AD HYDRO POWER LIMITED

CIN: U40101HP2003PLC026108

20TH ANNUAL REPORT

2022-23

INDEX

AD HYDRO POWER LIMITED

Chairman Emeritus:

Mr. L. N. Jhunjhunwala

Board of Directors:

1.	Mr. Ravi Jhunjhunwala	Chairman & Director
2.	Ms. Tima Iyer Utne	Non-Executive Director
3.	Dr. Kamal Gupta	Non-Executive Independent Director
4.	Mr. Tantra Narayan Thakur	Non-Executive Independent Director
5.	Mr. Rahul Varshney	Non-Executive Director
6.	Mr. Om Prakash Ajmera	Director, CEO & CFO

Committees:

Audit Committee	Nomination & Remuneration Committee	Corporate Social Responsibility Committee
Mr. Ravi Jhunjhunwala	Ms. Tima Iyer Utne	Mr. Ravi Jhunjhunwala
Dr. Kamal Gupta	Mr. Ravi Jhunjhunwala	Ms. Tima Iyer Utne
Mr. Tantra Narayan Thakur	Dr. Kamal Gupta	Dr. Kamal Gupta
	Mr. Tantra Narayan Thakur	

Chief Executive Officer (CEO) & Chief Financial Officer (CFO)
Mr. Om Prakash Ajmera

Company Secretary
Mr. Ankur Vijay

Manager cum Plant-In-Charge
Mr. Pankaj Kapoor

Registered Office:
Village Prini, Post Office Jagat Sukh, Tehsil Manali, Dist. Kullu, Himachal Pradesh-175143

Corporate Office:
Bhilwara Tower, A-12, Sector-1, Noida-201301, Uttar Pradesh

Tele No. 0120-4390021
Email Id.: ankur.vijay@lnjbhilwara.com
Website: www.adhydropower.com

To
The Members
AD Hydro Power Limited

Your Directors are pleased to present the **Twentieth (20th) Annual Report** on the business and operations of the Company along with Audited Financial Statements for the year ended 31st March, 2023.

1. FINANCIAL PERFORMANCE

₹ In Million

Particulars	For the financial year ended	
	31st March 2023	31st March 2022
Revenue from operations	3,152.20	2,558.07
Other Income	99.70	54.71
Total Revenue	3,251.90	2,612.79
Operating and Administrative Expenses	481.20	784.23
Operating Profit before Interest, Depreciation & Tax	2,770.70	1,828.56
Depreciation & Amortization Expenses	380.20	496.86
Profit/ (Loss) before finance costs and Exceptional Items and Tax	2,390.50	1,331.70
Finance Costs	96.30	348.66
Exceptional Items	-	-
Profit/(Loss) before tax	2,294.20	983.04
Tax Expenses	272.30	-
Net Profit/(Loss)	2,021.90	983.04
Other Comprehensive Income	(1.80)	(0.86)
Total Comprehensive Income/(Loss) for the year	2,020.10	982.18
Surplus brought forward from previous year	14.17	(968.01)
Balance available for appropriation	2,020.10	982.18
Balance Carried to Balance Sheet	2,034.27	14.17
Earning Per Share (in ₹)		
i) Basic	3.61	1.75
ii) Diluted	3.61	1.75

OVERALL PERFORMANCE AND THE STATEMENTS OF AFFAIRS OF THE COMPANY:

The Company recorded revenue from operations of ₹ 3152.20 million during the financial year 2022-23 as compared to ₹ 2558.07 million in the previous financial year. The Net profit during the financial year 2022-23 was at ₹ 2021.90 million as compared to net profit of ₹ 983.04 million in the previous financial year. The generation during the year stood at 637.13 Million kWh in the financial year 2022-23 as compared to 637.45 Million kWh in the previous financial year 2021-22.

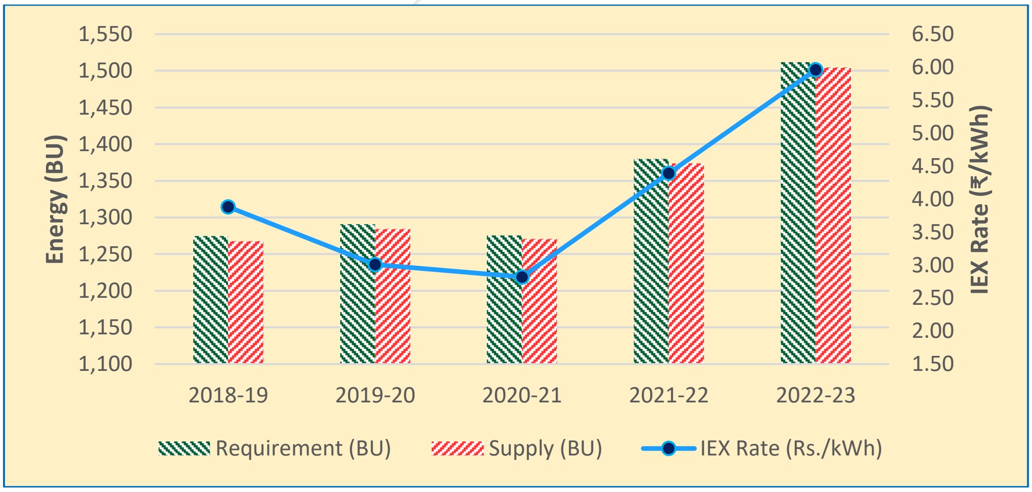
Further in the first quarter of current Financial Year 2023-24, the Plant has generated 184.26 MU at Generator Terminal. The Operation and Maintenance of the Plant has been entrusted to the company in-house. Your Company had sold the scheduled power at IEX in the day ahead, real time & term ahead market(s) and through short term bilateral transactions.

INDUSTRY POTENTIAL & DEVELOPMENT:

India is the third largest producer and consumer of electricity in the world with all India installed power generation capacity at 416.06 GW as on 31.03.2023, which comprises of 237.27 GW of Thermal, 46.85 GW of Hydro, 6.78 GW of Nuclear and 125.16 GW of Renewable capacity.

During financial year 2022-23, energy demand in the country rose to ~1,512 BU (with 10% Y-o-Y growth), whereas peak demand rose to ~216 GW (with 6% Y-o-Y growth). The average monthly market clearing price at the Indian Energy Exchange (IEX) was ₹ 5.96/kWh in 2022-23 @ Regional Periphery, almost 36% higher compared to 2021-22 due to sharp rise in power demand, especially during peak hours. Total short term power transactions were ~13.70% of yearly generation (excluding generation from renewables and captive power plants). The following “Table-1” indicates the energy requirement/ supply along with IEX rates during last 5 years.

Table 1: Energy Requirement/ Supply & IEX rates during last 5 years.



Last year during March-April 2022, geo-political unrest created logistical bottlenecks and there was acute shortage/extremely high prices of Coal/ Regassified Liquefied Natural Gas (RLNG) in the international markets. It has resulted in imported coal/RLNG based generating stations to operate at lower plant load factor which further increased the dependency on domestic coal based power plants to meet the increasing power demand. Such factors concurrently created demand-supply imbalance, which led to surge in exchange/spot power prices and remained elevated almost throughout the year. However, with the gradual reduction in prices of natural gas and imported coal, these spot power prices have also started to moderate now.

On 31st March 2023, Central Electricity Regulatory Commission (CERC) exercised its power under Power Market Regulations 2021 in public interest and revised the cap on exchange prices downward to ₹ 10/kWh from ₹ 12/kWh (earlier) on all market segments of power exchanges w.e.f 4th April 2023 till further notification.

During the year 2022-23, CERC has also approved the introduction of HP-DAM (High Price Day Ahead Market) and made it operational on Power Exchange platforms for the following power generating stations with a price cap of ₹ 20/kWh:

1. RLNG/Naptha
2. Imported coal
3. Battery Energy Storage Systems (BESS).

This would reduce the cost of power for the buyers, while providing an opportunity to the high cost generators and the willing buyers to participate in the HP-DAM segment.

In April 2023, Ministry of Power (Govt. of India) has issued guidelines for promoting Pumped Storage Projects (PSP) in the country. These guidelines have paved a way for installation of large scale pumped Storage Projects. It has addressed various issues faced by the developers related to environmental clearances, free power to home state, budgetary support, applicability of Inter-state Transmission System (ISTS) charges etc. Because of the intermittent nature of renewable energy generation plants, storage of renewable energy by means of Battery Storage Energy Systems (BESS) and Pumped Storage Projects (PSP) is the key for it to be a feasible and reliable source of energy generation. The PSP's and BESS may prove a boon in tackling the peak power demand scenarios of the country in the coming years.

All India power demand is on a continuous uptrend & peak power demand has touched the highest ever figure of 223 GW in June 2023. As per the CEA estimates (20th Electric Power Survey) peak power demand will increase further in coming years and this will create new opportunities for Merchant Power Plants in catering such increased demand for power.

Going forward with the broad expectations of India's GDP for 2023-24 to be 6.30% (World Bank's Estimate), the Company expects Indian Power Sector to act as the primary growth engine for the economy. With ever increasing power demand and penetration of innovative products in the power market, the power sector is bound to grow at a healthy pace. Adequate policy measures and regulatory interventions are required for boosting private investments in the power sector as it will remain the mainstay for the economic growth of the nation.

2. DIVIDEND

During the financial year 2022-23, your directors do not propose any dividend on the equity shares.

3. TRANSFER TO RESERVES

During the financial year 2022-23, the Company has not transferred any amount to the Reserve.

4. SUBSIDIARY, ASSOCIATE COMPANIES OR JOINT VENTURES

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

5. 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.

6. INTERNAL FINANCIAL CONTROL SYSTEMS AND ITS ADEQUACY

The Company has an adequate Internal Financial Control (IFC) 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.

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.

7. PERSONNEL

a) Industrial relations

The industrial relations during the period under review generally remained cordial at the plants and corporate office 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**.

8. DEPOSITS

Your Company has not invited any deposits from public/shareholders in accordance with the provisos of section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014. The details relating to deposits 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**

9. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

There are no significant and material orders passed by the regulators or courts or tribunals during the financial year 2022-23, impacting the going concern status and company's operations in future.

10. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF T HE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

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.

11. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information with regard to Conservation of Energy, Technology Absorption and 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.

12. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Re-appointments

- During the year, Mr. Ravi Jhunjhunwala (DIN: 00060972) was eligible for retired by rotation at 19th Annual General Meeting held on 22nd September, 2022 and, being eligible had offered himself for re-appointment and the members had approved his re-appointment.

- During the year, Mr. Pankaj Kapoor was re-appointed as Manager for a period of 2 years commencing from 4th February, 2022 to 3rd February, 2024 as per the provisions of the Companies Act, 2013.

Changes in Directors and Key Managerial Personnel (KMP)

- During the year, there was no other change in the Board of Directors and KMP.

Composition of the Board of Directors

The following is the Composition of the Board of Directors of the Company as on 31.03.2023:-

S. No.	Name of the Directors	Designation	DIN
1	Mr. Ravi Jhunjhunwala	Chairman & Director	00060972
2	Dr. Kamal Gupta	Director	00038490
3	Mr. Tantra Narayan Thakur	Director	00024322
4	Mr. Tima Iyer Utne	Director	06839949
5	Mr. Rahul Varshney	Director	03516721
6	Mr. Om Prakash Ajmera	Director, CEO & CFO	00322834

Key Managerial Personnel

Mr. Om Prakash Ajmera, Director, CEO & CFO and Mr. Pankaj Kapoor, Manager are the Key Managerial Personnel of the Company as on 31st March, 2023, in accordance with the provisions of Section 203 of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Further, Mr. Ankur Vijay was appointed as Whole time Company Secretary of the Company w.e.f. 1st May, 2023 in place of Mr. Arvind Gupta.

Declaration from Independent 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 Section 149 (6) of the 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 Companies Act, 2013. In the opinion of the Board, Independent Directors possesses integrity, expertise and vast experience including proficiency.

13. NOMINATION AND REMUNERATION POLICY

In accordance with the provisions of Section 178 of the Companies Act, 2013, the Board on the recommendation of the Nomination and Remuneration Committee has approved a policy for appointment and removal of Directors, Key Managerial Personnel and Senior Management and their remuneration. The Policy forms part of the Board's Report as **Annexure–III** and is available on the website of the company at the link https://www.adhydropower.com

14. MEETINGS OF THE BOARD & COMMITTEES

The Board of Directors had met 5 (four) times during the financial year 2022-23. The meetings of the Board were held on 2nd May 2022, 2nd August 2022, 1st November 2022 and 1st February 2023 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	Non-Executive Director	4	4
6.	Mr. Om Prakash Ajmera	Director, CEO & CFO	4	4

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 2022-23. The composition as well as the Audit Committee meetings held in the financial year 2022-23 is as below:

Composition of the Committee (as on 31.03.2023)

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	Chairman	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 2nd May 2022, 2nd August 2022, 1st November 2022 and 1st February 2023 respectively.
The attendance for the above mentioned meetings are as below:

S. No.	Name of Member	Designation	No. of meetings 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 is available on the website of the company at the link https://www.adhydropower.com

Composition of the Committee (as on 31.03.2023)

For the financial year 2022-23, the composition of the Nomination and remuneration Committee was as follows:

S. No.	Name of Member	Designation	Category
1	Ms. Tima Iyer Utne	Chairperson	Non-Executive Director
2	Mr. Ravi Jhunjhunwala	Member	Chairman and 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 2022-23 and the meeting was held on 2nd May 2023.

The attendance for the above mentioned meeting are as below:

S. No.	Name of Member	Designation	No. of meetings Held	No. of meetings attended
1.	Ms. Tima Iyer Utne	Chairperson	1	1
2.	Mr. Ravi Jhunjhunwala	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 ₹ 500 crore or more, or a turnover of ₹ 1000 crore or more, or a net profit of ₹ 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 is available on the website of the company at the link https://www.adhydropower.com

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

Composition of the Committee (as on 31.03.2023)

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

Meetings and attendance

The CSR Committee had met four times during the financial year 2022-23 i.e. on 2nd May 2022, 2nd August 2022, 1st November 2022 and 1st February 2023 respectively.

The attendance for the above mentioned meetings are as below:

S. No.	Name of Member	Designation	No. of meetings Held	No. of meetings attended
1.	Mr. Ravi Jhunjhunwala	Chairman	4	4
2.	Ms. Tima Iyer Utne	Member	4	4
3.	Dr. Kamal Gupta	Member	4	4

(iv) INDEPENDENT DIRECTORS' MEETING

During the financial year 2022-23, the Independent Directors met on 27th March 2023, 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 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.

15. 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.

16. MEETING OF THE MEMBERS

The Annual General Meeting (AGM) of the members was held on 28th September 2022.

17. VIGIL MECHANISM /WHISTLE BLOWER

The Board on the recommendation of Audit Committee has adopted a Whistle Blower Policy, which is available on the website of the company at the link https://www.adhydropower.com

18. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

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 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.

19. STATUTORY AUDITORS

The members had re-appointed M/s Deloitte Haskins & Sells LLP, (Firm Registration Number is 117366W /W-100018), Chartered Accountants, as the Statutory Auditors of the Company on 28th September 2022 for another term of 5 years, to hold office from the conclusion of the 19th Annual General Meeting until the conclusion of the 24th Annual General Meeting of the Company. Further the statutory auditors have further confirmed that the said re-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, 2023. The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer which requires any explanation from the Board of Directors.

20. COST AUDITORS

As per the requirement of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, the Cost Records are being maintained by your Company. Accordingly, M/s K. G. Goyal & Co., Cost Accountants (Firm Registration No. 0017), was re-appointed as Cost Auditors of the Company for the Financial Year 2022-23 at a remuneration of ₹ 0.50 lakhs plus applicable taxes and out of pocket expenses that may be incurred by them during the course of audit. The Cost Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

21. 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 2022-23, 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.

22. INTERNAL AUDITORS

The Company had appointed M/s Ashim & Associates, Chartered Accountants as the Internal Auditors of the Company for a period of three years i.e. FY 2023-24, FY 2024-25 and FY 2025-26.

23. 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.

24. 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 inter-alia 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.

25. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of Companies Act, 2013, the Board of Directors state that:

a) in the preparation of the annual accounts for the year ended March 31, 2023, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b) the Directors have selected such accounting policies and applied them consistently except as disclosed in the notes of accounts 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 as at March 31, 2023 and of the profit of the Company for the year ended on that date;

c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d) the Directors have prepared the annual accounts on a going concern basis;

e) the Directors have laid down proper internal financial controls to be followed by the company and that such internal financial controls were adequate and operating effectively; and

f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

26. 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.

27. EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134 (3) (a) of the Companies Act, 2013, Annual Return of the Company is available on the website of the Company at https://www.adhydropower.com

28. GENERAL DISCLOSURE

- The Board of Directors would like to informed that during the financial year 2022-23, your company AD Hydro Power Limited has become 100% subsidiary of the holding company, Malana Power Company Limited (MPCL) w.e.f. 1st August 2022 as holding company acquired 6,71,97,201 (12%) shares from International Finance Corporation. Now, the company is wholly owned subsidiary of holding company, MPCL.

- The Company has a Group Policy in place against Sexual Harassment in line with the requirements of the "The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013" (POSH Act 2013). The Company has complied with provisions relating to the constitution of Internal Complaints Committee (ICC) under POSH Act 2013 and no complaints were received during the financial year 2022-23.

- 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 2022-23.

- The Company is in compliance of all the applicable secretarial standards issued by the Institute of Company Secretaries of India 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.

29. 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
AD Hydro Power Limited

Sd/-
Ravi Jhunjhunwala
Chairman and Director
DIN: 00060972
Address: Bhilwara Towers, A-12,
Sector-1, Noida -201301

Place: Noida
Date: 2nd August, 2023

ANNEXURE – I TO THE BOARD'S 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	Arvind Kr. Sharma	D.G.M.-Civil	5.63	Diploma in civil-1994,Corr B Tech Civil-2013	31	53	17/Dec/07	Lanko green power ltd.as Sr Manager for 4 months.	Nil	Permanent	No
2	Pankaj Kapoor	Vice President	3.93	B.E Electrical Engg.1983	38	62	4/Sep/18	HPSEB as Chief Engg.- Generation. 34 years	Nil	Permanent	No
3	Jai Raj Chopra	Sr. Manager Mechanical	3.58	B.E Mechanical-1999,	24	50	1/Sep/06	SSJV Project as Mechanical Engineerfor 3 years.	Nil	Contractual	No
4	Rajiv Katyal	Sr.Manager - Electrical	3.44	B. Tech Electrical 2003	20	45	1/Jul/03	Joind as GET on 1/7/03 at MPCL Jari	Nil	Permanent	No
5	Yashwant Thakur	Sr. Manager - Mechanical	3.42	B. Tech Mechanical -1999	20	48	1/Jan/05	Fitewll Constructions 2 years	Nil	Permanent	No
6	Tapesh Atri	Sr.Manager - Electrical	3.37	Dip. In Elect. 1987	33	53	14/Nov/05	H.P. Equipments Pvt Ldt. 3 Years	Nil	Permanent	No
7	Rajneesh Chauhan	Manager- Electrical	3.10	Dip. In Elect.1995	25	47	24/Mar/00	Lalji Solar Elect Ltd. 4 years	Nil	Permanent	No
8	Deepak Tikoo	SR.Manager - EHS	3.10	MBBS-1997	25	52	21/Dec/05	Acharya Shri Chander Collage 3 years	Nil	Permanent	No
9	Sanjay Rana	Manager - Mechanical	2.88	Dip. In Mech. 1996	28	51	12/Dec/05	India International House Ltd. 4 Yrs	Nil	Permanent	No
10	Neeraj Bharagava	Manager - EHS	2.73	B.E, M.Tech (Environment Management)	17	44	18/Jul/08	M/s JM Enviro Technologies Pvt. Ltd, as Manager Technichal (1 Year)	Nil	Permanent	No

(B) Names of every employee whose remueration 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)	Qualification	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 BOARD'S 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 11 Years ₹ 2.486 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 ₹ 23.534 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

(₹ in Million)

S. No.	Particulars	2022-23	2021-22
I	**Foreign Exchange Outgo**		
	Traveling and conveyance	0.00	0.00
	Financial charges	0.00	0.00
	CER Expenses	0.00	0.00
	Others	0.00	0.00
	Total	**0.00**	**0.00**
II	**Foreign Exchange Earnings**		
	Others (Sale of Certified Emission Rights)	24.78	13.93

ANNEXURE III TO THE BOARD'S 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.

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ANNEXURE IV TO THE BOARD'S REPORT

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2023
[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
Village Prini, P. O. 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** (CIN: U40101HP2003PLC026108) (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 31st March, 2023 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 31st March, 2023 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 regarding the Companies Act and dealing with client;

(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 1stJuly, 2015 and the revised version effective from October 1st, 2017).

(ii) The SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015. (**Being an Unlisted Company, these regulations are not applicable)**

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 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 that 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.

Note: 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

Sd/-
PRADEEP KATHURIA
FCS: 4655
CP: 3086
UDIN: F004655E000626661

Place: New Delhi
Date: 17.07.2023

Annexure I

To
The Members,
AD Hydro Power Limited
Village Prini, P. O. Jagat Sukh, Teh Manali, Distt Kullu, Himachal Pradesh

My report of even date is to be read along with this letter as under:

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. Wherever 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

Sd/-
PRADEEP KATHURIA
FCS: 4655
CP: 3086
UDIN: F004655E000626661

Place: New Delhi
Date: 17.07.2023

ANNEXURE V TO THE BOARD'S REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2022-23

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. 14 (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 Jhunjhunwala	Chairman	4 (Four)	4 (Four)
2	Dr. Kamal Gupta	Member	4 (Four)	4 (Four)
3	Ms. Tima Iyer Utne	Member	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.

   The Web link is: http://adhydropower.com/docs/ADHPL CSR Policy.pdf**.**

4. Provide the executive summary along with web-link(s) 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: **Not Applicable**

5.
   a) Average net profit of the company as per section 135(5): **₹ 541.43 Million**

   b) Two percent of average net profit of company as per section 135(5): **₹ 10.84 Million**

   c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **NIL**

   d) Amount required to be set off for the financial year, if any: **NIL**

   e) Total CSR obligation for the financial year [(b)+(c)-(d)]: **₹ 10.84 Million**

6.

a) Amount spent on CSR projects (Both Ongoing and other than Ongoing Project): **₹ 10.84 Million**

b) Amount spent in Administrative Overheads: **NIL**

c) Amount spent on Impact Assessment, if applicable: **NIL**

d) Total amount spent for the Financial Year [(a)+(b)+(c)]: **₹ 10.84 Million**

e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	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
₹ 10.84 Million	-	-	-	-	-

f) **Excess amount for set off, if any**

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	**₹ 10.84 Million**
(ii)	Total amount spent for the Financial Year	**₹ 10.84 Million**
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(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)]	-

7. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR	Balance Amount in unspen	Amount spent in the Financi	Amount transferred to a fund as specified	Amount remaining to be spent in	Deficiency, if any

		Account under section 135 (6) (in ₹)	t CSR Account under sub-section (6) of section 135 (in ₹)	al Year (in ₹)	under Schedule VII as per second proviso to section 135(6), if any		succeeding financial years (in ₹)	
					Amount (in ₹)	Date of transfer		
1	FY 2019-20							
2	FY 2020-21							
3	FY 2021-22							

8. Whether any capital asset have been created or acquired through CSR amount spent in the financial year:

   Yes ◯ **No** ✓

   If Yes, enter the number of capital assets created/acquired

   Furnish the details relating to such assets(s) or created or acquired through CSR amount spent in the Financial Year:

S. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or assets(s)	Date of creation	Amount of CSR amount spent	Details of entity/Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
NA							

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

For and on behalf of the Company
AD Hydro Power Limited

Sd/-	**Sd/-**
Ravi Jhunjhunwala	**Om Prakash Ajmera**
(Chairman, CSR Committee & Director)	**(Director, Chief Executive Officer & Chief Financial Officer)**

Deloitte Haskins & Sells LLP

Chartered Accountants
7th Floor Building 10
Tower B
DLF Cyber City Complex
DLF City Phase II
Gurugram-122 002
Haryana, India

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

INDEPENDENT AUDITOR'S REPORT

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 March 31, 2023, 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 March 31, 2023, 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 (SAs) specified under section 143(10) of the Act. 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.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report but does not include the financial statements and our auditor's report thereon. The Board'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 and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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- When we read the Board'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'.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's 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 with reference to financial statements in place and the operating effectiveness of such controls.

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- 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 March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

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f) With respect to the adequacy of the internal financial controls with reference to the financial statements 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 with reference to the financial statements.

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, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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 37 to the financial statements)

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company. (Refer note 38 to the financial statements)

   iv. (a) The Management has represented that, to the best of it's knowledge and belief as disclosed in the note 34(vi) to the 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 it's knowledge and belief as disclosed in the note 34(vii) to the 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.

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vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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)

Deloitte Haskins & Sells LLP
Chartered Accountants

Satpal Singh Arora
(Partner)
(Membership No. 098564)
UDIN: 23098564BGVUUD3012

Place: Gurugram
Date: May 09, 2023

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 with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of AD Hydro Power Limited ("the Company") as of March 31, 2023 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 with reference to financial statements based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India 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 with reference to the financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Deloitte Haskins & Sells LLP Chartered Accountants

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to financial statements 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.

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

Deloitte Haskins & Sells LLP Chartered Accountants

Satpal Singh Arora
(Partner)
(Membership No. 098564)
UDIN: 23098564BGVUUD3012

Place: Gurugram
Date: May 09, 2023

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.

(B) The Company does not hold any intangible asset.

(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, 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 (Amount in Rs. crores)	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 2.21 hectares	5.66	Various villagers	No	The land was purchased between 2005 to 2014. Mutation is pending as on March 31, 2023	We are informed that 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.

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Chartered Accountants

Description of property	As at the Balance sheet date (Amount in Rs. crores)	Held in the name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in name of Company
					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 permission under said Act is awaited.
Freehold land located at Village Prini, District Kullu, Himachal Pradesh measuring 0.5142 hectares	1.39	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 during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 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 inventories lying with third parties) 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 inventories 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) The Company has not been sanctioned any working capital facility from banks or financial institutions at any point of time of the year and hence reporting under clause (ii)(b) of the Order is not applicable.

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(iii) (a) The Company has granted unsecured loans to employees 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. crores)

Particulars	Loans
A. Aggregate amount provided during the year	
-Others (employees)	0.41
B. Balance outstanding as at balance sheet date in respect of above cases	
-Others (employees)	0.38

(b) The terms and conditions of the grant of all the above-mentioned loans, 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.

(e) None of the loan granted by the Company have fallen due during the year.

(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.

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(vii) (a) Undisputed statutory dues including Income Tax, Goods and Services tax, Provident Fund, Employees' State Insurance, cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities. We have been informed that the provisions of the 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, 2023 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, 2023 on account of disputes are given below:

Name of statue	**Nature of dispute**	**Forum where dispute is pending**	**Period to which amount relates**	**Amount (Rs./ crores)**
The Building and 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	0.20

(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.

(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 did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (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.

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Chartered Accountants

(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.

(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 March 31, 2023 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 its 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.

(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.

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(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 dgue 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)

Deloitte Haskins & Sells LLP
Chartered Accountants

Satpal Singh Arora
Partner
(Membership No. 098564)
UDIN: 23098564BGVUUD3012

Place: Gurugram
Date: May 09, 2023

AD Hydro Power Limited
Balance Sheet as at March 31, 2023

(Rs. in crores)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
1 Non - current assets			
(a) Property, plant and equipment	3	1,172.25	1,210.00
(b) Capital work in progress	3.1	0.30	-
(c) Financial assets			
(i) Trade receivables	8	29.22	29.22
(ii) Loans	4	0.13	0.12
(iii) Others	5	0.03	0.03
(d) Non-current tax assets	15	0.98	9.47
(e) Other non current assets	6	0.19	0.15
		1,203.10	**1,248.99**
2 Current assets			
(a) Inventories	7	7.52	8.23
(b) Financial assets			
(i) Trade receivables	8	7.39	16.14
(ii) Cash and cash equivalents	9	3.81	8.54
(iii) Bank balances other than (ii) above	10	92.29	18.06
(iv) Loans	4	0.25	0.15
(v) Others	5	0.18	0.07
(c) Other current assets	6	1.60	1.56
		113.04	**52.75**
Total Assets		**1,316.14**	**1,301.74**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	12	560.15	560.15
(b) Other equity	13	702.73	500.72
Total Equity		**1,262.88**	**1,060.87**
LIABILITIES			
1 Non - current liabilities			
(a) Financial liabilities			
Borrowings	14	-	212.23
(b) Provisions	17	1.89	1.68
(c) Deferred tax liabilities (net)	11	26.94	-
		28.83	**213.91**
2 Current liabilities			
(a) Financial liabilities			
(i) Short term Borrowings	14	-	8.15
(ii) Trade payables	18		
- total outstanding dues of micro and small enterprises		0.05	-
- total outstanding dues of creditors other than micro and small enterprises		22.30	16.35
(iii) Other financial liabilities	16	0.09	0.17
(b) Provisions	17	0.75	0.36
(c) Other current liabilities	19	1.24	1.93
		24.43	**26.96**
Total Equity and liabilities		**1,316.14**	**1,301.74**

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

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration Number: 117366W/W-100018)

Satpal Singh Arora
Partner
(Membership No.- 098564)

Deloitte Haskins & Sells LLP Chartered Accountants

Place : Gurugram
Date : May 09, 2023

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

Ankur Vijay
Company Secretary
M.No:-ACS38680

AD HYDRO POWER LTD.

Place : Prini, Manali, H.P
Date : May 09, 2023

AD Hydro Power Limited
Statement of Profit and Loss for the year ended March 31, 2023

(Rs. in crores)

Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
I Revenue from operations	20	315.22	255.81
II Other Income	21	9.97	5.47
III Total Income		**325.19**	**261.28**
IV Expenses			
Transmission charges	21.1	8.50	44.45
Employee benefits expense	22	17.10	15.16
Finance costs	23	9.63	34.86
Depreciation expense	24	38.02	49.69
Other expenses	25	22.52	18.82
Total expenses		**95.77**	**162.98**
V Profit before tax		**229.42**	**98.30**
VI Tax expense:			
(a) Current tax	26	0.29	-
(b) Deferred tax charge	26	26.94	-
Total tax expense		**27.23**	-
VII Profit for the year (V-VI)		**202.19**	**98.30**
VIII Other comprehensive income/(loss)			
- Items that will not be reclassified subsequently to profit or loss			
- Re-measurement gains/ (losses) on defined benefit plans		(0.18)	(0.09)
- Income Tax relating Re-measurement losses on defined benefit plans		-	-
Other comprehensive loss for the year		**(0.18)**	**(0.09)**
IX Total comprehensive income for the year		**202.01**	**98.21**
Earnings per equity share (Face value of Rs.10/- each)			
- Basic (In Rs.)	27	3.61	1.75
- Diluted (In Rs.)	27	3.61	1.75

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
(Firm's Registration Number: 117366W/W-100018)

Satpal Singh Arora
Partner
(Membership No.- 098564)

Deloitte Haskins & Sells LLP Chartered Accountants

Place : Gurugram
Date : May 09, 2023

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

Ankur Vijay
Company Secretary
M.No:-ACS38680

Place : Prini, Manali, H.P
Date : May 09, 2023

AD HYDRO POWER LTD.

AD Hydro Power Limited
Statement of Cash Flows for the year ended March 31, 2023

(Rs. in crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
A. Cash flow from operating activities		
Profit before tax	229.42	98.30
Adjustments for:		
Depreciation expenses	38.02	49.69
Loss on disposal of property, plant and equipment	0.03	0.21
Finance cost	9.63	34.87
Interest Income	(6.16)	(2.89)
Working Capital changes:		
(Increase)/Decrease in trade receivables	8.75	(8.82)
Decrease in other financial assets	-	0.35
(Increase)/Decrease in other current asset	(0.08)	0.16
Decrease in inventories	0.71	0.62
(Decrease)/Increase in other financial liabilities	(0.09)	0.01
Increase in Provisions	0.42	0.48
Increase in trade payables	5.95	5.95
(Decrease)/Increase in other current liabilities	(0.69)	0.48
Cash generated from operations	**285.91**	**179.40**
Income-taxes (paid)/refund	8.50	(11.01)
Net cash flow from operating activities	**294.41**	**168.39**
B. Cash flow from investing activities		
Purchase of property, plant and equipment	(0.67)	(0.64)
Proceeds from sale of property plant and equipment	0.08	0.03
Loans given during the year	(0.01)	(0.10)
Loans repaid during the year	(0.10)	0.17
Fixed deposits placed during the year	(92.29)	(18.06)
Fixed deposits matured during the year	18.06	43.79
Interest received	5.80	3.91
Net cash flow from/(used in) investing activities	**(69.13)**	**29.10**
C. Cash flow from financing activities		
Repayment of borrowings	(220.38)	(114.05)
Interest paid	(9.63)	(34.52)
Repayment of deemed equity during the year	-	(52.45)
Net cash used in financing activities	**(230.01)**	**(201.02)**
Net decrease in Cash and Cash equivalent	(4.73)	(3.53)
Cash and Cash equivalent at the beginning of the year	8.54	12.07
Cash and Cash equivalent at year end (Refer Note No. 9)	**3.81**	**8.54**

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
(Firm's Registration Number 117366W/W-100018)

Satpal Singh Arora
Partner
(Membership No.- 098564)

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Ankur Vijay
Company Secretary
M.No:-ACS38680

Place : Prini, Manali, H.P.
Date : May 09, 2023

AD HYDRO POWER LTD.

AD Hydro Power Limited
Statement of Changes in Equity for the year ended March 31, 2023

A. Equity Share Capital

(Rs. in crores)

1	Current reporting period					
	Particulars	**Balance as at April 01, 2022**	**Change in equity share capital due to prior period errors**	**Restated balance as at April 01, 2022**	**Changes in equity share capital during the current year**	**Balance as at March 31, 2023**
	Authorised 70,00,00,000 equity shares of Rs. 10 each	700.00	-	700.00	-	700.00
	Issued, Subscribed and fully paid-up 56,01,52,800 equity shares of Rs 10 each fully paid	560.15	-	560.15	-	560.15

(Rs. in crores)

2	Previous 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 70,00,00,000 equity shares of Rs. 10 each	700.00	-	700.00	-	700.00
	Issued, Subscribed and fully paid-up 56,01,52,800 equity shares of Rs 10 each fully paid	560.15	-	560.15	-	560.15

B. Other Equity

(Rs. in crores)

1	Current reporting period			
		Reserves and Surplus		
		Deemed Equity Contribution	**Retained Earnings**	**Total**
	Balance as at April 01, 2022	499.31	1.41	500.72
	Profit for the year	-	202.19	202.19
	Other comprehensive loss during the year, net of tax	-	(0.18)	(0.18)
	Balance as at March 31, 2023	499.31	203.42	702.73

(Rs. in crores)

2	Previous reporting period			
		Reserves and Surplus		
		Deemed Equity Contribution	**Retained Earnings**	**Total**
	Balance as at April 01, 2021	551.76	(96.80)	454.96
	Profit for the year	-	98.30	98.30
	Other comprehensive loss during the year, net of tax	-	(0.09)	(0.09)
	Total	551.76	1.41	553.17
	Reclassification to other equity	(52.45)	-	(52.45)
	Balance as at March 31, 2022	499.31	1.41	500.72

Nature and Description of Reserves:

(i) **Securities Premium:-**
Securities Premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

(ii) **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 shareholders.

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
(Firm's Registration Number: 117366W/W-100018)

Satpal Singh Arora
Partner
(Membership No.- 098564)

Deloitte Haskins & Sells LLP Chartered Accountants

Place : Gurugram
Date : May 09, 2023

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

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DIN:-00322834

Ankur Vijay
Company Secretary
M.No.-ACS38680

Place : Prini, Manali, H.P.
Date : May 09, 2023

AD HYDRO POWER LTD.

1 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. It's parent Company is Malana Power Company Limited.

2 Significant accounting policies

a. 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.

b. **Functional currency:** These financial statements are presented in Indian rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

c. **Operating Cycle:** All assets and liabilities have been classified as current or non-current according to the Company's operating cycle and other criteria set out in the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current non-current classification of assets and liabilities.

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 boths current and future periods.

Critical accounting estimates and judgments:

The areas involving critical estimates and judgments are:

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.

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, 2023 other than the accruals already recognized, nor were there any asserted or unasserted claims for which material losses are reasonably possible.

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AD HYDRO POWER LTD.

Deferred tax assets

The Company reviews the carrying amount of deferred tax assets 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.

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.

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 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.

Inventory Valuation

Inventories comprising of components and stores and spares are valued at cost. 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.

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.

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AD HYDRO POWER LTD.

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.

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

Assets	Useful life (Years)
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

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.

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 in-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.

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AD HYDRO POWER LTD.

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.

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.

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.

Initial measurement

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

Subsequent measurement

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

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.
All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

Classification of financial assets

The Company classifies its financial assets in the following measurement categories:
• those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
• those measured at amortised cost.
The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.
For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income.
Investments in debt mutual funds are measured at fair value through profit or loss as per the business model and contractual cash flow test.

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AD HYDRO POWER LTD.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost using the effective interest rate method if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition, the Company makes an irrevocable election on an instrument-by-instrument basis to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments, other than equity investment which are held for trading. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Equity Instruments through Other Comprehensive Income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading. Other financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income.

Impairment of financial assets

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets,expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

De-recognition of financial assets

The Company derecognises financial assets in accordance with the principles of Ind AS 109 which usually coincides receipt of payment or write off of the financial asset.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities are subsequently measured at amortised cost using the effective interest method or FVTPL. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the Effective Interest Rate (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. Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Financial liabilities are classified as held for trading if these are incurred for the purpose of repurchasing in the near term. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in the Statement of Profit and Loss.

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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 and Loss.

Reclassification of financial assets and liabilities
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 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.

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.

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AD HYDRO POWER LTD.

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.

Taxes

Current income tax

The Company's tax jurisdiction is in India. Significant judgments are involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions.
In arriving at taxable profit and tax bases of assets and liabilities, the Company recognised taxability of amounts in accordance with tax enactments, case law and opinions of tax counsel, as relevant. Where differences arise on tax assessment, these are booked in the period in which they are agreed or on final closure of assessment

Deferred Tax

Deferred tax is provided on temporary difference between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.
Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.
The carrying amount of deferred tax assets is 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.
Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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.

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.

Contingent Liabilities

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.

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.

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Fair Value measurement

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.

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.

Subsequent events
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.

Recent Indian Accounting Standards (Ind AS)

Recent accounting pronouncements Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statement.

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AD Hydro Power Ltd

AD Hydro Power Limited
Notes To The Financial Statements for the year ended March 31, 2023

3. PROPERTY, PLANT AND EQUIPMENT

(Rs. in crores)

Particulars	Freehold Land	Hydraulic Work	Buildings and Roads	Plant and Equipment	Transmission Line	Furniture and Fixtures	Office Equipment	Computers	Electric Installations	Vehicles	Total
	(Refer Note 3 below)		(Refer Note 1 below)		(Refer Note 2 below)						
Gross Carrying value											
As at April 1, 2021	30.56	836.43	272.17	492.99	423.41	1.44	1.37	0.80	4.91	1.42	2,065.49
Additions	-	-	-	0.00	-	-	0.46	0.03	-	0.15	0.64
Disposals	-	-	-	0.49	-	1.26	0.14	0.23	0.05	0.14	2.32
As at March 31, 2022	30.56	836.43	272.17	492.50	423.41	0.18	1.69	0.60	4.86	1.43	2,063.81
Additions	-	-	-	0.02	-	0.03	0.01	0.06	-	0.26	0.37
Disposals	-	-	-	-	-	0.01	-	-	-	0.23	0.23
As at March 31, 2023	30.56	836.43	272.17	492.52	423.41	0.20	1.70	0.66	4.86	1.46	2,063.95
Accumulated depreciation	-	-	-	-	-						
As at April 1, 2021	-	266.67	223.98	168.19	139.52	1.31	1.12	0.66	4.03	0.73	806.21
Charge for the year	-	17.72	12.24	10.37	8.89	0.01	0.14	0.04	0.12	0.15	49.69
Disposals	-	-	-	0.35	-	1.20	0.14	0.22	0.05	0.11	2.07
As at March 31, 2022	-	284.39	236.22	178.21	148.41	0.13	1.12	0.48	4.10	0.77	853.83
Charge for the year	-	17.72	0.55	10.38	8.89	0.01	0.13	0.09	0.11	0.14	38.02
Disposals	-	-	-	-	-	0.00	0.00	-	-	0.15	0.15
As at March 31, 2023	-	302.11	236.77	188.59	157.30	0.14	1.25	0.57	4.21	0.76	891.70
Net carrying value as at March 31, 2022	30.56	552.04	35.95	314.29	275.00	0.05	0.57	0.12	0.76	0.66	1,210.00
Net carrying value as at March 31, 2023	30.56	534.32	35.40	303.93	266.11	0.06	0.45	0.09	0.65	0.70	1,172.25

Notes:
All the assets are owned by the Company except as mentioned otherwise.
1. Gross carrying value of buildings and roads as at March 31, 2023 includes cost of roads Rs. 1.29 crores (Previous year- Rs. 1.29 crores) constructed on land aquired for the project under irrevocable use of asset.
2. Gross carrying value of transmission line includes payment for 'Rights to use' amounting to Rs. 52.54 crores (Previous year- Rs. 52.54 crores) and accumulated depreciation of Rs. 20.40 crores as on March 31, 2023 (Previous year- Rs. 19.09 crores) (including depreciation charged during the year is of Rs 1.31 crores (Previous year- Rs. 1.31 crores)). '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 (for current and previous year) includes Rs. 29.99 crores 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. 7.06 crores and the mutation is in progress.

3.1 CAPITAL WORK IN PROGRESS

(Rs. in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Capital work-in-Progress ("CWIP")		
Opening Balance	-	-
Service cost	0.30	-
Total	0.30	-

CWIP as at March 31, 2023	<1year	1-2Years	2-3 Years	>3 years	Total
Project in progress	0.30	-	-	-	-

CWIP as at March 31, 2022	<1year	1-2Years	2-3 Years	>3 years	Total
Project in progress	-	-	-	-	-

Note: As on March 31, 2023, projects under CWIP are not overdue and has not exceeded its cost compared to its original plan and none of the projects are suspended.

4. Loans

(Rs. in crores)

Particulars	Non - current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good (measured at amortised cost)				
Loans to employees	0.13	0.12	0.25	0.15
Total	**0.13**	**0.12**	**0.25**	**0.15**

5. Other financial assets

(Rs. in crores)

Particulars	Non - current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Interest accrued on banks deposits	-	-	0.18	0.07
Deposits with original maturity period of more than 12 months*	0.03	0.03	-	-
Total	**0.03**	**0.03**	**0.18**	**0.07**

*Fixed deposit of Rs. 0.03 crores (Previous year Rs. 0.03 crores) pledged with the H.P. Government Sales Tax Department and Transport Authority

6. Other assets

(Rs. in crores)

Particulars	Non - current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
(Unsecured, considered good)				
Security deposits	0.12	0.12	-	-
Advances to employees	-	-	0.13	0.17
Prepaid expenses	0.07	0.03	0.96	0.99
Advances to Suppliers				
- Unsecured, considered good	-	-	0.51	0.40
- Unsecured, considered doubtful	-	-	0.24	0.24
Less: Provision for doubtful advances	-	-	(0.24)	(0.24)
Total	**0.19**	**0.15**	**1.60**	**1.56**

7. Inventories (Lower of cost and net realizable value)

(Rs. in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Stores and spares*	7.52	8.23
Total	**7.52**	**8.23**

* Includes stores and spares lying with third party	0.54	0.56

8. Trade receivables

(Rs. in crores)

Particulars	Non-current*		Current	
	As at March 31,	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Trade receivables				
-Unsecured, considered good	29.22	29.22	7.39	16.14
-Credit impaired	3.17	3.17	-	-
Less : Provision for expected credit loss	(3.17)	(3.17)	-	-
Total	**29.22**	**29.22**	**7.39**	**16.14**

Note: Average credit period for the Company's receivables from its generation and transmission business is in the range of 7 to 60 days.
* Refer Note No. 29.3 (ii)

Trade Receivables Ageing Schedule- Non Current

As at March 31, 2023	Not Due	Outstanding for following periods from due date					
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Disputed Trade Receivables - others	-	-	-	-	2.56	29.83	32.39
Disputed Trade Receivables -credit impaired	-	-	-	-	-	(3.17)	(3.17)
Total	-	-	-	-	2.56	26.66	29.22

As at March 31, 2022	Not Due	Outstanding for following periods from due date					
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Disputed Trade Receivables - others	-	-		2.27	20.36	9.76	32.39
Disputed Trade Receivables -credit impaired	-	-	-	-	-	(3.17)	(3.17)
Total	-	-	-	2.27	20.36	6.59	29.22

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Trade Receivables Ageing Schedule- Current

As at March 31, 2023	Not Due	Outstanding for following periods from due date					
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables - considered good	5.94	0.80	-	-	-	-	6.75
Undisputed Trade Receivables - which have significant increase in credit	-	-	-	-	-	-	-
Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Trade Receivables-Billed	**5.94**	**0.80**	-	-	-	-	**6.75**
Trade Receivables-Unbilled	0.64	-	-	-	-	-	**0.64**
Total	**6.58**	**0.80**	-	-	-	-	**7.39**

As at March 31, 2022	Not Due	Outstanding for following periods from due date					
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables - considered good	13.09	1.99	0.43	-	-	-	15.50
Undisputed Trade Receivables - which have significant increase in credit	-	-	-	-	-	-	-
Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Trade Receivable-Billed	**13.09**	**1.99**	**0.43**	-	-	-	**15.50**
Trade Receivable-Unbilled	0.64	-	-	-	-	-	**0.64**
Total	**13.73**	**1.99**	**0.43**	-	-	-	**16.14**

9. Cash and cash equivalents **(Rs. in crores)**

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on hand	0.03	0.03
Balances with banks		
- Current accounts	0.83	1.54
- In deposit accounts (with original maturity less than 3 months)	2.95	6.97
Total	**3.81**	**8.54**

10. Bank Balances **(Rs. in crores)**

Particulars	As at March 31, 2023	As at March 31, 2022
Margin money (held as security)*	0.19	5.50
In deposit accounts	92.10	12.56
Total	**92.29**	**18.06**

* Held as margin money with IDBI Bank as at 31 March 2023 and IDBI trustee as at March 31,2022 amounting Rs 0.19 crores & Rs. 5.50 crores respectively.

11. Deferred tax assets/(liabilities)

Particulars	As at March 31, 2023	As at March 31, 2022*
Tax effects constituting deferred tax assets		
Brought forward depreciation	181.70	236.43
Provision for employee benefits	0.68	0.51
Total Deferred tax assets (a)	**182.38**	**236.94**
Tax effects constituting deferred tax liabilities		
Difference between tax base and book base of Property, plant and	(209.32)	(206.64)
Total Deferred tax liabilities (b)	**(209.32)**	**(206.64)**
Net deferred tax assets/(liabilities) (a) +(b)	(26.94)	30.30

* not recognized due to lack of reasonable certainty of sufficient future taxable income against which such net deferred tax assets can be realized as the Company had substantial unabsorbed depreciation. In the current year, the Company has recognized net Deferred tax liability

12. Share capital **(Rs. in crores)**

Particulars	As at March 31, 2023	As at March 31, 2022
Authorized Shares		
70,00,00,000 (Previous year 70,00,00,000) equity shares of Rs. 10 each	700.00	700.00
Issued, Subscribed and fully paid-up shares		
56,01,52,841 (Previous year 56,01,52,841) equity shares of Rs. 10 each fully paid	560.15	560.15
Total	**560.15**	**560.15**

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

Particulars		As at March 31, 2023		As at March 31, 2022	
		Numbers of	(Rs. in crores)	Numbers of shares	(Rs. in crores)
Shares outstanding at the beginning of the year		560,152,841	560.15	560,152,841	560.15
Movement during the year		-	-	-	-
Shares outstanding at the end of the year		560,152,841	560.15	560,152,841	560.15

(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.

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 parent company:

Particulars	As at March 31, 2023		As at March 31, 2022	
	Numbers of	(Rs. in crores)	Numbers of shares	(Rs. in crores)
Malana Power Company Limited, the parent company, alongwith its	560,152,841	560.15	492,955,640	492.96

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	Numbers of	(in %)	Numbers of shares	(in %)
Name of the Shareholders				
Malana Power Company Limited, alongwith its nominees	560,152,841	100%	492,955,640	88%
International Finance Corporation, Washington	-	-	67,197,201	12%

(e) Shares held by promoters

Particulars	Promoter Name	As at March 31, 2023		As at March 31, 2022	
		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 Rs. 10 each fully paid	Malana Power Company Limited, alongwith its nominees	560,152,841	100%	492,955,640	88%
Total		560,152,841	100%	492,955,640	88%

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

13. Other equity

Particulars	(Rs. in crores)
(A) Retained earnings:	
Balance as at April 1, 2021	(96.80)
Profit for the year	98.30
Other comprehensive loss (net of tax)	(0.09)
Balance as at March 31, 2022	1.41
Profit for the year	202.19
Other comprehensive loss (net of tax)	(0.18)
Balance as at March 31, 2023	203.42

Particulars	(Rs. in crores)
(B) Deemed Equity Contribution:	
Balance as at April 1, 2021	551.76
Reclassified in 2021-22	(52.45)
Balance as at March 31, 2022	499.31
Additions/Deletions during the year	-
Balance as at March 31, 2023	499.31
Total other equity as at March 31, 2023	702.73

Nature and Description of Reserves:
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.

14. Non-Current Borrowings (Rs. in crores)

Particulars	Non - current	
	As at March 31, 2023	As at March 31, 2022
Term loans		
From banks (secured)	-	74.38
Other loans		
Loan - Parent Company (unsecured)*	-	146.00
Total	-	220.38
Less: Current maturities (disclosed in short term borrowings)	-	(8.15)
Total	-	212.23

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Notes:

(i) Term Loan from Bank :

Interest on term loan from Indusind Bank Limited is 6.20% per annum (Previous year 8.00% per annum). This loan is fully repaid during the year.

The loan is 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 Parent Company, Malana Power Company Limited, has provided corporate guarantee (up to annual cap of Rs. 80.00 crores) 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 - parent company (unsecured)**

Term loan from Parent 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 parent 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. During the year, such outstanding loan has been repaid in full.

15. Tax assets

(Rs. in crores)

Particulars	Non - current		Current	
	As at March 31, 202	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Advance income tax (net of provisions)	0.98	9.47	-	-
Tax assets	0.98	9.47	-	-

16. Other financial liabilities

(Rs. in crores)

Particulars	Non - current		Current	
	As at March 31,	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Capital creditors	-	-	-	0.07
Deposit from contractors and others	-	-	0.09	0.10
Total	-	-	0.09	0.17

17. Provisions

(Rs. in crores)

Particulars	Non - current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits:				
- Gratuity (Refer Note No. 31.3)	-	-	0.66	0.27
- Compensated absences (Refer Note No. 31.3)	1.89	1.68	0.09	0.09
Total	1.89	1.68	0.75	0.36

18. Trade payables*

(Rs. in crores)

Particulars	Non - current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Trade payables				
- total outstanding dues of micro and small enterprises (Refer Note	-	-	0.05	-
- total outstanding dues of creditors other than micro and small	-	-	22.30	16.35
Total	-	-	22.35	16.35

*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, 2023 is as follows:

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Trade payable							
MSME (refer details below)	-	0.05	-	-	-	-	0.05
Others	1.91	2.60	16.57	0.01	0.71	0.51	22.30
Total	1.91	2.65	16.57	0.01	0.71	0.51	22.35

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

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6	Less than 1	1 - 2 years	2 - 3 years	More than 3 years	Total
Trade payable							
MSME (refer details below)	-	-	-	-	-	-	-
Others	-	-	15.44	0.10	0.21	0.60	16.35
Total	-		15.44	0.10	0.21	0.60	16.35

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Micro, Small and Medium Enterprises

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

(Rs. in crores)

Particulars	As at March 31,	As at March 31, 2022
The principal amount remaining unpaid to any supplier as at the end of the year	0.05	-
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 Current liabilities

(Rs. in crores)

Particulars	Current	
	As at March 31, 2023	As at March 31, 2022
Statutory liabilities	0.59	0.86
Advance received for tower re-routing work	0.65	1.07
Total	1.24	1.93

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AD HYDRO POWER LTD.

20. Revenue from operations (Rs. in crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
a) Revenue from power supply	307.81	248.96
b) Revenue from transmission income	7.41	6.85
Revenue from Operations	**315.22**	**255.81**

21. Other income (Rs. in crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest income earned on financial assets that are measured at amortised cost-		
- Interest on deposits with banks	5.89	2.89
Interest on Income tax refund	0.26	-
Sale of certified emission reductions	2.48	1.39
Insurance claim received	-	0.01
Miscellaneous income	1.34	1.18
Total	**9.97**	**5.47**

21.1 Transmission charges (Rs. in crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Open access charges	4.68	15.30
Bulk power transmission charges (Refer note 29.2(a))	3.82	29.15
Total	**8.50**	**44.45**

22. Employee benefits expense (Rs. in crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, wages and bonus	15.22	13.46
Contribution to provident and other funds (Refer Note no. 31.1)	0.95	0.79
Gratuity expenses (Refer Note no. 31.3)	0.22	0.18
Compensated absences expenses (Refer Note no. 31.3)	0.24	0.14
Staff welfare expenses	0.47	0.60
Total	**17.10**	**15.16**

23. Finance costs (Rs. in crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
a) Interest expense		
- Interest on term loans	1.51	13.22
- On loan from parent company	8.10	13.94
- Interest others	-	1.76
b) Finance and bank charges	0.02	5.94
Total	**9.63**	**34.86**

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24. Depreciation expense

(Rs. in crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation on property, plant and equipment	38.02	49.69
Total	**38.02**	**49.69**

25. Other expenses

(Rs. in crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Stores, spares & other consumables	3.60	2.50
Rent	0.52	0.47
Power and fuel	1.54	1.42
Repair and maintenance		
- Plant and machinery	2.78	1.42
- Others	2.40	2.28
Rates and taxes	0.20	0.05
Insurance	3.12	3.07
Payment to auditors (Refer Note (1) below)	0.20	0.18
Traveling and conveyance	0.27	0.24
Legal and professional expenses	1.73	1.45
Security arrangement expenses	1.79	1.49
Social welfare expenses	0.17	0.63
Corporate social responsibility expenses (Refer Note (2) below)	1.09	0.69
Vehicle running and hiring expenses	1.20	1.14
Loss on disposal of property, plant and equipment	0.03	0.21
Outsourced support cost	0.88	0.73
Miscellaneous expenses	1.01	0.86
Total	**22.52**	**18.82**

Notes :

(1) Payment to auditors :

(Rs. in crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
- Fees for Statutory Audit	0.16	0.14
- Fees for certification	-	0.01
- Reimbursement of expenses	0.01	0.01
- Goods and service tax on above	0.03	0.03
Total	**0.20**	**0.18**

(2) Corporate social responsibility expenditure

Particulars	Year ended March 31, 2023
a) Amount required to be spent as per Section 135 of the Act	1.09
b) Amount spent during the year on the following:	
(i) Construction/Acquisition of any asset	-
(ii) On purposes other than (i) above	1.09
Total (i) + (ii)	**1.09**

Amount unspent as on March 31, 2023 is Rs. Nil (Previous year Rs. Nil)

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26. Tax expense

(Rs. in crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Current tax	0.29	-
Deferred tax charge	26.94	
Total	**27.23**	**-**

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

(Rs. in crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Accounting profit before Income-tax	**229.42**	**98.30**
At India's statutory income tax rate of 25.17%	57.74	24.74
Tax effect of depreciation and expenses that are not deductible for determining taxable profits	(2.29)	(1.44)
Tax effect of income from sale of emission reductions certificates taxable at lower rate	(0.29)	(0.19)
	55.16	**23.11**
Tax expense	55.16	23.11
Less: Set off of carried forward unabsorbed depreciation	(55.16)	(23.11)
Net Income tax expense	-	-
Tax effect of deferred tax assets not recognized till date	(48.38)	-
Tax effect of temporary differences that are not deductible for determining taxable profits	(2.02)	-
Tax effect of unabsorbed depreciation	77.34	-
Add: Tax effect of income from sale of emission reductions certificates taxable at lower rate	0.29	-
Income tax expenses reported in the Statement of Profit & Loss	**27.23**	**-**

27. Earning per share

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit for the year attributable to owners of the Company (Rs. in crores) (a)	202.19	98.30
Weighted average number of equity shares for the purpose of basic and diluted earning per share (No. of shares in crores) (b)	56.02	56.02
Basic earning per share (in Rs.) [(a) / (b)]	3.61	1.75
Diluted earning per share (in Rs.)	3.61	1.75

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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 crores)

Particulars		As at March 31, 2023	As at March 31, 2022
Claims against the Company not acknowledged as debt			
	Demand under The Building & Other Construction Workers Welfare Cess Act, 1996 (BOCW) (Refer note (a) below)	14.60	14.60
	Demand under Local Area Development Fund (LADF) from Directorate of Energy, Government of Himachal Pradesh (refer note (b) below)	14.27	14.27
	Demand raised by Directorate of Fisheries, Himachal Pradesh (refer note (c) below)	0.65	0.65
	Demand of lease rentals by Himachal Pradesh Govt. for diverted forest land **	-	26.12

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

** The Government has withdrawn the demand of lease rentals for diverted forest land in July 2022.

Notes:

(a) During the financial year 2012-2013, the Cess Assessing Officer vide order dated January 23, 2013 had raised a demand of ₹14.60 crores 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 the year ended March 31, 2006, Directorate of Energy (DOE) of Himachal Pradesh had raised a demand of Rs. 14.27 crores on the Company towards Local Area Development Fund (LADF) which was determined considering 1.5% of the final cost of the project of the Company of Rs. 1,607 crores. 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. 922 crores 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. 14.23 crores. 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) During the year ended March 31, 2013, the Department of Fisheries directed the Company to pay an amount of Rs. 1.00 crore 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. The Company had filed a Writ Petition in the Hon'ble High Court of Himachal Pradesh against the said demand and based on the directive of Hon'ble High Court of Himachal Pradesh has deposited Rs. 0.35 crores to Department of Fisheries.
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. However, the Company had written off the deposit amount as there is no movement in this case for more than 5 years and has disclosed the balance of Rs. 0.65 crores as contingent liabilities.

(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) On December 24, 2021, the Company had received a demand of Rs. 58.33 crores 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 had computed the relinquishment charges as per methodology specified by aforesaid order, along with interest, amounting to Rs.16.32 crores and has provided for in the books of account during the previous year.
Based on the management's assessment, no additional provision is required.

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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 previous year, the Company had relinquished the Agreement.
Besides, in accordance with implementation agreement with Government of Himachal Pradesh (GOHP), the company shall provide 12% (18% w.e.f. July 29 2022) of its deliverable energy free of cost to GOHP. [refer Note 29.1 (e) 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, 2023, the Company has net worth of Rs. 1,262.88 crores (Previous Year- Rs. 1,060.87 crores) and accumulated profits of Rs. 203.32 crores as at March 31, 2023 (Previous Year- accumulated profits amounting Rs. 1.41 crores). 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 value of property, plant and equipment on account of impairment and the Company will have sufficient cash flow to meets its future obligations.

(ii) **Dispute related to parties using the transmission line**
During the earlier years, the Company had raised invoices to the parties using the dedicated transmission system of the Company based on capital cost of Rs. 416.61 crores in terms of Interim Agreement entered into by the parties. However subsequently the capital cost had been challenged by one of the Parties and Central Electricity Regulatory Commission ('CERC') approved the capital cost of Transmission System at Rs. 238.92 crores as against the capital cost submitted by the Company of Rs. 416.61 crores [on the date of commercial operation date ("COD")]/Rs.452.84 crores (with additional capitalization). The management is of the view that the methods used to derive the capital cost by the CERC are not in accordance with the Tariff Regulations of CERC itself. Therefore, the Company had filed an appeal against the CERC Order before Appellate Tribunal (APTEL) in October 2019, which is yet to come for final hearing.
However during the current year, in another proceeding, APTEL, vide order dated October 31, 2022, declared the transmission system of Company as deemed Inter State Transmission System ('ISTS system') with retrospective effect and remanded the case to CERC for calculation of transmission tariff based on point of connection ("POC") mechanism. Under this mechanism , based on the management assessment supported by opinion of legal counsel, the management is of the view that the Company will not be subject to any further liability.

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 Parent Company	Bhilwara Energy Limited
Parent Company	Malana Power Company Limited
Enterprises under significant influence of key management personnel or their relatives	Rajasthan Spinning & Weaving Mills Limited ("RSWM Limited") HEG Limited BSL Limited Statkraft Market Private Limited
Fellow Subsidiary Companies	Indo Canadian Consultancy Services Limited
Key Management Personnel*	Mr. Ravi Jhunjhunwala (Director) Pankaj Kapoor (Manager)
Trust under common control	i) AD Hydro Power Limited Employees Group Gratuity Trust ii) AD Hydro Power Limited Sr. Executive Group 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 -(upto March 01, 2023) Mr. Ankur Vijay - (w.e.f. May 01, 2023)

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

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Related party disclosures

Transaction with related parties

(Rs. in crores)

Nature of Transaction	Ultimate Parent Company		Parent Company		Enterprises having significant influence over the Company		Key Management Personnel		Fellow subsidiary 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
Transactions during the year												
(i) Remuneration paid												
Mr. Pankaj Kapoor	-	-	-	-	-	-	0.38	0.35	-	-	-	-
(ii) Consultancy service charges paid	-	-	-	-	-	-	-	-	0.35	0.07	-	-
(iii) Reimbursement of expenses given												
a) Bhilwara Energy Limited	-	0.01	-	-	-	-	-	-	-	-	-	-
b) RSWM Limited	-	-	-	-	0.09	0.17	-	-	-	-	-	-
c) HEG Limited	-	-	-	-	0.14	0.00	-	-	-	-	-	-
d) BSL Limited	-	-	-	-	0.11	0.04	-	-	-	-	-	-
(iv) Rent paid	-	-	-	-	0.12	0.12	-	-	-	-	-	-
(v) Material Sale	-	-	0.10	0.13	-	-	-	-	-	-	-	-
(iv) Interest expense on loan	-	-	8.10	13.94	-	-	-	-	-	-	-	-
(v) Professional expenses	-	-	-	-	0.28	0.32	-	-	-	-	-	-
(vi) Unsecured loan repaid	-	-	146.00	-	-	-	-	-	-	-	-	-
(vii) Contribution made in Trust:												
a) AD Hydro Power Limited Employee Group Gratuity Trust	-	-	-	-	-	-	-	-	-	-	-	0.18
b) AD Hydro Power Limited Sr. Executive Group Superannuation Trust	-	-	-	-	-	-	-	-	-	-	0.09	0.03
(viii) Benefits paid on behalf of Trust:												
AD Hydro Power Limited Employee Group Gratuity Trust	-	-	-	-	-	-	-	-	-	-	0.11	0.01
Balance outstanding as at year-end:												
i) Trade receivables	-	-	-	-	2.32	11.36	-	-	-	-	-	-
ii) Unsecured loan	-	-	-	146.00	-	-	-	-	-	-	-	-

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c) **Compensation of Key Management Personnel**

(Rs. in crores)

Particulars	Mr. Pankaj Kapoor Manager	
	Year ended March 31, 2023	Year ended March 31, 2022
Short Term Benefit#	0.37	0.33
Defined Contribution Plan	0.02	0.02
Total	**0.39**	**0.35**

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. 0.09 crore (previous year Rs. 0.04 crore) 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 0.78 crores (previous year Rs. 0.75 crores) 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 crores)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Current	Non-Current	Total	Current	Non-Current	Total
Compensated absence obligation	0.09	1.89	**1.98**	0.09	1.68	**1.77**
Gratuity: -Present value of funded defined benefit obligation	0.11	3.50	**3.61**	0.13	2.97	**3.10**
Fair value of plan assets	-	3.22	**3.22**	-	3.23	**3.23**
Net defined benefit obligation/ (Surplus recognized in balance sheet)		-	**0.39**	-	-	**(0.13)**

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

(Rs. in crores)

Particulars	Gratuity		Compensated absences	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Present value of obligation as at the beginning of the period	3.10	2.64	1.77	1.64
Interest Cost	0.22	0.18	0.13	0.11
Current Service Cost	0.23	0.21	0.13	0.13
Benefits Paid	(0.11)	(0.01)	(0.04)	(0.01)
Actuarial (Gain)/Loss on obligation	0.18	0.08	(0.02)	(0.10)
Present value of obligation as at the End of the period	**3.62**	**3.10**	**1.97**	**1.77**

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

(Rs. in crores)

Particulars	Gratuity		Compensated absences	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Service Cost	0.23	0.21	0.13	0.13
Net Interest Cost	(0.01)	(0.03)	0.13	0.11
Remeasurements	-	-	(0.02)	(0.10)
Expense recognized in the Income Statement	**0.22**	**0.18**	**0.24**	**0.14**

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

(Rs. in crores)

Particulars	Gratuity	
	As at March 31, 2023	As at March 31, 2022
Actuarial gain / (loss) for the year on Define Benefit Obligation	(0.18)	(0.08)
Actuarial gain /(loss) for the year on Plan Assets		(0.01)
Defined benefit cost recognized in other comprehensive income/(loss)	(0.18)	(0.09)

v) Movement in the fair value of plan assets

(Rs. in crores)

Particulars	Gratuity	
	As at March 31, 2023	As at March 31, 2022
Fair value of plan assets at the beginning of the year	3.23	3.04
Actual return on plan assets	0.11	0.20
Employer contribution	-	-
Benefits paid	(0.11)	(0.01)
Fair value of plan assets at the end of the year	**3.22**	**3.23**

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

Particulars	Gratuity	
	As at March 31, 2023	As at March 31, 2022
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	-	-
Total	100%	100%

vii) Significant Actuarial Assumptions

Particulars	Gratuity		Compensated absences	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
i) Discounting Rate	7.38	7.23	7.38	7.23
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) The discount rate is based on the prevailing market yields of Government 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 such as supply & demand in the employement market

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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:

(Rs. in crores)

Particular	Gratuity	
	For period ending March 31,2023	For period ending March 31,2022
a) Impact of the change in discount rate		
Present Value of Obligation at the end of the period	3.62	3.10
Impact due to increase of 0.50%	(0.18)	(0.16)
Impact due to decrease of 0.50%	0.19	0.17
b) Impact of the change in salary increase		
Present Value of Obligation at the end of the period	3.62	3.10
Impact due to increase of 0.50%	0.19	0.18
Impact due to decrease of 0.50%	(0.18)	(0.16)

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

(Rs. in crores)

Expected cash flow for next 10 years	Gratuity
0 to 1 Year	0.11
1 to 2 Year	0.06
2 to 3 Year	0.23
3 to 4 Year	0.09
4 to 5 Year	0.10
5 to 6 Year	0.37
6 Year onwards	2.66

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, 2023 and March 31, 2022.

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:

(Rs. in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Variable rate borrowings	-	-
Fixed rate borrowings	-	220.37
Total	-	**220.37**

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(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, 2023 and March 31, 2022.

(Rs. in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
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 is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks 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, 2023.

(Rs. in crores)

Financial assets to which loss allowance is measured using lifetime/ 12 months Expected credit loss(ECL)	As at March 31, 2023			As at March 31, 2022		
	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	0.38	-	0.38	0.27	-	0.27
Security Deposits	0.12	-	0.12	0.12	-	0.12
Trade Receivables	39.78	3.17	36.61	48.52	3.17	45.36
Cash and Cash Equivalents	3.81	-	3.81	8.54	-	8.54
Bank Balances	92.29	-	92.29	18.06	-	18.06
Others	0.21	-	0.21	0.11	-	0.11
Total	**136.60**	**3.17**	**133.43**	**75.63**	**3.17**	**72.46**

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 crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	3.17	3.17
Add : Provision for expected credit loss recognized during the year	-	-
Less : Provision reversed during the year	-	-
Balance at the end of the year	3.17	3.17

(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:

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AD HYDRO POWER LTD.

(Rs. in crores)

As at March 31, 2023	Less than 12 months	12 months to 3 years	More than 3 years	Total
Borrowings	-	-	-	-
Trade payables	21.12	0.71	0.52	**22.35**
Capital Creditors	-	-	-	-
Sundry Deposits	0.12	-	-	**0.12**

(Rs. in crores)

As at March 31, 2022	Less than 12 months	12 months to 3 years	More than 3 years	Total
Borrowings	8.15	22.04	190.18	**220.37**
Trade payables	15.37	0.31	0.60	**16.28**
Capital Creditors	0.07	-	-	**0.07**
Interest accrued but not due on loan from financial institution	1.56	-	-	**1.56**
Sundry Deposits	0.10	-	-	**0.10**

(I) 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.

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:

(Rs. in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Net Debt	-	211.83
Total Equity	1,262.88	1,060.88
Net Debt to Equity Ratio	-	**0.20**

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

(Rs. in crores)

Particulars	As at March 31, 2023				As at March 31, 2022			
	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	-	-	0.38	**0.38**	-	-	0.27	**0.27**
Security deposit	-	-	0.12	**0.12**	-	-	0.12	**0.12**
Trade receivables	-	-	36.61	**36.61**	-	-	45.36	**45.36**
Cash and Cash Equivalents	-	-	3.81	**3.81**	-	-	8.54	**8.54**
Bank Balances	-	-	92.29	**92.29**	-	-	18.06	**18.06**
Others	-	-	0.21	**0.21**	-	-	0.11	**0.11**
Total Financial assets	-	-	**133.43**	**133.43**	-	-	**72.46**	**72.46**
Borrowings	-	-	-	-	-	-	220.37	**220.37**
Trade Payables	-	-	22.35	**22.35**	-	-	16.28	**16.28**
Interest accrued but not due on loan from bank and financial institutions	-	-	-	-	-	-	1.56	**1.56**
Sundry Deposit	-	-	0.12	**0.12**	-	-	0.10	**0.10**
Capital Creditors	-	-	-	-	-	-	0.07	**0.07**
Total financial liabilities	-	-	**22.47**	**22.47**	-	-	**238.38**	**238.38**

33 Ratios

Ratio	Numerator	Denominator	As at March 31, 2023	As at March 31, 2022	Variances (%)	Remarks/ Reason for Variance if change is more than 25%
(a) Current ratio (in times)	Current assets	Current liabilities	4.63	1.96	137%	Increase is mainly due to increase in other bank balance on account of cash generated from operating activites during the year
(b) Debt-Equity ratio (in times)	Total debt (Non-current and current)	Shareholder's equity (Total equity)	-	0.21	-100%	Decrease is mainly on account of repayment of entire borrowings during the year
(c) Debt Service Coverage Ratio (in times)	Earnings available for debt service = net profit after taxes + depreciation expense + finance costs + non-cash operating expenses + other non-cash adjustments	Debt service = interest + principal repayments	1.09	1.23	-12%	
(d) Return on Equity Ratio (in %)	Net profit after taxes	Average shareholder's equity (Total Equity)	17.40%	9.47%	83.74%	Increase is due to increase in profit during the current year which is on account of increase in revenue from power supply which is mainly due to increase in average tariff rate
(e) Trade Receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	7.69	6.25	23.10%	
(f) Trade payables turnover ratio (in times)	Net credit purchases	Average trade payables	1.17	1.56	-25.30%	Decrease is due to decrease in transmission charges and resultant payables.
(g) Net capital turnover ratio (in times)	Revenue from operations	Working capital = Current assets - Current liabilities	3.56	9.92	-64.18%	Decrease is mainly due to increase in working capital as a result of cash generated from operations during the current year
(h) Net profit ratio (in %)	Profit for the year	Revenue from operations	64.14%	38.43%	66.90%	Increase is due to increase in profit during the current year which is on account of increase in revenue from power supply due to increase in average tariff rate and decrease in finance cost due to repayment of entire borrowings
(i) Return on Capital employed (in %)	Profit before tax and finance costs	Capital employed = Tangible net worth + total debt + deferred tax liability	17.40%	5.98%	190.99%	Increase is due to increase in profit for the year which is mainly on account of increase in revenue from power supply due to increase in average tariff rate.

Note: Return on Investment Ratio and Inventory Turnover 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 struck off Companies under Companies Act, 2013 or Companies Act, 1956.

(iii) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies 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 account 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:-

Haskins & Sells LLP Deloitte Chartered Accountants

AD HYDRO POWER LTD.

(Rs. in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Amount required to be spent by the company during the year,	1 09	0 61
(ii) Amount of expenditure incurred,	-	-
(a) Construction/acquisition of any asset	-	-
(b) On purposes other than (a) above	1 09	0 69
(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. 37.38 crores 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. 5.66 crores	Concerned Landowners	No	The additional private land was purchased between 2005 to 2014	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 The additional private land was mainly purchased as per requirement during construction phase. The entire land is in possession of the company, 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. 1.39 crores	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 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

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

Ankur Vijay
Company Secretary
M No :- ACS38680

Place : Prini, Manali, H.P
Date : May 09, 2023

Deloitte Haskins & Sells LLP Chartered Accountants

AD HYDRO POWER LTD.