

INDEPENDENT AUDITORS' REPORT

To the Members of Sarda Metals & Alloys Limited

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

Opinion

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

Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2";
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note No.34 of the financial statements;
 - (ii)The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.103523W

Shreedhar Ghanekar
Partner
Membership No.210840
Place: Visakhapatnam
Date: May 14, 2016

ANNEXURE 1 TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Sarda Metals & Alloys Limited on the financial statements for the year ended March 31, 2016]

Matters specified in clauses (iv), (v), (xii),(xiv) and (xvi) of paragraph 3 of the Order are not applicable to the Company during the year.

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

(b) During the year, fixed assets have not been physically verified by the management. However, there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets.

(c) The title deeds of immovable properties recorded as fixed assets in the books of account of the Company are held in the name of the Company. This has been confirmed by the repository with whom the original title deeds to immovable property have been lodged.
- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. As informed, no material discrepancies were noticed on physical verification carried out during the year.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions stated in paragraph 3 (iii)(a) and 3 (iii)(b) of the Order are not applicable.
- (iv) We have broadly reviewed the books of account maintained by the Company where the maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act and the rules framed there under and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (v) (a) The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, customs duty, excise duty, cess and other material statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, customs duty, excise duty, cess and other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues with respect to income tax, sales tax, service tax, value added tax, customs duty, excise duty, which have not been deposited on account of any dispute.
- (vi) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks, governments or dues to debenture holders. The refinancing/rescheduling of loans made during the year has not been considered as delays/default for the purposes of our reporting.
- (vii) In our opinion and according to the information and explanations given to us, the money raised by way of term loans have been applied by the Company for the purposes for which those are raised. The Company has not raised money by way of initial public issue offer / further public offer (including debt instruments) during the year.
- (viii) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.
- (ix) According to the information and explanations given to us, managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (x) As per the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of Act, where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xi) The Company has not entered into any non-cash transactions with directors or persons connected with him.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.103523W

Shreedhar Ghanekar
Partner
Membership No.210840
Place: Visakhapatnam
Date: May 14, 2016

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Sarda Metals & Alloys Limited on the financial statements for the year ended March 31, 2016]

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

We have audited the internal financial controls over financial reporting of Sarda Metals & Alloys Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W

Shreedhar Ghanekar

Partner

Membership No.210840

Place: Visakhapatnam

Date: May 14, 2016

SARDA METALS & ALLOYS LTD
Balance Sheet as at 31st March 2016

(Amount in Rs. Lacs)

	Particulars	Note	AS AT 31.03.2016	AS AT 31.03.2015
I.	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	Share capital	3	2,101.60	2,101.60
	Reserves and surplus	4	20,982.00	21,238.45
			23,083.60	23,340.05
2	Non-current liabilities			
	Long-term borrowings	5	35,331.65	32,354.95
	Deferred tax liabilities (Net)	6	978.05	788.18
	Other Long term liabilities	7	18.39	18.06
	Long-term provisions	8	89.97	70.21
			36,418.06	33,231.40
3	Current liabilities			
	Short-term borrowings	9	11,370.92	15,135.88
	Trade payables			
	Total outstanding dues of micro enterprises and small enterprises	10	-	-
	Total outstanding dues of creditors other than micro enterprises and small enterprises	10	2,578.38	976.98
	Other current liabilities	11	2,396.97	7,778.08
	Short-term provisions	12	50.42	14.91
			16,396.69	23,905.85
	TOTAL		75,898.35	80,477.30
II.	ASSETS			
1	Non-current assets			
	Fixed assets			
	Tangible assets	13	56,399.68	58,707.68
	Capital work-in-progress	13	-	18.37
			56,399.68	58,726.05
	Non-current investments	14	0.28	0.28
	Long-term loans and advances	15	307.49	418.68
	Other Non current Assets	16	476.45	-
			57,183.91	59,145.01
2	Current assets			
	Inventories	17	4,399.05	9,292.74
	Trade receivables	18	8,461.15	4,203.03
	Cash and Bank Balances	19	171.93	90.76
	Short-term loans and advances	20	4,423.21	5,585.05
	Other Current Assets	21	1,259.11	2,160.71
			18,714.45	21,332.29
	TOTAL		75,898.35	80,477.30

CORPORATE INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

1 & 2

THE ACCOMPANYING NOTES ARE FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR AND ON BEHALF OF THE BOARD

FOR HARIBHAKTI & CO. LLP
 CHARTERED ACCOUNTANTS
 FRN: 103523W

SHREEDHAR GHANEKAR
 PARTNER
 MNO.210840
 PLACE : VISAKHAPATNAM
 DATE : 14-May-16

K.K.SARDA
 DIRECTOR

NEERAJ SARDA
 DIRECTOR

GAURAV THAKKAR
 CFO

SANJAYA SABAT
 COMPANY SECRETARY

PLACE : VISAKHAPATNAM
 DATE : 14-May-16

SARDA METALS & ALLOYS LIMITED
Statement of Profit and loss for the year ended 31st March 2016

(Amount in Rs. Lacs)

	Particulars	Note	Year Ended	Year Ended
			31.03.2016	31.03.2015
I.	Revenue from operations (Gross)	22	49,149.48	42,334.46
	Less : Excise Duty		1,171.10	553.23
	Revenue from operations (net)		47,978.38	41,781.23
II.	Other income	23	38.72	326.27
III.	Total Revenue (I + II)		48,017.10	42,107.50
IV.	Expenses:			
	Cost of materials consumed	24	23,642.40	29,380.13
	Purchases of Stock-in-Trade		4,632.08	2,463.64
	Changes in inventories of finished goods and Stock-in-Trade	25	3,271.16	(5,098.87)
	Employee benefits expense	26	1,175.43	1,141.28
	Finance costs	27	5,752.31	6,035.45
	Depreciation and amortization expense	28	2,363.85	2,371.84
	Other expenses	29	6,693.99	5,093.97
	Total Expenses		47,531.22	41,387.44
V.	Profit before Tax (III - IV)		485.88	720.06
VI.	Tax expense:			
	(1) Current tax		103.09	140.00
	(2) Short Provision for tax of earlier Year		4.07	4.23
	(3) Deferred Tax		189.87	335.87
	(4) MAT Credit(Entitlement)/written off		445.30	(140.00)
	Total Tax		742.33	340.10
VII.	Profit for the year (V - VI)		(256.45)	379.96
VIII.	Earnings per equity share:			
	Basic (Rs per share)		(1.22)	1.81
	Diluted (Rs per share)		(1.22)	1.81

CORPORATE INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

1 & 2

THE ACCOMPANYING NOTES ARE FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR AND ON BEHALF OF THE BOARD

FOR HARIBHAKTI & CO. LLP
 CHARTERED ACCOUNTANTS
 FRN: 103523W

SHREEDHAR GHANEKAR
 PARTNER
 MNO.210840
 PLACE : VISAKHAPATNAM
 DATE : 14-May-16

K.K.SARDA
 DIRECTOR

NEERAJ SARDA
 DIRECTOR

GAURAV THAKKAR
 CFO

SANJAYA SABAT
 COMPANY SECRETARY

PLACE : VISAKHAPATNAM
 DATE : 14-May-16

SARDA METALS & ALLOYS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

(Amount in Rs. Lacs)

	Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit before tax as per Statement of Profit & Loss	485.88	720.06
	Adjusted for :		
	Depreciation	2,363.85	2,371.84
	Interest Income	(33.92)	(31.38)
	Finance Costs	5,752.31	6,035.45
	Amortisation of borrowing costs	39.71	
	Unrealised Exchange (Gain)/Loss	7.82	51.90
	(Profit) /Loss on Sale of Fixed assets	(4.63)	(0.09)
		8,125.14	8,427.72
	Operating profit before working capital changes	8,611.02	9,147.78
	Adjusted for:		
	Increase/(decrease) in trade & other payables	1,391.23	326.57
	Increase/(decrease) in provisions	27.19	(140.73)
	(Increase)/decrease in Security Deposits	(11.71)	(147.19)
	(Increase)/decrease in inventories	4,893.69	(8,399.62)
	(Increase)/decrease in trade receivables	(4,262.22)	(2,793.02)
	(Increase)/decrease in loans, advances	716.52	(1,144.77)
	(Increase)/decrease in other Current Assets	1,247.90	(453.82)
	Cash generated from Operations	12,613.62	(3,604.80)
	Direct taxes paid (net)	(81.04)	(192.71)
	Net cash from operating activities	12,532.58	(3,797.51)
B.	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Fixed Assets including capital WIP	(301.01)	(920.57)
	(Purchase) / Sale of Equity Instruments	-	(0.28)
	Increase/(Decrease) in Other Long Term Liabilities	0.33	6.88
	Capital Subsidy Received	-	932.37
	Interest received	33.92	31.38
	Sale of fixed assets	13.56	7.78
	Scraping of Fixed Assets	33.17	-
	Net cash from investing activities	(220.03)	57.56
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from long term borrowings	601.46	-
	Repayment of Term Loans	(2,529.84)	(5,006.13)
	Short Term Borrowings	(5,600.66)	13,251.51
	Loan from Holding company	1,820.97	1,030.20
	Interest paid	(6,007.16)	(6,052.26)
	Other Borrowing cost	(516.15)	-
	Net cash from financing activities	(12,231.38)	3,223.32
	NET INCREASE IN CASH & CASH EQUIVALENTS	81.17	(516.64)
	CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	90.76	607.40
	CASH & CASH EQUIVALENTS AT THE END OF THE YEAR	171.93	90.76

CORPORATE INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES - Note 1 & 2

THE ACCOMPANYING NOTES ARE FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

Notes to the cash flow statement

1 Cash & Cash Equivalents consist of the following

Cash on hand	1.38	4.22
Balances with Scheduled Banks	13.55	17.90
Margin Money deposits	-	68.64
Fixed Deposits With Banks (Under lien with Bank)	157.00	-
	171.93	90.76

2 Figures in the bracket represents cash outflow

AS PER OUR REPORT OF EVEN DATE ATTACHED
FOR HARIBHAKTI & CO.
CHARTERED ACCOUNTANTS
FRN: 103523W

ON BEHALF OF THE BOARD OF DIRECTORS

SHREEDHAR GHANEKAR
PARTNER

K.K.SARDA
DIRECTOR

NEERAJ SARDA
DIRECTOR

GAURAV THAKKAR
CFO

SANJAYA SABAT
COMPANY SECRETARY

MNO.210840

PLACE : VISAKHAPATNAM

DATE : 14th May 2016

PLACE : VISAKHAPATNAM

DATE : 14th May 2016

SARDA METALS & ALLOYS LIMITED

CIN : U51420MH2008PLC187689

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2016

1 CORPORATE INFORMATION

Sarda Metals & Alloys Limited ('The Company') was incorporated on 21st October 2008 under the provisions of Companies Act 1956. It envisages a Green Field Project of 6X33 MVA Ferro Alloys Furnaces and 80X3 MW Captive Power Plant. Under first phase Installation of 80 MW Power Plant and 2X33 MVA Ferro Alloys Plant has been Completed during Financial year 2012-13.

2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1.a Accounting Convention

The Financial Statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standard) Rules , 2006, (as amended) and the relevant provisions of the of the Companies Act, 2013. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The Accounting Policies adopted in the preparation of financial statements are consistent with those of previous year.

2.1.b Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future .

2.1.c Fixed Assets

Tangible Assets are stated at cost ,net of recoverable taxes,less accumulated depreciation / amortization and impairment losses if any. Cost comprises the purchase price and any cost attributable for bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of tangible assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready for its intended use.

All costs,including administrative,financing and general overhead expenses,as are specifically attributable to construction of a project or to the acquisition of a fixed assets or bring it to its working condition are included as part of the cost of construction of project or as a part of the cost of fixed assets, till the project is ready for its intended use/sale. Adjustments arising from exchange rate variations attributable to the fixed assets are capitalized as aforementioned.

Subsequent expenditure related to an item of tangible assets is added to its book value only, if it increases the future benefit from the existing assets beyond its previously assessed standard by increase in economic benefits and/or life of asset.

Intangible assets are carried at its cost,less accumulated amortization and impairment losses if any. All costs including financing costs relating to development of intangible assets which takes substantial period of time to get ready for its intended use are also included.

2.1.d Capital Work in Progress

All project related expenditure viz, civil works, machinery under erection, Construction and erection materials, capital stocks, borrowing cost incurred prior to the date of commercial operation and other Pre-Operative Expenses (including trial run expenses net of realisations, if any) are grouped under Capital Work-in-Progress.

2.1.e Depreciation /Amortisation

Depreciation on Building and Plant and Machinery is provided on Straight Line Method and on all other assets on Written Down Value Method at the rates and in the manner prescribed in Schedule II of the Companies Act,2013. Accordingly, Assets those having remaining useful life are nil as on 01.04.2014,carrying amounts of such assets are adjusted with opening balance of retained earnings. Intangible Assets are Amortised over useful life of the asset ,as estimated by the management .

2.1.f Borrowing Costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. Ancillary Borrowing costs related to arrangement of fresh borrowings are amortised over the period of borrowing on the basis of outstanding of the fresh borrowings. All other borrowing costs including amortisation are expensed in the period they occur.

2.1.g Impairment of tangible and intangible assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss, except for previously revalued tangible fixed assets, where the revaluation was taken to revaluation reserve. In this case, the impairment is also recognized in the revaluation reserve up to the amount of any previous revaluation.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

2.1.h Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments made, are classified as current investments. All other investments are classified as long-term investments

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

2.1.i Inventories

(i) Stores and spares are carried at Cost (net of CENVAT & VAT Credits availed) on moving average basis .

(ii) Raw Materials are carried at cost (net of CENVAT & VAT Credits availed) on moving average basis and net realizable value whichever is lower .However , raw materials held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost or NRV whichever is lower .

(iii) Finished , semi finished products and Stock-in-Trade produced or purchased by the Company are carried at lower cost and net realizable value . Cost includes direct materials and labour cost and a proportion of manufacturing overheads. Cost of finished goods includes excise duty based on prevailing rate.

(iv) By products are valued at net realizable value .

Net realisable value is the estimated selling price in the ordinary course of business , less estimated cost of completion and estimated costs necessary to make the sale .

2.1.j Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Sale of Power

Revenue is recognized, when the power has been injected at the designated sub-station by the Customers.

Sale of Goods

Revenue is recognized, when all the significant risks and rewards of ownership of the goods is passed to the buyer, which generally coincides with dispatch of goods to customers except in case of consignment sales. Sales include excise duty and exclude VAT and are net of discounts and incentives to the customers. Excise duty to the extent included in the gross turnover is deducted to arrive at the net turnover.

Incentives

Revenue is recognized when the right to receive the credits(entitlements) is established and there is no significant uncertainty regarding the ultimate collection.

Interest

Interest income is recognised on time proportion basis taking into account the amount outstanding and the Interest rate applicable.

Government Grant

Government Grants are accounted when there is reasonable certainty of their realisation.Grants received towards Capital expenditure incurred are included in "Capital Reserve".Grants received towards revenue items are accounted in the statement of profit and loss.

2.1.k Foreign currency translation

2.1.k.1 Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount with the exchange rate between the reporting currency and the foreign currency at the date of the transaction .

2.1.k.2 Subsequent Recognition

As at the reporting date non monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of the transaction. All non monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined. All monetary assets and liabilities in foreign currency are restated at the rate existing on the reporting date.

2.1.k.3 Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined .

2.1.k.4 Foreign exchange fluctuations

Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset. For this purpose, the company treats a foreign monetary item as "long-term foreign currency monetary item", if it has a term of 12 months or more at the date of its origination .

All other exchange differences are recognized as income or as expenses in the period in which they arise .

2.1.l Hedging Contracts

The Company uses foreign exchange forward contracts to hedge its exposure to movements in foreign exchange rates. The use of these foreign exchange forward contracts reduces the risk or cost to the Company and the Company does not use the foreign exchange forward contracts for trading or speculation purposes.

2.1.m Employee benefits

(i) Defined Contribution Plan :

Employee benefit in the form of Provident fund contributed to the Statutory Provident Fund is a defined contribution scheme and the payments when due to the respective funds are treated as Expense and charged to statement of Profit & Loss for the Year. There are no obligations other than contribution payable to Provident Fund Authorities .

(ii) Employee Defined benefit Obligation

Employee benefit in the form of Gratuity is a defined benefit obligation. Gratuity Liability at each balance sheet date is ascertained on Actuarial Valuation basis using projected unit credit method. Actuarial gains/losses are not deferred and are taken to Expenses / (gain) in the statement of Profit & Loss for the Year.

(iii) Other Long Term benefits

The liability for leave entitlements as estimated is provided on actuarial basis and is charged to Statement of Profit and Loss and are not deferred.

(iv) Short-term employee benefits

All employee benefits falling due wholly within twelve months of rendering the services are classified as short-term employee benefits, which include benefits like salaries, wages, short-term compensated absences and performances incentive and are recognized as expenses in the period in which the employee renders the related service.

2.1.n Taxes on Income

Income tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income-tax law), and deferred tax charge or credit (reflecting that tax effects of timing differences between accounting income and taxable income for the period). Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India.

The deferred tax charge or credit and the corresponding deferred tax liabilities and assets are recognised using the tax rates and the tax laws that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of assets. Deferred tax assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized. Current tax and deferred tax assets and liabilities are offset to the extent to which the Company has a legally enforceable right to set off and they relate to taxes on income levied by the same governing taxation laws.

Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT credit entitlement. The company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that company will pay normal Income Tax during the specified period.

2.1.o Segment Reporting

Identification of segments

The company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

Segment accounting policies

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

Inter-segment transfers

The company generally accounts for intersegment transfers at an agreed transaction value.

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

2.1.p Earnings Per Shares (EPS)

The company reports basic and diluted Earnings per Share (EPS) in accordance with Accounting Standard 20 "Earnings per Share". Basic EPS is computed by dividing the net profit or loss attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed by dividing the net profit or loss attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all potential equity shares, except where the results are anti-dilutive.

2.1.q Provisions, Contingent Liabilities and Contingent Assets

The company recognizes provisions when there is present obligation as a result of past event and it is probable that there will be an outflow of resources embodying economic benefits and reliable estimate can be made of the amount of the obligation. A disclosure for Contingent liabilities is made in the notes on accounts when there is a possible obligation or a present obligation where it is not probable that an outflow of resources embodying economic benefits will be required or a reliable estimate cannot be made. Contingent assets are neither recognized nor disclosed in the financial statements.

2.1.r Leases

Finance Leases

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as financial leases. Such assets acquired are capitalized at the fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower.

Operating Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight line basis over the period of the lease.

2.1.s Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less .

2.1.t Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit/loss before extraordinary items and tax is adjusted for the effect of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on available information.

2.1.u Claims

Insurance

Insurance claim receivable is accounted for on the basis of claims lodged and there is no significant uncertainty towards realisation, , surplus / deficit if any is accounted for in the year of claim settlement . Claims on account of Loss of Profit are accounted for in the year of settlement of claims.

Grants / Incentives

Government grants are accounted on receipt basis . Grants in capital nature are treated as a Capital grants and shown as Capital Reserves. Any asset specific government grant is deducted from the value of the specified asset and such deducted value is depreciated over the useful life of the asset.

3 Share Capital

(Amount in Rs. Lacs)

	Particulars	As at	
		31.03.2016	31.03.2015
AUTHORISED			
	Authorised Equity Shares of Rs 10 each (Nos)	25,000,000	25,000,000
	Authorised Equity Share Capital (Rs Lacs)	2,500.00	2,500.00
	Issued ,Subscribed and fully paid up Equity Shares of Rs 10 (Nos)	21,016,000	21,016,000
	Issued ,Subscribed and fully paid up Equity Shares of Rs 10 (In Rs Lacs)	2,101.60	2,101.60
		2,101.60	2,101.60
3.a	Reconciliation of shares at the beginning and at the end of reporting year		
	Equity Shares		
	At the beginning of the year in Nos	21,016,000	21,016,000
	Issued during the year in Nos	-	-
	Out standing at the end of the year in Nos	21,016,000	21,016,000
	Equity Shares		
	At the beginning of the year in Rs	2,101.60	2,101.60
	Issued during the year in Rs	-	-
	Out standing at the end of the year in Rs	2,101.60	2,101.60
3.b	Shares held by each share holder holding more than 5 % shares		
	Sarda Energy & Minerals Limited, Holding Company (No's)	21,016,000	21,016,000
	% of holding	100%	100%
	(Includes 45,000 shares held by nominees ,on the behalf of the Company)		
3.c	Shares held by holding/ultimate holding company and/or their subsidiaries/associates		
	Sarda Energy & Minerals Ltd Equity share of Rs 10 each fully paid (in Nos)	21,016,000	21,016,000
	(Includes 45,000 shares held by nominees ,on the behalf of the Company)		
	Sarda Energy & Minerals Ltd Equity shares of Rs 10 each fully paid (in Rs)	2,101.60	2,101.60
	(Includes 45,000 shares held by nominees ,on the behalf of the Company)		
3.d	Shares issued for consideration other than cash (last five years)		
	The company has not issued any shares for consideration other than cash during the last five financial years .		

4 Reserves and Surplus

(Amount in Rs. Lacs)

	Particulars	As at	
		31.03.2016	31.03.2015
Capital Reserve			
	Balance as per last balance sheet	932.37	
	Add : For the Year	-	932.37
	Closing Balance	932.37	932.37
Securities Premium Account			
	Balance as per last balance sheet	18,869.40	18,869.40
	Add : For the Year	-	-
	Closing Balance	18,869.40	18,869.40
Surplus in the statement of Profit and Loss			
	Balance as per last balance sheet	1,436.68	1,072.06
	Add : Profit for the year	(256.45)	379.96
	Depreciation adjusted	-	(15.33)
	Closing Balance	1,180.23	1,436.68
	Total	20,982.00	21,238.45

5 Long Term Borrowings

(Amount in Rs. Lacs)

Particulars	As at	
	31.03.2016	31.03.2015
A. Term loans (Secured)		
From banks		
Indian Rupee Loan	14,853.19	32,296.02
Buyers' Credits	-	58.93
From other parties		
Indian rupee loan from Financial institutions	20,478.46	-
1. During the year the company has refinanced its existing Term Loans from Axis Bank and Bank of Baroda (Outgoing Lenders) & IDFC Bank Ltd (Existing lender) to the extent of Rs 35,331.65 Lacs. Refinanced Loan from L& T Infrastructure Finance Co Ltd (Incoming Lender) to the tune of Rs 20,478.49 Lacs has been utilized to pay off the outgoing lenders. IDFC Bank Ltd (Existing Lender) has refinanced its existing outstanding as a fresh Term Loan.		
Term Loans are Secured by the following -		
1. Pari passu first charge by way of Equitable Mortgage of the immovable property of the company situated at APIIC Industrial Park at Kantakapalli village, Pari Passu first charge on the moveable properties and Fixed assets of the company and pari passu second charge on the current assets of the company in favour of Axis Trustee Services Limited appointed as Security trustee by the Lenders.		
2. Pledge of 51% of Shares held in the company by the Holding Company Sarda Energy & Minerals Limited in favour of Axis Trustee Services Limited appointed as Security Trustee by the Lenders.		
3. Axis Trustee Services Ltd is holding the above securities as trustee for the outgoing & Existing Term Lenders. However Axis Trustee Services Ltd has been appointed to act as Security Trustee for holding security on behalf of the Incoming and existing Lenders. Fresh Security in favour of the Incoming and existing Lenders is yet to be created as at March 31, 2016.		
4. Corporate Guarantee of Rs 6,000 Lacs of Holding Company Sarda Energy & Minerals Limited in favour of L& T Infrastructure Finance Co Ltd.		
5. Personal Guarantee of Director Mr K K Sarda		
Terms of Repayment		
1. Indian Rupee Term Loan from Banks of Rs 14,853.19 Lacs & from Financial Institutions of Rs 20,478.46 Lacs is payable in 41 Quarterly Installments commencing from September 2017 and ending on September 2027 (Previous year 36 equal Quarterly installments)		
2. Rate of interest on Term Loans from Banks are at Base Rate Plus 2.93%. Rate of Interest on Term Loans from Financial Institutions is at PLR minus 3%.		
Total	35,331.65	32,354.95

6 Deferred tax liabilities (Net)

(Amount in Rs. Lacs)

Particulars	As at	
	31.03.2016	31.03.2015
Deferred tax liability		
Tax effect On Depreciation	10,583.07	9,794.33
Deferred Tax Asset		
Tax Effect of Provision for Doubtful trade receivable	(5.36)	9.10
Tax Effect of Provision for Electricity duty	-	82.59
Tax Effect of Provision for Leave Salary	(20.84)	(4.95)
Tax Effect of Provision for Gratuity	(15.13)	(5.80)
Tax Effect of Provision for Bonus & Exgratia	(13.65)	0.00
Tax Effect of Carried Forward Loss	(9,550.04)	(9,087.10)
Deferred tax liability (Net) at the end of the year	978.05	788.18

7 **Other Long - Term Liabilities** (Amount in Rs. Lacs)

Particulars	As at	
	31.03.2016	31.03.2015
Security Deposit Received Deposit from Employees	18.39	18.06
Total	18.39	18.06

8 **Long - term Provisions** (Amount in Rs. Lacs)

Particulars	As at	
	31.03.2016	31.03.2015
Provision for employee benefits Gratuity	55.51	44.48
Leave Salary	34.46	25.73
Total	89.97	70.21

9 **Short-term borrowings** (Amount in Rs. Lacs)

Particulars	As at	
	31.03.2016	31.03.2015
Secured		
From Banks		
Working Capital loans from Banks	5,726.49	3,153.57
Buyer's Credits (Secured by Letter Of Undertaking issued by Banks)	2,793.26	10,952.11
From Other Parties		
Unsecured		
Loans and Advances from Related Parties Sarda Energy & Minerals Ltd - Holding Company	2,851.17	1,030.20
Total	11,370.92	15,135.88

Terms of repayment

Working capital loans are payable on demand & Buyers' Credit are payable on Specific dates.

Security

M/S Axis Trustee Services Ltd, appointed as Security Trustee for working capital facilities by consortium of Banks comprising Bank of Baroda, Axis bank Ltd & The Ratnkar Bank Ltd.

Working Capital Facilities are secured by first pari -passu charge on stocks & book debt and second pari-passu charge on all present and future movable plant and machinery of the Company .These facilities are also secured by personal guarantee of Mr.K.K.Sarda ,Director.

10 **Trade Payables** (Amount in Rs. Lacs)

Particulars	As at	
	31.03.2016	31.03.2015
Due to Micro and Small Enterprises	-	-
Due to Others	2,578.38	976.98
Total	2,578.38	976.98

11 **Other Current Liabilities** (Amount in Rs. Lacs)

Particulars	As at	
	31.03.2016	31.03.2015
Current maturities of long-term debt	-	4,964.00
Interest accrued but not due on borrowings	13.69	268.54
Other payables		
Statutory Dues Payable	133.31	640.50
Salary & Reimbursements Payable	128.06	111.38
Advances from Customers	24.69	69.55
Open Access UI Charges Payable	181.73	26.52
Creditors for Capital Goods	798.42	837.31
Other Expenses Payable	1,117.07	860.28
Total	2,396.97	7,778.08

12 **Short -Term Provisions** (Amount in Rs. Lacs)

Particulars	As at	
	31.03.2016	31.03.2015
Provision for employee benefits		
Leave Encashment	11.30	9.68
Provision for Gratuity	7.51	5.23
Others		
Provision for Taxation (Net of Tax Payment)	31.61	-
Total	50.42	14.91

13 FIXED ASSETS
TANGIBLE ASSETS

(Amount in Rs Lacs)

Particulars	Gross block				Depreciation				Net Block	
	As at 01.04.15	Additions	Transfer/ Adj	As at 31.03.16	Upto 01.04.15	For the Year	Transfer/ Adj	Up to 31.03.16	As at 31.03.16	As at 31.03.15
	Freehold Land (Owned)	2,006.62	-	-	2,006.62	-	-	-	-	2,006.62
Buildings	9,936.67	106.19	-	10,042.86	932.01	642.79	-	1,574.80	8,468.06	9,004.66
Plant & Machinery	52,039.22	322.59	433.74	51,928.07	4,529.12	1,664.93	54.28	6,139.78	45,788.29	47,510.10
Computer & Accessories	71.63	0.77	-	72.40	50.48	0.57	-	51.05	21.35	21.15
Furniture & fixture	78.61	10.21	-	88.82	35.42	15.87	-	51.29	37.53	43.19
Office Equipments	45.50	4.48	-	49.98	32.70	4.34	-	37.04	12.94	12.80
Vehicles	182.87	-	25.82	157.05	73.70	35.35	16.89	92.16	64.89	109.17
Total	64,361.12	444.24	459.56	64,345.80	5,653.44	2,363.85	71.17	7,946.12	56,399.68	58,707.68
Previous Year	64,008.90	1,239.32	887.10	64,361.12	3,339.54	2,371.84	57.95	5,653.43	58,707.68	

14 **Non- Current Investments** (Amount in Rs. Lacs)

Particulars	As at	
	31.03.2016	31.03.2015
Trade Invesments		
Investment in Equity Instruments of Other entities		
Natural Resources Energy Pvt Ltd. (2,845 Equity Shares of Rs 10 each)	0.28	0.28
	0.28	0.28

a) Aggregate amount of quoted investments and market value thereof	-	-
b) Aggregate amount of unquoted investments	0.28	0.28
c) Aggregate provision for diminution in value of investments	-	-

15 **Long- term Loans and Advances** (Amount in Rs. Lacs)

Particulars	As at	
	31.03.2016	31.03.2015
Capital Advances		
Unsecured, considered good	-	124.87
Security Deposits		
Unsecured, considered good	252.43	240.72
Other loans and advances		
Unsecured, considered good		
Tax Payments (Net of Provision)	55.06	53.09
Total	307.49	418.68

16 **Other Non Current Assets**

Particulars	As at	
	31.03.2016	31.03.2015
Unamortised borrowing Costs	476.45	-
Total	476.45	-

17 **Inventories (at lower of cost and net realisable value)** (Amount in Rs. Lacs)

Particulars	As at	
	31.03.2016	31.03.2015
a. Raw Materials and components	2,075.40	3,425.68
b. Finished goods / By - Products	1,755.56	4,942.96
c. Stores and spares	477.39	749.63
d. Stock in Trade	90.70	174.47
Total	4,399.05	9,292.74

18 Trade Receivables

(Amount in Rs. Lacs)

Particulars	As at	
	31.03.2016	31.03.2015
Trade receivables outstanding for a period exceeding six months from the date they are due for payment - (Unsecured , Considered good)		
-On Sale of Power	158.89	90.45
-On Others	4.94	10.48
	163.83	100.93
Others (Unsecured , Considered good)		
-On Sale of Power	5,117.02	2,036.64
-On Others	3,180.30	2,065.46
	8,297.32	4,102.10
Total	8,461.15	4,203.03

19 Cash and Bank balances

(Amount in Rs. Lacs)

Particulars	As at	
	31.03.2016	31.03.2015
Cash on hand	1.38	4.22
Balances with Banks		
In current accounts	13.55	17.90
Margin Money Deposit	-	68.64
Fixed Deposit (Under lien with Bank)	157.00	-
Total	171.93	90.76

20 Short- term Loans and Advances

(Amount in Rs. Lacs)

Particulars	As at	
	31.03.2016	31.03.2015
Others		
Unsecured, considered good		
Loans and Advances to Employees	19.62	19.42
Advances to Vendors	608.74	264.29
Cenvat & VAT Credit	3,714.84	4,671.36
MAT Credit Entitlement	-	445.31
Prepaid Expenditure	80.01	184.67
Total	4,423.21	5,585.05

21 Other Current Assets

(Amount in Rs. Lacs)

Particulars	As at	
	31.03.2016	31.03.2015
Interest Accrued but not due on deposits	0.03	-
Insurance Claim Receivables	776.06	842.50
Export Incentive Receivables	153.45	417.45
Other Receivable	329.57	900.76
Total	1,259.11	2,160.71

26.1 The following table showing the status of the gratuity plan and the amounts recognized in the Company's balance sheet as at 31st March 2016

(Amount in Rs. Lacs)

Sl no	Particulars	For the Year Ended	
		31.03.2016	31.03.2015
1	Table showing changes in present value of obligations Discount Rate (end of the year) Rate of increase in Compensation levels Rate of Return on Plan Assets	7.68% 8.00% -	7.74% 8.00% -
2	Table showing changes in present value of obligations Present Value of Obligation as at the beginning of the year Acquisition adjustment Interest Cost Current Service Cost Curtailment Cost / (Credit) Settlement Cost / (Credit) Benefits paid Actuarial (gain) / loss on obligations Present Value of Obligation as at the end of the year	49.71 - 3.72 13.68 - - (2.57) (1.51) 63.02	31.84 - 0.53 12.37 - - - 3.03 49.71
3	Table showing changes in the Fair value of Plan Assets Fair Value of Plan Assets at the beginning of the year Acquisition Adjustments Expected Return of Plan Assets Contributions Benefits paid Actuarial Gain / (loss) on Plan Assets Fair Value of Plan Assets at the end of the year	- - - - - - - -	- - - - - - - -
4	Tables showing Fair Value of Plan Assets Fair value of plan asset at the beginning of year Acquisition adjustments Actual return on plan assets Contributions Benefits paid Fair value of plan assets at the end of year Funded status Excess of actual over estimated return on plan assets	- - - - - - - - -	- - - - - - - - -
5	Actuarial Gain / Loss Recognized Actuarial (gain) / loss for the year – Obligation Actuarial (gain) / loss for the year – Plan Assets Total (gain) / loss for the year Actuarial (gain) / loss recognized in the year Unrecognized actuarial (gains) / losses at the end of year	(1.51) - - (1.51) (1.51) -	3.03 - - 3.03 3.03 -
6	The amounts to be recognized in Balance Sheet and Statements of Profit & Loss Present value of obligation as at the end of the year Fair value of Plan Assets as at the end of the year Funded status Net Asset / (Liability) Recognized in Balance Sheet	(63.02) - - (63.02)	49.71 - - (49.71)
7	Expense recognized in the Statement of Profit & Loss Current Service Cost Interest Cost Expected Return of Plan Assets Curtailment Cost / (Credit) Settlement Cost / (Credit) Net actuarial (gain) / loss recognized in the year Expenses recognized in the Statement of Profit & Loss	13.68 3.72 - - - - (1.51) 15.89	12.37 0.53 - - - - 3.03 15.93

Defined contribution plan

Provident fund

The Company has recognized the following amount in the statement of profit and loss:
Contribution to provident fund during the year is Rs.38.32 Lacs (previous year : Rs 43.63 Lacs)
The leave salary liability as at March 31 , 2016 is Rs 45.76 Lacs (Previous Year Rs 35.41 Lacs) .

26.2 Summary of defined benefit obligation/plan assets and experience adjustments (Amount in Rs.lacs)

	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Defined benefit obligations	63.02	49.71	31.84	17.29	7.17
Plan assets	-	-	-	-	-
Surplus / (deficit)	(63.02)	(49.71)	(31.84)	(17.29)	(7.17)
Experience adjustments on Plan liabilities (gain)/loss	1.51	(3.03)	(4.33)	(1.33)	-
Experience adjustments on plan assets gain/(loss)	-	-	-	-	-

27 Finance Costs

(Amount in Rs. Lacs)

Particulars	For the Year Ended	
	31.03.2016	31.03.2015
Interest expense on borrowings	5,372.07	5,693.01
Other Borrowing Cost	380.24	342.44
Total	5,752.31	6,035.45

28 Depreciation and Amortisation Expense

(Amount in Rs. Lacs)

Particulars	For the Year Ended	
	31.03.2016	31.03.2015
Depreciation of Tangible Assets	2,363.85	2,371.84
Total	2,363.85	2,371.84

29 Other Expenses

(Amount in Rs. Lacs)

Particulars	For the Year Ended	
	31.03.2016	31.03.2015
Stores , Spares and Consumables	1,056.65	1,023.28
Material handling Expenses	677.24	421.86
Plant operation and Maintenance Expenditure	783.00	675.60
Other Manufacturing Expenses	12.89	5.90
RPO & Cross Subsidy Expenses (Including prior period expenses Rs 125.64 lacs)	390.87	-
Excise duty on Increase / (decrease) in inventory	(347.55)	501.04
Repairs & Manitenance		
Building	9.94	10.62
Plant & Machinery	119.42	174.42
Others	106.42	97.82
Power & Fuel	191.65	265.44
Rent (Including prior period expenses Rs 6.64 lacs)	73.63	61.92
Rates & Taxes	229.68	218.66
Insurance Charges	125.97	76.94
Travelling & Conveyance expenses	168.30	163.63
Legal & Professional Expenses	94.02	84.23
Other Expenses	294.99	253.43
Social welfare & development expenses	13.25	18.66
Carriage Outward	763.80	432.66
Cash Discount Expenses	277.69	40.85
Open Access UI Charges	452.25	148.33
Transmission Charges & Others	677.39	319.56
Exchange differences (net)	512.46	87.50
Payment to Auditors	10.03	11.66
Total	6,693.99	5,093.97

30 Foreign Exchange Earning & Outgo

(Amount in Rs. Lacs)

Particulars	For the Year Ended	
	31.03.2016	31.03.2015
FOB Value of Exports	10,410.48	9,024.72
CIF Value of Imports		
Raw Materials	10,791.41	27,077.19
Capital goods, Stores & Consumables	17.05	827.72
Expenditure in foreign currency		
Interest & Charges	58.88	44.14
Commission	5.15	-
Travelling Expenses	11.30	4.91
Technical Consultancy	-	20.49

31 Payments to the auditors

(Amount in Rs. Lacs)

Particulars	For the Year Ended	
	31.03.2016	31.03.2015
As auditor:		
Statutory Audit fee	8.50	8.50
Tax Audit fees	1.50	1.50
Out of Pocket Expenses	0.03	1.66
Total	10.03	11.66

32 Related Party Disclosure

Name of the related party and description of relationship (as identified by the management and relied upon by the auditors)

Description of relationship	Name of the related parties
Holding Company	Sarda Energy and Minerals Limited
Related Enterprise Where Significant Influence Exist	Sarda Agriculture & Properties Pvt Ltd Sarda Solutions Private Limited R. R. Sarda & Co - Partner
Associate Company	Natural Resources Energy Private Ltd
Key Management personnel	Mr. Manish Sarda - Director Mr. Neeraj Sarda - Director Ms. Sonal Sarda - Director

A TRANSACTION WITH RELATED PARTIES

(Amount in Rs. Lacs)

Particulars	For the Year Ended	
	31.03.2016	31.03.2015
<u>Holding Company - Sarda Energy & Minerals Limited</u>		
Loan Received	6,631.74	23,410.00
Loans Repaid	5,494.85	19,763.00
Interest paid/(Received)	261.04	534.96
Purchase of Goods	1,666.98	1,146.55
(Finished Goods Rs 1027.68 Lacs (Previous Year : Nil) and Raw Materials Rs 639.30 Lacs (Previous Year : 1146.55))		
Sale of Goods	1,217.86	3,561.98
<u>Transaction with Associates Concern</u>		
Sarda Solutions & Technologies Private limited - Business Support Services & Maintenance Or Repair Services	51.94	51.84
R. R. Sarda & Co - Rent Paid	13.28	4.80
Natural Resources Energy Pvt Ltd	1.22	-
<u>Key Management Personnel</u>		
<u>Remuneration Paid</u>		
Mr. Manish Sarda	57.28	53.02
Mr. Neeraj sarda	58.17	53.44
Ms.Sonal Sarda	16.23	10.25
<u>Guarantees Taken During the Year</u>		
Mr. K.K . Sarda	57,276.00	-

There are no debts due to / due from related parties which has been written back / written off during the year (previous year Rs Nil) .

B	Outstandings	(Amount in Rs. Lacs)	
		As At	
	Particulars	31.03.2016	31.03.2015
	Receivables/ (Payables) - Sarda Energy & Minerals Limited	(2851.17)	(1030.20)
33	Earnings per Share (EPS)	(Amount in Rs. Lacs)	
	Particulars	For the Year Ended	
		31.03.2016	31.03.2015
	Net Profit after tax as per Statement of Profit & Loss attributable to Equity Shareholders (Rs in Lacs)	(256.45)	379.96
	Nominal Value of Equity Shares (Rs)	10	10
	Weighted average number of Equity Shares (in Lacs) used as denominator for calculating EPS	210.16	210.16
	Basic and Diluted Earnings per Share (Rs)	(1.22)	1.81
34	Contingent liabilities and commitments (to the extent not provided for)	(Amount in Rs. Lacs)	
	Particulars	AS AT	
		31.03.2016	31.03.2015
	(i) Contingent Liabilities		
	(a) Guarantees given by Company's Bankers	495.51	85.40
	(b) Appeal pending with Commissioner of Customs	132.63	-
		628.14	85.40
	(ii) Commitments		
	(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)	-	76.58
		-	76.58
35	During the previous year , income tax department has conducted a search operation U/S 132 of Income tax Act , 1961 .During course of search : 1.Various documents and records have been seized by them and physical varification of stock conducted by independent agencies appointed by them . 2 . The Company does not foresee any liability at this stage .However , the due provision of liability if any ,shall be made after completion of the block assessment which is not ascertainable as of current date .		
36	Dues to Micro and Small enterprises as defined under the MSMED Act,2006 The Company has not received any Memorandum (as required to be filed by the suppliers with the notified authority under the Micro, Small and Medium Enterprises Development Act,2006) claiming their status as on 31st March 2016 as Micro, Small and Medium enterprises. Consequently the amount paid/payable to these parties during the year is Nil.		
37	Leases The company's significant lease arrangements are in the nature of operating leases. For all the leases the company has an exclusive right to cancel the lease with prior notice. There were neither finance leases nor the non-cancellable operating leases entered by the Company. Total lease payments charged to the profit and loss account during the year. No additional disclosures are applicable.		
38.1	During the previous year Cyclone HUDHUD had struck the city of Visakhapatnam .As a result ,the Company has suffered / significant losses to its properties and other assets . The damage to assets / Other losses claimed from the Insurer shown under head Claims receivable . The losses ,if any,net of claims receivable from insurance company , will be accounted for in the year of final settlement of claim .		
38.2	During the year there was an accidental premature failure of Carbon Lining & Refractories of Furnace No 2.The damage to assets claimed from the insurer has been shown under the head "Insurance Claims Receivables".The losses ,if any,net of claims receivable from insurance company , will be accounted for in the year of final settlement of claim .		

39 Particulars of unhedged foreign currency exposure as at the reporting date

(Amount in Rs. Lacs)

Particulars	Currency	2015-16		2014-15	
		Foreign Currency	INR	Foreign Currency	INR
Buyers' Credits - Long term	USD	-	-	0.94	58.93
	EURO	-	-	-	-
Buyers' Credits - Short term	USD	39.09	2,589.67	-	-
	EURO	2.70	203.59	175.25	10,952.11

40 Segment Reporting

Segment information has been prepared in conformity with the accounting policies adopted for preparation and presentation of the financial statements of the company.

(Amount in Rs. Lacs)

Particulars	2015-16			2014-15		
	Power	Ferro	Total	Power	Ferro	Total
Revenue						
Sales & Other Income	24,481.11	19,068.63	43,549.74	21,098.23	19,491.97	40,590.20
Inter Segment Sales	4,852.26	(4,852.26)	-	6,398.49	(6,398.49)	-
Others Unallocated	-	-	4,467.36	-	-	1,517.30
Total Revenue	29,333.37	14,216.37	48,017.10	27,496.72	13,093.49	42,107.50
Result						
Segment Result	11,185.47	(2,900.27)	8,285.20	8,649.49	(296.21)	8,353.28
Unallocated Expenses net off Unallocated Income	-	-	(1,534.56)	-	-	(1,510.27)
Operating Profit			6,750.64			6,843.01
Interest & Forex Fluctuation Loss (Net)	-	-	6,264.76	-	-	6,122.95
Profit Before Tax Extraordinary Item			485.88			720.06
Add: Extra Ordinary Item	-	-	-	-	-	-
Provision for Taxation						
For Current Tax	-	-	103.09	-	-	140.00
Tax pertaining to Short Provision of earlier Year	-	-	4.07	-	-	4.23
For Deferred Tax	-	-	189.87	-	-	335.87
MAT Credit Entitlement written off	-	-	445.30	-	-	(140.00)
Profit After Taxation			(256.45)			379.96
Other Information						
Segment Assets	43,718.20	27,413.92	71,132.12	42,734.67	31,840.32	74,574.99
Unallocated Assets	-	-	4,765.95	-	-	5,902.03
Total Assets (excluding non current investments)			75,898.07			80,477.02
Segment Liabilities	2,843.79	2,197.58	5,041.37	1,585.58	2,383.61	3,969.19
Unallocated Liabilities	-	-	61.16	-	-	(74.95)
Total Liabilities	2,843.79	2,197.58	5,102.53	1,585.58	2,383.61	3,894.24
Capital Expenditure	137.09	-	137.09	59.02	705.28	764.30
Depreciation/Amortisation	1,107.16	825.22	1,932.38	1,120.91	809.90	1,930.81
Unallocated Capital Expenditure & Depreciation	-	-	490.25	-	-	651.83
Non Cash Expenditure other than depreciation/amortisation						

Additional Information:

- The Company has disclosed business Segment as the primary Segment. Segments have been identified taking into account the nature of the products, the differing risks and returns, the organisational structure and internal reporting system. The Company's operations predominately relate to manufacture of Ferro Alloys and generation of Power.
- Segments Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis. The expenses, which are not directly relatable to the business segment, are shown as unallocated corporate cost. Assets and liabilities that can not be allocated between the segments are shown as unallocated corporate assets and liabilities respectively.

3. Reconciliation of reportable segments with the financial statements				
Particulars	2015-16		2014-15	
	Assets	Liabilities	Assets	Liabilities
Total Segments	71,132.12	5,041.37	74,574.99	3,969.19
Unallocated Assets / Liabilities as per table above	4,765.95	61.16	5,902.03	(74.95)
Total	75,898.07	5,102.53	80,477.02	3,894.24
Add: Unallocated Corporate Assets / Liabilities Not Considered in Segment				
Non Current Investments	0.28	-	0.28	-
Current Investments	-	-	-	-
Long Term Borrowings	-	35,331.65	-	32,354.96
Short Term Borrowings	-	11,370.92	-	15,135.88
Short Term Provisions (Provision for taxation)	-	31.61	-	-
Current Maturities of Long Term Debt	-	-	-	4,964.00
Deferred Tax Liabilities	-	978.05	-	788.18
Total Segment Assets /Liabilities Not Considered	0.28	47,712.23	0.28	53,243.02
As per Financial Statements	75,898.35	52,814.75	80,477.30	57,137.25

The geographical segments individually contributing 10 percent or more of the Company's revenues and segment assets are shown separately:

Geographical Segment	Revenues for the year ended 31 March, 2016	Segment assets as at 31 March, 2016	Capital expenditure incurred during the year ended 31 March, 2016
Within India	37,369.29 (33,123.28)	70,085.78 (73,248.99)	137.09 (764.30)
Outside India			
Asia	9,721.72 (8,030.25)	1,046.34 (667.06)	- -
Others	926.09 (953.97)	0.00 (658.93)	- -
TOTAL	48,017.10 (42,107.50)	71,132.12 (74,574.99)	137.09 (764.30)

41 Figures of previous year have been regrouped / rearranged / reclassified wherever necessary to confirm to the current year's presentation.

AS PER OUR REPORT OF EVEN DATE ATTACHED FOR HARIBHAKTI & CO. CHARTERED ACCOUNTANTS FRN: 103523W		FOR AND ON BEHALF OF THE BOARD		
SHREEDHAR GHANEKAR PARTNER MNO.210840 PLACE : VISAKHAPATNAM DATE : 14th May 2016	K.K.SARDA DIRECTOR	NEERAJ SARDA DIRECTOR	GAURAV THAKKAR CFO	SANJAYA SABAT COMPANY SECRETARY
		PLACE : VISAKHAPATNAM DATE : 14th May 2016		

