

OPSinghania & Co.

CHARTERED ACCOUNTANTS

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Independent Auditor's Report

To the Partners of Chhattisgarh Hydro Power LLP

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **Chhattisgarh Hydro Power LLP** which comprise the balance sheet as at 31 March 2018, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in other reserves for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements").

Management's Responsibility for the Ind AS Financial Statements

Management 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 equity of the LLP in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) issued by the Institute of Chartered Accountants of India.

This responsibility also includes maintenance of adequate accounting records in accordance with the Ind AS issued by ICAI for safeguarding 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the accounting and auditing standards and matters which are required to be included in the audit report.

We conducted our audit in accordance with the Standards on Auditing issued by the ICAI. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the LLP's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the LLP's Partners, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

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 and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the LLP as at 31 March, 2018, and its financial performance including other comprehensive income, its cash flows and the changes in other reserves for the year ended on that date.

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, OP Singhania & Co.

(ICAI Firm Regn. No. 002172C)

Chartered Accountants

Sanjay Singhania

Partner

Membership No. 076961

Raipur, 07.05.2018

CHHATTISGARH HYDRO POWER LLP
Balance Sheet as at 31st March 2018

	Particulars	Note	as at 31.03.2018	as at 31.03.2017
	ASSETS			
(1)	Non-current Assets			
(a)	Property, Plant & Equipment	2	2,089,242,823	105,329,155
(b)	Capital work-in-progress		10,403,878	1,873,843,102
(c)	Other Intangible Assets	3	10,908,652	11,064,464
(d)	Deferred Tax asset (Net)	4	-	537,200
(e)	Other Non- current Assets	5	21,469,365	44,171,609
	TOTAL NON CURRENT ASSETS		2,132,024,717	2,034,945,530
(2)	Current Assets			
(a)	Financial Assets			
(i)	Trade Receivables	6	32,537,771	-
(ii)	Bank, Cash & Cash Equivalents	7	26,755,647	17,812,575
(b)	Current Tax Assets (Net)		610,262	26,052
(c)	Other Current Assets	8	8,197,447	3,577,357
	TOTAL CURRENT ASSETS		68,101,126	21,415,984
	TOTAL ASSETS		2,200,125,844	2,056,361,514
	CONTRIBUTION & LIABILITIES			
	PARTNER'S FUNDS			
(a)	Capital Contribution	9	792,039,651	730,365,233
(b)	Other Reserves		694,120	426,038
	TOTAL PARTNER'S FUND		792,733,771	730,791,271
	Liabilities			
(1)	Non-current Liabilities :			
(a)	Financial Liabilities			
	Borrowings	10	1,189,356,668	1,218,915,927
(b)	Deferred Tax Liabilities (Net)	4	30,649,907	-
(c)	Provisions	11	1,577,780	1,357,882
(d)	Other Non Current Liabilities	12	24,500,000	25,000,000
	TOTAL NON CURRENT LIABILITIES		1,246,084,355	1,245,273,809
(2)	Current Liabilities			
(a)	Financial Liabilities			
(i)	Borrowings	13	45,263,451	-
(ii)	Other Financial Liabilities	14	110,122,558	1,731,748
(b)	Other current liabilities	15	5,714,753	78,184,058
(c)	Provisions	16	206,956	380,628
	TOTAL CURRENT LIABILITIES		161,307,718	80,296,434
	TOTAL CONTRIBUTION & LIABILITIES		2,200,125,844	2,056,361,514

SIGNIFICANT ACCOUNTING POLICIES

1.01

As per our Report of even date

For O.P.SINGHANIA & Co.

(ICAI Firm Regn. No. 002172C)

Chartered Accountants

For CHHATTISGARH HYDRO POWER LLP

KAMAL KISHORE SARDA
(Designated Partner)

PANKAJ SARDA
(Designated Partner)

SANJAY SINGHANIA
Partner
Membership No.076961

Place : Raipur

Date : 07.05.2018

Chhattisgarh Hydro Power LLP**Statement of profit and loss for the year ended 31 March 2018**

Sr No.	Particulars	Notes	31.03.2018	31.03.2017
I	Revenue from operations	17	258,646,471	-
II	Other Revenue	18	1,301,235	-
III	Total Revenue		259,947,706	-
IV	Expenses			
	Employee benefit expense	19	11,119,360	-
	Finance costs	20	114,220,249	-
	Depreciation and amortisation expense	21	32,186,597	-
	Operating and Other expenses	22	25,163,301	-
	Total expenses		182,689,506	-
V	Profit before tax (III-IV)		77,258,200	-
VI	Income tax expense			
	- Current tax		-	-
	- Deferred tax		31,083,782	(166,123)
VII	Profit for the period (V-VI)		46,174,418	166,123
VIII	Other Comprehensive income for the			
	A (i) Items that will not be reclassified to profit or loss			
	- Actuarial gain or losses on Defined Benefit Plans		371,407	(123,940)
	(ii) Income tax relating to items that will not be reclassified to profit or loss:			
	- Actuarial gain or losses on Defined Benefit Plans		(103,325)	(38,297)
	Other comprehensive income for the year		268,082	(162,237)
IX	Total comprehensive income for the year		46,442,500	3,886

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

Kamal Kishore Sarda Pankaj Sarda
(Designated Partner) (Designated Partner)

Place : Raipur

Date : 07.05.2018

Chhattisgarh Hydro Power LLP
STATEMENT OF CHANGES IN OTHER RESERVES

Particulars	Reserves and Surplus	Comprehensive Income	Total other equity
	Retained Earnings	Remeasurement of the defined benefit plans	
Balance as of April 1st, 2016	405,426	16,726	422,152
Capital Subsidy Received	-	-	-
Profit for the year	166,123	-	166,123
Define Benefit Plan (net of taxes)	-	(162,237)	(162,237)
Balance as of March 31, 2017	571,549	(145,511)	426,038
Balance as of April 1st, 2017	571,549	(145,511)	426,038
Profit for the year	46,174,418	-	46,174,418
Define Benefit Plan (net of taxes)	-	268,082	268,082
Transferred to partners capital account	(46,174,418)	-	(46,174,418)
Balance as of March 31, 2018	571,549	122,571	694,120

The accompanying notes are integral part of the financial statements.

As per our report of even date

For Chhattisgarh Hydro Power LLP

For OPSinghania & Co.

(ICAI Firm Reg. No.002172C)

Chartered Accountants

per Sanjay Singhania
Partner

Membership No.076961

Kamal Kishore Sarda
(Designated Partner)

Pankaj Sarda
(Designated Partner)

Place : Raipur

Date : 07.05.2018

Chhattisgarh Hydro Power LLP
Cash Flow Statement For The Year Ended 31st March, 2018

Particulars	2018	2017
A. Cash Flow from Operating Activities		
Net Profit/(Loss) Before Tax	77,258,200	-
Adjustment to Reconcile net profit to net cash provided by operating activities		
Depreciation & Amortisation	32,186,597	-
Provision for Gratuity	171,186	-
Provision for Leave Encashment	175,911	-
Amortization of Capital Subsidy	(500,000)	-
Interst Expenses	114,220,249	-
Interest/Other Income	(800,471)	-
Operating Profit before Working Capital changes	222,711,672	-
Changes in assets and liabilities		
Increase/(decrease) in other Current Liabilities	(72,469,305)	64,241,855
Decrease/(increase) in trade receivables	(32,537,771)	-
Increase/(decrease) in liabilities and provisions	14,812,640	289,735
(Increase)/decrease Other Current Assets	(4,620,090)	94,478,688
(Increase)/decrease Other Non Current Assets	22,702,244	-
Current Tax Assets (Net)	(584,209)	(26,052)
Net Cash Flow from Operating Activities	150,015,181	158,984,227
B. Cash Flow from Investing Activities		
(Increase)/Decrease in Tangible/Intangible Fixed Assets	(152,505,229)	(920,181,392)
(Increase)/Decrease in Investment	-	40,098,067
Interest/Other Income	800,471	-
Net Cash used in Investing Activities	(151,704,758)	(880,083,325)
C. Cash Flow from Financing Activities		
Partners Contribution received (Net of withdrawals)	15,500,000	386,184,234
Proceeds from long term borrowings	64,089,446	589,191,601
Capital Subsidy Received	-	25,000,000
(Repayment)/Proceeds of Short term borrowings	45,263,451	(270,351,947)
Interst Expenses	(114,220,249)	-
Net Cash from financing Activities	10,632,648	730,023,888
Net Increase/(decrease) in Cash and Cash equivalents (A+B+C)	8,943,071	8,924,790
Cash & Cash Equivalents at the beginning (Note 7)	17,812,575	8,887,785
Cash & Cash Equivalents at the end (Note 7)	26,755,647	17,812,575
Increase/(decrease) in Cash and Cash equivalents	8,943,071	8,924,790

Notes:

(a) Cash and cash equivalent include the following :

Cash on Hand	66,756	217,524
Balance with Banks	26,688,891	17,595,052
	26,755,647	17,812,575

(b) Figures in brackets represent outflows.

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

For Chhattisgarh Hydro Power LLP

Kamal Kishore Sarda
Designated Partner

Pankaj Sarda
Designated Partner

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

per Sanjay Singhania
Partner
Membership No.076961

Place : Raipur

Date : 07.05.2018

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. Financial 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.

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, 2018

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
Gross Block											
Carrying Value											
At 1 April 2016	10,579,614	77,086,838	3,128,808	1,481,320	706,594	548,498	130,476	229,191	967,076	1,412,656	96,271,071
Addition	-	-	1,766,697	8,482,666	435,431	-	-	217,324	-	54,874	10,956,992
Disposals	-	-	-	-	-	-	-	-	-	-	-
As at 31.03.2017	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	2,021,051,875
Disposals	-	-	-	-	-	-	-	-	-	-	-
As at 31.03.2018	16,147,942	108,450,845	11,735,246	1,819,633,635	1,567,737	781,913	162,394,153	922,680	1,336,187	5,309,599	2,128,279,938
Depreciation											
As at 1st April 2016	-	-	561,287	-	32,153	100,520	2,168	4,425	33,273	213,448	947,274
Depreciation for the year	-	-	522,733	6,668	75,361	73,070	2,168	18,568	33,273	219,790	951,631
Disposal/Adjustments	-	-	-	-	-	-	-	-	-	-	-
As at 31.03.2017	-	-	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
As at 31.03.2018	227,398	1,527,226	2,118,545	31,072,707	251,203	263,613	2,291,019	67,236	111,927	1,106,241	39,037,115
Net Block											
At 31.03.2017	10,579,614	77,086,838	3,811,485	9,957,318	1,034,511	374,908	126,140	423,522	900,530	1,034,292	105,329,158
At 31.03.2018	15,920,544	106,923,619	9,616,701	1,788,560,928	1,316,534	518,300	160,103,135	855,444	1,224,260	4,203,358	2,089,242,823

NOTE 3	Other Intangible Assets	
	Right to Use Land	Total
Gross Block		
Carrying Value		
At 1 April 2016	11,064,464	11,064,464
Addition	-	-
Disposals	-	-
As at 31.03.2017	11,064,464	11,064,464
Addition	-	-
Disposals	-	-
As at 31.03.2018	11,064,464	11,064,464
Depreciation		
As at 31.03.2016	-	-
Depreciation for the year	-	-
Disposal/Adjustments	-	-
As at 31.03.2017	-	-
Depreciation for the year	155,812	155,812
Disposal/Adjustments	-	-
As at 31.03.2018	155,812	155,812
Net Block		
At 31.03.2017	11,064,464	11,064,464
At 31.03.2018	10,908,652	10,908,652

Chhattisgarh Hydro Power LLP**Notes to Financial Statements for the year ended 31st March, 2018**

NOTE 4	AS AT	AS AT
DEFERRED TAX ASSETS	31.03.2018	31.03.2017
Deferred Tax Assets/(Liabilities)		
Accelerated depreciation for tax purpose	(84,183,012)	-
Temporary differences on account of Employee Benefits	475,691	537,200
On unabsorbed Depreciation	53,057,414	-
Total	(30,649,907)	537,200

RECONCILIATION OF DEFERRED TAX ASSETS/(LIABILITIES)	31.03.2018	31.03.2017
Deferred tax assets at the beginning of the year	537,200	409,374
Deferred tax liability during the year on account of timing difference	(84,244,521)	127,826
Deferred tax assets during the year on account of unabsorbed depreciation	53,057,414	-
Closing balance	(30,649,907)	537,200

NOTE 5	AS AT	AS AT
Other Non Current Assets	31.03.2018	31.03.2017
Unsecured, considered good		
(a) Capital Advances	20,947,063	42,390,175
(b) Security Deposits	509,264	1,781,434
(c) Balance with revenue authorities	13,037	-
Total	21,469,365	44,171,609

NOTE 6	AS AT	AS AT
Trade Receivables	31.03.2018	31.03.2017
Unsecured, considered good		
Outstanding more than 6 Months	-	-
Others	32,537,771	-
Total	32,537,771	-

NOTE 7	AS AT	AS AT
Bank, Cash & cash equivalents	31.03.2018	31.03.2017
Balance with Bank in current accounts		
- In current accounts	1,006,617	6,787,635
Cash in hand	66,756	217,524
Other Bank Balances		
- Maturity 0-3 Months	-	10,000,000
- Maturity 3-6 Months	24,823,512	-
- Maturity 6-12 Months	858,762	-
- Maturity 12 Months & Above	-	807,417
Total	26,755,647	17,812,575

* Fixed Deposit with bank aggregating to Rs 2.5 Crores (P.Y. Rs. 1.00 Crores) pledge with bank against bank gurantee.

NOTE 8	AS AT	AS AT
OTHER CURRENT ASSETS	31.03.2018	31.03.2017
Other Advances (Unsecured, considered good)		
(i) Advances Recoverable in Cash or Kind	7,238,783	1,380,584
(ii) Pre prepaid Expenses	939,299	-
(iii) Interest Receivable on Electricity Deposit	19,365	-
(iv) Pre prepaid loan processing fees	-	2,196,773
Total	8,197,447	3,577,357

Chhattisgarh Hydro Power LLP**Notes to Financial Statements for the year ended 31st March, 2018****NOTE 9 : Capital Contribution**

PARTICULARS	PROFIT SHARING RATIO %	AS AT 01.04.2017	CONTRIBUTION DURING THE YEAR	WITHDRAWALS DURING THE YEAR	PROFIT (LOSS) DISTRIBUTED	AS AT 31.03.2018
Chhattisgarh Investment Ltd	12%	87,643,828	1,860,000	-	5,540,930	95,044,758
Prachi Agriculture & Properties Ltd.	6%	43,821,914	930,000	-	2,770,465	47,522,379
Sattva Seeds Private Limited (Formerly Sarda agriculture & Properties Limited)	10%	73,036,523	1,550,000	-	4,617,442	79,203,965
Sarda Energy & Minerals Ltd.	60%	438,219,140	15,500,000	6,200,000	27,704,651	475,223,791
Shri Kamal Kishore Sarda	12%	87,643,828	1,860,000	-	5,540,930	95,044,758
Total	100%	730,365,233	21,700,000	6,200,000	46,174,418	792,039,651

Chhattisgarh Hydro Power LLP
Notes to Financial Statements for the year ended 31st March, 2018

Note 10	As At	As At
Borrowings : Financial Liabilities	31.03.2018	31.03.2017
Term Loan From Banks (Secured)	1,189,356,668	1,218,915,927
Total non-current Borrowings	1,189,356,668	1,218,915,927

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 31-03-2018	Carrying Amount as on 31-03-2017
Secured Bank Loan (UBI)	Base Rate plus 2.50% upto COD	2027-28	-	5,937.20
Secured Bank Loan (BOB)	1.5% over base rate plus tenor premium of 1.00%	2027-28	-	6,252.00
Secured Bank Loan (HDFC)	8.70% p.a. (linked to 1 year MCLR with Annual reset)	2027-28	11,893.57	-
Total Borrowings	Total Borrowings		11,893.57	12,189.20

Security against Borrowings

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

Note 11	As At	As At
Long Term Provisions	31.3.2018	31.3.2017
(a) Provision for employee benefits		
Gratuity	1,053,334	926,114
Leave encashment	524,446	431,768
Total Long Term Provisions	1,577,780	1,357,882

Note 12	As At	As At
Other Non Current Liabilities	31.3.2018	31.3.2017
Unamortised Capital Subsidy	24,500,000	25,000,000
Other Non Current Liabilities	24,500,000	25,000,000

Note 13	As At	As At
Borrowings : Financial Liabilities	31.3.2018	31.3.2017
Other loans and advances		
Loans from Controlling Entity	45,263,451	-
Total Borrowings Financial Liabilities	45,263,451	-

Note 14	As At	As At
Other financial liabilities	31.3.2017	31.3.2017
Salary Payable	1,168,408	820,300
Interest accrued but not due on borrowings	-	911,448
Loan processing fees payable	15,305,445	-
Current Maturities of Long term Borrowings	93,648,705	-
Total Other financial liabilities	110,122,558	1,731,748

Chhattisgarh Hydro Power LLP

Notes to Financial Statements for the year ended 31st March, 2018

Note 15	As At	As At
Other current liabilities	31.3.2018	31.3.2017
TDS Payable	1,141,745	983,420
Work Contract Tax Payable	-	783,984
Service Tax Payable	-	5,074
Provident Fund Payable	39,519	-
GST Payable	1,305,578	-
Security deposit from Contractors	170,532	41,088,730
Creditors for Capital Goods	415,869	35,322,850
Creditors for Others	2,641,510	-
Total Other current liabilities	5,714,753	78,184,058

Note 16	As At	As At
Short Term Provisions	31.3.2018	31.3.2017
Provision for employee benefits		
Gratuity	67,841	310,039
Bonus	70,535	-
Leave encashment	68,580	70,589
Total Short Term Provisions	206,956	380,628

	31.03.2018	31.03.2017
17. Revenue from operation		
Sale of Electricity	258,646,471	-
Total Sale of Services	258,646,471	-

18. Other Income	31.03.2018	31.03.2017
Interest Received	800,471	-
Other non-operating income	764	-
Capital Subsidy	500,000	-
Total Other Income	1,301,235	-

19. Employee Benefits Expenses:	31.03.2018	31.03.2017
Salaries, wages and other benefits	9,896,122	-
Contributions to Provident fund	154,693	-
Bonus	70,535	-
Gratuity Expenses	171,186	-
Leave Expenses	175,911	-
Employees welfare expenses	650,913	-
Total	11,119,360	-

20. Finance Costs:	31.03.2018	31.03.2017
Interest on Term Loans	88,131,634	-
Interest on others	8,198,165	-
Prepayment Charges	11,533,153	-
Bank Charges	6,357,297	-
Total	114,220,249	-

Chhattisgarh Hydro Power LLP**Notes to Financial Statements for the year ended 31st March, 2018**

21. Depreciation and Amortization Expenses:	31.03.2018	31.03.2017
Depreciation on Property, Plant and Equipment	32,030,785	-
Amortization on Other Intangibles Assets	155,812	-
Total	32,186,597	-

22. Operating and Other Expenses	31.03.2018	31.03.2017
Repair & Maintenance		
- To Plant & Machinery	10,170,494	-
- To Others	47,664	-
Electricity Charges	1,898,278	-
Insurance Expenses	1,795,423	-
Rent	889,932	-
Communication expenses	197,223	-
Legal & Professional Fees	537,977	-
Travelling & Conveyance Expenses	887,389	-
Vehicle Running & Maintenance	279,156	-
Printing & Stationery	87,184	-
Payment to Auditor	118,000	-
Security Charges	1,101,695	-
Loss on sale of Assets	2,653,514	-
Miscellaneous Expenses	4,499,373	-
Total	25,163,301	-

23. Capital and Other Commitments

Estimated amount of Contracts remaining to be executed on Capital Account net of advance given Rs.1,35,97,388/- (PY Rs.3,27,06,000/-).

24. Contingent liabilities (to the extent not provided for)

Contingent liabilities	March 31, 2018	March 31, 2017
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, 2018****25 Related party Disclosure:**

Related parties and nature of relationship where control exists:-

Controlling entity

Sarda Energy & Minerals Ltd.

Partners other than controlling entity

Mr.Kamal Kishore Sarda

Mrs. Shakuntala Devi Sarda

Chhattisgarh Investment Limited

Prachi Agriculture & Properties Limited

Satva Seeds Private Limited (Previously known as Sarda Agriculture & Properties 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	2017-18	2016-17	2017-18	2016-17
Opening balance of Partners Capital	2,921.46	1,345.06	4,382.19	2,096.75
Partners Capital Received	62.00	2,315.80	155.00	3,129.84
Partners Capital Refund	-	739.40	62.00	844.40
Closing Balance of Partners	2,983.46	2,921.46	4,475.19	4,382.19
Loans Taken	-	-	2,768.00	641.74
Repayment of Loans Taken	-	-	2,403.00	3,345.26
Interest Paid on Loans Taken	-	-	97.37	230.11
<u>Closing Balance</u>				
Unsecured Loan	-	-	452.63	-

Chhattisgarh Hydro Power LLP**Notes to Financial Statements for the year ended 31st March, 2018****B. Details of Material Transaction with related parties**

Particulars	2017-18	2016-17
Opening balance of Partners		
Sarda Energy & Minerals Ltd.	4,382.19	2,096.75
Shri Kamal Kishore Sarda	876.44	428.51
Smt. Shakuntala Devi Sarda	-	163.55
Chhattisgarh Investment Limited	876.44	382.71
Prachi Agriculture & Properties Ltd.	438.22	16.36
Satva Seeds Private Limited	730.37	16.36
Sarda Family	-	337.57
	7303.65	3441.81
Partners Capital Received		
Sarda Energy & Minerals Ltd.	155.00	3129.84
Shri Kamal Kishore Sarda	18.60	447.93
Chhattisgarh Investment Limited	18.60	732.00
Prachi Agriculture & Properties Ltd.	9.30	421.86
Satva Seeds Private Limited	15.50	714.01
	217.00	5445.65
Partners Capital Refund		
Sarda Energy & Minerals Ltd.	62.00	844.40
Chhattisgarh Investment Limited	0.00	238.28
Sarda Family	0.00	337.57
Smt. Shakuntala Devi Sarda	0.00	163.55
	62.00	1583.80
Closing Balance of Partners		
Sarda Energy & Minerals Ltd.	4,475.19	4,382.19
Shri Kamal Kishore Sarda	895.04	876.44
Chhattisgarh Investment Limited	895.04	876.44
Prachi Agriculture & Properties Ltd.	447.52	438.22
Satva Seeds Private Limited	745.87	730.37
	7458.65	7303.65
Loan Taken		
Sarda Energy & Minerals Ltd.	2768.00	641.74
Repayment of Loans Taken		
Sarda Energy & Minerals Ltd.	2403.00	3345.26
Interest Paid on Loans Taken		
Sarda Energy & Minerals Ltd.	97.37	230.11
Closing Balance		
Unsecured Loan		
Sarda Energy & Minerals Ltd.	452.63	0.00

CHHATTISGARH HYDRO POWER LLP
SCHEDULES FORMING PART OF THE ACCOUNTS

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

a) Defined Contribution plan:

Amount of Rs. 154693/- (P.Y. Rs.Nil) is recognised as an expenses and included in employee benefit expense as under the following defined contribution plans (Refer Note no. 18)

Benefit (Contribution to):	2017-18	2016-17
Provident Fund	154,693	-
Total	154,693	-

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.

Particulars	Gratuity		Leave Encashment	
	2017-18	2016-17	2017-18	2016-17
	(Funded)	(Funded)	(Non Funded)	(Non Funded)

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	1,236,153	965,210	502,357	359,625
2 Interest Cost	94,318	77,217	38,330	28,770
3 Current Service Cost	146,916	204,292	137,582	135,955
4 Past Service Cost	-	-	-	-
5 Benefit paid directly by employer	-	(112,356)	-	(44,143)
6 Changes due Actuarial assumption	(286,165)	101,790	(85,242)	22,150
7 Present value of defined benefit obligation at the end of the year	1,191,222	1,236,153	593,027	502,357

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	1,191,222	1,236,153	593,027	502,357
2 Fair value of plan assets at the end of the year	-	-	-	-
Net asset / (liability) - Current	67,841	310,039	68,580	70,589
Net asset / (liability) - Non Current	1,123,381	926,114	524,446	431,768

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

Current Service Cost	146,916	204,292	137,582	135,955
Interest Cost on benefit obligation (Net)	94,318	77,217	38,330	28,770
Total expenses included in employee benefits expenses/capitalized	241,234	281,509	175,912	164,725

CHHATTISGARH HYDRO POWER LLP
SCHEDULES FORMING PART OF THE ACCOUNTS

V Recognized in other comprehensive income for the year:				
Changes due Acturial assumption	(286,165)	101,790	(85,242)	22,150
Recognized in other comprehensive income for the year:	(286,165)	101,790	(85,242)	22,150
VI Maturity profile of defined benefit obligation:				
Within the next 12 months (next annual reporting period)	59,572	78,816	31,086	35,664
Between 2 and 5 years	208,172	520,604	182,151	163,786
Between 6 and 10 years	393,334	375,073	105,856	212,441
After 10 Years	530,144	261,660	273,934	90,466
VII Quantitative Sensitivity analysis for significant assumption is as below:				
1 1% point increase in discount rate	1,078,909	1,138,507	540,070	459,438
1% point decrease in discount rate	1,322,203	1,351,207	655,289	553,008
1% point increase rate of salary Increase	1,317,661	1,323,311	615,049	555,105
1% point decrease rate of salary Increase	1,080,988	1,159,299	571,768	457,104
1% point increase rate of withdrawal rate	1,189,991	1,258,745	593,838	508,835
1% point decrease rate of withdrawal rate	1,192,614	1,209,646	592,246	494,885

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	
	2017-18	2016-17	2017-18	2016-17
	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	7.63%	7.50%	7.63%	7.50%
2 Salary escalation	7.00%	6.00%	7.00%	6.00%
	Indian	Indian	Indian	Indian Assured
3 Mortality rate during employment	Assured Lives Mortality (2006-08)	Assured Lives Mortality (2006-08)	Assured Lives Mortality (2006-08)	Lives Mortality (2006-08)
	Indian	Indian	Indian	Indian Assured
4 Mortality post retirement rate	Assured Lives Mortality (2006-08)	Assured Lives Mortality (2006-08)	Assured Lives Mortality (2006-08)	Lives Mortality (2006-08)
5 Rate of Employee Turnover	1% to 5%	1% to 8%	1% to 5%	1% to 8%
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, 2018. 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.

CHHATTISGARH HYDRO POWER LLP

Notes to Financial Statements for the year ended 31st March, 2018

27. FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATIONS AND FAIR VALUE MEASUREMENTS:

- 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.
- 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.

	Carrying amount As at 31.03.2018	Level 1	Level 2	Level 3
Financial assets at amortised cost:				
Trade Receivables	325.38	-	-	-
Bank, Cash and cash Equivalents	267.56	-	-	-
Total	592.93	-	-	-
Financial liabilities at amortised cost:				
Borrowings from Bank	11,893.57	-	-	-
Borrowings from Related party	452.63	-	-	-
Other financial liabilities (current)	1,101.23	-	-	-
Total	13,447.43	-	-	-

During the reporting period ending 31st March, 2017 and 31st March, 2018, there were no transfers between Level 1 and Level 2 fair value measurements.

	Carrying amount As at 31.03.2017	Level 1	Level 2	Level 3
Financial assets at amortised cost:				
Bank, Cash and cash Equivalents	178.13	-	-	-
Total	178.13	-	-	-
Financial liabilities at amortised cost:				
Borrowings from Bank	12,189.16	-	-	-
Other Financial Liabilities	17.32	-	-	-
Total	12,206.48	-	-	-

During the reporting period ending 31st March, 2018 and 31st March 2017 there were no transfer between Level 1 and Level 2 Fair Value Measurements.

CHHATTISGARH HYDRO POWER LLP**Notes to Financial Statements for the year ended 31st March, 2018**

28.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-18</u>	<u>31-Mar-17</u>
Cash and cash equivalents	267.56	178.13
Trade Receivables	325.38	-

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-18</u>	<u>31-Mar-17</u>
Union Bank of India	-	699.32
Bank of Baroda	-	325.25
TOTAL	-	1,024.57

CHHATTISGARH HYDRO POWER LLP

Notes to Financial Statements for the year ended 31st March, 2018

Maturities of financial liabilities**The contractual undiscounted cash flows of financial liabilities are as follows:**

INR IN LAKHS

As at 31 March 2018	Less than 1 year	1-5 years	more than 5 yrs	Total
Long Term Borrowings	960.79	4,611.81	6,320.96	11,893.56
Short term Borrowings	452.63	-	-	452.63
Other financial Liabilities	1,101.23	-	-	1,101.23
TOTAL	2,514.65	4,611.81	6,320.96	13,447.42

As at 31 March 2017	Less than 1 year	1-5 years	more than 5 yrs	Total
Long Term Borrowings	-	4,400.00	7,789.16	12,189.16
Other financial Liabilities	17.32	-	-	17.32
TOTAL	17.32	4,400.00	7,789.16	12,206.48

Interest rate risk

Interest rate risk is the risk that an upward movement in the interest rate would adversely effect 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

	31-Mar-18	31-Mar-17
Variable rate borrowings	11,893.56	12,189.16
Fixed rate borrowings	452.63	-
	12,346.19	12,189.16

b) Sensitivity analysis

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

	Impact on Cost (Net of tax)	
	31-Mar-18	31-Mar-17
Interest rates - increase by 70 basis points	88.28	64.12
Interest rates - decrease by 70 basis points	(88.28)	(64.12)

CHHATTISGARH HYDRO POWER LLP**Notes to Financial Statements for the year ended 31st March, 2018**

29. 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.

	INR IN LAKHS	
	31-Mar-18	31-Mar-17
Total liabilities	12,830.05	12,189.16
Less : Cash and cash equivalent	267.56	178.13
Net debt	12,562.50	12,011.03
Total Partners' Fund	7,920.40	7,303.65
Net debt to equity ratio	1.59	1.64

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

30. Revenue Recognition:

The LLP has entered into long term Power Purchase Agreement (PPA) for 24 MW Gullu SHP with CSPDCL. The Plant has commenced commercial operations w.e.f. 17.07.2017. The PPA provides tariff as per relevant tariff order of CSERC as applicable to Small Hydro Projects commissioned in F.Y.2017-18. As the said tariff order is yet to be notified, revenue is recognised @Rs.4.71 per kwh being the tariff notified for plants commissioned in F.Y.2016-17. After notification of applicable tariff order adjustment in the income or expenditure shall be made in the year of notification. CERC has notified tariff of Rs.5.04 per kwh for SHPs commissioned in F.Y.2017-18.

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

For CHHATTISGARH HYDRO POWER LLP

As per our Report of even date

For O.P.SINGHANIA & CO.

(ICAI Firm Regn. No. 002172C)

Chartered Accountants

KAMAL KISHORE SARDA
(Designated Partner)

PANKAJ SARDA
(Designated Partner)

SANJAY SINGHANIA
Partner
Membership No.076961

Place : Raipur

Date : 07.05.2018
