

**INDEPENDENT AUDITORS' REPORT****To the Members of Ayyappa Hydro Power Limited****Report on the Financial Statements**

We have audited the accompanying financial statements of **Ayyappa Hydro Power Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**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 Companies Act 2013 ("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.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstance. An audit also includes evaluating



the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

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 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 of the Company as at 31<sup>st</sup> March, 2017, its losses and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

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.

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, and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure - B".





- g) 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 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.
  - iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes (Bank notes of denominations of five hundred and one thousand rupees) during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management.

Place: Kolkata  
Date: 29<sup>th</sup> May, 2017



For Lodha & Co.  
Chartered Accountants  
Firm's ICAI Registration No.:301051E

*H.K. Verma*

H.K. Verma

Partner

Membership No.: 055104

**Ayyappa Hydro Power Limited**

**"Annexure – A" referred to in our report of even date**

- i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of 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, title deeds of immovable property are held in the name of the Company except in respect of a land amounting to Rs.2,96,79,625 acquired in earlier years for which title deeds are yet to be registered in the name of the Company.
- ii) The inventory has been physically verified by the management during the year. In our opinion, and according to the information and explanations given to us, the frequency of verification is reasonable. As far as ascertained, discrepancies noticed on physical verification of inventory were not material as compared to the book records and these have been properly dealt with in the books of account.
- iii) According to the information and explanations given to us, the Company has not granted any loans, secured and unsecured, to any company, firms, limited liability partnerships or other parties covered 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(vi) of the Order are not applicable to the Company.
- vii) (a) According to the information and explanations given to us, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues of Service Tax, Tax Deducted at Source and Professional Tax. There are no undisputed amounts payable in respect of aforesaid dues for a period of more than six months from the date they become payable. Other statutory dues like Provident Fund, Employee's State Insurance, Sales Tax, Income Tax, Customs Duty, Excise Duty, Value Added Tax, Cess, etc. are not applicable to the Company during the year.
- (b) According to the information and explanations given to us and read with para (a) above there are no dues that have not been deposited with the appropriate authority on account of any disputes.





- viii) According to the information and explanations given to us, as on the balance sheet date, the Company has defaulted in payment of interest to a financial institution, namely, Indian Renewable Energy Development Agency Limited, for the following amounts:

Nature	Due Date	Default Amount (Rs)
Interest Payment for the quarter ended : 31 <sup>st</sup> March, 2017	31 <sup>st</sup> March, 2017	2,52,61,341

However, out of the above, the company has already paid Rs.2,12,89,356 subsequent to the year end. The Company has no loans or borrowings from banks, 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 examinations of the books of accounts carried out in accordance with the generally accepted auditing practices in India, we have neither come across any incidence of fraud on or by the Company, nor have we been informed of any such case 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 provision of Clause 3(xiv) of the Order is 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: Kolkata  
Date: 29<sup>th</sup> May, 2017



For Lodha & Co.  
Chartered Accountants  
Firm's ICAI Registration No.: 301051E

H.K. Verma  
Partner  
Membership No.: 055104

**Ayyappa Hydro Power Limited**  
**"Annexure – B" referred to in our report of even date**

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

We have audited the internal financial controls over financial reporting of Ayyappa Hydro Power Limited ("the Company") as at March 31, 2017 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 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 (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 over financial reporting 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 over financial reporting 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 over financial reporting.





### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 over financial reporting 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Kolkata  
Date: 29<sup>th</sup> May, 2017



For Lodha & Co.  
Chartered Accountants  
Firm's ICAI Registration No.: 301051E

A handwritten signature in blue ink, appearing to read "H.K. Verma".

H.K. Verma  
Partner  
Membership No.: 055104



**AYYAPPA HYDRO POWER LIMITED**  
**Balance Sheet as at 31st March, 2017**

Particulars	Note No.	As at 31st March 2017 (₹)	As at 31st March 2016 (₹)
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Shareholders' Funds</b>			
Share Capital	2	52,00,00,000	52,00,00,000
Reserves and Surplus	3	(43,32,12,732)	(34,20,61,691)
		8,67,87,268	17,79,38,309
<b>Non Current Liabilities</b>			
Long Term Borrowings	4A	1,28,61,09,797	1,23,48,49,879
Long Term Provisions	5	3,48,000	6,83,000
		1,28,64,57,797	1,23,55,32,879
<b>Current Liabilities</b>			
Short Term Borrowings	4B	92,44,000	-
Trade Payables	6	-	-
- Dues to Micro and Small Enterprises		-	-
- Dues to Others		54,41,304	26,11,563
Other Current Liabilities	7	13,87,84,955	9,66,61,967
Short Term Provisions	8	2,000	2,000
		15,34,72,259	9,92,75,530
<b>Total</b>		<b>1,52,67,17,323</b>	<b>1,51,27,46,718</b>
<b><u>ASSETS</u></b>			
<b>Non Current Assets</b>			
<b>Fixed Assets</b>			
- Tangible assets	9	1,21,18,72,822	1,26,71,45,099
- Intangible Assets	9	5,89,70,977	6,80,38,927
- Capital Work in Progress	24	17,22,66,483	14,12,01,199
		1,44,31,10,282	1,47,63,85,225
Deferred Tax Assets (Net)	10	1,77,63,310	20,82,241
Long Term Loans and Advances	11	3,39,555	8,88,044
Other Non Current Assets	12	77,500	77,500
		1,46,12,90,646	1,47,94,33,010
<b>Current Assets</b>			
Inventories	13	8,18,082	8,54,894
Trade Receivables	14	81,79,634	65,51,418
Cash and Bank Balances	15	5,33,580	1,78,64,328
Short Term Loans and Advances	16	78,83,121	80,37,847
Other Current Assets	17	4,80,12,258	5,221
		6,54,26,675	3,33,13,708
<b>Total</b>		<b>1,52,67,17,323</b>	<b>1,51,27,46,718</b>
Significant Accounting Policies	1		
The accompanying notes (1-31) form an integral part of financial statements.			

As per our Report of even date  
For **Lodha & Co.**  
Chartered Accountants  
Firm's ICAI Registration No. 301051E

*H K Verma*

H K Verma  
Partner  
M No. 055104



Place : Kolkata  
Dated : 29th May, 2017

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

*A.K. Chowdhary*  
Ajay Kumar Chowdhary (Executive Director) (DIN 00045787)

*Sanjiv Saraf*  
Sanjiv Saraf (Director) (DIN 00506650)

*Vijoy Kumar*  
Vijoy Kumar (Director) (DIN 02970626)

*Tarun Chaturvedi*  
Tarun Chaturvedi (Director) (DIN 0239045)

*P. Goswami*  
Prabir Goswami (Chief Financial Officer)

*Vijayshree Binnani*  
Vijayshree Binnani (Company Secretary)

**AYYAPPA HYDRO POWER LIMITED**

**Statement of Profit and Loss for the year ended 31st March, 2017**

Particulars	Note No	Year ended 31st March 2017 (₹)	Year ended 31st March 2016 (₹)
<b>REVENUE :</b>			
Revenue from Operations	18	9,03,07,360	11,23,57,440
Other Income	19	9,70,031	17,40,396
<b>Total Revenue</b>		<b>9,12,77,391</b>	<b>11,40,97,836</b>
<b>EXPENSES :</b>			
Employee Benefits Expense	20	81,43,909	95,18,994
Finance Costs	21	13,76,73,516	14,94,79,688
Depreciation and Amortization Expense	9	6,44,95,848	6,44,65,966
Other Expenses	22	3,25,28,655	2,40,35,018
		24,28,41,928	24,74,99,666
Less : Expenditure transferred to Pre-Operative Expenses	24	7,32,427	64,12,704
<b>Total Expenses</b>		<b>24,21,09,501</b>	<b>24,10,86,962</b>
<b>Profit/(Loss) before exceptional items and tax</b>		(15,08,32,109)	(12,69,89,124)
Exceptional Items	29	4,40,00,000	-
<b>Profit/(Loss) before tax for the year</b>		<b>(10,68,32,109)</b>	<b>(12,69,89,124)</b>
<b>Tax Expense:</b>			
- Deferred tax charge / (credit)		(1,56,81,068)	(20,82,241)
<b>Total Tax Expense</b>		(1,56,81,068)	(20,82,241)
<b>Profit/(Loss) after tax for the year</b>		<b>(9,11,51,041)</b>	<b>(12,49,06,883)</b>
Earnings per equity share of ₹ 10 each fully paid-up	27		
- Basic & Diluted		(3.77)	(4.90)
Significant Accounting Policies	1		
The accompanying notes (1-31) form an integral part of financial statements.			

As per our Report of even date  
For **Lodha & Co.**  
Chartered Accountants  
Firm's ICAI Registration No. 301051E

H K Verma  
Partner  
M No. 055104



Place : Kolkata  
Dated : 29th May, 2017

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

*A.K. Chowdhary*  
Ajay Kumar Chowdhary (Executive Director) (DIN 00045787)

*Sanjiv Saraf*  
Sanjiv Saraf (Director) (DIN 00506650)

*Vijoy Kumar*  
Vijoy Kumar (Director) (DIN 02970626)

*Tarun Chaturvedi*  
Tarun Chaturvedi (Director) (DIN 0239045)

*P. Goswami*  
Prabir Goswami (Chief Financial Officer)

*Vijayshree Binnani*  
Vijayshree Binnani (Company Secretary)



**AYYAPPA HYDRO POWER LIMITED**  
**Notes to the Financial Statements for the year ended 31st March, 2017**

**NOTE 1**

**SIGNIFICANT ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

The accounts have been prepared under the historical cost convention and in accordance with the provisions of the Companies Act 2013 (" the Act ") and accounting standards specified under section 133 of the Act. Accounting policies unless specifically stated to be otherwise, are consistent and are in consonance with generally accepted accounting principles.

**1.2 Use of Estimates**

The preparation of financial Statements require management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures relating to contingent liabilities as at the Balance Sheet date and the reported amounts of income and expenses during the year. Difference between the actual results and the estimates are recognised in the year in which the results become known/ materialise.

**1.3 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) Expenditure during Construction Period

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 Property, Plant and Equipment on completion of its construction / erection net of revenue incidental/attribution to the construction of project. Interest on borrowing costs related to qualifying asset is worked out on the basis of actual utilization of funds out of project specific loans and / or other borrowings to the extent identifiable with the qualifying asset and are capitalized with the cost of qualifying assets.

**1.4 Intangible Assets**

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

**1.5 Depreciation and Amortisation**

Depreciation on all assets, other than the generating plant and equipment, building and roads, hydraulic works, transmission lines, transformers and cable network has been provided on written down value method at the rates and in the manner specified in Schedule II to the Companies Act, 2013.

In respect of assets of generating plant and equipment, building and roads, hydraulic works, transmission lines, transformers and cable network depreciation has been provided on straight line method over useful life of 30 years as per the implementation agreement with the authorities. Erection and maintenance tools are ammortised over a period of five years on pro-rata basis. Unclassified Land and Site Development (R & R) expenditure capitalised as Intangible fixed assets are amortised over a period of 10 years.

**1.6 Revenue Recognition**

Revenue in respect of sale of electricity generated is accounted for on delivery to the grid.





**AYYAPPA HYDRO POWER LIMITED**  
**Notes to the Financial Statements for the year ended 31st March, 2017**

**1.7 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.

**1.8 Impairment**

Property, Plant and Equipment 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.

**1.9 Employee Benefits**

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

Long term employee benefits under defined benefit scheme such as contribution to gratuity, leave etc. are determined at close of the year at present value of the amount payable using actuarial valuation techniques.

Actuarial gains and losses are recognised in the year when they arise.

**1.10 Taxation**

Provision for tax is made for current and deferred taxes. Current tax is provided on the taxable income using the applicable tax rates and tax laws. Deferred tax assets and liabilities arising on account of timing differences, which are capable of reversal in subsequent years are recognised using tax rates and tax laws, which have been enacted or substantively enacted. Deferred tax assets other than in respect of carried forward losses or unabsorbed depreciation are recognised only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets will be realized.

**1.11 Borrowing Costs**

Borrowing costs that are attributable to the acquisition / construction/erection of fixed assets are capitalized as part of the assets. Other borrowing costs are recognised as expenses in the year in which they are incurred. Capitalisation of borrowing costs are ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

**1.12 Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not provided for and are disclosed by way of notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

**1.13 Leases:**

Lease rental payments for operating leases are recognised as an expense on straight- line basis over the lease term and paid / provided for as per terms of the agreement on an accrual basis.





**AYYAPPA HYDRO POWER LIMITED**

Particulars	As at 31st March 2017 (₹)	As at 31st March 2016 (₹)
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**NOTE 2**

**SHARE CAPITAL**

**Authorised**

3,00,00,000 (3,00,00,000) Equity shares of ₹ 10/- each	30,00,00,000	30,00,00,000
2,50,00,000 (2,50,00,000) 10% Cumulative Redeemable Preference Shares of ₹ 10/- each	25,00,00,000	25,00,00,000
	<b>55,00,00,000</b>	<b>55,00,00,000</b>

**Issued, Subscribed & Paid-up**

3,00,00,000 (3,00,00,000) Equity shares of ₹ 10/- each fully paid up	30,00,00,000	30,00,00,000
	<u>30,00,00,000</u>	<u>30,00,00,000</u>
2,20,00,000 (2,20,00,000) 10% Cumulative Redeemable Preference Shares of ₹ 10/- each fully paid up (Redeemable within 20 years of allotment i.e.30.10.2013)	22,00,00,000	22,00,00,000
	<u>22,00,00,000</u>	<u>22,00,00,000</u>
<b>Total</b>	<b>52,00,00,000</b>	<b>52,00,00,000</b>

**Reconciliation of outstanding number of Equity shares**

Opening Balance	3,00,00,000	3,00,00,000
Closing Balance	<u>3,00,00,000</u>	<u>3,00,00,000</u>

**Reconciliation of outstanding number of Preference shares**

Opening Balance	2,20,00,000	2,20,00,000
Closing Balance	<u>2,20,00,000</u>	<u>2,20,00,000</u>

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

Entire Equity Shares and Preference 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 :**

a) 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.

b) 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.

**NOTE 3**

**RESERVE AND SURPLUS**

**Surplus/(Deficit) in Statement of Profit & Loss**

Opening Balance	(34,20,61,691)	(21,71,54,809)
Add : Profit/(Loss) for the year transferred from Statement of Profit & Loss	(9,11,51,041)	(12,49,06,883)
Closing Balance	<u>(43,32,12,732)</u>	<u>(34,20,61,691)</u>



**AYYAPPA HYDRO POWER LIMITED**

Particulars	As at 31st March 2017 (₹)	As at 31st March 2016 (₹)
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**NOTE 4A**

**LONG TERM BORROWINGS**

**(a) Secured**

Term Loan From Indian Renewable Energy Development Agency Ltd (IREDA) [Refer Note 4(i)(a) & (b) below]	83,89,99,878	83,89,99,878
--	--------------	--------------

**(b) Unsecured** (Refer Note 4(ii) below)

**Loan from Related Parties**

Loan from Holding Company (Refer Note 25)	30,13,53,919	28,08,50,001
Other Related Parties	12,57,56,000	10,50,00,000

**Loan from Others**

From Bodies Corporate	2,00,00,000	1,00,00,000
	<b>1,28,61,09,797</b>	<b>1,23,48,49,879</b>

**Terms of Repayment**

**4 (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 defaulted in repayment of principal amount for the following installments :

Repayment Date	As at 31st March 2017 (₹)	As at 31st March 2016 (₹)
31st December 2015	-	2,37,50,000
31st March 2016	-	2,37,50,000

However, the above due dates for repayment were revised subsequent to the previous year end. There has been a further revision in due dates for repayment during the year as given in ( c ) below.

Further, as on the balance sheet date, the company has defaulted in payment of interest amount of ₹ 2,52,61,341 /- payable on 31st March 2017 pertaining to the last quarter of the financial year. However out of the aforesaid amount ₹ 2,12,89,356 /- has been paid subsequent to the year end.

c) The loan of ₹ 95 crores [Outstanding Balance as on 31st March 2017 ₹ 90,24,99,878 /- (Including ₹ 6,35,00,000/- under other current liabilities as current maturities of long term debt)] is repayable in 12 years beginning with installment of ₹ 2,41,00,000/- with effect from 30th September 2017 and thereafter equal quarterly instalments of ₹ 1,97,00,000 w.e.f 31st December 2017. Interest rate as on 31st March 2017 is 12.70%.

Maturity Profile of the principal amount :-

2016-17	-	6,35,00,000
2017-18	6,35,00,000	7,88,00,000
2018-19	7,88,00,000	7,88,00,000
2019-20	7,88,00,000	7,88,00,000
2020-21	7,88,00,000	7,88,00,000
2021-22	7,88,00,000	7,88,00,000
2022-23	7,88,00,000	7,88,00,000
2023-24	7,88,00,000	7,88,00,000
2024-25	7,88,00,000	7,88,00,000
2025-26	7,88,00,000	7,88,00,000
2026-27	7,88,00,000	7,88,00,000
2027-28	7,88,00,000	5,09,99,878
2028-29	5,09,99,878	-
<b>Total</b>	<b>90,24,99,878</b>	<b>90,24,99,878</b>



**4 (ii) Unsecured**

These loans are repayable in the financial year 2018-19. Rate of Interest, wherever applicable, is 12%.



**AYYAPPA HYDRO POWER LIMITED**

Particulars	As at 31st March 2017 (₹)	As at 31st March 2016 (₹)
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**NOTE 4B**

**SHORT TERM BORROWINGS**

(Unsecured)

**Loan from Related Parties**

Other Related Parties

92,44,000	-
<b>92,44,000</b>	<b>-</b>

**NOTE 5**

**LONG TERM PROVISIONS**

**Provision for Employee benefits**

Provision for Leave Encashment

Provision for Gratuity

3,48,000	5,15,000
-	1,68,000
<b>3,48,000</b>	<b>6,83,000</b>

**NOTE 6**

**TRADE PAYABLES**

For goods & services

- Dues to Micro and Small Enterprises

- Dues to Others (\*) (\*\*)

-	-
54,41,304	26,11,563
<b>54,41,304</b>	<b>26,11,563</b>

(\*) Includes ₹ 9,958 /- ( Previous Year ₹ 694,000/-) payable to Holding Company (Refer Note 25)

(\*\*) Includes ₹ 3,879 /- ( Previous Year ₹ 154,000 /-) payable to Related parties (Refer Note 25)

(a) 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.

**NOTE 7**

**OTHER CURRENT LIABILITIES**

**Current maturities of long-term debt:**

- Term Loan From IREDA [Refer Note 4(i)]

Interest accrued and due on borrowing

- Related Parties

- Others

6,35,00,000	6,35,00,000
3,55,33,479	2,18,67,780
2,81,81,779	8,34,411
6,37,15,258	2,27,02,191
37,00,000	-
55,75,391	75,47,830
22,94,306	29,11,946
<b>13,87,84,955</b>	<b>9,66,61,967</b>

Payable towards purchase of Investments

Capital Vendors

Statutory Payables

**NOTE 8**

**SHORT TERM PROVISIONS**

Provision for Employee benefits

2,000	2,000
<b>2,000</b>	<b>2,000</b>



**AVYAPPA HYDRO POWER LIMITED**

**NOTE 9  
FIXED ASSETS**

Name of the Assets	GROSS BLOCK				ACCUMULATED DEPRECIATION / AMORTISATION / IMPAIRMENT			NET BLOCK		
	Cost as at 31.03.2016 (₹)	Additions / Adjustment (₹)	Deletion / Adjustments (₹)	Cost as at 31.03.2017 (₹)	As at 31.03.2016 (₹)	During the year (₹)	Deductions / Adjustment (₹)	Up to 31.03.2017 (₹)	As at 31.03.2017 (₹)	As at 31.03.2016 (₹)
<b>(A) Tangible Assets</b>										
Freehold Land	6,67,28,348	-	-	6,67,28,348	-	-	-	-	6,67,28,348	6,67,28,348
Buildings and Roads	29,62,39,735	-	-	29,62,39,735	5,56,51,698	2,02,44,550	-	7,58,96,249	22,03,43,486	24,05,88,037
Plant & Equipment	46,48,81,989	55,121	-	46,49,37,110	5,67,05,894	1,48,40,030	-	7,15,45,924	39,33,91,186	40,81,76,095
Hydraulic Works	59,07,17,810	-	-	59,07,17,810	7,21,50,267	1,88,56,062	-	9,10,06,330	49,97,11,480	51,85,67,543
Transmission Lines, Transformers, Cable Network, etc [Note a]	3,64,99,738	-	-	3,64,99,738	44,58,078	11,65,093	-	56,23,171	3,08,76,567	3,20,41,660
Office Equipment	1,93,961	39,400	-	2,33,361	1,38,797	41,310	-	1,80,107	53,254	55,164
Furniture and Fixtures	9,62,424	61,100	-	10,23,524	2,32,990	1,98,865	-	4,31,854	5,91,670	7,29,434
Motor Vehicle	6,36,645	-	-	6,36,645	3,77,826	81,987	-	4,59,814	1,76,831	2,58,819
<b>Total (A)</b>	<b>1,45,68,60,650</b>	<b>1,55,621</b>	<b>-</b>	<b>1,45,70,16,271</b>	<b>18,97,15,550</b>	<b>5,54,27,898</b>	<b>-</b>	<b>24,51,43,449</b>	<b>1,21,18,72,822</b>	<b>1,26,71,45,099</b>
<b>(B) Intangible Assets</b>										
Unclassified Land & Site Development (R&R) [Note b]	9,06,79,500	-	-	9,06,79,500	2,26,40,573	90,67,950	-	3,17,08,523	5,89,70,977	6,80,38,927
<b>Total (B)</b>	<b>9,06,79,500</b>	<b>-</b>	<b>-</b>	<b>9,06,79,500</b>	<b>2,26,40,573</b>	<b>90,67,950</b>	<b>-</b>	<b>3,17,08,523</b>	<b>5,89,70,977</b>	<b>6,80,38,927</b>
<b>Total (A+B)</b>	<b>1,54,75,40,150</b>	<b>1,55,621</b>	<b>-</b>	<b>1,54,76,95,771</b>	<b>21,23,56,123</b>	<b>6,44,95,848</b>	<b>-</b>	<b>27,68,51,972</b>	<b>1,27,08,43,799</b>	<b>1,33,51,84,026</b>
Previous Year	1,54,66,75,918	8,64,232	-	1,54,75,40,150	9,98,90,158	6,44,65,966	-	16,43,56,124	1,33,51,84,026	

**Note:**

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) Unclassified land and site development comprises of resettlement and rehabilitation compensations (R&R) for use and submergence of adjacent areas and this will be amortised proportionately over the period of 10 years.

c) Recoverable amount of fixed assets of the Company was estimated as at the year ended 31st March, 2014 and impairment loss of ₹ 48,000,000/- was recognised in the said year as impairment loss for the carrying value of the fixed assets. In absence of any indication for significant variation in the amount of impairment so recognized in the earlier years, no further adjustment in this respect has been considered necessary. The amount for impairment loss included above are :

Building and Roads ₹ 1,02,46,711/- (Previous Year ₹ 1,02,46,711/-)  
 Plant & Equipment ₹ 1,60,42,859/- (Previous Year ₹ 1,60,42,859/-)  
 Hydraulic Works ₹ 2,04,47,032/- (Previous Year ₹ 2,04,47,032/-)  
 Transmission lines, Transformers, Cable Network etc ₹ 12,63,398/- (Previous Year ₹ 12,63,398/-)





**AYYAPPA HYDRO POWER LIMITED**

Particulars	As at 31st March 2017 (₹)	As at 31st March 2016 (₹)
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**NOTE 10**

**DEFERRED TAX ASSETS (NET)**

Deferred Tax Assets	1,77,63,310	20,82,241
	<b>1,77,63,310</b>	<b>20,82,241</b>

**(\*) Break Up**

**Deferred Tax Assets**

Expenses allowable on payment basis	96,434	2,11,356
Depreciation Difference	1,76,66,876	18,70,885
	<b>1,77,63,310</b>	<b>20,82,241</b>

Note :

a) In absense of virtual certainty, deferred tax assets with respect to remaining amount of unabsorbed losses and unabsorbed depreciation has not been recognised.

**NOTE 11**

**LONG TERM LOANS AND ADVANCES**

**(Unsecured,considered good )**

Capital Advances	-	4,50,580
Security Deposits	1,700	1,700
Advance Income Tax (Net of Provisions)	1,27,855	4,04,764
Receivable from Gratuity Fund	2,10,000	-
Other Advances [Refer Note 16(a)]	-	31,000
	<b>3,39,555</b>	<b>8,88,044</b>

**NOTE 12**

**OTHER NON CURRENT ASSETS**

**Other Bank Balances**

- on Margin Money Accounts (*) (with more than 12 months maturity)	77,500	77,500
	<b>77,500</b>	<b>77,500</b>

(\*) Deposited with Authorities

**NOTE 13**

**INVENTORIES**

**( At Lower of Cost and Net Realisable Value)**

**(As taken, valued and certified by the management)**

Stores, Spares and Consumables	8,18,082	8,54,894
	<b>8,18,082</b>	<b>8,54,894</b>

**NOTE 14**

**TRADE RECEIVABLES**

**(Unsecured,considered good )**

Debts outstanding for a period of less than six months	81,79,634	65,51,418
	<b>81,79,634</b>	<b>65,51,418</b>

**NOTE 15**

**CASH AND BANK BALANCES**

**Cash and Cash Equivalents**

- Balance with Banks on Current Accounts	5,25,462	1,70,72,059
- Cash on hand	8,118	7,92,269
	<b>5,33,580</b>	<b>1,78,64,328</b>



**AYYAPPA HYDRO POWER LIMITED**

Particulars	As at 31st March 2017 (₹)	As at 31st March 2016 (₹)
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**NOTE 16**

**SHORT TERM LOANS AND ADVANCES**

**(Unsecured, considered good )**

Advance to suppliers	42,12,512	41,94,475
Security Deposits	27,58,016	27,08,016
Prepaid Expenses	7,79,323	6,70,146
Other Advances (*) (**) (***)	1,33,270	4,65,210
	<b><u>78,83,121</u></b>	<b><u>80,37,847</u></b>

(\*) Includes ₹ NIL /- ( Previous Year ₹ 84,000 /-) recoverable from Holding Company (Refer Note 25)

(\*\*) Includes ₹ NIL /- ( Previous Year ₹ 109,000 /- ) recoverable from Fellow Subsidiaries. (Refer note 25)

(\*\*\*) (a) Other Advances includes ₹ 31,070 /- (Previous Year ₹ 220,000/-) under short term loans and advance and ₹ NIL /- (Previous Year ₹ 31,000/-) under long term loans and advances in respect of loan to employees and Maximum outstanding ₹ 2,51,000 /- ( Previous Year ₹ 4,46,000/-)

**NOTE 17**

**OTHER CURRENT ASSETS**

**(Unsecured, considered good )**

Receivable against Sale of Shares (Refer Note 29)	4,80,00,000	-
Interest Receivable	12,258	5,221
	<b><u>4,80,12,258</u></b>	<b><u>5,221</u></b>





**AYYAPPA HYDRO POWER LIMITED**

Particulars	Year ended 31st March 2017 (₹)	Year ended 31st March 2016 (₹)
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**NOTE 18**

**REVENUE FROM OPERATIONS**

Sale of Products		
- Hydro power	9,03,07,360	11,23,57,440
	<b>9,03,07,360</b>	<b>11,23,57,440</b>

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

**21.71 m.u.**

**27.01 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 19**

**OTHER INCOME**

Interest Income on deposits	3,94,882	17,40,396
Liability no longer required written back	5,75,149	-
	<b>9,70,031</b>	<b>17,40,396</b>



**AYYAPPA HYDRO POWER LIMITED**

Particulars	Year ended 31st March 2017 (₹)	Year ended 31st March 2016 (₹)
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**NOTE 20**

**EMPLOYEE BENEFITS EXPENSES**

Salaries & Wages	70,39,044	82,88,679
Contribution to Provident and other Funds	-	1,02,196
Staff Welfare Expenses	11,04,865	11,28,119
	<b>81,43,909</b>	<b>95,18,994</b>

**Employees Benefits:**

The disclosures required under Accounting Standard 15 "Employee Benefits" notified in the Companies (Accounting Standards) Rules 2006 (AS-15), are given below:

**(i) 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 obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service 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 recognized in the same manner as gratuity.

(₹ in lacs)				
Particulars	Gratuity (Funded)	Leave Encashment (Non-Funded)	Gratuity (Funded)	Leave Encashment (Non-Funded)
	2016-2017	2016-2017	2015-2016	2015-2016
<b>Expenses Recognized in the Statement of Profit &amp; Loss</b>				
1 Current Service Cost	2.00	1.73	3.41	1.77
2 Interest Cost	1.30	0.41	1.31	0.67
3 Expected return on plan assets	(1.33)	-	(1.21)	-
4 Actuarial Losses / (Gains)	(5.74)	(3.80)	(2.49)	(0.03)
<b>Total Expenses</b>	<b>(3.77)</b>	<b>(1.66)</b>	<b>1.02</b>	<b>2.41</b>
<b>Change in the obligation during the year</b>				
1 <b>Present value of Defined Benefit Obligation at the beginning of the year</b>	<b>16.44</b>	<b>5.16</b>	<b>16.74</b>	<b>8.74</b>
2 Current Service Cost	2.00	1.73	3.41	1.77
3 Interest Cost	1.30	0.41	1.31	0.67
4 Benefit Paid	-	-	-	(0.19)
5 Acquisition Cost/(Credit)	-	-	(5.25)	(5.80)
6 Actuarial (Gains) / Losses	(5.97)	(3.80)	0.23	(0.03)
7 <b>Present value of Defined Benefit Obligation at the end of the year</b>	<b>13.77</b>	<b>3.50</b>	<b>16.44</b>	<b>5.16</b>
<b>Change in Assets during the year ended March 31, 2017</b>				
1 <b>Plan Assets at the beginning of the year</b>	<b>14.77</b>	<b>-</b>	<b>11.45</b>	<b>-</b>
2 Acquisition Adjustments	-	-	(4.49)	-
3 Contribution by Employer	-	-	-	-
4 Expected return on plan assets	1.33	-	1.21	-
5 Actual Company Contributions	-	-	3.88	-
6 Benefit Paid	-	-	-	-
7 Actuarial Gains / (Losses)	(0.23)	-	2.72	-
<b>Plan Assets at the end of the year</b>	<b>15.87</b>	<b>-</b>	<b>14.77</b>	<b>-</b>
<b>Reconciliation of Net Asset / (Liability) recognised in the Balance Sheet during the year ended March 31, 2017</b>				
1 <b>Net Asset / (Liability) at beginning of the year</b>	<b>(1.67)</b>	<b>(5.16)</b>	<b>(5.29)</b>	<b>(8.74)</b>
2 Acquisition Adjustments	-	-	0.76	5.80
3 Employer Expenses	3.77	1.66	(1.02)	(2.41)
4 Employer Contributions	-	-	3.88	0.19
5 <b>Net Asset / (Liability) at the end of the year</b>	<b>2.10</b>	<b>(3.50)</b>	<b>(1.67)</b>	<b>(5.16)</b>
<b>Actuarial Assumptions</b>				
1 Discount Rate	7.20%	7.20%	7.90%	7.90%
2 Expected Rate of Return on Plan Assets	9.00%	Not Applicable	9.00%	Not Applicable
3 Rate of Salary Increases	7.00%	7.00%	10.00%	10.00%

(iii) Disclosure in terms of Para 120(n) of AS 15						(₹ in lacs)
Particulars	Gratuity (Funded)					
	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013	
1 Present value of defined benefit obligations	(13.77)	(16.44)	(16.74)	(2.41)	(1.81)	
2 Fair value of plan assets	15.87	14.77	11.45	-	-	
3 Surplus/(Deficit)	2.10	(1.67)	(5.29)	(2.41)	(1.81)	
4 Experience adjustment on plan liabilities (loss)/gain	0.85	(0.50)	(2.59)	(0.32)	(1.24)	
5 Experience adjustment on plan assets (loss)/gain	(0.23)	2.72	-	-	-	
6 Actuarial Gain/(Loss) due to change on assumptions	5.12	0.27	(2.51)	0.49	-	

(iv) Details of Plan assets	Gratuity (Funded)	
	2016-2017	2015-2016
1 Other assets including under scheme of insurance	100%	100%
2 Actual return on plan assets	1.10	3.93

**Notes :**

(a) Assumptions related 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, market growth and other factors applicable to the period over which the obligation is expected to be settled.

(b) Acquisition adjustment represents amount in respect of certain employees transferred into / transferred from the company.

(c) The expected contribution to the fund by the company during the year 2017-18 is yet to be determined.





**AYYAPPA HYDRO POWER LIMITED**

Particulars	Year ended 31st March 2017 (₹)	Year ended 31st March 2016 (₹)
<b>NOTE 21</b>		
<b>FINANCE COSTS</b>		
Interest Expenses		
- Term loan	11,91,87,235	12,35,94,673
- Other Borrowings	1,75,01,918	2,51,76,986
	13,66,89,153	14,87,71,659
Other Borrowing Cost	9,84,363	7,08,029
	<b>13,76,73,516</b>	<b>14,94,79,688</b>

**NOTE 22**

**OTHER EXPENSES**

Payment to Auditors (excluding Service tax) :

- As Auditors	50,000	50,000
- For Taxation matters	25,000	25,000
- For Other Services	45,000	-
Cost of Power Purchased	1,85,120	87,776
Stores and Spares consumed (Indigenous) (*)	1,62,849	7,38,007
Discount & Rebate	18,02,513	22,45,392
Rent (Refer Note 26)	22,27,749	12,20,228
Repairs & Maintenance :		
- Plant & Machinery	1,35,13,536	23,94,061
- Others	7,53,045	8,05,849
Rates & Taxes	36,45,815	22,06,629
Travelling & Conveyance Expenses	12,29,154	13,11,854
Insurance	7,57,687	7,03,798
Legal & Professional charges	64,20,487	1,03,91,571
Security Services	7,23,117	6,98,152
Telephone, Fax, Postal etc.	93,623	1,38,394
Irrecoverable Balance Written off	10	3,39,183
Miscellaneous Expenses	8,93,950	6,79,124
	<b>3,25,28,655</b>	<b>2,40,35,018</b>

(\*) Value of consumption of stores and spare parts:

(i) The entire consumption is out of indigenous supplies.

(ii) Stores and Spare parts included in inventory are largely consumed as replacements and hence their consumption may not be comparable on a year on year basis.

**NOTE 23**

**CONTINGENT LIABILITIES AND COMMITMENTS**

( To the extent not provided for)

Particulars	As at 31st March, 2017 (₹)	As at 31st March, 2016 (₹)
<b>a) Contingent Liabilities</b>		
Arrear of dividend on Cumulative Redeemable Preference Shares (excluding Dividend Distribution Tax)	7,52,21,918	5,32,21,918



**AYYAPPA HYDRO POWER LIMITED**

Particulars	As at 31st March 2017 (')	As at 31st March 2016 (')
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**NOTE 24**

**CAPITAL WORK-IN-PROGRESS**

Capital Work-in-progress (\*)

172,266,483	141,201,199
<b>172,266,483</b>	<b>141,201,199</b>

(\*) The Company has undertaken IIInd phase of its existing power plant and accordingly Capital Work In Progress includes :-

(i) machinery in stock, inventory of construction / erection materials etc. which have not been commissioned.

(ii) Pre-operative expenses incurred during the year as given below:

<b>Balance Brought forward</b>	<b>8,834,004</b>	<b>2,421,300</b>
Rent	25,340	32,090
Legal & Professional Charges	707,087	111,871
Interest Charges	-	6,268,743
<b>Balance carried forward</b>	<b>9,566,431</b>	<b>8,834,004</b>





**AYYAPPA HYDRO POWER LIMITED**

**NOTE 25  
RELATED PARTY DISCLOSURES PURSUANT TO ACCOUNTING STANDARD - 18**

Relationship	Name of the Parties
a) Holding Company	Energy Development Company Limited
b) Fellow Subsidiaries [ through (a) ]	EDCL Power Projects Limited
	EDCL Seppa Marjingla Hydro Electric Private Limited (upto 27.03.2017)
c) Key Manegerial Personnel (KMP) & their relatives	Ajay Kumar Chowdhary ( Executive Director )
	Shakuntala Chowdhary ( Relative of Executive Director )
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

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

Particulars	2016-2017 (')	2015-2016 (')
<b>Transactions during the year:</b>		
i ) Unsecured Loan received	52,085,918	333,850,000
ii ) Unsecured Loan repaid	31,582,000	56,700,000
iii) Net Provision (Liability - Assets) for Employee Retirement Benefits transferred (to) / from the party :		
- Gratuity	-	(69,000)
- Leave Encashment	-	(541,000)
iv ) Expenses incurred by the party on behalf of the company	2,181,935	5,103,607
v) Expenses Reimbursed to the party	2,171,977	5,956,782
vi ) Expenses incurred by the company on behalf of the party	15,880	-
vii) Expenses Reimbursed to the company	15,880	-
<b>Balances as at the year end :</b>		
i) Unsecured Loans	301,353,919	280,850,001
ii) Other Advance	-	84,000
iii) Trade Payable	9,958	694,000
iv) Guarantee given to banks for loan taken Outstanding balance of loan	902,499,878	902,499,878



**AYYAPPA HYDRO POWER LIMITED**

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

Particulars	2016-2017 (₹)	2015-2016 (₹)
<b>Transactions during the year:</b>		
<u>EDCL Power Projects Limited</u>		
i) Expenses incurred by the party on behalf of the company	91,137	56,377
ii) Expenses Reimbursed to the party	87,258	56,377
iii) Net Provision (Liability - Assets) for Employee Retirement Benefits transferred (to) / from the party :		
- Gratuity	-	(6,000)
- Leave Encashment	-	(39,000)
<u>EDCL Seppa Marjingla Hydro Electric Private Limited</u>		
i) Expenses incurred by the company on behalf of the party	-	61,800
ii) Expenses Reimbursed to the company	-	61,800
<b>Balances as at the year end :</b>		
<u>EDCL Power Projects Limited</u>		
i) Other Advance	-	1,09,000
ii) Trade Payable	3,879	1,54,000

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

Particulars	2016-2017 (₹)	2015-2016 (₹)
<b>Transactions during the year:</b>		
<u>Remuneration</u>		
- Ajay Kumar Chowdhary	10,05,000	9,40,500
<u>Rent Paid</u>		
- Shakuntala Chowdhary	3,36,000	3,36,000





## AYYAPPA HYDRO POWER LIMITED

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

Particulars	2016-2017 (₹)	2015-2016 (₹)
<b>Transactions during the year:</b>		
i ) Unsecured Loan received		
- Startrack Vinimay Private Limited	-	3,00,00,000
- Sarvottam Caps Private Limited	3,00,00,000	12,00,00,000
ii ) Unsecured Loan repaid		
- Sarvottam Caps Private Limited	-	30,00,00,000
iii ) Interest Expenses		
- Startrack Vinimay Private Limited	36,00,000	19,726
- Sarvottam Caps Private Limited	1,15,84,110	2,42,30,137
iv ) Sale of Investment		
- Startrack Vinimay Private Limited	4,80,00,000	-
<b>Balances as at the year end :</b>		
i) Unsecured Loans		
- Startrack Vinimay Private Limited	3,00,00,000	3,00,00,000
- Sarvottam Caps Private Limited	10,50,00,000	7,50,00,000
ii) Interest accrued and due (Payable)		
- Startrack Vinimay Private Limited	32,57,753	17,753
- Sarvottam Caps Private Limited	3,22,75,726	2,18,50,027
iii) Receivable against Sale of Shares		
- Startrack Vinimay Private Limited	4,80,00,000	-

**Notes:**

(a) In respect of above parties, there is no provision for doubtful debts as on 31st March 2017 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 26** **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 ₹ 21,96,000/- (Previous year ₹ 10,96,000/-). The aggregate lease rentals are included as "Rent" in Note 22 of the financial statement.

### **NOTE 27** **EARNING PER SHARE (EPS) :**

Particulars	2016-17 (₹)	2015-16 (₹)
<b>Basic and Diluted Earnings per share has been computed as under:</b>		
Profit/(Loss) after tax for the year	(9,11,51,041)	(12,49,06,883)
Less : Preference Dividend on 10% Cumulative Redeemable Preference Shares	2,20,00,000	2,20,00,000
Profit/(Loss) for the year attributable to the equity shareholders	(11,31,51,041)	(14,69,06,883)
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)	(3.77)	(4.90)

### **NOTE 28** **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 Accounting Standards (AS-17) on Segment Reporting is not applicable to the company.

### **NOTE 29** **EXCEPTIONAL ITEMS**

Exceptional items represents profit on investments sold during the year.

### **NOTE 30** **NOTE PURSUANT TO MCA NOTIFICATION NO. GSR 308( E ) dated 30th March, 2017**

Details of 'Specified Bank Notes' (SBN) held and transacted during the period 08th November, 2016 to 30th December, 2016 is provided in the Table below :-

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 8-11-2016	7,59,000	89,942	8,48,942
(+) Permitted receipts	-	94,500	94,500
(-) Permitted payments	-	(1,50,097)	(1,50,097)
(-) Amount deposited in Banks	(7,59,000)	-	(7,59,000)
Closing cash in hand as on 30-12-2016	-	34,345	34,345





**AYYAPPA HYDRO POWER LIMITED**

**NOTE 31**  
**COMPARATIVES**

Previous year's figures have been re-grouped/rearranged wherever considered necessary .

As per our Report of even date  
For **Lodha & Co.**  
Chartered Accountants  
Firm's ICAI Registration No. 301051E

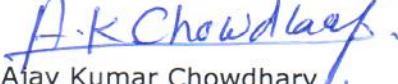


H K Verma  
Partner  
M No. 055104




Place : Kolkata  
Dated : 29th May, 2017

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

  
Ajay Kumar Chowdhary  
(Executive Director) (DIN 00045787)

  
Sanjiv Saraf (Director) (DIN 00506650)

  
Vijay Kumar (Director) (DIN 02970626)

  
Tarun Chaturvedi (Director) (DIN 0239045)

  
Prabir Goswami (Chief Financial Officer)

  
Vijayshree Binnani (Company Secretary)

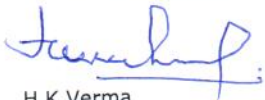
**AYYAPPA HYDRO POWER LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017**

PARTICULARS	31.03.2017		31.03.2016	
	AMOUNT (₹)	AMOUNT (₹)	AMOUNT (₹)	AMOUNT (₹)
<b>A) Cash Flow From Operating Activities:</b>				
Profit/(Loss) before tax		(10,68,32,109)		(12,69,89,124)
<b>Adjustments for :</b>				
Depreciation and amortization expense	6,44,95,848		6,44,65,966	
Exceptional items	(4,40,00,000)		-	
Interest & Finance Charges	13,76,73,516		14,32,10,945	
Irrecoverable balance written off	10		3,39,183	
Interest Income	(3,94,882)		(17,40,396)	
Liability no longer required written back	(5,75,149)	15,71,99,342	-	20,62,75,698
<b>Operating Profit before Working Capital Changes</b>		5,03,67,233		7,92,86,574
<b>Adjustments for :</b>				
(Increase)/ Decrease in Inventory	36,812		(2,85,741)	
(Increase)/Decrease in Trade and Other receivables	(16,52,500)		(7,43,385)	
Increase/(Decrease) in Trade and Other payables	24,52,250	8,36,562	(37,02,933)	(47,32,059)
<b>Cash generated from operations</b>		5,12,03,795		7,45,54,515
Direct Taxes paid (Net of refund)		2,76,908		(1,73,516)
<b>Net Cash Flow from Operating Activities</b>		<b>5,14,80,703</b>		<b>7,43,80,999</b>
<b>B) Cash Flow from Investing Activities</b>				
Purchase of Fixed Assets and Capital Work in Progress	(3,27,42,764)		(7,84,84,101)	
Purchase of Investment	(3,00,000)		-	
Deposit / redemption of Margin Money	-		(77,500)	
Interest Received	3,87,845	(3,26,54,918)	17,35,175	(7,68,26,426)
<b>Net Cash Flow from Investing Activities</b>		<b>(3,26,54,918)</b>		<b>(7,68,26,426)</b>
<b>C) Cash Flow from Financing Activities</b>				
Proceeds from / (repayments) of borrowings	6,05,03,918		13,71,50,000	
Interest & Finance Charges paid	(9,66,60,449)	(3,61,56,531)	(12,22,75,966)	1,48,74,034
<b>Net Cash flow from Financing Activities</b>		<b>(3,61,56,531)</b>		<b>1,48,74,034</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>		<b>(1,73,30,746)</b>		<b>1,24,28,607</b>
<b>Cash and Cash equivalents at the beginning of the year</b>		<b>1,78,64,327</b>		<b>54,35,721</b>
<b>Cash and Cash equivalents at the end of the year (Refer Note 15)</b>		<b>5,33,580</b>		<b>1,78,64,327</b>
Significant Accounting Policies	1			
The accompanying notes (1-31) form an integral part of financial statements.				

**Notes:**

- 1) Cash Flow Statement is prepared by the indirect method as set out in Accounting Standard - 3 on Cash Flow Statement
- 2) Previous year's figures have been re-grouped/rearranged wherever considered necessary.

As per our Report of even date  
For **Lodha & Co.**  
Chartered Accountants  
Firm's ICAI Registration No. 301051E



H K Verma  
Partner  
M No. 055104



Place : Kolkata  
Dated : 29th May, 2017

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

  
Ajay Kumar Chowdhary (Executive Director) (DIN 00045787)

  
Sanjiv Saraf (Director) (DIN 00506650)

  
Vijoy Kumar (Director) (DIN 02970626)

  
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