

OPSinghania & Co.

CHARTERED ACCOUNTANTS
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Independent Auditor's Report

To the Members of Natural Resources Energy Private Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **Natural Resources Energy Private Limited** ('the Company'), which comprise the balance sheet as at 31 March 2017, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

Management's Responsibility for the Ind AS Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS 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 the 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 standalone Ind AS 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 standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 including the Ind AS, of the financial position of the Company as at 31 March, 2017, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to the following matter to the financial statements:

The company has incurred losses in current year and also having accumulated losses which eroded its net worth. These conditions indicate the existence of material uncertainty that may cast significant doubt about the company ability to continue as a going concern. However, the financial statements of the company have been prepared on a going concern basis.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the balance sheet, the statement of profit and loss, (including other comprehensive income) the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
 - (d) in our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder;

- (e) The going concern matter described in paragraph under the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the company;
- (f) on the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
- (g) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “Annexure B”; and
- (h) 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 does not have any pending litigations which would impact its financial position.
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. there has been no amount, required to be transferred, to the Investor Education and Protection Fund by the Company; and
 - iv. the Company has provided requisite disclosures in its standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 16 to the standalone Ind AS financial statements.

For, **OPSinghania & Co.**
(ICAI Firm Regn. No.002172C)
Chartered Accountants

per Sanjay Singhania
Partner
Membership No.076961

Raipur, 09th May, 2017

Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31 March 2017, we report that:

- (i) As the Company does not have any fixed assets, therefore, the provisions of Clause (i)(a) to (i)(c) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- (ii) As the Company does not have any inventories, therefore, the provisions of Clause (ii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- (iii) The Company has not granted any loan secured or unsecured to Companies, Firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 during the year. Therefore, the provisions of Clause (iii)(a) to (iii)(c) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- (iv) In our opinion and according to the information & explanations given to us, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of the loans and investment made, and guarantees and security provided by it. The Company has not granted any loans and made any investments, or provided any guarantees or security to the parties covered under Section 185 of the Companies Act, 2013.
- (v) In our opinion and according to the information and explanations given to us, the company has not taken any deposits from public; therefore the provisions of clause (v) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.
- (vi) According to the information & explanations given to us, the Company has not started any commercial production, therefore, the provisions of clause (vi) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.
- (vii) (a) According to the information & explanations given to us, during the year the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities.
(b) According to the information and explanations given to us, there are no dues of income tax, sales tax, wealth tax, service tax, custom duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.
- (viii) The Company has not taken any loan or borrowing from any bank, financial institution or government. Therefore, the provisions of clause (viii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.
- (ix) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Therefore, the provisions of clause (ix) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.

- (x) In our opinion and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year. Therefore, the provisions of clause (x) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.
- (xi) The Company has not paid /provided for managerial remuneration during the year. Therefore, the provisions of clause (xi) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- (xii) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Therefore, the provisions of clause (xii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.
- (xiii) The Company has not entered into transactions with related parties in compliance with the provisions of Section 177 and 188 of the Act. Therefore the provisions of clause (xiii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.
- (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, the provisions of clause (xiv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with him. Therefore, the provisions of clause (xv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Therefore, the provisions of clause (xvi) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.

For **OPSinghania & Co.**
(ICAI Firm Regn. No.002172C)
Chartered Accountants

per Sanjay Singhania
Partner
Membership No.076961

Raipur, 09th May, 2017

Annexure - B to the Auditors' Report

Report on the Internal Financial Controls 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 Natural Resources Energy Private Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 31 March 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 Institute of Chartered Accountants of India.

For **OPSinghania & Co.**
(ICAI Firm Regn. No.002172C)
Chartered Accountants

per Sanjay Singhania
Partner
Membership No.076961

Raipur, 09th May, 2017

NATURAL RESOURCES ENERGY PRIVATE LIMITED**Balance Sheet as at 31st March 2017**

	Particulars	Note	As at 31.03.2017 (Amount in INR)	As at 31.03.2016 (Amount in INR)	As at 01.04.2015 (Amount in INR)
	ASSETS				
(1)	Non-current Assets				
(a)	Property, Plant & Equipment		-	-	-
(b)	Deffered Tax Assets	4	115,479	115,479	-
(b)	Other Non- current Assets	5	-	213,328	-
			115,479	328,807	-
(2)	Current Assets				
(a)	Financial Assets				
(i)	Bank, Cash & cash equivalents	6	162,025	28,569	29,765,704
(b)	Other Current Assets	7	32,178	32,178	321,771
			194,203	60,747	30,087,475
	TOTAL ASSETS		309,682	389,554	30,087,475
	EQUITY AND LIABILITIES:				
(1)	Equity				
(a)	Equity Share capital	8	100,000	100,000	100,000
(b)	Other Equity	9	(111,251)	(84,292)	(530,202)
(2)	Liabilities				
	Non-current Liabilities :		-	-	-
	Current Liabilities				
(a)	Current tax laibility (Net)		-	56,322	-
(a)	Other current liabilities	10	320,933	317,524	30,517,677
			320,933	373,846	30,517,677
	TOTAL EQUITY AND LIABILITIES		309,682	389,554	30,087,475

SIGNIFICANT ACCOUNTING POLICIES

1 & 2

THE ACCOMPANYING NOTES ARE FORMING INTEGRAL PART OF FINANCIAL STATEMENTS

As Per Our Report Of Even Date Attached

For O.P. Singhania & Co.

(Firm Regn.No.002172C)

Chartered Accountants,

**For and on behalf of the Board of Directors of
Natural Resources Energy Private Limited****Sanjay Singhania**
Partner

Membership No.076961

V.T.Naidu
Director**Ravi Thakur Das Laddha**
DirectorPlace : Raipur
DATED : 09.05.2017

NATURAL RESOURCES ENERGY PRIVATE LIMITED**Statement of Profit and loss for the year ended 31st March 2017**

	Particulars	Note	As at 31.03.2017 (Amount in INR)	As at 31.03.2016 (Amount in INR)
I.	Other income	11	-	431,435
II.	Total Revenue		-	431,435
III.	Expenses:			
	Other expenses	12	26,959	23,218
	Total Expenses		26,959	23,218
IV.	Profit Before Tax (II - III)		(26,959)	408,217
V.	Tax expense:			
	Current tax		-	77,786
	(1) Deferred tax related to prior period		-	(115,479)
	(2) MAT Credit Entitlement		-	-
			-	(37,693)
VI.	Profit for the period (IV - V)		(26,959)	445,910
	Other comprehensive income		-	-
	TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(26,959)	445,910
VII.	Earnings per equity share:	13		
	Basic		(2.70)	44.59
	Diluted		(2.70)	44.59

SIGNIFICANT ACCOUNTING POLICIES

1 & 2

THE ACCOMPANYING NOTES ARE FORMING INTEGRAL PART OF FINANCIAL STATEMENTS

As Per Our Report Of Even Date Attached

For O.P. Singhania & Co.
(Firm Regn.No.002172C)
Chartered Accountants,

**For and on behalf of the Board of Directors of
Natural Resources Energy Private Limited**

Sanjay Singhania
Partner
Membership No.076961

V.T.Naidu
Director

Ravi Thakur Das Laddha
Director

Place : Raipur
DATED : 09.05.2017

NATURAL RESOURCES ENERGY PRIVATE LIMITED
Cash Flow Statement For The Year Ended 31st March, 2017

Particulars	As at 31.03.2017	As at 31.03.2016
	(Amount in INR)	(Amount in INR)
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before tax as per Profit & Loss Account	(26,959)	408,217
Adjustments to reconcile profit before tax to cash generated by operating activities	-	-
Changes in assets and liabilities		
Other Current Liabilities	(52,913)	(30,200,153)
Other Current Assets	213,328	76,265
	133,456	(29,715,671)
Income Tax Paid	-	(21,464)
NET CASH (USED)/GENERATED IN OPERATING ACTIVITIES	133,456	(29,737,135)
B. CASH FLOW FROM INVESTING ACTIVITIES :		
	-	-
NET CASH (USED)/GENERATED IN INVESTING ACTIVITIES	-	-
C. CASH FLOW FROM FINANCING ACTIVITIES :		
	-	-
NET CASH (USED)/GENERATED IN FINANCING ACTIVITIES	-	-
Increase/(decrease) in Cash and Cash equivalents (A+B+C)	133,456	(29,737,135)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	133,456	(29,737,135)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	28,569	29,765,704
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	162,025	28,569

Notes:

(a) Cash and cash equivalent include the following :

Cash on Hand	250	250
Balance with Banks	161,775	28,319
	162,025	28,569

(b) Figures in brackets represent outflows.

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

As per our report of even date

For O P Singhania & CO.

(Firm Reg. No.002172C)

Chartered Accountants

For and on behalf of the Board of Directors of

Natural Resources Energy Private Limited

Sanjay Singhania

Partner

Membership No.076961

V.T.Naidu

Director

Ravi Thakur Das Laddha

Director

Place : Raipur

DATED : 09.05.2017

NATURAL RESOURCES ENERGY PRIVATE LIMITED
Statement of changes in Equity

Particulars	Equity Share Capital	Other Equity		Total Equity Attributable to equity holders of the Company
		Retained Earnings	Other items of other comprehensive income	
Balance as of April 1, 2015	100,000	(530,202)	-	(430,202)
Changes in equity for the year ended March 31, 2016				
Profit/(loss) for the period		445,910		445,910
Balance as of March 31, 2016	100,000	(84,292)	-	15,708

Particulars	Equity Share Capital	Other Equity		Total Equity Attributable to equity holders of the Company
		Retained Earnings	Other items of other comprehensive income	
Balance as of April 1, 2016	100,000	(84,292)	-	15,708
Changes in equity for the year ended March 31, 2017				
Profit/(loss) for the period	-	(26,959)	-	(26,959)
Balance as of March 31, 2017	100,000	(111,251)	-	(11,251)

THE ACCOMPANYING NOTES ARE FORMING
INTEGRAL PART OF FINANCIAL
STATEMENTS
As Per Our Report Of Even Date Attached

For O.P. Singhania & Co.
(Firm Regn.No.002172C)
Chartered Accountants,

**For and on behalf of the Board of Directors of
Natural Resources Energy Private Limited**

Sanjay Singhania
Partner
Membership No.076961

V.T.Naidu
Director

Ravi Thakur Das Laddha
Director

Place : Raipur
DATED : 09.05.2017

NATURAL RESOURCES ENERGY PVT. LTD.
Notes to financial statements for the year ended 31st March, 2017

1. Corporate information

Natural Resources Energy Pvt. Ltd. (the company) is a private limited company domiciled in India and incorporated under the provisions of the Companies Act.

2. Basis of preparation

- i) The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.
- ii) For all periods upto and including the year ended 31st March 2016, the company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended 31st March, 2017 are the first the company has prepared in accordance with Ind AS. Reconciliations and descriptions of the effect of the transition has been summarized in note 3.1 & 3.2.
- iii) The standalone financial statements have been prepared on a historical cost basis, except certain financial assets measured at fair value (refer accounting policy regarding financial instruments).

2.1 Summary of significant accounting**a) Current versus non-current classification**

The company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The company has identified twelve months as its operating cycle.

b) Fair Value Measurement

The company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the company.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

NATURAL RESOURCES ENERGY PVT. LTD.
Notes to financial statements for the year ended 31st March, 2017

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the company has determined classes of assets and liabilities on the basis of the nature, characteristics and risk of the asset or liability.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

c) Taxes on Income

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. 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 realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

d) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Such provisions are determined based on management estimate of the amount required to settle the obligation at the balance sheet date. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a standalone asset only when the reimbursement is virtually certain.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed on the basis of judgment of management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent assets are disclosed in the financial statements when inflow of economic benefits is probable.

e) Other Income

Other income is comprised primarily of interest income and dividend income. Interest income is recognized using the effective interest method. Dividend income is recognized when the right to receive payment is established.

f) Cash and Cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. However for Balance Sheet presentation, Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

Statement of cash flows is prepared in accordance with the indirect method prescribed in the relevant Accounting Standard.

g) Earnings Per Share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

Natural Resources Energy Private Limited
Notes to financial statements for the year ended 31st March, 2017

3.1 Reconciliations

The following reconciliations provides the effect of transition to Ind AS from IGAAP in accordance with Ind AS 101

1. Equity as at April 1, 2015 and March 31, 2016
2. Net profit for the year ended March 31, 2016

Reconciliation of equity as previously reported under IGAAP to Ind AS

Particulars	Note	Opening Balance Sheet as at April 1, 2015			Balance Sheet as at March 31, 2016		
		Previous IGAAP	Effects of transition to Ind-AS	Ind AS	Previous IGAAP	Effects of transition to Ind-AS	Ind AS
ASSETS							
Non-current assets							
Deferred Tax Assets		0	0	0	115479	0	115479
Other non-current assets		0	0	0	213328	0	213328
Total non-current assets		0	0	0	328807	0	328807
Current assets							
Bank,		29765704	0	29765704	28569	0	28569
Cash and cash equivalents							
Other current assets		321771	0	321771	32178	0	32178
Total current assets		30087475	0	30087475	60747	0	60747
Total assets		30087475	0	30087475	389554	0	389554
EQUITY AND LIABILITIES							
Equity							
Equity share capital		100000	0	100000	100000	0	100000
Other equity	B	-530202	0	-530202	-84292	0	-84292
Total equity		-430202	0	-430202	15708	0	15708
Non-current liabilities							
Current liabilities							
Current tax Liability		0	0	0	56322	0	56322
Other current liabilities		30517677	0	30517677	317524	0	317524
Total current liabilities		30517677	0	30517677	373846	0	373846
Total equity and liabilities		30087475	0	30087475	389554	0	389554

Explanations for reconciliation of Balance Sheet as previously reported under IGAAP to INDAS

No Adjustments are there for Ind AS

Natural Resources Energy Private Limited
Notes to financial statements for the year ended 31st March, 2017

3.2 Reconciliation of statement of profit & loss as previously reported under IGAAP to Ind AS

Particulars	Note	Year ended March 31, 2016		
		Previous IGAAP	Effects of transition to Ind-AS	Ind AS
INCOME				
Other Income		431435	0	431435
Total Income		431435	0	431435
EXPENDITURE				
Other expenses		23218	0	23218
Total expenses		23218	0	23218
Profit/(loss) before tax		408,217	-	408,217
Tax expense		-37693	0	-37693
Profit/(loss) for the period		445,910	-	445,910
Other comprehensive income for the year		0	0	0
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		445,910	-	445,910

Note

Cash flow statement

There were no significant reconciliation items between cash flows prepared under Indian GAAP and those prepared under Ind AS

Natural Resources Energy Private Limited
Notes to financial statements for the year ended 31st March, 2017

Note 4	As at 31 March 2017	As at 31 March 2016	As at 1st April 2015
DEFERRED TAX ASSET (NET)	R	R	R
Deffered Tax Asset	37,693	37,693	-
Unused Tax Credits	77,786	77,786	-
	115,479	115,479	-

Note 5	As at 31 March 2017	As at 31 March 2016	As at 1st April 2015
OTHER NON-CURRENT ASSETS	R	R	R
Capital Advances			
Unsecured, considered good Sarda Metals & Alloys	-	213,328	-
	-	213,328	-

Note 6	As at 31 March 2017	As at 31 March 2016	As at 1st April 2015
BANK, CASH & CASH EQUIVALENT	R	R	R
(a) Balances with banks			
In current accounts	161,775	28,319	155,372
Deposits with Bank with original maturity for less than 3 months	-	-	29,610,082
(b) Cash on hand	250	250	250
Total	162,025	28,569	29,765,704

Note 7	As at 31 March 2017	As at 31 March 2016	As at 1st April 2015
OTHER CURRENT ASSETS	R	R	R
Advances other than capital advances			
(a) Other Advances			
TDS Receivable	32,178	32,178	-
(b) Others			
Interest accrued on fixed deposits	-	-	321,771
Total	32,178	32,178	321,771

Note 8	As at 31st March 2017		As at 31st March 2016		As at 1st April 2015	
	No.	R	No.	R	No.	R
EQUITY SHARE CAPITAL						
Authorised						
Equity Shares of R 10/- each	50,000	500,000	50,000	500,000	50,000	500,000
Issued, Subscribed and fully paid up						
Equity Shares of R 10/- each	10,000	100,000	10,000	100,000	10,000	100,000
	10,000	100,000	10,000	100,000	10,000	100,000

Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity shares	As at 31st March 2017		As at 31st March 2016	
	No.	R	No.	R
At the beginning of the period	10,000	100,000	10,000	100,000
Issued during the period	-	-	-	-
Outstanding at the end of the period	10,000	100,000	10,000	100,000

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 holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of the equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders

Natural Resources Energy Private Limited
Notes to financial statements for the year ended 31st March, 2017

Details of shares held by holding/ Ultimate holding company and their subsidiaries:

Out of equity shares issued by the company, shares held by its holding company, ultimate holding company and their subsidiaries/ associates are below:

	As at 31	As at 31	As at 1st April
	March 2017	March 2016	2015
	No. of shares	No. of shares	No. of shares
Equity shares of Rs. 10/- each fully paid			
Sarda Energy & Minerals Limited	7,155	7155.00%	0.72%
Sarda Metals & Alloys Limited	2,845	28.45%	0.00%
	10,000	7183.45%	0.72%

Details of shareholders holding more than 5% shares in the company

	As at 31 March 2017		As at 31 March 2016		As at 1st April 2015	
	No. of shares	% holding	No. of shares	% holding	No. of shares	% holding
Equity shares of Rs. 10/- each fully paid						
Sarda Energy & Minerals Limited	7,155	71.55%	7,155	71.55%	7,155	71.55%
Sarda Metals & Alloys Limited	2,845	28.45%	2,845	28.45%	2,845	28.45%
	10,000	100.00%	10,000	100.00%	10,000	100.00%

Note 9	As at 31	As at 31	As at 1st April
	March 2017	March 2016	2015
OTHER EQUITY	R	R	R
Surplus/(deficit) in the statement of Profit and Loss			
Balance as per last financial statements	(84,292)	(530,202)	(21,786)
Add: Profit / (Loss) for the year	(26,959)	445,910	(508,416)
Closing Balance	(111,251)	(84,292)	(530,202)
Total	(111,251)	(84,292)	(530,202)

Note 10	As at 31	As at 31	As at 1st April
	March 2017	March 2016	2015
OTHER CURRENT LIABILITIES	R	R	R
(a) Audit fees payable	5,750	11,343	5,618
(b) Expenses payable	9,002	-	12,059
(c) Deposit from Holding Company	306,181	306,181	30,500,000
Total	320,933	317,524	30,517,677

Note 11	2016-17	2015-16
OTHER INCOME	R	R
Interest Income		
From Bank deposits	-	214,637
From Others	-	213,427
Other Misc. Income	-	3,371
Total	-	431,435

Note 12	2016-17	2015-16
OTHER EXPENSES	R	R
Miscellaneous Expenses		
Filing fees	10,411	8,177
Legal & Professional Expenses	3,902	8,989
Bank Charges	115	327
Interest Expenses	6,781	-
Payment to Auditors (refer below)	5,750	5,725
Total	26,959	23,218

PAYMENTS TO AUDITOR	2016-17	2015-16
	R	R
As auditor:		
Audit fee	5,750	5,725
Total	5,750	5,725

Natural Resources Energy Private Limited
Notes to financial statements for the year ended 31st March, 2017

Note 13	2016-17	2015-16
EARNINGS PER SHARE (EPS)	R	R
Net Profit/(loss) after tax as per Statement of Profit / (Loss) attributable to Equity Shareholders	(26,959)	445,910
Nominal Value of Equity Shares (Rs.)	10	10
Weighted average number of Equity Shares used as denominator for calculating basic EPS	10,000	10,000
Weighted average number of Equity Shares used as denominator for calculating Diluted EPS	10,000	10,000
Basic (Rs.)	(2.70)	44.59
Diluted (Rs.)	(2.70)	44.59

Note 14	
RELATED PARTY DISCLOSURES	
a) Names of Related Parties and description of relationship	
Description of Relationship	Names of Related Parties
- Holding Company	Sarda Energy & Minerals Limited
- Subsidiary of Holding Company (Fellow Subsidiary)	Sarda Metal & Alloys Limited
- Key Management Personnel	-- Ravi Thakur Das Laddha -- V.T. Naidu

b) Material transactions with Related Parties:

	Holding Company	Fellow Subsidiary
Loans Advances /Repaid	- (30,193,720)	- -
Loans Given/ Received Back	- -	213,328 -
Debit note given (net)	- (99)	- (213,328)

Outstanding as on 31-03-2017

Payable	306,181 (306,181)	- -
Receivable	- -	- (213,328)

Previous year's figures have been shown in brackets.

Note 15
Contingent Liabilities not provided for, are in respect of :-

-- There is no contingent liabilities against the company.

Natural Resources Energy Private Limited
Notes to financial statements for the year ended 31st March, 2017

Note 16**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 31, 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:

Particulars	SBN	Other denomination Notes	Total
Closing cash in hand as on November 8, 2016	-	250.00	250.00
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on December 30, 2016	-	250.00	250.00

Note 17

Previous year's figures have been regrouped/rearranged wherever necessary.

THE ACCOMPANYING NOTES ARE FORMING INTEGRAL PART OF FINANCIAL STATEMENTS

As Per Our Report Of Even Date Attached

For O.P. Singhania & Co.

(Firm Regn.No.002172C)

Chartered Accountants,

For and on behalf of the Board of Directors of

Natural Resources Energy Private Limited

Sanjay Singhania

Partner

Membership No.076961

Place : Raipur

DATED : 09.05.2017

V.T.Naidu

Director

Ravi Thakur Das Laddha

Director