

# AD HYDRO POWER LIMITED

## 19<sup>TH</sup> ANNUAL REPORT FOR THE FINANCIAL YEAR 2021-22

**To The Members  
AD Hydro Power Limited**

The Board of Directors of the Company are pleased to present their Nineteenth Annual Report on the business and operations of the Company and audited financial statements for the year ended 31<sup>st</sup> March, 2022 together with the Independent Auditors' Report.

**1. FINANCIAL PERFORMANCE**
**Rs. In Million**

| Particulars  | For the financial year ended |                             |
|--|------------------------------|-----------------------------|
|  | 31 <sup>st</sup> March 2022  | 31 <sup>st</sup> March 2021 |
| Revenue from operations  | 2,558.07                     | 1,761.99                    |
| Other Income   | 54.71                        | 134.14                      |
| <b>Total Revenue</b>   | <b>2,612.79</b>              | <b>1,896.13</b>             |
| Operating and Administrative Expenses                                    | 784.23                       | 705.46                      |
| <b>Operating Profit before Interest, Depreciation &amp; Tax</b>          | <b>1,828.56</b>              | <b>1,190.67</b>             |
| Depreciation & Amortization Expenses                                     | 496.86                       | 538.57                      |
| <b>Profit/ (Loss) before finance costs and Exceptional Items and Tax</b> | <b>1,331.70</b>              | <b>652.10</b>               |
| Finance Costs  | 348.66                       | 386.32                      |
| Exceptional Items  | -                            | -                           |
| <b>Profit/(Loss) before tax</b>  | <b>983.04</b>                | <b>265.78</b>               |
| Tax Expenses   | -                            | 48.92                       |
| <b>Net Profit/(Loss)</b>   | <b>983.04</b>                | <b>216.86</b>               |
| Other Comprehensive Income   | (0.86)                       | 3.50                        |
| <b>Total Comprehensive Income/(Loss) for the year</b>                    | <b>982.18</b>                | <b>220.36</b>               |
| Surplus brought forward from previous year                               | (968.01)                     | (1,188.37)                  |



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|                                     |        |          |
|-------------------------------------|--------|----------|
| Balance available for appropriation | 982.18 | 220.36   |
| Balance Carried to Balance Sheet    | 14.17  | (968.01) |
| Earning Per Share (in Rs.)          |        |          |
| i) Basic                            | 1.75   | 0.39     |
| ii) Diluted                         | 1.75   | 0.39     |

### **OVERALL PERFORMANCE AND THE STATEMENTS OF AFFAIRS OF THE COMPANY ARE AS UNDER:**

The Company recorded revenue from operations of Rs. 2,558.07 million during the financial year 2021-22 as compared to Rs. 1,761.99 million in the previous financial year. The Net profit during the financial year 2021-22 was at Rs. 983.04 million as compared to net profit of Rs. 216.86 million in the previous financial year. The generation during the year stood at 637.45 Million kWh in the financial year 2021-22 as compared to 640.51 Million kWh in the previous financial year 2020-21.

### **2. DIVIDEND**

Your Directors do not propose final dividend for the financial year 2021-22.

### **3. TRANSFER TO RESERVES**

The Company has not transferred any amount to the General Reserve for the financial year 2021-22.

### **4. SUBSIDIARY, ASSOCIATE COMPANIES OR JOINT VENTURES**

There is no subsidiary or associate or joint venture of the Company.

### **5. MATERIAL CHANGES AND COMMITMENTS**

No material changes and commitments, affecting the financial positing of the Company have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

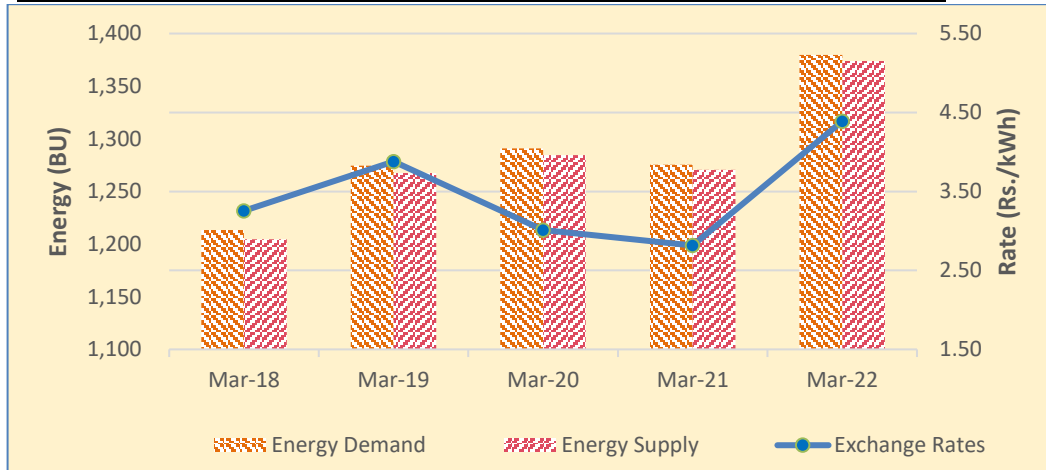
### **6. INDUSTRY POTENTIAL & DEVELOPMENT**

India is the third largest producer and consumer of electricity in the world with all India installed power generation capacity as on 31.03.2022 stood at 399.50 GW comprising of 236.11 GW from Thermal, 46.72 GW from Hydro, 6.78 GW from Nuclear and 109.89 GW from Renewable.

During the fiscal year 2021-22, the energy availability was 1,374 BU as against requirement of 1,380 BU kWh with a marginal shortfall of 0.4% and peak demand met was 200 GW as against peak demand of 203 GW with a marginal shortfall of 1.2%. The average monthly market

clearing price at the Indian Energy Exchange (IEX) remained moderate taking the average price to Rs.4.39/kWh in 2021-22 @ Regional Periphery. During 2021-22, total short term power transactions were approximately 14% of yearly generation. The following “Table-1” indicates the energy demand/ supply along with exchange rates during last 5 years.

**Table 1: Energy Demand/ Supply & Exchange rates during last 5 years.**



During the FY 2021-22, Central Electricity Regulatory Commission (CERC) issued notification dated 21<sup>st</sup> March 2022 on National Open Access Registry (NOAR) which started its operation from 1<sup>st</sup> May 2022. It provide a single point electronic interface for all the stakeholders, availing short term open access in inter-State transmission system including short term customers, state distribution utilities, state/central/IPP generators, trading licensees, Power Exchanges, NLDC, RLDCs, SLDCs. Due to applicability of NOAR platform, the centralized controlling of power transmission is easier as well as it provides better management & operation of power transmission in ISTS.

Severe scarcity of coal for power generation which started from mid- February’2022 clubbed with rise in day temperature resulted into exchange prices upward movements and remains in the highest range for most of the time. Concerned with high energy cost, CERC on 1<sup>st</sup> April 2022 directed exchanges to cap the price at Rs.12/kWh for DAM and RTM segments. Further, from 6<sup>th</sup> May 2022, CERC also capped the exchange price at Rs.12/kWh on all the market segments (DAM, GDAM, RTM, Intra-day, Day Ahead Contingency and Term-Ahead, GTAM) till 30<sup>th</sup> June 2022.

Recently, CERC notification dated 7<sup>th</sup> June 2022 also notifies the regulation on “Connectivity and General Network Access to the inter-State Transmission System” which provides non-discriminatory access to the inter-State transmission system for an estimated maximum injection and for a consumer to draw for a specified period and the buying entity/ trader/ exchanges are only eligible for booking of transmission corridor under T-GNA after adjustment of POC transmission charges against the LTA quantum approved by Central Transmission Utility (CTU) for the buying entity. This is in line with the concept of “one nation, one grid”.

In the Last two financial years, India have witnessed a country wide lock down due to Covid pandemic and causing a severe slowdown in industrial and economical activities. . After several waves of Covid and lockdown, nearly all industrial & economic activities are now working at



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their full capacity. All India power consumption is also showing an increasing trend as most of the industrial and commercial activities are allowed by the Government. Peak power demand met touched the milestone figure of approx. 211 GW in June 2022 itself and it can be ascertained that the peak power demand will increase further in near future thereby creating more opportunities for Merchant Power Plants in catering such increased demand for power.

Going forward, it is expected that the demand may grow steadily during the coming months as commercial establishments and economic activities continue their full operational capacities to cater to the continued economic growth of the country, creating more volume in the power market with strengthening of financials of Discoms. Moreover, Indian Power Market may further deepen its roots so as to create a more vibrant and robust power sector if adequate policy support is provided particularly to the private players.

### 7. CORPORATE GOVERNANCE

Your Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by under the Companies Act, 2013.

Your Company is committed to achieving the higher standard of Corporate Governance by application of the best management practices, compliance with law, adherence to ethical standards and discharge of social responsibilities. Your Company has in all spheres of its activities adequate checks and balances to ensure protection of interest of all stakeholders. Your Company also endeavors to share, with its stakeholders' openly and transparently, information on matters which have a bearing on their economic and reputational interest.

The majority of the Board comprises of Non-Executive Directors including Independent Directors appointed under the Companies Act, 2013, who play a critical role in imparting balance to the Board processes, by bringing an independent judgment to decide on issues of strategy, performance, resources, standards of Company's conduct, etc. The Audit Committee of the Board provides assurance to the Board on the adequacy of Internal Control Systems and Financial Systems.

### 8. INTERNAL CONTROL SYSTEMS AND ADEQUACY THEREOF

The Company has an adequate internal control system commensurate with the size and nature of its business. An internal audit program covers various activities and periodical reports are submitted to the management. The Audit Committee reviews financial statements, internal audit reports along with internal control systems. The Company has a well-defined organizational structure, authority levels, delegation of powers and internal rules and guidelines for conducting business transactions.

### 9. PERSONNEL

#### a) Industrial relations

The industrial relations during the period under review generally remained cordial at all the plants of the Company without any untoward incidents.

#### b) Particulars of employees

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed herewith as **Annexure - I**.

#### 10. PUBLIC DEPOSITS

The details in regard to deposits, covered under Chapter V of the Companies Act, 2013 are mentioned hereunder:

|  |       |
|--|-------|
| a) Amount accepted during the year   | Nil   |
| b) Amount remained unpaid or unclaimed as at the end of the year   | Nil   |
| c) Default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved |       |
| i) at the beginning of the year  | -N/A- |
| ii) maximum during the year  | -N/A- |
| iii) at the end of the year  | -N/A- |

The company does not have deposits which are in contradiction of Chapter V of the Act.

Your Company has not invited any deposits from public/shareholders in accordance with Chapter V of the Companies Act, 2013.

#### 11. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

There are no significant and material orders passed by the regulators or courts or tribunals during the financial year 2021-22, impacting the going concern status and company's operations in future.

#### 12. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

The information with regard to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and outgo in accordance with the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is given as **Annexure II** forming part of this Report.

#### 13. DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year, the Board made the following appointments/re-appointments:

##### Re-appointments

- ❖ During the year, Ms. Tima Iyer Utne (DIN: 06839949) would have retired by rotation at the ensuing Annual General Meeting and, being eligible, had offered herself for re-appointment and the members had approved her re-appointment.



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- ❖ Mr. Rahul Varshney (DIN: DIN 03516721) who was earlier appointed as Additional Director on the Board of the Company w.e.f. 2<sup>nd</sup> February 2021 was appointed as Director of the Company.

Your Directors further inform the members that declarations have been taken from the Independent Directors at the beginning of the financial year stating that they meet the criteria of independence as specified under sub-section (6) of Section 149 of Companies Act, 2013.

A declaration on compliance with Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014, along with a declaration as provided in the Notification dated October 22, 2019, issued by the Ministry of Corporate Affairs (MCA), regarding the requirement relating to enrolment in the Data Bank for Independent Directors, has been received from all the Independent Directors, along with declaration made under Section 149(6) of the Act. In the opinion of the Board, Independent Directors possesses integrity, expertise and vast experience including proficiency.

### **Appointments & Resignations**

During the year, there was no other change/resignation in the Board of Directors.

Your Directors further inform the members that declarations have been taken from the Independent Directors at the beginning of the financial year stating that they meet the criteria of independence as specified under sub-section (6) of Section 149 of Companies Act, 2013.

### **Proposed Re-appointments in the ensuing 19<sup>th</sup> Annual General Meeting of Company**

- ❖ To appoint a Director in place of Mr. Ravi Jhunjhunwala (DIN: 00060972), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.
- ❖ To re-appoint Mr. Pankaj Kapoor, as Manager under applicable provisions of the Companies Act, 2013 for a period of 2 years commencing from 4th February, 2022 to 3rd February, 2024.

### **Key Managerial Personnel**

Mr. Om Prakash Ajmera, Director, CEO & CFO, Mr. Pankaj Kapoor, Manager and Mr. Arvind Gupta, Company Secretary are the Key Managerial Personnel of the Company as on 31<sup>st</sup> March, 2022, in accordance with the provisions of Section 203 of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## **14. NOMINATION AND REMUNERATION POLICY**

The Board, on the recommendation of the Nomination & Remuneration Committee approved a policy for appointment and removal of Directors, Key Managerial Personnel and Senior Management and their remuneration. The policy is appended as **Annexure–III** forming part of this Report.

**15. MEETINGS OF THE BOARD**

The Board of Directors had met 4 (four) times during the financial year 2021-22. The meetings of the Board were held on 12<sup>th</sup> May 2021, 2<sup>nd</sup> August 2021, 2<sup>nd</sup> November 2021 and 1<sup>st</sup> February 2022 respectively.

The attendance for the above mentioned meetings were as follows:

| S. NO. | NAME OF DIRECTOR          | CATEGORY                            | NO. OF MEETINGS HELD | NO. OF MEETINGS ATTENDED |
|--------|---------------------------|-------------------------------------|----------------------|--------------------------|
| 1.     | Mr. Ravi Jhunjhunwala     | Chairman & Director                 | 4                    | 4                        |
| 2.     | Ms. Tima Iyer Utne        | Non-Executive Director              | 4                    | 4                        |
| 3.     | Dr. Kamal Gupta           | Non-Executive Independent Director  | 4                    | 4                        |
| 4.     | Mr. Tantra Narayan Thakur | Non-Executive, Independent Director | 4                    | 4                        |
| 5.     | Mr. Rahul Varshney        | Director                            | 4                    | 4                        |
| 6.     | Mr. Om Prakash Ajmera     | Director, CEO & CFO                 | 4                    | 4                        |

**16. COMMITTEE MEETINGS**

At present, the Board has three Committees: (i) Audit committee, (ii) Nomination and Remuneration Committee, (iii) Corporate Social Responsibility Committee.

According to requirements under the Companies Act, 2013, the meetings of the Committees of the Board were conducted as and when required and their decisions and recommendations were duly accepted by the Board.

The following are the compositions and attendance of the above mentioned committees.

**(i) AUDIT COMMITTEE**

As per section 177 of the Companies Act, 2013, your Board has constituted an Audit Committee whose roles and responsibilities are to review the Company's financial results, review Internal Control Systems, Risk and Internal Audit Reports. The proceedings of the Committee have been in accordance with the provisions of the Companies Act, 2013 and Rules made thereunder. All the recommendations of the Audit Committee were duly accepted by the Board during the financial year 2021-22. The composition as well as the Audit Committee meetings held in the financial year 2021-22 is as below:



**Composition of the Committee**

All the Members of the Committee possess knowledge of corporate finance, accounts and corporate laws. The Statutory Auditors, Internal Auditors and Senior Executives of the Company were invited to attend the respective meetings of the Committee. The Company Secretary acts as the Secretary to the Committee.

| S. No | Name of Member            | Designation | Category                           |
|-------|---------------------------|-------------|------------------------------------|
| 1     | Mr. Ravi Jhunjhunwala     | Member      | Chairman and Director              |
| 2     | Dr. Kamal Gupta           | Member      | Non-Executive Independent Director |
| 3     | Mr. Tantra Narayan Thakur | Member      | Non-Executive Independent Director |

**Meetings and attendance**

The Audit Committee had met four times during the financial year to review the financial statements and the Internal Audit Reports of the Company. The meetings were held on 12<sup>th</sup> May 2021, 2<sup>nd</sup> August 2021, 2<sup>nd</sup> November 2021 and 1<sup>st</sup> February 2022 respectively.

➤ The attendance for the above mentioned meetings are as below:

| S. NO. | NAME OF MEMBER            | CATEGORY | NO. OF MEETING HELD | NO. OF MEETINGS ATTENDED |
|--------|---------------------------|----------|---------------------|--------------------------|
| 1.     | Mr. Ravi Jhunjhunwala     | Chairman | 4                   | 4                        |
| 2.     | Dr. Kamal Gupta           | Member   | 4                   | 4                        |
| 3.     | Mr. Tantra Narayan Thakur | Member   | 4                   | 4                        |

The Company Secretary acts as the Secretary of the Committee.

**(ii) NOMINATION AND REMUNERATION COMMITTEE**

As per section 178 of the Companies Act, 2013, your Board had constituted Nomination and Remuneration Committee. The proceedings of the Committee have been in accordance with the provisions of the Companies Act, 2013 and Rules made thereunder. The NRC policy may be accessed on the Company's website.

<https://www.adhydropower.com/certificatepdf/ADHPL%20NRC%20Policy.pdf>

**The Composition of the Committee is as under:**

For the financial year 2021-22, the composition of the Nomination and remuneration Committee was as follows:

| S. No | Name of Member            | Designation | Category                           |
|-------|---------------------------|-------------|------------------------------------|
| 1     | Mr. Ravi Jhunjhunwala     | Member      | Chairman and Director              |
| 2     | Ms. Tima Iyer Utne        | Member      | Non-Executive Director             |
| 3     | Dr. Kamal Gupta           | Member      | Non-Executive Independent Director |
| 4     | Mr. Tantra Narayan Thakur | Member      | Non-Executive Independent Director |

The Company Secretary acts as the Secretary of the Committee.

➤ **Meetings and attendance**

The Nomination and Remuneration Committee had met one time during the financial year. The meeting was held on 1<sup>st</sup> February 2022 respectively.

The attendance for the above mentioned meetings are as below:

| S. NO. | NAME OF MEMBER            | CATEGORY | NO. OF MEETINGS HELD | NO. OF MEETINGS ATTENDED |
|--------|---------------------------|----------|----------------------|--------------------------|
| 1.     | Mr. Ravi Jhunjhunwala     | Member   | 1                    | 1                        |
| 2.     | Ms. Tima Iyer Utne        | Member   | 1                    | 1                        |
| 3.     | Dr. Kamal Gupta           | Member   | 1                    | 1                        |
| 4.     | Mr. Tantra Narayan Thakur | Member   | 1                    | 1                        |

**(iii) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

Your Company has been diligently following the Corporate Social Responsibility policies. As part of its initiatives under Corporate Social Responsibility (CSR), the Company had undertaken projects in the areas of promotion of Education, taking initiatives towards Community Service and rural development, Healthcare, Plantation & Environmental Development, Protection of art, culture etc. These projects were in accordance with the CSR Policy of the Company and Schedule VII of the Companies Act, 2013 and Rules made thereunder.

As per the Companies Act, 2013, all the companies which having net worth of Rs. 500 crore or more, or a turnover of Rs. 1000 crore or more, or a net profit of Rs. 5 crore or more are required to constitute CSR Committee of the Board of Directors comprising three or more Directors out of which atleast one should be the Independent Director. All such Companies are required to spend atleast 2% of its average net profit on the three preceding financial years on the CSR related activities. The CSR policy may be accessed on the Company’s website at the following link:  
[https://www.adhydropower.com/certficatpdf/ADHPL-%20CSR%20Policy\\_2016.pdf](https://www.adhydropower.com/certficatpdf/ADHPL-%20CSR%20Policy_2016.pdf)

The Annual Report on CSR activities is enclosed as **Annexure VI**, forming part of this report. The following is the composition mentioned for the CSR committee of the Company.

**The composition of the Corporate Social Responsibility Committee is as under:**

| S. No | Name of Member        | Designation | Category                           |
|-------|-----------------------|-------------|------------------------------------|
| 1     | Mr. Ravi Jhunjhunwala | Member      | Chairman & Director                |
| 2     | Ms. Tima Iyer Utne    | Member      | Non-Executive Director             |
| 3     | Dr. Kamal Gupta       | Member      | Non-Executive Independent Director |

➤ **Meetings and attendance**

The committee had met four times on 12<sup>th</sup> May 2021, 2<sup>nd</sup> August 2021, 2<sup>nd</sup> November 2021 and 1<sup>st</sup> February 2022 respectively. The attendance for the committee is as follows:

| S. NO. | NAME OF MEMBER        | CATEGORY                           | NO. OF MEETINGS HELD | NO. OF MEETINGS ATTENDED |
|--------|-----------------------|------------------------------------|----------------------|--------------------------|
| 1.     | Mr. Ravi Jhunjhunwala | Chairman & Director                | 4                    | 4                        |
| 2.     | Ms. Tima Iyer Utne    | Non-Executive Director             | 4                    | 4                        |
| 3.     | Dr. Kamal Gupta       | Non-Executive Independent Director | 4                    | 4                        |

**(iv) INDEPENDENT DIRECTORS' MEETING**

During the financial year 2021-22, the Independent Directors met on 10<sup>th</sup> March 2022, without the attendance of Non Independent Directors and members of the Management. The Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole; the performance of the Chairman of the Company, taking into account the views of Managing Director and Non-Executive Directors and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

**(v) BOARD EVALUATION:**

The Board is responsible for undertaking a formal annual evaluation of its own performance, committees and individual Directors with a view to review their functioning and effectiveness and to determine whether to extend or continue the term of appointment of the independent directors. During the year, the Board carried out the performance evaluation of itself, Committees and each of the executive directors/non-executive directors/independent directors excluding the director being evaluated. The evaluation of performance of Independent Director is based on the criteria laid down in the Nomination and Remuneration policy which includes knowledge and experience in the field of power sector, legal, finance and CSR activities. Your Directors express their satisfaction with the evaluation process and inform that the performance of the Board as a whole, its committee and its member individually was adjudged satisfactorily.

**17. MEETING OF THE MEMBERS**

The Annual General meeting of the members was held on 24<sup>th</sup> September 2021.

**18. VIGIL MECHANISM /WHISTLE BLOWER**

The Board on the recommendation of Audit Committee has adopted a Whistle Blower Policy. The details of the same are disclosed on the website of the Company and a weblink thereto is as under:



[https://www.adhydropower.com/certificatepdf/ADHPL\\_Whistle%20Blower%20Policy%20 Board%20Approved\\_.pdf](https://www.adhydropower.com/certificatepdf/ADHPL_Whistle%20Blower%20Policy%20Board%20Approved_.pdf)

#### **19. INTERNAL FINANCIAL CONTROL (IFC) SYSTEM AND THEIR ADEQUACY:**

The Directors are responsible for laying down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively. As per Section 134(5) (e) of the Companies Act, 2013, the Directors' Responsibility Statement shall state the same.

Your Company has adopted the IFC framework as guidance, for ensuring adequate controls and its effectiveness within the company. The process of assessment of IFC would require setting up of an internal controls function in the organization. The Accounts & Finance Team has been trained to implement and evaluate the design and operating effectiveness of the IFC framework. The framework also focuses on internal controls over financial reporting (ICFR) that are put in place to develop and maintain reliable financial data, and to accurately present the same in a timely and appropriate manner. The framework refers to the policies and procedures adopted by the company for ensuring , orderly and efficient conduct of its business, including adherence to company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, timely preparation of reliable financial information.

The IT controls provide reasonable assurance of achieving the control objectives related to the processing of financial information within the computer processing environment. IT controls ensures appropriate functioning of IT applications and systems built by the organization to enable accurate and timely processing of financial data.

Your Company deploys best in class applications and systems which streamline business processes, to improve performance and reduce costs. These systems provide seamless integration across modules and functions resulting into strong MIS platform and informed decision-making by the Management.

The company has adequate and effective internal financial control in place which is being periodically evaluated. The Company has put in place strong internal control systems and best in class processes commensurate with its size and scale of operations. Internal Financial Control is a continuous process operating at all levels within the Company.

The ICFR is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with applicable accounting principles and policies & procedures.

#### **20. CONTRACTS AND ARRANGEMENTS WITH RELATEDPARTIES**

All the related party transactions entered into during the financial year were on an arm's length basis and were in the ordinary course of business. Your Company had not entered into any transactions with related parties which could be considered material in terms of Section 188 of the



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Companies Act, 2013. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC 2 is not applicable.

### 21. STATUTORY AUDITORS

The members had appointed **M/s Deloitte Haskins & Sells LLP**, (Firm Registration Number is 117366W/W-100018), Chartered Accountants, as the Statutory Auditors of the Company on 27<sup>th</sup> September 2017 for a term of 5 years, to hold office from the conclusion of the 14<sup>th</sup> Annual General Meeting until the conclusion of the 19<sup>th</sup> Annual General Meeting of the Company. Further the statutory auditors have further confirmed that the said appointment, when made, was within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and also the statutory auditor is not disqualified under section 141(3) of the Companies Act 2013.

The Auditors' Report read along with notes to accounts is self-explanatory and therefore does not call for any further comments. The Statutory Auditors expressed an unmodified opinion in the audit reports with respect to audited financial statements for the financial year ended March 31, 2022. The Auditors' Report does not contain any qualification, reservation adverse remark or disclaimer which requires any explanation from the Board of Directors.

### 22. COST AUDITORS

The Cost Audit for financial year ended March 31, 2021 was conducted by M/s K.G. Goyal & Co., Cost Accountants (Firm Registration No. 0017). The Cost Audit Report in XBRL mode for financial year ended March 31, 2021 was filed within the due date. The Cost Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

Based on the Audit Committee recommendations at its meeting held on 1<sup>st</sup> February 2022, the Board has approved the re-appointment of M/s K.G. Goyal & Co., Cost Accountants (Firm Registration No. 0017), as the Cost Auditors of the Company for the financial year 2021-22 at a remuneration of Rs. 0.50 lakhs plus service tax and out of pocket expenses that may be incurred by them during the course of audit. As required under the Companies Act, 2013, the remuneration payable to the cost auditor is required to be placed before the Members in a general meeting for their ratification. Accordingly, a Resolution seeking Member's ratification for the remuneration payable to M/s K.G. Goyal & Co., Cost Auditors is included in the Notice convening the Annual General Meeting.

### 23. SECRETARIAL AUDITORS

The Company had appointed M/s. P. Kathuria & Associates, Company Secretaries, to undertake the Secretarial Audit of the Company for the financial year 2021-22, pursuant to Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Secretarial Audit Report is annexed herewith as **Annexure IV** for kind attention of the Members. The Secretarial Audit Report does not contain any qualification, reservation adverse remark or disclaimer.

## 24. INTERNAL AUDITORS

Based on the Audit Committee recommendations, the Board had appointed M/s. Ashim & Associates, Chartered Accountants as the Internal Auditors of the Company for a period of three years i.e. FY 2020-21, FY 2021-22 and FY 2022-23, subject to review of their performance from time to time.

## 25. REPORTING OF FRAUD BY THE AUDITORS'

During the year under review, the Statutory Auditor, Secretarial Auditor, Cost Auditor and Internal Auditor of the Company have not reported any matter under section 143(12) of the Companies Act, 2013. Therefore, no detail regarding reporting of fraud is required to be disclosed under section 134(3)(ca) of the Companies Act, 2013.

## 26. RISK MANAGEMENT

The objective of risk management at the Company is to protect shareholder value by minimizing threats or losses and identifying and maximizing opportunities. An enterprise wide risk management framework is applied so that effective management of risk is an integral part of every employee's job.

The Audit Committee of the Company oversees the Risk functions. Further, the Company has in place Operations & Steering Committee (OSC) and a Policy thereto, which interalia includes the Risk Management Policy including mitigation plans. The Company's risk management strategy is integrated with the overall business strategies of the organization and is communicated throughout the organization. Risk management capabilities aide in establishing competitive advantage and allow management to develop reasonable assurance regarding the achievement of the Company's objectives.

The annual strategic planning done by OSC provides platform for identification, analysis, treatment and documentation of key risks. It is through this annual planning process that key risks and risk management strategies are communicated to the Board. The effectiveness of risk management strategies is monitored both formally and informally by Management. There is no major risk which may threaten the existence of the Company.

## 27. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that:

- i. In preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures from the same;
- ii. They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31<sup>st</sup> March, 2022 and of the profit of the Company for the year under review;

- iii. They have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safe guarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- iv. They have prepared the annual accounts on a going concern basis;
- v. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- vi. They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## 28. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

## 29. EXTRACT OF ANNUAL RETURN

Pursuant to Section 92 of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, Annual Return on the website of the Company.

## 30. GENERAL DISCLOSURE

- The Board of Directors would like to share with you that as on the date of approving the Directors' Report, your company AD Hydro Power Limited has become 100% subsidiary of the holding company, Malana Power Company Limited (MPCL) after the holding company acquired the 6,71,97,201 (12%) shares from International Finance Corporation on 1st August 2022. The company is now wholly owned subsidiary of Malana Power Company Limited.
- The company has maintained the cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, and accordingly such accounts and records are made and maintained by the company.
- The Company has a group policy in place against Sexual Harassment in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. The company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. No complaints were received during the financial year 2021-22.
- There was no change in the name of the Company and its nature of business.
- The financial year of the Company was same as of previous year.

- During the year, there was no change in the issued share capital of the company.
- To the best of our knowledge and belief there has been no instance of fraud that has occurred or reported during the Financial Year 2021-22.
- The Company is in compliance of all the applicable secretarial standards issued by The Institute of Company Secretaries of India, issued from time to time.
- The Company has nothing to report as it has not made any application or subject to any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year/ end of the financial year.
- The Company has nothing to report for the details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof.

### 31. ACKNOWLEDGEMENT

Your Directors' place on record their sincere appreciation for the co-operation and support received by your Company from the Ministry of Power, Government of Himachal Pradesh, Ministry of Corporate Affairs, Central and State Government and other government agencies, Lenders, Banks, Financial Institutions, CERC, HPERC, HPSEBL, PTC India Limited, Statkraft Markets Private Limited India Energy Exchange and our valued customers, who have continued their valuable support and encouragement during the year under review. The Board also thanks the employees at all levels, for the dedication, commitment and hard work put in by them for Company's achievements.

Your involvement as shareholders is greatly valued and appreciated. The Directors look forward to your continuing support.

For and on behalf of the Board of Directors



Ravi Jhunjhunwala  
Chairman and Director  
(DIN 00060972)

Address: Bhilwara Towers, A-12,  
Sector-1, Noida-201301

Place: Noida

Date: 2<sup>nd</sup> August, 2022



**ANNEXURE – I TO THE DIRECTORS’ REPORT**

The information of employees as prescribed under the provisions of Section 197 read with Rule 5, sub rule 2 & 3 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 under the Companies Act, 2013, who were employed throughout or for a part of the financial year under review is given as under:

| S. No. | Name of top 10 Employees in terms of remuneration | Designation              | Remuneration (in Rs. Million) | Qualification                                | Experience | Age | Date of Commencement of Employment | Last Employment, held, Organisation, Designation & Duration      | Shareholding | Nature of employment | Whether employee is relative of Director |
|--------|---|--------------------------|-------------------------------|--|------------|-----|------------------------------------|--|--------------|----------------------|--|
| 1      | Anvird Kr. Sharma                                 | D.G.M.-Civil             | 50.26                         | Diploma in civil-1994, Cor B Tech Civil-2013 | 30         | 53  | 17-Dec-07                          | Lanko green power ltd.as Sr Manager for 4 months.                | Nil          | Permanent            | No                                       |
| 2      | Pankaj Kapoor                                     | Vice President           | 35.07                         | BE Electrical Engg.1983                      | 37         | 62  | 04-Sep-18                          | HPSEB as Chief Engg.- Generation. 34 years                       | Nil          | Permanent            | No                                       |
| 3      | Ramesh Kr. Khaitan                                | Vice President           | 33.66                         | BSc. HONS.1974                               | 48         | 71  | 18-Sep-06                          | JK Dairy and foods ltd. as Chief commercial manager for 6 years. | Nil          | Contractual          | No                                       |
| 4      | Jai Raj Chopra                                    | Sr. Manager Mechanical   | 31.99                         | B.E.Mechanical-1995                          | 23         | 50  | 01-Sep-06                          | SSIV Project as Mechanical Engineer for 3 years.                 | Nil          | Permanent            | No                                       |
| 5      | Rajiv Katsal                                      | SR. Manager - Electrical | 30.20                         | B. Tech Electrical 2003                      | 19         | 45  | 01-Jul-03                          | Joined as GET on 1/7/03 at MPCL Jari                             | Nil          | Permanent            | No                                       |
| 6      | Yashwant Thakar                                   | SR. Manager - Mechanical | 29.99                         | B. Tech Mechanical -1999                     | 19         | 48  | 01-Jan-05                          | Flexwil Constructors 2 years                                     | Nil          | Permanent            | No                                       |
| 7      | Tagesh Atri                                       | Manager - Electrical     | 29.56                         | Dip. In Elect. 1987                          | 32         | 53  | 14-Nov-05                          | H.P. Equipments Pvt Ltd. 3 Years                                 | Nil          | Permanent            | No                                       |
| 8      | Deepak Tikoo                                      | SR. Manager - EHS        | 27.67                         | M.BBS-1997                                   | 24         | 52  | 21-Dec-05                          | Acharya Shri Chander Collage 3 years                             | Nil          | Permanent            | No                                       |
| 9      | Rajneesh Chauhan                                  | Manager- Electrical      | 27.22                         | Dip. In Elect.1995                           | 24         | 47  | 24-Mar-00                          | Lalji Solar Elect Ltd. 4 years                                   | Nil          | Permanent            | No                                       |
| 10     | Sanjay Rana                                       | Manager - Mechanical     | 25.22                         | Dip. In Mech. 1996                           | 27         | 51  | 12-Dec-05                          | India International House Ltd. 4 Yrs                             | Nil          | Permanent            | No                                       |

(6) Names of every employee whose remuneration falls under limit prescribed in Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

| S. No. | Name of Employee | Designation | Remuneration (in Rs. millions) | Age | Experience | Age | Date of Commencement of Employment | Last Employment held at | Shareholding in the Company | Nature of employment | Whether employee is relative of Director |
|--------|------------------|-------------|--------------------------------|-----|------------|-----|------------------------------------|-------------------------|-----------------------------|----------------------|--|
| 1      | Nil              | Nil         | Nil                            | Nil | Nil        | Nil | Nil                                | Nil                     | Nil                         | Nil                  | Nil                                      |
| 2      | Nil              | Nil         | Nil                            | Nil | Nil        | Nil | Nil                                | Nil                     | Nil                         | Nil                  | Nil                                      |

**ANNEXURE II TO THE DIRECTORS' REPORT**

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO REQUIRED UNDER THE COMPANIES (ACCOUNTS) RULES, 2014**

**(A) CONSERVATION OF ENERGY**

- a) the steps taken or impact on conservation of energy;
  - i. Installation of VFDs in PH on Cooling Water pumps for Generator & Transformers
  - ii. Replacement of conventional lighting with LED lighting in PH, Switch Yard & remote sites
  
- b) The steps taken by the Company for utilizing alternate sources of energy: NIL

The capital investment on energy conservation equipment: Total amount spent in the last 10 Years Rs. 2.426 million.

**(B) TECHNOLOGY ABSORPTION**

- (i) The efforts made towards technology absorption: As above
  
- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution: Energy saved worth Rs.20.829 million
  
- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) – Nil
  - (a) the details of technology imported: Nil
  - (b) the year of import: Nil
  - (c) whether the technology been fully absorbed: NA
  - (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and
  
- (iv) the expenditure incurred on Research and Development: Nil

**(C) FOREIGN EXCHANGE EARNINGS AND OUTGO**

(Rs. in Million)

| S. No.    | Particulars                                | 2021-22     | 2020-21     |
|-----------|--|-------------|-------------|
| <b>I</b>  | <b>Foreign Exchange Outgo</b>              |             |             |
|           | Traveling and conveyance                   | 0.00        | 0.05        |
|           | Financial charges                          | 0.00        | 0.75        |
|           | CER Expenses                               | 0.00        | 0.00        |
|           | Others                                     | 0.00        | 0.00        |
|           | <b>Total</b>                               | <b>0.00</b> | <b>0.80</b> |
| <b>II</b> | <b>Foreign Exchange Earnings</b>           |             |             |
|           | Others (Sale of Certified Emission Rights) | 13.93       | 1.13        |

**ANNEXURE III TO THE DIRECTORS' REPORT**

**NOMINATION & REMUNERATION POLICY**

Pursuant to Section 178 of the Companies Act, 2013 and Rules made thereunder, AD Hydro Power Limited is required to constitute a Nomination and Remuneration Committee with at least three or more non-executive Directors, out of which not less than one half shall be independent directors. The Company already had a Remuneration Committee with three Non-Executive Directors. In order to align the same with the provisions of the Companies Act, 2013, and Rules made thereunder from time to time, the Board of Directors at their meeting held on the 16th March, 2015, renamed the "Remuneration Committee" as "Nomination and Remuneration Committee".

The Nomination and Remuneration Committee and its Policy being in compliance with the provisions of Section 178 of the Companies Act, 2013, read with the applicable Rules made thereunder, applies to the Board of Directors, Key Managerial Personnel and the Senior management Personnel of the Company.

**1. OBJECTIVE**

The Key Objectives of the Committee would be:

- a)** to advise the Board in relation to appointment, appraisal and removal of Directors, Key Managerial Personnel and Senior Management of the Company.
- b)** to evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- c)** to recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

**2. DEFINITIONS**

- (a)** "Act" means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- (b)** "Board" means Board of Directors of the Company.
- (c)** Key Managerial Personnel (KMP), means:
  - i.** Chief Executive Officer or the managing director or the manager;
  - ii.** Company Secretary,
  - iii.** Whole-time Director;
  - iv.** Chief Financial Officer; and
  - v.** such other officer as may be prescribed.
- (d)** Senior Management: Senior Management means personnel of the company who are members of its core management team excluding the Board of Directors. This would also include all members of management one level below the executive directors including all functional heads.

### 3. ROLE OF COMMITTEE

The role of the Committee inter alia will be the following:

- a) reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy, with the objective to diversify the Board;
- b) to recommend to the Board the appointment and removal of Director or key management personnel or Senior Management Personnel.
- c) to carry out evaluation of Director's performance.
- d) assessing the independence of independent directors;
- e) to make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;
- f) making recommendations to the Board on the remuneration/fee payable to the Directors/KMPs/Senior Officials so appointed/re-appointed;
- g) ensure that level and composition of remuneration of Directors, KMP's and Senior Management is reasonable and sufficient. The relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- h) to devise a policy on Board diversity;
- i) to develop a succession plan for the Board and Senior Management and to regularly review the plan;
- j) such other key issues/matters as may be referred by the Board or as may be necessary in view of the provision of the Companies Act, 2013 and Rules made thereunder.

### 4. MEMBERSHIP

- a) The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.

However, the Chairperson of the Company (whether executive or non-executive) may be appointed as a member of the Nomination and Remuneration Committee, but shall not chair such Committee.

- b) Minimum two (2) members shall constitute a quorum for the Committee meeting.
- c) Membership of the Committee shall be disclosed in the Annual Report.

- d) Term of the Committee shall be continued unless terminated by the Board of Directors.

#### **5. CHAIRMAN**

- a) Chairman of the Committee shall be a Non-executive Director.
- b) Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- c) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- d) Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

#### **6. FREQUENCY OF MEETINGS**

The meeting of the Committee shall be held at such regular intervals as may be required.

#### **7. COMMITTEE MEMBERS' INTERESTS**

- a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

#### **8. SECRETARY**

The Company Secretary of the Company shall act as Secretary of the Committee.

#### **9. VOTING**

- a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

#### **10. POLICY ON BOARD DIVERSITY**

The Nomination and Remuneration Committee shall ensure that Board of Directors have the combination of Directors from different areas /fields or as may be considered appropriate in the best interest of the Company. The Board shall have atleast one Board member who has accounting/ financial management expertise.

#### **11. NOMINATION DUTIES**

The duties of the Committee in relation to nomination matters include:

1. Ensuring that there is an appropriate induction & training program in place for new Directors and members of Senior Management and reviewing its effectiveness;
2. Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Companies Act, 2013;
3. Determining the appropriate size, diversity and composition of the Board;
4. Follow a formal and transparent procedure for selecting new Directors for appointment to the Board, Key Managerial Personnel's and Senior Management Personnel;
5. Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
6. Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
7. Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
8. Delegating any of its powers to one or more of its members or the Secretary of the Committee;
9. Considering any other matters as may be requested by the Board;

## 12. REMUNERATION DUTIES

The Committee will recommend the remuneration/fee to be paid to the Managing Director, Whole-time Director, other Directors, Key Managerial Personnel and Senior Management Personnel to the Board for their approval.

The level and composition of remuneration/fee so determined by the Committee shall be reasonable and sufficient to attract, retain and motivate directors, Key Managerial Personnel and Senior Management of the quality required to run the Company successfully. The relationship of remuneration/fee to performance should be clear and meet appropriate performance benchmarks. The remuneration should also involve a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

### 1. Director/ Managing Director

Besides the above Criteria, the Remuneration/ compensation/ commission/fee to be paid to Director/ Managing Director/ Whole Time Director shall be governed as per provisions of the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

**2. Non-executive Independent Directors**

The Non-Executive Independent Director may receive remuneration by way of sitting fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

**3. Key Managerial Personnel's /Senior Management Personnel etc**

The Remuneration to be paid to Key Managerial Personnel's/ Senior Management Personnel shall be based on the experience, qualification, performance and expertise of the related personnel and governed by the limits, if any prescribed under the Companies Act, 2013 and Rules made thereunder or any other enactment for the time being in force.

**4. Directors' and Officers' Insurance**

Where any insurance is taken by the Company on behalf of its Directors, Key Managerial Personnel's/ Senior Management Personnel etc. for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

**13. EVALUATION/ ASSESSMENT OF DIRECTORS OF THE COMPANY**

The evaluation/assessment of the Directors of the Company is to be conducted on an annual basis. The following criteria may assist in determining how effective the performances of the Directors have been:

- Contributing to clearly defined corporate objectives & plans
- Obtain adequate, relevant & timely information from external sources
- Review of strategic and operational plans, objectives and budgets
- Regular monitoring of corporate results against projections
- Identify, monitor & take steps for mitigation of significant corporate risks
- Assess policies, structures & procedures
- Review management's succession plan
- Effective meetings
- Assuring appropriate board size, composition, independence, structure
- Clearly defining roles & monitoring activities of committees.
- Additionally, for the evaluation/assessment of the performances of Managing Director(s)/Whole Time Director(s) of the Company, following criteria may also be considered:
  - Leadership abilities
  - Communication of expectations & concerns clearly with subordinates
  - Direct, monitor & evaluate KMPs, senior officials

Evaluation on the aforesaid parameters will be conducted by the Independent Directors for each of the Executive/Non- Independent Directors in a separate meeting of the Independent Directors.



The Executive Director/Non-Independent Directors along with the Independent Directors will evaluate/assess each of the Independent Directors on the aforesaid parameters. Only the Independent Director being evaluated will not participate in the said evaluation discussion.

#### **14. DISCLOSURE**

The Remuneration policy and the evaluation criteria shall be disclosed in the Board's Report.

#### **15. MINUTES OF COMMITTEE MEETING**

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

#### **16. DEVIATIONS FROM THIS POLICY**

Deviations on elements of this policy in extraordinary circumstances, when deemed necessary in the interests of the Company, will be made if there are specific reasons to do so in an individual case. However, this shall be subject to the approval of Board of Directors on the recommendation of Nomination and Remuneration Committee of the Company.

-XXX-



## AD HYDRO POWER LIMITED

### ANNEXURE IV TO THE DIRECTORS' REPORT

FORM NO. MR-3  
SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2022

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members,

AD Hydro Power Limited (CIN: U40101HP2003PLC026108)

Village Prini PO Jagat Sukh Teh Manali Distt Kullu Himachal Pradesh

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **AD Hydro Power Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on March 31, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;  
**(Not applicable to the Company during the period under review)**
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and External Commercial Borrowings.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):**(All the following Regulations including amendments, statutory modification or re-enactment thereto if any,**

**from time to time are not applicable to the Company during the period under review)**

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (vi) Other law applicable specifically to the Company, as identified and on the basis of representation given by the management:
  - The Indian Electricity Act, 2003 and Rules/ Regulations made thereunder; and
  - The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal Act, 2013).

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. (Notified and effective from 1<sup>st</sup> July, 2015 and the revised version effective from October 1<sup>st</sup>, 2017).
- (ii) The SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015.  
**(Not Applicable to the Company during the period under review)**

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors during the period under review were carried out in compliance with the provisions of this Act.

Normally adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be. There was no dissenting vote for any matter.

**I further report that** I have relied on the representation made by the Company and its officers for system and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. Therefore, I am of the opinion that the management has adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report, during the audit period, there were no other specific events/actions in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. having a major bearing on the Company's affairs.

This report is to be read with my letter of even date which is annexed as "Annexure I" and forms an integral part of this report.

**FOR P. KATHURIA & ASSOCIATES  
COMPANY SECRETARIES**

**PRADEEP KATHURIA  
FCS : 4655  
CP : 3086  
UDIN: F004655D000625253**

**PLACE: NEW DELHI  
DATE: 14.07.2022**



## AD HYDRO POWER LIMITED

### Annexure I

To  
The Members,  
AD Hydro Power Limited (CIN: U40101HP2003PLC026108)  
Village Prini PO Jagat Sukh Teh Manali Distt Kullu Himachal Pradesh

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial record and Books of Accounts of the company since the same have been subject to review by Statutory Auditor.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**FOR P. KATHURIA & ASSOCIATES  
COMPANY SECRETARIES**

**PRADEEP KATHURIA  
FCS: 4655  
CP: 3086  
UDIN: F004655D000625253**

**PLACE: NEW DELHI  
DATE: 14.07.2022**

**ANNEXURE V TO THE DIRECTORS' REPORT**

**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2021-22**

1. **Brief outline on CSR Policy of the Company:** The Company's CSR activities are designed to serve, societal, local and national goals in all the locations where company operates. Through the CSR Policy, the company creates a significant and sustained impact on communities around the Plant location. The Company also provides opportunities for the Employees to contribute to these efforts through volunteering. More detailed in Point no. 16(iii) of Board Report.

**2. Composition of CSR Committee:**

| Sl. No. | Name of Director     | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---------|----------------------|--------------------------------------|--|--|
| 1       | Mr. Ravi Jhunjunwala | Chairman, Managing Director          | 4 (Four)   | 4 (Four)   |
| 2       | Dr. Kamal Gupta      | Member, Independent Director         | 4 (Four)   | 4 (Four)   |
| 3       | Ms. Tima Iyer Utne   | Member, Director                     | 4 (Four)   | 4 (Four)   |

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

<http://adhydropower.com/docs/ADHPL CSR Policy.pdf>.

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attached the report) : Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

| Sl. No. | Financial Year | Amount available for set-off from preceding financial years (in Rs) | Amount required to be set-off for the financial year, if any (in Rs) |
|---------|----------------|---|--|
|         |                | Nil   | Nil  |

6. Average net profit of the company as per section 135(5): Rs. 303.01 million

7.

(a) Two percent of average net profit of the company as per section 135(5): Rs. 6.07 million

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

(c) Amount required to be set off for the financial year, if any : Nil

(d) Total CSR obligation for the financial year (7a+7b- 7c) : Rs.6.86 million

8.

(a) CSR amount spent or unspent for the financial year:

| Total Amount Spent for the Financial Year 2021-22 (in Rs.) | Amount Unspent (in Rs.)  |                   |  |         |                   |
|--|--|-------------------|--|---------|-------------------|
|  | Total Amount transferred to Unspent CSR Account as per section 135(6). |                   | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5). |         |                   |
|  | Amount.  | Date of transfer. | Name of the Fund   | Amount. | Date of transfer. |
| Rs. 6.86 million   | Nil  | -                 | -  | Nil     | -                 |

**(b) Details of CSR amount spent against ongoing projects for the financial year: Not Applicable**

| (1)     | (2)                  | (3)  | (4)                  | (5)                      |           | (6)               | (7)  | (8)  | (9)   | (10)                                  | (11)   |                          |
|---------|----------------------|--|----------------------|--------------------------|-----------|-------------------|--|--|---|---------------------------------------|--|--------------------------|
| Sl. No. | Name of the Project. | Item from the list of activities in Schedule VII to the Act. | Local area (Yes/No). | Location of the project. |           | Project duration. | Amount allocated for the project (in Rs.). | Amount spent in the current financial Year (in Rs.). | Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.). | Mode of Implementation-Direct Yes/No. | Mode of Implementation – Through Implementing Agency |                          |
|         |                      |  |                      | State.                   | District. |                   |  |  |   |                                       | Name   | CSR Registration number. |
|         |                      |  |                      |                          |           |                   |  |  |   |                                       |  |                          |



**(c) Details of CSR amount spent against other than ongoing projects for the financial year:**

| (1)<br>Sl. No. | (2)<br>Name of the Project   | (3)<br>Item from the list of activities in schedule VII to the Act. | (4)<br>Local area (Yes/No). | (5)<br>Location of the project. |           | (6)<br>Amount spent for the project (in Rs.). | (7)<br>Mode of implementation - Direct (Yes/No) | (8)<br>Mode of implementation - Through implementing agency. |                          |
|----------------|--|---|-----------------------------|---------------------------------|-----------|---|---|--|--------------------------|
|                |  |   |                             | State.                          | District. |   |   | Name.  | CSR registration number. |
| 1.             | Swachhta Abhiyan in Village Prini and nearby villages  | Swachha Bharat Abhiyan  | Yes                         | Himachal Pradesh                | Kullu     | Rs. 1.74 Mn                                   | Yes   | -  | -                        |
| 2.             | Company is providing training like sewing, tailoring etc. to local women for their capacity building | Women Empowerment   | Yes                         | Himachal Pradesh                | Kullu     | Rs. 0.11 Mn                                   | Yes   | -  | -                        |
| 3.             | ADHPL Scholarship Scheme   | Promoting Education   | Yes                         | Himachal Pradesh                | Kullu     | Rs. 0.75 Mn                                   | Yes   | -  | -                        |
| 4.             | Distribution of school bags and stationary amongst children at Govt. primary schools                 | Promoting Education   | Yes                         | Himachal Pradesh                | Kullu     | Rs. 0.15 Mn                                   | Yes   | -  | -                        |
| 5.             | Honorarium being paid to the teachers engaged for teaching at Govt. school                           | Promoting Education   | Yes                         | Himachal Pradesh                | Kullu     | Rs. 0.86 Mn                                   | Yes   | -  | -                        |
| 5.             | Procurement of water tank for GSSS Bran  | Promoting Education   | Yes                         | Himachal Pradesh                | Kullu     | Rs. 0.02 Mn                                   | Yes   | -  | -                        |
| 6.             | Providing street lights at nearby villages for improving safety & village development work           | Rural Development   | Yes                         | Himachal Pradesh                | Kullu     | Rs. 0.11 Mn                                   | Yes   | -  | -                        |
| 7.             | Construction of Kuhal in village Shuru : Rs. 3,67,915/-  | Rural Development   | Yes                         | Himachal Pradesh                | Kullu     | Rs. 0.37 Mn                                   | Yes   | -  | -                        |
| 8.             | Repair/renovation of School building at Village, Aleo, Dist. Kullu.                                  | Rural Development   | Yes                         | Himachal Pradesh                | Kullu     | Rs. 0.43 Mn                                   | Yes   | -  | -                        |



## AD HYDRO POWER LIMITED

|     |  |                                       |     |                  |       |                    |     |   |   |
|-----|--|---------------------------------------|-----|------------------|-------|--------------------|-----|---|---|
|     | Tree Plantations   | Environment                           | Yes | Himachal Pradesh | Kullu | Rs. 0.48 Mn        | Yes | - | - |
| 9.  | Two Medical attendants honorarium for dispensary/ hospital at Community Health Centre, Manali  | Healthcare                            | Yes | Himachal Pradesh | Kullu | Rs. 0.29 Mn        | Yes | - | - |
| 9.  | Support to Dr. Shruti More   | Healthcare                            | Yes | Himachal Pradesh | Kullu | Rs. 0.29 Mn        | Yes | - | - |
| 9.  | Providing sanitary pads and vending machine for sanitary pads at different locations in Dist. Kullu  | Healthcare                            | Yes | Himachal Pradesh | Kullu | Rs. 0.05 Mn        | Yes | - | - |
|     | Installation of water cooler with purifier at Primary Health Centre (PHC) Nagar, Kullu   | Healthcare                            | Yes | Himachal Pradesh | Kullu | Rs. 0.03 Mn        | Yes | - | - |
| 10. | Relief material provided during COVID-19 pandemic:<br><br>1. Support to fight COVID 19 pandemic for procuring 50 (Type D) oxygen cylinders for District Kullu through Sub-Divisional Magistrate Kullu District Rs. 8,00,000/-<br><br>2. Hypochlorite donated to Village Prini (Local Administration) for spraying during COVID 19: Rs. 5,310/-<br><br>3. PPEs and Masks donated to Lady Willindon hospital Manali : Rs. 3,76,670/- | Expenses related to COVID 19 pandemic | Yes | Himachal Pradesh | Kullu | Rs. 1.18 Mn        | Yes | - | - |
|     | <b>TOTAL</b>   |                                       |     |                  |       | <b>Rs. 6.86 Mn</b> |     |   |   |

**(d) Amount spent in Administrative Overheads: Nil**

**(e) Amount spent on Impact Assessment, if applicable: Not Applicable**

**(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : Rs. 6.86 million**

**(g) Excess amount for set off, if any**

| Sl. No. | Particular  | Amount (in Rs.)  |
|---------|---|------------------|
| (i)     | Two percent of average net profit of the company as per section 135(5)                                      | Rs. 6.07 million |
| (ii)    | Total amount spent for the Financial Year   | Rs.6.86 million  |
| (iii)   | Excess amount spent for the financial year [(ii)-(i)]   | Rs.0.79 million  |
| (iv)    | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | -                |
| (v)     | Amount available for set off in succeeding financial years [(iii)-(iv)]                                     | -                |

9.

**(a) Details of Unspent CSR amount for the preceding three financial years: NIL**

**(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):**

| (1)     | (2)         | (3)                  | (4)  | (5)               | (6)  | (7)   | (8)  | (9)                                       |
|---------|-------------|----------------------|--|-------------------|--|---|--|---|
| Sl. No. | Project ID. | Name of the Project. | Financial Year in which the project was commenced. | Project duration. | Total amount allocated for the project (in Rs.). | Amount spent on the project in the reporting Financial Year (in Rs.). | Cumulative amount spent at the end of reporting Financial Year. (in Rs.) | Status of the project Completed /Ongoing. |
|         | -           |                      |  |                   | Nil  | Nil   | Nil  | -   |

**10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): Not Applicable**

| S. No. | Name of Asset →  | Not Applicable |
|--------|--|----------------|
| (a)    | Date of creation or acquisition of the capital asset(s). | -              |

**AD HYDRO POWER LIMITED**

|     |  |     |
|-----|--|-----|
| (b) | Amount of CSR spent for creation or acquisition of capital asset.  | Nil |
| (c) | Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. | -   |
| (d) | Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).    | -   |

**11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): ) : Not Applicable**

|   |  |   |
|---|--|---|
| <br><b>Ravi Jhunjunwala</b><br>Director | <br><b>Ravi Jhunjunwala</b><br>Chairman CSR Committee | <br><b>Om Prakash Ajmera</b><br>Chief Financial Officer |
|---|--|---|

\*\*\*\*\*



***AD HYDRO POWER LIMITED***

***CIN No. : U40101HP2003PLC026108***

***Standalone Financial Statement***

***April 1, 2021 to March 31, 2022***

***March 31, 2022***

**\*\*\*\*\***

## INDEPENDENT AUDITOR'S REPORT

Tel: +91 124 679 2000  
Fax: +91 124 679 2012

### To The Members of AD Hydro Power Limited Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of AD Hydro Power Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2022, and the Statement of Profit and Loss (including Other Comprehensive Loss), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit, total comprehensive Income, its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility 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 (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### Emphasis of Matter

We draw attention to Note 29.3 (ii) of the financial statements, which describes the uncertainty relating to the effects of outcome of litigation with three parties using the transmission line.

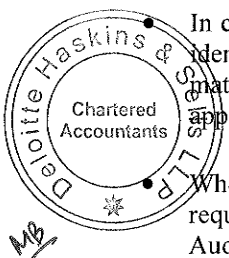
Our opinion is not modified in respect of this matter.

#### 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 Director's report but does not include the financial statements and our auditor's report thereon. The Director's report is expected to be made available to us after the date of this Auditor's report.
- Our opinion on the financial statements does not cover the other information and we do not and will 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 our audit or otherwise appears to be materially misstated.

When we read the Director's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other 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 Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive loss, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement 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.

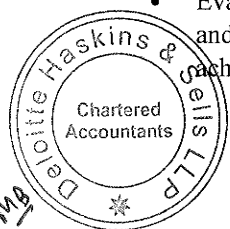
Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial 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 the 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 probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Loss, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2022 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) 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 has been paid by the Company to its directors during the year in accordance with the provisions of section 197 of the Act. Hence, reporting under this section is not applicable to the Company.
  - h) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. <<refer note 29.1 to the financial statements>>
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. <<refer note 29.2(b) to the financial statements>>





# Deloitte Haskins & Sells LLP


- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company. <<refer note 18 to the financial statements>>
- iv. (a) The Management has represented that, to the best of its knowledge and belief as disclosed in the note 34(vi) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of its knowledge and belief as disclosed in the note 34(vii) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entity (ies) ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. The company has not declared or paid any dividend during the year and has not proposed final dividend for the year.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)



*Vikas Khurana*  
**Vikas Khurana**  
(Partner)  
(Membership No.503760)  
UDIN: 22503760AIUBTF7798

Place: Gurugram  
Date: May 11, 2022

# Deloitte Haskins & Sells LLP

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT  
(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements'  
section of our report of even date)**

**Report on the Internal Financial Controls Over Financial Reporting 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 AD Hydro Power Limited ("the Company") as of March 31, 2022 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. 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 Companies Act, 2013.

## **Auditor's Responsibility**

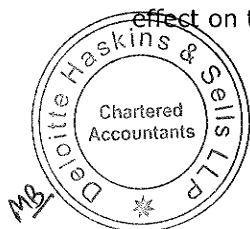
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note") and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



# Deloitte Haskins & Sells LLP

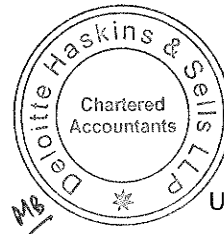
## Inherent Limitations of Internal Financial Controls Over Financial Reporting


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, to the best of our information and according to the explanations given to us, 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, 2022, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note.

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)



  
**Vikas Khurana**  
(Partner)  
(Membership No. 503760)  
UDIN: 22503760AIUBTF7798

Place: Gurugram  
Date: May 11, 2022

**ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets.
- (B) The Company does not hold any intangible assets.
- (b) The property, plant and equipment were physically verified during the year by the management which, in our opinion, provides for physical verification at reasonable intervals. According to the information and explanations given to us, no discrepancies were noticed on such verification.
- (c) With respect to immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment, according to the information and explanations given to us and based on the examination of the award letter and certificate of mutation provided to us provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date, except for the following:

| Description of property  | As at the Balance sheet date (in lakhs) | Held in the name of  | Whether promoter, director or their relative or employee | Period held   | Reason for not being held in name of Company   |
|--|---|----------------------|--|---|--|
| Freehold land located at Village Prini, District Kullu, Himachal Pradesh measuring 2.2158 hectares | 566.32                                  | Concerned Landowners | No   | The land was purchased between 2005 to 2014. Mutation is pending as on March 31, 2022 | The land was purchased directly form the landowners as per clause 4.3(a) of Implementation Agreement by signing an Agreement to sell with each landowner. Further, additional private land was mainly purchased as per requirement during construction phase. The entire land is in possession of the company.<br><br>The process for obtaining permission from the State Govt. under section 118 of HP Tenancy & Land Reforms Act has been initiated. DC, Kullu and SDM, Manali has recommended the case for permission to the State Government and |



# Deloitte Haskins & Sells LLP

|  |        |                      |    |                            |  |
|--|--------|----------------------|----|----------------------------|--|
|  |        |                      |    |                            | permission under said Act is awaited.  |
| Freehold land located at Village Prini, District Kullu, Himachal Pradesh measuring 0.5142 hectares | 139.43 | Concerned Landowners | No | During Construction Period | Land was used during construction period by giving one time compensation on lease basis for Tail Race Tunnel ("TRT") works. The TRT work was underground, hence the rights and ownership remain with concern owners and no mutation will take place. |

- (d) The Company has not revalued any of its property, plant and equipment (including right-of-use assets) during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The inventories were physically verified (except for stock lying with third party) during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. For stock held with the third parties at the year end, written confirmation has been obtained. No discrepancies of ten percent or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.
- (b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions and hence reporting under clause (ii)(b) of the Order is not applicable.
- (iii) (a) The Company has granted loans to employees, unsecured but has not made any investments in, provided any guarantee or security or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year.

*Amount in Rs. lakhs*

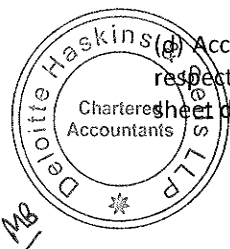
| Particulars   | Loans |
|---|-------|
| <b>A. Aggregate amount provided during the year</b>                               |       |
| -Others (employees)   | 10.39 |
| <b>B. Balance outstanding as at balance sheet date in respect of above cases*</b> |       |
| -Others (employees)   | 10.26 |

\*The amounts reported are at gross amounts, without considering provisions made.

(b) The terms and conditions of the grant of all the above-mentioned loans granted, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.

(c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation.

(d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.



# Deloitte Haskins & Sells LLP

(e) No loan or advance in the nature of loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) is not applicable.

(iv) According to information and explanation given to us, the Company has not granted any loans, made investments or provided guarantees or securities that are covered under the provisions of sections 185 or 186 of the Companies Act, 2013, and hence reporting under clause (iv) of the Order is not applicable.

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) Undisputed statutory dues, including Income Tax, Goods and Services tax, Provident Fund, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities though there has been a delay in respect of remittance of Income Tax, Goods and Services Tax and Provident Fund dues. We have been informed that the provisions of the Employees' State Insurance Act, 1948, Sales Tax, Services Tax, duty of Custom, duty of Excise, Value Added Tax are not applicable to the Company.

There were no undisputed amounts payable in respect of Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Services Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022 on account of disputes are given below:

| Name of statute   | Nature of dispute                                      | Forum where dispute is pending | Period to which amount relates    | Amount (Rs. in lakhs) |
|---|--|--------------------------------|-----------------------------------|-----------------------|
| The Building & Other Construction Workers Welfare Cess Act, 1996 (BOCW) | The Building & Other Construction Workers Welfare Cess | High Court, Himachal Pradesh   | January 01, 2005 to July 31, 2012 | 1,459.58              |



(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

# Deloitte Haskins & Sells LLP

- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) The Company has not raised any funds on short-term basis and hence reporting under clause 3(ix)(d) of the Order is not applicable.
- (e) The Company does not have any subsidiaries, associates or joint ventures and hence, reporting under clause 3(ix)(e) of the Order is not applicable.
- (f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year and upto the date of this report.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered the internal audit reports issued to the Company during the year and covering the period up to December 31, 2021 and the draft of the internal audit reports were issued after the balance sheet date covering the period January 1, 2022 to March 31, 2022 for the period under audit.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with any of its directors or directors of it's holding company or persons connected with such directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

The Group does not have any Core investment Company (CIC) as part of the group and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.



# Deloitte Haskins & Sells LLP

- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

**FOR DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)



A handwritten signature in black ink, appearing to read "Vikas Khurana".

**Vikas Khurana**  
Partner

(Membership No. 503760)

UDIN: 22503760AIUBTF7798

Place: Gurugram

Date: May 11, 2022



AD Hydro Power Limited  
Balance Sheet as at March 31, 2022

(Rs. in lakhs)

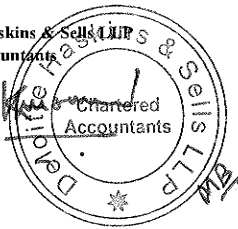
| Particulars  | Note No. | As at March 31, 2022 | As at March 31, 2021 |
|--|----------|----------------------|----------------------|
| <b>ASSETS</b>  |          |                      |                      |
| <b>1 Non - current assets</b>  |          |                      |                      |
| (a) Property, plant and equipment  | 3        | 120,999.00           | 125,928.21           |
| (b) Financial assets   |          |                      |                      |
| (i) Trade receivables  | 8        | 2,921.85             | 2,921.85             |
| (ii) Loans   | 4        | 11.92                | 16.25                |
| (iii) Others   | 5        | 3.40                 | 38.40                |
| (c) Non-current tax assets   | 15       | 946.55               | 11.10                |
| (d) Other non current assets   | 6        | 15.57                | 14.04                |
|  |          | <b>124,898.29</b>    | <b>128,929.85</b>    |
| <b>2 Current assets</b>  |          |                      |                      |
| (a) Inventories  | 7        | 823.47               | 885.42               |
| (b) Financial assets   |          |                      |                      |
| (i) Trade receivables  | 8        | 1,613.76             | 731.33               |
| (ii) Cash and cash equivalents   | 9        | 853.95               | 1,207.37             |
| (iii) Bank balances other than (ii) above                                    | 10       | 1,805.99             | 4,378.60             |
| (iv) Loans   | 4        | 15.46                | 18.59                |
| (v) Others   | 5        | 7.30                 | 109.24               |
| (c) Other current assets   | 6        | 155.94               | 173.13               |
|  |          | <b>5,275.87</b>      | <b>7,503.68</b>      |
| <b>Total Assets</b>  |          | <b>130,174.16</b>    | <b>136,433.53</b>    |
| <b>EQUITY AND LIABILITIES</b>  |          |                      |                      |
| <b>EQUITY</b>  |          |                      |                      |
| (a) Equity share capital   | 12       | 56,015.28            | 56,015.28            |
| (b) Other equity   | 13       | 50,072.50            | 45,495.84            |
| <b>Total Equity</b>  |          | <b>106,087.78</b>    | <b>101,511.12</b>    |
| <b>LIABILITIES</b>   |          |                      |                      |
| <b>1 Non - current liabilities</b>   |          |                      |                      |
| (a) Financial liabilities  |          |                      |                      |
| (i) Borrowings   | 14       | 21,221.57            | 30,146.20            |
| (b) Provisions   | 17       | 167.96               | 158.18               |
|  |          | <b>21,389.53</b>     | <b>30,304.38</b>     |
| <b>2 Current liabilities</b>   |          |                      |                      |
| (a) Financial liabilities  |          |                      |                      |
| (i) Short term Borrowings  | 14       | 815.07               | 3,295.77             |
| (ii) Trade payables  | 18       | -                    | -                    |
| - total outstanding dues of micro and small enterprises                      |          | -                    | -                    |
| - total outstanding dues of creditors other than micro and small enterprises |          | 1,478.87             | 883.79               |
| (iii) Other financial liabilities  | 16       | 173.54               | 137.93               |
| (b) Provisions   | 17       | 35.88                | 6.18                 |
| (c) Current tax liabilities  | 15       | -                    | 149.15               |
| (d) Other current liabilities  | 19       | 193.49               | 145.21               |
|  |          | <b>2,696.85</b>      | <b>4,618.03</b>      |
| <b>Total Equity and liabilities</b>  |          | <b>130,174.16</b>    | <b>136,433.53</b>    |

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For Deloitte Haskins & Sells LLP  
Chartered Accountants

Vikas Khurana  
Partner



For and on behalf of the Board of Directors of  
AD Hydro Power Limited

Ravi Jhunjunwala  
Director  
DIN:-00060972

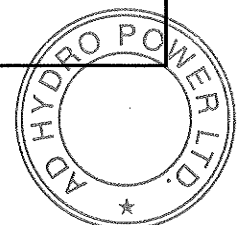
O.P. Ajmera  
Director, CEO & CFO  
DIN:-00322834

Rahul Varshney  
Director  
DIN:-03516721

Arvind Gupta  
Company Secretary  
M.No:-F7690

Place: GORUGRAM  
Date: 11 May 2022

Place: NOIDA  
Date: 11 MAY 02, 2022



AD Hydro Power Limited  
Statement of Profit and Loss for the year ended March 31, 2022

(Rs. in lakhs)


| Particulars  | Note No. | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 |
|--|----------|------------------------------|------------------------------|
| I Revenue from operations  | 20       | 25,580.73                    | 17,619.89                    |
| II Other Income  | 21       | 547.12                       | 1,341.36                     |
| III Total Income   |          | <b>26,127.85</b>             | <b>18,961.25</b>             |
| IV Expenses  |          |                              |                              |
| Open access charges  |          | 1,530.17                     | 1,297.26                     |
| Bulk power transmission charges [Refer Note 29.1(g)]                 |          | 2,915.00                     | 2,449.57                     |
| Employee benefits expenses   | 22       | 1,549.93                     | 1,367.84                     |
| Finance costs  | 23       | 3,486.61                     | 3,863.23                     |
| Depreciation and amortisation expenses                               | 24       | 4,968.59                     | 5,385.72                     |
| Other expenses   | 25       | 1,847.16                     | 1,939.77                     |
| Total expenses   |          | <b>16,297.46</b>             | <b>16,303.39</b>             |
| V Profit before tax  |          | <b>9,830.39</b>              | <b>2,657.86</b>              |
| VI Tax expense:  |          |                              |                              |
| Current tax  | 26       | -                            | 489.23                       |
| Total tax expense  |          | -                            | <b>489.23</b>                |
| VII Profit for the year (V-VI)                                       |          | <b>9,830.39</b>              | <b>2,168.63</b>              |
| VIII Other comprehensive income/(loss)                               |          |                              |                              |
| - Items that will not be reclassified subsequently to profit or loss |          |                              |                              |
| - Re-measurement gains/ (losses) on defined benefit plans            |          | (8.60)                       | 42.89                        |
| - Income Tax relating Re-measurement losses on defined benefit plans |          | -                            | (7.89)                       |
| Other comprehensive income/(loss) for the year                       |          | <b>(8.60)</b>                | <b>35.00</b>                 |
| IX Total comprehensive income for the year                           |          | <b>9,821.79</b>              | <b>2,203.63</b>              |

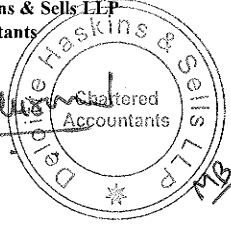
Earnings per equity share (Face value of Rs.10/- each)

|                    |    |      |      |
|--------------------|----|------|------|
| - Basic (In Rs.)   | 27 | 1.75 | 0.39 |
| - Diluted (In Rs.) | 27 | 1.75 | 0.39 |


The accompanying notes are an integral part of the financial statements.  
As per our report of even date attached


For Deloitte Haskins & Sells LLP  
Chartered Accountants

  
Vikas Khurana  
Partner




For and on behalf of the Board of Directors of  
AD Hydro Power Limited

  
Ravi Jhunjhunwala  
Director  
DIN:-00060972

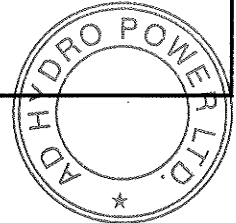
  
Rahul Varshney  
Director  
DIN:-03516721

  
O.P. Ajmera  
Director, CEO & CFO  
DIN:-00322834

  
Arvind Gupta  
Company Secretary  
M.No:-F7690

Place: GURUGRAM  
Date: 11/ May/2022

Place: NOIDA  
Date: MAY 02, 2022



AD Hydro Power Limited  
Statement of Cash Flows for the year ended March 31, 2022

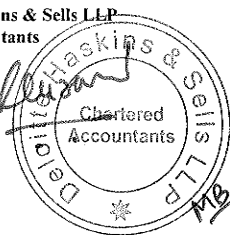
(Rs. in lakhs)

| Particulars   | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 |
|---|------------------------------|------------------------------|
| <b>A. Cash flow from operating activities</b>                       |                              |                              |
| Profit before tax   | 9,830.39                     | 2,657.86                     |
| <b>Adjustments for:</b>   |                              |                              |
| Depreciation and amortisation expenses                              | 4,968.59                     | 5,385.72                     |
| (Gain)/Loss on disposal of property, plant and equipment            | 21.49                        | (11.32)                      |
| Finance cost  | 3,486.61                     | 3,863.23                     |
| Interest Income   | (289.23)                     | (522.67)                     |
| <b>Working Capital changes:</b>                                     |                              |                              |
| Increase in trade receivables                                       | (882.43)                     | (405.78)                     |
| Decrease in financial assets - loans                                | -                            | 143.63                       |
| Decrease in other financial assets                                  | 35.00                        | -                            |
| (Increase)/Decrease in other current asset                          | 15.66                        | (1.53)                       |
| Decrease in inventories   | 61.95                        | 7.82                         |
| (Decrease)/Increase in other financial liabilities                  | 1.03                         | (72.64)                      |
| (Decrease)/Increase in Provisions                                   | 48.08                        | (84.79)                      |
| (Decrease)/Increase in trade payables                               | 595.08                       | (13.85)                      |
| (Decrease)/Increase in other current liabilities                    | 48.28                        | (121.13)                     |
| <b>Cash generated from operations</b>                               | <b>17,940.50</b>             | <b>10,824.54</b>             |
| Income-taxes paid   | (1,101.27)                   | (406.73)                     |
| <b>Net cash flow from operating activities</b>                      | <b>16,839.23</b>             | <b>10,417.81</b>             |
| <b>B. Cash flow from investing activities</b>                       |                              |                              |
| Purchase of property, plant and equipment                           | (64.14)                      | (83.17)                      |
| Proceeds from sale of property plant and equipment                  | 3.25                         | 30.90                        |
| Loans given during the year   | (10.39)                      | (10.66)                      |
| Loans repaid during the year  | 17.33                        | 11.96                        |
| Fixed deposits placed during the year                               | (1,805.99)                   | (25,579.00)                  |
| Fixed deposits matured during the year                              | 4,378.60                     | 26,424.25                    |
| Interest received   | 391.17                       | 529.24                       |
| <b>Net cash flow from investing activities</b>                      | <b>2,909.83</b>              | <b>1,323.52</b>              |
| <b>C. Cash flow from financing activities</b>                       |                              |                              |
| Repayment of borrowings   | (11,405.32)                  | (3,416.61)                   |
| Interest paid   | (3,452.03)                   | (10,140.71)                  |
| Repayment of deemed equity during the year [(Refer Note 29.3 (iv))] | (5,245.13)                   | -                            |
| <b>Net cash used in financing activities</b>                        | <b>(20,102.48)</b>           | <b>(13,557.32)</b>           |
| Net decrease in Cash and Cash equivalent                            | (353.42)                     | (1,815.99)                   |
| Cash and Cash equivalent at the beginning of the year               | 1,207.37                     | 3,023.35                     |
| <b>Cash and Cash equivalent at year end (Refer Note No. 9)</b>      | <b>853.95</b>                | <b>1,207.37</b>              |

The accompanying notes are an integral part of the financial statements  
As per our report of even date attached

For Deloitte Haskins & Sells LLP  
Chartered Accountants

Vikas Khurana  
Partner



For and on behalf of the Board of Directors of  
AD Hydro Power Limited

Ravi Jhunjhunwala  
Director  
DIN:-00060972

Rahul Varshney  
Director  
DIN:-03516721

O.P. Ajmera  
Director, CEO & CFO  
DIN:-00322834

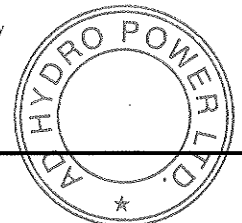
Arvind Gupta  
Company Secretary  
M.No:-F7690

Place : GURUGRAM

Date : 11 / May / 2022

Place : NOIDA

Date : MAY 02 2022



AD Hydro Power Limited  
Statement of Changes in Equity for the year ended March 31, 2022

A. Equity Share Capital

(Rs. in lakhs)

| 1 Current reporting period  |                              |   |                                       |   |                              |
|---|------------------------------|---|---------------------------------------|---|------------------------------|
| Particulars   | Balance as at April 01, 2021 | Change in equity share capital due to prior period errors | Restated balance as at April 01, 2021 | Changes in equity share capital during the current year | Balance as at March 31, 2022 |
| Authorised<br>70,00,00,000 equity shares of Rs. 10 each                                     | 70,000.00                    | -   | 70,000.00                             | -   | 70,000.00                    |
| Issued, Subscribed and fully paid-up<br>56,01,52,841 equity shares of Rs 10 each fully paid | 56,015.28                    | -   | 56,015.28                             | -   | 56,015.28                    |

(Rs. in lakhs)

| 2 Previous reporting period   |                              |   |                                       |   |                              |
|---|------------------------------|---|---------------------------------------|---|------------------------------|
| Particulars   | Balance as at April 01, 2020 | Change in equity share capital due to prior period errors | Restated balance as at April 01, 2020 | Changes in equity share capital during the current year | Balance as at March 31, 2021 |
| Authorised<br>70,00,00,000 equity shares of Rs. 10 each                                     | 70,000.00                    | -   | 70,000.00                             | -   | 70,000.00                    |
| Issued, Subscribed and fully paid-up<br>56,01,52,841 equity shares of Rs 10 each fully paid | 56,015.28                    | -   | 56,015.28                             | -   | 56,015.28                    |

B. Other Equity

(Rs. in lakhs)

| 1 Current reporting period  |                            |                   |            |
|---|----------------------------|-------------------|------------|
|   | Deemed Equity Contribution | Retained Earnings | Total      |
| Balance as at April 01, 2021  | 55,175.89                  | (9,680.05)        | 45,495.84  |
| Profit for the year   | -                          | 9,830.39          | 9,830.39   |
| Other comprehensive loss during the year                            | -                          | (8.60)            | (8.60)     |
| Total   | 55,175.89                  | 141.74            | 55,317.63  |
| Repayment of deemed equity during the year [(Refer Note 29.3 (iv))] | (5,245.13)                 | -                 | (5,245.13) |
| Balance as at March 31, 2022  | 49,930.76                  | 141.74            | 50,072.50  |

(Rs. in lakhs)

| 2 Previous reporting period                             |                            |                   |             |
|---|----------------------------|-------------------|-------------|
|   | Deemed Equity Contribution | Retained Earnings | Total       |
| Balance as at April 01, 2020                            | -                          | (11,883.68)       | (11,883.68) |
| Profit for the year                                     | -                          | 2,168.63          | 2,168.63    |
| Other comprehensive income during the year, net of tax  | -                          | 35.00             | 35.00       |
| Total   | -                          | (9,680.05)        | (9,680.05)  |
| Reclassification to Other equity [Refer Note 29.3 (iv)] | 55,175.89                  | -                 | 55,175.89   |
| Balance as at March 31, 2021                            | 55,175.89                  | (9,680.05)        | 45,495.84   |

Nature and Description of Reserves:

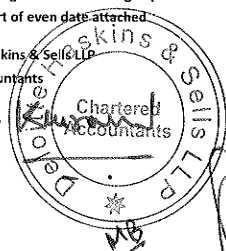
- (i) **Retained earnings:**  
Retained earnings constitute the accumulated profits earned by the Company till date, less dividend (including dividend distribution tax) and other distribution made to the shareholders.
- (ii) **Deemed Equity Contribution**  
Deemed equity contribution consists of contribution from the holding company. [Refer Note 29.3 (iv)]

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For Deloitte Haskins & Sells LLP  
Chartered Accountants

Vikas Khurana  
Partner



For and on behalf of the Board of Directors of  
AD Hydro Power Limited

Ravi Jhunjhunwala  
Director  
DIN:-00060972

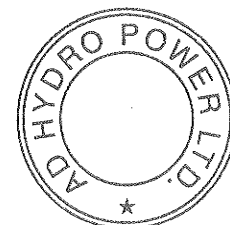
Rahul Varshney  
Director  
DIN:-03516721

O.P. Ajmera  
Director, CEO and CFO  
DIN:-00322834

Arvind Gupta  
Company Secretary  
M.No:-F7690

Place: GURUGRAM  
Date: 11/May/2022

Place: Noida  
Date: MAY 02, 2022



## AD Hydro Power Limited

### Notes to Financial Statements for the year ended March 31, 2022

#### I Corporate information

AD Hydro Power Limited (hereinafter referred to as 'the Company') is engaged in the generation of hydroelectric power. The Company has set up 192 MW hydroelectric power generation project, out of which, part of the project (Allain side) has started commercial production in 2010-11 and balance portion of the project on Duhangan side has started commercial production in 2011-12.

The Company has the necessary permission from the Government of Himachal Pradesh to own, operate & maintain the project and sell power for a period of forty years from the date of commercial operation i.e. July 29, 2010 with the option to avail a further extension for a maximum period of twenty years after renegotiation of terms and conditions.

The Company is a company limited by shares incorporated in India. Its parent Company is Malana Power Company Limited.

#### 2 Significant accounting policies

##### 2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the section 133 of the Companies Act 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. The financial statements have been prepared on the historical cost basis, except where different basis is mentioned in accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange of goods and services.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

##### 2.2 Summary of significant accounting policies

###### a. Use of estimates

The preparation of financial statements in conformity with Indian Accounting Standards (Ind AS) requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of revision and future period if the revision affects both current and future periods.

###### Critical accounting estimates and judgments:

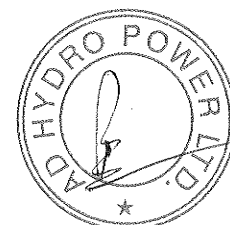
The areas involving critical estimates and judgments are:

###### I Service Concession Arrangements

Management has assessed applicability of Appendix D "Service Concession Arrangements" to Ind AS 115: Service Concession Arrangements to power distribution arrangements entered into by the Company. In assessing the applicability, management has exercised significant judgment in relation to the underlying ownership of the asset, terms of the power distribution arrangements entered with the grantor, ability to determine prices, fair value of construction service, assessment of right to granted cash, significant residual interest in the infrastructure, etc. Based on detailed evaluation, management has determined that this arrangement does not meet the criterion for recognition as service concession arrangements.

###### II Useful lives and residual value of property, plant and equipment

Useful life and residual value are determined by the management based on a technical evaluation considering nature of asset, past experience, estimated usage of the asset, vendor's advice etc and same is reviewed periodically, including at each financial year end.



## AD Hydro Power Limited

### Notes to Financial Statements for the year ended March 31, 2022

#### III Claims and Litigations

The Company is the subject of lawsuits and claims arising in the ordinary course of business from time to time. The Company reviews any such legal proceedings and claims on an ongoing basis and follow appropriate accounting guidance when making accrual and disclosure decisions. The Company establishes accruals for those contingencies where the incurrence of a loss is probable and can be reasonably estimated, and it discloses the amount accrued and the amount of a reasonably possible loss in excess of the amount accrued, if such disclosure is necessary for the Company's financial statements to not be misleading. To estimate whether a loss contingency should be accrued by a charge to income, the Company evaluates, among other factors, the degree of probability of an unfavorable outcome and the ability to make a reasonable estimate of the amount of the loss. The Company does not record liabilities when the likelihood that the liability has been incurred is probable, but the amount cannot be reasonably estimated. Based upon present information, the Company determined that there were no matters that required an accrual as of March 31, 2022 other than the accruals already recognized, nor were there any asserted or unasserted claims for which material losses are reasonably possible.

#### IV Deferred tax assets

The Company reviews the carrying amount of deferred tax assets including MAT credit at the end of each reporting period and recognized to the extent that it is probable that sufficient taxable profits will be available to utilize the deferred tax asset including MAT credit.

#### V Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its PPE to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with an indefinite useful life are tested for impairment at least annually and whenever there is an indication at the end of a reporting period that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount.

#### b. Revenue Recognition

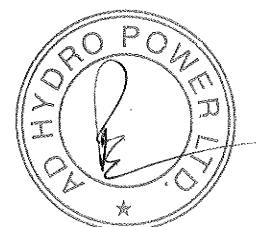
The Company recognise revenue at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The Company's sales revenue is divided into following categories:

##### Revenue from generation and supply of Power ("Revenue from Power Supply"):

Revenue from sale of power is recognised when persuasive evidence of an arrangement exists, the fee is fixed or determinable, energy is supplied (i.e. performance obligation is satisfied) and collectability is reasonably assured. The revenues from generation and supply of power is recognised at the amount of which the entity has a right to invoice which coincides with the electricity scheduled to be transmitted to the customers. The difference between scheduled and actual transmitted energy is recognized as Unscheduled Interchange (U/I) charges and are adjusted with the revenue recognized on accrual basis.

In an arrangements where the Company sells power on an exchange, the exchange is determined to be the customer. This is based on the fact that the Company has enforceable contracts with the exchanges.



**AD Hydro Power Limited**

**Notes to Financial Statements for the year ended March 31, 2022**

**Revenue from sharing of Transmission line ("Transmission Income"):**

Revenue is recognized on the basis of periodic billing to consumers / state transmission utility and is measured based on the consideration to which the Company expects to be entitled from a customer, net of returns and allowances, discounts, volume rebates and cash discounts excluding taxes or duties collected on behalf of the government.

**Voluntary emission rights (VER), Carbon Credit Entitlement / Certified Emission Reductions ("CER")**

The Company recognize carbon emission reduction "CER" income in the period when it is reasonably certain that the Company will be able to comply with the conditions necessary to obtain these carbon emission reduction. The Company recognise CER value at average price of open contract for sale of CER with customers.

**Other Income**

**Interest**

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable. Interest Income is included under the head 'Other Income' in the Statement of Profit and Loss.

**c. Inventory Valuation**

Inventories comprising of components and stores and spares are valued at lower of cost and net realizable value. Scrap is valued at net realizable value.

Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

**d. Property, Plant and Equipment**

Property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates. It includes other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

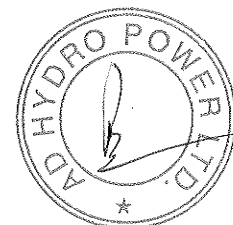
When significant parts of plant and equipment are required to be replaced at intervals, the company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in Statement of profit and loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the costs of the item can be measured reliably. Repairs and maintenance costs are charged to the Statement of profit and loss when incurred. An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively.

**Depreciation:**

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.



**AD Hydro Power Limited**  
**Notes to Financial Statements for the year ended March 31, 2022**

The Company has used the following useful life to provide depreciation on its Property, Plant and Equipment.

| <u>Assets</u>  | <u>Useful life (Years)</u> |
|--|----------------------------|
| Buildings other than factory buildings   | 60                         |
| Plant and Machinery used in generation, transmission and distribution of power         | 40                         |
| Hydraulic Works (Pressure shaft, Head Race Tunnel, Upstream etc related to civil work) | 40                         |
| Factory Buildings  | 30                         |
| Plant and Machinery  | 15                         |
| Electrical Installations   | 10                         |
| Furniture and Fixtures   | 10                         |
| Roads  | 10                         |
| Vehicles   | 8                          |
| Computers and Data processing equipment's  | 3-6                        |
| Office equipment's   | 5                          |

**e. Intangible Assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over the estimated useful economic life of 3 to 5 years. The Company has considered the useful life of 3 years to provide amortization on Software.

The intangible assets are assessed for impairment whenever there is indication that the intangible assets may be impaired. The amortization period and the amortization method are reviewed at least at each financial year end.

Gains or losses arising from recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of profit and loss when the asset is derecognized.

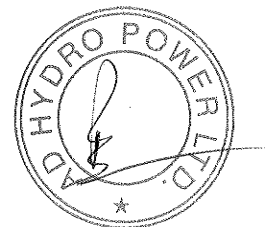
**f. Leases**

The Company assesses that the contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (1) The contract involves the use of an identified asset,
- (2) The Company has substantially all of the economic benefits from use of the identified asset, and
- (3) The Company has the right to direct the use of the identified asset.

**Company as a lessee**

The Company recognizes right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use asset is depreciated from the commencement date over the shorter of the lease term and useful life of the underlying asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.





**AD Hydro Power Limited**

**Notes to Financial Statements for the year ended March 31, 2022**

The Company measures the lease liability at the present value of the lease payments over the lease term. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company adopts the incremental borrowing rate for the entire portfolio of leases as a whole. The lease payments shall include fixed payments, variable lease payments, exercise price of a purchase option and payments of penalties for terminating the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised substance fixed lease payments.

The Company recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in statement of profit and loss.

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be of low value. The lease payments on short-term leases and leases of low-value assets are recognized as an expense on a straight-line basis over the lease term.

**Company as a lessor**

Leases where the Company does not transfer substantially all the risks and rewards incidental to ownership of the asset are classified as operating leases. Lease rentals under operating leases are recognized as income on a straight-line basis over the lease term.

**g. Impairment of non-financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

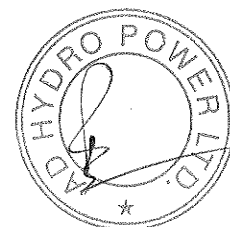
The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations cover the useful life of the project.

Impairment losses are recognised in the Statement of profit and loss.

For impairment of assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount.

**h. Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.



### **Financial assets**

#### **Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

#### **Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

- ▶ Debt instruments at amortised cost
- ▶ Debt instruments at fair value through other comprehensive income (FVTOCI)
- ▶ Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- ▶ Equity instruments measured at fair value through other comprehensive income (FVTOCI)
- ▶ Equity instrument in subsidiary carried at cost.

#### **Debt instruments at amortised cost**

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in the finance income in the Statement of Profit and Loss. The losses arising from impairment are recognized in the Statement of Profit and Loss.

#### **Debt instrument at FVTOCI**

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

#### **Debt instrument at FVTPL**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

As at March 31, 2022, the Company does not have any debt instrument measured at FVTPL or FVTOCI.

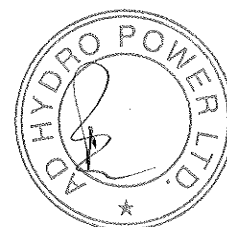
### **Equity investments**

All equity investment (other than equity investment in subsidiary) in scope of Ind AS 109 are measured at fair value. Equity instruments in subsidiary are carried at cost in financial Statements less impairments, if any. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in P&L.

### **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- ▶ The contractual rights to receive cash flows from the asset have expired, or
- ▶ When the Company transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralized borrowing for the proceeds received.



On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in a separate component of equity is reclassified to profit or loss. In contrast, on derecognition of an investment in an equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in a separate component of equity is not reclassified to profit or loss, but is transferred to retained earnings.

#### **Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.
- b) Trade receivables or any contractual right to receive cash or another financial asset.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L).

#### **Financial liabilities**

##### **Initial recognition and measurement**

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

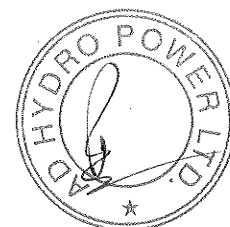
The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

##### **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

##### **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.



**AD Hydro Power Limited**

**Notes to Financial Statements for the year ended March 31, 2022**

**Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

**Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

**Reclassification of financial assets**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The company's senior management determines change in the business model as a result of external or internal changes which are significant to the company's operations. Such changes are evident to external parties. A change in the business model occurs when the company either begins or ceases to perform an activity that is significant to its operations. If the company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

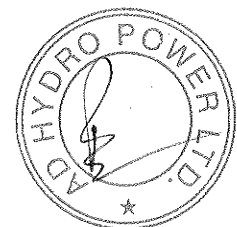
**i. Foreign currency**

Transactions in foreign currencies are initially recorded by the company at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the company uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).



**j. Retirement and other employee benefits**

**1 Defined Contribution Plan:**

Retirement benefits in the form of provident fund and superannuation scheme are a defined contribution scheme and the contributions are charged to the statement of profit and loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the provident fund/trust.

**2 Defined Benefit Plan:**

The Employee's Gratuity Fund Scheme, which is defined benefit plan, is managed by Trust maintained with ICICI Prudential Life Insurance company Limited and Bajaj Allianz. The liabilities with respect to Gratuity Plan are determined by actuarial valuation on projected unit credit method on the balance sheet date, based upon which the Company contributes to the Company Gratuity Scheme. The difference, if any, between the actuarial valuation of the gratuity of employees at the year end and the balance of funds with ICICI Prudential Life Insurance company Limited and Bajaj Allianz is provided for as assets/ (liability) in the books. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. Future salary increases and pension increases are based on expected future inflation rates for the respective countries. Further details about the assumptions used, including a sensitivity analysis, are given in Note no 31.3

The Company recognises the following changes in the net defined benefit obligation under Employee benefit expense in the statement of profit or loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements
- Net interest expense or income

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

**3 Other Long Term Employee Benefits:**

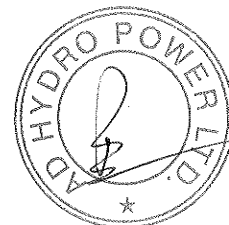
**Compensated Absences**

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method at the year-end.

**k. Taxes**

**Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.



Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

#### **Deferred Tax**

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at reporting date. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

In the situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the Company restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow deferred tax assets to be recovered.

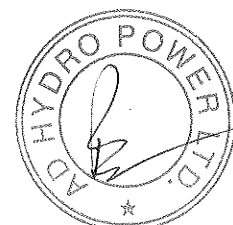
The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

#### **1. Non Current Assets held for sale**

The Company classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale/ distribution rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal groups), its sale is highly probable; and it will genuinely be sold, not abandoned. The company treats sale/ distribution of the asset or disposal company to be highly probable when:

- ▶ The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- ▶ An active programme to locate a buyer and complete the plan has been initiated (if applicable),



**AD Hydro Power Limited**

**Notes to Financial Statements for the year ended March 31, 2022**

- ▶ The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- ▶ The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- ▶ The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and

Non-current assets held for sale and disposal groups are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

**m. Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

**n. Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

**o. Contingent Liability**

A Contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

**p. Earning per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

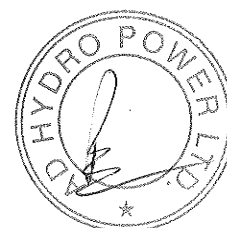
**q. Borrowing Cost**

Borrowing costs specifically relating to the acquisition or construction of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the asset. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period does not exceed the amount of borrowing cost incurred during that period.

All other borrowing costs are expensed in the period in which they occur.

**r. Fair Value measurement**



**AD Hydro Power Limited**

**Notes to Financial Statements for the year ended March 31, 2022**

The Company measures financial instruments at fair value at each balance sheet date. 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

As on the reporting date, the Company does not have any financial instrument which has been measured either through FVTPL or FVTOCI.

**s. Current versus Non-Current**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- 1 Expected to be realised or intended to be sold or consumed in normal operating cycle
- 2 Held primarily for the purpose of trading
- 3 Expected to be realised within twelve months after the reporting period, or
- 4 Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- 1 It is expected to be settled in normal operating cycle
- 2 It is held primarily for the purpose of trading
- 3 It is due to be settled within twelve months after the reporting period, or
- 4 There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

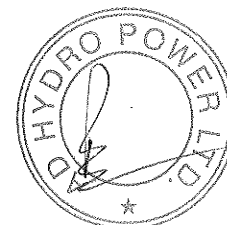
Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

**t. Going concern**

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

**u. Subsequent events**

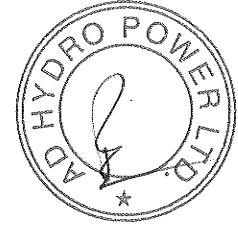




**AD Hydro Power Limited**

**Notes to Financial Statements for the year ended March 31, 2022**

Based on the nature of the event, the Company identifies the events occurring between the balance sheet date and the date on which the financial statements are approved as 'Adjusting Event' and 'Non-adjusting event'. Adjustments to assets and liabilities are made for events occurring after the balance sheet date that provide additional information materially affecting the determination of the amounts relating to conditions existing at the balance sheet date or because of statutory requirements or because of their special nature. For non-adjusting events, the Company may provide a disclosure in the financial statements considering the nature of the transaction.



**v. Amended standards and interpretations**

Ind AS 109 Financial Instruments; Ind AS 107 Financial Instruments: Disclosures and Ind AS 116 Leases (amendments related to Interest Rate Benchmark Reform)

The amendment to Ind AS 109, provides a practical expedient for assessment of contractual cash flow test, which is one of the criteria for being eligible to measure a financial asset at amortized cost, for the changes in the financial assets that may arise as a result of Interest Rate Benchmark Reform. An additional temporary exception from applying hedge accounting is also added for Interest Rate Benchmark Reform.

The amendment to Ind AS 107, clarifies the certain additional disclosures to be made on account of Interest Rate Benchmark Reform:

- (i) the nature and extent of risks to which the entity is exposed arising from financial instruments subject to interest rate benchmark reform;
- (ii) the entity's progress in completing the transition to alternative benchmark rates, and how the entity is managing the transition;
- (iii) the instruments exposed to benchmark reform disaggregated by significant interest rate benchmark along with qualitative information about the financial instruments that are yet to transition to alternative benchmark rate;
- (iv) changes to entity's risk management strategy.

The amendments introduced a similar practical expedient in Ind AS 116. Accordingly, while accounting for lease modification i.e. remeasuring the lease liability, in case this is required by interest rate benchmark reform, the lessee will use a revised discount rate that reflects the changes in the interest rate.

These amendments did not have any material impact on the financial statements of the Company.

Ind AS 116 Leases (amendment related to rent concessions arising due to COVID-19 pandemic)

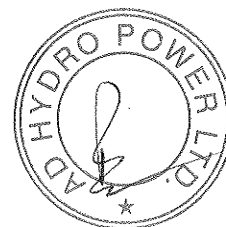
The amendment to Ind AS 116 Leases extended the practical expedient introduced for financial year 2020-21 related to rent concessions arising due to Covid-19 pandemic, that provides an option lessee to choose that rent concessions arising due to COVID-19 pandemic ('COVID-19 rent related concessions') not to be treated as lease modification, to lease payments due on or before 30 June 2022 from 30 June 2021.

The amendment did not have any material impact on financial statements of the Company.

Amendments consequent to issue of Conceptual Framework for Financial reporting under Ind AS ("Conceptual Framework")

- (i) Ind AS 102 Share Based Payments- Amended the definition of 'liabilities' to 'a present obligation of the entity to transfer an economic resource as a result of past events'.
- (ii) Ind AS 103 Business Combinations- The MCA clarified that for the purpose of this Ind AS, acquirers are required to apply the definitions of an asset and a liability given in the Framework for Preparation and Presentation of Financial Statements with Indian Accounting Standards rather than the Conceptual Framework.
- (iii) Ind AS 114 Regulatory Deferral Accounts- The amendment added a footnote against the term 'reliable' used in the Ind AS 114. The footnote clarifies that term 'faithful representation' used in the Conceptual Framework encompasses the main characteristics that the Framework for Preparation and Presentation of Financial Statements with Indian Accounting Standards called 'reliability'. However, for the purpose of this Ind AS, the term 'reliable' would be based on the requirements of Ind AS 8.
- (iv) Ind AS 37 Provisions, Contingent liabilities and Contingent assets- The MCA clarified that the definition of term 'liability' in this Ind AS is not being revised following the revision of the definition of liability in the Conceptual Framework.
- (v) Ind AS 38 Intangible assets- The MCA clarified that the definition of an 'asset' in this Ind AS is not being revised following the revision of the definition of asset in the Conceptual Framework.
- (vi) Ind AS 106 Exploration for and evaluation of mineral resources; Ind AS 1 Presentation of Financial Statements; Ind AS 8 Accounting policies, Changes in Accounting Estimates and Errors and Ind AS 34 Interim Financial Reporting- The reference to the Framework for Preparation and Presentation of Financial Statements with Indian Accounting Standards has been substituted with reference to the Conceptual Framework.

The above amendments did not have any material impact on the financial statements of the Company.



AD Hydro Power Limited  
Notes To The Financial Statements For The Year Ended March 31, 2022

3. PROPERTY, PLANT AND EQUIPMENT

(Rs. in lakhs)

| Particulars                    | Hydraulic Work | Building and Roads | Computers & Networks | Electric Installations | Freehold Land | Furniture and Fixtures | Office Equipments | Plant & Equipment | Transmission Line (Refer Note 2 below) | Vehicles | Total      |
|--------------------------------|----------------|--------------------|----------------------|------------------------|---------------|------------------------|-------------------|-------------------|--|----------|------------|
| Gross Block                    | 83,643.19      | 27,217.43          | 74.72                | 447.18                 | 3,055.81      | 141.78                 | 137.12            | 49,285.32         | 42,367.20                              | 138.95   | 206,508.70 |
| As at April 1, 2020            | -              | -                  | 6.67                 | 43.96                  | -             | 2.61                   | 0.76              | 13.28             | -                                      | 15.90    | 83.16      |
| Additions                      | -              | -                  | 1.42                 | 0.40                   | -             | 0.50                   | 1.37              | -                 | 26.60                                  | 12.56    | 42.83      |
| Disposals                      | 83,643.19      | 27,217.43          | 79.98                | 490.75                 | 3,055.81      | 143.89                 | 136.51            | 49,298.60         | 42,340.60                              | 142.28   | 206,549.03 |
| Additions                      | -              | -                  | 2.55                 | 0.12                   | -             | 0.50                   | 46.07             | 0.23              | -                                      | 14.65    | 64.14      |
| Disposals                      | -              | -                  | 22.91                | 5.23                   | -             | 125.93                 | 14.38             | 48.88             | -                                      | 14.42    | 231.74     |
| As at March 31, 2022           | 83,643.19      | 27,217.43          | 59.63                | 485.64                 | 3,055.81      | 18.46                  | 168.21            | 49,249.95         | 42,340.60                              | 142.52   | 206,381.43 |
| Accumulated depreciation       | -              | -                  | -                    | -                      | -             | -                      | -                 | -                 | -                                      | -        | -          |
| As at April 1, 2020            | 24,894.62      | 20,752.69          | 62.12                | 391.67                 | -             | 130.43                 | 100.88            | 15,783.36         | 13,070.26                              | 72.35    | 75,258.38  |
| Charge for the year            | 1,772.04       | 1,645.01           | 5.27                 | 11.39                  | -             | 1.16                   | 12.53             | 1,036.11          | 889.55                                 | 12.65    | 5,385.72   |
| Disposals                      | -              | -                  | 1.34                 | 0.38                   | -             | 0.28                   | 1.30              | -                 | 8.21                                   | 11.74    | 23.26      |
| As at March 31, 2021           | 26,666.66      | 22,397.70          | 66.05                | 402.68                 | -             | 131.31                 | 112.11            | 16,819.47         | 13,951.60                              | 73.25    | 80,620.84  |
| Charge for the year            | 1,772.04       | 1,224.23           | 4.49                 | 12.24                  | -             | 1.34                   | 14.09             | 1,036.56          | 888.97                                 | 14.63    | 4,968.59   |
| Disposals                      | -              | -                  | 22.33                | 4.97                   | -             | 119.70                 | 13.66             | 35.03             | -                                      | 11.32    | 207.00     |
| As at March 31, 2022           | 28,438.70      | 23,621.93          | 48.21                | 409.95                 | -             | 12.95                  | 112.54            | 17,821.00         | 14,840.57                              | 76.56    | 85,382.43  |
| Net Block as at March 31, 2021 | 56,976.53      | 4,819.73           | 13.93                | 88.07                  | 3,055.81      | 12.58                  | 24.40             | 32,479.13         | 28,389.00                              | 69.03    | 125,928.21 |
| Net Block as at March 31, 2022 | 55,204.49      | 3,595.50           | 11.42                | 75.69                  | 3,055.81      | 5.51                   | 55.67             | 31,428.95         | 27,500.03                              | 65.96    | 120,999.00 |

NOTES:

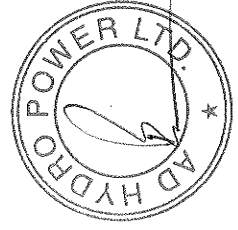
All the assets are owned by the Company except as mentioned otherwise.

1. Building and roads includes cost of roads Rs.129.03 lakhs constructed on land acquired for the project.

2. Gross block of transmission line includes payment for 'Rights to use' amounting to Rs.5,253.98 Lakhs and accumulated depreciation of Rs. 1,515.74 lakhs as on March 31, 2022 (including depreciation charged during the year is of Rs 131.35 lakhs). 'Right to use' is an irrevocable perpetual right of use of land, but the ownership of land does not vest with the Company.

3. Land includes Rs. 2,999.04 lakhs paid for 12.43 hectares land, out of which mutation for execution of 9.70 hectares in favour of Company has been completed. Apart from notified land, 2.73 hectares land has been acquired directly from the villagers amounting Rs. 705.75 lakhs and the mutation is in progress. (Refer Note 39)

4. Refer note no. 14 for the information on Property, Plant and Equipment hypothecated as security.



| Particulars   | (Rs. in lakhs)       |                      |                      |                      |
|---|----------------------|----------------------|----------------------|----------------------|
|   | Non-current          |                      | Current              |                      |
|   | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2022 | As at March 31, 2021 |
| Unsecured, considered good (measured at amortised cost) |                      |                      |                      |                      |
| Loans to employees                                      | 11.92                | 16.25                | 15.46                | 18.59                |
| <b>Total</b>  | <b>11.92</b>         | <b>16.25</b>         | <b>15.46</b>         | <b>18.59</b>         |

| Particulars  | (Rs. in lakhs)       |                      |                      |                      |
|--|----------------------|----------------------|----------------------|----------------------|
|  | Non-current          |                      | Current              |                      |
|  | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2022 | As at March 31, 2021 |
| Interest accrued on banks deposits   | -                    | -                    | 7.30                 | 109.24               |
| Amount paid under protest <sup>ii</sup>                                      | 35.00                | 35.00                | -                    | -                    |
| Less: Amount written off during the year                                     | (35.00)              | -                    | -                    | -                    |
| Deposits with original maturity period of more than 12 months <sup>iii</sup> | 3.40                 | 3.40                 | -                    | -                    |
| <b>Total</b>   | <b>3.40</b>          | <b>38.40</b>         | <b>7.30</b>          | <b>109.24</b>        |

\* Fixed deposit of Rs 3.40 Lakhs (previous year Rs 3.40 Lakhs) pledged with the H.P. Government Sales Tax Department and Transport Authority.  
# Refer note 29 1(e)

| Particulars                           | (Rs. in lakhs)       |                      |                      |                      |
|---------------------------------------|----------------------|----------------------|----------------------|----------------------|
|                                       | Non-current          |                      | Current              |                      |
|                                       | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2022 | As at March 31, 2021 |
| Security deposits                     | 12.32                | 7.34                 | -                    | -                    |
| Advances to employees                 | -                    | -                    | 16.69                | 23.03                |
| Prepaid expenses                      | 3.25                 | 6.70                 | 98.81                | 97.19                |
| Advances to Suppliers                 | -                    | -                    | -                    | -                    |
| - Unsecured, considered good          | -                    | -                    | 40.43                | 52.91                |
| - Unsecured, considered doubtful      | -                    | -                    | 24.40                | 24.40                |
| Less: provision for doubtful advances | -                    | -                    | (24.40)              | (24.40)              |
| <b>Total</b>                          | <b>15.57</b>         | <b>14.04</b>         | <b>155.94</b>        | <b>173.13</b>        |

| Particulars  | (Rs. in lakhs)                 |                      |
|--------------|--------------------------------|----------------------|
|              | As at March 31, 2022           | As at March 31, 2021 |
|              | Stores and spares <sup>*</sup> | 823.47               |
| Scrap        | -                              | 2.03                 |
| <b>Total</b> | <b>823.47</b>                  | <b>885.42</b>        |

\* Includes store lying at third party location Rs. 55.63 lakhs (previous year Rs. 55.57 lakhs)

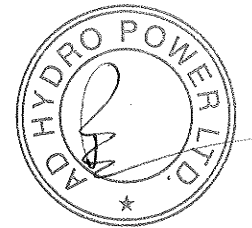
| Particulars                              | (Rs. in lakhs)       |                      |                      |                      |
|--|----------------------|----------------------|----------------------|----------------------|
|  | Non-current*         |                      | Current              |                      |
|  | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2022 | As at March 31, 2021 |
| Trade receivables                        |                      |                      |                      |                      |
| -Unsecured, considered good              | 2,921.85             | 2,921.85             | 1,613.76             | 731.33               |
| -Credit impaired                         | (316.68)             | (316.68)             | -                    | -                    |
| Less: Provision for expected credit loss | (316.68)             | (316.68)             | -                    | -                    |
| <b>Total</b>                             | <b>2,921.85</b>      | <b>2,921.85</b>      | <b>1,613.76</b>      | <b>731.33</b>        |

\* Refer Note No. 29 3 (i) and (ii)

Trade Receivables Ageing Schedule- Non Current

| As at March 31, 2022  | Not Due | Outstanding for following periods from due date |                 |                 |               |                   | Total |
|---|---------|---|-----------------|-----------------|---------------|-------------------|-------|
|   |         | Less than 6 months                              | 6 months-1 year | 1-2 years       | 2-3 years     | More than 3 years |       |
|   |         | Undisputed Trade Receivables - considered good  | -               | -               | -             | -                 |       |
| Undisputed Trade Receivables - which have significant increase in credit risk | -       | -   | -               | -               | -             | -                 |       |
| Undisputed Trade Receivables - credit impaired                                | -       | -   | -               | -               | -             | -                 |       |
| Disputed Trade Receivables - considered good                                  | -       | -   | -               | -               | -             | -                 |       |
| Disputed Trade Receivables - which have significant increase in credit risk   | -       | -   | -               | -               | -             | -                 |       |
| Disputed Trade Receivables - others   | -       | -   | 226.81          | 2,035.94        | 975.79        | 3,238.54          |       |
| Disputed Trade Receivables-credit impaired                                    | -       | -   | -               | -               | (316.68)      | (316.68)          |       |
| <b>Total</b>  | -       | -   | <b>226.81</b>   | <b>2,035.94</b> | <b>659.11</b> | <b>2,921.85</b>   |       |

| As at March 31, 2021  | Not Due | Outstanding for following periods from due date |                 |               |              |                   | Total |
|---|---------|---|-----------------|---------------|--------------|-------------------|-------|
|   |         | Less than 6 months                              | 6 months-1 year | 1-2 years     | 2-3 years    | More than 3 years |       |
|   |         | Undisputed Trade Receivables - considered good  | -               | -             | -            | -                 |       |
| Undisputed Trade Receivables - which have significant increase in credit risk | -       | -   | -               | -             | -            | -                 |       |
| Undisputed Trade Receivables - credit impaired                                | -       | -   | -               | -             | -            | -                 |       |
| Disputed Trade Receivables - considered good                                  | -       | -   | -               | -             | -            | -                 |       |
| Disputed Trade Receivables - which have significant increase in credit risk   | -       | -   | -               | -             | -            | -                 |       |
| Disputed Trade Receivables - others   | -       | 226.81  | 2,035.93        | 585.03        | 390.77       | 3,238.53          |       |
| Disputed Trade Receivables-credit impaired                                    | -       | -   | -               | -             | (316.68)     | (316.68)          |       |
| <b>Total</b>  | -       | <b>226.81</b>                                   | <b>2,035.93</b> | <b>585.03</b> | <b>74.09</b> | <b>2,921.85</b>   |       |



Trade Receivables Aging Schedule- Current

| As at March 31, 2022  | Not Due         | Outstanding for following periods from due date |                 |           |              |                   | Total           |
|---|-----------------|---|-----------------|-----------|--------------|-------------------|-----------------|
|   |                 | Less than 6 months                              | 6 months-1 year | 1-2 years | 2-3 years    | More than 3 years |                 |
| Undisputed Trade Receivables - considered good                                | 1,257.77        | 198.52  | 42.97           | -         | 50.39        | -                 | 1,549.65        |
| Undisputed Trade Receivables - which have significant increase in credit risk | -               | -   | -               | -         | -            | -                 | -               |
| Undisputed Trade Receivables - credit impaired                                | -               | -   | -               | -         | -            | -                 | -               |
| Disputed Trade Receivables - considered good                                  | -               | -   | -               | -         | -            | -                 | -               |
| Disputed Trade Receivables - which have significant increase in credit risk   | -               | -   | -               | -         | -            | -                 | -               |
| Disputed Trade Receivables - others   | -               | -   | -               | -         | -            | -                 | -               |
| Disputed Trade Receivables - credit impaired                                  | -               | -   | -               | -         | -            | -                 | -               |
| <b>Trade Receivable-Billed</b>  | <b>1,257.77</b> | <b>198.52</b>                                   | <b>42.97</b>    | <b>-</b>  | <b>50.39</b> | <b>-</b>          | <b>1,549.65</b> |
| Trade Receivable-Unbilled   | -               | -   | -               | -         | -            | -                 | 64.11           |
| <b>Total</b>  |                 |   |                 |           |              |                   | <b>1,613.76</b> |

| As at March 31, 2021  | Not Due       | Outstanding for following periods from due date |                 |               |           |                   | Total         |
|---|---------------|---|-----------------|---------------|-----------|-------------------|---------------|
|   |               | Less than 6 months                              | 6 months-1 year | 1-2 years     | 2-3 years | More than 3 years |               |
| Undisputed Trade Receivables - considered good                                | 329.84        | 93.76   | 16.82           | 226.80        | -         | -                 | 667.22        |
| Undisputed Trade Receivables - which have significant increase in credit risk | -             | -   | -               | -             | -         | -                 | -             |
| Undisputed Trade Receivables - credit impaired                                | -             | -   | -               | -             | -         | -                 | -             |
| Disputed Trade Receivables - considered good                                  | -             | -   | -               | -             | -         | -                 | -             |
| Disputed Trade Receivables - which have significant increase in credit risk   | -             | -   | -               | -             | -         | -                 | -             |
| Disputed Trade Receivables - others   | -             | -   | -               | -             | -         | -                 | -             |
| Disputed Trade Receivables - credit impaired                                  | -             | -   | -               | -             | -         | -                 | -             |
| <b>Trade Receivable-Billed</b>  | <b>329.84</b> | <b>93.76</b>                                    | <b>16.82</b>    | <b>226.80</b> | <b>-</b>  | <b>-</b>          | <b>667.22</b> |
| Trade Receivable-Unbilled   | -             | -   | -               | -             | -         | -                 | 64.11         |
| <b>Total</b>  |               |   |                 |               |           |                   | <b>731.33</b> |

9. Cash and cash equivalents

| Particulars   | (Rs. in lakhs)       |                      |
|---|----------------------|----------------------|
|   | As at March 31, 2022 | As at March 31, 2021 |
| Balances with banks:  |                      |                      |
| - Current accounts  | 133.66               | 125.95               |
| - In Deposit Accounts (with original maturity less than 3 months) | 697.00               | 1,080.00             |
| Cash on hand  | 3.29                 | 2.32                 |
| <b>Total</b>  | <b>833.95</b>        | <b>1,207.37</b>      |

10. Bank Balances

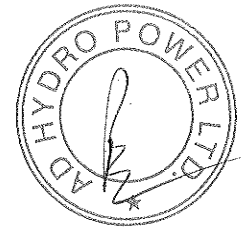
| Particulars  | (Rs. in lakhs)       |                      |
|--|----------------------|----------------------|
|  | As at March 31, 2022 | As at March 31, 2021 |
| Margin money (held as security)*<br>In deposit account | 550.00<br>1,255.99   | 2,932.60<br>1,446.00 |
| <b>Total</b>   | <b>1,805.99</b>      | <b>4,378.60</b>      |

\* Out of total margin money Rs. 550 lakhs (previous year Rs. 2,414 lakhs) held as margin money with IDBI Trustee for repayments of borrowings and balance held as security deposit with banks for non fund based limit.

11. Deferred Tax

In accordance with Ind AS-12 "Income Taxes" Deferred tax assets are recognized only if there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In view of lack of reasonable certainty of sufficient future taxable income against which net deferred tax assets can be realized and the huge unabsorbed depreciation, the Company has not recognized deferred tax asset to the extent of Rs. 3,029.95 lakhs (Previous year ₹ 7,979.67) as on March 31, 2022.

| Particulars  | As at March 31, 2022 | As at March 31, 2021 |
|--|----------------------|----------------------|
| <b>Tax effects constituting deferred tax assets</b>                        |                      |                      |
| Unabsorbed depreciation carried forward                                    | 23,642.82            | 28,946.27            |
| Provision for employee benefits  | 51.30                | 47.86                |
| MAT credit entitlement   | -                    | 1,809.87             |
| <b>Total Deferred tax assets (a)</b>                                       | <b>23,694.12</b>     | <b>30,804.00</b>     |
| <b>Tax effects constituting deferred tax liabilities</b>                   |                      |                      |
| Difference between tax rate and book base of Property, plant and Equipment | (20,664.17)          | (22,824.33)          |
| <b>Total Deferred tax liabilities (b)</b>                                  | <b>(20,664.17)</b>   | <b>(22,824.33)</b>   |
| <b>Net deferred tax asset (a)-(b)</b>                                      | <b>3,029.95</b>      | <b>7,979.67</b>      |



| Particulars   | (Rs. in lakhs)       |                      |
|---|----------------------|----------------------|
|   | As at March 31, 2022 | As at March 31, 2021 |
| Authorized Shares<br>700,000,000 (previous year 700,000,000) equity shares of Rs. 10 each                                       | 70,000.00            | 70,000.00            |
| Issued, Subscribed and fully paid-up shares<br>560,152,841 (previous year 560,152,841) equity shares of Rs. 10 each, fully paid | 56,015.28            | 56,015.28            |
| <b>Total</b>  | <b>56,015.28</b>     | <b>56,015.28</b>     |

(a) Reconciliation of the equity shares outstanding at the beginning and at the end of the year

| Particulars                                     | As at March 31, 2022 |                  | As at March 31, 2021 |                  |
|---|----------------------|------------------|----------------------|------------------|
|   | Numbers of shares    | (Rs. in lakhs)   | Numbers of shares    | (Rs. in lakhs)   |
| Shares outstanding at the beginning of the year | 560,152,841          | 56,015.28        | 560,152,841          | 56,015.28        |
| Movement during the year                        | -                    | -                | -                    | -                |
| Shares outstanding at the end of the year       | <b>560,152,841</b>   | <b>56,015.28</b> | <b>560,152,841</b>   | <b>56,015.28</b> |

(b) Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share. The final dividend proposed by the Board of Directors 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. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Detail of shares held by the holding company:

| Particulars   | As at March 31, 2022 |                | As at March 31, 2021 |                |
|---|----------------------|----------------|----------------------|----------------|
|   | Numbers of shares    | (Rs. in lakhs) | Numbers of shares    | (Rs. in lakhs) |
| Malana Power Company Limited, the holding company, alongwith its nominees | 492,955,640          | 49,295.56      | 492,955,640          | 49,295.56      |

(d) Details of shareholders holding more than 5% shares in the Company:

| Particulars                                   | As at March 31, 2022 |        | As at March 31, 2021 |        |
|---|----------------------|--------|----------------------|--------|
|   | Numbers of shares    | (in %) | Numbers of shares    | (in %) |
| Name of the Share Holders                     |                      |        |                      |        |
| Malana Power Company Limited                  | 492,955,640          | 88.00% | 492,955,640          | 88.00% |
| International Finance Corporation, Washington | 67,197,201           | 12.00% | 67,197,201           | 12.00% |

(e) Shares held by promoters

| Particulars                           | Promoter Name                | As at March 31, 2022               |                   | As at March 31, 2021               |                   |
|---------------------------------------|------------------------------|------------------------------------|-------------------|------------------------------------|-------------------|
|                                       |                              | No of Shares as at end of the year | % Of total shares | No of Shares as at end of the year | % Of total shares |
| Equity shares of ₹ 10 each fully paid | Malana Power Company Limited | 492,955,640                        | 88%               | 492,955,640                        | 88%               |
| <b>Total</b>                          |                              | <b>492,955,640</b>                 | <b>88%</b>        | <b>492,955,640</b>                 | <b>88%</b>        |

As per the records of the Company, including its register of shareholders members, the above shareholding represents both legal & beneficial ownership of shares.

13. Other equity

| Particulars   | (Rs. in lakhs)   |
|---|------------------|
| (A) Retained earnings:  |                  |
| Balance as at April 1, 2020                                       | (11,883.68)      |
| Profit for the year   | 2,168.63         |
| Other comprehensive income (net of tax)                           | 35.00            |
| Balance as at March 31, 2021                                      | (9,680.05)       |
| Profit for the year   | 9,830.39         |
| Other comprehensive loss  | (8.60)           |
| Balance as at March 31, 2022                                      | <b>141.74</b>    |
| (B) Deemed Equity Contribution:                                   |                  |
| Balance as at April 1, 2020                                       | -                |
| Reclassified in 2020-21 [Refer Note 29.3 (iv)]                    | 55,175.89        |
| Total Other Equity as at March 31, 2021                           | 45,495.84        |
| Repayment of deemed equity during the year [Refer Note 29.3 (iv)] | (5,245.13)       |
| Balance as at March 31, 2022                                      | <b>40,250.71</b> |
| <b>Total Other Equity as at March 31, 2022</b>                    | <b>50,472.50</b> |

Nature and Description of Reserve:

Retained earnings:

Retained earnings constitute the accumulated profits earned by the Company till date, less dividend (including dividend distribution tax) and other distribution made to the shareholders.

Deemed Equity Contribution

Deemed equity contribution consists of contribution from the holding company. [Refer Note 29.3 (iv)]

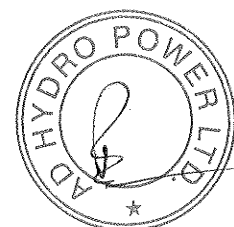
14. Non-Current Borrowings

| Particulars   | (Rs. in lakhs)       |                      |
|---|----------------------|----------------------|
|   | As at March 31, 2022 | As at March 31, 2021 |
| Term loans  |                      |                      |
| From banks (secured)  | 7,436.65             | 7,925.86             |
| From financial institution (secured)                          | -                    | 10,916.11            |
| Other loans   |                      |                      |
| Loan - holding company (unsecured) [Refer Note (ii) below]    | 14,600.00            | 14,600.00            |
| Less: Current maturities (disclosed in short term borrowings) | (815.07)             | (3,295.77)           |
| <b>Total</b>  | <b>21,221.57</b>     | <b>30,146.20</b>     |

14.1 Additional Disclosures

As at March 31, 2022

| Particulars  | Carrying Value   | Last Maturity Date | Repayment terms   |
|--|------------------|--------------------|---|
| (i) Term Loan from Bank:   | (Rs. in lakhs)   |                    |   |
| IndusInd Bank Limited  | 7,436.65         | August 31, 2027    | Balance loan amount is repayable in 24 structured installments  |
| (ii) Loan and advances from related party - holding company (unsecured)            |                  |                    |   |
| Malana Power Company Limited (Unsecured)   | 46,380.00        | -                  | Subordinated loan agreement between the Company and the holding company. The loan granted is repayable only once all obligation to the outside lenders have been paid and discharged in full. |
| Less: Reclassified to Other Equity during the previous year [Refer Note 29.3 (iv)] | (31,780.00)      |                    |   |
| <b>Net loans and advances from related party-Holding Company</b>                   | <b>14,600.00</b> |                    |   |
| <b>Total</b>   | <b>22,836.65</b> |                    |   |



(f) Term Loan from Bank:

The Company has taken Indian Rupee term loans from Indusind Bank Limited. The loan is carrying fixed interest @ 6.20% per annum from Aug 01, 2021 till July 31, 2022, which was @ 8.50% per annum in previous year and until July 31, 2021.

Secured by way of first mortgage and charge on all immovable properties wherever situated, both present and future, and hypothecation of all movable assets, intangibles, bank debts, operating cash flows, all bank accounts etc. present and future, of the company, on pari passu basis. Further, the holding company, Malana Power Company Limited, has provided corporate guarantee (up to annual cap of Rs. 8,000 lakhs) in case of default in repayment and has also pledge its investment in the Company.

A pledge over all the shares held by the Malana Power Company Limited (i.e. 88% of the total equity share capital and except 49,890 (0.01%) shares held jointly with individual shareholders) in favour of the Security Trustee/ the Lender, IDBI Trusteeship Services Limited is acting as the Security Trustee on behalf of the senior lenders and the charge is jointly created in its favour.

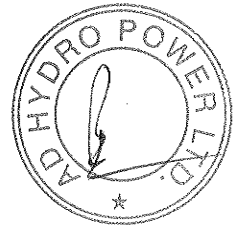
(ii) Loan and advances from related party - holding company (unsecured)

Term loan from holding company is unsecured and was given between the year 2006 to 2009 under the erstwhile Companies Act, 1956 as per the terms of the subordinated loan agreement between the company and the holding company. The loan granted is repayable only once all obligation to the outside lenders have been paid and discharged in full and the interest thereon is payable as per the conditions stipulated in the financing agreements. Also, refer note 29.3 (iv)

| Particulars  | (Rs. in lakhs)       |                      |                      |                      |
|--|----------------------|----------------------|----------------------|----------------------|
|  | Non-current          |                      | Current              |                      |
|  | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2022 | As at March 31, 2021 |
| Provision for income tax:  | -                    | -                    | -                    | 149.15               |
| Advance income tax [net of provisions of Rs. 640.76 lakhs, Rs. 640.76 (2020-21)] | (946.55)             | (11.10)              | -                    | -                    |
| <b>Tax (assets)/liabilities</b>  | <b>(946.55)</b>      | <b>(11.10)</b>       | <b>-</b>             | <b>149.15</b>        |

| Particulars   | (Rs. in lakhs)       |                      |                      |                      |
|---|----------------------|----------------------|----------------------|----------------------|
|   | Non-current          |                      | Current              |                      |
|   | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2022 | As at March 31, 2021 |
| Capital creditors   | -                    | -                    | 6.74                 | 6.74                 |
| Interest accrued but not due on loan from holding company                 | -                    | 23,395.89            | -                    | -                    |
| Loss Reclassified to Other Equity [Refer Note 29.3 (v)]                   | -                    | (23,395.89)          | -                    | -                    |
| Net interest accrued but not due on loan from Holding Company             | -                    | -                    | -                    | -                    |
| Deposit from contractors and others                                       | -                    | -                    | 10.45                | 9.42                 |
| Interest accrued but not due on loan from bank and financial institutions | -                    | -                    | 156.35               | (21.77)              |
| <b>Total</b>  | <b>-</b>             | <b>-</b>             | <b>173.54</b>        | <b>137.93</b>        |

| Particulars                                  | (Rs. in lakhs)       |                      |                      |                      |
|--|----------------------|----------------------|----------------------|----------------------|
|  | Non-current          |                      | Current              |                      |
|  | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2022 | As at March 31, 2021 |
| Provision for employee benefits:             | -                    | -                    | 26.54                | -                    |
| - Gratuity (Refer Note No. 31.3)             | -                    | -                    | -                    | -                    |
| - Compensated absences (Refer Note No. 31.3) | 167.96               | 158.18               | 9.34                 | 6.18                 |
| <b>Total</b>                                 | <b>167.96</b>        | <b>158.18</b>        | <b>35.88</b>         | <b>6.18</b>          |



| Particulars  | (Rs. in lakhs)       |                      |                      |                      |
|--|----------------------|----------------------|----------------------|----------------------|
|  | Non-current          |                      | Current              |                      |
|  | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2022 | As at March 31, 2021 |
| Trade payables   | -                    | -                    | -                    | -                    |
| - total outstanding dues of micro and small enterprises (Refer Note below)   | -                    | -                    | -                    | -                    |
| - total outstanding dues of creditors other than micro and small enterprises | -                    | -                    | 1,478.87             | 883.79               |
| <b>Total</b>   | -                    | -                    | <b>1,478.87</b>      | <b>883.79</b>        |

\*There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company.

Note: Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

18. Trade payables

Ageing for trade payable outstanding as at March 31, 2022 is as follows:

| Particulars                | Not due | Outstanding for following periods from due date of payment |                  |             |              |                   | Total           |
|----------------------------|---------|--|------------------|-------------|--------------|-------------------|-----------------|
|                            |         | Less than 6 months   | Less than 1 year | 1 - 2 years | 2 - 3 years  | More than 3 years |                 |
| Trade payable              | -       | -  | -                | -           | -            | -                 | -               |
| MSME (refer details below) | -       | -  | -                | -           | -            | -                 | -               |
| Others                     | -       | -  | 1,387.86         | 9.75        | 21.41        | 59.85             | 1,478.87        |
| Disputed dues - MSME       | -       | -  | -                | -           | -            | -                 | -               |
| Disputed dues - Others     | -       | -  | -                | -           | -            | -                 | -               |
| <b>Total</b>               | -       | -  | <b>1,387.86</b>  | <b>9.75</b> | <b>21.41</b> | <b>59.85</b>      | <b>1,478.87</b> |

Ageing for trade payable outstanding as at March 31, 2021 is as follows:

| Particulars                | Not due | Outstanding for following periods from due date of payment |                  |             |             |                   | Total         |
|----------------------------|---------|--|------------------|-------------|-------------|-------------------|---------------|
|                            |         | Less than 6 months   | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years |               |
| Trade payable              | -       | -  | -                | -           | -           | -                 | -             |
| MSME (refer details below) | -       | -  | -                | -           | -           | -                 | -             |
| Others                     | -       | -  | 802.65           | 9.98        | 4.64        | 66.52             | 883.79        |
| Disputed dues - MSME       | -       | -  | -                | -           | -           | -                 | -             |
| Disputed dues - Others     | -       | -  | -                | -           | -           | -                 | -             |
| <b>Total</b>               | -       | -  | <b>802.65</b>    | <b>9.98</b> | <b>4.64</b> | <b>66.52</b>      | <b>883.79</b> |

Micro, Small and Medium Enterprises

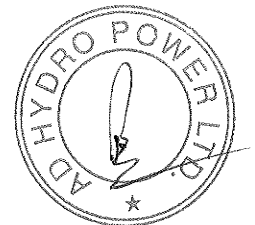
Details relating to micro, small and medium enterprises is disclosed below:-

| Particulars  | (Rs. in lakhs)       |                      |
|--|----------------------|----------------------|
|  | As at March 31, 2022 | As at March 31, 2021 |
| The principal amount remaining unpaid to any supplier as at the end of the year  | -                    | -                    |
| The interest due on principal amount remaining unpaid to any supplier as at the end of the year  | -                    | -                    |
| The amount of interest paid by the Company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), along with the amount of the payment made to the supplier beyond the appointed day during the year                 | -                    | -                    |
| The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act   | -                    | -                    |
| The amount of interest accrued and remaining unpaid at the end of the year   | -                    | -                    |
| The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under the MSMED Act. | -                    | -                    |

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

19. Other liabilities

| Particulars                                | (Rs. in lakhs)       |                      |
|--|----------------------|----------------------|
|  | As at March 31, 2022 | As at March 31, 2021 |
| Statutory liabilities                      | 86.22                | 64.33                |
| Advance received for tower re-routing work | 107.28               | 80.88                |
| <b>Total</b>                               | <b>193.49</b>        | <b>145.21</b>        |





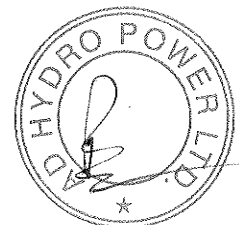
AD Hydro Power Limited  
Notes To The Financial Statements For The Year Ended March 31, 2022

| 20. Revenue from operations          |                              | (Rs. in lakhs)               |  |
|--------------------------------------|------------------------------|------------------------------|--|
| Particulars                          | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 |  |
| a) Revenue from power supply (net)   | 24,895.67                    | 16,944.48                    |  |
| b) Revenue from transmission income  | 685.06                       | 675.41                       |  |
| <b>Revenue from Operations (net)</b> | <b>25,580.73</b>             | <b>17,619.89</b>             |  |

| 21. Other income  |                              | (Rs. in lakhs)               |  |
|---|------------------------------|------------------------------|--|
| Particulars   | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 |  |
| <b>a) Interest income</b>                                   |                              |                              |  |
| <b>i) Financial assets held at Amortised cost</b>           |                              |                              |  |
| - Interest on bank deposits                                 | 289.09                       | 522.25                       |  |
| - Interest on employee loan                                 | 0.15                         | 0.42                         |  |
| <b>b) Others non operating income</b>                       |                              |                              |  |
| - Sale of certified emission reductions                     | 139.29                       | 236.82                       |  |
| - Insurance claim   | 0.89                         | 358.02                       |  |
| - Miscellaneous income                                      | 117.70                       | 212.53                       |  |
| <b>c) Other gains</b>                                       |                              |                              |  |
| - Gain on disposal of property, plant and equipment ("net") | -                            | 11.32                        |  |
| <b>Total</b>  | <b>547.12</b>                | <b>1,341.36</b>              |  |

| 22. Employee benefits expenses                                  |                              | (Rs. in lakhs)               |  |
|---|------------------------------|------------------------------|--|
| Particulars   | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 |  |
| Salaries, wages and bonus                                       | 1,345.56                     | 1,199.80                     |  |
| Contribution to provident and other funds (Refer Note no. 31.1) | 79.26                        | 71.27                        |  |
| Gratuity expenses (Refer Note no. 31.3)                         | 17.95                        | 35.01                        |  |
| Compensated absences expenses (Refer Note no. 31.3)             | 13.87                        | 4.05                         |  |
| Workmen and staff welfare expenses                              | 93.29                        | 57.71                        |  |
| <b>Total</b>  | <b>1,549.93</b>              | <b>1,367.84</b>              |  |

| 23. Finance costs                         |                              | (Rs. in lakhs)               |  |
|---|------------------------------|------------------------------|--|
| Particulars                               | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 |  |
| <b>a) Interest cost</b>                   |                              |                              |  |
| - Interest on term loans                  | 1,322.28                     | 1,898.82                     |  |
| - On sub debt loan [Refer Note 29.3 (iv)] | 1,394.30                     | 1,394.30                     |  |
| - Interest others                         | 175.55                       | 14.74                        |  |
| <b>b) Other borrowing costs</b>           |                              |                              |  |
| - Financial and bank charges              | 594.47                       | 555.37                       |  |
| <b>Total</b>                              | <b>3,486.61</b>              | <b>3,863.23</b>              |  |



AD Hydro Power Limited  
Notes To The Financial Statements For The Year Ended March 31, 2022

| 24. Depreciation and Amortisation expenses    |                              | (Rs. in lakhs)               |  |
|---|------------------------------|------------------------------|--|
| Particulars                                   | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 |  |
| Depreciation on property, plant and equipment | 4,968.59                     | 5,385.72                     |  |
| <b>Total</b>                                  | <b>4,968.59</b>              | <b>5,385.72</b>              |  |

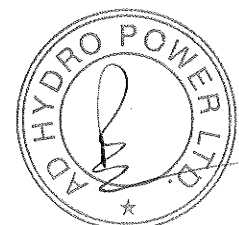
| 25. Other expenses  |                              | (Rs. in lakhs)               |  |
|---|------------------------------|------------------------------|--|
| Particulars   | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 |  |
| Stores, spares & other consumables                              | 249.55                       | 304.14                       |  |
| Rent  | 46.52                        | 47.68                        |  |
| Power and fuel  | 142.17                       | 82.30                        |  |
| Repair and maintenance  |                              |                              |  |
| - Civil work  | 161.43                       | 166.06                       |  |
| - Plant and machinery   | 141.60                       | 284.81                       |  |
| - Others  | 66.66                        | 19.10                        |  |
| Rates and taxes   | 5.47                         | 0.83                         |  |
| Insurance   | 306.50                       | 294.72                       |  |
| Payment to auditor (Refer Note (1) below)                       | 18.31                        | 16.14                        |  |
| Traveling and conveyance  | 23.65                        | 17.63                        |  |
| Legal and professional expenses                                 | 134.65                       | 211.96                       |  |
| Security arrangement expense                                    | 148.83                       | 156.79                       |  |
| Social welfare expenses   | 63.25                        | 18.65                        |  |
| Corporate social responsibility expenses (Refer Note (2) below) | 68.62                        | 50.50                        |  |
| Vehicle running and hiring expenses                             | 113.54                       | 90.75                        |  |
| Loss on disposal of property, plant and equipment               | 21.49                        | -                            |  |
| Miscellaneous expenses  | 134.92                       | 177.71                       |  |
| <b>Total</b>  | <b>1,847.16</b>              | <b>1,939.77</b>              |  |

Notes :

| (1) Payment to auditors (including taxes): |                              | (Rs. in lakhs)               |  |
|--|------------------------------|------------------------------|--|
| Particulars                                | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 |  |
| - Audit fees                               | 17.11                        | 15.34                        |  |
| - Fees for certification                   | 0.59                         | -                            |  |
| - Reimbursement of expenses                | 0.61                         | 0.80                         |  |
| <b>Total</b>                               | <b>18.31</b>                 | <b>16.14</b>                 |  |

| (2) Corporate social responsibility expenditure              |                              | (Rs. in lakhs)               |  |
|--|------------------------------|------------------------------|--|
| Particulars  | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 |  |
| a) Amount required to be spent as per Section 135 of the Act | 60.80                        | 46.15                        |  |
| b) Amount spent during the year on the following:            |                              |                              |  |
| (i) Construction/Acquisition of any asset                    | -                            | 0.76                         |  |
| (ii) On purposes other than (i) above                        | 68.62                        | 49.74                        |  |
| <b>Total (i) + (ii)</b>                                      | <b>68.62</b>                 | <b>50.50</b>                 |  |

Amount unspent as on March 31, 2022 is Rs. Nil (Previous year Rs. Nil)



AD Hydro Power Limited  
Notes To The Financial Statements For The Year Ended March 31, 2022

| 26. Tax expense |                              | (Rs. in lakhs)               |  |
|-----------------|------------------------------|------------------------------|--|
| Particulars     | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 |  |
| Current tax*    | -                            | 489.23                       |  |
| <b>Total</b>    | <b>-</b>                     | <b>489.23</b>                |  |

\*During the current year, the Company has opted for lower tax regime under section 115BAA at tax rate of 22%. Therefore, the Company is not eligible to carry forward its MAT credit under special tax regime.

(a) The income tax expense for the year can be reconciled to the profit before tax as follows:

|   |                              | (Rs. in lakhs)               |  |
|---|------------------------------|------------------------------|--|
| Particulars   | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 |  |
| <b>Accounting profit before Income-tax</b>  | <b>9,830.39</b>              | <b>2,657.86</b>              |  |
| At India's statutory income tax rate under lower tax regime of 25.16% (Previous year under normal tax regime- 29.12%) | 2,474.11                     | 773.97                       |  |
| Tax effect of depreciation and expenses that are not deductible for determining taxable profits                       | (144.28)                     | (322.50)                     |  |
| Tax effect of income from sale of emission reductions certificates taxable at lower rate                              | (18.83)                      | (32.02)                      |  |
|   | <b>2,311.00</b>              | <b>419.45</b>                |  |
| Tax expense   | 2,311.00                     | 419.45                       |  |
| Less: Set off of carried forward unabsorbed depreciation  | (2,311.00)                   | (419.45)                     |  |
| Net Income tax expense  | -                            | -                            |  |
| Add: MAT on book profits  | -                            | 489.23                       |  |
| <b>Income tax expenses reported in the Statement of Profit &amp; Loss</b>   | <b>-</b>                     | <b>489.23</b>                |  |

(b) Items on which Deferred tax asset has not been recognized\*

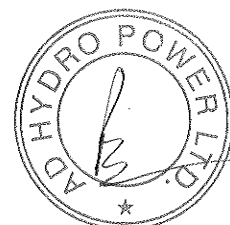
|   |                              | (Rs. in lakhs)               |  |
|---|------------------------------|------------------------------|--|
| Particulars                                     | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 |  |
| Unabsorbed depreciation brought/carried forward | 2,978.65                     | 6,121.93                     |  |
| Provision for employee benefits                 | 51.30                        | 47.86                        |  |
| MAT credit entitlement                          | -                            | 1,809.87                     |  |
| <b>Total</b>                                    | <b>3,029.95</b>              | <b>7,979.67</b>              |  |

In accordance with Ind AS-12 "Income Taxes" Deferred tax assets are recognized only if there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In view of lack of reasonable certainty of sufficient future taxable income against which net deferred tax assets can be realized and huge amount of unabsorbed depreciation, the Company has not recognized deferred tax asset to the extent of ₹ 3,029.95 lakhs (Previous year ₹ 7,979.67) as on March 31, 2022.

\*Refer Note 11

27. Earning per share

| Particulars   | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 |
|---|------------------------------|------------------------------|
| Profit for the year attributable to owners of the Company (Rs. in lakhs) (a)  | 9,830.39                     | 2,168.63                     |
| Weighted average number of equity shares for the purpose of basic and diluted earning per share (No. of share in lakhs) (b) | 5,601.53                     | 5,601.53                     |
| <b>Basic and Diluted earning per share (in Rs.) [(a) / (b)]</b>   | <b>1.75</b>                  | <b>0.39</b>                  |
| Diluted earning per share   | 1.75                         | 0.39                         |



## 28 Segment Reporting

The Company's activities involves generation and sale of hydro power. Also, the Company generates income from usage of its owned transmission line. Considering the nature of Company's business and operations, there are no separate reportable segments (business and/ or geographical) in accordance with the requirements of Indian Accounting Standard 108 'Segment Reporting'. The Chief Operational Decision Maker monitors the operating results as one single segment for the purpose of making decisions about resource allocation and performance assessment and hence, there are no additional disclosures to be provided other than those already provided in the financial statements.

## 29 Contingent Liabilities and Commitments (to the extent not provided for)

## 29.1 Contingent Liabilities\*

|  |   | (Rs. in lakhs)       |                      |
|--|---|----------------------|----------------------|
| Particulars  |   | As at March 31, 2022 | As at March 31, 2021 |
| Claims against the Company not acknowledged as debt: |   |                      |                      |
|  | Demand under The Building & Other Construction Workers Welfare Cess Act, 1996 (BOCW) (Refer note (a) below)                       | 1,459.58             | 1,459.58             |
|  | Demand under Local Area Development Fund (LADF) from Directorate of Energy, Government of Himachal Pradesh (refer note (b) below) | 1,427.00             | 1,427.00             |
|  | Demand raised by Directorate of fisheries. Himachal Pradesh (refer note (c) below)  | 64.75                | 99.75                |
|  | Demand of lease rentals by Himachal Pradesh Govt. for diverted forest land (refer note (f) below)                                 | 2,611.90             | -                    |
|  |   |                      |                      |

\* Company believes that these claims/demands are not probable to be decided against the Company and therefore, no provision for the above is required.

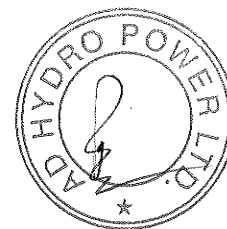
## Notes:

(a) During the financial year 2012-2013, the Cess Assessing Officer vide order dated January 23, 2013 had raised a demand of ₹1,459.58 lakhs on the Company under the Building & Other Construction Workers Welfare Cess Act, 1996 ("BOCW Act") for the period from January 01, 2005 to July 31, 2012. The Company is of the view, based upon legal expert opinion, the obligation to pay Cess under BOCW Act arise only for the period commencing from December 08, 2008 to July 01, 2010 (i.e from the date when the rules were notified and up to the date when factory license was granted to the Company). In view of this, there is no question of payment of Cess prior to December 8, 2008 as demand has no justification or legal sanctity. The amount so determined based on the Company's view has been already paid and provided for in the books of accounts. The Company had filed a writ petition before the High Court of Himachal Pradesh for the above said demand. During the hearing held on February 28, 2013, an interim Stay has been granted against the demand. The matter is presently pending for adjudication with no fixed date.

Pending any further directions by the High Court and based upon the legal expert opinion, management is of the view that no provision is deemed necessary in the financial statements in this regard.

(b) During 2006, Directorate of Energy (DOE) of Himachal Pradesh had raised a demand of Rs. 1,427 lakhs on the Company towards local area development fund (LADF). The amount was determined considering 1.5% of the final cost of the project of the Company of Rs. 1,60,700 lakhs (after considering the expenses already incurred by the Company of Rs. 984 lakhs). The determination was based upon the guidelines issued on LADF activities by Government of Himachal Pradesh in December 11, 2006 and as amended in October 05, 2011. However, the management is of the view that the amount should be computed @ 1.5% of the total capital cost as reflected in Detailed Project Report of the Company i.e. Rs. 92,200 lakhs in terms of agreement dated November 05, 2005 entered with the Government of Himachal Pradesh. Further, the DOE had not considered the total amount incurred and deposited by the Company aggregating to Rs. 1,423 lakhs. Had these been considered/computed appropriately, the above demand would not arise. Management is of the view that the Company has complied with the conditions agreed in terms of the agreement dated November 05, 2005 with Government of Himachal Pradesh which is prior to the date of guidelines issued in 2006 and thus no additional provision is required. Currently this matter is being contested before High Court of Himachal Pradesh on which stay has been granted on the said demand. Management is of the view that no provision is deemed necessary in the financial statements in this regard.

(c) The Department of Fisheries vide letter dated January 04, 2013 directed the Company to pay an amount of Rs. 99.75 lakhs for granting of No Objection Certificate (NOC) for setting up Hydro Power Project in the state of Himachal Pradesh as per the requirements of HP State Pollution Control Board. Management is of the view that the Company is not covered under the negative list under the policy norms issued in 2008 by the Fisheries Department for issuance of NOC in setting up the Power Project in the state of Himachal Pradesh and thus the above said demand is not tenable hence no provision is required.



The Company had received a demand of Rs. 99.75 lacs from Director-cum-Warden of Fisheries, Himachal Pradesh in lieu of the NOC granted on 04.01.2013 against which company filed a Writ Petition in the Hon'ble High Court of Himachal Pradesh in view of the fact that the streams utilized for the Project are not covered in the Negative List of the Department of Fisheries. The Hon'ble High Court of Himachal Pradesh vide order dated 28.03.2013 stayed the demand of Department of Fisheries by directing the company to deposit of Rs. 35 lacs which was deposited. Although, the company has a good case of merit, however in view of pending litigation for more than 9 years, it has been decided to write off Rs. 35 lakhs paid in terms of the order of the High Court. The balance amount of Rs. 64.75 Lacs is being considered as contingent liability.

- (d) The Company is subject to certain legal proceedings and claims, which have arisen in the ordinary course of business, for the lands and right to use lands acquired by it and recovery suits filed by various parties. These cases are pending with various courts. After considering the circumstances and legal advice received, the management believes that the chances to decide the case against the Company is remote and thus these cases will not have any material impact on the financial statements and no provision is required.
- (e) Based upon the legal opinion obtained by the management, there are various interpretation issues and thus is in the process of evaluating the impact of the recent Supreme Court Judgment in the case of "Vivekananda Vidyamandir vs Regional Provident Fund Commissioner (II), West Bengal in relation to non-exclusion of certain allowances from the definition of "basis wages" of the relevant employees for the purpose of determining contribution to provident fund under the Employees Provident Fund & Miscellaneous provisions Act, 1952. Pending issuance of guidelines by the regulatory authorities on the application of this ruling, the impact on the Company for the previous periods, if any, cannot be ascertained.
- (f) The Company has received a memorandum dated 15.02.2022 demanding Rs. 2,611.90 lakhs towards the lease money on 37.629 Hectares of forest land diverted for the execution of 192 MW Allain Duhangan HEP in Manali District Kulhu. The Company has pursued the note and is of the view that the demand raised by the Government of Himachal Pradesh is not tenable in view of the fact that it is not in compliance of the Order of Hon'ble High Court of Himachal Pradesh in WP No. 7103/2014 dated 05.07.2017. Further, Land Lease Rules of the Government itself is retrospective in nature. The demand is also not in accordance with the Forest Laws of the Government of India. Accordingly, the Company has disputed the demand vide its letter dated 30th March 2022. The Company is of the view that it has a good case on the merit and no provision is required.
- (g) On December 24, 2021, the Company has received a demand of Rs. 5,833 lakhs from Central Transmission Utility of India Limited ("CTUIL") in relation to relinquishment charges for surrender of Long Term Access rights with Power Grid Corporation of India Limited, which in the opinion of the Company, is not in accordance with the methodology specified by the CERC vide Order dated March 08, 2019 in petition no. 92/MP/2015. Based on consideration of the information available till date, the Company has computed the relinquishment charges as per methodology specified by aforesaid order, along with interest, amounting to Rs. 1,632.09 lakhs and has provided for in the books of account during the year. Based on its assessment, we believe that it is possible, but not probable, that the demand/financial exposure mentioned above will arise and accordingly, no provision for any further liability has been made in the financial statements.

## 29.2 Commitments

- (a) The Company had entered into Bulk Power Transmission Agreement with Power Grid Corporation of India Limited (Power grid) to avail long term open access to the transmission system of Power grid for transfer of power from Allain Duhangan HEP to Northern Region Constituents. The Company has agreed to share and pay all the transmission charges of Power grid for a period of 40 years from Commercial Operation Date i.e. July 29, 2010. This is being a firm commitment, recognized as an expense on receipt of monthly bills from Power grid, under the head 'Bulk power transmission charges' in the Statement of profit and loss. However during the year the Company had relinquished the Agreement. Besides, in accordance with implementation agreement with Government of Himachal Pradesh (GOHP), the company shall provide 12% of its deliverable energy free of cost to GOHP. [refer Note 29.1 (g) above]
- (b) The Company has other commitments for the purchase order issued after considering the requirement per operating cycle for purchase of goods and services in the normal course of business. The Company does not have any long term commitments of material non-cancellable contractual commitments / contracts including derivative contract for which there were any material foreseeable losses.

## 29.3 Other matters

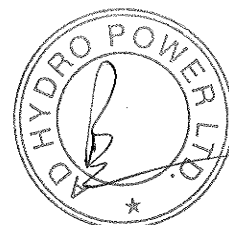
### (i) Impairment of Property, Plant and Equipment's

As on March 31, 2022, the Company has net worth of Rs. 1,06,087.78 lakhs (Previous Year- Rs. 1,01,511.12 lakhs) and accumulated profits of Rs. 141.74 lakhs as at March 31, 2022 (Previous Year- Accumulated losses amounting Rs. 9,680.05 lakhs). Based on financial projections (including the projected tariff) arrived at after considering the past experience of running similar power project and renewable source of fuel, management believes that profits will continue to accrue on account of expected increase in tariff and there are no impairment indicators and hence no adjustments are required to the carrying amount of property, plant and equipment on account of impairment and the Company will have sufficient cash flow to meet its future obligations.

### (ii) Dispute related to parties using the transmission line

On October 17, 2019, the Central Electricity Regulatory Commission (CERC) passed an Order on the Dedicated Transmission System of AD Hydro Power Limited ("the Company") for three parties using the transmission line for transmitting the energy in which CERC stated the following:

- a) With regards to transmission charges, CERC approved the capital cost of Dedicated Transmission System at Rs.23,892 lacs as against the capital cost submitted by the Company of Rs. 41,661 lacs (on the date of COD i.e. December 17, 2010)/Rs. 45,284 lacs (on the date of March 31, 2013 with additional capitalization) and accordingly determined the annual fixed cost (Transmission Tariff) for using transmission line for the period 2011-12 to 2018-19. Accordingly, the Company determined the amount invoiced over and above the amount which should have been invoiced based on capital cost and fixed cost determined by CERC for the above stated period amounting to Rs. 9,668.08 lacs. The management is of the view that the methods used to derive the capital cost by the CERC are not in accordance with the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations ("regulations") for the period 2009-14 and 2014-19 and Electricity Act, 2003.



With respect to matter detailed in (a) above, the Company had filed an appeal against the CERC Order before Appellate Tribunal for Electricity (APTEL) in October 2019. APTEL vide Order dated 17.01.2020 stayed the CERC's order so far as raising adjustment of bills was concerned along with the direction to continue to issue the future bills in accordance with the CERC Order till the appeal is finally disposed-off. The Respondents were directed to pay charges in terms of the order for use of the transmission line of ADHPL. The Company has accordingly started raising the invoices based on the CERC order effective 18th October, 2019 and recognized as transmission income.

Accordingly, the trade receivables aggregating to Rs. 2,921.85 lakhs (in previous year Rs. 2,921.85 lakhs) related to the aforesaid amount are considered good and fully recoverable and in the opinion of the Management, no provision is required in respect of possible exposure aggregating to Rs. 6,746.23 lakhs (in previous year Rs. 6,746.23 lakhs) towards amount already collected from the users of Dedicated Transmission Line till March 31, 2022.

Pending litigation and final decision on the appeal by APTEL, the Management, based on the legal opinion, is of the view that the above CERC Order is not legally tenable and would not have any material liability on the Company.

(b) With regards to transmission losses, CERC directed to share the losses between the parties using the transmission line on the basis of weekly average losses in proportion to the scheduled energy on weekly basis instead of a flat charge of 4.75% charged by the Company as per the Interim Power Transmission Agreement (IPTA) signed between parties and accordingly directed the Northern Regional Load Despatch Centre (NRLDC) to re-compute the same which is presently under stay. However, the management is confident that the actual transmission losses to be computed by NRLDC would not be materially different in comparison with current flat charge of 4.75% and there would not be any material impact on the financial statements.

**(iii) Dispute with Himachal Pradesh State Electricity Board Limited (HPSEBL)**

Himachal Pradesh State Electricity Board Limited (HPSEBL) had withheld an amount of Rs. 316.68 lakhs on account of energy not supplied to them because of shut down of plant on date August 20, 2010. The Company had initiated the arbitration proceedings to the recover the said amount. In 2015, the Hon'ble Arbitrator had decided the matter in favour of HPSEBL against which the Company has preferred an appeal before the Hon'ble High Court of Shimla. Currently the matter is under adjudication. The management is of the view that it had already informed HPSEB about the shut down as the schedule was given of Nil power for the period of shut down, therefore the claim of HPSEB is not legally tenable. However the entire receivable of Rs. 316.68 lakhs has been provided by the Company in the earlier years.

**(iv) Sub debt received from Malana Power Company Limited (MPCL)**

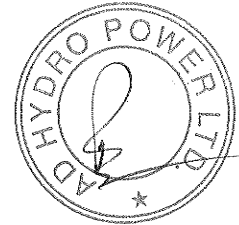
In 2009, the Company had received sub debt from MPCL amounting to Rs. 46,380 lakhs at market interest rate and this sub debt was classified as Loans on transition to Ind AS based on intention of the parties at that point of time. During the previous year, the Company and MPCL had mutually agreed to modify the terms of repayment of sub debt of Rs. 31,780 lakhs out of total sub debt of Rs. 46,380 lakhs and accumulated interest of Rs. 23,395.89 lakhs on total debt as follows:

Interest on sub debt of Rs. 31,780 lakhs will be Nil from April 01, 2020. At the discretion of the Company, the Company can repay Rs. 31,780 lakhs and Rs. 23,395.89 lakhs out of distributable profits of the Company and it can be paid only after making dividend payments to the equity shareholders of the Company or as per the agreement signed between the Company, MPCL and IFC.

Based on the above modification, the Company had derecognized the loan liability and accumulated interest payable and transferred the balances to Deemed Equity Contribution and presented under "Deemed Equity Contribution" under Other Equity as on March 31, 2021.

The balance sub debt amounting to Rs. 14,600 lakhs carries interest rate of 9.55% per annum.

During the current year, the Company has suo moto repaid Rs. 5,245.13 lakhs out of the opening balance.



**30 Related Party Disclosures**

Disclosures as required by Ind AS 24 – “Related Party Disclosures” are as follow:

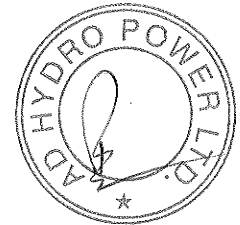
a) Names of related parties and description of relationship

| Description of relationship  | Name of related party  |
|--|--|
| Ultimate Holding Company   | Bhilwara Energy Limited  |
| Holding Company  | Malana Power Company Limited   |
| Enterprise having significant influence over the company                                   | Statkraft Holding Singapore Pte. Limited (SHSPL)   |
| Fellow Subsidiary Companies  | Indo Canadian Consultancy Services Limited   |
| Key Management Personnel*  | Mr. Ravi Jhunjhunwala (Director)<br>Pankaj Kapoor (Manager)  |
| Enterprises on which Statkraft Holding Singapore Limited (SHSPL) has significant influence | Statkraft Market Private Limited, India  |
| Trust under common control   | i) AD Hydro Power Limited Employees Group<br>Gratuity Trust<br>ii) AD Hydro Power Limited Sr. Executive Group<br>Superannuation Scheme Trust |

\* Additional related parties identified as per Companies Act, 2013

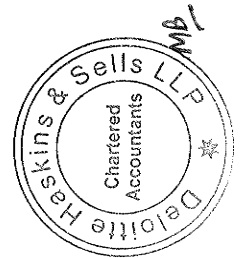
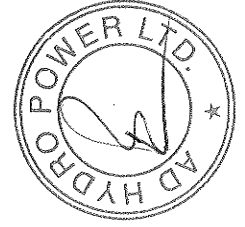
|                                     |                  |
|-------------------------------------|------------------|
| Non-Executive Director, CEO and CFO | Mr. O P Ajmera   |
| Company Secretary                   | Mr. Arvind Gupta |

b) Names and details of transaction of related parties during the year are as follows:



AD Hydro Power Limited  
Related party disclosures

| Transaction with related parties<br>(₹ in lakhs)  |   |               |   |               |                          |               |   |               |                            |               |              |               |
|---|---|---------------|---|---------------|--------------------------|---------------|---|---------------|----------------------------|---------------|--------------|---------------|
| Nature of Transaction   | Ultimate Holding Company/<br>Enterprises having significant<br>influence over the Company |               | Holding Company/Enterprises<br>having significant influence over<br>the Company |               | Key Management Personnel |               | Subsidiary/Fellow subsidiary<br>Company |               | Trust under common control |               |              |               |
|   | Current Year  | Previous Year | Current Year  | Previous Year | Current Year             | Previous Year | Current Year                            | Previous Year | Current Year               | Previous Year | Current Year | Previous Year |
| <b>Transactions during the year</b>   |   |               |   |               |                          |               |   |               |                            |               |              |               |
| <b>(i) Remuneration paid</b>  |   |               |   |               |                          |               |   |               |                            |               |              |               |
| a) Mr. Pankaj Kapoor  | -   | -             | -   | -             | 35.03                    | 30.24         | -                                       | -             | -                          | -             | -            | -             |
| (ii) Consultancy service charges paid to:<br>Indo Canadian Consultancy Services Limited | -   | -             | -   | -             | -                        | -             | 6.51                                    | 10.04         | -                          | -             | -            | -             |
| <b>(iii) Reimbursement of expenses paid to:</b>   |   |               |   |               |                          |               |   |               |                            |               |              |               |
| a) Bhillwara Energy Limited   | 0.24  | 0.57          | -   | -             | -                        | -             | -                                       | -             | -                          | -             | -            | -             |
| <b>(iii) Reimbursement of expenses given to:</b>  |   |               |   |               |                          |               |   |               |                            |               |              |               |
| Bhillwara Energy Limited  | 0.82  | -             | -   | -             | -                        | -             | -                                       | -             | -                          | -             | -            | -             |
| <b>(iv) Material Sale :</b>   |   |               |   |               |                          |               |   |               |                            |               |              |               |
| Malana Power Company Limited  | -   | -             | 12.54   | 0.22          | -                        | -             | -                                       | -             | -                          | -             | -            | -             |
| (iv) Interest on unsecured loan given to :<br>Malana Power Company Limited              | -   | -             | 1,394.30  | 1,394.30      | -                        | -             | -                                       | -             | -                          | -             | -            | -             |
| (v) Professional expenses paid to :<br>Statkraft Market Pvt Ltd                         | -   | -             | 32.44   | 46.28         | -                        | -             | -                                       | -             | -                          | -             | -            | -             |
| <b>(vii) Contribution made in Trust:</b>  |   |               |   |               |                          |               |   |               |                            |               |              |               |
| a) AD Hydro Power Company Ltd Employee<br>Group Gratuity Trust                          | -   | -             | -   | -             | -                        | -             | -                                       | -             | -                          | -             | 17.95        | -             |
| b) AD Hydro Power Company Ltd Sr. Executive<br>Group Superannuation Trust               | -   | -             | -   | -             | -                        | -             | -                                       | -             | -                          | -             | 3.00         | 2.79          |
| <b>(viii) Benefits paid on behalf of Trust:</b>   |   |               |   |               |                          |               |   |               |                            |               |              |               |
| a) AD Hydro Power Company Ltd Employee<br>Group Gratuity Trust                          | -   | -             | -   | -             | -                        | -             | -                                       | -             | -                          | -             | 0.86         | 12.68         |
| <b>Balances Receivable:</b>   |   |               |   |               |                          |               |   |               |                            |               |              |               |
| a) Statkraft Market Private Limited   | -   | -             | 1,136.19  | 127.54        | -                        | -             | -                                       | -             | -                          | -             | -            | -             |
| <b>Balances Payable:</b>  |   |               |   |               |                          |               |   |               |                            |               |              |               |
| a) Unsecured Loan taken from<br>Malana Power Company Limited                            | -   | -             | 14,600.00   | 14,600.00     | -                        | -             | -                                       | -             | -                          | -             | -            | -             |





c) Compensation of Key Management Personnel

(Rs. in lakhs)

| Particulars               | Mr. Pankaj Kapoor                    |                                      |
|---------------------------|--------------------------------------|--------------------------------------|
|                           | Manager                              |                                      |
|                           | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
| Short Term Benefit#       | 33.41                                | 28.86                                |
| Defined Contribution Plan | 1.61                                 | 1.38                                 |
| <b>Total</b>              | <b>35.03</b>                         | <b>30.24</b>                         |

# does not include post-employment benefits and other long term employee benefits as these employee benefits are lump sum amounts provided on the basis of actuarial valuation.

**31 Employee Benefit Plan**

**31.1 Defined contribution plan**

**i) Superannuation Fund**

The Company makes Superannuation Fund contributions to defined contribution retirement benefit plans for eligible employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions as specified under the law are paid to the superannuation fund set up as a trust by the Company. The Company does not carry any further obligations, apart from the contributions made on a monthly basis. The Company recognized Rs. 4.20 lakhs (previous year Rs. 3.69 lakhs) in the statement of profit and loss account. (Refer note 22)

**ii) Provident Fund**

The Company makes Provident Fund contributions which are defined contribution plan, for qualifying employees. Under the scheme Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognized Rs. 75.07 lakhs (previous year Rs. 67.58 lakhs) in the statement of profit and loss account. (Refer note 22)

**31.2 Details of defined benefit plan and long term employee benefit plan**

**i) Gratuity Fund**

The Company has a defined benefit gratuity plan. The gratuity plan is primarily governed by the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of five years are eligible for gratuity. The level of benefits provided depends on the member's length of service and salary at the retirement date. The gratuity plan is funded plan. The fund has the form of a trust and is governed by Trustees appointed by the Company. The Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy in accordance with the regulations. The funds are deployed in recognised insurer managed funds in India. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimates of expected gratuity payments.

**ii) Long term employee benefits plan**

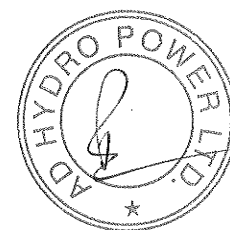
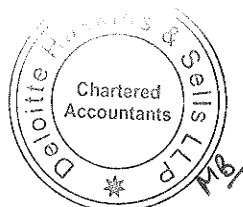
Compensated absence represents earned leaves. Long term compensated absence has been provided on accrual basis based on actuarial valuation.

**31.3 Disclosure required for Gratuity and Compensated absence in accordance with Ind AS-19 "Employee Benefits" are set out in the table below:**

**i) Current and Non – Current classification in Balance Sheet**

(Rs. in lakhs)

| Particulars   | As at March 31, 2022 |             |        | As at March 31, 2021 |             |        |
|---|----------------------|-------------|--------|----------------------|-------------|--------|
|   | Current              | Non-Current | Total  | Current              | Non-Current | Total  |
| Compensated absence obligation  | 9.34                 | 167.96      | 177.30 | 6.18                 | 158.19      | 164.37 |
| Gratuity:   |                      |             |        |                      |             |        |
| -Present value of funded defined benefit obligation                   | -                    | -           | 309.85 | -                    | -           | 262.70 |
| Fair value of plan assets   | -                    | -           | 322.65 | -                    | -           | 303.57 |
| (Net defined benefit obligation)/ Surplus recognized in balance sheet | 12.80                | -           | 12.80  | 40.87                | -           | 40.87  |



ii) Movement in the present value of Gratuity and Compensated absences

(Rs. in lakhs)

| Particulars   | Gratuity             |                      | Compensated absences |                      |
|---|----------------------|----------------------|----------------------|----------------------|
|   | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2022 | As at March 31, 2021 |
| Present value of obligation as at the beginning of the period | 264.22               | 261.42               | 164.37               | 164.95               |
| Interest Cost   | 17.97                | 17.65                | 11.18                | 11.13                |
| Current Service Cost  | 20.62                | 18.88                | 13.05                | 13.29                |
| Benefits Paid   | (0.86)               | (12.68)              | (0.94)               | (4.63)               |
| Actuarial (Gain)/Loss on obligation                           | 7.90                 | (21.05)              | (10.36)              | (20.38)              |
| Present value of obligation as at the End of the period       | 309.85               | 264.22               | 177.30               | 164.37               |

iii) The amounts recognized in the Statement of Profit and Loss account

(Rs. in lakhs)

| Particulars                                | Gratuity             |                      | Compensated absences |                      |
|--|----------------------|----------------------|----------------------|----------------------|
|  | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2022 | As at March 31, 2021 |
| Service Cost                               | 20.62                | 18.88                | 13.05                | 13.29                |
| Net Interest Cost                          | (2.68)               | 4.35                 | 11.18                | 11.13                |
| Remeasurements                             | -                    | -                    | (10.36)              | (20.38)              |
| Expense recognized in the Income Statement | 17.95                | 23.24                | 13.87                | 4.05                 |

iv) Amount recorded as Re-measurement Gain / (Loss) in Other Comprehensive Income (OCI)

(Rs. in lakhs)

| Particulars  | Gratuity             |                      |
|--|----------------------|----------------------|
|  | As at March 31, 2022 | As at March 31, 2021 |
| Actuarial gain / (loss) for the year on PBO                          | (7.90)               | 21.05                |
| Actuarial gain / (loss) for the year on Asset                        | (0.70)               | 21.84                |
| Defined benefit cost recognized in other comprehensive income/(loss) | (8.60)               | 42.89                |

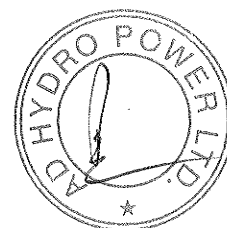
v) Movement in the fair value of plan assets

(Rs. in lakhs)

| Particulars  | Gratuity             |                      |
|--|----------------------|----------------------|
|  | As at March 31, 2022 | As at March 31, 2021 |
| Fair value of plan assets at the beginning of the year | 303.57               | 196.93               |
| Actual return on plan assets                           | 19.94                | 35.13                |
| Employer contribution                                  | -                    | 84.20                |
| Benefits paid  | (0.86)               | (12.69)              |
| Fair value of plan assets at the end of the year       | 322.65               | 303.57               |

vi) Major categories of plan assets (as percentage of total plan assets)

| Particulars                       | Gratuity             |                      |
|-----------------------------------|----------------------|----------------------|
|                                   | As at March 31, 2022 | As at March 31, 2021 |
| Government of India Securities    | -                    | -                    |
| State Government securities       | -                    | -                    |
| High Quality Corporate Bonds      | -                    | -                    |
| Equity Shares of listed companies | -                    | -                    |
| Property                          | -                    | -                    |
| Funds Managed by Insurer          | 100%                 | 100%                 |
| Bank Balance                      | -                    | -                    |
| <b>Total</b>                      | <b>100%</b>          | <b>100%</b>          |



## vii) Principal Actuarial Assumptions

| Particulars   | Gratuity                |                      | Compensated absences    |                      |
|---|-------------------------|----------------------|-------------------------|----------------------|
|   | As at March 31, 2022    | As at March 31, 2021 | As at March 31, 2022    | As at March 31, 2021 |
| i) Discounting Rate                                       | 7.23                    | 6.80                 | 7.23                    | 6.80                 |
| ii) Future salary Increase                                | 5.50                    | 5.50                 | 5.50                    | 5.50                 |
| i) Retirement Age (Years)                                 | 60                      | 60                   | 60                      | 60                   |
| ii) Mortality rates inclusive of provision for disability | 100 % of IALM (2012-14) |                      | 100 % of IALM (2012-14) |                      |
| iii) Ages   | Withdrawal Rate (%)     |                      |                         |                      |
| 18 to 30 Years  | 3.00                    | 3.00                 | 3.00                    | 3.00                 |
| 30 to 45 years  | 2.00                    | 2.00                 | 2.00                    | 2.00                 |
| Above 45 years  | 1.00                    | 1.00                 | 1.00                    | 1.00                 |

## Note:

- (a) Discount rate is based on the prevailing market yields of Govt. of India Securities as at Balance Sheet date for the estimated term of the obligations.
- (b) The estimate of future salary increased considered, takes into account the inflation, seniority, promotion, increment and other relevant factors.

## viii) Sensitivity Analysis of the defined benefit obligation

Sensitivity of gross defined benefit obligation as mentioned above, in case of change of significant assumptions would be as under:

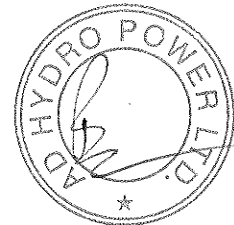
| Particular   | (Rs. in lakhs) |  |
|--|----------------|--|
|  | Gratuity       |  |
| a) Impact of the change in discount rate             |                |  |
| Present Value of Obligation at the end of the period | 309.85         |  |
| Impact due to increase of 0.50%                      | (16.04)        |  |
| Impact due to decrease of 0.50%                      | 17.30          |  |
| b) Impact of the change in salary increase           |                |  |
| Present Value of Obligation at the end of the period | 309.85         |  |
| Impact due to increase of 0.50%                      | 17.51          |  |
| Impact due to decrease of 0.50%                      | (16.37)        |  |

## Note:

- (a) Sensitivities due to mortality & withdrawals are not material & hence impact of change not calculated.
- (b) Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

## viii) Maturity Profile of defined benefit obligation

| Expected cash flow for next 10 years | (Rs. in lakhs) |  |
|--------------------------------------|----------------|--|
|                                      | Gratuity       |  |
| 0 to 1 Year                          | 13.00          |  |
| 1 to 2 Year                          | 8.39           |  |
| 2 to 3 Year                          | 5.06           |  |
| 3 to 4 Year                          | 19.26          |  |
| 4 to 5 Year                          | 7.57           |  |
| 5 to 6 Year                          | 8.02           |  |
| 6 Year onwards                       | 248.54         |  |



**32 Financial Risk Management Objective And Policies**

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

**(a) Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits. The Company is exposed to interest rate risk on variable rate long term borrowings.

The sensitivity analyses in the following sections relate to the position of financial assets and financial liabilities as at March 31, 2022 and March 31, 2021.

**I Foreign Currency Risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company is not exposed to any foreign currency risk as there is no material transaction in foreign currency.

**II Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

**III Interest Risk Exposure**

The exposure of the company's borrowings to interest rate changes at the end of the reporting period are as follows:

| Particulars              | (Rs. in lakhs)       |                      |
|--------------------------|----------------------|----------------------|
|                          | As at March 31, 2022 | As at March 31, 2021 |
| Variable rate borrowings | -                    | -                    |
| Fixed rate borrowings    | 22,036.64            | 33,441.97            |
| <b>Total</b>             | <b>22,036.64</b>     | <b>33,441.97</b>     |

**(a) Sensitivity**

Profit/loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates. The table below summarises the impact of increase and decrease of profit before tax on change in interest rate on floating rate debt. The analysis is based on the assumption that interest rate changes by 25 basis points with all other variable held constant. The fluctuation in interest rate has been arrived at on the basis of average interest rate volatility observed in the outstanding loans as on March 31, 2022 and March 31, 2021.

| Particulars  | (Rs. in lakhs)       |                      |
|--|----------------------|----------------------|
|  | As at March 31, 2022 | As at March 31, 2021 |
| Impact on Profit due to:   |                      |                      |
| Effect on Profit if Interest Rate - decrease by 25 basis points  | -                    | -                    |
| Effect on Profit if Interest Rate - increases by 25 basis points | -                    | -                    |

**(b) Price risk**

The company is not exposed to any price risk as there is no investment in equities outside the Company and the company doesn't deal in commodities.

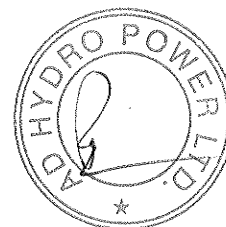
**(c) Credit risk**

Credit risk arises from the possibility that the counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, unsecured loan to subsidiary company and other financial instruments.

To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial conditions, current economic trends, and analysis of historical bad debts and ageing of accounts receivable.

The Company considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period.

Financial assets are written off when there is no reasonable expectation of recovery.



(i) Financial assets to which loss allowance is measured using lifetime /12 months Expected Credit Loss (ECL) as on March 31, 2022.

(Rs. in lakhs)

| Financial assets to which loss allowance is measured using lifetime/ 12 months Expected credit loss(ECL) | As at March 31, 2022  |                                |   | As at March 31, 2021  |                                |   |
|--|-----------------------|--------------------------------|---|-----------------------|--------------------------------|---|
|  | Gross Carrying Amount | Expected credit loss/write off | Carrying amount net of impairment provision | Gross Carrying Amount | Expected credit loss/write off | Carrying amount net of impairment provision |
| Loans to employees   | 27.38                 | -                              | 27.38                                       | 34.84                 | -                              | 34.84                                       |
| Security Deposits  | 12.32                 | -                              | 12.32                                       | 7.34                  | -                              | 7.34  |
| Trade Receivables  | 4,852.29              | 316.68                         | 4,535.61                                    | 3,969.86              | 316.68                         | 3,653.18                                    |
| Cash and Cash Equivalents  | 853.95                | -                              | 853.95                                      | 1,207.37              | -                              | 1,207.37                                    |
| Bank Balances  | 1,805.99              | -                              | 1,805.99                                    | 4,378.60              | -                              | 4,378.60                                    |
| Others   | 10.70                 | -                              | 10.70                                       | 147.64                | -                              | 147.64                                      |
| <b>Total</b>   | <b>7,562.63</b>       | <b>316.68</b>                  | <b>7,245.95</b>                             | <b>9,745.65</b>       | <b>316.68</b>                  | <b>9,428.97</b>                             |

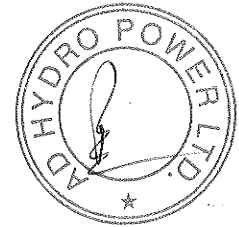
The Company is in the power generation sector. The Company on the basis of its past experience and industry practice is confident on realizing all of its dues from its customers. Hence, the Company has not provided for any discounting on time value of money.

(ii) Movement in expected credit loss allowance on financial assets

The following table summarizes the change in the loss allowances measured using life-time expected credit loss model:

(Rs. in lakhs)

| Particulars  | As at March 31, 2022 | As at March 31, 2021 |
|--|----------------------|----------------------|
| Balance at the beginning of the year                               | 316.68               | 316.68               |
| Add : Provision for expected credit loss recognize during the year | -                    | -                    |
| Less : Provision reverse during the year                           | -                    | -                    |
| Balance at the end of the year                                     | 316.68               | 316.68               |



**(d) Liquidity risk**

Liquidity risk is defined as the risk that Company will not be able to settle or meet its obligation on time or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risk are overseen by senior management. Management monitors the Company's net liquidity position through rolling, forecast on the basis of expected cash flows.

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments:

(Rs. in lakhs)

| As at March 31, 2022  | Less than 12 months | 12 months to 3 years | More than 3 years | Total     |
|---|---------------------|----------------------|-------------------|-----------|
| Borrowings  | 815.07              | 2,203.90             | 19,017.68         | 22,036.65 |
| Trade payables  | 1,387.86            | 31.16                | 59.85             | 1,478.87  |
| Capital Creditors   | 6.74                | -                    | -                 | 6.74      |
| Interest accrued but not due on loan from financial institution | 156.35              | -                    | -                 | 156.35    |
| Sundry Deposits   | 10.45               | -                    | -                 | 10.45     |

(Rs. in lakhs)

| As at March 31, 2021  | Less than 12 months | 12 months to 3 years | More than 3 years | Total     |
|---|---------------------|----------------------|-------------------|-----------|
| Borrowings  | 3,295.77            | 5,293.45             | 24,852.75         | 33,441.97 |
| Trade payables  | 802.65              | 14.62                | 66.52             | 883.79    |
| Capital Creditors   | 6.74                | -                    | -                 | 6.74      |
| Interest accrued but not due on loan from financial institution | 121.77              | -                    | -                 | 121.77    |
| Sundry Deposits   | 9.42                | -                    | -                 | 9.42      |

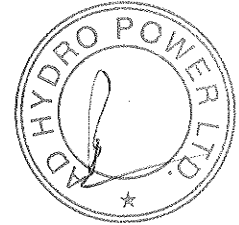
**(l) Capital management**

**(a) Risk management**

The Company's objective when managing capital are to:

- (i) safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- (ii) maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.



**AD Hydro Power Limited****Notes to Financial Statements for the year ended March 31, 2022**

Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio:

Net Debt (total borrowings net of cash and cash equivalents)  
Divided by  
Total equity (as shown in balance sheet)

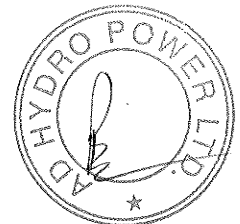
The gearing ratios were as follows:

| Particulars              | (Rs. in lakhs)       |                      |
|--------------------------|----------------------|----------------------|
|                          | As at March 31, 2022 | As at March 31, 2021 |
| Net Debt                 | 21,182.70            | 32,234.60            |
| Total Equity             | 106,087.78           | 101,511.12           |
| Net Debt to Equity Ratio | 0.20                 | 0.32                 |

**(ii) Financial instruments- accounting classification and fair value measurement**

(Rs. in lakhs)

| Particulars   | As at March 31, 2022                       |                        |                                  |            | As at March 31, 2021                       |                        |                                  |            |
|---|--|------------------------|----------------------------------|------------|--|------------------------|----------------------------------|------------|
|   | Fair value through Profit and loss account | Fair value through OCI | Amortised cost (Carrying amount) | Fair value | Fair value through Profit and loss account | Fair value through OCI | Amortised cost (Carrying amount) | Fair value |
| Loan to Employees   | -  | -                      | 27.38                            | 27.38      | -  | -                      | 34.84                            | 34.84      |
| Security deposit  | -  | -                      | 12.32                            | 12.32      | -  | -                      | 7.34                             | 7.34       |
| Trade receivables   | -  | -                      | 4,535.61                         | 4,535.61   | -  | -                      | 3,653.18                         | 3,653.18   |
| Cash and Cash Equivalents   | -  | -                      | 853.95                           | 853.95     | -  | -                      | 1,207.37                         | 1,207.37   |
| Bank Balances   | -  | -                      | 1,805.99                         | 1,805.99   | -  | -                      | 4,378.60                         | 4,378.60   |
| Others  | -  | -                      | 10.70                            | 10.70      | -  | -                      | 147.64                           | 147.64     |
| <b>Total Financial assets</b>   | -  | -                      | 7,245.95                         | 7,245.95   | -  | -                      | 9,428.97                         | 9,428.97   |
| Borrowings  | -  | -                      | 22,036.65                        | 22,036.65  | -  | -                      | 33,441.97                        | 33,441.97  |
| Trade Payables  | -  | -                      | 1,478.87                         | 1,478.87   | -  | -                      | 883.79                           | 883.79     |
| Interest accrued but not due on loan from bank and financial institutions | -  | -                      | 156.35                           | 156.35     | -  | -                      | 121.77                           | 121.77     |
| Sundry Deposit  | -  | -                      | 10.45                            | 10.45      | -  | -                      | 9.42                             | 9.42       |
| Capital Creditors   | -  | -                      | 6.74                             | 6.74       | -  | -                      | 6.74                             | 6.74       |
| <b>Total financial liabilities</b>  | -  | -                      | 23,689.06                        | 23,689.06  | -  | -                      | 34,463.69                        | 34,463.69  |



**AD Hydro Power Limited**

**Notes to Financial Statements for the year ended March 31, 2022**

**33 Ratios**

| Ratio  | Numerator   | Denominator   | As at March 31, 2022 | As at March 31, 2021 | Variance (%) | Explanation -if change in ratio more than 25% from preceding year.   |
|--|---|---|----------------------|----------------------|--------------|--|
| (a) Current ratio (in times)                     | Total current assets  | Total current liabilities   | 1.96                 | 1.62                 | 21%          | The change is less than 25% from the preceding year.   |
| (b) Debt-Equity ratio (in times)                 | Debt consists of borrowings and lease liabilities.  | Total equity  | 0.21                 | 0.33                 | -36%         | The Debt-Equity ratio has decreased on account of decrease in debt due to repayment of borrowings.                   |
| (c) Debt Service Coverage Ratio, (in times)      | Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + adjustments | Debt service = Interest and lease payments + Principal repayments                 | 1.23                 | 1.57                 | -22%         | The change is less than 25% from the preceding year.   |
| (d) Return on Equity Ratio (in %)                | Profit for the year less Preference dividend (if any)   | Average total equity  | 9.47%                | 2.98%                | 218%         | Increase is due to increase in tariff rate for revenue from power supply.  |
| (e) Inventory turnover ratio,                    | Cost of Good Sold   | Average Inventory   | 20.85                | 10.77                | 94%          | Increase is due to increase in tariff rate for revenue from power supply.  |
| (f) Trade Receivables turnover ratio, (in times) | Revenue from operations   | Average trade receivables   | 6.25                 | 5.15                 | 21%          | The change is less than 25% from the preceding year.   |
| (g) Trade payables turnover ratio, (in times)    | Cost of equipment and software licences + Other Expenses                                      | Average trade payable   | 1.56                 | 2.24                 | -31%         | Decrease is due to increase in trade payables on account of expense incurred on surrender of bulk power transmission |
| (h) Net capital turnover ratio, (in times)       | Revenue from operations   | Average working capital (i.e Total current assets Less Total Current liabilities) | 9.92                 | 6.11                 | 62%          | Increase on account of increase in tariff rate for revenue from power and supply and repayment of borrowings.        |
| (i) Net profit ratio, (in %)                     | Profit for the year   | Revenue from operations   | 38.43%               | 12.31%               | 212%         | Increase is due to increase in tariff rate for revenue from power supply.  |
| (j) Return on Capital employed, (in %)           | Profit before tax and finance costs   | Capital employed = Net worth + Lease liabilities + Deferred tax liabilities       | 5.98%                | -1.19%               | -604%        | Increase significantly due to increase in tariff rate and accordingly increase in retained earnings.                 |

Note - Return on Investment Ratio is not Applicable to the Company.

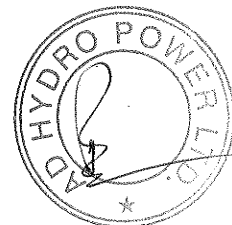
**34 Other Statutory Information:**

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property
- (ii) The Company does not have any transactions with companies struck off.
- (iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,
- (iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (vi) The Company have not advanced or loaned or invested funds (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries).
- (vii) The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (viii) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

**35 Corporate Social Responsibility (CSR)**

Details with regard to CSR activities is as follows:-

(Rs. in lakhs)





**AD Hydro Power Limited**

**Notes to Financial Statements for the year ended March 31, 2022**

| Particulars  | As at March 31, 2022 | As at March 31, 2021 |
|--|----------------------|----------------------|
| (i) Amount required to be spent by the company during the year,  | 60.80                | 46.15                |
| (ii) Amount of expenditure incurred,   | -                    | -                    |
| (a) Construction/acquisition of any asset  | -                    | 0.76                 |
| (b) On purposes other than (a) above   | 68.62                | 49.74                |
| (iii) Shortfall at the end of the year,  | -                    | -                    |
| (iv) Total of previous years shortfall,  | -                    | -                    |
| (v) Reason for shortfall,  |                      |                      |
| (vi) Nature of CSR activities,   | Health, Education    | Health, Education    |
| (vii) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard,                   | -                    | -                    |
| (viii) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately. | -                    | -                    |

36 Effective April 01, 2019, the Company adopted Ind AS 116 "Leases", applied to all lease contracts existing on April 01, 2019, on the date of transition, using modified retrospective approach and has taken the cumulative adjustment to retained earnings on the date of initial application. The cumulative effect of applying the standard on retained earnings as of April 1, 2019 and on the profit for the current period and earnings per share is insignificant. Certain assets which are classified under Property, Plant and Equipment, includes Right-of-use asset (ROU) aggregating to Rs. 3,738.24 lakhs as at April 01, 2019 as disclosed in Note 3.

37 The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

38 There are no amounts that are due to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 2013 and rules made thereunder.

**39 Title deeds of Immovable Properties not held in the name of the Company**

Details of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the company is as follows:

| Relevant line in the Balance Sheet                                       | Description of items of property | Gross carrying value | Title deeds held in the name of | Whether the title deed holder is a promoter, director or relative of # promoter/director or employee of promoter/director | Property held since which date                                 | Reason for not being held in the name of the company   |
|--|----------------------------------|----------------------|---------------------------------|---|--|--|
| Freehold land located at Village Prini, District Kullu, Himachal Pradesh | 2.2158 hectares                  | Rs. 566.32           | Concerned Landowners            | No  | The additional private land was purchased between 2005 to 2014 | The land was purchased directly from the landowners as per clause 4.3(a) of Implementation Agreement by signing an Agreement to sell with each landowner. The additional private land was mainly purchased as per requirement during construction phase. The entire land is in possession of the company.<br><br>The process for obtaining permission from the State Govt. under section 118 of HP Tenancy & Land Reforms Act has been initiated. DC, Kullu and SDM, Manali has recommended the case for permission to the State Govt. Permission under said Act is awaited. |
| Freehold land located at Village Prini, District Kullu, Himachal Pradesh | 0.5142 hectares                  | Rs. 139.43           | Concerned Landowners            | No  | During Construction Period                                     | Land was used during construction period by giving one time compensation on lease basis for Tail Race Tunnel ("TRT") works. The TRT work was underground, hence the rights and ownership remain with concern owners and no mutation will take place.   |

40 The Ministry of home affairs issued Order No.40-3/2020 dated March 24, 2020, notified electricity among the essential services in its guidelines which continued to operate during lock down in the crises situation of COVID-19, declared as pandemic by World Health Organization. The Company's business being generation and sale of electricity is covered under essential services which is least impacted due to COVID-19. The Company believes that so far, there is no significant impact of COVID-19 pandemic on the financial position and performance of the Company. Further, the Company is not expecting any significant change in estimates as of now as the Company is running its business and operations as usual without any major disruptions.

41 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure in accordance with implementation of amendments in schedule III of IND AS.

For and on behalf of the Board of Directors of  
AD Hydro Power Limited

Ravi Jhunjhunwala  
Director  
DIN:-00060972

O.P. Ajmera  
Director, CEO and CFO  
DIN:-00322834

Place: **NOIDA**  
Date: **MAY 02, 2022**

Rahul Varshney  
Director  
DIN:-03516721

Arvind Gupta  
Company Secretary  
M.No.:-F7690

