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 2017, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

Management's Responsibility for the 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, 2017, 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) The going concern matter described in paragraph under the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the company.

   (f) on the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;

(g) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “Annexure B”; and

(h) with respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. the Company 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;

iii. there has been no amount, required to be transferred, to the Investor Education and Protection Fund by the Company; and

iv. the Company has provided requisite disclosures in its standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note-32 to the standalone Ind AS financial statements.

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

per Sanjay Singhania
Partner
Membership No.076961

Raipur, 29th May, 2017

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 compiled 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) 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 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 2017 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 except the following:-

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) 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). 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 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 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, 29th May, 2017

Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of Parvatiya Power Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

per Sanjay Singhania
Partner
Membership No.076961

Raipur, 29th May, 2017

Parvatiya Power Limited
Balance Sheet as at 31st March, 2017

	Particulars	Note No.	As at 31.03.2017 INR	As at 31.3.2016 INR	As at 01.04.2015 INR
(1)	**Non-current Assets**				
(a)	Property, Plant & Equipment	**4**	2,353,318	2,586,109	2,841,714
(b)	Other Intangible Assets	**5**	226,118,847	233,636,537	237,837,171
(c)	Financial Assets:				
	Investments	**6**	135,940,007	186,807,850	36,958,706
	Total non-current assets		**364,412,172**	423,030,496	277,637,591
(2)	**Current Assets**				
(a)	Inventories	**7**	89,777	200,971	200,971
(b)	Financial Assets:				
	(i) Loans	**8**	93,195,540	83,940,574	-
	(ii) Trade Receivables	**9**	2,263,963	2,247,600	11,344,441
	(iii) Bank, Cash & Cash Equivalents	**10**	5,482,084	2,413,402	1,477,137
(c)	Current Tax Assets (Net)		1,471,042	1,205,537	-
(d)	Other Current Assets	**11**	1,029,539	936,771	966,181
	Total current assets		**103,531,944**	90,944,855	13,988,730
	TOTAL ASSETS		**467,944,116**	**513,975,351**	**291,626,321**
	EQUITY AND LIABILITIES:				
	Equity				
(a)	Equity Share capital	**12**	15,356,500	15,356,500	15,356,500
(b)	Other Equity		287,522,479	242,102,073	219,124,234
	Total Equity		**302,878,979**	257,458,573	234,480,734
	Liabilities				
(1)	**Non-current Liabilities :**				
(a)	Provisions	**13**	1,137,904	896,182	639,232
(b)	Deferred Tax Liability (Net)	**14**	33,836,116	36,998,253	33,629,227
	Total non-current liabilities		**34,974,020**	37,894,435	34,268,459
(2)	**Current Liabilities**				
(a)	Financial Liabilities:				
	Borrowings	**15**	126,270,170	216,439,826	20,109,825
(b)	Other current liabilities	**16**	3,494,961	2,123,760	1,122,753
(c)	Provisions	**17**	325,986	58,757	60,134
(d)	Current Tax Liability (Net)		-	-	1,584,415
	Total current liabilities		**130,091,117**	218,622,343	22,877,127
	TOTAL EQUITY AND LIABILITIES		**467,944,116**	**513,975,351**	**291,626,321**

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 Singhania
Partner
Membership No.076961

Kamal Kishore Sarda
(Director)

Praharsh Agarwal
(Director)

Place : Raipur
Date : 29.05.2017

Parvatiya Power Limited
Statement of profit and loss for the year ended 31 March 2017

Sr No.	Particulars	Notes	31.03.2017	31.03.2016
			INR	INR
I	Revenue from operations	18	64,566,728	63,361,837
II	Other Revenue	19	32,759,907	3,168,766
III	**Total Revenue**		**97,326,635**	**66,530,603**
IV	**Expenses**			
	Employee benefit expense	20	7,627,640	7,048,627
	Finance costs	21	24,598,757	11,505,717
	Depreciation and amortisation expense	22	8,311,367	8,298,279
	Operating and Other expenses	23	29,951,661	6,729,238
	Total expenses		**70,489,425**	**33,581,860**
V	**Profit before tax (III-IV)**		26,837,210	32,948,743
VI	Income tax expense			
	- Current tax		1,649,084	6,462,022
	- Deferred tax		(6,905,905)	3,420,683
VII	**Profit for the period (V-VI)**		**32,094,032**	**23,066,037**
VIII	**Other Comprehensive income for the year**			
	A (i) Items that will not be reclassified to profit or loss			
	-Acturial gain or losses on Defined Benefit Plans		(170,884)	(189,000)
	(ii)Income tax relating to items that will not be reclassified to profit or loss:			
	- Acturial gain or losses on Defined Benefit Plans		56,499	62,489
	B (i) Items that will be reclassified to profit or loss			
	-Fair value of long term investment		(3,800,267)	(10,832)
	(ii)Income tax relating to items that will be reclassified to profit or loss:			
	-Fair value of long term investment		17,241,027	49,144
	Other comprehensive income for the year		**13,326,374**	**(88,199)**
IX	**Total comprehensive income for the year**		**45,420,406**	**22,977,838**
X	**Earning per equity share :**	24	**INR**	INR
	Basic earnings per share		20.90	15.02
	Diluted earnings per share		20.90	15.02

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 Singhania
Partner
Membership No.076961

Kamal Kishore Sarda
(Director)

Praharsh Agrawal
(Director)

Place : Raipur
Date : 29.05.2017

Parvatiya Power Limited
Statement of Cash Flow for the year ended 31st March, 2017

Particulars		31.03.2017	31.03.2016
Cash Flow from operating activities:			
Profit before tax		26,837,210	32,948,743
Adjustment to Reconcile net profit to net cash provided by operating activities			
Depreciation and amortization		8,311,367	8,298,279
Provision for Gratuity		265,413	41,753
Provision for Leave Encashment		72,654	24,820
Provision for dimunition in value of stores		111,194	-
Net (gain) / loss on sale of Non-current investment		140,870	-
Interest Expenses		24,598,757	11,505,717
Interest /Dividend Income		(32,759,907)	(3,168,766)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		**27,577,558**	**49,650,545**
Movements in working capital :			
Increase/(decrease) in other current liabilities		1,371,201	(803,784)
Decrease/(increase) in trade receivables		(16,363)	9,096,841
Decrease/(increase) in short-term loans and advances		(9,613,238)	(85,006,151)
Cash generated from/(used in) operations		**19,319,158**	**(27,062,549)**
Direct taxes paid (net of refunds)		(1,649,084)	(6,462,022)
Net Cash flow from/(used in) operating activities	**A**	**17,670,074**	**(33,524,571)**
Cash flows from investing activities:			
Expenditure on property, plant and equipment and other Intangible assets		(560,886)	(3,842,040)
(Increase)/decrease in investments		67,968,000	(149,800,000)
Interest received		32,759,907	3,168,766
Net cash flow from/(used in) investing activities	**B**	**100,167,021**	**(150,473,274)**
Cash flows from financing activities:			
Proceeds / (Repayment) from short-term borrowings		(90,169,656)	196,439,826
Interest paid		(24,598,757)	(11,505,717)
Net cash flow from/(used in) financing activities	**C**	**(114,768,413)**	**184,934,109**
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)		3,068,682	936,265
Cash and Cash Equivalents at the beginning of the year		2,413,402	1,477,137
Cash and Cash Equivalents at the end of the year		**5,482,084**	**2,413,402**
Components of cash and cash equivalents			
Cash in hand		540	15,001
With banks- on current account		5,481,544	2,398,401
		5,482,084	**2,413,402**

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 : 29.05.2017

Parvatiya Power Limited

Statement of Changes in Equity for the Financial Year 31st March, 2017

a. Equity Share Capital:

(Equity Shares of INR 10/- each issued, subscribed and fully paid)

	No. of Shares	Value in `
At 1st April 2015	**3,000,000**	**30,000,000**
At 31st March 2016	**3,000,000**	**30,000,000**
At 31st March 2017	**3,000,000**	**30,000,000**

b. Other Equity **INR**

Particulars	Reserves and Surplus		Other Comprehensive Income		Total other equity
	Securities Premium Reserve	Retained Earnings	FV adjustement of Investments	Remeasuremento f the defined benefit plans	
Balance as of April 1, 2015	**111,208,500**	**108,028,511**	**-**	**-**	**219,237,011**
Prior period errors	-	(112,777)	-	-	**(112,777)**
Restated Balance at the Beginning of the Reporting Period	**111,208,500**	**107,915,734**	**-**	**-**	**219,124,234**
Profit for the year	-	23,066,037	-	-	**23,066,037**
Defind Benefit Plan (net of taxes)	-	-	-	(126,511)	**(126,511)**
Fair value measurement of Long Term Investments (Net of taxes)	-	-	38,312	-	**38,312**
Balance as of March 31, 2016	**111,208,500**	**130,981,772**	**38,312**	**(126,511)**	**242,102,073**

INR

b.

Particulars	Reserves and Surplus		Other Comprehensive Income		Total other equity
	Securities Premium Reserve	Retained Earnings	FV adjustement of Investments	Remeasuremento f 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	-	32,094,032	-	-	**32,094,032**
Defind Benefit Plan (net of	-	-	-	(114,385)	**(114,385)**
Fair value measurement of Long Term Investments (Net of taxes)	-	-	13,440,760	-	**13,440,760**
Balance as of March 31, 2017	**111,208,500**	**163,075,803**	**13,479,072**	**(240,896)**	**287,522,479**

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 Singhania
Partner
Membership No.076961

Kamal Kishore Sarda
(Director)

Praharsh Agrawal
(Director)

Place : Raipur

Date : 29.05.2017

For financial year ended 31 March 2017

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 2017

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 theP&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 2017

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) Transition to Ind AS

The Company has elected to utilize the option under Ind AS 101 of using the previous GAAP carrying amount of its plant, property, equipment as its deemed cost on the date of transition to Ind AS.

ii) First-time adoption Ind-AS standard requires the Appendix to be generally applied retrospectively. However, there is an exemption in cases where it is not practical to apply the requirements retrospectively.

iii) 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.

iv) 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 2017

v) 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 seperated 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 arragements 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 tto initial recognition the intangible asset is measured at cost less any accumlated 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.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2015, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

For financial year ended 31 March 2017

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.

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 2017

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 ben 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 measures at undiscounted basis and expensed as the related service is provided.

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
The company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

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.

3.18 First Time adoption of Ind AS

The Company has adopted Ind AS with effect from 1st April 2016 with comparatives being restated. Accordingly the impact of transition has been provided in the Opening Reserves as at 1st April 2015. The figures for the previous period have been restated, regrouped and reclassified wherever required to comply with the requirement of Ind AS and Schedule III. The reconciliations and explanations and quantification of the differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101 are summarized in 3.19.

3.19 Reconciliation:

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

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

A. Reconciliation of equity as previously reported under IGAAP to Ind AS:

		As at date of transition 1 April 2015				As at date of transition 31 March 2016			
	Note	**Previous IGAAP**	**Adjustment due to IGAAP**	**Adjustment on transition date to Ind AS**	**Ind AS**	**Previous IGAAP**	**Adjustment due to IGAAP**	**Adjustment on transition date to Ind AS**	**Ind AS**
ASSETS									
Non Current assets									
Property, Plant & Equipment	**(i) & (ii)**	238,653,318	-	(235,811,604)	2,841,714	233,227,675	-	(230,641,566)	2,586,109
Other Intangible Assets	**(i) & (ii)**	2,025,567	-	235,811,604	237,837,171	1,879,178	-	231,757,359	233,636,537
Financial Assets:									
(i) Investments	**(iii)**	36,937,500	-	21,206	36,958,706	186,737,500	-	70,350	186,807,850
Total Non Current assets		**277,616,385**	**-**	**21,206**	**277,637,591**	**421,844,353**	**-**	**1,186,143**	**423,030,496**
Current assets									
Inventories		200,971	-	-	200,971	200,971	-	-	200,971
Financial Assets:									
(i) Loan		-	-	-	-	83,940,574	-	-	83,940,574
(ii) Trade Receivables		11,344,441	-	-	11,344,441	2,247,600	-	-	2,247,600
(iii) Bank, Cash & Cash Equivalents		1,477,137	-	-	1,477,137	2,413,402	-	-	2,413,402
Current Tax Receiveble		-	-	-	-	-	-	1,205,537	1,205,537
Other Current Assets		1,076,731	-	(110,551)	966,181	2,142,308	-	(1,205,537)	936,771
Total Current assets		**14,099,280**	**-**	**(110,551)**	**13,988,730**	**90,944,855**	**-**	**-**	**90,944,855**
Total Assets		**291,715,665**	**-**	**(89,345)**	**291,626,321**	**512,789,208**	**-**	**1,186,143**	**513,975,351**

		As at date of transition 1 April 2015				As at date of transition 31 March 2016			
	Note	**Previous IGAAP**	**Adjustment due to IGAAP**	**Adjustment on transition date to Ind AS**	**Ind AS**	**Previous IGAAP**	**Cumulative Adjustment due to IGAAP**	**Cumulative Adjustment on transition date to**	**Ind AS**
EQUITY AND LIABILITIES:									
Equity									
Equity Share capital		15,356,500	-	-	15,356,500	15,356,500	-	-	15,356,500
<u>Other equity</u>									
Securities Premium		111,208,500	-	-	111,208,500	111,208,500	-	-	111,208,500
Retained Earnings	**(i),(ii),(iv), (v) & (vi)**	104,886,532	(112,777)	3,141,979	107,915,734	130,139,071	(183,388)	1,026,088	130,981,772
Other Reserves	**(iii) & (v)**	-	-	-	-	-	-	(88,199)	(88,199)
Capital Reserve	**(iv)**	36,750,000	-	(36,750,000)	-	36,750,000	-	(36,750,000)	-
Total Equity (a)		**268,201,532**	**(112,777)**	**(33,608,021)**	**234,480,734**	**293,454,071**	**(183,388)**	**(35,812,111)**	**257,458,573**
Non-current Liabilities :									
Provisions	**(v)**	529,936	109,296	-	639,232	720,585	175,597	-	896,182
Deferred Tax Liability (Net)	**(vi)**	-		33,629,227	33,629,227	-	-	36,998,254	36,998,253
Total Non-current Liabilities :(b)		**529,936**	**109,296**	**33,629,227**	**34,268,459**	**720,585**	**175,597**	**36,998,254**	**37,894,435**
Current Liabilities									
Financial Liabilities:									
Borrowings		20,109,825	-	-	20,109,825	216,439,826	-	-	216,439,826
Other financial liabilities		1,122,753	-	-	1,122,753	2,123,760	-	-	2,123,760
Current Tax Liability (Net)	**(v)**	-	-	1,584,415	1,584,415	-	-	-	-
Provisions	**(v)**	1,751,619	3,481	(1,694,966)	60,134	50,966	7,791	-	58,757
Total current Liabilities : (c)		**22,984,197**	**3,481**	**(110,551)**	**22,877,127**	**218,614,552**	**7,791**	**-**	**218,622,343**
Total Liabilities (b+c)		**23,514,133**	**112,777**	**33,518,676**	**57,145,587**	**219,335,137**	**183,388**	**36,998,254**	**256,516,778**
Total Equity and Liabilities		**291,715,665**	**-**	**(89,345)**	**291,626,321**	**512,789,208**	**-**	**1,186,143**	**513,975,351**

B Reconciliation statement of profit and loss as previously reported under IGAAP to Ind AS:

		As at date of transition 31 March 2016			
	Note	**Previous GAAP**	**Adjustment due to GAAP**	**Adjustment on transition date to Ind AS**	**Ind AS**
Revenue from operations		62,344,317	-	1,017,520	63,361,837
Other Income		3,168,766	-	-	3,168,766
Total Income		**65,513,083**	**-**	**1,017,520**	**66,530,603**
Expenses					
Employee benefit expense	**(v)**	7,167,016	-	(118,389)	7,048,627
Finance costs		11,505,717	-	-	11,505,717
Depreciation and amortisation expense	**(i) & (ii)**	9,414,072	-	(1,115,793)	8,298,279
Operating and Other expenses		5,711,718	-	1,017,520	6,729,238
Total Expenses		**33,798,523**	**-**	**(216,662)**	**33,581,860**
Profit before exceptional items and Taxes		**31,714,560**	**-**	**1,234,182**	**32,948,743**
Income Tax :					
Current tax		6,462,022	-	-	6,462,022
- Deferred tax		-	-	3,420,683	3,420,683
Profit and Loss after Tax		**25,252,538**	**-**	**(2,186,501)**	**23,066,037**

C <u>Explanation for reconciliation as figures reported under Indian GAAP and Ind AS:</u>

(i) <u>Property, Plant and Equipments (PPE):</u>

The company has elected the option of carrying value as deemed cost for assets held in books on the date of transition i.e. 1st April, 2015. And as on the date of transition company has regrouped its Freehold land, approach road and plant and machinery to intangible assets under service concession arrangement, due to this depreciation amounting to Rs. 11.16 lacs is reversed in the year ended 31st March, 2016 and due this the carrying value of the asset is increased.

(ii) <u>Service Concession Arrangement (SCA):</u>

The company has entered into power purchase agreement (PPA) with Uttaranchal Power Corporation Limited (UPCL). The arrangement has been classified as service concession arrangement (SCA). On the date of transition, the Company has reclassified the PPE of Rs.2378.37 lacs at the existing carrying value at the transition date to the Intangible assets.

In respect of capital Expenditure incurred under SCA during F.Y. 2015-16, the company has derecognised the PPE and recognised the intangible asset in line with the accounting policy on SCA.

The depreciation of Rs. 11.16 Lacs on PPE under Indian GAAP has been reversed as the Intangible assets are recognised under Ind AS, during the year ended 31st March 2016.

(iii) <u>Investments:</u>

Investment in equity instruments are carried at fair value through OCI in Ind AS compared to being carried at cost under IGAAP.

(iv) <u>Capital Reserve:</u>

Capital Reserve amounting to Rs. 36.75 lacs appearing in finanacial statement are regrouped and due to this retained earnings are increased by Rs. 36.75 lacs.

(v) <u>Provisions:</u>

a. Employee Benefit Obiligation:

Both under Indian GAAP and Ind AS, the company recognised costs related to its defined benefit obiligation on the acturial basis (Except liability for leave encashment plan). Under Indian GAAP, the entire cost, including acturial gains and losses, are charged to profit and loss. Under Ind AS, remeasurements [comprising of acturial gains and losses, the effect of the asset ceiling, excluding amounts in net interest on the defined benefit liability and the return on plan assets excluding amounts included in net interst on the net defined benefit liability] are recognised in balance sheet through other comprehensive income. Thus, employee benefit expenses is increased by Rs. 1.27 lacs and is recognized in other comprehensive income during the year ended 31st March, 2016.

Liabilty for Leave encashment is also recognised on the acturial basis due to which Rs. 1.13 lacs has been considered as prior period error and accordingly the liabilty recognised for 31st March 2015 is adjusted in retained earnings.

b. Financial Statement as per Indian GAAP include liabilty for current tax liability under provisions. But as per Ind As the current tax liability of Rs. 15.85 lacs is disclosed seperately in the financial statement. No financial effect is there due to this adjustment, because this is only a regrouping of figure.

(vi) <u>Deferred Taxes:</u>

On the date of transition company create deffered tax liability of Rs. 390.88 lacs on the applicable items having a timing differences and also take available MAT credit of Rs. 54.59 lacs in its books, due to this retained earnings is decreased by Rs. 336.29 lacs.

4. Property, Plant and Equipment:

Particulars	Leasehold Land	Furniture and Fixtures	Vehicles	Office Equipments	Total
Gross Block					
At Carrying Value					
At 1st April 2015	**2,312,305**	**31,005**	**334,897**	**163,507**	**2,841,714**
Addition	-	-	-	-	-
Disposal	-	-	-	-	-
At 31st March 2016	2,312,305	31,005	334,897	163,507	2,841,714
Addition	**-**	**-**	**-**	**19,840**	**19,840**
Disposal	**-**	**-**	**-**	**-**	**-**
At 31st March 2017	**2,312,305**	**31,005**	**334,897**	**183,347**	**2,861,554**
Depreciation					
At 1st April 2015	-	-	-	-	**-**
Depreciation charge for the year	126,940	5,560	84,547	38,558	255,605
Disposal	-	-	-	-	-
At 31st March 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**
Net Book Value					
As at 31st March 2017	**2,058,425**	**19,885**	**165,803**	**109,205**	**2,353,318**
As at 31st March 2016	2,185,365	25,445	250,350	124,949	2,586,109
As at 1st April 2015	2,312,305	31,005	334,897	163,507	2,841,714

5. Other Intangibles Assets:

Particulars	Service Concession Arrangement	Total
Gross Block		
At Carrying Value		
At 1st April 2015	237,837,171	**237,837,171**
Addition	3,842,040	**3,842,040**
Disposal	-	**-**
At 31st March 2016	241,679,211	**241,679,211**
Addition	**541,046**	**541,046**
Disposal	-	**-**
At 31st March 2017	**242,220,257**	**242,220,257**
Amortization		
At 1st April 2015	-	**-**
Amortization charge for the year	8,042,674	**8,042,674**
Disposal	-	**-**
At 31st March 2016	**8,042,674**	**8,042,674**
Amortization charge for the year	8,058,736	8,058,736
Disposal	-	**-**
At 31st March 2017	**16,101,410**	**16,101,410**
Net Book Value		
At 31st March 2017	**226,118,847**	**226,118,847**
At 31st March 2016	233,636,537	233,636,537
At 1st April 2015	237,837,171	237,837,171

6. Non Current Investment	**As at 31.03.2017**	**As at 31.03.2016**	**As at 01.4.2015**
	INR	**INR**	**INR**
Unquoted Equity Instruments			
Investments carried at fair value through other comprehensive income			
11,20,000 (31st March, 2016: 18,40,000, 1st April 2015: 3,45,000) Equity Shares of Rs.10/- each of Sarda Dairy & Food Products Private Limited	117,555,200	184,360,000	34,560,000
75 (31st March 2016: 75, 1st April 2015: 75) Equity Shares of Rs.100/- each of Apex Equipment Private Limited	2,496,807	2,447,850	2,398,706
24000 (31st March 2016: Nil, 1st April 2015: Nil) Equity Shares of Rs. 10/- each of Kapa Properties Pvt. Ltd.	15,888,000	-	-
Total	**135,940,007**	**186,807,850**	**36,958,706**
Agreegate amount of unquoted investments	**135,940,007**	186,807,850	36,958,706

7. Inventories:	**As at 31.03.2017**	**As at 31.03.2016**	**As at 01.4.2015**
	INR	**INR**	**INR**
Stores and spares	89,777	200,971	200,971
Total	**89,777**	**200,971**	**200,971**

8. Loan (Unsecured, considered good):	**As at 31.03.2017**	**As at 31.03.2016**	**As at 01.4.2015**
	INR	**INR**	**INR**
Short Term Loans and Advances			
Loan to Related Party	93,195,540	83,940,574	-
Total	**93,195,540**	**83,940,574**	**-**

9. Trade Receivables:	**As at 31.03.2017**	**As at 31.03.2016**	**As at 01.4.2015**
	INR	**INR**	**INR**
Unsecured, considered good			
Service concession receivables	2,263,963	2,247,600	11,344,441
Total	**2,263,963**	**2,247,600**	**11,344,441**

10. Bank, Cash and Cash Equivalents:	**As at 31.03.2017**	**As at 31.03.2016**	**As at 01.4.2015**
	INR	**INR**	**INR**
Balances with banks on current account	5,481,544	2,398,401	1,454,972
Cash in hand	540	15,001	22,165
Total	**5,482,084**	**2,413,402**	**1,477,137**

11. Other Current Assets:	**As at 31.03.2017**	**As at 31.03.2016**	**As at 01.4.2015**
	INR	**INR**	**INR**
Advances recoverable in cash or in kind (Unsecured, Considered good)	385,540	556,894	315,589
Claim Receivable	-	-	205,515
Pre-paid Expenses	643,999	379,877	445,077
Total	**1,029,539**	**936,771**	**966,181**

12. Equity Share Capital :

a. Authorised Share Capital:

	Equity Shares of Rs. 10/- each	
	No. of Shares	**INR**
At 1st April 2015	**3,000,000**	**30,000,000**
Increase/ (Decrease) during the year	-	-
At 31st March 2016	**3,000,000**	**30,000,000**
Increase/ (Decrease) during the year	-	-
At 31st March 2017	**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

b. Issued equity capital

Equity shares of ` 10 each issued, subscribed and fully paid	**No. of Shares**	**INR**
At 1st April 2015	**1,535,650**	**15,356,500**
Increase/ (Decrease) during the year	-	-
At 31st March 2016	**1,535,650**	**15,356,500**
Increase/ (Decrease) during the year	-	-
At 31st March 2017	**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:

	31-Mar-17	**31-Mar-16**
	INR	**INR**
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:

	As at 31st March 2017		As at 31st March 2016	
Name of Shareholders Holding r10 each Equity Shares fully paid of Company	**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%**

13. Provisions:	**As at 31.03.2017**	**As at 31.03.2016**	**As at 01.04.2015**
	INR	**INR**	**INR**
Provision for Gratuity	**926,119**	720,585	529,936
Provision for Leave Encashment	**211,785**	175,597	109,296
Total	**1,137,904**	**896,182**	**639,232**

14.Deferred tax (assets) / liabilities:	**As at 31.03.2017**	**As at 31.03.2016**	**As at 01.04.2015**
	INR	**INR**	**INR**
Accelerated depreciation for tax purposes	**46,943,092**	44,592,107	39,816,347
Gratuity and other employees benefits	**(531,942)**	(337,355)	(252,855)
On fair value of investments	**(3,675,748)**	(6,297)	(475,391)
Deffered Tax MAT Credit	**(8,899,286)**	(7,250,202)	(5,458,875)
Total	**33,836,116**	**36,998,253**	**33,629,227**

Reconciliation of deferred tax assets/ Liabilities:	**As at 31.03.2017**	**As at 31.03.2016**	**As at 01.04.2015**
	INR	**INR**	**INR**
Opening balance as at 1 April	**44,248,455**	39,088,102	39,088,102
Tax income/expense during the period recognised in profit or loss	**(1,513,054)**	5,160,353	-
	42,735,402	44,248,455	**39,088,102.14**
Deffered Tax MAT Credit	**(8,899,286)**	(7,250,202)	(5,458,875)
Closing balance	**33,836,116**	**36,998,253**	**33,629,227**

15. Borrowings:	**Secured**			**Unsecured**		
	As at 31.03.2017	**As at 31.03.2016**	**As at 01.04.2015**	**As at 31.03.2017**	**As at 31.03.2016**	**As at 01.04.2015**
	INR	**INR**	**INR**	**INR**	**INR**	**INR**
Loans and advances from related party repayable on demand	-	-	-	**126,270,170**	216,439,826	-
Current maturities of Long-Term Debt	-	-	20,000,000	**-**	-	-
Interest accrued but not due on borrowings	-	-	-	**-**	-	109,825
Total	**-**	**-**	**20,000,000**	**126,270,170**	**216,439,826**	**109,825**

16. Other Current Liabilities:	**As at 31.03.2017**	**As at 31.03.2016**	**As at 01.04.2015**
	INR	**INR**	**INR**
Other liabilities			
TDS payable	**2,521,604**	1,091,406	25,356
Others Payables	**973,357**	1,032,354	1,097,397
Total	**3,494,961**	2,123,760	1,122,753

17. Provisions:	**As at 31.03.2017**	**As at 31.03.2016**	**As at 01.04.2015**
	INR	**INR**	**INR**
Provision for Gratuity	**310,037**	45,208	50,895
Provision for Leave Encashment	**15,949**	13,549	9,239
Total	**325,986**	58,757	60,134

18. Revenue from operation	31.03.2017	31.03.2016
	INR	INR
Service Concession Revenue	**64,566,728**	63,361,837
Total Sale of Services	**64,566,728**	63,361,837

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 Govenor of state of Uttaranchal for ditribution 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 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 epressely set forth in the agreement, provided however that nothing contained herein shall be construed or interepeted as restricting the right of company to appoint contractors for the performance of its obiligation 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 guidlines supplied by construction contractors, manufactures of equipments/ supplies, etc.
(iv) The Grid Code,
(v) Dispatch instructions, and
(vi) Rated capacity subject to normal derating / deteriotion.
The Project/ Unit shall be capable of meeting the load despatch requirements. The company shall follow the directive of ccontrol centre/ NRLDC in the interest of integrated grid operation.

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 contratual right to receive consideration equivalent to the realisable value of assets, or the historical depriciated 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	31.03.2017	31.03.2016
	INR	INR
Interest Received From Others	**10,332,476**	3,168,766
Dividend Income	**22,427,431**	-
Total Other Income	**32,759,907**	3,168,766

20. Employee Benefits Expenses:	31.03.2017	31.03.2016
	INR	INR
Salaries, wages and other benefits	**5,720,315**	5,422,239
Contributions to Provident fund	**314,913**	273,913
Gratuity Expenses	**265,413**	136,314
Leave Expenses	**72,654**	24,820
Employees welfare expenses	**1,254,345**	1,191,341
Total	**7,627,640**	**7,048,627**

21. Finance Costs:	31.03.2017	31.03.2016
	INR	INR
Interest on Term Loans	**-**	977,115
Interest on Others	**24,592,461**	10,521,560
Bank Charges	**6,296**	7,042
Total	**24,598,757**	**11,505,717**

22. Depreciation and Amortization Expenses:	31.03.2017	31.03.2016
	INR	INR
Depreciation on Property,Plant and Equipment	**252,631**	255,605
Amortization on Other Intangibles Assets	**8,058,736**	8,042,674
Total	**8,311,367**	**8,298,279**

23. Operating and Other Expenses	**31.03.2017**	**31.03.2016**
	INR	**INR**
Repair & Maintenance		
- To Plant & Machinery	**2,545,921**	3,218,455
- To Others	**-**	10,790
Rebate on Sale of Services	**645,666**	1,017,520
Operation & Maintenance	**41,301**	154,090
Establishment & Site Expenses	**177,904**	48,349
Electricity Charges	**48,511**	32,827
Insurance Expenses	**467,791**	452,519
Rent	**328,728**	498,190
Communication expenses	**62,210**	84,151
Legal & Professional Fees	**929,933**	208,016
Travelling & Conveyance Expenses	**331,583**	321,229
Vehicle Running & Maintenace	**170,657**	95,069
Printing & Stationery	**38,715**	33,343
Loss on sale of long term investments	**140,870**	-
Loss on dimunition in the value of stores	**111,194**	-
Loss on Sale of Mutual Fund	**23,566,272**	
Payment to Auditor	**201,250**	143,125
Miscellaneous Expenses	**143,156**	411,565
Total	**29,951,661**	**6,729,238**

Payments to the Auditor as:	**31.03.2017**	**31.03.2016**
	INR	**INR**
- Statutory Audit Fees	**172,500**	114,500
- Tax Audit Fees	**28,750**	28,625
Total	**201,250**	**143,125**

24. Earnings per share (EPS)	**31.03.2017**	**31.03.2016**
	INR	**INR**
Net profit/(Loss) as per statement of profit and loss	**32,094,032**	23,066,037
Net profit/(Loss) for calculation of basic EPS & Diluted EPS	**32,094,032**	23,066,037
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	**20.90**	15.02
- Diluted earning per share	**20.90**	15.02

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

a. **Defined Contribution Plan:**
Amount of Rs. 3,14,913 (P.Y. Rs. 2,73,913) is recognised as an expenses and included in employee benefit expense as under the following defined contribution plans (Refer Note no. 22)

Benefit (Contribution to):	2016-17	2015-16
Provident Fund	314,913	273,913
Total	**314,913**	**273,913**

b. **Defined benefit plan:**
Gratuity:
The Company provides for gratuity, a defined banefit 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. 10 Crore. Vesting occurs upon completion of five continuous years of service in accordance with Indian law.

	Particulars	Gratuity		Leave Encashment	
		2016-17	2015-16	2016-17	2015-16
		(Funded)	(Funded)	(Non Funded)	(Non Funded)
I	**Change in Present value of defined benefit obiligation during the year:**				
1	Present value of defined benefit obiligation at the beginning of the year	765,793	580,831	189,146	118,535
2	Interest Cost	61,263	46,466	15,132	9,483
3	Current Service Cost	204,150	89,848	57,522	97,545
4	Past Service Cost	-	-	-	-
5	Benefit paid directly by employer	-	(94,561)	-	(82,208)
6	Acturial Changes arising from changes in financial assumption	4,355	97,560	11,688	18,911
7	Acturial Changes arising from changes in expirence assumption	200,595	45,649	(45,754)	26,880
8	Present value of defined benefit obiligation at the end of the year	**1,236,156**	**765,793**	**227,734**	**189,146**
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	-	94,561	-	82,208
4	Benefit paid from the fund	-	(94,561)	-	(82,208)
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 obiligation at the end of the year	1,236,156	765,793	227,734	189,146
2	Fair value of plan assets at the end of the year	-	-	-	-
3	Amount recognised in the balance sheet	1,236,156	765,793	227,734	189,146
	Net asset / (liability) - Current	310,037	45,208	15,949	13,549
	Net asset / (liability) - Non Current	926,119	720,585	211,785	175,597
IV	**Expenses recognized in the statement of profit and loss for the year:**				
	Current Service Cost	204,150	89,848	57,522	97,545
	Interest Cost on benefit obiligation (Net)	61,263	46,466	15,132	9,483
	Total expenses included in employee benefits exxpenses	**265,413**	**136,314**	**72,654**	**107,028**

V	**Recognized in other comprehensive income for the year:**				
	Acturial Changes arising from changes in financial assumption	4,355	97,560	11,688	18,911
	Acturial Changes arising from changes in expirence assumption	200,595	45,649	(45,754)	26,880
	Recognized in other comprehensive income for the year:	204,950.00	143,209.00	-34,066.00	45,791.00
VI	**Maturity profile of defined benefit obiligation:**				
	Within the next 12 months (next annual reporting period)	78,816	-	17,776	15,206
	Between 2 and 5 years	520,604	24,350	64,980	54,857
	Between 6 and 10 years	375,073	741,443	70,307	59,619
VII	**Quantitative Sensitivity analysis for significant assumption is as below:**				
1	**Under Based Scenario**	**1,236,156**	**765793**	**227,734**	**189,146**
	1% point increase in discount rate	1,138,507	670732	205,318	171,517
	1% point decrease in discount rate	1,351,207	876967	254,425	209,973
	1% point increase rate of salary Increase	1,323,311	878091	255,770	211,175
	1% point decrease rate of salary Increase	1,159,299	668233	203,858	170,235
	1% point increase rate of withdrawals	1,258,745	774217	231,322	192,855
	1% point decrease rate of withdrawals	1,209,646	758091	223,630	184,921

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**	
		2016-17	**2015-16**	**2016-17**	**2015-16**
		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	7.50%	8.00%	7.50%	8.00%
2	Salary escalation	6.00%	6.00%	6.00%	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 8%	1% to 8%	0.00%	0.00%
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:

(i) The actuarial valuation of plan assets and the present value of the defined obligation were carried out at 31st March, 2017. 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

(ii) Discount rate is based on the previling market yield of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

(iii) 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 :-

(i) Disputed Demand of Rs. 44,210 (P.Y. Nil) the Income tax Act, 1961 against which the company has recctification application before assessing officer.

(ii) Demand shown in traces portal for Short payment, Non deduction of TDS and Interest on such default to thr tune of Rs. 61431/- for the earlier assessement years were appearing against which the company is going to revise the returns.

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 finanial 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 2017**	**31st March 2016**	**1st April 2015**
Trade and other receivables	**2,263,963**	2,247,600	11,344,441
Investments	**135,940,007**	186,807,850	36,958,706
Cash and cash equivalents	**5,482,084**	2,413,402	1,477,137

Ageing Analysis:

	31st March 2017	**31st March 2016**	**1st April 2015**
Upto 3 months	**2,263,963**	2,247,600	11,344,441

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

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 2017	On demand	Less than 1 Year	More than 1 Year
Borrowings	126,270,170	-	-

As at 31st March 2016	On demand	Less than 1 Year	More than 1 Year
Borrowings	216,439,826	-	-

As at 1st April 2015	On demand	Less than 1 Year	More than 1 Year
Borrowings	-	20,000,000	-
Other Financial Liabilities	-	109,825	-

Interest rate risk :

Interest rate risk is the risk that an upward movement in the interest rate would adversley effect 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 2017	31st March 2016	1st April 2015
Variable rate borrowings	**126,270,170**	216,439,826	20,109,825
Fixed rate borrowings	-	-	-

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 2017	31st March 2016
Interest rates - increase by 35 basis points	**(441,946)**	(757,539)
Interest rates - decrease by 35 basis points	**441,946**	757,539

Price Risk:

The entity is exposed to equity price risk, which arised 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. 27.19 lacs (2015-16: Rs. 37.36 lacs); an equal change in the opposite direction would have decreased profit and loss.

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 2017	31st March 2016	1st April 2015
Total liabilities	126,270,170	216,439,826	20,109,825
Less : Cash and cash equivalent	5,482,084	2,413,402	1,477,137
Net debt	**120,788,086**	**214,026,424**	**18,632,688**
Total equity	302,878,979	257,458,573	234,480,734
Net debt to equity ratio	**0.40**	**0.83**	**0.08**

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 2017	31st March 2016
Loan Given:		
Sarda Dairy & Food Products Pvt. Ltd.	**93,195,540**	83,940,574
Investments Made:		
Sarda Dairy & Food Products Pvt. Ltd.	**112,219,130**	184,360,000
Kapa Properties Private Limited	**4,032,000**	-
Apex Equipment Private Limited	**2,377,500**	2,377,500

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 basedon 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 fordetermining and disclosing the fair value of financial instruments by valuation techniquie:

   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 of 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 01.04.2015	**Level 1**	**Level 2**	**Level 3**
Financial assets at amortised cost:				
Service Concession receivable	11,344,441	-	-	-
Bank, Cash and cash Equivalents	1,477,137	-	-	-
Total	**12,821,578**	**-**	**-**	**-**
Financial assets at fair value through other comprehensive income:				
Investments	-	-	36,958,706	-
Total	**-**	**-**	**36,958,706**	**-**
Financial liabilities at amortised cost:				
Borrowings from Bank	20,109,825	-	-	-
Total	**20,109,825**	**-**	**-**	**-**

	Carrying amount			
	As at 31.03.2016	**Level 1**	**Level 2**	**Level 3**
Financial assets at amortised cost:				
Service Concession receivable	2,247,600	-	-	-
Loans and other receivables (current)	83,940,574	-	-	-
Bank, Cash and cash Equivalents	2,413,402	-	-	-
Total	**88,601,576**	**-**	**-**	**-**
Financial assets at fair value through other comprehensive income:				
Investments	-	-	186,807,850	-
Total	**-**	**-**	**186,807,850**	**-**
Financial liabilities at amortised cost:				
Borrowings from Related party	216,439,826	-	-	-
Total	**216,439,826**	**-**	**-**	**-**

	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	-
Total	**-**	**-**	**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, 2016 and 31st March, 2015, there were no transfers between Level 1 and Level 2 fair value measurements.

31. Related party Disclosures:

Related parties and nature of relationship where control exists:-

Holding Company

Sarda Energy & Minerals Ltd.

Key Managerial Personnal

Mr.Kamal Kishore Sarda

Mr.Kashmirilal Agarwal

Mr. Aditya Ghanshyam Sarda

Mr.Praharsh Agarwal

Enterprises significantly influenced by the key management personnal 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 personnal and their relatives

(Rs.in Lacs)

Nature of Transactions	Holding Company		Enterprises where significant influence exists	
Transactions during the year	**2016-17**	2015-16	**2016-17**	2015-16
Payment for Services	**-**	-	**8.99**	3.06
Payment for Repair & Maintenance	**-**	-	**-**	1.92
Loans Taken	**970.00**	3,263.41	**-**	-
Repayment of Loans Taken	**2,093.00**	1,189.91	**-**	-
Interest Paid on Loans Taken	**-**	-		
Interest Paid on Loans Taken	**245.89**	101.00	**-**	-
Loans Granted	**-**	-	**-**	811.00
Interest received on Loans Granted	**-**	-	**102.83**	31.56
Investment made	**-**	-	**-**	1,498.00
Closing Balance				
Receivable	**-**	-	**931.96**	839.41
Payable	**1,262.70**	2,164.40	**-**	-

B. Details of Material Transaction with related parties

	2016-17	2015-16
Payment for Services/Repair & Maintenance		
Vikash Associates	8.99	3.06
Payment for Repair & Maintenance		
Kashmirilal Constructions Pvt. Ltd.	-	1.92
Loans Taken		
Sarda Energy and Minerals Ltd	970.00	3,263.41
Repayment of Loan Taken		
Sarda Energy and Minerals Ltd	2,093.00	1,189.91
Interest paid on Loan taken		
Sarda Energy and Minerals Ltd	245.89	101.00
Loans Granted		
Sarda Dairy & Food Products Pvt. Ltd.	-	811.00
Interest received on loans granted		
Sarda Dairy & Food Products Pvt. Ltd.	102.83	31.56
Investment made		
Sarda Dairy & Food Products Pvt. Ltd.	-	1,498.00
Amount Payable		
Sarda Energy and Minerals Ltd	1,262.70	2,164.40
Amount Receivable		
Sarda Dairy & Food Products Pvt. Ltd.	931.96	839.41

32. Disclosure on Specified Bank Notes (SBNs):

Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 as provided in the Table below:-

Particulars	**Specified Bank Notes**	**Other denomination notes**	**Total**
Closing cash in hand as on November 8, 2016	-	15,350	**15,350**
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	5,449	5,449
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on December 30, 2016	-	**9,901**	**9,901**

33. 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

Kamal Kishore Sarda
(Director)

Praharsh Agarwal
(Director)

Place : Raipur
Date : 29.05.2017