

OPSinghania & Co

CHARTERED ACCOUNTANTS
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Independent Auditor's Report

To the Partners of Chhattisgarh Hydro Power LLP

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Chhattisgarh Hydro Power LLP** (the "LLP"), which comprise the statement of assets and liabilities as at 31st March 2020 and the statement of income and expenditure (including other comprehensive income), statement of changes in other reserves and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give the information and give a true and fair view of the financial position of the entity as at March 31, 2020 and of its financial performance and its cash flows for the year ended on that date in accordance with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") issued by the Institute of Chartered Accountants of India ("the ICAI").

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the ICAI. 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 ICAI 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 Responsibilities for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the aforesaid Ind AS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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 financial controls 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 ability of the company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Company 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

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

Sanjay Singhania
Partner
Membership No.076961

Raipur, 13th June, 2020

UDIN: 20076961AAAABP7922

CHHATTISGARH HYDRO POWER LLP
Statement of Assets and Liabilities as at 31st March 2020

	Particulars	Note	as at 31.03.2020	as at 31.03.2019
			₹	₹
	ASSETS			
(1)	Non-current Assets			
(a)	Property, Plant & Equipment	2	2,01,02,78,175	2,05,41,60,475
(b)	Capital work-in-progress		2,99,09,096	2,31,47,676
(c)	Other Intangible Assets	3	1,04,66,074	1,06,87,363
(d)	Other Non- current Assets	4	3,50,92,647	1,92,70,194
	TOTAL NON CURRENT ASSETS		2,08,57,45,992	2,10,72,65,708
(2)	Current Assets			
(a)	Inventories		1,87,856	1,87,856
(b)	Financial Assets			
	(i) Trade Receivables	5	8,92,49,043	3,52,57,570
	(ii) Bank, Cash & Cash Equivalents	6	16,42,15,697	11,61,14,875
	(iii) Loans	7	5,42,43,793	-
(c)	Current Tax Assets (Net)		7,61,052	11,10,468
(d)	Other Current Assets	8	1,03,94,296	1,57,20,113
	TOTAL CURRENT ASSETS		31,90,51,737	16,83,90,882
	TOTAL ASSETS		2,40,47,97,729	2,27,56,56,590
	CONTRIBUTION & LIABILITIES			
	PARTNER'S FUNDS			
(a)	Capital Contribution	9	1,06,67,34,119	89,21,11,711
(b)	Other Reserves		5,75,230	6,66,617
	TOTAL PARTNER'S FUND		1,06,73,09,349	89,27,78,328
	Liabilities			
(1)	Non-current Liabilities :			
(a)	Financial Liabilities			
	Borrowings	10	99,94,52,015	1,09,55,31,395
(b)	Deferred Tax Liabilities (Net)	11	18,60,15,818	8,66,45,304
(c)	Other Non Current Liabilities	12	2,35,00,000	2,40,00,000
(d)	Provisions	13	31,18,927	23,96,033
	TOTAL NON CURRENT LIABILITIES		1,21,20,86,761	1,20,85,72,732
(2)	Current Liabilities			
(a)	Financial Liabilities			
	(i) Borrowings	14	-	5,17,02,588
	(ii) Other Financial Liabilities	15	12,14,98,318	11,96,97,802
(b)	Other current liabilities	16	35,95,911	26,21,709
(c)	Provisions	17	3,07,391	2,83,431
	TOTAL CURRENT LIABILITIES		12,54,01,620	17,43,05,530
	TOTAL CONTRIBUTION & LIABILITIES		2,40,47,97,729	2,27,56,56,590

SIGNIFICANT ACCOUNTING POLICIES

1.01

The accompanying notes are integral part of the financial statements

As per our Report of even date

For, OPSinghania & Co

(ICAI Firm Regn. No. 002172C)

Chartered Accountants

For CHHATTISGARH HYDRO POWER LLP
Sanjay Singhania

Partner

Membership No. 076961

Place : Raipur

Date: 13.06.2020

Pankaj Sarda

Designated Partner

P.S. Duttgupta

Designated Partner

Chhattisgarh Hydro Power LLP**Statement of Income and Expenditure for the year ended 31st March 2020**

Sr No.	Particulars	Notes	31.03.2020	31.03.2019
			₹	₹
I	Income			
	Revenue from operations	18	47,18,72,434	36,95,73,834
	Other Revenue	19	81,00,051	54,22,007
II	Total Income		47,99,72,485	37,49,95,841
III	Expenses			
	Employee benefit expense	20	1,59,72,105	1,71,60,713
	Finance costs	21	11,38,08,354	12,12,34,475
	Depreciation and amortisation expense	22	4,47,08,867	4,55,33,038
	Operating and Other expenses	23	3,14,41,148	3,49,85,388
	Total expenses		20,59,30,475	21,89,13,614
IV	Profit before tax (II-III)		27,40,42,010	15,60,82,227
V	Income tax expense			
	- Current tax		-	-
	- Deferred tax		9,94,19,602	(5,59,80,627)
VI	Profit for the period (IV-V)		17,46,22,408	21,20,62,854
VII	Other Comprehensive income for the			
	(i) Items that will not be reclassified to profit or loss			
	- Actuarial gain or losses on Defined Benefit Plans		(1,40,475)	(42,273)
	(ii) Income tax relating to items that will not be reclassified to profit or loss:			
	- Actuarial gain or losses on Defined Benefit Plans		49,088	14,770
	Other comprehensive income for the year, net of tax		(91,387)	(27,503)
VIII	Total comprehensive income for the year		17,45,31,021	21,20,35,351

SIGNIFICANT ACCOUNTING POLICIES

1.01

The accompanying notes are integral part of the financial statements.

As per our report of even date

For OPSinghania & Co

(ICAI Firm Reg. No.002172C)

Chartered Accountants

For Chhattisgarh Hydro Power LLP**per Sanjay Singhania**
Partner

Membership No.076961

Pankaj Sarada
Designated Partner**P.S. Duttgupta**
Designated Partner

Place : Raipur

Date: 13.06.2020

Chhattisgarh Hydro Power LLP
STATEMENT OF CHANGES IN OTHER RESERVES

Particulars	Reserves and Surplu	Other Comprehensive	Total other equity
	Retained Earnings	Remeasurement of the defined benefit plans	
	₹	₹	
Balance as of April 1st , 2018	5,71,549	1,22,571	6,94,120
Profit for the year	21,20,62,854	-	21,20,62,854
Defind Benefit Plan (net of taxes)	-	(27,503)	(27,503)
Transferred to partners capital account	(21,20,62,854)	-	(21,20,62,854)
Balance as of March 31, 2019	5,71,549	95,068	6,66,617
Balance as of April 1st , 2019	5,71,549	95,068	6,66,617
Profit for the year	17,46,22,408	-	17,46,22,408
Defind Benefit Plan (net of taxes)	-	(91,387)	(91,387)
Transferred to partners capital account	(17,46,22,408)	-	(17,46,22,408)
Balance as of March 31, 2020	5,71,549	3,681	5,75,230

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

Pankaj Sardar
Designated Partner

P.S. Dutttagupta
Designated Partner

Place : Raipur

Date: 13.06.2020

Chhattisgarh Hydro Power LLP		
Cash Flow Statement For The Year Ended 31st March' 2020		
Particulars	31.03.2020	31.03.2019
	₹	₹
A. Cash Flow from Operating Activities		
Net Profit/(Loss) Before Tax	27,40,42,010	15,60,82,227
Adjustment to Reconcile net profit to net cash provided by operating activities		
Depreciation & Amortisation	4,47,09,003	4,55,33,038
Provision for Gratuity	4,42,861	5,94,829
Provision for Leave Encashment	2,28,686	2,01,486
Amortization of Capital Subsidy	(5,00,000)	(5,00,000)
Interst Expenses	11,38,08,354	12,12,34,475
Interest Income	(75,62,395)	(49,22,007)
Operating Profit before Working Capital changes	42,51,68,520	31,82,24,049
Changes in assets and liabilities		
Increase/(decrease) in other Current Liabilities	9,74,202	(30,93,044)
Decrease/(increase) in trade receivables	(5,39,91,473)	(36,71,486)
Increase/(decrease) in liabilities and provisions	(5,18,758)	(1,29,302)
(Increase)/decrease Other Current Assets	(4,89,17,976)	(65,70,979)
(Increase)/decrease Other Non Current Assets	(1,58,22,453)	21,99,171
Cash generated from/(used in) operations	30,68,92,061	30,69,58,409
Direct taxes paid (net of refunds)	3,49,417	(4,99,236)
Net Cash Flow from Operating Activities	30,72,41,478	30,64,59,173
B. Cash Flow from Investing Activities		
(Increase)/Decrease in Property, plant & equipment	(73,97,539)	(2,31,62,025)
Sale proceeds of property, plant & equipment	30,705	-
Interest Income	75,62,395	49,22,007
Net Cash used in Investing Activities	1,95,561	(1,82,40,018)
C. Cash Flow from Financing Activities		
Partners Contribution including goodwill received	55,67,88,258	-
Payment made to retiring partners including goodwill	(55,67,88,258)	-
Proceeds from long term borrowings	(9,38,25,273)	(8,40,64,588)
(Repayment)/Proceeds of Short term borrowings	(5,17,02,588)	64,39,137
Interst Expenses	(11,38,08,354)	(12,12,34,475)
Net Cash from financing Activities	(25,93,36,215)	(19,88,59,926)
Net Increase/(decrease) in Cash and Cash equivalents (4,81,00,822	8,93,59,228
Cash & Cash Equivalents at the beginning (Note 6)	11,61,14,875	2,67,55,647
Cash & Cash Equivalents at the end (Note 6)	16,42,15,697	11,61,14,875
Increase/(decrease) in Cash and Cash equivalents	4,81,00,822	8,93,59,228

Notes:

(a) Cash and cash equivalent include the following :

Cash on Hand	38,803	40,653
Balance with Banks	16,41,76,894	11,60,74,222
	16,42,15,697	11,61,14,875

(b) Figures in brackets represent outflows.

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

As per our report of even date

For OPSinghania & Co

(ICAI Firm Reg. No.002172C)

Chartered Accountants

For, Chhattisgarh Hydro Power LLP

per Sanjay Singhania
Partner

Membership No.076961

Place : Raipur

Date : 13.06.2020

Pankaj Sarda
Designated Partner

P.S. Duttgupta
Designated Partner

1.00 REPORTING ENTITY

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

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

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

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or are vision to an existing accounting standard requires a change in the accounting policy hitherto in use. During the year Ind AS 116 made effective from 01.04.2019 and several other amendments apply for the first time for the year ended 31.03.2020, but do not have an impact on the standalone financial statements of the LLP. The LLP has not early adopted any standards, amendments that have been issued but are not yet effective/notified.

(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.

(iv) ESTIMATION OF UNCERTAINTIES RELATING TO THE GLOBAL HEALTH PANDEMIC FROM COVID-19 (COVID-19)

Due to outbreak of COVID-19 globally and in India, the LLP's management has made initial assessment of impact on business and financial risks on account of COVID-19. Considering that the LLP is in the business of Renewable Energy which is considered to be an Essential Service, the management believes that the impact of this outbreak on the business and financial position of the LLP will not be significant. The management does not see any risks in the LLP's ability to continue as a going concern and meeting its liabilities as and when they fall due.

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****ii) Classification and subsequent measurement**

Chhattisgarh Hydro Power LLP**Significant accounting policies and notes to the accounts for the year ended 31 March 2020**

(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**

Financial liabilities at amortised cost:

Financial liabilities at FVTPL

(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.

Chhattisgarh Hydro Power LLP**Significant accounting policies and notes to the accounts for the year ended 31 March 2020**

(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.

Chhattisgarh Hydro Power LLP**Significant accounting policies and notes to the accounts for the year ended 31 March 2020**

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:

(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.

Chhattisgarh Hydro Power LLP**Significant accounting policies and notes to the accounts for the year ended 31 March 2020**

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, 2020

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											
As at 01.04.2018	1,61,47,942	10,84,50,845	1,17,35,246	1,81,96,33,635	15,67,737	7,81,913	16,23,94,153	9,22,680	13,36,187	53,09,599	2,12,82,79,937
Addition			8,63,727	58,66,001			27,80,124			9,08,375	1,04,18,227
Disposals	-	-	-	-	-	-	-	-	-	-	-
As at 31.03.2019	1,61,47,942	10,84,50,845	1,25,98,973	1,82,54,99,636	15,67,737	7,81,913	16,51,74,277	9,22,680	13,36,187	62,17,974	2,13,86,98,164
Addition	3,73,690	-	4,73,878								8,47,568
Disposals	-	-	48,800	-	-	-	-	-	-	-	48,800
As at 31.03.2020	1,65,21,632	10,84,50,845	1,30,24,051	1,82,54,99,636	15,67,737	7,81,913	16,51,74,277	9,22,680	13,36,187	62,17,974	2,13,94,96,932
Depreciation											
As at 01.04.2018	2,27,398	15,27,226	21,18,545	3,10,72,707	2,51,203	2,63,613	22,91,019	67,236	1,11,927	11,06,241	3,90,37,115
Depreciation for the year	1,40,776	21,69,017	14,54,770	3,70,27,898	1,58,068	97,314	32,95,557	49,443	45,381	8,73,525	4,53,11,749
Disposal/Adjustments	1,82,183	-	546	-	-	-	6,096	-	-	-	1,88,825
As at 31.03.2019	5,50,357	36,96,243	35,73,861	6,81,00,605	4,09,271	3,60,927	55,92,672	1,16,679	1,57,308	19,79,766	8,45,37,689
Depreciation for the year	1,42,584	21,69,017	11,11,200	3,66,01,832	1,60,020	43,367	33,03,266	47,406	56,874	8,52,012	4,44,87,578
Disposal/Adjustments	1,82,183		(17,413)				28,720				1,93,490
As at 31.03.2020	8,75,124	58,65,260	46,67,648	10,47,02,437	5,69,291	4,04,294	89,24,658	1,64,085	2,14,182	28,31,778	12,92,18,757
Net Block											
At 31.03.2019	1,55,97,585	10,47,54,602	90,25,112	1,75,73,99,031	11,58,466	4,20,986	15,95,81,605	8,06,001	11,78,879	42,38,208	2,05,41,60,475
At 31.03.2020	1,56,46,508	10,25,85,585	83,56,403	1,72,07,97,199	9,98,446	3,77,619	15,62,49,619	7,58,595	11,22,005	33,86,196	2,01,02,78,175

NOTE 3	Other Intangible Assets	
	Right to Use Land	Total
	₹	₹
Gross Block		
Carrying Value		
As at 01.04.2018	1,10,64,464	1,10,64,464
Addition	-	-
Disposals	-	-
As at 31.03.2019	1,10,64,464	1,10,64,464
Addition	-	-
Disposals	-	-
As at 31.03.2020	1,10,64,464	1,10,64,464
Depreciation		
As at 01.04.2018	1,55,812	1,55,812
Depreciation for the year	2,21,289	2,21,289
Disposal/Adjustments	-	-
As at 31.03.2019	3,77,101	3,77,101
Depreciation for the year	2,21,289	2,21,289
Disposal/Adjustments	-	-
As at 31.03.2020	5,98,390	5,98,390
Net Block		
At 31.03.2019	1,06,87,363	1,06,87,363
At 31.03.2020	1,04,66,074	1,04,66,074

Chhattisgarh Hydro Power LLP**Notes to Financial Statements for the year ended 31st March, 2020**

NOTE 4	AS AT	AS AT
Other Non Current Assets	31.03.2020	31.03.2019
Unsecured, considered good		
(a) Capital Advances	3,39,46,726	1,78,81,390
(b) Security Deposits	11,45,921	13,88,804
Total	3,50,92,647	1,92,70,194

NOTE 5	AS AT	AS AT
Trade Receivables	31.03.2020	31.03.2019
Trade Receivables-considered good, Unsecured	8,92,49,043	3,52,57,570
Total	8,92,49,043	3,52,57,570

NOTE 6	AS AT	AS AT
Bank, Cash & cash equivalents	31.03.2020	31.03.2019
Balance with Bank in current accounts		
- In current accounts	1,23,44,757	1,10,19,969
Cash in hand	38,803	40,653
Other Bank Balances		
- Maturity 3-6 Months	5,00,00,000	5,50,54,254
- Maturity 6-12 Months	10,18,32,138	5,00,00,000
Total	16,42,15,697	11,61,14,875

	AS AT	AS AT
Note 7 Loan (Unsecured, considered good):	31.03.2020	31.03.2019
Short Term Loans and Advances		
Loan to Controlling entity	5,42,43,793	-
Total	5,42,43,793	-

NOTE 8	AS AT	AS AT
OTHER CURRENT ASSETS	31.03.2020	31.03.2019
Other Advances (Unsecured, considered good)		
(i) Advances Recoverable in Cash or Kind	16,94,299	17,66,951
(ii) Pre prepaid Expenses	76,98,828	1,29,58,626
(iii) Other receivable	9,51,687	9,51,687
(iii) Interest Receivable on Electricity Deposit	49,482	42,849
Total	1,03,94,296	1,57,20,113

Chhattisgarh Hydro Power LLP**Notes to Financial Statements for the year ended 31st March, 2020****NOTE 9 : Capital Contribution**

PARTICULARS	PROFIT SHARING RATIO %	AS AT 01.04.2019	GOODWILL BROUGHT BY THE PARTNER	GOODWILL GIVEN TO RETIRING	CONTRIBUTION DURING THE YEAR	WITHDRAWALS DURING THE YEAR	PROFIT (LOSS) DISTRIBUTED	AS AT 31.03.2020
		₹	₹	₹	₹	₹	₹	₹
Chhattisgarh Investment Ltd	0%	10,70,53,405	-	2,99,91,536	-	13,70,44,941	-	-
Prachi Agriculture & Properties Ltd.	0%	5,35,26,703	-	1,49,95,768	-	6,85,22,471	-	-
Sattva Seeds Private Limited (Formerly Sarda agriculture & Properties Limited)	0%	8,92,11,171	-	2,49,92,947	-	11,42,04,118	-	-
Sarda Energy & Minerals Ltd.	72%	53,52,67,027	2,99,91,536	-	13,70,44,941	-	12,57,28,134	76,80,48,566
Shri Kamal Kishore Sarda	0%	10,70,53,405	-	2,99,91,536	-	13,70,44,941	-	-
Sarda Energy Limited	28%	-	6,99,80,251	-	31,97,71,530	-	4,88,94,274	29,86,85,553
Total	100%	89,21,11,711	9,99,71,787	9,99,71,787	45,68,16,471	45,68,16,471	17,46,22,408	1,06,67,34,119

Chhattisgarh Hydro Power LLP
Notes to Financial Statements for the year ended 31st March, 2020

Note 10	As At	As At
Borrowings : Financial Liabilities	31.03.2020	31.03.2019
Term Loan From Banks (Secured)	99,94,52,015	1,09,55,31,395
Total non-current Borrowings	99,94,52,015	1,09,55,31,395

Terms and repayment schedule

Terms and conditions of outstanding borrowings are as follows:

Nature of Borrowing	Normal Interest Rate	Year of Maturity	Carrying Amount as on 31-03-2020	Carrying Amount as on 31-03-2019
Secured Bank Loan (HDFC)	9.15% p.a. (linked to 1 year MCLR with Annual reset)	2027-28	9,994.52	10,955.31
Total Borrowings	Total Borrowings		9,994.52	10,955.31

Security against Borrowings

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

NOTE 11	As At	As At
DEFERRED TAX LIABILITIES/(ASSETS)	31.03.2020	31.03.2019
Deferred Tax Liabilities/(Assets)		
Accelerated depreciation for tax purpose	32,84,80,247	27,97,73,455
Temporary differences on account of Employee Benefits	(11,70,955)	(8,88,371)
On unabsorbed Depreciation	(14,12,93,474)	(19,22,39,780)
Total	18,60,15,818	8,66,45,304

RECONCILIATION OF DEFERRED TAX LIABILITIES/(ASSETS)	31.03.2020	31.03.2019
Deferred tax liability at the beginning of the year	8,66,45,304	3,06,49,907
Deferred tax liability during the year on account of timing difference	4,84,24,209	19,51,77,763
Deferred tax during the year on account of unabsorbed depreciation utilization/(arises)	5,09,46,306	(13,91,82,366)
Closing balance	18,60,15,818	8,66,45,304

Note 12	As At	As At
Other Non Current Liabilities	31.03.2020	31.03.2019
Unamortised Capital Subsidy	2,35,00,000	2,40,00,000
Other Non Current Liabilities	2,35,00,000	2,40,00,000

Note 13	As At	As At
Long Term Provisions	31.03.2020	31.03.2019
Provision for employee benefits		
Gratuity	24,91,724	17,97,558
Leave encashment	6,27,203	5,98,475
Total Long Term Provisions	31,18,927	23,96,033

Note 14	As At	As At
Borrowings : Financial Liabilities	31.03.2020	31.03.2019
Other loans and advances		
Loans from Controlling Entity	-	5,17,02,588
Total Borrowings Financial Liabilities	-	5,17,02,588

Note 15	As At	As At
Other financial liabilities	31.03.2020	31.03.2019
Salary Payable	11,01,240	10,53,250
Interest Accrued but not due on borrowings	86,23,453	95,13,833
Loan processing fees payable	1,53,05,445	1,53,05,445
Current Maturities of Long term Borrowings	9,60,79,380	9,38,25,273
Creditor for Capital Goods	3,88,800	-
Total Other financial liabilities	12,14,98,318	11,96,97,801

Chhattisgarh Hydro Power LLP

Notes to Financial Statements for the year ended 31st March, 2020

Note 16	As At	As At
Other current liabilities	31.03.2020	31.3.2019
TDS Payable	5,71,197	9,15,341
Provident Fund Payable	48,369	45,888
GST Payable	11,780	8,346
Other payable	29,64,565	16,52,134
Total Other current liabilities	35,95,911	26,21,709

Note 17	As At	As At
Short Term Provisions	31.03.2020	31.3.2019
Provision for employee benefits		
Gratuity	95,982	70,022
Bonus	61,506	1,26,674
Leave encashment	1,49,903	86,735
Total Short Term Provisions	3,07,391	2,83,431

18. Revenue from operation	31.03.2020	31.3.2019
Sale of Power	46,11,92,655	35,62,86,389
Reimbursement of Duties & Water Charges	1,06,79,779	1,32,87,445
Total Sale of Services	47,18,72,434	36,95,73,834

19. Other Income	31.03.2020	31.3.2019
Interest Received	75,62,395	49,22,007
Other non-operating income	37,656	-
Capital Subsidy	5,00,000	5,00,000
Total Other Income	81,00,051	54,22,007

20. Employee Benefits Expenses:	31.03.2020	31.3.2019
Salaries , Wages & Other Benefits	1,44,40,017	1,52,58,157
Contribution to Provident Fund	2,92,048	2,80,677
Bonus	63,100	91,666
Gratuity Expenses	4,42,861	5,94,829
Leave Encashment	2,28,686	2,01,486
Employees Welfare Expenses	5,05,393	7,33,898
Total	1,59,72,105	1,71,60,713

21. Finance Costs:	31.03.2020	31.3.2019
Interest on TL Bank & Financial Charges	10,69,24,921	11,25,02,802
Interest on Others	51,84,406	57,12,617
Bank Charges	16,99,027	30,19,056
Total	11,38,08,354	12,12,34,475

Chhattisgarh Hydro Power LLP**Notes to Financial Statements for the year ended 31st March, 2020**

22. Depreciation and Amortization Expenses:	31.03.2020	31.03.2019
Depreciation on Property, Plant and Equipment	4,44,87,578	4,53,11,749
Amortization on Other Intangibles Assets	2,21,289	2,21,289
Total	4,47,08,867	4,55,33,038

23. Operating and Other Expenses	31.03.2020	31.03.2019
Operation & Maintenance of Plant & Machinery	99,82,789	82,47,066
Repair & Maintenance Charges	75,647	2,05,279
Electricity Charges	17,56,978	24,07,432
Insurance Expenses	33,09,501	22,57,101
Rent Rates & Taxes	6,51,844	6,58,494
Electricity Duty	51,43,496	60,83,941
Water Charges	55,36,283	72,03,504
Communication Expenses	1,56,041	2,49,378
Legal & Professional Charges	9,30,095	20,18,830
Travelling & Conveyance	5,42,601	7,41,832
Vehicle Running & Maint. Exps.	4,87,883	8,56,029
Printing & Stationery	90,211	1,49,814
Audit Fees	1,77,000	1,47,500
Security Charges	15,91,447	16,05,943
Miscellaneous Expenses	10,09,332	21,53,245
Total	3,14,41,148	3,49,85,388

Payments to the Auditor as:	31.03.2020	31.03.2019
- Statutory Audit Fees	1,47,500	1,18,000
- Tax Audit Fees	29,500	29,500
Total	1,77,000	1,47,500

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

Contingent liabilities	31.03.2020	31.03.2019
Guarantees excluding financial guarantees (given by banker)	4.90 Crores	4.90 Crores

24. (b) Capital and Other Commitments

Estimated amount of Contracts remaining to be executed on Capital Account net of advance given Rs. 52,96,000/- (PY Rs. 1,31,13,768/-).

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

Chhattisgarh Investments Limited

Prachi Agriculture & Properties Private Limited

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

Sarda Energy Limited

A. Transactions with related Parties

Nature of Transactions	(Rs.in Lacs)		(Rs.in Lacs)	
	Partners other than controlling entity		Controlling entity	
	2019-20	2018-19	2019-20	2018-19
	₹	₹	₹	₹
Transactions during the year				
Opening balance of Partners Capital	3,568.46	3,168.16	5,352.67	4,752.24
Partners Capital Received	2,497.91	-	1,070.53	-
Partners Capital paid on retirement	3,568.45	-	-	-
Profit Distribution to Partners	488.94	400.29	1,257.28	600.43
Closing Balance of Partners Capital	2,986.87	3,168.16	7,680.49	4,752.24
Loans Taken	-	-	3,077.00	3,883.00
Repayment of Loans Taken	-	-	3,633.57	3,870.00
Interest Paid on Loans Taken	-	-	39.54	57.10
Closing Balance				
Advance Given	-	-	542.43	-
Unsecured Loan	-	-	-	517.03

B. Details of Material Transaction with related parties

Particulars	2019-20	2018-19
	₹	₹
Opening balance of Partners Capital		
Sarda Energy & Minerals Ltd.	5,352.67	4,752.24
Shri Kamal Kishore Sarda	1,070.54	950.45
Chhattisgarh Investments Limited	1,070.54	950.45
Prachi Agriculture & Properties Pvt. Ltd.	535.26	475.22
Sarda Agriculture & Properties Pvt. Ltd.	892.12	792.04
	8921.13	7920.40
Partners Capital Received		
Sarda Energy & Minerals Ltd.	1070.53	0.00
Sarda Energy Limited	2497.91	0.00
	3568.45	0.00
Partners Capital paid on retirement		
Shri Kamal Kishore Sarda	1070.53	0.00
Chhattisgarh Investments Limited	1070.53	0.00
Prachi Agriculture & Properties Pvt. Ltd.	535.27	0.00
Sarda Agriculture & Properties Pvt. Ltd.	892.11	0.00
	3568.45	0.00
Profit Distribution to Partners		
Sarda Energy & Minerals Ltd.	1257.28	600.43
Shri Kamal Kishore Sarda	0.00	120.09
Chhattisgarh Investments Limited	0.00	120.09
Prachi Agriculture & Properties Pvt. Ltd.	0.00	60.04
Sarda Agriculture & Properties Pvt. Ltd.	0.00	100.07
Sarda Energy Limited	488.94	0.00
	1746.22	1000.72
Closing Balance of Partners Capital		
Sarda Energy & Minerals Ltd.	7,680.49	5,352.67
Shri Kamal Kishore Sarda	0.00	1,070.54
Chhattisgarh Investments Limited	0.00	1,070.54
Prachi Agriculture & Properties Pvt. Ltd.	0.00	535.26
Sarda Agriculture & Properties Pvt. Ltd.	0.00	892.12
Sarda Energy Limited	2,986.86	0.00
	10667.34	8921.13
Loan Taken		
Sarda Energy & Minerals Ltd.	3077.00	3883.00
Repayment of Loans Taken		
Sarda Energy & Minerals Ltd.	3633.57	3870.00
Advance Given		
Sarda Energy & Minerals Ltd.	542.43	0.00
Interest Paid on Loan Taken		
Sarda Energy & Minerals Ltd.	39.54	57.10
Closing Balance		
Sarda Energy & Minerals Ltd.	542.43	0.00
Sarda Energy & Minerals Ltd. (Payable)	0.00	517.03

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. 292048/- (P.Y. Rs.280677) is recognised as an expenses and included in employee benefit expense as under the following defined contribution plans (Refer Note no. 20)

Benefit (Contribution to):	2019-20	2018-19
Provident Fund	2,92,048	2,80,677
Total	2,92,048	2,80,677

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	
	2019-20	2018-19	2019-20	2018-19
	(Non Funded)	(Non 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	18,67,580	11,21,175	6,85,210	5,93,026
2 Interest Cost	1,27,929	87,003	46,937	46,019
3 Current Service Cost	3,14,932	2,90,831	1,81,749	1,55,468
4 Past Service Cost	-	2,16,995	-	-
5 Benefit paid directly by employer	-	-	-	-
6 Changes due Actuarial assumption	2,77,265	1,51,576	(1,36,790)	(1,09,303)
7 Present value of defined benefit obligation at the end of the year	25,87,706	18,67,580	7,77,106	6,85,210

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	25,87,706	18,67,580	7,77,106	6,85,210
2 Fair value of plan assets at the end of the year	-	-	-	-
Net asset / (liability) - Current	95,982	70,022	1,49,903	86,735
Net asset / (liability) - Non Current	24,91,724	17,97,558	6,27,203	5,98,475

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

Current Service Cost	3,14,932	2,90,831	1,81,749	1,55,468
Interest Cost on benefit obligation (Net)	1,27,929	87,003	46,937	46,019
Total expenses included in employee benefits expenses/capitalized	4,42,861	3,77,834	2,28,686	2,01,487

Chhattisgarh Hydro Power LLP
SCHEDULES FORMING PART OF THE ACCOUNTS

V Recognized in other comprehensive income for the year:				
Changes due Acturial assumption	2,77,265	1,51,576	(1,36,790)	(1,09,303)
Recognized in other comprehensive income for the year:	2,77,265	1,51,576	(1,36,790)	(1,09,303)
VI Maturity profile of defined benefit obligation:				
Within the next 12 months (next annual reporting period)	95,982	70,022	31,976	36,804
Between 2 and 5 years	4,53,722	3,02,774	1,86,658	1,72,078
Between 6 and 10 years	3,98,738	2,17,914	1,04,813	1,24,553
After 10 Years	16,39,264	12,76,871	4,53,659	3,51,775
VII Quantitative Sensitivity analysis for significant assumption is as below:				
1 1% point increase in discount rate	22,97,910	16,58,847	6,94,249	6,24,415
1% point decrease in discount rate	29,33,095	21,16,056	8,78,537	7,56,546
1% point increase rate of salary Increase	28,38,218	20,50,683	8,74,113	7,52,480
1% point decrease rate of salary Increase	23,50,475	16,76,772	6,96,426	6,26,860
1% point increase rate of withdrawal rate	25,71,273	18,65,953	7,72,005	6,86,768
1% point decrease rate of withdrawal rate	26,06,500	18,68,995	7,83,385	6,83,607
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	
	2019-20	2018-19	2019-20	2018-19
	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
IX Actuarial assumptions:				
1 Discount rate	6.85%	7.76%	6.85%	7.76%
2 Salary escalation	7.00%	7.00%	7.00%	7.00%
	Indian	Indian	Indian	Indian Assured
	Assured Lives	Assured Lives	Assured Lives	Lives Mortality
3 Mortality rate during employment	Mortality (2012-14)	Mortality (2006-08)	Mortality (2012-14)	(2006-08)
	Indian	Indian	Indian	Indian Assured
	Assured Lives	Assured Lives	Assured Lives	Lives Mortality
4 Mortality post retirement rate	Mortality (2012-14)	Mortality (2006-08)	Mortality (2012-14)	(2006-08)
5 Rate of Employee Turnover	1% to 5%	1% to 5%	1% to 5%	1% to 5%
6 Future Benefit Cost Inflation	NA	NA	NA	NA
7 Medical premium inflation Rate	NA	NA	NA	NA

Notes:

- (i) The actuarial valuation of plan assets and the present value of the defined obligation were carried out at 31st March, 2020. 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, 2020

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 31.03.2020	Level 1	Level 2	Level 3
Financial assets at amortised cost:				
Trade Receivables	892.49	-	-	-
Bank, Cash and cash Equivalents	1,642.16	-	-	-
Loans	542.44			
Total	3,077.09	-	-	-
Financial liabilities at amortised cost:				
Borrowings from Bank	9,994.52	-	-	-
Borrowings from Related party	-	-	-	-
Other financial liabilities (current)	1,214.98	-	-	-
Total	11,209.50	-	-	-

During the reporting period ending 31st March, 2019 and 31st March, 2020, there were no transfers between Level 1 and Level 2 fair value measurements.

	Carrying amount As at 31.03.2019	Level 1	Level 2	Level 3
Financial assets at amortised cost:				
Trade Receivables	352.58	-	-	-
Bank, Cash and cash Equivalents	1,161.15	-	-	-
Loans	-			
Total	1,513.73	-	-	-
Financial liabilities at amortised cost:				
Borrowings from Bank	10,955.31	-	-	-
Borrowings from Related party	517.03	-	-	-
Other financial liabilities (current)	1,196.98	-	-	-
Total	12,669.32	-	-	-

During the reporting period ending 31st March, 2019 and 31st March 2020 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, 2020**

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

The Firm's principal financial liabilities comprise loans and borrowings are 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:

	31-Mar-20	31-Mar-19
Cash and cash equivalents	1642.16	1161.15
Trade Receivables	892.49	352.58

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.

Maturities of financial liabilities

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

As at 31 March 2020	INR IN LAKHS			
	Less than 1 year	1-5 years	more than 5 yrs	Total
Long Term Borrowings	1,047.03	5,188.29	4,720.00	10,955.31
Short term Borrowings	-	-	-	-
Other financial Liabilities	164.07	-	-	164.07
TOTAL	1,211.10	5,188.29	4,720.00	11,119.38

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

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-20	31-Mar-19
Variable rate borrowings	10,955.31	11,893.57
Fixed rate borrowings	-	517.03
	10,955.31	12,410.59

b) Sensitivity analysis

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

	Impact on Cost (Net of tax)	
	31-Mar-20	31-Mar-19
Interest rates - increase by 70 basis points	76.69	83.25
Interest rates - decrease by 70 basis points	(76.69)	(83.25)

29. CAPITAL MANAGEMENT

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

	31-Mar-20	INR IN LAKHS 31-Mar-19
Total long term debt	10,955.31	11,893.57
Less : Bank, Cash and cash equivalent	1,642.16	1,161.15
Net debt	9,313.16	10,732.42
Total Partners' Fund	10,667.34	8,921.12
Net debt to equity ratio	0.87	1.20

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

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

As per our Report of even date

For, OPSinghania & Co

(ICAI Firm Regn. No. 002172C)

Chartered Accountants

For CHHATTISGARH HYDRO POWER LLP

Sanjay Singhanian

Partner

Membership No.076961

Place : Raipur

Date : 13.06.2020

PANKAJ SARDA
(Designated Partner)

P.S. Duttaputa
(Designated Partner)
