

## INDEPENDENT AUDITORS' REPORT

To the Members of Ayyappa Hydro Power Limited

Report on the Audit of the Financial Statements

### Opinion

We have audited the accompanying financial statements of Ayyappa Hydro Power Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2020, the Statement of Profit and Loss (including other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes for the year ended on that date (hereinafter referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act, of the state of affairs of the Company as at 31<sup>st</sup> March, 2020, and loss, total comprehensive income/(loss), changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, 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.

### Information Other than the Financial Statements and Auditors' Report thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Directors' Report, Management Discussion and Analysis Report and Report on Corporate Governance but does not include the financial statements and our auditors' report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available, and, in doing so, consider whether the other information is materially inconsistent with financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the other information as stated above and if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and describe necessary actions as per applicable laws and regulations.



## **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs (financial position), Profit or Loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

## **Auditors' 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 auditors' 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 scepticism 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 controls;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls;
- 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 Company's ability 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; and

- 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. Further to our comments in the annexure referred to in the paragraph above, as required by Section 143(3) of the Act, 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 Company 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 Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - e) On the basis of the written representations received from the directors as at 31<sup>st</sup> March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as at 31<sup>st</sup> March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;



- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal control; and
3. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 35(A) to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
4. With respect to the reporting under section 197(16) of the Act to be included in the Auditors' Report, in our opinion and according to the information and explanations given to us, no remuneration (including sitting fees) has been paid / payable by the Company to its Directors during the current year and accordingly, the provisions of section 197 of the Act are not applicable to the Company.

Place: Kolkata  
Date: 31<sup>st</sup> July, 2020



For ALPS & Co,  
Chartered Accountants  
Firm's ICAI Registration No.: 313132E

A.K. Khetawat  
Partner  
Membership No: 052751  
UDIN: 20052751AAAABZ4665

**ANNEXURE "A" TO THE AUDITORS' REPORT OF EVEN DATE:**

- i) a. The Company has maintained proper records showing full particulars, including quantitative details and situations of its fixed assets.
- b. Fixed Assets have been physically verified by the management during the year, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies in respect of the assets verified during the year were noticed.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable property are held in the name of the Company except in respect of a land amounting to ₹ 296.80 lakhs acquired in earlier years for which title deeds are yet to be registered in the name of the Company.
- ii) The inventory has been physically verified by the management during the year. In our opinion and according to the information and explanations given to us, the frequency of verification is reasonable. As far as ascertained, discrepancies noticed on physical verification of inventory were not material as compared to the book records and these have been properly dealt with in books of account.
- iii) According to information and explanations given to us, the Company has not granted any loans, secured and unsecured, to companies listed in the register maintained under section 189 of the Act. Accordingly, the provisions of paragraph 3(iii) of the Order are not applicable.
- iv) According to information and explanations given to us, the Company has not granted any loan or guarantee or provided any security in connection with loan during the year. Accordingly the provisions of paragraph 3(iv) of the Order are not applicable.
- v) The Company has not accepted any deposits from public covered under Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder are not applicable.
- vi) In our opinion and according to the information and explanations given to us, the Company is not required to maintain cost records prescribed by the Central Government under section 148(1) of the Companies Act, 2013. Accordingly, the provisions of paragraph 3(vi) of the order are not applicable.
- vii) a. According to the information and explanations given to us, during the year, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including Employees' State Insurance, Professional Tax, Service Tax, Tax Deducted at Source, Goods and Services Tax (GST) and other statutory dues as applicable to it. There were no undisputed statutory dues as above outstanding as at 31<sup>st</sup> March, 2020 for a period of more than six months from the date they became payable. Other Statutory dues like Provident Fund, Sales Tax, Income Tax, Customs Duty, Excise Duty, Value Added Tax, Cess etc are not applicable to the Company during the year.
- b. According to the information and explanations given to us, and the records of the Company examined by us, there are no dues of income tax, sales tax, service tax, custom duty, excise duty, goods and service tax and value added tax which have not been deposited on account of any dispute except as follows:

Name of the Statute	Nature of Dues	Amount (₹ in Lakhs)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax	358.72	FY 2011-12	CIT(A)



- viii) According to the information and explanations given to us the Company has defaulted in repayment of dues to non banking finance companies during the year and the period and the amount of default are as under :

Name of the lender	Amount of Default as at Balance Sheet date	Period of Default
Non Banking Financial Company	₹ 329.69 Lakhs (including interest of ₹ 244.95 Lakhs)	Instalment for the quarter ended 30 <sup>th</sup> September 2019

The Company does not have any outstanding loans or borrowings from banks, government or debenture holders as at the Balance Sheet date.

- ix) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year.
- x) During the course of our examination of books of account carried out in accordance with generally accepted auditing practices in India, we have neither come across any incidence of material fraud by the Company or material fraud on the Company by its officers or employees nor have we been informed of any such cases by the management.
- xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid/provided any managerial remuneration during the year and accordingly provisions of section 197 read with Schedule V to the Act are not applicable.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- xv) According to the information and explanations given to us and as represented to us by the management and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with its directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.



xvi)

According to the information and explanations given to us the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934 and accordingly, the provision of paragraph 3(xvi) of the order is not applicable to the Company.

For ALPS& Co  
Chartered Accountants  
Firm's ICAI Registration No.: 313132E



A. K. Khetawat  
Partner

Membership No: 052751  
UDIN: 20052751AAAABZ4665

Place: Kolkata  
Date: 31<sup>st</sup> July, 2020



**ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT  
(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)**

**Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to financial statements of Ayyappa Hydro Power Limited ("the Company") as at 31<sup>st</sup> March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

**Meaning of Internal Financial Controls with reference to financial statements**

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable





assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls with reference to financial statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has maintained, in all material respects, an adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Kolkata  
Date: 31<sup>st</sup> July, 2020



For ALPS & Co  
Chartered Accountants  
Firm's ICAI Registration No.: 313132E

*A. K. Khetawat*  
A. K. Khetawat  
Partner  
Membership No: 052751  
UDIN: 20052751AAAABZ4665

**AYYAPPA HYDRO POWER LIMITED**  
Balance Sheet as at 31st March, 2020

(₹ in Lakhs)

Particulars	Note No.	As at 31st March, 2020	As at 31st March, 2019
<b>ASSETS</b>			
<b>(1) Non Current Assets</b>			
(a) Property, Plant and Equipment	5	11,499.84	11,957.64
(b) Intangible Assets	6	933.08	1,109.30
(c) Financial Assets			
(i) Other Financial Assets	7	9.03	8.15
(d) Non Current Tax Assets (Net)	8	5.52	5.18
(e) Deferred Tax Assets (Net)	9	31.29	-
(f) Other Non Current Assets	10	4.83	5.97
<b>Total Non Current Assets</b>		<b>12,483.59</b>	<b>13,086.24</b>
<b>(2) Current Assets</b>			
(a) Inventories	11	9.00	9.00
(b) Financial Assets			
(i) Trade Receivables	12	79.24	96.77
(ii) Cash and Cash Equivalents	13	191.40	16.29
(iii) Loans	14	0.15	1.60
(iv) Other Financial Assets	15	0.83	27.42
(c) Other Current Assets	16	68.44	51.48
<b>Total Current Assets</b>		<b>349.06</b>	<b>202.56</b>
<b>TOTAL ASSETS</b>		<b>12,832.65</b>	<b>13,288.80</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	17	3,000.00	3,000.00
(b) Other Equity	18	(6,873.10)	(6,042.32)
<b>TOTAL EQUITY</b>		<b>(3,873.10)</b>	<b>(3,042.32)</b>
<b>LIABILITIES</b>			
<b>(1) Non Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	19	13,565.33	13,839.86
(ii) Other Financial Liabilities	20	1,412.22	-
(b) Provisions	21	2.98	2.79
(c) Deferred Tax Liabilities (Net)	9	-	133.16
(d) Other Non Current Liabilities	22	82.01	-
<b>Total Non Current Liabilities</b>		<b>15,062.54</b>	<b>13,975.81</b>
<b>(2) Current Liabilities</b>			
(a) Financial Liabilities			
(i) Trade Payables			
- total outstanding dues of micro enterprises and small enterprises	23	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		160.81	59.18
(ii) Other Financial Liabilities	24	1,428.26	2,269.90
(b) Other Current Liabilities	25	54.13	20.40
(c) Provisions	26	0.01	5.83
<b>Total Current Liabilities</b>		<b>1,643.21</b>	<b>2,355.31</b>
<b>TOTAL LIABILITIES</b>		<b>16,705.75</b>	<b>16,331.12</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>12,832.65</b>	<b>13,288.80</b>

Accompanying notes on financial statements 1 - 45  
These notes form an integral part of the financial statements

As per our Report of even date  
**For A L P S & Co.**  
Chartered Accountants  
Firm's ICAI Registration No.: 313132E



A. K. Khetawat  
Partner  
Membership No. 052751

Place: Kolkata  
Date: 31st July 2020



**For and on behalf of the Board of Directors**

Vinod Kumar Sharma, Executive Director (DIN : 02879206)

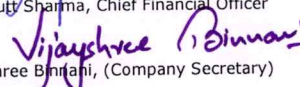
Satyendra Pal Singh, Director (DIN : 01055370)

Aman Jain, Director (DIN : 08187995)

Vishal Sharma, Director (DIN : 08773037)

Sunil Dutt Sharma, Chief Financial Officer

Vijayshree Bhatnagar, (Company Secretary)



**AYYAPPA HYDRO POWER LIMITED**  
Statement of Profit and Loss for the year ended 31st March, 2020

(₹ in Lakhs, except otherwise stated)

Sl. No.	Particulars	Note No.	For the year ended 31st March 2020	For the year ended 31st March 2019
(I)	Revenue from Operations	27	1,483.83	1,893.35
(II)	Other Income	28	46.23	1,665.15
(III)	<b>Total Income (I + II)</b>		<b>1,530.06</b>	<b>3,558.50</b>
(IV)	<b>Expenses</b>			
	Employee Benefits Expense	29	62.35	79.49
	Finance Costs	30	1,619.60	1,723.70
	Depreciation and Amortisation Expense	31	636.00	699.44
	Other Expenses	32	216.28	242.53
	<b>Total Expenses (IV)</b>		<b>2,534.23</b>	<b>2,745.16</b>
(V)	<b>Profit/(Loss) before tax (III - IV)</b>		<b>(1,004.17)</b>	<b>813.34</b>
(VI)	<b>Tax Expense:</b>			
	Current Tax	33	-	-
	Deferred tax - charge / (credit)		(164.90)	(90.44)
(VII)	<b>Profit/(Loss) for the year (V - VI)</b>		<b>(839.27)</b>	<b>903.78</b>
(VIII)	<b>Other Comprehensive Income</b>			
	(i) Items that will not be reclassified to profit or loss	33.3	1.72	(0.22)
	(ii) Income tax relating to above		0.45	(0.06)
	<b>Total Other Comprehensive Income for the year (net of tax) (i - ii)</b>	33A	<b>1.27</b>	<b>(0.16)</b>
(IX)	<b>Total Comprehensive Income for the year (Comprising profit/(loss) and Other Comprehensive Income for the year) (VII + VIII)</b>		<b>(838.00)</b>	<b>903.62</b>
(X)	<b>Earnings per equity share (Face value of ₹ 10 each, fully paid up)</b>			
	Basic and Diluted (₹)	37	(2.80)	3.01

Accompanying notes on financial statements  
These notes form an integral part of the financial statements

1 - 45

As per our Report of even date  
**For A L P S & Co.**  
Chartered Accountants  
Firm's ICAI Registration No.: 313132E



A. K. Khetawat  
Partner  
Membership No. 052751




Place: Kolkata  
Date: 31st July, 2020

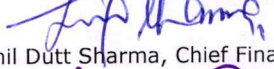
**For and on behalf of the Board of Directors**

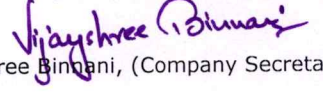
  
Vinod Kumar Sharma, Executive Director (DIN : 02879206)

  
Satyendra Pal Singh, Director (DIN : 01055370)

  
Aman Jain, Director (DIN : 08187995)

  
Vishal Sharma, Director (DIN : 08773037)

  
Sunil Dutt Sharma, Chief Financial Officer

  
Vijayshree Binmani, (Company Secretary)

**AYYAPPA HYDRO POWER LIMITED**  
Statement of Changes in Equity for the year ended 31st March, 2020

(i) Equity Share Capital

(₹ in Lakhs)

Particulars	Amount
As at 1st April, 2018	3,000.00
Movement during the year	
As at 31st March, 2019	3,000.00
Movement during the year	-
As at 31st March, 2020	3,000.00

(ii) Other Equity

(₹ in Lakhs)

Particulars	Reserves and Surplus		Total
	Deemed Equity	Retained Earnings	
As at 1st April, 2018	925.08	(7,009.50)	(6,084.42)
Profit for the year	-	903.78	903.78
Other Comprehensive Income for the year	-	(0.16)	(0.16)
<b>Total Comprehensive Income for the year</b>	-	<b>903.62</b>	<b>903.62</b>
Additions during the year	0.11	-	0.11
Adjustment on account of prepayment of loans	(63.45)	63.45	-
Modification gain/(loss)	861.63	-	861.63
As at 31st March, 2019	0.11	(6,042.43)	(6,042.32)
Loss for the year	-	(839.27)	(839.27)
Other Comprehensive Income for the year	-	1.27	1.27
<b>Total Comprehensive Income for the year</b>	-	<b>(838.00)</b>	<b>(838.00)</b>
Additions during the year	7.22	-	7.22
Adjustment on account of prepayment of loans	(0.11)	0.11	-
As at 31st March, 2020	7.22	(6,880.32)	(6,873.10)

Refer Note 18 for nature and purpose of reserves

Accompanying notes on financial statements 1 - 45  
These notes form an integral part of the financial statements

As per our Report of even date

**For A L P S & Co.**  
Chartered Accountants  
Firm's ICAI Registration No.: 313132E



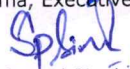
A. K. Khetawat  
Partner  
Membership No. 052751

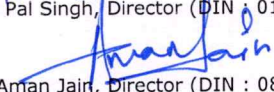


Place: Kolkata  
Date: 31st July 2020

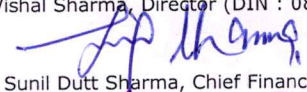
**For and on behalf of the Board of Directors**

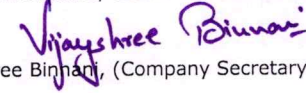
  
Vinod Kumar Sharma, Executive Director (DIN : 02879206)

  
Satyendra Pal Singh, Director (DIN : 01055370)

  
Aman Jain, Director (DIN : 08187995)

  
Vishal Sharma, Director (DIN : 08773037)

  
Sunil Dutt Sharma, Chief Financial Officer

  
Vijayshree Binmani, (Company Secretary)

**AYYAPPA HYDRO POWER LIMITED**  
Cash Flow Statement for the year ended 31st March, 2020

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2020		For the year ended 31st March, 2019	
<b>(A) Cash Flow From Operating Activities</b>				
<b>Net Profit/(Loss) before tax</b>		<b>(1,004.17)</b>		<b>813.33</b>
<b>Adjustments for :</b>				
Depreciation and amortization	636.00		699.44	
Financial Assets written off	0.72		1.04	
Interest Income on Financial Instruments measured at amortised cost	(4.42)		(31.48)	
Modification gain/(loss)	-		(1,633.37)	
Amortisation of deferred gain on fair valuation of financial instruments	(41.00)		-	
Liabilities no Longer required written back	(0.81)		(0.30)	
Fair Value adjustment for prepayment of loan	44.62		63.45	
Interest and Finance Charges	1,574.98	2,210.09	1,723.70	822.48
<b>Operating Profit before Working Capital Changes</b>		<b>1,205.92</b>		<b>1,635.81</b>
<b>Movement in working capital:</b>				
(Increase)/ Decrease in inventories	-		(1.36)	
(Increase)/ Decrease in trade and other receivables	29.12		20.99	
(Decrease)/ Increase in trade and other payables	80.94	110.06	31.38	51.02
<b>Cash generated from operations</b>		<b>1,315.98</b>		<b>1,686.83</b>
Direct Taxes paid, net of refund		(0.34)		3.10
<b>Net Cash generated from Operating Activities (A)</b>		<b>1,315.64</b>		<b>1,689.93</b>
<b>(B) Cash flow from Investing Activities</b>				
Additions to Property, Plant and Equipment and Intangible Assets	(1.97)		(34.09)	
Interest received	3.44	1.47	31.38	(2.71)
<b>Net Cash generated from/(utilised in) Investing Activities (B)</b>		<b>1.47</b>		<b>(2.71)</b>
<b>(C) Cash flow from Financing Activities</b>				
Repayment of Borrowings	(384.11)		(785.49)	
Interest paid	(757.89)	(1,142.00)	(1,357.90)	(2,143.39)
<b>Net Cash utilised in Financing Activities (C)</b>		<b>(1,142.00)</b>		<b>(2,143.39)</b>
<b>Net changes in Cash and Cash Equivalents (A + B + C)</b>		<b>175.11</b>		<b>(456.17)</b>
Cash and Cash equivalents as at the beginning of the year		16.29		472.46
<b>Cash and Cash equivalents as at the end of the year</b>		<b>191.40</b>		<b>16.29</b>

**Notes:**

(1) The above Cash Flow Statement has been prepared by the indirect method as set out in Indian Accounting Standard 7 "Statement of Cash Flows".

(2) Cash and cash equivalents (Refer Note 13) as at the Balance Sheet date consists of:

(₹ in Lakhs)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
Balances with Banks in Current Accounts	189.11		15.99	
Cash in hand	2.29	191.40	0.30	16.29
<b>Total</b>		<b>191.40</b>		<b>16.29</b>



**AYYAPPA HYDRO POWER LIMITED**  
Cash Flow Statement for the year ended 31st March, 2020

**(3) Reconciliation of Company's liabilities arising from Financing Activities:**

Particulars	As at 31st March, 2019	Cash flows*	Non-Cash Flows	As at 31st March, 2020
(₹ in Lakhs)				
<b>Non Current Borrowings (Refer Note 19)</b>				
Preference Shares	2,200.00	-	-	2,200.00
Term Loan From Indian Renewable Energy Development Agency Limited (IREDA)	8,383.99	-	(276.83)	8,107.16
Loan from Related Parties	4,904.41	(128.98)	(1,517.26)	3,258.17
<b>Deemed Equity (Refer Note 18)</b>	0.11	-	7.11	7.22
<b>Current maturities of long term debt (Refer Note 24)</b>				
Term Loan From IREDA	338.98	(254.24)	276.83	361.57
Loan from Holding Company	0.89	(0.89)	-	-
<b>Interest accrued but not due on borrowings (Refer Note 20 and 24)</b>				
Related Parties	646.93	-	101.80	748.73
Preference Shares	1,192.22	-	220.00	1,412.22
Other Borrowings	29.84	-	237.38	267.22
<b>Total</b>	<b>17,697.37</b>	<b>(384.11)</b>	<b>(950.97)</b>	<b>16,362.29</b>

\*Includes cash flows on account of both principal and interest.

Particulars	As at 1st April, 2018	Cash flows*	Non-Cash Flows	As at 31st March, 2019
(₹ in Lakhs)				
<b>Non Current Borrowings (Refer Note 19)</b>				
Preference Shares	2,200.00	-	-	2,200.00
Term Loan From Indian Renewable Energy Development Agency Limited (IREDA)	8,722.97	(1,362.90)	1,023.92	8,383.99
Loan from Related Parties	1,350.00	3,554.41	-	4,904.41
<b>Deemed Equity (Refer Note 18)</b>	937.69	(937.58)	-	0.11
<b>Current maturities of long term debt (Refer Note 24)</b>				
Term Loan From IREDA	316.38	22.60	-	338.98
Loan from Holding Company	3,086.82	(3,085.93)	-	0.89
<b>Interest accrued but not due on borrowings (Refer Note 24)</b>				
Related Parties	501.13	(333.99)	479.79	646.93
Preference Shares	972.22	-	220.00	1,192.22
Other Borrowings	29.84	-	-	29.84
<b>Total</b>	<b>18,117.05</b>	<b>(2,143.39)</b>	<b>1,723.71</b>	<b>17,697.37</b>

\*Includes cash flows on account of both principal and interest.

1 - 45

Accompanying notes on financial statements  
These notes form an integral part of the financial statements

As per our Report of even date  
**For A L P S & Co.**  
Chartered Accountants  
Firm's ICAI Registration No.: 313132E



A. K. Khetawat  
Partner  
Membership No. 052751

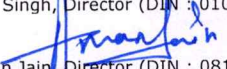


Place: Kolkata  
Date: 31st July 2020

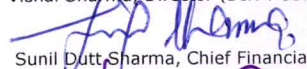
**For and on behalf of the Board of Directors**


  
Vinod Kumar Sharma, Executive Director (DIN : 02879206)

  
Satyendra Pal Singh, Director (DIN : 01055370)

  
Aman Jain, Director (DIN : 08187995)

  
Vishal Sharma, Director (DIN : 08773037)

  
Sunil Dutt Sharma, Chief Financial Officer

  
Vijayshree Binani, (Company Secretary)

**AYYAPPA HYDRO POWER LIMITED**  
**Notes to the financial statements for the year ended 31<sup>st</sup> March, 2020**

**Note 1 – Corporate Information**

Ayyappa Hydro Power Limited (“the Company”) is a public limited company domiciled and incorporated in India under the provisions of Companies Act. The registered office of the company is at EDCL HOUSE 1A, Elgin Road, Kolkata, West Bengal – 700020. The Company is primarily engaged in generation and sale of bulk power to electricity board.

The Financial Statements for the year ended 31st March, 2020 was approved for issue by the Board of Directors of the Company on 31<sup>st</sup> July, 2020 and is subject to the adoption by the shareholders in the ensuing Annual General Meeting.

**Note 2 – Statement of Compliance and Recent Pronouncements**

**2.1 Statement of Compliance**

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the “Ind AS”) as notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with Section 133 of the Companies Act, 2013 (“the Act”). The Ind AS issued, notified and made effective till the financial statements are authorized has been considered for the purpose of preparation of these financial statements.

The accounting policies are applied consistently to all the periods presented in the financial statements except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

**2.2 Recent Pronouncements**

**Standards issued but not yet effective**

On 24th July, 2020, Ministry of Corporate Affairs (“MCA”) has issued Companies (Indian Accounting Standards) Amendment Rules, 2020 notifying amendment to existing Ind AS 1 ‘Presentation of Financial Statements’, Ind AS 8 ‘Accounting Policies, Changes in Estimates and Errors’, Ind AS 10 ‘Events after the Reporting Period’, Ind AS 34 ‘Interim Financial Reporting’, Ind AS 37 ‘Provisions, Contingent Liabilities and Contingent Assets’, Ind AS 103 ‘Business Combinations’, Ind AS 107 ‘Financial Instruments: Disclosures’, Ind AS 109 ‘Financial Instruments’. These amendments have been effective for the period beginning on or after 1st April, 2020.

Ind AS 1 has been modified to redefine the term ‘Material’ and consequential amendments have been made in Ind AS 8, Ind AS 34 and Ind AS 37. Ind AS 103 dealing with ‘Business Combination’ has defined the term ‘Business’ to determine whether a transaction or event is a business combination. Amendment to Ind AS 107 and 109 relate to exception relating to hedging relationship directly affected by Interest Rate Benchmark reforms.



Presently, the Company is evaluating the impact as these amendments are either not applicable or not likely to have any material impact on the Financial Statements of the Company.

### **Note 3 – Significant Accounting Policies**

#### **3.1 Basis of preparation**

The Financial Statements have been prepared under the historical cost convention on accrual basis except certain financial instruments that are measured in terms of relevant Ind AS at fair value/amortised costs at the end of each reporting period.

Historical cost convention is generally based on the fair value of the consideration given in exchange for goods and services.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Ind AS 1 "Presentation of Financial Statements" and in Division II of Schedule III to the Companies Act, 2013. Having regard to the nature of business being carried out by the Company, the Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

The functional currency of the Company is determined as the currency of the primary economic environment in which it operates. Financial Statements are presented in Indian Rupees and all values are rounded off to the nearest two decimal Lakhs except otherwise stated.

#### **3.2 Measurement of Fair Values**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed for such measurement:

**Level 1:** Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2:** Inputs other than quoted prices included within level 1 that are observable either directly or indirectly for the asset or liability.

**Level 3:** Inputs for the assets or liabilities which are not based on observable market data (unobservable inputs).

For Financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amount approximates fair value due to the short maturity of these instruments.





The Company has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements who regularly review significant observable and unobservable inputs, valuation adjustments and fair value hierarchy under which the valuation should be classified.

### **3.3 Property, Plant and Equipment**

Property, Plant and Equipment are stated at cost which comprise its purchase price and any cost of bringing the assets to its working condition for its intended use. In case of construction/erection of property, plant and equipment, cost comprise those costs that relate directly to the specific asset and those that are attributable to the construction/erection activities in general and can be allocated to the specific assets. Cost includes machinery, spares, interests and pre-operative expenses.

Pre-operative expenditure related to and incurred during implementation of capital project is included under Capital Work-in-progress and the same is allocated to the respective PPE on completion of its construction / erection. Interest on borrowing related to qualifying asset is worked out on the basis of actual utilization of funds out of project specific loans and / or other borrowings to the extent identifiable with the qualifying asset and are capitalized with the cost of qualifying assets.

Subsequent cost are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Subsequent costs relating to day to day servicing of the item are not recognised in the carrying amount of an item of property, plant and equipment; rather, these costs are recognised in profit or loss as incurred.

#### **Depreciation**

Depreciation on assets of generating plant and machinery, building and roads, hydraulic works, transmission lines, transformers and cable network has been provided on straight line method over useful life as per the implementation/other agreement with the authorities. Erection and maintenance tools are depreciated over a period of five years on pro rata basis.

Other assets have been depreciated on written down value method at the rate and in the manner specified in Schedule II to the Companies Act, 2013.



Based on above, the estimated useful lives of various assets have been arrived as follows:

Category of PPE	Useful life (in years)
<b>Assets attributable to Generation of electricity</b>	
Assets of generating plant and machinery, building and roads, hydraulic works, transmission lines, transformers and cable network	30
<b>Assets other than those attributable to Generation of electricity</b>	
Roads	5
Plant and Equipment	5 - 12
Furniture and Fixtures	5 - 10
Office equipment	3 - 15
Vehicles	8

The residual value of an item of Property, Plant and Equipment (other than those attributable to Generation of electricity) has been kept at  $\leq 5\%$  of the cost of the respective assets.

Depreciation methods, useful lives and residual values are reviewed and adjusted as appropriate, at the end of each reporting date.

### 3.4 Intangible Assets

Intangible assets are stated at cost of acquisition comprising of purchase price less accumulated amortization and impairment losses, if any. An intangible asset is recognised if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and its cost can be measured reliably. Unclassified land and site development (R&R) expenditure capitalised as Intangible assets is amortised fully (without keeping any residual value) on straight line method over a period of ten years.

Amortisation methods and useful lives are reviewed and adjusted as appropriate, at the end of each reporting date.

### 3.5 Derecognition of Tangible and Intangible Assets

An item of Tangible and Intangible assets is de-recognised upon disposal or when no future economic benefits are expected to arise from its continued use. Any gain or loss arising on the disposal or retirement of an item of Tangible and Intangible assets is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

### 3.6 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.



A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) Company has substantially all of the economic benefits from the use of the asset through the period of the lease and (iii) Company has the right to direct the use of the asset.

At the date of commencement of the lease, Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases), low-value leases and where the agreement contain the clause for cancellation of agreement without any penalty. For these short-term, low-value or cancellable leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

### **3.7 Impairment of Tangible and Intangible Assets**

Tangible and Intangible assets are reviewed at each balance sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of assets is determined. An impairment loss is recognized in the statement of profit and loss, whenever the carrying amount of assets either belonging to Cash Generating Unit (CGU) or otherwise exceeds recoverable amount. The recoverable amount is the higher of assets' fair value less cost to disposal and its value in use. In assessing value in use, the estimated future cash flows from the use of the assets are discounted to their present value at appropriate rate.

Impairment losses recognized earlier may no longer exist or may have come down. Based on such assessment at each reporting period the impairment loss is reversed and recognized in the Statement of Profit and Loss. In such cases the carrying amount of the asset is increased to the lower of its recoverable amount and the carrying amount that have been determined, net of depreciation/amortisation, had no impairment loss been recognized for the asset in prior years.

### **3.8 Financial Instruments – Financial assets and Financial liabilities**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

The financial assets and financial liabilities are classified as current if they are expected to be realised or settled within twelve months or otherwise these are classified as non-current.

The classification of financial instruments whether to be measured at Amortised Cost, at Fair Value through Profit and Loss (referred to as "FVTPL") or at Fair Value through Other



Comprehensive Income (referred to as "FVTOCI") depends on the objective and contractual terms to which they relate. Classification of financial instruments is determined on initial recognition.

**(i) Cash and Cash equivalents**

All highly liquid financial instruments, which are readily convertible into determinable amounts of cash and which are subject to an insignificant risk of change in value and are having original maturities of three months or less from the date of purchase, are considered as cash and cash equivalents. Cash and cash equivalents includes balances with banks which are unrestricted for withdrawal and usage.

**(ii) Financial Assets and Financial Liabilities measured at amortised cost**

Financial Assets held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Financial Assets and Financial Liabilities subsequent to initial recognition are measured at amortised cost using Effective Interest Rate (referred to as "EIR") method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts (including all fees and points paid or received, transaction costs and other premiums or discounts) through the expected life of the Financial Asset or Financial Liability to the gross carrying amount of the financial asset or to the amortised cost of financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

**(iii) Financial Asset at Fair Value through Other Comprehensive Income (FVTOCI)**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Subsequent to initial recognition, they are measured at fair value and changes therein are recognised directly in other comprehensive income.

**(iv) For the purpose of para (ii) and (iii) above, principal is the fair value of the financial asset at initial recognition and interest consists of consideration for the time value of money and associated credit risk.**



**(v) Financial Assets or Liabilities at Fair value through profit and loss (FVTPL)**

Financial Instruments which does not meet the criteria of amortised cost or fair value through other comprehensive income are classified as Fair Value through Profit and loss. These are recognised at fair value and changes therein are recognized in the statement of profit and loss.

**(vi) Impairment of financial assets**

A financial asset is assessed for impairment at each reporting date. A financial asset is considered to be impaired if objective evidence indicates that one or more events have a negative effect on the estimated future cash flows of that asset. The Company measures the loss allowance for a financial asset at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to twelve month expected credit losses.

Loss allowances for financial assets measured at amortised costs are deducted from the gross carrying amount of the assets.

**(vii) Derecognition of financial instruments**

The Company derecognizes a financial asset or a group of financial assets when the contractual rights to the cash flows from the asset expires, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset (except for equity instruments designated as FVTOCI), the difference between the assets carrying amount and the sum of the consideration received and receivable are recognized in statement of profit and loss.

On derecognition of assets measured at FVTOCI, the cumulative gain or loss previously recognised in other comprehensive income is reclassified to retained earnings.

Financial liabilities are derecognized if the Company's obligations specified in the contract expire or are discharged or cancelled. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in Statement of Profit and Loss.



### 3.9 Inventories

Inventories are valued at cost or estimated net realisable value, whichever is lower. Cost of inventory comprising stores, spares and consumables are determined applying weighted average method.

### 3.10 Equity Share Capital

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Par value of the equity shares is recorded as share capital and the amount received in excess of par value is classified as Securities Premium. Costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

### 3.11 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a legal or constructive obligation as a result of past events and it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of obligation. Provisions are not recognised for future operating losses. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Contingent liabilities are not recognized and are disclosed by way of notes to the financial statements when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or when there is a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the same or a reliable estimate of the amount in this respect cannot be made.

Contingent assets are not recognised but disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

### 3.12 Employee Benefits

**Short term employee benefits:** Employee benefits are accrued in the year in which services are rendered by the employees. Short term employee benefits are recognized as an expense in the statement of profit and loss for the year in which the related service is rendered.

**Defined Benefit Plan:** Contribution to defined benefit plans consisting of contribution to gratuity fund are determined at close of the year at present value of the amount payable using actuarial valuation techniques. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized immediately in the Balance Sheet with a corresponding debit or credit to Retained Earnings through Other Comprehensive Income in the period in which they occur.



**Other Long Term Employee Benefits:** Other long term employee benefits consisting of Leave Encashment are determined at close of the year at present value of the amount payable using actuarial valuation techniques. The changes in the amount payable including actuarial gains and losses are recognised in Other Comprehensive Income.

All defined benefit plans obligations are determined based on valuations, as at the Balance Sheet date, made by independent actuary using the projected unit credit method. The classification of the Company's net obligation into current and non-current is as per the actuarial valuation report.

### **3.13 Revenue Recognition**

#### **Revenue from Operations**

Revenue is measured based on the consideration that is specified in the contract with a customer or is expected to be received in exchange for the products or services and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control over the products or services to a customer.

#### **Sale of Power**

Generally, revenue in respect of sale of electricity generated is accounted for on delivery to the grid in accordance with tariff provided in Power Purchase Agreement (PPA) read with the regulations of State Electricity Regulatory Commission.

#### **Other Income**

#### **Interest Income**

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

### **3.14 Borrowing Cost**

Borrowing cost comprises of interest and other costs incurred in connection with the borrowing of the funds. All borrowing costs are recognized in the Statement of Profit and Loss using the effective interest method except to the extent attributable to qualifying Property Plant Equipment which is capitalized to the cost of the related assets. A qualifying PPE is an asset that necessarily takes a substantial period of time to get ready for its intended use.

### **3.15 Taxes on income**

Income tax expense representing the sum of current tax expense and the net charge of the deferred taxes is recognized in the profit and loss except to the extent that it relates to items recognized directly in equity or other comprehensive income.



## **Current Tax**

Current tax is provided on the taxable income and recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Advance tax and provisions are presented in the balance sheet after setting off advance tax paid and income tax provision for the current year.

Interest expenses and penalties, if any, related to income tax are included in finance cost and other expenses respectively. Interest Income, if any, related to Income tax is included in Other Income.

## **Deferred Tax**

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit as well as for unused tax losses or credits. In principle, deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized.

Deferred Tax Asset & Liabilities have been offset wherever the company has a legally enforceable right to set off current tax assets against current tax liabilities & where deferred tax assets & liabilities relate to income tax levied by the same taxation authority.

Deferred taxes are calculated at the enacted or substantially enacted tax rates that are expected to apply when the asset or liability is settled. Deferred tax is charged or credited to the profit and loss, except when it relates to items credited or charged directly to other comprehensive income in equity, in which case the corresponding deferred tax is also recognized directly in equity.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

### **3.16 Earnings per share**

Basic Earnings per share is calculated by dividing the net profit/loss for the year by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is computed using the net profit/loss for the year and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.





### **3.17 Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit/loss before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

### **3.18 Segment Reporting**

The identification of operating segment is consistent with performance assessment and resource allocation by the Chief Operating Decision Maker. An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the other components of the Company and for which discrete financial information is available. Operating segments of the Company comprises one segment 'generation of electricity'.

### **Note 4 - Critical accounting judgments, assumptions and key sources of estimation and uncertainty**

The preparation of the financial statements in conformity with the recognition and measurement principle of Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates and underlying assumptions are reviewed on an ongoing basis and could change from period to period. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Revisions to accounting estimates are recognised prospectively. Actual results may differ from these estimates. Differences between the actual results and estimates are recognized in the year in which the results are known / materialized and, if material, their effects are disclosed in the notes to the financial statements.

The application of accounting policies that require significant areas of estimation, uncertainty and critical judgments and the use of assumptions in the financial statements have been disclosed below. The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below:

#### **4.1 Depreciation / amortisation of and impairment loss on property, plant and equipment / intangible assets.**

Depreciation on assets of generating plant and machinery, building and roads, hydraulic works, transmission lines, transformers and cable network has been provided on straight line method over useful life as per the implementation/other agreement with the authorities.



Intangible assets are amortised over a period of ten years. The Company reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation/amortization to be recorded during any reporting period. This reassessment may result in change in such expenses in future periods.

The company reviews its carrying value of its Tangible and Intangible Assets whenever there is objective evidence that the assets are impaired. In such situation assets recoverable amount is estimated which is higher of asset's or cash generating units (CGU) fair value less cost of disposal and its value in use. In assessing value in use the estimated future cash flows are discounted using pre-tax discount rate which reflects the current assessment of time value of money. In determining fair value less cost of disposal, recent market realisations are considered or otherwise in absence of such transactions appropriate valuations are adopted.

#### **4.2 Impairment allowances on financial assets**

The Company evaluates whether there is any objective evidence that financial asset including trade and other receivables are impaired and determines the amount of impairment allowance as a result of the inability of the concerned parties to make required payments. The Company bases the estimates on the ageing of the trade receivables balance, credit-worthiness of the trade receivables, historical write-off experience and these factors are subject to variations leading to consequential impact on the amounts considered in the financial statements.

#### **4.3 Application of "Service concession arrangements" accounting**

In assessing the applicability of the service concession arrangement with respect to hydro power plants of the Company, the management has exercised significant judgement considering the ownership of the assets and consideration there against, operational capabilities and ability to sell the power generated to the consumer and determine the rate in this respect, in concluding that the arrangements with the Company as such do not meet the criteria for recognition as service concession arrangements.

#### **4.4 Current Tax and Deferred Tax**

Significant judgment is required in determination of taxability of certain income and deductibility of certain expenses during the estimation of the provision for income taxes.

The extent to which deferred tax assets can be recognised is based on the assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic benefits.



#### **4.5 Defined benefit obligations (DBO)**

Critical estimate of the DBO involves a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate, anticipation of future salary increases etc. as estimated by Independent Actuary appointed for this purpose by the Management. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

#### **4.6 Provisions and Contingencies**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change.

Management judgment is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

The carrying amounts of provisions and liabilities and estimation for contingencies are reviewed regularly and revised to take account of changing facts and circumstances.



**AYYAPPA HYDRO POWER LIMITED**  
Notes to the financial statements as at 31st March, 2020

**5 Property, Plant and Equipment**

Sl. No.	Particulars	Freehold Land	Buildings and Roads	Plant and Equipment	Hydraulic Works	Transmission Lines, Transformers and Cables, Networks, etc (Note 5.1)	Office Equipment	Furniture and Fixtures	Motor Vehicle	Total
1	Gross Carrying Amount									
	As at 1st April, 2018	754.97	2,405.88	4,083.08	6,040.52	320.42	0.95	7.91	2.59	13,616.30
	Additions	-	-	-	-	-	0.10	-	-	0.10
	Disposal/Adjustments	-	-	-	-	-	-	-	-	-
As at 31st March, 2019	Gross Carrying Amount	754.97	2,405.88	4,083.08	6,040.52	320.42	1.05	7.91	2.59	13,616.40
	Additions	-	-	-	-	-	1.97	-	-	1.97
	Disposal/Adjustments	-	-	-	-	-	0.02	-	-	0.02
	As at 31st March, 2020	754.97	2,405.88	4,083.08	6,040.52	320.42	3.00	7.91	2.59	13,618.37
2	Accumulated Depreciation									
	As at 1st April, 2018	-	404.90	296.84	404.93	23.30	0.66	3.53	1.38	1,135.54
	Charge during the year	-	139.38	148.44	222.08	11.65	0.14	1.14	0.38	523.22
	Disposal/Adjustments	-	-	-	-	-	-	-	-	-
As at 31st March, 2019	Gross Carrying Amount	-	544.28	445.28	627.01	34.95	0.80	4.67	1.76	1,658.76
	Charge during the year	-	76.18	148.82	221.58	11.68	0.40	0.84	0.28	459.78
	Disposal/Adjustments	-	-	-	-	-	-	-	-	-
	As at 31st March, 2020	-	620.46	594.10	848.59	46.63	1.20	5.51	2.04	2,118.53
3	Net Carrying Amount (1 - 2)									
	As at 1st April, 2018	754.97	1,861.60	3,637.80	5,413.51	285.47	0.25	3.24	0.83	11,957.64
	Charge during the year	-	176.22	-	-	-	-	-	-	-
	As at 31st March, 2020	754.97	1,785.42	3,488.98	5,191.93	273.79	1.80	2.40	0.55	11,499.84

5.1 Transmission Lines, Transformers, Cable network etc. include Power Evacuating facilities put up in relation to the Hydro Electric Generating Station, which has been handed over to the Electricity Board for transmission of Electricity and maintenance thereof.

5.2 Property, Plant and Equipment includes ₹ 11,495.07 Lakhs (31st March, 2019 - ₹ 11,953.34 Lakhs) pertaining to Power Generating Plant which in terms of implementation agreement with various authorities will be handed over on completion of effective useful life of the assets in terms of respective agreements.

**6 Intangible Assets**

Sl. No.	Particulars	Unclassified Land and Site Development(R&R)
1	Gross Carrying Amount	
	As at 1st April, 2018	1,535.79
	Additions	-
	Disposal/Adjustments	-
As at 31st March, 2019	Gross Carrying Amount	1,535.79
	Additions	-
	Disposal/Adjustments	-
	As at 31st March, 2020	1,535.79
2	Accumulated Amortisation	
	As at 1st April, 2018	250.27
	Charge during the year	176.22
	Disposal/Adjustments	-
As at 31st March, 2019	Gross Carrying Amount	426.49
	Charge during the year	176.22
	Disposal/Adjustments	-
	As at 31st March, 2020	602.71
3	Net Carrying Amount (1 - 2)	
	As at 1st April, 2018	1,109.30
	Charge during the year	933.08
	As at 31st March, 2020	933.08

6.1 Unclassified land and site development comprises of resettlement and rehabilitation compensations (R&R) for use and submergence of adjacent areas and this is amortised on a Straight Line method over the period of 10 years.



**AYYAPPA HYDRO POWER LIMITED**  
**Notes to the financial statements as at 31st March, 2020**

**7 Other Financial Assets - Non Current**

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>At Amortised Cost Unsecured, considered good</b>		
Security Deposits (Refer Note 7.1)	8.25	7.37
Balances in Margin Money Accounts (with more than 12 months maturity) (Refer Note 7.2)	0.78	0.78
<b>Total</b>	<b>9.03</b>	<b>8.15</b>

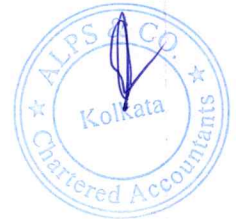
**7.1** Includes ₹ 8.25 Lakhs (31st March, 2019 - ₹ 7.37 Lakhs) recoverable from related parties [Refer Note 34(B)(V)]

**7.2** ₹ 0.78 Lakhs (31st March, 2019 - ₹ 0.78 Lakhs) is deposited with Sales Tax Authorities.

**8 Non Current Tax Assets (Net)**

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Advance Income Tax, including tax deducted at source [Net of Provision for tax of ₹ 1.35 Lakhs (31st March, 2019 - ₹ 1.35 Lakhs)]	5.52	5.18
<b>Total</b>	<b>5.52</b>	<b>5.18</b>



**AYYAPPA HYDRO POWER LIMITED**  
Notes to the financial statements as at 31st March, 2020

**9 Deferred Tax Assets/(Liabilities) (Net)**

Particulars	(₹ in Lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
Deferred Tax Assets	221.49	100.94
Deferred Tax Liabilities	190.20	234.10
<b>Deferred Tax Assets/(Liabilities) (Net)</b>	<b>31.29</b>	<b>(133.16)</b>

**9.1 Components of Deferred Tax Assets/(Liabilities) are as follows:**

Particulars	(₹ in Lakhs)			
	As at 31st March, 2019	Charge/(Credit) recognised in Profit and Loss	Charge/(Credit) recognised in Other Comprehensive Income	As at 31st March, 2020
<b>(A) Deferred Tax Assets</b>				
Expenses allowable on payment basis under Income Tax Act, 1961	0.73	(0.50)	0.45	0.78
Fair Valuation of Financial Liabilities	100.21	232.89	-	(132.68)
Unabsorbed Depreciation	-	(353.39)	-	353.39
<b>Total Deferred Tax Assets (A)</b>	<b>100.94</b>	<b>(121.00)</b>	<b>0.45</b>	<b>221.49</b>
<b>(B) Deferred Tax Liabilities</b>				
Timing difference with respect to Property, Plant and Equipment and Intangible Assets	234.10	(43.90)	-	190.20
<b>Total Deferred Tax Liabilities (B)</b>	<b>234.10</b>	<b>(43.90)</b>	<b>-</b>	<b>190.20</b>
<b>Deferred Tax Assets/(Liabilities) (Net) (A - B)</b>	<b>(133.16)</b>	<b>(164.90)</b>	<b>0.45</b>	<b>31.29</b>

Particulars	(₹ in Lakhs)			
	As at 1st April, 2018	Charge/(Credit) recognised in Profit and Loss	Charge/(Credit) recognised in Other Comprehensive Income	As at 31st March, 2019
<b>(A) Deferred Tax Assets</b>				
Expenses allowable on payment basis under Income Tax Act, 1961	0.79	0.12	(0.06)	0.73
Fair Valuation of Financial Liabilities	66.38	(33.84)	-	100.21
<b>Total Deferred Tax Assets (A)</b>	<b>67.17</b>	<b>(33.72)</b>	<b>(0.06)</b>	<b>100.94</b>
<b>(B) Deferred Tax Liabilities</b>				
Timing difference with respect to Property, Plant and Equipment and Intangible Assets	290.82	(56.72)	-	234.10
<b>Total Deferred Tax Liabilities (B)</b>	<b>290.82</b>	<b>(56.72)</b>	<b>-</b>	<b>234.10</b>
<b>Deferred Tax Assets/(Liabilities) (Net) (A - B)</b>	<b>(223.65)</b>	<b>(90.44)</b>	<b>(0.06)</b>	<b>(133.16)</b>



**AYYAPPA HYDRO POWER LIMITED**  
Notes to the financial statements as at 31st March, 2020

**10 Other Non Current Assets**

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Deferred Asset - Unamortised cost of Financial Instruments	2.39	4.15
Surplus balance of Gratuity fund (Refer Note 29.1)	2.44	1.82
<b>Total</b>	<b>4.83</b>	<b>5.97</b>

**11 Inventories**

(At Lower of Cost and Net Realisable Value)  
(As taken, valued and certified by the management)

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Stores, Spares and Consumables	9.00	9.00
<b>Total</b>	<b>9.00</b>	<b>9.00</b>

**12 Trade Receivables**

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>At Amortised Cost</b>		
Unsecured, considered good	79.24	96.77
<b>Total</b>	<b>79.24</b>	<b>96.77</b>

12.1 Trade Receivables are normally settled on terms of 60 days of credit period.

12.2 Ageing analysis of Trade Receivables is as follows:

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Within Credit period	79.24	96.77
1-180 days past due	-	-
181 days- 1 year past due	-	-
More than 1 year past due	-	-
<b>Total</b>	<b>79.24</b>	<b>96.77</b>

**13 Cash and Cash Equivalents**

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Balances with Banks in Current Accounts	189.11	15.99
Cash on hand	2.29	0.30
<b>Total</b>	<b>191.40</b>	<b>16.29</b>



**AYYAPPA HYDRO POWER LIMITED**  
Notes to the financial statements as at 31st March, 2020

**14 Loans - Current**

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>At Amortised Cost</b>		
<b>Unsecured, considered good</b>		
Loans and advances to employees	0.15	1.60
<b>Total</b>	<b>0.15</b>	<b>1.60</b>

**15 Other Financial Assets - Current**

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>At Amortised Cost</b>		
Interest Receivable on financial assets measured at amortised cost	0.38	0.30
Security Deposits	0.45	27.12
<b>Total</b>	<b>0.83</b>	<b>27.42</b>

**16 Other Current Assets**

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Unsecured, considered good</b>		
Advance to suppliers	41.92	41.92
Balances with Government Authorities	0.03	-
Prepaid Expenses	19.38	6.68
Other Advances	6.07	2.88
Deferred Asset - Unamortised cost of Financial Instruments	1.04	-
<b>Total</b>	<b>68.44</b>	<b>51.48</b>





**AYYAPPA HYDRO POWER LIMITED**  
Notes to the financial statements as at 31st March, 2020

**17 Equity Share Capital**

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Authorised</b> 3,00,00,000 (31st March, 2019 - 3,00,00,000) Equity shares of ₹ 10 each	3,000.00	3,000.00
<b>Total</b>	<b>3,000.00</b>	<b>3,000.00</b>
<b>Issued, Subscribed and Paid-up</b> 3,00,00,000 (31st March, 2019 - 3,00,00,000) Equity shares of ₹ 10 each	3,000.00	3,000.00
<b>Total</b>	<b>3,000.00</b>	<b>3,000.00</b>

**17.1** The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity is entitled to one vote per share. The dividend, if any proposed by the Board of Directors of the Company is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts in proportion to the number of equity shares held by them.

**17.2 Reconciliation of the number of equity shares outstanding:**

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
As at the beginning of the year	3,00,00,000	3,00,00,000
Movement during the year	-	-
<b>As at the end of the year</b>	<b>3,00,00,000</b>	<b>3,00,00,000</b>

**17.3 Shareholders holding more than 5% shares :-**

Entire Equity Shares are held by the Holding Company "Energy Development Company Limited".

**18 Other Equity**

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Deemed Equity [Refer Note 18.2 and 34(B)(I)]	7.22	0.11
Retained Earnings (Refer Note 18.3)	(6,880.32)	(6,042.43)
<b>Total</b>	<b>(6,873.10)</b>	<b>(6,042.32)</b>

**18.1** Refer Statement of Changes in Equity for movement in balances of reserves.

**Nature and purpose of reserves:**

**18.2 Deemed Equity**

It comprises of the difference between the fair value and the transaction value of loan received from Holding Company.

**18.3 Retained Earnings**

Retained Earnings generally represents the undistributed profit/ amount of accumulated earnings of the Company. Any actuarial gains and losses arising on defined benefit obligations have been recognised in Retained Earnings.



**AYYAPPA HYDRO POWER LIMITED**  
Notes to the financial statements as at 31st March, 2020

**19 Borrowings - Non Current**

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>At Amortised Cost</b>		
<b>10% Cumulative Redeemable Preference shares</b> [Refer Note 19.1 to 19.5 and 34(B)(I)]	2,200.00	2,200.00
<b>Secured</b>		
Term Loan From Indian Renewable Energy Development Agency Ltd (IREDA) (Refer Note 19.6)	8,107.16	8,383.99
<b>Unsecured</b>		
<b>Loan from Related Parties (Refer Note 19.7)</b>		
Holding Company [Refer Note 34(B)(I)]	2,037.87	1,905.87
Other Bodies Corporate [Refer Note 34(B)(IV)]	1,220.30	1,350.00
<b>Total</b>	<b>13,565.33</b>	<b>13,839.86</b>

**19.1** As per Ind AS 109 "Financial Instruments", Cumulative redeemable preference shares are classified as financial liabilities if principal amount is redeemable. Accordingly, 2,20,00,000 (31st March, 2019 - 2,20,00,000) Cumulative redeemable preference shares having face value of ₹ 10 each fully paid up are classified as financial liabilities and thus included in borrowings and 10% interest provided thereof.

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Authorised</b>		
2,50,00,000 (31st March, 2019 - 2,50,00,000) 10% Cumulative Redeemable Preference shares of ₹ 10 each	2,500.00	2,500.00
<b>Issued, Subscribed &amp; Paid-up</b>		
2,20,00,000 (31st March, 2019 - 2,20,00,000) 10% Cumulative Redeemable Preference shares of ₹ 10 each	2,200.00	2,200.00

**19.3** 10% Cumulative Redeemable Preference Shares would carry 10% Fixed Dividend on cumulative basis on outstanding unredeemed portion of the amount. In the event of liquidation of the Company before redemption of the said preference shares, the holders of these shares will have priority over equity shares in the payment of dividend and repayment of capital. The dividend, if any proposed by the Board of Directors of the Company is subject to the approval of the shareholders in the ensuing Annual General Meeting.

**19.4 Reconciliation of outstanding number of Preference shares**

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
As at the beginning of the year	2,20,00,000	2,20,00,000
Movement during the year		
<b>As at the end of the year</b>	<b>2,20,00,000</b>	<b>2,20,00,000</b>

**19.5 Shareholders holding more than 5% shares :-**

Entire Preference Shares are held by the Holding Company "Energy Development Company Limited".

**19.6 Details of security and terms of repayment of term loan from IREDA**

- (a) Secured by all the immovable and movable assets/properties, both present and future, wherever situated, pertaining to the 15 MW Karikayam SHP of the company and charge on the entire receivables of the 6 MW Harangi - II SHP of the Holding Company. The holding company has pledged 3,00,00,000 equity shares and 2,20,00,000 preference shares of the Company and has given corporate guarantee in respect of the aforesaid loan.



**AYYAPPA HYDRO POWER LIMITED**  
**Notes to the financial statements as at 31st March, 2020**

- (b) Pursuant to the COVID-19 pandemic, IREDA had promulgated a scheme namely "Scheme for Moratorium of Term Loan's instalments for a period not more than six months" according to which moratorium of maximum six months will be granted on all instalments (both principal and interest) of term loan falling due between 1st March, 2020 and 31st August, 2020. The Company has availed the benefit of the scheme and exercised moratorium in respect of instalment falling due on 31st March, 2020.
- (c) The outstanding balance of term loan (Original Sanction value of ₹ 9,500.00 Lakhs) of ₹ 8,468.73 Lakhs (including ₹ 361.57 Lakhs under "Other Financial Liabilities - Current" as "Current maturities of long term debt") is repayable in 16 years beginning with installment of ₹ 84.74 Lakhs with effect from June 2020 and thereafter in quarterly installments as per the Schedule given below. Interest rate as at 31st March 2020 is 11.25%.

**Maturity profile of the principal amount outstanding as at the Balance Sheet date**

Financial Year	As at 31st March, 2020		As at 31st March, 2019	
			(₹ in Lakhs)	
2019-2020	-		338.98	
2020-2021	(*) 446.31		361.57	
2021-2022	406.77		406.77	
2022-2023	406.77		406.77	
2023-2024	474.57		474.57	
2024-2025	519.76		519.76	
2025-2026	542.36		542.36	
2026-2027	542.36		542.36	
2027-2028	587.56		587.56	
2028-2029	587.56		587.56	
2029-2030	587.56		587.56	
2030-2031	610.16		610.16	
2031-2032	632.75		632.75	
2032-2033	632.75		632.75	
2033-2034	723.15		723.15	
2034-2035	768.34		768.34	
<b>Total</b>	<b>8,468.73</b>		<b>8,722.97</b>	

(\*) Includes the instalment for 31st March, 2020 amounting to ₹ 84.74 Lakhs in respect of which moratorium has been exercised by the Company.

- (d) During the year ended 31st March, 2020, the Company had defaulted in repayment of one of the instalment of term loan, the details of which are as follows:

Due Date	Repayment date	Amount	
		(₹ in Lakhs)	
30th September, 2020	25th October, 2020	329.69	(including interest)

During the year ended 31st March, 2019, the Company had not defaulted in repayment of the instalments of term loan.

**19.7 Borrowing from Holding Company are repayable in the financial year 2021-22.**

The unsecured loans from other bodies corporate were earlier repayable in the financial year 2020-21 and the rate of interest thereon was 12% per annum. However, during the year ended 31st March, 2020, upon mutual agreement between the parties involved, repayment date was rescheduled to financial year 2022-23 and the rate of interest has reduced to 8% per annum effective from 1st April, 2019.

The said fair value of the above unsecured loan from other bodies corporate has therefore been remeasured as per the revised terms and differential of Rs. 123.01 Lakhs with respect to original amount has been recognised as Deferred gain on fair valuation of financial instrument under Other Non Current Liabilities and Other Current liabilities to be amortized over the tenure of the loan.



**AYYAPPA HYDRO POWER LIMITED**  
Notes to the financial statements as at 31st March, 2020

**20 Other Financial Liabilities - Non Current**

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Interest on Preference shares [Refer Note 34(B)(I)]	1,412.22	-
<b>Total</b>	<b>1,412.22</b>	<b>-</b>

**21 Provisions - Non Current**

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Provision for Employee Benefits</b> Leave Encashment (Refer Note 29.1)	2.98	2.79
<b>Total</b>	<b>2.98</b>	<b>2.79</b>

**22 Other Non Current Liabilities**

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Deferred gain on fair valuation of financial instruments	82.01	-
<b>Total</b>	<b>82.01</b>	<b>-</b>

**23 Trade Payables**

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Payable for goods and services</b> Dues to micro enterprises and small enterprises (Refer Note 23.2) Dues to others (Refer Note 23.1)	- 160.81	- 59.18
<b>Total</b>	<b>160.81</b>	<b>59.18</b>

**23.1** Includes ₹ 48.68 Lakhs (31st March, 2019 - ₹ 23.02 Lakhs) payable to Related parties [Refer Note 34(B)(II) and 34(B)(V)]

**23.2** The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (the Act) and hence disclosure relating to amounts unpaid as at the year end together with interest paid/payable under the Act has not been given.

**24 Other Financial Liabilities - Current**

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Current maturities of long term debt</b> Term Loan From IREDA Unsecured Loan from Holding Company	361.57 -	338.98 0.89
	<b>361.57</b>	<b>339.87</b>
<b>Interest accrued and due on borrowings</b> Related Parties [Refer Note 34(B)(IV) and 34(B)(V)] Preference Shares [Refer Note 34(B)(I)] Others	748.73 - 267.22	646.93 1,192.22 29.84
	<b>1,015.95</b>	<b>1,868.99</b>
<b>Liabilities for Capital expenditure</b> Dues to micro enterprises and small enterprises (Refer Note 23.2) Dues to others	- 50.74	- 61.04
	<b>50.74</b>	<b>61.04</b>
<b>Total</b>	<b>1,428.26</b>	<b>2,269.90</b>



**AYYAPPA HYDRO POWER LIMITED**  
**Notes to the financial statements as at 31st March, 2020**

**25 Other Current Liabilities**

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Statutory Dues (includes TDS, GST, ESI, etc)	13.13	20.40
Deferred Gain on fair valuation of financial instruments	41.00	-
<b>Total</b>	<b>54.13</b>	<b>20.40</b>

**26 Provisions - Current**

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Provision for Employee Benefits</b> Leave Encashment (Refer Note 29.1)	0.01	5.83
<b>Total</b>	<b>0.01</b>	<b>5.83</b>



**AYYAPPA HYDRO POWER LIMITED**  
Notes to the financial statements for the year ended 31st March, 2020

**27 Revenue from Operations**

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>Sale of Power</b>		
Hydro power	1,483.83	1,893.35
<b>Total</b>	<b>1,483.83</b>	<b>1,893.35</b>

- 27.1** Total number of units generated and sold (In million units)  
Hydro power
- |  |            |            |
|--|------------|------------|
|  | 36.40 m.u. | 46.61 m.u. |
|--|------------|------------|
- 27.2** The power purchase agreement (PPA) with the Kerala State Electricity Board (KSEB) was signed as approved by Kerala State Electricity Regulatory Commission (KSERC) in earlier years. However, the tariff has been provisionally approved @ ₹ 4.16 per unit subject to determination of cost of projects and Capacity Utilisation Factor (CUF). Necessary adjustments, if any, arising out of variation in tariff shall be carried out on finalisation of approval thereof.

**28 Other Income**

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Interest Income on Financial assets at amortised cost	4.42	31.48
Modification gain on financial liabilities measured at amortised cost	-	1,633.37
Amortisation of deferred gain on fair valuation of financial instruments	41.00	-
Liabilities no longer required written back	0.81	0.30
<b>Total</b>	<b>46.23</b>	<b>1,665.15</b>



**AYYAPPA HYDRO POWER LIMITED**  
Notes to the financial statements for the year ended 31st March, 2020

**29 Employee Benefits Expense**

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Salaries and Wages	54.42	70.04
Contribution to Provident and other Funds	1.10	1.08
Staff Welfare Expense	6.83	8.37
<b>Total</b>	<b>62.35</b>	<b>79.49</b>

**29.1** As per Indian Accounting Standard 19 "Employee Benefits" the disclosure of Employee Benefits as defined in the Standard are given below:

**A) Defined Benefit Scheme:**

The employee's Gratuity fund scheme managed by Life Insurance Corporation of India is a defined benefit plan. The present value of obligations is determined based on actuarial valuation using projected unit credit method which recognises each period of services as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation for leave encashment is recognised in the same manner as Gratuity.

**(i) Change in the fair value of the defined benefit obligation:**

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>Gratuity (Funded)</b>		
Liability at the beginning of the year	9.16	9.85
Interest Cost	0.70	0.67
Service Cost	1.22	1.31
Acquisition cost	-	-
Actuarial (gain)/loss on obligations	(1.75)	(0.52)
Benefits paid	-	(2.15)
<b>Liability at the end of the year</b>	<b>9.33</b>	<b>9.16</b>
<b>Leave Encashment (Unfunded)</b>		
Liability at the beginning of the year	2.80	3.02
Interest Cost	0.21	0.23
Current Service Cost	0.83	0.77
Acquisition Cost	-	-
Actuarial (gain)/loss on obligations	(0.85)	(1.22)
Benefits paid	-	-
<b>Liability at the end of the year</b>	<b>2.99</b>	<b>2.80</b>

**(ii) Changes in the Fair Value of Plan Asset**

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>Gratuity (Funded)</b>		
Fair value of Plan Assets at the beginning of the year	10.98	12.97
Interest Income	0.83	0.90
Acquisition Adjustment	-	-
Contributions by the Company	-	-
Benefits paid	-	(2.15)
Actuarial gain/(loss) on Plan Assets	(0.03)	(0.74)
<b>Fair value of Plan Assets at the end of the year</b>	<b>11.77</b>	<b>10.98</b>



**AYYAPPA HYDRO POWER LIMITED**  
Notes to the financial statements for the year ended 31st March, 2020

(iii) Amount Recognized in Balance Sheet

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Gratuity (Funded)</b>		
Liability at the end of the year	9.33	9.16
Fair value of Plan Assets at the end of the year	11.77	10.98
<b>Liability/(Asset) recognised in the Balance Sheet</b>	<b>(2.44)</b>	<b>(1.82)</b>
<b>Leave Encashment (Unfunded)</b>		
Liability at the end of the year	2.99	2.80
Fair value of Plan Assets at the end of the year	-	-
<b>Liability/(Asset) recognised in the Balance Sheet</b>	<b>2.99</b>	<b>2.80</b>

(iv) Components of Defined Benefit Cost

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>Gratuity (Funded)</b>		
Service Cost	1.22	1.31
Interest Cost	(0.13)	(0.23)
Net Actuarial (gain) / loss on remeasurement recognised in OCI	(1.72)	0.22
<b>Total Defined Benefit Cost recognised in Profit and Loss and OCI</b>	<b>(0.63)</b>	<b>1.30</b>
<b>Leave Encashment (Unfunded)</b>		
Current Service Cost	0.83	0.77
Interest Cost	0.21	0.23
Interest Income on Plan Asset	-	-
Net Actuarial (gain) / loss on remeasurement recognised in OCI	(0.85)	(1.22)
<b>Total Defined Benefit Cost recognised in Profit and Loss and OCI</b>	<b>0.19</b>	<b>(0.22)</b>

(v) Balance Sheet Reconciliation

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Gratuity (Funded)</b>		
Opening Net Liability/(Asset)	(1.82)	(3.12)
Expenses as above (Net)	(0.63)	1.30
Acquisition Cost	-	-
Employers Contribution	-	-
<b>Liability/(Asset) recognized in Balance Sheet</b>	<b>(2.44)</b>	<b>(1.82)</b>
<b>Leave Encashment (Unfunded)</b>		
Opening Net Liability	2.80	3.02
Expenses as above	0.19	(0.22)
Acquisition cost	-	-
Benefits Paid	-	-
<b>Liability/(Asset) recognized in Balance Sheet</b>	<b>2.99</b>	<b>2.80</b>

(vi) Principal Actuarial assumptions as at the Balance Sheet date

Particulars	As at 31st March, 2020	As at 31st March, 2019
Discount Rate	6.80%	7.60%
Salary Increase	7%	7%
Mortality Rate	IALM (2006-2008) (modified) Ult	IALM (2006-2008) Ult
Retirement Age (years)	60	60





**AYYAPPA HYDRO POWER LIMITED**  
Notes to the financial statements for the year ended 31st March, 2020

(vii) **Recognised in Other Comprehensive Income**

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>Gratuity (Funded)</b>		
Actuarial (gain)/Loss arising from :		
Change in Financial Assumptions	1.50	-
Change in Experience Adjustments	(3.25)	(0.52)
Return on Plan Assets (greater)/less than discount Rate	0.03	0.74
<b>Actuarial (gain)/loss recognised in Other Comprehensive Income</b>	<b>(1.72)</b>	<b>0.22</b>

(viii) **Current and Non Current bifurcation as at the Balance Sheet Date**

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Gratuity (Funded)</b>		
Current Liability/(Asset)	-	-
Non Current Liability/(Asset)	(2.44)	(1.82)
<b>Total Liability/(Asset)</b>	<b>(2.44)</b>	<b>(1.82)</b>
<b>Leave Encashment (Unfunded)</b>		
Current Liability	0.01	0.01
Non Current Liability	2.98	2.79
<b>Total Liability</b>	<b>2.99</b>	<b>2.80</b>

(ix) **Sensitivity analysis**

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Gratuity (Funded)</b>		
Discount Rate		
+1%	(1.83)	(1.61)
-1%	2.34	2.03
Salary Growth Rate		
+1%	2.31	2.03
-1%	(1.85)	(1.64)
<b>Leave Encashment (Unfunded)</b>		
Discount Rate		
+1%	(0.64)	(0.54)
-1%	0.84	0.69
Salary Growth Rate		
+1%	0.83	0.69
-1%	(0.64)	(0.55)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognised within the Balance Sheet.



**AYYAPPA HYDRO POWER LIMITED**  
Notes to the financial statements for the year ended 31st March, 2020

(x) Estimate of expected benefit payments (undiscounted)

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Gratuity (Funded)</b>		
Within 1 year	0.03	0.04
1-2 years	0.03	0.05
2-3 years	0.04	0.06
3-4 years	0.05	0.06
4-5 years	0.06	0.08
5-10 years	0.52	0.74
<b>Total</b>	<b>0.73</b>	<b>1.03</b>
<b>Leave Encashment (Unfunded)</b>		
Within 1 year	0.01	0.01
1-2 years	0.02	0.02
2-3 years	0.02	0.02
3-4 years	0.02	0.03
4-5 years	0.03	0.03
5-10 years	0.18	0.21
<b>Total</b>	<b>0.28</b>	<b>0.32</b>

(xi) Estimate of expected employer contribution

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Gratuity (Funded)</b>		
Within 1 year	1.36	1.22
<b>Leave Encashment (Unfunded)</b>		
Within 1 year	N/A	N/A

(xii) Weighted average duration of defined benefit obligation

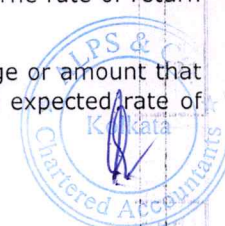
Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>Gratuity (Funded)</b>		
Duration (in years)	23	21
<b>Leave Encashment (Unfunded)</b>		
Duration (in years)	26	21

(xiii) Average number of people employed

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Average number of people employed (Gratuity Funded)	16	16

**Notes: (As certified by Independent Actuary)**

- Assumptions relating to future salary increases, attrition, interest rate for discount and overall expected rate of return on assets have been considered based on relevant economic factors such as inflation, seniority, promotion, market growth and other factors as applicable to the period over which the obligation is expected to be settled.
- The expected return on Plan assets is based on market expectation at the beginning of the year. The rate of return on long term Government Bonds is taken as reference for this purpose.
- In respect of Funded Gratuity, the funds are managed by the insurer and therefore the percentage or amount that each major category constitutes the fair value of total plan assets and effect thereof on overall expected rate of return on asset is not ascertainable.



**AYYAPPA HYDRO POWER LIMITED**  
Notes to the financial statements for the year ended 31st March, 2020

**30 Finance Costs**

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Interest Expense		
Term loan	972.51	1,023.92
Preference Shares	220.00	220.00
Unsecured borrowing from Related Parties	415.64	469.63
Other Borrowing Cost	11.45	10.15
<b>Total</b>	<b>1,619.60</b>	<b>1,723.70</b>

**31 Depreciation and Amortisation expense**

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Depreciation on Property, Plant and Equipment (Refer Note 5)	459.78	523.22
Amortization on Intangible asset (Refer Note 6)	176.22	176.22
<b>Total</b>	<b>636.00</b>	<b>699.44</b>

**32 Other Expenses**

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Cost of Power Purchased	1.31	1.18
Stores and Spares consumed	3.44	8.19
Rent (Refer Note 32.1 and 32.2)	18.84	28.72
Repairs and Maintenance		
Plant and Equipment	82.23	36.07
Others	3.70	4.66
Rates and Taxes	26.61	20.52
Travelling and Conveyance Expenses	11.01	11.30
Insurance	15.00	6.30
Payment to Auditors		
Statutory Audit	0.50	170.50
Taxation matters	0.25	0.25
Legal and Professional charges	36.90	17.48
Security Services	9.02	8.96
Telephone, Fax, Postal, etc.	0.28	0.37
Financial Assets written off	0.72	1.04
Fair Value adjustment for prepayment of loan	-	63.45
Miscellaneous Expenses	6.47	43.54
<b>Total</b>	<b>216.28</b>	<b>242.53</b>

**32.1** The Company has a cancellable operating lease arrangement for office accommodation with a lease period of five years which can be further extended after mutual consent and agreement. The lease agreement can be terminated after giving a notice as per terms of the lease by either of the party. Expenditure incurred on account of operating lease rentals during the year and recognised in the Statement of Profit and Loss amounts to ₹ 15.00 Lakhs (31st March, 2019 - ₹ 27.75 Lakhs)

**32.2** The Company has incurred ₹ 0.06 Lakhs (31st March, 2019 - ₹ 0.06 Lakhs) towards rental expenses relating to leases of low value assets.



**AYYAPPA HYDRO POWER LIMITED**

Notes to the financial statements for the year ended 31st March, 2020

**33 Tax Expense - Current Tax**

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Provision for Current Tax	-	-
<b>Total</b>	-	-

**33.1 Components of Tax Expense**

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>Current Tax</b>		
In respect of the current year	-	-
<b>Total Current tax expense recognised in the current year</b>	-	-
<b>Deferred Tax</b>		
In respect of the current year	(164.90)	(90.44)
<b>Total Deferred tax charge/(credit) recognised in the current year</b>	<b>(164.90)</b>	<b>(90.44)</b>
<b>Total Tax expense/(credit) recognised in the current year</b>	<b>(164.90)</b>	<b>(90.44)</b>

**33.2 Reconciliation of Income tax expense for the year with accounting profit is as follows:**

Taxable Income differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. Details in this respect are as follows:

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>Profit/(Loss) before tax</b>	<b>(1,004.17)</b>	<b>813.34</b>
Tax rate	26.00%	26.00%
<b>Tax expense calculated at applicable tax rate</b>	<b>(261.08)</b>	<b>211.47</b>
<b>Adjustments for:</b>		
Effect of fair valuation of financial assets and financial liabilities		(301.91)
<b>Total Tax expense/(credit) recognised in Profit and Loss</b>		<b>(90.44)</b>

In the absence of taxable profits during the year ended 31st March, 2020, reconciliation of income tax expense has not been provided for the same.

**33.2.1** In pursuance to Section 115BAA of the Income Tax Act, 1961 announced by the Government of India through Taxation Laws (Amendment) Ordinance, 2019, Company has an irrevocable option of shifting to a lower tax rate along with consequent reduction in certain tax incentives including lapse of accumulated MAT credit. The Company has not exercised this option and continues to recognise the taxes on income for the year ended 31st March, 2020 as per the existing provisions.



**AYYAPPA HYDRO POWER LIMITED**  
**Notes to the financial statements for the year ended 31st March, 2020**

**33.3 Income tax recognised in other comprehensive income**

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>Deferred tax Arising on income and expenses recognised in other comprehensive income:</b>		
Remeasurement of defined benefit plans	0.45	(0.06)
<b>Total income tax recognised in other comprehensive income</b>	<b>0.45</b>	<b>(0.06)</b>
<b>Bifurcation of the income tax recognised in Other Comprehensive Income into:</b>		
Items that will not be reclassified to profit or loss	0.45	(0.06)
Items that will be reclassified to profit or loss	-	-

**33A Components of Other Comprehensive Income**

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>Items that will not be reclassified to profit or loss</b>		
Remeasurement of defined benefit plans (net of tax)	1.27	(0.16)
<b>Total</b>	<b>1.27</b>	<b>(0.16)</b>



(₹ in Lakhs)  
For the year ended  
31st March, 2020  
(0.16)  
(0.16)

**AYYAPPA HYDRO POWER LIMITED**  
Notes to the financial statements for the year ended 31st March, 2020

**34 Details of Related Party transactions in accordance with Indian Accounting Standard 24 "Related Party Disclosures"**

**(A) Name of Related Parties and their relationship with the Company:**

	Relationship	Name of the Parties
(i)	<b>Holding Company</b>	Energy Development Company Limited
(ii)	<b>Fellow Subsidiaries through Holding company</b>	EDCL Power Projects Limited Eastern Ramganga Valley Hydel Projects Company Private Sarju Valley Hydel Projects Company Private Limited EDCL Arunachal Hydro Project Private Limited
(iii)	<b>Key Managerial Personnel (KMP)</b>	Vinod Kumar Sharma (Executive Director) (w.e.f 30th May, Tarun Chaturdevi (Independent Non-Executive Director) Satyendra Pal Singh (Director) Abhijit Banerjee (Director) Vijoy Kumar (ceased to be Independent Non-Executive Rohit Pandit (Independent Director) (w.e.f. 1st October, Sunil Dutt Sharma (Chief Financial Officer) Vijayshree Binnani (Company Secretary)
(iv)	<b>Individuals having significant influence directly or indirectly (Promoter and their relatives )</b>	Amar Singh (Promoter) Pankaja Kumari Singh (relative of Promoter)
(v)	<b>Enterprises over which individuals mentioned in (iv) above exercises significant influence</b>	Startrack Vinimay Private Limited Sarvottam Caps Private Limited
(vi)	<b>Enterprises over which individuals mentioned in (iii) above exercises significant influence</b>	EDCL Infrastructure Limited

**(B) Details of Transactions with Related Parties during the year and the Balances outstanding thereof as at the Balance Sheet date are as follows:**

**(I) Details of transactions with Holding Company**

(i) Transactions during the year:

Particulars	(₹ in Lakhs)	
	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Unsecured Loan repaid (Net)	129.88	778.48
Interest Expense on Unsecured Loan	268.22	321.97
Modification Gain	-	(708.29)
Expenses incurred by the party on behalf of the Company	29.23	8.68
Expenses Reimbursed to the party	29.23	8.78
Expenses incurred by the Company on behalf of the party	-	0.03
Expenses Reimbursed to the Company	-	0.03

(ii) Balances outstanding as at the Balance Sheet date:

Particulars	(₹ in Lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
Preference Shares (Borrowings - Non Current)	2,200.00	2,200.00
Interest on Preference Shares (Other Financial Liabilities)	1,412.22	1,192.22
Unsecured Loan (Borrowings - Non Current)	2,037.87	1,905.87
Current maturities of long term debt (Other Financial Liabilities - Current)	-	0.89
Guarantee given to banks for loan taken		(708.29)
Outstanding Balance of Loan	8,468.73	8,722.97
Deemed Equity (Other Equity)	7.22	0.11



**AYYAPPA HYDRO POWER LIMITED**  
Notes to the financial statements for the year ended 31st March, 2020

**(II) Details of transactions with Fellow Subsidiaries through Holding Company**

(i) Transactions during the year:

Particulars	(₹ in Lakhs)	
	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>EDCL Power Projects Limited</b>		
Expenses incurred by the party on behalf of the company	6.86	0.28
Expenses Reimbursed to the party	-	0.36

(ii) Balances outstanding as at the Balance Sheet date:

Particulars	(₹ in Lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
<b>EDCL Power Projects Limited</b>		
Trade Payables	6.86	-

**(III) Details of transactions with Key Managerial Personnel**

(i) Transactions during the year:

Particulars	(₹ in Lakhs)	
	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>Remuneration</b>		
Vinod Kumar Sharma	-	3.87
Prabir Goswami	-	7.95

**(IV) Details of transactions with Companies under significant influence of Promoter and their relatives**

(i) Transactions during the year:

Particulars	(₹ in Lakhs)	
	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>Interest Expense</b>		
Startrack Vinimay Private Limited	31.63	36.00
Sarvottam Caps Private Limited	110.69	126.00

(ii) Balances outstanding as at the Balance Sheet date:

Particulars	(₹ in Lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
<b>Unsecured Loans (Borrowings - Non Current)</b>		
Startrack Vinimay Private Limited	271.18	300.00
Sarvottam Caps Private Limited	949.12	1,050.00
<b>Interest accrued and due (Other Financial Liabilities - Current)</b>		
Startrack Vinimay Private Limited	119.04	97.38
Sarvottam Caps Private Limited	625.36	549.56



**AYYAPPA HYDRO POWER LIMITED**  
**Notes to the financial statements for the year ended 31st March, 2020**

**(V) Details of transactions with Companies under significant influence of Key Managerial Personnel**

(i) Transactions during the year:

Particulars	(₹ in Lakhs)	
	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Rent	-	21.75
Professional Charges	26.00	4.00
Unsecured Loan received	130.00	-
Unsecured Loan repaid	130.00	-
Interest Expense	4.82	-

(ii) Balances outstanding as at the Balance Sheet date:

Particulars	(₹ in Lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
Security Deposit (Other Financial Assets - Non Current)	8.25	7.37
Trade Payable	41.82	23.02
Interest Payable (Other Financial Liabilities - Current)	4.33	-

**Notes:**

1 The above Related Party information is as identified by the Management and relied upon by the auditor.  
 2 In respect of above parties, there is no provision for doubtful debts as at 31st March 2020 and no amount has been written off or written back during the year in respect of debts due from / to them.

**3 Terms and conditions of transactions with Related Parties**

All transactions from related parties are made in the ordinary course of business. For the year ended 31st March, 2020, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

**35 Contingent Liabilities and Commitments (to the extent not provided for)**

**(A) Contingent Liabilities**

Particulars	(₹ in Lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
<b>a) Claims against the company not acknowledged as debts</b>		
<b>I) Income Tax matters under disputes and pending in appeal</b>		
i) Demand from Income tax authority under section 147 of the Income Tax Act, 1961 (pertaining to AY 2012-13).	358.72	-

The Company's pending litigation comprise of proceedings with income tax authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have material impact on its financial position. Future cash outflows if any in respect of (i) above are dependent upon the outcome of the decision/judgements.

(B) Commitments - ₹ Nil (31st March, 2019 - ₹ Nil)

**36 Disclosures as required by Indian Accounting Standard 37 "Provisions, Contingent Liabilities and Contingent Assets"**

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more future events not wholly within the control of the entity. During the normal course of business, unresolved claims remains outstanding. The inflow of economic benefits, in respect of such claims cannot be measured due to uncertainties that surrounds the related events and circumstances.





**AYYAPPA HYDRO POWER LIMITED**

**Notes to the financial statements for the year ended 31st March, 2020**

**37 Earnings per share**

(₹ in Lakhs, except otherwise stated)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Net Profit/(Loss) for the year	(839.27)	903.78
Weighted Average Number of Equity Shares issued (Number)	3,00,00,000	3,00,00,000
Basic and Diluted Earnings per Share (Face Value ₹ 10 each fully paid up)	(2.80)	3.01

**38 Segment Reporting**

The Company is engaged primarily in the business of "generation of electricity" and all other activities are incidental thereto. Further, the Company operates entirely in the domestic market where its operations are governed by the same set of risks and returns. Accordingly, the separate primary and secondary segment reporting disclosure as envisaged in Indian Accounting Standard 108 "Operating Segments" is not applicable to the Company.



**AYYAPPA HYDRO POWER LIMITED**  
Notes to the financial statements for the year ended 31st March, 2020

**39 Capital Management**

The Company follows a capital management strategy. The primary objective is to ensure that Company maintains a healthy capital ratio in order to support its business operations, have sufficient financial flexibility for borrowing requirements, if any, in future and to maximise shareholder value. The Company's objective when managing capital is to safeguard their ability to continue as a going concern so that they can continue to provide returns for shareholders and benefits for other stake holders.

The Company also uses gearing ratio to monitor capital. Gearing ratio is net debt divided by total capital. The gearing ratios are as follows:

**Gearing Ratio**

Particulars	(₹ in Lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
<b>Total Borrowings</b>	<b>13,926.90</b>	<b>14,179.73</b>
Less: Cash & Cash Equivalents	191.40	16.29
<b>Net Debt (A)</b>	<b>13,735.50</b>	<b>14,163.44</b>
Total Equity	(3,873.10)	(3,042.32)
Total Equity and Net Debt (B)	9,862.40	11,121.12
<b>Gearing Ratio (A/B)</b>	<b>1.39</b>	<b>1.27</b>

**40 Disclosure on Financial Instruments**

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contains financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 3.8 to the financial statements

**(A) Fair Value Measurement**

The following table shows the carrying amount and fair values of financial assets and liabilities by category:

Particulars	(₹ in Lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
<b>Measured at Amortised Cost</b>		
<b>Financial Assets (Non Current)</b>		
Security Deposit	8.25	7.37
Balances in Margin Money Accounts	0.78	0.78
<b>Total (a)</b>	<b>9.03</b>	<b>8.15</b>
<b>Financial Assets (Current)</b>		
Trade Receivables	79.24	96.77
Cash and Cash Equivalents	191.40	16.29
Loans	0.15	1.60
Security Deposits	0.45	27.12
Other Financial Assets	0.38	0.30
<b>Total (b)</b>	<b>271.62</b>	<b>142.08</b>
<b>Total Financial Assets (a + b)</b>	<b>280.65</b>	<b>150.23</b>

Particulars	(₹ in Lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
<b>Measured at Amortised Cost</b>		
<b>Financial Liabilities (Non Current)</b>		
Preference Shares	2,200.00	2,200.00
Term loan from IREDA	8,107.16	8,383.99
Unsecured Loan from Holding Company	2,037.87	1,905.87
Unsecured Loan from Other Bodies Corporate	1,220.30	1,350.00
Interest on Preference Shares	1,412.22	-
<b>Total (a)</b>	<b>14,977.55</b>	<b>13,839.86</b>
<b>Financial Liabilities (Current)</b>		
Trade Payables	160.81	59.18
Current Maturities of Long Term Debt	361.57	339.87
Interest accrued and due on borrowings	1,015.95	1,868.99
Liabilities for Capital Expenditure	50.74	61.04
<b>Total (b)</b>	<b>1,589.07</b>	<b>2,329.08</b>
<b>Total Financial Liabilities (a + b)</b>	<b>16,566.62</b>	<b>16,168.94</b>



**(B) Fair Valuation Techniques**

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

**The following methods and assumptions were used to estimate the fair values:**

- (1) The fair value of cash and cash equivalents, trade receivables, trade payables, borrowings, other current financial liabilities and assets approximate their carrying amount largely due to the short-term nature of these instruments. The Board considers that the carrying amounts of financial assets and financial liabilities recognised at nominal cost/amortised cost in the financial statements approximate their fair values.
- (2) Long term debt has been contracted at fixed rates of interest. The carrying value of such long term debt approximate their fair value.

**41 Financial risk management objectives and policies**

The Company's activities expose it to the following risks:

- (a) Credit Risk
- (b) Liquidity Risk
- (c) Market Risk

**(a) Credit Risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Trade Receivables of the Company mainly comprises of receivables from state electricity boards and hence such risk is negligible. The Company has a policy to monitor such risk on an ongoing basis.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of receivables.

The carrying amount of respective financial assets recognised in the financial statements, (net of impairment losses, if any) represents the Company's maximum exposure to credit risk.

**Financial assets that are neither past due nor impaired**

Cash and cash equivalents with banks are neither past due nor impaired. Cash and cash equivalents with banks are held with reputed and credit worthy banking institutions.

Trade receivables disclosed include amounts that are not past due at the end of the reporting period.

**(b) Liquidity Risk**

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. The Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The information included in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

(₹ in Lakhs)

Particulars	Less than 1 year	1 year – 3 years	More than 3 years	Total
<b>As at 31st March, 2020</b>				
Preference Shares	-	-	2,200.00	2,200.00
Term Loan from IREDA (including current maturities)	446.31	813.54	7,208.88	8,468.73
Loan from Holding Company (including current maturities)	-	2,548.73	-	2,548.73
Loan from Other Bodies Corporate	-	1,350.00	-	1,350.00
Interest on Preference Shares	-	-	1,412.22	1,412.22
Trade Payables	160.81	-	-	160.81
Interest accrued and due on borrowings	1,015.95	-	-	1,015.95
Liabilities for Capital Expenditure	50.74	-	-	50.74
<b>Total</b>	<b>1,673.81</b>	<b>4,712.27</b>	<b>10,821.10</b>	<b>17,207.18</b>
<b>As at 31st March, 2019</b>				
Preference Shares	-	-	2,200.00	2,200.00
Term Loan from IREDA (including current maturities)	338.98	768.34	7,615.65	8,722.97
Loan from Holding Company (including current maturities)	0.89	2,677.72	-	2,678.61
Loan from Other Bodies Corporate	-	1,350.00	-	1,350.00
Trade Payables	59.18	-	-	59.18
Interest accrued and due on borrowings	1,868.99	-	-	1,868.99
Liabilities for Capital Expenditure	61.04	-	-	61.04
<b>Total</b>	<b>2,329.08</b>	<b>4,796.06</b>	<b>9,815.65</b>	<b>16,940.79</b>

The Company has current financial assets which will be realised in ordinary course of business. The Company monitors its rolling forecast of its liquidity requirements to ensure it has sufficient cash to meet expected operational requirements.

The company relies on mix of borrowings and operating cash flows to meet its need for funds and ensures that it does not breach any financial covenants stipulated by the lender.

**(c) Market Risk**

Market risk is the risk or uncertainty arising from possible market price movements resulting in fluctuation of the fair value of future cash flows of a financial instrument.

The major components of Market risks are foreign currency risk, interest rate risk and other price risk.

Financial instruments affected by market risk include borrowings.

**(i) Foreign Currency Risk**

The Company does not have transaction in foreign currency and accordingly, it is not exposed to foreign currency risk. There are no outstanding Derivative contracts as at 31st March, 2020.



**(ii) Interest Rate Risk**

The Company's debt exposure includes term loan from IREDA, borrowings from Holding Company and other bodies corporate. Term Loan from IREDA are contracted at fixed rate of interest. Borrowings from Holding Company are strategic in nature and accordingly, do not carry any interest component. Borrowings from other bodies corporate are subject to fixed interest rate which can be modified upon mutual agreement between the parties involved. Hence, the Company does not have any significant exposure to interest rate risk.

**(iii) Other price risk**

The Company is not exposed to any other price risk.

- 42 The accumulated losses of the Company as at 31st March, 2020 have exceeded its paid-up share capital resulting in negative networth. The Company has incurred net loss for the year ended 31st March, 2020 and the Company's current liabilities have exceeded its current assets as at that date. Necessary funds are being infused from time to time by its Promoter to meet for any shortfall in liquidity position of the Company. Based on the above, the Company is confident of its ability to meet the funds requirement and to continue its business as a going concern and accordingly, the financial statements have been prepared on that basis.
- 43 Consequent to outbreak of COVID-19, which has been declared a pandemic by World Health Organisation (WHO), Government of India and State Governments have declared lockdown which have affected business in general. The Company's main operation of electricity generation has been continued during lockdown as electricity generation is considered as one of the essential services by the Government. The Company has considered internal and external information while finalizing various estimates and taking assumptions in relation to its financial statements preparation upto the date of approval of the financial statements by the Board of Directors and no material impact of COVID-19 on the financial performance inter alia, including the carrying value of various current and non current assets or on the going concern assumptions of the Company is expected to arise. However, the estimates used for assessing the carrying value of assets and liabilities as at 31st March, 2020 during the COVID-19 pandemic may undergo change as these are dependent upon future development of the economy and industry. The Company will continue to monitor the variation in situations and consider the same as and when determinable.
- 44 The previous year's figures have been regrouped and rearranged wherever necessary to make them comparable with those of current year's figures.
- 45 These financial statements have been approved by the Board of Directors of the Company on 31st July, 2020 for issue to the shareholders for their adoption.

As per our Report of even date

**For ALPS & Co.**  
Chartered Accountants  
Firm's ICAI Registration No.: 313132E



A. K. Khetawat  
Partner  
Membership No. 052751



Place: Kolkata  
Date: 31st July, 2020

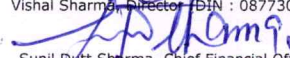
**For and on behalf of the Board of Directors**


  
Vinod Kumar Sharma, Executive Director (DIN : 02879206)

  
Satyendra Pal Singh, Director (DIN : 01055370)

  
Aman Jain, Director (DIN : 08187995)

  
Vishal Sharma, Director (DIN : 08773037)

  
Sunil Dutt Sharma, Chief Financial Officer

  
Vijayshree Binnani, (Company Secretary)