

Annual Accounts

2014-15

SARDA ENERGY LIMITED

Vanijya Bhawan, 1st Floor, Sai Nagar, Devendra Nagar Road, Raipur – 492001(C.G.)

Auditors

M/s. Begani & Begani

(Chartered Accountants)

C-34/1, Tagore Nagar, Raipur - 492001

INDEPENDENT AUDITOR'S REPORT

To
The Members
Sarda Energy Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Sarda Energy Limited** which comprise the Balance Sheet as at March 31, 2015, Profit & Loss Statement 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 in section 134(5) of the Companies Act, 2013 with respect to the preparation of these financial Statements that give a true & 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 Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 . This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, 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 there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 financial control relevant to the Company's preparation of the financial statements that give 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 Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March 2015, its Loss and its Cash Flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we enclose in the annexure a statement on the matters specified in paragraphs 3 & 4 of the said 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 purposes of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) the Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of written representations received from the directors as on 31 March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
 - 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 derivatives contracts for which there were any material foreseeable losses.

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

**FOR BEGANI & BEGANI
CHARTERED ACCOUNTANTS
(FRN:010779C)**

**PLACE: RAIPUR (C.G.)
DATE: 21.05.2015**

**VIVEK BEGANI
(PARTNER)
M. NO.:403743**

SARDA ENERGY LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2015

(Amount in Rs.)

	Particulars	Note No.	As at 31.03.2015	As at 31.03.2014
I.	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	2	9,298,070	9,298,070
	(b) Reserves and surplus	2A	897,606,236	958,351,341
	(c) Money received against share warrants		-	-
2	Share application money pending allotment	-	-	-
3	Non-current liabilities			
	(a) Long-term borrowings		-	-
	(b) Deferred tax liabilities (Net)		-	-
	(c) Other Long term liabilities		-	-
	(d) Long-term provisions		-	-
4	Current liabilities			
	(a) Short-term borrowings		-	-
	(b) Trade payables		-	-
	(c) Other current liabilities	3	123,535	1,339,234
	(d) Short-term provisions	4	11,236	11,236
	TOTAL		907,039,077	968,999,881
II.	ASSETS			
1	Non-current assets			
	(a) Fixed assets	5		
	(i) Tangible assets		62,993,320	63,177,402
	(ii) Intangible assets		1,171	1,952
	(iii) Capital work-in-progress		-	117,967,049
	(iv) Intangible assets under development		-	-
	(b) Non-current investments		-	-
	(c) Deferred tax assets (net)		-	-
	(d) Long-term loans and advances	6	83,411,464	157,183,493
	(e) Other non-current assets	7	-	164,500
2	Current assets			
	(a) Current investments		-	-
	(b) Inventories		-	-
	(c) Trade receivables		-	-
	(d) Cash and cash equivalents	8	62,242	267,481
	(e) Short-term loans and advances	9	760,570,880	630,238,004
	(f) Other current assets		-	-
	TOTAL		907,039,077	968,999,881

Significant accounting Policies

1

The accompanying Notes are an integral part of the financial statements.

As per our Report of even date

For, BEGANI & BEGANI

Chartered Accountants

FRN: 010779C

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

(VIVEK BEGANI)
PARTNER
M. No. 403743
PLACE : RAIPUR (C.G.)
DATE : 21.05.2015

(K. K. SARDA)
DIRECTOR

(PANKAJ SARDA)
DIRECTOR

PLACE : RAIPUR (C.G.)
DATE : 21.05.2015

SARDA ENERGY LIMITED

Statement of Profit & Loss For the Year ended on 31st March 2015

(Amount in Rs.)

	Particulars	Note No.	As at 31.03.2015	As at 31.03.2014
I	Other Income		-	-
	Interest Income		59,043,085	929,855
II	Total Revenue		59,043,085	929,855
III	Expenses :			
	Employee Benefit Cost	11	-	202,000
	Other Expenses	12	119,788,190	1,366,144
IV	Total Expenses		119,788,190	1,568,144
V	Profit (Loss) Before Tax (II-IV)		(60,745,105)	(638,289)
VI	Tax Expenses			
	Current Tax		-	-
	Deferred Tax		-	-
VII	Profit (Loss) For the Period (V-VI)		(60,745,105)	(638,289)
VIII	Earning Per Equity Share:			
	Basic & Diluted		(65.33)	(0.69)

Significant accounting Policies

1

The accompanying Notes are an integral part of the financial statements.

As per our Report of even date

For, BEGANI & BEGANI

Chartered Accountants

FRN: 010779C

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

(VIVEK BEGANI)

PARTNER

M. No. 403743

PLACE : RAIPUR (C.G.)

DATE : 21.05.2015

(K. K. SARDA)

DIRECTOR

(PANKAJ SARDA)

DIRECTOR

PLACE : RAIPUR (C.G.)

DATE : 21.05.2015

SARDA ENERGY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

(Amount in Rs.)

	PARTICULARS	Year ended 31.03.2015 (Rupees)	Year ended 31.03.2014 (Rupees)
A.	CASH FLOW FROM OPERATING ACTIVITIES :		
	Net Profit before tax as per Profit & Loss Account	(60,745,105)	(638,289)
	Adjustment for :		
	Depreciation	-	-
	Interest (Net)	-	-
	(Profit) / Loss on sale of fixed assets	-	-
	Preliminary Expenses Written off	164,500	-
	Dividend income	-	-
		<u>164,500</u>	<u>-</u>
	Operating Profit before Working Capital changes	(60,580,605)	(638,289)
	Adjustment for :		
	Inventories	-	-
	Trade and other receivable	-	-
	Loans and Advances	-	-
	(Increase)/Decrease in Fixed deposits with scheduled banks under lien	-	-
	Trade Payable	-	-
		<u>-</u>	<u>-</u>
	Cash generated from Operations	(60,580,605)	(638,289)
	Direct Taxes (Net)	-	-
	Net cash from Operating Activities	(60,580,605)	(638,289)
B.	CASH FLOW FROM INVESTING ACTIVITIES :		
	Investment in Fixed Assets including Capital WIP	-	-
	Sale / Write off of Fixed Assets	118,151,912	2,917,144
	Loans & Advances	(56,560,847)	(2,805,170)
	Current Liabilities	(1,215,699)	754,468
	Net Cash used in Investing Activities	60,375,366	866,442
C.	CASH FLOW FROM FINANCING ACTIVITIES :		
	Proceeds from fresh issue of shares	-	-
	Share Application Money received/(Paid) Allotment	-	(7)
	Loan received	-	-
	Net Cash from financing Activities	-	(7)
	Net Increase/(decrease) in Cash and Cash equivalents (A+B+C)	(205,239)	228,146
	CASH AND CASH EQUIVALENTS AS AT 01/04/2014	267,481	39,335
	CASH AND CASH EQUIVALENTS AS AT 31/03/2015	<u>62,242</u>	<u>267,481</u>
	Increase/(decrease) in Cash and Cash equivalents	(205,239)	228,146

Notes:

(a) Cash and cash equivalent include the following :

 Cash on Hand

 Balance with Banks

(b) Figures in brackets represent outflows.

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

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62,242 267,481

62,242 267,481

AS PER OUR REPORT OF EVEN DATE ATTACHED
FOR, BEGANI & BEGANI
Chartered Accountants
FRN: 010779C

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

(VIVEK BEGANI)
PARTNER
M. No. 403743
PLACE : RAIPUR (C.G.)
DATE : 21.05.2015

(K. K SARDA)
DIRECTOR

(PANKAJ SARDA)
DIRECTOR

PLACE : RAIPUR (C.G.)
DATE : 21.05.2015

AUDITORS' CERTIFICATE

We have examined the attached Cash flow Statement of M/s Sarda Energy Limited for the year ended 31st March, 2015. The statement has been prepared by the Company in agreement with the corresponding Balance Sheet of the company.

PLACE: RAIPUR
DATE : 21.05.2015

FOR, BEGANI & BEGANI
Chartered Accountants
FRN: 010779C

(VIVEK BEGANI)
PARTNER
M. No. 403743

SARDA ENERGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2015

Note 1: SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Preparation

The financial statement of the Company are prepared under the historical cost convention using the accrual method of accounting in accordance with the generally accepted accounting principles in India, mandatory accounting standards as specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 .

1.2 Use of Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles requires the 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 statement 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.

1.3 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.

1.4 Fixed Assets

Tangibles

Tangible Assets are stated at cost less accumulated depreciation / amortization and impairment losses if any. Cost comprises the purchase price and any attributable costs of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition/construction of fixed 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 commercial use.

Intangibles

Intangible assets are carried at its cost less accumulated amortization and impairment losses if any.

1.5 Depreciation/Amortisation

Depreciation has been provided based on life assigned to each asset in accordance with Schedule II of the Companies Act, 2013. Intangible Assets are amortized over technically useful life of the asset.

1.6 Preliminary Expenses & Pre-operative Expenses

Preliminary Expenses will be amortized over a period of 5 years starting from the Financial Year from which commercial operations of the company will begin.

1.7 Borrowing Costs

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 (AS 16) on "Borrowing Costs". Other borrowing costs are recognized as pre-operative expenses in the period in which they are incurred.

(Amount in Rs.)

Note 2: SHARE CAPITAL	As at 31.03.2015	As at 31.03.2014
Authorised :		
10,00,000 (P.Y. 10,00,000) Equity Share of Rs. 10/- each	10,000,000	10,000,000
Total	10,000,000	10,000,000
Issued, Subscribed & Paid up Capital:		
929807 (P.Y. 929807) Equity Shares of Rs. 10/- each fully paid	9,298,070	9,298,070
Total	9,298,070	9,298,070

a. Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period :-

Particulars	Equity Shares	As at 31.03.2015	As at 31.03.2014
	Number	Rs.	Rs.
Shares outstanding at the beginning of the year	929807	929,807	500,000
Shares issued during the year	-	-	8,798,070
Shares bought back during the year	-	-	-
Shares outstanding at the end of the year	929807	929,807	9,298,070

b. All equity shares carry equal voting and distribution rights.

c. All the above equity shares are held by M/s. Sarda Energy & Minerals Ltd., the Holding Company.

d. Details of shareholders holding more than 5 percent of shares in the company:-

(Equity shares of Rs. 10/- each fully paid)	As at 31.03.2015	As at 31.03.2014
Name of Shareholder	M/s. Sarda Energy & Minerals Ltd.	
No. of Shares held	929807	929807
% of Holding	100%	100%

Note 2A: RESERVES AND SURPLUS	As at 31.03.2015	As at 31.03.2014
Securities premium account		
Balance as per last financial statement	958,989,630	-
Add- Securities premium credited on share issue		958,989,630
Surplus/(Defecit) in the statement of profit and loss		
Balance as per last financial statement	(638,289)	
Add: Profit / (Loss) during the Year	(60,745,105)	(638,289)
Total	897,606,236	958,351,341

Note 3: OTHER CURRENT LIABILITIES	As at 31.03.2015	As at 31.03.2014
I.T. Deducted at Source	119,040	120,740
Expenses Payable	4,495	1,218,494
Total	123,535	1,339,234

Note 4: SHORT TERM PROVISIONS	As at 31.03.2015	As at 31.03.2014
Audit Fees	11,236	11,236
Total	11,236	11,236

SARDA ENERGY LIMITED

Note 5:

	FIXED ASSETS			GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As on 01.04.2014	Additions/ Adjustments	Transfer	As on 31.03.2015	Up to 01.04.2014	Dep. For the Year	Transfer	As on 31.03.2015	As on 31.03.2015	As on 31.03.2014	
TANGIBLE ASSETS											
Freehold land	62,935,466	-	-	62,935,466	-	-	-	-	-	62,935,466	
Furniture & Fixtures	27,920	-	-	27,920	19,449	4,149	-	23,598	4,322	8,471	
Vehicles	90,000	-	-	90,000	74,141	7,817	-	81,958	8,042	15,859	
Office Equipment	640,367	-	12,800	627,567	422,761	168,067	8,751	582,077	45,490	217,606	
TOTAL - TANGIBLE ASSETS	63,693,753	-	12,800	63,680,953	516,351	180,033	8,751	687,633	62,993,320	63,177,402	
Previous Year	65,083,888	-	1,390,135	63,693,753	454,607	61,744	-	516,351	63,177,402	64,629,281	
INTANGIBLE ASSETS											
Computer Software (Tally)	16,200	-	-	16,200	14,248	781	-	15,029	1,171	1,952	
TOTAL - INTANGIBLE ASSETS	16,200	-	-	16,200	14,248	781	-	15,029	1,171	1,952	
Previous Year	16,200	-	-	16,200	12,946	1,302	-	14,248	1,952	3,254	

Note 6:	LONG-TERM LOANS & ADVANCES	As at 31.03.2015	As at 31.03.2014
	(Unsecured, considered good)		
	Capital Advances	83,397,964	157,169,993
	Security Deposits	13,500	13,500
	Total	83,411,464	157,183,493

Note 7:	OTHER NON-CURRENT ASSETS	As at 31.03.2015	As at 31.03.2014
	(Unsecured, considered good)		
	Preliminary Expenses	-	164,500
	Total	-	164,500

Note 8:	CASH & CASH EQUIVALENTS	As at 31.03.2015	As at 31.03.2014
	Balance with Banks	62,242	267,481
	Total	62,242	267,481

Note 9:	SHORT-TERM LOANS & ADVANCES	As at 31.03.2015	As at 31.03.2014
	(Unsecured, considered good)		
	Advance for Expenses	218,940	221,135
	Unsecured Loans to Related Party	742,354,645	630,016,869
	Balances with tax Authorities	17,997,295	-
	Total	760,570,880	630,238,004

Note 11:	Employee Benefit Expenses	As at 31.03.2015	As at 31.03.2014
	Basic Salary Account (Exp)	-	37,800
	Ex-Gratia (Exp)	-	79,200
	Leave Travelling Expenses	-	85,000
	Total	-	202,000

Note 12:	OTHER EXPENSES	As at 31.03.2015	As at 31.03.2014
	Audit Fees	11,236	11,236
	Bank Charges	1,822	694
	Books & Periodicals	-	805
	Canteen Expenses	-	9,165
	Filling Expenses	9,804	4,625
	Insurance of Two Wheeler	1,170	-
	Misc Expenses	-	420
	Printing & stationery	-	13,087
	Rent Paid	1,337,534	1,337,534
	Sundry Balance Written Off	-	(13,272)
	Telephone Charges	-	1,850
	Pre Operative Expenses W/off	118,262,124	-
	Preliminary Expenses W/off	164,500	-
	Total	119,788,190	1,366,144

Note 13: ADDITIONAL NOTES TO ACCOUNTS

- Contingent liability not provided for is Rs. Nil (Previous Year: Rs. Nil).
- 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 or medium enterprises. Consequently the amount paid/payable to these parties during the year is Nil (previous year: Nil)
- Value of imports on CIF Basis is Rs. Nil (Previous year: Rs. Nil)
- Expenditure in foreign currency is Rs. Nil (Previous year: Rs. Nil)
- Earnings in foreign currency is Rs. Nil (Previous year: Rs. Nil)

f. As there is no timing difference, deferred tax asset/liability has not been provided for in the books of account.

g. Related Party Transactions:

The details of related parties & nature of relationship are given below:

(i) Name of Related Parties and description of relationship: -

Sl. No.	Description of Relationship	Name of Related Parties
1	Key Managerial Personnel	Mr. K.K. Sarda - Director Mrs. Uma Sarda - Director Mr. Pankaj Sarda - Director
2	Holding Company	M/s. Sarda Energy & Minerals Limited
3	Related Enterprises where significant influence exist	M/s. Chhattisgarh Investment Ltd.

(ii) Material Transaction with Related Parties

Particulars	Holding Company	Related Enterprises
Interest Received		59,043,085 (929,855)
Advance Given		73,262,000 (629,180,000)
Outstanding as on 31.03.2015		
Short Term Loans	-	742,354,645 (630,016,869)

Note : Figures in (bracket) represents previous year figures.

h. Previous year's figures are regrouped and reclassified to confirm to this year's classification, as per schedule of Companies Act,2013.

i. The Company was incorporated with the main object of establishing a Power Plant at Janjgir-Champa District of Chhattisgarh State. The Company also applied for Land Allotment of around 406 Hectares to Chhattisgarh State Industrial Development Corporation (CSIDC) in September 2010 for setting up of Power Plant. For the said purpose the company also paid an amount of around Rs.66.02 crores from time to time to CSIDC as per their requirements. But CSIDC could not arrange the abovementioned Land in the past five years. As the allotment of Complete Land could not be made the company decided to abandon the project of Power Plant. The company also incurred an amount of Rs.11,82,62,124/- and Rs. 1,64,500 against the establishment of Power Plant for various expenses till 31st March,2015. The said expenses are debited under the head "Pre-Operative Expenses" and "Preliminary Expenses" since the inception of the company. Now as the project is completely abandoned the said amount is written off fully in the Financial Statements of the year under the head Pre-Operative Expenses W/Off in Note No.12 of Other Expenses.

As per our Report of even date

For, Begani & Begani

Chartered Accountants

FRN: 010779C

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

(VIVEK BEGANI)

PARTNER

M. No. 403743

PLACE : RAIPUR (C.G.)

DATE : 21.05.2015

(K. K. SARDA)

DIRECTOR

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DIRECTOR

PLACE : RAIPUR (C.G.)

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