NAVA BHARAT

NAVA BHARAT VENTURES LIMITED

Annual Report of the Subsidiary Companies 2013-14

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General Information

Directors

Ashok Devineni

Ashwin Devineni

Chalasani Venu Durga Prasad

Pinnamaneni Trivikrama Prasad (upto 1 March 2014)

Managing Director

Ashwin Devineni

Secretary

Cecilia Chan Kim Hong

Independent Auditor

Sashi Kala Devi Associates

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Directors' Report

The Directors are pleased to present their report to the members together with the audited financial statements of Nava Bharat (Singapore) Pte. Limited (the "Company") for the financial year ended 31 March 2014.

1. DIRECTORS

The Directors of the Company in office at the date of this report are:

Ashwin Devineni

Ashok Devineni

Chalasani Venu Durga Prasad

2. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object is to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate.

3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The following Directors, who held office at the end of the financial reporting year, had, according to the register of Director's shareholdings required to be kept under section 164 of the Singapore Companies Act, Chapter 50, an interest in shares of the Immediate and Ultimate holding company as stated below:

	Ordinary shares at INR 2 each Held in the name of the Directors	
Name of Directors	**At beginning of year**	At end of year
IMMEDIATE AND ULTIMATE HOLDING COMPANY		
Nava Bharat Ventures Limited		
Ashwin Devineni	1,590,718	1,594,703
Ashok Devineni	1,081,989	1,082,268
Chalasani Venu Durga Prasad	70,915	70,915

4. DIRECTORS' CONTRACTUAL BENEFITS

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the Director, or with a firm of which the Director is a member, or with a Company in which the Director has a substantial financial interest.

5. OPTIONS TO TAKE UP UNISSUED SHARES

During the financial year, no option to take up unissued shares of the Company was granted.

6. OPTIONS EXERCISED

During the financial year, there were no shares of the Company issued by virtue of the exercise of options to take up unissued shares.

7. UNISSUED SHARES UNDER OPTION

At the end of the financial year, there were no unissued shares of the Company under option.

8. INDEPENDENT AUDITOR

The independent auditor, Sashi Kala Devi Associates, has expressed its willingness to accept reappointment as auditor.

on behalf of the Board of Directors

Ashwin Devineni	Ashok Devineni
Managing Director	Director

Statement by Directors

We, Ashwin Devineni and Ashok Devineni, being two of the Directors of Nava Bharat (Singapore) Pte. Limited, do hereby state that, in the opinion of the Directors,

(a) the accompanying statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows together with notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 March 2014 and the results of the business, changes in equity and cash flows of the Company for the year ended on that date; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

on behalf of the Board of Directors

Ashwin Devineni	Ashok Devineni
Managing Director	Director

Independent Auditors' Report

To the member of

Nava Bharat (Singapore) Pte. Limited

(Co. Reg. No. 200409999D)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Nava Bharat (Singapore) Pte. Limited (the "Company") which comprise the statement of financial position as at 31 March 2014, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

OPINION

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at 31 March 2014 and the results, changes in equity and cash flows of the Company for the year ended on that date.

EMPHASIS OF MATTERS

Without qualifying our opinion, we draw our attention to the following

1. Financial support from holding company for working capital and loans

The Company is dependent on its holding company to give financial support for its ongoing investments. In addition, the subsidiaries were in their preliminary stages of operations. Therefore, the validity of the going concern assumption on which the financial statements are prepared depends on the successful generation of income from these new businesses and continuous availability of the financial support from the holding company. The holding company undertakes to give continuous financial support to meet its obligations as and when required.

2. Amount due from subsidiaries

As mentioned above, the subsidiaries are in their initial stages of operations. The amounts due from subsidiaries as disclosed in note 8 to the financial statements are dependent on the outcome of their businesses and the Directors are of the view that the businesses of these subsidiaries will be successful. In the event that these outcomes are not favourable, allowances for impairment for these receivables need to be done during subsequent years.

3. Legal and other expenses claims

As disclosed in Note 24 to the financial statements, the Company is involved in lawsuits and claims against third parties. The Management is of the view that it has ground to these claims and based on their lawyer's assessment, the management believes it has strong case against the third parties. Should the event turns out adversely in subsequent years, the legal and other expenses claims recoverable as disclosed in Note 7 to the financial statements will be expensed off.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Sashi Kala Devi Associates
Public Accountants
and Chartered Accountants

Singapore
6 May 2014

Statement of Financial Position

as at 31 March 2014

	Notes	2014 US$	2014 INR	2013 US$	2013 INR
NON-CURRENT ASSETS					
Property, plant and equipment	3	558,429	33,455,481	402,059	21,857,938
Investment in subsidiaries	4	30,885,505	1,850,350,605	30,883,505	1,678,981,749
Investment in unquoted shares	5	99	5,931	99	5,382
		31,444,033	**1,883,812,017**	31,285,663	1,700,845,069
CURRENT ASSETS					
Trade receivables	6	1,964,110	117,669,830	1,684,400	91,572,406
Other receivables	7	7,291,667	436,843,770	6,076,827	330,366,700
Amounts due from subsidiaries	8	152,238,053	9,120,581,755	69,655,955	3,786,845,994
Amounts due from a related party	9	5,480	328,307	5,480	297,920
Investment securities	10	17,573,351	1,052,819,458	6,934,362	376,986,590
Cash and cash equivalents	11	2,432,908	145,755,518	6,597,134	358,653,190
		181,505,569	**10,873,998,639**	90,954,158	4,944,722,800
CURRENT LIABILITIES					
Other payables	12	409,756	24,548,482	394,625	21,453,788
Amounts due to holding company	13	16,780,059	1,005,293,335	18,859,149	1,025,277,635
Amounts due to subsidiaries	14	269,436	16,141,911	267,436	14,539,158
Interest-bearing loans and borrowings	15	53,480,000	3,203,986,800	44,000,000	2,392,060,000
Tax payable	16	488,828	29,285,685	615,429	33,457,798
		71,428,079	**4,279,256,213**	64,136,639	3,486,788,379
NET CURRENT ASSETS		110,077,490	6,594,742,426	26,817,519	1,457,934,420
Net assets		**141,521,523**	**8,478,554,443**	58,103,182	3,158,779,489
EQUITY ATTRIBUTABLE TO EQUITY HOLDER OF THE COMPANY					
Share capital	17	137,600,000	8,243,616,000	55,600,000	3,022,694,000
Accumulated profits		3,921,523	234,938,443	2,503,182	136,085,489
TOTAL EQUITY		**141,521,523**	**8,478,554,443**	58,103,182	3,158,779,489

The accompanying notes form an integral part of these financial statements.

NAVA BHARAT

Statement of Comprehensive Income

for the financial year ended 31 March 2014

	Notes	2014 US$	2014 INR	2013 US$ (reclassified)	2013 INR
REVENUE	18	38,403,503	2,300,753,865	36,678,856	1,994,046,006
Cost of sales		(38,035,218)	(2,278,689,910)	(36,254,115)	(1,970,954,962)
Gross profit		368,285	22,063,954	424,741	23,091,044
Other operating income	19	7,245,090	434,053,342	4,567,335	248,303,167
Administrative expenses		(1,453,771)	(87,095,421)	(1,487,748)	(80,881,420)
Other (charges)/credits	20	(2,231,032)	(133,661,127)	670,272	36,439,337
Finance costs	21	(2,032,432)	(121,763,001)	(2,301,262)	(125,108,109)
Profit before tax	22	1,896,140	113,597,747	1,873,338	101,844,020
Income tax expense	23	(477,799)	(28,624,938)	(392,564)	(21,341,742)
Profit for the year		1,418,341	84,972,809	1,480,774	80,502,278
Other comprehensive income		-	-	-	
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**1,418,341**	**84,972,809**	1,480,774	80,502,278

Statement of Changes in Equity

year ended 31 March 2014

	Share Capital		Accumulated profits		Total	
	US$	INR	US$	INR	US$	INR
Balance at 1 April 2012	31,600,000	1,893,156,000	1,022,408	61,252,463	32,622,408	1,954,408,463
Issue of ordinary shares	24,000,000	1,437,840,000	-	-	24,000,000	1,437,840,000
Total comprehensive income for the year	-	-	1,480,774	88,713,170	1,480,774	88,713,170
Balance at 31 March 2013	55,600,000	3,330,996,000	2,503,182	149,965,634	58,103,182	3,480,961,634
Issue of ordinary shares	82,000,000	4,912,620,000	-	-	82,000,000	4,912,620,000
Total comprehensive income for the year	-	-	1,418,341	84,972,809	1,418,341	84,972,809
Balance at 31 March 2014	137,600,000	8,243,616,000	3,921,523	234,938,443	141,521,523	8,478,554,443

The accompanying notes form an integral part of these financial statements.

Statement of Cash Flow

for the year ended March 31, 2014

	2014	2014	2013	2013
	US$	INR	US$	INR
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	1,896,140	113,597,747	1,873,338	101,844,020
Adjustments for:				
Amount due from a subsidiary written off	853,564	51,137,019	-	-
Depreciation	26,027	1,559,278	8,666	471,127
Interest income from subsidiary	(6,487,465)	(388,664,028)	(3,206,338)	(174,312,565)
Fair value loss/(gain) on investment securities	1,377,461	82,523,689	(685,300)	(37,256,335)
Interest expense on loans and borrowings	1,443,019	86,451,268	1,504,051	81,767,733
Operating loss before working capital changes	(891,254)	(53,395,027)	(505,583)	(27,486,020)
Increase in trade receivables	(279,710)	(16,757,426)	(444,660)	(24,173,941)
Increase in other receivables	(1,214,840)	(72,781,064)	(686,276)	(37,309,395)
(Decrease)/increase in amount due to holding company	(2,262,175)	(135,526,904)	9,000,221	489,297,015
Increase in other payables	15,131	906,498	104,749	5,694,679
Cash (used in)/generated from operations	(4,632,848)	(277,553,924)	7,468,451	406,022,339
Interest expenses on loan	(1,443,019)	(86,451,268)	(1,504,051)	(81,767,733)
Income tax paid	(476,791)	(28,564,549)	(109,720)	(5,964,928)
Income tax rebate	-	-	4,000	217,460
Foreign tax paid	(127,609)	(7,645,055)	(36,415)	(1,979,701)
Net cash (used in)/from operating activities	(6,680,267)	(400,214,796)	5,822,265	316,527,437
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from issuance of shares	82,000,000	4,912,620,000	24,000,000	1,304,760,000
Purchase of property plant and equipment	(182,397)	(10,927,404)	(1,068)	(58,062)
Purchase of investment securities	(12,016,450)	(719,905,520)	(1,234,200)	(67,097,283)
Proceeds from disposal of investment securities	-	-	8,182,800	444,857,922
Increase in investment in subsidiary	(2,000)	(119,820)	(25,679,449)	(1,396,063,245)
Net cash flows from investing activities	69,799,153	4,181,667,256	5,268,083	286,399,332
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase in amounts due from subsidiaries	(83,435,662)	(4,998,630,510)	(7,644,404)	(415,588,023)
Interest received from a subsidiary	6,487,465	388,664,028	3,206,338	174,312,565

Statement of Cash Flow

for the year ended March 31, 2014

Increase/(decrease) in amount due to holding company	183,085	10,968,622	(133,157)	(7,239,080)
Increase in amounts due to subsidiaries	2,000	119,820	-	-
Proceeds from short-term borrowings	9,480,000	567,946,800	30,926,068	1,681,295,687
Repayment of long-term borrowings	-	-	(35,185,126)	(1,912,839,375)
Net cash used in financing activities	(67,283,112)	(4,030,931,240)	(8,830,281)	(480,058,227)
Net (decrease)/increase in cash and cash equivalents	(4,164,226)	(249,478,780)	2,260,067	122,868,542
Cash and cash equivalents at beginning of year	6,597,134	395,234,298	4,337,067	235,784,647
Cash and cash equivalents at end of year	**2,432,908**	**145,755,518**	6,597,134	358,653,190

The accompanying notes form an integral part of these financial statements.

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to the Financial Statements for the year ended 31 March, 2014

These notes are an integral part of and should be read in conjunction with the accompanying financial statements.

1. CORPORATE INFORMATION

The Company is a private company limited by shares, incorporated and domiciled in the Singapore. The immediate and ultimate holding is Nava Bharat Ventures Limited, incorporated in India.

The registered office of the Company is located at 120, Lower Delta Road, #05-14, Cendex Centre, Singapore 169208.

The principal activities of the Company are to carry on the business of general trading and exporters of natural minerals, coal, ferro alloys, ores and alloys. There have been no significant changes in the principal activities during the financial year.

The principal activities of the subsidiaries are disclosed in Note 4 to the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (FRS) as required by the Singapore Companies Act, Chapter 50.

The financial statements have been prepared on a historical cost basis except where otherwise described in the accounting policies below.

The financial statements are presented in United States Dollar (USD or US$) and all values are rounded to the nearest one-dollar unless otherwise stated.

The accounting policies adopted are consistent with those used in the previous financial year except in current financial year, the Company have adopted all applicable new and revised FRS and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for the current financial year. The adoption of these new and revised FRS and INT FRS did not result in any changes to the Company's accounting policies and had no material effect on the amounts reported for the current or prior financial years

Standards issued but not yet effective

The Company has not adopted the following standards and interpretations which are potentially relevant to the Company that has been issued but not yet effective:

	Effective date (Annual periods beginning on or after)
Amendments to FRS 32 Offsetting Financial Assets and Financial Liabilities	1 January 2014
Improvements to FRSs 2014:	
-Amendment to FRS 16 Property, Plant and Equipment	1 July 2014
-Amendment to FRS 19 Defined Benefit Plans: Employee Contributions	1 July 2014
-Amendment to FRS 24 Related Party Disclosures	1 July 2014

The Directors expect that the adoption of the standards and interpretations above will have no material impact on the financial statements in the period of initial application.

Consolidated Financial Statements (Non-consolidated)

The financial statements of the subsidiaries have not been consolidated with the Company's financial statements as the Company itself is a wholly owned subsidiary of Nava Bharat Ventures Limited, incorporated in India, which prepares

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consolidated financial statements on a worldwide basis. Such financial statements are publicly available.

The registered address of Nava Bharat Ventures Limited is Nava Bharat Chambers, 6-3-1109/1, Raj Bhavan Road, Hyderabad – 500 082.

Investments in subsidiaries in the financial statements of the Company are stated at cost, less any impairment in recoverable value.

(b) Significant accounting estimates and judgements

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets, liabilities, and disclosure of contingent liabilities at the end of each reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

- **Key sources of estimation uncertainty**

  The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

  (i) Useful lives of plant and equipment

  The cost of plant and equipment is depreciated on a straight-line basis over the plant and equipment's estimated economic useful lives. Management estimates the useful lives of these plant and equipment to be within 1 to 60 years. These are common life expectancies applied in the industry. Changes in the expected level of usage and technological developments could impact the economic useful lives of these assets, therefore, future depreciation charges could be revised. The carrying amount of the plant and equipment at the end of each reporting period is disclosed in Note 3 to the financial statements. A 5% difference in the expected useful lives of these assets from management's estimates would result in insignificant variance in the profit before tax.

  (ii) Impairment of investment in subsidiary

  The Company assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

  Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Company's investment in subsidiaries at the end of each reporting period is disclosed in Note 4 to the financial statements.

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- Judgement made in applying accounting policies

  There were no material judgements made by management in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

(c) Functional and foreign currency

The management has determined the currency of the primary economic environment in which the Company operates i.e. functional currency, to be USD.

Foreign currency transactions

Transactions in foreign currencies are measured in USD and are recorded on initial recognition at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are re-translated to the functional currency at the rate of exchange ruling at the end of the reporting period. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of initial recognition. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

(d) Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses The cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, 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.

When significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognise such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Leasehold buildings	60 years
Motor vehicles	10 years
Office equipment	3 years
Renovation	3 years
Computer	1 year

Fully depreciated assets are retained in the financial statements until they are no longer in use.

(e) Property, plant and equipment

For acquisition and disposals of property, plant and equipment, depreciation is provided in the month of acquisition and no depreciation is provided in the month of disposal.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end,

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and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

(f) Subsidiaries

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

(g) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial assets at initial recognition.

When a financial asset is recognised initially, an entity shall measure it at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of financial asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by FRS 39. Derivatives including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

The Company has not designated any financial assets upon initial recognition at fair value through profit or loss.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss include exchange differences, interest and dividend income.

(ii) Held-to-maturity investment

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Company has the positive intention and ability to hold the investments to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

(iii) Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment.

Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loan and receivables comprise cash and cash equivalents, trade and other receivables, Amount due from subsidiaries and related party.

(iv) Available-for-sale financial assets

Available-for-sale financial assets include equity and debt securities. Equity investment classified as available-for-sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss.

After initial recognition, available-for-sale financial assets are subsequently measured at fair value. Any gains or losses arising from changes in the fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

De-recognition

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchase or sale of a financial asset

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Company commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

(h) Impairment of financial assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

(i) Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Company first assesses whether objective evidence of impairment exists individually for financial asset that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The loss is recognised in the profit or loss.

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When the asset becomes uncollectible, the carrying amount of impaired financial asset is reduced directly or if an amount was charged to the allowance account, the amount charged to the allowance account is written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(ii) Financial assets carried at cost

If there is objective evidence that an impairment loss on a financial asset carried at cost has been incurred (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) the impairment loss is recognised and the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

(iii) Available-for-sale financial assets

In the case of equity investments classified as available-for-sale, objective evidence of impairment include (i) significant financial difficulty of the issuer or obligor, (ii) information about significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in equity instrument may not be recovered; and (iii) a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is to be evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost.

If an available-for-sale financial assets is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from other comprehensive income and recognised in profit or loss. Reversals of impairment losses in respect of equity instruments are not recognised in profit or loss; increase in their fair value after impairment are recognised directly in other comprehensive income.

(j) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that a non-financial asset, may be impaired. If any such an indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash generation unit to which the asset belongs.

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The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease.

(k) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

When a financial liability is recognised initially, an entity shall measure it at its fair value plus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of financial liability.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

The Company has not designated any financial liabilities upon initial recognition at fair value through profit or loss.

(ii) Financial liabilities at amortised cost

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the profit or loss.

(l) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and at bank and cash in hand.

(m) Other payables

Other payables are non-interest bearing and have an average term of six months.

(n) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is presented in the balance sheet, when and only when, there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or realise the assets and settle the liabilities simultaneously.

(o) Provisions

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

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Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where 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.

(p) Employee benefits

(i) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

In particular, the Company makes contributions to the Central Provident Fund ("CPF") scheme in Singapore, a defined contribution pension scheme. These contributions are recognised as an expense in the period in which the related service is performed.

(ii) Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

(q) Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the balance sheet and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Cash grant from the government in relation to jobs credit scheme are recognised as other income upon receipt.

(r) Contingencies

A contingent liability is:

(a) a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event or events not wholly within the control of the Company, or

(b) a present obligation that arises from past events but is not recognised because:

 (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations; or

 (ii) the amount of the obligation cannot be measured with sufficient reliability.

 A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

 A contingent liabilities and assets are not recognised on the statement of financial position of the Company except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

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(s) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes. The following specific recognition criteria must also be met before revenue is recognised:

(i) Sales of goods

Revenue from sale is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(ii) Trading in securities

Profit on sale of investment and trading securities, options and futures is recognised on settlement date.

(iii) Interest income

Interest income is recognised using the effective interest method.

(t) Taxes

(i) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period.

Current income taxes are recognised in the profit or loss except to the extent that tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured using the tax rates that are expected to apply to the year when the

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asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(iii) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax ("GST") except:

- Where the goods and services tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the goods and services tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of goods and services tax included.

The net amount of goods and services tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

(u) Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Company if that person:

(i) Has control or joint control over the Company;

(ii) Has significant influence over the Company; or

(iii) Is a member of the key management personnel of the Company or of a parent of the Company.

(b) An entity is related to the Company if any of the following conditions applies:

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

(iii) Both entities are joint ventures of the same third party;

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;

(vi) The entity is controlled or jointly controlled by a person identified in (a);

(vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to the parent of the Company.

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3. PROPERTY, PLANT AND EQUIPMENT

	Leasehold building	Office equipment	Motor vehicle	Computer	Renovation	Total	Total
	US$	US$	US$	US$	US$	US$	INR
Cost:							
At 1 April 2012	463,528	7,975	-	**4,558**	84,033	560,094	33,555,232
Additions	-	-	-	1,068	-	1,068	63,984
At 31 March 2013 and 1 April 2013	463,528	7,975		5,626	84,033	561,162	33,619,216
Additions	-	-	180,500	1,897	-	182,397	10,927,404
At 31 March 2014	463,528	7,975	180,500	7,523	84,033	743,559	44,546,620
Accumulated depreciation:							
At 1 April 2012	54,078	7,768	-	4,558	84,033	150,437	9,012,681
Charge for the year	7,725	207	-	734	-	8,666	519,180
At 31 March 2013 and 1 April 2013	61,803	7,975	-	5,292	84,033	159,103	9,531,861
Charge for the year	7,725	-	16,546	1,756	-	26,027	1,559,278
At 31 March 2014	69,528	7,975	16,546	7,048	84,033	185,130	11,091,139
Net carrying amount:							
At 31 March 2013	**401,725**	-	-	334	-	**402,059**	**24,087,355**
At 31 March 2014	**394,000**	-	163,954	475	-	**558,429**	**33,455,481**

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4. INVESTMENT IN SUBSIDIARIES

	2014	2014	2013	2013
	US$	**INR**	US$	INR
Unquoted shares, at cost	**30,885,505**	**1,850,350,605**	30,883,505	1,678,981,749

During the financial year, the Company has incorporated wholly owned subsidiaries Nava Energy Pte. Ltd. and Nava Bharat Lao Energy Pte Ltd with an initial paid up share capital of US$1,000 for each subsidiary. Both the subsidiaries are incorporated in Singapore and have not commenced business operation at the end of reporting period

4. INVESTMENT IN SUBSIDIARIES (CONTD.)

Details of the subsidiaries at 31 March 2014 are as follows:-

Name and principal activities	Country of incorporation	Cost of investments				Effective equity interest held by Company	
		2014	**2014**	2013	2013	**2014**	2013
		US$	**INR**	US$	INR	**%**	%
*PT Nava Bharat Sungai Cuka (Dormant)	Indonesia	475,000	28,457,250	475,000	25,823,375	95	95
*PT Nava Bharat Indonesia (Dormant)	Indonesia	475,000	28,457,250	475,000	25,823,375	95	95
*Kobe Green Power & Co Ltd. (Hydropower plant)	Japan	16,000	958,560	16,000	869,840	80	80
+Maamba Collieries Limited (Mining activity)	Zambia	29,916,505	1,792,297,815	29,916,505	1,626,410,794	65	65
+Nava Bharat Africa Resources Pvt Limited (Dormant)	Mauritius	1,000	59,910	1,000	54,365	100	100
*Nava Energy Pte. Ltd (Dormant)	Singapore	1,000	59,910	–	–	100	–
*Nava Bharat Lao Energy Pte. Ltd . (Dormant)	Singapore	1,000	59,910	–	–	100	–
		30,885,505	**1,850,350,605**	30,883,505	1,678,981,749		

+: Audited by firm other than Sashi Kala Devi Associates

*: Unaudited financial statements

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	2014	2014	2013	2013
	US$	INR	US$	INR
5. INVESTMENT IN UNQUOTED SHARES				
Indo Coal Ventures Pte Ltd	**99**	**5,931**	99	5,382

6. TRADE RECEIVABLES

Trade receivables are non-interest bearing and are generally on 30 to 90 days' terms. They are recognised at their original invoice amounts which represents their fair values on initial recognition.

The Company assesses at the end of each reporting period whether there is objective evidence that trade and other receivables are impaired. However, no allowance for impairment is made, as there is no any objective evidence that the Company will not be able to collect all amounts due according to the terms of receivables.

Receivables that are past due but not impaired

The Company has trade receivables amounting to $111,240 (2013: Nil) that are past due at the end of the reporting period but not impaired. These receivables are unsecured and the analysis of their aging at the end of the reporting period is as follows:

	2014	2014	2013	2013
	US$	INR	US$	INR
Trade receivables past due but not impaired:				
More than 90 days	**111,240**	**6,664,388**	–	–

	2014	2014	2013	2013
	US$	INR	US$	INR
7. OTHER RECEIVABLES				
Amount due from a third party	761,417	45,616,493	568,847	30,925,367
Interests receivable from investment securities	201,695	12,083,548	148,360	8,065,591
Legal and other expenses claims recoverable (Note 24)	6,297,319	377,272,381	5,319,876	289,215,059
Prepayment	29,306	1,755,722	39,744	2,160,683
Sundry receivables	1,930	115,626	–	–
	7,291,667	**436,843,770**	6,076,827	330,366,700

The amount due from a third party is non-trade, unsecured, interest-free and to be settled in cash.

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8. AMOUNTS DUE FROM SUBSIDIARIES

The amounts are non-trade, unsecured, interest-free and convertible into investments at future date and interest-free except for an amount of US$ 139,334,855 (2013: US$63,334,855) which is charged at interest rate of 6% (2013: 6%) per annum.

The Directors are of the view that these amounts are recoverable although the subsidiaries are in preliminary stages of operation as they are of the opinion that these subsidiaries will successfully generate income in future.

9. AMOUNT DUE FROM A RELATED PARTY

The amount due are non-trade, unsecured, interest-free and convertible into investments at future date.

	2014	2014	2013	2013
	US$	INR	US$	INR
10. INVESTMENT SECURITIES				
Held for trading investments:				
Equity instruments	**17,573,351**	**1,052,819,458**	6,934,362	376,986,590

11. CASH AND CASH EQUIVALENTS

Cash and cash equivalents denominated in foreign currencies at 31 March are as follows:

	2014	2014	2013	2013
	US$	INR	US$	INR
Singapore Dollar (SGD)	**42,001**	**2,516,280**	96,694	5,256,769

	2014	2014	2013	2013
	US$	INR	US$	INR
12. OTHER PAYABLES				
Accrued liabilities	14,000	838,740	12,000	652,380
Central Provident Fund contribution payable	5,000	299,550	4,322	234,965
Interest payable	103,386	6,193,855	90,933	4,943,573
Advance from customers	287,370	17,216,337	287,370	15,622,870
	409,756	**24,548,482**	394,625	21,453,788

Other payables denominated in foreign currencies as at 31 March are as follows:

	2014	2014	2013	2013
	US$	INR	US$	INR
Singapore Dollar (SGD)	**19,000**	**1,138,290**	16,322	887,345

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		2014	2014	2013	2013
		US$	INR	US$	INR
13.	**AMOUNTS DUE TO HOLDING COMPANY**				
	Trade	16,388,820	981,854,206	18,650,995	1,013,961,343
	Non-trade	391,239	23,439,129	208,154	11,316,292
		16,780,059	**1,005,293,335**	18,859,149	1,025,277,635

The amounts are unsecured, interest-free, and repayable on demand and to be settled in cash.

14. AMOUNTS DUE TO SUBSIDIARIES

The amount is non-trade, unsecured, interest-free, and repayable on demand and to be settled in cash.

		2014	2014	2013	2013
		US$	INR	US$	INR
15.	**INTEREST-BEARING LOANS AND BORROWINGS**				
	Bank loans and borrowings (unsecured)	**53,480,000**	**3,203,986,800**	44,000,000	2,392,060,000

The bank loans and borrowings are guaranteed by the holding company. The interest rates ranged from 0.91% to 3.4% (2013: 2.40+LIBOR) per annum and repayable by November 2014.

		2014	2014	2013	2013
		US$	INR	US$	INR
16.	**TAX PAYABLE**				
	Balance at beginning of year	615,429	36,870,351	365,000	19,843,225
	Current year's tax expense on profit	560,220	33,562,780	266,215	14,472,779
	Income tax paid	(476,791)	(28,564,549)	(109,720)	(5,964,928)
	(Over)/under provision in respect of prior years	(210,030)	(12,582,897)	93,934	5,106,722
	Balance at end of year	**488,828**	**29,285,685**	615,429	33,457,798

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	Number of shares	2014 US$	2014 INR	Number of shares	2013 US$	2013 INR
17. SHARE CAPITAL						
Issued and fully paid ordinary shares:						
At beginning of year	55,606,870	55,600,000	3,330,996,000	31,606,870	31,600,000	1,717,934,000
Issued during the year	82,000,000	82,000,000	4,912,620,000	24,000,000	24,000,000	1,304,760,000
At end of year	137,606,870	**137,600,000**	**8,243,616,000**	55,606,870	55,600,000	3,022,694,000

During the year, 82,000,000 ordinary shares of US$1 each were issued for total cash consideration of US$82,000,000. The proceeds were used for working capital purposes.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares have no par value carry one vote per share without restrictions.

18 . REVENUE

Revenue represents income from sale of minerals, coals, ores and alloys.

	2014 US$	2014 INR	2013 US$	2013 INR
19. OTHER OPERATING INCOME				
Interest income on:				
– bonds	609,895	36,538,810	973,804	52,940,854
– investment securities	147,677	8,847,329	361,652	19,661,211
– loans to subsidiary	6,487,465	388,664,028	3,206,338	174,312,565
– bank	53	3,175	3	163
Government grant – jobs credit scheme	-		152	8,264
Sundry income	-		25,386	1,380,110
	7,245,090	**434,053,342**	4,567,335	248,303,167

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	2014	2014	2013	2013
	US$	INR	US$	INR
20. OTHER CHARGES/(CREDITS)				
Amount due from a subsidiary written off – non trade	853,564	51,137,019	-	-
Fair value loss/(gain) in investment securities	1,377,461	82,523,689	(670,272)	(36,439,337)
Foreign exchange adjustments -loss	7	419	15,028	816,998
	2,231,032	**133,661,127**	(670,272)	(35,622,339)

	2014	2014	2013	2013
	US$	INR	US$	INR
21. FINANCE COSTS				
Interest expense on loans and borrowings	1,443,019	86,451,268	1,504,051	81,767,733
Facility fee	50,160	3,005,086	72,309	3,931,079
Guarantee commission	539,253	32,306,647	724,902	39,409,297
	2,032,432	**121,763,001**	2,301,262	125,108,109

22. PROFIT BEFORE TAX

The following items have been charged in arriving at profit before tax:

	2014	2014	2013	2013
	US$	INR	US$	INR
Purchases	38,035,218	2,278,689,910	36,254,115	1,970,954,962
Consultancy fee	-	-	156,910	8,530,412
Project expenditure	291,534	17,465,802	338,039	18,377,490
Overseas travel expenses	**93,615**	**5,608,475**	97,925	5,323,693

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23. INCOME TAX EXPENSE

(i) Major components of income tax expense

The major components of income tax expense for the years ended 31 March 2014 and 2013 are:

Statement of comprehensive income:

	2014	**2014**	2013	2013
	US$	**INR**	US$	INR
Current income tax				
- Current year	560,220	33,562,780	266,215	14,472,779
- Tax refund	-		(4,000)	(217,460)
- Withholding tax paid	127,609	7,645,055	36,415	1,979,701
- (Over)/under provision in respect of prior years	(210,030)	(12,582,897)	93,934	5,106,722
	477,799	**28,624,938**	392,564	21,341,742

(ii)Relationship between tax expense and accounting profit

The reconciliation between the tax expense and the product of accounting profit multiplied by the applicable tax rate for the years ended 31 March 2014 and 2013 are as follows:

	2014	**2014**	2013	2013
	US$	**INR**	US$	INR
Profit before tax	1,896,140	113,597,747	1,873,338	101,844,020
Tax expense on profit before tax at 17% (2013: 17%)	322,343	19,311,569	318,468	17,313,513
Adjustments:				
Non-deductible expenses	200,848	12,032,804	85,979	4,674,248
Income not subject to taxation	82,437	4,938,801	(116,658)	(6,342,112)
Enhanced allowances	(967)	(57,933)	-	
(Over)/under provision in respect of prior years	(210,030)	(12,582,897)	93,934	5,106,722
Tax refunded	-		(4,000)	(217,460)
Tax exemptions	(20,590)	(1,233,547)	(20,847)	(1,133,347)
Deferred tax asset recognised for current year	(24)	(1,438)	(727)	(39,523)
Corporate Income Tax rebate	(23,827)	(1,427,476)	-	
Withholding tax paid	127,609	7,645,055	36,415	1,979,701
Total tax expense	**477,799**	**28,624,938**	392,564	21,341,742

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24. CONTINGENT ASSETS AND LIABILITIES

The Company is involved in lawsuits and claims against third parties in respect of the legality of the coal mine ownership of its subsidiary P.T Nava Bharat Sungai Cuka (Note 4), and for the money paid, and compensation for the conspiracy on the rights of the coal mine. The Company is claiming for an amount of approximately US$6.3 (2013: US$5.3) million paid for the rights of the coal mine and approximately US$44.83 (2013: US$62.8) million for compensation of future continuing loss of profits. Based on the lawyer's assessment, the Directors of the Company are of the view that the Company has a relatively strong case against the third parties.

As at the date of this report, the above lawsuits are still on going.

Continuing financial support

As at 31 March 2014, the Company had given undertakings to certain subsidiaries to provide financial support to enable them to operate as going concerns and to meet their obligations for at least 12 months from the respective date of their Directors' report.

25. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

Capital includes debt and equity items as disclosed in the table below.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 March 2014 and 31 March 2013. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company is not subjected to externally imposed capital requirements

The Company will continue to be guided by prudent financial policies of which gearing is an important aspect.

	2014	2014	2013	2013
	US$	INR	US$	INR
Other payables	409,756	24,548,482	394,625	21,453,788
Amount due to holding company	16,780,059	1,005,293,335	18,859,149	1,025,277,635
Amounts due to subsidiaries	269,436	16,141,911	267,436	14,539,158
Interest-bearing loans and borrowings	53,480,000	3,203,986,800	44,000,000	2,392,060,000
Less: Cash and cash equivalents	(2,432,908)	(145,755,518)	(6,597,134)	(358,653,190)
Net debt	**68,506,343**	**4,104,215,010**	56,924,076	3,094,677,391
Equity attributable to the owner of the Company	141,521,523	8,478,554,443	58,103,182	3,158,779,489
TOTAL CAPITAL	**141,984,621**	**8,478,554,443**	58,103,182	3,158,779,489
Capital and net debt	**210,490,964**	**12,582,769,453**	115,027,258	6,253,456,880
Gearing ratio	**33%**		49%	

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to the Financial Statements for the year ended 31 March, 2014

26. RELATED PARTY DISCLOSURES

In additions to those related party information disclosed elsewhere in the financial settlements, the following significant transactions between the Group and related parties that took place at terms agreed between the parties during the financial year:

(i) Significant related party transactions

	2014	2014	2013	2013
	US$	INR	US$	INR
Ultimate holding company				
- Purchases	38,035,218	2,278,689,910	36,254,115	1,970,954,962
- Guarantee commission	528,815	31,681,307	724,902	39,409,297
Subsidiaries				
- Expenses paid on behalf	1,021,406	61,192,433	703,932	38,269,263
- Received payment from	–		6,011,986	326,841,619
- Loan to	76,000,000	4,553,160,000	35,475,586	1,928,630,233
- Interest on loan	**6,300,942**	**377,489,435**	–	

(ii) Compensation of key management personnel

Key management personnel of the Company are those persons having the authority and responsibility for planning directing and controlling the activities, directly or indirectly of the Company. The Directors of the Company and the general management of the Company are considered as key management personnel of the Company.

	2014	2014	2013	2013
	US$	INR	US$	INR
Director's fees	**703,200**	**42,128,712**	554,820	30,162,789

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include interest rate risk, foreign currency risk, market risk and credit risk, liquidity risk. The Company's risk management policies focus on the unpredictability of financial markets and seek to, where appropriate, minimise potential adverse effects on the financial performance of the Company. The Company does not have any written financial risk management policies and guidelines and there has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risks.

The following sections provide details regarding the Company's exposure to the financial risks associated with financial instruments held in the ordinary course of business and the objectives, policies and processes for the management of these risks.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk arises primarily

Notes

to the Financial Statements for the year ended 31 March, 2014

from their loans and borrowings, interest-bearing loans given to related parties, investments in debt securities and cash and cash equivalent.

The Company's policy is to manage its interest cost using a mix of fixed and variable rate debts as well as by rolling over its borrowings on a short-term basis.

Sensitivity analysis for interest rate risk

Movements in interest rates will have an impact on the Company's loans and borrowings. A change of 50 basis points (bp) in interest rates at the reporting date would change equity and profit before tax by US$267,400 (2013: US$220,400). This analysis assumes that all other variables remain constant.

(ii) Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when transactions are denominated in foreign currencies.

The Company has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the functional currency. The foreign currencies in which these transactions are denominated are mainly Singapore Dollars (SGD). The Group's trade receivables and other payable balances at the end of the reporting period have similar exposures. The Company also hold cash and cash equivalents denominated in foreign currencies for working capital purposes.

The Company does not use any financial derivatives such as foreign currency forward contracts, foreign currency options or swaps for hedging purposes.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Company's profit before of tax to a reasonably possible change in the Singapore dollar (SGD) exchange rates against the respective functional currencies of the Group entities, with all other variables held constant

	Profit net of tax			
	2014	**2014**	2013	2013
	US$	**INR**	US$	INR
SGD				
- strengthened 2% (2013: 1%)	(840)	(50,324)	(966)	(52,517)
- weakened 2% (2013: 1%)	840	50,324	966	52,517

(iii) Market risk

Market price risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates). The Company is exposed to equity price risk arising from its investment in quoted equity instruments. These instruments are quoted in the SGX-ST in Singapore and Overseas exchanges, and are classified as held-for-trading.

Notes

to the Financial Statements for the year ended 31 March, 2014

(iv) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities, cash and cash equivalents and derivatives), the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Company trades only with recognised and creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant.

- **Exposure to credit risk**

  At the end of the reporting period, the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position. No other financial assets carry a significant exposure to credit risk.

- **Credit risk concentration profile**

  At the end of the reporting period, there were no significant concentrations of credit risk The maximum exposures to credit risk in relation to each class of recognised financial assets is represented by the carrying amount of each financial assets as indicated in the statement of financial position..

- **Financial assets that are neither past due nor impaired**

  Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Company. Cash and short term deposits, investment securities that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

- **Financial assets that are either past due or impaired**

  There were no financial assets that are past due or impaired at the end of the reporting period.

(v) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from possible mismatches of the maturities of financial assets and liabilities. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of standby credit facilities.

Analysis of financial instruments by remaining contractual maturities

The maturity profile of the Group and Company's financial liabilities at the end of reporting period, based on contractual undiscounted repayment obligations is less than one year.

Notes

to the Financial Statements for the year ended 31 March, 2014

28. CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES

The following table summarises the carrying amount of financial assets and liabilities recorded at the end of the reporting period by FRS 39 categories.

	2014	2014	2013	2013
	US$	INR	US$	INR
Fair value through profit and loss				
Investment securities	17,573,351	1,052,819,458	6,934,362	376,986,590
	17,573,351	**1,052,819,458**	6,934,362	376,986,590
Loans and receivables				
Trade receivables	1,964,110	117,669,830	1,684,400	91,572,406
Other receivables	7,262,361	435,088,048	6,037,083	328,206,017
Amounts due from subsidiaries	152,238,053	9,120,581,755	69,655,955	3,786,845,994
Amount due from a related party	5,480	328,307	5,480	297,920
Cash and cash equivalents	2,432,908	145,755,518	6,597,134	358,653,190
	163,902,912	**9,819,423,458**	83,980,052	4,565,575,527
Financial liabilities at amortised cost				
Other payables	409,756	24,548,482	394,625	21,453,788
Amounts due to holding company	16,780,059	1,005,293,335	18,859,149	1,025,277,635
Amounts due to subsidiaries	269,436	16,141,911	267,436	14,539,158
Interest bearing loans and borrowings	53,480,000	3,203,986,800	44,000,000	2,392,060,000
	70,939,251	**4,249,970,528**	63,521,210	3,453,330,581

29. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of a financial instrument 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 Company categories fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

Fair value hierarchy

Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Company can access at the measurement date,

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Notes

to the Financial Statements for the year ended 31 March, 2014

(i) Fair value of financial instruments that are carried at fair value

The following table shows an analysis of financial instruments carried at fair value by level of fair value hierarchy:

	Quoted prices in active markets for identical instruments (Level 1)			
	2014	**2014**	2013	2013
	US$	**INR**	US$	INR
Financial asset:				
Held for trading investments (Note 11)				
- Equity instruments (quoted)	**17,573,351**	**1,052,819,458**	6,934,362	376,986,590

(ii) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

Current trade and other receivables and other payables, amount due from/(to) subsidiaries, amount due form a related party and amount due from a Director at fixed rate, Current loans and borrowings at floating rate.

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values due to their short-term nature.

30. RECLASSIFICATIONS AND COMPARATIVE FIGURES

Certain reclassifications have been made to the prior year's financial statements to enhance comparability with current year's financial statements. As a result, certain line items have been amended on the face of the statement of comprehensive income and the related notes to the financial statements. Comparative figures have been adjusted to conform with current year's presentation.

The items reclassified were as follows:

	Previously reported		Reclassification		After reclassification	
	US$	INR	US$	INR	US$	INR
Statement of comprehensive income						
Administrative expenses	1,502,776	81,698,417	(15,028)	(816,997)	1,487,748	80,881,420
Other charges/(credits)	(685,300)	(37,256,335)	15,028	816,997	(670,272)	(36,439,338)
	817,476	44,442,082	–	–	817,476	44,442,082

Notes

to the Financial Statements for the year ended 31 March, 2014

31. EVENT OCCURRING AFTER THE REPORTING PERIOD

On 15 April 2014, 5,000,000 ordinary shares of US$1 each were issued for total cash consideration of US$5 million.

32. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the year ended 31 March 2014 were authorised for issue in accordance with a resolution of the Directors on 6 May 2014.

Note: Indian rupee equivalent figures have been arrived at by applying the year end interbank exchange rate US$ 1 = ₹ 59.91 (previous year US$ 1 = ₹ 54.365) and not form of the report of Nava Bharat (Singapore) Pte. Limited as made out in accordance with laws of country of incorporation.

General Information

Country of incorporation and domicile	Zambia
Company registration number	6364
Nature of business and principal activities	Coal mining and power generation
Directors	D. Ashok A. Devineni P R K Gorthi E S S Nebwe R. Mushinge D. Simukoko
Registered Office	P.O.Box 99 Maamba
Business Address	Maamba Mine Maamba
Bankers	Standard Chartered Bank Zambia Plc Barclays Bank Zambia Plc Zambia National Commercial Bank Plc JP Morgan Chase Singapore
Auditors	BDO
Advocates	Kalakoni and Co Wilson and Cornhill
Secretary	Moores Rowland Corporate Services Limited
Holding Company	Nava Bharat (Singapore) Pte Ltd Incorporated in Singapore (65%), ZCCM Investment Holdings Plc (35%)
Ultimate Holding Company	Nava Bharat Ventures Limited incorporated in India
Investment Licence	ZDA 639/01/2010

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The reports and statements set out below comprise the financial statements presented to the members:

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Independent Auditor's Report

To the members of Maamba Collieries Limited

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Maamba Collieries Limited which comprise the statement of financial position as at 31 March 2014, the statement of comprehensive income, statement of changes in equity, the statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes as set out on pages 7 to 33.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Zambian Companies Act and such internal controls as Directors determine necessary to enable the preparation of financial statements that 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 conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

OPINION

In our opinion, the financial statements present fairly, in all material respects, the financial position of Maamba Collieries Limited as at 31 March 2014, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, and in the manner required by the Zambian Companies Act.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The Zambian Companies Act requires that in carrying out an audit, we consider whether or not a company has kept the accounting records and registers as required by this Act. We confirm that in our opinion the accounting records, other records and registers required by the Zambian Companies Act have been properly kept by the Company.

BDO
Chartered Accountants
Sd/-
WP Saunders
Partner

Date : 6th May, 2014

Note: Page Nos. 7 to 33 in the above statement may be referred as 44 to 69 in this Annual Report.

Directors' Responsibilities and Approval

The Directors are required by the Section 164 of Zambian Companies Act, 1994, to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the Company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards.

The financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Company and place considerable importance on maintaining a strong control environment. To enable the Directors to meet these responsibilities, the Directors set standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Company and all employees are required to maintain the highest ethical standards in ensuring the Company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Company is on identifying, assessing, managing and monitoring all known forms of risk across the Company. While operating risk cannot be fully eliminated, the Company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

In the opinion of the Directors:

a) the statement of financial position is drawn up so as to give a true and fair view of the state of the affairs of the Company as at 31 March 2014;

b) the statement of comprehensive income is drawn up so as to give a true and fair view of the loss of the Company for the year ended 31 March 2014;

c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

d) the financial statements have been prepared by in accordance with International Financial Reporting Standards and the Zambian Companies Act, 1944 (as amended).

The financial statements set out on pages 5 to 33, which have been prepared on the going concern basis, were approved by the Directors on 6th May, 2014 and were signed on its behalf by:

R. Mushinge	D. Simukoko
Director	Director

Date : 6th May, 2014

Note: Page Nos. 5 to 33 in the above statement may be referred as 42 to 69 in this Annual Report.

Directors' Report

The Directors submit their report for the year ended 31 March 2014.

1. REVIEW OF ACTIVITIES

The Company's core activities are coal mining and power generation.

The operating results and state of affairs of the Company are fully set out in the attached financial statements and do not in our opinion require any further comment.

The Company's turnover for the year was USD13,978,813 – INR 837,470,687 (2013 : USD2,892,514 – INR 157,251,524) and loss after tax was USD 4,287,235 – INR 256,848,250 (2013 : USD10,629,299 – INR 577,861,840).

2. PROPERTY, PLANT AND EQUIPMENT

During the year, the Company acquired property, plant and equipment amounting to USD134,463,668 – INR 8,055,718,350 (2013- USD74,412,726 – INR 4,040,011,349) and disposed of property, plant and equipment with an original cost of USD158,590 – INR 9,501,127 (2013-USD113,404 – INR 6,165,208).

3. AUTHORISED AND ISSUED SHARE CAPITAL

In April 2012, the Company's shareholders resolved to convert the shareholders' loans to equity in proportion to their current shareholding. These are accounted for in share capital and subscriptions.

Subscriptions awaiting allotment amounts are received in both Zambian Kwacha and United States Dollars and carry interest at 6% per annum until the allotment time. At 31 March 2014, the total contributions from Nava Bharat (Singapore) Pte Limited amounted to USD 139,334,854 - INR 8,347,551,103 and ZCCM IH amounted to USD 28,780,000 – INR 1,724,209,800 and ZMW109,062,001 – INR 1,070,587,813. Total contributions represented 75% for Nava Bharat (Singapore) Pte Limited and 25% ZCCM Investment Holdings Plc.

There were no changes in the authorised or issued share capital of the Company during the year under review.

4. POST BALANCE SHEET EVENTS

The Directors are not aware of any material matter or circumstance arising since the end of the financial year to the date of approval of these financial statements that require disclosure or adjustment in the financial statements.

5. HEALTH AND SAFETY

The Company is committed to ensuring the health, safety and welfare at work of its employees and for protecting other persons against risks to health or safety arising out of, or in connection with the activities at work of those employees.

6. STAFF

The average number of employees during the year was 215 (2013:179) and the total remuneration paid was USD2,904,454 – INR 174,005,839 (2013 : USD3,056,391 – INR 166,160,697).

Directors' Report

7. DIRECTORS

The Directors of the Company during the year and to the date of this report were as follows:

Name	Nationality	Changes
D Ashok	Indian	
A Devineni	Singaporean	
P R K Gorthi	Indian	
E S S Nebwe	Zambian	
R Mushinge	Zambian	
D Simukoko	Zambian	Appointed on 11 March, 2014
V Mutambo	Zambian	Retired on 11 March, 2014

8. HOLDING COMPANY

The Company's immediate holding company is Nava Bharat (Singapore) Pte Ltd incorporated in Singapore which has a 65% equity interest in the Company. Its ultimate holding company is Nava Bharat Ventures Limited incorporated in India. The Government of the Republic of Zambia, through ZCCM Investment Holdings Plc, has a 35 % equity interest in the Company.

9. SECRETARY

The secretary of the Company is Moores Rowland Corporate Services Limited.

10. EXPORTS

USD307,048 – INR 18,395,246 (2013 : USD323,151 – INR 17,568,104) worth of coal were exported by the Company from Zambia during the year.

11. AUDITORS

Having indicated their willingness to continue in office, a resolution proposing the re-appointment of BDO as auditors will be put to the Annual General Meeting.

By order of the board
Moores Rowland Corporate Services Ltd
P.O.Box 70998, Ndola

Date : 6th May, 2014

Secretary

Statement of Financial Position

for the year ended 31st March, 2014

	Notes	2014 USD	2014 INR	2013 USD	2013 INR
ASSETS					
Non-current assets					
Property, plant and equipment	3	248,890,992	14,911,059,331	117,361,568	6,380,361,644
Intangible assets	4	35,925	2,152,267	55,441	3,014,050
Deferred revenue expenditure	5	4,343,205	260,201,412	6,867,989	373,378,222
Inventories	6	28,766,840	1,723,421,384	24,370,308	1,324,891,794
		282,036,962	**16,896,834,394**	**148,655,306**	**8,081,645,710**
Current assets					
Inventories	6	2,433,363	145,782,777	2,563,808	139,381,422
Trade and other receivables	7	8,449,758	506,225,003	3,871,771	210,488,830
Cash and cash equivalents	15	2,992,446	179,277,440	5,731,152	311,574,078
		13,875,567	**831,285,220**	**12,166,731**	**661,444,330**
TOTAL ASSETS		**295,912,529**	**17,728,119,614**	160,822,037	8,743,090,040
EQUITY AND LIABILITIES					
Equity					
Share capital and subscriptions	8	229,192,267	13,730,908,716	146,485,750	7,963,697,798
Translation reserve		5,476,533	328,099,092	14,250,243	774,714,461
Accumulated loss		(95,261,038)	(5,707,088,787)	(90,973,803)	(4,945,790,800)
		139,407,762	**8,351,919,021**	**69,762,190**	**3,792,621,459**
Non-current liabilities					
Long term payables	11	1,812,084	108,561,954	3,195,318	173,713,463
Environmental rehabilitation provisions	14	3,133,126	187,705,579	3,538,907	192,392,679
		4,945,210	296,267,533	6,734,225	366,106,142
Current liabilities					
Trade and other payables	9	84,777,096	5,078,995,821	3,109,659	169,056,611
Amounts due to related parties	10	15,161,525	908,326,963	4,103,650	223,094,932
Long term payables	11	829,721	49,708,585	-	-
Borrowings	12	50,769,845	3,041,621,414	77,048,123	4,188,721,207
Current tax payable	16	21,370	1,280,277	64,190	3,489,689
		151,559,557	**9,079,933,060**	**84,325,622**	**4,584,362,439**
TOTAL LIABILITIES		**156,504,767**	**9,376,200,593**	91,059,847	4,950,468,581
TOTAL EQUITY AND LIABILITIES		**295,912,529**	**17,728,119,614**	160,822,037	8,743,090,040

The responsibility of the Company's Directors with regard to the preparation of the financial statements is set out on page 4.

The financial statements on pages 5 to 33 were approved by the Board of Directors on 6th May, 2014 and were signed on its behalf by:

D Simukoko	R. Mushinge
Director	Director

Note: Page Nos.4 and 5 to 33 stated above statement may be referred as 41 and 42 to 69 in this Annual Report respectively.

Statement of Comprehensive Income

for the year ended 31st March, 2014

	Notes	2014 USD	2014 INR	2013 USD	2013 INR
Revenue	19	13,978,813	837,470,687	2,892,514	157,251,524
Cost of sales	20	(4,836,803)	(289,772,868)	1,390,381	75,588,063
Gross profit		**9,142,010**	**547,697,819**	4,282,895	232,839,587
Other income		109,518	6,561,223	425,428	23,128,393
Operating expenses		(7,060,166)	(422,974,545)	(8,078,181)	(439,170,310)
Operating profit / (loss)		**2,191,362**	**131,284,497**	(3,369,858)	(183,202,330)
Fair value adjustments of non-interest bearing long term liabilities	11	(710,022)	(42,537,418)	(283,943)	(15,436,561)
Finance charges	21	(5,747,205)	(344,315,052)	(6,902,345)	(375,245,986)
Loss before taxation		**(4,265,865)**	**(255,567,973)**	(10,556,146)	(573,884,877)
Taxation	17	(21,370)	(1,280,277)	(73,153)	(3,976,963)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(4,287,235)**	**(256,848,250)**	(10,629,299)	(577,861,840)

Statement of Changes in Equity

for the year ended 31st March, 2014

Particulars	Share Capital	Subscriptions	Foreign currency translation reserve	Accumulated loss	Total	Total
	USD	USD	USD	USD	USD	INR
Balance at 01 April 2012	18,702	43,675,887	11,263,835	(80,344,504)	(25,386,080)	(1,520,880,053)
Total comprehensive (loss) for the year	-	-	-	(10,629,299)	(10,629,299)	(577,861,840)
Increase in shares	40,658,710	-	-	-	40,658,710	2,435,863,316
Translation reserve	-	-	2,986,408	-	2,986,408	178,915,703
Subscription awaiting allotment	-	62,132,451	-	-	62,132,451	3,722,355,139
Balance at 01 April 2013	40,677,412	105,808,338	14,250,243	(90,973,803)	69,762,190	4,238,392,265
Changes in equity						
Total comprehensive (loss) for the year				(4,287,235)	(4,287,235)	(256,848,249)
Translation reserve	-	-	(8,773,710)	-	(8,773,710)	(525,632,966)
Subscription awaiting allotment	-	82,706,517	-	-	82,706,517	4,954,947,433
Balance at 31 March 2014	**40,677,412**	**188,514,855**	**5,476,533**	**(95,261,038)**	**139,407,762**	**8,410,858,483**

Statement of Cash Flows

for the year ended 31st March, 2014

Particulars	Note	2014 USD	2014 INR	2013 USD	2013 INR
CASH FLOWS GENERATED FROM/(USED IN) OPERATING ACTIVITIES					
Cash generated on operations	22	70,944,457	4,250,282,420	(16,247,114)	(883,274,353)
Taxation paid	16	(64,190)	(3,845,623)	(58,676)	(3,189,921)
Net cash generated from/(used in) operating activities		**70,880,267**	**4,246,436,797**	**(16,305,790)**	**(886,464,274)**
CASH FLOWS (USED IN) INVESTING ACTIVITIES					
Purchase of property, plant and equipment	3	(134,463,668)	(8,055,718,350)	(74,412,726)	(4,045,447,849)
Proceeds from disposal of property, plant and equipment		65,080	3,898,943	34,437	1,872,168
Amounts due to/from related parties - (net)		11,057,876	662,477,351	(32,511,161)	(1,767,469,268)
Net cash (used in) investing activities		**(123,340,712)**	**(7,389,342,056)**	(106,889,450)	(5,811,044,949)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds on share issue	8	-	-	40,677,412	2,211,427,503
Subscriptions awaiting allotment	8	82,706,517	4,954,947,433	62,113,749	3,376,813,964
Movement in borrowings and long term borrowings		(27,237,573)	(1,631,802,998)	22,870,588	1,243,359,517
Finance charges		(5,747,205)	(344,315,052)	(3,243,423)	(176,328,691)
Net cash generated from financing activities		**49,721,739**	**2,978,829,383**	122,418,326	6,655,272,293
TOTAL CASH GENERATED FROM FINANCING ACTIVITIES		**(2,738,706)**	**(164,075,876)**	(776,914)	(42,236,930)
Cash at the beginning of the year		5,731,152	343,353,316	6,508,066	353,811,008
TOTAL CASH AT END OF THE YEAR	15	**2,992,446**	**179,277,440**	5,731,152	311,574,078

Notes

to the Financial Statements for the year ended 31st March, 2014

ACCOUNTING POLICIES

1. PRESENTATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with International Financial Reporting Standards, and the Zambian Companies Act. The financial statements have been prepared on the historical cost basis as modified for the fair valuation of financial instruments, and incorporate the principal accounting policies set out below.

These accounting policies are consistent with the previous period.

The financial statements are prepared in United States Dollars based on Zambian Kwacha audited financial statements under historical cost convention.

1.1 Going concern

Basis of preparation

The Company meets its financial requirements through financial support from the shareholders, related parties, suppliers and the Company's bankers. On the basis of the business plan for the foreseeable future, the Directors have formed a judgement that shareholders support will continue for the foreseeable future. The Directors are satisfied that at the time of approval of these financial statements, there was no significant concern that the shareholders will not continue providing financial support. On this basis the Directors consider it appropriate to prepare these statements on a going concern basis. The financial support removes uncertainty regarding the ability to continue as a going concern.

1.2 Significant judgements

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements. The more significant areas requiring the use of management estimates and assumptions relate to ore reserve that are the basis of future cash flow estimates and unit-of-production depreciation, depletion and amortisation calculations; environmental, reclamation and closure obligations; estimates of recoverable carol and other materials in heap leach pads; asset impairments/reversals; write-downs of inventory to net realisable value; post-employment, post-retirement and other employee benefit liabilities and the fair value of financial instruments. Significant judgements include:

Trade receivables

The Company assesses its trade receivables for impairment at each balance sheet date. In determining whether an impairment loss should be recorded in the income statement, the Company makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

Allowance for slow moving, damaged and obsolete inventory

An allowance for inventory to write inventory down to the lower of cost or net realisable value is made by management based on the made estimates of the selling price and direct cost to sell the slow moving/damaged inventory. The write down is included in the operating results.

Provision for environmental rehabilitation obligations

The Company has long-term remediation obligations comprising decommissioning and restoration liabilities relating to its past operations which are based on the group's environmental management plans, in compliance with current environmental and regulatory requirements. Provisions for non-recurring remediation costs are made when there is a present obligation, it is probable that expenditure on remediation work will be required and the cost can be estimated within a reasonable range of possible outcomes.

Notes

to the Financial Statements for the year ended 31st March, 2014

The costs are based on currently available facts, technology expected to be available at the time of the clean up, laws and regulations presently or virtually certain to be enacted and prior experience in remediation of contaminated sites.

The carrying amount of rehabilitation obligations for the Company as at 31 March 2014 was USD3,133,126 – INR 187,705,579 (2013 : USD 3,538,907 – INR 192,392,679). The movement in the year is due to the rate applied at the end of the period ZMW 6.1031 (2013 : ZMW 5.4033).

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The Company recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the Company to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realise the net deferred tax assets recorded at the balance sheet date could be impacted.

Carrying value of tangible assets

All mining assets are amortised using the units-of-production method where the mine operating plan calls for production from well-defined ore reserve over proved and probable reserves.

For mobile and other equipment, the straight-line method is applied over the estimated useful life of the asset which does not exceed the estimated mine life based on proved and probable ore reserve as the useful lives of these assets are considered to be limited to the life of the relevant mine.

The calculation of the units-of-production rate of amortisation could be impacted to the extent that actual production in the future is different from current forecast production based on proved and probable ore reserve. This would generally arise when there are significant changes in any of the factors or assumptions used in estimating ore reserve.

These factors could include:

- changes in proved and probable ore reserve;
- the grade of ore reserve may vary significantly from time to time;
- differences between actual commodity prices and commodity price assumptions;
- unforeseen operational issues at mine sites;
- changes in capital, operating, mining, processing and reclamation costs, discount rates and foreign exchange rates; and
- changes in ore reserves could similarly impact the useful lives of assets depreciated on a straight-line basis, where those lives are limited to the life of the mine.

The recoverable amounts of cash generating units and individual assets have been determined based on the higher of value in use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the coal price assumption may change which may then impact the estimated life of the mine and may then require a material adjustment to the carrying value of tangible assets.

Notes

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The Company defers stripping costs incurred during the production stage of its open-pit operations, for those operations, where this is the most appropriate basis for matching the costs against the related economic benefits. This is generally the case where there are fluctuations in stripping costs over the life of the mine.

In the production stage of the open-pit operations, further development of the mine requires a phase of unusually high overburden removal activity that is similar in nature to preproduction mine development. The costs of such unusually high overburden removal activity are deferred and charged in subsequent periods.

Deferred stripping costs during the development phase of the mine are included in 'Mine development costs', within tangible assets. These form part of the total investment in the relevant cash-generating unit, which is reviewed for impairment if events or a change in circumstances indicate that the carrying value may not be recoverable. Amortisation of deferred stripping costs is included in operating results.

1.3 Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an 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.

Property, plant and equipment is initially measured at cost.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, when the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Major spare parts and stand by equipment which are expected to be used for more than one period are included in property, plant and equipment. In addition, spare parts and stand by equipment which can only be used in connection with an item of property, plant and equipment are accounted for as property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life
Leasehold land and buildings	3.33%
Machinery	20%
Motor vehicles	25%
Office equipment, furniture and fixtures	20%
Computer software	20%
Plant	5%
Mine developments	Life of mine
Aircraft	10%

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ

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to the Financial Statements for the year ended 31st March, 2014

from previous estimates, the change is accounted for as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.4 Financial instruments

Classification

The Company classifies financial assets and financial liabilities into the following categories:

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. For financial instruments which are not at fair value through profit or loss, classification is re-assessed on an annual basis.

Loans to / (from) group companies

These include loans to and from holding companies and fellow subsidiaries are recognised initially at fair value plus direct transaction costs.

Loans to group companies are classified as loans and receivables.

Loans from group companies are classified as financial liabilities measured at amortised cost.

Loans to shareholders, Directors, managers and employees

These financial assets are classified as loans and receivables. Trade and other receivables

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation are considered indicators that the trade receivable is impaired.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within operating expenses. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in the income statement.

Trade and other receivables are classified as loans and receivables.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

Bank overdraft and borrowings

Bank overdrafts and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Company's accounting policy for borrowing costs.

1.5 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (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 tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises:

- at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that:

- at the time of the transaction, affects neither accounting profit nor taxable profit/ (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses and unused to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

Tax expenses

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly to equity.

1.6 Inventories

Thermal grade coal Inventories are measured at the lower of cost and net realisable value.

Inventories include processed coal, ore stockpiles, coal in process and supplies and spares and are measured at the lower of cost or net realisable value.

Thermal grade coal Inventories is transferred to non current assets as it will only be consumed by the thermal power plant currently under construction and expected to be commissioned in the year 2015.

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

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is

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recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.7 Coal Reserve estimates

An ore reserve estimate is an estimate of the amount of product that can be economically and legally extracted from the Company's properties. In order to calculate coal reserve, estimates and assumptions are required about a range of geological, technical and economic factors, including quantities, grades, production techniques, recovery rates, production costs, transport costs, commodity demand, commodity prices and exchange rates.

Estimating the quantity and/or grade of ore reserve requires the size, shape and depth of ore bodies to be determined by analysing geological data such as the logging and assaying of drill samples. This process may require complex and difficult geological judgements and calculations to interpret the data.

1.8 Environmental expenditure

The Company has long-term remediation obligations comprising decommissioning and restoration liabilities relating to its past operations which are based on the group's environmental management plans, in compliance with current environmental and regulatory requirements. Provisions for non-recurring remediation costs are made when there is a present obligation, it is probable that expenditure on remediation work will be required and the cost can be estimated within a reasonable range of possible outcomes. The costs are based on currently available facts, technology expected to be available at the time of the clean up, laws and regulations presently or virtually certain to be enacted and prior experience in remediation of contaminated sites.

1.9 Exploration and evaluation assets

All exploration costs are expensed until the Directors conclude that a future economic benefit will more likely than not be realised. In evaluating if expenditures meet this criterion to be capitalised, the Directors use several different sources of information depending on the level of exploration. While the criterion for concluding that expenditure should be capitalised is always probable, the information that the Directors use to make that determination depends on the level of exploration.

- Costs on greenfields sites, being those where the group does not have any mineral deposits which are already being mined or developed, are expensed as incurred until the Directors are able to demonstrate that future economic benefits are probable, which generally will be the establishment of proved and probable reserves at this location.

- Costs on brownfields sites, being those adjacent to mineral deposits which are already being mined or developed, are expensed as incurred until the Directors are able to demonstrate that future economic benefits are probable, which generally will be the establishment of increased proved and probable reserves after which the expenditure is capitalised as a mine development cost.

Costs relating to extensions of mineral deposits, which are already being mined or developed, including expenditure on the definition of mineralisation of such mineral deposits, are capitalised as a mine development cost. Costs relating to property acquisitions are capitalised within development costs.

1.10 Decommissioning costs

The provision for decommissioning represents the

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to the Financial Statements for the year ended 31st March, 2014

cost that will arise from rectifying damage caused before production commences. Accordingly, a provision is recognised and a decommissioning asset is recognised and included within mine infrastructure.

Decommissioning costs are provided at the present value of the expenditures expected to settle the obligation, using estimated cash flows based on current prices. The unwinding of the decommissioning obligation is included in the income statement. Estimated future costs of decommissioning obligations are reviewed regularly and adjusted as appropriate for new circumstances or changes in law or technology. Changes in estimates are capitalised or reversed against the relevant asset.

Estimates are discounted at a pre-tax rate that reflects current market assessments of the time value of money.

Gains or losses from the expected disposal of assets are not taken into account when determining the provision.

1.11 Restoration costs

The provision for restoration represents the cost of restoring site damage after the start of production. Changes in the provision are recorded in the income statement as a cost of production.

Restoration costs are estimated at the present value of the expenditures expected to settle the obligation, using estimated cash flows based on current prices and adjusted for risks specific to the liability. The estimates are discounted at a pre-tax rate that reflects current market assessments of the time value of money.

1.12 Deferred revenue expenditures

Deferred costs include expenditure incurred to develop new ore bodies, to define further mineralisation in existing ore bodies and to expand the capacity of a mine. These costs are amortised from the date on which commercial production begins. Deferred stripping costs are accounted for as a current asset and are expensed based on the life of mining areas.

1.13 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its liabilities.

1.14 Employee benefits

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the Company's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

1.15 Provisions and contingencies

Provisions are recognised when:

- the Company has a present obligation as a result of a past event;
- 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 obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation. Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

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to the Financial Statements for the year ended 31st March, 2014

Provisions are not recognised for future operating losses.

If the entity has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision.

A constructive obligation to restructure arises only when the entity:

- has a detailed formal plan for the restructuring, identifying at least:
  - the business or part of a business concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated for terminating their services;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

After their initial recognition contingent liabilities are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 23.

1.16 Turnover

Turnover comprises sales to customers. Turnover is stated at the invoice amount exclusive of value added taxation. Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebate, mineral royalties and value added tax.

1.17 Translation of foreign currencies

Foreign currency transactions

The Company's functional currency during the year was the Zambian Kwacha. The opening and closing Zambian Kwacha balance sheets have been translated to the presentation currency (United States Dollars) for group reporting purposes. The resulting foreign exchange differences on translation are accounted for under equity and reserves.

2. CHANGES IN ACCOUNTING POLICY

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31st March 2014, and have not been applied in preparing these financial statements. The following standards and interpretations will have an impact on the financial statements of the Company.

2.1 IFRS 9 - Financial instruments

IFRS 9 Financial Instruments deals with classification and measurement of financial assets and is effective 1 January 2015. The standards will apply retrospectively, subject to transitional provisions. IFRS 9 (2010) addresses the measurement and classification of financial assets and will replace the relevant sections of IAS 39. The standard contains two primary measurement categories for financial: amortised cost and fair value. A financial asset would be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, and the assets contractual terms give rise on specific dates to cash flows that are solely payments of principal and interest on the principal outstanding. All other financial assets would be measured at fair

Notes

to the Financial Statements for the year ended 31st March, 2014

value. The standard eliminates the existing IAS 39 categories of held to maturity, available for sale and loans and receivables. The Company is yet to quantify the impact that the adoption of the standard will have on the financial statements. The standard is effective for annual periods beginning on or after 1 January 2015 with earlier application permitted.

2.2 IAS 32 - Financial Instruments (Amendments to standards)

Amendments to IAS 32 are effective for annual periods on or after 01 January 2014 and are applied retrospectively. The amendments do not change the current offsetting model in IAS 32, which requires an entity to offset a financial asset and financial liability in the statement of financial position only when the entity currently has a legally enforceable right of set-off and intends either to settle the asset and liability on a net basis or to realise the asset and settle the liability simultaneously.

The amendments clarify that;

- the right of set-off must be available today - that is, it is not contingent on a future event. It also must be legally enforceable for all counter parties in the normal course of business, as well as in the event of default, insolvency or bankruptcy.
- gross settlement mechanisms (such as through a clearing house) with features that both (I) eliminate credit and liquidity risk and (ii) process receivables and payables in a single settlement process, are effectively equivalent to net settlement and they would therefore satisfy the IAS32 criterion in these instances.
- masters netting agreements where the legal right of offset is only enforceable on the occurrence of some future event, such as default of the counterparty, continue not to meet settings requirements.

3. PROPERTY, PLANT AND EQUIPMENT

Particulars	2014			2013		
	Cost/ Valuation	Accumulated depreciation	Carrying Value	Cost/ Valuation	Accumulated depreciation	Carrying Value
	USD	USD	USD	USD	USD	USD
Leasehold land and buildings	4,120,690		3,907,978	1,968,233	(105,496)	1,862,737
Plant and machinery	34,764,740	(5,393,851)	29,370,889	34,227,948	(3,114,354)	31,113,594
Motor vehicles	1,480,272	(888,624)	591,648	1,475,633	(776,559)	699,074
Aircrafts	2,925,819	(397,824)	2,527,995	2,925,819	(120,948)	2,804,871
Capital work in progress	212,492,482	-	212,492,482	80,881,292	-	80,881,292
TOTAL USD	**255,784,003**	**(6,893,011)**	**248,890,992**	121,478,925	(4,117,357)	117,361,568
TOTAL INR	**15,324,019,620**	**(412,960,289)**	**14,911,059,331**	6,604,201,758	(223,840,113)	6,380,361,644

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to the Financial Statements for the year ended 31st March, 2014

Reconciliation of property, plant and equipment - 2014

Particulars	Opening Balance USD	Additions USD	Disposals USD	Depreciation write back on disposal USD	Depreciation USD	Total USD
Leasehold land and buildings	1,862,737	2,152,457	-	-	(107,216)	3,907,978
Plant and machinery	31,113,594	536,792	-	-	(2,279,497)	29,370,889
Motor vehicles	699,074	163,229	(158,590)	100,512	(212,577)	591,648
Aircrafts	2,804,871	-	-	-	(276,876)	2,527,995
Capital work in progress	80,881,292	131,611,190	-	-	-	212,492,482
TOTAL USD	**117,361,568**	**134,463,668**	**(158,590)**	**100,512**	**(2,876,166)**	**248,890,992**
TOTAL INR	**7,031,131,539**	**8,055,718,350**	**(9,501,127)**	**6,021,674**	**(172,311,105)**	**14,911,059,331**

Reconciliation of property, plant and equipment - 2013

Particulars	Opening Balance USD	Additions USD	Disposals USD	Depreciation write back on disposal USD	Depreciation USD	Total USD
Leasehold land and buildings	1,444,359	475,802	-	-	(57,424)	1,862,737
Plant and machinery	3,675,759	28,866,946	-	-	(1,429,111)	31,113,594
Motor vehicles	707,510	255,001	(113,404)	113,404	(263,437)	699,074
Aircrafts	-	2,825,819	-	-	(120,948)	2,704,871
Capital work in progress	38,992,134	41,889,158	-	-	-	80,881,292
TOTAL USD	**44,819,762**	**74,312,726**	**(113,404)**	**113,404**	**(1,870,920)**	**117,261,568**
TOTAL INR	**2,436,626,361**	**4,040,011,349**	**(6,165,208)**	**6,165,208**	**(101,712,566)**	**6,374,925,144**

Assets pledged as security

The coal processing and handling plant, heavy earth moving machinery and related mining equipment are pledged as security for the Standard Chartered Bank Zambia Plc loan (note 12).

Notes

to the Financial Statements for the year ended 31st March, 2014

Particulars	2014 Cost/ Valuation USD	2014 Accumulated amortisation USD	2014 Carrying Value USD	2013 Cost/ Valuation USD	2013 Accumulated amortisation USD	2013 Carrying Value USD
4. INTANGIBLE ASSETS						
Computer Software	69,301	(33,376)	35,925	69,301	(13,860)	55,441
TOTAL USD	**69,301**	**(33,376)**	**35,925**	69,301	(13,860)	55,441
TOTAL INR	**4,151,823**	**(1,999,556)**	**2,152,267**	3,767,549	(753,499)	3,014,050

Reconciliation of intangible assets - 2014

Particulars	Opening Balance USD	Amortisation USD	Total USD
Computer software, other	55,441	(19,516)	35,925
TOTAL USD	**55,441**	**(19,516)**	**35,925**
TOTAL INR	**3,321,470**	**(1,169,204)**	**2,152,267**

Reconciliation of intangible assets - 2013

Particulars	Opening Balance USD	Amortisation USD	Total USD
Computer software, other	69,301	(13,860)	55,441
TOTAL USD	**69,301**	**(13,860)**	**55,441**
TOTAL INR	**3,767,549**	**(753,499)**	**3,014,050**

Particulars	2014 Cost/ Valuation USD	2014 Accumulated depreciation USD	2014 Carrying Value USD	2013 Cost/ Valuation USD	2013 Accumulated depreciation USD	2013 Carrying Value USD
5. DEFERRED REVENUE EXPENDITURE						
Deferred revenue expenditure	4,343,205	-	4,343,205	6,867,989	-	6,867,989
TOTAL USD	**4,343,205**	**-**	**4,343,205**	6,867,989	-	6,867,989
TOTAL INR	**260,201,412**	**-**	**260,201,412**	373,378,222	-	373,378,222

Notes

to the Financial Statements for the year ended 31st March, 2014

Reconciliation of deferred revenue expenditure - 2014

Particulars	Opening Balance USD	Amortisation USD	Total USD
Deferred revenue expenditure	6,867,989	(2,524,784)	4,343,205
TOTAL USD	**6,867,989**	**(2,524,784)**	**4,343,205**
TOTAL INR	**411,461,221**	**151,259,809**	**260,201,412**

Reconciliation of deferred revenue expenditure - 2013

Particulars	Opening Balance USD	Additions USD	Amortisation USD	Total USD
Deferred revenue expenditure	4,064,216	3,818,007	(1,014,234)	6,867,989
TOTAL USD	**4,064,216**	**3,818,007**	**(1,014,234)**	**6,867,989**
TOTAL INR	**220,951,103**	**207,565,951**	**(55,138,831)**	**373,378,222**

Particulars	**2014** USD	**2014** INR	**2013** USD	**2013** INR
6. INVENTORIES				
Coal	29,927,545	1,792,959,221	25,785,986	1,401,855,129
Spare parts and consumables	1,207,001	72,311,430	981,887	53,380,287
Goods in transit	65,657	3,933,511	166,243	9,037,801
	31,200,203	1,869,204,162	26,934,116	1,464,273,217
Thermal grade coal - non current	(28,766,840)	(1,723,421,384)	(24,370,308)	(1,324,891,794)
	2,433,363	**145,782,778**	2,563,808	139,381,423

All inventory and coal stockpiles are stated at the lower of cost and net realisable value and are expected to be realised within the next twenty four months. The cost of spares recognised as an expense in respect of write downs to net realisable value, was nil (2013 : nil). Thermal grade coal stock pile will be consumed by the thermal power plant on its commissioning in the year 2015.

Particulars	**2014** USD	**2014** INR	**2013** USD	**2013** INR
7. TRADE AND OTHER RECEIVABLES				
Trade receivables	1,649,761	98,837,182	1,278,032	69,480,210
VAT receivable	4,042,737	242,200,374	2,119,863	115,246,352
Other receivables	2,757,260	165,187,447	426,220	23,171,450
Maamba Development Trust	-	-	47,656	2,590,818
	8,449,758	**506,225,003**	3,871,771	210,488,830

The average credit period on sales is 30 days. No interest is charged on overdue receivables. The Company reserves the right to charge interest on overdue amounts. Before accepting any new credit customers, management undertakes a credit evaluation of the new customers. As at year end, there were no past due but unimpaired trade receivables.

Notes

to the Financial Statements for the year ended 31st March, 2014

Particulars	2014 USD	2014 INR	2012 USD	2012 INR
8. SHARE CAPITAL AND SUBSCRIPTIONS AUTHORISED				
5,000,000,000 ordinary shares of ZMW1 each	**948,231,305**	**56,808,537,483**	948,231,305	51,550,594,896
-unissued ordinary shares are under the control of the Directors in terms of a resolution of members passed at the last annual general meeting. This authority remains in force until the next annual general meeting.				
Issued, subscribed and fully paid, 214,491,996 shares of ZMW1 each (2013 : same)	40,677,412	2,436,983,753	40,677,412	2,211,427,503
Subscriptions awaiting allotment	188,514,855	11,293,924,963	105,808,338	5,752,270,295
	229,192,267	**13,730,908,716**	146,485,750	7,963,697,798

Subscriptions awaiting allotment amounts are received in both Zambian Kwacha and United States Dollars and carry interest at 6% per annum until the allotment time. At 31 March 2014, the total contributions from Nava Bharat (Singapore) Pte Limited amounted to USD 139,334,854 – INR 8,347,551,103 and ZCCM IH amounted to USD 28,780,000 – INR 1,724,209,800 and ZMW109,062,001 – INR 1,070,587,813. Total contributions represented 75% for Nava Bharat (Singapore) Pte Limited and 25% for ZCCM Investment Holdings Plc. These amounts exclude accrued interest reported in amounts due to related parties. Subscriptions include adjustment for exchange rate difference at 31 March 2014 (2013: same).

Particulars	2014 USD	2014 INR	2013 USD	2013 INR
9. TRADE AND OTHER PAYABLES				
Trade payables	78,793,076	4,720,493,183	971,102	52,793,960
Other payables	5,964,692	357,344,698	2,138,557	116,262,651
Maamba Development Trust	19,328	1,157,940	-	-
	84,777,096	**5,078,995,821**	3,109,659	169,056,611

Trade and other payables are non-interest bearing and are normally settled within 90 days. Included in trade payables is the amount related to capital creditors USD78,112,768 – INR 4,679,735,931 (2013: none).

Particulars	2014 USD	2014 INR	2013 USD	2013 INR
10. AMOUNTS DUE (TO)/FROM RELATED COMPANIES				
Nava Bharat Ventures Limited	(2,925,430)	(175,262,511)	(819,001)	(44,524,989)
- The ultimate holding company of Maamba Collieries Limited				
Nava Bharat Projects Limited	(1,042,503)	(62,456,355)	(815,203)	(44,318,511)
- Related company of Maamba Collieries Limited through common shareholding				
ZCCM Investments Holdings Plc - 35% shareholding	(3,769,119)	(225,807,920)	(1,459,229)	(79,330,985)
Nava Bharat (Singapore) Pte Limited	(7,424,473)	(444,800,177)	(1,010,217)	(54,920,447)
- The immediate holding company of Maamba Collieries Limited (65% shareholder)				
	(15,161,525)	**(908,326,963)**	(4,103,650)	(223,094,932)

Interest on shareholders' loans amounting to USD 7,562,774 - INR: 453,085,790 (2013 : USD 5,041,077 - INR 2,74,058,151 has been capitalised into capital work in progress. The costs are directly attributable to the construction of the power generation plant which commenced on 26 April 2012 and is expected to commission in the year 2015.

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to the Financial Statements for the year ended 31st March, 2014

Particulars	2014 USD	2014 INR	2013 USD	2013 INR
Directors' fees	33,491	2,006,446	28,493	1,549,022
Nava Bharat (Singapore) Pte Limited	-	-	73,208	3,979,953
Nava Bharat Ventures Limited	3,705,157	221,975,956	1,270,634	69,078,017
Nava Bharat Project Limited	1,276,978	76,503,752	815,203	44,318,511
Interest charged on related party loans NBS	7,632,312	457,251,812	3,841,060	208,819,227
Interest charged on related party loans ZCCM	2,734,947	163,850,675	1,605,411	87,278,169
	15,382,885	**921,588,641**	7,634,009	415,022,899

11. LONG TERM PAYABLES

These statutory liabilities are ZMW fixed payable over a period of seven and ten years beginning May 2012. The fair values of the long term payables have been stated as the present value of all future cash payments discounted using the prevailing market rate of interest for similar instruments. The difference between the fair value of the long term payables and their settlement amounts has been recognised in the income statement.

Particulars	2014 USD	2014 INR	2013 USD	2013 INR
National Pension Scheme Authority	2,568,409	153,873,384	3,112,416	169,206,496
Workmen's Compensation Fund	73,396	4,397,155	82,902	4,506,967
Long term payables - current portion	(829,721)	(49,708,585)	-	-
	1,812,084	**108,561,954**	3,195,318	173,713,463
National Pension Scheme Authority				
At start of the year	3,112,416	186,464,843	3,859,875	209,842,104
Fair value gain adjustment to income statement	691,789	41,445,079	280,049	15,224,864
Paid during the year	(806,977)	(48,345,992)	(1,027,508)	(55,860,472)
Short term portion	(806,977)	(48,345,992)	-	-
Exchange difference	378,158	22,655,446	-	-
	2,568,409	**153,873,384**	3,112,416	169,206,496
Workmen's Compensation Fund				
At start of the year	82,902	4,966,659	107,416	5,839,671
Fair value adjustment to income statement	18,233	1,092,339	3,894	211,697
Paid during the year	(22,743)	(1,362,533)	(28,408)	(1,544,401)
Short term portion	(22,743)	(1,362,533)	-	-
Exchange difference	17,747	1,063,223	-	-
	73,396	**4,397,155**	82,902	4,506,967

Notes

to the Financial Statements for the year ended 31st March, 2014

Particulars	2014 USD	2014 INR	2013 USD	2013 INR
12. BORROWINGS				
Unsecured Loans				
Zambia Development Agency (Zambia Privatisation Agency) - ZMW	28,182	1,688,384	31,832	1,730,547
The funds were obtained from the Zambia Privatisation Agency for the purpose of liquidating the liabilities arising from retirement benefits and group insurance. This amount loan is unsecured, interest free with no fixed repayment terms. The amount obtained as loan was ZMW250,000. The movement in the year is due to the rate applied at the end of the period ZMW6.1031 (2013 : ZMW5.4033).				
International Development Agency - USD	1,600,000	95,856,000	1,600,000	86,984,000
This loan was granted to the Company through ZCCM - Investment Holdings Plc. The loan amount of USD 1.6 million was advanced to the Company in 1993. It is unsecured, interest free with no fixed repayment terms.				
Government of Republic of Zambia - MOF 2 - USD	4,300,000	257,613,000	4,300,000	233,769,500
The money was advanced to the Company by the Government through ZCCM - Investment Holdings Plc. The amount advanced was USD 4.3 million. It is unsecured, interest free with no fixed repayment terms.				
Government of the Republic of Zambia - MOF 1 - ZMW	139,165	8,337,375	157,189	8,545,580
This represents loans obtained from the African Development Bank and the African Development Fund through ZCCM Investment Holdings Plc for capitalisation. The amount is unsecured, interest free with no fixed repayment terms. The movement in the year is due to the rate applied at the end of the period ZMW6.1031 (2013 : ZMW5.4033).				

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to the Financial Statements for the year ended 31st March, 2014

Particulars	2014 USD	2014 INR	2013 USD	2013 INR
Scheme of arrangement - MOF - ZMW	9,702,498	581,276,655	10,959,102	595,791,580
The loan was received from the Ministry of Finance for funding the creditors' scheme of arrangement. The loan is unsecured, interest free with no fixed repayment terms. The amount obtained as loan was ZMW59,215,314.The movement in the year is due to the rate applied at the end of the period ZMW6.1031 (2013 : ZMW5.4033).				
	15,769,845	**944,771,414**	17,048,123	926,821,207
Secured loans				
Standard Chartered Bank Zambia Plc - loan 1 - USD	35,000,000	2,096,850,000	35,000,000	1,902,775,000
The loan was acquired to finance the acquisition of the coal preparation plant and coal handling plant equipment, heavy earth moving machinery and related equipment to restore mining operations of the Company. The loan is secured by a charge on the equipment acquired and by corporate guarantee of Nava Bharat Ventures Limited. The loan attracts interest at 5.15% above the LIBOR rate. The loan was due to be fully repayable by February 2014, the Company has renegotiated the terms and it is now due to be fully paid by 31 August 2014. At 31 March 2014 the USD indebtedness was USD35,000,000 (2013 : USD35,000,000).				
Standard Chartered Bank Zambia Plc - loan 2 - USD	-	-	25,000,000	1,359,125,000
The loan was acquired to finance for operating expenditure on the coal mine. The loan is secured by a charge on the equipment acquired and by Deed of debenture to secure USD40,000,000 plus interest covering all assets and Deed of valuation varying security assets attached by the Deed of debenture. The loan attracts interest at 4% above the LIBOR rate. The loan was fully repaid in the year.				
	35,000,000	2,096,850,000	60,000,000	3,261,900,000
	50,769,845	**3,041,621,414**	77,048,123	4,188,721,207
Current liabilities				
Unsecured loans	15,769,845	944,771,414	17,048,123	926,821,207
Secured loan	35,000,000	2,096,850,000	60,000,000	3,261,900,000
	50,769,845	**3,041,621,414**	77,048,123	4,188,721,207

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to the Financial Statements for the year ended 31st March, 2014

13. PROVISION FOR POST RETIREMENT BENEFITS

The amount represented the past service cost that were paid off in 2011. As part of the Company restructuring. All staff are now on three year contracts with the Company. Statutory retirement obligations are restricted to the contributions made to the National Pension Scheme Authority (NAPSA).

14. ENVIRONMENTAL REHABILITATION PROVISIONS

The Company is required by the Zambia Mines and Minerals Act of 2008 to rehabilitate environmental damage caused by its mining operations. The restoration, rehabilitation and environmental provision represents the best estimate of the expenditure required to settle the obligation at rate of inspection in 2009.

New assessment was conducted by Zambia Environmental Management Agency during the year, however the report has not yet been issued. In the opinion of the Directors, the provisions as reported in these financial statements are reasonable.

Particulars	**2014** USD	**2014** INR	2013 USD	2013 INR
At start of the year	3,538,907	212,015,918	4,606,075	250,409,267
Payment incurred on Kanzinze breaches restoration works and sewerage system	-	-	(1,067,168)	(58,016,588)
Exchange difference	(405,781)	(24,310,340)	-	-
	3,133,126	**187,705,578**	3,538,907	192,392,679

Particulars	**2014** USD	**2014** INR	2013 USD	2013 INR
15. CASH AND CASH EQUIVALENTS				
Cash and cash equivalents consist of:				
Cash on hand	7,395	443,034	11,705	636,342
Bank balances	2,985,051	178,834,405	5,719,447	310,937,736
	2,992,446	**179,277,439**	5,731,152	311,574,078

Particulars	**2014** USD	**2014** INR	2013 USD	2013 INR
16. CURRENT TAX PAYABLE				
At 1 April 2013	64,190	3,845,623	49,713	2,702,647
Charge for the year	21,370	1,280,277	73,153	3,976,963
Paid during the year	(64,190)	(3,845,623)	(58,676)	(3,189,921)
At 31 March 2014	**21,370**	**1,280,277**	64,190	3,489,689

Notes

to the Financial Statements for the year ended 31st March, 2014

Particulars	2014 USD	2014 INR	2013 USD	2013 INR
17. TAXATION				
Major components of the tax charge comprise:				
Current				
Current tax	21,370	1,280,277	73,153	3,976,963
Reconciliation of the tax expense				
Reconciliation between accounting profit and tax expense.				
Accounting loss	(4,265,865)	(255,567,972)	(10,556,146)	(573,884,877)
Tax at the applicable tax rate of 35% (2013: 35%)	(1,493,053)	(89,448,805)	(3,694,651)	(200,859,702)
Tax effect of adjustments on taxable income				
Disallowable expenses	97,657	5,850,631	114,544	6,227,185
Non taxable income	(23,612)	(1,414,595)	(894,189)	(48,612,585)
Depreciation	1,006,658	60,308,881	659,716	35,865,460
Exchange difference	(354,307)	(21,226,532)	2,034,730	110,618,097
Capital allowances	(2,851,072)	(170,807,724)	(3,210,480)	(174,537,745)
Notional taxation based on tax losses brought forward	(5,063,483)	(303,353,267)	-	-
Tax losses	8,702,582	521,371,688	5,063,483	275,276,253
	21,370	**1,280,277**	73,153	3,976,963

There is no liability to taxation on the Company's ordinary activities for the year as it has incurred a loss for taxation purposes The estimated tax loss available for set off against future taxable income is USD42,144,602 (INR 2,524,883,106) - (2013: USD 38,284,502 – INR 2,081,336,951).

Particulars	2014 USD	2014 INR	2013 USD	2013 INR
18. DEFERRED TAXATION				
Reconciliation of deferred tax asset				
Deferred tax asset - for disclosure only				
Property, plant and equipment	(17,504,567)	(1,048,698,609)	(15,660,154)	(851,364,272)
Unrealised forex loss/gain	(1,490,755)	(89,311,132)	(1,136,448)	(61,782,996)
Tax losses	33,494,257	2,006,640,937	29,855,158	1,623,075,665
	14,498,935	**868,631,196**	13,058,556	709,928,397

The potential net deferred tax asset has not been recognised in the financial statements as, in the opinion of the Directors, recovery of tax losses is not assured beyond reasonable doubt because of the practice of Zambia Revenue Authority to lapse tax losses.

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to the Financial Statements for the year ended 31st March, 2014

Particulars	2014 USD	2014 INR	2013 USD	2013 INR
19. REVENUE				
Coal sold	14,870,038	890,863,977	3,077,033	167,282,899
Mineral royalty tax	(891,225)	(53,393,290)	(184,519)	(10,031,375)
	13,978,813	**837,470,687**	2,892,514	157,251,524

Revenue for the Company comprises the invoiced value of coal sold net of Value Added Tax (VAT) and is recorded at the date the services are rendered.

Particulars	2014 USD	2014 INR	2013 USD	2013 INR
20. COST OF SALES				
Opening inventory	26,934,116	1,613,622,890	7,493,735	407,396,903
Cost of goods sold	722,722	43,298,275	83,951	4,563,996
Depreciation	2,876,166	172,311,105	1,884,780	102,466,065
Electricity consumption charges	338,320	20,268,751	316,292	17,195,215
Laboratory expenses	28,261	1,693,117	53,326	2,899,068
Amortisation of deferred revenue expenditure	2,524,784	151,259,809	1,014,234	55,138,831
Mining expenses	2,565,830	153,718,875	14,650,287	796,462,853
Safety expenses	46,807	2,804,208	47,130	2,562,222
Closing inventory	(31,200,203)	(1,869,204,162)	(26,934,116)	(1,464,273,216)
	4,836,803	**289,772,868**	(1,390,381)	(75,588,063)

Particulars	2014 USD	2014 INR	2013 USD	2013 INR
21. FINANCE CHARGES				
Interest costs	5,734,694	343,565,518	2,923,777	158,951,137
Exchange difference	-	-	3,942,865	214,353,856
Bank charges	12,511	749,534	35,703	1,940,994
	5,747,205	**344,315,052**	6,902,345	375,245,987

Notes

to the Financial Statements for the year ended 31st March, 2014

Particulars	2014 USD	2014 INR	2013 USD	2013 INR
22. CASH GENERATED FROM OPERATIONS				
(Loss) before tax	(4,265,865)	(255,567,972)	(10,556,146)	(573,884,877)
Adjustments for:				
Profit on sale of assets	(7,002)	(419,490)	(34,437)	(1,872,168)
Finance charges	5,747,205	344,315,052	6,902,345	375,245,986
Intangible assets	19,516	1,169,204	-	-
Depreciation	2,876,166	172,311,105	1,884,780	102,466,065
Amortisation	2,524,784	151,259,809	-	-
Changes in working capital:				
Inventories	(4,266,087)	(255,581,272)	(19,440,381)	(1,056,876,313)
Trade and other receivables	(4,577,987)	(274,267,201)	7,086,184	385,240,393
Trade and other payables	81,667,437	4,892,696,151	(1,416,945)	(77,032,215)
Translation reserve	(8,773,710)	(525,632,966)	2,986,408	162,356,071
	70,944,457	**4,250,282,420**	(12,588,192)	(684,357,058)

23. CONTINGENT LIABILITIES

The Company had several pending legal proceedings at 31 March 2013, the major one being the litigation against the Company relating to underpayment of terminal benefits to former employees. The plaintiffs are claiming that they are entitled to claim salaries and arrears from the date of redundancy to the present. The total claim is in excess of USD 10 million – INR 599,100,000, the Company's lawyers and management consider the likelihood of the action against the Company being successful as unlikely.

As at 31 March 2014, the Company had a contingent liability in relation to unpaid ground rents amounting to USD628,209 – INR 37,636,001. The Company has applied to Ministry of Lands for exemption on ground rent in mining areas.

24. RISK MANAGEMENT

Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns to the shareholder and benefits for other stakeholders and maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Company consists of debt, which includes borrowings (excluding derivative financial liabilities) disclosed in note 10, cash and cash equivalents disclosed in note 15, and equity as disclosed in the statement of financial position.

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to the Financial Statements for the year ended 31st March, 2014

The gearing ratio at 31 March 2013 was as follows:

Particulars	2014 USD	2014 INR	2013 USD	2013 INR
Debts (i)	141,321,872	8,466,593,352	86,892,007	4,723,883,961
Cash and bank	2,992,446	179,277,440	5,731,152	311,574,078
Net debt	138,329,426	8,287,315,912	81,160,855	4,412,309,883
Equity (ii)	139,407,763	8,351,919,081	69,762,190	3,792,621,459
(i) Includes long term and short term debts (excluding related parties)				
(ii) Equity includes share capital and reserves				
Financial assets				
Trade and other receivables	8,449,758	506,225,002	3,871,771	210,488,830
Cash and cash equivalents	2,992,446	179,277,440	5,731,152	311,574,078
	11,442,204	**685,502,442**	9,602,923	522,062,908
Financial liabilities				
Trade and other payables	84,777,096	5,078,995,821	3,109,659	169,056,612
Amount due to related parties	15,161,525	908,326,963	4,103,650	223,094,932
Long term payables	2,641,805	158,270,538	3,195,318	173,713,463
Borrowings	50,769,845	3,041,621,414	77,048,123	4,188,721,207
Environmental rehabilitation provisions	3,133,126	187,705,579	3,538,907	192,392,679
	156,483,397	**9,374,920,315**	90,995,657	4,946,978,893

Financial risk management objectives

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Company manages the risk by continuously monitoring forecasts against actual cash flows and matching maturity profiles of financial assets and liabilities.

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Liquidity risk

The Company's risk to liquidity is a result of the funds available to cover future commitments. The Company manages liquidity risk through an ongoing review of future commitments and credit facilities.

At 31 March 2014	Less than 1 year		Between 1 and 2 years		Between 2 and 5 years		Over 5 years	
	USD	INR	USD	INR	USD	INR	USD	INR
Borrowings	50,769,845	3,041,621,414	-	-	-	-	-	-
Long term payables	829,721	49,708,585	-	-	-	-	1,812,084	108,561,952
Trade and other payables	84,777,096	5,078,995,821	-	-	-	-	-	-
Environmental rehabilitation provisions	-	-	-	-	-	-	3,133,126	187,705,579
Amounts due to related parties	15,161,525	908,326,963	-	-	-	-	-	-

At 31 March 2013	Less than 1 year		Between 1 and 2 years		Between 2 and 5 years		Over 5 years	
	USD	INR	USD	INR	USD	INR	USD	INR
Borrowings	77,048,123	4,188,721,207	-	-	3,195,318	173,713,463	-	-
Amounts due to related parties	-	-	-	-	-	-	-	-
Trade and other payables	3,109,659	169,056,612	-	-	-	-	-	-
Amounts due to related parties	4,103,650	223,094,932	-	-	-	-	-	-

25. POST BALANCE SHEET EVENTS

There has not arisen since the end of the financial year any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect substantially the operations of the Company, results of those operations or the state of affairs of the Company in subsequent financial years.

26. CAPITAL COMMITMENTS

As at year end, the Company had an approved and contracted capital commitment of USD 237 million – INR 14,198,670,000 in respect of the construction of the power generation plant which commenced on 26 April 2012 and is expected to commission in the year 2015.

27. TRANSLATION RESERVE

The translation reserve is due to historical cost on property, plant and equipment and other assets and liabilities revalued at year end rate.

Note: Indian rupee equivalent figures have been arrived at by applying the year end interbank exchange rate US$ 1 = ₹ 59.91 (previous year US$ 1 = ₹ 54.365) and not form of the report of Maamba Collieries Limited as made out in accordance with laws of country of incorporation.

NAVA BHARAT

Balance Sheet

as at 31st March, 2014

Particulars	2014 USD	2014 INR	2013 USD	2013 INR
CURRENT ASSETS:				
Cash	36	2,157	41	2,229
Bank	1,658	99,331	4,711	256,114
Advance for Expenses	751,314	450,11,222	758,833	41,253,956
Prepaid Tax	-	-	17,166	933,230
Other Receivable	-	-	1,803	98,020
TOTAL CURRENT ASSETS	**753,008**	**45,112,710**	782,554	42,543,549
NON-CURRENT ASSETS:				
Deposits Recoverable	-	-	2,417	131,400
Related Parties Receivable	273,152	16,364,536	328,350	17,850,748
Project Cost	1,176,552	70,487,230	1,217,635	66,196,727
Fixed Assets	7,627	456,934	8,807	478,793
Accumulated Depreciation	(4,881)	(292,421)	(4,600)	(250,079)
TOTAL NON-CURRENT ASSETS	**1,452,450**	**87,016,279**	1,552,609	84,407,589
TOTAL ASSETS	**2,205,458**	**132,128,989**	2,335,163	126,951,138
CURRENT LIABILITIES:				
Tax payable	-	-	7,346	3,99,366
Jamsostek Payable	-	-	1,028	55,887
Salary Payable	-	-	1,005	54,637
Other Payable	-	-	4,617	251,003
TOTAL CURRENT LIABILITIES	**-**	**-**	13,996	760,893
NON-CURRENT LIABILITIES:				
Long term Liabilities	1,760,681	105,482,399	1,807,610	98,270,718
TOTAL NON-CURRENT LIABILITIES	**1,760,681**	**105,482,399**	1,807,610	98,270,718
EQUITY:				
Authorised Capital 2.000.000				
Issued 500.000 with par value 9.963	444,777	26,646,590	513,557	27,919,526
	444,777	**26,646,590**	513,557	27,919,526
TOTAL LIABILITIES & EQUITY	**2,205,458**	**132,128,989**	2,335,163	126,951,137

Date : 5th May, 2014
Place : Jakarta

Mohana Sundaram Paranjoty
Director

Ashwin Devineni
Director

Note: Indian rupee equivalent figures have been arrived at by applying the year end interbank exchange rate US$ 1 = ₹ 59.91 (previous year US$ 1 = ₹ 54.365) and do not form part of the report of PT Nava Bharat Sungai Cuka as made out in accordance with laws of country of incorporation.

Balance Sheet

as at 31st March, 2014

Particulars	2014 USD	2014 INR	2013 USD	2013 INR
CURRENT ASSETS:				
Prepaid Tax	-	-	14,863	808,027
TOTAL CURRENT ASSETS	**-**	**-**	**14,863**	**808,027**
NON-CURRENT ASSETS:				
Deposits Recoverable	67	4,014	77	4,186
Related Parties Receivable	231,932	13,895,046	267,798	14,558,838
Long term receivable	31,599	1,893,096	36,485	1,983,507
Project Cost	454,331	27,218,970	523,957	28,484,922
Fixed Assets	2,499	149,715	2,885	156,843
Accumulated Depreciation	(2,499)	(149,715)	(2,782)	(151,243)
TOTAL NON-CURRENT ASSETS	**717,929**	**43,011,126**	828,420	45,037,053
TOTAL ASSETS	**717,929**	**43,011,126**	843,283	45,845,080
CURRENT LIABILITIES:				
Salary Payable	-	-	1,005	54,637
Tax Payable	-	-	371	20,169
TOTAL CURRENT LIABILITIES	**-**	**-**	**1,376**	**74,806**
NON-CURRENT LIABILITIES:				
Related Parties Liabilities	273,152	16,364,536	328,350	17,850,748
Total Non-Current Liabilities	**273,152**	**16,364,536**	328,350	17,850,748
EQUITY:				
Authorised Capital 2.000.000				
Issued 500.000 with par value 9.963	444,777	26,646,590	513,557	27,919,526
	444,777	**26,646,590**	513,557	27,919,526
TOTAL LIABILITIES & EQUITY	**717,929**	**43,011,126**	843,283	45,845,080

Date : 5th May, 2014
Place : Jakarta

Mohana Sundaram Paranjoty
Director

Ashwin Devineni
Director

Note: Indian rupee equivalent figures have been arrived at by applying the year end interbank exchange rate US$ 1 = ₹ 59.91 (previous year US$ 1 = ₹ 54.365) and do not form part of the report of PT Nava Bharat Indonesia as made out in accordance with laws of country of incorporation.

Balance Sheet

as at 31st March, 2014

Particulars	2014 USD	2014 INR	2013 USD	2013 INR
CURRENT ASSETS :				
Cash & Deposits				
Cash	5,255	314,827	5,994	325,864
Deposits	97,585	5,846,317	38,229	2,078,320
TOTAL CURRENT ASSETS	**102,840**	**6,161,144**	44,223	2,404,184
NON CURRENT ASSETS :				
Fixed Assets				
Vehicles	11,018	660,088	12,096	657,599
Tools and Instruments	13,770	824,961	15,116	821,781
Other Non Current assets:				
Investments in Progress				
(Namphak Hydropower)	3,685,153	220,777,516	2,803,062	152,388,466
TOTAL NON CURRENT ASSETS	**3,709,941**	**222,262,565**	2,830,274	153,867,846
TOTAL ASSETS	**3,812,781**	**228,423,709**	2,874,497	156,272,030
CURRENT LIABILITIES :				
Short Term Loan - Maruyama	752,702	45,094,377	464,171	25,234,656
Short term loan - Nava Bharat (Singapore) Pte. Limited	3,289,862	197,095,632	2,155,122	117,163,208
Short Term Loan- Others	-	-	481,776	26,191,752
Other Payables	21,995	1,317,720	23,311	1,267,303
TOTAL CURRENT LIABILITIES	**4,064,559**	**243,507,729**	3,124,380	169,856,919
EQUITY:				
Equity Share Capital	19,382	1,161,176	21,277	1,156,724
Retained Earnings	(271,160)	(16,245,196)	(271,160)	(14,741,613)
	(251,778)	**(15,084,020)**	(249,883)	(13,584,889)
TOTAL LIABILITIES & EQUITY	**3,812,781**	**228,423,709**	2,874,497	156,272,030

Date : 2nd May, 2014

Susumu Maruyama
Director

Ashwin Devineni
Director

Note: Indian rupee equivalent figures have been arrived at by applying the year end interbank exchange rate US$ 1 = ₹ 59.91 (previous year US$ 1 = ₹ 54.365) and do not form part of the report of Kobe Green Power Co. Ltd. as made out in accordance with laws of country of incorporation.

Corporate Data

year ended March 31, 2014

			Date of appointment
DIRECTORS	:	Mr Devineni Ashwin	January 28, 2011
	:	Mr Pinnamaneni Trivikrama Prasad	January 28, 2011
	:	Mrs Pouletty Desvaux De Marigny Camille	January 28, 2011
	:	Mr Koenig Thierry Vincent Marie	January 28, 2011
	:	Mr Koenig Xavier Thierry (alternate Director to Mrs Pouletty Desvaux De Marigny Camille and Mr Koenig Thierry Vincent Marie)	February 18, 2011

ADMINISTRATOR & SECRETARY :

Up to 28 January 2014
C/o CK (Corporate Services) Ltd
5th Floor, Chancery House
Lislet Geoffroy Street
Port Louis
MAURITIUS

With effect from 29 January 2014
C/o ENSafrica Fiduciary Ltd
5th Floor, Chancery House
Lislet Geoffroy Street
Port Louis
MAURITIUS

REGISTERED OFFICE :

5th Floor, Chancery House
Lislet Geoffroy Street
Port Louis
MAURITIUS

AUDITORS :

BDO & CO
10, Frère Félix de Valois Street
Port Louis
MAURITIUS

BANK :

HSBC Bank (Mauritius) Limited
6th Floor, HSBC Centre
18, Cybercity
Ebene
MAURITIUS

Commentary of the Directors

year ended March 31, 2014

1. The Directors are pleased to present their commentary together with the audited financial statements of Nava Bharat Africa Resources Pvt. Limited ("the Company") for the year ended March 31, 2014.

2. PRINCIPAL ACTIVITY

Its principal activity is that of investment holding.

Pursuant to a Directors' resolution dated April 03, 2014, the board of Nava Bharat (Singapore) Pte Limited, the holding company, has decided to wind up the Company since no projects are being pursued through the Company. The financial statements have therefore been prepared on a break-up basis as management does not have any specific future business plan for the Company.

3. RESULTS AND DIVIDENDS

The statement of profit or loss and other comprehensive income is set out on page 6.

The Directors do not recommend the payment of a dividend for the year under review (2013: Nil).

4. STATUS

The Company was incorporated on January 28, 2011 under the Mauritius Companies Act 2001 as a private Company with limited liability. It holds a Category 1 Global Business Licence under the Financial Services Act 2007.

5. STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the Directors to prepare financial statements for each financial year which present fairly the financial position, financial performance and statement of cash flows of the Company. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards (IFRS) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2001 and International Financial Reporting Standards. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CERTIFICATE FROM THE SECRETARY - YEAR ENDED MARCH 31, 2014

We certify that to the best of our knowledge and belief that we have filed with the Registrar of Companies all such returns as are required of the Company under the Mauritius Companies Act 2001 for the year ended March 31, 2014.

Secretary,
ENSafrica Fiduciary Ltd
5th Floor, Chancery House
Lislet Geoffroy Street
Port Louis
Mauritius

Date: May 6, 2014

Statement of Financial Position

at March 31, 2014

Particulars	Notes	2014 USD	2014 INR	2013 USD	2013 INR
ASSETS					
Non-current asset					
Equipment	4	-	-	12,838	697,938
Current assets					
Other receivables	5	-	-	5,927	322,221
Cash at bank		98	5,871	1,749	95,084
		98	5,871	7,676	417,305
TOTAL ASSETS		**98**	**5,871**	20,514	1,115,243
EQUITY AND LIABILITIES					
Capital and reserves					
Stated capital	6	1,000	59,910	1,000	54,365
Revenue deficit		(3,222)	(193,030)	(806,492)	(43,844,938)
TOTAL EQUITY		(2,222)	(133,120)	(805,492)	(43,790,573)
Non-current liability					
Borrowings	7	-	-	826,006	44,905,816
Current liability					
Other payables	8	2,320	138,991	-	-
TOTAL EQUITY AND LIABILITIES		**98**	**5,871**	20,514	1,115,243

These financial statements have been approved by the Board of Directors on May 6, 2014 and signed on its behalf by:

Thierry Koenig	Camille Pouletty
Director	Director

Statement of Comprehensive Income

for the year ended March 31, 2014

Particulars	Notes	2014 USD	2014 INR	2013 USD	2013 INR
INCOME					
Borrowings written back		853,564	51,137,019	-	-
EXPENSES					
Salaries and bonuses		12,826	768,406	17,496	951,170
Professional expenses		11,572	693,279	16,075	873,917
Rental and accommodation expenses		6,623	396,784	31,101	1,690,806
Loss on disposal of equipment		6,305	377,733	91,666	4,983,422
Depreciation of equipment	4	6,043	362,036	25,842	1,404,900
Other administrative expenses		3,528	211,362	13,366	726,643
Penalty fees		2,736	163,914	-	-
		49,633	2,973,513	195,546	10,630,858
Profit/(loss) before foreign exchange difference		803,931	48,163,505	(195,546)	(10,630,858)
Foreign exchange (loss)/gain		(661)	(39,601)	171	9,296
Profit/(loss) before taxation		803,270	48,123,904	(195,375)	(10,621,562)
Taxation	9	-	-	-	-
			-		-
Profit/(loss) for the year		803,270	48,123,904	(195,375)	(10,621,562)
Other comprehensive income		-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**803,270**	**48,123,904**	(195,375)	(10,621,562)

Statement of Changes in Equity

for the year ended March 31, 2014

	Stated capital	Stated capital	Revenue deficit	Revenue deficit	**Total**	**Total**
	USD	INR	USD	INR	**USD**	**INR**
Balance at April 1, 2013	1,000	59,910	(805,492)	(48,316,936)	(805,492)	(48,257,026)
Total comprehensive income for the year:						
- Profit for the year	-	-	803,270	48,123,906	803,270	48,123,904
Balance at March 31, 2014	**1,000**	**59,910**	**(3,222)**	**(193,030)**	**2,222**	**(133,122)**
Balance at April 1, 2012	1,000	59,910	(611,117)	(36,612,019)	(610,117)	(33,169,011)
Total comprehensive income for the year:						
- Loss for the year		-	(195,375)	(11,704,916)	(195,375)	(10,621,562)
Balance at March 31, 2013	**1,000**	**59,910**	**(806,492)**	**(48,316,936)**	**(805,492)**	**(43,790,573)**

Statement of Cash Flows

for the year ended March 31, 2014

	Notes	2014 USD	2014 INR	2013 USD	2013 INR
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit/(loss) before taxation		803,270	48,123,904	(195,375)	(10,621,562)
Adjustments for:					
Loss on disposal of equipment		6,305	377,733	91,666	4,983,422
Loan written back		(853,564)	(51,137,019)	-	-
Depreciation	4	6,043	362,036	25,842	1,404,900
		(37,946)	(2,273,346)	(77,867)	(4,233,240)
Changes in working capital:					
- other receivables		5,927	355,087	16,292	885,715
- other payables		2,320	138,991	(3,906)	(212,350)
Net cash used in operating activities		(29,699)	(1,779,268)	(65,481)	(3,559,875)
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from disposal of equipment		490	29,356	164,614	8,949,240
Purchase of equipment	4	-	-	(23,299)	(1,266,650)
Net cash generated from investing activities		490	29,356	141,315	7,682,590
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of borrowings	7	(5,237)	(313,749)	(162,128)	(8,814,089)
Proceed from borrowings	7	32,795	1,964,748	83,746	4,552,851
Net generated from/(used in) financing activities		**27,558**	**1,650,999**	**(78,382)**	**(4,261,238)**
Net decrease in cash and cash equivalents		(1,651)	(98,913)	(2,548)	(138,523)
Movement in cash and cash equivalents					
At start of year		1,749	104,783	4,297	233,606
Decrease in cash and cash equivalents		(1,651)	(98,911)	(2,548)	(138,522)
At March 31,		**98**	**5,872**	1,749	95,084

Notes

to the Financial Statements for the year ended March31, 2014

1. COMPANY PROFILE

Nava Bharat Africa Resources Pvt. Limited (the "Company") was incorporated in Mauritius, under the Mauritius Companies Act 2001, on January 28, 2011 as a private company with limited liability. The Company's registered office address is c/o ENSafrica Fiduciary Ltd, 5th Floor, Chancery House, Lislet Geoffroy Street, Port-Louis, Mauritius. The Company's principal activity is that of investment holdings.

The Company is wholly owned by Nava Bharat (Singapore) Pte Limited.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. Where necessary, comparative figures have been amended to conform with change in presentation in the current year.

(a) Basis of preparation

The financial statements of the Company comply with the Companies Act 2001 and have been prepared in accordance with International Financial Reporting Standards.

Pursuant to a Directors' resolution dated April 03, 2014, the board of Nava Bharat (Singapore) Pte Limited, the holding company, has decided to wind up the Company since no projects are being pursued through the Company. The financial statements have therefore been prepared on a break-up basis as management does not have any specific future business plan for the Company.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

There were no major estimates and assumptions made during the year that have a significant risk of causing material adjustment to the carrying amounts of the Company's assets and liabilities within the next financial year.

Standards, Amendments to published Standards and Interpretations effective in the reporting period

Amendment to IAS 1, 'Financial statement presentation' regarding other comprehensive income. The main change resulting from these amendments is a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments).

IFRS 10, 'Consolidated financial statements' builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The standard is not expected to have any impact on the Company's financial statements.

IAS 27, 'Separate Financial Statements' deals solely with separate financial statements. The standard has no impact on the Company's financial statements.

IFRS 11, 'Joint arrangements' focuses on the rights and obligations of the parties to the arrangement rather than its legal form. There are two types of joint arrangements: joint operations and joint ventures. Joint operations arise where the investors have rights to the assets and obligations for the liabilities of an arrangement. A joint operator accounts for its share of the assets, liabilities, revenue and expenses. Joint ventures arise where the investors have rights to the net assets of the arrangement; joint ventures are accounted for under the equity method. Accounting for an interest in a joint venture using the proportionate consolidation method is not permitted under IFRS 11. The standard is not expected to have any impact on the Company's financial statements.

IAS 28, 'Investments in Associates and Joint Ventures'. The scope of the revised standard covers investments in joint ventures as well. IFRS 11 requires investments in joint ventures to be accounted for using the equity method of accounting. The standard has no impact on the Company's financial statements.

IFRS 12, 'Disclosures of interests in other entities' includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, structured entities and other off balance sheet vehicles. The standard has no impact on the Company's financial statements.

IFRS 13, 'Fair value measurement', aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs.

IAS 19, 'Employee benefits' was revised in June 2011. The changes on the group's accounting policies has been as follows: to immediately recognise all past service costs; and to replace interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability/(asset). The revised standard has no impact on the Company's financial statements.

IFRIC 20, 'Stripping costs in the production phase of a surface mine', has no impact on the Company's financial statements.

Amendment to IFRS 7, 'Financial instruments: Disclosures', on asset and liability offseting. This amendment includes new disclosures and is not expected to have any impact on the Company's financial statements.

Amendment to IFRS 1 (Government Loans) has no impact on the Company's financial statements.

Annual Improvements to IFRSs 2009-2011 Cycle

IFRS 1 (Amendment), 'First time adoption of IFRS', has no impact on the Company's operations.

IAS 1 (Amendment), 'Presentation of financial statements', clarifies the disclosure requirements for comparative information when an entity provides a third balance sheet either as required by IAS 8, 'Accounting policies, changes in accounting estimates and errors' or voluntarily.

IAS 16 (Amendment), 'Property, plant and equipment', clarifies that spare parts and servicing equipment are classified as property, plant and equipment rather than inventory when they meet the definition of property, plant and equipment. The amendment does not have an impact on the Company's operations.

IAS 32 (Amendment), 'Financial instruments: Presentation', clarifies the treatment of income tax relating to distributions and transaction costs. The amendment does not have an impact on the Company's operations.

IAS 34 (Amendment), 'Interim financial reporting', clarifies the disclosure requirements for segment assets and liabilities in interim financial statements.

Notes

to the Financial Statements for the year ended 31 March, 2014

Standards, Amendments to published Standards and Interpretations issued but not yet effective

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after January 1, 2014 or later periods, but which the Company has not early adopted.

At the reporting date of these financial statements, the following were in issue but not yet effective:

IFRS 9 Financial Instruments

IAS 32 Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)

Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)

IFRIC 21: Levies

Recoverable Amount Disclosures for Non-financial Assets (Amendments to IAS 36)

Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39)

IFRS 9 Financial instruments (Hedge Accounting and amendments to IFRS 9, IFRS 7 and IAS 39)

Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)

Annual Improvements to IFRSs 2010-2012 cycle

Annual Improvements to IFRSs 2011-2013 cycle

IFRS 14 Regulatory Deferral Accounts

Where relevant, the Company is still evaluating the effect of these Standards, amendments to published Standards and Interpretations issued but not yet effective, on the presentation of its financial statements.

(b) Revenue recognition

Interest income is recognised on a time proportion basis using the effective interest method.

(c) Financial instruments

Financial instruments carried on the statement of financial position include other receivables, cash and cash equivalents, other payables and borrowings.

(i) Other receivables

Other receivables were recognised at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment. A provision for impairment of other receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables.

(ii) Cash and cash equivalents

Cash comprises cash at bank. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(iii) Stated capital

Ordinary shares are classified as equity.

(iv) Other payables

Other payables are stated at net realisable value.

(v) Borrowings

Borrowings were recognised at fair value being their issue proceeds net of transaction costs incurred and subsequently measured at amortised cost using the effective interest method.

Notes

to the Financial Statements for the year ended 31 March, 2014

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in United States Dollar (USD), which is the Company functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are accounted for at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at year-end exchange rates and differences in exchange are accounted for in the statement of profit or loss and other comprehensive income.

(e) Taxation

Income tax on the profit or loss for the year comprises of current and deferred tax. Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of prior years.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial liability in a transaction, other than a business combination, that at the time of the transaction statements. However, if the deferred income tax arises from initial recognition of an asset or affects neither accounting nor taxable profit or loss, it is not accounted for.

Deferred income tax is determined using tax rates that have been enacted or substantively enacted by the end of the reporting period and are expected to apply in the period when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary difference can be utilised.

(f) Related parties

Related parties are individuals and companies where the individual or company has the ability directly or indirectly, to control the other party or exercise significant influence over the other party in making operating and financial decisions, or vice versa.

(g) Provision

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation.

(h) Equipment

Equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Costs may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of equipment.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset as appropriate, only 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.

Depreciation is calculated on the straight-line method to write off the cost or revalued amounts of the assets to their residual values over their estimated useful lives as follows:

Motor vehicles	5 years
Furniture and fittings	2 - 3 years

Notes

to the Financial Statements for the year ended 31 March, 2014

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposals of equipment is determined by comparing proceeds with carrying amount and are included in the statement of profit or loss and other comprehensive income. On disposal of revalued assets, the amounts included in revaluation surplus are transferred to retained earnings.

(i) Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Company's activities expose it to a variety of financial risks. A description of the significant risk factors is given below together with the risk management policies applicable.

(a) Currency risk

At March 31, 2014 and 2013, the Company is substantially independent to changes in foreign exchange rates as most of its financial assets and liabilities are denominated in USD.

(b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities.

At March 31, 2014, the financial liability of the Company consist solely of other payables which are payable within one year.

3.2 Capital risk management

The Company's objectives when managing capital are:

- to safeguard the equity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and,
- to provide an adequate return to shareholders by pricing services commensurately with the level of risk.

Pursuant to a Directors' resolution dated April 03, 2014, the board of Nava Bharat (Singapore) Pte Limited, the holding company, has decided to wind up the Company since no projects are being pursued through the Company. The financial statements have therefore been prepared on a break-up basis as management does not have any specific future business plan for the Company.

3.3 Fair value estimation

The nominal value less estimated credit adjustment of other receivables and other payables are assumed to approximate their net realisable values.

Notes

to the Financial Statements for the year ended 31 March, 2014

	Motor vehicles	Furniture and fittings	Total	Total
	USD	USD	**USD**	**INR**
4. EQUIPMENT				
COST				
At April 1, 2013	-	30,412	30,412	1,821,983
Disposal		(30,412)	(30,412)	(1,821,983)
At March 31, 2014	-	-	-	-
DEPRECIATION				
At April 1, 2013	-	17,574	17,574	1,052,858
Charge for the year		6,043	6,043	362,036
Disposal adjustment		(23,617)	(23,617)	(1,414,894)
At March 31, 2014	-	-	-	-
NET BOOK VALUE				
At March 31, 2014	-	-	**-**	**-**
COST				
At April 1, 2012	232,143	108,701	340,844	18,529,984
Additions	-	23,299	23,299	1,266,650
Disposals	(232,143)	(101,588)	(333,731)	(18,143,286)
At March 31, 2013	-	30,412	30,412	1,653,348
DEPRECIATION				
At April 1, 2012	46,428	22,755	69,183	3,761,134
Charge for the year	11,607	14,235	25,842	1,404,900
Disposal adjustment	(58,035)	(19,416)	(77,451)	(4,210,624)
At March 31, 2013	-	17,574	17,574	955,410
NET BOOK VALUE				
At March 31, 2013	-	**12,838**	**12,838**	**697,938**

Notes

to the Financial Statements for the year ended 31 March, 2014

	2014	2013	2013	2013
	USD	INR	USD	INR
5. OTHER RECEIVABLES				
Deposit account			5,250	**285,416**
Other receivables	-	-	677	36,805
	-	-	**5,927**	**322,221**

(a) The carrying amounts of other receivables approximate their net realisable values and were denominated in USD.

(b) At March 31, 2014 and 2013, there were no past due or impaired receivables.

	2014 & 2013	2014 & 2013
	USD	INR
6. STATED CAPITAL		
Issued and fully paid share capital		
100 ordinary shares of USD 10 each	**1,000**	**59,910**

	2014	2014	2013	2013
	USD	INR	USD	INR
7. BORROWINGS				
At start of year	826,006	49,486,020	904,388	49,167,054
Received during the year	32,795	1,964,748	83,746	4,552,851
Repaid during the year	(5,237)	(313,749)	(162,128)	(8,814,089)
Written back during the year	(853,564)	(51,137,019)	-	-
At March 31,	-	**-**	**826,006**	**44,905,816**

The borrowings were payable to the holding company. They were unsecured, interest free, had no fixed term of repayment and were denominated in USD.

Pursuant to a resolution dated April 3, 2014, the board of the holding company has decided to waive off its right for repayment for the loan provided to the Company.

Notes

to the Financial Statements for the year ended 31 March, 2014

	2014	2014	2013	2013
	USD	INR	USD	INR
8. OTHER PAYABLES				
Accruals	**2,320**	**138,991**	-	-

The carrying amounts of other payables are denominated in USD and approximate their net realisable values.

9. TAXATION

The Company is liable to pay income tax on its net income at a rate of 15%. It is, however, entitled to a tax credit equivalent to the higher of actual foreign tax suffered or 80% of Mauritius tax payable in respect of its foreign source income. Thus reducing it to an effective tax rate of 3%.

The tax on the Company's results before taxation differs from the theoretical amount that would arise using the basic tax rate of the Company as follows:

	2014	2014	2013	2013
	USD	INR	USD	INR
Profit/(loss) before taxation	803,270	48,123,904	(195,375)	(10,621,562)
Tax calculated at a rate of 3%	24,098	1,443,711	(5,861)	(351,133)
Income not subject to tax	(26,285)	(1,574,734)	(336)	(20,130)
Expenses not deductible for tax purposes	453	27,139	3,525	211,183
Deferred tax asset not recognised	1,734	103,884	2,672	160,080
	-	-	-	-

At March 31, 2014, the Company has accumulated tax losses of USD 742,250 (2013: USD 684,449) in respect of which no deferred tax asset has been recognised due to unpredictability of future profit streams.

Notes

to the Financial Statements for the year ended 31 March, 2014

10. RELATED PARTY TRANSACTIONS

During the year ended March 31, 2014, the Company had transactions with related parties. The nature, volume of transactions and the balances with the related parties is as follows:

	2014	**2014**	2013	2013
	USD	**INR**	USD	INR
(i) Borrowings from holding company				
At start of year	826,006	49,486,020	904,388	49,167,054
Received during the year	32,795	1,964,748	83,746	4,552,851
Repaid during the year	(5,237)	(313,749)	(162,128)	(8,814,089)
Write back during the year	(853,564)	(51,137,019)	-	-
At March 31,	**-**	**-**	**826,006**	**44,905,816**

	2014	**2014**	2013	2013
	USD	**INR**	USD	INR
(ii) Rental and accommodation expenses for Director	**-**	**-**	**4,079**	**244,373**

Balances at year-end are unsecured, interest free and settlement occurs in cash. There has been no guarantees provided for any related party payables.

11. HOLDING COMPANY

The Directors consider Nava Bharat (Singapore) Pte Limited, a company incorporated in Singapore, as the holding company.

Note: Indian rupee equivalent figures have been arrived at by applying the year end interbank exchange rate US$ 1 = ₹ 59.91 (previous year US$ 1 = ₹ 54.365) and not form of the report of Nava Bharat Africa Resources Pvt Limited as made out in accordance with laws of country of incorporation.

Balance Sheet

as at 31st March, 2014

Particulars	2014 USD	2014 INR
CURRENT ASSETS:		
Amount due from holding Company	1,000	59,910
	1,000	59,910
EQUITY:		
Equity Share Capital	1,000	59,910
TOTAL	**1,000**	59,910

Date : 6th May, 2014

S Ramesh
Director

Ashwin Devineni
Director

Note: Indian rupee equivalent figures have been arrived at by applying the year end interbank exchange rate US$ 1 = ₹ 59.91 and do not form part of the report of Nava Energy Pte. Limited as made out in accordance with laws of country of incorporation.

Balance Sheet

as at 31st March, 2014

Particulars	2014 USD	2014 INR
CURRENT ASSETS:		
Amount due from holding Company	1,000	59,910
	1,000	59,910
EQUITY:		
Equity Share Capital	1,000	59,910
TOTAL	**1,000**	59,910

Date : 6th May, 2014

PJV Sharma	Ashwin Devineni
Director	Director

Note: Indian rupee equivalent figures have been arrived at by applying the year end interbank exchange rate US$ 1 = ₹ 59.91 and do not form part of the report of Nava Bharat Lao Energy Pte. Limited as made out in accordance with laws of country of incorporation.

Notice to Shareholders

Notice is hereby given that the Eighth Annual General Meeting of the Company will be held on Wednesday, the 30th July, 2014 at 11.00 a.m. at 6-3-1109/1, Nava Bharat Chambers, Raj Bhavan Road, Hyderabad – 500 082 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the audited Balance Sheet as at 31st March, 2014 and the statement of Profit & Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.

2. To appoint a Director in the place of Sri D. Ashok, who retires by rotation and being eligible, offers himself for re-appointment.

3. To appoint a Director in the place of Sri P. Trivikrama Prasad, who retires by rotation and being eligible, offers himself for re-appointment.

4. To appoint Auditors and fix their remuneration.

   To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the fourth Annual General Meeting and to fix their remuneration and to pass the following resolution as an Ordinary Resolution.

   "RESOLVED THAT, pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder, and pursuant to the recommendations of the audit committee of the Board of Directors, M/s. Brahmayya & Co., Chartered Accountants, be and are hereby re-appointed as the auditors of the Company, to hold office from the conclusion of this AGM to the conclusion of the fourth consecutive AGM (subject to ratification of the appointment by the members at every AGM held after this AGM) and that the Board of Directors be and are hereby authorised to fix such remuneration as may be determined by the audit committee in consultation with the auditors."

SPECIAL BUSINESS:

5. Appointment of Dr. M. V. G. Rao, as Independent Director of the Company:

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 Dr. M. V. G. Rao, (DIN:00012704) who was appointed as Additional Director of the Company by the Board of Directors on 26th May, 2014, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Dr. M. V. G. Rao as a candidate for the office of a Director of the Company, be and is hereby appointed as Independent Director of the Company to hold office for a term of five consecutive years effective from 26.05.2014 and not liable to retire by rotation."

6. Appointment of Sri K. Balarama Reddi as Independent Director of the Company:

To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 Sri K. Balarama Reddi, (DIN:00012884) Director of the Company and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Sri K. Balarama Reddi as a candidate for the office of a Director of the Company, be and is hereby appointed as Independent Director of the Company to hold office for a term of five consecutive years effective from the date of forthcoming AGM and not liable to retire by rotation."

By Order of the Board
Nava Bharat Projects Limited

Place : Hyderabad
Date : 26th May, 2014

P. Viswanath
Company Secretary

Regd. Office:
6-3-1109/1,
Nava Bharat Chambers
Raj Bhavan Road,
Hyderabad – 500 082

Notice to Shareholders

Notes :

1. The Explanatory Statement in respect of Special Business in the Notice, pursuant to Section 102 of the Companies Act, 2013, is annexed hereto.

2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy need not be a member of the Company. The proxy form duly signed must be deposited at the Registered Office of the Company not later than 48 hours before the time of holding the meeting.

Explanatory statement (pursuant to Section 102 of the Companies Act 2013)

Item No. 5

Appointment of Dr. M. V. G. Rao as Independent Director of the Company:

Dr. M. V. G. Rao was appointed as an Additional Director by the Board on 26.05.2014, pursuant to Section 161 of the Companies Act, 2013, read with Article 104 of the Articles of Association of the Company.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Dr. M. V. G. Rao will hold office upto the date of the ensuing Annual General Meeting. The Company received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with a deposit of ₹ 1 lakh proposing the candidature of Dr. M. V. G. Rao for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

Dr. M. V. G. Rao is a Chemical Engineer with about 5 decades of industrial experience and he held senior positions including Chairman and Managing Director of Vera Laboratories, Managing Director of A.P Paper Mills, Executive Director (Operations) of Tamilnadu Newsprint and Papers Limited, etc. Recipient of prestigious Honorary Doctorate - HONORIS CAUSA from Rohilkhand University, Bareilly and several other awards and honours.

The Company has received from Dr. M. V. G. Rao (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of Dr. M. V. G. Rao as an Independent Director of the Company for a term of five consecutive years effective from 26.05.2014, pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. He is not liable to retire by rotation.

In the opinion of the Board of Directors, Dr. M. V. G. Rao, the Independent Director proposed to be appointed, fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder and he is independent of the Management. A copy of the draft letter for the appointment of Dr. M. V. G. Rao as Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days upto the date of the AGM.

The Board considered that his association would be of immense benefit to the Company and it is desirable to avail his services as Independent Director.

No Director, Key managerial personnel or their relatives, except Dr. M. V. G. Rao, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item No.5 for the approval of the members.

Item No. 6

Appointment of Sri K. Balarama Reddi as Independent Director of the Company:

Sri K. Balarama Reddi is an Electrical Engineer with about 5 decades of experience in various senior positions including Chairman of Andhra Pradesh State Electricity Board. He possesses vast Accounting and Financial Management expertise and is a Senior Consultant of Administrative Staff College of India for about 10 years. He held special positions like President, Central Board of Irrigation and Power, New Delhi and was Recipient of several honours and

Notice to Shareholders

awards. He joined the Board of Directors of Nava Bharat Ventures Limited, (Holding Company) on 25.07.1998 as a Non-Executive Independent Director.

Sri K. Balarama Reddi is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 23.01.2009. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Sri K. Balarama Reddi, is proposed to be appointed as Independent Director for a term of five consecutive years effective from the date of forthcoming AGM. In this regard, the Company received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with a deposit of ₹ 1 lakh proposing the candidature of Sri K. Balarama Reddi for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Sri K. Balarama Reddi (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of Sri K. Balarama Reddi as an Independent Director of the Company for a term of five consecutive years effective from the date of forthcoming AGM, pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. He is not liable to retire by rotation.

In the opinion of the Board of Directors, Sri K. Balarama Reddi, the Independent Director proposed to be appointed, fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder and he is independent of the Management. A copy of the draft letter for the appointment of Sri K. Balarama Reddi as Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days upto the date of the Annual General Meeting.

The Board considered that his continued association would be of immense benefit to the Company and it is desirable to continue to avail his services as Independent Director. Accordingly, the Board recommended the resolution, for the approval by the Shareholders of the Company.

No Director, Key managerial personnel or their relatives, except Sri K. Balarama Reddi, to whom the resolution relates, is interested or concerned in the resolution.

By Order of the Board
Nava Bharat Projects Limited

Place : Hyderabad
Date : 26th May, 2014

P. Viswanath
Company Secretary

Regd. Office:
6-3-1109/1,
Nava Bharat Chambers
Raj Bhavan Road,
Hyderabad – 500 082

Directors' Report

Dear Members,

Your Directors have pleasure in presenting their Eighth Annual Report together with the Audited Balance Sheet of the Company as at 31st March, 2014 and the Auditors' Report thereon.

REVIEW OF FINANCIAL PERFORMANCE:

During the year under review, the aggregate earnings stood at ₹ 113,923,593/- and the total outgoings stood at ₹ 39,834,128/-. The year resulted in a net profit of ₹ 54,885,738/- after taxation.

OPERATIONS:

The Company has been engaged in project management and maintenance services. These cover a wide spectrum of services such as project conceptualisation, project management including financial planning, contract documentation, contract management, trading of equipment, O & M activity, technical services etc. Presently such services are being rendered to M/s. Maamba Collieries Limited, Zambia.

The ongoing investigation of CBI / ED of the coal block allotment to M/s.Navabharat Power Private Limited (NPPL) and subsequent sale of stake in NPPL to Essar Power Limited also involving the Director of the Company (in his erstwhile position as Non-Executive Chairman of NPPL) has been completed.

The Hon'ble Court of Ld. Special Judge (PC Act) observing that the allegations in the charge sheet are under Section 120B read with Section 420 of IPC and the same are triable by the Court of Hon'ble Metropolitan Magistrate. Therefore, the present charge sheet is assigned to the Hon'ble Court of Ld. Chief Metropolitan Magistrate. The Hon'ble Court of Ld. Additional Chief Metropolitan Magistrate Court – II passed an Order that piecemeal cognizance cannot be taken and directed the CBI to file the report before 30.08.2014.

DIRECTORS:

Sri D. Ashok and Sri P. Trivikrama Prasad, Directors, retire by rotation at the Annual General Meeting and being eligible, offered themselves for re-appointment.

The Board at its meeting held on 26.05.2014, appointed Dr. M. V. G. Rao, as Additional Director of the Company. Pursuant to the provisions of Section 161 of the Companies Act, 2013, he will hold office upto the date of the ensuing Annual General Meeting. The Company received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with a deposit of ₹ 1 lakh proposing the candidature of Dr. M. V. G. Rao for the office of Independent Director for a term of five consecutive years effective from 26.05.2014, to be appointed as such, in terms of the provisions of Section 149 of the Companies Act, 2013.

Sri K. Balarama Reddi is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 23.01.2009. In terms of Section 149 of the Companies Act, 2013, Sri K. Balarama Reddi, is proposed to be appointed as Independent Director for a term of five consecutive years effective from the date of forthcoming AGM. In this regard, the Company received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with a deposit of ₹ 1 lakh proposing the candidature of Sri K. Balarama Reddi for the office of Independent Director, to be appointed as such, in terms of the provisions of Section 149 of the Companies Act, 2013.

AUDIT COMMITTEE, NOMINATION AND REMUNERATION COMMITTEE AND CHIEF FINANCIAL OFFICER:

Pursuant to section 177 of the Companies Act, 2013, the Board of Directors re-constituted the Audit Committee and Nomination and Remuneration Committee. The Committees comprises three Directors as under:

1. Sri K. Balarama Reddi – Independent Director
2. Sri Dr. M. V. G. Rao – Independent Director
3. Sri P. J. V. Sarma – Non-Executive Director

The Audit Committee met twice during the financial year 2013-14 on 20.05.2013 and 05.11.2013 and reviewed inter alia, the annual and half yearly financial statements respectively.

Pursuant to provisions of Section 203 of the Companies Act, 2013, the Board of Directors appointed Sri V. Arunodaya Babu, as Chief Financial Officer of the Company w.e.f. 26.05.2014.

SECRETARIAL AUDIT:

The Board of Directors on 26th May, 2014 appointed M/s. P. S. Rao & Associates, Practicing Company Secretaries, for the conduct of Secretarial Audit pursuant to the recommendations of the Audit Committee for the Financial Year 2014-15 for the Company.

Directors' Report

FIXED DEPOSITS:

The Company has not accepted nor held any public deposits pursuant to Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

AUDITORS:

M/s. Brahmayya & Co., Chartered Accountants, the Auditors of the Company, retire at the conclusion of the Annual General Meeting and have expressed their willingness to continue in office, if re-appointed. The Board of Directors recommended appointment of Statutory Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the fourth Annual General Meeting.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

During the year, there was no Technology Absorption or conservation of Energy. The foreign exchange earnings were ₹ 63,907,190/- and outgo was ₹ 132,859/-.

DIRECTORS' RESPONSIBILITY STATEMENT:

The Directors confirm that in the preparation of Annual Accounts for the year ended 31.03.2014:

- Applicable accounting standards have been followed.
- The accounting policies framed in accordance with the guidelines of the Institute of Chartered Accountants of India have been applied.
- Reasonable and prudent judgement and estimates were made so as to give a true and fair view of the state of affairs of the Company.
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, as applicable.
- The accounts have been prepared on 'a going concern' basis.

PARTICULARS OF EMPLOYEES:

As required by the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended, the name and other particulars of the employee is as under:

Name of the Employee, Age and date of commencement of employment	Designation	Remuneration (₹ in lakhs)		Qualifications	Experience (years)	Particulars of previous employment
		Salary and Perquisites	Commission			
Sri S. Ramesh Age:48 Date:17.05.2010	Managing Director	65.00	-	M. Tech (Power Systems) from IIT Madras	25	Navabharat Power Pvt. Ltd.

ACKNOWLEDGEMENT:

Your Directors gratefully acknowledge the support and co-operation extended by the Regulatory Authorities and Company's Bankers.

for and on behalf of Board of
Nava Bharat Projects Limited

P. Trivikrama Prasad
Director

S. Ramesh
Managing Director

Place : Hyderabad
Date : 26th May, 2014

Independent Auditor's Report

To

The Members of

Nava Bharat Projects Limited, Hyderabad.

REPORT ON THE FINANCIAL STATEMENTS:

We have audited the accompanying financial statements of NAVA BHARAT PROJECTS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS:

Management is responsible for 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

OPINION:

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

a. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

b. in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

c. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS:

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

   a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   b. in our opinion proper books of account as required by law have been kept by the Company

Independent Auditor's Report

so far as appears from our examination of those books;

c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956; read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.

e. On the basis of written representations received from the Directors as on March 31, 2014, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2014, from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441 A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

for Brahmayya & Co.,
Chartered Accountants
Firm's Registration Number: 000513S

P. Chandramouli
Partner
Membership Number: 025211

Place : Hyderabad
Date : 26th May, 2014

Annexure to the Auditor's Report

The Annexure referred to in Para 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date, to the members NAVA BHARAT PROJECTS LIMITED, HYDERABAD, for the year ended 31 March 2014.

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

   b. As explained to us, the management has physically verified the fixed assets during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of the assets. No discrepancies were noticed on such verification.

   c. During the year the Company has not disposed off any of its fixed assets.

2. a. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.

   b. In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

   c. The Company is maintaining proper records of inventory. The discrepancies noticed on physical verification between the physical stocks and book records were not material.

3. a. During the year, the Company has granted unsecured loan to a Company covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during year was ₹ 50 crores and the year end balance of such loan was ₹ 50 Crores.

   b. In our opinion, the rate of interest and other terms and conditions of such unsecured loan are not prima facie prejudicial to the interest of the Company.

   c. The party is regular in the payment of Interest to the Company and as per the stipulations the principal amount has not fallen due.

   d. During the year, the Company has not taken any loans, secured or unsecured from Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.

   e. In view of our comment in paragraph 3(d) above, (III) (f) and (g) of paragraph 4 of the aforesaid order are not applicable to the Company.

4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.

5. a. In our opinion and according to the information and explanations given to us by the Management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register to be maintained under that section.

   b. In respect of the transactions made in pursuance of such contracts or arrangements exceeding value or Rupees five lakhs entered into during the financial year, in the absence of any comparable quotes, we are unable to comment whether the transactions were made at prevailing market prices at the relevant time.

6. The Company has not accepted any deposits from the public. Hence the provisions of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956, and the Companies (Acceptance of Deposits) Rules, 1975, do not apply to this Company.

7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.

Annexure to the Auditor's Report

8. The Central Government has not prescribed the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 for the activities of the Company.

9. a. According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it.

   b. According to the information and explanations given to us, no undisputed amounts payable in respect of Income-tax, wealth tax, Sales tax, Custom Duty, Excise Duty and Cess were in arrears, as at 31st March, 2014 for a period of more than six months from the day they became payable.

   c. According to the information and explanation given to us, there are no dues of sale tax, income tax, custom duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute.

10. The Company has no accumulated losses as at the end of the financial year. The Company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.

11. As the Company has no borrowings, the provisions of clause 4(xi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. The Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.

14. The Company is not dealing or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

15. In our opinion, the terms and conditions on which the Company has given guarantees for the loans taken by Others from banks and financial institutions are not prima facie prejudicial to the interest of the Company.

16. During the year the Company has not obtained any term loans. Therefore, the provisions of clause 4(xvi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

17. In our opinion and according to the information and explanations given to us, the funds raised on short-term basis have not been used for long-term investment.

18. According to the information and explanations given to us, during the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.

19. The Company has not issued any debentures during the year, therefore the question of creating security or charge in respect thereof does not arise.

20. During the year, the Company has not made any public issue, therefore the question of disclosing the end use of money raised by public issue does not arise.

21. Based upon the audit procedures performed and according to the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year.

for Brahmayya & Co.,
Chartered Accountants
Firm's Registration Number: 000513S

P. Chandramouli
Partner
Membership Number: 025211

Place : Hyderabad
Date : 26th May, 2014

Balance Sheet

as at 31st March, 2014

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Particulars	Notes	31st March, 2014	31st March, 2013
EQUITY AND LIABILITIES			
Share Holders Funds			
Share Capital	04	908,040,000	908,040,000
Reserves and Surplus	05	1,454,355,005	1,399,469,267
		2,362,395,005	2,307,509,267
Non Current Liabilities			
Long-Term Provisions	06	2,185,672	1,201,777
		2,185,672	1,201,777
Current Liabilities			
Trade Payables	07	4,670,540	4,382,737
Other Current liabilities	08	2,183,511	3,536,072
Short - term provisions	09	114,708	34,377
		6,968,759	7,953,186
TOTAL		**2,371,549,436**	2,316,664,230
ASSETS			
Non - Current Assets			
Fixed Assets			
Tangible Assets	10	166,383	156,624
Non - Current Investments	11	1,585,150,000	1,590,150,000
Deferred Tax Assets (Net)	12	1,018,818	722,545
Long-term loans and advances	13	500,186,000	6,000
Other non current assets	14	12,980,376	19,629,745
		2,099,501,577	1,610,664,914
Current Assets			
Current investments	15	152,591,617	238,461,960
Inventories	16	2,614,937	2,034,242
Trade Receivable	17	59,295,454	43,357,756
Cash and cash equivalents	18	49,944,990	399,367,300
Short-term loans and advances	19	7,081,898	3,438,567
Other current assets	20	518,963	19,339,491
		272,047,859	705,999,316
TOTAL		**2,371,549,436**	2,316,664,230
Notes Forming Part Of Financial Statements	01 - 40		

per our report of even date

for and on behalf of the Board

for Brahmayya & Co.,
Chartered Accountants
Firms' Registration Number: 000513S

P. Trivikrama Prasad
Director

P. Chandramouli
Partner
Membership Number: 025211

P. Viswanath
Company secretary

S. Ramesh
Managing Director

Place : Hyderabad
Date : 26th May, 2014

NAVA BHARAT

Statement of Profit and Loss

for the year ended 31st March, 2014

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Particulars	Notes	31st March, 2014	31st March, 2013
INCOME			
Operating Income	21	64,466,967	106,152,444
Other Income	22	49,456,626	31,480,977
TOTAL REVENUE		**113,923,593**	137,633,421
EXPENSES			
Operating Expenses	23	-	52,203,286
Purchase of Traded Goods (Project Equipment)		19,734,096	7,867,825
(Increase)/Decrease in Inventories	24	(580,695)	(2,034,242)
Employee Benefits Expense	25	16,864,697	12,728,408
Depreciation expense	26	47,241	88,780
Other Expenses	27	3,768,789	10,561,670
TOTAL EXPENSES		**39,834,128**	81,415,727
Profit Before Tax		**74,089,465**	56,217,694
Tax Expense			
Current Tax		19,500,000	16,000,000
Deferred Tax		(296,273)	(339,042)
Earlier years adjustment		-	118,110
		19,203,727	15,779,068
Profit for the year After Tax		**54,885,738**	40,438,626
Earnings per Share (Face Value ₹ 2/-)	28		
Basic and diluted (in ₹)		**0.12**	0.09
Notes Forming Part of Financial Statements	01 - 40		

per our report of even date

for Brahmayya & Co.,
Chartered Accountants
Firms' Registration Number: 000513S

P. Chandramouli
Partner
Membership Number: 025211

Place : Hyderabad
Date : 26th May, 2014

for and on behalf of the Board

P. Trivikrama Prasad
Director

P. Viswanath
Company secretary

S. Ramesh
Managing Director

Cash Flow Statement

for the year ended 31st March, 2014

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	Particulars	31st March, 2014	31st March, 2013
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit/(Loss) before Tax	74,089,465	56,217,694
	Adjustments for:		
	Depreciation	47,241	88,780
	Dividends from current investments	(15,019,570)	(7,270,510)
	Interest on Bank deposits	(174,570)	(11,432)
	Interest on Others	(29,342,466)	(20,840,548)
	Interest from Non Current Investments	(400,479)	(600,000)
	Net Loss on sale of Tangible Assets	-	2,797
	Net (Gain)/ Loss on sale of current investments	(56,841)	85,555
	Operating Profit Before Working Capital Changes	29,142,780	27,672,336
	Adjustments for:		
	Increase/(decrease) in long term provisions	983,895	(699,454)
	Increase/(decrease) in Trade payables	287,803	1,834,428
	Increase/(decrease) in Other Current liabilities	(1,352,561)	1,012,528
	Increase/(decrease) in short term provisions	80,331	(84,084)
	(Increase)/decrease in long term loans and advances	(500,180,000)	1,501,555,000
	(Increase)/decrease in Inventories	(580,695)	(2,034,242)
	(Increase)/decrease in Trade receivables	(15,937,698)	(17,198,771)
	(Increase)/decrease in short term loans and advances	(3,643,331)	505,586
	(Increase)/decrease in Other Current assets	18,686,568	(114,938)
	Direct Taxes Paid (net of refunds)	(12,850,631)	(6,237,123)
	Net Cash from Operating Activities (A)	**(485,363,539)**	1,506,211,266

Cash Flow Statement

for the year ended 31st March, 2014

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	Particulars	31st March, 2014	31st March, 2013
B	**CASH FLOW FROM INVESTING ACTIVITIES:**		
	Purchase of Fixed Assets	(57,000)	(89,100)
	Purchase of Investments	(447,500,000)	(1,423,500,000)
	Sale of Investments	545,363,869	286,414,445
	Sale of Fixed Assets	-	774,744
	Income from current investments	8,082,885	5,308,550
	Interest received	30,051,475	601,143
	Net Cash Used In Investing Activities (B)	**135,941,229**	**(1,130,490,218)**
C	**CASH FLOW FROM FINANCING ACTIVITIES: (C)**	-	-
	Net Increase in Cash and Cash Equivalents (A+B+C)	(349,422,310)	375,721,048
	Cash and Cash equivalents as at beginning of the year	399,367,300	23,646,252
	Cash and Cash equivalents as at the end of the year	**49,944,990**	**399,367,300**

per our report of even date

for Brahmayya & Co.,
Chartered Accountants
Firms' Registration Number: 000513S

P. Chandramouli
Partner
Membership Number: 025211

Place : Hyderabad
Date : 26th May, 2014

for and on behalf of the Board

P. Trivikrama Prasad
Director

P. Viswanath
Company Secretary

S. Ramesh
Managing Director

Notes

to the Financial Statements for the year ended 31st March, 2014

1. NATURE OF OPERATIONS:

Nava Bharat Projects Limited (the Company) has been incorporated on 12.01.2007 as a subsidiary to Nava Bharat Ventures Limited. The entire equity share capital is held by the Holding Company viz., Nava Bharat Ventures Limited, Hyderabad. At present the Company is engaged in the business of rendering services to power plants as operation and maintenance contractors and "Investment Consultancy Services".

2. BASIS OF ACCOUNTING:

The financial statements have been prepared to comply in all material respects with the Notified accounting standards by Companies (Accounting Standards) Rules, 2006 (as amended) read with the General Circular 15/2013 dated 13 September 2013 of Ministry of Corporate Affairs and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared in accordance with the generally accepted Accounting Principles in India under the historical cost convention and on accrual basis, except in case of assets for which provision for impairment is made and revaluation is carried out. The accounting policies are consistent with those used in the previous year.

3. SIGNIFICANT ACCOUNTING POLICIES:

a) Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the' results of operations during' the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

b) Fixed Assets:

Fixed assets are stated at cost (or revalued amounts, as the case may be), less accumulated depreciation, amortisation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

c) Depreciation:

i. Depreciation on Fixed Assets is provided on Written down Value/Straight Line method as per Schedule XIV of the Companies Act, 1956.

ii. Fixed Assets costing rupees Five thousand or less are fully depreciated in the year of acquisition.

iii. Improvements to premises taken on lease are amortised over the Primary lease period.

d) Prior period items:

All items of income/expenditure pertaining to prior period, which are material, are accounted through "prior period adjustments" and the others are shown under respective heads of account in the Profit and Loss Account.

e) Impairment:

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset are no longer exist or have decreased.

f) Investments:

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value of each long term investment is made to recognise a decline other than temporary in nature.

g) Revenue Recognition:

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Specifically the following basis is adopted:

Income from Services: Revenue is recognised as and the Services rendered as per the terms of individual Service Contract. Income from Services is accounted inclusive of service tax.

Commission: Revenue from Investment Consultancy Services is recognised as and when services are rendered.

Dividends: Dividend is recognised as and when the payment is received.

Export Benefits: All export benefits are recognised only on realisation.

h) Retirement and Other Employee Benefits:

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Short term compensated absences are provided on an estimated basis. Long term compensated absences are provided for based on actuarial valuation on project unit credit method carried by an actuary as at the end of the year. Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

i) Leases:

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognised as an expense in the profit and loss account on a straight-line basis over the lease term and vice versa.

j) Taxes on Income:

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act 1961 enacted in India. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. If the Company has carry forward of unabsorbed depreciation and tax losses, deferred tax assets are recognised only, if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits.

k) Provisions:

A provision is recognised when there is a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

l) Contingent Liabilities:

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of

Notes

to the Financial Statements for the year ended 31st March, 2014

one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

m) Earnings per Share (Basic and Diluted) :

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

n) Cash Flow Statement:

Cash flows are reported using indirect method. Cash and cash equivalents in the cash flow statement comprise cash at bank, cash/cheques in hand and Fixed Deposits with Banks.

o) Foreign currency transactions:

i. Initial Recognition

Foreign currency transaction are recorded in the reporting currency, by applying to the foreign currency amounts the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii. Conversion

Foreign currency monetary items are reported using the closing rate.

iii. Exchange Differences

Exchange difference arising on the settlement of monetary items or on reporting monetary items of company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

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Particulars	31st March, 2014	31st March, 2013
4. SHARE CAPITAL:		
Authorised:		
500,000,000 Equity Shares of ₹ 2/- each	1,000,000,000	1,000,000,000
TOTAL	**1,000,000,000**	1,000,000,000
Issued, Subscribed and Paid - Up:		
454,020,000 Equity Shares of ₹ 2/- each Fully paid up:	908,040,000	908,040,000
TOTAL	**908,040,000**	908,040,000

a. Rights attached to equity shares:

The Company has only one class of equity shares having a par value of ₹ 2/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

Notes

to the Financial Statements for the year ended 31st March, 2014

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

b. Shares held by holding Company:

No of Shares

Particulars	31st March, 2014	31st March, 2013
Nava Bharat Ventures Limited	454,020,000	454,020,000

c. Details of shareholders holding more than 5% shares in the Company

Particulars	31st March, 2014		31st March, 2014	
	Nos	Percentage	Nos	Percentage
Equity Shares of ₹ 2/- each fully paid				
Nava Bharat Ventures Limited	454,020,000	100%	454,020,000	100%

₹

Particulars	31st March,2014	31st March, 2013
5. RESERVES AND SURPLUS:		
Surplus i.e. balance in Statement of Profit and Loss		
Opening balance	1,399,469,267	1,359,030,641
Add: Net profit transferred from Statement of Profit and Loss	54,885,738	40,438,626
Amount available for appropriation	1,454,355,005	1,399,469,267
Less: Appropriations	-	-
Closing Balance	1,454,355,005	1,399,469,267
TOTAL	**1,454,355,005**	1,399,469,267

₹

Particulars	31st March, 2014	31st March, 2013
6. LONG TERM PROVISIONS:		
Provisions for employee benefits:		
Provision for Gratuity	951,371	875,267
Provision for Leave encashment	1,234,301	326,510
TOTAL	**2,185,672**	1,201,777

Notes

to the Financial Statements for the year ended 31st March, 2014

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Particulars		31st March, 2014	31st March, 2013
7.	**TRADE PAYABLES:**		
	Creditors for Supplies and Services (refer Note : 32)	4,622,413	4,087,937
	Creditors for Accrued Wages and Salaries	48,127	294,800
	TOTAL	**4,670,540**	4,382,737

₹

Particulars		31st March, 2014	31st March, 2013
8.	**OTHER CURRENT LIABILITIES:**		
	Retention Deposits	1,670,251	2,856,336
	Others:		
	TDS Payable	41,827	217,811
	Other statutory dues	45,942	57,177
	Other Payables	425,491	404,748
	TOTAL	**2,183,511**	3,536,072

₹

Particulars		31st March, 2014	31st March, 2013
9.	**SHORT TERM PROVISIONS:**		
	Provisions for employee benefits:		
	Provision for Gratuity	20,394	12,286
	Provision for Leave encashment	94,314	22,091
	TOTAL	**114,708**	34,377

10. TANGIBLE ASSETS:

(amount in ₹)

Particulars	Gross Block				Depreciation				Net Block	
	As at 1st April, 2013	Additions	Deductions	As at 31st March, 2014	Up to 31st March, 2013	For the year	On Deductions	Up to 31st March, 2014	As at 31st March, 2014	As at 31st March, 2013
1 Office Equipment	78,000	-	-	78,000	17,744	8,382	-	26,126	51,874	60,256
2 Computers	213,972	57,000	-	270,972	117,604	38,859	-	156,463	114,509	96,368
TOTAL	**291,972**	**57,000**	**-**	**348,972**	**135,348**	**47,241**	**-**	**182,589**	**166,383**	**156,624**
Previous Year	1,547,464	89,100	1,344,592	291,972	613,619	88,780	567,051	135,348	156,624	933,845

11. NON CURRENT INVESTMENTS:
(at cost net of diminution) (Un-quoted)

Particulars	Face Value	31st March, 2014		31st March, 2013	
	₹	Nos	₹	Nos	₹
i. Government Securities;					
Investments in Rural Electrification Bonds (non trade)	10,000	500	5,000,000	1,000	10,000,000
		500	5,000,000	1,000	10,000,000
ii. Investment in Equity Shares:(fully paid up) (trade)					
Subsidiary Companies:					
Nava Bharat Energy India Limited #	2	740,000,000	1,480,000,000	740,000,000	1,480,000,000
		740,000,000	1,480,000,000	740,000,000	1,480,000,000
iii. Preference Shares in Other Companies: (fully paid up) (trade) (6 % Cumulative redeemable preference Shares)					
Rio Realty Private Limited	100	135,500	13,550,000	135,500	13,550,000
Juventus Infrastructure and Projects Private Limited	100	130,000	13,000,000	130,000	13,000,000
A9 Realty Private Limited	100	736,000	73,600,000	736,000	73,600,000
		1,001,500	100,150,000	1,001,500	100,150,000
TOTAL		**741,002,000**	**1,585,150,000**	**741,002,500**	**1,590,150,000**
Aggregate provision for diminution in the value of investments			NIL		NIL

260,000,000 Shares are pledged with the IDBI Trusteeship Services Limited as security for the loan facilities of ₹ 566 Crores obtained by Nava Bharat Energy India Limited.

Notes

to the Financial Statements for the year ended 31st March, 2014

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Particulars	31st March, 2014	31st March, 2013
12. DEFERRED TAX ASSETS (NET):		
Asset:		
Difference between book and tax depreciation	257,554	302,924
Provision for retirement benefits	746,358	401,070
Other Provisions	14,906	18,551
TOTAL	**1,018,818**	722,545

₹

Particulars	31st March, 2014	31st March, 2013
13. LONG TERM LOANS AND ADVANCES: (Unsecured, Considered good)		
Security Deposits	186,000	6,000
Inter Corporate deposit to a related Party	500,000,000	-
TOTAL	**500,186,000**	6,000

₹

Particulars	31st March, 2014	31st March, 2013
14. OTHER NON CURRENT ASSETS:		
Advance Income Tax (Net of Provision)	12,980,376	19,629,745
TOTAL	**12,980,376**	19,629,745

Particulars	31st March, 2014		31st March, 2013	
	Nos	₹ Value	Nos	₹ Value
15. CURRENT INVESTMENTS:				
(Non Trade, Unquoted)				
Investments in Mutual Funds:				
Templeton India LD Fund	2,214,275	22,954,661	2,764,667	28,648,468
UTI Floating Rate Fund		-	93,421	100,602,715
TATA Fixed Maturity Fund	5,000,000	50,000,000	5,000,000	50,000,000
HDFC Floating Rate Fund		-	893,610	9,008,394
Birla Sunlife Floating Rate Fund		-	501,207	50,202,383
IDFC Cash Fund	897,682	39,594,175	-	-
SBI Premier Liquid Fund	39,913	40,042,781	-	-
TOTAL	**8,151,870**	**152,591,617**	9,252,905	238,461,960

Notes

to the Financial Statements for the year ended 31st March, 2014

₹

Particulars	31st March, 2014	31st March, 2013
16. INVENTORIES:		
Stock-in trade (Project Equipment) at Cost	2,614,937	2,034,242
TOTAL	**2,614,937**	2,034,242

₹

Particulars	31st March, 2014	31st March, 2013
17. TRADE RECEIVABLE:		
(Unsecured, Considered good)		
Due for less than six months		
from a related Party	59,204,754	43,138,268
from others	90,700	219,488
TOTAL	**59,295,454**	43,357,756

₹

Particulars	31st March, 2014	31st March, 2013
18. CASH AND CASH EQUIVALENTS:		
Balances with Banks:		
on Current accounts	32,664,007	399,098,326
Cash on Hand	41,324	18,974
Other Bank balances:		
Margin Money Deposits	17,239,659	250,000
TOTAL	**49,944,990**	399,367,300

₹

Particulars	31st March, 2014	31st March, 2013
19. SHORT TERM LOANS AND ADVANCES:		
(Unsecured, Considered good)		
Advances for Purchases	1,650,000	-
Loans and Advances to other bodies corporate	1,214,260	1,210,260
Loans to employees	52,400	76,800
Balances with Statutory authorities	791,243	791,243
Security Deposits	-	180,000
Other loans and advance		
to related parties	3,251,614	1,180,264
to others	122,381	-
TOTAL	**7,081,898**	3,438,567

Notes

to the Financial Statements for the year ended 31st March, 2014

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Particulars	31st March, 2014	31st March, 2013
20. OTHER CURRENT ASSETS:		
Due from Subsidiary	-	18,756,493
Interest Accrued	326,329	460,289
Prepaid Expenses	96,386	-
Others	96,248	122,709
TOTAL	**518,963**	19,339,491

₹

Particulars	31st March, 2014	31st March, 2013
21. OPERATING INCOME:		
Operations and Maintenance Contracts	-	62,359,800
Financial Services	559,777	680,738
Project Support Services	40,376,345	35,595,484
Sale of Traded Goods(Project Exports)	23,530,845	7,516,422
TOTAL	**64,466,967**	106,152,444

₹

Particulars	31st March, 2014	31st March, 2013
22. OTHER INCOME:		
Interest Income:		
Bank deposits	174,570	11,432
Bonds	400,479	600,000
Others	29,342,466	20,840,548
Dividends from investments	15,019,570	7,270,510
Net gain on Sale of Investments	56,841	-
Other Non Operating Income (Net of expenses)		
Exchange fluctuations	4,177,402	2,702,779
Miscellaneous Income	285,298	55,708
TOTAL	**49,456,626**	31,480,977

Notes

to the Financial Statements for the year ended 31st March, 2014

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Particulars	31st March, 2014	31st March, 2013
23. OPERATING EXPENSES:		
Operations and Maintenance Contract Expenses	-	52,203,286
TOTAL	**-**	52,203,286

₹

Particulars	31st March, 2014	31st March, 2013
24. INCREASE IN INVENTORIES:		
Project Equipment		
Closing Stock - in - Trade	2,614,937	2,034,242
Less :Opening Stock - in - Trade	2,034,242	-
	-	-
TOTAL	**580,695**	2,034,242

₹

Particulars	31st March, 2014	31st March, 2013
25. EMPLOYEE BENEFITS EXPENSE:		
Salaries, Wages and Bonus	15,679,647	12,091,331
Staff Welfare Expenses	1,100,838	637,077
Gratuity	84,212	-
TOTAL	**16,864,697**	12,728,408

₹

Particulars	31st March, 2014	31st March, 2013
26. DEPRECIATION AND AMORTISATION EXPENSE:		
Depreciation on tangible assets	47,241	88,780
TOTAL	**47,241**	88,780

Notes

to the Financial Statements for the year ended 31st March, 2014

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Particulars		31st March, 2014	31st March, 2013
27.	**OTHER EXPENSES:**		
	Rent	360,000	360,000
	Freight and Transportation	862,952	127,199
	Insurance	49,764	22,828
	Travelling and Conveyance	491,241	393,882
	Rates and Taxes	149,369	7,152,796
	Legal and Professional Charges	474,735	1,651,354
	Payments to Auditors : as auditors	224,720	168,540
	: for tax audits	140,450	78,652
	: for certification	151,686	-
	Net Loss on Sale of Investments	-	85,555
	Net Loss on sale of Tangible Assets	-	2,797
	Miscellaneous expenses	563,872	518,067
	Donations	300,000	-
	TOTAL	**3,768,789**	10,561,670

₹

Particulars		31st March, 2014	31st March, 2013
28.	**EARNINGS PER SHARE:**		
	Net Profit for the year attributable to Equity Shareholders	54,885,738	40,438,626
	Weighted average number of equity Shares of ₹ 10/each	454,020,000	454,020,000
	Earnings per Share (Basic and Diluted)	**0.12**	0.09

₹

Particulars		31st March, 2014	31st March, 2013
29.	**EXPENDITURE IN FOREIGN CURRENCY:**		
	Travelling	126,165	-
	Others	6,694	2,520
	TOTAL	**132,859**	2,520

Notes

to the Financial Statements for the year ended 31st March, 2014

₹

Particulars	31st March, 2014	31st March, 2013
30. EARNINGS IN FOREIGN EXCHANGE:		
Professional Services rendered	40,376,345	35,595,484
Export of goods calculated on F.O.B. basis	23,530,845	7,516,422
TOTAL	**63,907,190**	43,111,906

31. In the opinion of the management, the current assets, loans and advances are expected to realise at least the amount at which they are stated, if realised in the ordinary course of business and provision for all known liabilities have been adequately made in the accounts.

32. Disclosure of Sundry Creditors under Trade Payables is based on the information available with the Company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" and relied upon by the Auditors.

33. DETAILS OF TOTAL OUTSTANDING DUES TO MICRO AND SMALL ENTERPRISES AS PER MICRO, SMALL AND MEDIUM ENTERPRISE DEVELOPMENT ACT, 2006.

₹

Particulars	31st March, 2014	31st March, 2013
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year	99,060	3,836,000
The amount of interest paid by the buyer in terms of Section 16, of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day each accounting year	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprise Development Act, 2006.	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprise Development Act, 2006.	Nil	Nil

Notes

to the Financial Statements for the year ended 31st March, 2014

34. DISCLOSURE RELATING TO THE GRATUITY LIABILITY (NOT FUNDED) AS PER ACCOUNTING STANDARD 15 "EMPLOYEE BENEFITS"

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Particulars	31st March, 2014	31st March, 2013
a) The amounts recognised in the Balance Sheet Present Value of obligation	971,765	596,919
Amount recognised in the Balance sheet	**971,765**	**887,553**
b) Changes in the present value of the defined obligation	**596,919**	**887,553**
Opening defined benefit obligation	596,919	887,553
Current service Cost	374,846	343,665
Actuarial (gains)/Losses on obligation	-	(634,299)
Closing defined benefit obligation	**971,765**	**596,919**
c) The amounts recognised in the Statement of Profit and Loss		
Current service Cost	374,846	-
Excess Provision available in the Books	(290,634)	-
Expenses recognised in the Statement of Profit and Loss	84,212	-
d) Principal actuarial assumptions		
Rate of escalation in Compensation	6%	6%
Discount Rate	8%	8%
Attrition Rate	5%	5%
Retirement Age in years	58	58

The rate of escalation in compensation considered in the above valuation is estimated taking into account inflation, seniority, promotion and other relevant factors and the above information is as certified by an actuary.

35. The Company is primarily in the business of rendering services, hence there are no other reportable segments as per the Accounting Standard (AS 17) on Segment Reporting.

36. In terms of Accounting Standard (AS 28) on "Impairment of Assets", the management has carried out the assessment of impairment of assets and no impairment loss has been recognised during the year.

37. Contingent liabilities on account of Guarantees issued by the Bankers to the extent of ₹ 17,162,500/- (Previous Year ₹ Nil) are not provided in the Financial Statements.

Notes

to the Financial Statements for the year ended 31st March, 2014

38. THE DETAILS OF RELATED PARTY TRANSACTIONS IN TERMS OF ACCOUNTING STANDARD (AS 18) ARE AS FOLLOWS:

a. Names of related parties and relation with the Company:

i.	Key Management Personnel:	Sri S. Ramesh, Managing Director
		Sri D. Ashok, Director
		Sri P. Trivikrama Prasad, Director
		Sri G. R. K. Prasad, Director
ii.	Relatives of Key Management Personnel:	Smt. S. Sarvani- wife of Sri S. Ramesh
		Master S. Jayanth - son of Sri S. Ramesh
		Smt. D. Ramaa - wife of Sri D. Ashok
		Sri D. Ashwin - son of Sri D. Ashok
		Sri D. Nikhil - son of Sri D. Ashok
		Dr. D. Rajasekhar - brother of Sri D. Ashok
		Smt. D. Bhaktapriya - mother of Sri D. Ashok
		Smt. A. Nilima - sister of Sri D. Ashok
		Smt. P. Rajashree - wife of Sri P. Trivikrama Prasad
		Smt. P. Sruthi – daughter of Sri P Trivikrama Prasad
		Smt. G.S.P. Kumari - wife of Sri G.R.K. Prasad
iii.	Enterprises controlling the reporting Enterprise:	
	Holding Company:	M/s. Brahmani Infratech Private Limited
	Subsidiary Company:	M/s. Nava Bharat Realty Limited
	Fellow Subsidiaries:	M/s. Nava Bharat Sugar and Bio Fuels Limited
		M/s. Nava Bharat (Singapore) Pte Limited
		M/s. PT Nava Bharat Sungai Cuka
		M/s. PT Nava Bharat Indonesia
		M/s. Maamba Collieries Limited
		M/s. Kobe Green Power Co. Limited
		M/s. Nava Bharat Africa Resources Private Limited
		M/s. Kariba Infrastructure Development Limited
		M/s. NB Rufiji Private Limited
		M/s. NB Tanagro Limited
		M/s. Nava Energy Pte. Limited
		M/s. Nava Bharat Lao Energy Pte. Limited

Notes

to the Financial Statements for the year ended 31st March, 2014

Enterprises over which KMP/relatives of KMP exercisesignificant influence:	M/s. Nava Bharat Natural Resources India Limited M/s. Nav Developers Limited M/s. S.R.T. Investments Private Limited M/s. A N Investments Private Limited M/s. V9 Avenues Private Limited M/s. A9 Homes Private Limited M/s. AV Dwellings Private Limited M/s. Brahmani Skyline Constructions Private Limited M/s. Brahmani Infrastructure Projects Private Limited M/s. Brahmani Infotech Private Limited M/s. V9 Infra Ventures Private Limited M/s. Dr. Pinnamaneni Healthcare Private Limited M/s. Malaxmi Highway Private Limited M/s. Kinnera Power Company Private Limited Dr. Devineni Subba Rao Trust M/s.Gunnam Subbarao and Ramayamma Trust

₹

b. Particulars of Transactions during the year:	**31st March, 2014**	31st March, 2013
i Transactions with relatives of key management personnel:		
Sri S. Ramesh, Managing Director		
Remuneration	5,418,470	-
ii Transactions with relatives of key management personnel:		
Smt. P. Sruthi – Rent	360,000	360,000
iii Transactions with Holding Company:		
Nava Bharat Ventures Limited		
Service Contract Receipts	-	62,359,800
iv Transactions with Subsidiary:		
Nava Bharat Energy India Limited		
Interest received on Share Application Money	-	20,840,548
Interest received on Inter Corporate Deposit	29,342,466	-
v. Transactions with Associates:		
Maamba Collieries Limited		
Project Supporting Charges	40,376,345	35,595,484
Project Exports (Traded goods)	23,530,845	7,516,422
c. Balances due from / (due to) as at the year end:		
Nava Bharat Energy India Limited	500,000,000	18,756,493
Maamba Collieries Limited	63,126,944	44,318,531

Notes

to the Financial Statements for the year ended 31st March, 2014

39. As required by Accounting Standard (AS 28) "Impairment of Assets", the management has carried out the assessment of impairment of assets and no impairment loss has been recognised during the year.

40. Previous year figures are regrouped and reclassified where ever necessary to make them comparable with those of current year.

per our report of even date

for Brahmayya & Co.,
Chartered Accountants
Firms' Registration Number: 000513S

P. Chandramouli
Partner
Membership Number: 025211

Place : Hyderabad
Date : 26th May, 2014

for and on behalf of the Board

P. Trivikrama Prasad
Director

P. Viswanath
Company secretary

S. Ramesh
Managing Director

Statement Pursuant

to Section 212 of the Companies Act, 2013, related to Subsidiary Company.

1	Name of the Subsidiary	Nava Bharat Energy India Limited
2	Financial year of the subsidiary ended on	31st March, 2014
3	Shares of the subsidiary held by the Company:	
	a) Number of shares	739,999,994
	Face value	₹ 2/- each
	b) Extent of Holding	74%
4	Net aggregate amount of Profits/(Losses) of the subsidiary for the above financial year of the subsidiary so far as they concern members of the Company:	
	a) dealt within the accounts of the Company for the year ended 31st March, 2014	N.A.
	b) not dealt within the accounts of the Company for the year ended 31st March, 2014	₹ 630,159,376/-
5	Net aggregate amount of Profits/(Losses) for previous years of the subsidiary, since it became a subsidiary so far as they concern members of the Company:	
	a) dealt within the accounts of the Company for the year ended 31st March, 2014	N.A.
	b) not dealt within the accounts of the Company for the year ended 31st March, 2014	₹ (49,959,456)/-
6	Change in the interest of the Company in the subsidiary between the end of the financial year of the subsidiary and that of the Company	NIL
7	Material changes between the end of the financial year of the subsidiary and end of the financial year of the Company in respect of the subsidiary's fixed assets, investments, lending and borrowing for the purpose other than meeting their current liabilities.	NIL
8	Remarks	* Note:- The Company holds 74% stake in Nava Bharat Energy India Limited as at the end of the financial year 31.03.2014 (same in previous year)

for and on behalf of the Board
Nava Bharat Projects Limited

P. Trivikrama Prasad
Director

S. Ramesh
Managing Director

Place : Hyderabad
Date : 26th May, 2014

Notice to Shareholders

Notice is hereby given that the Sixth Annual General Meeting of the Company will be held on Thursday, the 24th July, 2014 at 2.00 p.m. at 6-3-1109/1, Nava Bharat Chambers, Raj Bhavan Road, Hyderabad – 500 082 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the audited Balance Sheet as at 31st March, 2014 and the statement of Profit & Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.

2. To appoint a Director in place of Sri P Trivikrama Prasad, who retires by rotation and, being eligible, offers himself for re-appointment.

3. To appoint a Director in place of Sri. D. Ashok, who retires by rotation and, being eligible, offers himself for re-appointment.

4. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS:

5. **Re-appointment of Sri A.Venkata Rao as Managing Director of the Company:**

   To consider and, if thought fit, to pass with or without modification(s), the following resolution as Special Resolution:

   "RESOLVED THAT pursuant to Article 117 of the Articles of Association of the Company and Sections 197, 198, 203, 188 read with Schedule V of the Companies Act, 2013 and subject to such other approvals and consents as may be required, the consent and approval of the Company, be and is hereby accorded to the re-appointment of Sri A. Venkata Rao as Managing Director of the Company, not liable to retire by rotation and without remuneration to hold office for a period of 3 (Three) years with effect from 8th January, 2015."

6. **Appointment of Dr.M.V.G.Rao as an Independent Director:**

   To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

   "RESOLVED that pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Dr.M.V.G.Rao (holding DIN 00012704), Director of the Company, who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years effective from the date of forthcoming AGM and not liable to retire by rotation."

7. **Appointment of Sri K.Balarama Reddi as an Independent Director:**

   To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

   "RESOLVED THAT, pursuant to Sec.149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to the Companies Act, 2013 Sri K.Balarama Reddi,(holding DIN 00012884), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 26.05.2014 holds office until the date of the AGM, in terms of Sec.161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Sri K.Balarama Reddi as a candidate for the office of a Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years effective from the date of forthcoming AGM and not liable to retire by rotation."

8. **Borrowing Powers under Section 180 (1) (c) of the Companies Act, 2013:**

   To consider and, if thought fit, to pass with or without modification(s), the following resolution as Special Resolution:

Notice to Shareholders

"RESOLVED THAT subject to the provisions of Section 180(1)(c) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 including any statutory modifications or re-enactments thereof and in supersession of all the earlier resolutions passed in this regard, the Board of Directors(hereinafter referred to as the Board) including any committee thereof for the time being exercising the powers conferred on them by this resolution, be and are hereby authorised to borrow money, as and when required, from including without limitation, any Bank and/or Public Financial Institution as defined under Section 2(72) of the Companies Act, 2013 and/or eligible foreign lender and or/any entity/entities and/or authority/authorities and/or through suppliers credit, any other securities or instruments, such as floating rate notes, fixed rate notes, syndicated loans, debentures, commercial papers, short term loans or any other instruments etc. and/or though credit from official agencies and/or by way of commercial borrowings from the private sector window of multilateral financial institution, either in rupees or in such other foreign currencies as may be permitted by law from time to time, as may be deemed appropriate by the Board for an aggregate amount not exceeding ₹1000 Crores (Rupees One thousand Crores only), notwithstanding that money so borrowed together with the monies already borrowed by the Company, if any (apart from temporary loans obtained from the Company's bankers in the Ordinary course of business) may exceed the aggregate of the paid-up share capital of the Company and its free reserves, that is so say, reserves not set apart for any specified purpose."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above, and to settle all matters arising out of and incidental thereto, and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution."

9. **Power to Mortgage under Section 180 (1) (a) of the Companies Act, 2013:**

To consider and if thought fit, to pass with or without modification(s), the following resolution as Special Resolution:

"RESOLVED THAT, In terms of Section 180(1) (a) and all other applicable provisions, if any, of the Companies Act, 2013, read with the relevant Rules thereof (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the consent and approval of the Members of the Company be and is hereby accorded to the Board of Directors or any Committee of Directors as may be authorised by the Board in this regard (hereinafter referred to as "the Board") to sell, lease, mortgage or otherwise dispose of or to create charge, mortgage and/or hypothecate the whole or substantially the whole of the undertaking(s) of the Company, where undertaking (both present and future) shall have the meaning as stated in explanation to Clause (a) of Sub-Section (1) of Section 180 of the Companies Act, 2013, at such time and on such terms and conditions as the Board may deem fit, in the best interest of the affairs of the Company."

"RESOLVED FURTHER THAT, in connection with afore-stated resolution, the Board shall have the power to mortgage or otherwise offer as collateral, substantial property, assets and/or undertakings of the Company subject to an aggregate sum of ₹1000 Crores (Rupees One Thousand Crores only) in certain events, to banks/ financial institutions, other lending agencies, and/or trustees for the holders of debentures/bonds/other instruments, to secure any rupee loans, foreign currency loans and/or the issue of debentures whether partly or fully convertible or non-convertible and/or securities linked to equity shares and/or rupee / foreign currency convertible bonds and/or bonds with share warrants attached thereto."

"RESOLVED FURTHER THAT, for the purpose of giving effect to this resolution, the Board, be and is hereby authorised to do all such acts, deeds, matters and things and to give such directions as may be necessary or expedient and to settle any question, difficulty or doubt that may arise in this regard as the Board in its

Notice to Shareholders

absolute discretion may deem necessary or desirable and its decision shall be final and binding."

10. **Ratification of appointment of Cost Auditor for the year 2014-15:**

    To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

    "RESOLVED THAT pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Auditor and Auditors) Rules, 2014, subject to such guidelines and approval from the Central Government as may be required, the appointment of M/s.Narasimha Murthy & Co., Cost Accountants, 3-6-365, 104, Pavani Estate, Y.V.Rao Mansion, Himayat Nagar, Hyderabad – 500 029, as Cost Auditors to audit the cost records maintained by the Company in respect of Company's Product relating to Electricity for the Financial Year 2014-15 at an aggregate fee of ₹ 50,000/- (Rupees Fifty thousand only) plus out of pocket expenses for the visits to the Factory and service tax thereon, be and is hereby ratified."

11. **Related Party transactions:**

    To consider and, if thought fit, to pass with or without modification(s), the following resolution as Special Resolution:

    "RESOLVED THAT pursuant to provisions of Section 188 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, if any, consent of the Company be and is hereby accorded for entering into related party transactions by the Company with effect from 1st April, 2014 up to the maximum amounts per annum for each and every financial year as specified below:

    "RESOLVED FURTHER THAT the Company can borrow funds from the holding Companies for a sum of not exceeding ₹ 100 Crores per annum for every financial year."

    "RESOLVED FURTHER THAT to give effect to this resolution, the Board of Directors and / or any Committee thereof be and is hereby authorised to settle any question, difficulty or doubt that may arise with regard to giving effect to the above resolution and to do all acts, deeds, things, as may be necessary in its absolute discretion deem necessary, proper, desirable and to finalise any Documents and writings related thereto. The Board / Committee in its absolute discretion may approve, vary or otherwise the terms of contract as it deems fit without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have been given approval thereto expressly by the authority of this resolution."

By Order of the Board
for Nava Bharat Energy India Limited

Hyderabad
26.05.2014

R.Tulasi Maha Lakshmi
Company Secretary

Regd. Office:
6-3-1109/1
Nava Bharat Chambers
Raj Bhavan Road
Hyderabad – 500 082

Notes:

1. The Explanatory Statement in respect of Special Business in the Notice, pursuant to Section 102 of the Companies Act, 2013 is annexed hereto.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/ herself and such proxy need not be a member of the Company. The proxy form duly signed must be deposited at the Registered Office of the Company not later than 48 hours before the time of holding the meeting.

Notice to Shareholders

Explanatory statement (pursuant to Section 102 of the Companies Act 2013:

ITEM NO.5

Re-appointment of Sri A. Venkata Rao as Managing Director of the Company:

Pursuant to Article 117 of the Articles of Association of the Company and Sections 197, 198, 203 read with Schedule V of the Companies Act, 2013, the Board of Directors at its meeting dated 09.01.2012 appointed Sri A. Venkata Rao as Managing Director of the Company, not liable to retire by rotation and without remuneration, as prescribed, and to hold office for a period of 3 (Three) years i.e. upto 08.01.2015.

The Board of Directors at its meeting held on 26.05.2014 re-appointed Sri A.Venkata Rao as Managing Director not liable to retire by rotation and without remuneration for a period of 3 (Three) years with effect from 8th January, 2015 subject to approval of the General Body.

The Board commends the Resolution for members' approval.

None of the Directors, except Sri A. Venkata Rao, is in any way, concerned or interested in the above resolution.

ITEM NOS.6&7:

Appointment of Dr. M.V.G.Rao as an Independent Director and Sri K. Balaram Reddi as an Independent Director:

Dr.M.V.G.Rao is an Independent Director of the Company. He joined the Board of Directors of the Company on 23.01.2009. He is the Chairman of the Audit Committee and Nomination & Remuneration Committees.

Sri.K.Balarama Reddi is an Independent Director of the Company. He joined the Board of Directors of the Company on 26.05.2014. He is the member of the Audit Committee and Nomination & Remuneration Committees.

In terms of the Section 149 and any other applicable provisions of the Companies Act, 2013 Dr.M.V.G Rao and Sri.K.Balarama Reddi being eligible and offered themselves for appointment, are proposed to be appointed as Independent Directors for a term of five consecutive years effective from the date of forthcoming AGM.

ITEM NOS.8&9

Borrowing Powers under Section 180 (1) (c) of the Companies Act, 2013

As per Section 180 (1)(c) of the Companies Act, 2013 ("Act"), the Board of Directors of a Company cannot, except with the consent of the shareholders in general meeting, borrow monies, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, in excess of the aggregate of the paid up capital and free reserves of the Company. The Shareholders vide resolution passed by Extra Ordinary General Meeting on 22nd March, 2010 accorded their consent to the Board of Directors to borrow up to ₹ 1,500 Crores (Rupees One Thousand Five Hundred Crores) taking into consideration, the requirements of funds to meet the cost of the Company's projects, capacity expansion and other capital expenditure programmes as also long term working capital requirements of the Company.

The consent and approval of the Shareholders is therefore, sought in accordance with the provisions of Section 180(1)(c) of the Act, to enable the Directors to borrow monies, provided that the total amount so borrowed by the Board shall not at any time exceed ₹ 1,000 Crore (₹ One Thousand crores) or the aggregate of the paid up capital and free reserves of the Company, whichever is higher.

Power to Mortgage under Section 180 (1) (a) of the Companies Act, 2013:

As on March 31, 2014, the aggregate of the paid-up capital and free reserves of the Company was about ₹ 278 crores (Rupees Two hundred and Seventy Eight Crores only). It is proposed to increase the borrowing limits to enable the Directors to borrow monies, provided that the total amount so borrowed by the Board shall not at any time exceed Paid Up capital and free reserves or the aggregate of the paid up capital and free reserves of the Company, whichever is higher. The Resolution under Item No. 8 is to obtain the consent of the Shareholders for this purpose. The Company shall ensure that the debt equity ratio of the Company, at all times, will be within the reasonable limit.

The proposed borrowings of the Company may, if necessary, be secured by way of charge/ mortgage/ hypothecation on the Company's assets in favour of the lenders/ holders of securities / trustees for the holders of the said securities as mentioned in Resolution No. 8.

Notice to Shareholders

As the documents is to be executed between the lenders/ security holders/ trustees for the holders of the said securities and the Company may contain provisions to take over substantial assets of the Company in certain events, it is necessary to pass a Resolution under Section 180(1)(a) of the Act, for creation of charges/mortgages/hypothecations for an amount not exceeding ₹ 1000 Crores (Rupees One Thousand Crores) or the aggregate of the paid up capital and free reserves of the Company, whichever is higher.

The above proposals are in the interest of the Company and the Directors recommend the Resolution Nos. 8 and 9 of the Notice for consent and approval of the Members.

None of the Promoters, Directors, Key Managerial Personnel or their relatives are interested financial or otherwise in the said Special Resolution Nos. 8 and 9 of the accompanying Notice.

ITEM NO. 10. RATIFICATION OF APPOINTMENT OF COST AUDITOR FOR THE YEAR 2014-15:

A proposal for appointment of Cost Auditor for 2014-15 was recommended by the Audit Committee to the Board. It was proposed to re-appoint M/s. Narasimha Murthy & Co., Cost Accountants, 3-6-365, 104, Pavani Estate, Y.V.Rao Mansion, Himayat Nagar, Hyderabad – 500 029, as Cost Auditors.

Certificate dated 20.05.2014 issued by the above firm regarding their eligibility for appointment as Cost Auditors will be available for inspection at the registered office of the Company during 11.00 a.m. to 1.00 p.m. and shall also available at the meeting.

As per Rule 14 of Companies (Audit and Auditors) Rules, 2014, the appointment and remuneration payable to the Cost Auditors is to be ratified by the Shareholders. Hence, this resolution is put for the consideration of the Shareholders.

ITEM NO. 11. RELATED PARTY TRANSACTIONS:

The provisions of Section 188(1) of the Companies Act, 2013 that govern the following Related Party Transactions require a Company to obtain prior approval of the Board of Directors and in case the paid-up share capital of a Company is ₹ 10 crores or more, the prior approval of the shareholders by way of a Special Resolution.

- sale, purchase or supply of any goods or materials;
- selling or otherwise disposing of, or buying, property of any kind;
- leasing of property of any kind;
- availing or rendering of any services;
- appointment of any agent for purchase of sale of goods, materials, services or property;
- such related party's appointment to any office or place of profit in the Company, its Subsidiary Company or Associate Company; and
- underwriting the subscription of any securities or derivatives thereof, of the Company.

Further, third proviso to Section 188(1) provides that nothing shall apply to any transaction entered into by the Company in its ordinary course of business other than transactions which are not on arm's length basis.

The provisions of Section 188(3) also provide that any contract or arrangement entered into under Section 188(1) may be ratified by the Board or, as the case may be, by the shareholders at a meeting within three months from the date on which such contract or arrangement was entered into.

In the light of provisions of the Companies Act, 2013, the Board of Directors of your Company has approved the proposed transactions along with annual limits that your Company may enter into with its Related Parties (as defined under the Companies Act, 2013) for the financial year 2014-15 and beyond.

The Board in its meeting held on 1st, August, 2013 accorded approval for obtaining the ICD of ₹ 50 crores on Long term basis from Nava Bharat Projects Limited for meeting its requirement of funds for the project. The interest on ICD is as per the rules prescribed in the Companies Act, 2013.

Hence, the Board of Directors recommends the resolution for your approval.

None of the Directors and Key Managerial Personnel or relatives of them are interested in the above resolution.

By Order of the Board
for Nava Bharat Energy India Limited

Place : Hyderabad
Date : 26th May, 2014

R.Tulasi Maha Lakshmi
Company Secretary

Directors' Report

Dear Members,

Your Directors have pleasure in presenting their Sixth Annual Report together with the Audited Balance Sheet of the Company as at 31st March, 2014 and the Auditors' Report thereon.

OPERATIONS:

The Company is a step down subsidiary of Nava Bharat Ventures Limited and Subsidiary of Nava Bharat Projects Limited.

The Company operated the 150 MW Unit in 2013-14 reasonably with average PLF of 79.05%, gross generation of 150 MW and delivered energy of 919.81 MU.

Entire power was dispatched to APPCC excepting 14.95 MU dispatched to KSEB and 40.85 MU for sale through IEX.

NBEIL made a turnover of ₹ 53711.24 lakhs profit before tax of ₹ 8550 lakhs after charging depreciation of ₹ 3281 lakhs.

DIRECTORS:

Sri D. Ashok and Sri P.Trivikrama Prasad, Directors of the Company, are liable to retire by rotation at the Annual General Meeting and, being eligible, offered themselves for re-appointment.

The Board at its meeting held on 26.05.2014, subject to approval of members, appointed Sri A. Venkata Rao, as Managing Director of the Company not liable to retire by rotation, without remuneration, for a period of three years effective from 8th January, 2015.

The Board at its meeting held on 26.05.2014, subject to approval of members appointed Sri K.Balarama Reddi and Dr.M.V.G.Rao as Independent Directors of the Company not liable to retire by rotation for a period of five years effective from the Forthcoming Annual General Meeting.

AUDITORS:

M/s. Brahmayya & Co., Chartered Accountants, Hyderabad, the Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment in the transitional period of 3 years from this AGM for 2013-14 as provided in Section 139 (2) (a) (ii) of the Companies Act, 2013.

The Company has received a letter from them to the effect that their appointment, if made, would be within the prescribed limits including transitional period under Section 139 (1) of the Companies Act, 2013 and that they are not disqualified for re-appointment within the meaning of Section 139 (9) of the Companies Act, 2013.

COST AUDIT:

M/s. Narasimha Murthy & Co, Cost Auditors, were appointed in May, 2013 by the Company to conduct the cost audit in respect of Electricity for the FY 2013-14. The approval of the Central Government was received for this appointment.

The Cost Audit reports for FY 2013-14 were due to be submitted on or before 30th September, 2014. The Cost Audit reports for FY 2012-13 were filed with Ministry of Corporate Affairs.

APPOINTMENT OF INTERNAL AUDITORS FOR COSTING SYSTEMS AND INTERNAL AUDIT OF COST ACCOUNTING RECORDS:

As per the Master Circular No.2/2011 dated 11th November, 2011 issued by the Ministry of Corporate Affairs on Cost Accounting and Cost Audit, the Board of your Company appointed Internal Auditors, M/s.Sagar & Associates for internal audit of cost records for the Financial Year 2013-14 on the recommendation of the Audit Committee.

SECRETARIAL AUDIT:

The Board of Directors appointed M/s.P.S.Rao & Associates, Practicing Company Secretaries for the conduct of Secretarial Audit pursuant to the recommendations of the Audit Committee for the Financial Year 2013-14 for the Company and the Report of the Secretarial Audit for the Financial Year 2013-14 is also presented as a part of the Annual Report.

AUDIT COMMITTEE:

The Board of Directors re-constituted the Audit Committee in conformity with the requirements of Section 177A of the Companies Act, 2013.

Directors' Report

The Audit Committee comprises Directors as follows:

Dr. M.V.G.Rao	Chairman
Sri. J. Ramesh	Member
Sri K. Balarama Reddi	Member
Sri GRK Prasad	Member

The Committee met thrice during the year 2013-14 i.e. on 20.05.2013, 06.11.2013 and 08.02.2014 and reviewed the annual and half yearly financial statements, and recommended for the appointment of Statutory Auditor, Cost Auditor, and Internal Cost Auditor for the financial year 2013-14.

The terms of reference of the Re-constituted Audit Committee is as follows:

Terms of the Reference of the Re-constituted Audit Committee as per Sec.177 (4):

- The recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Examination of the financial statement and the auditor's report thereon;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems; and
- Monitoring the end use of funds raised through public offers and related matters.

NOMINATION AND REMUNERATION COMMITTEE:

According to the provisions of Sec.177(1) of the Companies Act, 2013, every Company, paid-up capital of which exceeds ₹ 100 crores, shall constitute the Nomination and Remuneration Committee consisting of three or more Non-Executive Directors out of which not less than one-half shall be Independent Directors.

It is pertinent to note that the Company's Paid-up Capital is ₹ 200 Crores. Hence, there is a need to constitute the Nomination and Remuneration Committee.

Aligning with the guidelines, your Company constituted a committee comprising:

Sri D.Ashok
Dr. M.V.G. Rao
Sri K. Balarama Reddi

The terms of reference of the Committee is as follows:

- The nomination and Remuneration Committee shall identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance.
- The Nomination and Remuneration Committee shall, while formulating the policy ensures that:
- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- Remuneration to Directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals. Provided that such policy shall be disclosed in the Board's Report.

CHIEF FINANCIAL OFFICER:

Pursuant to provisions of Section 203 of the Companies Act, 2013, the Board of Directors appointed Sri M.N.Rao as Chief Financial Officer of the Company w.e.f. 26.05.2014.

Directors' Report

CORPORATE SOCIAL RESPONSIBILITY:

Over the years, the Company is striving to achieve a fine balance of economic, environmental and social imperatives through the parent Company. The Company's Corporate Social Responsibility is not limited to philanthropy, but encompasses holistic community development, institution building and sustainability-related initiatives.

As per the Companies Act, 2013, all Companies having net worth of ₹ 500 crore or more, or turnover of ₹ 1000 crore or more or a net profit of ₹ 5 crore or more during any financial year will be required to constitute a Corporate Social Responsibility (CSR) Committee of the Board of Directors comprising three or more Directors, at least one of whom will be an Independent Director.

Aligning with the guidelines, the Company constituted a Committee comprising Sri D.Ashok as Chairman and Dr. M.V.G. Rao and Sri K.Balarama Reddi as Members. The Committee is responsible for formulating and monitoring the CSR Policy of the Company.

The Committee has adopted a policy that intends to:

Strive for economic development that positively impact the society at large with a minimal resource footprint.

Be responsible for the Company's Actions and encourage a positive impact through its activities on the environment, communities and stakeholders.

FIXED DEPOSITS:

The Company has not accepted nor held any public deposits pursuant to Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

DIRECTORS' RESPONSIBILITY STATEMENT:

The Directors confirm that in the preparation of Annual Accounts for the year ended 31.03.2014:

- Applicable accounting standards have been followed.
- The accounting policies framed in accordance with the guidelines of the Institute of Chartered Accountants of India have been applied.
- Reasonable and prudent judgement and estimates were made so as to give a true and fair view of the state of affairs of the Company.
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, as applicable.
- The accounts have been prepared on 'a going concern' basis.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Technology Absorption and conservation of Energy:

Detailed annexure is annexed with this Report as Annexure

During the year, the foreign exchange earnings are nil and foreign exchange used on account of interest (accrued) and travelling expenditure is ₹ 1,01,28,256/-.

PARTICULARS OF EMPLOYEES:

The provisions of Section 217 (2A) of the Companies Act 1956 read with the Companies (Particulars of Employees) Rules, 1975 and the Companies (Particulars of Employees) Amendment Rules, 2011 as amended, regarding particulars of employees drawing remuneration of the prescribed sums are not applicable as there were no employees in that category.

ACKNOWLEDGEMENT:

Your Directors gratefully acknowledge the support and co-operation extended by the Regulatory Authorities and Company's Bankers.

By Order of the Board
for Nava Bharat Energy India Limited

J.Ramesh
Director

Place : Hyderabad
Date : 26th May, 2014

A. VenkataRao
Managing Director

Annexure to the Directors' Report

Information under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the report of the Board of Directors) rules, 1988 and forming part of Directors' Report.

A. CONSERVATION OF ENERGY

(a) Energy conservation measures taken

Power Division : Telangana

i. Reduction of transmission line losses and generator field power consumption by reducing the generator reactive power & by improving PF.

ii. Reduction of BFP power consumption by reducing discharge pressure.

iii Optimisation of CHP consumption.

iv Avoid the usage of roots blower used for silo operation.

v Optimised the lighting.

(b) Additional investments and proposals, being implemented for reduction of consumption of energy:

Power Division: Telangana

i. Provided discharge gates for SA fans and running the plant with single SA fan.

ii. In AHP, drain traps were provided and line tapings modified to reduce AHP consumption.

Other Investment Proposals for FY 2014-15

Power Division : Telangana

i. VFD with LT Motor for CEP to reduce the power consumption at CEP.

ii. Blinding of one stage in all BFPs for reducing the flow & head of the pump and reduce the power consumption.

iii. Retrofitting of Boiler fans to suit the operating conditions of the plant and reduce the power consumption.

iv. Providing the intelligence flow controller in main air compressor system and reduce the loading hours of the compressor.

(c) Impact of the measures of (a) and (b) given above for reduction of energy consumption and consequent impact on the cost of production of goods;

Power Division: Telangana

Sl.no	Enercon activity	Saving per day in kWh.
a (i)	Reduction of transmission line losses by improving PF and generator field consumption by reducing the generator reactive power.	4570
(ii)	Reduction of BFP power consumption by reducing discharge pressure	3680
(iii)	Optimisation of CHP consumption.	480
(iv)	Avoid the usage of roots blower used for silo operation	600
(v)	Optimised the lighting.	423
b (i)	Provided discharge gates for SA fans and running the plant by single SA fan.	7600
(ii)	In AHP drain traps provided and line tapings modified to reduce AHP consumption.	768
TOTAL		**18121**

The total savings per day is 18,121 KWh in auxiliary power. This reduced the plant auxiliary consumption by 0.5%.

Annexure to the Directors' Report

B. TECHNOLOGY ABSORPTION

(e) Efforts made in technology absorption

1. Areas in which efficiency improvement was carried out by the Company

Power Division : Telangana

i. To improve boiler efficiency and cost control usage of high GCV South Africa coal introduced with proper blending of low cost washery rejects.

ii. Provided 20 numbers of 120W LED lamps for street lighting.

2. Benefits derived as a result of above modifications

Power Division: Telangana

i. Fuel cost per unit of generation was reduced by 35paise/kWh.

ii. 120W LED lamp illumination is equivalent to 250W ordinary lamps. About 40 units / day energy is conserved .

3. Future Plan of Action

Power Division

Power Plant: Telangana

i. Reduction in Auxiliary power consumption.

ii. Reduction in production cost by blending different origin coals.

iii. Reduction in Ash disposal cost.

iv Reduction in O&M services cost by commissioning the tippler system.

4. Expenditure on Efficiency Improvement:

(₹ in lakhs)

		PP(TG)
a.	Capital	308.9 Lakh
b.	Recurring (Revenue)	NIL
c.	Total	308.9 Lakh
d.	Total expenditure on efficiency improvement as a percentage of total turnover	0.57 %

Total foreign exchange used and earned

(₹ in lakhs)

	Current Year 31st March, 2014	Previous Year 31st March, 2013
1. Foreign Exchange Outgo:		
i. CIF value of Imports	20059.47	4851.09
ii. Interest	101.28	127.59
iii. Others	-	1.06
2. Foreign Exchange Earnings at FOB Value		
i. Export of goods	-	-
ii. Others	-	-

for and on behalf of the Board

J.Ramesh
Director

Place : Hyderabad
Date : 26th May, 2014

A. Venkata Rao
Managing Director

Secretarial Audit Report

To,

The Board of Directors,
Nava Bharat Energy India Limited,
Nava Bharat Chambers,
6-3-1109/1, Rajbhavan Road,
Hyderabad-500082

We have examined the registers, records and documents of **Nava Bharat Energy India Limited ("the Company")** for the year ended on 31st March, 2014 according to the provisions of:

a) The Companies Act, 1956, and the Rules made under that Act;

b) The Companies Act, 2013 (applicable Sections as on 31st March, 2014) and the Rules made under that Act;

c) The Memorandum of Association and the Articles of Association of the Company;

COMPANIES ACT, 1956 AND REENACTMENT THEREOF :

1. Based on our examination and verification of the registers, records and documents produced to us and according to information and explanations given to us by the Company, we report that the Company has in our opinion, complied with the provisions of the Companies Act, 1956 (Act) and any re-enactment thereof and the Rules made under the Act and the Memorandum and Articles of Association of the Company with regard to

   a. The maintenance of various statutory registers and making necessary entries therein;

   b. Filing of forms,returns and documents with the Registrar of Companies, Central Government.

   c. Service of documents by the Company on its Members, Auditors, and Registrar of Companies;

   d. Proper service of notice to the Board, Committee and General Meetings;

   e. Convening of 5th Annual General Meeting was held on 8th August, 2013;

   f. Constitution of the Board of Directors/ Audit committee of Directors and appointment, retirement and reappointment of Directors including the Managing and Whole-time Directors;

   g. Meetings of Directors and audit committee including passing of resolutions;

   h. Minutes of proceedings of general meetings, board and committee meetings;

   i. Approvals of members, board of Directors, committees of Directors wherever required;

   j. Payment of remuneration to the Directors including the Managing Director and Whole-time Directors;, if any;

   k. Appointment and remuneration of auditors and cost auditors;

   l. Transfers and transmission of the Company's shares and delivery of certificates after duly transferred, if any;

   m. Dividend, the Company has not declared any dividend;

   n. Transfer of certain amounts as required under the Act to the Investor Education and Protection Fund, the same is not applicable to the Company as there are no amounts to be transferred;

   o. Exercising of borrowings powers;

   p. Registration, modification and satisfaction of charges;

   q. Investment of the Company's funds including inter corporate loans and investments;

   r. Giving guarantees in connection with loans taken by subsidiaries and associate companies, the same is not applicable to the Company as

Secretarial Audit Report

the Company does not have any subsidiary or associate Company;

s. Form of Balance Sheet and Statement of Profit and Loss under the Act;

t. Board's Report;

u. Contracts, common seal, registered office and publication of name of the Company;

v. Acceptance of public deposits u/s. 58A & 58AA. As the Company has not accepted any public deposits,the provisions of Sections 58A and 58AA and Rules framed there under are not applicable to the Company;

w. Provisions of Section 185 of the Companies Act, 2013 in relation to Loans to Directors;

2. We further report that:

a. The Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings and directorships in other companies and interests in other entities;

b. The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, independence and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;

c. There were no fines or penalties imposed during the year under review under the Companies Act, Depositories Act and Rules, Regulations and Guidelines framed under these Acts against/ on the Company, its Directors and Officers.

3. We further report that the Company has complied with the provisions of the Depositories Act, 1996 and the Bye-Laws framed there under by the Depositories with regard to dematerialisation / rematerialisation of securities and reconciliation of records of dematerialised securities with all securities issued by the Company.

For P.S.RAO & ASSOCIATES
COMPANY SECRETARIES

Place: Hyderabad
Date:26th May, 2014

N.Vanitha
C.P.NO.10573

Independent Auditor's Report

To

The Members of

Nava Bharat Energy India Limited,
Hyderabad.

Report on the Financial Statements:

We have audited the accompanying financial statements of NAVA BHARAT ENERGY INDIA LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

Management is responsible for 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements 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 management, as well as evaluating the overall presentation of the financial statements.

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

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

a. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

b. in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and

c. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

   a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956; read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs.

   e. On the basis of written representations received from the Directors as on March 31, 2014, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2014, from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

   f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441 A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

for Brahmayya & Co.
Chartered Accountants
Firm's Registration Number: 000513S

P. Chandramouli
Partner
Membership Number: 025211

Place : Hyderabad
Date : 26th May, 2014

Annexure to the Auditor's Report

Annexure to the Auditor's Report:

The Annexure referred to in Para 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date, to the members of NAVA BHARAT ENERGY INDIA LIMITED, HYDERABAD, for the year ended 31 March 2014.,

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

   b. As explained to us, the management has physically verified the fixed assets during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of the assets. No discrepancies were noticed on such verification.

   c. During the year the Company has not disposed off any of its fixed assets.

2. a. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.

   b. In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

   c. The Company is maintaining proper records of inventory. The discrepancies noticed on physical verification between the physical stocks and book records were not material.

3. a. During the year, the Company has not granted any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.

   b. In view of our comment in paragraph (a) above, (III) (b), (c) and (d) of paragraph 4 of the aforesaid order are not applicable to the Company.

   c. The Company had taken loan from a company covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 50 Crores and the year end balance of loan taken from such party was ₹ 50 crores.

   d. In our opinion, the rate of interest and other terms and conditions on which loans have been taken from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company

   e. The Company is regular in repaying the principal amounts as stipulated and has been regular in payment of interest.

4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.

5. a. In our opinion and according to the information and explanations given to us by the Management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register to be maintained under that section.

   b. In respect of the transactions made in pursuance of such contracts or arrangements exceeding value or Rupees five lakhs entered into during the financial year, in the absence of any comparable quotes, we are unable to comment whether the transactions were made at prevailing market prices at the relevant time.

6. The Company has not accepted any deposits from the public. Hence the provisions of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956, and the Companies (Acceptance of Deposits) Rules, 1975, do not apply to this Company.

7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.

8. We have broadly reviewed the cost records maintained by the Company pursuant to the Rules made by the

Annexure to the Auditor's Report

Central Government for the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 and are of the opinion that prime facie the prescribed accounts and records have been made and maintained. We have however not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

9. a. According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it.

   b. According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Custom Duty, Excise Duty and Cess were in arrears, as at 31st March, 2014 for a period of more than six months from the day they became payable.

   c. According to the information and explanation given to us, there are no dues of Sale Tax, Income Tax, Custom Duty, Wealth Tax, Excise Duty and Cess which have not been deposited on account of any dispute.

10. The Company has no accumulated losses as at the end of the Financial Year. The Company has not incurred any cash losses during the Financial Year covered by our audit, however the Company has incurred any cash losses during the immediately preceding Financial Year.

11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institutions and Banks.

12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. The Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.

14. The Company is not dealing or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

15. According to the information and explanations given to us, the Company has not given any guarantee for the loans taken by other from banks or financial Institutions.

16. In our opinion and according to the information and explanations given to us the term loans were applied for the purpose for which the loans were raised.

17. In our opinion and according to the information and explanations given to us, the funds raised on short-term basis have not been used for long-term investment.

18. During the year, the Company has made preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.

19. The Company has not issued any debentures during the year, therefore the question of creating security or charge in respect thereof does not arise.

20. During the year, the Company has not made any public issue, therefore the question of disclosing the end use of money raised by public issue does not arise.

21. Based upon the audit procedures performed and according to the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year.

for **Brahmayya & Co.**
Chartered Accountants
Firm's Registration Number: 000513S

P. Chandramouli
Partner
Membership Number: 025211

Place : Hyderabad
Date : 26th May, 2014

Balance Sheet

as at 31st March, 2014

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Particulars	Notes	31st March, 2014	31st March, 2013
EQUITY AND LIABILITIES			
Share Holders Funds			
Share Capital	04	2,000,000,000	2,000,000,000
Reserves and Surplus	05	784,053,947	(67,512,778)
		2,784,053,947	1,932,487,222
Non Current liabilities			
Long term Borrowings	06	3,792,957,305	3,830,534,170
Other long Term liabilities	07	684,867	464,614
Long-term provisions	08	8,814,236	559,867
		3,802,456,408	3,831,558,651
Current liabilities			
Short term Borrowings	09	410,538,076	676,793,961
Trade Payables	10	217,521,593	317,143,582
Other Current liabilities	11	574,416,120	607,934,029
Short - term provisions	12	22,150,912	6,076,821
		1,224,626,701	1,607,948,393
TOTAL		**7,811,137,056**	**7,371,994,266**
ASSETS			
Non - Current assets			
Fixed assets			
Tangible assets	13	6,282,885,582	75,775,277
Intangible assets	14	548,772	121,628
Capital Work in Progress	15	97,572,419	6,447,725,834
Long -term loans and advances	16	39,422,390	114,876,037
Other non current assets	17	180,159,633	110,373
		6,600,588,796	6,638,609,149
Current Assets			
Inventories	18	297,701,568	209,813,033
Trade receivables	19	278,800,590	200,401,799
Cash and cash equivalents	20	329,285,451	280,122,124
Short-term loans and advances	21	169,344,883	40,396,405
Other current assets	22	135,415,768	2,651,756
		1,210,548,260	733,385,117
TOTAL		**7,811,137,056**	**7,371,994,266**
Notes forming part of Financial Statements	01 - 49		

for and on behalf of the Board

per our report of even date
for Brahmayya & Co.,
Chartered Accountants
Firms' Registration Number: 000513S

A. Venkata Rao
Managing Director

J. Ramesh
Director

R. Tulasi Mahalakshmi
Company Secretary

P. Chandramouli
Partner
Membership Number: 025211

Place : Hyderabad
Date : 26th May, 2014

Statement of Profit and Loss

for the year ended 31st March, 2014

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Particulars	Notes	31st March, 2014	31st March, 2013
INCOME			
Revenue from operations			
Sale of Thermal Power		5,371,123,588	-
Other Income	23	45,320,694	20,482,218
TOTAL REVENUE		**5,416,444,282**	**20,482,218**
EXPENSES			
Cost of materials consumed	24	2,972,431,963	-
Other manufacturing expenses	25	204,926,573	-
Employee benefits expense	26	26,863,860	2,030,498
Finance costs	27	667,260,528	1,906,437
Depreciation expense	28	328,130,233	706,021
Other expenses	29	361,853,971	52,660,780
TOTAL EXPENSES		**4,561,467,128**	**57,303,736**
PROFIT/(LOSS) BEFORE TAX		**854,977,154**	**(36,821,518)**
TAX EXPENSE			
Current tax		183,177,582	6,500,000
Earlier years Tax		392,480	419,900
MAT credit entitlement		(180,159,633)	-
		3,410,429	6,919,900
PROFIT/(LOSS) FOR THE YEAR AFTER TAX		**851,566,725**	**(43,741,418)**
Earnings per Share of face value of ₹ 2/- each:	33		
Basic and diluted		0.85	(0.06)
Notes forming part of Financial Statements	01 - 49		

for and on behalf of the Board

A. Venkata Rao
Managing Director

J. Ramesh
Director

R. Tulasi Mahalakshmi
Company Secretary

Place : Hyderabad
Date : 26th May, 2014

per our report of even date
for Brahmayya & Co.,
Chartered Accountants
Firms' Registration Number: 000513S

P. Chandramouli
Partner
Membership Number: 025211

Cash Flow Statement

for the year ended 31st March, 2014

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	Particulars		31st March, 2014	31st March, 2013
A.	**CASH FLOW FROM OPERATING ACTIVITIES**			
	Net Profit/(Loss) before Tax		854,977,154	(36,821,518)
	Adjustments for:			
	Depreciation		328,130,233	706,021
	Interest		(11,816,231)	(2,225,832)
	Profit from Sale of Investments		(32,388,445)	(17,325,333)
	Income from Investments		-	
	Operating profit before Working Capital changes		1,138,902,711	(55,666,662)
	Adjustments for:			
	Increase/(Decrease) in Other Long Term Liabilities		220,253	311,749
	Increase/(Decrease) in Long Term Provisions		8,254,369	415,741
	Increase/(Decrease) in Trade Payables		(99,621,989)	37,827,977
	Increase/(Decrease) in Other Current Liabilities		(16,170,687)	(140,250,264)
	Increase/(Decrease) in Short Term Provisions		578,133	(12,210)
	(Increase)/Decrease in Long Term Loans and Advances		75,453,647	167,340,432
	(Increase)/Decrease in Short Term Loans and Advances		(128,948,478)	(40,396,405)
	(Increase)/Decrease in Inventories		(87,888,535)	(209,598,455)
	(Increase)/Decrease in Trade Receivables		(78,398,791)	(200,401,799)
	(Increase)/Decrease in Other Non Current Assets		110,373	(110,374)
	(Increase)/Decrease in Other Current Assets		(129,084,036)	(481,106)
	Direct Taxes paid (net of refunds)		(168,074,103)	(680,416)
	Net cash from Operating activities	**(A)**	**515,332,867**	**(441,701,792)**
B.	**CASH FLOW FROM INVESTING ACTIVITIES:**			
	Purchase of Fixed Assets		(185,514,267)	(2,505,670,836)
	Purchase of Investments		(2,670,000,000)	(2,350,000,000)
	Sale of Investments		2,702,388,444	2,367,325,333
	Interest received		8,136,255	2,352,946
	Net cash used In Investing activities	**(B)**	**(144,989,568)**	**(2,485,992,557)**

Cash Flow Statement

for the year ended 31st March, 2014

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Particulars	31st March, 2014	31st March, 2013
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Issue of Shares	-	1,499,500,000
Proceeds from Share Application	-	(1,499,500,000)
Proceeds from Long Term Borrowings	500,000,000	4,078,400,838
Repayment of Short Term Borrowings	(266,255,885)	(128,816,933)
Repayment of Unsecured Loan	-	(839,000,000)
Repayment of Long term Borrowings	(554,924,087)	-
Net cash generated from Financing activities (C)	**(321,179,972)**	**3,110,583,905**
Net Increase In Cash And Cash Equivalents (A+B+C)	49,163,327	182,889,556
Cash and Cash equivalents as at beginning of the year	280,122,124	97,232,568
Cash and Cash equivalents as at the end of the year #	**329,285,451**	**280,122,124**
# includes restricted amounts	101,569,740	11,569,740

for and on behalf of the Board

A. Venkata Rao
Managing Director

J. Ramesh
Director

R. Tulasi Mahalakshmi
Company Secretary

Place : Hyderabad
Date : 26th May, 2014

per our report of even date
for Brahmayya & Co.,
Chartered Accountants
Firms' Registration Number: 000513S

P. Chandramouli
Partner
Membership Number: 025211

Notes

to the Financial Statements for the year ended 31st March, 2014

1. NATURE OF OPERATIONS:

Nava Bharat Energy India Limited (the Company) has been incorporated on 08.04.2008. Out of the total paid up Capital 740,000,000 Equity Shares of ₹ 2/- each fully paid up shares are held by the Holding Company viz., Nava Bharat Projects Limited, Hyderabad. At present the Company is engaged in thermal power generation from its 150 MW Power generating facility.

2. BASIS OF ACCOUNTING:

The financial statements have been prepared to comply in all material respects with the Notified accounting standards by Companies (Accounting Standards) Rules, 2006 (as amended) read with the General Circular 15/2013 dated 13 September, 2013 of Ministry of Corporate Affairs and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared in accordance with the generally accepted Accounting Principles in India under the historical cost convention and on accrual basis, except in case of assets for which provision for impairment is made and revaluation is carried out. The accounting policies are consistent with those used in the previous year.

3. SIGNIFICANT ACCOUNTING POLICIES:

a) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the' results of operations during' the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

b) Fixed Assets

Fixed assets are stated at cost (or revalued amounts, as the case may be), less accumulated depreciation, amortisation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Other indirect expenditure attributable to the project under implementation is treated as Capital Work-in-progress pending allocation to the assets.

Borrowing costs relating to acquisition of fixed assets which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

c) Depreciation

i. Depreciation on Fixed Assets is provided on Written down Value/Straight Line method as per Schedule XIV of the Companies Act, 1956.

ii. Fixed Assets costing rupees Five thousand or less are fully depreciated in the year of acquisition.

iii. Civil constructions on leasehold land are amortised over the primary lease period.

d) Prior period items

All items of income/expenditure pertaining to prior period, which are material, are accounted through "prior period adjustments" and the others are shown under respective heads of account in the Statement of Profit and Loss.

e) Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

Notes

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset are no longer exist or have decreased.

f) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value of each long term investment is made to recognise a decline other than temporary in nature.

g) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Specifically the following basis is adopted:

Dividends: Dividend is recognised as and when the payment is received.

h) Government Grants and Subsidies

Grants and subsidies from the government are recognised when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with.

When the grant or subsidy relates to an expense item, it is recognised as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate. Where the grant or subsidy relates to an asset, its value is deducted from the gross value of the assets concerned in arriving at the carrying amount of the related asset. Government grants in the form of non-monetary assets given at a concessional rate are accounted for on the basis of their acquisition cost.

i) Retirement and Other Employee Benefits

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Short term compensated absences are provided on an estimated basis. Long term compensated absences are provided for based on actuarial valuation on project unit credit method carried by an actuary as at the end of the year. Actuarial gains/losses are immediately taken to Statement of Profit and Loss and are not deferred.

j) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of Fixed Assets, which take substantial period of time to get ready for their intended use, are capitalised. Other Borrowing costs are recognised as an expense in the year in which they are incurred.

k) Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term and vice versa.

l) Taxes on Income

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act 1961 enacted in India. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. If the Company has carry forward of unabsorbed depreciation and tax losses, deferred tax assets are recognised only, if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits.

Notes

to the Financial Statements for the year ended 31st March, 2014

m) Provisions

A provision is recognised when there is a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

n) Restoration Costs

Provision for cost of restoring the leased land on the expiry of the lease period is made based on the Certificate obtained from a Chartered Engineer.

o) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

p) Earnings per Share (Basic and Diluted)

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

q) Cash Flow Statement

Cash flows are reported using indirect method. Cash and cash equivalents in the cash flow statement comprise cash at bank, cash/cheques in hand and Fixed Deposits with Banks.

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Particulars	31st March, 2014	31st March, 2013
04. SHARE CAPITAL:		
Authorised		
1000,000,000 Equity Shares of ₹ 2/- each	2,000,000,000	2,000,000,000
TOTAL	**2,000,000,000**	**2,000,000,000**
Issued, Subscribed and Paid - Up:		
1000,000,000 Equity Shares of ₹ 2/- each fully paid up.	2,000,000,000	2,000,000,000
TOTAL	**2,000,000,000**	**2,000,000,000**

a. Rights attached to equity Shares:

The Company has only one class of equity shares having a face value of ₹ 2/- per share and with one vote per each share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

Notes

to the Financial Statements for the year ended 31st March, 2014

b. Shares held by holding Company:

Particulars	No of Shares	
	31st March, 2014	31st March, 2013
Nava Bharat Projects Limited	740,000,000	740,000,000

c. Details of shareholders holding more than 5% shares in the Company

Particulars	**31st March, 2014**		31st March, 2013	
	No. of shares	% in the class	No. of shares	% in the class
Equity Shares of ₹ 2/- each fully paid				
Nava Bharat Projects Limited	740,000,000	74	740,000,000	74
Nava Bharat Ventures Limited	260,000,000	26	260,000,000	26

₹

Particulars	**31st March, 2014**	31st March, 2013
5. RESERVES AND SURPLUS:		
Surplus i.e. balance in Statement of Profit and Loss		
Opening balance	(67,512,778)	(23,771,360)
Add: Net profit transferred from Statement of Profit and Loss	851,566,725	(43,741,418)
Amount available for appropriation	784,053,947	(67,512,778)
Less: Appropriations	-	-
Closing balance	784,053,947	(67,512,778)
TOTAL	**784,053,947**	**(67,512,778)**

₹

Particulars	**31st March, 2014**	31st March, 2013
6. LONG TERM BORROWINGS:		
Secured:		
Term Loans from Banks	3,703,976,751	4,258,900,838
Less: Current maturities	411,019,446	428,366,668
	3,292,957,305	3,830,534,170
Unsecured:		
: from a Related Party	500,000,000	-
TOTAL	**3,792,957,305**	3,830,534,170

Notes

to the Financial Statements for the year ended 31st March, 2014

a. The above Loans from IDBI Bank Limited, Andhra Bank, Bank of Baroda, State Bank of Hyderabad, Bank of India, State Bank of Mysore, UCO Bank, and Punjab & Sind Bank are secured by a first charge created in favour of security trustee on the present and future fixed assets and a Second charge on the Currents assets of the Company, an equitable mortgage on the lease rights of land of 170 acres obtained from Nava Bharat Ventures Limited, by a registered mortgage of the Flat No:102, admeasuring 303 Sq. Feet situated at Plot No:458 - C,III Avenue Road, Indira Nagar, Chennai - 600020 and also pledge of 260,000,000 equity shares held by the Promoter representing 26% of issued and paid up share Capital of the Company with trustee, ranking pari passu with all the lenders.

The lenders have an option to demand for conversion of their loans together with interest into equity in the event of default, for which the Company has agreed in terms of the common loan agreement entered into.

b. All the above Term Loans carry interest @11.5%,12.5% and 13.5% payable monthly. The Loans are Repayable in 36 Quarterly equal installments with effect from 01.04.2013.

₹

Particulars	31st March, 2014	31st March, 2013
7. OTHER LONG TERM LIABILITIES:		
Repayable Security Deposits from employees	684,867	464,614
TOTAL	**684,867**	464,614

₹

Particulars	31st March, 2014	31st March, 2013
8. LONG TERM PROVISIONS:		
Provision for employee benefits:		
Provision for gratuity	2,429,638	340,785
Provision for leave salary	1,284,598	219,082
Provision for restoration	5,100,000	-
TOTAL	**8,814,236**	559,867

₹

Particulars	31st March, 2014	31st March, 2013
9. SHORT TERM BORROWINGS:		
Loans repayable on demand:##		
: from a Bank - secured		
Buyers Credits#	400,661,691	676,793,418
Cash Credit	9,876,385	543
TOTAL	**410,538,076**	676,793,961

The loans are repayable on 27.06.2014 ₹ 205,566,533/- and on 22.07.2014 ₹195,095,158/-(Previous Year ₹ 79,916,550 on 02.06.2013, ₹190,277,500 on 09.07.2103, ₹117,502,336 on 12.07.2013, ₹164,318,212 on 07.08.2013 and ₹124,778,820 on 20.09.2013)

Notes

to the Financial Statements for the year ended 31st March, 2014

The Working Capiltal Loan from Andhra Bank to the extent of ₹ 100.00 Crores including non Fund based facility of ₹50.00 crores is secured by a first charge created in favour of security trustee on the present and future fixed and Currents assets of the Company, an equitable mortgage on the lease rights of land of 170 acres obtained from Nava Bharat Ventures Limited, by a registered mortgage of the Flat No:102, admeasuring 303 Sq.Feet situated at Plot No:458 - C,III Avenue Road, Indira Nagar, Chennai - 600020 and also pledge of 260,000,000 equity shares held by the Promoter representing 26% of issued and paid up share Capital of the Company with trustee, ranking pari passu with the security created or to be created in favour of the term lenders.

₹

Particulars	31st March, 2014	31st March, 2013
10. TRADE PAYABLES:		
Creditors for Supplies and Services (refer Note :40)*	215,548,386	316,648,274
Creditors for accrued wages and Salaries	1,973,207	495,308
TOTAL	**217,521,593**	317,143,582
* includes due to related party	45,836,313	218,055

₹

Particulars	31st March, 2014	31st March, 2013
11. OTHER CURRENT LIABILITIES:		
Current maturities of long term borrowings	411,019,446	428,366,668
Others:		
Interest accrued but not due #	7,020,038	85,247,449
Retention Deposits	24,218,808	71,259,287
Withholding taxes payable	2,560,153	14,347,382
Other statutory dues	1,887,515	250,944
Other payables	127,710,160	8,462,299
TOTAL	**574,416,120**	607,934,029
# includes the amount of interest on loans from a related parties	-	74,382,940

In ₹

Particulars	31st March, 2014	31st March, 2013
12. SHORT TERM PROVISIONS:		
Provision for employee benefits:		
Provision for gratuity	377,266	738
Provision for leave salary	219,002	17,397
Other provisions:		
Provision for taxation (net of advance tax)	21,554,644	6,058,686
TOTAL	**22,150,912**	6,076,821

Notes

to the Financial Statements for the year ended 31st March, 2014

13. TANGIBLE ASSETS:

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S.No	Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		As at 31st March, 2013	Additions/ (Transfers)	**As at 31st March, 2014**	Up to 31st March, 2013	for the year	Up to 31st March, 2014	**As at 31st March, 2014**	As at 31st March, 2013
1	Land	57,386,557	(4,566,585)	52,819,972	-	-	-	52,819,972	57,386,557
2	Buildings - Factory	-	279,732,877	279,732,877	-	9,986,213	9,986,213	269,746,664	-
3	Buildings - Others	-	303,080,338	303,080,338	-	4,318,648	4,318,648	298,761,690	-
4	Plant and Machinery	16,683,015	5,211,285,282	5,227,968,297	1,165,506	273,334,976	274,500,482	4,953,467,815	15,517,509
5	Furniture and Fixtures	822,559	205,167	1,027,726	266,175	117,532	383,707	644,019	556,384
6	Vehicles	430,757	168,186	598,943	152,102	99,862	251,964	346,979	278,655
7	Office equipment	113,874	60,500	174,374	32,599	13,332	45,931	128,443	81,275
8	Data Processing equipment	418,590	283,598	702,188	212,561	145,791	358,352	343,836	206,029
9	Air conditioners and Coolers	245,200	215,835	461,035	32,579	51,065	83,644	377,391	212,621
10	Other Assets	2,220,489	7,178,007	9,398,496	684,242	826,300	1,510,542	7,887,954	1,536,247
11	Power evacuation Lines **	-	737,289,716	737,289,716	-	38,928,897	38,928,897	698,360,819	-
TOTAL		**78,321,041**	**6,534,932,921**	**6,613,253,962**	**2,545,764**	**327,822,616**	**330,368,380**	**6,282,885,582**	**75,775,277**
Previous Year		75,624,581	2,696,460	78,321,041	1,058,354	1,487,410	2,545,764	75,775,277	74,566,227

** Cost incurred by the Company, ownership of which vests with a State Owned Power Distribution Company.

14. INTANGIBLE ASSETS:

₹

S.No	Particulars	GROSS BLOCK			AMORTISATION			NET BLOCK	
		As at 31st March, 2013	Additions	**As at 31st March, 2014**	Up to 31st March, 2013	for the year	**Up to 31st March, 2014**	**As at 31st March, 2014**	As at 31st March, 2013
1	Computer Software	208,277	734,761	943,038	86,649	307,617	394,266	548,772	121,628
TOTAL		**208,277**	**734,761**	**943,038**	**86,649**	**307,617**	**394,266**	**548,772**	**121,628**
Previous Year		127,244	81,033	208,277	32,275	54,374	86,649	121,628	94,969

Notes

to the Financial Statements for the year ended 31st March, 2014

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Particulars	31st March, 2014	31st March, 2013
15. CAPITAL WORK IN PROGRESS: (refer note:35)		
Direct costs	97,572,419	5,974,465,947
Other attributable revenue costs	-	145,083,204
Borrowing Costs	-	318,273,356
Depreciation on Construction equipment	-	1,165,506
Test run expenditure (net of income)	-	8,737,821
TOTAL	**97,572,419**	6,447,725,834

₹

Particulars	31st March, 2014	31st March, 2013
16. LONG - TERM LOANS AND ADVANCES:		
(Unsecured, Considered good)		
Advance for Capital goods	12,305,500	102,866,037
Security Deposits	27,116,890	12,010,000
TOTAL	**39,422,390**	114,876,037

₹

Particulars	31st March, 2014	31st March, 2013
17. OTHER NON CURRENT ASSETS:		
MAT Credit entitlement	180,159,633	-
Prepaid Expenses	-	110,373
TOTAL	**180,159,633**	110,373

₹

Particulars	31st March, 2014	31st March, 2013
18. INVENTORIES: AT COST		
Stock of Raw Materials	243,111,979	118,202,396
Raw Materials in transit	-	77,847,565
Stores and Spares	52,529,153	13,662,236
Stores and Spares in transit	2,048,035	-
Others	12,401	100,836
TOTAL	**297,701,568**	209,813,033

Notes

to the Financial Statements for the year ended 31st March, 2014

₹

Particulars	31st March, 2014	31st March, 2013
19. TRADE RECEIVABLES:		
(Unsecured, Considered good)		
Due for less than six months	278,800,590	200,401,799
TOTAL	**278,800,590**	200,401,799

₹

Particulars	31st March, 2014	31st March, 2013
20. CASH AND CASH EQUIVALENTS:		
Balances with Banks:		
On Current accounts	227,462,654	268,324,849
Cash on hand	253,057	227,535
Other Bank balances:		
Margin Deposits	101,569,740	11,569,740
TOTAL	**329,285,451**	280,122,124

₹

Particulars	31st March, 2014	31st March, 2013
21. SHORT TERM LOANS AND ADVANCES:		
(Unsecured, Considered good)		
Advance for purchases and expenses	168,827,941	38,729,208
Other loans and advances:		
Other receivables	516,942	1,667,197
TOTAL	**169,344,883**	40,396,405

₹

Particulars	31st March, 2014	31st March, 2013
22. OTHER CURRENT ASSETS:		
Prepaid expenses	10,017,449	753,413
Interest accrued	5,578,319	1,898,343
Other receivables	119,820,000	-
TOTAL	**135,415,768**	2,651,756

Notes

to the Financial Statements for the year ended 31st March, 2014

₹

Particulars	31st March, 2014	31st March, 2013
23. OTHER INCOME:		
Interest Income from Bank deposits	11,816,231	2,605,157
Other Non Operating Income:		
Net gain on Sale of Investments	32,388,445	17,325,333
Agricultural Income (Net)	557,423	549,500
Miscellaneous receipts	558,595	2,228
TOTAL	**45,320,694**	20,482,218

₹

Particulars	31st March, 2014	31st March, 2013
24. COST OF MATERIAL CONSUMED:		
Inventory at the beginning of the year (Coal)	118,202,396	-
Add: Purchases (Coal)	3,097,341,546	118,202,396
	3,215,543,942	118,202,396
Less: Inventory at the closing of the year (Coal)	243,111,979	118,202,396
TOTAL	**2,972,431,963**	-

₹

Particulars	31st March, 2014	31st March, 2013
25. OTHER MANUFACTURING EXPENSES:		
Power, fuel and water	122,718,921	-
Raw materials handling charges	37,552,018	-
Stores consumed	32,969,325	-
Direct Labour	9,116,282	-
Testing and analysis	1,940,686	-
Others	629,341	-
TOTAL	**204,926,573**	-

₹

Particulars	31st March, 2014	31st March, 2013
26. EMPLOYEE BENEFITS EXPENSE:		
Salaries, Wages and Bonus	21,368,260	1,756,187
Contribution to Provident and other funds	722,416	-
Staff Welfare Expenses	2,307,803	91,154
Gratuity expense	2,465,381	183,157
TOTAL	**26,863,860**	2,030,498

Notes

to the Financial Statements for the year ended 31st March, 2014

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Particulars	31st March, 2014	31st March, 2013
27. FINANCE COSTS:		
Interest	550,535,502	379,325
Bank Charges and commission	18,060,692	1,527,112
Prompt payment rebate	98,664,334	-
TOTAL	**667,260,528**	1,906,437

₹

Particulars	31st March, 2014	31st March, 2013
28. DEPRECIATION AND AMORTISATION EXPENSE:		
Depreciation on Tangible assets	327,822,616	1,487,410
Amortisation of Intangible assets	307,617	54,374
	328,130,233	1,541,784
Less: Amount capitalised	-	835,763
TOTAL	**328,130,233**	706,021

₹

Particulars	31st March, 2014	31st March, 2013
29. OTHER EXPENSES:		
Land Lease /Rent	352,060	193,886
Insurance	19,184,363	114,243
Professional charges	7,232,384	312,044
Travelling and Conveyance	3,216,806	797,368
Printing and Stationery	253,382	42,028
Rates and Taxes	14,071,275	477,317
Repairs and Maintenance:		
Plant and Equipment	96,986,162	-
Buildings	11,128,066	-
Other assets	61,149	35,000
Ash handling expenses	10,783,434	-
Open access charges	3,525,319	-
Auditors Remuneration : as Auditors	561,800	112,360
Auditors Remuneration : for Tax audit	196,630	
Auditors Remuneration : for Certification	-	43,259
Cost Auditor fees	56,180	-
Exchange Fluctuations	185,934,404	48,616,259
Provision for restoration	5,100,000	
Premium on forward exchange contract amortised	1,411,720	-
Miscellaneous expenses	1,798,837	1,917,016
TOTAL	**361,853,971**	52,660,780

Notes

to the Financial Statements for the year ended 31st March, 2014

₹

Particulars	31st March, 2014	31st March, 2013
30. VALUE OF IMPORTS CALCULATED ON CIF BASIS:		
Capital items	-	182,141,507
Components and Spares	3,415,479	-
Raw Materials	2,002,531,931	302,967,373
TOTAL	**2,005,947,410**	485,108,880

₹

Particulars	31st March, 2014	31st March, 2013
31. EXPENDITURE INCURRED IN FOREIGN CURRENCY:		
Travelling	-	105,758
Interest (on accrual basis)	10,128,256	12,758,849
TOTAL	**10,128,256**	12,864,607

₹

Particulars	31st March, 2014	31st March, 2013
32. COMMITMENTS AND CONTINGENT LIABILITIES:		
Bank guarantees and Letters of credit	95,536,460	83,791,740
Un executed Capital commitments	10,200,000	-
TOTAL	**105,736,460**	83,791,740

₹

Particulars	31st March, 2014	31st March, 2013
33. EARNING PER SHARE:		
Net Profit for the year attributable to Equity Shareholders	851,566,725	(43,741,418)
Weighted average number of equity Shares of ₹ 2/each	1,000,000,000	695,991,781
Earnings per share (Basic and Diluted)	**0.85**	(0.06)

₹

Particulars	31st March, 2014		31st March, 2013	
34. ANALYSIS OF MATERIALS CONSUMED:	Percentage	Value in	Percentage	Value in
Imported	89.62	2,694,485,480	-	-
Indigenous	10.38	311,915,808	-	-
TOTAL	**100.00**	**3,006,401,288**		

Notes

to the Financial Statements for the year ended 31st March, 2014

35. The 150 MW Thermal Power Generating Plant which was synchronised with the Power Grid during the previous year, commenced its commercial operations with effect from April 1, 2014 and the total expenditure incurred for setting up the facility is capitalised from that date.

36. AP Pollution Board while issuing Consent for Operations vide its Order No: APPCB/VJA/KTM/20463/HO/2013-4832 dated 17 January, 2013, inter alia stipulated that our Company has to earmark ₹ 1.3 Crores per annum for 10 years towards the Enterprise Social Responsibility (ESR) activities and spend the amount under ESR activities through ESR/CSR Cell in the office of the District Collector. The legal Counsel has opined that stipulation is not based on any Government legislation or Gazette Notification, has not tenable. Based on the said legal opinion no such allocation is not made for the year in books of account.

37. In the opinion of the management, the current assets, loans and advances are expected to realise at least the amount at which they are stated, if realised in the ordinary course of business and provision for all known liabilities have been adequately made in the accounts.

38. Advance for land amounting to ₹ 10,505,500/-(previous year ₹ 10,505,500/-) shown under advance for capital goods includes an amount of ₹ 5,505,500/- (previous year ₹ 5,505,500/-) which is not covered by any agreement.

39. Disclosure of Sundry Creditors under Trade Payables is based on the information available with the Company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" and relied upon by the Auditors.

40. DETAILS OF TOTAL OUTSTANDING DUES TO MICRO AND SMALL ENTERPRISES AS PER MICRO, SMALL AND MEDIUM ENTERPRISE DEVELOPMENT ACT, 2006.

₹

Particulars	31st March, 2014	31st March, 2013
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year	NIL	NIL
The amount of interest paid by the buyer in terms of Section 16, of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day each accounting year	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprise Development Act, 2006.	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprise Development Act, 2006.	Nil	Nil

Notes

to the Financial Statements for the year ended 31st March, 2014

41. DISCLOSURE RELATING TO THE GRATUITY LIABILITY (NOT FUNDED) AS PER ACCOUNTING STANDARD 15 "EMPLOYEE BENEFITS"

₹

Particulars		31st March, 2014	31st March, 2013
a)	The amounts recognised in the Balance Sheet		
	Present Value of obligation	2,806,904	341,523
	Amount recognised in the Balance sheet	2,806,904	341,523
b)	Changes in the present value of the defined obligation		
	Opening defined benefit obligation	341,523	158,366
	Current service Cost	636,246	250,707
	Interest Cost	27,322	12,669
	Actuarial (gains)/Losses on obligation	1,801,813	(80,219)
	Closing defined benefit obligation	2,806,904	341,523
c)	Principal actuarial assumptions		
	Rate of escalation in compensation	6.00%	6.00%
	Discount rate	9.00%	8.00%
	Attrition rate	5.00%	5.00%
	Retirement age in years	58	58

The rate of escalation in compensation considered in the above valuation is estimated taking into account inflation, seniority, promotion and other relevant factors and the above information is as certified by an actuary.

42. The Company is primarily in the business of Power Generation. Hence there are no other reportable segments as per the Accounting Standard (AS 17) on Segment Reporting.

43. Due to the Tax Holiday available to the Company as per Section 80-IA of the Income Tax Act, 1961; the Company does not envisage any tax payment under the normal provisions of the Income Tax Act,1961; in the near future and only Minimum Alternate Tax would be payable. It is expected that all the timing differences originating during the Tax Holiday Period are reversing during the said Tax Holiday Period. Hence the Management of the Company is of the opinion that no provision is required for deferred tax as at 31st March, 2014, In terms of Accounting Standard (AS 22) on "Accounting for Taxes on Income".

44. In terms of Accounting Standard (AS 28) on "Impairment of Assets", the management has carried out the assessment of impairment of assets and no impairment loss has been recognised during the year.

45. THE DETAILS OF RELATED PARTY TRANSACTIONS IN TERMS OF ACCOUNTING STANDARD (AS 18) ARE AS FOLLOWS:

a) Names of related parties and relation with the Company:

i.	Key Management Personnel:	Sri A. Venkata Rao, Managing Director
		Sri D. Ashok, Director
		Sri P. Trivikrama Prasad, Director
		Sri G. R. K. Prasad, Director
ii.	Relatives of Key Management Personnel:	Smt. A. Rama Devi - wife of Sri A. Venkata Rao
		Smt. D. Ramaa - wife of Sri D. Ashok
		Sri D. Ashwin - son of Sri D. Ashok

Notes

to the Financial Statements for the year ended 31st March, 2014

45. THE DETAILS OF RELATED PARTY TRANSACTIONS IN TERMS OF ACCOUNTING STANDARD (AS 18) ARE AS FOLLOWS:

a) Names of related parties and relation with the Company:

	Sri D. Nikhil - son of Sri D. Ashok
	Dr. D. Rajasekhar - brother of Sri D. Ashok
	Smt. D. Bhaktapriya - mother of Sri D. Ashok
	Smt. A. Nilima - sister of Sri D. Ashok
	Smt. P. Rajashree - wife of Sri P. Trivikrama Prasad
	Smt. P. Sruthi – daughter of Sri P Trivikrama Prasad
	Smt. G.S.P. Kumari - wife of Sri G.R.K. Prasad
iii. Enterprises controlling the reporting Enterprise:	
Holding Company:	M/s. Nava Bharat Ventures Limited (Ultimate)
	M/s. Nava Bharat Projects Limited
Fellow Subsidiaries:	M/s. Nava Bharat Realty Limited
	M/s. Nava Bharat Sugar and Bio Fuels Limited
	M/s. Brahmani Infratech Private Limited
	M/s. Nava Bharat (Singapore) Pte Limited
	M/s. PT Nava Bharat Sungai Cuka
	M/s. PT Nava Bharat Indonesia
	M/s. Maamba Collieries Limited
	M/s. Kobe Green Power Co. Limited
	M/s. Nava Bharat Africa Resources Private Limited
	M/s. Kariba Infrastructure Development Limited
	M/s. NB Rufiji Private Limited
	M/s. NB Tanagro Limited
	M/s. Nava Energy Pte. Limited
	M/s. Nava Bhart Lao energy Pte. Limited
Enterprises over which KMP/relatives of KMP exercise significant influence:	M/s. Nava Bharat Natural Resources India Limited
	M/s. Nav Developers Limited
	M/s. S.R.T. Investments Private Limited
	M/s. A N Investments Private Limited
	M/s. V9 Avenues Private Limited
	M/s. A9 Homes Private Limited
	M/s. AV Dwellings Private Limited
	M/s. Brahmani Skyline Constructions Private Limited
	M/s. Brahmani Infrastructure Projects Private Limited
	M/s. Brahmani Infotech Private Limited
	M/s. V9 Infra Ventures Private Limited
	M/s. Sri Pinnamaneni Healthcare Private Limited
	M/s. Malaxmi Highway Private Limited
	Dr. Devineni Subba Rao Trust
	M/s.Gunnam Subbarao and Ramayamma Trust
	M/s. Kinnera Power Company Private Limited

Notes

to the Financial Statements for the year ended 31st March, 2014

b) Particulars of Transactions during the year:

₹

Particulars	31st March, 2014	31st March, 2013
Transactions with ultimate Holding Company:		
Nava Bharat Ventures Limited		
Land Lease Rentals (expense)	206,260	188,386
Land Lease Rentals paid in advance	--	143,259
Utility Charges	45,570,342	--
Inter Corporate loan repaid	--	839,000,000
Interest paid on Inter Corporate Loan	--	61,807,163
Utility Charges paid	--	218,055
Value of Shares allotted	--	520,000,000
Cost of Electric Power purchased	--	6,038,944
Cost of Fly Ash Bricks purchased	3,059,809	4,838,484
Cost of Spares and materials purchased	--	1,464,137
Transactions with Holding Company:		
Nava Bharat Projects Limited		
Value of shares allotted	--	979,500,000
Unsecured loan taken	500,000,000	--
Outstanding interest paid	18,756,493	--
Share application money returned	--	520,000,000
Interest paid on share application money	--	20,840,548
Interest paid on inter corporate deposit	29,342,466	--

c) Balances due from / (due to) as at the year end

₹

Particulars	31st March, 2014	31st March, 2013
Nava Bharat Ventures Limited	(45,836,312)	(55,626,447)
Nava Bharat Projects Limited	(500,000,000)	(18,756,493)

Notes

to the Financial Statements for the year ended 31st March, 2014

₹

Particulars	31st March, 2014	31st March, 2013
46. DETAILS OF OPERATING LEASES:		
a. Lease payments debited to in the accounts		
Land Lease	292,060	193,886
b. Future minimum lease payments under non cancelable operating leases :		
i. Due not later than One year.	292,060	205,136
ii. Due later than One year and not later than Five years.	1,168,238	820,543
iii. Due later than Five years.	4,853,427	4,691,127

47. PARTICULARS OF UNHEDGED FOREIGN CURRENCY EXPOSURE AS AT THE BALANCE SHEET DATE:

Particulars	Amount in USD		Amount in INR	
	31st March, 2014	31st March, 2013	**31st March, 2014**	31st March, 2013
Trade Payables	28,650	1,114,141	1,716,422	60,570,248
Bank Loan	6,687,726	11,149,065	400,661,605	606,118,919

48. PARTICULARS OF OUTSTANDING DERIVATIVE INSTRUMENTS BALANCE SHEET DATE:

₹

Particulars	Amount in foreign Currency	
	31st March, 2014	31st March, 2013
Foreign Currency Contracts - USD/INR (Buy)	2,000,000	1,300,000

49. Previous year figures are regrouped and reclassified where ever necessary to make them comparable with those of current year.

for and on behalf of the Board

A. Venkata Rao
Managing Director

J. Ramesh
Director

R. Tulasi Mahalakshmi
Company Secretary

Place : Hyderabad
Date : 26th May, 2014

per our report of even date
for Brahmayya & Co.,
Chartered Accountants
Firms' Registration Number: 000513S

P. Chandramouli
Partner
Membership Number: 025211

Notice to Shareholders

Notice is hereby given that the Fifteenth Annual General Meeting of the Company will be held on Friday, the 1st day of August, 2014 at 10.00 a.m. at 6-3-1109/1, Nava Bharat Chambers, Raj Bhavan Road, Hyderabad – 500082, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the audited Balance Sheet as at 31st March, 2014 and the statement of Profit & Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.

2. To appoint a Director in place of Sri G. Chaitanya Reddy, who retires by rotation and, being eligible, offered himself for re-appointment.

3. To appoint Auditors and fix their remuneration.

   To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the fourth Annual General Meeting and to fix their remuneration and to pass the following resolution as an Ordinary Resolution.

   "RESOLVED THAT, pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder, and pursuant to the recommendations of the audit committee of the Board of Directors, M/s.Brahmayya & Co., Chartered Accountants, be and are hereby re-appointed as the auditors of the Company, to hold office from the conclusion of this AGM to the conclusion of the fourth consecutive AGM (subject to ratification of the appointment by the members at every AGM held after this AGM) and that the Board of Directors be and are hereby authorized to fix such remuneration as may be determined by the audit committee in consultation with the auditors."

SPECIAL BUSINESS:

4. Re-appointment of Sri. G. Chaitanya Reddy as Managing Director of the Company:

To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 203, 196, 197 and Schedule V and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modifications or re-enactment thereof for the time being in force), the consent and approval of the Company be and is hereby accorded to the re-appointment of Sri G. Chaitanya Reddy, as Managing Director of the Company, for a period of 3 years with effect from 26th May, 2014 on the remuneration, perquisites and other allowances as detailed hereunder subject to the limit of ₹ 42 lakhs per annum (excluding allowable perquisites) as specified under Schedule V of the Companies Act, 2013:

A Salary:

Basic Salary of ₹ 225,000/- per month.

B Perquisites and other allowances:

1 HRA 30% of Basic Salary per month;

2 Conveyance Allowance ₹ 20,000/- per month;

3 Medical Expenses one month's Basic Salary per annum;

4 LTA one month's Basic Salary per annum;

5 Telephone Bills (actuals);

6 Gratuity payable, shall not exceed, half a month's salary, for each completed year of service;

7 Encashment of leave at the end of the tenure;

8 Any other perquisites that may be allowed as per the guidelines issued by the Central Government from time to time.

Notice to Shareholders

"RESOLVED FURTHER THAT the remuneration aforesaid including the perquisites and other allowances shall be paid and allowed to Sri G. Chaitanya Reddy, Managing Director, as minimum remuneration during the currency of his tenure, in the event of loss or inadequacy of profits in any financial year for a period of three (3) years."

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to take such steps and do all other acts, deeds and things as may be necessary or desirable to give effect to this resolution."

5. Appointment of Sri K. Balarama Reddi as Independent Director of the Company:

To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 Sri K. Balarama Reddi (DIN:00012884) who was appointed as Additional Director of the Company by the Board of Directors on 24th May, 2014, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Sri K. Balarama Reddi as a candidate for the office of a Director of the Company, be and is hereby appointed as Independent Director of the Company to hold office for a term of five consecutive years effective from 24.05.2014 and not liable to retire by rotation."

6. Appointment of Dr. M. V. G. Rao as Independent Director of the Company:

To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 Dr. M. V. G. Rao, (DIN:00012704) Director of the Company and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Dr. M. V. G. Rao as a candidate for the office of a Director of the Company, be and is hereby appointed as Independent Director of the Company to hold office for a term of five consecutive years effective from the date of forthcoming AGM and not liable to retire by rotation."

By Order of the Board
for **Brahmani Infratech Private Limited**

G. Chaitanya Reddy
Managing Director

Place : Hyderabad
Date : 24th May, 2014

Regd. Office:
6-3-1109/1,
Nava Bharat Chambers
Raj Bhavan Road, Somajiguda
Hyderabad – 500 082

Notes :

1. The Explanatory Statement in respect of Special Business in the Notice, pursuant to Section 102 of the Companies Act, 2013, is annexed hereto.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/ herself and such proxy need not be a member of the Company. The proxy form duly signed must be deposited at the Registered Office of the Company not later than 48 hours before the time fixed for commencement of the meeting.

Notice to Shareholders

Explanatory statement (pursuant to Section 102 of the Companies Act 2013)

Item No. 4

Re-appointment of Sri G. Chaitanya Reddy as Managing Director of the Company:

Pursuant to recommendations of the Nomination and Remuneration Committee, provisions of Sections 203, 196, 197 and Schedule V and other applicable provisions, if any, of the Companies Act, 2013, the Board of Directors of the Company on 24.05.2014, subject to approval of the members, re-appointed Sri G. Chaitanya Reddy, as Managing Director of the Company, for a period of 3 years with effect from 26.05.2014 on the remuneration, perquisites and other allowances as set out at Item No. 4 in the proposed Ordinary Resolution.

Sri G. Chaitanya Reddy, Managing Director, has been working for the Company since February, 2006. He holds a Masters Degree in International Business from Institute of Foreign Trade (GITAM University) and Bachelors Degree in Business Management from Andhra University, India. He is incharge of all the Operations of the Company since his appointment as Managing Director. He has over 16 years of entrepreneurial & corporate experience in different verticals including 8 years in the Company.

He does not have any interest in the Capital of the Company nor related to any director or promoter in any way either in the company or its holding company. Apart from the remuneration payable, Sri G. Chaitanya Reddy does not have any other pecuniary relationship with the Company.

Statement as per Schedule V of the Companies Act, 2013:

I. General Information:

1. Nature of industry: Commercial & Industrial.
2. Date or expected date of commencement of commercial Production: 31.07.2016
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: NA
4. Financial performance based on given indicators:

(₹ in Crores)

Particulars	**2013-14**	2012-13	2011-12
Turnover/Income	6.86	4.76	4.18
Net Profit / (Loss) before Tax & Appropriation	4.41	1.40	2.34

5. Foreign investments or collaborators, if any: None

II. Information about the appointee:

1. **Background details:**

   Sri G. Chaitanya Reddy, Managing Director, has been working for the Company since February, 2006. He holds a Masters Degree in International Business from Institute of Foreign Trade (GITAM University) and Bachelors Degree in Business Management from Andhra University, India. He is incharge of all the Operations of the Company since his appointment as Managing Director. He has over 16 years of entrepreneurial & corporate experience in different verticals including 8 years in the Company.

Notice to Shareholders

2. **Past remuneration:**

(₹ in Lakhs)

Particulars	26.05.2013 to 25.05.2014	26.05.2012 to 25.05.2013	26.05.2011 to 25.05.2012
Salary	27.00	27.00	27.00
Perquisites & Allowances	15.00	15.00	15.00
Performance Linked incentive	NA	NA	NA
Contribution to Provident & other funds	NA	NA	NA
TOTAL	**42.00**	42.00	42.00

3. **Recognition or awards: None**

4. **Job profile and his suitability:**

Sri G. Chaitanya Reddy was looking after overall operations of the Company. He has over 16 years of entrepreneurial & corporate experience including 8 years in the Company. In this period he has demonstrated great commitment and steered the Company through challenging times. With sound leadership qualities he brings to the table multifunctional capabilities and is adept in strategy and operations. In view of this, his qualifications and vast corporate experience, he is found to be suitable to continue for the position of Managing Director of the Company.

5. **Remuneration proposed:**

A **Salary:**

Basic Salary of ₹ 225,000/- per month.

B **Perquisites and other allowances:**

1 HRA 30% of Basic Salary per month;

2 Conveyance Allowance ₹ 20,000/- per month;

3 Medical Expenses one month's Basic Salary per annum;

4 LTA one month's Basic Salary per annum;

5 Telephone Bills (actuals);

6 Gratuity payable, shall not exceed, half a month's salary, for each completed year of service;

7 Encashment of leave at the end of the tenure;

8 Any other perquisites that may be allowed as per the guidelines issued by the Central Government from time to time."

6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person: Taking into consideration the size of the Company, the profile of Sri G. Chaitanya Reddy, responsibility shouldered by him and the industry benchmark, the remuneration proposed is commensurate with the remuneration package paid to similar, senior level appointees in other Companies.

7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personal, if any:

Apart from the remuneration payable, the Managing Director does not have any other pecuniary relationship with the Company or its managerial personnel.

Sri G. Chaitanya Reddy, Managing Director, does not have any interest in the Capital of the Company. He is not related to any director or promoter in any way either in the company or its holding company or any relationship whatsoever.

Notice to Shareholders

III. Other Information:

1. Reasons of loss or inadequate profits: The Company is in the process of strengthening its functions gradually.
2. Steps taken or proposed to be taken for improvement: The Company proposes to take up new projects and expects to receive incremental revenues.
3. Expected increase in productivity and profits in measurable terms: The Company proposes to take up new projects and expects to receive incremental revenues being spearheaded by Sri G. Chaitanya Reddy.

The Company has never accepted deposits, nor obtained term loans from any banks or financial institutions and has not defaulted in repayment either interest or principal thereof.

The resolution set out at item No.4 together with explanatory statement constitute abstract of terms of the remuneration and the Memorandum of Interest of Sri. G. Chaitanya Reddy, Managing Director under Section 190 of the Companies Act, 2013.

The Board commends the resolution for your approval.

None of the Directors, Key managerial personnel or their relatives, except Sri G. Chaitanya Reddy, is in any way, concerned or interested in the above resolution.

Item No. 5

Appointment of Sri K. Balarama Reddi as Independent Director of the Company:

Sri K. Balarama Reddi was appointed as an Additional Director by the Board on 24.05.2014, pursuant to Section 161 of the Companies Act, 2013, read with Article 83 of the Articles of Association of the Company.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Sri K. Balarama Reddi will hold office upto the date of the ensuing Annual General Meeting. The Company received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with a deposit of ₹ 1 lakh proposing the candidature of Sri K. Balarama Reddi for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

Sri K. Balarama Reddi is an Electrical Engineer with about 5 decades of experience in various senior positions including Chairman of Andhra Pradesh State Electricity Board. He possesses vast Accounting and Financial Management expertise and is a Senior Consultant of Administrative Staff College of India for about 10 years. He held special positions like President, Central Board of Irrigation and Power, New Delhi and was Recipient of several honours and awards. He joined the Board of Directors of Nava Bharat Ventures Limited, (Holding Company) on 25.07.1998 as a Non-Executive Independent Director.

The Company has received from Sri K. Balarama Reddi, (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of Sri K. Balarama Reddi as an Independent Director of the Company for a term of five consecutive years effective from 24.05.2014, pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. He is not liable to retire by rotation.

In the opinion of the Board of Directors, Sri K. Balarama Reddi, the independent Director proposed to be appointed, fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder and he is independent of the Management. A copy of the draft letter for the appointment of Sri K. Balarama Reddi as Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days upto the date of the AGM.

Notice to Shareholders

The Board considered that his association would be of immense benefit to the Company and it is desirable to avail his services as Independent Director.

No director, Key managerial personnel or their relatives, except Sri K. Balarama Reddi, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item No.5 for the approval of the members.

Item No. 6

Appointment of Dr. M. V. G. Rao as Independent Director of the Company:

Dr. M. V. G. Rao is a Chemical Engineer with about 5 decades of industrial experience and he held senior positions including Chairman and Managing Director of Vera Laboratories, Managing Director of A.P Paper Mills, Executive Director (Operations) of Tamilnadu Newsprint and Papers Limited, etc. Recipient of prestigious Honorary Doctorate - HONORIS CAUSA from Rohilkhand University, Bareilly and several other awards and honours.

Dr. M. V. G. Rao is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 30.07.2009. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Dr.M.V.G.Rao, is proposed to be appointed as Independent Director for a term of five consecutive years effective from the date of forthcoming AGM. In this regard, the Company received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with a deposit of ₹ 1 lakh proposing the candidature of Dr. M. V. G. Rao for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Dr. M. V. G. Rao, (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of Dr. M. V. G. Rao as an Independent Director of the Company for a term of five consecutive years effective from the date of forthcoming AGM, pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. He is not liable to retire by rotation.

In the opinion of the Board of Directors, Dr. M. V. G. Rao, the independent Director proposed to be appointed, fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder and he is independent of the Management. A copy of the draft letter for the appointment of Dr. M. V. G. Rao as Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days upto the date of the Annual General Meeting.

The Board considered that his continued association would be of immense benefit to the Company and it is desirable to continue to avail his services as Independent Director. Accordingly, the Board recommended the resolution, for the approval by the Shareholders of the Company.

No director, Key managerial personnel or their relatives, except Dr. M. V. G. Rao, to whom the resolution relates, is interested or concerned in the resolution.

By Order of the Board
for **Brahmani Infratech Private Limited**

Place : Hyderabad
Date : 24th May, 2014

G. Chaitanya Reddy
Managing Director

Directors' Report

Dear Members,

Your Directors have pleasure in presenting their Fifteenth Annual Report together with the Audited Balance Sheet of the Company as at 31st March, 2014 together with the Auditors' Report thereon.

FINANCIAL PERFORMANCE:

During the year under review, the aggregate earnings for the year stood at ₹ 68,615,867/- and the total outgoings stood at ₹ 15,555,784/-. The year resulted in a net profit of ₹ 44,160,083/- after taxation (before taxation ₹ 53,060,083/-).

OPERATIONS:

During the year under review, your Company, has been looking for new project/s suitable for commercial, residential and other infrastructure development projects and is accordingly acquiring assets suitable for commercial and/or residential projects. The Company aims to have diversified mix of investments in various categories.

In respect of cost of development undertaken by the Company at the surrendered IT/ITES SEZ Project site, an independent valuation report was submitted to APIIC and an amount of ₹ 2.30 crores towards 50% of the total claim amount was received during May, 2014 and the balance is pending from APIIC.

PENDING LEGAL ISSUES:

Members are aware that, on account of delay caused by M/s. Mantri Technology Parks Private Limited in execution of the IT/ITES SEZ Project at 150 acres at Mamidipally Village, Shamshabad, the Company issued notice to forfeit the security deposit of ₹ 30 crores paid by M/s. Mantri Technology Parks Private Limited, due to which certain disputes/issues arose between M/s. Mantri Technology Parks Private Limited and the Company. The Hon'ble High Court appointed Justice Syed Shah Mohammed Quadri as Sole Arbitrator on 21.06.2013 for resolution of disputes by Arbitration. The Arbitral proceedings were commenced on 05.08.2013 and have been concluded on 12 May, 2014 and the case is reserved and the Hon'ble Arbitrator would be passing his Judgement in due course. Besides arbitration proceedings M/s. Mantri Technology Parks Private Limited had also filed three petitions before the City Civil Court at Hyderabad seeking interim orders. In all three cases the orders are awaited.

Members are also aware that M/s. Malaxmi Infra Ventures (India) Private Limited, a shareholder and its Chairman Sri Y. Harish Chandra Prasad, filed a Company Petition before the Hon'ble Company Law Board (CLB), Chennai making allegations against the Company and its Directors alleging the allotment of shares was wrong and amounts to suppression of minority interests, which are totally contrary to the facts. The Petition is awaited adjudication before the Hon'ble CLB.

Investigation by the Central Bureau of Investigation and the Enforcement Directorate: As regards to the investigation proceedings pending in the Hon'ble Court of Principal Special Judge for CBI Cases, Nampally, Hyderabad, the memo dated 23.09.2013, filed by CBI states that during the course of investigation, no quid-pro-quo could be established, inter alia, against the Company. As a result, it is understood that the investigation against the Company is concluded.

BOARD OF DIRECTORS:

Sri D. Ashok, Director, resigned to his directorship effective from 03.03.2014 due his pre-occupations. The Board recorded its appreciation of his valuable contributions during his tenure on the Board of the Company.

Sri G. Chaitanya Reddy, Managing Director, retires by rotation at the ensuing Annual General Meeting and being eligible, offered himself for re-appointment. Sri G. Chaitanya Reddy was appointed as Managing Director of the Company on 26.05.2011 for a period of 3 years i.e., upto 25th May, 2014. The Board at its meeting held on 24.05.2014 re-appointed him for a further period of 3 years i.e, upto 25.05.2017, subject to approval of the members by ordinary resolution.

The Board at its meeting held on 24.05.2014 appointed Sri K. Balarama Reddi as Additional Director of the Company. Pursuant to the provisions of Section 161 of the Companies Act, 2013, he will hold office upto the date of the ensuing Annual General Meeting. The Company received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with a deposit of ₹ 1 lakh proposing the candidature of Sri K. Balarama Reddi for the office of Independent Director for a term of five consecutive years effective from 24.05.2014, in terms of the provisions of Section 149 of the Companies Act, 2013.

Dr. M. V. G. Rao is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 30.07.2009. In terms of Section 149 of the Companies Act, 2013, Dr. M. V. G. Rao, is proposed to be appointed as Independent Director for a term of five consecutive years

Directors' Report

effective from the date of forthcoming AGM. In this regard, the Company received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with a deposit of ₹ 1 lakh proposing the candidature of Dr. M. V. G. Rao for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

AUDIT COMMITTEE, NOMINATION AND REMUNERATION COMMITTEE AND CHIEF FINANCIAL OFFICER:

The Board of Directors constituted Audit Committee and Nomination and Remuneration Committee, pursuant to provisions of the Companies Act, 2013. The Committees comprises three Directors as under:

1. Dr. M. V. G. Rao
2. Sri K. Balarama Reddi
3. Sri G. R. K. Prasad.

Pursuant to provisions of Section 203 of the Companies Act, 2013, the Board of Directors appointed Sri M. C. Seshayya, as Chief Financial Officer of the Company w.e.f. 24.05.2014.

SECRETARIAL AUDIT:

The Board of Directors on 24th May, 2014 appointed M/s. P. S. Rao & Associates, Practicing Company Secretaries, for the conduct of Secretarial Audit pursuant to the recommendations of the Audit Committee for the Financial Year 2014-15 for the Company.

FIXED DEPOSITS:

The Company has not accepted nor held any public deposits pursuant to Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

AUDITORS:

M/s. Brahmayya & Co., Chartered Accountants, the Auditors of the Company, retire at the conclusion of the Annual General Meeting and have expressed their willingness to continue in office, if re-appointed. The Board of Directors recommended, appointment of Statutory Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the fourth Annual General Meeting.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Technology Absorption, conservation of Energy, Foreign Exchange earnings and outflow are nil, as the Company has not yet started the commercial operations.

DIRECTORS' RESPONSIBILITY STATEMENT:

The Directors confirm that in the preparation of Annual Accounts for the year ended 31.03.2014:

- Applicable accounting standards have been followed.
- The accounting policies framed in accordance with the guidelines of the Institute of Chartered Accountants of India have been applied.
- Reasonable and prudent judgement and estimates were made so as to give a true and fair view of the state of affairs of the company.
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, as applicable.
- The accounts have been prepared on 'a going concern' basis.

PARTICULARS OF EMPLOYEES:

The provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and the Companies (Particulars of Employees) Amendment Rules, 2011 as amended, regarding particulars of employees drawing remuneration of the prescribed sums are not applicable as there were no employees in that category.

ACKNOWLEDGEMENT:

Your Directors gratefully acknowledge the support and co-operation extended by the Regulatory Authorities and Company's Bankers.

for and on behalf of the Board of
Brahmani Infratech Private Limited

G. Chaitanya Reddy
Managing Director

Place : Hyderabad
Date : 24th May, 2014

P. Trivikrama Prasad
Chairman

Compliance Certificate

(Pursuant to the provisions of Section 383A of the Companies Act, 1956)

CIN: U40109TG1999PTC032289

Paid-up Capital: ₹ 631,250,000/-

To

The Members

M/s. Brahmani Infratech Private Limited

Hyderabad

I have examined the registers, records, books and papers of **M/s. Brahmani Infratech Private Limited** (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2014. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year that:

1. The Company has kept and maintained all registers as stated in ***Annexure 'A'*** to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.

2. The Company has duly filed the forms and returns as stated in ***Annexure 'B'*** to this certificate, with the Registrar of Companies within the time prescribed under the Act and the rules made there under.

3. The Company being private limited company has the minimum prescribed paid-up capital and its maximum number of members during the said financial year was 12 (Twelve) and the company during the period under scrutiny:

   a. has not invited public to subscribe for its shares or debentures; and

   b. has not invited or accepted any deposits from persons other than its members, directors or their relatives.

4. The Board of Directors duly met 4 times on 29.04.2013, 30.09.2013, 30.12.2013 and 07.03.2014 relating to which meetings, proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for that purpose.

5. Being a closely held limited Company, the Company was not required to close its Register of Members, and/or Debenture holders during the financial year.

6. The Annual General Meeting for the financial year ended on 31.03.2013 was held on 08.08.2013 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for that purpose.

7. No Extra-ordinary General Meeting was held during the financial year.

8. The Company has not advanced any loan to its Directors and/or Persons or Firms or Companies referred in the Section 295 of the Act.

9. The Company has duly complied with the provisions of Section 297 of the Act in respect of contracts specified in that Section.

10. The Company was not required to make any entries in the register maintained under Section 301 of the Act.

11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or Central Government as the case may be.

12. The Company has not issued any duplicate share certificates during the financial year.

13. During the year:

    - the Company has not made any allotment of shares,

    - the Company has not posted warrants to any member of the Company as no dividend was declared during the financial year.

    - the Company has duly complied with the requirements of Section 217 of the Act.

14. The Board of Directors of the company is duly constituted and there were no changes occurred in the Board during the year under review.

Compliance Certificate

15. The appointment of managing director has been made in compliance with the provisions of the Act and there is no change during the year under review.

16. The Company has not appointed any sole-selling agents during the financial year.

17. The company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies and/or such authorities under the various provisions of the Act during the financial year.

18. The Directors have disclosed their interest in other Firms/Companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.

19. The Company has not issued any shares during the financial year under review and complied with the provisions of the Act.

20. The Company has not bought back any shares during the financial year under review.

21. There was no redemption of preference shares/ debentures during the year.

22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration for transfer of shares.

23. The Company has not invited/accepted any deposits including unsecured loans falling within the purview of Section 58A during the financial year.

24. The Company has not borrowed any amount from Directors, members, public, financial institutions, banks and others during the financial year ended 31st March, 2014 as per Section 293(1)(d) of the Act.

25. The Company has not made any investments in other bodies corporate except mutual fund investments and hence no entries were made in the register kept for that purpose.

26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the year.

27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year.

28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year.

29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under review and complied with the provisions of the Act.

30. The Company has not altered its Articles of Association during the year.

31. There was no prosecution initiated against or show cause notices received by the Company for alleged offences under the Act and no fines and penalties or any other punishment imposed on the Company during the year under the scrutiny.

32. The Company has not received any amount as security from its employees during the year.

33. The Company has not deducted any contribution towards Provident Fund during the financial year as the same is not applicable.

Place : Hyderabad
Date : 24th May, 2014

P. Renuka
C.P. No.3460

Compliance Certificate

ANNEXURE A

[Forming part of Compliance Certificate]

Registers as maintained by the Company:

1. Register of Members under Section 150
2. Register of transfer of Shares
3. Copies of Annual Returns under Section 159
4. Books of Accounts under Section 209
5. Register of Directors
6. Directors Shareholding under Section 307
7. Register pertaining to Directors and Members attending their meetings
8. Minutes of Board & General Meetings under Section 193
9. Fixed Assets Register
10. Records of resolutions of which certified copies are issued
11. Records of Form No. 24AA
12. Register of application and allotment of shares

Place : Hyderabad
Date : 24th May, 2014

P. Renuka
C.P. No.3460

ANNEXURE B

[Forming part of Compliance Certificate]

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ended 31st March, 2014.

Sl. No.	Form / Return Number	Filed under relevant section of the Act.	Particulars	Date of filing	Whether filed within the prescribed time	If delay, whether requisite additional fee paid (Yes/N.A)
1	Form no. 66	383A	Compliance Certificate	27.08.2013	Yes	N.A
2	Form no. 23AC Xbrl & ACA Xbrl	220	Balance Sheet and P&L A/c for the Financial year ended 31st March, 2013.	05.09.2013	Yes	N.A
3	Form no.20B	159	Annual Return for the AGM held on 08.08.2013	03.10.2013	Yes	N.A
4	Form 32	303	Resignation of Director	03.03.2014	Yes	N.A

Place : Hyderabad
Date : 24th May, 2014

P. Renuka
C.P. No.3460

Independent Auditor's Report

To

The Members of

Brahmani Infratech Private Limited,

HYDERABAD.

REPORT ON THE FINANCIAL STATEMENTS:

We have audited the accompanying financial statements of BRAHMANI INFRATECH PRIVATE LIMITED("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS:

Management is responsible for 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

OPINION:

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

a. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

b. in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

c. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS:

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

   a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956; read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.

   e. On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

   f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

for Brahmayya & Co.,
Chartered Accountants
Firm's Registration Number: 000513S

(P. Chandramouli)
Partner
Membership Number: 025211

Place : Hyderabad
Date : 24th May, 2014

Annexure to the Auditor's Report

The Annexure referred to in Para 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date, to the members of BRAHMANI INFRATECH PRIVATE LIMITED, HYDERABAD, for the year ended 31 March 2014.

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

   b) As explained to us, the management has physically verified most of the fixed assets during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of the assets. No material discrepancies were noticed on such verification.

   c) During the year the Company has not disposed off any substantial part of fixed assets that would affect the going concern status of the Company.

2. The company does not carry any inventory during the year. Therefore, the provisions of clause (ii) (a), (b) and (c) of paragraph 4 of the Companies (Auditor's Report) Order 2003 are not applicable to the company.

3. a) During the year, the Company has neither granted nor taken any loans, secured or unsecured to/ from Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.

   b) The rate of interest and other terms and conditions of unsecured loans given by the Company in earlier years, are not prima facie prejudicial to the interest of the Company.

   c) The party is regular in the payment of Interest to the company. As no stipulations have been made for the repayment of loan given, we are not in a position to make any specific comment regarding the repayment of principal.

   d) In view of our comment in paragraph 3(a) above, (III) (d), (e), (f) and (g) of paragraph 4 of the aforesaid order are not applicable to the Company.

4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.

5. a) On the basis of our examination of the books of account and according to the information and explanations given to us, the company has not entered into any transaction that needs to be entered in the Register maintained under section 301 of the Companies Act, 1956.

   b) In view of our comment in paragraph (a) above, clause V (b) of aforesaid order, in our opinion, is not applicable.

6. The Company has not accepted any deposits from the public. Hence the provisions of Section 58A and 58AA and other relevant provisions of the Companies Act, 1956, and the Companies (Acceptance of Deposits) Rules, 1975, do not apply to the Company for the time being.

7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.

8. The Central Government has not prescribed the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 for the activities of the Company.

9. a) According to the records, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it.

   b) According to the information and explanations given to us, there were no undisputed amounts payable in respect of Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess

Annexure to the Auditor's Report

and other material statutory dues were in arrears as at March 31, 2014 for a period of more than six months from the date they became payable.

c) According to the records of the Company and the information and explanations given to us, there were no dues of Sales Tax, Income Tax, Custom Duty, Wealth Tax, Service Tax, Excise Duty and Cess, which have not been deposited on account of any dispute.

10. The Company has no accumulated losses as at the end of the financial year. The Company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.

11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institutions and Banks.

12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. The Company is not a chit fund or a nidhi/mutual benefit fund/ society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

14. The Company is not dealing or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

16. During the year the company has not obtained any term loans.

17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.

18. According to the information and explanations given to us, during the year, the Company has not made any preferential allotment of shares to parties and Companies covered in the Register maintained under section 301 of the Companies Act, 1956.

19. During the year, the Company has not issued any debentures, therefore the question of creating security or charge in respect thereof does not arise.

20. During the year, the Company has not made any public issue and therefore the question of disclosing the end use of money raised by public issue does not arise.

21. Based upon the audit procedures performed and according to the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year.

per our report of even date
for Brahmayya & Co.,
Chartered Accountants
Firm's Registration Number: 000513S

(P. Chandramouli)
Partner
Membership Number: 025211

Place : Hyderabad
Date : 24th May, 2014

Balance Sheet
as at 31st March, 2014

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Particulars	Notes	31st March, 2014	31st March, 2013
EQUITY AND LIABILITIES			
Share Holders Funds			
Share Capital	06	631,250,000	631,250,000
Reserves and Surplus	07	111,420,453	67,260,370
		742,670,453	698,510,370
Non Current Liabilities			
Long-Term Provisions	08	870,292	-
		870,292	-
Current Liabilities			
Trade Payables	09	18,728	14,572
Other Current liabilities	10	300,366,254	301,635,955
Short - Term provisions	11	51,677	-
		300,436,659	301,650,527
TOTAL		**1,043,977,404**	1,000,160,897
ASSETS			
Non - Current Assets			
Fixed Assets			
Tangible Assets	12	149,134,286	140,834
Intangible Assets	13	12,848	25,202
Long-Term Loans and Advances	14	72,773,201	3,000
		221,920,335	169,036
Current Assets			
Current Investments	15	421,371,746	673,277,510
Cash and Cash Equivalents	16	100,372,711	26,088,734
Short-Term Loans and Advances	17	300,000,000	300,174,600
Other Current Assets	18	312,612	451,017
		822,057,069	999,991,861
TOTAL		**1,043,977,404**	1,000,160,897
Notes Forming Part of Financial Statements	01-32		

for and on behalf of the Board

per our report of even date
for Brahmayya & Co.,
Chartered Accountants
Firms' Registration Number: 000513S

P. Chandramouli
Partner
Membership Number: 025211

P. Trivikrama Prasad
Chairman

G.Chaitanya Reddy
Managing Director

Place : Hyderabad
Date : 24th May, 2014

Statement of Profit and Loss

for the year ended 31st March, 2014

₹

Particulars	Notes	31st March, 2014	31st March, 2013
INCOME			
Other Income	19	68,615,867	47,620,899
TOTAL REVENUE		**68,615,867**	47,620,899
EXPENSES			
Employee Benefits Expense	20	9,945,304	5,845,555
Depreciation expense	21	52,915	61,225
Other Expenses	22	5,557,565	18,782,074
TOTAL EXPENSES		**15,555,784**	24,688,854
Profit Before Tax		53,060,083	22,932,045
Tax Expense			
Current Tax		8,900,000	8,800,000
Earlier years Tax		-	100,000
		8,900,000	8,900,000
Profit for the year After Tax		**44,160,083**	14,032,045
Earnings per Share of face Value of ₹ 10/- each:	23		
Basic and diluted		0.70	0.22
Notes Forming Part of Financial Statements	01-32		

per our report of even date
for Brahmayya & Co.,
Chartered Accountants
Firms' Registration Number: 000513S

P. Chandramouli
Partner
Membership Number: 025211

Place : Hyderabad
Date : 24th May, 2014

for and on behalf of the Board

P. Trivikrama Prasad
Chairman

G.Chaitanya Reddy
Managing Director

NAVA BHARAT

Cash Flow Statement

for the year ended 31st March, 2014

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Particulars	31st March, 2014	31st March, 2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	53,060,083	22,932,045
Adjustments for:		
Depreciation	52,915	61,225
Loss/(Profit) on Sale of Investments (Net)	(58,777)	1,053
Loss on surrender of Land	-	13,016,558
Interest	(27,000,000)	(27,000,000)
Dividends on current investments	(41,557,090)	(20,620,899)
Operating Profit before Working Capital Changes	(15,502,869)	(11,610,018)
Adjustments for:		
Increase/(Decrease) in Long Term Provisions	870,292	-
Increase/(Decrease) in Trade Payables	4,156	8,188
Increase/(Decrease) in Other Current Liabilities	(1,269,701)	301,167,590
Increase/(Decrease) in Short Term Provisions	51,677	-
(Increase)/Decrease in Long Term Loans and Advances	(72,770,201)	174,600
(Increase)/Decrease in Short Term Loans and Advances	174,600	(300,174,600)
(Increase)/Decrease in Other Assets	6,735	(6,735)
Direct Taxes Paid (net of refunds)	(8,768,330)	(11,124,674)
Net Cash from Operating Activities (A)	**(97,203,641)**	**(21,565,649)**
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(149,034,013)	(83,469)
Purchase of Investments	(692,593,459)	(1,156,000,000)
Sale of Fixed Assets	-	497,504,399
Sale of Investments	944,558,000	719,119,377
Income from current investments	41,557,090	15,648,153
Interest received	27,000,000	35,100,000
Net Cash Used in Investing Activities (B)	**171,487,618**	**111,288,460**
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Share Application **(C)**	-	(70,000,000)
	-	**(70,000,000)**
Net Increase in Cash and Cash Equivalents (A+B+C)	74,283,977	19,722,811
Cash and Cash equivalents as at beginning of the year	26,088,734	6,365,923
Cash and Cash equivalents as at the end of the year	**100,372,711**	**26,088,734**

for and on behalf of the Board

per our report of even date
for Brahmayya & Co.,
Chartered Accountants
Firms' Registration Number: 000513S

P. Trivikrama Prasad
Chairman

P. Chandramouli
Partner
Membership Number: 025211

G.Chaitanya Reddy
Managing Director

Place : Hyderabad
Date : 24th May, 2014

Notes

to the Financial Statements for the year ended 31 March, 2014

1. NATURE OF OPERATIONS:

Brahmani Infratech Private Limited (the Company or BIPL) has been incorporated on 12.08.1999 to carry on the business of Infrastructure Development. At present the Company is a subsidiary of Nava Bharat Ventures Limited.

During the year 2006-2007 the Company was allotted 250 Acres of land by APIIC Limited to develop 150 Acres as Special Economic Zone (SEZ) area and 100 Acres as Non SEZ area. Sale deed in respect of 150 Acres has been executed in favour of the company and in respect of balance 100 Acres of land, will be executed as per the terms of allotment. However APIIC Limited is entitled to cancel the allotment of entire land in case of non-fulfillment or breach of any terms and conditions or obligations set forth while allotting the land.

The Company had entered into a development Agreement with M/s. Mantri Technology Parks Private Limited (MTPPL), Bangalore (appointed as Co-developer) for the development of 238 Acres (including IT/ITES SEZ in 150 Acres) of the land allotted as above. The Co-developer has, pursuant to this agreement, undertaken compliance of the conditions stipulated by the GoAP/APIIC Limited including construction, development and marketing of the developed space covering IT/ITES, commercial and residential accommodation. The Co-developer has, at the behest of the company, paid security deposit pursuant to this agreement to the holding company, Nava Bharat Ventures Limited, and appropriate interest compensation thereof has been provided in the books of the Company.

As per the terms of AOSPOA, the agreed date of completion of development of the project is 6th November, 2012, however the company has sought an extension of time up to November 2021 by an application dated 07th March, 2011 to the concerned authorities for which there is no response from the concerned.

In the mean time the Co – developer Viz. M/s. Mantri Technology Parks Private Limited, Bangalore, by their letter dated 2nd May, 2012 have opted for termination of the Joint Development agreement with a request to return the Security Deposit.

During the year 2012 - 2013, the Company (BIPL) after protracted correspondence with the Co – developer Viz. M/s. Mantri Technology Parks Private Limited, Bangalore, terminated the Contract with effect from 9th July, 2012 under the Joint Development agreement dated 27th February, 2008 read with the Supplementary Agreement dated 28th February, 2008 on account of failure of M/s. Mantri Technology Parks Private Limited to Complete the Project of IT/ITES/SEZ at Hyderabad as Co-Developer under the patronage of M/s. Mantri Developers Private Limited as Technical Associate in accordance with the terms of agreement and were informed forfeiture of the Security Deposit of ₹ 30 Crores (Thirty Crores) paid by Co – developer.

Against such termination, M/s. Mantri Technology Parks Private Limited, Bangalore, invoked the arbitration clause of the agreement requesting for Conciliation process to settle the issue and due to lack of consensus among the Parties regarding the arbitrator to be appointed as per the arbitration clause of the agreement, made an application to the Hon'ble High Court of Andhra Pradesh to appoint an arbitrator under Section 11 (5) & (6) of the Arbitration and Conciliation Act 1996 read with Scheme for appointment of Arbitrators, 1996.

In the meantime M/s. MTPPL, Bangalore, has also filed a Petition in the Hon'ble City Civil Court Praying to grant injunction restraining BIPL from disposing MTPPL from the property either by way of surrender of the same to APIIC Ltd.,or by way of the replacement of a fresh Developer and also to direct BIPL to deposit the Security Deposit of ₹ 30,00,00,000/- (Thirty Crores) paid by them in pursuance of the Joint Development Agreement, in the Hon'ble Court. The matter is sub-judice in the Court.

During the year the Hon'ble High Court of Andhra Pradesh has appointed Justice Syed Shah Mohammed Quadri as Sole Arbitrator on 21.06.2013 and the Arbitral proceedings commenced on 05.08.2013 and the hearings are in advanced Stage.

Notes

to the Financial Statements for the year ended 31 March, 2014

2. SURRENDER OF THE LAND ALLOTTED FOR DEVELOPMENT OF SPECIAL ECONOMIC ZONE:

During the previous year, the Company surrendered the land to APIIC Limited and sought refund of ₹ 51.72 Crores being the Cost of acquisition. Accordingly the land was surrendered and deeds of Cancellation were executed in favour of APIIC Limited, pursuant to which APIIC Limited refunded an amount of ₹ 49.75 Crores.

M/s.Mantri Technology Parks Private Limited, has filed a Petition before the Hon'ble City Civil Court at Hyderabad, seeking direction to direct BIPL to keep aside the amount of ₹ 49.75 Crores refunded by APIIC Limited by not utilising and also to furnish a Security for ₹ 49.75 Crores in the form of a Bank guarantee or in any other manner as deemed fit by the Hon'ble Court. This matter is also sub - judice in Court.

3. PETITIONS BY SHARE HOLDERS:

M/s.Malaxmi Infra Ventures (India) Private Limited, one of the shareholders holding 20.79% Shares in the Company and Mr.Y.Harish Chandra Prasad, filed a Company petition on 12th May, 2011 under Sections 397 and 398 of the Companies Act,1956, before the Company Law Board Additional Principal Bench at Chennai making several allegations and praying to direct the Company to implement Certain remedial Corporate actions relating to internal administration and seeking remuneration for Services rendered by him to the Company.

4. BASIS OF ACCOUNTING:

The financial statements have been prepared to comply in all material respects with the notified accounting standards by Companies (Accounting Standards) Rules, 2006 (as amended) read with the General Circular 15/2013 dated 13 September, 2013 of Ministry of Corporate Affairs and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared in accordance with the generally accepted Accounting Principles in India under the historical cost convention and on accrual basis, except in case of assets for which provision for impairment is made and revaluation is carried out. The accounting policies are consistent with those used in the previous year.

5. SIGNIFICANT ACCOUNTING POLICIES:

a) Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the 'results of operations during' the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to such estimates is recognized prospectively in the year in which it is revised.

b) Tangible Fixed Assets:

Fixed assets are stated at cost (or revalued amounts, as the case may be), less accumulated depreciation, amortisation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Borrowing costs relating to acquisition of fixed assets which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

c) Depreciation on Tangible Fixed Assets:

Depreciation on Fixed Assets is provided on Written Down Value/Straight Line method as per Schedule XIV of the Companies Act, 1956.

Fixed Assets costing rupees Five thousand or less are fully depreciated in the year of acquisition.

Improvements to premises taken on lease are amortised over the Primary lease period.

d) Intangible assets:

Costs incurred towards purchases of computer software are amortised over a period of 3 years which is the estimated useful life of such software.

Notes

to the Financial Statements for the year ended 31 March, 2014

e) Impairment:

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses, recognised for the asset no longer exist or have decreased.

f) Investments:

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value of each long term investment is made to recognize a decline, other than temporary in nature.

g) Revenue Recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Specifically the following basis is adopted:

i. Interest:

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

ii. Dividends:

Dividend is recognised when the right to receive the same is established.

h) Government Grants and Subsidies:

Grants and subsidies from the government are recognized when there is reasonable assurance that the grant/subsidy will be received and all applicable conditions will be complied with.

When the grant or subsidy relates to an expense item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate. Where the grant or subsidy relates to an asset, its value is deducted from the gross value of the assets concerned in arriving at the carrying amount of the related asset. Government grants in the form of non-monetary assets given at a concessional rate are accounted for on the basis of their acquisition cost.

i) Borrowing Costs:

Borrowing costs that are directly attributable to the acquisition, construction or production of Fixed Assets, which take substantial period of time to get ready for their intended use, are capitalized. Other Borrowing costs are recognized as an expense in the year in which they are incurred.

j) Retirement and Other Employee Benefits:

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Short term compensated absences are provided on an estimated basis. Long term compensated absences are provided for based on actuarial valuation on project unit credit method carried by an actuary as at the end of the year. Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

k) Leases:

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognised as an expense in the profit and loss account on a straight-line basis over the lease term and vice versa.

Notes

to the Financial Statements for the year ended 31 March, 2014

l) Taxes on Income:

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. If the Company has carry forward of unabsorbed depreciation and tax losses, deferred tax assets are recognised only, if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits.

m) Provisions:

A provision is recognised when there is a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

n) Earnings per Share (Basic and Diluted):

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

o) Cash Flow Statement:

Cash flows are reported using indirect method. Cash and cash equivalents in the cash flow statement comprise cash at bank, cash/cheques on hand and Fixed Deposits with Banks.

p) Contingent liabilities:

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

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Particulars	31st March, 2014	31st March, 2013
06. SHARE CAPITAL:		
Authorised		
70,000,000 Equity Shares of ₹ 10/- each	700,000,000	700,000,000
TOTAL	**700,000,000**	**700,000,000**
ISSUED, SUBSCRIBED AND PAID - UP:		
63,125,000 Equity Shares of ₹ 10/- each Fully paid up:	631,250,000	631,250,000
TOTAL	**631,250,000**	**631,250,000**

Notes

to the Financial Statements for the year ended 31 March, 2014

a. Rights attached to equity shares:

The company has only one class of equity shares having a face value of ₹ 10/- per share and with one vote per each Share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

b. Shares held by holding company:

	31st March, 2014	31st March, 2013
	No of Shares	No of Shares
Nava Bharat Ventures Limited, the holding company	41,499,998	41,499,998

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

Particulars	31st March, 2014		31st March, 2013	
	Nos	Percentage	Nos	Percentage
Equity Shares of ₹ 10/- each fully paid				
Nava Bharat Ventures Limited	41,499,998	65.74	41,499,998	65.74
Mr.Sushil Mantri	5,100,000	8.08	5,100,000	8.08
Malaxmi Infra Ventures(India) Private Limited	13,125,000	20.79	13,125,000	20.79

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Particulars	31st March, 2014	31st March, 2013
07. RESERVES AND SURPLUS:		
Surplus i.e. balance in Statement of Profit and Loss		
Opening balance	67,260,370	53,228,325
Add: Net profit transferred from Statement of Profit and Loss	44,160,083	14,032,045
Amount available for appropriation	111,420,453	67,260,370
Appropriations:	-	-
Closing Balance	111,420,453	67,260,370
TOTAL	**111,420,453**	**67,260,370**

Notes

to the Financial Statements for the year ended 31 March, 2014

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Particulars	31st March, 2014	31st March, 2013
08. LONG TERM PROVISIONS:		
Provisions for employee benefits:		
Provision for Gratuity	351,828	-
Provision for Leave encashment	518,464	-
TOTAL	**870,292**	-

₹

Particulars	31st March, 2014	31st March, 2013
09. TRADE PAYABLES:		
Creditors for Supplies and Services (refer note : 25)	18,728	3,572
Creditors for accrued wages and Salaries	-	11,000
TOTAL	**18,728**	**14,572**

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Particulars	31st March, 2014	31st March, 2013
10. OTHER CURRENT LIABILITIES:		
Security Deposits	300,000,000	300,000,000
Other liabilities:		
Professional Tax	-	2,500
TDS Payable	36,850	404,302
Other Payables	329,404	1,229,153
TOTAL	**300,366,254**	301,635,955

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Particulars	31st March, 2014	31st March, 2013
11. SHORT TERM PROVISIONS:		
Provisions for employee benefits:		
Provision for Gratuity	24,652	-
Provision for Leave encashment	27,025	-
TOTAL	**51,677**	-

Notes

to the Financial Statements for the year ended 31 March, 2014

12. TANGIBLE ASSETS:

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Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2013	Additions	Deductions	**As at 31.03.2014**	Upto 31.03.2013	For the year	On deductions	**Upto 31.03.2014**	**As at 31.03.2014**	As at 31.03.2013
1 Land	-	149,026,513	-	149,026,513	-	-	-	-	149,026,513	-
2 Office Equipment	65,898	7,500	-	73,398	1,322	10,058	-	11,380	62,018	64,576
3 Computers	250,967	-	-	250,967	174,709	30,503	-	205,212	45,755	76,258
4 Improvements To Leased Premises (Interiors)	1,229,600	-	-	1,229,600	1,229,600	-	-	1,229,600	-	-
TOTAL	1,546,465	149,034,013	-	**150,580,478**	1,405,631	40,561	-	**1,446,192**	**149,134,286**	140,834
Previous Year	512,007,514	59,908	510,520,957	1,546,465	1,353,640	51,991	-	1,405,631	140,834	510,653,874

13. INTANGIBLE ASSETS:

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Particulars	GROSS BLOCK				AMORTISATION				NET BLOCK	
	As at 01.04.2013	Additions	Deductions	**As at 31.03.2014**	Upto 31.03.2013	For the year	On deductions	**Upto 31.03.2014**	**As at 31.03.2014**	As at 31.03.2013
1 Computer Software	37,061	-	-	37,061	11,859	12,354	-	24,213	12,848	25,202
TOTAL	37,061	-	-	**37,061**	11,859	12,354	-	**24,213**	**12,848**	25,202
Previous Year	13,500	23,561	-	37,061	2,625	9,234	-	11,859	25,202	10,875

Notes

to the Financial Statements for the year ended 31 March, 2014

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Particulars	31st March, 2014	31st March, 2013
14. LONG TERM LOANS AND ADVANCES:		
(Unsecured, Considered good)		
Capital advances	72,595,601	-
Security Deposits	177,600	3,000
TOTAL	**72,773,201**	**3,000**

Particulars	Face Value in ₹	31st March, 2014 No of Units	31st March, 2014 Value ₹	31st March, 2013 No of Units	31st March, 2013 Value ₹
15. CURRENT INVESTMENTS:					
(Valued at lower of Cost or Market Value)					
UN QUOTED MUTUAL FUNDS					
HDFC FMP 369D Regular Growth fund	10	5,000,000	50,000,000	-	-
Birla Sunlife Fixed Term (368 days) Fund	10	8,386,487	83,864,870	-	-
IDFC Money Manager Fund	10	3,885,477	39,126,366	-	-
IDFC Fixed Term Plan	10	9,619,524	96,195,240	-	-
DSP BlackRock FMP (12M) (S153) Fund	10	5,218,527	52,185,270	-	-
DSP BlackRock FMP (12M) (S146) Fund	10	5,000,000	50,000,000	-	-
Baroda Pioneer FMP (370 days) Fund	10	5,000,000	50,000,000	-	-
HDFC Floating Rate Income Fund	10	-	-	19,533,356	196,913,813
Birla Sunlife Floating Rate Fund	100	-	-	2,556,158	256,032,152
IDBI Ultra Short Term Fund	1,000	-	-	101,153	101,240,156
Kotak Floater Short Term	1,000	-	-	18,276	18,488,674
UTI-Floating Rate Fund	1,000	-	-	93,421	100,602,715
TOTAL			**421,371,746**		**673,277,510**

₹

Particulars	31st March, 2014	31st March, 2013
16. CASH AND CASH EQUIVALENTS:		
Balances with Banks:		
On Current accounts	100,317,319	26,085,119
Cash on Hand	55,392	3,615
TOTAL	**100,372,711**	26,088,734

Notes

to the Financial Statements for the year ended 31 March, 2014

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Particulars	31st March, 2014	31st March, 2013
17. SHORT TERM LOANS AND ADVANCES:		
(Unsecured, Considered good)		
Security Deposits	-	174,600
Inter Corporate Deposit with Holding Company	300,000,000	300,000,000
TOTAL	**300,000,000**	300,174,600

₹

Particulars	31st March, 2014	31st March, 2013
18. OTHER ASSETS:		
Advance Income Tax (net of Provision)	312,612	444,282
Prepaid Expenses	-	6,735
TOTAL	**312,612**	451,017

₹

Particulars	31st March, 2014	31st March, 2013
19. OTHER INCOME:		
Other Non Operating Income (net of expenses)		
Interest from deposits	27,000,000	27,000,000
Dividends on investments	41,557,090	20,620,899
Net Gain on Sale of investments	58,777	-
TOTAL	**68,615,867**	47,620,899

₹

Particulars	31st March, 2014	31st March, 2013
20. EMPLOYEE BENEFIT EXPENSE:		
Salaries, Wages and Bonus	9,352,070	5,654,987
Staff Welfare Expenses	216,754	190,568
Gratuity Expenses	376,480	-
TOTAL	**9,945,304**	5,845,555

Notes

to the Financial Statements for the year ended 31 March, 2014

₹

Particulars	31st March, 2014	31st March, 2013
21. DEPRECIATION AND AMORTISATION EXPENSE:		
Depreciation on Tangible assets	40,561	51,991
Amortisation of Intangible Assets	12,354	9,234
TOTAL	**52,915**	61,225

₹

Particulars	31st March, 2014	31st March, 2013
22. OTHER EXPENSES:		
Rent and Service Charges	349,200	349,200
Rates and Taxes	365,429	2,500
Travelling and Conveyance	282,004	472,954
Legal and Professional Charges	3,213,444	3,662,259
Repairs and Maintenance : Others	86,684	38,275
Payments to Auditors : as auditors	337,080	337,080
: Tax representation	11,236	-
Business Promotion Expenses	175,520	174,840
Watch and Ward Expenses	196,263	81,194
Office Maintenance Expenses	139,826	75,769
Loss on Surrender of Land (refer note :2)	-	13,016,558
Net loss on Sale of investments	-	1,053
Miscellaneous expenses	400,879	570,392
TOTAL	**5,557,565**	18,782,074

₹

Particulars	31st March, 2013	31st March, 2012
23. EARNINGS PER SHARE:		
Net Profit for the year attributable to Equity Shareholders	44,160,083	14,032,045
Weighted average number of equity Shares of ₹ 10/each	63,120,000	63,120,000
EARNINGS PER SHARE (BASIC AND DILUTED)	**0.70**	0.22

Notes

to the Financial Statements for the year ended 31 March, 2014

24. In the opinion of the management, the current assets, loans and advances are expected to realise at least the amount at which they are stated, if realised in the ordinary course of business and provision for all known liabilities have been adequately made in the accounts.

25. There were no outstanding dues to Micro and Small Enterprises as at the year end which are to be disclosed as per Micro, Small and Medium Enterprise Development Act, 2006.

26. Disclosure relating to the Gratuity liability (not funded) as per Accounting Standard 15 "Employee Benefits"

	Particulars	**31st March, 2014**	31st March, 2013
		₹	₹
a)	The amounts recognised in the Balance Sheet		
	Present Value of obligation	376,480	-
	Amount recognized in the Balance sheet	376,480	-
b)	Changes in the present value of the defined obligation		
	Opening defined benefit obligation	-	-
	Current service Cost	26,496	-
	Actuarial (gains)/Losses on obligation	349,984	-
	Closing defined benefit obligation	376,480	-
c)	Principal actuarial assumptions		
	Rate of escalation in Compensation	3%	-
	Discount Rate	9%	-
	Attrition Rate	1%	-
	Retirement Age in years	58	-

The rate of escalation in compensation considered in the above valuation is estimated taking into account inflation, seniority, promotion and other relevant factors and the above information is as certified by an actuary.

27. The Company is primarily in the business of Infrastructure Development, hence there are no other reportable segments as per the Accounting Standard (AS 17) on Segment Reporting.

28. Capital Commitments to the extent of ₹ 18.00 Crores not provided for in the financial Statements (Previous year ₹ Nil).

Notes

to the Financial Statements for the year ended 31 March, 2014

29. The details of related party transactions in terms of Accounting Standard (AS 18) are as follows:

a. Names of related parties and relation with the Company:

i.	Key Management Personnel:	Sri P. Trivikrama Prasad, Chairman
		Sri G. Chaitanya Reddy, Managing Director
		Sri D Ashok, Director (up to 03.03.2014)
		Sri G R K Prasad, Director
ii.	Relatives of Key Management Personnel:	Smt. P. Rajashree - wife of Sri P. Trivikrama Prasad
		Smt. P. Sruthi – daughter of Sri P Trivikrama Prasad
		Smt.G. Sabita Reddy- wife of Sri G. Chaitanya Reddy
		Smt. D. Ramaa - wife of Sri D. Ashok
		Sri D. Ashwin - son of Sri D. Ashok
		Sri D. Nikhil - son of Sri D. Ashok
		Dr. D. Rajasekhar - brother of Sri D. Ashok
		Smt. D. Bhaktapriya - mother of Sri D. Ashok
		Smt. A. Nilima - sister of Sri D. Ashok
		Smt. G.S.P. Kumari - wife of Sri G.R.K. Prasad
iii.	Enterprises controlling the reporting Enterprise:	
	Holding Company:	M/s. Nava Bharat Ventures Limited
	Fellow Subsidiaries:	M/s. Nava Bharat Projects Limited
		M/s. Nava Bharat Sugar and Bio Fuels Limited
		M/s. Nava Bharat Energy India Limited
		M/s. Nava Bharat Realty Limited
		M/s. Nava Bharat (Singapore) Pte Limited
		M/s. PT Nava Bharat Sungai Cuka
		M/s. PT Nava Bharat Indonesia
		M/s. Maamba Collieries Limited
		M/s. Kobe Green Power Co. Limited
		M/s. Nava Bharat Africa Resources Private Limited
		M/s. Kariba Infrastructure Development Limited
		M/s. NB Rufiji Private Limited
		M/s. NB Tanagro Limited
		M/s.Nava Energy Pte. Limited
		M/s.Nava Bharat Lao Energy Pte. Limited

Notes

to the Financial Statements for the year ended 31 March, 2014

a. Names of related parties and relation with the Company:

Enterprises over which KMP/relatives of KMP exercise significant influence:	M/s. Nava Bharat Natural Resources India Limited
	M/s. Nav Developers Limited
	M/s. S.R.T. Investments Private Limited
	M/s. A N Investments Private Limited
	M/s. V9 Avenues Private Limited
	M/s. A9 Homes Private Limited
	M/s. AV Dwellings Private Limited
	M/s. Brahmani Skyline Constructions Private Limited
	M/s. Brahmani Infrastructure Projects Private Limited
	M/s. Brahmani Infotech Private Limited
	M/s. V9 Infra Ventures Private Limited
	M/s. Dr. Pinnamaneni Healthcare Private Limited
	M/s. Malaxmi Highway Private Limited
	M/s. Kinnera Power Company Private Limited
	Dr. Devineni Subba Rao Trust
	M/s. Gunnam Subbarao and Ramayamma Trust

b. Transactions with related Parties during the year:

₹

Particulars	31st March, 2014	31st March, 2013
Key Management Personnel:		
Sri G.Chaitanya Reddy		
Remuneration	4,200,000	4,200,000
Enterprises controlling the reporting enterprise:		
M/s.Nava Bharat Ventures Limited		
Interest Received	27,000,000	35,100,000
M/s.Brahmani Skyline Constructions Private Limited		
Repayment of Share Application Money	-	20,000,000
M/s.Brahmani Infrastructure Projects Private Limited		
Repayment of Share Application Money	-	25,000,000
M/s.Brahmani Infotech Private Limited		
Repayment of Share Application Money	-	25,000,000
c. Balances due to / (due from) as at the year end.		
M/s.Nava Bharat Ventures Limited	(300,000,000)	(300,000,000)

Notes

to the Financial Statements for the year ended 31 March, 2014

30. In view of inability to assess future taxable income under the head INCOME FROM BUSINESS, the extent of net deferred tax asset which may be adjusted in the subsequent years is not ascertainable with virtual certainty at this stage and accordingly in terms of Accounting Standard (AS 22) on "Accounting for Taxes on Income" as notified by the Companies (Accounting Standards) Rules, 2006 (as amended), and based on general prudence, the Company has not recognised any Deferred Tax asset while preparing the accounts for the Current year.

31. As required by Accounting Standard (AS 28) "Impairment of Assets", the management has carried out the assessment of impairment of assets and no impairment loss has been recognized during the year.

32. Previous year figures are regrouped and reclassified where ever necessary to make them comparable with those of current year.

per our report of even date
for Brahmayya & Co.,
Chartered Accountants
Firms' Registration Number: 000513S

P. Chandramouli
Partner
Membership Number: 025211

Place : Hyderabad
Date : 24th May, 2014

for and on behalf of the Board

P. Trivikrama Prasad
Chairman

G.Chaitanya Reddy
Managing Director

Notice to Shareholders

Notice is hereby given that the Eighth Annual General Meeting of the Company will be held on Wednesday, the 30th July, 2014 at 10.00 a.m. at 6-3-1109/1, Nava Bharat Chambers, Raj Bhavan Road, Hyderabad – 500 082, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the audited Balance Sheet as at 31st March, 2014 and the statement of Profit & Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.

2. To appoint a Director in the place of Sri P. Trivikrama Prasad, who retires by rotation and, being eligible, offers himself for re-appointment.

3. To appoint Auditors and fix their remuneration.

   To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the sixth Annual General Meeting and to fix their remuneration and to pass the following resolution as an Ordinary Resolution.

   "RESOLVED THAT, pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder, M/s.Brahmayya & Co., Chartered Accountants, be and are hereby re-appointed as the auditors of the Company, to hold office from the conclusion of this AGM to the conclusion of the sixth consecutive AGM (subject to ratification of the appointment by the members at every AGM held after this AGM) and that the Board of Directors be and are hereby authorised to fix their remuneration in consultation with the auditors."

for and on behalf of the Board of
Nava Bharat Realty Limited

Place : Hyderabad
Date : 26th May, 2014

P. Trivikrama Prasad
Director

Regd. Office:
Road No. 7, IDA Nacharam
Survey Nos. 617/3 to 617/13
Next to Nacharam Telephone Exchange
Hyderabad - 500 076

Notes:

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/ herself and such proxy need not be a member of the Company. The proxy form duly signed must be deposited at the Registered Office of the Company not later than 48 hours before the time of holding the meeting.

Directors' Report

Dear Members,

Your Directors have pleasure in presenting their Eighth Annual Report together with the Audited Balance Sheet of the Company as at 31st March, 2014 and the Auditors' Report thereon.

OPERATIONS:

The Company is a Wholly Owned Subsidiary of Nava Bharat Ventures Limited to be engaged in the development of realty focused investments. There have been no operations in this company, during the year under review.

DIRECTORS:

Sri P. Trivikrama Prasad, Director, retires by rotation at the Annual General Meeting and being eligible, offered himself for re-appointment.

FIXED DEPOSITS:

The Company has not accepted nor held any public deposits pursuant to Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

AUDITORS:

M/s. Brahmayya & Co., Chartered Accountants, the Auditors of the Company, retire at the conclusion of the Annual General Meeting and have expressed their willingness to continue in office, if re-appointed. The Board of Directors recommended, appointment of Statutory Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the sixth Annual General Meeting.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Technology Absorption, conservation of Energy, Foreign Exchange earnings and outflow are nil, as the Company has not yet started the commercial operations.

DIRECTORS' RESPONSIBILITY STATEMENT:

The Directors confirm that in the preparation of Annual Accounts for the year ended 31.03.2014:

- Applicable accounting standards have been followed.
- The accounting policies framed in accordance with the guidelines of the Institute of Chartered Accountants of India have been applied.
- Reasonable and prudent judgement and estimates were made so as to give a true and fair view of the state of affairs of the Company.
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, as applicable.
- The accounts have been prepared on 'a going concern' basis.

PARTICULARS OF EMPLOYEES:

The provisions of Section 217 (2A) of the Companies Act 1956 read with the Companies (Particulars of Employees) Rules, 1975 and the Companies (Particulars of Employees) Amendment Rules, 2011 as amended, regarding particulars of employees drawing remuneration of the prescribed sums are not applicable as there were no employees in that category.

ACKNOWLEDGEMENT:

Your Directors gratefully acknowledge the support and co-operation extended by the Regulatory Authorities and Company's Bankers.

for and on behalf of the Board of
Nava Bharat Realty Limited

T. Hari Babu
Director

Place : Hyderabad
Date : 26th May, 2014

P. Trivikrama Prasad
Director

Independent Auditor's Report

To the Members of

NAVA BHARAT REALTY LIMITED, HYDERABAD

REPORT ON THE FINANCIAL STATEMENTS:

We have audited the accompanying financial statements of NAVA BHARAT REALTY LIMITED("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS:

Management is responsible for 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act")read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

OPINION:

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

a. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

Independent Auditor's Report

b. in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and

c. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS:

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

   a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956; read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.

   e. on the basis of written representations received from the Directors as on March 31, 2014, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2014, from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

   f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

for Brahmayya & Co.
Chartered Accountants
Firm's Registration Number: 000513S

(P. Chandramouli)
Partner
Membership Number: 025211

Place : Hyderabad
Date : 26th May, 2014

Annexure to the Auditor's Report

The Annexure referred to in Para 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date ,to the members of NAVA BHARAT REALTY LIMITED, HYDERABAD, for the year ended 31 March 2014.

1. The Company does not hold any fixed assets. Therefore, the provisions of clause (i) (a), (b) and (c) of paragraph 4 of the of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.

2. The Company does not carry any inventory during the year. Therefore, the provisions of clause (ii) (a), (b) and (c) of paragraph 4 of the of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.

3. a. During the year, the Company has neither granted nor taken any loans, secured or unsecured to/ from Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.

   b. In view of our comment in paragraph (a) above, (III) (b), (c), (d), (e), (f) and (g) of paragraph 4 of the aforesaid order are not applicable to the Company.

4. The provisions of clause 4(iv) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company for the time being, as there were no transactions of purchase of inventory and fixed assets and sale of goods.

5. a. On the basis of our examination of the books of account and according to the information and explanations given to us, the Company has not entered into any transaction that needs to be entered in the Register maintained under Section 301 of the Companies Act, 1956.

   b. In view of our comment in paragraph (a) above, clause V (b) of aforesaid Order, in our opinion, is not applicable.

6. The Company has not accepted any deposits from the public. Hence the provisions of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956, and the Companies (Acceptance of Deposits) Rules, 1975, do not apply to this Company.

7. Since the paid-up capital and reserves of the Company not exceeded ₹ 50.00 Lakhs at the beginning of the year and the average annual turnover does not exceed ₹ 5.00 crores for a period of three consecutive financial years immediately preceding the financial year concerned, the question of internal audit system does not arise.

8. The Central Government has not prescribed the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 for the activities of the Company.

9. a. According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it.

   b. According to the information and explanations given to us, no undisputed amounts payable in respect of Income-tax, wealth tax, Sales tax, Custom Duty, Excise Duty and Cess were in arrears, as at 31st March, 2014 for a period of more than six months from the day they became payable.

   c. According to the information and explanation given to us, there are no dues of sale tax, income tax, custom duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute.

Annexure to the Auditor's Report

10. The accumulated losses of the Company at the end of the financial year are more than fifty percent of net worth of the Company. The Company has incurred cash losses during the year covered by our audit and also in the immediately preceding financial year.

11. As the Company has no borrowings, the provisions of clause 4(xi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. The Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.

14. The Company is not dealing or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

15. According to the information and explanations given to us, the Company has not given any guarantee for the loans taken by others from banks or financial Institutions.

16. During the year the Company has not obtained any term loans. Therefore, the provisions of clause 4(xvi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

17. In our opinion and according to the information and explanations given to us, the funds raised on short-term basis have not been used for long-term investment.

18. According to the information and explanations given to us, during the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.

19. The Company has not issued any debentures during the year, therefore the question of creating security or charge in respect thereof does not arise.

20. During the year, the Company has not made any public issue, therefore the question of disclosing the end use of money raised by public issue does not arise.

21. Based upon the audit procedures performed and according to the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year.

for Brahmayya & Co.
Chartered Accountants
Firm's Registration Number: 000513S

(P. Chandramouli)
Partner
Membership Number: 025211

Place : Hyderabad
Date : 26th May, 2014

Balance Sheet

as at 31st March, 2014

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Particulars	Notes	31st March, 2014	31st March, 2013
EQUITY AND LIABILITIES			
Share Holders Funds			
Share Capital	04	500,000	500,000
Reserves and Surplus	05	(2,133,522)	(2,052,404)
		(1,633,522)	(1,552,404)
Current Liabilities			
Other Current Liabilities	06	1,739,326	1,739,326
		1,739,326	1,739,326
TOTAL		**105,804**	186,922
ASSETS			
Current Assets			
Cash and cash equivalents	07	105,804	186,922
		105,804	186,922
TOTAL		**105,804**	186,922
Notes Forming Part of Financial Statements	01 - 16		

for and on behalf of the Board

P. Trivikrama Prasad
Director

T. Hari Babu
Director

per our report of even date
for Brahmayya & Co.,
Chartered Accountants
Firms' Registration Number: 000513S

P. Chandramouli
Partner
Membership Number: 025211

Place : Hyderabad
Date : 26th May, 2014

NAVA BHARAT

Statement of Profit and Loss

for the year ended 31st March, 2014

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Particulars	Notes	31st March, 2014	31st March, 2013
INCOME		**NIL**	**NIL**
TOTAL REVENUE		**-**	-
EXPENSES			
Other Expenses	08	81,118	69,398
TOTAL EXPENSES		**81,118**	**69,398**
Profit/(Loss) Before Tax		(81,118)	(69,398)
Tax Expense		-	-
Profit/(Loss) for the year After Tax		**(81,118)**	**(69,398)**
Earnings Per Share of Face Value of ₹ 2/-Each:			
Basic and diluted		(0.32)	(0.28)
Notes Forming Part of Financial Statements	01 - 16		

for and on behalf of the Board

per our report of even date
for Brahmayya & Co.,
Chartered Accountants
Firms' Registration Number: 000513S

P. Trivikrama Prasad
Director

T. Hari Babu
Director

P. Chandramouli
Partner
Membership Number: 025211

Place : Hyderabad
Date : 26th May, 2014

Cash Flow Statement

for the year ended 31st March, 2014

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	Particulars	Notes	31st March, 2014	31st March, 2013
A	**CASH FLOW FROM OPERATING ACTIVITIES:**			
	Net Profit/(Loss) before Tax		(81,118)	(69,398)
	Net Cash From Operating Activities (A)		**(81,118)**	(69,398)
B	**CASH FLOW FROM INVESTING ACTIVITIES:**		-	-
	Net Cash Used in Investing Activities (B)		-	-
C	**CASH FLOW FROM FINANCING ACTIVITIES:**		-	-
	Net Cash Generated in Financing Activities (C)		-	-
	Net Increase in Cash and Cash Equivalents (A+B+C)		(81,118)	(69,398)
	Cash and Cash equivalents as at beginning of the year		186,922	256,320
	Cash and Cash equivalents as at the end of the year		**105,804**	186,922

for and on behalf of the Board

per our report of even date

for Brahmayya & Co.,

Chartered Accountants

Firms' Registration Number: 000513S

P. Trivikrama Prasad

Director

T. Hari Babu

Director

P. Chandramouli

Partner

Membership Number: 025211

Place : Hyderabad

Date : 26th May, 2014

Notes

to the Financial Statements for the year ended 31 March, 2014

1. NATURE OF OPERATIONS:

Nava Bharat Realty Limited (the Company) has been incorporated on 18.04.2006 as a subsidiary to Nava Bharat Ventures Limited, to do the business of Real Estate. The total paid up equity share Capital of ₹ 500,000 is held by the Holding Company viz., Nava Bharat Ventures Limited, Hyderabad. The Company is yet to begin its commercial operations.

2. BASIS OF ACCOUNTING:

The financial statements have been prepared to comply in all material respects with the notified accounting standards by Companies (Accounting Standards) Rules, 2006 (as amended)) read with the General Circular 15/2013 dated 13 September 2013 of Ministry of Corporate Affairs and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared in accordance with the generally accepted Accounting Principles in India under the historical cost convention and on accrual basis, except in case of assets for which provision for impairment is made and revaluation is carried out. The accounting policies are consistent with those used in the previous year.

3. SIGNIFICANT ACCOUNTING POLICIES:

a) Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the' results of operations during' the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to such estimates is recognised prospectively in the year in which it is revised.

b) Taxes on Income:

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. If the Company has carry forward of unabsorbed depreciation and tax losses, deferred tax assets are recognised only, if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits.

c) Provisions:

A provision is recognised when there is a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

d) Earnings per Share (Basic and Diluted):

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

e) Cash Flow Statement:

Cash flows are reported using indirect method. Cash and cash equivalents in the cash flow statement comprise cash at bank, cash/cheques on hand and Fixed Deposits with Banks.

Notes

to the Financial Statements for the year ended 31 March, 2014

f) Contingent Liabilities:

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

₹

Particulars	31st March, 2014	31st March, 2013
04. SHARE CAPITAL:		
Authorised		
100,000,000 Equity Shares of ₹ 2/- each	200,000,000	200,000,000
TOTAL	**200,000,000**	**200,000,000**
ISSUED ,SUBSCRIBED AND PAID - UP:		
250,000 Equity Shares of ₹ 2/- each -fully paid up	500,000	500,000
TOTAL	**500,000**	**500,000**

a. Rights attached to equity Shares:

The Company has only one class of equity shares having a par value of ₹ 2/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

b. Shares held by holding company:

Particulars	31st March, 2014	31st March, 2013
	No of Shares	No of Shares
Nava Bharat Ventures Ltd	250,000	250,000

c. Details of shareholders holding more than 5% Shares in the Company:

Particulars	31st March, 2014		31st March, 2013	
	Nos	Percentage	Nos	Percentage
Equity Shares of ₹ 2/- each fully paid				
Nava Bharat Ventures Ltd	250,000	100	250,000	100

Notes

to the Financial Statements for the year ended 31 March, 2014

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Particulars	31st March, 2014	31st March, 2013
05. RESERVES AND SURPLUS:		
Surplus i.e. balance in Statement of Profit and Loss		
Opening balance	(2,052,404)	(1,983,006)
Add: Net profit after tax transferred from Statement of Profit and Loss	(81,118)	(69,398)
Amount available for appropriation	(2,133,522)	(2,052,404)
Less: appropriations	-	-
Closing Balance	(2,133,522)	(2,052,404)
TOTAL	**(2,133,522)**	**(2,052,404)**

₹

Particulars	31st March, 2014	31st March, 2013
06. OTHER CURRENT LIABILITIES:		
Share Application Money from Holding Company	1,700,000	1,700,000
Other liabilities:		
TDS Payable	3,933	3,933
Other payables	35,393	35,393
TOTAL	**1,739,326**	**1,739,326**

₹

Particulars	31st March, 2014	31st March, 2013
07. CASH AND CASH EQUIVALENTS:		
Balances with Banks:		
On Current account	105,804	186,922
TOTAL	**105,804**	**186,922**

₹

Particulars	31st March, 2014	31st March, 2013
08. OTHER EXPENSES:		
Professional Charges	33,983	19,483
Rates and Taxes	2,500	2,500
Filing Fees	1,000	1,500
General Expenses	309	2,589
Conveyance	4,000	4,000
Auditors Remuneration: as Auditors	39,326	39,326
TOTAL	**81,118**	**69,398**

Notes

to the Financial Statements for the year ended 31 March, 2014

9. In the opinion of the management, the current assets are expected to realise at least the amount at which they are stated, if realised in the ordinary course of business and provision for all known liabilities have been adequately made in the accounts.

10. During the year, there were no transactions with Micro and Small Enterprises; hence the disclosures as per Micro, Small and Medium Enterprise Development Act, 2006, are not applicable for the time being.

11.

	Calculation of Earnings per share	31st March, 2014	31st March, 2013
a)	Net profit available to Equity shareholders (₹)	(81,118)	(69,398)
b)	Weighted average number of Equity shares (Nos.)	250,000	250,000
c)	Face value as per share (in ₹)	2	2
d)	Earnings per share (in ₹) - Basic and Diluted	(0.32)	(0.28)

12. In view of the losses incurred, the Company does not have any current income tax at present and has carried forward business losses available for set off under the Income Tax Act, 1961. In view of inability to assess future taxable income, the extent of net deferred tax asset which may be adjusted in the subsequent years is not ascertainable with virtual certainty at this stage and accordingly in terms of Accounting Standard (AS 22) on "Accounting for Taxes on Income" as notified by the Companies (Accounting Standards) Rules, 2006 (as amended), and based on general prudence, the Company has not recognised any Deferred Tax Asset while preparing the accounts for the current year.

13. Segment Reporting as per the Accounting Standard (AS 17) is not applicable to the Company for the time being.

14. The details of related party transactions in terms of Accounting Standard (AS 18) are as follows:

a. Names of related parties and relation with the Company:

i.	Key Management Personnel:	Sri P. Trivikrama Prasad, Director
		Sri T. HariBabu, Director
ii.	Relatives of Key Management Personnel:	Smt. P. Rajashree (wife of Sri P. Trivikrama Prasad)
		Smt. P. Shruthi (Daughter of Sri P. Trivikrama Prasad.)
iii.	Enterprises controlling the reporting Enterprise:	
	Holding Company:	M/s. Nava Bharat Ventures Limited
	Fellow Subsidiaries:	M/s. Nava Bharat Projects Limited
		M/s. Nava Bharat Energy India Limited
		M/s. Brahmani Infratech Private Limited
		M/s. Nava Bharat Sugar and Bio Fuels Limited
		M/s. Nava Bharat (Singapore) Pte Limited
		M/s. PT Nava Bharat Sungai Cuka
		M/s. PT Nava Bharat Indonesia
		M/s. Maamba Collieries Limited
		M/s. Kobe Green Power Co. Limited
		M/s. Nava Bharat Africa Resources Private Limited
		M/s. Kariba Infrastructure Development Limited

Notes

to the Financial Statements for the year ended 31 March, 2014

	M/s. NB Rufiji Private Limited
	M/s. NB Tanagro Limited
	M/s. Nava Energy Pte. Limited
	M/s. Nava Bharat Lao Energy Pte. Limited
Enterprises over which KMP/relatives of KMP exercise significant influence:	M/s. Nava Bharat Natural Resources India Limited
	M/s. Nav Developers Limited
	M/s. S.R. T. Investments Private Limited
	M/s. A N Investments Private Limited
	M/s. V9 Avenues Private Limited
	M/s. A9 Homes Private Limited
	M/s. AV Dwellings Private Limited
	M/s. Brahmani Skyline Constructions Private Limited
	M/s. Brahmani Infrastructure Projects Private Limited
	M/s. Brahmani Infotech Private Limited
	M/s. V9 Infra Ventures Private Limited
	M/s. Dr. Pinnamaneni Healthcare Private Limited
	M/s. Malaxmi Highway Private Limited
	M/s. Kinnera Power Company Private Limited
	Dr. Devineni Subba Rao Trust
	M/s. Gunnam Subbarao and Ramayamma Trust

b. There were no transactions with related Parties during the year and also in the previous year.

15. Accounting Standard (AS 28) "Impairment of Assets" is not applicable to the Company for the time being.

16. Previous year figures are regrouped and reclassified where ever necessary to make them comparable with those of current year.

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per our report of even date
for Brahmayya & Co.,
Chartered Accountants
Firms' Registration Number: 000513S

P. Chandramouli
Partner
Membership Number: 025211

Place : Hyderabad
Date : 26th May, 2014

for and on behalf of the Board

P. Trivikrama Prasad
Director

T. Hari Babu
Director

Notice to Shareholders

Notice is hereby given that the Sixth Annual General Meeting of the Company will be held on Wednesday, the 30th July, 2014 at 10.30 a.m. at 6-3-1109/1, Nava Bharat Chambers, Raj Bhavan Road, Hyderabad – 500 082, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the audited Balance Sheet as at 31st March, 2014 and the statement of Profit & Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.

2. To appoint a Director in the place of Sri T. Hari Babu, who retires by rotation and, being eligible, offers himself for re-appointment.

3. To appoint Auditors and fix their remuneration.

   To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the sixth Annual General Meeting and to fix their remuneration and to pass the following resolution as an Ordinary Resolution.

   "RESOLVED THAT, pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder, M/s.Brahmayya & Co., Chartered Accountants, be and are hereby re-appointed as the auditors of the Company, to hold office from the conclusion of this AGM to the conclusion of the sixth consecutive AGM (subject to ratification of the appointment by the members at every AGM held after this AGM) and that the Board of Directors be and are hereby authorised to fix their remuneration in consultation with the auditors."

for and on behalf of the Board of
Nava Bharat Sugar and Bio Fuels Limited

Place : Hyderabad
Date : 26th May, 2014

P. Trivikrama Prasad
Director

Regd. Office:
6-3-1109/1,
Nava Bharat Chambers
Raj Bhavan Road,
Hyderabad – 500 082

Notes:

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy need not be a member of the Company. The proxy form duly signed must be deposited at the Registered Office of the Company not later than 48 hours before the time of holding the meeting.

Directors' Report

Dear Members,

Your Directors have pleasure in presenting their Sixth Annual Report together with the Audited Balance Sheet of the Company as at 31st March, 2014 and the Auditors' Report thereon.

OPERATIONS:

The Company is a Wholly Owned Subsidiary of Nava Bharat Ventures Limited and proposes to be engaged in sugar, biofuel and agri based investments. There have been no operations in this Company, during the year under review.

DIRECTORS:

Sri T. Hari Babu, Director, retires by rotation at the Annual General Meeting and being eligible, offered himself for re-appointment.

FIXED DEPOSITS:

The Company has not accepted nor held any public deposits pursuant to Section 73 of the Companies Act, 2013 read with The Companies (Acceptance of Deposits) Rules, 2014.

AUDITORS:

M/s. Brahmayya & Co., Chartered Accountants, the Auditors of the Company, retire at the conclusion of the Annual General Meeting and have expressed their willingness to continue in office, if re-appointed. The Board of Directors recommended, appointment of Statutory Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the sixth Annual General Meeting.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Technology Absorption, conservation of Energy, Foreign Exchange earnings and outflow are nil, as the Company has not yet started the commercial operations.

DIRECTORS' RESPONSIBILITY STATEMENT:

The Directors confirm that in the preparation of Annual Accounts for the year ended 31.03.2014:

- Applicable accounting standards have been followed.
- The accounting policies framed in accordance with the guidelines of the Institute of Chartered Accountants of India have been applied.
- Reasonable and prudent judgement and estimates were made so as to give a true and fair view of the state of affairs of the Company.
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, as applicable.
- The accounts have been prepared on 'a going concern' basis.

PARTICULARS OF EMPLOYEES:

The provisions of Section 217 (2A) of the Companies Act 1956 read with the Companies (Particulars of Employees) Rules, 1975 and the Companies (Particulars of Employees) Amendment Rules, 2011 as amended, regarding particulars of employees drawing remuneration of the prescribed sums are not applicable as there were no employees in that category.

ACKNOWLEDGEMENT:

Your Directors gratefully acknowledge the support and co-operation extended by the Regulatory Authorities and Company's Bankers.

for and on behalf of the Board of
Nava Bharat Sugar and Bio Fuels Limited

T. Hari Babu
Director

Place : Hyderabad
Date : 26th May, 2014

P. Trivikrama Prasad
Director

Independent Auditor's Report

To the Members of

Nava Bharat Sugar and Bio fuels Limited,

Hyderabad.

REPORT ON THE FINANCIAL STATEMENTS:

We have audited the accompanying financial statements of NAVA BHARAT SUGAR AND BIO FUELS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS:

Management is responsible for 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act,2013 .This responsibility includes the design, implementation and maintenance of internal control 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

OPINION:

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

a. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

b. in the case of the Statement of Profit and Loss , of the loss for the year ended on that date; and

c. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS:

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

   a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

Independent Auditor's Report

b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956; read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.

e. on the basis of written representations received from the Directors as on March 31, 2014, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2014, from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

for Brahmayya & Co.,
Chartered Accountants
Firm's Registration Number: 000513S

(P. Chandramouli)
Partner
Membership Number: 025211

Place : Hyderabad
Date : 26th May, 2014

Annexure to the Auditor's Report

The Annexure referred to in Para 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date ,to the members NAVA BHARAT SUGAR AND BIO FUELS LIMITED, HYDERABAD, for the year ended 31 March 2014.

1. The Company does not hold any fixed assets. Therefore, the provisions of clause (i) (a), (b) and (c) of paragraph 4 of the of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.

2. The Company does not carry any inventory during the year. Therefore, the provisions of clause (ii) (a), (b) and (c) of paragraph 4 of the of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.

3. a. During the year, the Company has neither granted nor taken any loans, secured or unsecured to/ from Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.

   b. In view of our comment in paragraph (a) above, (III) (b), (c), (d), (e), (f) and (g) of paragraph 4 of the aforesaid order are not applicable to the Company.

4. The provisions of clause 4(iv) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company for the time being, as there were no transactions of purchase of inventory and fixed assets and sale of goods.

5. a. On the basis of our examination of the books of account and according to the information and explanations given to us, the Company has not entered into any transaction that needs to be entered in the Register maintained under Section 301 of the Companies Act, 1956.

   b. In view of our comment in paragraph (a) above, clause V (b) of aforesaid Order, in our opinion, is not applicable.

Annexure to the Auditor's Report

6. The Company has not accepted any deposits from the public. Hence the provisions of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956, and the Companies (Acceptance of Deposits) Rules, 1975, do not apply to this Company.

7. Since the paid-up capital and reserves of the Company not exceeded ₹ 50.00 Lakhs at the beginning of the year and the average annual turnover does not exceed ₹ 5.00 crores for a period of three consecutive financial years immediately preceding the financial year concerned, the question of internal audit system does not arise.

8. The Central Government has not prescribed the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 for the activities of the Company.

9. a. According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it.

   b. According to the information and explanations given to us, no undisputed amounts payable in respect of Income-tax, wealth tax, Sales tax, Custom Duty, Excise Duty and Cess were in arrears, as at 31st March, 2014 for a period of more than six months from the day they became payable.

   c. According to the information and explanation given to us, there are no dues of sale tax, income tax, custom duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute.

10. The accumulated losses of the Company at the end of the financial year are more than fifty percent of net worth of the Company. The Company has incurred cash losses during the year covered by our audit and also in the immediately preceding financial year.

11. As the Company has no borrowings, the provisions of clause 4(xi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. The Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.

14. The Company is not dealing or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

15. According to the information and explanations given to us, the Company has not given any guarantee for the loans taken by others from banks or financial Institutions.

16. During the year the Company has not obtained any term loans. Therefore, the provisions of clause 4(xvi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

17. In our opinion and according to the information and explanations given to us, the funds raised on short-term basis have not been used for long-term investment.

18. According to the information and explanations given to us, during the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.

19. The Company has not issued any debentures during the year, therefore the question of creating security or charge in respect thereof does not arise.

20. During the year, the Company has not made any public issue, therefore the question of disclosing the end use of money raised by public issue does not arise.

21. Based upon the audit procedures performed and according to the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year.

for Brahmayya & Co.,
Chartered Accountants
Firm's Registration Number: 000513S

(P. Chandramouli)
Partner
Membership Number: 025211

Place : Hyderabad
Date : 26th May, 2014

NAVA BHARAT

Balance Sheet

as at 31st March, 2014

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Particulars	Notes	31st March, 2014	31st March, 2013
EQUITY AND LIABILITIES			
Share Holders Funds			
Share Capital	04	500,000	500,000
Reserves and Surplus	05	(354,895)	(295,906)
		145,105	204,094
Current Liabilities			
Other Current Liabilities	06	16,854	16,854
		16,854	16,854
TOTAL		**161,959**	220,948
ASSETS			
Current Assets			
Cash and cash equivalents	07	161,959	220,948
		161,959	220,948
TOTAL		**161,959**	220,948
Notes Forming Part Of Financial Statements	01 - 16		

per our report of even date
for Brahmayya & Co.,
Chartered Accountants
Firms' Registration Number: 000513S

P. Chandramouli
Partner
Membership Number: 025211

Place : Hyderabad
Date : 26th May, 2014

for and on behalf of the Board

P. Trivikrama Prasad
Director

T. Hari Babu
Director

Statement of Profit and Loss

for the year ended 31st March, 2014

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Particulars	Notes	31st March, 2014	31st March, 2013
INCOME		**NIL**	**NIL**
TOTAL REVENUE		**-**	-
EXPENSES			
Other Expenses	08	58,989	43,997
TOTAL EXPENSES		**58,989**	**43,997**
Profit/(Loss) Before Tax		(58,989)	(43,997)
Tax Expense		-	-
Profit/(Loss) For The Year After Tax		**(58,989)**	**(43,997)**
Earnings Per Share of Face Value of ₹ 2/-Each:			
Basic and Diluted		(0.24)	(0.18)
Notes Forming Part Of Financial Statements	01 - 16		

per our report of even date
for Brahmayya & Co.,
Chartered Accountants
Firms' Registration Number: 000513S

P. Chandramouli
Partner
Membership Number: 025211

Place : Hyderabad
Date : 26th May, 2014

for and on behalf of the Board

P. Trivikrama Prasad
Director

T. Hari Babu
Director

Cash Flow Statement

for the year ended 31st March, 2014

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	Particulars	Notes	31st March, 2014	31st March, 2013
A	**CASH FLOW FROM OPERATING ACTIVITIES:**			
	Net Profit/(Loss) before Tax		(58,989)	(43,997)
	Net Cash From Operating Activities (A)		**(58,989)**	(43,997)
B	**CASH FLOW FROM INVESTING ACTIVITIES:**			
	Net Cash Used in Investing Activities (B)		-	-
C	**CASH FLOW FROM FINANCING ACTIVITIES:**			
	Net Cash Generated in Financing Activities (C)		-	-
	Net Increase in Cash and Cash Equivalents (A+B+C)		(58,989)	(43,997)
	Cash and Cash equivalents as at beginning of the year		220,948	264,945
	Cash and Cash equivalents as at the end of the year		**161,959**	220,948

per our report of even date
for Brahmayya & Co.,
Chartered Accountants
Firms' Registration Number: 000513S

P. Chandramouli
Partner
Membership Number: 025211

Place : Hyderabad
Date : 26th May, 2014

for and on behalf of the Board

P. Trivikrama Prasad
Director

T. Hari Babu
Director

Notes

to the Financial Statements for the year ended 31 March, 2014

1. NATURE OF OPERATIONS:

Nava Bharat Sugar and Bio Fuels Limited (the Company) has been incorporated on 08.04.2008 as a subsidiary to Nava Bharat Ventures Limited to carry on the business of manufacturing of sugar and bio fuels. The entire equity shares are held by the Holding Company viz., Nava Bharat Ventures Limited, Hyderabad. The Company is yet to begin its commercial operations.

2. BASIS OF ACCOUNTING:

The financial statements have been prepared to comply in all material respects with the notified accounting standards by Companies (Accounting Standards) Rules, 2006 (as amended) read withthe General Circular 15/2013 dated 13 September 2013 of Ministry of Corporate Affairsand the relevant provisions of the Companies Act, 1956. The financial statements have been prepared in accordance with the generally accepted Accounting Principles in India under the historical cost convention and on accrual basis, except in case of assets for which provision for impairment is made and revaluation is carried out. The accounting policies are consistent with those used in the previous year.

3. SIGNIFICANT ACCOUNTING POLICIES:

a) Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the' results of operations during' the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to such estimates is recognised prospectively in the year in which it is revised.

b) Impairment:

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses, recognised for the asset no longer exist or have decreased.

c) Provisions:

A provision is recognised when there is a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

d) Earnings per Share (Basic and Diluted):

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

e) Cash Flow Statement:

Cash flows are reported using indirect method. Cash and cash equivalents in the cash flow statement comprise cash at bank, cash/cheques on hand and Fixed Deposits with Banks.

Notes

to the Financial Statements for the year ended 31 March, 2014

f) Contingent Liabilities:

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

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Particulars	31st March, 2014	31st March, 2013
04. SHARE CAPITAL:		
Authorised		
2,500,000 Equity Shares of ₹ 2/- each	5,000,000	5,000,000
TOTAL	**5,000,000**	**5,000,000**
Issued ,Subscribed and Paid - Up:		
250,000 Equity Shares of ₹ 2/- each -fully paid up	500,000	500,000
TOTAL	**500,000**	**500,000**

a. Rights attached to equity Shares:

The Company has only one class of equity shares having a par value of ₹ 2/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

b. Shares held by holding Company:

Particulars	31st March, 2014	31st March, 2013
	No of Shares	No of Shares
Nava Bharat Ventures Ltd	250,000	250,000

c. Details of shareholders holding more than 5% shares in the Company

Particulars	31st March, 2014		31st March, 2013	
	Nos	Percentage	Nos	Percentage
Equity Shares of ₹ 2/- each fully paid				
Nava Bharat Ventures Ltd	250,000	100	250,000	100

Notes

to the Financial Statements for the year ended 31 March, 2014

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Particulars	31st March, 2014	31st March, 2013
05. RESERVES AND SURPLUS:		
Surplus i.e. balance in Statement of Profit and Loss		
Opening balance	(295,906)	(251,909)
Add: Net profit after tax transferred from Statement of Profit and Loss	(58,989)	(43,997)
Amount available for appropriation	(354,895)	(295,906)
Less: appropriations	-	-
Closing Balance	(354,895)	(295,906)
TOTAL	**(354,895)**	**(295,906)**

₹

Particulars	31st March, 2014	31st March, 2013
06. OTHER CURRENT LIABILITIES:		
Other Payables	16,854	16,854
TOTAL	**16,854**	**16,854**

₹

Particulars	31st March, 2014	31st March, 2013
07. CASH AND CASH EQUIVALENTS:		
Balances with Banks:		
On Current account	161,959	220,948
TOTAL	**161,959**	**220,948**

₹

Particulars	31st March, 2014	31st March, 2013
08. OTHER EXPENSES:		
Professional Charges	33,983	19,483
Rates and Taxes	2,500	2,500
Auditors Remuneration: as Auditors	16,854	16,854
Miscellaneous	5,652	5,160
TOTAL	**58,989**	**43,997**

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to the Financial Statements for the year ended 31 March, 2014

9. In the opinion of the management, the current assets, loans and advances are expected to realise at least the amount at which they are stated, if realised in the ordinary course of business and provision for all known liabilities have been adequately made in the accounts.

10. During the year, there were no transactions with Micro and Small Enterprises; hence the disclosures as per Micro, Small and Medium Enterprise Development Act, 2006, are not applicable for the time being.

11.

	Calculation of Earnings per share	31st March, 2014	31st March, 2013
a)	Net profit available to Equity shareholders (₹)	(58,989)	(43,997)
b)	Weighted average number of Equity shares (Nos.)	250,000	250,000
c)	Face value as per share (in ₹)	2	2
d)	Earnings per share (in ₹) - Basic and Diluted	(0.24)	(0.18)

12. Segment Reporting as per the Accounting Standard (AS 17) is not applicable to the Company for the time being.

13. The details of related party transactions in terms of Accounting Standard (AS 18) are as follows:

a. Names of related parties and relation with the Company:

i. Key Management Personnel : Sri P. Trivikrama Prasad, Director
Sri T. HariBabu, Director

ii. Relatives of Key Management Personnel: Smt. P. Rajashree (wife of Sri P. Trivikrama Prasad)
Smt. P. Shruthi (Daughter of Sri P. Trivikrama Prasad.)

iii. Enterprises controlling the reporting Enterprise:

Holding Company: M/s. Nava Bharat Ventures Limited

Fellow Subsidiaries:
M/s. Nava Bharat Projects Limited
M/s. Nava Bharat Energy India Limited
M/s. Brahmani Infratech Private Limited
M/s. Nava Bharat Realty Limited
M/s. Nava Bharat (Singapore) Pte Limited
M/s. PT Nava Bharat Sungai Cuka
M/s. PT Nava Bharat Indonesia
M/s. Maamba Collieries Limited
M/s. Kobe Green Power Co. Limited
M/s. Nava Bharat Africa Resources Private Limited
M/s. Kariba Infrastructure Development Limited
M/s. NB Rufiji Private Limited
M/s. NB Tanagro Limited
M/s. Nava Energy Pte. Limited
M/s. Nava Bharat Lao Energy Pte. Limited

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to the Financial Statements for the year ended 31 March, 2014

Enterprises over which KMP/relatives of KMP exercise significant influence:	M/s. Nava Bharat Natural Resources India Limited M/s. Nav Developers Limited M/s. S.R.T. Investments Private Limited M/s. AN Investments Private Limited M/s. V9 Avenues Private Limited M/s. A9 Homes Private Limited M/s. AV Dwellings Private Limited M/s. Brahmani Skyline Constructions Private Limited M/s. Brahmani Infrastructure Projects Private Limited M/s. Brahmani Infotech Private Limited M/s. V9 Infra Ventures Private Limited M/s. Dr. Pinnamaneni Healthcare Private Limited M/s. Malaxmi Highway Private Limited M/s. Kinnera Power Company Private Limited Dr. Devineni Subba Rao Trust M/s. Gunnam Subbarao and Ramayamma Trust

b. There were no transactions with related Parties during the year and also in the previous year.

14. In view of inability to assess future taxable income, the extent of net deferred tax asset which may be adjusted in the subsequent years is not ascertainable with virtual certainty at this stage and accordingly in terms of Accounting Standard (AS 22) on "Accounting for Taxes on Income" as notified by the Companies (Accounting Standards) Rules, 2006 (as amended), and based on general prudence, the Company has not recognised any Deferred Tax Asset while preparing the accounts for the current year.

15. Accounting Standard (AS 28) "Impairment of Assets", is not applicable to the Company for the time being.

16. Previous year figures are regrouped and reclassified where ever necessary to make them comparable with those of current year.

per our report of even date
for Brahmayya & Co.,
Chartered Accountants
Firms' Registration Number: 000513S

P. Chandramouli
Partner
Membership Number: 025211

Place : Hyderabad
Date : 26th May, 2014

for and on behalf of the Board

P. Trivikrama Prasad
Director

T. Hari Babu
Director

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