

BEGANI & BEGANI

CHARTERED ACCOUNTANTS

GSTIN : 22AAEFB9798G1Z6, PAN: AAEFB9798G



N.C.BEGANI M.Com., L.L.B., F.C.A.
SUDIP BACHHAWAT B.Com. (Hons.), F.C.A.
SUMIT BACHHAWAT B.Com. F.C.A.
SANDHYA RAJESH BEGANI B.Com. F.C.A., DISA
DEEPIKA NATHANI B.Com. F.C.A.
MAHAVIR S. JAIN B.Com. F.C.A.
NIKHILESH BEGANI B.Com, F.C.A., DISA
AMIT AGRAWAL B.Com. F.C.A.
ANSHUL BEGANI B.Com. F.C.A.
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SARDA ENERGY LIMITED

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of **SARDA ENERGY LIMITED** (the "Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the Standalone financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibilities for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of 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, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a

going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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 including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report

are in agreement with the books of account.

- d) In our opinion, the aforesaid standalone IND AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Rules, 2016, as amended from time to time, and other accounting principles generally accepted in India.
- e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- f) 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which are required to be transferred by the Company to the Investor Education and Protection Fund.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that

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the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The Company has not declared any Dividend during the year.

2. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For, **BEGANI & BEGANI**
CHARTERED ACCOUNTANTS
(FRN : 010779 C)

(**NIKHILESH BEGANI**)
PARTNER
M.NO. : 110603
UDIN : 23110603BGWNWA3556

DATE : 06.05.2023
PLACE : RAIPUR (C.G.)

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Sarda Energy Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls over financial reporting of **SARDA ENERGY LIMITED** (the "Company") as of March 31, 2023 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Management of the Company 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 (the "ICAI"). 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company 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") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgement, 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.

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Opinion

In our opinion, to the best of our information and according to the explanations given to us, 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, 2023, based on the criteria for internal financial control over financial reporting 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 ICAI.

For, **BEGANI & BEGANI**
CHARTERED ACCOUNTANTS
(FRN : 010779 C)

(**NIKHILESH BEGANI**)
PARTNER
M.NO. : 110603
UDIN : 23110603BGWNWA3556

DATE : 06.05.2023
PLACE : RAIPUR (C.G.)

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Sarda Energy Limited of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
(B) The Company is not in possession of any intangible assets.
 - (b) The Company has a program of physical verification of Property, Plant and Equipment and right-of-use assets so to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) Based on our examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that immovable properties disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
 - (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
 - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

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- ii. (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. According to the information and explanations given to us and as examined by us, no material discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such verification.
- (b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- iii. The Company has made investments in, companies, firms, Limited Liability Partnerships, during the year, in respect of which:
 - (a) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause 3(iii)(a) of the Order is not applicable.
 - (b) In our opinion, the investments made are prima facie, not prejudicial to the Company's interest.
 - (c) The Company has not provided any loans or advances in the nature of loans.
 - (d) The Company has not provided any loans or advances in the nature of loans, hence there is no overdue amount remaining outstanding as at the balance sheet date.
 - (e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
 - (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.
- iv. The Company has complied with the provisions of Sections 186 of the Companies Act, 2013 in respect of investments made and guarantees and securities provided, as applicable.
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.
- vii. In respect of statutory dues:

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- (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Income Tax and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Income Tax and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes are given below:

Name of the statute	Nature of dues	Amount (in Rs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act	Income Tax	9,83,060.00	2013-14	Commissioner of Income Tax (Appeals)-II, Raipur
	Income Tax	15,15,190.00	2014-15	Commissioner of Income Tax (Appeals)-II, Raipur

- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. (a) The Company has not defaulted in repayment of any loans or other borrowings from any lender or in the Payment of Interest thereon to any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, funds raised on short- term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) The Company has not taken any funds during the year from any entity or person on account of or to meet the obligation of its subsidiary, associate or joint ventures.
- (f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

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- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi.
 - (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
 - (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
 - (c) No whistle blower complaints have been received by the Company during the year.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Section 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. The company does not fall within the threshold limits required for complying with Internal Audit as per provisions of Section 138 of the Companies Act, hence No Internal Auditor has been appointed.
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

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- xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. As per Section 135 of the Companies Act, 2013, a company needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. However, the company does not fall within the threshold required for complying with CSR activities, so the company is not under any obligations to undertake any such activities.

For, BEGANI & BEGANI
CHARTERED ACCOUNTANTS
(FRN : 010779 C)

(NIKHILESH BEGANI)
PARTNER
M.NO. : 110603
UDIN : 23110603BGWNWA3556

DATE : 06.05.2023
PLACE : RAIPUR (C.G.)

SARDA ENERGY LTD.
BALANCE SHEET AS AT 31ST MARCH 2023

(₹ in Lakh)

Sl No	Particulars	Note No.	As at 31st March 2023	As at 31st March 2022
	ASSETS :			
(1)	Non-current Assets			
(a)	Property, Plant & Equipment		0.37	0.37
(b)	Capital work-in-progress			
(c)	Investment Property	2	629.35	629.35
(d)	Other Intangible Assets		-	-
(e)	Financial Assets			
(i)	Investments	3	9,267.04	9,133.73
(ii)	Other Financial Assets	4	853.52	853.52
(f)	Other Non- current Assets	5	183.02	183.02
(g)	Differed Tax Asset (Net)			
			10,933.30	10,799.99
(2)	Current Assets			
(a)	Inventories			
(b)	Financial Assets			
(i)	Investments			
(ii)	Trade receivables	6	0.02	0.02
(iii)	Bank ,Cash & Cash equivalents	7	7.03	2.17
(iv)	Loans		-	-
(c)	Other Current Assets	8	3.08	3.28
			10.13	5.47
	TOTAL ASSETS		10,943.43	10,805.46
	EQUITY AND LIABILITIES:			
	Equity			
(a)	Equity Share capital	9	71.63	71.63
(b)	Other Equity		9,216.10	8,673.53
	Total Equity		9,287.73	8,745.16
	Liabilities			
(1)	Non-current Liabilities :			
	Financial Liabilities			
(i)	Borrowings		-	-
			-	-
(2)	Current Liabilities			
(a)	Financial Liabilities			
(i)	Borrowings	10	1,634.69	2,043.38
(ii)	Trade Payables		-	-
(b)	Other current liabilities	11	20.71	16.62
(c)	Provisions	12	0.30	0.30
(d)	Current tax liabilities (net)		-	-
			1,655.70	2,060.30
	TOTAL EQUITY AND LIABILITIES		10,943.43	10,805.46

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

(NIKHILESH BEGANI)

PARTNER

M. No. 110603

PLACE : RAIPUR (C.G.)

DATE : 06.05.2023

(K. K. SARDA)

DIRECTOR

DIN 00008170

(PANKAJ SARDA)

DIRECTOR

DIN 00008190

SARDA ENERGY LTD.**Statement of Profit and Loss for the year ended 31st Mar 2023**

(₹ in Lakh)

SI No	Particulars	Note No.	Year ended 31st March, 2023	Year ended 31st March, 2022
I.	Revenue from operations	13	811.36	1,089.60
	Revenue from operations (Net)		811.36	1,089.60
II.	Other income	14	692.89	936.04
III.	Total Revenue (I + II)		1,504.25	2,025.64
IV.	<u>Expenses:</u>			
	Purchases of Stock-in -Trade		809.65	1,086.40
	Employee benefits expense		-	-
	Finance costs	15	149.68	165.77
	Depreciation and amortization expense		-	-
	Other expenses	16	2.35	4.05
	Total Expenses		961.68	1,256.22
V.	Profit before Exceptional Items and Tax (III - IV)		542.57	769.42
VI.	Exceptional items (Profit Difference of CHPLLP FY 2019-20)		-	-
VII.	Profit Before Tax (V - VI)		542.57	769.42
VIII.	Tax expense:			
	(1) Current tax		-	-
	(2) Deferred tax		-	-
IX.	Profit for the period (VII - VIII)		542.57	769.42
X.	Total Comprehensive Income for the period		542.57	769.42
XI.	Earnings per equity share:			
	Basic & Diluted	17	75.75	107.41

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****(NIKHILESH BEGANI)****PARTNER****M. No. 110603****PLACE : RAIPUR (C.G.)****DATE : 06.05.2023****UDIN: 23110603BGWNWA3556****(K. K. SARDA)****DIRECTOR****DIN 00008170****(PANKAJ SARDA)****DIRECTOR****DIN 00008190**

SARDA ENERGY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

(` in Lakh)

	PARTICULARS	As at 31st Mar, 2023	As at 31st Mar, 2022
A.	CASH FLOW FROM OPERATING ACTIVITIES :		
	Net Profit before tax as per Profit & Loss Account	542.57	769.42
	Adjustment to reconcile profit before tax to cash generated by operating activities :		
	Depreciation	-	-
	Preliminary Expenses Written off		
	Finance Cost	149.66	165.74
	Share (Profit)/loss in Partnership Firm	(692.83)	(936.01)
	Dividend income		
	Operating Profit/(Loss) before Working Capital changes	(0.60)	(0.85)
	<u>Changes in asstes and liabilities</u>		
	Inventories		
	Trade receivable	-	-
	Loans and Advances	-	-
	Other current Assets	0.20	13.10
	Trade Payable	-	(20.55)
	Liability and Provisions	4.09	(16.88)
		4.29	(24.33)
	Cash generated from Operations	3.69	(25.18)
	Income Tax Paid	-	-
	Net Cash generated from Operating Activities	3.69	(25.18)
B.	CASH FLOW FROM INVESTING ACTIVITIES :		
	(Increase)/decrease in Investment	(133.31)	(233.06)
	Share (Profit)/loss in Partnership Firm	692.83	936.01
	Loans & Advances		-
	Net Cash used in Investing Activities	559.52	702.95
C.	CASH FLOW FROM FINANCING ACTIVITIES :		
	Proceeds/(Buy Back) from fresh issue of shares		
	Finance Cost	(149.66)	(165.74)
	Repayment of short term borrowings	(408.69)	(519.79)
	Share Application Money received/(Paid) Allotment	-	-
	Net Cash from financing Activities	(558.35)	(685.53)
	Net Increase/(decrease) in Cash and Cash equivalents (A+B+C)	4.86	(7.76)
	CASH AND CASH EQUIVALENTS AS AT 01/04/2022	2.17	9.93
	CASH AND CASH EQUIVALENTS AS AT 31/03/2023	7.03	2.17
	Increase/(decrease) in Cash and Cash equivalents	4.86	(7.76)

Notes:

(a) Cash and cash equivalent include the following :

Cash on Hand
Balance with Banks

7.03	2.17
7.03	2.17

(b) Figures in brackets represent outflows.

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

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR, BEGANI & BEGANI

Chartered Accountants

FRN: 010779C

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

(NIKHILESH BEGANI)

PARTNER

M. No. 110603

PLACE : RAIPUR (C.G.)

DATE : 06.05.2023

UDIN: 23110603BGWNWA3556

(K. K SARDA)

DIRECTOR

DIN 00008170

(PANKAJ SARDA)

DIRECTOR

DIN 00008190

SARDA ENERGY LTD.**Adjustment entries****a Equity Share Capital** (₹ in Lakh)

Particulars	Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
Equity Share class A	71.63	-	71.63
Equity Share class B	-	-	-

b Other Equity (₹ in Lakh)

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Securities Premium Reserve	Shares option Outstanding account	Capital Redemption Reserve	Retained Earnings	Total
Balance as of April 1st, 2021	-	-	7,262.75	-	21.35	620.01	7,904.11
Total Comprehensive Income for the year	-	-					-
Dividends	-	-					-
Profit for the year	-	-	-		-	769.42	769.42
Any other change (to be specified):							
Balance as on 31.03.2022	-	-	7,262.75	-	21.35	1,389.43	8,673.53

SARDA ENERGY LTD.**Adjustment entries****a Equity Share Capital** (₹ in Lakh)

Particulars	Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
Equity Share class A	71.63	-	71.63
Equity Share class B	-	-	-

b Other Equity (₹ in Lakh)

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Securities Premium Reserve	Shares option Outstanding account	Capital Redemption Reserve	Retained Earnings	Total
Balance as of April 1st, 2022	-	-	7,262.75	-	21.35	1,389.43	8,673.53
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	542.57	542.57
Any other change (to be specified):	-	-	-	-	-	-	-
Balance as on 31.03.2023	-	-	7,262.75	-	21.35	1,932.00	9,216.10

SARDA ENERGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

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 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 Indian Accounting Standard 23 (IND AS 23) on "Borrowing Costs". Other borrowing costs are recognized as pre-operative expenses in the period in which they are incurred.

Significant accounting policies and notes to the accounts
For Financial Year Ended 31.03.2023

TANGIBLE ASSETS

(' in Lakh)

Investment Property

INTANGIBLE ASSETS

[illegible]

(₹ in Lakh)

Note 3	As at 31st March, 2023	As at 31st March, 2022
NON CURRENT INVESTMENTS - FINANCIAL ASSET		
Investment in Equity Instruments		
20,000,000 (P.Y. 20,000,000) Equity Shares of Madhya Bharat Power Corporation Ltd.	5,000.00	5,000.00
4,900 (P.Y.-Nil) Equity Shares of Nirjhar Commodities Pvt Ltd of Rs 10/- Each	0.49	
Investment in LLP (At Cost)		
Chhattisgarh Hydro Power LLP	4,266.55	4,133.73
	9,267.04	9,133.73

Note 4	As at 31st March, 2023	As at 31st March, 2022
Other Financial Assets		
Advances other than capital advances		
Unsecured, considered good		
(i) Other loans and advances	853.52	853.52
	853.52	853.52

Note 5	As at 31st March, 2023	As at 31st March, 2022
Other Non Current Assets		
Advances other than capital advances		
Other loans and advances		
Unsecured , considered good		
(i) Security Deposits	0.13	0.13
(II) Balance With Tax Authorities (IT)	182.89	182.89
	183.02	183.02

As at 31st March-2023

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	06 month to 1 year	1 to 2 years	2 to 3 years	More than 3 year	Total
(i) Undisputed Trade Receivables - Considered good				0.02		0.02
(ii) Undisputed Trade Receivables -which have significant increase in credit risk						
(iii) Undisputed Trade Receivables -credit impaired						
(iv) Disputed Trade Receivables - Considered good						
(v) Disputed Trade Receivables -which have significant increase in credit risk						
(vi) Disputed Trade Receivables -credit impaired						
Total				0.02		0.02
	Aging schedule is in respect of overdue cases including where no due date of payment is specified					

(₹ in Lakh)

Note 7	As at 31st March, 2023	As at 31st March, 2022
Cash & Bank Balance		
Balances with banks		
In current accounts	7.03	2.17
Cash in hand	-	-
	7.03	2.17

Note 8	As at 31st March, 2023	As at 31st March, 2022
OTHER CURRENT ASSETS		
Advances other than capital advances		
(a) Other Advances		
(i) Advances to vendors	1.87	1.87
(b) Other Advances		
(i) Balances with tax authorities	1.21	1.41
	3.08	3.28

SARDA ENERGY LTD.

(₹ in Lakh)

Note 9	As at 31st March 2023		As at 31st March 2022	
	No. of Shares	Amount	No. of Shares	Amount
EQUITY SHARE CAPITAL				
Authorised				
a. Equity Shares of ₹ 10/- each	10,00,000	100.00	10,00,000	100.00
Issued, Subscribed and fully paid up				
Equity Shares of ₹ 10/- each	7,16,307	71.63	7,16,307	71.63
	7,16,307	71.63	7,16,307	71.63

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

Particulars	As at 31st March 2023		As at 31st March 2022	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the year	7,16,307	71.63	7,16,307	71.63
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	7,16,307	71.63	7,16,307	71.63

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

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

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

Name of Shareholder	As at 31st March 2023		As at 31st March 2022	
	No. of Shares	%	No. of Shares	%
M/s. Sarda Energy & Minerals Ltd.	716307	100%	716307	100%

f. Details of Promoters Shareholding percentage in the company

Promoter Name	FY 2022-23		% Change during the FY 2022-23
	No of Shares	% of Total Shares	
Sarda Energy & Minerals Ltd	716307	100%	Nil

(₹ in Lakh)

Note 10	As at 31st March, 2023	As at 31st March, 2022
Borrowings		
(i) Borrowings Other's	1,634.69	2,043.38
	1,634.69	2,043.38

Note 11	As at 31st March, 2023	As at 31st March, 2022
Other current liabilities		
(a) Indirect taxes payable	-	0.01
(b) TDS payables	15.16	16.61
(c) Advance from Customer	5.55	-
	20.71	16.62

Note 12	As at 31st March, 2023	As at 31st March, 2022
Provisions		
Provision for Audit Fee	0.30	0.30
	0.30	0.30

Note 13	As at 31st March, 2023	As at 31st March, 2022
Revenue From operations (Trading)		
Billet Sales	811.36	647.74
Silico Manganese	-	55.49
Sponge Iron A Grade	-	5.92
Sponge Iron Fines	-	259.68
Sponge Iron Mix Fines	-	120.77
	811.36	1,089.60

(₹ in Lakh)

Note 14	As at 31st March, 2023	As at 31st March, 2022
Other Income		
Interest Income	0.06	0.03
Share of Profit from CHPLL	692.83	936.01
Total	692.89	936.04

Note 15	As at 31st March, 2023	As at 31st March, 2022
Finance Costs		
Bank Charges	0.02	0.03
Interest to Other	149.66	165.74
Total	149.68	165.77

Note 16	As at 31st March, 2023	As at 31st March, 2022
Other Expenses		
Legal & Professional Expenses	1.10	0.05
Administrative Expenses	0.09	0.10
Payment to Auditors	0.30	0.30
Sales Commission	0.86	3.60
Total	2.35	4.05

Note 17	As at 31st March, 2023	As at 31st March, 2022
Earnings per Share (EPS)		
Net Profit after tax as per Statement of Profit & Loss attributable to Equity Shareholders (₹ in Lacs)	542.57	769.42
Nominal Value of Equity Shares (₹)	10	10
Weighted average number of Equity Shares used as denominator for calculating basic EPS	716307	716307
Basic & Diluted (₹)	75.75	107.41

Note 18**Financial Ratios**

The change in the key financial ratios as compared to previous year is stated below:

Ratio	2022-23	2021-22	% Variance	Reason for variance
(a) Current Ratio (Times)	0.01	0.00	131%	Increased primarily on account of lower current liabilities due to re-payment of short term loans.
(b) Debt-Equity Ratio (Times)	0.18	0.23	-25%	Decreased primarily on account of repayment of borrowings during the year coupled with increased networth on the back of improved profitability.
(c) Debt Service Coverage Ratio (Times)	0.42	0.46	-7%	Decreased primarily on account of decrease in net profits mainly attributable to lower other income and higher finance cost.
(d) Return on Equity Ratio (%)	6%	9%	-35%	Decreased primarily on account of decrease in net profits mainly attributable to lower other income.
(e) Inventory Turnover Ratio (Times)	0.00	0.00	0%	-
(f) Trade Receivables Turnover Ratio (Times)	0.00	0.00	0%	-
(g) Trade Payables Turnover Ratio (Times)	0	105.75	-100%	Decreased primarily on account of zero trade payable.
(h) Net Capital Turnover Ratio (Times)	-0.44	-0.47	-7%	Decreased primarily on account of low turnover and lower working capital.
(i) Net Profit Ratio (%)	67%	71%	-5%	Decreased primarily on account of decrease in net profits mainly attributable to lower other income.
(j) Return on Capital Employed (%)	6%	9%	-27%	Decreased primarily on account of decrease in net profits mainly attributable to lower other income.
(k) Return on Investment (%)				
(i) Fixed Deposits	0.00	0.00	0%	-
(ii) Mutual Funds	0.00	0.00	0%	-
(iii) Corporate Bonds	0.00	0.00	0%	-

Note 19**ADDITIONAL NOTES TO ACCOUNTS**

- a. Contingent liability not provided for is Rs. 24.98 Lakhs (Previous Year: Rs. 24.98 Lakhs), for the Assessment Year 2014-15 & 2015-16 on account of partial disallowances of expenses made by Assessing Office as per order passed under the Income Tax Act, 1961. The company has filed appeal before Commissioner of Income Tax (Appeal) Raipur and the matter is pending.
- b. 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, 2023 as micro, small or medium enterprises. Consequently the amount paid/payable to these parties during the year is Nil (previous year: Nil)
- c. Value of imports on CIF Basis is Rs. Nil (Previous year: Rs. Nil)
- d. Expenditure in foreign currency is Rs. Nil (Previous year: Rs. Nil)
- e. Earnings in foreign currency is Rs. Nil (Previous year: Rs. Nil)
- f. In view of uncertainty of Profits in future, no provision of Deferred Tax Assets has been made during the year on brought forward
- g. Related Party Transactions:
The details of related parties & nature of relationship are given below:

Sl. No.	Description of Relationship	
1	Key Managerial Personnel	Mr. K K Sarda - Director
		Mr. P S Dutta Gupta - Director
		Mr. Pankaj Sarda - Director
2	Holding Company	M/s. Sarda Energy & Minerals Ltd.
3	Related Enterprises where significant influence exist	M/s. Chhattisgarh Investment Ltd.
4	Related Enterprises where significant influence exist	M/s Chhattisgarh Hydro Power LLP

(ii) Material Transaction with Related Parties

(C in Lakh)

Particulars	Holding Company	Related Enterprises where significant influence exists
Loans received Back (incl. interest accrued & due thereof)	-	-
Interest Received	-	-
Interest Paid	149.66 (165.74)	-
Loan Taken	16.62 (34.00)	-
Loan Repaid	560.00 (702.95)	-
Purchases	955.38 (1,281.81)	-
Profit in LLP	-	692.83
	-	(936.01)
Outstanding as on 31.03.2023		
Receivables	-	-
Payables	1,634.69	-

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.

As per our Report of even date

For, Begani & Begani
Chartered Accountants
FRN: 010779C

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

(NIKHILESH BEGANI)
PARTNER
M. No. 110603
PLACE : RAIPUR (C.G.)
DATE : 06.05.2023
UDIN: 23110603BGWNWA3556

(K. K. SARDA)
DIRECTOR
DIN 00008170

(PANKAJ SARDA)
DIRECTOR
DIN 00008190