

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, 2016, 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

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 referred 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 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 that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the

accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, 2016;
- (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, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraph 3 and 4 of the Order.

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 appears from our examination of those books;
- d. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report is in agreement with the books of account; and
- e. in our opinion, the Financial Statements comply with the Accounting Standards referred to in section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014.
- f. From examination of books of accounts and other relevant records for the purpose of audit, we have not come across any financial transactions or matters which have any adverse effect on the functioning of the Company.
- g. On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164(2) of the Act.
- h. There is no qualification, reservation or adverse remark relating to the maintenance of accounts and other matters connected therewith.
- i. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure - A.

j. With respect to the other matters included in the auditor's report and to best of our information and according to the explanation given to us.

1. There are no pending litigations which have impact on the financial position of the Company requiring disclosure in the financial statements.
2. There are no material foreseeable losses on long term contracts including derivative contracts which require provision under the applicable law or Accounting Standards.
3. There are no amounts required to be transferred, to the investor's education and protection fund by the company.

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

Suraj Khandelwal
Partner
Membership No. 158941

RAIPUR
DATED:

INDEPENDENT AUDITOR'S REPORT

To the Members of Madhya Bharat Power Corporation Limited

We have audited the internal financial controls over financial reporting of Madhya Bharat Power Corporation Limited ("the Company"), in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect

the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

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

Suraj Khandelwal
Partner
Membership No. 158941

RAIPUR
DATED:

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, other than the situation of furniture and office equipment for which the situation recorded is the location of the company's different establishments.
 - b) The Company's programme of physical verification of all its major fixed assets, except certain low value items of Furniture, Fixtures and Office Equipment is in our opinion, reasonable having regard to the size of the company and the nature of its assets. Accordingly, the fixed assets have been physically verified by the management during the year. As explained to us, no material discrepancies have been noticed on such verification.
 - c) We have inspected the original title deeds of immovable properties of the company held as fixed assets which are in the custody of the company. Based on our audit procedures and the information and explanation received by us, we report that all title deeds of immovable properties of the company are held in the name of the company. However, we express no opinion on the validity of the title of the company to these properties.
- ii) The Company is in the project construction phase. Accordingly, the provisions of Clause (ii) of the Companies (Auditor's Report) Order 2016 in respect of inventories are not applicable to the Company.
- iii) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence the question of reporting whether the terms and conditions of such loans are prejudicial to the interests of the company, whether reasonable steps for recovery of overdues of such loans are taken does not arise.
- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of the loans and investment made, and guarantees and security provided by it. The Company has not granted and loans and made any investments, or provided any guarantees or security to the parties covered under Section 185 of the Companies Act, 2013.
- v) In our opinion and according to the information and explanations provided by the management, the Company has not accepted any loans or deposits which are 'deposits' within the meaning of Rule 2(b) of the Companies (Acceptance of Deposits)

Rules 2014.

- vi) The Central Government has prescribed Companies (Cost Accounting Records) Rules, 2014 for the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the Company's proposed activities. However, this clause is presently not applicable, as the Company's project is under implementation stage.
- vii) 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, 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, 2016 for a period of more than six months from the date of becoming payable.
- b) According to information and explanations given to us, there are no dues of Income Tax or Sales Tax or Service Tax or duty of Excise or Value Added Tax which have not been deposited on account of any dispute.
- viii) Based on our audit procedures and according to the information and explanations given to us, the Company has delayed in repayment of borrowing to one bank the details of which are as under:

Lender	Amount	Due date of repayment	Actual date of repayment	Period
IDBI	2,38,09,524	15.04.2015	25.08.2015	132 Days
IDBI	2,38,09,524	15.07.2015	15.09.2015	62 Days
IDBI	2,38,09,524	15.01.2016	16.01.2016	01 Day

- ix) On the basis of review of utilization of funds pertaining to term loans on overall basis and according to the related information and explanation given to us, moneys raised by way of term loans taken by the company have been applied for the purposes for which they were obtained, except funds which have been temporarily deployed pending utilization in the project.
- x) In our opinion and according to the information and explanations given to us, no material fraud on the Company by its officers or employees nor any fraud by the company has been noticed or reported during the year, that causes the financial statements to be materially misstated.
- xi) On the basis of information and explanation given to us, managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

- xii) In our opinion, and to the best of our information and according to the explanations provided by the management, we are of the opinion that the company is not a nidhi hence, in our opinion, the requirements of Clause 3(xii) of the Order do not apply to the company.
- xiii) In our opinion, and to the best of our information and according to the explanations provided by the management, we are of the opinion that the Company has entered into transactions with related parties in compliance with the provisions of Section 177 and 188 of the Act. The details of related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv) The company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, the provisions of clause (xv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.
- xv) In our opinion and according to the information and explanations given to us the Company has not entered into any non-cash transactions with its directors or persons connected with him. Therefore, the provisions of clause (xv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.
- xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Therefore, the provisions of clause (xvi) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.

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

RAIPUR
DATED:

Suraj Khandelwal
Partner
Membership No. 158941

MADHYA BHARAT POWER CORPORATION LIMITED
Balance Sheet as at 31-03-2016

	Particulars	Note	As at	As at
			31-03-2016	31-03-2015
			Rs. In Lacs	Rs. In Lacs
I.	EQUITY AND LIABILITIES			
1	Share Holders' Funds			
	Share capital	3	8,433.00	6,053.00
	Reserves and surplus	4	11,361.14	8,026.54
			19,794.14	14,079.54
2	Share application money pending allotment		-	453.00
3	Non-current liabilities			
	Long-term borrowings	5	30,614.04	24,765.90
	Other Long term liabilities	6	502.74	80.61
	Long term Provisions	7	18.05	38.996
			31,134.83	24,885.51
4	Current liabilities			
	Other current liabilities	8	2,038.03	1,004.65
	Short-term provisions	9	64.63	2.69
			2,102.66	1,007.34
			53,031.62	40,425.39
II.	ASSETS			
1	Non-current assets			
	Fixed assets			
	Tangible assets	10	1,209.56	1,200.74
	Intangible assets	10A	379.42	379.42
	Capital work-in-progress	10	45,784.61	35,332.31
			47,373.59	36,912.47
	Non-current investments			
	Long-term loans and advances	11	3,456.17	3,398.81
	Other non-current assets	12	1.78	1.78
			3,457.95	3,400.60
2	Current assets			
	Trade receivables			
	Cash and bank balances	13	338.67	97.84
	Short-term loans and advances	14	11.41	14.49
	Current assets	15	-	-
	Current Investments	16	1,850.00	-
			2,200.08	112.33
			53,031.62	40,425.39

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

Suraj Khandelwal
Partner
Mem No. 158941

K.K. Sarda
Chairman

P. S. Duttgupta
Whole Time Director

Shilpa Rathod
CFO

Manish Sethi
Company Secretary

MADHYA BHARAT POWER CORPORATION LIMITED
Cash Flow statement for the year ended 31.03.2016

Particulars	31st March 2016	31st March 2015
	Rs. In Lacs	Rs. In Lacs
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Loss as per Statement of Profit and Loss	(4.09)	(3.10)
Direct taxes (Net)	(231.32)	
Net cash used in operating activities	(235.41)	(3.10)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Investment in Fixed assets including Capital WIP	(10,283.08)	(6,836.79)
Proceeds from Fixed deposits and others		
(Increase)/decrease in short term investments and Loans & advances	(1,846.92)	390.19
Increase in short term provisions	61.94	1.52
Increase in long term provisions	(20.94)	(3.71)
Increase in long term liability on capital account	422.13	(843.66)
Increase in Current liability on capital account	81.00	31.06
Decrease in Current assets	-	76.11
Net cash used in investing activities	(11,585.87)	(7,185.28)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from fresh issue of shares	5,261.59	3,699.90
Proceeds from long term borrowings	5,848.13	(238.10)
Current maturity of Long term Debt	952.38	-
Net cash from financing activities	12,062.11	3,461.80
Increase/ (decrease) in Cash and Cash equivalents (A+B+C)	240.83	(3,726.58)
Cash and cash equivalents at the beginning of year	97.84	3,824.42
Cash and cash equivalents at the end of year	338.67	97.84
Increase/ (decrease) in Cash and Cash equivalents	240.83	(3,726.58)

a) Cash and Cash equivalents include the following

Cash in hand	0.95	1.67
Balances with banks	337.72	96.17
	338.67	97.84

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
Chartered Accountants
FRN 112538W

Suraj Khandelwal
Partner
M no. 158941

K.K. Sarda
Chairman

P.S. Dutta Gupta
Whole Time Director

Shilpa Rathod
CFO

Manish Sethi
Company Secretary

RAIPUR 26th May 2016

RAIPUR 26th May 2016

MADHYA BHARAT POWER CORPORATION LIMITED
Statement of Profit and Loss for the year ended on 31st March 2016

	Particulars	2015-16	2014-15
		Rs. In Lacs	Rs. In Lacs
I.	Revenue from operations		
II.	Other income		
III.	Total Revenue (I + II)	-	-
IV.	Other expenses:		
	ROC Filing fees and expenses		
	Filing Fees	0.42	0.40
	Professional Tax Payable (Company)	0.20	0.18
	Payment to auditor	3.47	2.53
	Total expenses	(4.09)	(3.10)
V.	Losses before Tax (III-IV)	(4.09)	(3.10)
VI.	Tax expense:		
	Current tax	(1.32)	-
	Related to Prior periods	(230.00)	-
	Deferred tax	-	-
		-	-
VII.	Loss for the period (V - VI)	(235.41)	(3.10)
VIII.	Earnings per equity share:		
	Basic & Diluted	(0.27915)	(0.006)

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

Suraj Khandelwal
Partner
Mem No. 158941

K.K. SARDA
Chairman

P.S. Dutta Gupta
Whole Time Director

Shilpa Rathod
CFO

Manish Sethi
Company Secretary
RAIPUR 26th May 2016

RAIPUR 26th May 2016

Notes to Financial Statements for the year ended 31st March, 2016

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 implementing 96 MW Rongnichu Hydro Power Plant in East Sikkim, and is in the business of hydro electricity consultancy. The plant shall have two units of 48 MW each. The plant is in construction phase.

2. BASIS OF PREPARATION

a) Accounting Convention

These financial statements have been prepared under historical cost convention from books of accounts maintained on an accrual basis (unless otherwise stated hereinafter) in conformity with accounting principles generally accepted in India and comply with the Accounting Standards issued by the Institute of Chartered Accountants of India and referred to Sec 129 & 133 of the Companies Act, 2013, of India. The accounting policies applied by the company are consistent with those used in previous year.

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.

3. Summary of significant accounting policies

a) Presentation and disclosure of financial statements

These financial statements have been prepared as per Schedule III notified under the Companies Act 2013. The Company has also reclassified the previous year figures in accordance with the 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.

Intangible Fixed Assets

ForestLand taken for use from State Government (without transfer of title) and expenses on relief and rehabilitation and also on creation of alternate facilities for land evacuees in lieu of existing facilities coming under submergence and where construction of such alternate facilities is a specific precondition for the acquisition of land for the purpose of the project, are accounted for Land - Right of use to be amortized over a period of 35 years from the date of commercial operation of the project.

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.

The amount paid towards Catchment Area Treatment plan has been accumulated under Civil Work in Progress.

c) Depreciation on Tangible Fixed Assets

The Company has provided depreciation on straight line basis as per the useful life specified in the Companies Act, 2013.

d) Investments

Current investments are carried at the lower of cost and fair value determined by category of investment. Long-term investments are carried at cost less provisions recorded to recognize any decline, other than temporary, in the carrying value of each investment.

e) 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.

f) 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.

g) 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.

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

	31-03-2016		31.03.2015	
	Nos. in lacs	Rs. In Lacs	Nos. in lacs	Rs. In Lacs
Authorised Equity Shares of Rs. 10/- each	1,000	10,000	1,000	10,000
Issued, Subscribed & Paid up capital: Equity Shares of Rs. 10/- each fully paid	843.30	8,433.00	605.30	6,053.00
	843.30	8,433.00	605.30	6,053.00

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

	31-03-2016		31.03.2015	
	Nos. in lacs	Rs. In Lacs	Nos. in lacs	Rs. In Lacs
Shares outstanding at the beginning of the year	605.30	6,053.00	475.30	4,753.00
Shares Issued during the year	238.00	2,380.00	130.00	1,300.00
Shares bought back during the year			-	-
Shares outstanding at the end of the year	843.30	8,433.00	605.30	6,053.00

(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 Rs. 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. The Company cannot declare dividends before start of repayment of loan.

As per terms of sanction for revised project cost sanctioned by the lead lender, at least 60% (earlier 50%) of project equity (including the additional equity for cost overrun) till the currency of loan shall be pledged with lenders.

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

Name of Shareholder	31-03-2016		31.03.2015	
	No. of Shares held (in lacs)	% of Holding	No. of Shares held (in lacs)	% of Holding
Sarda Energy and Minerals Limited (Holding company)	535.86	63.54%	409.14	67.59%
Sarda Energy Limited	111.28	13.20%	-	-
Chhattisgarh Investments Limited	193.16	22.91%	193.16	31.91%
TOTAL	840.30		602.30	

4 RESERVES AND SURPLUS

	31-03-2016	31.03.2015
	Rs. In Lacs	Rs. In Lacs
Securities Premium Account		
Opening Balance	8,042.75	6,092.75
Add : Securities Premium on issue of shares during the year	3,570.00	1,950.00
Closing Balance	11,612.75	8,042.75
(Deficit) in the Statement of Profit and Loss		
Opening balance	(16.21)	(13.10)
Add : Net Loss for the year	(235.41)	(3.10)
Closing Balance	(251.61)	-16.21
Total	11,361.14	8,026.54

5 LONG TERM BORROWINGS

	Non current Portion		Current Maturities	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
	Rs. In Lacs	Rs. In Lacs	Rs. In Lacs	Rs. In Lacs
Term loans (Secured)				
From Financial Institutions	25,238.51	18,438.00	952.38	-
From Banks	5,375.52	6,327.90	-	-
Total	30,614.04	24,765.90	952.38	-

Terms of Repayment

- a) As per terms of revised sanction of the lead lender the repayment tenure of loan is 60 quarterly installments.
- b) The Lead Lender, Power Finance Corporation Limited, has sanctioned the revised Project Cost and SCOD, PTC (India) Financial Services Limited has provided in-principle approval for extension of COD. As IDBI Bank Limited is yet to sanction the revised project cost & COD, hence the term loan installments of IDBI Bank Limited payable within one year has been classified as current liability.

Security**a) Security Package**

First pari passu charge on land (except forest and Govt. Revenue land), and other immovable properties of the project. Further Term loans are secured by hypothecation of Movable Project Assets, including movable plant and machinery, machinery spares etc both present and future.

Sharing of security :

The security shall rank pari-passu amongst the participating term lenders and working capital lenders and in addition, Banks/ Financial Institutions giving project guarantees, and Letter of Credit in favor of customs, fuel suppliers and equipment suppliers subject to a maximum of 5% of revised project cost.

b. Collateral

1. Pledge of shares : At least 60% of project equity (including the additional equity for cost overrun) till the currency of loan.
2. Personal Guarantee of promoter director of Company.
3. DSRA of atleast 2 quarters debt service .
4. Lenders shall have right to convert equity, 50% of additional cost overrun outstanding at book value, in case of default for a period of more than 6 month.

6 OTHER LONG TERM LIABILITIES

	31.03.2016	31.03.2015
	Rs. In Lacs	Rs. In Lacs
Security Deposit From Contractors	502.74	80.61
Total	502.74	80.61

7 LONG TERM PROVISIONS

	31.03.2016	31.03.2015
	Rs. In Lacs	Rs. In Lacs
Provision for employee benefits		
Gratuity Payable	18.05	39.00
Total	18.05	39.00

8 OTHER CURRENT LIABILITIES

	31.03.2016	31.03.2015
	Rs. In Lacs	Rs. In Lacs
Current maturity of Long Term debt (Refer note no.5)	952.38	-
Interest on Term Loan Payable	613.51	498.62
Other Payables		
Indirect Taxes payable	53.35	32.55
TDS Payable	36.37	20.84
Security Deposits from Contractors	7.22	8.03
Salary & Reimbursements	16.94	31.27
Liabilities for Expenses and works	358.27	413.34
Total	2,038.03	1,004.65

9 SHORT TERM PROVISIONS

	31.03.2016	31.03.2015
	Rs. In Lacs	Rs. In Lacs
Provision for employee benefits		
Gratuity	3.82	2.69
Others :		
Provision for Income Tax	60.81	-
Total	64.63	2.69

9.1 As per Accounting standard 15 "Employee benefits", the disclosures as required in the Accounting Standard are given below:

The present value of defined obligation and the related current service cost were measured using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date.

The following table sets out the funded status of the gratuity plan and the amounts recognized in the Company's balance sheet as at 31st March 2016.

	2015-16	2014-15			
	Rs. In Lacs	Rs. In Lacs			
Assumptions					
Discount Rate (beginning of the year)	7.74%	8.00%			
Discount Rate (end of the year)	7.59%	7.74%			
Rate of increase in Compensation levels	5.50%	15%			
Rate of Return on Plan Assets	-	-			
Table showing changes in present value of obligations					
Present Value of Obligation as at the beginning of the year	41.16	34.53			
Acquisition adjustment	-	-			
Interest Cost	2.79	2.67			
Current Service Cost	3.92	9.12			
Curtailement Cost / (Credit)	-	-			
Settlement Cost / (Credit)	-	-			
Benefits paid	-	-			
Actuarial (gain) / loss on obligations	(18.941)	(5.15)			
Present Value of Obligation as at the end of the year	20.25	41.16			
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	(8.69)	-			
Actuarial Gain / (loss) on Plan Assets	-	-			
Fair Value of Plan Assets at the end of the year	-	-			
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	8.69	-			
Benefits paid	(8.69)	-			
Fair value of plan assets at the end of year	-	-			
Funded status	(41.165)	(41.165)			
Excess of actual over estimated return on plan assets	-	-			
Actuarial Gain / Loss Recognized					
Actuarial (gain) / loss for the year – Obligation	(18.941)	(5.151)			
Actuarial (gain) / loss for the year – Plan Assets	0.000	0.000			
Total (gain) / loss for the year	(18.941)	(5.151)			
Actuarial (gain) / loss recognized in the year	(18.941)	(5.151)			
Unrecognized actuarial (gains) / losses at the end of year	-	-			
The amounts to be recognized in Balance Sheet and Statement of Profit & Loss					
Present value of obligation as at the end of the year	20.25	41.16			
Fair value of Plan Assets as at the end of the year	0.00	0.00			
Funded status	(20.25)	(41.16)			
Net Asset / (Liability) Recognized in Balance Sheet	(20.25)	(41.16)			
Expense recognized in the Statement of Profit & Loss					
Current Service Cost	3.92	9.12			
Interest Cost	2.79	2.67			
Expected Return of Plan Assets	-	-			
Curtailement Cost / (Credit)	-	-			
Settlement Cost / (Credit)	-	-			
Net actuarial (gain) / loss recognized in the year	(18.94)	(5.15)			
Expenses recognized in the Statement of Profit & Loss	(12.22)	6.64			
Expected Employer's contribution for next year	9.080	17.26			
The amounts for the current and previous four annual periods are as follows:					
Gratuity	2016	2015	2014	2013	2012
PVO at end of period	20.25	41.16	34.53	-	-
Fair Value of Plan Assets at end of period	-	-	-	-	-
Surplus/(deficit)	(20.25)	(41.16)	(34.53)	-	-
Experience Adjustments on Plan Liabilities	(18.94)	(5.15)	-	-	-
Experience Adjustments on Plan Assets	-	-	-	-	-

Percentage of each Category of Plan Assets to total Fair Value of Plan Assets as at March 31, 2016	2015-16	2014-15
Government Securities	0%	0%
Highquality Corporate Bonds	0%	0%
Equity Shares of Listed Companies	0%	0%
Property	0%	0%
Special Deposits	0%	0%
Others (PSU)	0%	0%
Assets under Insurance Schemes	0%	0%

11 LONG TERM LOANS AND ADVANCES

	31.03.2016	31.03.2015
	Rs. In Lacs	Rs. In Lacs
Capital Advances		
Secured		
Unsecured, considered good	1,883.42	1,883.42
Advances for Land to Govt.	1,559.59	1,481.28
Advances for Purcahse of Capital Assets		
Advances to Contractors		
Advance to Capital vendors		
Security Deposits		
Unsecured, considered Good	1.09	1.39
Other loans and advances		
Unsecured, considered Good		
TDS Receivable	-	15.27
Prepaid Expenses	12.07	17.45
Total	3,456.17	3,398.81

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

12 OTHER NON CURRENT ASSETS

	31.03.2016	31.03.2015
	Rs. In Lacs	Rs. In Lacs
Others		
Unsecured, considered good		
Unamortized Expenses		
Misc. Expenses (ASSET)	1.78	1.78
Total	1.78	1.78

13 CASH AND BANK BALANCES

	31.03.2016	31.03.2015
	Rs. In Lacs	Rs. In Lacs
Balances with banks		
In current account (TRA Account)	337.72	96.17
In Fixed Deposits	-	-
Cash on hand	0.95	1.67
Total	338.67	97.84

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 routued through Trust and Retention Account and further proceeds from invetsments and reinvestments shall be credited to that account only.

14 SHORT TERM LOANS AND ADVANCES

	31.03.2016	31.03.2015
	Rs. In Lacs	Rs. In Lacs
Others		
Advances to vendors and others	7.19	10.38
Prepaid expenses	4.22	4.11
- . . .	- . . .	- . . .

10. Tangible Fixed Assets

Particulars	Gross Block					Accumulated Depreciation					Net Block			
	As on 01.04.2015	Addition during the year	Transfer / Sale / Adjustment		As on 31-03-2016	Up to 01.04.2015	Depreciation for the year	Transfer /Adjustment	As on 03-2016	31-	As on 03-2016	31-	As on 31.03.2015	
Lease Hold Land	981.16	4.04	-	-	985.19	-	-	-	-	-	-	-	985.19	981.16
Plant and Equipment	184.30	1.75	(0.51)	-	185.54	22.62	12.12	-	34.74	-	-	-	150.81	161.68
Furniture and Fixtures	40.01	-	(0.37)	-	39.65	18.61	4.08	(2.06)	20.63	-	-	-	19.02	21.41
Vehicles	18.15	-	(2.61)	-	15.54	6.74	1.90	(3.37)	5.27	-	-	-	10.27	11.41
Office equipment	18.70	-	-	-	18.70	5.89	1.07	-	6.96	-	-	-	11.74	12.81
Computer and Peripherals	24.80	-	(0.33)	-	24.47	24.57	0.59	(1.02)	24.14	-	-	-	0.33	0.22
Building	12.66	20.52	-	-	33.18	0.61	0.36	-	0.98	-	-	-	32.20	12.04
Total	1,279.78	26.31	(3.82)	-	1,302.27	79.04	20.12	(6.45)	92.71	-	-	-	1,209.56	1,200.74
Previous Year	830.09	451.93	2.24	-	1,279.78	-	-	-	-	-	-	-	-	-
Capital Work in Progress	35,332.31	10,452.30	-	-	45,784.61	-	-	-	-	-	-	-	-	-

10A. Intangible Fixed Assets:

Class of Assets	Gross Block				Depreciation					Net Block				
	As on 01.04.2015	Addition during the year	Transfer / Sale / Adjustment	As on 31-03-2016	Up to 01.04.2015	Depreciation for the year	Transfer /Adjustment	As on 03-2016	31-	As on 03-2016	31-	As on 31.03.2015		
Right to use Forest Land	379.42	-	-	379.42	-	-	-	-	-	-	-	-	379.42	379.42
Total	379.42	-	-	379.42	-	-	-	-	-	-	-	-	379.42	379.42

15 CURRENT INVESTMENTS

	31.03.2016	31.03.2015
	Rs. In Lacs	Rs. In Lacs
Investments in Mutual Fund 114094.154 units (PY : NIL Units) of IDBI Liquid Fund - Direct Plan - Growth	1,850.00	-
Total	1,850.00	-
Aggregate Market value of quoted investments	1,852.37	-

16 PAYMENTS TO AUDITOR

	31.03.2016	31.03.2015
	Rs. In Lacs	Rs. In Lacs
As Auditor:		
As audit fees	3.47	2.53
Tax audit fees	-	-
Other services	-	-
Reimbursement of expenses	-	-
Total	3.47	2.53

17 FINANCE COSTS (Capitalized as part of project cost)

	2015-16	2014-15
	Rs. In Lacs	Rs. In Lacs
Interest expense (for the FY)	3,523.07	3,228.15
Other borrowing costs (for the FY)	113.9041	18.35
Total	3,636.97	3,246.50

18 CAPITAL AND OTHER COMMITMENTS

Estimated amount of Contracts remaining to be executed on Capital Account net of advance given Rs.22563.48 lacs PY Rs.2,6439.94 lacs).

19 CONTINGENT LIABILITIES

	31.03.2016	31.03.2015
	Rs. In Lacs	Rs. In Lacs
Claim against the company not acknowledged as debt disputed with party*	1,297.66	1,321.16
Gurantee Given to Power Grid Corporation of India Limited	480.00	480.00
Total	1,777.66	1,801.16

* Claim against the company comprises idle time claimed by Civil Contractor M/s. SEW Infrastructures Limited amounting to Rs.12,97.66 lacs as on the Balance Sheet date, However the company is contesting the demand by counter claim on the contractor for breach of settlement agreement.

Several claims against the company in respect of higher compensation for land acquired for project and damage compensation of properties are under litigation and financial liability that may arise on account of such claims cannot be quantified due to impracticabilities associated therewith.

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
Fellow subsidiary	Sarda Energy Limited (Wholly owned subsidiary of Sarda Energy and Minerals Limited)
Associate	Chhattisgarh Investments Limited
Related enterprise where significant influence exists	RR Sarda and Comany
Key Managerial Personnel	Dr. B.M.Goswami (Upto 22.08.2015) Padam Kumar Jain Shilpa Rathod Manish Sethi P.S. Dutta Gupta (Additional director upto 30.09.2015) PS Dutta Gupta (Whole time director w.e.f 01.10.2015)

b) Material transactions with Related Parties

	Holding Company	Fellow subsidiary	Associate	Related enterprise where significant influence exists	Key Managerial personnel
	Rs. In Lacs	Rs. In Lacs	Rs. In Lacs	Rs. In Lacs	Rs. In Lacs
Equity Investment including Security Premium	3,168.00 (3,250.00)	2,782.00 -	- -	- -	- -
Loans/ Advances accepted	- -	- -	- -	- -	- -
Loans/ Advances repaid	- -	- -	- -	- -	- -
Rent paid/Provided	- -	- -	3.00 (3.00)	6.64 (6.64)	- -
Material Purchases	15.08 (1.92)	- -	- -	- -	- -
Remuneration and sitting fees paid	- -	- -	- -	- -	57.14 (92.98)

Outstanding as on 31.03.2016

Share Application Money pending for allotment	- (453.00)	- -	- -	- -	- -
Payable				6.64 (6.64)	- -

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

(C) Out of the above items, transactions in excess of 10% of total related parties are as under

Transactions during the year	2015-16	2014-15
	Rs.	Rs.
Share Allotment		
Sarda Energy and Minerals Limited	3,168.00	3,250.00
Sarda Energy Limited	2,782.00	-
Rent Paid		
Chhattisgarh Investments Limited	3.00	3.00
RR Sarda and Company	6.64	6.64
Purchases		
Sarda Energy and Minerals Limited	15.08	1.92
Remuneration		
Dr. B.M. Goswami	19.26	31.2
GK Chhanghani (including Gratuity and other benefits payable on superannuation)	-	47.68
PS Dutta Gupta	19.95	47.68
Shilpa Rathod	13.83	12.69

Outstanding as on 31.03.2016

	31.03.2016	31.03.2015
Share Application Money pending for allotment	-	453.00
Sarda Energy and Minerals Limited	-	

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

Particulars	Currency	31.03.2016		31.03.2015	
		FC	INR	FC	INR
Payable	USD	28.620	1,898.426	28.620	1,791.305
Payable	EURO	11.109	834.266	11.109	749.996

22 Earnings Per Share (EPS)

	2015-16	2014-15
	Rs. In Lacs	Rs. In Lacs
Net Loss for the period	(235.41)	(3.10)
Nominal Value of Equity Shares	Rs. 10/-	Rs. 10/-
Weighted average number of Equity Shares used as denominator for calculating EPS	843.30	506.72
Basic Earnings Per Share	(0.279150)	(0.006124)
Diluted Earning per Share	(0.279150)	(0.006124)

23 During the financial year 2014-15, search & survey operation was conducted in the premises of the company, u/s 132 & 133A of Income Tax Act,1961. In the course of search some documents and records were seized by the search & survey team. Liability, as computed by the company has been provided keeping in view the information available, which is subject to final assessment.

SIGNIFICANT ACCOUNTING POLICIES 1 & 2
THE ACCOMPANYING NOTES ARE FORMING INTEGRAL PART OF FINANCIAL STATEMENTS

AS PER OUR REPORT OF EVEN DATE ATTACHED
For M.M. Jain & Associates
Chartered Accountants
FRN 112538W

FOR AND ON BEHALF OF THE BOARD

K.K. Sarda
Chairman

P.S. Dutta Gupta
Whole Time Director

Suraj Khandelwal
Partner
Mem No. 158941

Shilpa Rathod
CFO

Manish Sethi
Company
Secretary

RAIPUR
DATED :