

**RAM PRASAD & CO.**  
**CHARTERED ACCOUNTANTS**

**Dial : 0671-2506797 (O)**  
**2506495 (R)**  
**PLOT NO. 1215-C,**  
**SECTOR-6, C.D.A.**  
**CUTTACK-753 014**

**Independent Auditor's Report**

**To the Partners of**  
**SARDA HYDRO POWER LLP**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the Ind AS financial statements of **Sarda Hydro Power LLP** ("the LLP"), which comprise the balance sheet as at 31st March 2020 the Statement of Profit and Loss, the statement of changes in other reserves and the statement of Cash flows for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (here-in-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 financial statements give the information required by the Limited Liability Partnership Act, 2008 in the manner so required and give a true and fair view in accordance with the Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, of the financial position of the LLP as at 31st March 2020, its loss and changes in reserves 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 Ind AS Financial Statements**

The Partners of the LLP are responsible for the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, cash flows and changes in reserves of the LLP in accordance with Limited Liability Partnership Act 2008 and the Indian Accounting Standards (Ind AS). 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.

In preparing the financial statements, Partners are 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 the Partners either intends to liquidate the LLP 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 Ind AS 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.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the LLP's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Other Matters**

The LLP being a partially owned subsidiary of Sarda Energy & Minerals Limited, whose financial statements are prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013, has prepared its financial statements by adopting all the relevant applicable Ind AS.

As per paragraph 19 of the Ind AS -110 "Consolidated Financial Statements" a parent shall prepare consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances.

Accordingly, the financial statements of the LLP for the year have been prepared in accordance with Ind AS, as applicable.

## **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 applicable Indian Accounting Standards ('Ind AS') .

**RAM PRASAD & CO.**  
CHARTERED ACCOUNTANTS  
Firm's Registration No. 319232E

RAM PRASAD AGRAWALLA  
PARTNER  
Membership No. 054609  
UDIN : 20054609AAAADY9882

PLACE : CUTTACK  
DATE :11/06/2020

**SARDA HYDRO POWER LLP****Balance Sheet as at 31st March, 2020**

	Particulars	Note	31.03.2020	31.03.2019
			Amount (Rs.)	Amount (Rs.)
	<b>ASSETS</b>			
<b>(1)</b>	<b>Non-current Assets</b>			
(a)	Property, Plant & Equipment		-	-
(b)	Intangible Assets under development	2	38,19,006	35,46,875
(c)	Financial Assets		-	-
(g)	Other Non- Current Assets	3	1,30,313	1,30,313
	<b>Total Non Current Assets</b>		<b>39,49,319</b>	<b>36,77,188</b>
<b>(2)</b>	<b>Current Assets</b>			
(a)	Inventories		-	-
(b)	Financial Assets			
	(i) Investments		-	-
	(ii) Short term loans & advances		-	-
	(iii) Bank, Cash & cash equivalents	4	7,61,009	10,75,327
	(iv) Other Financial Assets		-	-
(c)	Other Current Assets		2,01,780	2,01,780
	<b>Total Current Assets</b>		<b>9,62,789</b>	<b>12,77,107</b>
	<b>TOTAL ASSETS</b>		<b>49,12,108</b>	<b>49,54,295</b>
	<b>CONTRIBUTION AND LIABILITIES:</b>			
	<b>PARTNER'S FUNDS</b>			
(a)	Capital Contribution	5	50,82,000	50,82,000
(b)	Other Reserves	6		
	(i) Retained Earnings		(1,79,892)	(1,34,705)
	<b>Total Equity</b>		<b>49,02,108</b>	<b>49,47,295</b>
	<b>Liabilities</b>			
<b>(1)</b>	<b>Non-current Liabilities :</b>			
(a)	Financial Liabilities			
	(i) Borrowings		-	-
	(ii) Other long term liabilities		-	-
(b)	Provisions			
(c)	Deferred tax liabilities (Net)		-	-
(d)	Other non current liabilities		-	-
	<b>Total Non Current Liabilities</b>		<b>-</b>	<b>-</b>
<b>(2)</b>	<b>Current Liabilities</b>			
(a)	<b>Financial Liabilities</b>			
	(i) Borrowings		-	-
	(ii) Trade Payables		-	-
	(iii) Other financial liabilities		-	-
(b)	Other current liabilities	7	10,000	7,000
(c)	Provisions			
	<b>Total Current Liabilities</b>		<b>10,000</b>	<b>7,000</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>49,12,108</b>	<b>49,54,295</b>

SIGNIFICANT ACCOUNTING POLICIES

1

The accompanying notes are an integral part of the financial statements.

For RAM PRASAD &amp; CO.

For SARDA HYDRO POWER LLP

CHARTERED ACCOUNTANTS

Firm's Registration No. 319232E

KAMAL KISHORE SARDA

(Designated Partner)

RAM PRASAD AGRAWALLA

PARTNER

ICAI M. NO. 054609

PANKAJ SARDA

(Designated Partner)

Place : Cuttack

Date: 11.06.2020

Place : Raipur

Date: 11.06.2020

<b>SARDA HYDRO POWER LLP</b>			
<b>Statement of profit and loss for the year ended 31st March'2020</b>			
<b>Sr No.</b>	<b>Particulars</b>	<b>31.03.2020</b>	<b>31.03.2019</b>
		Amount (Rs.)	Amount (Rs.)
<b>I</b>	Revenue from operations		
	Other Revenue	2,72,131	30,224
<b>II</b>	<b>Total Revenue</b>	<b>2,72,131</b>	<b>30,224</b>
<b>III</b>	<b>Expenses</b>		
	Employee benefit expense		
	Finance costs	2,571	376
	Depreciation and amortisation expense		
	Operating and Other expenses	2,64,047	46,994
	Survey & Supervision expenses	50,700	16,000
	<b>Total expenses</b>	<b>3,17,318</b>	<b>63,370</b>
<b>IV</b>	<b>Profit before tax (II-III)</b>	<b>(45,187)</b>	<b>(33,146)</b>
<b>V</b>	Income tax expense		
	- Current tax	-	-
	- Deferred tax	-	-
<b>VI</b>	<b>Profit for the period (IV-V)</b>	<b>(45,187)</b>	<b>(33,146)</b>
<b>VII</b>	<b>Other Comprehensive income for the year</b>		
	(i) Items that will not be reclassified to profit or loss		
	- Actuarial gain or losses on Defined Benefit Plans	-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss:		
	- Actuarial gain or losses on Defined Benefit Plans	-	-
	<b>Other comprehensive income for the year, net of tax</b>	<b>-</b>	<b>-</b>
<b>VIII</b>	<b>Total comprehensive income for the year</b>	<b>(45,187)</b>	<b>(33,146)</b>

SIGNIFICANT ACCOUNTING POLICIES

1

The accompanying notes are an integral part of the financial statements.

For **RAM PRASAD & CO.**

For **SARDA HYDRO POWER LLP**

**CHARTERED ACCOUNTANTS**

Firm's Registration No. 319232E

**KAMAL KISHORE SARDA**

(Designated Partner)

**RAM PRASAD AGRAWALLA**

**PARTNER**

ICAI M. NO. 054609

**PANKAJ SARDA**

(Designated Partner)

Place : **Cuttack**

Date: **11.06.2020**

Place : **Raipur**

Date: **11.06.2020**

**SARDA HYDRO POWER LLP**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020**

	<b>2019-20</b>	<b>2018-19</b>
	Amount (Rs.)	Amount (Rs.)
<b>A. Cash Flow from operating activities</b>	(45,187)	(1,34,705)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>(45,187)</b>	<b>(1,34,705)</b>
<b>B. Cash flow from investing activities</b>		
Increase/(decrease) in other current liabilities	3,000	7,000
Decrease/(increase) in long-term loans and advances	-	-
Decrease/(increase) in short-term loans and advances	-	-
Decrease/(increase) in other current assets	-	(2,01,780)
Decrease/(increase) in other non current assets	-	(1,30,313)
Intangible Assets under development	(2,72,131)	(35,46,875)
<b>Net cash flow from/ (used in) investing activities</b>	<b>(2,69,131)</b>	<b>(38,71,968)</b>
<b>C. Cash flow from financing activities</b>		
Increase in Partners Capital	-	50,82,000
Proceeds from short-term borrowings	-	-
<b>Net cash flow from (used in) financing activities</b>	<b>-</b>	<b>50,82,000</b>
Net Increase(Decrease) in Cash & Cash Equivalents (A+B+C)	(3,14,318)	10,75,327
Cash and cash Equivalents at the beginning of the year	10,75,327	-
<b>Cash and Cash Equivalents at the end of the year</b>	<b>7,61,009</b>	<b>10,75,327</b>
<b>Components of cash and cash equivalents</b>		
Cash in hand	22,644	25,163
With bank in current account	7,38,365	10,50,164
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>7,61,009</b>	<b>10,75,327</b>

For RAM PRASAD & CO.  
**CHARTERED ACCOUNTANTS**  
 Firm's Registration No. 319232E

**RAM PRASAD AGRAWALLA**  
**PARTNER**  
 ICAI M. NO. 054609

Place : Cuttack  
 Date: 11.06.2020

For SARDA HYDRO POWER LLP

**KAMAL KISHORE SARDA**  
 (Designated Partner)

**PANKAJ SARDA**  
 (Designated Partner)

Place : Raipur  
 Date: 11.06.2020

## **SARDA HYDRO POWER LLP**

### **1 Significant accounting policies and notes to the accounts**

**For financial year ended 31st March 2020**

#### **1 Reporting Entity**

The LLP (LLP Identification No. AAO-4263) is domiciled in India and is incorporated under the provisions of Limited Liability Partnership Act, 2008. The LLP has obtained licenses for implementation of two Hydro Electric Projects, named 24 MW Kotaiveera SHP and 9 MW Ganeshpur SHP. Both the projects are in phase implementation. This LLP is formed by conversion of Sarda Hydro Power Pvt. Ltd. into LLP w.e.f. 05 March 2019.

#### **2 Basis of Preparation**

##### **2.1 Statement of compliance**

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standard Rules) 2015 and subsequent amendments thereto.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard.

##### **2.2 Basis of Measurement**

The financial statements have been prepared on the historical cost convention and on accrual basis .

##### **2.3 Use of estimate**

The preparation of financial statements in conformity with Ind AS requires the management to make Judgements, estimates and assumptions that affect the reported amounts of expenses, assets and Liabilities and the disclosure of contingent liabilities, at the end of the reporting period . Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. revisions to accounting estimates are recognised prospectively.

### **3 Summary of significant accounting policies:**

#### **3.1.1 Current v/s Non Current Classification**

The LLP presents assets and liabilities in the balance sheet based on current /non current classification as laid down in Ind AS.

#### **3.1.2 Financial Assets**

##### **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.

##### **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.



### 3.1.3 Financial liability

#### i) Initial measurement

All financial liabilities are recognised initially at fair value , net of directly attributable transaction costs.

#### ii) Classification and subsequent measurement

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

1) financial liabilities are measured at amortised cost

2) financial liabilities measured at fair value through profit and loss

### 3.2 Intangible Assets under Development

The LLP is in the process of implementation of hydro power projects. The expenditure incurred during the implementation stage of the projects is accounted under the head 'Intangible asset under development' in accordance with Appendix 'Service Concession Arrangements' C to Ind As-115, Revenue from Contracts with Customers.

### 3.3 Intangible Assets

Intangible Assets under development comprising Capital work in progress for projets under implementation are measured at cost of acquisition/ implementation / development.

### 3.4 Employee benefits

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

### 3.5 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, net of outstanding bank overdrafts that are repayable on demand, book overdraft and are considered part of the LLP's cash management system.

3.6 The LLP being a partially owned subsidiary of Sarda Energy & Minerals Limited, whose financial statements are prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013, has prepared its financial statements by adopting all the relevant applicable Ind AS.

As per paragraph 19 of the Ind AS-110 "Consolidated Financial Statements" a parent shall prepare consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances.

Accordingly, the financial statements of the LLP for the year have been prepared in accordance with Ind AS, as applicable.

## SARDA HYDRO POWER LLP

Notes to Financial Statement for the year ended 31st March'2020

PARTICULARS	31-Mar-20	31-Mar-19
	Amount (Rs.)	Amount (Rs.)
<b>2. Intangible assets (under development)</b>		
<b><u>Project &amp; pre-operative Expenses</u></b>		
Travelling Expenses	89,304	69,653
Fees & Subscription	33,210	33,210
Postage & Telegram	165	165
Printing & stationary	43,519	43,519
Audit Fees	49,500	49,500
Bank Charges	7,430	7,430
Legal, Professional & Consultancy charges	5,23,492	3,21,712
Filling exps	7,500	7,500
Registration Charges with CREDA	9,90,000	9,90,000
Interest Paid	92,309	92,309
Survey & Supervision Charges	15,57,603	15,06,903
Road Construction Work	50,000	50,000
Vehicle Hiring ,Running & Maintenance Charges	26,463	26,463
NOC & Clearance Fees	3,00,000	3,00,000
Site Expenses	4,011	4,011
Preliminary Expenses	30,500	30,500
Rent	14,000	14,000
<b>TOTAL</b>	<b>38,19,006</b>	<b>35,46,875</b>
<b>3. Long term loans and advance</b>		
Advance for Forest land to Govt.	1,30,313	1,30,313
	<b>1,30,313</b>	<b>1,30,313</b>
<b>4. Bank ,cash and cash equivalents</b>		
Cash-In-hand	22,644	25,163
Balance with Schedule Bank In Current Account	7,38,365	10,50,164
<b>TOTAL</b>	<b>7,61,009</b>	<b>10,75,327</b>

**Sarda Hydro Power LLP****Notes to Financial Statements for the year ended 31st March, 2020****NOTE 5 : Capital Contribution**

PARTICULARS	PROFIT SHARING RATIO %	AS AT 01.04.2019	ADDITION	WITHDRAWALS	PROFIT/(LOSS) DISTRIBUTED	AS AT 31.03.2020
Sarda Energy & Minerals Ltd.	60%	30,49,200	-	-	-	30,49,200
Prachi Agriculture & Properties Ltd.	15%	7,62,300	-	-	-	7,62,300
Sarda Agriculture & Properties Limited	15%	7,62,300	-	-	-	7,62,300
Shri Kamal Kishore Sarda	10%	5,08,200	-	-	-	5,08,200
<b>TOTAL</b>	<b>100%</b>	<b>50,82,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50,82,000</b>



**Sarda Hydro Power LLP**

**Notes to Financial Statement for the year ended 31st March 2020**

PARTICULARS	31-Mar-20	31-Mar-19
	Amount (Rs.)	Amount (Rs.)
<b>Note 7. Other Current Liabilities</b>		
Legal & Professional Fees Payable	-	-
Rent Payable	3,000	-
TDS Payable	-	-
Audit Fees Payable	7,000	7,000
<b>TOTAL</b>	<b>10,000</b>	<b>7,000</b>

**Note 8**

**Contingent Liability not provided for**

*Demand against the LLP not acknowledged as debts*

	2019-20	2018-19
	Amount (Rs.)	Amount (Rs.)
<b>Income Tax</b>	2,58,633	2,58,633

During the FY 2014-15, search & survey operation was conducted in the premises of the Sarda Hydro Power Private Limited ( The Company has been converted to LLP on dated 05.03.2019) u/s 132 & 133A of income tax act 1961, after completion of assessment, Assessing officer raised demand of Rs. 258633/- related to FY 2014-15, However the Company has contested the demand by filing an appeal to CIT (Appeal). The Management doesn't foresee any liability at this stage.