INDEPENDENT AUDITOR'S REPORT

To the Members of Sarda Metals & Alloys Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Sarda Metals & Alloys Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls and ensuring their operating effectiveness and the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 auditors' 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 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 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, 2017, 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 (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(2) As required by Section 143(3) of the Act, we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 the 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 March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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, we give our separate Report in "Annexure 2".

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, in our opinion and to the best of our information and according to the explanations given to us:

   (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 11 on Contingent Liabilities to the financial statements;

   (ii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

   (iii) The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;

   (iv) The company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of account maintained by the Company.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.103523W / W100048

Atul Gala
Partner
Membership No.048650

Ahmedabad
June 6 , 2017

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of **Sarda Metals & Alloys Limited** on the financial statements for the year ended March 31, 2017]

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) During the year, fixed assets have been physically verified by the management as per the regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.

(c) The title deeds of immovable properties, recorded in the books of account of the Company, are held in the name of the Company. This has been confirmed by the repository with whom the original title deeds to immovable property have been lodged.

(ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. As informed, no material discrepancies were noticed on physical verification carried out during the year.

(iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3 (iii)(a), 3 (iii)(b) and 3 (iii)(c) of the Order are not applicable to the Company.

(iv) Based on information and explanations given to us in respect of loans, investments, guarantees and securities, the Company has complied with the provisions of Section 185 and 186 of the Act.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed there under.

(vi) We have broadly reviewed the books of account maintained by the Company where the maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act and the rules framed there under and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

(vii) (a) The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us, there are no dues with respect to sales tax, wealth tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, which have not been deposited on account of any dispute, except the dues outstanding with respect to, income tax, AP VAT Act, Government of AP on account of dispute, are as follows:

Name of the statute	Nature of dues	Amount ` in Lakhs	Period to which the amount relates	Forum where dispute is pending	Remarks
Income Tax Act, 1961	Income Tax	86.57	A.Y. 2012-13	Commissioner of Income Tax (Appeals)	-
Income Tax Act, 1961	Interest	0.97	A.Y. 2014-15	Assessing Officer	-
Directorate of Electrical Safety, Government of Andhra Pradesh	Electricity Duty	776.95	From Jan 2013 to Mar 2016	Directorate of Electrical Safety and chief electrical inspector	Treated the liability as disputed one, on the basis of advise received from an independent expert

(viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions and banks. Further, the company has not borrowed any amount from government and has not issued any debentures.

(ix) In our opinion and according to the information and explanations given to us, the money raised by way of term loans have been applied by the Company for the purposes for which those are raised. The Company has not raised money by way of initial public issue offer / further public offer (including debt instruments) during the year.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management except a fraud committed by few employees of the Company for an estimated amount of Rs 54 lakhs. As informed, the employees were involved in the fraud by taking bribery, for favouring vendors.

(xi) As per the information and explanations given to us, managerial remuneration has been paid/ provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi Company. Therefore, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) As per the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of Act, where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) The Company has not entered into any non-cash transactions with directors or persons connected with him.

(xvi) Based on the information and explanations given to us the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W / W100048

Atul Gala

Partner

Membership No.048650

Place: Ahmedabad

Date: June 6, 2017

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of **Sarda Metals & Alloys Limited** on the financial statements for the year ended March 31, 2017]

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 Metals & Alloys Limited** ("the Company") as of March 31, 2017 in conjunction with our audit of the 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 ("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 Companies Act, 2013.

Auditors' 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 specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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.

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, 2017, 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 ICAI.

For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.103523W / W100048

Atul Gala
Partner
Membership No. 048650

Place: Ahmedabad
Date: June 6, 2017

SARDA METALS & ALLOYS LIMITED

Balance Sheet as at 31.03.2017

(Amount in Rs. Lacs)

Particulars	Notes	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
ASSETS				
Non-current assets				
Property, plant and equipment	4.1	54,870.97	56,399.66	58,707.68
Capital work-in-progress	4.1	0.60	-	18.37
Financial assets				
Investments	4.2	0.28	0.28	0.28
Loans	4.3	151.59	67.90	101.75
Other non-current assets	4.4	4.96	-	124.87
Other tax assets (net)	4.5	65.60	55.06	53.09
		55,094.00	**56,522.90**	**59,006.04**
Current assets				
Inventories	4.6	9,040.33	4,527.90	9,341.75
Financial Assets				
Trade receivables	4.7	5,638.11	8,379.12	4,147.95
Cash and Bank Balances	4.8	218.66	171.93	90.76
Other financial assets	4.9	913.57	973.82	1,413.46
Other Current Assets	4.10	5,351.56	4,888.16	6,027.08
		21,162.23	**18,940.93**	**21,021.00**
Total		**76,256.23**	**75,463.83**	**80,027.04**
EQUITY AND LIABILITIES				
EQUITY				
Share capital	4.11	2,101.60	2,101.60	2,101.60
Other Equity		19,543.54	21,269.10	21,635.50
		21,645.14	**23,370.70**	**23,737.10**
LIABILITIES				
Non-current liabilities				
Financial Liabilities				
Long-term borrowings	4.12	32,762.02	34,814.59	32,126.44
Other financial liabilities	4.13	17.45	18.39	18.06
Long-term provisions	4.14	114.66	89.97	70.21
Deferred tax liabilities (Net)	4.15	55.56	762.77	235.50
		32,949.69	**35,685.72**	**32,450.20**
Current liabilities				
Financial Liabilities				
Borrowings	4.16	13,066.40	11,370.92	15,135.88
Trade payables				
Total outstanding dues of micro and small enterprises		-	-	-
Total dues other than micro and small enterprises	4.17	3,512.90	2,578.38	977.00
Other financial liabilities	4.18	4,505.04	1,961.87	6,849.74
Other current liabilities	4.19	562.37	445.82	862.21
Short-term provisions	4.20	14.69	18.81	14.91
Current tax liabilities (net)	4.21	-	31.61	-
		21,661.40	**16,407.41**	**23,839.74**
Total		**76,256.23**	**75,463.83**	**80,027.04**

Significant accounting policies 1,2&3

The notes referred to above form an integral part of the financial statements.

As per our Report of even date attached

for ***Haribhakthi & CO. LLP***

CHARTERED ACCOUNTANTS

FRN: 103523W/W100048

for and on behalf of the Board

ATUL GALA	**K K SARDA**	**NEERAJ SARDA**	**GAURAV THAKKAR**	**SANJAYA SABAT**
Partner	*Director*	*Whole Time Director*	*CFO*	*Company Secretary*
MNO.048650	DIN: 00008170	DIN: 00040884		
PLACE : AHMEDABAD	PLACE : RAIPUR			
DATE : 06.06.2017	DATE : 05.06.2017			

SARDA METALS & ALLOYS LIMITED

Statement Of Profit And Loss for the year ended 31.03.2017

(Amount In Rs. Lacs)

	Particulars	Notes	For the year ended 31.03.2017	For the year ended 31.03.2016
I	Revenue from operations (gross)	4.22	44,032.34	48,754.58
II	Other income	4.23	958.57	38.72
III	**Total Revenue (I + II)**		**44,990.91**	**48,793.30**
IV	Expenses:			
	Cost of materials consumed	4.24	32,452.77	23,642.40
	Purchases of Stock-in-Trade		1,009.44	4,632.08
	Changes in inventories of finished goods and Stock-in-Trade	4.25	(3,526.14)	3,191.33
	Excise duty		1,558.08	1,171.10
	Employee benefits expense	4.26	1,285.51	1,176.94
	Finance costs	4.27	5,893.54	5,945.26
	Depreciation and amortization expense	4.28	2,050.52	2,363.85
	Other expenses	4.29	6,750.57	6,419.86
	Total Expenses		**47,474.29**	**48,542.82**
V	Profit before Tax (III - IV)		**(2,483.38)**	**250.48**
VI	**Tax expense:**			
	(1) Current tax		(0.60)	102.59
	(2) Tax pertaining to (Excess)/Short Provision of earlier Year		(0.66)	4.07
	(3) MAT Credit Entitlement reversed		-	445.31
	(4) Deferred tax		(707.23)	81.99
	Total Tax		**(708.49)**	**633.96**
VII	Profit for the Year (V - VI)		**(1,774.88)**	**(383.48)**
	Other comprehensive income	4.31		
	Items that will not be reclassified to profit or loss		1.82	1.51
	Income tax relating to items that will not be reclassified to profit or loss		0.60	0.50
	Total comprehensive income for the period		**(1,773.66)**	**(382.46)**
	Earnings per equity share			
	[Face Value of Rs 10 /- each (Previous value of Rs 10 /- each)]		10.00	10.00
	Basic earnings per share (Rs. Per Share)		(8.44)	(1.82)
	Diluted earnings per share (Rs. Per Share)		(8.44)	(1.82)

Significant accounting policies 1,2&3

The notes referred to above form an integral part of the financial statements.

As per our Report of even date attached

for ***Haribhakthi & CO. LLP***
CHARTERED ACCOUNTANTS
FRN: 103523W/W100048

for and on behalf of the Board

ATUL GALA	**K K SARDA**	**NEERAJ SARDA**	**GAURAV THAKKAR**	**SANJAYA SABAT**
Partner	*Director*	*Whole Time Director*	*CFO*	*Company Secretary*
MNO.048650	DIN: 00008170	DIN: 00040884		
PLACE :AHMEDABAD	PLACE : RAIPUR			
DATE : 06.06.2017	DATE : 05.06.2017			

SARDA METALS & ALLOYS LIMITED
Cash Flow Statement for the year ended 31.03.2017

(Amount In Rs. Lacs)

	Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Net (Loss)/Profit before tax as per Statement of Profit & Loss	(2,483.38)	250.48
	Adjusted for :		
	Depreciation and Amortisation	2,050.52	2,363.85
	Interest income	(24.81)	(33.91)
	Finance costs	5,893.54	5,945.26
	Amortisation of borrowing costs	(77.13)	(176.88)
	Unrealised Exchange (gain)/Loss	(429.98)	7.82
	Profit on sale of fixed assets	(0.87)	(4.63)
		7,411.27	**8,101.51**
	Operating profit before working capital changes	4,927.89	8,351.99
	Changes in assets & Liabilities		
	Increase in trade payables	934.52	1,553.46
	Increase in Other Financial Liabilities	135.71	265.21
	Increase/(decrease) in Other current Liabilities	110.64	(412.87)
	Increase in Long term provisions	22.39	25.19
	(Increase)/decrease in inventories	(4,512.42)	4,813.85
	decrease/(Increase) in trade receivables	2,734.12	(4,235.28)
	decrease in Other financial assets	60.27	439.63
	(Increase)/decrease in other Current Assets	(458.22)	1,485.21
	(Increase) /Decrease in Loans and advances	(88.65)	33.85
	Cash generated from Operations	**3,866.24**	**12,320.24**
	Direct Income taxes paid (net)	40.77	81.04
	Net Cash generated from operating activities	**3,825.47**	**12,239.20**
B.	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of fixed assets inculding capital WIP	(522.94)	(301.01)
	Interest received	24.81	33.91
	Sale of fixed assets	1.39	13.56
	Scrapping of asset	-	33.17
	(Increase) /Decrease in Fixed Deposit	-	(88.37)
	Net used in investing activities	**(496.74)**	**(308.74)**
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from long term borrowings	-	379.02
	Repayment of Term Loans	-	(2,529.84)
	Short Term Borrowings	1,629.76	(5,600.64)
	Loan from holding company	502.60	1,820.97
	Interest paid	(5,414.36)	(6,007.16)
	Net used in financing activities	**(3,282.00)**	**(11,937.65)**
	NET INCREASE IN CASH & CASH EQUIVALENTS	46.73	(7.19)
	CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	14.93	22.12
	CASH & CASH EQUIVALENTS AT THE END OF THE YEAR	**61.66**	**14.93**

Notes to the cash flow statement

1	Cash & Cash Equivalents consist of the following		
	Cash on hand	4.92	1.38
	Balances with Scheduled Banks	13.74	13.55
	Fixed Deposits With Banks (lien with Bank for Issuance of Bank Guarantee & LC)	43.00	-
	Cash & Cash Equivalents at the end of the year	**61.66**	**14.93**

2 Figures in the bracket represents cash outflow

As per our Report of even date attached

for ***Haribhakthi & CO. LLP***
CHARTERED ACCOUNTANTS
FRN: 103523W/W100048

for and on behalf of the Board

ATUL GALA
Partner
MNO.048650
PLACE : AHMEDABAD
DATE : 06.06.2017

K K SARDA
Director
DIN: 00008170
PLACE : RAIPUR
DATE : 05.06.2017

NEERAJ SARDA
Whole Time Director
DIN: 00040884

GAURAV THAKKAR
CFO

SANJAYA SABAT
Company Secretary

Statement of Changes in Equity

(a) Equity share capital

(Amount In Rs. Lacs)

	As at 31.03.2017		As at 31.03.2016		As at 01.03.2015	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the reporting period	21,016,000	2,101.60	21,016,000	2,101.60	21,016,000	2,101.60
Changes in equity share capital during the year						
Balance at the end of the reporting period	21,016,000	2,101.60	21,016,000	2,101.60	21,016,000	2,101.60

b) Other Equity

(Amount In Rs. Lacs)

Particulars	Reserves and Surplus				Other items of Other Comprehensive Income	
	Securities premium account	Capital reserve	Retained Earnings	Other reserves	Remeasurements of the net defined benefit Plans	Total
Balance at 1 April 2015	**18,869.40**	**-**	**2,768.14**	**-**	**(2.04)**	**21635.50**
Profit/(loss) for the year	-	-	(383.48)	-	-	(383.48)
Other comprehensive income	-	-	-	-	1.01	1.01
Equity contribution on account of corporate guarantees	-	-	-	16.07	-	16.07
Total comprehensive income	**18,869.40**	**-**	**2,384.66**	**16.07**	**(1.03)**	**21,269.10**
Balance at 31 March 2016	**18,869.40**	**-**	**2,384.66**	**16.07**	**(1.03)**	**21,269.10**

b) Other Equity

(Amount In Rs Lacs)

Particulars	Reserves and Surplus				Other items of Other Comprehensive Income	
	Securities premium account	Capital reserve	Retained Earnings	Other reserves	Remeasurements of the net defined benefit Plans	Total
Balance at 1 April 2016	**18,869.40**	**-**	**2,384.66**	**16.07**	**(1.03)**	**21,269.10**
Profit/(loss) for the year	-	-	(1,774.88)	-	-	(1,774.88)
Other comprehensive income	-	-	-	-	1.22	1.22
Equity contribution on account of corporate guarantees	-	-	-	48.10	-	48.10
Total comprehensive income	**18,869.40**	**-**	**609.78**	**64.17**	**0.19**	**19,543.54**
Dividends	-	-	-	-	-	-
Total contributions and distributions	**-**	**-**	**-**		**-**	**-**
Balance at 31 March 2017	**18,869.40**	**-**	**609.78**	**64.17**	**0.19**	**19,543.54**

As per our Report of even date attached

for ***Haribhakthi & CO. LLP***
CHARTERED ACCOUNTANTS
FRN: 103523W/W100048

for and on behalf of the Board

ATUL GALA
Partner
MNO.048650
PLACE :AHMEDABAD
DATE : 06.06.2017

K K SARDA
Director
DIN: 00008170
PLACE : RAIPUR
DATE : 05.06.2017

NEERAJ SARDA
Whole Time Director
DIN: 00040884

GAURAV THAKKAR
CFO

SANJAYA SABAT
Company Secretary

Significant accounting policies and notes to the accounts
For financial year ended 31.03.2017

1 Company Overview

The Company is operating 2X33 MVA Ferro Alloys Furnaces backed by a 80 MW Captive Power Plant. The company is a leading manufacturer and exporter of Ferro Alloys enjoying Star Export House Status.

2 Significant Accounting Policies

Basis of preparation of financial statements

2.1 Statement of compliance

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) and the provisions of the Companies Act, 2013 (`Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. Reconciliations and descriptions of the effect of the transition has been summarized in note No. 3.21 to 3.24.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or are revision to an existing accounting standard requires a change in the accounting policy hitherto in use.
The financial statements are presented in Indian rupees rounded off to nearest lacs.

2.2 Basis of Measurement

The financial statements have been prepared on the historical cost convention and on accrual basis except for the following:
a) certain financial assets and liabilities including derivative instruments measured at fair value
b) defined benefit plans - plan assets measured at fair value

2.3 Use of estimate

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

3 <u>Summary of significant accounting policies</u>

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity of another entity.

3.1.1 Financial asset

All financial assets are recognised initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognised on trade date. Financial assets of the Company include investments in equity shares of associates and, trade and other receivables, loans and advances to employees etc.

ii) Classification and subsequent measurement

For the purpose of subsequent measurement, financial assets of the Company are classified in the following categories:

1) financial assets measured at amortised cost
2) financial assets measured at fair value through other comprehensive income
3) financial assets measured at fair value through profit and loss

The classification of financial assets depends on the objective of the business model. Management determines the classification of its financial assets at initial recognition.

Financial instruments measured at amortised cost:

A financial instrument is measured at amortised cost if both the following conditions are met:

(a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

(b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables, bank deposits, security deposits, cash and cash equivalents, employee and other advances.

Financial instruments measured at fair value through other comprehensive income

A financial instrument shall be measured at fair value through other comprehensive income if both of the following conditions are fullfilled:

(a) the objective of the business model is achieved by both collecting contractual cash flows and selling financial assets

(b) the asset's contractual cash flow represent SPPI

Financial instruments included within FVTOCI category are measured initially as well as at each reporting period at fair value plus transaction costs. Fair value movements are recognised in other comprehensive income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain loss in statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to profit and loss. Interest earned is recognised under the expected interest rate (EIR) model.

Financial instruments measured at fair value through profit and loss

Fair value through profit and loss is the residual category. Any financial instrument which does not meet the criteria for categorization as amortized cost or fair value through other comprehensive income is classified at FVTPL.

Financial instruments included within FVTPL category are measured initially as well as at each reporting period at fair value plus transaction costs. Fair value movements are recorded in statement of profit and loss.

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. Such election is made on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

iii) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised when:

• The rights to receive cash flows from the asset have been transferred, or

• The Company retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

When the Company has transferred an asset, it evaluates whether it has substantially transferred all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. When the Company has not transferred substantially all the risks and rewards of ownership of a financial asset, the financial asset is derecognised.

When the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the entity has not reatained control of the financial asset. When the entity retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement of the asset.

3.1.2 Investments

Investments in associates are measured at cost.

3.1.3 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment.

3.1.4 Financial liability

i) Initial measurement

All financial liabilities are recognised initially at fair value net of directly attributable transaction costs. The Company's financial liabilities include loans and borrowings, trade and other payables etc.

ii) Classification and subsequent measurement

For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories:

1) financial liabilities measured at amortised cost

2) financial liabilities measured at fair value through profit and loss and

Financial liabilities at amortised cost:

Financial liabilities at amortised cost represented by trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method.

Financial liabilities at FVTPL:

Financial liabilities at FVTPL represented by contingent consideration are measured at fair value with all changes recognised in the statement of profit and loss.

3.1.5 Loans and borrowings

Loans and borrowings are initially recognised at fair value net of transaction costs incurred. Subsequently, these are measured at amortised cost using the effective interest rate ('EIR') method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

3.1.6 Trade and other payables

These amount represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within the normal trade payable cycle. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortized cost using the EIR model.

3.1.7 Derivatives

The Company uses derivative financial instruments such as forward currency contracts, interest rate swaps to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

3.1.8 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet only if there is a current enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.2 Property, plant and equipment

i) Transition to Ind AS

The Company has elected to exercise the option under Ind AS 101 of using the previous GAAP carrying amount of its plant, property, equipment as its deemed cost on the date of transition to Ind AS

ii) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation/ amortisation and accumulated impairment losses. Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for its intended use.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment. These are included in profit or loss within other gains/ losses.

The residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively.

iii) Depreciation

Depreciation has been provided based on life assigned to each asset in accordance with Schedule II of the Companies Act, 2013.Leased assets are amortized on a straight-line basis over the useful life of the asset or the remaining period of lease, whichever is earlier.

iv) Subsequent costs

Subsequent expenditure including cost of major overhaul and inspection is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of any component recognised as a seperate component is derecognised when replaced. All other repairs and maintenance are recognised in profit or loss as incurred.

v) Spare parts

Items of spare parts, stand-by equipment and servicing equipment which meet the definition of property, plant and equipment are capitalized and depreciated on straight line method on prorata basis at the rates specified therein. Other spare parts are carried as inventory and recognized in the income statement on consumption.

3.3 Investment properties

Property that is held for capital appreciation or for earning rentals or both or whose future use is undetermined is classified as investment property. Items of property, plant and equipment are measured at cost less accumulated depreciation/, amortisation and accumulated impairment losses. Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for its intended use. Investment properties are depreciated on straight line method on prorata basis at the rates specified therein. Subsequent expenditure including cost of major overhaul and inspection is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

3.4 Intangible assets

Intangible assets comprising of computer software, brands/ trademarks, mining rights expected to provide future economic benefits are stated at cost of acquisition/ implementation/ development less accumulated amortization.

Amortization

Cost of intangibles including related expenditures are amortised in three years and those relating to brands/ trademarks in twenty years based on useful life assessed by independent valuer.

3.5 Capital work in progress

Capital work in progress is stated at cost net of accumulated depreciation and accumulated impairment losses, if any.

3.6 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1^{st} April 2015, the date of inception is deemed to be 1st April 2015 in accordance with Ind-AS 101, First-time Adoption of Indian Accounting Standard.

As a lessee

A lease is classified on the inception date as a finance or an operating lease. Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at lower of the fair value of the leased property or the present value of the minimum lease payments. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability.
The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Leases under which substantially all the risks and rewards of ownership are not transferred to the Company are classified as operating leases. Lease payments under operating leases are recognised as an expense on a straight line basis in the statement of profit and loss over the lease term except where the lease payments are structured to increase in line with expected general inflation.

As a lessor

Lease payments under operating leases are recognised as an income on a straight line basis in the statement of profit and loss over the lease term except where the lease payments are structured to increase in line with expected general inflation. The respective leased assets are included in the balance sheet based on their nature.

3.7 Inventory

(i) Stores and spares are carried at Cost (net of CENVAT & VAT Credits availed) on moving average basis .

(ii) Raw Materials are carried at cost (net of CENVAT & VAT Credits availed) on moving average basis and net realizable value whichever is lower .However , raw materials held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

(iii) Finished , semi finished products and Stock-in-Trade produced or purchased by the Company are carried at lower of cost and net realizable value . Cost includes direct mateirals and labour cost and a proportion of manufacturing overheads. Cost of finished goods includes excise duty based on prevailing rate.

(iv) By products are valued at net realizable value .

Net realisable value is the estimated selling price in the ordinary course of business , less estimated cost of completion and estimated costs necessary to make the sale .

3.8 Government grants

Government grants are recognised initially as deferred income when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant. Grants that compensate the Company for expenses incurred are recognised over the period in which the related costs are incurred. Grants that compensate the Company for the cost of an asset are recognised in profit or loss on a systematic basis over the useful life of the related asset.

3.9 Impairment

a) Financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets:
a) Financial assets that are debt instruments and are measured at amortised cost e.g. loans, deposits and trade receivables.
b) Financial assets that are debt instruments and are measured at FVTOCI.

For recognition of impairment loss on financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the statement of profit and loss.
Lifetime ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive(i.e. all shortfalls), discounted at the original EIR.
ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the statement of profit and loss.

As a practical expedience the Company uses a provision matrix to determine the impairment loss on its trade receivables. The provision matrix is based on historically observed default rates and is adjusted for forward looking estimates. At every reporting date, the historically observed default rates are updated and changes in forward looking estimates are analysed.

b) Non-financial assets

The Company assesses at each reporting date whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Company estimates the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognised in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

3.10 Taxes

Income tax expense comprises current and deferred tax. Current tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current income taxes are recognized under "income tax payable" net of payments on account, or under "tax receivables" where there is a credit balance.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax is recognised in profit or loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. The company reviews the carrying amount fo the MAT credit entitlemet at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the company will pay normal income tax during the specified period.

3.11 Employee benefits

The Company participates in various employee benefit plans. Post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial and investment risks fall on the employee. The expenditure for defined contribution plans is recognized as expense during the period when the employee provides service. Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related actuarial and investment risks fall on the Company.

Contribution to Provident fund and Contributory pension fund are accounted for on accrual basis. Provident fund contributions are made to statutory provident fund.

Actuarial gains or losses are recognized in other comprehensive income. Further, the profit or loss does not include an expected return on plan assets. Instead net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognized as part of re-measurement of net defined liability or asset through other comprehensive income.

Remeasurements comprising actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to profit or loss in subsequent periods.

3.12 Provisions and contingent liabilities

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

3.13 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand, book overdraft and are considered part of the Company’s cash management system.

3.14 Foreign currency transactions

The Company's financial statements are presented in INR which is also the functional currency of the Company.

Foreign currency transactions are recorded on initial recognition in the functional currency using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognised as income or expenses in the period in which they arise with the exception that exchange differences to the extent treated as borrowing costs are recognised accordingly .

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Outstanding loans repayable in foreign currency are restated at the year end exchange rate. Exchange gains and losses in respect of such restatement is accounted for as an income or expense except to the extent treated as borrowing costs

3.15 Revenue recognition

Revenue from sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of return, trade discounts and volume rebates. Revenue is recognized when the significant risk and rewards of ownerships have ben transferred to the buyer, recovery of the consideration is probable, the associated cost and possible return can be estimated reliably and there is no continuing effective control or managerial involvement with, the goods, and the amount can be measured reliably.

3.16 Other income

Interest income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability.

Dividend income

Dividend income is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

3.17 Borrowing cost

Borrowing costs that are directly attributable to the acquisition, construction or erection of qualifying assets are capitalised as part of cost of such asset until such time that the assets are substantially ready for their intended use. Qualifying assets are assets which take a substantial period of time to get ready for their intended use or sale.

When the Company borrows funds specifically for the purpose of obtaining a qualifying asset, the borrowing costs incurred are capitalized. When Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the capitalization of the borrowing costs is computed based on the weighted average cost of general borrowing that are outstanding during the period and used for the acquisition of the qualifying asset.

Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs include exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

All other borrowing costs are recognised as an expense in the year in which they are incurred.

3.18 Earnings per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The entity also presents additional basic and diluted earnings per share amounts that are calculated in the same way, except that those amounts shall exclude the net movement in the regulatory deferral account balances.

3.19 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Refer note 23 for details on segment information presented.

3.20 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 expense associated with investing or financing cash flow. The cash flows from operating, inesting and financing activities of the Company are segragated.

3.21 Transition to Ind AS

The Company's financial statements for the year ended 31 March 2017 are prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 in accordance with the accounting policies notified in Note 2 & 3. For the year ended 31 March 2016, the company had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2006 notified under section 133 of the Act and other relevant provisions of the act(`previous GAAP`).

The accounting policies as set out in Note No. 2 & 3 have been applied in preparing financial statements for the year ended 31 March 2017 including comparative information for the year ended 31 March 2016 and the opening Ind AS balance sheet on the date of transition i.e. 1 April 2015.

In preparing its Ind AS balance sheet as at 1st April 2015 and in preparing the comparative information for the year ended 31 March 2016, the company has adjusted amounts reported previously in financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the company in restating its financial statements prepared in accordance with previous gaap, and how the transition from previous GAAP to Ind AS has affected the company`s financial position.

A. Exceptions:

1) Estimates exception: Upon an assessment of the estimates made under Indian GAAP, the Company has concluded that there was no necessity to revise such estimates under Ind AS, except where estimates were required by Ind AS and not required by Indian GAAP.

2) The Company has classified financial assets in accordance with Ind AS 109 on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

B. Exemptions:

Ind AS 101 allows first time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

1) The Company has elected to apply the deemed cost option available under Para D7AA of Ind AS 101 i.e. all items of property, plant and equipment have been recognised in the financial statements as at the date of transition to Ind AS at the carrying value measured as per previous GAAP.

2) The Company has elected to apply previous GAAP carrying amount to its investment in associates as deemed cost as on the date of transition to Ind AS

C. Reconciliations:

(i) Equity as at April 1, 2015 and March 31, 2016

(ii) Total Comprehensive Income for March 31 , 2016

3.22 Standards issued but not yet effective

The standards issued but not yet effective upto the date of issuance of the financial statements is disclosed below:

Ind AS 115 - Revenue from contracts with customers

This standard will come into force from accounting period commencing on or after 1st April 2018. The Company will adopt the standard on the required effective date.

3.23 (i)Reconciliation of Equity as previously reported under IGAAP to Ind AS

(Amount In Rs. Lacs)

Particulars	Notes	As at 31.03.2016 IGAAP	As at 31.03.2016 Ind AS Impact	As at 31.03.2016 Ind AS	As at 01.04.2015 IGAAP	As at 01.04.2015 Ind AS Impact	As at 01.04.2015 Ind AS
ASSETS							
Non-current assets							
Property, plant and equipment		56,399.66	-	56,399.66	58,707.68	-	58,707.68
Capital work-in-progress		-	-	-	18.37	-	18.37
Financial assets		-	-	-	-	-	-
Investments		0.28	-	0.28	0.28	-	0.28
Loans		67.90	-	67.90	101.75	-	101.75
Other non-current assets	a	(39.70)	39.70	-	124.87	-	124.87
Other tax assets (net)		55.06	-	55.06	53.09	-	53.09
		56,483.20	**39.70**	**56,522.90**	**59,006.04**	**-**	**59,006.04**
Current assets							
Inventories	b	4,399.05	128.85	4,527.90	9,292.73	49.02	9,341.75
Financial Assets				-	-	-	-
Trade receivables	c	8,461.15	(82.03)	8,379.12	4,203.03	(55.08)	4,147.95
Cash and bank balances		171.93	-	171.93	90.76	-	90.76
Loans		-	-	-	445.31	(445.31)	-
Other financial assets		978.67	(4.85)	973.82	1,412.34	1.12	1,413.46
Other Current Assets		4,888.16	-	4,888.16	6,027.08	-	6,027.08
		18,898.95	**41.97**	**18,940.93**	**21,471.25**	**(450.25)**	**21,021.00**
Total		**75,382.15**	**81.68**	**75,463.83**	**80,477.29**	**(450.25)**	**80,027.04**
EQUITY AND LIABILITIES							
EQUITY							
Share capital		2,101.60	-	2,101.60	2,101.60	-	2,101.60
Other Equity	i	20,981.98	287.12	21,269.10	21,238.44	397.05	21,635.49
		23,083.58	**287.12**	**23,370.70**	**23,340.04**	**397.05**	**23,737.09**
LIABILITIES							
Non-current liabilities							
Financial Liabilities							
Long-term borrowings	d	34,815.50	(0.91)	34,814.59	32,354.96	(228.51)	32,126.45
Other financial liabilities		18.39	-	18.39	18.06	-	18.06
Long-term provisions		89.97	-	89.97	70.21	-	70.21
Deferred tax liabilities (Net)	e	978.02	(215.25)	762.77	788.18	(552.68)	235.50
Other non-current liabilities		-	-	-	-	-	-
		35,901.88	**(216.16)**	**35,685.72**	**33,231.41**	**(781.20)**	**32,450.21**
Current liabilities							
Financial Liabilities							
Borrowings		11,370.92	-	11,370.92	15,135.87	-	15,135.87
Trade payables							
Total outstanding dues of micro and small enterprises		-	-	-	-	-	-
Total dues other than micro and small enterprises		2,578.38	-	2,578.38	977.00	-	977.00
Other financial liabilities	c&d	1,951.15	10.72	1,961.87	6,915.85	(66.10)	6,849.75
Other current liabilities		445.82	-	445.82	862.21	-	862.21
Short-term provisions		18.81	-	18.81	14.91	-	14.91
Current tax liabilities (net)		31.61	-	31.61	-	-	-
		16,396.69	**10.72**	**16,407.41**	**23,905.84**	**(66.10)**	**23,839.74**
Total		**75,382.15**	**81.68**	**75,463.83**	**80,477.29**	**(450.25)**	**80,027.04**

3.23 (ii) Reconciliation of Total Comprehensive Income as previously reported under IGAAP to Ind AS

(Amount In Rs. Lacs)

	Particulars	Notes	For the year ended 31.03.2016		
			IGAAP	Ind AS Impact	Ind AS
I	Revenue from operations (gross)	f	47,978.38	776.19	48,754.58
II	Other income		38.72	-	38.72
III	**Total Revenue (I + II)**		**48,017.10**	**776.19**	**48,793.30**
IV	**Expenses:**				
	Cost of materials consumed		23,642.40	-	23,642.40
	Purchases of Stock-in-Trade		4,632.08	-	4,632.08
	Changes in inventories of finished goods and Stock-in-Trade		3,271.16	(79.83)	3,191.33
	Excise duty	f	-	1,171	1,171.10
	Employee benefits expense	g	1,175.43	1.51	1,176.94
	Finance costs	d	5,752.31	192.95	5,945.26
	Depreciation and amortization expense		2,363.85	-	2,363.85
	Other Expenses	h	6,694.00	(274.15)	6,419.86
	Total Expenses		**47,531.23**	**1,011.59**	**48,542.82**
V	Profit before Tax (III - IV)		**485.87**	**(235.39)**	**250.48**
VI	Tax expense:				
	(1) Current tax	j	103.09	(0.50)	102.59
	(2) Tax pertaining to Short Provision of earlier Year		4.07	-	4.07
	(3) MAT Credit Entitlement reversed		445.31	-	445.31
	(4) Deferred tax	e	189.87	(107.88)	81.99
	Total Tax		**742.33**	**(108.38)**	**633.96**
VII	**Profit for the Year (V - VI)**		**(256.46)**	**(127.02)**	**(383.48)**
	Other comprehensive income				
	Items that will not be reclassified to profit or loss	j	**-**	**1.51**	1.51
	Income tax relating to items that will not be reclassified to profit or loss		**-**	**0.50**	0.50
	Total comprehensive income for the period		**(256.46)**	**(125.00)**	**(381.46)**

3.24 Explanation for reconciliations of Equity, Total Comprehensive Income as previously reported under IGAAP to Ind AS

a) Other Non- current Assets

Under Ind AS 12, carry forward of unused tax credits i.e. Minimum Alternative Tax (MAT) forms parts of deferred tax balances.

b) Inventory

(i) Recognition of inventory on account of deferral of sales due to continuing managerial involvement. Also refer note f(ii).

c) Trade Receivables

(i)Under Indian GAAP, trade receivables derecognised by way of bills of exchange have been shown as contingent liability since there is recourse clause. Under Ind AS, the trade receivables have been restated with corresponding recognition of short term borrowings. This has resulted in recognition of trade receivable and short term borrowings.

(ii) Refer note (f) also.

d) Borrowings

Under Indian GAAP, transaction costs incurred in connection with borrowings are amortised upfront and charged to profit or loss for the period. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and charged to profit or loss using the effective interest method. This has resulted in recognition of unamortized transaction cost which is further classified in to non current and current assets.

e) Deferred Tax liabilities

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences i.e. land which was not required under Indian GAAP. This has resulted in recognition of additional deffered tax asset as at the date of tranisition which has been recognized in retained earning and subseuqently in the profit and loss for the year ended 31 March 2016.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

f) Revenue

(i) Under Indian GAAP, sale of goods was presented as net of excise duty. However, under Ind AS, sale of goods includes excise duty. Excise duty on sale of goods is separately presented on the face of statement of profit and loss. Thus sale of goods under Ind AS has increased with a corresponding increase in other expense.

(ii) Under Ind AS the timing of risk and reward varies to the extent that revenue can be recognized when there is no continuing control over or the managerial involvement over the goods. This has resulted in deferment of revenue with a consequential impact on recognition of inventory, trade receivables and export incentives receivables..

(iii) Under the previous GAAP,sales are disclosed net of discounts and incentives to the customers. Under Ind AS, cash discounts have also been been adjusted in the sales. The same has a consequnet impact on other expenses.

g) Employee Benefit Expenses

(i)Under Ind AS, all acturial gains and losses are recognized in other comprehensive income. Under previous GAAP, the company recognized acturial gains and losses in profit and loss. However, this has no impact on the total comprehensive income and total equity as on 1 April 2015 or as on 31 March 2016.

h) Other expenses

(i) The holding company has given corporate guarantees on behalf of the company. Under the previous GAAP, no accounting treatment has been done by the Company. Under Ind AS, the Company has fair valued the guarantees and such guarantee commission is treated as a deemed equity contribution from the shareholder with the corresponding charge to Statement of Profit and Loss.

(ii) Cash discount presented under Other expenses have been adjusted with revenue. Also refer note (f) above.

i) Equity

Adjustments to retained earnings and other comprehensive income has been made in accordance with Ind AS for the above mentioned line items.

j) Other comprehensive income

Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

4.1 Property Plant & Equipment

(Amount In Rs. Lacs)

Description	Gross block				Depreciation				Net Block	
	As at 1-Apr-16	Additions	Sale/ Transfer/ Adjustments	As at 31-Mar-17	As at 1-Apr-16	For the Year	Sale/ Transfer/ Adjustments	As at 31-Mar-17	As at 31-Mar-17	As at 1-Apr-16
Freehold Land (Owned)	2,006.62	-	-	2,006.62	-	-	-	-	2,006.62	2,006.62
Buildings	9,110.85	103.62	-	9,214.47	642.79	347.31	-	990.10	8,224.37	8,468.06
Plant & Machinery	47,398.92	407.84	-	47,806.76	1,610.65	1,670.91	-	3,281.56	44,525.20	45,788.27
Computer & Accessories	21.93	1.81	-	23.74	0.57	0.59	-	1.16	22.58	21.36
Furniture & fixture	53.40	0.39	-	53.79	15.87	12.02	-	27.89	25.90	37.53
Office Equipments	17.29	3.62	-	20.91	4.34	1.50	-	5.83	15.08	12.95
Vehicles	83.34	5.07	5.07	83.34	18.47	18.19	4.54	32.12	51.22	64.87
Total	**58,692.35**	**522.35**	**5.07**	**59,209.62**	**2,292.68**	**2,050.52**	**4.54**	**4,338.66**	**54,870.97**	**56,399.66**
Capital work in progress	-	**0.60**	-	**0.60**	**-**	**-**	**-**	**-**	**0.60**	**-**

Description	Gross block				Depreciation				Net Block	
	As at 1-Apr-15	Additions	Sale/ Transfer/ Adjustments	As at 31-Mar-16	As at 1-Apr-15	For the Year	Sale/ Transfer/ Adjustments	As at 31-Mar-16	As at 31-Mar-16	As at 1-Apr-15
Freehold Land (Owned)	2,006.62	-	-	2,006.62	-	-	-	-	2,006.62	2,006.62
Buildings	9,004.66	106.19	-	9,110.85	-	642.79	-	642.79	8,468.06	9,004.66
Plant & Machinery	47,510.08	322.59	433.75	47,398.92	-	1,664.93	54.28	1,610.65	45,788.27	47,510.08
Computer & Accessories	21.16	0.77	-	21.93	-	0.57	-	0.57	21.36	21.16
Furniture & fixture	43.19	10.21	-	53.40	-	15.87	-	15.87	37.53	43.19
Office Equipments	12.81	4.48	-	17.29	-	4.34	-	4.34	12.95	12.81
Vehicles	109.16	-	25.82	83.34	-	35.36	16.89	18.47	64.87	109.16
Total	**58,707.68**	**444.24**	**459.57**	**58,692.35**	**-**	**2,363.85**	**71.17**	**2,292.68**	**56,399.66**	**58,707.68**
Capital work - in - progress	18.37	425.88	444.25	-	**-**	**-**	**-**	**-**	**-**	**18.37**

(Amount In Rs. Lacs)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
4.2 Non Current Investments			
Trade Invesments			
Investment in Equity Instruments of Other entities			
Natural Resources Energy Pvt Ltd.	0.28	0.28	0.28
(2,845 Equity shares of Rs. 10 each)			
	0.28	**0.28**	**0.28**
Aggregate amount of quoted investments and market value thereof	-	-	-
Aggregate amount of unquoted investments	0.28	0.28	0.28
Aggregate provision for diminution in value of investments	-	-	-
Investment carried at cost	0.28	0.28	0.28
Investment carried at amortized cost	-	-	-
Investment carried at fair value through OCI	-	-	-
Investment carried at fair value through Profit & Loss	-	-	-
4.3 Non-current financial assets			
Loans			
(Unsecured, considered good)			
Security deposits	151.59	67.90	101.75
	151.59	**67.90**	**101.75**
4.4 Other Non current Assets			
Capital advances	4.96	-	124.87
	4.96	**-**	**124.87**
4.5 Other tax assets(Net)			
Balances with tax authorities	65.60	55.06	53.09
	65.60	**55.06**	**53.09**
4.6 Inventories			
(valued at lower of cost and net realisable value)			
a. Raw Materials and components	3,099.56	2,075.40	3,425.68
b. Finished goods / By - Products	5,478.06	1,884.41	4,991.97
c. Stores and spares	439.52	477.39	749.63
d. Stock in Trade	23.19	90.70	174.47
	9,040.33	**4,527.90**	**9,341.75**

(Amount In Rs. Lacs)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
4.7 Trade Receivables			
Trade receivables outstanding for a period exceeding six months		-	-
-On Sale of Power	791.28	158.89	90.46
-On Others	-	4.94	10.48
Less: Provision for doubtful debts	(13.69)	-	-
	777.59	**163.83**	**100.94**
Others			
-On Sale of Power	2,825.32	5,117.02	2,036.64
-On Others	2,035.20	3,098.28	2,010.37
	4,860.52	**8,215.29**	**4,047.01**
	5,638.11	**8,379.12**	**4,147.95**
4.8 Cash and Bank balances			
Cash on hand	4.92	1.38	4.22
Balances with Banks			
In current accounts	13.74	13.55	17.90
Fixed Deposit	200.00	157.00	68.64
(Under lien with Bank)			
	218.66	**171.93**	**90.76**
1) Fixed Deposit with Banks are held as margin money or security against the borrowings, guarantees, other commitments			
2) For the purpose of cash flow statement, cash and cash equivalents comprise of:			
Balances with banks			
- In current accounts	13.74	13.55	17.90
- Bank Deposits with original maturity of upto 3 months	43.00	-	-
Cash on hand	4.92	1.38	4.22
Total	**61.66**	**14.93**	**22.12**
Less: Bank overdraft	-	-	-
Total	**61.66**	**14.93**	**22.12**
4.9 Other short-term financial assets			
Open access charges	2.45	35.51	138.97
Interest accrued but not due on deposits	11.38	0.03	-
Insurance claim receivables	649.62	776.06	842.50
Export incentive receivables	215.26	148.60	415.02
Loans and advances to employees	34.86	19.62	19.42
INR receivable from bank in forex A/c	-	(6.00)	(2.45)
	913.57	**973.82**	**1,413.46**
4.10 Other Current Assets			
Other receivables	942.98	335.55	906.76
Advances to vendors	1,696.50	757.75	264.29
Cenvat and VAT credit	2,538.86	3,714.85	4,671.36
Prepaid expenditure	173.22	80.01	184.67
	5,351.56	**4,888.16**	**6,027.08**

(Amount In Rs. Lacs)

	Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
4.11	**Share Capital**			
(a)	**AUTHORISED**			
	Authorised Equity Shares of Rs 10 each (Nos)	25,000,000	25,000,000	25,000,000
	Authorised Equity Share Capital (in Rs)	2,500.00	2,500.00	2,500.00
	Issued ,Subscribed and fully paid up Equity Shares of Rs 10 (Nos)	21,016,000	21,016,000	21,016,000
	Issued ,Subscribed and fully paid up Equity Shares of Rs 10 (In Rs)	2,101.60	2,101.60	2,101.60
		2,101.60	**2,101.60**	**2,101.60**
(b)	**Reconciliation of shares at the beginning and at the end of reporting period**			
	Equity Shares			
	At the beginning of the year in Nos	21,016,000	21,016,000	21,016,000
	Issued during the year in Nos	-	-	-
	Out standing at the end of the year in Nos	21,016,000	21,016,000	21,016,000
	Equity Shares			
	At the beginning of the year in Rs	2,101.60	2,101.60	2,101.60
	Issued during the year in Rs	-	-	-
	Out standing at the end of the year in Rs	2,101.60	2,101.60	2,101.60
(c)	**Shares held by each share holder holding more than 5 % shares**			
	Sarda Energy & Minerals Limited, Holding Company (No's)	21,016,000	21,016,000	21,016,000
	% of holding	100%	100%	100%
	(Includes 45,000 shares held by nominees ,on the behalf of the Company)			
(d)	**Shares held by holding/ultimate holding company and/or their subsidiaries/associates in nos**			
	Sarda Energy & Minerals Ltd Equity shares of Rs 10 each fully paid (inNos)	21,016,000	21,016,000	21,016,000
	(Includes 45,000 shares held by nominees ,on the behalf of the Company)			
	Sarda Energy & Minerals Ltd Equity shares of Rs 10 each fully paid (in Rs)	2,101.60	2,101.60	2,101.60
	(Includes 45,000 shares held by nominees ,on the behalf of the Company)			
(e)	**Shares issued for consideration other than cash (last five years)**			
	The company has not issued any shares for consideration other than cash during the last five financial years .			
(f)	**Terms/rights attached to equity shares**			
	The company has only one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation of the company, the holders of equity shares will be entitled to receive the sales proceeds of the remaining assets of the company after distribution of all the preferential amounts. The distribution shall be in proportion to the number of equity shares held by the shareholders.			
(g)	There are no shares reserved for issue under options and contracts or commitments for the sale of shares or disinvestment			

(Amount In Rs. Lacs)

	Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
4.12	**Long - Term Borrowings**			
	A. Term loans (Secured)			
	From banks			
	Indian Rupee Loan	32,762.02	14,768.39	32,067.51
	Buyers' Credits	-		58.93
	From other parties			
	Indian rupee loan from Financial institutions	-	20,046.20	-
	1. During the year L&T infrastructure & finance Company Limited has assigned its loan amounting to Rs. 20,478.46 Lacs to Axis Bank limited.			
	Term Loans are Secured by the following -			
	As at 31st March 2017 & As at 31st March 2016			
	1. Pari passu first charge by way of Equitable Mortgage of the immovable property of the company situated at APIIC Industrial Park at Kantakapalli village, Pari Passu first charge on the moveable properties and Fixed assets of the company and pari pasu second charge on the current assets of the company in favour of Axis Trustee Services Limited appointed as Security trustee by the Lenders)			
	2. Pledge of 51% of Shares held in the company by the Holding Company Sarda Energy & Minerals Limited in favour of Axis Trustee Services Limited appointed as Security Trustee by the Lenders			
	3. Axis Trustee Services Ltd is holding the above securities as trustee for the outgoing & Existing Term Lenders . However Axis Trustee Services Ltd has been appointed to act as Security Trustee for holding security on behalf of the Incoming and existing Lenders. Fresh Security in favour of the Incoming and existing Lenders created			
	4. Corporate Guarantee of Rs 6,000 Lacs of Holding Company Sarda Energy & Minerals Limited			
	5. Personal Guarantee of Director Mr K K Sarda			
	As at 31st March 2015			
	1. Pari passu first charge by way of Equitable Mortgage of the immovable property of the company situated at APIIC Industrial Park at Kantakapalli village, Pari Passu first charge on the moveable properties and Fixed assets of the company and pari pasu second charge on the current assets of the company in favour of Axis Trustee Services Limited appointed as Security trustee by the Lenders)			
	2. Pledge of 51% of Shares held in the company by the Holding Company Sarda Energy & Minerals Limited in favour of Axis Trustee Services Limited appointed as Security Trustee by the Lenders			
	3. Personal Guarantee of Director Mr K K Sarda			

(Amount In Rs. Lacs)

	Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
	Terms of Repayment & interest as at 31st March 2017			
	1. Indian Rupee Term Loan from Banks of Rs 14,853.19 Lacs & Rs 20,478.46 Lacs is payable in 41 unequal Quarterly Installments commencing from September 2017 and ending on September 2027 (Previous year 41 unequal Quarterly Installments commencing from September 2017 and ending on September 2027)			
	2. Rate of interest on Term Loans from Banks are at Base Rate Plus 2.93%. &			
	Terms of Repayment & interest as at 31st March 2016			
	1. Indian Rupee Term Loan from Banks of Rs 14,853.19 Lacs & from Financial Institutions of Rs 20,478.46 Lacs is payable in 41 unequal Quarterly Installments commencing from September 2017 and ending on September 2027 (Previous year 36 equal/Unequal Quarterly installments)			
	2. Rate of interest on Term Loans from Banks are at Base Rate Plus 2.93%. Rate of Interest on Term Loans from Financial Institutions is at PLR minus 3% .			
	Terms of Repayment & interest as at 31st March 2015			
	1. Indian Rupee Term Loan from Banks of Rs 17175.28 Lacs is payable in 36 Equated Quarterly Installments commencing from June 2013 and ending on March 2022.			
	2. Indian Rupee Term Loan from Bank of Rs 4271.27 Lacs is payable in 36 Quarterly Installments commencing from June 2013 and ending on March 2022.			
	3. Indian Rupee Term Loan from Financial Institution Rs 15833.33 Lacs is payable in 36 Equated Quarterly Installments commencing from December 2013 and ending on September 2022.			
	4. Rate of inetrest on Term Loans from Banks are at Base Rate Plus 2.75% to 3%. Rate of Interest on Term Loans from Financial Institutions is at two year becnhmark rate plus 2.93%			
		32,762.02	**34,814.59**	**32,126.44**
4.13	**Other financial liabilities**			
	Deposit from Employees	17.45	18.39	18.06
		17.45	**18.39**	**18.06**
4.14	**Long - term Provisions**			
	Provision for employee benefits			
	Gratuity	74.10	55.51	44.48
	Leave Salary	40.56	34.46	25.73
		114.66	**89.97**	**70.21**

(Amount In Rs. Lacs)

	Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
4.15	**Deferred tax liabilities (Net)**			
	Deferred tax liability (A)			
	Tax effect On Depreciation on fixed assets	10,902.48	10,583.07	9,794.34
	Tax effect on change in borrowings due to effective interest rate	26.06	38.20	95.59
	Tax Effect of Reversal of cost of goods sold	-	42.30	15.90
	Deferred Tax Asset (B)			
	Tax Effect of Provision for Doubt Debts	(9.89)	(5.36)	9.10
	Tax Effect of Provision for Electricity duty	-	-	82.59
	Tax Effect of Provision for Leave Salary	(16.79)	(20.84)	(4.95)
	Tax Effect of Provision for Gratuity	(25.98)	(15.13)	(5.80)
	Tax Effect of Provision for Bonus & Exgratia	(14.90)	(13.65)	-
	Tax Effect of Carried Forward Loss	(10,538.54)	(9,550.05)	(9,087.10)
	Tax Effect of Reversal of revenue	-	(55.83)	(17.87)
	Tax Effect on reversal of MEIS income	-	(1.59)	(0.79)
	Tax Effect on mark to market (MTM)	-	-	1.15
	Tax Effect on land	(266.88)	(238.34)	(201.36)
	MAT Credit Entitlement (C)	-	-	(445.31)
	Deferred tax liability (Net) at the end of the year [A+B+C]	**55.56**	**762.77**	**235.50**
4.16	**Short-term borrowings**			
	Secured			
	From Banks			
	Working capital loans from banks	1,011.27	5,726.49	3,153.57
	Buyers' credits	8,701.36	2,793.26	10,952.11
	(Secured by Letter Of Undertaking issued by Banks)			
	From Other Parties			
	Unsecured			
	Loans and Advances from related parties			
	Sarda Energy & Minerals Ltd - Holding Company	3,353.77	2,851.17	1,030.20
		13,066.40	**11,370.92**	**15,135.88**
	Terms of repayment			
	Working capital loans are payable on demand & Buyers Credit are payable on Specific dates.			
	Security			
	M/s Axis Trustee Services Ltd, appointed as Security Trustee for working capital facilities by consortium of Banks comprising Bank of Baroda, Axis bank Ltd & The Ratnkar Bank Ltd.			
	Working Capital Facilities are secured by first pari -passu charge on stocks & book debt and second pari-passu charge on all present and future movable plant and machinery of the Company .These facilities are also secured by personal guarantee of Mr.K.K.Sarda , Director .			

(Amount In Rs. Lacs)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
4.17 Trade Payables			
Due to Micro and Small Enterprises	-	-	-
Due to Others	3,512.90	2,578.38	977.00
	3,512.90	**2,578.38**	**977.00**
4.18 Other financial Liabilities			
Current maturities of long-term debt	2,052.57	-	4,897.89
Interest accrued but not due on borrowings	367.63	13.69	268.54
Salary and reimbursements payable	139.53	128.06	111.38
Creditors for capital goods	703.15	798.42	837.31
Other expenses payable	1,242.16	933.85	734.62
Bills discounting	-	87.85	-
	4,505.04	**1,961.87**	**6,849.74**
4.19 Other Current Liabilities			
Other payables			
Statutory dues payable	131.30	133.31	640.50
Advances from customers	158.26	24.69	69.55
Open access UI Charges payable	61.77	181.73	26.52
Other expenses payable	211.04	106.09	125.64
	562.37	**445.82**	**862.21**
4.20 Short -Term Provisions			
Provision for employee benefits			
Leave encashment	10.21	11.30	9.68
Gratuity	4.48	7.51	5.23
	14.69	**18.81**	**14.91**
4.21 Current tax liabilities(net)			
Provision for taxation (net of tax payment)	-	**31.61**	-
	-	**31.61**	**-**

(Amount In Rs. Lacs)

Particulars	As at 31.03.2017	As at 31.03.2016
4.22 Revenue from Operations		
Revenue :		
On sale of power	9,280.91	24,180.77
Total (A)	**9,280.91**	**24,180.77**
On sale of materials		
-ferro alloys	33,411.12	22,547.52
-coal	197.96	342.93
-manganese ore	346.21	1,340.95
(above sales include sales made to related parties of Rs. 4.08 Lacs (PY Rs.1217.86 Lacs)		
Total (B)	**33,955.29**	**24,231.40**
Other operating revenue		
Export incentives (MEIS licence)	363.00	176.94
Duty draw back claims on exports	228.95	127.41
Others	204.19	38.06
Total (C)	**796.14**	**342.41**
	44,032.34	**48,754.58**
4.23 Other Income		
Interest income	24.81	33.92
Provisions no longer required written back	159.13	-
Forein exchange rate difference gain A/c	761.11	-
Profit On sale of fixed asset (Net)	0.87	4.63
Others	12.65	0.17
	958.57	**38.72**
4.24 Cost of material consumed		
Raw Materials Consumed - Coal	13,236.17	14,530.64
Raw Materials Consumed - Manganese Ore	14,352.58	7,019.72
Raw Materials Consumed - others	4,864.02	2,092.04
	32,452.77	**23,642.40**
4.25 Changes in inventories of finished goods, By- Products and Stock-in-Trade		
Inventories at the end of the year		
Finished , By -Products and Stock in Trade	5,501.25	1,975.11
Inventories at the beginning of the year		
Finished , By -Products and Stock in Trade	1,975.11	5,166.44
	(3,526.14)	**3,191.33**

(Amount In Rs. Lacs)

Particulars	As at 31.03.2017	As at 31.03.2016
4.26 Employee benefits expense		
Salaries & managerial remuneration	1,174.83	1,056.17
Contributions to Provident Fund	42.77	38.32
Staff welfare expenses	42.63	53.70
Gratuity expenses	19.20	17.40
Leave encashment expenses	6.08	11.35
	1,285.51	**1,176.94**
4.27 Finance Costs		
Interest expense on borrowings	5,461.54	5,548.95
Other finance costs	48.10	16.07
Other borrowing Cost	383.89	380.24
	5,893.53	**5,945.26**
4.28 Depreciation		
Depreciation of tangible assets	2,050.52	2,363.85
	2,050.52	**2,363.85**
4.29 Other expenses		
Stores , spares and consumables	1,429.80	1,056.66
Material handling expenses	691.67	677.25
Plant operation and maintenance expenditure	745.09	783.00
Other manufacturing expenses	14.46	12.89
RPO and cross subsidiary expenses	211.04	390.87
Excise duty on increase / (decrease) in inventory	368.73	(347.55)
Repairs and manitenance		
- building	1.35	9.94
- plant and machinery	188.07	119.42
- others	123.05	106.42
Power & fuel	304.66	191.65
Rent	69.90	73.63
Rates and taxes	299.10	229.68
Insurance charges	124.16	125.97
Travelling and conveyance expenses	205.59	168.30
Legal and professional expenses	72.16	94.02
Social welfare and development expenses	13.39	13.25
Carriage outward	571.49	763.80
Open access UI charges	317.44	452.25
Transmission charges and others	679.36	677.39
Exchange differences (net)	-	516.00
Provision for doubtful debts	13.69	-
Payment to auditors	12.16	10.03
Misc. expenses	294.21	294.99
	6,750.57	**6,419.86**

(Amount In Rs. Lacs)

Particulars	As at 31.03.2017	As at 31.03.2016
4.30 Payment to auditors		
As auditor:		
Statutory Audit fee	8.50	8.50
Tax Audit fees	1.50	1.50
Others	2.16	0.03
	12.16	**10.03**
4.31 Other comprehensive income		
A (i) Items that will not be reclassified to profit or loss		
Remeasurements of the defined benefit plans	1.82	1.51
(ii) Income tax relating to items that will not be reclassified to profit or loss	(0.60)	(0.50)
B (i) Items that will be reclassified to profit or loss	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		
Total Other Comprehensive Income	**1.22**	**1.01**

5. Financial instruments

A. Accounting classification and fair values

(Amount In Rs Lacs)

31.03.2017 INR	Carrying amount FVTPL	FVTOCI	Amotised Cost*	Total	Fair value Level 1	Level 2	Level 3	Total
Financial assets								
Cash & Bank Balances	-	-	218.66	218.66	-	-	-	-
Non-current investments	-	-	0.28	0.28	-	-	-	-
Long-term loans and advances	-	-	151.59	151.59	-	-	-	-
Trade and other receivables	-	-	5,638.11	5,638.11	-	-	-	-
Other Current financial asset	-	-	913.56	913.56	-	-	-	
	-	-	**6,922.20**	**6,922.20**	**-**	-	-	-
Financial liabilities								
Long term borrowings	-	-	32,762.02	32,762.02	-	-	32,762.02	32,762.02
Short term borrowings	-	-	13,066.40	13,066.40	-	-	13,066.40	13,066.40
Trade and other payables	-	-	3,512.90	3,512.90	-	-	-	-
Other Non-Current financial liabilities	-	-	17.45	17.45	-	-	-	-
Other Current financial liabilities	-	-	4,505.04	4,505.04	-	-	-	-
	-	-	**53,863.81**	**53,863.81**	**-**	**-**	**45,828.42**	**45,828.42**

31.03.2016 INR	Carrying amount FVTPL	FVTOCI	Amotised Cost*	Total	Fair value Level 1	Level 2	Level 3	Total
Financial assets								
Cash & Bank Balances	-	-	171.92	171.92	-	-	-	-
Non-current investments	-	-	-	-	-	-	-	-
Unquoted Equity Investments	-	-	0.28	0.28	-	-	-	-
Financial Asset: Loans	-	-	67.90	67.90	-	-	-	-
Trade and other receivables	-	-	8,379.12	8,379.12	-	-	-	-
Other Current financial asset	-	-	973.83	973.83	-	-	-	-
	-	**-**	**9,593.05**	**9,593.05**	**-**	**-**	**-**	**-**
Financial liabilities								
Long term borrowings	-	-	34,814.59	34,814.59	-	-	34,814.59	34,814.59
Short term borrowings	-	-	11,370.92	11,370.92	-	-	11,370.92	11,370.92
Trade and other payables	-	-	2,578.38	2,578.38	-	-	-	-
Other Non-Current financial liabilities	-	-	18.39	18.39	-	-	-	-
Other Current financial liabilities	-	-	1,961.87	1,961.87	-	-	-	-
	-	**-**	**50,744.15**	**50,744.15**	**-**	**-**	**46,185.51**	**46,185.51**

(Amount In Rs Lacs)

01.04.2015 INR	Carrying amount FVTPL	 FVTOCI	 Amotised Cost*	 Total	Fair value Level 1	 Level 2	 Level 3	 Total
Financial assets								
Cash and cash equivalents	-	-	90.76	90.76	-	-	-	-
Non-current investments	-	-	-	-	-	-	-	-
Unquoted Equity Investments	-	-	0.28	0.28	-	-	-	-
Financial Asset: Loans	-	-	101.75	101.75	-	-	-	-
Trade and other receivables	-	-	4,147.95	4,147.95	-	-	-	-
Other Current financial asset	-	-	1,413.46	1,413.46	-	-	-	-
	-	**-**	**5,754.20**	**5,754.20**	**-**	**-**	**-**	**-**
Financial liabilities								
Long term borrowings	-	-	32,126.45	32,126.45	-	-	32,126.45	32,126.45
Short term borrowings	-	-	15,135.87	15,135.87	-	-	15,135.87	15,135.87
Trade and other payables	-	-	977.00	977.00	-	-	-	-
Other Non-Current financial liabilities	-	-	18.06	18.06	-	-	-	-
Other Current financial liabilities	-	-	6,849.75	6,849.75	-	-	-	-
	-	**-**	**55,107.12**	**55,107.12**	**-**	**-**	**47,262.32**	**47,262.32**

B. Measurement of fair values

The table shown below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined below:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

C. Valuation techniques

The following methods and assumptions were used to estimate the fair values

1) Fair value of the cash and short term deposits, current loans and advances and other current financial liabilities, short term borrowing from banks and other financial institutions and other similar items approximate their carrying value largley due to short term maturities of these instruments.

2) Long-term eceivables/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual credit worthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

6 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

The Company's principal financial liabilities comprise loans and borrowings in foreign as well as domestic currency, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments, loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations. The Company also enters into derivative contracts.

The Company is exposed to the following risks from its use of financial instruments:
- Credit risk
- Liquidity risk
- Interest rate risk

The Company's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework.This note presents information about the risks associated with its financial instruments, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

Credit Risk

The Company is exposed to credit risk as a result of the risk of counterparties defaulting on their obligations. The Company's exposure to credit risk primarily relates to investments, accounts receivable and cash and cash equivalents. The Company monitors and limits its exposure to credit risk on a continuous basis. The Company's credit risk associated with accounts receivable is primarily related to party not able to settle their obloigation as agreed. To manage this the Company periodically reviews the finanial reliability of its customers, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of accounts receivables.

Trade receivables

Trade receivables represent the most significant exposure to credit risk and are stated after an allowance for impairment

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and deposits which are readily convertible to cash. These are subject to insignificant risk of change in value or credit risk.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

(Amount In Rs. Lacs)

	31.03.2017	31.03.2016	01.04.2015
Trade and other receivables	5,638.11	8,379.12	4,147.95
Investments	0.28	0.28	0.28
Cash and cash equivalents	218.66	171.92	90.76

Impairment losses

(Amount In Rs. Lacs)

	31.03.2017	31.03.2016	01.04.2015
Trade and other receivables (measured under life time excepted credit loss model			
Opening balance	-	-	-
Provided during the year	(13.7)	-	-
Reversal of provision	-	-	-
Unwinding of discount	-	-	-
Closing balance	(13.7)	-	-

Ageing analysis

(Amount In Rs. Lacs)

	31.03.2017	31.03.2016
Upto 3 months	5,114.10	8,194.20
3-6 months	-	22.68
More than 6 months	523.65	162.24

No significant changes in estimation techniques or assumptions were made during the reporting period

Liquidity risk

The Company is exposed to liquidity risk related to its ability to fund its obligations as they become due. The Company monitors and manages its liquidity risk to ensure access to sufficient funds to meet operational and financial requirements. The Company has access to credit facilities and debt capital markets and monitors cash balances daily. In relation to the Company's liquidity risk, the Company's policy is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions as they fall due while minimizing finance costs, without incurring unacceptable losses or risking damage to the Company's reputation.

Financing arrangements

The Company has access to following undrawn borrowing facilities at the end of the reporting period:

31.03.2017	31.03.2016	01.04.2015
- Nil -	- Nil -	- Nil -

Maturities of financial liabilities

The contractual undiscounted cash flows of financial liabilities are as follows:

(Amount In Rs. Lacs)

As at 31.03.2017	Less than 1 year	1-5 years	More than 5 Years	Total
Borrowings	13,066.40	16,118.80	17,079.32	46,264.52
Trade payables	3,512.90	-	-	3,512.90
Other financial liabilities	4,585.99	-	-	4,585.99
	21,165.29	**16,118.80**	**17,079.32**	**54,363.41**

(Amount In Rs. Lacs)

As at 31.03.2016	Less than 1 year	1-5 years	More than 5 Years	Total
Borrowings	11,370.91	14,933.80	20,397.84	46,702.56
Trade payables	2,578.38	-	-	2,578.38
Other financial liabilities	1,961.87			1,961.87
	15,911.16	**14,933.80**	**20,397.84**	**51,242.81**

(Amount In Rs. Lacs)

As at 31.03.2015	Less than 1 year	1-5 years	More than 5 Years	Total
Borrowings	15,194.81	26,020.00	6,276.03	47,490.83
Trade payables	977.00	-	-	977.00
Other financial liabilities	6,915.85	-	-	6,915.85
	23,087.66	**26,020.00**	**6,276.03**	**55,383.68**

Interest rate risk

Interest rate risk is the risk that an upward movement in the interest rate would adversley effect the borrowing cost of the company. The Company is exposed to long term and short-term borrowings, Commercial Paper Program. The Company manages interest rate risk by monitoring its mix of fixed and floating rate instruments, and taking action as necessary to maintain an appropriate balance.

The exposure of the Company's borrowings to interest rate changes at the end of the reporting period are as follows:

a) Interest rate risk exposure

(Amount In Rs. Lacs)

	31.03.2017	31.03.2016	01.04.2015
Variable rate borrowings	39,696.69	43,909.30	41,443.79
Fixed rate borrowings	8,701.36	2,793.26	11,011.04

b) Sensitivity analysis

Profit or loss estimate to higher/lower interest rate expense from borrowings as a result of changes in

Impact on profit after tax

(Amount In Rs. Lacs)

	31.03.2017	31.03.2016
Interest rates - increase by 70 basis points	(279.83)	(289.95)
Interest rates - decrease by 70 basis points	279.83	289.95

c) Forex risk exposure

(Amount In Rs. Lacs)

Particulars	31.03.2017	31.03.2016	01.04.2015
Exports Debtors/Exports Orders in hand	2,001.49	1,284.87	1,816.63
Less: Financial Hedge	-	-	1,487.75
Net FCY Receivables (A)	2,001.49	1,284.87	328.88
Imports/Creditors	9,255.37	3,025.27	11,667.66
Import order of Raw Materials	-	-	2,586.86
Net FCY Payables (B)	**9,255.37**	**3,025.27**	**14,254.52**
Unhedged Foreign Currency Exposure (A-B)	**(7,253.88)**	**(1,740.40)**	**(13,925.64)**

d) Sensitivity analysis

Impact on profit after tax

(Amount In Rs. Lacs)

	31.03.2017	31.03.2016
Foreign exchange rates - increase by 1%	(83.61)	(16.27)
Foreign exchange rates - decrease by 1%	83.61	16.27

7 a) CAPITAL MANAGEMENT

The Company's main objectives when managing capital are to:
· ensure ongoing access to funding to maintain, refurbish and expand the Business
- ensure sufficient liquidity is available (either through cash and cash equivalents, investments or committed credit facilities) to meet the needs of the business;
· ensure compliance with covenants related to its credit facilities and senior unsecured debentures; and
· minimize finance costs while taking into consideration current and future industry, market and economic risks and conditions.
· safeguard its ability to continue as a going concern
· to maintain an efficient mix of debt and equity funding thus achieving an optimal capital structure and cost of capital.

The Board of Directors has the primary responsibility to maintain a strong capital base and reduce the cost of capital through prudent management of deployed funds and leveraging opportunities in domestic markets so as to maintain investor, creditor and market confidence and to sustain future development of the business.

For the purpose of Company's capital management, capital includes issued capital and all other equity reserves. The Company manages its capital structure in light of changes in the economic and regulatory environment and the requirements of the financial covenants.

The Company manages its capital on the basis of net debt to equity ratio which is net debt (total borrowings net of cash and cash equivalents) divided by total equity

(Amount In Rs. Lacs)

	31.03.2017	**31.03.2016**
Total liabilities	34,814.59	34,814.59
Less : Cash and cash equivalent	61.66	14.93
Net debt	34,752.93	34,799.66
Total equity	21,645.14	23,370.70
Net debt to equity ratio	1.61	1.49

The Company has complied with the covenants as per the terms of the major borrowing facilities throughout the reporting period.

8 INCOME TAX EXPENSES

i) Income tax recognised in profit or loss

(Amount In Rs Lacs)

a)

Current tax expense	**year ended 31.03.2017**	**year ended 31.03.2016**
Current year	(0.60)	102.59
Adjustment for prior periods	(0.66)	4.07
MAT Credit Entitlement Written off	-	445.31
Deferred tax expense		
Origination and reversal of temporary differences	(707.23)	81.99
Reduction in tax rate		
Total income tax expense	**(708.49)**	**633.96**

ii) Income tax recognised in OCI

Particulars	**year ended 31.03.2017**	**year ended 31.03.2016**
Remeasurements of defined benefit plans	0.60	0.50
Total income tax expense relating to OCI items	**0.60**	**0.50**

b) Reconciliation of tax expense and accounting profit

Particulars	**year ended 31.03.2017**	**year ended 31.03.2016**
Accounting profit before tax from continuing operations	(2,483.38)	250.48
Accounting profit before tax from discontinued operations	-	-
Accounting profit before tax	**(2,483.38)**	**250.48**
Tax using the Company's domestic tax rate (Current year 33.06% and Previous Year 33.06%)	-	33.06%
Current tax expenses on Profit before tax expenses at the enacted income tax rate in India	-	82.81
Adjustments in respect of current income tax of previous years	(0.66)	4.07
Difference in tax due to MAT	-	25.64
Expense not allowed for tax purpose	-	(5.36)
Mat Credit entitlement written off	-	445.31
Other temporary differences	(707.23)	81.99
At the effective income tax rate	-	-
Income tax reported in the statement of profit and loss	**(707.89)**	**634.46**
Income tax attributed to discontinued operations	-	-
Total	**(707.89)**	**634.46**

c) Amounts recognised directly in equity

Particulars	**year ended 31.03.2017**	**year ended 31.03.2016**
Current tax	-	-
Deferred tax	-	-
Total	-	-

9 **EMPLOYEE BENEFITS**

a) **Defined Benefit Plan :**

Employee benefit in the form of Gratuity is a defined benefit obligation. Gratuity Liability at each balance sheet date is ascertained on Actuarial Valuation basis using projected unit credit method. Actuarial gains/losses are not deferred and are taken to other Comprehensive income in the statement of Profit & Loss for the Year.

b) The results of the actuarial study for the obligation for employee benefits as computed by the actuary are shown below:

(Amount In Rs. Lacs)

Actuarial study analysis	**31st March 2017**	**31st March 2016**
Principal actuarial assumptions		
Discount rate	7.33%	7.68%
Range of compensation increase	8.00%	8.00%
Attrition rate	5.00%	5.00%
Expected rate of return on plan assets	NA	NA
Plan duration	NA	NA
Components of statement of income statement charge		
Current service cost	14.42	13.68
Interest cost	4.77	3.72
Recognition of past service cost	-	-
Settlement/curtailment/termination loss	-	-
Total charged to consolidated statement of profit or loss	**19.19**	**17.40**
Movements in net liability/(asset)		
Net liability at the beginning of the year	63.03	49.71
Employer contributions	(1.81)	(2.57)
Total expense recognised in the consolidated statement of profit or loss	19.19	17.40
Total amount recognised in OCI	(1.82)	(1.51)
Net liability at the end of the year	**78.59**	**63.03**
Reconciliation of benefit obligations		
Obligation at start of the year	63.03	49.71
Current service cost	14.42	13.68
Interest cost	4.77	3.72
Benefits paid directly by the Group	(1.81)	(2.57)
Extra payments or expenses/(income)		
Obligation of past service cost		
Actuarial loss	(1.82)	(1.51)
Defined benefits obligations at the end of the year	**78.59**	**63.03**
Re-measurements of defined benefit plans		
Actuarial gain/(loss) due to changes in financial assumptions	2.36	0.35
Actuarial gain/(loss) on account of experience adjustments	(4.18)	(1.86)
Total actuarial gain/(loss) recognised in OCI	**(1.82)**	**(1.51)**
Change in fair value of plan assets		
Fair value of plan assets at the beginning of the year	NA	NA
Interest on plan assets	NA	NA
Contributions made	NA	NA
Benefits paid	NA	NA
Actuarial (loss)/gain on plan assets	NA	NA
Fair value of plan assets at the end of the year	NA	NA

c) ***Sensitivity analysis of significant assumptions***

The following table present a sensitivity analysis to one of the relevant actuarial assumption, holding other assumptions constant, showing how the defined benefit obligation would have been affected by changes in the relevant actuarial assumptions that were reasonably possible at the reporting date.

(Amount In Rs. Lacs)

Particulars	31st March 2017	31st March 2016	31st March 2015
Discount rate			
+ 1% discount rate	75.14	57.56	44.99
- 1% discount rate	89.69	69.43	550.22
Salary increase			
+ 1% salary growth	88.18	68.12	53.81
- 1% salary growth	76.23	58.48	45.89

d) Experience adjustments

(Amount In Rs. Lacs)

Particulars	31st March 2017	31st March 2016	31st March 2015	31st March 2014	31st March 2013
Defined benefit obligation	78.59	63.03	49.71	31.84	17.29
Fair value of plan assets	-	-	-	-	-
(Surplus)/deficit in plan assets	(78.59)	(63.03)	(49.71)	(31.84)	(17.29)
Experience adjustment on plan liabilities	(4.18)	(1.86)	(3.57)	-	-
Actual return on plan assets less interest on plan assets	-	-	-	-	-

The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

e) Details of plan assets : NA

f) Defined contribution plan :

The Company has recognized the following amount in the statement of profit and loss contribution to provident fund (Employers contribution) during the year is Rs. 42.77 lacs (previous year : Rs 38.32 lacs).

g) The liability towards compensated absences (Earned leave and Casual leave) for the year ended 31st March, 2017 based on actuarial valuation carried out by using Projected Accrued Benefit Method resulted in increase in liability by Rs. 6.08 Lacs. (Previous year 11.35 Lacs)

Earned Leave and Casual Leave assumptions:

Sr. No	Particulars	31st March 2017	31st March 2016	31st March 2015
i)	**Financial Assumptions**			
	Discount rate	7.33%	7.68%	7.74%
	Salary Escalation Rate	8%	8%	8%
	Attrition Rate	5%	5%	5%
ii)	**Demographic Assumptions**			
	Leave Accounting & Consumption Technique	LIFO	LIFO	LIFO
	Proportion of Leave Availment	5%	5%	10%
	Proportion of encashment in service/Lapse	0%	0%	0%
	Proportion of encashment on separation	95%	95%	90%
	Published rates under the Indian Assured Lives Mortality (2006-08) Ult table			

10 RELATED PARTY TRANSACTIONS

(a) Parent entity

Name	Type	Place of incorporation	Ownership interest		
			31.03.2017	31.03.2016	1-Apr-15
Sarda Energy & Minerals Limited	Limited Company	Nagpur	100%	100%	100%

(b) Subsidiaries, associates, joint ventures

Sr. No	Name	Relationship	Place of incorporatio	Ownership interest			Principal activities
				31.03.2017	31.03.2016	01.04.2015	
1	Natural Resources Energy Pvt. Ltd.	Associates	Chattisgarh	28.45%	28.45%	28.45%	Acquire coal mines through auctions for captive use of shareholding companies (as an SPV)
2	Vizvac Arma Infrastructure Pvt. Ltd.	Director's Significant Influence	Andhra Pradesh	50.00%	50.00%	50.00%	Manufacturing of Brick, Block, Tiles
3	Sarda Solutions & Techonologies Pvt. Ltd	Director's Significant Influence	Mumbai	50.00%	50.00%	50.00%	Information Technology Services
4	Sattva Seeds Pvt. Ltd (Formly known as Sarda Agriculture & Propeties Pvt. Ltd)	Director's Significant Influence	Chattisgarh	69.78%	69.78%	69.78%	Agriculture
5	Svan Capital Management LLP	Director's Significant Influence	Andhra Pradesh	100.00%	0.00%	0.00%	Investment
6	Prachi Agricultural Properties Pvt. Ltd	Director's Significant Influence	Chattisgarh	88.18%	88.18%	88.18%	Agriculture
7	Prosperous Housing Finance Ltd.	Director's Significant Influence	Mumbai	42.85%	-	-	Housing Finance. Yet to start operations
8	R R Sarda & Co.	Director's Significant Influence	Nagpur	33.33%	33.33%	33.33%	Services of renting of property

(c) Directors / Other Key Management personnal of the company

Name	Nature
Mr. Manish Sarda	Whole Time Director
Mr . Neeraj Sarda	Whole Time Director
Ms. Sonal Sarda	Whole Time Director
Gaurav Thakkar	CFO
Sanjaya Sabat	Company Secretary

(d) Key Management personnal of the parent entity:

Name	Nature
Mr. K K Sarda	CMD
Mr Padam Kumar Jain	WTD & CFO
Mr Manish Sethi	Company Secretary

(e) Compensation Paid to Directors/Other Key Managerial Personnal of the company

(Amount In Rs Lacs)

Particulars	31.03.2017	31.03.2016
Compensation Paid to Directors		
Short-term employee benefits	134.25	120.74
Post-employment benefits	20.62	18.91
Compensation Paid to key Managerial Personnal		
Remunaration paid	29.88	23.79

(f) Transactions with related parties

(Amount In Rs Lacs)

Particulars	31.03.2017	31.03.2016
Transactions with Parent Entity :		
Interest paid/(Received)	519.06	261.04
Purchase of Goods (Finished Goods Rs 41 lacs and Raw Material Rs 1858.67 lacs)	2,268.67	1,667.00
Sale of Goods	4.08	1,217.86
Corporate Gurantee Commission	48.10	16.07
Transaction With Associates Concern :	-	-
Sarda Solutions & Techonologies Pvt. Ltd - IT Services	57.48	51.94
R. R. Sarda & Co - Rent Paid	6.64	13.28
Guarantee received during the year		
Personnal Gurantee of Mr K K Sarda	-	20,710.00

(g) Outstanding balances arising from sale/ purchase of goods and services

(Amount In Rs Lacs)

Particulars	31.03.2017	31.03.2016	01.04.2015
Sarda Solutions & Techonologies Pvt. Ltd	(4.42)	(17.40)	(4.27)
R R Sarda & Co	(5.98)	(11.95)	-
Sarda Energy & minerals Limited	(3,353.77)	(2,851.17)	(1,030.20)

(h) Loans to/ from related parties

(Amount In Rs Lacs)

Particulars	31.03.2017	31.03.2016	01.04.2015
Loan Received	8,938.40	6,631.74	23,410.00
Loans Repaid	8,945.00	5,494.85	19,763.00

11 Contingent liabilities and commitments (to the extent not provided for)

(Amount In Rs Lacs)

Sr No.	Particulars	31.03.2017	31.03.2016
i)	Claims against the company not acknowledged as debts	-	-
ii)	guarantees excluding financial guarantees	-	-
iii)	other money for which the company is contingently liable	1,419.76	471.52
iv)	Guarantees given by Company's Bankers	374.92	566.66

a) During the previous year 2014-15, Income tax department has conducted a search operation U/s 132 of Income Tax Act, 1961, covering the block periods from AY 2009-10 to 2014-15. The assessment has been completed by the tax authorities and a demand has been raised for the A.Y. 2012-13 for Rs. 86.57 lakhs on account of disallowance of expednitute and addition of Forex gain. The company has filed an appeal with Commisioner Appeals which is pending.

b) Commercial Tax - Rs 423.61 Lacs (PY - 338.88 Lacs) on account of disallowance of Input Tax credit of Rs 338.88 Lacs on equipments of Power Plant and Penalty of Rs 84.72 Lacs . The company has filed appeal challenging disallowance of input tax credit with Appellate Tribunal . The company has filed a writ petition for stay of receovery proceedings of penalty with the Hon'ble High court of AP.

c) Electricity Duty - Rs 776.94 Lacs for the period from January 2013 to March 2016 for sale of Electricity. The compnay has sought legal opinion from experts and has been advised that the same is not applicable to the company and hence no liability provided.

d) Customs - Rs 132.62 Lacs (PY - Rs 132.62 Lacs) on account of denial of refund of basic Customs Duty of Rs 79.91 lacs by Commissioner appeals . The company has filed appeal with CESTAT against order of Commissioner Appeals which is pending. Rs 52.71 Lacs is pending with the customs authorities where the reassessment of bill of entries is pending.

12 Commitments

(Amount In Rs Lacs)

Sr No.	Particulars	31.03.2017	31.03.2016
i)	Estimated amount of contracts remaining to be executed on capital account and not provided for	Nil	Nil
ii)	uncalled liability on shares and other investments partly paid	Nil	Nil
iii)	other commitments	Nil	Nil

13 Value of imports on CIF basis

(Amount In Rs Lacs)

Sr No.	Particulars	31.03.2017	31.03.2016
i)	Capital goods , Stores & Consumables	143.72	17.05
ii)	Raw Materials	17,810.98	10,791.41
14	**Expenditure in foreign currency**		
i)	Travelling	30.84	11.30
ii)	Others	103.56	64.04
15	**Earnings in foreign exchange**		
i)	FOB Value of Exports	18,913.06	10,410.48

16 During the year the company has written back provision for cross subsidy surcharge provided in earlier years which is no longer requried in light of the order of Hon'ble APERC dated 19th Nov 2016 and 27th July 2016

17 During the year there was a damage to Baghouse no 1.of the company . The same was reinstated with the reapir cost of Rs 485.90 Lacs during the year. The same has been claimed from the Insurance company and has been treated as claims receivables . The profit and loss if any shall be accounted for in the year of final settlement.

18 During the year a fraud was noticed which was committed by few employees on the company for an estimated amount of Rs 54 Lacs. The employees were involved in fraud by taking bribery for favouring vendors.

19 Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects. A CSR committee has been formed by the company as per the Act. The funds were primarily allocated to a corpus and utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013

a) Gross amount required to be spent by the company during the year is Rs. 14.31 Lacs

b) Amount spent during the year on:

(Amount In Rs Lacs)

Sl. No.	Particualrs	In Cash	Yet to be paid in Cash	Total
(i)	Construction / acquisition of any asset	-	-	-
(ii)	On purposes other than (i) above	13.39	-	13.39

20 Disclosure on Specified Bank Notes (SBNs)

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 30, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per the notification is given below:

(Amount In Rs Lacs)

Sr No.	Particulars	SBNs*	Other denomination notes	Total
i)	Closing cash in hand as on November 8, 2016	1.05	0.48	1.53
ii)	(+) Permitted receipts	-	3.07	3.07
iii)	(-) Permitted payments	-	(1.59)	(1.59)
iv)	(-) Amount deposited in Banks	(1.05)	-	(1.05)
v)	**Closing cash in hand as on December 30, 2016**	**-**	**1.96**	**1.96**

* For the purposes of this clause, the term ‘Specified Bank Notes’ shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

21 Earning Per Shares

Sr. No.	Particulars	31.03.2017	31.03.2016
i)	**Basic earnings per share**		
	From continuing operations attributable to the equity holders of the company	(8.44)	(1.82)
	From discontinued operation	-	-
	Total basic earnings per share attributable to the equity holders of the company	**(8.44)**	**(1.82)**
ii)	**Diluted earnings per share**		
	From continuing operations attributable to the equity holders of the	(8.44)	(1.82)
	From discontinued operation	-	-
	Total diluted earnings per share attributable to the equity holders of the company	**(8.44)**	**(1.82)**

iii) **Reconciliations of earnings used in calculating earnings per share**

(Amount In Rs Lacs)

Sr. No.	Particulars	31.03.2017	31.03.2016
a)	**Basic earnings per share**		
	Profit attributable to the equity holders of the company used in calculating basic earnings per share:		
	From continuing operations	(1,773.66)	(382.46)
	From discontinued operation	-	-
		(1,773.66)	**(382.46)**
b)	**Diluted earnings per share**		
	Profit from continuing operations attributable to the equity holders of the company:	(1,773.66)	(382.46)
	Add: interest savings on convertible bonds	-	-
	Others (specify)	-	-
	Used in calculating diluted earnings per share	-	-
	Profit from discontinued operation	-	-
	Profit attributable to the equity holders of the company used in calculating diluted earnings per share	**(1,773.66)**	**(382.46)**

iv) **Weighted average number of shares used as the denominator**

(In No's Lacs)

Sr. No.	Particulars	31.03.2017	31.03.2016
a)	Weighted average number of equity shares used as the denominator in calculating basic earnings per share	210.16	210.16
b)	Adjustments for calculation of diluted earnings per share:	-	-
c)	Options	-	-
d)	Convertible bonds	-	-
e)	Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share	210.16	210.16

22 Dues to Micro and Small enterprises as defined under the MSMED Act,2006

The Company has not received any Memorandum (as required to be filed by the suppliers with the notified authority under the Micro, Small and Medium Enterprises Development Act,2006) claiming their status as on 31st March 2017 as Micro, Small and Medium enterprises. Hence disclosure is considered necessary under the said act

23 Segment reporting:

The Company is engaged in generation and distribution of electricity and manufacturing of Ferro Alloys . The reportable business segments are in line with the segment wise information which is being presented to the Board.

(Amount In Rs Lacs)

Particulars	2016-17			2015-16		
	Power	Ferro	Total	Power	Ferro	Total
Revenue						
Sales & Other Income	9,388.90	34,643.44	44,032.34	24,203.42	20,122.52	44,325.94
Inter Segment Sales	8,804.06	(8,804.06)	-	4,852.26	(4,852.26)	0.00
Others Unallocated	-	-	958.57	-	-	4,467.36
Total Revenue	**18,192.96**	**25,839.38**	**44,990.91**	**29,055.68**	**15,270.26**	**48,793.30**
Result						
Segment Result	2,151.76	2,128.82	4,280.58	11,185.47	(2,937.66)	8,247.81
Unallocated Expenses net off Unallocated Income			(1,717.06)			(1,539.62)
Operating Profit			**2,563.52**			**6,708.19**
Interest & Forex Fluctuation Loss (Net)	-	-	5,046.90	-	-	6,457.71
Profit Before Tax Extraordinary Item			**(2,483.38)**			**250.48**
Add: Extra Ordinary Item			-			-
Provision for Taxation						
For Current Tax			-			102.59
Tax pertaining to Short Provision of earlier Year			(1.26)			4.07
For Deferred Tax			(707.23)			81.99
Mat Credit Entitlement			-			445.31
Profit After Taxation			**(1,774.88)**			**(383.48)**
Other Information						
Segment Assets	40,489.55	31,663.48	72,153.03	43,718.20	27,455.88	71,174.08
Unallocated Assets			4,102.92			4,289.51
Total Assets	**40,489.55**	**31,663.48**	**76,255.95**	**43,718.20**	**27,455.88**	**75,463.59**
Segment Liabilities	970.02	3,384.66	4,354.68	2,931.64	2,197.58	5,129.22
Unallocated Liabilities			2,319.86			(15.97)
Total Liabilities	**970.02**	**3,384.66**	**6,674.54**	**2,931.64**	**2,197.58**	**5,113.25**
Capital Expenditure	59.03	446.76	505.79	137.09	-	137.09
Depreciation/Amortisation	1,112.41	826.91	1,939.32	1,107.16	825.22	1,932.38
Unallocated Captal Expenditure & Depreciation			123.28			
Non Cash Expenditure other than depreciation/amortisation			-			

24 Figures of Previous Year have been regrouped/rearranged/reclassified wherever necessary to confirm to the Current Year's presentation

As per our report of even date attached
for ***Haribhakthi & CO. LLP***
CHARTERED ACCOUNTANTS
FRN: 103523W/W100048

for and on behalf of the Board

ATUL GALA
Partner
MNO.048650
PLACE :AHMEDABAD
DATE : 06.06.2017

K K SARDA
Director
DIN: 00008170
PLACE : RAIPUR
DATE : 05.06.2017

NEERAJ SARDA
Whole Time Director
DIN: 00040884

GAURAV THAKKAR
CFO

SANJAYA SABAT
Company Secretary