

## **INDEPENDENT AUDITOR'S REPORT**

### **To the Members of Sarda Metals & Alloys Limited**

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

We have audited the accompanying standalone financial statements of Sarda Metals & Alloys Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, 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 Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 standalone 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 standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made 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 standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone 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

standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 standalone financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, its profit 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, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure, a statement on the matters specified in paragraph 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 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 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 standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e. On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f. 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 does not have any pending litigations which would impact its financial position;

(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

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Atul Gala  
Partner  
Membership No.048650

Place : Visakhapatnam  
Date : May 15, 2015

## **ANNEXURE TO INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements" in Independent Auditor's Report of even date to the members of Sarda Metals & Alloys Limited on the standalone financial statements for the year ended March 31, 2015)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
  
(b) During the year, the fixed assets of the company have been physically verified by the management and as informed, no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the company and the nature of its assets.
- (ii) (a) The inventory (excluding stocks lying with third parties) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have been substantially confirmed by them. 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. As informed no material discrepancies were noticed on physical verification carried out during the year.
- (iii) The Company has granted loans, secured and unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Act.  
  
(a) The parties have repaid the principal amounts as stipulated and have also been regular in the payment of interest to the Company.  
  
(b) In respect of the aforesaid loans, there is no overdue amount of loans granted to companies, firms or other parties listed in the register maintained under Section 189 of the Act.
- (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 for the purchase of inventory and fixed assets and for 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) 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 provisions of Sections 73 to 76 of the Act and the rules framed thereunder.
- (vi) We have broadly reviewed the books of account maintained by the company in respect of products 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 thereunder and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance,

income-tax, sales-tax, wealth-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, wealth-tax, service tax, value added tax, customs duty, excise duty, cess and any 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, wealth tax, service tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, which have not been deposited on account of any dispute.

(c) According to the information and explanations given to us, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

- (viii) The Company does not have accumulated losses at the end of the financial year nor has incurred cash losses in the current and immediately preceding financial year.
- (ix) According to the information and explanations given to us, the Company has generally been regular in repayment of dues to financial institution and bank.
- (x) 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.
- (xi) According to the information and explanations given to us, the term loans have been applied for the purpose for which the loans were obtained.
- (xii) 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 any such instance by the management.

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

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Atul Gala  
Partner  
Membership No.048650

Place : Visakhapatnam  
Date : May 15, 2015

**SARDA METALS & ALLOYS LTD**  
**Balance Sheet as at 31st March 2015**

(Amount in Rs. Lacs)

	Particulars	Note	AS AT 31.03.2015	AS AT 31.03.2014
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' funds</b>			
	Share capital	3	2,101.60	2,101.60
	Reserves and surplus	4	21,238.45	19,941.46
	Money received against share warrants		-	-
			23,340.05	22,043.06
<b>2</b>	<b>Non-current liabilities</b>			
	Long-term borrowings	5	32,354.95	37,477.90
	Deferred tax liabilities (Net)	6	788.18	452.32
	Other Long term liabilities	7	882.62	875.74
	Long-term provisions	8	70.21	43.14
			34,095.96	38,849.10
<b>3</b>	<b>Current liabilities</b>			
	Short-term borrowings	9	15,135.88	801.30
	Trade payables	10	1,756.27	2,169.29
	Other current liabilities	11	6,134.23	5,292.37
	Short-term provisions	12	14.91	318.09
			23,041.29	8,581.05
	<b>TOTAL</b>		<b>80,477.30</b>	<b>69,473.21</b>
<b>II.</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	Fixed assets			
	Tangible assets	13	58,707.68	60,669.35
	Intangible assets		-	-
	Capital work-in-progress	13	18.37	452.42
	Intangible assets under development			
			58,726.05	61,121.77
	Non-current investments	14	0.28	-
	Long-term loans and advances	15	418.68	103.09
			59,145.01	61,224.87
<b>2</b>	<b>Current assets</b>			
	Current investments		-	-
	Inventories	16	9,292.74	893.11
	Trade receivables	17	4,203.03	1,400.80
	Cash and Bank Balances	18	90.76	607.40
	Short-term loans and advances	19	6,485.81	5,347.03
	Other Current Assets	20	1,259.95	-
			21,332.29	8,248.34
	<b>TOTAL</b>		<b>80,477.30</b>	<b>69,473.21</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. LLP  
CHARTERED ACCOUNTANTS  
FRN: 103523W

ATUL GALA  
PARTNER  
MNO.048650  
PLACE : VISAKHAPATNAM  
DATE : 15th May 2015

K.K.SARDA  
DIRECTOR

NEERAJ SARDA  
DIRECTOR

GAURAV THAKKAR  
CFO

YOGESH K.SINGHAL  
COMPANY SECRETARY

PLACE : VISAKHAPATNAM  
DATE : 15th May 2015

<b>SARDA METALS &amp; ALLOYS LIMITED</b>				
<b>Statement of Profit and loss for the year ended 31st March 2015</b>				
(Amount in Rs. Lacs)				
	Particulars	Note	Year Ended 31.03.2015	Year Ended 31.03.2014
I.	Revenue from operations (Net)	21	41,781.23	33,576.50
II.	Other income	22	326.27	81.24
III.	<b>Total Revenue (I + II)</b>		<b>42,107.50</b>	<b>33,657.74</b>
IV.	<b>Expenses:</b>			
	Cost of materials consumed	23	30,403.41	17,620.18
	Power & Fuel		265.44	233.04
	Purchases of Stock-in-Trade		2,289.17	2,355.88
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	24	(4,924.41)	(2.34)
	Employee benefits expense	25	1,141.28	966.74
	Finance costs	26	6,035.45	5,552.94
	Depreciation and amortization expense	27	2,371.84	3,015.77
	Other expenses	28	3,805.26	2,975.64
	<b>Total Expenses</b>		<b>41,387.44</b>	<b>32,717.85</b>
V.	<b>Profit before Tax (III - IV)</b>		<b>720.06</b>	<b>939.88</b>
VI.	Tax expense:			
	(1) Current tax		144.23	185.49
	(3) MAT Credit Entitlement		(140.00)	(192.78)
	(2) Deferred tax		335.87	257.73
	<b>Total Tax</b>		<b>340.10</b>	<b>250.44</b>
VII.	<b>Profit for the period (V - VI)</b>		<b>379.96</b>	<b>689.44</b>
VIII.	Earnings per equity share:			
	Basic		1.81	3.44
	Diluted		1.81	3.44
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 MNO.048650 PLACE : VISAKHAPATNAM DATE : 15th May 2015	K.K.SARDA DIRECTOR	NEERAJ SARDA DIRECTOR	GAURAV THAKKAR CFO	YOGESH K.SINGHAL COMPANY SECRETARY
		PLACE : VISAKHAPATNAM DATE : 15th May 2015		

<b>SARDA METALS &amp; ALLOYS LIMITED</b>			
<b>CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015</b>			
(Amount in Rs. Lacs)			
	Particulars	Year Ended 31.03.2015	Year Ended 31.03.2014
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net Profit before tax as per Statement of Profit & Loss	720.06	939.88
	<u>Adjusted for :</u>		
	Depreciation	2,371.84	3,015.77
	Depreciation transferred to retained earnings	(15.33)	0.00
	Interest Income	(31.38)	(80.16)
	Finance Costs	6,035.45	5,552.94
	Unrealised Exchange (Gain)/Loss	51.90	67.78
		<b>8,412.48</b>	<b>8,556.33</b>
	Operating profit before working capital changes	9,132.55	9,496.21
	<u>Adjusted for:</u>		
	Increase/(decrease) in trade & other payables	326.57	1,032.00
	Increase/(decrease) in provisions	(140.73)	156.80
	(Increase)/decrease in inventories	(8,399.62)	1,876.29
	(Increase)/decrease in trade receivables	(2,793.02)	(60.93)
	(Increase)/decrease in loans, advances	(1,144.77)	(725.73)
	(Increase)/decrease in other Current Assets	(1,259.95)	0.00
	(profit) /Loss on Sale of Fixed assets	(0.09)	0.39
	Cash generated from Operations	(4,279.07)	11,775.03
	Direct taxes paid (net)	(192.71)	(175.51)
	Net cash from operating activities	(4,471.77)	11,599.52
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Investment in Fixed Assets including capital WIP	(789.94)	(1,049.32)
	(Increase) / Decrease in long term loans & advances on capital account	(262.49)	(10.77)
	(Increase) / Decrease in other non current assets	-	210.05
	(Increase) / Decrease in other non current investments	(0.28)	-
	Increase/(Decrease) in Other Long Term Liabilities	6.88	(1,864.11)
	Capital Subsidy Received	932.37	-
	Interest received	31.38	80.16
	Sale of Fixed Assets	7.78	2.81
	Scrapping of Asset	806.13	-
	(Increase) /Decrease in Current Investment	-	0.05
	Net cash from investing activities	731.82	(2,631.13)
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Proceeds from fresh Issue of Shares	-	971.00
	Proceeds from long term borrowings	-	2,595.96
	Repayment of Term Loans	(5,006.13)	(3,789.40)
	Short Term Borrowings	13,251.50	844.38
	Loan from Holding company	1,030.20	(3,761.38)
	Interest paid	(6,052.24)	(5,533.97)
	Net cash from financing activities	3,223.32	(8,673.41)
	<b>NET INCREASE IN CASH &amp; CASH EQUIVALENTS</b>	<b>(516.64)</b>	<b>294.99</b>
	<b>CASH &amp; CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>607.40</b>	<b>312.40</b>
	<b>CASH &amp; CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>90.76</b>	<b>607.39</b>
Notes to the cash flow statement			
1 Cash & Cash Equivalents consist of the following			
	Cash on hand	4.22	3.67
	Balances with Scheduled Banks	17.90	279.37
	Margin Money deposit	68.64	324.36
		<b>90.76</b>	<b>607.39</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	K.K.SARDA	NEERAJ SARDA	GAURAV THAKKAR
PARTNER	DIRECTOR	DIRECTOR	CFO
MEMBERSHIP NO .048650			YOGESH K.SINGHAL
PLACE VISAKHAPATNAM		PLACE : VISAKHAPATNAM	COMPANY SECRETARY
DATE 15th May 2015		DATE : 15Th May 2015	



**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.

**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 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 for its intended use.

All costs,including administrative,financing and general overhead expenses,as are specifically attributable to constrction 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 .

#### **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 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 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 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 is generally on 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 .

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 taken to Expenses & Charged to statement of Profit & Loss for the Year.

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.

### **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 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 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 .

**2.1s 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**

Particulars	As at	
	31.03.2015	31.03.2014
<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	21,016,000
Issued ,Subscribed and fully paid up of Rs 10 (In Rs Lacs)	2,101.60	2,101.60
	<b>2,101.60</b>	<b>2,101.60</b>
<b>3.a Reconciliation of shares at the beginning and at the end of reporting period</b>		
Equity Shares		
At the beginning of the peroid in Nos	21,016,000	20,045,000
Issued during the period in Nos	-	971,000
Out standing at the end of the period in Nos	21,016,000	21,016,000
<b>3.b Shares held by each share holder holding more than 5 % shares</b>		
Sarda Energy & Minerals Limited, Holding Company (No's)	21,016,000	21,016,000
% of holding	100%	100%
<b>3.c Shares held by holding/ultimate holding company and/or their subsidiaries/associates in nos</b>		
Sarda Energy & Minerals Ltd equity share of Rs 10 each fully paid ( in Nos)	21,016,000	21,016,000
<b>3.d Shares issued for consideration other than cash (last five years )</b>		
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	
	31.03.2015	31.03.2014
<b>Capital Reserve</b>		
Balance as per last financial statements	-	
Add : During the Year	932.37	
<b>Closing Balance</b>	<b>932.37</b>	<b>-</b>
<b>Securities Premium Account</b>		
Balance as per last financial statements	18,869.40	17,995.50
Add : Securities premium credited on Share issue	-	873.90
<b>Closing Balance</b>	<b>18,869.40</b>	<b>18,869.40</b>
<b>Surplus in the statement of Profit and Loss</b>		
Balance as per last financial statements	1,072.06	382.62
Add : Profit for the year	379.96	689.44
Depreciation Adjusted	(15.33)	-
<b>Closing Balance</b>	<b>1,436.68</b>	<b>1,072.06</b>
<b>Total</b>	<b>21,238.45</b>	<b>19,941.46</b>

## 5 Long Term Borrowings

(Amount in Rs. Lacs)

Particulars	As at	
	31.03.2015	31.03.2014
<b>A. Term loans (Secured)</b>		
<b>From banks</b>		
Indian Rupee Loan	18,573.80	20,637.45
Buyers' Credits	58.93	1,007.12
<b>From other parties</b>		
Indian rupee loan from Financial institutions	13,722.22	15,833.33
<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. personal Guarantee of Director Mr K K Sarda		
<b>Terms of Repayment</b>		
1. Indian Rupee Term Loan from Banks of Rs 17175.28 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 4271.27 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 15833.33 Lacs is payable in 36 Equated Quarterly Installments commencing from December 2013 and ending on September 2022.		
4. Rate of inetrest on Term Loans from Banks are at Base Rate Plus 2.75% to 3%. Rate of Interest on Term Loans from Financial Institutions is at two year becnhmark rate plus 2.93%		
<b>Total</b>	<b>32,354.95</b>	<b>37,477.90</b>

## 6 Deferred tax liabilities (Net)

(Amount in Rs. Lacs)

Particulars	As at	
	31.03.2015	31.03.2014
<b>Deferred tax liability</b>		
Tax effect On Depreciation	9,794.34	7,663.95
<b>Deferred Tax Asset</b>		
Tax Effect of Provision for Doubt Debts	9.10	(9.10)
Tax Effect of Provision for Electricity duty	82.59	(82.59)
Tax Effect of Provision for Leave Salary	(4.95)	(1.23)
Tax Effect of Provision for Gratuity	(5.80)	(4.72)
Tax Effect of Carried Forward Loss	(9,087.10)	(7,113.99)
<b>Deferred tax liability (Net) at the end of the year</b>	<b>788.18</b>	<b>452.32</b>

## 7 Other Long Term Liabilities

(Amount in Rs. Lacs)

Particulars	As at	
	31.03.2015	31.03.2014
<b>Security Deposit Received</b>		
Deposit from Employees	45.31	29.67
Creditors for Capital Goods	837.31	846.07
<b>Total</b>	<b>882.62</b>	<b>875.74</b>



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

Particulars	As at	
	31.03.2015	31.03.2014
<b>Provision for employee benefits</b>		
Gratuity	44.48	30.76
Leave Salary	25.73	12.38
<b>Total</b>	<b>70.21</b>	<b>43.14</b>

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

Particulars	As at	
	31.03.2015	31.03.2014
<b>Secured</b>		
Working Capital loans from Banks	3,153.57	-
Buyer's Credits	10,952.11	801.30
<b>Unsecured Loan</b>		
Loans and Advances from Related Parties		
Sarda Energy & Minerals Ltd - Holding Company	1,030.20	-
<b>Total</b>	<b>15,135.88</b>	<b>801.30</b>

**Terms of repayment**

Working capital loans is 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.

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

Particulars	As at	
	31.03.2015	31.03.2014
Materials	977.00	1,899.81
Others	779.27	269.48
<b>Total</b>	<b>1,756.27</b>	<b>2,169.29</b>

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

Particulars	As at	
	31.03.2015	31.03.2014
Current maturities of long-term debt	4,964.00	4,844.95
Interest accrued but not due on borrowings	268.54	285.33
<u>Other payables</u>		
Statutory Dues Payable	640.50	24.33
Salary & Reimbursements Payable	111.38	103.66
Advances from Customers	69.55	4.10
Open Access UI Charges Payable	26.52	30.00
Liability for expenses	53.74	-
<b>Total</b>	<b>6,134.23</b>	<b>5,292.37</b>

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

Particulars	As at	
	31.03.2015	31.03.2014
<b>Provision for employee benefits</b>		
Leave Encashment	9.68	7.42
Provision for Gratuity	5.23	1.09
<b>Others</b>		
Provision for expenses	-	294.77
Provision for Taxation ( Net of Advance Tax)	-	14.81
<b>Total</b>	<b>14.91</b>	<b>318.09</b>

**13 TANGIBLE ASSETS**

(Amount in Rs. Lacs)

Particulars	Gross block				Depreciation				Net Block	
	As at 01.04.14	Additions	Transfer/ Adj	As at 31.03 .15	Upto 01.04.14	For the Year	Transfer/ Adj	Up to 31.03 .15	As at 31.03 .15	As at 31.03.14
Freehold Land	2,006.62	-	-	2,006.62	-	-	-	-	2,006.62	2,006.62
Buildings	10,238.77	552.53	854.63	9,936.67	332.63	647.88	48.50	932.01	9,004.66	9,906.14
Plant & Machinery	51,398.50	640.71	-	52,039.22	2,872.39	1,656.74	-	4,529.12	47,510.10	48,526.11
Computer & Accessories	74.93	5.06	8.36	71.63	50.34	0.13	-	50.48	21.15	24.59
Furniture & fixture	59.64	18.97	-	78.61	19.81	15.61	-	35.42	43.19	39.83
Office Equipments	48.27	4.21	6.97	45.50	13.88	18.82	-	32.70	12.80	34.39
Vehicles	182.16	17.84	17.14	182.87	50.49	32.66	9.45	73.70	109.17	131.67
<b>Total</b>	<b>64,008.89</b>	<b>1,239.32</b>	<b>887.10</b>	<b>64,361.12</b>	<b>3,339.54</b>	<b>2,371.84</b>	<b>57.95</b>	<b>5,653.43</b>	<b>58,707.68</b>	<b>60,669.35</b>
<b>Previous Year</b>	62,810.88	1,205.72	7.70	64,008.90	328.26	3,015.77	4.50	3,339.54	60,669.36	62,482.62
Capital Work In Progress Including Capital Stock	452.42			18.37					18.37	452.42

14 Non Current Investments		(Amount in Rs. Lacs)	
Particulars	As at		
	31.03.2015	31.03.2014	
<b>Unquoted:</b>		-	
Natural Resources Energy Pvt Ltd. (2,845 Of Equity Shares of Rs 10 each )	0.28	-	
	<b>0.28</b>	-	
a) Aggregate amount of quoted investments and market value thereof	-	-	
b) Aggregate amount of unquoted investments	0.28	-	
c) Aggregate provision for diminution in value of investments	-	-	
15 Long term Loans and Advances		(Amount in Rs. Lacs)	
Particulars	As at		
	31.03.2015	31.03.2014	
<b>Capital Advances</b>			
Unsecured, considered good	124.87	9.57	
<b>Security Deposits</b>			
Unsecured, considered good	240.72	93.52	
<b>Other loans and advances</b>			
Unsecured, considered good			
Balances with tax authorities (Net of Provision )	53.09	-	
<b>Total</b>	<b>418.68</b>	<b>103.09</b>	
16 Inventories		(Amount in Rs. Lacs)	
Particulars	As at		
	31.03.2015	31.03.2014	
a. Materials and components	3,425.68	516.76	
b. Finished / Semi Finished goods	4,942.96	18.55	
c. Stores and spares	749.63	357.80	
d. Stock in Trade	174.47	-	
<b>Total</b>	<b>9,292.74</b>	<b>893.11</b>	
17 Trade Receivables		(Amount in Rs. Lacs)	
Particulars	As at		
	31.03.2015	31.03.2014	
<b>Trade receivables outstanding for a period exceeding six months from the date they are due for payment</b>			
-On Sale of Power	90.45	8.48	
-On Others	-	-	
Unsecured, considered good	10.48	4.46	
Unsecured, considered doubtful	-	28.03	
	-	-	
Less: Provision for doubtful debts	-	28.03	
	<b>100.93</b>	<b>12.94</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	2,036.64	1,369.33	
-On Others			
Unsecured, considered good	2,065.46	18.52	
	<b>4,102.10</b>	<b>1,387.85</b>	
<b>Total</b>	<b>4,203.03</b>	<b>1,400.80</b>	
18 Cash and Bank balances		(Amount in Rs. Lacs)	
Particulars	As at		
	31.03.2015	31.03.2014	
Cash on hand	4.22	3.67	
<b>Balances with Banks</b>			
In current accounts	17.90	279.37	
Margin Money Deposit & Interest thereon	68.64	324.36	
<b>Total</b>	<b>90.76</b>	<b>607.40</b>	

19 **Short term Loans and Advances** (Amount in Rs. Lacs)

Particulars	As at	
	31.03.2015	31.03.2014
<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	19.42	14.45
Advances to Vendors	264.29	699.52
Cenvat & VAT Credit	4,671.36	3,207.40
MAT Credit Entitlement	445.31	305.31
Other Receivables	900.76	144.60
Prepaid Expenditure	184.67	62.88
<b>Total</b>	<b>6,485.81</b>	<b>5,347.03</b>

20 **Other Current Assets** (Amount in Rs. Lacs)

Particulars	As at	
	31.03.2015	31.03.2014
Insurance Claim Receivables	842.50	-
Export Incentive Receivables	417.45	-
<b>Total</b>	<b>1,259.95</b>	<b>-</b>

21 **Revenue from Operations** (Amount in Rs. Lacs)

Particulars	For the Year Ended	
	31.03.2015	31.03.2014
Revenue from		
On Sale of Power	21,066.13	31,081.61
<b>Total (A)</b>	<b>21,066.13</b>	<b>31,081.61</b>
On Sale of Materials		
-Ferro Alloys	18,110.43	-
-Coal	630.78	285.52
-Manganese Ore	1,516.87	2,280.82
(above sales include sales made to related parties of Rs.34.55 Lacs (PY 15.69 Lacs)		
Others	414.51	250.72
	20,672.59	2,817.06
Less Excise Duty	553.23	322.16
<b>Total (B)</b>	<b>20,119.36</b>	<b>2,494.90</b>
Other Operating Revenue	595.74	-
<b>Total (C)</b>	<b>595.74</b>	<b>-</b>
<b>Net Revenues from Operations (A+ B+C)</b>	<b>41,781.23</b>	<b>33,576.50</b>

22 **Other Income** (Amount in Rs. Lacs)

Particulars	For the Year Ended	
	31.03.2015	31.03.2014
Interest Income	31.38	80.16
Provisions no longer required Written Back	294.77	-
Others	0.12	1.08
<b>Total</b>	<b>326.27</b>	<b>81.24</b>

**23 Cost of Material Consumed** (Amount in Rs. Lacs)

Particulars	For the Year Ended	
	31.03.2015	31.03.2014
Raw Materials Consumed - Coal	16,958.71	17,511.07
Raw Materials Consumed - Mn Ore	10,237.94	-
Raw Materials Consumed - Others	2,183.48	-
Stores , Spares and Consumables	1,023.28	109.11
<b>Total</b>	<b>30,403.41</b>	<b>17,620.18</b>

**24 Changes in inventories of finished goods, Semi-finished goods and Stock-in-Trade** (Amount in Rs. Lacs)

Particulars	For the Year Ended	
	31.03.2015	31.03.2014
Inventories at the end of the year		
Finished Goods	4,942.96	18.55
Inventories at the beginning of the year		
Finished Goods	18.55	16.21
<b>Increase/(Decrease) in Inventories</b>	<b>(4,924.41)</b>	<b>(2.34)</b>

**25 Employee benefits expense** (Amount in Rs. Lacs)

Particulars	For the Year Ended	
	31.03.2015	31.03.2014
Salaries & Managerial Remuneration	1,023.63	868.78
Contributions to Provident Fund	43.63	36.79
Staff welfare expenses	40.32	37.54
Gratuity Expenses	15.93	14.55
Leave encashment Expenses	17.77	9.08
<b>Total</b>	<b>1,141.28</b>	<b>966.74</b>

25.1 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 2015

(Amount in Rs. Lacs)

SI no	Particulars	For the Year Ended	
		31.03.2015	31.03.2014
1	Table showing changes in present value of obligations		
	Discount Rate (beginning of the year)	9.20%	8.05%
	Discount Rate (end of the year)	7.74%	9.20%
	Rate of increase in Compensation levels	8.00%	8.00%
	Rate of Return on Plan Assets	-	-
	Expected Average remaining working lives of employees (years)	22.83	23.50
2	Table showing changes in present value of obligations		
	Present Value of Obligation as at the beginning of the year	31.84	17.29
	Acquisition adjustment	-	-
	Interest Cost	2.46	1.59
	Current Service Cost	12.37	8.63
	Curtailment Cost / (Credit)	-	-
	Settlement Cost / (Credit)	-	-
	Benefits paid	-	-
	Actuarial (gain) / loss on obligations	3.03	4.33
	Present Value of Obligation as at the end of the year	49.71	31.84
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	3.03	4.33
	Actuarial (gain) / loss for the year – Plan Assets	-	-
	Total (gain) / loss for the year	3.03	4.33
	Actuarial (gain) / loss recognized in the year	3.03	4.33
	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	49.71	31.84
	Fair value of Plan Assets as at the end of the year	-	-
	Funded status	-	-
	Net Asset / (Liability) Recognized in Balance Sheet	(49.71)	(31.84)
7	Expense recognized in the Statement of Profit & Loss		
	Current Service Cost	12.37	8.63
	Interest Cost	2.46	1.59
	Expected Return of Plan Assets	-	-
	Curtailment Cost / (Credit)	-	-
	Settlement Cost / (Credit)	-	-
	Net actuarial (gain) / loss recognized in the year	3.03	4.33
	Expenses recognized in the Statement of Profit & Loss	17.86	14.55

25.2 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 2015

(Amount in Rs. Lacs)

SI no	Particulars	For the Year Ended	
		31.03.2015	31.03.2014
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)	9.20% 7.74% 8.00% - 22.83	8.05% 9.20% 8.00% - 23.50
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	19.80 - 1.53 12.51 - - - - 1.21 15.26	16.00 - 1.23 7.27 - - - - 0.58 9.08
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	1.21 - - 1.21 1.21 -	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	35.06 - - (35.06)	19.80 - - (19.80)
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	12.51 1.53 - - - - 1.21 15.26	7.27 1.23 - - - - 0.58 9.08

26 **Finance Costs** (Amount in Rs. Lacs)

Particulars	For the Year Ended	
	31.03.2015	31.03.2014
Interest expense	5,693.01	5,436.13
Bank Charges	342.44	116.81
<b>Total</b>	<b>6,035.45</b>	<b>5,552.94</b>

27 **Depreciation and Amortisation Expense** (Amount in Rs. Lacs)

Particulars	For the Year Ended	
	31.03.2015	31.03.2014
Depreciation of Tangible Assets	2,371.84	3,015.77
<b>Total</b>	<b>2,371.84</b>	<b>3,015.77</b>

28 **Other Expenses** (Amount in Rs. Lacs)

Particulars	For the Year Ended	
	31.03.2015	31.03.2014
Manufacturing Expenses-		
Material handling Expenses	421.86	53.31
Plant operation and Maintenance Expenditure	675.60	321.35
Other Manufacturing Expenses	5.90	2.74
Increase / (decrease) of excise duty on inventory	501.04	2.00
Repairs & Manintenance		
Building	10.62	1.55
Plant & Machinery	174.42	92.92
Others	97.82	77.20
Rent	61.92	87.28
Rates & Taxes	218.66	470.31
Insurance Charges	76.94	81.52
Travelling & Conveyance expenses	163.63	124.13
Legal & Professional Expenses	84.23	105.19
Administrative and Other Expenses	253.43	288.18
Social welfare & development expenses	18.66	24.09
Carriage Outward	432.66	0.69
Other Selling Expenses		
Cash Discount Expenses	40.85	435.56
Open Access UI Charges	148.33	494.21
Others	319.56	1.91
Exchange differences (net)	87.50	298.52
Payment to Auditors	11.66	12.98
<b>Total</b>	<b>3,805.26</b>	<b>2,975.64</b>

29 **Foreign Exchange Earing & Outgo** (Amount in Rs. Lacs)

Particulars	For the Year Ended	
	31.03.2015	31.03.2014
FOB Value of Exports	9,024.72	
CIF Value of Imports		
Raw Materials	27,077.19	13,128.65
Capital goods & Stores	827.72	25.99
Expenditure in foreign currency	-	-
Interest & Charges	44.14	26.75
Travelling Expenses	4.91	1.57
Technical Consultancy	20.49	45.22

30 **Payments to the auditor** (Amount in Rs. Lacs)

Particulars	For the Year Ended	
	31.03.2015	31.03.2014
<b>As auditor:</b>		
Audit fee (Excluding Service tax )	8.50	8.50
Tax Audit fees(Excluding Service Tax)	1.50	1.50
Others	1.66	2.98
<b>Total</b>	<b>11.66</b>	<b>12.98</b>



**31 Related Party Disclosure**

Name of the related party and description of relationship

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
Associate Company	Natural Resources Energy Private Ltd
Key Management personnel	Mr. Manish Sarda Mr . Neeraj Sarda Ms. Sonal Sarda ( From 03.12.2014)

**A Material Transactions with related parties** (Amount in Rs. Lacs)

Particulars	For the Year Ended	
	31.03.2015	31.03.2014
<b><u>Holding Company - Sarda Energy &amp; Minerals Limited</u></b>		
Share application converted into Equity	-	971.00
Loan Received	23,410.00	23,369.77
Loans Repaid	19,763.00	27,026.30
Interest paid/( Received)	534.96	(51.92)
Purchase of Goods	1,146.55	918.00
Sale of Goods	3,561.98	1,771.94
	-	-
<b><u>Key Management Personnel</u></b>		
<b>Remuneration Paid</b>		
Mr. Manish Sarda	53.02	7.99
Mr. Neeraj sarda	53.44	32.40
Ms.Sonal Sarda	10.25	7.34
	-	-

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

Particulars	As At	
	31.03.2015	31.03.2014
Receivables/ ( Payables) - Sarda Energy & Minerals Limited	(1030.20)	912.87

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

Particulars	For the Year Ended	
	31.03.2015	31.03.2014
Net Profit after tax as per Statement of Profit & Loss attributable to Equity Shareholders (Rs in Lacs)	379.96	689.44
Nominal Value of Equity Shares (Rs )	10.00	10.00
Weighted average number of Equity Shares (in Lacs) used as denominator for calculating EPS	210.16	200.56
Basic and Diluted Earnings per Share (Rs)	<b>1.81</b>	<b>3.44</b>

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

Particulars	AS AT	
	31.03.2015	31.03.2014
<b>(i) Contingent Liabilities</b>		
(a) Guarantees given by Company's Bankers	85.40	243.75
(b ) Electricity Duty on Sale of Power through Exchange	-	85.23
	<b>85.40</b>	<b>328.99</b>
<b>(ii) Commitments</b>		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for ( Net of Advances)	76.58	122.51
	<b>76.58</b>	<b>122.51</b>

**34 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 2015 as micro ,Small,medium enterprises.Consequently the amount paid/payable to these parties during the year is Nil.

**35 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.

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

**37** During the year , income tax department has conducted a search operation U/S 132 of Income tax Act , 1961 .During the course of search :

1. The 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 and liability at this stage .However , the due provision of liability ,shall be made after completion of the block assessment which is not ascertainable as on date .

**38** During the year the Cyclone HUDHUD had struk the city of Visakhapatnam .As a result ,the Company has suffered losses . The damage to assets / Other losses claimed has been 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 .

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

(Amount in Rs. Lacs)

Particulars	Currency	2014-15		2013-14	
		Foreign Currency	INR	Foreign Currency	INR
Buyer's Credits - Long term	USD	0.94	58.93	11.86	710.26
	EURO	-	-	3.60	296.86
Buyer's Credits - Short term	USD	175.25	10,952.11	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	2014-15			2013-14		
	Power	Ferro	Total	Power	Ferro	Total
<b>Revenue</b>						
Sales & Other Income	21,098.23	19,492	40,590.20	31,116.24	2,193.03	33,309.26
Inter Segment Sales	6,398.49	(6,398.49)	-	-	-	-
Others Unallocated	-	-	1,517.31	-	-	267.24
<b>Total Revenue</b>	<b>27,496.72</b>	<b>13,093.49</b>	<b>42,107.51</b>	<b>31,116.24</b>	<b>2,193.03</b>	<b>33,576.50</b>
<b>Result</b>						
Segment Result	8,649.49	(296.21)	8,353.28	8,999.82	1,293.01	7,706.80
Unallocated Expenses net off Unallocated Income	-	-	(1,510.27)	-	-	(915.46)
<b>Operating Profit</b>			<b>6,843.01</b>			<b>6,791.34</b>
Interest & Forex Fluctuation Loss (Net)	-	-	6,122.95	-	-	5,851.46
<b>Profit Before Tax Extraordinary Item</b>			<b>720.06</b>			<b>939.88</b>
Add: Extra Ordinary Item	-	-	-	-	-	-
<b>Provision for Taxation</b>						
For Current Tax	-	-	144.23	-	-	185.49
For Deferred Tax	-	-	335.87	-	-	257.73
Mat Credit Entitlement	-	-	(140.00)	-	-	(192.78)
<b>Profit After Taxation</b>			<b>379.97</b>			<b>689.44</b>
<b>Other Information</b>						
Segment Assets	42,734.67	31,840.31	74,574.99	43,019.54	21,413.71	64,433.25
Unallocated Assets	-	-	5,059.52	-	-	5,039.95
<b>Total Assets</b>			<b>79,634.51</b>			<b>69,473.21</b>
Segment Liabilities	1,585.58	2,383.61	3,969.19	3,182.75	408.49	3,591.24
Unallocated Liabilities	-	-	(74.95)	-	-	262.45
<b>Total Liabilities</b>	<b>1,585.58</b>	<b>2,383.61</b>	<b>3,894.23</b>	<b>3,182.75</b>	<b>408.49</b>	<b>3,853.69</b>
Capital Expenditure	59.02	705.28	764.31	721.50	187.58	909.08
Depreciation/Amortisation	1,120.91	809.90	1,930.81	1,970.09	958.99	2,929.07
Unallocated Capital Expenditure & Depreciation	-	-	651.83	-	-	219.24
Non Cash Expenditure other than depreciation/amortisation	-	-	-	-	-	-

Additional Information:

1. 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.

2. 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	2014-15		2013-14	
	Assets	Liabilities	Assets	Liabilities
Total Segments	74,574.99	3,969.19	64,433.25	3,591.24
Unallocated Assets / Liabilities as per table above	5,059.52	(74.95)	5,039.95	262.45
<b>Total</b>	<b>79,634.51</b>	<b>3,894.23</b>	<b>69,473.21</b>	<b>3,853.69</b>
Add: Unallocated Corporate Assets / Liabilities Not Considered in Segment				
Non Current Investments	0.28	-	-	-
Current Investments	-	-	-	-
Long Term Borrowings	-	32,354.96	-	37,477.90
Short Term Borrowings	-	15,135.87	-	801.30
Current Maturities of Long Term Debt	-	4,964.00	-	4,844.95
Deferred Tax Liabilities	-	788.18	-	452.31
<b>Total Segment Assets / Liabilities Not Considered</b>	<b>0.28</b>	<b>53,243.01</b>	<b>-</b>	<b>43,576.46</b>

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  
 MNO.048650

K.K.SARDA  
 DIRECTOR

NEERAJ SARDA  
 DIRECTOR

GAURAV THAKKAR  
 CFO

YOGESH K.SINGHAL  
 COMPANY SECRETARY

PLACE : VISAKHAPATNAM  
 DATE : 15th May 2015

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