

# OPSinghania & Co.

CHARTERED ACCOUNTANTS

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## **Independent Auditor's Report**

### **To the Partners of Chhattisgarh Hydro Power LLP**

### **Report on the Audit of the Standalone Ind AS Financial Statements**

#### **Opinion**

We have audited the standalone Ind AS financial statements of **Chhattisgarh Hydro Power LLP**, which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. (herein after referred to as "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit/loss, changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the LLP in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

The LLP's Partners are responsible for the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the LLP in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards issued by the Institute of Chartered Accountants of India. This responsibility also includes maintenance of adequate accounting records for safeguarding of the assets of the LLP and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the LLP's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Partners are also responsible for overseeing the LLP's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### **Report on Other Legal and Regulatory Requirements**

1. We report that:

- (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) in our opinion proper books of account as required by law have been kept by the LLP so far as it appears from our examination of those books;
- (c) the balance sheet, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in other reserves dealt with by this Report are in agreement with the books of account; and
- (d) in our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards issued by the Institute of Chartered Accountants of India.

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

**Sanjay Singhania**

**Partner**

Membership No.076961

Raipur, 20<sup>th</sup> May, 2019

**CHHATTISGARH HYDRO POWER LLP****Balance Sheet as at 31st March 2019**

	Particulars	Note	as at 31.03.2019	as at 31.03.2018
	<b>ASSETS</b>			
<b>(1)</b>	<b>Non-current Assets</b>			
(a)	Property, Plant & Equipment	2	2,054,160,475	2,089,242,822
(b)	Capital work-in-progress		23,147,676	10,403,878
(c)	Other Intangible Assets	3	10,687,363	10,908,652
(e)	Other Non- current Assets	4	19,270,194	21,469,365
	<b>TOTAL NON CURRENT ASSETS</b>		<b>2,107,265,708</b>	<b>2,132,024,717</b>
<b>(2)</b>	<b>Current Assets</b>			
(a)	Inventories	5	187,856	-
(b)	Financial Assets			
	(i) Trade Receivables	6	35,257,570	31,586,084
	(ii) Bank, Cash & Cash Equivalents	7	116,114,875	26,755,647
(c)	Current Tax Assets (Net)		1,110,468	610,262
(d)	Other Current Assets	8	15,720,113	9,149,134
	<b>TOTAL CURRENT ASSETS</b>		<b>168,390,881</b>	<b>68,101,127</b>
	<b>TOTAL ASSETS</b>		<b>2,275,656,590</b>	<b>2,200,125,844</b>
	<b>CONTRIBUTION &amp; LIABILITIES</b>			
	<b>PARTNER'S FUNDS</b>			
(a)	Capital Contribution	9	892,111,711	792,039,651
(b)	Other Reserves		666,617	694,120
	<b>TOTAL PARTNER'S FUND</b>		<b>892,778,328</b>	<b>792,733,771</b>
	<b>Liabilities</b>			
<b>(1)</b>	<b>Non-current Liabilities :</b>			
(a)	Financial Liabilities			
	Borrowings	10	1,095,531,395	1,179,772,552
(b)	Deferred Tax Liabilities (Net)	11	86,645,304	30,649,907
(c)	Provisions	12	2,396,033	1,577,780
(d)	Other Non Current Liabilities	13	24,000,000	24,500,000
	<b>TOTAL NON CURRENT LIABILITIES</b>		<b>1,208,572,733</b>	<b>1,236,500,239</b>
<b>(2)</b>	<b>Current Liabilities</b>			
(a)	Financial Liabilities			
	(i) Borrowings	14	51,702,588	45,263,451
	(ii) Other Financial Liabilities	15	119,697,801	119,706,674
(b)	Other current liabilities	16	2,621,709	5,714,753
(c)	Provisions	17	283,431	206,956
	<b>TOTAL CURRENT LIABILITIES</b>		<b>174,305,529</b>	<b>170,891,834</b>
	<b>TOTAL CONTRIBUTION &amp; LIABILITIES</b>		<b>2,275,656,590</b>	<b>2,200,125,844</b>

SIGNIFICANT ACCOUNTING POLICIES

1.01

The accompanying notes are integral part of the financial statements.

As per our Report of even date

**For O.P.SINGHANIA & Co.**

(ICAI Firm Regn. No. 002172C)

**Chartered Accountants****For CHHATTISGARH HYDRO POWER LLP****SANJAY SINGHANIA**

Partner

Membership No.076961

Place : Raipur

Date : 20.05.2019

**PANKAJ SARDA**

(Designated Partner)

**P.S. Duttgupta**

(Designated Partner)

**Chhattisgarh Hydro Power LLP**  
**Statement of profit and loss for the year ended 31 March 2019**

Sr No.	Particulars	Notes	31.03.2019	31.03.2018
I	Revenue from operations	18	369,573,834	258,646,471
II	Other Revenue	19	5,422,007	1,301,235
III	<b>Total Revenue</b>		<b>374,995,841</b>	<b>259,947,706</b>
IV	Expenses			
	Employee benefit expense	20	17,160,713	11,119,360
	Finance costs	21	121,234,475	114,220,249
	Depreciation and amortisation expense	22	45,533,038	32,186,597
	Operating and Other expenses	23	34,985,388	25,163,301
	<b>Total expenses</b>		<b>218,913,614</b>	<b>182,689,506</b>
V	<b>Profit before tax (III-IV)</b>		<b>156,082,227</b>	<b>77,258,199</b>
VI	<b>Income tax expense</b>			
	- Current tax		-	-
	- Deferred tax		56,010,167	31,083,782
VII	<b>Profit for the period (V-VI)</b>		<b>100,072,060</b>	<b>46,174,418</b>
VIII	<b>Other Comprehensive income for the</b>			
	A (i) Items that will not be reclassified to profit or loss			
	-Actuarial gain or losses on Defined Benefit Plans		(42,273)	371,407
	(ii)Income tax relating to items that will not be reclassified to profit or loss:			
	- Actuarial gain or losses on Defined Benefit Plans		14,770	(103,325)
	Other comprehensive income for the year		<b>(27,503)</b>	<b>268,082</b>
IX	<b>Total comprehensive income for the year</b>		<b>100,044,557</b>	<b>46,442,499</b>

SIGNIFICANT ACCOUNTING POLICIES

1.01

The accompanying notes are integral part of the financial statements.

As per our report of even date

**For OPSinghania & Co.**

(ICAI Firm Reg. No.002172C)

Chartered Accountants

**For Chhattisgarh Hydro Power LLP**

**per Sanjay Singhania**  
**Partner**

Membership No.076961

**Pankaj Sarada**  
**(Designated Partner)**

**P.S. Duttagupta**  
**(Designated Partner)**

Place : Raipur

Date : 20.05.2019

**Chhattisgarh Hydro Power LLP**  
**STATEMENT OF CHANGES IN OTHER RESERVES**

Particulars	Reserves and Surplus	Other Comprehensive Income	Total other equity
	Retained Earnings	Remeasurement of the defined benefit plans	
	-	-	-
<b>Balance as of April 1st , 2017</b>	571,549	(145,511)	<b>426,038</b>
Profit for the year	46,174,417	-	<b>46,174,417</b>
Defind Benefit Plan ( net of taxes)	-	268,082	<b>268,082</b>
Transferred to partners capital account	(46,174,417)	-	<b>(46,174,417)</b>
<b>Balance as of March 31, 2018</b>	<b>571,549</b>	<b>122,571</b>	<b>694,120</b>
<b>Balance as of April 1st , 2018</b>	571,549	122,571	<b>694,120</b>
Profit for the year	100,072,060	-	<b>100,072,060</b>
Defind Benefit Plan ( net of taxes)	-	(27,503)	<b>(27,503)</b>
Transferred to partners capital account	(100,072,060)	-	<b>(100,072,060)</b>
<b>Balance as of March 31, 2019</b>	<b>571,549</b>	<b>95,068</b>	<b>666,617</b>

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

**For Chhattisgarh Hydro Power LLP**

**per Sanjay Singhania**  
**Partner**  
 Membership No.076961

**Pankaj Sarda**  
**(Designated Partner)**

**P.S. Duttgupta**  
**(Designated Partner)**

Place : Raipur  
 Date : 20.05.2019

**Chhattisgarh Hydro Power LLP**  
**Cash Flow Statement For The Year Ended 31st March, 2019**

Particulars	2019	2018
<b>A. Cash Flow from Operating Activities</b>		
<b>Net Profit/(Loss) Before Tax</b>	<b>156,082,227</b>	<b>77,258,199</b>
<b>Adjustment to Reconcile net profit to net cash provided by operating activities</b>		
Depreciation & Amortisation	45,533,038	32,186,597
Provision for Gratuity	594,829	171,186
Provision for Leave Encashment	201,486	175,911
Amortization of Capital Subsidy	(500,000)	(500,000)
Inter-set Expenses	121,234,475	114,220,249
Interest/Other Income	(4,922,007)	(800,471)
<b>Operating Profit before Working Capital changes</b>	<b>318,224,048</b>	<b>222,711,671</b>
<b>Changes in assets and liabilities</b>		
Increase/(decrease) in other Current Liabilities	(3,093,044)	(72,469,305)
Decrease/(increase) in trade receivables	(3,671,486)	(32,537,771)
Increase/(decrease) in liabilities and provisions	(129,302)	14,812,640
(Increase)/decrease Other Current Assets	(6,570,979)	(4,620,090)
(Increase)/decrease Other Non Current Assets	2,199,171	22,702,244
Current Tax Assets (Net)	(499,236)	(584,209)
<b>Net Cash Flow from Operating Activities</b>	<b>306,459,172</b>	<b>150,015,180</b>
<b>B. Cash Flow from Investing Activities</b>		
(Increase)/Decrease in Tangible/Intangible Fixed Assets	(23,162,025)	(152,505,227)
Interest/Other Income	4,922,007	800,471
<b>Net Cash used in Investing Activities</b>	<b>(18,240,018)</b>	<b>(151,704,756)</b>
<b>C. Cash Flow from Financing Activities</b>		
Partners Contribution received (Net of withdrawals)	-	15,500,000
Proceeds from long term borrowings	(84,064,588)	64,089,446
(Repayment)/Proceeds of Short term borrowings	6,439,137	45,263,451
Inter-set Expenses	(121,234,475)	(114,220,249)
<b>Net Cash from financing Activities</b>	<b>(198,859,926)</b>	<b>10,632,648</b>
<b>Net Increase/( decrease) in Cash and Cash equivalents ( A+B+C)</b>	<b>89,359,228</b>	<b>8,943,072</b>
<b>Cash &amp; Cash Equivalents at the beginning (Note 7)</b>	<b>26,755,647</b>	<b>17,812,575</b>
<b>Cash &amp; Cash Equivalents at the end (Note 7)</b>	<b>116,114,875</b>	<b>26,755,647</b>
<b>Increase/( decrease) in Cash and Cash equivalents</b>	<b>89,359,228</b>	<b>8,943,072</b>

**Notes:**

(a) Cash and cash equivalent include the following :

Cash on Hand	40,653	66,756
Balance with Banks	116,074,222	26,688,891
	<b>116,114,875</b>	<b>26,755,647</b>

(b) Figures in brackets represent outflows.

(c) Previous year figures have been recast/restated wherever necessary.

As per our report of even date

**For OPSinghania & Co.**

(ICAI Firm Reg. No.002172C)

Chartered Accountants

**For Chhattisgarh Hydro Power LLP**

**per Sanjay Singhania**

**Partner**

Membership No.076961

Place : Raipur

Date : 20.05.2019

**Pankaj Sarda**  
**Designated Partner**

**P.S. Duttgupta**  
**Designated Partner**

**1.00 REPORTING ENTITY**

The LLP is domiciled in India and is incorporated under the provisions of Limited Liability Partnership Act, 2008. The LLP is engaged in the business of generation and distribution of hydro electric power and has implemented a Small Hydro Power Project named 24 MW Gullu SHP. The plant has started commercial operations w.e.f. 17.07.2017. In addition, it is implementing other small hydro power projects which are under construction.

**1.01 SIGNIFICANT ACCOUNTING POLICIES****(i) BASIS OF PREPARATION AND PRESENTATION**

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis, except for certain financial instruments which are measured at fair values in accordance with Ind AS issued by the Institute of Chartered Accountants of India.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

**(ii) BASIS OF MEASUREMENT**

The financial statements have been prepared on the historical cost convention and on accrual basis except for the following:

- (a) defined benefit plans - plan assets measured at fair value.
- (b) Current Investments - fair value through profit and loss.

**(iii) USE OF ESTIMATES**

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

**1.02 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity of another entity.

**(a) Financial asset****i) Initial measurement**

All financial assets are recognised initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognised on trade date. Financials assets of the LLP include investments in mutual funds, security deposits etc.

**ii) Classification and subsequent measurement**

For the purpose of subsequent measurement, financial assets of the LLP are classified in the following categories:

- 1) financial assets measured at amortised cost
- 2) financial assets measured at fair value through other comprehensive income
- 3) financial assets measured at fair value through profit and loss and

The classification of financial assets depends on the objective of the business model. Management determines the classification of its financial assets at initial recognition.

(b) **Investments**

Investments in mutual funds are measured at fair value through Profit & Loss Account. The same as been routed through preoperative expenses till commencement of commercial operations.

(c) **Financial liability**

**i) Initial measurement**

All financial liabilities are recognised initially at fair value net of directly attributable transaction costs. The LLP's financial liabilities include loans and borrowings etc.

**ii) Classification and subsequent measurement**

For the purpose of subsequent measurement, financial liabilities of the LLP are classified in the following categories:

- 1) financial liabilities measured at amortised cost,
- 2) financial liabilities measured at fair value through profit and loss.

***Financial liabilities at amortised cost:***

Financial liabilities at amortised cost represented by trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method.

***Financial liabilities at FVTPL***

Financial liabilities at FVTPL represented by contingent consideration are measured at fair value with all changes recognised in the statement of profit and loss.

(d) **Property, plant and equipment**

Items of property, plant and equipment are measured at cost less accumulated depreciation/, amortisation and accumulated impairment losses. Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for its intended use.

The residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively.

**Depreciation and amortisation**

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method. Land, Right to use Land, Approach Road, Plant & Machinery and Building are depreciated/amortised over the period for which ownership of the plant is vested with the LLP as per Implementation Agreement signed with the Government of Chhattisgarh. The residual value of the aforesaid assets is considered nil as these will be transferred to the State Government after expiry of the Agreement term and no amount will be payable by the State Government on transfer.

(e) **Intangible assets**

Intangible assets comprising of Right to Use land rights expected to provide future economic benefits are stated at cost of acquisition/ implementation/ development.

(f) **Capital Work-in-Progress**

(a) Expenditure incurred on assets under construction (including a project) is carried at cost under Capital Work in Progress. Such costs comprises purchase price of asset including import duties and non-refundable taxes after deducting trade discounts and rebates and costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

(b) Cost directly attributable to projects under construction include costs of employee benefits, expenditure in relation to survey and investigation activities of the projects, cost of site preparation, initial delivery and handling charges, installation and assembly costs, professional fees, expenditure on maintenance and up-gradation etc. of common public facilities, depreciation on assets used in construction of project, interest during construction and other costs if attributable to construction of projects. Such costs are accumulated under "Capital works in progress" and subsequently allocated on systematic basis over major immovable assets, other than land and infrastructure facilities on commissioning of projects.



(c) Capital Expenditure incurred for creation of facilities, over which the LLP does not have control but the creation of which is essential principally for construction of the project is capitalized and carried under "Capital work in progress" and subsequently allocated on systematic basis over major immovable assets, other than land and infrastructure facilities on commissioning of projects, keeping in view the "attributability" and the "Unit of Measure" concepts in Ind AS 16- "Property, Plant & Equipment" . Expenditure of such nature incurred after completion of the project, is charged to Profit or Loss.

(g) **Borrowing Costs**

Interest and other borrowing 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 for the period when the qualifying assets are under construction..

Transaction costs are calculated by taking into account fees and other cost that have been incurred for establishment of loan facilities and forms integral part thereof. Borrowings are subsequently measured at amortised cost using Effective Interest Rate (EIR) method. The EIR amortisation is included in finance cost and is capitalised to the cost of the PPE under construction till the commencement of commercial production and charged to Profit and Loss Account thereafter.

(h) **Government grant**

Government grants are recognised initially as deferred income when there is reasonable assurance that they will be received and the LLP will comply with the conditions associated with the grant. Grants that compensate the LLP for expenses incurred are recognised over the period in which the related costs are incurred and are deducted from the related expenses. Grants that compensate the LLP for the cost of an asset are recognised in profit or loss on a systematic basis over the useful life of the related asset.

(i) **Employee benefits**

Employee benefits consist, inter-alia, of gratuity, leave benefits (including compensated absences) and other terminal benefits.

The liability in respect of Gratuity, Leave encashment are ascertained at the year end on the basis of actuarial valuation.

The liability for leave benefits (including compensated absences), allowance on retirement/ death and memento on superannuation to employees is ascertained at the year end on the basis of actuarial valuation.

The expenses incurred on terminal benefits in the form of ex-gratia payments and notice pay on voluntary retirement schemes are charged to profit or loss in the year of incurrence of such expenses.

Service cost & net interest on the net defined benefit liability (asset) are recognized in Profit or loss unless another Standard permits inclusion in the cost of asset.

Remeasurements comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

(j) **Provisions and contingent liabilities**

Provisions are recognised when the LLP has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Such provisions are determined based on management estimate of the amount required to settle the obligation at the balance sheet date. When the LLP expects some or all of a provision to be reimbursed, the reimbursement is recognised as a standalone asset only when the reimbursement is virtually certain.

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**Chhattisgarh Hydro Power LLP****Significant accounting policies and notes to the accounts for the year ended 31 March 2019**

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If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed on the basis of judgment of management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

(k) **Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks.

(l) **Revenue Recognition:**

The rate for sale of electricity has been recognised based on the last available tariff order notified by the CSERC. The difference in rate on notification of the applicable tariff order shall be recognised as income or expenditure in the year of notification of the tariff order by the CSERC.

(m) **Other Income:**

**Interest income:**

Short Term Interest income is measured on undiscounted basis and expensed when the related service is provided.

(n) **Income Taxes**

Income tax expense represents the sum of current and deferred tax. Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income. In this case the tax is also recognised directly in equity or in other comprehensive income.

**(i) Current income tax**

The current tax is based on taxable profit for the year under the Income Tax Act, 1961. Taxable profit differs from profit as reported in the Statement of Profit and Loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible (permanent differences). The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in India where the LLP operates and generates taxable income.

**(ii) Deferred tax**

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the LLP's financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unused tax losses and unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of an asset or liability in a transaction that at the time of the transaction affects neither the taxable profit or loss nor the accounting profit or loss.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the LLP expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities, and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(o) **Impairment of financial assets**

In accordance with Ind-AS 109, the LLP applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following:

- i. Financial assets that are measured at amortised cost.
- ii. Financial assets that are debt instruments and are measured as at FVTOCI.

Contract assets and trade receivables under Ind-AS 11, Construction Contracts and Ind AS-18, Revenue.

The LLP follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract assets resulting from transactions within the scope of Ind-AS 11 and Ind- AS 18.

The application of simplified approach does not require the LLP to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets, the LLP assesses whether there has been a significant increase in the credit risk since initial recognition. If credit risk has increased significantly, ECL is provided. For assessing increase in credit risk and impairment loss, the LLP assesses the credit risk characteristics on instrument-by-instrument basis.

Impairment loss allowance (or reversal) recognized during the period is recognized as expense/income in the statement of profit and loss.

(p) **Impairment of non-financial assets - property, plant and equipment and intangible assets:**

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

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**Chhattisgarh Hydro Power LLP**
**Notes to Financial Statements for the year ended 31st March, 2019**

NOTE 2	Property, Plant & Equipment										
	Land	Approach Road	Office Equipemnts	Plant and Machinery	Furniture & Fixture	Survey Equipments	Building	Tools and Tackles	Weigh Bridge	Vehicle	Total
<b>Gross Block</b>											
<b>Carrying Value</b>											
At 1 April 2017	10,579,614	77,086,838	4,895,505	9,963,986	1,142,025	548,498	130,476	446,515	967,076	1,467,530	107,228,063
Addition	5,568,328	31,364,007	6,839,741	1,809,669,649	425,712	233,415	162,263,677	476,165	369,111	3,842,069	2,021,051,874
Disposals	-	-	-	-	-	-	-	-	-	-	-
<b>As at 31.03.2018</b>	<b>16,147,942</b>	<b>108,450,845</b>	<b>11,735,246</b>	<b>1,819,633,635</b>	<b>1,567,737</b>	<b>781,913</b>	<b>162,394,153</b>	<b>922,680</b>	<b>1,336,187</b>	<b>5,309,599</b>	<b>2,128,279,937</b>
Addition	-	-	863,727	5,866,001	-	-	2,780,124	-	-	908,375	10,418,227
Disposals	-	-	-	-	-	-	-	-	-	-	-
<b>As at 31.03.2019</b>	<b>16,147,942</b>	<b>108,450,845</b>	<b>12,598,973</b>	<b>1,825,499,636</b>	<b>1,567,737</b>	<b>781,913</b>	<b>165,174,277</b>	<b>922,680</b>	<b>1,336,187</b>	<b>6,217,974</b>	<b>2,138,698,164</b>
<b>Depreciation</b>											
As at 1st April 2017	-	-	1,084,020	6,668	107,514	173,590	4,336	22,993	66,546	433,238	1,898,905
Depreciation for the year	227,398	1,527,226	841,088	26,302,538	110,056	68,481	2,286,047	34,906	35,627	597,418	32,030,785
Disposal/Adjustments	-	-	193,437	4,763,501	33,633	21,542	636	9,337	9,754	75,585	5,107,425
<b>As at 31.03.2018</b>	<b>227,398</b>	<b>1,527,226</b>	<b>2,118,545</b>	<b>31,072,707</b>	<b>251,203</b>	<b>263,613</b>	<b>2,291,019</b>	<b>67,236</b>	<b>111,927</b>	<b>1,106,241</b>	<b>39,037,115</b>
Depreciation for the year	140,776	2,169,017	1,454,770	37,027,898	158,068	97,314	3,295,557	49,443	45,381	873,525	45,311,749
Disposal/Adjustments	182,183	-	546	-	-	-	6,096	-	-	-	188,825
<b>As at 31.03.2019</b>	<b>550,357</b>	<b>3,696,243</b>	<b>3,573,861</b>	<b>68,100,605</b>	<b>409,271</b>	<b>360,927</b>	<b>5,592,672</b>	<b>116,679</b>	<b>157,308</b>	<b>1,979,766</b>	<b>84,537,689</b>
<b>Net Block</b>											
At 31.03.2018	15,920,544	106,923,619	9,616,701	1,788,560,928	1,316,534	518,300	160,103,134	855,444	1,224,260	4,203,358	2,089,242,822
At 31.03.2019	15,597,585	104,754,602	9,025,112	1,757,399,031	1,158,466	420,986	159,581,605	806,001	1,178,879	4,238,208	2,054,160,475

Depreciation for the Rehar Small Hydro Power Project shown separately in Disposal/Adjustment and capitalised in Capital Work-in-Progress head.

NOTE 3	Other Intangible Assets	
	Right to Use Land	Total
<b>Gross Block</b>		
<b>Carrying Value</b>		
At 1 April 2017	11,064,464	11,064,464
Addition	-	-
Disposals	-	-
<b>As at 31.03.2018</b>	<b>11,064,464</b>	<b>11,064,464</b>
Addition	-	-
Disposals	-	-
<b>As at 31.03.2019</b>	<b>11,064,464</b>	<b>11,064,464</b>
<b>Depreciation</b>		
As at 31.03.2017	-	-
Depreciation for the year	155,812	155,812
Disposal/Adjustments	-	-
<b>As at 31.03.2018</b>	<b>155,812</b>	<b>155,812</b>
Depreciation for the year	221,289	221,289
Disposal/Adjustments	-	-
<b>As at 31.03.2019</b>	<b>377,101</b>	<b>377,101</b>
<b>Net Block</b>		
At 31.03.2018	10,908,652	10,908,652
At 31.03.2019	10,687,363	10,687,363

**Chhattisgarh Hydro Power LLP****Notes to Financial Statements for the year ended 31st March, 2019****NOTE 4****Other Non Current Assets**

Unsecured, considered good

(a) Capital Advances

(b) Security Deposits

(c) Balance with revenue authorities

**Total****AS AT  
31.03.2019****AS AT  
31.03.2018**

17,881,390

20,947,063

1,388,804

509,264

-

13,037

**19,270,194****21,469,365****NOTE 5****Inventories**

(lower of cost or NRV)

- Stock of stores

**Total****AS AT  
31.03.2019****AS AT  
31.03.2018**

187,856

-

**187,856****-****NOTE 6****Trade Receivables**

Trade Receivables- Considered good, Unsecured

**Total****AS AT  
31.03.2019****AS AT  
31.03.2018**

35,257,570

31,586,084

**35,257,570****31,586,084****NOTE 7****Bank, Cash & cash equivalents**

Balance with Bank in current accounts

- In current accounts

Cash in hand

Other Bank Balances

- Maturity 3-6 Months

- Maturity 6-12 Months

**Total****AS AT  
31.03.2019****AS AT  
31.03.2018**

11,019,969

1,006,617

40,653

66,756

55,054,254

24,823,512

50,000,000

858,762

**116,114,875****26,755,647**

\* Fixed Deposit with bank aggregating to Rs 10.51 Crores (P.Y. Rs. 2.57 Crores) pledge with bank against bank guarantee and DSRA.

**NOTE 8****OTHER CURRENT ASSETS**

Other Advances (Unsecured, considered good)

(i) Advances Recoverable in Cash or Kind

(ii) Pre prepaid Expenses

(iii) Other receivables

(iv) Interest Receivable on Electricity Deposit

**Total****AS AT  
31.03.2019****AS AT  
31.03.2018**

1,766,951

7,238,783

12,958,626

939,299

951,687

951,687

42,849

19,365

**15,720,113****9,149,134**

**Chhattisgarh Hydro Power LLP****Notes to Financial Statements for the year ended 31st March, 2019****NOTE 9 : Capital Contribution**

<b>PARTICULARS</b>	<b>PROFIT SHARING RATIO %</b>	<b>AS AT 01.04.2018</b>	<b>CONTRIBUTION DURING THE YEAR</b>	<b>WITHDRAWALS DURING THE YEAR</b>	<b>PROFIT (LOSS) DISTRIBUTED</b>	<b>AS AT 31.03.2019</b>
Chhattisgarh Investments Ltd	<b>12%</b>	95,044,758	-	-	12,008,647	107,053,405
Prachi Agriculture & Properties Pvt. Ltd.	<b>6%</b>	47,522,379	-	-	6,004,324	53,526,703
Sarda Agriculture & Properties Pvt. Ltd. (Formerly Sattva Seeds Private Limited)	<b>10%</b>	79,203,965	-	-	10,007,206	89,211,171
Sarda Energy & Minerals Ltd.	<b>60%</b>	475,223,791	-	-	60,043,236	535,267,027
Shri Kamal Kishore Sarda	<b>12%</b>	95,044,758	-	-	12,008,647	107,053,405
<b>Total</b>	<b>100%</b>	<b>792,039,651</b>	<b>-</b>	<b>-</b>	<b>100,072,060</b>	<b>892,111,711</b>

**Chhattisgarh Hydro Power LLP**  
**Notes to Financial Statements for the year ended 31st March, 2019**

Note 10	As At 31.03.2019	As At 31.03.2018
<b>Borrowings : Financial Liabilities</b>		
Term Loan From Banks (Secured)	1,095,531,395	1,179,772,552
<b>Total non-current Borrowings</b>	<b>1,095,531,395</b>	<b>1,179,772,552</b>

**Terms and repayment schedule**

Terms and conditions of outstanding borrowings are as follows:

(Amount in Lacs)

Nature of Borrowing	Normal Interest Rate	Year of Maturity	Carrying Amount as on 31-03-2019	Carrying Amount as on 31-03-2018
Secured Bank Loan (HDFC)	9.15% p.a. (linked to 1 year MCLR with Annual reset)	2027-28	10,955.31	11,797.73
<b>Total Borrowings</b>	<b>Total Borrowings</b>		<b>10,955.31</b>	<b>11,797.73</b>

**Security against Borrowings**

- (a) Primary** Charge on entire movable & immovable fixed assets of 24 MW Gullu Hydro Power Project of Chhattisgarh Hydro Power LLP
- (b) Collateral**
- 1) Charge on entire current assets of 24 MW Gullu Hydro Power Project of Chhattisgarh Hydro Power LLP.
  - 2) Unconditional and irrevocable personal guarantees of Mr Kamal Kishore Sarda & Mr Pankaj Sarda.

NOTE 11 DEFERRED TAX ASSETS	AS AT 31.03.2019	AS AT 31.03.2018
Deferred Tax Assets/(Liabilities)		
Accelerated depreciation for tax purpose	(279,773,455)	(84,183,012)
Temporary differences on account of Employee Benefits	888,371	475,691
On unabsorbed Depreciation	192,239,780	53,057,414
<b>Total</b>	<b>(86,645,304)</b>	<b>(30,649,907)</b>

**RECONCILIATION OF DEFERRED TAX ASSETS/(LIABILITIES)**

	31.03.2019	31.03.2018
Deferred tax assets at the beginning of the year	(30,649,907)	537,200
Deferred tax liability during the year on account of timing difference	(195,177,763)	(84,244,521)
Deferred tax assets during the year on account of unabsorbed depreciation	139,182,366	53,057,414
<b>Closing balance</b>	<b>(86,645,304)</b>	<b>(30,649,907)</b>

Note 12 Long Term Provisions	As At 31.3.2019	As At 31.3.2018
<b>(a) Provision for employee benefits</b>		
Gratuity	1,797,557	1,053,334
Leave encashment	598,476	524,446
<b>Total Long Term Provisions</b>	<b>2,396,033</b>	<b>1,577,780</b>

Note 13 Other Non Current Liabilities	As At 31.3.2019	As At 31.3.2018
Unamortised Capital Subsidy	24,000,000	24,500,000
<b>Other Non Current Liabilities</b>	<b>24,000,000</b>	<b>24,500,000</b>

Note 14 Borrowings : Financial Liabilities	As At 31.3.2019	As At 31.3.2018
<b>Other loans and advances</b>		
Loans from Controlling Entity	51,702,588	45,263,451
<b>Total Borrowings Financial Liabilities</b>	<b>51,702,588</b>	<b>45,263,451</b>

Note 15 Other financial liabilities	As At 31.3.2019	As At 31.3.2018
Salary Payable	1,053,250	1,168,408
Interest accrued but not due on borrowings	9,513,833	9,584,116
Loan processing fees payable	15,305,445	15,305,445
Current Maturities of Long term Borrowings	93,825,273	93,648,705
<b>Total Other financial liabilities</b>	<b>119,697,801</b>	<b>119,706,674</b>

# Chhattisgarh Hydro Power LLP

Notes to Financial Statements for the year ended 31st March, 2019

	As At 31.3.2019	As At 31.3.2018
<b>Note 16</b>		
<b>Other current liabilities</b>		
TDS Payable	915,341	1,141,745
Provident Fund Payable	45,888	39,519
GST Payable	8,346	1,305,578
Security deposit from Contractors	-	170,532
Creditors for Capital Goods	-	415,869
Creditors for Others	1,652,134	2,641,510
<b>Total Other current liabilities</b>	<b>2,621,709</b>	<b>5,714,753</b>
<b>Note 17</b>		
<b>Short Term Provisions</b>		
<b>Provision for employee benefits</b>		
Gratuity	70,022	67,841
Bonus	126,674	70,535
Leave encashment	86,735	68,580
<b>Total Short Term Provisions</b>	<b>283,431</b>	<b>206,956</b>
<b>18. Revenue from operation</b>	<b>31.3.2019</b>	<b>31.3.2018</b>
Sale of Electricity	356,286,389	258,646,471
Reimbursement of Duties & Water Charges	13,287,445	-
<b>Total Sale of Services</b>	<b>369,573,834</b>	<b>258,646,471</b>
<b>19. Other Income</b>	<b>31.3.2019</b>	<b>31.3.2018</b>
Interest Received	4,922,007	800,471
Other non-operating income	-	764
Capital Subsidy	500,000	500,000
<b>Total Other Income</b>	<b>5,422,007</b>	<b>1,301,235</b>
<b>20. Employee Benefits Expenses:</b>	<b>31.3.2019</b>	<b>31.3.2018</b>
Salaries, wages and other benefits	15,258,157	9,896,122
Contributions to Provident fund	280,677	154,693
Bonus	91,666	70,535
Gratuity Expenses	594,829	171,186
Leave Expenses	201,486	175,911
Employees welfare expenses	733,898	650,913
<b>Total</b>	<b>17,160,713</b>	<b>11,119,360</b>
<b>21. Finance Costs:</b>	<b>31.3.2019</b>	<b>31.3.2018</b>
Interest on Term Loans	112,502,802	88,131,634
Interest on others	5,712,617	8,198,165
Prepayment Charges	-	11,533,153
Bank Charges	3,019,056	6,357,297
<b>Total</b>	<b>121,234,475</b>	<b>114,220,249</b>



**Chhattisgarh Hydro Power LLP****Notes to Financial Statements for the year ended 31st March, 2019**

<b>22. Depreciation and Amortization Expenses:</b>	<b>31.03.2019</b>	<b>31.03.2018</b>
Depreciation on Property, Plant and Equipment	45,311,749	32,030,785
Amortization on Other Intangibles Assets	221,289	155,812
<b>Total</b>	<b>45,533,038</b>	<b>32,186,597</b>

**23. Operating and Other Expenses**

	<b>31.03.2019</b>	<b>31.03.2018</b>
Repair & Maintenance		
- To Plant & Machinery	8,247,066	10,170,494
- To Others	205,279	47,664
Electricity Charges	2,407,432	1,898,278
Insurance Expenses	2,257,101	1,795,423
Rent Rates & Taxes	658,494	889,932
Electricity Duty	6,083,941	-
Water Charges	7,203,504	-
Communication expenses	249,378	197,223
Legal & Professional Charges	2,018,830	537,977
Travelling & Conveyance Expenses	741,832	887,389
Vehicle Running & Maintenance	856,029	279,156
Printing & Stationery	149,814	87,184
Audit Fees	147,500	118,000
Security Charges	1,605,943	1,101,695
Loss on sale of Assets	-	2,653,514
Miscellaneous Expenses	2,153,245	4,499,373
<b>Total</b>	<b>34,985,388</b>	<b>25,163,301</b>

**Payments to the Auditor as:**

	<b>31.03.2019</b>	<b>31.03.2018</b>
- Statutory Audit Fees	118,000	94,400
- Tax Audit Fees	29,500	23,600
<b>Total</b>	<b>147,500</b>	<b>118,000</b>

**24. Capital and Other Commitments**

Estimated amount of Contracts remaining to be executed on Capital Account net of advance given Rs. 1,31,13,768/- (PY Rs.1,35,97,388/-).

**25. Contingent liabilities (to the extent not provided for)**

<b>Contingent liabilities</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
a. Guarantees excluding financial guarantees (given by banker)	4.90 Crores	2.50 Crores

**Chhattisgarh Hydro Power LLP****Notes to Financial Statements for the year ended 31st March, 2019****26 Related party Disclosure:**

Related parties and nature of relationship where control exists:-

**Controlling entity**

Sarda Energy &amp; Minerals Ltd.

**Partners other than controlling entity**

Mr.Kamal Kishore Sarda

Chhattisgarh Investments Limited

Prachi Agriculture &amp; Properties Private Limited

Sarda Agriculture &amp; Properties Private Limited (formerly Satva Seeds Private Limited)

**A. Transactions with related Parties**

Nature of Transactions	(Rs.in Lacs)		(Rs.in Lacs)	
	Partners other than controlling entity		Controlling entity	
Transactions during the year	2018-19	2017-18	2018-19	2017-18
Opening balance of Partners Capital	3,168.16	2,921.46	4,752.24	4,382.19
Partners Capital Received	-	62.00	-	155.00
Partners Capital Refund	-	-	-	62.00
Profit Distribution to Partners	400.29	184.70	600.43	277.05
<b>Closing Balance of Partners Capital</b>	<b>3,168.16</b>	<b>2,983.46</b>	<b>4,752.24</b>	<b>4,475.19</b>
Loans Taken	-	-	3,883.00	2,768.00
Repayment of Loans Taken	-	-	3,870.00	2,403.00
Interest Paid on Loans Taken	-	-	57.10	97.37
<b><u>Closing Balance</u></b>				
Unsecured Loan	-	-	517.03	45,263,451.00

**Chhattisgarh Hydro Power LLP****Notes to Financial Statements for the year ended 31st March, 2019****B. Details of Material Transaction with related parties**

<b>Particulars</b>	<b>2018-19</b>	<b>2017-18</b>
<b>Opening balance of Partners Capital</b>		
Sarda Energy & Minerals Ltd.	4,752.24	4,382.19
Shri Kamal Kishore Sarda	950.45	876.44
Chhattisgarh Investments Limited	950.45	876.44
Prachi Agriculture & Properties Pvt. Ltd.	475.22	438.22
Sarda Agriculture & Properties Pvt. Ltd.	792.04	730.37
	<b>7920.40</b>	<b>7303.65</b>
<b>Partners Capital Received</b>		
Sarda Energy & Minerals Ltd.	0.00	155.00
Shri Kamal Kishore Sarda	0.00	18.60
Chhattisgarh Investments Limited	0.00	18.60
Prachi Agriculture & Properties Pvt. Ltd.	0.00	9.30
Sarda Agriculture & Properties Pvt. Ltd.	0.00	15.50
	<b>0.00</b>	<b>217.00</b>
<b>Partners Capital Refund</b>		
Sarda Energy & Minerals Ltd.	0.00	62.00
	<b>0.00</b>	<b>62.00</b>
<b>Profit Distribution to Partners</b>		
Sarda Energy & Minerals Ltd.	600.43	277.05
Shri Kamal Kishore Sarda	120.09	55.41
Chhattisgarh Investments Limited	120.09	55.41
Prachi Agriculture & Properties Pvt. Ltd.	60.04	27.70
Sarda Agriculture & Properties Pvt. Ltd.	100.07	46.17
	<b>1000.72</b>	<b>461.74</b>
<b>Closing Balance of Partners Capital</b>		
Sarda Energy & Minerals Ltd.	5,352.67	4,752.24
Shri Kamal Kishore Sarda	1,070.53	950.45
Chhattisgarh Investments Limited	1,070.53	950.45
Prachi Agriculture & Properties Pvt. Ltd.	535.27	475.22
Sarda Agriculture & Properties Pvt. Ltd.	892.12	792.04
	<b>8921.12</b>	<b>7920.40</b>
<b>Loan Taken</b>		
Sarda Energy & Minerals Ltd.	<b>3883.00</b>	<b>2768.00</b>
<b>Repayment of Loans Taken</b>		
Sarda Energy & Minerals Ltd.	3870.00	2403.00
<b>Interest Paid on Loans Taken</b>		
Sarda Energy & Minerals Ltd.	57.10	97.37
<b>Closing Balance</b>		
Unsecured Loan		
Sarda Energy & Minerals Ltd.	<b>517.03</b>	<b>452.63</b>

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

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

**a) Defined Contribution plan:**

Amount of Rs. 280677/- (P.Y. Rs.154693) is recognised as an expenses and included in employee benefit expense as under the following defined contribution plans (Refer Note no. 20)

<b>Benefit (Contribution to):</b>	<b>2018-19</b>	<b>2017-18</b>
Provident Fund	280,677	154,693
<b>Total</b>	<b>280,677</b>	<b>154,693</b>

**b) Defined benefit plan:**

**Gratuity:**

The LLP provides for gratuity, a defined benefit retirement plan covering eligible employees. The Gratuity plan provides a lumpsum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount equivalent to 15 to 30 days salary for each completed year of service subject to a maximum of Rs. 20 Lacs. Vesting occurs upon completion of five continuous years of service in accordance with Indian law.

<b>Particulars</b>	<b>Gratuity</b>		<b>Leave Encashment</b>	
	<b>2018-19</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2017-18</b>
	<b>(Funded)</b>	<b>(Funded)</b>	<b>(Non Funded)</b>	<b>(Non Funded)</b>

**I Change in Present value of defined benefit obligation during the year:**

1 Present value of defined benefit obligation at the beginning of the year	1,121,174	1,236,153	593,027	502,357
2 Interest Cost	87,003	90,129	46,019	38,330
3 Current Service Cost	290,831	138,276	155,468	137,582
4 Past Service Cost	216,995	-	-	-
5 Benefit paid directly by employer	-	(36,374)	-	-
6 Changes due Actuarial assumption	151,576	(307,010)	(109,303)	(85,242)
7 Present value of defined benefit obligation at the end of the year	<b>1,867,579</b>	<b>1,121,174</b>	<b>685,211</b>	<b>593,027</b>

**II Change in fair value of plan assets during the year:**

1 Fair value of plan assets at the beginning of the year	-	-	-	-
2 Interest Income	-	-	-	-
3 Contribution paid by the employer	-	-	-	-
4 Benefit paid from the fund	-	-	-	-
5 Fair value of plan assets at the end of the year	-	-	-	-

**III Net asset / (liability) recognised in the balance sheet:**

1 Present Valur of defined benefit obligation at the end of the year	<b>1,867,579</b>	<b>1,121,174</b>	<b>685,211</b>	<b>593,027</b>
2 Fair value of plan assets at the end of the year	-	-	-	-
Net asset / (liability) - Current	70,022	67,841	86,735	68,580
Net asset / (liability) - Non Current	1,797,557	1,123,381	598,476	524,446

**IV Expenses recognized in the statement of profit and loss/capitalized for the year:**

Current Service Cost	290,831	138,276	155,468	137,582
Interest Cost on benefit obligation (Net)	87,003	90,129	46,019	38,330
Total expenses included in employee benefits expenses/capitalized	377,834	228,405	201,487	175,912

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

**V Recognized in other comprehensive income for the year:**

Changes due Actuarial assumption	151,576	(307,010)	(109,303)	(85,242)
Recognized in other comprehensive income for the year:	151,576	(307,010)	(109,303)	(85,242)

**VI Maturity profile of defined benefit obligation:**

Within the next 12 months (next annual reporting period)	70,022	59,572	36,804	31,086
Between 2 and 5 years	302,774	208,172	172,078	182,151
Between 6 and 10 years	217,914	393,334	124,553	105,856
After 10 Years	1,276,871	530,144	351,775	273,934

**VII Quantitative Sensitivity analysis for significant assumption is as below:**

1	1% point increase in discount rate	1,658,847	1,078,909	624,415	540,070
	1% point decrease in discount rate	2,116,056	1,322,203	756,546	655,289
	1% point increase rate of salary Increase	2,050,683	1,317,661	752,480	615,049
	1% point decrease rate of salary Increase	1,676,772	1,080,988	626,860	571,768
	1% point increase rate of withdrawal rate	1,865,953	1,189,991	686,768	593,838
	1% point decrease rate of withdrawal rate	1,868,995	1,192,614	683,607	592,246

**2 Sensitivity Analysis Method:**

Sensitivity Analysis is determined based on the expected movement in liability if the assumption were not proved to be true on different count.

Particulars	Gratuity		Leave Encashment	
	2018-19	2017-18	2018-19	2017-18
	Non Funded	Non Funded	Non Funded	Non Funded

**VIII The major categories of plan assets as a percentage of total:**

Insurer managed funds	NA	NA	NA	NA
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**IX Actuarial assumptions:**

1	Discount rate	7.76%	7.63%	7.76%	7.63%
2	Salary escalation	7.00%	7.00%	7.00%	7.00%
		Indian	Indian	Indian	Indian Assured
		Assured Lives	Assured Lives	Assured Lives	Lives Mortality
3	Mortality rate during employment	Mortality (2006-08)	Mortality (2006-08)	Mortality (2006-08)	(2006-08)
		Indian	Indian	Indian	Indian Assured
		Assured Lives	Assured Lives	Assured Lives	Lives Mortality
4	Mortality post retirement rate	Mortality (2006-08)	Mortality (2006-08)	Mortality (2006-08)	(2006-08)
5	Rate of Employee Turnover	1% to 5%	1% to 5%	1% to 5%	1% to 5%
6	Future Benefit Cost Inflation	NA	NA	NA	NA
7	Medical premium inflation Rate	NA	NA	NA	NA

**Notes:**

- (i) The actuarial valuation of plan assets and the present value of the defined obligation were carried out at 31st March, 2019. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.
- (ii) Discount rate is based on the prevailing market yield of Indian Government securities as at the balance sheet date for the estimated term of the obligations.
- (iii) The salary escalation rate is arrived after taking into consideration the seniority, the promotion and other relevant factors, such as, demand and supply in employment market.

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**CHHATTISGARH HYDRO POWER LLP****Notes to Financial Statements for the year ended 31st March, 2019**

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**28. FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATIONS AND FAIR VALUE MEASUREMENTS:**

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1. The following methods and assumptions were used to estimate the fair values:  
Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to the short-term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the LLP based on parameters such as interest rates and individual credit worthiness  
The LLP uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:  
Level 1 : quoted (unadjusted) prices in active markets for identical assets or liabilities.  
Level 2 : other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.  
Level 3 : techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

	<b>Carrying amount As at 31.03.2019</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Financial assets at amortised cost:</b>				
Trade Receivables	352.58	-	-	-
Bank, Cash and cash Equivalents	1,161.15	-	-	-
<b>Total</b>	<b>1,513.72</b>	-	-	-
<b>Financial liabilities at amortised cost:</b>				
Borrowings from Bank	10,955.31	-	-	-
Borrowings from Related party	517.03	-	-	-
Other financial liabilities (current)	1,196.98	-	-	-
<b>Total</b>	<b>12,669.32</b>	-	-	-

During the reporting period ending 31st March, 2018 and 31st March, 2019, there were no transfers between Level 1 and Level 2 fair value measurements.

	<b>Carrying amount As at 31.03.2018</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Financial assets at amortised cost:</b>				
Trade Receivables	325.38	-	-	-
Bank, Cash and cash Equivalents	267.56	-	-	-
<b>Total</b>	<b>592.94</b>	-	-	-
<b>Financial liabilities at amortised cost:</b>				
Borrowings from Bank	11,893.57	-	-	-
Borrowings from Related party	452.63	-	-	-
Other financial liabilities (current)	1,101.23	-	-	-
<b>Total</b>	<b>13,447.43</b>	-	-	-

During the reporting period ending 31st March, 2019 and 31st March 2018 there were no transfer between Level 1 and Level 2 Fair Value Measurements.

**29.FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES****INR IN LAKHS**

The Firm's principal financial liabilities comprise loans and borrowings in domestic currency only, and other payables. The main purpose of these financial liabilities is to finance the Firm's project. The Firm's principal financial assets include investments, loans, and other receivables, and cash and short-term deposits .

**The LLP is exposed to the following risks from its use of financial instruments:**

The Firm's Partners has overall responsibility for the establishment and oversight of the risk management framework. This note presents information about the risks associated with its financial instruments, the Firm's objectives, policies and processes for measuring and managing risk, and the Firm's management of capital.

**Credit Risk**

The LLP is exposed to credit risk as a result of the risk of counterparties non performance or default on their obligations. The LLP's exposure to credit risk primarily relates to investments and cash and cash equivalents. The LLP monitors and limits its exposure to credit risk on a continuous basis.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand and deposits which are readily convertible to cash. These are subject to insignificant risk of change in value or credit risk.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	<u>31-Mar-19</u>	<u>31-Mar-18</u>
Cash and cash equivalents	1161.15	267.56
Trade Receivables	352.58	315.86

**Liquidity risk**

The LLP is exposed to liquidity risk related to its ability to fund its obligations as they become due. The LLP monitors and manages its liquidity risk to ensure access to sufficient funds to meet operational and financial requirements. The LLP has access to credit facilities and debt capital markets and monitors cash balances daily. In relation to the LLP's liquidity risk, the LLP's policy is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions as they fall due while minimizing finance costs, without incurring unacceptable losses or risking damage to the LLP's reputation.

**Financing arrangements**

The LLP has access to following undrawn borrowing facilities at the end of the reporting period:

<u>Term Loans</u>	<u>31-Mar-19</u>	<u>31-Mar-18</u>
HDFC Bank	529.28	529.28
<b>TOTAL</b>	<u><b>529.28</b></u>	<u><b>529.28</b></u>

**CHHATTISGARH HYDRO POWER LLP****Notes to Financial Statements for the year ended 31st March, 2019****Maturities of financial liabilities****The contractual undiscounted cash flows of financial liabilities are as follows:**

<b>INR IN LAKHS</b>				
<b>As at 31 March 2019</b>	<b>Less than 1 year</b>	<b>1-5 years</b>	<b>more than 5 yrs</b>	<b>Total</b>
Long Term Borrowings	1,033.39	4,996.13	5,864.05	11,893.57
Short term Borrowings	517.03	-	-	517.03
Other financial Liabilities	163.59	-	-	163.59
<b>TOTAL</b>	<b>1,714.00</b>	<b>4,996.13</b>	<b>5,864.05</b>	<b>12,574.18</b>

  

<b>As at 31 March 2018</b>	<b>Less than 1 year</b>	<b>1-5 years</b>	<b>more than 5 yrs</b>	<b>Total</b>
Long Term Borrowings	1,056.63	4611.81	7,185.92	12,854.36
Short term Borrowings	452.63	-	-	452.63
Other financial Liabilities	164.74	-	-	164.74
<b>TOTAL</b>	<b>1,674.00</b>	<b>4,611.81</b>	<b>7,185.92</b>	<b>13,471.73</b>

**Interest rate risk**

Interest rate risk is the risk that an upward movement in the interest rate would adversely affect the borrowing cost of the LLP. The LLP is exposed to long term and short-term borrowings.

The exposure of the LLP's borrowings to interest rate changes at the end of the reporting period are as follows:

**a) Interest rate risk exposure**

	<b>31-Mar-19</b>	<b>31-Mar-18</b>
Variable rate borrowings	11,893.57	12,854.36
Fixed rate borrowings	517.03	452.63
	<b>12,410.59</b>	<b>13,306.99</b>

**b) Sensitivity analysis**

Profit or loss/ Cost estimate to higher/lower interest rate expense from borrowings as a result of changes in interest rates.

	<b>Impact on Cost ( Net of 31-Mar-19</b>	<b>31-Mar-18</b>
Interest rates - increase by 70 basis points	83.25	88.28
Interest rates - decrease by 70 basis points	(83.25)	(88.28)



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**CHHATTISGARH HYDRO POWER LLP****Notes to Financial Statements for the year ended 31st March, 2019**

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**30. CAPITAL MANAGEMENT**

The LLP's main objectives when managing capital are to:

- ensure sufficient liquidity is available (either through cash and cash equivalents, investments or committed credit facilities) to meet the needs of the business;
- ensure compliance with covenants related to its credit facilities; and
- minimize finance costs while taking into consideration current and future industry, market and economic risks and conditions.
- safeguard its ability to continue as a going concern.
- to maintain an efficient mix of debt and equity funding thus achieving an optimal capital structure and cost of capital.

	<b>INR IN LAKHS</b>	
	<b>31-Mar-19</b>	<b>31-Mar-18</b>
Total long term debt	11,893.57	12,734.21
Less : Bank, Cash and cash equivalent	1,161.15	267.56
<b>Net debt</b>	<b>10,732.42</b>	<b>12,466.66</b>
Total Partners' Fund	8,921.12	7,920.40
<b>Net debt to equity ratio</b>	<b>1.20</b>	<b>1.57</b>

The LLP has complied with the covenants as per the terms of the major borrowing facilities throughout the reporting period.

**31. Revenue Recognition:**

The LLP has entered into long term Power Purchase Agreement (PPA) for 24 MW Gullu SHP with CSPDCL. The PPA provides tariff as per relevant tariff order of CSERC as applicable to Small Hydro Projects. As the tariff order for the F.Y. 2018-09 is yet to be notified, revenue is recognised @Rs.5.21 per kwh being the tariff notified for the F.Y.2017-18. After notification of applicable tariff order adjustment in the income or expenditure shall be made in the year of notification.

**32.** Previous year figures are regrouped and rearranged wherever necessary.

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**For CHHATTISGARH HYDRO POWER LLP**

As per our Report of even date

**For O.P.SINGHANIA & CO.**

(ICAI Firm Regn. No. 002172C)

**Chartered Accountants**

**PANKAJ SARDA**  
(Designated Partner)

**P.S. Duttagputa**  
(Designated Partner)

**SANJAY SINGHANIA**  
Partner  
Membership No.076961

Place : Raipur  
Date : 20.05.2019

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