

OPSinghania & Co.

CHARTERED ACCOUNTANTS
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Independent Auditor's Report

To the Members of Parvatiya Power Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **Parvatiya Power Limited** ('the Company'), which comprise the balance sheet as at 31 March 2018, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

Management's Responsibility for the Standalone Ind AS Financial Statements

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

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

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31 March, 2018, and its financial performance including other comprehensive income, its cash flows and the changes in equity 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 section 143(11) of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the balance sheet, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
 - (d) in our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder;
 - (e) on the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 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 B"; and

- (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. the Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 26 to the standalone Ind AS financial statements;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - 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

per Sanjay Singhania
Partner
Membership No.076961

Raipur, 07th May, 2018

Annexure - A

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, are held in the name 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 any loans and made any investments, or provided any guarantees or security to the parties covered under Section 185 of the Companies Act, 2013.
- (v) In our opinion and according to the information and explanations given to us, the company has not taken any deposits from public; therefore the provisions of clause (v) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.
- (vi) According to the information and explanations provided by the management, maintenance of cost records under provisions of section 148(1) of the Act is not applicable to the company. Therefore, the provisions of clause 3 (vi) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.

- (vii) (a) According to the information & explanations given to us, during the year the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, goods & services tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. According to the information & explanations given to us, no undisputed amounts of statutory dues as stated above were in arrears as at 31st March 2018 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, goods & services tax, custom duty, excise duty, value added tax and cess which have not been deposited on account of any dispute except the followings:-

Name of the Statute	Nature of the Dues	Amount in (Rs.)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax	44,210	2013-14 and 2014-15	Rectification application filed before ACIT
The Income Tax Act, 1961	T.D.S	61,431	Before 2007-08	TDS Returns is yet to be revised.

- (viii) According to the information and explanations given to us, the company has not taken any loans or borrowings from any financial institution or bank or Government as at the balance sheet date and also not issued any debentures, therefore, the provisions of clause (viii) of the Companies (Auditors Report) order, 2016 are not applicable to the company.
- (ix) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments). Therefore, the provisions of clause (ix) of the Companies (Auditors Report) order, 2016 are not applicable to the company.
- (x) In our opinion and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year. Therefore, the provisions of clause (x) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.
- (xi) The Company has provided for managerial remuneration during the year in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Companies Act, 2013.
- (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 wherever applicable 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, 07th May, 2018

Annexure - B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Parvatiya Power Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide

reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

per Sanjay Singhania
Partner
Membership No.076961

Raipur, 07th May, 2018

Parvatiya Power Limited
Balance Sheet as at 31st March, 2018

Particulars	Note No.	As at 31.03.2018	As at 31.03.2017
(1) Non-current Assets			
(a) Property, Plant & Equipment	4	2,904,368	2,353,318
(b) Other Intangible Assets	5	218,060,111	226,118,847
(c) Financial Assets:			
Investments	6	249,119,375	135,940,007
d) Deferred Tax Assets	14	23,993,933	-
Total non-current assets		494,077,787	364,412,172
(2) Current Assets			
(a) Inventories	7	89,777	89,777
(b) Financial Assets:			
(i) Loans	8	1,906,668	93,195,540
(ii) Trade Receivables	9	28,664,981	2,263,963
(iii) Bank, Cash & Cash Equivalents	10	6,943,186	5,482,084
(c) Current Tax Assets (Net)		3,482,146	1,471,042
(d) Other Current Assets	11	938,606	1,029,539
Total current assets		42,025,363	103,531,945
TOTAL ASSETS		536,103,150	467,944,116
EQUITY AND LIABILITIES:			
Equity			
(a) Equity Share capital	12	15,356,500	15,356,500
(b) Other Equity		295,059,940	287,522,479
Total Equity		310,416,440	302,878,979
Liabilities			
(1) Non-current Liabilities :			
(a) Provisions	13	1,514,633	1,137,904
(b) Deferred Tax Liability (Net)	14	-	33,836,116
Total non-current liabilities		1,514,633	34,974,020
(2) Current Liabilities			
(a) Financial Liabilities:			
Borrowings	15	220,622,728	126,270,170
(b) Other current liabilities	16	3,435,836	3,494,961
(c) Provisions	17	113,513	325,986
Total current liabilities		224,172,077	130,091,117
TOTAL EQUITY AND LIABILITIES		536,103,150	467,944,116

The accompanying notes are integral part of the financial statements.

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As per our report of even date

For OPSinghania & Co.

(ICAI 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

Place : Raipur

Date : 07.05.2018

Kamal Kishore Sarda

(Director)

Praharsh Agrawal

(Director)

Parvatiya Power Limited**Statement of profit and loss for the year ended 31 March 2018**

Sr No.	Particulars	Notes	31.03.2018	31.03.2017
I	Revenue from operations	18	64,957,399	64,566,728
II	Other Revenue	19	20,120,233	32,759,907
III	Total Revenue		85,077,632	97,326,635
IV	Expenses			
	Employee benefit expense	20	9,460,384	7,627,640
	Finance costs	21	16,627,378	24,598,757
	Depreciation and amortisation expense	22	8,314,499	8,311,367
	Operating and Other expenses	23	27,516,861	29,951,661
	Total expenses		61,919,121	70,489,425
V	Profit before tax (III-IV)		23,158,511	26,837,210
VI	Income tax expense			
	- Current tax		1,042,317	1,649,084
	- Deferred tax		(29,301,905)	(6,905,905)
	- Income Tax for Earlier Year		(746,352)	-
VII	Profit for the period (V-VI)		52,164,451	32,094,031
VIII	Other Comprehensive income for the year			
	A (i) Items that will not be reclassified to profit or loss			
	-Actuarial gain or losses on Defined Benefit Plans		165,498	(170,884)
	(ii)Income tax relating to items that will not be reclassified to profit or loss:			
	- Actuarial gain or losses on Defined Benefit Plans		(46,042)	56,499
	B (i) Items that will be reclassified to profit or loss			
	-Fair value of long term investment		(73,320,632)	17,241,027
	(ii)Income tax relating to items that will be reclassified to profit or loss:			
	-Fair value of long term investment		28,574,185	(3,800,267)
	Other comprehensive income for the year		(44,626,991)	13,326,374
IX	Total comprehensive income for the year		7,537,461	45,420,406
X	Earning per equity share :	24	INR	INR
	Basic earnings per share		33.97	20.90
	Diluted earnings per share		33.97	20.90

The accompanying notes are integral part of the financial statements.

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As per our report of even date

For OPSinghania & Co.

(ICAI 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

Place : Raipur

Date : 07.05.2018

**Kamal Kishore Sarda
(Director)**

**Praharsh Agrawal
(Director)**

Parvatiya Power Limited
Statement of Changes in Equity for the Financial Year 31st March, 2018

a. **Equity Share Capital:**
(Equity Shares of INR 10/- each issued, subscribed and fully paid)

	No. of Shares	Value in `
At 31st March 2017	1,535,650	15,356,500
At 31st March 2018	1,535,650	15,356,500

b. Particulars	Reserves and Surplus		Other Comprehensive Income		Total other equity
	Securities Premium Reserve	Retained Earnings	FV adjustment of Investments	Remeasurement of the defined benefit plans	
Balance as of April 1st , 2016	111,208,500	130,981,772	38,312	(126,511)	242,102,073
Profit for the year	-	32,094,031	-	-	32,094,031
Defind Benefit Plan (net of taxes)	-	-	-	(114,385)	(114,385)
Fair value measurement of Long Term	-	-	13,440,759	-	13,440,759
Balance as of March 31, 2017	111,208,500	163,075,804	13,479,072	(240,896)	287,522,479

Value in `

Particulars	Reserves and Surplus		Other Comprehensive Income		Total other equity
	Securities Premium Reserve	Retained Earnings	FV adjustment of Investments	Remeasurement of the defined benefit plans	
Balance as of April 1st , 2017	111,208,500	163,075,804	13,479,072	(240,896)	287,522,479
Profit for the year	-	52,164,451	-	-	52,164,451
Defind Benefit Plan (net of taxes)	-	-	-	119,456	119,456
Fair value measurement of Long Term Investments (Net of taxes)	-	-	(44,746,447)	-	(44,746,447)
Balance as of March 31, 2018	111,208,500	215,240,255	(31,267,376)	(121,440)	295,059,940

The accompanying notes are integral part of the financial statements.

As per our report of even date

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

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

per Sanjay Singhanian
Partner
 Membership No.076961

Kamal Kishore Sarda **Praharsh Agrawal**
(Director) **(Director)**

Place : Raipur
 Date : 07.05.2018

Parvatiya Power Limited
Statement of Cash Flow for the year ended 31st March, 2018

Particulars	31.03.2018	31.03.2017
Cash Flow from operating activities:		
Profit before tax	23,158,511	26,837,210
Adjustment to Reconcile net profit to net cash provided by operating activities		
Depreciation and amortization	8,314,499	8,311,367
Provision for Gratuity	295,971	265,413
Provision for Leave Encashment	121,973	72,654
Provision for diminution in value of stores	-	111,194
Net (gain) / loss on sale of Non-current investment	-	140,870
Interest Expenses	16,621,997	24,598,757
Interest /Dividend Income	(20,120,233)	(32,759,907)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	28,392,717	27,577,558
Movements in working capital :		
Increase/(decrease) in other current liabilities	(59,126)	1,371,201
Decrease/(increase) in trade receivables	(26,401,017)	(16,363)
Decrease/(increase) in short-term loans and advances	91,288,872	(9,613,238)
Cash generated from/(used in) operations	93,221,447	19,319,158
Direct taxes paid (net of refunds)	(2,304,326)	(1,649,084)
Net Cash flow from/(used in) operating activities A	90,917,121	17,670,075
Cash flows from investing activities:		
Expenditure on property, plant and equipment and other Intangible assets	(806,813)	(560,886)
(Increase)/decrease in investments	(186,500,000)	67,968,000
Interest received	20,120,233	32,759,907
Net cash flow from/(used in) investing activities B	(167,186,580)	100,167,021
Cash flows from financing activities:		
Proceeds / (Repayment) from short-term borrowings	94,352,558	(90,169,656)
Interest paid	(16,621,997)	(24,598,757)
Net cash flow from/(used in) financing activities C	77,730,561	(114,768,413)
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	1,461,102	3,068,682
Cash and Cash Equivalents at the beginning of the year	5,482,084	2,413,402
Cash and Cash Equivalents at the end of the year	6,943,186	5,482,084
Components of cash and cash equivalents		
Cash in hand	4,998	540
With banks- on current account	6,938,188	5,481,544
	6,943,186	5,482,084

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 Agrawal
(Director)

Place : Raipur

Date : 07.05.2018

For financial year ended 31 March 2018

1. REPORTING ENTITY

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

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION AND PRESENTATION

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

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or are vision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2.2 BASIS OF MEASUREMENT

The financial statements have been prepared on the historical cost convention and on accrual basis except for the following:

- i. Defined benefit plans (like Gratuity and Leave Encashment)- Plan assets measured at fair value.
- ii. Non Current Investment is the Equity shares of Companies- Valued at Fair Value of Investment

2.3 USE OF ESTIMATES

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

3.1 Financial asset

i) Initial measurement

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

ii) Classification and subsequent measurement

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

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

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

For financial year ended 31 March 2018

Financial instruments measured at amortised cost:

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

- (a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- (b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

Financial instruments measured at fair value through other comprehensive income

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

- (a) the objective of the business model is achieved by both collecting contractual cash flows and selling financial assets
- (b) the asset's contractual cash flow represent SPPI

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

3.2 Equity Investments:

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

3.3 Trade receivables:

Trade receivables are recognised at Cost since amount is receivable from Government Department (Uttaranchal Power Corporation Limited).

For financial year ended 31 March 2018

3.4 Financial liability

i) Initial measurement

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

ii) Classification and subsequent measurement

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

- 1) financial liabilities measured at amortised cost,
- 2) financial liabilities measured at fair value through profit and loss.

Financial liabilities at amortised cost:

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

Financial liabilities at FVTPL

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

3.5 Property, plant and equipment :

i) Recognition and measurement

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

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

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

ii) Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is generally recognised in the statement of profit and loss. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold land is not depreciated.

For financial year ended 31 March 2018

iii) Subsequent costs

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

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

3.6 Intangible assets

Service Concession arrangements

I) The company recognises an intangible asset arising from service concession arrangements to the extent it has a right to charge for use of concession infrastructure .The Fair Value at the time of initial recognition of such and intangible asset received as consideration for providing construction upgrade services in a service concession arrangement, is regarded to be its cost.Subsequent to initial recognition the intangible asset is measured at cost less any accumulated amortisation .

II) Intangible assets comprising of Right to Use land rights expected to provide future economic benefits are stated at cost of acquisition/ implementation/ development less accumulated amortization.

Amortization

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

For financial year ended 31 March 2018

3.7 Government Grant:

A Government Grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs shall be recognised in profit and loss, of the period in which it becomes receivable.

3.8 Income Taxes:

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

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

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

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

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

For financial year ended 31 March 2018

3.9 Employee benefits:

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

Contribution to Provident fund and Contributory pension fund are accounted for on accrual basis. Provident fund contributions are made to a fund administered through duly constituted approved independent trust.

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

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

3.10 Provisions and contingent liabilities

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

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

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

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

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

For financial year ended 31 March 2018

3.11 Cash and cash equivalents

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

3.12 Revenue recognition

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

3.13 Other income

Interest income

Short Term Interest are measured at undiscounted basis.

Dividend income

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

3.14 Earnings per share

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

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

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

3.15 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

3.16 Impairment of financial assets

In accordance with Ind-AS 109, the LLP applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following:

- i. Financial assets that are measured at amortised cost.
- ii. Financial assets that are debt instruments and are measured as at FVTOCI.

Contract assets and trade receivables under Ind-AS 11, Construction Contracts and Ind AS-18, Revenue.

The company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract assets resulting from transactions within the scope of Ind-AS 11 and Ind- AS 18.

For recognition of impairment loss on other financial assets, the company assesses whether there has been a significant increase in the credit risk since initial recognition. If credit risk has increased significantly, ECL is provided. For assessing increase in credit risk and impairment loss, the company assesses the credit risk characteristics on instrument-by-instrument basis.

Impairment loss allowance (or reversal) recognized during the period is recognized as expense/income in the statement of profit and loss.

3.17 Impairment of non-financial assets - property, plant and equipment and intangible assets

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

Parvatiya Power Limited**Notes to Financial Statements for the year ended 31st March, 2018****4. Property, Plant and Equipment:**

Particulars	Leasehold Land	Furniture and Fixtures	Vehicles	Office Equipments	Total
Gross Block					
At Carrying Value					
At 1st April 2016	2,312,305	31,005	334,897	163,507	2,841,714
Addition	-	-	-	19,840	19,840
Disposal	-	-	-	-	-
At 1st April 2017	2,312,305	31,005	334,897	183,347	2,861,554
Addition	-	32,575	730,000	44,238	806,813
Disposal	-	-	-	-	-
At 31st March 2018	2,312,305	63,580	1,064,897	227,585	3,668,367
Depreciation					
At 1st April 2016	126,940	5,560	84,547	38,558	255,605
Depreciation charge for the year	126,940	5,560	84,547	35,584	252,631
Disposal	-	-	-	-	-
At 31st March 2017	253,880	11,120	169,094	74,142	508,236
Depreciation charge for the year	126,940	7,919	88,608	32,296	255,763
Disposal	-	-	-	-	-
At 31st March 2018	380,820	19,039	257,702	106,438	763,999
Net Book Value					
As at 31st March 2018	1,931,485	44,541	807,195	121,147	2,904,368
As at 31st March 2017	2,058,425	19,885	165,803	109,205	2,353,318

Parvatiya Power Limited**Notes to Financial Statements for the year ended 31st March, 2018****5. Other Intangible Assets:**

Particulars	Service Concession Arrangement	Total
Gross Block		
At 1st April 2016	241,679,211	241,679,211
Addition	541,046	541,046
Disposal	-	-
At 31st March 2017	242,220,257	242,220,257
Addition	-	-
Disposal	-	-
At 31st March 2018	242,220,257	242,220,257
Amortization		
At 1st April 2016	8,042,674	8,042,674
Addition	8,058,736	8,058,736
Disposal	-	-
At 31st March 2017	16,101,410	16,101,410
Amortization charge for the year	8,058,736	8,058,736
Disposal	-	-
At 31st March 2018	24,160,146	24,160,146
Net Book Value		
At 31st March 2018	218,060,111	218,060,111
At 31st March 2017	226,118,847	226,118,847

Parvatiya Power Limited**Notes to Financial Statements for the year ended 31st March, 2018**

6. Non Current Investment	As at 31.03.2018	As at 31.03.2017
Unquoted Equity Instruments		
Investments carried at fair value through other comprehensive income		
3980000 (31st March, 2017: 1120000) Equity Shares of Rs.10/- each of Sarda Dairy & Food Products Private Limited	230,840,000	117,555,200
75 (31st March 2017: 75) Equity Shares of Rs.100/- each of Apex Equipment Private Limited	2,391,375	2,496,807
24000 (31st March 2017: 24000) Equity Shares of Rs. 10/- each of Kapa Properties Pvt. Ltd.	15,888,000	15,888,000
Total	249,119,375	135,940,007
Aggregate amount of unquoted investments	249,119,375	135,940,007
7. Inventories:	As at 31.03.2018	As at 31.03.2017
Stores and spares	89,777	89,777
Total	89,777	89,777
8. Loan (Unsecured, considered good):	As at 31.03.2018	As at 31.03.2017
Short Term Loans and Advances		
Loan to Related Party	1,906,668	93,195,540
Total	1,906,668	93,195,540
9. Trade Receivables:	As at 31.03.2018	As at 31.03.2017
Unsecured, considered good		
Service concession receivables	28,664,981	2,263,963
Total	28,664,981	2,263,963
10. Bank, Cash and Cash Equivalents:	As at 31.03.2018	As at 31.03.2017
Balances with banks on current account	6,938,188	5,481,544
Cash in hand	4,998	540
Total	6,943,186	5,482,084
11. Other Current Assets:	As at 31.03.2018	As at 31.03.2017
Advances recoverable in cash or in kind (Unsecured, Considered good)	206,143	385,540
Pre-paid Expenses	732,463	643,999
Total	938,606	1,029,539

Parvatiya Power Limited
Notes to Financial Statements for the year ended 31st March, 2018

12. Equity Share Capital :

a. Authorised Share Capital:

	Equity Shares of Rs. 10/- each	
	No. of Shares	Amount in `
At 1st April 2017	3,000,000	30,000,000
Increase/ (Decrease) during the year	-	-
At 31st March 2018	3,000,000	30,000,000

Terms / Right attached to Equity Shares

The company has only one class of equity shares having par value of r 10 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. Issued equity capital

Equity shares of ` 10 each issued, subscribed and fully paid	No. of Shares	Amount in `
At 1st April 2017	1,535,650	15,356,500
Increase/ (Decrease) during the year	-	-
At 31st March 2018	1,535,650	15,356,500

c. Shares of the Company held by Holding Company

Out of equity shares issued by the company, shares held by its holding company are as below:

Sarda Energy and Minerals Limited, Holding Company		
783182 (P.Y. 783182) Equity Shares of 10/- each	7,831,820	7,831,820

d. Details of Shareholders holding more than 5% Shares in the company:

Name of Shareholders Holding ` 10 each Equity Shares fully paid of Company	As at 31st March 2018		As at 31st March 2017	
	No. of Shares	% holding in Shares	No. of Shares	% holding in Shares
Sarda Energy and 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%

Parvatiya Power Limited**Notes to Financial Statements for the year ended 31st March, 2018**

13. Provisions:	As at 31.03.2018	As at 31.03.2017
Provision for Gratuity	1,202,805	926,119
Provision for Leave Encashment	311,828	211,785
Total	1,514,633	1,137,904

14. Deferred tax (assets) / liabilities:	As at 31.03.2018	As at 31.03.2017
Accelerated depreciation for tax purposes	40,831,635	46,943,091
Gratuity and other employees benefits	(457,907)	(531,942)
On fair value of investments	(32,249,933)	(3,675,748)
Unused Tax credit	(32,117,728)	(8,899,286)
Total	(23,993,933)	33,836,116

Reconciliation of deferred tax (assets)/ Liabilities:	As at 31.03.2018	As at 31.03.2017
Opening balance as at 1 April	33,836,116	44,248,455
Tax income/expense during the period	(35,653,923)	(1,513,054)
	(1,817,808)	42,735,402
Recognition of unused tax credit during the period	(22,176,125)	(8,899,286)
Closing balance	(23,993,933)	33,836,116

15. Borrowings:	Unsecured	
	As at 31.03.2018	As at 31.03.2017
Loans and advances from holding company repayable on demand	220,622,728	126,270,170
Total	220,622,728	126,270,170

16. Other Current Liabilities:	As at 31.03.2018	As at 31.03.2017
<u>Other liabilities</u>		
TDS payable	1,729,354	2,521,604
Others Payables	1,706,482	973,357
Total	3,435,836	3,494,961

17. Provisions:	As at 31.03.2018	As at 31.03.2017
Provision for Gratuity	67,860	310,037
Provision for Leave Encashment	45,653	15,949
Total	113,513	325,986

Parvatiya Power Limited

Notes to Financial Statements for the year ended 31st March, 2018

18. Revenue from operation	31.03.2018	31.03.2017
Service Concession Revenue	64,957,399	64,566,728
Total Sale of Services	64,957,399	64,566,728

SERVICE CONCESSION ARRANGEMENT:

Management has assessed applicability of Appendix A of Ind AS 11: Service Concession Arrangements to power distribution arrangements entered into by the company. In assessing the applicability, management has exercised significant judgement in relation to the underlying ownership of the assets, terms of the power distribution arrangements entered with the grantor, ability to determine prices, fair value of construction service, assessment of right to guaranteed cash etc. Based on detailed evaluation, management has determined that this arrangement meet the criteria for recognition as service concession arrangements.

Power Distribution:

On 22nd April, 2004, the company had entered into Implementation agreement with Governor of state of Uttaranchal for distribution of power to Uttaranchal power corporation limited 'UPCL'.

As per the terms of the arrangements, the Company had obtained the right ('franchise') to distribute the electricity for the period of 40 years to Uttaranchal Power Corporation Limited.

Disposal of Power Generated:

The Company shall dispose off power from the project, after allowing Royalty Energy, in the following mode:

(i) Sell power to the UPCL, and such sales shall be governed by the power purchase agreement 'PPA' signed between UPCL and the company as approved by Uttaranchal Electricity Regulatory Commission 'UERC'.

(ii) If the company and UPCL so desires then the PPA already signed may be treated canceled on their mutually agreeing and in such the company will be free to sell energy as per the policy of the Government of Uttaranchal for projects upto 25MW as per the Electricity Act, 2003.

Right and Title over the site:

The company shall have exclusive rights to the use of the site in accordance with the provisions of the agreement and for the purpose of this the entry and use of the project by third parties.

The company shall not sublet any part or the whole of the site save and except as may be expressly set forth in the agreement, provided however that nothing contained herein shall be construed or interpreted as restricting the right of company to appoint contractors for the performance of its obligation hereunder including for operation and maintenance of all or any part of the project including the project facilities.

Plant Operation and Maintenance:

Subject to the provisions of the agreement, the company shall operate and maintain, and if required, effect improvement (within overall scope of the project implementation) in the project in accordance with:

- (i) Prudent utility practices,
- (ii) All applicable laws and directive,
- (iii) The manual, instructions, manufactures guidelines supplied by construction contractors, manufactures of equipments/ supplies, etc.
- (iv) The Grid Code,
- (v) Dispatch instructions, and
- (vi) Rated capacity subject to normal derating / deterioration.

The Project/ Unit shall be capable of meeting the load despatch requirements. The company shall follow the directive of control centre/ NRLDC in the interest of integrated grid operation.

Parvatiya Power Limited

Notes to Financial Statements for the year ended 31st March, 2018

Any dispute with reference to the directive of the control centre/NRLDC shall be referred to CEA whose decision in such a matter shall be final. Pending the decision of CEA, Control Centre/ NRLDC's directives shall prevail in the interest of smooth operation of the grid.

Indemnity:

The company shall be fully responsible for any damage or loss arising out of the construction, operation and maintenance of the project to any property or persons and also undertake to indemnify the government on such account.

Therefore, the arrangement is a service concession arrangement under Appendix A to Ind AS-11. The company had a contractual right to receive consideration equivalent to the realisable value of assets, or the historical depreciated cost of the project, whichever is lower. The takeover price shall be determined by an independent registered Valuer appointed by the government. Further, the company had right to charge from the UPCL for the supply of power and therefore, there was as intangible assets.

19. Other Income	31.03.2018	31.03.2017
Interest Received From Others	2,118,519	10,332,476
Dividend Income	18,001,714	22,427,431
Total Other Income	20,120,233	32,759,907

20. Employee Benefits Expenses:	31.03.2018	31.03.2017
Salaries, wages and other benefits	7,308,505	5,720,315
Contributions to Provident fund	345,173	314,913
Gratuity Expenses	258,997	265,413
Leave Expenses	114,852	72,654
Employees welfare expenses	1,432,857	1,254,345
Total	9,460,384	7,627,640

21. Finance Costs:	31.03.2018	31.03.2017
Interest on Others	16,621,997	24,592,461
Bank Charges	5,381	6,296
Total	16,627,378	24,598,757

22. Depreciation and Amortization Expenses:	31.03.2018	31.03.2017
Depreciation on Property, Plant and Equipment	255,763	252,631
Amortization on Other Intangibles Assets	8,058,736	8,058,736
Total	8,314,499	8,311,367

Parvatiya Power Limited**Notes to Financial Statements for the year ended 31st March, 2018**

23. Operating and Other Expenses	31.03.2018	31.03.2017
Repair & Maintenance		
- To Plant & Machinery	5,727,124	2,545,921
- To Others	3,255	-
Rebate on Sale of Services	285,635	645,666
Operation & Maintenance	44,830	41,301
Establishment & Site Expenses	103,394	177,904
Electricity Charges	132,731	48,511
Insurance Expenses	441,754	467,791
Rent	896,310	328,728
Communication expenses	81,604	62,210
Legal & Professional Fees	300,307	929,933
Travelling & Conveyance Expenses	296,066	331,583
Vehicle Running & Maintenance	279,515	170,657
Printing & Stationery	53,782	38,715
Loss on sale of long term investments	-	140,870
Loss on dimution in the value of stores	-	111,194
Loss on Sale of Mutual Fund	18,341,784	23,566,272
Contribution to political party	101,000	-
Payment to Auditor	206,500	201,250
Miscellaneous Expenses	221,271	143,156
Total	27,516,861	29,951,661
Payments to the Auditor as:	31.03.2018	31.03.2017
- Statutory Audit Fees	177,000	172,500
- Tax Audit Fees	29,500	28,750
Total	206,500	201,250
24. Earnings per share (EPS)	31.03.2018	31.03.2017
Net profit/(Loss) as per statement of profit and loss	52,164,451	32,094,031
Net profit/(Loss) for calculation of basic EPS & Diluted EPS	52,164,451	32,094,031
Weighted average number of equity shares in calculating Basic EPS	1535650	1535650
Weighted average number of equity shares in calculating Diluted EPS	1535650	1535650
Basic & Diluted EPS		
- Basic earning per share	33.97	20.90
- Diluted earning per share	33.97	20.90

Parvatiya Power Limited

Notes to Financial Statements for the year ended 31st March, 2018

25. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 19 EMPLOYEE BENEFITS:

a. Defined Contribution Plan:

Amount of Rs. 3,45,173 (P.Y. Rs. 3,14,913) is recognised as an expenses and included in employee benefit expense as under the following defined contribution plans (Refer Note no. 20)

Benefit (Contribution to):	2017-18	2016-17
Provident Fund	345,173	314,913
Total	345,173	314,913

b. Defined benefit plan:

Gratuity:

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. The Gratuity plan provides a lumpsum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount equivalent to 15 to 30 days salary for each completed year of service subject to a maximum of Rs. 20 lacs. Vesting occurs upon completion of five continuous years of service in accordance with Indian law.

Particulars	Gratuity		Leave Encashment	
	2017-18	2016-17	2017-18	2016-17
	(Funded)	(Funded)	(Non Funded)	(Non Funded)
I Change in Present value of defined benefit obligation during the year:				
1 Present value of defined benefit obligation at the beginning of the year	1,236,156	765,793	227,734	189,146
2 Interest Cost	92,444	61,263	17,015	15,132
3 Current Service Cost	166,553	204,150	97,837	57,522
4 Past Service Cost	-	-	-	-
5 Benefit paid directly by employer	(36,374)	-	(7,121)	-
6 Actuarial Changes arising due to assumptions	(188,113)	204,950	22,016	(34,066)
7 Present value of defined benefit obligation at the end of the year	1,270,666	1,236,156	357,481	227,734
II Change in fair value of plan assets during the year:				
1 Fair value of plan assets at the beginning of the year	-	-	-	-
2 Interest Income	-	-	-	-
3 Contribution paid by the employer	-	-	-	-
4 Benefit paid from the fund	-	-	-	-
5 Fair value of plan assets at the end of the year	-	-	-	-
III Net asset / (liability) recognised in the balance sheet:				
1 Present Valur of defined benefit obligation at the end of the year	1,270,666	1,236,156	357,481	227,734
2 Fair value of plan assets at the end of the year	-	-	-	-
3 Amount recognised in the balance sheet	1,270,666	1,236,156	357,481	227,734
Net asset / (liability) - Current	67,860	310,037	45,653	15,949
Net asset / (liability) - Non Current	1,202,806	926,119	311,828	211,785
IV Expenses recognized in the statement of profit and loss for the year:				
Current Service Cost	166,553	204,150	97,837	57,522
Interest Cost on benefit obligation (Net)	92,444	61,263	17,015	15,132
Total expenses included in employee benefits expenses	258,997	265,413	114,852	72,654

Parvatiya Power Limited

Notes to Financial Statements for the year ended 31st March, 2018

V Recognized in other comprehensive income for the year:

Actuarial Changes arising from due to assumptions	(188,113)	204,950	22,016	(34,066)
Recognized in other comprehensive income for the year:	(188,113)	204,950	22,016	(34,066)

VI Maturity profile of defined benefit obligation:

Within the next 12 months (next annual reporting period)	57,219	78,816	16,966	17,776
Between 2 and 5 years	204,724	520,604	60,514	64,980
Between 6 and 10 years	407,795	375,073	61,630	70,307
Above 10 years	600,928	261,663	218,371	74,671

VII Quantitative Sensitivity analysis for significant assumption is as below:

1	Under Based Scenario	1,270,666	1,236,156	357,481	227,734
	1% point increase in discount rate	1,145,482	1138507	371,351	205,318
	1% point decrease in discount rate	1,417,366	1351207	406,325	254,425
	1% point increase rate of salary Increase	1,408,231	1323311	371,142	255,770
	1% point decrease rate of salary Increase	1,148,525	1159299	344,292	203,858
	1% point increase rate of withdrawals	1,258,548	1258745	354,441	231,322
	1% point decrease rate of withdrawals	1,284,478	1209646	361,182	223,630

2 Sensitivity Analysis Method:

Sensitivity Analysis is determined based on the expected movement in liability if the assumption were not proved to be true on different count.

Particulars	Gratuity		Leave Encashment	
	2017-18	2016-17	2017-18	2016-17
	Non Funded	Non Funded	Non Funded	Non Funded
VIII The major categories of plan assets as a percentage of total:				
Insurer managed funds	NA	NA	NA	NA
IX Actuarial assumptions:				
1 Discount rate	7.59%	7.50%	7.59%	7.50%
2 Salary escalation	8.00%	6.00%	8.00%	6.00%
3 Mortality rate during employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
4 Mortality post retirement rate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
5 Rate of Employee Turnover	1% to 5%	1% to 8%	1% to 5%	1% to 8%
6 Future Benefit Cost Inflation	NA	NA	NA	NA
7 Medical premium inflation Rate	NA	NA	NA	NA

Expected contribution to the defined plan for the next reporting period:

Notes:

- The actuarial valuation of plan assets and the present value of the defined obligation were carried out at 31st March, 2018. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the projected Unit Credit Method.
- Discount rate is based on the prevailing market yield of Indian Government securities as at the balance sheet date for the estimated term of the obligations.
- The salary escalation rate is arrived after taking into consideration the seniority, the promotion and other relevant factors, such as, demand and supply in employment market.

26. Contingent Liabilities that are not provided for in respect of :-

- Disputed Demand of Rs. 44,210 (P.Y. Rs. 44,210) the Income tax Act, 1961 against which the company has rectification application before assessing officer.
- Demand shown in traces portal for Short payment, Non deduction of TDS and Interest on such default to the tune of Rs. 61431/- (P.Y. Rs. 61,431/-) for the earlier assessment years were appearing against which the company is going to revise the returns.

Parvatiya Power Limited**Notes to Financial Statements for the year ended 31st March, 2018**

27. Financial risk management objective and policies:

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

The Company is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Interest rate risk

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

Credit Risk:

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

Trade Receivable:

Trade receivables represent the most significant exposure to credit risk but the company is having a single customer and there was no any history of bad debts. Hence, no any allowance for impairment considered.

Cash and cash equivalents:

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

Investments:

The company listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The company Board of Directors reviews and approves all equity investment decisions.

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

Particulars	31st March 2018	31st March 2017
Trade and other receivables	28,664,981	2,263,963
Investments	249,119,375	135,940,007
Bank, Cash and cash equivalents	6,943,186	5,482,084

Ageing Analysis:

	31st March 2018	31st March 2017
Upto 3 months	28,664,981	2,263,963

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

Parvatiya Power Limited

Notes to Financial Statements for the year ended 31st March, 2018

Liquidity Risk:

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

Maturities of financial liabilities:

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

As at 31st March 2018	On demand	Less than 1 Year	More than 1 Year
Borrowings	220,622,728	-	-

As at 31st March 2017	On demand	Less than 1 Year	More than 1 Year
Borrowings	126,270,170	-	-

Interest rate risk :

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

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

a) Interest rate risk exposure

	31st March 2018	31st March 2017
Variable rate borrowings	-	126,270,170
Fixed rate borrowings	220,622,728	-

b) Sensitivity analysis

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

	Impact on profit after tax	
	31st March 2018	31st March 2017
Interest rates - increase by 35 basis points	-	(441,946)
Interest rates - decrease by 35 basis points	-	441,946

Price Risk:

The entity is exposed to equity price risk, which arises out from FVTPL quoted mutual funds and FVTOCI unquoted equity shares. The management monitors the proportion of equity securities in its investment portfolio based on market indices. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the management. The primary goal of the entity's investment strategy is to maximize investments returns.

Sensitivity Analysis for Price Risk:

Equity Investments carried at FVTOCI are not listed on the stock exchange. For equity investments classified as at FVTOCI, the impact of a 2 % in the index at the reporting date on profit & loss would have been an increase of Rs.49.82 lacs (2016-17: Rs. 27.19 lacs); an equal change in the opposite direction would have decreased profit and loss.

Parvatiya Power Limited

Notes to Financial Statements for the year ended 31st March, 2018

28. CAPITAL MANAGEMENT:

The Company's main objectives when managing capital are to:

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

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

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

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

	(Amount in INR)	
	31st March 2018	31st March 2017
Total liabilities	220,622,728	126,270,170
Less : Cash and cash equivalent	6,943,186	5,482,084
Net debt	213,679,542	120,788,086
Total equity	310,416,440	302,878,979
Net debt to equity ratio	0.69	0.40

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

29. Details of Loans Given, Investments Made And Guarantee Given Covered Under Section 186 (4) Of The Companies Act, 2013:

Name of the Party	31st March 2018	31st March 2017
<u>Loan Given:</u>		
Sarda Dairy & Food Products Pvt. Ltd.	1,906,668	93,195,540
<u>Investments Made:</u>		
Sarda Dairy & Food Products Pvt. Ltd.	230,840,000	117,555,200
Kapa Properties Private Limited	15,888,000	15,888,000
Apex Equipment Private Limited	2,391,375	2,496,807

Parvatiya Power Limited**Notes to Financial Statements for the year ended 31st March, 2018****30. FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATIONS AND FAIR VALUE MEASUREMENTS:**

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

Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to the short-term maturities of these instruments.

2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 : quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

	Carrying amount			
	As at 31.03.2017	Level 1	Level 2	Level 3
Financial assets at amortised cost:				
Service Concession receivable	2,263,963	-	-	-
Loans and other receivables (current)	1,029,539	-	-	-
Bank, Cash and cash Equivalents	5,482,084	-	-	-
Total	8,775,586	-	-	-
Financial assets at fair value through other comprehensive income:				
Investments	135,940,007	-	135,940,007	-
Total	135,940,007	-	135,940,007	-
Financial liabilities at amortised cost:				
Borrowings from Related party	126,270,170	-	-	-
Total	126,270,170	-	-	-

During the reporting period ending 31st March, 2017 and 31st March, 2018, there were no transfers between Level 1 and Level 2 fair value measurements.

	Carrying amount			
	As at 31.03.2018	Level 1	Level 2	Level 3
Financial assets at amortised cost:				
Service Concession receivable	28,664,981	-	-	-
Loans and other receivables (current)	938,606	-	-	-
Bank, Cash and cash Equivalents	6,943,186	-	-	-
Total	36,546,772	-	-	-
Financial assets at fair value through other comprehensive income:				
Investments	249,119,375	-	249,119,375	-
Total	249,119,375	-	249,119,375	-

Financial liabilities at amortised cost:

Borrowings from Related party	220,622,728	-	-	-
Total	220,622,728	-	-	-

31. Related party Disclosures:

Related parties and nature of relationship where control exists:-

Holding Company

Sarda Energy & Minerals Ltd.

Key Managerial Personnel

Mr.Kamal Kishore Sarda

Mr.Kashmirilal Agarwal

Mr. Aditya Ghanshyam Sarda

Mr.Praharsh Agarwal

Enterprises significantly influenced by the key management personnel and their relatives

Kashmirilal Constructions Pvt. Ltd.

Apex Equipment Pvt. Ltd.

Vikash Associates

Sarda Dairy & Food Products Pvt. 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	
	2017-18	2016-17	2017-18	2016-17
Transactions during the year				
Payment for Services	-	-	-	8.99
Loans Taken	2,347.00	970.00	-	-
Repayment of Loans Taken	1,553.00	2,093.00	-	-
Interest Paid on Loans Taken	166.14	245.89	-	-
Interest received on Loans Granted	-	-	21.19	102.83
Investment made	-	-	1,865.00	-
<u>Closing Balance</u>				
Receivable	-	-	19.06	931.96
Payable	2,206.23	1,262.70	-	-

Parvatiya Power Limited

Notes to Financial Statements for the year ended 31st March, 2018

Nature of Transactions	Key Mangerial Personnal	
	2017-18	2016-17
Transactions during the year		
Remuneration Paid	11.45	-

B. Details of Material Transaction with related parties

	2017-18	2016-17
Remuneration Paid		
Praharsh Agarwal	11.45	-
Payment for Services/Repair & Maintaince		
Vikash Associates	-	8.99
Loans Taken		
Sarda Energy and Minerals Ltd	2,347.00	970.00
Repayment of Loan Taken		
Sarda Energy and Minerals Ltd	1,553.00	2,093.00
Interest paid on Loan taken		
Sarda Energy and Minerals Ltd	166.14	245.89
Refund Receipt of Loan Given		
Sarda Dairy & Food Products Pvt. Ltd.	931.96	-
Interest received on loans granted		
Sarda Dairy & Food Products Pvt. Ltd.	21.19	102.83
Investment made		
Sarda Dairy & Food Products Pvt. Ltd.	1,865.00	-
Amount Payable		
Sarda Energy and Minerals Ltd	2,206.23	1,262.70
Amount Receivable		
Sarda Dairy & Food Products Pvt. Ltd.	19.06	931.96

32. 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 : 07.05.2018

Kamal Kishore Sarda**(Director)****Praharsh Agarwal****(Director)**