

# OPSinghania & Co.

CHARTERED ACCOUNTANTS  
JDS CHAMBERS, 1<sup>ST</sup> FLOOR, 6-CENTRAL AVENUE,  
CHOUBE COLONY, RAIPUR – 492001. (C.G.)  
PHONE: 0771 – 4041235, 4041236,  
FAX : +91-0771-4061216  
Email : opsinghania.co@gmail.com

## **Independent Auditor's Report To the Partners of Chhattisgarh Hydro Power LLP Report on the Financial Statements**

We have audited the accompanying financial statements of **Chhattisgarh Hydro Power LLP** which comprise the Statement of Assets and Liabilities as at 31 March 2015 and a summary of significant accounting policies and other explanatory information.

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

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

1. 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 firm so far as appears from our examination of those books;
- (iii) The Statement of Assets and Liabilities dealt with by this report is in agreement with the books of account; and
- (iv) In our opinion, and to the best of our information and according to the explanations given to us, the said financial statements give a true and fair view:
- (v) In the case of the Statement of Assets and Liabilities, of the state of affairs of the firm as at 31st March, 2015.

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

-Sd/-  
SANJAY SINGHANIA  
PARTNER  
Membership No.076961

Raipur, 11.05.2015

**CHHATTISGARH HYDRO POWER LLP**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT 31ST MARCH, 2015**

| PARTICULARS                                  | SCHE-<br>DULE | AMOUNT<br>Rs.<br>31.03.2015 | AMOUNT<br>Rs.<br>31.03.2014 |
|--|---------------|-----------------------------|-----------------------------|
| <b><u>CONTRIBUTION &amp; LIABILITIES</u></b> |               |                             |                             |
| <b><u>PARTNER'S FUNDS</u></b>                |               |                             |                             |
| Contribution                                 | A             | 300181000                   | 273872000                   |
| <b><u>NON CURRENT LIABILITIES</u></b>        |               |                             |                             |
| <b><u>Secured Loans</u></b>                  |               |                             |                             |
| Term Loan from Bank of Baroda                |               | 220531432                   | -                           |
| Term Loan from Union Bank of India           |               | 135530877                   | -                           |
| <b><u>CURRENT LIABILITIES</u></b>            |               |                             |                             |
| Salary Payable                               |               | 569572                      | 557,326                     |
| TDS Payable                                  |               | 952973                      | 215995                      |
| Other Payable                                |               | 9442929                     | 4400378                     |
| <b><u>TOTAL</u></b>                          |               | <b>667208782</b>            | <b>279045699</b>            |
| <b><u>ASSETS</u></b>                         |               |                             |                             |
| <b><u>NON CURRENT ASSETS</u></b>             |               |                             |                             |
| <b><u>FIXED ASSETS</u></b>                   |               |                             |                             |
| Tangible Assets                              | B             | 14593772                    | 14191676                    |
| Intangible Assets                            | C             | 11064464                    | 11064464                    |
| Capital work in progress                     |               | 460052831                   | 131503361                   |
| <b><u>LONG TERM LOANS &amp; ADVANCES</u></b> | D             | 161137322                   | 120729636                   |
| <b><u>OTHER NON-CURRENT ASSETS</u></b>       | E             | 32800                       | 32800                       |
| <b><u>CURRENT ASSETS</u></b>                 |               |                             |                             |
| <b><u>CURRENT LOANS &amp; ADVANCES</u></b>   |               |                             |                             |
| Advance recoverable in cash or in kind       |               | 528502                      | 532942                      |
| <b><u>CASH &amp; BANK BALANCES</u></b>       |               |                             |                             |
| Cash in hand                                 |               | 54738                       | 111267                      |
| Balance with schedule banks                  | F             | 19744354                    | 879553                      |
| <b><u>TOTAL</u></b>                          |               | <b>667208782</b>            | <b>279045699</b>            |
| <b>NOTES ON ACCOUNTS</b>                     | G             |                             |                             |

For CHHATTISGARH HYDRO POWER LLP

-Sd/-  
**KAMAL KISHORE SARDA**  
 (Designated Partner)

-Sd/-  
**PANKAJ SARDA**  
 (Designated Partner)

As per our Report of even date  
 For **O.P.SINGHANIA & CO.**  
 (Firm Registration No. 002172C)  
**Chartered Accountants**

-Sd/-  
**SANJAY SINGHANIA**  
 Partner  
 Membership No.076961

Place : Raipur  
 Date : 11.05.2015

**CHHATTISGARH HYDRO POWER LLP****SCHEDULES FORMING PART OF THE ACCOUNTS****SCHEDULE -A :PARTNERS' CAPITAL ACCOUNT**

| <b>PARTICULARS</b>                              | <b>PROFIT SHARING RATIO %</b> | <b>OPENING BALANCE<br/>Rs.</b> | <b>CONTRIBUTION DURING THE YEAR<br/>Rs.</b> | <b>PROFIT/(LOSS) DISTRIBUTED</b> | <b>AS ON 31.03.2015<br/>Rs.</b> |
|---|-------------------------------|--------------------------------|---|----------------------------------|---------------------------------|
| <i>Chhatisgarh Investment Ltd</i>               | 11.12                         | 30454566.00                    | 3000000.00                                  | 0.00                             | 33454566                        |
| <i>Prachi Agriculture &amp; Properties Ltd.</i> | 0.48                          | 1314586.00                     | 0.00  | 0.00                             | 1314586                         |
| <i>Sarda Agriculture &amp; Properties Ltd</i>   | 0.48                          | 1314586.00                     | 0.00  | 0.00                             | 1314586                         |
| <i>Sarda Family Investments</i>                 | 9.80                          | 26839456.00                    | 2700000.00                                  | 0.00                             | 29539456                        |
| <i>Sarda Energy &amp; Minerals Ltd.</i>         | 60.92                         | 166842822.00                   | 16109000.00                                 | 0.00                             | 182951822                       |
| <i>Shri Kamal Kishore Sarda</i>                 | 12.45                         | 34097064.00                    | 3300000.00                                  | 0.00                             | 37397064                        |
| <i>Smt. Shakuntala Devi Sarda</i>               | 4.75                          | 13008920.00                    | 1200000.00                                  | 0.00                             | 14208920                        |
| <b>Total</b>                                    | <b>100.00</b>                 | <b>273872000.00</b>            | <b>26309000.00</b>                          | <b>0.00</b>                      | <b>300181000.00</b>             |

| <b>CHHATTISGARH HYDRO POWER LLP</b>           |                    |                          |                           |                    |                  |                |                           |                  |                    |                    |
|---|--------------------|--------------------------|---------------------------|--------------------|------------------|----------------|---------------------------|------------------|--------------------|--------------------|
| <b>SCHEDULES FORMING PART OF THE ACCOUNTS</b> |                    |                          |                           |                    |                  |                |                           |                  |                    |                    |
| <b>SCHEDULE - B : TANGIBLE ASSETS</b>         |                    |                          |                           |                    |                  |                |                           |                  |                    |                    |
| PARTICULARS                                   | GROSS BLOCK        |                          |                           |                    | DEPRECIATION     |                |                           |                  | NET BLOCK          |                    |
|   | OPENING BALANCE    | ADDITION DURING THE YEAR | DEDUCTION DURING THE YEAR | AS AT 31.03.2015   | OPENING BALANCE  | FOR THE YEAR   | DEDUCTION DURING THE YEAR | UPTO 31.03.2015  | AS ON 31.03.2015   | AS AT 31.03.2014   |
|   | Rs.                | Rs.                      | Rs.                       | Rs.                | Rs.              | Rs.            | Rs.                       | Rs.              | Rs.                | Rs.                |
| Land  | 8,520,134          | -                        | -                         | 8,520,134          | -                | -              | -                         | -                | 8,520,134          | 8,520,134          |
| Office Equipment                              | 3,228,219          | 876,553                  | -                         | 4,104,772          | 1,151,391        | 253,593        | -                         | 1,404,984        | 2,699,788          | 2,076,828          |
| Furniture & Fixture                           | 136,634            | 269,469                  | -                         | 406,103            | 17,925           | 19,397         | -                         | 37,322           | 368,781            | 118,709            |
| Survey Equipment                              | 674,390            | -                        | -                         | 674,390            | 93,858           | 32,034         | -                         | 125,892          | 548,498            | 580,532            |
| Portable Magazine                             | 146,013            | -                        | -                         | 146,013            | 10,660           | 4,877          | -                         | 15,537           | 130,476            | 135,353            |
| Bridge  | 1,102,682          | -                        | -                         | 1,102,682          | 83,229           | 52,377         | -                         | 135,607          | 967,075            | 1,019,453          |
| Vehicle                                       | 2,409,415          | 149,171                  | 830,041                   | 1,728,545          | 668,748          | 221,046        | 520,270                   | 369,525          | 1,359,020          | 1,740,667          |
| <b>Total</b>                                  | <b>16,217,487</b>  | <b>1,295,193</b>         | <b>830,041</b>            | <b>16,682,639</b>  | <b>2,025,811</b> | <b>583,325</b> | <b>520,270</b>            | <b>2,088,866</b> | <b>14,593,772</b>  | <b>14,191,676</b>  |
| <b>Capital Work in Progress</b>               |                    |                          |                           |                    |                  |                |                           |                  |                    |                    |
| Project & Pre-operative Expenses              | 131,503,361        | 343,372,040              | 14,822,570                | 460,052,831        | -                | -              | -                         | -                | 460,052,831        | 131,503,361        |
| <b>Total</b>                                  | <b>131,503,361</b> | <b>343,372,040</b>       | <b>14,822,570</b>         | <b>460,052,831</b> | <b>-</b>         | <b>-</b>       | <b>-</b>                  | <b>-</b>         | <b>460,052,831</b> | <b>131,503,361</b> |
| <b>GRAND TOTAL</b>                            | <b>147,720,848</b> | <b>344,667,233</b>       | <b>15,652,611</b>         | <b>476,735,470</b> | <b>2,025,811</b> | <b>583,325</b> | <b>-</b>                  | <b>2,088,866</b> | <b>474,646,603</b> | <b>145,695,037</b> |

| <b>SCHEDULE - C : INTANGIBLE ASSETS</b> |                   |                          |                           |                   |                 |              |          |                 |                   |                   |
|---|-------------------|--------------------------|---------------------------|-------------------|-----------------|--------------|----------|-----------------|-------------------|-------------------|
| PARTICULARS                             | GROSS BLOCK       |                          |                           |                   | DEPRECIATION    |              |          |                 | NET BLOCK         |                   |
|   | OPENING BALANCE   | ADDITION DURING THE YEAR | DEDUCTION DURING THE YEAR | AS AT 31.03.2015  | OPENING BALANCE | FOR THE YEAR |          | UPTO 31.03.2015 | AS ON 31.03.2015  | AS AT 31.03.2014  |
|   | Rs.               | Rs.                      | Rs.                       | Rs.               | Rs.             | Rs.          |          | Rs.             | Rs.               | Rs.               |
| Rights to use Forest Land               | 11,064,464        | -                        | -                         | 11,064,464        | -               | -            | -        | -               | 11,064,464        | 11,064,464        |
| <b>Total</b>                            | <b>11,064,464</b> | <b>-</b>                 | <b>-</b>                  | <b>11,064,464</b> | <b>-</b>        | <b>-</b>     | <b>-</b> | <b>-</b>        | <b>11,064,464</b> | <b>11,064,464</b> |

**CHHATTISGARH HYDRO POWER LLP****SCHEDULES FORMING PART OF THE ACCOUNTS**

|  | <b>AS AT<br/>MARCH,31<br/>2015<br/>Rs.</b> | <b>AS AT<br/>MARCH,31<br/>2014<br/>Rs.</b> |
|--|--|--|
| <b>SCHEDULE - D : LONG TERM LOANS AND ADVANCES</b>                       |  |  |
| Advance for Capital Goods  | 161,137,322                                | 120,729,636                                |
|  | <b>161,137,322</b>                         | <b>120,729,636</b>                         |
| <b>SCHEDULE - E : OTHER NON-CURRENT ASSETS</b>                           |  |  |
| Deposit for Rent   | 21,000                                     | 21,000                                     |
| Bharat Gas Agencies  | 1,800                                      | 1,800                                      |
| Security Deposit with Sales Tax  | 10,000                                     | 10,000                                     |
|  | <b>32,800</b>                              | <b>32,800</b>                              |
| <b>SCHEDULE - F : BALANCE WITH SCHEDULE BANKS<br/>IN CURRENT ACCOUNT</b> |  |  |
| IDBI Bank Ltd.   | 3,116,740                                  | 716,353                                    |
| Bank of Baroda   | 16,339,004                                 | 23,427                                     |
| State Bank of India  | 288,610                                    | 139,773                                    |
|  | <b>19,744,354</b>                          | <b>879,553</b>                             |

## **SCHEDULE 'G'**

### **NOTES TO FINANCIAL STATEMENTS**

#### **1. NATURE OF ACTIVITIES**

The Firm has undertaken the activities of generation and distribution of Hydro Electric Power and has been under process of implementation of the projects at Gullu, Jashpur (Chhattisgarh).

#### **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) and the relevant provisions of the LLP Act, 2008.

ii) The Firm 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 Firm.

##### **b) Capital Work-in-Progress**

Expenditure incurred on different projects are being accounted under the head "Capital Work-in-Progress" and the same will be apportioned to specific assets of each project on commissioning of the same. The expenses incurred for the project has been grouped under the head "Project and Pre-operative Expenditure (Pending allocation)".

##### **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) Intangible Assets**

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

##### **e) 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.

##### **f) Depreciation and Amortisation**

i) Depreciation is provided on Straight Line Method based as per rates and in the manner prescribed in the 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.

vi) Intangible assets are amortised over technically useful life of the asset.

**g) 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.

**h) Impairment of Tangible and Intangible 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 statement of profit and loss. If at the balance sheet date there is any indication that previously assessed impairment loss no longer exists, then such loss is reversed and the asset is restated to that effect.

3. Contingent Liability not provided for : Rs.NIL (P.Y. NIL)

|   | <b>2015</b>       | 2014       |
|---|-------------------|------------|
|   | <b>Rs in Lacs</b> | Rs in Lacs |
| 4. Estimated amount of contracts remaining to be executed on capital accounts   | <b>5005.99</b>    | 5125.49    |
| 5. During the year, the Income Tax Department has conducted a search operation in office premises of the firm on 11.12.2014 u/s132 of the Income Tax Act,1961. During the course of search various documents and records have been seized by them. The company does not foresee any liability at this stage, however the due provision of liability, if any, shall be made after completion of the block assessment.  |                   |            |
| 6. Security of Term Loans from banks: <ul style="list-style-type: none"><li>- First pari passu charge on land (except forest and Govt. Revenue land), building, shed &amp; civil work, plant &amp; machinery and other fixed assets of the proposed power plant to be implemented at Vill: Gullu, Jashpur (C.G.) of the LLP.</li><li>- First pari passu charge on movable assets (including all revenue, receipts, receivables and intangible properties) both present and future.</li><li>- The term loans are further secured by personal guarantees of Mr. Kamal Kishore Sarda and Mr. Pankaj Sarda.</li></ul> |                   |            |
| 7. The payment of Bonus Act, Gratuity Act and Provident Fund Act are not applicable to the Firm during the year.  |                   |            |
| 8. The Firm has not commenced any commercial activities during the year therefore no profit and loss account has been prepared.   |                   |            |
| 9. Previous year figures are regrouped and rearranged wherever necessary.   |                   |            |

As per our report of even date  
**For OPSinghania & Co.**  
(Firm Regn.No.002172C)  
Chartered Accountants,

-Sd/-  
**SANJAY SINGHANIA**  
PARTNER  
MEMBERSHIP NO.076961

**For Chhattisgarh Hydro Power LLP**

-Sd/-  
**(KAMAL KISHORE SARDA),**  
Designated Partner

-Sd/-  
**(PANKAJ SARDA)**  
Designated Partner

Place : Raipur  
Date : 11.05.2015