

OPSinghania & Co.

CHARTERED ACCOUNTANTS
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Independent Auditor's Report To the Members of Parvatiya Power Limited

Report on the Financial Statements

We have audited the accompanying standalone financial statements of **Parvatiya Power Limited** ("the Company") which comprise the Balance Sheet as at 31st March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these stand alone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the 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 2016;
- (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, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure – B, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as 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 aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure - A.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company does not have any pending litigations which would impact its financial position.
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There has been no amount, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Sanjay Singhania
Partner
Membership No.076961

Raipur, 9th May'2016

Re: PARVATIYA POWER LIMITED

Referred to in paragraph 2(f) of Report on Other Legal and Regulatory Requirements of our report of even date,

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act.

We have audited the internal financial controls over financial reporting of Parvatiya Power Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Sanjay Singhania
Partner
Membership No.076961

Raipur, 9th May, 2016

Annexure - B

Re: PARVATIYA POWER LIMITED

Referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements of our report of even date,

- (i)
 - (a) The Company has maintained 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, 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 title deeds of immovable properties, as disclosed in Note 8 on fixed assets to the financial statements, are held in the name of the Company, except immovable properties aggregating to Rs.6.70 lacs are held in the name of the relative of the director of the company.
- (ii) As explained to us, the physical verification of inventories have been conducted at reasonable intervals by the management during the year. In our opinion, the frequency of the verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
- (iii) The company has granted unsecured loan to a company covered in the register maintained under section 189 of the companies Act, 2013 during the year. According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that:
 - (a) The terms & conditions of the grant of such loan are not prejudicial to the interest of the Company.
 - (b) The schedule of repayment of principal and payment of interest wherever stipulated and the repayments or receipts are regular.
 - (c) Since the amount outstanding is not overdue, therefore, the provisions of clause (iii)(c) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.
- (iv) In our opinion and according to the information & explanations given to us, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of the loans and investment made, and guarantees and security provided by it. The Company has not granted and loans and made any investments, or provided any guarantees or security to the parties covered under Section 185 of the Companies Act, 2013.
- (v) In our opinion and according to the information and explanations given to us, the company has not taken any deposits from public; therefore the provisions of clause (v) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.

- (vi) 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 148(1) of the Companies Act, 2013, 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.
- (vii) (a) According to the information & explanations given to us, during the year the company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities, however, the Service Tax payable Rs.7,811/- was in arrear as at 31st March 2016 for a period of more than six months from the date it became payable.
- (b) According to the information and explanations given to us, there are no dues of income tax, sales tax, wealth tax, service tax, custom duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.
- (viii) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government as at the balance sheet date. The Company has not issued any debentures.
- (ix) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments). According to the information and explanations given to us, and in our opinion, the term loans have been applied progressively for the purpose for which the loans were obtained.
- (x) In our opinion and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year. Therefore, the provisions of clause (x) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.
- (xi) The Company has not paid /provided for managerial remuneration during the year. Therefore, the provisions of clause (xi) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- (xii) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Therefore, the provisions of clause (xii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.
- (xiii) The Company has entered into transactions with related parties in compliance with the provisions of Section 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, the provisions of clause (xiv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.

- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with him. Therefore, the provisions of clause (xv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Therefore, the provisions of clause (xvi) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.

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

Sanjay Singhania
Partner
Membership No.076961

Raipur, 9th May'2016

Parvatiya Power Limited
Balance Sheet as at 31st March, 2016

Particulars	Notes	Amount (Rs)	
		31.03.2016	31.03.2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share Capital	3	15,356,500	15,356,500
Reserves and surplus	4	278,097,571	252,845,032
Non-current liabilities			
Long-term provisions	5	720,585	529,936
Current liabilities			
Other current liabilities	6	218,563,586	21,232,578
Short-term provisions	7	50,966	1,751,619
	TOTAL	512,789,208	291,715,666
ASSETS			
Non-current assets			
<u>Fixed assets</u>			
Tangible assets	8	233,227,675	238,653,318
Intangible assets	9	1,879,178	2,025,567
Non Current Investment	10	186,737,500	36,937,500
Current assets			
Inventories	11	200,971	200,971
Short-term loans and advances	12	86,082,882	1,076,732
Trade receivables	13	2,247,600	11,344,441
Cash and Cash Equivalents	14	2,413,402	1,477,137
	TOTAL	512,789,208	291,715,666
Significant accounting policies	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

per Sanjay Singhania

Partner

Membership No.076961

Kamal Kishore Sarda

(Director)

Praharsh Agarwal

(Director)

Place : Raipur

Date : 09.05.2016

Parvatiya Power Limited
Statement of Profit and Loss for the year ended 31st March, 2016

Particulars	Notes	Amount (Rs)	
		31.03.2016	31.03.2015
I. Revenue from operations	15	62,344,317	64,241,198
II. Other income	16	3,168,766	50,410
III. Total Revenue (I + II)		65,513,083	64,291,608
IV. Expenses:			
Employee benefits expenses	17	7,167,016	6,992,276
Operating and Other expenses	18	5,711,718	7,177,127
Finance costs	19	11,505,717	3,340,602
Depreciation/amortization expense	8 & 9	9,414,072	10,462,890
Total Expenses		33,798,522	27,972,895
V. Profit before tax (III - IV)		31,714,561	36,318,713
VI. Tax expense:			
Current tax		6,466,235	7,400,000
Tax related to earlier year		(4,213)	196,877
VII. Profit for the year (V - VI)		25,252,539	28,721,836
VIII. Earnings per equity share:	20		
Basic		16.44	18.70
Diluted		16.44	18.70
Significant accounting policies	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

Sanjay Singhania
Partner
Membership No.076961

Kamal Kishore Sarda
(Director)

Praharsh Agarwal
(Director)

Place : Raipur
Date : 09.05.2016

Parvatiya Power Limited
Cash Flow Statement for the year ended 31st March, 2016

Particulars	Amount (Rs)	
	31.03.2016	31.03.2015
Cash Flow from operating activities		
Profit before tax from continuing operations	31,714,561	36,318,713
Depreciation/amortization on continuing operation	9,414,072	10,462,890
Provision for gratuity	184,962	183,505
Interest Expenses	11,505,717	3,340,602
Interest Income	(3,168,766)	(50,410)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	49,650,545	50,255,300
Movements in working capital :		
Increase/(decrease) in trade payables	(803,784)	1,275,960
Decrease/(increase) in trade receivables	9,096,841	(7,304,589)
Decrease/(increase) in short-term loans and advances	(85,006,151)	273,356
Cash generated from/(used in) operations	(27,062,549)	44,500,027
Direct taxes paid (net of refunds)	(6,462,022)	(7,596,877)
Net Cash flow from/(used in) operating activities A	(33,524,571)	36,903,150
Cash flows from investing activities		
Purchase of tangible and intangible fixed assets	(3,842,040)	(141,790)
(Increase)/decrease in investments	(149,800,000)	(12,937,500)
Interest received	3,168,766	50,410
Net cash flow from/(used in) investing activities B	(150,473,274)	(13,028,880)
Cash flows from financing activities		
Proceeds / (Repayment) from long-term borrowings	-	(20,000,000)
Proceeds / (Repayment) from short-term borrowings	196,439,826	-
Interest paid	(11,505,717)	(3,340,602)
Net cash flow from/(used in) financing activities C	184,934,109	(23,340,602)
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	936,265	533,668
Cash and Cash Equivalents at the beginning of the year	1,477,137	943,469
Cash and Cash Equivalents at the end of the year	2,413,402	1,477,137
Components of cash and cash equivalents		
Cash in hand	15,001	22,165
With banks- on current account	2,398,401	1,454,972
	2,413,402	1,477,137

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

SANJAY SINGHANIA

Partner

Membership No.076961

Kamal Kishore Sarda

(Director)

Praharsh Agarwal

(Director)

Place : Raipur

Date : 09.05.2016

Parvatiya Power Limited

Notes to Financial Statements for the year ended 31st March, 2016

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. 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 in accordance with the generally accepted accounting principles under the historical cost convention, on going concern concept and in compliance with the accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- 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) Intangible Assets

Intangible Assets are carried at its cost, less accumulated amortisation and impairment losses, if any. All costs, including financing costs relating to development of intangible assets which takes substantial period of time to get ready for its intended use are also included to the extent they are incurred, till commencement of commercial production.

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 II of the Companies Act, 2013.
- ii) Depreciation on fixed assets added/disposed 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.
- vi) Intangible assets the life of which is not determined are amortised over a period of five years.

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

Parvatiya Power Limited

Notes to Financial Statements for the year ended 31st March, 2016

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/attribution 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.

Parvatiya Power Limited

Notes to Financial Statements for the year ended 31st March, 2016

3. Share Capital	Amount (Rs)	
	31.03.2016	31.03.2015
Authorised		
30,00,000 Equity Shares of Rs.10/- each (P.Y.:30,00,000 Shares)	30,000,000	30,000,000
Issued, Subscribed and fully paid-up share		
15,35,650 Equity Shares of Rs.10/- each (P.Y.:15,35,650 Shares) fully paid-up	15,356,500	15,356,500

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

Particulars	Amount (Rs)	
	Nos.	Nos.
Shares outstanding at the beginning of the year	1,535,650	1,535,650
Add: Shares Issued during the year	-	-
Less: Shares bought back 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

Name of Shareholder	31.03.2016		31.03.2015	
	No. of Shares	%	No. of Shares	%
Sarda Energy & Minerals Limited	783,182	51.00%	783,182	51.00%
Chhattisgarh Investments Limited	205,938	13.41%	205,938	13.41%
Sarda Agriculture & Properties Private Limited	170,000	11.07%	170,000	11.07%
	1,159,120	75.48%	1,159,120	75.48%

4. Reserves & Surplus	Amount (Rs.)	
	31.03.2016	31.03.2015
Capital Reserves		
Balance as per last Balance Sheet	36,750,000	36,750,000
Closing Balance	36,750,000	36,750,000
Securities Premium Reserve		
Balance as per last Balance Sheet	111,208,500	111,208,500
Closing Balance	111,208,500	111,208,500
Surplus in Profit & Loss Account		
Opening balance	104,886,532	76,164,696
(+) Net Profit/(Net Loss) For the current year	25,252,539	28,721,836
Closing Balance	130,139,071	104,886,532
Total reserves and surplus	278,097,571	252,845,032

Parvatiya Power Limited

Notes to Financial Statements for the year ended 31st March, 2016

5. Long term Provisions	Amount (Rs.)	
	31.03.2016	31.03.2015
Provision for Gratuity	720,585	529,936
Total	720,585	529,936

6. Other Current Liabilities	Secured		Unsecured	
	Amount (Rs)		Amount (Rs)	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Loans and advances from Body Corporate repayable on demand	-	-	216,439,826	-
Current maturities of Long-Term Debt	-	20,000,000	-	-
<u>Other liabilities</u>				
Interest accrued but not due on borrowings	-	-	-	109,825
TDS payable	-	-	1,091,406	25,356
Others Payables	-	-	1,032,354	1,097,397
Total	-	20,000,000	218,563,586	1,232,578

7. Short term Provisions	Amount (Rs.)	
	31.03.2016	31.03.2015
Provision for Gratuity	45,208	50,895
Provision for Leave Encashment	5,758	5,758
Provision for taxation (net of advance)	-	1,694,966
Total	50,966	1,751,619

Parvatiya Power Limited

Notes to Financial Statements for the year ended 31st March, 2016

8. Tangible Assets	Gross Block			Accumulated Depreciation			Net Block		
	Balance as at 01.04.2015	Additions/ (Disposals)	Balance as at 31.03.2016	Balance as at 01.04.2015	Depreciation charge for the year	On disposals	Balance as at 31.03.2016	Balance as at 31.3.2015	Balance as at 31.03.2016
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
Tangible Assets									
Freehold Land	1,383,763	3,181,040	4,564,803	-	-	-	-	1,383,763	4,564,803
Leasehold Land	3,798,175	-	3,798,175	1,485,870	126,940	-	1,612,810	2,312,305	2,185,365
Road	1,099,995	-	1,099,995	1,044,995	-	-	1,044,995	55,000	55,000
Plant and Equipment	354,332,644	-	354,332,644	119,959,803	8,351,078	-	128,310,881	234,372,841	226,021,763
Furniture and Fixtures	276,119	-	276,119	245,114	5,560	-	250,674	31,005	25,445
Vehicles	649,332	-	649,332	314,435	84,547	-	398,982	334,897	250,350
Office equipment	1,032,150	-	1,032,150	868,643	38,558	-	907,201	163,507	124,949
Total	362,572,178	3,181,040	365,753,218	123,918,860	8,606,683	-	132,525,543	238,653,318	233,227,675
Previous year	362,430,388	141,790	362,572,178	114,131,159	9,787,701	-	123,918,860	248,299,229	238,653,318

9. Intangible Assets	Gross Block			Accumulated Depreciation			Net Block		
	Balance as at 01.04.2015	Additions/ (Disposals)	Balance as at 31.03.2016	Balance as at 01.04.2015	Depreciation charge for the year	On disposals	Balance as at 31.03.2016	Balance as at 31.3.2015	Balance as at 31.03.2016
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
Right to use Land	3,375,945	661,000	4,036,945	1,350,378	807,389	-	2,157,767	2,025,567	1,879,178
Total	3,375,945	661,000	4,036,945	1,350,378	807,389	-	2,157,767	2,025,567	1,879,178
Previous year	3,375,945	-	3,375,945	675,189	675,189	-	1,350,378	2,700,756	2,025,567

Parvatiya Power Limited

Notes to Financial Statements for the year ended 31st March, 2016

10. Non Current Investment	Amount (Rs.)	
	31.03.2016	31.03.2015
Unquoted equity instruments, fully Paid up		
In Associate Company		
1840000 (345000) Equity Shares of Rs.10/- each of Sarda Dairy & Food Products Private Limited	184,360,000	34,560,000
75 (75) Equity Shares of Rs.10/- each of Apex Equipment Private Limited	2,377,500	2,377,500
Total	186,737,500	36,937,500
11. Inventories (valued at lower of cost and net realizable value)	Amount (Rs.)	
	31.03.2016	31.03.2015
Stores and spares	200,971	200,971
Total	200,971	200,971
12. Short term Loans and advances	Amount (Rs.)	
	31.03.2016	31.03.2015
Loan to Associate Company	83,940,574	-
Advances recoverable in cash or in kind (Unsecured, Considered good)	556,894	315,589
Others		
Income Tax Refund Receivable	1,205,537	110,551
Arbitration Claim Receivable	-	205,515
Pre-paid Expenses	379,877	445,077
TOTAL	86,082,882	1,076,732
13. Trade Receivables	Amount (Rs.)	
	31.03.2016	31.03.2015
<u>Unsecured, considered good</u>		
Outstanding for a period exceeding six months from the date they are due for payment	-	-
Others	2,247,600	11,344,441
Total	2,247,600	11,344,441
14. Cash and Cash Equivalents	Amount (Rs.)	
	31.03.2016	31.03.2015
Balances with banks on current account	2,398,401	1,454,972
Cash in hand	15,001	22,165
Total	2,413,402	1,477,137
15. Revenue from operation	Amount (Rs.)	
	31.03.2016	31.03.2015
Sale of electricity	63,361,837	65,289,845
<u>Less:</u>		
Rebate	1,017,520	1,048,647
Total	62,344,317	64,241,198
16. Other Income	Amount (Rs.)	
	31.03.2016	31.03.2015
<u>Interest Income on</u>		
Bank Deposits	8,853	34,869
Others	3,159,913	15,541
Total	3,168,766	50,410
17. Employee Benefits Expense	Amount (Rs.)	
	31.03.2016	31.03.2015
Salaries, wages and other benefits	5,422,239	4,887,117
Contributions to Provident fund	273,913	224,266
Gratuity Expenses	279,523	215,120
Employees welfare expenses	1,191,341	1,665,773
Total	7,167,016	6,992,276

Parvatiya Power Limited

Notes to Financial Statements for the year ended 31st March, 2016

18. Operating and Other Expenses	Amount (Rs.)	
	31.03.2016	31.03.2015
Repair & Maintenance		
- To Plant & Machinery	3,218,455	4,520,208
- To Others	10,790	32,750
Operation & Maintenance	154,090	238,849
Establishment & Site Expenses	48,349	240,000
Electricity Charges	32,827	91,087
Insurance Expenses	452,519	397,772
Rent	498,190	661,682
Communication expenses	84,151	102,166
Legal & Professional Fees	208,016	211,619
Travelling & Conveyance Expenses	321,229	289,004
Vehicle Running & Maintenance	95,069	47,387
Printing & Stationery	33,343	47,192
Payment to Auditor	143,125	140,450
Miscellaneous Expenses	411,565	156,961
Total	5,711,718	7,177,127

Payments to the Auditor as:	Amount (Rs.)	
	31.03.2016	31.03.2015
- Statutory Audit Fees	114,500	112,360
- Tax Audit Fees	28,625	28,090
Total	143,125	140,450

19. Finance Costs	Amount (Rs.)	
	31.03.2016	31.03.2015
Interest on Term Loans	977,115	3,336,686
Interest on Others	10,521,560	52
Bank Charges	7,042	3,864
Total	11,505,717	3,340,602

20. Earnings per share (EPS)	Amount (Rs.)	
	31.03.2016	31.03.2015
Net profit/(Loss) as per statement of profit and loss	25,252,539	28,721,836
Net profit/(Loss) for calculation of basic EPS & Diluted EPS	25,252,539	28,721,836
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	16.44	18.70
- Diluted earning per share	16.44	18.70

Parvatiya Power Limited

Notes to Financial Statements for the year ended 31st March, 2016

- 21** Contingent Liability not provided for : Rs. NIL (Previous Year Rs.NIL)
- 22** During the Financial Year 2014-15, the Income Tax Department has conducted a search and survey operation in office premises of the company on 11.12.2014 u/s132 and 133A of the Income Tax Act,1961. During the course of search various documents and records have been seized by them. The company does not foresee any liability at this stage, however the due provision of liability, if any, shall be made after completion of the block assessment.
- 23** 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.
- 24** 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.
- 25 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 (Gratuity)	Rs. in Lacs (Gratuity)
	2015-16	2014-15
Current Service cost	0.90	0.71
Interest cost on benefit obligation	0.54	0.39
Expected return on plan assets	0.00	0.00
Net actuarial loss recognised in the year	1.36	1.05
Past service cost	0.00	0.00
Actual return on plan assets	2.80	2.15

	2015-16	2014-15
Balance Sheet details of provision for Gratuity		
Defined benefit obligation	7.66	5.81
Fair value of plan assets	0.00	0.00
	7.66	5.81
Less : Unrecognised past service cost	0.00	0.00
Plan liability	7.66	5.81

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

	2015-16	2014-15
Defined benefit obligation as at April 1, 2015	5.81	3.97
Interest cost	0.54	0.39
Current Service Cost	0.90	0.71
Benefits paid	(0.95)	(0.31)
Actuarial losses on obligation	1.36	1.05
Defined benefit obligation as at March 31, 2016	7.66	5.81

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.

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

	2015-16	2014-15
Discount Rate	8.00%	8.00%
Increase in Compensation cost	6.00%	5.00%
Expected average remaining working lives of employee (years)	22.39	22.33

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	
	2015-16	2014-15
Provident Fund	2.74	2.24

26 Related party Disclosures:

Related parties and nature of relationship where control exists:-

<u>Holding Company</u>	<u>Associate Company</u>
Sarda Energy & Minerals Ltd.	Sarda Dairy & Food Products Pvt. Ltd.

Key Managerial Personnel

- Mr.Kamal Sarda
- Mr.Bhagwati Prasad Agarwal (Resigned on 10.03.2016)
- Mr.Kashmirilal Agarwal
- Mr. Aditya Ghanshyam Sarda (Appointed on 10.03.2016)
- Miss Sheen Agarwal (Resigned on 10.03.2016)
- Mr.Praharsh Agarwal (Appointed on 10.03.2016)

Enterprises significantly influenced by the key management personnel and their relatives

- Chhattisgarh Hydro Power LLP
- Kashmirilal Constructions Pvt. Ltd.
- Apex Equipment Pvt. Ltd.
- Vikash Associates

Transactions with related Parties

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

Nature of Transactions	Holding Company		Associate Company		Enterprises where significant influence exists	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Transactions during the year						
Payment for Services	-	-	-	-	3.06	3.57
Payment for Repair & Maintenance	-	-	-	-	1.92	-
Loans Taken	3,263.41	127.10	-	-	-	-
Repayment of Loans Taken	1,189.91	127.10	-	-	-	-
Interest Paid on Loans Taken	101.00	-	-	-	-	-
Loans Granted	-	154.80	811.00	-	-	-
Repayment received of Loans Granted	-	154.80	-	-	-	-
Interest received on Loans Granted	-	0.16	31.56	-	-	-
Investment made	-	-	1,498.00	105.60	-	23.78
Closing Balance						
Receivable	-	-	839.41	-	-	-
Payable	2,164.40	-	-	-	-	3.57

B. Details of Material Transaction with related parties

	2015-16	2014-15
Payment for Services		
Vikash Associates	3.06	3.57
Payment for Repair & Maintenance		
Kashmirilal Constructions Pvt. Ltd.	1.92	-
Loans Taken		
Sarda Energy and Minerals Ltd	3,263.41	127.10
Repayment of Loan Taken		
Sarda Energy and Minerals Ltd	1,189.91	127.10
Interest paid on Loan taken		
Sarda Energy and Minerals Ltd	101.00	-
Loans Granted		
Sarda Energy and Minerals Ltd	-	154.80
Sarda Dairy & Food Products Pvt. Ltd.	811.00	-
Repayment received of Loan Granted		
Sarda Energy and Minerals Ltd	-	154.80
Interest received on loans granted		
Sarda Energy and Minerals Ltd	-	0.16
Sarda Dairy & Food Products Pvt. Ltd.	31.56	-
Investment made		
Sarda Dairy & Food Products Pvt. Ltd.	1,498.00	105.60
Apex Equipment (P) Ltd.	-	23.78
Amount Payable		
Vikash Associates	-	3.57
Sarda Energy and Minerals Ltd	2,164.40	-
Amount Receivable		
Sarda Dairy & Food Products Pvt. Ltd.	839.41	-

27 There is no Import, no earning in foreign currency and no expenditure in foreign currency during the year.

28 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

Sanjay Singhania

Partner

Membership No.076961

Place : Raipur

Date : 09.05.2016

Kamal Kishore Sarda

(Director)

Praharsh Agarwal

(Director)