

# OPSinghania & Co.

CHARTERED ACCOUNTANTS  
JDS CHAMBERS, 1<sup>st</sup> FLOOR, 6-CENTRAL AVENUE  
CHOUBE COLONY, RAIPUR -492001.(C.G.) INDIA  
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## AUDITORS' REPORT

To  
The Partners of  
CHHATTISGARH HYDRO POWER LLP

1. We have audited the attached Balance Sheet of CHHATTISGARH HYDRO POWER LLP, as at 31st March, 2013. This financial statement is the responsibility of the management. Our responsibility is to express an opinion on this financial statement 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. 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 Balance Sheet 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:

in the case of the Balance Sheet, of the state of affairs of the firm as at 31st March, 2013

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

- Sd/-  
SANJAY SINGHANIA  
PARTNER  
Membership No.076961

Raipur, 24<sup>th</sup> April,2013

**CHHATTISGARH HYDRO POWER LLP**

**BALANCE SHEET AS AT 31ST MARCH, 2013**

2012 AMOUNT Rs.	CAPITAL & LIABILITIES	SCHE- DULE	2013 AMOUNT Rs.	2012 AMOUNT Rs.	ASSETS	SCHE- DULE	2013 AMOUNT Rs.
88,782,000	<b><u>PARTNER'S FUNDS</u></b>	A	<b>214,134,000</b>		<b><u>NON CURRENT ASSETS</u></b>		
	<b><u>LIABILITIES</u></b>				<b><u>FIXED ASSETS</u></b>	B	
	<b><u>Current Liabilities</u></b>			10,603,253	Tangible assets		<b>13,358,409</b>
563,824	Salary Payable		<b>635,588</b>	63,466,317	Capital work-in-progress		<b>106,825,061</b>
103,464	TDS Payable		<b>96,816</b>	12,609,047	<b><u>LONG TERM LOANS AND ADVANCES</u></b>	C	<b>14,848,357</b>
596,638	Others Payable		<b>855,927</b>				
				32,800	<b><u>OTHER NON-CURRENT ASSETS</u></b>	D	<b>32,800</b>
					<b><u>CURRENT ASSETS</u></b>		
					<b><u>CURRENT LOANS &amp; ADVANCES</u></b>		
				114,924	Loans and advances to related parties		-
				1,834,847	Advance recoverable in cash or in kind		<b>79,839,395</b>
					<b><u>CASH &amp; BANK BALANCE</u></b>		
				42,875	Cash-in-hand		<b>64,171</b>
				1,296,699	Balance with schedule Banks	E	<b>664,230</b>
				45,164	OTHER CURRENT ASSETS	F	<b>89,908</b>
<b><u>90,045,926</u></b>			<b><u>215,722,331</u></b>	<b><u>90,045,926</u></b>			<b><u>215,722,331</u></b>

NOTES ON ACCOUNTS

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For Chhattisgarh Hydro Power LLP

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

-Sd/-  
KAMAL KISHORE SARDA  
Designated Partner

-Sd/-  
PANKAJ SARDA  
Designated Partner

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

Place : Raipur  
Date : 24.04.2013

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

<b>PARTICULARS</b>	<b>PROFIT SHAREING RATIO %</b>	<b>OPENING BALANCE Rs.</b>	<b>ADDITION DURING THE YEAR Rs.</b>	<b>AS ON 31.03.2013 Rs.</b>
<i>Chhatisgarh Investment Ltd</i>	11.12	9872557.00	13939144.00	23811701
<i>Prachi Agriculture &amp; Properties Ltd.</i>	0.48	426155.00	601688.00	1027843
<i>Sarda Agriculture &amp; Properties Ltd</i>	0.48	426155.00	601688.00	1027843
<i>Sarda Family Investments</i>	9.80	8700635.00	12284497.00	20985132
<i>Sarda Energy &amp; Minerals Ltd. (Partner)</i>	60.92	54085994.00	76364439.00	130450433
<i>Shri Kamal Kishore Sarda (Partner)</i>	12.45	11053359.00	15606324.00	26659683
<i>Smt. Shakuntala Devi Sarda ( Partner)</i>	4.75	4217145.00	5954220.00	10171365
<b>Total</b>	<b>100.00</b>	<b>88782000.00</b>	<b>125352000.00</b>	<b>214134000.00</b>

**CHHATTISGARH HYDRO POWER LLP****SCHEDULES FORMING PART OF THE ACCOUNTS****SCHEDULE - B :FIXED ASSETS**

PARTICULARS	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	OPENING BALANCE	ADDITION DURING THE YEAR	DEDUCTION DURING THE YEAR	AS AT 31.03.2013	OPENING BALANCE	FOR THE YEAR	UPTO 31.03.2013	AS ON 31.03.2013	AS AT 31.03.2012
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Land	7,685,640	2,711,280	2,245,065	8,151,855	-	-	-	8,151,855	7,685,640
Office Equipment	1,572,548	1,337,716	18,100	2,892,164	689,823	211,552	901,375	1,990,789	882,725
Furniture & Fixture	57,534	79,100	-	136,634	5,069	4,206	9,275	127,359	52,465
Survey Equipment	667,473	6,917	-	674,390	30,035	31,789	61,824	612,566	637,438
Portable Magagine	146,013	-	-	146,013	906	4,877	5,783	140,230	145,107
Bridge	-	1,102,682	-	1,102,682	-	30,852	30,852	1,071,830	-
Vehicle	1,529,823	225,860	-	1,755,683	329,945	161,958	491,903	1,263,780	1,199,878
<b>Total</b>	<b>11,659,031</b>	<b>5,463,555</b>	<b>2,263,165</b>	<b>14,859,421</b>	<b>1,055,778</b>	<b>445,234</b>	<b>1,501,012</b>	<b>13,358,409</b>	<b>10,603,253</b>
<b>Capital Work in Progress</b>									
Project & Pre-operative Expenses	63,466,317	43,358,744	-	106,825,061	-	-	-	106,825,061	63,466,316
<b>Total</b>	<b>63,466,317</b>	<b>43,358,744</b>	<b>-</b>	<b>106,825,061</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>106,825,061</b>	<b>63,466,316</b>
<b>GRAND TOTAL</b>	<b>75,125,348</b>	<b>48,822,299</b>	<b>2,263,165</b>	<b>121,684,482</b>	<b>1,055,778</b>	<b>445,234</b>	<b>1,501,012</b>	<b>120,183,470</b>	<b>74,069,569</b>

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

	<b>AS AT MARCH,31 2013 Rs.</b>	<b>AS AT MARCH,31 2012 Rs.</b>
<b>SCHEDULE - C : LONG TERM LOANS AND ADVANCES</b>		
Advance for Capital Goods	14,848,357	12,609,047
	<b>14,848,357</b>	<b>12,609,047</b>
<b>SCHEDULE - D : OTHER NON-CURRENT ASSETS</b>		
Deposit for Rent (RANIKOMBO Office)	21,000	21,000
Bharat Gas Agencies (Cylinder Deposit)	1,800	1,800
Security Deposit with Sales Tax	10,000	10,000
	<b>32,800</b>	<b>32,800</b>
<b>SCHEDULE - E : BALANCE WITH SCHEDULE BANKS IN CURRENT ACCOUNT</b>		
IDBI Bank Ltd.	620,344	223,112
State Bank of India , Kunkuri	43,886	1,073,587
	<b>664,230</b>	<b>1,296,699</b>
<b>SCHEDULE - F : OTHER CURRENT ASSETS</b>		
Pre-paid expenses	89,908	45,164
	<b>89,908</b>	<b>45,164</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 allotted potential sites for implementation of the projects from appropriate authorities.

#### **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) 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 and Amortisation**

- i) Depreciation is provided on Straight Line Method based on estimated useful life of the assets.
- 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.

#### **3. Contingent Liability not provided for : Rs.NIL**

4. Previous year figures are regrouped and rearranged wherever necessary.
5. The payment of Bonus Act, Gratuity Act and Provident Fund Act are not applicable to the Firm during the year.
6. The Firm has not commenced any commercial activities during the year therefore no profit and loss account has been prepared.

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

- Sd/-

**SANJAY SINGHANIA**  
PARTNER  
MEMBERSHIP NO.076961

Raipur, 24th April, 2013

For Chhattisgarh Hydro Power LLP

- Sd/-

**(KAMAL KISHORE SARDA),**  
Designated Partner

- Sd/-

**(PANKAJ SARDA)**  
Designated Partner