

PARVATIYA POWER LIMITED

*Registered: 136, KHARI BAZAR, RANIKHET – 263 648 UTTARANKHAND, INDIA
Tel: 91-5966- 220049 , Fax: 91-5966-220451*

DIRECTORS' REPORT

**To
The Members
Parvatiya Power Ltd.**

Your Directors have great pleasure in presenting the Sixteenth Annual Report together with audited Accounts of the Company for the year ended on 31st March, 2010.

FINANCIAL HIGHLIGHTS		
	For the year ended on 31st March, 2010 (Rs. In lacs)	For the year ended on 31st March, 2009 (Rs. In lacs)
Gross Income	527	536
Net Profit/(Loss)	32	43
Provision for Tax	5	5
Profit for the year after tax	3	4
Profit/(Loss) brought from previous year.	(3)	(3)
Profit carried forward to Balance Sheet	61	34

OPERATIONS:

In the second year of its commercial operation, 4.8MW Loharkhet HEP has generated and supplied 18.91 MU to Uttarakhand Power Corporation Limited (UPCL). The profitability of the plant has been impacted by delay in arrival of monsoon. However, your Directors take pleasure in reporting that your Company has earned net profit of Rs. 26.74 lacs in the financial year 2009-10. It is expected that with the revision of tariff rates for sale of power, profitability of the Company will improve. Subject to Minimum Alternate Tax, your Company is entitled to Income tax exemption u/s 80(IA) of the Income Tax Act 1961 for a period of ten years starting from any financial year before end of Financial year 2022-23 at the option of the company. Your company has not yet started claiming the benefit.

Your Company has received capital subsidy of Rs. 367.50 lacs from the Ministry of New and Renewable Energy Sources. Your Company has also obtained refund of custom duty paid on import of equipments amounting to Rs. 38.92 lacs.

During the year under review, the Company has issued 1, 63,540 equity shares of Rs. 10/- each at a premium of Rs. 90/- each. On account of fresh allotment so made, the Company has become subsidiary of M/s Sarda Energy & Minerals Limited.

DIVIDEND :

Keeping in view, the requirement of resources for the business of the Company, your Directors do not recommend any dividend for the financial year 2009-10.

PUBLIC DEPOSITS :

The company has not accepted any public deposits within the meaning of Section 58 A of the Companies Act, 1956 and the Rules made there under during the year under review.

CORPORATE SOCIAL RESPONSIBILITY:

Your Company firmly believes that no development project can be considered complete unless the local inhabitants adjoining the project area also reap the benefits from the project. As a responsible Corporate Citizen, the Company has generated employment opportunities for the local people and has recruited several people from the local villages.

AUDITORS' REPORT:

The notes on accounts referred to in the Auditors' Report are self explanatory and therefore, do not call for any further comments. With reference to clause 4(iv) of the Auditors' Report regarding compliance of AS-15 (Revised) in relation to provision for gratuity on the basis of actuarial valuation, the company has provided liability for gratuity as per provisions of Gratuity Act, 1972. However, the company is in process of getting the actuarial valuation to comply with the Accounting Standards AS-15 as issued by the Institute of Chartered Accountants of India. The differential liability, if any, will be immaterial.

AUDITORS :

The auditors M/s O. P .Singhanian & Co., Chartered Accountants, retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The Company has received a letter from auditor, to the effect that his appointment as auditor, if made would be within the limits under Section 224(1-B) of the Companies Act, 1956.

DIRECTOR :

Ms, Sheen Agarwal, Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment.

PARTICULARS OF EMPLOYEES :

Statement of Particulars of Employees as required under Section 217(2A) of Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, is not required to be attached as none of the employees has received remuneration in excess of the specified limits during the year under review.

SECRETARIAL COMPLIANCE CERTIFICATE :

As required under Section 383-A of Companies Act, 1956, Secretarial Compliance Certificate for the year ended on 31st March, 2010 received from M/s. S. G. Kankani & Associates, Company Secretaries, is attached herewith and is self explanatory.

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

Information in accordance with the provisions of section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earning and outgo is as per Annexure A.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the requirement of Section 217 (2AA) of the Companies Act, 1956, the Directors of the Company declare that:

- 1) In the preparation of the annual accounts, the applicable accounting standards have been followed subject to the note in the Auditor's Report , along with proper explanation relating to material departures;
- 2) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at 31st March, 2010 and of the profit of the Company for that period.
- 3) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- 4) The Directors have prepared annual accounts on a going concern basis.

ACKNOWLEDGEMENT

Your Directors express their sincere gratitude to the Company's Stakeholders, Financial Institutions, Bankers and various Government authorities and departments for extending their support and co-operation. Your Directors also appreciate the sincere services rendered by all employees of the Company.

For and on behalf of the Board of Directors	
-Sd/-	-Sd/-
KAMAL KISHORE SARDA	SHEEN AGARWAL
DIRECTOR	DIRECTOR

Place : Raipur (C.G.)

Dated: 03rd May 2010

**ANNEXURE 'A' TO DIRECTORS' REPORT
OF
PARVATIYA POWER LIMITED**

AS PER COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF
BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE
DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2010.

(A) Conservation of energy

- (a) The company has taken adequate measures for conservation of energy. The Company regularly monitors consumption of energy.. No additional investment or proposal is under implementation for conservation of energy.
- (b) Information regarding consumption of energy required to be given in the 'Form A' is not applicable to the Company .

(B) Technology Absorption :

FORM - B

Form for disclosure of particulars with respect to absorption

Research and development (R & D)

- | | | |
|--|---|-----|
| 1. Specific areas in which R & D carried out by the Company | - | Nil |
| 2. Benefits derived as a result of the above R & D | - | Nil |
| 3. Future plan of action | - | Nil |
| 4. Expenditure on R & D | | |
| (a) Capital | - | Nil |
| (b) Recurring | - | Nil |
| (c) Total | - | Nil |
| (d) Total R & D expenditure as a percentage of total turnover. | - | Nil |

Technology absorption, adaptation and innovation

- | | | |
|---|---|----------------|
| 1. Efforts, in brief, made towards technology absorption, adaptation and innovation | - | Not Applicable |
| 2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution, etc. | - | Not Applicable |
| 3. In case of imported technology (imported during the last 5 year reckoned from the beginning of the financial year), following information may be furnished | - | Not Applicable |
| (a) Technology imported | - | Nil |
| (b) Year of import | - | Nil |

- | | | |
|--|---|-----|
| (c) Has technology been fully absorbed | - | Nil |
| (d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action. | - | Nil |

(C) **Foreign Exchange Earnings** : NIL
Foreign Exchange Outgo : NIL

For and on behalf of the Board of Directors

-Sd/-
KAMAL KISHORE SARDA
DIRECTOR

-Sd/-
SHEEN AGARWAL
DIRECTOR

Place : Raipur (C.G.)
Dated : 03/05/2010

OPSinghania & Co.

CHARTERED ACCOUNTANTS

JDS CHAMBERS, 1ST FLOOR, 6-CENTRAL AVENUE,

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

PHONE: 0771 – 2253844, 2253845,

FAX : +91-0771-4061216

AUDITORS' REPORT

To
The Members of
Parvatiya Power Limited

1. We have audited the attached Balance Sheet of Parvatiya Power Limited as at 31st March, 2010, the Profit and Loss account and also the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 (As Amended) issued by the Central Government of India, in terms of sub section (4A) of Section 227 of the Companies Act, 1956. We enclose in the Annexure a statement on the matter specified in paragraphs 4 and 5 of the said order.
4. Further to our comment in the Annexure referred to above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, *except the non-compliances of AS-15 (revised) in relation to the provision of gratuity as referred in Note No. 13 of Schedule "P"*.

- (v) On the basis of written representations received from the directors as on 31st March 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2010 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- (vi) In our opinion and to the best of our information and according to the explanations given to us the said accounts read along with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the balance sheet, of the state of the affairs of the Company, as at 31st March, 2010;
 - (b) in the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For, **OPSinghania & Co.**
Chartered Accountants

SANJAY SINGHANIA
Partner
MEMBERSHIP No: 76961

Raipur, 3rd May, 2010

Re: Parvatiya Power Limited

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

- (i)
 - (a) The Company has generally maintained the proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) As explained to us, the fixed assets have been physically verified by the management at reasonable intervals, in phased verification programme, which, in our opinion, is reasonable, looking to the size of the company and the nature of its business. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) The company has not disposed off substantial part of its fixed assets during the year so as to affect its going concern status.
- (ii)
 - (a) As explained to us, inventories have been physically verified during the year by the management. In our opinion, the frequency of the verification is reasonable.
 - (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) On the basis of our examination of the inventory records of the company, we are of the opinion that, the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii)
 - (a) The company has granted unsecured loans to one company covered in the register maintained under section 301 of the companies Act, 1956. The maximum amount involve during the year was Rs. 72.00 lacs and the year end balance of loans given to such companies was Rs. Nil.
 - (b) In our opinion, the terms & conditions on which loans have been granted to companies listed in the register maintained under section 301 of the Companies Act, 1956 are not prima facie prejudicial to the interest of the company.
 - (c) The receipt of the principal amount and interest wherever applicable was regular.
 - (d) There was no overdue amount of loans granted to companies listed in the register maintained under section 301 of the Companies Act, 1956.
 - (e) According to the information and explanations given to us, the company has taken unsecured loans from two companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involve during the year was Rs. 365.55 lacs and the year end balance of loans given to such companies was Rs. 365.55 lacs.

- (iv) In our opinion and according to the information & explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v)
 - (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
 - (b) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements with the aforesaid parties as stated in v (a) of Clause 4 with whom transactions exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) According to the information and explanations given to us, the company has not accepted deposits from public during the year therefore, the provisions of clause 4(vi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (vii) In our opinion the company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956, in respect of Company's products to which the said rules are made applicable and are of the opinion that, prima facie, the prescribed accounts and records, have been made and maintained. We have, however, not made a detailed examination of the records.
- (ix)
 - (a) The company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, wealth tax, service tax, income tax, sales tax, custom duty, excise duty, cess and other material statutory dues applicable to it. According to the information & explanations given to us, no undisputed amounts of statutory dues as stated above were in arrears as at 31st March 2010 for a period of more than six months from the date they became payable.
 - (b) According to the information and explanations given to us, no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess are outstanding on the account of any dispute.
- (x) In our opinion, the company has no accumulated losses at the end of the financial year and the company has not incurred any cash losses during the current financial year covered under audit, as well as in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to the banks, financial institutions or debenture holders.

- (xii) In our opinion and according to the information and explanations given to us, the company has not granted any loans & advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiv) In our opinion and according to information and explanations given to us, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xv) In our opinion and according to the information and explanations given to us, the company has not given any guarantee to the bank for loans taken by others. Accordingly, the provisions of clause 4(xv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xvi) According to the information and explanations given to us, the company has not raised any term loans during the year. Therefore, the provisions of clause 4(xviii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we are of the opinion that, prima facie short-term funds have not been used for long term investment.
- (xviii) According to the information and explanations given to us the company has made preferential allotment of shares to parties and companies covered in the register mentioned under section 301 of the Act. The price at which the share have been allotted are not prejudicial to the interest of the company.
- (xix) The company has not issued any debentures during the year. Therefore, the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xx) The company has not raised any money by public issue during the year, therefore, the provisions of clause 4(xx) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xxi) In our opinion and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year. Therefore, the provisions of clause 4(xxi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

For **OPSinghania & Co.**
Chartered Accountants

SANJAY SINGHANIA
Partner
Membership No: 76961

Raipur, 3rd May, 2010

Parvatiya Power Limited
Balance Sheet as at 31st March, 2010

	Schedules	2010 Rs.	2009 Rs.
SOURCES OF FUNDS			
Shareholders' Funds			
Capital	A	14395400	12760000
Share Application Money		600000	65852300
Reserves and surplus	B	145412340	91269734
		160407740	169882034
Loan Funds			
Secured Loans	C	116717729	168039544
Unsecured Loans	D	44055046	0
		160772775	168039544
TOTAL		321180515	337921578
APPLICATION OF FUNDS			
Fixed Assets			
	E		
Gross Block		357153147	363342994
Less :Depreciation		38475923	20008725
Net Block		318677224	343334269
Capital work in progress including pre-operative expenses and Capital Advances		0	122135
		318677224	343456404
Investments		0	0
Current Assets, Loans & Advances			
Inventories	F	200971	200971
Sundry Debtors	G	2169132	1755062
Cash & Bank Balances	H	1839931	819639
Loans & Advances	I	10432779	8464274
		14642813	11239946
Less: Current Liabilities & Provisions			
Current Liabilities	J	11650522	16249772
Provisions	K	489000	525000
		12139522	16774772
Net Current Assets		2503291	(5534826)
Miscellaneous Expenditure			
(to the extent not written off or adjusted)		0	0
TOTAL		321180515	337921578
Notes to Accounts	P		

The Schedules referred to above and notes to accounts form an integral part of the balance sheet.

As per our report of even date

For OPSinghania & Co.
Chartered Accountants

For Parvatiya Power Limited

Per Sanjay Singhania
Partner
 Membership No.076961

Kamal Kishore Sarda
(Director)

Sheen Agarwal
(Director)

Raipur, 3rd May, 2010

Parvatiya Power Limited**Profit & Loss account for the year ended 31st March, 2010**

	Schedules	2010 Rs.	2009 Rs.
<u>INCOME</u>			
Sale of Electricity		52072860	53000640
Other Income	L	616748	632887
TOTAL		52689608	53633527
<u>EXPENDITURE</u>			
Personnel Expenses	M	5729624	5410469
Operating & Other Expenses	N	7804986	7259569
Depreciation		18764476	18680240
Financial Expenses	O	17229477	17983605
TOTAL		49528562	49333883
Profit for the year before tax		3161046	4299644
Provision for Current Tax		489000	475000
Provision for Fringe Benefit Tax		0	50000
Tax Related to earlier year		(1959)	0
Total Tax Expense		487041	525000
Profit for the year after tax		2674005	3774644
Profit / (Loss) brought forward from previous year		3429734	(344910)
Balance carried to balance sheet		6103740	3429734
Earning Per Share			
Basic & Diluted EPS		2.09	2.96
Notes to Accounts	P		

The Schedules referred to above and notes to accounts form an integral part of the profit & loss account.

As per our report of even date

For OPSinghania & Co.
Chartered Accountants

For Parvatiya Power Limited

Per Sanjay Singhania
Partner
Membership No.076961

Kamal Kishore Sarda
(Director)

Sheen Agarwal
(Director)

Raipur, 3rd May, 2010

Parvatiya Power Limited
Cash Flow Statement as at 31st March, 2010

	2010 Rs.	2009 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	3,161,046	4,299,644
<u>ADJUSTMENTS FOR:</u>		
Depreciation	18,764,476	18,680,240
Depreciation for earlier year adjusted	-	(521,851)
Financial Expenses	17,229,477	17,983,605
Interest Received	(32,134)	(512,887)
(Profit)/Loss on sale of Fixed Assets	46,291	-
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	39,169,156	39,928,751
<u>ADJUSTMENTS FOR:</u>		
(Increase)/Decrease in Inventories	-	(200,971)
(Increase)/Decrease in Receivables and Advances	(1,225,076)	(3,326,979)
Increase/(Decrease) in Trade payables	(4,599,250)	(2,359,435)
CASH GENERATED FROM OPERATIONS	33,344,830	34,041,366
Direct Taxes Paid/Deducted at Source	(1,680,540)	(54,737)
NET CASH FROM OPERATING ACTIVITIES	A	31,664,290
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets/Capital Expenditure	(1,762,501)	(23,339,785)
Sale / Deduction of Fixed Assets	7,730,915	-
Interest received	32,134	512,887
Capital Subsidy Received	36,750,000	-
NET CASH USED IN INVESTING ACTIVITIES	B	42,750,548
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase in Share Capital and Securities Premium	16,354,000	-
Proceeds/(Payment) of Long Term Borrowings from Banks	(51,321,815)	(24,997,195)
Unsecured Loan Received	44,055,046	-
Change in Share Application Money	(65,252,300)	28,652,300
Financial Expenses	(17,229,477)	(17,983,605)
NET CASH USED IN FINANCING ACTIVITIES	C	(73,394,546)
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	1,020,292	(3,168,769)
Cash and Cash Equivalents at the beginning of the year	819,639	3,988,408
Cash and Cash Equivalents at the end of the year	1,839,931	819,639
Components of cash and cash equivalents as at	2010 Rs.	2009 Rs.
Cash in hand	18,280	48,053
With banks- on current account	1,821,651	467,586
- on deposit account	-	304,000
	1,839,931	819,639

As per our report of even date

For OPSinghania & Co.
Chartered Accountants

For Parvatiya Power Limited

Per Sanjay Singhania
Partner
 Membership No.076961

Kamal Kishore Sarda
(Director)

Sheen Agarwal
(Director)

Raipur, 3rd May, 2010

Parvatiya Power Limited
Schedules forming part of the accounts

	2010 Rs.	2009 Rs.
SCHEDULE - A : SHARE CAPITAL		
Authorised		
3000000 Equity Shares of Rs.10/- each	30000000	30000000
	30000000	30000000
Issued, Subscribed & Paid up		
1439540 (1276000) Equity Shares of Rs. 10/- each fully paidup	14395400	12760000
	14395400	12760000

SCHEDULE - B : RESERVES & SURPLUS

Capital Reserve		
- Balance as per last account	0	0
- Addition during the year	36750000	0
	36750000	0
Securities Premium Account		
- Balance as per last account	87840000	87840000
- Addition during the year	14718600	0
	102558600	87840000
Balance in Profit & Loss Account	6103740	3429734
	145412340	91269734

SCHEDULE - C : SECURED LOANS

Term Loan From Bank	23977567	28039544
Term Loan From Financial Institution	88250000	140000000
Interest Accrued and Due	4490162	0
	116717729	168039544

Security and Terms & conditions for above

1. The Term Loans are secured by hypothecation of company's movable assets (present & future) and equitable mortgage on the immovable assets of the company both ranking parri passu and also secured by pledge of equity shares of the company held by all the shareholders of the company.

2. The above term loans are further secured by personal guarantee of directors of the company.

3. The above term loans are also secured by corporate guarantee of a company.

SCHEDULE - D : UNSECURED LOANS

Other Loans and Advances

From Body Corporates	44055046	0
	44055046	0

Parvatiya Power Limited
Schedules forming part of the accounts

Schedule-E : Fixed Assets

[illegible]

Parvatiya Power Limited
Schedules forming part of the accounts

	2010 Rs.	2009 Rs.
SCHEDULE - F : INVENTORIES		
Store, Spares and Consumables	200971	200971
	200971	200971
SCHEDULE - G : SUNDRY DEBTORS (Unsecured, considered good)		
Debtors outstanding for a period exceeding six months	0	0
Others	2169132	1755062
	2169132	1755062
SCHEDULE - H : CASH & BANK BALANCES		
Cash-in-hand (as certified by the management)	18280	48053
Balance with Schedule Banks		
- On Current account	1821651	467586
- 'On Deposit account	0	304000
	1839931	819639
SCHEDULE - I : LOANS & ADVANCES (Unsecured considered good)		
Advances recoverable in cash or in kind or for value to be received	13873	25000
Loans to Bodies Corporate	0	1864981
Other Current Assets	10418906	6574293
	10432779	8464274
SCHEDULE - J : CURRENT LIABILITIES		
Sundry Creditors for goods, services & expenses	129126	280068
Creditors for capital goods	10219455	14791039
Other Liabilities	950513	673303
Interest Accrued but not due on loans	351428	505362
	11650522	16249772
SCHEDULE - K : PROVISIONS		
For Income Tax	489000	475000
For Fringe Benefit Tax	0	50000
	489000	525000

Parvatiya Power Limited
Schedules forming part of the accounts

	2010 Rs.	2009 Rs.
SCHEDULE - L : OTHER INCOME		
Interest		
-From Bank Deposits (TDS Rs.813/- P.Y. Rs.8,228/-)	8363	40969
-From Others (TDS Rs.4,124/- P.Y. Rs.1,06,937/-)	23771	471918
Miscellaneous Income (TDS Rs.2,562/- P.Y. Rs.2,719/-)	584614	120000
	616748	632887
SCHEDULE - M : PERSONNEL EXPENSES		
Salary, Wages and other Benefits	4669024	4386476
Contribution to provident and other Funds	127960	119576
Employees Welfare	932640	904417
	5729624	5410469
SCHEDULE - N :OPERATING AND OTHER EXPENSES		
Repair & Maintenance		
- To Plant & Machinery	3861635	815352
- To Others	56107	36391
Rebates & Discount	1042280	1060071
Operation & Maintenance	162235	231899
Establishment & Site Expenses	234400	512820
Electricity Charges	66022	64361
Insurance Expenses	250953	383241
Rent	393821	492019
Communication expenses	118497	138878
Legal & Professional Fees	618695	2023111
Travelling & Conveyance Expenses	263671	837822
Vehicle Running & Maintenance	200866	302274
Printing & Stationery	52948	60147
Auditor's Remuneration		
- Audit Fees	82725.00	
- Tax Audit Fees	27575.00	
Loss on sale of Fixed Assets	46291	0
Social Welfare Expenses	15692	0
Miscellaneous Expenses	310573	190883
	7804986	7259569
SCHEDULE - O : FINANCIAL EXPENSES		
Interest on Term Loans	17110327	17957582
Interest to Others	110830	0
Bank Charges	8320	26023
	17229477	17983605

SCHEDULE 'P'

NOTES TO FINANCIAL STATEMENTS

1. Nature of Operations

The company is engaged in generation of electricity from small hydro power plant.

2. SIGNIFICANT ACCOUNTING POLICIES

a) System of Accounting

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

b) Use of Estimates

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

c) Fixed Assets

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

d) Expenditure during Construction Period

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

e) Depreciation

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

f) Investments

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

g) Government Grants

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

h) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

i) Sale of Electricity

Revenue is recognised when the significant risks and rewards of ownership of the electricity have passed to the buyer.

ii) Interest

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

iii) Dividends

Revenue is recognised when the shareholders' right to receive payment is established by the balance sheet date.

i) Borrowing Cost

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

j) Contingent Liabilities

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

k) Taxes on Income

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

l) Retirement and other Employee Benefits

i) Retirement benefits in the form of Provident Fund is a defined contribution scheme and the contributions are charged to Profit & Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contributions payable to the respective trusts.

ii) Value of encashable leave are encashed during the year and charged to the Profit & Loss Account.

iii) Provision for gratuity liability are valued and accounted for on the basis of Payment of Gratuity Act, 1972.

m) Provisions

Provisions are recognised, where the company has any legal or constructive obligation or where reliable estimate can be made for the amount of the obligation and as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

n) Impairment of Assets

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

o) Cash and Cash equivalents

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

p) Earnings Per Share

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

3. Contingent Liability not provided for : Rs. NIL (Previous Year Rs.398.14 Lacs)
4. During the year the company has received full and final capital subsidy of Rs.367.50 lacs (against applied for Rs.393.75 lacs) from the Ministry of New and Renewable Energy Sources. The Subsidy has been granted for encouraging the setting up of commercial small hydro power project and is intended for making repayment of term loan, therefore the same has been credited in Capital Reserve Account under schedule 'Reserves and Surplus'.
5. The Arbitration award of dispute with M/s V.K.Aggarwal , Dehradun, Civil Contractor, has come in favour of the Company , vide Order dated 24th March, 2010 with a net amount of Rs. 2,05,514/- receivable by the Company from the civil contractor. The necessary effect of the award has been given in the books of account.
6. i) During the financial year 2008-09, the company had claimed an amount of Rs.47.35 Lacs as Duty Drawback against amount paid as Excise duty on its Capital Investments as per the Exim Policy of Central Govt. The above claim is yet to be sanctioned. The above amount was reduced from capital investment made by the company and shown as Duty Drawback Receivable under the Current Assets.
- ii) During the year the company has been sanctioned a custom duty draw back amounting to Rs.38,92,120/- from the Office of the Jt. Director General of Foreign Trade (CLA) Indraprastha Bhawan, New Delhi vide letter dated 10.02.2010 against custom duty paid on imported electro-mechanical equipments. The same has been credited to the respective Plant & Machinery and value of Plant & Machinery has been reduced to that extent.
7. During the year the company has settled a claim lodged by the two contractors for Rs.15.47 lacs against the lodged amount of Rs.42.80 lacs. The same has been debited to the respective Fixed Assets and amount of fixed assets has been increased to that extent.
8. In the opinion of the Board, the value of realisation of loans, advances and current assets in the ordinary course of business will not be less than the amount at which they are stated in the balance sheet.
9. None of the suppliers has provided information about there being Micro, Small and Medium Enterprises under The Micro, Small and Medium Enterprises Development Act,2006 (MSMED Act) as at 31st March,2010.Therefore no details could be disclosed as required.
10. No deferred tax assets is provided for timing differences in view of the benefits available u/s 80IA of the Income-tax Act for power division of the company and overall minimum alternative tax payable.

11. Earning per share (EPS)

	2009-10	2008-09
Net profit for calculation of basic EPS & Diluted EPS	2674005	3774644
Weighted average number of equity shares in calculating basic& Diluted EPS	1276448	1276000
Basic & Diluted EPS	2.09	2.96

12. The company has provided liability for gratuity as per provisions of Gratuity Act, 1972. However, the company is in process of getting the actuarial valuation to comply with the Accounting Standard AS-15 as issued by the Institute of Chartered Accountants of India.
13. Disclosure of transactions with Related Parties, as required by Accounting Standard 18 "Related Party Disclosures" has been set out in a separate statement annexed to this schedule. Related parties as defined under Clause 3 of the Accounting Standard have been identified on the basis of representations made by key managerial personnel and information available with the Company.

14. Additional information pursuant to provision of paragraph 3, 4C & 4D of Part II of Schedule VI to the Companies Act, 1956 to the extent applicable are as follows: (As certified by the management)

Quantitative information

- a. Quantitative information in respect of production and sale of power:

A) INSTALLED CAPACITIES AND PRODUCTION				
	Installed Capacity		Actual Production	
	Current Year	Previous Year	Current Year	Previous Year
	MW	MW	KWH	KWH
Electricity	4.8	4.8	18597450	18928800

B) TURNOVER					
	UNIT	CURRENT YEAR		PREVIOUS YEAR	
		Quantity	Amount	Quantity	Amount
Electricity	KWH	18597450	52072860.00	18928800	53000640.0

15. The previous year figures have been regrouped and/or rearranged wherever necessary.

For OPSinghania & CO.
Chartered Accountants

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

Sanjay Singhania
Partner
Membership No.76961
Raipur, 3rd May, 2010

Kamal Kishore Sarda
(Director)

Sheen Agrawal
(Director)

Parvatiya Power Limited

SCHEDULE OF RELATED PARTY DISCLOSURE AS PER AS-18 ANNEXED TO NOTE NO.14 OF SCHEDULE 'O'

"NOTES TO FINANCIAL STATEMENT"

Related party Disclosures:

Related parties and nature of relationship where control exists:-

Key Managerial Personnel

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

Relatives of Key Management Personnel

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

Enterprises significantly influenced by the key management personnel and their relatives

Sarda Energy & Minerals Ltd.
Chhattisgarh Investments Ltd.
Continental Jeweltech Mining Pvt.Ltd.
Chakra Holding P Ltd
Abhivadan Agro Farms P Ltd
Hemnidihi Securities Ltd.
Chhattisgarh Hydro Power Pvt.Ltd.
Madhya Bharat Power Corporation Ltd.
Kashmirilal Constructions Pvt. Ltd.
Vikash Associates

Transactions with related Parties

A. Enterprises significantly influenced by the key management personnel and their relatives (Rs.in Lacs)

Nature of Transactions	Current Year	Previous Year
Transactions during the year		
Payments for Capital Work	16.07	0.98
Loans Granted	145.50	225.00
Repayment of Loan Granted	164.15	210.00
Interest Received on Loans Granted	0.18	4.72
Loans Taken	652.05	0.00
Repayment of Loans Taken	212.50	0.00
Interest Paid on Loans Taken	1.11	0.00
Other Income	1.20	1.20
Rent Paid	0.55	0.66
Reimbursement of expenses	1.76	3.26
Share Application Money received	38.36	286.52
Share Application Money refund	552.70	0.00
Loans Receivables	0.00	18.65
Loans Payables	440.55	0.00

B. Relatives of Key Management Personnel

Transactions during the year		
Share Application Money received	49.36	0.00
Share Application Money refund	24.00	0.00

C. Details of Material Transaction with related parties

	2010	2009
Payments for Capital Work		
Kashmirilal Constructions (P) Ltd.	0.48	0.00
Vikash Associates	15.59	0.98
Loans Granted		
Sarda Energy & Minerals Ltd.	145.50	0.00
Chhattisgarh Investments Ltd.	0.00	225.00
Repayment of Loan Granted		
Sarda Energy & Minerals Ltd.	145.50	0.00
Chhattisgarh Investments Ltd.	18.65	210.00
Interest Received on loans granted		
Sarda Energy & Minerals Ltd.	0.18	4.72
Loans Received		
Madhya Bharat Power Corporation Ltd.	0.00	1.44
Chhattisgarh Investments Ltd.	75.00	0.00
Hemnidhi Securities Ltd.	97.50	0.00
Sarda Energy and Minerals Ltd	479.55	0.00
Loan Repaid		
Hemnidhi Securities Ltd.	47.50	0.00
Sarda Energy and Minerals Ltd	165.00	0.00
Interest Paid on loans Taken		
Hemnidhi Securities Ltd.	0.11	0.00
Sarda Energy and Minerals Ltd	1.00	0.00
Other Income (Car Hiring Charges)		
Madhya Bharat Power Corporation Ltd.	1.20	1.20
Rent Paid		
Hemnidhi Securities Ltd.	0.55	0.66
Reimbursement of Expenses		
Hemnidhi Securities Ltd.	0.28	0.38
Chhattisgarh Hydro Power (P) Ltd.	0.46	0.53
Madhya Bharat Power Corp. Ltd.	1.02	2.17
Sarda Energy & Minerals Ltd.	-	0.18
Share Application Money received		
Smt Sangita Agrawal	49.36	-
Chakra Holding P Ltd	18.05	-
Abhivadan Agro Farms P Ltd	20.31	-
Sarda Energy & Minerals Ltd.	-	286.52
Share Application money Refund		
Sarda Energy & Minerals Ltd.	477.70	-
SMt Shakuntala Devi Sarda	15.00	-
Mr. Pankaj Sarda	9.00	-
Chhattisgarh Investments Ltd.	75.00	-
Loan Receivable		
Chhattisgarh Investments Ltd.	-	18.65

	2010	2009
Loan Payable		
Chhattisgarh Investments Ltd.	75.00	-
Hemnidhi Securities Ltd.	50.10	-
Sarda Energy and Minerals Ltd	315.45	0.00

As per our Report of even date

For OPSinghania & Co.

Chartered Accountants,

For and on behalf of the Board

SANJAY SINGHANIA

PARTNER

Membership No.76961

KAMAL KISHORE SARDA, Director

SHEEN AGARWAL, Director

Raipur, 3rd May, 2010

**Additional information as required under Part IV of Schedule VI to the Companies Act, 1956.
Balance Sheet Abstract and Company's General Business Profile**

1. Registration Details

Registration No.	17151
State Code	20
Balance Sheet Date	31.03.2010

2. Capital raised during the year (Rs. in thousands)

Public Issue	NIL
Rights Issue	NIL
Bonus Issue	NIL
Private Placement	163540

3. Position of mobilisation and deployment of funds (Rs. in thousands)

Total Liabilities	333320
Total Assets	333320

..... Sources of Funds (Rs. in thousands)

Paid-up Capital	14395
Share Application Money	600
Reserves & Surplus	145412
Secured Loans	116718
Unsecured Loans	44055

..... Application of Funds (Rs. in thousands)

Net Fixed Assets	318677
Investments	NIL
Net Current Assets	2503
Miscellaneous Expenditure	NIL
Accumulated Losses	NIL

4. Performance of the Company (Rs. in thousands)

Turnover (Gross Receipts)	52690
Total Expenditure	49529
Profit/(Loss) before tax	3161
Profit/(Loss) after tax	2674
Earning per Share	
- Basic and Diluted (Rs.)	2.09
Dividend Rate Including Special Dividend, if any	
-- on Preference Shares	N.A.
-- on Equity Shares	N.A.

5. Generic Name of Principal Products, services of the Company :

Item Code No. (ITC Code)	72170000
Product Description	Electricity

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

**Kamal Kishore Sarda
(Director)**

**Sheen Agarwal
(Director)**

Raipur, 3rd May, 2010