RECURRING DEPOSIT

RESURGERE MINES & MINERALS INDIA LIMITED | ANNUAL REPORT, 2009-10

PEOPLE NEED GROWTH. GROWTH NEEDS INFRASTRUCTURE.
INFRASTRUCTURE NEEDS STEEL. STEEL NEEDS ORE.

RESURGENT.
RESPO

CONTENTS

RESURGERE STRENGTHENED ITS RESOLVE TO INVEST IN INDIA'S MINERAL RESERVES AND GROW ITS INDUSTRY PRESENCE.

RELIABLE.
NDENT.

BUSINESS

- The Company is engaged in the extraction and processing of both ferrous and non-ferrous minerals like iron ore, bauxite and soapstone.

PRESENCE

- Headquartered in Mumbai, India
- Possesses exclusive ore raising and purchasing rights in Nuagaon, Maharajpur, Mahalmiriya, Yelwan Jugai and Dhelana

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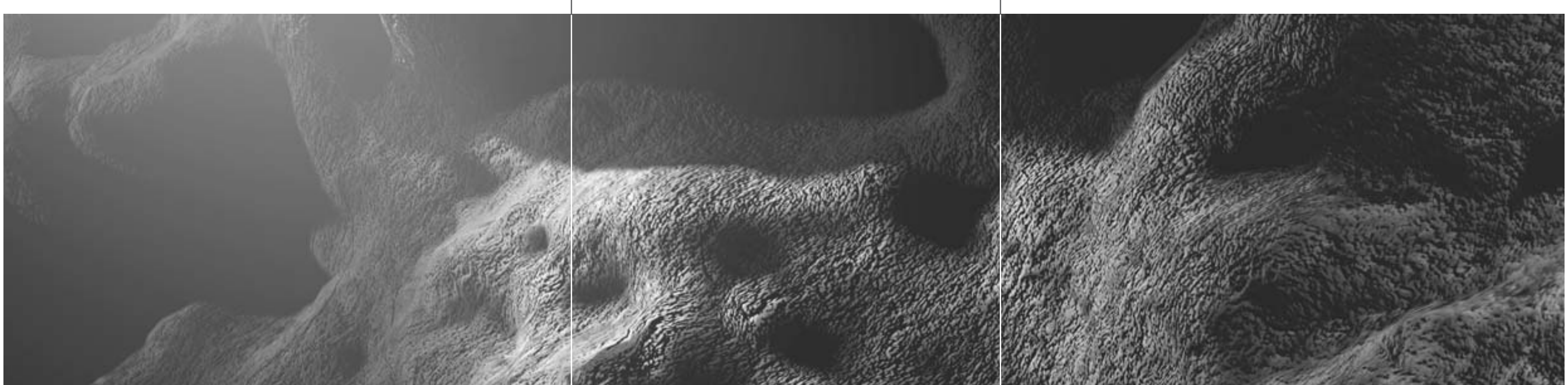
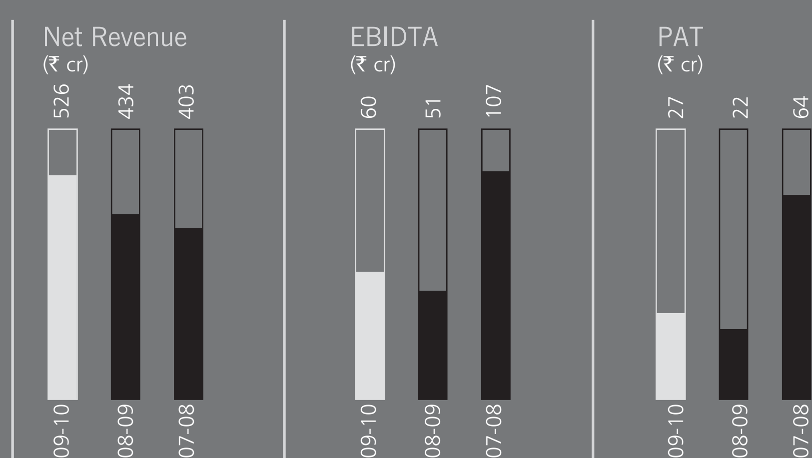
ACHIEVEMENTS

- Among the handful of companies in India's mining sector to be accredited with ISO 9001:2008 and ISO 14001:2004 and OHSAS 18001:2007 certifications from UKAS, United Kingdom



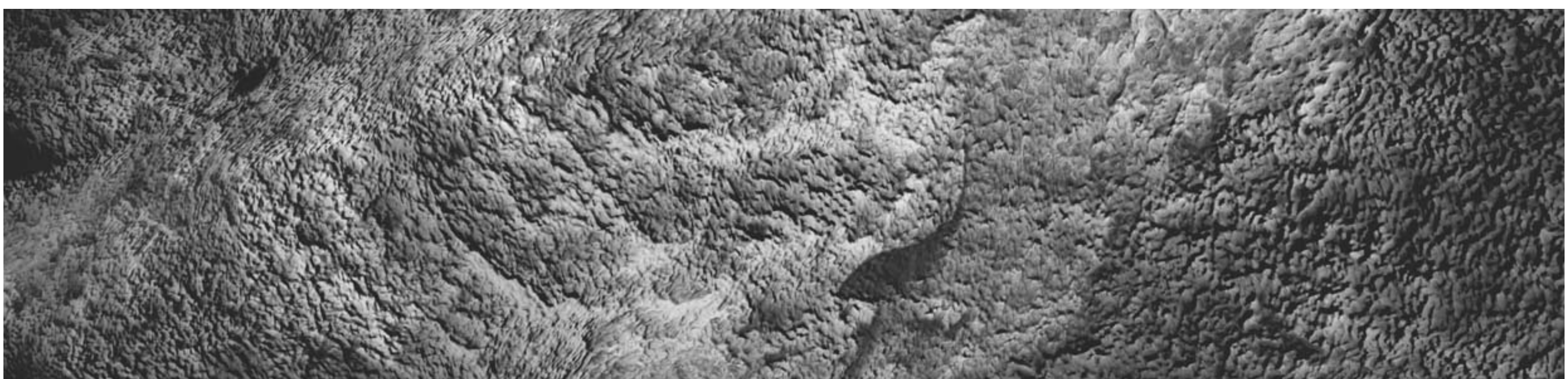
RETURNS

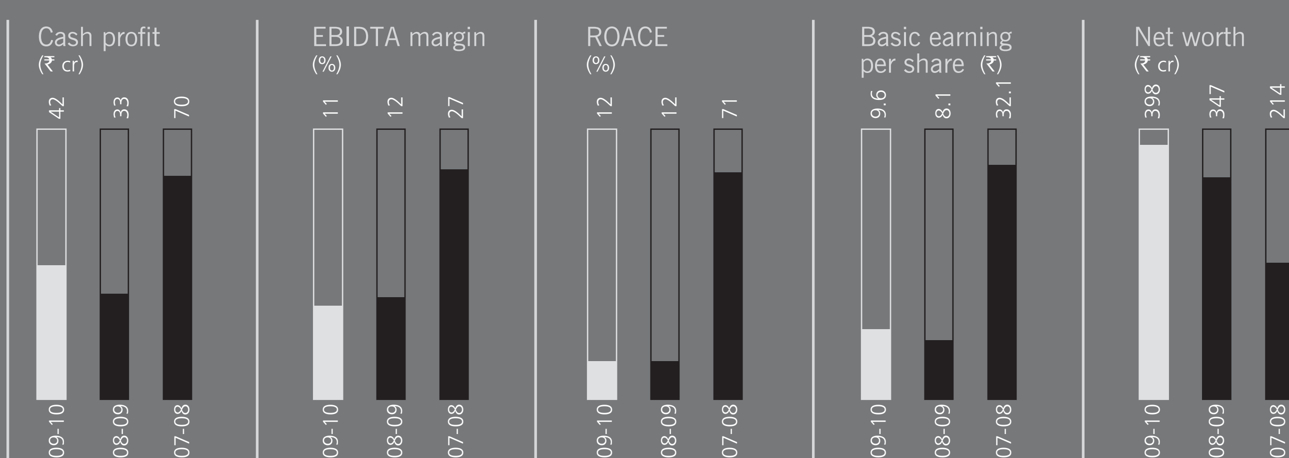


The above figures pertains to standalone

Location		
Ore	Location	Reserves (million tonnes) as on 31st March 2010
Iron ore	Nuagaon, Orissa	3.67
	Maharajpur, Orissa	39.69
Bauxite	Mahalmiriya, Maharashtra	1.98
	Yelwan Jugai, Maharashtra	4.92
Soapstone	Dhelana, Rajasthan	1.997

Products	Specifications	Application
Size ore	10 mm to 40 mm	In pig iron plants
Lump ore	Above 40 mm	In sponge iron plants
Calibrated lump ore	5 mm to 18 mm	In the sintering process in steel plants
Bauxite	-	In alumina product manufacture
Soapstone	-	In DDT, talc, paper etc.





DIVERSE

Iron ore remained our principal product besides bauxite and soapstone.

ADEQUATE

We possess 43.36 million tonnes of iron ore reserves and 6.92 million tonnes of bauxite reserves.

RESPECT.

HIGH-GRADE

Our mines comprise high-grade hematite ore with iron (Fe) content of more than 62%. This translated into higher productivity for our customers and reliability of the end product. Our ore contains a low proportion of impurities (silica, phosphorus, alumina and sulphur) resulting in higher machine efficiency; the low moisture content helps achieve transportation cost-reduction.

CUSTOMISATION

Our product portfolio comprises iron ore variants like LO, SO, CLO and fines; our bauxite is extracted as size ore of (-) 100 mm.

PROXIMITY

Our Maharajpur iron ore mine is 5 km from National Highway 6, facilitating efficient product transportation.

CUSTOMER PROXIMITY

The Company's mining assets in Orissa are proximate to steel manufacturers, significantly advantageous in a logistic-sensitive business.

RENOWN.

ASSET ACCRETION AND DEVELOPMENT

We applied for one mining lease in Maharashtra and six prospecting leases across Maharashtra, Orissa and Chhattisgarh.

GEARING

We possess a low debt-equity ratio of 0.31, which will enable us to mobilise additional funds whenever required.

JUMP!

"WE EXPECT TO ENHANCE OUR TURNOVER FROM ₹526.45 CR IN 2009-10 TO A PROJECTED ₹2,000 CR BY FY 2013 WITH WIDER ROOM FOR VALUE-ADDITION."

Subhash Sharma, Chairman and MD, appraises the Company's performance and prospects

After the strained economic slowdown-ridden last year, the Company's consolidated performance is better during the year under review, riding the rebound in the demand and realisations of iron ore.

This was reflected in a 21.31% increase in revenues, a 27.24% increase in post-tax bottomline and a 25 bps increase in post-tax margin to 5.24% in 2009-10, despite a decline in domestic average realisations per tonne of iron ore from ₹1,988 per tonne in 2009 to ₹1,604 in 2010.

The improvement was a result of the increased output from mines.

During the year under review, the Company installed and operationalised mining equipments like crushers, dozers and screening machines, etc., worth ₹153.64 cr, which enhanced its iron ore extraction by 41% from 15.91 lac tonnes in FY 2009 to 22.39 lac tonnes in FY 2010. It acquired soapstone mines and bauxite mines previously but commercialised sale of soapstone ore only in this year.

The Company faced problems of decreasing demand which resulted in low realisations. In a business where the proportion of overheads is generally low, profit increases are sharp when realisations rise – and vice versa. Consequently, when demand and realisations are low, the impact is usually visible in a poor bottomline. As a result, the biggest challenge for the Company was to manage realisations and still stay profitable during the year.

The Company recognised that the need of the day was to maintain customer relationship, maintain delivery schedules, deliver right grade and quality and ensure that customers derived the right productivity using our material. Fortunately, India's steel demand revived faster than in other countries, reflected in 18% decrease in average per tonne iron ore domestic net realisations during FY 2010 but nevertheless 56% growth in domestic iron ore volumes.

The Company strengthened its services in 2008-09, through the following initiatives:

- Quality: Maintained the grades of all iron ore dispatches with Fe content between 62.5% and 64%, compatible with the quality (calibrated lump ore, lump ore and size ore) used in most steel blast furnaces
- Size: Maintained a consistent size of products provided to customers
- Schedule: Adhered to customer schedules
- Credit: Provided credit to customers as per prevailing market practices

The Company recognised that the best way of enhancing industry viability was through effective control of all factors within its control, an increase in output being essential for any commodity sector. Correspondingly, the Company invested in mining equipments and increased processed iron ore output by 41% during 2009-10, enabling it to lower its break-even point. Besides, the Company commenced the mining of bauxite, creating yet another revenue stream, the full impact of which will be reflected over the foreseeable future.

The Company's optimism regarding iron ore is derived from the under-penetration and prospective growth of the developing countries, led by India and China. For instance, steel is core to downstream uses in power, infrastructure and automobiles, among others; there is significant opportunity for the development of Tier II and Tier III Indian cities. The more steel is used – as it must – the greater will be the demand for iron ore. From a long-term perspective, finite resource like iron ore will always be bullish with consumption led increased demand.

Outlook

Going ahead, the Company's prospects seems bright owing to:

- Investment in capacity creation with enhanced output
- Widened revenues from iron ore to bauxite

The Company placed GDR and raised US$53.75 million with listing on the Luxembourg Stock Exchange in June 2010, to finance its enhanced capital expenditure, working capital outlay including a proposed pelletisation and beneficiation plant. These investments will enable the Company to enhance output resulting in enhanced margins. The Company expects to enhance its net turnover from ₹526.45 cr in 2009-10 to a projected ₹2,000 cr by FY 2013, with more value-addition, thus enhancing shareholder's value.

The Company intends to undertake several important initiatives in future to strengthen its business:

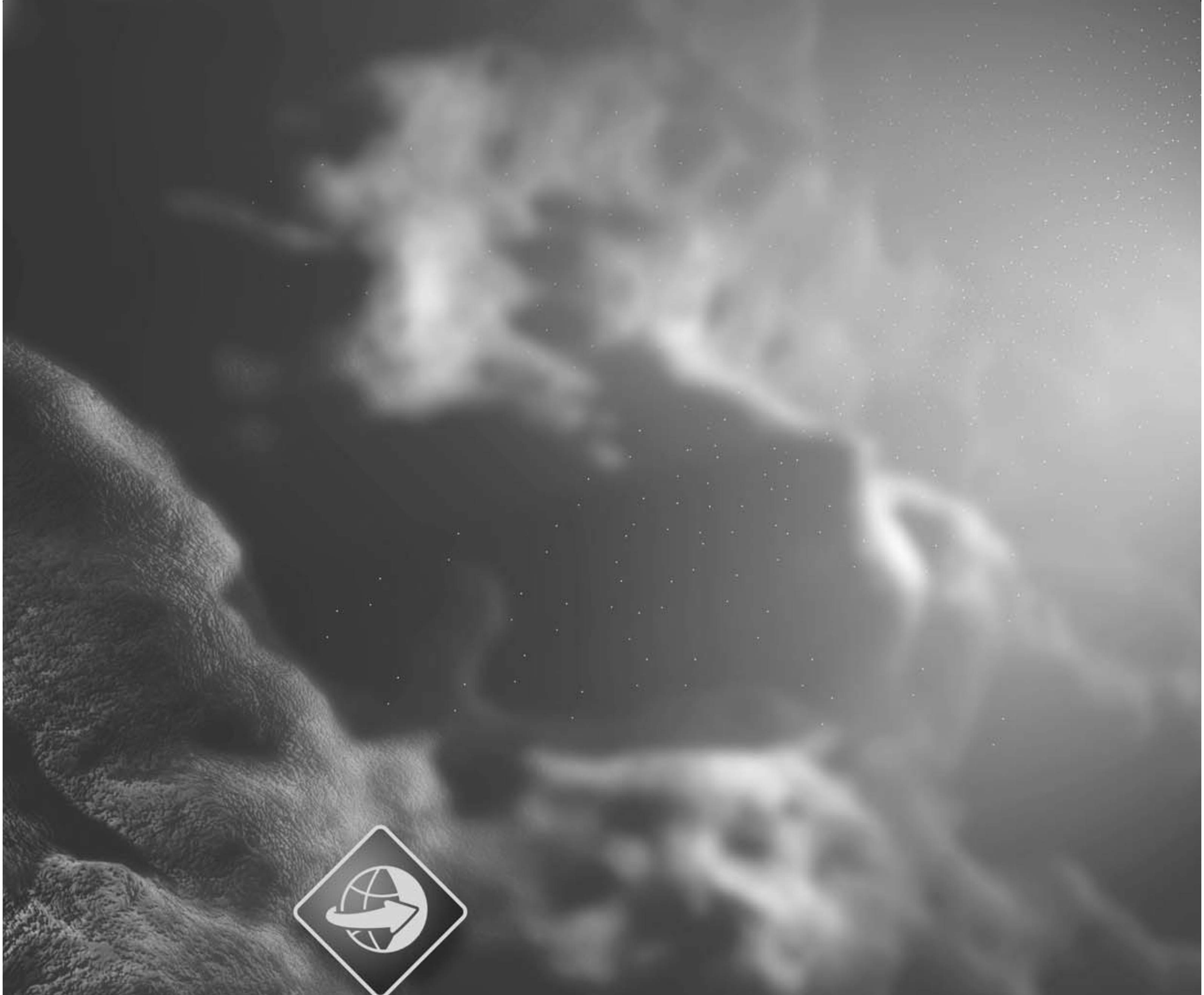
- Focus on robust domestic iron ore demand
- Grow both organically and inorganically through mine acquisitions and its development
- Widen the product basket through growing ownership of bauxite, soapstone and coal mines etc. within India and abroad

In doing so, the Company intends to emerge as one of the largest players in India's mining industry.

Why we are optimistic about our iron ore business

- By 2015-16, India is expected to emerge as the world's second-largest crude steel producer *(Source: Ministry of Steel)*.
- India's 2011-12 finished steel consumption is projected at 70.34 MT, production 80.23 MT and capacity 124 MT (*Source: Ministry of Steel)*.
- Various states signed a total of 222 MoUs for planned capacity of around 276 million tonnes per annum of steel production (*Source: Ministry of Steel)*.
- Indian steel makers are set to make the most of the booming global demand for steel pipes and tubes with the government withdrawing the 10% duty on the export of these products *(Source: IBEF)*.


FUTURE



THE FUTURE IS HERE. IN MORE SENSES THAN ONE.

THE BIG PICTURE

The proportion of global steel manufactured in Asia increased from 58% in 2008 to 65% in 2009-10.

Until 2003, Asia accounted for 45% of global steel production and in 2009-10, it accounted for a 65% share.

The two biggest drivers of the continent's re-rating are China and India. China accounted for 47% of the world's steel production in 2009-10; India accounted for around 5%.

800

The quantum (in billion tonnes) of global crude ore deposit containing more than 230 billion tonnes of iron ore

(Source: U.S. Geological Survey)

65

The quantum (in billion tonnes) of global bauxite reserves

(Source: Economic Times, 23 Feb, 2010)

350

The number of years India's bauxite reserves are expected to last

(Source: Economic Times, 23 Feb, 2010)


POTENTIAL

THE BIG PICTURE

India's share of global steel production increased from 3.7% in 2003-04 to around 5% in 2009-10.

INDIA IS WHERE THE GLOBAL ACTION WILL INCREASE.

For some good reasons.

India, the second most populous country, is potentially one of the largest steel markets in the world.

India has been extensively under-penetrated in steel consumption; an average per capita consumption of 44 kg is extremely low compared with 318 kg in China.

India is not only a large, under-penetrated market, it possesses all the raw materials required for steel making in abundance (except coking coal).

As a forward-looking corporate, Resurgere has selected to widen and enrich its portfolio of mines, markets and customers and emerge as one of India's largest dedicated mining companies.

25.2

The quantum (in billion tonnes) of India's total iron ore reserves

(Source: Federation of Indian Mineral Industries)

230

The quantum (in million tonnes) of India's iron ore production in 2009-10

(Source: Economic Times, 17 June, 2010)

2.23

The quantum (in million tonnes) of Resurgere's iron ore production in 2009-10

3

The quantum (in billion tonnes) of India's bauxite reserves

(Source: Economic Times, 23 Feb, 2010)

REBOUND OF THE INDIAN STEEL INDUSTRY

Following the global economic downturn of 2008, steel makers had a better 2009-10 in which steel consumption grew a robust 8%, steel production rose 4.2% to 60 million tonnes and steel imports grew 23% to 7.2 million tonnes

(Source: Economic Times, 28 May, 2010).

The National Steel Policy 2005 estimated an average consumption growth of 6.9%. However, India's steel consumption growth was 9.6% per annum across 2004-2009 *(Source: Economic Times, 28 May, 2010)*, catalysed by higher investments in the construction and infrastructure sectors.

India's steel consumption grew at an average GDP multiplier of around 1.26 times from FY 2003 to FY 2008. Although steel consumption suffered a setback in the second half of FY 2009, demand revived, primarily led by recovery in the auto and construction sectors.

Correlation of steel consumption with GDP

	FY03	FY04	FY05	FY06	FY07	FY08	FY09	Avg.
GDP growth (%)	3.8	8.5	7.5	9.5	9.8	9	6.7	
Steel consumption growth (%)	3.7	10.3	9.8	13.9	12.9	11.4	-0.5	
GDP multiplier factor of steel	0.97	1.21	1.31	1.46	1.32	1.27	-0.08	1.26

(Source: CMIE, Ministry of Steel, Elara Securities Research)

Growth prospects

Infrastructure: The Planning Commission estimated a total investment requirement in infrastructure of over ₹20,115 billion (at 2006-07 prices) during the Eleventh Plan with the following being steel-intensive:

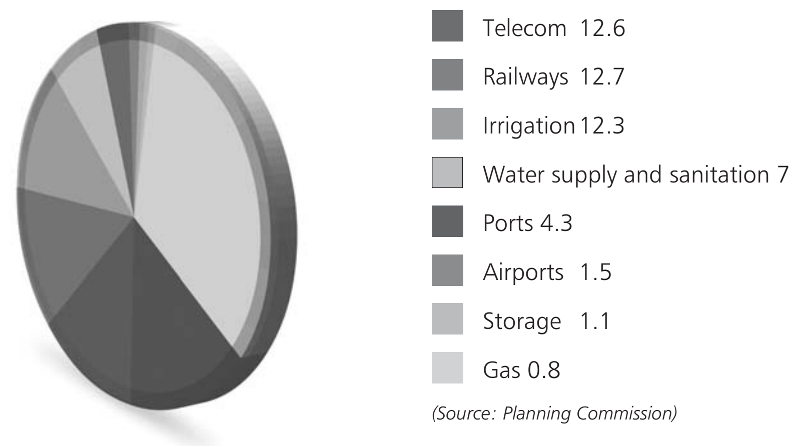
Power generation: Almost a third of the estimated total infrastructure investment was earmarked for the power sector. While a slippage is likely in terms of the fresh power capacity that would be created during the current Plan period versus the target, the deficit would need to be met in subsequent periods, given India's continuing double-digit energy deficiency levels. Besides, extensive pipelines and electrical and mechanical equipment will also require substantial amounts of steel. Additionally, steel will be required to set up power transmission and distribution networks.

Logistics infrastructure: Another one-third of the target investment, as envisaged by the Planning Commission, was allocated to roads, ports and railways. Construction of new ports/terminals in existing ports, railway networks (including the Mass Rapid Transit System or MRTS) and roads, especially the ones involving construction of bridges/culverts, will drive steel demand.

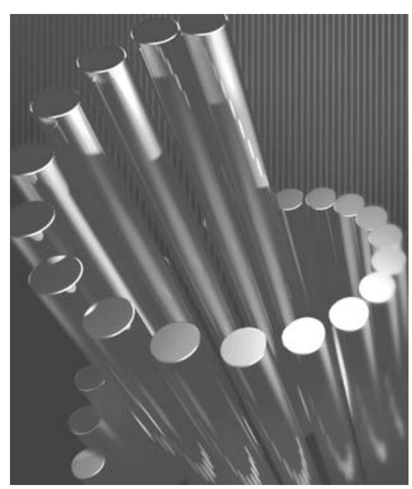
Urban infrastructure: Indian cities already account for around 30% of the country's total population and are experiencing rapid growth owing to growing migration. This is exerting pressure on civic infrastructure (water supply, sanitation and sewerage). Since urban areas also account for around 60% of the country's economic activity, augmenting urban infrastructure is likely to be a priority for policymakers, which in turn will catalyse the demand for the steel sector.

Real estate: India's housing sector has been showing signs of recovery, reflected by the healthy growth of housing loan sanctions and disbursements posted by housing finance companies. This recovery was supported by an improved sense of job security among borrowers and relatively low lending rates. The government also embarked on housing schemes, including the Rajiv Awas Yojana, for a slum-free India in five years and the Indira Awas Yojana, to create housing for the rural poor.

Sector-wise investment projections for the Eleventh Plan period (%)



(Source: Planning Commission)



Capacity additions by steel companies

To gear up for rising steel demand, the sector lined up capacity additions.

Indian steel capacity additions

Indian steel capacity	Crude steel-making capacities in mn tonnes	Capacity additions				
Company name	FY09	FY10	FY11	FY12	FY13	FY14
SAIL	14.6	-	-	-	11.6	-
Tata steel	6.8	-	-	2.9	-	6.0
Jsw steel	7.8	-	3.2	-	-	-
RINL	3.6	-	-	3.7	-	-
Essar steel	4.6	3.9	1.5	-	-	-
Bhusan steel	0.7	0.7	-	-	3.0	-
Monnet Ispat	0.8	-	0.7	-	-	-
Prakash ind	0.3	-	0.2	-	0.4	0.2
others	25.2	-	-	-	-	-
Total	64.4	4.6	5.6	6.6	15.0	6.2
Cumulative capacity	64.4	69.0	74.6	81.2	96.2	102.4
Production	54.5	57.0	61.2	64.9	-	-

(Source: Elara Research)

Outlook

The profitability of Indian steel companies improved in 2009-10. The outlook of the domestic steel sector appears positive, given a favourable outlook for the Indian economy and large infrastructural shortages that would need to be plugged.

WHY THERE IS A SENSE OF OPTIMISM IN INDIA'S STEEL SECTOR

Extensive under-penetration

GDP perspective: Steel-GDP growth elasticity increased from 1.2 to about 1.25, so if India were to register an average GDP growth of about 8% for three years, the steel industry could grow over 10%.

Per capita income: India's per capita steel consumption is only around 44 kg, against a world average of 190 kg, which is expected to correct.

Rural: Rural India's steel consumption is only 2 kg. The National Steel Policy estimated that rural India's per capita consumption will double by 2019-20.

With a 70% semi-urban and rural population, the rural sectoral opportunity is significant.

Consumption-driven growth

Rural: The Indian government is putting more money in the hands of rural India through employment schemes (NREGA) and remunerative agriculture support prices.

Urban: Indian cities are home to more young earners, supported by a burgeoning service sector (contributes over 40% to the GDP). The manufacturing sector is also expected to perform attractively as the worst part of the recession is behind us. Even average salary hikes for 2010-11 are likely to cross 10%. All this entails upgraded lifestyles for city-based professionals, catalysing consumption.

Investment-driven growth

India's investment scenario is attractive, catalysed by the government's fiscal incentives to drive infrastructure growth. The overall investment in construction and infrastructure development is around 36% of GDP vis-à-vis a 22% global average and 17-18% in developed countries.

Surging steel demand

India's steel demand is expected to grow at about 1.3-1.4 elasticity to its GDP growth. This, coupled with the economic growth (estimated to touch double digits soon), could drive steel demand of 75-80 mn tonnes annually (estimated per capita 62 kg) by 2012-13.

REASSURING.

ORE. WORLD. INDIA.

The world's
fourth-largest producer of iron ore

The world's
fifth-largest iron ore reserve owner

The world's
third-largest iron ore exporter

The world's
fourth-largest bauxite reserve owner

The world's
fourth-largest aluminium producer

The world's
eighth-largest primary aluminium producer

The world's
fifth-largest steel producer

VOLUME-DRIVEN GROWTH

In the mining business, counter-cyclicality is best achieved through growing volumes, which in turn, is best derived from a large number of mines and progressive investments in ore-extracting equipment. The Company enhanced the number of operating mines from two in 2005-06 to four in 2009-10.

EFFICIENCY

In the mining business, it is not only enough to increase mine ownership; it is imperative to invest in mining mechanisation that enhances throughput and reduces costs. The Company enhanced mechanisation through progressive investments in mining plant and machinery (₹182.08 cr from 2006-07 through 2009-10) which correspondingly enhanced iron ore output from 0.059 million tonnes in 2005-06 to 2.238 million tonnes in 2009-10.

RESPON

PRODUCT QUALITY CONSISTENCY

In the mining business, it is imperative to remember that the product represents critical raw material for downstream-end steel customers thus, consistently high output quality at our end translates into production efficiency for them. Correspondingly, we invested in good quality mines and material testing, delivering quality material to customers.

DIVERSIFIED PRODUCT LINE

In the mining business, it is important to remember that our downstream businesses are cyclical and consequently, it is advisable to extend presence across different mineral resources. Over the years, the Company extended from one product (iron ore extraction) to three products, diversifying from its dependence on only iron ore.

FOCUS ON NEW MARKET

In the mining business, it is not only imperative to develop a large number of customers but to do so across different geographies, so that a downtrend in one market does not dent profitability. In view of this, the Company intends to extend its export focus beyond China to Japan and South Korea.

ACQUIRING AND DEVELOPING MINERAL ASSETS

In the mining business, long-term viability is derived from a growth in assets (mines and equipment). Correspondingly, the Company applied for prospecting and mining leases for iron ore and other minerals.

SIBLE.

INTEGRATED

In the ore supply business, it is critical to extend the value chain, enrich margins and create a competitive advantage. The Company integrated forward to beneficiate and pelletise iron ore, improving product quality, enhancing value-addition and enriching its brand.

BUSINESS DRIVER

01

RICH RESERVES

IN THE BUSINESS OF MINING, THE RICHNESS OF RESERVE ENHANCES BUSINESS VIABILITY IN VARIOUS WAYS – THE RIGHT MATERIAL QUALITY, ADEQUATE QUALITY CONSISTENCY, RELATIVELY LOW COST OF EXTRACTION AND CUSTOMER LOYALTY (ARISING OUT OF STABLE PRODUCTION AT THE CUSTOMER'S END). THE COMPANY'S MINES ARE OPEN CAST COMPRISING GOOD QUALITY RESERVES AND ITS FORMATION CLOSE TO THE SURFACE RESULTS IN LOW EXTRACTION COST.

Maharajpur mine

- The Company acquired exclusive raising and purchasing rights of this mine in Orissa in 2004, which will expire in 2069.
- The mine is spread across 477.48 acres with an estimated reserve of 39.69 million tonnes (iron content of over 64.5%).
- The mine is connected to a national highway only 5 km away and a port 445 km away.
- The Company processed 2.39 million tonnes of iron ore from 2005-06 (year of acquisition) to 31st March 2010.

Nuagaon mine

- The Company acquired exclusive raising and purchasing rights of this mine in Orissa for the long term (10 years), starting 2004.
- The mine is spread across 30 acres, with estimated reserves of 3.67 million tonnes of ore with an iron content of over 64.5%.
- The Company commenced mining in 2004-05 and processed 8.33 million tonnes of iron ore till 31st March 2010.

Dhelana soapstone mine

- The Company acquired the mining lease from the state government in Udaipur (Rajasthan) in 2008, which will expire in 2030.
- The mine is spread across 52.03 hectares with estimated reserves of 1.997 million tonnes of soapstone comprising different grades like DDT, talc, paper, etc.
- The mine is well connected to national highways.
- The Company began mining in 2008-09 and processed 0.003 million tonnes of ore till 31st March 2010.

Mahalmiriya mine

- The Company acquired exclusive raising and purchase rights for bauxite in Maharashtra in 2007, valid for 11 years from the date of the agreement.
- The mine is spread across 79.98 hectares and contains around 1.98

(in MT)

Mines	Spread over	Estimated reserves	Processed ore*
Maharajpur mine	477.48 acres	39.69	2.39
Nuagaon mine	30 acres	3.67	8.33
Dhelana soapstone mine	52.03 hectares	1.997	0.003
Mahalmiriya mine	79.98 hectares	1.98	0.02
Yelwan Jugai mine	661 acres	4.92	-

*till 31st March 2010

million tonnes of reserves with a rich aluminium oxide (AL2O3) content of around 48%.

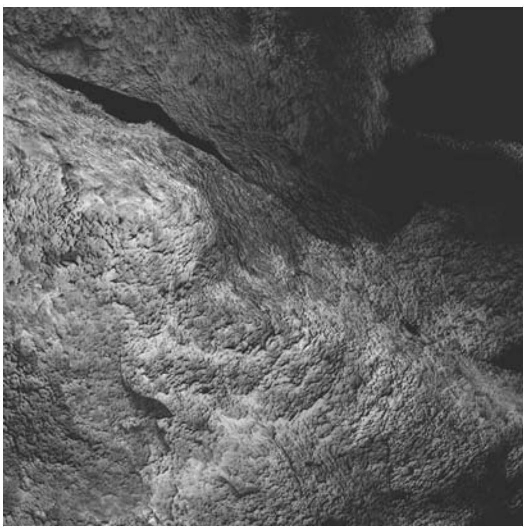
- The Company processed 0.02 million tonnes of bauxite till 31st March 2010.

Yelwan Jugai mine

- The Company acquired another bauxite mine in Maharashtra in 2007, effectively valid for 26 years.
- The mine is spread across 661 acres and contains estimated reserves of 4.92 million tonnes.
- The Company is yet to start processing.

Road ahead

The Company intends to acquire new mines to cater to growing demand.



BUSINESS DRIVER

02

PRODUCT BASKET

IN THE BUSINESS OF MINING, IT IS IMPERATIVE TO LEVERAGE MINING KNOWLEDGE AND WIDEN PRESENCE ACROSS DIFFERENT MINERALS, REINFORCING THE MINERAL-CENTRIC BRAND.

In view of this, the Company ventured into bauxite mining and soapstone mining in 2008-09; it commenced bauxite and soapstone production in 2008-09 and 2009-10 respectively.

In the business of mining, it is also imperative to provide customers with a range within the product category, leading to enhanced productivity and customer loyalty. The Company's diverse iron ore range comprises lump ore, size ore, calibrated lump ore and iron ore fines with iron content exceeding 62.5%. This range and purity helps customers enhance production efficiency in a capital-intensive business.

Lump ore: This is the most basic form of iron ore following screening of run-of-mine; extracted in various shapes and sizes of above 40 mm and used in generating calibrated lump ore.

Size ore: This is the output following the screening of run-of-mine ore in sizes of 10-40 mm, used in pig iron plants.

Calibrated lump ore: This is the purest form of iron ore with a high Fe content in 5-18 mm, and used as raw material in sponge iron plants.

Iron ore fines: This by-product of CLO production is found in sizes up to 10 mm with a purity content of 54 Fe and 63.5 Fe, used in sintering.

Bauxite: This principal aluminium raw material comprises aluminium oxides and aluminium hydroxides.

Soapstone: This material, containing 50-80% talc, is used in the paper, insecticide, cosmetic, fertiliser and ceramic industries.

BUSINESS DRIVER

03

LOCATIONAL ADVANTAGE

IN THE BUSINESS OF MINING, IT IS CRITICAL TO BE LOCATED PROXIMATE TO USERS FOR A GOOD REASON: NEARLY 1.66 TONNES OF ORE AND RAW MATERIAL ARE REQUIRED TO MANUFACTURE ONE TONNE OF CRUDE STEEL.

The closer that a mine is to downstream customers, the lower is the cost of transportation and the business model is more sustainable.

The Company is attractively placed in this regard:

- Proximity to ports and roadways: The Nuagaon mine is located within 1 km of a national highway and 400 km from the port of Paradip, resulting in cost-effective transportation. Almost all the mine's output is supplied within a 50-100 km distance.
- Proximity to consumers: The Company's Orissa mines are proximate within 50-100 km to steel and sponge iron units.

As a result, the Company's transportation cost was a mere 0.61% of its total expenses in 2009-10.

BUSINESS DRIVER

04

ASSET BUILDING

IN THE BUSINESS OF MINING, IT IS PROGRESSIVE TO INVEST IN ASSETS THAT ENHANCE ORE EXTRACTION CAPABILITY ON THE ONE HAND AND REDUCE EXTRACTION COSTS ON THE OTHER.

The Company strengthened its business model through the investment of ₹183.54 cr in fixed assets since 2006-07. The index of the Company's long-term commitment to its business was reflected in its investment of ₹153.64 cr in mining equipment in challenging 2009-10 alone. This increased output, enhanced customer loyalty and strengthened organisational dependability.

- **Nuagaon mine:** Installed new mining equipment with a total capacity of 975 tonnes run-of-mine (ROM) extraction per hour as on 31st March 2010; the capacity utilisation of the plant was 68% during 2009-10
- **Maharajpur mine:** Installed new mining equipment with a total capacity of 1,225 tonnes run-of-mine (ROM) extraction per hour as on 31st March 2010; the capacity utilisation was 80% during 2009-10.

Following these investments, processed iron ore output increased 41% from 15.91 lac tonnes in 2008-09 to 22.38 lac tonnes in 2009-10.

BUSINESS DRIVER

05

CORPORATE SOCIAL RESPONSIBILITY

IN THE BUSINESS OF MINING, IT IS IMPORTANT TO MAKE OPERATIONS SAFE FOR EMPLOYEES, COMMUNITY AND THE ENVIRONMENT AT ALL TIMES.

Safety: The Company invested in processes and practices that prioritised worker safety. It abided by the safety legislation standards of the Directorate General of Mines. The statutory provisions relating to the occupational safety and health of mine is controlled by the Directorate General of Mines Safety. The Company provided a safe and healthy workplace for employees including contract workmen through an emphasis on the use of safety equipment like protective shoes, helmets and hand gloves, among others, continuous training on safety practices, investigation of all accidents (including near-misses) and initiating actions for their non-recurrence. Further, it invested in an ambulance equipped with first-aid facilities.

Health: The Company periodically organised health camps for employees. In 2009-10, the Company made contributions to a voluntary, charitable and non-religious NGO to arrange eye camps for the benefit of the rural populace.

Environment: The Company undertook environment-enriching initiatives that rationalised water consumption, enhanced water storage infrastructure and the use of water sprinklers.

MANAGEMENT DISCUSSION AND ANALYSIS

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 owing to a timely economic stimulus that catalysed investment and consumption. The country's mining and manufacturing sectors grew 8.7% and 8.9% respectively in 2009-10. Going ahead, India's GDP growth is estimated at around 8.5% in 2010-11 and in excess of 9% in 2011-12 *(Source: Economic Survey, 2009-10)*, arising out of robust consumption, low debt exposure and growing infrastructure investment.

Rate of growth at factor cost at 2004-05 prices (%)

	2005-06	2006-07	2007-08	2008-09	2009-10
Agriculture, forestry and fishing	5.2	3.7	4.7	1.6	-0.2
Mining and quarrying	1.3	8.7	3.9	1.6	8.7
Manufacturing	9.6	14.9	10.3	3.2	8.9
Electricity, gas and water supply	6.6	10	8.5	3.9	8.2
Construction	12.4	10.6	10	5.9	6.5
Trade, hotels and restaurants	12.4	11.2	9.5	5.3	8.3*
Transport, storage and communication	11.5	12.6	13	11.6	
Financing, insurance, real estate and business services	12.8	14.5	13.2	10.1	9.9
Community, social and personal services	7.6	2.6	6.7	13.9	8.2
GDP at factor cost	9.5	9.7	9.2	6.7	7.4

* Transport and communication included for 2009-10 in trade, hotels and restaurants. *(Source: CSO.)*

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% to the country's GDP *(Source: Central Statistical Organisation).* The sector grew 8.7% in 2009-10 compared with 1.6% in 2008-09 *(Source: Economic Survey, 2009-10).*

Mining makes a significant contribution to India's overseas trade (in ore and refined form). Total ores and mineral exports in 2008 were ₹950.22 billion, an increase of 17% over the previous year and nearly double the value in 2003-04 *(Source: Indian Infrastructure, March 2010).*

The New Mineral Policy 2008 inspired the government to make mining economically profitable, technically appropriate, environmentally safe and socially responsible. During 2008-09, 210 proposals for mining leases, 44 proposals for reconnaissance permits and 280 applications for prospecting licenses were received, reflecting growing interest. The industry's outlook is positive, reflected in a relatively low exploration compared to peer countries that will need to be corrected.

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 tonnes 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 1,60,000 million tonnes of crude ore with an iron content of more than 77,000 million tonnes. Ukraine has the world's largest reserve base of 30,000 million tonnes followed by 25,000 million tonnes in Russia, 22,000 million tonnes in China and 20,000 million tonnes in Australia. 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.

Consumption: About 98% 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 cement, pigments, agricultural products and specialty chemicals.

Prices: Global iron ore prices surged more than two-fold in 2009 to around US$130 a tonne following strong demand from China and an economic recovery in Europe and the United States *(Source: Reuters, 11th March 2010).* The major factors driving iron ore prices were a rising Chinese steel

Global iron ore production and reserves (in million tonnes)

Countries	2008	2009	Crude Ore	Iron content
United States	54	26	6,900	2,100
Australia	342	370	20,000	13,000
Brazil	355	380	16,000	8,900
Canada	31	27	1,700	1,100
China	824	900	22,000	7,200
India	220	222	7,000	4,500
Iran	32	33	2,500	1,400
Kazakhstan	23	21	8,300	3,300
Mauritania	11	11	700	400
Mexico	12	12	700	400
Russia	100	85	25,000	14,000
South Africa	49	53	1,000	650
Sweden	24	18	3,500	2,200
Ukraine	73	56	30,000	9,000
Venezuela	21	16	4,000	2,400
Other countries	47	47	11,000	6,200
World total (rounded)	2,220	2,300	1,60,000	77,000

(Source: U.S. Geological Survey, Mineral Commodity Summaries, Jan 2010)

output and growing import dependence on iron ore. Besides, the oligopolistic supply side (three companies control over 75% of the global sea-borne iron ore trade) resulted in a tightening demand-supply and price surge.

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.

Indian iron ore industry

India is the fourth-largest producer of iron ore, possessing the richest iron ore deposits. Accessible and high grade iron ore reserves – free from impurities like phosphorous and sulphur and considered good for smelting – account for almost two-thirds of the total iron ore reserves in the country.

Reserves: India possesses 6% of global iron ore reserves and ranks fifth in the world in iron ore reserve ownership. The Indian Bureau of Mines estimated the country's total iron ore reserves at 25.2 billion tonnes. The principal iron ores are hematite (70% iron) and magnetite (72% iron). Hematite accounts for 58% of the total iron ore reserves, mainly in Orissa (33%), Jharkhand (28%), Chhattisgarh (19%), Karnataka (11%) and Goa (5%). Magnetite accounts for 42% of the total iron ore reserves, mainly located in Karnataka (74%), Andhra Pradesh (14%), Rajasthan (5%) and Tamil Nadu (4%). The remaining 3% is accounted for by Kerala, Assam, Jharkhand, Nagaland, Bihar and Maharashtra. At the current domestic production levels of 230 million tonnes of ore in 2009-10, the country's available reserves are expected to last around 90 years. Fines and concentrates make up about 90% of iron ore exports.

Demand: The demand for Indian iron ore is increasing; through 2006 to 2009, China imported 74.78 MT, 79.53 MT, 91.04 MT and 107 MT ores from India, marking annual increases of 9.08%, 6.36%, 14.47% and 18.08%. Although India's iron ore exports are increasing, India's share of total Chinese iron ore imports declined from 22.92% in 2006 to 20.73% in 2007 to 20.51% in 2008 and to 17.71% in 2009, indicating that India's iron ore appetite is increasing *(Source: steelorbis.com, 09 April 2010)* consequent to an increasing steel output of 42.78 MT, 53.08 MT, 55.05 MT and 54.6 MT through 2006-09.

Since low-quality grades accounted for about 70% of the 2008-09 ore output of 222 million tonnes, a number of miners invested in pellet plants to use lower grade powdery iron ore fines to make higher grade nodules, ideal for feeding blast furnaces in steel mills leading to improved downstream input-output efficiency *(Source: Reuters, 11th March 2010).*

Production: India's iron ore production grew at a CAGR of 11.12% over the five financial years up to 2008-09 to reach 222 million tonnes *(Source: Indian Infrastructure, March 2010).* In 2009-10, the country produced 230 million tonnes of iron

ore and exported close to 106 million tonnes of iron ore to China. About 90% of its exports are to China in the form of fines, while the remaining 10% are iron ore lumps transported to countries like Korea and Japan *(Source: Business Standard, 28 April, 2010).* Moreover, the Steel Ministry set a steel production target of 124 million tonnes per annum by 2012-13, more than double the current production capacity of around 54 million tonnes per annum in 2009 *(Source: Business Line, 28 April, 2010),* widening the market for iron ore.

Exports: India is the world's third-largest iron ore exporter after Australia and Brazil, with most of its exports to China, the world's largest steel industry hub. India's iron ore export in 2009-10 was around 106 million tonnes as against 105 million tonnes in 2008-09 *(Source: Business Line, 23 April, 2010).*

To curb ore exports and ensure adequate material for the country's steel industry, the Indian government raised the export duty on iron ore lumps from 5% to 10% and imposed a 5% duty on fines (bulk of iron ore exports) in 2010. The Indian Railways also increased freight on iron ore exports by ₹300 a tonne from March 2010. It is expected that iron ore exports will be around 100 million tonnes in 2010-11.

Outlook: India's iron ore demand outlook is optimistic as India's steel production – growing at a compounded annual growth rate of more than 8.2% from 38.7 MT to around 60 MT from fiscal 2005 to fiscal 2010 – is expected to sustain. The supply scenario appears optimistic owing to growing mine commercialisation and investments.

Bauxite industry overview

India's bauxite reserves are estimated at around 3 billion tonnes, the fourth-largest in the world, accounting for almost 7.5% of the world's reserves of around 65 billion tonnes. Domestic reserves are expected to last over 350 years with proven and probable reserves estimated at around 1,200 million tonnes *(Source: Economic Times, 23 Feb, 2010).*

The total domestic bauxite resources as on 1st April 2005 were 3,289.81 million tonnes. Of this, actual reserves accounted for 899.38 million tonnes while the remaining resources accounted for 2,390.43 million tonnes. Of the total resources, about 67% are under freehold and about 32% are under leasehold. Out of the leasehold resources of 1,079 million tonnes, 42% is in the public sector and about 49% in the private sector. Further, of the total resources, 54% are used for captive and 45% non-captive purposes. In India, bauxite reserves are available in Orissa, Andhra Pradesh, Madhya Pradesh, Gujarat, Maharashtra and Bihar. Orissa and Andhra Pradesh account for more than 90% of India's metallurgical grade of bauxite *(Source: Indian Infrastructure, March 2010).*

The optimism with regard to bauxite is principally derived from an under-penetration of aluminium consumption in India. While India possesses around 7.5% of the world's bauxite reserves, its aluminium production capacity is only 5% globally for a population that is 16% of the world, indicating scope for addition.

Aluminium: Aluminium is the second-most abundant metallic element in the Earth's crust. It weighs about one-third as much as steel or copper, is malleable, ductile and easily machined and cast and has excellent corrosion resistance and durability. Aluminium is produced primarily from bauxite in the form of aluminium oxide, commonly referred to as alumina. Aluminium is made by extracting alumina from bauxite and then removing oxygen from the alumina. Aluminium's use exceeds that of any other metal except iron and it is important in virtually all segments of the global economy. Some of the numerous uses of aluminium comprise transportation (automobiles, airplanes, trucks, railcars and marine vessels, among others), packaging (cans and foil, among others), construction (windows, doors and siding, among others), consumer durables (appliances and cooking utensils, among others), electrical transmission lines and machinery, among other applications.

Aluminium demand and supply: Emerging markets accounted for 60% of global aluminium consumption in 2008-09, riding industrialisation. In 2009, car makers accounted for about 30% of the global aluminium market, estimated at around 36 million tonnes. Government schemes to persuade consumers to turn in old cars for new ones catalysed demand in Europe. An expectation of a pick-up in the US auto sector is likely to strengthen aluminium prices *(Source: Metalworld, Feb 2010).* Global aluminium demand is projected to grow at around 6% CAGR till 2018 *(Source: Metalworld, Feb 2010)* owing to newer packaging applications and increased usage in automobiles, consumer durables, construction and Defence.

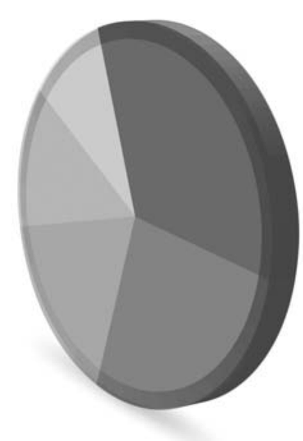
Aluminium production: Global production of primary aluminium rose from 32 MT in 2005 to 39 MT in 2008. However, production declined to 36.9 MT in 2009 *(Source: Metalworld, Feb 2010).* China accounted for around 40% of the global aluminium production, followed by Europe (20%) and America (18%). Chinese demand is driven by increased usage from the transport industry as more high-speed rail networks are being built and the carriages of these high speed trains are now made completely of aluminium. This will take the output to a projected 15.5 million tonnes in 2010-11 and 17.5 million tonnes by 2012 *(Source: Metalworld, April 2010).*

Global bauxite mine production and reserves (in '000 tonnes)

Countries	Production 2008	Production 2009e	Reserves
Australia	61,400	63,000	6,200,000
Brazil	22,000	28,000	1,900,000
China	35,000	37,000	750,000
Greece	2,220	2,200	600,000
Guinea	18,500	16,800	7,400,000
Guyana	2,100	1,200	700,000
India	21,200	22,300	770,000
Jamaica	14,000	8,000	2,000,000
Kazakhstan	4,900	4,900	360,000
Russia	6,300	3,300	200,000
Surinam	5,200	4,000	580,000
Venezuela	5,500	4,800	320,000
Vietnam	30	30	2,100,000
Other countries	6,550	5,410	3,200,000
World total (rounded)	205,000	201,000	27,000,000

Source: U.S. Geological Survey, Mineral Commodity Summaries, January 2010

Global bauxite reserves



South America 33%
Africa 27%
Asia 17%
Oceania 13%
Other countries 10%

(Source: Metalworld, Feb 2010)

Indian aluminium industry

India is the fourth-largest aluminium producer in the world with a consumption growth of around 9% in 2009, catalysed by strong growth in the industrial, infrastructure, automobile, transportation and power sectors. However, realisations declined significantly owing to a fall in LME prices in the second half owing to the global credit crisis. On the other hand, a depreciation of the Indian Rupee against the US Dollar impacted the industry positively.

Demand and supply: Power, infrastructure and transportation account for almost three-fourths of domestic aluminium consumption. The primary aluminium demand drivers will comprise higher disposable incomes, infrastructure investments and growth in downstream sectors (transport, construction, packaging and power sectors). The Indian aluminium market is booming with an over 9% growth per annum, one of the highest in the world. The sectors using aluminium are booming, securing this sector's growth *(Source: Economic Times, 23 Feb, 2010).* Supply is expected to grow in excess of demand, resulting in domestic overcapacity across 2011-2013.

Production: India is the world's eighth-leading producer of primary aluminium, with total aluminium production amounting to 2.2 million tonnes in 2010. The country witnessed significant growth in aluminium production across the past five years, driven by key sectors like power, automobile, packaging and construction. India is a net exporter of aluminium. However, the country's aluminium capacity is only 5% of the world total, despite having the 7.5% of global bauxite reserves, indicating a latent need for fresh capacities *(Source: Economic Times, 23 Feb, 2010).*

Consumption: The per capita aluminium consumption in India is a low sub-1 kg as against 25 kg in the US, 30 kg in Europe, 15 kg in Japan, 10 kg in Taiwan and 3 kg in China *(Source: Economic Times, 23 Feb, 2010),* which is expected to increase in line with growth in the country's transport, power, construction and packaging sectors.

Outlook: China, the world's largest aluminium consumer, shut down 15% of its smelters during the recession. Recently, most were reopened, implying growing demand. Most of India's aluminium companies will enhance capacities, leveraging rising demand owing to abundant bauxite

Global aluminium production

	2008	2009
United States	2,658	1,710
Australia	1,970	1,970
Bahrain	865	870
Brazil	1,660	1,550
Canada	3,120	3,000
China	13,200	13,000
Germany	550	520
Iceland	787	790
India	1,310	1,600
Mozambique	536	500
Norway	1,360	1,200
Russia	3,800	3,300
South Africa	811	800
United Arab Emirates	910	950
Venezuela	610	550
Other countries	4,850	4,600
World total (rounded)	39,000	36,900

Source: U.S. Geological Survey, Mineral Commodity Summaries, January 2010

Sector-wise consumption

Power 48%
Transportation 15%
Construction 13%
Industrial 7%
Others 17%

(Source: Brook Hunt, CRU)

Aluminium consumption

Year	Consumption ('000 tonnes)
2003	798
2004	861
2005	958
2006	1080
2007	1207
2008	1239
2009*	1197
2010*	1443
2011*	1601
2012*	1802

**Estimates*
Source: Brook Hunt, CRU

availability, low operational cost and vertical integration.

Capacity additions by aluminium companies

NALCO

- Intends to increase capacity from 4.6 lac MT to 5.75 lac MT per annum, alumina refinery capacity from 21 lac MT to 29 lac MT per annum
- Enhance aluminium smelting capacity up to 1.25 MTPA by 2013

HINDALCO

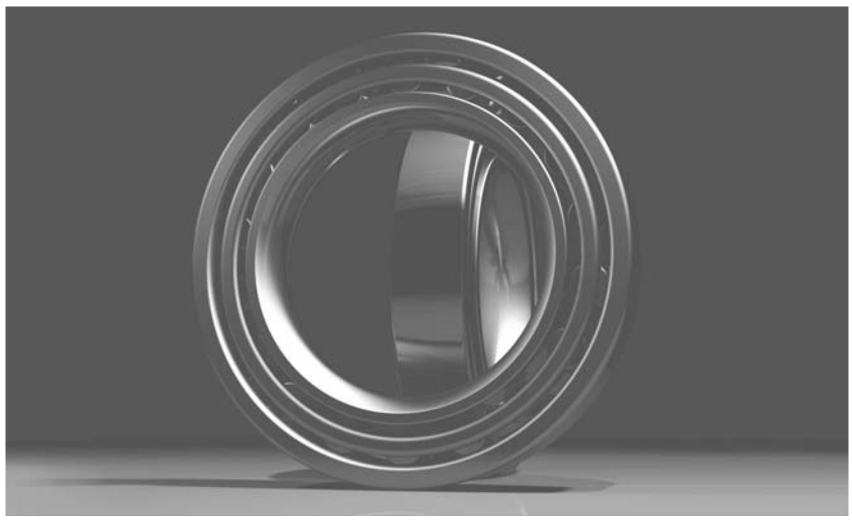
- Expand the Hirakud smelter from 155 ktpa to 213 ktpa (2012)
- Commission the Utkal Alumina Refinery, a 1.5-million tonne per annum alumina project (FY12)
- Commission the Mahan aluminium smelter project of 359 ktpa (FY12)
- Commission the Aditya alumina refinery of 1.5 million TPA and aluminium smelter of 359,000 TPA (phase-wise between 2011 and 2013)
- Commission the Jharkhand aluminium smelter project of 359,000 TPA (2013)

Vedanta Aluminium Limited

- Expand alumina refining to 2 MTPA by in FY 2010 and add 3 MTPA by FY 2011
- Stabilise the increase in aluminium smelting capacity from 250 KTPA to 500 KTPA (FY 2011) and add 1,250 KTPA (2013)

BALCO

- Increase aluminium smelting capacity from 245 KTPA to 325 KTPA (FY 2012)



SWOT analysis of the Indian aluminium industry

Strengths	Weaknesses
Good metal quality	Infrastructural constraints especially power
Leveraging comparative advantage in alumina	High input cost for downstream industry
High-quality, big east coast bauxite reserves	Local levies on inter-state bauxite movement
Potential to be a major global player	Dependence on foreign technology
Vast pool of technical manpower	Regulatory constraints on bauxite mining

Opportunities	Threats
Rapid domestic growth	Price volatility
Unlocking east coast bauxite reserves	Competition from China and substitutes
Robust growth in transportation, infrastructure, power capacity addition and packaging	Trade policy uncertainties
Scope for spurt in per capita consumption of aluminium	Environmental concerns

FINANCE REVIEW

Accounting policy

The Company's financials were stated in line with the accrual system of accounting, recognising income as soon as it was earned, irrespective of the time of receipt. The Company's accounts were 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 2008-09 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 21% from ₹433 cr in 2008-09 to ₹526 cr in 2009-10
- EBIDTA rose 16% from ₹51 cr in 2008-09 to ₹59 cr 2009-10
- PAT increased 27% from ₹21 cr in 2008-09 to ₹27 cr 2009-10
- Cash profit improved 26% from ₹33 cr in 2008-09 to ₹41 cr 2009-10
- EPS (diluted) rose 12.62% from ₹8.08 in 2008-09 to ₹9.10 in 2009-10

Revenue analysis

Net sales increased 21% from ₹433 cr in 2008-09 to ₹526 cr in 2009-10 on account of an increase in demand for iron ore in the domestic steel markets. Domestic market accounted for 100% of the Company's total net sales, as it did not export any products owing to declining iron ore demand globally. Other income, as a percentage of net profit, was 10%; this increased 122% from ₹1.1 cr in 2008-09 to ₹2.6 cr in 2009-10.

Cost analysis

The total operating cash cost increased 22% from ₹383 cr in 2008-09 to ₹469 cr in 2009-10 owing to increased crushing and extraction rates. The total operating cash cost, as a proportion of net sales, increased from 88% in 2008-09 to 89% in 2009-10. The following comprised the Company's major costs during the year under review:

Material consumed: The Company's material consumed surged from ₹355 cr in 2008-09 to ₹459 cr in 2009-10, an increase of 29% owing to increased production. The consumption of materials, as a proportion of total operating cash cost, was 98% in 2009-10, compared with 93% last year.

Extraction charges: The Company's extraction expenses, as a proportion of total operating cash cost, increased from 7% in 2008-09 to 13% in 2009-10 owing mainly to increased extraction and processing

Crushing charges: The Company's crushing charges comprised 13% of the total operating cash cost, compared with 11% in 2008-09.

Screening charges: The Company's screening charges, as a proportion of the total operating cost, declined to 7% in 2009-10 compared with 9% in 2008-09, mainly owing to new mining equipment operation.

Employee cost: The Company's employee cost escalated 7% from ₹2.4 cr in 2008-09 to ₹2.6 cr in 2009-10 on account of increase in salary and bonus, to enhance productivity.

Administrative and selling expenses: The Company's administrative and selling expenses, as a proportion of total operating cash cost, declined from 7% in 2008-09 to 2% in 2009-10. This cost declined 71% from ₹25 cr in 2008-09 to ₹7 cr in 2009-10, mainly on account of decline in ocean freight owing to nil export.

Capital employed

Shareholder's funds constituted equity shares, share warrants and reserves and surplus. The Company's total capital employed in the business increased 8% from ₹409 cr in 2008-09 to ₹443 cr in 2009-10.

Share capital: There was no change in the Company's equity share capital. As on 31st March 2010, the Company had 2,85,41,550 equity shares of ₹10 each, fully paid, totalling ₹28 cr. The promoters' holding in the Company stood at 56.17% as on 31st March 2010.

Net worth: Net worth comprises equity capital, share warrants, reserves and surplus and unadjusted, carried-forward miscellaneous expenditure. Reserves constituted the major portion of shareholder's funds at 90% as on 31st March 2010, compared with 95% on 31st March 2009. The return on average net worth was flat at 7% on 31st March 2010.

Reserves: The Company's reserves and surplus registered an increase of 8% over the previous year, from ₹330 cr in 2008-09 to ₹357 cr in 2009-10. The increase was mainly on account of earnings retained in the business. Free reserves comprised 100% of the reserves, which can be utilised further for funding purpose.

Loan funds

The Company's loan funds comprise secured and unsecured loans. The loan funds increased 5% from ₹116 cr in 2008-09 to ₹122 cr in 2009-10, owing to the increase in working capital loans, to finance the Company's daily operations. The working capital loan constituted 65% of the total debt on 31st March 2010, compared with 54% on 31st March 2009. The Company enjoyed a debt-equity ratio of 0.31 in 2009-10, compared with 0.34 in 2008-09.

Secured loans: Secured loans comprised 94% of the total loan funds, of which 31% were term loans and 69% working capital loans. Secured loans increased marginally by 1% from ₹113 cr on 31st March 2009 to ₹115 cr on 31st March 2010.

Unsecured loans: This comprises 6% of the total loan funds, primarily comprising inter-corporate deposits. It increased 137% from ₹3 cr on 31st March 2009 to ₹7 cr on 31st March 2010.

Interest: The Company's net interest charges increased 32% from ₹6 cr in 2008-09 to ₹8 cr in 2009-10, owing to higher interest payment to banks, mainly on account of increased working capital loans. The Company enjoyed an interest cover of 5.2 (times) in 2009-10 as against 6.6 (times) in 2008-09. The Company's average debt cost stood at 13.98% compared with 16.0% in the previous year.

Gross block

The Company's gross block increased from ₹14 cr as on 31st March 2009, to ₹186 cr as on 31st March 2010. The investment was made mainly in mining equipment like crushers, dozers and screening machines, among others. The return on gross block is expected to increase with the optimum utilisation of all machines (new equipment included). The net capital work in progress declined from ₹183 cr as on 31st March 2009 to ₹16 as on 31st March 2010, owing to the commercialisation of the Company's iron ore mines.

Year	2009-10	2008-09	2007-08
Debt-equity ratio	0.31	0.34	0.26

Depreciation

The Company adopted the straight line method of depreciation on its fixed assets as stipulated in Schedule XIV of the Companies Act, 1956. Depreciation increased from ₹0.38 cr in 2008-09 to ₹3 cr in 2009-10, owing to a major increase in gross block in 2009-10.

Investments

Investments decreased 26.48% from ₹26 cr in 2008-09 to ₹19 cr in 2009-10 as the Company liquidated its investments mainly out of mutual funds.

Net current assets

The Company's net current assets increased 28.85% from ₹243 cr in 2008-09 to ₹313 cr in 2009-10, primarily owing to increases in debtors, loans and advances and inventory. The current ratio stood at 2.48 in 2009-10, against 2.29 in 2008-09.

Inventory

The Company's inventory increased 54% from ₹25 cr in 2008-09 to ₹39 cr in 2009-10. Raw materials and finished goods constituted 42% and 58% of the total inventory. The inventory cycle increased from 27 days to 32 days.

Sundry debtors: Increased sales-enhanced debtors from ₹129 cr in 2008-09 to ₹159 cr in 2009-10. Of the total, 99.81% of the debtors were under six months old and considered good. The debtor turnover cycle increased from 104 to 105 days.

Cash and bank balances: The Company's cash and bank balance decreased 31% from ₹19 cr in 2008-09 to ₹13 cr in 2009-10. The balance declined mainly because of liquidation of term deposits.

Liquidity ratios

	2009-10	2008-09	2007-08
Current ratio	2.48	2.29	2.71
Quick ratio	2.20	2.09	2.13

Loans and advances: Loans and advances constituted 41% of the gross current assets and increased 26% from ₹114 cr in 2008-09 to ₹145 cr in 2009-10, owing to an increase in deposits.

Current liabilities and provisions: The Company's current liabilities and provisions marginally declined 5% to ₹44 cr in 2009-10 as against ₹46 cr in 2008-09, owing to a 37% decline in sundry creditors.

Taxation

The Company made a tax provision of ₹17 cr for 2009-10, an increase of 61% against last year's ₹10 cr culminating into effective tax rates of 39% and 33%. The Company also recognised deferred tax liabilities of ₹7 cr in 2009-10.

Foreign exchange management

The Company earned nothing in foreign exchange as the exports were nil in 2009-10. The expenditure in foreign currency stood at ₹0.45 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 23rd Annual Report to the members with the audited financial statements for the year ended 31st March 2010.

Financial Results

The consolidated performance of the Company for the financial year 2009-10 is summarised below:

(₹in Lacs)

Particulars	FY 2009-10	FY 2008-09
Total income	53,215.89	40,724.58
Profit before depreciation and amortisation	5,157.93	4,506.01
Depreciation	366.12	38.69
Amortisation	311.38	1,235.82
Profit before tax	4,480.42	3,231.50
Provision for taxation	1,724.17	1,065.37
Profit after tax	2,756.25	2,166.12
Profit available for appropriation	2,762.42	2,161.15
Appropriations	–	–
Transfer to General Reserve		
Proposed dividend		
Tax on dividend		
Balance carried forward to Balance Sheet	2,762.42	2,161.15

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.

The total net sales has increased by ₹92.48 crore from ₹433.97 crore last year to ₹526.45 crore this year - an increase by 21.30%. The gross profit has decreased by ₹11.10 crore. from ₹78.28 crore (18.05%) last year to ₹67.18 crore (12.75%) this year a decreased by 5.30%. The net profit after taxes has increased by ₹5.90 crore from ₹21.66 crore (4.99%) last year to ₹27.56 crore (5.24%) this year an increase by 27.23%.

Dividend

To converse 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 ₹300,000,000 to ₹600,000,000 divided into 60,000,000 equity shares of ₹10 each vide resolutions passed at 30th September 2009, at the previous annual general meeting.

Subsequent to the reporting period, the authorised share capital has been further 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 28th May 2010 of which results were declared on 7th July 2010). It is again proposed to increase the authorised share capital from ₹1,000,000,000 to ₹3,000,000,000 and to sub-divide the equity share from the face value of ₹10 each into the face value of ₹1 each (vide postal ballot notice dated 27th July 2010).

a) Allotment of convertible warrants

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 14th December 2009, the Company has allotted on 30th January 2010, 6500000 warrants, at ₹125 per warrant (including a premium of ₹115 per warrant) convertible into equal number of equity shares. As on 31st March 2010, the 6500000 warrants are outstanding as the balance payment of 75% per warrant is yet to be received. The last date for conversion is on or before 29th July 2011.

b) Global depository receipts

On 25th 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 14th December 2009, the Company allotted 31,249,998 equity shares of ₹10 each at a premium of ₹70 per equity share underlying 5,208,333 Global Depository Receipts (GDRs) each GDR representing six equity shares raising a total US$ 53.75 million. With effect from 28th June 2010, the Company's Global Depository Receipts (GDRs) are listed with Luxembourg Stock Exchange.

c) Bonus issue

In continuance to the Company's tradition of rewarding shareholders, the Board of Directors of the Company ("the Board") at its meeting held on 27th July 2010 has 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 the record date to be fixed by the Board for this purpose.

Subsidiary Companies

As on 31st March 2010, your Company has two subsidiary companies, namely, M/s Warana Minerals Private Limited and M/s Shri Warana Minerals (India) Private Limited.

In terms of Section 212 of the Companies Act, 1956, the Directors' Report, Balance Sheet, Profit and Loss Account of its subsidiary companies are attached to this Annual Report.

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.

In June, 2010, the Company has formed a wholly-owned subsidiary, "Resurgere International FZE" in UAE.

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 organisation. 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 dematerialisation through National Securities Depository Limited and Central Depository Services (India) Limited. As of 31st March 2010, 99.46% of the equity shares of your Company were held in demat form.

Buy-back of Shares

During the financial year under review, the 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. Ashwin Shankar Iyer and Mr. Ajay Sethi were appointed as Additional Directors of the Company under Section 260 of the Companies Act, 1956 on 10th August 2010. In terms of the provisions of Section 260 of the Companies Act, 1956, Mr. Ashwin Shankar Iyer and Mr. Ajay Sethi holds office up to the conclusion of the forthcoming Annual General Meeting (AGM) of the Company and are eligible for appointment. The Company has received notice from a member of the Company pursuant to section 257 of the Companies Act, 1956, proposing their candidature for the office of Director. Mr. Ashwin Shankar Iyer and Mr. Ajay Sethi shall be liable to retirement by rotation. The Board recommends their appointment as Director.

Mr. Nitin Sethi, Director of the Company retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment. The Board recommends his re-appointment at the ensuing Annual General Meeting.

Mr. I. D. Agarwal and Mr. Burzin Somandy, Directors of the Company, resigned as the Director with effect from 10th August 2010. The Board places on record its appreciation to 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.

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 standardise 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 2009-10, the applicable Accounting Standards have been followed and there are no material departures;

(ii) They 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 31st March 2010, and of the profit and cash flow of the Company for the year ended 31st March 2010;

(iii) They 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;

(iv) They have prepared the Annual Accounts 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 31st March 2010.

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 name and other particulars of employees are required to be set out in the Annexure to the Directors' Report. However, as per the provisions of Section 219 (1) (b) (iv) of the Act, the Annual Report is being sent to all the members of the Company 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, the Company made following transactions in foreign currency.

(₹ In Lacs)

Particular	2009-10	2008-09
Expenditure in Foreign Currency	45.56	522.73
Earning in Foreign Currency	Nil	2,117.12

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

Place: Mumbai
Date: 26th August 2010

Mr. Amit Sharma
Whole-time Director

Corporate Governance Report For The Year 2009-10

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 Agreement 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 with Clause 49 of the Listing Agreement entered into with the Stock Exchanges.

1. 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 organisation most effectively. Corporate Governance signifies acceptance by management of the inalienable rights of shareholders as the true owners of the organisation and of their own role as trustees on behalf of the shareholders.

By combining ethical values with business acumen, globalisation with national interests and core business with emerging business, the Company aims to be amongst the largest and most respected global organisations. 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.

The majority of our Board, (3 out of 5), consist of independent members. Further, we have Audit, Remuneration and Investor Grievance Committees, which comprise a 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 doubt, disclose.
- Make a clear distinction between personal conveniences and corporate resources.
- Communicate externally and 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

a) As on 31st March 2010, the Company's Board of Directors consists of five members, including the Executive Chairman. Of the five Directors, three (i.e. 60%) are Non-Executive and Independent Directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreement entered into with the Stock Exchanges and exceeds the percentages prescribed in the said Agreements.

b) None of the Directors on the Board are Members 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 31st March 2010 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 2009-10		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 (Chairman & Managing Director & CEO)	Promoter, Executive	6	5	Yes	–	–	–
Mr. Amit Sharma (Whole-time Director)	Non Independent, Executive	6	6	Yes	–	–	–
Mr. I. D. Agarwal	Independent, Non-Executive	6	6	Yes	1	–	1
Mr. Burzin Somandy	Independent, Non-Executive	6	6	Yes	1	–	–
Mr. Nitin Sethi #	Independent, Non-Executive	4	4	Yes	1	2	–
Mr. Pradeep Bishnoi (Whole-time Director) $	Non Independent, Executive	1	1	N.A.	–	–	–
Mr. Aditya Ranjan Singh $$	Independent, Non-Executive	1	1	N.A.	2	–	–
Mr. Suresh Kumar Singh $$$	Independent, Non-Executive	1	1	N.A.	–	–	–

$ Appointed on 17th June 2009. $ Resigned on 17th June 2009. $$ Resigned on 8th May 2009. $$$ Resigned on 16th May 2009.

e) Six 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:

8th April 2009, 17th June 2009, 28th June 2009, 28th July 2009, 26th October 2009, 30th January 2010.

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 of 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:

a) Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.

b) 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.

c) Approval of payment to Statutory Auditors for other services rendered by the Statutory Auditors.

d) 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 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 and 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 30th September 2009 and was attended by Mr. I. D. Agarwal, Chairman of the Audit Committee.

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 2009-10	
		Held	Attended
Mr. I. D. Agarwal - Chairman	Independent, Non-Executive	5	5
Mr. Burzin Somandy	Independent, Non-Executive	5	5
Mr. Nitin Sethi *	Independent, Non-Executive	4	4
Mr. Amit Sharma	Whole-time Director	5	5

** appointed on 17th June 2009.*

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

(vi) Five Audit Committee Meetings were held during the year. The dates on which the said meetings were held are as follows:

13th June 2009, 28th June 2009, 28th July 2009, 26th October 2009, 30th January 2010

The necessary quorum was present for all the meetings.

4. Remuneration Committee

(i) The Company has constituted a Remuneration Committee of Directors. The Broad terms of reference of the Remuneration Committee are as under:

a) Approval of the remuneration, service agreement, commission/incentive remuneration payable to the Managing Director, Whole-time Director (s).

b) Approval of the commission payable to the Non-Executive Directors of the Company.

Such other matters as the Board may from time to time request the Remuneration Committee to examine and recommend / approve.

(ii) As on 31st March 2010, 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 2009-10	
		Held	Attended
Mr. Burzin Somandy Chairman	Independent, Non-Executive	1	1
Mr. I. D. Agarwal	Independent, Non-Executive	1	1
Mr. Nitin Sethi	Independent, Non-Executive	1	0
Mr. Amit Sharma	Whole-time Director	1	1

(iii) One Remuneration Committee Meeting was held during the year on 19th June 2009.

(iv) The Chairman of the Remuneration Committee, Mr. Burzin Somandy, was present at the last Annual General Meeting of the Company held on 30th September 2009.

(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 fee 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 31st March 2010:

a) Non-Executive Directors:

Name	Sitting Fees (in ₹)
Mr. I. D. Agarwal	3,00,000.00
Mr. Burzin Somandy	3,80,000.00
Mr. Nitin Sethi *	2,20,000.00
Mr. Suresh Kumar Singh **	20,000.00
Mr. Aditya Ranjan Singh ***	20,000.00

** appointed on 17th June 2009. ** Resigned on 16.05.2009.*
**** Resigned on 08.05.2009.*

b) Managing Director and Whole-time Directors: (₹in lacs)

Name of Director and period of appointment	Salary	Bonus	Leave Salary	Medical Reimbursement	Employer's Contribution to Provident Fund	Total
Mr. Subhash Sharma *Chairman, Managing Director & CEO* (w.e.f. 1st April 2007 for a period of 5 years)	60.00	–	3.45	0.25	5.19	68.90
Mr. Amit Sharma Whole-time Director (w.e.f. 23rd 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)	17.31	–	1.03	0.60	1.57	20.52
Mr. Pradeep Bishnoi Whole-time Director (w.e.f. 16th October, 2008)	5.13	1.25	–	–	0.27	6.66

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

The Company does not have any Employee Stock Option Scheme.

Notice period for Managing Director is six months and for Whole-time Directors 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.

Details of Shares of the Company held by the Directors as on 31st March 2010 are as follows:

Name of the Director	Number of shares of ₹10/- each
Mr. Subhash Sharma	65,67,813
Mr. Amit Sharma	1,80,360
Mr. Burzin Somandy	4,950

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) Three meetings of the Committee were held during the year 2009-10 which are as follows: 28th June 2009, 28th July 2009, and 30th January 2010.

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 2009-10	
		Held	Attended
Mr. I. D. Agarwal	Independent, Non-Executive	3	3
Mr. Burzin Somandy, Chairman	Independent, Non-Executive	3	3
Mr. Nitin Sethi	Independent, Non-Executive	3	3
Mr. Amit Sharma	Whole-time Director	3	3

(iv) Name, designation and address of Compliance Office:
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

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

Opening Balance	Received	Resolved	Closing Balance
0	2	2	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.

6. Other Committees

(i) Management Committee

A Management Committee was constituted by the Board of Directors on 4th 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 31st March 2010 the committee comprising Mr. Subhash Sharma (Managing Director), Mr. Amit Sharma (Whole-time Director), Mr. Burzin Somandy (Independent, Non-Executive) and Mr. Nitin Sethi (Independent, Non-Executive). Five meetings of the Committee were held during the year on 6th May 2009, 4th September 2009, 22nd January 2010, 4th February 2010 and 2nd March 2010.

7. 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
31st March 2007	Thursday, 27th September 2007 at 2pm.	156, Maker Chamber – III, Nariman Point, Mumbai – 400021	- Appointment of Mr. Subhash Sharma as Managing Director. - Further issue of Shares u/s 81 (1A).
31st March 2008	Wednesday, 16th July 2008 at 11am.	Indian Merchant Chamber, 2nd Floor, Kilachand Conference Room, Churchgate, Mumbai – 400021	NIL
31st March 2009	Wednesday, 30th 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. - Approval of appointment of Mr. Amit Sharma as Whole-time Director. - Payment of Commission to Non Executive Directors. - Alteration of Articles of Association of the Company.

(ii) Extraordinary General Meeting

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

(ii) 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. Mr. R. N. Gupta, Practicing Company Secretary had been appointed as scrutiniser for conducting the Postal Ballots voting in a fair and transparent manner. The following 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
24.04.2009	Appointment of Joint Statutory Auditors of the Company.	Ordinary	99.94%	0.06%	0.00%
	Increase in borrowing limits u/s 293 (1) (d) up to ₹1000 crore	Special	99.93%	0.06%	0.01%
	Borrowing by creation of charge u/s 293 (1) (a) up to ₹1000 crore	Special	99.93%	0.06%	0.01%
	Authority to Board of Directors to vary / modify the use of the IPO funds.	Special	99.92%	0.07%	0.00%
14.12.2009	Raising additional long-term funds through further issuance of securities of the Company.	Special	99.99%	0.00%	0.01%
	Increase limit of Foreign Institutional Investor Investment.	Special	99.99%	0.00%	0.01%

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
	Insertion of sub-clause 86 in other objects of Memorandum of Association of the Company.	Special	99.99%	0.00%	0.01%
	Commencement and carrying new business and activities.	Special	99.99%	0.00%	0.01%
	Issuance of warrants convertible into equity shares on preferential basis.	Special	99.99%	0.06%	0.01%

The result of the Postal Ballot was displayed at the registered office and 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, no special resolution is proposed to be passed through postal ballot.

8. Disclosures

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

During the year 2009-10, 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 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 mater 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 2009-10, 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) Secretarial Audit

A qualified practicing Company Secretary carried out secretarial 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 Secretarial 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.

9. 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.

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

10. General Shareholders Information

(i) Annual General Meeting

Date	30th September 2010
Time	11.30 a.m.
Venue	"GMS Banquet Hall" Sitladevi Complex, 1st 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 30th September 2010.

(ii) Financial Calendar

Financial Calendar	1st April to 31st March
Annual General Meeting in	30th September 2010.
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 30th September 2010.

(iv) Listing on Stock Exchange

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

(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 2010-11.

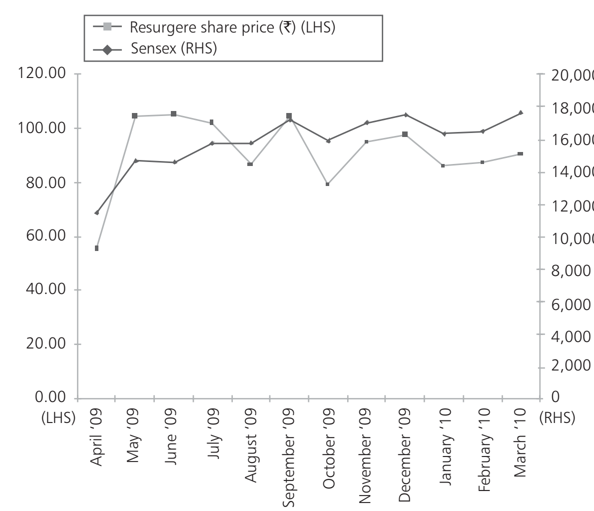
(vi) Market Price Data

High, Low (based on the closing prices) and number of shares traded during each month in the financial year 2009-10 on the National Stock Exchange of India Limited and the Bombay Stock Exchange Limited:

Month	National Stock Exchange of India Limited High (₹)	Low (₹)	Total Number of Shares Traded	Bombay Stock Exchange Limited High (₹)	Low (₹)	Total Number of Shares Traded	Total Volume (NSE and BSE) (Nos.)
April 09	67.25	45.55	5,00,654	67.00	45.55	4,95,100	9,95,754
May 09	104.20	55.75	9,27,996	104.70	56.00	13,78,117	23,06,113
June 09	139.45	88.50	7,33,881	140.45	88.75	9,89,481	17,23,362
July 09	115.80	76.70	6,85,345	110.15	76.65	8,56,894	15,42,239
August 09	106.45	78.00	18,57,292	106.90	78.00	29,04,951	47,62,243

Month	National Stock Exchange of India Limited High (₹)	Low (₹)	Total Number of Shares Traded	Bombay Stock Exchange Limited High (₹)	Low (₹)	Total Number of Shares Traded	Total Volume (NSE and BSE) (Nos.)
September 09	126.35	85.00	85,54,504	126.70	85.05	1,45,91,110	2,31,45,614
October 09	106.00	76.80	19,70,256	106.00	77.60	32,81,803	52,52,059
November 09	104.70	71.10	49,80,717	104.80	71.20	68,41,431	1,18,22,148
December 09	100.90	88.60	30,57,667	101.00	89.05	42,21,873	72,79,540
January 10	110.40	82.05	60,06,799	110.35	81.60	83,74,327	1,43,81,126
February 10	105.95	85.80	79,31,807	105.90	85.15	1,11,56,291	1,90,88,098
March 10	97.90	82.05	29,58,101	97.45	82.05	39,59,627	69,17,728

(vii) Performance of the share price of the Company in comparison to the BSE Sensex:



(viii) Registrar and Transfer Agents:

M/s 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.helpline@linkintime.co.in
Website: linkintime.co.in

(ix) Share Transfer System:

99.46% of the shares of the Company are in electric form as on 31st March 2010. 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 dematerialisation 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, secretarial audit is done on a quarterly basis for reconciliation of the share capital of the Company.

(x) Shareholding as on 31st March 2010:

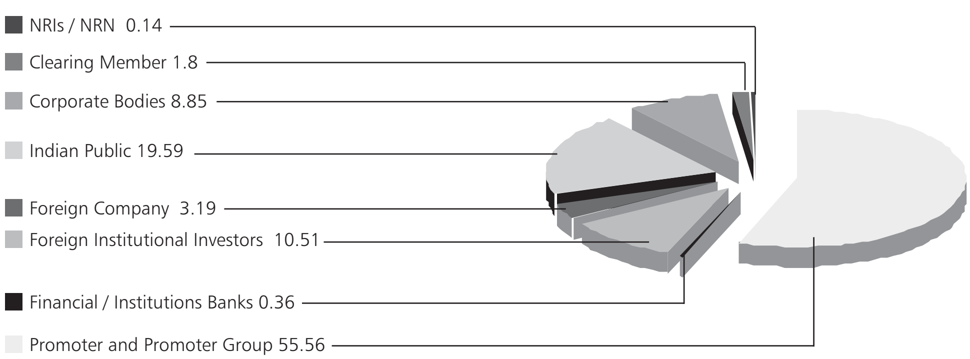
a) Distribution of equity shareholding as on 31st March 2010:

Number of Shares	Holding	Percentage to Capital	Number of shareholders	Percentage to total accounts
1 – 500	16,51,870	5.79	17,731	92.02
501 – 1000	5,87,140	2.06	728	3.78
1001 – 2000	5,42,561	1.90	358	1.86
2001 – 3000	3,52,899	1.24	138	0.72
3001 – 4000	1,73,215	0.60	50	0.25
4001 – 5000	3,22,016	1.13	67	0.35
5001 – 10000	6,49,394	2.28	82	0.43
10001 – above	2,42,62,455	85.00	114	0.59
Grand Total	**2,85,41,550**	**100**	**19,268**	**100.00**

b) Categories of Equity Shareholders as on 31st March 2010:

Category	Shareholders (Nos.)	Number of Shares	Percentage
Promoter & Promoter Group	12	1,58,57,543	55.56
Public Shareholding			
Financial Institutions / Banks	2	1,03,750	0.36
Foreign Institutional Investors	1	30,00,000	10.51
Foreign Company	1	9,10,000	3.19
Indian Public	18,316	55,87,653	19.59
Bodies Corporate	596	25,26,996	8.85
Clearing Member	261	5,14,129	1.80
NRIs / NRN	79	41,479	0.14
Grand Total	**19,268**	**2,85,41,550**	**100.00**

Shareholding Pattern



(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 99.46% of the Company's share capital are dematerialised as on 31st March 2010.

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 INE774I01015.

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

As on 31st March 2010, the Company did not have any outstanding GDRs/ADRs.

However, 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 14th December 2009, the Company has allotted on 30th January 2010, 65,00,000 warrants convertible into equal number of equity shares. As on 31st March 2010, the 65,00,000 warrants are outstanding as the balance payment of ₹93.75 per warrant is yet to be received. The last date for conversion is on or before 29th July 2011.

(xiii) Mines Locations:

(a) Iron Ore Mines:

- Nuagaon, Orissa
- Maharajpur, Orissa

(b) Bauxite Mines:

- Yelwan Jugai, Maharashtra
- Mahalmiriya, Maharashtra

(c) Soapstone Mine:

- Dhelana, Rajasthan

(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
Website: www.resurgere.in

11. Subsidiary Companies:

During the year under review, the Company did not have any material non listed subsidiary company as per the listing agreement entered into with the Stock Exchanges.

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. All the Board members and senior management personnel have affirmed their compliance with the said code of conduct for the year ended 31st March 2010.

Mumbai, 5th August 2010

Subhash Sharma
Chairman & Managing Director

Auditors' Certificate on Corporate Governance

To,
The Members
Resurgere Mines & Minerals India Limited
Mumbai – 400021

We have examined the compliance of conditions of Corporate Governance procedures implemented by Resurgere Mines & Minerals India Limited, for the year ended 31st March 2010, as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges 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 the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements 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 31st March 2010 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 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)
Membership No. 121275

Date: 26th August 2010
Place: Mumbai

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, 2010 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, 2010 and taken approval by the Board, we report that none of the Directors is disqualified as on 31st March, 2010 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, 2010 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
Membership No. 121275

Place : Mumbai
Date : 28th May 2010

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 31st March 2010.

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 generally 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 granted unsecured loans to one party covered in the register maintained under Section 301 of the Companies Act 1956. The maximum amount outstanding during the year was ₹ 206.41 Lacs and the year end balance was ₹ 59.08 Lacs.

b) The interest rate and other terms & conditions on which the loans have been given are prima facie, not prejudicial to the interest of the Company.

c) The payment of the principal amount and interest are also regular of the said loan.

d) In view of our comments in Para (iii) (c) above, clauses 4 (iii) (d) of the said Order are not applicable to the Company.

e) The Company has not taken 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) of the said order is not applicable.

g) In view of our comments in para (iii) (e) above, clause 4(iii) (g) of the said order is not applicable.

iv) In our opinion and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the Company and the nature of its business 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 systems.

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(1) (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 09-10 amounting to ₹ 821.35 Lac, which have remained outstanding as at 31st March, 2010 for a period more than six months from the date they became payable.

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.

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.

xvii) 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) The Company has not made an Initial Public Offer during the year.

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
Membership No. 121275

Place : Mumbai
Date : 28th May 2010

Balance Sheet

(₹ in lacs)

	Schedules		As at 31 March 2010	As at 31 March 2009
SOURCES OF FUNDS				
Shareholders' Funds				
Share Capital	A	2,854.16		2,854.16
Share warrants	A1	2,122.50		–
Reserves & Surplus	B	35,765.43		33,014.42
			40,742.09	35,868.58
Loan Funds				
Secured Loans	C		11,513.94	11,343.99
Unsecured Loans	D		710.00	300.00
Deferred Tax Liabilities			985.60	223.91
			53,951.63	**47,736.48**
APPLICATIONS OF FUNDS				
Fixed Assets	E			
Gross Block		18,619.93		1,432.36
Less: Depreciation		452.86		86.98
Net Block		18,167.07		1,345.39
Capital Work In Progress (Including advances)		1,634.06		18,313.88
			19,801.13	19,659.27
Investments	F		1,921.44	2,613.64
Current Assets, Loans & Advances				
Inventories	G	3,986.17		2,590.64
Sundry Debtors	H	15,902.40		12,941.80
Cash & Bank Balances	I	1,341.83		1,947.06
Loans & Advances	J	14,519.18		11,490.99
		35,749.58		28,970.49
Less: **Current Liabilities & Provisions**	K			
Current Liabilities		2,249.71		3,308.59
Provisions		2,167.46		1,345.54
		4,417.17		4,654.13
Net Current Assets			31,332.41	24,316.36
Miscellaneous Expenditure	L		896.65	1,147.22
			53,951.63	**47,736.48**
Significant Accounting Policies & Notes to Accounts	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

Subhash Sharma
Managing Director

Amit Sharma
Director

Mahavir Jain
Partner
Membership No. 121275

Harish Khetan
Chief Financial Officer

Rakesh Gupta
Company Secretary

Place: Mumbai
Date: 28th May 2010

Profit and Loss Account

(₹ in lacs)

	Schedules		Year ended 31 March 2010	Year ended 31 March 2009
INCOME				
Income from Operations	M		52,623.99	43,397.53
Other Income	N		264.34	119.13
Increase / (Decrease) in Stocks	O		305.73	(2,792.08)
			53,194.06	**40,724.59**
EXPENDITURE				
Materials, Production and Operational Expenses	P		46,233.43	32,776.94
Employee Costs	Q		263.74	245.42
Administration & Selling Expenses	R		744.84	2,578.87
Financial Charges	S		812.60	617.33
Depreciation & Amortization	E & L		677.50	1,274.51
			48,732.11	**37,493.08**
Profit before Tax			**4,461.95**	**3,231.51**
Provision for Tax - Income Tax		800.00		919.38
- Deferred Tax Liabilities/(Assets)		761.69		(127.67)
- Fringe Benefit Tax		–		20.00
- Tax of Earlier Years		156.02		253.67
			1,717.71	**1,065.37**
Profit after Tax			**2,744.24**	**2,166.13**
Prior Period Items			(6.17)	4.98
Profit available for Appropriations			**2,750.41**	**2,161.16**
Appropriations				
Surplus carried forward to Balance Sheet			**2,750.41**	**2,161.16**
Basic Earnings per Share of face value of ₹ 10 each (in ₹)			9.64	8.08
Diluted Earnings per Share of face value of ₹ 10 each (in ₹)			9.10	8.08
Significant Accounting Policies & Notes to Accounts	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

Subhash Sharma
Managing Director

Amit Sharma
Director

Mahavir Jain
Partner
Membership No. 121275

Harish Khetan
Chief Financial Officer

Rakesh Gupta
Company Secretary

Place: Mumbai
Date: 28th May 2010

Cash Flow Statement

(₹ in lacs)

	Year ended 31 March 2010	Year ended 31 March 2009
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax and Extraordinary Items	**4,461.95**	**3,231.51**
Adjustment for:		
Depreciation & Amortization	677.50	1,274.51
Dividends	(17.27)	(60.89)
Interest Income	(574.35)	(409.69)
Interest Expenses	1,310.29	942.09
Mine Development Activities	(60.81)	(1,366.14)
Loss on discard of Fixed Assets	0.25	–
(Profit)/Loss on sale of Investment	(8.69)	–
Direct Taxes Paid	(138.60)	(3,237.26)
Operating Profit before Extraordinary Items	**5,650.27**	**374.13**
Prior Period Items	(6.17)	4.98
Operating Profit before Working Capital Change	**5,656.44**	**369.15**
Adjustment for:		
Trade and Other Receivables	(2,960.59)	(5,517.58)
Inventories	(1,395.52)	3,148.87
Trade Payables	(1,054.55)	1,668.11
Loans and Advances	(3,028.19)	(1,685.53)
Net Cash used in Operating Activities (Total A)	**(2,782.42)**	**(2,016.98)**
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchases of Fixed Assets	(17,188.06)	(1,172.32)
Capital Work in Progress	16,679.83	(12,300.84)
Interest Income	574.35	409.69
Dividends	17.27	60.89
Sale of Investments	873.48	10,076.47
Purchase of Investments	(172.46)	(10,779.42)
Net Cash used in Investing Activities (Total B)	**784.43**	**(13,705.53)**

Cash Flow Statement *(Contd.)*

(₹ in lacs)

	Year ended 31 March 2010	Year ended 31 March 2009
C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Secured Loans (Net of Repayment)	169.94	4,920.18
Proceeds from Unsecured Loans (Net of Repayment)	410.00	1,206.61
Interest Paid	(1,310.29)	(942.09)
Share Capital	–	445.00
Share Warrant Money	2,122.50	–
Securities Premium Received	–	11,570.00
Share Issue Expenses	0.60	(772.70)
Net Cash from Financing Activities (Total C)	**1,392.75**	**16,427.00**
Net Increase in Cash & Cash Equivalents (Total A+B+C)	(605.23)	704.49
Cash & Cash Equivalents (Opening Balance)	1,947.06	1,242.57
Cash & Cash Equivalents (Closing Balance)	**1,341.83**	**1,947.06**

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

Cash in Hand	18.69	11.18
Balances with Banks	1,323.14	1,935.88
	1,341.83	1,947.06

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
Membership No. 121275

Place: Mumbai
Date: 28th May 2010

For and on behalf of the Board

Subhash Sharma
Managing Director

Amit Sharma
Director

Harish Khetan
Chief Financial Officer

Rakesh Gupta
Company Secretary

Schedules to the Balance Sheet

(₹ in lacs)

	As at 31 March 2010	As at 31 March 2009
Schedule "A" SHARE CAPITAL		
Authorised		
6,00,00,000 Equity Shares (Previous Year 3,00,00,000) of ₹ 10/- each.	6,000.00	3,000.00
	6,000.00	**3,000.00**
Issued, Subscribed & Paid up		
2,85,41,550 (Previous Year 2,85,41,550) Equity Shares of ₹ 10/- each fully paid up.	2,854.16	2,854.16
[Out of the above, 97,28,750 (Previous Year 97,28,750) Equity Shares of ₹ 10/- each are allotted as fully paid up Bonus Shares by capitalization of reserves]		
	2,854.16	**2,854.16**

Schedule "A1" SHARE WARRANTS		
Share warrants	2,122.50	–
[65,00,000 Warrants of ₹ 10/- each at a premium of ₹ 115/- 26.13% paid up. Issued on 30th January, 2010 and optionally convertibly into one equity share at the end of 18 months from the date of issue]		
	2,122.50	**–**

Schedule "B" RESERVES & SURPLUS		
Securities Premium Account		
Opening Balance	21,283.46	10,612.98
Additions during the year	–	11,570.00
	21,283.46	22,182.98
Less : Share issue expenses	(0.60)	899.52
Closing Balance	21,284.06	21,283.46
Profit and Loss Account		
Opening Balance	11,730.96	9,569.81
Profit for the year	2,750.41	2,161.15
Closing Balance	14,481.37	11,730.96
	35,765.43	**33,014.42**

Schedule "C" SECURED LOANS [See Note no C(5) of Schedule "T"]		
From Banks		
Term Loan [Due within one year ₹ 1394.75 Lacs (Previous year ₹ 1413.25 Lacs)]	3,597.45	5,042.95
Working Capital Facility	7,910.23	3,722.45
Export Packing Credit	–	2,550.71
Vehicle Loans	6.26	27.88
	11,513.94	**11,343.99**

Schedule "D" UNSECURED LOANS		
Inter-Corporate Deposits	710.00	300.00
	710.00	**300.00**

Schedules to the Balance Sheet

(₹ in lacs)

Schedule "E" FIXED ASSETS (At Cost Less Depreciation)

Description	Gross Block				Depreciation				Net Block	
	As at 01.04.2009	Additions During the period	Deductions During the period	As at 31.03.2010	Upto 31.03.2009	For the period	Adjustments	Upto 31.03.2010	As at 31.03.2010	As at 31.03.2009
Plant and Machinery	1,078.84	17,182.25	–	18,261.09	16.95	334.68	–	351.63	17,909.46	1,061.89
Electrical Installations	9.53	–	–	9.53	2.20	0.45	–	2.66	6.87	7.33
Furniture's & Fittings	45.13	2.46	–	47.59	10.72	3.01	–	13.72	33.87	34.41
Office Equipments	40.85	0.90	0.25	41.49	6.78	1.95	0.00	8.73	32.77	34.07
Motor Vehicles	242.25	–	–	242.25	43.90	23.01	–	66.91	175.34	198.35
Computers	15.76	2.21	–	17.97	6.43	2.77	–	9.21	8.77	9.33
Total	**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**
Previous Year	260.04	1,172.32	–	1,432.36	48.72	38.26	–	86.98	1,345.39	211.32

Capital work in progress (including advances) (₹ in lacs)

Description	Gross CWIP				Capitalisation				Net CWIP	
	As at 01.04.2009	Additions During the period	Deductions During the period	As at 31.03.2010	Upto 31.03.2009	During the period	Adjustments	Upto 31.03.2010	As at 31.03.2010	As at 31.03.2009
Plant and Machinery	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
Total	**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**
Previous Year	6,013.04	13,452.85	–	19,465.89	–	1,152.01	–	1,152.01	18,313.88	6,013.04

Note: Capital Work In Progress is abbreviated by CWIP

	As at 31 March 2010	As at 31 March 2009
Schedule "F" INVESTMENTS		
Long Term, Non-Trade		
Unquoted		
The City Co-operative Bank Limited [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
Long Term, Trade		
Unquoted		
Investment in Subsidiary		
Warna Minerals Private Limited Equity Shares [85,000 Shares (Previous Year 85,000 shares) of ₹ 10 each fully paid up]	85.00	85.00
0% Redeemable Optionally Convertible Preference Shares [1,213,000 Shares (Previous Year 12,13,000 shares) of ₹ 10/- each fully paid up with option to be redeemed within 3 years from the date of investment.]	1,819.50	1,819.50
[Aggregate of Unquoted Investments at Book Value ₹ 1,906 Lacs (Previous Year ₹ 1,906 Lacs)]		

Schedules to the Balance Sheet

(₹ in lacs)

	As at 31 March 2010	As at 31 March 2009
Schedule "F" INVESTMENTS *(Contd.)*		
Current Investments		
Quoted, Non - Trade		
SBI Mutual Fund	11.27	10.93
Magnum Insta Cash Fund - Daily Dividend Option [67,285.88 units (Previous Year 65,226 units)] [Market value ₹ 11.27 Lacs (Previous Year ₹ 10.93 Lacs)]		
Birla Sun Life Mutual Fund	–	31.66
Short Term Fund - Institutional Scheme - Daily Dividend Option [NIL units (Previous Year 3,16,376 units)] [Market value ₹ NIL Lacs (Previous Year ₹ 31.66)]		
Birla Sun Life Mutual Fund	0.54	512.81
Dynamic Bond Fund - Retail Quarterly Dividend [4909.556 units (Previous Year 46,92,419 units)] [Market value ₹ .54 Lacs (Previous Year ₹ 512.81)]		
ICICI Prudential Mutual Fund	3.63	152.24
Flexible Income Plan - Daily Dividend Option [3436.012 units (Previous Year 14,39,854 units)] [Market value ₹ 3.63 Lacs (Previous Year ₹ 152.25)]		
[Aggregate of Quoted Current Investments at Book Value ₹ 15.45 Lacs (Previous Year ₹ 707.65 Lacs) and Market Value ₹ 15.45 Lacs (Previous Year ₹ 707.65 Lacs)]		
	1,921.44	**2,613.64**

Schedule "G" INVENTORIES [As taken, valued and certified by the Management]		
Raw Material	1,657.34	567.54
Finished Goods	2,328.83	2,023.10
	3,986.17	**2,590.64**

Schedule "H" SUNDRY DEBTORS [Unsecured, considered good]		
For a period exceeding six months	29.97	13.32
Other Debts	15,872.43	12,928.48
	15,902.40	**12,941.80**

Schedule "I" CASH & BANK BALANCES		
Cash in hand	18.69	11.18
Balances with Scheduled Banks		
In Current Accounts	581.99	723.92
In Term Deposit Accounts	741.15	1,211.96
	1,341.83	**1,947.06**

Schedule "J" LOANS & ADVANCES [Unsecured, Considered good]		
Advance recoverable in cash or in kind or for value to be received.	345.90	58.35
Advances to Suppliers	3,478.92	4,262.59
Advance to Subsidiary	25.56	5.69
Inter - Corporate Deposits	4,124.47	4,015.12
Deposits	6,544.33	3,149.24
	14,519.18	**11,490.99**

Schedules to the Balance Sheet

(₹ in lacs)

	As at 31 March 2010	As at 31 March 2009
Schedule "K" CURRENT LIABILITIES & PROVISIONS		
i) Current Liabilities		
Sundry Creditors	1,738.35	2,780.22
Other Liabilities	511.36	528.37
	2,249.71	3,308.59
ii) Provisions		
Retirement Benefits	15.38	11.05
Provision for Taxation (Net of Advance Tax)	2,152.08	1,294.36
Provision for Fringe Benefit Tax	–	40.13
	2,167.46	1,345.54
	4,417.17	**4,654.13**

Schedule "L" MISCELLANEOUS EXPENDITURE (To the extent not written - off or adjusted)		
i) IPO Expenses		
Opening Balance	–	126.82
Addition during the period	–	772.70
Less: Written - off during the period	–	899.52
	–	–
ii) Mine Development Expenses		
Opening Balance	1,147.22	1,016.90
Addition during the period	60.81	1,366.14
Less : Written - off during the year	311.38	1,235.82
	896.65	1,147.22
	896.65	**1,147.22**

Schedules to the Profit and Loss Account

		Year ended 31 March 2010	Year ended 31 March 2009
Schedule "M" INCOME FROM OPERATIONS			
Sales			
Export Sales		–	2,120.27
Local Sales		52,623.99	41,277.26
		52,623.99	**43,397.52**
Schedule "N" OTHER INCOME			
Dividends		17.27	60.89
Foreign Exchange Fluctuation (Net)		14.50	36.17
Profit on sale of Mutual Fund		8.69	–
Other Income [TDS ₹ 19.86 Lac (PY NIL)]		223.88	22.08
		264.34	**119.13**
Schedule "O" INCREASE / (DECREASE) IN STOCKS			
Finished Goods			
Closing Stocks	2,328.83		2,023.10
Less: Opening Stocks	2,023.10		4,815.18
		305.73	**(2,792.08)**

Schedules to the Profit and Loss Account

(₹ in lacs)

		Year ended 31 March 2010	Year ended 31 March 2009
Schedule "P" MATERIALS, PRODUCTION AND OPERATIONAL EXPENSES			
Materials Consumed			
Opening Stocks	567.54		924.33
Add: Purchases	15,725.14		10,774.02
	16,292.68		11,698.35
Less: Closing Stocks	1,657.34		567.54
		14,635.34	11,130.81
Direct Expenses			
Extraction Charges		5,872.66	2,607.19
Labour Charges		121.85	150.70
Screening Charges		3,305.25	3,269.11
Crushing Charges		6,206.50	4,133.32
Freight & Transportation Charges		7.65	440.26
Mining Restitution Charges		-	745.63
Haulage, Siding, Terminal Charges		-	8.50
Loading/Unloading Charges		-	57.25
Purchases of Ore for Sale		16,084.18	10,234.17
		46,233.43	**32,776.94**

Schedule "Q" EMPLOYEE COSTS		
Salaries & Bonus	146.14	131.18
Contribution to Provident Fund and Other Funds	14.14	14.43
Directors' Remuneration	89.05	91.68
Staff Welfare Expenses & Other Benefits	14.41	8.13
	263.74	**245.42**

Schedule "R" ADMINISTRATION & SELLING EXPENSES		
Rent	10.60	13.32
Traveling & Conveyance	110.56	117.81
Communication Costs	17.62	13.80
Repairs & Maintenance (Others)	6.89	6.26
Professional Fees	118.14	215.68
Auditors' Remuneration	16.55	16.55
Discount on Forward Exchange Contract	24.50	-
Commission on Sales	1.00	35.83
Transportation, Stevedoring, Wharfage, Handling & Other Expenses	290.75	1,284.42
Advertisement & Sales Promotion Expenses	8.92	50.71
Ocean Freight	-	518.66
Directors Sitting Fees	9.40	5.40
Balances Written - Off	34.59	208.04
Preliminary Expenses Written Off	21.00	-
Loss on discard of Fixed Assets	0.25	-
Insurance	5.03	12.43
Miscellaneous Expenses	69.05	79.97
	744.84	**2,578.87**

Schedules to the Profit and Loss Account

(₹ in lacs)

		Year ended 31 March 2010	Year ended 31 March 2009
Schedule "S" FINANCIAL CHARGES			
Bank Charges		76.66	84.93
Bank Interest		1,239.62	823.18
Other Interest		70.67	118.91
		1,386.95	1,027.02
Less: Interest on Intercorporate Deposits	482.63		318.15
Interest on Fixed Deposits	91.72	574.35	91.54
[Tax Deducted at Source ₹ 80.69 Lacs (Previous Year ₹ 12.03 Lacs)]			
		812.60	617.33

Schedule "T" SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

A) Company Overview

Resurgere Mines & Minerals India Limited is a Public Limited Company engaged in the business of extraction, processing & sale of Ore and exploration & development of mining assets. Presently the Company is enjoying long term exclusive raising and purchasing rights at two Iron Ore Mines situated in the State of Orissa, Bauxite Mine in the State of Maharashtra and mining rights for Soapstone in the State of Rajasthan.

The Company has also 60 % equity holding in Shree Warana Minerals (India) Pvt. Ltd. having another bauxite mine in the State of Maharashtra through its wholly owned subsidiary i.e. Warana Minerals Private Limited.

B) Significant Accounting Policies

i. Basis of Accounting

The financial statements are prepared under the historical cost convention, on a going concern concept and in compliance with the Accounting Standards issued by the Institute of Chartered Accountants of India. The Company follows mercantile system of accounting and recognizes Income & Expenditure on accrual basis to the extent measurable and where there is certainty of ultimate realization in respect of incomes. Accounting policies not specifically referred to otherwise, are consistent and in consonance with the generally accepted accounting principles.

ii. Fixed Assets :

Fixed Assets are stated at cost of acquisition inclusive of incidental expenses related thereto and are net of CENVAT/VAT credit, if any.

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. Assets under implementation are not depreciated.

iii. Impairment of Fixed Assets:

At the end of each year, the Company determines whether a provision should be made for impairment loss on fixed assets by considering the indication that an impairment loss may have occurred in accordance with Accounting Standard 28 on "Impairment of Assets" issued by the Institute of Chartered Accountants of India. Where the recoverable amount of any fixed assets is lower than its carrying amount, a provision for impairment loss on fixed assets is made for the difference

iv. Depreciation :

Depreciation on Fixed Assets (other than wagons) 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 the useful life of the respective fixed assets. Depreciation has been claimed 100% on newly acquired individual capital items upto a value of ₹ 5,000/-.

During the year the company has acquired railway wagons and the same have been transferred to Indian Railways as per

Schedules forming Part of the Accounts

Schedule "T" SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS *(Contd.)*

"Wagon Investment Scheme". Depreciation on these wagons have been provided at the rate of 10% per annum on straight line method commensurate to its 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 :

Raw materials are valued at cost.

Finished goods are valued at lower of weighted average cost or net realizable value.

vii. Borrowing Costs

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

viii. Retirement Benefits :

i) 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.

ii) 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:

Expenses on initial development of "Tatibha Mines" are being amortized over a period of 5 years from the year in which the expenditure is incurred as estimated by the management.

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 recognized in the Profit and Loss Account.

d) The premium or discount in respect of forward exchange contract is amortized 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 recognized when significant risks and rewards of ownership are transferred to the customers. Sales are net of trade discounts and sales tax.

xii. Accounting for Taxation on Income :

Current Taxes

Provision for current income-tax is recognized 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 recognized 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 recognized in the period that includes the enactment date. Deferred tax Assets are recognized only to the extent there is reasonable certainty that the assets can be realized in the future. Deferred Tax Assets are reviewed as at each Balance Sheet date.

Schedules forming Part of the Accounts

xiii. 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.

C) Notes to Accounts

1) Out of the IPO proceeds of ₹ 12015 Lacs received during FY 2008-09, the company has as per the object set out in the prospectus utilised ₹ 8633 Lacs (Previous Year ₹ 7068 Lacs) towards advances/ acquisition of plant and machinery, advance for mining assets, working capital margin, pre operative expenses, meeting IPO expenses and general corporate purposes. Pending utilization, the balance funds of ₹ 3382 Lacs (Previous Year ₹ 4947 Lacs) as on 31st March, 2010 has been temporarily invested in Bank Fixed Deposits, Mutual Funds, and ICD's.

2) 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.

3) 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.

4) 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.

5) Secured Loans are as under:

i) 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.

ii) 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.

iii) Vehicle Loans

Against vehicle financed.

6) Contingent liabilities not provided for :-

a) Guarantee given by Bank on behalf of the Company ₹ Nil (Previous year ₹ 47.14 Lacs).

b) Claims against the Company not acknowledged as debts ₹ 127.19 Lacs, including interest (Previous Year ₹ 121.85 Lacs).

c) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹ 284.51 Lacs (Previous Year ₹ 3929.67 Lacs)

7) Auditors Remuneration :

(₹ in lacs)

Particulars	2009-10 Amount	2008-09 Amount
Audit Fees	13.24	13.24
Tax Audit Fees	3.31	3.31
Total	16.55	16.55

Schedules forming Part of the Accounts

Schedule "T" SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS *(Contd.)*

8) A) Directors' Remuneration

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

(₹ in lacs)

Particulars	2009-10 Amount	2008-09 Amount
i. Salaries	82.45	87.37
ii. Perquisites and allowances	0.86	--
iii. Commission	--	--
iv. Leave salary / Encashment	4.49	4.32
v. Contribution to Provident fund and Superannuation fund	7.03	7.10
vi. Provision for Gratuity	--	--
vii. Bonus	1.25	--
Total	**96.08**	**98.78**

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

Particulars	2009-10	2008-09
Profit before taxation	4,461.95	3,231.51
Add: Depreciation as per accounts	365.89	38.26
Loss on sale / discarding of Fixed Assets	0.25	---
Investment provided for	---	---
Managerial Remuneration	96.08	98.78
	462.21	**137.04**
Less: Depreciation as per Section 350 of Companies Act, 1956	365.89	38.26
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	---
	374.58	**38.26**
Net Profit for the year as per Section 349	**4,549.59**	**3,330.29**

Particulars	2009-10	2008-09
Eligibility of remuneration u/s 198		
Salaries, Perquisites of the Managing Director / Executive Directors calculated @ 10% of the Net Profit	454.96	333.03
Remuneration paid		
Salaries & Perquisites of the Managing Director / Executive Director	96.08	98.78
Remuneration Restricted to	96.08	98.78

b) Administration & Selling Expenses included ₹ 9.40 lacs (Previous year ₹ 5.40 lacs) towards sitting fees paid to non-executive directors.

B) Professional fees includes ₹ Nil (Previous year ₹ 5.00 Lacs) paid to an independent director of the company.

9) a) Other Liabilities shown in Schedule "K" Includes ₹ 112.85 Lacs (Previous year ₹ 127.38 Lacs) being share application money refundable to an Overseas Corporate Body. Necessary approval is awaited.

b) Local Sales shown in Schedule "M" is net of sales tax of ₹ 2638.02 Lacs (Previous year ₹ 2222.80 Lacs)

c) Foreign exchange fluctuation gain shown in Schedule "N" includes ₹ 14.53 Lacs (Previous year ₹ Nil) being exchange gain on account of share application money refundable to an overseas body corporate.

d) Miscellaneous expenses shown in Schedule "R" includes ₹ Nil (Previous Year ₹ 1.22 Lacs) towards key man insurance premium

10) Mining Restitution Charges ₹ Nil (Previous Year ₹ 745.63 Lacs) shown in Schedule "P" represents expenses incurred during the year for reformation of benches at the mines at "Nuagaon".

11) Consequent to commencement of excavation activity at an adjacent alternate site at Nuagaon mines after striking blue dust in the area the company has written off mine development expenses amounting to ₹ Nil (Previous Year ₹ 937.18 Lacs).

12) **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/ Purchases*		Sales		Closing Stocks	
	Quantity (Mts)	Amt	Quantity (Mts)	Amt	Quantity (Mts)	Amt	Quantity (Mts)*	Amt
Current Year	3,48,581	2,023.10	30,53,991	16,084.18	31,83,842	52,623.99	2,16,033	2323.38
Previous Year	2,96,612	4,815.18	21,35,859	10,234.17	20,83,890	43,397.53	3,48,581	2,023.10

Above mentioned quantity and value includes :

1. Purchase/Production includes trading purchases of 7,89,129.07 MTS of ₹ 16,084.18 Lacs (Previous Year 5,13,322 MTS ₹ 10,234.17 Lacs).
2. Sales include trading sales of 9,87,276.61 MTS ₹ 17,704.96 Lacs (Previous Year 5,23,069 MTS ₹ 12,875.75 Lacs).
3. * net of shortage

ii) Raw Materials consumed:

(₹ in lacs)

Particulars	Quantity (Mts)	Amount
Opening Stocks	123000	567.54
	(226000)	(924.33)
Purchases	4379029	15,736.51
	(2678202)	(10,774.02)
Closing Stocks	357100	1,662.79
	(123300)	(567.54)
Consumption*	4145229	14,641.25
	(2780902)	(11,130.81)

* including spoilage

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

(₹ in lacs)

Description	2009-10		2008-09	
	in %	Amount	in %	Amount
Imported	–	–	–	–
Indigenous	100%	14,635.34	100%	11,130.81

Schedules forming Part of the Accounts

Schedule "T" SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS *(Contd.)*

iv) Expenditure and Earnings in Foreign Exchange

(₹ in lacs)

Particulars	2009-10 Amount	2008-09 Amount
a) Expenditure in Foreign Exchange		
Foreign Travelling Expenses	1.42	7.36
Commission	Nil	Nil
Freight	Nil	513.66
Other expenses	44.14	1.71
b) Earnings in Foreign Exchange		
Export Sales –(FOB)	Nil	2,117.12

v) CIF Value of Imports

(₹ in lacs)

Particulars	2009-10 Amount	2008-09 Amount
Capital Goods	Nil	908.04

13) **Disclosure as per AS 15 Revised**

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

(₹ in lacs)

Particulars	2009-10	2008-09
Discount rate	8.00%	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	2009-10	2008-09
Opening Balance of present value of obligation	11.05	14.42
Interest Cost	1.27	1.67
Current Service Cost	4.80	6.54
Benefits paid	0.00	0.00
Actuarial (gain)/loss on obligations	(1.74)	(11.58)
Closing Balance of present value of obligation	15.38	11.05

Liability recognized in the Balance Sheet

(₹ in lacs)

Particulars	2009-10	2008-09
Opening Balance of present value of obligation	15.38	11.05
Fair Value of plan assets as at the end of the year	0.00	0.00
Unfunded status	15.38	11.05
Unrecognized Actuarial (Gain)/ loss	0.00	0.00
Closing Net (Assets)/ Liability recognized in the Balance Sheet	15.38	11.05

Expenses recognized in the Profit and Loss Account *(₹ in lacs)*

Particulars	2009-10	2008-09
Current Service Cost	4.80	6.54
Past Service Cost	1.27	1.67
Interest Cost	0.00	0.00
Expected return on plan assets	0.00	0.00
Net Actuarial (Gain)/ loss recognized during the year	(1.74)	(11.58)
Excess provided in earlier year	0.00	0.00
Total Expenses recognized in the Profit and Loss account	4.33	(3.37)

14) Earning Per Share *(₹ in lacs)*

Particulars	2009-10	2008-09
A Weighted average number of Equity Shares of ₹ 10/- each		
i Number of shares at the end of the year	2,85,41,550	2,85,41,550
ii Weighted average number of Equity Shares outstanding during the year	2,85,41,550	2,67,37,166
iii Weighted average number of Potential Equity Shares outstanding during the year	2,85,41,550	-
iv Total number of Potential Equity share for calculating Diluted Earning Per Share	3,02,39,550	-
B Net Profit available for Equity shareholders (₹ In Lacs)	2,750.40	2,161.16
C Basic Earning Per Share (in ₹) {B/A (ii)}	9.64	8.08
D. Diluted Earning Per Share (in ₹) {B/A (iv)}	9.10	8.08

15) Taxes on Income:

i) Provision for Taxation for the year has been made in accordance with the provisions of the Income Tax Act, 1961

ii) The accumulated balance in Net Deferred Tax Liability comprises of: *(₹ in lacs)*

Particulars	Opening Balance Deferred Tax Liability / (Asset) Amount	Current Year Change Liability/ (Assets) Amount	Closing Balance Deferred Tax Liability/(Assets) Amount
Deferred Tax Liability / (Assets)			
Depreciation	82.32	1061.48	1143.80
Disallowance under Income Tax Act	–	–	–
Provision for Gratuity	(3.76)	(1.47)	(5.23)
Pre-operative Expenses	(244.60)	55.44	(189.16)
Miscellaneous Expenditure allowed as deduction in Income Tax	389.95	(85.17)	304.77
Carry forward of Un-adjusted Minimum Alternate Tax	–	(268.59)	(268.59)
Deferred Tax Liability/(Assets) [Net]	**223.91**	**761.69**	**985.60**

16) Segment Information:

a) *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.

Schedules forming Part of the Accounts

Schedule "T" SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS *(Contd.)*

b) *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	2009-10	2008-09
India	52,623.99	41,277.26
Exports	Nil	21,20.27
Total	**52,623.99**	**43,397.53**

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	2009-10	2008-09
India	58,368.79	52,383.28
Outside India*	Nil	7.33
Total	**58,368.79**	**52,390.61**

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

17) Related Party Disclosures:

i) For the year ended 31st March, 2010

a) Key Management Personnel

Mr. Subhash Sharma	Director
Mr. Amit Sharma	Director
Mr. I.D. Agarwal	Director
Mr. Burzin Somandy	Director
Mr. Pradeep Bishnoi*	Director

* 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

(₹ in lacs)

Nature of Transaction	In relation to (a) above	In relation to (b) above	In relation to (c) above
Rent	---	1.20	---
	(—)	(1.20)	(—)
Directors Remuneration	96.08	---	-
	(98.78)	(—)	(—)
Professional Fees	—	-	-
	(5.00)	(—)	(—)
Director Sitting Fees	9.40	-	-
	(5.40)	(—)	(—)
Loans Taken	---	15.00	-
	(—)	(100.00)	(—)
Loans Repayment	---	13.43	-
	(—)	(1228.56)	(—)
Loan Granted	---	-	21.28
	(2.20)	(810.00)	(5.59)
Loan Returned Back	—	150.00	1.29
	(--)	(610.00)	(0.03)
Advance Granted	2.25	1.29	-
	(6.63)	(5.56)	(0.19)
Advance Returned Back	2.25	1.29	-
	(6.63)	(5.66)	(0.07)
Interest on Loans Taken	---	-	-
	(—)	(55.48)	(—)
Interest on Loans Given	---	25.68	-
	(—)	(15.28)	(—)
Sales	---	-	7.87
	(—)	(—)	(—)
Realisation from debtors	---	-	6.00
	(—)	(—)	(—)

Amount Outstanding as at 31st March, 2010

(₹ in lacs)

Nature of Transaction	In relation to (a) above	In relation to (b) above	In relation to (c) above
Current Liabilities	3.62	1.57	-
	(5.11)	(—)	(—)
Current Assets	---	59.08	27.43
	(—)	(205.09)	(5.69)
Unsecured Loans	---	-	-
	(—)	(—)	(—)
Deposits Given	---	202.68	-
	(—)	(202.68)	(—)
Investments	---	-	1,904.50
	(—)	(—)	(1,904.50)

Previous year figures are given in brackets.

Schedules forming Part of the Accounts

Schedule "T" SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS *(Contd.)*

18) Preoperative expenses net of capitalization of ₹ Nil (Previous Year ₹ 592.25 Lacs) are included in capital work in progress.

19) The company has during the year purchased 15,59,049 (Previous year 10,04,95,370) units of Mutual Fund amounting to ₹ 172.46 Lacs (Previous year ₹ 10,779.42 Lacs) and out of the same redeemed 79,87,995 (Previous year 9,40,09,480) units amounting to ₹ 873.50 Lacs (Previous year ₹ 10,076.47 Lacs).

Investment in Mutual Fund *(₹ in lacs)*

Particulars	Purchase		Redemption	
	Units	Amount	Units	Amount
Birla Sun Life Mutual Fund	1,540,940	167.15	6,535,528	719.76
ICICI Prudential Mutual Fund	16,049	4.97	1,452,467	153.74
SBI Mutual Fund	2,060	0.35	—	—
Total	1,559,049	172.46	7,987,995	873.50

20) 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.

21) Figures less than ₹ 500/- has been shown at actual wherever statutory required to be disclosed since figures have been rounded off to the nearest ₹ 000s.

22) 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 and on behalf of the Board

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

Subhash Sharma
Managing Director

Amit Sharma
Director

Mahavir Jain
Partner
Membership No. 121275

Harish Khetan
Chief Financial Officer

Rakesh Gupta
Company Secretary

Place: Mumbai
Date: 28th May 2010

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No.	172412	State Code	11
Balance Sheet Date	31 (Date) 03 (Month) 2010 (Year)		

II. Capital Raised during the year (₹ *in lacs)*

Public Issue (inclusive of Security Premium)	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

III. Position of Mobilisation and Deployment of Funds (₹ *in lacs)*

Total Liabilities	58369	Total Assets	58369
Sources of Funds			
Paid-up Capital	2854	Reserves & Surplus	35765
Share Warrants	2123	Secured Loans	11514
Unsecured Loans	710	Deferred Tax Liabilities	986
Current Liabilities	4417		
Application of Funds			
Net Fixed Assets	19801	Investments	1921
Net Current Assets	35750	Misc. Expenditure	897
Accumulated Losses	NIL		

IV. Performance of Company (₹ *in lacs)*

Net Turnover (incl. Other Income)	53194	Total Expenditure	48732
Profit/Loss Before Tax	4462	Profit/Loss After Tax	2750
Earnings Per Share in (₹)	9.64	Dividend Rate (%)	NIL

V. Generic Names of Three Principal Products/ Services of Company *(as per monetary terms)*

Item Code No. (ITC Code)	Product Description
26011140	IRON ORE FINES
26060090	BAUXITE
26011110	IRON ORE LUMPS

Signatories to Schedule "A" to "T"

As per our Report of even date attached

For and on behalf of the Board

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

Subhash Sharma
Managing Director

Amit Sharma
Director

Mahavir Jain
Partner
Membership No. 121275

Harish Khetan
Chief Financial Officer

Rakesh Gupta
Company Secretary

Place: Mumbai
Date: 28th May 2010

Section 212

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 Resurger Mines & Minerals India Ltd.			
			For Current Financial Year (Amount in ₹ Lacs)		For Previous Financial Year (Amount in ₹ Lacs)	
	Equity	Extent of holding	Dealt with in the account of the Resurgere Mines & Minerals India Ltd for the year ended 31st March 2010	Not dealt with in the account of the Resurgere Mines & Minerals India Ltd for the year ended 31st March 2010	Dealt with in the account of the Resurgere Mines & Minerals India Ltd for the year ended 31st March 2009	Not dealt with in the account of the Resurgere Mines & Minerals India Ltd for the year ended 31st March 2009
Warana Minerals Private Limited (WMPL)	85,000 Equity Shares,	100%	12.02	N.A.	NIL	N.A.
Shri Warana Minerals (India) Private Limited	27,000 Equity Shares held by WMPL	60%	NIL	N.A.	NIL	N.A.

Notes:

1. The financial year of Resurgere Mines & Minerals India Limited and its subsidiary companies are ending on 31st March, 2010.
2. Shri Warana Minerals (India) Private Limited was formed on 16th February, 2009 under Part IX of the Companies Act, 1956.

For and on behalf of the Board

Subhash Sharma
Managing Director

Amit Sharma
Director

Harish Khetan
Chief Financial Officer

Rakesh Gupta
Company Secretary

Place: Mumbai
Date: 28th May 2010

Directors Report

To,
The Members,
Warana Minerals Private Limited

The Directors are pleased to present their 10th Annual Report and Audited Statement of Accounts for the year ended 31st March 2010.

Financial Result

The performance of the Company for the financial year 2009-10 is summarized below:

Particulars	FY 2009-10
Total income	2,939,682
Total Expenditure	1,093,493
Profit before tax	1,846,189
Provision for taxation	644,600
Profit after tax	1,201,589
Balance of Profit from last year	-
Profit available for appropriation	1,201,589
Balance Carried forward to Balance Sheet	1,201,589

Review of Performance

During the year under review, the Company has recorded total income of ₹ 29.39 lacs and net profit after tax is ₹ 12.01 lacs. This is the first year of operation of the company.

Dividend:

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

Fixed Deposit

The Company has not accepted any fixed deposits within the meaning of Section 58A of the Companies Act, 1956, during the year under review.

Subsidiary and Holding Company

i) *Subsidiary Company*

Shri Warana Minerals India Private Limited is the subsidiary company. 60% Equity Shares was hold by the Company

ii) *Holding Company*

Resurgere Mines and Mineral India Limited is the Holding Company. 100% of the Share Capital of Warana Minerals Private Limited is held by the Holding Company

Directors' Responsibility Statement

In accordance with the provisions of Section 217(2AA) of the companies Act, 1956, with respect to Directors' Responsibility Statement, your directors confirm that:

a) In the preparation of Annual Accounts, the applicable Accounting Standard had been followed;

b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2010 and profit or loss of the company for the year ended on that date;

c) The Directors had taken proper and sufficient care for the maintenance of adequate Accounting records in accordance with the provision of the Companies Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and

d) The Directors had prepared the Annual Accounts on a "going concern" basis.

Particulars of Employees

The Company does not have any employees who were in the receipt of remuneration aggregating to the sum prescribed under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended.

Conservation of Energy

In terms of Section 217 (1) (e) of the Companies Act, 1956, information relating to Conservation of Energy, Technology absorption, Foreign Exchange earning and outgo is not required as the Company is not engaged in manufacturing activities.

Directors:

The Present Directors of the Company are:

1. Mr. Subhash Sharma
2. Mr. Amit Sharma

Mr. Subhash Sharma, Director retire by rotation and being eligible offers himself for re-appointment.

Auditors

M/s. Dargar & Co., Chartered Accountant, Mumbai, Statutory Auditors of the Company, hold office until the conclusion of ensuing Annual General Meeting and being eligible offered themselves for reappointment.

The Company has received letter from M/s. Dargar & Co., Chartered Accountant, Mumbai to the effect that their reappointment if made would be within prescribed limits under section 224 (1B) of the Companies Act, 1956. Members are requested to re-appoint M/s. Dargar & Co., Chartered Accountant, Mumbai, as the Statutory Auditors of the Company and authorized the Board of Directors to fix their remuneration.

Auditors' Report

All observation made by the Auditors in their reports are self explanatory by way of Notes on Accounts and does not require any further clarification.

Acknowledgement

Yours Directors place on record their appreciation of co-operation and support extended by the Bankers, Client, Government agencies and other institution and look forward to their continued support. Yours Directors wish to place on record their deep sense of appreciation for the committed services of Executives, Staff and Workers of the Company.

By order of the Board of Directors
For **Warana Minerals Private Limited**

Place: Mumbai
Date : 24th May 2010

Chairman

Auditors Report

To,
The Members,
Warana Minerals Private Limited.

We have audited the attached Balance Sheet of Warana Minerals Private Limited as at 31st March, 2010 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 do not annex any statement on the matters specified in the paragraphs 4 and 5 of the said Order as it is not applicable to the Company.

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 and Profit and Loss Account 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 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, 2010 and taken approval by the Board, we report that none of the Directors is disqualified as on 31st March, 2010 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:

      i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010; and

      ii) In the case of the Profit & Loss Account, of the Profit for the period ended on that date.

For M/s Dargar & Co.
Chartered Accountants

Vijay Dargar
Proprietor
Mem. No. : 76191

Place : Mumbai
Date : 24th May 2010

Balance Sheet

(Amount in ₹)

	Schedules	As at 31 March 2010	As at 31 March 2009
I. SOURCES OF FUNDS			
Shareholder's Funds			
Share Capital	1	12,980,000	12,980,000
Share Application Money		250,000	250,000
Reserves & Surplus	2	182,647,201	181,445,612
		195,877,201	194,675,612
		195,877,201	**194,675,612**
II. APPLICATION OF FUNDS			
Fixed Assets	3	484,288	-
Investments	4	270,000	270,000
Current Assets, Loans & Advances			
Sundry Debtors	5	480,421	-
Cash & Bank Balances	6	1,174,847	128,093
Loans & Advances	7	195,183,530	194,263,500
		196,838,798	194,391,593
Less : Current Liabilities & Provisions	8		
Current Liabilities		2,776,100	1,690,796
Provisions		644,600	-
		3,420,700	1,690,796
Net Current Assets		193,418,098	192,700,797
Miscellaneous Expenditure	9	1,704,816	1,704,816
		195,877,201	**194,675,612**
Significant Accounting Policies & Notes on Accounts	13		

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 **M/s. Dargar & Co.**
Chartered Accountants

For and on behalf of the Board

Vijay Dargar
Proprietor
Membership No. 76191

Subhash Sharma
Director

Amit Sharma
Director

Place: Mumbai
Date : 24th May 2010

Profit and Loss Account

(Amount in ₹)

	Schedules	Year ended 31 March 2010	Year ended 31 March 2009
INCOME			
Local Sales	10	2,939,682	-
		2,939,682	**-**
EXPENDITURE			
Materials Consumed	11	756,602	-
Administrative and Selling Expenses	12	336,891	-
		1,093,493	**-**
Profit / (Loss) Before Tax		**1,846,189**	**-**
Provision for Taxation			
- Current Tax		644,600	-
- Deferred Tax		-	-
		644,600	-
Profit / (Loss) After Tax		**1,201,589**	**-**
Profit and Loss Account, beginning of the period/year		-	-
Profit / (Loss)Available for Appropriation		**1,201,589**	**-**
APPROPRIATIONS :			
Profit / (Loss) Available For Appropriation		**1,201,589**	**-**
Basic Earnings Per Share		14.14	-
Diluted Earnings Per Share		14.14	-
85,000 equity shares of ₹ 10/- each fully paid up			
Notes to Accounts	13		

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 **M/s. Dargar & Co.**
Chartered Accountants

Vijay Dargar
Proprietor
Membership No. 76191

Place: Mumbai
Date : 24th May 2010

For and on behalf of the Board

Subhash Sharma
Director

Amit Sharma
Director

Cash Flow Statement

(Amount in ₹)

	Year ended 31 March 2010	Year ended 31 March 2009
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax and Extraordinary Items	1,846,189	-
Adjustment for:		
Depreciation & Amortization	-	-
Dividends	-	-
Interest Income	-	-
Interest Expenses	-	-
Pre-operative Expenses	-	(1,466,248)
Loss on discard of Fixed Assets	-	-
(Profit)/Loss on sale of Investment	-	-
Direct Taxes Paid	-	-
Operating Profit before Extraordinary Items	**1,846,189**	**(1,466,248)**
Prior Period Items	-	-
Operating Profit before Working Capital Change	**1,846,189**	**(1,466,248)**
Adjustment for:		
Trade and Other Receivables	(480,421)	-
Inventories	-	-
Trade Payables	1,085,304	1,602,560
Loans and Advances	(920,030)	(175,500)
Net Cash used in Operating Activities (Total A)	**1,531,042**	**(39,188)**
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchases of Fixed Assets	(484,288)	-
Capital Work in Progress	-	-
Interest Income	-	-
Dividends	-	-
Sale of Investments	-	-
Purchase of Investments	-	(270,000)
Net Cash used in Investing Activities (Total B)	**(484,288)**	**(270,000)**
C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Secured Loans (Net of Repayment)	-	-
Proceeds from Unsecured Loans (Net of Repayment)	-	-
Interest Paid	-	-
Share Capital	-	-
Share Application Money	-	250,000
Securities Premium Received	-	-
Share Issue Expenses	-	-
Net Cash from Financing Activities (Total C)	**-**	**250,000**
Net Increase in Cash & Cash Equivalents (Total A+B+C)	**1,046,754**	**(59,188)**
Cash & Cash Equivalents (Opening Balance)	**128,093**	**187,281**
Cash & Cash Equivalents (Closing Balance)	**1,174,847**	**128,093**

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

Cash in Hand	8,046	31,258
Balances with Banks	1,166,801	96,835
	1,174,847	128,093

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 **M/s. Dargar & Co.**
Chartered Accountants

For and on behalf of the Board

Vijay Dargar
Proprietor
Membership No. 76191

Subhash Sharma
Director

Amit Sharma
Director

Place: Mumbai

Date : 24th May 2010

Schedules to the Balance Sheet

(Amount in ₹)

	As at 31 March 2010	As at 31 March 2009
Schedule "1" SHARE CAPITAL		
Authorised		
1,00,000 Equity Shares of ₹ 10/- each	1,000,000	1,000,000
19,00,000 0% Redeemable Preference Shares	19,000,000	19,000,000
(Optionally Convertible into Equity Shares) of ₹ 10/- each.		
	20,000,000	**20,000,000**
Issued, Subscribed and Paid up		
85,000 Equity Shares of ₹ 10/- each fully paidup	850,000	850,000
[Previous Year 85000 Equity Shares of ₹ 10 each fully paid up.]		
[All the above Equity Shares are held by the Holding Company viz. Resurgere Mines & Minerals India Limited and its nominee.]		
0% Redeemable Optionally Convertible Preference Shares		
12,13,000 Preference Share of ₹ 10/- each fully paidup	12,130,000	12,130,000
[Previous Year 1213000 Pref.Shares of ₹ 10 each fully paid up.]		
[All the above Preference Shares are held by the Holding Company viz. Resurgere Mines & Minerals India Limited]		
	12,980,000	**12,980,000**

Schedule "2" RESERVES AND SURPLUS		
Security Premium Account		
Opening Balance	169,445,612	169,445,612
Additions during the period	-	-
	169,445,612	169,445,612
Less : Share issue expenses write off	-	-
Closing Balance	169,445,612	169,445,612
Capital Reserve Account		
Opening Balance	12,000,000	12,000,000
Additions during the period	-	-
Closing Balance	12,000,000	12,000,000
Profit and Loss Account		
Opening Balance	-	-
Additions during the period	1,201,589	-
Closing Balance	1,201,589	-
	182,647,201	**181,445,612**

	Gross Block			Depreciation	W.D.V.
	As at 01 April 2009	Addition (Deduction)	As at 31 March 2010	For the year	As at 31 March 2010
Schedule "3" FIXED ASSETS					
Land	-	484,288	484,288	-	484,288
Current Year Total	-	484,288	484,288	-	484,288
Previous Year Total	-	-	-	-	-

Schedules to the Balance Sheet

(Amount in ₹)

	As at 31 March 2010	As at 31 March 2009
Schedule "4" INVESTMENTS		
In Equity shares of Subsidiary,		
Shri Warana Minerals (India) Pvt. Ltd.	270,000	270,000
[27000 (Previous Year 27000) Equity Shares of ₹ 10 each fully paid up.]		
	270,000	**270,000**
Schedule "5" SUNDRY DEBTORS		
For a period exceeding six months	-	-
Other Debts	480,421	-
	480,421	**-**
Schedule "6" CASH & BANK BALANCES		
Cash in hand	8,046	31,258
Balances with Scheduled Banks		
In Current Accounts	1,166,801	96,835
	1,174,847	**128,093**
Schedule "7" LOANS & ADVANCES		
Advance to Subsidiary		
Shri Warana Minerals (India) Pvt. Ltd.	194,870,073	194,263,500
(Maximum amount o/s ₹ 196323893/- (Previous Year ₹ 194297000/-)		
Advances recoverable in cash or kind	293,457	-
Deposits	20,000	-
	195,183,530	**194,263,500**
Schedule "8" CURRENT LIABILITIES & PROVISIONS		
A) Current Liabilities		
Sundry Creditors for Goods	187,056	-
Sundry Creditors for Expenses	5,515	1,006,953
Duties & Taxes	27,569	127,883
Advance from holding Company	2,555,960	555,960
(Resurgere Mines & Minerals India Limited)		
[Maximum amount outstanding ₹ 26,83,843/- (Previous year ₹ 5,55,960/-)]		
	2,776,100	**1,690,796**
B) Provisions		
Provision for tax	644,600	-
	644,600	**-**
Total (A+B)	**3,420,700**	**1,690,796**
Schedule "9" MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
Pre-operative Expenses		
Opening Balance	1,704,816	238,568
Add: Addition during the year	-	1,466,248
Less: Written off during the year	-	-
	1,704,816	**1,704,816**

Schedules to the Profit and Loss Account

(Amount in ₹)

	Year ended 31 March 2010	Year ended 31 March 2009
Schedule "10" INCOMES		
Local Sales	3,059,062	-
Less: Sales Tax	119,379	-
	2,939,682	**-**
Schedule "11" MATERIALS CONSUMED		
Opening Stocks	-	-
Add: Purchases	756,602	-
	756,602	-
Less: Closing Stocks	-	-
	756,602	**-**
Schedule "12" ADMINISTRATIVE AND SELLING EXPENSES		
Bank Charges	6,808	-
Audit Fees	5,515	-
Office Expenses	860	-
Professional Fees	162,825	-
Filing Fees	5,100	-
Transportation Charges	138,368	-
Miscellaneous Expenses	17,415	-
	336,891	**-**

Schedule "13" SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

Company Overview

Warana Minerals Private Limited was incorporated on 28th September, 2000 under The Indian Companies Act, 1956 (the Act). The main object of the Company is to carry business in any minerals and ore.

A. SIGNIFICANT ACCOUNTING POLICIES

i. **Basis of Accounting :**

The financial statements are prepared under the historical cost convention, on a going concern concept and in compliance with the Accounting Standards issued by the Institute of Chartered Accountants of India. The Company follows mercantile system of accounting and recognizes Income & Expenditure on accrual basis to the extent measurable and where there is certainty of ultimate realization in respect of incomes. Accounting policies not specifically referred to otherwise, are consistent and in consonance with the generally accepted accounting principles.

ii. **Fixed Assets :**

Fixed Assets are stated at cost of acquisition inclusive of incidental expenses related thereto and are net of CENVAT/VAT credit, if any.

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. Assets under implementation are not depreciated.

iii. **Impairment of Fixed Assets:**

At the end of each year, the Company determines whether a provision should be made for impairment loss on fixed assets by considering the indication that an impairment loss may have occurred in accordance with Accounting Standard 28 on "Impairment of Assets" issued by the Institute of Chartered Accountants of India. Where the recoverable amount of any fixed assets is lower than its carrying amount, a provision for impairment loss on fixed assets is made for the difference

iv. **Depreciation :**

Depreciation on Fixed Assets is provided on 'Straight Line Method' in the manner and at the rates specified in Schedule XIV of the Companies Act, 1956. Depreciation has been claimed 100% on newly acquired individual capital items upto a value of ₹ 5,000/-.

Schedule "13" SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS *(Contd.)*

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 :

Raw materials are valued at cost.

Finished goods are valued at lower of weighted average cost or net realizable value.

vii. Borrowing Costs

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

viii. Retirement Benefits :

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.

ix. Revenue Recognition :

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

x. Accounting for Taxation on Income :

Current Taxes

Provision for current income-tax is recognized 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 recognized 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 recognized in the period that includes the enactment date. Deferred tax Assets are recognized only to the extent there is reasonable certainty that the assets can be realized in the future. Deferred Tax Assets are reviewed as at each Balance Sheet date.

xi. 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. The provision of Employees provident Fund Act and Employees State Insurance Act does not apply to the company.

2. Auditors Remuneration :

(Amount in ₹)

Particulars	2009-10 Amount	2008-09 Amount
Audit Fees	5,515	5,618
Total	5,515	5,618

3. Additional Information Pursuant to the provisions of Part II of the Schedule VI of the Companies Act 1956

i) Quantitative Information:

a) Installed Capacity NIL

b) Purchase/Production, Consumption/Sales/Stock :

(Amount in ₹)

	Opening Stocks		Production/ Purchases*		Sales		Closing Stocks	
	Quantity (Mts)	Amt	Quantity (Mts)	Amt	Quantity (Mts)	Amt	Quantity (Mts)	Amt
Current Year	-	-	2406.990	7,56,602	2406.990	29.39.682	-	-
Previous Year	-	-	-	-	-	-	-	-

Above mentioned quantity and value includes :

1. Purchase/Sales are trading purchases/Sales.
2. The item pertains to Soapstone
3. * Purchases are net of shortages.

Schedules forming Part of the Accounts

Schedule "13" SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS *(Contd.)*

4. Calculation of Basic and Diluted Earnings Per Share (EPS)

(Amount in ₹)

Particulars	2009-10	2008-09
Profit / (Loss) attributable to the Equity shareholders (A)	12,01,589	Nil
Basic/Weighted Number of equity shares outstanding during the period/ year. (B)	85,000	Nil
Nominal value of Equity Shares (₹)	10	Nil
Basic/Diluted Earnings per Share (₹) ((A)/(B))	14.14	Nil

5. Segment Information:

Requirements of Accounting Standard 17 "Segment Reporting" issued by the Institute of Chartered Accountants of India is not applicable to the Company as there is neither Primary (Business) Segment nor Secondary (Geographical Segment). The company's business constitutes only one reportable business segment being Trading , hence no separate disclosure is required as per AS-17.

6. Related Party Disclosures:

i) For the year ended 31st March, 2010

a) Key Management Personnel

Mr. Subhash Sharma	Director
Mr. Amit Sharma	Director

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

d) Holding

Resurgere Mines & Minerals India Ltd.	Company

(Amount in ₹)

Nature of Transaction	In relation to (a) above	In relation to (b) above	In relation to (c) above	In relation to (d) above
Loans Taken	---	---	---	21,27,883
	(—)	(—)	(—)	(5,59,000)
Loans Repayment	---	---	---	1,27,883
	(—)	(—)	(—)	(3,040)
Loan Granted	---	1,60,410	6,06,573	---
	(—)	(—)	(1,75,500)	(—)
Loan Returned Back	---	---	---	---
	(—)	(—)	(—)	(—)
Advance Taken	---	---	---	---
	(—)	(—)	(—)	(6,739)
Advance Returned Back	---	---	---	---
	(—)	(—)	(—)	(6,739)
Investment	---	---	---	---
	(—)	(—)	(2,70,000)	(—)
Share Application Money Received	---	---	---	---
	(2,50,000)	(—)	(—)	(—)
Purchase	---	---	---	7,87,056
	(—)	(—)	(—)	(—)
Payment to Creditors	---	---	---	6,00,000
	(—)	(—)	(—)	(—)

Schedule "13" SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS *(Contd.)*

Amount Outstanding as at 31st March, 2010 *(Amount in ₹)*

Nature of Transaction	In relation to (a) above	In relation to (b) above	In relation to (c) above	In relation to (d) above
Current Liabilities	2,50,000	---	---	27,43,016
	(2,50,000)	(—)	(—)	(5,55,960)
Current Assets	---	1,60,410	19,48,70,073	---
	(—)	(—)	(19,42,63,500)	(—)
Unsecured Loans	---	---	---	---
	(—)	(—)	(—)	(—)
Deposits Given	---	---	---	---
	(—)	(—)	(—)	(—)
Investments	---	---	2,70,000	---
	(—)	(—)	(2,70,000)	(—)
Share Capital	---	---	---	12980000
	(—)	(—)	(—)	(12980000)

previous year figures are given in brackets.

7. The company has not accepted any deposits under the provisions of Section 58A and 58AA of the Act and the Rules framed there under

8. The Company is a wholly owned subsidiary of Resurgere Mines & Minerals India Limited .

9. The Company was one of the partner in erstwhile partnership firm ie. Shri Warana Minerals with 60% interest and was subsequently converted into Shri Warana Minerals (India) Pvt. Ltd. under Part IX of Companies Act,1956 w.e.f. 16th February, 2009 with 60% equity share holding.

10. Figures of the previous year have been regrouped, reclassified and / or rearranged wherever necessary to compare with the figures of the current year.

As per my report of even date

For **M/s. Dargar & Co.**
Chartered Accountants

For and on behalf of the Board

Vijay Dargar
Proprietor
Membership No. 76191

Subhash Sharma
Director

Amit Sharma
Director

Place: Mumbai
Date : 24th May 2010

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No.	189643	State Code	11
Balance Sheet Date	31 (Date) 03 (Month) 2010 (Year)		

II. Capital Raised during the year (₹ *in Thousands)*

Public Issue (inclusive of Security Premium)	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

III. Position of Mobilisation and Deployment of Funds (₹ *in Thousands)*

Total Liabilities	199298	Total Assets	199298
Sources of Funds			
Paid-up Capital	12980	Reserves & Surplus	182647
Share Application Money	250	Secured Loans	NIL
Unsecured Loans	NIL	Current Liabilities	3421
Application of Funds			
Net Fixed Assets	484	Investments	270
Net Current Assets	196839	Misc. Expenditure	1705
Accumulated Losses	NIL		

IV. Performance of Company (₹ *in Thousands)*

Net Turnover (incl. Other Income)	2940	Total Expenditure	1093
Profit/Loss Before Tax	1846	Profit/Loss After Tax	1202
Earnings Per Share in (₹)	14.14	Dividend Rate (%)	NIL

V. Generic Names of Three Principal Products/ Services of Company *(as per monetary terms)*

Item Code No. (ITC Code)	Product Description
26011140	SOAP STONE

Signatories to Schedule "1" to "13"

For **M/s. Dargar & Co.**
Chartered Accountants

For and on behalf of the Board

Vijay Dargar
Proprietor
Membership No. 76191

Subhash Sharma
Director

Amit Sharma
Director

Place: Mumbai
Date : 24th May 2010

Section 212

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 Warana Minerals Private Limited at the financial year ending date		The net aggregate of profits/ (losses) of the Subsidiary Company so far as they concern the members of Warana Minerals Private Limited			
			For Current Financial Year (Amount in ₹)		For Previous Financial Year (Amount in ₹)	
	Equity	Extent of holding	Dealt with in the account of the Warana Minerals Private Limited for the year ended 31st March 2010	Not dealt with in the account of the Warana Minerals Private Limited for the year ended 31st March 20010	Dealt with in the account of the Warana Minerals Private Limited for the year ended 31st March 2009	Not dealt with in the account of the Warana Minerals Private Limited for the year ended 31st March 2009
Shri Warana Minerals (India) Private Limited	27,000 Equity Shares	60%	NIL	N.A.	NIL	N.A.

Notes:

1. The financial year of Warana Minerals Private Limited and its subsidiary company is ending on 31st March, 2010.
2. Shri Warana Minerals (India) Private Limited was formed on 16th February, 2009 under Part IX of the Companies Act, 1956.

For and on behalf of the Board

Subhash Sharma
Director

Amit Sharma
Director

Place: Mumbai
Date : 24th May 2010

Directors Report

To,
The Members,
Shri Warana Minerals (India) Private Limited

The Directors are pleased to present their 2nd Annual Report and Audited Statement of Accounts for the year ended 31st March, 2010.

Financial Result:

The Company has not yet started its business operation.

Dividend:

Since the business operations have not yet been started, your Directors do not recommend any dividend.

Fixed Deposit

The Company has not accepted any fixed deposits within the meaning of Section 58A of the Companies Act, 1956, during the year under review.

Holding Company

60% of the equity shares capital of the Company is held by Warana Minerals Private Limited. Warana Minerals Private Limited is Holding Company of the Company.

Further, 100% Share Capital of Warana Minerals Private Limited is held by the Resurgere Mines and Mineral India Limited.

Pursuant to the provision of Section 4(1) (c) of the Companies Act, 1956 Shri Warana Minerals (India) Private Limited becomes the Subsidiary Company of Resurgere Mines and Mineral India Limited.

Directors' Responsibility Statement

In accordance with the provisions of Section 217(2AA) of the companies Act, 1956, with respect to Directors' Responsibility Statement, your directors confirm that:

a) In the preparation of Annual Accounts, the applicable Accounting Standard had been followed;

b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2010 and profit or loss of the company for the year ended on that date;

c) The Directors had taken proper and sufficient care for the maintenance of adequate Accounting records in accordance with the provision of the Companies Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and

d) The Directors had prepared the Annual Accounts on a "going concern" basis.

Particulars of Employees

The Company does not have any employees who were in the receipt of remuneration aggregating to the sum prescribed under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended.

Conservation of Energy

In terms of Section 217 (1) (e) of the Companies Act, 1956, information relating to Conservation of Energy, Technology absorption, Foreign Exchange earning and outgo is not required as the Company is not engaged in manufacturing activities.

Directors:

The Present directors of the Company are:

1. Mr. Subhash Sharma
2. Mr. Amit Sharma
3. Mr. Jayant Patil
4. Mr. Shiv Kumar Sawant

Mr. Subhash Sharma and Mr. Amit Sharma, Directors retire by rotation and being eligible offers themselves for re-appointment.

Auditors

M/s. Dargar & Co., Chartered Accountant, Mumbai, Statutory Auditors of the Company, hold office until the conclusion of ensuing Annual General Meeting and being eligible offered themselves for reappointment.

The Company has received letter from M/s. Dargar & Co., Chartered Accountant, Mumbai to the effect that their reappointment if made would be within prescribed limits under section 224 (1B) of the Companies Act, 1956. Members are requested to re-appoint M/s. Dargar & Co., Chartered Accountant, Mumbai, as the Statutory Auditors of the Company and authorized the Board of Directors to fix their remuneration.

Auditors' Report

All observation made by the Auditors in their reports are self explanatory by way of Notes on Accounts and does not require any further clarification.

Acknowledgement

Yours Directors place on record their appreciation of co-operation and support extended by the Bankers, Client, Government agencies and other institution and look forward to their continued support. Yours Directors wish to place on record their deep sense of appreciation for the committed services of Executives, Staff and Workers of the Company.

By order of the Board of Directors
For **Shri Warana Minerals (India) Pvt Ltd**

Place: Mumbai — Chairman
Date : 24th May 2010

Auditors Report

To,
The Members,
Shri Warana Minerals (India) Private Limited

We have audited the attached Balance Sheet of Shri Warana Minerals (India) Private Limited as at 31st March, 2010 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 do not annex any statement on the matters specified in the paragraphs 4 and 5 of the said Order as it is not applicable to the Company.

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 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 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, 2010 and taken approval by the Board, we report that none of the Directors is disqualified as on 31st March, 2010 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:

   g) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010.

For **M/s Dargar & Co.**
Chartered Accountants

Vijay Dargar
Proprietor
Mem. No.: 76191

Place: Mumbai
Date : 24th May 2010

Balance Sheet

(Amount in ₹)

	Schedules	As at 31 March 2010	As at 31 March 2009
I. SOURCES OF FUNDS			
Shareholder's Funds			
Share Capital	1	450,000	450,000
Reserve and Surplus		-	-
		450,000	450,000
Unsecured Loan	2	205,120,073	204,513,500
		205,570,073	**204,963,500**
II. APPLICATION OF FUNDS			
Fixed Assets	3	200,932,059	200,470,000
Current Assets, Loans & Advances			
Cash & Bank Balances	4	223,257	445,890
Loans & Advances	5	111,067	50,000
		334,324	495,890
Less : Current Liabilities & Provisions	6	237,816	20,623
Net Current Assets		96,508	475,267
Miscellaneous Expenditure	7	4,541,507	4,018,234
		205,570,073	**204,963,500**
Significant Accounting Policies & Notes on Accounts	8		

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 **M/s. Dargar & Co.**
Chartered Accountants

Vijay Dargar
Proprietor
Membership No. 76191

Place: Mumbai
Date : 24th May 2010

For and on behalf of the Board

Subhash Sharma
Director

Amit Sharma
Director

Cash Flow Statement

(Amount in ₹)

	Year ended 31 March 2010	Year ended 31 March 2009
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax and Extraordinary Items	-	-
Adjustment for:		
Depreciation & Amortization	-	-
Dividends	-	-
Interest Income	-	-
Interest Expenses	-	-
Pre-operative Expenses	(523,273)	(36,051)
Loss on discard of Fixed Assets	-	-
(Profit)/Loss on sale of Investment	-	-
Direct Taxes Paid	-	-
Operating Profit before Extraordinary Items	(523,273)	(36,051)
Prior Period Items	-	-
Operating Profit before Working Capital Change	(523,273)	(36,051)
Adjustment for:		
Trade and Other Receivables	-	-
Inventories	-	-
Trade Payables	217,193	5,050
Loans and Advances	(61,067)	(50,000)
Net Cash used in Operating Activities (Total A)	(367,147)	(81,001)
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchases of Fixed Assets	(462,059)	-
Capital Work in Progress	-	-
Interest Income	-	-
Dividends	-	-
Sale of Investments	-	-
Purchase of Investments	-	-
Net Cash used in Investing Activities (Total B)	(462,059)	-
C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Secured Loans (Net of Repayment)	-	-
Proceeds from Unsecured Loans (Net of Repayment)	606,573	-
Interest Paid	-	-
Share Capital	-	250,000
Share Application Money	-	-
Securities Premium Received	-	-
Share Issue Expenses	-	-
Net Cash from Financing Activities (Total C)	606,573	250,000
Net Increase in Cash & Cash Equivalents (Total A+B+C)	(222,633)	168,999
Cash & Cash Equivalents (Opening Balance)	445,890	276,891
Cash & Cash Equivalents (Closing Balance)	223,257	445,890

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 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

3 Previous years figures are not comparable as it constitutes transaction only for the period from 16th February 2009 to 31st March 2009. However the same has been regrouped, reclassified and/or rearranged wherever necessary.

Cash in Hand	174,926	274,846
Balances with Banks	48,331	171,044
	223,257	445,890

As per our Report of even date attached

For **M/s. Dargar & Co.**
Chartered Accountants

For and on behalf of the Board

Vijay Dargar
Proprietor
Membership No. 76191

Subhash Sharma
Director

Amit Sharma
Director

Place: Mumbai

Date : 24th May 2010

Schedule to the Balance Sheet

(Amount in ₹)

	As at 31 March 2010	As at 31 March 2009
Schedule "1" SHARE CAPITAL		
Authorised		
20,00,000 Equity Shares of ₹ 10/- each	20,000,000	20,000,000
	20,000,000	20,000,000
Issued, Subscribed and Paid up		
45,000 (Previous year 45,000) Equity Shares of ₹ 10/- each fully paid up	450,000	450,000
(All the above Equity Shares are allotted to the Partner's of erstwhile M/s Shri Warana Minerals on conversion of partnership firm into Private Limited Company under Part IX of the Companies Act, 1956 for the consideration other than cash)		
(Out of the above ₹ 450000/- paid up Equity Share Capital comprising of 45000 Equity Shares of face value of ₹ 10/- each, 27000 shares are held by the holding company ie. Warana Minerals Pvt. Ltd.)		
[See Note No. 8 & 9]		
	450,000	450,000

Schedule "2" UNSECURED LOAN		
From Holding Company	194,870,073	194,263,500
[Maximum amount of O/s. ₹ 196,323,893/-(Previous Year ₹ 194,263,500/-)]		
From Company under same management	10,000,000	10,000,000
[Maximum amount of O/s. ₹ 10,000,000/-(Previous Year 10,000,000/)]		
From Director	250,000	250,000
[Maximum amount of O/s. ₹ 250,000/-(Previous Year 250,000/)]		
[See Note No. 7]		
	205,120,073	204,513,500

Schedule "3" FIXED ASSETS

Particulars	Gross Block			Depreciation	W.D.V.
	As at 01.04.2009	Addition (Deduction)	As at 31.03.2010	for the year	As at 31.03.2010
Goodwill	200,000,000	-	200,000,000	-	200,000,000
Land including Development	470,000	462,059	932,059	-	932,059
Current Year Total	**200,470,000**	**462,059**	**200,932,059**	**-**	**200,932,059**
Previous Year Total	200,470,000	-	200,470,000	-	200,470,000

Schedule to the Balance Sheet

(Amount in ₹)

	As at 31 March 2010	As at 31 March 2009
Schedule "4" CASH & BANK BALANCES		
Cash in hand	174,926	274,846
Balances with Scheduled Banks		
In Current Accounts	48,331	171,044
	223,257	**445,890**

Schedule "5" LOANS & ADVANCES		
Advances recoverable in cash or kind	111,067	50,000
	111,067	**50,000**

Schedule "6" CURRENT LIABILITIES & PROVISIONS		
Creditors for expenses	237,816	20,623
	237,816	**20,623**

Schedule "7" MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
Pre-operative Expenses		
Opening Balance	4,018,234	3,982,183
Add: Addition during the year	523,273	36,051
Less: Written off during the year	-	-
	4,541,507	**4,018,234**

Schedule "8" SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

Background

The company has been formed under Part IX of Companies Act, 1956 vide certificate of Incorporation dated 16th February, 2009 by virtue of which all the assets and liabilities including current capital account has been assumed from the erstwhile partnership firm M/s. Shri Warana Minerals. The main object of the Company is to carry any mineral business related to all kind of metalic, non-metalic, precious, semi - precious etc.

A. SIGNIFICANT ACCOUNTING POLICIES

i. **Basis of Accounting :**

The financial statements are prepared under the historical cost convention, on a going concern concept and in compliance with the Accounting Standards issued by the Institute of Chartered Accountants of India. The Company follows mercantile system of accounting and recognizes Income & Expenditure on accrual basis to the extent measurable and where there is certainty of ultimate realization in respect of incomes. Accounting policies not specifically referred to otherwise, are consistent and in consonance with the generally accepted accounting principles.

Balance Sheet

Schedule "8" SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

ii. Fixed Assets :

Fixed Assets are stated at cost of acquisition inclusive of incidental expenses related thereto and are net of CENVAT/VAT credit, if any.

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. Assets under implementation are not depreciated.

iii. Impairment of Fixed Assets:

At the end of each year, the Company determines whether a provision should be made for impairment loss on fixed assets by considering the indication that an impairment loss may have occurred in accordance with Accounting Standard 28 on "Impairment of Assets" issued by the Institute of Chartered Accountants of India. Where the recoverable amount of any fixed assets is lower than its carrying amount, a provision for impairment loss on fixed assets is made for the difference

iv. Depreciation :

Depreciation on Fixed Assets is provided on 'Straight Line Method' in the manner and at the rates specified in Schedule XIV of the Companies Act, 1956. Depreciation has been claimed 100% on newly acquired individual capital items upto a value of ₹ 5,000/-.

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 :

Raw materials are valued at cost.

Finished goods are valued at lower of weighted average cost or net realizable value.

vii. Borrowing Costs

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

viii. Retirement Benefits :

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.

ix. Revenue Recognition :

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

x. Accounting for Taxation on Income :

Current Taxes

Provision for current income-tax is recognized 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 recognized 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 recognized in the period that includes the enactment date. Deferred tax Assets are recognized only to the extent there is reasonable certainty that the assets can be realized in the future. Deferred Tax Assets are reviewed as at each Balance Sheet date.

Schedule "8" SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

xi. **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 TO ACCOUNTS

1. The provision of Employees provident Fund Act and Employees State Insurance Act does not apply to the company.

2. **Auditors Remuneration :**

(Amount in ₹)

Particulars	2009-10 Amount	2008-09 Amount
Audit Fees	4,000	4,000
Total	**4,000**	**4,000**

3. **Segment Information:**

Requirements of Accounting Standard 17 "Segment Reporting" issued by the Institute of Chartered Accountants of India is not applicable to the Company as there is neither Primary (Business) Segment nor Secondary (Geographical Segment). The company's business constitutes only one reportable business segment being Trading, hence no separate disclosure is required as per AS-17.

4. **Related Party Disclosures:**

i) For the year ended 31st March, 2010

a) Key Management Personnel

Mr. Subhash Sharma	Director
Mr. Amit Sharma	Director
Mr. Jayant Patil	Director
Mr. Shivkumar Sawant	Director

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) Holding

Resurgere Mines & Minerals India Ltd.	Company
Warana Minerals Pvt. Ltd	Company

Schedule to the Balance Sheet

Schedule "8" SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS *(Contd.)*

(Amount in ₹)

Nature of Transaction	In relation to (a) above	In relation to (b) above	In relation to (c) above
Loans Taken	---	---	6,06,573
	(—)	(—)	(—)
Loans Repayment	---	---	---
	(—)	(—)	(—)
Loan Granted	---	---	---
	(—)	(—)	(—)
Loan Returned Back	---	---	---
	(—)	(—)	(—)
Advance Taken	---	---	---
	(—)	(—)	(12,623)
Advance Returned Back	---	---	12,623
	(—)	(—)	(—)
Investment	---	---	---
	(—)	(—)	(—)
Share allotted	---	---	---
	(—)	(—)	(2,50,000)
Purchase	---	---	---
	(—)	(—)	(—)
Realisation from debtors	---	---	---
	(—)	(—)	(—)

Amount Outstanding as at 31st March, 2010

(Amount in ₹)

Nature of Transaction	In relation to (a) above	In relation to (b) above	In relation to (c) above
Current Liabilities	---	---	---
	(—)	(—)	(12,623)
Current Assets	---	---	---
	(—)	(—)	(—)
Unsecured Loans	2,50,000	1,00,00,000	19,48,70,073
	(2,50,000)	(1,00,00,000)	(19,42,63,500)
Deposits Given	---	---	---
	(—)	(—)	(—)
Investments	---	---	---
	(—)	(—)	(—)
Share Capital	---	---	2,70,000
	(—)	(—)	(2,70,000)

Previous year figures are given in brackets.

5. The Company has not given any guarantee for loans taken by others from banks or financial institutions.

6. The Company is a subsidiary of Warana Mineral Private Limited, who is holding 60% of equity in our company.

7. Unsecured loan from holding Company ie. Warana Minerals Private Limited of ₹ 194870073/- is outstanding as at the end of the financial year. Unsecured loan from Company under same management ie. Runwell Steel Private Limited of ₹ 10000000/- is outstanding as at the end of the financial year.

Schedule to the Balance Sheet

Schedule "8" SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS *(Contd.)*

8. Out of the paid up equity share capital of ₹ 850000/- comprising of 85000 equity shares of face value of ₹ 10/- each of Warana Minerals Private Limited, ₹ 850000/- paid up capital comprising of 85000 equity shares of face value of ₹ 10/- each is held by holding company Resurgere Mines & Minerals India Limited.

9. Out of the paid up preference share capital of ₹ 12130000/- comprising of 1213000 preference shares of face value of ₹ 10/- each of Warana Minerals Private Limited, ₹ 12130000/- paid up capital comprising of 1213000 preference shares of face value of ₹ 10/- each is held by holding company Resurgere Mines & Minerals India Limited.

10. The company has not prepared Profit & Loss account since it has not commenced business as per our report of even date attached.

11. Figures of the previous year have been regrouped, reclassified and / or rearranged wherever necessary to compare with the figures of the current year.

As per my report of even date

For M/s. Dargar & Co.
Chartered Accountants

For and on behalf of the Board

Vijay Dargar
Proprietor
Membership No. 76191

Subhash Sharma
Director

Amit Sharma
Director

Place: Mumbai
Date : 24th May 2010

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No.	190365	State Code	11
Balance Sheet Date	31 (Date) 03 (Month) 2010 (Year)		

II. Capital Raised during the year *(₹ in Thousands)*

Public Issue (inclusive of Security Premium)	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

III. Position of Mobilisation and Deployment of Funds *(₹ in Thousands)*

Total Liabilities	205808	Total Assets	205808
Sources of Funds			
Paid-up Capital	450	Reserves & Surplus	NIL
Unsecured Loans	205120	Secured Loans	NIL
Current Liabilities	238		
Application of Funds			
Net Fixed Assets	200932	Investments	NIL
Net Current Assets	334	Misc. Expenditure	4542
Accumulated Losses	NIL		

IV. Performance of Company *(₹ in Thousands)*

Net Turnover (incl. Other Income)	NIL	Total Expenditure	NIL
Profit/Loss Before Tax	NIL	Profit/Loss After Tax	NIL
Earnings Per Share in (₹)	NIL	Dividend Rate (%)	NIL

V. Generic Names of Three Principal Products/ Services of Company *(as per monetary terms)*

Item Code No. (ITC Code)	Product Description
26060090	BAUXITE

Signatories to Schedule "1" to "8"

For **M/s. Dargar & Co.**
Chartered Accountants

Vijay Dargar
Proprietor
Membership No. 76191

Place: Mumbai
Date : 24th May 2010

For and on behalf of the Board

Subhash Sharma
Director

Amit Sharma
Director

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 and its subsidiaries.

We have audited the attached Consolidated Balance Sheet of Resurgere Mines & Minerals India Limited (hereinafter referred as "the Company"), the holding company, and Warana Minerals Private Limited & Shri Warana Minerals (India) Private Limited its subsidiaries (hereinafter collectively referred to as "the Group") as at 31st March 2010, 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 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" issued by the Institute of Chartered Accountants of India and on basis of the separate audited financial statements of the Company, and of its subsidiaries included in the consolidated financial statements.

3. We did not audit the financial statements of the subsidiaries for the financial year ended on 31st March 2010, whose Financial Statements reflects total assets of ₹ 2037.19 Lacs and total revenue of ₹ 29.39 Lacs. These financial statements have been audited by M/s Dargar & Co., Chartered Accountants and for the purpose of our examination we have placed reliance on their report.

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 2010;

   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
Membership No. 106590

Place : Mumbai
Date : 28th May 2010

Consolidated Balance Sheet

(₹ in lacs)

	Schedules		As at 31 March 2010	As at 31 March 2009
SOURCES OF FUNDS				
Shareholders' Funds				
Share Capital	A	2,854.16		2,854.16
Share warrants	A1	2,122.50		-
Share Application Money		2.50		2.50
Reserves & Surplus	B	35,893.70		33,130.68
			40,872.86	35,987.34
Minority Interest			1.80	1.80
Loan Funds				
Secured Loans	C		11,513.94	11,343.99
Unsecured Loans	D		812.50	402.50
Deferred Tax Liabilities			985.60	223.91
			54,186.70	**47,959.54**
APPLICATIONS OF FUNDS				
Goodwill on Consolidation			76.50	76.50
Fixed Assets	E			
Gross Block		20,634.10		3,437.06
Less: Depreciation		452.86		86.98
Net Block		20,181.24		3,350.09
Capital Work In Progress (Including advances)		1,634.05		18,313.88
			21,815.29	21,663.97
Investments	F		16.94	709.14
Current Assets, Loans & Advances				
Inventories	G	3,986.17		2,590.64
Sundry Debtors	H	15,905.33		12,941.80
Cash & Bank Balances	I	1,355.81		1,952.80
Loans & Advances	J	14,497.87		11,485.80
		35,745.18		28,971.05
Less: Current Liabilities & Provisions	K			
Current Liabilities		2,252.42		3,320.01
Provisions		2,173.90		1,345.54
		4,426.32		4,665.55
Net Current Assets			31,318.86	24,305.49
Miscellaneous Expenditure	L		959.11	1,204.45
			54,186.70	**47,959.54**
Significant Accounting Policies & Notes to Accounts	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

Subhash Sharma
Managing Director

Amit Sharma
Director

Mahavir Jain
Partner
Membership No. 121275

Harish Khetan
Chief Financial Officer

Rakesh Gupta
Company Secretary

Place: Mumbai
Date: 28th May 2010

Consolidated Profit and Loss Account

(₹ in lacs)

	Schedules		Year ended 31 March 2010	Year ended 31 March 2009
INCOME				
Income from Operations	M		52,645.82	43,397.52
Other Income	N		264.34	119.13
Increase / (Decrease) in Stocks	O		305.73	(2,792.08)
			53,215.89	**40,724.58**
EXPENDITURE				
Materials, Production and Operational Expenses	P		46,233.43	32,776.94
Employee Costs	Q		263.74	245.42
Administration & Selling Expenses	R		748.13	2,578.87
Financial Charges	S		812.67	617.33
Depreciation & Amortization	E & L		677.50	1,274.51
			48,735.47	**37,493.08**
Profit before Tax			**4,480.42**	**3,231.50**
Provision for Tax - Income Tax		806.45		919.38
- Deferred Tax Liabilities/(Assets)		761.70		(127.67)
- Fringe Benefit Tax		-		20.00
- Tax of Earlier Years		156.02		253.67
			1,724.17	1,065.37
Profit after Tax			**2,756.25**	**2,166.12**
Prior Period Items			(6.17)	4.98
Profit available for Appropriations			**2,762.42**	**2,161.15**
APPROPRIATIONS				
Surplus carried forward to Balance Sheet			**2,762.42**	**2,161.15**
Basic Earnings per Share of face value of ₹ 10 each (in ₹)			9.68	8.08
Diluted Earnings per Share of face value of ₹ 10 each (in ₹)			9.14	8.08
Significant Accounting Policies & Notes to Accounts	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

Subhash Sharma
Managing Director

Amit Sharma
Director

Mahavir Jain
Partner
Membership No. 121275

Harish Khetan
Chief Financial Officer

Rakesh Gupta
Company Secretary

Place: Mumbai
Date: 28th May 2010

Consolidated Cash Flow Statement

(₹ in lacs)

	Year ended 31 March 2010	Year ended 31 March 2009
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax and Extraordinary Items	**4,480.42**	**3,231.50**
Adjustment for:		
Depreciation & Amortization	677.50	1,274.51
Dividends	(17.27)	(60.89)
Interest Income	(574.35)	(409.69)
Interest Expenses	1,310.29	942.09
Mine Development Activities	(60.81)	(1,366.14)
Pre-Operative Expenses	(5.23)	(15.02)
Loss on discard of Fixed Assets	0.25	-
(Profit)/Loss on sale of Investment	(8.69)	-
Direct Taxes Paid	(138.60)	(3,237.26)
Operating Profit before Extraordinary Items	**5,663.51**	**359.11**
Prior Period Items	(6.17)	4.98
Operating Profit before Working Capital Change	**5,669.68**	**354.13**
Adjustment for:		
Trade and Other Receivables	(2,963.53)	(5,517.58)
Inventories	(1,395.53)	3,148.87
Trade Payables	(1,063.26)	1,678.65
Loans and Advances	(3,012.06)	(1,679.68)
Net Cash used in Operating Activities (Total A)	**(2,764.70)**	**(2,015.62)**
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchases of Fixed Assets	(17,197.52)	(1,172.32)
Capital Work in Progress	16,679.84	(12,300.84)
Interest Income	574.35	409.69
Dividends	17.27	60.89
Sale of Investments	873.48	10,076.47
Purchase of Investments	(172.46)	(10,779.42)
Net Cash used in Investing Activities (Total B)	**774.96**	**(13,705.54)**

Consolidated Cash Flow Statement *(Contd.)*

(₹ in lacs)

	Year ended 31 March 2010	Year ended 31 March 2009
C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Secured Loans (Net of Repayment)	169.94	4,920.18
Proceeds from Unsecured Loans (Net of Repayment)	410.00	1,206.61
Interest Paid	(1,310.29)	(942.09)
Share Capital	-	445.00
Share Application Money	-	2.50
Share Warrant Money	2,122.50	-
Securities Premium Received	-	11,570.00
Share Issue Expenses	0.60	(772.70)
Net Cash from Financing Activities (Total C)	**1,392.75**	**16,429.50**
Net Increase in Cash & Cash Equivalents (Total A+B+C)	(596.99)	708.35
Cash & Cash Equivalents (Opening Balance)	1,952.80	1,244.45
Cash & Cash Equivalents (Closing Balance)	**1,355.81**	**1,952.80**

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

Cash in Hand	20.52	14.24
Balances with Banks	1,335.29	1,938.56
	1,355.81	**1,952.80**

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

Subhash Sharma
Managing Director

Amit Sharma
Director

Mahavir Jain
Partner
Membership No. 121275

Harish Khetan
Chief Financial Officer

Rakesh Gupta
Company Secretary

Place: Mumbai
Date: 28th May 2010

Schedules to the Consolidated Balance Sheet

(₹ in lacs)

	As at 31 March 2010	As at 31 March 2009
Schedule "A" SHARE CAPITAL		
Authorised		
6,00,00,000 Equity Shares (Previous Year 3,00,00,000) of ₹ 10/- each.	6,000.00	3,000.00
	6,000.00	**3,000.00**
Issued, Subscribed & Paid up		
2,85,41,550 (Previous Year 2,85,41,550) Equity Shares of ₹ 10/- each fully paid up.	2,854.16	2,854.16
[Out of the above, 97,28,750 (Previous Year 97,28,750) Equity Shares of ₹ 10/-each are allotted as fully paid up Bonus Shares by capitalization of reserves]		
	2,854.16	**2,854.16**

Schedule "A1" SHARE WARRANTS		
Share warrants	2,122.50	-
[65,00,000 Warrants of ₹ 10/- each at a premium of ₹ 115/- 26.13% paid up. Issued on 30th January, 2010 and optionally convertibly into one equity share at the end of 18 months from the date of issue]		
	2,122.50	-

Schedule "B" RESERVES & SURPLUS		
Securities Premium Account		
Opening Balance	21,279.72	10,609.24
Additions during the year	-	11,570.00
	21,279.72	22,179.24
Less : Share issue expenses	(0.60)	899.52
Closing Balance	21,280.32	21,279.72
Capital Reserve		
Opening Balance	120.00	120.00
Additions during the year	-	-
Closing Balance	120.00	120.00
Profit and Loss Account		
Opening Balance	11,730.96	9,569.81
Profit for the year	2,762.42	2,161.15
Closing Balance	14,493.38	11,730.96
	35,893.70	**33,130.68**

Schedules to the Consolidated Balance Sheet

(₹ in lacs)

	As at 31 March 2010	As at 31 March 2009
Schedule "C" SECURED LOANS		
From Banks		
Term Loan [Due within one year ₹ 1394.75 Lacs (Previous year ₹ 1413.25 Lacs)]	3,597.45	5,042.95
Working Capital Facility	7,910.23	3,722.45
Export Packing Credit	-	2,550.71
Vehicle Loans	6.26	27.88
	11,513.94	11,343.99
Schedule "D" UNSECURED LOANS		
Company under same Management	100.00	100.00
From Directors	2.50	2.50
Inter-Corporate Deposits	710.00	300.00
	812.50	402.50

Schedule "E" **FIXED ASSETS** (At Cost Less Depreciation)

	Gross Block				Depreciation				Net Block	
Description	As at 01.04.2009	Additions During the period	Deductions During the period	As at 31.03.2010	Upto 31.03.2009	For the period	Adjustments	Upto 31.03.2010	As at 31.03.2010	As at 31.03.2009
Goodwill	2,000.00	-	-	2,000.00	-	-	-	-	2,000.00	2,000.00
Land Development	4.70	-	-	4.70	-	-	-	-	4.70	4.70
Land	-	9.46	-	9.46	-	-	-	-	9.46	-
Plant and Machinery	1,078.84	17,182.25	-	18,261.09	16.95	334.68	-	351.63	17,909.46	1,061.89
Electrical Installations	9.53	-	-	9.53	2.20	0.45	-	2.66	6.87	7.33
Furniture's & Fittings	45.13	2.46	-	47.59	10.72	3.01	-	13.72	33.87	34.41
Office Equipments	40.85	0.90	0.25	41.49	6.78	1.95	0.00	8.73	32.77	34.07
Motor Vehicles	242.25	-	-	242.25	43.90	23.01	-	66.91	175.34	198.35
Computers	15.76	2.21	-	17.97	6.43	2.77	-	9.21	8.77	9.33
Total	**3,437.06**	**17,197.28**	**0.25**	**20,634.10**	**86.98**	**365.89**	**0.00**	**452.86**	**20,181.24**	**3,350.09**
Previous Period	260.04	3,177.02	-	3,437.06	48.72	38.26	-	86.98	3,350.09	211.32

Capital work in progress (including advances)

(₹ in lacs)

	Gross CWIP				Capitalisation				Net CWIP	
Description	As at 01.04.2009	Additions During the period	Deductions During the period	As at 31.03.2010	Upto 31.03.2009	During the period	Adjustments	Upto 31.03.2010	As at 31.03.2010	As at 31.03.2009
Plant and Machinery	19,465.89	651.53	4,439.18	15,678.24	1,152.01	12,892.18	-	14,044.19	1,634.05	18,313.88
Total	**19,465.89**	**651.53**	**4,439.18**	**15,678.24**	**1,152.01**	**12,892.18**	**-**	**14,044.19**	**1,634.05**	**18,313.88**
Previous Year	6,013.04	13,452.85	-	19,465.89	-	1,152.01	-	1,152.01	18,313.88	6,013.04

Note: Capital Work In Progress is abbreviated by CWIP

Schedules to the Consolidated Balance Sheet

(₹ in lacs)

	As at 31 March 2010	As at 31 March 2009
Schedule "F" **INVESTMENTS** *(Contd.)*		
Long Term, Non-Trade		
Unquoted		
The City Co-operative Bank Limited [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
Current Investments		
Quoted. Non - Trade		
SBI Mutual Fund Magnum Insta Cash Fund - Daily Dividend Option [67,285.88 units (Previous Year 65,226 units)] [Market value ₹ 11.27 Lacs (Previous Year ₹ 10.93 Lacs)]	11.27	10.93
Birla Sun Life Mutual Fund Short Term Fund - Institutional Scheme - Daily Dividend Option [NIL units (Previous Year 3,16,376 units)] [Market value ₹ NIL Lacs (Previous Year ₹ 31.66)]	-	31.66
Birla Sun Life Mutual Fund Dynamic Bond Fund - Retail Quarterly Dividend [4909.556 units (Previous Year 46,92,419 units)] [Market value ₹ .54 Lacs (Previous Year ₹ 512.81)]	0.54	512.81
ICICI Prudential Mutual Fund Flexible Income Plan - Daily Dividend Option [3436.012 units (Previous Year 14,39,854 units)] [Market value ₹ 3.63 Lacs (Previous Year ₹ 152.25)]	3.63	152.24
[Aggregate of Quoted Current Investments at Book Value ₹ 15.45 Lacs (Previous Year ₹ 707.65 Lacs) and Market Value ₹ 15.45 Lacs (Previous Year ₹ 707.65 Lacs)]		
	16.94	**709.14**

Schedule "G" **INVENTORIES** [As taken, valued and certified by the Management]		
Raw Material	1,657.34	567.54
Finished Goods	2,328.83	2,023.10
	3,986.17	**2,590.64**

Schedule "H" **SUNDRY DEBTORS** [Unsecured, considered good]		
For a period exceeding six months	29.50	13.32
Other Debts	15,875.83	12,928.48
	15,905.33	**12,941.80**

Schedules to the Consolidated Balance Sheet

(₹ in lacs)

	As at 31 March 2010	As at 31 March 2009
Schedule "I" CASH & BANK BALANCES		
Cash in hand	20.52	14.24
Balances with Scheduled Banks		
In Current Accounts	594.14	726.60
In Term Deposit Accounts	741.15	1,211.96
	1,355.81	1,952.80

	As at 31 March 2010	As at 31 March 2009
Schedule "J" LOANS & ADVANCES [Unsecured, Considered good]		
Advance recoverable in cash or in kind or for value to be received	349.95	58.85
Advances to Suppliers	3,478.92	4,812.59
Inter - Corporate Deposits	4,124.47	4,015.12
Deposits	6,544.53	2,599.24
	14,497.87	11,485.80

	As at 31 March 2010	As at 31 March 2009
Schedule "K" CURRENT LIABILITIES & PROVISIONS		
i) Current Liabilities		
Sundry Creditors	1,740.78	2,790.37
Other Liabilities	511.64	529.65
	2,252.42	3,320.01
ii) Provisions		
Retirement Benefits	15.38	11.05
Provision for Taxation (Net of Advance Tax)	2,158.52	1,294.36
Provision for Fringe Benefit Tax	-	40.13
	2,173.90	1,345.54
	4,426.32	4,665.55

	As at 31 March 2010	As at 31 March 2009
Schedule "L" MISCELLANEOUS EXPENDITURE (To the extent not written - off or adjusted)		
i) IPO Expenses		
Opening Balance	-	126.82
Addition during the period	-	772.70
Less: Written - off during the period	-	899.52
	-	-
ii) Mine Development Expenses		
Opening Balance	1,147.22	1,016.90
Addition during the period	60.81	1,366.14
Less : Written - off during the year	311.38	1,235.82
	896.65	1,147.22
iii) Pre-operative Expenses		
Opening Balance	57.23	42.21
Add:	5.23	15.02
Less: Written - off during the period	-	-
	62.46	57.23
	959.11	1,204.45

Schedules to the Consolidated Profit and Loss Account

(₹ in lacs)

		Year ended 31 March 2010	Year ended 31 March 2009
Schedule "M" INCOME FROM OPERATIONS			
Sales			
Export Sales		-	2,120.27
Local Sales		52,645.82	41,277.26
		52,645.82	43,397.52

		Year ended 31 March 2010	Year ended 31 March 2009
Schedule "N" OTHER INCOME			
Dividends		17.27	60.89
Foreign Exchange Fluctuation (Net)		14.50	36.17
Profit on sale of Mutual Fund		8.69	-
Other Income [TDS ₹ 19.86 Lac (PY NIL)]		223.88	22.08
		264.34	119.13

		Year ended 31 March 2010	Year ended 31 March 2009
Schedule "O" INCREASE / (DECREASE) IN STOCKS			
Finished Goods			
Closing Stocks	2,328.83		2,023.10
Less: Opening Stocks	2,023.10		4,815.18
		305.73	(2,792.08)

		Year ended 31 March 2010	Year ended 31 March 2009
Schedule "P" MATERIALS, PRODUCTION AND OPERATIONAL EXPENSES			
Materials Consumed			
Opening Stocks	567.54		924.33
Add: Purchases	15,725.14		10,774.02
	16,292.68		11,698.35
Less: Closing Stocks	1,657.34		567.54
		14,635.34	11,130.81
Direct Expenses			
Extraction Charges		5,872.66	2,607.19
Labour Charges		121.85	150.70
Screening Charges		3,305.25	3,269.11
Crushing Charges		6,206.50	4,133.32
Freight & Transportation Charges		7.65	440.26
Mining Restitution Charges		-	745.63
Haulage, Siding, Terminal Charges		-	8.50
Loading/Unloading Charges		-	57.25
Purchases of Ore for Sale		16,084.18	10,234.17
		46,233.43	32,776.94

		Year ended 31 March 2010	Year ended 31 March 2009
Schedule "Q" EMPLOYEE COSTS			
Salaries & Bonus		146.14	131.18
Contribution to Provident Fund and Other Funds		14.14	14.43
Directors' Remuneration		89.05	91.68
Staff Welfare Expenses & Other Benefits		14.41	8.13
		263.74	245.42

Schedules to the Consolidated Profit and Loss Account

(₹ in lacs)

		Year ended 31 March 2010	Year ended 31 March 2009
Schedule "R" ADMINISTRATION & SELLING EXPENSES			
Rent		10.60	13.32
Traveling & Conveyance		110.56	117.81
Communication Costs		17.62	13.80
Repairs & Maintenance (Others)		6.89	6.26
Professional Fees		119.77	215.68
Auditors' Remuneration		16.60	16.55
Foreign Exchange Fluctuation		–	–
Discount on Forward Exchange Contract		24.50	-
Commission on Sales		1.00	35.83
Transportation, Stevedoring, Wharfage, Handling & Other Expenses		292.13	1,284.42
Advertisement & Sales Promotion Expenses		8.92	50.71
Ocean Freight		-	518.66
Directors Sitting Fees		9.40	5.40
Balances Written - Off		34.59	208.04
Preliminary Expenses Written Off		21.00	-
Loss on discard of Fixed Assets		0.25	-
Insurance		5.03	12.43
Miscellaneous Expenses		69.28	79.97
		748.13	**2,578.87**
Schedule "S" FINANCIAL CHARGES			
Bank Charges		76.73	84.93
Bank Interest		1,239.62	823.18
Other Interest		70.67	118.91
		1,387.02	1,027.02
Less: Interest on Intercorporate Deposits	482.63		318.15
Interest on Fixed Deposits	91.72	574.35	91.54
[Tax Deducted at Source ₹ 80.69 Lacs (Previous Year ₹ 12.03 Lacs)]			
		812.67	**617.33**

Schedule "T" SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

A) Significant Accounting Policies

A) **Basis of Consolidation**

The Consolidated financials results comprises the results of Resurgere Mines & Minerals (India) Limited (the company) and its subsidiaries Warana Minerals Private Limited and Shri Warana Minerals (India) Private Limited (the subsidiaries), which are consolidated in accordance with Accounting Standard 21 on "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India (ICAI).

The financial statements of the Company and its subsidiaries has been combined on a line-by-line 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 unrealized 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.

The excess of cost to the Company of its investments in the subsidiaries over its portion of equity of subsidiaries at the dates it become subsidiaries is recognized in the financial statements as goodwill.

The excess of Company's portion of equity of the subsidiaries over to the cost to the Company of its investment at the dates it become subsidiaries is recognized in the financial statement as capital reserve.

Schedules forming Part of the Consolidated Accounts

Schedule "T" SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS *(Contd.)*

B) 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 and Shri Warana Minerals (India) Private Limited.

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. 16th February, 2009 with 60% equity share holding.

2) Companies considered in the consolidated financial statement are

Subsidiaries

Name of the Company	Country of Incorporation	% voting power held As on 31.03.2010	As on 31.03.2009
a) Warana Minerals Private Limited	India	100	100
b) Shri Warana Minerals (India) Pvt. Ltd.	India	60	60

3) Contingent liabilities not provided for :-

a) Guarantee given by Bank on behalf of the Company ₹ Nil (Previous year ₹ 47.14 Lacs).

b) Claims against the Company not acknowledged as debts ₹ 127.19 Lacs, including interest (Previous Year ₹ 121.85 Lacs).

c) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹ 284.51 Lacs (Previous Year ₹ 3,929.67 lacs)

4) a) Auditors Remuneration

(₹ in lacs)

Particulars	2009-10 Amount	2008-09 Amount
Audit Fees	13.29	13.24
Tax Audit Fees	3.31	3.31
Total	**16.60**	**16.55**

b) Preoperative expense includes ₹ 0.29 Lacs (Previous Year ₹ 0.25 Lacs) paid to the auditor of Subsidiaries Company.

5) Earning Per Share

Particulars	2009-10	2008-09
A Weighted average number of Equity Shares of ₹ 10/- each		
i Number of shares at the end of the year	2,85,41,550	2,85,41,550
ii Weighted average number of Equity Shares outstanding during the year	2,85,41,550	2,67,37,166
iii Weighted average number of Potential Equity Shares outstanding during the year	2,85,41,550	-
iv Total number of Potential Equity share for calculating Diluted Earning Per Share	3,02,39,550	-
B Net Profit after Tax available for Equity shareholders (₹ In Lacs)	2,762.42	2,161.16
C Basic Earning Per Share (in ₹) {B/A (ii)}	9.68	8.08
D. Diluted Earning Per Share (in ₹) {B/A (iv)}	9.14	8.08

Schedules forming Part of the Consolidated Accounts

6) Taxes on Income:

i) 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 Assets comprises of:

(₹ in lacs)

Particulars	Opening Balance Deferred Tax Liability / (Asset) Amount	Current Year Change Liability/ (Assets) Amount	Closing Balance Deferred Tax Liability/(Assets) Amount
Deferred Tax Liability / (Assets)			
Depreciation	82.32	1061.48	1143.80
Disallowance under Income Tax Act	–	–	–
Provision for Gratuity	(3.76)	(1.47)	(5.23)
Pre-operative Expenses	(244.60)	55.44	(189.16)
Miscellaneous Expenditure allowed as deduction in Income Tax	389.95	(85.17)	304.77
Carry forward of Un-adjusted Minimum Alternate Tax	–	(268.59)	(268.59)
Deferred Tax Liability/(Assets) [Net]	**223.91**	**761.69**	**985.60**

7) Segment Information:

a) *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 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	2009-10	2008-09
India	52,645.82	41,277.26
Exports	Nil	21,20.27
Total	**52,645.82**	**43,397.53**

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	2009-10	2008-09
India	58,613.02	52,617.76
Outside India*	Nil	7.33
Total	**58,613.02**	**52,625.09**

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

Schedules forming Part of the Consolidated Accounts

Schedule "T" SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS *(Contd.)*

8) **Related Party Disclosures:**

i) For the year ended 31st March, 2010

a) **Key Management Personnel**

Mr. Subhash Sharma	Director
Mr. Amit Sharma	Director
Mr. I.D. Agarwal	Director
Mr. Burzin Somandy	Director
Mr. Jayant Patil	Director of Subsidiaries
Mr. Shivkumar Sawant	Director of Subsidiaries
Mr. Pradeep Bishnoi*	Director

* 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

(₹ in lacs)

Nature of Transaction	In relation to (a) above	In relation to (b) above
Rent	---	1.20
	(---)	(1.20)
Directors Remuneration	96.08	---
	(98.78)	(---)
Professional Fees	---	---
	(5.00)	(---)
Director Sitting Fees	9.40	---
	(5.40)	(---)
Loans Taken	2.50	15.00
	(2.50)	(200)
Loans Repayment	---	13.43
	(---)	(1228.56)
Loan Granted	---	1.60
	(2.20)	(810.00)
Loan Returned Back	---	150.00
	(2.20)	(610.00)
Advance Granted	2.25	1.29
	(6.63)	(5.56)
Advance Returned Back	2.25	1.29
	(6.63)	(5.56)
Interest on Loans Taken	---	---
	(---)	(55.48)
Interest on Loans Given	---	25.68
	(---)	(15.28)
Share Application Money Received	---	---
	(2.50)	(---)

Schedules forming Part of the Consolidated Accounts

Schedule "T" SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS *(Contd.)*

Amount Outstanding as at 31st March, 2010 *(₹ in lacs)*

Nature of Transaction	In relation to (a) above	In relation to (b) above
Current Liabilities	6.12	1.57
	(7.61)	(—)
Current Assets	---	60.69
	(—)	(205.09)
Unsecured Loans	2.50	100.00
	(2.50)	(100.00)
Deposits Given	---	202.68
	(—)	(202.68)
Investments	---	---
	(—)	(—)

Previous year figures are given in brackets.

9) Closing balances of pre-operative expenses of ₹ 62.46 Lacs (Previous Year ₹ 57.23 Lacs) is inclusive of ₹ 39.83 Lacs incurred by erstwhile Partnership Firm i.e.Shri Warana Minerals.

10) Preoperative expenses of ₹ Nil (Previous Year ₹ 592.25 Lacs) are included in capital work in progress.

11) Figures less than ₹ 500/- has been shown at actual wherever statutory required to be disclosed since figures have been rounded off to the nearest ₹ 000s.

12) 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
Membership No. 121275

Place: Mumbai
Date: 28th May 2010

For and on behalf of the Board

Subhash Sharma
Managing Director

Amit Sharma
Director

Harish Khetan
Chief Financial Officer

Rakesh Gupta
Company Secretary

Notes

Corporate information

Board of Directors

Subhash Sharma	*Chairman & Managing Director*
Amit Sharma	*Whole-time Director*
Ashwin Shankar Iyer	*Non Executive & Independent Director*
Nitin Sethi	*Non Executive & Independent Director*
Ajay Sethi	*Non Executive & Independent Director*

Chief Financial Officer

Harish Khetan

Company Secretary

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
Website: 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.helpline@linkintime.co.in
Website: www.linkintime.co.in

Disclaimer

In this annual report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans' 'believes' and words of similar substance in connection with any discussion on future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.