

## **INDEPENDENT AUDITORS' REPORT**

**To the Members of Sarda Metals and Alloys Limited.**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **Sarda Metals and Alloys Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and 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**

Management is responsible for 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 Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

(b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

(c) in the case of the Cash Flow Statement, of the 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, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by Section 227(3) of the Companies Act, 1956, 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 account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.

- e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

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

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Atul Gala  
Partner  
Membership No.048650

Place: Mumbai  
Date: May 10, 2014.

## **ANNEXURE TO INDEPENDENT AUDITORS' REPORT**

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in Independent Auditors' Report of even date to the members of **Sarda Metals and Alloys Limited** on the financial statements for the year ended 31 March, 2014.

- (i) (a) The Company has maintained records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) (b) The fixed assets of the company have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
  - (c) During the year, the Company has not disposed off a substantial part of the Fixed Assets.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
  - (b) The procedures of physical verification of inventory 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 is maintaining proper records of inventory and no material discrepancies were noticed on physical verification carried out as mentioned in para ii(a) above.
- (iii) (a) As informed, the Company has granted advances in the nature of unsecured loans to one company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 3,545.42 lakhs and year-end balance of loans granted to such company was Rs. 912.87 Lakhs.
  - (b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not, prima facie, prejudicial to the interest of the Company.
  - (c) The company has repaid the principal amount as stipulated and have also been regular in the payment of interest to the Company.
  - (d) There is no overdue amount in excess of Rs. one lakh in respect of loans granted to company listed in register maintained under Section 301 of the Companies Act, 1956.

- (e) The Company had taken loan from one company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year and the year-end aggregate balance of loans taken from such party during the year are as under:

(Rs. In Lakhs)		
Particulars	Maximum amount	Aggregate Balance of Loan
Sarda Energy and Minerals Limited		
- Interest bearing Unsecured Loan	2,859.43	23,369.77

- (f) In our opinion, the rate of interest and other terms and conditions for such loans are not, prima facie, prejudicial to the interest of the Company.
- (g) In respect of the above said loans, the company is regular in repaying the principal amounts as stipulated and has also been regular in payment of interest.
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase 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 weaknesses in internal control system of the company.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 that need to be entered into the register maintained under Section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rs. five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

- (viii) We have broadly reviewed the books of account maintained by the company in respect of products where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there is no dues of income tax, sales-tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute, except electricity duty amounting to Rs 294.77 lacs pertaining to period from February 2013 to March, 2014. The Company, based on legal opinion, has disputed that it is neither a licensee nor liable to pay the electricity duty under Electricity Duty Act 1939.
- (x) The Company has no accumulated losses at the end of the financial year and has not incurred cash losses in the current year as well as in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institutions or banks.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans & advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause (xiv) of paragraph 4 of the Companies (Auditors' Report) Order, 2003 are not applicable.
- (xv) In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- (xvi) In our opinion, the term loans have been applied for the purpose for which the loans were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) According to the information and explanation given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) According to the information and explanations given to us, no debentures have been issued by the company during the year.
- (xx) The Company has not raised money by way of public issue during the year.
- (xxi) 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 on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

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

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Atul Gala  
Partner  
Membership No.048650

Place: Mumbai  
Date: May 10, 2014.

**SARDA METALS & ALLOYS LTD**  
**Balance Sheet as at 31st March 2014**

(Amount in Rs. Lacs)

	Particulars	Note	AS AT 31.03.2014	AS AT 31.03.2013
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' funds</b>			
	Share capital	3	2,101.60	2,004.50
	Reserves and surplus	4	19,941.46	18,378.12
	Money received against share warrants		-	-
			22,043.06	20,382.62
<b>2</b>	<b>Share application money pending allotment</b>	5	-	971.00
			-	971.00
<b>3</b>	<b>Non-current liabilities</b>			
	Long-term borrowings	6	37,477.90	39,842.08
	Deferred tax liabilities (Net)	7	452.32	194.59
	Other Long term liabilities	8	875.74	2,739.85
	Long-term provisions	9	43.14	27.89
			38,849.10	42,804.41
<b>4</b>	<b>Current liabilities</b>			
	Short-term borrowings	10	801.30	2,790.38
	Trade payables	11	2,169.29	1,000.55
	Other current liabilities	12	5,292.37	4,128.53
	Short-term provisions	13	318.09	166.55
			8,581.05	8,086.01
	<b>TOTAL</b>		<b>69,473.21</b>	<b>72,244.04</b>
<b>II.</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	Fixed assets			
	Tangible assets	14	60,669.37	62,482.62
	Intangible assets		-	-
	Capital work-in-progress	14	452.42	608.82
	Intangible assets under development			
			61,121.79	63,091.44
	Non-current investments		-	-
	Long-term loans and advances	15	103.09	92.33
	Other non-current assets	16	-	210.05
			61,224.88	63,393.82
<b>2</b>	<b>Current assets</b>			
	Current investments	17	-	0.05
	Inventories	18	893.11	2,769.40
	Trade receivables	19	1,400.79	1,339.85
	Cash and Bank Balances	20	607.40	312.39
	Short-term loans and advances	21	5,347.03	4,428.53
			8,248.33	8,850.22
	<b>TOTAL</b>		<b>69,473.21</b>	<b>72,244.04</b>

SIGNIFICANT ACCOUNTING POLICIES

1 & 2

THE ACCOMPANYING NOTES ARE FORMING INTEGRAL PART OF FINANCIAL STATEMENTS

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR AND ON BEHALF OF THE BOARD

FOR HARIBHAKTI & CO.  
CHARTERED ACCOUNTANTS  
FRN: 103523W

ATUL GALA  
PARTNER  
MEMBERSHIP NO .048650  
PLACE : MUMBAI  
DATE : 10th May 2014

K.K.SARDA  
DIRECTOR

NEERAJ SARDA  
DIRECTOR

GAURAV THAKKAR  
COMPANY SECRETARY

PLACE : RAIPUR  
DATE : 9th May 2014

**SARDA METALS & ALLOYS LIMITED**  
**Statement of Profit and loss for the year ended 31st March 2014**

(Amount in Rs. Lacs)

	Particulars	Note	Year Ended	Year Ended
			31.03.2014	31.03.2013
I.	Revenue from operations (Gross)	22	33,576.51	3,277.92
II.	Other income	23	81.24	-
III.	<b>Total Revenue (I + II)</b>		<b>33,657.75</b>	<b>3,277.92</b>
IV.	<b>Expenses:</b>			
	Cost of materials consumed	24	17,620.18	1,996.01
	Power & Fuel		233.04	412.60
	Purchases of Stock-in-Trade		2,355.88	4.58
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	25	(2.34)	(16.21)
	Employee benefits expense	26	966.74	152.44
	Finance costs	27	5,552.94	445.32
	Depreciation and amortization expense	28	3,015.77	286.32
	Other expenses	29	2,975.64	428.82
	<b>Total Expenses</b>		<b>32,717.85</b>	<b>3,709.88</b>
	<b>Less: Trial Run Expenses Capitalised</b>		0.00	1,031.12
	<b>Net Total Expenses</b>		<b>32,717.85</b>	<b>2,678.76</b>
V.	<b>Profit before Tax (III - IV)</b>		<b>939.90</b>	<b>599.16</b>
VI.	Tax expense:			
	(1) Current tax		185.49	121.38
	(2) Deferred tax		257.73	194.59
	(3) MAT Credit Entitlement		(192.78)	(112.53)
	<b>Total Tax</b>		<b>250.44</b>	<b>203.44</b>
VII.	<b>Profit for the period (V - VI)</b>		<b>689.46</b>	<b>395.72</b>
VIII.	Earnings per equity share:			
	Basic		3.44	2.71
	Diluted		3.44	2.71

SIGNIFICANT ACCOUNTING POLICIES

1 & 2

THE ACCOMPANYING NOTES ARE FORMING INTEGRAL PART OF FINANCIAL STATEMENTS

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR AND ON BEHALF OF THE BOARD

FOR HARIBHAKTI & CO.  
 CHARTERED ACCOUNTANTS  
 FRN: 103523W

ATUL GALA  
 PARTNER  
 MEMBERSHIP NO .048650  
 PLACE : MUMBAI  
 DATE : 10th May 2014

K.K.SARDA  
 DIRECTOR

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GAURAV THAKKAR  
 COMPANY SECRETARY

PLACE : RAIPUR

DATE : 9th May 2014

**SARDA METALS & ALLOYS LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2014**

(Amount in Rs. Lacs)

	Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net Profit before tax as per Statement of Profit & <u>Adjusted for :</u>	939.88	599.18
	Depreciation	3,015.77	286.32
	Interest Income	(80.16)	
	Finance Costs	5,552.94	445.32
	Unrealised Exchange (Gain)/Loss	67.78	(11.08)
		<b>8,556.33</b>	<b>720.56</b>
	Operating profit before working capital changes	9,496.22	1,319.74
	<u>Adjusted for:</u>		
	Increase/(decrease) in trade & other payables	1,032.00	999.59
	Increase/(decrease) in provisions	156.80	217.96
	(Increase)/decrease in inventories	1,876.29	(2,756.44)
	(Increase)/decrease in trade receivables	(60.93)	(1,339.85)
	(Increase)/decrease in loans, advances	(725.73)	(525.02)
	(profit) /Loss on Sale of Fixed assets	0.39	-
	Cash generated from Operations	<b>11,775.04</b>	<b>(2,084.02)</b>
	Direct taxes paid (net)	(175.51)	(0.44)
	Net cash from operating activities	<b>11,599.53</b>	<b>(2,084.46)</b>
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Investment in Fixed Assets including capital WIP	(1,049.32)	(19,672.51)
	(Increase) / Decrease in long term loans & advances on capital account	(10.77)	2,247.04
	(Increase) / Decrease in other non current assets	210.05	(210.05)
	Increase/(Decrease) in Other Long Term Liabilities	(1,864.11)	(4,039.62)
	Increase in current assets on capital account	-	(1,527.09)
	Interest received	80.16	-
	Sale of Fixed Assets	2.81	-
	(Increase) /Decrease in Current Investment	0.05	-
	Net cash from investing activities	<b>(2,631.13)</b>	<b>(23,202.23)</b>
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Proceeds from fresh Issue of Shares	971.00	7,500.00
	Share Application Money Received	-	934.36
	Proceeds from long term borrowings	2,595.96	15,941.20
	Repayment of Term Loans	(3,789.40)	-
	Short Term Borrowings	844.38	-
	Loan from Holding company	(3,761.38)	780.19
	Interest paid	(5,533.97)	(338.87)
	Net cash from financing activities	<b>(8,673.41)</b>	<b>24,816.88</b>
	<b>NET INCREASE IN CASH &amp; CASH EQUIVALENTS</b>	<b>295.00</b>	<b>(469.81)</b>
	<b>CASH &amp; CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>312.40</b>	<b>782.20</b>
	<b>CASH &amp; CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>607.40</b>	<b>312.39</b>

**Notes to the cash flow statement**

**1 Cash & Cash Equivalents consist of the following**

Cash on hand	3.67	12.35
Balances with Scheduled Banks	279.37	281.56
Margin Money deposit	324.36	18.48
	<b>607.40</b>	<b>312.39</b>

**2 Figures in the bracket represents cash outflow**

AS PER OUR REPORT OF EVEN DATE ATTACHED ON BEHALF OF THE BOARD OF DIRECTORS

FOR HARIBHAKTI & CO.

CHARTERED ACCOUNTANTS

FRN: 103523W

ATUL GALA  
PARTNER  
MEMBERSHIP NO .048650  
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COMPANY SECRETARY

PLACE : RAIPUR

DATE : 9th May 2014

**SARDA METALS & ALLOYS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2014**

**1 CORPORATE INFORMATION**

Sarda Metals & Alloys Limited ('The Company') was incorporated on 21<sup>st</sup> October 2008 under the provisions of Companies Act 1956. It is coming up with a Green Field Project of 6X33 MVA Ferro Alloys Furnaces and 240 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. During the current year, the company is in the business of generation and sale of power.

**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 Companies Act ,1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 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 periods

**2.1.c Tangible 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 to be put to 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 XIV of the Companies Act,1956. Intangible Assets are Amortised over technically useful life of the asset

**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. All other borrowing costs 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 changes 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 are 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 Valuation of 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 .

(iii) Finished and semi finished products produced or purchased by the Company are carried at cost and net realizable value whichever is lower. 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 sub-station designated 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 is generally on dispatch of goods to customers except in case of consignment sales. Sales includes 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.

## **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 .

Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortized over the remaining life of the concerned monetary item.

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

## **2.1.l Retirement and other employee benefits**

Retirement 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 .

Retirement 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 Charged to statement of Profit & Loss for the Year.

The liability for encashable leaves as estimated is provided on actuarial basis and is charged to Statement of Profit and Loss.

## **2.1.m 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 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 substantially 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.n 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.o 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.p 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.q 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.r Cash and cash equivalent**

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 .

### 3 Share Capital

Particulars	As at	
	31.03.2014	31.03.2013
<b>AUTHORISED</b>		
Authorised Shares of Rs 10 each (Nos )	25,000,000	25,000,000
Authorised Share Capital (Rs Lacs )	2,500.00	2,500.00
Issued ,Subscribed and fully paid up of Rs 10 (Nos )	21,016,000	20,045,000
Issued ,Subscribed and fully paid up of Rs 10 (In Rs Lacs)	2,101.60	2,004.50
	<b>2,101.60</b>	<b>2,004.50</b>
<b>3.a Reconciliation of shares at the beginning and at the end of reporting period</b>		
<b>Equity Shares</b>		
At the beginning of the period in Nos	20,045,000	12,545,000
Issued during the period in Nos	971,000	7,500,000
Out standing at the end of the period in Nos	21,016,000	20,045,000
		-
At the beginning of the period in Rs Lacs	2,004.50	1,254.50
Issued during the period in Rs Lacs	97.10	750.00
Out standing at the end of the period in Rs Lacs	<b>2,101.60</b>	<b>2,004.50</b>
<b>Shares held by each share holder holding more than 5 % shares</b>		
Sarda Energy & Minerals Limited, Holding Company (No's)	21,016,000	20,045,000
% of holding	100%	100%
<b>Shares held by holding/ultimate holding company and/or their subsidiaries/associates in nos</b>		
M/s Sarda Energy & Minerals Ltd equity share of Rs 10 each fully paid ( in Nos)	21,016,000	20,045,000

### 4 Reserves and Surplus

(Amount in Rs. Lacs)

Particulars	As at	
	31.03.2014	31.03.2013
<b>Capital Reserve</b>		
<b>Securities Premium Account</b>		
Balance as per last financial statements	17,995.50	11,245.50
Add : Securities premium credited on Share issue	873.90	6,750.00
<b>Closing Balance</b>	<b>18,869.40</b>	<b>17,995.50</b>
<b>Surplus in the statement of Profit and Loss</b>		
Balance as per last financial statements	382.62	(13.13)
Add : Profit for the year	689.44	395.74
Transfer to General Reserve		-
<b>Closing Balance</b>	<b>1,072.06</b>	<b>382.62</b>
<b>Total</b>	<b>19,941.46</b>	<b>18,378.12</b>

### 5 Share Application Money Pending Allotment

Share Application Money Pending Allotment received from Holding Company , Sarda Energy & Minerals Ltd and outstanding as on 31.03.2013 has been converted into equity shares on 28.03.2014 .

**6 Long Term Borrowings**

(Amount in Rs. Lacs)

Particulars	As at	
	31.03.2014	31.03.2013
<b>A. Term loans (Secured)</b>		
<b><u>From banks</u></b>		
Indian Rupee Loan	20,637.45	19,636.32
Buyer's Credits	1,007.12	2,261.31
<b><u>From other parties</u></b>		
Indian rupee loan from Financial institutions	15,833.33	17,944.44
<b>Term Loans are Secured by the following -</b>		
1. Pari passu first charge by way of Registered Mortgage of the office located at Kalomboli, Navi Mumbai ,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 assets of the company and pari pasu second charge on the current assets of the company in favour of Axis Trustee Services Limited appointed as Security trustee by the Lenders) . Buyers' Credit are secured against letter of under taking issued by banks .		
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. Corporate Guarantee of the Holding Company Sarda Energy & Minerals Limited		
4. personal Guarantee of Director Mr K K Sarda		
<b>Terms of Repayment</b>		
1. Indian Rupee Term Loan from Bank of Rs 17041.40 Lacs is payable in 36 Equated Quarterly Installments commencing from June 2013 and ending on March 2022.		
2. Indian Rupee Term Loan from Bank of Rs 6329.86 Lacs is payable in 36 Quarterly Installments commencing from June 2013 and ending on March 2022.		
3. Indian Rupee Term Loan from Financial Institution Rs 17944.44 Lacs is payable in 36 Equated Quarterly Installments commencing from December 2013 and ending on September 2022.		
<b>Total</b>	<b>37,477.90</b>	<b>39,842.08</b>

**7 Deferred tax liabilities (Net)**

(Amount in Rs. Lacs)

Particulars	As at	
	31.03.2014	31.03.2013
<b>Deferred tax liability</b>		
Tax effect On Depreciation	7,663.95	1,640.19
<b>Deferred Tax Asset</b>		
Tax Effect of Provision for Doubt Debts	(9.10)	-
Tax Effect of Provision for Electricity duty	(82.59)	-
Tax Effect of Provision for Leave Salary	(1.23)	(2.34)
Tax Effect of Provision for Gratuity	(4.72)	(3.28)
Tax Effect of Carried Forward Loss	(7,113.99)	(1,439.98)
<b>Deferred tax liability (Net ) at the end of the year</b>	<b>452.31</b>	<b>194.59</b>

**8 Other Long Term Liabilities**

(Amount in Rs. Lacs)

Particulars	As at	
	31.03.2014	31.03.2013
<b>Security Deposit Received</b>		
Deposit from Employees	29.67	7.36
Creditors for Capital Goods	846.07	2,732.49
<b>Total</b>	<b>875.74</b>	<b>2,739.85</b>

**9 Long term Provisions** (Amount in Rs. Lacs)

Particulars	As at	
	31.03.2014	31.03.2013
<b>Provision for employee benefits</b>		
Gratuity	30.76	17.04
Leave Salary	12.38	10.85
<b>Total</b>	<b>43.14</b>	<b>27.89</b>

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

Particulars	As at	
	31.03.2014	31.03.2013
<b>Secured</b>		
Buyer's Credits	801.30	
<b>Unsecured Loan</b>		
Loans and Advances from Related Parties		
Sarda Energy & Minerals Ltd - Holding Company	-	2,790.38
<b>Total</b>	<b>801.30</b>	<b>2,790.38</b>

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

Particulars	As at	
	31.03.2014	31.03.2013
Materials	1,899.81	797.44
Others	269.48	203.11
<b>Total</b>	<b>2,169.30</b>	<b>1,000.55</b>

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

Particulars	As at	
	31.03.2014	31.03.2013
Current maturities of long-term debt	4,844.95	3,563.33
Interest accrued but not due on borrowings	285.33	266.36
<u>Other payables</u>		
Statutory Dues Payable	24.33	47.01
Salary & Reimbursements Payable	103.66	100.21
Advances from Customers	4.10	-
Open Access UI Charges Payable	30.00	151.63
<b>Total</b>	<b>5,292.37</b>	<b>4,128.53</b>

**13 Short Term Provisions** (Amount in Rs. Lacs)

Particulars	As at	
	31.03.2014	31.03.2013
<b>Provision for employee benefits</b>		
Leave Encashment	7.42	5.15
Provision for Gratuity	1.09	0.25
<b>Others</b>		
Provision for expenses	294.77	40.21
Provision for Taxation ( Net of Advance Tax)	14.81	120.94
<b>Total</b>	<b>318.09</b>	<b>166.55</b>

14 TANGIBLE ASSETS

(Amount in Rs. Lacs)

Particulars	Gross block				Depreciation				Net Block	
	As at 01.04.13	Additions	Transfer/ Adj	As at 31.03 .14	Upto 01.04.13	For the Year	Transfer/ Adj	Up to 31.03 .14	As at 31.03 .14	As at 31.03.13
Freehold Land	2,006.62	-	-	2,006.62	-	-	-	-	2,006.62	2,006.62
Buildings	9,965.96	272.81	-	10,238.77	25.67	306.96	-	332.63	9,906.14	9,940.30
Plant & Machinery	50,551.94	846.57	-	51,398.51	219.83	2,652.55	-	2,872.38	48,526.13	50,332.10
Computer & Accessories	73.39	1.54	-	74.93	34.30	16.05	-	50.35	24.58	39.09
Furniture & fixture	55.32	4.32	-	59.64	11.55	8.26	-	19.81	39.83	43.77
Office Equipments	82.31	2.62	-	84.93	8.59	5.29	-	13.88	71.05	73.73
Vehicles	75.34	77.87	7.70	145.51	28.33	26.66	4.50	50.49	95.02	47.01
<b>Total</b>	<b>62,810.88</b>	<b>1,205.73</b>	<b>7.70</b>	<b>64,008.91</b>	<b>328.27</b>	<b>3,015.77</b>	<b>4.50</b>	<b>3,339.54</b>	<b>60,669.37</b>	<b>62,482.62</b>
<b>Previous Year</b>	2,142.00	60,668.88		62,810.88	41.94	286.32		328.26	62,482.62	2,100.06
Capital Work In Progress Including Capital Stock	608.82			452.42					452.42	608.82

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

Particulars	As at	
	31.03.2014	31.03.2013
<b>Capital Advances</b>		
Unsecured, considered good	9.57	35.29
<b>Security Deposits</b>		
Unsecured, considered good	93.52	57.03
<b>Other loans and advances</b>		
Unsecured, considered good	-	-
Balances with tax authorities	-	-
<b>Total</b>	<b>103.09</b>	<b>92.33</b>

16 **Other Non Current Assets** (Amount in Rs. Lacs)

Particulars	As at	
	31.03.2014	31.03.2013
Margin Money Deposit with Axis Bank ( Maturity period of exceeding 12 months)	-	210.05
<b>Total</b>	<b>-</b>	<b>210.05</b>

17 **Current Investments** (Amount in Rs. Lacs)

Particulars	As at	
	31.03.2014	31.03.2013
Investments in Mutual Funds		
27.314 units (P.Y. 27.314 units) of Birla Mutual Fund	-	0.05
<b>Total</b>	<b>-</b>	<b>0.05</b>
A .Basic of Valuation	<b>NA</b>	<b>NAV</b>
B.Aggregate amount of Quoted investments	-	-
C.Aggregate amount of unQuoted investments	-	0.05
D.Provision made for permanent diminution	-	-

18 **Inventories** (Amount in Rs. Lacs)

Particulars	As at	
	31.03.2014	31.03.2013
a. Materials and components	516.76	2,432.91
b. Finished / Semi Finished goods	18.55	16.21
c. Stores and spares	357.80	320.27
<b>Total</b>	<b>893.11</b>	<b>2,769.40</b>

19 **Trade Receivables** (Amount in Rs. Lacs)

Particulars	As at	
	31.03.2014	31.03.2013
<b>Trade receivables outstanding for a period exceeding six months from the date they are due for payment</b>		
-On Sale of Power	8.48	
-On Others	-	
Unsecured, considered good	4.46	
Unsecured, considered doubtful	28.03	
	-	
Less: Provision for doubtful debts	28.03	
	<b>12.94</b>	<b>-</b>
<b>Trade receivables outstanding for a period not exceeding six months from the date they are due for payment</b>		
-On Sale of Power	1,369.33	1,339.85
-On Others		
Unsecured, considered good	18.52	
	<b>1,387.85</b>	<b>1,339.85</b>
<b>Total</b>	<b>1,400.79</b>	<b>1,339.85</b>

20 **Cash and Bank balances** (Amount in Rs. Lacs)

Particulars	As at	
	31.03.2014	31.03.2013
Cash on hand	3.67	12.35
<b>Balances with Banks</b>		
In current accounts	279.37	281.56
Margin Money Deposit	324.36	18.48
{ Net of TDS Receivable CY (Rs 2.19 Lacs) PY (0.43 Lacs)		
<b>Total</b>	<b>607.40</b>	<b>312.39</b>

21 Short term Loans and Advances		(Amount in Rs. Lacs)	
Particulars	As at		
	31.03.2014	31.03.2013	
<b>Loans to Related Parties</b>			
Sarda Energy Minerals Limited - Holding Company	912.87	-	
<b>Others</b>			
Unsecured, considered good			
Loans and Advances to Employees	14.45	7.34	
Advances to Vendors	699.52	430.62	
Cenvat & VAT Credit	3,207.40	3,783.07	
MAT Credit Entitlement	305.31	112.53	
Other Receivables	144.60	-	
Prepaid Expenses	62.88	94.97	
<b>Total</b>	<b>5,347.03</b>	<b>4,428.53</b>	
22 Revenue from Operations		(Amount in Rs. Lacs)	
Particulars	For the Year Ended		
	31.03.2014	31.03.2013	
Revenue from			
On Sale of Power	31,081.61	4,062.07	
Less: Trail run sales Transferred to Capital Cost	-	784.14	
<b>Total (A)</b>	<b>31,081.61</b>	<b>3,277.92</b>	
On Sale of Materials			
-Ferro Alloys	-	27.67	
-Coal	285.52	-	
-Manganese Ore	2,280.82	5.12	
(above sales include sales made to related parties of Rs. 1569.61 Lacs (PY 5.12 Lacs)	-	-	
Others	250.72	-	
	2,817.06	32.79	
Less Excise Duty	322.16	3.83	
Less: Sales During Trial Run Period Reduced from Capital Cost	-	28.96	
<b>Total (B)</b>	<b>2,494.90</b>	<b>-</b>	
<b>Net Revenues from Operations (A+ B)</b>	<b>33,576.51</b>	<b>3,277.92</b>	
23 Other Income		(Amount in Rs. Lacs)	
Particulars	For the Year Ended		
	31.03.2014	31.03.2013	
Interest Income	80.16	-	
Other non operation income	1.08	-	
<b>Total</b>	<b>81.24</b>	<b>-</b>	
24 Cost of Material Consumed		(Amount in Rs. Lacs)	
Particulars	For the Year Ended		
	31.03.2014	31.03.2013	
Materials Consumed	17,511.07	1,991.82	
Stores and Spares	109.11	4.18	
<b>Total</b>	<b>17,620.18</b>	<b>1,996.01</b>	
25 Changes in inventories of finished goods, Semi-finished goods and Stock-in-Trade		(Amount in Rs. Lacs)	
Particulars	For the Year Ended		
	31.03.2014	31.03.2013	
Inventories at the end of the year			
Finished Goods	18.55	16.21	
Inventories at the beginning of the year			
Finished Goods	16.21	-	
<b>Increase/(Decrease) in Inventories</b>	<b>(2.34)</b>	<b>(16.21)</b>	
26 Employee benefits expense		(Amount in Rs. Lacs)	
Particulars	For the Year Ended		
	31.03.2014	31.03.2013	
Salaries & Managerial Remuneration	868.78	127.42	
Contributions to Provident Fund	36.79	4.66	
Staff welfare expenses	37.54	1.81	
Gratuity Expenses	14.55	10.12	
Leave encashment Expenses	9.08	8.43	
<b>Total</b>	<b>966.74</b>	<b>152.44</b>	

**26.1 The following table showing the status of the gratuity plan and the amounts recognized in the Company's balance sheet as at 31<sup>st</sup> March 2014**

(Amount in Rs. Lacs)

Sl no	Particulars	For the Year Ended	
		31.03.2014	31.03.2013
1	Table showing changes in present value of obligations		
	Discount Rate (beginning of the year)	8.05%	8.00%
	Discount Rate (end of the year)	9.20%	8.05%
	Rate of increase in Compensation levels	8.00%	8.00%
	Rate of Return on Plan Assets	-	-
	Expected Average remaining working lives of employees (years)	23.50	24.60
2	Table showing changes in present value of obligations		
	Present Value of Obligation as at the beginning of the year	17.29	7.17
	Acquisition adjustment	-	-
	Interest Cost	1.59	0.58
	Current Service Cost	8.63	8.22
	Curtailment Cost / (Credit)	-	-
	Settlement Cost / (Credit)	-	-
	Benefits paid	-	-
	Actuarial (gain) / loss on obligations	4.33	1.33
	Present Value of Obligation as at the end of the year	31.84	17.29
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	4.33	1.33
	Actuarial (gain) / loss for the year – Plan Assets	-	-
	Total (gain) / loss for the year	4.33	1.33
	Actuarial (gain) / loss recognized in the year	4.33	1.33
	Unrecognized actuarial (gains) / losses at the end of year		
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	31.84	17.29
	Fair value of Plan Assets as at the end of the year	-	-
	Funded status	-	-
	<b>Net Asset / (Liability) Recognized in Balance Sheet</b>	<b>(31.84)</b>	<b>(17.29)</b>
7	Expense recognized in the Statement of Profit & Loss		
	Current Service Cost	8.63	8.22
	Interest Cost	1.59	0.58
	Expected Return of Plan Assets	-	-
	Curtailment Cost / (Credit)	-	-
	Settlement Cost / (Credit)	-	-
	Net actuarial (gain) / loss recognized in the year	4.33	1.33
	Expenses recognized in the Statement of Profit & Loss	14.55	10.12

**26.2 The following table showing the status of Leave Encashment and the amounts recognized in the Company's balance sheet as at 31<sup>st</sup> March 2014**

(Amount in Rs. Lacs)

Sl no	Particulars	For the Year Ended	
		31.03.2014	31.03.2013
1	Table showing changes in present value of obligations Discount Rate (beginning of the year) Discount Rate (end of the year) Rate of increase in Compensation levels Rate of Return on Plan Assets Expected Average remaining working lives of employees (years)	8.05% 9.20% 8.00% - 23.50	0.00% 8.05% 5.00% - 24.60
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	16.00 - 1.23 7.27 - - - - 0.58 9.08	- - - 16.00 - - - - - 16.00
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	0.58 - - 0.58 0.58 -	- - - - - -
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	19.80 - - - (19.80)	16.00 - - - (16.00)
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	7.27 1.23 - - - - 0.58 9.08	16.00 - - - - - - 7.20

27 Finance Costs		(Amount in Rs. Lacs)	
Particulars	For the Year Ended		
	31.03.2014	31.03.2013	
Interest expense	5,436.13	445.32	
Bank Charges	116.81	-	
<b>Total</b>	<b>5,552.94</b>	<b>445.32</b>	

  

28 Depreciation and Amortisation		(Amount in Rs. Lacs)	
Particulars	For the Year Ended		
	31.03.2014	31.03.2013	
Depreciation of Tangible Assets	3,015.77	286.32	
<b>Total</b>	<b>3,015.77</b>	<b>286.32</b>	

  

29 Other Expenses		(Amount in Rs. Lacs)	
Particulars	For the Year Ended		
	31.03.2014	31.03.2013	
Manufacturing Expenses-			
Material handling Expenses	53.31	2.40	
Plant operation and Maintenance Expenditure	321.35	-	
Other Manufacturing Expenses	2.74	-	
Repairs & Manintenance			
Building	1.55	-	
Plant & Machinery	92.92	28.67	
Others	77.20	17.85	
Rent	87.28	17.13	
Rates & Taxes	470.31	74.88	
Insurance Charges	81.52	9.62	
Travelling & Conveyance expenses	124.13	10.00	
Legal & Professional Expenses	105.19	2.90	
Administrative and Other Expenses	314.27	25.81	
Carriage Outward	0.69	0.23	
Other Selling Expenses			
Cash Discount Expenses	435.56	-	
Open Access UI Charges	494.21	151.63	
Others	1.91	1.77	
Exchange differences (net)	298.52	77.28	
Payment to Auditors	12.98	8.65	
<b>Total</b>	<b>2,975.64</b>	<b>428.82</b>	

  

30 Foreign Exchange Earing & Outgo		(Amount in Rs. Lacs)	
Particulars	For the Year Ended		
	31.03.2014	31.03.2013	
CIF Value of Imports			
Raw Materials	13,128.65	-	
Capital goods & Spares	25.99	679.01	
Expenditure in foreign currency	-	-	
Interest & Charges	26.75	116.27	
Travelling Expenses	1.57	-	
Technical Consultancy	45.22	192.14	

  

31 Payments to the auditor		(Amount in Rs. Lacs)	
Particulars	For the Year Ended		
	31.03.2014	31.03.2013	
<b>As auditor:</b>			
Audit fee (Excluding Service tax )	8.50	8.50	
Tax Audit fees(Excluding Service Tax)	1.50	-	
Others	2.98	0.15	
<b>Total</b>	<b>12.98</b>	<b>8.65</b>	

**32 Related Party Disclosure**

Name of the related party and description of relationship

Description of relationship	Name of the related parties
Holding Company	M/s Sarda Energy and Minerals Limited
Related Enterprise Where Significant Influence Exist	Sarda Agriculture & Properties Pvt Ltd
Key Management personel	Mr. Manish Sarda( From 01.01.2014)
	Mr . Neeraj Sarda
Relative of Key Management Personnel	Mrs Sonal Sarda

**A Material Transacions with related parities** (Amount in Rs. Lacs)

Particulars	For the Year Ended	
	31.03.2014	31.03.2013
<b>Holding Company - Sarda Energy &amp; Minerals Limited</b>		
Share application converted into Equity	971.00	7,500.00
Loan converted into Equity/Share Application	-	8,434.36
Loan Received	23,369.77	3,161.11
Loans Repaid	27,026.30	2,380.91
Interest paid/( Received)	(51.92)	72.55
Purchase of Goods	918.00	1,914.21
Sale of Goods	1,771.94	109.19
<b>Sarda Agriculture &amp; Properties Pvt Ltd</b>		
Loan Received	-	959.52
Loans Repaid	-	959.52
Interest paid	-	19.95
<b>Key Management Personnel</b>		
<b>Remuneration Paid</b>		
Mr. Manish Sarda (From 01.01.2014)	7.99	-
Mr. Neeraj sarda	32.40	26.71
<b>Relative of Key Management Personnel</b>		
Salary	7.34	6.61

**B Outstandings** (Amount in Rs. Lacs)

Particulars	As At	
	31.03.2014	31.03.2013
Receivables - Sarda Energy & Minerals Limited	912.87	-

**33 Earnings per Share (EPS)** (Amount in Rs. Lacs)

Particulars	For the Year Ended	
	31.03.2014	31.03.2013
Net Profit after tax as per Statement of Profit & Loss attributable to Equity Shareholders (Rs in Lacs)	689.44	395.74
Nominal Value of Equity Shares (Rs )	10.00	10.00
Weighted average number of Equity Shares (In Lacs) used as denominator for calculating EPS	200.56	146.00
Basic and Diluted Earnings per Share (Rs)	<b>3.44</b>	<b>2.71</b>

**34 Contingent liabilities and commitments (to the extent not provided for)** (Amount in Rs. Lacs)

Particulars	AS AT	
	31.03.2014	31.03.2013
<b>(i) Contingent Liabilities</b>		
(a) Guarantees given by Company's Bankers	243.75	223.35
(b) Electricity Duty on Sale of Power through Exchange	85.23	
	<b>328.99</b>	<b>223.35</b>
<b>(ii) Commitments</b>		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for ( Net of Advances)	122.51	128.46
	<b>122.51</b>	<b>128.46</b>

**35 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 2014 as micro ,Small,medium enterprises. Consequently the amount paid/payable to these parties during the year is Nil.

**36 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.

**37** Figures of previous year have been regrouped / rearranged / reclassified wherever necessary to conform to the current year's presentation.

**38** The company has operated for a period of 12 months during the current financial year as against 1.5 months in the previous year. Hence figures of Statement of Profit and Loss are not comparable.

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

(Amount in Rs. Lacs)

Particulars	Currency	2013-14		2012-13	
		Foreign Currency	INR	Foreign Currency	INR
Buyer's Credits - Long term	USD	11.86	710.26	18.86	1,023.56
	EURO	3.60	296.86	17.81	1,237.75
Buyer's Credits - Short term	USD	13.38	801.30	-	-

**40 Segment Reporting**

Segment information has been prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company. As part of secondary reporting the company has no geographical segment by location.

(Amount in Rs. Lacs)

Particulars	2013-14			2012-13		
	Power	Ferro	Total	Power	Ferro	Total
<b>Revenue</b>						
Sales & Other Income	31,116.24	2,193	33,309.26	3,242.27	-	3,242.27
Inter Segment Sales	0.00	-	0.00	35.66	-	35.66
Others Unallocated	-	-	267.24	-	-	-
<b>Total Revenue</b>	<b>31,116.24</b>	<b>2,193.03</b>	<b>33,576.50</b>	<b>3,277.92</b>	<b>-</b>	<b>3,277.92</b>
<b>Result</b>						
Segment Result	8,999.82	(1,293.01)	7,706.80	1,457.14	105.62	1,351.52
Unallocated Expenses net off Unallocated Income	-	-	(915.46)	-	-	(229.74)
<b>Operating Profit</b>			<b>6,791.34</b>			<b>1,121.78</b>
Interest & Forex Fluctuation Loss (Net)	-	-	5,851.46	-	-	522.60
<b>Profit Before Tax Extraordinary Item</b>			<b>939.88</b>			<b>599.18</b>
Add: Extra Ordinary Item	-	-	-	-	-	-
<b>Provision for Taxation</b>						
For Current Tax	-	-	185.49	-	-	121.38
For Deferred Tax	-	-	257.73	-	-	194.59
Mat Credit Entitlement	-	-	(192.78)	-	-	(112.53)
<b>Profit After Taxation</b>			<b>689.44</b>			<b>395.74</b>
<b>Other Information</b>						
Segment Assets	43,019.54	21,413.71	64,433.25	43,959.24	24,526.89	68,486.13
Unallocated Assets	-	-	5,039.95	-	-	3,757.86
<b>Total Assets</b>			<b>69,473.21</b>			<b>72,243.99</b>
Segment Liabilities	3,182.75	408.49	3,591.24	2,627.39	970.42	3,597.81
Unallocated Liabilities	-	-	262.45	-	-	902.23
<b>Total Liabilities</b>	<b>3,182.75</b>	<b>408.49</b>	<b>3,853.69</b>	<b>2,627.39</b>	<b>970.42</b>	<b>4,500.04</b>
Capital Expenditure	721.50	187.58	909.08	10,005.26	9,080.32	19,085.58
Depreciation/Amortisation	1,970.09	958.99	2,929.07	163.48	81.46	244.95
Unallocated Capital Expenditure & Depreciation	-	-	219.24	-	-	632.49
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.
- Reconciliation of reportable segments with the financial statements

Particulars	2013-14		2012-13	
	Assets	Liabilities	Assets	Liabilities
Total Segments	64,433.25	3,591.24	68,486.13	3,597.81
Unallocated Assets / Liabilities as per table above	5,039.95	262.45	3,757.86	902.23
<b>Total</b>	<b>69,473.21</b>	<b>3,853.69</b>	<b>72,243.99</b>	<b>4,500.04</b>
Add: Unallocated Corporate Assets / Liabilities Not Considered in Segment				
Current Investments	-	-	0.05	-
Long Term Borrowings	-	37,477.90	-	39,842.08
Short Term Borrowings	-	801.30	-	2,790.38
Current Maturities of Long Term Debt	-	4,844.95	-	3,563.33
Deferred Tax Liabilities	-	452.31	-	194.59
<b>As per Financial Statements</b>	<b>69,473.21</b>	<b>47,430.15</b>	<b>72,244.04</b>	<b>50,890.42</b>

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR AND ON BEHALF OF THE BOARD

FOR HARIBHAKTI &amp; CO.

CHARTERED ACCOUNTANTS

FRN: 103523W

ATUL GALA

PARTNER

MEMBERSHIP NO :048650

PLACE : MUMBAI

DATE : 10th May 2014

K.K.SARDA

DIRECTOR

PLACE : RAIPUR

DATE : 9th May 2014

NEERAJ SARDA

DIRECTOR

GAURAV THAKKAR

COMPANY SECRETARY