

INDEPENDENT AUDITORS' REPORT

**The Members of
Ayyappa Hydro Power Limited**

Report on 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 March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information 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, of the state of affairs (financial position) of the Company as at March 31, 2019, its loss and total comprehensive income, its Cash Flows and the changes in equity for the year ended on that date.

Basis of 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 Auditor's 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.

Information Other than the Financial Statements and Auditor's 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 Board's Report but does not include 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 the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on our work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report with respect to the above.



Management's Responsibility 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 financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the 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 the 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' Responsibility

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 Standard on Auditing (SAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our



auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it possible 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 auditor's 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, and according to the information and explanations given to us and also on the basis of such checks as we considered appropriate, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 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 purpose 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, the Cash Flow Statement and Statement of Changes in Equity 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 (Ind AS) specified under section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on March 31, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, 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".
- 3) With respect to the other matters to be included in the Auditor's 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 does not have any pending litigations as at the year end which would impact which would impact its financial position;
 - ii. The Company does 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 Other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, no remuneration (including sitting fees) has been paid by the Company to its directors during the current year and accordingly, the provisions of Section 197 of the Act are not applicable.

Place: New Delhi
Date: 30th May, 2019



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


A. K. Khetawat
Partner
Membership No: 052751

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

- 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, 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 within the 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 Clause 3(iii) of the Order are not applicable to the Company.
- iv) According to the information and explanations given to us, the Company has not given any loan or guarantee or provided any security in connection with loan during the year. Accordingly, the provision of Clause 3(iv) of the Order is not applicable to the Company.
- v) The Company has not accepted any deposits from the public and accordingly, the provisions of Section 73 to 76 or any other relevant provisions of the Act are not applicable.
- vi) The Company is not required to maintain cost records prescribed by the Central Government under Section 148 (1) of the Act. Accordingly, the provisions of Clause 3(iv) of the Order are not applicable to the Company.
- vii) a. According to records of the Company, undisputed statutory dues including Service Tax, Tax Deducted at Source, Goods and Services Tax, Professional Tax and Employee's State Insurance have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March 2019 for a period more than six months from the date of becoming payable. Other statutory dues like 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, there were no dues in respect of income tax, sales tax, service tax, custom duty, excise duty, goods and services tax and value added tax which have not been deposited on account of any dispute.
- viii) According to the information and explanations given to us, the Company has not defaulted in repayment of borrowings from banks. The Company has no loans or borrowings from financial institutions, government or debenture holders during the year.
- ix) In our opinion and according to the information and explanations given to us, term loans have been utilised for the purposes for which they were raised. The Company has not raised any amount by way of public offer.
- 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 incidence of any material fraud on or by the Company nor have we been informed of any such cases by the management.

- xi) According to the information and explanations given to us, the managerial remuneration paid or provided during the year was in accordance with provisions of Section 197 read with Schedule V to the Act.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and accordingly, the provision of Clause 3(xii) of the Order is not applicable to the Company.
- xiii) According to the information and explanations given to us, the Company is in compliance with Section 188 and 177 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv) According to the information and explanations given to us and based on our examination of the records, during the year, the Company has not entered into any non-cash transactions with directors or persons connected with the directors and accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- 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 Clause 3(xvi) of the Order is not applicable to the Company.

Place: New Delhi
Date: 30th May, 2019



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

A. K. Khetawat
Partner
Membership No: 052751

'Annexure B' referred to in 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 AyyappaHydro Power Limited ("the Company") as at March 31, 2019 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 (ICAI). 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. 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 judgment, 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, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, 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: New Delhi
Date: 30th May, 2019



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

A. K. Khetawat
Partner
Membership No: 052751

AYYAPPA HYDRO POWER LIMITED

Balance Sheet as at 31st March, 2019

(₹ in lakhs)

Particulars	Note No.	As at 31st March, 2019	As at 31st March, 2018
ASSETS			
(1) Non Current Assets			
(a) Property, Plant and Equipment	5	11,957.64	12,480.77
(b) Other Intangible Assets	6	1,109.30	1,285.52
(c) Financial Assets			
(i) Other Financial Asset	7	8.15	0.78
(d) Non Current Tax Assets (Net)	8	5.18	2.08
(e) Other Non Current Assets	9	5.97	3.12
		13,086.24	13,772.27
(2) Current Assets			
(a) Inventories	10	9.00	7.64
(b) Financial Assets			
(i) Trade Receivables	11	96.77	139.85
(ii) Cash & Cash Equivalents	12	16.29	472.46
(iii) Loans	13	1.60	0.01
(iv) Other Financial Assets	14	27.42	27.32
(c) Other Current Assets	15	51.48	51.20
		202.56	698.48
TOTAL ASSETS		13,288.80	14,470.75
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	16	3,000.00	3,000.00
(b) Other Equity	17	(6,042.32)	(6,084.42)
		(3,042.32)	(3,084.42)
LIABILITIES			
(1) Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	13,839.86	12,272.97
(b) Provisions	19	2.79	3.01
(c) Deferred Tax Liabilities (Net)	20	133.16	223.65
		13,975.81	12,499.63
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Trade Payables			
Total Outstanding dues of micro enterprises and small enterprises		-	-
Total Outstanding dues of creditors other than micro enterprises and small enterprises		59.18	33.06
(ii) Other Financial Liabilities	22	2,269.90	5,001.43
(b) Other Current Liabilities			
(c) Provisions	23	20.40	21.04
	24	5.83	0.01
		2,355.31	5,055.54
TOTAL EQUITY & LIABILITIES		13,288.80	14,470.75

Significant Accounting Policies

3

The accompanying notes (1-37) form an integral part of financial statements.

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

A. K. Khetawat
Partner
Membership No. 052751



For and on behalf of the Board of Directors

Vinod Kumar Sharma (Executive Director) (DIN 02879206)

Vijoy Kumar (Director) (DIN 02970626)

Satyendra Pal Singh (Director) (DIN 01055370)

Sunil Dutt Sharma (Chief Financial Officer)

Vijayshree Binnari (Company Secretary)

Place : New Delhi
Dated : 30th May, 2019

AYYAPPA HYDRO POWER LIMITED

Statement of Profit and Loss for the year ended 31st March, 2019

(₹ in lakhs)

Particulars	Note No	Year ended 31st March 2019	Year ended 31st March 2018
REVENUE :			
Revenue from Operations	25	1,893.35	1,544.62
Other Income	26	1,665.15	12.13
Total Income		3,558.50	1,556.75
EXPENSES :			
Employee Benefits Expense	27	79.49	79.40
Finance Costs	28	1,723.70	1,798.71
Depreciation and Amortization Expense	29	699.44	740.84
Other Expenses	30	242.53	221.36
Total Expenses		2,745.16	2,840.31
Profit/(Loss) before tax for the year		813.34	(1,283.56)
Tax Expense:			
- Deferred tax charge / (credit)	24	(90.44)	185.23
Total Tax Expense		(90.44)	185.23
Profit/(Loss) after tax for the year		903.78	(1,468.79)
OTHER COMPREHENSIVE INCOME			
i. Items that will not be reclassified to profit or loss		(0.22)	2.37
ii. Income tax relating to items that will not be reclassified to profit or loss		(0.06)	0.78
Other Comprehensive Income for the year (net of tax)		(0.16)	1.59
Total Comprehensive Income for the year (Comprising Profit (Loss) and Other Comprehensive Income for the year)		903.62	(1,467.20)
Earnings per equity share of ₹ 10 each fully paid-up - Basic & Diluted	34	3.01	(4.90)

Significant Accounting Policies

3

The accompanying notes (1-37) form an integral part of financial statements.

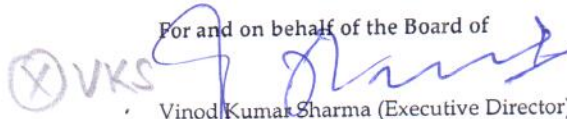
As per our Report of even date
For A L P S & Co.
Chartered Accountants
Firm's registration No. 313132E



A. K. Khetawat
Partner
Membership No. 052751





For and on behalf of the Board of



Vinod Kumar Sharma (Executive Director) (DIN 02879206)


Vijoy Kumar (Director) (DIN 02970626)


Satyendra Pal Singh (Director) (DIN 01055370)


Sunil Dutt Sharma (Chief Financial Officer)


Vijayshree Binjari (Company Secretary)

Place : New Delhi
Dated : 30th May 2019

AYYAPPA HYDRO POWER LIMITED
Statement of Changes in Equity for the year ended 31st March, 2019

(i) Equity Share Capital

Particulars	(₹ in lakhs)
Balance as at April 1, 2017	3,000.00
Changes during the year	-
Balance as at March 31, 2018	3,000.00
Changes during the year	-
Balance as at March 31, 2019	3,000.00

(ii) Other Equity

(₹ in lakhs)

Particulars	Deemed Equity	Retained Earning	Total
Balance as at March 31, 2018	925.08	(7,009.50)	(6,084.42)
Profit for the year	-	903.78	903.78
Other Comprehensive Income	-	(0.16)	(0.16)
Addition during the year	0.11	-	0.11
Total comprehensive income for the year	-	903.62	903.62
Adjustment on account of prepayment of loans	(63.45)	63.45	-
Modification gain/ (Loss)	861.63	-	861.63
Balance as at March 31, 2019	0.11	(6,042.43)	(6,042.32)

(₹ in lakhs)

Particulars	Deemed Equity	Retained Earning	Total
Balance as at March 31, 2017	854.85	(5,543.30)	(4,688.45)
Profit for the year	-	(1,468.79)	(1,468.79)
Other Comprehensive Income	-	1.59	1.59
Addition during the year	71.23	-	71.23
Total comprehensive income for the year	-	(1,467.20)	(1,467.20)
Adjustment on account of prepayment of loans	(1.00)	1.00	-
Balance as at March 31, 2018	925.08	(7,009.50)	(6,084.42)

Refer Note 17 for nature and purpose of reserves

Significant Accounting Policies and other accompanying notes (1-37) form an intergral part of the financial statements.

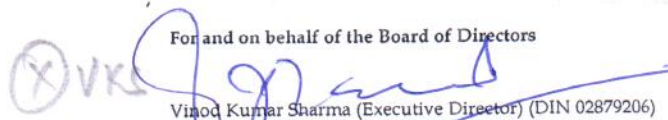
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Firm's registration No. 313132E



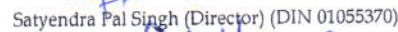
A. K. Khetawat
Partner
Membership No. 052751



For and on behalf of the Board of Directors


Vinod Kumar Sharma (Executive Director) (DIN 02879206)


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Sunil Dutt Sharma (Chief Financial Officer)


Vijayshree Binnani (Company Secretary)

Place : New Delhi
Dated : 30th May.2019

AYYAPPA HYDRO POWER LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in lakhs)

PARTICULARS	31.03.2019		31.03.2018	
	AMOUNT	AMOUNT	AMOUNT	AMOUNT
A) Cash Flow From Operating Activities:				
Profit/ (Loss) before taxation		813.33		(1,283.50)
Adjustments for:				
Depreciation and amortization	699.44		740.84	
Financial Assets written off	1.04		-	
Interest Income on Financial Instrument	(31.48)		(12.01)	
Modification gain/(loss)	(1,633.37)		-	
Liability no Longer required written back	(0.30)		(0.12)	
Fair Value adjustment for prepayment of loan	63.45		1.00	
Interest & Finance Charges	1,723.70	822.48	1,798.71	2,528.42
Operating Profit before Working Capital Changes		1,635.81		1,244.87
Adjustments for:				
(Increase)/ Decrease in trade and other receivables	20.99		(57.79)	
(Increase)/ Decrease in inventory	(1.36)		0.54	
(Decrease)/ Increase in trade & Other Payables	31.38	51.02	(23.62)	(80.87)
Cash generated from operations		1,686.83		1,163.99
Direct Taxes paid (Net of refund)		3.10		0.80
Net Cash Flow from Operating Activities		1,689.93		1,164.79
B) Cash flow from investing activities:				
Purchase of Property, Plant and Equipment	(34.09)		(36.74)	
Purchase/ (Sale) of Investment	-		443.00	
Interest received	31.38	(2.71)	11.93	418.19
Net Cash Flow from Investing Activities		(2.71)		418.19
C) Cash flow from financing activities:				
Interest & Finance Charges paid	(1,357.90)		(1,684.89)	
Proceeds from / (Repayment) of Borrowings	(785.49)	(2,143.39)	569.03	(1,115.86)
Net Cash flow from Financing Activities		(2,143.39)		(1,115.86)
Net Increase/(Decrease) in Cash and Cash Equivalents		(456.17)		467.12
Cash and Cash equivalents at the beginning of the year		472.46		5.34
Cash and Cash equivalents at the end of the year		16.29		472.46

The accompanying notes(1-37) form an integral part of financial statements.

Note:

1) The Cash Flow Statement is prepared by the " Indirect Method" as set out in the Indian Accounting Standard-7 on Cash Flow Statement.

2) Cash and cash equivalents as at the Balance Sheet date consists of:

Particulars	(₹ in lakhs)	
	As at 31.03.2019	As at 31.03.2018
Cash and cash equivalents (Refer Note 12)		
- Balance with Banks on Current Accounts	15.99	52.64
- Balance with Banks on Fixed Deposit Accounts	-	419.52
- Cash on hand	0.30	0.30
Cash and Cash equivalents at the end of the year	16.29	472.46

3) Change in Company's liabilities arising from financing activities:

Particulars	(₹ in lakhs)			
	As at 31.03.2018	Cash flows*	Non-Cash Flows	As at 31.03.2019
Non-current borrowings (Refer Note 18)				
-Preference Shares	2,200.00	-	-	2,200.00
-Term Loan From Indian Renewable Energy Development Agency Ltd (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
Deemed Equity (Refer Note 17)	937.69	(937.58)	-	0.11
Current maturities of long term debt (Refer Note no. 22)				
- Term Loan From IREDA	316.38	22.60	-	338.98
- Loan from Holding Company	3,086.82	(3,085.93)	-	0.89
Interest accrued but not due on borrowings (Refer Note no. 22)				
- 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
Total	18,117.05	(2,143.39)	1,723.71	17,697.37

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

4.Previous year's figures have been regrouped and rearranged wherever considered necessary.

As per our Report of even date
For A L P S & Co.
Chartered Accountants
Firm's registration No. 313/32E

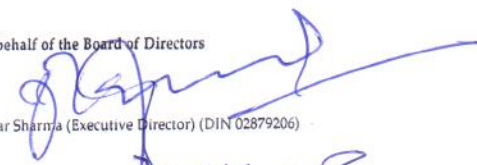




A. K. Khetawat
Partner
Membership No. 052751

Place : New Delhi
Dated : 30th May,2019

For and on behalf of the Board of Directors


Vinod Kumar Sharma (Executive Director) (DIN 02879206)

Vijoy Kumar (Director) (DIN 02970826)

Satyendra Pal Singh (Director) (DIN 01055370)

Sunil Dutt Sharma (Chief Financial Officer)


Vijayshree Binnani (Company Secretary)

AYYAPPA HYDRO POWER LIMITED
Notes to the Financial Statements for the year ended 31st March, 2019

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 and the company is primarily engaged in generation and sale of bulk power to various electricity boards.

NOTE 2

STATEMENT OF COMPLIANCE AND RECENT PRONOUNCEMENTS

2.1 Statement of Compliance

The financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 ("Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). All the Ind ASs issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements approved for issue by the Board of Directors have been considered in preparing these financial statements. Accounting policies have been consistently applied except where a newly issued Indian Accounting Standard is initially adopted or a revision to an existing Indian Accounting Standard requires a change in the accounting policy hitherto in use.

2.2 Recent Pronouncements

(a) New and revised standards adopted by the Company

The Company has applied the following standards and amendments for the first time during the year ended 31st March, 2019:

(i) Ind AS 115 - Revenue from Contracts with Customers revised and made effective from 1st April, 2018.

(ii) Appendix B, foreign currency transactions and advance consideration to Ind AS 21 - The Effects of Changes in Foreign Exchange Rates and Ind AS 12 - Income Taxes revised and made effective from 1st April, 2018.

The application of Ind AS 115 and revisions/amendments in other standards do not have any material impact on the financial statements.

(b) Standards issued but not yet effective

(i) Ind AS 116 - Leases

Ind AS 116 is effective for period beginning on or after 1st April, 2019. It would replace previous lease standard Ind AS 17. Ind AS 116 sets out the principles for recognition, presentation and disclosure of leases and mandates accounting of all leases under single lease accounting model.

A lessee is required to recognise 'right-of-use asset' representing the value of the right for using the underlying assets and a 'lease liability' representing its obligation to make payments against the same for almost all leasing arrangements. Lessor accounting under Ind AS 116 is substantially unchanged.

(ii) Appendix C, Uncertainty over Income Tax Treatments to Ind AS 12 - Income taxes

Appendix C has been added to Ind AS 12 which seeks to bring clarity to the accounting of



uncertainties on income tax treatment that are yet to be accepted by tax authorities and determine the probability thereof to be considered to compute the most likely impact on taxation, unused tax losses, credits etc. for reflection in the measurement of current and deferred taxes.

The Company is evaluating the impacts on account of (i) and (ii) above and other amendments on the financial position and results of operation.

NOTE 3

SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of preparation of financial statements

The Financial Statements have been prepared under the historical cost convention on accrual basis excepting certain financial instruments and net defined benefit assets/ liabilities which are measured in terms of relevant Ind AS at fair value 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.

Based on the nature of activities, the operating cycle has been assumed to have duration of 12 months. All Assets and Liabilities have been classified as current or non-current as per the operating cycle and other criteria set out in Ind AS 1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013.

The Financial Statements are presented in Indian Rupees which is the Company's functional and presentation currency except otherwise stated. All amounts disclosed in the Financial Statements including notes thereon have been rounded off to the nearest lakhs.

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 asset or liability 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.

3.2 Property, Plant and Equipment (PPE)



(a) Property, Plant and Equipment are stated at cost which comprise its purchase price and any attributable 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 interest and pre-operative expenses.

(b) 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 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.

(c) Subsequent cost are included in the asset's 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.

3.3 Intangible Assets

Intangible assets are stated at cost of acquisition less accumulated amortisation.

3.4 Depreciation and Amortisation

Depreciation on assets of generating plant and machinery, building and roads, hydraulic works, transmission lines, transformers & 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 amortised over a period of five years on pro-rata basis.

Other assets have been depreciated on written down value method as per Schedule II to the Companies Act, 2013.

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

Category	Useful Life (years)
Roads	5 years
Electrical Installation	10 years
Plant and Equipments	7.5 years
Computer equipment	3 years
Furniture and fixtures	10 years
Office equipment	5 years
Vehicles	8 years
Assets of generating plant and machinery, building and roads, hydraulic works, transmission lines, transformers & cable network	30 years

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



The residual value of an item of property, plant and equipment has been kept at $\leq 5\%$ of the cost of the respective assets.

Unclassified land and site development (R&R) expenditure capitalised as Intangible fixed assets are amortised on a straight line method over a period of 10 years.

3.5 Derecognition of Tangible and Intangible Assets

An item of tangible and intangible asset is derecognized upon disposal or when no future economic benefits are expected to arise therefrom. Gain or loss on the disposal or retirement of an item of asset is determined as the difference between the sales proceeds/net realizable value and the carrying amount of the asset, is recognized in the Statement of Profit and Loss.

3.6 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 property, plant and equipment is determined. An impairment loss is recognised, whenever the carrying amount of assets exceed recoverable amount. The recoverable amount is the greater of assets net selling price or its value in use. In assessing the value in use, the estimated future cash flows from the use of assets are discounted to their present value at appropriate rate. An impairment loss is reversed if there has been change in the recoverable amount and such loss either no longer exists or has decreased. Impairment loss/reversal thereof is adjusted to the carrying value of the respective assets on a pro-rata basis. Subsequent to recognition of impairment loss/reversal thereof, depreciation is provided on the revised carrying amount of the asset, on a systematic basis, over its remaining useful life.

3.7 Financial Assets and Financial Liabilities

Financial assets and financial liabilities (financial instruments) are recognized when 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 the 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 recognized 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 operating cycle of the company or otherwise these are classified as non-current.

The financial instruments are subsequently classified at amortised cost, at Fair Value Through Profit and Loss (FVTPL) or Fair Value Through Other Comprehensive Income (FVTOCI) and such classification depends on the objective and contractual term to which they relate. Classification of financial instruments are 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 having original maturities of three months or less from the date of purchase, are considered as 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 amortized 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 give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortized cost. The above financial assets and financial liabilities subsequent to initial recognition are measured at amortized cost using Effective Interest Rate (EIR) Method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the Financial Assets or Financial Liability to the gross carrying amount of the financial asset or to the amortized cost of the 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

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 recognized 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 and Financial Liabilities at Fair value through profit or loss

Financial Instruments which does not meet the criteria of amortized cost or fair value through other comprehensive income are classified as Fair Value through Profit or loss. Upon initial recognition, attributable transaction costs are recognized in the income statement when incurred. Financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognized in the Statement of Profit and Loss.

3.8 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 12-month expected credit losses.

3.9 De-recognition 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 expire, 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 designed at FVTOCI), the difference between the asset's carrying amount and the sum of the consideration received and receivable are recognized in profit or loss.

On derecognition of assets measured at FVTOCI the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

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 profit or loss.

3.10 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.

3.11 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.

3.12 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 (PPE) which are 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 or sale.

3.13 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.

3.14 Revenue Recognition

(a) The Company has adopted Ind AS 115 "Revenue from Contracts with customers" effective April 1, 2018. Ind AS 115 supersedes Ind AS 11 "Construction Contracts" and Ind AS 18 "Revenue". The Company has applied Ind AS 115 with effect from April 1, 2018 and recognised revenue as per the requirement of the said Ind AS.

(b) 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.

(c) Interest income is accrued on a time proportion basis, by reference to the principal outstanding and effective interest rate applicable.

3.15 Employee Benefits

Employee benefits are accrued in the year services are rendered by the employees.

Contribution to the defined contribution schemes such as Provident Fund etc. are recognized as and when incurred.



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 gain 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 ("OCI") in the period in which they occur.

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 gain/loss are recognised in the Statement of profit and loss.

3.16 Taxation

Income tax expense representing the sum of current tax expenses and the net charge of the deferred taxes is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised directly in equity or other comprehensive income.

Current income tax is provided on the taxable income and recognised 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.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets include Minimum Alternative Tax (MAT) measured in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability and such benefit can be measured reliably and it is probable that the future economic benefit associated with same will be realised.

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 utilised.

3.17 Earnings Per Share

Basic earnings per share are computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

NOTE 4

CRITICAL ACCOUNTING JUDGMENTS, ASSUMPTIONS AND KEY SOURCES OF ESTIMATION AND UNCERTAINTY

The preparation of the financial statements in conformity with the 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 could change from period to period. Actual results could differ from those estimates.



Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the 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.

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 summarised 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 have also been summarised here under:

4.1 Depreciation / amortization and impairment on property, plant and equipment /intangible assets.

Property, plant and equipment and intangible assets are mainly depreciated/ amortized on straight-line basis over the estimated useful lives (or lease term if shorter) in accordance with Schedule II of the Companies Act, 2013, taking into account the estimated residual value, wherever applicable. The Company reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation / amortization and amount of impairment expense to be recorded during any reporting period. 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 reflect 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. The reassessment may result in change due to variation in estimates assumption in future period.

4.2 Impairment allowances on Financial Assets

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

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 Income taxes

Management judgement is required for the calculation of provision for income taxes and deferred tax assets and liabilities. Availability of future taxable profits against which tax losses carried forward can be used also involves management judgement. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the financial statements.

4.5 Defined benefit obligation (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

Note 5
Property, Plant and Equipment

Particulars	(₹ in lakhs)									
	Freehold Land	Buildings and Roads	Plant & Equipment	Hydraulic Works	Transmission Lines, Transformers & Cables, Networks, etc [Note a]	Office Equipment	Furniture and Fixtures	Motor Vehicle	Total	
1 GROSS CARRYING AMOUNT										
Balance as at 31st March 2018	754.97	2,405.88	4,083.08	6,040.52	320.42	0.95	7.91	2.59	13,616.30	
Additions/Adjustments	-	-	-	-	-	0.10	-	-	0.10	
Balance as at 31st March 2019	754.97	2,405.88	4,083.08	6,040.52	320.42	1.05	7.91	2.59	13,616.40	
2 ACCUMULATED DEPRECIATION										
Balance as at 31st March 2018	-	404.90	296.84	404.93	23.30	0.66	3.53	1.38	1,135.54	
During the year	-	139.38	148.44	222.08	11.65	0.14	1.14	0.38	523.22	
Balance as at 31st March 2019	-	544.28	445.28	627.01	34.95	0.80	4.67	1.76	1,658.76	
3 NET CARRYING AMOUNT as at 31st March 2019 (1-2)	754.97	1,861.60	3,637.80	5,413.51	285.47	0.25	3.24	0.83	11,957.64	

Particulars	(₹ in lakhs)									
	Freehold Land	Buildings and Roads	Plant & Equipment	Hydraulic Works	Transmission Lines, Transformers & Cables, Networks, etc [Note a]	Office Equipment	Furniture and Fixtures	Motor Vehicle	Total	
1 GROSS CARRYING AMOUNT										
Balance as at 31st March 2017	667.28	2,405.88	4,082.31	5,185.68	320.42	0.95	7.91	2.59	12,673.01	
Additions/Adjustments	87.69	-	0.77	854.84	-	-	-	-	943.29	
Balance as at 31st March 2018	754.97	2,405.88	4,083.08	6,040.52	320.42	0.95	7.91	2.59	13,616.30	
2 ACCUMULATED DEPRECIATION										
Balance as at 31st March 2017	-	202.45	148.40	188.56	11.65	0.41	1.99	0.82	554.28	
During the year	-	202.45	148.44	216.37	11.65	0.25	1.54	0.56	581.25	
Balance as at 31st March 2018	-	404.90	296.84	404.93	23.30	0.66	3.53	1.38	1,135.53	
3 NET CARRYING AMOUNT as at 31st March 2018 (1-2)	754.97	2,000.98	3,786.24	5,635.59	297.12	0.29	4.38	1.21	12,480.77	

Notes:

- (a) 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.
- (b) Fixed Asset includes ₹ 11,953.34 lakhs (as at March 31, 2018: ₹ 12,474.89 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.
- (c) Impairment analysis of Property, Plant and Equipment was carried out at the year end on the basis of value-in-use calculation by measuring the recoverable amount as per cash flow projections based on the applicable Tariff and a pre-tax discount rate arrived at on the basis of the Capital Asset Pricing Model that reflects market assessments of the time value of money.



AYYAPPA HYDRO POWER LIMITED

NOTE 6

OTHER INTANGIBLE ASSETS- Unclassified Land & Site Development (R&R)

(₹ in lakhs)

Particulars		As at 31st March, 2019	As at 31st March, 2018
1	GROSS CARRYING AMOUNT		
	Opening Balance	1,535.79	680.39
	Additions/ Adjustments	-	855.40
	Closing Balance	1,535.79	1,535.79
2	ACCUMULATED AMORTIZATION		
	Opening Balance	250.27	90.68
	Ammortisation expense during the year	176.22	159.59
	Closing Balance	426.49	250.27
3	NET CARRYING AMOUNT as at 31st March, 2019 (1 - 2)	1,109.30	1,285.52

Notes:

a) 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

NOTE 7

OTHER NON CURRENT FINANCIAL ASSETS

(₹ in lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Security Deposits	7.37	-
On Margin Money Accounts [Refer note (a) below] (with more than 12 months maturity)	0.78	0.78
	<u>8.15</u>	<u>0.78</u>

(a) Deposited with sales tax Authorities

NOTE 8

NON CURRENT TAX ASSETS (NET)

(₹ in lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Advance Income Tax (Net of Provisions)	5.18	2.08
	<u>5.18</u>	<u>2.08</u>

NOTE 9

OTHER NON CURRENT ASSETS

(₹ in lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Advances other than Capital Advances		
Deferred Asset - Unamortised cost of Financial Instruments	4.15	-
Receivable from Gratuity Fund	1.82	3.12
	<u>5.97</u>	<u>3.12</u>

NOTE 10

INVENTORIES

(At Lower of Cost and Net Realisable Value)

(₹ in lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Stores, Spares and Consumables	9.00	7.64
	<u>9.00</u>	<u>7.64</u>

NOTE 11

TRADE RECEIVABLES

(Unsecured, considered good)

(₹ in lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Trade Receivables - Unsecured	96.77	139.85
	<u>96.77</u>	<u>139.85</u>



AYYAPPA HYDRO POWER LIMITED

Age of Receivable

(₹ in lakhs)

Particulars	31st March 2019	31st March 2018
Within Credit period	96.77	139.85
1-180 days past due	-	-
181 days- 1 year past due	-	-
more than 1 year past due	-	-
Total	96.77	139.85

NOTE 12

CASH AND CASH EQUIVALENTS

(₹ in lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Balance with Banks on Current Accounts	15.99	52.64
Balance with Banks on Fixed deposit accounts	-	419.52
Cash on hand	0.30	0.30
	16.29	472.46

NOTE 13

CURRENT ASSETS- LOANS

(At Amortised Cost)

(Unsecured, considered good, at amortised cost)

(₹ in lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Loans to Employees [Refer (a) below]	1.60	0.01
	1.60	0.01

(a) It includes ₹1.60/- lakhs (Previous Year as on 31st March, 2018 ₹ 0.01 /- lakhs) under short term loans and advance.

NOTE 14

OTHER CURRENT FINANCIAL ASSETS

(₹ in lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Interest Receivable	0.30	0.20
Security Deposits	27.12	27.12
	27.42	27.32

NOTE 15

OTHER CURRENT ASSETS

(Unsecured, considered good)

(₹ in lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Advance Other than Capital Advances		
Advance to suppliers	41.92	41.92
Prepaid Expenses	6.68	6.96
Other Advances	2.88	2.32
	51.48	51.20



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(₹ in lakhs)

Particulars	As at	As at
	31st March 2019	31st March 2018
NOTE 16		
EQUITY SHARE CAPITAL		
Authorised		
3,00,00,000 (Previous Year as on 31st March, 2018:3,00,00,000) Equity shares of ₹ 10/- each	3,000.00	3,000.00
2,50,00,000 10% Cumulative Redeemable Preference shares of Rs. 10 each (As at March 31, 2018 - 2,50,00,000)	2,500.00	2,500.00
	5,500.00	5,500.00
Issued, Subscribed & Paid-up		
3,00,00,000 (Previous Year as on 31st March, 2018:3,00,00,000) Equity shares of ₹ 10/- each	3,000.00	3,000.00
2,20,00,000 10% Cumulative Redeemable Preference shares of Rs. 10 each (As at March 31, 2018 - 2,20,00,000) (Refer Note (a) below)	-	-
	3,000.00	3,000.00

Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting period:

	No. of shares	No. of shares
Opening Balance	3,00,00,000	3,00,00,000
Closing Balance	3,00,00,000	3,00,00,000

(a) As per Ind AS 32, Financial Instruments, Cumulative redeemable preference shares are classified as financial liabilities if principal amount is redeemable. Accordingly, 2,20,00,000 Cumulative redeemable preference shares (Previous year - 2,20,00,000 preference shares) having face value of Rs. 10 each fully paid up are classified as financial liabilities and thus included in borrowings and 10% interest provided thereof.

Shareholders holding more than 5% shares :-

Entire Equity Shares are held by the holding company Energy Development Company Limited.

Rights, Preferences and Restrictions attached to each classes of shares including restrictions on the distribution of dividends and the repayment of capital :

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.

NOTE 17

OTHER EQUITY

(₹ in lakhs)

Particulars	As at	As at
	31st March 2019	31st March 2018
a) Deemed Equity		
As per Last Balance Sheet	925.08	854.85
Add: Addition during the year	0.11	71.23
Less: Adjustment on account of prepayment of loan	63.45	1.00
Less: Modification gain/ (loss)	861.63	-
	0.11	925.08
b) Retained Earnings		
As per Last Balance Sheet	(7,009.50)	(5,543.30)
Add: Profit/(loss) for the year	903.78	(1,468.79)
Add: Other Comprehensive Income for the year	(0.16)	1.59
Add: Adjustment on account of prepayment of loan	63.45	1.00
	(6,042.43)	(7,009.50)
Total :	(6,042.32)	(6,084.42)

Deemed Equity
It comprises of the difference between the fair value and the transaction value of loan received from holding company. Consequent upon completion of the term for repayment of loan and subsequent amendments to the terms of repayment of borrowings from the holding company, Deemed Equity of Rs. 861.63 lakhs has been credited as modification gain under Other Income. (Refer Note 26)

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.



NOTE 18

NON CURRENT BORROWINGS

(₹ in lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
(a) Preference Shares (Refer Note 18(I))	2,200.00	2,200.00
(b) Secured Loan (Refer Note 18(II))		
Term Loan From Indian Renewable Energy Development Agency Ltd (IREDA)	8,383.99	8,722.97
(c) Unsecured Loan		
Loan from Related Parties		
Holding Company (Refer Note 18 (III) (a))	1,905.87	-
Other Related Parties (Refer Note 18 (III) (b))	1,350.00	1,350.00
	<u>13,839.86</u>	<u>12,272.97</u>

(I) Preference Shares

a) Shareholders holding more than 5% shares :-

Entire Preference Shares are held by the holding company Energy Development Company Limited.

b) Rights, Preferences and Restrictions attached to each classes of shares including restrictions on the distribution of dividends and the repayment of capital :

10% Redeemable Preference Share 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.

c) Reconciliation of outstanding number of Preference shares

Particulars	As at 31st March 2019	As at 31st March 2018
Opening Balance	2,20,00,000.00	2,20,00,000.00
Closing Balance	<u>2,20,00,000.00</u>	<u>2,20,00,000.00</u>

(II) Secured Loan

Terms of Repayment

(i) Secured

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.

b) As on the balance sheet date, the company has not defaulted in repayment of principal amount for the following installments :

(₹ in lakhs)

Repayment Date	As at 31st March 2019	As at 31st March 2018
31st March 2018	-	174.35

c) The loan of ₹ 9500.00 lakhs [Outstanding Balance as on 31st March 2019 ₹ 8,722.97/- lakhs (including ₹ 338.98/- lakhs under other current liabilities as current maturities of long term debt)] is repayable in 17 years beginning with installment of ₹ 79.09/- lakhs with effect from 30th June 18 and thereafter in quarterly installments as per the Schedule given below. Interest rate as on 31st March 2019 is 11.25%.

(₹ in lakhs)

Maturity Profile of the principal amount :-	31st March 2019	31st March 2018
2018-19	-	316.38
2019-20	338.98	338.98
2020-21	361.57	361.57
2021-22	406.77	406.77
2022-23	406.77	406.77
2023-24	474.57	474.57
2024-25	519.76	519.76
2025-26	542.36	542.36
2026-27	542.36	542.36
2027-28	587.56	587.56
2028-29	587.56	587.56
2029-30	587.56	587.56
2030-31	610.16	610.16
2031-32	632.75	632.75
2032-33	632.75	632.75
2033-34	723.15	723.15
2034-35	768.34	768.34
Total	<u>8,722.97</u>	<u>9,039.35</u>



(III) Unsecured

Terms of Repayment

(a) During the year, the terms of repayment of loans which were repayable within March 31, 2019, were modified by the Board of Directors of the Holding Company in respect of loans repayable on or before 31st March, 2019. In terms of the modification to the repayment terms, these loans are repayable within March 31, 2022. Accordingly, the gross amount of the loan has been re-calculated resulting in modification gain of Rs. 771.74/- lakhs and such gain has been recognised in the Statement of Profit and Loss. (Refer Note 26). Accordingly, these borrowings have been classified as Non- Current.

(b) These loans are repayable in the financial year 2020-21. Applicable rate of interest is 12%.

NOTE 19

NON CURRENT PROVISIONS

Particulars	(₹ in lakhs)	
	As at 31st March 2019	As at 31st March 2018
Provision for Leave Encashment	2.79	3.01
	2.79	3.01

NOTE 20

DEFERRED TAX LIABILITIES/(ASSETS) (NET)

Particulars	(₹ in lakhs)	
	As at 31st March 2019	As at 31st March 2018
Deferred Tax Asset	(100.94)	(67.17)
Deferred Tax Liabilities	234.10	290.82
	133.16	223.65

(*) Break Up

Particulars	(₹ in lakhs)			
	As at 31.03.2018	Charge/ (Credit) in Statement of Profit and Loss	Charge/ (Credit) in OCI	As at 31.03.2019
Deferred Tax Liabilities				
Depreciation difference	290.82	(56.72)	-	234.10
Total	290.82	(56.72)	-	234.10
Deferred Tax Assets				
Expenses allowable on payment basis under Income Tax Act, 1961	0.79	0.12	(0.06)	0.73
Fair Valuation of Financial Assets	66.38	(33.84)	-	100.21
Total	67.17	(33.72)	(0.06)	100.94
Net Deferred Tax (Liabilities)/Assets	223.65	(90.44)	(0.06)	133.16

Particulars	(₹ in lakhs)			
	As at 31.03.2017	Charge/ (Credit) in Statement of Profit and Loss	Charge/ (Credit) in OCI	As at 31.03.2018
Deferred Tax Liabilities				
Depreciation difference	124.61	166.21	-	290.82
Total	124.61	166.21	-	290.82
Deferred Tax Assets				
Expenses allowable on payment basis under Income Tax Act, 1961	0.96	(0.60)	0.78	0.79
Fair Valuation of Financial Assets	86.00	19.62	-	66.38
Total	86.96	19.02	0.78	67.17
Net Deferred Tax (Liabilities)/Assets	37.64	185.23	0.78	223.65

Note :

Deferred tax assets with respect to amount of unabsorbed losses and unabsorbed depreciation has not been recognised because of uncertainty of availability of sufficient future taxable income against which such deferred tax asset will be realized.

NOTE 21

TRADE PAYABLES

Particulars	(₹ in lakhs)	
	As at 31st March 2019	As at 31st March 2018
For goods & services		
Total Outstanding dues of micro enterprises and small enterprises	-	-
Total Outstanding dues of creditors other than micro enterprises and small enterprises	59.18	33.06
	59.18	33.06



(a) Includes ₹NIL/- (Previous Year as on 31st March, 2018: ₹ 0.10/- lakhs) payable to Holding Company (Refer Note 32)

(b) Includes ₹NIL/- (Previous Year as on 31st March, 2018: ₹ 2.33/- lakhs) payable to Related parties (Refer Note 32)

(c) 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.

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NOTE 22

OTHER CURRENT FINANCIAL LIABILITIES

(₹ in lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Current maturities of long-term debt:	338.98	316.38
- Term Loan From IREDA	0.89	3,086.82
- Loan from Holding Company	339.87	3,403.20
Interest accrued on borrowing:	646.93	501.13
- Related Parties	1,192.22	972.22
- Preference Shares	29.84	29.84
- Others	1,868.99	1,503.19
Capital Vendors	61.04	95.04
	2,269.90	5,001.43

NOTE 23

OTHER CURRENT LIABILITIES

(₹ in lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Statutory Payables	20.40	21.04
	20.40	21.04

NOTE 24

CURRENT PROVISIONS

(₹ in lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Provision for Leave Encashment	5.83	0.01
	5.83	0.01



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NOTE 25

REVENUE FROM OPERATIONS

(₹ in lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Sale of Products	1,893.35	1,544.62
- Hydro power [Refer Note (a) below]	1,893.35	1,544.62

a) Total number of the units generated and sold (In million units)
- Hydro power

46.61 m.u

37.10 m.u.

(b) 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.

NOTE 26

OTHER INCOME

(₹ in lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Interest Income on Financial assets at amortised cost	31.48	12.01
Modification gain/ (loss) on financial liabilities (Refer Note (i) below)	1,633.37	-
Liability no longer required written back	0.30	0.12
	1,665.15	12.13

(i) Includes gain of Rs. 771.74/- lakhs due to modification in terms of repayment of certain loans from related party (Refer Note 32) and Rs. 861.63 lakhs adjusted from deemed equity (Refer Note 17).



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NOTE 27
EMPLOYEE BENEFITS EXPENSES

(₹ in lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Salaries & Wages	70.04	66.85
Contribution to Provident and other Funds	1.08	1.35
Staff Welfare Expenses	8.37	11.20
	<u>79.49</u>	<u>79.40</u>

As per Indian Accounting Standard 19 "Employee Benefits" the disclosure of Employee Benefits as defined in the Standards 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.

(₹ in lakhs)

Particulars	31st March 2019	31st March 2018
i) Change in the fair value of the defined benefit obligation:		
Gratuity (Funded)		
Liability at the beginning of the year	9.85	13.76
Interest Cost	0.67	0.82
Service Cost	1.31	1.50
Acquisition cost	-	-
Actuarial (gain) / loss on obligations	(0.52)	(1.44)
Benefits paid	(2.15)	(4.80)
Liability at the end of the year	<u>9.16</u>	<u>9.84</u>
Leave Encashment (Unfunded)		
Liability at the beginning of the year	3.02	3.50
Interest Cost	0.23	0.24
Current Service Cost	0.77	0.90
Acquisition Cost	-	-
Actuarial (gain) / loss on obligations	(1.22)	(1.26)
Benefits paid	-	(0.36)
Liability at the end of the year	<u>2.80</u>	<u>3.02</u>

(₹ in lakhs)

Particulars	31st March 2019	31st March 2018
ii) Changes in the Fair Value of Plan Asset		
Gratuity (Funded)		
Fair value of Plan Assets at the beginning of the year	12.97	15.86
Interest Income	0.90	0.97
Acquisition Adjustment	-	-
Contributions by the Company	-	-
Benefits paid	(2.15)	(4.80)
Actuarial gain / (loss) on Plan Assets	(0.74)	0.93
Fair value of Plan Assets at the end of the year	<u>10.98</u>	<u>12.96</u>

(₹ in lakhs)

Particulars	31st March 2019	31st March 2018
iii) Amount Recognized in Balance Sheet		
Gratuity (Funded)		
Liability at the end of the year	9.16	9.84
Fair value of Plan Assets at the end of the year	10.98	12.96
Liability/(Assets) recognised in the Balance Sheet	<u>(1.82)</u>	<u>(3.12)</u>
Leave Encashment (Unfunded)		
Liability at the end of the year	2.80	3.02
Fair value of Plan Assets at the end of the year	-	-
Liability/(Assets) recognised in the Balance Sheet	<u>2.80</u>	<u>3.02</u>



AYYAPPA HYDRO POWER LIMITED

(₹ in lakhs)

Particulars	31st March 2019	31st March 2018
iv) Components of Defined Benefit Cost		
Gratuity (Funded)	1.31	1.50
Service Cost	(0.23)	(0.15)
Interest Cost	0.22	(2.37)
Net Actuarial (gain) / loss on remeasurement recognised in OCI	1.30	(1.02)
Total Defined Benefit Cost recognised in Profit and Loss and OCI		
Leave Encashment (Unfunded)	0.77	0.90
Current Service Cost	0.23	0.24
Interest Cost	-	-
Interest Income on Plan Asset	(1.22)	(1.26)
Net Actuarial (gain) / loss on remeasurement recognised in OCI	(0.22)	(0.12)
Total Defined Benefit Cost recognised in Profit and Loss and OCI		

(₹ in lakhs)

Particulars	31st March 2019	31st March 2018
v) Balance Sheet Reconciliation		
Gratuity (Funded)	(3.11)	(2.09)
Opening Net Liability	1.30	(1.02)
Expenses as above	-	-
Acquisition Cost	-	-
Employers Contribution	(1.81)	(3.11)
Amount Recognized in Balance Sheet		
Leave Encashment (Unfunded)	3.02	3.50
Opening Net Liability	(0.22)	(0.12)
Expenses as above	-	-
Acquisition cost	-	(0.36)
Benefits Paid	2.80	3.02
Amount Recognized in Balance Sheet		

Principal Actuarial assumptions as at the Balance Sheet date

Particulars	31st March 2019	31st March 2018
Discount Rate	7.60%	7.60%
Salary Increase	7%	7%
Mortality Rate	IALM (2006-2008) Ult	IALM (2006-2008) Ult
Retirement Age (years)	60	60

Recognised in Other Comprehensive Income : Gratuity

(₹ in lakhs)

Particulars	31st March 2019	31st March 2018
Actuarial (gain)/Loss arising from :	-	(0.81)
-Change in Financial Assumptions	(0.52)	(0.62)
-Change in Experience Adjustments	0.74	(0.94)
Return on Plan Assets (greater)/less than discount Rate	0.22	(2.37)

(₹ in lakhs)

Particulars	31st March 2019	31st March 2018
Gratuity (Funded)		
Current Liability (within 12 months)	(1.81)	(3.11)
Non- Current Liability	-	-
Leave Encashment (Unfunded)		
Current Liability (within 12 months)	0.01	0.01
Non- Current Liability	2.79	3.01



(₹ in lakhs)

Sensitivity analysis

Particulars	31st March 2019	31st March 2018
Gratuity (Funded)		
For the year ended:		
Discount Rate	(1.61)	(1.74)
+1%	2.03	2.18
-1%		
Salary Growth Rate	2.03	2.17
+1%	(1.64)	(1.76)
-1%		

(₹ in lakhs)

Particulars	31st March 2019	31st March, 2018
Leave encashment		
For the year ended:		
Discount Rate	(0.54)	(0.61)
+1%	0.69	0.80
-1%		
Salary Growth Rate	0.69	0.79
+1%	(0.55)	(0.62)
-1%		

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.

Estimate of expected benefit payments (In absolute terms i.e. undiscounted)

(₹ in lakhs)

Particulars	31st March 2019	31st March, 2018
Gratuity (Funded)		
Within 1 year	0.04	0.04
1-2 year	0.05	0.05
2-3 year	0.06	0.06
3-4 year	0.06	0.07
4-5 year	0.08	0.08
5-10 years	0.74	0.81
Leave Encashment (Unfunded)		
Within 1 year	0.01	0.02
1-2 year	0.02	0.02
2-3 year	0.02	0.02
3-4 year	0.03	0.03
4-5 year	0.03	0.03
5-10 years	0.21	0.24

(₹ in lakhs)

Particulars	31st March, 2019	31st March, 2018
Estimate of expected employer contribution		
Gratuity (Funded)	1.22	N/A
Within 1 year		
Leave Encashment (Unfunded)	N/A	N/A
Within 1 year		

Particulars	31st March, 2019	31st March, 2018
Weighted average duration of defined benefit obligation		
Gratuity (Funded)		
Duration (in years)	21	21
Leave Encashment (Unfunded)		
Duration (in years)	21	21



AYYAPPA HYDRO POWER LIMITED

Particulars	31st March, 2019	31st March, 2018
Average no of people employed (Gratuity Funded)	16	14

Notes: (As certified by Independent Actuary)

- 1 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.
- 2 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.
- 3 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.



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NOTE 28

FINANCE COSTS

(₹ in lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Interest Expenses		
- Term loan	1,023.92	1,083.16
- Preference Shares	220.00	220.00
- Other Borrowings	469.63	485.02
	<u>1,713.55</u>	<u>1,568.18</u>
Other Borrowing Cost	10.15	10.53
	<u>1,723.70</u>	<u>1,798.71</u>

NOTE 29

DEPRECIATION AND AMORTISATION

(₹ in lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Depreciation of Property Plant and Equipment [Refer Note 5]	523.22	581.25
Amortization of Intangible asset [Refer Note 6]	176.22	159.59
	<u>699.44</u>	<u>740.84</u>

NOTE 30

OTHER EXPENSES

(₹ in lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Payment to Auditors (excluding Service Tax/GST)		
- As Auditors	0.50	0.50
- For Taxation matters	0.25	0.25
Cost of Power Purchased	1.18	1.37
Stores and Spares consumed	8.19	7.15
Rent (Refer Note 33)	28.72	16.88
Repairs & Maintenance :		
- Plant & Machinery	36.07	66.20
- Others	4.66	6.31
Rates & Taxes	20.52	24.86
Travelling & Conveyance Expenses	11.30	8.60
Insurance	6.30	6.34
Legal & Professional charges	7.48	33.58
Security Services	8.96	8.86
Telephone, Fax, Postal etc.	0.37	0.77
Financial Assets written off	1.04	-
Fair Value adjustment for prepayment of loan	63.45	1.00
Miscellaneous Expenses	43.54	38.69
	<u>242.53</u>	<u>221.36</u>

NOTE 31

TAX EXPENSE

The major components of tax expense for the years ended March 31, 2019 and March 31, 2018 are as under:



(a) Income tax recognised in Statement of Profit and Loss

(₹ in lakhs)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Income Tax Expense:		
Current year tax	-	-
Deferred Tax :		
Deferred Tax Expense	(90.44)	185.23
Total Income Tax Expense	(90.44)	185.23

(b) The reconciliation of tax expense and the accounting profit multiplied by tax rate :

(₹ in lakhs)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Profit before tax	813.34	(1,283.56)
Applicable Tax Rate	27.82%	27.55%
Income tax expense calculated as per Applicable tax rate	226.27	(353.65)
Add : Effect of non recognition of Deferred Tax Asset due to lack of availability of sufficient future taxable income	(316.71)	538.89
Income tax Expense recognised in Statement of Profit and Loss	(90.44)	185.23

(c) Income tax recognised in other comprehensive income

(₹ in lakhs)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Deferred tax charge on		
Remeasurement of gains of defined benefit obligation	(0.06)	0.78
Income tax recognised in other comprehensive income	(0.06)	0.78
Bifurcation of the income tax recognised in Other Comprehensive Income into:		
Items that will be reclassified to profit or loss		
Items that will not be reclassified to profit or loss	(0.06)	0.78

(d) Components of Other Comprehensive Income

(₹ in lakhs)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Items that will not be reclassified to Statement of profit or loss		
Remeasurement of gains of defined benefit obligation (net of tax)	(0.16)	1.59
	(0.16)	1.59



AYYAPPA HYDRO POWER LIMITED

NOTE 32

RELATED PARTY DISCLOSURES PURSUANT TO INDIAN ACCOUNTING STANDARD - 24

Relationship	Name of the Parties
a) Holding Company	Energy Development Company Limited
b) Fellow Subsidiary through Holding company	EDCL Power Projects Limited
c) Key Managerial Personnel (KMP) & their relatives	Vinod Kumar Sharma (Executive Director) (with effect from 30.05.2018)
	Tarun Chaturdevi (Independent Non-Executive Director)
	Satyendra Pal Singh (Director)
	Abhijit Banerjee (Director)
	Vijoy Kumar (Independent Non-Executive Director)
	Prabir Goswami (Chief Financial Officer)
	Vijayshree Binnani (Company Secretary)
d) Individuals having significant influence directly or indirectly (Promoter and their relatives)	Amar Singh
	Pankaja Kumari Singh
e) Enterprises over which individuals mentioned in (d) above exercises significant influence	Startrack Vinimay Private Limited
	Sarvottam Caps Private Limited
f) Enterprises over which individuals mentioned in (c) above exercises significant influence	EDCL Infrastructure Limited

The aggregate amount of transactions with the related parties as mentioned in (a) above is as below :

Particulars	(₹ in lakhs)	
	2018-2019	2017-2018
Transactions during the year:		
i) Unsecured Loan received	0.89	481.82
ii) Unsecured Loan repaid	794.64	109.50
iii) Interest Expense on Unsecured Loan	321.97	311.13
iv) Modification Gain Loss	(708.29)	1.00
v) Expenses incurred by the party on behalf of the company	8.68	9.42
vi) Expenses Reimbursed to the party	8.78	9.42
vii) Expenses incurred by the company on behalf of the party	0.03	1.41
viii) Expenses Reimbursed to the company	0.03	1.41

Particulars	(₹ in lakhs)	
	31.03.2019	31.03.2018
Balances as at the year end :		
i) Preference Shares	2,200.00	2,200.00
ii) Unsecured Loans	1,906.76	3,086.82
iii) Trade Payable	-	0.10
iv) Guarantee given to banks for loan taken		
- Outstanding Balance of Loan	8,722.97	9,039.35
(v) Deemed Equity	0.11	925.08

The aggregate amount of transactions with the related parties as mentioned in (b) above is as below :

Particulars	(₹ in lakhs)	
	2018-2019	2017-2018
Transactions during the year:		
<u>EDCL Power Projects Limited</u>		
i) Expenses incurred by the party on behalf of the company	0.28	2.15
ii) Expenses Reimbursed to the party	0.36	2.07



(₹ in lakhs)

Particulars	31.03.2019	31.03.2018
Balances as at the year end :		
<u>EDCL Power Projects Limited</u>		
ii) Trade Payable	-	0.08

The aggregate amount of transactions with the related parties as mentioned in (c) above is as below :

(₹ in lakhs)

Particulars	2018-2019	2017-2018
Transactions during the year:		
<u>Remuneration</u>		
- Vinod Kumar Sharma	3.87	-
- Ajay Kumar Chowdhary	-	8.76
- Prabir Goswami	7.95	7.61
<u>Rent Paid</u>		
- Shakuntala Chowdhary	-	2.52
<u>Board Meeting Fees</u>		
- Sanjiv Saraf	-	0.03
- Tarun Chaturvedi	-	0.03
- Vijoy Kumar	-	0.03

(₹ in lakhs)

Particulars	31.03.2019	31.03.2018
Balances as at the year end :		
Trade Payable		
- Shakuntala Chowdhary	-	0.25
- Ajay Kumar Chowdhary	-	2.00

The aggregate amount of transactions with the related parties as mentioned in (e) above is as below :

(₹ in lakhs)

Particulars	2018-2019	2017-2018
Transactions during the year:		
i) Interest Expenses		
- Startrack Vinimay Private Limited	36.00	36.00
- Sarvottam Caps Private Limited	126.00	126.00
ii) Received against sale of Investment		
- Startrack Vinimay Private Limited	-	480.00

(₹ in lakhs)

Particulars	31.03.2019	31.03.2018
Balances as at the year end :		
i) Unsecured Loans		
- Startrack Vinimay Private Limited	300.00	300.00
- Sarvottam Caps Private Limited	1,050.00	1,050.00
ii) Interest accrued and due (Payable)		
- Startrack Vinimay Private Limited	97.38	64.98
- Sarvottam Caps Private Limited	549.56	436.16

The aggregate amount of transactions with the related parties as mentioned in (f) above is as below :

(₹ in lakhs)

Particulars	2018-2019	2017-2018
Transactions during the year:		
(i) Rent	21.75	-
(ii) Professional Charges	4.00	-
iii) Security Deposit	7.37	-



(₹ in lakhs)

Particulars	31.03.2019	31.03.2018
Balances as at the year end :		
i) Security Deposit	7.37	-
ii) Trade Payable	23.02	-

- (a) In respect of above parties, there is no provision for doubtful debts as on 31st March 2019 and no amount has been written off or written back during the year in respect of debts due from / to them.
- (b) The above Related Party information is as identified by the Management and relied upon by the auditors.



AYYAPPA HYDRO POWER LIMITED

NOTE 33
OPERATING LEASES :

The company has taken several premises under cancellable operating leases. The lease term is upto 3 years and have the option of renewal on expiry of the lease period based on mutual agreement of both the parties. Rental expenses towards cancellable operating lease charged to statement of profit and loss amounts to ₹ 27.75/- lakhs (Previous year ₹ 16.64/- lakhs). The aggregate lease rentals are included as "Rent" in Note 30 of the financial statement.

NOTE 34
EARNINGS PER SHARE:

(₹ in lakhs)

Particulars	2018-19	2017-18
Basic and Diluted Earnings per share has been computed as under:		
Profit/ (Loss) after tax for the year	903.78	(1,468.79)
Weighted Average Number of Equity Shares issued (Nos.)	3,00,00,000	3,00,00,000
Basic and Diluted Earnings per Share (Face Value ₹ 10/- per share, fully paid up)	3.01	(4.90)

NOTE 35
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 Standards (Ind AS-108) on Segment Reporting is not applicable to the company.



AYYAPPA HYDRO POWER LIMITED

Notes to Financial Statements

NOTE 36

FINANCIAL INSTRUMENTS

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:

Particulars	Gearing Ratio	
	As at 31st March 2019	As at 31st March 2018
Total Debt (Net of Cash & Cash equivalent)	16,032.44	16,706.90
Total Capital	3,000.00	3,000.00
Gearing Ratio	5.34	5.57

Categories of financial instruments

The carrying value and fair value of financial instruments are as follows :

Particulars	Categories of financial instruments	
	As at 31st March 2019	As at 31st March 2018
Financial Assets (Non-Current and Current)		
Measured at Amortised Cost		
(i) Trade Receivables	96.77	139.85
(ii) Cash & Cash Equivalents	16.29	472.46
(iii) Loan	1.60	0.01
(iv) Others Financial Asset	35.57	28.09
Total	150.23	640.41
Financial Liabilities (Non-Current and Current)		
Measured at amortised Cost		
(i) Borrowings	13,839.86	12,272.97
(ii) Trade Payable	59.18	33.06
(iii) Other Financial Liabilities	2,269.90	5,001.43
Total	16,168.94	17,307.46

The management considers that the above carrying amounts of financial assets and financial liabilities recognized in the financial statements approximate their fair values.

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:

- The fair value of cash and cash equivalents, trade receivables, trade payables, current borrowings, 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.
- Long-term debt has been contracted at floating rates of interest, which are reset at short intervals.

Fair value hierarchy

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

During the year ended 31st March 2019 and 31st March, 2018, there was no transfer between Level 3 fair value measurements. Further, there is no transaction / balance for level 1 and Level 2 categories.

Fair valuation of Financial assets and liabilities not within the operating cycle of the company is amortised based on the borrowing rate of the company.

Financial Risk Factors

The Company's activities expose it to a variety of financial risks - market risk, credit risk and liquidity risk. The Board of Directors reviews and approves policies for managing each of these risks, which are summarized below:

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 price risk, interest rate risk and foreign currency exchange risk. Financial instruments affected by market risk includes borrowings and investments.

a. Foreign Currency Risk

The company does not have significant transaction in foreign currency and accordingly it is not exposed to foreign currency risk. There are no outstanding Derivative contracts as on 31st March, 2019.

b. Interest Rate Risk

The Company's exposure in market risk relating to change in interest rate primarily arises from floating rate borrowing with banks and financial institutions.

With all other variables held constant, the following table demonstrates the impact of the borrowing cost on floating rate portion of loans and borrowings and excluding loans on which interest rate swaps are taken.

Nature of Borrowing	Increase in basis points	Impact on Interest Expense	
		For the year ended March 31, 2019	For the year ended March 31, 2018
Term Loan	0.5	4.90	5.10
Loan from Related Parties	0.25	0.98	0.41

A decrease in 0.50 basis point in Term Loan and Cash Credit & 0.25 basis point in Other Loans would have an equal and opposite effect on the Company's financial statements.



c. Other price risk

The company is not exposed to any other price risk.

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) represents the Company's maximum exposure to credit risk.

Financial assets that are neither past due nor impaired

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

Financial assets that are past due but not impaired

Trade receivables disclosed include amounts that are past due at the end of the reporting period but against which the Company has not recognised an allowance for doubtful receivables because there has not been a significant change in credit quality and the amounts are still considered recoverable.

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
As at March 31, 2019				
Interest bearing borrowings (including current maturities)	339.87	3,080.98	10,758.88	14,179.73
Interest Accrued and Due on borrowings	1,868.99	-	-	1,868.99
Trade Payable	59.18	-	-	59.18
Total	2,268.04	3,080.98	10,758.88	16,107.90
As at March 31, 2018				
Interest bearing borrowings (including current maturities)	3,403.20	2,457.32	7,615.65	13,476.17
Interest Accrued and Due on borrowings	530.98	-	-	530.98
Trade Payable	33.06	-	-	33.06
Total	3,967.23	2,457.32	7,615.65	14,040.20

The company has current financial assets which will be realised in ordinary course of business and unused line of credits as given above. 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.

NOTE 37

These financial statements have been approved by the Board of Directors of the Company on 30th May 2019 for issue to the shareholders for their adoption.

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

A. K. Khetawat
Partner
Membership No. 052751

Place : New Delhi
Dated : 30th May 2019



For and on behalf of the Board of Directors

Vinod Kumar Sharma (Executive Director) (DIN 02899206)

Vijay Kumar (Director) (DIN 02976626)

Satyendra Pal Singh (Director) (DIN 01055370)

Sunil Dutt Sharma (Chief Financial Officer)

Vijayshree Binnani (Company Secretary)