

**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 2014 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:

in the case of the Statement of Assets and Liabilities, of the state of affairs of the firm as at 31st March, 2014

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

-Sd/-

SANJAY SINGHANIA  
PARTNER  
Membership No.076961

Raipur, 15th April, 2014

**CHHATTISGARH HYDRO POWER LLP**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT 31ST MARCH 2014**

PARTICULARS	SCHE- DULE	AMOUNT Rs. 31.03.2014	AMOUNT Rs. 31.03.2013
<b><u>CONTRIBUTION &amp; LIABILITIES</u></b>			
<b><u>PARTNER'S FUNDS</u></b>			
Contribution	A	273872000	214134000
<b><u>CURRENT LIABILITIES</u></b>			
Salary Payable		557326	635,588
Tds Payable		215995	96816
Other Payable		4400378	855927
<b><u>TOTAL</u></b>		<b><u>279045699</u></b>	<b><u>215722331</u></b>
<b><u>ASSETS</u></b>			
<b><u>NON CURRENT ASSETS</u></b>			
<b><u>FIXED ASSETS</u></b>			
Tangible Assets	B	14191676	13358409
Intangible Assets	C	11064464	0
Capital work in progress		131503361	106914969
<b><u>LONG TERM LOANS &amp; ADVANCES</u></b>	D	120729636	94293496
<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		532942	394256
<b><u>CASH &amp; BANK BALANCES</u></b>			
Cash in hand		111267	64171
Balance with schedule banks	F	879553	664230
<b><u>TOTAL</u></b>		<b><u>279045699</u></b>	<b><u>215722331</u></b>
<b><u>NOTES ON ACCOUNTS</u></b>	G		

For CHHATTISGARH HYDRO POWER LLP

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

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

Place : Raipur  
 Date : 15.04.2014

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

**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 Rs.</b>	<b>CONTRIBUTION DURING THE YEAR Rs.</b>	<b>PROFIT/(LOSS) DISTRIBUTED</b>	<b>AS ON 31.03.2014 Rs.</b>
<i>Chhatisgarh Investment Ltd</i>	11.12	23811701.00	6642865.00	0.00	30454566
<i>Prachi Agriculture &amp; Properties Ltd.</i>	0.48	1027843.00	286743.00	0.00	1314586
<i>Sarda Agriculture &amp; Properties Ltd</i>	0.48	1027843.00	286743.00	0.00	1314586
<i>Sarda Family Investments</i>	9.80	20985132.00	5854324.00	0.00	26839456
<i>Sarda Energy &amp; Minerals Ltd.</i>	60.92	130450433.00	36392389.00	0.00	166842822
<i>Shri Kamal Kishore Sarda</i>	12.45	26659683.00	7437381.00	0.00	34097064
<i>Smt. Shakuntala Devi Sarda</i>	4.75	10171365.00	2837555.00	0.00	13008920
<b>Total</b>	<b>100.00</b>	<b>214134000.00</b>	<b>59738000.00</b>	<b>0.00</b>	<b>273872000.00</b>

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

PARTICULARS	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	OPENING BALANCE	ADDITION DURING THE YEAR	DEDUCTION DURING THE YEAR	AS AT 31.03.2014	OPENING BALANCE	FOR THE YEAR	UPTO 31.03.2014	AS ON 31.03.2014	AS AT 31.03.2013
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Land	8,151,855	368,279	-	8,520,134	-	-	-	8,520,134	8,151,855
Office Equipment	2,892,164	336,054	-	3,228,218	901,375	250,015	1,151,390	2,076,828	1,990,789
Furniture & Fixture	136,634	-	-	136,634	9,275	8,649	17,924	118,710	127,359
Survey Equipment	674,390	-	-	674,390	61,824	32,034	93,858	580,532	612,566
Portable Magagine	146,013	-	-	146,013	5,783	4,877	10,660	135,353	140,230
Bridge	1,102,682	-	-	1,102,682	30,852	52,377	83,229	1,019,453	1,071,830
Vehicle	1,755,683	653,732	-	2,409,415	491,903	176,846	668,749	1,740,666	1,263,780
<b>Total</b>	<b>14,859,421</b>	<b>1,358,065</b>	<b>-</b>	<b>16,217,486</b>	<b>1,501,012</b>	<b>524,798</b>	<b>2,025,810</b>	<b>14,191,676</b>	<b>13,358,409</b>
<b>Capital Work in Progress</b>									
Project & Pre-operative Expenses	106,914,969	28,427,515	3,839,123	131,503,361	-	-	-	131,503,361	106,914,969
<b>Total</b>	<b>106,914,969</b>	<b>28,427,515</b>	<b>3,839,123</b>	<b>131,503,361</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>131,503,361</b>	<b>106,914,969</b>
<b>GRAND TOTAL</b>	<b>121,774,390</b>	<b>29,785,580</b>	<b>3,839,123</b>	<b>147,720,847</b>	<b>1,501,012</b>	<b>524,798</b>	<b>2,025,810</b>	<b>145,695,038</b>	<b>120,273,378</b>

**SCHEDULE - C : INTANGIBLE ASSETS**

PARTICULARS	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	OPENING BALANCE	ADDITION DURING THE YEAR	DEDUCTION DURING THE YEAR	AS AT 31.03.2014	OPENING BALANCE	FOR THE YEAR	UPTO 31.03.2014	AS ON 31.03.2014	AS AT 31.03.2013
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Rights to use Forest Land	-	11,064,464	-	11,064,464	-	-	-	11,064,464	-
<b>Total</b>	<b>-</b>	<b>11,064,464</b>	<b>-</b>	<b>11,064,464</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,064,464</b>	<b>-</b>

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

	<b>AS AT MARCH,31 2014 Rs.</b>	<b>AS AT MARCH,31 2013 Rs.</b>
<b>SCHEDULE - D : LONG TERM LOANS AND ADVANCES</b>		
Advance for Capital Goods	120,729,636	94,293,496
	<b>120,729,636</b>	<b>94,293,496</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 IN CURRENT ACCOUNT</b>		
IDBI Bank Ltd.	716,353	620,344
Bank of Baroda	23,427	-
State Bank of India	139,773	43,886
	<b>879,553</b>	<b>664,230</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) 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.

**f) 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.

**g) 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>2014</b>	<b>2013</b>
	<b>Rs in Lacs</b>	<b>Rs in Lacs</b>
4. Estimated amount of contracts remaining to be	<b>5170.79</b>	<b>4787.63</b>

5. Previous year figures are regrouped and rearranged wherever necessary.

6. The payment of Bonus Act, Gratuity Act and Provident Fund Act are not applicable to the Firm during the year.

7. The Firm has not commenced any commercial activities during the year therefore no profit and loss account has been prepared.

8. 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 : 15.04.2014