

RAM PRASAD & CO.
CHARTERED ACCOUNTANTS

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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 2024 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 Ind AS financial statements give the information in the manner so required and give a true and fair view in accordance with the generally accepted accounting principles including the Indian Accounting Standards ('IndAS'), of the state of affairs(financial Position) of the LLP as at 31st March 2024, its loss (financial performance including other comprehensive income) 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 Management of the LLP is responsible for the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in reserves of the LLP in accordance with the Indian Accounting Standards (Ind AS) and Limited Liability Partnership Act 2008. 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.

The Management is 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 entity'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 LLP'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 LLP to cease to continue as a going concern.

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.

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 ('the Act'), and other relevant provisions of the Act.

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 standalone 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 Indian Accounting Standards ('Ind AS'), as applicable.

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

RAM PRASAD AGRAWALLA
PARTNER
Membership No. 054609
UDIN : 24054609BKAOBH1481

PLACE : CUTTACK
DATE : 18.05.2024

SARDA HYDRO POWER LLP
Balance Sheet as at 31st March, 2024

	Particulars	Note	31.03.2024	31.03.2023
			₹	₹
	ASSETS			
(1)	Non-current Assets			
(a)	Property, Plant & Equipment		-	-
(b)	Intangible Assets under development	2	75,46,473	61,82,079
(c)	Financial Assets		-	-
(d)	Other Non- Current Assets	3	1,30,313	1,30,313
	Total Non Current Assets		76,76,786	63,12,392
(2)	Current Assets			
(a)	Inventories		-	-
(b)	Financial Assets			
	(i) Trade Receivables		-	-
	(iii) Bank, Cash & cash equivalents	4	3,13,671	1,74,438
	(iii) Loans & Advances			
(c)	Current Tax Assets (Net)	5	-	-
(d)	Other Current Assets	6	12,71,566	-
	Total Current Assets		15,85,237	1,74,438
	TOTAL ASSETS		92,62,023	64,86,830
	CONTRIBUTION AND LIABILITIES:			
	PARTNER'S FUNDS			
(a)	Capital Contribution	7	50,82,000	50,82,000
(b)	Other Reserves	8		
	(i) Retained Earnings		(4,23,116)	(3,08,063)
	Total Equity		46,58,884	47,73,937
	Liabilities			
(1)	Non-current Liabilities :			
(a)	Financial Liabilities			
	(i) Borrowings	9	45,48,992	16,82,532
	(ii) Other Financial Liabilities		-	-
(b)	Provisions			
(c)	Deferred tax liabilities (Net)		-	-
(d)	Other non current liabilities		-	-
	Total Non Current Liabilities		45,48,992	16,82,532
(2)	Current Liabilities			
(a)	Financial Liabilities			
	(i) Borrowings			
	(ii) Trade Payables		-	-
	(iii) Other financial liabilities		-	-
(b)	Other current liabilities	10	54,147	30,361
(c)	Provisions	11	-	-
	Total Current Liabilities		54,147	30,361
	TOTAL EQUITY AND LIABILITIES		92,62,023	64,86,830

SIGNIFICANT ACCOUNTING POLICIES

SARDA HYDRO POWER LLP
Statement of profit and loss for the year ended 31st March, 2024

Sr No.	Particulars	Note	31.03.2024	31.03.2023
			₹	₹
I	Income from operations Other Income	12	13,64,394	4,06,803
II	Total Income		13,64,394	4,06,803
III	Expenses			
	Employee benefit expense		-	-
	Finance costs	13	2,97,528	1,28,774
	Depreciation and amortisation expense		-	-
	Operating and Other expenses	14	11,81,919	3,26,083
	Total expenses		14,79,447	4,54,857
IV	Profit/(Loss) before tax (II-III)		(1,15,053)	(48,054)
V	Income tax expense			
	- Current tax		-	-
	- Deferred tax		-	-
VI	Profit/(Loss) for the period (IV-V)		(1,15,053)	(48,054)
VII	Other Comprehensive income for the year			
	(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			
	- Actuarial gain or losses on Defined Benefit Plans		-	-
	Other comprehensive income for the year, net of tax		-	-
VIII	Total comprehensive income for the year		(1,15,053)	(48,054)

SARDA HYDRO POWER LLP

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March, 2024

Particulars	31.03.2024	31.03.2023
	₹	₹
Cash Flow from operating activities:		
Profit/(Loss) before tax	(1,15,053)	(48,054)
Adjustment to Reconcile net profit to net cash provided by operating activities		
Add: provision for expenses	-	
Interest Expenses & Bank Charges	2,97,528	1,28,774
Operating Profit before Working Capital Changes	1,82,475	80,720
Movements in working capital:		
Increase/(decrease) in other current liabilities	23,786	(31,205)
Decrease/(Increase) in current assets and current tax assets	(12,71,566)	7,397
Cash generated from/ (used in) operations	(10,65,305)	56,912
Direct taxes paid (Net of Refunds)	-	-
Net Cash generated from/ (used in) operating Activities (A)	(10,65,305)	56,912
Cash flow from investing activities		
Intangible Assets under development	(13,64,394)	(4,06,803)
Net Cash generated from/ (used in) investing activities (B)	(13,64,394)	(4,06,803)
Cash flow from financing activities		
Proceeds from long-term borrowings	28,66,460	1,06,390
Interest Expenses & Bank Charges	(2,97,528)	(1,28,774)
Net cash flow from (used in) financing activities (C)	25,68,932	(22,384)
Net Increase(Decrease) in Cash & Cash Equivalents (A+B+C)	1,39,233	(3,72,275)
Cash and cash Equivalents at the beginning of the year	1,74,438	5,46,713
Cash and Cash Equivalents at the end of the year	3,13,671	1,74,438
Components of cash and cash equivalents		
Cash in hand	97,727	50,082
With bank in current account	2,15,944	1,24,356
TOTAL CASH AND CASH EQUIVALENTS	3,13,671	1,74,438

SARDA HYDRO POWER LLP

1 Significant accounting policies and notes to the accounts

For financial year ended 31st March, 2024

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 requires a change in the accounting policy hitherto in use.

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 Judgments, 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 Customer.

3.3 **Intangible Assets**

Intangible Assets under development comprising Capital work in progress for projects 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.

SARDA HYDRO POWER LLP

Notes to Financial Statement for the year ended 31st March, 2024

PARTICULARS	31-Mar-24	31-Mar-23			
	₹	₹			
2. Intangible assets (under development)					
Project & pre-operative Expenses					
Travelling Expenses	5,91,103	3,26,242			
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	16,69,357	16,69,357			
Filling exps	7,500	7,500			
Registration Charges with CREDA	9,90,000	9,90,000			
Interest Expenses	5,17,216	2,21,149			
Discharge Data Collection Exp.	1,76,700	1,13,100			
Survey & Supervision Charges	28,99,267	22,43,400			
Road Construction Work	50,000	50,000			
Vehicle Hiring ,Running & Maintenance Charges	80,561	56,097			
NOC & Clearance Fees	3,00,000	3,00,000			
Site Expenses	54,337	20,352			
Preliminary Expenses	30,500	30,500			
Rent	14,000	14,000			
GST Expenses	13,780	6,558			
Conveyance Expenses	17,178	-			
Site Office expenses	1,150	-			
TOTAL	75,46,473	61,82,079			
Intangible assets under development					
Ageing Schedule for Intangible assets under development					
Intangible assets under developoment	Amount in CWIP for a period of				
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
2023-24	₹	₹	₹	₹	
Projects in progress					
24.90 M.W. Kotaiveera SHP	13,64,394	4,06,803	17,01,200	37,03,882	71,76,279
9.00 M.W. Ganeshpur SHP				3,70,194	3,70,194
Total	13,64,394	4,06,803	17,01,200	40,74,076	
Projects temporarily suspended					
2022-23					
Projects in progress	-	-	-	-	
24.90 M.W. Kotaiveera SHP	4,06,803	17,01,200	2,55,070	34,48,812	58,11,885
9.00 M.W. Ganeshpur SHP	-	-	-	3,70,194	3,70,194
Total	4,06,803	17,01,200	2,55,070	38,19,006	
Projects temporarily suspended	-	-	-	-	
TOTAL					75,46,473
3. Long term loans and advance					
Advance for Forest land to Govt.	1,30,313				1,30,313
TOTAL	1,30,313				1,30,313
4. Bank ,cash and cash equivalents					
Balance with Scheduled Bank In Current Account	2,15,944				1,24,356
Cash-In-hand	97,727				50,082
TOTAL	3,13,671				1,74,438
5. Current Tax Assets (Net)					
TDS Receivable					-
TOTAL					-
6. Other Current Assets					
Security Deposits	-				-
Bank deposits with more than 12 months maturity	-				-
Advance to Contractor & Vendors	12,71,566				-
TOTAL	12,71,566				-

SARDA HYDRO POWER LLP**Notes to Financial Statements for the year ended 31st March, 2024****NOTE 7 : Capital Contribution**

PARTICULARS	PROFIT SHARING RATIO %	AS AT 01.04.2023	ADDITION	WITHDRAWALS	PROFIT/(LOSS) DISTRIBUTED	AS AT 31.03.2024
Sarda Energy & Minerals Ltd.	60%	3049200	0	0	0	3049200
Prachi Agriculture & Properties Ltd.	15%	762300	0	0	0	762300
Sarda Agriculture & Properties Limited	15%	762300	0	0	0	762300
Shri Kamal Kishore Sarda	10%	508200	0	0	0	508200
TOTAL	100%	5082000	0	0	0	5082000

SARDA HYDRO POWER LLP

Notes to Financial Statement for the year ended 31st March, 2024

PARTICULARS	31.03.2024	31-Mar-23
	₹	₹
9. Borrowings:		
Unsecured Loan from holding company	45,48,992	16,82,532
Total	45,48,992	16,82,532
10. Other Current Liabilities		
Legal & Professional Fees Payable		
Rent Payable	9,000	3,000
TDS Payable	29,607	11,821
GST Payable	540	540
Other Payable		-
Audit Fees Payable	15,000	15,000
TOTAL	54,147	30,361
11. Provisions		
Provision for Expenses		-
	-	-
12. Other Income		
Other Income	13,64,394	4,06,803
	13,64,394	4,06,803
13. Finance Costs		
Interest Expenses	2,96,067	1,18,211
Bank Charges	1,461	10,563
TOTAL	2,97,528	1,28,774
14. Operating and Other Expenses		
Survey & Supervision Charges	6,55,867	-
Discharge Data Collection Exp.	63,600	58,800
Site Expenses	33,985	11,041
Travelling Expenses to Others	2,64,861	1,08,955
Vehicle Hiring Charges for Site	24,464	8,510
Legal & Consultancy Fees	33,630	1,05,140
Printing & Stationery	2,490	2,424
Office Rent	12,000	12,000
Audit Fees	15,000	15,000
Filing Fees	10,338	1,200
Fees & Subscription	4,134	-
Sundry Balance Write off	-	967
Conveyance Expenses	17,178	
GST Expenses	7,222	2,046
Site Office Expenses	1,150	
CSR Expenses	36,000	
TOTAL	11,81,919	3,26,083
15. Contingent Liability not provided for		
Demand against the LLP not acknowledged as debts		
Income Tax	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 u/s 132 & 133A of the Income Tax Act 1961. The Company has been converted to Sarda Hydro Power LLP on dated 05.03.2019. 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.		