

INDEPENDENT AUDITOR'S REPORT

To the Members of Madhya Bharat Power Corporation Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Madhya Bharat Power Corporation Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, 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.

Auditor's 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 auditor's 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. 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 Act 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, 2013;
- (b) in the case of the Statement of Profit and Loss, of the loss 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 (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, 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 Act, 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; and

d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956.

e. On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For M.M. Jain & Associates
Chartered Accountants
FRN 112538W

-Sd/-

MANISH JAIN
Partner
M No. 118548

RAIPUR
DATED: 24th May, 2013

Annexure referred in our report of even date

- i) On the basis of such checks as we considered appropriate and in terms of information & explanations given to us we state that: -
 - a) The Company has maintained proper records in electronic mode showing full particulars including quantitative details and situation of fixed assets.
 - b) All the major assets except certain low value items of Furniture, Fixtures and Office Equipments have been physically verified by the Management at reasonable intervals. As informed, no material discrepancies were noticed on such verification.
 - c) During the year the Company has not disposed off substantial part of the fixed assets affecting the going concern status of the Company.
- ii) The Company is in the project construction phase. Accordingly, the provisions of sub clause (a), (b) and (c) of Paragraph 4 Clause (ii) of the Companies (Auditor's Report) Order 2003 (as amended) in respect of inventories are not applicable to the Company.
- iii) a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Therefore, the provisions of sub clause (b), (c) and (d) of Paragraph 4 clause (iii) of the Order are not applicable to the Company.
- e) The Company has taken unsecured loans from two companies covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 578 Lacs and the year-end balance of loans taken from such companies was NIL.
- f) In our opinion, the rate of interest and other terms & conditions on which loans have been taken from the companies covered in the register maintained under Section 301 of the Companies Act, 1956, are not prima facie, prejudicial to the interest of the Company.
- g) The principal amounts are repayable on demand and there is no repayment schedule. The interest is payable on demand. Therefore, in respect of the said loan, the question of overdue amount does not arise.

- iv) In our opinion and according to the information & explanations given to us, there is adequate internal control system commensurate with the size of the Company and nature of its business with regard to purchases of fixed assets. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system. The activity of the Company during the year did not involve purchase of inventory or sale of goods, accordingly provisions of Paragraph 4 clause (iv) to this extent are not applicable to the Company.
- v) a) In our opinion and according to the information & explanations given to us, the transactions that need to be entered into the register in pursuance of Section 301 of the Companies Act, 1956 have been so entered.
b) In our opinion and according to the information & explanations given to us, the transactions made in pursuance of contracts/arrangements covered in the register(s) maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rupees Five Lacs in respect of each party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi) The Company has not accepted any deposit from the public. Therefore, the provisions of Clause (vi) of Paragraph 4 of the Order are not applicable to the Company.
- vii) The Company is having an internal audit system, which in our opinion is commensurate with the size of the Company and nature of its business.
- viii) The Central Government has prescribed Companies (Cost Accounting Records) Rules, 2011 for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for the Company's proposed activities. However, this clause is presently not applicable, as the Company's project is under implementation stage.
- ix) a) In our opinion and according to the information and explanations given to us, the Company is generally regular in depositing with the appropriate authorities, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amount payable in respect of the aforesaid dues were outstanding as at March 31, 2013 for a period of more than six months from the date of becoming payable.

- b) There are no statutory dues which have not been deposited on account of any dispute.
- x) The Company's accumulated losses at the end of the financial year are not more than 50% of its net worth and it has incurred cash loss of ₹ 2.74 Lacs in current financial year and ₹ 2.06 Lacs in the immediately preceding financial year.
- xi) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to any financial institutions, banks and debenture holders.
- xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion and on the basis of information and explanation given to us the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Accordingly the provisions of Paragraph 4 Clause (xiii) 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 or trading in shares, securities, debentures, mutual funds and other investments. Accordingly the provision of Paragraph 4 Clause (xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- xv) According to the information and explanations given to us, the Company has not given corporate guarantees for loans taken by others from banks/ financial institutions.
- xvi) On the basis of information and explanation given to us, the term loans have been applied for the purpose for which the loans were obtained except the funds deployed temporarily elsewhere.
- xvii) According to the information and explanations given to us and on an overall examination of Balance Sheet of the Company, we are of the opinion that funds raised on short-term basis have not been used for long-term investment.
- xviii) The Company has made preferential allotment of shares during the year to the parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956. According to the information and explanations given to us and on an overall examination of Balance Sheet of the Company, we are of the opinion that the price at which the shares have been issued is not prejudicial to the interest of the Company.

- xix) According to the information given to us the Company has not issued any debentures.
- xx) The Company has not raised any money by way of public issue during the year.
- xxi) In our opinion and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.

For M.M. Jain & Associates
Chartered Accountants
FRN 112538W

-Sd/-
MANISH JAIN
Partner
M No. 118548

RAIPUR
DATED: 24th May, 2013

MADHYA BHARAT POWER CORPORATION LIMITED

Balance Sheet as at 31st MARCH 2013

	Particulars	Note	As at	As at
			31.03.2013	31.03.2012
			₹ Lacs	₹ Lacs
I.	EQUITY AND LIABILITIES			
1	Share Holders' Funds			
	Share capital	3	4,753.00	4,725.00
	Reserves and surplus	4	6,082.32	6,043.07
			10,835.32	10,768.07
2	Share application money pending allotment		-	2.26
3	Non-current liabilities			
	Long-term borrowings	5	15,718.00	7,444.78
	Other Long term liabilities	6	498.68	146.02
	Long term Provisions	7	24.61	9.78
			16,241.29	7,600.58
4	Current liabilities			
	Other current liabilities	8	800.19	300.26
	Short-term provisions	9	16.14	4.16
			816.33	304.42
			27,892.94	18,675.33
II.	ASSETS			
1	Non-current assets			
	Fixed assets			
	Tangible assets	10	777.46	684.42
	Capital work-in-progress	10	16,535.61	7,875.98
			17,313.07	8,560.41
	Non-current investments			
	Long-term loans and advances	11	5,387.20	4,299.14
	Other non-current assets	12	1.78	1.78
			5,388.98	4,300.93
2	Current assets			
	Cash and bank balances	13	5,188.81	5,767.76
	Short-term loans and advances	14	2.08	2.20
	Other current assets	15	-	44.04
			5,190.89	5,814.00
			27,892.94	18,675.33

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

1 and 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 M.M. Jain & Associates
Chartered Accountants
FRN 112538W

-Sd/-
MANISH JAIN
Partner
M no. 118548

-Sd/-
K.K. SARDA
Chairman

-Sd/-
DR. B.M. GOSWAMI
Whole Time
Director

-Sd/-
MANISH SETHI
Company
Secretary

RAIPUR
DATED : 24th May, 2013

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MADHYA BHARAT POWER CORPORATION LIMITED
Statement of Profit and Loss for the year ended on 31st March 2013

	Particulars	Note	2012-13	2011-12
			₹ Lacs	₹ Lacs
I.	Revenue from operations		-	-
II.	Other income		-	-
III.	Total Revenue (I + II)		-	-
IV.	Other expenses:			
	Filing fees to ROC		0.07	0.05
	Professional Tax		0.10	0.03
	Payment to Auditor	16	2.57	1.99
	Total expenses		(2.74)	(2.06)
V.	Losses before Tax (III-IV)		(2.74)	(2.06)
VI.	Tax expense:			
	Current tax		-	-
	Deferred tax		-	-
VII.	Loss for the period (V - VI)		(2.74)	(2.06)
VIII.	Earnings per equity share:			
	Basic & Diluted		(0.0058)	(0.0044)

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

1 and 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 M.M. Jain & Associates

Chartered Accountants

FRN 112538W

-Sd/-

MANISH JAIN

Partner

M no. 118548

-Sd/-

K.K. SARDA

Chairman

-Sd/-

DR. B.M. GOSWAMI

Whole Time

Director

-Sd/-

MANISH SETHI

Company

Secretary

RAIPUR

DATED : 24th May, 2013

RAIPUR

DATED : 24th May, 2013

MADHYA BHARAT POWER CORPORATION LIMITED
Cash Flow statement for the year ended 31st March 2013

Particulars	31st March 2013	31st March 2012
	₹ Lacs	₹ Lacs
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Loss as per Statement of Profit and Loss	(2.74)	(2.06)
Net cash used in operating activities	(2.74)	(2.06)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Investment in Fixed assets including Capital WIP	(9,840.72)	(6,280.38)
Decrease in short term investments	0.13	-
Increase in short term provisions	11.98	4.16
Increase in long term provisions	14.82	9.78
Increase in long term liability on capital account	352.66	-
Increase in Current liability on capital account	499.93	172.69
Decrease in Current assets on capital account	-	(44.04)
Decrease in Current assets	44.04	-
Net cash used in investing activities	(8,917.16)	(6,137.79)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from fresh issue of shares	67.74	7,389.76
Proceeds from long term borrowings	8,273.22	4,490.41
Repayment of Short term loans and advances	-	(0.02)
Net cash from financing activities	8,340.96	11,880.15
Increase/ (decrease) in Cash and Cash equivalents (A+B+C)	(578.95)	5,740.31
Cash and cash equivalents at the beginning of year	5,767.76	27.45
Cash and cash equivalents at the end of year	5,188.81	5,767.76
Increase/ (decrease) in Cash and Cash equivalents	(578.95)	5,740.31

a) Cash and Cash equivalents include the following

Cash in hand	1.10	1.37
Balances with banks	5,187.71	5,766.40
	5,188.81	5,767.76

b) Previous year figures have been recast/restated wherever necessary.

c) Figures in brackets represent outflows.

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR AND ON BEHALF OF THE BOARD

For M.M. Jain & Associates
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-Sd/-

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Whole Time
Director

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Secretary

RAIPUR
DATED : 24th May 2013

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DATED : 24th May 2013

Notes to Financial Statements for the year ended 31st March, 2013

1. CORPORATE INFORMATION

Madhya Bharat Power Corporation Limited is an Unlisted Public company domiciled and incorporated under provisions of Companies Act, 1956. The Company is in the process of implementing 96 MW Rongnichu Hydro Power Plant in the East Sikkim. The plant shall have two units of 48 MW each. The plant is in construction phase.

2. BASIS OF PREPARATION

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 the 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 Companies Act, 1956. These 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, except for the change in accounting policy as discussed below.

b) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent liabilities as at the date of financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

c) Current and Non-current classification

An asset or a liability is classified as current when it satisfies any of the following criteria:

- i. It is expected to be realized / settled, or is intended for sale or consumption, in the Company's normal operating cycle;
- ii. It is held primarily for the purpose of being traded;
- iii. It is expected to be realized / due to be settled within twelve months after the reporting date;
- iv. The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current.

2.1 Summary of significant accounting policies

a) Changes in accounting policies

Presentation and disclosure of financial statements

These financial statements have been prepared as per Revised Schedule VI notified under the Companies Act 1956. The adoption of Revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with requirements applicable in the current year.

b) Tangible Fixed Assets

Tangible assets are stated at cost, net of recoverable taxes less accumulated depreciation / amortization and impairment losses if any. Cost comprises purchase price and any attributable costs of bringing the asset to its working condition for its intended use.

All costs, including administrative, financing and general overhead expenses, as are specifically attributable to construction of a project or to the acquisition of a fixed asset or bringing it to its working condition, is included as part of the cost of construction of project or as a part of the cost of fixed asset, till commencement of commercial production. 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 benefits from the existing asset beyond its previously assessed standard of performance.

Capital Work in Progress

Projects/fixed assets under installation including other capital work in progress are carried at cost, comprising direct cost, related incidental expenses and attributable cost. Advances for Capital work in progress are shown under Non Current Assets.

c) Depreciation on Tangible Fixed Assets

Depreciation on tangible fixed assets is provided on Straight Line Method at rates and in the manner specified in Schedule XIV of the Companies Act, 1956. Assets valuing Rs.5000/- or less and such items (excluding immovable assets) are fully depreciated during the year.

d) Employee Benefits

i. Retirement benefits in the form of Provident fund contribution to the Statutory Provident Fund is a defined contribution scheme and the payments are charged to the Statement of Profit and Loss of the year when the payments to the respective funds are due. There are no obligations other than contribution payable to Provident Fund Authorities.

ii. Liability for Gratuity is ascertained on Actuarial Valuation basis using projected unit credit method at each balance sheet date. Actuarial gains / losses are immediately recognized in the books of account and are not deferred.

iii. The liability for encashable leaves / compensated absences outstanding as on reporting date is provided based on the salary prevailing on reporting date.

e) Borrowing Cost

Borrowing cost includes interest, commitment charges on bank borrowings, amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalized as part of the cost of that asset. The amount of borrowing costs eligible for capitalization is determined in accordance with Accounting Standard 16 "Borrowing Costs". Other borrowing costs are recognized as an expense in the period in which they are incurred

f) Earnings per share

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.

Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period. Is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding without a corresponding change in resources.

g) Taxes on Income

The year under review relates to project implementation stage and does not have any revenue thus, no taxes have been provided in the books of accounts.

h) Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability.

Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

i) Cash flow statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

For the purpose of cash flow statement, Cash and cash equivalents comprise cash at bank and in hand and highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

j) Contingent Liabilities

Possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation is reported as contingent liability. In rare cases, when a liability cannot be measured reliably, it is classified as contingent liability. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

3 SHARE CAPITAL

	31.03.2013		31.03.2012	
	Nos. lacs	₹ in Lacs	Nos. lacs	₹ in Lacs
Authorised Equity Shares of ₹ 10/- each	1,000.00	10,000.00	1,000.00	10,000.00
Issued, Subscribed & Paid up capital: Equity Shares of ₹ 10/- each fully paid	475.30	4,753.00	472.50	4,725.00
	475.30	4,753.00	472.50	4,725.00

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	31.03.2013		31.03.2012	
	Nos. lacs	₹ in Lacs	Nos. lacs	₹ in Lacs
Shares outstanding at the beginning of the year	472.50	4,725.00	175.00	1,750
Shares Issued during the year	2.80	28.00	297.50	2,975
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	475.30	4,753.00	472.50	4,725

(b) Terms/rights attached to equity shares:

The Company has only one class of equity shares referred to as equity shares having a par value of ₹ 10/- Each shareholder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts.

The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the company and shares held by the holding company

Name of Shareholder	31.03.2013		31.03.2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Sarda Energy and Minerals Limited (Holding company)	279.14	58.73%	276.34	58.48%
Chhattisgarh Investments Limited	193.16	40.64%	193.16	40.88%
TOTAL	472.30		469.50	

4 RESERVES AND SURPLUS

	31.03.2013	31.03.2012
	₹ Lacs	₹ Lacs
Securities Premium Account		
Opening Balance	6,050.75	1,588.25
Add : Security Premium on issue of shares during the year	42.00	4,462.50
Closing Balance	6,092.75	6,050.75
Surplus in the statement of profit and loss		
Opening balance	(7.68)	(5.63)
Add : Net Loss For the current year	(2.74)	(2.06)
Closing Balance	(10.43)	(7.68)
Total	6,082.32	6,043.07

5 LONG TERM BORROWINGS

	31.03.2013	31.03.2012
	₹ Lacs	₹ Lacs
Term loans (Secured)		
From Financial Institutions	15,718.00	7,377.00
Loans and advances from Related parties (Unsecured)	-	67.78
Total	15,718.00	7,444.78

Terms of Repayment

The term loan is repayable in in 42 equal quarterly installments on 15th of every April, July, Oct, and Jan. commencing on the first standard due date after 48 months from from the date of first disbursement to the project or the first repayment date falling 6 months after commencement of COD, whichever is earlier

Security

Term loans are secured by hypothecation of Movable Project Assets, including movable plant and machinery, machinery spares etc both present and future. Moreover ,51% of the Promoter's equity interest representing 51% of the project equity capital is pledged in favour of the security agent at all times, until the settlement date.

6 OTHER LONG TERM LIABILITIES

	31.03.2013	31.03.2012
	₹ Lacs	₹ Lacs
Security Deposit From Contractors	498.68	146.02
Total	498.68	146.02

7 LONG TERM PROVISIONS

	31.03.2013	31.03.2012
	₹ Lacs	₹ Lacs
Provision for employee benefits		
Gratuity	24.61	9.78
Total	24.61	9.78

8 OTHER CURRENT LIABILITIES

	31.03.2013	31.03.2012
	₹ Lacs	₹ Lacs
Interest accrued but not due on term loans	204.76	75.12
Other Payables		
Indirect Taxes payable	48.96	25.10
TDS Payable	28.11	32.63
Security Deposits from Contractors	35.04	27.69
Salary & Reimbursements	31.66	26.04
Liabilities for Expenses	451.67	113.68
Total	800.19	300.26

9 SHORT TERM PROVISIONS

	31.03.2013	31.03.2012
	₹ Lacs	₹ Lacs
Provision for employee benefits		
Leave salary	16.14	4.16
Total	16.14	4.16

10. Tangible Fixed Assets

Particulars	Gross Block			Depreciation			Net Block		
	As on 01.04.2012	Addition during the year	Transfer / Sale / Adjustment	As on 31.03.2013	Up to 01.04.2012	Depreciation for the year	Transfer /Adjustment	As on 31.03.2013	As on 31.03.2012
Lease Hold Land	568.95	40.76	-	609.70	-	-	-	609.70	568.95
Plant and Equipment	55.73	31.20	-	86.93	2.90	3.11	-	6.01	80.92
Furniture and Fixtures	36.07	3.21	-	39.29	8.34	3.44	-	11.79	27.50
Vehicles	4.07	15.70	-	19.78	0.50	1.88	-	2.38	17.39
Office equipment	16.13	1.80	-	17.93	1.73	1.51	-	3.23	14.40
Computer and Peripherals	21.90	1.83	-	23.73	4.95	3.98	-	8.93	14.80
Building	-	12.66	-	12.66	-	0.21	-	0.21	-
Total	702.85	107.17	-	810.01	18.42	14.13	-	32.55	777.46
Previous Year	106.76	596.09	-	702.85	7.12	11.30	-	18.42	684.42
Capital Work in Progress	7,875.98	8,659.62	-	16,535.61	-	-	-	16,535.61	7,875.98

11 LONG TERM LOANS AND ADVANCES

	31.03.2013	31.03.2012
	₹ Lacs	₹ Lacs
Capital Advances		
Secured	3,705.14	2,622.52
Unsecured, considered good	1,568.57	1,586.28
Security Deposits		
Unsecured, considered Good	26.88	28.04
Other loans and advances		
Unsecured, considered Good		
TDS Receivable	39.57	5.67
Prepaid Expenses	47.03	56.62
Total	5,387.20	4,299.14

Secured Capital advances include mobilisation advances given to Civil , Hydro Mechanical and Electro Mechanical works' contractor secured by different Bank Gurantees.

12 OTHER NON CURRENT ASSETS

	31.03.2013	31.03.2012
	₹ Lacs	₹ Lacs
Others		
Unsecured, considered good		
Unamortized Expenses	1.78	1.78
Total	1.78	1.78

13 CASH AND BANK BALANCES

	31.03.2013	31.03.2012
	₹ Lacs	₹ Lacs
Balances with banks		
In current account (TRA Account)	5,187.71	0.75
In Fixed Deposits	-	5,765.65
Cash on hand	1.10	1.37
Total	5,188.81	5,767.76

The Company has opened a Trust and Retention Agreement Account as a designated account in pursuance of terms of Facility agreement , and as per terms of the agreement all the project expenses whether direct or indirect shall be routed through Trust and retention account, further proceeds from invetsment and reinvetments shall be credited to that account only.

14 SHORT TERM LOANS AND ADVANCES

	31.03.2013	31.03.2012
	₹ Lacs	₹ Lacs
Others		
Advances to vendors	2.08	2.20
Total	2.08	2.20

15 OTHER CURRENT ASSETS

	31.03.2013	31.03.2012
	₹ Lacs	₹ Lacs
Interest accrued on Fixed deposits	-	44.04
Total	-	44.04

16 PAYMENTS TO AUDITOR

	31.03.2013	31.03.2012
	₹ Lacs	₹ Lacs
As Auditor:		
As audit fees	2.57	2.21
Tax audit fees	-	-
Other services	-	-
Reimbursement of expenses	-	-
Total	2.57	2.21

17 FINANCE COSTS (Capitalized as part of project cost)

	31.03.2013	31.03.2012
	₹ Lacs	₹ Lacs
Interest expense	1,270.11	633.48
Other borrowing costs	342.93	287.04
Total	1,613.04	920.52

18 Capital and Other Commitments

Estimated amount of Contracts remaining to be executed on Capital Account net of advance given ₹ 25476.47 Lacs (Prev.Year ₹ 22682.29 Lacs).

19 Contingent Liabilities

	2012-13	2011-12
	₹ Lacs	₹ Lacs
Claim against the company not acknowledged as debt *	7,514.82	2,416.66
Total	7,514.82	2,416.66

*Claim against Company comprises Idle time claimed by main civil contractor M/s. SEW Infrastructures Limited amounting ₹7514.82 Lacs. However, the company is contesting the demand by counter claim on the contractor towards financial loss due to shortfall in targeted progress and other reasons.

20 Related Party Disclosures

a) Names of Related Parties and description of relationship

Description of Relationship	Names of Related Parties
Holding Company	Sarda Energy & Minerals Limited
Associate	Chhattisgarh Investments Limited
Key Managerial Personnel	Mr. Kamal Kishore Sarda Mr. G.K.Chhangani (From 1st Jan 2013) Dr. B.M.Goswami

b) Material transactions with Related Parties

	Holding Company	Associate	Key Managerial person
	₹ Lacs	₹ Lacs	₹ Lacs
Equity Investment	70.00 (1853.40)	NIL (1121.60)	NIL (NIL)
Share Application Money	NIL (4635.76)	NIL (2804)	NIL (NIL)
Loans/ Advances accepted	28.00 (3703.45)	487.50 (3180.17)	NIL (NIL)
Loans/ Advances repaid	28.00 (6,602.68)	487.50 (3,184.21)	NIL (NIL)
Rent paid	NIL	3.00 (3.31)	NIL
Remuneration and sitting fees paid			38.86 (27.71)

c) Outstanding amounts

	₹ Lacs	₹ Lacs
Payables	NIL (67.78)	NIL NIL

Note: Figures in brackets represents previous year's figures.

21 Earnings Per Share (EPS)

	2012-13	2011-12
	₹ Lacs	₹ Lacs
Net Loss for the period	(2.74)	(2.06)
Nominal Value of Equity Shares (₹)	10/-	10/-
Weighted average number of Equity Shares used as denominator for calculating EPS (Lacs)	472.53	472.50
Basic and Diluted Earnings Per Share (₹)	(0.0058)	(0.0044)

SIGNIFICANT ACCOUNTING POLICIES

1 & 2

THE ACCOMPANYING NOTES ARE FORMING INTEGRAL PART OF FINANCIAL ! FOR AND ON BEHALF OF THE BOARD

AS PER OUR REPORT OF EVEN DATE ATTACHED

For M.M. Jain & Associates
Chartered Accountants
FRN 112538W

-Sd/-
MANISH JAIN
Partner
M no. 118548

-Sd/-
KK Sarda
Chairman

-Sd/-
Dr B.M. Goswami
Whole Time Director

-Sd/-
Manish Sethi
Company Secretary

RAIPUR
DATED : 24th May, 2013

RAIPUR
DATED : 24th May, 2013