

# OPSinghania & Co.

CHARTERED ACCOUNTANTS

JDS CHAMBERS, 1<sup>ST</sup> FLOOR, 6-CENTRAL AVENUE,

CHOUBE COLONY, RAIPUR – 492001. (C.G.)

PHONE: 0771 – 4041235, 4041236,

FAX : +91-0771-4061216

Email : opsinghania.co@gmail.com

## **Independent Auditor's Report To the Members of Parvatiya Power Limited**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **Parvatiya Power Limited** (“the Company”) which comprise the balance sheet as at 31 March 2013, the statement of profit and loss and the cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

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”). 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:

- (i) in the case of the balance sheet, of the state of affairs of the Company as at 31 March 2013;
- (ii) in the case of the statement of profit and loss, of the profit for the year ended on that date; and
- (iii) 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"), as amended, 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; and
  - e. on the basis of written representations received from the directors as on 31 March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For O.P. Singhania & Co.  
Chartered Accountants  
Firm's registration number: 002172C

-Sd/-

Sanjay Singhania  
Partner  
Membership number: 076961

Raipur, 24<sup>th</sup> April, 2013

## Annexure

Re: Parvatiya Power Limited

Referred to in paragraph 3 of our report of even date,

- (i)
  - (a) The Company has maintained the proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b) As explained to us, the fixed assets have been physically verified by the management at reasonable intervals, in phased verification programme, which, in our opinion, is reasonable, looking to the size of the company and the nature of its business. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) The company has not disposed off substantial part of its fixed assets during the year so as to affect its going concern status.
- (ii)
  - (a) As explained to us, inventories have been physically verified during the year by the management. In our opinion, the frequency of the verification is reasonable.
  - (b) 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) On the basis of our examination of the inventory records of the company, we are of the opinion that, the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii)
  - (a) The company has granted unsecured loan to one company, covered in the register maintained under section 301 of the companies Act, 1956. The maximum amount involved during the year was Rs.351.76 lacs and the year end balance of loans taken from such companies was Rs.335.51 lacs.
  - (b) In our opinion, the terms & conditions on which loans have been granted to the companies listed in the register maintained under section 301 of the Companies Act 1956, are not prima facie prejudicial to the interest of the company.
  - (c) The receipt of the principal amount and interest wherever applicable was regular.
  - (d) There was no overdue amount of loans granted to companies listed in the register maintained under section 301 of the Companies Act, 1956.
  - (e) According to the information and explanations given to us, the company has taken unsecured loans from three companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.253.22 lacs and the year end balance of loans taken from such companies was Rs.232.58 lacs.

- (f) In our opinion, the rate of interest and other terms & conditions on which loans have been taken from the companies listed in the register maintained under section 301 of the Companies Act, 1956 are not prima facie prejudicial to the interest of the company.
- (g) The company is regular in repaying the principal and interest as stipulated.
- (iv) In our opinion and according to the information & explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v)
  - (a) According to the information and explanations given to us, 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 required to be maintained under that section.
  - (b) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements with the aforesaid parties as stated in v (a) of Clause 4 exceeding the value of rupees five lakhs have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) According to the information and explanations given to us, the company has not accepted deposits from public during the year, therefore, the provisions of clause 4(vi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (vii) In our opinion the company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956, in respect of Company's products to which the said rules are made applicable and are of the opinion that, prima facie, the prescribed accounts and records, have been made and maintained. We have, however, not made a detailed examination of the records.
- (ix)
  - (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, wealth tax, service tax, income tax, sales tax, custom duty, excise duty, cess and other material statutory dues applicable to it. According to the information & explanations given to us, no undisputed amounts of statutory dues as stated above were in arrears as at 31st March 2013 for a period of more than six months from the date they became payable.
  - (b) According to the information and explanations given to us, no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess are outstanding on account of any dispute.

- (x) In our opinion, the company has no accumulated losses at the end of the financial year and the company has not incurred any cash losses during the current financial year covered under audit, as well as in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to the banks, financial institutions or debenture holders.
- (xii) In our opinion and according to the information and explanations given to us, the company has not granted any loans & advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, 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.
- (xiv) In our opinion and according to information and explanations given to us, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xv) In our opinion and according to the information and explanations given to us, the company has not given any guarantee to the bank for loans taken by others. Accordingly, the provisions of clause 4(xv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xvi) According to the information and explanations given to us, the company has not raised any term loans during the year. Therefore, the provisions of clause 4(xvi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we are of the opinion that, prima facie short-term funds have not been used for long term investment.
- (xviii) According to the information and explanations given to us the company has not made any preferential allotment of shares to companies, firms or other parties covered in the register mentioned under section 301 of the Act. Therefore, the provisions of clause 4(xviii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xix) The company has not issued any debentures during the year. Therefore, the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xx) The company has not raised any money by public issue during the year, therefore, the provisions of clause 4(xx) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

- (xxi) In our opinion and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year. Therefore, the provisions of clause 4(xxix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

For OP Singhanian & Co.,  
(Firm Registration No.002172C)  
Chartered Accountants

-Sd/-  
SANJAY SINGHANIAN  
Partner  
Membership No: 076961

Raipur, 24<sup>th</sup> April, 2013

<b>Parvatiya Power Limited</b>			
<b>Balance Sheet as at 31st March, 2013</b>			
<b>Particulars</b>	<b>Note No.</b>	<b>31st March 2013</b>	<b>31st March 2012</b>
		<b>Amount (Rs.)</b>	<b>Amount (Rs.)</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
(a) Share capital	3	15,356,500	15,356,500
(b) Reserves and surplus	4	202,104,082	184,263,402
<b>Non-current liabilities</b>			
(a) Long-term borrowings	5	40,000,000	64,551,101
(b) Long-term provisions	6	313,985	277,402
<b>Current liabilities</b>			
(a) Short-term borrowings	7	23,257,820	22,023,046
(b) Trade payable	8	-	334,907
(c) Other current liabilities	9	25,565,845	25,799,604
(d) Short-term provisions	10	512,932	190,296
<b>TOTAL</b>		<b>307,111,165</b>	<b>312,796,258</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Fixed assets	11		
Tangible assets		267,216,140	286,186,432
<b>Current assets</b>			
(a) Inventories	12	200,971	200,971
(b) Trade receivables	13	4,734,980	2,919,530
(c) Cash and Bank balances	14	449,546	679,006
(d) Short-term loans and advances	15	34,509,528	22,810,319
<b>TOTAL</b>		<b>307,111,165</b>	<b>312,796,258</b>
<b>Significant accounting policies</b>	1 & 2		

The accompanying notes are integral part of the financial statements.

As per our report of even date

**For OPSinghania & CO.**

(Firm Reg. No.002172C)

Chartered Accountants

For and on behalf of the Board of Directors of  
Parvatiya Power Limited

-Sd/-

**per Sanjay Singhania**

**Partner**

Membership No.076961

-Sd/-

**Kamal Kishore Sarda**

(Director)

-Sd/-

**Sheen Agarwal**

(Director)

Place : Raipur

Date : 24.04.2013

**Parvatiya Power Limited****Statement of Profit and Loss for the year ended 31st March, 2013**

Particulars	Note No.	2012-13	2011-12
		Amount (Rs.)	Amount (Rs.)
<b>I. Revenue from operations</b>	16	61,360,300	70,187,170
<b>II. Other income</b>	17	2,733,004	323,168
<b>III. Total Revenue (I + II)</b>		64,093,304	70,510,338
<b>IV. Expenses:</b>			
Employee benefits expense	18	4,558,496	4,943,908
Operating and Other expenses	19	6,368,105	7,110,752
<b>Total Expenses</b>		10,926,601	12,054,660
<b>V. Earnings before interest, tax and depreciation(EBITDA) (III - IV)</b>		53,166,703	58,455,678
Finance costs	20	11,937,899	14,141,721
Depreciation expense		19,070,521	19,090,562
<b>VI. Profit before tax</b>		<b>22,158,283</b>	<b>25,223,395</b>
<b>VII. Tax expense:</b>			
Current tax		4,440,000	5,150,000
Tax related to earlier year		(76,625)	(2,362)
<b>VIII. Profit for the year (V - VI)</b>		<b>17,794,908</b>	<b>20,075,757</b>
<b>IX. Earnings per equity share:</b>	26		
Basic		11.59	13.07
Diluted		11.59	13.07
<b>Significant accounting policies</b>	1 & 2		

The accompanying notes are integral part of the financial statements.

As per our report of even date

**For OPSinghania & CO.**

(Firm Reg. No.002172C)

Chartered Accountants

For and on behalf of the Board of Directors of  
Parvatiya Power Limited

-Sd/-

**per Sanjay Singhania**  
**Partner**

Membership No.076961

-Sd/-

**Kamal Kishore Sarda**  
(Director)

-Sd/-

**Sheen Agarwal**  
(Director)

Place : Raipur

Date : 24.04.2013



**Parvatiya Power Limited**

Cash Flow Statement for the year ended 31st March, 2013

	2012-13 Amount (Rs.)	2011-12 Amount (Rs.)
<b>Cash Flow from operating activities</b>		
Profit before tax from continuing operations	22,158,283	25,223,395
Depreciation/amortization on continuing operation	19,070,521	19,090,562
Provision for gratuity	85,816	136,489
Net (gain) / loss on sale of current investment	-	(127,321)
Interest Expenses *	11,937,899	14,141,721
Interest Income	(2,733,004)	(174,256)
Dividend Income	-	(21,591)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>50,519,515</b>	<b>58,268,999</b>
Movements in working capital :		
Increase/(decrease) in trade payables	129,513	(374,356)
Decrease/(increase) in trade receivables	(1,815,450)	2,259,322
Decrease/(increase) in short-term loans and advances	(11,699,209)	(16,481,670)
<b>Cash generated from/(used in ) operations</b>	<b>37,134,369</b>	<b>43,672,295</b>
Direct taxes paid (net of refunds)	(4,363,375)	(5,147,638)
<b>Net Cash flow from/(used in) operating activities</b>	<b>A 32,770,994</b>	<b>38,524,657</b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets	(100,229)	(5,121,911)
Proceeds from sale of current investments	-	127,321
Interest received	2,733,004	174,256
Dividends received	-	21,591
<b>Net cash flow from/(used in) investing activities</b>	<b>B 2,632,775</b>	<b>(4,798,743)</b>
<b>Cash flows from financing activities</b>		
Proceeds / (Repayment) from long-term borrowings	(24,930,104)	(12,949,222)
Proceeds / (Repayment) from short-term borrowings	1,234,774	(7,458,858)
Interest paid	(11,937,899)	(14,141,721)
<b>Net cash flow from/(used in) financing activities</b>	<b>C (35,633,228)</b>	<b>(34,549,801)</b>
<b>NET INCREASE/(DECREASE) IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>(229,459)</b>	<b>(823,886)</b>
Cash and Cash Equivalents at the beginning of the year	679,006	1,502,892
<b>Cash and Cash Equivalents at the end of the year</b>	<b>449,547</b>	<b>679,006</b>
<b>Components of cash and cash equivalents</b>		
Cash in hand	13,271	21,466
With banks- on current account	436,276	657,540
	<b>449,547</b>	<b>679,006</b>

The accompanying notes are integral part of the financial statements.

As per our report of even date

For **OPSinghania & CO.**

(Firm Reg. No.002172C)

Chartered Accountants

For and on behalf of the Board of Directors of  
Parvatiya Power Limited

-Sd/-

Per **SANJAY SINGHANIA**

Partner

Membership No.076961

-Sd/-

**Kamal Kishore Sarda**

(Director)

-Sd/-

**Sheen Agarwal**

(Director)

Place : Raipur

Date : 24.04.2013

# Parvatiya Power Limited

## NOTES TO FINANCIAL STATEMENTS

### 1. Nature of Operations

Parvatiya Power Limited (the company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The company is operating 4.8 M.W. hydro power plant at Loharkhet in Uttarakhand.

### 2. Basis of preparation

- i) The financial statements are prepared under the historical cost convention, on going concern concept and in compliance with the accounting standards as notified by Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.
- ii) The Company follows mercantile system of accounting and recognizes income and expenditure on an accrual basis except those with significant uncertainties.
- iii) The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

### 2.1 Summary of 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 end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

#### b) Tangible Fixed Assets

Tangible Fixed Assets are stated at acquisition cost less depreciation. Cost includes taxes, duties, freight, installation and other direct or allocated expenses upto the date of commercial production.

#### c) Expenditure during Construction Period

All expenditure incurred during construction/implementation stage of project are shown under the head Project and Pre-operative Expenditure, shall be capitalized and added on pro-rata basis to the cost of Fixed Assets (other than Land & leasehold land and other related assets) on commissioning of the Project.

#### d) Depreciation

- i) Depreciation is provided on Straight Line Method based on estimated useful life of the assets which is same as envisaged in schedule XIV of the Companies Act, 1956.
- ii) Depreciation on fixed assets added/dropped off during the year is provided on pro-rata basis.
- iii) Fixed Assets costing below Rs. 5000/- are fully depreciated in the year of acquisition itself.
- iv) Free-hold land and site & land development cost are not depreciated/amortized.
- v) Leasehold land is amortised annually on the basis of tenure of lease period.

#### e) Investments

- i) Long Term Investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such is other than temporary, in the opinion of the management.
- ii) Current Investments are stated at lower of cost/quoted fair value, computed categorywise.

#### f) Government Grants

Government grant of the nature of the promoter's contribution is credited to capital reserve and treated as a part of shareholder's funds.

#### 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.

- i) Sale of Electricity  
Revenue is recognised when the significant risks and rewards of ownership of the electricity have passed to the buyer.
- ii) Interest  
Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.
- iii) Dividends  
Revenue is recognised when the shareholders' right to receive payment is established by the reporting date.

**h) Borrowing Cost**

Interest and other costs in connection with the borrowing of the funds to the extent related/attributed to the acquisition/construction of fixed assets are capitalized only with respect to qualifying fixed assets i.e. those which take substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

**i) Contingent Liabilities**

Liabilities which are material and whose future outcome cannot be reasonably ascertained are treated as contingent and not provided for and disclosed by way of notes to the accounts.

**j) Taxes on Income**

Current Taxes are accounted based on provisions of Income Tax Act,1961. Deferred Taxes are not recognised for those timing differences which reverse in tax holiday period.

**k) Retirement and other Employee Benefits**

- i) Retirement benefits in the form of Provident Fund is a defined contribution scheme and the contributions are charged to Statement of Profit & Loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contributions payable to the respective fund.
- ii) Value of unutilised encashable leave are provided based on obligation on reporting date and charged to the Statement of Profit & Loss.
- iii) Gratuity Liability is defined benefit obligations and are provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.
- iv) Actuarial gains/losses are immediately taken to statement of profit and loss and are not deferred.

**l) Provisions**

Provisions are recognised, where the company has any legal or constructive obligation or where reliable estimate can be made for the amount of the obligation and as a result of past events, for which it is probable that an outflow of economic benefits will be 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.

**m) Impairment of Assets**

The Company assesses at each balance sheet date whether there is any indication that any asset may be impaired. If any such indication exists, the carrying value of such assets is reduced to its estimated recoverable amount and the amount of such impairment loss is charged to profit & loss account. If at the balance sheet date there is an indication that previously assessed impairment loss no longer exists, then such loss is reversed and the asset is restated to that effect.

**n) Cash and Cash equivalents**

Cash and Cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

**o) Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a right issue to existing shareholders.

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

**p) Measurement of EBITDA**

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act,1956, the company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit & loss. The company measures EBITDA on the basis of profit/(loss) from continuing operations. In this measurement, the company does not include depreciation and amortization expense, finance costs and tax expense.

**Parvatiya Power Limited**  
**Notes to Financial Statements for the year ended 31st March, 2013**

<b>3. Share Capital</b>	<b>31.03.2013</b>	<b>31.03.2012</b>
	<b>Amount (Rs.)</b>	<b>Amount (Rs.)</b>
<b>Authorised</b>		
30,00,000 Equity Shares of Rs.10/- each (P.Y.:30,00,000 Shares)	30,000,000	30,000,000
<b>Issued, Subscribed and fully paid-up share</b>		
15,35,650 Equity Shares of Rs.10/- each (P.Y.:15,35,650 Shares)	15,356,500	15,356,500

**a) Reconciliation of the shares outstanding at the beginning and at end of the reporting period**

<b>Particulars Equity Share</b>	<b>31.03.2013</b>	<b>31.03.2012</b>
	<b>Number</b>	<b>Number</b>
Shares outstanding at the beginning of the year	1,535,650	1,535,650
Shares Issued during the year	-	-
Shares outstanding at the end of the year	1,535,650	1,535,650

**b) Rights attached to the equity shares**

All the equity shares issued by the company rank pari-passu in all respect and carry equal right in voting and residual assets per share.

**c) Share held by holding company**

7,83,182 Equity Shares (P.Y.: 7,83,182 Equity Shares) of Rs.10/- each constituting 51% of equity shares are held by Sarda Energy & Minerals Limited, the holding company.

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

<b>Name of Shareholder</b>	<b>31.03.2013</b>		<b>31.03.2012</b>	
	<b>No. of Shares held</b>	<b>% of Holding</b>	<b>No. of Shares held</b>	<b>% of Holding</b>
SARDA ENERGY AND MINERALS LTD	783,182	51.00%	783,182	51.00%
CHHATTISGARH INVESTMENTS LTD	205,938	13.41%	205,938	13.41%
SARDA AGRICULTURE AND PROPERTIES PRIVATE LIMITED	170,000	11.07%	170,000	11.07%
	1,159,120	75.48%	1,159,120	75.48%

<b>4. Reserves &amp; Surplus</b>	<b>31.03.2013</b>	<b>31.03.2012</b>
	<b>Amount (Rs.)</b>	<b>Amount (Rs.)</b>
<b>a. Capital Reserves</b>		
Balance as per last Balance Sheet	36,750,000	36,750,000
Addition during the year	-	-
Closing Balance	36,750,000	36,750,000
<b>b. Securities Premium Reserve</b>		
Balance as per last Balance Sheet	111,208,500	111,208,500
Addition during the year	-	-
Closing Balance	111,208,500	111,208,500
<b>c. Surplus</b>		
Opening balance	36,304,902	16,229,145
(+) Net Profit/(Net Loss) For the current year	17,794,908	20,075,757
(+) Adjustment for Employee Benefits as per transitional provision ( Refer note 27)	45,772	-
Closing Balance	<b>54,145,582</b>	<b>36,304,902</b>
<b>Total reserves and surplus</b>	<b>202,104,082</b>	<b>184,263,402</b>

**Parvatiya Power Limited****Notes to Financial Statements for the year ended 31st March, 2013**

<b>5. Long term Borrowings</b>	<b>31.03.2013</b>	<b>31.03.2012</b>
	<b>Amount (Rs.)</b>	<b>Amount (Rs.)</b>
<b>a) Rupee Term loans</b>		
from banks (Secured)	-	4,551,101
from other Financial Institution (Secured)	40,000,000	60,000,000
<b>Total</b>	<b>40,000,000</b>	<b>64,551,101</b>
Security and Terms & conditions for above		
1. The Term Loan from Union Bank of India is repayable in 28 quarterly instalments from 31.10.2007. The loan is secured by hypothecation of company's movable assets (present & future) and equitable mortgage on the immovable assets of the company both ranking pari passu and also secured by pledge of equity shares of the company held by all the shareholders of the company.		
2. The Term Loan from IDFC Ltd. is repayable in 32 quarterly instalments starting from 01.05.2008. The loan is secured by hypothecation of company's movable assets (present & future) and equitable mortgage on the immovable assets of the company both ranking pari passu and also secured by pledge of equity shares of the company held by all the shareholders of the company.		
3. The above term loans are further secured by personal guarantee of a director of the company.		

<b>6. Long term Provi sions</b>	<b>31.03.2013</b>	<b>31.03.2012</b>
	<b>Amount (Rs.)</b>	<b>Amount (Rs.)</b>
Provision for Gratuity	313,985	277,402
<b>Total</b>	<b>313,985</b>	<b>277,402</b>

<b>7. Short Term Borrowings</b>	<b>31.03.2013</b>	<b>31.03.2012</b>
	<b>Amount (Rs.)</b>	<b>Amount (Rs.)</b>
Loans and advances from related parties (unsecured)	23,257,820	22,023,046
<b>Total</b>	<b>23,257,820</b>	<b>22,023,046</b>

<b>8. Trade Payables</b>	<b>31.03.2013</b>	<b>31.03.2012</b>
	<b>Amount (Rs.)</b>	<b>Amount (Rs.)</b>
Trade payables	-	334,907
<b>Total</b>	<b>-</b>	<b>334,907</b>

<b>9. Other Current Liabilities</b>	<b>31.03.2013</b>	<b>31.03.2012</b>
	<b>Amount (Rs.)</b>	<b>Amount (Rs.)</b>
Creditors for Capital Goods	26,753	26,753
<b>Other liabilities</b>		
Current maturities of long-term (Secured Borrowings)	24,478,137	24,857,140
Interest accrued but not due on borrowings	291,222	452,295
TDS payable	321,989	307,427
Employee benefit payable	266,786	94,150
Bonus Payable	69,992	61,399
Others Payables	110,966	440
<b>Total</b>	<b>25,565,845</b>	<b>25,799,604</b>

<b>10. Short term Provi sions</b>	<b>31.03.2013</b>	<b>31.03.2012</b>
	<b>Amount (Rs.)</b>	<b>Amount (Rs.)</b>
Provision for Leave Encashment	234,490	182,219
Provision for Gratuity	11,538	8,077
Provision for taxation (net of advance)	266,904	-
<b>Total</b>	<b>512,932</b>	<b>190,296</b>

**Parvatiya Power Limited**

11.Tangible Assets	Gross Block			Accumulated Depreciation				Net Block	
	Balance as at 1st April 2012	Additions/ (Disposals)	Balance as at 31st March,2013	Balance as at 1st April 2012	Depreciation charge for the year	On disposals	Balance as at 31st March,2013	Balance as at 1st April 2012	Balance as at 31st March,2013
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
<b>Tangible Assets</b>									
Freehold Land	1,383,763	-	1,383,763	-	-	-	-	1,383,763	1,383,763
Leasehold Land	3,798,175	-	3,798,175	1,106,091	126,593	-	1,232,684	2,692,084	2,565,491
Road	1,099,995	-	1,099,995	-	17,930	-	17,930	1,099,995	1,082,065
Plant and Equipment	354,206,600	75,684	354,282,284	74,080,146	18,763,917	-	92,844,063	280,126,454	261,438,221
Furniture and Fixtures	263,569	12,550	276,119	204,812	16,812	-	221,624	58,757	54,495
Vehicles	590,332	-	590,332	119,646	56,082	-	175,728	470,686	414,604
Office equipment	898,716	11,995	910,711	544,023	89,187	-	633,210	354,693	277,501
<b>Total</b>	<b>362,241,150</b>	<b>100,229</b>	<b>362,341,379</b>	<b>76,054,718</b>	<b>19,070,521</b>	<b>-</b>	<b>95,125,239</b>	<b>286,186,432</b>	<b>267,216,140</b>

**Parvatiya Power Limited****Notes to Financial Statements for the year ended 31st March, 2013**

<b>12. Inventories (valued at lower of cost and net realizable value)</b>	<b>31.03.2013</b>	<b>31.03.2012</b>
	<b>Amount (Rs.)</b>	<b>Amount (Rs.)</b>
<b>Stores and spares</b>	200,971	200,971
<b>Total</b>	200,971	200,971

<b>13. Trade Receivables</b>	<b>31.03.2013</b>	<b>31.03.2012</b>
	<b>Amount (Rs.)</b>	<b>Amount (Rs.)</b>
Unsecured, considered good		
Outstanding for a period exceeding six months from the date they are due for payment	-	-
Others	4,734,980	2,919,530
<b>Total</b>	4,734,980	2,919,530

<b>14 Cash and Bank Balance</b>	<b>31.03.2013</b>	<b>31.03.2012</b>
	<b>Amount Rs.</b>	<b>Amount Rs.</b>
<b>Cash and cash equivalents</b>		
Balances with banks on current account	436,276	657,540
Cash in hand	13,271	21,466
	449,546	679,006

<b>15. Short term Loans and advances</b>	<b>31.03.2013</b>	<b>31.03.2012</b>
	<b>Amount Rs.</b>	<b>Amount Rs.</b>
Loans and advances to related parties (Unsecured, Considered good)	33,551,014	22,174,000
Advances recoverable in cash or in kind	181,092	164,642
<b>Others</b>		
TDS Receivable	177,674	101,049
Arbitration Claim Receivable	205,515	205,515
Pre-paid Expenses	394,233	165,113
<b>TOTAL</b>	34,509,528	22,810,319

<b>16. Revenue from operation</b>	<b>2012-13</b>	<b>2011-12</b>
	<b>Amount (Rs.)</b>	<b>Amount (Rs.)</b>
Sale of electricity	62,612,550	71,619,562
Less:		
Rebate	1,252,250	1,432,392
<b>Total</b>	61,360,300	70,187,170

<b>17. Other Income</b>	<b>2012-13</b>	<b>2011-12</b>
	<b>Amount (Rs.)</b>	<b>Amount (Rs.)</b>
Interest Income on		
Bank Deposits	20,766	22,204
Others	2,712,238	152,052
Dividend Income on Current Investment	-	21,591
Profit on sale of Current Investment	-	127,321
<b>Total</b>	2,733,004	323,168

<b>18. Employee Benefits Expense</b>	<b>2012-13</b>	<b>2011-12</b>
	<b>Amount (Rs.)</b>	<b>Amount (Rs.)</b>
(a) Salaries and incentives	3,418,130	3,833,198
(b) Contributions to Provident fund & Gratuity	195,849	249,095
(c) Employees welfare expenses	944,517	861,615
<b>Total</b>	4,558,496	4,943,908

**Parvatiya Power Limited****Notes to Financial Statements for the year ended 31st March, 2013**

<b>19. Operating and Other Expenses</b>	<b>2012-13</b>	<b>2011-12</b>
	<b>Amount (Rs.)</b>	<b>Amount (Rs.)</b>
Repair & Maintenance		
- To Plant & Machinery	4,033,610	3,932,370
- To Others	23,103	15,229
Operation & Maintenance	166,381	198,964
Establishment & Site Expenses	410,151	311,584
Electricity Charges	190,978	66,527
Insurance Expenses	232,858	470,454
Rent Rates & Taxes	440,911	382,896
Communication expenses	74,982	58,432
Legal & Professional Fees	130,102	1,028,516
Travelling & Conveyance Expenses	237,395	220,848
Vehicle Running & Maintenance	107,510	84,270
Printing & Stationery	43,747	42,088
Auditors' remuneration	112,360	112,360
Miscellaneous Expenses	164,016	186,214
<b>Total</b>	<b>6,368,105</b>	<b>7,110,752</b>

<b>Payments to the auditor as</b>	<b>2012-13</b>	<b>2011-12</b>
	<b>Amount (Rs.)</b>	<b>Amount (Rs.)</b>
a. auditor	84,270	84,270
b. for taxation matters	28,090	28,090
<b>Total</b>	<b>112,360</b>	<b>112,360</b>

<b>20. Finance Costs</b>	<b>2012-13</b>	<b>2011-12</b>
	<b>Amount (Rs.)</b>	<b>Amount (Rs.)</b>
Interest on Term Loans	8,841,645	11,031,163
Interest on Others	3,093,142	2,970,421
Bank Charges	3,112	140,137
<b>Total</b>	<b>11,937,899</b>	<b>14,141,721</b>

<b>21. Earnings per share (EPS)</b>	<b>2012-13</b>	<b>2011-12</b>
	<b>Amount (Rs.)</b>	<b>Amount (Rs.)</b>
Net profit as per profit and loss account	17,794,908	20,075,757
Net profit for calculation of basic EPS & Diluted EPS	17,794,908	20,075,757
Weighted average number of equity shares in calculating Basic EPS	1,535,650	1,535,650
Weighted average number of equity shares in calculating Diluted EPS	1,535,650	1,535,650
Basic & Diluted EPS		
- Basic earning per share	11.59	13.07
- Diluted earning per share	11.59	13.07



## Parvatiya Power Limited

### NOTES TO FINANCIAL STATEMENTS

- 22 Contingent Liability not provided for : Rs. NIL (Previous Year Rs.NIL)
- 23 The Arbitration award of dispute with M/s V.K.Aggarwal & Co, Dehradun, Civil Contractor, has come in favour of the Company , vide Order dated 24<sup>th</sup> March, 2010 with a net amount of Rs. 2,05,514/- receivable by the Company from the civil contractor. The necessary effect of the award was given in the books of account in the FY 2009-10. Further in response to the above order, M/s.V.K.Aggarwal & Co has filed further petition before The court of The District, Bageshwar (Uttarakhand) and the judgement for the same is awaited.
- 24 In the opinion of the Board, the value of realisation of loans, advances and current assets in the ordinary course of business will not be less than the amount at which they are stated in the balance sheet.
- 25 None of the suppliers has provided information about there being Micro, Small and Medium Enterprises under The Micro, Small and Medium Enterprises Development Act,2006 (MSMED Act) as at 31st March,2013.Therefore no details could be disclosed as required.
- 26 No deferred tax assets is provided for timing differences in view of the benefits available u/s 80IA of the Income-tax Act for power division of the company and overall minimum alternative tax payable.
- 27 **Gratuity and other post-employment benefit plans :**  
The Company has a defined benefit gratuity plan. Gratuity is computed as 15 days salary, for every completed year of service or part thereof in excess of 6 months and is payable on retirement/termination/resignation. The benefit vests on the employees after completion of 5 years of service.The Gratuity liability has not been externally funded.Company makes provision of such gratuity liability in the books of account on the basis of actuarial valuation as per the Projected unit credit method.

The following tables summarise the components of net benefit expense recognized in the statement of profit and loss and the unfunded status and amounts recognized in the balance sheet for the Gratuity.

#### statement of Profit and Loss

##### Net employee benefit expense (recognized in Employee Cost )

	Rs. in Lacs	Rs. in Lacs
	(Gratuity)	(Gratuity)
	2012-13	2011-12
Current Service cost	0.41	0.36
Interest cost on benefit	0.23	0.10
Expected return on plan assets	0.00	0.00
Net actuarial loss recognised in the year	0.22	1.94
Past service cost	0.00	0.00
Actual return on plan assets	0.86	2.40

	2012-13	2011-12
<b>Balance Sheet details of provision for Gratuity</b>		
Defined benefit obligation	3.26	2.40
Fair value of plan assets	0.00	0.00
	3.26	2.40
Less : Unrecognised past service cost	0.00	0.00
Plan liability	3.26	2.40

#### Changes in the present value of the defined benefit obligation are as follows :

	2012-13	2011-12
Defined benefit obligation as at April 1, 2012	2.40	0.00
Interest cost	0.23	0.10
Current Service Cost	0.41	0.36
Benefits paid	0.00	0.00
Actuarial losses on obligation	0.22	1.94
Defined benefit obligation as at March 31, 2013	3.26	2.40

Since the entire amount of plan obligation is unfunded therefore changes in the fair value of plan assets are not given. Further the entire amount of plan obligation is unfunded therefore categories of plan assets as a percentage of the fair value of total plan assets and Company's expected contribution to the plan assets in the next year is not given.

Since the company has adopted actuarial valuation of gratuity during the year hence the difference between the books and valuation report has been adjusted with revenue reserves being transitional period as per provisions of Accounting Standard-15(revised).

The principal assumptions used in determining gratuity benefit obligations for the company's plans are shown below :

	2012-13	2011-12
Discount Rate	8.00%	8.00%
Increase in Compensation cost	5.00%	5.00%
Expected average remaining working lives of employee (years)	23.65	24.61

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

**Contribution to Defined Contribution Plans :**

	Rs. in Lacs	
	2012-13	2011-12
Provident Fund	1.10	1.13

**28 Related party Disclosures:**

Related parties and nature of relationship where control exists:-

**Key Managerial Personnel**

Mr.Kamal Sarda  
Mr.Bhagwati Prasad Agarwal  
Mr.Kashmirilal Agarwal  
Miss Sheen Agarwal

**Relatives of Key Management Personnel**

Smt. Sangita Agarwal  
Smt. Shakuntala Devi Sarda  
Mr. Pankaj Sarda

**Holding Company**

Sarda Energy & Minerals Ltd.

**Enterprises significantly influenced by the key management personnel and their relatives**

Chhattisgarh Investments Ltd.  
Continental Jeweltech Mining Pvt.Ltd.  
Chakra Holding P Ltd  
Abhivadan Agro Farms P Ltd  
Hemnidhi Securities Ltd.  
Chhattisgarh Hydro Power LLP  
Madhya Bharat Power Corporation Ltd.  
Kashmirilal Constructions Pvt. Ltd.  
Vikash Associates  
Apex Equipment (P) Ltd.

**Transactions with related Parties**

**A. Enterprises significantly influenced by the key management personnel and their relatives**

(Rs.in Lacs)

Nature of Transactions	Holding Company		Enterprises where significant influence exists	
	2012-13	2011-12	2012-13	2011-12
<b>Transactions during the year</b>				
Loans Granted	0.00	0.00	481.20	349.00
Repayment of Loan Granted	0.00	0.00	391.84	127.26
Interest received on Loan granted	0.00	0.00	27.12	0.00
Loans Taken	127.64	327.50	0.00	128.50
Repayment of Loans Taken	118.60	402.66	24.53	154.66
Interest Paid on Loans Taken	26.62	21.56	4.31	8.14
Rent Paid	0.00	0.00	0.86	0.40
Reimbursement of expenses	0.00	0.00	0.68	0.34
Loans Receivables	0.00	0.00	335.51	221.74
Loans Payables	202.90	169.90	29.68	50.33

**B. Details of Material Transaction with related parties**

	2012-13	2011-12
<b>Loans Granted</b>		
Chhattisgarh Investments Ltd.	481.20	349.00
<b>Repayment of Loan Granted</b>		
Chhattisgarh Investments Ltd.	391.84	127.26
<b>Interest received on loan granted</b>		
Chhattisgarh Investments Ltd.	27.12	0.00
<b>Loans Taken</b>		
Sarda Energy and Minerals Ltd	127.64	327.50
Chhattisgarh Investments Ltd.	0.00	128.50
<b>Repayment of Loan Taken</b>		
Sarda Energy and Minerals Ltd	118.60	402.66
Chhattisgarh Investments Ltd.	0.00	133.05
Hemnidhi Securities Ltd.	12.26	10.83
Kashmirilal Constructions (P) Ltd.	12.26	10.78
<b>Interest Paid on loans Taken</b>		
Sarda Energy and Minerals Ltd	26.62	21.56
Hemnidhi Securities Ltd.	2.16	4.07
Kashmirilal Constructions (P)	2.16	4.07
<b>Rent Paid</b>		
Hemnidhi Securities Ltd.	0.86	0.40
<b>Reimbursement of Expenses</b>		
Hemnidhi Securities Ltd.	0.38	0.22
Chhattisgarh Hydro Power (P) Ltd.	0.29	0.12
<b>Loan Payable</b>		
Sarda Energy and Minerals Ltd	202.90	169.90
Hemnidhi Securities Ltd.	14.84	25.16
Kashmirilal Constructions (P) Ltd.	14.84	25.16
<b>Loan Receivable</b>		
Chhattisgarh Investments Ltd.	335.51	221.74

29 Previous year figures have been recast/regrouped/restated wherever necessary.

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

**For and on behalf of the Board of Directors of  
Parvatiya Power Limited**

-Sd/-

**Sanjay Singhania**  
**Partner**

Membership No.076961

Place : Raipur

Date : 24.04.2013

-Sd/-

**Kamal Kishore Sarda**  
**(Director)**

-Sd/-

**Sheen Agrawal**  
**(Director)**