32,59,312
35,45,472	32,59,312
35,41,892	32,62,892
35,41,892	32,62,892
	3,580
	3,580
10659,50,000	10647,00,000
10659,50,000	10647,00,000
(37,89,644)	(216,55,365)
527,06,921	1055,20,466
(0.072)	(0.205)

e. Earning Per Share

Profit / (Loss) after Tax for Calculating Basic & Diluted EPS
Weighted average number of equity shares for calculating Diluted EPS
Earnings Per Share - Basic & Diluted

f. Income Taxes

The Company has incurred cash losses in the current year and accordingly no provisions for current tax has been made. Further the Company has carried forward tax losses. Deferred taxes are recognised only if there is virtual certainty Supported by convincing evidence that they can be realised against future taxable profits. The Company has not recognised any deferred tax assets on the loss incurred.



JSW NATURAL RESOURCES INDIA LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

g. Details due to MSE as defined under MSMED Act, 2006
The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year-end together with interest paid/ payable as required under the said act have not been given.

h. The Company has been in the process of setting up coal mines project at Kulti-Sitarampur coal blocks in West Bengal, under Sole and exclusive Coal raising agreement (agreement) entered with WBMDTC dated March 31, 2010, for raising the coal to be "exclusively used in Integrated Steel Plant Complex at Salboni of district Paschim Medinipur in West Bengal", being set up by its Holding Company. However, since the allotment of this coal block has been cancelled by order of the Supreme Court read with Schedule I of The Coal Mines (Special Provision) Act 2015, the above mentioned agreement would no longer be valid. The Company, is in the process of exploring certain alternatives to resource the long term coal supply linkages and has also taken up with GOWB to resource long term coal supply linkages as per its commitment in the Development Agreement dated 11th Jan 2007 signed for the Project. In view of the new Policy of Govt on allocation of Coal Blocks and Coal linkages from Coal India Ltd, the Company is hopeful of establishing fresh coal linkages with support of Govt of West Bengal. In view of given circumstances, at this juncture, there is no necessity of impairing the assets and Investments as per provisions of AS-28 & AS-13." Pursuant to clause V(1) of the said agreement, the Company has paid interest free Security Deposit of Rs. 18,750,000 - (Previous Year Rs. 18,750,000 for WBMDTC) and the same is included in Long-term loans & advances. However, since the allotment of this coal blocks has been cancelled by order of the Supreme Court, the Coal Raising Agreement for mining of coal from Kulti & Sitarampur Coal Blocks is no more valid and the deposit is due for refund. The company has taken up with WBMDTC for refunding the same and same is under active consideration.

1. Amount Recoverable from WBMDTC

In terms of the agreement, amount was to be recovered from WBMDTC against the coal raising cost but due to cancellation of the coal block allotment as per the Supreme Court order, the said amount becomes due for recovery. Accordingly, expenses incurred after March 31, 2014 have been charged to the Statement of Profit and Loss for the year. Pursuant to the terms of Coal Raising agreement and also, based on the legal opinion held, management estimates the amount recoverable from WBMDTC (including development and pre-operative expenses incurred up to March 31, 2014) is as detailed below:-

Particulars	As at 31.03.2016	(In Lacs) As at 31.03.2015
1 GR PREPARATION		
Surveying work	37,84,784	37,84,784
Consultancy charges for preparation of GR	30,30,064	30,30,064
3 D HRSS for exploration work	1078,51,966	1078,51,966
Analysis of Coal and Core sample at CIMFR	175,06,071	175,06,071
Drilling exploratory boreholes	4820,70,092	4820,70,092
Project review cost	16,70,761	16,70,761
Geophysical Logging charges	178,69,595	178,69,595
Hydrogeological study	55,05,670	55,05,670
GSI report	4,42,315	4,42,315
Crop Compensation paid to land owners for carrying drilling	126,95,735	126,95,735
TOTAL -1	6524,27,054	6524,27,054
2 Preparation of Reports and getting approval for	77,06,939	77,06,939
TOTAL -2	77,06,939	77,06,939
3 Mine development cost		
Detailed Mine Design and Planning	402,88,946	402,88,946
Drilling of examination BH with related work	228,17,652	228,17,652
Consultancy fee for Railway siding	71,760	71,760
CIMFR for core sample analysis	17,66,209	17,66,209
TOTAL -3	649,44,566	649,44,566
4 Assets/Land and Others		
Land	1654,07,393	1654,07,393
Movable assets	11,60,029	11,60,029
Land awaiting registration	879,12,701	879,12,701
TOTAL -4	2544,80,123	2544,80,123
5 Advance to WBSEDCL on behalf of WBMDTC		
6 Security deposit with WBMDTC		
	187,50,000	108,63,301
		187,50,000
TOTAL (1+2+3+4+5+6)	9983,08,682	10091,71,983

j. Other Payables in Current Liabilities includes amount of Rs.212,694/- (Previous Year: Rs.7,872,036/-) payable for development of Kulti & Sitarampur mines.

k. Bank guarantee provided to WBMDTC amounting to Rs. 96,000,000/- (Previous Year Rs.103,000,000/- for Kulti and Sitarampur) for due and punctual performance / discharge of responsibilities and obligations in relation to Sitarampur Mines. During the year Rs. 7,000,000 BG of Kulti Coal block has been released by WBMDTC, which was submitted as back to back BG, as per the terms of the Coal Raising Agreement.

l. The Company is yet to receive any Balance confirmations in respect of Loans & Advances, Sundry Creditors and advances. The management does not expect any material difference affecting the current year's financial statements due to the same.

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

n. One Writ Petition case pending at High Court- Calcutta filed by JSW NRIL against WBMDTC and pending for hearing. (Writ Petition-WP 10192(W)/2014 JSW Natural Resources India Limited & Others Vs West Bengal Mineral Development and Trading Corporation Limited & Others) The brief details of the matter is as below-
Ministry of Coal Issued notice to WBMDTC vide letter date 4.03.2014, intimating that due to slippage in development of milestone, as per the allocation letter, Rs.20,640,000 shall be invoked from the BG of Rs. 96,000,000 submitted as per Sitarampur allocation letter. As per Coal Raising Agreement, JSW NRIL has submitted back to back BG of same amount to WBMDTC. As per relevant documents and presentation made to MoC, JSW NRIL has put their stand that the slippage was due to technical reason and it was also agreed by the IMG Committee. JSW NRIL, as a contractor to WBMDTC, has filed a WP against WBMDTC at High Court Calcutta. The case is pending for hearing at High Court Calcutta. After de-allocation of the coal blocks in Sept' 2014, prior allocate of the coal blocks filed petition at High Court for returning the BG. Hon'ble High Court issued order to Ministry of coal to take decision on case to case basis. In reply MoC has issued notice to WBMDTC regarding deduction of 20,640,000 Cr in BG of Sitarampur coal block. Go WB and WBMDTC has represented the matter to MoC to reconsider the matter and the same is still pending with MoC.

o. Subsequent Events:-

No Significant event has occurred after the balance sheet date which may have material effect on the Company's financial statement.

p. Additional Information Pursuant to Schedule III of the Companies Act, 2013 is either Nil or Not Applicable.

q. Previous Year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosures.

